Preparing for the New Millennium: The Case for Using Marketing Strategies

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ABSTRACT

THE NEW MILLENNIUM IS APPROACHING and libraries must develop creative problem-solving strategies if they are not only to survive but also to thrive. Societal change, technological development, and economic retrenchment all pose significant challenges for libraries. This article proposes that the former positive and comfortable attitude toward libraries no longer holds, and that marketing must be added to the managerial toolbox so that libraries can become client-centered and client-focused institutions. As an overview to this *Library Trends* theme issue on marketing, this article presents marketing components in the context of a customer orientation.

INTRODUCTION

How can the use of marketing principles improve the management of libraries? How can marketing help library staff to serve their clients more effectively? Is marketing a trend in a long series of trends that may be popular today but fade into history tomorrow? What is the point of expending staff time and energy on yet another learning endeavor? These are serious questions—questions that will be addressed by this article and by those that follow in this issue of *Library Trends*.

When considering a group of questions, the underlying question is always the one that begins with why. In this case, why marketing? This is the philosophical underpinning that must be answered if other questions are to have meaning. It is important that this question

be asked, particularly in the light of current writing in the popular press. Verity (1994) states that "the Information Revolution is reaching critical mass. At its core is the accelerating shift from material information media—including paper, photographic film, videotape, and modeling clay—to computer-based simulations of those media. By no means are paper or books or libraries going to disappear completely. But their traditional presence and significance in our culture, and the degree to which they've informed our concepts of self, identity, and consciousness, seem poised to fade as seemingly cheaper, less polluting, more flexible, and more attention-grabbing digital media come to the fore" (p. 12). If the library is not only to survive but thrive as the twenty-first century dawns, the "why" question is of paramount importance.

WHY MARKETING?

Historically, the library—whether public, academic, school, or special—has been regarded as a "good thing." From the early days of subscription libraries, when people joined into collaborative groups that could afford in common what individuals could not, libraries have enjoyed a positive and comfortable relationship with users. However, such a relaxed interaction is difficult to sustain in a time of economic retrenchment, social change, and technological innovation. When these forces are tugging at financial stability and the social fabric, funders learn quickly to analyze where monies are being spent and what types of expenditures will provide the most perceived benefit. Yesterday's library support falters in the cold light of today's fiscal pragmatism. How can today's library successfully rethink its position and adapt its operations to function effectively in this new environment? The answer lies in effective use of marketing strategies.

Marketing can be viewed as a process of exchange and a way to foster the partnership between the library and its community. Kotler (1988) states that, "[f]or exchange to take place, [there are] five conditions [that] must be satisfied:

1. There are at least two parties.
2. Each party has something that might be of value to the other party.
3. Each party is capable of communication and delivery.
4. Each party is free to accept or reject the offer.
5. Each party believes it is appropriate or desirable to deal with the other party. (p. 6)

If a partnership is to be successful, both partners must believe that the relationship has balance and equity. Therefore, if the library and its community are to be partners, both need to perceive that they are

deriving a benefit from the exchange of goods and services. Crompton and Lamb (1986) assert that: *"Citizens don't buy programs or services; they buy the expectation of benefits"* (p. 10). This perception of mutual benefit is essential to sustaining the partnership for the long term. If it is absent, or the balance is regarded as unequal, then the partnership is in jeopardy. The consequences can range anywhere from declining support to outright termination of the relationship.

In order to nurture the partnership between the library and its community, marketing strategies can be an effective tool. Marketing comprises a series of activities that begin with identifying the needs of the community (those individuals and groups that form the library's service area) and end with communication back to the community about the library's response to those needs. In between, a spectrum of planning and marketing efforts carries the entire process forward.

However, Kotler and Andreasen (1987) contend that: "A first requirement for effective, successful marketing in *any* organization is that the organization have a clear, deeply ingrained appreciation for what marketing is and what it can do for the organization" (p. 35). In the following discussion, the spectrum of efforts will be introduced in an effort to foster that sense of appreciation. Other articles in this issue will explore them in more detail.

THE CONVERGENCE OF MARKETING AND PLANNING

One of the essential components to the overall marketing process is planning. Weingand (1987) states that: "There is an appropriateness about the convergence of the marketing and planning processes....Either of these two processes, while having intrinsic value, is incomplete without the other in the sense that each amplifies the power of the other and provides a wholeness of purpose and application" (p. 16). An assumption must undergird the overall operation—all decisions are written in sand and not stone. This assumption also must be applied to the library's mission statement, for analysis of the library's external and internal environments may indicate that different roles—and hence, a different mission—may be appropriate.

The rationale for incorporating formal planning into the marketing process lies in the need for making decisions within an organized frame that has been developed logically over a period of time with input from stakeholders—"as opposed to reactive coping with existing and emerging crises" (Area Library Service Authorities and Indiana State Library, 1989-90, p. 12). As the rate of change accelerates, the insistent clamor of problem situations can become deafening, desensitizing management to any activity beyond the immediate. Demand and urgency combine to postpone any thought

of tomorrow. However, it is this very existence of crisis that presents a dramatic reason for infusing the planning process into managerial responsibility. In addition to being a powerful managerial tool in the event of impending crisis, this blending of planning and other managerial functions can be a strong deterrent to the evolution of a crisis. When advance thought and analysis is routine, problems are less likely to grow to crisis proportions.

Planning and marketing, in this merged form, can be considered a framework upon which to hang thoughts, ideas, and decisions. The complementary and systematic processes of marketing and planning, when merged, provide a strong and comprehensive structure with which to support the various decision and implementation activities. The schematic for this structure can be found in Figure 1.

This schematic provides further explication of how the two systems fit together in practical terms. The clear areas represent elements of the planning process; the shaded areas represent elements of the marketing process. To follow this diagram through, it should be noted that the processes move sometimes in a single direction and, at times, in several directions. The following sequence is illustrated in the diagram:

- A community analysis of the library's external environment is conducted.
- An assessment of the library's strengths and weaknesses (internal environment) is made. (The data from these two assessments become the marketing audit.)
- Following the marketing audit, the organizational mission is determined.
- Once the mission (and appropriate roles) are determined, the goals for the time period are established (e.g., one year for the short-range or operational plan; five years for the long-range/strategic plan).
- An analysis of trends is made (a futures screen).
- Measurable objectives are developed that will move the library toward its goals.
- Products (collection, services, programs) are designed in conjunction with the objectives.
- Analysis of price (cost to produce each product) is made to determine product priorities.
- Action plans for each objective are designed.
- Distribution channels (place) are designed in conjunction with the planned actions.
- The actions are implemented.
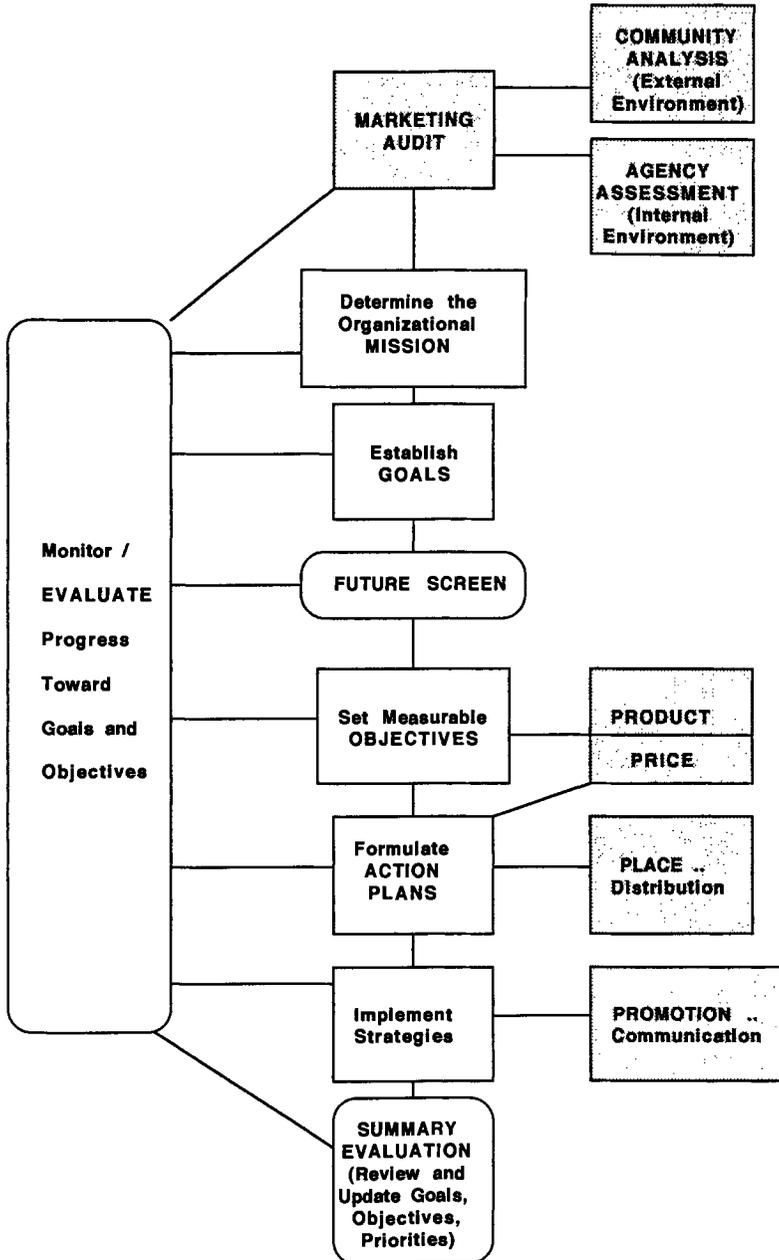- Promotion/communication techniques are designed to implement the actions.

Figure 1. The combined planning and marketing systems. Adapted from Figure 2.1 in Weingand (1994, p. 15).

• A final or summary evaluation and updating is made of all goals, objectives, and priorities. (Note: A process evaluation monitors progress toward the goals throughout the operation of the merged systems.)

It is important to emphasize once again that integration of the elements of the two processes, as illustrated in the schematic, provides a more reasonable and consistent approach to the marketing and planning efforts than either system employed independently. Weingand (1994) asserts that the elements flow together easily and naturally, allowing a synchronized response to "where to go" and "how to get there" questions.

> The success rate of each system is directly dependent upon the success rate of the other. Marketing without planning is an exercise; planning without marketing is a formality. The relationship is somewhat analogous to that of theory and practice. Planning sets the conceptual framework; marketing implements the planning directives and creates an environment conducive to an effective exchange process. (p. 14)

STEP ONE: THE PLANNING TEAM

This marketing/planning structure actually begins (although not depicted on the schematic) with the creation of a planning team, a working group composed of stakeholders (representatives of those groups who will be affected by the decisions to come). The team should consist of members of both the internal and external environments, such as the library staff (including the director), policymakers, funders, and representatives from the library's various client groups.

Rochell (1981) stresses that here is a very real need for libraries to involve representatives from all levels of the community, as well as all levels of staff, in examining current status and assessing needs (p. 23). Although community and staff input is frequently sought in typical data gathering, it is less common for such representation to be the composition of the planning group. Long-range benefits can accrue when those to be affected by decisions have been part of the making of those decisions. Those planning groups that include this range of involvement not only contribute diverse perspectives but also develop a sense of "ownership" that may endow the final decision-making with an atmosphere of cooperation and consensus building.

Once the planning team is formed, there needs to be consideration of the planning cycle or how often the process comes full circle and begins to repeat. Under normal environmental conditions, a planning team can expect to work with small circles within a larger circle— individual operational year planning (typically tied to the budget

development process) within the larger context of a five-year rolling horizon long-range plan (always extending five years into the future). Each year, as a new operational planning effort begins, the long-range plan is reviewed and revised as necessary. Therefore, the long-range plan forever extends five years into the future. Under unusual circumstances, such as a major funding alteration or significant community change, the planning timetable may need to be reviewed—particularly in terms of gathering new environmental data.

STEP TWO: THE MARKETING AUDIT

Environments, both internal and external, need to be routinely examined. Kotler (1982) defines the marketing audit as a *"comprehensive, systematic, independent,* and *periodic* examination of an organization's marketing environment, objectives, strategies, activities, with a view of determining problem areas and opportunities and recommending a plan of action" (p. 185). A marketing audit covers both the external assessment of client needs and the attempt to understand community systems. In addition to this analysis of the external environment, the marketing audit also analyzes the internal circumstances of the library—identifying strengths, limitations, and present practice. By looking both outward and inward, the entire environment of the library is examined.

In terms of the library's internal environment, a profile of strengths and limitations should be made—including the library's planning objectives, strategies, activities, and resources (human, fiscal, and physical). Consideration should also be given to organizational climate, communication patterns, organizational structure, and whatever elements of marketing practice are currently in place.

When analyzing the external environment, Weingand (1994) suggests that the following elements may be appraised:

- *Demographics:* What are the attributes of the community in terms of population, age, gender, educational background, income, employment, and so forth?
- *Geography:* What constitutes the physical landscape, climate, and other physical attributes?
- *Sociology and Psychology:* Who are the individuals and groups comprising the target markets? What are their preferences and biases? What are the social patterns? How do members of the community behave under different sets of circumstances or levels of stress? Can probable behavior be anticipated? Where is the power in the community and how does it flow?
- *Economics:* What is the overall fiscal health of the community? What major businesses/industries are presently in place or about to leave or enter the community? What is the current climate for business and growth?

- *Technology:* What hardware do members of the community presently own or plan to purchase? What is the status of cable television, satellite dishes, computer networks? What use does the business (including farm) community make of different technologies?
- *Politics:* What is the library's relationship to funding sources, both public and private? How does political power flow; how does it relate to societal power? What kinds of lobbying/ maneuvering have been done in the past? What worked and what did not?
- *Culture:* What intellectual and artistic activity is present in the community? Are there gaps that the library should attempt to fill? What cooperative ventures could be proposed?
- *Competition:* What agencies, businesses, vendors, organizations, or individuals provide similar products to those offered by the library? What areas of possible cooperation exist? Where do areas of duplication exist? (If the library cannot do it better, faster, or cheaper—and if the market cannot support both the library and the competing agency in this endeavor—then the library should consider reallocating its efforts into more effective pursuits.) (pp. 20-21)

Weingand (1994) states that "certain fundamental points should be considered before a marketing audit is initiated":

1. As with the planning process, analysis of the environment is not an occasional activity. It must be ongoing so that trends and changing characteristics are detected.
2. It is important that environmental analysis be a collaborative effort among library staff, board members, and representatives of the target markets in the community. It is a learning opportunity for all who are involved and establishes a common base from which they may be working together to merge the library into the mainstream of community life. There may be surprises in the data which will alter perceptions of the realities of population demographics, perceived needs, and attitudes toward the library. These surprises will require possible adjustments in expectations, service emphases, and marketing strategies. It is vital that all constituent groups, both internal and external, be involved at the process level, and not simply as recipients of a final report.
3. As analysis allows the spotlight to fall on those portions of the community that are unserved, an imperative next step involves outreach efforts that are specifically targeted to those groups. As stated earlier (and often), a major benefit of routine planning and analysis is the monitoring capability that will assess the effectiveness of such outreach efforts. There is a symbiotic relationship between environmental analysis and outreach; maximum effect occurs when these two efforts interact. Although the analysis can admirably sketch in general terms, library service succeeds or falters in terms of its ability to respond to individual human beings with unique perceptions and needs.

4. Change is omnipresent. At no point during the analysis can the data be regarded as static or the coordinate planning be regarded as a rigid progression. Even as the environment is being analyzed, the community is in a state of flux, reacting to political, economic, and social influences. The marketing audit provides snapshots, nothing more. It must be recognized that the task is at once eminently necessary and never completed. This observation is not meant to be discouraging. Rather, it points out the dynamics in which the public library operates. The challenge is to aggressively and positively seek out the avenues for intersection with the community. (pp. 21-22)

Furthermore, the audit should also develop a "futures screen" which identifies trends and projections in both external and internal environments in order to develop contingency plans that will relate to alternative future scenarios. The futures screen places considerable emphasis on securing all available data on what "may be" in the next five years (and beyond); objectives can then be developed to reflect that informed projection. This typically will mandate three parallel sets of objectives for each goal: (1) an extended set, which assumes an economic climate similar to the present year; (2) a worst case set, in which objectives are written to respond to a worsening economic picture; and (3) a blue sky set, in which possible windfalls and economic upturns are spent in advance.

Strategies for Collecting Primary Source Data

There are several roads into the external environment that may be traveled; no single method is ideal and each library must decide the most appropriate strategy for assessing the local situation. Once secondary source information—that information that has already been collected by other organizations or units—has been exhausted and the planning team has identified gaps in information that need to be addressed, it is both timely and appropriate to consider one or more of the following options. Sampling methodology is generally used to establish an n (number to be surveyed) of reasonable size. Many elementary books of statistics provide both instruction on sampling procedures and a table of random numbers to use as a base.

The Telephone Survey. The telephone survey is one of the easiest methods to use. Once a sampling pattern is established, the local telephone book can be used as the source of names to be called. However, this imposes a bias that must be acknowledged since unlisted numbers are not part of the population to be sampled. A more valid method involves using the computer to randomly generate telephone numbers; many colleges or universities have research labs which are equipped to provide this service.

The questionnaire used in the telephone survey is only as useful as the questions it asks. Before the questionnaire is written, the library administration must determine what it wants to know. Only data required to aid in decision-making should be sought; the temptation to throw in questions because "it would be interesting to know" should be strenuously avoided.

The Mail Survey. This method differs from the telephone survey in the language used and the structure of the responses. The questions are a bit more formal since there is no opportunity for questioning the client's intent—which is possible during the one-on-one interchange of the telephone interview.

The Interview. Another approach entirely is the in-person interview of library users (in the library), general community (in person, outside the library), or both. This method is staff time-intensive in that a designated and trained staff member (paid or unpaid) conducts each in-depth interview, but the opportunity for individualized information gathering can have unique benefits. Many attitudes and perceptions may emerge that would not have surfaced in a simple questionnaire format.

The Focus Group. An expansion of the interview is the focus group. Using a trained facilitator, a small group of invited participants (with knowledge, experience, or interest in predetermined areas) is gathered to explore needs and options. No interview schedule of questions is prepared; rather, the facilitator begins with broad general questions and leads the group to focus more and more tightly on specifics as the exercise progresses. This method can be extremely helpful when charting future directions and gathering data for decision-making.

The Community Meeting. The community meeting is not suggested as a means to reach the indifferent or the nonuser. Participants in such a meeting or hearing should be regarded as "interested parties" since they have made the effort to attend.

It should be noted that a combination of these methods may be effective. It is the individual library administration's decision as to what seems both reasonable and appropriate to the local situation. In summary, in order to analyze the library's environments, assets, and limitations, a four-step process is indicated:

1. *Determine what elements will be covered:* consider depth of coverage, resources available to conduct the audit, and planning team/staff expectations of anticipated outcomes.
2. *Develop procedures* for collecting data and monitoring the process.
3. *Collect and analyze the data:* utilize secondary sources first and supplement with primary source data collection where necessary.

4. *Prepare reports and presentations of the results:* use both written and oral forms, incorporating summaries and graphics.

STEP THREE: DEFINING THE LIBRARY'S MARKET

Once environmental data have been gathered through the marketing audit, the library's mission will need to be reassessed. Although every library, regardless of type, has a staff who hold a concept of what that library's mission should be, it is not uncommon for the new data to suggest that the mission and roles which are in place (even if only informally articulated) are no longer totally relevant to community needs. This, of course, is one of the implicit side-effects of seeking community input—and the library must be prepared to respond to what is learned.

The mission is the library's statement of what it is about—e.g., what clients are to be served, what products are within its purview, what delivery systems shall be employed, and to what intent. It is brief—no more than a paragraph or two—and explains the library's philosophy of operation vis-à-vis the community. While written with a reasonably broad brush, it does not make sweeping generalizations or global statements; rather, it states what will and will not be done in the context of community needs and available resources.

In addition to defining the library's market in the mission statement, it is important to recognize that the overall market is made up of many segments. Market segmentation—the process of dividing customers into groups with unique characteristics and needs—is also necessary to appropriate market definition. All customers (present and potential) can be divided into categories, each of which may require different kinds of service and support. The same overall community population can be separated by age, location, profession, department, technical competence, and any other characteristic that may help define service requirements—leading to complex interrelated groups of customers (Tenney, et al., 1993, p. 13). The revised mission statement and proposed segmentation of the overall market lend substance and form to the process which is to follow: the development of goals, objectives, and action statements.

STEP FOUR: DEVELOPING GOALS,
OBJECTIVES, AND ACTIONS

Goals can be defined as statements of purpose or intent which are written in global terms. Based on this definition, it can be seen that goals, while fluid, are reasonably constant; at the same time, well-written goals frequently adapt well to changing situations. They may or may not be fully attainable (e.g., when would one achieve "effective information service"?), but they serve as a focus for directed

activity. In terms of library management, goals are prime movers for library policy, together with the established mission statement. In addition, it is from the goals that practical and measurable objectives can be extrapolated—objectives which serve as the road map for library operations.

Objectives are also statements of purpose or intent but are written in language that is both measurable and attainable, and which move the library toward a stated goal. If "effective information service" is a goal, a related objective might be: "To create a CD-ROM network by May 1996." Objectives are tools; what is more important, they are tools that can respond to changing environmental conditions. The development of parallel sets of contingency objectives (see the discussion under "Future Screens" below) creates working documents that can be referred to as conditions change. These alternative sets provide thoughtfully considered decisions regarding foreseen—but not yet real—scenarios. Moreover, the very existence of alternative objectives maintains the proactive state and, no matter how severe the crisis, the potential waste of a reactive response is pre-empted.

The development of action statements is the final step in the developmental phase of the planning process. Each objective, in order to be accomplished, requires a series of completed actions. These actions are both concrete and detailed, usually listed in sequential order. Like objectives, they are measurable, contain a time line, and denote who is responsible for their completion. In other words, action statements provide the working outline of specific tasks which must be executed before the objective is realized.

The Future Screens

It is imperative that future screens—consideration of alternative futures—are injected into the planning process. It is not unusual that, when an analysis of the community is done, the concern is centered on the present with little or no thought of what rapid change might dictate. It is the responsibility of the planning team to become knowledgeable about trends and probabilities that may have an impact upon library operations and to use this information as a screen through which the collected data are passed.

Once analysis of trends has helped to determine library goals, another future screen can drop into place. This screen filters goals statements through alternative scenarios (or descriptions of possibilities). Alternative sets of objectives are written so that the library continues to work toward established goals, regardless of possible community changes. Three situations should be addressed: (1) conditions

(economic, societal, political, and so on) remain similar to the present; (2) conditions change markedly in a positive direction; and (3) conditions change markedly in a negative direction.

In the case of funding alone, these three vastly different scenario possibilities might prompt objectives that would be very different. Further, time is a significant variable here; projections for one year can be far more detailed and probable than projections for five years. Yet, both must be made—both one- and five-year plans must be constructed if effective proactive planning is to occur. The result of considering trends when developing objectives is the creation of multiple sets of measurable objectives for each goal. In summary, the process of planning for change has every probability of achieving the desired relationship of mutual benefit between the library and the community. It is to this end that planning for change aspires.

The discussion of a marketing approach to management, as merged with the planning process, now turns to look at the library's programs and services (products), costs (price), distribution (place), and communication (promotion). These are the "four Ps" that were originally proposed by Kotler (1982, pp. 287-395). The sum of these Ps, plus the process components of the marketing audit and evaluation, enables the library manager to successfully blend today's operations with tomorrow's opportunities.

STEP FIVE: DEVELOPING PRODUCTS THAT MEET COMMUNITY NEEDS

Once the needs of the library's community have been identified through the marketing audit, it is time to look carefully at the library's products. What are products? The concept of product has emerged from the profit sector and describes those items which are developed by a commercial enterprise and then offered for sale. When the term is applied to library operations, it is admittedly a transplant. "However, there are similarities that make the conversion reasonable" (Weingand, 1994):

- in both sectors, there is intended interaction between producer and consumer.
- the word "product" is derived from "producer," and the library does produce a range of services.
- the desired interaction is grounded in an exchange of commodities. In the profit sector, the exchange involves items or services that are offered for purchase; in the nonprofit sector, the exchange involves items or services that are supported by tax monies, contributions, or other support. (p. 132)

The library's products can be arranged within the three-dimensional structure of product mix, product line, and product item. Examples of library products can be arranged as follows:

Product Mix
Product Line #1. Collection
● *Product Items:* Books, periodicals, videos and films, audio recordings

Product Line #2. Services
● *Product Items:* Circulation, interloan, online searches, reference service

Product Line #3. Programs
● *Product Items:* Bibliographic instruction, displays, lectures

This arrangement puts the various library products into context: individual product items are collected into product lines that express commonality of purpose, and the totality of product lines form the overall product mix offered by the library to the community. The library provides a range of products/services to its community, including the collection, reference/information service, hours during which there is access to the collection and professional expertise, bibliographic instruction and other programming, and so forth. Some of the library's products are traditional and have been in existence for many years. Other products have been developed more recently, such as online searching, microcomputers for in-library use, and databases on CD-ROM, to name a few.

Expansion and Contraction
In this time of rapid change, it becomes increasingly important that library managers and staff continually assess the products currently being offered in light of community needs, developing technologies, and societal shifts. Too often the library's products remain the same with additions during times when money is available—no real analysis of product timeliness and effectiveness is routinely done.

There is a time for a product to emerge: it will develop and enjoy a peak time, there will be an inevitable decline due to changing conditions, and, finally, there must come a time of phase out. In libraries, this life cycle may be interrupted during the decline phase because of staff reluctance to part with traditional services, and products may "hang on" long past the point of real effectiveness. Therefore, it is crucial that products be regularly evaluated during the annual planning cycle and library staff need to become comfortable with the concept of a normal product life cycle. Figure 2 lists criteria that may help the process of assessing both present products and ideas for potential products.

Once this evaluation of each present and potential product is completed, those products appearing to be the most appropriate to the library's goals and objectives must also be reassessed in light of

Information Agency Operations:
- Compatible with agency efforts--really our business
- Would not require interruption of present activities
- General know-how available
- Ability to meet client service requirements

Potential Market:
- Market size and location
- Market share [present and potential]
- Diversity--needed by several target markets?
- Market growth assured
- Stability in declining budget years
- Foothold in a new field, area

Marketability:
- Degree of competition [present and potential]
- Estimated cost vs. competition
- Have qualified personnel
- Ease of promotability
- Suitability of existing distribution channels
- Originality of product
- Life expectancy of demand
- Client loyalty

Production:
- Feasibility of product
- Adequacy of technical capability
- Development cost
- Adequacy of production capability
- Materials availability
- Staff availability
- Facilities: equipment / space available
- Service support available
- Storage availability

Budget:
- Effective return on investment
- Capital availability
- Payback period

Figure 2. Screening for product ideas. Adapted from Table 8.1 in Weingand (1987, pp. 67-68).

cost and demand. This, however, is not possible until the cost to produce each product is calculated.

STEP SIX: IDENTIFYING THE COSTS FOR EACH PRODUCT

Kotler's "price" designation is often confused with charging a fee for service. However, while fees may be part of the picture for some product items, the primary interpretation of "price" should be cost—the cost to produce each product item. There is no way to fully assess a product without knowledge of the cost that is involved in producing and distributing that product.

How can these cost factors be identified? Every business—and the library should be considered a business—has both direct and indirect costs. Direct costs are those items that can be attributed to specific products, while indirect costs cover factors that relate to the library's total operations. Examples of direct costs include: rental of space or equipment; salaries of personnel hired to work specifically with a particular product; and supplies purchased in support of that product.

Conversely, indirect costs are those factors which are difficult to assign to individual products because they support several (or all) products and include such items as: the operation of buildings and equipment, such as rent, heat, light, maintenance, and depreciation; supplies from existing stores normally kept in stock; salaries of permanent library personnel; and supplemental services, such as municipal or institutional purchasing, billing, printing, and so forth.

Direct costs can be apportioned to each product in a relatively straightforward manner since these represent cost elements that are directly incurred as each product is developed. However, indirect costs require special attention and formulas such as those found in *Cost Finding for Public Libraries* (1985) can be used to perform the calculations. Weingand (1994) suggests a shortcut that

> may be used in the attempt to allocate indirect costs which is a calculation based on (regular) staff time. When the time each regular staff member spends on each product is calculated and weighted according to staff salary, the sum of time spent by the entire staff on each product can be reformulated into a percentage. For each product, that percentage can be applied to each of the library's indirect costs and the resultant figures inserted into the program budget. (p. 138)

The Importance of Program Budgeting

The breakdown and arrangement of costs by program (or product) is known as a Program Budget. There are good reasons to create a program budget, including:

● the ability to assess different products by comparing costs;

- the ability to demonstrate exactly how the money will be spent;
- the ability to document what products might decline or be eliminated if funding were reduced; and
- the ability to illustrate what products could be provided to the community if sufficient additional monies were to become available

     While it is more time-consuming to develop a program budget than a basic line item budget, the time is well spent. Furthermore, the sum of each category (such as personnel) in a program budget can quickly be worked into the line item structure, should that be required by the funding authority. The ideal situation is when the library manager presents both types of budgets at the annual budget hearing, with the program budget serving as the basis for the presentation.

     No business would present a product for sale without knowing what the costs were, yet libraries have blissfully operated for many years without having this information. While libraries have had budgets, they have typically been of the line item variety, and the costs for each product have not been known. This has made decision-making regarding what products to offer, which ones to downsize, and which ones to eliminate virtually a subjective exercise.

     There is another aspect to examine when deciding which products to offer, even when information from the marketing audit and relative cost factors are known. This aspect is demand. A proposed product may be very cost effective and may be well suited to meeting an identified need, yet the reality of demand must be considered. A trial period for a new product can be put in place in order to determine whether appropriate demand will be forthcoming.

     It is not an easy matter to decide which products should be offered. With adequate information available, however, the library manager can make informed and objective decisions—and make them in the context of the planning process. Without the necessary cost data, vital information would be lacking and subsequent decisions less well-informed.

Step Seven: Determining Channels of Distribution

     The next component of the "Ps" to directly affect product decision-making relates to how each product will connect with the target clients. Kotler refers to distribution as "place"—a term that is relatively straightforward when the product is available through a single location. The concept of place becomes more complex when there are multiple access points, including both physical sites and other alternative delivery systems. Therefore, it is necessary to examine "place" in the context of product distribution and channels of connection

between products and clients—with an emphasis on access. When access is held out as the driving goal, objectives and actions can be developed that will move the library toward providing distribution channels that meet client needs in terms of both time and point of use convenience. There are obvious costs connected to distribution and access, and specific judgments will need to be made as to which channel(s) within a range of alternatives will be selected for each product.

There are nine decision factors that are concerned with the distribution decision flow from initial product determinations through the entire life cycle of the product (Weingand, 1987). With access as the decision frame, these nine factors need to be included in the ongoing discussion and evaluation process.

Factor #1: Quality of Service

Distribution must be viewed as an integral part of each product, for a product that cannot be used is of very little value. This interdependence of product and distribution can be observed in several use measures: the nature of the information output (level of accuracy, language, appropriateness, and so on), the format in which the product is available (audio, print, visual, person-to-person, program, etc.), the type of access (building, electronic, mail, and so on), and the speed of obtaining the desired information.

Factor #2: Time, Convenience, and Resource Allocation

The barrage of sensory images and daily demands that besiege every person during every day creates an environment in which time and convenience needs are almost tangible. Client perception of product excellence will be strongly influenced by the personal time that must be expended to secure needed information. This time element can be defined as the time expended by staff in the process of providing information, the time expended in overcoming physical distance between client and product, and as the real time that service is available to the client.

Factor #3: Priorities and Planning

When a framework of marketing is established to guide the planning process and the setting of priorities, the spotlight becomes focused on the client. It is important that clients become "stakeholders" in the entire process; by involving representatives from the various target market groups at every stage, there is continual informing of the process by clients, and access considerations can be updated as client needs change.

Factor #4: Human Resource Intermediaries

Access can also be addressed through cooperative arrangements and ventures between the library and other agencies or organizations.

These collaborations can expand the effectiveness of both participating agencies and decrease areas of duplication. In terms of accountability and political savvy, cooperation is definitely to be valued in today's information age.

Factor #5: Number and Location of Outlets

The word "outlet" is used here in a general sense, as a descriptor for buildings, a small office with a computer workstation, or an electronic linkage. The emphasis is on a facility that serves as the access point between the client and the needed information. Client convenience, as determined by the marketing audit, must be the guiding factor. Both existing and potential service outlets should be considered at regular intervals in conjunction with planning process deliberations.

Factor #6: Technological Delivery and Formats

The rate of technological development is accelerating so rapidly that new possibilities for distribution are continually entering the marketplace. Today's world includes cable television, interactive video, computer networks, teleconferencing, broadcasting systems, satellite transmission, facsimile transmission, videotex, and many combinations and permutations of these technologies. New information formats are also continually emerging in the arenas of audio, video, and optical technologies, to name a few. These formats offer expanding possibilities for clients with special learning styles and needs and are also basic to the storage and retrieval of information.

Factor #7: Innovation and Change

All these factors co-exist within a milieu of change and the need for innovative responses to change. The library manager who would remain part of the information mainstream must learn to be proactive in the distribution of information and to be personally receptive to a changing world.

Factor #8: The Finite Life Cycle

This concept not only applies to products, but to all aspects of the marketing mix, including cost, distribution, and promotion. All components of the mix have applications that are "born" in response to client needs; they have a peak period of effectiveness, decline, and ultimately must give way to more appropriate applications. This natural ebb and flow is likely to pick up speed as change accelerates.

Factor #9: Positioning

There are two levels of positioning: (1) identifying the market niche for the library within the broad range of information providers, and (2) developing distributed products that also have a unique market share among the many possible competitors for client attention (pp. 98-107).

These nine factors are integral to distribution decision-making and should be carefully examined as the library strives to develop creative and flexible approaches to information service. Placing the library's products in the marketplace is a complex endeavor; however, when client needs are primary in both distribution design and implementation, the library is likely to be prepared to effectively relate to tomorrow's world.

STEP EIGHT: PROMOTION AND COMMUNICATION

Marketing is too frequently defined in language that actually means "promotion," the fourth "P". However, such an approach is very much in error, as promotion is that set of activities which are set in motion once all other marketing and planning components (other than final evaluation) have been completed. The actual definition for "promotion" is "communication"—communicating to the community and to present and potential clients that the library has identified community needs and has developed both cost-effective products and methods of distribution that respond to those needs.

There are several basic components to the communication transaction that need to be recognized: the sender who encodes the message, the message itself, the media or channel(s) through which the message is transmitted, the receiver who collects the message and decodes it, and the receiver's response as given through feedback to the sender.

If this communication model is to be used effectively in promoting the library's products, the target market(s) need to be clearly identified so that appropriate message content, message style, and media can be selected. It is also essential that a feedback loop be built into the process so that the audience's response to the message can be ascertained.

There are various aspects of promotion that can be considered as the library manager prepares to select appropriate strategies for each individual product. One or several aspects may be incorporated in a promotional effort. As with the other components of the marketing mix, the focus must be on the target client group(s) if the message is to reach those for which it is intended. Promotional aspects include:

- *Public Relations (PR)*. This aspect incorporates the overall interaction between the library and its current and potential clients. Public relations influences perception, attitude, and opinion by transmitting information concerning the benefits of using the present and/or proposed products. Interpersonal contact is a primary ingredient of public relations, for even the most excellent series of product ideas cannot be implemented without human

action and interaction. The relationship between the library and its public is a cumulative one, with trust and mutual respect building over time.

- *Publicity.* When news coverage of the library's affairs is secured at little or no cost, this is considered publicity. Included in the repertoire of possible publicity efforts are press releases, newsletters, columns in local newspapers, media interviews, bookmarks, posters, and displays.
- *Advertising.* When publicity is paid for, it is generally considered to be advertising. Promotion in this form frequently needs to be more sophisticated and expensive than other types in order to compete with "slick" advertisements. While advertising has not traditionally been a common mode of promotion for libraries, there certainly could be times when it would be the most appropriate vehicle.
- *Incentives.* Another aspect of the promotional package can be effectively used in the product market testing phase, when client attention needs to be drawn to a potential product—e.g., a new online searching service with coupons distributed for free searches; an extended loan period for videocassettes; a free demonstration; and so forth.
- *Atmospherics.* Critical to promotional efforts and integral to public relations, atmospherics include such elements as the ambience and environment of the distribution channels whether physical sites or electronic connections.

While integral to overall good management, marketing strategies cannot be successful without the monitoring and final analysis elements that are part of the controlling function of management.

THE FINAL STEP: EVALUATION

Evaluation is an integral component of the planning process; it is also a complement to marketing. Both formative (monitoring) and summary (final assessment) evaluation are required if marketing and planning are to be effective and meaningful management functions. The time spent at the front end of the process—during which assessment is made of what information is actually needed for adequate evaluation to take place—saves frustration and wasted energy farther into the process. Appropriate data collection should always be correlated to the desired outcome and must be linked directly to the question, What do we need/want to know to make informed and intelligent decisions?

In this era of accountability, tied as it is to shrinking dollars and expanding needs, the requirement of hard data substantiation

is becoming an absolute mandate. Evidence presented in quantitative as well as qualitative terms makes comparisons possible—between a library and other libraries of comparable size and activity and between present and past performance. The issue for library managers and staff no longer is whether or not to become involved in evaluation but rather to what end and to what degree. There is little margin within the complexities of a changing world for the luxury of experimentation without carefully reasoned rationale. Human resources need to be conserved and nourished, with energies expended in directions offering the greatest potential for positive results. The craving for data to document the status and excellence of library service is very real. Accountability demands it and survival depends on it; the pursuit of centrality in community life cannot exist without it.

The results may or may not be to the library staff's liking; the possibility of proven inefficiency and ineffectiveness certainly exists. This possibility only makes measurement more important, allowing detected inadequacies to be corrected rapidly. Further, the data may indicate that certain actions need to be taken that may not be popular with some staff—such as expanded or weekend hours, change of lunch hours, and so forth. But it is essential that such changes do take place in order to maintain credibility with the community.

CONCLUSION: LOOKING TO THE FUTURE

Kotler and Andreasen (1987) state that:

> The starting point for an effective marketing strategy is the proper orientation toward the marketing function. Historically, marketing has passed through four stages: a product orientation stage, a production orientation stage, a selling orientation stage, and finally, today's customer orientation stage. The first three stages are characterized by management putting the organization's own needs and desires at the center of the strategic process. It is only when management realizes that it is the customer who truly determines the long-run success of any strategy that the [library]...can join the ranks of the sophisticated marketing strategists typically found in the private sector. (p. 64)

It is this customer orientation—this focus on the community—that will ultimately make the difference in the library's effort to become central to the community served. While the marketing and planning strategies presented here are useful tools, they remain tools and not magic talismans. The library that will move successfully into the next century, and not fall victim to the sentiments expressed earlier by Verity, will be the library that truly develops a client focus and plans with the customer in mind. While existing resources, including staff preferences, are important considerations, they must be viewed through the perspective of customer service. When the knowledge and skills

of staff are framed within the attitude of client need as being of primary importance, these marketing strategies can have significant impact.

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