

# From Clutter to Cash: Online Book Sales at the University of Maryland's Engineering and Physical Sciences Library (EPSL)

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**ABSTRACT** In 2003 the University of Maryland's Engineering and Physical Sciences Library conducted a pilot project selling gift books on the internet resulting in gross sales totaling \$9,326, a net profit of \$6,917, for only 96 calculated staff hours. This article describes this project from inception through conclusion summarizing the detailed processes needed to get started and make it profitable, while also giving step-by-step advice on running an online book sale. After three years of operation (over \$18,000 in sales), the Library Administration Earned Income Committee recommended retail sales such as this not be part of the Libraries Mission.

**KEY WORDS.** Online book sales, discarding of books, periodicals, etc., Amazon.com Inc., book sales, Ebay Inc.

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## Introduction

In February 2003, the Engineering & Physical Sciences Library (EPSL) at the University of Maryland began a pilot project to test the feasibility of selling our gift books on the Internet through Half.com, a subsidiary of eBay. For the past several years, EPSL has received over 5000 donated books per year. Most of them are scientific and technical, and in excellent condition. Before 2003, gift books were checked against our collection and titles we did not already own were added to our collection where needed, and the rest were then discarded or sold at an annual campus-wide book sale. Because of an acute shortage of shelf space, we have rarely added duplicate copies. The vast majority of the donations have ended up in the annual book sale, where they sold for a mere fraction of their actual value. Many, in fact, did not sell at all, because Sci/Tech books are such a specialized market.

At the Maryland Library Association (MLA) Annual Conference in May, 2004, Bob Kackley and Gloria Chawla described this online book sale pilot project from inception through the detailed processes needed to get it started and then make it profitable. Since then we have received several queries for more details, which is understandable given the financial plight many libraries face.

In 2004, Half.com was to be absorbed by its parent company eBay, but due to the popularity of the Half.com format, it is still in existence. After the threatened possible demise of Half.com, EPSL online book sale transactions were made via Amazon.com, which we found more favorable than Half.com or eBay itself. The Amazon.com process seemed more streamlined for our purposes and had a larger number of titles available in its inventory (though comparing different online book sellers is beyond the scope of this article). We continued to

maintain the inventory we originally listed on Half.com, but only actively listed new gift books on Amazon.com. The important steps to list our inventory with Amazon.com were similar to those taken in 2003 with our successful Half.com online book sale.

## **The Inspiration for this Sale**

During the 2003 University of Maryland (UM) campus-wide book sale, one of our student assistants showed us the profit that could be made from Internet book sales. On the first day of that book sale, he paid \$350 for 5 boxes of books. During the final hours of the sale, he bought 5 additional boxes for \$35. Within 60 days, he sold all of the books on Half.com for over \$4000. His ten-fold profit margin was the impetus for our own foray into the world of online book sales.

Our enterprising student assistant offered some sales tips:

- Look for specialty books in hot topic areas, for example, bioengineering, computer security, and nanotechnology.
- Introductory books sell well, because they are often used as class text books, or by readers who want to brush up on a subject, for their job assignments or perhaps for comprehensive exams.
- Classical texts, such as the *Feynman Lectures on Physics*, are perennial favorites.
- The market is brisk for professional books, such as *The Legal Aspects of Architecture*.
- Reference books, dictionaries, and handbooks are highly marketable despite the availability, in many cases, of online versions.

- Hobby and recreational books sell very quickly. *The Science of Golf*, for example, sold the same day it was listed.
- The market for university press books is especially good, perhaps because they are not as widely distributed as the commercial press books.
- Finally, utilize *OCLC's WorldCat* to see how many libraries own a book. Wide ownership indicates that the book is popular where, at the same time, very few owners indicate that the book might be hard to find, and therefore bring a good price.

With that lesson in mind, the EPSL staff developed a proposal for our library administration calling for a pilot project to find out if sales income would be enough to cover staff time and expenses and still provide a healthy return. With over 5000 books per year to sell, along with millions of potential buyers, we guessed that many of the books would sell quickly and bring a significantly higher price than they would at the UM annual book sale. Facing possible funding cuts, we were also looking for new sources of revenue to enhance our budget through an endowment fund that could be used to purchase additional books and materials for EPSL.

## **Background**

We began with a library literature search on book sales which turned up less information than expected. Most of the articles related to book sales were concerned with what can be regarded as regular or non-Internet book sales. There did happen to be a few articles concerning selling donations or unwanted books online. In November 1999, Kathleen Baxter helped initiate an electronic book sale after gaining approval from the library director as well as the Library

Board of the Anoka County Library in Minnesota. One discarded book, the Oxford English Dictionary set, sold for \$400 to a customer through their eBay book sale. (1)

In 2002, the Los Gatos Public Library Friends of the Library (California) sold 167 “not needed anymore” books via eBay for \$6,700. Dale S. Hill (2003), did comment about how this could be a labor intensive venture (we dispute this later in this article) (2). Friends of Libraries USA has a notable web site about other online book sale ventures:

[www.folusa.org/html/onlinesellers.html](http://www.folusa.org/html/onlinesellers.html) which has a list of the numerous Friends groups that are currently selling their books via the Internet. Also in 2002, the Boston Public Library partnered with some commercial booksellers (lacking the internal resources to accomplish the feat) and did quite well with some discarded books via Amazon.com (3). In fact, there is an online book sales site devoted entirely to selling books from public, academic and private libraries.

[www.librarybooksales.org](http://www.librarybooksales.org) has over 400 libraries participating in its online book sales.

Regarding regular book sales, Pat Ditzler’s and JoAnn Dumas’ classic The Booksale Survival Kit describes the history of the Lancaster (Pennsylvania) Area Library annual book sale and offers tips to help other libraries organize conventional used book sales(4). These book sales can add significant amounts to library funds. At the University of Maryland, our Gifts-in-Kind coordinator, Cynthia Sorrell, coordinated a very successful book sale for many years. In the

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1. Kathleen Baxter, “Your Discards May Be Somebody’s Treasure,” *Library Journal* 125, no. 6 (2000): 62-63.

2. Dale Hill, “Selling Withdrawn and Gift Books on eBay: Does It Make Sense?,” *Journal of Interlibrary Loan, Document Delivery, and Information Supply* 14, no. 2 (2003): 37-40.

3. Jennifer Pierce, “Weeding the Amazon Way,” *American Libraries* 35, no. 7 (2004): 90.

4. Pat Ditzler, “Inside Pandora’s Box --- Anatomy of a Used Book Sale,” *Against the Grain* 13, no. 1 (2001): 89-90.

beginning, the yearly book sale generated \$6,000 and over the next two years, due to an increase in the number of books donated to the University, the total rose to over \$16,000 per year.

Although this was a large percentage increase over this time period, we believe that EPSL's online book sale promised to bring in more money for less work considering the smaller inventory of books available for EPSL to sell versus the number of books available for the annual book sale.

We must also point out Goldfarb's "first-of-its-kind study", showing that used book sales in 2004, in the United States alone, topped \$2.2 billion, a gain of about 11% from 2003. This represented 8.4% of the total consumer book spending. While this gain in bookstores themselves was only about 4.5%, Internet book sales surged by an astonishing 33% with a total sales figure of \$609 million(5). According to the Book Industry Study Group, 37% of all used book sales were made over the internet (a total of 41.1 million units sold). Online sales increased by 34.2% from 2003 to 2004, accounting for 70 percent of the sales growth in used-books, while traditional used book sales only increased by 0.8% with the bulk of that growth in college book stores. Used-book sales at non-college book stores declined over the same period (6). According to the

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5. Goldfarb, Jeffrey. "Hunting New Books, Publishers Haunted by Used Ones." *Reuters News Service* (European Media). [http://news.yahoo.com/s/nm/20051018/en\\_nm/media\\_bookfair\\_usedbooks\\_dc](http://news.yahoo.com/s/nm/20051018/en_nm/media_bookfair_usedbooks_dc) (accessed via Factiva database, December 6, 2005)

6. Book Industry Study Group, *Used-Book Sales: A Study of the Behavior, Structure, Size, and Growth of the Used-Book Market* (New York: Book Industry Study Group, 2006): 10-11, 67, 69.

7. Book Industry Study Group, *Used-Book Sales: A Study of the Behavior, Structure, Size, and Growth of the Used-Book Market* (New York: Book Industry Study Group, 2006): 19.

Book Industry Study Group, the internet will most likely be a growing marketplace for libraries to dispose of their excess books. Their book, *Used-Book Sales: A Study of the Behavior, Structure, Size, and Growth of the Used-Book Market* provides compelling statistics regarding the boom in online book selling.

## **Setting up a seller's account**

It took several months to get the necessary approvals (which would, of course, vary for each institution) and then set up the accounts with Half.com. We first had to gain approval from the UM library administration which was understandably cautious because of financial and legal implications such as how the endowment fund would be created and how the money would be spent. But Dr. Charles Lowry, Dean of the UM Libraries, supported this vanguard effort to increase revenue coming into the library system especially during questionable budget times.

To allay concerns, the UM legal department was consulted early in the process. Our lawyers determined first, that converting donated books into cash was an acceptable use of state property. Then, it was determined that no sales taxes were collected if the books are sold on the internet to out of state buyers. Finally, we were in compliance with a non-compete contract held by the campus book store vendor.

The first step in opening our online book sale was to secure a credit card as a security measure since each seller must have a credit card number on file with Half.com. The billing address registered with Half.com had to be the same as the billing address on the credit card. Usually, the credit card information is used only to verify the seller's identity and protect users from fraud. The card might, however, incur charges in case of a billing dispute if our

seller's account balance had insufficient funds (for example, if the buyer claims that a book was never delivered). UM campus regulations required the manager of the account to attend a half-day class on legal usage of a state credit card before obtaining the Visa Card.

The next step was to inquire about how to obtain a bank account for the exclusive use of the EPSL book sale. Getting a bank account from the state of Maryland presented such a high hurdle that, for the first eight months, the book sale operated without a bank account. Instead of a direct deposit of our funds, we opted to have a bimonthly check mailed from Half.com to us. This system worked very well until September 2003 when, for the first time, we sold over \$1000 in a single month. When we sold more than \$1000 in September, Half.com temporarily removed our inventory from their database because of their limit on sales volume for any seller who does not have direct deposit. Again, this is a security measure to protect buyers from fraud. Because this halted our sales at the peak time of the year, it was decided that it would be best to establish a direct deposit account. Ownership of an existing endowment fund was transferred to the UM libraries and that fund has been used as our account.

An email account from the campus was obtained just for the book sale as required by Half.com. Finally, we registered the Engineering & Physical Sciences Library as a seller on Half.com and eBay. Registration on both sites was necessary to set up a seller's account on Half.com. We used the same email address for both Half.com and Amazon.com.

## **The Online Book Sales Process**

### **Listing Gift Books for Sale**

There is a great demand for scientific and technical books on the Internet, especially at the beginning of the fall and spring college semesters. With millions of potential customers for



our books, it was decided to try to increase the supply of donations. With permission from the library administration as well as heads from the various academic departments, we actively solicited gifts for the online book sale from faculty and others. The response from an email to the astronomy, geology, physics, and mathematics departments was nearly overwhelming. Another email to the entire faculty of the College of Computer, Mathematical, and Physical Sciences brought another flood of donated books. The faculty was enthusiastic about selling donated books in order to establish an endowment for purchasing new library materials.

The first step when gift books arrived at EPSL was to check them against our catalog. Books that the UM Libraries did not own were then referred to the selectors, who decided which ones would be added to the collection. All books that were duplicates or that were rejected by the selectors were then eligible for sale online. An EPSL staff member entered the ISBN or title into the Amazon.com or Half.com search box. If the book was in the inventory, a page would pop up with a picture and all relevant information on the book, including sales prices for new and used copies. The staff member would click on “sell yours here” and then enter the condition and price for the listing. In order to remain competitive, we tended to match or go slightly lower than the price of the used books listed.

Many donated books could not be sold because they were in poor condition, outdated, or simply did not appear in the Half.com or Amazon.com databases. Those books were sent to Cynthia Sorrell, Coordinator of the Gifts-In-Kind office in McKeldin Library (main library), for the more traditional annual Library book sale.

### **Book Condition**

Amazon.com's standard guidelines made it easy for the staff member to determine the condition of the book:

- *New*: Just like it sounds. A brand-new, unused, unread copy in perfect condition.
- *Like New*: An apparently unread copy in perfect condition. Dust cover is intact; pages are clean and are not marred by notes or folds of any kind. Suitable for presenting as a gift.
- *Very Good*: A copy that has been read, but remains in excellent condition. Pages are intact and are not marred by notes or highlighting. The spine remains undamaged.
- *Good*: A copy that has been read, but remains in clean condition. All pages are intact, and the cover is intact (including dust cover, if applicable). The spine may show signs of wear. Pages can include limited notes and highlighting, and the copy can include "From the library of" labels.
- *Acceptable*: A readable copy. All pages are intact, and the cover is intact (the dust cover may be missing). Pages can include considerable notes--in pen or highlighter--but the notes cannot obscure the text.
- *Unacceptable*: Moldy, badly stained, or unclean copies are not acceptable, nor are copies with missing pages or obscured text. Books that are distributed for promotional use only are prohibited. This includes advance reading copies (ARCs) and uncorrected proof copies.

For a complete description of the quality guidelines, visit the Amazon.com Condition Guidelines page at:

<http://www.amazon.com/exec/obidos/tg/browse/-/1161242/103-0147841-5803821> . As a rule, when in doubt about the quality of the book, we assigned the lower level. It is always better for buyers to get better quality books than they might have expected.

### **Assigning a Book Price**

Half.com and Amazon.com recommend the following sales prices on the *average* book, based on condition: 50% of the retail price for a book that is *Like New*; a book in *Very Good* condition brings 45% of the retail price; 40% of the retail price for *Good* condition; 35% of the retail price for a book in *Acceptable* condition. If the book is out of print, in great demand, or signed by the author, Half.com and Amazon will recommend a higher price. Conversely, a lower price is recommended if the market is flooded with that particular title. This tends to be true especially for works of non-fiction or popular novels. There is no minimum listing price on Amazon.com, but we did not list books valued below \$5.00 because it would not have been worth the staff time.

### **Filling Orders**

Once a day, a staff member checked the book sale email account for any new sales. Our gift books were shelved in a “gift” room in the library. One section was devoted to the Half.com listings (we stopped listing on Half.com once we began selling on Amazon.com, but did not eliminate books that were listed previously) and were shelved alphabetically by author name. The other section was for Amazon.com books, which were shelved according to the date they were listed for sale. The staff member printed out the orders (including a mailing label, shipping invoice, and information for our records), pulled the requested book, and prepared it for shipment using the printed mailing label and shipping invoice.

Books that sold for over \$15 were shipped by United Parcel Service, which offers a tracking and delivery confirmation. All other books were shipped by the U.S. Postal Service, using the media rate. It was not cost effective to mail all books out by UPS, even though it was faster and allowed tracking and delivery confirmation. Amazon.com gave a shipping credit to UM of \$3.49 for domestic standard shipping and \$5.49 for expedited shipping. This reimbursement fell short of the roughly \$4.00 average cost to ship by UPS, but it more than covered the cost for either *Media Mail* or *Library Rate* from the US Postal Service. Half.com gave a shipping credit of \$2.33 for the first hardcover book and \$.90 for each additional hardcover book per individual order. Paperbacks were reimbursed at the rate of \$1.89 for the first one, and \$.65 for the second.

### **Payments**

Half.com charged a commission per order on the sales price (not including the shipping credit) as follows: Items under \$50 =15%, \$50 to \$100= 12.5%, \$100 to \$250= 10%, \$250 to \$500= 7.5%, and over \$500= 5%. There were no other fees to create an account, or to list items for sale. Amazon.com charged a 15% commission for all book sales along with a variable closing fee. In addition, a Pro Merchant monthly subscription fee of \$39.99 was deducted from the total monthly sales. If total sales did not cover the fee, that amount was charged to the EPSL credit card.

Half.com and Amazon.com sent payments twice monthly either by direct deposit into the seller's bank account or by check. They charged \$1.50 per mailed check, but did not charge for direct deposit. Unless the seller had set up direct deposit, sales were limited to \$1000 in a single month.

During the trial year, we gave four refunds. One buyer was dissatisfied with the book's condition, one suffered "buyer's remorse" and cancelled the order, while two others received the wrong book. In each case, it was decided that it was best to follow the principle that the "buyer is always right", in order to protect our reputation as a seller. Buyers and sellers are asked to provide feedback on the success of the transaction. Many potential customers will check a seller's feedback to help them decide if the seller is trustworthy. Bad feedback can seriously damage future sales potential.

## Cost Analysis

After a year operating the online book sale, we were in a position to provide solid estimates of expenditures for staff time and supplies:

### Staff Time

ACTIVITY	TIME SPENT	FREQUENCY	TOTAL TIME ANNUALLY
Appraise book	30 seconds per book	1303 times (# of books listed)	10.9 hours
Enter ISBN, condition and set price	1 minute per book	1303 times	21.7 hours
Check email account	5 minutes per day	260 work days per year	21.6 hours
Confirm order (print out invoice and shipping label)	2 minutes per book	306 books sold	10.2 hours
Shipping (retrieve item and package for shipment)	5 minutes per book	306 books	25.5 hours
Accounting (maintain monthly spreadsheets of payments and expenses)	30 minutes per month	12 months	6 hours
<b>TOTAL STAFF HOURS</b>			<b>95.9 hours</b>

**Direct Expenses**

<b>ITEM</b>	<b>HOW MUCH</b>	<b>COST</b>	<b>TOTAL</b>
Paper and toner to print invoice pages	306 books x 3 pages = 918 sheets	3 cents per page	\$27.54
Boxes and envelopes	306	FREE (supplied by acquisitions department)	\$0
Packaging Tape	10 rolls	\$1.40 per roll	\$14.00
<b>TOTAL</b>			<b>\$41.54</b>

Note: This total does not include the Amazon.com Pro Merchant fee, since we did not begin to sell with them until August 2004.

**Evaluation of the Online Book Sale Project**

At the end of the yearlong pilot project, we calculated the following costs and profits.

Gross profits (306 books sold with an average price of \$30.48)	\$9,326.47
Reimbursement for postage (by Half.com and Amazon.com)	660.93
Labor Costs *	1,630.30
Direct expenses (paper, boxes, packing tape)	41.54
Commission deducted by Half.com and Amazon.com	1,398.97
<b>NET PROFIT</b>	<b>\$6,916.59</b>

\* Please note that, except for some general maintenance by one librarian and the administrative assistant, a Graduate Assistant at EPSL did most of the work related to this online book sale. The average salary for employee per hour was estimated to be \$17.00.

A total of 1303 books were listed between February 1, 2003 and February 1, 2004. 306 of them sold at an average price of \$30.48 each. At the time we ceased operations, we had 1360 books in our inventories on Half.com and Amazon.com. If sales had continued at the same rate (23% of stock sold), our projected gross profit for 2004-2005 would have been approximately \$9,500.00. Assuming roughly 96 staff hours would have been spent working on this project annually, this would have given us a gross profit of \$99.00 per hour worked.

## **Conclusion**

In late 2005, the Libraries' Earned Income Committee decided that the UM Libraries would no longer participate in any book sales or marketing projects. The bindery unit was no longer allowed to bind books for outside customers, the Friends of the Libraries online gift shop was closed, and the Engineering Library and Gifts-in-Kind office online book sales were told to cease operations. (8) The remainder of our approximately \$40,000 inventory was gradually taken off our inventories on Half.com and Amazon.com and by the end of March 2006 we had given away all the books to students and library users.

Despite the obstacles and potential stumbling blocks, we have shown that this pilot project was a success on many fronts. First, it was an excellent public relations activity and drew attention to library needs by involving the colleges who would most benefit from our using the funds to purchase books and serials that they requested and making them feel a part of the

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8. See "Earned Income Committee Summary – Final: Library Earned Income Activities Summary Finding", 22 September 2005 <http://www.lib.umd.edu/PUB/earnedincome.html> and "Administrative Memo # 44 Effective April 2006 "Earned Income" <http://www.lib.umd.edu/PASD/LPO/AdminMemos/memo44.html>

process. Second, it was a cost effective way to generate funds for library materials by converting books that would normally have been discarded into a readily available source of revenue. During the course of the project, at least two dozen books were listed and sold on the same day, and at least a half-dozen books that had no value for our collections sold for over \$100 each on Amazon.com and Half.com. Finally, staff took ownership and pride in the activity. Staff working on the project felt an immediate sense that they were contributing to the fiscal health of the UM Libraries and were looking forward to moving beyond the pilot phase into a regular process and the establishment of an endowment.

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