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AGGREGATIO PARTICIO: LEARNING CONTENT DISTRIBUTION, WHOLESALING, AND AGGREGATION

The role of the distributor is shifting, and new business models, products and their functionality, and decisions by institutions and students on how to achieve their respective teaching and learning goals will largely determine the new players and characteristics of learning content distribution. Publishers are pursuing paths that strengthen ties directly to student and institution. Traditional players are reinventing themselves, while both start-up and entering "giants" threaten to claim the role.

Key Points:

1. The role of the distributor is shifting from logistics management of physical objects to curation, identity and access management, privacy and security management, and marketing and outreach to students. The balancing act for the hybrid distributor is managing the longstanding commercial relationship with college stores and the emerging one with students.
2. As students make increasing use of a rising number of distribution channels for learning content, the ability of the college store in negotiations with distributors is likely to grow weaker.
3. Potential substitutes threaten the existing niches occupied by distributors:
   a. Rise of the business-to-consumer (B2C) distribution model
   b. Emergence of student portals—designed to support student learning needs such as coaching, advisement, test preparation, and tutoring
   c. New academic content licensing models
   d. Rise of massive-scale course aggregators—such as MOOC platform providers EdX and Coursera
   e. A shift from buying and owning to subscribing and streaming
4. Key players include very large publishers in this space, traditional distributors like Ingram, and an emerging class of digital content distributors. Those providers with tools that facilitate faculty adoption or student discovery and acquisition will likely win the day.
5. Innovations and technologies that distributors need to track and experiment with include: subscription licensing and pricing; adaptive or personalized learning materials tied to publishers' information systems; courseware with licenses that restrict sharing, lending, renting, and resale; and learning analytics that can help teachers and students but are tethered to the publishers.

Mapping the Learning Content Ecosystem

SCORECARD

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Supplier Power

- Key suppliers are academic publishers and the condition of the industry is not strong
- Organic source of growth (print textbooks) is waning
- Student self-sourcing and changes in faculty use of materials reduces demand for products—weakening hold on distributers

Buyer Power

- Strength of student as buyer continues to rise in the digital age
- Increasing options—both paid and not—increase student power even more
- College stores and other retailers' power as buyer is declining due to:
  - o Growth in number of distribution channels
  - o Rise of business-to-consumer direct marketing and sales
  - o Rise in student awareness of purchase and rental options

Rivalry Level*: 2

Rivalry centers on competition between business models and who will be served directly—retailer or end consumer.

New Entrants

- Relatively small threat of new entrants due to high capital investment and specialized technological capabilities required
- Some current industry players transitioning to fill new needs of digital distribution environment
- Amazon and other online retailers of that caliber are greatest threats to watch

Substitutes

- Threat of substitutes to be considered and monitored include:
  - o Business-to-consumer (B2C) distributors
  - o Emergence of student portal service providers
  - o Academic content licensing models that exclude distributors
  - o Evolution of MOOC platforms as content distributors
  - o Influence of "subscribing and streaming" economy
  - o Rise of peer-to-peer student exchanges

*Rivalry is an indication of competition in the segment from 1-lowest to 5-highest; both among current players and between them and new entrants.

Critical Questions: Learning Content Distribution, Wholesaling, and Aggregation

1. *How would you characterize the relationships between your store and industry distributors? Who on your staff manages those relationships and monitors changes in this space?*

2. *What conversations are happening on campus related to content licensing or other models that might 1) exclude the store or other players in the distribution chain and/or 2) benefit from expertise that store staff can offer?*

3. *How is your store strengthening its relationship with students around learning content, course materials, and digital learning products to mitigate the impact of student self-sourcing? Is your store serving as a course materials/learning consultant for students? For faculty?*

4. *Which Potential Substitutes and/or Technologies and Innovations to Watch present potential opportunities for your store? How will you evaluate and prioritize each? How do you get started?*

5. *Is your store an active participant of the learning content and learning analytics discussions happening on your campus? If not, why? And how do you become involved?*

6. *Who are the key players on your campus with whom you need to establish and maintain relationships?*