

The Book Business: The Bookstore as an Alternative Funding Source for the Public Library

by Benjamin F. Speller, Jr.

Many public libraries tend to miss revenue-building opportunities because they do not consider income-producing activities a function of their organizations. At a minimum, nonprofit organizations should be willing to invest time and efforts in evaluating the potential for generating income through their own business efforts.

Some nonprofit organizations have made significant inroads in search of alternative revenues. A number of publicly-supported organizations have generated substantial revenues to support their operations by establishing bookstores or gift shops as auxiliary enterprises where they sell art, reproductions, cards, and other publications. Although many public libraries receive additional financial support from used book sales sponsored by their Friends organizations, the bookstore or gift shop as an auxiliary enterprise may be the best place to concentrate initial efforts at tapping unique revenue sources.

What Are Key Marketing Considerations?

The following marketing issues need to be explored in determining the feasibility of a bookstore:

1. Is there a bookstore already located in the library's geographical district? If so, are the needs of the potential customers being met at an adequate level?
2. Is the public library in the best location for a book store?
3. Would it be feasible to operate bookstores in library branches as well as in the main library?
4. How much diversification would be needed to intensify raising capital for the bookstore's operations?
5. What is the most effective governance structure for the bookstore?
6. What other nonprofit organizations (video

evangelists, clubs, foundations, and local cultural arts centers) are engaged in profit-seeking activities?

7. What assistance is available to get seed money for exploratory ventures or capital formation?
8. Are there state regulations and local ordinances that might restrict profit-making ventures by publicly-supported nonprofit organizations?

The question of legitimacy in the idea of the bookstore should also be addressed as early as possible in the marketing process. The bookstore operations must be consistent with the basic mission of the public library — either tied to a program interest, a function, or a need for service. As long as the governing board and the library's professional staff agree on the explorations made for the bookstore, the legitimacy is maintained.

What Are Key Operational Considerations?

While the marketing plans and activities are being carried out, operational issues should be addressed as well. The library should consider the following:

1. What is the best way to structure the administration of the bookstore?
2. Who should own the bookstore? The library as an auxiliary enterprise? The Friends of the Library?
3. How should the bookstore be staffed? Volunteers? Paid staff?
4. What categories of books should be stocked?
5. Should the bookstore stock: new books? used books? Both?
6. What other print materials should be stocked? Magazines? Newspapers?
7. Should electronic formats be stocked? Computer software? Videocassettes?
8. How often and how long should the bookstore be open for business?

The bookstore or gift shop appears to be a viable alternative funding source for public libraries when adequate considerations have been given to marketing and operational issues.

What Are Some Final Considerations?

Public libraries should consider seriously the possibility of establishing a bookstore with some diversification, where appropriate. The reasons for having the bookstore are:

1. to serve as a viable alternative funding source for the library.
2. to provide a service not currently available in the geographical area served by the library.
3. to support those residents seeking text materials for home study courses.
4. to provide, as an additional public service, materials supplementary to those in the library's collection and difficult to find for purchase elsewhere.
5. to provide for those libraries that have Friends-sponsored annual or semiannual book sales a mechanism for keeping the used book stock to a manageable level.
6. to bring people into the library.

Libraries seeking to establish bookstores or gift shops as an auxiliary enterprise are urged to investigate liability, insurance of stock, credit, capital funds and related financial and legal matters. The bookstore or gift shop appears to be a viable alternative funding source for public libraries when adequate considerations have been given to marketing and operational issues.

Who is Doing It and Helpful Sources

Nationally, there are several public libraries and quite a number of cultural organizations that operate bookstore/gift shop related enterprises as alternative sources of funding. Locally, check with your Chamber of Commerce to find out if any of the nonprofit organizations in your area are in the bookstore/gift shop business.

The following information resources were consulted in preparing *The Book Business*:

McAllen Memorial Library
601 North Main Street
McAllen, Texas, 78501-4688
Contact Person: Gerard Mittelstaedt
e-mail mittelst@tent.edu.us
Voice Phone: (210) 682-4566
Fax: (210) 682-1183

Anderson, Charles B. and others, *A Manual on Bookselling*, New York: American Booksellers Association (distributed by R.R. Bowker), 1969.

A body of technical knowledge offered by seasoned successful professionals. A must reading for neophytes.

Kotler, Philip and Alan R. Andreasen, *Strategic Marketing for Nonprofit Organizations*, Fourth Edition, Englewoods Cliffs, N.J.: Prentice Hall, 1991.

Bringing You the World of Small Press and Video

- 1500 Presses • 7000 Titles
- All in Stock • Adult Non-Fiction
- Annotations Services • Preview/Approval Plans
- Electronic Ordering

1-800-323-4241 • Toll Free

• 708-295-1556 • FAX



QUALITY BOOKS INC.
a dawson company

JOHN HIGGINS, SALES REPRESENTATIVE

