

Unit-16:Information as a Marketable Commodity

16.0 : Objectives

After reading this Unit, you should be able to:

- explain the concept of information as a product or commodity;
- understand the process of generation and production of information; next up elucidate the demand and supply of information;
- explain the process of distribution of information; and
- decide whether marketing of information is possible or not.

16.1 : Introduction

In this Unit, we will start with understanding the concept of information. Information consists of classified and interpreted data that are used for decision making. Though the terms data information and knowledge are used synonymously, there is a basic difference between the two. Data is the raw material which is processed and interpreted to form information. Knowledge is a stock of all information. That part of knowledge which is communicated is known as information. Information as a commodity is characterized by attributes like public good concept, indivisibility, non depletability, inherent uncertainty and risk in transition, and other special features like shareability, compressibility, substitutability etc. All these attributes create problems in market development for information.

Information as such is not a commodity. Information as a commodity is represented by the products, services and channels which carry information.

Like any other commodity, information gets produced as a result of activities and events that take place in everyday life. Growing recognition of its role as a vital input to the economic, cultural and sociological progress of humanity, is causing more and more attention to be paid to methods of information access and use, resulting in the development of an industry in its own right.

Information products and services like any other commodity are demanded in the market, and the demand is affected by factors like, Price, Preferences, Income, Expectations, Population, Seasons, Technology, and Price of other goods. Information is demanded only when there is value or utility to the consumer.

The supply of information products and services depends on the price of the product, the cost involved in its production and the technology used.

Libraries, Information Centres, Information Analysis Centres, Referral Centres etc. function as the distribution channels for information products and services.

The concept of marketing of information products and services' is of recent origin. Though some institutions have proceeded in this direction, much market research needs to be done.

16.2 : Concept of Information

Before we proceed to understand the concept of Information as a product or a commodity or as a marketable commodity, it is necessary, to have a clear understanding of the concept of information.

Information is an elusive commodity. Not only is it difficult to define, but it also appears in various guises in different places. Many authors have tried to define Information in different ways. However, the main point that emerges out of these definitions is that: It consists of classified and interpreted data that are used for decision making. It is needed for a variety of purposes contributing to decision-making or problem solving.

The terms data information and knowledge are used synonymously. However there is a basic difference between these terms.

Data refers to individual facts, statistics or group of facts, or the like. This means that data consist of discreet and unorganised pieces of information. When these facts, statistics etc. are processed, interpreted and presented in an organised or logical form to facilitate a better comprehension of the concerned topic or issue, or are used for the purpose of problem solving or decision making, it becomes information. In other words, data becomes information when we establish a relationship among different pieces of data.

This could be better understood with the help of an example. We know that in India after every ten years census data are collected. For this purpose data, about each individual living in the country is collected from every locality and every family. The data collected about each and every individual does not make any sense unless they are sorted, analysed and represented in a systematic manner in a tabular or any other form. The presentation of all the data about all the individuals in an organized form constitutes information. For instance issues like rate of unemployment, education level or a country etc. are developed from the data collected about each individual.

Therefore, a person's qualification constitutes *data* while the level of education of a country constitutes *information* which is in 'fact arrived at by collected data of individuals.

Information is, therefore, more valuable than data as data is transformed into a meaningful guide for specific purposes. Access to data does not automatically convert itself in information. Inference and interpretations are required.

Another way of defining information is to see it as a process. It is a process by which an individual gains knowledge. *Websters Dictionary* defines information as ° "knowledge communicated by others or obtained by personal study and investigation or alternatively as knowledge of a special event, situation or the like."

Linguistically the difference between knowledge and information lies chiefly in the verb form: to inform is an activity by which knowledge is conveyed, to know may be the result of having been informed. All information in the ordinary sense of the word is knowledge, though not all knowledge may be called information. Knowledge is a stock, only those portions of knowledge which are communicated, and which are in a flow, is called information.

Thus, data is the raw material from which information can be created by a process of human cognition resulting in knowledge creation.

Let us elucidate this process further. First, we have the series of disconnected facts and observations which constitutes data. In the second phase, these facts and observations which constitute data are converted into information by selecting sorting and organizing them. In the third phase, the patterns of such information are interpreted to work out a coherent body of knowledge. The process of knowledge creation is illustrated in Figure 16.1.

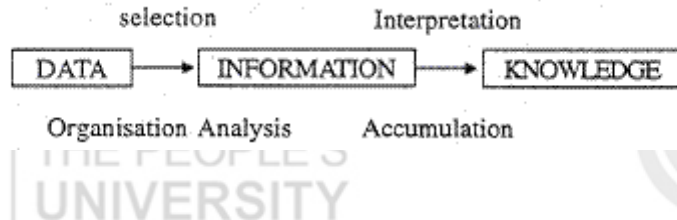


Fig. 16.1: Process of Knowledge Creation

16.3 : Information as a Commodity

In order to establish information as a commodity, it is necessary to understand the characteristics or important features of information.

The attributes that describe information are:

Public good characteristics' Like streets, roads, highways, national security, public libraries etc., information is also considered a public good. The same bit of information may be owned by more than one person and it is difficult to exclude non payers from the benefits of consuming or processing the information, in this sense it is a public good. Though it is difficult to find out the border line between the public and private goods, it is obvious that many available information products and services have some characteristics of public goods. Most of

the stock of valuable information is produced or financed by government which makes it difficult to privatize information. However, there have been attempts to privatize information in some form or the other; for instance the patents, copyrights etc. The fact remains that it is mainly a public good. These characteristics of information have given rise to much discussion among economists and scientists. One line of thought is that it is only partly a public good and its markets can be developed. On the other hand, some opposed to the privatization of information on the basis that the wide use of information gives rise to benefits to the individuals as well as to the society as a whole. So it should be treated as a public good only.

Indivisibility: Information as a public good is supplied to the community as a whole, which means that, benefits accrue collectively to the society. In this sense, one can say that it is not divisible into units, which can be provided to the individuals separately. It is only supplied as a whole, even though most of it may be useless to the individuals. On the contrary, if we see the recent developments like SOI where each individual is provided with the information actually required by him, then we can say that it is divisible like other commodities. In this sense, information can be considered as a commodity which has high potential of marketability.

Non-depletability: Another important characteristic of information is its non-depletability. Which means that like other commodities it can not be exhausted?

For instance, take a hypothetical situation, where A sells a piece of information to B. Now, that piece of information which is sold to B still remains with A. This he can either use himself or sell it again to another party C. Same is the case with B, C and so on. This way the process continues and information never gets exhausted. This creates problems for the producers of information, as they have to compete against their customers for additional buyers.

Inherent uncertainty and risk in transition: The inherent risk in the purchase of information is related to its other attributes. A customer cannot be certain of the value of a bit of information until he knows what it is. For a customer there is risk in a sense that, when he/ she purchases a bit of information, he/ she can not be sure of its value i.e., whether it will be of any use to him/ her or not. On the other hand, if he has perfect knowledge about what information was being offered to him/ her for sale, then he would no longer need to purchase it. This way it becomes difficult for the producers of the information, to assess the demand for information.

Apart from these attributes there are other special features, like shareability, compressibility and substitutability, which characterize information products. This gives rise to doubts about the treatment of information products as other commodities. These attributes of information pose difficulties in the development of markets for them.

Having looked into the attributes of information - now let us examine what constitutes information as a product or a commodity.

According to Marc Porat "Information is a collection of many heterogeneous goods and services that together comprise an activity in the economy". Information as a commodity is thus, represented by the products, services systems and channels which carry information.

Here a clear distinction needs to be made about Information Products and Information Services. Information products comprise three types of documents: Primary, Secondary and Tertiary. Primary information is newly generated information and therefore the documents which record and disseminate or communicate it, are known as primary documents. Primary documents include: journals, newspaper, news-magazines, conference proceedings, annual reports, research monographs, pamphlets, working/ discussion papers, report literature, theses, dissertation, government publications, standard specifications, patents, manufacturer's literature, maps, charts, atlases, engineering drawings etc.

Secondary information is derived from primary information and the documents in which they are recorded are known as secondary documents. Secondary documents are created to facilitate access to information contents of primary documents. Secondary documents includes: indexing serials, abstracting serials, current awareness serials, review serials, book review serials, news digests, translation journals, reference books, library catalogues, accession lists etc.

Tertiary documents are those that record information about secondary documents. They facilitate access to secondary documents. Tertiary documents include: Bibliography of bibliographies, literature guides, directories etc.

In the recent past there has been exponential growth of information. It is not only the volume of primary documents that is increasing at a rapid pace. But there has been increase in the specialisation in all branches of knowledge which is becoming more and more multi disciplinary in nature. On the other hand, the time available at the disposal of users remains almost the same. Added to this, there is a need to have quick access to the vast amount of information. Provision of information service, therefore, becomes an urgent necessity. Information services may be basically of bibliographic type like, current awareness service, selective dissemination of information, indexing and abstracting services, literature searching, where the user is guided to the primary documents. It may also include a reference service which provides the answer rather than the techniques through which the answer could be found. Also included is a translation service, where the contents of the documents are translated in the language of the user, document delivery service where the complete texts of various references are delivered to the users either in original or in photocopies.

The idea of information as a commodity is closely connected to the concept of economic exchange, and information is exchanged through information products and services. Information is considered to be one of the basic resources for development and hence considered to be an essential commodity. It is a tradable commodity which gets produced, sold and consumed. In this sense, information handling in its entirety is regarded as an industry i.e., an information industry. Multimedia through which information can be accessed introduces another dimension to the problem.

16.4 : Generation and Production of Information

The process of information generation or production is a continuous one. With the advancement of electronic technology and tremendous growth of population, the amount of information produced and transmitted has grown at an explosively high rate causing an information explosion.

But, how does information get generated or produced? Information is a product of different types of human activities and events or incidents. Activities are undertaken by individuals or by organisations to achieve certain objectives or goals. On the other hand, events are things that happen, occur or take place. As a result of these activities or events, information gets generated. No activity or event means there is no information.

Now let us find out how information gets produced and who the major producers of information are:

Research and Development Institutions: Research is an activity, which is undertaken in a systematic manner, in order to increase the stock of knowledge or information and use it ultimately for the benefit of man and society. It is a highly organised activity carried out throughout the world, which creates a large mass of new information. Maximum amount of information is generated through research and development activities. Research activities are generally carried out by research organisations like CSIR, ICSSR, DST, DRDO, ICHR, etc. in the field of science, technology, social sciences and humanities. Research is also carried out in academic institutions like universities, institutes of science and technology etc. It may also be carried out by individual researchers. Research activities give rise to information products like, research monographs, reports, journal articles, theses, dissertations etc.

Government: It is another major producer of information. The various activities that are undertaken by different departments, ministries etc. constitute a large amount of information. Apart from the administrative organs of the government, the legislative and judicial bodies also contribute to the growth of the by-product of information.

There is no area of activity in the life of a nation in which the government is not involved. Whether it is a social issue, an economic one or a political one, that is concerned with the development planning of a country the Government is involved in all.

These activities of the government result in the production of large number of documents. like reports etc. Government publications include both serials and non-serials which may be published or unpublished. The large majority of government publications fall in the unpublished category.

Business and industrial organisations: The activities of business and industrial organisations result in the production of business and industrial information like the new products that are being manufactured, the process of manufacturing etc. As a part of publicity campaigns, manufacturers bring out brochures or catalogues containing information about their products. The information contents of these documents which is also known as trade literature, range from a mere list of products to detailed specifications along with drawings and illustrations.

Another type of related document prepared by manufacturers is the *technical manual* which is provided only to the buyers' of their products. The manuals generally provide guidelines about the operations and maintenance of the machinery and the equipment.

Individuals: Litterateurs like poets, novelists etc. are also major producers of information. Their products like fiction, novels, poems, essays etc. reflect the socio-cultural condition of specific countries at a specific period. Therefore, they are the major source of generation of socio-cultural information.

Media: The important events or activities that take place in everyday life is reported through the media e. g., newspapers, magazines, television, radio etc. In that sense, media plays an important role as a producer of information, specially the latest information.

Library and Information Centres: All the information produced in the society gets accumulated in libraries and information centres. With the information explosion, it has become difficult for the users of information to go through all these and extract the relevant ones. In this respect, library and information centres play an important role by collecting this information, processing it and supplying it according to the specific needs of the users. This process results in the production of a secondary type of information products and services like, library catalogues, indexing and abstracting journals, documentation bulletins etc. These products direct the user to the actual information needed by him. Thus libraries and information centres play an important role in the production of secondary information. .

Apart from these major sources, there are many other organisations, public or private, which are also busy in the information production. Therefore, information production is a continuous process which is multidimensional in nature.

16.5 : Demand and Supply of Information

Like any other commodity, prices of information products and services are based on demand for it and the supply. The concept of demand and supply of information is discussed in detail in this section.

16.5.1: Demand for Information

Like any other product, Information also needs to be marketed and distributed to the potential users. The distribution and marketing aspects of information are discussed in the forthcoming section.

The basic concept underlying the demand for any commodity is human *needs*. These human needs when shaped by a person's culture and individuality take the form of *wants*. People have almost unlimited wants but limited resources. They therefore choose those products that produce maximum satisfaction for their money. Their wants become *demands* when backed by purchasing power.

Demand in economics means "the desire to have a commodity or service and the willingness and capacity to spend a certain amount of money". Otherwise demands

Remain a mere desire or wish.

Why do people need information? In the information market there are varied clientele with a wide range of information wants. These wants are based on factors which may vary with age, education, income and other preferences-related variables. The consumer preference in the information market consists of two primary aspects. One is the subjective evaluation of the need for information by the consumer and the other is the objective ability to pay for it. Income and prices are the objective component, which place limits in the consumption options.

The final choice is dependent on these limits and a subjective evaluation of one's options or preferences for a particular piece of information.

The demand for a particular good or service is a function of the consumer's tastes, income, the price of the good and the prices of goods which are related to it in consumption.

Demand expresses the consumer's willingness to purchase a good at various prices while other factors are held constant. It is a list of price and quantity relationships for a particular good, which when plotted on a graph, with price on Y axis and the quantity on X axis, becomes a demand curve.

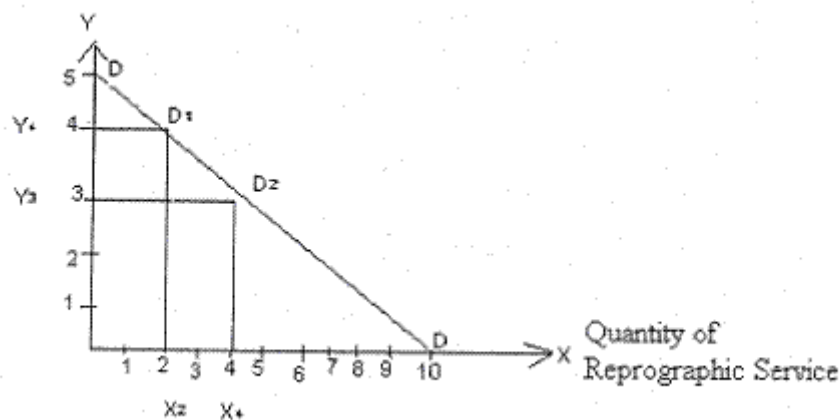


Fig. 16.2: Demand Curve

The demand curve for a product describes how the quantity demanded will vary with the price of the product if only the prices change. However, there are other factors that can affect the demand. Those factors are held at constant.

The *Law of Demand* states that "Other things being constant, the demand for a product increases with the decrease in price and decreases with the increase in price." Therefore, we find an inverse relationship between the price of a product and the demand for it. This can be explained with the help of figure 16.2. On the axis we have the units of reprographic service demanded, and on the Y axis we have the price of the reprographic service. DD is the demand curve showing the demand for different units of reprographic service at different prices. Now at Y_4 price, we find that X_2 units of reprographic services are demanded. Therefore D_1 is the demand for X_2 units of reprographic service at Y_4 price. Now what happens when the price falls down to Y_3 ? At this stage the demand shifts from D_1 to D_2 where demand increases from X_2 units to X_4 units. Thus, we see that with the fall in price the demand for reprographic service increases.

The responsiveness of demand to change in price is called Elasticity of Demand or Price elasticity of Demand, which is represented by:

$$E = \frac{\text{Change in Demand}}{\text{Change in Price}}$$

Generally 3 types of elasticity are observed:

Unit Elasticity: Where the ratio of demand to price is 1, it is known as Unit elasticity of demand i.e., the demand for a commodity changes by the same percentage as its price.

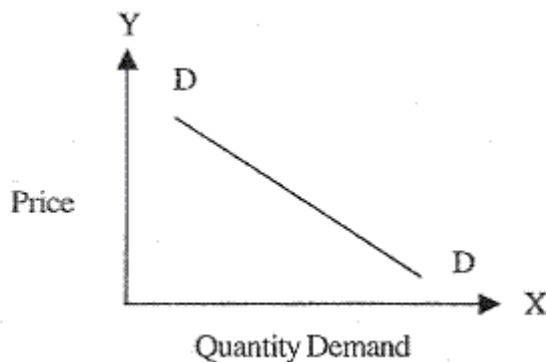


Fig. 16.3: Unit Elasticity

Elastic Demand: When the percentage of demand is more than the percentage change in price, it is regarded as elastic demand. A perfectly elastic demand curve is horizontal.

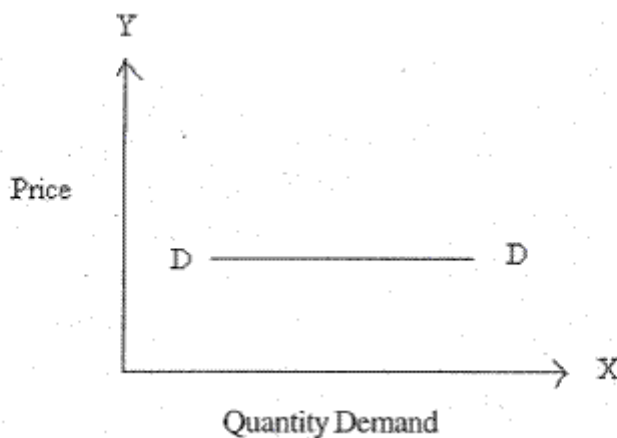


Fig. 16.4: Elastic Demand

Inelastic Demand: When change in price is not followed by any change in demand the case is called inelastic demand.

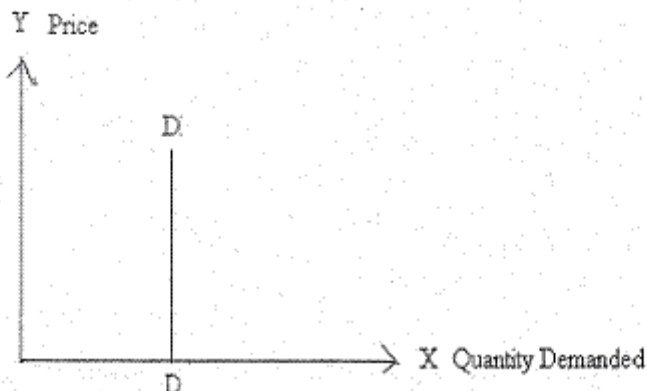


Fig. 16.5: Inelastic Demand

All these situations are also possible in cases of information products and services.

This inverse relationship between price and demand for a good which we examined just now, is only possible when the other factors remain constant. What are these other factors?

The demand for information products and services are affected by factors similar to those that affect other goods and services. In general, the factors that cause shifts in the demand curve are:

Preferences: The preference or need for information products and services depends on the age, education level, income, culture etc. A person with higher education level will have higher preference for information products and service and vice versa. Therefore preferences vary with variance in these factors.

Income: As real income rises, people generally consume or use more of information products and services. Therefore demand increases with the increase in income.

Expectations: If a potential information user expects a certain level of service and is denied that level, then probably, he will not be a repeat user. On the other hand, if he gets something more than his expectations, then in future his demands may rise.

Population: It is a known fact that with the growth of population the number of consumers increase and with this, the demand will also increase for various products and services. Same may hold true for information products also. For instance, if there is an increase in the number of educated persons, then, they will require more information products and services.

Seasons: Like other products, the demand for information services may also depend on seasons. For instance, in winter more of conferences and seminars take place; in such situations the demand for different information services and products are sure to rise.

Technology: Advances in electronics affects the processing of information and this ultimately affects the price product mix.

Price of related goods: For instance, if the prices of the information services drops in relation to the other library services then the demand for information service will increase as compared to other library services and vice versa.

Thus any change in these factors results in the change in demand curve. At this point, it is necessary to distinguish between a movement along a given demand curve and a change in demand. A movement along a given demand curve represents a change in quantity taken resulting from a change in price of the good itself, when all the other factors influencing the quantity taken remain unchanged.

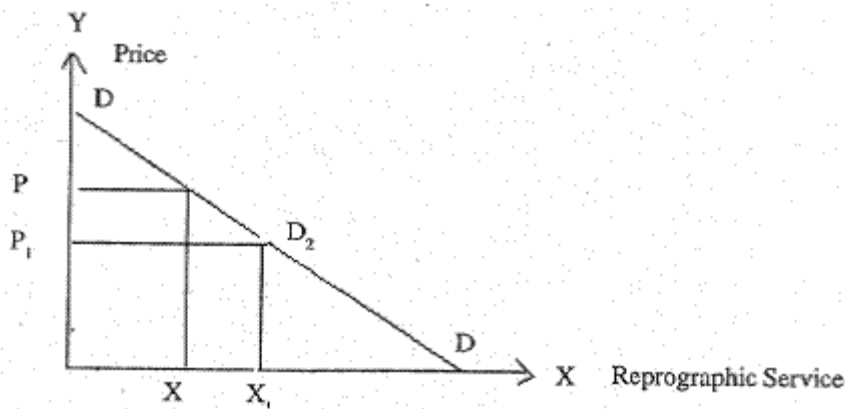


Fig.16.6: Supply Curve

In the above curve we find that there is movement along the demand curve DD. A fall in price from P to P_1 the demand moves from D_1 to D_2 . The increase in y demanded as a result of such a price change is not a change in demand. It is a movement along a demand curve. This is not called change in demand, since it occurs on a single demand curve.

In defining demand we assume that the underlying demand circumstances or factors constant. When any of the circumstance held constant in defining a given demand change, the demand curve itself will change. For instance the change in consumers' incomes will shift the demand curve to the right from DD to D_1D_2 .

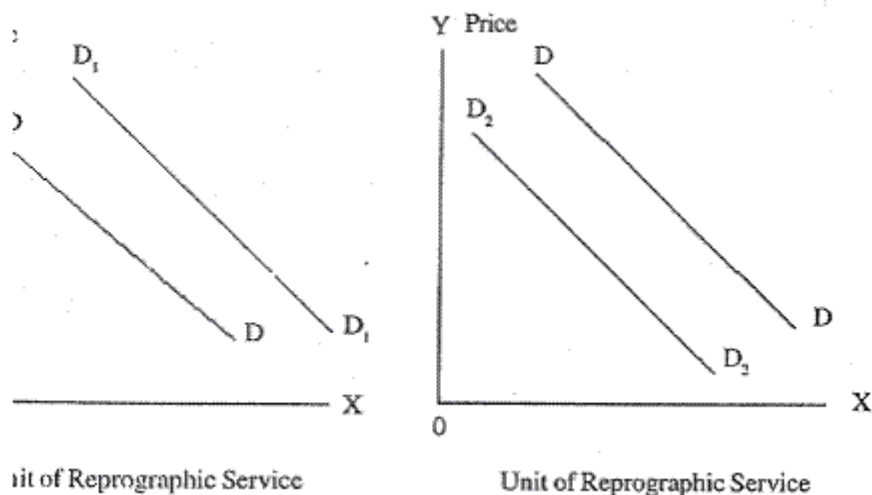


Fig. 16.7: Shifting of Demand Curve

On the other hand a decrease in the price of other related products will shift the curve to the left from DD to D_2D_2 .

A change in demand for a product therefore results from a change in one of the other things being equal.

When we study the demand for a product, it is not the individual's demand or the price quantity relationship that is of interest. Rather it is the market demand, the amount that all consumers in a given market will purchase at prevailing prices. The demand enables us to analyse how consumers react to changes in the market. According to Philip Kotler market demands are of following types:

Negative Demand: Where the majority of consumers has a strong dislike for a product and is ready to pay a price to avoid it.

No Demand: When target consumers are uninterested or indifferent to the product in such situation the market will face zero demand for the product.

Latent demand: When a majority of consumers have a strong desire or need for a particular type of product but the market is unable to provide the same.

Falling demand: It is generally seen that the demand for a product falls after a span his type of situation results in falling demand.

Irregular Demand: With the changes in preferences, tastes, seasons etc. the demand for a product may rise and fall. Such type of demand is known as irregular demand.

Full demand: When a producer or seller is happy with the amount of business made, it is known as full demand.

Overall demand: When demand level is higher than what a producer can supply it is known as overall demand.

Unwholesome demand: The demand for those items which may be discouraged consumption is known as unwholesome demand.

These situations may also take place in the Information market.

16.5.2: Utility of Information

The consumers who seek information in the market to achieve some personal goal or objective, judge the value of information on its ability to contribute to their utility. The problem facing the consumer is to allocate a limited income among a variety of priced goods and services in such a way as to maximize some measures of well being. The ability to translate information wants into goods and services depends on the price of information services, income and the prices of other goods.

The extent to which information services serve wants or preferences, indicates the relative value of satisfaction yielded.

Since human wants are unlimited but time and money are not, the consumer, therefore, must make choices between alternatives. Time and money are allocated in such a fashion which permits maximum satisfaction. The market option which maximizes utility is selected within the framework of preferences and constraints of prices and income. Utility is the term that economists employ to represent the sense of well being or satisfaction a consumer derives from a particular market bundle i.e., the combination of goods and services that might be consumed.

The utility of information among potential users is considered to be a function of the potential user's perception of the extent to which information satisfies a set of needs, wants and desires.

Five different types of needs can be identified on which information may be evaluated. They are:

Functional needs: which are generated by task related activities. For example a research scholar in the process of producing research, needs information.

Problematic need: This type of need is not absolute but conditional upon a set of situational contingencies or antecedents. For instance, most of the textbooks are relevant primarily for a particular subject and hence possessing problematic utility.

Social Need: The type of utility for information which is created not because its intrinsic value, but because of its association with certain social roles and stereotypes.

Emotional Needs: This type of need may arise when a person has strong attachment to a particular discipline, author or publisher.

Epistemic Need: This type of need arises when a person requires information to further his knowledge base.

The perceived utility of information is therefore, presumed to be a vector of five distinct dimensions reflecting the degree to which it satisfies the functional problematic social emotional and epistemic needs of potential users of information products and services.

16.5.3: Supply of Information

The supply of a good is defined as the various quantities of it that sellers will place on market at all possible alternative prices, other things being equal.

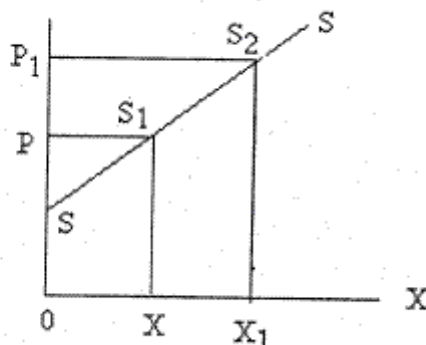


Fig. 16.8: Supply Curve

Unlike the demand curve, the supply curve is usually upward sloping to the right, indicating that higher price will induce the sellers to supply more goods in the market.

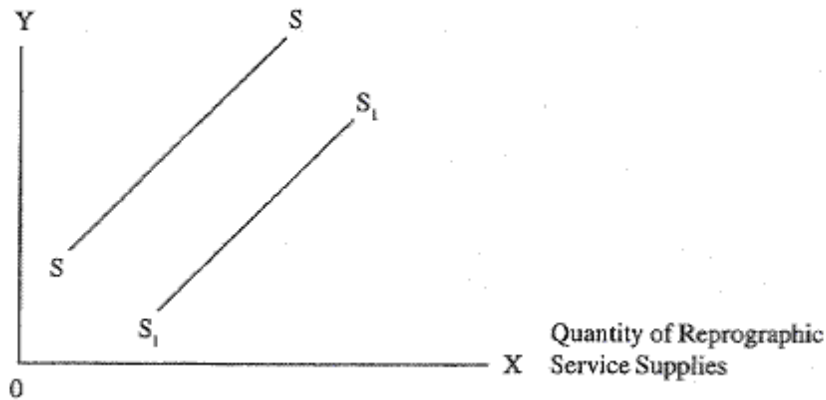
In the above supply curve we find that when the price was P the quantity supplied was X units and with the increase in the price to P_1 the quantity supplied also increases i.e., X_1 , and the supply of the reprographic service increases from S to S_2 . Therefore the supply of the product is directly related to the price of the product.

The 'other things' that are held constant in defining a given supply curve are basically actors. They are:

- i) The price of the resources used to produce that product

ii) Technology available in producing that product.

When these two factors remain constant, the shift in the supply curve is known as a movement along the supply curve. For instance in the earlier figure the shift of supply S to S_2 is movement in the supply curve and not a change. However, when these two factors held constant changes, then there is a change in the supply. It may shift downwards to the right or it may shift upwards to the left.



Here, the shift of the supply curve from SS to S_1S_1 indicates a change in the supply curve.

Thus, we see that the demand curve indicates what consumers are willing to do, while the supply curve indicates what sellers are willing to do. Consumer demand is assumed to be independent of the activities of sellers. Similarly, the supply curve is assumed to be independent of the activities of the consumers.

Placing the demand curve and the supply curve for any given good or service in a single diagram highlights the forces determining its market price. This aspect will be discussed in Unit 17.

16.6 : Distribution and Marketing of Information

Like any other product, Information also needs to be marketed and distributed to the potential users. The distribution and marketing aspects of information are discussed in the forthcoming section.

16.6.1: Distributors of Information

On the One hand we have producers of information products and services and on the other the consumers of information with their specific needs or requirements.

The information generation or production process, we have already seen is a continuous one and the information gets accumulated at such a fast pace that it becomes difficult for the users to go through all of them, to extract relevant information.

For this purpose, proper distribution channels are necessary to fulfill the specific needs of the users. The function of these so called distributors is to function as facilitators or intermediaries that can link the potential users of information products and services to the different information products and services, according to their needs or requirements.

Traditionally, libraries functioned as the facilitators. Now with the advancement of technology various other types of centres have come up, whose purpose is essentially to cater to the needs of the information users. Let us take a brief look into some of them:

1) *Documentation and information Centres*

The purpose of these centres is to accelerate the information retrieval and dissemination process. Documentation centres like INSDOC (now, NISCAIR), NASSDOC etc. cater to the information needs of the users in the field of

science, social sciences etc. The types of services provided by them are indexing and abstracting services, online database services etc.

2) *Information Analysis Centre*

It is a type of organisation whose key activities are analysis, interpretation, synthesis, evaluation and repackaging of information or numerical data. The types of services provided by them are: indexing and abstracting service, translation service, review literature etc. in specific fields.

3) *Referral Centres*

These function as a sort of 'information desk' which do not provide inquirers directly with the information they need, but suggest sources (organisations or individuals) likely to satisfy the clients.

The main function of these centres is to accumulate, process, prepare information for the consumption by the users.

16.6.2: Information Marketing

After going through the features or characteristics of information as a commodity, the production and generation process, demand and supply and finally the distribution aspects of information, it is now necessary to examine whether it is a marketable commodity or not. Before we do that, let us first understand the basic concept of marketing.

What do we mean by marketing? It is a general tendency to associate the selling and promotion of a product to marketing. Does marketing stand for selling or promotion only?

Philip Kotler a renowned authority in the field of marketing defines it as "the analysis, planning, implementation and control of carefully formulated programs designed to bring about voluntary exchanges of values with target markets for the purpose of achieving organisational objectives. It relies heavily on designing the organisations offering, in terms of the target market needs and desires on using effective pricing, communication and distribution to inform, motivate and service the markets",

Thus, according to the definition, exchange is the most important or central concept of marketing. Marketing includes selling, advertising, physical distribution, sales, promotion etc. Marketing does not mean selling only. Selling is one of the several functions of marketing. Marketing comprises a set of tools called the marketing mix i.e., product design, pricing, communication and distribution. This aspect is discussed in detail in Unit 17 of this Block.

Information is now increasingly getting economic importance as a marketable commodity. Information, we have seen, like any other commodity gets produced, sold and consumed. It is therefore, a tradable commodity which is exchanged in the market in the form of information products and services.

The first step in the marketing of any product is to identify the user/target groups. A market is the target group of present users and the potential users. Potential users are those who are likely to become consumers of the product in future. The identification of target groups for information products and services can be carried out through user study i.e., the study of their needs, demands etc.

Marketing helps in gaining new users and serve better to the existing users by developing new services for them.

The next step is to meet the user's needs and wants with appropriate products and services. New information products are to be initiated after conducting extensive user studies.

Information will be used intensively only when the potential users are aware of it. For this, product promotion activities need to be carried out. This can be done in the form of personal contacts, distribution of brochures, announcement advertisements etc. Thus, in order to market information products and services, it is essential to first market the concept of information availability in an information product or service.

The final and the most important thing in marketing of information products and services is that it should be supplied at the right time and place, otherwise it would be of no value to the user. It will lose its utility.

When we talk of marketing of information products and services, the question of fixing prices crops up owing to the attributes of Information like public good characteristics, non depletable, indivisibility etc. which we discussed earlier, and it becomes difficult to fix its value. The pricing aspect of information products and services we will discuss in detail in the next unit.

The concept of marketing of information products and services is gradually gaining ground. This is not only taking shape in the developed countries but also in the developing nations.

In India, Library and Information Centres are realising the need for marketing of their information products and services. They are paying more attention to the identification of user needs and the promotion of information products and services. INSDOC (now, NISCAIR) for example, has taken significant steps in this direction. It provides the following information services for the benefit of R&D workers and corporate sector:

- Standing Order Abstract Services (SOAS)
- Chemical Abstracts Keyword Index Service (CAKIS)
- Patent Watch Service (PWS)
- Competitor Watch Service (CWS)
- Global Tender Watch Service (GLOBTEND)
- Full Text Journal Service (FTJS)

Besides, it also provides services like Literature Search, Translation Services, Reprographic Services. It also brings out publications like:

- Indian Science Abstract (ISA)
- Annals of Library Science and Documentation (ALSD)
- Directory of Indian Scientific Periodicals
- Directory of Scientific Research Institutions in India
- Directory of S&T Awards in India
- National Union Catalogue of Scientific Serials in India (1998) (CD-ROM Version available with latest data)
- Union Catalogue of Scientific and Technical Conference Proceedings: Bangalore 1977-90.

It has a well-fledged division of Marketing and Customer Services (MCS) to provide the latest information on new services and products, including the proposed services, to the scientific community. This division provides customer services related to products and services, provides publicity and undertakes sales and promotion activities. The division carries out functions like:

- Order registration
- Order execution
- Billing
- Customer liaison
- Publicity
- Sales promotion
- Demand forecasting

The MCS division designs and prepares leaflets, pamphlets, brochures and other advertising material. Advertisements are also listed in leading S&T journals. The main promotional techniques being used in NISCAIR for creating awareness among users about its products and services are:

- Direct marketing
- Personal sales
- Advertising
- Training and education
- Participation in exhibitions/books fairs

Like NISCAIR many other information institutions have adopted programmes and strategies for marketing of their information products and services.

NASSDOC also has a separate sales division which takes care of the sale and publicity of all publications. This division takes care of the preparation and distribution of the leaflets,

pamphlets, brochures and other advertisement material. For marketing of information products and services methods being followed are:

- Direct mail
- Distribution of pamphlets and brochures
- Participation in Exhibitions in India and abroad personal selling
- Public relation
- Special incentives to customers

One of the best examples of marketing of information products and services is provided by the British Council libraries which are highly market oriented. The British library network in India comprises four regional libraries in the metros i.e., Delhi, Mumbai, Kolkata and Chennai and, eight British Libraries in cities like Ahmedabad, Bangalore, Bhopal, Hyderabad, Lucknow, Patna, Pune and Thiruvananthapuram. These libraries aim to provide the best of British materials to professionals, government officials, NGOs and English language students. Various marketing techniques being adopted at British Council libraries are:

- Customer Care aspect is given prime importance and proper training is provided to the library staff.
- Every library has a written copy of quality service standards and the service quality is monitored by the senior staff.
- Membership is into different categorised such as students, government officials, NGOs etc. and the library services are designed on the basis of this market profile.
- Listening to the customers, questionnaires and surveys, suggestion boxes, book suggestion cards, are some of the methods adopted for customer interaction and feedback.

The library has corporate identity policy which aims to project a reputation for quality. The style, colour and type faces for posters, notices, publications and communications in the library are designed accordingly. The library staff has been provided quality uniform. The overall objective is to project a positive image of the organisation.

Some other promotional methods being followed are:

- Sending of Mailshots (which contain library brochure) regularly to potential customers.
- Personal visits to various institutions, professional bodies and corporate houses.
- The library brings out a Newsletter which contains information about important titles added, events held, new services, fee changes etc.
- Library also organises periodic activities such as special book displays, lectures, quiz programmes, debates, seminars, book reading etc.
- Every library has a proper marketing plan delineating the mission, strengths and weaknesses, targets for the year, services offered, pricing policy, promotion activities etc. This plan is prepared at the beginning of the years.

British Council libraries maintain good contacts with the press and use it for publicising the different events and library services.

Similar marketing initiatives need to be adopted by other library and information centres to reach out to the users and serve their information needs.

The Institute of Public Enterprise was commissioned by the Department of Scientific and Industrial Research to study marketing of information products and services by libraries and information centres in India. It came out with the following observations:

- The information centres appear to be heavily oriented to the R & D market. The student/ teachers market is also being served by an exclusive facility. However, the potential large markets of other categories of users, many of them being the end users of the technologies are not served by the present information facilities.
- Majority of the information facilities bring out one and only one information product irrespective of the markets. Invariably, this product is a bibliographic information bulletin with or without abstracts.
- There appears to be a high rate of non-acceptance of the products, especially by the non R & D markets.
- The priced products have very poor circulation.
- In view of the poor circulation, the production costs are likely to be very high. Only very few facilities have attempted to cost their products.
- The facilities do not seek the help of external agencies for sales, distribution and such other activities. The practice of offering trade discounts and commissions is unknown. Most of the facilities do not have a proper feedback mechanism to monitor the effectiveness of their services.

These observations indicate that there is a lack of marketing approach. Most of the services are non responsive to the challenges of the market place. Apart from these observations it was also found that there was misconception about marketing of information facilities.

- Most of them equate it with publicity, sales and distribution.
- There is a general feeling that marketing is not applicable to their situations.
- Most of the organisations do not have full time marketing personnel.
- No separate budget is earmarked for marketing their products and services.

Thus much needs to be done in this direction.

16.7 : Summary

In this Unit we have seen that:

- Information as a commodity is represented by the products, services and channel which carry information.

- Information gets produced and generated like any other product. The tremendous growth of information has given rise to the concept of information industry.
- Information products and services, like any other product is demanded and supplied in the market.
- Information products and services are distributed by the libraries, information centres etc.
- Information products and services have a high potential of marketing. Markets for these products and services need to be developed.

Thus, from this we can conclude that Information is a marketable commodity and like any other commodity, markets can be developed for them.

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

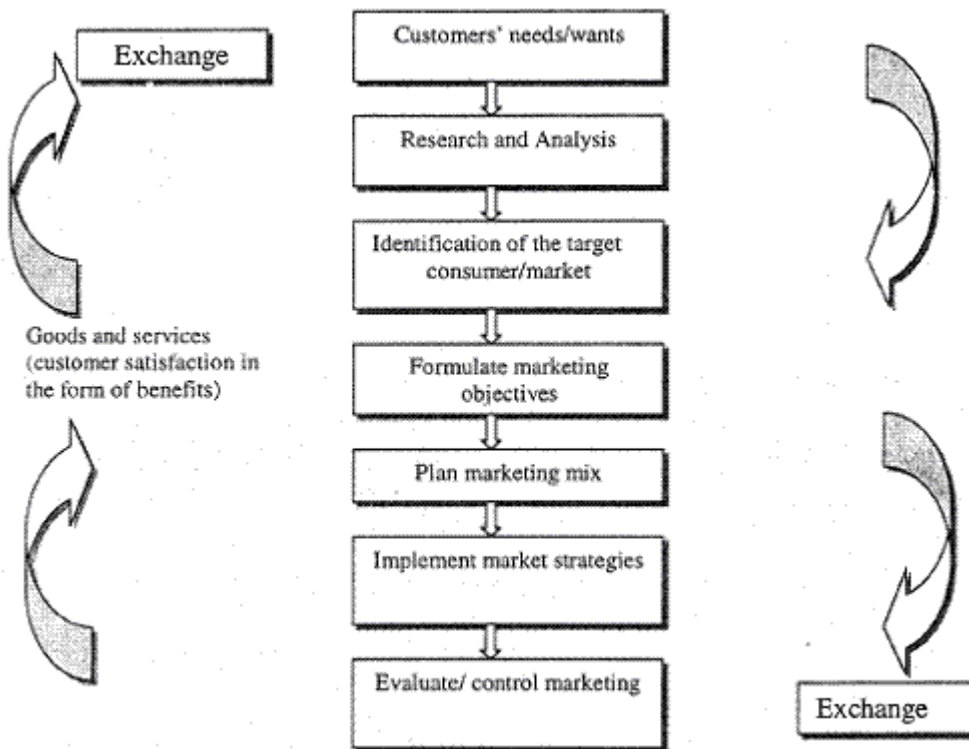


Fig 17.1: Marketing Process

(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

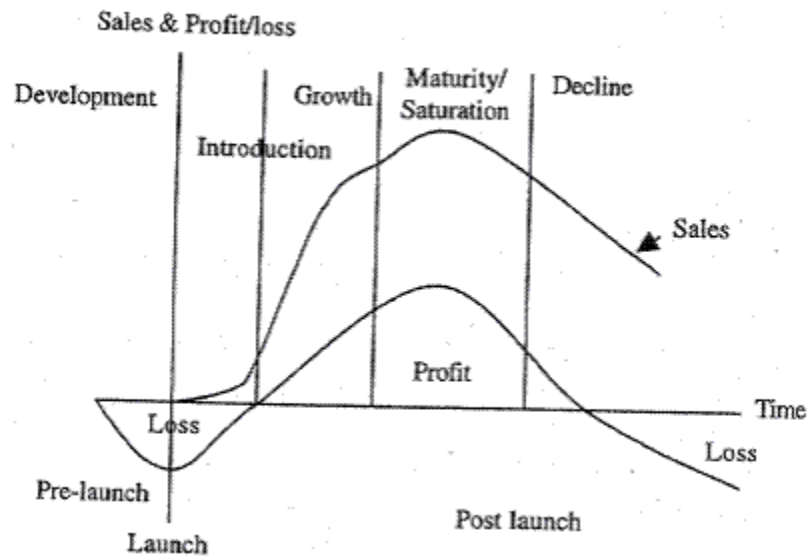


Fig. 17.2: Product Life Cycle

(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.

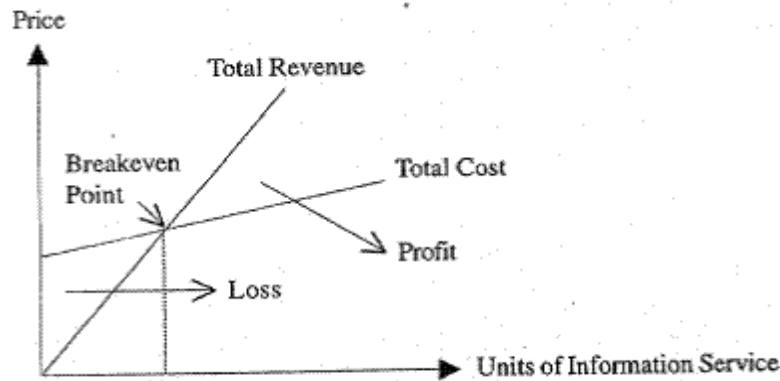


Fig. 17.3: Breakeven Analysis

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.

Unit-18:E-Marketing

18.0 : Objectives

After going through this unit you should be able to:

- establish the need and significance of e-marketing for information products and services; demonstrate your understanding of the related terms in e-marketing;
- describe the benefits of e-marketing both for the users and the providers of information products and services;
- explain the classification of e-marketing activities and differentiate between different types of e-marketing;
- address the key issues in development of e-marketing strategy;
- discuss the elements of marketing mix for e-marketing of information products and services;
- discuss the important considerations in making product pricing distribution and promotion decisions for e-marketing effort;
- explain important criteria for setting up an e-Marketing presence; and
- identify the parameters you may like to choose for evaluating your e-marketing effort.

18.1 : Introduction

Like all other domains of life, the digital revolution has profoundly affected the way marketing is practiced today. In the earlier unit you have learnt that in the context of information products, like all other products and services, marketing is primarily concerned with the objective of creating customer value. As the customers, towards whom the products and services of the modern day libraries and information service providers are directed, change their life styles and methods of utilising, storing and retrieving information, the design of marketing aimed at them must also change in order to deliver value, in terms defined by these customers. Use of the World Wide Web and rapid developments in broadband connectivity, supporting back room technologies, and constant endeavours to aide programme integration of communication and information technology have broadened the horizon of access to information and the possibilities of search for it to undreamt of levels. Providers of information products, therefore, need to think in terms of a new paradigm, that of an empowered and informed consumer, with several alternative choices, and ever widening reach of enabling tools, like the internet and web browsers.

Research suggests that by the year 2007, the growth of net users will reach 1.5 billion. The usage as well as increasing speed of usage has provided people with the means of harmonizing information usage in unprecedented ways. The application of the enormous powers of the internet and supporting technologies to the practice of marketing is referred to as **electronic marketing** or **e-marketing**. In this unit we would see how the digital age has influenced the planning, design and implementation of strategies for the marketing of information products and services, and the various opportunities now available to the marketers. Let us first look at some related terms.

18.2 : E-marketing and Related Terms

The prefix `e-`, is generally attached to any application that is associated with the revolutionary tool of the internet. In the context of e-marketing of information products and services for a modern day library let us first try to understand the various related terms and concepts. Some of the terms that will be used in this unit and may also be used in your marketing activities are:

Connectivity: This is the ability that enables the bits of information to flow from one appliance or location to another, usually through a telecommunication network. It is the method by which hardware devices or software communicate with other hardware or software to exchange data or share resources.

Various computers within an organisation connected through network are referred to as an intranet. An Intranet is used to share company information and computing resources among employees. The term extranet, on the other hand, is used to refer to a collaborative network that uses Internet technology to link businesses with their suppliers, distributors, customers, or other businesses that share common goals. It can also be called an extension of an organisation's intranet onto the Internet. It allows select customers, suppliers, and mobile workers access to the organisation's private data and applications via the World Wide Web.

Internet: The Internet is a collection of many networks worldwide which is commonly referred to in two ways: The internet (lowercase i) is any collection of separate physical networks, interconnected by a common protocol, to form a single logical network. The Internet (uppercase I) is the worldwide collection of interconnected networks, which grew out of the original ARPANET, that uses Internet Protocol (IP) to link the various physical networks into a single logical network. Internet, today's information highway, is a vast public web of computer networks which serves to connect users of all types around the world to each other and to the vast information repository through the internet, at very high speeds.

E-business: The term e-business (electronic business) is used to explain the use of electronic platforms -the intra, extra and internet to conduct the business of an Organisation. Organisations today use the networks to inform, advertise, communicate with their stakeholders, serve their customers at faster speeds through electronic Order processing and

tracking, and to develop and practice good customer -elationship management.

E-commerce: E-commerce is a more specific and, therefore, more focused term, used to refer to buying and selling transaction related processes through electronic means. E-commerce as a term is inclusive of both e-procurement and e-marketing. 3-marketing as a term is used to refer to the marketing domain of e-commerce and ncludes the organisations' efforts to communicate to present and potential customers Fromote itself and its products as well as sell products and services over the Internet. One of the best examples could be the amazing success story of Amazon.com-starting with the selling of products in more than a dozen other categories, and the website proudly (and justifiably) declares, to "have the Earths Biggest Selection" of books, magazines, music, videos, computers, softwares, etc. The Company, over he past six years has developed a customer base of 39 million customers in more than 220 countries with sales growing from \$15 million in 1996 to \$5.2 billion today. In its books section, Amazon offers an easily searchable assortment of more than nil lion titles, something that a physical store can never achieve.



Fig. 18.1: Top Sellers List at amazon.com

(Source: <http://www.amazon.com/>)

18.3 : E-marketing Benefits to Users and Providers

Transaction marketing of information products and services benefits both the customers and the providers and this is the main reason why such practices are stated to grow. Let us see how marketing information products and services benefit the customers or users of such services.

Benefits to the users

The benefits of e-marketing to the users are many and have far reaching implications for the way providers of these products and services would grow and prosper in future. The main benefit is convenience - users of information products and library services are not required to physically travel to the library and manually track through articles of books and catalogues to access their desired products. The entire information search and comparative product evaluation can be done by surfing the websites of the service provider and their competitors. The second major benefit is flexibility in terms of time and place. Users of these products and services are not bound by constraints like library timings or off - days etc. Their browsing, product search and selection thus does not have any boundaries of time and place except those imposed by the users themselves. Buying on the net is private and easy, there are no intermediaries - users or buyers can learn about the various products and services and buy them without the need to wait for sales people or transaction personnel to serve them.

Being a limitless repository of information that the Internet is, it provides the buyers of information products and services with greater choice of assortment and selection. Buyers can access products and services unaffected by the geographical limits of the market location. E-marketing also enables relatively easy comparative evaluation of product and service alternatives. In the case of books for example, Amazon.com offers top ten list, extensive product description and reviews thus enabling the buyer to acquire a lot of pre-purchase information and make a more informed choice. It is difficult to imagine any sales person providing such kind of information to prospective users or buyers.

Benefits to Providers

On one hand where Internet has proved to be an empowering tool for the customers it has also emerged as a more enabled marketer. Easy access to information about the consumers, their buying history and preferences, coupled with the highly interactive nature of the Internet have made it possible for marketers of information products and services to develop and utilise effective customer relationship management system. This one to one interaction with the customers allows information products developers and marketers to get familiarised with the customer needs and wants, the actual transactions taking place and the satisfaction or dissatisfaction of the customers with the existing products and services, so as to be able to offer customer value in a more realistic and responsive manner.

Marketers have demonstrated, market-wise, the efficiency of various operations through the use of e-marketing processes. By interacting, in real time, with suppliers, distributors, advertisers, production units etc. directly, marketers find that they can cut costs, time and enhance efficiency in delivery. Likewise, the inventory costs and processes can be minimised and other costs like rent etc. can be kept to a minimum, thus enabling the marketers to pass on these savings to the customers and improve competitive standing.

Direct interaction with the customers and application of net based order-booking has enabled the marketers to speed up the distribution and logistic processes involved in the transaction,

thus enhancing the delivery related value to the consumers. Libraries- public, academic and special -find it quicker and easier to process and track consumer requests regarding information products and services with the internet enabled processes at their command.

Libraries and other such providers of information products and services can create and provide updated and focused marketing communications through the web. You have already gone through the concept of market segmentation in the previous units. Based on the identified requirements of the different consumer segments, focused marketing communications, product updates, information on new service features, etc can be provided targeting specific consumer segments.

Just like consumers, providers of information products and services also get easy and unlimited access to global markets without huge expenses. Electronic marketing is especially beneficial for public and not-for-profit organisations, a character of most libraries, which could not have otherwise afforded the possibility of "going , global".

18.4 : E-marketing Classification

On the basis of the chosen target segment the E-marketing practices can be classified into the following three categories:

- a) Business to Business E-Marketing
- b) Business to Consumer E-Marketing
- c) Consumer to Consumer E-Marketing

We will look at each of these existing models briefly and try to discuss their implications for marketing of information products and services.

Business to Consumer marketing, as the name implies, involves directing the marketing effort to the ultimate consumers. Online buying, especially, of books and other knowledge products has become a large component of the online buying activity of liners. The difference between conventional buying and online buying is that change process on the internet provides a greater degree of control to the mer. The exchange process is usually initiated by the consumer him/herself.

The consumers are more responsive to factual information rather than hard sell and e-marketers therefore, need to follow differential approaches to address these consumers.

Business to business marketing on the other hand, is the name given to the marketing activity on the net by certain organisations directed towards other organisations i.e., suppliers, vendors, ancillaries, collaborating partners, etc. by B2C marketing has been much written about, in terms of volume and value, it is the B2B marketing that emerges as the dominant mode of exchange.

In this Unit we will concentrate on Business to Consumer (B2C) marketing of information products and services. The primary focus of this Unit is to sensitise you to the various aspects

of electronically supported marketing efforts by Libraries, directed towards the primary users i.e., the subscribers and other potential users across distances. Let us look at the changes that need to be incorporated in the marketing functions to adopt it to the digital era.

As noted by the eminent author John Diebold, the adoption of technological innovation follows three stages. The first stage is characterised by people doing more or less the same work but beginning to use the new tools developed by the new technology. In the second stage the work itself begins to change and third stage is characterised by the society itself undergoing a transformation as a result of the technological changes around it. We in the developing countries are midway between the second and third stage. Part of the way in which the work related to search, acquisition and utilisation of information is addressed is now undergoing vast transformation, while the society itself is also undergoing some change. Libraries as providers of information services need to transform some aspects of their functioning, as exposure to the era of the World Wide Web, as the ubiquitous repository of a wide variety of information, has changed the expectations of people with respect to speed access and assortment of information.

18.5 : Critical Issues in Developing E-marketing Strategy

Before the foray into e-marketing of Information services and products can be made, the following issues of prospective strategy need to be clearly understood and defined. The responses to these issues will help to define the segmentation, targeting and positioning options for the providers of information products and services as well as help determine the marketing mix required to be developed for the e-marketing initiative,

Key issues to be focused on before devising an e-marketing strategy are:

- Who are our customers and what benefits do they seek?
- What are the core products and services that we can offer to the customers in response to these needs and wants?
- How do our products and services compete with the alternative providers for the same services or similar services to the customers?
- How clearly defined are our product lines and services, and how much aware of these products and services are our consumers?
- Are we able to offer these products and services to our targeted customers at a competitive and reasonable cost?
- If we are not charging the customers directly, what are the alternative ways in which we can make them realize the value being offered by the library?
- What other ways in which we can deliver our products and services through the internet in the most efficient way for us and the most convenient way for our customers?
- How do we meet the challenge of distributed delivery of library services without

compromising efficiency and cost effectiveness?

- How do we make aware the prospective customers about our products and services so as to ensure sufficient product usage?
- How do we measure the effectiveness of our marketing efforts?
- How do we grow and remain relevant in the internet age?

It is however, reasonable to assume that for quite some time in an economy like ours, electronic libraries, at this stage, would serve not as primary providers or the only providers but as complements to physical libraries. As suggested by Kumar, fulfillment of the following conditions is a necessary prerequisite for the replacement of physical libraries by online libraries:

- the users accessing the internet is high,
- the internet is in a position to offer a better value proposition than the conventional providers, and
- the product/service can be offered over the net and the same is standardised enough so that there is no requirement for a pre-purchase examination or evaluation.

As you can see, all the conditions mentioned above cannot be fulfilled for the Indian library users in the present scenario. However, E-marketing tools can be *applied* to the marketing of library services and products per se, both for physical libraries and the value-added online services and products offered by the libraries.

The spread of internet has given rise to two different kinds of organisations. One type is the **Click Only E-marketers** who operate online only and have no brick and mortar presence. Some of the famous Click only companies include Amazon.com and Expedia. The Click Only group also includes the search engines and portals which initially began as search engines and later expanded to provide value added information services such as news, stock market reports, entertainment, share and commodity prices etc. These could be seen in direct competition with the libraries. Examples include search engines and portals such as Google and Yahoo.



Fig. 18.2: Home Page of expedia.com

(Source: <http://www.expedia.com>)

The click and mortar companies on the other hand represent the established organisations which later embraced the power of information technology to extend the visibility and effectiveness of their marketing efforts. These companies, therefore, have both a physical and a web presence, and synergise the benefits of both types of existence. Most libraries would fall in the latter category of organisations.

18.6 : Organising the E-Marketing Effort

Organising the E-marketing effort would require the following sequential activities to be performed:

- Understanding the consumer needs
- Segmenting and targeting the markets
- Identifying appropriate marketing mix
- Creating and setting up of an E-marketing presence
- Offering products and services online -implementing marketing mix decisions
- Evaluating the E-marketing effort

Let us look at each one of these activities from the perspective of libraries and other information service providers.

18.6.1: Understanding Consumer Needs

All the marketing efforts are focused on the present and potential customers. This is as true of E-marketing efforts as of the conventional marketing efforts. While the institutional libraries have specified target audiences to a certain extent, public libraries aim to serve the

community at large. Understanding consumer needs is the vital prerequisite to the objective of satisfying consumer needs and achieving marketing objectives. Various tools of marketing research can be applied to understand the information needs of the existing and potential online consumers. Some of the commonly used tools that can be applied are:

- i) **Consumer profiling:** Institutional databases or census data can be used by the public libraries and other such providers of information products and services to analyse demographic and socio- economic profiles of the target users. This will enable them to have a broad based understanding of the target customers that they are expected to serve.
- ii) **Surveys and questionnaires:** Techniques of descriptive research like surveys are used to find out the consumers' usage history, expected needs, perceive gaps between needs and existing provision, satisfaction levels and preferences. Online surveys are increasingly being utilised for cost-efficient and time-efficient research. It is important for librarians to be able to select representative samples, including potential users and non-users, and offer questionnaires which are user friendly and fulfill the library's need to capture desired information.
- iii) **Focus groups:** While sample surveys enable the marketers to capture the information from its existing and potential customer base, focus groups are samples of informed publics, specifically chosen to have indepth discussions in small groups, to enable the marketers to have focused insights on specific aspects of their marketing program. Such discussions are undertaken as open discussion forums on specific marketing issues such new services to be offered, features to be added in online delivery of library products and services, pricing issues etc. and are recorded live to ensure that all discussions is captured for later analysis.
- iv) **Technology based or technology enabled Research:** As more and more library operations get computerised, libraries today find it convenient to use technology to extract data from its transaction records (for example, search for online content and OPAC searches), circulation records, online feedback or specifically designed online surveys.
- v) **Qualitative research techniques:** Marketers sometimes employ qualitative research techniques like word association and TAT, especially in the case of new product and service concepts, to understand how the consumers perceive the prospective products or services. This information in turn helps the marketers to position the services or products in line with the consumer expectations and promote it in a way that consumers become completely aware of the product features.

Before initiating the online offer of library products and services, it is prudent to have sufficient information about the specific needs and expectations of the consumers from such products and services. A clear assessment of the different types of consumer needs and expectations would also enable the library to identify, which particular segment of needs it would like to focus on, as its target segment.

18.6.2: Segmenting and Targeting the Markets

Libraries today face direct and indirect competition from other institutional providers as well as search engines and portals on the web. In order to survive and prosper in a competitive world, libraries should have a proper customer orientation and a clear customer focus, in terms of what customer groups and what specific needs of these customer groups they intend

to serve. This understanding of customer segments is important because it helps to determine the specific products to be offered to different segments. Segmentation also helps in selecting a particular group or identified needs to serve, in the event of limited resources, which make it difficult for the library to serve the entire continuum of present and prospective consumers and their needs. While institutional libraries have limited options in choosing the specific markets they intend to serve, public libraries have relatively higher flexibility in selecting specific user segments to serve. The primary focus of the institutional libraries are their students and faculty but an online offer may, by design, also include other subscribers like course designers and experts, researchers interested in the institutional services and external subscribers who may like to join in, institutional policy permitting. These could all be designed as priced services and help in resource generation for the library. Based on the information generated out of its marketing research, each library needs to identify the primary target markets and the composition of needs that it would like to serve as its key constituency. Some of the criteria that the E-marketing initiatives may use to select segments include:

- the most prolific users (research or postgraduate students, faculty in case of institutional libraries)
- the largest customer base (Undergraduate students)
- smaller but specifically defined groups presently not been served well by existing means
- consumers who are difficult to reach by other means
- potential customers

18.6.3: Selecting Appropriate Marketing Mix

You have, through your exposure to the early units, been exposed to the concept of the marketing mix and the optimum marketing mix. In this section we would like to discuss about the marketing mix adaptations required to be made for the marketing effort for information products and services.

i) **Product and Service Decisions**

Products and services are the essential components of the exchange process. Successful marketing of information products and services would depend upon the ability of the products to deliver appropriate solutions to the customer's needs and to match the expectations that consumers have, including the bundle of benefits that they seek from the library.

You already been introduced to the various levels of product i.e., core product level, tangible product level and the augmented product level. The **core product**, in case of information products is the information that the consumers seek, to resolve their various pursuits of knowledge, reference and validation. In most cases, the users of the library at a given point of time are focused on a specific search. In other words, the users seek information on a specific *subject* for a specific purpose at a given point in time (e.g., pursuing a course, writing a report, undertaking a reference

research or conducting review of existing literature on a specific topic). Providers of information services and products must clearly define for themselves the **core benefits** they

would like to place on offer for the identified target markets, in terms of types of information they would like make available for the e-marketing effort.

The **tangible product** represents what is actually delivered to the consumer. For information products in the e-marketing format, this would represent the different ways in which information can be packaged as product lines such as e-journals, reference material, or services like databases, question banks directed queries etc.

As a marketer, you can choose to add value and differentiate your offer from that of your competitor, by adding features or parts to your products and services. This augmentation, to add value to the core product results in the **augmented product**. While the core product for an online library service provider may be an online reference search service, augmentation can be provided by adding ordering and delivery options to enable consumers to get physical access to the product, adding a directed query service or enabling synchronous or asynchronous chat options with library staff to enable directed search .

For the e-marketing effort, which represents a very competitive marketing domain, providers need to carefully define their products at the core, tangible and augmented product levels. This enables them to be conceptually clear about the generic benefit that they are offering, the deliverable product and argumentation that they want to make in the product to add value and differentiate it in the eyes of the consumer.

Depending upon the consumer needs identified through the marketing research process, libraries can decide upon the product mix they would like to offer through the e-marketing effort.

- Specified selection of e -journals
- Reference services provided by the library staff
- Inter-library borrowing
- Access to networked CDROM databases, Web-OPAC and Electronic documentation in the institution
- Round the clock electronic reference service
- Desktop video conferencing to share graphics animation and Schematic Drawings
- Responses to directed queries
- Formal learning support to students enrolled in different programmes
- Information Services directed at lifelong learning needs of working professionals

The product mix decisions of the library would include decisions on what products to make available to which segment of consumers. In context of the above products and services, associated decisions to be taken would include how would consumers actually access these services, what systems and backup support would need to be put in place to enable continuous and reliable access, and what is the kind of training that would be needed by the library staff to enable them to support the e-marketing environment.

An important issue in the context of e-marketing of library services is that of **brand identity**. When consumers in distributed locations access the library services, in addition to the other web based services that they may be using, there is a risk of loss of provider identity of the

library in the mass of Internet based providers like portals in the public domain and search engines. Libraries therefore, must create a recognisable 'look and feel' which enables users to clearly identify its work.

ii) Pricing Decisions

Mobilising information resources, making them ready for use by paying for Royalties and other intellectual property related costs and creating systems for electronic delivery of these products and services are expensive propositions. Libraries usually levy a membership or subscriber fee to cover their costs. While institutional libraries are assigned a share of the student fee which may or may not be clearly ear-marked in the fee structure, public libraries have to clearly assess incremental costs of getting into e-marketing and have to offset them against the increasing user base or design the user fee structure to pay for the additional electronic services being offered by them

For both kind of providers, however, it is important to recognise that, part of the costs of e-marketing are capital one time costs, which can only be realised over the years. Whereas, the operational and variable costs will need to be charged to the specific operating cycle in which they occur. A better way of pricing for such initiatives is the assessment of cost per user, which can be used as a basis for deciding the user fee to be charged.

For the e-marketing effort, it is important to distinguish between services and products which are to be made available to the subscribers free of any additional charges and those for which their maybe a specific additional charge. Like all service organisations, marketers of information products and services would have to take policy decisions on whether to include all costs of access by consumers in the subscriber fee, or to keep the basic subscriber fee low but have additional charges for specialised services on a per use basis.

iii) Promotion decisions

The promotion decisions comprise all the decisions taken to make the consumers aware of what the library has to offer and thus, promote the usage of the services on offer. In the context of E-marketing it is important to address some of the following issues before deciding the promotional activities to be undertaken.

The promotional **budget** has to be specifically earmarked within the marketing plan for the E-marketing initiative, as it usually becomes difficult to defend promotional expenditures once the initiatives have been put on board. Often the promotional requirements are realised only when the library portal is not being used often enough. Awareness is a necessary prerequisite to usage. In case of institutional libraries, while the subscribers maybe aware of the library services they may not be aware of the complete range of services being offered by the library. This is specially true of the online initiatives where specific efforts may be needed to inform the users and potential users of the entire range of products and services that are being made available through electronic format. Natarajan (2002) has pointed out that using technology to electronically promote Library services could be an essential component of encouraging the use of online library services.

The promotion budget for online marketing effort could be decided on the basis of the objectives and the task method. Thus, enabling the allocation of the budget to be based on the actual objectives sought to be achieved through the promotional activity. The objectives of the promotional activity for online marketing may include:

- Creating awareness among existing users about the online Library Initiative
- Informing the existing and potential consumers about the entire range of products and services on offer in the online mode
- Informing existing and potential users of the new product lines and services added to the product mix of the library
- Attracting non-users to join / use the library services
- Promoting the existing subscribers to use the new services/ product lines on offer
- Promoting higher usage among existing users
- Updating the information about the library, its products and services among the target customers, the potential customers and the general public.

For a given promotional plan the promotional objectives would need to be more specifically defined, in terms of targets sought to be achieved as a result of the promotional activity. For example, one of the promotional objectives for online marketing of information products and services maybe defined as, "raising the awareness levels among 70 percent of the existing subscriber population by 30 percent in the current year."

Once the promotional objectives have been defined, key decisions would include:

- Who is intended to be reached by the message (The target audience decision)
- What is required to be communicated? (The message decision)
- How is it to be said (The message execution)
- What are the media or channels of communication that should be used to get the message across (The media decision)
- Who is responsible for the promotional activity in the organization
- How should the impact of promotion be evaluated (The evaluation method decision)

A perusal of the above list of key decisions would have made you realise the inter-related nature of these decisions. The profile and media habits of the target audience would in turn affect the media options that can be used for promotion. The message decision in the case of information products and services would need to be more oriented to specific information about, online products and services as well as the conveniences made available to the users through online initiatives. This communication however has to be attractively packaged and creatively executed in order to attract viewer attention, especially, when the information is being placed in the public domain. Common formats used for public-domain online-advertising include banner ads on popular websites, dangling ads on the side of a web page, interstitials, or popup ads between changes on a website, content sponsorship and micro sites. When promotion is targeted to a closed subscriber as in the case of institutional libraries relatively inexpensive option of detailed and highly informative mails, customised to specific needs of the users, can be targeted to the subscriber group.

The media decision in addition to the media habits of the users also depends on the budget available for promotion. Promotional media for e-marketing efforts could include brochures, organisation wide e-mails, e-mails based on mailing lists, inserts on the institutional website, newsletters, posters, infomercials on other websites, presence on popular search engines, running scrolls on electronic media like educational television, participation in web communities etc.

As online marketing initiatives are extremely dynamic in nature it is important to allocate specific responsibility for the promotion activity within the organisation, to ensure that the information made available in the public domain and to the consumers in the close subscriber group is always current and updated. Any lag between the availability of new products and services and the information about them, to the existing and potential customers, represents loss of marketing opportunity. This could be avoided by assigning specific responsibility for promotion to an individual or a group of individuals in the organisation.

Like all inputs, promotional efforts involve expenditure of money and organisational resources. Periodic evaluation of these efforts would enable you to assess whether your promotional efforts are getting the desired results or need to be modified. Objective criteria for evaluation of promotion efforts emanate from the promotional objectives themselves. If you refer back to the example of the specific promotion objective given above, you would realise that the assessment of the awareness levels after the promotional effort would obviously be an objective criterion to assess the effectiveness of your promotional effort. Specifically defined promotional objectives in quantitative terms enable evaluation of promotional effectiveness in terms of how well the objectives have been achieved.

iv) **Distribution Decisions**

Distribution decisions in context of marketing efforts represent decisions on how to make the products and services of the organisation available at the place and time of consumers' convenience. Within the specific context of online marketing efforts, distribution decisions would include the following:

- Are the online products and services to be made available to the entire subscriber base or only to the specifically identified subscribers (for example, would online journals be available to the entire student community or only to the postgraduate and doctoral students)?
- Are the online products and services to be made available to the general public or to the existing subscribers / members only?
- Are the products to be made available on a 24 hour basis or within certain specified hours?
- Do the Users require specific software to access library products and services?
- How is access proposed to be provided to the existing and potential users?

It must also be borne in mind that while the supply of most of the online information products and services is through the electronic means, some value added services like providing hard copies of reference material or articles would require some physical distribution related activities like material handling and dispatch, for which organizational resources may need to be allocated.

As E-marketing, of information services and products involves service transactions, the marketing mix would include three additional Ps. These are **people, processes and physical evidence**. The first two are especially relevant to the context of library and information centres.

The **People** component, formed by the library staff, represents a key resource in any e-marketing effort of information services and products. Based on their training and skills, the staff enables product augmentation by providing customised and personalised online problem solution to the user's needs from time to time. They also enable directed query searches and participate in online chats, if required.

Preparing library staff for an e-marketing effort requires specific training and preparation to deal with distributed and distant consumers on a regular round the clock basis.

Processes refer to the sequence and protocols, put in place by the providers of online library services, to enable the users to access and utilise the services. The simplicity and user friendliness of the processes is a source of competitive advantage for the e-marketing effort because it adds to the value that the consumer perceives in your e-marketing effort.

18.6.4: Creating and Setting up an E-marketing Presence

The first step in creating an e-marketing presence is to develop a website. You may have come across a large number of websites and would have noticed the immense variation in the nature, content and navigability of different websites. Institutional librarians have two options while creating an e-marketing presence. The first option is to have specific pages or sections on the institutional website. The second is to have an independent marketing website specifically geared to meet the requirements of the marketing function that the website is expected to play. Both options obviously have their distinct advantages. An institutional website is designed to buildup public information and goodwill as well as maintain an updated corporate profile in the public domain. Being a more general purpose site, it fulfills the informational needs of large segments of the organisation's intended and unintended publics; and is therefore, visited by a large number of viewers. The information service provider present on such sites would obviously have the possibility of large exposure and also benefit from being placed in the general context of the institution to which it belongs. The downside, however, is that the institutional websites are generally not set up as marketing websites. While one can get a rich variety of information and focused responses to search on specific aspects of the institution's work, the site is not designed with the intention to create marketing exchanges.

A marketing website on the other hand engages target customers and potential customers in interactions that will move them further towards a direct purchase or other marketing outcomes like becoming a subscriber for the information products and services on offer. Providers of information services and products need to select between these two options depending upon the institutional policy and the outcomes they want to seek as a result of their web presence,

An important challenge for marketers is to create a website which would create enough value for the consumers and potential consumers to visit, go through and come back again. Most users of information products and services portals visit the site for specific, predetermined objectives in mind; a few however do it as an exploratory activity. As many as 2/3 viewers who may be online for work related reasons or personal reasons say that they do not return to the site ever again, if it doesn't meet their expectations. A marketing site cannot afford to

have visitors to the site turn away and never return. Therefore, it needs to be designed in such a way so as to attract the new visitors to the site and make them return to it often, to refer it to other potential consumers and to talk about it among them.

F Rayport and Jawosky (2001) suggest that the following seven C's should be given special attention while creating a website, and to attract the viewers to visit and revisit the site.

- **Context-** the layout and design of the site
- **Content-** the components of organised content in the form of text, pictures, videos and sound on the website
- **Community-** the different possibilities that the site provides for user to user interaction
- **Customisation-** the ability of the site to adapt itself to different users and enable the users to personalise it
- **Communication-** The ways in which the site offers communication channels - user to site, site to user, or two way communication.
- **Connection-** the extent to which the site is linked to other sites
- **Commerce-** the capability of the site to enable commercial transactions

In the specific context of information services and products, the website in addition to having all the above features, also needs to be useful and capable of providing solutions to the information needs of the target consumers. The opening page should be able to give first time users enough reason to be around and to search further.

When information services and products are offered through learning portals or campus portals librarians have a critical role to play as educators who organise and evaluate information resources. Institutional portals targeted at the community of registered students offer the added advantage of content that has been customised to the learning needs emanating out of the courses offered by the institution. Most libraries today have content that is digitalised and the library home pages show a collection of databases and digital library resources suited to the academic requirements of the faculty and students accessible to both on campus and distance learners, through licenses arranged by the library.

Librarians are increasingly being called upon to utilise the knowledge of the current copyright policy in today's era of digitisation, when online library services are planned to be set up as electronic reserves and provided connectivity through Black Board or other web based systems. The general assumption on part of the faculty and the students that the material available on the Web is free of copyright restrictions is often mistaken. This is applicable only if the copyright of the work has expired or the author has specifically allowed the work to be placed in the public domain. In the case of institutional portals and websites, librarians can provide useful guidance in identifying Copyrighted material and seeking permission for the use of these materials through copyright clearance and licensing arrangements.

Interactive user assistance is an important aspect of online provision of information products and services. This assistance may range from a basic e-mail based reference search to an

online chat with the library staff. Such services are being added to the online service offers as part of the product augmentation discussed earlier, by using customer service applications like Humanclick (www.humanclick.com), which enable visitors to the library website to get immediate on demand help on references and related information.

18.6.5: Offering Information Products and Services Online

Having created a web presence, the electronic marketer is now ready to implement his/her marketing mix decisions in respect of which products and services to put on offer, where and how to enable access to specific groups of consumers or to general public at what Prices and so on. Promotion decisions, involving a creation of awareness and interest among the potential and target population, and the preparation of the public resources and process elements will need to precede the placement of products and services on the site for exchange. It is important for the marketer to lay down specific growth and revenue objectives for the online marketing initiative that one expects to achieve within the pre-defined time period of a quarter, a year or an academic calendar.

Being dynamic in nature, online provision of information products and services is constantly required to be responsive to the usage patterns that emerge once the services have been put on offer. Based on the information on most frequently used services or products, gaps that emerge between customer expectations and services on offer, irritants in the access and search processes once the consumer exchanges begin, online marketers are required to constantly adapt, augment and refine their marketing efforts in respect of products, services, processes and user interaction.

18.6.6: Evaluating the Online Marketing Effort

How do you as a provider of online information products and services judge whether your marketing efforts are getting the planned or the desired results? Apart from the usual quantitative measures of tracking the number of hits on their site, online marketers evaluate the marketing effort in terms of:

- Value of transactions in respect of different products and services
- Growth in different customer segments in defined time periods
- Relative growth rates as compared to competitors
- Financial measures like return of investment and earnings
- Qualitative measures like types of queries , Capability to respond in real time, a time lag between requests, and help provided
- Consumer satisfaction generated as measured by tracking studies and consumer surveys, usually conducted online

The most objective evaluation process however is to measure your marketing performance against the planned results or the marketing objectives defined for the online marketing initiative as referred to in the earlier section.

18.7 : Summary



Recent technological advances have made it possible for the provision of information products and services to move out of the restriction of physical brick and mortar buildings and be made available to the community of users and learners anywhere in the world. This unit discusses the e-marketing processes and related decisions required for online marketing of information products and services. Some real benefits accrue to both providers and consumers when products and services are made available online, chief among them being the almost unlimited facilitation to the consumer at his/her place and time of choice and the vast virtually unlimited market access made available to the provider of such products and services. Online marketing however requires a fresh look on the components of the marketing mix and the implementation of the marketing effort. The Unit discusses the elements of the marketing mix in the context of online marketing and also provides inputs about the creation, implementation and evaluation of the entire marketing effort.

