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A Follett Newsletter For Faculty

Fall, 2006

Answering Your Questions One Book at a Time

There are several messages we wish to convey in this newsletter:

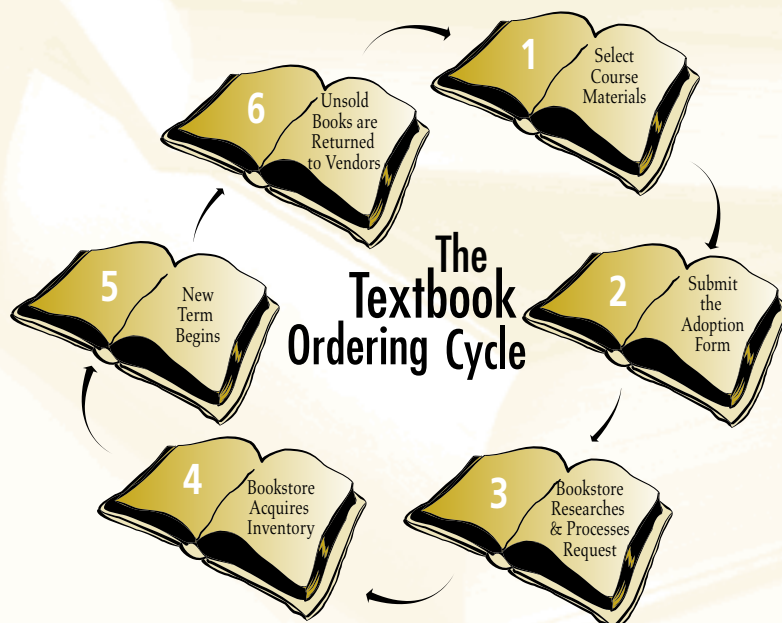
- * We need your textbook adoption information by the requested deadline so that we can have your course materials available when your students need them, and so that we can provide your students with as many used books as possible, including those bought back from your students at the end of the term.
- * We want you to be well-informed so that you can assess the comparative advantages and value of bundles, custom texts, and traditional textbooks.
- * We feel it is important that you understand the implications of recommending Internet book sources to your students.

We will discuss each of these topics in turn.

We ask for your adoption information about six weeks before the prior term ends. Knowing early on which materials you will be using has a positive impact on everything we do and gives us time to:

- * review all requests to ensure that we understand the exact materials you want and can properly identify the ISBN and publisher or other source.
- * search for used books on the national market.
- * make it possible for us to buy back those texts that you have readopted for the upcoming term for up to 50% of the purchase price to students on your campus.
- * communicate with you if there are problems, such as titles being out-of-stock, out-of-print, or available in a new edition.

We receive many questions about textbooks and our book buyback program. We discuss a number of the major concerns in this edition. First, some questions on ordering textbooks, then some information on book buyback.



During the past two years, we have appreciated your comments—both solicited and unsolicited—about our faculty newsletter *Acumen*, which addresses current issues concerning textbooks. You have reminded us to “keep it simple” and get straight to the point. Thank you for that feedback, which is reflected in this edition.

1. Frequently Asked Textbook Questions

Why is there a March or April adoption deadline for classes that don't begin until late August or early September?

Even though classes don't start until the fall, the best time for us to purchase used books, both on campus and nationally, is when classes end in the spring. The national demand for used books far exceeds the supply, and inventory sells quickly, so we have to conduct our national used book acquisition as early as possible.

Also, having your texts on our buyback list enables us to pay the best prices and, therefore, keep textbook costs down for students. It also keeps the books in the local market for resale and from being sent to used book distributors.

Finally, we need to communicate with you when books are out-of-print or out-of-stock and when editions change. Book information is increasingly more difficult to verify now that there are so many bundles and ancillaries, and in general we find that instructors are harder to reach over the summer.

Some students don't sell their books back, so why is the early adoption deadline important?

Even if your students don't sell their books, it gives us a chance to locate used copies from national wholesalers and our store network. And, for those who would like to sell back their books, we want to offer the highest possible price.

What are my options for submitting adoptions?

You can send them to the store on a piece of paper, call us, use the textbook adoption form we send you, or you can submit them electronically through our *edoption*® program. We will take information any way you want to provide it and as soon as you can submit it. The earlier we have the information, the less likely we are to have problems and the more likely we are to find used books on the national market for your students.

How do you decide how many to order?

We use estimated enrollment numbers, as well as our sales and enrollment history, in determining how many copies to order. There are many factors that may impact the quantity ordered. Sell-through—a measure of how many students in a class historically buy the text—is an important factor.

We also consider increased online competition, as well as the number of used copies on campus that students might exchange among themselves, and the type of materials adopted.

For example, custom published materials usually enjoy higher sell-through. The age of the edition is also a consideration, since the longer an edition has been around, the more alternate sources students can find, including buying or borrowing from a friend.

I send in my information on time, yet you still run out of books. Why?

As noted above, the number of texts ordered is based on many considerations, such as current enrollment information from the registrar and the history of sales for the course in prior semesters. Our goal is to have 20% more inventory than we need, and in general we are successful in that goal. On average, our returns to publishers are well over 25% of purchases. However, in any given course it is possible for us to run out of books. Sometimes enrollment exceeds our estimates. Sometimes the publisher is out-of-stock. We have also found that students from other campuses may buy their books from us. And sometimes we simply make mistakes. Any one of these issues can cause us to run out of inventory and create a shortage.

What do you do if there is a problem?

We try to determine how many students still need books and then immediately order them for next or second day air delivery. We realize that being without the required text is a serious issue for students and for you, and when that happens we get the books as fast as possible.

What is the difference between a textbook and a trade book?

Textbooks are specifically designed for academic instruction and classroom use, while trade books are marketed to the general public and are likely to be fiction, reference, or books for general reading. Some trade books are adopted for course use.

Why do textbooks cost what they cost?

Briefly, textbooks require a larger investment to write, involve greater peer review, call for more comprehensive editing, and cost more to produce than general trade books. The textbook publisher's development costs are substantial, as are the costs of illustrations, four-color printing, and durable bindings.

Textbooks are usually produced in smaller print runs, limiting economies of scale, and their edition life is increasingly limited. Finally, marketing costs for textbooks are significant and are a definite factor in textbook pricing. Examination copies are expensive, as are the test banks, ancillaries, and faculty support materials that have increasingly become the norm in this market.

What is an examination or desk copy?

Examination and desk copies are not the same thing. Publishers provide examination copies to faculty so they can review them for possible adoption in their curriculum. Publishers provide desk copies to faculty members who have adopted a book and are using it in their class. Normally, publishers will provide these books on a no cost basis; however, the publisher's marketing expense for these "free" copies is added to the cost of the book.

What is the ISBN?

The ISBN is the International Standard Book Number, which is unique to every book. It identifies the publisher, country, author, title, and edition of a book.

How are textbook availability issues resolved with publishers?

As soon as a publisher notifies us that a book is unavailable—whether out-of-stock, out-of-stock indefinitely, or out-of-print—we first search the national wholesale market to see if we can secure enough copies. We are also able to query our network of stores for books. If we cannot find the needed quantity, we will immediately contact you to discuss the situation so that you can make an alternative selection, if possible.

I've used the same text for the last three years. Can't you assume I'm going to use it again?

It is important for us to have your confirmation, because courses change, as do editions—about one-third of basic texts change editions each year. However, you don't have to wait until the adoption deadline to let us know, and if you are sure you are going to use the book every time the course is taught until it does change editions, we welcome knowing that in advance. We will probably still seek your confirmation each term because we don't want to risk a problem.

QUESTIONS ANSWERED

When will books for my classes be on the shelves?

Our goal is to have every book on our shelves approximately two weeks prior to the start of classes; earlier, if possible.

I've been approached by a publisher to consider a 'bundle' or 'package.' From the bookstore's point of view, what are the things I should consider before making the decision?

When evaluating a bundle or package, first consider how you will use the components to enhance your students' learning. If you intend to make the additional components an integral part of your curriculum (for example, by assigning work that requires access to a particular website that is part of the package), then a bundle can represent an excellent price and educational value for your students. However, if you don't plan to refer to or assign work requiring bundled components, then the stand-alone text—which is easier to acquire through book buyback and from used book wholesalers—will likely save your students money.

If I adopt a textbook which requires students to have a 'pass code' to access content, does that mean that the student cannot buy a used book?

Students can usually buy the pass code separately, but the cost may negate the savings of buying a used book. Separate pass codes will (usually) be sold by the bookstore only if a publisher offers a price low enough to allow us to sell the used text and pass code together and still provide some savings to students. An increasing number of publishers are doing this, although not for all titles.

I've been approached by a publisher to consider a 'custom' textbook. What are the pros and cons of this textbook format from the bookstore's point of view?

Custom books allow you to select only the materials that you plan on using in your course—usually only a portion of the regular textbook. Because students pay only for what they actually need, custom books may prove to be less expensive. In addition, if you readopt a custom book for multiple terms, students can enjoy the same savings through buyback as on traditional textbooks. And, when you use a custom text, you do not need to worry about having to change your textbook immediately when a new edition is published.

However, because your students use the book only on your campus, we are limited in our acquisition of used copies. With traditional textbooks, we can access the larger used book market, in addition to the market on our campus.

What questions should I ask a publisher's rep to get at the key issues related to the price of a textbook?

- * How much will this book cost my students? Remember, though, that when asked for the price of the text, publisher's sales representatives frequently quote the cost of the textbook to the bookstore—that is, the net cost. The net cost does not include the bookstore's markup, which reflects operational expenses and other costs of doing business. However, if you know the net cost, the bookstore will be happy to estimate the retail price your students will pay.

- * Is the textbook available by itself or sold only as part of a bundle?
- * What online resources are available to students with the purchase of the text, and are those resources available to anyone, or only to students who buy a new copy?

[If you are interested in this option] Would the publisher's representative be willing to attend the first class session to demonstrate the various online resources that are available with the text?

- * When is the next edition going to be released?

The Bookstore's Value to Customers

	Our Store	Online
<i>Used Texts Available</i>	Yes	Limited
<i>One Source—All Requirements</i>	Yes	No
<i>Pick-up or Shipping Options</i>	Yes	No
<i>Assurance of Right Materials*</i>	Yes	No
<i>Immediate Availability</i>	Yes	No
<i>Easy and Immediate Refunds</i>	Yes	No
<i>Student Account Transactions</i>	Yes	No
<i>Cash, Check, Credit Card</i>	Yes	No
<i>Immediate Buyback</i>	Yes	No
<i>Employs People on Campus</i>	Yes	No
<i>Supports Campus Financially</i>	Yes	No

*Including pass codes if needed for access to research or reference sites

I've heard a lot about digital versions of texts being cheaper than printed texts. What can you tell me about this?

Digital versions of textbooks may save students money up front. Additionally, some publishers now offer students the ability to purchase chapters as they go—a sort of installment plan. However, students' ability to print the text is often limited, and digital textbooks sometimes "expire" after a certain period of time. To calculate the savings digital texts represent, the cost must be compared to the net expense of purchasing a used copy of a printed textbook, then selling the book back during buyback. Often a student comes out ahead by purchasing a printed copy, then selling it when they are finished. Also, many students continue to prefer learning from a book they can touch, highlight, and carry around in their backpacks, as opposed to one accessible only by computer. When both print and digital versions are offered by publishers, the bookstore will usually try to make both options available to students and to let the students choose which option they prefer.

2. Used Book Buyback

If an adoption is not sent in on time, will buyback prices be affected?

Yes, only books that we know have been readopted are bought back from students at 50% of the purchase price until we have as many copies as we think we will need; non-adopted books are bought back at a national market price.

How are buyback prices determined?

If a book has been readopted for use in a subsequent semester or term and we need the book for our inventory, we will pay students 50% of the students' original purchase price. Books for which we have no adoption information will be bought back at national market price—generally between 10% and 30% of the new price—which is based on the popularity of the books, along with supply and demand. Old editions and out-of-print books generally have little or no buyback value.

Why do you emphasize book buyback?

It is the best opportunity to make textbooks more affordable for students. It allows us to give students as much money for their books as possible, but more importantly, to secure as many used copies as we can in a market where there is a finite supply.

How are used textbooks priced?

Used books are priced at 75% of the new book price. For example, a new book priced at \$50.00 will sell for \$37.50 used.

What happens to nonadopted books that are bought back?

Nonadopted books are shipped to a national distribution center where they are sold to bookstores that do have adoptions for the book. Books that become old editions or go out-of-print are often sent overseas through one of several reputable charitable organizations. Our goal is to recycle as many books as possible to less fortunate countries.

Of the used books that are sold in the bookstore, what percentage are bought back from your students?

Of course it depends on the discipline and other factors, but in general about half of the used books on our shelves were bought back from students. The rest were obtained through a time-consuming process that involves locating and acquiring used books from used book vendors.

Comments and suggestions are welcome.

Please direct them to Thomas Christopher, President,
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Additional copies of this publication may be requested from Cliff Ewert,
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3. Online Book Sources

Why shouldn't I send my students to online sources so they can save money?

We are convinced that the best way for a student to save money is to buy a used book from our store and then sell that book back at the end of the term. The savings are substantial—up to 63% off the price of a text bought new and not sold back.

However, we are aware that some instructors advise students to buy from online bookstores. While this may save students some money, buying from these sites may also lead to unintended consequences. Our research has shown that students usually end up buying from numerous individual suppliers who contract with an online store to sell their books. Consequently, service and order fulfillment time can be inconsistent, unpredictable, and inaccurate. Refunds and exchanges can also be problematic.

When business is directed away from our store, it makes it harder for us to afford to meet our obligations of the campus, specifically, the obligation to secure all the course materials adopted by all faculty, including foreign editions, association publications, small press titles, and custom course packs and bundles. We don't focus just on the large adoptions and ignore the more time-consuming, more costly titles, as online retailers are able to do. Our job is to acquire all required books, regardless of nature or origin, and we will do everything possible to have all of the materials the campus needs, in the right quantities, at the right time.

Also, we provide value to the campus in many additional ways—from paying a percentage of sales to the institution, to employing people in the community (including students), to paying state taxes. With the possible exception of taxes, the national online retailers do none of these things.

The bottom line for us, if you will, is that we need your adoptions on time so we can obtain the right books for the first day of classes, address problems in a timely fashion, pay students the best price for their used books, and provide the used books students expect and demand. Together, we can make textbooks more affordable and accessible for your students.

Follett's Position on Textbook Legislation

We share the concerns of faculty, administrators, students, and federal and state legislators regarding the cost of textbooks. We also fully support the right of faculty to choose the course materials that will provide their students with the best education.

We believe that the issue of rising textbook prices can best be addressed through the combined efforts of legislators, institutions, bookstores, faculty, and the publishers, and not by legislative mandates.

When fully integrated into a course by the instructor, the value a student receives from a textbook should always outweigh costs, as the entire purpose of a textbook is to educate. At times, the most expensive books may provide the best educational value. To deny faculty the opportunity to choose the best possible work is to potentially deny students the best possible education.