Technology, costs, lack of appeal slow e-textbook adoption

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Textbooks are often a luxury for college senior Vatell Martin. The accounting major at Virginia State University got by in several courses with study groups and professors' lectures. "It's not that I didn't want to buy," he says. "Sometimes, I just didn't have the money for a $200 book."

VSU, a 129-year-old historically black college in Petersburg, Va., knows Martin isn't the only one. More than half of its students routinely skip buying textbooks.

For a solution, the school is turning to e-textbooks. VSU partnered with Flat World Knowledge, a start-up publisher that produces exclusively written e-books with "open" content that can be modified by professors. In a trial with 14 business courses, students would be required to pay $20 and receive a Flat World e-book and digital learning supplements. (The university and a local grant have been covering the cost, so far.)

"That's nothing. It's what I put in my gas tank," says Martin, who participated in the trial. "If I was walking into a discussion on a topic, I can just (download and) take out the book and read it on my phone."

With their promise of ubiquity, convenience and perhaps affordability, e-textbooks have arrived in fits and starts throughout college campuses. And publishers and book resellers are spending millions wooing students to their online stores and e-reader platforms as mobile technology improves the readability of the material on devices such as tablet

computers. [Silicon Valley](#) startups, such as Inkling and Kno, are also aggressively reinventing textbooks with interactive graphics, videos and social-media features.

Despite emerging attempts at innovation, the industry has been slowed by clunky technology, the lasting appeal of print books, skeptical students who scour online for cheaper alternatives, and customer confusion stemming from too many me-too e-textbook platforms that have failed to stand out.

The late Steve Jobs, founder of Apple, believed textbooks to be an $8 billion market ripe for "digital destruction," biographer Walter Issacson writes in "Steve Jobs." Apple is expected to make an announcement Thursday about its new education products.

"Today's eighth-graders will enter college expecting to use e-books," says Dan Rosensweig, CEO of Chegg, an online seller of textbooks. "We are at the beginning of this arc."

The market is small but growing. Sales for e-textbooks in the U.S. higher education market grew 44.3 percent to $267.3 million in 2011, according to Simba Information, a publishing industry research firm.

So far, students have been less than impressed and more likely to opt for print books. About 11 percent of college students have bought e-textbooks, according to market research firm Student Monitor.

Availability isn't the chief problem. Most popular textbooks have a digital version, and they're available online. But students have largely stayed away because the most readily available technology today - PDF (portable document format) or other document-reader versions of the print book - is clunky and eye-straining to read.

When Andrea Soto, a freshman biology major at the University of Maryland, bought "Principles of Biology," the $192 price tag came with a free online version. She prefers the tangible presence of a thick book on her lap. "You can't highlight or underline things in the e-book. I find it more of a hassle," she says.

Digital books aren't necessarily cheaper, either. While priced lower than new print books, they're often more expensive than buying or renting used books online, says Kathy Mickey, an analyst at Simba.

A federally funded pilot study at Daytona State College in Florida found that some students who rented an e-textbook paid only a dollar less than students who bought a print edition. And e-textbook users couldn't sell the book back after the class ended.

Despite e-textbooks' shortcomings, most agree that the print market is ripe for a technological overhaul. Prices of new books are skyrocketing. Authors complain about used book sales that don't generate royalties. Professors and students bristle at new editions that seemingly add little in content vs. the previous one.

"This is an industry that's failing everyone - parents, authors, professors, and students," says Brad Wheeler, chief information officer at Indiana University, which is running a program that distributes cheaper e-textbooks but requires all students in the class to buy.

Publishers are eager for a quicker transition to the format because e-textbooks cost less to publish and would generate income from every student who buys one. Digital books can't be resold, at least, not legally. "We'd prefer that all of it to go digital," says Vineet Madan, senior vice president of new ventures at McGraw-Hill Education. "There isn't a secondary market for e-books."

If current e-textbooks are mostly unappealing, what's next? Like online music in its infancy, the textbook industry's key players - publishers, resellers, bookstores, tech companies, even some universities - are all scrambling to proffer their digital solutions, an effort that has only intensified with the advent of tablet computers and app stores.

"Everybody and their brothers are coming out with an e-book platform," says Iam Williams, director of strategic learning solutions at Wiley, a textbook publisher.

They all agree on one thing: The quality of e-textbooks must improve dramatically. More value-added, interactive features - such as graphics, notes-sharing, digital annotation, instant quizzes, easy search, links to social networking, videos and the ability to add third-party content - will keep students interested and spur sales, they say.

[Tablet computers](#) are a key catalyst in this endeavor. At Kno, tablets have allowed the Santa Clara, Calif.-based company to embed interactive tools onto an existing e-textbook in a more intuitive way, for example, the ability to write directly on the book with a finger stroke or tap on a keyword for notes. The rise of tablets was "a needed development," says Kno founder Osman Rashid.

Inkling, while similar in goal, takes a different approach. The startup works directly with authors to re-create an existing print book in the app environment by adding 3D graphics, original videos, audio and a tool for professors to embed explanations.

By linking to Facebook, students in the class can talk to each other. Students can also buy a chapter at a time for $2.99 at the Apple app store. Because of the painstaking process involved, it has only 110 titles completed. More are coming, says founder Matt MacInnis.

"Unless you construct content from the ground up, it's just lipstick on a pig," MacInnis says.

CourseSmart, which has an app for iPad and Android tablets, found that the number of customers accessing its e-textbooks from mobile devices shot up from less than 3 percent to 9 percent after the app was rolled out, says Jill Ambrose, chief marketing officer. Competing publishers - Pearson, McGraw-Hill, Wiley, MacMillan and Cengage - jointly founded CourseSmart in 2007 to distribute their e-textbooks and digital learning materials.

Abilene Christian University in Texas is one of several universities studying the possibility of iPads in the classroom.

Sophomore Landon Long was issued an iPad by the university for a semester trial and given a free microeconomics book on Inkling's app.

"Once you get used to it, it works fine," he says. But he's not about to buy an iPad for himself. "I don't think I can afford it."

For now, he'll stick to his usual money-saving strategy - buying used books online, often at Amazon.

Despite threats to their print book sales, university bookstores are also coming around to embracing e-books. Follett, which runs 930 university bookstores in North America, launched Follett CafeScribe last year, a cloud-based digital textbook platform.

Barnes & Noble has a similar product in Nook Study, a website for interactive learning.

Textbook publishers are partnering with universities for exclusive trials, buying stakes in start-ups and developing their own technologies.

Last year, publisher Cengage launched MindTap, an e-book/digital learning website that is now being tried by about 50 professors, says Bill Rieders, Cengage's executive vice president of global new media. Instead of tables of content, MindTap provides "a learning path" that students can access for text, multimedia, self-assessment tools, quizzes and note sharing.

Wiley, whose sales of digital textbooks and learning aid kits totaled about $46 million last year, operates WileyPlus, an online site that contains 340 university courses and 1,100 titles.

Pearson has introduced a competing product, OpenClass. The cloud-based website - meaning students can access information wherever there's an online connection - features social networking, and works with Google Apps for Education (a suite of software designed for universities, including calendar, information sharing and document reader applications).

Reed College in Portland, Ore., is one of several universities that will test OpenClass this fall.

Some schools worry about the potential for student confusion, stemming from dealing with so many e-book platforms.

Indiana University is directly negotiating with publishers on prices and is deploying discounted books through an online learning site operated by an Indianapolis start-up CourseLoad.

"Unless universities get ahead of them, students may get four or five platforms. We wanted to nip that and cut that off," Wheeler says.

The CourseLoad trial has been in place since 2009 on a limited basis, with students receiving free books. It has been expanded to 130 courses

this spring semester.

Students now pay a discounted price for access to CourseLoad books and learning kits, typically "60 percent to 70 percent" cheaper than new print books, Wheeler says. In exchange, students must pay a fee to enroll.

The no-opt-out feature is also central to Flat World Knowledge's trials. E-books are exchanged for per-student fees from each class, says Jeff Shelstad, CEO of Flat World.

Despite the lack of flexibility, school officials and students have embraced the low-cost approach, he says.

"Students aren't locked out of learning. They aren't trying to beat the system. Students love us at these schools. We're like rock stars there."