

THE HISTORY OF CIRCULATING LIBRARIES: BUILDING READING AND RETAIL TRAFFIC

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ABSTRACT

Libraries have a long, fascinating history dating back to classical Greece, Egypt and Rome. Until the 18th Century, they were primarily attached to important political, religious and educational institutions, were depositories held no recreational content and served male elite's.

Society libraries which continued to serve the male gentry and circulating (rental, lending) libraries, which reached a broader audience, developed in Britain and the United States in the 1700s. The former were, more or less, invitational social clubs that charged annual subscriptions and often provided reading rooms. One of the very first, the Library Company of Philadelphia founded by Benjamin Franklin and his friends in 1731, survives today but almost all others have vanished.

The circulating libraries grew in both Britain and the U.S. They flourished best when book prices were high relative to consumer income; rental rates were very low. They appeared in bookstores, as specialized outlets and as traffic building sideline businesses in non-literary retail stores. The library world has associated them with a female and a little unfairly, an uncultivated audience.

An enormous expansion occurred in the United States in the late 1920s and 30s. Publisher's Weekly, estimated there were 40 to 50 thousand rental libraries in the U.S. in 1935 in contrast to about 5,000 bookstores. Post-war prosperity, cheap paperbacks, television and public library growth ended the rental library business.

The history of this one small service industry illuminates facets of many important marketing phenomena. These concern the long run democratization of elite offerings; variations in lifecycles; the role of "inferior goods"; the antiquity of relationship marketing; the early appearance of segmentation; the vagueness of the distinction between product and service exchanges; and the great flexibility of the marketing institutional structure.