

The Impact of the Internet on the Demand and Supply of Traditional Information Resources

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Information and the Internet are becoming synonymous. This study investigates the effects of increased Internet access on the demand and supply of traditional information resources. We quantify this impact using annual U.S. public libraries' collection and circulation counts. The empirical results indicate that greater Internet accessibility increase the use of traditional resources. This complementary relationship may be due to an increase in the demand for information due to lower search costs using Internet-based search engines coupled with low acquisition costs of obtain proprietary resources through public libraries. These results indicate that policies limiting Internet access and those that reduce financial support for public institutions may potentially lead to adverse effects on the overall demand for information.

KEYWORDS: circulated materials, high-speed Internet access, Internet use, ME-GMM, public libraries, information search behavior

JEL classification codes: D83, H52, L86, C33, L31

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