



Used Book Market Continues to Attract Entrepreneurs

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## A Survey of Used Book Dealers

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## Summary of Results

Many people who otherwise don't consider themselves entrepreneurs have nonetheless established a business as an online book seller. Web sites like ABE, Alibris, Amazon and eBay have made it easy and inexpensive for people to set up storefronts and sell books. The barriers to entry into the book selling business are so low that some people initially become book sellers just to sell books that they and their family and friends have accumulated. Also, it has proven to be a legitimate home business for non-working spouses and retirees who want to supplement their income: nearly 25% of respondents indicated they were at home or retired before becoming a book seller. Book selling has also been a boon to the 11% of respondents who categorize themselves as 'involuntarily unemployed' before entering the book selling business.

The financial reward for selling books can be substantial: 16% indicate yearly sales over \$50,000, but the majority (about 2/3) report sales under \$20,000 and half of those are under \$5,000. Still, this additional income comes with a fairly low investment in inventory and low carrying costs, so there is a high margin on sales. For many people, book selling provides a profitable excuse for doing what they love doing anyway – spending their weekends scouring book sales, yard sales, and thrift stores for hidden 'treasures' like an overlooked signed first edition of a popular book, or perhaps just a used book that they can buy for \$1 and resell online for \$15.

## About the Survey

The survey was conducted in November 2010 by BookSaleFinder.com. Book Sale Finder was established in 1994 to provide information about used book sales, primarily those sponsored by non-profit organizations such as Friends of Libraries, churches, hospitals, university alumnae groups, etc. There are over 7,000 such sales in the USA and Canada each year; some have a few thousand donated books for sale, others have hundreds of thousands.

People are attracted to non-profit sales because the books usually cost about \$1 each, so they can buy lots of books at bargain prices. Used book dealers will often spend hundreds of dollars at a single sale for books to sell online or in a 'brick and mortar' used book store.

Over a period of about 2 weeks, we asked visitors to our website to take the survey, and we also asked subscribers to our free weekly "Sale Mail", which tells people about upcoming sales in their area.

The first question in the survey asked whether the respondent buys books primarily to resell (book dealer), or is part of an organization that sponsors book sales (organizer), or primarily buys books for personal use (book buyer). This summary reflects the answers given by those who characterized themselves as book dealers (823 respondents). Published separately are companion results:

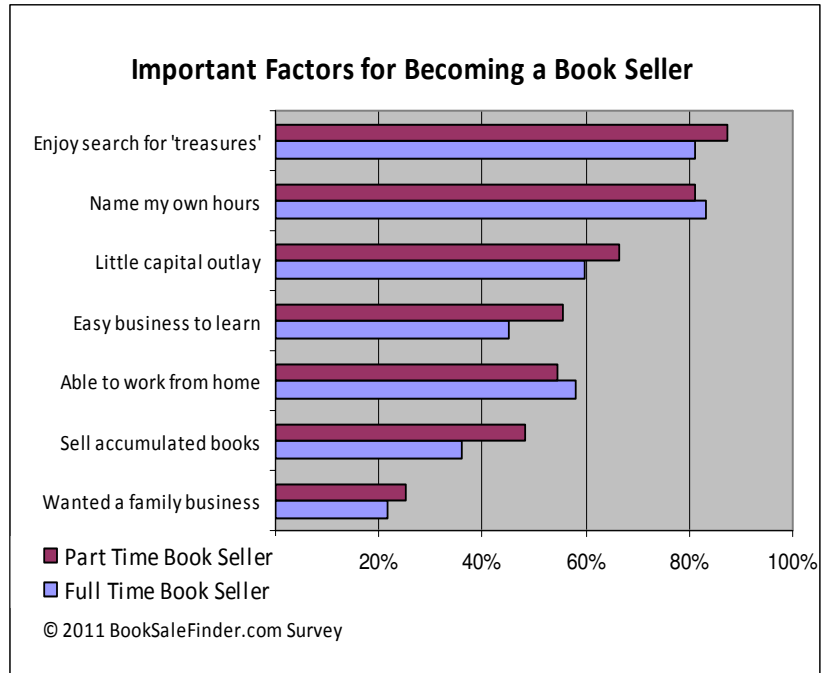
- "A Survey of Used Book Buyers"
- "A Survey of Charity Groups Who Run Used Book Sales"

All surveys can be found at <http://www.BookSaleFinder.com/Surveys>

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## Why people become book sellers

Book lovers have found that they finally have a way to benefit from those beloved books they no longer need – the Internet has made it easy to become a part-time used book seller. The startup costs are small, and the venues for selling books on the Internet are many. “Bookies” who have dreamed of becoming a used book dealer someday are finding that they don’t need to wait; they can start now with a few books and earn some extra income while they enjoy their search for book ‘treasures.’



In November 2010, Book Sale Finder surveyed used book dealers in the USA and Canada. 823 responses were received; 47% indicate that book selling is their primary job and 53% sell part time. Most people who sell books also say they have had a lifelong love of books:

*“I love books & wanted to get them to others searching for that ‘special book’.”*

*“Books are a passion of mine - so I turned a hobby into a business.”*

*“I love books, love dealing with and providing them - and reading them!”*

Book sellers love the hunt for hidden treasures. 81% of full time dealers indicate that the thrill of the hunt was an important or major factor in becoming a book seller and even more (87%) part-time dealers feel the same. Just as important is the ability to work when they want to work and ‘be their own boss’. Flexible working conditions were commonly cited as important reasons for entering this field:

*“I like working for myself and I love books. I believe bookselling is an important and noble profession!”*

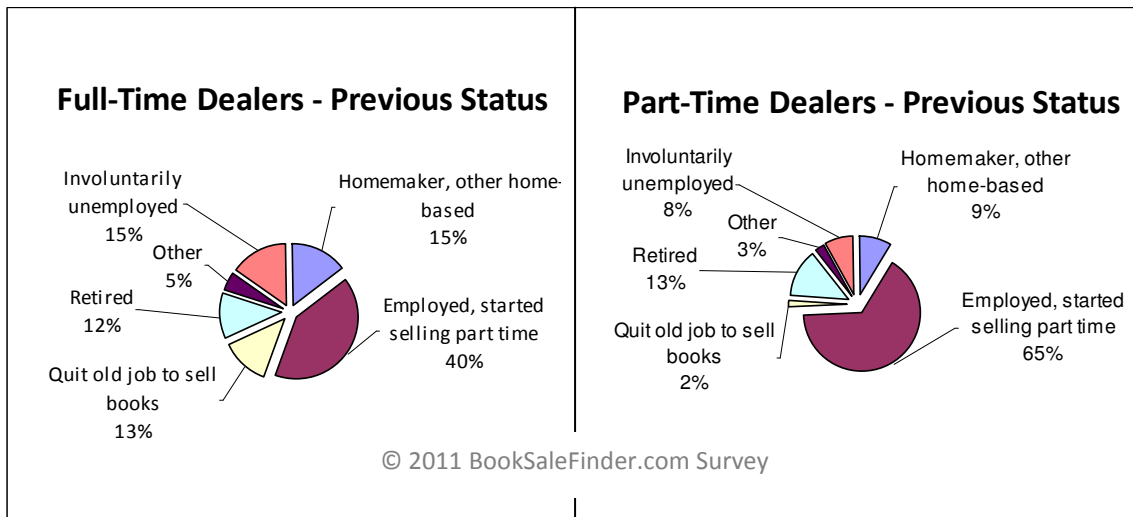
*“Need to set work aside when taking care of family - book selling allows me to put in as many or as few hours as I can.”*

Several respondents, full-time book sellers in particular, say that the book business is decidedly not easy to learn well; they point out that throughout their careers they have continued to learn about the business, and some decry the newcomers who think book selling is easy. However, 45% of full-time dealers and 56% of part-time dealers feel that entry into the book selling field is not too difficult. Couple this with their opinion that it takes little capital outlay to get into the business and it’s clear that book selling has few barriers to entry. So few, in fact, that about 42% of all dealers enter the business at least partly to sell books they and their family have accumulated.

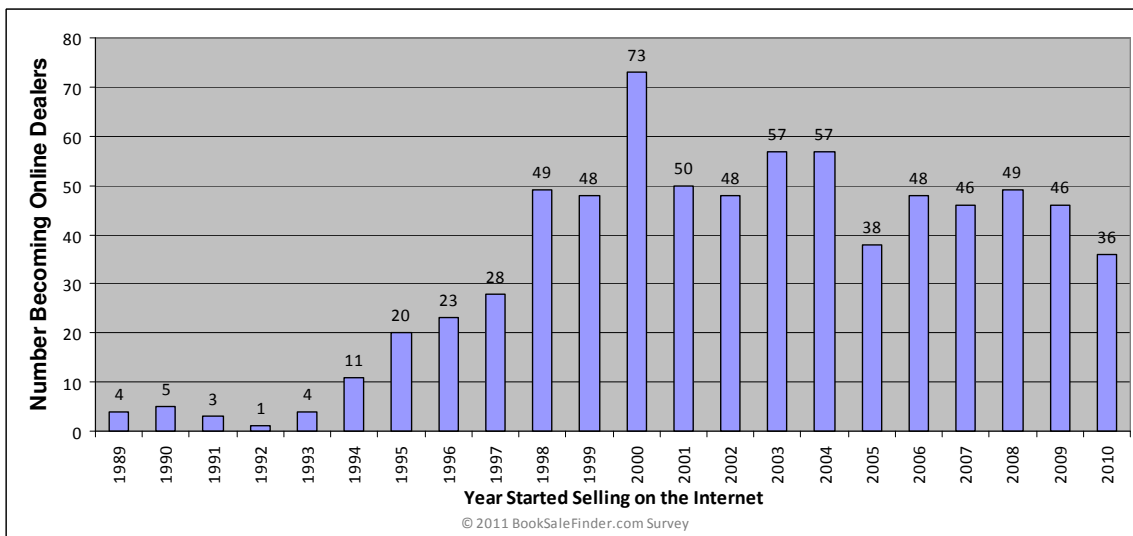
## Most start selling part-time while still employed

Many used book dealers indicate that they have always been book sellers, either getting into the business right after completing school or inheriting a book business. But the majority did not start out selling books; instead they were employed at other jobs or had chosen to work at home taking care of their family. As the charts below show, today's book sellers have a variety of backgrounds. About 1 in 8 book sellers are retirees and a similar percentage are homemakers or others who wanted or needed a home-based business.

Overall, about 1 in 9 book dealers turned to selling books after being involuntarily unemployed; for many whose jobs were lost as a result of the recent recession, book selling has proven to be a welcome way to earn some extra money. But by far, most book dealers started selling books part-time while they were still employed at other jobs.



These days most used books are sold via the Internet, and nearly all book dealers, even those with a 'brick and mortar' store, list their books online. There has been a somewhat steady influx into the online business since 1998, with a significant spike in 2000, when the Internet boom was in full swing.



## Physical book store not a requirement for selling

Four out of five (81%) book dealers have never owned a 'brick and mortar' store. Full-time dealers are more likely to own stores than part-time dealers (28% vs. 11%). Over half (58%) of all dealers who currently own stores have no plans to sell or close their store in the next 5 years.

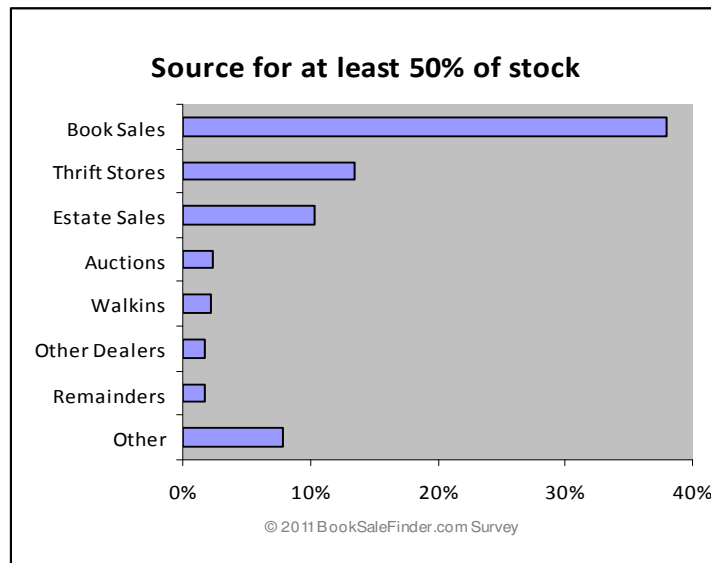
Owning a book store apparently has some advantages: 57% of dealers who own book stores report that over half their income comes from sales in their store.

Of those who have sold their stores, on average they owned the stores 7.6 years before closing, with half closing in 5 years or less.

## Where dealers get their books

Used book dealers love the search for valuable books at least as much as selling them. As noted earlier, many dealers started by selling books which they accumulated over the years.

Charity book sales are by far the most common source of book stock for dealers. Nearly 2 out of 5 dealers obtain at least half their books from these sales. Another 23% buy at least half their books at thrift stores or estate sales. But dealers are always on the lookout for bargains, wherever they can be found. The following are some of the 'other' sources for books:

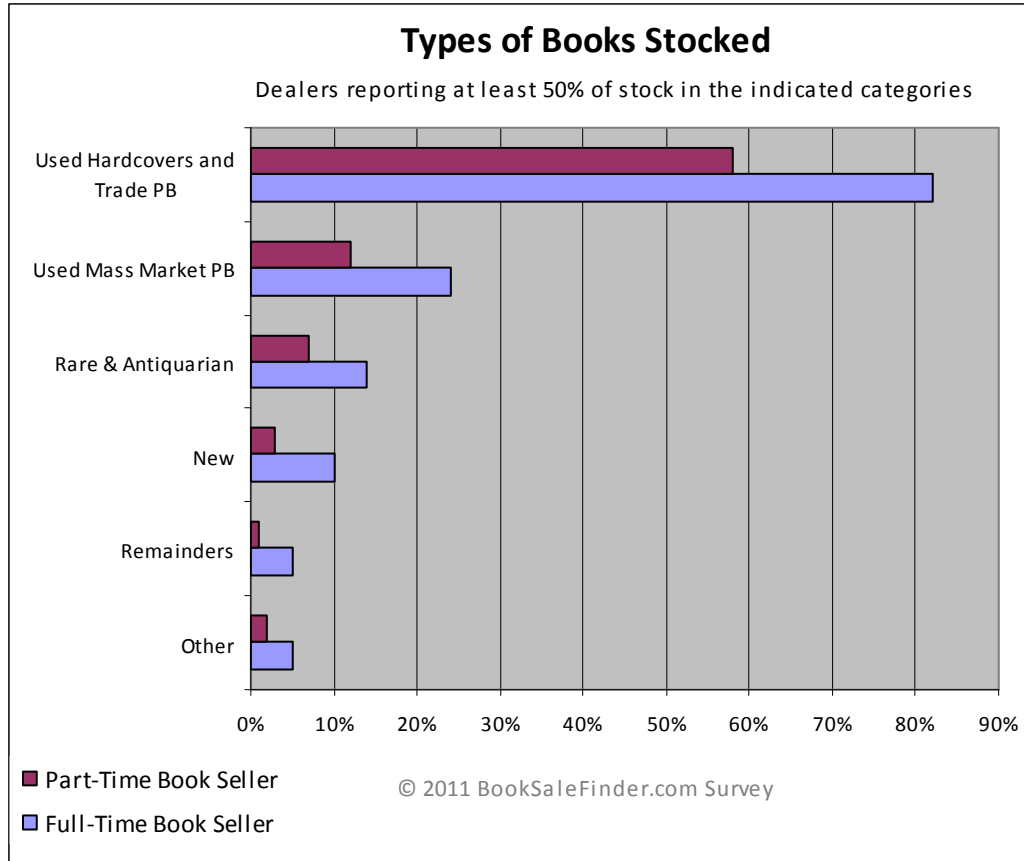


- Many have become 'brokers' for family, friends, and co-workers who don't want to sell the books themselves.
- Many buy the personal libraries of people downsizing or moving.
- Some contract with publishers for remainders and returns.

A number of respondents refused to state where they obtain their books; they are quite secretive and said they don't want others to exploit the same sources.

## Types of Books in Stock

Most used book dealers sell used hardcover books and trade paperbacks (relatively high quality paperbacks). Far fewer dealers specialize in what they categorize as 'Rare or Antiquarian' books. The following chart depicts the type of books that constitute at least half their inventory.

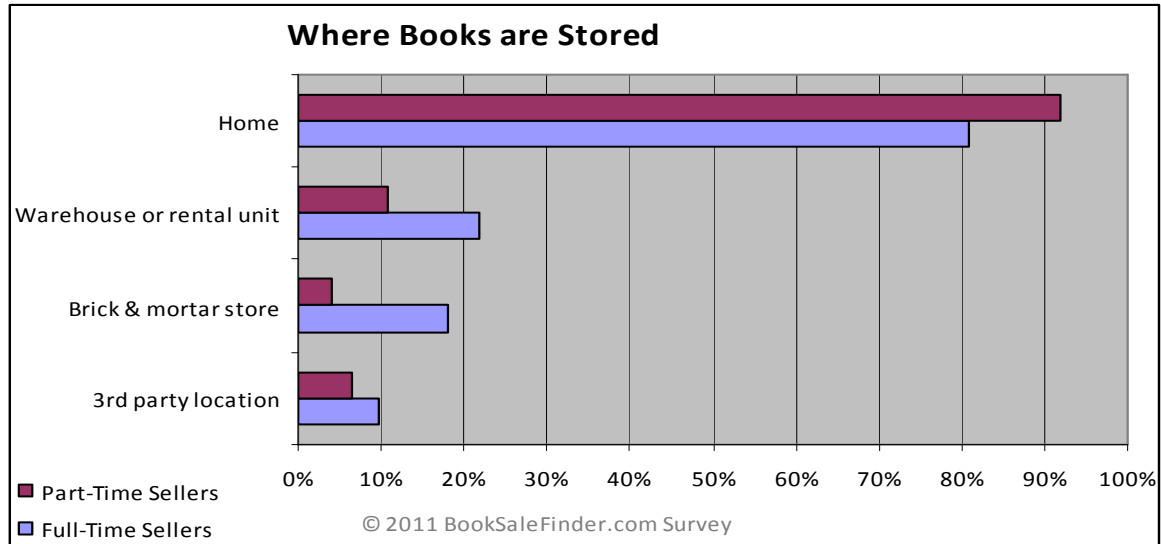


Over 50% of both full-time and part-time dealers primarily sell general used hardcover or trade paperback books. About 10% say that most of their books are rare or antiquarian, and slightly more say they primarily sell mass market paperback books.

## Storage of Books

It is important that books be stored in a place where temperature and humidity can be controlled, and where physical damage can be avoided. Book sellers learn quickly that buyers inspect books carefully, especially expensive books, and will complain loudly if the book condition is not as advertised.

Most book dealers store their books in their home, presumably in climate-controlled areas.



An interesting recent trend among book sellers is storing books with a third party who fulfills orders when received. Typically, the seller pays a monthly fee for storage and another fee when a book is sold. When an order is placed, the service provider ships the books, collects payment, and pays the seller.

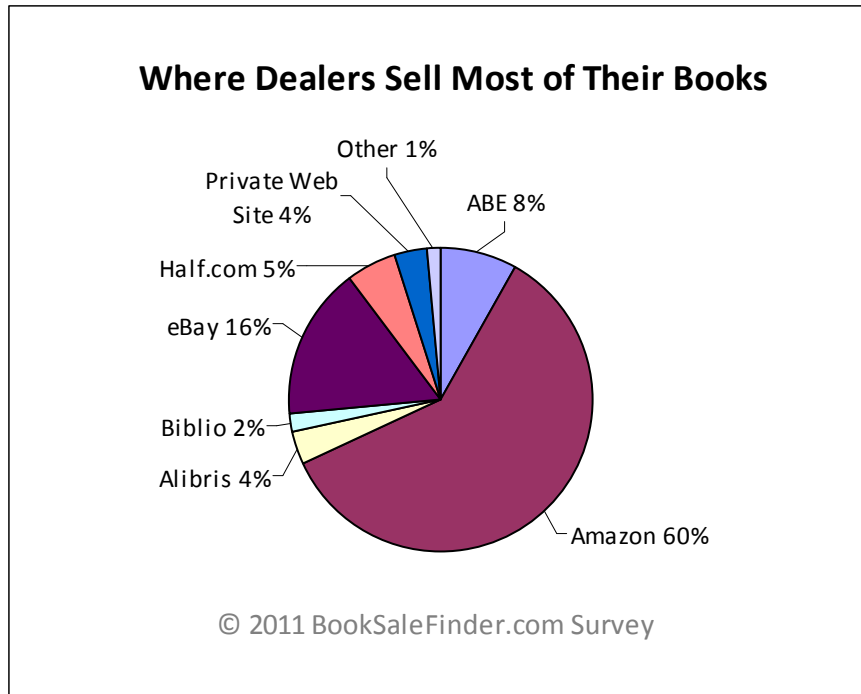
Amazon's FBA (Fulfillment By Amazon) program is currently the most widely used by book sellers, but other companies are entering the field, and it's likely that this trend will continue.

## Where Dealers Sell Their Books

As noted earlier, book dealers who own physical book stores report that at least 50% of their sales come from the store, with the remainder coming from online sales. But most dealers sell exclusively online.

There are many online sales venues for books, each with its own rules and fees. Many book dealers list their books with multiple online services, and some maintain a private web site for purchases.

We asked the dealers to tell us which online venue accounted for at least 50% of their sales. Most (60%) listed Amazon, with eBay a distant second.

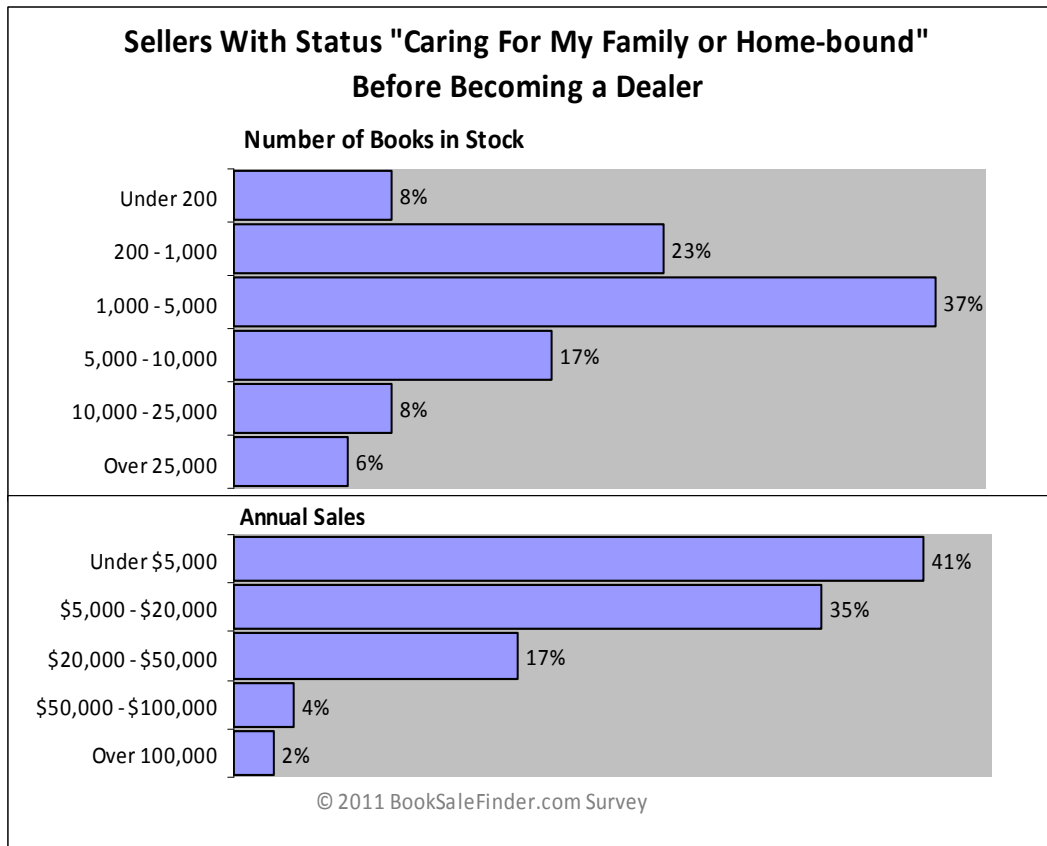




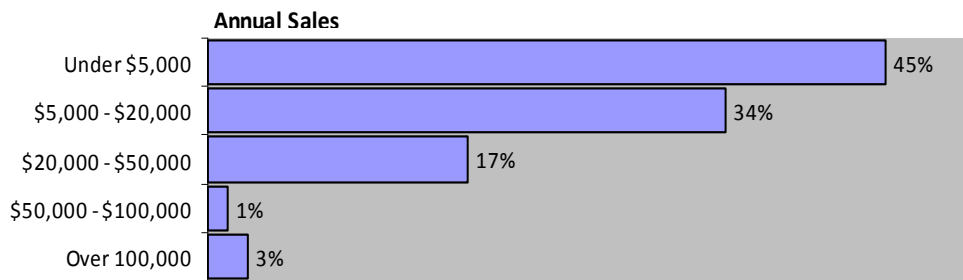
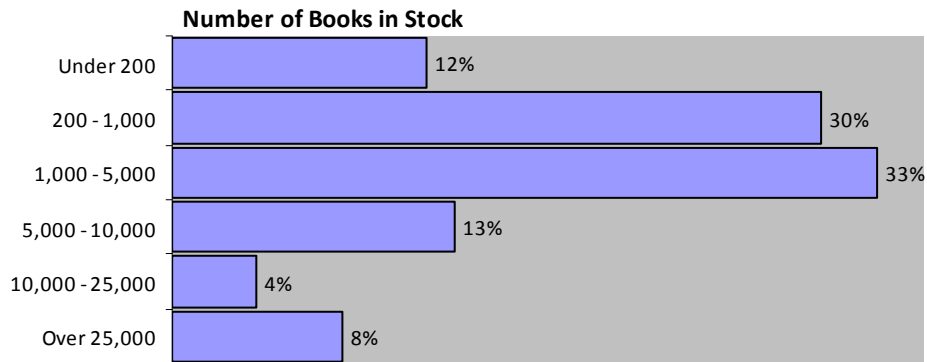
## Book Seller Inventories and Revenues

To become an online book seller, an entrepreneur does not need many books. About half of all full-time book sellers have fewer than 5,000 books for sale at one time. Of those who sell part-time, 80% have fewer than 5,000 books. Slightly more than 7% of full-time book sellers have over 50,000 books for sale at any one time.

The following charts depict the inventories and sales figures for different types of book sellers.

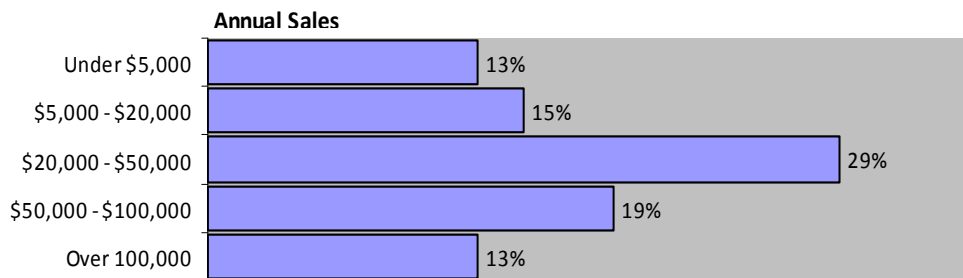
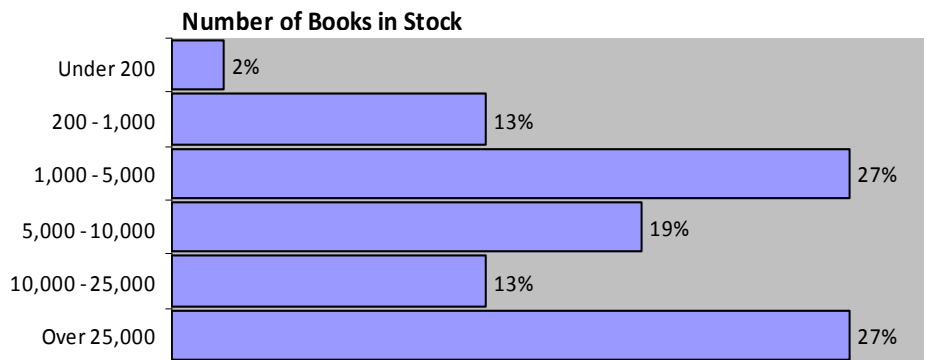


### Sellers With Status "Retired" Before Becoming a Dealer



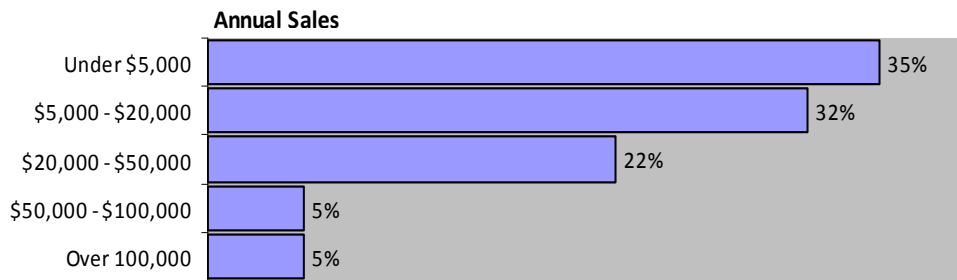
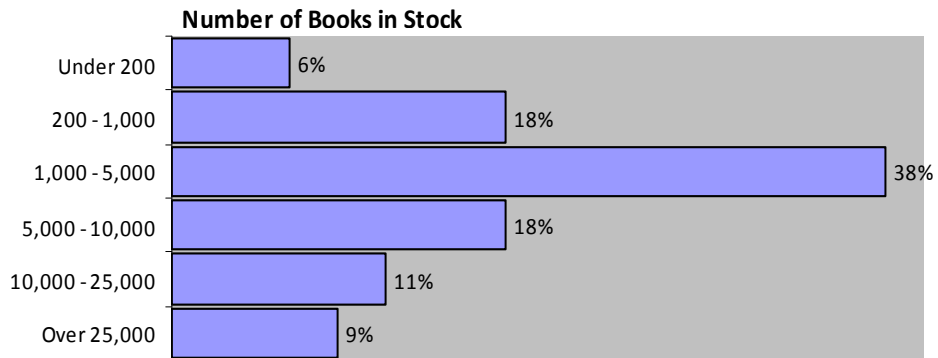
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### Sellers Who Quit Their Jobs to Become a Dealer



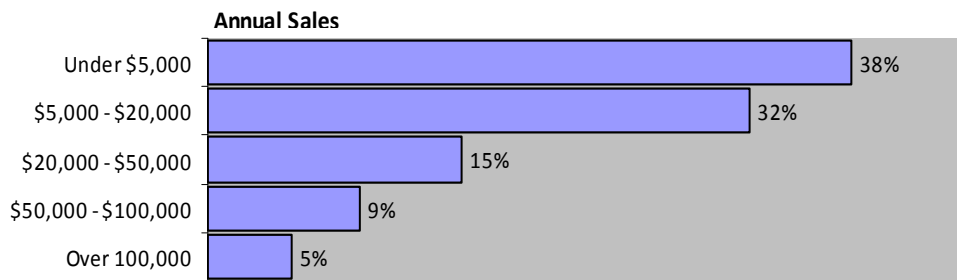
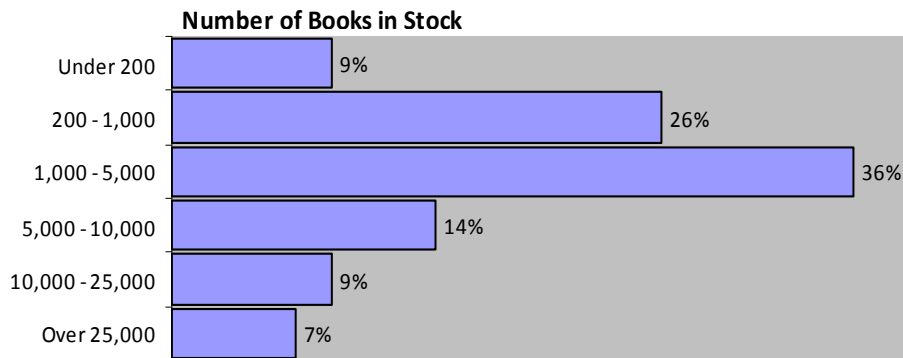
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**Sellers With Status "Involuntarily Unemployed"  
Before Becoming a Dealer**



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**Sellers Who Started Selling Part-Time  
While Employed in Another Job**



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