

Proposal for TExchange

Saehwan Park, Taylor Davis, Asher Bordelon, Nasser Mohammed

Executive Summary

With every new school year, many students struggle with budgeting for the upcoming semester. Among tuition, tech fees, and miscellaneous mandatory fees, there are also expenses required by the professors themselves - often the primary of which being textbooks. For most students, buying or renting textbooks can be a hassle. Students find themselves browsing the bookstores for the newest books that haven't yet been marked in yet or searching the web to find some of the oldest books that they can get a good deal on. Some students struggle with even finding the correct book at all.

Our target clients are the students that want to find the best bang for their buck in the easiest and most efficient way possible, streamlining the process of finding their ideal textbooks through their peers. TExchange is also available as a solution to schools and universities that can be implemented directly into their bookstores, allowing their students to find the right textbooks on campus using databases updated by the school's professors.

Current competitors to TExchange are Barnes & Nobles and Chegg. They are good solutions for those who want to buy or sell their textbooks to a third party or at a less-than-ideal price, but what they do not allow is direct student-to-student transactions which eliminate the need for a middleman, interfering with students getting the most money for their textbook.

TExchange provides solutions to these problems in the form of an easy-to-use interface that will allow classmates and universities to buy, sell, or exchange textbooks from the comfort of their laptop, mobile device, and or bookstore. Textbook advertising will be automated based on students' classes for the upcoming semester.

Gap in the Market

The solutions currently in the market are not ideal for students wanting to buy and sell textbooks. The current companies seem to be severely overpricing textbooks they're selling, while undervaluing the textbooks from students who are wishing to sell theirs for a value similar to what they originally paid for.

Meeting the Market's Needs

TExchange will meet the market's needs by creating a platform that will allow users to automatically advertise and easily sell their current textbooks to other students. For students, the app will offer a user-friendly interface that allows them to upload and find the books that they need. For colleges and universities, the app will offer the same with the added feature of being easy to integrate into their current bookstores.

Implementation

Management

TExchange's management will be handled by its contributors, and as an open source project that can be hosted locally by schools, but without the pre-established partnerships that TExchange will form between bookstore chains such as Barnes & Noble.

Development

Front-end (Website portal, iOS app, Android app):

- React; a free and open-source front-end JavaScript library for building user interfaces or UI components.
- Swift; Apple-universal programming language for creating apps
- Kotlin; Official language for Android apps

Back-end (Web server, databases, matching systems):

- PostgreSQL; SQL database
 - Node; A JavaScript environment
-

Marketing and Distribution

TExchange will be offered as a pay-per-semester solution for schools, hosted and managed by its contributors for the school, utilizing its bookstore partners and on-campus dropoff and pickup sites to automate the circulation of textbooks and other resources throughout the school in a much more cost-effective manner than requiring students to purchase brand new textbooks each semester that they will only use for one class.

TExchange will also be offered as a standalone application for students who want to orchestrate textbook pickups and dropoffs between each other via our bookstore partners, even if their school has not enrolled themselves in the program. This only requires registration via a .edu email. Textbook transfers via this method will take a small fee from each textbook exchange to sustain the program's operational costs.

Access will be granted to students as their school enrolls in the program, offering login via authorized school email registration, or via school-controlled SSO services. The standalone version of the software will only require registration with a .edu email. There will be a companion app available for Android and iOS devices, as well as a web portal.

The software will also be offered as an open-source solution, without access to the partnered bookstore chains, for schools who want to host their own version of TExchange without the hands-off hosting and management offered in the pay-per-semester version of the software.

Monetization

As TExchange has two separate modus operandi, there are two separate monetization schemes.

As far as the standalone version offered to any student with a .edu email, the only cost incurred using the service will be a small percentage fee taken from the sale of textbooks to other students. There will be a maximum amount a textbook can be listed for sale for, and there will be pricing guides offered to students based upon the physical condition of the book, with quality checks upon dropoff to ensure that the reported condition is accurate.

The school version offered to schools wanting to allow students to transfer books safely will be offered as a paid service to the school, allowing students to incur no additional fees during the textbook sale process. The pricing per-semester will include a base hosting and maintenance cost, as well as a varying cost depending on the student enrollment at said school. The school can organize their own pickup/dropoff points using apps provided to automate the process for those working at the point, or they can request a TExchange group to operate a pickup/dropoff point for an additional fee.

The Problem and Our Solution

The problem with current solutions is that they don't allow the students to keep the full market value of their product or that they charge students close to market value for simply renting or selling a used book.

TExchange's solution is to allow students to keep 100% of all sales and transactions and streamlining the selling process to students searching for particular textbooks.

Industry Need for Our Technology

Students every semester are in need of an outlet to buy or sell their textbooks. TExchange aims to be the one-stop app to buy or sell textbooks while simultaneously offering the most value to customers by allowing them the full monetary value of each transaction.

Market Analysis/Primary Market/Secondary Market

With universities getting larger and larger, the market for cheaper textbooks will only grow. Our business can capitalize on this and get ahead before several companies duplicate this model. There are currently no companies offering this service solely for college students nor are there any companies that have a paid service to the school. Several companies listed under the competition section are already on the new trend of used textbooks, however, with our unique business model, we have plenty of room in the market for development. Our primary market will be college students. Our secondary market is possibly university professors or anyone who has old textbooks.

Marketing Strategy

Overview

For any app, regardless of category, right after launch is the most important time for marketing. This is the best time to acquire customers that can grow long-term and sustainably. Marketers should promote as many app installs as possible during this period, and use this as a springboard to increase their overall customer acceptance. An example of a successful implementation of this strategy is Uber. Uber not only gained active support by acquiring early adopters at the beginning of the app launch, but also succeeded in attracting more attention by using membership rewards together. We will be able to embrace this strategy too.

First, we target our school LSU first.

After a successful book exchange using the TExchange application, users who share their reviews can use it for free or for a one-time use for free.

After that, we can continue in-app promotions for new and existing users.

Primary Customer Analysis and Entry Strategy

First-time discount: When new customers use the app for the first time, we've made it possible for new customers to get a variety of discounts through partner promotions or a simple

registration process. The discount coupons received in this way will lower the entry barrier for new users, and eventually induce many people to use the book exchange app regularly.

Membership Rewards: TExchange Rewards can provide rewards for user loyalty in various services under TExchange. Each time you successfully use the app, you can use the accumulated points to replace fees incurred later, or to purchase special products through lottery.

Referral Program: The Referral Program is about maximizing the loyalty of existing customers. Any user who uses the book exchange service can distribute a personal recommendation code to friends and family, and when the code is used, the user who recommended the service can be rewarded for use in the book exchange service in the future.

Core Competency

The core of TExchange is to help all students quickly prepare textbooks for the new semester at an affordable cost. TExchange will be an easier-to-use and high-performance application than its competitors.

New features will be continuously added to TExchange. We can also enable a feedback system, so that we can create features requested by our clients. We want TExchange to become an essential application for all students, the first thing they look for at the start of the semester.

Sales Strategy

Price

- TExchange is offered as a pay-per-semester solution for schools, where customers are billed for a monthly or annual subscription in addition to an annual subscription. Annual subscriptions are slightly discounted compared to monthly subscriptions. our price will be reasonable

- TExchange collects a small fee from each textbook exchange to keep the program running costs down to users who wish to coordinate textbook pickup and return with each other through their bookstore partners, even if the school is not enrolled in the program.

Positioning

- In the early days, Apple's computer was positioned as a computer for professionals such as graphic designers, and it gave people who use graphic work professionally to recognize that it is a graphic computer. Similarly, TExchange will target its primary users to students who have had to buy expensive textbooks.

Promotion

- Workflows include Internet Marketing and Advertising, Direct Contact with potential customers, offline marketing and other forms of marketing.

Location

- The TExchange is a mobile application and can be run on a mobile phone.

Competition

Barnes & Nobles

Chegg

Student-2-Student (closest competitor)

BookDeal

Textbooks

Powell's Books

AbeBooks

Amazon

Ebay

Facebook Marketplace

Craigslist

Development Strategy

Begin at LSU with the standalone modality, and try to increase popularity amongst students. Once we get enough support from LSU students, we'd try to move on to the paid service to LSU. Once we establish ourselves as a reputable company and become the preferred method of textbook selling at LSU. We would expand to the other colleges/ universities in the Baton Rouge area such as Baton Rouge Community College and Southern University. We would pretty much replicate this with our radius of expansion growing outwards from LSU. Then to the other states in the southeast, then the rest of the United States, and ultimately grow internationally. At each stage we would make sure to get people and programs at universities to promote our business for initial free services to help get the word out. We would not progress outwards until we are confident in our level of success at each university, and make sure to keep up with demand to not outgrow our technical infrastructure.

Barriers

The biggest barrier we see happening is spreading the company at each university until the we start offering the paid service to the school. This is because the real stream of revenue would be coming from these universities as we offer the service to any university student for free with a small operational fee. Because of this we would not be making much money until we get to the point of the paid service to the school. What also happens in many cases are copied versions of

companies that will steal our business. That is why outreach is a very crucial part of the development of the company because we want our company name to be the biggest and most reputable one associated with this service. One last barrier would be the inability to keep up with the growth of the company in terms of our app infrastructure. Once a lot of students start using the app we will need adequate technology to keep up with the traffic. If one day students go on and the app isn't responding, it could cause an irreversibly negative effect on the company's name and reputation which might lead to other companies jumping in and taking our users.

Critical Risks

One of the critical risks could be potentially damaged books, where some pages are ruined. This would be hard to check because we would have to go through every page to find it. Another critical risk is possibly delivering the wrong books to people, which would prolong the ultimate delivery time resulting in unsatisfied customers. A final critical risk could be misallocation of resources which would result in insufficient resources to other aspects of our business.

Interviews

Q. Do you think textbooks are too expensive?

A.

- #1 "Yes"
- #2 "Yes, way too expensive."
- #3 "Yes I do."
- #4 "For sure."
- #5 "Yes, definitely"
- #6 "yes"
- #7 "Yes"
- #8 "Absolutely"

Q. Have you ever bought a textbook from friends?

A.

- #1 "No"
- #2 "No, but I considered it"
- #3 "Yes, I also bought one from a random guy off of facebook."
- #4 "Not yet."
- #5 "Nope, never"
- #6 "yes"

- #7 "No, I've been given them by friends, though."
- #8 "Nope"

Q. Have you ever sold a textbook to a friend?

A.

- #1 "No"
- #2 "No"
- #3 "Yes, on facebook."
- #4 "Yes, I sold it to them the semester after I finished the course."
- #5 "No"
- #6 "no"
- #7 "No, I've given them to friends."
- #8 "Nope"

Q. If you have experience selling the books, what was your difficulty?

A.

- #1 "N/A"
- #2 "I've never sold a textbook"
- #3 "Not finding people who were looking to buy it or needed it."
- #4 "I usually lose them before I can find anyone to buy them."
- #5 "Don't have that experience"
- #6 "have not experienced selling the books"
- #7 NA
- #8 NA

Q. How much cheaper did you sell it for compared to the original price?

A.

- #1 "N/A"
- #2 "I've never sold a textbook"
- #3 "I sold it for \$20 less."
- #4 "About \$50 less."
- #5 "Don't have that experience"
- #6 "none"
- #7 NA
- #8 NA

Q. How frequently would you use an app designed to help you sell and buy used textbooks from your peers?

A.

- #1 "Often"
- #2 "Probably every semester"
- #3 "Every semester."
- #4 "Probably at least once a semester."

- #5 "Depends on the price of the textbooks, if the app shows cheap/affordable textbooks, then I would use it every semester. It also depends on the quality of the books. If it's in such a bad quality, I would rarely use the app."
- #6 "never"
- #7 "I would use it at the end of every semester, honestly, so maybe 3 or 4 times a year. Honestly renting them and buying them from the bookstore or Chegg is really inconvenient because I'm horrible with timing"
- #8 "Just at the beginning the semester"

Q. Would you trust this type of app more if it were partnered with something like Barnes & Noble, or run through your school?

A.

- #1 "Yes"
- #2 "Yes"
- #3 "Yes."
- #4 "Yes."
- #5 "It would be more trustable, but this would higher the price, so I don't know if I will use it anymore. As long as the price is affordable, lower than Amazon, I would use it."
- #6 "no"
- #7 "No, I would rather it be a privately owned entity"
- #8 "No"

Q. Have you ever used an app made for selling/buying used textbooks? If so, what app?

A.

- #1 "No"
- #2 "No, I've only bought from a store"
- #3 "Yes, facebook."
- #4 "Yes, facebook marketplace."
- #5 "I used Amazon."
- #6 "no"
- #7 "Yes, Chegg"
- #8 "No"

Q. Would you use a service for selling/buying textbooks if they took a small fee for each textbook sold, but you only needed to drop the textbook off at a designated location?

A.

- #1 "Yes"
- #2 "Yes, depending on the fee"
- #3 "Depends on how much the fee is."
- #4 "Yes."
- #5 "Yes I would use it."
- #6 "no"
- #7 "Yes"
- #8 "Yes"

Q. What do you feel a fair fee would be? A percentage of the textbook's cost? A flat rate?

A.

- #1 "I think that a percent would be fair, as something like a \$10 fee wouldn't make sense for cheaper books"
- #2 "I think a percentage would make the most sense"
- #3 "I think it should be a percentage."
- #4 "A percentage would be fair."
- #5 " Like 50-70% off."
- #6 "60% less than original price"
- #7 "A flat rate, like a subscription, that would be fair. But the thing is, some textbooks cost a lot"
- #8 "I think you would have to go along with how much the book costs, so a percentage"