Against the Grain

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Random Ramblings -- Falling Prices in the Out-of-Print Book Market

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Prices are taking yet another tumble in the out-of-print book market. While I don't have statistically valid evidence for this decline, I see the signs. As a small book dealer, I have recently been evaluating some older stock. Almost without exception, I have reduced my prices to remain competitive. Since many of these items were older to begin with, I don't believe that a decline in popularity is the key factor. Furthermore, I donate books that I can't sell to libraries and check their value on *used.addall.com* for my income tax deduction. Before this year, the median value for almost all books was never lower than $1.95, the standard minimum price on some selling sites. Now, I am valuing many gifts at $1.00. Since these cheap books are often yesterday's best sellers and other popular materials with large print runs, this statistic means that hundreds of copies are available for next to nothing.

I believe that increased completion is the reason for declining prices. **Better World Books** and **B-Logistics** are actively soliciting books from the library market. More libraries now sell directly, most often with "free" labor from their Friends groups. I am among the experts that spread the word to libraries that they could get more money for their books than the standard book sale prices. Seventy-seven people attended my **ALCTS** Webinar on maximizing revenue from unwanted gifts and library discards. Thrift stores have also entered the market. **Goodwill** outlets from around the country are channeling their wares through the various online vendors. While I don't completely understand how they can make any money, some large vendors sell thousands of books per month if not per day at prices as low as one penny. These massive sellers depend upon volume and provide generic descriptions for the materials that they sell. They also often make mistakes such as describing a paperback as not having a dust jacket and generally have lower customer approval ratings. They often crowd out smaller vendors by taking up the first page or two when listings are organized by price. In fact, many items have a large price gap, often several dollars or even more, between the offerings from the mega-sellers and those from smaller vendors.

The op market also has many more casual sellers as the word spread that money could be made from selling used books. As often happens, the influx of new sellers led to greater competition, lower prices, and less profit. *Half.com* in particular makes it easy to sell a few books now and then since their commission structure doesn't penalize smaller sellers as **Amazon's** does.

Another factor in the price decline may be automatic pricing programs. Larger vendors have developed programs that dynamically adjust prices according to set rules to gain the maximum competitive advantage. Small vendors can "rent" the same capability from several sources. I often find that an item that I have just listed at the lowest price is then undersold by a few pennies within the next few hours once the price bot finds my item. I'd like to know what happens when two bots compete against each other. Does the price decline to zero? I've even heard stories of dealers who offer books at ridiculously low prices to trap the automatic pricing program into matching that price, at which point the dealer buys the item before increasing the price to reasonable levels.

What does this all mean? Casual sellers can throw away the books on how easy it is to make money in the op market. Making a decent profit requires greater skill in selecting materials for sale, accurately describing the items, and providing excellent customer service. Libraries are finding even more bargain buys on the Internet. On the flip side, libraries are discovering that many fewer withdrawals and unwanted gifts have value beyond book sale prices. The biggest challenge may be for the Internet sites that set a minimum listing price for sellers who use their services. **Amazon** has set the bar as low as it can go with their penny books. Alibris has already changed its $1.95 minimum to $.99, which may still be too high for some items. *Half.com* may also need to consider its $.75 minimum. If their profitability depends upon a commission structure that assumes higher prices, they may also have to adjust what they charge third party vendors.

While not the main subject of this discussion, the threat of eBooks overhangs the op market. Personally, I think that the current op market for physical materials can co-exist with the eBook market as long as eBook vendors use licensing to stop a secondary eBook market from developing. Compared with the $4.00 cost including shipping for a physical book, the current price for an eBook may still seem high. Some buyers will also still prefer a physical copy or won't want to buy an eBook reader. In the music area, I still successfully sell physical CD's where the digital equivalent of the whole album or the individual song is available.

Selling out-of-print materials now takes place in an efficient, mature market. Some sellers will drop out because the profit isn't worth the time. Others will become more efficient or provide added value in greater reliability and customer service. A final group will sell an occasional item now and then or remain involved as a moderately profitable hobby.

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would, at least partially, solve the orphan works issue problem, but the judge has yet to rule on whether the settlement can go forward. Many legal scholars, librarians, and others have criticized the proposed settlement's handling of orphan works and opined that this should be left to federal legislation and not to private ordering among parties to the **Google Books** suit. It is possible that an amendment will again move forward in **Congress**, but it is not clear that this will happen.

QUESTION:* *A school librarian asks how long the school should archive its emails and whether any of those emails that contain copyrighted material subject the institution to liability for infringement due to the archiving.

ANSWER: Each organization, school, etc., should have a record retention policy which includes how long it will archive email. For state-supported institutions, the length of time should take into account the state government policy. For private institutions, the length of time may be based on the statute of limitations for bringing suit that would be based on any email. In any event, most libraries do not stand alone but are a part of a larger institution or organization, and their policies should be those of their parent organizations.

On the other hand, a library might be responsible for archiving email of a particular individual or entity as a part of a general archival project, in which case the length of retention would be the same as for other items. The retention policy might be "forever" if the emails are to be archived for future researchers.

The copyright infringement issue is much easier to answer. Even if any archived item contains any infringing material, the institution is not likely to be liable under section 512 of the ***Copyright Act***, the online service provider liability provision. In offering email services to its staff, faculty and students, the institution is considered to be a passive provider, and it would not be liable for the infringing activity of a user of the service if certain easy-to-satisfy conditions are met. Once the institution is aware of the infringing activity of a user, however, it has a responsibility to take disciplinary action and can even cancel the user's access to the email service.