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## **“Zip Books”: Using the Online Marketplace to Build Stronger Collections and Higher Customer Satisfaction By Delivering Books Quicker at Lower Cost**

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### **Abstract:**

*Nearly one-third of California’s 1119 libraries are using the convenience of the online marketplace to provide their communities with books faster and more cheaply than traditional interlibrary loans. “Zip Books” was piloted as a way to decrease the delivery challenges often faced by small, geographically isolated rural libraries. This customer-centric program buys books rather than borrowing them, responding to customers’ requests by having books sent directly to their residences. Customers then return the books to their local libraries, where they are added to the library collection or offered to other libraries. A Zip Books purchase arrives on average within three days compared to two to four weeks for an interlibrary loan. Staff processing time for a Zip Books request averages 10 minutes versus 30 minutes for an interlibrary loan. Analysis shows that overall costs in time and labor for a Zip Books transaction is about one-third that of a traditional interlibrary loan. When added to a library’s collection, a Zip Books purchase circulates more frequently. Since its inception with three smaller, rural library systems, the program has grown to 55 jurisdictions and is being tested in metropolitan and larger suburban library systems. To date, Zip Books has proven itself to be a cheaper, faster method of book delivery to customers that builds stronger collections and higher customer satisfaction. Zip Books won’t entirely replace interlibrary loans because there are materials that can’t be obtained through that process, such as genealogy resources, out-of-print books, historical research, technical materials, academic materials, microfilm, and journal articles. But Zip Books is a cost-effective model for resource sharing and collection development, that any library can use and build upon.*

**Keywords:** Purchase-on-demand, interlibrary loan, patron-driven acquisitions, public libraries, California

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After starting with three isolated rural libraries six years ago, nearly one-third of California's 1119 public libraries are using the convenience of the online marketplace to provide their communities with books faster and more cheaply than traditional interlibrary loans.

Zip Books was piloted as a way to decrease the delivery challenges often faced by small, geographically isolated rural libraries. The customer-centric program buys books rather than borrowing them, responding to a customer's request by having the book sent to their residence. The customer returns the book to their local library where it's added to the collection or offered to other libraries.

The ability to offer a customer-driven service like Zip Books is just one of the innovations being fostered by new technologies affecting discovery and delivery of information.

Those technologies have also shifted the focus of interlibrary loan from simply delivering materials to providing demand-driven services. In an age when information is abundantly available online, libraries must continuously strive to meet changing customer expectations about ease of discovery and speed of delivery. Nowhere is this more important than in the public library, where librarians are increasingly faced with reimagining traditional services to better meet the needs of their communities.

Interlibrary loan is a core service, widely expanding customer access to resources, but it is notoriously labor-intensive: Find the books, put them on a truck or in the mail and deliver them to multiple locations. Fuel, postage, labor all combine to make interlibrary loan one of the more expensive services offered by libraries.

For this reason, California, like many other states, has a long history of state support for lending between public libraries. The 1977 California Library Services Act established transaction-based reimbursement for public libraries to subsidize interlibrary loan services. Libraries received an "offset" per interlibrary loan transaction, ostensibly to foster improved cooperation between library jurisdictions and provide better customer service statewide.

At first this model worked well. But as state subsidies declined and costs for interlibrary loan and delivery increased, the gap between funding available for local reimbursement versus the overall cost of borrowing was over \$15 million (Himmel and Wilson, 2000).

Public libraries began charging "local transaction fees" to offset costs and cut back on interlibrary loans or, in some cases, simply, eliminated them.

Ultimately, state reimbursement for interlibrary loans was eliminated in 2011. It's unlikely to ever return.

For the past several years the California State Library has been exploring cost-effective alternatives to traditional interlibrary loan for public libraries. One of these alternatives is Zip Books.

California has 1,119 libraries – the most of any state. Approximately 400 of these are small, located in geographically isolated areas with limited hours of operation and staffing. Zip Books was envisioned as a delivery model that would help those libraries improve their service – and capacity.

## **How It Began and Why It Works**

The effort began in three remote county libraries -- Butte, Humboldt and Shasta -- the same year interlibrary loan reimbursement was eliminated by the state.

Between the three of them, those counties have a population of 541,000 -- the two largest cities with populations of 91,000 each -- scattered over 9,576 square miles. That's an area bigger than Slovenia, San Salvador, Israel and Kuwait. An area twice as large as Qatar, Jamaica and Lebanon.

Zip Books employs a "buy versus borrow" model with a twist: Library materials -- limited to books in tangible formats -- are requested by customers, ordered through an online commercial vendor like Amazon and then shipped directly to the customer rather than to the library first, saving the customer a trip to the library, which in rural California can mean 30 miles or more.

Customers return the items to the ordering libraries after they're finished and the libraries then decide whether to add them to their collections or dispose of them in some other way such as offering them to other libraries or including them in library book sales.

Using this simple model, the three pilot libraries found that the Zip Books process was much faster than traditional interlibrary loan, for both library staff and customers. They reported that staff time to process requests was reduced by *two-thirds*. Delivery time to the customer was reduced from two to six weeks for traditional interlibrary loan to less than three days.

The pilot libraries reported that Zip Books achieved a cost savings of nearly 70 percent over traditional interlibrary loan and that the service was extremely popular with their customers, who appreciated the speed and convenience of having items sent directly to their homes (Erickson, 2012).

Given the success of the pilot, in 2013 the State Library expanded the project to 30 rural library systems -- 170 individual libraries -- around the state. Federal Library Services and Technology Act funding was used to pay for this expansion. The project was both popular and impactful, so much so that the State Library has extended the project every year since 2013.

Success has spurred the state to invest \$2 million in the program -- \$1 million in each of two years. The project has now expanded to 55 library systems statewide -- 373 libraries -- and the model is now being tried in urban and suburban parts of the state as well. All participating libraries have been able to implement the project with ease, because of its simplicity.

Results for the expanded project have mirrored those of the 2011 pilot. A cost-benefit study conducted for the Zip Books project in 2016 compared labor costs for traditional interlibrary loan and Zip Books purchases among the participating libraries. The study found that a Zip Books transaction on average cost \$8.60. An average interlibrary loan transaction cost \$29.70 -- 3.5 times the cost of Zip Books (Galecia Group, 2016, p. 14). Other major benefits include speed of service and customer satisfaction.

Examining Amazon records over a two-year period -- more than 50,000 transactions -- indicates an average delivery time of about three days from request to receipt. Most public libraries allow at least two weeks for a regular interlibrary loan to arrive.

In over two years of customer surveys, 95 percent -- 7,125 of 7,500 respondents -- gave the Zip Books service an overall "excellent" rating and said they were "very likely" to use the service again (Galecia Group, p. 10).

Perhaps the most important Zip Books benefit is the customer empowerment and engagement it fosters with the library. Customers feel they are able to contribute to their library's collection development decisions, share their reading interests with other library users, and help improve the

library's collection. Participating libraries have observed that a "Zip Book" added to the collection generally circulates five to six times, or two to three times as much on average as other new books (Galecia Group, 2016).

This experience is similar to that of other libraries nationally. A recent 10-year study of Purdue University's "Books on Demand" service, which purchased rather than borrowed books through interlibrary loan, showed that the books obtained by customer demand circulated almost twice as much as those purchased by selectors (Arougheti, 2014).

Library staff benefit from Zip Books primarily because it makes their job easier and it makes customers happier. Customers' needs are met more quickly. There's closer engagement with what customers are interested in and a closer connection to community needs and aspirations, all of which contributes to greater job satisfaction.

Benefits for the library overall include promotion of reading and literacy for all; great publicity and enhanced reputation; increased use of the library; and greater community engagement.

As one county librarian said: "Zip Books means less work, fast service, and happy patrons!" (Galecia Group, 2016, p. 11).

### **Challenges**

The Zip Books model includes some challenges, including logging and tracking items ordered and capturing them when they are returned. The State Library is developing recommended procedures for libraries to help mitigate these issues.

While most of the participating libraries report having little trouble getting customers to return their Zip Books, a few jurisdictions have return rates under 75 percent.

Amazon has been the online merchandizer of choice because it has proven more cost-effective, especially with the Prime shipping service, but Amazon does not yet interface well with large, integrated library systems. The State Library is watching to see if better systems may emerge to facilitate large-scale purchasing.

Despite the popularity of Zip Books, most participating libraries are still committed to traditional interlibrary loan services, seeing the two as complementary. Interlibrary loan can provide access to rare and expensive items that would not normally be purchased by a small library and might not be accessible or affordable as Zip Books. Examples of items better procured through interlibrary loan include genealogy resources, out-of-print books, historical research, technical materials, academic materials, microfilm, and journal articles.

### **Final Considerations**

Zip Books is an amalgam of interlibrary loan, acquisitions and circulation practices, and as such it upends traditional methods. It's a sharp shift in collection development, from the usual "just-in-case" purchase model employed by selectors, where materials are acquired based on the potential they might someday offer, to a "just-in-time" model, which dictates that customer demand is the primary impetus for acquisition. Zip Books relies on immediate customer needs to reveal the gaps in a collection and rectify them through purchase (Arougheti, 2014).

The added benefit of directly delivering materials to customers has made this service one of the most popular and engaging the State Library has ever implemented. As one library director said, "The Zip Books program has been the cause of more positive feedback than any service I've been a part of in my 28 years at the library!" (Galecia Group, 2016, p. 13).

Will Zip Books replace traditional interlibrary loans? Perhaps in a more distant even more digital future. But what it provides now is a cost-effective way of putting what customers want into their hands sooner – particularly in geographically isolated or sparsely populated areas.

And as customers begin setting new expectations about speedy delivery based on programs like Zip Books, traditional interlibrary loans will become swifter and less costly.

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