

Know your clients!

Janette Wright has some good advice for us all

We all know what marketing is. It's the ads on TV, the glossy brochures, the freebies offered to frequent flyers and those of us who can jump through enough hoops to 'earn' some bonus or benefits.

Marketing does include these promotional activities but it's much more. Good marketing begins with the customer and solid research about the customers' preferences and habits. That's why the marketing department of major companies appears to have a schizophrenic split between 'creative' design people who write snappy ads and the 'boffin' researchers who can dazzle you with the finer points of statistical sampling. When professionals from another discipline interact with these two extremes, there is inevitable confusion.

Marketing consists of a number of key activities all designed to develop the relationships between buyer and seller of goods or services; an exchange, not necessarily for money, always to the benefit of the parties in the exchange and sometimes also for the 'public good'.

If the buyer (customer) is not prepared to pay the price asked by the seller or provider then the exchange will not happen. Sometimes this exchange is conducted with insufficient information about the quality or functionality of the goods and the unhappy customer is then very unlikely to repeat the

Marketing is a continuous process requiring constant evaluation and refinement of strategies to stay responsive to customer expectations.

experience. Hence the current emphasis on customer satisfaction and building long term relationships with customers. The costs of establishing a relationship with a new customer can be high in some commercial sectors (e.g. sale of computer systems to libraries) and it is more profitable to keep existing customers than to attract new ones at the expense of existing customers.

An important concept in marketing was introduced by Theodore Levin in the Harvard Business Review in 1960, in an article called 'Marketing Myopia'. Early marketing models focussed on the product, often referred to as 'how to make a better mousetrap'. This approach, still evident in many libraries, is all about improving the product or service and being the most efficient supplier in the marketplace. This model gave way to the high levels of promotion including advertising and personal selling which characterised the '50s and '60s era of marketing. 'Marketing Myopia' actually turned the focus onto the customer to ask what benefits are there for the customer. If there are no benefits to the customer then no matter how good the product is, it will not sell.

Levin described how the American railroad companies failed to see that they were in the transport business, not the railroad business. The benefit to the customer was the transport of people and goods, not the method of transport. This meant the railroad companies predicted the growth in demand for transport services but failed to note that the major part of that growth would be in the road transport sector. Their failure to understand what business they were in meant that they failed to develop services which would meet the demand. In a similar way, we librarians need to identify what business we are in. It could be said that we are in the information services

industry with all the complexities of news and multimedia formats and the need for alliances with commercial organisations to provide a full range of services to customers.

Marketing analysis takes account of the environment including what competitors are doing, the capability of the organisation and most importantly the expectations of the customer. It is dynamic. Marketing is a continuous process requiring constant evaluation and refinement of strategies to stay responsive to customer expectations.

Good marketing begins with research into the expectations, preferences and patterns of behaviour of the target client group. This should include the quantification of the total number of potential clients as well as existing ones. For libraries this translates into the patterns of recreation and information seeking of everyone in the target community. Only then is it possible to determine market potential, the existence of competition and strategies to meet the competition.

Analysis of environmental factors such as community expectations about the value of the product or service relative to other services is critical to the development of a good market plan. For example, selling library automation software on expensive computers is likely to be unsuccessful in a country where library staff are plentiful and low paid.

Public libraries are now offering information services to local businesses. Before establishing a price for this service, some analysis of the local business environment will provide guidance on the ability of small businesses to pay and the alternatives open to them.

A helpful way to summarise the market analysis and to develop a market strategy is the SWOT analysis. (Strengths, Weaknesses, Opportunities and Threats). Analysis of the strengths of the product or service in the market place suggests ways to promote the benefits to the target client. Weaknesses often suggest strategies for overcoming obstacles or difficulties in the marketplace. Strategies are simply ways to win: win new customers, win market share, keep existing customers, win community support or establish profitability.

With the analysis of the market environment in hand it is possible to develop a market plan. 'The 4 P's' is a convenient checklist for this plan:

Product

What is the product? ...its features? ...its benefits to the consumer? Can it be improved? How efficiently can it be produced?

Price

What does it cost? What price does the customer expect to pay? (In the case of free library services there is still a cost to the consumer of time and travel to the library).

Place

This element refers to the method of distribution of the product or service. For example information can be delivered via broadcast television, by printed newspapers or through the



loan of books from a local library. Electronic network services have added a new dimension and importance to distribution techniques and highlight the importance of technology in the information market place. The most convenient access will win new customers.

Promotion

The target market needs to be informed of the service or product and many different communication channels are available. Advertising via the broadcast media; personal selling and promotion through events are just some of the ways to reach customers. Promotion is the best known aspect of marketing because it communicates the benefits of the service or product to potential customers. It can also be used to alter the expectations of consumers regarding the product or service, perhaps by publicising some new service. An example would be dial-up access to a library's databases from home computers.

Much has been written on the application of these marketing principles to non-profit and services sector marketing (Philip Kotler is the best known author on this topic). A major distinction for libraries which operate largely in the government sector is that the consumer does not normally pay directly for the service. The funding authorities are also consumers in a sense and the benefits to them must also be analysed and communicated effectively to them. Thus the pro-

motional task for libraries is to sell the benefits of their services to their target client group and to identify and communicate the benefits to the funding authorities. This is why it becomes important for libraries to measure the number of visitors. This measure is an indication of the number of people in the community who are reached by a community service which in turn reflects the number of supporting votes available in the constituency, whether it be local government or a university administration

Implications for libraries

With these techniques in hand libraries must identify what business they are in and communicate the benefits to not only their consumers but also those influencing the funding of the service.

Some libraries are obviously in the information services sector along with commercial database providers and media organisations. Others, including public libraries, are in the information services industry, but have additional roles as providers of collections for reading and literacy, for recreational and community development. However the focus on the collection in a public library may prevent resources being applied to the marketing of information services.

If the marketing principles are applied to public libraries, it is obvious networking technology can improve not only the delivery of information services but also the position of the library in the eyes of its funding authorities. ■

**Good marketing begins
with the customer...**



James Bennett

Library Services
4 Collaroy Street, Collaroy Beach, NSW.
2097, Australia. Phone: (02) 982 2122
Toll-Free 1 800 226 784
Freecall Fax 1 800 808 292

**"...There is no
Library
relocation
service like
Kilners..."**



When it comes to library services, Kilners are the undisputed specialists in Australia. Kilners have moved more libraries than all the other removalists companies combined!

25A Richland Street, Kingsgrove NSW 2208

Ph: (02) 502 1611

Fax: (02) 502 1065

KILNERS
COMMERCIAL & DOMESTIC RELOCATIONISTS

"... affordable excellence since 1893 ..."