



Interview with Michael Cairns

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KENNEALLY: In July, Pearson announced it would end the longstanding practice among textbook publishers of revising all active titles every three years according to a printing schedule. Instead, the British-based education publisher will employ a digital-first discipline for its publishing program. As textbooks give way to courseware, publishers will be looking for an education in 21st century business models.

Welcome to Copyright Clearance Center's podcast series, I'm Christopher Kenneally for Beyond the Book. Publishing analyst Michael Cairns recently examined the latest developments in the creation, sourcing, and delivery of textbooks. Administrators, instructors, and students, says Cairns, will increasingly demand all-inclusive and unlimited access to online educational materials. Think Netflix for textbooks. Such an all-access model naturally favors global players who already have won prominent positions in university library systems. Meanwhile, a fight looms over control of usage data.

Michael Cairns, who blogs at Personanondata.com joins me now. Welcome back to Beyond the Book, Michael.

CAIRNS: Hey, Chris, how are you?

KENNEALLY: I'm doing well, Michael, and appreciate your joining us because this is a sector of the publishing world that is changing rapidly and making some important decisions in direction. I mentioned the announcement from Pearson just recently, but probably this goes back to about two years ago, when Cengage launched their subscription program.

CAIRNS: Yeah, that's right, it does, and they caused a fair amount of consternation, I think, because for textbook publishers, anyway, this was a new model. The ability for a student to actually pay either by the semester or by an annual fee, a relatively low amount of money versus what they might traditionally be spending on print textbooks. I think it took some publishers by surprise, and it's been, according to Cengage, quite successful. They've been able to continue their announcements about how successful it's been, and suggested it's saved students money through



this program, but also generated as many as a million new students buying the package. So it's a very interesting time, as you said.

KENNEALLY: And what's driving this, I guess two important points. One is the price of print textbooks has always been a sore spot with students and their parents, so cost is a factor. The other factor, of course, is digital disruption and the move away from print towards digital, not only for textbooks, but for all the supplementary materials, as well.

CAIRNS: Yeah, that's right. I think that it's long been prophesized, if you will, that the print textbook would disappear, but it's actually taken quite a bit longer than I think people would have anticipated, especially when you look at the growth of eBooks on the trade side, you look at the transition from print journals to online databases that has taken place over the last almost 20 years now, that you would have thought that perhaps the textbook market would have transitioned already. But as it turned out, the textbook is a very, very reliant medium or mechanism to educate students and facilitate the distribution of content to students. They like the package that it's in, functionally it works very, very well for a student to get their education material in print form, as the textbook does. But I think what we're starting to see now is a couple of factors playing into this – the fact that more and more content, generally, is available, and students are starting to be much, much more comfortable with it in electronic form, and the products are starting to get better in online form versus what they might have existed in as published material – printed material.

KENNEALLY: And the transition from print to digital raises important questions, Michael, and there's some things that have been practices at universities for a long time that may need to change. One thing is that academics were never required to get their textbooks from a single specific publisher, and so there's this notion of faculty independence. As you point out in your blog post on the topic in Personanondata, there's going to be a challenge here of interoperability.

CAIRNS: Yeah, I think so. I think that there's going to be a little bit of friction here between the university administrators who want to provide the best solution for – best and most cost effective solution for their students because of the fact that, as you said, there's been a lot of discussion around the rising cost of textbooks, and how much a student would pay per semester for their textbooks. So that is definitely an issue, but it's not to say that faculty members don't feel this cost issue, as well.

But if an administrator decides they want to sole source the provision of textbooks from, say, a Pearson or a Cengage, then what does the academic faculty member do? Do they still continue to assign textbooks from third-party publishers or



publishers outside that universe where it might cost the student more, or do they succumb and then change their sourcing to accommodate those global deals that the provost or the administrators have put together? What kind of a fuss do they raise about, as you said, academic freedom, and the ability for the faculty members, who traditionally have had basically carte blanche in selecting the materials that the students are going to use in their class.

So there will be some friction around this, but I actually think that we're going to see a number of platforms develop in provisioning electronic textbooks to universities. I don't believe we'll see too many sole source agreements. There have been already a few, but I think long term, we're going to see much more of a grouping, if you will, of providers that are able to deliver textbooks from multiple publishers on one platform.

KENNEALLY: And that expectation you have leads you to suggest that aggregation is going to be critical moving forward, so that would favor some players that are already in place. Certainly there's the group of aggregators that have been providing text to libraries for many years – EBSCO, ProQuest, and Gale. There's also publishers like Wiley, Taylor & Francis, Wolters Kluwer, who have another type of aggregated publishing advantage because they publish not only textbooks and so forth, but also many academic journals.

CAIRNS: Yeah, I think that might be the case. I think that the folks that you mentioned have an advantage. They've been able to work with universities on these types of package deals, certainly in digital form, at least for 20 years in the case of a Taylor & Francis or a Wiley, some of the others, EBSCOs and ProQuests, they understand how the selection process works. They have worked with provosts and librarians, etc., for a long, long time, so I do think they do have that advantage, whereas the traditional textbook publishers have typically worked through a third party or they've really focused their activities with individual faculty members to select their titles. So there's a little bit of a difference there in the business model and how they approach the market.

The other thing that I think that these aggregators have is actually the delivery of the content. They have now been able – they've got a lot of experience in mingling content, making content relevant, delivering up search results that provide a broad base of content that is relevant to the user, so these platforms are pretty mature. That's not to say that Cengage and Pearson can't invest and will invest in very, very sophisticated and good platforms, but they still have some ways to go, I think, in delivering the type of experience that perhaps an EBSCO could provide in the aggregation of the content that's delivered to the users.



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KENNEALLY: In your July 15th blog post, *Questioning My Education*, Michael, you pointed out an interesting irony in all of this, which is even though, as the large get larger, there's going to be an opportunity, perhaps a demand for what you referred to as centers of excellence who will carve out branding opportunities around specific types of content. In a way, this is a response to the inevitable when all-access, all-inclusive offerings tend to water down the brand.

CAIRNS: Yeah, I think that's something that did occur to me as I thought through this process. It remains to be seen how aggressively or how creatively, maybe, is a better word, publishers try to reinvent these brands for this online environment. Some of these titles are really well known in the marketplace, and faculty members have been sourcing Kotler's marketing textbook for 15 years and believe strongly in it. But if that title is now available as part of an aggregated database, how do you carve out the specific value of that particular author and that particular content. Can you maybe even do things in a much more sophisticated and much more interesting way by, as I said in the note, carving out that center of excellence. So you make the marketing title not just simply a textbook, which is how it exists very powerfully in the print world, but you create some type of an online experience around much more interactive aspects of marketing and teaching these subjects, and again, trying to reinvent that brand for the online world. It'll be interesting to see how many of the publishers are able to do that.

KENNEALLY: As we think about the databases of content that will emerge in this environment, the next point to raise is about the data they generate themselves, what you call exhaust data. This is the data collects information about usage and all kinds of other research activity that is undertaken by students and faculty and others. What about that? That's going to be a big fight, one imagines.

CAIRNS: Yeah, I think so, and there's also already been some discussion about this in the academic world about who actually owns that and who gets the opportunity to leverage it. It's just the general notion of privacy and how does that fit into this environment, as well? But the idea now, that a textbook publisher can actually understand how a student, and the faculty member, for sure, has interacted with this content is potentially very powerful because of course in the print world, the publisher was oftentimes several layers removed from how the content was actually used. So all kinds of aspects about how the product is developed over time to accommodate the way that the students are using it to understand which parts of the content is difficult or hard to comprehend, which students or what type of students are finding the content easy or difficult, all kinds of different information that can be fed back to a publisher or to the university or whomever has access to that would make that information quite valuable. So who owns that and who has access to it is going to be an interesting question.



Personally, I hope, with controls around it, that it can be used because I think in the end it will contribute to better products and more effective products going forward.

KENNEALLY: We have been speaking today with Michael Cairns who blogs at Personanondata about strategic trends in higher education publishing. Michael Cairns, thanks so much for joining us on Beyond the Book.

CAIRNS: Thanks for inviting me.

KENNEALLY: Beyond the Book is produced by Copyright Clearance Center. Our co-producer and recording engineer is Jeremy Brieske of Burst Marketing. Subscribe to the program wherever you go for podcasts and follow us on Twitter and Facebook. The complete Beyond the Book podcast archive is available at Beyondthebook.com. I'm Christopher Kenneally. Thanks for listening and join us again soon on CCC's Beyond the Book.

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