

Booksmarts

COMPREHENSIVE TEXTBOOK SOLUTIONS

RETAIL MANAGEMENT SYSTEMS

E-COMMERCE

STORE DESIGN & DEVELOPMENT

BUYING POWER & ADVOCACY

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Trio of New Buyback Programs Promotes Student Interests

It may be the perfect win-win combination: Give students a way to do something good for the planet (and their wallets) and give bookstores a way to build their inventory of used textbooks.

To celebrate the end of the 2008 academic year, Nebraska Book Company piloted three new book buy programs among 65 bookstores across the United States, says Steve Bartek, NBC program director.

"Bookstore managers told us they were looking for new ways to increase the number of students participating in book buys. We wanted to try something that would generate excitement among students."

That something needed to reflect what motivates today's college students, Bartek notes.

"This generation is socially conscious and socially aware. So we wanted to create a way for students to make a difference, whether it was by helping the environment by planting a tree, saving a tree by recycling boxes or by supporting a group on their campus."

Participating bookstores had their choice of program; NBC provided promotional materials including posters, customized logos and a press release template. In May,

the programs launched nationwide—with extremely positive results.

Here's a look at each one:

Plant a Tree

For every textbook that was sold back to the bookstore, the store would add points to their Spring Celebration fund. At the end of the semester, the points were totaled and

translated into dollars to buy trees for a selected area of campus.

At the University of West Georgia bookstore, it was the first time they had promoted a textbook buyback without directly promoting locations or prices paid, says Bob Swanson, assistant director of auxiliary services.

It may be the perfect win-win combination: Give students a way to do something good for the planet (and their wallets) and give bookstores a way to build their inventory of used textbooks.

The bookstore used the NBC marketing materials to spread the word—through posters, e-mail and daily bulletins on campus—and also handed out green wristbands to students to raise awareness on campus.

"Student reaction was positive; they got behind the concept and let us know that this was a great program." As a result, Swanson says, turnout was strong and the bookstore experienced an 11 percent increase in wholesale book purchases.



Nebraska Book Company

Business solutions for the college bookstore

Booksmarts

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Surveyed Students Provide Insight into Textbook Spending Habit NBC Publishes Results of Spring 2008 Crux Research

Each spring and fall, Nebraska Book Company takes the pulse of college students' textbook buying and selling habits. In our most recent survey, conducted in partnership with Crux Research in Spring 2008, we asked respondents around the country to comment on where, how and how much they buy. Here's a look at some of the highlights and some lessons to take away:

1. Spending has leveled off a bit.

The average estimated annual spending on textbooks and course materials (spring and fall estimates combined) was \$618. That was up just slightly from \$615 in 2007, but down from \$645 in 2006.

2. Most students buy textbooks before classes start or during the first week, and the earlier they shop the more they spend.

In a new question added to the Spring '08 survey, 59 percent of respondents said they bought textbooks during the first week of classes. That's compared with 52 percent who said they bought textbooks before classes started.

Those who shopped before classes started spent on average \$313, compared with \$293 for those who made purchases during the first week of classes. Upperclassmen were more likely to buy during the first week of classes. Female students were more likely than males to buy before classes started.

Lesson Before-school promotions may be a prime opportunity for your bookstore to drive traffic even earlier by promoting "early-bird" sales.

3. "Perceived" online savings is slowly rising and college students say they expected to buy books less expensively online.

When asked, "Overall, what percentage would you say you saved by shopping online for textbooks—compared to the bookstore price?" respondents said they believed, on average, it was 41 percent. Among total students, the figure is up 5 percent from 2005. Among freshmen, it has risen 11 percent in the same time period.

The total number of those surveyed also said that if their college bookstore sells a new textbook for \$100 and the used version of it sells for \$75, they would expect to pay an average of \$55 for the same textbook online. For freshmen, the number compares with \$61 in 2007.

Lesson Now it's even more important to show students that you can do as well or better than online outlets—especially when comparing your superior level of product quality (you always have the "correct" book) and customer service. Promote the message in store posters and flyers and on your Web site.

4. Most students get the price they want when selling online and tend to feel they can get better prices online than selling back to the bookstore.

Thirty-two percent of those surveyed said they were able to get "all the textbooks they tried to sell online." Sixty-one percent said they felt they "can get better prices selling their textbooks online than selling them back to a college bookstore." The number is up from 55 percent in Fall 2007.

Lesson Make it easy for students at book buy time. Demonstrate your bookstore's advantages, including no shipping costs, good prices and a commitment to students that they won't find online.

5. Professors have influence on their student's buying habits.

Many college students (51 percent) report their professor has required or recommended where to purchase their books.

Most (57 percent) students say their professor suggests the on-campus bookstore. Forty-eight percent say they require or recommend an online seller such as Amazon or Half.com. Only 9 percent reported that faculty suggested the Web site of the on-campus or off-campus college bookstore.

Lesson Faculty can be your biggest ally. Communicate the benefits of your bookstore to them regularly and encourage them to re-adopt early so you can stock your shelves with the right supply of textbooks.

New Buyback Programs *(continued)*

Free Moving Boxes

When students are moving out of the dorms or apartments, moving boxes are considered a hot commodity. NBC provided bookstores with pallets of recycled boxes to give away to students who participated in the book buy.

Palm Beach Atlantic University in West Palm Beach, Calif., reported a book buy of 50 percent more units than the previous year. "It was unbelievable," says campus bookstore manager Mandy Frantz. "It was probably the most successful buyback we've ever had for attracting new people. We had students coming in by word of mouth and by seeing the posters. It worked really well, and the students thought it was wonderful."

Support for Student Groups

The third program generated some healthy competition among student organizations on campus, while also helping to support a variety of good causes. Each bookstore had an opportunity to choose a student government organization partner. Participating student groups were encouraged to generate interest in selling back textbooks to the bookstore through signs, costumes and coupons.

Students who sold back their books got a chance to vote for the student group they thought was doing the best to promote re-using textbooks. The groups who received the most tallies at the end of the semester had their votes turned into dollars. NBC provided the monetary rewards, monies that would normally have been given to the store in the form of other book buy incentives, like candy bars and the like.

At South Dakota State University, some groups aimed to raise funds on behalf of community organizations like Make-a-Wish, Children's Miracle Network and Boys and Girls Club. Ten groups participated in the program on the campus, says SDSU bookstore manager Derek Peterson.

Coming in Fall 2008

NBC will be rolling out the programs to all NBC customers this fall, Bartek says. Watch for details on how your bookstore can add to your used book inventory and spread some goodwill among your students and the community.

Community College Bookstore Uses Web to Boost Sales

It's a rare occasion when a student at Coastline Community College drops by the campus bookstore to buy a pencil or a notebook.

That's because the college doesn't have a traditional campus. Instead, classes are offered through distance learning as well as at 50 sites in central Orange

County, Calif., including banks, senior centers, high schools, shopping malls and other facilities. The bookstore itself, an independent operation, is located in an administrative building at the Fountain Valley Center.

Subsequently, "Our business is centered mostly around the semesters, with large peaks at those times," says Michael Bare, bookstore director. Of those sales, 96 percent are from textbooks and 46 percent of their business is through mail orders, making the store's Web presence that much more critical.

Bare lauds NBC's CampusHub and WebPRISM, an e-commerce solution, as "strong selling points" in the bookstore's partnership with NBC.

WebPRISM has helped the Coastline bookstore ensure that its orders are received accurately and processed efficiently. What's more, it has allowed the bookstore to expand to include non-merchandise offerings on its site. Since introducing new items to the Web site

in May 2008, the bookstore reports a fivefold increase in Web sales—in just a month.

That statistic may be even more significant, given that the boost in sales has come without benefit of ads in a campus newspaper or posted flyers. Today, Web site visitors can order a range of merchandise, from t-shirts to diploma frames and desk clocks.

NBC also has given the bookstore a bump at book buy time. With a larger ratio of part-time and adjunct faculty, the store gets requisitions later than most other schools. "A lot of times we aren't able to send out our used textbook want list during the prime time and that can affect our new-to-used ratio," Bare says.

Last year, his NBC representative, David Collard, suggested trying something new. In late fall, the bookstore submitted its usual used book want list, then bought the required new books so that it would be prepared to start mail orders in January.

"We also put out a second want list in December so we would have even more used books available in January," Bare says. "We were taking a chance with having that extra inventory and the dollars spent."

Despite some risk, "it paid off great," he says. So much so that they did it again this past May and increased their used textbook ratio by 2 percent. That's enough of a boost to keep the new strategy in place for the fall semester.

It's one more reason why Bare says he "feels great" about his store's relationship with NBC. "I've had so much confidence in NBC since we first partnered with them in the 1980s. I appreciate their backing of independent stores and I'm happy that they can bring me innovative ideas that translate to bottom-line increases."

Connect2One Offers Advocacy and Buying Power

Your bookstore can find an ally in Connect2One. This alliance of independent college bookstores is on your side, whether you're looking to stay self-operational—like Gonzaga University Bookstore—or if you simply want to boost your bottom line. Here's a look at some of the reasons stores across the United States have become members of Connect2One:

- Our collective buying power gives you the ability to leverage the best prices and reap positive financial results for your bookstore.
- We use multiple vendors to help ensure you get the best products on the most favorable terms.
- Our experts know what the trends are and what's happening in the industry. We'll help you roll out new offerings in sync with what students want today.
- Connect2One's advocacy program helps strengthen your bookstore with practical ways to stay self-operational.
- Our extensive programs cover the gamut of bookstore concerns, including general merchandise, supplies, apparel, trade books and store operations.
- We co-locate our annual meeting at CAMEX—featuring members-only education sessions, idea exchanges and exposure to the latest in apparel, supplies and electronics with Michelle's Best Buys and Paula's Picks.

Join Connect2One Today!

Connect2One members enjoy a prompt return on their investment—with an annual ROI of 15 to 25 times their membership fee. What's more, members save, on average, 10 percent on the products they buy through our organization.

Join us and find out for yourself: We guarantee you'll save more than your membership fee. To find out more about Connect2One and how to join, contact us at www.connect2one.com or at 800-563-9034. Ask how you can apply your NBC Advantage Dollars to your membership fee.

Showcasing Com

Gonzaga University Bookstore Stays Self-Operational, Signs 10-Year Contract with NBC

Earlier this year, administrators at Gonzaga University in Spokane, Wash., explored the value of converting the institution's self-operated bookstore to a leased operation. A lease provider, they thought, would surely offer more marketing power and financial support for a much-needed student union face-lift. In addition, they feared that keeping the bookstore self-operational would limit its ability to compete in the future.

"The bookstore was doing well financially and our numbers were up, so it was a surprise to us when we were informed that the university was considering leasing the bookstore," says Scott Franz, Gonzaga University Bookstore manager. "But it also made sense. There were plans for a large construction project and rising textbook prices were a concern. The administration wanted to kick the tires and determine if there was a benefit to students and the university to go lease."

The Proposal Process

Over the next several months, Gonzaga University went through the process of collecting bids and conducting presentations with the various lease providers. Franz was fortunate to be included in the process, leveraging his bookstore knowledge to fully understand the proposals and determine if there was indeed value to going lease. In addition, Franz used the opportunity to have Nebraska Book Company submit a proposal for the bookstore to stay self-operational.



Competitive Edge Leads to Success

“It was a challenge during this process to ensure that we were comparing apples to apples,” Franz says. “There were a variety of different components that varied between each proposal. It was important that we closely compare those components and then also compare it to the current performance of the bookstore.”

“As I started reviewing the data more closely, I quickly learned that everything the lease companies could claim, we could already do with Nebraska Book Company,” he adds. “In addition, NBC could provide chain power without us giving up control of our store.”

Demonstrating Value

The Gonzaga University Bookstore was already extremely competitive and working hard to build and maintain its market share. Serving as an advocate for students and lower textbook prices, Franz and his Team were using NBC’s Textbook Guide to leverage NBC’s expertise and set more realistic prices and pass the price savings on to students the following term. They also focused on ensuring a large quantity of used books each term for students and working closely with faculty to ensure timely adoptions.

“My challenge became how to best persuade the team that remaining self-operational was the best solution. I didn’t want to be perceived as the bookstore manager concerned about losing his job. I wanted to be the expert who could help direct the team,” Franz says.

Making it Visual

The first step in the process was for Franz to change his communications style. Recognizing that the administration team was not hearing his message, he moved to a visual format. In addition, he developed a comprehensive financial spreadsheet to compare in detail the various

proposals and ensure that comparable facts were being analyzed. During this process, Franz pitched four main messages:

- Remaining self-operational keeps control of the bookstore with the university.
- By maintaining control, the bookstore can more quickly respond to the needs of students and faculty.
- If there’s a problem, the bookstore management team can react quickly—something that might not be the case with a lease provider.
- Financial benefits are important along with getting the most money for the university.

Delivering a Decision

After significant analysis and working closely with the Gonzaga University Bookstore management team, the administration decided it was in the best interest of students, faculty and the institution to remain self-operational and partner with NBC’s textbook division.

Gonzaga University Bookstore will exclusively use NBC for book buys, bookstore automation, e-commerce and college store design solutions. NBC will be Gonzaga University Bookstore’s primary source for used textbooks.

“There is a true partnership between the bookstore, the University and Nebraska Book Company which allows us to attain our overall goal of providing the highest level of service to our student and faculty populations while also contributing financially to the university,” Franz notes. “By listening to our needs and working together to develop solutions, NBC has nurtured a collaborative relationship that has helped keep the bookstore self-operational.”



Tips for Staying Self-Operational

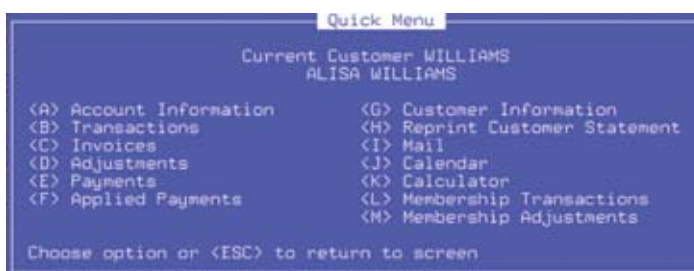
According to Scott Franz, Gonzaga University Bookstore Manager

1. Be proactive. Put your bookstore in a competitive situation every day.
2. Leverage Nebraska Book Company to help you be more competitive.
3. When needed, change your pricing model.
4. Communicate in different forms. You’re dealing with busy people; don’t assume they understand the detail at the level you do.
5. Review the financial offer closely. Ensure that you are comparing apples to apples.

Tips & Tricks

For NBC Systems Users

Your POS system collects and stores thousands of transactions and bits of information about your bookstore's business. Being able to find the information you need quickly and easily—and in the form you need it—is essential not only for maximum efficiency but superb customer service and nipping potential problems in the bud.

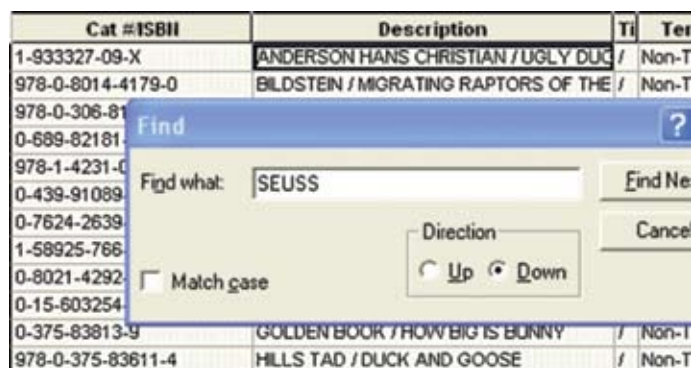


Complete history

How often do you use the <F9> key? The <F9> key takes you to a "Quick Menu" in Inventory Control, Accounts Payable, Accounts Receivable, and General Ledger, in both WinPRISM and PRISM. Click a tab or select a menu option to find what you're looking for.

ICS	Complete Item History
AP	Complete Vendor History
AR	Complete Customer History
GL	Journal Entry Detail (WinPRISM only) Account History (PRISM only)
Membership	Complete Customer History (PRISM only)

Remember: In order to view the information the record must be active. This means the item in ICS, the customer in AR or Membership, etc., must be on screen or in a select list (PRISM: green cross-reference list; WinPRISM: listed in Item Find Search).



Searching in the detail

It's not uncommon for there to be hundreds of lines on a purchase order or invoice, credit request or credit memo.

To find a specific line item:

In WinPRISM

You can search any column in a detail grid by clicking on that field in a line item and pressing Ctrl + F. The Find dialog opens allowing you to enter the data you are searching for, as shown.

Note: The one exception is the Item Find Search results.

In PRISM

Pressing the Search key, <F5>, with any line of the detail highlighted will display a blue Search box. The default search method will vary by menu option. At Receiving (Jump 311), Enter Invoice Information (Jump 321), and Resolve Credit Requests (Jump 339), for example, the method defaults to catalog number or ISBN depending on the type of merchandise on the document. Elsewhere in ICS, the search method will default to SKU, Bookkey or XREF.

More tips coming soon!

Look for Tips & Tricks about key reports in the next issue of Booksmarts.

Used Textbook Association Releases Results of Used Textbook Value Survey

As textbook prices have continued to rise, so has the outcry of concern from students and parents. Students have responded to the issue of textbook affordability by purchasing used textbooks. According to a 2008 Crux research study of college students, more than 53 percent of those surveyed want to buy used textbooks.

As bookstore managers, you have responded to what your students have asked and built aggressive used textbook programs. But the question remains: Do used textbooks really save students money?

The Used Textbook Association, in collaboration with Collegiate Research Services of NACS, set out to find the answer and also measure the financial impact of a robust used textbook program on students and college stores. Ten bookstores—all institutional stores at 4-year schools—were selected to participate in the research project. Each submitted their bookstore's top 300 titles based on units sold in Fall 2007. This resulted in 1,739 unique titles used to compile the data.

The study reviewed the following areas of financial impact:

- New editions
- Bundles
- New books vs. used books
- Book buys

Research Findings New Editions

It comes as no surprise that new editions cost more money. On average, the price of a new edition is \$16 higher than the previous edition, if purchased new; this costs the student an average \$32 more than purchasing the previous edition used. In addition, the student loses an average of



53% of those surveyed want to buy used textbooks

\$38 at buy-back since the textbook is going to new edition.

Approximately seven million new edition units are sold annually in college bookstores. Assuming the current mix of 59 percent new books and 41 percent used books (UTA Study performed by Collegiate Research Services and *NACS 2008 College Stores Industry Financial Report*), students pay a total premium of \$175 million on new editions. But they also lose at book buy time. Assuming a current buyback rate of 20 percent on all individual units sold, students lose \$53 million in buy-back dollars—all due to new editions.

Bundles

In the study, the average price of bundle was \$120. Compare that to a textbook not sold in a bundle at an average cost of \$62. That's a dramatic difference of \$58, just for one bundle. Of course, more goes into the value of a bundle than just the price; one must also consider the educational value of including multiple sources of material.

However, according to a Crux Market Research Study, 81 percent of students believe the materials included in bundles are only somewhat useful to not useful at all.

Approximately 10 million bundles are sold annually in college bookstores. That means students pay a premium of \$342 million on new bundles, versus purchasing just a textbook (when only a textbook is sold).

New Books vs. Used Books

Based on the top 300 titles submitted for this research project, the average price paid for a new individual textbook was \$62; for used individual textbook it was \$46—a savings of \$16.

Approximately 51 million new individual textbooks are sold annually in college bookstores with students paying a total premium of about \$816 million. For every 10 percent increase in used textbook purchases in college bookstores, total student savings would be about \$53 million.

Book Buys

Of the top 300 titles, on average 37 percent were bought back by the college bookstore with an average per unit price of \$29. Textbooks purchased through buy-back represent 19 percent of the total units sold.

Approximately 20 million textbooks are bought back annually for use on campus. For every 10 percent increase in units bought back for use on campus, the total student benefit in buyback dollars would be about \$58 million.

“New Technology” Doesn’t Always Mean “Up to Date”

Making the leap to a new retail management system may be one of the biggest decisions a bookstore manager can make.

That’s why it’s especially important to do your due diligence. Know what’s behind the shiny exterior and know if the system you’re considering really has the goods to keep you in step with new technologies as they develop.

“People tend to think that hardware equals technology,” says Charles Hullett, director of sales and marketing, complementary services. “That’s only half the system. The software that a system uses is as least as important as the hardware.”

If you’re using a non-NBC system, chances are you’re using older software—perhaps products that are decades old. That puts your bookstore at a disadvantage for running it as efficiently as you could and making it able to use the new technologies that are continually being introduced to the marketplace.

Older, Not Wiser

Some of the applications that bookstores have today are actually using programming languages created as long ago as the late 1950s, Hullett notes. Those ties to the ‘50s, ‘60s and ‘70s mean that those systems can’t store and retrieve data nearly as efficiently, which delivers a kind of usability ill-suited in today’s business environment.

Old technology puts your bookstore at a disadvantage, making it far less nimble and less adept at optimizing new solutions that could help your store get ahead.

NBC’s Unique Advantage

Nebraska Book Company gives bookstores what other providers can’t: the benefit of a solution provider who has had the vision and resources to plan for the future. WinPRISM, our client-server product suite, was developed using state-of-the-art programming tools and libraries.

Over the past 10 years, we have built a solid foundation for WinPRISM, using some of the most technologically advanced software on the market. Our platform uses Microsoft® technology—the most widely used by all retailers nationwide—which allows us to implement new technologies as they emerge. What’s more, WinPRISM is the only industry offering that includes an inventory system, POS, accounting system and e-commerce solution.

So while other systems may be putting a new face on old technology, they likely haven’t changed the foundations of their solutions. In the future, they won’t be able to make the best use of new technology without partnering with a third party.

At NBC, we’ll be here to help you, with the only solution designed to keep pace with new technology and to grow with your bookstore.

For more information about NBC’s retail management systems, contact Charles Hullett at 800-869-0366.

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