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Libraries on the Book Buying Merry-Go-Round: Internet Book Seller vs. Library Book Vendor

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Against the Grain

"Linking Publishers, Vendors and Librarians"

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Libraries on the Book Buying Merry-Go-Round: Internet Book Seller vs. Library Book Vendor
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Background
Once upon a time libraries purchased current in print domestic books from book vendors who specialized in providing books to the library market. There were quite a few such book vendors to choose from, they were willing to cater to the peculiar unique demands of each library, allowing the library (the buyer) to dictate many of the terms of doing business.

If Rumors Were Horses

Hmm... well companies may be merging, but people are emerging in new positions and venues all the time!

First up, Roy Reinalda. Roy, who I remember first meeting in 1979 as I started my new job as Acquisitions Librarian at the College of Charleston (I barely knew what a sales rep was and Roy was the oh-so-tall and sharp-as-a-tack Eastern Sales rep for Faxon, I believe), has just been named vice president of strategic development at EBSCO Subscription Services. Congratulations, Roy!

Another of our friends, the oh-so-awesome Craig Flansburg <Craig.Flansburg@galegroup.com> writes to say that he's changed companies and sales territories. With the SilverPlatter folks he was working in the midwest, but as of late January, Craig is with the Gale Group to work with the Carolinas! Craig says it's pretty exciting to be back here, and to represent all the companies Gale is pulling together: Gale Research, IAC, Primary Source Media and Macmillan. Another one

These suppliers were also willing to wait a long time for payment and were often willing to provide significant discounts on most books even though there was no real business reason to do so. After all, discounts are generally reserved for elements in the supply chain, not the end purchaser who is often subject to a huge markup in the retail world. For the most part, these vendors were reputable and libraries often developed friendly long-term relationships with them. Occasionally a library might obtain books from a local bookstore, but seldom on a large scale.

Enter the Internet, a whole new playground no less seductive to librarians than to the average net surfer and lo and behold continued on page 16

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from library staff, including the fact that Internet bookstores are cheaper, all without a shred of supporting data, it was decided to conduct a small study, comparing the prices of books as provided by an online bookstore and a traditional library vendor to the University Libraries of the State University of New York at Albany.

Eighty titles were selected to include a variety of subjects and bindings and included both trade and scholarly materials. The total number is small, but experience has shown that the result would likely be the same if 100 or 1,000 titles were studied. Actual invoices paid by the University Libraries for materials ordered from a well-known library book vendor were used to obtain data shown on the table in the columns headed LBV (library book vendor). The Website of the Internet bookseller provided prices for the same titles as if the Libraries were about to buy them, although such purchases were never finalized. These figures are shown in columns headed IBS (Internet bookseller).

The prices shown on Table I were documented as of specific dates in late 1999 and early 2000. They may or may not be the same today. Data for a given title were obtained on the same day from the library book vendor and the Internet bookseller. Collection of all data occurred between October 18, 1999 and February 10, 2000. It is not unheard of for a library to pay a different price for the same title purchased from the same source, not to mention different sources, at different times due to changes in publisher’s price, discount policies and other factors.

**Discussion**

As the data in Table I show, 72 of the 80 books were less costly from the traditional book vendor. Those that appear to be less costly online as well as an eighty first title are tales in themselves.

Only eight titles (items numbered 15, 24-28, 36-37, and 58) were obtainable from the Internet bookseller at an apparent lower price than offered by the library book vendor. In two of these cases, the library book vendor added a $4.00 surcharge after discounting the list price. The Internet bookseller sometimes added surcharges also. In this sample, while the surcharge was less than $4.00, the list price was not discounted. Both used surcharges on titles for which they receive little or no discount from the publisher. The total price differences were only $1.45 and $1.05 on books with the $4.00 surcharge. The apparent savings ranged from $1.05 to $2.79, inconsiderable at best. However, this advantage could easily be lost when the Internet bookseller’s $3.00 base shipping fee per order is factored in. If a library bought only those titles that were cheaper from the Internet bookseller and bought enough of them at one time so that the savings exceeded $3.00, it would save some money, but not a great deal and who would go to such lengths? Any savings would be more than offset by the cost of staff time.

One also finds different base or list prices from bookseller to bookseller, both online and traditional. This situation is familiar to librarians used to making price comparisons in pre-Internet days. It simply means that percent of discount cannot be the sole focus. It is the bottom line after discount, surcharges and shipping continued on page 20
costs that tells the story. In the sample studied, there were only three titles with different list prices. Both were lower at the library book vendor who also ultimately offered the lowest overall price for both books.

Thus the sum total for these 80 books is $273.68 less from the traditional library book vendor than the price offered by the Internet bookseller. While this library cannot use the Internet bookseller in any case, it is encouraging to know that we are obtaining a better price using the means at our disposal.

The 81st book: a tale of whistling

As any book hunter knows, the trail can take some strange twists and turns. If one is struck by a sudden desire to rekindle a childhood interest in whistling and hunts the shelves of the local bookstore, it is unlikely that a large selection of books on whistling will be there. Searching an online book store may be more productive. A search on one such bookstore site resulted in six titles, one of which was *Harry Potter and the Prisoner of Azkaban*, unlikely to be a good guide to how to whistle. Ignoring that false lead, one does find good detail on the five others, including pictures of the covers, description, information about authors, and some rather home grown reviews. One of these titles seems particularly appealing, but it is small (60 pages) and it lists for $10.95 plus $3.95 shipping. Perhaps the library vendor can do better. Alas, the vendor’s database does not list that title at all. A close examination of the information at the online site indicates that the book is self published. Might the author have a Web site? Indeed he does and, in fact, lives just about miles away, quite a coincidence in the vast world plumed by the Internet. He will ship the book for $9.95 post paid upon receipt of a check!

In this case, a personal order was placed and in just a few days the book arrived—a pristine copy, signed by the author. A library capable of producing a check for a prepaid order will receive the same service.

**Conclusion**

To reiterate: One might ask whether the hype is true. And one might ask whether traditional library book vendors will be there when we need them.

**Hype**

It’s ALL hype! Jeff Bezos, founder of amazon.com becomes Time magazine’s “Person of the Year,” while the company he founded has never made a profit and in the fourth quarter of 1999 lost $323 million, 543% more than in the same quarter of the preceding year. At last, though, there was said to be a profit on book sales. Amazon business model is to branch out into other commodities, perhaps in a search for profitability. Any library book vendor could have told Mr. Bezos that there’s not much money in books. There are a number of Internet booksellers all fighting for the attention of a miruscle book buying public. If the neighborhood bookstore is fighting for survival, so are at least some of the Internet ones.

**Speed hype**

Part of the mythology seems to be that books ordered online arrive rapidly on one’s doorstep. The online bookstore used in this study states a usual shipping time, but there are no guarantees. One cannot determine whether a book is actually in stock. If not, delivery time is unlikely to be speedy. The library book vendor offers stock information both on its Web site and by telephone. Stock status is a crucial factor in speed of delivery.

Because this library does not order from online booksellers, there is no data on shipping time from them. However, it is clear that “rush” orders telephoned to the library vendor are received by the library in five to seven days when the book is in stock, using regular ground transportation. This has been sufficiently fast for the Libraries’ purposes, but the option of overnight or second day air delivery is available for an added fee if desired. These are the same shipping options offered by the Internet bookseller.

Both accept returns as well, but the Internet bookseller requires returns to be made within 30 days, whereas the library book vendor has no stated time limitations, is very liberal and in fact is required by state contract to pay for returns.

**Price hype**

The data provided here indicate that one must be cautious of pricing offered by Internet bookstores. Despite variations in the circumstances of individual libraries, it seems likely that some others would find similar results. Comparisons must be made, however, in order to determine where the best price and service are to be found.

**Security hype**

The vulnerability of Internet sites, particularly large, popular ones, was made painfully clear in early February 2000 when hackers sent volleys of data that overwhelmed a number of heavily used sites, including a bookstore. As the New York Times noted: “The Internet’s strength has proved to be its most disturbing weakness,” referring to the Internet’s accessibility and the anonymity of those who use it. Likewise, despite assurances that credit card information is “secure,” there have been instances where such information was stolen and widely disseminated.

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Conclusion

The Internet is a near perfect medium for enticing the unawary! But if all the Internet bookstores disappeared overnight, traditional library book sellers would be there eager for libraries’ business. However, a number of familiar names in the library selling world have either disappeared or been taken over by others, reducing choices among book sellers who focus on the library market. If this trend continues, libraries might not only be less able to offer discounts to libraries. Or, those few remaining might not do a large enough volume of business to command significant discounts from publishers and, therefore, would be unable to offer discounts to libraries.

Moreover, some Internet book sellers buy their books from the bookstore servicing side of familiar library book vendors. If the book starts out at $x and a library can buy it from either $x or $y, why add another side to the equation? Just buy it from $x.

Conclusion

Librarians have long juggled the sometimes conflicting demands that they obtain materials at the best price and with the best service possible. Often, one or the other prevails. Nevertheless, part of the job has been to weigh these factors and make rational judgments. The advent of the Internet in no way obviates that responsibility, although it certainly does add some new ingredients to the mix.

Internet bookstores were created with the individual consumer, not libraries, in mind. In many cases, they may offer what the individual purchaser wants, including a better price and more convenience than a brick and mortar bookstore might offer, although there are still issues to be raised regarding the survival of the latter, and examples such as the whittling book where an individual can do better elsewhere in cyberspace. However, Internet bookstores have little incentive to cater to library needs, including shipping and billing, negotiating discount, providing specified numbers of invoice copies, etc. Libraries which use Internet book sellers essentially do so on the booksellers’ terms. Traditionally, libraries have been able, to a large extent, to find suppliers who were willing to do business on the library’s terms.

Falling prey to the hype of the Internet, losing sight of these responsibilities, and consequently adding to the burdens of library book sellers, libraries may very well fail to save the library either time or money and kill the goose that for many years gave them golden eggs in the form of specialized service and sizable discounts.