

BookSmarts

A quarterly newsletter from Nebraska Book Company >> www.nebook.com >> Winter 2006

Connect2One Members Stampeding to Houston for CAMEX '06 →→



Dust off your Stetson and shine up your belt buckle – it's time to head to this year's CAMEX in Houston!

Perched on America's picturesque Gulf Coast, our fourth largest city and busiest seaport is home to oil barons, astronauts and more Fortune 500 headquarters than any city except New York. And this year, Connect2One (C2O) has selected the Hyatt Regency Houston to offer members a "headquarters hotel," where both educational and social events will be staged under one roof – making things simpler and easier than ever!

Though the C2O day officially begins on Thursday, March 2, C2O members will be coming into town a day early for the "Desserts First" icebreaker reception. The event begins at 7 p.m. on Wednesday night in the Window Box Reception Room and will offer C2O members a great way to renew old acquaintances and forge new ones.

Though the Vendor Partner Insight sessions have not yet been finalized at press time (complete schedule details will be sent to RSVP respondents in mid-February), these presentations will be invaluable to C2O members, allowing you to hear from vendors directly concerning

their upcoming products and programs. C2O program director Paula Haerr says, "These sessions allow our buyers to maximize their time by allowing them to see our vendor partners' latest and hottest products in easy-to-digest 20-minute blocks."

Thursday's Education Day will include the popular Idea Exchange session, in which members hear successful strategies from their colleagues across the country. As in the past, many of the strategies presented at this session can be applied in members' own particular situations. There will be an encore presentation of the Idea Exchange on Saturday, March 4.

The annual "Paula's Picks" selections, in which Haerr tags items she feels will be the "hot" supplies products of the show, will be seen again, in addition to the return of "Michelle's Best Buys," which cover apparel and souvenir items flagged by C2O's Michelle Johnson. Paula's Picks will be identified with lime-green ribbons, and purple ribbons will highlight Michelle's Best Buys. These easy-to-spot ribbons aid buyers in preparing for the critical back-to-school selling season by flagging items that represent certain price points, are best-sellers or new products or offer promotional opportunities.

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Textbook Adoption Program Helps Managers Educate Faculty on Importance of On-Time Ordering

With the cost of higher education continuing to rise unabated, students and their parents need to find ways of reducing out-of-pocket expenses. One of the easiest solutions to this problem exists in the area of textbook purchasing and buy-back.

When faculty members get their orders in on time, the demand for a particular book is known, which makes it more desirable from a purchasing standpoint. This means a student will be paid a much higher price at buy-back for the book in question – often between 20 and 50 percent higher. This also means that a used text will be available for the bookstore to put on their shelves, allowing a student to buy a used, rather than new, book. According to Nebraska Book Company (NBC) National Sales Manager Jerry Hiller, “When faculty members get their textbook orders in on time, it decreases the cost of the textbook for the student who bought it, by giving him or her more for it at buy-back. You’re also decreasing the cost for the student who will buy it next time. It’s a real win-win situation.”

Hiller says, “This is a real front-burner issue for us.” He continues, “According to a recent Harris Interactive

study, the vast majority of faculty don’t believe they have an impact on textbook pricing when, in fact, the opposite is true.” This lack of understanding of textbook economics is what led Hiller and others at NBC to implement the Textbook Adoption Program, which gives bookstore managers the tools to help them educate faculty and students alike on the importance of early textbook adoption, in addition to other important issues such as bundling and customization.

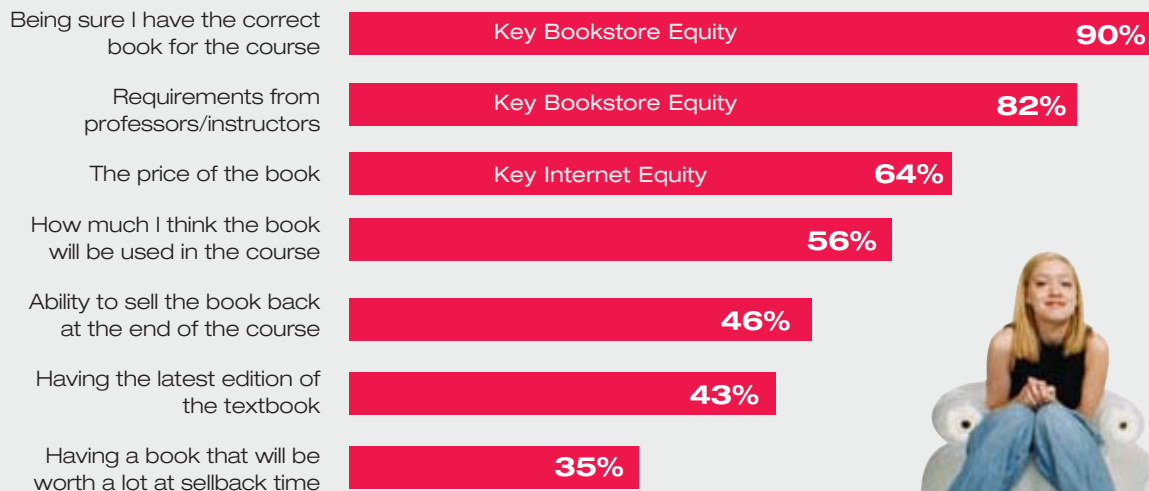
The program provides a kit that managers can order from their NBC representative. It includes various items designed to get the word out, including letter and e-mail templates, direct mail pieces and a Web page template. All these items are designed to be branded by the bookstore rather than by NBC. So, instead of having to design a direct mail piece from scratch, for instance, you can simply modify one of the templates provided in the kit.

The early adoption issue also dovetails into the bundling and customization issue – another topic about which many educators are woefully ill-informed. It is ultimately up to the bookstore managers themselves to

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NBC Factoid ➡ Bookstores Still Offer Students Advantages Over Online

How important are the following when you are deciding whether to buy a textbook?



% Extremely/Very Important



A Look Ahead

By Mike Kelly, Textbook Division Senior Vice President



Over the past six months, I've been meeting with you, our customers, in an ongoing effort to become personally invested in the emerging issues most on your minds. As with any business, ours is one that thrives on being proactive and withers with complacency. And, as we've been in this business for nearly a century, you can imagine that we are steeped in a tradition of being proactive – which brings me to three issues that I've been monitoring, thanks to your helpful feedback.

“The Millennial Generation

is ambitious and confident, team oriented and generally considered the most intelligent and technologically savvy consumer group in history.”

- Mike Kelly, NBC



Digital Delivery of Textbooks

The idea that “print is dead” is not new. Pundits have been predicting the digital-only delivery of text for decades and have yet to be proven correct. That's not to say it won't happen. It probably will – just not yet. According to data recently published by the International Digital Publishing Forum, the digital delivery of textbooks and other course materials account for less than one quarter of one percent of total revenues for publishers. Our team is, of course, monitoring this issue closely and will be prepared to address it before it becomes a threat to your business. But, for the time being, you can rest easy in the knowledge that your customers will be coming to you for printed textbooks for the foreseeable future.

Direct Purchasing via the Web

This is an issue that affects virtually all brick-and-mortar businesses and, unlike the digital-only textbook

issue mentioned above, is already affecting the way bookstores do business. Unfortunately, though it may seem a boon to your student-customers, the online purchasing of textbooks can actually have a negative impact on their ability to purchase used texts at low prices, as this business model reduces the number of previously owned books in your inventory. Our competitors already offer textbooks online to students, which directly bypasses their customers, reducing revenues and used-book stock. We at NBC are preparing to roll out an online solution very soon that will demonstrate our long-held commitment to our independent bookstore customers. This is an issue that is very important to me personally, and I am sure you will be excited by the innovative way our management team is addressing it.

The Millennial Generation

First, it was the Baby Boomers. Then it was Generation X. Now we're all talking about the “Millennial Generation” – that is, students graduating high school and entering college right now. We have commissioned exhaustive research into this group from Harris Interactive and have found that not only are they ambitious and confident, they're also very team oriented and comfortable in structured environments. Add to these the fact that they are generally considered the most intelligent and technologically savvy consumer group in history, and you can easily see that they cannot be marketed to by using the same methods that have worked on previous generations. We at NBC are keeping a close eye on this Millennial Generation and we will bring all our assets to bear to develop new and innovative marketing solutions for you that are targeted specifically at this dynamic group's unique characteristics.

These are just three examples of the many issues you have brought to my attention over the past few months. I will address others in future updates in this publication. In the meantime, I will continue to welcome your input, so that we may continue to work together to help make us all more nimble in meeting the challenges inherent in our industry.

Nebraska Book Company Partners with Pick-A-Prof



Nebraska Book Company (NBC) and Pick-A-Prof have entered into an agreement that allows college students to order textbooks online from their local campus bookstore while surfing the popular student-targeted Web site.

Pick-A-Prof is an online community and academic resource that allows students to review professors and design their own course schedules based on student and professor feedback. By partnering with NBC, Pick-A-Prof now allows students to order all their textbooks from their local online campus bookstore with a single mouse click.

Once a student designs a course schedule on the site, the student simply clicks a button and is transferred to his or her local online bookstore, where the correct textbooks are placed into the student's online shopping cart. This new solution allows students the ease of buying textbooks online while maintaining a retail relationship with the local bookstore.

Pick-A-Prof also currently allows students to search the Internet for textbooks, using an ISBN, title or keyword entered into a search window on the site. Participating bookstores will receive prominent placement in the search results, as the recommended choices are based not on price, but on quality and convenience.

By promoting your online bookstore on Pick-A-Prof, you will drive additional business to your Web site that may have otherwise been lost to another online competitor.

In addition, Pick-A-Prof maintains separate and unique Web pages for each institution it serves. This means your bookstore logo and name will appear throughout the site, where your prospective student-customers will see them often as they surf.

The Internet is driving new competition, forcing innovation and helping to create a new breed of bookstore. By taking advantage of this new partnership, you will leverage a cutting-edge (and under-used) distribution channel while targeting your resources to a trend-setting site that currently boasts more than half a million online members. Ask your NBC representative about it today.

	Mon	Tue	Wed	Thurs	Fri
CHM 101					8:00
ENGL 101					9:00
ENGL 102					10:00
ENGL 103					11:00
ENGL 104					12:00
ENGL 105					1:00
ENGL 106					2:00
ENGL 107					3:00
ENGL 108					4:00
ENGL 109					5:00
ENGL 110					6:00
ENGL 111					7:00
ENGL 112					8:00

Grade Histories

Pick-A-Prof has posted the number of A+'s given by EVERY professor in EVERY course at select campuses and lets you compare the grade histories in the courses you are about to register for. That means before you register you can look up the courses you are thinking about taking and see the number of A+'s professors historically give as well as their DROP RATE - straight from the official university records.

If you are interested in taking a Math course, Pick-A-Prof can tell you who is teaching it next semester at and what they historically give in that course. For example compare the two MATH professors below:

Dr. JAMES - MATH 301	Dr. JAMES - MATH 301
2712 students in 9 classes	2172 students in 9 classes
A+ 16.3%	A+ 4.5%
A 20.5%	A 10.9%
B 19.9%	B 26.5%
C 4.8%	C 18.2%
F 4.5%	F 18.4%
Drop 37% - Overall: 7.4%	Drop 3.4% - Overall: 17.6%

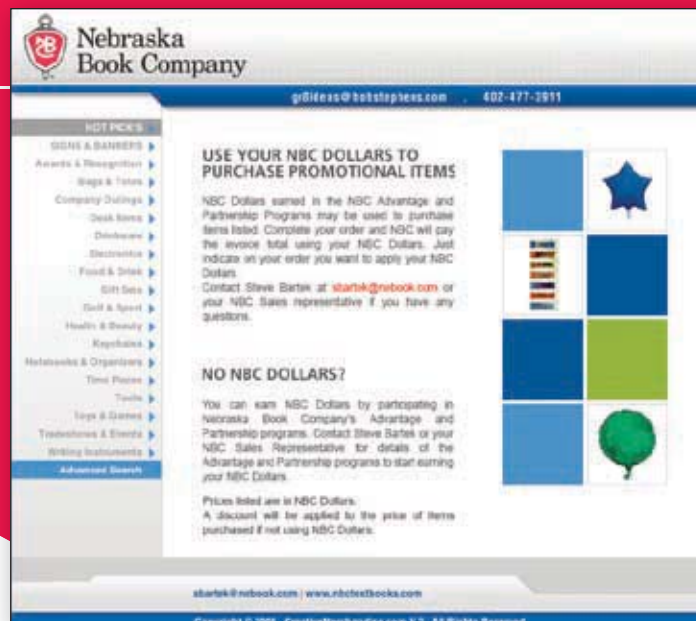
Pick-A-Prof is an online community and academic resource that allows students to review professors and design their own course schedules based on student and professor feedback.

New Features at NBCtextbooks.com!



If you're not using it already, you're missing out on the many benefits other bookstore managers enjoy when they use NBCtextbooks.com to order product and promotional materials 24/7. And now there's a new promotions page that makes the site even more useful!

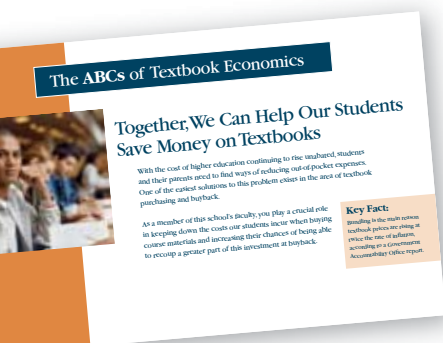
Simply click on the link in the left navigation menu titled Advantage Marketing Programs. Then click on the Advantage Marketing icon (the little yellow van). That takes you to the program page, which explains that you can use your Advantage Dollars to order promotional items for just about any occasion. By clicking on the NBC Advantage Promotions site link, you'll then go to an ordering site that allows you to choose all sorts of fun promotional items that you can customize with your store's Web address, buy-back dates or just about anything you can imagine! From awards and electronics



to bookbags and watches, the Advantage Promotions site lets you choose the items that'll get you noticed! For more information, visit the site or talk to your NBC representative.

► Textbook Adoption cont'd

help faculty understand that when they require books with bundled or customized texts, they are taking away their students' ability to purchase low-cost used books, just as they are reducing the money students get at buy-back when they miss ordering deadlines.



Hiller explains, "We're doing this because we're constantly listening to our customers and making adjustments accordingly. And this is an issue that has come up time and time again, so we've put together this kit to help them out."

He concludes, "We've developed the tools; but their effectiveness will be directly dependent upon the level of proactive interaction the store has with their faculty regarding this issue."



► CAMEX '06 cont'd

CAMEX 2006 will be C2O's fifth co-location with the National Association of College Stores (NACS). Each year has seen increased attendance for the alliance. Paula Haerr says, "It's been very successful for us. Last year we signed up 33 new members, and this year we're expecting even more." C2O's executive director Mark Palmore adds, "We also had a 15 percent increase in attendance at our Education Day last year, and we're preparing for a 20 percent increase at this year's show."

Palmore offers advice for C2O members planning on attending: "Make sure you return your Connect2One RSVP by January 27. Also, you should plan on arriving in Houston on Wednesday, March 1, so you won't miss the Desserts First party that evening or any of the following morning's sessions." He sums up, "If you have any questions, talk to your Nebraska Book Company representative, visit www.camex.org or www.connect2one.com, or call me at 1-800-563-9034. We're looking forward to seeing you there!"

Nate Rempe Joins Nebraska Book Company as Director of Internet Strategy



There's no denying it – the Internet is changing the way we do business. Students are buying and selling books online through sites such as Half.com and Amazon. In fact, according to a recent Harris Interactive survey, 45% of students have recorded an ISBN number in the bookstore and then gone online to search for the textbook.

Faced with this, it's easy to see why building a solid Internet strategy has been one of our top priorities. As a result, Nate Rempe has recently joined Nebraska Book Company (NBC) in the newly created position of Director of Internet Strategy.

Rempe is focused on determining the overall strategy to best leverage the Web in combination with your physical storefront. This includes a variety of collaborative initiatives, soon to be announced, between NBC and our customers, such as developing solutions to help you drive greater traffic to your site, and building and leveraging key strategic partnerships to provide you with greater Web resources.

Barry Major, NBC's Chief Operating Officer, says, "Nate has been a tremendous addition to our team. He has the knowledge and expertise to help our company develop the industry's only collaborative Internet strategy, which will be a win-win for us and our customers."

Prior to joining Nebraska Book Company, Rempe's most recent position was Lead e-Business Developer for Commercial Federal Bank. In that position, Rempe created, implemented and managed the bank's online consumer banking application – supporting more than 200,000 financial transactions every day. In addition, Rempe is an Executive Faculty Member at Creighton University in Omaha, Nebraska, teaching graduate-level courses in Information Technology.

Please join us in welcoming Nate Rempe to the Nebraska Book Company team and watch for additional Internet Strategy announcements from him over the next several months.

College Store Design Donates \$5,000 in Services to Silent Auction

College Store Design has donated \$5,000 in store planning and design time to the National Association of College Stores Foundation's silent auction at this year's CAMEX in Houston. The Foundation funds research and education and facilitates strategic partnerships in support of the National Association of College Stores. Be sure to participate in this worthwhile event while you're at CAMEX this year!

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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