



**Interview with Michael Cairns  
Recorded by Textbook & Academic Authors Association**

**For podcast release**

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PATTON: I'm Kevin Patton. I'm TAA's vice president right now. And I'm happy to introduce our speakers for today's webinar, Chris Kenneally and Michael Cairns.

Chris hosts Copyright Clearance Center's podcast series called Beyond the Book, which debuted in 2006 and has posted over one and a half million downloads. That's amazing. As Copyright Clearance Center's director of relationship marketing, he's responsible for organizing and hosting programs that address the business needs of all stakeholders in publishing and research. His reporting has appeared in *The New York Times*, *The Boston Globe*, *The Los Angeles Times*, *The Independent* from London, on WBUR FM, NPR, and WGBH TV.

Our other speaker, Michael Cairns, is a publishing and media executive with over 25 years' experience in business strategy, operations, and technology implementation. As a business executive, Michael has successfully managed several troubled and underperforming businesses, creating new business opportunities, developing new funding sources, and enhancing shareholder value for investors. His years spent as an operating executive have largely been with brand-name publishing companies such as Macmillan Incorporated, Berlitz International, Wolters Kluwer Health, Reed Elsevier, Ingenta Technology, and R.R. Bowker.

KENNEALLY: Thank you, Kevin Patton.

So I should say that it's a pleasure to work again with Michael Cairns. Michael's introduction, I think, gives you a pretty good idea of his extensive background in publishing. But he and I have collaborated on various interviews for Beyond the Book over the years, and I've really always enjoyed chatting with him. He's a wealth of information, but is able to synthesize a great deal of information and kind of make it, I think, real for everyone. In particular, he's someone who's been watching this progression from the physical space to the digital space that everyone's been involved in, but particularly everyone in publishing has.



## BEYOND the BOOK

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So, Michael Cairns, I guess the real place to start is about the marketplace of digital textbooks. I suppose it would seem to make sense that this is a real opportunity for big players to get even bigger. How do you see it?

CAIRNS: Thank you for inviting me, and my pleasure in joining the TAA group, as well as the audience here, and I'm looking forward to this discussion. Certainly, obviously a lot of change going on at the moment. Setting COVID-19 aside for the minute, I think we did start to see some acceleration of the migration from print format to digital in the last two, three, four years, which was faster than what we had seen prior to that. I think even looking back 10 or 15 years, everybody was anticipating this transition from print to digital, but it never really kicked off until the last few years, as companies like Cengage and Macmillan and Pearson and McGraw-Hill and the others started to really, really invest in those tools, and they started to be adopted and accepted in the marketplace.

But now we've thrown into the mix the COVID situation, which in early March, mid-March threw the entire marketplace into a convulsion – faculty members suddenly having to teach online and without the physical presence of their students in front of them, with products or textbooks that were essentially, for the most part, designed for physical delivery, both in terms of the content itself as well as the delivery of the lectures and material through the classroom. So professors were left running around trying to figure out, how do I finish my semester?

So we saw a lot of interest in those online products that were available. And to their credit, I think, although obviously there's material benefit for publishers opening up these tools for free for a short period of time to address some of that need, it was opportunity for them to actually profile some of these products very cheaply and give faculty members the opportunity to deliver the content in a very short period of time and finish out that semester. But it's leading to probably a faster adoption of online textbook products that might not have happened had it not been for COVID. It was accelerating, and it was growing, but I think the COVID situation has really, really put some fire in the engine room of this transition.

KENNEALLY: Indeed. And the transition is what I was sort of asking about – who benefits? You mentioned publishers have been offering various materials online for free as a way of continuing the relationship. Everybody in this situation we find ourselves in in the pandemic is kind of confronted with maintaining relevance, maintaining relationships, and that's one way that publishers have done it.

But generally speaking, with or without COVID as the factor, does the acceleration of digital transformation – who does it benefit most, I guess is the question,



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Michael Cairns? Would you say that there are the larger players that have benefited most, the ones with really established platforms? I guess that implies the sense that they may grow to dominate in a way that in a different sphere – in social media for example, we see the Googles and the Facebooks – it's a very limited number of players that actually represent the choices.

CAIRNS: So I think that the large textbook companies do benefit from this transition. They have established platforms. They've invested a tremendous amount of money over the last 10 or 15 years in the development of those platforms. As I said, because the acceleration and migration maybe wasn't as fast as people anticipated, perhaps that payback had not yet realized. So as this now accelerates, then they will hopefully, from their perspective, start to see the benefits from those platform investments that they anticipated a number of years ago.

There has been consolidation, as everybody knows, at the top, so there's not a tremendous amount of competition outside of that group. So the fact that there's only a small number of players who have a large stable of content, number of titles in their repositories, in their catalogues – it means that, I think, they are most likely to benefit from further both consolidation as well as the fact that the technology itself will now be a hurdle for other players to have to contend with when they enter this market or try to participate in this market. So I think the larger publishers definitely will be benefiting from this transition the most.

However, what I would like to say, though, is that some of the products are actually in electronic format, very good products. Textbooks served a tremendous benefit and purpose for the last 200, 300 years or whatever it is and were quite useful in the marketplace. But when you see some of the ability to build in, make use of the technology in the delivery of the content and the delivery of these subjects, I think students can have the opportunity to benefit from better products and more effective outcomes from the material that they have access to through the classroom.

KENNEALLY: One other aspect, Michael, that's changing is the sourcing of the textbooks and other materials, because the offerings that many publishers are making right now are all-inclusive, all-you-can-eat – sort of think Netflix for textbooks, right? That is going to be changing the way that many professors have been choosing their course materials in the past. They would have been choosing what they thought might have been the best textbook for them, regardless of the original publishing source. Now, with these offerings in the institutions that may be all-inclusive, all subjects, many professors may see this as a limitation on their choice.



CAIRNS: Yeah, I think that's probably true. To be honest, I haven't necessarily seen a lot of that feedback from the marketplace. There's still a large degree and deference to faculty members and their ability to make their own choice as to what materials they use in class. At least that's my experience in the last few years, and it hasn't really changed, from what I can tell. So I'm not sure about that.

But it probably is the case that if the administrators, if the faculty members, if the librarians or folks making the decisions about content on campus have a choice between a multitude of vendors and maybe one or two vendors who can provide a lot of content on a platform, there's a lot of reasons why that makes it easier for those decision-makers to choose the one that has the most content on it. But I don't know that that's happened quite yet. I might be wrong about that.

But there is one interesting aspect of that platform play which I didn't actually anticipate, and it speaks to the ingenuity of students that I have seen and heard that students make decisions about which classes to actually take and which sections of classes to take on the basis of whether or not that professor has adopted the Cengage all-in-one product, meaning that they can take a full course load of four classes for each semester and choose classes that the professor has chosen that particular product and only have to pay essentially once, because all of the content is on that platform. Whereas in the past, they might have had to have bought four different textbooks, with the Cengage product, they pay their annual \$129 or whatever it is, and they have access to all the textbooks that they need for all four classes. So it's an interesting dynamic there.

KENNEALLY: Interesting choice the students are making, and I'm sure their parents might find it a wise one as well. Well, we were talking about this all-inclusive unlimited access and the notion of courseware, and you mentioned, Michael Cairns, that a great deal of this is pretty impressive material. I'm aware, for example, of an app that's been developed by Pearson that is AI-driven, artificial intelligence-driven, and work in supplement to any other textbook materials with the student as they go through their homework to help them master areas where they are weaker in. It learns from the particular individual student what they do best, what they need help with, and adapts to them as it goes through the various course materials. This is pretty cutting-edge stuff. Tell us about that.

CAIRNS: Yeah, I'm involved right now working with a publisher that has developed adaptive learning products. Essentially what that enables the faculty member is to make an assignment, a chapter of a textbook, and for the student to just kind of self-direct their progress through that chapter and through that textbook and take



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tests along the way that gauge their understanding of that material and will make the questions harder as they progress, and they can't go from one section to the other without achieving a certain level. Actually, in our case, they can't finish the full textbook until they've finished all of the sections. They can move from section to section.

In that also is the ability for the faculty member to actually see where the students are, so they can tailor next day's class to issues and items within that assignment where the students are having problems. So it's not necessarily a situation where they are routinely getting up every session and lecturing to the students without any understanding of where the students are with the material. They've actually got the ability to now check back and look – oh, yes, that we're having problems with this particular concept. I can talk about that in class and get that across to my students in a better way.

**KENNEALLY:** Open educational resources isn't only about the fact that they are free. It is about the way that textbooks are being created today.

**CAIRNS:** There's been a number of pretty significant initiatives in OER, and I think some institutions have made significant investment here. I'm not convinced that this is going to be a significant piece of the puzzle. There's been a lot of research that has indicated that faculty members aren't necessarily supportive of this. Some faculty members don't know that open educational resources content is available to them, because they're very focused on the materials and their relationships they have with their current publishers.

But it's reached, I think, maybe 10%, 15% of the market, is my understanding. I'm reflecting on research I saw probably 12, 18 months ago. There was more awareness in that research versus research two or three years ago. So more faculty members are hearing about it, but that doesn't necessarily mean more faculty members are interested in adopting it.

There's also some feedback – and you hear this probably mostly because it fits the argument from the traditional publishers – that while OER content might be good initially, the updating of that or maintenance of that content leaves something to be desired. It's not necessarily the case that OER content, through the development cycle of development initially and updating and maintenance, is necessarily of the same level of a quality as a traditional publisher's.

**KENNEALLY:** We have been talking, Michael Cairns, about digital transformation, but you and I have been talking about digital transformation in publishing and elsewhere for probably 15 years, and it has continued to happen, but not at the pace



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and not with some of the predictions being fulfilled that we might have heard some time ago. There was, as I mentioned at the top of the program, the announcement from Pearson last July, I believe it was, that they were going digital-first and essentially ending this traditional route of the revision cycle. Tell us your own take on whether or not the reports of the death of this are perhaps exaggerated.

CAIRNS: They probably are exaggerated, but that doesn't necessarily mean that this isn't a developing trend. I think there's a couple of factors that play into this. One is, obviously, the investment the publishers are making not just in the development of the content, but actually the decisions to encourage the use of digital content in lieu of print textbooks. There's a lot of attention paid to that, a lot of emphasis on the digital versus the textbooks, so that alone kind of encourages behavior in one direction versus the other. So I think that that's one thing.

But I think what you'll find is other aspects would be the fact that print-on-demand is now much more of a factor and much more economical. It might not quite be the case yet that you could print textbooks on demand at a cost-effective basis that matches the same quality, but we probably can't be far from that. So it may come to pass that the print textbook will become a feature of a digital, where the student can actually select a print version if they want and have that delivered to them in some fashion to supplement the digital version of the content that they have.

I was involved in this startup about five or six years ago that developed an online web browser-based solution to allow a faculty member to create their own custom textbook. We had a library of content there. They could basically select out of that library and build the textbook and create it and then make it available for a student. And when we developed that, our supposition going in was that a student would really love the digital version and want to have that, so we didn't even have a print option. But come to pass – it was very soon after we launched that product – we got so many requests from students to have that product available in print as an option that we added that to the menu of selection items that they could choose from. Many students – 50%, I think it was, of the students who bought the digital ended up buying print as well. And we offered print at cost, so we didn't charge a lot for it.

KENNEALLY: Michael Cairns, I do know that you have raised in your own blog essays on Personanondata this important question about the coming fight for control of usage data. Obviously, this is the sine qua non when it comes to online experiences, whether it's Facebook or whether it's textbooks, which is the capturing of user data and the information that can possibly benefit those who have access to



that data. Frame for us the problem or the challenge that institutions face, that authors face when it comes to all of this.

CAIRNS: You can picture the situation where you've got a vendor delivering (inaudible) platform, and all of the students on campus or many of the students on campus interacting with that platform, engaging through the semester, so you can understand what material they're looking at, where they're having difficulty with the content, how much they're interacting with content outside of that core material and how they're graded, what feedback they're receiving from the faculty member, whether they turned up for class or not, how many times they logged on. All of those types of elements are being logged by that platform vendor.

And the platform vendor would be interested in all that, if they're smart, to understand how that's going to inform their product development and continue to make the product better and the outcome better in terms of how many students are getting through the course material and achieving a level of knowledge and awareness of the material and expertise of the material. All of that is going into a database somewhere. Right now, the publisher has access to it, and they can look at it individually, although they probably don't. But they look at it classes, school-wise, across schools – all types of access that they can have and draw conclusions from that material.

On campus, it's of interest to administrators as well, because they would like to know how effective these materials are in the success of their students on campus. They want to report back to their administrators and to their boards and advisors, their faculty themselves, to make sure they can understand how well the faculty is doing, and also to prospective students and parents. So all of that information on the campus side is also very, very important for them.

This didn't exist, obviously, in textbook world, except for, obviously, the grade, which was placed into some type of information system. But now, there's access to all of this information. Who has the right to that? Who can use that? And I think that there will be an ongoing battle between the campus and the vendors as to how that information is accessed and used and how it's leveraged going forward. That's still an open question, I think.

KENNEALLY: Do you think that there's an opportunity, though, for institutions in the negotiations that they are having with these publishers for these platforms to have the kind of access you were describing – to be able to take advantage of this data as well?



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CAIRNS: I'd have to make the assumption that yes, they would. And if nothing else, they should be aware of the issues around just privacy and have a clear understanding with the publisher as to how that information is being used. Even if they're not able to gain access to that data through negotiation, at the very least they should have an understanding as to what controls the publisher has over that information, how they're going to use it, and whether or not it's going to be sold or made available to other third parties. There should be some fundamental set of understandings about that data. But I think increasingly you will start to see the universities, the colleges, the institutions make the use of data a part of those discussions about campus-wide adoption of materials.

KENNEALLY: You know, Michael Cairns, I think about the digital transformation experience in kind of two ways. I mean, it certainly is true that it's remarkable how quickly so many industries, professions, societies, institutions have adapted to the virtual world, to the online experience. I think if you had predicted that they would move so quickly into the virtual space, people would have had some doubt about that. It is amazing how we are conducting an experiment that no one ever imagined we could.

Share with us your thoughts on the impact of COVID-19 on student learning, particularly as it applies to the digital publishing environment.

CAIRNS: I think the short answer is we don't really know. There's a lot of faculty members that don't even know if they're going to be on campus next semester, so a lot of this stuff is very up in the air. You've got some schools that are going back in September. You've got large institutions and university systems like CSU that aren't going back next year. Just that dislocation, lack of knowledge, just basically craziness is one factor that is really hard to deal with.

But I think as I said earlier, we'll see very much an aggressive acceleration of the adoption of all digital content, all digital products, into the classroom. There's no other way to deliver this material in an effective way. So I think you'll see that. You'll see a lot of half-baked products in the coming semester, but they'll get progressively better and better. I think if nothing else, the last two months of school, the last spring semester, would have proved to a lot of faculty members that just simple PowerPoint slides is probably not going to cut it. Again, I think the big news really is it's accelerated the transition, but it hasn't necessarily solved the content – hasn't created the perfect set of products yet, but we will start to see that develop quickly.





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And then, really, the impacts are, what does campus life look like? That's another question. Once the digital content and products are really very, very good, which I think they will be, why do students need to be on campus? Why would they go back? Would they go back for full semesters? Would they only go back for two-week refresher courses or seminar courses and those types of things? What happens to the bookstore on campus? Right now, the bookstores and the (inaudible) and the Barnes and Noble – many of them have been closed since March 15. So what's their business model looking like? If you look at Barnes and Noble's numbers they just reported last week, they look pretty dire. So there's a lot of balls up in the air with respect to the impact of COVID and what it's meant to the industry.

KENNEALLY: I want to thank Michael Cairns, want to thank the invitation from everyone at TAA, Michael Spinella and Kevin Patton for organizing the program, thank everybody who's joined us. Thank you all. Thank you.

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