



Fee-based Services

A SPEEC Kit compiled by

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SURVEY



Executive Summary

Introduction

For several decades, libraries have explored alternative ways of providing responsive library services to their external users. Fee-based services have been established by a number of libraries to serve as the point of contact for the wider community. The purpose of this survey was to determine how many ARL libraries offer fee-based services to their external users, the procedures and organizational structures of such services, and the factors that contribute to a successful fee-based service program. For this survey, fee-based services were defined as library services, such as research, book loans, and article delivery, provided for a fee to identifiable user groups which are not an institution's primary clientele.

The survey was distributed to 121 ARL member libraries in April 2000. Sixty-four of the libraries (53%) responded to this survey. Of these, 39 (61%) indicated that they offer fee-based services as defined. However, a large proportion of these (87%) are offering fee-based services to external users without the guidance and benefit of a formal mission statement. Mission statements of most libraries do not explicitly cover the provision of fee-based services. Most libraries rely on clever interpretations of their existing library mission statements to cover fee-based services, such as "The mission includes a statement about services to 'the community beyond the university,' but this statement does not mean or mention services that are fee-based." Another library wrote, "Fee-based services are not addressed directly, but there is a statement that, as a public institution, the library recognizes other communities and that we provide unique services to the community." A third library replied, "Not in a specific way—the library's mission statement states 'to the extent possible, library resources and services will be accessible to the wider community.' There is one statement which could be interpreted as an implicit reference to it, but there is nothing explicit." Another stated, "There is only a generalized statement about supporting information

needs and intellectual inquiry of the state and the worldwide scholarly community." It appears, as one library observed, that library mission statements "focus on primary users" and are more explicit in their goals and mission with this user group, while only giving passing mention to nonprimary clientele, if at all.

Background

Responses to this survey show that fee-based services were established in ARL libraries as early as 1955. There has been steady growth in the number of services, with a rate of one to three new services per year since the early 1980s. The table below shows the number of fee-based services that were established per decade from 1950 to the present. (See question 2 and the accompanying graph in the Survey Results section for the number of fee-based services established by year.)

Table 1. Number Established per Decade

Decade	Established	Cumulative Number
1951–60	1	1
1961–70	3	4
1971–80	7	11
1981–90	11	22
1991–2000	9	31

The data shows that the late seventies to early nineties was the period with the most growth in fee-based services.

The majority of fee-based services (51%) operate in large cities, 28% are located in medium-sized towns, and 13% operate in rural to small town locations. The major user groups are law firms and local residents. The next level of heavy users consists of business firms and independent scholars and researchers. These users are followed closely by science, medicine, and technology firms; consulting firms; and alumni.

Fee-based services employ a variety of organizational structures. Twenty-four (62%) offer fee-based services

from a number of existing library departments in a decentralized manner. These four departments are, in order of frequency of use: interlibrary loan/ document delivery, circulation, reference, and online searching. Branch libraries also frequently provide fee-based services. Staff report to either the head of circulation, interlibrary loan, the branch library, or online services for the fee-based service duties they perform. Fifteen (38%) of the responding libraries have a separate unit or department for providing fee-based services to external users. Of these, 11 (30%) have a head of fee-based services who manages the unit. Coordinators and heads of fee-based services typically report to the director or assistant director of the library. In a few cases, they report to a division or department head.

On average, whether operating out of a separate unit or not, fee-based services comprise a staff of 2.0 FTE professional librarians, 1.5 FTE support staff, and 2.5 FTE student assistants. The qualifications and skills of staff assigned to fee-based service functions vary a great deal. While the typical qualifications and skills that are sought in librarians and support staff apply to this area, most fee-based services emphasize customer service skills, knowledge of collections and information sources, interpersonal and communication skills, and knowledge of office management and business practices, including marketing. While most fee-based services encompass all subject areas, some libraries also feature services in areas of unique strength, such as business intelligence research services, health information services, or information services in a variety of scientific and technology areas, including technology forecasting and patent and trademark research services. Such libraries seek librarians and support staff who possess knowledge and expertise in particular subjects, such as business, law, or science.

Methods and Procedures

The tasks that generate the most activity for fee-based service operations in ARL libraries are photocopying and delivery of journal articles, reports, and book chapters, followed by loaning of books and other library materials. Patent and trademark searching, library membership fee packaging and benefits, and online searching of commercial databases occur at only a few libraries. Libraries described the demand for specialized services that involve online searching of commercial databases

or patent and trademark searching as declining, if not nonexistent. The explanation libraries had for this is that users have access to the Internet, which they search with the mistaken impression that it is providing access to all the information they need.

Fee-based services use a variety of methods for receiving requests. Most requests are submitted by fax and telephone, followed by email, a homepage form, and onsite visits by users. Regular mail is used least, although this method is still relied upon by some users, such as members of the general public. Materials are delivered to users most often by fax, overnight courier, and regular mail, followed by in-person pick-up, email, and ARIEL.

Impact of Fee-based Services

Most of the 38 institutions which responded to the question on impact (17 or 45%) serve 100 to 499 users per year. Seven libraries (18%) serve between 500 and 799 users per year. Four libraries each report serving between 1,000 and 1,999; 2,000 and 3,999; or over 5,000 users each per year. Again, the majority of the users (62%) are institutional or corporate users, as opposed to individual users.

Based on last year's figures, the revenue generated, according to 37 respondents, is fairly evenly distributed over a range of zero to \$500,000, though 41% of respondents estimated revenue of under \$10,000 and more than half (57%) reported revenue of under \$50,000. Only a handful of services (5) reported revenue of over \$500,000.

Budget allocations for the 20 reporting libraries are also fairly evenly distributed over a range of zero to more than \$100,000. Six libraries reported no budget allocation. Six have a budget of \$1,000–50,000. Another six reported a budget of \$51,000–100,000. Only two libraries had a budget of over \$100,000. Overall, the estimated median budget is \$20,800.

The top three benefits that come from providing fee-based services are good public relations, an increased ability to serve a larger clientele, and a source of income for the library. Enabling all other employees to focus on serving primary users, as well as releasing reference staff from the strain of responding to outside user groups, are seen as modest benefits. Increased corporate giving is not cited as a major benefit. This may be an area that requires closer study.

The problems libraries experience most when providing fee-based services involve copyright issues, unreasonable demands and expectations from users, and the difficulty balancing needs of primary users with those of outside users. Of moderate concern are pronounced differences among staff regarding free versus for-fee services and differences regarding offering library services to external users versus primary users. An increase in lost books and legal liability do not seem to be major problems with external users. There is unanimous agreement among all 33 respondents to this question that the benefits of providing fee-based services far outweigh these problems.

Promoting Fee-based Services

Fee-based service operations in ARL libraries rely on word-of-mouth as their most successful method of promoting their services. This is followed by the use of flyers, brochures, and leaflets and, lastly, information on the library homepage. Only one library finds advertising in newspapers and magazines a successful promotion method. None of the libraries have considered using television and radio for promoting their services.

The top five user groups which respond most successfully to advertising and promotion materials are law firms; business firms; local residents; alumni; and science, medicine, and technology firms. In their marketing efforts, fee-based services highlight strong and unique collections; fast turnaround times; knowledge, skills, and expertise of their staff; and the accuracy and quality of services.

Although strong and unique collections are a characteristic that libraries feature in their marketing, only one library reported efforts to study the information needs and collection-use patterns of external users and factor that analysis into the library's collection development policy. This shortcoming is either an oversight on the part of libraries with fee-based services or fee-based services have decided to rely on the collections of other libraries and those of commercial information providers for serving outside users.

Assessment and Evaluation

The top three reasons libraries establish fee-based services are because they are responding to demand from external users, they want to provide coordinated

library service to external users, or they want to generate revenue for the library. Of the libraries that have fee-based services, 17 (47%) consider themselves highly successful, 12 (33%) rate themselves as moderately successful, while 7 (20%) are somewhat successful in meeting these goals. None of the libraries surveyed consider themselves unsuccessful. In these self-ratings, 27 libraries (79%) used the number of requests they receive as a measure of success. An equal number used income generated, while 17 (50%) used library-user feedback as a measure.

Obstacles that prevent existing fee-based services from achieving their maximum possible success are copyright restrictions, limited funding and resources provided for fee-based services, competition from similar nearby services, limited demand for service, and operating fee-based services through existing library departments in a decentralized manner.

When asked to rate the top three most important factors that will determine the future success of fee-based services, responding libraries cited strong library collections, ongoing administrative support, and the knowledge and skills of staff.

The Future

When asked what plans they have for fee-based services, 14 of the 63 responding libraries (22%) indicated that they have no plans to offer fee-based services. Twenty-three of the libraries with existing fee-based services (37%) expect no change in their services, 13 (21%) expect to expand their existing services, and 2 (3%) expect their current fee-based services to decrease. Four (6%) ARL libraries are exploring whether to provide fee-based services. Libraries with existing fee-based services see a need for initiating or expanding services to distance education students, alumnae, and university corporate supporters.

Conclusion

At least a third of ARL libraries offer fee-based services that include one or a combination of the following: information research services, book loans, loans of videos and other nonprint collections, journal article delivery, computer searches, and patent and trademark searching. Procedures in these operations show an overriding concern for customer service. They are designed to achieve fast turn-around response times that are in tune

with the speed at which transactions are conducted and decisions made in the businesses they serve.

In the professional literature, the debate continues on the subject of libraries providing free versus fee-based information services. For centuries, libraries have fulfilled the noble mission of serving the information needs of all their users by guaranteeing free and equal access to information as a basic right of every citizen. Against these ideals, libraries have, for decades now, been experiencing declining library budgets, an explosive growth in published literature, and an increasing demand for services from primary and external users. In such a climate, rather than cut services to library users, some libraries are offering fee-based services as a way to respond to external demand. With careful planning, marketing, adequate budgetary support, personnel, and materials, the results of this survey suggest that fee-based services have the potential for generating income, even in excess of \$10 million.

Fee-based services are also a test-bed for establishing higher levels of customer service standards, which would be of benefit to primary users. Traditional library services are sometimes plagued with procedures and decision-making processes that undercut customer service and overall library service efficiency. Similar operations in fee-based services, on the other hand, have been stripped of unnecessary procedures, thereby achieving much faster response times and higher user satisfaction.

In summary, fee-based services are exploring a variety of unique library services with varying degrees of success. With continued experimentation, fee-based services can effectively serve as a way of meeting existing demand for library services from external users, generating income for the library, and establishing new library service models for all users. In the process, these services will help reinvent and shape the library of the future. Collectively, fee-based services now reach a significant number of users who would otherwise be underserved or not served at all.