

**THE HIGH PRICE OF TEXTBOOKS AND OTHER CONTENT DELIVERY ISSUES:  
WHY IS THE PRICE OF TEXTBOOKS SO HIGH?  
WHAT CAN YOU DO TO LOWER THE COST OF CONTENT DELIVERY TO YOUR STUDENTS?**

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**ABSTRACT**

In 1976, the price of a gallon of gasoline was 65 cents per gallon. At the same time, college tuition at a four-year state school was \$617\*, while the total TFRB (tuition, fees, room and board) was \$1936\*. My marketing textbook cost me \$8. In 1990, gasoline was 99 cents per gallon, college tuition at a four-year state school was \$1,908\*, while the total TFRB (tuition, fees, room and board) was \$5,074\*. The textbook for my principles of marketing class cost my students \$44.

In 2005, gasoline is \$2.20 a gallon, college tuition at a four-year state school is \$5,132\*, while the total TFRB (tuition, fees, room and board) was \$11,354\*. The required textbook for my marketing class was \$126. Yes Virginia, the price of everything is rising. Over the past 30 years, the price of gas has tripled, tuition has increased by 830 %, and TFRB increased by nearly 600%. However, few items have increased in price faster than business textbooks, which increased by nearly 1,600% during that time. Why is that?

Even when you adjust for inflation, tuition has increased by 250%, TFRB increased by nearly 200%, and textbooks increased by nearly 500%. This is mind-boggling. My full time undergraduate students spent an average of \$650 on books this semester. They have developed strategies for dealing with these costs including sharing books, buying old editions, and illegally photocopying chapters, and using alternative channels. We owe to our students to help them deal with this problem.

The issue of the high price of content delivery hit home this fall. Early in the semester, the student government at our University brought the issue of rising textbooks to the Administration and the Board

of Regents. Immediately, our bookstore management got involved and provided a blueprint for reducing the price of textbooks. Some of their recommendations included using the same book over and over again, getting book orders in early, refusing to order bundled packages from the publishers, and avoiding customized textbooks.

As marketing faculty members that have researched lectured, and provided executive training in pricing, we were particularly interested in the issue of textbook prices and the bookstore's recommendations (that the administration immediately embraced). While some of the recommendations seemed to make sense, others didn't. However, the one common thread was that all the recommendations resulted in higher profits for the bookstore.

As a result of our investigation, we came to understand that the high price of textbooks is more complicated than simply getting book orders in early. The solution to lowering the price of textbooks to your students is a complicated one.

This special session investigated textbook price issues from a number of marketing perspectives including the distribution channel, the supply chain, monopolistic pricing, the resellers market, perishable products pricing, etc. We ended with a realistic set of recommendations to reduce the price of textbooks and other content delivery products to students. This topic is of interest to marketing educators interested in lowering the cost of textbooks to their students, along with those marketing educators interested in channels issues, supply chain management issues and pricing.

\* Source: Trends in College Pricing Report prepared by the College Board, New York New York. 2004.