

Unit-17:Marketing : Approach and Techniques

17.0 : Objectives

After reading this Unit, you will be able to:

- Understand the concept of marketing;
- explain the need for marketing of information products and services;
- describe the ingredients of the market mix;
- identify the different types of market segments; and
- plan a marketing programme.

17.1 : Introduction

You have already learnt the importance of information as a marketable commodity in Unit 16. Marketing is a subject of growing interest to all organisations including such non-profit ones as libraries, archives and information/documentation centres. Marketing is totally a management function. It should however be noted that marketing is not the same thing as selling. This unit deals with this aspect in detail.

We begin by defining marketing as a planned approach to identify and gain the support of users and develop appropriate services in a manner which benefits the users and furthers the aims and objectives of information centres. In other words, marketing serves as a spring board to gaining new users, to serve better the existing users, to develop new services and to initiate as well as sustain meaningful relationships between the information centres and their users. Hence, there is a need to examine how the basic concepts of marketing are applied in practice to provide for information products and services being offered by libraries, archives and documentation centres.

Kotler, the renowned authority on marketing defines marketing management as "the analysis, planning, implementation and control of programmes designed to bring about desired exchange with target audiences for the purpose of personal or mutual gain. It relies heavily on the adaptation and coordination of product, price, promotion and place for achieving effective response". Marketing management is a planned and organized method of carrying out exchange relationships.

Marketing also includes selling, advertising, physical distribution, sales promotion etc. Selling, one major aspect of marketing is an exchange of goods or services.

Advertising is a non personal promotion of goods or services by a sponsor who pays for the communication. The purpose of advertising is to lead to an immediate sale or a sale at some later date when a customer may find a need for the product.

Publicity is a non-personal promotion of goods or services but here the sponsor cannot be identified and does not pay for the communication. Publicity is referred to as indirect advertising. Sales promotion covers those communication activities other than advertising or publicity which encourages customer to purchase goods or pay for services.

17.2 : Marketing Concept

Marketing is a system-wide process of planning and making adjustments to ensure the establishments and maintenance of mutually beneficial exchange relationship. Marketing, broadly speaking, concerns with selling, market research and advertising. Every organisation has two basic operating functions. These are:

- Production of goods, services, or idea
- Marketing of the goods, services, or idea

Production and marketing creates utility for the consumer. Utility refers to the want satisfying power of a good or service. Production creates form utility by transforming the raw materials into goods and services. Apart from the form utility marketing also creates time, place and ownership utility. Time and place utility refers to the availability of the goods and services to the consumers at the right time and right place. Ownership utility refers to the transfer of the product or service from the possession of the producer or the marketer to the possession of the consumers.

There are different views for the concept of marketing. However, the three basic elements that can be seen in the definition of marketing are selling, market research and advertising. In broader terms it is a management process, which identifies, anticipates and satisfies customer requirements efficiently and profitably. It is a process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfies the individual and organisational objectives. In the exchange process two or more parties give something of value to each other to satisfy their perceived needs.

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The market concept is very dynamic and is still evolving. The latest trends can be seen towards the following aspects:

- Relationship marketing- It represents a refocusing on the traditional marketing with a greater emphasis on the creation of customer value. The fundamental aspect covered in this is customer satisfaction with relationship. This in turn leads to greater customer retention. Relationship marketing strategies extends beyond the 4 Ps of product, price, place and promotion incorporating processes, people and proactive customer service. Adopting this wider mix requires a different approach to resource allocation and mix management. For successful implementation of relationship marketing a cross-functional team based approach is required. The competitive edge is possible through quality and relationship building across the organisation.
- Key customer management- It has become the leading management issue in the recent years as marketers have come to realize the importance of building closer, mutually beneficial relationship with the customers. Changing trends indicate that customers are now rationalizing their supplier base and demanding more sophisticated, tailor made solutions. As a result the cost of serving customers is increasing. These circumstances have created a need to adopt a different approach to business development and adopting the Key Account Management (KAM) approach. This approach is developed through suppliers and consumers working together on a "win-win" basis. The emphasis is placed on the profit impact of account retention and development i.e., "account lifetime value In implementation point of view it is a shift from measuring in terms of transactions to quality and longevity of collaboration.
- Supply chain management- It is about managing the pipeline that links customers to suppliers. It can be defined as management of upstream and downstream relationships with suppliers, distributors, and customers in such a way that greater customer value is achieved at lower cost. Today's customers demand higher levels of performance from the suppliers particularly in the delivery service. They have

become more demanding in their service requirements and are less willing to wait. As a result on the shelf availability is often preferred rather than the brand. Supply chain management is concerned with meeting the requirements of the end customer more cost-effectively through the integration of the buyer and seller's processes. This is achieved through the free flow of information up and down the chain and establishment of seamless processes that link the identification of a physical replenishment need with just-in-time response.

- **Loyalty marketing-** It refers to focusing on building share of customer rather than exclusively on share of market i.e. pleasing a limited number of customers most of the time rather than pleasing a large number for short duration. Loyalty marketing is based on two premises - firstly all consumer purchase on a portfolio basis and secondly the consumers are not created equal and hence there is need to differentiate the market. Consumer purchasing styles can be categorized as loyal, habitual, varietyseekers, and switchers. Marketing strategy should be based on differentiation depending on the consumer purchasing style and targeted generally towards loyal and habitual.

Marketing process in the present day situation is represented in figure 17.1

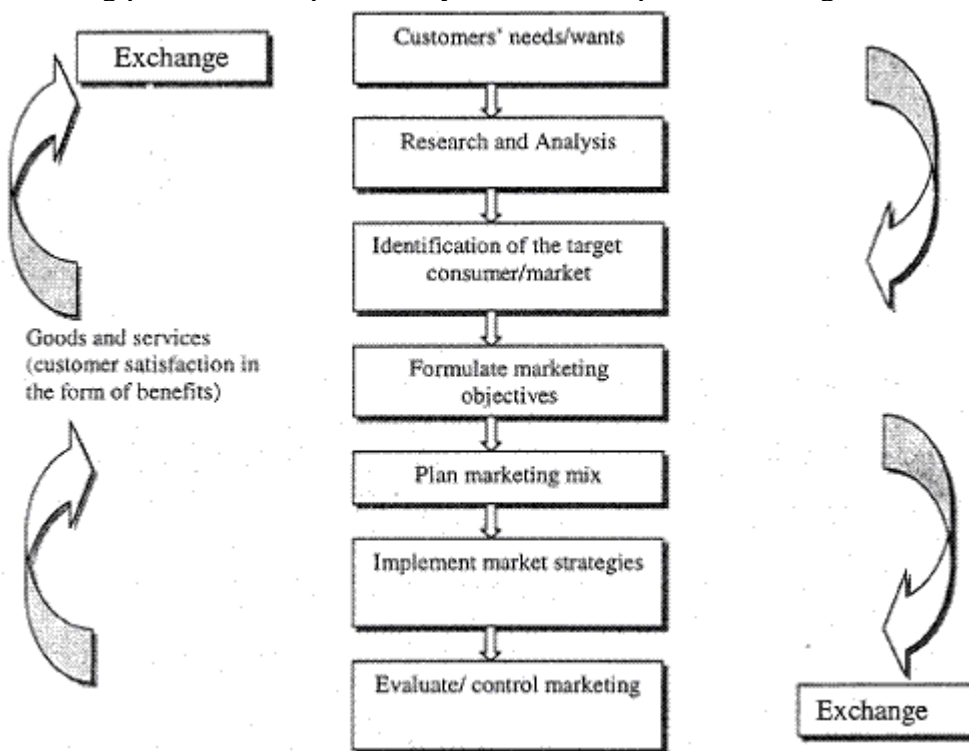


Fig 17.1: Marketing Process

(Source: Geoff Lancaster and Frank Withey)

Prior to 1970, although the marketing approach had developed, the concept of marketing was confined exclusively to profit making organisations concerned with supplying products rather than services. Then the prominent American marketing expert, Philip Kotler, suggested

extending the application of the concept to service organisations and non-profit making bodies.

During the last three decades, several information services have been experimented with modern marketing methods like advertising, promotion of services and public relations. The marketing approach results in enhancing the information services. Also the information manager/librarian engaged in marketing should adapt the services provided by his organisation to the needs of the users.

Marketing is thus a tool which helps to maximise exchange between users and an information organisation. It also enables information services and staff to find appropriate place in society. Marketing also helps in resolving problems arising due to introduction of modern technologies in libraries which result in an increase in the number of data banks, growth in number of microcomputers, human resources involved, etc.

17.3 : Functions of Marketing

Marketing management is a system wide process for planning and implementing marketing programmes, measuring results and making adjustments to ensure effective marketing. The marketer works with all its suppliers and dealers to make the entire system efficient and effective. It also works with every internal department to ensure and maintain marketing focus. Marketing is a management function encompassing the key tasks of analysis, planning, implementation and control.

Analysis - The first stage in marketing management is analysis of the customers, markets and competitors. Apart from that, it is also important to assess the company's strengths and weaknesses.

Marketing research and analysis is done to investigate specific market and customer needs. Customer segmentation, targeting and positioning is done to select the most appropriate customer groups to target and select appropriate way to position the product in the market.

Situation analysis is done to review organisation's present state and evaluation of external and internal factors. A SWOT analysis is used to assess organisation's strength(S), weaknesses(W), opportunities(O) and threats(T). Strength is organisation's ability to satisfy customers, weaknesses on the other hand are internal factors that can reduce the ability to meet the market requirements. Opportunity is an external situation offering potential to improve the organisation's ability to satisfy customers. Threat refers to external problem that can impair ability to provide customer satisfaction.

Planning- this step includes setting objectives, choice of target markets, and marketing strategies and tactics. The activities in this stage would include development of long range marketing plans, new product or service development, developing corporate identity etc.

Implementation - this includes staffing, task allocation, budgeting and organizing.

Control - In this stage progress is evaluated against objectives and targets and corrective measures are taken accordingly. Marketing control is a four-step process in which:

- Standards for performance are set
- Progress towards marketing goals are measured
- Results compared with the standards
- Changes are made or good results are reinforced to stay on track.

Marketing from the implementation point of view is sometimes thought of as simply the process of buying and selling. But its tasks are more extensive than just buying and selling. For making it operative and effective there are basically **three types of functions** that the organisation must provide. These are:

- **Exchange function:** This covers buying selling and pricing. Exchange function is commonly considered as marketing. This involves finding a buyer or a seller, negotiating price and transforming ownership. All these activities take place in the market i.e. the physical meeting point of the buyers and sellers.
- **Physical function:** Physical function relates to the actual flow of goods and services through space and time from the producer to the consumer and their transformation into a form desirable to the consumers. This involves assembling, transport and handling, storage, processing and packaging and grading and standardization. Assembling the product at a convenient place allows economical transport. Storage helps in holding the product till peak season of demand and stabilizing the supply accordingly. Processing transforms the product into a form desirable to the consumers. Grading and standardization helps the consumer to be confident as to the type of goods they are purchasing.
- **Facilitating function:** This involves financing, risk bearing, market research, market information and creation of demand and supply. Financing and risk bearing are the two most important facilitating functions. Without the willingness to provide the capital and to bear these costs no stage of the market chain can function. Other facilitating functions enable producers to respond to consumer needs and thus provide goods and services in locations, quantity and form they desire.

17.4 : Marketing Approach

A marketing approach helps the organisation to focus its limited resources for better management and determines what the user wants and needs and then produces a product or service to meet those needs. There are a number of analysis and tools that help an organisation use a marketing approach. These include market analysis, user analysis, organisational analysis, competitive analysis and the marketing mix.

Market Analysis

Market analysis begins with defining all the potential markets with which exchanges could take place. The most obvious market is the end-users of library services - library patrons, the parent institutions of libraries/information centres, government agencies that provide funds and other institutions that have information needs but no libraries. Both funding and user markets should be identified in the market analysis.

After identifying the markets, it is essential to establish the size of each market and the trends affecting the demand for services.

Market analysis also includes segmenting the total market into smaller units with distinct wants and needs. The users of a market segment are similar to one another but different from users in other segments. Several criteria are used to segment the library market. Segmentation is further discussed in the next section.

User Analysis

Once the market has been identified, the marketer must identify the users within that market. Who can be the user? Is it a library director, the head of department, the reference librarian, a professor, the board of directors, or a student? It can be any of the above. A useful way by which to organize these users is to categorize them as influencers, deciders, purchasers or users of a service or a product.

Organisational Analysis

As an organisation tries to establish what markets to serve and which products and services to offer, strong consideration must be given to the objectives, strengths and weaknesses of the organisation itself. Considerations in the analysis would include resources available to the organisation, restrictions if any, attitudes of authorities, special expertise of staff, structure of the organisation and successes and failures, if any. Assessing the strengths of the organisation can help turn opportunities into successes.

Competitive Analysis

Competitive analysis begins by identifying as many potential competitors as possible. In fact, identifying markets will help to identify competitors and vice versa. Who is the competitor for a library/information organisation? Competitors include other library/information organisations, library associations, for-profit vendors (like information brokers), and library schools. Competitors also include other organisations vying for funding, for example, college libraries compete with one another for getting funds from authorities. An organisation competes with others who seek funds from foundations. As library budgets shrink, the competition for limited funds has become intense, placing information organisations in a highly competitive environment.

Competitors can be evaluated by identifying the attributes and prices of their services and products in comparison with others. The competitive analysis should ask: what market segment does each competitor concentrate on, what image does each project and how successful is each in satisfying particular wants and needs?

Marketing Mix

While marketing is an approach to long-term planning, it can also help make short term plans for the delivery of particular services to particular markets. A short term tool that helps with planning is the marketing mix, also referred to as the four P's of marketing after its four components namely product, price, place and promotion. This will be discussed in detail in Section 17.6.

17.5 : Customer Focus

To benefit the customer a marketing exchange must satisfy a need or a want. A need is a feeling of deprivation over the absence of some necessity for basic survival whereas a want is a desire to satisfy a need in a specific way. Marketers have no control over people's needs, but can influence their wants. Utility is the value a product provides for the customer. Marketers can satisfy customers needs and wants through six types utility. They are.

- **Form utility**- providing finished product after processing the raw material.
- **Time utility**- providing the product at the right time when the customer needs it.
- **Place utility**- making the product available at the right place when they need it.
- **Possession utility**-enabling the customer to obtain and use the product over time.
- **Information utility**- communicating to the customer information about the product.
- **Service utility**- providing service on the product over time.

Nothing is more essential to an organisation than its customers. Organisations are now realizing the fact that they have to design their business processes centered on the customer. The current trend is towards relationship marketing, which focuses on developing a close relationship with the customer. An existing customer costs less to keep than the money and effort required attracting a new customer. Marketing is not just about making or getting a sale, but about keeping a friend. Therefore it makes sense to stress on long-term relationship with the customers.

The libraries and information centres are always concerned with satisfying their users. The aim is always to obtain a better knowledge of the users of library and information services by several user survey methods. It has, therefore, become essential that information managers would develop an interest in the marketing of their services.

In order to understand user needs several methods can be employed. Some of these are:

- Interview
- Questionnaire
- Case Study

- Observation
- Suggestions from users

The user needs, with regard to a product or service can be assessed by any of the methods mentioned above. These enable an information manager/librarian to plan their products and services to find appropriate users or to find a proper place in the society.

Gone are the days when services of libraries/information centres would have users coming to seek the services. Presently, the library managers view their services as businesses and are employing appropriate marketing strategies to ensure their development and improve their effectiveness. In other words, the requirements/ needs of users are determined or identified and then services are provided to satisfy these requirements/needs;

17.6 : Marketing Mix

To achieve marketing objectives a strategy needs to be worked out which includes different elements that are product, place, promotion and price. These elements are commonly referred to, as 4 Ps of marketing are controllable variables mixed at different proportions to achieve marketing objectives at different situations. To get maximum benefit these elements need to be blended artfully in a similar fashion as a chef does to the meal. Each element within the marketing mix can be controlled. A strategy for each element must be uniquely constructed and blended with other elements to achieve an optimum marketing mix. Successful marketing requires careful tailoring to satisfy the target market. In the client oriented marketing philosophy of the 1990s, the four Ps can be translated into 4 Cs of marketing. This can be represented in the following manner:

Product	—————>	Customer needs and wants
Price	—————>	Cost to user
Place	—————>	Convenience
Promotion	—————>	Communication

Product

"A product is anything that can be offered to a market to satisfy a need" - (Kotler)

This could include physical objects, services, persons, places, organisations and ideas. It is a unique bundle of intangible and tangible attributes offered to customers. For developing a product for the market one must take into consideration the three levels of the products:

- Core product-** is the most basic level, which meets the customer's generic needs that must be met.
- Tangible product-** the core product made available to the customers in some tangible

form. All tangible products will have the following five characteristics:

- **Styling-** distinctive look or feel
 - **Features-** individual components added or subtracted without effecting the style or quality of the product e.g. cars having additional features like tinted glass, fog lights etc. Features are important from the competition point of view.
 - **Quality-** perceived level of performance in a product or service. Organisations must not only set standards for quality but also manage its quality level over time.
 - **Packaging-** the container or wrapper surrounding the specific product or service. Good and attractive packaging can add value beyond the perceived level of the product.
 - **Branding-** giving name, term, sign symbol or design or some combination to the product or service of a seller to differentiate it from others in the market.
- iii) **Augmented product-** sellers offering over and above what customers expect or are accustomed to. Additional service and benefits can be offered which go beyond the tangible products.

Thus a product is a complex offering comprising core need satisfying services, a set of tangible characteristics and a set of augmented benefits. Therefore, to have a competitive edge in the market the company/organisation must examine its products and design them to carry the intended qualities to the intended target market.

Once a new product or service is introduced to the market, it enters the product life cycle. The product life cycle represents the pattern of sales for a product over time. This is analogous to a biological life cycle. Which achieves a level of high acceptance at some point and then there is decline at a later stage. Product life cycle is an excellent tool for planning and developing marketing strategies. The **four stages** of product life cycle are:

- **Introduction-** At this stage there is slow growth in the market requiring heavy advertising and promotion for awareness building. Since the cost of promotion is high at this stage the price will be also on the higher side.
- **Growth-** In the second stage the sales start picking up new market segments are explored. Promotion activities continue with a shift of promotion of product category to brand advertising. At this stage the prices start falling and profits increase.
- **Maturity-** At this stage sales continue to increase but at a slower pace. Products reach a saturation point and more emphasis is given to servicing and repair. Product lines are widened to tap many market segments. Prices and profits show a fall. Long product usage and intensive promotion leads to brand loyalty.
- **Decline-** Permanent drop in sales heralds the decline stage. Rate of decline is governed by factors like rapid changes in consumer tastes, changes in fashion, technical advances leading to effective substitutes etc. At this stage either the product may be totally withdrawn from the market or market rejuvenation tactics may be applied.

The initial stage of any library/information service is usually marked by slow growth in use, heavy advertising and promotion. Staff must develop the service to suit user needs. The growth stage shows an increase in use of the service that is still promoted quite heavily and staff may have to fine tune the service further to suit user needs. The maturity stage is characterised by such services being seen as standard, a slowdown in growth and the spending of less time and money on advertising. In the last stage or the declining stage, fewer people use the service, it is often superseded by other more appropriate services, or gets low priority and eventually plans are made to terminate it.

The life cycle concept has some drawbacks too as some stages cannot be clearly separated and it may be difficult to distinguish into which stage of the life cycle the service falls. In case of library services, the maturity stage is dominant and most services fall into this category. It is also difficult to predict when the next stage of the life cycle will begin and how long it will last. Information technology is likely to have significant impact upon the life cycles of library and information services in the future. As information technologies become more and more advanced and sophisticated, they will have the effect of shortening the life cycles of library and information services as new and better ways will be found to deliver services or access information thereby rendering the existing services obsolete. The end result of this impact is that library and information service managers will have to pay more attention to the product-service life cycle in the future.

Product design consists of decisions relating to the kind of products or services the organisation offers to a target community to satisfy existing needs or wants. Sources of new products or service ideas can come from either staff or users. Libraries and information centres have a variety of products/services to offer to their patrons. Here it has to be remembered that any product has a definite life cycle in which it enjoys a healthy popularity followed by decline. Information organisations usually do not withdraw from the market the products that have outlived their demands. Besides this, weeding too is neglected. By maintaining weak products/services, the librarians delay or prevent users from getting full satisfaction out of their resources. A sound marketing strategy would be to review periodically the vitality of each product/service and withdraw those for which there is no demand. If demand cannot

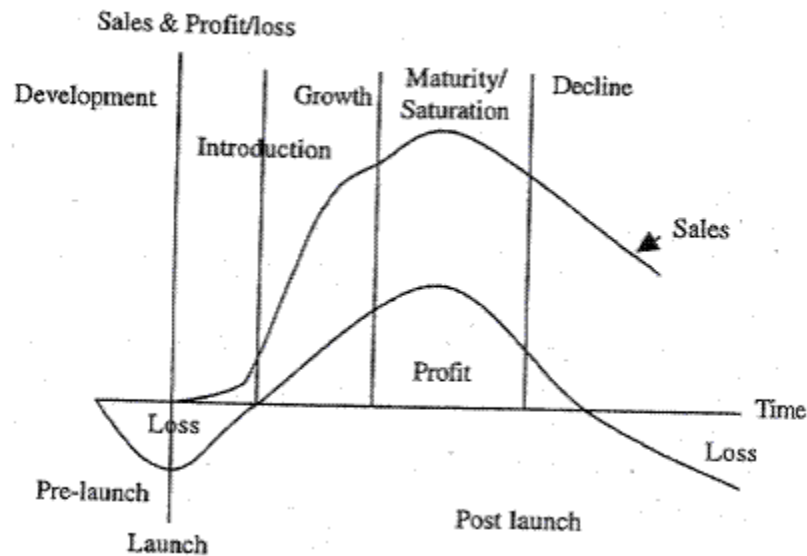


Fig. 17.2: Product Life Cycle

(Source : Lancaster and Withey)

be stimulated, then hard decisions must be made to abandon products and services that have come to the end of their productive lives.

Price

Price is the perceived value that is exchanged for something else. This perceived value is generally translated in terms of money. 'Valuation' or 'perceived value' is the simultaneous appraisal by buyers and sellers of the economic and psychological worth of the market offering. Prices are key to the revenue of an organisation. A price must be fixed which gives an organisation a fair amount of profit on one hand and equals the perceived value to target customers on the other. The price charged by a seller is the cost incurred by the buyer.

To survive in today's highly competitive marketplace, organisations need pricing objectives that are specific, attainable and measurable. Pricing goals can be divided into **three** categories:

- **Profit oriented-** this could be of three types: a) profit maximisation where price is set at a much higher level than the cost of the item; b) satisfactory profit with a reasonable level of profit; c) target return on investments.
- **Sales oriented pricing-** sales oriented pricing could be either to achieve a higher market share or to maximise the unit sales.
- **Status Quo pricing-** to maintain a status quo or simply to meet the competition.

The price established for a product depends primarily on demand for the good or service and the cost to the seller for that good or service. Other factors such as distribution and promotion strategies, perceived quality and stages of product cycle can also influence price. Demand for

product/service refers to the quantity of a product that will be purchased at a given price. Supply on the other hand is the quantity of a product that will be offered to the market by suppliers at various prices for a given product/service. The point where the demand and supply curves intersect is called equilibrium. A price above equilibrium creates a surplus and a price below equilibrium results in loss. There are basically three types of pricing policy followed:

- **Cost based pricing:** pricing mainly based on either total or marginal cost of production. Common cost oriented pricing methods include- mark up pricing and cost plus pricing. In both the cases, price is determined by adding fixed percentages to the unit cost of production.
- **Demand based pricing:** the intensity of demand is taken into consideration for pricing purposes. The levels of cost are not taken into account. Lower prices are charged where demand is weak and higher price where demand is intense. This method is known as price discrimination.
- **Competition based pricing:** 'going rate' or 'imitative' pricing are popular techniques of competition oriented pricing. In this type of pricing, the price is not decided on either the demand or cost of production, but on the ongoing price in the market. This type of pricing is popular because it represents the collective wisdom of the industry concerning a price that would yield a fair return. Competition based pricing is possible only in case of homogenous products or services.

There are three types of strategies or techniques that can be adopted for pricing any product or service. These are:

Average cost pricing- in this method price of a product is selected to cover all the fixed and variable costs associated with the product. The objective is total cost recovery. The price is set at such a level that it equals the average cost of the product. The average cost pricing is based on the breakeven analysis. Breakeven analysis helps in determining the number of units of a product to be sold to cover the full costs. The point at which total revenue equals the total cost is known as breakeven point. Any number of units sold beyond the breakeven point will result in profit and anything less than that will result in loss. Breakeven analysis helps in deciding the amount of a product to be sold at a proposed price in order to cover cost and then start making profit.

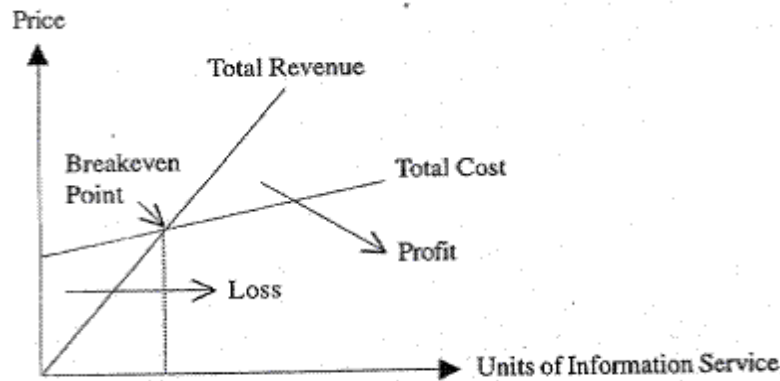


Fig. 17.3: Breakeven Analysis

Price discrimination- When a product is sold at two or more prices depending on the intensity of demand it is known as price discrimination. For this the market must have different segments with different intensity of demand. Price discrimination may be on the basis of customers, product versions, place or time (peak load pricing).

Marginal cost pricing- Marginal cost is the change in the total cost of production for one more unit. Marginal cost differs for every additional units produced. In marginal cost pricing the price is set equivalent to the marginal cost of production. Marginal cost is always lower than the average cost and hence the total cost of production is not recovered in this process. This method is appropriate from the welfare point of view but not from the profit point of view.

Pricing techniques adopted by any organisation depends on their goals and objectives.

The pricing objectives could be of several types:

- **Cost recovery:** A common pricing goal is to recover a portion of the production cost. In case of services provided by the library and information centres, the fixed costs may be paid by the government or the host institution and the operating costs or variable costs by the users in the form of user fees. With cost recovery as the goal, the organisation must determine its cost and the portions that are to be recovered.
- **Market penetration:** Market penetration or maximum participation pricing is often used for introducing new products or services in the market. Low prices are set to attract consumers to enter the market.
- **Market limitation:** Once a new product gets established in the market, low prices may lead to excess demand which may create a disequilibrium situation. Thus in order to limit the market, prices needs to be raised.
- **Market equity:** Market equity pricing seeks to price services according to the economic nature of the goods i.e., public goods, private goods or merit goods. Public goods should be funded through community taxes and not through user charges. In case of merit goods the benefit accrue to the individuals but however in the long run the whole community is benefited. In such cases pricing objective should be to recover a portion of the cost. In the case of private goods the benefit flows directly to the individuals in the short run as well as long run and in such cases direct user charges would be more equitable.

Several pricing objectives may exist. But in actual practice the library/information centre with a diverse set of offerings and clientele may pursue multiple and often conflicting pricing objectives.

Successful pricing requires that we consider not only our objectives but also the many interacting factors which influence price decisions:

- Assessment of demand; consumer behaviour, elasticity of demand cost factors, the supply of goods.
- Knowledge of competitors behaviour. In other words, one should know the competitor's offerings and prices so that one can compare the services with the competitors.
- Knowledge of the market is a must i.e., the knowledge of new product in the market, the potential users etc.
- Another question to be considered is whether or not a given product is a complement or substitute for other products currently offered in the market. If it complements another service a relatively low price will encourage use of both products whereas if it is a substitute the low price will reduce consumption of the alternate service.

The decision of pricing technique to be adopted, therefore, depends on the pricing objectives and the factors influencing price decisions.

Promotion

Promotion involves any form of purposeful communication employed by the organisation with the intent of informing, reminding and persuading the customers regarding some aspects of their market offering. In the traditional methods of marketing promotion was seen as a portfolio of persuasive tactics used with the intention of informing, changing preferences, positioning or repositioning products to stimulate sales. In the contemporary point of view it refers to building relationship with the customers. Three basic tasks of promotion are;

- **Informing-** informative promotions are generally done at the early stages of the product cycle when it is introduced in the market.
- **Persuasion-** persuasion is required to motivate a consumer to buy the product. This method is generally adopted when the product reaches the growth stage of the product cycle.
- **Reminding-** reminder promotion is used to keep the product brand name in the public's mind. This is adopted at the maturity stage of the product life cycle. This form of promotion acts as a memory stimulus for those products, which have already established in the market.

The ultimate objective of any promotion is to get someone to buy something. There are **four** major tools that make up a promotional mix. These are:

- **Advertising:** Advertisement refers to any form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. It is a form of impersonal, one way mass communication process. It may be transmitted through different media such as radio, television, newspapers, magazines, billboards etc.
- **Personal selling:** It is form of oral, face to face presentation in a conversation with one or more customers with the purpose of making sale.
- **Sales promotion:** Marketing activity viz. displays, exhibitions, demonstrations etc., which are done occasionally, and not part of the regular marketing activity.
- **Public relations:** It is a marketing function which evaluates public attitudes, identifies policies and procedures related to key aspects of the public interest and executes a program of action to gain public understanding and acceptance.

Promotional mixes vary from product to product and industry to industry. The nature of the promotional mix depends on the following factors:

- **Nature of the product-** industrial or consumer product.
- **Market conditions-** needs, attitudes, likes and dislikes, strengths and weaknesses of the consumers and competitors in the market.
- **Availability of funds-** budget constraint may restrict promotional activities.
- **Product life cycle-** at the initial stages heavy investment will be required for promotional activities. After the product reaches a saturation point new promotional methods will be required to recapture the market.

Usually; libraries/information centres limit their promotion activity to four categories: advertising, point-of-sale displays, publicity and personal contact.

Advertising is non-personal promotion of products and services by a sponsor who pays for the communication.

The **point-of-sale displays**, are of limited effectiveness as they only increase sales to users who have already responded to the library's product by entering. However, despite their limitations, point-of-sale displays can be used to create an atmosphere that encourages users to fully utilize a library's resources. Many organisations have large amounts of floor space which lies unutilized. This could be utilized to display or promote the library's products.

Libraries/Information centres also promote their activities by planting "news" items, or by advertising. **Publicity** is also done by staff members during meetings, conferences, seminars or symposia. In financially crippled information organisations, publicity is usually the main promotional tool, yet few bother to avail the opportunities available.

Personal contact is the least costly but often the most effective promotional device at the library's disposal. It costs nothing to insist that all calls be answered with a "smile" in the voice: It costs nothing to receive users with a smile and to be polite, courteous and attentive to users. It costs nothing to relax rules and regulations for some valued users. It costs nothing to approach a hesitant user and inquire "May I help you find something?" These no-cost promotional efforts

yield results equal to highly sophisticated and expensive advertising. Personal contact can lead to word-of-mouth advertising which is the most effective promotional technique. One satisfied patron can easily bring to the library several new patrons who might not be responsive to publicity. If not satisfied a regular user may continue to use a library's services but will hesitate to encourage other users to enter the library.

An extension of personal contact is lobbying but here instead of consumer market, efforts are aimed at the funding authorities. Lobbying should not be something that occurs once a year when authorities are requested for more money but rather should be a continuing programme of formal and informal communication between the library and the authorities.

Place

The place element in the marketing mix is to ensure that products and services are available to target customers in the 'right place' and at the 'right time'. Place element has major impact on the levels of customer satisfaction. Place should be designed to provide pre-planned levels of customer service at the minimum cost for each level of service.

The most important marketing strategy available to any library is the place. If the information centre or the library is not conveniently located, users will decide that the services offered do not overcome the time and effort required in visiting the library. The library/information centres should thus plan their buildings to be at convenient locations. In case libraries/information centres are already in remote or far away or inconvenient locations then, there is need to plan promotional activities and create products that will stimulate their market despite location and physical appearance. For instance online services and online resources could be of great help in this regard.

The placing or physical distribution of product or service involves design of a satisfactory storage, distribution, delivery of dissemination system keeping in mind that the users' convenience has to be weighed against considerations of cost. This is rather a complex element in the case of information services, distribution covering the entire concept of access to the service. It therefore, includes the opening hours of the centre, its location, the rules for lending documents, etc.

The marketing strategy will therefore be based on these four elements and on their many facets. Managers must achieve the right balance between these ingredients in the light of market requirements, bearing in mind that all are interrelated. Even if the general shape of a new information service has been well researched and responds effectively to user needs in terms of the product, the operation may have to be completely abandoned by a poor decision on pricing or by unsatisfactory distribution or poor staff training.

Once an overall strategy has been established it will provide a basis for the planning of the information service, in other words, all of its activities will be conducted on the basis of the strategic decisions stemming from the marketing mix.

17.7 : Market Segmentation

The process of market segmentation is fundamental to the whole idea of marketing as it focuses on the user, that is, a library's present or prospective user, rather than the product, that is the library's collection and services. A basic tenet underlying marketing strategy is that there are distinct market segments each with its own needs, wants, desires and interests. Market segmentation is the division of market into distinctive groups of buyers who may require different products or marketing mixes (Kotler et al, 1994). It is the division of market into homogenous groups, which will respond differently to marketing mix variables i.e. the 4Ps of Product, Price, Promotion and Place. It is the division of a heterogeneous market into homogenous groups. Segmentation is important from the point of view of marketing as different buyers have different needs and wants. Each group or segment can be targeted by using different marketing mix to reach potential buyers with most customized offering possible. Very often, librarians build up their collection by presuming the needs and want of the users without taking into account the interests of user groups. Library market segmentation takes into account the fact that library users who request a product or a service are all individuals who are unique in some way. Market segmentation is useful for the following reasons:

Easier marketing- it is easy to address the needs of small groups of buyer especially if they have many common characteristics.

Find niches- less contested buyers can be targeted for newly launched products.

Efficient- marketing resources can be focused to best segments that are receptive to the offerings of product, price promotion and place and hence avoid wastage of time and funds to uninterested party.

Market segmentation can be adopted when there are significant, measurable differences in the market. However the identified market segments must be:

- Large enough
- Difference are there between members which can be measurable
- It must be responsive to the communication and promotional activities
- Reachable through one or more media usage
- Interested to different benefits from different products
- The profit for extending the market and reaching different market segments must be higher than the cost of developing multiple marketing programs.

Market segmentation is done on the basis of the two market variables: classification variable and the descriptive variable. Classification variable is used to divide the market into following segments:

Geographical segments- This involves division of the market into different geographical units e.g. states, regions, countries etc. It consists of those users who live in a particular geographical

locality. These markets determine the type, size and site of library and information centre with opening hours and services offered. The librarians of public libraries should usually look out for geographic locations requiring library services and serve them accordingly. Rural areas which are remote and isolated can be best served by mobile library services. Special libraries serving industries and R&D organisations having branches in located in different regions will have to consider specific needs of each location and develop services accordingly.

Demographic segmentation- In this case the market is divided on the basis of demographic variables like age, sex, occupation, income, race etc. Demographic Market segmentation is one of the most popular methods of distinguishing market segments in libraries. They are often associated with clear market needs, and information relating to these markets is readily available. Demographic markets may be identified by age, sex, nationality, income, occupation, religion, social needs (like hobbies, sports, some form of entertainment, etc.) and physical needs (for physically handicapped).

Psychographic segmentation- Dividing the buyers on the basis of socioeconomic status, lifestyle, hobbies or personality traits is psychographic segmentation. This type of market examines attitudes, living styles, personality and social classes, people who have a past history of using libraries have to be reminded of library services and their use. Also, people with changed life styles, with new environments, with new facilities could be encouraged to make use of library services.

Behavioural segmentation- Buyers are divided on the basis of their product knowledge, usage, brand loyalty, attitude, response to marketing factors etc.

Descriptor variables are used to describe each segment and distinguish one segment from the other. Descriptor variables must be easily available measures or it must be linkable to easily obtainable measures that exist in secondary sources.

The strength of market segmentation lies in the fact that it is based upon the end user rather than on product or service. The end user is assured of a service which satisfies as far as possible, his or her individual needs rather than a mass market general offering.

17.7.1: Strategies for Market Segmentation

We already know that market targeting involves the evaluation, selection and concentration on those market segments which the library has decided to serve. Library market segmentation takes into account the fact that all the library users who request a product or service are individuals who are unique in some way. Therefore, it is essential that libraries identify those parts of the mass market which they can most effectively serve. Bryson suggests three strategies for doing this:

- Undifferentiated Marketing
- Differentiated Marketing
- Concentrated Marketing

a) Undifferentiated Marketing

Undifferentiated marketing is that where all people have similar or identical needs and the organisation goes after the whole market with single offering. All users are treated similarly, everyone offered a standard product and every eligible person is made to use its products (books, journals, databases, bibliographies, etc.) and services (reference, online, lending, interlibrary loan, etc.). In other words, those services are provided which appeal to the broadest number of users. In concentrating on these services the library attempts to achieve excellence. Undifferentiated marketing is usually applied when there are financial constraints and special services are to be curtailed. This helps in saving costs. It is also applicable in situations where the whole society is the target market.

b) Differentiated Marketing

In differentiated marketing a library decides to divide the mass market into smaller groups or segments and designs separate services and programmes for each. This approach recognises the different needs of users and provides criteria for examining the potential users. When the entire population is divided into groups, the librarian can notice the user groups whose needs are not being met. Then each individual group's special needs can be examined and identified and plans can be made to influence such user groups to use the library's resources.

However, there are costs associated with this approach as these special services involve additional staff, administrative and promotional costs.

c) Concentrated Marketing

Concentrated marketing refers to a situation when the library or information centre concentrates upon a small number of users or specific areas of services. In this case, instead of treating all users similarly, the library or information centre provides in-depth services in a few areas or serving a small percentage of the users. The library purposefully determines a small number of target market and sets out actively to serve those areas only. Through its concentration in particular group or area of service the library or information centre achieves a strong market position because of its greater knowledge of its market segments' needs and its subsequent reputation through concentrated service. For instance special library or information centre may decide to concentrate upon a selective dissemination of information service. This will help them in providing customized service as per the requirement of users and fulfill their information requirements.

17.8 : Market Research/Analysis

Market research or market analysis provides the organisation with information necessary to analyse decisions regarding the specific structure of the marketing programme. Effective marketing requires prior analysis of the market, its structure and behaviour. It consists of determining the actual or potential user of the organisation, dividing the market into meaningful segments and defining the needs, wants and characteristics of the organisation chosen target markets.

There are various analyses which aid market strategies. These are exchange system analysis, image analysis, consumer satisfaction studies, product life cycle and product portfolio matrix.

Exchange System Analysis

This enables the library/information centre manager to identify what the users are prepared to exchange for the services which the library offers. Its importance lies in the fact that both tangible and intangible items can be identified, thus allowing the important values which the library community holds to be identified. This provides useful information for planning new services or justifying existing services.

Image Analysis

Image analysis is very important in determining the library's or information centre's image to both the funding and governing bodies and to its users. They are important because they determine what people respond to. All organisations need a positive image in order to attract funds and users. Change in the image may make a library/ information centre appear to be more efficient or useful to funding bodies or more relevant to a certain category of users.

User Satisfaction Studies

These provide an indication as to whether existing library or information centre users are satisfied or not with current services. These studies are themselves also a marketing tool as they can be used as a means to maintain existing funding levels if the results are good, or for increased funding if the results show that user expectations of services are higher. On the basis of the response of users, services can be ranked according to their performance into several groups. They are:

- a) important services which are well provided with high performance level.
- b) less important service with high performance level and is well provided.
- c) important service with low level of performance and needs concentration,
- d) low priority service with fair performance.

There is need to concentrate on resources of services in (c) above whereas in case of (b) less attention can be paid. Thus, need and competence of staff may be substituted for importance and performance when deciding upon new services to be introduced when rationalizing existing services.

Product Life Cycle and Portfolio Matrix

Product life cycle and product portfolio matrix are used to make strategic marketing decisions. The product life cycle is based upon the premise that products or services, like living things, have a definite life span. The market growth and competitive characteristics change from one stage of the product life cycle to the next. These changes have important implications for marketing strategies. The product life cycle focuses upon growth dynamics

whereas the product portfolio matrix emphasises market growth and strength of products/services.

In libraries and information centres the services which are important need to be expanded. The established and valued service should maintain the image of the library and information centres and help to ensure its success and survival. Services which are declining in use need to be superseded by new and better services. The services which do not perform well for a variety of reasons need to be analysed. By examining these services on the-product portfolio matrix, the library/information centres can determine the use and standing of their services and then link them to the product-service life cycle and its associated marketing and planning strategies.

17.9 : Implementing a Marketing Programme and Evaluation

Once the marketing concept has been established among the staff of the organisation, the next step is to analyse the current situation, assess the strengths and shortcoming in the library's current programme and policies, determine the goals that a programme of marketing the library service should accomplish and determine the specific methods by which these goals can be achieved. These activities will involve a significant amount of staff time and resources.

The important aspects included in implementation and evaluation of any market programme are: marketing audit, the marketing programme, and diversification and service rejuvenation.

17.9.1: Marketing Audit

For any marketing programme it is important to make certain that all relevant aspects are included in the analysis. The marketing audit helps to make certain that no relevant aspects are omitted. The first task in such an audit is to look at the environmental factors affecting the organisation. It involves questions like-"Who are the users of the organisation?" and "What are the present and expected future size, characteristics and demands of the users?". For example in a university, the library will do well to ask what degree programmes are being planned for the next five or ten years so as to anticipate demands that will be placed in future.

The factor to be kept in mind is that at this stage it is important to have factual information rather than making assumptions which may result in errors in future.

The second stage of market audit involves an assessment of: organisation's current marketing system and centres on the general requirements of a marketing programme for organisation, the organisation's long term goals and short term objectives as determined by the earlier analysis of the organisation's environment and the optimal allocation of resources such as the patron service aspects vs. acquisition.

The objectives identified in this phase of the marketing audit might focus on increasing the community's awareness of library services facilitating user access to the collection.

Here, goals and plans of action of each library and information centre will differ according to needs and resources available.

The final phase of the marketing audit involves a continual reassessment of all factors involved in the marketing programme decided by the organisation.

17.9.2: The Marketing Programme

Development of a marketing programme involves deciding what should be its component parts, what should be the market mix, what products should be offered and at what charge and what should be the communication and promotion and distribution method.

A typical marketing programme involves the following steps:

- 1) Re-examine the library's/ information centre's objectives - these should be seen in relation to the institution's goals and policies.
- 2) Set goals based on the institution's capabilities.
- 3) Identify potential and actual users and their needs.
- 4) Identify the services and products to be marketed. Determine whether any charges will be made and find out what price users are likely to pay.
- 5) Consider critical factors in your operating environment.
- 6) Survey available resources, i.e., human, equipment, supplies, communication channels.
- 7) Plan promotional packages like communication channels (time table, what is required to establish these channels, financial requirements), assess likely impact and develop promotional materials.
- 8) Identify priority areas.
- 9) Plan user education programmes.
- 10) Develop evaluation mechanisms.

Evaluation

Planning of the marketing programme would be incomplete if one does not build into it the evaluation aspects. The steps of an evaluation programme are:

- Defining the scope of evaluation. This consists of the preparation of a set of questions, the purpose being, to assess the capabilities and weaknesses of the service and product. The questions to be asked should be related to the performance, costs, cost-effectiveness, quality, time taken for carrying out a service or to offer a product.
- Designing the evaluation programme. This involves the preparation of a plan of action.

After the marketing programme has been in operation for sometime, evaluation of the programme becomes necessary. The evaluation of this programme is usually in relation to:

- i) Objectives

- ii) Products or services
- iii) Performance
- iv) Distribution channels
- v) Promotion

The above shows that the objectives of evaluation of a marketing programme should be to ensure that users get maximum benefit from every service and product. Also each product and service should be offered keeping in view the needs of users.

17.9.3: Diversification and Service Rejuvenation

At times there may be a situation where the library or information centre can no longer expand its services in its basic market. Market being saturated, the growth may get stabilized. If growth is to continue, the library/ information centre will have to introduce new services or seek new markets. Bryson suggests the following options for libraries/ information centres in such situations:

- remain in same situation and accept the results, as it is
- to look for new markets
- to diversify into new areas
- to provide new services to existing markets

Changes in user behaviour, competitor behaviour, technological developments and government policies may also influence the organisation to adopt one of the above mentioned options. For library/information services, rejuvenation strategies may be adopted to recover some of the services lack of use over time. Libraries and information centres can overcome the decline in the product life cycle by applying recapturing strategies, redesigning the services, refocusing or recasting them.

Recapturing Strategies

When the service or product is in the decline stage of the lifecycle recapturing strategies need to be adopted to revive the old market. In this strategy the tactic is to concentrate on previous and existing users without modifying the service. User sensitisation programmes through displays in libraries or personal contact with users which promote existing services are some examples of recapturing strategies.

Redesigning Strategies

This involves marketing a modified version of the library service or product, which have been declining or have been abandoned earlier. As users needs and wants keeps on changing, the original reasons for rejection of a product or service may not prevail any longer. By redesigning the products and services it may be possible to revive interest among present users. In libraries such situation often occurs when particular authors go out of fashion but are brought back into fame by winning some award etc.

Recasting Strategies

In this strategy libraries can offer modified services or products to new users. The idea is to capitalize on the libraries strengths and experience. However, the library has to make some adjustments to the service and the market they are serving. For example a recasting strategy for a library could be offering e-journals to users instead of print ones if it is noticed that they are not being utilised much by researchers for some reason or the other.

Refocusing Strategies

This involves marketing an abandoned or declining service. An example for this may be marketing a newspaper clipping service started through demand for some important user or director of an organisation. Such a strategy may result in greater usage of the service by other users.

The library's decision to rejuvenate its services will however depend on its resource requirements and capabilities. Before embarking on such strategies it is important to assess the potential of the rejuvenated or diversified services, the cost involved in the process and predicted extended life-span on a cost-benefit basis. For selecting the most appropriate strategy, it is important to evaluate the extent of service modification and degree of marketing effort needed to stimulate demand.

17.10 : Summary

In this Unit we have discussed that information is used to help solve problems and that it is of value only if it is used. It is important that the potential user must be made aware of its existence. The information managers should thus develop effective marketing strategies in order to make full use of information products and services.

The purpose of marketing information services is to make such services more responsive to user needs and wants and to improve people's satisfaction. Library market segmentation takes into account the fact that a market can be divided into meaningful parts or segments. Market analysis provides an organisation with necessary information to make decisions regarding the marketing programme. The ingredients of marketing mix - the product, price, place, promotion and staff are used as variables in developing marketing plans and provide an important match of product/service with market. Lastly, the marketing plan is developed and an evaluation and feedback helps every organisation to implement or expand its services/products in the market.