

Marketing Considerations for the Business Library

by Christine A. Olson

INTRODUCTION

A key ingredient in a librarian's plans to establish or manage a business information service is marketing. By establishing a strategic marketing plan early in the design and/or development of the business information service, librarians lay the foundation for a dynamic management tool, capable of meeting changing conditions and supporting growth goals.

In library circles, marketing is gaining recognition as an important management tool; it is to be included alongside with personnel, financial, and information-management skills. The purpose of this essay is to alert librarians to the overall scope of marketing as an information-service management tool. The next few pages are not meant to be a comprehensive treatise on marketing. They will, however, present the basic elements of a marketing program including: (1) marketing information systems, and (2) the marketing mix, consisting of the business information service/product offering, pricing strategies, distribution channels, promotion, and public relations.

Many librarians view marketing as a management tool requiring consideration only if their information services carry a price tag or if they are threatened with extinction. It is the author's belief that all libraries are business enterprises. Regardless of whether library services are offered at no cost, cost recovery, or for profit, the library, its services, and products need to be managed as a business operation. Once librarians assume a business orientation to library management, then marketing naturally falls into place along with personnel management, financial management, and administration. All of these management tools apply to a business library and the business information

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service, whether it operates in a public, academic, medical, legal, or corporate environment.

THERE IS NO FOOLPROOF MARKETING FORMULA

As one of the author's students recently pointed out, "There is no foolproof formula" for marketing programs. Marketing programs require not only workable plans, but also a great deal of both quantitative and qualitative personal analysis skills. Quantitatively, librarians must be able to identify statistics important to the evaluation and control of their library's marketing activities. They also must analyze those statistics in light of marketing goals and objectives, and apply creative thought to how an opportunity can be exploited and how problems can be overcome.

Admittedly, some people are better at marketing than others. It helps if a librarian has an outgoing personality and a creative mind. But more importantly, a good marketer is able to see not only the "forest," but also the "trees." Indeed, if librarians will be carrying out their own marketing plan, then they should be prepared to get down to the level of the "leaves and twigs" as they write press releases and conduct personal sales calls.

If the reader believes that marketing consists of conducting a user survey, writing a brochure, and waiting for the phone to ring (in that order), then they have just fallen into what the author fondly calls the Marketing Trap. Marketing is much more, as evidenced by the American Marketing Association definition:

"Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives."¹

Two basic concepts are evident in this definition. First, marketing is a comprehensive activity, in which all marketing components interact in a coordinated manner. Secondly, marketing is based on exchanges. A library offering business information services appeals to the needs of customers who will exchange money or time to receive those services. If the business information service is not appealing, costs too much, is not available when needed, or remains invisible, then no exchange will take place. Hence, it is very important to understand the business information market and the needs of potential customers.

MARKETING DECISION INFORMATION

The very first step in setting up a marketing program for a library business information service is the establishment of a marketing information system (MKIS). Although it may sound exotic, librarians have been maintaining MKIS's for years with data gathered from reference services, circulation, acquisitions and interlibrary loans. The

difference between what was done in the past and what the MKIS librarians need to establish for business information service marketing programs today, lies in how the data is used and generated.

An effective MKIS goes beyond collecting statistics for activity reports. It generates information which identifies market trends, opportunities for service development, and potential strategies for positioning the business information service in the marketplace. Philip Kotler and Paul Bloom, in their book, *Marketing Professional Services* (1984), define an MKIS as:

"...a continuing and interacting structure of people, equipment, and procedures designed to gather, sort, analyze, evaluate and distribute pertinent, timely and accurate information for use by marketing decision makers to improve their marketing planning, execution and control."²

A MKIS need not be automated, although it does help. The information needed for a business library will also vary. More importantly, the level of marketing activities being pursued by librarians will have a significant impact on the sophistication of the MKIS and the information it generates. However, some common MKIS components can be presented here.

A MKIS gathers data about the business library's marketing environment. Collecting information on the library's target markets—who they are, their information needs, and if and how they are changing—and tracking competitors—knowing who they are, how and when they offer business information services, and how they affect the library's business information service—are both important to the overall marketing plan of action. Every library service has competition, whether another library, information broker, end-user database system, or a colleague network. A library's MKIS should present, on a regular basis, information on competitors and the relative position the business information service holds to them. Monitoring a library's marketing environment will help keep the library in business.

Other types of information gathered through an MKIS can answer questions such as: the number of new clients and repeat customers in a given time frame, the number of satisfied and dissatisfied customers, the amount of business generated by a promotion effort, or the amount of potential business projected for the coming quarter or year.

Once a librarian has identified the type of information needed to support the library's marketing program (and these needs will change as conditions change), the information-collection mechanisms and frequency rates will need to be implemented. Basically, there are three different mechanisms for collecting information: internal reports, intelligence, and research.

Internal reports can consist of statistical summaries and analyses from circulation, reference, online search, interlibrary loan, acquisitions, and photocopying activities of a library. The operational word in this description is "analyses." It's not enough to just report numbers.

The information in these reports should provide a clear picture of what is happening in the library and business information service.

Intelligence data are a variety of information that can help the librarian understand why things are happening: why a service offering is successful, why business has dropped off in recent weeks, or why there is a flood of questions on a specific topic. Everyone on the library staff should be involved in gathering and reporting intelligence data. Whether via marketing contact reports or weekly business meetings, the staff should be aware of the importance of reporting trends, ideas, and observations.

The last mechanism for gathering MKIS information, research, should be most familiar to librarians. In library marketing programs, marketing research is actually part of a MKIS. There are many books and articles on the subject of marketing research and the various techniques available for gathering desired information. If readers are unfamiliar with focus groups, telephone interviews, or stratified sampling, then they are urged to attend educational sessions or read books on market research techniques.

Before leaving this section on MKIS and research, it is critical that librarians understand that market research is conducted with the non-user or potential market in mind as well as current customers. The common library research term "user survey" is a misnomer, leading to ineffective marketing strategies. If librarians have to use a phrase, then "needs assessment" is a better descriptor, although "market research" describes the activity as well or better.

AVOIDING THE "SHOTGUN APPROACH"

Three critical aspects of a library's marketing strategy that evolve from MKIS data are segmentation, targeting, and positioning strategies.

Segmentation refers to the division of the library's market according to specific characteristics. Possible segment variables include geographic (zip code, phone number, regions), demographic (age, life cycle, occupations, education), psychographic (social class, lifestyle), or behavioristic (user status, attitude, loyalty).

Although there is no absolute right or wrong way to segment a market, librarians should be sure their market segments: (1) are large enough to measure for size and purchasing power, (2) can be effectively reached and served through distribution channels, (3) are large enough to support the business information service/product offering, and (4) can be persuaded to act through promotion activities.³

When librarians open the doors and announce that business information is available, they are pursuing a "shotgun approach" or "hit-or-miss strategy" for offering of library services. To effectively support a marketing program for a business information service, librarians need to identify market segments, groups of individuals and

organizations with similar characteristics, so that specific services, products, and messages can be aimed or targeted to specific audiences.

By targeting a market segment, librarians can develop, package, deliver, and promote business information services and products in a manner consistent with the desires and needs of the target market. For example, if a market segment is defined, in behavioristic terms, as Saturday workers, then a marketing strategy targeted to this group would offer 24-hour weekend information services.

The last strategy to emerge from MKIS data is the library's positioning strategy, i.e., what image does the library service hold in the eyes of the target market. Position can be based on a variety of perception factors: price, service quality, convenience, friendliness, responsiveness, and reliability, to name a few. The author has witnessed library staffs who believed their image was one thing, while the actual perception in the marketplace was another. It is therefore recommended that librarians conduct periodic research on the position their business information services and products actually hold in the marketplace. The results of this research will serve to either confirm the library's positioning strategy or identify image problems requiring adjustment.

MARKETING MIX STRATEGIES FOR BUSINESS LIBRARIES

The next phase of a library's marketing program deals with what is commonly referred to as the "four P's" of marketing: product, price, placement, and promotion. These four elements make up the mix of a marketing strategy in which each element is managed in relationship with other elements.

A library that has a superior service, offers it for free, makes it available during business hours, but doesn't make any announcements to the target market, has a marketing-mix strategy that will not yield successful results. The reason? The promotion element of the marketing mix has not been activated in proportion to other elements. A marketing-mix problem in the commercial world exists when a company introduces new products, issues promotion coupons, bombards the airwaves with commercials, but doesn't have the product in the stores. In this case, the placement or distribution element is missing from the marketing mix strategy.

The Product or the Service

The first marketing-mix element of concern is the product or service offered by the business information service. The greatest challenge associated with managing this aspect of the marketing mix is the requirement to create tangible evidence of value for an information service. Because information services are intangible (one cannot inspect the service before use or purchase as one can inspect a fountain pen),

every aspect lending solid, visual reference to the information service should be closely managed. The appearance of the library and the staff, the packaging of online searches, and the physical presentation of reference services all present opportunities to attach tangible attributes to a library's business information service.

In many ways, efforts to make tangible an information service are tied directly to a library's positioning strategy. As was discussed earlier, a library's position is the image perceived by the target market. In the attempt to create tangible evidence of the value of a library's service offering, a positioning strategy can be reinforced or even established using tangible evidence. Providing tangible evidence that library services are timely, of high quality, friendly, and reliable all promote positions or images libraries want for their business information services.

Translating images into tangible evidence could also involve publicly noting the date and time when the request was taken, completed and provided to the customer (timeliness); providing service samples and statements attesting to quality from customers (quality); cheerfully answering the telephone and encouraging positive staff personality (friendliness); and publicly documenting timely and effective efforts to provide information to a customer (reliability). Librarians who successfully manage the product/service marketing-mix element and the intangible aspects of information services are those who (1) insert their online searches into handsome pocket folders, (2) pay special attention to the library's design and layout, (3) make sure their communications are on professionally designed and printed stationery, (4) enforce a dress code among staff members, and (5) personally observe the principles of effective interactions with the clientele.

Pricing the Business Information Service

The second element of the library's marketing mix is its pricing strategy. Before setting this strategy, a librarian needs to identify the library's price objectives. In the case of many libraries, the price objective is usage maximization. But increasingly, for some libraries, a secondary price objective is to recover costs. Still another price objective in some libraries is market disincentivization, a pricing objective intended to discourage usage. Academic libraries that charge high fees for filling interlibrary loan requests are pursuing a price objective of disincentivization. By charging a high fee, they hope to encourage requestors to seek alternative resources before turning to the academic library.

Once the price objective has been set, the actual pricing strategy can be determined. It should be noted that different services and products can have different price objectives depending upon the target market segment. At this point a librarian becomes involved in either cost-, demand-, or competition-oriented pricing, and in the various accounting methods used to determine the price elasticity of demand

and break-even analysis, to name a few popular pricing formulas. Whether the business information service charges for its services or not, the librarian needs to understand basic cost accounting principles. If the reader is unfamiliar with how a price is determined or how to set up cost centers, the author recommends attendance at seminars or reading about these principles and their applications to pricing library services.

Lest some readers feel that since they offer their business information services at no charge, they need not learn about pricing formulas, the author hastens to point out that there is no such thing as "free." Somewhere, "someone" is paying for the information service, making it imperative for librarians to know true costs and to tell that "someone," through various marketing strategies, about the value of information service.

Before proceeding onto the next mix element, it should be mentioned that a library's pricing decision is impacted by market perception, i.e., the market is aware of price, has price expectations, and perceives a price-quality relationship. This is true even for libraries offering "free" services. In these cases, instead of money being exchanged, price is perceived as convenience, timeliness, quality, and reliability. Regardless of the library's pricing objectives, a value ratio exists in which the overall value of a product is determined and defined as equal to the ratio of perceived quality to price.

$$\text{Perceived Quality} \div \text{Price} = \text{Value}$$

Since quality is considered to be a function of price, when the quality increases, value will increase, and when the price goes up, the value will decrease.⁴

This ratio has a significant impact on a library's marketing program, especially for those libraries struggling to prove the value of their services. Before librarians claim a level of value, it is important to establish perceptions of quality versus the price (monetary or otherwise). This leads back inevitably to the challenge of making library services tangible. Because quality is perceived, the more effectively a librarian can create tangible evidence of the information service, the more easily the customer will "see" the quality and be able to compare it to price, thereby arriving at a value determination.

Placing the Business Information Service

The third element of the library's marketing mix is the actual placement of services and products into the hands of the customer. This element is commonly referred to as distribution channel management, for it involves managing the distribution of the library's services and products through various channels.

The primary channel for a library service is the library itself, to which people either bring in or phone in distribution of their information requests. For a business information service with a geographically

centralized target market, the need for sophisticated distribution channels may not be necessary. However, for libraries with geographically dispersed markets, or target segments who typically do not want to walk a flight of stairs to get to the library, the librarian will have to develop a strong distribution strategy to facilitate the placement of services and products into the patron's hands. Examples of such target segments might be patrons located in the manufacturing end of an organization with a research library, field offices, or executives who are too busy to visit the central location.

Public libraries, with their bookmobile routes, have been operating distribution channels for years. Libraries that offer information on CD-ROM or via online database systems off-site from the library have established distribution channels, similar to libraries which operate satellite collections. The key behind any library distribution channel is making the information service accessible and available when and where the market needs it. This definition may have special implications for business information services targeting the business community. As one might guess, when businesspeople need information they want it "yesterday." If a library wishes to assume the position of being able to deliver information when and where a businessperson needs it, then the placement of information services will need careful consideration. Perhaps courier services, facsimile (fax) machines, electronic bulletin boards, or business-reference-collection rentals might be the answer. But it will not be enough to promise information service and not be able to deliver when called upon, unless the librarian wants to emulate the company that failed to have its product on the store shelves.

Promoting the Business Information Service

At last we have arrived at the favorite marketing-mix element of librarians, promotion. In fact, promotion is so favored a topic, many people think marketing is nothing but promotion. Obviously, this is not true. Promotion plays an important role in a library's marketing strategy, but its importance is relative to the other elements of the marketing mix.

A librarian has three major promotion activities from which to select: advertising, sales promotion, and personal sales. It should be parenthetically noted that some marketers include publicity as a promotion tool. The author believes that publicity or public relations is a separate function, to be pursued in coordination with the overall marketing strategy.

Before discussing the three promotion tools, librarians should understand how these tools fit into an overall communications framework. Although different promotion activities involve varying forms of communication, there is a basic communications theory underlying all promotion activities.

Essentially there are two parties in communication, the sender and the receiver. The library (sender) puts a message into symbolic form (encoding). The media represent the paths or vehicles via which the message moves from sender to receiver (the library's target market). The receiver decodes the message and assigns meaning to the symbols transmitted. Based on the decoding process, the receiver transmits a set of reactions or responds to the message, providing feedback to the sender.

The value of understanding this basic communications process becomes apparent to librarians when they conduct open houses and only a few people show up. Here again, market research can contribute immeasurably to successful promotion communications. By understanding what the target market wants to receive, the librarian has a better chance of transmitting a message that will prompt the desired action on the part of the target market.

Essentially, a library's promotion strategy is a combination of advertising, personal sales, and sales promotion. Advertising refers to any paid form of presentation of the library's business information services. Personal sales occur whenever the library staff interacts with the customer. The implication here is that everyone on the library floor is a salesperson, from the reference staff to the person shelving books. Sales promotions, underutilized in library promotion programs, are short-term incentives to encourage the library's target market to try an information service or product. Sales promotions include coupons, trading stamps, premiums, and contests.

The literature reveals a number of promotion ideas utilized by libraries to promote their business information services. Some ideas include:

- Exhibiting at business and industry fairs
- Billboard advertising
- Presentations at business breakfasts, luncheons, and dinners
- Distributing peel-off telephone labels printed with the business information service number
- Providing preprinted telephone Rolodex cards
- Ads in the telephone directory
- Telemarketing campaigns
- Distribution of coupons in paychecks or business magazines
- Display print ads in business periodicals
- Banners outside the library building
- Loudspeaker advertising
- Direct mail campaigns
- Speeches
- Sales presentations and demonstrations
- Free samples of services and products
- Introductory price specials
- Point-of-sale displays

- Sales literature
- Catalogs
- Exhibits in shopping malls

Above all, before readers get carried away with enthusiasm for promotional ideas, it must be remembered that promotion is relative to other marketing-mix elements, and that before a business information service can be promoted, messages, media, and audiences have to be considered in order to yield the greatest return on the promotion dollar.

TYING PUBLIC RELATIONS INTO THE LIBRARY'S MARKETING STRATEGY

As was mentioned earlier, the author believes public relations to be a separate element from promotion and places it as the fifth "P" in the marketing mix. This belief is based on the definition of public relations, as adopted by the 1978 World Assembly of Public Relations Associations:

"Public relations practice is the art and social science of analyzing trends, predicting their consequences, counseling organization leaders and implementing planned programs of action which will serve both the organizations and the public interest."

Simply stated, public relations means two-way communications designed to relate the needs and interests of a library with those of its target audience. A planned program of public relation actions is known as publicity, in which favorable media coverage is obtained of topics important to the library. The difference between promotion and public relations should be evident. Promotion is communications aimed at selling a library service/product, while public relations seeks to foster positive attitudes about a library and its business information service offering. The distinction lies in the general nature of public relations versus the selling services nature of promotion.

The distinction between promotion and public relations is important. Many times librarians combine the two elements, creating confusing messages and producing unmeasurable results. As with promotion, there are various tools and methods to carry the public-relations message. Some include:

- Press releases on new information services, new staff members, the results of a contest, or the announcement of special events
- Participation in radio and TV interviews
- Establishment of a visual identity system for the library's stationery, business cards, and other communications pieces
- Displays highlighting local businesses
- Speakers bureaus
- Lunchtime film programs on topics of interest to small business

- Annual reports
- Presentations on business information services at local schools and colleges
- Brochures and publications describing information services in light of their contribution to the business community
- Sponsorship of contribution of prizes to events such as golf tournaments
- Newsletters
- Public service announcements in print, radio, and TV media

Some libraries have public-relations offices which are prepared to issue press releases and implement the publicity program the library designs. Other librarians, who wear several hats, frequently have to write their own press releases. Getting recognized by the media takes know-how and patience. The author directs the reader to seminars and literature to learn the details of issuing press releases, creating identity systems, and other tools of public relations.

PULLING TOGETHER THE LIBRARY'S MARKETING PROGRAM

The librarian needs to pay close attention to the relationship and interaction of all marketing-mix elements in order to attain stated goals and measurable objectives. Taken separately, each marketing-mix element has its own challenging strategies. Combined, the elements of a marketing mix provide opportunities for growth and creative management. Above all, it should be apparent that marketing is not a one-time activity, to be planned one week and forgotten the next.

It is hoped these few pages describing major marketing tools have sufficiently introduced marketing management concepts to enable readers to begin thinking about their proposed or existing business information service in a marketing context. Omitted from this chapter are the marketing audit and marketing planning processes. Both of these tools require an understanding of the principal marketing concepts presented here, as well as analytical and planning methodologies specific to the individual business information service and its environment.

A number of books and journal articles are available in the business and library literature that can serve to expand concepts introduced in this essay. The few noted below are the author's personal preferences and in no way should be construed to represent the length or breadth of marketing literature.

Aaker, David A., and Day, George S. *Marketing Research*. 2nd ed. New York: John Wiley & Sons, 1983.

Recommended for librarians who have never been exposed to a comprehensive marketing seminar or literature, this text offers an abundance of interesting examples of marketing concepts, although the examples are not library-related. Contents are arranged in a logical manner, with one of the last chapters devoted to services marketing and its challenges for the marketer.

Assael, Henry. *Marketing Management: Strategy and Action*. Boston: Kent Publishing, 1985.

The best introductory text to marketing research, this is easy reading with many examples. Best of all, it introduces research statistical methods in a painless manner. It is especially recommended for librarians who feel quantitative techniques are not their forte.

Fulz, Jack F. *Overhead: What It Is and How It Works*. Cambridge, MA: Abt Books, 1980.

Recommended to those who have already digested a cost-accounting text or course, this book offers a very concise discussion on cost accounting and overhead elements.

Holechek, James. *Public Relations*. 3rd ed. Jordan-Holechek, Inc., 300 Cathedral St., Baltimore, MD 21201.

Numerous examples of public relations tools and "how-to" advice are presented. Jim Holechek, a public relations practitioner, gives the reader an inside look at how things should be done.

Kotler, Philip, and Andreasen, Alan. *Strategic Marketing for Non-Profit Organizations*. 3rd rev. ed. of *Marketing for Non-Profit Organizations*. Englewood Cliffs, NJ: Prentice-Hall, 1987.

The 660 pages of this text are packed with marketing management theory and illustrations, including examples using library situations. This is the bible for nonprofit marketing managers and contains excellent marketing audit guidelines.

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2. Philip Kotler and Paul Bloom, *Marketing Professional Services* (Englewood Cliffs, NJ: Prentice-Hall, 1984), p. 125.
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