

THE ROLE OF MARKET SEGMENTATION IN PUBLIC LIBRARY MANAGEMENT

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Abstract:

Current management of public libraries cannot be considered successful without implementation of management and marketing concepts. Although public libraries operate with a non-profit purpose, and Croatian librarians usually have just basic management and marketing resources, related strategies may play a key role in achieving the library mission and vision. Market or consumers segmentation can be translated to users segmentation with necessary adjustments that take in consideration the special environment of non-profit activities and the International Federation of Library Associations and Institutions (IFLA) guidelines that libraries in Croatia are accepted to follow. This process can be a good platform for switching from universal library service, with a mass marketing approach and different services developed for defined target user groups. The ultimate goal is the “library tailored for its users”, i.e. the library that satisfies unique needs of its community, adjusts to micro or macro environment and coexists with current changes of digital era.

Methodology used in this paper combines findings and sources from library, management and marketing science with a goal to provide new insights for using a marketing approach in public library management.

Keywords: *library management; user segmentation; target market; IFLA guidelines*

EL PAPEL DE LA SEGMENTACIÓN DEL MERCADO EN LA GESTIÓN DE BIBLIOTECAS PÚBLICAS

Resumen:

La actual gestión de las bibliotecas públicas no puede considerarse un éxito sin la implementación de conceptos de gestión y marketing. Aunque las bibliotecas públicas operan con un propósito no lucrativo, y los bibliotecarios croatas suelen tener sólo recursos básicos de gestión y marketing, las estrategias relacionadas pueden jugar un papel fundamental para lograr la misión y visión de la biblioteca. La segmentación del mercado o de los consumidores puede traducirse en segmentación de usuarios con los ajustes necesarios que tengan en cuenta el entorno especial de las actividades no lucrativas y las directrices de la Federación Internacional de Asociaciones e Instituciones Bibliotecarias (IFLA) que las bibliotecas de Croacia han aceptado seguir. Este proceso puede ser una buena plataforma para cambiar el servicio de biblioteca universal, con un enfoque de marketing de masas y diferentes servicios desarrollados para grupos-objetivo definidos de usuarios. El objetivo final es la “biblioteca a medida de sus usuarios”, esto es, la biblioteca que satisface las necesidades únicas de su comunidad, se ajusta al micro y macroentorno y convive con los actuales cambios de la era digital.

La metodología del artículo combina resultados y fuentes biblioteconómicas, de gestión y marketing a fin de dotar de nuevas perspectivas al enfoque de marketing en la gestión de bibliotecas públicas.

Palabras clave: *gestión de bibliotecas; segmentación de usuarios; mercado objetivo; directrices IFLA*

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1. Introduction

Public libraries are important cultural institutions all over the world. Their mission can be different, but they all can be described with the same goals (Henry and Gill 2001): i) to give good and relevant information to its users; and ii) to provide educational and informational needs and quality spent leisure time.

Contemporary library management in Croatia is often “torn” between two struggles: on the one side, coping to insure funds for basic needs (like salary, electricity, heating or water expenses); on the other side, making an effort to keep up with modern library trends of turning libraries into focal points for information, knowledge and social interaction with their users.

In Croatia the establishment and financing of public libraries is prescribed by Law. in this sense, public libraries are funded by their founders, either cities or towns (Croatian Law on Libraries 1997). However, and due to recent heavy economic crisis, funds for libraries are often cut down to the minimum insuring just the basics for maintaining of functioning of libraries on a daily basis.

At the same time, there are standards and international guidelines for libraries, which Croatian librarians have accepted to follow in their aim of developing their libraries into modern institutions and keeping up with the trends that are coming from the Western countries (Scandinavia for example). In addition, while trying to cope with lack of funds, lack of staff and inappropriate space, libraries are now faced with more and more legislation that is difficult to apply in everyday work. For example, at the moment it is expected that public libraries provide special services for young children while at the same time legislation expects them to abide by standards for kindergartens in regards to staff, space and equipment (Državni Pedagoški Standard Predškolskog Odgoja i Naobrazbe 2008), which is impossible in almost every public library and not just because of the lack of funds, but also because such funds are not available in most Croatian cities and communities (with the exception of a few larger cities like Zagreb, Zadar or Rijeka).

Only after a first look at the above mentioned facts, it is quite obvious that public libraries have a really hard task to fulfil. Aiming to help them in their daily work, the goal of this paper is to provide library managers’ different points of view on library management by applying one of the most accepted marketing concepts, the market segmentation, in order to focus the limited available library resources to the right users and to maximize the effects in achieving the library mission, vision and goals. This is an alternative view which can help to implement a common marketing knowledge to library management practices.

The paper is structured to give a short overview on the development of marketing in libraries, followed by an overview of the segmentation process in the non-profit sector (which can be applied to libraries) and then explaining how marketing segmentation is connected to one of the crucial international policies, the International Federation of Library Associations and Institutions (IFLA) guidelines, which public libraries tend to follow worldwide.

2. Marketing in libraries and market segmentation process

One of the ways to manoeuvre between restrictions from external and internal environment and keeping up with the needs of public library users is to implement marketing philosophy in library management. For the operation of a library, the marketing, as an organized and complete process of market planning and as a business orientation, is useful in many ways, but primarily because a library has the ultimate goal of meeting very diverse user needs. In order for the marketing process to be applicable and efficient in the library operation, it is necessary to know all the options, advantages and disadvantages which it entails, and also to know well the social conditions, and lastly, the activity into which its application is being integrated (Tufekčić 2013).

However, implementing marketing philosophy in libraries is not a novelty, as it actually started at the end of 19th century in the USA where different efforts to improve the librarian-user relationships were made (Gupta and Savard 2010; Dukić and Sopka 2013). Then late 60s and early 70s were considered as the formal beginning of marketing implementation in Library and Information Services (LIS), just at the same time when non-profit marketing in a general sense started to be widely implemented (Meler 2003). Gupta and Savard (2010) list the specific trend changes of using marketing in LIS, which are shown in Table 1.

Table 1. Main changes in marketing themes regarding Library and Information Services (LIS)

1970-1980	1981-1990	1991-2000	2001-2010
- Product development	- Marketing goods/services	- Costing and pricing	- Performance measurement within the marketing frame
- User free	- Mega trend marketing	- Service quality	- Marketing your expertise
- Information brokers	- New technologies and marketing	- Market value	- Marketing yourself
- User charges	- Segmentation	- Electronic information	- Think like a business, act like a library
- Market analysis	- Marketing communication	- Service marketing	- Visible librarian. asserting your value with marketing and powerful public relation and advocacy
- Information economy	- Strategic marketing	- Positioning	- Designing brochures
- Information utilities	- Marketing planning	- Advocacy	- Shy librarian: marketing and public relationships
- Economic modelling	- Marketing strategy	- Marketing campaigns	- Develop and market a winning collection
- Pricing	- Marketing strategy	- Library marketing online	- Card campaigns
- User education	- Online services marketing	- Meaning use and value	- Focus groups
	- Fee-based services	- Information marketplace	- @ your library campaigns
	- Fundraising	- Marketing public relations	- Virtual references
	- Fee or free	- Marketing services and goods	- Realistic marketing
	- Information	- Part-time public relations	- Marketing through blogs
	- Marketing through physical environment	- Future-driven marketing	
	- Environmental scanning	- Relationship marketing	
	- Library identity	- Marketing 101	
	- Marketing through your story	- Savvy marketing	
	- Mission statement	- Publicity through web design	
	- Marketing audit	- Marketing as a total solution	
		- Product design and testing	

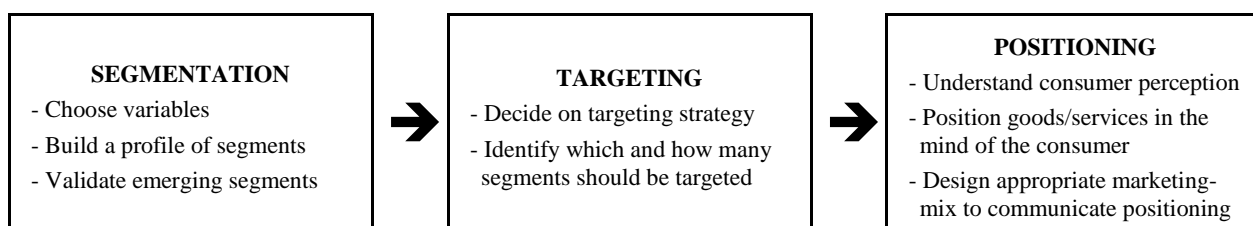
Source: Gupta and Savard (2010)

One of main problems for a successful implementation of marketing in LIS lies in the fact that librarians or LIS specialists are usually not formally educated in the field of marketing management. This situation does not occur only in Croatia (Tufekčić 2013), but it is present in other countries too (Gupta and Savard 2010). Therefore, the actual success depends solely on the librarians themselves, their motivation, competence and continuous self-education. Having in mind all of the aforementioned, especially the lack of staff symptomatic in Croatia, means that the application of marketing in library management is usually implemented “on the go”. In small and medium Croatian public libraries marketing is most likely a way of thinking and acting on a daily basis, rather than a special organizational unit or a written policy.

Library marketing can be defined as a planned approach to identifying, attracting, serving and gaining support of specific user groups in a manner that furthers the goals of the library and the organization that supports it (Weiner 2007). This definition basically reflects to the problem of *specific user groups*, and how to identify them, attract and address them. *Specific user groups* are actually target market groups, so they can be identified by conducting a market segmentation process. Market segmentation process is a widely accepted tool in contemporary marketing, there can be only few marketers who fail to recognise the process of segmentation (Dibb 1998).

According to Kotler (2001), a company that decides to act on the total market normally cannot reach all consumers in the market because there are too many different consumers with too many different desires and needs. This author also argues that the company should, in that case, identify market segments that can be reached most effectively. This argumentation is the core of market segmentation process, and the same philosophy is applicable in case of organizations in the non-profit sector –libraries as well– because operating in non-profit or public marketing basically assumes using marketing instruments and concepts on social problems and opportunities (Meler 2002, 2003).

Generally speaking, market segmentation involves three stages (e.g. Dibb 1998; Kotler 2001; Meler 2002, 2003), as described in Figure 1: i) segmenting; ii) targeting; and iii) positioning.

Figure 1. Steps in marketing segmentation

Source: Dibb (1998, p. 395)

A real number of publications have focused on discussing the merits of segmentation, and although some problems of measurement and control make the benefits from this process difficult to quantify, many qualitative advantages are highlighted. There is a generalized agreement on segmentation leads to a better understanding of customers, greater competitive responsiveness and more effective resource allocation (Dibb 1998).

Following Kotler (2004), three are the main ways –or approaches– that can be used to identify segments in libraries:

1. A *traditional* approach, according to demographics (e.g. distinguishing by age between kids and adults).
2. According to *user needs* (e.g. students in search for information source for their papers or thesis).
3. According to *user behaviour* (e.g. young adults that like to spend time discussing about their special interests among their peers and are in search for additional information or contents).

Analysing users according to demographics is a very simple task in case of some public libraries, as they keep such data in their information management system *MetelWin*, that most of Croatian Libraries are using. *MetelWin* can perform statistical analyses not only based on demographics but also on other criteria, as book lending habits, etc. However, to understand potential users' (or non-users') needs, behaviours, interests or lifestyles, it is necessary to conduct a market research (and we should keep in mind that in case of public libraries total market includes all inhabitants that gravitate to a city or a town that is the founder of the specific public library).

When dividing users to segments it is important to describe segments of users that are similar to each other in between the segment and different to other segment according to their habits, behaviour, demographics, etc. Then each segment has to be profiled, to describe a typical user of the segment. So, for example, we could differentiate between a “high school student using traditional library services as access to information recourses for schoolwork and book lending for free time” and a “high school student using traditional library services and also interested in additional free time contents like book clubs, lectures, or media lab workshops”.

After the detection of segments, those groups of users have to be validated according to their attractiveness and synchronization with the library goals and budget/funds. At the end of the process, library managers have to make decisions about targeting only one segment, a few segments or all segments and positioning services accordingly to selected segments or target users (Kotler 2001).

So, in the above example, the first segment is addressed differently than the second. The first segment can be reached through usual library-potential user communication, like flyers, free membership month, and cooperation with teachers (in regard to assigned schoolwork topics). Meanwhile, the second segment can be reached through a more direct librarian-user communication (e.g. presentations of the program or the trial workshop at schools, integrating digital communication like Facebook, etc.), having in mind that creating additional content for this last segment of users is cost-effective (contents can be created and mediated from available resources and staff) and it has a critical number of users which are interested in participating. We should also remember that this type of services have to be in accordance with the public library goals, like becoming a “communities’ living room”.

2. IFLA guidelines and public libraries in Croatia

The International Federation of Library Associations and Institutions (IFLA) guidelines provide a general overview on public libraries as well as on topics as their role and purpose, the way of organization and funding, how to meet the needs of the users, collection development, human resources, management and marketing¹. They also prescribe general standards for public libraries relevant to any of them at some point in its development. Where public libraries cannot meet all the standards and recommendations immediately, it is hoped that thorough library development they will aim to meet them in a reasonable period of time (Henry and Gill 2001).

The Croatian Library Association (Hrvatsko Knjižničarsko Društvo, HKD) is continuously working on bringing closer and implementing international standards in Croatian libraries mainly through publishing or translating international library standards and guidelines, such as the IFLA Guidelines, for all types of libraries and their users². This practice eases librarians following modern standards and trends.

According to IFLA guidelines, a public library is defined as an organization established, supported and funded by the community, either through local, regional or national government which provides access to knowledge, information and works of the imagination through a range of resources and services and is equally available to all members of the community regardless of race, nationality, age, gender, religion, language, disability, economic and employment status and educational attainment (Henry and Gill 2001).

In a similar sense, the United Nations Educational, Scientific and Cultural Organization (UNESCO) refers to public libraries as the local gateways to knowledge, providing a basic condition for lifelong learning, independent decision-making and cultural development of the individual and social groups (UNESCO 1994). Public libraries must also serve all citizens and groups, as an individual is never too young or too old to use a library.

Several potential target groups of public libraries are mentioned in the IFLA guidelines, according to different segmentation criteria. Those target groups, generally speaking, also represent the potential market segments of libraries (Henry and Gill 2001):

1. People at all ages and at all stages of life:

- Children.
- Young adults.
- Adults.

2. Individuals and groups of people with special needs:

- People from different cultures and ethnic groups including indigenous people.
- People with disabilities, e.g. blind and partially sighted, or hearing impaired.
- Housebound people.
- Institutionally confined people, e.g. individuals in hospitals or prisons.

3. Institutions within the wider community network:

- Educational, cultural and voluntary organizations and groups in the community.
- Business community.
- The governing body of the parent organization, e.g. local authorities.

It is possible to say that the IFLA guidelines actually provide market segmentation done in front, taking in consideration not only demographic criteria (the traditional approach in segmentation processes), but also other ones (segmentation according to users' needs) like when detecting groups of users with special needs and also explaining which type of services can be offered to detected groups. Furthermore, IFLA guidelines also mention other institutions within the community as a target group, not actually identified solely as potential users but also as *partners* in special services development or as *donors*.

¹ These guidelines are not contained in a single document, but in a series of them available at the IFLA website (<http://www.ifla.org>). At the time of writing this paper this series comprised 41 documents on guidelines.

² Information on the HKD and its main activities can be found at the association's official website (<http://www.hkdrustvo.hr>).

Alfirević et al. (2013) indicate that strategic approach to build long-term relationships between non-profit institutions and their donors becomes essential in fundraising, and that successful non-profit organizations are recognizable by their goal achievement that largely depends on a successful fundraising. These authors also talk about donors and the fundraising process in a context of successful marketing implementation in non-profit organizations. In this sense, although public libraries are funded from their founders, they should not neglect other sources and should carry out fundraising principles to provide more services or to improve the quality of existing services (for example, being involved in a fundraising campaign when aiming to build an elevator to provide access to handicap users to the library resources in the first floor).

An example of good practice in positioning special services to meet specific user needs is the American Corner in Zadar public library, which was opened in association with the American Embassy in 2005. The American Embassy donated for this purpose US\$ 50,000 in library equipment, books, software, etc. (). The newest project in this public library is the “*iPad Photo Workshop*”, where teens participate in photo editing workshop on iPads, also donated by the American Embassy (Rogić 2014).

Another example of internationally recognized best library practice comes from Koprivnica Public Library. There, the “*In-house Library Training Program Supporting Roma People – The Power of Networking in Local Community*” project was one of the four experiences selected to receive the 2014 American Library Association (ALA) Presidential Citation for Innovative International Library Projects. This project is focused on integrating Roma people into society and fighting against prejudice related to this ethnic group (Koprivnica.net 2014).

4. Conclusions and recommendations

Librarians or LIS specialists are aware of the advantages from implementation of marketing processes in library management, but they also usually do not know where and how to start due to their lack of marketing knowledge and/or skills. In this sense, IFLA guidelines for public libraries can be partially helpful, but just to settle the basics.

The traditional organisation of public libraries as departments and collections (considering a children’s department, a reference department, etc.) as well as the classifications used in organising collections in open access, shows a pre-existing basis for the recognition of specific users’ needs and groups.

Having in mind all the difficulties of marketing implementation in public libraries in Croatia mentioned along previous pages, segmentation is a marketing tool that can play a key role in achieving library goals. So public library managers should know about market segmentation processes and implement them to their (marketing) plans.

Introducing market segmentation steps gives a new perspective to existing user segments. Where a profit organization would choose profitable segments, public libraries will try to accommodate all segments they recognize as viable. The key in public library segmentation is to know which are the potential users that gravitate to a specific library, that is, what are their needs, interests, lifestyles, behaviours, etc. When public library managers are well-acquainted with their users then a segmentation process is not hard to carry out.

By modifying existing services and introducing new ones, it is expected that libraries will, over time, abandon the traditional image of a book-lending places and achieve the goal of becoming the “living rooms” of their communities.

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