

Pearson's Next Chapter

The company will abandon its traditional textbook publishing model in favor of a digital-first strategy. Print books will still be available, but students will be encouraged to rent rather than buy.

By Lindsay McKenzie

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Pearson, like many publishers in higher education, has long signaled its intent to move from print textbooks to digital courseware.

But today the company went farther than anyone else -- announcing that all of its 1,500 U.S. titles will become "digital first."

From now on, instead of publishing new editions of print textbooks every few years, the publisher will focus its energy on its digital course materials.

These digital materials will be updated on an ongoing basis -- reflecting new research developments, technology breakthroughs and the latest pedagogical trends. Print versions of the materials will still be widely available to rent, but students will be discouraged from buying them with relatively high pricing and limited availability.

Instead of the digital product being adapted from the print textbook, the process will be the other way around, said John Fallon, CEO of Pearson, in an interview. There is no fixed schedule for how frequently print versions will be created from the digital materials.

Print revisions were a costly and time-consuming process, he said. The company is now in a position to "break that cycle."

Over half of all students now use at least one ebook as part of their studies, signaling increased acceptance of digital materials, said Fallon. He said that Pearson now has the technology to pull off the transition. The company's Global Learning Platform, which has been in development for several years, will play a central role in enabling staff to update content in real time. "It's been a huge investment, a big restructuring," he said.

Of Pearson's 1,500 active U.S. titles, 500 are currently digital first, said Fallon. He did not share how long he anticipates the transition to fully digital first will take, but he said the company is working to make it happen "as quickly as we possibly can." "We want students to have the best and most up-to-date content for the best price," said Fallon. Pearson plans to lower its prices so that fewer students are tempted to buy secondhand books. It will also push its rental program so that fewer books ever enter the secondhand market.

"We will effectively have three price points. They will vary by discipline, but broadly speaking, the average ebook will be \$40. You can still rent a physical textbook for \$60. And a fully integrated digital product, like Revel, MyLab or Mastering, will be \$65 to \$80," said Fallon.

With inclusive-access deals, where whole classes are signed up for a product and charged for access by their institution, the prices will be 30 to 40 percent lower than those above. Over 700 universities now have inclusive-access deals with the publisher, accounting for about 9 percent of its sales, said Fallon.

Pearson is not the first publisher to announce its intention to make the transition from analog to digital. Brian Kibby, former president of McGraw-Hill Higher Education, predicted in 2012 that colleges and universities would be done with textbooks within the next three years. It didn't happen. But if other publishers follow Pearson's lead, a digital-first future seems inevitable.

For textbook authors, the change will be significant. As publishers invest more heavily in digital courseware with built-in assessments and learner analytics, they have started to sign fewer textbook authors.

Lisa Urry, professor of biology at Mills College, in California, has worked with Pearson as a co-author on the Campbell Biology textbook series since 2000. She said the shift to digital has been "a long time coming." "We've been incorporating more and more digital assets into the books for some time," said Urry. "We recognized pedagogically that the way we were teaching needed to change. Students need to be more actively engaged."

Instead of revising textbooks every three years on a chapter-by-chapter basis, updates will now be done as and when authors think they are necessary. Urry said she is constantly thinking about how the books might be improved, so she doesn't think this will be a burden. "It's never been the case that I only thought about the books every three years or something like that," she said.

There are still lots of details to be worked out, such as how to update materials without disrupting teaching, but Urry is hopeful the shift will result in a better experience for students -- one that is more interactive, engaging and informed by the latest pedagogical research.

Though her role as an author is changing, Urry said she still feels her subject knowledge is appreciated. "The feeling I get from the company is that they still value the expertise of authors," she said.

Glenn Hubbard, a professor at the Columbia University Graduate School of Business, is the co-author of Pearson's most successful economics textbook, which is already available digitally through MyEconLab. He feels the shift to digital is a positive one -- lowering costs for students and improving their experience. The royalty model is different, but authors "still get a share of the student experience fee," said Hubbard.

Phil Hill, partner at MindWires Consulting and publisher of the *Phil on Ed Tech* blog, said going digital first "makes plenty of sense on paper" for textbook publishers, as it enables them to "re-establish control" over the distribution of their products and cut off the secondhand rental market.

"It's a bold move," said Hill. "The risk is that it could further alienate nearly all stakeholders by being so obvious in intentions. Students have benefited from the secondhand rental market in pricing, and many prefer print over digital." Students like having the freedom to choose where to buy textbooks, so taking that ability away "will create big problems," said Hill. "I suspect bloggers and commentators will have a field day comparing past statements of principles about good corporate intentions with current moves."

"Sometimes the marketing copy for open educational resources writes itself."

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