

Briefing for library directors

Publishers and the textbook market in the higher education sector

Executive summary

This briefing paper created by the Jisc [Learning Content Group](#) provides an overview of the current e-textbook licensing landscape within higher education institutions. It outlines current practices and their impact on the library and suggests ways in which the sector can exert influence on publishers to change their pricing and access models.

Providing students with online-only access to key learning content has been a key priority during the pandemic and has brought the drawbacks and frustrations with licensing e-textbook content into sharp relief.

Access to content has moved from the traditional library supply model where limited print copies are purchased by the library in perpetuity supplemented by student purchase, to annual leasing of “premium” content, which provides each student in a cohort with their own personal copy of a textbook. The models and fees charged by commercial publishers have become prohibitively expensive and unsustainable for libraries and paradoxically as a result of the shift to online, students risk having less access and choice.

In the interests of rebalancing market control and ensuring sustainable fees and suitable models for e-textbook access the following actions are proposed for the sector working in concert with key stakeholders including SCONUL, RLUK, Jisc, SUPC, APUC, CILIP, NAG and #ebooksos to leverage its collective influence:

- SCONUL, RLUK, Jisc, SUPC, APUC, CILIP, NAG and #ebooksos to agree a common strategy, priorities and implementation plan. This should build on the precedent set by the sector in developing a common position on open access and transitional journal agreements, and the governance of sector negotiations through strategic groups.
- Agree short, medium, and long-term priorities, and clear definitions of fair and sustainable pricing. This may involve moving away from the print RRP reference point, along with a recognition that some content may attract a premium.
- Have robust and data-led discussions with teaching staff on the need to strike a balance between setting wide ranging reading lists and costs. Libraries should seize the opportunity to partner with teaching staff to identify materials that offer good access, and to reconsider the current paradigm of a reading list with a selection of core titles at the centre.
- Offer advice and support to academics on negotiating their own publishing contracts and avoid granting exclusive rights to the publisherⁱ
- Support the open agenda in general and open education resources by directing academic staff towards openly licensed titles and encouraging institutional conversations around professional recognition and reward to incentivise the authorship of open teaching and learning content.

As a central hub for purchasing, discovery, student and academic liaison, UK higher education libraries are ideally placed to coordinate and license all learning content across the institution, including e-textbooks and courseware. Libraries also wish to remain a key partner in supporting the university in providing high-quality learning and teaching now, and in the future.

The e-textbook market and the product at the heart of the debate

At the heart of the current debate in the UK higher education sector is access to core teaching titles and textbooks. These textbooks underpin undergraduate teaching and learning in UK universities. Examples include titles often labelled “*Primers*”, “*Handbook of*”, “*Introduction to*”, “*Student guide to*”, “*Fundamentals of*”, etc. These materials are central to learning and teaching, with titles often set by academic staff as “core reading” or “recommended for purchase” for their students. These are books that must be referred to regularly by students for their seminar reading, exam revision and essays. Often the content in these titles is embedded throughout the teaching and may directly support assignments (such as open book exams) or learning objectives (particularly on professionally accredited courses). Core teaching titles and textbooks publishing is dominated by a handful of large multinational commercial content providers: Pearson, Cengage and McGraw Hill.

Top 10 textbook producers, 2018

Company	2017 Textbook Revenue (\$millions)	2018 Textbook Revenue (\$millions)	Growth	2018 Market Share	Market Share Shift (percentage points)
Benesse Corporation	3,833	3,934	2.6%	12.8%	–
Pearson plc	2,750	2,701	-1.8%	8.8%	-0.4
Grupo Santillana (part of PRISA)	1,491	1,512	1.4%	4.9%	-0.1
McGraw Hill Education	1,598	1,477	-7.6%	4.8%	-0.5
China Education Publishing and Media Group	1,295	1,384	6.9%	4.5%	+0.2
Grupo Planeta	1,137	1,166	2.6%	3.8%	–
Cengage Learning	978	945	-3.4%	3.1%	-0.2
Oxford University Press	842	850	1.0%	2.8%	-0.1
Houghton Mifflin Harcourt Publishing Company	758	758	0.0%	2.5%	-0.1
Westermann	429	501	16.8%	1.6%	+0.2
Top 10	15,112	15,228	0.8%	49.5%	-1.0
Rest of Market	14,809	15,534	4.9%	50.5%	+1.0
Total Market	29,921	30,762	2.8%		

Source: Outsell analysisⁱⁱ

Product development

In certain disciplines (e.g. business, economics, medicine, law, etc.) and key markets (where large international and US sales are targeted) textbook production is heavily commercialised. Professional design of learning activities and content, and the addition of supplementary materials – or functionality in the case of online products – pushes the cost of developing these titles higher. From a publisher perspective, these titles are “premium” products that

require substantial investment to produce and maintainⁱⁱⁱ. Publishers must not only cover their costs but also bring in revenue to support growth and investment in other products as well as deliver profit for shareholders.

However, many teaching titles for the UK market are written for publishers by academic staff employed at UK universities. Some of these become highly adopted titles placed on course reading lists and generate profitable commercial sales for the publisher. Others become highly respected secondary texts that make up the bulk of recommended and background reading for their discipline.

Product placement

Marketing is key to publishers realising a return on their investment in “premium” content. A common goal is title adoption on courses or modules to achieve “sell through” when a book is recommended for student purchase.

This is done through direct marketing to academic staff by publisher sales representatives. Once the title is adopted by an academic onto the programme, it often remains there throughout the course. This is especially true where texts are embedded in the teaching structure and course assessments. Many publishers have invested heavily in “courseware” (such as Pearson’s *MyLab*, Cengage’s *Mindtap*, and McGraw Hill’s *Connect*) that take this a step further by delivering the title within proprietary learning platforms^{iv}.

The university library is often not part of these discussions or decisions, and once a level of buy in and tie in is achieved by a publisher with a programme lead, the competition from other publishers is effectively locked out, limiting opportunities to consider more affordable alternatives.

Market trends

For many years, the core publisher market has been driven by print sales. Sales in print format still form part of publishers’ strategies but have been declining in key markets. High print prices have made titles unaffordable to students^v, and publishers have subsequently suffered from the resale market for second-hand textbooks and from content piracy^{vi}.

Publishers have responded by mimicking the print sale model by producing digital textbooks for direct sale to individuals on a copy-by-copy basis (“e-textbooks”). This cuts off the second-hand resale market. When combined with digital rights management (DRM) that restricts the ability to copy, download or print content, it also reduces the risk of piracy and sharing on filesharing sites. Licences are sold on an annual subscription basis, generating a stable recurrent revenue for publishers^{vii}.

Publishers largely apply this one-to-one model (annually leasing access to provide an entire cohort with their own personal online copy) to their “premium” e-textbook content – the titles that have high course adoption as core texts or recommended for student purchase and are expected to realise high sale volumes. This model has been extended to include content that was previously supplementary and non-core. Pricing is based on the print RRP (or more recently, digital list price) multiplied by the number of students on a cohort or course.

While some publishers do license “premium” e-textbooks via the standard library e-book multi-user access model (whereby a few copies of print books serve several cohorts of students on a programme), on the whole, publishers tend to exclude textbooks from this model^{viii}, or enable enough concurrent online access to satisfy demand by large class sizes at sustainable pricing^{ix}. This is because it is seen as threat to sales and revenue.

The impact of the pandemic

University library services have been regarded as essential facilities during the pandemic, staying open and featuring highly in students’ perceptions of value^x. During the initial weeks of the COVID-19 lockdown in March 2020, libraries were unable to provide access to print collections and many publishers responded by making their content available freely and without concurrency limits until June 2020, which allowed students to continue with their studies. While this free access was hugely appreciated, campuses were closed for far longer with many UK students only on campus briefly during the autumn of 2020 before further lockdowns occurred. As a result, institutions had to rapidly scale up their online provision to meet demand.

The sector required a fast and immediate solution, and in summer 2020 Jisc worked to negotiate framework agreements with existing intermediary suppliers BibliU and Kortext to ensure libraries could license textbook content. While a range of models were offered, overall, “premium” title availability was limited to bespoke, cohort or whole institution coverage using the one-to-one model. The agreements sought to leverage sector spend to secure higher discounts but the pricing was too high for many institutions so the deeper discount thresholds were not met.

Over the last 18 months, libraries have seen publishers withdraw titles from affordable e-book platforms that aggregate access to titles across multiple publishers. More and more content has been pushed through one-to-one “premium” e-textbook and courseware (tightly stitched into a course structure) channels sold direct by the publisher or via selected suppliers. In addition, libraries have been forced to deal with prices tripling and overnight changes to digital rights management for titles^{xi}.

This has eroded much of the goodwill established between publishers and libraries at the start of the pandemic. Institutional customers have often felt that publisher actions have been exploitative and opportunistic, resulting in the #ebooksos movement for a public enquiry into the academic publishing marketplace^{xii}.

The cost to libraries

As institutions commit to a blended learning future, university libraries are under increasing pressure to continue or increase their licensing of e-textbooks. Library book budgets are often separated from subscription budgets and are intended to cover one-off purchases of content on a perpetual ownership basis. Annual recurrent purchases and subscriptions tend to sit in subscriptions budgets.

However, with institutions needing to constrain financial costs, these budgets are being cut, or held still. With library budgets structured as they are, cuts in library funding and additional institutional financial pressures limiting strategic investment, the one copy per user model and pricing is often unaffordable and unsustainable. Some institutions have been able to fund additional library provision, including large scale e-textbook purchases. However, most university library services have limited room for manoeuvre.

Many university libraries without access to additional funds are having to rebalance their available budgets to prioritise spend on more expensive multi-user licensed e-books, or on provision of e-textbook copies to whole class cohorts for core titles. Early indications are that this comes at the expense of print book purchasing and non-core reading. In some institutions, these options are no longer being purchased, reducing the breadth of content available to students.

Data from the Southern Universities Purchasing Consortium (SUPC) via its books framework^{xiii} shows that since 2017/18, annual spend on e-books and e-textbooks has been increasing each year while print spend has decreased. However, overall total spend has remained relatively static at around £55m per year. A comparison of the first two quarters of 2019/20 and 2020/21 shows that e-books and textbook spend increased by 50% while print spend decreased by 63%. Libraries have been using their print budgets to support the supply of learning content during the pandemic.

Institutions at the top level are focused on supporting academic staff in making the switch from face to face to online and blended teaching. This necessitates programme redesign, rethinking pedagogy, the use of technology, and what quality and engagement mean to students in this environment.

The need to protect reputation, build quality, respond to student feedback about value, maintain recruitment and defend fees, means that any additional strategic funding tends to be prioritised to support the delivery of a better blended learning experience through investment in staffing or technology – *rather than library delivery*. Coupled with demands for rent rebates, and a need to increase hardship funding for students, institutional resource is being stretched in an already competitive sector where many universities have already faced years of financial challenges due to low student numbers. Financial uncertainty remains a critical challenge, with Brexit, pensions, and the potential impact of Augur, adding additional strain. For most institutions, there simply isn't additional funding available for libraries. Rather existing funds need to be rebalanced, prioritised and stretched to support a larger portfolio of content provision, as the SUPC data above suggests.

To give this some context, the strategic dataset from the SCONUL Annual Statistical return demonstrates that the sector average “Information Expenditure per FTE User” (a derived indicator for the sum spent by a library on each student and staff member), fell from £171.80 in 2018-19, to £168.90 in 2019-20.

This sum of money typically covers all library information and materials costs: large national framework journal and other subscriptions, database licenses, inter-library loan and digitisation services, standing orders, books and e-books, and supplier charges. Relative expenditure from institution to institution varies, but it is not unusual for a library to spend in excess of 85% of its available budget on subscriptions. Using the averages above, at 2019-20 “Information Expenditure per FTE User” rates, this would equate to around £25 per user being available for expenditure on books, inter-library loans and other services. This must stretch to cover all core and recommended reading for the multiple modules studied by a user.

Looking ahead

The following proposed short, medium, and long-term actions are a call for continued collaboration across the sector with a view towards 2030 and beyond to rebalance market control and establish sustainable and suitable models for e-textbook access.

Short term, 2021-22

- The sector to come together and coalesce under common goals and leverage its collective voice to secure better, affordable, and sustainable models. This will involve key stakeholders such as SCONUL, RLUK, Jisc, SUPC, APUC, CILIP, NAG and #ebooksos to agree a common strategy, priorities, and implementation plan.
- Set out clear definitions of content and gain sector agreement on what is fair and sustainable pricing for e-learning content.
- Leverage consortium power across teaching and learning resources and negotiate directly with publishers. Realise sector-wide volume-based sales and realistic price points.
- Help maintain pressure on the publishing sector by aligning to initiatives such as the #ebooksos campaign for a CMA review^{xiv}.
- Collaborate and share information with international bodies and organisations with common goals addressing the same market issues and working to establish sustainable and suitable models for e-textbook access.
- Engagement with the academic community for sustainable resource selection to break the chain of unsustainable course adoption for commercial content.
- Offer advice and support to academics on negotiating publishing contracts and not granting exclusive rights to the publisher.
- Further planning and continued work to develop Open Access (OA) texts and Open Educational Resources (OERs). This includes, but is not limited to, exploring sustainable funding models, identifying priority subjects for OER, and developing a pipeline and partners.

Medium term, 2022-2025

- Maintain consortium purchasing pressure on publishers to contain costs for multi-user and one-to-one pricing and models.
- Investigate if Controlled Digital Lending (CDL) has potential under UK copyright law to offer a solution not just for the digital lending of print only formats, but also titles only available under unsustainably priced digital sales models.
- Promote and support the open agenda in general and open education resources, encouraging institutional conversations around professional recognition and reward to incentivise the authorship of open teaching and learning content.
- Develop first priority OERs and OA texts, and work to scale up.
- Establish a robust and data-driven process to evaluate results and feedback throughout to ensure long-term sustainability.

Long term, 2026-30

- Development and maintenance of a sustainable OER and OA text portfolio for the sector in an open and fair future.

Annex A: Supporting context

Different publishers' approaches and models vary widely, but the following practices have been observed by libraries over the past year or more.

Restrictive author agreements

Academic authors of teaching texts need to be aware of how their publisher intends to market their title. In several cases, academic authors have found that their titles have been categorised as “premium” content by the publisher, and only offered for sale under an e-textbook model. The price to provide a copy for every student on a course can put the title out of the reach of even the author's home institution: meaning it cannot be recommended on their own class reading lists.

More titles treated as “premium” content by some publishers, and only offered under “premium” sales models

When back catalogue titles are redesignated as “premium” content and new editions only offered for sale as e-textbooks, which removes previously available books from cost-effective multi-user e-book licence models, the cost to provide a copy for every student on a module is prohibitive for most institutions. This reduces the ability of libraries to afford a wide range of background and recommended reading, reducing the chances of these titles remaining on reading lists.

Reducing choice available from commonly used library e-book suppliers

Reduced choice or value restrictions for titles purchased through the main multi-user e-book platforms available to UK university libraries (ProQuest, EBSCO and Askews and Holt). These routes provide cost-effective value chains for libraries through systems integrations, and automated ordering and invoicing. Dealing directly with publishers greatly increases administrative overheads for libraries: without the automation provided by the e-book platforms they have to manually include content into the library management system and virtual learning environment.

New editions are not available as multi-user e-books

Exclusion of current and recent editions of “premium” titles from multi-user licence models. A common scenario is for a third edition to be released as an e-book, while fourth and fifth editions are only available in print format or as an e-textbook.

Unsupportable prices for multi-user e-book licences

In autumn 2020, Taylor & Francis and McGraw Hill increased their prices by more than 200% to their one and three concurrent user licences.

One of the most extreme examples of this practice can be seen in a Wolters Kluwer title, *Cancer: Principles and Practice of Oncology, Primer of Molecular Biology in Cancer* (11th edition). On 9 February 2021, the paperback copy was listed on ProQuest for purchase at £75. A single user e-book licence was priced at over £5,000 (the equivalent of 65 copies of the paperback), and an unlimited concurrent user licence cost over £10,000.

Cambridge University Press has also withdrawn all its textbook content from affordable licence options and now only offers a one size fits all model via its new *Core* platform. It offers unlimited concurrent user access, but with tiered institutional prices in the range of £1,000-£1,400 per title. This does not represent value for small class cohorts or background texts and is charged as an annual fee.

Further examples can be found via #ebooksos^{xv}.

Subscription (licensing rather than purchase and ownership)

Licensing of content on an annual subscription basis rather than selling it outright provides a more sustainable and reliable source of income for publishers, but has financial implications for institutions in terms of funding long-term commitments.

The content is not owned by the institution or individual, and access ceases at the end of the 12-month period. A university could pay for a copy of a title for every student on a large module at a “premium” price. If the students need that title in subsequent years, then it has to be relicensed for them annually, as well as the new cohorts coming onto the module. The student is not able to retain the book in the same way as if they had bought it in print – despite the similarity in unit cost.

Bundling content for sale

Under this model, to access the titles required, libraries must purchase the publisher’s whole portfolio or package of medicine, law or business titles for example. Only an annual subscription at tens of thousands of pounds for the whole bundle will unlock the required titles. An early example was O’Reilly’s *Safari* e-books for computing, but others have followed suit, such as OUP with its *Law Trove* and Elsevier with *ClinicalKey*.

Removing legal copyright entitlements from multi-user titles

The removal of user copy, print and download allowances on “premium” titles, often with no notice cause many challenges for libraries. In addition, this is contrary to the limitations and exceptions permitted by copyright law, including fair dealing for the purposes of non-commercial research and private study.

Unsustainable second extract costs

Temporary relaxation of CLA copyright terms has allowed for the digitisation of up to 20% of a title for access by a class cohort^{xvi}. This has been a welcome move and supports the delivery of blended teaching where a book extract is required. However, the second extract charges for making an additional chapter available to a class cohort can amount to thousands of pounds annually, making this approach unsustainable.

ⁱ Text and Academic Authors Association. *Textbook Contracts a Guide: Learn how to Negotiate an Author-friendly Contract*. Available from: <https://www.taonline.net/assets/docs/downloads/taatextbookcontractsaguide.pdf> [accessed 9 March 2021]; also, Schofield, B. et al (2018). *Understanding and Negotiating Book Publication Contracts*. Authors Alliance. Available from: <https://www.authorsalliance.org/resources/publication-contracts/> [accessed 9 March 2021]

ⁱⁱ Worlock, K. (2019). ‘K-12 and Higher Education textbooks Market Size, Share, and Forecast, 2019’, Outsell. Available from: <https://www.outsellinc.com/product/k-12-and-higher-education-textbooks-market-size-share-and-forecast-2019/> [accessed 5 August 2021]

ⁱⁱⁱ In the region of \$500k to \$3m compared to an average monograph development cost of c. \$15k

^{iv} McGraw Hill announced on February 24 2021 that digital products made up 64% (over \$1b) of the company’s revenue for 2021 to date, with a 27% YTD growth in uptake of the Connect platform. *Sales of Digital Learning Solutions Continue to Drive Strong Performance for McGraw Hill in Fiscal Q3 2021*. Available from: <https://www.mheducation.com/news-media/press-releases/mcgraw-hill-third-quarter-2021-results.html> [accessed 8 March 2021]

^v Naigle, C. and Vitez, K. (2020). *Fixing the Broken Textbook Market*. U.S PIRG Education Fund. Available from: <https://uspirg.org/feature/usp/fixing-broken-textbook-market> [accessed 8 March 2021]

^{vi} Gest, K. (2019). ‘I can get any novel I want in 30 seconds’: can book piracy be stopped? *Guardian*, 6 March 2019. Available from: <https://amp.theguardian.com/books/2019/mar/06/i-can-get-any-novel-i-want-in-30-seconds-can-book-piracy-be-stopped> [accessed 8 March 2021]; and Jones, M. Why we can’t overlook textbook piracy. *THE*. Available from: <https://www.timeshighereducation.com/blog/why-we-cant-overlook-textbook-piracy> [accessed 8 March 2021]; see *Z-Library* for an example of a book piracy site <https://b-ok.cc/>

^{vii} “We’re accelerating our move to digital and we have an opportunity to recapture the secondary market in Pearson textbooks.” Pearson’s 2020 Full Year Results. Available from:

<https://otp.tools.investis.com/clients/uk/pearson1/rns/regulatory-story.aspx?cid=1433&newsid=1458932>
[accessed 26 March 2021]

^{viii} Perhaps as little as 10% of “premium” titles, see Secker, J., Gadd, E. & Morrison, C. (2019). *Understanding the Value of the CLA Licence to UK Higher Education*. Available from:

<https://www.sconul.ac.uk/sites/default/files/documents/CNAC%20Research%20Project%20Report%20FINAL%20with%20logos.pdf> [accessed 8 March 2021]

^{ix} Hackett, T. *COVID Lessons – Copyright and Online Learning*. Available from: <https://www.eifl.net/blogs/covid-lessons-copyright-and-online-learning> [accessed 8 March 2021]

^x Jisc (2020). *New Research Provides Food for Thought*. Available from: <https://www.jisc.ac.uk/blog/new-research-provides-food-for-thought-22-jul-2020> [accessed 27 April 2021]

^{xi} Campaign to investigate the academic e-book market. <https://academicebookinvestigation.org/> [accessed 30 June 2021]

^{xii} Fazackerly, A. (2021). 'Price gouging from Covid': student e-books costing up to 500% more than in print. *Guardian*, 29 January 2021. Available from: <https://www.theguardian.com/education/2021/jan/29/price-gouging-from-covid-student-e-books-costing-up-to-500-more-than-in-print?> [accessed 8 March 2021]

^{xiii} SUPC. *Books, E-books, Standing Orders and Related Material – Inter-regional Agreement (LIB4035 SU)*. Available from: <http://www.supc.ac.uk/frameworks/577/> [accessed 26 April 2021]

^{xiv} Campaign to investigate the academic e-book market. <https://academicebookinvestigation.org/> [accessed 30 June 2021]

^{xv} Campaign to investigate the academic e-book market. <https://academicebookinvestigation.org/> [accessed 30 June 2021]

^{xvi} Usually 10%. See *Higher Education Licence terms amended until July 2021 to help sector deal with difficulties due to COVID-19*. Available from <https://cla.co.uk/HE-licence-terms-amended-covid19> [accessed 26 March 2021]