AKADÉMOS

2019 College Business Officers Survey on Books and Course Materials

Executive Summary

As the publishing and course materials world continues to evolve, we've asked college business officers how this transformation has impacted their bookstore. In this survey, we explore how digital content and sales are influencing the future strategy of the bookstore as well as identifying what role OER and other low-cost options will play.

Key Findings in the 2019 Survey include:

> 67% of respondents have observed a drop in annual bookstore revenues over the past three years

> No respondents believe that the future of textbooks and course materials sales will only be sold at the college bookstore

> Most respondents indicated that between 25% and 74% of students are purchasing textbooks and course materials outside of the bookstore

> OER and inclusive access (IA) seem to be the future direction for most institutions

> The main obstacles to reducing costs are that Faculty do not consider prices when making adoption decisions (33%) and no single department is accountable for making purchasing decisions

> The main strategy to combat rising costs is to shift to digital materials (34%) and OER materials 23%

The results of this survey indicate that the college bookstore is no longer just a physical retail location for students to buy textbooks and other course materials. Retail space is shrinking – and so are revenues. Overall, these results indicate the need for college bookstores to transform and broaden their service offerings if they are to support colleges and universities' core mission of driving student success.

The following report summarizes the responses to the questions asked in the 2019 College Business Officers Survey and provides our analysis of the results and, where applicable, key trends compared to the earlier surveys.
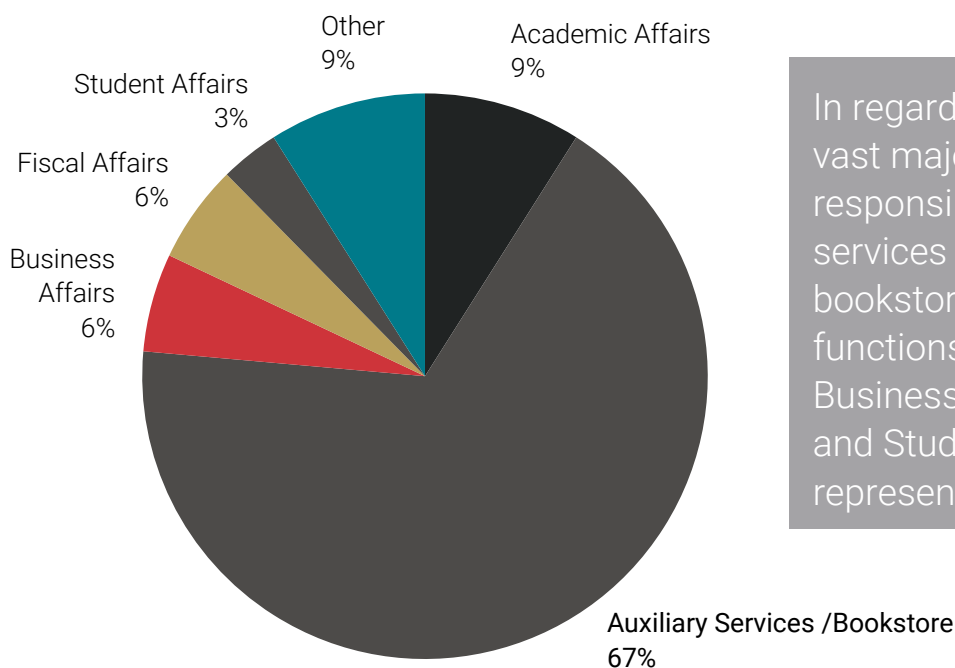
Participants

Figure 1: Respondents by Job Level (n=98)

Other
8%

President
2%

Assistant
4%

Vice President
12%

Manager
33%
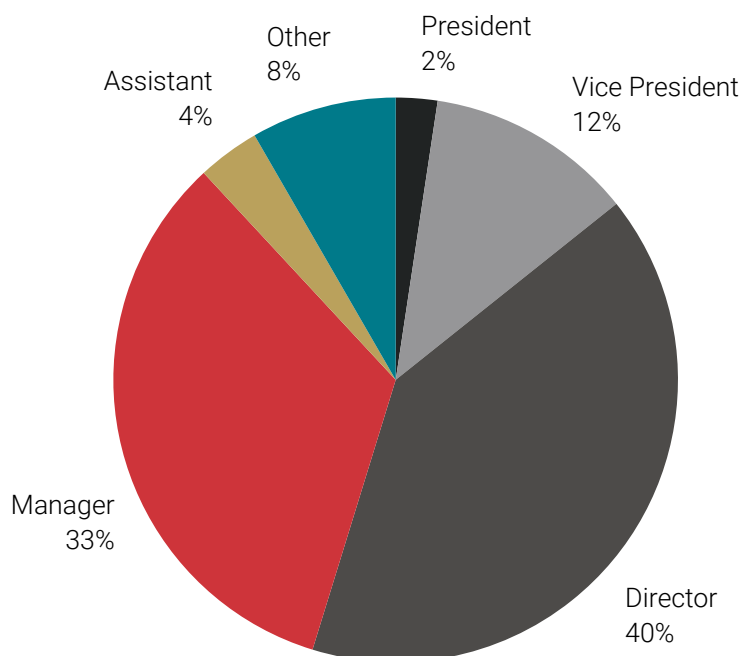
Director
40%

The participants in both surveys had a range of job roles, responsibilities and functions.

> 40% Directors
> 33% Managers
> 12% Vice Presidents

Figure 2: Respondents by Job Function/Role

Other
9%

Academic Affairs
9%

Student Affairs
3%

Fiscal Affairs
6%

Business Affairs
6%

Auxiliary Services /Bookstore
67%

In regards to function, the vast majority (67%) had responsibility for auxiliary services and/or the campus bookstore, but other job functions (Academic Affairs, Business Affairs, Fiscal Affairs and Student Affairs) were also represented in the sample.

The majority of the respondents represented public institutions, although private, nonprofit institutions were also well represented. Three-quarters of institutions represented offered four-year degrees. In terms of enrollment sizes, institutions of all sizes are well represented (Figure 5).
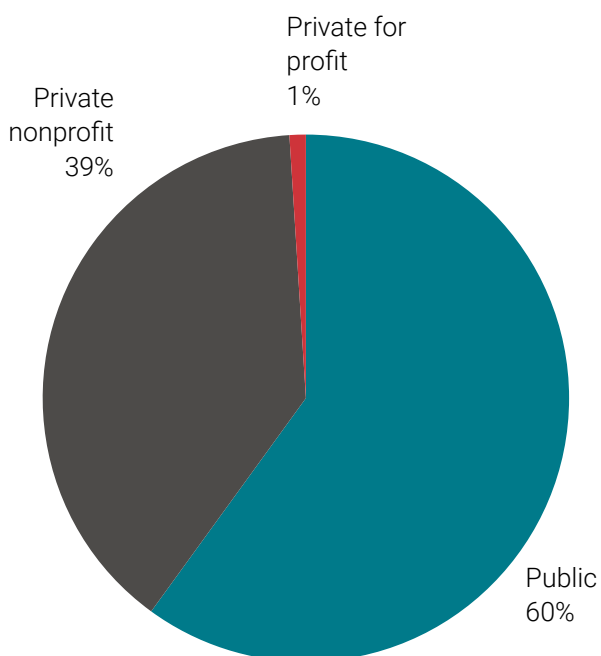
Figure 3: Institutions by public/ private status

Private for profit 1%

Private nonprofit 39%

Public 60%

Figure 4: Institutions by degree length

Two year 24%

Less than two year 1%

Four year 75%
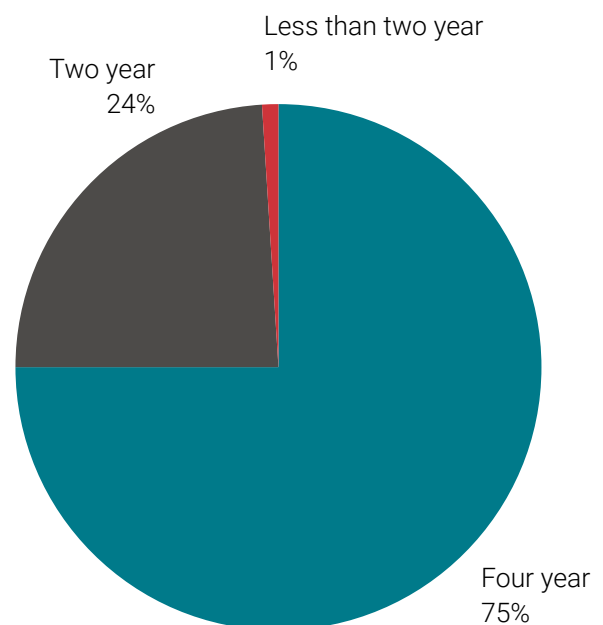
Figure 5: Institutions by enrollment

Enrollment	%
15,000+ students	20%
5,000-14,999 students	31%
2,500-4,999 students	17%
1,000-2,499 students	25%
> 1,000 students	6%
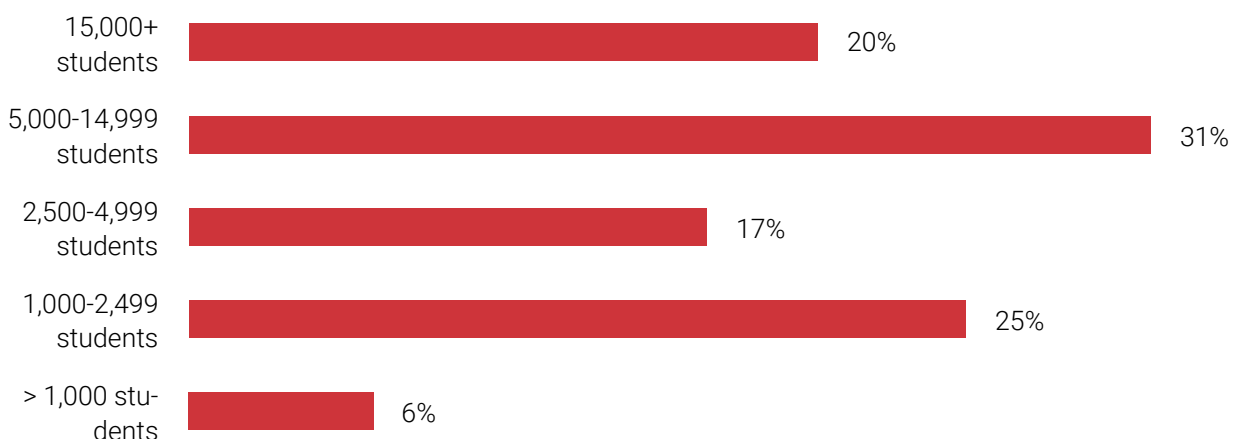
The Campus Bookstore

Figure 6: Estimated size of bookstore

Don't know
6%

> 2,500 sq. ft
14%

20,000+ sq. ft
14%

15,000-19,999
sq. ft
9%

10,000-14,999
sq. ft
8%

5,000-9,999 sq. ft
17%

2,500-4,999 sq. ft
32%
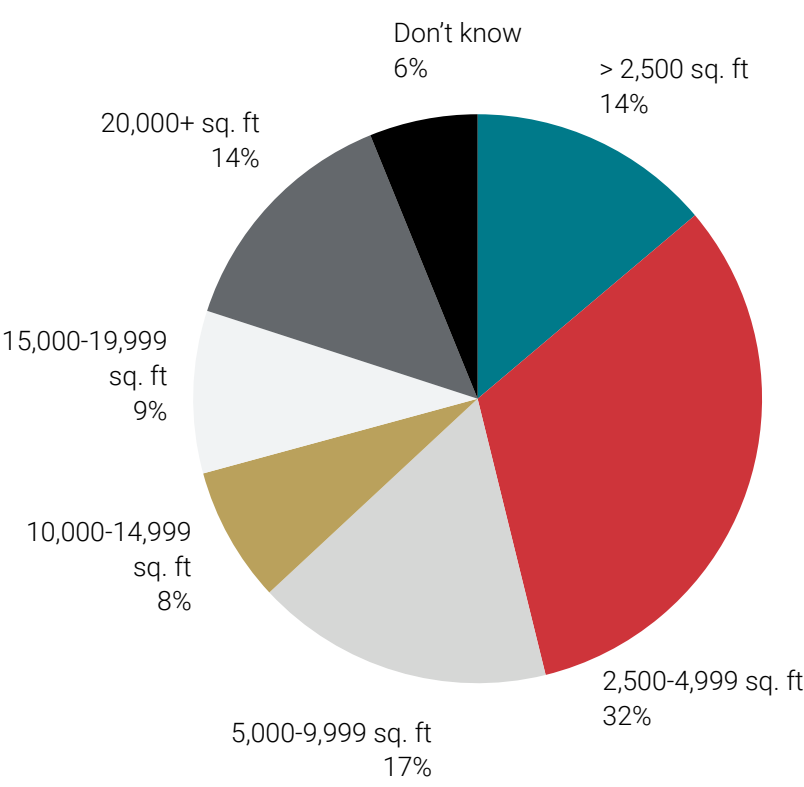
The vast majority (60%) of the bookstores covered are physical, self-operated stores, followed by physical, managed stores (25%). Online-only bookstores are relatively rare in this sample at 13%. Over 90% of the sample have one or two bookstore locations. One-third of those sampled said their bookstore was between 2,500 and 4,999 square feet; almost half are under 5,000 total square feet.

Forty-three percent (Figure 7) of respondents indicated that "the space allocated for textbooks at the campus bookstore will decline" in the next five years, up from 40% in the 2017 survey.

Figure 7: How has bookstore space allocation for textbooks changed over the past 3 years?
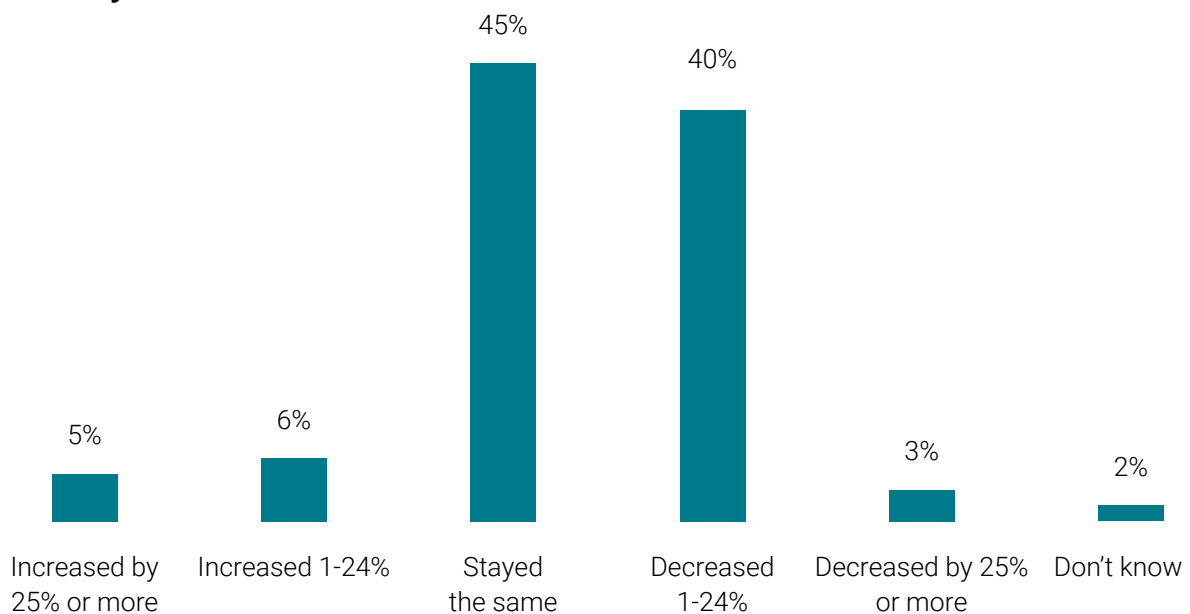
This space decline is potentially correlated with the decline in annual bookstore revenue. Sixty-seven percent of survey respondents indicated that sales have declined, with 13% indicating a decrease of 25% or more over the past 3 years (Figure 8).

Figure 8: Changes in annual bookstore revenue over the past 3 years
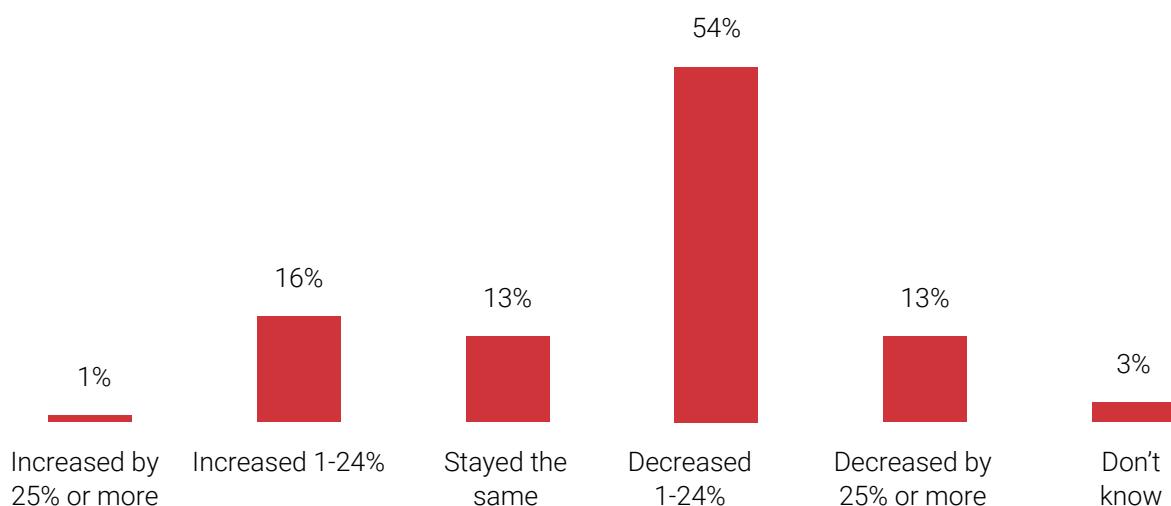
As in 2017, no respondents expect textbooks and course materials to be sold exclusively in the bricks-and-mortar store in the next five years (Figure 9), and while 28% of respondents believe that materials will be purchased entirely from an online store, the majority believe in a combination of online and offline purchasing. This strongly suggests that the bookstore business model of the future is a hybrid one, meeting the demand for physical as well as digital course materials.

Figure 9: In the next five years, how will your institution sell textbooks and course materials?

Only sold through on-campus bookstore: 0%
Sold in both on-campus bookstore and through online bookstore: 60%
Sold exclusively through online bookstore: 28%
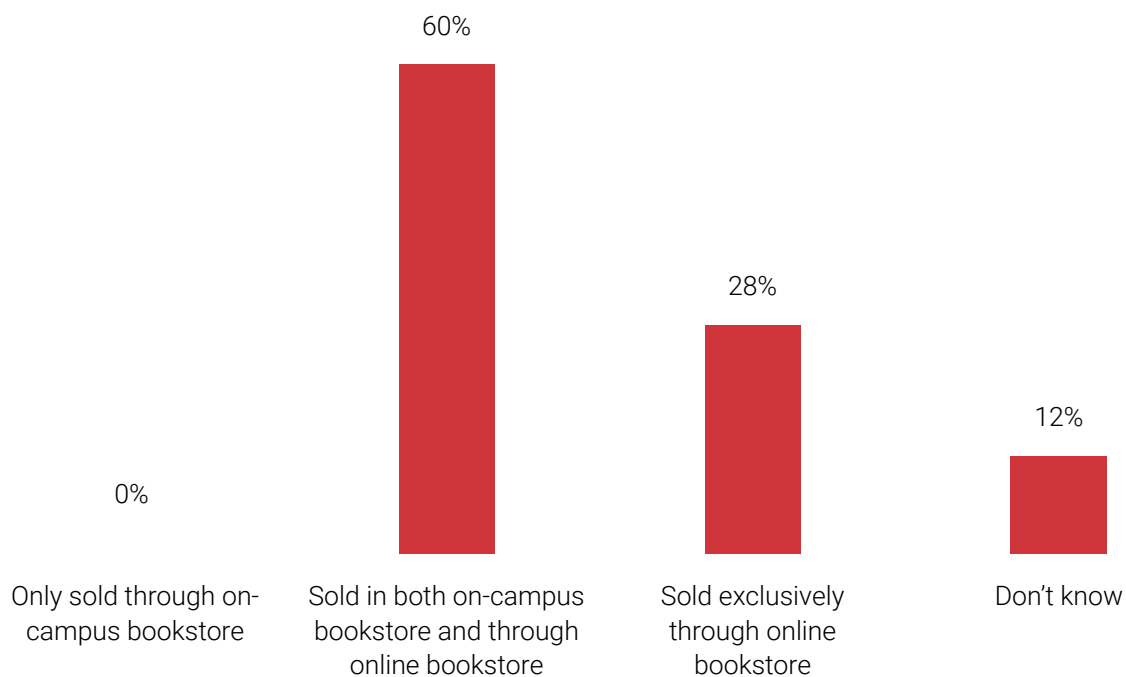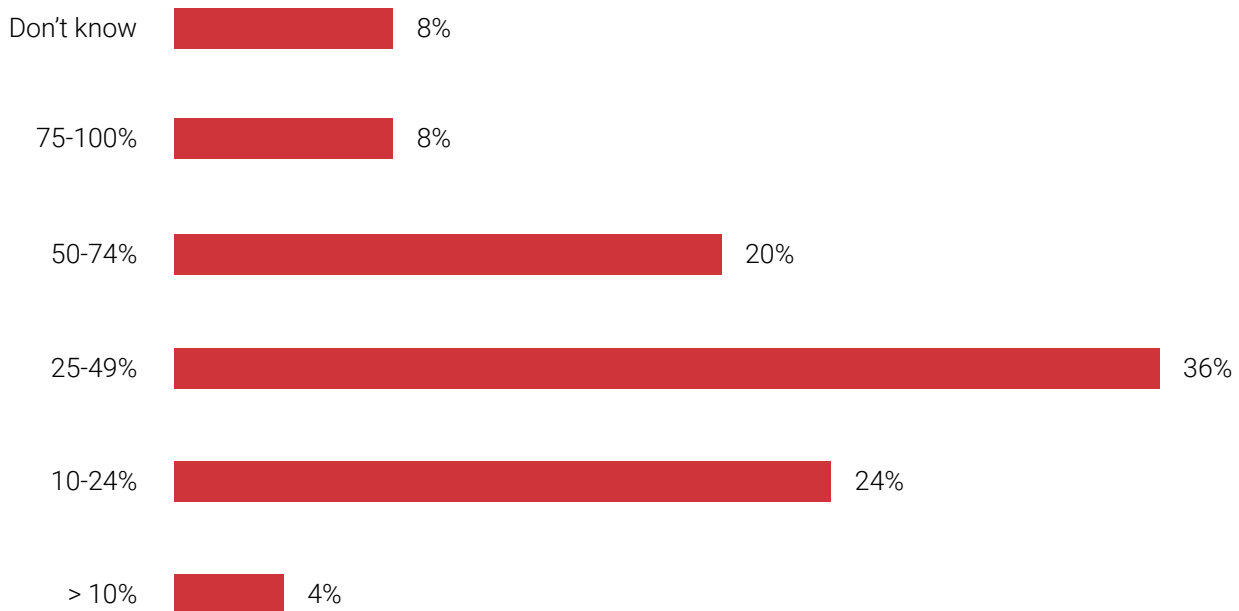Don't know: 12%

Figure 10: Enter, or estimate to the best of your knowledge, the percentage of students that purchase textbooks and course materials outside the bookstore?

Don't know	8%
75-100%	8%
50-74%	20%
25-49%	36%
10-24%	24%
> 10%	4%

In the 2017 survey, it was estimated that around 46% of students purchase textbooks outside of the campus bookstore, a rise on previous years' results (2013 – 38%, 2015, 41%).

This year, 64% of respondents indicated that at least one quarter of students are purchasing textbooks and course materials outside of the bookstore.

Formats

The college bookstore continues to be a diverse retail setting. Although nearly all bookstores sell new textbooks (selected by 99% of participants), used textbooks (94%), eBooks (91%), other formats such as custom coursepacks (78%) and rentals (84%) are also commonly offered. Only 30% of survey respondents said that their college bookstores offered a third-party marketplace, which enables peers a way to sell second-hand books to one another or buy from cheaper 3rd party sources.

While digital course materials are offered through almost all bookstores, most institutions report still heavily relying on physical product, with 80% of respondents indicating 1-24% of course materials are distributed electronically, in the form of eBooks or interactive courseware (Figure 12).

Figure 11: What textbook and course material formats does your bookstore sell or support?

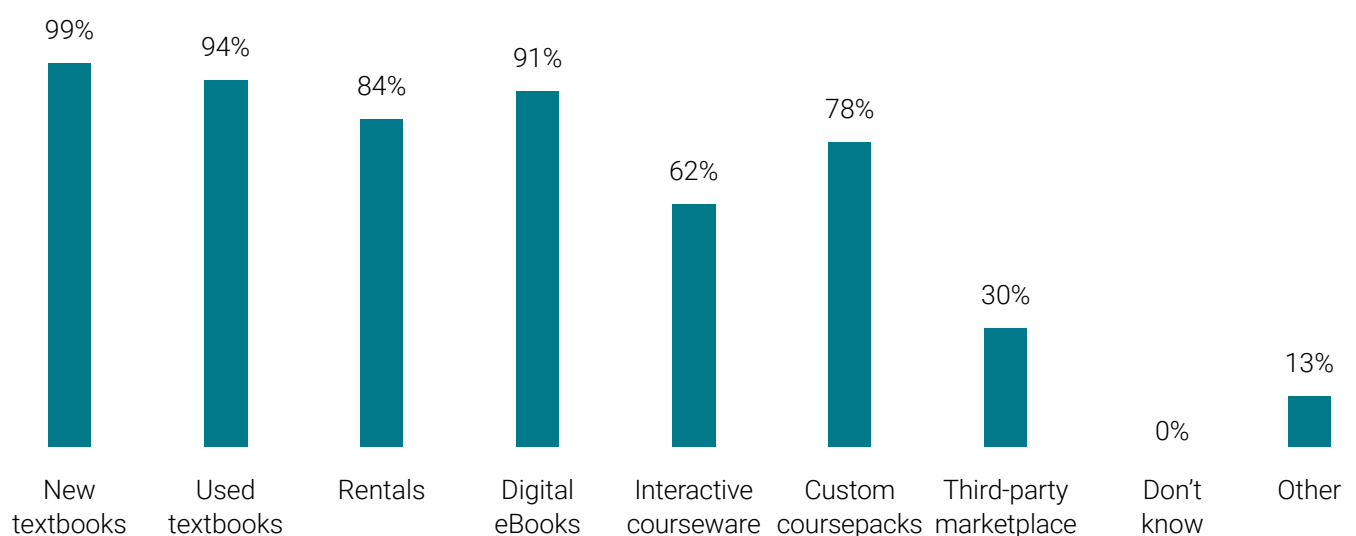| Category	Percentage
New textbooks	99%
Used textbooks	94%
Rentals	84%
Digital eBooks	91%
Interactive courseware	62%
Custom coursepacks	78%
Third-party marketplace	30%
Don't know	0%
Other	13%

Figure 12: What percentage of course materials distributed electronically, in the form of eBooks or interactive courseware, has your institution implemented?
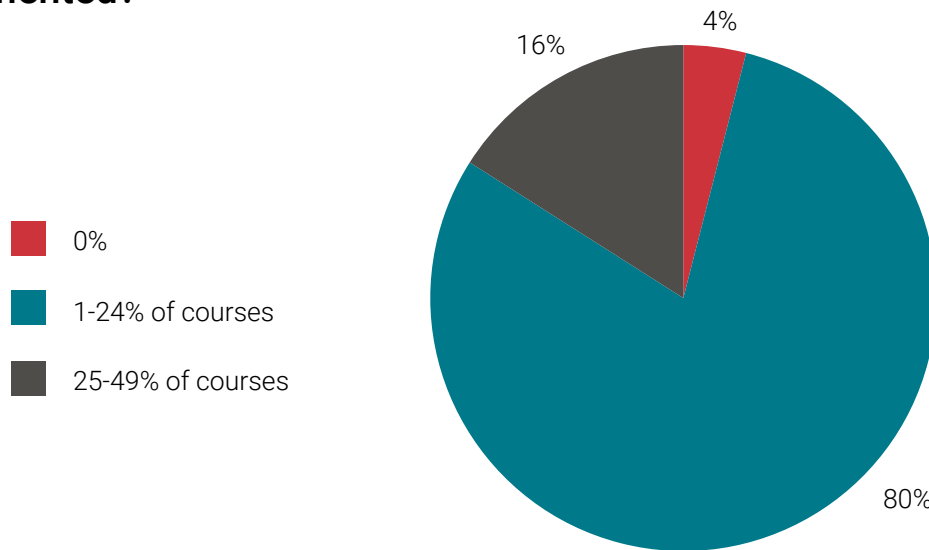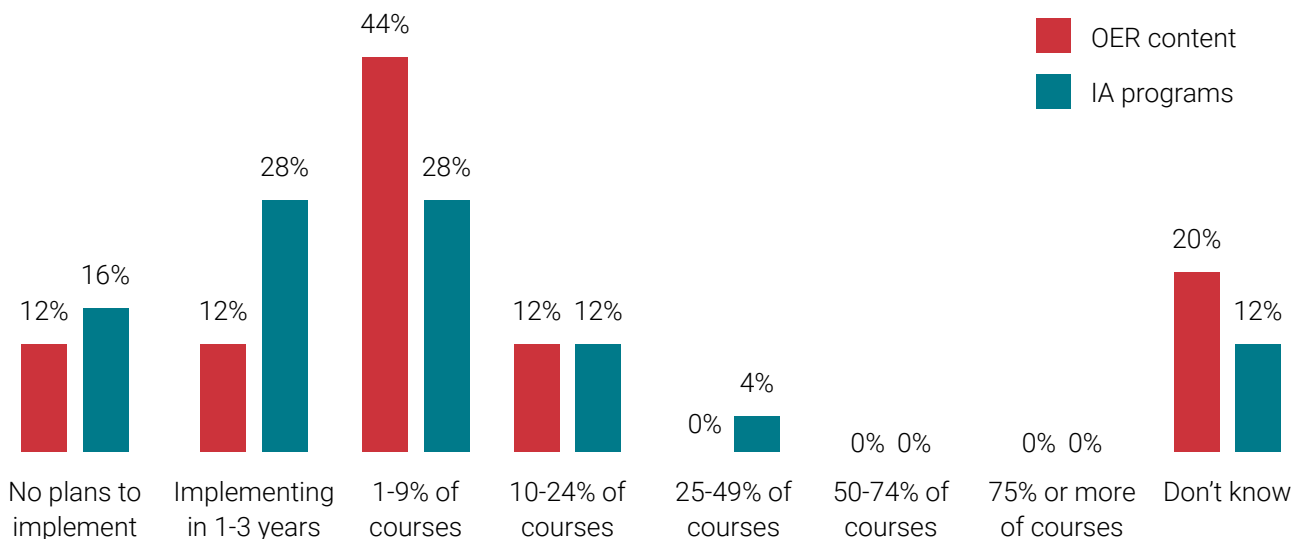

Legend:
- 0%
- 1-24% of courses
- 25-49% of courses

4%
16%
80%

Figure 13: What percentage of inclusive access programs/Open Educational Resources content has your institution implemented?

Legend:
- OER content
- IA programs

	No plans to implement	Implementing in 1-3 years	1-9% of courses	10-24% of courses	25-49% of courses	50-74% of courses	75% or more of courses	Don't know
OER content	12%	12%	44%	12%	0%	0%	0%	20%
IA programs	16%	28%	28%	12%	4%	0%	0%	12%

Part of the sales decline mentioned could partly be explained by the growth of OER, which are being used by 56% of respondents, with another 12% expected to implement in the next 1-3 years. While OER use was widespread and growing, only a small percentage of classes are utilizing this format.

Inclusive access is seeing less current usage (44%) comparatively, however nearly 28% of respondents indicate desiring to implement an IA program on campus, suggesting strong growth in potential.

Priorities & Challenges

Participants were asked to rank the main priorities for their institution from a list of five traits. As with 2017, the key priority is providing access to high quality, low cost textbooks. Suggesting the growing importance of online sales portals, business officers ranked providing a physical location where textbooks can be purchased as lowest in their list of priorities.

1. **Providing access to high quality, low cost textbooks**

2. Ensuring that all students have the required textbooks in a timely manner

3. Providing choices in textbook formats

4. Providing an online destination for textbooks.

5. Providing a physical location where textbooks can be purchased

Costs

When asked the average annual cost of textbooks that students pay per year, 52% of respondents estimated student spend between $200 and $499, while a further 32% indicated between $500 and $999. There are differences in opinions about whether these costs have increased or decreased over the past 3 years (Figure 15). Thirty-two percent of respondents indicate an increase by between 1-24% and 36% indicate a decrease by the same amount. Relatively few (18%) of institutions have an affordability committee to help manage costs, and just 7% say they are considering introducing one (Figure 16).

Figure 14: Enter, or estimate to the best of your knowledge, the average annual cost of textbooks and course materials per student
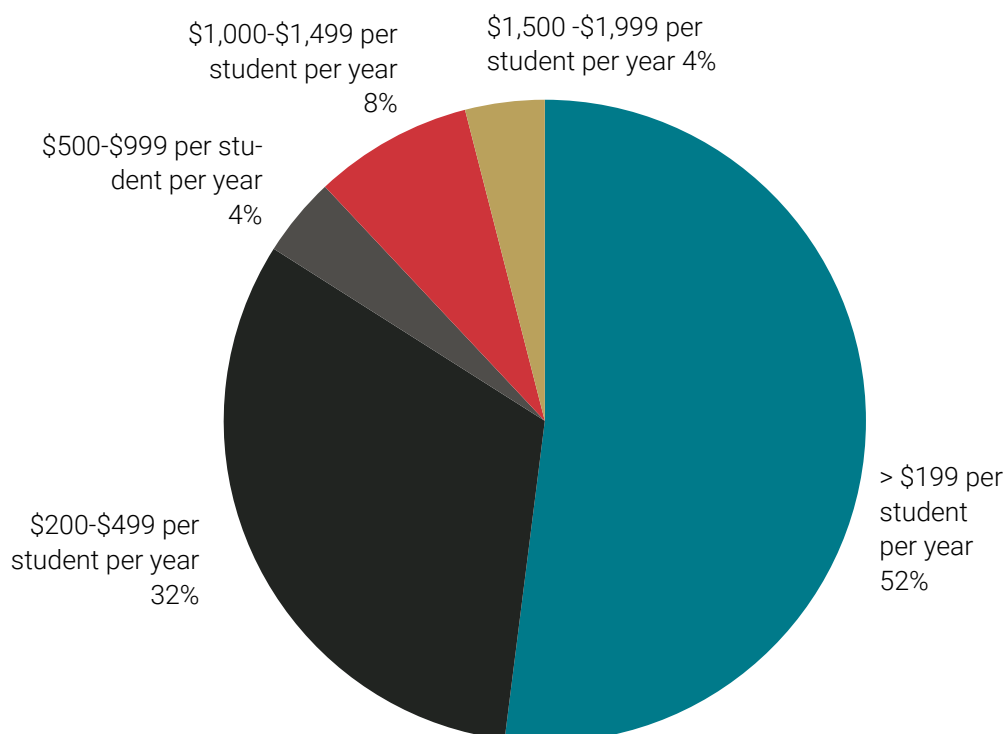

$1,000-$1,499 per student per year 8%

$1,500 -$1,999 per student per year 4%

$500-$999 per student per year 4%

$200-$499 per student per year 32%

> $199 per student per year 52%

Figure 15: Enter, or estimate to the best of your knowledge, how textbooks and course materials average costs have changed over the past 3 years?
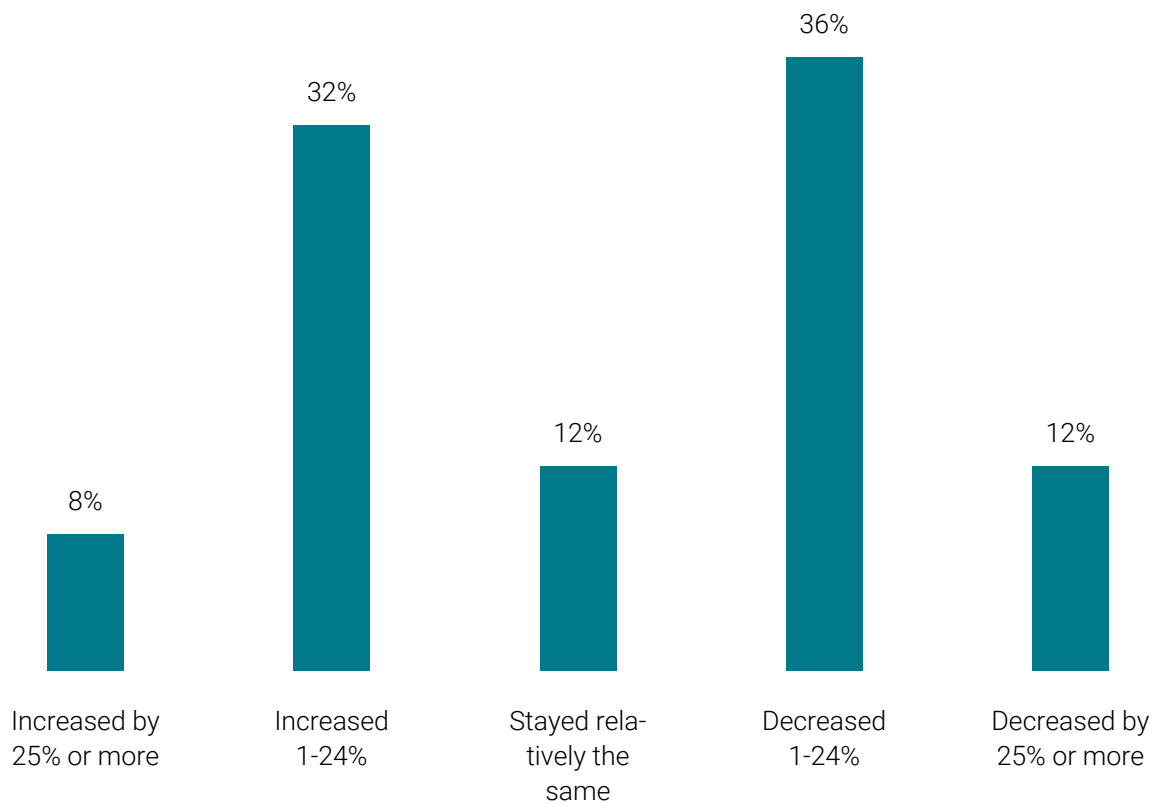

8%	32%	12%	36%	12%
Increased by 25% or more	Increased 1-24%	Stayed relatively the same	Decreased 1-24%	Decreased by 25% or more

Figure 16: Does your institution have a formal textbook affordability committee?

Don't know 4%

Yes 26%

Not at this time 59%
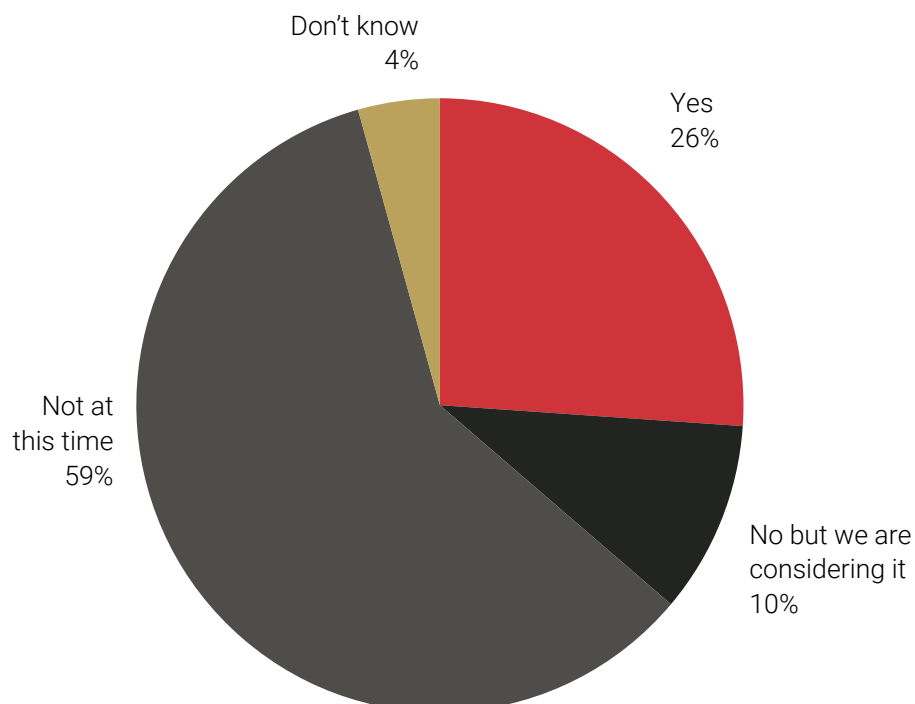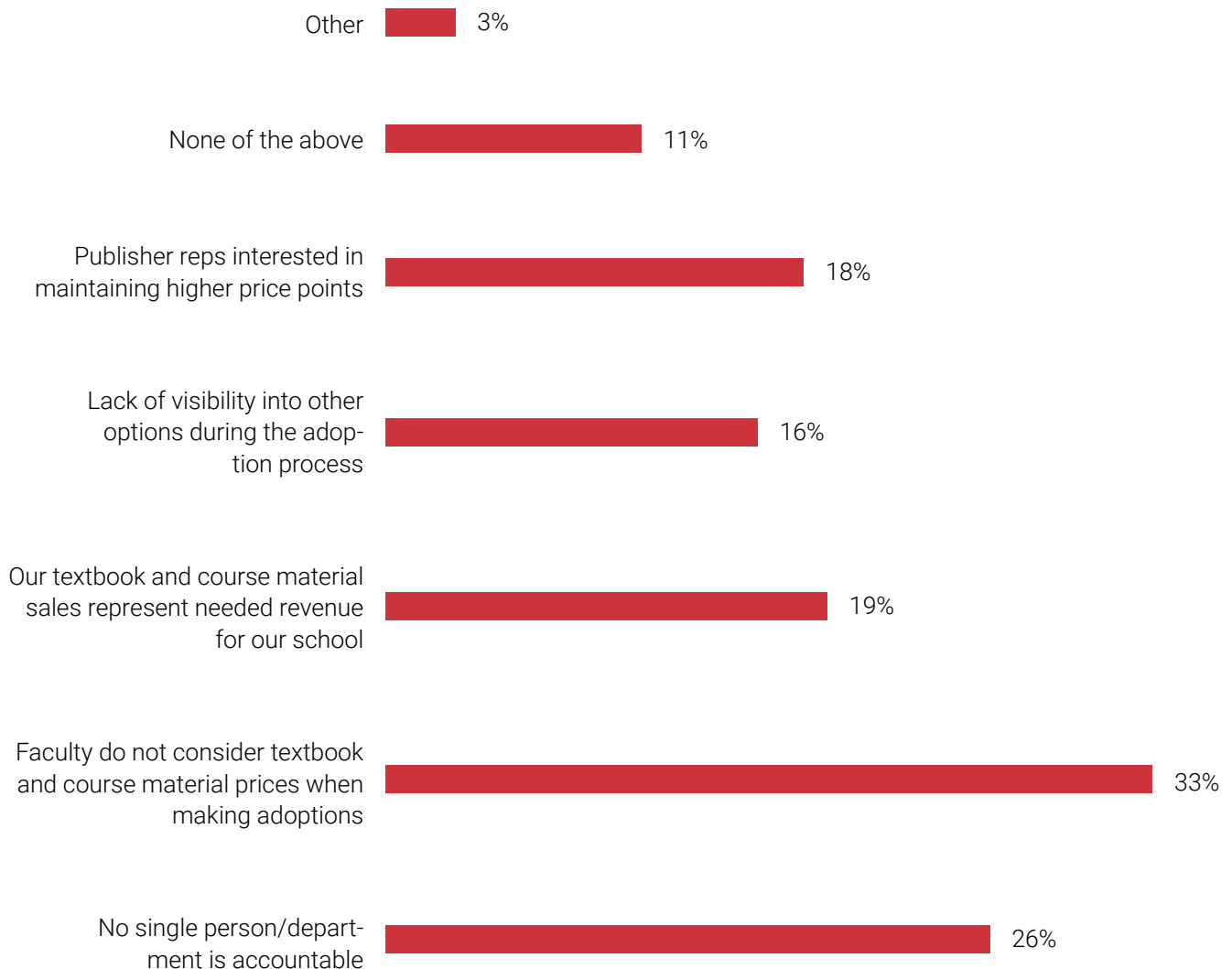
No but we are considering it 10%

Figure 17: What have been some of the obstacles to reducing textbooks and course materials costs at your institution?

The main obstacles to reducing costs are that "faculty do not consider prices when making adoption decisions" (33%) and "no single department is accountable" (25%). Stakeholders also believe that publisher reps want to maintain higher price points (18%), as do institutions themselves (19%) who need the revenue. The main strategy to combat rising costs is to make the shift to digital materials (34%) and OER materials 23% (Figure 18).

Figure 18: Strategies institutions are pursuing to reduce costs
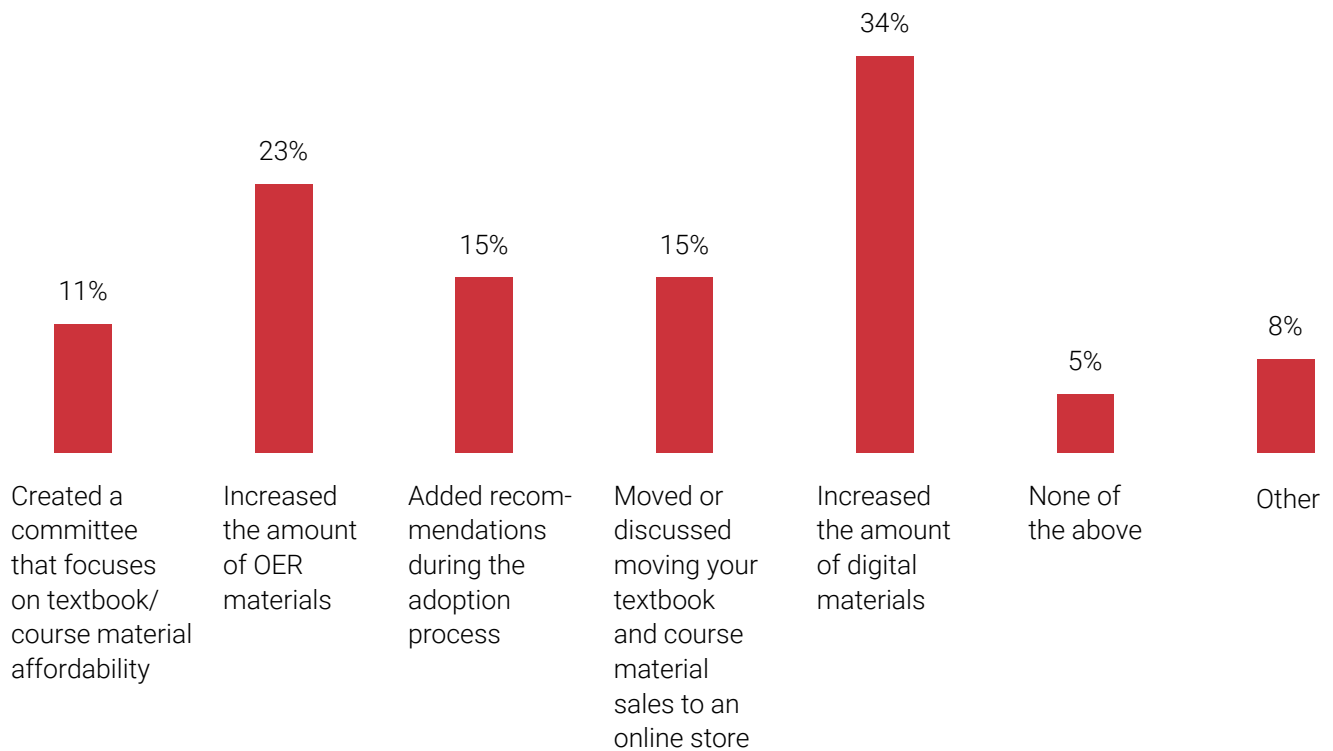
One of the main challenges to operating the campus bookstore is managing faculty adoptions, as almost 30% of the respondents' time is spent on that activity. In addition, counting the frequency of words used in open-ended responses reinforces faculty adoptions, costs, and competitive pressures (Amazon, online) as primary challenges (Figure 20).

Figure 19: Estimate the average percentage of time your full-time staff members spend on the following textbook-related activities
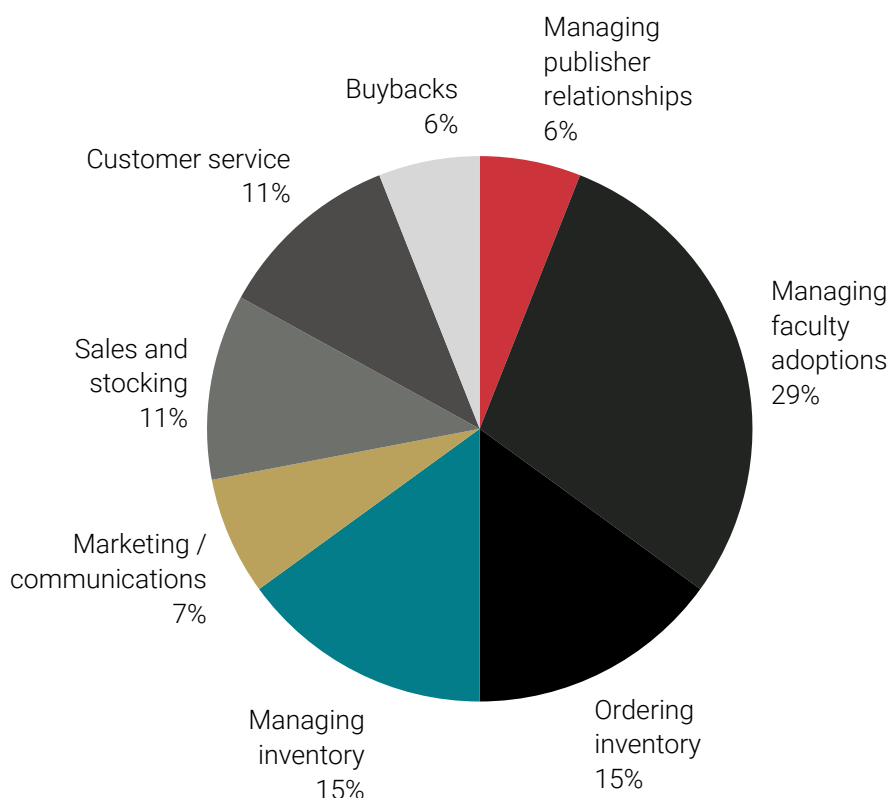

Figure 20: What are some of the textbook related and/or bookstore challenges you face?

Below are a few of the comments from the open-ended responses to the question of top challenges facing the bookstore:

> "Staying competitive on price, maintaining market share with course material sales, communicating the importance of the bookstore, not just with course materials, but other services we provide."

> "Store rents are high, reading methods are electronic, and physical bookstores become 'free exhibition halls' for online bookstores."

> "1. Dead stock; 2. Processing faculty adoptions; 3. Affordable options."

> "Faculty adoption process is late. Decrease in sales. Can't compete with online options."

> "Competing with publishers for sales. Existing student bias against the campus store (high prices being the main misconception). Capturing walk-in business in an inconvenient location."

> "Textbook costs. Online sales to Amazon or other online stores. Students believe that the bookstore is robbing them."

> "Discount price mentality - Amazon, Costco, Walmart. Being a smaller store we can't get true wholesale prices or our small vendors can't offer true wholesale prices. Labor costs."

A Note on Methodology

Two surveys were carried out from May to September 2019, and while both surveys asked many of the same core questions, the second survey is more expansive and covers a wider range of issues pertaining to the format of materials sold in-store, as well as changes to university policy. Therefore, in some instances, only data from survey 2 is supplied. In addition, some respondents elected not to supply information. The percentages presented in this report are valid percentages, calculated based on the number of individuals who supplied valid, useable data.

About Akademos

Akademos provides higher education institutions with a full-service online platform to manage course materials, from monitoring adoptions and compliance to purchasing textbooks and measuring utilization. More than just an online bookstore, we give school administrators a unified platform to streamline course adoptions and meet compliance regulations.

Our solution allows faculty to research and select the best course materials for their classes and track utilization down to the student level. For students, the platform simplifies the purchasing and access of materials through a personalized portal that connects with your SIS, LMS, and payment systems. Akademos gives colleges and universities a more transparent, convenient, and cost-effective solution to manage how course materials are used and measured, helping to improve student affordability and success.

Interested in Learning More?

We're experts in guiding colleges and universities towards the best options for physical, online, or hybrid bookstores. Schedule a call with us to learn more.

SCHEDULE A CALL