

# Purchase Instead of Borrow: an International Perspective

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From January 2002, the University of Hong Kong Libraries (HKUL) began to implement a new initiative, called the “Overseas Book Loan Initiative”, to purchase inter-library loan requests for locally unavailable monographs instead of borrowing them from overseas. The rationale behind this initiative was quite similar to the rationale of other academic libraries which have provided similar services for their interlibrary loan patrons. The underlying benefits anticipated were:

- Improved patron support if the charge for the request could be borne by the Library instead of the patron
- Enhancement of collection-building efforts
- Optimized use of resources, if the resources were added to the collection
- Optimized use of funds, as the purchased resources could be used more than once
- Expeditious delivery if faster turnaround time could be achieved

This paper presents the University of Hong Kong model of “purchase on demand”, and attempts to study whether purchase instead of borrow is a better alternative for the University of Hong Kong Libraries’ situation, given the local factors and circumstances. The four underlying factors: speed, subsequent use, content appropriateness, and cost of transaction are examined by analyzing actual data collected.

## **Background: Interlibrary Loan Services at the University of Hong Kong Libraries**

### *Background of HKUL ILL services*

The University of Hong Kong is a leading international university in Asia. The Libraries serves a student population of over 14,400 FTE, including 9,100 undergraduate students and 5,300 postgraduate students (of which 1,600 are M.Phil. and Ph.D. students), a teaching faculty of over 1200 full-time equivalence and over 2800 full-time support staff. We cater to the teaching, learning and research needs of ten Faculties - Architecture, Arts, Business and Economics, Dentistry, Education, Engineering, Law, Medicine, Science, and Social Sciences, as well as 28 non-faculty academic units, and a number of research centers and institutes.

Interlibrary Loan Service (ILL) at HKUL is available to faculty members, research staff including research assistants and demonstrators, postgraduates, final year undergraduate

students and other senior non-teaching staff. Types of materials allowed to be requested through ILL include:

- Books and scores
- Photocopies of journal articles
- Photocopies of book chapters
- Theses which are allowed to be circulated

HKU Libraries participates in interlibrary lending with the Hong Kong JULAC (Joint University Librarians Advisory Committee) Consortium of the libraries of the eight tertiary institutions funded by the Hong Kong SAR government, as well as other government, hospital, and public libraries. Books borrowed locally are free including the pick-up and delivery. To facilitate online requesting, HKUL implemented ILLIAD (ILL internet accessible database), an electronic ILL request form, from September 2002, and a new automated system for user initiated document delivery will soon be implemented in January 2004.

Items which could not be filled locally would be borrowed overseas. The ILL borrowing activity for overseas books totaled 329, for the period July 2000 to June 2001. The average item cost was US\$28 (excluding processing, staff and costs incurred by the lending library), and turnaround time averaged three to four weeks. In an effort to provide a more cost-effective way to substitute for gaps in the collection in terms of cost per use, HKUL began to consider the feasibility of combining purchase with ILL borrowing in the fall of 2001. From the outset, the Libraries intended to improve support for study and research by providing adequate funding support from its library materials budget for this new alternative. A new charging scheme was implemented from July 2002 to give all eligible users a very generous quota for any types of ILL requests within each academic year, so that users should not normally exceed the quota and need to pay. This was a vast improvement from the old charging scheme when ILL expenses had to be paid from the general expenses accounts of individual departments of the requesters.

## **Reasons for the Overseas Book Loan Initiative at HKUL**

Under the Overseas Book Loan Initiative, interlibrary requests for books which were not available for loan locally through the local network of libraries would be purchased. The decision to provide the needed funding support to embark on this initiative was based on one simple notion. The materials were needed for the specific purpose of doing a research project or a paper, and would presumably be used at least once. By purchasing the item and adding it to the collection, other users would benefit, thus lowering the cost per use. A study at Bucknell University indicated that “requests generated at point of need result in higher percentage of circulation and more subsequent uses than similar selection firm-ordered books” (Perdue, 27).

The “Overseas Book Loan Initiative” was thus established and implemented from January 2002. The procedure was to turn all interlibrary overseas book loans to purchases, which would be processed by Acquisitions Services as a rush or priority order.

If ~~a source~~availability for the requested titles could not be identified within five working days, Acquisitions Services would route the request back to ILL to borrow the book from overseas.

### *Initial Goal*

- Use the quickest, but least expensive ~~source~~vendor
- Buy it , catalog it, and circulate to users, add to library collection
- Use internet book suppliers or out of print online booksellers eg. Amazon, Alibris; credit card payment to expedite order and delivery whenever possible
- Satisfy users' immediate needs in a timely manner with the combined flexibility of interlibrary loans and rush purchase

### *Scope*

The scope included books not owned by HKU Libraries which were not available from a local lending library with the following exclusions:

- Foreign dissertations which could not be purchased because they lacked the author's permission to copy or to circulate in library, or the thesis was unpublished
- Foreign books which were out of print and a second hand copy could not be identified
- Rare books which were deemed expensive (purchase decision would be referred to Collection Development Librarian)
- Bound volumes of journals or supplement issues of journals
- Electronic resources or media materials requiring licenses

### *Expected outcome*

#### Turnaround time

Prior to implementation, Acquisitions Services estimated that the turnaround time for a successful purchase was 2-3 weeks if online vendors were used, and this was much the same as the ILL estimate of 2-3 weeks for the delivery time of a successful first overseas lender. For the year 2000/01, ILL estimated that 37% of book loans were supplied by the first lender. Therefore, the turnaround time was expected to be improved if there were over 37% of successful purchase which could be filled within 2-3 weeks. If the purchase was unsuccessful, the overall turnaround time of the ILL transaction would be slowed down by 5 working days (the time taken to ~~source~~acquire the item), but this was not expected to pose a significant problem as Acquisitions did not anticipate too many titles that ~~were unavailable could not be sourced~~. It was noted, however, that the turnaround time for purchasing an item could vary significantly depending on a number of factors, such as stock availability. Purchasing through an overseas book vendor could take an average of 2-4 months or more. For ILL, the average speed of 3-4 weeks for overseas borrowing could also vary, again depending on availability of the item.

### Cost Effectiveness

Acquisitions Services also estimated before implementation that the average cost for a rush purchase would be USD58 (HKD450), while ILL estimated that the average cost for an overseas loan was USD28 (HKD218). It was expected that purchasing would cost just slightly more than double that of borrowing costs, even discounting processing and maintenance costs. However, if the item was used twice or more, the cost per use would break even. Since the special arrangements were to be performed within existing services, the staff and processing costs would not be significant.

### User satisfaction

In return, the Libraries hoped to improve research support by providing a broader range of resources in a more cost-effective manner. The collections would be enhanced by the items subsequently added to the collection.

## Study methodology

The 345 rush purchase titles processed during the period from July 2002 up to June 2003 were analyzed. A master database was developed using data provided by Acquisitions Services and Interlibrary Loans on these 345 titles. The fields consisted of raw data and derived data: imprint, year, vendor, requester information, order and receiving date, turnaround time, payment amount, number of check-out, call number and Dewey divisions, categories and subjects. ~~A sample page from this master table is shown in Appendix 1.~~

Our aim was to analyze the data and to answer one basic question and four underlying questions:

- *Overall, is it better to buy or to borrow in the Hong Kong situation?*
  - *Which method was faster, to purchase or to borrow?*
  - *Which was more cost-effective, purchase or borrow?*
  - *Did the purchased titles meet the selection criteria of the collection development policy or were they out of scope?*
  - *Were the materials purchased subsequently used?*

## Findings: Variables contributing to the success of the HKUL model

### Speed

The actual results presented below suggest that the purchasing method took an average of 45 days while borrowing required 34 days. Contrary to one's expectation, it appeared that the purchasing method took longer than originally estimated. Borrowing was on average faster than purchasing by 11 days. It should be noted that the turnaround time recorded did not include the time needed for cataloging and processing (3 days), and the time taken to route the request from ILL to Acquisitions Services (1-2 days).

*Table 1 . Transaction speed*

<b>Time taken</b>	<b>Purchased %</b>	<b>Borrowed %</b>
up to 1 week	8%	16%
up to 2 weeks	9%	64%
up to 3 - 4 weeks	27%	74%
up to 5 - 6 weeks	47%	84%
up to 7 - 8 weeks	61%	100%
up to 9 weeks or more	100%	- -
<b>Median :</b>	5 weeks (36 days)	2 weeks (14 days)
<b>Average :</b>	6 - 7 weeks (45 days)	5 weeks (34 days)

NB. The speed of transaction or turnaround time was derived from the order and received date, and compared with turnaround time for ILL transaction.

*Factors affecting turnaround time:*

- Technical services involvement in the pre-order and post-order process
  - Can every staff member handle the purchase from sourcing, ordering, receiving, cataloging, and processing to informing the requester with the highest priority? The degree of priority handling in each stage of the process is crucial if the quickest fulfillment speed is to be achieved.
  - When items are among other firm order items shipped using normal method, Acquisitions Services staff would find it difficult to identify the rush item among normal orders, and consequently treat them only with normal priority as opposed to an urgent item. This was often a compromise for not separating the order or not choosing special delivery.
- Vendor treatment of the order
  - Often vendors, including online second-hand booksellers (eg. Alibris), do not stock all items and they have to place the order with other smaller booksellers which will delay delivery. So stock availability is an issue.
  - Visa card payment and bill on delivery are faster, but smaller publishers or second-hand bookseller require direct order (no email order) and advance payment which slows the process as payment must be cleared before shipment.
  - Some vendors, such as UMI, Coutts Library, James Bennett, DK Agencies and many non US/UK booksellers do not accept email order and require a mailed purchase order
  - Many smaller vendors will ship by Airmail or Express but charge extra for the speedier shipping and handling. So it depends how much the Library is willing to put up in the extra costs.
  - Sending by individual item is far more expensive, and can cost up to almost US\$10 per item by UPS, than sending by batch in one shipment by DHL

The turnaround time varied greatly due to stock availability, different methods of shipping and delivery, and the extra costs the library was willing to pay. Our Library wanted the quickest delivery, but not at all costs. In a normal case, it would not be cost-effective to order in-print titles from an online vendor such as Amazon ~~to source in-print titles~~, because of the high postal or shipping charges imposed for Asia Pacific. Amazon charges a base cost of US\$29.99 per shipment or order plus \$8.90 per item for delivery within 2-4 days within Asia Pacific, and for delivery within 7-9 days \$9.99 per shipment plus \$6.9 per item. Alibris also has similar pricing for overseas delivery to Asia. This was considered too hefty a price to pay, unless one could be sure that the book was in stock and there was a real urgent need by a faculty who wanted the book to start a course. The Acquisitions Services Librarian might exercise the discretion to improve the turnaround time if deemed necessary.

### Cost

The data suggests that the unit costs were \$33 for borrowing and \$66 for purchasing. The purchasing costs would have been even higher if the fastest mode of delivery was opted for all orders. That borrowing proved on the surface to be cheaper than purchasing was not surprising. However, the extreme distance of the University of Hong Kong from the centers of Western publishing does put us at particular disadvantage.

*Table 2. Unit cost*

<b>Purchased</b>		<b>Borrowed</b>	
Cost		Cost	
Book price average	USD 53 (HKD 410)	Loan fee average	USD 21 (HKD 163)
Staff cost average	USD 13 (HKD 103)	Staff cost average + Postage average	USD 12 (HKD 93)
<b>Unit cost per item :</b>	<b>USD 66 (HKD 513)</b>	<b>Unit cost per item :</b>	<b>USD 33 (HKD 256)</b>

NB. The average unit cost per item was derived from the actual payment which included postage and handling, and an average staff and processing cost applied in-house.

### Subsequent Use

Although the costs for purchasing were considerably higher by 100%, the items purchased were retained in the collection and thus could be re-used as needed. The subsequent use of the purchased items must be examined and is an important determinant of deciding cost-effectiveness.

Our data suggests that 55% of the items purchased instead of borrowed were used more than once, with 26% used 2-3 times, 25% used 4-6 times, and 4% used 7-10 times. This was within a period of less than one year when most of the 345 titles ordered from July

2002 up to June 2003 were received and added to the collection. Subsequent use would be expected to increase with time.

Since the cost for purchasing was twice as much as for borrowing, it was deemed less expensive if the item was consulted twice or more. The total number of circulation was 746 for 296 items. The average of 2.6 or 3 uses per item would suggest that the model was a cost-effective one.

*Table 3. Number of uses (Total No. of Items = 296)*

No. of checkout ( no. of titles )	%
0 times (48)	16%
1 (85)	29%
2 – 3 (76)	26%
4 – 6 (73)	25%
7 – 10 (13)	4%
> 11 (1)	0%
Total check-out: 746: ( 296 titles )	100%
Average no of circulation :	3 per item

NB. The number of times circulated was extracted from the checkout and renew fields of the Innopac record.

### **Suitability to the Collection**

To determine whether the materials purchased instead of borrowed were of value, the records for items purchased that were cataloged and had Dewey numbers were examined by the subject librarians. They were asked to ascertain if the titles obtained through purchase were within the scope of our collection policy.

Overall, the titles were serious, scholarly titles, many of which were of cross-disciplinary interests to requesters. Some of the 345 books purchased, however, were not core curriculum materials, but rather materials intended for study or research in a more specialized or narrow field. For instance, 112 were theses which would not be normally acquired except when requested by faculty, graduate students or researchers for research on specialized topics. There were also 35 foreign language titles (French and German), which would normally only be recommended to support more advanced research and study.

Of the 345 purchased, 18 titles were found by subject librarians to be out of scope under normal selection criteria for the Main Library collection (excludes health sciences, education, law, and music). (See Appendix-21: *Out of scope titles*). The reasons for these were:

- Foreign language material not generally acquired for undergraduate level course.

- Subject matter considered out of scope, ie. not relevant to curriculum or research (water clocks)
- Study and teaching guides, eg., A-level exam guides
- Juvenile treatment
- Lesson plan for elementary or secondary level instruction
- Popular guides, eg. travel books
- Musical scores for instruction and study

It should be noted, however, that some of the titles would not have been entirely excluded in branch or special subject collections, or the leisure reading collection. For example, the Education Branch Library would collect curriculum materials for elementary or secondary school grades, and the Music Branch Library would collect scores for instruction and study, but usually at request of their own faculty members.

Nevertheless, as shown in Table 4 below, 95% of the purchased titles (327 out of 345 titles) were within the scope of our collection policy. The purchased titles were generally found to be useful in fulfilling the specialized needs of researchers, whether for serious research or for personal study, and in enhancing the collections to a certain extent.

*Table 4. Suitability to the library collection*

Dewey division	No. of items	No. of titles deemed out of scope by Subject librarians
<b>Computers, information, &amp; general reference</b>	5	0
<b>Philosophy &amp; psychology</b>	27	0
<b>Religion</b>	5	0
<b>Social sciences</b>	125	6
<b>Language</b>	10	0
<b>Science</b>	37	4
<b>Technology</b>	43	3
<b>Arts &amp; recreation</b>	29	3
<b>Literature</b>	43	1
<b>History &amp; Geography</b>	21	2
<b>Total :</b>	<b>345</b>	<b>18</b>

NB. The records with Dewey numbers were mapped against the corresponding Dewey division, category and subjects for content analysis by subject librarians. Appendix 2 lists these out of scope titles.

## Conclusion

This study demonstrated that purchasing instead of borrowing was a cost-effective methodology. Although the turnaround time was slower than borrowing, if one would



take into account that each purchased item averaged three uses, the cost per use would actually be lower than borrowing, when each item could only be used once. The addition of these titles to the collection did fill some of the gaps in our collection, for example, in foreign language materials and the more specialized subjects.

This new way of meeting users' interlibrary loan needs eliminated the costs paid by some patrons, added in-demand materials to the collection, and optimized the use of library funds. Four out of the five hoped for benefits were achieved:

- improved patron satisfaction when the Library provided the funding support
- enhancement of the collection in specialized research materials
- optimized use of resources, if the resources were added to the collection
- optimized use of funds, when the purchased resource could be used more than once

The only shortfall was the slower than expected turnaround time. The question one needs to ask is whether this would be acceptable to users. It would not be difficult to improve the turnaround time if the library was willing to absorb slightly higher costs for quicker delivery options.

Evidence of this study suggests that purchasing instead of buying is a better option even for an international university like the University of Hong Kong, provided that its library can continue to support the higher than out of pocket costs. Libraries that consider interlibrary borrowing from overseas impractical for substituting gaps in their collection, in terms of cost-effectiveness, might well consider adopting the model presented in this study.

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## Appendix 1 : Examples of out of scope titles

<u>Dewey Division</u>	<u>Title</u>	<u>Imprint</u>	<u>Year</u>	<u>Reason</u>
Arts & recreation	Music theory in practice : Grade 8 /	Associated Board of the Royal Schools of Music.		Music score
Arts & recreation	Oe Hikari futatabi : piano, furuto, Vaiorin	Zen On Gakufu Shuppansha,	1994	Music score
Arts & recreation	Oe Hikari futatabi [sound recording]	Nippon Coronbia Kabushki gaisha,	p1994.	Music score
History & geography	Brittany /	A. & C. Black,	1912	Popular guide
History & geography	Time out weekend breaks from London.	Penguin Books,	2001	Popular guide
Literature	Favourite classic writers /	Hodder Wayland,	2003	Juvenile
Science	Chemistry /	Letts Educational,	2002, c2001.	Teaching guide
Science	Collins A2 chemistry /	Collins,	2002	Exam guide
Science	Peter Apian und Azophi : arabische Sternbilder in Ingolstadt im fruhen 16. Jahrhundert /	Verlag der Bayerischen Akademie der Wissenschaften ;;In Kommission bei der C.H. Beck'schen Verlagsbuchhandlung,	1986	Foreign language
Social sciences	Easy poetry lessons that dazzle & delight /	Scholastic Professional Books,	c1999.	Juvenile
Social sciences	Gambling /	Lucent Books,	c2001.	Subject out of scope
Social sciences	Gay sunshine interviews /	Gay Sunshine Press,	1978-	Subject out of scope
Social sciences	Information technology /	Scholastic Ltd.,	c1998.	Juvenile
Social sciences	Reading and writing poetry /	Good Apple,	c1997.	Juvenile
Social sciences	Teaching poetry to children /	Continuing Education Publications,	c1978.	Juvenile
Technology	Bringing up your talented child /	Bay Books,	[1988].	Parents guide
Technology	On the construction of water-clocks : Kitab Arshimidas fi amal al-binkamat /	Turner & Devereux,	1976	Subject out of scope

Technology	Retirement places rated /	Macmillan,	c1999.	Popular guide
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