EXECUTIVE SUMMARY

This report—Defining the College Store of 2015—is written to help college store operators plan for the future. It presents the key requirements for success in 2015, from which a simple but relevant college store framework emerges. Key requirements are divided into two buckets—Business Model Success Factors and Retail Requirements.

Business model success factors (AKA the 3Cs) include three competency areas for college store operators—Customers, Capabilities and Communications. The retail requirements (AKA the 4Rs) include four required product and service areas—Curriculum, Connections, Services and Frequency. From the integration of the 3Cs of the business model and the 4Rs of the retail requirements, a framework emerges for college store operators in 2015.

The 3Cs—Business Model Success Factors

The first C—and arguably the most important—is Customers. College stores must realize that students are the core customer and the primary reason they exist—not faculty, administrators or alumni. Success in 2015 requires understanding and responding to shifts in student fundamentals in general, as well as specific to your campus. You must be prepared to serve the needs of students with a new make-up – older, more ethnically diverse, employed, more commuters – as well as a new mindset – more results-driven, values-focused and empowered by their upbringing and technology.

The second C is Capabilities. College stores should already be proficient at the core capabilities of all good retailers – merchandise planning, inventory management, store operations, sales associate management, business planning and so on. But stores must also be building bench-strength in new capabilities, including e-commerce (via a robust transactional Web site, which should be in place already), e-marketing (via already being actively involved in social media such as Facebook, Twitter and other emerging sites), and m-commerce (by starting to develop plans for offering mobile commerce capabilities enabled by next generation ‘smartphone’ technology). College stores will also need to develop customer relationship management (CRM) capabilities that allow them to leverage the wealth of data they have on students across all aspects of campus life in order to tailor assortments, analyze and optimize marketing campaigns, and ultimately have a more intimate relationship with students.

The final C is Communications. College store survival requires ensuring that students know and value – even love – the college store, while stakeholders (especially the administration and faculty) know that students have this high level of connection to the store and clearly understand the value the store brings to campus life. College stores must earn students’ ‘love’ by being relevant to their specific, evolving needs and expectations – which requires moving from being ‘just a book store on campus’ to being a true ‘campus store’ that supports and is relevant to all aspects of campus life. Growing share of campus life must be a top priority for college stores – followed by communicating this valuable role to key stakeholders.

The 4Rs—Retail Requirements

With the foundation of a forward-focused business model in place, college stores must then address each of the 4Rs to at least some degree in order to position for success in 2015.

The first R is Curriculum. College stores must preserve the core mission of the college store—course materials, but not necessarily the core category—textbooks. In 2015, course materials will come in many flavors and there won’t be a single dominant format. As such, college stores must plan for offers and curriculum-focused services that view all forms of curriculum (e.g., e-books, print on demand, user developed) as opportunities to better meet the core customer’s needs – instead of viewing new and emerging formats as competition for the textbooks offer.

Connections—the second R—is focused on building relevancy with students to generate customer loyalty. Connections will need to be carefully nurtured in 2015.
by positioning the college store as the local authority for the needs, activities and values of the campus. It will be important to bring students into the planning process in order to develop a more relevant and faster-changing assortment, featuring co-created (with students) apparel and gifts, and greater leverage of local campus and community partnerships. Stores should also re-think their space and ‘offer’ to identify opportunities to host events and gatherings that bring students into the store for non-purchasing reasons (e.g., concerts, art exhibits, book signings, group meetings, etc.), thus increasing the value of the store to campus life in its broadest sense.

The goal of **Services** (the third R) is to engage the campus community by capturing a larger share of campus life via a destination service offer. College stores will need to expand beyond products to feature an appropriate array of services (e.g., curriculum, technology, multimedia) for the campus supported by ‘guru-level’ customer service expertise in each area. College stores will also need to offer flex services during non-peak curriculum-selling seasons when floor space can be better utilized via service offers that are time and place specific to the campus community (e.g., resume services near year-end, flu shots in late fall, travel services before semester breaks, etc.).

The final R is **Frequency**, and the objective of this requirement is to drive traffic to the store on a regular, repeat basis. If frequency is not aggressively addressed, store traffic will taper off by 2015 as student campus visits and “book buying” trips fall off while online and offline competition ramps up. As dictated by available store space, college-imposed constraints and other limiting factors, college stores must build as many frequency drivers into their offer as is possible, including snacks and drinks, grab-and-go fresh grocery, a café or coffee bar, and gathering spaces for socializing and working. “Fresh” items are particularly important to build into the frequency offer, as they provide a point of relevant differentiation not easily replicated by non-college store competitors.

### From Contemplation to Action

As college stores contemplate 2015, it is imperative to move beyond contemplation to action. Inaction is not an option if survival is the goal, let alone success. College stores must leverage their natural advantages over mainstream retailers (location, service) and bolster other needed capabilities (digital, analytics, communications). They must focus investments of time and money in their store on the four retail requirements that will be most important in 2015. Importantly, college stores are not alone on their journey to 2015 – many resources are available from NACS to help them move toward a successful future, including a checklist to prepare for 2015 (see p.23) and additional resources at [www.nacs.org/2015](http://www.nacs.org/2015).

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### ABOUT THIS REPORT

A comprehensive, year-long project was completed by Retail Forward, a Kantar Retail Company, to arrive at the insights and conclusions presented in this report. The primary activities of the project included best practices and future trends research on the consumer, category, technology, as well as education, and retail industries; best practice and current practice audits of college stores and mainstream retailers; leveraging existing NACS research and thought leadership materials developed as part of the Retail Forward Intelligence System™; expert workshops on educational trends and technological trends that analyzed future shifts and hypothesized scenarios for 2015; scenario development and store of 2015 concept and framework/business model determination; and creative exercises to conceptualize the college store of 2015.

The Defining the College Store of 2015 report is provided to the college store industry by the NACS Foundation. To learn more about this research or to find specific ways NACS can help you build for success in 2015, go to [www.nacs.org/2015](http://www.nacs.org/2015) or e-mail your questions to 2015@nacs.org.
"Take hold of the future or the future will take hold of you." -- Dr. Patrick Dixon

Dr. Patrick Dixon, a leading futurist, is considered by Thinkers 50—a ranking of the world’s foremost business thinkers—to be one of the 20 most influential thinkers alive on the planet today. A key insight from his book *Futurewise* is that the future is predominately about emotion, and emotional reactions to events are more important than the actual events themselves.

In applying this perspective to the college store industry, 2015 elicits many emotions in the hearts and minds of college store operators as well as others involved in the industry. These emotions run the gamut, but it is fair to say that when thinking about 2015—and the future in general—they often include fear, nervousness and concern.

Common threads across these emotions are “unknown” and “change” — fear of the unknown, nervousness about change, and concern about the changes and unknowns that could emanate in the future. The difficulty with future-induced emotions is that many tend to be negative, focusing on the challenges over the opportunities.

This report—*Defining the College Store of 2015*—is designed to help you as a college store operator—or other entity involved in the industry—put some of those negative emotions aside and focus on the future potential for college stores in 2015. We do this by providing a simple but relevant framework and key success requirements you can use now to plan for 2015.

For college store operators, success in 2015 will revolve around two sets of requirements (*Figure 1*):

- Business Model Success Factors (AKA…the 3Cs)
- Retail Requirements (AKA…the 4Rs)

The 3Cs refers to the required business model competencies of college store operators, specifically in the areas of Customers, Capabilities and Communications. The 4Rs incorporate retail approaches, products and services in four crucial areas required to be successful in 2015—Curriculum, Connections, Services, and Frequency.

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**Figure 1**—The College Store 2015 Framework

- **Business Model Success Factors**
  - Customers
  - Curriculum
  - Connections
  - Communications
- **Capabilities**
  - Services
  - Frequency
- **Retail Requirements**
3C + 4R = 2015: BUSINESS MODEL SUCCESS FACTORS FOR 2015

#1C – Customers

The #1 C is customers, and an unswerving core customer focus must be the top priority for college stores in 2015. Retailers live or die based on their ability to draw in and provide relevant offers to their core customers on a regular, repeat basis. Simple premise. Sometimes difficult to deliver.

So where do you start? A good place to start is with two very important words in the first sentence above—core customer. A retailer’s core customers are the most important group within the broad base of customers shopping its stores or Web site. The most successful retailers intimately know their core customers, and apply a core customer lens to where they spend their time and money. These retailers clearly understand that the main reason they exist is to serve and address the wants and needs of the all-important core customer.

The student is the core customer for college stores. Students are the life blood of college stores. Not the faculty, administration or alumni, but the students. These other groups are important, but they are not the reason for your existence. They likely are in your customer base, and they may be critical to your operational viability, but if you were to close your doors tomorrow, they would only be marginally impacted. Students are the reason college stores exist. Creating an indispensable offer for students—and ensuring that students recognize this value and are on your side—is key to not just surviving, but thriving, in 2015.

Simple, but critical, questions. With the student as your starting point, the next step is to consider four simple questions filtered through the lens of the specific students on your campus today—and in 2015:

1. Am I/will I be in the student’s consideration set (do they shop my store or Web site)?
2. Do they/will they find the specific products or services they want when shopping my store or Web site?
3. Do I/will I offer the right mix of value, service and relevancy to convert student shoppers into purchasers?
4. Do I/will I actively work to provide products, services, store amenities/offers, marketing and messaging that encourage students to return to my store or Web site on a regular, repeat basis?

If you said yes to all of the above, congratulations! But if, like most retailers, you have some hits and misses on these questions, don’t panic. We have some ideas to help you respond today and prepare for 2015.
STAGNANT “CORE” AGE

• Within the total U.S. population, the number of individuals in the “core” college student age range (18 to 24) is projected to start accounting for a smaller proportion of the overall population in 2011, and to peak in 2013.

Figure 3—U.S. Population of “Core” College Students (Aged 18-24), 2000-2015F

Source: U.S. Census Bureau

OLDER STUDENTS

• The average college student is getting older, accelerated recently by the recession and resulting unemployment that sent many adults back to school to learn a new trade or bolster an existing skill set. The age segments forecasted to grow the fastest on college campuses until 2016 are 30-34 year olds, followed by 25-29 and 22-24 year olds.

Figure 4—Fall Enrollment in Degree Granting Institutions by Age
(Estimated Percentage Change from 2007 to 2016)

Source: Western Interstate Commission for Higher Education
MORE MINORITIES

- Overall population growth of minorities is being driven by younger generations. On college campuses, almost four out of ten students will be a minority race/ethnicity in 2015, compared to just around three out of ten in 2000.

**Figure 5—Student Population Profile – 2000, 2008 and 2015F**

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2008</th>
<th>2015F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Students (M)</td>
<td>15.3</td>
<td>18.3</td>
<td>20.2</td>
</tr>
<tr>
<td>% Female</td>
<td>56%</td>
<td>58%</td>
<td>59%</td>
</tr>
<tr>
<td>Race</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Minority</td>
<td>32%</td>
<td>35%</td>
<td>39%</td>
</tr>
<tr>
<td>% African American</td>
<td>11%</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>% Hispanic</td>
<td>10%</td>
<td>11%</td>
<td>13%</td>
</tr>
</tbody>
</table>


DIGITAL NATIVES

- The college students of 2015 grew up with computers in their homes and in their classrooms, along with mobile devices attached to their fingertips. Technology is hardwired into their brains and their approach to everything they do. Unlike older generations, technology is not seen as a way to accomplish or expedite tasks, but quite simply a way of life. It permeates all aspects of life, from entertainment to social to educational.

**Figure 6—Second Grade Classroom Connectivity, 1994-2004+**

• Online education options and distance learning will continue to become more prevalent as 2015 approaches. In 2008, one-in-four college students took at least one online class, up from just under one-in-ten in 2002. In addition, students will continue to have a growing number of options for higher education, including more two-year colleges, for-profit institutions, technical/skills-based institutions, and others.

Figure 7—Online Enrollment Growth, 2002-2008
(Percent Change and Percent of Total Enrollment)

Source: The Sloan Consortium

Know your students now...and in 2015. Fully leveraging the ideas in this report requires you to start with the fundamentals of students – not just all students, but also those specifically on your campus. A college store should know more about its student body than any other competitor in the marketplace. At the aggregate, there are a wide variety of changes that will impact the student of 2015 (Figures 2–7), but the degree to which these changes play out on your campus will be unique.

Evolving student mindset. While the student makeup evolves, so too will the student mindset. There are several areas where this mindset will most impact their approach to learning and shopping, and how they will view the college store in 2015.

• Values: College students will be more focused on exercising and making education, store and purchasing decisions that factor in the values that matter to them. They have been taught the importance of a ‘world view’ from a young age—in the form of recycling and energy conservation, embracing diversity, multi-culturalism and a global perspective.

• Interaction: As a generation that has grown up being part of usually very structured groups and teams, students in 2015 will be used to and want to interact with their peers and others, whether in person or in the digital realm.

• Individuality: Raised in typically smaller families than in the past, students in 2015 will be used to being the center of attention and comfortable with all of the privileges and expectations that come with this position. Moreover, their digital savviness is opening up new realms of learning for them at school, and making many the Chief Technology Officer in their homes, further elevating their confidence in their abilities.

• Results focused: Students in 2015 will have been raised on standardized tests and immediate feedback on their performance. As a result, they will be more focused on results than ever before. They will place less importance on choosing a college because it offers a great “college experience” and more focused on what the college can do for them in terms of preparing them for the workplace and helping them find employment after graduation.

All of these factors will combine to make the students of 2015 a more diverse, less ‘traditional’ group of individuals who will have inherently weaker emotional connections to their college campus and the college
store. But at the same time, they will be highly confident, skilled individuals who will be naturally inclined to want to be involved with and impact their campus community...including the college store. This represents an opportunity for college stores to forge a relationship with students around relevant issues and initiatives on their campus, and build stronger emotional connections with students in ways that bolster the value of the college store to the campus community.

#2C – Capabilities

Putting evolving student trends and technology adoption aside for a moment, retail isn’t a flashy or particularly glamorous industry. At its core, success is based on the efficient flow of products and services at the appropriate time to the appropriate place, sold at the right price and coupled with the right shopping experience.

This is nowhere demonstrated more accurately than in the operation of the world’s largest retailer, Walmart, which differentiates itself from the competition by being the most efficient distribution company on the planet. As such, Walmart can often offer products at the lowest prices available in the marketplace, which is very appealing to spending constrained college students.

Excel at the basics of business. College stores of course need to have robust capabilities in the backbone aspects of retailing, from business planning to assortment planning, inventory management, human resources/labor management, marketing and the other functional areas needed to run a profitable store. But given the digital acumen of spending constrained students in 2015, it is critical that college stores also actively engage students with the following capabilities:

- E-commerce – imperative to already be operating an online site with robust selling capabilities
- E-marketing – should already be utilizing targeted e-mails, text messages and social networking sites to interact with and learn about students (Figure 8)
- M-commerce – need to begin developing capabilities now for deployment before 2015

To be effective at providing these digitally-based capabilities, college stores will need to have greater access to technological/digital skill sets. These can be built within the store structure, or borrowed from campus partners and even students themselves who are on staff or who interact with the store.

Build CRM capabilities. Successful e-marketing and optimal tailoring of the store offer will require college stores to intimately know and respond to the needs and expectations of the students they serve. One way college stores should be investigating to gain this intimacy is via Customer Relationship Management (CRM) capabilities. Broadly speaking, CRM is a capability that helps retailers manage and nurture interactions with current customers as well as prospects. In execution, CRM utilizes technology

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Figure 8—College Store Social Networking Examples
(e.g., a customer database) to organize—and sometimes automate—sales-related activities such as e-marketing. Increasingly, CRM data is being used to develop assortments and approaches in specific market areas or even stores that are uniquely tailored to the customers that shop the market or store. CRM activities are iterative in that the performance of each activity or campaign is analyzed (e.g., number of clicks, conversion rate, sales growth) and that knowledge is applied to the next campaign to further bolster ROI (Return on Investment).

College stores have a tremendous advantage over mainstream retailers when it comes to having access to students when they are on campus and when they visit campus digital sites (e.g., campus portal site, campus social/digital communities). They also have a tremendous advantage over their competitors in terms of having access to a wealth of student data related to their on-campus purchasing, activities/coursework, and student characteristics. As available and permissible, college stores need to develop and use CRM skills to capture, analyze and act on information in these student databases to respond to the specific needs and wants of their students as well as reach out to students in ways that will be noticed and impactful.

#3C – Communications

Webster defines communication as “a process by which information is exchanged …from one entity to another through a common system of symbols, signs or behavior.” For college stores, information needs to be exchanged with two entities in particular:

- Students
- Stakeholders

Capture your students’ hearts. Students in 2015 will have a multitude of options for purchasing products and services. Their digital acumen, price sensitivity and low sense of campus and college store loyalty will make them not at all naturally inclined to choose the college store over other on-campus, off-campus or online options. As such, the college store must earn students’ patronage by giving them reasons to need the store…and in a best case scenario, to love the store.

Building this strength of emotional connection with students can result from many approaches that will vary by the unique considerations of your campus, but the principles behind this process are to:

- Realize that being a college student is a unique lifestyle, and as such, has unique lifestyle needs and expectations that non-students just don’t have and mainstream retailers just aren’t focused on – in other words, be relevant to your core customer
- Don’t be just a place to buy textbooks or even a place that sells lots of other products, but a store that addresses as many of the students’ lifestyle needs as possible – in other words, shift from being a book store to a campus store in the broadest sense of the phrase
- Don’t be a vanilla ‘chainlike store in terms of the environment, merchandising and marketing approach, but instead be a store of the students that looks, feels and acts like them – in other words, be real and be reflective of who students are and what they value

Capture your stakeholders’ attention. The typical college store stakeholders include the administration and faculty, and to some degree, the alumni. While the college store need not focus on capturing the hearts of each of these customer groups, they do need to capture their attention. These stakeholders need to know that the college store is important to the campus and is worth supporting as an on-going business entity. The degree of importance of the college store to these stakeholders is directly tied to the degree of value placed on the college store by students.

Tell your story. Thus, the priority for college stores is to first capture the hearts of students then communicate this value to key stakeholders. The college store can build a position of strength with stakeholders by regularly and repeatedly communicating this value, whether via quarterly ‘value flash reports’ to campus stakeholders, development and communication of an annual report and strategic business plan, or frequently communicated student testimonials and performance measures on metrics that demonstrate student value.

Focus on share of campus life. Speaking of performance metrics, the true long-term value of the college store can’t be adequately measured with traditional metrics, like share of textbook sales or even sales growth or profit margin. One metric that college stores should increasingly focus on for 2015 is share of campus life. Share of campus life embodies the most relevant role the college store can play for the entire campus, from selling unique products to providing relevant services to hosting campus events and so on. The more share of campus, the stronger the college student connection and higher the college store value.
With the foundation of a forward-focused business model in place, the next aspect of the college store that must be addressed to prepare for 2015 is the retail offer in its broadest sense. The 4Rs of the retail offer that will be most critical to success in 2015 are (Figure 9):

- Curriculum – preserve the core mission
- Connections – increase loyalty
- Services – engage the campus community
- Frequency – drive traffic

It is important that every college store address each of the 4Rs to at least some degree in order to position itself for success in 2015. These retail requirements are ones that will be important to all students on all campuses in 2015. They are also the levers that, if properly executed against in your store, will drive needed traffic across the entire campus community, enhancing your store’s profit position as well as its position as a valued campus asset.

However, the degree to which you focus on each of the 4Rs will depend on what is most important to your core customers and the resources you have at hand. Thus, the starting point is to evaluate your specific situation for each of the 4Rs in light of the most important needs, patterns and lifestyles of the students on your campus.

**Curriculum**

Preserve the core mission. The curriculum focus for 2015 needs to be based on preserving the core mission of the college store. The core mission of college stores is to support the educational process and campus lifestyle of students in all its dimensions. It is NOT to be just a store for textbooks … or even a store for textbooks, t-shirts, gift ware, snacks, school supplies, and on and on. This means realizing that one of the foundational offers of your college store is curriculum… and this requires offering course materials in all of its flavors and formats.

Curriculum will come in many flavors in 2015. And in 2015, there will indeed be a cornucopia of flavors and formats for course materials. Students (and faculty) will want access to many types of course materials, including traditional text books, but also new types based on new capabilities (e.g., Print on Demand), technology innovations (e.g., E-Books) and the digital interactivity of college students (Figures 10 and 11).

**Connections**

Increase loyalty. Connections are all about building relevancy that leads to customer loyalty, a difficult goal for retailers in today’s retail environment, let alone the hyper-competitive environment in 2015. Connections and loyalty will need to be carefully nurtured by positioning the college store as the local authority for the needs, activities and values of the campus.

**Know your student connection points.** As detailed in the business model capabilities discussion, being the local authority requires intimately knowing your student population. Intimacy can be garnered via student collaboration as equal or near-equal partners.

**Opportunity to provide many options.** The bottom line for 2015 is that there will not be a single dominant format for course materials. This will change later in the decade, but 2015 will still see college stores in the middle of a broad transition that won’t be fully realized until sweeping changes occur in faculty capabilities/ mindsets, course materials production/pricing business models, and capabilities enhancement/standardization of technology-driven delivery platforms. Thus, college stores must prepare for 2015 by planning for offers and curriculum-focused services that view all forms of curriculum as opportunities to better meet the core customer’s needs – instead of viewing these new formats as competition for the textbooks offer.
Figure 10—Curriculum Options

- User-Developed
- Digital Interactivity
- Print on Demand
- E-Books

Figure 11—Trade E-Books Sales, 2002-2009

Source: Association of American Publishers
in the college store offer, on-the-ground interaction with and feedback from students, and well-developed CRM capabilities to determine the needs and patterns emanating from students’ purchasing behaviors.

Invest against your student connection points. But building connections is about more than having insight. It’s also about acting on this localized, intimate knowledge. College stores in 2015 will need to provide shopping experiences, products and services that reach out to and involve students in ways that are relevant to them. This will mean taking current offers like logo apparel and gifts and making them more localized and relevant to the students of 2015 by bringing students into the planning of a more relevant and faster-changing assortment, co-creation of exclusive designs (that are only available for a limited period of time), and greater leverage of local campus and community partnerships to bring unique exclusives to the offer. It will also require re-thinking the store space from the perspective of both square footage allocation and day/time shifting opportunities in order to provide experiential event space that can be used to connect with students in ways that matter to them beyond their purchasing needs.

**Services**

**Engage the campus community.** In 2015, college stores will need to target the broadest ‘share of life’ among their core student customers. This requires moving beyond products to also offer a broad array of services that are valued by this customer (i.e., again striving for greater share of campus life from the service perspective). Within these services, college stores will also need to be deep, not just in terms of the service components, but also in terms of supporting service expertise – to the point of being seen as having ‘service gurus’ on staff. Breadth and depth within relevant service offers will position college stores as the destination service resource on campus.

**Leverage natural advantages.** College stores have several natural advantages over mainstream retailers/service providers when it comes to achieving this goal. One important advantage is place and time proximity, with a location close to students (and faculty/administration) at the time of need. College stores also have the advantage of being part of the college community, with relatively easy access to on-campus experts in a variety of service areas, including

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**Figure 12—Curriculum Offers in 2015**

In 2015, curriculum offers for college stores will include, with variations based on the lifestyle and preferences of the students on each campus around the country:

- Course materials (buy, rent, borrow, trade, print-on-demand, electronic formats)
- Field of study supplies (focused assortments, as dictated by the campus/student needs)
- Basic school supplies (abbreviated assortments, featuring unique products with school logo, unique designs, etc.)
In 2015, connections offers for college stores must include the following, varying by individual college store:

- Local, unique products that connect with students: exclusive and/or co-created logo gifts and apparel

Housed in dedicated, student-tailored, frequently changing, flexible store spaces:

- Retail collective (apparel, cards, art, music, magazines, books, etc.)
- Feature product space (event, holiday or themed products with a short "shelf life")
- Event space (community space, classes, art shows, music, book signings, etc.)

Services will be an integral aspect of the college store offer in 2015. An advantage of the industry today is within the realm of customer service. That strength needs to evolve into becoming a trusted resource/expert in the following service areas:

- Curriculum (regardless of format)
- Technology (hardware, software, accessories, digital, etc.)
- Multimedia
- Flex services relevant to your campus (e.g., travel agent, recycling center, health services, shipping, etc.) that are rotated into the assortment after the peak curriculum-selling season and/or 'pop up' at relevant times in the life of the campus (e.g., vacation/end of semester breaks, job hunting/resume, flu season, etc.)
Defining the College Store of 2015, May 2010

the important technology and multi-media services required to be relevant in 2015. Finally, college stores are already positioned as the curriculum resource, providing a platform to be the curriculum ‘gurus’ for students and faculty alike.

Name it to claim it. Key to communicating the depth of expertise in the three priority service areas for 2015 (curriculum, technology, multimedia) will be branding the service offer. Just as mainstream retailers with leading-edge service offers have branded their service component (think Apple Genius Bars and Best Buy Geek Squads), so college stores need to clarify and communicate service expertise. It doesn’t need to be complex, but it should be clear and clearly communicated in and outside the store (e.g., Digital HQ, Multimedia IQ, Curriculum Advisor, etc). This simple naming process will elevate the service status of the college store as well as associate it with the latest cutting edge service needs.

Frequency

Drive traffic. As 2015 approaches, a key challenge for college stores is that store traffic will naturally taper off due to a multitude of factors:

- Fewer student campus visits (partially driven by more commuter students and distance learning/more students taking classes online)
- Fewer “book buying” trips (as more course materials are purchased online or not bought at all)
- More competition (as mainstream retailers target college students/campuses)

Build frequency drivers into all aspects of the offer. To mitigate the traffic trends, college stores must create more reasons for students to visit the store on a more frequent basis. College stores can do so in part by implementing ideas already presented related to building business model Capabilities for 2015 (e.g., creating relevant and motivating marketing/promotions). They can also do so in part by executing against Connections and Services retail requirements that have the side benefit of positively impacting store traffic levels. But there are a number of other very specific offers that are directly designed to drive traffic on a regular, repeat basis. These frequency drivers range from fresh food and beverages (both eat-in and take-away) to other frequently consumed products to store experience elements such as spaces for students to eat, study and socialize.

Figure 15—Frequency Offers in 2015

In 2015, frequency offers for college stores must consciously address each of the categories, at least to some degree, as dictated by available store space, college-imposed constraints on foodservice and other limiting factors:

- Convenience grab-and-go fresh grocery
- Eat-now food: café, coffee shop, coffee bar
- Beauty, personal care, over the counter medicine (edited assortments)
- Gathering space (for eating, studying and socializing)
- Work space
The guiding principles underlying the 3Cs of the business model and the 4Rs of the retail requirements for college stores in 2015 have been integrated to develop several conceptual store design modules. These modules are very different compared to current college store layouts and largely static merchandise displays. They provide a written ‘story board’ overview as well as visual context for the 3C + 4R equation. As such, they help to bring the model to life and can serve as ‘idea starters’ for your store and your path forward to 2015.

Modular flexibility for stores of all shapes and sizes. These modules have been designed to be flexible and applicable to all types of college stores—from large, well-resourced store operations to small, resource constrained operations. The key to applying these modules is understanding the principles underlying them (the 3C + 4R equation) and how they can play out in the physical world of your store, then determining which approaches make the most sense to implement on your campus given your students and your resources.

Module fundamentals to plan by. Underlying the development of the module concepts are several design fundamentals that should be applied to remodels, redesigns and new builds across the college store landscape between today and 2015. These fundamentals (Figure 16) influence both the physical store environment—including the online site to some degree—and the required approach you should take to create an offer that resonates with your students.

The Campus Store Module

Compared to stores today, the Campus Store concept is far from the typical college store. It’s an integral part of the campus by being a showcase of the passions, expertise and talents that make the campus unique—and make students proud to attend that institution. As discussed previously, it’s powered by students and staff recruited from the campus to be experts ‘gurus’. It has everything the students need for courses, studying, relaxing between classes, or checking out the new line of student designed products. Instead of being the place where students have to buy books at the start of the semester, the Campus Store is where students want to shop, hang out and see what other students are doing (Figure 17).

With an inviting atmosphere, students will hang out at the store between as well as after class. Students can pick up some fresh prepared meals, fruits and vegetables to take back to their room for a snack. These convenience traffic drivers are front and center in the store to draw shoppers into the store and expose them to the rest of the offer (Figure 18). The cafe brings in fresh products and the coffee is from a local roaster instead of the “big guy.”

The store features a comfortable work/study area and a gathering place for relaxing with a snack, which invites students to linger in the store as well as return soon. Another part of the store—the Gathering Space—transforms for student events, such as local bands, student and faculty artwork shows, or a book club meeting.

Figure 16—Module Fundamentals/Success Measures

- **Relevant**
  - Provide a unique/exclusive offer that revolves around the student lifestyle
  - Integrate student co-creation throughout the offer
  - Create an environment that expresses the unique qualities and lifestyle of the campus
- **Cooperative**
  - Recruit students as designers and staff
  - Engage the talents and expertise of college staff
  - Cultivate a collective of local vendors for products and services
- **Ingenuity**
  - Embrace on-going change in technologies, trends and lifestyles
  - Creatively reuse existing assets (space, fixtures, furniture) in new ways to minimize cost
- **Flexibility**
  - Use movable/transformable fixtures and displays to support inventory fluctuation
  - Incorporate changeable/flex space for promotions, services, events, etc.
  - Establish a set of flexible retail modules (or sections) that support a strong core offer
At the start of the semester, the Campus Store is a one-stop-shop for all of students’ course materials needs—dominating the back of the store. The store provides numerous options for course materials, and better yet, experts are there to help students find exactly what they need. Over time, as technology evolves towards new course materials formats, this area will shrink, providing more space for Services offers. It’s also easy to find special supplies for courses in the Campus Store, as they are positioned at the front of the store for convenience and exposure.

As the semester gets underway, the textbook area “disappears” to make room for services—things like recycling, travel services, flu shots, shipping, resume writing/career placement, or whatever’s relevant for the students and the time of year. A branded tech services area is also in the store, provided by IT professionals and students who know how to troubleshoot and fix things. Further, the branded Multimedia Center is there to help students prepare polished papers and presentations (Figure 20).

The students and staff have a strong role in defining the products and services at the store, so it is appropriately tailored to the student body and allows students to learn from and be inspired by one another. There’s always an ample supply of unique apparel and gifts, so when students’ families come to town, they can find products that aren’t available elsewhere (Figure 21). These departments are positioned adjacent to the frequency offer to gain exposure.

**Convenience “Spoke” Store/Campus Store Focal Area Modules**

The convenience “spoke” store/campus store focal area modules are designed to be located right where students need them. This could include a permanent “spoke” store that’s near the student union or additional high traffic areas on campus like classrooms, parking lots or dormitories. It could include temporary/pop-up stores for parents’ weekend or major on-campus events. Or it could include focal areas within the Campus Store that can be supported in a “big” way in order to drive revenue and frequency.

Three convenience modules are particularly relevant for college stores in 2015: The Campus Collective, the Resource Center and the Campus Marketplace.
Figure 20—The Campus Store—Services Areas

- Multimedia Area
- Flex Services Area

Figure 21—The Campus Store—Connections Areas

- Logo Apparel
- Retail Collective
The Campus Collective (Figure 22) concentrates on the connections offer by bringing together and showcasing the talents of the student body. The campus spirit is featured in the apparel and gift areas. Items created by students and others—perhaps past students or local community artists—are available here on a limited time basis to generate traffic and repeat patronage. Combined with an Event space, this concept hosts product launches to generate excitement and a variety of events. As such, there’s always something new to see or be a part of for the student body.

The Resource Center (Figure 23) focuses on the services and curriculum offer. It’s a hub for students’ study needs. The center is staffed by experts who can locate information, regardless of format. A technology ‘guru’ is always available to answer questions and troubleshoot technology problems, while the store also features a selection of basic technology-related products for computers and mobile devices. A version of the Multimedia Center is available here too. A focus on customer service and providing expertise is a key differentiation of this space.

The Campus Marketplace (Figure 24) is all about the frequency offer. The marketplace is open during all appropriate day parts to provide a fresh on-the-go meal or snack. During certain hours, the café offers delivery to campus residents via an online ordering system. A selection of fresh and packaged foods is also featured.

The gathering space is a great place for students to relax between classes or catch up with a friend or study partner, as the area features movable seating to accommodate various needs throughout the day.

The Campus Life Center Module

On some campuses, an opportunity may exist to expand the reach of the Campus Store of 2015 by integrating it with other campus support services and their physical locations, such as the library (Figure 25). Libraries in particular face challenges similar to those facing college stores, since their primary traffic drivers—students borrowing books and accessing research articles from magazines—are increasingly available online and via other digital platforms. As such, libraries are also feeling productivity pressures from college administrators.

On campuses where resources are available and a shared vision exists across the college store and library – and ideally other student support services such as the student union, multimedia center, snack shops/commissaries, etc. – The Campus Life Center module provides a highly relevant, impactful approach to building for 2015 and beyond. With this module, The Campus Life Center becomes the hub of all campus activity—a true one-stop student shop for all things academic and campus life related.
Figure 23—The Resource Center

Figure 24—The Campus Market
Ideally, The Campus Life Center is placed adjacent to a library entrance (and/or additional support services) to interconnect the offers. The linkage to the library should occur in the space devoted to the Curriculum offer in The Campus Store module. And like with The Campus Store, as technology evolves towards new course material formats like digital and print on demand, the curriculum area will shrink and that space should be re-allocated towards services.

For The Campus Life Center of 2015 to be realized, college store leadership will need to either obtain support services on their own, or invest resources to partner with other campus service providers like the library. In some instances, it might make the most sense to literally move the campus store next to/within the library complex.

The Campus Life Center is obviously not a route all college stores can take to prepare for 2015, but the principles of shared resources, costs and space to build relevancy and drive traffic are ones which all college stores should think about as they look for opportunities to build for the future.
**Defining the College Store of 2015, May 2010**

Figure 26—Campus Store 2015 Checklist

"The first step towards getting somewhere is to decide that you are not going to stay where you are."
- Anonymous

One of the hardest things about taking on a new project, whether that’s a new exercise routine, a new diet or getting your college store positioned for 2015, is taking the first step. That’s simply human nature. Humans like what they know and by design seek out comfort. Hopefully, this report has convinced you that you can’t stay where you are. Forces are in place, dictating that inaction is not an option.

The good news is that compared to mainstream retailing, college stores have many natural advantages and a wealth of opportunities available to drive success in 2015. Moreover, they have a wealth of on-campus and industry resources to assist them on their journey toward 2015.

To get you started on your journey toward 2015, use the checklist (Figure 26) to evaluate your readiness for 2015 and where you need to focus your resources as you plan for 2015. Additional assistance is also available from NACS. To learn more about this research or to find specific ways NACS can help you as 2015 approaches, visit www.nacs.org/2015 or e-mail your questions to 2015@nacs.org.

As you start your journey toward 2015, keep in mind the words of another individual who faced seemingly insurmountable obstacles, yet had a grand vision for the future…while recognizing that we are often our own biggest barrier when it comes to seeing that vision fulfilled:

"Take the first step in faith. You don’t have to see the whole staircase, just take the first step."
- Martin Luther King, Jr.

<table>
<thead>
<tr>
<th>THE CHECKLIST</th>
<th>THE GOAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gauge how prepared your store is for 2015, and which success factors you should focus on now and over the next five years. <strong>Bold type</strong> indicates must-have factors you need now in order to build for 2015.</td>
<td>While each store faces a unique situation and budget/resources, the more marks you have on the far right side of the checklist, the closer you are to being ready for 2015. If you don’t have any marks on the right side, there is still time to prepare for the opportunities of 2015.</td>
</tr>
<tr>
<td><strong>INITIATIVES</strong></td>
<td><strong>NOT CURRENTLY PURSUING?</strong></td>
</tr>
<tr>
<td>- Student programs for students who are your customers.</td>
<td>- Use deep, engaging, updated insights into the specific needs of students on your campus.</td>
</tr>
<tr>
<td>- Offer related to class projects and on-mat.</td>
<td>- Student help, develop deep, engaging, updated insights into the specific needs of students on your campus.</td>
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**YOUR RESOURCES**

To find specific ways NACS can help you build for success go to www.nacs.org/2015 or email your questions to 2015@nacs.org.