

# Creating customer value in the not-for-profit sector: A case study of the British Library

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- *Public sector organisations are being increasingly subjected to both legislative and competitive pressures forcing them to reconsider their relationships with users and customers (Chapman and Cowdell, 1998) in order to develop a more overt marketing orientation (defined as focusing on customer needs as the primary drivers of organisational performance (Jobber, 2004)). The creation of customer value underlies the development of a meaningful marketing orientation, and is a nettle that more public sector and not-for-profit organisations will have to grasp. This article considers how a more marketing-oriented approach was adopted by the British Library in order to clarify and communicate its value proposition to its identified target markets, and in doing so, hopefully achieving a sustainable competitive advantage on an ongoing basis.*

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## **Research context: the marketing concept, customer value and market orientation**

Definitions of the marketing concept emphasise that the achievement of corporate goals is accomplished through meeting and exceeding customers' current and potential needs more effectively than the competition (Doyle, 2002; Jobber, 2004; Palmer, 2004). According to Jobber (2004) the application of the marketing concept requires three conditions: customer orientation, integrated effort and goal achievement. These conditions should not exist only within the marketing function — Doyle (2002) describes 'marketing' as 'a philosophy for the

whole business', which 'integrates the disparate activities and functions which take place within the organisation' (p. 61).

The operationalisation of the marketing concept can be accomplished through the existence of a market orientation (McCarthy and Perreault, 1997; Heiens, 2000; Foley and Fahy, 2004). Kohli and Jaworski (1990) identify three common constructs that underlie a market orientation (see also, Dalgic, 2000; Lambin, 2000):

- (1) The organisation-wide acquisition/generation of market intelligence/information pertaining to current and future customer needs;
- (2) Dissemination of this market intelligence/information across departments within the organisation and
- (3) Organisation-wide responsiveness/coordinated creation of customer value.

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The creation of superior customer value should arise from a market orientation (Slater and Narver, 1995; Cravens *et al.*, 1997; Cravens, 1998), and this in turn should, in combination with other organisational capabilities (Day and Wensley, 1988; Foley and Fahy, 2004), allow the organisation to develop competitive advantage.

Synthesising earlier definitions (Shapiro, 1988; Kohli and Jaworski, 1990; Narver and Slater, 1990; Deshpande *et al.*, 1993), Day (1994a) identifies similar interrelated features of market orientation:

**A set of beliefs that puts the customer's interests first**

Market orientation focuses the organisation externally on the market as a fundamental basis for strategy development (Cravens, 1998). Responsibility for this encompasses all members of the firm (Webster, 1988; Cravens, 1998; Lambin, 2000). Thus, as mentioned above, marketing should become an organisational 'philosophy', thereby increasing openness to trends and events and the recognition that they provide market opportunities (Dalgic, 2000; Foley and Fahy, 2004). The role of senior management in inculcating such an outlook is crucial (Webster, 1988; Kohli and Jaworski, 1990; Jaworski and Kohli, 1993; Dalgic, 2000).

**The ability of the organisation to generate, disseminate and use superior information about customers and competitors**

Kohli and Jaworski (1990) regard market orientation as essentially an informational construct. The link between market orientation and the development of a learning orientation (defined by Fiol and Lyles (1985) as the process of improving action via better knowledge and understanding) is recognised by various authors (Fiol and Lyles, 1985; Day, 1994b; Slater and Narver, 1995; Cravens *et al.*, 1997; Cravens, 1998; Foley and Fahy, 2004). This encompasses more than traditional market research activities (Cravens, 1998),

to include open-minded inquiry, synergistic information distribution, mutually informed interpretations and an accessible organisational memory (Day, 1994a,b). Again, this is the responsibility of all organisational members (Cravens, 1998), and Day (1994a) identifies this 'market sensing' as a crucial *organisational* competence (see also, Foley and Fahy, 2004).

**The co-ordinated application of interfunctional resources to the creation of superior customer value**

All of the above require a major organisational commitment with implications for organisational design and change (Day, 1994b; Slater and Narver, 1995; Cravens *et al.*, 1997; Cravens, 1998; Dalgic, 2000; Lambin, 2000; Foley and Fahy, 2004). This can be both in terms of organisational structure and also the development of a shared philosophy and processes—what Day (1994b) has termed 'learning to learn' (p. 23).

Shapiro (1998) argues that the terms *market* and *marketing* orientation are often used interchangeably. Lambin (2000), however, distinguishes between them. He states that *marketing* orientation focuses on marketing's functional role in co-ordinating and managing the elements of the marketing mix to make a firm more responsive to meeting the needs of its customers, whereas a *market* orientation highlights the role of *all* members of the organisation in developing customer relations and enhancing customer value. Liao *et al.* (2001) state that there is some degree of consensus that the term 'market orientation' is to be preferred as it implies the participation of *all* members of the organisation.

It has been argued that market orientation is overly externally oriented in that it does not fully recognise the utility of *internal* resource strengths and capabilities (Lings, 1999). Indeed, various authors (Hollensen, 2003; De Wit and Meyer, 2004) contrast market oriented and resource-based perspectives in the planning and implementation of marketing and corporate strategies. Hollensen (2003) describes the resource-based view (also known as the

'inside-out perspective'), as the 'proactive quest for markets that allow exploitation of the firm's resources' (p. 30). Here, a key strategic issue is the acquisition and development of difficult-to-imitate competences and exclusive strategic assets (De Wit and Meyer, 2004) as a fundamental source of competitive advantage.

In contrast, De Wit and Meyer (2004) argue that the market-oriented (or 'outside-in') perspective argues that firms 'should not be self-centred, but should continuously take their environment as the starting point when determining their strategy' (p. 250). Thus, the firm's resources are adapted to meet market conditions and the competitive environment. However, regarding the choice between market-oriented and resource-based perspectives as dichotomous would be an oversimplification. Hollensen (2003) advocates a 'value chain based' view of strategy, which incorporates elements of both as a means of 'bridging the gap' between them. He argues that the resource-based view 'focuses on what the firm has', whereas the value-based view 'focuses on what the firm does' and also integrates some elements of the market-oriented view (whilst not ignoring the cost of performing these activities) with the ultimate objective being value creation (p. 40). Indeed, he defines customer value as 'the differences between the benefits customers realize from using the product and the costs they incur in finding, acquiring and using it' (p. 40. Original emphasis).

### **Market orientation and libraries**

Consideration of market orientation and market-driven strategies has tended to focus primarily on private sector profit-oriented organisations. Such issues relating to not-for-profit organisations have been somewhat neglected by comparison, although they are of equal applicability, albeit with modification (Liao *et al.*, 2001). In this context, Kotler and Andreasen (1996) emphasise the importance of adopting a 'marketing mind-set'. Libraries are no exception to this (Lozano, 2000).

From the earliest times, libraries have existed in a turbulent environment (see Battles, 2003 for a historical perspective). While most libraries may no longer face an environment where they may face physical destruction (although Battles does provide examples of the destruction of libraries in wartime as a means to obliterate national cultures throughout the Twentieth century), there is a consensus, both among academics (Layzell, 2000; Hooper, 2001; Marcum, 2001; Rowley, 2001; Elliott, 2002) and, more recently, among popular commentators (Howard, 2004; Hutton, 2004; MacIntyre, 2004) that libraries face a series of factors that may affect their fundamental *raison d'etre* and *modus operandi*. Public libraries, for example, are facing a continued long-term decline in use (Audit Commission, 2002) and a recent report (Coates, 2004) castigates them for lack of responsiveness to changing customer requirements and environmental conditions, a factor partly attributed to weak management that has not been able to create 'public value' from the library service (Audit Commission, 2002). Rowley (2001) states:

*'If organisations in the information marketplace are to survive and flourish, they need to be confident about their mission and role, and to be continually alert to technological, economic, political and social factors that are reshaping the context in which they seek to serve users, contribute to communities, attract and retain customers, and establish and maintain relationships with other organisations' (p. xiii).*

In order to accommodate changing environmental conditions (particularly relating to the technological environment), Benson (1997) identifies the following new roles for librarians: internet access provider; navigator; educator; publisher; intermediary; information evaluator; information organiser; planner and policy-maker. However, Elliott de Saez (2002) emphasises the importance of marketing in this context, stating that 'if the role of marketer is not added, there will be no opportunity to

take on the other roles' (p. 139), and Rowley (2001) argues that information suppliers, including libraries, 'need to employ the full armoury of marketing concepts, approaches and tactics' (p. xiii). However, marketing in libraries has been described as 'reactive' (Harrison and Shaw, 2004) in the sense that collections are built predominantly on the basis of internal knowledge, and marketing/promotional activities are used primarily to encourage the public to utilise the collection. This is analogous to many non-profit contexts where 'there is a tendency to place emphasis on what the organisation has considered most appropriate for its market, rather than responding to market needs and wants' (p. 393).

Notwithstanding this, Layzell Ward (2000) states that the value of a professional approach to marketing has been appreciated by larger libraries, and the recognition of the need to develop a marketing culture has been articulated (Elliott de Saez, 2002). While these advantages are acknowledged (Lozano, 2000; Elliott de Saez, 2002), there is a lack of underpinning knowledge and skills base (Association for Information Management, 1992), the perception among library staff that marketing is in some way a threat (Harrison and Shaw, 2004) and a tendency to equate marketing with advertising and (especially) public relations (Kies, 1987; Marshall, 2001; Elliott de Saez, 2002). All this reinforces the tendency in this context to think of marketing as a short-term measure (Harrison and Shaw, 2004), rather than from a more strategic perspective, as implied by the marketing concept. The remainder of this article addresses some of these issues, using the example of the British Library—long acknowledged as one of the world's foremost libraries (Battles, 2003; Elliott de Saez, 2002).

### ***The British Library: background and historical development***

The British Library (BL) is the national library of the UK. It is the library of legal deposit, whereby it receives a copy of every publication produced in the UK and Ireland. Its collections comprise over 150 million items, with three

million new items added every year. These collections include manuscripts (including those of major historical importance), over 49.5 million patents, more than 260,000 journal titles, over four million maps, as well as newspapers, prints and drawings and music scores. Over eight million stamps and other philatelic items and a sound archive, with recordings dating from the 19th century, also forms part of the collection. The BL also operates the world's largest document delivery service, providing four million items worldwide to customers annually (British Library, 2004a). The main collections (with reference, bibliographic and world-renowned research, and conservation facilities and activities) are housed at St. Pancras in London. Document supply and lending activities are based at Boston Spa in Yorkshire in a facility specifically converted to enable document delivery service processes.

The BL serves a variety of user groups, including researchers, business and industry, academics and students. Over 16,000 people use the BL collections each day and nearly half a million people use the reading rooms in the St. Pancras building annually. The BL has an extensive presence on the world-wide-web and over six million searches are generated on the BL's online catalogue each year (British Library, 2004a).

The BL is relatively young when compared to national libraries in other countries. The British Library Act was passed in 1972, bringing the BL into operation with effect from 1 July, 1973. Its creation amalgamated various existing institutions:

- the library departments of the British Museum—dating from 1753 and one of the largest libraries in the world (with the privilege of legal deposit);
- The Patent Office Library—established in 1855, and became the National Reference Library of Science and Invention in 1962 (a part of the British Museum Library for administrative purposes);
- the National Central Library (in London) and National Lending Library for Science and Technology (based in Boston Spa)—which

were amalgamated in 1973 as the British Library Lending Division (British Library, 2004b).<sup>1</sup>

From the outset, a key issue was the lack of space in the constituent elements of the BL. Rehousing the collections became a priority. After various abortive plans, a decision was made to build a new home to unite all the London-based collections under one roof, and also provide extra capacity for future growth. The new BL site at St Pancras is the largest public building constructed in the UK in the 20th century, with a total floor area of over 112,000 sq. metres spread over 14 floors (British Library, 2004b). The progress of its construction was long and arduous as the building became the victim of unforeseen delays and rising costs, which attracted much negative media comment. However, the building was finally opened in June 1998.

### ***Marketing in the British Library***

Until recently the BL had no co-ordinated marketing activity (other than a small Press/PR department). There was a view that only 'commercial' activities could be marketed. Thus, the document supply business was promoted through attendance at various UK and international trade exhibitions. However, this activity was sales-oriented with little awareness of margins and the actual costs of serving customers. There was no account management structure, and widespread use was made of agents to serve overseas markets, which were not particularly effective.

The individual subject collections within the library had their own separate marketing/promotional activities that were organised by

their curators. However, there was no consistency in this activity—with the content and format of marketing activities governed by individual curators' styles. Communication tended to be 'deep and narrow' aimed at subject specialists (primarily academic audiences) with extensive, detailed knowledge of the specific subject area. Moreover, there was no uniformity of style. Various sub-brands existed relating to the various products/services offered. These were often based on acronyms, causing some confusion in the minds of the audiences, and not serving to improve the limited awareness and understanding of what the BL as a whole could offer. Indeed, the only common communication theme was a logo (which itself was only used in the main BL building—the document supply business in Boston Spa had its own logo). Among senior management at the BL there was a strong perceived need for the organisation's identity and promotional activity to be improved and co-ordinated if the BL was to realise many aspects of its mission and objectives.

Mirroring the situation in many not-for-profit organisations where marketing may not be seen as desirable, and indeed may be resisted (Blois, 1994; Kotler and Andreasen, 1996), this inevitably created some tensions, particularly among those in the organisation for whom research and scholarship was perceived as the main *raison d'être*. Particularly influential were the collection curators. They had to be persuaded that the application of marketing concepts and the implementation of more professional promotional activities could be a more effective means to raise awareness and the profile of their collections beyond the expert audiences to whom they traditionally (and very successfully) appealed. To this end, formalised processes for submitting proposals for public exhibitions based on themes/materials from their collections in the exhibition space in the public areas of the BL building at St. Pancras were put in place. Moreover, effective marketing communications activities (including public relations activities and events, and publications related to individual exhibitions) and an improved web presence

<sup>1</sup>In 1974, two other institutions became part of the BL. The British National Bibliography produced and published a weekly listing of all British publications and developed a computed based system for storing and handling bibliographic information for the use of libraries and the book trade. The Office of Scientific and Technical Information was transferred from the Department of Education and Science to become the BL Research and Development Department (British Library, 2004b).

promoted these collections and exhibitions far more effectively than would have previously been the case. A crucial task, however, was to move from a focus on the subject matter of the specific collections towards a more overt creation of customer value, without devaluing the importance of the collections (which were a unique resource of the BL), in the process.

### ***Value creation and delivery in the British Library***

The creation of value in the minds of customers by meeting and exceeding their needs more effectively than competitors, as embodied in the marketing concept (Doyle, 2002), requires organisations to undertake a process of value creation and delivery (Kotler, 2003). Following Lanning and Michaels (1988), Kotler (2003) outlines a value creation and delivery sequence comprising the following three stages:

- *Choose the value:* This comprises the essential, initial 'homework' of segmenting the market, selecting appropriate market target(s) and developing the offering's value positioning—described by Kotler (2003) as 'the essence of strategic marketing' (p. 111).
- *Provide the value:* This comprises the determination of the various elements of the marketing mix to deliver the value positioning.
- *Communicate the value:* Finally, the offer must be communicated to the target markets. This and the previous stage are regarded as more tactical in their orientation (Lanning and Michaels, 1988; Kotler, 2003).

This process in the specific context of the British Library is discussed below.

#### **Choosing the value**

An essential first step is to develop an understanding of the market (Kohli and Jaworski, 1990; Cravens *et al.*, 1997; Dalgic, 2000), and the BL was engaged in extensive intelligence gathering activities. As a result, in 2001, five different market sectors for the BL were identified—researchers, business users, edu-

cation (schools), the general public and the UK library network (both public and higher education libraries). A Head of Marketing for each sector was appointed, reporting to the Director of Strategic Marketing and Communications, who had been appointed earlier that year. For each of the five sectors, further research into awareness of the BL among target customers was implemented, and a specific strategy for each target sector devised. Strategy development took into account the business environment, the results of user research mentioned above (particularly in terms of the perceived competitiveness of the BL) and definition of the organisation's core skills, in order to maximise the value proposition for each customer sector. The determination of superior customer value is a key factor in developing a market orientation (Slater and Narver, 1995; Cravens *et al.*, 1997; Cravens, 1998). In addition, a Marketing Services department (incorporating exhibitions, BL bookshop, publications, development and fund raising) was also established.

At the end of 2001 it was decided that the process of value creation would be facilitated by the development of a consistent, *unifying* strategy and new brand identity in order to position the BL more clearly. The brand consultancy Interbrand was commissioned, which implemented an extensive research programme on perceptions of the BL among both internal and external stakeholders. The internal research comprised a series of workshops across the organisation where staff were asked to describe 'their' library in their own words (i.e. what they thought the BL stood for). Results from this research indicated a large degree of consensus on the organisation's ethos, which was deemed to incorporate three key organisational values—*innovation*, *relevance* and *pride*—this last value building on the key strength of a committed and professional workforce, many of whom are world experts in their fields. Indeed, developing *internal* commitment to a market oriented approach is emphasised by various authors (Dalgic, 2000; Lambin, 2000; Foley and Fahy, 2004).

Building on this process, the mission of the BL was articulated in terms of helping people *advance knowledge to enrich lives*. It could be argued that this mission statement is an explicit articulation of the BLs value proposition—a central aspect of a market oriented approach (Cravens, 1998), which when linked with the organisation's distinctive competences, is key to the development of competitive advantage (Cravens *et al.*, 1997; Cravens, 1998). Five 'core competences' of the BL were identified by which this mission was to be achieved:

- open, consultative management;
- staff who feel valued and recognised;
- an empowered, flexible and diverse workforce;
- non-hierarchical, agile decision making;
- strong performance measurement.

Senior management engaged in an extensive internal marketing campaign (including small group workshops and briefings etc.) to communicate the mission and organisational values in order to get staff to 'buy-in' to the process (and its results). The crucial role of senior management in this process is generally recognised (Webster, 1988; Kohli and Jaworski, 1990; Jaworski and Kohli, 1993; Dalgic, 2000).

The strategy for the BL moved to being 'demand-driven', focusing on the targeted market sectors identified above, and with its awareness and what it could offer improved by the adoption of a single, coherent brand identity. The value proposition of the BL—particularly its world class collections and the value-added services it could offer through the skills and expertise of its staff—would arguably guarantee customer satisfaction in these targeted sectors, and provide a source of competitive advantage. Indeed, it was envisaged that the new strategy would be delivered through a renewed customer focus across the *whole* organisation, whereby staff would interface more effectively and the potential of electronic communications would be embraced. Thus, the BL website offers online catalogues, information and exhibitions, and changes to the Document Supply Service at Boston Spa have enabled digital delivery of

research material on a far greater scale. In addition, partnerships with appropriate commercial partners are being developed in certain areas—the importance of this is recognised in the literature (Cravens *et al.*, 1997; Cravens, 1998; Lambin, 2000).

### Providing the value

The latest BL Annual Report (British Library, 2004c) gives an indication of the current scale of activities and their usage for each of the target market sectors.

- **Researchers:** Over, 400,000 visits are made to the BL each year by members of the research community (e.g. postgraduate/undergraduate researchers, scholars, life-long learners and commercial researchers), to use the reading rooms. Even more use the remote information supply service. The customer alerting services offer access to over 20 million articles from academic journals and conferences (with 9000 new articles added to the database each day).
- **Business users:** Key targets were identified as high research and development oriented industries, professional services, creative industries publishing industries, and small and medium-sized enterprises (SMEs). Indicative activities include research services (including bespoke services), document supply, reprographics and the creation of an innovation centre (to facilitate such tasks as new product development etc.). Over 80% of the highest spending UK research and development companies use BL services. In many cases, this research and information retrieval expertise (in, e.g. the sciences, medicine, technology, intellectual property legislation and market research) is tailored to clients' budgets and deadlines. More than 10,000 SMEs use the priced (i.e. more standardised) information supply services.
- **Education:** Usage of BL services and resources by the education sector (e.g. teachers, students in the 11-18 years category and school libraries) is increasing rapidly. In 2003, 8173 children and their

teachers took part in workshops based at St. Pancras and visits to the learning pages of the BL website increased fourfold. The BL provides 2000 pages of online material to enable learners to develop investigative and creative research skills in support of the National Curriculum for schools.

- *Libraries*: Links with the UK library network (both public and academic libraries) promote collaboration between institutions at both regional and local levels. Touring exhibitions (featuring items from the BL collections) and online resources help to improve access to BL material across the country, as befitting the library's *national* remit. The BL also supports digitisation projects with the aim of reuniting material of regional importance that has been dispersed around the country.
- *General public*: For the public as a whole, the BL stages many public events (ranging from literary panel discussions to conferences and themed talks) and also free exhibitions—both real and virtual. The BL also publishes books, audio CDs and interactive CD-Roms targeted to both general and specialised markets.

Of course, the marketing function cannot achieve all this alone. The importance of integrated effort is recognised as a crucial element of the marketing concept (Doyle, 2002; Jobber, 2004; Palmer, 2004), and a key theme of the literature on market orientation is the need for interfunctional working (Day, 1994a,b; Cravens *et al.*, 1997; Cravens, 1998; Dalgic, 2000; Lambin, 2000; Foley and Fahy, 2004). There are strong links with the organisation's other directorates, particularly Operations and Services, whose responsibilities include providing the full range of library services, including reading rooms and document supply, to all the user sectors (British Library, 2003)—crucial elements in the target sectors' perceived satisfaction with the BL service provision. Indeed, the organisational *processes* by which value is delivered to customers are a critical component of market orientation, and the link with the concepts of

total quality management is made by various authors (Day, 1994a; Cravens *et al.*, 1997; Cravens, 1998).

### Communicating the value

The key organisational values identified above guided the development of a new brand identity and logo for the BL. The previous logo was felt to be too subtle and often subservient to other communications elements. It was felt that if the value of *pride* was to be displayed then this must start with the importance and visibility attached to the organisation's name. The new logo incorporating the 'British Library' name now leads each communication from the organisation. The previous corporate identity system was traditional, even old-fashioned, and it was felt that a new identity system needed to be created if the key value of *relevance* was to be communicated to a business and professional audience. A more modern-looking corporate identity system would also highlight the third key value of *innovation*.

In order to develop consistency of approach, the theme of *advancing knowledge* became the focus for external communications. Marketing communications aimed at each of the targeted market sectors focussing on case studies of how the BL has helped organisations and individuals advance their own knowledge in order to achieve their business and/or personal aims and objectives, through the resulting enhanced individual development and effectiveness or improved business performance—in other words, demonstrating the organisation's value proposition. This approach has been adopted in the latest Annual Report and Accounts (British Library, 2004c), where representatives from exemplar organisations from the different target sectors provide endorsements as to the value of the BL to their own work and organisations.

This key theme of *adding value* underlying all of the BL communications activities applies not only to those individuals and organisations that comprise the various targeted market sectors, but also, as a consequence, to



the nation as a whole in line with its remit as a *national* library. Indeed, like many not-for-profit organisations (Blois, 1994; Kotler and Andreasen, 1996), 'resource generators' (Gwin, 1990) such as central government and other funding stakeholders are also an important target for the BL marketing communications activity. Here the need to highlight the efficiency and cost effectiveness of the BL is paramount. To support this, the BL produces various documents supporting their case, such as *Increasing Our Value: Summary of the British Library's Case for Grant-in-Aid 2006-2008* (British Library).

This focus on *outcomes* and how the BL provides added value, has been reinforced by an independent study of the economic impact of the organisation titled *Measuring Our Value* (British Library), using contingent valuation methodology. This approach, designed by Nobel laureate economists Kenneth Arrow and Robert Solow, provides a coherent quantitative evaluation of the total benefit to a nation of publicly-funded institutions. It makes an attempt to calculate the economic welfare that the BL generates by the size of consumer surplus — by the value gained by the BL beneficiaries over and above any cost to them of using the library's services.<sup>2</sup>

The study concluded that for the £83million of public funding the BL receives annually, the total value produced is £363million — a benefit cost ratio of 4.4:1. Thus, for every £1 of public funding the BL receives annually, £4.40 is generated for the UK economy. The BL regards such initiatives as a valuable first step in quantifying its value proposition, whilst recog-

nising that such research is not an exact science. Indeed, it is argued that the figure reported above is likely to be underestimated. The Measuring Our Value study did not consider the complete range of products and services offered by the BL (e.g. website usage was not valued) and the results exclude any value generated for non-UK BL users, which is likely to be substantial (British Library, n/d b).

### *The future*

Combining both market-oriented and resource-based approaches, the BL is constantly seeking to maintain and enhance its value proposition to its identified customer segments in a dynamic information marketplace. A key task is capitalising on the resources of the BL, which can be classified as both tangible and intangible (De Wit and Meyer, 2004; Hollensen, 2003). Tangible resources obviously include the collections themselves, and intangible resources include *inter alia* the reputation of the BL, based on, for example the research skills of BL staff. Thus, for the business segment the BL can provide general market intelligence to businesses (especially SMEs), and also bespoke services for larger organisations (e.g. facilitating the use of collections as sources of inspiration for product or communications design). Facsimiles of rare historical manuscripts have been loaned to and exhibited in regional public libraries (providing significant opportunities for local, and also national, marketing/promotional activity). Resource material based on items housed in the BL collections are increasingly used by many education providers as research skills that become an important element of the National Curriculum.

The Internet has revolutionised the information storage and retrieval industry (Benson, 1997; Layzell, 2000; Hooper, 2001; Elliott de Saez, 2002), and the BL, like all players in this industry, has to cope with the implications:

*'Today all libraries stand at a crossroads with forks leading to a future obscured by the fog of the new information technology' (Howard, 2004).*

<sup>2</sup>In the *Measuring Our Value* study, this consumer surplus was measured through extensive primary research among the various user sectors — over 2000 respondents interviewed in total — that asked among other things:

- How much they would be willing to pay for the BL's continued existence?
- What is the minimum payment they would be willing to accept to forgo the BL's existence?
- How much they invest in terms of time and money to make use of the BL?
- How much they would have to pay to use alternative to the BL, if such alternatives could be found?

The BL is actively developing its digital capabilities, so that as much of the collections as possible is available on the world-wide-web, with the ultimate goal being for the entire BL collection to be available online on demand. Recognising the synergies between organisations—a factor emphasised by Cravens *et al.* (1997)—the BL has recently finalised a deal with the software company Adobe and science publisher Elsevier to establish a Secure Electronic Delivery service. The BL now provides users with scanned pages on request from any of the 100 million research articles in BL, which can be sent to their desktop within two hours (British Library, 2004c; Fazackerley, 2004). The implications for some of the existing operations of BL from such activities are obvious.

Another key issue is preserving electronic data (especially scientific data which is increasingly being published only in online format), in the same way as books. The BL has successfully campaigned for primary legislation for electronic legal deposit. Thus, in addition to storing a copy of every print publication produced in the UK and Ireland, the passage of the Legal Deposit Libraries Act means that the BL will also be responsible for keeping copies of electronic material. As the Chief Executive's review in the latest Annual Report (British Library, 2004c) states:

*'... we recognise that legislation is just the beginning. Now, we must work to secure funding for the infrastructure that is needed if we are to collect, store and preserve digital materials and make them accessible for centuries to come... Only if we ensure long-term access to knowledge held electronically can the UK sustain its global leadership in research, science and innovation. It is critical that we continue to invest in this infrastructure.'*

### **Conclusion**

In a short span of time the BL has come a long way in terms of developing a more marketing-oriented approach. However, many challenges remain. As the Chief Executive's review in the

latest Annual Report (British Library, 2004c) states:

*'Every day I am reminded of all that the Library has achieved strategically and operationally since our full-scale review in 2000. Our modernised services, integrated life-cycle approach to collection management, and audience-driven approach to strategy development, all point to the remarkable progress we have already made. Now, we are moving to the next level, focusing on an in-depth analysis of the Library's strategic context... The assessment will help us determine the strategic priorities that will guide our development over the coming years—indeed, will help us redefine the whole idea of a library in the 21st century.'*

The extent to which the BL has developed a true *market* orientation is however, more open to question. Two of Day's (1994a) features of market orientation—the development of a set of beliefs that puts the customers interests first, and the coordinated application of interfunctional resources—are being developed and implemented through the process of value creation and delivery (Kotler, 2003) outlined in this paper. Much progress has been made in a short span of time, but many of the issues associated with introducing marketing concepts and principles into nonprofit organisations (see, e.g. (Blois, 1994; Kotler and Andreasen, 1996)) have had to be addressed and this work is ongoing, in terms of, for example building and maintaining relationships with both public and private sector resource generators, and satisfying public scrutiny criteria.

As the dichotomy between the public and private sectors becomes increasingly blurred (Flynn, 2002), public sector organisations are being increasingly subjected to both legislative and competitive pressures which are forcing them to reconsider their relationships with users and customers (Chapman and Cowdell, 1998). The importance of this has been manifested in the fact that the increased adoption of marketing principles by public sector and not-for-profit

organisations has been the focus of recent themed issues of academic journals (see editorials in (Horne and Laing, 2002; Warnaby, 2004)). Indeed, the task of developing customer value through embracing the marketing concept (as opposed to merely implementing tactically-oriented marketing practices more effectively), is a nettle which more public sector and not-for-profit organisations will have to grasp if they are to remain competitive in turbulent marketplaces, especially ones (such as the information marketplace) where they are increasingly in competition with private sector organisations for whom marketing is more embedded in their culture.

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