

# BookSmarts

A quarterly newsletter from Nebraska Book Company >> www.nebook.com >> Winter 2004

## Nebraska Book Company Launches New Web Site

**Bookstore customers and vendors can find the "complete connection"** to Nebraska Book Company (NBC) through its new Web site, [www.nebook.com](http://www.nebook.com).

As both an electronic storefront and online corporate office, NBC's new site is aesthetically pleasing and easy to navigate, yet full of meaningful content. After several months of designing and programming, the result is a simple, elegant site that offers improved content and functionality.

Visitors to [www.nebook.com](http://www.nebook.com) are immediately greeted by a home page that presents everything they may need in order to navigate the site. Nothing unnecessary is added. No bandwidth-choking Flash animations. No migraine-inducing color schemes. No distracting banner ads. Just three things: who we are, what we do and how to contact us.

One new feature of [www.nebook.com](http://www.nebook.com) that brings a bricks-and-mortar reality to the site is the ability to tour various NBC facilities, from the company's Lincoln, Nebraska, headquarters to several of its bookstores across the nation. Clicking on the Facility Tour link causes a small window to pop up, which contains a slide-show that gives viewers a glimpse of the inner workings of the company.

The new site connects visitors with the entire world of NBC. With just a few clicks, customers can get contact information for sales representatives, connect with marketing services, link to NBC-affiliated Web sites and much more. In the interest of adding value, the site also presents

tips that change every time the site is accessed or the browser refreshed, giving visitors new and useful content every time they visit—whether it's once a week or several times a day.

Perhaps the most important new feature of the site is the ability of college bookstores to purchase textbooks directly from NBC via the Web site. This new capability will provide NBC bookstore customers with a streamlined method for replenishing inventory at any time, day or night, via a dedicated Web site,

[www.nebook.com](http://www.nebook.com)

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top: nbc home page  
bottom: retail bookstore locations

# NBC and Connect2One at CAMEX 2004!

**THERE'S NO BETTER WAY TO ESCAPE WINTER'S CHILL** than to head to the vibrant south-central Texas town of San Antonio. From the world-famous Alamo and River Walk to the world-champion NBA Spurs, the city offers visitors a wide variety of recreational diversions. It is no surprise, then, that the city was chosen as the site for CAMEX 2004, which will convene from February 27 to March 2. For the third year running, CAMEX will co-locate with Connect2One's Annual Meeting and Buying Show.

For more than 80 years, the members of the National Association of College Stores (NACS) have met on an annual basis to exchange ideas, introduce new products and services, form new relationships and reinvigorate old ones. Today, CAMEX is the industry's largest trade show, attracting attendees from more than 1,100 college stores and 600 exhibiting companies. For decades, it has been the place to be for anyone connected with the college bookstore industry—and CAMEX 2004 will be no exception.

You'll find Nebraska Book Company (NBC) at booth #839. Visitors will be treated to an exhibition of the company's complete connection, which ranges from textbook buying, inventory and point-of-sale solutions to store design, marketing, e-commerce solutions, distance learning and more. This year will also see the unveiling of [nbctextbooks.com](http://nbctextbooks.com), NBC's new inventory fulfillment channel, which will serve as a convenient method for ordering textbooks after hours or during busy periods such as rush. In addition to getting the latest information on the company's diverse offerings, visitors to NBC's booth will receive complimentary zippered tote bags and can register to win a free book cart.

NBC's independent bookstore alliance, Connect2One, will be occupying its own separate booth at CAMEX (#1239), in addition to serving as co-host for the meeting. As part of its CAMEX participation, the alliance will host the Connect2One Education Programs seminar on Thursday, February 26, from 1 to 5 p.m. Education sessions will be split over two afternoons, rather than one whole day as in the past. The day will start at noon with an exclusive C2O members' lunch & goody bag distribution, followed by Program In-Depth Reviews and Partner Insight sessions. After the afternoon education sessions, members can unwind at the Marriott-Riverwalk Hotel for Connect2One's *Be True to Your School* Party. Don your school colors, enjoy appetizing hors d'oeuvres and refreshments, dance or catch up with bookstore friends from around the country. And on Saturday, Paula Haerr and Michelle Johnson will lead the always-popular Apparel & Supplies Idea Exchange. Connect2One Education sessions and events are exclusively for alliance members; therefore your CAMEX badge is required for admittance.

Also occupying a separate booth will be CampusHub (booth #639), a division of Nebraska Book Company. CampusHub is an e-commerce solution that allows campus bookstores to serve as the primary online source for students to buy textbooks, collegiate merchandise, and other goods and services. Currently, CampusHub serves more than 550 bookstores throughout the U.S. Through a recent agreement with BuyServices Inc., CampusHub is now able to offer a bookstore's customers access to more products.



**CAMEX is the industry's largest trade show,** attracting attendees from more than 1,100 college stores and 600 exhibiting companies.



# → → San Antonio, Texas

**CAMEX ALWAYS ATTRACTS** a varied and dynamic group of guest speakers. This year's guests include Sherron Watkins, an independent speaker and consultant. Ms. Watkins is a former vice president of Enron Corporation and co-author of *Power Failure, the Inside Story of the Collapse of Enron*. She, along with fellow whistle blowers Colleen Rowley and Cynthia Cooper, shared the honor of being named one of *TIME* magazine's Persons of the Year.

Motivational speaker Alan Hobson will be presenting a motivational breakfast on Sunday, February 29. Mr. Hobson is a bestselling author, former nine-time All-American gymnast, marathon runner, hang glider pilot, whitewater kayaker, parachutist, journalist, and winner of the prestigious William Randolph Hearst Award for Excellence in News Writing. As always, the Book & Author Breakfast on Monday, March 1, will feature a panel of

## Featured Speakers

award-winning writers, including Sue Monk Kidd, author of *The Secret Life of Bees*. Ms. Monk Kidd is also the author of the highly acclaimed *The Dance of the Dissident Daughter* and *When the Heart Waits*. She has won a Poets & Writers award, a Katherine Anne Porter Award and a Bread Loaf scholarship. Her appearance is sponsored by Penguin Group USA.

CAMEX 2004 promises to be an enlightening and entertaining occasion, bringing together vendors and buyers from across the country. Nebraska Book Company, Inc., is proud to attend this respected and valued event and looks forward to seeing its many customers in person. Those unable to attend this year's show can still get the latest industry and product information from their NBC sales representative. For more information, including an hour-by-hour schedule of events, visit [www.CAMEX.org](http://www.CAMEX.org).

## Jenny Godby Cashes in on Nebraska Bucks

This story, authored by Leigh Duncan, University Relations, first appeared in the August 1, 2003, edition of Clayton State University's newspaper, *The Campus Review*. The subject of the story, Nebraska Book Company's (NBC) Advantage Program, allows participants to receive rebates of up to 15 percent on the value of textbooks sold to NBC. When bookstores commit to sell 80 percent of books every year to NBC for a specific period of time, they receive Advantage rebates based on the length of that commitment—up to 10 percent, in the case of a 5-year agreement. Rebates earned may be converted at 150 percent of the rebate amount to NBC Dollars, bringing the total rebate potential to 15 percent.

**LISTENING TO YOUR CONSCIENCE** is always a very good thing. In the case of Clayton State Director of Auxiliary Services Robert Holmes, that meant Jenny Godby.

Godby is the operations manager for the Clayton College & State University's Campus Store. She has been "minding" the store for more than 17 years, and cashing in on "Nebraska Bucks," a rebate program offered by Nebraska Book Company, has proven to be not only mindful, but

lucrative as well. One of the Campus Store's many vendors, Nebraska Book Company began two programs, the Partnership Plus Rebate program and the Advantage program, more than a year ago. These programs offer incentives to better manage inventories (which includes purchases and buy backs) for stores that participate.

The Partnership Plus Rebate program earned Clayton State's Campus Store \$5,266 in the 2003 fiscal year—one of only two stores in Georgia to make money from that program. Combined with the Advantage program, the Campus Store has earned \$14,131.72 in rebates that can be used to pay any invoices from Nebraska Book, including books, license fees, or equipment.

"Per Jenny's insistence, we entered into two agreements with Nebraska... that formalized a long-standing and beneficial relationship," says Holmes. "These funds will cover all of our license fees for FY04 (Inventory Control, POS and Web commerce) with funds left over for other uses.

"Jenny is to be commended for pursuing and managing this opportunity so well."

# Textbook Merchandising Practices Drive Up Prices and Opposition

**THE INFLATION OF NEW TEXTBOOK** prices through merchandising practices developed by major textbook publishers is quickly emerging as a higher education industry issue. Textbooks bundled with consumable materials such as CDs, study guides and periodical subscriptions create built-in obsolescence, rendering many books worthless after one year of use. The customization of textbooks is also having a profound effect on both students and bookstores. These practices are costing bookstores and students millions of dollars per year.

“The practice of bundling textbooks with consumable materials has grown exponentially over the past two years, as publishers encourage college faculty to include these items with required texts,” says Mark Palmore, Executive Director of Connect2One, an alliance of independent bookstores. “Publishers are able to charge higher prices for these materials and create a cycle by which new book bundles must be purchased by the bookstore and student each year. At the same time, these practices destroy the buy-back value of a textbook, so not only are students unable to buy less expensive used books, the amount of money they are paid at the end of the term is diminished as well.”

Some examples:

- On the Oklahoma State University (OSU) campus, the custom edition of *Zikmund Marketing* sold for \$105. The book is essentially the same as the 7th edition,

except that the cover is different and there is a letter discussing the 2002 death of Dr. Zikmund, a professor at OSU for more than 30 years. Students paid \$105 for the new book instead of having the option to buy a used text costing \$73.

- At Johnson County Community College (JCC), a custom textbook was sold that cost \$65. Students were required to buy the custom book, which contained a half-page notice that it was a custom edition for JCC. Just weeks earlier the bookstore, thinking that the customization was something unique, did not buy back the very same book from students ending the Summer term. As a result, students selling their Summer term book received nothing instead of approximately \$30 at buy-back, and the students for the Fall term had to buy new editions of the book because a supply of used books was not available. The net cost to the student for this single page of information was \$35.

- At Penn State University, a new edition of *Miller Economics Today* cost \$78. The only difference from last year’s edition is that the book now comes in a three-ring binder and includes copies of newspaper articles. As a result of this “new” edition, last term students received nothing for their used textbook at buy-back, instead of the approximately \$40 they would have received had the book been re-used. Last Fall, since there were no used textbooks available, students paid \$78 for new instead of \$58 for a used edition of the book.

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## High prices at the college bookstore

are also driving college students to abandon college stores and seek alternative retail sources for the purchase of their books, such as online domestic and overseas retailers. Students paid an average of \$329 for their books this Fall compared to \$303 in the Fall of 1999.<sup>1</sup>

→ **Customized textbooks** have limited return privileges, usually 10 percent of what was bought from the publisher. Any amount not sold that exceeds 10 percent is written off the store's income statement.

► Textbook Merchandising Practices cont'd

### HIGHER COSTS TO STORES, STUDENTS

“The effect on bookstores is also profound,” says Palmore. New, higher priced inventory every semester means higher revenue but lower gross margin. Customized textbooks have limited return privileges, usually 10 percent of what was bought from the publisher. Any amount not sold that exceeds 10 percent is written off the store's income statement. As a result, the store either writes off the excess inventory, or the manager does not order enough in an attempt to keep returns under 10 percent. And, although most businesses try to recycle, textbooks are often printed on paper that is not recyclable. Therefore, customized books that cannot be returned to publishers often end up in the trash.

High prices at the college bookstore are also driving college students to abandon college stores and seek alternative retail sources for the purchase of their books, such as online domestic and overseas retailers. And, students are buying fewer textbooks than at any time since 1998. This fall the average number of books purchased by a student was 5.7. This compares to 6.7 in the fall of 1999. Students paid an average of \$329 for their books this fall compared to \$303 in the fall of 1999.<sup>1</sup>

### NATIONAL OPPOSITION BEGINNING TO GROW

Grassroots reaction to this issue is beginning to build:

- U.S. Senator Charles E. Schumer (D-NY) has conducted a study that reveals that the average New York freshman or sophomore is forced to pay \$922 for textbooks, and he is urging the U.S. Department of Education to work with book publishers and schools to find ways to lower book costs for students.

- *The New York Times* has reported that textbooks, on average, are 50 percent less expensive in Europe, thereby leading students to order their books overseas.

- A legislative panel in Tennessee is investigating why college textbooks selling for up to \$200 per book are not able to be re-used and re-sold after their first year of use.

- CalPIRG (California Public Interest Research Group) has recently launched a campaign in conjunction with bookstores in the University of California system to change publisher practices with regards to unnecessarily producing new editions.

- A recent article in the *The New York Times* quoted a former editorial director at a textbook publishing company as explaining that “Publishers release new editions of successful textbooks every few years—not to improve content, although that may be a byproduct—but to discourage the sales of used books by making them seem obsolete.”

Many faculty are as concerned about the high price of textbooks as their students, and, in most cases, they are unaware of how their decisions made in concert with publishers are affecting price. In a number of cases, when educated about this merchandising practice, they have rejected bundles and customization as unnecessary.

“We fully support academic freedom and the professor's right to choose the instructional materials they need,” says Palmore. “But perhaps this material should be sold separate from the textbook at reasonable mark-up.”

“When we've made faculty aware of how some of this customization and bundling is impacting students, they have taken the initiative to revert back to the original, textbook-only requirement, thereby giving students the option to purchase used books.”

If you are concerned about this issue in your market, what can you do? Bookstore managers can begin by educating faculty on the issue and by expressing their concern to publishers. Connect2One is preparing materials to help support bookstore managers in this effort to educate stakeholders on the issues surrounding the cost of college textbooks. For more information, contact Palmore at [mpalmore@nebook.com](mailto:mpalmore@nebook.com).



[www.nbctextbooks.com](http://www.nbctextbooks.com). (This capability is especially useful when ordering textbooks after hours, during busy periods such as book rush.) Ordering is easily done, and buyers receive immediate responses to textbook availability queries. Once placed, orders can be tracked, from picking to delivery, via the same site. Security, too, is given primary importance. Access to

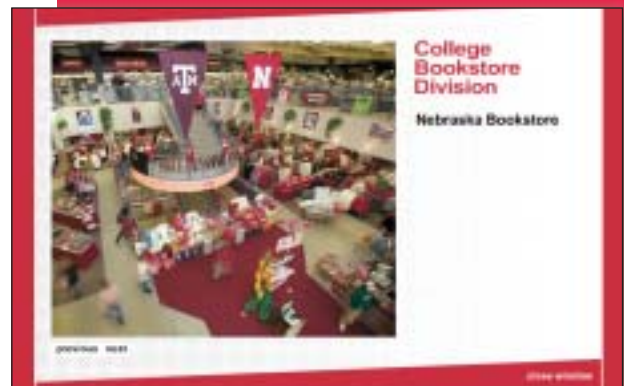
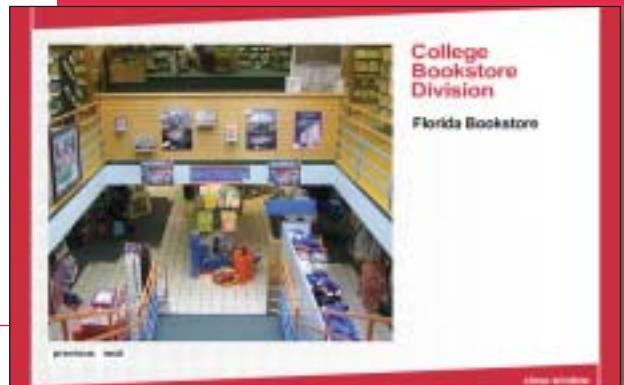
## One new feature of [www.nebook.com](http://www.nebook.com)

that brings a bricks-and-mortar reality to the site is the ability to tour various NBC facilities, from the company's Lincoln, Nebraska headquarters to several of its bookstores across the nation.

the site is protected by a password that is unique to the buyer. In the end, this new capability, when added to existing ordering channels, means customers can place orders by any medium they wish—which, in addition to the Internet, includes phone, fax EasyLink and mail.

Whether you're seeking to order textbooks, increase operating efficiency or improve marketing tactics—or you just want to learn more about Nebraska Book Company—you'll find it all elegantly presented and easily accessed under one virtual roof: [www.nebook.com](http://www.nebook.com).

photos from top to bottom: nbc warehouse, florida bookstore, and nebraska bookstore-lincoln, nebraska



## We Want Your Business-Not Your Customers

- We believe the student is your customer.
- We believe the bookstore is our customer.
- We believe in integrity in business dealings.
- We believe college bookstores should be independent.
- We believe in providing solutions to keep your business independent.



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