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'E-Commerce' Entrepreneurs Eye the Textbook Market

Facing competition from Web businesses, colleges stores are using technology to increase their sales

BY GOLDIE BLUMENSTYK

COLLEGE and university bookstores are hearing the drumbeat of Amazon.com.

The on-line bookseller, along with Internet buying services offered by the likes of Barnes & Noble and Borders Books and Music, is beginning to undercut business at college stores. At the same time, upstart "e-commerce" companies are emerging with their own designs on a share of the $5.8-billion market for college books and course materials.

VarsityBooks.com, one of those companies, is starting out by collecting book lists for courses from professors at five universities in and around Washington. It plans to sell discounted textbooks and specialty books directly to students over a World-Wide Web site this fall.

"Part of our strategy is to tap into the resentment that the average student feels toward the bookstore," says Eric Kuhn, a VarsityBooks founder. "We're going to be driving lots of traffic away from the bookstores."

Campus bookstores, meanwhile, aren't just sitting back as their customers go elsewhere. Many stores have created their own Web sites, and the National Association of College Stores is developing a Web service to help its 3,100 members make better use of the Internet.

The association's project, "CourseWeb," is a multipart venture designed to help stores create Web pages and become technological and educational resources for faculty members.

JOHN REIS FOR THE CHRONICLE

Cornell's Richard W. McDaniel:
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SHARING INFORMATION

On campuses where stores sign up for CourseWeb, professors will be provided with templates for creating Web pages. The templates will let them post class assignments, set up on-line discussions, create links to other sites, and—of course—list required and recommended books.

Stores will also be able to install systems that let students buy books by clicking on a book list and paying with a credit card or a campus debit card.

The CourseWeb home page (http://www.courseweb.org) will also be a source of information for professors about textbooks and other course materials. The college-store association plans to put up an electronic version of its *Directory of Publishers* at the site, along with bibliographic data bases from publishers and links to peer-reviewed Web sites.

Larry Daniels, associate executive director of the association, says the idea is to reflect and even extend, on line, the range of services of the campus store. "We're trying to mimic what the college store does today," he says. "It's more than procurement."

And while some universities have asserted that they have a copyright interest in Web pages that are created with campus resources and the help of university personnel, the store association says that if professors use CourseWeb, "what they put up there is their property," according to Mr. Daniels. It's an issue that came up often, he says, during focus groups that the association held with professors when planning the service.

CourseWeb grew out of a project at the Cornell University Campus Store, which has experimented with a small version for the past two years and is now testing the system in 233 summer-session courses. For each course, the bookstore creates a Web page with information about the required books. Professors can use those sites for their courses or create their own sites, using software from a company selected by the university.

The Cornell bookstore also provides other resources for professors, such as an electronic copy of *Books in Print*.

SOLIDIFYING THE MARKET

Richard W. McDaniel, director of Cornell Business Services, which runs the bookstore, says the project is a way for the store to solidify its market and improve its services. "It makes the college store even more integral to what takes place on campus," he says.

Supplementing the traditional store with a virtual store, he says, positions the operation for a time when more course material will be custom-packaged and delivered digitally. Last year, students in a Cornell psychology class, for example, bought course software from the bookstore, received a password, and downloaded the program from the software company's Web sites.

Cornell Business Services is the college-stores group's partner in the CourseWeb venture. The association, based in Oberlin, Ohio, plans to test the service this fall on three campuses and then expand it elsewhere in early 1999. Already, 217 college stores have expressed interest. Participating stores will pay an undisclosed fee.

WATCHING THE COMPETITION

The association has allocated $500,000 for the venture; Cornell says it has spent about $250,000 developing its service. CourseWeb is also expected to carry advertising, though not in the sections oriented to professors. "That's not our business proposition, to douse them with all kinds of advertising," says Mr. Daniels.

He recognizes that the new Web service might make bookstores more vulnerable to competitors. Some book lists will be available on line, where competing Internet booksellers have easy access to them. And students can always buy their books from those alternative sources. But those risks are worth taking, says Mr. Daniels. On-line book buying doesn't necessarily mean the end of the store, he says. "I order from on-line booksellers. I still go to physical bookstores."

POPULAR MAJORS

The new "e-commerce" companies are hoping he's wrong. The founders of VarsityBooks, Mr. Kuhn and Tim Levy, who are two years out of George Washington University's law school, say budget-conscious students will flock to a service that saves them money.

The company expects to sell textbooks at 15 per cent off the list prices, which many college stores use, and trade books at a discount of up to 40 per cent.

For this fall, VarsityBooks is focusing on collecting book lists from five institutions, all in the Washington area: George Mason, George Washington, and Georgetown Universities, and the Universities of Maryland and Virginia.

"We do not anticipate being a total solution," says Mr. Levy. But he expects the company to round up at least 75 per cent of the books on professors' lists. "We focus on the popular majors and the popular courses," he says. ■