THE PARADIGMATIC SHIFT OF SERVICE ORGANISATIONS:
A PROPOSED MARKETING MODEL FOR SOUTH
AFRICAN UNIVERSITY LIBRARIES

by

KATHLEEN JOEY KUNNEKE

submitted in fulfilment of the requirements for
the degree of

MASTER OF INFORMATION SCIENCE

at the

UNIVERSITY OF SOUTH AFRICA

SUPERVISOR: DR F TERBLANCHE

June 2001
DECLARATION

I hereby declare that *The paradigmatic shift of service organisations: a proposed marketing model for South African university libraries* is my own work and that I have quoted all the sources of information that I have used by means of a complete reference and acknowledgement.

K J KUNNEKE
June 2001
PREFACE

My thanks and appreciation to the following persons who made this research possible:

- To my Creator, for all the grace he bestowed on me and for giving me the endurance to complete this research
- Dr Fransie Terblanche, for her guidance and the thorough way she approached her task
- My son, Calvin for the many hours of my attention which he had to forego, his encouragement and the diagrams
- Chris, for his patience and support
- My extended family, for their support
- Mrs Sandra Mills, for the editing of the text
CONTENT

<table>
<thead>
<tr>
<th>DECLARATION</th>
<th>ii</th>
</tr>
</thead>
<tbody>
<tr>
<td>PREFACE</td>
<td>iii</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>xiv</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>xv</td>
</tr>
<tr>
<td>SUMMARY</td>
<td>xvi</td>
</tr>
</tbody>
</table>

CHAPTER 1: INTRODUCTION

1.1 BACKGROUND TO THE PROBLEM .............................................. 1
1.2 PROBLEM STATEMENT.......................................................... 3
1.3 SCOPE OF THE RESEARCH.................................................... 5
1.4 TERMINOLOGY........................................................................ 6
1.5 PURPOSE OF THE RESEARCH.................................................. 7
1.6 VALUE OF THE RESEARCH...................................................... 8
1.7 RESEARCH METHODOLOGY...................................................... 9
1.8 RESEARCH PROFILE............................................................ 10
1.9 CONCLUSION........................................................................ 11

CHAPTER 2: THE IMPACT OF A CHANGING EXTERNAL
ENVIRONMENT ON THE UNIVERSITY LIBRARY:
A PARADIGMATIC SHIFT
CHAPTER 3: THE SERVICE ORGANISATION

3.1 INTRODUCTION................................................................. 52
3.2 THE SERVICE ORGANISATION............................................... 52
3.3 THE SERVICE REVOLUTION.................................................. 55
3.4 CHARACTERISTICS OF A SERVICE....................................... 61
   3.4.1 Intangibility................................................................. 61
   3.4.2 Inventory................................................................. 61
   3.4.3 Inseparability............................................................. 62
   3.4.4 Inconsistency............................................................. 62
3.5 SERVICE QUALITY............................................................. 63
3.6 THE SERVICE TRIANGLE...................................................... 64
3.7 SERVICE CULTURE AND ITS SIGNIFICANCE FOR THE SUCCESS OF THE SERVICE ORGANISATION 66

3.8 WHY UNIVERSITY LIBRARIES ARE CONSIDERED TO BE SERVICE ORGANISATIONS 67

3.9 CONCLUSION 68

CHAPTER 4: THE EVOLVING ROLE OF MARKETING IN ORGANISATIONS: THE IMPLICATIONS FOR UNIVERSITY LIBRARIES

4.1 INTRODUCTION 70

4.2 MARKETING THEORY DISCUSSED 70

4.2.1 The evolution of marketing theory 70

4.2.2 Phases in the evolution of marketing theory 71

4.2.2.1 Production orientation 74

4.2.2.2 Sales and marketing orientation 75

4.2.2.3 Market focus 78

4.3 MARKETING DEFINITIONS DISCUSSED IN THE CONTEXT OF THE EVOLUTION OF MARKETING THEORY 80

4.4 CORE CONCEPTS OF MARKETING 82

4.4.1 Needs 82

4.4.2 Wants 83

4.4.3 Demands 84

4.4.4 Products 84
4.4.5 Exchange........................................................................... 84
4.4.6 Transactions...................................................................... 85
4.4.7 Markets............................................................................. 85
4.4.8 Customer........................................................................... 85
4.4.9 Marketing, exchange and transactions......................... 85

4.5 THE ROLE OF COMPETITION IN THE MARKETING PROCESS........................................................................ 88

4.6 THE POSITION OF UNIVERSITY LIBRARIES ON THE CONTINUUM OF MARKETING FOCUS AS A MANAGEMENT PHILOSOPHY................................................................. 92

4.7 WHAT COMPETITION DOES THE UNIVERSITY LIBRARY FACE?................................................................. 93

4.8 CONCLUSION......................................................................................... 95

CHAPTER 5: THE SERVICE MIX VERSUS TRADITIONAL MARKETING STRATEGIES

5.1 INTRODUCTION........................................................................... 96
5.2 WHAT IS A MARKETING MIX?............................................................. 97
5.3 THE SERVICE MARKETING TRIANGLE............................................... 97
5.4 WHY SERVICE MARKETING IS DIFFERENT...................................... 99
5.5 COMPOSITION OF THE SERVICE MIX: VARYING VIEWS................ 101
5.6 THE ELEMENTS OF THE SERVICE MIX........................................... 104
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.6.1 Product</td>
<td>104</td>
</tr>
<tr>
<td>5.6.2 Place (distribution)</td>
<td>106</td>
</tr>
<tr>
<td>5.6.3 Price</td>
<td>107</td>
</tr>
<tr>
<td>5.6.4 Promotion</td>
<td>107</td>
</tr>
<tr>
<td>5.6.5 Interaction</td>
<td>108</td>
</tr>
<tr>
<td>5.7 CONCLUSION</td>
<td>109</td>
</tr>
</tbody>
</table>

**CHAPTER 6: THINKING STRATEGICALLY ABOUT THE CUSTOMERS OF UNIVERSITY LIBRARIES**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1 INTRODUCTION</td>
<td>111</td>
</tr>
<tr>
<td>6.2 THE CUSTOMER DEFINED</td>
<td>113</td>
</tr>
<tr>
<td>6.3 WHY CUSTOMERS ARE IMPORTANT TO THE UNIVERSITY LIBRARY AS A SERVICE ORGANISATION</td>
<td>114</td>
</tr>
<tr>
<td>6.3.1 Revenue stream</td>
<td>114</td>
</tr>
<tr>
<td>6.3.2 Market valuation</td>
<td>115</td>
</tr>
<tr>
<td>6.3.3 Sustained competitive advantage</td>
<td>116</td>
</tr>
<tr>
<td>6.3.4 Catalyst for learning and change</td>
<td>117</td>
</tr>
<tr>
<td>6.4 STRATEGIC THINKING</td>
<td>118</td>
</tr>
<tr>
<td>6.5 STRATEGIES FOR DEVELOPING COMPETITIVE ADVANTAGE</td>
<td>123</td>
</tr>
<tr>
<td>6.5.1 Strategies for observing external influences and synthesising these into the organisation to ensure survival</td>
<td>123</td>
</tr>
</tbody>
</table>
6.5.1.1 Viewpoints on scenario planning as a tool for developing competitive advantage

(a) Porter ................................. 124
(b) Van der Heijden.......................... 125
(c) Jenkins........................................ 127

6.5.1.2 Six stages in the development and application of customer-based scenarios............. 130

6.5.1.3 Benefits of scenario planning................................................................. 131

6.5.1.4 The customer as the centre of the organisation.................. 132

6.5.2 Analysis of internal strengths and weaknesses to develop competitive strategies................................. 135

6.5.2.1 Porter’s process analysis and value chain as competitive differentiation........................................ 136

6.5.2.2 The model representing the generic processes of the organisation........................................ 137

6.5.2.3 Primary activities................................................................. 139

6.5.2.4 Support activities................................................................. 141

6.5.2.5 Subdividing the sales and marketing processes in the generic value chain model........................................ 144

6.5.3 Using the value chain to maximise the effectiveness of activities within the university library as service organisation................................................................. 146

6.6 BUSINESS PROCESS RE-ENGINEERING............................................. 148
CHAPTER 7: THE NEED FOR CUSTOMER EDUCATION AND STAFF COMMITMENT TO PROMOTE AND MAXIMISE THE PARADIGM SHIFT IN UNIVERSITY LIBRARIES

7.1 INTRODUCTION

7.2 PROMOTION AS AN ELEMENT OF THE SERVICE MIX

7.3 WHAT IS CUSTOMER EDUCATION?

7.4 WHAT CUSTOMERS CAN LEARN

7.5 OFFERING CUSTOMER EDUCATION TO MAXIMISE THE USE OF PRODUCTS AND SERVICES

7.6 DEVELOPING A DIALOGUE WITH THE CUSTOMER

7.7 CHANGING THE CONSUMER'S CONCEPT OF THE ORGANISATION THROUGH CUSTOMER EDUCATION PROGRAMMES AS A MEANS OF SUSTAINING COMPETITIVE ADVANTAGE

7.8 ESTABLISHING STRONG INTERNAL COMPETENCIES BY OBTAINING STAFF COMMITMENT TO THE CUSTOMER-CENTRED PARADIGM

7.9 CONCLUSION
CHAPTER 8: PROPOSED MARKETING MODEL FOR UNIVERSITY LIBRARIES

8.1 INTRODUCTION................................................................. 169

8.2 COMPONENTS OF THE MODEL............................................. 169

8.2.1 The external environment of the university library............. 171

8.2.1.1 Global economic, technological, information and education trends............................................. 172

8.2.1.2 University library customers.................................... 172

8.2.1.3 Human resources...................................................... 173

8.2.1.4 Capital resources...................................................... 174

8.2.2 The internal environment of the university library.............. 174

8.2.2.1 Strategic directives.................................................. 174

8.2.2.2 Processes............................................................... 175

8.2.2.3 Staff..................................................................... 176

8.2.2.4 Culture................................................................. 177

8.2.3 The marketing components............................................. 178

8.2.3.1 Interactive marketing and related processes............. 179

8.2.3.2 Internal marketing and related processes.................. 179

8.2.3.3 External marketing and related processes............... 179

8.2.3.4 Mission of the university library.............................. 180

8.3 CONCLUSION...................................................................... 180
CHAPTER 9: CONCLUSION AND RECOMMENDATIONS

9.1 INTRODUCTION.................................................................................... 181

9.2 FACTORS RESPONSIBLE FOR THE ESSENTIAL PARADIGM SHIFT
FROM A COLLECTION BUILDING PARADIGM TO A MARKETING
PHILOSOPHY IN UNIVERSITY LIBRARIES..................................... 181

9.3 INHERENT IDEAS AND PURPOSE OF A MARKETING
PHILOSOPHY AS THE STRATEGIC DIRECTIVE FOR THE
UNIVERSITY LIBRARY AS SERVICE ORGANISATION................... 183

9.4 TECHNIQUES THAT CAN BE APPLIED TO REDESIGN THE
UNIVERSITY LIBRARY AND ITS STRATEGIC THINKING TO
TURN IT INTO A CUSTOMER-CENTRED ORGANISATION............ 188

9.4.1 Scenario planning.......................................................................... 188

9.4.2 Customer-centred scenario planning.............................................. 190

9.4.3 Renewal strategies......................................................................... 191

9.4.4 Redesigning internal processes .................................................... 192

9.5 RECOMMENDATIONS.......................................................................... 193

9.5.1 Adopt a marketing philosophy as strategic directive in the service
revolution to ensure survival in the 21st century............................... 195

9.5.2 Become a customer-centred organisation....................................... 195

9.5.3 Scenario planning as technique to guide strategic thinking to
expedite the paradigm shift............................................................. 195

9.5.4 Re-design internal processes......................................................... 195

9.5.5 Keep service offerings competitive............................................. 195
9.5.6 Use the proposed marketing model to guide the marketing philosophy.................................................................................... 195

9.5.7 Educate staff as part of internal marketing to change the culture of the university library...................................................................... 195

9.5.8 Educate the customers of the university library as part of interactive marketing and bring about a paradigm shift........................................ 195

9.5.9 Make the customer the final arbiter of the success or failure of the university library as a service organisation.................................... 195

9.6 FURTHER RESEARCH......................................................................... 196

9.7 CONCLUDING COMMENT.................................................................. 196

BIBLIOGRAPHY ....................................................................................... 197
LIST OF FIGURES

CHAPTER 2
FIGURE 2.1 CONVERGENCE OF DISCIPLINES ............................................ 19

CHAPTER 3
FIGURE 3.1 CONVERGENCE OF DISCIPLINES: CHANGES IN
CUSTOMERS................................................................. 56
FIGURE 3.2 THE SERVICE TRIANGLE.................................................. 65

CHAPTER 4
FIGURE 4.1 CONVERGENCE OF DISCIPLINES: CHANGES IN
MARKETING AS A PHILOSOPHY............................................. 73
FIGURE 4.2 MARKETING, EXCHANGE AND TRANSACTION.................. 87

CHAPTER 5
FIGURE 5.1 THE SERVICE MARKETING TRIANGLE................................. 99
FIGURE 5.2 SERVICE DELIVERY BRIDGE........................................ 109

CHAPTER 6
FIGURE 6.1 THINKING STRATEGICALLY ABOUT THE
CUSTOMER............................................................................. 119
FIGURE 6.2 THE GENERIC VALUE CHAIN......................................... 137
FIGURE 6.3 THE SALES AND MARKETING PROCESSES......................... 145

CHAPTER 8
FIGURE 8.1 MARKETING MODEL FOR UNIVERSITY LIBRARIES........... 170
LIST OF TABLES

CHAPTER 2

TABLE 2.1 THE OLD AND THE NEW SOUTH AFRICAN UNIVERSITY LIBRARY PARADIGM ................................................................. 43

CHAPTER 4

TABLE 4.1 PHASES IN THE EVOLUTION OF MARKETING ..................... 76

CHAPTER 9

TABLE 9.1 THE CHARACTERISTICS OF MARKETING ............................ 185
SUMMARY

Rapid changes in the economic and world order have made it imperative for university libraries to make a paradigm shift from prestige collection building to a marketing philosophy as their strategic directive. This philosophy would direct university libraries towards decision making around customers' real needs and preferences, aligning organisational competencies and processes with these needs, resulting in more effective service delivery.

Changes in the world order, economics and marketing as a philosophy are presented on a timeline, revealing the influence developments in technology and the Internet have brought about. Various views on the influence of these changes in the world order are presented.

Marketing in service organisations is encapsulated in a service marketing triangle. Competitive advantage for the university library should be achieved if the internal processes of the library are analysed in the context of a value chain. A proposed marketing model has been presented to direct strategic thinking in the university library.
KEY CONCEPTS:

Marketing strategies; scenarios; service marketing; paradigm shift; sustainability; globalisation; customer; strategy; competitive advantage; customer education; marketing mix; service marketing mix; realignment of resources; threats; opportunities; connectivity; business process re-engineering; value chain; paradigm; informatisation
CHAPTER 1

INTRODUCTION

1.1 BACKGROUND TO THE PROBLEM

Traditionally university libraries were havens for collection building and storage of information sources related to the universal body of knowledge. Hence the focus was on patrons’ visiting the library, spending many hours in the library and being guided to the source of information by the librarian. The traditional university library currently faces the threat of extinction by information brokerage and the globalisation of information supply by computer networks, especially the Internet. University libraries must adapt to the fact that it is currently not essential to visit an actual building to find information pertaining to study, research or recreational needs.

It has become essential that libraries undergo a paradigm shift in order to focus primarily on the rapidly changing information needs and preferences of customers. These demands are being made on university libraries, as on all other organisations, as a result of technological change and most especially the computer, computer networks and the Internet. University libraries must focus on the changing demands of their customers. Computerisation, together with world economics, have a twofold influence on university libraries. On the one hand, lack of funding and rising costs force university libraries and all other organisations to look at running their businesses more efficiently in accordance with the economic principle. On the other hand, fulfilling the ever changing demands of the customers who in turn are becoming more discriminatively aware of the importance of the quality and currency of the information
they require in their world of work and study.

Many service organisations are undergoing business process re-engineering. This can lead to downsizing of the organisations because of budget constraints, influenced by current financial trends. Higher demands are also placed on the organisation in the area of efficient operation. Traditionally, in South Africa, service organisations have not undividedly looked at customer satisfaction and turn-around time as strategic scenarios. Focus has remained, especially in university libraries, on processes. Prestige collection building used to be paramount in university libraries. Less attention was given to customer education, and the services received have been mediated services rather than self-help services. When service organisations adopt a marketing philosophy, strategic thinking focuses on the environment in which the organisation functions, evolves and survives. Customised and more value-added services are the result. Market segmentation has to be closely observed since each segment has unique needs. When value is added to services, niche markets are captured and customer satisfaction should improve. This gains the information supplier, the university library, the competitive advantage.

The university library can be identified as a service organisation. A service can be defined as including "all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced, and provides added value in forms (such as convenience, amusement, timeliness, comfort or health) that are essentially intangible concerns of its first purchaser" (Zeithaml & Bitner 1996). All service organisations in South Africa, because of rapidly changing cultural scenarios and educational demands, face adaptation owing to global and local changes as well as financial constraints. The traditional locus of attention necessarily has to change in university libraries, namely from the traditional focus on collection building and minimal focus on real customer needs, to a strong awareness of the customer’s
actual needs derived from regular customer needs audits.

A marketing philosophy adopted in university libraries as part of a new approach in strategic thinking should be a solution to the extinction dilemma which university libraries are now facing. A marketing philosophy has become essential in order to relate to the customer and his or her rapidly changing needs, especially under present global conditions and the unique circumstances in South Africa. Services that add value to the customers’ experience with information gathering will ensure that the customer will return to the university library and not go elsewhere. Value-added services also give the supplier of information the competitive advantage. The actual survival of the information provider could even dictate that an online virtual library and not a physical building should be established which the customer would frequent or visit to obtain information needed.

1.2 PROBLEM STATEMENT

The success of university libraries in South Africa can only be determined by the fulfilment of their purpose in their external environment and the contribution they make to that environment. Therefore South African university libraries should react to all changes in their environment which influence their acceptance, contribution to and existence in that environment.

A university library has a responsibility to adapt its services to the changing educational scenarios since it underpins the success of the university’s tuition. The tuition policy of the university itself is similarly affected by technology and the globalisation of information to which it must continually adapt.
A marketing philosophy should play a major role in a paradigm shift in information supply by South African university libraries, as service organisations, from a prestigious collection development mindset to a market related, customer-oriented approach. We should ask the question: how should libraries counter the threat of extinction? The academic and research institutions (as the suppliers of education and the parent body of the information service) and the traditional library (as a support service to the academic or research institution), are both under threat from globalisation of education as well as information supply. To develop grandiose collections which are never used does not give university libraries the competitive advantage.

The assumption remains, that the emphasis will be on the quality of education in the emerging South African student base and that universities will have to adapt their tuition models to current online trends. Simultaneously, however, they will have to continue with paper-based tuition models, especially in the hybrid third and first world situation in which South Africa currently finds itself. The customer base will therefore remain diverse and a variety of services will have to be offered, but some services will gradually be phased out, owing to customer education.

South African university libraries now exist in a new technological era in which the storage of information is not limited to actual buildings, but to distribution of information by means of technological carriages of information. Computers and computer networks, accessible from remote locations are common forms of technological carriages. This has resulted in the necessity for a paradigm shift for both the university libraries' customers and the university library itself. Customers' needs and preferences have changed with regard to how they access
information. Since educational needs have also changed, the university library has to adapt to all the changes by determining the needs and preferences of its customers and then synergistically matching its internal processes and service offerings to satisfy the needs and preferences of its customers and not vice versa. This should result in the university library becoming customer centred and market oriented and therefore requires a marketing philosophy as strategic directive.

The central thesis is that if South African university libraries adopt an appropriate market related approach as a service organisation and adapt their internal processes and service offerings to customers' actual needs and preferences, rather than their perceived needs, they will be in a position of synergy with their market and have undergone a paradigmatic shift. This shift will be a shift to a marketing philosophy as strategic directive and a means of survival within the scenario of globalisation of information and rapid technological change of its environment.

The research question to which an answer should be developed can therefore be formulated as follows: If a marketing philosophy is adopted by South African university libraries, would it result in the needed paradigmatic shift to adapt to the relevant global, technological and economic changes and changes in the needs and preferences of its customers to ensure its survival in the 21st century?

1.3 SCOPE OF THE RESEARCH

This research falls within the domain of the humanities. In the disciplinary context the research
will focus on Library and Information Science and particularly on Library Management. Since marketing is a function of Business Management, the theories of Business and Marketing Management are applied to Library Management.

In this study the fundamental business and marketing models and theories are applied and adapted to encompass the functions of the University Library as a business unit of the University. Techniques that library leaders can use to creatively encompass the marketing philosophy in the university library are discussed.

1.4 TERMINOLOGY

To clarify the area of research certain terms will be explained and used consistently throughout the text.

Business process re-engineering

“The fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed” (Hammer & Champy 1993:32).

Customer

“End-users of a product, service or other form of offering” (Cannon 1996:123).

Marketing

“A management style based on a service philosophy which is:

- user orientated rather than service or product centred
- concerned with quality rather than quantity
- emphasises the effectiveness of the service
• emphasises the advantages that the service offers the user” (Cronin 1985:115).

Marketing research

"The systematic and objective collection, analysis and interpretation of information for decision making and marketing problems of all kinds by recognised, scientific methods” (Martins, Loubser & Van Wyk 1996: 6).

Market research

"Market research involves the systematic, objective collection of information by recognised, scientific methods, but is usually confined to the collection of data about the size and other characteristics of specific markets” (Martins, Loubser & Van Wyk 1996:6).

Service marketing mix

Elements an organisation controls that can be used to communicate with and satisfy customers. These are product, place, price, promotion and interaction.

1.5 PURPOSE OF THE RESEARCH

To devise a proposed marketing model for South African university libraries which can serve as a guideline in making the paradigm shift from prestige collection building and a focus on processes, to a marketing philosophy. A marketing philosophy as a strategic scenario and directive should result in the university library becoming customer-centred, revisiting its internal processes and competencies and realigning these to create value for the customer. When a marketing philosophy is adopted, a dialogue has to be established between customers’ needs and preferences and the competencies of the organisation and therefore both the customers and the staff have to be educated in the new paradigm. Ultimately, the sustainability
of the university library as service organisation in the competitive and changed environment in which it functions, because of changes in the world order and in technology, should be achieved within the framework of the proposed model.

1.6 VALUE OF THE RESEARCH

The value of the research will lie in the fact that a marketing philosophy will afford university libraries a fresh view of their strategic direction and their position in the competitive environment, and help them to align their services with the changed needs and preferences of their customers in order to become sustainable. Since university libraries, as service organisations, are under threat of decreased funding because of financial trends and the changing needs and preferences of their customer base, as well as the globalisation of information supply through computer networks, higher demands are being placed on libraries to operate more efficiently. Traditionally, in South Africa, service organisations have not given undivided attention to customer satisfaction, turn-around time and adding value for the customer in order to remain competitive and sustainable. Focus has remained, especially in libraries, on processes. Prestige collection building used to be paramount in university libraries. Little attention used to be given to customer education and the services received were mediated services rather than self-help services. When service organisations adopt a marketing philosophy the movement is towards customised services. Market segmentation has to be closely observed. When value is added to services, niche markets are captured and customer satisfaction should improve. This gains the information supplier the competitive advantage.

The proposed marketing strategy should be valuable to all university libraries in South Africa, helping them to visualise the university library within a marketing model. The marketing model
should guide the university library as a service organisation in aligning its processes with its competencies and offering products that are better suited to the needs of the more discriminating customer. The research also serves as a guideline for introducing marketing processes into the university library as a service organisation.

The proposed marketing model can be recommended as a basis on which to revisit the university library model of the present and adopt a marketing philosophy as a strategic directive and a means of remaining sustainable amid the powerful wave of change facing university libraries. With the current tendency of tertiary libraries in South Africa to form consortia, such as GAELIC (Gauteng and Environs Library Consortium), to expedite resource sharing, since they are all under budget constraints, this model could also be used to align the services offered by the various members of the consortia in a joint effort to customise services for customers being served by members of the consortia.

1.7 RESEARCH METHODOLOGY

The research is non experimental and is status descriptive in nature. It will be an attempt, by means of an extensive literature study, to identify, analyse and interpret trends and developments pertaining to the field of study, as accurately as possible. Any available literature which is applicable and of significance to university libraries will be used, as well as literature concerning economic and marketing trends. The literature study will set out to support the central thesis that marketing principles can be applied to South African university libraries to expedite a paradigm shift. The body of relevant literature is comprehensive and rich enough to support the central thesis. Data will be collected to describe the current state of affairs concerning marketing principles applied to service organisations, in general, and how these can
be applied to South African university libraries.

Marketing and business models are going to be assessed, and amalgamated to create a visualisation tool for thinking strategically about university libraries. Conclusions will be reached and recommendations will be made regarding the adoption of a marketing philosophy.

This approach is chosen instead of empirical research or a case study method since the research is descriptive and only identifies principles applied within the discipline of Business Management which can be gainfully applied to the Information Science discipline, for example the Porter’s Generic Value Chain (1985:37) (cf sect. 6.5.2.2) and does not set out to prove their validity statistically. The conceptual marketing philosophy espoused by this research is new for South African university libraries. Elements of the philosophy are being followed by South African university libraries, such as, promotion of the university library and selling of services of the library, but the marketing processes and philosophy as conceptualised in this study seem not to have been applied to South African university libraries. It would therefore not be meaningful to conduct empirical research on a central thesis that has not been applied in practice on a large enough basis.

1.8 RESEARCH PROFILE

In this research the chapters will be presented in the following order:

Chapter 1: Introduction

Chapter 2: The impact of a changing external environment on the university library: a paradigmatic shift
Chapter 3: The service organisation
Chapter 4: The evolving role of marketing and competition in organisations: the implications for university libraries
Chapter 5. The service mix versus traditional marketing strategies
Chapter 6. Thinking strategically about the customer of university libraries
Chapter 7. The need for customer education and staff commitment to promote and maximise the paradigm shift in university libraries
Chapter 8. Proposed marketing model for university libraries
Chapter 9: Conclusion and recommendations

1.9 CONCLUSION

From the preceding synopsis of the research it appears that a marketing philosophy will have a decided contribution to make to the change required, if university libraries are to remain sustainable in times of uncertainty, when they are under threat. It will also afford the university library opportunities to gain a competitive advantage, when it can realign the competencies of the organisation with the changed needs and preferences of its market segments. The background to the problem and the problem statement of the research have been described. The value of the research has been highlighted and the methodology described. Lastly, the research profile was presented.

In chapter 2 the historical impact that the changing world order and therefore the external environment in which organisations and the university libraries function will be discussed.
CHAPTER 2

THE IMPACT OF A CHANGING EXTERNAL ENVIRONMENT ON
THE UNIVERSITY LIBRARY: A PARADIGMATIC SHIFT

2.1 INTRODUCTION

A paradigmatic shift in the knowledge organisation industry has occurred, since knowledge distribution is not restricted at present by any boundaries, such as place, tradition or history, because of technological innovations. A twofold paradigmatic shift has occurred, both in the customer and in the service organisation. Paradigms as organising principles change, to adapt to a changing world order and rapidly changing technology and communication systems. Service organisations are instantly affected, since the demands of customers change because their view of the world is often influenced by the changes taking place around them. Bounds et al (1994:5) state that: - “As technological and economic development continues, the number of global competitors will continue to increase. Customers now expect more because competitors offer more.” University libraries as service organisations need to adopt a marketing philosophy and “customer value strategy” as do all other enterprises. The basic principle for an organisation’s sustainable success lies in the fact that it must continuously learn and change its managerial style and strategy, in order to renew itself and remain competitive in the marketplace.
2.2 THE PARADIGM DEFINED AND DISCUSSED

Kuhn (1962:x;65;68) defined a paradigm as the

"... universally recognized scientific achievements that for a time provide model
problems and solutions to a community of practitioners. [The] failure of existing rules
is the prelude to a search for new ones and that anomaly appears only against the
background provided by the paradigm. The more precise and far-reaching that
paradigm is, the more sensitive an indicator it provides of anomaly and hence of an
occasion for paradigm change."

Kuhn was applying the concept of the paradigm to the development of science, but the
concept also applies to managerial and organisational theories.

Treseder (1995:9) approaches the concept from a more personal perspective; her perspective
is that of a life paradigm in which an individual conducts his life and actions. She therefore
describes a paradigm as “a way of looking at the world, a system for understanding experience
based on some sort of organising principle”.

Bounds et al (1994:6) describe the concept as follows: “The notion of ‘paradigm’ and
‘paradigm shift’ is one of the keys to managing change. For managers, paradigm consists of
the organisational realities (such as values, beliefs, traditional practices, methods and tools)
that members of a social group construct to integrate the thoughts and actions of its members.
A paradigm provides rules and standards as well as accepted examples of managerial practice,
laws, theories, applications and instrumentation. To put it simply, a managerial paradigm
consists of the way people think and act in conducting business.” Bounds et al (1994:7) also rightly comment that “The education that prepares managers for professional practice reflects a particular management paradigm. It provides managers with beliefs about:

- the fundamental entities of business
- how entities interact
- questions that should be asked and
- what techniques should be employed in seeking solutions”.

As managers shift from one paradigm to another, their beliefs will change and so will their actions. This shift may require re-education about management thought and practice... When many beliefs and actions change in concert within the organisation, the transformation is referred to as “a paradigm shift”.

There are three stages in the scientific paradigm shift, as described by Bounds et al (1994:7):

- normalcy (working within a paradigm)
- anomalies (events that contradict the paradigm)
- replacement (changing the paradigm)

It is therefore evident that the concept “paradigm” can be applied to any given set of organising factors in any sphere of life. Within the framework of information supply and library management, the evidence of the paradigmatic shift has become very prominent within the last decade, requiring decided efforts to re-educate information workers. Evidence also abounds, in the university library sphere, concerning the first two stages through which university
2.3 THE PARADIGM SHIFT IN WORLD ORDER, COMMERCE AND KNOWLEDGE: A DISCUSSION

2.3.1 Global paradigmatic shifts

The development of technology throughout history has been the greatest catalyst in paradigmatic changes in the global economy. Not all countries have been influenced simultaneously. Technological change typically starts with the leaders in global economies and then has a trickle-down effect on smaller countries and especially developing, or “Third World countries” (Drucker 1993:13; Toffler 1980:28). This has been very much the case, historically, in South and Southern Africa.

Technology has influenced the ways in which business is conducted, communication systems develop, competition, marketing and knowledge flow change and therefore the way organisations grow and survive. The paradigmatic changes in society, values and the pace of life are also dramatically influenced by technological change. When writing about the change in universities which is the direct result of global trends Weber (1999:36) contends that the changes have been brought about by two aspects: “globalisation” of the economy and the “virtualisation” of reality. Both are closely bound up with the rapid development of the media. These various changes need to be highlighted and discussed to determine their influence on society, business, the economy and ultimately how the growth and survival of the library as an
organisation has been and will be influenced. Technological change has dramatically influenced the role of marketing and its power to be instrumental in essential changes in organisations or enterprises, that will result in their survival in the 21st century.

Drucker (1993:19-21) postulates that within one hundred and fifty years, from 1750-1900, capitalism and technology conquered the globe and created a new world society. Neither capitalism nor technological innovations were new to this period, but the speed at which they occurred and were diffused globally was unprecedented in the previous years. This transformation was driven by a radical change in the meaning of knowledge.

Previously knowledge had always been applied to being, where it was a private good. Knowledge was pursued for the sake of knowledge, enlightenment and wisdom. Then almost overnight it began to be applied to doing, when it became a utility and resource and a public good. During the first period, extending over the first hundred years, namely the mid-eighteenth century to the mid-nineteenth century, knowledge was applied to the tools, processes and products which resulted in the Industrial Revolution. Knowledge came to mean organised systematic and purposeful knowledge or in other words applied knowledge. This lead to the alienation of people, the creation of new classes and a class war, with Communism as an ideology. A proletarian class arose, with resultant alienation of the classes and control by a privileged group. From about 1880-1945, during the second phase, knowledge began to be applied to work, and a productivity revolution ensued which in 75 years converted the proletariat into a middle class bourgeoisie with a near upper-class income. The productivity revolution thus put an end to the class war and Communism.
In the last phase knowledge began to be applied to knowledge itself. This resulted in what Drucker (1993:33;42) calls the management revolution, in which knowledge began to be the sole factor of production, sidelining both capital and labour. Around 1881 Winslow's scientific approach to organising work ushered in this phase which was perhaps the ultimate step in the transformation of knowledge. Supplying knowledge to find out how existing knowledge can best be applied to produce results is in effect what is meant by management. The change in the meaning of knowledge is seen as both the key personal and the key economic resource.

Labour and capital have not disappeared, they have become secondary and can be obtained easily, provided that there is knowledge. Knowledge in this new sense means knowledge as a utility and a means to obtain social and economic results. But knowledge is now also being applied systematically and purposefully to define what new knowledge is needed, whether it is feasible to produce this new knowledge and what has to be done to make knowledge effective.

Drucker (1993:5) feels that we have a knowledge economy and a post-capitalist society in which capitalists and proletarians will be replaced by knowledge workers and service workers. Capitalist society was dominated by two social classes; the capitalist class who owned and controlled the means of production, and the workers. "That knowledge has become the resource, rather than a resource, is what makes our society 'post-capitalist'. This changes fundamentally - the structure of society. It creates new social and economic dynamics" (Drucker 1993:45). The knowledge that is now considered to be knowledge is "information effective in action" (Drucker 1993:46). Drucker (1993:8) also states that "the economic challenge of the post-capitalist society will be the productivity of knowledge work and knowledge workers". The social challenge of the post-capitalist society, he states, will be the dignity afforded the service workers. Service workers as a rule lack the necessary education to
be knowledge workers but constitute the majority of workers. Statistics for South Africa show that service workers comprise 54.3% of all workers. This percentage includes community, social and personal services, the wholesale and retail industries, the motor trade, hotels and transport (Statistics South Africa: 1999).

Drucker (1993: 16) also states that “nothing ‘post’ is permanent or even long-lived. Ours is a transition period.” He questions what the future will be like, and whether the knowledge society will materialise, but concludes that this depends on how developed countries, their leaders, and every person in his working life responds to the challenges of this transition period.

A comparison can be drawn between the development of knowledge which Drucker (1993) postulates and the waves of economic development which Toffler (1980) refers to. The economy has passed through a progression of these various waves. We can therefore deduce that these waves were influenced by certain paradigmatic shifts, especially in technology.

Toffler (1980:28) distinguishes three waves:-

• The First or Agricultural Wave which lasted from 8000 BC to the mid-eighteenth century and dominated the earth unchallenged until around 1650-1750. From this moment the First Wave lost momentum as the Second or Industrial gained momentum.

• The Second or Industrial Wave which lasted until the late twentieth century. Industrial civilisation was the product of the Second Wave until it too crested.

• The Third or Information Wave which began in the 1960s and in which in the United States the white-collar workers and the service workers outnumbered the blue collar workers for the first time. This was also the era in the United States which saw the
widespread introduction of the computer and the commercialisation of jet travel. This wave arrived on different dates in most other industrial nations and will last for many decades to come. This resulted in the fact that all the high-technology nations, according to Toffler, began reeling from the collision between the Third Wave and the obsolete, encrusted economies and institutions of the Second Wave. Twenty years after this statement made by Toffler, one cannot say that society has come out of the 'reeling' phase.

FIGURE 2.1

CONVERGENCE OF DISCIPLINES

Source: Adapted from Hope & Hope (1997:2)
Toffler (1980) attributes the progression through the economic waves to:

- a radical disillusionment with old institutions
- a common recognition that the old system has broken beyond repair and
- a recognition that change is needed in various spheres.

He distinguishes the following spheres:

- the "techno-sphere"

All societies, primitive, agricultural or industrial, use energy, make things and distribute things. In all societies the energy system, the production system and the distribution system are interrelated parts of something larger. This larger system, according to Toffler (1980:41) is the techno-sphere and it has a characteristic form at each stage of social development.

The First Wave economy functioned in an agricultural techno-sphere where goods were made by the handcraft method, and products were created one at a time on a custom basis. The same was largely true of distribution: the products reached the consumer through very small stores, by wagon and on the backs of pedlars.

In the Second Wave economy agriculture was replaced by an industrial techno-sphere. Non-renewable energies were directly plugged into a mass production system which in turn spewed out goods into a highly developed distribution
system. According to Toffler (1980: 143) it drew on highly concentrated, exhaustible deposits such as coal, it relied on heavily centralised technologies and it was non-diversified, depending on relatively few sources and methods.

As Second Wave energy sources dwindle, the energy sources of the Third Wave will have to come from renewable rather than exhaustible sources. They will have to depend on widely dispersed sources, rather than highly concentrated and decentralised energy production and rely on a variety of methods and sources. Third Wave industries use a mixture of scientific disciplines such as “quantum electronics, information theory, molecular biology, oceanics, nucleonics, ecology and space sciences” (Toffler1980:150). From these sciences arose our radically enhanced manipulative abilities in areas such as computers and data processing, aerospace, sophisticated petrochemicals, semiconductors, advanced communication, etcetera.

Since the major growth and development which has taken place in electronics and computers, computers have reshaped not only business (Toffler1980:152), but production and retailing and the very nature of work. Similarly, the electronics industry has a multitude of new applications. The telephone companies now use fibre optic systems, microwaves and satellites to convey messages and thus do not depend on copper resources. The electronics revolution may be one of the most powerful conservation strategies and a rapid substitution for low-energy Third Wave industries. The fibre optic systems which use hair-thin light-carrying fibres to convey messages take far less energy
to manufacture than it took to dig, smelt and process an equivalent length of copper wire.

The distribution of products has also changed to incorporate the customer, who now shares in distribution. As a result the self-service outlets have spring up. It also has become a trend to include customers in designing the product.

- the "socio-sphere" (Toffler 1980:46)

The socio-sphere comprises forms of social organisation. Before the Industrial Revolution agriculture was dominant and there was a tendency to live in large multi-generational households, with all members working together as an economic production unit. The family was also immobile and rooted in the soil.

In the Second Wave where workers had to be freed for factory labour the family passed out key functions to new specialised institutions, such as schools. Mobility was necessary in the new society because workers had to follow jobs from place to place, especially to cities. This altered relationships within the family unit and between parents and children. The family no longer worked together as a unit. The so-called nuclear family of parents and children resulted and families shed unwanted relatives. Children were prepared for factory life and this resulted in mass education. In the Third Wave there seems to be a return to more private schooling and individualised development of the potential of scholars.
In the Third Wave the nuclear family still exists. However “we are moving out of the age of the nuclear family into a new society marked by diversity in family life ... people moving through this system, tracing personalized or ‘customized’ trajectories during the course of their lives ... the nuclear family will be only one of the many socially accepted and approved forms. The family systems is being de-massified” (Toffler 1980:225).

A third social institution of the Second Wave was the invention known as the corporation, which extended the social control of the other two. Up till then a typical business enterprise would be owned by an individual, a family or a partnership. Corporations were extremely rare. Second Wave economies required giant pools of capital to undertake big projects. The path of most Second Wave people also followed a standard “life trajectory” (Toffler 1980:45): reared in a nuclear family; moved en masse through factory-like schools; then entered the service of a large corporation, private or public.

In the Third Wave the corporate organisations are in an identity crisis (Toffler 1980:239) because they are operating in a confusing environment. The structures designed for the Second Wave world are no longer adequate. The managers who run corporations struggle to relinquish corporate power. They still battle for profits, production and personal advancement, but are faced with high levels of unpredictability, much public criticism and environmental obligations. The very speed of change facing executives forces them to make more and more decisions at a faster and faster pace, as the pressure of global
trends impacts on the corporation. Corporations are required to de-massify.

- the “info-sphere” (Toffler 1980:46)

A civilisation is more than just a techno-sphere and a matching socio-sphere: it also requires an info-sphere for producing and distributing information. In the First Wave face-to-face communication or person-to-person communication presented no difficulty, but the sending of messages across time and space was preserved as a weapon of the elite and used for purposes of political and social control.

The Second Wave economy required the right coordination of work done at many locations and not only raw materials but also great amounts of information had to be produced and carefully distributed. The industrialised countries raced to build a postal service which provided the first open channel of communication in the industrial era. Writing could, however, not meet the mushrooming informational distribution needs of the industrial societies and so the telephone and the telegraph were invented. These systems were efficient in communicating messages from one sender to another but could not meet the need of the larger industries to send messages to millions of people simultaneously. From this need arose the mass media, namely newspapers, magazines, radio, cinema and television, in which one message could be communicated to the masses. This info-sphere led to an intermingling of services, the techno-sphere and the socio-sphere, and helped to integrate
economic production with private behaviour.

In the Third Wave as change accelerated in society it forced parallel acceleration within the individual. New information reaches the individual and his/her image file must be updated continuously. The deep structures of information on which we base our daily actions are transformed. We are bombarded with information on all fronts from journals, television, the radio and now the Internet and progressively the individual feels out of control and often inadequate when faced with the task of internalising all the information and the changes advocated. Third Wave people must learn to turn their own string of modular information into a meaningful whole.

Toffler (1980:178) succinctly expresses this in stating that "the de-massification of the civilization, which the media both reflect and intensify, brings with it an enormous jump in the amount of information we all exchange with one another. And it is this increase that explains why we are becoming an 'information society'. ... As a result people and organizations continually crave more information and the entire system begins to pulse with higher and higher flows of data. By forcing up the amount of information needed for the social system to cohere, and the speeds at which it must be exchanged, the Third Wave shatters the framework of the obsolete, overloaded Second wave infosphere and constructs a new one to take its place."
In referring to the psycho-sphere Toffler distinguishes three basic requirements of any individual, namely, the needs for community, structure and meaning. Today the techno-societies have created a society where individuals have a sense of loneliness. Society should generate a feeling of community in which the individual feels he belongs. The corporation is an example of this, since as it has grown, it has become more impersonal and more diversified, resulting in little sense of a shared mission. In the Third Wave the company does not offer lifetime employment as in the Second Wave. On-the-job relationships are not particularly deep any more as employees often work on a contract basis where transient relationships with staff become the usual thing. The Third Wave encourages diversity and not similarity and the de-massifying of society but it also makes human contact more difficult. This could lead to a breakdown in structure and meaning for the individual. Life lacking in comprehensible structure could become aimless. Structuring life under today's conditions of high social and technological turmoil becomes harder and harder. The over-abundant choice of lifestyles, schedules and educational opportunities increases the difficulty of life and this must be recognised by the service organisation.

The Third Wave will be driven by technology and knowledge workers. The progress is S-shaped. According to Hope and Hope (1997:2), the waves interlink at the curves. The transitional periods between these waves have not been smooth. As they interlink on the curves there is an early period of dislocation, followed by a long spell of maturity and then
eventual demise as new technologies take over. According to Toffler (1980:141), major trends do not occur in a linear fashion. They reach tipping points which explode into new phenomena, reverse direction and stop and start. “Because something has been happening for three hundred years is no guarantee that it will continue... The future is fluid not frozen. It is constructed by our shifting and changing daily decisions, and each event influences all others.”

Friedman and Gyr (1998:151), applying the S-shaped curve to the business life cycle, explain that this simple curve sums up a natural phenomenon and is useful in illustrating the dynamics of development. Development begins with slow or even negative growth in the start-up phase, moves into a phase of accelerated growth if the phase is succeeding, and then levels off to a slow growth once maturity is reached. A plateau of no growth during a phase sets in and finally there is a move into decline or potential demise. Forces of demise often lie in the external environment of a certain development. As Friedman and Gyr (1998:152) explain, it is important to note that there may be two phases of development at a given time, when the traditional phase and the newer phase co-exist. This is depicted diagrammatically as two S-shaped curves overlapping as the one phase is in a state of demise and the other is starting up. There is also a stage, which they explain, when the leap must be taken to the new phase. This seems to be the stage that we are currently in, which involves making the leap from the Second to the Third Wave.

Allee (1997:10) draws our attention to the fact that knowledge application in this third phase indicates that renewing knowledge is the key to holding the competitive advantage. Renewal means not only creating new knowledge but also letting go of old knowledge. “All this adds up to a radical overhaul of the old knowledge equation. The old equation prior to the Information
age was knowledge = power - so hold on to it. Managers and workers gained power by having information and acting on that information for their personal benefit. The rapid expansion of technological knowledge makes the old equation obsolete. No one can successfully hoard information anymore. In fact, if they do, there is an ironclad guarantee that the knowledge that they are hoarding will become obsolete and useless in hours, days, weeks, or at most a few months. Furthermore, trying to lock up knowledge stifles the life-giving flow of information that allows a system to self-organise and renew itself. Today, the new knowledge equation is knowledge = power - so share it and it will multiply. That is the economic reality of the new knowledge society” (Allee 1997:16).

Echoing this statement, Brown and Woodland (1999:5) state that “greater shared knowledge tends to create new knowledge ... an organisation constantly developing new knowledge and directing its efforts toward the entertainment of the (shared) organisational goals with a unity of purpose, would be a formidable competitor as compared to an organisation comprising discrete individuals each pulling in his own direction for personal career enhancement”.

Leonard-Barton (in Cross & Israelit 2000:105) uses Chaparral Steel as an example of an organisation where knowledge is liberally shared. She refers to a statement made by the Vice-President of operations of the organisation, Dave Fournie, to the effect that “the point is to focus on the good of the whole. That is why we don’t have suggestion boxes, where you hide ideas so someone else won’t steal them.”

It is therefore quite clear that this should also apply in any service organisation and especially in organisations dealing with information transfer.
Hope and Hope (1997:7) state that “knowledge has no respect for place, history or tradition”. Knowledge can be deployed from anywhere at any time by any person or organisation. This in the researcher’s opinion is what libraries have to consider when making the paradigm shift to a marketing philosophy, taking into account that the information seeking activities of its clients are changing in this Third Wave scenario. Hope and Hope (1997:7) also believe that in this developmental phase “prospects for growth, jobs, education and social stability are less predictable”.

The industrial age has been left behind; we are in the digital or information age or what Hope and Hope (1997) refer to as the “third wave economy”. The current business organisation has evolved during the second wave, but many of the accepted managerial principles and practices that brought success throughout that period are now out of kilter with the competitive environment of the information age.

Braman’s view (1993:133) is that postmodernism, information economics, mass communication, telecommunication, popular culture and managerial theory, until now each offered its own conception of the information society, distinguished by disciplinary history as a means of analysis. However, these are all areas of social change because of societal demands, stimulated by technological development and dependant upon the global information structure. This leads to less faciticity (fewer things are acquired as easily as before) and therefore competition escalates. For each field, however, quantitative change leads to qualitative change.

Braman (1993:133) as a communication specialist postulates that the information society has
three stages:

• The first began in the mid-nineteenth century, characterised by electrification of communication.

• The second began in the late-middle twentieth century. Characterized by the convergence of technologies and awareness of the centrality of information.

• The third at the beginning of the 1990's characterized by the harmonization of information systems across borders and with other social systems.

Therefore these changes in the communication environment are significant for the future of the field because they represent shifts in the very nature of our subject matter and require new ways of thinking.

If one combines the above ideas diagrammatically (figure 2.1), one can see how the developments in each discipline converge in a time scale. These changes are indicative of interrelated paradigm shifts at various stages in the various disciplines. These shifts do not seem to have occurred in isolation, however. The often similar influence of the development of technology is evident in many of these paradigm shifts. Management practice and marketing styles have been simultaneously influenced and this has therefore influenced the way organisations are run. The influence of changing paradigms in communication which is directly influenced by technological invention is especially evident. These world order paradigm shifts also influence educational systems and university libraries, as students are prepared differently.
to face the challenges of the new or emerging world order.

We seem to be entering the last curve of the S-shape of the 1960 - 2000 period that Toffler refers to, where there is dislocation and demise, as has been seen in university libraries. New technologies are taking over. “Old jobs become obsolete, vast retraining programs are needed and education formats have to adapt as new wave businesses demand more appropriate skills and relevant knowledge” (Hope & Hope 1997:70). Therefore libraries must be pro-active in the skills transfer associated with information and computer literacy (cf sect. 7.4, 7.5 and 7.6).

Many of the accepted management principles and practices have become outdated because of the competitive nature of the information age. Service organisations dominate. Customisation, marketing and customer support are desirable for providing value. The skills of knowledge workers are therefore considered to be one of the major resources of the organisation. Hope and Hope (1997:70) define knowledge work as having “acquisition, creation, packaging, or application of knowledge” as its primary activity.

Characterized by variety and exception rather than routine, it is performed by professional or technical workers with a high level of skill and expertise. Knowledge work processes include research and product development, advertising, education and professional services like law, accounting, and consulting ... [and] include management processes such as strategy and planning (Sloan Management Review: 1996).
Hope and Hope (1997:70) add that all workers’ jobs involve a significant element of knowledge work - that is, the jobs of those who use and interpret information to make decisions.

Hope and Hope (1997:4-5) identify six areas of change that the competitive landscape of the third wave will produce, with unpredictable consequences for countries’ businesses and individuals. These are:

- the impact of technology
- the global market
- government-driven changes (such as deregulation)
- the changing face of competition
- the changing pattern of employment
- the rise of knowledge as the key economic resource

Technology is creating new forms of the organisation. There is a cost advantage to outsourcing or insourcing components of a service and the development of alliances and economic webs. According to Hope and Hope (1997:5), the ultimate expression is being found in the virtual corporation, which uses technological links to coordinate its supply and market activities without owning any of these. University libraries could follow this approach. New delivery systems must be developed instead of just onsite delivery. The pace of technological change is shortening product life cycles and creating new opportunities for mass customisation. Technology can be used to find and satisfy the exact needs of customers. Customers do not remain loyal just because they have been serviced by a company for a long period. Dissatisfied
customers are quick to defect if they can get better value or better service elsewhere.

In the global market the flow of information is global. Buying and selling globally does not mean, as in earlier times, that staff and premises need to be relocated or branches opened. Professionals working in one location can control and respond to events and deploy their expertise from a central computer where they live. The impact should be to make your brand name immediately recognisable in any part of the globe. Global “shopping” for information via the Internet is creating huge marketing opportunities for any enterprising organisation that can display its wares on the World Wide Web and deliver products directly to the customer.

Hope and Hope (1997:14), Weinstein and Johnson (1999:24) and Daniels and Daniels (1993:57) state that with sophisticated customers in charge of the marketplace with technology at their fingertips, organisations must choose their strategies carefully. Whether university libraries opt for low cost and convenience or pursue specialised niche markets and customisation, complexity is likely to be the order of the day. As customers learn to use digital pathways suppliers can expect a change in the demands of customers. Once customers begin to choose products and services that exactly suit their needs at the lowest price, suppliers will need to build capabilities that are flexible and adaptable. The organisation must match its competencies to its customers and by strengthening this link continue to improve the value they offer.

2.3.2 The impact of global trends on information production and libraries

Problems with access to information have existed since the days before writing was invented
but they have been exacerbated in recent years by the so-called information "explosion" resulting from the application of technology to information production and distribution. This proliferation is the outcome of a whole chain of historical circumstances, ranging from the invention of the first codex and then the printed book, to the growth of scientific information and the birth of the journal format in the seventeenth century. More recent accelerators have ranged from the use of computers in publishing and administrative control, to the speed of long-distance travel and communication, and the growth of more sophisticated information needs among better educated and more information conscious user populations (Walker 1992:119).

A brief discussion of book selection activities from antiquity to the present can sketch the paradigmatic changes in library oriented thinking of the various periods up to the present. These developments each illustrate the ideas of Bounds et al (1994:7) concerning paradigm shifts and the stages of normalcy, anomalies and replacement in the progress from an existing paradigm to a changed paradigm. The word "selection" in publications on the history of libraries in Western Europe can be traced throughout the various centuries. To quote Jackson's view (1974:33) on the period of the Middle Ages to 1225: owing to "the technical limitations of book production by hand, book selection before the invention of printing consisted not only of choices from myriad publication lists but of decisions as to what was worth assigning man hours to copy. Copying was indispensable. Library collections and library quarters were developed, or not developed, according to the outcome of struggles beyond the walls".

From approximately 1400 to 1600 humanism and other movements customarily associated
with the Renaissance reached successive peaks in different countries at different times for
different reasons and with different characteristics. The movement associated with the
Reformation followed a similar pattern (Jackson 1974:100). The chronological boundaries of
1400 to 1600 are a convenient framework in which to consider how the suppression of
medieval civilization by capitalism and nation states, in large portions of Europe, affected book
making and distribution, book selection and some major phenomena of library life. The church
reacted quickly to the achievements of Gutenberg, and Rome pressed the leading archbishops
of Germany to exert their influence (1479;1501) to see that nothing was printed until after it
had been examined by the appropriate ecclesiastical authority. Anyone who resisted this was
threatened with excommunication and with the confiscation and burning of their books
(Jackson 1974:114).

In 1524 Luther reasoned that the “‘judicious selection’ of types of books, was so much more
important than mere numbers” (Jackson 1974:113). Four years prior to this he had also made
his views clear on freedom of thought, publication and reading. He was excommunicated on
June 15, 1520, which led him to indulge in burning several church approved items, explaining
as he did so that it was an ancient custom to burn poisonous and evil books and that he was
sworn to destroy false, seductive and unchristian doctrines. By 1836 Calvin did not hold such
explicit views on the categories of reading matter that libraries should contain and expressed
the opinion that it was expeditious to “leave the correction of evil to God” (Jackson
1974:114).

According to the views of Haines (1968:186), the invention of printing heralded the dawn of
the modern world. During the first two centuries of the printing press, Europe was absorbed in
theological warfare: Protestantism against Catholicism, ecclesiasticism against dissent. The new art furnished an inexhaustible supply of weapons and projectiles to the combatants; it gave expression and wide popular dissemination to thought and opinion that were shattering traditional authority and inciting revolt; it naturally and inevitably incurred the condemnation of those against whom it was issued, and was subject to arbitrary restrictions imposed by whatever authority was in command.

As the sixteenth century came to a close, different patterns were in evidence in European life. Libraries not ruined by hostilities were primarily display items, largely ignored by the craftsmen and scientists shaping the challenges that would sooner or later alter almost everything (Jackson 1974:145).

Jackson (1974:184) states that in the seventeenth century “whether those caring for libraries were scholars or merely dilettantes, whether their own hearts were in their library duties or not, whatever funds they had at their disposal, they were obliged to give increasing attention to building and organizing the collections they managed”. Acquisitions policies were debated. The question arose whether the collection would be built around the old masters with the traditionalists around, or around recent and contemporary writing with the modernists around (Jackson 1974:183). The unusual situation prevailed that old and new information were both appropriate. There was therefore a fair amount of decision making by the people involved in the collection development as to what they would offer their reading public.

Jackson’s view (1974:204) on the historical developments in Western Europe and their influence on reading, libraries and education, in the eighteenth century, is that “except in such
isolated instances, indeed the class composition of library users - aristocrats, professionals, and their staff - did not change remarkably. But the years under review were the seed time for a great metamorphoses later. Aristocratic and bourgeois women acquired much more opportunity than before to read, and reason to read. Their children began to be seen more clearly and even heard, at least by the theorists of education and the writers of children’s books. Furthermore great need was being created for an industrial labor supply which would require carrying literacy to the lower depths of society on a large scale, both for the sake of efficient production and to provide access to their minds for those desiring to guide them in channels politically safe.”

The nineteenth century heralded the beginnings of great change. Contests between the landed and industrial and urban interests, and between the defenders of classical education and the promoters of new professions were prominent features. National differences became even sharper, not only in economic progress and political patterns but in numerous aspects of culture: new ideas about nature and man, ultimately international, took root variously according to circumstances. Several bases for a vast broadening of library services were laid in the United States of America, but the advance of science and the art of librarianship remained on the whole a German achievement (Jackson 1974:274).

In the latter nineteenth century, between the launching of the first library periodical *Serapeum* and the establishment of formal education for librarianship, capitalist society reached its peak of forward motion. This was the era of the railroad and the large factory, the big city, and the division of Africa among imperialist powers: of the corporation, labour organisation and strikes; of working class ideology, social insurance, public education and public libraries.
Notable in library life was the emergence of new features in high relief, which for that reason exposed a contrast long in the making between them and older characteristics. In those portions of Europe stamped with the library traditions of German scholarship, little new occurred in the learned libraries, and the popular book service initiated after 1840 grew up almost entirely isolated from them. The struggles of the academic librarians for recognition advanced the profession. In Great Britain the advances of the scholarly libraries were less significant and the issues of the public library service more in balance with them, although contact between the two worlds was very limited. Professional progress, apart from the contributions of Antonio Panizzi at the British Museum, was rather dependent on stimuli from the United States. The latter developed weakly in library development until the later stages of the nineteenth century but the virtually revolutionised service to the non-scholar through the tax-supported free library was notable. These events were directly influenced by the development of American professional organisations and publications (Jackson 1974:332 - 333).

The period in which library oriented publications are published clearly shows the paradigmatic shift in the ideas of the library fraternity. If the views of Haines (1968), in her book which was well used into the 1970s for book selection for libraries, as first published in 1935, are analysed it becomes clear that the periodicity of ideas influences interpretation. As stated by Warren in the foreword of the first edition of the seminal text by Haines *Living with books: the art of book selection* “any place that does not use it is entitled to a certificate of lost opportunity” and “For people who are being trained for work which exists only because books exist” (Haines 1968:vii). In the second edition published fifteen years later the same view was expressed in the following words: “books as the basis of library services; librarianship as the
only calling that has direct responsibility for the exercise of discriminating judgement among conflicting book values and for the widest possible potencies of books to the enrichment of life

... For the years since 1935 have opened an era of human history weighted by man’s new powers of destructiveness, darkened by world-wide uncertainties, fears and suspicions” (Haines 1968:xi).

The war years had their own inspiring chapter of book-trade history, in the activities of the Council on Books in Wartime. “Books are weapons in the war of ideas” was its slogan, first suggested by WW Norton, then rephrased and made famous by President Roosevelt. The activities of this Council included publishing books on wartime issues and thereby highlighting the power of books to inform, to warn and to inspire (Haines 1968:197). From 1945-1970 automation and mass production were the driving forces behind an upward trend in the economy (Altenpohl 1985:17). After World Wars I and II, publishing, libraries and librarianship developed differently according to local needs and international trends, development was slower in some countries than in others. There was, however, a tendency to perpetuate the paternalistic view that books were selected on the strength of the librarian’s experience and what he or she considered relevant to the customer.

Rowse (1988:47), writing on the creation of a book selection policy for a large South African university library, emphasises the fact that the selection policy evolved around librarians selecting books on the basis of a number of factors, all of which excluded any customer needs audits. Rowse mentions that allocation of resources centered around a balanced book stock, a fair distribution of funds, the inclusion of new fields as they occur, a limitation on the selector’s bias during the selection process, to name a few. She concludes that the policies provide
financial and intellectual control over the whole business of selection and they provide protection to the people taking part in this easily criticised activity (Rowse 1988:55).

Prior to the introduction of the digital format of information sources, and library access online and the proliferation of Internet users, collection and distribution of information sources by libraries concentrated on the selection of tangible library material. With the technological breakthrough in the design of the computer a new era dawned concerning the activities of libraries. Since this time, there has been much speculation on the impact computers would have on libraries for good or ill, on the “paperless society” and therefore the extinction of the book and libraries, as well as on the time frame in which semi or total change would occur (Glicksman 1990:344; Walker 1992:122; Bundy 1999:1). The speculation has not yet ended.

Altenpohl (1985: 8) feels that “informatisation” of industry and society has possibly brought about a third industrial revolution. The mid-seventies saw the introduction of this word, first in the United States and later in France. Informatisation is a generic term embracing a multitude of simultaneous developments in science, technology, industry and administration which have far-reaching consequences in the social and political arena. From the technical standpoint the rate of development of informatisation is linked to the following circumstances:

- a rapid increase in the efficiency of microelectronics accompanied by miniturisation and lower costs
- specialised areas of industrial activities that were once largely independent, such as telecommunications and computer applications of every kind, being combined into integrated systems, which have resulted in fast developing technology which shrinks the
globe so to say

- the fact that these two technological trends have implications and repercussions in practically every area of industry and finance, administration and public life

De Beer (2000: 139) holds the view that “transmitting information to society, which certainly is the equivalent of informatisation is no univocal and simple exercise. It is not a manipulable and manageable entity; it is a cultural movement; it is a timely development able to provide a desperate need, the need for knowledge; it is less something to be directed and much rather an historical event which should be responded to. It may be the fate of and challenge to humankind in year 2000 to find adequate responses.”

Information as the chief resource of the third industrial revolution, writes Altenpohl (1985: 14), differs from conventional resources such as metals in that its value is increased by its use. Data and basic information are raw materials which are processed further by interacting with the human brain. The advantage of informatisation is that any private citizen might have a computer of his own and be able to draw information (passively) from anywhere. It depends on those using the informatisation process to consciously choose and apply what they regard as beneficial to the economy as a whole and to the economy of organisations. To quote Altenpohl (1985: 16) on the speculation which has existed prior to 2000 “any ... tendency to cling to the conventional applications of technology must inevitably lead to the shut-down of companies or the disabling of national economies in international competition. In no case do we see the ambivalence of technology so clearly as when we try to gauge what consequences informatization will have ten to twenty years from now. The information society provides the most complex example of a new technology interacting with the whole social and political
Altenpohl (1985:21) also warns that the determining of prices (or value) in the information society will run into difficulties if prices are determined on the basis of scarcity as was the norm before the informatisation of society. The products and services of the future will not be scarce. When information is provided the source of the information is transferred and retained at the same time. For the economy of the information society this means that considerable thought must be given to devising new rules for a market control mechanism. This will in the researcher’s opinion therefore also impact on the type of competition prevalent in the information society and impact on libraries and universities.

Furthermore, universities and university libraries have not escaped the changes, especially changes such as “the globalization of the economy and the virtualization of reality” (Weber 1999:37). An increasing awareness has arisen that the demands of the customers of the university and its library are for more connectivity and customers are questioning “the inputs and outputs of higher education, or greater perplexity about what should be learned, how it should be learned and how the learning should be evaluated and applied” (Bundy 1999:17). This is challenging to universities and their libraries.

However, after his analysis of the mission statements of a selection of libraries worldwide, he concludes that libraries seem to perpetuate the idea of being a support service in the educational activities of universities, thus perpetuating the educational status quo. This attitude does not recognise the educational role, responsibility and potential of libraries and librarians. Bundy (1999:17) further postulates that “a university which really seeks to innovate,
contribute and thrive in the 21st century is one which will invest pedagogically and financially in information literacy as its key educational aspiration for its graduates”. According to Bundy there has been a massive misjudgment in thinking that the key educational issue of the information age is information technology perpetuated by what he calls the “technolusts”, rather than information literacy. Information technology is ultimately a tool, and only one of the tools which universities, libraries and librarians use to fulfil their mission and responsibilities. Information technology can only be a facilitator of the change required of the university and its library in the 21st century (Bundy 1999:16).

Added to this is the dilemma of information overload arising from the proliferation of information and open access to the Internet. This growth in the number of journals, technical reports, patents, dissertations, films, videotapes and other documentary forms poses a problem especially to the researcher and specialist who wants to keep up to date in his field. The scientist, researcher or specialist either may fall behind in the knowledge circulating concerning his field, or must find better methods of surveying the literature. This is the main field, in the researcher’s opinion, where libraries can have the competitive edge. They must, however, remain pro-active in developing means for their customers to access the information needed to remain on top of their specialised fields. There are numerous secondary tools used to access information in specialised fields. By successfully acquiring access to these at best prices, the library remains competitive.

Access to information has therefore remained a problem throughout the centuries. The tools used to access information have changed. The library in the information society has a customer who is more aware of the value of information and requires quality in the service he or she
receives from the library if he or she is to continue his or her association with the library and not go elsewhere where his or her needs are satisfied more efficiently and faster. This is the dilemma of the 21st century university and its library.

2.4 A COMPARISON BETWEEN THE OLD AND THE NEW SOUTH AFRICAN UNIVERSITY LIBRARY PARADIGM

Libraries have to think beyond traditional boundaries and practices. A comparison, in tabular form (Table 2.1) between traditional pre-1990 and post-1990 university libraries in South Africa should serve as an illustration of the impact of technological and social change on the services of libraries which are striving to adapt to, survive and grow as organisations in the 21st century and the Third Wave economy.

TABLE 2.1

<table>
<thead>
<tr>
<th>Old Paradigm</th>
<th>New Paradigm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Libraries historically concentrated on local users. Service emphasis was local, therefore users did not pay directly for a service but gained access to services via buying into the community which the library served.</td>
<td>Globalisation of customers and markets (Walker 1992:120).</td>
</tr>
<tr>
<td>Libraries’ parent bodies sanctioned budgets, eg universities, municipalities, private firms.</td>
<td>Libraries budgets still sanctioned by parent body (Bundy 1999:17).</td>
</tr>
<tr>
<td>The majority of users physically walked into the building.</td>
<td>It now is not necessary to visit a library to get information (Walker 1992:127).</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Some remote users were accessed via Inter-Library Loan.</td>
<td>Remote access becomes paramount - attract customers. Inter-Library loan still functional. (Walker 1992:121) “chief cooperative activity among libraries remains the interlending of materials - now expedited through the use of computerised networks such as Online Computer Library Centre (OCLC).</td>
</tr>
<tr>
<td>Acquisitions - local sanctioning - expensive.</td>
<td>Acquisitions still local sanctioning but type of material bought is moving toward electronic online format (Bundy 1999:17).</td>
</tr>
<tr>
<td>Funding by government high.</td>
<td>Government funding is under great pressure (Jordan 1998:148).</td>
</tr>
<tr>
<td>Organisations were in a growth scenario, with more and more staff being employed.</td>
<td>Organisations are facing a downsizing scenario (Walker 1992:121).</td>
</tr>
<tr>
<td>No commercialisation required to supply fee-based services to raise revenue for libraries to become more self-sufficient.</td>
<td>Commercialisation becoming essential to counteract downsizing. Vital to earn extra revenue and expedite more independence from government funding and the parental body and expedite financial survival, therefore business plans have to be developed and growth scenarios adhered to (Jenkins:<a href="http://www.ariadne.ac.uk/issue4/lucier/intor.html">http://www.ariadne.ac.uk/issue4/lucier/intor.html</a>).</td>
</tr>
<tr>
<td>Organisations financially strong.</td>
<td>Organisations are not financially strong therefore have to curb spending (Walker 1992:121).</td>
</tr>
</tbody>
</table>
| Organisations bureaucratic - top-down hierarchical management. | Hierarchical autocratic style becoming less acceptable.  
- structure becoming flatter, fewer supervisors  
- ownership, stake holding by staff advocated  
- more multi-skilling required  
- more flexibility of staff required to absorb changing business scenarios  
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Library catalogues were standard tangible features of access to library material.</td>
<td>Remote customers do not at present pay to use library catalogues (this is one of the most expensive tools to create - tradeoffs for new customers could be, that access to catalogues are by payment only as a means of generating revenue. This is similar to buying a bibliography of published items) (Jenkins: <a href="http://www.ariadne.ac.uk/issue4/lucier/intor.html">http://www.ariadne.ac.uk/issue4/lucier/intor.html</a>).</td>
</tr>
<tr>
<td>Beginning of the information age and ‘informatization’ when products were still scarce (Altenpohl 1985: 8).</td>
<td>There is a definite service revolution and shift to utility of products with marketing a critical part of this (Irons 1997:3; Walker 1992:122).</td>
</tr>
<tr>
<td>“Elite” collections prestigious.</td>
<td>Libraries are moving away from the idea of elite collections toward online global use of assets, pointing toward libraries entering a competitive field (Walker 1992:121).</td>
</tr>
<tr>
<td>Society - local emphasis.</td>
<td>Society’s focus has become global which influences trade information access, banking etc.(Walker 1992:50; Weber 1999:36).</td>
</tr>
<tr>
<td>Fairly homogenous user group with less computer skills and lower demand for connectivity.</td>
<td>Diverse user groups with enhanced computer skills and demand for connectivity exists or are potentially in existence (Bundy 1999:17).</td>
</tr>
<tr>
<td>Less or no competition between libraries</td>
<td>There is competition now between the libraries and other means of information access (Walker1992:122).</td>
</tr>
<tr>
<td>Minimal connectivity - 1989 first academic Internet linkage (Goldstuck 1995:16).</td>
<td>South Africa on a par with connectivity to the rest of the world. Bandwidth improvement continuously under scrutiny for maximum connectivity to successfully deal with the surge of Internet users, in order to do business effectively.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Scholarly communication proceeded relatively slowly and the number of scholars involved relatively smaller (Glicksman 1990:343).</td>
<td>The flow of information is open and enhanced and there is limited restriction since information placed on the Internet is accessible world-wide.</td>
</tr>
<tr>
<td>South African scenario differed from much of the rest of the world (Weber 1999:37).</td>
<td>South Africa not lagging behind with technology and ideas. Libraries are keeping abreast of technology in spite of the hybrid situation which university libraries are maintaining to accommodate both the technologically advanced user and those still coming up in the ranks.</td>
</tr>
<tr>
<td>Started realising that the “redistribution of global economic resources would not come into being without a redistribution of global information flows” (Braman 1993:136). By the late 1980s the route to economic success for developing nations was through participation in the information economy.</td>
<td>There is a realisation that the economic success of all nations depends on participation in the information economy or they will not have the competitive advantage (Altenpohl 1985:21).</td>
</tr>
<tr>
<td>Technological change slower. One hundred computers at work in South Africa circa 1964 (The Star: an extraordinary 20th century 1999:159).</td>
<td>Technological change is so rapid that new software programs are developed by the minute and the lifespan of hardware is estimated at 3 years (<a href="http://www.univnorthco.edu/bearlogic/Advice/Lifespan/lifespan.html">http://www.univnorthco.edu/bearlogic/Advice/Lifespan/lifespan.html</a>).</td>
</tr>
<tr>
<td>Customer/user knew what library had to offer, therefore no marketing was needed.</td>
<td>Libraries are changing from mere collection development to online access agreements. The libraries’ customers are therefore unaware of the developments in what there is to offer, therefore marketing becomes essential (Walker 1992:122).</td>
</tr>
<tr>
<td>The tuition model was paper-based.</td>
<td>The tuition model is moving toward electronic format (accessible on the Internet). Lecturers are already accessible on the Internet. The tuition model is however still in a hybrid format (Bundy 1999:1).</td>
</tr>
<tr>
<td>Service at information points was mostly mediated, very little self-help.</td>
<td>Training of customers by the library is extensive. Electronic access changes rapidly OPACS, the Internet and various browsers, the use of CD-ROMS as part of the research which has to be conducted by students in certain tuition modules. Customers are trained so that maximum use of the library’s assets can be made (Jordan 1998:120-121).</td>
</tr>
<tr>
<td>Large organisations - large staff component - often low productivity - less pressure to perform.</td>
<td>There are fewer staff therefore there is heightened performance and more multi-skilling and new approaches to work, such as working in self-managed teams (Jordan 1998:18).</td>
</tr>
<tr>
<td>Creativity of all staff not encouraged because of hierarchical rigidity.</td>
<td>Creativity of the staff must be encouraged to look toward solutions and adapt to new developments (De Beer 1999:14).</td>
</tr>
<tr>
<td>Local cataloguing and acquisition of library items - little cooperative cataloguing - expensive searching tool to create.</td>
<td>Cooperative cataloguing and acquisitions must be encouraged. The catalogue and collection are expensive to create and maintain. The catalogue is however, the gateway to the library for its remote customers worldwide (Walker 1992:121; Jordan 1998:151). The establishment of consortia such as GAELIC is prevalent.</td>
</tr>
<tr>
<td>Library users not willing to pay for information.</td>
<td>Customers now willing to pay: correct or quick information can offer a researcher’s business the competitive edge. Libraries rethinking their objectives and priorities (Walker 1992:120).</td>
</tr>
<tr>
<td>Information often hard to obtain.</td>
<td>There is an information overload (Bundy 1999:2), “Old ways of managing the information supply cannot keep up. Choosing what information to gather, share and process is becoming overwhelming. As a result people are becoming concerned with the quality of their choices. Intent on sorting out what is useful and relevant people are beginning to grapple with the relationship between information and knowledge” (Allee 1997:6).</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>It was not that necessary for librarians to have lifelong training and acquire new skills.</td>
<td>Librarians must continuously acquire new skills, because their formal university training skills tend to become outdated as do their practically acquired skills (Terblanche 1988:156).</td>
</tr>
<tr>
<td>Little focus on a dialogue with the customer to ascertain what they actually required - gave them what academic libraries thought they needed.</td>
<td>The organisation must constantly be engaged in dialogue with its customers to know exactly what they require and what their satisfaction levels are. This connectivity enhances the competitive edge. Customers’ demands must continuously be researched, delivered and followed up. Hope and Hope (1997:19) state that the organisation must continuously “look over the horizon to global markets, employ technology wisely and anticipate the next wave of business opportunity.”</td>
</tr>
<tr>
<td>Library only a support service - no involvement in academic side of tertiary education.</td>
<td>Information workers at tertiary institutions will have to enter into an alliance with educators and academic staff since the library will play a major role in all the online resources which will be required to run the online tuition model and impart the necessary skills required to use the resources (Bundy 1999:8 and 16).</td>
</tr>
<tr>
<td>Value of information lower.</td>
<td>The value of information in conducting business and research is higher (Walker 1992:121; Wingand 1998:96). The power of information for competitive advantage must be harnessed (Bundy 1999:2).</td>
</tr>
</tbody>
</table>
2.5 CONCLUSION

When all factors are considered it becomes clear that in the future developments and changes to the services offered by university libraries, past developments in technology and history cannot be overlooked. It is essential to build on the past. Not all human written media can be encapsulated on digital sources overnight to provide total online access to information sources. This is going to be an ongoing and slow process even though progress has been rapid in digitisation and connectivity. University libraries in South Africa must cater for diverse customer segments, based on the multi-level, educational development that the library’s customers have been exposed to resulting in diverse information gathering skills. This means truly connecting with the market and is one of the starting points in adopting a marketing philosophy.

University libraries as service organisations have therefore reached the phase in which anomalies are present and in which the normalcy of the current paradigm is being questioned. Anomalies have arisen as a result of the changed needs and preferences of the university library’s customers. The characteristics of a service organisation hold in them opportunities which the library can identify to enable it constantly to align its services with the expectations of its current and potential customers and to move more effectively to bring about the
paradigm shift to a marketing philosophy. Therefore the characteristics of service organisations must be identified, and service quality sought in the alignment of the customers' needs and preferences with the services of the university library.
CHAPTER 3

THE SERVICE ORGANISATION

3.1 INTRODUCTION

Products and information in the 21st century will not be a scarce commodity, as was pointed out in the preceding discussion of the economic waves which society has moved through over the past centuries. On the contrary, there could even be an overload as is the case with information. The average life cycle of most products is shortening (Scott 1998:2). The differentiating factor in the ever increasing number of service organisations will be the quality of their service, and the implementation of new services or new service packaging, in order to retain old customers and obtain new customers. It is the personalised factor in the globalisation process that retains customers and satisfies needs. Service and the quality of service have therefore to be discussed and placed in the context of the university library as a service organisation.

3.2 THE SERVICE ORGANISATION

Many definitions exist, there is some overlapping but they each highlight new aspects.

Irons (1997:12) defines a service or service organisation as one “where service is a significant part of the expenditure, perceptions or reason for choice on the part of the customer”, Irons
therefore places the emphasis on the **choice** that the customer has when using a service or possibly returning to use the service again.

Zeithaml and Bitner (1996:5) state that in the most simple terms "services are deeds, processes, and performances ... the entire service is represented to the client through problem **analysis activities**, meetings with the client, follow-up calls, and reporting". They add that a definition compatible with the broad definition is one that defines services as including all economic activities where output is not a physical product or construction, is generally consumed at the time it is produced and provides added value in forms (such as convenience, amusement, timeliness, comfort or health) that are essentially intangible concerns of its first purchaser.

Kasper et al (1999:13) define services as "originally intangible and relatively quickly **perishable** activities whose buying takes place in an **interaction process** aimed at creating customer satisfaction but during this interactive consumption this does not always lead to material possession". Some of the services are provided by profit-oriented organisations while others are provided by non profit-making organisations such as educational institutions.

Grönroos (1990:27) echoes this fact by stating that a service should **solve the customer's problem**. This author defines a service as "an activity or series of activities of more or less intangible nature that normally, but not necessarily, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to the customer problems".
Lovelock et al (1999:6) adds another element, namely that the service does not result in ownership of anything, by defining a service as “any act or performance offered by one party to another. Although the process may be tied to a physical product, the performance is essentially intangible and does not normally result in the ownership of any of the factors of production.”

The intangibility of service is therefore highlighted by Zeithaml and Bitner (1996), Lovelock (1999), Grönroos (1990) and Kasper et al (1999). It is also clear from these definitions that since the customer leaves without an actual tangible product, the service must add value to the customers’ experience which again brings us back to the quality of the service. Irons (1997) emphasises that the customer exercises a choice in the use of a service and this is pivotal to the sustainability of the service offered, namely that the customer will choose to return to re-use the service.

In the researcher’s opinion service organisations are organisations that provide appropriate service, whether on an individual or on a collective basis, to customers, be they individuals, companies, a community or country, to satisfy their specific needs and wants. The service can be face-to-face or faceless via technology and the quality is only experienced at the time of consumption. The customer should also be prepared to reciprocate with a counter exchange, be it in the form of a payment, acknowledgement or sign of loyalty. The success of the service provided will ultimately depend on its appropriateness, the interaction between the service provider and the receiver, and the customer’s perception of the efficacy of the service. The ultimate aspect is whether the service solved the customer’s problem and added value to the experience the customer had. It is this that will determine whether the customer will return to the organisation in future.
3.3 THE SERVICE REVOLUTION

Since World War II there has been a rapid growth in the service sector as many nations shift from a predominantly manufacturing-based economy to a service economy. The major stimulus to the shift as discussed previously, has been the movement to an information age driven by the invention of the computer and the advancements in telecommunications. As countries continue to move away from an agricultural and industrial economic base, the demand for services will continue to increase. Many factors contribute to this, but in the academic field three major factors will impact on the information-seeking methods of customers, namely

- the need to sift through the myriad of information available to the specialist and researcher in order to keep abreast of the advances in his or her field
- increased time pressure
- advances in product technology.

This is the point of entry for the library as a service organisation where it can obtain and retain service differentiation and excellence.

The service sector now accounts for most of the new employment opportunities, the bulk of capital investment (largely in the form of information technology) and its economic contribution is comparable to that of the manufacturing sector.

The trend to service, from the customer's point of view, is a movement away from possession of products as a dominant motivation, to utility. The shift in an organisation or business is towards experience and utility when supplying or selling a product and away from mere core products (figure 3.1). This shift in emphasis to functionality (of products) supplements but
does not replace core product satisfaction. The customer still expects to get information from a library which he or she can utilise to augment his or her knowledge, but also wishes to experience a certain ambiance, personalised attention, speed and efficiency.

**FIGURE 3.1**

CONVERGENCE OF DISCIPLINES: CHANGES IN CUSTOMERS

Source: Adapted from Hope & Hope (1997:2)

The old paradigm involved the idea that customers are abstract; there was very little understanding of the issues that matter to the customer and customer feedback was not actively solicited or responded to (Knox & Maklan 1998:194). Now the customers have become a prioritised feature of any successful organisation. Successful organisations should go beyond satisfying customers and should try to predict their needs. Barrett (1996:4)
describes progress on a continuum of reaction to customer needs.

- Starting on a non-responsive level, there is a limited awareness of external stimuli.
- At the next level, the reactive level, the organisation is aware of the stimuli, but only after repeated prodding does it reply.
- Next is the responsive level, which according to Barrett is where most companies are. Customers may force the organisation to enter new product markets, sometimes reluctantly. Many organisations will take appropriate action, assuming the opportunity fits the present business mission and adequate resources are available.
- The proactive level is the level at which by implication the corporate entrepreneurism has surfaced in the organisation. This means that larger organisations stimulate the innovation, flexibility, creativity and speed to offer products and services that customers need.
- At the anticipatory marketing level the organisation is at the aspirational level. At this point organisations understand virtually all the market nuances and treat their customers as business allies and partners.

To quote Irons (1997: xv) "the need to bring the customer into the mainstream of consciousness in an enterprise and to have an understanding of the customer’s real needs - surely is the very essence of marketing". The world around us has become more focused on service issues and on perceiving the value to be derived from the use of the purchase and the interaction as a focal point.

Statistics show that in advanced Western economies, services account for approximately 60 per cent of gross domestic product (GDP) and 25 per cent or more of exports (Irons 1997:6;
Weinstein 1999:7). Gross domestic product refers to the sum of all goods and services produced within the boundaries of a country (Kurtz & Clow 1998:5; Cronjé & Du Toit 2000:354). GDP per capita (or per person) is therefore a good indication of a country’s economic wealth.

Developed countries such as America, Japan and Germany have a higher GDP per capita than developing countries such as Singapore, Taiwan and South Africa. To increase the economic wealth of a country the country has to produce or offer more and preferably better products and services. Bearing in mind that the operations function in a business is directly responsible for manufacturing products or rendering services, its importance cannot be sufficiently emphasised - not only for the business concerned but for the country in which it operates. One of the functions of operations management is to underpin the organisation’s endeavour by means of particular operations skills to satisfy customer needs “better” than their competitors (Cronjé & Du Toit 2000:354-355).

Irons (1997:4) rightly emphasises the fact that “service is about the way that organizations meet with their market”, and that (1997:6) “as people exercise choice, markets are fragmenting... and cluster together with other like-minded individuals. Such clustering gives comfort and support in a world increasingly seen as insecure or friendless... can also be an antidote or reaction to the facelessness and loss of identity brought on by globalisation. All of this is leading to the emergence of the discriminating aware customer. Such people are more experienced, more demanding, more inclined to seek value and more often in need of an opportunity to identify with a supplier who understands them - to have a relationship”. These customers know what they want and are not going to be cajoled into accepting a compromise
regarding the quality of the service received.

Enhanced customer value synthesises and extends the quality and customer service movements and has emerged as the dominant theme in business success for the 21st century organisation. Managing customer value will be even more critical to progressive organisations in our service and information based economy. Innovative companies that create maximum value for their customers will survive and thrive: they will carve a sustainable competitive advantage in the marketplace (Weinstein & Johnson 1999:3).

Gutek & Welsh (2000:28) postulate that when customers contact an organisation they either deal with a provider of a service that they know and expect to see again, or more commonly they deal with a stranger that they do not expect to see again. These two ways of doing business represent a fundamental dichotomy. Dealing with a provider of a service that you know and expect to see again is tantamount to having relationship. Dealing with a provider of a service that you do not know and do not expect to see again is an encounter. The one is completely different from the other and will never shade into the other. Therefore, according to Gutek and Welsh (2000), these are completely different experiences for both the provider of the service and the customer. Since they are so different the strategies, structures, and marketing plans and every aspect of how the organisation is run are affected.

In the encounter the customer is dealing with the organisation. Since the customer is dealing with a person he does not know, the customer’s expectations are shaped by what he or she knows of the organisation, for example the McDonald’s organisation. Customers and service providers are interchangeable. The constant in this situation is the organisation, which needs a
steady supply of customers and service providers.

In a relationship the individual provider of the service and the customer accumulate information about each other over time and draw on this information when they interact. What is necessary for a successful transaction is that the expectations of both the service provider and the customer should be met. The service provider expects to solve the customer’s problem or fulfil the customer’s need. The customer hopes to get an item or service he wanted in the time he wanted and leaves with a certain sense of satisfaction induced by the way the provider dealt with him. This results in both the provider of the service and the customer wanting to continue the relationship.

The university library at present has a combination of both encounters and relationships. At present the various segments of the university library seem to determine what the customer requires of the library. Customers doing research seem to value the relationship scenario in service provision, while many undergraduate students are happy with the encounter scenario. The movement towards relationships is the aspect which, together with efficient service delivery, can create maximum value for the customer and can offer the organisation a differentiating characteristic. This can give the organisation a competitive advantage in its approach to all its market segments.

Technology enhances this and should not be a barrier between a business and its customer. These solutions should be seamless in that they should be total solutions to specifically identified user or customer problems.
3.4 CHARACTERISTICS OF A SERVICE

Services have four inherent qualities which distinguish them from goods (Zeithaml & Bitner 1996:18; Kurtz & Clow 1998:10). These are, intangibility, inventory, inseparability and inconsistency. Some authors refer to these four characteristics as the four I's (Kasper et al 1999:14). The characteristic “inventory” is more often referred to as “perishability” (Kurtz & Clow 1998:11; Zeithaml & Bitner 1996:21) and “inconsistency” is referred to as “variability” (Zeithaml & Bitner 1996:20) or “heterogeneity” (Kurtz & Clow 1998:13). These concepts are all relative concepts and may be present in differing degrees in services and therefore never be present at one-hundred percent. These characteristics result in unique, or different, management challenges for organisations concerned with service delivering as compared to manufacturing.

3.4.1 Intangibility (Kasper et al 1999:14; Kurtz & Clow 1998:10; Zeithaml & Bitner 1996:19)

Intangibility refers to the lack of tangible assets which can be seen, touched, smelled, heard or tasted prior to purchase or - in libraries - prior to acquiring the information. Services are an activity. An experience not a tangible thing. Services vary in the degree to which they are intangible.

3.4.2 Inventory (Kasper et al 1999:19; Kurtz & Clow 1998:11; Zeithaml & Bitner 1996:21)

Inventory encompasses the fact that services cannot be saved, stored, resold or returned. If a service becomes more and more intangible, the possibility of storing the service becomes less
and less. In other words the degree of intangibility is increasing the perishability.

3.4.3 Inseparability (Kasper et al 1999:16; Kurtz & Clow 1998:12; Zeithaml & Bitner 1996:20)

Inseparability refers to the degree of simultaneous production and consumption. The consumer has to participate in the production of a service on many occasions, possibly unwittingly. Typically consumers do not know who made the tangible product (for example who published a book). The customer does not know the person serving him or her. Further the service process cannot start until the customer is present or in the case of libraries until the customer initiates a query for certain information.

The interaction between the person providing the service and the customer can be referred to as “the service encounter” (Kasper et al 1999:16). The customer and the employee of the organisation both have to perform certain activities. They therefore have to play certain roles. Many varying factors influence the service, such as attitude, level of involvement of both parties, level of efficiency of the employee, level of ability of the customer to explain what his or her needs are, the moods of both parties, the internal environment of the organisation and the ambiance.


This refers to undesirable or random levels of service quality which customers receive when they patronise a service. Inconsistency or variability is primarily caused by the human element. Various service employees will perform the same service differently and even the same service
employees will provide varying levels of service from one time to another. Variability or heterogeneity also results because no two customers are the same. Each customer will have unique requirements and experience the service in a unique way. People experience waiting in unique ways and some consider a certain waiting period to be a sign of quality that will be received from the service. It is because of this characteristic that standardisation and quality control are more difficult.

3.5 SERVICE QUALITY

The search for quality is the most important business trend of the past two decades as demanding customers have come to expect service that is fast, reliable and friendly (Weinstein & Johnston 1999:63). Many products today exceed minimum standards. Modern communication often encourages customers to shift their patronage from one service to another. Global competition has resulted in increased choice and has raised customer expectations of what constitutes acceptable quality. The Internet has increased the accessibility of services and as a result power has been shifted away from the organisation to the consumer, who is now able to compare products and services faster than ever before. These developments point to the need for organisations to offer customers service quality that differentiates them in the global and digital marketplace (Weinstein & Johnston 1999:64).

Quality can be defined in various ways, with the emphasis on either complete satisfaction of customer’s needs, or pleasing customers. Quality does provide a bridge between the expectation and need of the customer and the fulfilment of this expectation or need and can lead to the prolonged loyalty of the customer to the organisation. Service quality has two
dimensions, **process quality** and **outcome quality**. When a customer cannot judge the technical quality of the outcome effectively they will base their quality judgments on the process dimensions such as the ability of the employee to solve problems, or his or her courtesy. According to Zeithaml and Bitner (1996:118), research suggests that customers do not perceive quality as a unidimensional concept but judge quality on multiple factors.

Five **dimensions of quality** of a service can be perceived by customers (Zeithaml & Bitner 1996:118). They are:

- **reliability**: the ability to perform the promised service dependably and accurately
- **responsiveness**: willingness to help customers and provide prompt service
- **assurance**: employee’s knowledge and courtesy and their ability to inspire trust and confidence
- **empathy**: caring, individual attention given to the customers
- **appearance**: appearance of physical facilities, equipment, personnel, and written materials

If the organisation aims to be customer-centred these are some of the most important factors to keep in mind as service delivery is the shop window of the organisation.

### 3.6 THE SERVICE TRIANGLE

Within the delivery of a service and by implication the marketing of a service, Irons (1997:15) and Zeithaml and Bitner (1996:23) support the proposition that the service organisation and its internal and external environment can be conceptualised in a service triangle. The organisation
is at the pinnacle of the equilateral triangle, with the market on the right axis of the triangle, and the staff on the left axis (figure 3.2). What the triangle implies is that all three sides are critical to successful service delivery. Each side represents its own challenges to the service organisation. There is a constant symbiotic interaction between the organisation and its customer as well as the organisation and its members of staff. Similarly, this symbiotic interaction must also exist between the staff and the customer.

**FIGURE 3.2**

**THE SERVICE TRIANGLE**

Source: Adapted from Irons (1997: 15)
The interaction which cuts through the link between the customer and the employee at the base of the triangle is the moment of truth when service quality is revealed. The quality of the service will be high when there is a balance between the three sides of the triangle. According to Irons (1997:15) if the triangle is to be in balance, it is necessary for the culture on the base axis to relate to that on the other axes. The whole customer, organisation, employee experience and the service offered all take place within the service culture of the organisation, which is primarily determined by the mission of the organisation. If the organisation is driven by a marketing philosophy this service triangle will form a service marketing triangle which conceptualises the marketing management of the service organisation, which will be elaborated on in chapter 5 (cf sect. 5.3).

3.7 SERVICE CULTURE AND ITS SIGNIFICANCE FOR THE SUCCESS OF THE SERVICE

Customers draw much of their final belief from the personality and behaviour of the person they meet, because he provides more clues as to the personal suitability of the solution offered than does the core product itself. This underlines the fact that services are about people. The service organisation has lost the direct simplicity of the market perception of the product: instead the interaction has taken centre stage. These interactions with the organisation form the customers’ perceptions of the individual rightness of a solution, whether it be to access value, repeat a visit or purchase, or recommend it to others. In turn continuous interactions occur within the organisation. It is therefore the service culture of the organisation that the customer experiences. If the culture of the organisation is not customer-driven, the experience that the customer will have will most likely be negative, impacting negatively on his or her repeat visit,
purchase or recommendation of the service to other potential customers in the market. The staff and the organisation develop an internal culture. The customer experiences this culture when he interacts with the staff. A customer-driven culture can be an immensely uplifting experience for the customer. This is what makes the customer return and is one of the main catalysts in achieving the competitive advantage. Customers will return repeatedly to use a university library’s services when their valued opinions are monitored and seen to be implemented.

Each service will have its own characteristic mix and emphasis. It is the service and the culture of the organisation which provides distinction, or a significant competitive advantage, rather than simply the core values of the product.

3.8 WHY UNIVERSITY LIBRARIES ARE CONSIDERED TO BE SERVICE ORGANISATIONS

According to Irons (1997:13), service organisations have seven distinguishing elements:

- Services are transient.
- Services are mainly presented by people.
- Services are only finally selected face-to-face with the customer at the time of consumption.
- Services are a series of one-off production runs.
- The production/consumption process goes on unsupervised and depends on the individual reactions of the operator for success.
- The process is open to influence from the customer.
• The culture in which these acts are performed conditions perceptions of the service.

The culture is internal as well as external.

It is evident that libraries, in general, and their supply of information as core business, can be classified as service organisations, if these seven elements are used as criteria. Pure services are intangible, although they may make a tangible product available as in the case of a library, a book, a CD, a videotape or other information source format, or add value to a tangible product, for example a thesis which is being written by the customer. The service itself does not, however, result in the “transfer of ownership of anything and may leave only memories and promises” (Irons 1997:12).

The services of the university library will be influenced by the university’s definition of its functions in society, and the university library will be expected to contribute to the efficient functioning of the university as well as the quality of the actual knowledge level of the student when he graduates.

3.9 CONCLUSION

University libraries therefore, as evolving organisations, are influenced by the external environment in which they function and must concentrate on making the paradigm shift from paternalistic collection development to a culture with customer-driven attitudes of all its members of staff. The time seems to be ripe for university libraries to adopt a marketing approach, as an organising principle in their management style, as a means of survival in times of changing needs. University libraries should know that this will impact on them as their
customers will increasingly need enhanced connectivity and excellence in the service they receive, to remain competitive in their fields of study and research.
CHAPTER 4

THE EVOLVING ROLE OF MARKETING IN ORGANISATIONS:
THE IMPLICATIONS FOR UNIVERSITY LIBRARIES

4.1 INTRODUCTION

Marketing theory has evolved over the years and has been greatly influenced by the changing external environment of organisations. The influence this environment has had on marketing theory will be discussed. The role marketing played, and should play in future, as a strategic philosophy in the way organisations are run will be looked at briefly in this chapter. Key concepts of marketing theory need to be understood to illustrate the role marketing plays in an organisation and could play in the university library. Competition also exists in the external environment of the organisation and therefore the organisation must be aware of its competitors if it is to survive. For the university library the competition involves not only competitors in information supply, but also competition between various components of the university for funding by the university. Viewpoints on competition will be discussed as well as the competition university libraries are currently facing.

4.2 MARKETING THEORY DISCUSSED

4.2.1 The evolution of marketing theory

Both markets and organisations are evolving rapidly, therefore the nature of marketing, which
connects markets and organisations must do likewise. The discipline of marketing is
confronting a dual challenge (Murray & O’Driscoll 1996:xii):

- It must deepen its own competence in functional terms. Technology, different
customer requirements and new media all dictate the need to evolve new expertise.

- Marketing must learn how to integrate better with other departments and functions in
the enterprise, particularly as regards strategy, new product and service development
and the achievement of long-term customer satisfaction through dedicated order
generation, fulfilment and service activities. Everyone in the organisation must be
market-oriented.

### 4.2.2 Phases in the evolution of marketing theory

The historical description of this evolution as discussed by Murray and O’Driscoll (1996:8-13)
and Cannon (1996:10-11) will be highlighted in table 4.1. Murray emphasises that in
professional marketing this evolution is a cumulative process in which the knowledge and
experience gained from the preceding phase enabled the evolution.
# Table 4.1

<table>
<thead>
<tr>
<th>PHASES IN THE EVOLUTION OF MARKETING</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production orientation</strong></td>
</tr>
<tr>
<td>- goods produced in large standardised quantities</td>
</tr>
<tr>
<td>- 1920 - 1930</td>
</tr>
<tr>
<td>- delivered to large waiting markets for the first time</td>
</tr>
<tr>
<td>- goods can be produced = goods can be sold</td>
</tr>
<tr>
<td>- strong technical or craft tradition</td>
</tr>
<tr>
<td>- product or service defined in producers’ terms</td>
</tr>
<tr>
<td>- no means to track market changes, customer needs, new opportunities and competitive threats</td>
</tr>
<tr>
<td>- sell more at lower prices</td>
</tr>
</tbody>
</table>

**Sales orientation**

- 1930 - 1950
- prime focus of product moved to selling
- shift toward buyers’ market
- emphasis on competition
- factory made products and someone else sold them
- sales maximisation
- high level of promotional efforts

**Marketing orientation**

- understand market demand to make informed choices as to what should be produced
- Customers’ needs - guiding strategy
- customer satisfaction = service their needs = profit/return on investment
- many organisations establish marketing division
- profit/return on investment - objective of marketing activity
- all activities of organisations need to be dedicated to servicing customer needs
- marketing integrative force
- subfield developed in marketing - strategic marketing and planning - to align organisations’ activities to service customers’ needs
Various phases can be distinguished, in the trend in the evolution of marketing (see figure 4.1). Since the rapid change in technology and the changing needs of the customers in the 1990s marketing began to concentrate on aligning the capabilities of the organisation with the needs and preferences of the customer and became market-focused. The marketing philosophy of the previous decades tended to centre around mass manufacturing and selling, as will be discussed later.

**FIGURE 4.1**

**CONVERGENCE OF DISCIPLINES: CHANGES IN MARKETING AS A PHILOSOPHY**

Source: Adapted from Hope & Hope (1997:2)
4.2.2.1 Production orientation

The fact that it is only during the last fifty years that marketing as a concept and managerial function has come to enjoy an everyday currency does not mean that marketing activity has not taken place since the earliest beginnings of commercial exchange. The period from the Industrial Revolution to the 1920's has often been characterised as a production-oriented era. There were opportunities to produce goods in large, standardised quantities and get them to large, waiting markets for the first time. "If it could be made, it could be sold was often the guiding principle", according to Murray and O'Driscoll (1996:8). Organisations can still be found that claim to produce a good product and that assume the world will somehow turn up to purchase it. This viewpoint often characterises companies built on a strong but narrow technical or craft tradition. Working to an order backlog and having customers approach the company for its products can reinforce this attitude.

In the short term such organisations will often survive and may even prosper. In the long term their viability is not sustainable, as they have no means to track market changes, new opportunities and competitive threats. By failing to stay in touch with customers the company may also fail to produce the standards of quality demanded by the market. Shoddy products or services reflecting a very parochial concept of quality can lie at the heart of failure, especially in international markets. The central problem with this production orientation is, however, the fact that the product or service is defined in the producer's terms. The result is usually one or a number of the following (Murray & O'Driscoll 1996:9):

- shoddy products or services, where the producer's standards are below those of the market
over-designed, over-engineered and over-priced products, where the producer uses some technically defined standard of excellence rather than the consumers' standard of usefulness in application

- technically well-designed, well-produced and reasonably priced products that just do not fit customers' needs as readily as competitors' offerings, which have been based on a clearly researched approach to serving the user's needs

According to Cannon (1996: 10) the post-industrial world's demands for goods and commodities far exceeded supply. Under these circumstances the primary interest of manufacturers was in increasing production efficiency, normally striving to sell more at lower prices, which gives rise to what can be described as a philosophy of production orientation. The idea was that customers will buy well-made products if produced in sufficient quantities, without little or no market effort needed to achieve adequate sales. This gave rise to comments like "We know what the customer wants: it's our job to make it at the right cost and then the public can be counted on to buy it" (Cannon 1996:10). (The author of this was George Harriman of BMC in 1959.) During periods of shortage and limited competition this orientation can play a major role in the success of the organisation or firm. However, Cannon emphasises that there is a price to be paid for this approach. If there is a higher demand for goods and supply is not meeting this demand, opportunities arise for the emergence of competitors.

4.2.2.2 Sales and marketing orientation

Technical breakthroughs made it easier for competitors to enter markets. This lead to an
excess of supply over demand. A new perspective on business development was needed. The overall corporate approach to the product remained virtually unchanged. Priority was still given to increased efficiency in manufacturing or processing generally, with the aim of cutting prices. The organisation still knew best but the prime focus of the product moved to selling (Cannon 1996:10).

In the 1930's and the post World War II years Western Europe and North America started to adopt a *sales-oriented philosophy*. This was the result of the emergence of an abundance of production capabilities and a shift toward a buyers' market. An emphasis on competition and rivalry resulted. A guiding principle of the marketing and sales function was moving the product the factory had made. The idea was that while it was the factory that made it someone else had to sell the product (Murray & O'Driscoll 1996:9). Sales maximisation was the role of marketing and the measure of the success of the marketing effort. Here heavyweight promotional efforts are entered into to sustain the output generated by the new production efficiencies. This can, however, lead to unethical behaviour in marketing when the ill-informed customer is taken advantage of through the use of high pressure promotional techniques. This can also lead to situations when a sales target has not been reached and items are merely discounted. This is one means which organisations resort to, to buy their way out of trouble. Price wars can also be started with competitors. A decaying products life may be extended in this way, when technology and consumer tastes have changed and the demand for the product is waning. No strategic planning is considered, only crisis management. Customers may well also view such companies as unstable.

In more developed economies such as the United States a *marketing orientation* in
organisations seemed to appear in the 1950s. People began to realise that the central marketing task was not selling the product but rather understanding the market demand to be able to make informed choices as to what should be produced. Customers' needs therefore became pivotal. Organisational activities were coordinated to serve these needs so that profit could be made through customer satisfaction. In this phase of the evolution many companies established a marketing division headed by a marketing manager. Profit and not merely sales was stressed as the objective of the marketing activity. Profitability was seen as the outcome of the organisation's dedication to serving market needs.

In this approach it became essential that all the activities of the organisation should be coordinated. It is not only the marketing and sales activities that should be dedicated to servicing customers' needs but all the activities, including manufacturing, research and development, finance and human resources management. Marketing should cut across all other business functions and become an integrative force. A subfield in marketing known as strategic marketing and strategic marketing planning developed. No business strategy is complete without identifying customers' needs and mobilising the company's resources to serve those needs.

Marketing therefore has to become integrated into the processes of the organisation. The processes of the organisation must reflect the marketing philosophy of the organisation to effectively enable this perspective. This requires a flatter and less layered organisational structure to respond rapidly to changing markets and customers' needs. It demands that management should increasingly focus on tasks that cut across traditional organisational boundaries and functions. Everything the organisation does adds to customer satisfaction and
the reality of this must be emphasised in the structure of the organisation. Hierarchical organisational structures are compartmentalised into specialised departments which only perform certain tasks. Departments that do not deal directly with customers must also realise their importance to the customer. It should not only be the marketing division which concerns itself with the customer’s needs and extols the importance of the customer, but the whole organisation and its structure. To quote Murray and O’Driscoll (1996:11) "The 'boundary-less' firm of the future suggests seamless multi-functional activity where the emphasis is on managing a process to fulfil key customer and market focused tasks. As long as the view is just of marketing as a function, the issues of integration in strategy of organizational coordination around customer orientation all too easily slip into the hopelessness of exhortation across organizational walls - the marketing function encouraging, cajoling, harassing others to be customer-orientated and integrated in their decision-making."

According to Lovelock et al (1999:21), creating and delivering product elements to customers requires the design and implementation of effective processes. They state that a process describes the method and sequence of actions in which service operating systems work. Badly designed processes are likely to annoy customers when the customers experience slow, bureaucratic and ineffective service delivery. Similarly, poor processes are likely to make it difficult for frontline staff to do their jobs well, result in low productivity and increase the likelihood of service failures.

4.2.2.3 Market focus

In the changing marketing landscape of the 1990s where rapid technological change as well as
the changing needs of the customer became paramount, market force became a key concept (Murray & O’Driscoll 1996:3). Here the development of a market-focused organisation become the key element. Murray and O’Driscoll (1996:11) remark that the concept of market focus and the core competencies of the organisation developed as an addition to the earlier marketing concepts. In the researcher’s opinion this points to the adoption of a marketing philosophy or approach by an organisation as the basis on which it conducts its business.

These concepts are strategic in nature and are based on assumptions about the vital interdependence of business strategy, organisational capability, company performance, market and competitive realities and marketing action (Murray & O’Driscoll 1996:11). Attention to identifying, managing and nurturing core competencies has been driven by shorter product life cycles, which are shorter than the life of the key competencies that produce the products. The emphasis therefore shifts toward a balanced view of, and a partnership between customers and their needs, and the internal core competencies of the organisation. The partnership concept implies the development of a relationship. The relationship between the organisation and its markets must be guided not only by looking analytically and creatively at those markets, but also by looking deeply inward to the company’s competencies in order to understand what it truly has which is superior to its competition. It must, according to Murray and O’Driscoll (1996:13), align the unique competencies of a given organisation in a very focused manner with the satisfaction of the needs in the marketplace of chosen customer groups. Cannon (1996:6) holds a similar view, adding that by obtaining the knowledge of what the customer needs the organisation is prompted to design, develop or modify its offerings to meet those needs. This emphasises the continuous change marketing must face. As will be discussed in chapter 6, the challenge is to construct integrated value-adding activities which underpin
profitable exchange for both the customer and the organisation.

4.3 MARKETING DEFINITIONS DISCUSSED IN THE CONTEXT OF THE EVOLUTION OF MARKETING THEORY

Many definitions of marketing have been postulated. However, they reveal that though there are many variations there are also many common themes. According to Cannon (1996:3) the basic common features are looking at the organisation from the point of view of the customer, or striving to ensure mutual profitability from the marketing exchange. Others place an emphasis on the managerial nature of marketing.

McCarthy and Perreault (1990:5) simply note that marketing “provides needed direction for production and helps make sure that the right products are produced and find their way to consumers”. He claims that, together with the production or operations function in business, marketing provides four basic economic utilities:

- form utility - the tangible embodiment of the product or service that people want, remembering that there can be no utility if no need is satisfied
- time utility - having the product or service available when it is needed
- place utility - having the product or service available where it is needed
- possession utility - obtaining the product or service and having the right to use or consume it, usually in return for money or something else of value, as in barter
This rather formal statement of the utility created by marketing reflects the familiar cliché that marketing is all about ensuring that consumers get the right product, at the right time, in the right place and at the right price. The notion of utility and its specific dimensions is helpful when we turn to the task of specifying the goals of marketing activity - the four utilities are precisely those which must be created and delivered to the customer, and those on the exact nature of which the manager must decide.

The frequently quoted definition of Drucker (1973:64-65) places special emphasis on customer understanding: “The aim of marketing is to make selling superfluous. The aim is know and understand the customer so well that the product or service fits ... and sells itself.” This definition was in tune with the 1970s emphasis on “customer-as-king” and the popularisation of what we now refer to as the “marketing concept”. The marketing concept stresses customer orientation as a fundamental business philosophy. It emphasises that customer-oriented firms are more likely to successfully integrate the various activities of production, selling, financing and human resources management in a profitable manner into the service of chosen customers. The development and popularisation of business process re-engineering by Hammer and Champey in the 1990s, according to Murray and O'Driscoll (1996:6) has refocused attention on this necessity in many companies and provided tools and methodologies to tackle the design challenge in a fresh manner.

Kotler and Armstrong (1991:21) whose work remains seminal to the managerial school of marketing theory, have evolved the following complex definition: “Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.”
The above are traditional definitions that can be applied mainly to for-profit organisations.

The university library as a service organisation could benefit from considering Cronin's (1985:115) definition of marketing.

Marketing is seen as a managerial style based on a service philosophy which

- is user oriented rather than service or product centred
- is concerned with quality rather than quantity
- emphasises the effectiveness of the service
- emphasises the advantages that the service offers to the user

In the next chapter, however, the differences in service marketing will be discussed in depth.

4.4 CORE CONCEPTS OF MARKETING

Understanding the core concepts of marketing as a philosophy is essential to incorporating external and internal forces in which the organisation operates and drives its strategic thinking.

The core concepts are:

4.4.1 Needs

A human need is a state of felt deprivation in a person, ranging from physical and social needs to individual needs for knowledge and self expression, and is intrinsic to the human state rather than created by the world of advertising or social comparison.
4.4.2 Wants

Wants are the forms and manifestations that human needs take when shaped by culture and individual personality. Wants result in the expression of needs in many and varied ways in different parts of the world and different individuals. As economies develop so too do the range of wants of citizens. However, Kotler and Armstrong point out that marketers are well advised to remember the distinction between needs and wants. Needs are basic and unchanging. Wants are changing and often ephemeral. For example, demand for clothing springs from the basic needs for shelter (from cold or heat) and from needs for belonging (being in fashion) and for display. The wants associated with these needs are myriad and constantly changing, as can be established by comparing what you will see in any one day in clothing stores, and day by day and season by season as the stocks in these same stores change in response to what customers buy or refuse to buy. The company that focuses on wants and forgets the underlying needs is on the road to failure, leading to that famous comment that “a manufacturer of drill bits may think that the customer needs drill bits but what the customer really needs is a hole” (Kotler & Armstrong 1991:6). The need for the hole in the do-it-yourself market is, of course, driven by the rather basic need for shelter and home-making, which is then expressed in all the many aspects of demand for construction and home improvement products and services.

4.4.3 Demands

Wants become demands when realised through the allocation of limited buying power to the products that customers judge will provide most satisfaction for their money. Customers view
products as bundles of benefits and choose products that give them the best bundle for their money.

4.4.4 Products

A product is anything that can be offered to a market for attention, acquisition, use or consumption in the satisfaction of a want or a need, including not just those things we traditionally view as products or services but also people (for example, politicians), places (for example, tourist destinations), organisations (for example, Amnesty International), activities (for example, ecological responsibility) and ideas (for example, equal opportunity employment). Essentially, we are concerned with things that have some value in the sense that they may become the subject of exchange. What is exchanged for them most typically is money, but may also be political support in an election for a politician’s agenda, or time to visit an art gallery to gain some aesthetic pleasure, or national legislative change to join a common economic market.

4.4.5 Exchange

Exchange is central to any concept of marketing and is embodied in the act of obtaining a desired product by offering something of value in return.

4.4.6 Transactions

A transaction involves a trade of values between two parties and is marketing’s basic unit of
measurement. The transaction may be money-based, may be arranged as a barter or may involve the exchange of psychological commitment.

4.4.7 Markets

A market in the Kotler and Armstrong (1991:8) framework is the set of actual and potential buyers of a product who may deal directly with suppliers or may acquire the products they need through various intermediaries and market mechanisms as markets grow and develop.

4.4.8 Customer

Jenkins (1997:6) adds the customer as a further core concept in marketing. Jenkins postulates that customers are the individuals or businesses who provide revenue for the business. As the revenue stream is sourced from the customer, this makes the customer potentially the most important strategic stakeholder in the marketing process in an organisation.

4.4.9 Marketing, exchange and transactions

Marketing is a management process. Its goal as Murray and O'Driscoll (1996:4-5) state, "is to make exchange take place in a competitive marketplace in a manner that creates mutual profit for particular customers, or 'buyers' and suppliers of products or services, or 'sellers'. When a 'seller' understands what a 'buyer' needs and has been able to mobilise the resources and activities required to respond with an offering that has an appropriate balance of valued features at an acceptable cost, an exchange can take place. The exchange is profitable for
buyers if the offering satisfies their needs, solves their problems - and creates value for them that exceeds the price they have paid. It is profitable to the sellers if the cost of mobilizing resources and undertaking the activities involved in getting to market is less than the price buyers are willing to pay - the seller has created more value than the accumulated cost. The professional practice of marketing deals with organizing profitable exchanges of this nature.”

At the centre of the market lies the transaction, which is a single act of exchange. A transaction involves two parties exchanging value - most typically money for goods or a service. A transaction happens once. However, an exchange relationship may be created within which a series of transactions is conducted according to a set of mutual expectations. A transaction is initiated on the one hand by a ‘customer’ who wants a product or service, and on the other hand by a ‘producer’ who has the capability to provide a product or service at a price. The ideal transaction for the customer is when the product or service satisfies all the relevant needs and costs nothing. The producer’s challenge is to provide a product or service which embodies some acceptable offering for the customer in terms of value content. The value content can be based on how well the product satisfies the customer’s need and the price that must be charged to cover the cost of producing the product or service and provide for a return on the investment that has been made in order to complete the production (figure 4.2).
FIGURE 4.2
MARKETING, EXCHANGE AND TRANSACTION

Source: Adapted from Murray & O'Driscoll (1996:4-5)
A transaction happens under certain circumstances. The customers must have needs that can be interpreted and some resources that they can trade in return for a product or service. A producer must have the ability to understand the customers’ needs and the capability to create and to deliver a product or service that satisfies that need. Marketing is defined by these requirements. Managing marketing is seen as a challenge to the producer to respond to the customers’ needs, and competition between producers is based on their success and understanding in meeting those customers’ needs. If such activity is considered in detail, we can quickly begin to envisage the complexity of marketing processes which must be manage creatively and efficiently.

4.5 THE ROLE OF COMPETITION IN THE MARKETING PROCESS

In scientific theory the friction between two objects has been proved to be a catalyst to certain reactions. So too, in the researcher’s opinion, competition between organisations, created by the necessity to survive, especially in the face of current global trends, is a catalyst to enforce organisational learning, growth and change. Competition creates energy. To create this metanoic (Dostal & Osler 1990: 17) organisational environment, certain forces from external as well as internal situations must arise to create frictional sparring when organisations reach stages in their development that require change.

According to Armstrong (1982:6-9), there are a number of behavioural elements of competition, which are all actions and decisions an organisation makes and implements:
• **Innovation and imitation**

Organisations that compete are always trying to improve their offer to their customers. This would call for a display of experimentation, innovation, imitation and counter innovation. When an attribute, such as better, bigger, faster delivery, of an offer to the customer comes to the fore and works, rivals seize it for their own and try and improve on it. This process of innovation and imitation, according to Armstrong (1982:7), is the engine of the progress of our economy and is for this reason sometimes referred to as “dynamic” competition.

• **Choice, challengeability and the right of effective protest**

If there is no choice available for a customer concerning the use of a certain service or product, the supplier of the sole product has a monopoly over the supply of this product. The customer therefore has no leverage in influencing the dynamics of that service or product, he or she must meet the provider or seller’s terms or go without. The essence of competition is to free the customer from the power of the seller, by access to alternative products or services. Choice plays an important part in a changing, dynamic world. The choice of one brand of product over another gives the customer an opportunity to control the path of change. Sometimes the old survives the competition of the new and both continue to exist in an enriched scenario of offers, an example being books versus electronic sources of information. The customer therefore also has the choice of protest against the attributes of the product or service and therefore also influences the quality thereof.

• **Independent assertiveness**

An organisation must have the opportunity in a competitive environment to make
independent decisions as to the actions it will take in deciding about the products and services it will offer and how competitive it will be. This will not happen in a vacuum since the organisation still remains part of the overall environment in which it is competing. Competition does not rule out the fact that cooperative situations can be established with other competitors to obtain cooperative leverage in the competitive environment.

- **Energy**

The effort that goes into retaining a competitive advantage in an organisation on the part of its leader and staff is an important element and cannot be dismissed.

- **Expertise and knowledge**

The competitive game will obviously be influenced by the skill and knowledge of the players. To exercise choice the options must be known by the organisation. The organisation can only innovate successfully if knowledge is acquired about what is wanted by the customers and what is technically and economically feasible.

- **Existence of rules and the willingness to abide by the rules**

No game exists without a set of spoken or unspoken rules. These rules constrain rather than encourage rivalry and are sometimes of more interest to the smaller competitor as regards fair play. In business the boundaries of good competitive conduct are prescribed by law, our values and our ideas of fairness.

- **Power**

It can be argued that if there is fair competition this leads to a reduction of economic power of one organisation over another. If an organisation has complete power this results in it having a monopoly, in the market, concerning the products and services it offers the customer. It is therefore in a situation of power and offers its customers no
Producers continuously balance the "value-for-money" offer that they make in the market, in a sense, find a compromise, by adding or subtracting value content (more or fewer features for the product or service) and increasing or decreasing price in consequence of their decisions about features and as a result of their learning about how to produce more efficiently. Each producer does this in a competitive context and **competition is assumed to drive the efficiency of the market.** Competition and the customer's freedom to choose determine which producer's decisions with regard to value and price are most preferred.

In all markets that are not monopolised a number of suppliers compete to provide customers with what they need. It is not enough for the organisation to understand the customer alone. It must also understand what competitors are doing to gain customer loyalty and find a way of differentiating itself from them to win market share and long-term viability. "Competition is the engine driving efficiency and selection" (Murray & O'Driscoll 1996:131). It is therefore vital to understand how this force operates and to prepare strategies both to deal with it and to shape it. Knowledge of what is wanted by the customer is an essential element. The competencies of the organisation must be matched with these wants. The existence of rules must be kept in mind and be abided by. There must be a realisation on the part of the organisation that the customer has the power to shape the future and survival of the organisation in an ever-changing environment.
4.6 THE POSITION OF UNIVERSITY LIBRARIES ON THE CONTINUUM OF MARKETING FOCUS AS A MANAGEMENT PHILOSOPHY

In the researcher’s opinion university libraries at present are still quite production oriented. Traditional university libraries still have a strong hierarchical structure. There is still a strong adherence to the structure of various departments, each performing a particular task, for example document delivery and cataloguing. Books and periodical articles are delivered according to strict rules and regulations to particular parochial clients, in particular quantities. Each category of user has certain privileges, for example university staff can loan more books than students. Access is provided to books, journals, audio-visual material and some electronic online information via detailed cataloguing records. These cataloguing records are compiled according to aspects of the publication which the librarian considers that the customer needs.

University libraries still conduct business in the 21st century based on a business model implemented more than three decades ago.

This is the traditional university library which functioned well under favourable economic conditions and little or no competition. These libraries can, in the researcher’s opinion and to use Murray and O’Driscoll’s (1996) terminology, be labelled as being rather “paternalistic” in what they offered their user. In the experience and view of the researcher, the user did get good service and many were infinitely happy with the organisation that served them. Research collections of university libraries were good for the specific period of time, in the context of the university’s history and that period’s educational standards and tuition style. However, since the type of user at the time, was static, with similar backgrounds and educational levels, this worked at the time. A rather monopolistic scenario existed. Any variations from set
services were not allowed.

Some university libraries have started realising that a marketing philosophy needs to be adopted, but have only advanced to the second phase in the evolution of marketing, namely promotional or advertising campaigns. This marketing, however, usually reaches mainly students already enrolled at the university. It has not been a common practice for university libraries to actually target potential customers or actually launch projects to identify new, or additional segments of the market.

Savard (1997:12) analysed the results of a study conducted among Canadian librarians on their understanding of the perception of marketing as a concept. The results show that respondents attach great importance to marketing although at the same time they have an erroneous perception of the concept. He concludes that it is urgent to improve the perception of marketing if library and information services are to use this approach in an appropriate and efficient manner. There are numerous references in library literature that confuse the marketing orientation with a selling or promotional orientation (Savard 1997:12).

4.7 WHAT COMPETITION DOES THE UNIVERSITY LIBRARY FACE?

Global developments have placed society in the technological and information era, with the Internet reigning supreme and remote access setting the trend because of “new ways of creating, storing and delivering information”. University libraries should seriously consider a strong migration from the traditional walk-in facility, namely a building with branches at satellite campuses and postal delivery of items, to electronic format and remote access and
transfer. Migration should be emphasised, until university libraries are convinced that an electronic tuition model is totally acceptable to all students of tertiary education institutions, that all customers have access to a computer, that all customers are computer literate and that walk-in customers are so dramatically diminished that they are not a viable market.

This migration should also, as needs be, be more gradual until more academic information becomes available on the Internet and the tuition model migrates to electronic format. The competition is not really significant at present but university libraries must be aware of the impetus and the avalanche which may be approaching in the form of electronic delivery. If a marketing philosophy is adopted by the university library a shift should be envisaged to bring the customer into the centre of library services where he is given a choice in the packaging of the information he requires to be a successful student, lecturer or researcher in the current global educational and scientific arena. The university library now has a strong competitor in that information can be accessed via the Internet and that the customer does not specifically have to enter a library building to obtain information. Electronic access is at present a very costly route to take, however, and copyright agreements for electronic access to information are expensive. A clear picture of all the factors involved must be obtained by the university library as an organisation. This needs to be communicated to its clients and no expectation must be created in the minds of the library's customers that the electronic route is an option that will be taken against all odds even if there are competitors.

All the above factors will influence the speed of the paradigm shift of university libraries from the paradigm of prestigious collection building to a marketing philosophy. The speed of change in the demands of the customer and the environment will be the catalyst.
4.8 CONCLUSION

In this chapter marketing theory was discussed and an outline of the development of the marketing philosophy from a production and sales orientation to a market focus was given. Core concepts of marketing were identified and the transaction as the heart of exchanges between the university library and its customers was highlighted. Since competition is one of the reasons why an organisation has a marketing philosophy, competition and the competition university libraries face were discussed, placing the university library on a continuum of marketing focus as an orientation.

University libraries when they become market-focused should develop their core competencies and align these competencies with the demands of the market. Knowledge of the main competitors in the field of information delivery is essential, so that university libraries can be aware of what strategies need to be developed to sustain the business, especially in times when there are numerous competitors. The university library, like all organisations, needs to use the marketing tools available to it, such as the service marketing mix or service mix. These are the elements the university library can use to satisfy or communicate with customers. These tools will be discussed in the following chapter.
CHAPTER 5

THE SERVICE MIX VERSUS TRADITIONAL MARKETING STRATEGIES

5.1 INTRODUCTION

Marketing in the service context is not a self-contained task but is integral to the organisation and its activities. Since the customer experience is delivered by so many people in the service organisation, marketing differs in its structural relationships and activities. People need to be reactive not passive as with a product. The marketing mix as used by product oriented organisations is an inadequate description of the relationship with the market in a service organisation and does not serve as a way of managing the relationship. There are elements in an organisation and also in a university library which the organisation can control and use to satisfy customer's needs and preferences and communicate with them. Those that are embodied in the service mix (Irons 1997:24) or service marketing mix (Zeithaml & Bitner 1996:26) will be discussed. The difference between the elements of the marketing mix as used in product oriented organisations and the service mix used in service organisations will be considered.

Successful marketing of the service organisation unfolds within a conceptual framework, namely, the service marketing triangle (Zeithaml & Bitner 1996:23; Irons 1997:15). This will also be discussed.
5.2 WHAT IS A MARKETING MIX?

The traditional mix suggests that only four variables exist which control the interface between the organisation and the market. Zeithaml and Bitner (1996:23) define a marketing mix as "the elements an organization controls that can be used to satisfy or communicate with customers". The traditional marketing mix is composed of four elements, commonly referred to as the four p's:

- product
- price
- place (distribution)
- promotion

These elements appear as core decision variables in any marketing plan. The mix idea implies that all of the variables are interrelated and to a certain extent depend on each other. It also implies that there is an optimal combination of the four elements for a given market sector, at a given point in time.

5.3 THE SERVICE MARKETING TRIANGLE

Irons (1997:15) uses the service triangle as a conceptional framework, to represent the marketing of services. Zeithaml and Bitner (1996:23) use the services marketing triangle to highlight the processes of marketing. According to Irons (1997) the organisation and the staff are represented on the left axis and the market and the organisation on the right axis. Irons
becomes evident that the marketing of a service is a much broader task. It is about choosing customers and planning products according to their needs and bringing these together, and especially about what happens at that interaction between the staff and the market. Zeithaml and Bitner (1996:23) refer to three aspects of marketing on the three axes that would all encompass the service mix (figure 5.1). They base this on Kotler’s services marketing triangle.

Together with “external marketing” to the customer (on the right axis), there should also be “interactive marketing” from the staff of the organisation to the customer (on the horizontal axis), as well as “internal marketing” (on the left axis) from organisation to staff. External marketing defines the promised service. This is anything that the organisation undertakes to communicate to the customer before service delivery, so that they know what they can expect concerning the service promise. Internal marketing’s critical role is to enable the staff to keep the promise that has been made to customers. The activities relating to internal marketing are those that the organisation must carry out to train, motivate and reward its employees. Interactive marketing actually delivers the promise and is based on the assumption that staff satisfaction and customer satisfaction are inextricably linked.

An encompassing circle can also be added to this triangle, representing the mission and vision of the organisation, which encapsulates and drives all the activities that take place within the organisation.
5.4 WHY SERVICE MARKETING IS DIFFERENT

The difference results directly from the seven elements identified in chapter 2 which highlight the nature of a service. To reiterate:

Source: Adapted from Zeithaml & Bitner (1996:23)
Marketing in service organisations in general was neglected until ten to fifteen years ago (Irons 1997:19). It was argued that the customer was closer to the organisation, and therefore somehow the organisation knew what was best for the customer. University libraries in providing their services to their customers did not reflect in their processes that a marketing philosophy was needed. They historically adopted a paternalistic attitude, according to which they knew what was best for the customer. The customer often got the short end of the stick, since his or her information was received under certain sets of organisational rules and regulations. Marketing was usually centred around peripheral matters such as publicity and promotion, rather than around those at the heart of the business.

According to Irons (1997:19), the commonality between conventional marketing and service marketing was stressed instead of the differences being explored. Products are tangible, and are objects which can be sources of satisfaction after the transaction to acquire them has been concluded, but a service may leave nothing but memories. The impact of people is different. A prospective buyer can also prejudge a product prior to the purchase and rationalise about it afterwards, but a prospective buyer of a “product” of a service organisation cannot. In service delivery the customer experience cannot be seen as part of the job of one person responsible for marketing, as in the traditional marketing of products. The service is not delivered only by “experts” but daily by every person a customer deals with in the organisation. People occupying any marketing post should clearly be seen as coordinators and strategic drivers of marketing as a critical success factor in the survival of the organisation.
5.5 COMPOSITION OF THE SERVICE MIX: VARYING VIEWS

Service marketing needs to think more creatively about the traditional marketing mix. The service mix, as a means of controlling marketing activities in the service organisation, on the other hand, emphasises another additional aspect of the mix in the marketing of services, namely interaction.

In a service organisation where there is extensive customer contact, where the production processes are happening together with consumption processes as well as sales processes, traditional marketing may not be able to control even the traditional competitive elements. Quite frequently, customer contact will be split among functions and among various members of staff and each is actively marketing the organisation every time they interact with a customer. In the library, for example there are the staff at the information desk, staff in the periodicals section and the loan desk. They often do not realise that they have the responsibility of, or even vaguely concerned with anything touching on marketing. Many service organisations, of which university libraries are good examples, have a strong technically oriented core of competence, which may have little real customer focus.

Applying the principles of conventional marketing thinking, to bring the organisation and market together, namely, price, product promotion and place (or distribution) does not deal with the human interaction factor in service organisations. For tangible products conventional marketing theory can be applied and is largely successful in the manufacturing experience. In service organisations the human contact is part of the customer's solution to his or her problem, but human contact does not always make a great deal of difference to the satisfaction
of the customer who is buying a tangible product.

Customers do not just objectively assess the offer, but rather internalise their choice of services. They are discriminatingly aware of what the service will do for them as an individual and whether the organisation understands them enough to offer high quality service. It is because of the success of these interactions that the customer will return. Therefore this is the point where the organisation is able to add value and achieve a sustainable competitive difference. It is here that marketing counts most.

The traditional marketing mix does not provide a method for managing the situation which arises between the organisation and the customer in a service organisation. By merely applying the traditional mix the marketing effort of the service organisation will not be successful. There is an essential element absent which Grönroos (1982) added, to identify five elements. In discussing these it becomes evident that the nature of the interaction, the meeting with the marketplace, is an outcome of the other aspects and becomes the focus of the service organisation. These five elements then form what can be termed the service mix as espoused by Irons (1997). If these elements are in balance in relation to a defined market, with the central focus on the interaction, the marketing paradigm will meet with success. This will therefore inevitably also encapsulate a paradigm shift in the vision and mission of the organisation.

Other marketing specialists hold the view that the service mix is composed of seven elements, namely, product, place, price, people, physical evidence and process (Zeithaml & Bitner 1996:26-27). Firstly, they add people, describing them as the human actors who play a part in
service delivery and thus influence the buyer's perceptions, namely the organisation's personnel and the customers. Secondly, physical evidence is added, describing this as the environment in which the service is delivered and where the organisation and customer interact, as well as any tangible components that facilitate performance of communication of the service. Lastly, process is added, described as the actual procedures, mechanisms and flow of activities by which the service is delivered.

Kurts and Clow (1998:22) express the view that the service mix includes the service outcome (product), price, promotion and the image the customer has of the organisation. Irons (1996:24) feels that they miss the cardinal point about services, "the uniquely significant nature of the interaction as an outcome of the other aspects". It is advisable to shift away from simply providing a list, towards a focus on the key area of the service organisation, namely the meeting with the marketplace. Here the focus of the business is the market interaction, and the other elements that contribute to the success of this market interaction surround the focal point and interact with it. Irons (1997) offers a starlike formation which incorporates on its five points the five core role players in the service mix, the customer, the personnel of the organisation, the core products, the image of the organisation and the delivery.

The service mix does not create a distinction between revenue-earning elements and cost-incurring elements, as does the traditional marketing mix, since in a service all activity is integral. Costs and cost expenditure or savings have a significant and direct impact on performance. For example where the university library is under threat of decreased funding by cutting costs and staff indiscriminately, the result may simple be the deterioration of its service at the point of interaction, so bringing decreased satisfaction.
In university libraries the emphasis should most decidedly be on the interaction, since this is the major moment of truth for the library, as an organisation, to engender customer satisfaction, add value for the customer and gain the trust of the customer. It is therefore advisable to think of a service mix for the marketing of university libraries in terms of the conceptual framework that Irons (1997) postulates.

5.6 THE ELEMENTS OF THE SERVICE MIX

5.6.1 Product

The product has traditionally been seen as the principal output of the activity of an organisation. It was usually also related to ways in which this activity could be measured, for example the number of fridges manufactured, or in a university library the number of books loaned. In service organisations the product, however, should be seen as a solution, or set of solutions, to a customer’s or set of customers’ problem or problems, at a particular point in time. The customer is thus central, just as with a manufactured product, but in a service organisation the efforts are aimed at reactive targets, namely the customer and staff and the product can only finally be made at the point of sale where the customer is involved. The customer also does not see the product as separate from the interaction with the staff of the organisation.
The customer's perception of the service is often taken from the point of delivery, not only at the time of the sale but from any contact with staff throughout the purchase process. The service organisation sells moments of truth when ideas and plans are bought or rejected. They are the product (Irons 1997:32).

Kurtz and Clow (1998:22) and Zeithaml and Bitner (1996:117) consider the product to be a service outcome having two elements: the technical and the functional (figure 5.2).

- **The technical outcome** is the result of the service or the “what” of the service. For university libraries it would be the information the library can supply the customer with to use for research or study purposes or to solve a problem.

- **The functional outcome** is the process of receiving the service or “how” the service was provided. Functional service is the way the customer was treated by the organisation’s staff. In the case of university libraries it would be how the staff dealt with the expressed information need of the customer.

Ultimately, customers judge the quality of the services on their perceptions of the technical outcome provided and how that outcome was delivered. If customers cannot judge the technical outcome effectively (or even if they can, but believe there are equally competent university libraries, or other suppliers of information, for example) they will base their quality judgments on process dimensions. These dimensions would include the ability of the provider of the service to solve problems, empathise and be courteous during the interaction with the
5.6.2 Place (distribution)

Distribution, according to Kurtz and Clow (1998:23), is the availability and accessibility of a service to customers. Place makes the product or service physically available. Here university libraries in the past established branch libraries to accommodate customers on satellite campuses and where a demand existed at certain academic departments. However, the Internet now could play a very active role here enabling customers to receive remote access to services.

Many opportunities now can be harnessed because it is possible to digitise information sources for the purpose of remote access. In the future customers of the university library should increasingly be able to access information from remote areas. However, in South Africa this is not an option to all customers. This aspect will have to be born in mind. A possible solution could be to provide access points countrywide where information can be accessed by students in remote areas. Multiple access to one source of information is also made possible through digitisation, therefore multiple copies of one source of information can also be excluded from the investment philosophy of the university library.

This element of the service mix could in future leverage competitive advantage for the university library for certain sectors of the library’s customers. At present most university libraries still have a number of walk-in customers and a proliferation of branches of the university could for the present be what the university student in South Africa would prefer and need.
5.6.3 Price

This conventionally involves a source of revenue for the organisation, generated from the sale of a product. For university libraries, price is not simply definable, since no actual “price” is charged directly to the student, lecturer or researcher, at the point of interaction, when information is found and delivered to the customer. The price is, however, inherent in the tuition fee and state grant which the university receives and from which the library is funded. The cost of supplying the service must, however, be calculable, and this can be considered to be the price of the product for university libraries. However, there are special categories of customers, who are a source of revenue to the university library, who fall outside the “sponsored” users. These are users from outside the university who are paying customers using the library’s services.

According to Kurtz and Clow (1998:23), price can also become important to a customer as a cue of what to expect, since services are intangible and experiential in nature. Higher prices often tend to convey perceptions of higher quality. The opposite is also true.

5.6.4 Promotion

There are several means of promoting an organisation. Effectively used, promotion is the purposeful communication by the university library to present the library’s service offering to its market. According to Fifield (1998:246), the objectives of promotion are:

- to build awareness and interest in the product or service and the organisation
- to differentiate the product and the organisation from competitors
• to communicate and portray the benefits of the product or service
• to build and maintain the overall image and reputation of the organisation
• to persuade customers to buy the product or use the service

Promotion can take place through various channels and can be used to advertise existing or new services to existing or potential clients, by means of various media, namely newspapers, the radio, television, the Internet, fliers, posters, billboards, to name a few.

5.6.5 Interaction

The nature of service marketing is intrinsic in defining the interaction as the production/consumption process which evolves when the customer selects the service face-to-face with the organisation’s staff. The staff factor predominates in the interaction and results in the satisfaction or dissatisfaction of the customer with the service or the solution to his or her problem. These perceptions usually offer the organisation the opportunity to create a competitive advantage. It is the interaction, according to Irons (1997:33), which is viewed as the principal product by the customer because it is this which is the main deciding factor in relating solutions to problems; it is here that value is created for the customer. It is in this interaction that a “bridge”, as an analogy, is constructed between the organisation and the customer. This bridge must be crossed mainly at the point of interaction not by the customer to the organisation, but by the organisation to the customer. The university library should take its service offerings to its customer, by making its services more aligned to the needs and preferences of its customers and no longer present its services in a way which is not satisfactory to its customer base. This becomes the organisation’s opportunity for competitive
differentiation (figure 5.2).

FIGURE 5.2
THE SERVICE DELIVERY BRIDGE

Source: Adapted from Irons (1996:33)

5.7 CONCLUSION

The elements of the marketing mix as a traditional marketing strategy were analysed in this chapter as well as the way they translate into the service mix, which is more applicable to the university library as a service organisation. To explain why the service mix is more applicable to service organisations, the difference between service marketing as opposed to conventional marketing of products was discussed and different views on the service mix were highlighted. The service mix is a fundamental tool for ensuring that planning is based on customer focus and not product focus. The roles of marketing become essential to the change an organisation has to undergo to become customer driven, both for the staff of the organisation to change their focus, and the customers, who must be made aware of the benefit the new or modified service offering will have for them in the solution of their problems.
In chapter 6 the importance of the customer to the university library will be discussed as well as strategic thinking as a means of creating sustainability for the university library as a customer-centred service organisation.
CHAPTER 6

THINKING STRATEGICALLY ABOUT THE
CUSTOMERS OF UNIVERSITY LIBRARIES

6.1 INTRODUCTION

In the preceding chapter the need for tools to accomplish a paradigm shift was examined. The interpretation of influences of the global paradigm shift which has resulted in the information era and changes in the needs and preferences of the customer, as well as a strategic shift in organisational strategic thinking were explored. The source of the problem in its present form will be emphasised and summarised in the following paragraphs and techniques to guide strategic thinking will be proposed.

For the university library to change its collection building paradigm to a customer driven organisation and therefore a marketing paradigm, it is necessary for the changed paradigm to become “an attitude of mind”, as Fifield (1998:xiv) states, and the mindset of the whole staff component has to change. Most especially the strategic thinking of those individuals mainly responsible for the growth, learning and competitive edge of the university library needs to undergo change. The value of strategic thinking about customers and their changing needs must not be underestimated by these leaders when developing a business strategy based on careful analysis of all the changing trends in all disciplines, brought about by technological change. Added to this is the fact that the customers of the university library embrace change.
rather than resist change since they are seeking information for scholarly work which is always associated with rapid change and growth. The output of strategic thinking must be more than a process of becoming acquainted with and understanding the symbiotic situation that the library finds itself in with the customer. The output must also be a response to what should and could be done by the university library to satisfy the needs of its customers, and bring the customers, and their needs, to the very centre of the library while retaining the competitive edge. The university library should therefore espouse the marketing paradigm as the means of conducting business and retaining the competitive advantage.

There needs to be a fresh outlook on the delivery of information offering added value to the customer's information gathering activities. This should be based on regular evaluation by customers of the university library and on customer needs audits. Various points of view concerning strategic thinking will be discussed, with the emphasis on scenario planning. A practical model will also be presented, which can be used as a basis for analysing the organisation as an adaptive entity, functioning in a rapidly changing economic and technological environment to sustain competitive advantage.

Although the service mix is a set of elements which are used to communicate with the customer and satisfy their needs, it is a powerful tool to ensure that scenarios constructed during the strategic thinking process can centre around every one of these elements. Each element is equally important and must be leveraged for optimal service results.

The aim of this chapter is to supply the strategic thinker with tools to think strategically about the university library customer and the university library to ensure that the library remains
sustainable and retains its competitive advantage in the field of information supply.

6.2 THE CUSTOMER DEFINED

Customers can quite simply be defined as stated by Cannon (1996: 123) as "end users of a product, service or other form of offering". Jenkins (1997: 71) states that customers are central to the strategic focus of the organisation. They can be defined, firstly, on the basis of their characteristics and, secondly, by the context in which they buy or consume the product or service. Customer definition is therefore concerned with two aspects. Firstly, establishing the groups of individuals or organisations who are customers. In university libraries these would be undergraduate students, post-graduate students, staff or commercial clients. Secondly, clarifying the context in which they use the product, for example seeking information for the purposes of studying for a degree, diploma or certificate, or, any type of research to apply in a profession or business.

The socio-economic forces of demography, location, income and class establish many of the preconditions for particular types of needs, drives and actions of people. These pressures are not constant and they change over time for both society at large and specific individuals and groups. In exploring these patterns and trends there is a danger of thinking in terms of a single, homogeneous market.

It was because of the recognition of this danger that market segmentation emerged as an approach. Market segmentation divides the market into distinct and increasingly homogeneous subgroups of customers where any group or groups can be selected as a target group in the
market to be served by a distinct marketing mix or in the case of university libraries, a service mix. There are numerous means of segmenting the market, such as by location, socio-economic factors, or similar categories such as age or profession, to name but a few. All customer needs are driven by a motivation of one kind or another.

6.3 WHY CUSTOMERS ARE IMPORTANT TO THE UNIVERSITY LIBRARY AS A SERVICE ORGANISATION

If the university library is truly customer-driven it needs to establish the details and reality of the customers’ perspective and from this develop a cohesive strategic direction for the organisation. The university library must therefore have a clear picture of why its customers are important. Jenkins (1997:6) distinguishes five areas where customers contribute to the development of an organisation or business:

6.3.1 Revenue stream

The revenue stream is sourced from customers. There are a number of dimensions to the revenue stream through which the customer strongly influences the financial balance of an organisation.

The volatility of revenue levels is driven by customer demand, whether this is on an annual or biennial basis (for example in the university library a new intake of students every five or six months), or whether it reflects seasonal variations, (for example in the university library customer demand for different levels and categories of technological training), or whether the
demand is over longer periods (for example in the university library masters and doctoral students). Understanding these issues requires an understanding of customers and the nature of their situations. Understanding the driving forces which create a situation in which demand is suddenly likely to rise or fall helps the business to anticipate changes in revenue flows more effectively. Many companies fail because they run out of revenue. Cash flow is not just something that occurs in the finance department, it is a result of how we do business with our customers. In university libraries this revenue stream is sourced by the rise and fall of students enrolling at the university annually.

The stronger the customer base, the stronger the revenue stream and therefore the competitive advantage one organisation has over another, provided they use the income for the benefit of the customer. The supplier of information, be it a university library or one of its competitors, has a decided advantage in the areas of developing more efficient techniques, training its staff more efficiently and purchasing more and better technology if its revenue stream is stronger. With the scenario of less government funding and the need to become financially more self-sufficient, the university library must create and sustain a highly efficient supply of new products, or a new packaging of its current products to existing or potential customers to achieve this. The potential customer could be prospective students or any customers from the private sector willing to pay for the services of the university library.

6.3.2 Market valuation

Jenkins (1997:8) offers the opinion that customers as strategic stakeholders are an asset to the organisation in that they enhance the market valuation. Brand value is the relationship of an
organisation with its customers. Brands cannot exist in isolation. They exist because they are valued by customers. They are created by and sustained because of their acceptance by customers.

6.3.3 Sustained competitive advantage

Bounds et al (1994:233-234) state that “function, activity, and process analysis help identify qualitative competitive advantages and disadvantages. A distinctive competence is any organisational function or skill that is superior to that of its rivals. A competitive advantage is a distinctive competence that is important to customer satisfaction... Competitive advantages often arise out of the ability to generate process synergies that increase customer value.” They also add that “managers with a strategic intent to be global leaders will develop the firm’s ability to anticipate customer needs and take actions today to satisfy future needs. Strategic capabilities encompass the whole value-delivery system and include collective learning.”

Jenkins (1996:11) states that having an advantage over competitors lies in having something different to offer the customer. Sustainability comes when an organisation has something different which is difficult for competitors to imitate or substitute. In a service organisation it can be the quality of service and the feeling of being respected, understood and cared for. A feeling of belonging can be fostered, especially if the customer’s views and needs are gauged and seen to be implemented. The trump card seems to be, to quote Jenkins (1996:12), “the variability and complexity of customers, combined with the variability and complexity of the supplying organisation, make customer relations one of the most difficult areas to manage, but also one of the most difficult to copy. The sustainability is created by the culture of the
organisation and is embedded in the way it relates to its customers."

It is also important that market-based competitive advantage is perceived as an advantage by the customers concerned. It must be seen as adding customer value (Fifield 1998:87).

6.3.4 Catalyst for learning and change

Learning from customers by firmly putting forums in place like online suggestion repositories for comments, discussion panels and listservs on the Internet must be the most important catalyst for learning and change that an organisation can have.

Creating a dialogue with the customer is the best way of keeping abreast with the changing needs of the customer in order to identify opportunities for sustainable competitive advantage. From this basis the organisation can decide how to react to these needs. The customers’ needs are in constant flux in our rapidly changing and developing world, especially in the quest to keep up with technological development. Therefore if an organisation is fulfilling the needs of its present customers, this is no guarantee that future customers will be similar or that their needs will be the same.

Fifield (1998: 276) adds to this idea by stressing that the organisation needs to be innovative because this customer profile acts as a catalyst. However, he cautions that innovation for its own sake is unlikely to gain market share. Innovation that creates more effective solutions to customer’s existing problems is truly competitive. The knowledge of customers’ needs, carefully communicated in the organisation, should make the difference between investing in
productive innovation and wasting scarce resources by chasing rainbows.

6.4 STRATEGIC THINKING

Ohmae (1982 in Jenkins 1997:32) postulates that strategic thinking becomes an art when applied to an organisation's future direction. In the process of strategic thinking, according to him, the existing problems, trends or situations that would appear to form a harmonious whole, in terms of the paradigm of the day must be dissected into their constituent parts by the strategic thinker. The significance of all these parts must be revalued and reassembled in such a way as to maximise their advantage for the organisation. This view therefore challenges the paradigm of the day and emphasises that after analysis there must finally be synthesis.

According to Bossidy (1987 in Jenkins 1997:32) in the organisational and marketing context strategic thinking can be referred to as "understanding customers, market conditions and competitors, all of which are constantly changing". This approach therefore defines the concept of strategic thinking from the viewpoint of its content. Here the level of analysis is the organisation and an understanding of the context in which the organisation finds itself or will find itself. The focus is therefore more on the longer term, which distinguishes strategic thinking from other forms of thinking. Factors that will have an impact on the whole organisation and not only on parts of it are analysed.

Analysing the ideas of Bossidy (1987) and Ohmae (1982), Jenkins (1997:32) identifies a difference in their thinking in that Bossidy offers a definition based on the aspects that managers are thinking about, namely customers, markets and competitors. Ohmae on the other
hand emphasises that managers should be thinking about strategy in terms of the way they appraise a situation and respond to it. However, Jenkins states that both these aspects are important. Regarding content the organisation is concerned with factors external to it. If the organisation concentrates on thinking strategically about its customers it will gain more clarity on how it could become more effective. Simultaneously the organisation needs to concentrate on the actual process of strategic thinking and on how this enhances or subverts development.

Strategic thinking is therefore differentiated from other forms of thinking. Firstly the focus is no longer on the short term but rather on the longer term. The organisation cannot look too far ahead, however, since things change so rapidly. Secondly, emphasis is also placed on issues that will impact on the whole organisation and not on a particular function or activity.

**FIGURE 6.1**

**THINKING STRATEGICALLY ABOUT THE CUSTOMER**

Source: Adapted from Jenkins (1996:31-49)
Jenkins (1997:36-49) distinguishes four **steps** in the process of strategic thinking, namely:

- **Interpreting and sensing**

  Strategic thinking is about sensing and interpreting those stimuli that will have wide-ranging and long-term implications for the organisation. Especially when it comes to customers, competitors and markets organisations must realise that information on them is highly dynamic and ambiguous and requires constant reinterpretation.

- **Considering responses**

  A number of diverse responses must be considered in order to understand the environmental dynamics and the internal capabilities of the organisation so that more measured decisions can be taken.

- **Deciding and acting**

  Action must result from this analysis, but action is not a separate discrete stage of the process. Actions are interactively linked to thinking, since thinking defines action and action defines thinking. The term "strategic thinking" must not discount action from its agenda. It must not end in what Jenkins (1997:45) refers to as "the analysis paralysis loop" which inhibits rather than enhances strategic thinking.

- **Learning**

  Learning as it is referred to here is a feedback loop which allows the strategic thinker to interpret new or modified stimuli which provide an indication of the results of actions taken.

Analytical thinking, on the one hand is concerned with analysing factors external to the organisation, especially in relation to the customer in the context of a customer-focused business strategy, namely:

- customers' characteristics
- customers' value perceptions
- customers' price sensitivities
- customers' views of competition

On the other hand, analytical thinking also involves the analysis of internal factors, namely:

- the organisations' competences or strengths
- the organisations' incompetences or weaknesses

Strategic thinking in the organisational context therefore begins with the analysis of the customers and the organisation. This analytical thinking is specific in its content or area of concern (eg as customers, competitors, markets), but is a distinct process which also deals with complicated, ambiguous and uncertain data sources. The analysis must however be followed by a synthesis of these factors. Synthesis is the key step which distinguishes strategic thinking from analytical thinking. Synthesis is concerned with interpreting and connecting the external analysis with the internal understanding of the organisation and therefore developing a clear basis on which to act. Strategic thinking is about developing clear actions and priorities from the analysis.

Fifield (1998:30) states that "long-term profits do not come from the numbers game (adding
more customers at any price) but from a quality game that involves constantly offering customers a solution that meets their needs better than the competition can." This is the secret to competing in the new millennium.

It therefore becomes clear that the analysis and impact of both the internal and the external environmental influences must be considered and synthesised by means of altered strategic thinking techniques when adopting the marketing paradigm.

Jenkins (1997: 66) postulates four elements of good customer-organisation relationships:

- A clear definition of who the customers are and therefore who the recipients of the strategy and the sources of future returns are. It is important that the definition should make the diversity and complexity of customers clear and acknowledge differences but also focus on the key customer groups and their requirements.

- Clarification on the strategies available to the organisation in terms of direction, focus and positioning.

- Knowing the organisation’s competences and how these link with the customer’s needs.

- Allowing the organisation to assess and implement the changes needed in order to build a more coherent customer focus and thereby maximise the relationship with the customer.

Since the process is iterative and links sensing, interpreting, considering responses, acting and learning, this is a continuous analysis followed by continuous actions on the part of the organisation to retain the competitive advantage. There are techniques, such as the SWOT
(Strengths, Weaknesses, Opportunities, Threats) analysis, which produce mental maps to show the territory which needs to be understood, but do not provide a specific route to follow.

6.5 STRATEGIES FOR DEVELOPING COMPETITIVE ADVANTAGE

To remain a competitive entity in an ever changing world order, an organisation must not only look inward at its processes, as discussed previously but also outward at the changing demands of customers. Porter (1985), Van der Heijden (1996), and Jenkins (1997) offer scenario planning as a strategic thinking tool concerning the strategic direction of the organisation. Whiteley and Hessan’s (1996) research led them to offer proven techniques to direct the organisation to become customer-centred. Porter (1985) also offers a visualisation tool to identify and analyse the processes internal to the organisation which form a value chain, and which each afford an inherent opportunity for the organisation to differentiate itself to achieve a competitive advantage.

6.5.1 Strategies for observing external influences and synthesise these into the organisation to ensure survival

As a means of creating sustainability for the university library in the competitive environment in which it functions, new ways of thinking about the library and the influence on it of the external economic, cultural and socio-economic environment have to be found. The internal competencies have to be applied differently and the processes aligned with the changing needs and preferences of the customers to leverage a competitive advantage.
Certain techniques can be applied to accomplish this. The techniques that will be discussed are proposed as a means of directing strategic thinking about the library and its customers, and provide a way forward for the university library to become sustainable in the longer term.

6.5.1.1 Viewpoints on scenario planning as a tool for developing competitive advantage

Research which has been done on scenario planning offers insight into a technique which can be used when thinking about the sustainability of the university library in the long term. Important viewpoints will briefly be dealt with:

(a) Porter

He defines a scenario as “an internally consistent view of what the future might turn out to be” (1985:446). By constructing multiple scenarios, an organisation can systematically explore the possible consequences of uncertainty for its choice of strategy. The use of scenarios became significant after the 1973 oil crisis magnified certain forms of uncertainty, with Royal Dutch/Shell as a pioneer (Porter 1985:447). Porter (1985:479) holds the view that scenario planning is “a useful devise for getting a management team involved in thinking about the future systematically and modifying unrealistic assumptions in a nonthreatening way, since scenarios are not intended as forecasts”. According to Porter, scenario planning places the task of understanding uncertainty in the hands of those who determine competitive strategy and ensures that scenarios are truly
relevant to the business unit. "Scenarios should be constructed well into the planning process, once basic industry, competitor and value chain analysis has been done... Scenarios are best used to guide the choice of a strategy, rather than as a means of confirming one."

Scenarios are not needed every year for every business unit. They are necessary only when significant uncertainties are present in an industry. Scenarios force a creative search for possible structural changes.

Porter’s view (1985:446) is that every firm deals with uncertainty in one way or another. Uncertainty is not often addressed very well in competitive strategy formulation. Strategies are frequently based either on the assumption that the past will repeat itself or on the manager’s own implicit forecasts about the most probable future of an industry. Managers often fail to consider or underestimate the probability of radical or discontinuous changes that might be unlikely, but would significantly alter the organisation’s structure or competitive advantage.

(b) Van der Heijden

Van der Heijden (1996:53) explains that the basic organisational purpose of scenario planning is the double objective of survival and self-development. In order to make the right decisions the organisation must understand itself and its environment. Van der Heijden (1996:29-31) holds the view that risk, inherent in every organisation, varies over time. Sometimes things suddenly seem to change direction, there is accelerated change and old assumptions suddenly become irrelevant. New actors in the market do not play the game according to accepted rules. The interfaces between the actors in the market and society seem to have become
reconfigured, sometimes because of new-found power or, because of new technology. As a result the established community feels undermined. Predict-and-control no longer works.

Something fundamental shifts and the basic rules of the game are overthrown. In this case the organisation is not sure in which direction to go and lessons learned in the past are no longer a good guide. New ways of doing things have to be found amid the turbulence. Structural change is often necessary and predict-and-control and forecasting cannot deal with structural change. The correct questions are not generated by this technique. A new flexible way of looking at the future is needed. Scenario analysis, contrary to forecasting, can react flexibly to structural change.

In the context of its purpose of survival and self-development the organisation develops a definition of the “organisational self” which can be called the Business Idea (Van der Heijden 1996: 53). This expresses its ability to survive and develop itself in terms of organisational characteristics which can be articulated and tested against environmental assumptions. When opportunities for gaining a competitive advantage are considered, the future business environment must be taken into consideration. This is largely uncertain and ambiguous. Scenario planning does not attempt to predict what is unpredictable, and for this reason considers multiple, equally plausible futures. These become the testing ground for the vision of the Business Idea that the organisation has for itself. Resulting from this, test options for improvement will emerge.

The three fundamental steps of learning, namely perception, theory building and joint action - all benefit from scenario planning. Sharing multiple stories about the future makes the
organisation more perceptive about its environment, and forces reflection on experience and adjustment of mental theories. Institutional testing of the Business Idea creates options for joint action (Van der Heijden 1996:54).

Van der Heijden offers five steps to follow when developing a strategy (1996:54):

• acknowledgement of aims, either through an externally imposed mandate, or through the internal organismic dual purpose of survival and self-development
• assessment of the organisational factors for success, including ability to change
• assessment of the environment, current and future, in all its uncertainty and ambiguity
• assessment of the fit between the two
• development of policies to improve the fit

(c) Jenkins

Jenkins (1997:66) emphasises scenario planning as the most effective tool to be used to generate thought and stimulate questions about the environment and about the business and its capabilities. The effect of an existing mindset is that we tend to restrict our interpretation of new information to situations which we have experienced in the past. This mindset also tends to lead us to espouse a predetermined solution and collect the environmental data to support this. Techniques such as scenario development can assist in making us think outside the existing mindset. Acting and thinking are interconnected: we act to help us understand a situation and we understand situations in order to act. Learning can be either within the existing mindset (single-loop learning) or can involve stretching the mindset by challenging and changing its underlying assumptions (double-loop learning).
Mind maps result and can be used to make strategic decisions. They present an alternative to the “market mindset”, introducing the clarity and insight which a ‘customer mindset’ brings. They are not perfect frameworks but a basis on which people with creative abilities can make a key difference in an organisation. Jenkins contends that it is not the wisest decision for a service organisation to focus on markets as a future basis on which future advantage can be built and maximised. The advantage can only be achieved by focusing on the organisation’s links with its customers (Jenkins 1997:61). Scenarios offer multiple possibilities for the business direction of an organisation.

Jenkins (1997:87) offers the following approach using scenario planning which is particularly useful when specifically considering customers. It consists of six basic stages in the development and application of customer-based scenarios. He also offers kinds of benefits that this process can deliver.

Identifying exactly who your customers are can be both difficult and challenging, but knowing who they are is fundamental to ensuring that the business is focusing on the right groups of customers.
Customers can be defined using three distinct criteria:

- whether or not they generate revenue for the organisation
- whether or not they make the decision to acquire a particular product or service
- whether or not they benefit from the product or service

In addition to knowing the characteristics of our customers, it is important that we relate this to the buying context. This gives more clarity to our understanding of how the customers are behaving in that specific context.

Organisations very rarely have only one customer group to deal with - most have a myriad of customers - and the challenge is to identify which groups require most strategic attention.

We determine which customers are important to us by looking at:

- the value of the business they provide
- their influence over other customers
- how stable their business is
- the competitive intensity associated with them
  whether or not there is an opportunity for the supplier to offer something unique to this customer
- the opportunity the customer offers for saving costs

The customers who are strategically important now may not be the ones who will be important to us in the future.
6.5.1.2 Six stages in the development and application of customer-based scenarios

(a) Identify customer group and context

The starting point of the process must be sufficiently focused in order to achieve the following stages. Therefore the definition of the customer group must be quite specific. Specific groups of scenarios might have to be applied to a number of differing customer groups. This offers the strategic thinker real insight into the possible ways in which the customer group may develop in the future.

(b) Identify drivers for change

The next step is to identify the factors which may change the way these customers could behave in the future. Factors such as the political/legal, economic, sociological/cultural and technological checklist can be used. However the analysis must remain clearly focused on what might change the way in which the customer might use or buy the service or product. The process must not become so broad that it turns into a series of global scenarios, rather than a set of scenarios which give specific insights into the customer, service or product.

(c) Sort drivers on the basis of outcomes

Having compiled a list of driving forces, these can now be sorted into different types of outcomes which can be expected. All forces which will have a certain outcome which is obvious and inevitable can be put into the “Certain” category. These are only those driving forces which contain predetermined factors that are already known. The important question is which of the less certain forces
will make a difference. These are listed under the “Uncertain” category.

(d) **The importance of driving forces**

Next the most important of the uncertain driving forces must be worked on. These are the forces that are most influential in bringing about change in the customer group. Three or four driving forces should emerge as the most important.

(e) **Creating the scenarios**

Start with the force ranked as most important and develop a causal map by asking the questions:

What will cause the particular outcome?

What will the effects of this outcome be?

Analyse the other driving forces by comparing the outcomes. Bringing these outcomes together forms a basis for establishing scenarios.

(f) **Using the scenarios**

Scenarios are not an end in themselves - they have a number of important outcomes.

6.5.1.3 **Benefits of scenario planning**

Developing customer-based scenarios provides an opportunity to:

- pick up key strategic signals from the environment (forces which may create change in customer behaviour)
• identify seminal actions which can be undertaken to build for the future
• explore the strengths and weaknesses for the organisation and competitors
• improve the processes occurring in the organisation, excluding the day-to-day routine
• become absorbed in thinking about the future
• synthesise the changes that the environment makes to the customers and therefore to
  their demands for changed products and services, and adapted organisational processes

It therefore becomes evident from a study of the views of these three writers that by
broadening strategic thinking scenario planning offers the organisation substantial benefits
when it is trying to maintain a competitive advantage. Although Porter wrote about scenario
planning back in 1985, this strategic way of thinking is still being followed in the late 1990s
within the marketing paradigm.

6.5.1.4  The customer as the centre of the organisation

Research done by Whiteley and Hessan (1996:52) confirms that the customer-centred
company has the willingness and ability to bring the customer to the very centre of its
organisational being as an organisational paradigm shift. Underpinning these success stories is
the difference between merely focusing on the customer as opposed to identifying and knowing
the customer. Added to this and of significant importance is that each employee, throughout
the organisation should evaluate every process, every task and every decision by asking one
vital question “How will this add value for our customers?” (Whitely & Hessan 1996:47). This
process of knowing and acting becomes like breathing - natural, reflexive, impossible to
neglect. They believe that all over the world organisations are at the edge of unprecedented
opportunity if they quite literally reinvent themselves and place the customer at the centre of the organisational being.

Whiteley and Hessan offer five key strategies for renewal and growth (1996:48-51):

- **Shift from an identity crisis to a laser-beam approach**
  
  Rather than going after every potential source of revenue, these companies discarded assets that did not add value for customers, cleaned house of bureaucratic policies and procedures, and precisely targeted the customer groups they believed they could best serve. They carefully determined what products and services they would and would not offer these customers and adapted their competencies to fulfil the needs of each customer in their target markets.

- **Do not just listen to the voice of the customer - “hardwire” it**
  
  Successful companies make sure that they hear the voice of the customers loudly and clearly. These companies got precise information from the customers and then actually used this data to shape their own approaches and set their priorities instead of offering the customers what the company thought they required. “The customer voice is hardwired into the company - that is, it is a permanent fixture. As essential to the growth and financial health as paydays, employee attitudes and production schedules” (Whiteley & Hessan 1996:49).
• Convert "teamitis" into universal collaboration

Companies that want to be world class in how they provide products and services for customers must be adaptable and responsive. This is impossible to achieve without excellent collaboration both within and between business units. Hierarchical control is therefore outdated and teams are formed to perform services, in the hope that many heads are better than one in providing excellence for the customer. Although some organisations have achieved extraordinary results with teams others are suffering from "teamitis" (Whiteley & Hessan 1996:50), an ailment characterised by teams for teams' sake, bustling with activity but accomplishing little for the customer or for the organisation. As Whiteley & Hessan say teams that collaborate universally offer excellent service to their customers since they are adapted to working cross-functionally.

• Turn customer satisfaction into lasting customer enthusiasm

Most companies today find that it is impossible to create any kind of sustainable advantage based on product alone. Therefore companies have committed themselves to outstanding interaction with customers. The requirement is that companies not only deliver a superior product but that they achieve breakthroughs in how they interact with customers to create outright customer enthusiasm by the way the service is delivered and marketed.

• Move from facilitation leadership to control leadership

It was evident in these companies that the leaders were highly visible to their customers on the shopfloor, talking to employees, asking questions, and helping
people out when they needed an extra pair of hands. Their style of leadership is contact, and they ensure that the employees are confident about where the company is going and are committed to what is important for the customers and excited about what is possible for the future.

According to Whiteley and Hessan (1996: 51) many organisations are bogged down because they remain internally focused, despite their rhetoric. It is clear from the above research that it has become necessary for many organisations to reinvent themselves by adopting and implementing the marketing paradigm.

6.5.2 Analysis of internal strengths and weaknesses to develop competitive strategies

If the university library wishes to align its internal competencies and processes with the needs and preferences of its customers, it has to look not only at the external environment in which it exists but also at what its internal strengths and weaknesses are. This gives the library a fresh opportunity to improve its efficiency.

Each individual organisation may be viewed as a microcosm of the industry or service sector in which it exists. Each organisation sources raw material and other inputs such as labour and capital from its input markets; so too does the university library. It then converts these inputs into products and services which it sells or offers to its output market, thus generating a return on investment either in the form of the revenue in a for-profit organisation or, in a not-for-profit organisation such as the university library, the value it creates for its customers when
they are seeking and applying information found in sources of information for study, tuition or research purposes. The organisation can therefore be visualised as an organised chain or series of activities just as in a manufacturing industry where there is a chain of production and distribution.

6.5.2.1 Porter's process analysis and value chain as competitive differentiation

Porter, one of the world’s leading authorities on competitive strategy, offers the strategic thinker a tool for visualising the organisation and its processes and a systematic way of examining and mapping all the activities an organisation performs and how they interact. Using this technique, current processes can be mapped and redesigned, or new processes can be designed. It is necessary to identify and analyse all processes as they are all sources of competitive advantage. Competitive advantage cannot be understood by looking at the organisation as a whole. He states that “every firm (or organisation) is a collection of activities that are performed to design, produce, market, deliver and support its products (or services). All these activities can be represented using a value chain” (Porter 1985:33). The value chain disaggregates an organisation into strategically relevant activities in order to understand the behaviour of costs and the existing and potential sources of differentiation. An organisation gains a competitive advantage by performing these strategically important activities more cheaply or better than its competitors. The organisation forms part of a larger “value system” (Porter 1985:34), which is the whole external environment, industry or service structure that it exists in. Porter’s value chain concept was developed to analyse the processes of the manufacturing sector, but can equally be applied to any service organisation seeking to create value for its customers in offering its services.
6.5.2.2 The model representing the generic processes of the organisation

FIGURE 6.2
THE GENERIC VALUE CHAIN

Source: Adapted from Porter (1985:37)

In competitive terms, value is the amount buyers or customers are willing to pay for what a firm provides for them. Value is measured by total revenue in a for-profit organisation, a reflection of the price an organisation’s product or service commands and the units it can sell or offer. In a not-for-profit organisation such as a university library what is in question is the value it creates for its customers when seeking and applying information found for study, tuition or research purposes in the fulfilment of these endeavours. An organisation is profitable
if the value it commands exceeds the costs involved in creating and delivering the product or service. Creating value for customers that exceeds the cost of doing so is the goal of any generic strategy. Value, instead of cost, must be used in analysing competitive position since for-profit organisations often deliberately raise their cost in order to command a premium price via differentiation.

The value chain displays total value, and consists of value activities and a margin. Value activities are the physically and technologically distinct activities an organisation performs. These are the building blocks by which an organisation creates a product valuable to its customers. Margin is the difference between total value and the collective cost of performing the value activities.

Every value activity employs purchased inputs, human resources (labour and management), and some form of technology to perform its function. Each value activity also uses and creates information such as customer data, performance parameters and product failure statistics. Value activities may also create financial assets such as inventory (especially relevant in university libraries which have collections of books, journals, online resources and audio-visual material) and accounts receivable, or liabilities such as accounts payable.

Value activities can be divided into two broad types: primary activities and secondary activities.
Primary activities are those activities involved in the physical creation of the product or service and its sale and transfer to the customer as well as after-sale assistance. In any organisation primary activities can be divided into five generic categories. Each category is divisible into a number of distinct activities or processes that depend on the particular industry or service. Activities existing in the university library will be highlighted in each.

- **Inbound logistics**

These activities are associated with receiving, storing and disseminating inputs to the product, such as handling, warehousing, inventory control, vehicle scheduling and returns to suppliers. In the university library these would be delivery of books and journals.

- **Operations**

These are associated with transforming inputs into the final product form such as machining, packaging, assembling, equipment maintenance, testing, printing and facility operations. In the university library activities involved here include the selection of information sources, the cataloguing of information sources, the performance of post preparation of resources (eg spine labelling of books) ready for circulation, the creation of access to digital resources and the management of inventory.
• **Outbound logistics**

Here the activities, which are associated with collecting, storing, and physically distributing the product to customers, would include finished goods warehousing, material handling, delivery vehicle operation, order processing and scheduling. In the university library activities such as the delivery of information sources and issuing and return of information sources would be included.

• **Marketing and sales**

These activities are associated with providing a means by which customers can purchase or use the product or service and inducing them to do so. Marketing and sales processes, as a generic category, can be subdivided, as indicated by Porter (1985:46) into discrete activities, in the generic value chain and would include marketing management, advertising, sales force operations, technical literature and promotion. For the library, the activities to be included here would firstly be marketing activities, such as determining the service mix, promoting products and services, managing channel relations, selecting new delivery channels and launching new products. Secondly, the “selling” activities comprise identifying potential customers and making presentations to customers as well as managing customer relations.

• **Service**

Here the activities are associated with providing a service to enhance or maintain the value of the product or service, such as installation, repair, training and product or service adjustment.
This activity in the university library could include training of the customers to use the resources of the library, authorising access of customers to use information sources or enforcing return of information resources, to name a few.

Each of the categories may be vital to competitive advantage, depending on the industry or service. For a distributor inbound and outbound logistics are the most critical. For a service organisation providing the service on its premises, such as a restaurant or retailer, outbound logistics may be largely non-existent and operations the vital category. For a bank engaged in corporate lending, marketing and sales are a key competitive advantage through the effectiveness of the calling offices and the way in which loans are packaged and priced. For a high speed copier manufacturer, service represents a key competitive advantage. For a university library servicing a distance education customer base, all the categories are vital but operations excellence seems paramount so that the customer can be supplied with information sources faster and in a more customised manner. In any organisation, however, all the categories of primary activities will be present to some degree and play some role in competitive advantage.

6.5.2.4 Support activities

Support activities support the primary activities and each other by providing purchase inputs, technology, human resources and various organisation-wide functions. The dotted lines reflect the fact that procurement technology and human resource management could be associated with specific primary activities in addition to supporting the entire chain. Firm infrastructure is not associated with particular primary activities but supports the entire chain.
The four generic support activities are:

- **Procurement**

  This refers to the function of purchasing inputs used in the organisation value chain, not the purchased inputs themselves. Purchased inputs include raw materials, supplies and other consumable items as well as assets such as machinery, office equipment and buildings. Although purchased inputs are commonly associated with primary activities, purchased inputs are present in every value activity including support activities. Like all value-added activities, procurement employs a “technology” such as procedures for dealing with vendors, qualification rules and information systems. A given procurement activity (e.g., procurement of books and journals and digital resources in the university library) can normally be associated with a specific activity or activities which it supports, although a purchasing department often services many value activities and purchasing policies applies organisation wide. Improved purchases can strongly affect the cost and quality of purchased inputs, as well as other activities associated with receiving and using the inputs and interacting with suppliers.

- **Technology development**

  Every value added activity embodies technology, be it know-how, procedures, or technology embodied in process equipment. The array of technologies employed in most organisations is very broad, ranging from those technologies used in preparing documents and transporting goods, to those embodied in the product or service itself. Moreover, most value added activities use a technology that combines a number of different sub-technologies involving
different scientific disciplines.

Technology development consists of a range of activities that can be broadly grouped into efforts to improve the product, the service and the process. Technology development occurs in many parts of an organisation, and may support any of the numerous technologies embodied in value activities, including such areas as telecommunication technology for the order system. It does not solely apply to technologies directly linked to the end product or services, technology development takes many forms from basic research and product design to media research, process equipment design and servicing procedures. Technology development related to the product or service and its features supports the entire chain, while other technology development is associated with particular primary activities. Technological development is currently vitally important to competitive advantage.

- **Human resource management**

  Human resource management consists of activities associated with the recruiting, hiring, training, and development and remuneration of all types of personnel. Human resource management supports both individual, primary and support activities (eg hiring) and the entire value chain (eg labour negotiations). Human resource management affects competitive advantage in any organisation, through its role in determining the skills and motivation of employees and the cost of hiring and training.
Organisational infrastructure

This consists of a number of activities, including general management, financial planning, accounting, legal and government affairs and quality management. Infrastructure, unlike support activities, usually supports the entire chain and not individual activities. In diversified organisations infrastructure activities are typically split between the business unit and corporate levels. In organisations which are not diversified these activities are self-contained. Organisational infrastructure can be a powerful source of competitive advantage.

6.5.2.5 Subdividing the sales and marketing processes in the generic value chain model

To develop effective marketing processes within the context of a paradigm shift to a marketing philosophy the sales and marketing processes have to be subdivided if as in university libraries they existed in a rudimentary form or did not exist at all. According to Murray and O’Driscoll (1996:51), following a process approach from a marketing perspective demands the adoption of a customer (internal or external) viewpoint. The objective of all processes is to produce value for the customers by accumulating the minimum of cost and time. Murray and O’Driscoll’s marketing processes differ slightly from those of Porter, but Murray and O’Driscoll approach the marketing processes from a service marketing perspective while Porter approaches them from a manufacturing perspective.
To develop effective marketing processes within the context of a paradigm shift to a marketing philosophy the sales and marketing processes have to be subdivided. In university libraries they exist in a rudimentary form or do not exist at all. According to Murray and O’Driscoll...
(1996:51), following a process approach from a marketing perspective demands the adoption of a customer (internal or external) viewpoint. The objective of all processes is to produce value for the customers by accumulating the minimum of cost and time. Murray and O’Driscoll’s marketing processes differ slightly from those of Porter, but Murray and O’Driscoll approach the marketing processes from a service marketing perspective while Porter approaches them from a manufacturing perspective.

Marketing processes usually focus on: (figure 6.3)

- order generation, fulfilment and service processes
- strategic marketing processes
- marketing management processes and
- new product development processes

Process analysis of the organisation helps to establish the role of marketing in the individual organisation and isolate the leverage which marketing activities have on the whole strategic scenario, growth and survival of the organisation.

6.5.3 Using the value chain to maximise the effectiveness of activities within the university library as a service organisation

Porter (1985:45) states that “to diagnose competitive advantage, it is necessary to define a firm’s value chain for competing in a particular industry. Starting with the generic chain, individual value activities are identified in the particular firm. Each generic category can be
individual value activities are identified in the particular firm. Each generic category can be divided into discrete activities... Defining relevant value activities requires that activities with discrete technologies and economics be isolated. Broad functions such as manufacturing or marketing (Figure 6.2.) must be subdivided into activities... Subdividing activities can proceed to the level of increasingly narrow activities that are to some degree discrete.” Porter further suggests that the appropriate degree of disaggregation depends on the economics of the activities and the purpose for which the value chain is being analysed. The basic principle is that activities should be isolated and separated that

- have different economics,
- have a high potential impact for differentiation, or
- represent a significant or growing proportion of cost.

In using this value chain and when the disaggregations of some activities are refined, the analysis might expose differences important to competitive advantage on the one hand. On the other hand it might be possible to combine activities because they prove to be unimportant to competitive advantage or are governed by similar economics.

Selecting the appropriate category in which to put an activity may require judgment and can be illuminating in its own right. Order processing, for example, could be classified as part of outbound logistics or as part of marketing or procurement. Value activities should be assigned to categories that best represent their contribution to an organisation’s competitive advantage (Porter 1985:48). Everything an organisation does should be captured in a primary or support activity. Value activity labels are arbitrary and should be chosen to provide the best insight into the business.
This process analysis shows similarities with the views of Jenkins and Ohmae in that Porter, through his recommended model, takes the strategic process through the analytical phase first by looking inward into the organisation and identifying its strengths and weaknesses which could possibly differentiate it from other organisations. Porter does, by implication, bring the customer to the centre of the organisation, since customer satisfaction can only be maximised if the organisation is functioning as competitively as possible to retain customer loyalty.

6.6 BUSINESS PROCESS RE-ENGINEERING

Since many organisations and university libraries now understand the threats and opportunities inherent in technological change, competitive influences affecting the survival of organisations, as well as the whole change in the way customers expect organisations to function, many organisations have launched into the re-engineering of their business processes. Hammer and Champy (1993:32) define business process re-engineering as:

"the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed" (1993:32).

Business process re-engineering can be brought about in various ways according to Balogun and Hailey (1999:20), which they refer to as a "change path". Change can be implemented in an all-at-once, big bang fashion, or in a more stepwise, incremental fashion. This emphasises the fact that change is a highly complex attitudinal shift. Balogun and Hailey refer to four different types of change:
• **Evolution**, which is transformational change implemented gradually through different stages and interrelated initiatives. It is likely to be planned proactive transformation, in which change is undertaken by managers in response to their anticipation of the need for future change.

• **Revolution**, which is fundamental, transformational change which is brought about by using simultaneous initiatives on many fronts, often in a relatively short space of time. It is more likely to be forced reactive transformation, owing to the changing competitive conditions the organisation is facing. If an organisation’s strategy is still rooted in the paradigm that used to lead to success, the mismatch between the strategy being pursued and the strategies required may be great enough to force fundamental change in a short space of time if the organisation is to survive. If the organisation sees that the need to pre-empt fast competitor response, or realises that rapid change is necessary to meet changing customer needs, an organisation might need to implement planned transformation rapidly.

• **Adaptation** is less fundamental change implemented slowly through more gradual initiatives, and reconstruction is change undertaken to realign the way the organisation operates, but in a more dramatic way. According to Balogun and Hailey (1999:24) a large number of attempts to change fit into this latter category, such as, many turnarounds and business re-engineering initiatives. Many change programmes are significant and important to the longer-term survival of an organisation. However these change initiatives are about reconstruction rather than transformation, since they are about making the organisation more efficient, or better at what they already do. If the
changes are also an effort to significantly alter the culture of an organisation they are transformational change.

By using the Porter's generic value chain the university library strategist has a visualisation tool by means of which he or she can look at the structure of the organisation and its current processes. Current processes that are impediments to better customer value, differentiation and sustainable competitive advantage can be looked at in the context of the scenarios that the strategic thinker is considering and radically redesigned or modified to orchestrate a paradigm change.

6.7 THE BUSINESS OBJECTIVE AND BUSINESS STRATEGY

The business or corporate objective is the goal toward which all activities of the university library will be directed. This is the purpose of the organisation. The business objective will state concisely what has to be done and where the organisation should be by what time. It must be an achievable and realistic objective. The business or corporate strategy is the means by which the objective will be achieved. According to Fifield (1998:94) "the business strategy is the one route which is both necessary and sufficient to achieve the business objective that the organisation has set for itself". Scenario planning will offer other alternative strategies which will be viable under conditions of uncertainty. According to Van der Heijden (1996:239), "the full benefit of scenario planning can only be realised in an organisation that has adopted scenario thinking as the dominant strategic thinking style." This strategic thinking style of the university library will be reflected in the choice of a business strategy. Business strategy clarifies top management's views on the environment and the way in which it wishes the organisation to
operate. Irons (1996:87) states that “strategy should be about giving a form and direction to activity, not about incremental changes.”

6.8 THE STRATEGIC MARKET POSITION STATEMENT

The strategic marketing statement is the vital link between the whole area of business strategy development and marketing strategy development of the university library. It is strategic and therefore relates to the longer term, the external environment, its market and its position in relation to its competition in the marketplace. This statement should attempt to sum up the business objective, business strategy, competitive strategy and sustainable competitive advantages in a form which is both easily understood and easily recognisable by the people in the library who will have to carry them out. The strategic marketing statement in this respect is similar to the mission statement of the organisation, but only at a lower level in the organisation (Fifield 1998:97-98).

According to Porter and Fifield (1998:99), strategic positioning means either:

- performing different activities from rivals, or
- performing similar activities in different ways

The university library should concentrate on deepening the strategic position rather than broadening or compromising it. Deepening a position involves making the organisation’s activities more distinctive, and strengthening and communicating the strategy better to those customers who should value it. Positioning is therefore the process of designing an image and value so that the customers within the target segment(s) understand what the company and its
brand stands for in relation to its competition. Strategic positioning is a fundamental element of the marketing strategy, since any decision on positioning has direct and immediate implications for the whole marketing or service mix. The marketing or service mix can in essence be considered to be the tactical details of an organisation's positioning statement.

6.9 THE MARKETING STRATEGY

Marketing strategy, according to Fifield (1998:181), refers to the means by which the marketing objective will be achieved. The marketing objective and marketing strategy should be seen as a combination of decisions which need to be adjusted and fine-tuned until a balance is achieved and the organisation can clearly see a way forward.

The marketing strategy of the university library should be about the development and the execution of the marketing tactics encapsulated in the marketing or service mix. However, it is important for the marketing strategist to be able to stand outside the minute details of tactical decisions, products policy and pricing decisions, to take a truly strategic view of the marketing activity of the university library. This will offer the organisation an opportunity to create a secure, long-term position in the marketplace and not be at the mercy of its competition, according to Fifield (1998:182).

Fifield (1998:182) defines the marketing strategy as:

- managing what is probably the most critical series of interfaces in the entire organisation
- managing the interface between what the organisation wants to do and the means by which these aims and ambitions can be realised
• managing the interface between the internal organisation and the external marketplace
• managing the interface between the organisation’s capabilities together with the opportunities open to the organisation and its industry, and its marketplaces
• managing the interface between the organisation’s resources and the needs of its marketplaces
• achieving balance and constantly searching for equilibrium between these varied and often conflicting forces

The marketing function is just as much a specialist function as all the other managerial functions within the university library, such as finance, human resources and operations as well as organisational design and structure. The main difference is that the marketing strategy’s primary focus of attention lies outside the organisation, while the attention of the others is often primarily focused within the organisation. The marketing strategy must give direction to the other areas of business and the organisational structure. If the organisation espouses a marketing philosophy, this will be much easier to achieve. If only the marketing strategy concerns itself with the external marketplace, then the organisation will be entering the competitive race for customers with a severe “handicap” (Fifield 1998:212).

6.10 CONCLUSION

When the university library has adopted a marketing philosophy as a way of doing business, it will be both internally and externally focused to sustain competitive advantage. In this chapter we examined techniques to look afresh at both the internal processes and the strategic techniques required to change the university library into a customer driven organisation.
Viewpoints on scenario planning as a strategic thinking tool and the steps in scenario planning were therefore discussed. The customer, competition and marketing were defined and the benefits of the customer to the organisation or university library were analysed. A model for visualising and re-conceptualising a business in the context of a value chain was discussed, as well as its component parts. These separate parts which are essential to the efficient running of an organisation were highlighted. This model can act as a basis for re-engineering the internal processes of the library to align them with the changed needs and preferences of its market segments and create a competitive advantage for the university library by creating operational excellence.

The business strategy and marketing strategy that will serve as plans to guide university library in the longer term, in times of uncertainty, were also briefly discussed. Business process re-engineering was touched upon as a way forward to achieve sustainability for the university library.

The analysis of both the external influence of the marketplace and its future development will dictate the fit of the internal structure of the organisation and its processes to the needs of the customer in the marketplace. General marketing theory is equally applicable to the university library as to other industries and service organisations. This will assist the university library’s marketing strategist to ensure the survival of the organisation, when applying strategic thinking techniques such as scenario planning, and giving direction to the other areas of business and the organisational structure.

However, the organisation will have to remain aware of the fact, as Bounds et al (1994:37)
suggest, that "customers are the Darwinian force that determines which companies are the most
fit for survival" when developing both a business and a marketing strategy.

In chapter 7 the need for customer and staff education concerning a paradigm shift to a
marketing philosophy and customer-centeredness will be investigated.
CHAPTER 7

THE NEED FOR CUSTOMER EDUCATION AND STAFF COMMITMENT TO PROMOTE AND MAXIMISE THE PARADIGM SHIFT IN UNIVERSITY LIBRARIES

7.1 INTRODUCTION

When the university library is strategically committed to adopt a marketing philosophy and become a customer-driven organisation, it is essential that not only the staff but also the customers become aware of this paradigm shift. The library cannot execute its newly accepted ideas if it does not get commitment from the staff, who have to deliver the customer centred service through new or redesigned processes and new competencies, to bring the emerging paradigm to fruition. Equally the customer must be aware that the library will now customise the service offerings, make them more differentiated and create more value for the customer. Customers must also know that they are considered pivotal to the future development of the organisation, have the right to air their opinions and that the library will react to their changing needs and preferences. Especially in university libraries, newly packaged information, new products and even fee-based, customised services for certain segments of the market can then become a reality to the customer. Through customer and staff education the university library will make customers aware of the new reality of the changed organisation and a dialogue will be established and sustained between the university library, its staff and its customers.

Customer and staff education involves the designing of processes that will underpin the three
marketing aspects of the service marketing triangle, namely, internal, external and interactive
marketing. These processes are especially important in the service marketing context where
the interaction aspect is all important in the service mix. The education presented to the
customer is encompassed in the development of the marketing strategy which involves all the
elements of the service mix, namely, product, place, price, promotion and interaction. There is,
however, a strong element of promotion involved when customer and staff education is
delivered.

Promotion is the final activity to be incorporated into the marketing strategy. It cannot take
place until decisions have been made concerning the other elements of the service mix and
until the organisation knows its market segmentation, target market, pricing structure,
distribution channels and products and services to be offered. Although customer education is
a mixture of both promotional and product aims, emphasis in this discussion will be placed on
the fact that the customer is pivotal to the emerging paradigm. Customers will only become
aware of this change in attitude on the part of the organisation if this is communicated to them
openly.

The various aspects which bring the university library to the customer will be briefly discussed.

7.2 PROMOTION AS AN ELEMENT OF THE SERVICE MIX

Promotion can be defined, states Fifield (1998:245), “as the whole array of methods and
procedures which an organisation communicates with its target market”. It includes
advertising and selling. This points to the fact that promotion has a strong communication
element and that the various skills involved must be present in both customers and staff for the interaction between them to be successful.

It is a means of getting the customer from a state of unawareness of the organisation's products and services to a decision and to the act of using the product or service. It is only when the organisation learns from and uses information it gathers from customers from feedback concerning their satisfaction with the products and services and education and training programmes the organisation offers that the success of the promotion can be ascertained.

Advertising can be used to inform, persuade, remind customers or to induce action. Informative advertising provides information to customers about a service, such as operating hours, prices and service offerings. **Persuasive advertising** involves effort by the organisation to convince consumers of a particular point of view. On the other hand **reminder advertising** is used to enhance brand awareness and induce firm recall, whereas **action inducing advertising** attempts to persuade customers to either purchase a product or use a service, or inquire about the product or service (Kurtz & Clow 1998:425-426).

### 7.3 WHAT IS CUSTOMER EDUCATION?

Customer education, as Honebein (1997:7) states, is "not an event. It is a process. It exists throughout a customer’s relationship with your company: before, during and after the sale. It systematically links the activities of marketing, training and customer support in order to meet the customers’ ongoing needs for understanding, application, and success". "Company" in this
quotation can be translated in the context of the university library as a service organisation, as "organisation and "sale", as "service delivery" or "interaction". There is a gap in the customer's knowledge of the organisation's products or services, and customer education continuously attempts to narrow this gap. Product or service instructions are the place to start but definitely not the place to stop. Videotapes, classes, advertisements, workshops, seminars, press releases, user bulletins, hands-on training, telephone support, computer training, multimedia, World Wide Web home pages, listservs, and bulletin boards on the Web are all vehicles for education.

To have satisfied customers who use its products and services, an organisation must provide an array of need-driven educational experiences throughout the customer's relationship with the organisation. Some of these experiences might be promotional, providing customers with the knowledge and skills they need to make decisions regarding the best customised service or product for their needs. Customer education brings together all the relevant philosophies, strategies and tactics from the fields of marketing, education and customer services to help organisations plan, develop and implement appropriate educational experiences. Honebein (1997:13) states that "customer education is a continuum from product to promotion".

7.4 WHAT CUSTOMERS CAN LEARN

All aspects of marketing involve meeting customer needs. For customer education, these needs involve what the customer knows and feels about your product or service. Learning has three distinct domains, according to Honebein (1997:13):
Knowledge, which is information stored in a person’s mind through a procedure of concepts and principles. Knowledge can be subdivided into the following:

- **factual knowledge**, which is knowing a specific object, stating the nomenclature of an instrument, or recalling a past event or experience
- **procedural knowledge**, which is knowing the sequence of procedures necessary to accomplish a given task, for example finding information on the World Wide Web
- **conceptual knowledge**, which is the ability to define phenomena or to recognise or give examples of phenomena
- **principle knowledge**, which is the rules and principles that predict or explain outcomes

Skills, which are a person’s actions and reactions developed through practice and experience which enable people to do something with knowledge. Skills can be classified as follows:

- **thinking or cognitive skills**, which are the abilities to make decisions and solve problems,
- **acting, or behavioural or psychomotor skills**, which are the abilities to perform a physical action, such as typing
- **reactive skills**, which are the abilities to regulate one’s self, such as personal control, and attitudes
- **interactive skills**, which are the abilities to deal with others and which include good manners, pleasant verbal habits, leadership and supervision
**Attitudes**, which cause a person to think or act in a certain way. Attitudes would include:

- **consistency**, which is a person's desire for predictable beliefs and actions
- **feelings**, which represent a person's response to liking or disliking something
- **readiness**, which is a person's disposition towards a certain course of action

Organisations share knowledge and skills with customers. There is a reciprocal learning process between the organisation and the customer, since the organisation learns about the attitudes, skills and knowledge levels of its customers and the organisation imparts knowledge and skills to the customer. The customer can, as can the organisation’s staff, become aware of the organisation’s or university library’s attitudes toward them.

### 7.5 OFFERING CUSTOMER EDUCATION TO MAXIMISE THE USE OF PRODUCTS AND SERVICES

Services possess four unique characteristics: intangibility, perishability, inseparability and variability. Decreasing these by offering customers training in using the products and services, and offering them promotional information about how the service organisation visualises its services, can be beneficial to the university library as a service organisation in the following ways:

- It can increase the probability of use of products and services by the customer.
- Customer expectations are more clearly defined and understood by the customer.
- The perceptions of service quality are normally enhanced since the customer knows
what to expect.

- The level of customer satisfaction with the service increases since customers go into the service experience with more knowledge about what will happen.

Through continuous feedback from the customer about its products and service the university library can also ascertain whether it is still on track as regards whether the products and services it is actually offering its customers are those they really require. Keeping a dialogue going on training required by the customer, when new products are introduced or there are problems using existing products, could give the university library the cutting edge as to whether the customer stays or goes elsewhere.

7.6 DEVELOPING A DIALOGUE WITH THE CUSTOMER

The pivotal idea behind being truly customer-driven is developing a real dialogue with customers and knowing that their opinions are honest, as well as letting them be certain of the esteem the university library holds them in (Morris & Willcocks 1996:153). Without dialogue there could be suspicion, distrust and mutual incomprehension. Customers are sometimes reluctant, because they think nothing will come of their ideas and their needs will never be fulfilled. The art of any customer relationship lies in getting the customer to see that the organisation has a series of individuals that they can talk to, and continue to get service from. This creates a listening culture and shows that the organisation wants to listen. This is where the organisation builds a bridge (Morris & Willcocks 1996:154) between itself and its customers. The university library should not expect the customer to cross the bridge and come to the organisation and use the services and products the library thinks it should offer the
customer. Instead, the library with its differentiated qualities should go to the customer to fulfil
the actual expressed needs of the customer. This can be viewed as part of the promotion of the
organisation. Amongst others this bridge building should incorporate the following:

- Showing the customer that the organisation is serious about its customer-driven
  paradigm. With shrinking budgets and the increase in media choices it is advisable to
  enlist customers into the marketing decision-making policy.

- Moving onto the customers’ territory by showing them that they have an advantage
  because of the marketing paradigm. Also demonstrating that the relationship is based
  on equality rather than dominance (Morris & Willcocks 1996: 155). (See figure 5.2).

  The art is to go out on the customer’s territory so that the odds seem more even. The
  university library should consider whether customers always have to visit the actual
  building of the library, whether the organisation has regional offices, whether there are
  courier services available to its customers, or whether there is virtual access via the
  Internet services.

- Using the leading edge, especially by leading in the introduction of technology such as
  the Internet and Information Communication Technology to keep in contact with the
  customer.

- Keeping in touch with the customer since it has become necessary in times of strong
  competition to woo customers in order to retain them, for example when there is little
  difference in price the competitive advantage would depend on good customer
  relationships. Furthermore, it is expensive to continually find new customers and rapid
  customer turnover also creates ill will because of lack of satisfaction (Morris &
• Creating a feedback system. Feedback systems are open, actively facilitate the involvement of the customer, are based on listening and are backed up by regular updating (Morris & Willcocks 1996:76). A feedback system creates a reciprocal learning process for both the organisation and the customer. Staff are the eyes and the ears of the organisation and should channel the customer’s comments back to the organisation.

• Treating everything the organisation does as an advert.

• Establishing appropriate relationships. It is important for staff to know that different customers are looking for different levels of service and that certain kinds of relationships are appropriate for certain services.

• Knowing the details of the organisation’s customers by –
  - establishing a customer database. A new relationship based on direct communication with the customers is emerging between organisations and their customers. By compiling a database of customers a database marketing operation can be established. Once it has details of the customers and regular needs audits the organisation is empowered to act on the needs of the customer. It is in a learning situation, and it is therefore better able to anticipate future “buying” actions. Database marketing is one-to-one communication with the customer. The customer can be informed of new customised products and services which have been made available and all promotional aspects of the organisation’s strategies can be communicated directly to the customer
  - regular needs audits by means of questionnaires or discussion panels, face to face or via net-meetings.
An increasingly popular service maxim is that of exceeding the customer's expectations. According to this credo it is not enough to sustain competitive advantage to merely meet customer expectations: a company must exceed them to retain customers (Zeithaml & Bitner 1996:472).

7.7 CHANGING THE CONSUMER'S CONCEPT OF THE ORGANISATION THROUGH CUSTOMER EDUCATION PROGRAMMES AS A MEANS OF SUSTAINING COMPETITIVE ADVANTAGE

This involves promoting the organisation's vision and values and correcting misconceptions. Perceptions customers form about an organisation come from their experiences with the organisation, the messages the organisation communicates and the actions of the organisation. The image customers perceive should be directly linked to the vision and values of the organisation. If an organisation claims to be customer centred, the organisation should do things that reinforce that claim.

Some messages in a media-rich society disseminate misleading information. Customer education is a tool to combat misinformation and negative publicity.

Honebein (1997:51) is of the view that the marketers are always trying to make their product different from that of the competitor. Differentiation gives them an advantage in meeting the needs of customers, especially if customers value the features that make the product or service different. The concept of value-added helps marketers make their product more than a commodity. Offering a product or a service, such as library and information services together
with training, in order to use the differentiated products or services independently, adds to the confidence with which the customer uses the product or service and thus gives the organisation a competitive advantage over competitors who do not offer the training. Customers know when training adds value to the product or service, and therefore training can be a useful strategy for differentiation.

Another differentiating factor materialises when the organisation can educate its customers about the legality of using certain products by offering information with the correct warnings. This could reduce the liability that the customer could encounter if he or she were not aware of these restrictions.

7.8 ESTABLISHING STRONG INTERNAL COMPETENCIES BY OBTAINING STAFF COMMITMENT TO THE CUSTOMER CENTRED PARADIGM

The emerging paradigm can only be accomplished when staff are committed to it and the desired change has been communicated to all the staff. This therefore concerns a possible change in attitudes and roles. Not all staff adapt naturally to change, therefore this is a delicate and emotive part of the emerging paradigm, may meet with resistance, and must be handled carefully and according to change management principles (Balogun & Hailey 1999:191). Roles are the responsibilities, behaviours or performance accomplishments expected of a person in a particular position (Bounds et al 1994:133). Role perceptions give people a vision of what they are supposed to do. The various levels of culture in the organisation are dynamically related. Values, beliefs and assumptions lead people to behave in certain ways, and behaviour leads people to think in certain ways. The culture of the organisation therefore needs to change to
shift to the emerging paradigm. To do this role perceptions which reside in the minds of the people (thus inwardly), as beliefs about what they are responsible to do, must change. If conditions are right, these perceptions lead to role behaviours (outwardly), which are the actions needed to accomplish the role perceptions (Bounds et al 1994:135).

It is essential, when a marketing philosophy is accepted by an organisation, that all the staff should be inspired and have a vision of what they should be accomplishing to improve customer value. Staff therefore need new skills together with changed attitudes. New skills can be accomplished by means of training especially in customer communication skills. This can be done off-site, in-house, or on the computer. However, the training must be standardised throughout the organisation.

7.9 CONCLUSION

The highly important fact that a dialogue must be created between the university library and its customer is the essence of the discussion in this chapter. Emphasis is also placed on the fact that the final aspect of bringing about a paradigm change in the university library, to a marketing philosophy, is that the customers have to be made aware of new ideas and trained in the use of new product offerings. Any developments and changes in the university library's approach to service delivery and an overall philosophy also has to be communicated to the customer to create awareness. New product offerings or changes will not be evident to the library's customers unless promotional endeavours are harnessed to communicate these changes to the them. Members of the library staff will also not be aware of the changed paradigm and will be unable to deliver appropriate service if they are not similarly informed of
changes and trained in new customer relations so that they can add strong internal
competencies to the university library. Only some elements of the service mix which are
influenced by staff and customer education involved in the emerging paradigm shift have been
discussed. These are all areas which have a far wider scope than has been discussed here. The
importance of education programmes for both staff and customers cannot be sufficiently
stressed. Customers can only be placed at the centre of the organisation if staff are committed
to the marketing paradigm and cross the service bridge to the customer. Strong relationships
evolve between the university library and its customers, which lead to long-term customer
loyalty and ensure customer retention since customers are informed of the university library’s
commitment to the objectives of its information seeking customers. Furthermore the university
library cannot grow and be sustainable unless there is an ongoing dialogue between the
customers and the library as regards customer needs and preferences and how these can be met
by the products and services offered by the university library.

In the next chapter a proposed marketing model as a visualisation tool to guide strategic
thought and future actions is discussed.
CHAPTER 8

PROPOSED MARKETING MODEL FOR UNIVERSITY LIBRARIES

8.1 INTRODUCTION

If it is accepted by university libraries that a paradigm shift to a marketing philosophy as a means of renewal and survival in the 21st century is inevitable, a new perspective has to be reached. This new perspective involves a new way of looking at both the university library’s external environment and its internal environment and processes. The proposed marketing model offers the strategic thinkers of the university library a visualisation tool and a guideline to expedite the paradigm shift. The model offers a guideline for the university library to integrate a marketing philosophy into a service triangle as part of its strategic directive. Internal processes in the value chain, designed to create value for the customer, are placed within the service triangle.

8.2 COMPONENTS OF THE MODEL

The various components of the model are an integration of the service marketing triangle (figure 8.1) of Irons (1997:15) and the generic value chain of Porter (1985:37).

The service marketing triangle emphasises the activities which need to be performed to bring to the overall marketing strategy to fruition. No organisation can exist without performing
certain processes and activities and these Porter (1985) depicts in a value chain. The model incorporates these components within the context of the university library's external environment.

**FIGURE 8.1**

MARKETING MODEL FOR UNIVERSITY LIBRARIES

Source: Adapted from Irons (1997:15); Porter (1985:37)

The outer circle of the model represents all the influences, developments and changes in the
external environment in which the university library functions and which impact on the library.

The inner concentric circle represents the mission and culture of the university library. The service marketing triangle functions within the mission and it is depicted as an equilateral triangle which indicates that each aspect of marketing has equal importance. The university library is at the pinnacle of the triangle and the customer on the right axis where the external marketing strategy functions and outlines the promised service. The horizontal axis represents the interactive marketing strategy which delivers the promise from the staff which are on the right axis where the internal marketing strategy functions to enable the staff to deliver the promise.

At the centre of the triangle lie the processes which Porter (1985) divides into support and primary activities within which are a chain or series of activities which are all sources of competitive advantage.

The model is therefore comprised of three main parts:

8.2.1 The external environment of the university library

The university library as a service organisation is functioning in a rapidly changing environment and there are three main areas which influence its strategic direction and ultimately the reasons for its survival and growth or its demise. This external environment offers both threats and opportunities for the university library.
8.2.1.1 Global economic, technological, information and education trends

As discussed in chapter 2 the information age has brought with it a plethora of changes. The result is a radical change in information, knowledge work and the elevation of service work. The changes in information creation, storage and delivery as a result of the computer networks are especially significant to the university library.

Growing cuts in funding of the university library impact drastically on smarter ways to offer services as well as more efficient services and productivity. Alliances with other university libraries and consortia can also aid the efficiency of service delivery.

A university library has the responsibility to adapt its services to the changing educational scenarios since it underpins the successes of the university’s tuition function. The tuition policy of the university itself is similarly affected by technology and the globalisation of information and education and must continually adapt (cf sect. 1.2).

The impact of these must be taken into consideration when the university library develops its strategy for survival and its business model and business plans.

8.2.1.2 University library customers

Customer definition is concerned with two aspects. Firstly, establishing the groups of individuals or organisations who are customers. In university libraries there would be, for
example, undergraduate students, postgraduate students, staff or customers from the private or business sector. Secondly, clarifying the context in which they use the product, for example seeking information for study purposes for a degree, diploma or certificate or any type of research to be applied in a profession, business or any other practice.

The customers of the university library have rapidly changing information needs and preferences and changing demands for delivery. Customers bring the external environment of the university library into the heart of the organisation and determine the way they prefer services to be delivered, be they online or actual hard copy services. The customer is more discriminatingly aware and is the greatest asset to the university library when the library is customer-centred and there is a dialogue between the customer and the library. The university library must cross the service bridge to the customer and not vice versa, as discussed in chapter 5.

8.2.1.3 Human resources

Human resources are also sourced from the environment. Market demands establish the competencies and skills that staff bring to the organisation and the university library must remain a competitive employer. Productivity and commitment go hand in glove with efficient service delivery. The university library should be seeking the balance between recruiting, selecting, motivating and rewarding staff in order to improve internal efficiency and to maximise the library’s effectiveness within the marketplace. Human resource management can hold the key to competitive advantage.
8.2.1.4 Capital resources

Capital resources are also sourced from the environment. The strategy of the university library must be formulated within the finances which it is able to access and is therefore dependent on the financial capacity of the university itself, via the number of students enrolling at the university. Strategic planning calls for a strategic supply of capital. The university library is one of the assets of the university and its services should add to the competitive advantage that the university should maintain in the market.

8.2.2 The internal environment of the university library

8.2.2.1 Strategic directives

The university library must understand its customers, market conditions and competitors, all of which are constantly changing. In its strategic thinking it must analyse the organisation and have an understanding of the context in which the organisation finds itself or will find itself. The focus is therefore more on the longer term and the analysis of factors which will have an impact on the whole organisation and not only on parts of it is important.

To remain a competitive entity in an ever changing world order, an organisation must not only look inward at its processes but also outward to the changing demands of customers. Porter (1985), Van der Heijden (1996), Jenkins (1997) offer scenario planning as a strategic thinking tool concerning the strategic direction of the organisation. Van der Heijden (1996:53) explains that the basic organisational purpose of scenario planning is the double objective of survival
and self-development. Porter (1985) holds the view that scenario planning is a useful device for getting a management team involved in thinking about the future systematically and modifying unrealistic assumptions in a nonthreatening way, since scenarios are not intended as forecasts. According to Porter (1985), scenario planning places the task of understanding uncertainty in the hands of those who set competitive strategy and ensures that scenarios are truly relevant to the business unit. Scenarios are best used to guide the choice of a strategy, rather than as a means of confirming one. Jenkins (1997) holds the premise that it is not the wisest decision for a service organisation to focus on markets as a future basis on which future advantage can be built and maximised. The advantage can only be achieved by focusing on the organisation's links with its customers (Jenkins 1997:61). Scenarios offer multiple possibilities for the business direction of an organisation. This method can be used as a strategic directive to aid the university library in its strategic thinking (cf sect. 6.5.1.1).

Whiteley and Hessan's (1996) research led them to offer proven techniques for renewal of the organisation and these can be used to direct the university library to become customer-centred (cf sect.6.5.1.4). The findings of the research confirm that the customer-centred organisation has the willingness and ability to bring the customer to the very centre of its organisational being as an organisational paradigm shift.

8.2.2.2 Processes

Porter (1985), one of the world's leading authorities on competitive strategy, offers the strategic thinker a tool to visualise the organisation and its processes, and a systematic way of examining and mapping all the activities an organisation performs and how they interact. Using
this technique, current processes can be mapped and redesigned or new processes can be
designed. It is necessary to identify and analyse all processes as they are all sources of
competitive advantage.

Porter distinguishes two main categories of activities around which processes are structured
Each category is divisible into a number of distinct processes and related activities as discussed
in chapter 6:

- Primary activities, which consist of inbound logistics, operations, outbound logistics,
  marketing and sales, and services (cf sect. 6.5.2.3).
- Support activities, which consist of procurement, technology development, human
  resources management and firm infrastructure (cf sect 6.5.2.4).

The customer-related or customer-facing processes usually focus on:

- order generation, fulfilment and service processes
- strategic marketing processes
- marketing management processes
- new product development processes

8.2.2.3 Staff

The emerging paradigm can only be accomplished when staff are committed to it and the
desired change has been communicated to all the staff. This therefore concerns a possible
change in attitudes and roles. Not all staff adapt naturally to change, therefore this is a delicate
and emotive part of the emerging paradigm, may meet with resistance, and must be handled
carefully and according to change management principles. Roles are the responsibilities, behaviours or performance accomplishments expected of a person in a particular position. Role perceptions give people a vision of what they are supposed to do. The various levels of culture in the organisation are dynamically related. Values, beliefs, and assumptions lead people to behave in certain ways, and behaviour leads people to think in certain ways. The culture of the organisation therefore needs to change to shift to the emerging paradigm. To do this the role perceptions which reside in the minds of the people (thus inwardly) as beliefs about what one is responsible for doing need to change. If conditions are right, these perceptions lead to role behaviours (outwardly), which are actions to accomplish the role perceptions (cf sect. 7.8).

82.2.4 Culture

Customers draw much of their final belief from the personality and behaviour of the person they deal with, because he or she provides more clues as to the personal suitability of the solution offered than does the core product itself. This emphasises the fact that services are about people. The service organisation has lost the direct simplicity of the market perception of the product, instead the interaction has taken centre stage. These interactions with the organisation form the customer’s perceptions of the individual rightness of a solution, whether it be to access value, repeat a visit or purchase, or recommend it to others. In turn continuous interactions occur within the organisation. Therefore it is the service culture of the organisation which will be experienced by the customer. If the culture of the organisation is not customer driven the experience that the customer will have will most likely be negative, impacting negatively on his repeat visit, purchase or recommendation of the service to other potential customers in the market. The staff and the organisation develop an internal culture.
The customer experiences this culture when he interacts with the staff. A customer-driven culture can be an immensely uplifting experience for the customer. This is what makes the customer return and is one of the main catalysts in achieving the competitive advantage. Customers will return repeatedly to use a university library’s services when their valued opinions are monitored and seen to be implemented.

Each service will present its own mix and emphasis. It is the service and the culture of the organisation which lend distinction, or a significant competitive advantage, rather than simply the core values of the product (cf sect. 3.4).

8.2.3 The marketing components

The service marketing triangle is depicted as an equilateral triangle which indicates that each aspect of the overall marketing process has equal importance. All three sides are critical to successful marketing activities and successful integrated service delivery. The university library is at the pinnacle of the triangle and the customer on the right axis with staff represented on the left axis (cf sect. 3.6 and figure 3.2).

The service triangle encompasses the processes of the value chain since it includes all the processes needed to deliver the service to the library customer, as well as the processes which must be designed to fulfill the marketing of these services. To deliver the promise or offering to the customer, three distinct marketing activities and processes around these are emphasised in the model.
8.2.3.1  Interactive marketing and related processes

Interactive marketing processes occur on the horizontal axis of the triangle and involve processes concerning the marketing of the university library’s services from the staff of the organisation to the customer. Interactive marketing processes actually deliver the promise of the university library to its customer and are based on the assumption that staff satisfaction and customer satisfaction of the university library are inextricably linked.

8.2.3.2  Internal marketing and related processes

Internal marketing processes are on the left axis of the triangle and involve the marketing of the university library’s services from the organisation to the staff. Internal marketing processes have a critical role in enabling the staff of the university library to keep the promise that has been made to its customers. The processes concerning internal marketing, are those that the university library must carry out in order to train, motivate and reward its employees.

8.2.3.3  External marketing and related processes

External marketing processes are on the right axis of the triangle and involve marketing processes from the university library to the customer of the library. External marketing processes extend a promise of service by the university library. These are any processes that the library engages in to communicate with the customer before service delivery what expectations they could have concerning the service promise of the university library.
8.2.3.4 **Mission of the university library**

An encompassing circle is added to this triangle which represents the mission and vision of the organisation, and encapsulates and drives all the activities taking place within the organisation.

8.3 **CONCLUSION**

The proposed marketing model for university libraries should lead to the design of matching of internal service delivery and marketing processes to create synergy between the product and service offerings of the university library with the external demands, global development and customer needs and preferences. The components of the model were discussed in the context of internal activities on the one hand, namely the processes of delivering the service as well as implementing the marketing strategies. On the other hand the external environment was discussed in which the university library functions which consists of trends in economic, technological and educational developments and changes in customer needs. The model should support the necessary paradigm shift.

In the next chapter conclusions reached as a result of the research will be discussed and recommendations offered to expedite the paradigm shift of the university to a marketing philosophy as the strategic directive.
CHAPTER 9

CONCLUSION AND RECOMMENDATIONS

9.1 INTRODUCTION

In order to survive in the 21st century university libraries need to take a fresh look at the way the organisation is functioning, if they are conducting their business according to a business model that is more than three decades old, and entrenched in a paradigm of prestige collection building (cf sect. 4.6). A new approach to service delivery and the importance of the customer to university libraries is essential in order to orchestrate a paradigm shift to a marketing philosophy, so that university libraries will survive, grow and remain competitive in the information age (cf sect. 6.3).

The essence of the problem which was identified and the changes that the university library needs to look at will be highlighted in the following paragraphs.

9.2 FACTORS RESPONSIBLE FOR THE ESSENTIAL PARADIGM SHIFT FROM A COLLECTION-BUILDING PARADIGM TO A MARKETING PHILOSOPHY IN UNIVERSITY LIBRARIES

The factors responsible for the changes in the economic world order were investigated and depicted in the form of waves of change, namely the agricultural wave, the industrial wave and
the information wave in which the development of each caused the demise of the other (cf sect. 2.3.1). The changes in information creation, storage and delivery were analysed and placed on the time line of the waves together with marketing theory and its evolution, knowledge development (cf sect. 2.3.1), and the changing demands of customers for products and service that an organisation offers. Capitalism and technology conquered the globe and diffused into economic development at an unprecedented rate. Organisations shifted from one paradigm to another, in the course of which their vision, aims and objectives changed. The result is a radical change in information and knowledge work and the elevation of service work. Drucker’s (1993) theory which focuses on the development of knowledge work was compared to Tofler’s (1980) theory of economic development (cf sect. 2.3.1).

The causes and effects of these global paradigm shifts in information production, education, universities and university libraries were highlighted (cf sect. 2.3.2). Students have to be educated in a different way to meet the demands of the evolved technologically different world of the computer and computer networks and the challenges and competition they bring with them.

The changes in the world order have also dramatically changed the needs and preferences of the customers of the university library. Prestige buildings and collections of books which the library thought the customers needed reflected the way the university library saw its service philosophy in the last three decades. The university library was not truly customer-centred and strategically influenced by customised needs and the preferences of customers. University libraries have to change their services since knowledge distribution is not restricted by boundaries such as place, tradition or history because of technological innovations such as the
Internet (cf sect. 2.1). Customers now expect more because competitors offer more. Libraries as service organisations need to adopt a marketing philosophy as a means of doing business and a customer value strategy (cf sect. 2.1).

9.3 INHERENT IDEAS AND PURPOSE OF A MARKETING PHILOSOPHY AS THE STRATEGIC DIRECTIVE FOR THE UNIVERSITY LIBRARY AS A SERVICE ORGANISATION

To arrive at a clear picture of the meaning of strategic thinking as applied in the organisational context, different definitions were looked at. Strategic thinking in the organisational context emerged as a dual process starting with the analysis of customers and competitors on the one hand and the organisation on the other hand, followed by the synthesis of these factors. Synthesis is the key step which differentiates strategic thinking from analytical thinking. Synthesis is concerned with interpreting and connecting the external analysis with the internal understanding of the organisation and, therefore, developing a clear basis on which to act. Strategic thinking is about developing clear actions and priorities from the analysis (cf sect. 6.4).

Jenkins's (1997:50) (cf sect. 6.4) views on strategic thinking in the context of the customer-centred strategy were also explored. This customer-centred strategy is the desired strategy that the university library as a service organisation should espouse. Analytical thinking on the one hand concerns analysing factors external to the organisation, especially as regards the customer in the context of a customer-focused business strategy, namely:
• customers’ characteristics
• customers’ value perceptions
• customers’ price sensitivities
• customers’ views of competition

Marketing as strategic directive links up with the ideas of Jenkins (1997) and the progress which has occurred in the discipline of marketing (cf sect. 4.2). This progress in the discipline of marketing highlights the fact that thinking within a marketing philosophy has evolved through phases, from thinking about products from a production-oriented marketing philosophy, to a sales and marketing orientation and then to a market force orientation in thinking about the needs and preferences of customers as the central strategic directive (cf sect. 4.2.2). The basic concepts (cf sect. 4.4) and conceptual frameworks around marketing, namely, the service marketing triangle (cf sect. 5.3 and figure 5.1) and around service delivery, namely, the service triangle (cf sect. 3.6) were explained.

The differences between services delivery and products distribution were identified and four distinct inherent differences were highlighted (cf sect. 3.4):

• intangibility, since there is a lack of tangible assets which can be seen, touched, smelled, heard or tasted prior to purchase or, as in libraries, prior to acquiring the information
• inventory, since services cannot be saved, stored, resold or returned
• inseparability, since production and consumption occur simultaneously during interaction between the service provider and the customer
• inconsistency, or variability in each service encounter
The transaction as a value creating opportunity for both customer and the organisation was discussed (cf sect. 4.4.9 and figure 4.2). Competition per se, and as an organisational threat and catalyst to growth was analysed and the competition which university libraries face was highlighted (cf sect. 4.5).

The characteristics of the marketing of services were explored (cf sect 5.4):

### TABLE 9.1

**CHARACTERISTICS OF MARKETING**

<table>
<thead>
<tr>
<th>Characteristic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transient in nature</td>
</tr>
<tr>
<td>Represented by people</td>
</tr>
<tr>
<td>Selected face-to-face with the customer</td>
</tr>
<tr>
<td>Series of one-off production runs therefore no standardisation - no one information need can be matched in its entirety with another</td>
</tr>
<tr>
<td>The production/consumption process is unsupervised</td>
</tr>
<tr>
<td>The process is influenced by the customer - they decide what varied sources of information will best suit their information needs - help to make the final product</td>
</tr>
<tr>
<td>The final perceptions of the service are influenced by the culture of the university library</td>
</tr>
</tbody>
</table>

The service mix (cf sect. 5.5 and 5.6) which contains elements a service organisation controls that can be used to satisfy customer needs or communicate with customers, was compared with the marketing mix used in the marketing of goods. These elements appear as core decision variables in any service marketing plan. The mix idea implies that all of the variables
are interrelated and to a certain extent depend on each other. It also implies that there is an optimal combination of the five elements for a given market sector, at a given point in time.

The elements are:

- **Product** in a service organisation is a solution, or set of solutions, to a customer’s or set of customers’ problem or problems, at a particular point in time. The product can only finally be made at the point of sale where the customer is involved. The customer also does not see the product as separate from the interaction with the staff of the organisation.

- **Place (distribution)** is the availability and accessibility of a service to customers.

- **Price** conventionally involves a source of revenue for the organisation, generated from the sale of a product. For university libraries, price is not simply definable, since no actual “price” is charged directly to the student, lecturer or researcher, at the point of interaction, when information is found and delivered to the customer. The price is, however, inherent in the tuition fee and state grant which the university receives and from which the library is funded.

- **Promotion** is any means of advertising existing and new services to existing or potential clients, by means of various media, namely newspapers, radio, television, the Internet, fliers, posters, billboards, to name but a few.
Three marketing strategies imbedded in the marketing service triangle which could guide marketing processes of the university library which has adopted a marketing philosophy were looked at and presented in a service triangle:

- **Internal marketing** occurs on the *horizontal axis* of the triangle and involves processes concerning marketing of the university library’s services from the staff of the organisation to the customer. Interactive marketing processes actually deliver the promise of the university library to its customer and are based on the assumption that staff satisfaction and customers satisfaction of the university library are inextricably linked.

- **External marketing** is on the *left axis* of the triangle and involves the marketing of the university library’s services from the organisation to the staff. Internal marketing processes have a critical role in enabling the staff of the university library to keep the promise that has been made to its customers.

- **Interactive marketing** is on the *right axis* of the triangle and involves marketing processes from the university library to the customer of the library. External marketing processes set the promise of the service of the university library. This is any processes that the library engages in to communicate to the customer before service delivery what they can expect concerning the service promise of the university (cf sect. 5.3 and figure 5.1).
9.4 TECHNIQUES THAT CAN BE APPLIED TO REDESIGN THE UNIVERSITY
LIBRARY AND ITS STRATEGIC THINKING TO TURN IT INTO A
CUSTOMER-CENTRED ORGANISATION

Since the internal processes, staff attitude and the attitude of the leaders of the university
library toward its customer have to undergo a paradigm shift, new techniques must be
employed to expedite this shift.

9.4.1 Scenario planning

To remain a competitive entity in an ever changing world order, an organisation must not only
look inward at its processes but also outward at the changing needs and preferences of
as a strategic thinking tool for setting the strategic course of the organisation (cf sect. 6.5.1.1).

Porter (1985) holds the view that scenario planning is a useful devise for getting a management
team involved in thinking about the future systematically and modifying unrealistic assumptions
in a nonthreatening way, since scenarios are not intended as forecasts. According to Porter,
scenario planning places the task of understanding uncertainty in the hands of those who set
competitive strategy and ensures that scenarios are truly relevant to the business unit.
Scenarios are best used to guide the choice of a strategy, rather than as a means of confirming
one.
Van der Heijden (1996:53) explains that the basic organisational purpose of scenario planning is the double objective of survival and self-development. In order to make the right decisions the organisation must understand itself and its environment. Van der Heijden (1996:29-31) holds the view that risk, inherent in every organisation, varies over time. Sometimes things suddenly seem to change direction, face accelerated change and old assumptions suddenly become irrelevant. New actors in the market do not play the game according to understood rules. The interfaces between the actors in the market and society seem to be reconfigured, sometimes because of new found power or because of new technology and the established community feels undermined. Predict-and-control no longer works.

Something fundamental shifts and the basic rules of the game are overthrown. In this case the organisation is not sure in which direction to go and lessons learned in the past are no longer a good guide. New ways of doing things have to be found amid the turbulence. Structural change is often necessary and predict-and-control and forecasting cannot deal with structural change. The correct questions are not generated by this technique. A new flexible way of looking at the future is needed. Scenario analysis, unlike forecasting, can react flexibly to structural change.

The following steps should be followed when developing a strategy (Van der Heijden 1996:54):

- acknowledgement of aims, either through an externally imposed mandate, or through the internal organismic dual purpose of survival and self-development
- assessment of the organisational factors for success, including its capability to change
- assessment of the environment, current and future, in all its uncertainty and ambiguity
• assessment of the fit between the two
• development of policies to improve the fit

9.4.2 Customer-centred scenario planning

Jenkins (1997:87) (cf sect. 6.5.1.1) offers the following approach using scenario planning which is particularly useful when specifically considering customers. It consists of six basic stages in the development and application of customer-based scenarios. He also offers kinds of benefits that this process can deliver.

• Identify exactly who your customers are. This is fundamental in ensuring that the business is focusing on the right groups of customers.

• Customers can be defined using three distinct criteria:
  • whether or not they generate revenue for the organisation
  • whether or not they make the decision to acquire a particular product or service
  • whether or not they benefit from the product or service

• Relate the characteristics of your customers to the buying context. This gives more clarity to our understanding of how the customers are behaving in that specific context.

• Organisations very rarely have only one customer group to deal with - most have a myriad of customers - and the challenge is to identify which groups require most strategic attention.

• We determine which customers are important to us by looking at:
  • the value of the business they provide
• their influence over other customers
• how stable their business is
• the competitive intensity that relates to them, whether or not there is an opportunity for the supplier to offer something unique to this customer
• the opportunity the customer offers for saving costs

• The customers who are strategically important now may not be the ones who will be important to us in the future.

Developing customer-based scenarios provides an opportunity to:

• pick up key strategic signals from the environment (forces which may create change in customer behaviour)
• identify seminal actions which can be undertaken to build for the future
• explore the strengths and weaknesses for the organisation and competitors
• improve the processes occurring in the organisation and excluding the day-to-day routine
• become absorbed in thinking about the future
• synthesise the changes that the environment induces in the customer and therefore what their demands for changed products and services, and adapted organisational processes are

9.4.3 Renewal strategies

The findings in the research conducted by Whiteley and Hessan (1996:52) confirm that the
customer-centred company has the willingness and ability to bring the customer to the very centre of its organisational being as an organisational paradigm shift. Underpinning these success stories is the difference between merely focusing on the customer and identifying and knowing the customer. Added to this - and of significant importance - is and that each employee, throughout the organisation evaluates every process, every task and every decision by asking one vital question “How will this add value to our customers?” (Whitely & Hessan 1996:47). This process of knowing and acting becomes like breathing - natural, reflexive, impossible to neglect (cf sect 6.5.1.4).

They offer five key strategies for renewal and growth (Whiteley & Hessan 1996:48-51):

• Shift from an identity crisis to a laser-beam approach.
• Do not just listen to the voice of the customer -“hardwire” it
• Convert “teamitis” into universal collaboration.
• Turn customer satisfaction into lasting customer enthusiasm.
• Move from facilitation leadership to control leadership.

9.4.4 Redesigning internal processes

Each individual organisation may be viewed as a microcosm of the industry or service sector in which it exists. Each organisation sources raw material and other inputs such as labour and capital from its input markets. It then converts these inputs into products and services which it sells or offers to its output market, thus generating a return on investment. The organisation can therefore be visualised as an organised chain or series of activities just as in a
manufacturing industry where there is a chain of production and distribution.

Porter (1985) also offers a visualisation tool to identify and analyse the processes internal to the organisation which form a value chain, and which each hold in them an opportunity for the organisation to differentiate itself in order to achieve a competitive advantage (cf sect. 6.5.2.1).

Using this technique current processes can be mapped and redesigned or new processes can be designed. It is necessary to identify and analyse all processes as they are all sources of competitive advantage.

Porter distinguishes two main categories of activities around which processes are structured. Each category is divisible into a number of distinct processes and related activities (cf sect. 6.2.5.3 and 6.2.5.4):

- Primary activities which consist of inbound logistics, operations, outbound logistics, marketing and sales and services
- Support activities which consist of procurement, technology development, human resources management and firm infrastructure

9.5 RECOMMENDATIONS

Seen against the background of a changing global paradigm and especially development in computer networks and their influence on creating, storing and delivering information, university libraries essentially need to orchestrate an organisational paradigm shift to ensure survival in the 21st century. This paradigm shift concerns the format and quality of service
delivery of information to customers with rapidly changing needs and preferences, as well as
the university library's viewpoint on the importance of customers to the organisation. To
change the paradigm from prestige collection building to a marketing philosophy, university
libraries should explore the following recommendations. (See overleaf)
9.5.1 Adopt a marketing philosophy as strategic directive in the service revolution
to ensure survival in the 21st century by using the services marketing triangle
as a guideline (cf chapter 5)

9.5.2 Become a customer-centred service organisation (cf chapter 2)

9.5.3 Use scenario planning as a technique to guide strategic thinking to expedite the
paradigm shift (cf chapter 2)

9.5.4 Re-design internal processes using the Porter generic value chain to align the
internal competencies of the university library with the needs and preferences
of the customer (cf chapter 2) in order to -

• improve the organisation’s competencies and services

• create value for the customer

• create a dialogue between competencies and customers’ needs and preferences

9.5.5 Keep service offerings competitive by using the service mix optimally (cf
chapter 5)

9.5.6 Use the proposed marketing model to guide the marketing philosophy (cf
chapter 8)

9.5.7 Educate staff as part of internal marketing to change the culture of the
university library (cf chapter 7)

9.5.8 Educate the customers of the university library as part of interactive
marketing and bring about a paradigm shift (cf chapter 7)

9.5.9 Make the customer the final arbiter of the success or failure of the university
library as a service organisation
9.6  FURTHER RESEARCH

After identifying in this research that a paradigm shift to a marketing philosophy as a strategic directive for university libraries should offer the library a means of achieving sustainability, future research could centre around the influence that a marketing philosophy will have in the evolution of current hybrid university libraries to a virtual library. The speed of influence that the results of market research and subsequent new product development would have on aligning the virtualisation of the university library with an online tuition model will challenge research to ascertain the time span needed to close this gap.

9.7  CONCLUDING COMMENT

This study reveals that the adoption by the university library of a marketing philosophy as strategic directive should lead to a far-reaching paradigm shift for this service organisation. This paradigm shift is essential for the survival of the university library and should counteract many threats to it, brought about by economic developments and technological change. Ultimately it is customer satisfaction that is pivotal to the sustainability of the library, and this is achieved by efficient processes within the university library, aligned with customer needs and preferences, taking the competencies and strengths of the university library to the customer by crossing the service bridge to the customer.
BIBLIOGRAPHY


Barrett, H. 1996. Ultimate goal is to anticipate the needs of the market. Marketing news, October 7:4.


Cronin, B. 1985. Information service marketing. South African journal of library and


Grönroos. C. 1982. *Strategic management and marketing in the service sector*. Svenska
Handelshögkolan.


http://www.univnorthco.edu/bearlogic/Advice/Lifespan/lifespan.html


