

# SPEAKING FINANCE

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Creating a value-oriented marketing plan for  
your library

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LMCC 2017

# Introduction

- Librarian
- Researcher & Data Geek
- Took Econ 101 pass/fail seven years ago



**Good marketing**

**=**

**DATA**





# Goals

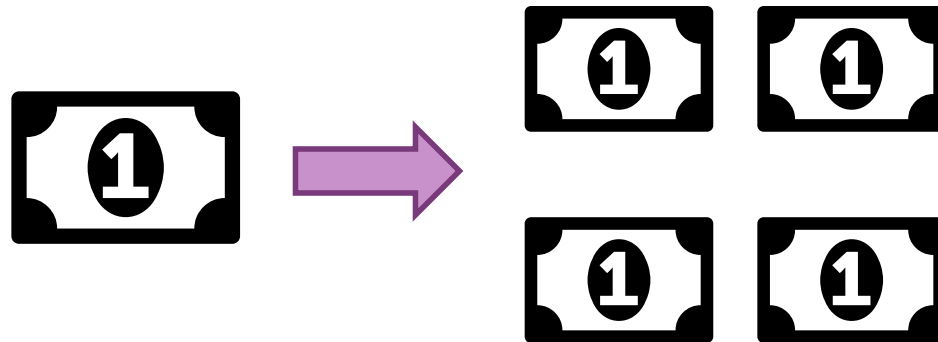
1. Understand return on investment (ROI) and how it can be used in libraries
2. Practice developing a marketing plan using these concepts

# Agenda

- Discuss ROI
  - How it is calculated
  - How to use it in your library
  - ROI calculator practice
- Go through marketing process
  - Establish 5 steps of creating a marketing strategy
  - Develop a strategy to market library's ROI to city council
- Discussion: How do we apply lessons learned using this case study to other situations?

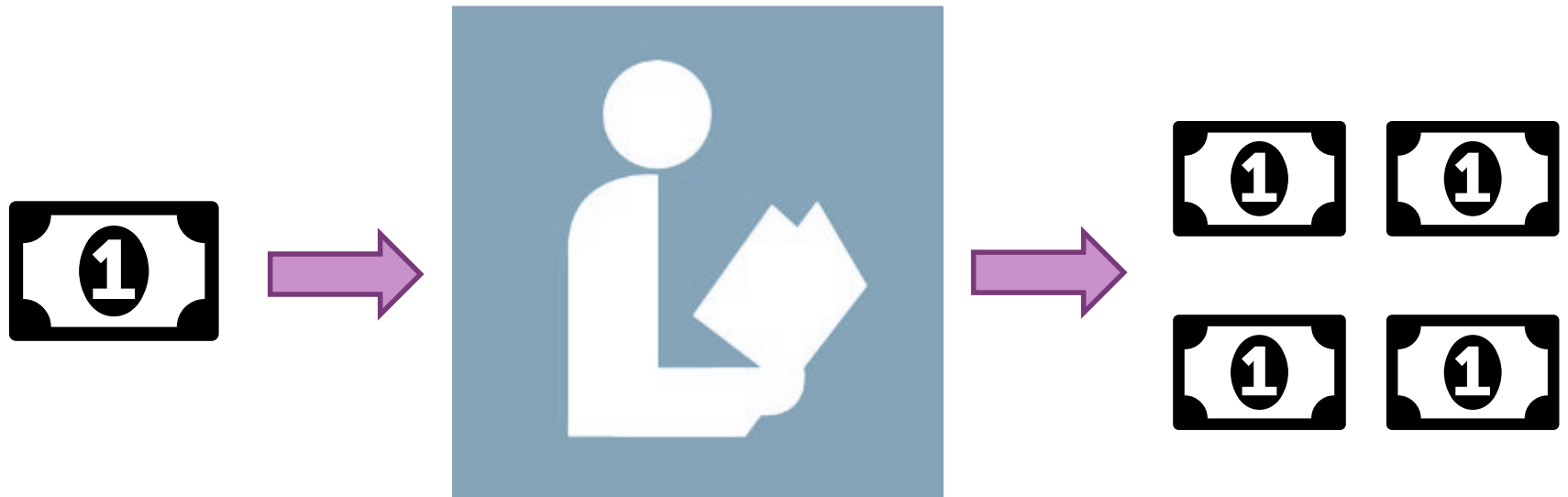
What is ROI?

# Return On Investment





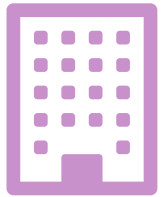
# ROI in Libraries



Measures the “value” a community realizes by the **investment** of tax dollars into that institution

# What is **not** ROI?

## Economic Impact



Business  
Development



Job Creation



Neighborhood  
Value

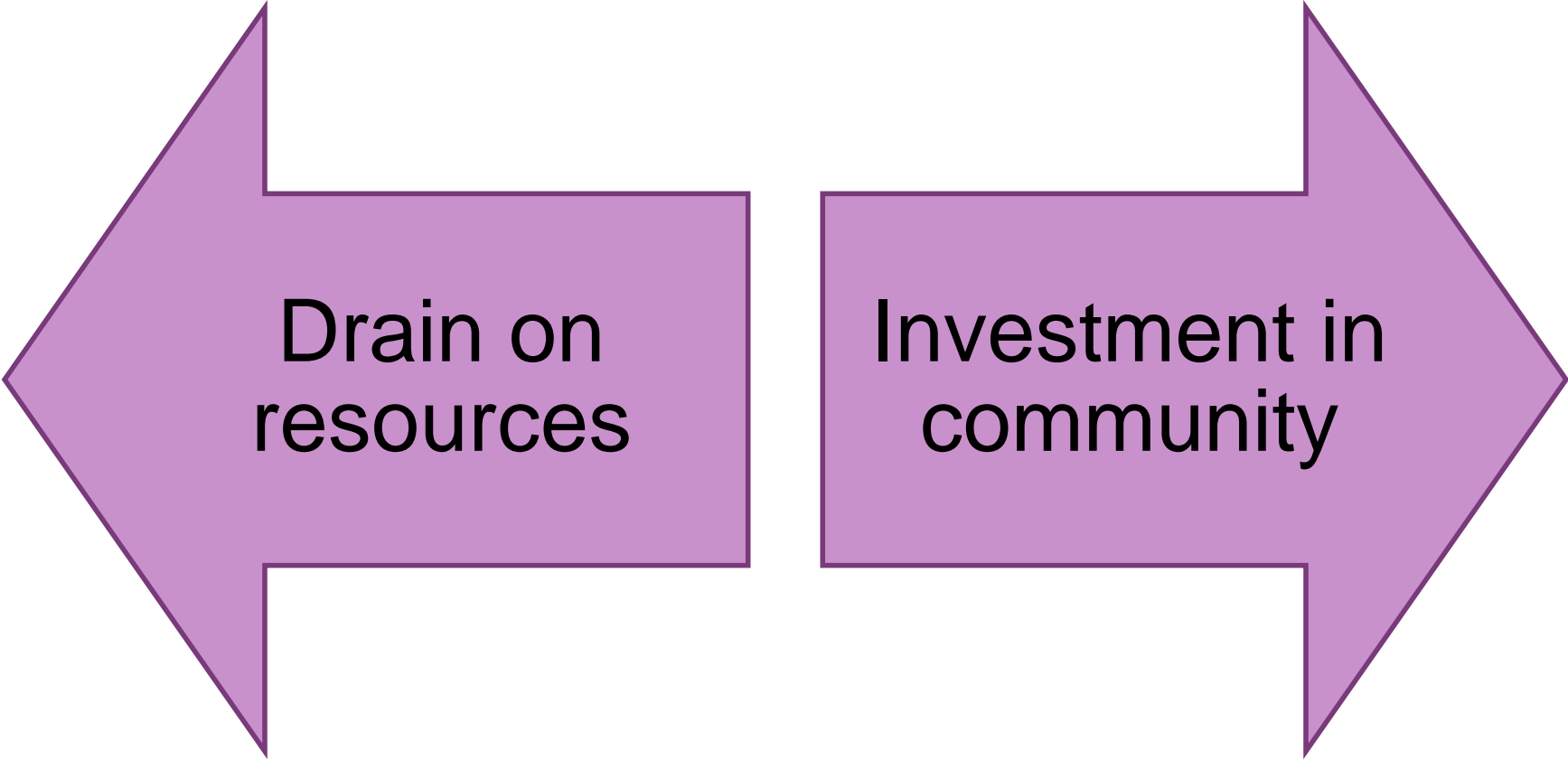


Workforce  
Development

For more information visit:

<http://www.ala.org/tools/research/librariesmatter/node/12>

## **A shift in thinking about the library**



**Drain on  
resources**

**Investment in  
community**

# Calculating Library ROI

Market Value Data

vs.

Contingent Valuation

# Market Value Data



Adult book = \$17



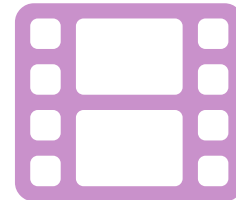
Children's book = \$17



Interlibrary loan = \$25



Computer use/hour = \$12



Movie = \$4

**Assigns a dollar value to library services**

# Contingent Valuation

## Placing a value on non-market resources

- How much would a patron lose in time/gas if they had to go multiple places for info resources?
- What would a child lose if they didn't have access to hundreds of books?
- What could your community lose if they didn't have workforce development resources?

# Know how you got your numbers!

Library Service	Value of Service	Based On
Adult Books Borrowed	\$17.00	Amazon.com average price
Young Adult Books Borrowed	\$12.00	Amazon.com average price
Children Books Borrowed	\$17.00	Amazon.com average price
Audiobooks Borrowed	\$9.95	Audible.com download average
Interlibrary Loan Requests	\$25.00	Amazon.com average price plus shipping
eBooks Downloaded	\$15.00	Estimated B&N/Amazon average
Magazines Read	\$5.00	Estimated purchase price average
Newspapers Read	\$9.50	Boston Globe subscription (outside city)
Movies Borrowed	\$4.00	Estimated Netflix average
CDs Borrowed	\$9.95	iTunes download album average
Music Downloaded	\$1.00	iTunes download song average
Meeting Room Use (per hour)	\$25.00	Estimated value
Adult Programs Attended	\$15.00	Entertainment/program admission fee - estimated average per adult
Young Adult Programs Attended	\$12.00	Entertainment/program admission fee - estimated average per youth
Children's Programs Attended	\$7.00	Entertainment/program admission fee - estimated average per child
Museum Passes Borrowed	\$20.00	Museum admission fee - estimated average for two adults
Computer Use (per hour)	\$12.00	FedEx/Kinkos price
Database Searches	\$19.95	Average cost for online article search
Reference Assistance	\$7.00	Average library cost



# For more information...

And lots of other resources, visit:

<https://www.irs.org/lmcc-2017-speaking-finance/>

# Calculating Library ROI

ALA Library Value Calculator:

[http://www.ala.org/advocacy/advleg/advocacyuniversity/toolkit/makingthecase/library\\_calculator](http://www.ala.org/advocacy/advleg/advocacyuniversity/toolkit/makingthecase/library_calculator)

Maine State Library Value Calculator:

<http://www.maine.gov/msl/services/calculator.htm>

# ROI Activity

Use the ALA Library Value Calculator to find the ROI of a patron that, in the past year:

- Checked out 6 adult books
- Checked out 8 children's books
- Checked out 1 audiobook
- Used the library computer for 2 hours
- Attended 1 adult program
- Attended 2 children's programs
- Used a library meeting room for 1 hour
- \*Invested\* \$35 into the library (through taxes)

# Calculating Library ROI

Value of Your Library Use

Input Your Use	Library Materials & Services	Value of Your Use
<input type="text" value="6"/>	Adult Books Borrowed	<input type="text" value="\$102.00"/>
<input type="text"/>	YA Books Borrowed	<input type="text" value="\$0.00"/>
<input type="text" value="8"/>	Childrens Books Borrowed	<input type="text" value="\$136.00"/>
<input type="text" value="1"/>	Audiobooks Borrowed	<input type="text" value="\$9.95"/>
<input type="text"/>	Interlibrary Loan Requests	<input type="text" value="\$0.00"/>
<input type="text"/>	eBooks Downloaded	<input type="text" value="\$0.00"/>

# Calculating Library ROI

<input type="text" value="1"/>	Meeting Room Use (per hour)	<input type="text" value="\$25.00"/>
<input type="text" value="1"/>	Adult Program Attended	<input type="text" value="\$15.00"/>
<input type="text"/>	Young Adult Program Attended	<input type="text" value="\$0.00"/>
<input type="text" value="2"/>	Childrens Program Attended	<input type="text" value="\$14.00"/>
<input type="text"/>	Museum Passes Borrowed	<input type="text" value="\$0.00"/>
<input type="text" value="2"/>	Computer Use (per hour)	<input type="text" value="\$24.00"/>
<input type="text"/>	Database Searches	<input type="text" value="\$0.00"/>
<input type="text"/>	Reference Assistance	<input type="text" value="\$0.00"/>
<hr/>		
<input type="button" value="Calculate The Value of Your Library Use"/>		<input type="text" value="\$325.95"/>
<input type="button" value="Clear Form"/>		

# ROI Activity

Use the ALA Library Value Calculator to find the ROI of a patron that, in the past year:

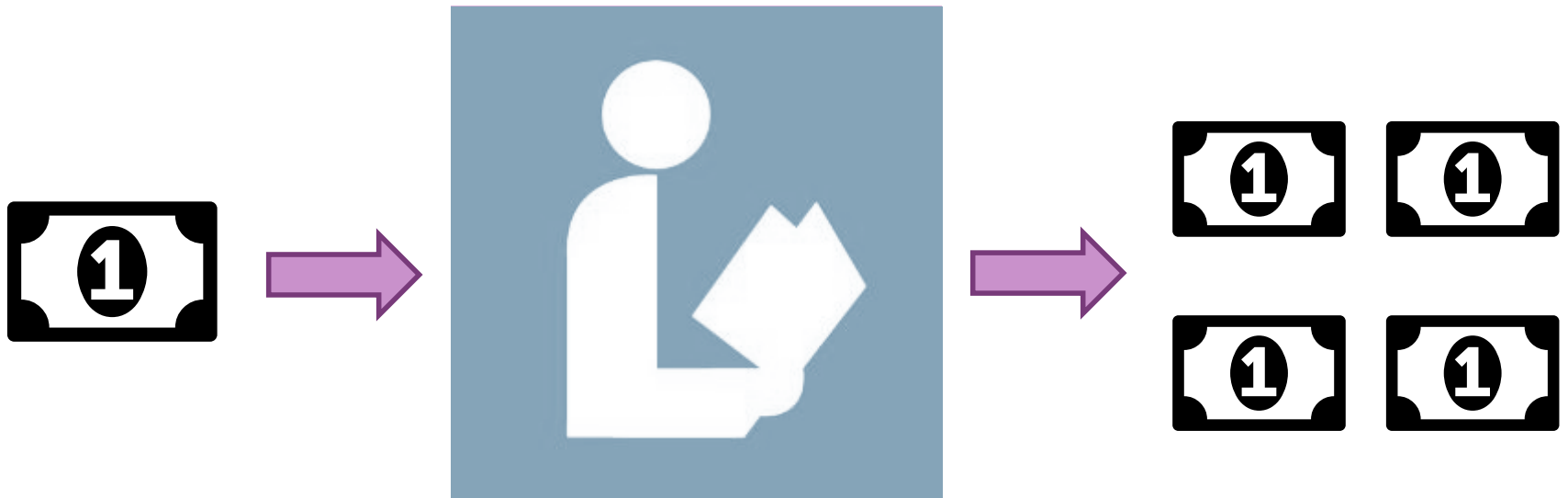
- Checked out 6 adult books = \$102.00
- Checked out 8 children's books = \$136.00
- Checked out 1 audiobook = \$9.95
- Used the library computer for 2 hours = \$24.00
- Attended 1 adult program = \$15.00
- Attended 2 children's programs = \$14.00
- Used a library meeting room for 1 hour = \$25.00

**Value of services:** \$325.95

Invested \$75 in the library (through taxes)

$\$325.95/\$75=\$4.34/\$1$  return on investment

# ROI Activity



# Developing a Marketing Plan



# Basic Marketing Steps

1. Target your audience
2. Describe your services
3. Identify your competition
4. Develop promotional strategies
5. Establish measurable goals

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2. Describe your services
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# Target Your Audience

- Who are your stakeholders?
- What do you know about them?
- What do they want from the library?



# Target Your Audience

- Resources to learn about your audience:
  - Pew surveys
  - Census information
  - Town Hall/City Council meetings
  - Creating relationships

# Target Your Audience

- **Funding Decision Makers** – who are they?



*“Never impose your language on people you wish to reach.”*

*- Abbie Hoffman*

# Basic Marketing Steps

1. Target your audience
2. Describe your services
3. Identify your competition
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5. Establish measurable goals

# Describe Your Services

- What is important to us may not be important to funding decision makers
- Use ROI when your stakeholders when they are concerned with library **value** and **financial benefit**





*“For some stakeholders, especially funding decision makers, the library is viewed as a resource drain. But for others the library is an investment that pays large and wonderful dividends that enrich the local community and America as a whole.”*

# How does your audience learn?



**Auditory**



**Visual**



**Textual**

FOR EVERY  
**ONE DOLLAR**  
-INVESTED IN-  
**TEXAS PUBLIC LIBRARIES**

COMMUNITIES SEE A **RETURN** OF

**\$4.64**

**IN ACCESS TO RESOURCES,  
PROGRAMMING, SERVICES,  
AND TECHNOLOGY**



# Basic Marketing Steps

1. Target your audience
2. Describe your services
3. Identify your competition
4. Develop promotional strategies
5. Establish measurable goals

# Identify competition

- Finite tax money – who else needs it?
- Who might be against the library receiving funding?
- How do we convince them?



# Basic Marketing Steps

1. Target your audience
2. Describe your services
3. Identify your competition
4. Develop promotional strategies
5. Establish measurable goals

# Promotional Strategies

- The fun part!
- Speak your audience's language
- Stay away from library jargon – but do learn their jargon

# Promotional Strategies

- Use whatever format you've discovered that works best for your audience



- Come up with short and snappy lines that convey your message
- Give context to your numbers



# Promotional Strategies

Total library ROI = \$2,500,000 per year

**OR**

**Per capita**, taxpayers get an average of \$5 return for every \$1 tax invested

# Promotional Strategies

Patrons get a total return on their investment when they:

- Check out 4 books 
- Book a meeting room 
- Check out 3 movies 
- After 4 library visits 

# Promotional Strategies

- Compare numbers to other things
  - Sporting events
  - Movies
  - Buying books/videogames

Ex: Taxpayers keep the library running for the cost of a cup of coffee a month





**James LaRue** @jaslar

11 hours ago

\$2.68 PER MONTH PER HOUSEHOLD for public library support. My taxes are too high? Not for libraries!

 @tuffentiny

What do you pay for internet, cell phone and education? I bet it's a lot more than \$2.68... #idlibraries17 <https://t.co/9qjX43Pe0W>



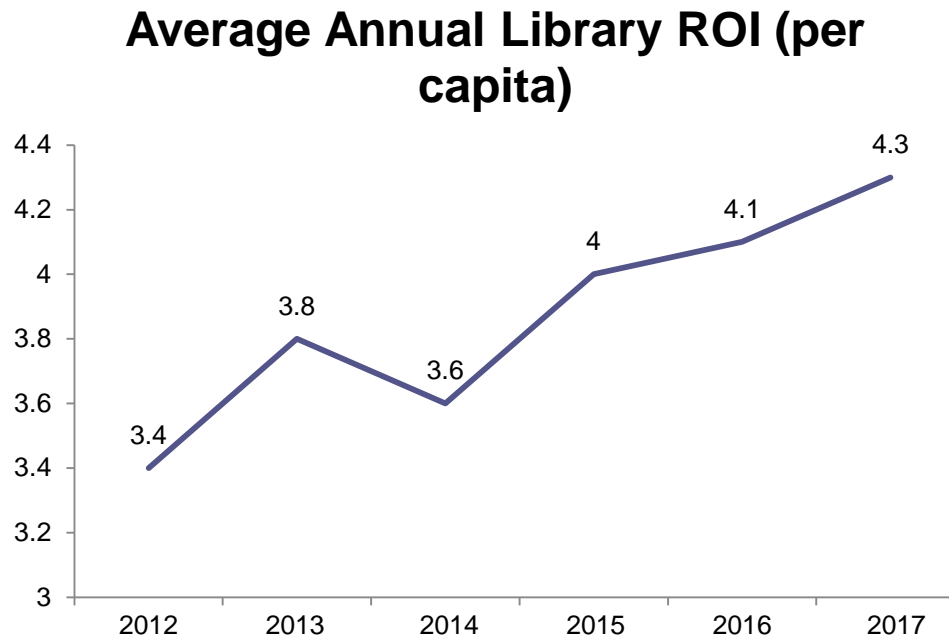
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# Promotional Strategies

- Show trends over time, like corporations do in their annual reports

Ex: Library ROI per capita has steadily improved over the past 5 years



# Basic Marketing Steps

1. Target your audience
2. Describe your services
3. Identify your competition
4. Develop promotional strategies
5. Establish evaluation goals

# Evaluation Goals

- How will you know if your marketing campaign worked?
  - Ask for feedback from stakeholders
  - Social media effectiveness
  - Website analytics
  - Focus group



# Discussion

How could this process be applied to different types of libraries? Or to different stakeholder groups?





# End Reminders

- Constant Evaluation
- Don't wait for a crisis
- Create and maintain contacts
- Always keep your audience in mind and speak their language

# Actionable Items!

## **This week:**

- Make contact with a new funding decision maker
- Find out how much tax money per person goes to the library

## **This month:**

- Download an ROI calculator and customize with your own library's information

## **This year:**

- Develop a marketing strategy using library ROI

# Sources

- Steffen, Nicolle, Zeth Lietzau, Keith Curry Lance, Amanda Rybin, and Carla Molliconi.  
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- Matthews, Joseph R. *Measuring for Results: The Dimensions of Public Library Effectiveness*. Westport, CT: Libraries Unlimited, 2004.

# Thank you!

Contact me:

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For more information and resources:

<https://www.irs.org/lmcc-2017-speaking-finance/>

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