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

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"Linking Publishers, Vendors and Librarians"

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

by **Sydney K. Allen** (Instructional Support Associate, Acquisitions Department, University Libraries, State University of New York at Albany) and **Heather S. Miller** (Assistant Director for Technical Services and Systems, University Libraries, State University of New York at Albany) <hm766@cnsvox.albany.edu>

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 and unique demands of each library, allowing the library (the buyer) to dictate many of the terms of doing business.

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

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If Rumors Were Horses

Hmmm ... 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

of the fun aspects of Craig's new job is that he's working with the oh-so-wonderful **Linda Hendrix** who is now covering Florida, Georgia, Alabama and Tennessee, and the also-oh-so-wonderful **Barbara Baumgartner**, who moved from **DRA** to the **Gale Group** to cover Indiana/Kentucky. Craig and his lovely wife **Ronnie** have moved to a new address while they are building their "empty nester" home since their daughter, **Christie** is at **Wellesley**. So Craig and Ronnie now have a cat on which to lavish their attention. Here's their current address: 3313 Palmetto Place, Ft. Mill, SC 29708; ph.: 803-548-2382 or 800-877-4253 x2094.

And **Craig** (above) tells me that **Diane Graves** (Hollins) has a daughter named **Elena**, just like the **Strauch** daughter **Ileana**. By the

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On the Book Buying Merry-Go-Round from page 1

it has bookstores! What fun! Book loving librarians often found themselves using their leisure time to search various bookselling sites for desired books. (A whole other world of out-of-print book-hunting also opened up on the Internet, but that is another story.) Online bookstores offer lots of enjoyable attractions such as reviews, connections to titles similar to the one you started looking for, chat rooms, and ways to keep track of your interests and inform you of enticing possibilities. The fact that some of these are absurd, erroneous, and/or annoying seems to have daunted few.

Librarians soon began to order books for their libraries from online bookstores. Here things became a bit more complex. A credit card was required in almost all cases. Few acquisitions librarians were the proud possessors of such plastic, but those who had such cards were all set. Ordering was quick and easy, delivery times promised to be short. What more could one ask?

A lot, as it turns out! One might ask whether the hype is true. And one might ask whether traditional library booksellers will be there when we need them. But before delving more deeply into these

questions, it will be instructive to consider some prices.

Purchasing constraints at the University Libraries

Being a state agency, this library is under more constraints than some, but it is not alone in lacking a credit card. If an Internet bookseller is able to provide a proforma invoice, a library may be able to select materials and have them held while the proforma invoice is processed. However, this library is not permitted to pay in advance and the process would significantly delay the arrival of the material in any case. Likewise, deposit accounts, offered by some Internet booksellers, are frowned upon. Thus, the State University of New York at Albany University Libraries are limited to purchasing from those who will ship and bill. Perhaps a gift certificate might be usable, but so far no benefactor has offered one to the Libraries.

New York has a state-wide books and non-print library materials contract which lists a number of approved library book suppliers. Most of the familiar names among North American library book vendors are included. For each company, the

contract lists discounts and/or handling charges for several types of publications including trade, non-trade, textbooks and net publications. Shipping and tax are not charged. The intent of the contract is to obtain favorable terms, but in fact a given company's terms may not suit a particular library. Large libraries may be able to negotiate terms that are more advantageous to them. The University Libraries has done so,

exchanging a slight reduction in discount for hardcover trade books for a significant discount on trade paperbacks. This kind of awareness of terms and the ability to negotiate suitable terms is basic to the role of the acquisitions professional.

The prices paid to the library book supplier used in this study reflect the terms negotiated by this library. Another library's terms might be different. Such differences should, of course, result in different comparative results.

Price comparison study Methodology

Having heard the wonders of Internet book buying from other libraries and

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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. How-

ever, 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

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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 whittling

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 whittling and hunts the shelves of the local bookstore, it is unlikely that a large selection of books on whittling 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 whittle. 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 200 miles away, quite a coincidence in the vast world plumbed 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.

booksellers all fighting for the attention of a minuscule 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 times 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.

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 has branched 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

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 unwary! But if all the Internet bookstores disappeared overnight tonight, traditional library booksellers would be there eager for libraries' business. However, a number of familiar names in the library book selling world have either disappeared or been taken over by others, reducing choices among booksellers who focus on the library market. If this trend continues, libraries might find no one there, or at least no one who is as willing to adhere to library demands. 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 booksellers 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 booksellers, 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.

**Table 1: Internet Book Sellers vs. Traditional Library Book Vendor
COMPARISON OF PRICES**

	IBS LST	LBV LS	LBV TL	IBS TL*	DIFF			
1	\$15.95	\$15.95	\$10.05	\$12.12	\$2.07			
2	\$48.80	\$48.80	\$44.90	\$49.75	\$4.85			
3	\$12.00	\$12.00	\$9.00	\$6.95	(\$2.05)			
4	\$65.00	\$65.00	\$40.95	\$46.45	\$5.50			
5	\$39.95	\$39.95	\$36.75	\$40.90	\$4.15			
6	\$39.95	\$39.95	\$25.17	\$28.92	\$3.75			
7	\$6.99	\$6.99	\$5.24	\$9.79	\$4.55			
8	\$15.99	\$15.99	\$10.07	\$12.14	\$2.07			
9	\$17.95	\$17.95	\$13.46	\$15.31	\$1.85			
10	\$15.95	\$15.95	\$11.96	\$13.71	\$1.75			
11	\$6.99	\$5.99	\$4.49	\$6.54	\$2.05	diff list prices		
12	\$39.95	\$39.95	\$25.17	\$28.92	\$3.75			
13	\$50.00	\$50.00	\$42.50	\$50.95	\$8.45			
14	\$40.00	\$40.00	\$25.20	\$28.95	\$3.75			
15	\$24.95	\$24.95	\$21.21	\$18.42	(\$2.79)			
16	\$69.50	\$69.50	\$63.94	\$70.45	\$6.51			
17	\$10.95	\$10.95	\$8.21	\$9.71	\$1.50			
18	\$85.00	\$85.00	\$53.55	\$60.45	\$6.90			
19	\$14.95	\$14.95	\$11.21	\$12.91	\$1.70			
20	\$14.95	\$14.95	\$11.21	\$12.91	\$1.70			
21	\$12.95	\$12.95	\$8.16	\$10.02	\$1.86			
22	\$24.95	\$24.95	\$18.71	\$20.91	\$2.20			
23	\$45.00	\$45.00	\$28.35	\$32.45	\$4.10			
24	\$21.99	\$21.99	\$19.35	\$22.94	\$3.59			
25	\$9.95	\$9.95	\$13.15	\$11.75	(\$1.40)	incl. surcharge \$0.85		
26	\$8.95	\$8.95	\$12.23	\$10.75	(\$1.48)	incl. surcharge \$0.85		
27	\$9.95	\$9.95	\$13.15	\$11.75	(\$1.40)			
28	\$7.95	\$7.95	\$11.31	\$8.90	(\$2.41)			
29	\$40.00	\$40.00	\$25.20	\$28.95	\$3.75			
30	\$12.95	\$12.95	\$9.71	\$11.96	\$2.25			
31	\$24.99	\$24.99	\$21.99	\$25.94	\$3.95			
32	\$12.95	\$12.95	\$9.71	\$11.31	\$1.60			
33	\$18.95	\$18.95	\$16.68	\$19.90	\$3.22			
34	\$25.00	\$25.00	\$15.75	\$19.70	\$3.95			
35	\$79.50	\$79.50	\$73.14	\$80.45	\$7.31			
36	\$19.95	\$19.95	\$22.35	\$20.90	(\$1.45)	incl. surcharge \$4		
37	\$24.95	\$24.95	\$26.95	\$25.90	(\$1.05)	incl. surcharge \$4		
38	\$20.00	\$20.00	\$12.60	\$15.95	\$3.35			
39	\$26.00	\$26.00	\$19.50	\$23.05	\$3.55			
40	\$60.00	\$60.00	\$52.80	\$60.95	\$8.15			
41	\$21.00	\$21.00	\$15.75	\$17.75	\$2.00			
42	\$60.00	\$60.00	\$52.80	\$60.95	\$8.15			
43	\$12.95	\$12.95	\$9.71	\$13.90	\$4.19			
44	\$24.95	\$24.95	\$22.95	\$25.90	\$2.95			
45	\$45.00	\$45.00	\$28.35	\$32.45	\$4.10			
46	\$14.95	\$14.95	\$11.21	\$13.66	\$2.45			
47	\$45.00	\$45.00	\$33.75	\$39.20	\$5.45			
48	\$45.00	\$45.00	\$28.35	\$32.45	\$4.10			
49	\$13.95	\$13.95	\$10.46	\$12.11	\$1.65			
50	\$36.25	\$36.25	\$31.90	\$37.20	\$5.30			
51	\$34.95	\$34.95	\$22.02	\$25.42	\$3.40			
52	\$59.95	\$59.95	\$52.76	\$60.90	\$8.14			
53	\$17.95	\$17.95	\$13.46	\$16.21	\$2.75			
54	\$54.95	\$54.95	\$48.36	\$55.90	\$7.54			
55	\$16.95	\$16.95	\$10.68	\$12.82	\$2.14			
56	\$18.00	\$18.00	\$11.34	\$13.55	\$2.21			
57	\$65.00	\$65.00	\$40.95	\$46.45	\$5.50			
58	\$22.95	\$22.95	\$19.51	\$18.16	(\$1.35)			
59	\$24.00	\$24.00	\$15.12	\$17.75	\$2.63			
60	\$39.95	\$39.95	\$36.75	\$40.90	\$4.15			
61	\$61.95	\$59.65	\$52.49	\$62.90	\$10.41	diff list prices		
62	\$58.95	\$56.80	\$49.98	\$59.90	\$9.92	diff list prices		
63	\$20.95	\$20.95	\$19.27	\$21.90	\$2.63			
64	\$18.00	\$18.00	\$16.56	\$18.95	\$2.39			
65	\$32.00	\$32.00	\$28.16	\$32.95	\$4.79			
66	\$50.00	\$50.00	\$31.50	\$38.45	\$6.95			
67	\$54.95	\$54.95	\$48.36	\$55.90	\$7.54			
68	\$62.50	\$62.50	\$55.00	\$63.45	\$8.45			
69	\$29.95	\$29.95	\$18.87	\$23.41	\$4.54			
70	\$16.00	\$16.00	\$12.00	\$13.75	\$1.75			
71	\$22.95	\$22.95	\$20.20	\$23.90	\$3.70			
72	\$36.95	\$36.95	\$33.99	\$37.90	\$3.91			
73	\$17.95	\$17.95	\$13.46	\$18.90	\$5.44			
74	\$24.95	\$24.95	\$18.71	\$20.91	\$2.20			
75	\$14.95	\$14.95	\$11.21	\$12.91	\$1.70			
76	\$22.00	\$22.00	\$13.86	\$16.35	\$2.49			
77	\$16.95	\$16.95	\$12.71	\$15.36	\$2.65			
78	\$21.95	\$21.95	\$16.46	\$19.61	\$3.15			
79	\$23.95	\$23.95	\$15.09	\$18.91	\$3.82			
80	\$11.95	\$11.95	\$8.96	\$11.11	\$2.15			
			\$1,918.05	\$2,191.73	\$273.68			