Marketing Fundamentals for Librarians

Diane Strauss

Not too long ago, the following advertisement appeared in an issue of *Library Hotline*:

> Director of Marketing, St. Louis Public Library. Exciting opportunity to work for one of the country's premier libraries. Reporting to the director of development, the director of marketing formulates and maintains a marketing information system. Develops an annual marketing plan as well as a five year marketing plan. Identifies and evaluates current situations and future trends that would have major marketing and public relations implications for the library. Develops and implements public relations programs designed to enhance the library's image, gain awareness and use of the library.[1]

Few libraries can afford full-time marketing specialists, however, and not many have marketing information systems or marketing plans. More to the point, while many libraries have annual and five-year plans, they are not specifically identified as marketing documents. Librarians have, in fact, been practicing marketing piecemeal for years; what until recently has been lacking is a sense of marketing as a series of related activities that are as appropriate—and as important—to libraries as they are to corporations. This article will identify and describe basic marketing principles, and show how they can be applied to libraries.

Marketing Mix

To many people, advertising and marketing are synonymous. When they think of marketing, they think of the broadcast and print ads with which they are bombarded daily, for automobiles, beer, floor wax, lipstick, and hundreds of other consumer goods. Marketing, however, is an extremely broad and complex field, of which advertising is just one part. It is a mix of activities, beginning with estimating the demand for specific products or services and leading to their development, pricing, distribution, and promotion. Known as the "marketing mix," these activities can be reduced to four broad categories: product, price, place, and promotion.

Product planning involves the product itself as it is designed to appeal to a predetermined group of potential users. It includes decisions about package design, brand names, and the development of new products. In 1984, for example, PepsiCo began test marketing Slice®, a caffeine-free soft drink that contains real fruit juice, to see if user response merited full production and distribution. The "healthful" soda pop proved a marketing masterpiece: less than two years later, it enjoyed retail sales of $1 billion, and Coca-Cola and other soft drink companies rushed to follow PepsiCo's lead.

Libraries, you may be thinking, are not so crassly commercial. While we are driven by a service ideology rather than a profit motivation, our ultimate goals are not really very different from PepsiCo's or any other company's: to stay in business; to compete effectively with other, similar organizations; to gain user acceptance; and, more than that, to broaden our base of user support. What are a library's "products"? Our products are what we do—the services we provide, the resources we offer. They can range from the books in our collections and the data bases we search to such services as interlibrary loan, storytelling, film programs, and telephone reference. The products each library offers should be a reflection not only of its general mission to inform and educate, but also of the specific needs and interests of its community of users.

> When we consider the library's product, we must return to the concept of marketing as an exchange process. We seek the community's use of library services—and we also seek the community's approval through good will and financial support. In exchange, the library must return to the community the best possible response to their needs within the scope of available resources.[2]

Marketers must also make a series of decisions relating to *pricing*, setting justified and profitable prices for their products. At first glance, this may seem inapplicable to libraries. Some libraries have been charging for photocopying and data base searching for years, and a few such operations have earned enough profit to help subsidize other library services and collections. For the most part, however, library charges are indirect. When considering pricing in a library setting, then, it is useful to substitute "cost" for "price." What does each library product cost? How

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much, for example, does it cost to maintain a vertical file collection? Could the money we spend on staff time, postage, and file cabinets be used to support some other, possibly more important, product? Do the benefits exceed the costs? As in product planning, a firm grasp of the library's mission and of the current needs of its community of users is essential to making wise pricing and cost decisions.

Promotion involves personal selling, public relations, and advertising, using print, broadcast, and other media. It is, in a sense, communicating with an ulterior motive: in libraries, encouraging use and gaining community support. Library promotion ranges from the simple to the sophisticated, including exhibits and displays; posters, pamphlets, newsletters, and user guides; public service announcements on radio and television; news releases and articles; slide/tape and video presentations; and speeches. It also includes meeting individually with such user groups as faculty members, marketing departments, and civic clubs. Such meetings are useful because they offer librarians the opportunity to learn more about their users and to respond more effectively to their needs.

Finally, *place*, in marketing, refers not only to the geographic area in which a product is marketed, but also to the channels and intermediaries through which the product moves. Several library "place" decisions come to mind. The location of a new branch library is a place decision. Another is whether a particular service should be offered in one department or another. Should bibliographic instruction be offered by a specialist, for example, or should it be one of many services offered by the reference department? Should data base searching be done only by librarians, or should users be able to do their own searching without librarians as intermediaries? To be effective, place decisions, like those concerning product, pricing, and promotion, must be based on an understanding of library goals and user needs.

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Market Segmentation

In traditional business practice, marketers define their markets by attempting to identify particular segments of the population, people who are likely to want and be able to afford the product that is being sold. This process of dividing a larger, somewhat diverse, market into smaller markets in which demand for a particular product is likely to be greater is called *market segmentation*. Traditionally, such variables as geographic location, age, race, sex, income, peer groups, lifestyle, and political affiliation have been used to identify target markets, but *any* characteristic that identifies and defines actual or potential consumers can be used.

While the concept of segmenting markets is as relevant to libraries as to other organizations, it may be that libraries will need to use different characteristics to define major user groups. In academic libraries, for example, such variables may include academic status (faculty member, graduate student, undergraduate student, visiting scholar, or staff member) and academic discipline, rather than such traditional demographic characteristics as age and income.

Market segmentation is a way of acknowledging that libraries cannot be all things to all people. "In the best of all possible worlds and times," writes Darlene Weingand, "the library would respond to every community need with maximum resources. However, in the real world, resources are finite and must be directed toward achieving the most effective results."[3] Market segmentation provides focus and helps us to set priorities. If it is practiced effectively, it ensures greater responsiveness to the needs of specific user groups.

In summary, libraries must determine the best combination of product, price, promotion, and place—the marketing mix—to reach each target market (market segment) identified. To be effective, such analysis must be based on an understanding and appreciation of the library's goals and of the characteristics and needs of its community of users. One way in which such information can be gathered is through marketing research.

Marketing Research

Marketing research includes a range of activities but, in essence, is "the process of systematically gathering and analyzing information about marketing problems and potentials for use in making marketing decisions."[4] In the private sector, it may include such activities as sales and advertising research, identifying trends, and attempting to determine the potential for new products and services. Consumer attitudes and reactions may be studied, the effectiveness of promotional programs evaluated, and product sales compared with those of competitors. Market researchers may use surveys, interviews, or even

hidden television cameras to gather the information they require.

Researchers use both primary and secondary data. Primary data, specifically gathered and analyzed for the research at hand, are relevant and timely. While the fit between data and problem is good, however, this advantage is offset by the expense, expertise, and time required to produce primary data. Secondary data, on the other hand, are data that already exist, collected for some purpose other than the research currently underway. They are easy to obtain and usually inexpensive (or even free); but they, too, have drawbacks. The fit between secondary information and the research being conducted may be none too good, and in some instances, the data may be unacceptable. They may be outdated, biased, or otherwise unreliable. Market researchers are advised, however, to use good secondary data whenever they are available, and to collect primary data only for those questions that secondary data cannot answer.

Sound marketing research is thoughtfully planned, executed, analyzed, and reported. Its effectiveness can at least in part be measured by its impact on library policy and decision making.

Typically, secondary data are produced by federal, state, and local government agencies, by trade organizations and associations, and by commercial publishers. Many libraries have strong collections of secondary data; marketers and business people frequently are referred to libraries to access such rich sources of secondary information as census data, economic forecasts, and industry-related statistical compilations.

Marketing research is an essential ingredient for effective marketing in libraries as well as in the private sector. How should it be done in libraries? To begin, certain key questions must be asked. "Why do we need this information?" "How will we use it when we get it?" "Will our findings in some way affect library decision making?" Unless the research findings are expected to have an impact on decision making, the research should not be carried out. Beware of research conducted merely to retrieve "interesting" facts. The branch librarian, for example, who thinks it might be interesting to learn more about changing neighborhood demographics but does not plan to modify programs, collections, or services as a result of the findings, is wasting time and money. Research must serve a useful purpose.

The next step is to draw up a list of specific information requirements. A written list itemizing the issues to be investigated, data requirements, and questions to be asked is preferable because it eliminates ambiguities and ensures common goals for those participating in the project. Several different approaches may be taken.

> Some find it useful to determine information requirements by stating their beliefs about the market as a set of hypotheses. For example, a library director trying to determine the building's best operating hours may be interested in a test of the hypothesis that opening the library two evenings a week will increase traffic on the days selected by 10 percent. A second hypothesis could be that the particular day chosen will have no impact on the percentage increase in traffic. These hypotheses are then used to generate data requirements. For the library, information about use by time of day would be required, but data about payment of overdue fines and length of time books are held would not be necessary.
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> Another fruitful approach is to prepare samples of possible outputs from the project and see what questions the sample report raises. Are other data needed before the results can be used? For example, in preparing a draft report the library director may also see a need to determine staffing requirements by asking, say, what types of materials evening users are likely to want. Will evening users want to have access to the children's book section, or can that section be closed? Will evening users require the services of a fully trained reference librarian? Careful examination of the sample output will also reveal whether the report contains data that will *not* be useful and can be eliminated from the study. As this library example illustrates, it is often useful for a manager to determine beforehand what information will be needed if each of the alternatives being studied is adopted.[5]

When the research problem has been identified and information specifications itemized, the next step is to review existing secondary data. Two main kinds are available in most libraries. The first consists of internal library records. These may include circulation and reference statistics, complaints and compliments from the suggestion box, planning documents, the library's mission statement, analyses of special programs and services, and staff observations. These internal records almost always contain information that can be used in marketing research. In addition, most libraries contain an array of business reference sources that can be extremely useful. Such basic publications as the *Editor & Publisher Market Guide, Survey of Buying Power Data Ser-*

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vice, and Rand McNally's *Commercial Atlas & Marketing Guide* contain up-to-date population estimates and brief overviews of the cities and towns listed. Even more geographically precise data can be found in the block statistics and census tract statistics published as part of the decennial census of population and housing, while more frequently updated information is available in the annual *Sourcebook of Demographics and Buying Power for Every ZIP Code in the USA*. Online data bases also contain useful general information. *Donnelley Demographics*, for example, is particularly good for current population estimates and five-year projections for cities and towns too small to be included in most annual Census Bureau publications. These are but a few of the standard sources available in many libraries. Their value in library as well as in business marketing research should not be underestimated.

Finally, librarians may need to locate additional secondary data that are made available by other organizations. If the library is part of some larger body such as a university, city or county

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government, or corporation, the parent organization may also have documents and records on hand that will supplement library research. Imagination and persistence may be necessary to identify and retrieve such information, but it is usually well worth the effort.

If available information is inadequate, researchers must decide whether the cost of collecting primary data will be offset by the anticipated benefits. If the decision is to proceed, other issues must be resolved. Should an exploratory study be conducted? Is a user survey preferable, or should focused group interviews be conducted? Should the library do its own research, or should it hire consultants? While space constraints preclude discussion of each of these options, the following bibliography cites several sources that treat them in some detail.

Gathering of both primary and secondary data is followed by careful analysis and ultimately by a report in which the findings are presented. Sound marketing research is thoughtfully planned, executed, analyzed, and reported. Its effectiveness can at least in part be measured by its impact on library policy and decision making.

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