

ICBA Networking Call Summary – November 2022

Store2Store

Overall Summary

Multiple Store2Store networking calls were held for store leaders based on volume levels with a specialty call for Community Colleges. As an overview, here are the highlights:

- Course Materials revenue continues to decline either due to enrollment or lower retail prices with digital options
- Apparel/Gift categories are strong, although supply chain issues have impacted inventory levels
 - Some experience inventory gaps while others are now over inventoried
- Supply commodities are struggling with still lower than pre-covid revenue
 - Positive sales to lifestyle brands/items – many higher price options
- Staffing Challenges continue with availability and competitive wages

Lightning Round

The lightning round allows all participants joining to introduce themselves and share a brief response to the questions asked. For the Supplies Networking call, the participants were asked, “For Spring 2023, what is the first word or phrase that comes to mind?” Below is a summary of the responses shared:

- Verba Compete, just launched, looking forward to more data/information
- Hoping for normalcy!
- Anticipation for ICBA Conference and to see new products
- “it’s already here!”
- New logos to display on merchandise
- Adjusting to change, more traffic, enrollment changes
- Hoping to increase traffic, hopeful for enrollment increase, finish strong
- Finding items that students now think of and consider necessary supplies
- Finding reliable vendors
- Remerchandising the supplies section of the sales floor and paring assortments
- Building faculty relationships for supplies used for courses and supply kit opportunities
- Branching out into fashion and colorful items to keep an attractive sales floor
- Linking EA program to various supplies via website
- Commencement

Discussion Topics

Enrollment & Course Materials

- Mixed results with enrollment, many flat, some declines and a few increases
- Course Materials continue to decline, dollars per customer up over pre-pandemic levels
- IA revenue are increasing, however margins are lower

Staffing

- Staffing can still be a challenge but there is some success with new staff members bringing new ideas
- Fewer students are interested in working at the bookstore
 - Employee discount on GM products is being promoted as an incentive
- For full time staff, wages are being increased to improve retention

Supply Chain

- Delayed deliveries have caused stores increased inventory
 - For select stores this has helped feed the trend
- To address inventory management, stores shared how using Management One has helped staff to be more data driven and support buying activities
- Fighting to stay independent

Products/Marketing

- Students are looking for “Vintage” products
- Student ambassador programs are still being used to increase brand awareness

Buyer2Buyer – Course Materials

Overall Summary

Course Material (CM) offerings are at different stages within our Membership from just introducing IA, to mature IA programs, considering EA, and fully implemented EA programs. Whatever your current state, all agreed change is necessary to continue to support the students. Overall CM sales are declining, and margin opportunities are slim.

Lightning Round

The lightning round allows all participants joining to introduce themselves and share a brief response to the questions asked. For the Supplies Networking call, the participants were asked, “Biggest challenge in Course Materials today?” Below is a summary of the responses shared:

- Publishers selling direct to students and providing refunds if purchase in bookstore was at a higher retail
 - Working with publishers on digital and changing policies, lack of transparent communication with publishers
- Staffing challenges, New staff training

- Course Materials decline, affordability of textbooks vs. staying profitable
- Meeting students where they are
- Faculty members who are resistant to digital, Faculty in transition, late adoptions
 - Obtaining class schedules is a challenge, behind on requisitions, smoothing out EA
 - Getting to know Faculty concerns
- convincing college to move to Tier pricing for EA program
- student expertise with computers
- remodel in progress
- New POS NetSuite, new adoptions system, also started using Verba Collect, upgrading LMS technology

Discussion Topics

Print

- Continuing to see declines
- Clerk service was started with COVID, but for some it remains as it continues to work well
- Using less space, re-purposing when appropriate
- Alpha by title was endorsed
- Portion of print materials are

Inclusive Access (IA) Programs

- Many stores are actively engaged with IA
 - Increases in sections and items
 - Efficiencies and costs associated with IA are improving
 - Opt-out rates ranging from 5-8%

Exclusive Access (EA) Programs

- Three Rivers Community College has a strong EA program with no students opting out
- Cornell University & San Diego State University implemented EA this fall
 - Opt-out rates range 30-50% when getting started
 - Keep in mind this includes those that have no or limited CM requirements for courses
- Planning for EA ranges from 2-3 years
 - Collaboration with campus stakeholders is critical
- Typically, students are given 2 weeks to opt-out
- Small group of students are not picking up materials even with multiple communication being sent
- When you think you communicated enough, communicate more (email and Zoom utilized)

General CM feedback

- Question asked about anyone considering an affordability flag (\$, \$\$, \$\$\$) in systems
- When student charging was opened it helped to bring students into the store
- Inquiry on how stores measure OER usage
 - It is felt that faculty isn't reporting OER usage to bookstore
- More stores reducing or eliminating rental programs

Buyer2Buyer – Technology Products

Overall Summary

Technology growth opportunity differs by campus, with institutional sales continuing to be strong for some, consumers still need devices to support their education journey. With students back on campus, take advantage of providing a good assortment of “must haves” for your in-store assortment. Use impulse fixtures/space to capture those with an immediate need.

Lightning Round

The lightning round allows all participants joining to introduce themselves and share a brief response to the questions asked. For the Supplies Networking call, the participants were asked, “How do fall 2022 tech products sales compare to fall of 2021?” Below is a summary of the responses shared:

- 50% of participants reported flat or down to 2021
- 50% of participants reported slightly up to up as high as 10% greater than 2021
 - Strong drivers mentioned are Apple, computer rentals

Discussion Topics

Sales growth

- For select stores institutional business is driving growth
- Attaching Apple Care to more products
- Students are buying more than 1 device
 - Add-on sales for monitors and accessories
 - Dell has been a strong brand
- Where EA programs are in place, students are choosing to buy additional items since CM are covered
 - Items include calculators, laptops, accessories

Product Assortment

- Wired earbuds resurgence
- JBL speakers & headphones are selling well
- Value priced product options from CaseMetro/Smash Discount
- Charging cables with BasanCord
 - Others available by LongAF & Charge Maxx through Douglas Stewart
- Storage options that are strong - Flash drives 16GB & 32GB, hard drives
- Increase in calculators
- Apple renewed personal sale laptop incentive which was strong
 - Program title is “Individual sell-through promotion”

Trade-in or Refurbished

- There is limited interest in potentially offering refurbished tech products
 - Refurb is used by select group of stores to obtain refurbished computers.
 - ICBA will explore options for potential Member benefits
- It was shared that institution restrictions/guidelines might prevent sales opportunities

New Opportunity

- Florida International University is partnering with a federal government program provide free tablets to Pell Grant recipients through their affordable connectivity program. When distributed through the store, there is a rebates opportunity. ICBA will attempt to get more details on how this could support our membership.

Jade – great results with Inspiron

Jose – Apple renewed personal sale laptop incentive – Paul pointed out title of program is “Individual sell-through promotion”.

Buyer2Buyer - Apparel/Gift

Overall Summary

Apparel buyers are selling sweatshirts left and right – whether it’s crew, zip, or hoodies – with retro logos, monochrome & non-school colors, and vintage looks! To enhance the customer experience, pop ups and in-store events are a must! Even with supply chain challenges, especially in the apparel category, many stores are getting creative with apparel brands, authors, local vendors, and game night events to drive traffic and create experiential marketing opportunities! And if you have not brought in a plush of your institution’s mascot yet – jump on that trend ASAP!

Lightning Round

The lightning round allows all participants joining to introduce themselves and share a brief response to the questions asked. For the Apparel/Gift Networking calls, the participants were asked, “What was your strongest category for fall?” Below is a summary of the responses shared:

- Apparel Highlights:
 - Sweatshirts – fleece, crewnecks, hoodies, cardigans, Crop tops, Hawaiian shirts, polos, Hats
 - Monochrome, retro logos, pastels, non-school colors
- Gift Highlights:
 - Flags, Stickers, Plush, Blankets, Alumni products

Discussion Topics

Supply chain:

- Gifts: Shipments are rebounding with the exception of drinkware for some
- Apparel: Delays and supply chain issues exists
 - Backpack delivery delays impacted sales for BTS

- Nike delays – Athletics Departments are coming into the store to buy items due to delays
- Delayed orders are being staggered
 - Some delayed orders are being held in the backroom and being staggered to sales floor to encourage sales on existing items
- Pack and holds are being released as needed
- Added attention required to address slow selling merchandise, tips shared
 - Feature, Promo, Markdown
 - Allow turnover goal guide drive markdown timing
 - If turnover goal is 3.00 – 4.00 annual, slow sellers should be markdown in 3-4 months
 - Slow sellers should not have a birthday
 - Consider how many people have seen it, if peak season, mark down sooner!

Product Assortments:

- McCoy and Spectrum Uniforms vendors provide imprinted scrubs
 - Some nursing programs uses a separate local vendor for specific requirements,
 - Order patches for the nursing/medical assistant/radiology students to apply to blank scrubs – is less expensive and easier to have stock available
- Backpacks sales have been soft
 - Decreases overall in bringing in backpack orders
 - Backpacks being merchandised in front in transitional areas between gifts and apparel, on academic floor, and/or cross merchandise in other “shops”
 - Merchandising clear bags with women’s accessories
- Buyers are looking to build more connections with athletics & alumni departments by selling merchandise at sporting events and using community connections
 - Faculty and staff get \$25 credit to spend in store which expire at end of year
 - Another store also gives \$25 credit to employees to support dress code updates
 - Giveaways for departments are directed to bookstore to make vendor maintenance and billing easier
- Imprinted drinkware category continues to be strong, especially mugs, shot glasses, and glassware
 - Ultra-Engraved glassware through Spirit Products recommended
- Operation Hat Trick (OHT) – a giveback apparel line developed by Navy Seals through Colosseum, a portion of proceeds goes to the Wounded Warrior Project, sells well at off-site events and football games
- Brands/Vendors discussed
 - Apparel: Champion, ZooZatz, Hype & Vice, LL Bean, Nike, Operation Hat Trick – Colosseum, Lululemon
 - Medical: Spectrum, McCoy, Care-Is-Matic
 - Gifts: Crazy Aaron’s Putty, Kendra Scott, Open Road Brands, Sprit, Oxford Pennant, Julia Gnash, Leuchtturm, Yeti, North Face backpacks, Sisterdale Organics CBD
 - Plush: Warmies, Mascot Factory, Squishmallows, Mary Meyer, Wild Republic, Spirit, Fiesta Plush

In-store events:

- Coffee tasting & local food vendor pop up events in or outside of store
- Fan Friday night events – before game days, have a “Happy Hour” where alcohol is served, beer sponsors change each time, no cost or risk with using beer vendors for these events, gives shoppers an opportunity to pick up apparel before games
- For those stores that still carry trade books, doing author signing events, bring in books to increase traffic with visiting authors
- Customer appreciation event with a faculty and staff focus with sales on polos and outerwear
- Increase pop-ups – great way to not take on additional inventory, use repeat vendors
 - Kendra Scott jewelry selling well in store and not just school colors, planning an upcoming pop up/ trunk show
 - Open Roads home décor event
 - Hype & Vice event – be sure to tag vendors on social media posts! Store did reaction video with a group of students, tagged Hype & Vice, they did a reaction video to the reaction video!
 - Vintage 90’s apparel event in partnership with a local business
 - Leuchtturm will send embossing kit to have custom embossing event in store
 - Sisterdale Organics CBD products – pop-up event launch
 - ZooZatz pop-up shop to build brand recognition

Holiday sales:

- Nutty Nutcracker Christmas game - hiding “ugly” nutcrackers around store and when found, customer receives a discount! Great traffic builder!
- Holiday shopping nights for staff and faculty
- Starting early this year for holiday sales and branding as “Holi-deals” – new groupings of product on website each Tuesday of November
- Many stores are offering 25-30% off on Black Friday, some doing free gift with purchase, and/or free shipping for orders over a certain amount on Cyber Monday, limiting free shipping due to changing contracts with shippers

Buyer2Buyer - Supplies

Overall Summary

Overall, stores had good sales for the fall and things are starting to feel “back to normal” for the fall term with students back on campus. Buyers seem to have a very positive outlook for the spring back to school season! Most stores are in a good place with their supplies inventory and are bringing in additional orders for fashion notebooks and fun journals – supplies don’t expire! Customers are less price conscious when it comes to “better” or “best” supplies which is helpful for making up for losses in basic commodities by selling higher price items.

Lightning Round

The lightning round allows all participants joining to introduce themselves and share a brief response to the questions asked. For the Supplies Networking call, the participants were asked, “What is the biggest opportunity in the Supplies Category?” Below is a summary of the responses shared:

- Finding items that students now think of and consider necessary supplies
- Finding reliable vendors
- Exploring more business with supply kits with faculty
- Remerchandising the supplies section of the sales floor and paring assortments
- Building faculty relationships for supplies used for courses
- Insignia supplies products
- Supply kit opportunities with art departments
- Used to sell basic supplies only – branching out into fashion and colorful items to keep an attractive sales floor
- Linking EA program to various supplies via website

Discussion Topics

Vendors discussed: Michael Roger, Decomp, RSPP, Miquelrius, Hamelin, Moleskine, Leuchtturm, 5 Star, Mead, EnviroNotes, MacPhearson, Texas Instruments calculators

Product assortment changes:

- Customer requests are being captured for future assortment opportunities
- Look at what students already have to understand what they are looking for – ex. stickers, Think Putty, fashion notebooks – stickers are being considered a necessity in supply category!
- Students are not buying as much of the commodity notebooks, looking for fashion and quality notebooks and journals in mostly dot grid but also square – will ask for them if not seen on the sales floor!
- Buying supplies narrow and deep and offering more streamlined “good, better, best” options for notebooks
- Index card sales have been very soft for fall BTS
- Color calculators from D&H – make more margin and easy to market as long as product is available

Marketer2Marketer

Overall Summary

The networking group featured several new Marketing Members contributing among a group keen to ask each other questions and also provide answers. There was also generally both equal parts

excitement about opportunities and efforts ahead, and also realization that there's a need to do more in marketing and to reconnect/engage with students. Lots of talk about different promotions!

Lightning Round

The lightning round allows all participants joining to introduce themselves and share a brief response to the questions asked. For the Marketer2Marketer networking call, the participants were asked to describe in a few words "your current state of marketing or plan heading into spring."

Here is a summary of the responses shared:

- Social media – this came up from several stores, including as a growth area, as a way to highlight what's trendy, and also as a place to re-engage with students.
- Creativity came up multiple times, including from large and smaller stores; as part of this there were several marketing staff comments including the addition of a marketing staffer, a store hiring a marketing person, and another store removing some customer service duties from the marketing team leaving them to focus more on marketing.
- Some stores noted they were getting back to having in-store traffic or were facing challenges driving in-store traffic; stores are still using basic tee promos to draw students in store or using football-themed promos (with mixed success); football promos weren't mentioned as strong store traffic-drivers but were noted as helpful for "gamification" like Illinois' "Pigskin Pick 'Em" promo or game-day site sales, and via emailed promo messaging.

Discussion Topics

Loyalty

Many stores are interested in having a loyalty program, from how they would build awareness of it, to what it might be good for, such as daily convenience items. Stores noted previously where they had challenges regarding post-rush drop-offs in loyalty spend once course materials were purchased. Those with, or considering loyalty programs, were encouraged to have lots of signage about the program in store and to have it be part of the conversation culture at the register, so it is always mentioned up front and able to be input prior to ringing up versus having to void a sale in order to add loyalty info. It was noted that ICBA has been investigating loyalty program companies and can share news as becomes available.

Promos

Types of promos being used:

- Illinois Pigskin Pick 'Em where prize pack builds up until someone guesses the exact score of a game
- 2 for \$15 basic tees at GVSU (previously popular \$5 tees "in store only" no longer available)
- NDSU Fan Fridays – variable discounting or BOGO offers
- University Book Store – Wisconsin Madison "What's New Wednesday" emails
- UCLA "Score Big" promo based on number of touchdowns scored, offering up to 25% off apparel – promo is shown on game scoreboard in partnership with Athletics Dept.
- Missouri State – "Touchdown Tuesdays" 30% discount

New Lines

Stores are also trying different apparel lines, though the jury is still out. NDSU is offering Wrangler with just so-so results. Some are using Disney. Hype and Vice continues to be mentioned, with Western Oregon noting on this call that it has done “amazing” there, where they are a small school of a few thousand students.

Diversity, Equity, and Inclusion

Overall Summary

Diversity, Equity, and Inclusion is growing in importance to campuses and is increasingly part of formal strategic plans for Institutions. The majority of call participants said that DEI was very important to their campus. While some ICBA Members are actively engaging in DEI initiatives, both within their stores and via partnerships on campus, other ICBA Members are just getting started, even in cases when their Institutions are making DEI a high priority. ICBA referenced and has posted multiple articles showing that retailers who embrace DEI are having greater business success.

Lightning Round

The lightning round allows all participants joining to introduce themselves and share a brief response to the questions asked. For the DEI networking call the participants were asked to what degree their campus was making DEI a priority.

Here is a summary of the responses shared:

- The vast majority of responses stated that DEI was a major campus-wide initiative and that it was being prioritized from senior administrators on down.
- A few participants stated that it was growing in importance but was not one of the campus’ highest priorities.
- No participants said the DEI was not at all a priority for their campus.

Most of the DEI Call discussion fell into two categories:

- In-store initiatives
- On-campus initiatives and partnerships

In-store initiatives

- Many stores are offering selections of items and books for sale to support Pride celebrations.
 - Caution was expressed to be careful about content to ensure merchandise/books truly support DEI
 - Collaborating with DEI groups on campus can be helpful in developing ideas for items to sell and limits the risk of the store appearing to be inappropriately opportunistic
 - CommUNITY corner inside store at Cal St. Fullerton

- Some stores are starting to offer the option for employees to show preferred pronouns on name badges, but this could lead to other employees feeling awkward if they choose not to show their pronouns.
- Some stores are encouraging “safe” discussion groups among associates
- Store leadership can/should explain that being inclusive is part of the store’s brand and culture
- Inclusivity can/should go beyond gender and race—example was VolShop at Tennessee working with a sight-impaired student to find a meaningful role at the store
- Student staff increasing urging stores to do more
 - Student employees can be a source of good feedback and ideas
- Stores increasingly seeking merchandise, books, and suppliers that support DEI
 - Minority-owned
 - Ethical sourcing
 - Fair labor

On-campus initiatives and partnerships

- DEI is increasingly being included in Institution-wide Strategic Plans
 - Most campuses have departments focusing on DEI with names that vary from campus to campus
 - Some campuses have created new senior positions within the administration (e.g. VP or similar) to ensure DEI initiatives are prioritized
 - One store said DEI is now part of each university associate’s job performance review
- Most stores feel they need to do more to engage with campus groups but internal resource issues have limited progress
- Some administrations formally encouraging DEI discussions
- Collaborations with campus departments and groups have led to very positive outcomes
 - Special t-shirt at Waubensee CC
 - Raffles
 - Special inclusive, multi-cultural celebration festivals
 - Book clubs being created with library
- Reed College Store sends welcome notes to new staff to get acquainted
- Some collaborations go into local community
 - Cal St. Fullerton Pink Patch program raised money for City of Hope
- Lots of discussion about the need for stores to be proactive—to ensure campus know how they can tie into DEI initiatives



POS System

Overall Summary

A lively discussion took place around various POS systems being used by ICBA Members with pros and cons of each being discussed and debated—all leading to an attempted assessment of the “return-on-investment” (ROI) of staying with a legacy system vs. changing to a new system. What was certainly

evident was the fact that ICBA Members share common challenges and that Networking calls, such as this, can be helpful to compare notes and engage in community problem-solving. The group tried to address the age-old question: *Is the grass truly greener on "the other side?"* While much good feedback was shared, it's no surprise that no definitive conclusion was reached!

Lightning Round

The lightning round allows all participants joining to introduce themselves and share a brief response to the questions asked. For the POS networking call, the participants were asked to which system they used and how long they've been using it.

Here is a summary of the responses shared:

- NetSuite: 7 participants (all have switched recently, with some just in the last 12 months)
- Prism: 5 participants (all long-time users)
- MBS: 3 participants (all long-time users)

Our poll question asked if participants had just switched systems or if they have plans to switch:

- 44% switched in the last 18 months
- 19% plan to switch systems in the next 6-24 months
- 19% plan to switch systems in the next 2-3 years
- 19% have no plans to switch systems

Discussion Highlights

- Nobody could say with confidence that they are 100% satisfied with their system
 - Those that have switched are still managing all that comes with a major change but they seem to feel like they are getting close to realizing the benefits they sought when they decided to switch
 - People adapting to new ways of doing things
 - A system that focuses in new/different areas
 - NetSuite Users are excited about the promise of the system but also are disappointed by some of NetSuite's support
 - Lots of college stores have common questions and challenges and NetSuite is not being consistent in sharing the answers and they aren't providing a knowledge database of college store questions and answers
 - Add-on fees are surprising some users and is becoming an unanticipated added expense
 - Participants asked ICBA to help coordinate NetSuite User Group calls and some participants volunteered to lead those calls (with ICBA's help)
 - NetSuite's Course Materials tools seem to have improved vs. where they were 2-3 years ago (when college stores felt they were somewhat inadequate)
 - Those who haven't switched aren't fully convinced that a switch would deliver ROI
 - Prism Users were not at all confident that the organization is heading in the right direction after dealing with many recent broken promises
 - Lots of uncertainty around the new Mosaic

- Uncertainty about the new owners (Harris) since it's an unfamiliar organization
 - MBS Users generally feel that their needs are being met, even if MBS isn't necessarily rolling out an array of new features and tools
 - MBS received positive marks for sharing of roadmaps and giving users a forum to share feedback (even if progress is slower than what would be ideal)
- ICBA reminded participants that NetSuite, MBS, and Prism will all be at the main ICBA Conference, plus they each will be offering User Group breakout sessions on the morning of Friday, Feb 10 following the ICBA Conference (the ICBA Conference officially ends the evening of Feb 9).

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