Customer Value & Your College Store

Powering Growth in Uncharted Waters

Presented by: Robert Jones
National Association of College Stores-Large Stores Group: April 14, 2011
What is Value?

• Customers seek good value (Traditional)
  \[ \text{Value} = \text{perceived benefits} \quad \text{price} \]

• So, retailers can increase value and stimulate sales by increasing benefits or reducing price.

• Providing what customers value and deliver that for the price they are willing to pay.
What is Value?

• Customers seek good value (Traditional)

\[
\text{Value} = \text{perceived benefits} \div \text{price}
\]

• So, retailers can increase value and stimulate sales by increasing benefits or reducing price.

• Providing what customers value and deliver that for the price they are willing to pay.
Who is your Customer?

April 14, 2011  Presentation to TACS-LSG
Who is your Customer?

**University**
- Students
- Parents
- Administration
- Faculty
- Staff

**Extended**
- Grand Parents
- Alumni
- Visitors
- Fans
- Community
What do THEY Value?

University
• Students
• Parents
• Administration
• Faculty
• Staff

Extended
• Grand Parents
• Alumni
• Visitors
• Fans
• Community
What do Students Value?
What don’t THEY Value?

• 2008: textbook sales decline 12-17%
• 1970’s to Today: textbook sales declined 25%

• Amazon: 42% used book Amazon Mktplce
• 57.7% of students buy used books online
• 33% of new textbook sales. (2007 – 2008)

• Online search found over 134 sellers
What don’t THEY Value?

- **USC**: $3.5 million drop in sales this year
- **Campusbooks.com**: (claims) to save consumers 61% (avg) from college bookstore
- **Publishers**: push back against used books
- **Kindle**: aims at the textbook market
What DO they Value?
Digital Textbooks


April 14, 2011

Presentation to TACS-LSG
Digital Textbooks

Digital Textbook Sales
Five-Year Projection

Sales Revenue in U.S. Dollars

Year

2010
2011
2012
2013
2014

54 mn
138 mn
308 mn
571 mn
1.1 bn


April 14, 2011  Presentation to TACS-LSG
Digital Textbooks

Effect on Print Revenues


April 14, 2011 Presentation to TACS-LSG
Result of not Understanding Value
Response to Game Change

Losers
- Kodak
- Blockbuster
- Barnes and Noble
- Record labels

Winners
- IBM
- Google
- Amazon
- Hulu

April 14, 2011 Presentation to TACS-LSG
What do THEY Value?

**University**
- Students
- Parents
- Administration
- Faculty
- Staff

**Extended**
- Grand Parents
- Alumni
- Visitors
- Fans
- Community

When was the last time you asked?
What do STUDENTS Value?

– Increased accessibility & flexibility
– Multiple outlets, on-campus event outlets, delivery service, layaway
– Multiple payment plans
– Flow through to parents
– Social Media: Web site, email, twitter, Facebook, YouTube, blogs
– Convenience
– Product beyond the logo
What do PARENTS Value?

– Being a part of their students’ college career
– Position relative to other parents
– Identification (other categories) ex. Fan
– Pertinent information regarding important events in their students’ career
  • Midterms, finals, homecoming, graduation, big games, new coaches, holiday reminders, breaks
What do **ADMINISTRATORS** Value?

– Achieving their goals
  • Outreach in the community
  • Outreach to donors
  • Interconnectedness on campus
  • Academic involvement

– Forward Movement
  • Make them aware of progress
  • Make them aware of needs
  • Make them aware of potential growth
  • Become a partner and gain valuable support from the administration
What do FACULTY Value?

– Application of knowledge
  • Marketing, store design, product development, web design, blogs, media
  • Projects that relate to your store

– Convenience & preference for your store
  • Expanded assortments, delivery service, linked web site for increased assortment

– Have a loyalty preference for your store

– Events that relate to them
  • Conference product, supplies with school logo, special hours for conference attendees to shop
What do STAFF Value?

- Loyalty (preference for your store)
  - Want to support their institution
- Convenience (preference for your store)
  - Expanded assortments, delivery service, linked web site for increased assortment
- Appreciation
  - offer membership clubs to encourage shopping and reward heavy loyals
What do **ALUMNI** Value?

- Memories
- Access
- Inclusion
- Support

What do **FANS** Value?

- Authenticity
- Belonging
- Access
- Memories
What do VISITORS Value?

- Authenticity
  - Looking for souvenirs
  - Want to have a positive remembrance
  - Want specific logo product

What does COMMUNITY Value?

- Halo
- Welcome
- Association
- Ease of information
Even if you're on the right track, you'll get run over if you just sit there.
Back to the Future: 2015

Back to the Future: 2015

Work your way out of the old and into the new basics. Where can you be exclusive and successful.

Be relevant to students, alumni, community, faculty, staff, administration

Technology, loyalty, delivery, multi/temp locations, layaway, new payment types…

Ambiance, convenience, everyday purchases, loyalty programs, events
Customer Value & Your College Store

Powering Growth in Uncharted Waters

Presented by: Robert Jones
National Association of College Stores-Large Stores Group: April 14, 2011