

Student Watch™

Behavior and Trends of Student Consumers

PRICE:
Most important
when I'm buying
textbooks



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Student Watch 2012: Student Attitudes and Perceptions

Linking Course Materials to the Connected College Student

**Special
Store Price**
(Colleges and Universities Only)

\$119!

www.nacs.org/store

- Students' buying habits of course materials, including rentals
- Students' usage of eBooks, eReaders, & smartphones
- Satisfaction comparison of campus stores and online retailers
- Essential highlights and data tables

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Did you know?

Since its inception in 1983, the NACS Foundation has disbursed **\$2.8 million+** for industry education and research, including funding for Student Watch, now in its 20th year.

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to build a stronger future.*



A division of the National Association of College Stores

Enjoy this complimentary report that highlights student attitudes and shopping habits—where students shop, what they buy, and how much they spend.

Why this Market Research is Valuable

- Information on students' discretionary income, financial aid, and course material purchases and usage provides insight on buying behavior.
- Understanding personal technology usage such as tablets, cellphones, and eBooks is essential as we become more of an e-world.
- Tracking changes in shopping habits helps colleges and universities to better serve students.

This report highlights selected findings from Student Watch and Student Panel Studies conducted by OnCampus Research, the research division of the National Association of College Stores (NACS). Information is published in each issue of *The College Store* magazine's **Collegiate Market Watch** section.

www.nacs.org/research

Results from Student Watch studies and the OnCampus Research Student Panel

BOTTLED H₂O TOPS WITH STUDENTS

Many college stores designate at least a small section of space to snacks and beverages. Students appreciate the convenience of these grab-and-go items, which are a great way for college stores to boost sales.

Keeping that in mind, OnCampus Research recently asked students about their daily beverage and snack consumption. Specifically, students were asked to select the beverages and snacks they'd

BEVERAGES CONSUMED WITHIN THE PAST 7 DAYS	Overall	Females	Males
Unflavored bottled water	61%	64%	57%
Milk	56%	53%	59%
Soft drink (non-diet)	52%	46%	58%
Fruit juice	47%	44%	49%
Hot coffee	39%	41%	37%
Hot tea	27%	32%	22%
Sports/Athletic drink	25%	16%	36%
Specialty coffee drink	25%	30%	20%
Flavored iced tea	25%	24%	26%
Diet soft drink	24%	26%	21%
Lemonade	21%	20%	22%
Iced coffee	15%	16%	14%
Unflavored iced tea	14%	15%	13%
Energy drink	14%	10%	19%
Flavored bottled water	12%	12%	11%
Nondairy milk substitute	9%	11%	7%
None of these	1%	1%	1%

Source: Student Watch 2011: Retail Edge: Insights Into Your Core Consumer on Campus

39%
of students reported consuming coffee.

consumed within the past seven days. Bottled water, milk, and soft drinks were the most commonly consumed beverages by college students overall.

Interestingly, just 14% of students said they'd consumed energy drinks within the past week; however, 39% reported consuming coffee. A higher percentage of female students reported drinking hot tea and specialty coffee drinks, such as cappuccinos and lattes, while more male students reported consuming soft drinks, sports drinks, and energy drinks.



STUDENTS BALANCE SWEETS WITH FRUITS AND VEGGIES

Most college students don't have the free time to create home-cooked meals on a regular basis, let alone the appliances and space to make that happen. For these reasons, prepackaged and ready-to-eat snack foods are popular with students and at times are a necessity.

When asked to select the ready-to-eat snack foods they'd consumed within the past week, fresh fruit, cookies, pastries, and fresh vegetables were chosen by the largest percentage of students. Potato chips and ice cream were also enjoyed by a large number of students, while cottage cheese cups and snack cakes were among the least-consumed snack items.

TOP 10 READY-TO-EAT SNACK FOODS CONSUMED BY STUDENTS (PAST 7 DAYS)	Overall	Females	Males
Fresh fruit	61%	64%	56%
Gum	50%	55%	44%
Cookies/Pastries	45%	45%	44%
Fresh vegetables	42%	46%	38%
Potato chips	42%	40%	43%
Ice cream/Frozen treats	38%	39%	36%
Nuts/Seeds (e.g., peanuts, almonds, sunflowers seeds)	36%	36%	36%
Granola bars/Trail mix bars	35%	38%	32%
Crackers	33%	36%	29%
Candy bars	32%	31%	34%

Source: Student Watch 2011: Retail Edge: Insights Into Your Core Consumer on Campus





MOST STUDENTS DEVOTE TIME TO SOCIAL MEDIA AND FITNESS

Students were also asked which activities they had participated in within the past month. The top activities were: using a social networking site (74%), exercising (63%), and using a digital camera to take a picture (55%). In addition, nearly half the students reported making an online purchase within the past month.

When the data are segmented by class status, gender, and age, several interesting differences emerge. For instance, a smaller percentage of graduate students are reading the campus newspaper (28%). More males reported attending on-campus activities than females, while more females reported reading magazines and reading books not required for class.

A much higher percentage of younger students reported accessing a social networking site within the past month when compared to older students. More specifically, 84% of students under 21 said they accessed a social networking site within the past 30 days, compared to just 44% of students 35 and older.

63%
of students
exercised or
worked out.

TOP 10 ACTIVITIES PARTICIPATED IN BY STUDENTS (PAST MONTH)	Overall	Females	Males
Used a social networking site	74%	75%	72%
Exercised or worked out	63%	62%	64%
Used a digital camera to take a picture	55%	63%	46%
Made an online purchase	50%	49%	51%
Read a magazine	47%	52%	42%
Attended a campus event (non-sports related)	41%	39%	43%
Read a campus newspaper	40%	37%	43%
Used a discount coupon	40%	45%	33%
Read a newspaper (does not include a campus newspaper)	39%	37%	41%
Read a book (not required for class)	38%	40%	35%

Source: Student Watch 2011: Retail Edge: Insights Into Your Core Consumer on Campus

Results from Student Watch studies and the OnCampus Research Student Panel

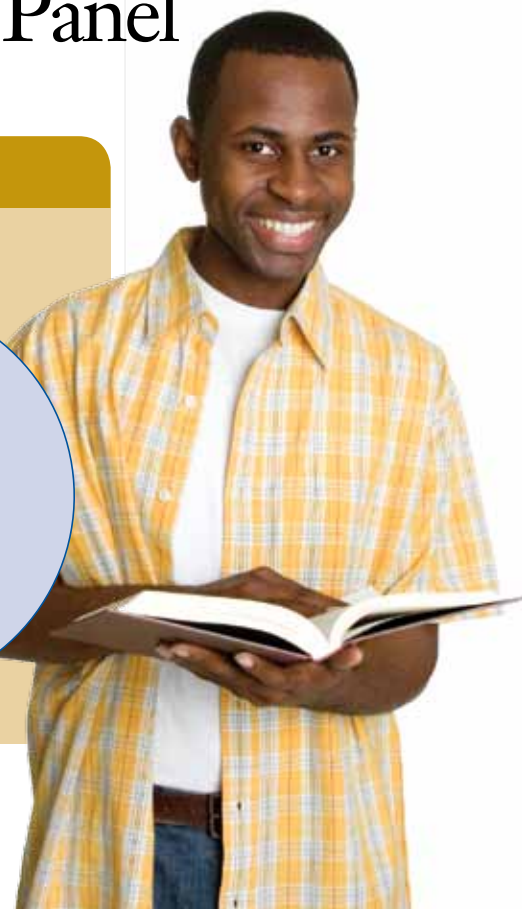
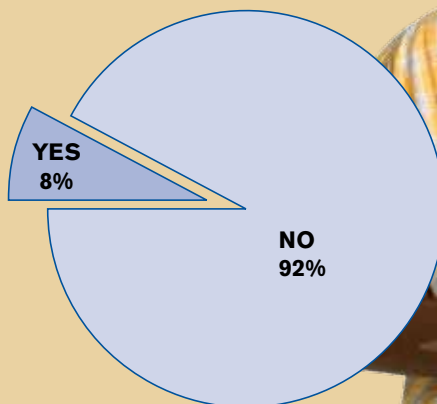
FEW COLLEGE STUDENTS REPORT OWNING E-READER DEVICES

A recent OnCampus Research Student Panel survey found that 92% of students indicate they currently do not own an e-reader device. Of those students, 59% said they don't plan to purchase one in the next three months. Another 36% said they were unsure whether they would buy one. Only 5% of the respondents stated that they planned to purchase an e-reader device sometime in the near future.

Of the students who don't plan to purchase an eReader device any time soon, around 42% stated their primary reason is that they simply prefer print books. One-third of these students aren't quite sure how an eReader device would benefit them, and 18% believe them to be too expensive or are waiting for prices to drop.

Source: OnCampus Research Student Panel Electronic Book and E-Reader Device Survey 2011

DO YOU CURRENTLY OWN AN EREADER DEVICE?



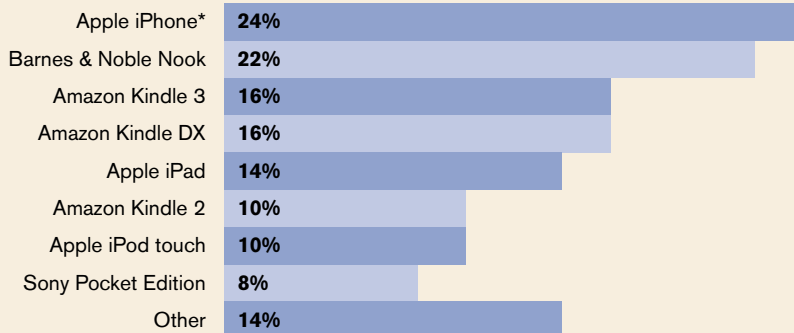
STUDENTS UTILIZING APPLE IPHONE AS AN EREADER DEVICE

Based on Student Panel responses, the Apple iPhone, used in conjunction with an iPhone app, is the most commonly owned eReader device. More than half of students surveyed indicated they purchased their eReader for leisure reading, while 33% said they purchased the device for school use.

The length of time students have owned their eReader varies. However, almost a quarter of college students reported owning their eReader device for more than a year, while only 14% had purchased one in the past month.

Source: OnCampus Research Student Panel Electronic Book and E-Reader Device Survey 2011

E-READER DEVICES OWNED BY STUDENTS

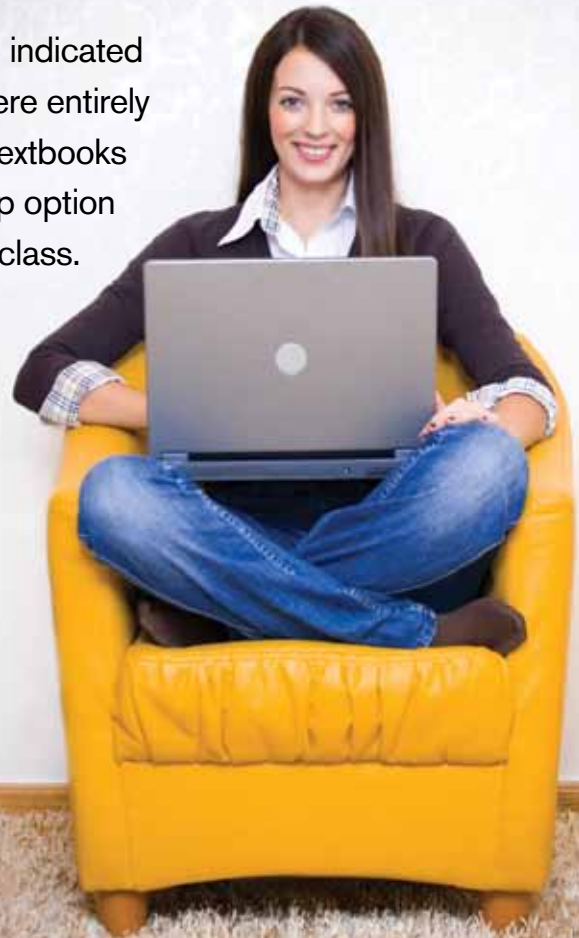


*Students were instructed to select only if they read electronic books via iPhone apps.



74%

of college students indicated that if the choice were entirely up to them, print textbooks would be their top option when taking a class.



PRINT TEXTBOOKS REMAIN THE PREFERRED TEXTBOOK OPTION

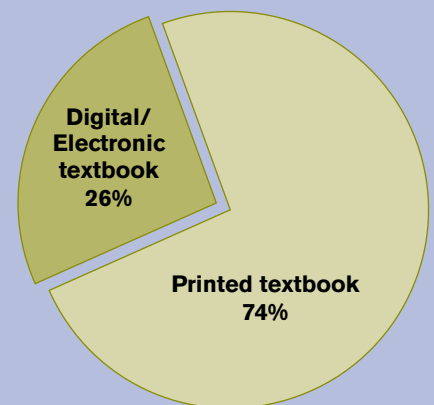
Specifically, 74% of college students indicated that if the choice were entirely up to them, print textbooks would be their top option when taking a class. About one quarter (26%) of students stated they would prefer a digital/electronic textbook over the traditional print version.

Of the students who prefer print, more than half indicated they didn't favor digital textbooks because they simply preferred print to digital. Around 14% said their primary reason for not preferring digital is that you lose access to content after the end of the semester. Other reasons include: no buyback option (7%), no digital/electronic textbooks available for the classes they are taking (5%), and the professor uses the print copy (5%).

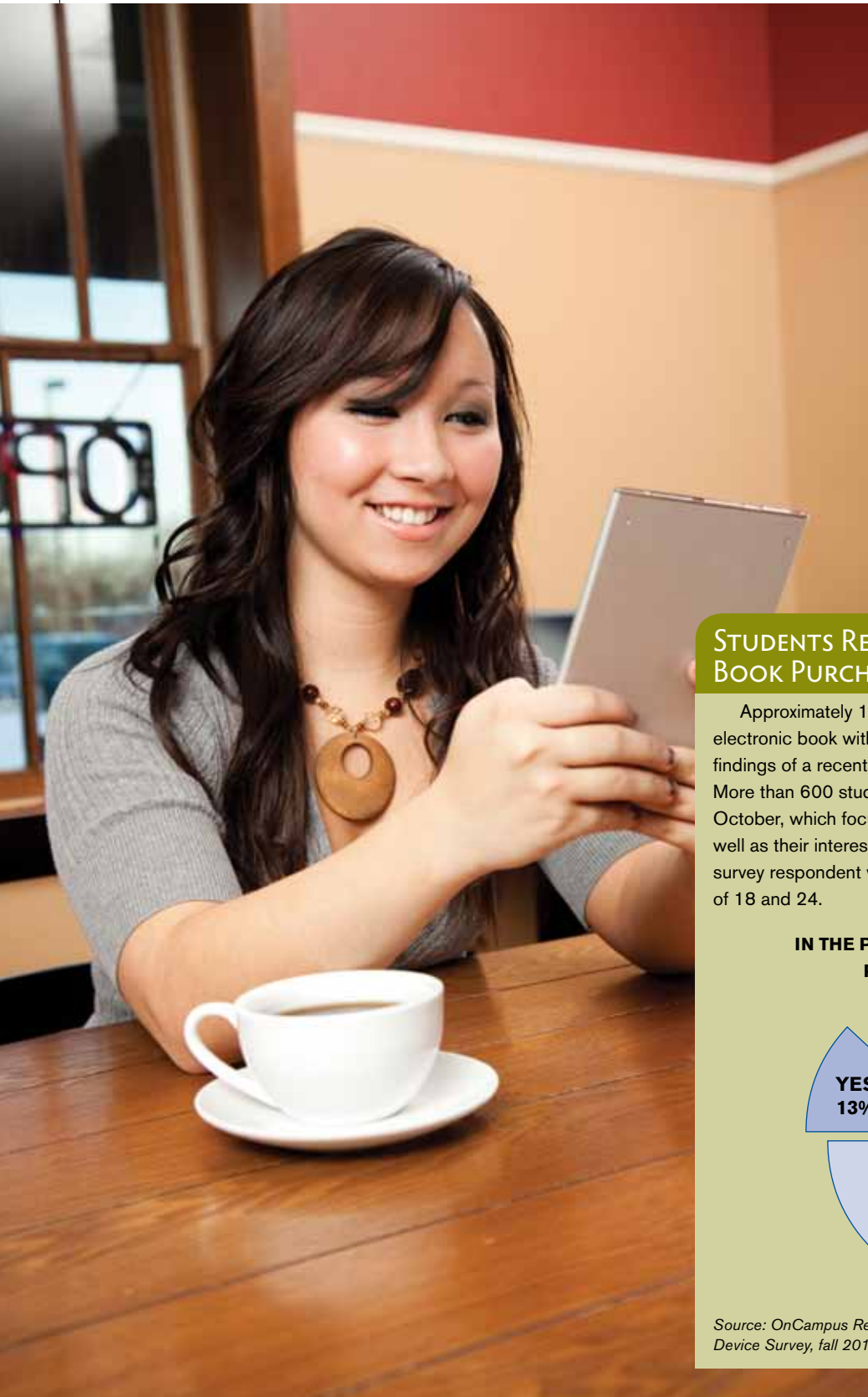
Of the students who prefer digital, 83% stated they favor digital over print because it reduces the weight of textbooks in their backpack. Another 78% like digital because all their required course materials are in one place at all times. Other top reasons include saving paper (69%), convenience (64%), price (63%), and they prefer technology (42%).

Source: OnCampus Research Student Panel Electronic Book and E-Reader Device Survey 2011

STUDENTS' PREFERRED TEXTBOOK OPTION WHEN TAKING A CLASS



Results from Student Watch studies and the OnCampus Research Student Panel



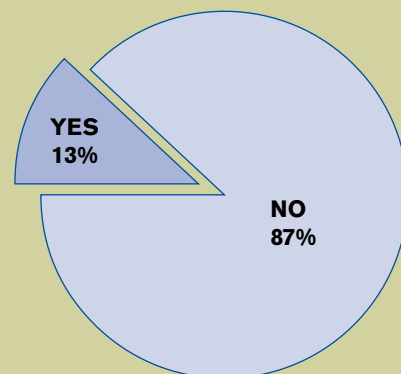
34%

A third of the student respondents who had recently purchased an eBook specified that the main purpose was specifically leisure reading.

STUDENTS REPORT FEW ELECTRONIC BOOK PURCHASES

Approximately 13% of college students reported purchasing an electronic book within the previous three months, according to the findings of a recent OnCampus Research student panel survey. More than 600 students participated in the survey, fielded in early October, which focused on college student usage of eBooks, as well as their interest in and usage of eReader devices. The typical survey respondent was a female upperclassman between the ages of 18 and 24.

IN THE PAST THREE MONTHS, HAVE YOU PURCHASED AN EBOOK?



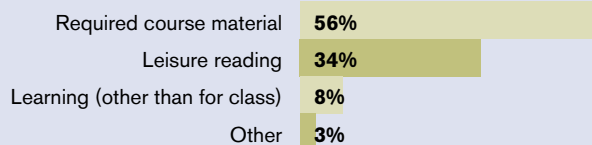
Source: OnCampus Research Student Panel Electronic Book and E-Reader Device Survey, fall 2010

MAJORITY OF STUDENT eBook PURCHASES ARE REQUIRED COURSE MATERIALS

Of the 13% of college students who indicated they had bought an eBook within the past 90 days, nearly six out of 10 (56%) stated that the primary purpose of purchase was to obtain required course material for class. Of these students, two-thirds (66%) indicated the required course material was an electronic/digital textbook, while approximately 30% said it was an electronic trade book required for the course.

Interestingly, a third of the student respondents who had recently purchased an eBook specified that the main purpose was specifically leisure reading.

COLLEGE STUDENTS' PRIMARY PURPOSE FOR PURCHASING AN EBOOK



Source: OnCampus Research Student Panel Electronic Book and E-Reader Device Survey, fall 2010

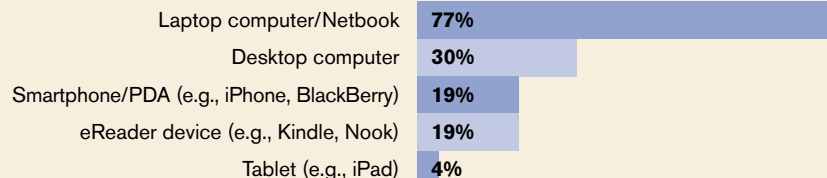
56%

Nearly six out of 10 stated that the primary purpose of their eBook purchase was to obtain required course material for class.

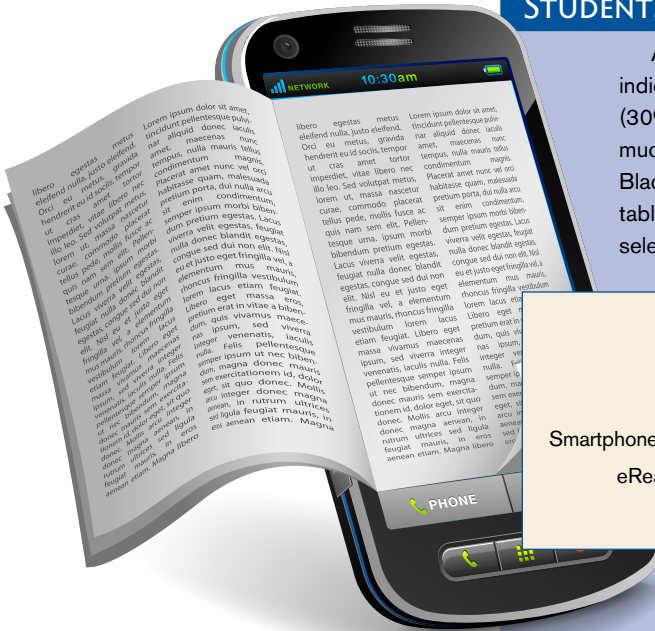
LAPTOPS AND NETBOOKS MOST COMMON DEVICES STUDENTS USE TO READ EBOOKS

Approximately 77% of the students who recently purchased an eBook indicated that they used a laptop computer or netbook to read their eBook. A third (30%) of the students selected a desktop computer to read their eBook, while a much lower percentage (19%) said they used a smartphone or PDA (e.g., iPhone, BlackBerry). Another 19% reported using an eReader (e.g., Kindle or Nook). A tablet (e.g., iPad) was the least common reading device employed by students, selected by only 4%.

DEVICES USED BY STUDENTS TO READ E-BOOKS



Source: OnCampus Research Student Panel Electronic Book and E-Reader Device Survey, fall 2010



Results from Student Watch studies and the OnCampus Research Student Panel

CHANGES IN SHOPPING HABITS

In the most recent Student Watch study, OnCampus Research provided students with a list of statements on shopping habits and asked them to indicate whether they agreed or disagreed, using a scale of 1-strongly disagree to 5-strongly agree.

The results show that nearly 75% of students agree or strongly agree that, compared to one year ago, they are comparing prices more often before making a purchase.

Two-thirds of students (66%) agree or strongly agree they are more concerned with running out of money for college than they were just 12 months ago. However, compared to the Student Watch 2009 results for the same question, there has been a decrease in the percentage of students who say they have switched to buying some less-expensive brands.

In addition, although the buzz surrounding eBooks and digital book readers is in full force, just 18% of students say they're buying more electronic products today (down from 24% in 2009) and only 18% agree that they have more money to spend (also down, from 25% in 2009).

Source: Student Watch 2011: Retail Edge: Insights into Your Core Consumer on Campus

Percentage of Students Who "Agree" or "Strongly Agree"	2009	2011
I compare prices more often before I buy something.	79%	75%
I am more concerned about running out of money for college.	66%	66%
I am using more coupons and other discount offers to save money.	62%	57%
I am less likely to buy impulse items.	60%	55%
I am shopping more in discount stores.	56%	55%
I have switched to buying some less-expensive brands.	66%	54%
I am spending more on entertainment.	21%	20%
I am buying more electronic products today.	24%	18%
I have more money to spend.	25%	18%
I am buying more designer-brand clothing.	11%	13%

PURCHASES PLANNED FOR THE NEAR FUTURE

In addition to where they recently shopped, students were also asked to list the items they plan to buy in the upcoming months.

Personal care items, such as deodorant and toothpaste, were indicated by the largest percentage of students (58%) as items they plan to purchase within the next three months. Interestingly, the second-most-selected item was shoes, with approximately 57% of students saying they plan to buy new shoes/footwear within the next 90 days.

When the data are segmented by gender, 63% of females plan to buy shoes in the near future. Also, 54% of females plan to purchase laundry and cleaning supplies, compared to 39% of males. In addition, approximately 30% of females plan to purchase greeting cards, while just 16% of males plan to make this type of purchase.

63%
of females
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near future.



RECENTLY SHOPPED STORES

Student Watch 2011 results indicate that, on average, students have \$179 per month to spend on discretionary purchases. When segmented by gender, females report having an average of \$167, while males report an average of \$192.

When deciding where they'll spend, students say the price of products is the most important factor influencing whether they will shop at a particular store. Considering that emphasis on price, it's no surprise that when students were asked to indicate the retail stores they have shopped during the past three months, big-box chains Walmart and Target came out on top. In fact, Walmart was selected by the highest percentage of students (62%), with Target as a close second at 58%. When the data are segmented by student status, more freshmen shopped at Walmart (69%) while a higher percentage of graduate students shopped Target (59%).

Source: Student Watch 2011: Retail Edge: Insights into Your Core Consumer on Campus



62%
of students
shopped at
Walmart, with
Target as a
close second at
58%.

Top 10 Stores Shopped by Females (Past Three Months)	Females Overall	Under 21	21-24	25-34	35 or older
Walmart	66%	66%	61%	67%	71%
Target	65%	68%	67%	65%	57%
Dollar stores	44%	40%	40%	45%	55%
Forever 21	34%	50%	41%	17%	6%
Victoria's Secret	32%	43%	37%	22%	15%
Kohl's	30%	30%	26%	28%	36%
Old Navy	27%	30%	26%	31%	19%
Macy's	24%	25%	23%	21%	25%
JCPenney	23%	22%	18%	21%	32%
American Eagle Outfitters	22%	34%	22%	10%	8%

Top 10 Stores Shopped by Males (Past Three Months)	Males Overall	Under 21	21-24	25-34	35 or older
Walmart	59%	59%	54%	57%	68%
Target	49%	49%	47%	56%	42%
Dollar stores	27%	25%	23%	28%	37%
Kohl's	18%	19%	15%	17%	23%
Dick's Sporting Goods	17%	20%	16%	15%	13%
JCPenney	16%	16%	14%	15%	20%
Macy's	15%	14%	17%	17%	14%
Old Navy	15%	15%	14%	19%	12%
American Eagle Outfitters	14%	19%	14%	9%	3%
Kmart	11%	9%	7%	13%	20%



Results from Student Watch studies and the OnCampus Research Student Panel

PREFERRED ADVERTISING METHODS



While there are numerous ways a college store can choose to advertise to students, it's important that the time, effort, and money to do so is invested in the methods that are going to be the most effective.

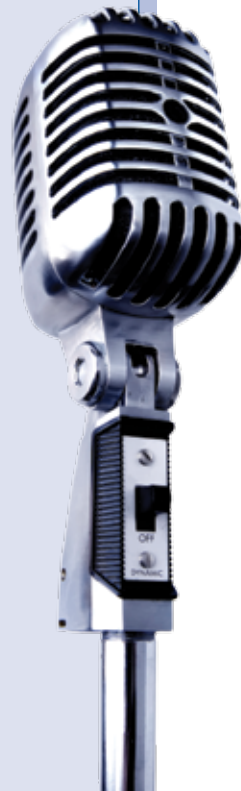
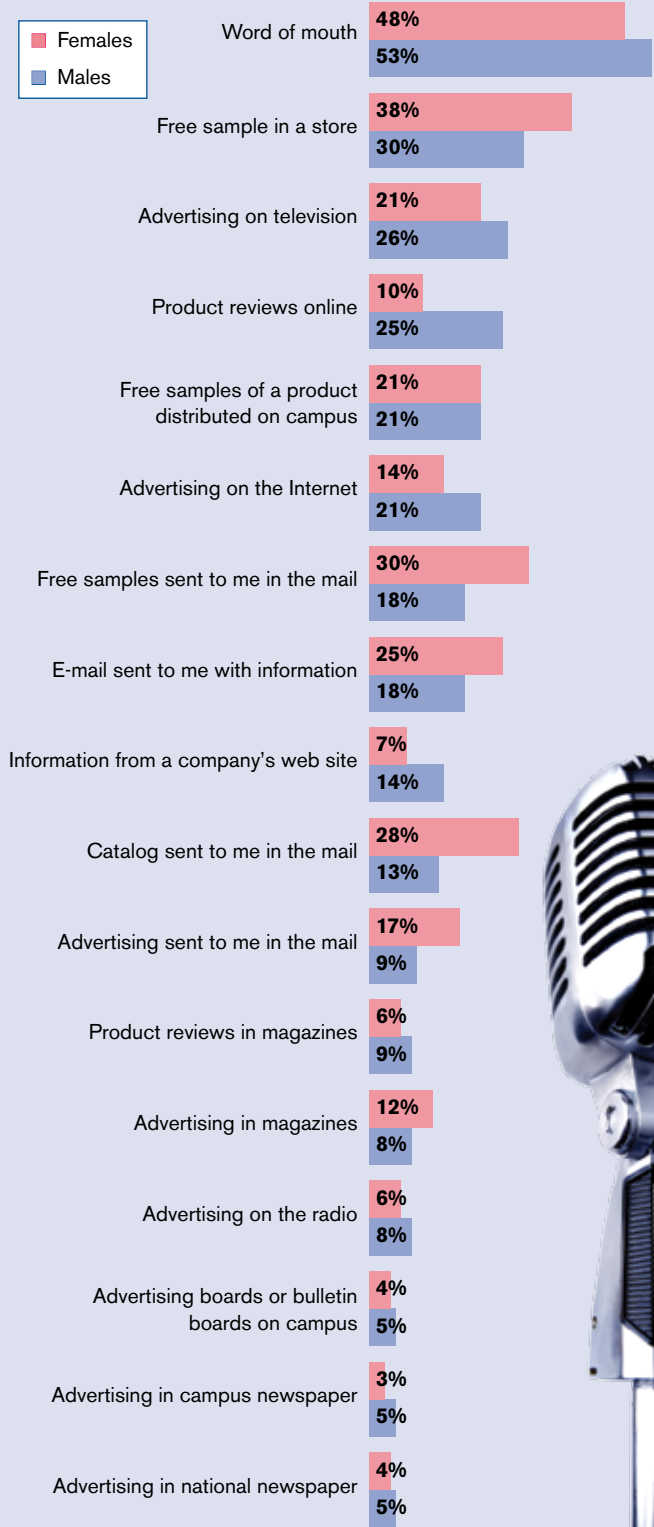
When students were asked to select the top three ways they prefer to receive information from retailers about products and services, word of mouth (50%), free in-store samples (34%), and free samples sent in the mail (25%) emerged as favorites.

Some interesting differences surfaced when the data were segmented by gender. Males tend to favor paper-free methods, such as advertising on the Internet, product reviews online, and obtaining information from a company's web site. Contrastingly, females report a greater preference for direct contact methods, such as free samples and catalogs sent in the mail.

Source: Student Watch 2011: Retail Edge: Insights Into Your Core Consumer on Campus

50% of students prefer word of mouth to receive information from retailers about products and services.

PREFERRED WAYS TO RECEIVE INFO ON PRODUCTS AND SERVICES BY GENDER



PARTICIPATION IN SALES PROMOTIONS

The “buy one item, get one item free” sale, frequently referred to as a BOGO sale, was the sales promotion most commonly utilized by students within the past three months. In fact, 64% of students reported taking advantage of a BOGO sale at least one to four times in the past 90 days, and 20% reported participating in a BOGO sale three to four times in that period.

Other sales promotions popular with students include a coupon for a specific dollar amount off of a purchase and “buy one item, get a discount on a second item.”

In follow-up focus-group sessions conducted by OnCampus Research, students stressed that in order for these types of sales and promotions to be alluring, the free or discounted item must be something they actually want or need. A low-value free or discounted item may actually dissuade students from participating in the promotion.

Source: Student Watch 2011: Retail Edge: Insights Into Your Core Consumer on Campus



64%
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advantage of
a BOGO sale.

Frequency of Sales/Promotions Participation	0	1-2 times	3-4 times	4+ times
Mail-in rebate	70%	24%	4%	2%
Free gift with purchase	60%	29%	7%	3%
Percentage off that increases with amount spent	51%	33%	11%	5%
Coupon for a future purchase	44%	39%	12%	5%
Buy one item, get a discount on a second item	31%	46%	17%	6%
Coupon for a specific dollar amount off of a purchase	31%	42%	18%	10%
Buy one item, get one item free	26%	44%	20%	10%

IMPACTFUL COMMUNICATIONS AND PROMOTIONS

Students indicate that recommendations from their friends continue to be the strongest influence on whether or not they will visit a store, according to the results of Student Watch 2011. A large majority (75%) of students say a suggestion from a friend is “likely” to “very likely” to get them to visit a retail establishment. Recommendations from family come in a close second with 71%.

Also, 70% of students say that coupons and other promotional offers are likely to encourage them to visit a store, which is up from 68% in 2009.

When asked in which activities they have participated within the past month, 40% of students say they used a discount coupon. Interestingly, the segmented data indicate 45% of females report using a discount coupon compared to 33% of males.

Source: Student Watch 2011: Retail Edge: Insights Into Your Core Consumer on Campus

“Likely” or “Very Likely” to Get Students to Visit a Store	2009	2011
Recommendations from friends	84%	75%
Recommendations from family	82%	71%
Coupons or other promotional offers	68%	70%
Frequent-shopper card/program	36%	42%
Window displays	48%	42%
TV commercials	52%	36%
E-mail advertisements	31%	29%
Local newspaper advertisements	32%	24%
Social networking site advertisements/promos	n/a	21%
Campus newspaper advertisements	30%	20%
Radio commercials	33%	20%
Mobile text-message advertisements	11%	11%

Results from Student Watch studies and the OnCampus Research Student Panel

STUDENTS CITE PRICE AS WEIGHTIEST FACTOR

Results from the current Student Watch study indicate the price of products is the most important factor affecting whether students will shop at a particular store. When asked to rate a list of retail store factors (e.g., price of products, product selection, customer service) on a scale of 1-not at all important to 5-very important, the price of products received a 4 or 5 rating from 93% of the student respondents, with 75% of students rating this factor "very important."

Not far behind prices, location of the store was rated "somewhat" or "very" important by 89% of students, up from 87% in 2009. Also important to students is a store's product selection, which received a 4 or 5 rating from 87% of respondents.

A factor that appears to have much less influence on students' decisions about where to shop is whether store profits are kept in the community (37%).

Source: Student Watch 2011:
Retail Edge: Insights Into Your
Core Consumer on Campus



The price of products received a 4 or 5 rating from 93% of the student respondents.



FRESHMEN VISIT THE COLLEGE STORE MOST OFTEN

As several past Student Watch studies have found, freshman students report visiting their college store on a far more regular basis than upperclassmen and graduate students. In fact, 20% of freshmen say they visit their college store at least once a week or more, compared to just 11% of upperclassmen and 6% of graduate students.

On the other hand, 11% of graduate students report never visiting their college store, compared to just 4% of freshmen. It's imperative that college stores recognize the loyalty of freshman shoppers and ensure product selection includes basic items freshmen require. Dorm décor, school supplies, ready-to-eat snacks, and cosmetics and toiletries are all products that could boost sales to this student demographic.

FREQUENCY OF VISITS TO THE COLLEGE STORE	Freshmen	Upperclassmen	Grad Students/ Other
5 or more times a week	1%	1%	1%
2-4 times a week	7%	4%	2%
Once a week	12%	6%	3%
2-3 times a month	24%	14%	11%
Once a month	22%	22%	17%
Once every 2-3 months	17%	26%	24%
Less than once every 2-3 months	14%	23%	31%
Never	4%	5%	11%

Source: Student Watch 2011: Retail Edge: Insights Into Your Core Consumer on Campus



TEXTBOOK PRICES THE MAIN REASON STUDENTS DON'T VISIT

Students who reported a low frequency of visits to their college store were asked to select the primary reasons for their lack of customer loyalty. As expected, 55% say pricing is the foremost reason behind not visiting more often. The majority of students (41%) specifically indicated textbook prices as the main reason for not visiting, while 14% indicated other merchandise prices as their leading reason for not frequenting their college store more regularly.

When the data are segmented by student status, it's evident that freshman students haven't yet had an opportunity to develop the more cynical attitude toward their college store that some upperclassmen and graduate students have acquired. While 41% of students overall indicate textbook prices as their main reason for not shopping on campus, only 26% of freshmen say course material prices at their college store are a factor.

MAIN REASON FOR NOT SHOPPING AT COLLEGE STORE MORE OFTEN	Overall	Freshmen	Upperclassmen	Grad Students/ Other
Textbook prices	41%	26%	46%	40%
Other	29%	48%	22%	30%
Other merchandise prices	14%	16%	17%	7%
Location	9%	3%	7%	17%
Product selection	4%	1%	6%	2%
Store policies	2%	2%	1%	3%
Customer service	1%	3%	1%	1%
Atmosphere	0%	2%	0%	0%

Source: Student Watch 2011: Retail Edge: Insights Into Your Core Consumer on Campus

20%
of freshmen say they visit their college store at least once a week or more.

Think you know everything about the college market?

THINK
AGAIN.

OnCampus Research can give you...

- Direct access to the ideas and opinions of more than 18,000 college students
- Understanding of the market with comprehensive, cost-effective programs and services

With more than 75 years experience, we are experts on the dynamics of the college market.



www.nacs.org/research

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