

**PARTNERSHIP MARKETING:
A NEW APPROACH TO ENSURE SUSTAINABILITY IN A DIGITAL LIBRARY**
by
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1. INTRODUCTION

Sustainability is one of the biggest challenges facing libraries in the digital era. Not only is the traditional role of the librarian/information worker challenged, but technology is creating opportunities, shifting boundaries and bringing new role players to the playing field. This does not simply change the rules of the game but it continuously creates a new game in which libraries, as any other business, need to be innovative to sustain products and services. The sustainability of a business is directly linked to the degree in which it creates value for its clients. Value, which is very difficult to cost, is according to Walters and Lancaster (1999:643) determined by the perceptions of the clients.

2. PARTNERSHIP MARKETING

According to the *IEBM Encyclopedia of Marketing* (Baker 2001:3), modern marketing has undergone at least three major phases of evolution:

- The emergence of the mass market
- The articulation of the modern marketing concept, with its focus on the customer
- The transition from an emphasis upon transactions to creating and maintaining relationships between different role players

In an analysis of marketing definitions, in order to find an answer to the question: *What is marketing?* researchers from the Henley Management College concluded that the greatest change had occurred in the nature of the marketing relationship from one-way transactions to the recognition and positioning of relationships as a key strategic source. This resulted in "relationship marketing" becoming the dominant theme since the 1990's.
(Baker 2001: 14 - 15)

Relationship marketing is about attracting and keeping customers. According to Philip Kotler (2000:50) five levels of relationship marketing exist, with partnership marketing at the highest level. At this level the company continuously work with the customer to discover ways to perform better. Partnership marketing is therefore a way to create value and thus ensure sustainability and is driven by the effective utilisation of technology.

3. VALUE NET

Michael E Porter of Harvard University suggested in 1985 the concept of the value chain as a tool for identifying ways of creating customer value. As such, the value chain can be used to examine all the functional/core activities of an organisation and their effectiveness in creating customer value. Two aspects are interrelated, namely activities and costs. The challenge is to ensure that the customer value that has been created by the core activities, outweighs the costs implication for the organisation.
(Niemand and Bennet 2002: 14)

Facilitated by technological innovations, this evolved into strategic value creating networks. Value networks develop value for the end user by combining the core capabilities of all the participants that form the network. In a value net not only the activities and costs are important but relationships create cooperative business interactions, making the whole greater than the sum of the parts.

(Baker 2001: 601) Through collaboration and interaction the role players co-produce value and it may imply the reconfiguration of roles and relationships. (Walters and Lancaster 1999: 648)

The characteristics of a value net are that:

- All the role players collaborate and interact regularly to co-produce value
- It creates and increases value for all its participants
- It is focused on the end user and his/her needs
- It is built on relationships
- It is non-linear
- Participants operate within a collaborative, digitally linked network

A value net for a digital library could include authors, sponsors, publishers, technologists, vendors, librarians and end users. It operates as a lateral value chain, because the activities in the context of a digital library are not performed in a linear way, but form a criss-cross pattern, which involve different role-players in a virtual space. If any of these relationships are not optimally managed, sustainability is in jeopardy and the collective value of the value net is diminished.

4. PARTNERSHIP MARKETING AND THE CREATION OF A VALUE NET AS A WAY TO ENSURE SUSTAINABILITY

In the AIS the sustainability of our level of service has been severely challenged over the last five years with no sign of relief in the foreseeable future:

- Client numbers increased by 20%
- The overall price increase of information sources was in the region of 50%
- Our currency declined by 75% against the US\$

The University's funding simply cannot provide for this kind of situation and these factors eventually resulted in a 56% decline in our buying power at a time when we have to provide a service to many more users.

With our information budget under such stress, we looked very critically at our products and determined that:

- ScienceDirect is by far our most expensive information product, consuming 16% of our information resources budget while supplying less than 12% of our journal article needs
- Although ScienceDirect has been part of our offering since 1998, a recent market survey revealed that in spite of a 8/10 rating only a small percentage of our clients have made it part of their knowledge environment and the functionality of the product is not used extensively
- Getting the article from the ScienceDirect database was more costly than getting the same article via inter library loan

This implied that either our marketing efforts have been unsuccessful or that the product (content, functionality, price) did not fit our needs. We decided to capitalise on the relationships in our value net and initiated partnership marketing with Elsevier.

5. MARKETING PLAN

Although marketing has been done continuously, we decided to approach it more scientifically and to develop a proper marketing plan. A lecturer from the Department of Marketing and Communication acted as consultant. (Available at <http://www.ais.up.ac.za/TYDSTUKS/GAELFAIR/UnivPretoriaSD.ppt>)

5.1 Market analysis:

Macro market: In analysing the macro environment, a number of factors were identified that have an impact on marketing, but over which the University has no control. Amongst others, it included the following:

- The dynamics of the knowledge society implies a transformation of the Higher Education scene, internationally towards e-learning, e-research and improved accountability and nationally, in addition, a move towards rationalising the roles, positions and number of Institutions of Higher Learning. This resulted in an institutional Education Innovation Strategy with an emphasis on web delivery of courseware and support services.
- On the negative side however, is the steady decline of the local currency against the US dollar. No university budget can accommodate the combination of the journal price increase and the poor exchange rate as experienced by South Africa during the past five years

Micro market: On micro level it was determined whether a fit between the product features and the clients' needs existed. The findings were further translated into client benefits.

5.2 Situation analysis:

A SWOT analysis highlighted four issues to take into consideration:

- A **strength** is the fact that the Academic Information Service is an important role player in the organizational e-university initiative. It places the library in a strong position to market ScienceDirect as part of this initiative.
- A **weakness** is that e-journals are not necessarily the preference of all our clients. This was a concern due to the fact that it was recently decided to move towards the e-only licensing option for ScienceDirect.
- The fact that the University of Pretoria is currently leading South African universities in research output, creates an **opportunity** to become the leader in per capita research output, something that we want to capitalise on in the envisaged marketing effort.
- The price of ScienceDirect combined with the budgetary constraints may however imply that the product is unaffordable and creates the biggest **threat** to the sustainability of the subscription

5.3 Marketing goals:

Based on this information the following goals were set:

- Quantitative: To increase the number of articles downloaded by 50 % which will bring the cost per article down to R25 per article, equalling inter lending cost.
- Qualitative: Taking the results of the user survey into account we want to optimise use of the features of the product and create a greater awareness of the publishing opportunities.

5.4 Marketing strategy:

To reach these goals a two-fold strategy was decided upon:

- To continue with general marketing initiatives such as web interfaces, training and brochures. This can be described as mass marketing with the aim on creating awareness in the user community.
- To focus our marketing efforts on four identified niche markets to take our marketing effort and ScienceDirect usage to a higher level.

5.5 Market segmentation:

In analysing the market, four groups were identified for specific and intensive marketing:

- First year students in the Faculty of Natural and Agricultural Sciences, the Faculty of Veterinary Sciences and the Faculty of Engineering, Built environment and Information Technology, for whom ScienceDirect is a very logical entry point. This group has been named the *E-only Generation*.
- Since we no longer subscribe to the paper versions of these journals, it was decided to make a special effort to convert the laggards among our academic staff, which we estimate at about 50%. Since many of them still have a deep affection for paper journals this group has been named the *Paper Lovers*.
- Our third niche market is the postgraduate students. Potentially they include the new generation of researchers on whose shoulders the future of the university's standing in the academic world will fall. In line with their mind-set they are called the *Pyramid Climbers*.
- At the University of Pretoria every Faculty has introduced positions of innovation manager as well as a teaching consultant. These people are tasked to drive education innovation in the Faculty. A partnership with them is mutually beneficial.

5.6 Marketing programmes:

Marketing programmes were developed for each of these groups with a very specific marketing mix for each group. The full marketing plan includes the 7P's that Kotler suggests for service businesses although only the traditional 4 P's are used as illustration. A different value proposition for each group adds to the success of the programmes.

6. RESULTS

Although the marketing strategy is currently only in the implementation phase, positive outcomes can already be reported and some of the envisaged goals have already been exceeded.

7. ELSEVIER'S INVOLVEMENT

- The marketing plan was discussed with them and they have been made aware that we are partners and they are co-responsible for the sustainability of our subscription.
- They generously provide us with promotional and training material and as we have no marketing budget, this plays an important part in the success of the marketing effort.
- Our progress is being published in their electronic newsletter, SD Connect, and it creates a space where clients world wide can discuss marketing issues.
- The possibility of a workshop for potential authors, facilitated by Elsevier, will be investigated.

8. LESSONS LEARNED

- Partnership marketing, where company and client work together, can enhance own marketing efforts
- Libraries should take the responsibility to ensure good ROI
- A scientific approach to marketing is worth the effort
- Libraries have a responsibility to make the other role players in the value net aware of their contribution to the collective value of the value net

9. CONCLUSION

By taking the vendor, library and end user, as role players in the value net as an example, it is illustrated that each of them add value to the value net, making the whole greater than the sum of its parts. We do need each other, perhaps it is time to acknowledge it and use it to everybody's advantage.

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