



Cengaging the masses

US publisher Cengage Learning wants to expand its share of the European market. But will its solutions translate, asks **Julian Hall**

Like reports of Mark Twain's death, the demise of print-based publishing has been greatly exaggerated. But claims the medium is still in its prime equally soundly, such as when Tim Waterstone, founder of the book chain of the same name, suggested last year that the digital revolution was "in decline". As is often the case, the truth lies somewhere in between, with both mediums existing side by side for now – a trend particularly apparent in

education publishing. It's within this Janus-faced context that players like Pearson, McGraw Hill and Cambridge University Press are trying to grow, and the same goes for US-based publishing giant Cengage Learning.

Formally established in 2007, when Thomson Publishing divested its learning arm (before going on to acquire Reuters), Cengage's specialism is business, accounting and economics resources for the higher education, K-12, professional and library markets. Today the company turns over

£1.8 billion, has millions of customers in more than 120 countries (including 1.7 million active users of its digital products), and employs 5,500 staff.

Andrew Robinson, director of higher education Europe, Middle East and Africa (EMEA), is keen to tell me that there is more to life than digital. The company "remains committed to producing content in print format to ensure our products are made available to the widest audience", he says.

"In EMEA we operate in over 100 markets and no two are the same. For many the

digital lecture theatre, widespread device ownership, wi-fi and broadband access is still a way off. Even in the more developed markets many students like to have the choice to use print instead of or alongside digital products.”

On its game

That said, he clearly sees a different direction of travel, describing Cengage’s current preoccupation as being “to commission digital content and assets that can be customised and used iteratively by the learner in an adaptive learning context”. The publisher’s determination to remain at the forefront of digital delivery has helped it through tough times, too. It has managed to outperform the recent dip in UK print sales (down 7% in 2010-2015 according to the Publishers Association), despite the fact the majority of its British sales are still from print, while achieving double digit year-on-year growth in digital. (In the US its digital sales now exceed print, accounting for 51% of overall domestic revenue.)

It also explains why the firm continues to partner with up-and-coming businesses. In November, it announced a tie-up with Cyber Science 3D which will enable it to serve up Cengage content with a virtual reality twist. And in October, it teamed up with Swedish ed tech business DigiExam to “bring the examinations process into the 21st century, by enabling students to take invigilated exams on their laptops, or any other device, simply and securely”, says Robinson.

Cengage likes to buy businesses too, and this year acquired Pathbrite, a digital portfolio tool for students, and Learning Objects, a Washington DC-based ed tech firm that produces adaptive learning courses for the HE market. “As a company we are very excited about the acquisition of Learning Objects,” says Robinson. “It allows institutions to quickly create both competency-based and traditional online programmes and courses integrating publisher content, open educational resources, faculty content and other ed tech vendors’ tools.”

These deals were seen as a means of broadening Cengage’s flagship product, MindTap. Introduced at a TED talk in 2011, MindTap is a cloud-based solution for university students, which is both customisable and device-agnostic. It gathers all of a student’s course materials in one place and enables them to follow their programme interactively, by way

of assessment facilities and real-time performance tracking.

Cengage’s executive vice president of new media, William Rieders, rather bombastically claimed at the time that the platform would take learning to a “new level”. Whereas previous learning platforms “simply recreated the experience of the print textbook in a digital format, leaving students dissatisfied and instructors limited”, MindTap offered “an optimal blend of sound pedagogy, authoritative content, and advanced technology”, he said.

Arguably the platform’s biggest selling point is the way it caters to the multifaceted content experience so many education institutions now seek. For instance, says Robinson, it speaks to emerging modes of study like the flipped classroom and distance and online delivery (areas for which Cengage is increasingly creating new content and solutions). In what might

“We’re importing and adapting some of the most innovative products in higher education, which certainly gives us that advantage over exclusively European-based HE publishers”

seem counterintuitive to many, Robinson believes “opportunities for us will only increase as massive open online courses are increasingly made available alongside formally validated degree programmes and qualifications”.

Certainly flexibility is the name of the game for publishers, many of whom were caught unaware by trends such as open resources which have narrowed their markets. Keen to keep up with another new trend – the rise of the student as a consumer – Robinson says Cengage also consults learners when developing its content, not just academics, which is “the traditional way HE publishing has evolved”.

“Students are increasingly important stakeholders in content delivery and HE overall,” he says, “and so whether private or public providers, globally everyone is looking to ensure the best possible experience. Students want to know what

they are paying their tuition for – just look at the recent demonstrations against tuition fee rises in South Africa. They were the biggest since the end of Apartheid.”

Rising participation

Luckily for Cengage, participation in higher education is growing almost everywhere, expanding the potential market for its products. According to Robinson, in EMEA as a whole enrolments are up by 20% in 17 years, and this is mirrored by a similar expansion in Latin America and Asia. The challenge across all these markets for Cengage is to customise and regionalise its content – a process Robinson says was accelerated by the 2013 Kitsaeng ruling that US publishers couldn’t charge less internationally than they did for the same book in the US. “It presented an opportunity to convert our customers to localised digital solutions and custom publishing and enabled us to consider the needs of our local customers more closely,” he says.

Kitsaeng certainly had an impact on US publishers, even if it is petering out now, but observers point to other obstacles ahead. With regards to novel solutions such as MindTap, Ian Koxvold, PwC’s new head of education strategy, says: “The challenge for a company like Cengage is to steer a path between getting ahead of the market and over-investing, which will yield poor returns, and losing its nerve in the face of a slow take-up, which will sacrifice some of the growth option that it has bought.

He adds that there is “no obvious way to gauge the rate of investment, other than by keeping very close to customers and understanding how their needs are changing”.

The firm seems confident it is striking the right balance. Robinson’s division must also benefit from the latency between product launches in the US and EMEA, which allows it to gauge market interest before exporting a new idea. For instance, while MindTap is available in markets such as the UK, the recently integrated Learning Objects application has yet to make it across the Atlantic (although Robinson says it soon will).

“We’re able to capitalise on the multimillion dollar investments being made Stateside in developing MindTap as well as the recent acquisitions,” he says. “We’re importing and adapting some of the most innovative products in higher education, which certainly gives us that advantage over exclusively European-based HE publishers.” ■