

External Analysis : an Essential Tool for Diagnosing LIS Marketing Environment and Positioning

Florence Muet

School of Business Administration, Department of Information Studies, Geneva, Switzerland
florence.muet@hesge.ch

15th BOBCATSSS symposium, Prague, January 29th – 31st, 2007

Abstract. Information services cannot apply marketing techniques as practiced by the private sector, without adapting them to their specific needs. In fact, they are not only concerned with the implementation of user-oriented services - the basis of marketing: meeting the end-users' needs - but also, and maybe primarily, with the provision of services that meet the institutional needs of the organization supporting them. In other words, one of the main marketing decisions of any information services is to define its effective contribution to the specific mandates, objectives and activities of the organization it belongs to. Therefore, information services must add to a basic « downstream » marketing directed towards the users, an « upstream » marketing directed towards their control structure. This approach can be defined as strategic marketing positioning. In this context, understanding the environment in which an information service stands is a must. Environment is defined here as the whole of the institutions (not only the support institution) that can effectively or potentially influence the information service. The author has developed an original tool for the analysis of information services marketing environment and tested it in several information services. This method creates a « cartography » of an information service environment, allowing to characterize its specificity and to understand its dynamic trends. It is based on the identification of the main actors in the environment: the supervision structure, the partners and the competitors; as well as on an analysis of their stakes, main objectives, professional values, operating modes and development targets. All these actors are then situated in what are called « territories ». These territories can be situated in relation to one another and make it possible to diagnose the dynamics of each territory and of the global environment. A case study illustrates the external analysis and positioning method.

Curriculum vitae. Since February 2006, Florence Muet is professor in the Department of Information Studies of Geneva School of Business Administration, Switzerland (HEG Genève). Her courses and main areas of interest concern LIS management, marketing, quality and performance measurement. She aims to conduct research projects about modeling marketing strategies for information services and about libraries performance measurement. Previously, she was independent senior consultant in LIS management and marketing (Information&Management, Lyon, France). She has a Master of Information and Communication Sciences (1991, France) and a Master of Humanities (1982, France). She is certificated as an expert in management of information services (European System of Certification of Information Professionals, Adbs, France, 2001). She published one book about LIS marketing and several papers and articles about LIS management and marketing. Complete CV and publications list can be found in : www.hesge.ch/heg/crag/CRAG_professeurs.asp?No=375.

Introduction

It no longer needs to be demonstrated that information services have entered the era of marketing and that they need to position themselves in a more and more competitive environment. The key question is how to apply marketing theory and methods to information services. To justify the use of management methods in information services, the argument is often made that all information services, regardless of their status, function like corporations and provide a supply of services to a market: its public. We do not feel this approach is entirely appropriate. In fact, there is a fundamental difference between information services and corporations that stems from their financial model: the corporation makes a profit on selling its production, therefore directly to its customers. Conversely, information services are not directly financed by their public, or if so, only in small proportions: any registration fees are symbolic and contribute little to funding public libraries; the billing system of some information services does not allow their self-financing; even in case of internal transfer for information services in firms, the user does not pay himself but use the documentation budget given by the firm. In fact, the information service is financed by the support institution. This support institution can be an organization (a corporation, a school, an association, etc.) wanting to have its own information service. It can be a community wishing to offer a cultural service to its members (for example, a municipality finances a public library for inhabitants ; in this case, the library is funded by taxes, hence by citizens, but this indirect financing model is carried out in the name of the community and public service).

A specific approach of marketing strategy for information services

This specific situation has three important consequences on the way a marketing strategy is constructed for information services.

First, it must be remembered that the information service must above all fulfill the needs of the support institution, usually set forth in the mission statement. The marketing strategy must comply with this mission. Unlike a corporation, which targets customer segments because they are profitable and solvent, the information service must serve the user profiles found within its scope of activity and that correspond to the mandate of its support institution. Consider the example of the library at an agricultural council: it was called into question by its director because, over the years, it has been infiltrated by a student clientele. Of course, this unsolicited public guaranteed the library a highly satisfactory level of activity, but it did not correspond to the natural clientele of the agricultural council, i.e. the public it must serve as per its mission: The role of an agricultural council is to support and advise agricultural professionals, not to educate students.

We can thus recognize any information service as having, in a sense, two types of customers. The first type is, of course, its public, understood as all of the individuals that use its resources and request its services for personal or professional pursuits, according to its status. The second, and certainly the more important, type is the institution (organization or community) itself. This supposes that the purpose of integrating marketing into the information service is not only to ensure compatibility with the needs and behaviors of the clientele -in other words, user-orientation, the founding principle of marketing-, but above all, to ensure compatibility with the institutional mandates, orientations and activities of the support organization or community. Therefore, information services must add to a basic downstream marketing, directed towards the public, an essential upstream marketing, directed towards the support institution. To this end, we propose to define strategic marketing for information services as a decision-making method that will enable any information service to enhance its contribution to the mandate and production of its support institution or community by designing a range of available services likely to mesh with the needs and activities of potential users within this institution or community. It should also be noted that the preferred communication methods will differ depending on the target: traditional promotional techniques for the public; public relations and lobbying for decision makers and key partners.

The second consequence concerns the method of carrying out the marketing diagnostic prior to any strategic decision, which must be fine-tuned to be adapted to the specificity of information services. The SWOT method traditionally makes the distinction between internal analysis, for identifying Strengths and Weaknesses inside the structure; and external analysis, for identifying Opportunities and Threats outside the structure. In order to analyze information services opportunities and threats, we propose to dissociate public analysis and environment analysis¹ to highlight the dual references to the public and the support institution. Marketing diagnosis for an information service is then composed of three analyses :

- Internal analysis keeps necessary to evaluate the room of manoeuvre and the production and development capabilities for the information service.
- Public analysis means to characterize precisely the information needs and behavior of the potential public and to identify users profiles (segmentation).
- External analysis makes it possible to identify and characterize the information service institutional environment and understand its dynamics and internal relationships.

The need to take into account not only the requirements of users (as individuals), but also, and foremost, the requirements of the support organization or community (as an institution) is finally included in the formulation of the marketing strategy. We propose that defining a marketing strategy for an information service entails a coordinated, three-fold decision :

- The targeting strategy specifies the choices with respect to public segments, or in other words, the need profiles identified among users. Will the information service serve all of these segments with the same offer? Or will it target a given segment whose needs are particularly sensitive? Or will it further differentiate its offer according to the particularities of each segment?
- The supply strategy assumes identification of the line of documentary services capable of meeting the needs of the targeted segments and definition of the means for implementing this line of services for users.

¹ This approach was initiated with the book: J.M. Salaun, *Marketing des bibliothèques et des centres de documentation*, Paris, Cercle de la Librairie, 1992. The methodology was developed in the book: F. Muet et J.M. Salaun, *Stratégie marketing des services d'information*, Paris, Cercle de la Librairie, 2001. It has been tested on several information services, in public or private sectors.

- The positioning strategy is the third essential decision to be made. The notion of positioning is important in marketing, but it overwhelmingly evokes the position of the corporation vis-à-vis its competitors. For information services, this concept appears to be even broader and more strategic. It refers to the position the information service wishes to occupy within its environment, especially within its support institution. Because it pertains to the way in which the information service fits into its environment, it actually points to the question of its identity.

Each of these aspects of the marketing strategy is, of course, linked to the elements of diagnostic marketing. Internal analysis provides the framework for the supply strategy. Clientele analysis paves the way for defining the targeting strategy. External analysis is equally essential, for it establishes a basis for reflection and decision-making in terms of positioning the information service.

External analysis: the method

Let us come back to internal analysis, which focuses on the environment of the information service. Here, the "environment" of the information service refers to all of the structures and institutions that influence -directly or indirectly, effectively or potentially- the operations and development of the information service. The objective of internal analysis is to thoroughly characterize this environment, i.e. to identify the key actors and analyze their interactions with the information service. The analysis should enable the establishment of a sort of "cartography", or diagram, of the information service's environment that will be used as a starting point to define its position. This work consists of three steps.

1. Identifying the key actors in the environment.

There are three types of actors, categorized by the nature of their influence on the information service:

- Supervisors and/or funders are those who have decision-making power over the information service. These actors require results from the information service based on the institutional objectives and/or in exchange for the financial commitments made. Supervisors, of course, refer to the official authorities (managers of the service or support institution, community representative, etc.). This can also refer to non-official, but effective oversight -influential people can play a major role- or implicit oversight (interest groups such as user committees for example). In the simplest cases, the information service only reports to the decision-making and funding authority. However, in many other cases, the situation is more complex: there can be multiple supervisors that do not necessarily have the same status (for example a hierarchical supervisor and a functional supervisor). Authorities can be nested and focused on different levels of decision making (for example, the level of the support management unit and the level of the corporation for an internal information service).
- Partners are a second category of actors to be considered. These are other structures with which the information service carries out or shares some of its operations. These may be suppliers; note, for example, the increasing role played by content providers (electronic journals editors, databases vendors, aggregators). These may be documentary partners; many information services have relationships with other information services or are integrated into documentary networks that are more or less formalized.
- Competitors are the third type of actors to be identified. The tradition of cooperation and exchange is strong in the world of libraries. Therefore, the notion of competition does not amount to head-on rivalries to win "market shares". However, it must be acknowledged that the information sector is becoming more and more competitive. The marketing point of view leads us to think of the information service as one response among others to the needs of users. Identifying competitors resides in cataloging all the other solutions that are effectively or potentially available to users in search of information: Internet, other information services or libraries, direct producers of information, etc.

2. Identify the "territories" that make up the environment of the information service.

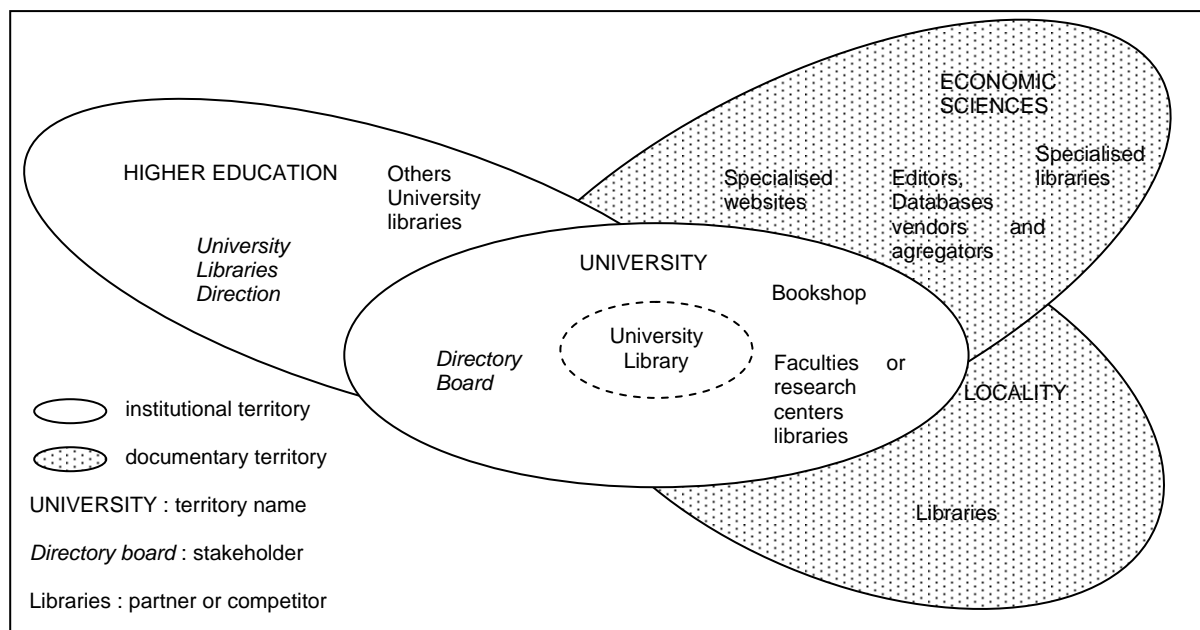
Identifying the key actors is not sufficient. Their position in the information service's environment must be precisely established. We propose to use the notion of "territory" to designate a specific interest community in which the information service is encompassed. Thus, a territory represents a set of actors (supervisors and/or partners and/or competitors) that have the same operational principles: affiliation with an identical institution, common objectives or mandates, shared value system, similar operating methods, etc.

Every information service belongs to both « economies », the economy of its support institution or community; and the economy of information. For some information services, the environment is simple and comprised only of these two territories, that of the institution for which it works and that of the documentary field in which it is active. However, in many instances, the environment of information services is far more complex because of the existence of multiple and varying supervisors, partners

and/or competitors both inside and outside the support institution. Thus the information service is caught up in effective or potential relationships with actors committed to specific purposes that operate according to specific guidelines because they belong to different territories.

Consider the case of a French economic sciences university library. It is part of the university (first institutional territory): it must report to its management and perhaps work with other internal information services, such as department or research centers libraries. It is also, along with all of the other university libraries, part of a national system (second institutional territory). Furthermore, it specializes in the economic sciences, a rather structured documentary field in which there are numerous information sources and other information services (first documentary territory, national or even international). It also often interacts with other local documentary entities (second documentary territory, local). A good way to transcribe the analysis of the territories is to produce a diagram in the form of a map.

University library environment cartography



3. Analyzing the environment dynamics.

Once the actors have been identified and situated in the various territories comprising the information service's environment, the environment dynamics can be analyzed in order to identify opportunities and threats. This consists of determining and understanding the often complex network of relationships between the various actors, who have different positions and interests depending on the territory to which they belong, and with the information service.

Evaluating the respective positions of the actors in the environment requires precise analysis of the missions, internal logic and operating modes of each of them. Their points of view or attitudes with respect to the information service and the nature of its relationship with the service –the way they influence or may influence the information service- must also be considered. Of course this analysis should be comparative, in order to better situate the actors vis-à-vis one another and with regard to the information service.

Each of the territories also has its own dynamics, which may be more or less beneficial to the information service. Special attention will be given to its outlook and its paths of development, related to its characteristics, but also to its history and the nature and status of the actors that comprise the territory.

It is often observed that actors can have different positions, sometimes even diverging positions, with respect to the information service because they belong to different territories. This is the case for the supervisors of our university library. It must take into account the local objectives and missions of the university to which it belongs. Yet it must also follow the instructions and recommendations issued by the Ministry of Higher Education for all of the country's university libraries. The missions of the local and national supervisors are not necessarily the same. Some actors may also have an ambiguous role at the time of the analysis. Thus, it is often observed that, based on the level of complexity of the environment, documentary structures present in a given territory may potentially work as partners or competitors, depending on the positioning adopted by the information service. For example, the relationships the university library maintains with the department or research centers libraries found

within the university will be different based on whether it seeks to have a position as network leader or prefers a more even distribution of internal documentary activities.

The following case study makes it possible to present in concrete terms the application of the external analysis method to a specific example and to show the implications on the possible positioning choices.

Case study

Within Regional Council X, the Education and Employment Regional Direction (EERD) is responsible for implementing regional education and employment policy by designing, financing and managing some 50 support structures for employment seekers and/or businesses. This direction employs 70 persons (of which 40 bureau managers heading up the structures) and has a small information service attached to the studies-communication-information sub-direction. At the time of analysis, this information service demonstrated far more weaknesses than strengths: limited documentary offer, low value-added information products and services, marginal level of use, low internal productivity. An analysis of the clientele shows the current level of documentary practices is very low: the bureau managers favor the exchange of information amongst themselves or with members of their individual professional networks. However, external analysis shows an environment undergoing major changes:

- The EERD (institutional territory) is in a comprehensive restructuring phase. The goal is to reorient operations around a proactive, prospecting approach to create the ability to propose regional employment and education policies rather than merely executing them. Therefore, the director has very high expectations regarding the bureau managers so that they move away from the current operating mode, which is intensely managerial and administrative vis-à-vis the support structures, and commit to an idea-generating and strategic approach for supporting innovation, openness and prospecting. This requirement amounts to a major break from the internal culture of the EERD, which is signaled by the reorganization of various services, the creation of a prospecting cell and the designation of six project managers working on innovative or strategic themes. It has met with some resistance among the bureau managers.
- The Regional Council is a larger institutional territory to take into account, even more so because the employment-education aspect is one of its strategic competencies. The Regional Council is currently organizing at the documentary level, in the form of an internal network of small documentary structures deployed for each of the 10 divisions and coordinated by a central information service. The head of the central service has no hierarchical power over the EERD's information service, but fervently hopes that it will integrate this internal network and conform to its operating methodology, formalized in a specific set of regulations that include, notably, feeding a single catalog.
- The information sector on employment and education (documentary territory) is very well organized at the national level, with a highly effective and active network of regional information services for use by professionals in the sector. The EERD's information service does not belong to this network.
- At the regional level (regional documentary territory), the organization is not as good: the EERD's information service was initially created to play the role of specialized regional service, which, in reality, it never accomplished. Therefore, the various implicated local actors, including the EERD, came together to create an extranet site where they could share information. The information service may use this Extranet but does not contribute.

External analysis thus reveals a rather complex environment, resulting from the information service's involvement in several territories with significant, but different mandates. The identified opportunities are: -Refocusing the EERD on innovation and prospecting, which implies, in theory, a strong need for information; -Putting pressure on the bureau managers to effect a change in their professional attitudes, a change that an information service could support; -The current restructuring of documentary activities within the Regional Council; -The presence of professional and effective information providers and partners in the education-training sector. External analysis also points to threats, notably because of the information service isolation within its basic institutional territory (EERD); and with the presence of the Extranet, which fulfills a large portion of information needs and could be considered as a replacement solution with respect to the information service. Thus it stems from internal analysis that the EERD's information service is faced with a number of strategic choices:

- Within the EERD, the information service can opt for two considerably different positions. It can give its development an operational theme and set out to individually win over the 40 bureau managers. In this case it would create an effective working tool that meets the ongoing needs for technical information related to managing all of the support structures, but that can also favor a broader documentary monitoring approach enabling more openness. It can also choose to resolutely pin its development to the EERD's strategic missions by focusing its efforts on the topics

of innovation and prospecting. In this case, it would target the needs of the prospecting cell and the project managers. The marketing strategy is radically different: in the second case, the information service finds its development on the institutional needs of the EERD (institutional perspective); in the first case, it relaunches itself by meeting the needs identified by the bureau managers (user perspective).

- The EERD's information service must also clarify its position within the Regional Council, the broader institutional territory. If it resolutely adopts the principle of an internal documentary network and complies with the operation and production requirements of its director, it distances itself from its home direction because it is then, in fact, working for the entire Regional Council rather than only for the EERD. It may, on the other hand, wish to become independent from this network (and ensure minimal participation) by emphasizing the strategic missions of the EERD and the need for strong documentary support dedicated to these imperatives. Therefore, the information service can choose to root itself in its original institutional territory (the EERD) or in the broader institutional territory of the Regional Council. Of course, the consequences for public targeting and the supply strategy will be different in each of the two situations.
- A third strategic choice concerns the local documentary territory, since the positioning strategy selected should guarantee the strength of the information service's position, notably with respect to the local Extranet. The Extranet could be considered as a preferred provider. However, if it wishes to confront this threat, the information service must be more active and can either adopt a position of complementarity with this tool or invest a lot to eventually take over its coordination.

So, the external analysis makes it possible to identify three major alternative positioning strategies for this information service.

1. "Reference desk". It's the traditional positioning scenario. The information service increases and improves its documentary offer, seeking to meet the ongoing needs for technical information related to managing all of the support structures. It thus contributes to better productivity so that the bureau managers can have time to think and innovate. It can enter the internal documentary network as one of its specialized information services. With this scenario, the information service also seeks to have strong position within the Extranet, even reaching a coordination role.
2. "Benchmarking service". The information service targets the EERD needs of more bureau managers' openness by creating a general and/or individualized documentary monitoring system for them, being complementary with their personal information sources. For example, it can target education and employment policies or experiments in other regions or countries. In this scenario, the information service can be an important information provider for the Extranet and may also find its place in the internal documentary network.
3. "Competitive intelligence service". The information service articulates its activity with the strategic stakes of innovation and prospective for the EERD and focus the prospecting cell and six innovation project managers' needs by creating a targeted documentary monitoring tool about strategies subjects for the EERD. The information service becomes a specialized partner for the local Extranet. Its contribution to the internal documentary (providing general information) is minimal.

Conclusion

In this paper we have attempted to show the importance of looking beyond the public to take into account the institutional environment of the information service, viewing it as one of the key elements in defining and implementing an effective marketing strategy. External analysis is the proposed method for thoroughly characterizing this environment. Analyzing the forces present, the interplay of actors and the relationship systems in the environment of an information service sheds light on the strategic positioning decision it must make, in an indispensable way. The situation of each information service is specific and thus entails a specific external analysis and positioning. One may think, however, that a successful strategic choice, for many information services, consists of closely adhering to the strategic policies and missions of the support institution in order to ensure their legitimacy and development.

References

- MUET F., SALAUN J.M. *Stratégie marketing des services d'information*, Paris, Cercle de la librairie, mars 2001, 222 p.
- MUET F., SALAUN J.M. Principles and Adaptations of Marketing for Libraries and Information Services, in : GUPTA D.K., JAMBHEKAR A. Eds., *An integrated approach to services marketing : a book of readings on marketing of library and information services*. Mumbai (India), Allied publishers, 2003, p. 42-50
- SALAUN J.M. *Le marketing des bibliothèques et des centres de documentation*, Paris, Cercle de la librairie, 1992, 133 p.