Textbook Costs

• Problem: Textbook prices are escalating at a faster rate than other costs associated with a college education.
Textbook Costs

Some Key Facts From This Report

- Student expenses for books & supplies were in the range of $745 - $843 in 2003-2004.
- These expenses represent some 20% of the total college costs paid by students.
Some Key Facts From This Report Continued

- College bookstores earn an average 22% gross margin on new textbooks
- College bookstores earn an average 34.4% gross margin on used textbooks
Some Key Facts From This Report Continued

- Used textbook sales represent a much smaller share of the textbook market, 11.6% to 23.1% of total bookstore sales.
- New textbooks represent 37.7 to 58.9% of total bookstore sales.
Some Key Facts From This Report Continued

• For every dollar spent on new textbooks, 78.6 cents is returned to the publisher (of which approximately 12 cents represents the author’s income)

• College bookstores receive 21.4 cents, part of which is used to pay personnel and operating costs.
Some Key Facts From This Report Continued

• The net average income to college bookstores is approximately 4.1 cents.

• Online sales account for a small portion of the college textbook market, about 2.2%

• 76% of textbook editions are changed every 3-4 years
Our Gross margin on net priced textbooks is fixed at 20%, well below the national averages of 25 – 30%.

We return between 10-11% of total sales to GA Tech in support of the academic mission of the Institute.
Some Report Options to Consider

• Encourage textbook standardization for core curriculum and a minimum length of time for use of editions, where appropriate

• Encourage faculty to submit textbook adoption information within an established deadline.
Some Report Options to Consider

• Encourage faculty to share all textbook adoption information with the campus bookstore.

• Encourage faculty to give students the option of acquiring bundled textbooks, or purchasing the textbook alone.
B&N @ GA Tech Used Book Initiative

- We recognize that textbooks represent a significant percentage of students’ total college costs.
- We have been engaged in an initiative to lower the overall textbook expenditures of students by providing as many used textbooks for sale as possible.
B&N @ GA Tech Used Book Initiative

- The purchase price of used textbooks to the student is 25% less than the retail price of a new book.
- Providing the maximum availability of used textbooks for sale at the start of the semester is driven by several key factors.
B&N @ GA Tech Used Book Initiative

- Timely textbook adoption information from departments and faculty is the single most important factor in reducing a student's overall college textbook costs.
- For Fall 2005, we requested that this information be sent to us by March 11, 2005.
Why so early?

• The best source of used books is the student buyback during finals week.
• Early textbook adoption information allows us to pay 50% of the selling price of a textbook that has been adopted for the next semester directly to the student until we satisfy our inventory needs.
B&N @ GA Tech Used Book Initiative

• Early textbook adoption information also allows us to compete successfully in the national used textbook wholesale market.

• The earlier the information, the longer we can shop for used books and the greater the final used book availability will be at the start of the next semester.
Results of our Spring 2005 Used Textbook Initiative

• The relation between early textbook adoption information and used textbook availability is not “Pie in the Sky”

• With the help of GA Tech faculty & departments we were able to demonstrate some encouraging results for January 2005 textbook sales.
Results of our Spring 2005 Used Textbook Initiative

• With your help, we had 92% of the textbook adoption information by the time buyback started in December 2004.

• Despite a rain soaked week, our buyback was up 35% over December of 2003.
Results of our Spring 2005 Used Textbook Initiative

- Our used book purchases from wholesalers more than doubled from the year before.

- Used Textbook Sales for January Textbook Sales rose from $210,261 in January 2004 to $419,659 in January of 2005!
Results of our Spring 2005 Used Textbook Initiative

• That’s an increase of $209,398 or 99.59% in used book sales in January 2005 over January 2004.

• $419,659 in used textbook sales for January represent a $139,886 savings for our students over the cost of new textbooks!
Results of our Spring 2005 Used Textbook Initiative

• An added benefit of early adoption information is that we were able to achieve a 99.6% textbook availability for the first day of January classes for adoptions received by December 2004.
Fall 2005 Used Textbook Initiative

• In order to keep the momentum of used textbook savings going for Fall 2005 we need your help!

• Please make sure that you submit your summer and fall textbook adoption information to us ASAP, if you haven’t done so already.
Fall 2005 Used Textbook Initiative

- Early textbook information will allow us maximum time to shop the national used textbook wholesale market.
- The longer the shopping period for used texts, the greater the yield will be.
Fall 2005 Used Textbook Initiative

• Early textbook information will return more dollars to the GA Tech students at the end of the Spring semester textbook buyback period.

• The buyback period is finals week, May 2nd – 6th, 2005.
Fall 2005 Used Textbook Initiative

• If the custom in your department is for the faculty to place their orders directly to the bookstore, you can place your textbook adoption:

• Online at: www.bookstore.gatech.edu
• Via e-mail: textbooks@bks.gatech.edu
• Via fax at: 404.894.2530
Fall 2005 Used Textbook Initiative

• We have a Word textbook adoption form that we can email to you.
• Fill it out save it on your PC and email it back to: textbooks@bks.gatech.edu
Fall 2005 Used Textbook Initiative

• If the custom in your department is to submit your information to a textbook coordinator, please do so ASAP and encourage that person to forward the information right away.

• We can process the information piecemeal.
Fall 2005 Used Textbook Initiative

• Please encourage the textbook coordinator to forward this information to the B&N @ GA Tech Bookstore, even if you desire the information to go to another source as well.

• You can check the books we have listed for your class online at: www.bookstore.gatech.edu, select textbooks.
Fall 2005 Used Textbook Initiative

- Remember that only the B&N @ GA Tech Bookstore allows students to purchase textbooks via:
  - Buzz Card
  - Approved Third Party Billing
  - The OSCAR website.
Fall 2005 Used Textbook Initiative

• Only the B&N @ GA Tech Bookstore returns over 10% of gross sales to the Georgia Institute of Technology in support of its academic mission.

• Armed with this vital information, we can make a positive difference in the dollars our students receive at the buyback counter & the availability of used textbooks for the coming semester.
Fall 2005 Used Textbook Initiative

• Buyback: Return on textbook investment at the buyback counter at the end of the semester can significantly reduce the net expenditure for textbooks in any given semester.

• Our goal is to raise our used textbook availability for Fall 2005 to $800,000 from $600,000 in Fall of 2004.
Fall 2005 Used Textbook Initiative

• Working together, we can effectively reduce textbook expenditures for our GA Tech Students!

• Thank you!