ICBA COVID-19 Calls: Summary from April 29-30, 2020

Sales Results Since COVID-19
For March to April, stores ranged down in sales between 50-90% with an average in the 70-80% range. Those at the higher end of the range experienced complete shut downs of operations, including web sales (other than required course materials). At the lower end of the spectrum, even those stores that were open to walk-in traffic had a significant drop in sales due to the transition to virtual classes. With March and April not traditionally strong sales months for most stores, the overall impact on 2019-2020 sales may level off at about 10% down over prior year.

Shining Stars in Sales Efforts
Web orders! One store reported $10K in web sales over a 2 week period. Some reported that its web sales had doubled or tripled, but, unfortunately that increase represents only a small portion of what the store would do through its brick & mortar operation. Another store reported amping up targeted broadcast emails to generate $60K in online sales. Stores reported 200 to 650 web orders per week, causing one store to add a 2nd shift to process web orders.

Best sellers:
- Convenience Store online orders at Syracuse where the store added an extensive listing of food products and offers delivery to campus areas two days per week
- Menswear at Texas
- Mom and Dad logo products doing well
- Mystery bags and Grab bags promoted on social media
- Grad products for home celebrations – regalia, diploma frames, honor stoles
- Tech products – especially those stores able to sell to campus departments
  - UC Santa Cruz received the campus order for 250 loaner laptops for faculty/staff WFH
  - Webcams, microphones, headsets, etc.
  - Payroll deduction for campus faculty/staff
  - Education pricing looking good since many retailers are not offering promotions in the category
  - Concerns about free shipping offers with low margin tech
- Medical category at UCSD
- Stores beginning to stock logo face coverings (Kansas sold 2,300 so far)
  - Some delay getting licensing approval
  - Watch for any concerns related to “profiteering”
  - Contact PaulaHaerr@ICBAinc.com for referrals on ICBA partners with licensed and non-logo masks
- Event products
  - 300 “Picnic Day” t-shirts sold online at UC Davis (a campus tradition)
  - Virtual Welcome weekend generated 1,000 orders at Cal State Fullerton
  - Virtual Sidewalk Sale at Georgia Southern
  - Titan Tuesday generated 100 orders compared to usual 20/day at Cal State Fullerton
  - Dorm move-outs expect to generate some business
  - Online promo code for Admissions department to send to new/prospective students
  - Fundraiser in partnership with Foundation
Alternative Ideas for Student Orientations
Many stores are focusing on video clips to promote store services. Some campuses require in-coming students to take part in video “modules” before enrolling in classes and completing the orientation process.

- Key driver for some stores is to get new students to sign up for the store’s loyalty program.

End of Year Inventory Strategies
Stores were about evenly split on the flexibility of the campus auditors regarding inventory processes and timing. Some were proceeding as usual with the traditional dates. A number of stores were performing inventory with their own teams (with appropriate social distancing for employees) since RGIS was unable to provide services. Another store reported being able to use furloughed employees from other campus areas to assist with inventory counts. With social distancing precautions, it was noted that the counting takes more days than usual.

Some stores were able to get approval to accept “book value” of inventory for this year. Others were doing spot counts on high value areas such as course materials or apparel, while avoiding smaller retail value items like pens, pencils.

By processing all web orders through its primary location, Weber State will conduct inventories in its 3 closed locations and pre-counting some areas in the main store. Likewise, Washington was testing out new processes and systems by starting the inventory at a small branch location before proceeding with other locations.

Marketing Messages & Promotional Efforts
- Most stores are receiving specific guidance for any marketing related to specific references to COVID-19 precautions, such as rental drop-offs.
- Weekly or more frequent videos of products on social media outlets
- Dayton has a weekly newsletter with a “look book” with 7,200 subscribers
- Using free or low-cost apps to assist customers with web orders:
  - Dayton – JIVO free chat
  - UMass – LIVE Chat
  - NDSU - TAWK

Special Projects
- Buying to create supply kits and bundles
- Dayton implemented “Trello” app for keeping staff aligned on projects
- Adding product to website, including pet supplies
- POS system transition
- Staff training using online resources
- Updating operations manual
- While capital building projects have been cancelled/postponed, Colorado State University is re-imaging its sales floor considering the continued trend to virtual course materials. It’s a project that doesn’t require construction funding; fixture rearrangement can be done with current staff.

Course Materials: Buybacks and Rental Returns
- Many expressed concerns that students fail to read communications!
- Inclusive Access exploding
- Most stores had worked out programs with vendors to support online buybacks
- With concerns regarding continued use of physical books this fall, some stores were satisfied with skipping “store buys”
- NDSU repurposing tailgate trailer for rental returns and buybacks
• Cal State Fullerton is offering a drive-thru rental return with books being quarantined for 1 week (stored in big bins). Others mentioned 3 day product quarantine of product.
• Other options on rental returns:
  o Issuing call tags to get rental returns
  o Waive late fees
  o Partner with libraries to use as drop-off for rentals
  o Partner with the campus post office for rental drop-offs
  o Adjust rental deadlines

Re-Opening Planning
• Phases outlined by Illini Union Bookstore: 1) begin limited staffing for web order processing, 2) provide curbside pick-up, 3) implement clerk service, 4) implement social distancing on the retail sales floor
• Scheduled curbside pick-up and shop by appointment only (Dayton using Sign Up Genius; NDSU using Microsoft Bookings)
• Concerns with reduced sales unable to support the usual payroll, and the requirements of social distancing as store re-open, staffing levels will continue to be impacted.
• 20-25% building capacity as determined by fire marshal (varies by campus, state or local authority)
• Planning for multi-door access and coordinated efforts with student union access points
• Low touch-point transactions – no cash payments during this time
• Providing plexiglass protection for cashiers, PPE, decals, hand sanitizers

Budget Scenarios
As go enrollments, so goes sales. Campuses are projecting enrollment declines of 15-20%. Sales projections for 2020-2021 vary from optimistic flat in sales to down 15-30%. One store was extremely cautious with a projection of sales being down 50%. Some voiced concerns that shoppers will have less discretionary spending funds and that the growing areas such as inclusive access and tech products come at the cost of lower margins. Much will depend on the final decisions expected in the coming 6 weeks regarding dorms, classes on campus, and sporting events.

Operations budgets likely to be drastically cut by the institution, including travel.