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# Libraries and Marketing: New Words—Old Worlds

Howard F. McGinn

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The non-profit community has discovered marketing. Publications ranging from the *Wall Street Journal* to *American Libraries* regularly publish articles about non-profit sector marketing programs. The library community, of course, has shown considerable interest in the application of standard business marketing practices to daily library operations. Many in the profession, however, are alienated by the thought of marketing practices invading the library domain. Marketing to many is too commercial, too crass. Yet librarians have been using standard marketing practices for decades. They just have not regularly applied standard business school terminology to the marketing work that is done. This article will attempt to soften the alien notion of marketing. It will discuss some standard marketing topics, examine their library parallels, and suggest areas of marketing practice that libraries may wish to strengthen or investigate for the first time. All marketing definitions used are from the glossary in Philip Kotler's *Principles of Marketing*, a standard business school marketing text. I have deliberately used business terminology as much as possible, and I ask your patience in working with terms that may be new or irritating.

## Marketing: What It Isn't and What It Is.

Marketing is not public relations. Marketing is not selling or sales promotion, or advertising. It is not surveys, brochures, product development or billboards, not customer service or convention exhibits, not direct mail, junk mail or bills in the mail. It is all of the above and much more.

Kotler, in the opening chapter in his textbook, defines marketing as the "human activity directed at satisfying needs and wants through exchange processes."<sup>1</sup> For the purposes of this article, however, a definition of marketing given by Kotler in the Preface to the text is much more useful. "Marketing," he writes, "consists of a set of principles for choosing target markets, identifying customer needs, developing want-satisfying prod-

ucts and services, and delivering value to customers and profits to the company."<sup>2</sup> Let us look at three of these areas separately: target markets, customer need identification, and product development.

## Target Markets and Market Segmentation

Marketing practice is a creature of the economy. Marketing, like more human endeavors, must use finite resources efficiently to produce the maximum results from the investment. Put yourself in the place of the marketing manager for a consumer product manufacturer. The product that you want to market is soap. Everyone uses soap at one time or another, even the most intransigent fifth grader. Soap should be easy to market. But it isn't. Why? Well, to start, there is a lot of product and price competition. Walk through the supermarket and count the number of soap products being offered to the consumer. Most soap products work the same: add water, make suds, scrub, and dirt is removed. What will you have to do to make a person buy your brand and reject the competitor's brand? You can create packaging that will make your soap bar noticed, or you can fabricate your soap in an odd size. You can sell your soap for less than the competition or you can sell the "BMW" of soap and charge more.

In effect, every effort you make will be designed to make your product stand out among the competition. But your competitors are also doing this. They are also advertising heavily on television, in the newspapers, on radio. What do you do? You become creative. You figure out a way to make your advertised message so unique, so creative, that people will want to listen to your message. But you still have a problem. Since everyone uses soap and you have to sell large quantities to cover development, marketing, and other costs to make a profit, how do you reach all of these potential customers without going bankrupt? One solution to this question is market segmentation and the development of target markets. In effect you divide and conquer, you slice up the market pie.

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A *market segment* is made up of customers who respond in a similar way to a given set of marketing stimuli. *Market segmentation* is the dividing of a market into distinct groups of buyers who might require separate products. *Market targeting* is evaluating each segment's attractiveness and selecting one or more of the market segments to enter.<sup>3</sup>

Markets may be segmented in many ways. The most common divisions are: 1. *geographic* (state, region, county, city), 2. *demographic* (age, sex, income, occupation, nationality, race, religion, education, etc.), 3. *psychographic* (social class, lifestyle—remember the yuppies?), and 4. *behavioristic* (birthdays, usage rate, attitude toward product, and so forth). In reality, most companies segment a market according to several of these designations. They may choose to market products to black college graduates living in the counties in South Carolina that are closest to Charlotte, North Carolina. They may choose to attempt to "penetrate" a market made up of Vietnam veterans over forty years of age with incomes between \$20,000 and \$50,000.

Market segments are created based on these assumptions: 1. the persons in a segment have similar needs to be filled; 2. the persons in the segment will respond to marketing efforts in a similar manner; 3. the market segments created can be contacted or reached efficiently and economically; 4. the persons in the segment have the resources to purchase the product or service; and 5. the product being marketed will fill the needs of the persons in the segment.

Because of the many ways a market can be segmented, a company usually must limit the number of market segments it may choose to attack. It must select *target markets* that provide the best opportunity, that most clearly seem to need its product, and that can most efficiently and cost-effectively be reached through standard promotional and advertising methods. In effect, the company must select a target market that will give the highest return on the marketing investment. Once it chooses, the company can then concentrate its marketing efforts on the target. If it is successful in penetrating that market, it maintains its marketing effort so that it does not lose the market segment to a competitor, and it begins to plan to attack a second target market, then a third and so on. By dividing the whole of a market and concentrating the investment of resources on one or a few segments at a time, the entire market potentially can be conquered. Though the soap product may be able to be used by everyone, target marketing allows the com-

pany to spread the investment of finite marketing funds over a longer period of time; it allows the concentration of dollars on a defined group; and it produces sales income that can then be turned around and used to market to other target market segments.

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## **The same processes that drive the marketing of consumer products and services also drive the marketing of library products and services.**

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### **Product Development**

Successful target market penetration, of course, assumes that the product being offered fills consumer needs. A product that does not fill a need is rejected. Product development is difficult, no matter how simple the product may be. There are very few "natural" products or products necessary to maintain life. Most products must be created as a result of a perceived need, developed, tested, and then redesigned, developed more and retested until that product appears capable of successfully filling a consumer need. Product development is expensive, it is time-consuming, it is information dependent. Usually many types of surveys are conducted to try to ascertain consumer needs; then, when needs are identified, product concepts are developed and tested. Competitors' products are considered and analyzed, pricing strategies are developed, packaging is designed, distribution channels are developed and various types of advertising campaigns are concocted. But because all this activity demands the investment of finite financial and human resources, the development process must be tightly controlled and the product development time must be reasonable. Product developers, too, must not be afraid to kill a product idea that does not work. In the end, the soap being developed must work: it must clean. It needs to be different from the soap offered by the competition. My soap must clean better than the competitor's soap, or at least it must offer more benefits than the competition, such as a better fragrance, lower price, or a sense of status.

### **Customer Needs**

All of this development activity assumes that needs of the consumer have been correctly identified. Why do people buy things? What makes a person choose one product or service over

another? People buy to fill needs. They may want to cure unhappiness, achieve social status, be entertained, stop hunger. Needs are often camouflaged; they sometimes come in bundles. On the surface level, soap fills the need to be clean. But it also can be designed and purchased to give fragrance, stop perspiration, or give a perception of an attained higher social status. A key to effective product development is the accurate identification of the needs of the marketplace. This identification is also essential if an effective advertising and selling campaign is to be mounted. Constant contact with the consumer is necessary to help identify these needs. This contact can be through verbal or written surveys, through regular professional and home interviews, through the analysis of competitors' products. Consumer needs, properly identified, can lead to good products. Good product development, when done as part of an overall marketing strategy, will lead to sales in those target markets. Sales, controlled costs, and proper pricing lead to profits.

### **Libraries and Marketing**

The same processes that drive the marketing of consumer products and services also drive the marketing of library products and services. It is helpful, in fact, to look at library products and services as consumer products and services. The fact that libraries tend to have been legally established as non-profit organizations does not change the nature of the standard buyer-supplier relationship that exists between the library and its patrons. If libraries had developed as for-profit operations, it would be essential that the library's patrons be normally regarded as customers and the library's services and products thought of as consumer products. Kotler's definition of the consumer market clearly describes the traditional library-patron relationship. He defines the *consumer market* as "all individuals and households who buy or acquire goods and services for personal consumption."<sup>4</sup> Though most library services are free to the consumer, a "purchase" of the library's goods or services takes place whenever a person uses the library. As part of the consumer market, libraries have always responded to changes in the market. The history of libraries is one of response to customer needs and of new product development. Libraries have always segmented markets, developed products and attempted to discern customer needs.

### **Library Market Segmentation and Target Markets**

The library marketplace has been extensively

segmented. Library services for academic segments, governmental segments, school and corporate segments have been developed. Our large academic and public libraries, moreover, have been further segmented. Public libraries have segmented their markets by providing service through separate departments for genealogists, businesses, children, young adults, and so forth. Public libraries also commonly segment services geographically by establishing branches and providing bookmobile services. Academic libraries take a more subject-oriented segmentation by establishing special services and collections for university departments. The reason for all of this segmentation is the desire by the library to deliver efficient, quality service. Is this process very different from the market segmentation done by corporations? Is it uncommon, as well, for libraries to choose to invest more human and monetary resources in a specific segment because of the demand for increased services in an area by the libraries' clientele? Is not this process, in reality, the selection of a target market?

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The practice of market segmentation is a time-honored library practice. Perhaps the most straightforward historical example of library marketplace segmentation can be found in John Cotton Dana's creation of the Special Libraries Association. The SLA Constitution adopted on July 2, 1909 stated: "The object of this Association is to promote the interests of the commercial, industrial, technical, civic, municipal and legislative reference libraries, the special departments of public libraries, universities, welfare associations and business organizations."<sup>5</sup> This is classic market segmentation.

### **Libraries and Product Development**

Libraries are constantly offering new products and services. Most of the products offered—books, periodicals, etc.—are purchased by the libraries from manufacturers and packaged for "resale" to the consumer. When performing these duties libraries are, in effect, retailers like K-Mart, Sears, or Bloomingdales. But libraries also develop many products and services of their own. Product development has been an essential component of library services for decades.

Consider the development of reference ser-



vice. In the United States in the nineteenth century, society was changing, information needs were changing. Thomas Galvin, in the *Encyclopedia of Library and Information Science*, writes:

The inauguration of formalized reference service in libraries seems clearly to be related to certain economic and social developments in the larger context of 19th century American society. Chief among these are the transition from a rural, agricultural to an urban, industrial economy; the acculturation of a large immigrant population; the rise of public education; and the changing character of the American college and university. As the public library movement swept across the United States in the last decades of the 19th century, college and university libraries were also changing radically in character as a consequence of a growing orientation toward graduate study and research.<sup>6</sup>

Reference service was developed because the information needs of the country were changing and libraries developed this new product, "reference service," to respond to the needs.

The development of reference service continues at a rapid pace in almost twenty-first century America. Most of the development has been spurred by technologies like the microcomputer, enhanced online searching, online data bases, and CD-ROM. A main difference between library product development and corporate product development is the small amount of research made in product development by libraries compared to the extensive research and expenditure made by corporations. Libraries, of course, do not have the dollars to invest in extensive development. But most libraries have the time and personnel necessary for rudimentary product development if the library places a premium on such a program.

### **Libraries and Customer Needs**

Response to customer needs is not a new phenomenon in libraries. If it were, we would still be employing monks to create illuminated manuscripts. American libraries, in particular, have always shown a high degree of sensitivity to customer needs. In discussing the history of reference service, Galvin further writes that "the newly established public libraries of the late 19th century were dedicated more to the use of books than to their preservation, and they had been created to serve the entire community, rather than merely an economic, social, or intellectual elite."<sup>7</sup> The founders of the Special Libraries Association considered customer needs from the very first days of the organization. "At the first conference, held in New York City on November 5, 1909, with about thirty-three members present, committees were formed to consider the problems of: agricultural libraries, commercial associations, insurance li-

braries, legislative and municipal reference libraries, membership libraries, public utility libraries and sociological and technical libraries."<sup>8</sup> In 1909 "problems of libraries" were considered; today we would call them customer needs. This response of the SLA founders and others continues unabated today as libraries offer public access microcomputers, videotape programs, and other forms of information provision.

The terminology is new; the concepts are old. Libraries, under various guises, have been segmenting markets, establishing target markets, developing products, and analyzing customer needs since the last century. Then why does a feeling of apprehension accompany the librarian's advance into business oriented marketing? Part of the reason is the terminology; part is the sophistication of modern marketing technique. A major factor, too, is the liberal arts background of most librarians. The profession's equation of libraries with "the preservation of our culture" often causes the more utilitarian aspects of our industry to be ignored. Much library use of marketing has been instinctive or couched in traditional library training and terminology. But our training has prepared us much better than we realize to enter the world of marketing. The following suggestions can help us make this entry more profitable.

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## **Attainment of marketing proficiency is the duty of the individual and is possible only through training and experience.**

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### **Becoming a Marketer**

If you are interested in marketing, if you are interested in applying marketing concepts to your library's operations, start with the realization that you probably have been applying sound marketing practices for many years. You have just called the practice by a different name. You probably have been identifying the needs of your patrons, developing products and services, segmenting and targeting markets. If you are like most librarians, you have been investing your finite financial resources very wisely and very efficiently. This article, though, has only touched the tip of the marketing iceberg. There is much value for library operations to be gained from business literature and courses. The acquisition of an M.B.A. is not necessary. But there are steps that can be taken to increase your knowledge of marketing. Here

are some that are relatively painless and available to everyone:

1. *Read the Wall Street Journal every day.* Like acquiring a taste for some types of food, reading the *Journal* is not always easy. But the more you read, the more familiar you will become with common business concepts and terminology. You will benefit, too, from the wide variety of subjects covered by the *Journal*. The business sections of the *New York Times* and *Business Week* offer similar benefits.

2. *Learn the language of the business world.* This will take patience and a self-understanding that business vocabulary is not inherently evil. As you master the vocabulary, translate the terms into those commonly used by the library profession. Mastery of business terminology will also help in working with the business community in your town.

3. *Take a basic marketing course* at your local academic institution or community college. The Small Business Centers at many community colleges offer excellent seminars and courses in marketing.

4. *Mimic.* Watch all of those commercials, look at all of those direct mail pieces and billboards analytically. Try to divine the company's target markets and market segments. "Listen" to the method being used; identify probable consumer needs being attacked. Analyze how the product being marketed meets the probable consumer needs. Look for factors built into the product and its marketing by the company that will make that product stand out. Some of these techniques can be applied to the marketing of your library.

5. *Visit a local supermarket.* Do not go to buy; go to observe. Try to visit a large chain store like Food Lion, A&P, or Safeway. Interview the store's manager and department heads. The chain will have done extensive analysis of traffic patterns, display type and usage. Note where products are placed in the store; analyze how the products are displayed. There is much similarity between the floor layout and systems of a supermarket and a library, especially a public library.

## Marketing Concept

The most important step that can be taken, however, is the adoption by the library's management and all staff members of the *Marketing Concept*. The marketing concept is a management orientation that holds that the key to achieving organizational goals consists of determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors.<sup>9</sup>

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## Marketing is not public relations.

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The marketing concept, a marketing orientation in daily library operations, must not be adopted just by management, but by every single member of the staff. No employee should be exempt. Peter Drucker emphasizes this primacy of marketing in an organization:

Marketing is so basic that it cannot be considered a separate function (i.e. a separate skill or work) within the business, on a par with others such as manufacturing or personnel. Marketing requires separate work, and a distinct group of activities. But it is, first, a central dimension of the entire business. It is the whole business seen from a point of view of its final result, that is, from the customer's point of view. Concern and responsibility for marketing, must, therefore, permeate all areas of the enterprise.<sup>10</sup>

The marketing concept is difficult to inculcate in a staff. Obviously, those staff members who have regular customer contact need to be most accepting of the marketing concept. Much reference work, for example, is selling, is needs fulfillment. But in the heat of answering reference questions or responding to other demands made by the public, a sense of service equilibrium is difficult to maintain. Professionalism demands, though, that this equilibrium be maintained and that the customer be given quality service.

Those staff members who do not have regular customer contact will have a much harder time sustaining a marketing oriented mindset. Manufacturing companies have similar problems. It is easy for the company's salesforce to have a marketing orientation. Customer needs fulfillment is an integral part of their job, and much of their direct compensation depends on how well they interact with the customers. For the person on the production line, supervisor and worker, the problem is more difficult. There is no regular customer contact. Salespeople receive constant rewards and gratification when a customer buys what they have to sell. This reward structure is not always a natural part of the production line life. Yet, when production line employees have a sense of service, of marketing, or self-importance based on the knowledge that they are helping a customer, then productivity and product quality increase. In a library setting, consider the chaos possible if technical services functions are performed below standards. How does this affect the operations of the organization? How does sloppy technical services work affect customer service, customer satisfaction, and the customer's perception of the library? The answers are obvious.

A marketing approach to daily work should, then, be adopted by all employees regardless of the amount of direct customer contact present in their jobs. It is crucial, too, that the marketing orientation be adopted by professional and non-professional staff. No one is exempt. Professional staff should not assume that the MLS automatically has given them the ability to deal professionally with customers, or that the MLS has exempted them from professionally dealing with customers. Non-professional staff should be taught that they play an important role in marketing the library's services, especially if they have direct customer contact. The following questions are meant to serve as a quick self-examination, a self-audit, of a library's marketing orientation.

### Marketing Audit

1. Is service the primary reason you became a librarian?
  2. Does your library exist to provide service to customers, or does your library exist to preserve and warehouse materials?
  3. Do you discuss customer needs at staff meetings? Have you ever talked about customers, and customer service and marketing in general at your staff meetings?
  4. Do you discuss customer needs at meetings of your board, Friends association, professional associations?
  5. Do you have quality control procedures built into your technical services functions?
  6. Do you know who your customers are?
  7. How many customers have you lost or gained in the past six months?
  8. Based on how you are dressed at this very moment (assuming you are at work and not taking a shower) would you, the customer be able to identify you the librarian based on your dress and demeanor?
  9. How often do you ask a customer if you can help them?
  10. Have you recently walked into another library as a customer? How were you treated? Would you have treated yourself better or worse than your competitor?
  11. Are customer service measurements built into your employee evaluation procedures?
- No matter how well or how poorly you feel you score on these questions, you should plan to acquire training in basic marketing concepts. You can never have too much training in filling the needs of your customers.

### Summary

Peter Drucker has also written that "there is

only one valid definition of business purpose: to create a customer."<sup>11</sup> That purpose operates, too, deep in the history of librarianship. We have created a product, we have segmented markets, we are constantly trying to ascertain customer needs. We just have not necessarily used these terms to describe what we do, and we have not always brought a systematic businesslike approach to these functions. But the functions are familiar; they should not cause rebellion or revulsion for us just because these phrases seem to emanate from the for-profit sector. Libraries are, wittingly or unwittingly, an industry. We have competition; we have products and services; we need customers. Marketing can help us improve long-standing library practices because marketing is not a brave new world. It's just the application of new words to our old world.

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