MERCATURA: LEARNING CONTENT RETAILING

The long-standing mission of the college store to ensure availability of adopted course materials for purchase has evolved to include provision of other products and services that support and facilitate student learning and enhance the campus experience for all. Current and emerging trends in higher education, learning content, and retailing suggest another evolution is due for college stores that want to remain relevant to their campuses and the students they serve. Important choices must be made about products, services, strategic partners, and the role of the college store in the campus enterprise.

Key Points

1. The missions of college stores have evolved and vary in their particulars with the institutions they serve. Certainly they serve as an indispensable resource to faculty and students in assuring adopted learning content is available. Additionally, they advise on media options, offer a range of acquisition alternatives, and accommodate students’ varying financial needs.

2. Since the turn of the 20th century, at least four major disruptions have affected the retail selling of learning content: Bookstore chains, e-commerce and the online bookstore, e-books, and an evolving disruptor forming at the intersection of emerging e-market hubs, mobile payments, and the so-called sharing economy.

3. In no other element of the ecosystem have the competitive dynamics been changed so profoundly due to digital disruption. Continued maturation of digital learning content, mobile commerce, and the emergence of digital learning services is likely to keep them in a heightened state of flux for the foreseeable future. Three key themes dominate the digital disruption:
   a. empowerment of the consumer;
   b. advantages that accrue to booksellers who can leverage both purchasing power and operational economies of scale; and
   c. growing capacity of online booksellers to leverage customer data and new online services into customer experiences and relationships.

4. Retail operators increasingly understand that they must configure their systems and operations to shift from being a transaction broker to a partner.

5. Unless Amazon chooses to become a full-service contract brick-and-mortar retail operator, it will compete as it always has—on price and convenience. Independent college stores in the context of this escalating competitive rivalry are unlikely to be able to compete on price, but instead must continue to leverage their institutional connection.
Mapping the Learning Content Ecosystem

SCORECARD

MERCATURA: Learning Content Retailing

Supplier Power
- Declining, unless:
  - Supplier sells to the institution
  - Learning content is imbedded in courseware

Buyer Power (Includes Faculty Recommenders)
- Increasing: more channels, more options, more marketplaces, etc.
- Course materials fee + institutional content
- Licensing could be game changer
- Increasing rivalry and concentration of “buying” power will allow “giants” to squeeze publisher profit margins

New Entrants
- Amazon Campus
- Pay for snippets
- Barnes & Noble + Flashnotes?
- Uber/Lyft for textbooks?
- 3rd party content curation hubs
- Edu services hubs/integrators

Substitutes
- OER
- Library e-reserves
- Informal content (e.g., YouTube and Khan Academy)
- Content exchanges
- Sharing economy (think Uber for textbooks)
- Mobile payments may be game changer

Rivalry Level*: 4
Midway through a transformation to leave “minnows” and “giants.” Competition on all levels and escalating.

*Rivalry is an indication of competition in the segment from 1-lowest to 5-highest; both among current players and between them and new entrants.
Critical Questions: Learning Content Retailing

1. What is the current mission of your campus store? How does the scope of merchandise and services you offer meet the campus’ expectations?

2. What conversations are happening on campus regarding a course content strategy, course content licensing, open educational resources (OERs), and/or digital/adaptive course materials? Is the store engaged in these discussions?

3. What conversations are happening on campus regarding engagement with students via mobile/handheld devices, mobile transaction capabilities and applications, and/or consumer data collection and analysis? Is the store engaged in these discussions?

4. To what extent does the store act as a “brand agent” of the institution? Are there expectations and/or strategies in place guiding the in-store experience for customers? The online/mobile experience?

5. Who in your store tracks consumer trends, trends in retail technologies, your competitors, etc.? How so, and how and with whom do they share what they learn?

6. Does the store have clear and purposeful strategies in place for supporting faculty and students in their teaching and learning roles?

7. To what extent are store systems integrated with campus systems? What are the pain points or needed integrations? What consumer insights are you mining?

8. What strategic relationships does the store maintain with campus stakeholders? Which are needed?