

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)

$$\text{Value} = \frac{\text{perceived benefits}}{\text{price}}$$

- 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.**

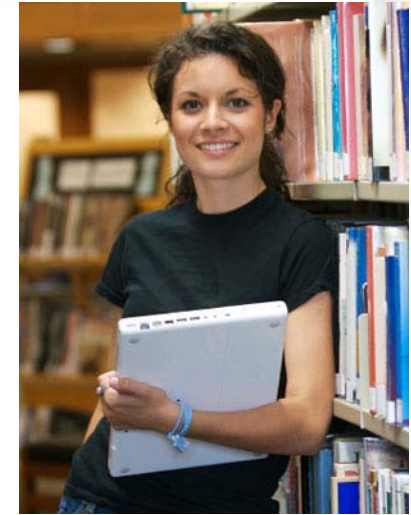
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Who is your Customer?



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

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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

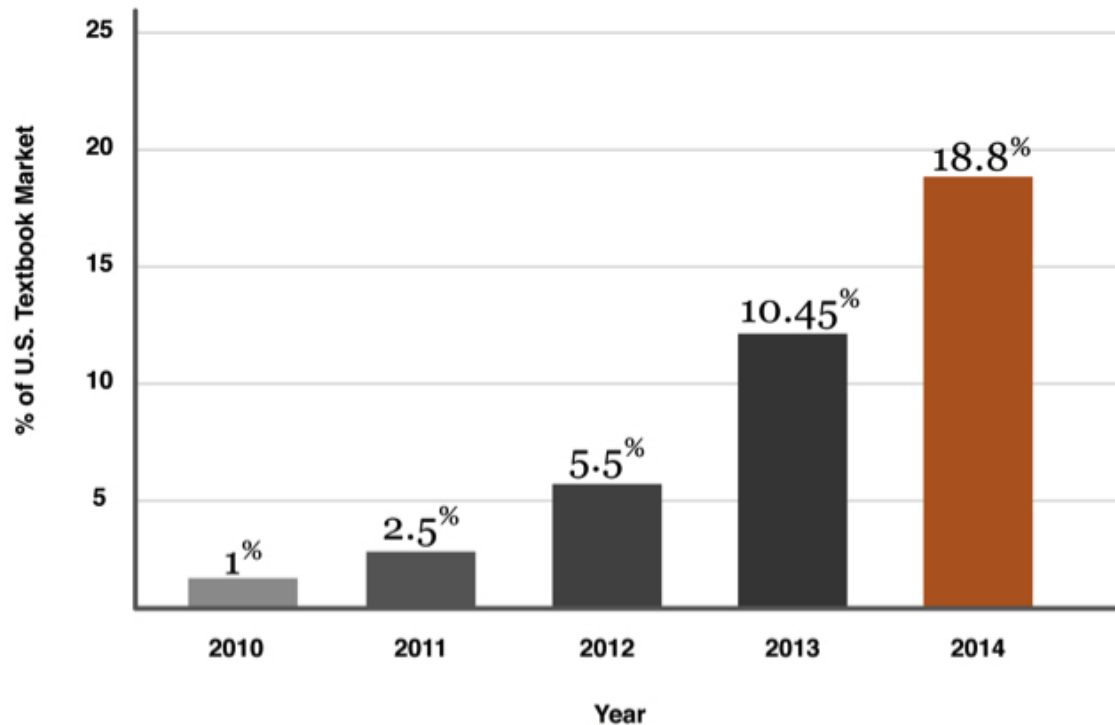
What don't THEY Value?

- **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

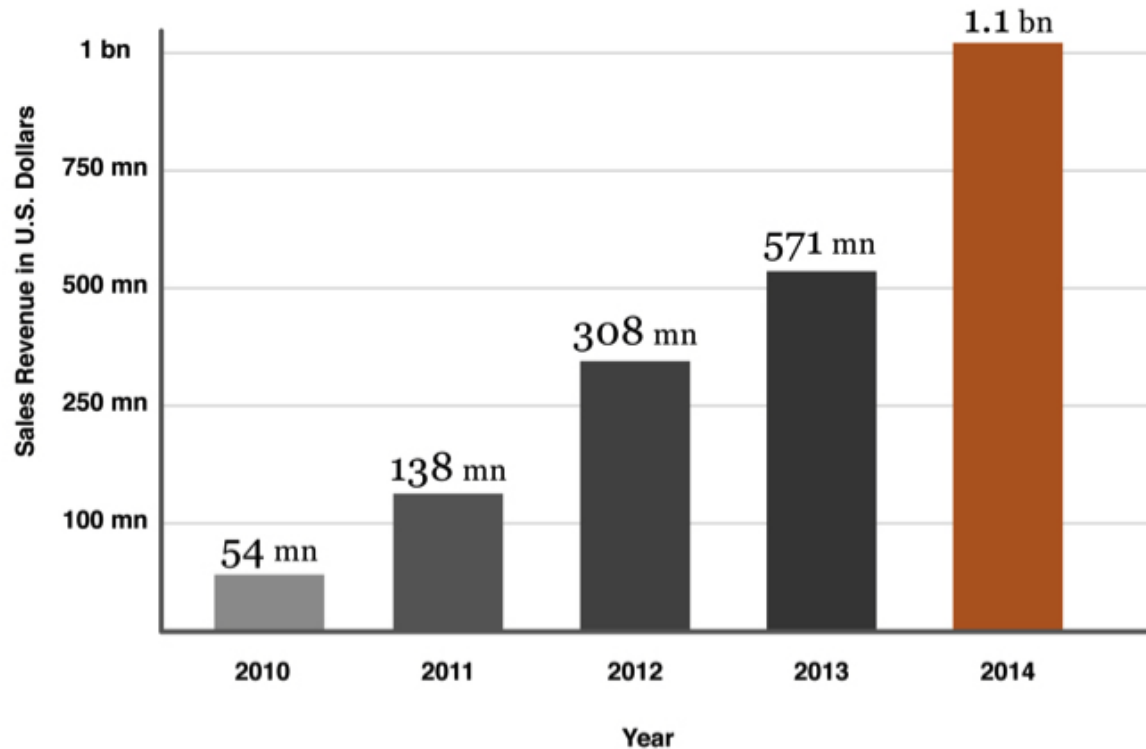
Digital Textbook Sales
Five-Year Projection



<http://blog.xplana.com/reports/digital-textbook-sales-in-u-s-higher-education-%E2%80%93-a-five-year-projection/>

Digital Textbooks

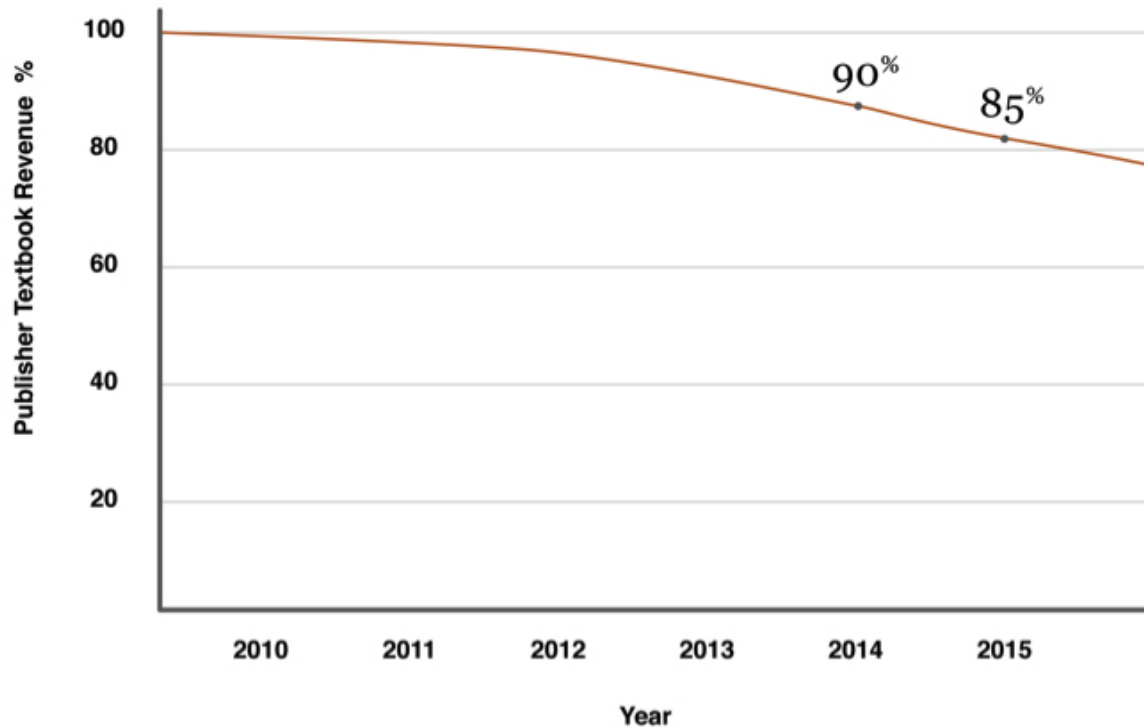
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Digital Textbooks

Effect on Print Revenues



<http://blog.xplana.com/reports/digital-textbook-sales-in-u-s-higher-education-%E2%80%93-a-five-year-projection/>

Result of not Understanding Value



Response to Game Change

Losers



- Kodak
- Blockbuster
- Barnes and Noble
- Record labels

Winners



- IBM
- Google
- Amazon
- Hulu

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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?

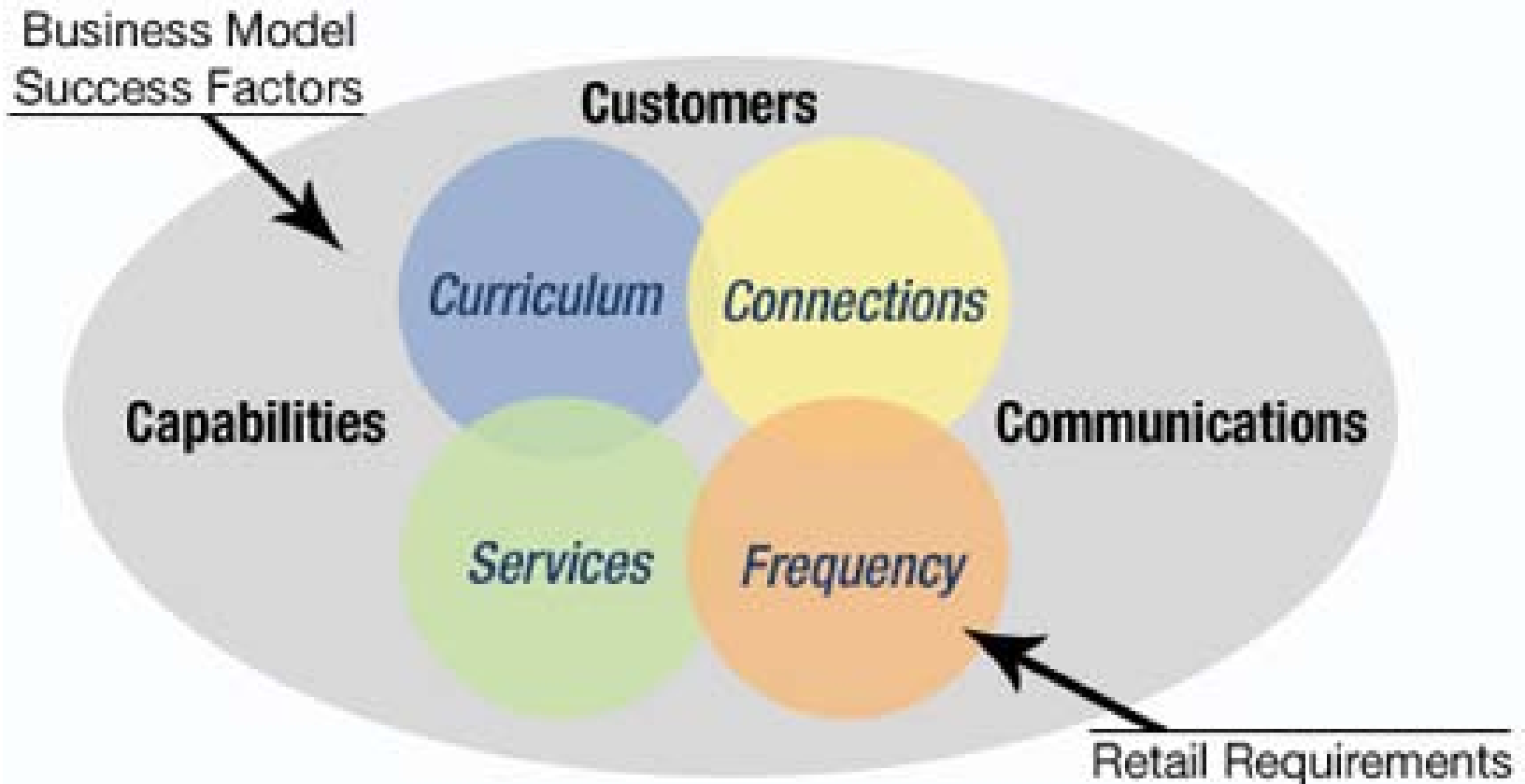
- Authenticity
 - Looking for souvenirs
 - Want to have a positive remembrance
 - Want specific logo product

What does **COMMUNITY** Value?

- Halo
- Welcome
- Association
- Ease of information



Back to the Future: 2015



NACS Defining the College Store of 2015 <http://www.nacs.org/toolsresources/2015.aspx>

Back to the Future: 2015

Curriculum
Preserve
core mission

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

Connections
Increase loyalty

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

Services
Engage campus
community

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

Frequency
Drive traffic

Ambiance, convenience, everyday purchases, loyalty programs, events

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