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# To Save Students Money, Colleges May Force a Switch to E-Textbooks

**Y**OU'VE HEARD it before: Digital technologies blew up the music industry's moneymaking model, and the textbook business is next.

For years observers have predicted a coming wave of e-textbooks. But so far it just hasn't happened. One explanation for the delay is that while music fans were eager to try a new, more portable form of entertainment, students tend to be more conservative when choosing required materials for their stud-

ies. For a real disruption in the textbook market, students may have to be forced to change.

That's exactly what some companies and college leaders are now proposing. They're saying that e-textbooks should be required reading and that colleges should be the ones charging for them.

**JEFFREY R. YOUNG**  
*College 2.0*

It is the best way to control skyrocketing costs and may actually save the textbook industry from digital piracy, they claim. Major players

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## INFORMATION TECHNOLOGY

# Colleges Lay Plans to End the Textbook as We Know It

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like the McGraw-Hill Companies, Pearson, and John Wiley & Sons are getting involved.

To understand what a radical shift that would be, think about the current textbook model. Every professor expects students to have ready access to required texts, but technically, purchasing them is optional. So over the years students have improvised a range of ways to dodge buying a new copy—picking up a used textbook, borrowing a copy from the library, sharing with a roommate, renting one, downloading an illegal version, or simply going without. Publishers collect a fee only when students buy new books, giving the companies a financial impetus to crank out updated editions whether the content needs refreshing or not.

Here's the new plan: Colleges require students to pay a course-materials fee, which would be used to buy e-books for all of them (whatever text the professor recommends, just as in the old model).

Why electronic copies? Well, they're far cheaper to produce than printed texts, making a bulk purchase more feasible. By ordering books by the hundreds or thousands, colleges can negotiate a much better rate than students were able to get on their own, even for used books. And publishers could eliminate the used-book market and reduce incentives for students to illegally download copies as well.

Of course those who wanted to read the textbook on paper could print out the electronic version or pay an additional fee to buy an old-fashioned copy—a book.

Some for-profit colleges, including the Uni-



*Daytona State College, where Rand S. Spiwak, executive vice president, uses an e-reader, is among the institutions planning a switch from paper to electronic textbooks.*

CHAD PILLETIER FOR THE CHRONICLE

versity of Phoenix, already do something like this, but the practice has been rare on traditional campuses.

An Indiana company called Courseload hopes to make the model more widespread, by serving as a broker for colleges willing to impose the requirement on students. And it is not alone. The upstart publisher Flat World Knowledge recently made a bulk deal with Virginia State University's business school, and last month the company hired a new salesperson devoted entirely to "institutional sales" of its e-textbooks. And Daytona State College, in Florida, is negotiating with publishers to test a similar arrangement.

The real champions of the change are the college officials signing the deals. They say they felt compelled to act after seeing students drop out because they could not afford textbooks, whose average prices rose 186 percent between 1986 and 2005, and continue to shoot up each year far faster than inflation.

"When students pay more for new textbooks than tuition in a year, then something's wrong," says Rand S. Spiwak, executive vice president at Daytona State, who is leading the experiment there. "Our game plan is to bring the cost of textbooks down by 75 to 80 percent."

Apple reset the sales model for music, with its iPod players and market-leading online store, and the company is likely to try to enter the e-textbook market as well. But watch out, publishers, the change agents for textbooks may just be traditional colleges.

#### MOVING THE TOLLBOOTH

Courseload, the e-book broker, started in 2000, when a co-founder, Mickey Levitan, a former Apple employee inspired by the company's transformative role in the music industry, devised the idea and teamed up with a professor at Indiana University at Bloomington

to try it. But the company failed to find enough takers, and it all but shut down after a brief run.

Then last year an official at Indiana, Bradley C. Wheeler, called Mr. Levitan and talked him into trying again.

Mr. Wheeler is part of an effort at the university to bring down textbook costs, and he remembered a conversation he had had with Mr. Levitan about the idea 10 years ago. Back then, Mr. Wheeler was just a professor of business, but now he is also vice president for information technology and able to help try the approach, which he calls "moving the tollbooth" for textbooks.

"Universities are going to have to engage in saying, This is how we want e-textbook models to evolve that are advantageous to our students and our interests," he told me this month.

For three semesters Indiana has tested

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Courseload's system, which brings in content from various publishers and allows annotation and other features. So far the company has persuaded McGraw-Hill, Pearson, and John Wiley to participate. During those first experiments, students were not charged, and the university and Courseload paid for the e-textbooks. But Mr. Wheeler said that in the spring the university would try at least one pilot where students would pay a mandatory fee for the e-textbooks, which he expected to be about \$35 per course in most cases.

Company and university officials gingerly

approached two key groups early on: students and state legislators. Mr. Wheeler said student-government officials he talked to were supportive. Mr. Levitan said that the legislators generally opposed new fees, but sympathized with the project's goal of reducing overall costs to students and said they would not oppose it.

Mr. Levitan said the company was running tests at a handful of colleges, though he declined to name them.

#### THE VIRGINIA PILOT

Mirta Martin, dean of Virginia State's business school, speaks passionately about her reasons for taking part in the experiment with Flat World, which makes e-textbooks standard in eight courses this fall.

"For our accounting books senior year, there's nothing under \$250," she told me this summer. "What the students were saying is,

We don't have the money to purchase these books."

Last year Ms. Martin became so frustrated over hearing stories about students who were performing poorly because they could not afford textbooks that she pledged that no needy student would go without a book. At first she asked community leaders and others to donate to a fund to pay for the books of students who sought financial help. Last year that project bought \$4,000 worth of books for students.

But Ms. Martin felt that the philanthropic model was not sustainable, so she began

reaching out to publishers to see if the institution could get some sort of bulk rate that would allow it to pay for textbooks for all students.

In its standard model, Flat World offers free access to its textbooks while students are online. If students want to download a copy to their own computers, they must pay \$24.95 for a PDF (a print edition costs about \$30). But the publisher offered the Virginia State business school a bulk rate of \$20 per student per course, and it will allow students at the school to download not only the digital copies but also the study guide, an audio version, or an iPad edition (a bundle that would typically cost about \$100).

Tricky issues remain, though. What if a professor wrote the textbook assigned for his or her class? Is it ethical to force students to buy it, even at a reduced rate? And what if students feel they are better off on their own, where they have the option of sharing or borrowing a book at no cost?

Proponents of the new model argue that in time policies can be developed and prices can be driven low enough to win widespread support.

If so, more changes are bound to follow. In music, the Internet reduced album sales as more people bought only the individual songs they wanted. For textbooks, that may mean letting students (or brokers at colleges) buy only the chapters they want. Or only supplementary materials like instructional videos and interactive homework problems, all delivered online.

And that really would be the end of the textbook as we know it.

*College 2.0 covers how new technologies are changing colleges. Please send ideas to jeff.young@chronicle.com or @jryoung on Twitter.*