

THE DIGITAL TEXTBOOK REPORT 2014 JUNE JAMRICH PARSONS

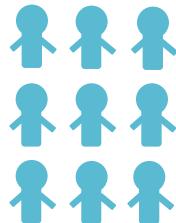
Presented at the Text and Academic Authors Association (TAA) Conference
Baltimore, MD
June 2014

THE TEXTBOOK MARKET IS HUGE

\$14
BILLION

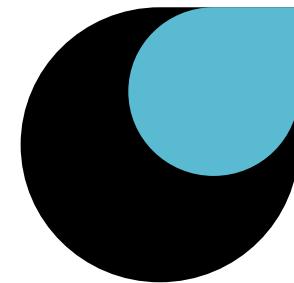
U.S.
TEXTBOOK
MARKET

21.8 million
COLLEGE
STUDENTS



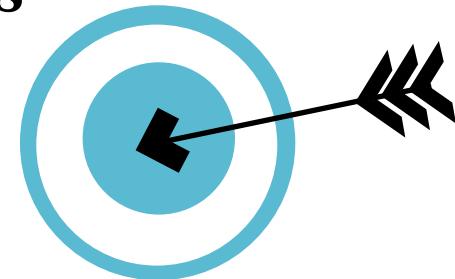
\$5
BILLION

U.S. COLLEGE
TEXTBOOK
MARKET



IS IT A
TEXTBOOK
BUBBLE?

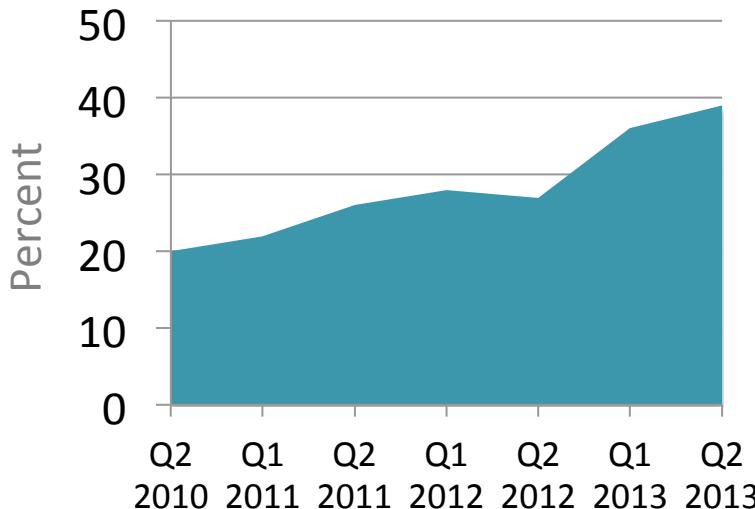
DISRUPTORS
TAKE
AIM



9.5
MILLION

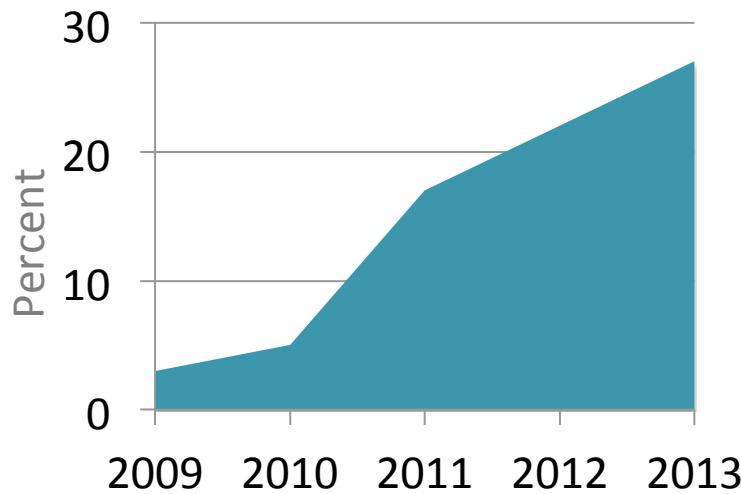
TEXTBOOKS
SOLD IN
2012

STUDENTS ARE BECOMING FAMILIAR WITH DIGITAL



**STUDENTS
PURCHASED
eTEXTBOOKS
IN PAST 2 YEARS**

Book Industry Study Group 2014 Report



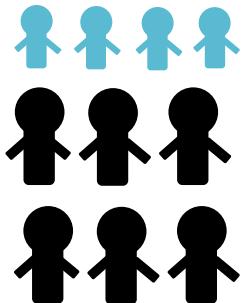
**OVERALL
eBOOK
SALES**

Association of American
Publishers

BUT MANY STUDENTS STILL CLAIM TO PREFER PRINT

**6 out of 10
STUDENTS
PREFER PRINT**

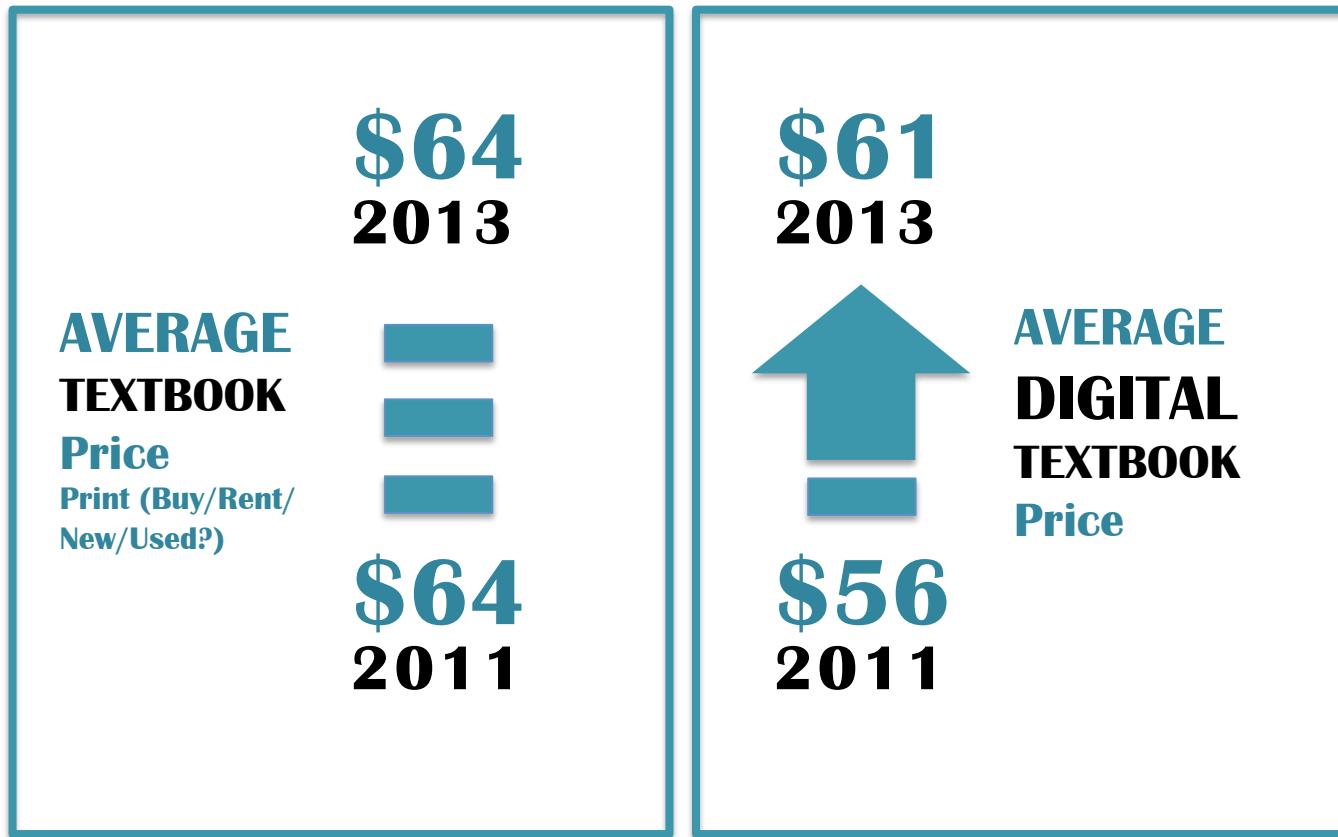
Voxburner, 2014 U.K. ages 16-24



WHY?

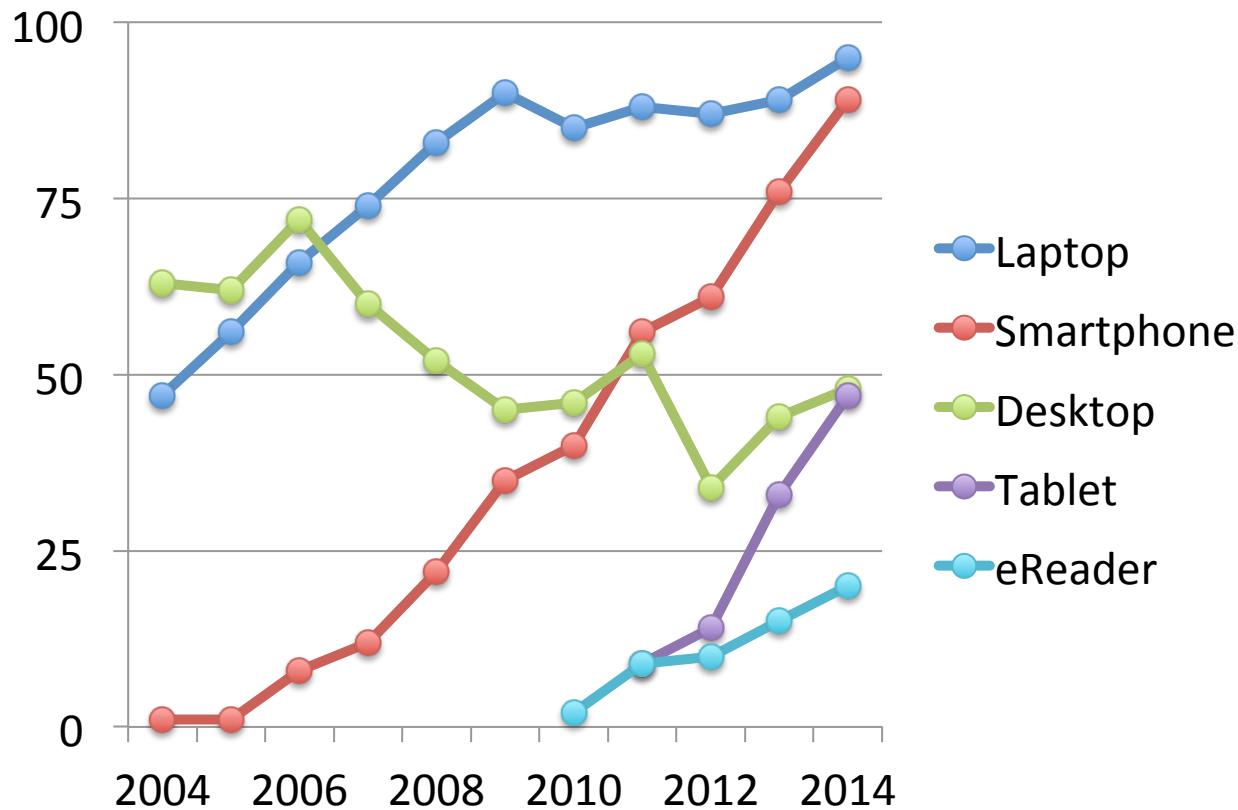
\$\$ FOR USED BOOKS

THE PRICE OF DIGITAL IS APPROACHING THE PRICE OF PRINT



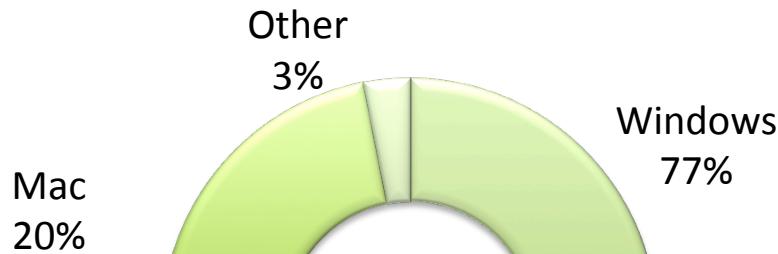
Source: Nielsen PubTrack Higher Ed

UNDERGRADUATES OWN A VARIETY OF DEVICES

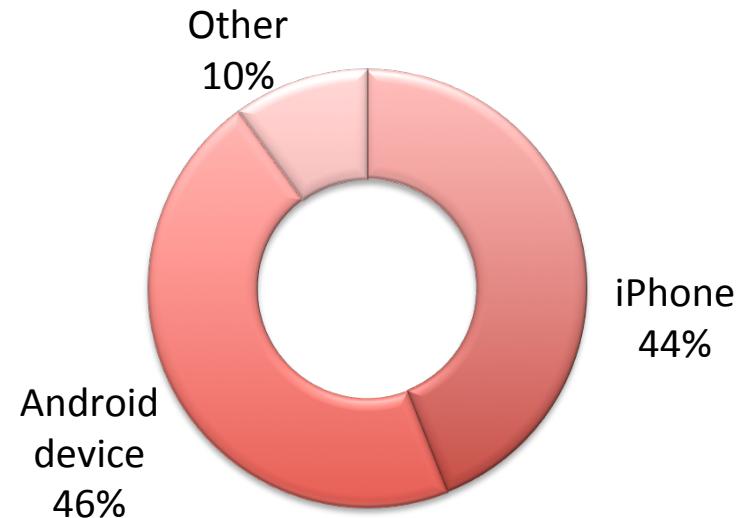


STUDENTS USE SEVERAL PLATFORMS

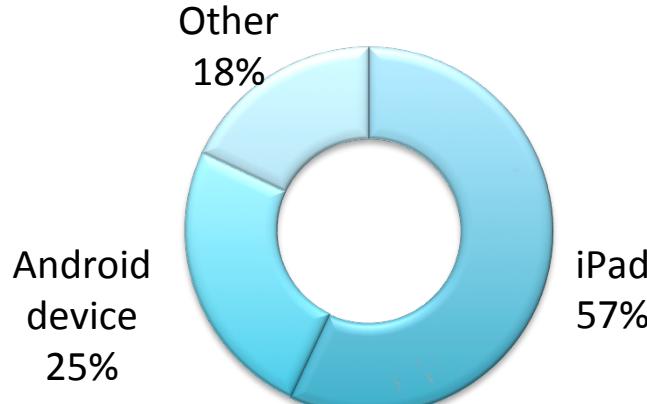
Laptops



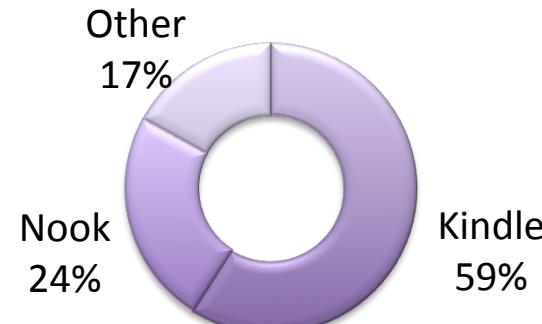
Smartphones



Tablets



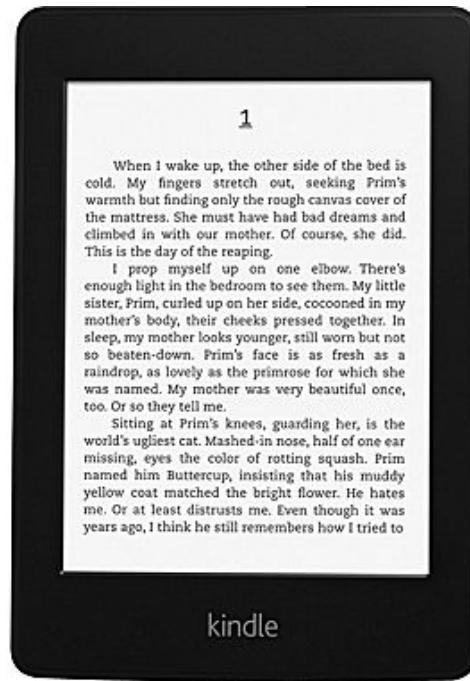
E-Readers



DIGITAL FORMATS ARE STILL DEVELOPING



FIXED LAYOUT OR FLOWING



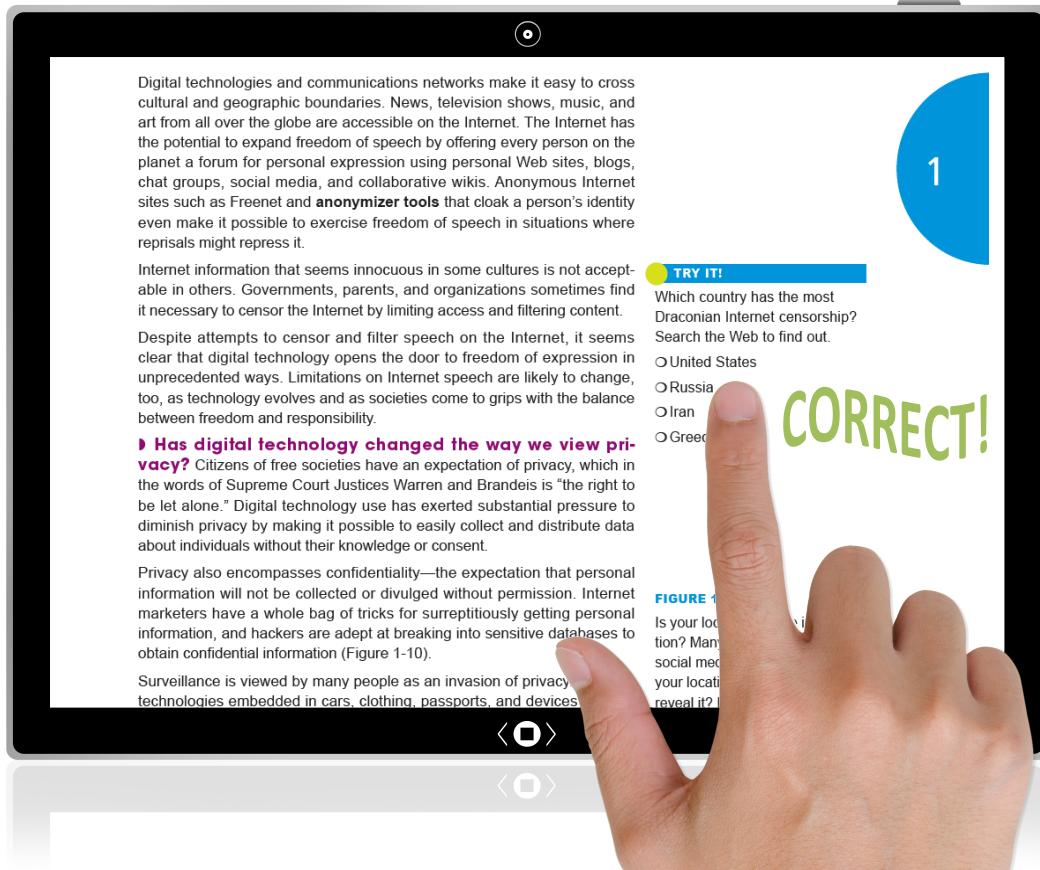
When I wake up, the other side of the bed is cold. My fingers stretch out, seeking Prim's warmth but finding only the rough canvas cover of the mattress. She must have had bad dreams and climbed in with our mother. Of course, she did. This is the day of the reaping.

I prop myself up on one elbow. There's enough light in the bedroom to see them. My little sister, Prim, curled up on her side, cocooned in my mother's body, their cheeks pressed together. In sleep, my mother looks younger, still worn but not so beaten-down. Prim's face is as fresh as a raindrop, as lovely as the primrose for which she was named. My mother was very beautiful once, too. Or so they tell me.

Sitting at Prim's knees, guarding her, is the world's ugliest cat. Mashed-in nose, half of one ear missing, eyes the color of rotting squash. Prim named him Buttercup, insisting that his muddy yellow coat matched the bright flower. He hates me. Or at least distrusts me. Even though it was years ago, I think he still remembers how I tried to

INTERACTIVE OR NOT?

DOES IT STORE STUDENT DATA?



CAN IT SEND TO AN LMS?

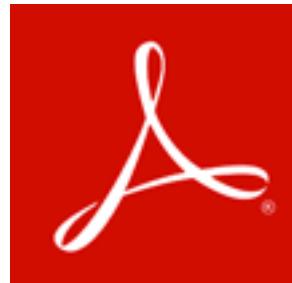
ePub 3.0 is HTML 5 and CSS 3. Kindle, Android, iOS, OS X, Nook, Kobo, Windows, DRM, images, tables, sound, interactivity, video. Flowing format is most common.



ePUB

1.0 2.0 3.0

Several versions, but the most widely used supports tables and images, and is fixed format



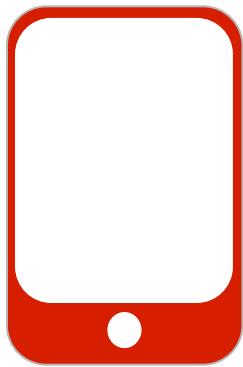
PDF

Supports images, tables, sound, and video. Open standard. No DRM. Web browser.



HTML

Proprietary version of ePub3. iBook reader app for iOS and OS X Mavericks.



iBook

Image, table, sound, interactivity, video. Flowing.



Kindle

Adds interactivity.



HTML + Javascript

POPULAR DIGITAL BOOK FORMATS OFFER VARIOUS EDUCATIONAL FEATURES

THE TEXTBOOK PUBLISHING INDUSTRY IS CHANGING

BARGAINING POWER
OF SUPPLIERS

PEARSON

INDUSTRY RIVALRY

CENGAGE
Learning®

macmillan
Science and Education

WILEY

FOR RENT

USED



BARGAINING POWER
OF BUYERS



PIRATE

DON'T BUY

coursera edX®

THREAT OF
SUBSTITUTE
PRODUCTS OR
SERVICES

Instructor-created

MOOCs

openstax™

THREAT OF NEW
ENTRANTS

THE MICHELSON
TWENTY MILLION MINDS
FOUNDATION

Boundless

flatworld
KNOWLEDGE



PEARSON

Houghton
Mifflin
Harcourt

INDUSTRY RIVALRY

CENGAGE
Learning®

macmillan
Science and Education

WILEY

**IN THE PAST, THE PRIMARY COMPETITION
FROM TEXTBOOK PUBLISHERS CAME FROM
OTHER TEXTBOOK PUBLISHERS.**



THREAT OF NEW ENTRANTS

THE MICHELSON
TWENTY MILLION MINDS
FOUNDATION

Boundless



NEW ENTRANTS ARE CHALLENGING TRADITIONAL MARKET LEADERS.

NEW ENTRANTS ARE MAKING HEADWAY

170K
DOWNLOADS



300K
DOWNLOADS



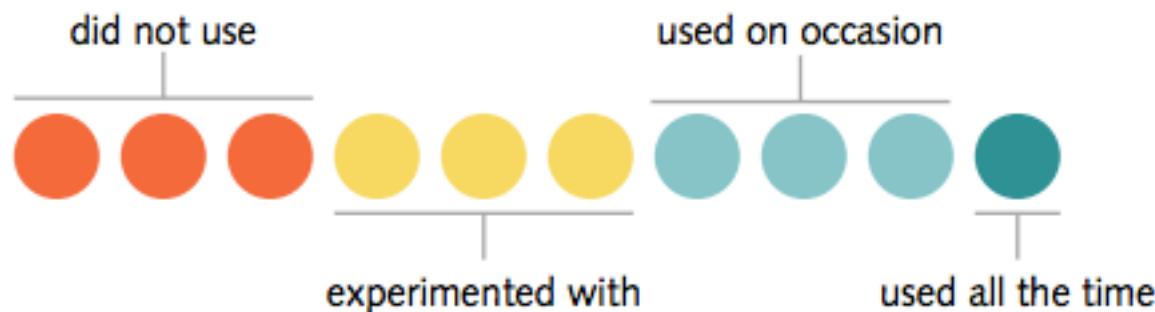
1M
DOWNLOADS

Boundless

42M bookboon
DOWNLOADS

“OPEN” AND FREE EDUCATIONAL CONTENT IS MOSTLY EXPERIMENTAL . . . FOR NOW.

For every 10 students...



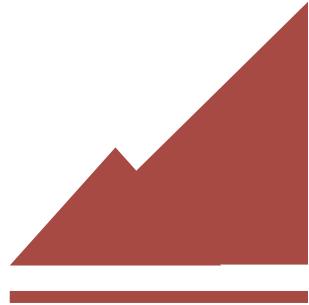
Educause Center for Analysis and Research
Undergraduates and IT, 2013

A REVOLT SPURRED BY SOARING TEXTBOOK PRICES HAS MADE BUYERS A KEY FACTOR IN THE SHIFTING TEXTBOOK INDUSTRY

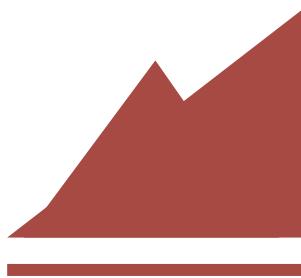


THE PUBLIC PERCEPTION IS THAT TEXTBOOK PRICING AND PUBLISHER PROFITS ARE OBSCENE

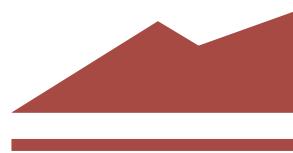
PRICES 1984-2014



800% **Really?????**
TEXTBOOKS



575%
**HEALTH
CARE**



250%
CPI

PROFIT MARGINS 2010

25%
McGraw-Hill

15%
WILEY

10%
PEARSON

**BECAUSE OF THE HIGH COST OF NEW TEXTBOOKS,
MORE AND MORE STUDENTS RENT THEM**



**\$1200
TEXTBOOK
COSTS/YR**

FOR RENT
[RENTAL SIGN]

20%
RENT
TEXTBOOKS

56%
WANT TO RENT
IN FUTURE

USED

1.7:1
NEW:USED

REVENUES FROM RENTALS ARE SOARING

Academic Year	New Rental Units	New Rental Sales	Used Rental Units	Used Rental Sales
2011	1,482,881	\$69 M	1,642,284	\$63 M
2012	3,217,487	\$146 M	4,076,895	\$140 M
2013	4,276,910	\$194 M	7,031,335	\$266 M

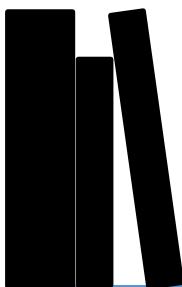
INCREASE

+188%

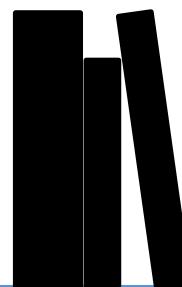
+181%

+328%

+322%



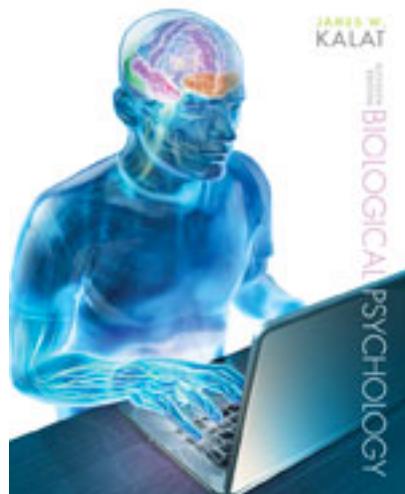
\$45
AV. COST
OF NEW
RENTAL



\$37
AV. COST
OF USED
RENTAL



STUDENTS SHOP FOR THE BEST PRICE



Biological Psychology, 11th Edition

James W. Kalat

©2013, 736 pages

Hardcover retail price **\$279.95**

CengageBrain \$223.49

Cengage rental \$44.49

eBook \$55.49

Textbook(s) List Price Amazon AbeBooks Half.com (eBay) Chegg BookRenter Amazon Rental ValoreBooks CourseSmart Student Exchange



Biological Psychology

by James W. Kalat | ISBN: 9781111831004 (view all prices)

[Sell It](#)

\$279⁹⁵

LIST PRICE

\$109⁹⁹

[Buy It](#)

\$114⁰⁰

[Buy It](#)

\$98⁹⁶

[Buy It](#)

\$33⁹⁹

[Rent It](#)

\$29⁷⁴

[Rent It](#)

\$33²⁵

[Rent It](#)

\$19⁸⁰

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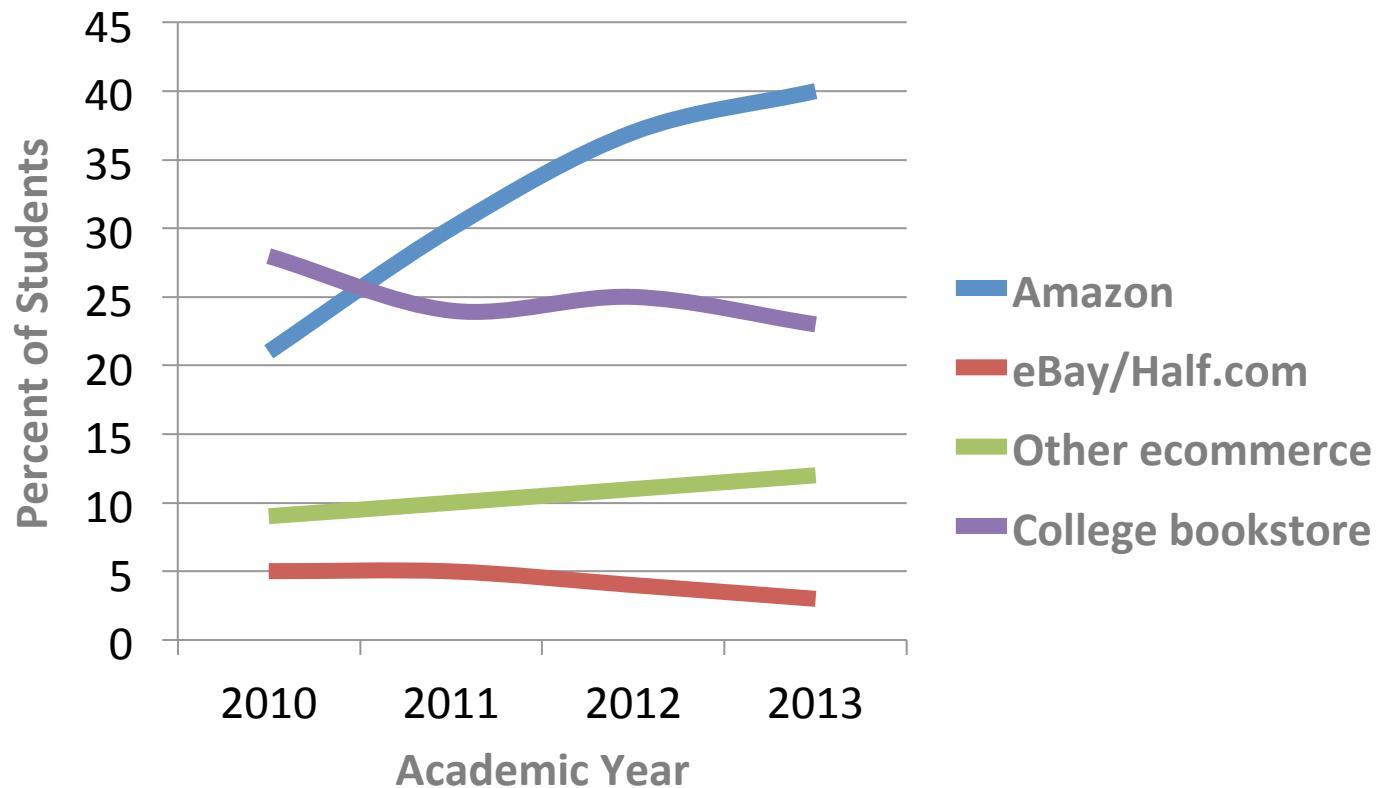
[Rent It](#)

[Check](#)

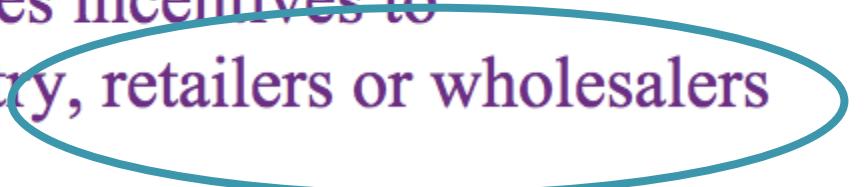


SlugBooks

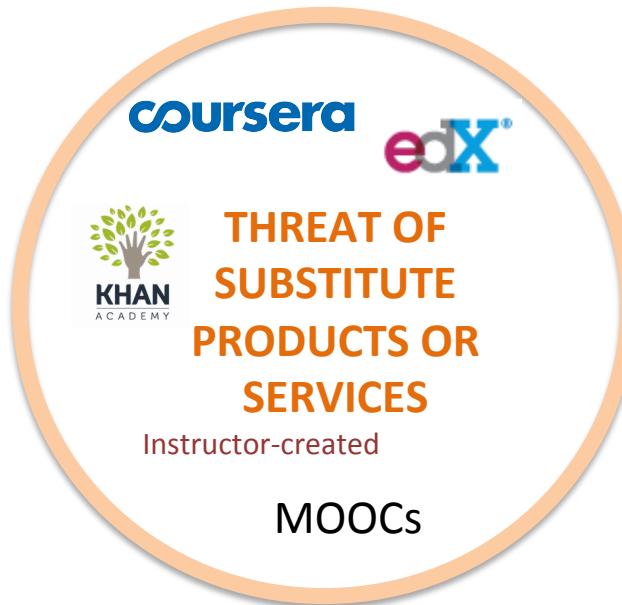
STUDENTS INCREASINGLY BUY FROM E-TAILERS, NOT COLLEGE BOOKSTORES



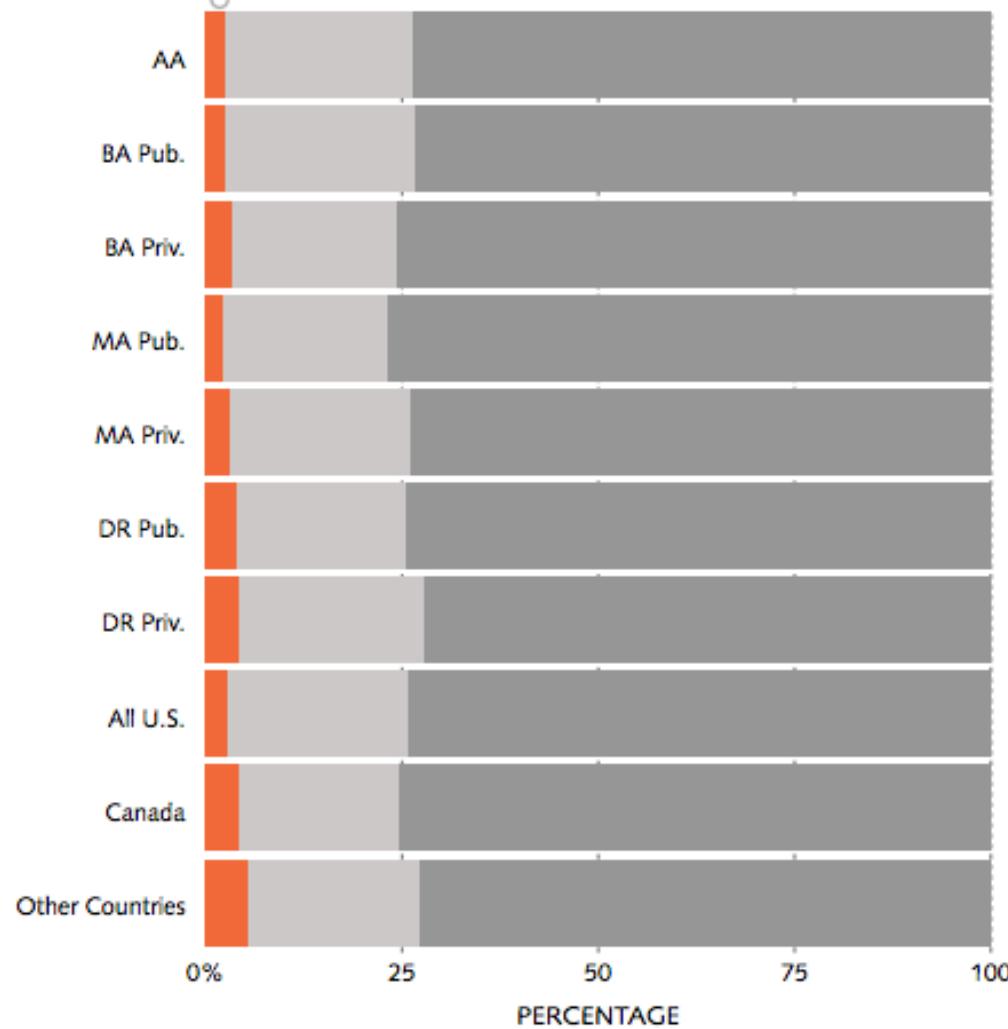
AUTHOR CONTRACTS TYPICALLY CONTAIN A CLAUSE THAT CUTS THE ROYALTY RATE IN HALF FOR SALES MADE TO RETAILERS, SUCH AS AMAZON AND CHEGG, AND WHOLESALERS

Eight percent (8%) of Net Sales of the Textbook sold in bulk quantity at special discounts with special covers, or other special sales incentives to professional groups, industry,  retailers or wholesalers (hereinafter “Specials”).

EVEN MORE TROUBLING IS THE POSSIBILITY THAT TEXTBOOKS WILL BE REPLACED BY OTHER CONTENT DELIVERY METHODS



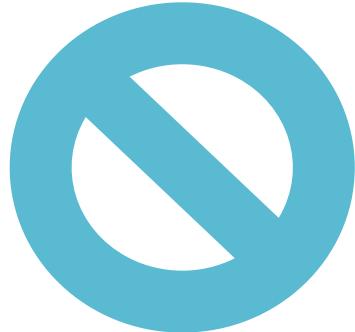
About 1 out of 3 students who took a MOOC completed it; about half of those students received a digital badge or certificate.



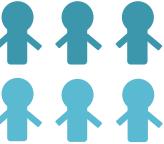
THE HYPE ABOUT MOOCS IS FADING, BUT SOME SIMILAR TECHNOLOGY MAY BE THE DEMISE OF TEXTBOOKS

“MOOC is the new textbook.”
David Finegold, Rutgers

- Yes, I have taken a MOOC.
- No, I have not taken a MOOC.
- No, I have not taken a MOOC, and I don't know what that is.

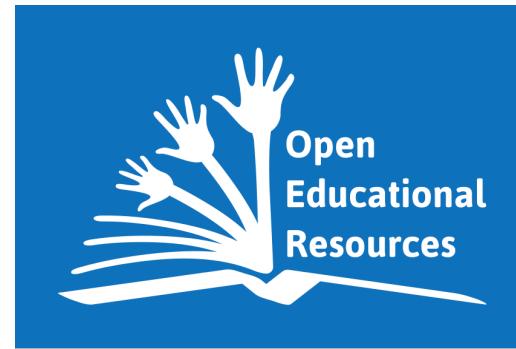


THERE ARE WARNING SIGNS

6 out of 10 
STUDENTS 
MIGHT NOT BUY 



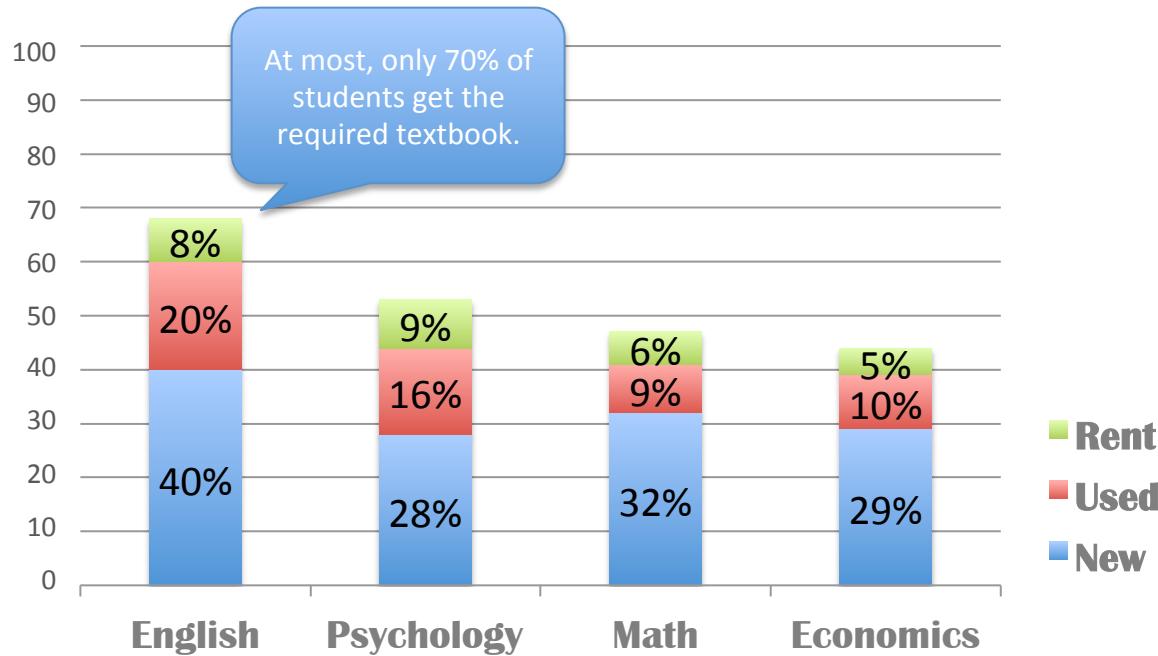
5,500
INSTRUCTIONAL
VIDEOS
100,000
PRACTICE PROBLEMS



THE NUMBER OF
Instructors WHO
DO NOT REQUIRE
TEXTBOOKS

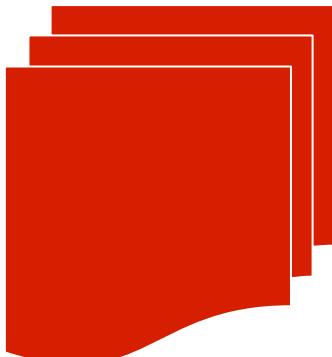


A SIGNIFICANT PERCENTAGE OF STUDENTS DO NOT BUY OR RENT THE REQUIRED TEXTBOOK



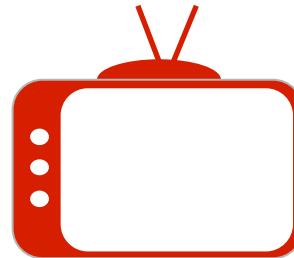
Source: Nielsen PubTrack Higher Ed, stats from one major publisher.

Outline, objectives, progression, facts, issues



Content

Videos, photos, illustrations, animated diagrams, audio, narration, accessibility, games, simulations



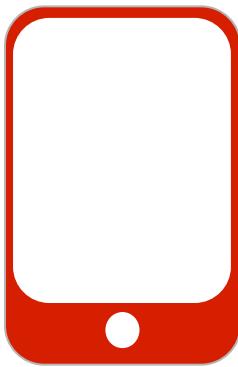
Media

S2I, S2S



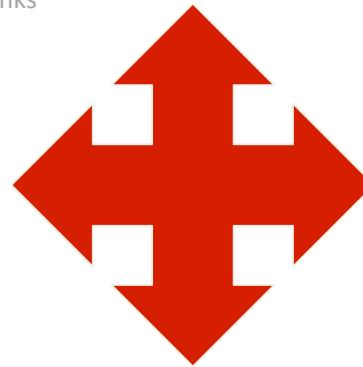
Communication

Note taking, computer-scored assessment, projects, assignments, links to ancillaries



Interactive

Syllabus, calendar, student roster, test banks



Management

Track student progress, grading, remediation



Analytics

ELEMENTS OF SUCCESSFUL TECH-ENHANCED LEARNING SYSTEMS

6 REASONS TO USE A TEXTBOOK (PRINT OR DIGITAL)

1. The textbook is a defacto contract between the instructor and students; it encompasses the main body of knowledge that students are expected to learn. In other words; it gives students a good idea of what's on the test.
2. Textbooks provide an organized framework for learning, unlike a collection of random articles accessed from the Web.
3. Textbooks save you time. The author has gathered the materials for you, so you don't have to wade through a bunch of Google results.
4. Textbooks give you the straight story. Sure there's lots of information on the Internet, but much of it is misleading, incomplete, biased, or false.
5. Textbooks improve your grade. They contain exercises, activities, and quizzes. 78% of students believe (and the evidence supports it) that they will get lower grades if they do not have their own copy of the required text.
6. Textbooks are a bargain. Each hour a student spends sitting in class costs about \$42; each hour spent with a textbook costs about \$2.50.

June Jamrich Parsons is an author, educator, and digital book pioneer. She is coauthor of the 2012 TAA McGuffey Award-winning textbook *New Perspectives on Computer Concepts* and the 2014 Texty Award for the *Practical Computer Literacy* series. She co-developed the first commercially successful multimedia, interactive digital textbook; one that set the bar for platforms now being developed by educational publishers. Her career includes extensive classroom teaching, product design for eCourseware, textbook authoring for Course Technology and Cengage Learning, and Creative Strategist for MediaTechnics Corporation. She holds a doctorate in instructional technology, a CDP (Certified Data Processing), and is a member of the Association for Computing Machinery and a Fellow of the Text and Academic Authors Association (TAA).