

You won't make money selling postage stamps

John Stanley and Fiona Emberton

Retailing in libraries. Some librarians love the idea, some hate it. Some councils believe it should not be part of a librarian's portfolio, others encourage it.

We do not want to get into the debate of 'should we' or 'shouldn't we', but to accept retailing is now part of many libraries portfolios and therefore how can they maximise the opportunity.

The stimulus to write this article came from a consultancy we were carrying out. A particular Council had provided its library with a sales target that they had to achieve each year through retail sales. The chief librarian decided that this would be achieved by selling postage stamps. Something which we had a problem getting our heads around.

If you are being encouraged to generate income via retail sales, how should you go about it?

Firstly, you are not retailing for retailing sake. Your objective is to achieve the maximum turnover and gross profit from the exercise. Gross profit is based on the following equation.

$$\frac{\text{retail price} - \text{cost price}}{\text{retail price}} = \text{gross profit}$$

In retailing this is normally discussed in percentage terms. Your aim is to select and sell products with the highest gross profit. Postage stamps tend to have a low gross profit, along with stable products such as milk, sugar and toilet paper (not that we are suggesting you sell these).

High-gross profit items tend to be non-price-motivated items and include things such as garden plants, ornaments and restaurant meals. Your objective is to select items that relate to your core activity (library usage), but still have a reasonably high gross profit.

Bookmarks are the future?

Traditionally libraries have looked at bookmarks as a core retail product, but the future of library retailing does not rely on bookmarks. Be more adventurous.

If you set up a retail outlet that relates to your core product (information and the written word) and dares to be different it will become a destination in its own right and then a profit centre in its own right. Auckland City Library in New Zealand has achieved this. Their library shop is a 'must-see' stop for us when we are visiting Auckland: it always has something new and exciting.

REAP the rewards...

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Add value

The library retail shop should add value to your core product (books). Many people treasure their books. They take them on holiday and on business trips (we are both guilty of that one). Why not sell 'travel' book covers? These are commonly seen for sale in bookstores in the United States, but we have never seen them offered in a library, where they could be an ideal present for self-indulgent library users or for their friends.

Another option along the same vein is that the majority of us own a computer and need a mouse pad. Most of these mouse pads are plastic bill-boards to advertise computer companies and something you would rather not have in the home office. We discovered designer mouse pads that look like authentic miniature Indian rugs. Okay, they were more expensive, but when we enquired about the sales we were told they were a hot seller.

Add information

Books are full of memorable quotes; why not sell fridge magnets with writer's quotes on them? Again, these are a hot seller in American bookshops and we are sure that you would find impulse buyers in your library retail shop. Some consumers would start collecting them.

One of the latest crazes in the United States is 'decks'. These are sets of cards that can be informative, inspirational, motivational or give information on 'how to'. American bookshops are finding them to be a great impulse sales item. A craze in the United States can easily go global. 'Decks' may be a high gross profit impulse item that could make your library a destination.

Don't forget your core product. Sell books. Why not sell top-selling books or books by local authors? Canterbury Library in Sydney has found that their Dymocks book stand positioned near the counter in the library is a high success.

Stationery opportunities

Consumers like to make notes while in the library. Complimentary pens and paper when required in small amounts add value to the consumer's library experience. But why not discuss with your local stationery supplier the possibility of installing a stationery department? Again, we have one client who is in negotiations now.

Don't compete

Retailing is fine as long as you do not start competing with local retailers. It is better to take a lower gross profit and network with local retailers rather than compete with them. If you are filling a niche which is open in your market place, then go for it. But, remember you may need to reconsider your retail options if an independent retailer moves into the market place and starts complaining about what they perceive as unfair competition.

Retailing in libraries, we believe, is here to stay. It will take many forms, and different councils will look at it in different ways, but libraries will continue to need to reinvest in new technology, products, promotions and image and the money has to come from somewhere. Perhaps retailing will be the key?

John Stanley is a conference speaker and retail consultant with over twenty years experience in fifteen countries. John works with libraries helping them with their merchandising, staff and management training, customer flow, customer service and image. John Stanley Associates produce an e-newsletter specific to library retail. If you would like to receive a regular copy please visit <http://www.johnstanley.cc> or e-mail us on newsletter@johnstanley.cc.