The UH Bookstore System hit the ground running in Fiscal Year 2018. One of our biggest initiatives was the Interactive Digital Access Program (IDAP). IDAP provides many advantages to students, including significant cost savings compared to printed textbooks and a complete package of course materials on the first day of class. IDAP promises the lowest price offered by the publisher and can save students up to 70%. The Bookstore experienced tremendous success in developing the program, expanding from eight courses and 15 sections in Spring 2017 to 159 courses and 360 sections in Spring 2018. Since the program first started in Fall 2016, IDAP has served over 12,000 students system-wide and provided them with cost savings of over $2.1M. The Bookstore will continue to move this initiative forward in the upcoming year.

Another exciting addition to the Bookstore was reacquiring H-Zone’s retail operation from UH Athletics. Starting on July 1, 2017, H-Zone—including its online website and locations at Stan Sheriff Center and Les Murakami Stadium—came back under the management of the Bookstore. This unification now makes the Bookstore the sole provider of official University of Hawai‘i souvenir merchandise. Revenues exceeded expectations, netting $105,000 in net income for the year.

The Mānoa and Windward Bookstore locations became subject to paying ceded land taxes to the Office of Hawaiian Affairs in FY18. This annual requirement of paying 20% of gross revenues on soft goods is having a significant impact on the Bookstore’s overall operating expenses and will negatively impact our bottom line. Bookstore operations are required to be self-sustaining; as such, management will review our operations and fiscal model to see what steps might be taken to counteract the effects of this significant tax, which was $162,078 for FY18.

Overall, FY 2018 has been a year of growth and challenges for the Bookstore System. We look forward to evolving through these changes as we continue to navigate through the dynamic environment of higher education educational resources.

Tricia Ejima-Zane
UH Bookstores Director

### HIGHLIGHTS FROM THE PAST YEAR

#### Renovations on the Horizon
- Refreshing changes are on the way for several of our stores. During FY18, our Windward and West O‘ahu locations both entered the design phase of the renovation process, while our Kapālama location prepared for work to begin in Spring 2019. Our flagship Mānoa location made several improvements, including the installation of new fixtures and wall units.

#### Introducing IDAP to a Wider Audience
- Our Interactive Digital Access Program was presented at the Hawai‘i Student Success Institute and the 2017 NACAS West Regional Conference. We were pleased to share the growth and benefits of this program with state and national audiences. This information was especially valuable as campus bookstores search for new and innovative ways to serve their clientele.

#### Connecting with the Campus Community
- Throughout FY18, we hosted several well-attended events. The Holiday Preview Sale and Apple Faculty & Staff Sale allowed us to express our appreciation for our UH affiliates through the extension of special savings. The HI Pride T-shirt Design Contest and National Student Day provided students with fun ways to connect with the Bookstore and its many products and services.

### GOALS FOR FY19
- During the coming fiscal year, UH Bookstores will continue to grow IDAP with an increased focus on analytics to illustrate its positive effects on student learning and success.
- We will aim to increase our general merchandise product lines to meet the needs and desires of our clientele.
- In FY19, we will refine our processes to enhance our back-office productivity and front-end customer service.
- To provide the best possible service to our customers, we will revamp our training programs.

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**Laurny-Mae Pang**

UH Engineering Student | Pearl Harbor Nuclear Mechanical Engineer
FINANCIAL OVERVIEW

TOTAL SALES BY STORE FY18

- Mānoa Bookstore*: $11,385,173.26
- Maui College Bookstore: $863,530
- Kapiʻolani Bookstore: $1,815,094
- Hilo Bookstore**: $1,683,760
- Leeward Bookstore: $1,486,765
- Windward Bookstore: $512,556
- West O'ahu Bookstore: $896,939

*Flagship store.
**Also serving Hawai'i Community College & West Hawai'i campuses.

UH BOOKSTORE SYSTEM SALES BY DEPARTMENT FY18

- Textbooks: $10,893,373
  New, used, and rental textbook purchases for undergraduate, graduate, and Outreach College courses.
- Computers: $3,866,633
  Computer, laptop, and tablet purchases (Mānoa campus only).
- Phone cases, ink cartridges, flash drives, software, and other tech accessories.
- Supplies: $2,591,868
  School, office, and art supplies.
- Graduation regalia, culinary supplies (Kapiʻolani CC campus only), cosmetology supplies (Honolulu CC campus only). Snacks and sundries.
- Emblematics: $2,252,778
  UH licensed logo apparel and spirit items. Select non-logo apparel and gifts.
- Trade Books: $216,361
  Books by UH authors and UH Press. Books about Hawai'i, Asia, and the Pacific.

SALES BY DEPARTMENT FY17 FY18

<table>
<thead>
<tr>
<th>Department</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textbooks</td>
<td>$12,923,499</td>
<td>$10,893,373</td>
</tr>
<tr>
<td>Trade Books</td>
<td>$239,082</td>
<td>$216,361</td>
</tr>
<tr>
<td>Supplies</td>
<td>$2,718,988</td>
<td>$2,591,868</td>
</tr>
<tr>
<td>Emblematics</td>
<td>$1,922,116</td>
<td>$2,252,778</td>
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<tr>
<td>Computers</td>
<td>$5,128,757</td>
<td>$8,466,633</td>
</tr>
<tr>
<td>Campus Solutions</td>
<td>$64,765</td>
<td>$153,733</td>
</tr>
</tbody>
</table>

In addition to textbooks, the online store at bookstore.hawaii.edu/manoa sells officially-licensed UH apparel and sport items, school supplies, graduation regalia, and general interest books. Orders placed online may be shipped anywhere within Hawai'i, the U.S. mainland, or internationally out of our warehouse on the UH Mānoa campus. Alternatively, customers may choose in-store pickup as their shipping method. To help promote e-commerce sales, our Marketing and Communications Office distributes a Mānoa Bookstore e-newsletter to approximately 14,000 subscribers and manages social media accounts of more than 40,000 followers.

MĀNOA BOOKSTORE FY18 E-COMMERCE SALES

<table>
<thead>
<tr>
<th>Month</th>
<th>Total Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$17,561.83</td>
</tr>
<tr>
<td>August</td>
<td>$350,234.53</td>
</tr>
<tr>
<td>September</td>
<td>$18,872.67</td>
</tr>
<tr>
<td>October</td>
<td>$16,804.68</td>
</tr>
<tr>
<td>November</td>
<td>$19,602.39</td>
</tr>
<tr>
<td>December</td>
<td>$25,823.81</td>
</tr>
<tr>
<td>January</td>
<td>$155,191.96</td>
</tr>
<tr>
<td>February</td>
<td>$11,658.52</td>
</tr>
<tr>
<td>March</td>
<td>$25,929.52</td>
</tr>
<tr>
<td>April</td>
<td>$38,689.16</td>
</tr>
<tr>
<td>May</td>
<td>$25,411.31</td>
</tr>
<tr>
<td>June</td>
<td>$15,512.23</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$721,292.61</td>
</tr>
</tbody>
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TOTAL COST OF GOODS FY18

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<tr>
<th>Department</th>
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<tbody>
<tr>
<td>Textbooks</td>
<td>$3,173,072.94</td>
<td>$3,151,467.60</td>
</tr>
<tr>
<td>Trade Books</td>
<td>$68,662</td>
<td>$80,210.41</td>
</tr>
<tr>
<td>Supplies</td>
<td>$405,268</td>
<td>$425,954.76</td>
</tr>
<tr>
<td>Outside Services</td>
<td>$132,290</td>
<td>$134,927.37</td>
</tr>
<tr>
<td>Repair and Maintenance</td>
<td>$20,310</td>
<td>$17,761.70</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>$57,829</td>
<td>$72,650.48</td>
</tr>
<tr>
<td>Utilities</td>
<td>$25,411.31</td>
<td>$25,411.31</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$4,452,237.94</td>
<td>$4,644,049.46</td>
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BOOKSTORE SYSTEM TOTAL NET PROFIT FY18

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NATIONAL AFFILIATIONS

- Independent College Bookstores Association (ICBA) www.icbainc.com
- National Association of College Stores (NACS) - Large Stores Group www.nacs.org
- National Association of College Auxiliary Services (NACAS) www.nacas.org

PROFESSIONAL PARTNERSHIPS

- Apple Campus/Apple Inc. – authorized Apple campus retailer at Mānoa Bookstore
- Dell University – authorized Dell campus retailer at Mānoa Bookstore
- MBS Textbooks – textbook wholesaler, textbook buyback, POS, and website
- Rafter Inc. – rental textbook provider
- Redshelf – e-book/digital textbook supplier
- Verb – online textbook price comparison tool

UNIVERSITY OF HAWAIʻI BOOKSTORES

Annual Report: Fiscal Year Ending June 30, 2018
ACKNOWLEDGMENTS
Mahalo nui loa to:

Our team of employees who are dedicated to exceeding customer expectations.

Our colleagues in the Fiscal, Human Resources, and Information Technology departments for supporting our daily operations.

Department of Public Safety officers for providing a secure shopping environment.

The Marketing and Communications team for generating excitement about our products, services, and special events.

UH faculty and staff for collaborating with us to best serve the student population.

Our partner organizations for finding new ways to reach out to the university community.

Our customers for their feedback and patronage.

FY18 LEADERSHIP

Tricia Ejima
Director
UH Bookstores

Dee Okahara
Marketing Manager
Campus Services

Jake Chang
Campus Solutions Manager
Mānoa Bookstore

Marshal Chu
IT Manager
Campus Services

Jodee Dang
Manager
Leeward Bookstore

Debralee Goto
Manager
Kapi'olani Bookstore

Dee Gushiken
E-commerce Manager
Mānoa Bookstore

Sarah Hutz
Merchandise Manager
UH Bookstores

Kenji Jones
Warehouse Manager
UH Bookstores

Noel Mock
Manager
Kaua'i Bookstore

Shelly Oikawa
Manager
Honolulu Bookstore

Jean Okubo
Customer Service Manager
Mānoa Bookstore

Gladys Okuda
Books Program Manager
UH Bookstores

Margaret Stanley
Manager
Hilo Bookstore

Kelly Toyama
Computer & Technology Department Manager
Mānoa Bookstore

Kory Uramoto-Wong
Manager
West O'ahu Bookstore

Aaron Ventura
Manager
Maui Bookstore

Staci Yoshihara
Fiscal Administrator
UH Bookstores

FY18 EMPLOYEE SERVICE AWARDS

30 years
Arlene Fukunaga, UH Bookstores

10 years
Jodee Dang, UH Bookstores
Debralee Goto, UH Bookstores
Aaron Ventura, UH Bookstores