The Academic Observer Responds

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Answers to letters regarding the column, 'Why Are Textbooks So Expensive?'

I appreciate the many constructive comments exploring various points of view on the issue of textbook prices. Those appearing in this issue's Forum are only a small selection of e-mails received by the *Observer* commenting on my column "Why Are Textbooks So Expensive," published in January 2005.

Yes, I was representing the author's point of view and not that of a bookstore manager, partly because I have not seen the author's perspective injected into this debate and partly because I'm not a bookstore manager. Authors and publishers often receive the blame for the price of books without the issue being examined from our vantage. Apparently some bookstore owners don't appreciate examination of their roles in the mix of factors that contribute to high textbook prices.

Although I respect the writers' commentary and criticism, it does not seem to me that my essential points were addressed, much less challenged. To wit: 1) Margin of profit on new books (or the markup charged by the bookstore) has generally increased over the years. The margin has increased despite the fact that bookstores would have received more revenue even if margin remained constant due to higher prices of books. 2) Used books constitute a part of this problem (although publishers and bookstores disagree on how large a part). Ms. Falgien claims used books account for "only 27 percent" of all course materials sold, but perhaps bookstores should try taking no profit on a quarter of the products they sell and try to run a profitable business. 3) The issue of used books has led companies to produce frequent new editions and to introduce many ancillaries to combat the problem, further driving up costs for all concerned. If books were revised every (say) seven years, the 27 percent figure of used books would skyrocket; the figure is (apparently) 27 percent despite all the strategies publishers use to combat the used book problem.

In short, no one seems to have challenged the basic assumption of my original column that change in sales of used books over the years is a fundamental cause of the increase in textbook prices.

Some commentators write as if used books are only resold once, but many (most?) may be sold several times, each time with the bookstore making a large profit and the publisher and the author none. Mr. Parry claimed that the revenue on new and used books is the same, whereas Mr. Newton says that bookstores make no money at all on new books and only make money on used books. I don't know where the truth lies, but certainly the answer is clear for publishers and authors: They both make zero on used books, and it is hard to make a profit (or break even, for that matter) on zero revenue.

Whether one casts the figures in terms of margins or percentage gains (markups), the fact remains that for my *Experimental Psychology* text used in the example, the price on the shelf for the student is $99.75 (at least at my bookstore. Bookstores set the margin and these differ from store to store.) The bookstore makes $26.25, so a bit over a quarter of the price of the book (the 26.2 percent margin) is kept by the bookstore. In my case, the authors split the $11.02 royalty three ways. The publisher, who receives the balance of the price, has to try to recoup their many costs. These include the costs of text development, reviewing, artwork, proofing, printing, binding, as well as having sales reps on campus, providing service to professors who adopt the book, and so on.

When the book is resold, the bookstore makes at least as much and probably more than on the original sale (depending on which bookstore writer's letter you believe), and the authors (and publishers) make zero. Yes, bookstores have their expenses, as do authors, as do publishers. Mr. Parry invites me to visit the bookstore and see what goes on. I go to one all the time, of course, even if not to view its inner workings. Let me invite Mr. Parry to develop the requisite expertise through years of education and teaching that would enable him to become a textbook author; then write the book over the period of several years; then shepherd it through development, production, marketing, and sales with a publishing company; and then watch the sales (and hence royalties) plummet after the first year due to used books.

Several writers make the analogy between used cars and used books. No, it's not illegal to sell cars, and it won't ever be illegal to sell used books. The automobile manufacturers have certainly figured out how to produce yearly obsolescence of their product, a strategy perhaps publishers should consider. The car companies bring out a new edition of every model every year, often with minimal changes, which drops the value of all previous models by a huge amount. Maybe textbook publishers should do this, too, even if the changes in the books would (as for many cars) be minimal. Students, like drivers, could take their chances with a used book that might have a few miles on it and not quite have the latest stuff, but they would learn from it, nonetheless. Of course, I hope this solution — yearly cosmetic revisions — does not come to pass and, happily, several writers suggest better ones. Still, since a number of writers liked the analogy to the new/used car issue, I thought I would follow through on their thoughts.

I thank the writers for their responses and apologize for a couple of cheap shots I took at bookstores. Mea culpa. I love bookstores, actually, and greatly enjoy wandering my own campus store looking at titles. I especially appreciate Mr. Cook's suggestions. We are all in this together, and bookstores, publishers, and authors should work together to seek solutions that are equitable for all concerned. A system of payments to publishers and authors on used books would solve the problem, as well as being fair and equitable.