2013

College President, Provost, and Chief Academic Officer Survey on Textbook Delivery and Bookstore Services

Covering topics including the impact of course material costs on student satisfaction, textbook affordability policies, academic freedom, and eTextbooks.

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1. The leader in online bookstore + marketplace services for educational institutions.

2. An olive grove outside of ancient Athens named for a Greek war hero. It is the site where Plato founded his famous school of philosophy and is the source of the English word “academy.” Akademos is often thought of as the birthplace of Western philosophy, scientific reason, and some of our most cherished ideas about justice and the free exchange of ideas.
Introduction

Several times a year we at Akademos conduct surveys to assure we’ve got the pulse of the rapidly evolving textbook industry. We reach out to CFOs, students, bookstore managers, faculty, and now, with this latest survey, presidents, provosts, and chief academic officers. That data helps provide us with a (close to) 360-degree view of textbook delivery. From where we are standing, there are a few things we need to be doing better, and a few things schools need to be doing better.

Akademos believes every student has the right to affordable, high-quality educational materials. This philosophy frames much of the materials we develop for colleges and universities, including this white paper.

As you will note in our executive summary below, our biggest recommendation from this survey is for schools to create or formalize a textbook affordability program. Key components of the program should include:

- Consulting students about textbook affordability
- Gathering data on which students are shopping at your school bookstore and which are not
- Determining how your current bookstore business model balances against your school’s mission
- Training faculty on selecting high-quality, low-cost texts
- Preparing for increased adoption of digital textbooks and their delivery
- Asking yourself what the opportunity-cost of not reducing textbooks prices on academic preparedness, retention, and completion could be

Akademos believes one of the best ways to reduce textbook costs is to move your textbook delivery exclusively online. But by consulting your textbook affordability committee, students, and other key stakeholders, we know that those managing institutions of higher learning will find many innovative ways to reach the finish line. What we ask is that you go through the process, then come back and let us know which tactics worked to improve textbook affordability for students in higher education.

Sincerely,

[Signature]

John Squires
Chief Executive Officer
Akademos

Akademos offers a full-service, online bookstore solution that delivers cost savings on course materials while providing administrators and faculty critical control over the textbook delivery process.
Executive Summary

In 2013, Akademos conducted a survey of college and university presidents, provosts, and chief academic officers (CAOs) that focused primarily on textbook delivery and bookstore practices. The survey complemented a similar survey of college CFOs in 2012 that focused primarily on bookstore business operations. Given the audience of respondents in this new survey, we included several academically-focused questions.

The biggest takeaway from our current survey: Schools that have textbook affordability programs report lower textbook costs, as well as higher student and faculty satisfaction with textbook costs.

Administrators from both surveys agreed that textbook affordability impacts retention and persistence. Student and faculty satisfaction with textbook prices were reported as extremely low, and respondents from this survey reported that 1/3 of students were not shopping at the school-sanctioned bookstore for course materials. Price is driving students away.

Our findings show that few schools reported having a formal program to advise faculty on selecting high-quality, low-cost course materials. But the majority of schools that did report having a formal program also reported that the program was successful at lowering textbook costs.

Obstacles to reducing textbook costs included the perception that publisher prices are increasing, that no one person or department is accountable, and that faculty do not necessarily consider price in selecting appropriate texts. In further exploring the faculty’s role in textbook affordability, respondents were split on whether “academic freedom” makes it more challenging to advise faculty on selecting high-quality, low-cost texts.

Tactics that schools have taken to reduce textbook costs included:

- Creating a textbook affordability program/committee
- Consulting with students about textbook affordability
- Moving, or discussing moving, the delivery of textbooks exclusively online

Our recommendation upon analyzing the results of the president, provost, and CAO survey is that schools should start by formalizing a textbook affordability program or committee as soon as possible in order to reduce textbook costs and improve student and faculty satisfaction.
Survey Summary

Conducted by Akademos in the summer of 2013, this survey explores the thoughts of college presidents, provosts, chief academic officers (CAOs), and other similar titles, on textbook delivery practices. We received 471 completed responses.
School Type:

- Public 2-year, 43.7%
- Public 4-year, 21.0%
- Private, not-for-profit 4-year, 24.8%
- For-profit 4-year, 3.8%
- Other (please specify), 4.4%
- Graduate school, 2.3%

Approximate number of total students enrolled (full- and part-time):

- Over 15,000, 20.5%
- 5,000 - 14,999, 29.0%
- 2,500 - 4,999, 20.0%
- 1,000 - 2,499, 26.4%
- 500 - 999, 3.2%
- Under 500, 0.9%
Textbook Costs and Persistence

Ninety-three percent of presidents, provosts, and CAOs indicated textbook costs impact retention and persistence.

Involvement in Textbook Affordability Strategy

Eighty-three percent of presidents, provosts, and CAOs reported involvement in a textbook affordability strategy at their institution, with 24% stating they are "very involved." Respondents at 2-year public institutions, schools with large enrollments, and schools serving lower-income students were more likely to be involved in a textbook affordability strategy.
Programs to Help Faculty Select High-Quality, Low-Cost Books

The majority of respondents (56%) indicated they do not have a formal program to assist faculty in selecting high-quality, low-cost textbooks.

Schools with higher enrollments were more likely to report having a formal program to help faculty select high-quality, low-cost texts.

Presidents, provosts, and CAOs who responded agreed that textbook costs do impact retention were more likely to report having a textbook affordability committee.

Colleges and universities that reported having a formal textbook affordability program also reported higher student and faculty satisfaction.
How Successful is Your Textbook Affordability Program

Of the respondents that do have a formal program to help faculty select high quality, low-cost texts, 69% of them reported the program has been successful at lowering textbooks costs.
Obstacles to Reducing Textbook Costs

Respondents that do not have a program to help faculty select high-quality, low-cost texts were asked to identify obstacles to reducing textbook costs (choosing all options that applied). The majority indicated that publisher price increases were a notable challenge.

Respondents at 2-year institutions were more likely to report that textbook sales represent needed revenue for their school.

Respondents at public, 4-year institutions were more likely to report that faculty members do not consider costs when selecting textbooks.

Of those that selected “Other”, one-fourth identified issues regarding faculty control of the decision to select texts. Those answers were fairly evenly distributed among those who believe faculty are aware of the rising costs of textbooks (and may or may not be taking action to address cost), those who objectively cited “academic freedom”, and those who indicated faculty could use additional awareness training regarding how the price of textbook impact students.

Publishers frequently changing editions were the second most commonly cited obstacle. Additional obstacles included lack of quality alternatives, bundles and custom books, outsourced bookstore contracts that prevent competition and increase prices, bookstores that are not focused on affordability, the used-book market driving up costs of first editions, and financial aid forcing students to shop at bookstores.
Tactics to Reduce Textbook Costs

Respondents were asked to select all tactics they had undertaken to reduce textbook costs. **Consulting students** was the most common answer:

1. Consult with students
2. Create a textbook affordability committee
3. Consider moving bookstore to online only

Those that chose “Other” or “None of the above” added the following tactics:

- Textbook rentals
- Adopting eBooks
- Using open source or OER (Open Educational Resources) for common courses
- Faculty training or policies to reduce textbook costs
- Getting rid of textbooks all together
- Using library reserve
- Negotiating prices with publishers
- Using custom course packs created by professors
HEOA/Textbook Affordability Provision Compliance

Fifty-six percent of respondents indicated they are compliant with the Textbook Affordability Provision of the Higher Education Opportunity Act.

Percentage of On-Time Faculty Adoptions

Respondents indicated that, on average, 73% of faculty submitted textbook adoptions on time.

Respondents at 2-year public institutions, as well as those serving low-income students, were more likely to submit faculty adoptions in a timely manner.
Student and Faculty Satisfaction with Textbook Prices

In terms of stakeholder satisfaction, respondents estimated that 81% of students and 44% of faculty are dissatisfied with textbook prices, with the majority of faculty identified as neutral on the issue.

CAOs were more likely to report lower faculty satisfaction with textbook prices, as were respondents at 2-year public schools.

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<th>In your opinion, how satisfied are the following groups at your institution with textbook prices?</th>
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Academic Freedom's Impact on Advising Faculty About Affordability

Almost half of respondents (49%) indicated that academic freedom does pose a challenge in advising faculty on selecting more affordable textbooks, while 41% answered that academic freedom does not have an impact on advising faculty.

Respondents who chose “Other” (10%) indicated that this was a complex question and, as one respondent stated, "there is disagreement on the answer to this question on this campus."
When Will eTextbooks Reach Mass Adoption?

Sixty-four percent of respondents believe a majority of students will adopt eTextbooks with 5 years.

It is estimated that digital texts/eBooks represent approximately 5-10% of textbook sales. When do you think eTextbooks will surpass a 50% adoption rate by students?

- Under 5 years: 23.9%
- 5 years: 39.8%
- 10 years: 28.0%
- 15 years: 3.4%
- 20 years: 0.0%
- More than 20 years: 0.4%
- Other: 4.5%

Many respondents who chose "Other" advised they were not certain when eBooks would reach critical mass.
Students Shopping Outside the Bookstore

Respondents estimated that 64% of students are shopping at the college bookstore.

Please estimate the percentage of your students who purchase the MAJORITY of their textbooks from your school’s bookstore (vs. those that shop elsewhere, such as online retailers):

- 0-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%
- 71-80%
- 81-90%
- 91-100%
- Uncertain

Presidents were more likely to report a higher percentage of students shop for their course materials in the school bookstore.

Two-year public schools were also more likely to report higher numbers of students shop within the school-sanctioned bookstore for textbooks by a large margin, as were those that serve lower income students.

Conversely, 4-year not-for-profit and 4-year public institutions were more likely to report lower percentages of students shopping at the bookstore for their books.
Brick-and-Mortar vs. Online—Current Practices

Seventy-three percent of respondents reported having both a brick-and mortar and online bookstore at their school.

Currently at our institution, textbooks are sold...

- BOTH in our brick-and-mortar bookstore and our online bookstore: 72.9%
- ONLY in our school's brick-and-mortar bookstore: 20.3%
- ONLY in our online bookstore: 6.8%

Four-year not-for-profit schools were more likely to report an online-only business model for their textbook sales.

Those schools with a brick-and-mortar-only textbook component to their bookstore were less likely to have consulted students or have a formal textbook affordability program.
Brick-and-Mortar vs. Online—Future Predictions

Eighty-two percent of respondents predicted that textbooks would be sold at both a brick-and-mortar and online bookstore in the future.

Deans were more likely to select the future of textbook sales remaining brick-and-mortar only.

Two-year institutions were less likely to select online-only in the future for textbook sales, as were schools with higher enrollment.
Conclusion

Form a formal program to help faculty

The most important insight that emerged from our president, provost, and CAO survey regarding textbook delivery practices is that having a formal program to help faculty select high-quality, low-cost course materials correlates with higher student and faculty satisfaction with textbook prices. This piece of data is very “actionable,” and we include some best practices for a textbook affordability program at the end of this paper.

We recognize that quality must be the top characteristic faculty assess in deciding which texts to adopt for their course. That is why we recommend providing faculty additional support on the practical concerns of assessing quality and cost.

Increase satisfaction with textbook costs: Ask students what they think

Student and faculty satisfaction with textbook prices are extremely low across the board. We know it is challenging to get customers to report satisfaction with textbook prices, but there appear to be significant steps schools can take to improve satisfaction, such as starting a formal program and surveying students about costs. If schools do not address the dissatisfaction, the risk of students shopping outside the school bookstore will continue to impact sales.

Address the “academic freedom” in the room

The respondents were somewhat evenly split on whether academic freedom poses a challenge to advising faculty on textbook costs.

Many of you wrote in about your great respect for this principle, and for faculty expertise in their fields, suggesting it was not your place to advise on the matter. Many also made the key point that quality must come first (and we at Akademos completely agree). Others saw no issue here, suggesting that respecting academic freedom and advising faculty on textbook adoption are not mutually exclusive.
Our recommendation is to have a conversation with faculty about how the costs of textbooks relate to academic preparedness, retention, and completion. Include practical methods for reviewing quality first, and cost as a supporting key characteristic.

**Key correlations: schools with formal programs have higher satisfaction**

What do schools that reported higher student and faculty satisfaction with textbook prices look like?

Schools that have a formal program to advise faculty on high-quality, low-cost texts, and that have on-time textbook adoptions from their faculty report higher student satisfaction.
If you do one thing...

We highlight this point throughout the paper, but we think it is worth repeating one last time. In order to improve student and faculty satisfaction regarding textbook prices, we recommend developing a textbook affordability committee or other formal program that includes advising faculty on the impact of course material costs on factors such as academic preparedness, retention, and persistence, as well as providing practical tips for reviewing quality and cost in textbook selection.

Next steps: textbook affordability best practices

To further examine the issue of textbook affordability at your school, consider starting with an audit of your textbook selection and delivery practices, taking into account how student-buying habits are changing and how cost affects academic preparedness. We have put together a Textbook Affordability Best Practices Test, located on the final page of this paper, to assist you with evaluating both the health and the mission of your textbook practices.
About the Authors

John Squires is Chief Executive Officer of Akademos. Mr. Squires was previously the founder of Next Issue Media, the digital publishing consortium joined by Conde Nast, Hearst, Meredith, News Corporation, and Time Inc., which was brought together to develop publishing solutions for tablet reading devices. Prior to Next Issue Media, Squires served as Executive Vice President at Time Inc., where he was responsible for leading digital operations and overseeing Time, Fortune, Sports Illustrated, Money, and Golf magazines. Squires holds a BA from the University of Washington and a certificate from the Yale Professional Publishing Program.

Ingrid Ramos Nakamura has over 17 years’ experience in marketing, advertising, and product management, with the last six of those focused on higher education and during a time of innovative digital growth. She was formally the Vice President of Marketing for Akademos, a leading provider of online bookstore solutions for educational institutions whose offerings include branded virtual bookstores, free eLearning tools, and textbook marketplaces that rival third-party ecommerce sites. She has previously worked at education technology companies ConnectEdu, EducationDynamics, and GoalQuest. In her roles, Ramos Nakamura focuses on both B2B and B2C outreach, including institutional marketing and sales as well as marketing to students, their families, and alumni. Ramos Nakamura has also worked for Williams-Sonoma corporate with their modern home goods retailer West Elm, and ad agencies FCB and JWT. She earned a BA in English from Boston College and a certificate in Professional Publishing from Stanford University.
About Akademos

Akademos is a leader in online bookstore and marketplace services for educational institutions. We offer virtual bookstore services, eLearning solutions, and an innovative textbook marketplace that rivals third-party marketplaces. Our comprehensive supply-chain solution and commitment to responsive personal service help us provide affordable textbooks and digital learning tools for schools and students. Students can choose from new, used, rental, and eBook options while schools can reduce costs and increase operating efficiency. Faculty can search, discover, and adopt new texts using the Akademos Textbook Adoption Tool.

Akademos has been involved in improving textbook affordability for over a decade. We started with the idea that students should have a more affordable option for buying course materials—and the Web offered a perfect vehicle. Soon enough, schools began to partner with us in order to leverage our educational e-commerce platform. And the fact that we integrate with already-existing course registration, financial aid, SISs, and other technology systems makes the transition an easy decision for most schools. Our prices rival third-party sites, and, unlike on the most popular of those sites, students are able to apply financial aid dollars to their textbook purchases. So students pay less for high-quality texts, and financial aid dollars are applied to the most affordable books instead of the most expensive.


For more white papers, webinars, and similar resources, visit www.akademos.com/resources.
Textbook Affordability Best Practices Audit

Results from our survey of college presidents, provosts, and CAOs show that having a textbook affordability program is positively correlated to student and to faculty satisfaction with textbook prices. Here are some tips for starting or optimizing a program to assess textbook affordability.

- Formalize a textbook affordability committee. Perhaps this group meets as part of an overall affordability initiative. Faculty and students should be represented.
- Gather the following for your Textbook Affordability Audit:
  - Students shopping at the bookstore — Determine the percentage of students who are shopping for the majority of books at the school-sanctioned bookstore.
  - What students (and faculty) think about textbook prices — Conduct a student survey or focus group. Include students in all decisions about textbook delivery.
  - Price comparison — See if your bookstore prices are competitive by doing a cost comparison. Search for 5–10 common textbooks and review prices at third-party vendors vs. the school bookstore. Place them in a simple spreadsheet and calculate the differences.
  - Textbook sales and commissions — Gather key sales data and analyze the cost of making a profit selling textbooks.
  - School mission and philosophy — Have a real discussion about textbook practices and how they stack up against your school’s mission and/or philosophy.
  - Retention and persistence — Discuss how textbook affordability is impacting the academic preparedness of your students.
  - Digital and OER — Assign someone to update the team on digital textbooks and the open educational resources movement with an eye toward high quality, more affordable texts. How can the institution keep up with digital technology in textbook delivery?
- Train faculty. Relay information about how textbook prices impact academic preparedness, retention, and persistence. Include practical advice on how subject matter experts such as faculty can weigh quality and supporting characteristics such as cost.
- Determine (or update) a policy and long-term textbook affordability strategy. Share your results with the school community.

Textbook affordability is a highly discussed issue among students, parents, faculty, administrators, the government, the media, and the general public. These tips can help ensure your school is making conscious choices about textbook prices and their impact on faculty and students.

For more white papers, webinars, and similar resources, visit www.akademos.com/resources.
For more information about this survey or for questions about our online bookstore services, contact us at textbooksurvey@akademos.com or visit www.akademos.com.