

University System of Georgia

**Initiatives to Reduce Cost of Textbooks
to Students**
A Business Perspective



“For generations, grumbling about the high cost of textbooks has represented a rite of passage for college students.

Wide-eyed freshmen feign heart failure as they pay for new PSYCH 101, calculus, and unabridged Shakespeare textbooks, while more savvy upperclassmen save 25% to 30% by scouring the stacks for used titles.”

- NACUBO Business Officer, December 2010

Where the New **Textbook Dollar** Goes* ...

11.7c Author; 32.5c Paper, printing editing;
15.4c Marketing ; 10c: Admin; 7c Income

76.6¢

Textbook Wholesale Cost
Publisher's paper, printing, editorial, general and administrative costs; marketing costs and publisher's income. Also includes author income.



1.1¢

Freight Expense
The cost of getting books from the publisher's warehouse or bindery to the college store. Part of cost of goods sold paid to freight company.

11.0¢

College Store Personnel
Store employee salaries and benefits to handle ordering, receiving, pricing, shelving, cashiers, customer service, refund desk, and sending extra textbooks back to the publisher.

College Store Income

*Note: The amount of federal, state and/or local tax, and therefore the amount and use of any after-tax profit, is determined by the store's ownership, and usually depends on whether the college store is owned by an institution of higher education, a contract management company, a cooperative, a foundation, or by private individuals.

4.0¢
Pre-Tax*

College Store Operations
Insurance, utilities, building and equipment rent and maintenance, accounting and data processing charges and other overhead paid by college stores.

7.3¢

*College store numbers are averages and reflect the most current data gathered by the National Association of College Stores.

Preface

- Board of Regents has proactively instituted Policy 3.1 in 2005, which calls for..
 - Increasing communication among students, faculty and college bookstores
 - Ensuring bookstores offer best value to students

Our story today

How the market has responded and institutions and college bookstores are saving money for students...

- Disclosing textbook price, ISBN, with course schedule – expanded marketplace.
- Offering Text-book rentals
- E-Books



Wade Douglas, Director Georgia State University Bookstore

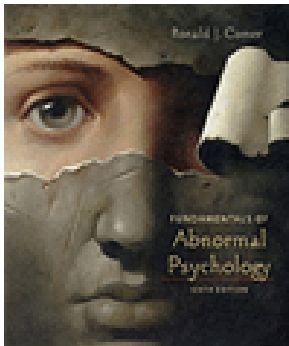
1. Book options for students
2. Book Rental: Rent-A-Text
3. E-Book: Café Scribe

Materials > Select by Course

Booklist for: Georgia State University > Georgia State University > All > Spring 2010-11 > Downtown > PSYC > 3140 > 11214

Required Material(s)

Select/Deselect All (Based On Lowest Price)



Fundamentals of Abnormal Psychology

Author: Comer
Edition: 8th

Buy This Item

Used \$97.50 [In-Stock]

New \$129.75 [In-Stock]

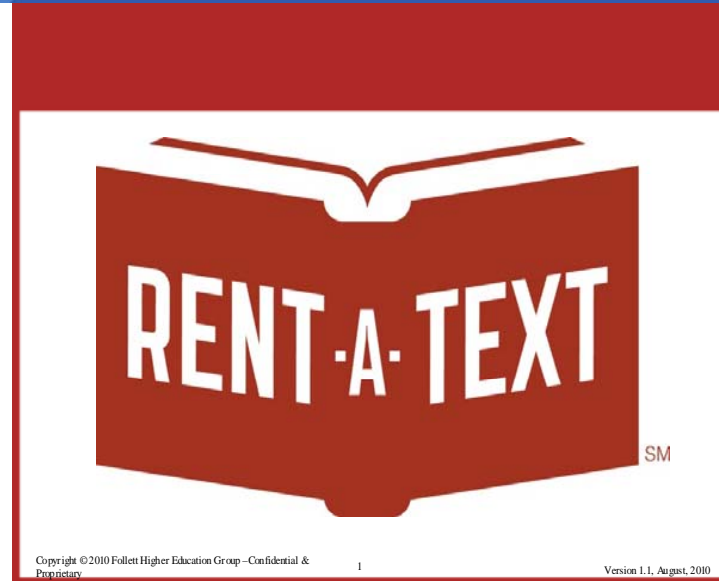
Rent This Item

Rental \$63.25 [In-Stock]

Return Date 05/03/2011

Digital \$57.95 [Always In-Stock] [Select this link for details](#)

Students get
choices to make
informed
decisions!



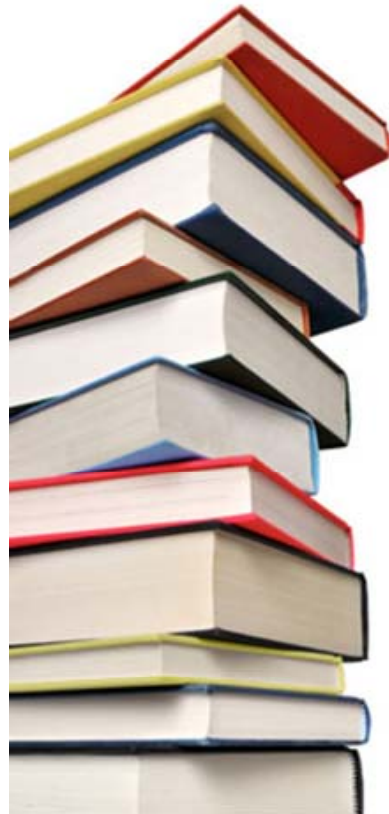
What is Rent-A-Text?

**Students rent a book for the semester.
Saves Students Money.
Saves Students cash outlay.**

Locally Rentable Title

Candidate Profile

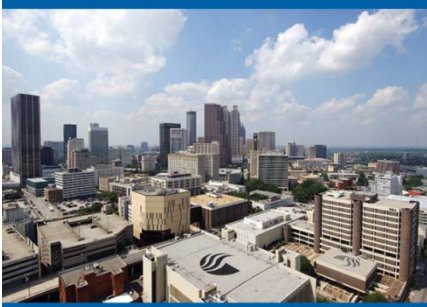
- Four-Term Commitment
 - Does not have to be consecutive
- Not a consumable or loose-leaf item
- Not at the end of the edition's life



1st Year Results:
22% of students rented
textbooks

Savings :
Almost \$1 Million to
Students





First Year Rental Statistics

	Fall	Spring	Average/ Total
Titles Available for Rent	952	909	930.5
% of Assortment Available for Rent	32%	33%	32.5%
Number of Units Rented	9,420	7,347	16,767
Student Savings	\$446,966	\$470,550	\$917,516

Total number of students who rented:
6,528 or 21.7%

efollett.com

Leading edge retail technology to better serve your campus and community needs

Online
Textbook
Option:

Students can rent from the bookstore or On-Line!

	FY 08	FY 09	FY 10	FY 11
Orders	5,168	5,782	6,190	9,499
% Change in orders	10%	+19%	+11%	+53%

Students getting more comfortable purchasing online....

Total online sales for FY 2011 is 19% of all sales

Another
Textbook
Option:
E-Books

....but not as
comfortable using
digital textbooks.

FY 2011 sales: 122 units, \$7,690
189% increase over prior year



Short Demo



Low participation due to:

1. New product offering
2. Students like paper textbooks currently.
3. Portability
4. Cultural change?

May be the wave of the future...



Summary

- Textbook market is constantly evolving
- Students have more choices today
- But Rentals are the new frontier:

One example, One year, One Million Dollars in Savings

Technology will give students more options
More Options Lead to a Better Informed Student



A Savvy Student Shopper...



Mr. Elliot Mork
Senior, Aeronautical Engineering
Georgia Institute of Technology

Type	Purchase Price	Savings vs. New	Buyback (if readopted)	Net Cost
New	\$100	\$0	\$50	\$50-\$100
Loose Leaf	\$75	\$25	\$0	\$75
Custom	\$86	\$14	\$43	\$43-\$86
Digital	\$50	\$50	\$0	\$50
Bundled/w passcode	\$105	\$0	\$0	\$105
Used	\$75	\$25	\$50	\$25-\$75
Rental	\$45	\$55	\$0	\$45

Source: UGA Bookstore

The Next Chapter

- Expand use of options:
 - Rentals
 - E-books
- Continue collaboration with faculty
- Educate students
- Evolution of the campus bookstore

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The End.