

# **Online Textbook Exchange Services Proposal**

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## **Abstract**

UVA students are constantly faced with the struggle of exchanging class materials with each other efficiently and inexpensively. While there are several Facebook groups such as Student to Student Textbooks and Textbook Exchange that allow students to exchange materials, many of these groups are deeply flawed. Due to the chronological nature of Facebook, a large amount of posts within the groups are lost and never received by students. Our idea is to create a free website, specific to UVA students, that solves this problem. By creating a site that pulls information directly from the UVA bookstore database, students will have the ability to search for the books that they need in one place without having to scroll through endless amounts of posts.

Students will be able to search for books by subject, class, and then the price which other students are charging. Every user will have to develop a profile with a valid Virginia email address before they can use the site. Profiles will contain the student's name and email address. Additionally, students will be able to post the textbooks they have for sale. They will have to include the book title, condition, and price. If a student is interested in purchasing a book, they will select the book and press "claim" which will notify the seller of the purchaser's name and contact information to complete the transaction in person. Payment options, shown on a seller's profile, will include options such as cash, and Venmo. Also, a book cannot be claimed by more than one student so once a book is claimed it will be taken off the list.

After ensuring our website is a success among UVA students, our plan is to expand so college students across the United States are able to use our service. Our goal is that our site will become the new standard for student-to-student textbook exchanges.[Included plan to expand]

## **About Us**

We are a group of three undergraduate students currently attending the University of Virginia. We are all third-years and we have experience with buying/selling textbooks to other students where we noticed a lack of organization in the process. Our aim is to create a website that will be useful to many present and future students by providing them with an organized student-to-student textbook exchange program. Our team members are Toni, Maddie, and Alex.

Toni's strengths include product management, visual aesthetics, and presentations. Maddie's strengths include technical writing, working with others, and problem solving skills. Alex's strengths include group communication and coordination.

## Motivation

Our motivation is to turn this into a fully functioning service that will be used by all of the student body. As students, we have had to deal with the tedious problem of finding class materials at the lowest prices. On average, students spend \$665 on textbooks per year (1), but with this service, costs can be reduced significantly. In order to successfully implement this service we would need to have the collaboration of the university to obtain textbook and course information. One of the initial challenges we have to overcome is advertising in order to entice students to use the service. To overcome this challenge we could use the marketing clubs at UVA and find people to spread flyers around grounds. In the future we would like to see this expand to other colleges around the United States and abroad.

## Opportunity

Our target customers are UVA students, which gives us a potential customer pool of around 22,000 students. One of the benefits of providing a service to a college community is that the community is continuously growing and changing. This would provide our business venture with a secure customer pool and an enticing opportunity for advertisements. The cost for securing a solid customer base is very minor, considering our approach will be spreading the word via social media, flyer around grounds, and word of mouth. Maintaining customers will be a simple process because we are providing this service to them for free and offering them the best prices. In addition, supporting a customer is extremely cost-efficient because our site is the powerhouse behind the service.

In terms of growth, our business will grow to accommodate students in every school at UVA, including Law, Darden, and Medicine. Beyond that, our website can expand to other colleges across Virginia and later, the United States. [Wanted to discuss the opportunity this service provides and why it will be successful]

## Risk and Reward

Currently, our only competitor is the UVA Bookstore. Since our business is run by UVA students, we will always have the opportunity of pulling the textbook prices from the UVA bookstore. We are confident that with our exchange services we will be able to limit the cost of

textbooks and school supplies enough to gain the students' business. Due to the fact that our business model is student to student, they can alter their prices to always be below the UVA bookstore's prices. And since the bookstore can only go so low for their price (they have to make some profit), our ecommerce site will always be able to offer the most competitive prices that are out there.

Our cost of providing the service is fairly low since all it requires is maintaining and updating the website, along with some minor advertising costs. By providing this for free to all UVA students, we stand to attain a large customer pool. This would attract businesses, which would make our site profitable through advertisements. In addition, using our connections at and around UVA, we will be able to seek out potential opportunities for on-grounds advertisements and we will be able to spread the word of our site easily.

If successful, we plan to expand our services to other schools across the country. The risk for this business plan remains low because it does not require a lot of funding, while the reward and return on investment has the potential to be great as it can be spread to many colleges.[Needed to add a risk/reward section and answers TA's comments from last submission.]

One of the strongest points about our business is if a venture leaves, our company can still survive. It thrives off student participation so as long as students are willing to use the service, it will thrive. Our aim is to create an environment where students feel safe exchanging books but ultimately, one where students feel it is the most advantageous to sell their books there. This is how we will keep the company strong. Students need to feel the risk of this site is worth the reward they will receive in the end. [Needed to explain more in risk and reward]

## Context

The regulatory environment for our prospective business venture in the textbook exchange services industry requires us to analyze the economic activity, inflation, exchange rates, and interest rates in the industry itself. US News addresses these conditions in the industry by analyzing the rising cost of textbooks in the US. The price of textbooks overall has increased by 82% in the last decade. This number is three times the rate of inflation. US News says this rapid increase is due to the lack of competition in the textbook market. The article goes on to say that many students are resorting to either choosing a different class with cheaper textbooks or taking the class and not purchasing the necessary textbooks, risking this having an effect on their grade. By providing a free online textbook exchange service, we are both giving students another option that doesn't harm their grade, and contributing to the textbook market. This contribution would hopefully put pressure on other textbook services to lower their costs to meet our student rates.

Possible other changes in the textbook market include a move towards online resources. Typically, online books are cheaper and are available to all students. This movement could provide a challenging change in context in which the need to exchange textbooks with other students would diminish significantly. In this case, we would reshape our site to fit the changing environment. A couple of ways to do this would be to provide students with discounted links to books, allow link sharing between students, and embedding eBooks on the site. Unused access codes will also be able to be sold between students and they will be verified as unused before they are sold.

One aspect of our business that can affect the environment in a positive way is the fact that students control the price of the market. The books are being bought and sold directly from students. This will keep the price down and make it highly competitive with the current textbook exchange services as well as with potential eBook prices. Textbook companies will not want to lose a lot of revenue and so they will start to price competitively with online book exchange websites.

The biggest demographic trend that will affect our market is the increase in college students enrolled in classes each year. Since 2000, there has been an increase of about 5.7 million students enrolled in college up to 2014. This increase is only expected to grow from here leads to an increasing market size in the future.

Moreover, the addition of online schools and degree programs creates a higher demand for books as well as an increase in college student numbers. In the past decade, the enrollment of online students has increased exponentially. 62.4% of accredited colleges and universities offer fully online degree programs. Our website is catered to serving students to the best of our ability, whether they attend college physically or online.

Furthermore, The Wall Street Journal addresses the problem of college students buying and downloading books online illegally to avoid the cost. This can put viruses on student's computers if they download them from untrustworthy websites. We believe that our textbook website is a legal and safe solution to this issue. Our website will offer the books needed in a risk-free and 100% legal environment. Although the textbooks will not be free, many, if not all of them, will be at a price point that is much lower than the prices set by textbook companies.

Our book exchange website will offer a legal, safe, and competitive market to textbook companies. It will aid the millions of college students seeking an economic way to acquire textbooks. Starting with one school, our textbook exchange website has the potential to change the textbook industry on a global scale.

## Sources

- 1) [http://www.huffingtonpost.com/2013/01/04/college-textbook-prices-increase\\_n\\_2409153.html](http://www.huffingtonpost.com/2013/01/04/college-textbook-prices-increase_n_2409153.html)
- 2) <http://www.usnews.com/news/articles/2014/01/28/report-high-textbook-prices-have-college-students-struggling>
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