

A close-up, high-detail image of a Tyrannosaurus Rex head, showing its textured, scaly skin, sharp teeth, and a single yellow eye. The head is positioned on the left side of the frame, facing right. The background is a solid, vibrant green. Overlaid on the image is a white rectangular box containing the text "WHY ADAPT? JUST ASK THE" in green, and a larger dark grey rectangular box below it containing the word "DINOSAURS" in white.

WHY ADAPT? JUST ASK THE

DINOSAURS



KEEPING UP WITH TRENDS: TEXTBOOK RENTAL

As in nature, survival of the fittest in business often comes down to a willingness to change — and the ability to accurately predict what trends are going to take hold. For college stores, one of the most important current trends is rental: Cost-conscious students want this option, and if your store doesn't offer it, they'll simply go elsewhere.

According to OnCampus Research StudentWatch™ Spring 2014:

44.5% of students rented some or all of their course materials

48.7% rented from their on-campus bookstore

While the majority of students may still prefer to buy their books (53.4%), rental has increased in popularity over the last several years.

SO, THE QUESTION IS:

Does your store offer rental yet? If not, can you afford to miss this trend?

CAUTIONARY TALES: COMPANIES THAT GUESSED WRONG

Here are some examples from other industries where companies either failed to adapt their business models or bet against a rising trend:



KODAK

Founded in 1888, Kodak was the market leader in the U.S. until the mid-1970s (garnering 90 percent of film sales and 85 percent of camera sales). In 1975, the company developed the first digital camera but abandoned it to concentrate on photographic film, a strategy that lasted until 2001. In 2012, Kodak filed for bankruptcy.



MOTOROLA

In 1984, Motorola released the first consumer mobile phone. Over the next 10 years, the company's market share continued to grow, peaking in 1994 with 60 percent of all cell phones sold in the U.S. Years of declining sales followed until Motorola had a hit on their hands once again with the Razr, which sold 50

million units in its first two years. Razr's successor was the Rokr, an iTunes store tie-in. This partnership proved to be a game changer — just not for Motorola, as it gave Apple the foundation needed to enter the nascent smartphone market. Two years later, Motorola was still stuck on the Razr when Apple introduced the first iPhone.



BLOCKBUSTER

Transitioning from VHS to DVD wasn't a problem for the video rental chain, but Blockbuster ignored the writing

on the wall when it came to movies by mail and video on demand. With competition from Netflix, Redbox, cable and phone companies, Blockbuster lost 75 percent of its market share between 2003 and 2005, and spent their 25th anniversary in bankruptcy court.



IT'S NOT TOO LATE...YET

Things didn't always look so great for these companies, but they regrouped, adapted their strategies and are on the upswing:



APPLE

After a strong start, Apple was mired in over a decade of financial loss — and even facing bankruptcy. Things turned around when Steve Jobs rejoined the company, created a partnership with Microsoft and expanded their scope beyond computers.

A multitude of iPods, 10 generations of iPhones, and several versions of the iPad later, Apple reached the highest brand valuation in history (\$128.3 billion) in 2015.



LEGO

10 years ago, LEGO was on the brink of bankruptcy. In 2004, the company decided to give its customers what they wanted: creative control. Now, LEGO is the world's largest toy manufacturer and is sold in 130 countries, not to mention

successfully releasing a feature-length movie (which grossed more than \$468 million worldwide) with a sequel in the works.



STARBUCKS

Starbucks went public in 1992. By the end of 2008, though, profits had declined 97 percent.

Over the next two years, the company switched gears by closing underperforming stores, expanding into Asia and creating the “Starbucks Experience.”

Today, Starbucks is the largest coffeehouse company in the world.

WHAT'S THE TAKEAWAY FROM THESE STORIES?

Despite being in very different industries, the companies that were able to bounce back had a few things in common:

- They predicted trends and adjusted accordingly
- They listened to their customers
- They created a product that catered to their clientele

FINDING THE RIGHT RENTAL PROGRAM FOR YOUR STORE









The right rental program is flexible, keeps you in control, and most importantly, delivers the books your students want.

Both MBS Rental and MBS Risk-Free Rental allow you to set your own rental prices, keep your store competitive and make rental returns as simple as possible for MBS Systems customers.

MBS Risk-Free Rental even removes the risk from non-returned rentals!

WHAT ARE YOU WAITING FOR?

Rental has proven itself to be a trend with true lasting power. Isn't it time for your store to evolve?

	 RISK-FREE RENTAL	 RENTAL	Other No-Risk Rental Programs
Do you control the rental price?			No
Are all rental processes integrated within MBS System?			No
Can you accept campus proprietary tenders on rental transactions?			No
Store's potential earnings	100% SRP, new or used*	100% SRP, new or used*	92-100% SRP, new or used
What is the student's rental process?	Rent and purchase at MBS POS or through inSite with all bookstore tender options	Rent and purchase at MBS POS or through inSite with all bookstore tender options	Rent books at kiosk separately from all other in-store purchases, by credit card only

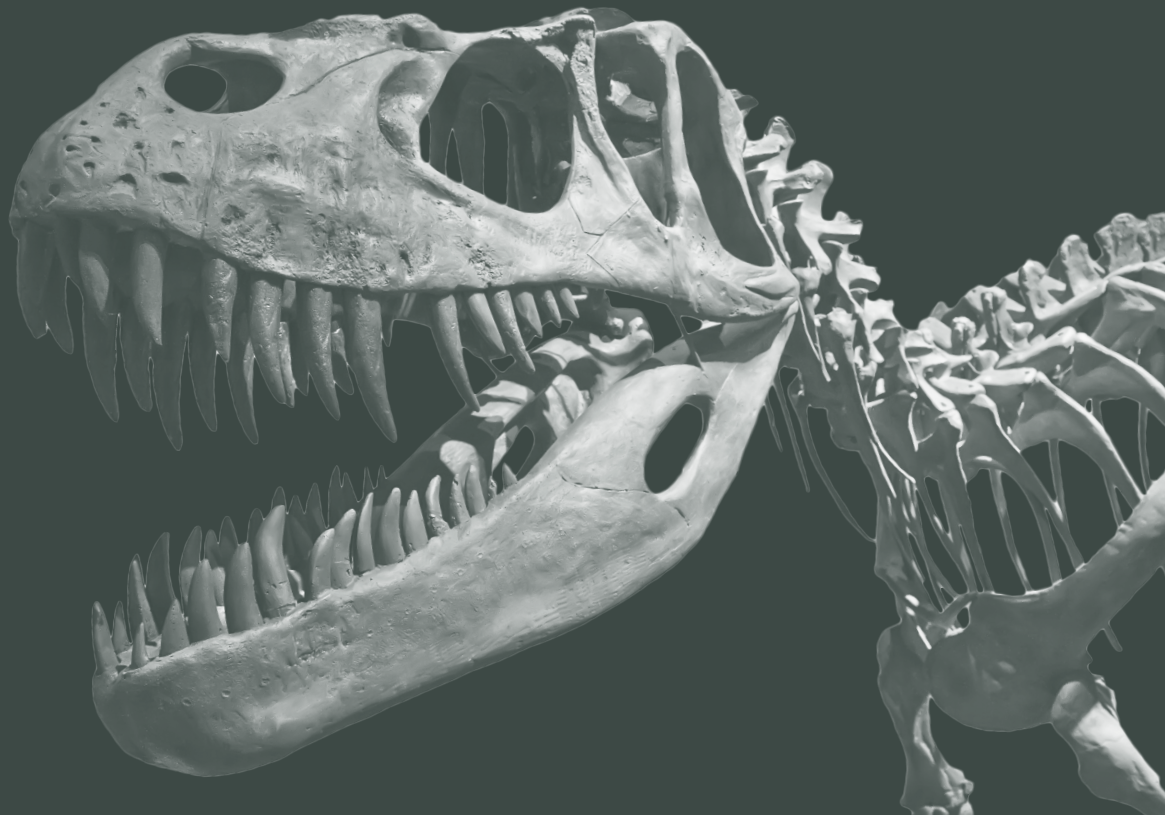
* With the most competitive rental rebate program in the industry, you can provide competitive rental prices and earn 100% SRP (new or used).

SOURCES:

IOS: A visual history. (2013, September 16). Retrieved May 19, 2015, from <http://www.theverge.com/2011/12/13/2612736/ios-history-iphone-ipad>

Newman, R. (2010, August 19). 10 Great Companies That Lost Their Edge - US News. Retrieved May 6, 2015, from <http://money.usnews.com/money/blogs/flowchart/2010/08/19/10-great-companies-that-lost-their-edge>

OnCampus Research (Spring 2014) "Student Watch™: Attitudes & behaviors toward course materials [print]" NACS Foundation





2711 West Ash Street, Columbia Missouri, 65203 | 800.325.0530 | www.mbsbooks.com