

# Creating Destination Libraries Through Customer Segmentation

**Virginia Library Association**

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# Session Outcomes

The rise of digital content requires libraries to position their physical locations as destinations to drive usage. This session demonstrates how libraries may use customer segmentation to identify customer need and create destination identities for their facilities that attract customers by addressing their needs. This session delivers three key learning outcomes for participants:

- Understand the concepts that underlie the use and application of customer data;
- Employ customer segmentation to define customer need;
- Implement a strategic planning process that builds destination personas for branches;
- Communicate these concepts to their board for effective resource allocation; and
- Rollout a library destination strategy in branch communities.

# Why Segmentation?

# Pamunkey Regional Library

The Pamunkey Regional Library System operates a ten branch system in four central Virginia counties. It receives tax-based support of nearly \$4 million annually from the four counties. The regional approach creates an environment that lends itself to the use of customer segmentation. Several factors contribute to this. These include:

- **Tax Base.** Each county contributes to the system at varying levels. Although the shared service model leverages these resources effectively, targeting resources by customer need provides the library a tool for allocating resources.
- **Population Density.** The associated counties differ relative to their population centers, with some more rural than others. This influences the variety of services each branch provides.
- **Traffic Patterns.** Patron movement through and between the counties influences the placement and utilization of branches. This necessarily requires the library to address needs at one location not necessarily required by the surrounding population.

# Pamunkey Regional Library, cont.

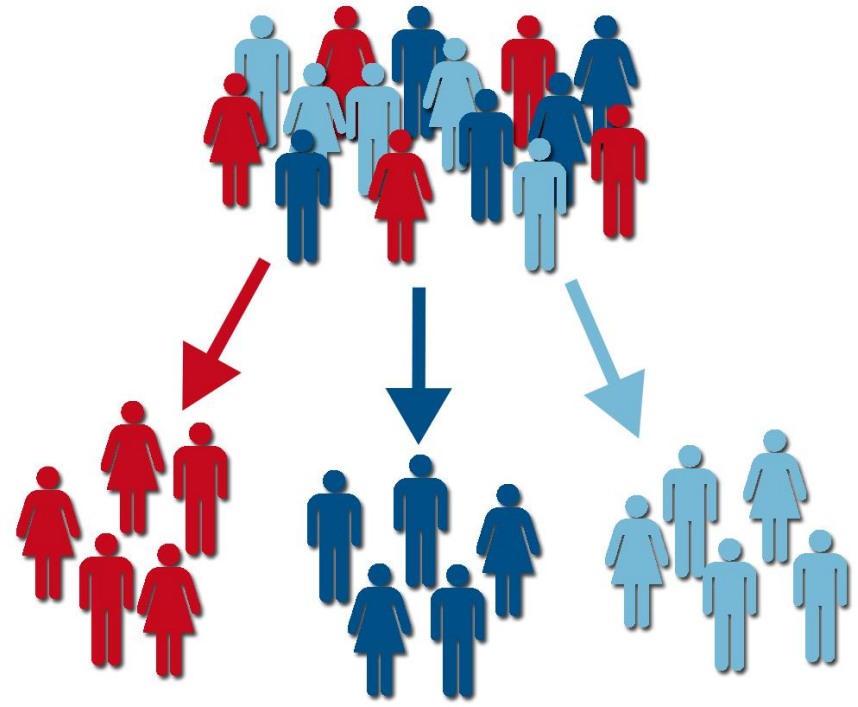
Beyond the needs and characteristics of each county, the system saw many organization benefits to segmentation. Segmentation provides:

- The management team a decision-making tool. By assessing the organization from the perspective of customer needs, they can better allocation resources
- Facilitates target marketing, which generates a higher yield for each dollar invested.
- Permits a more precise measurement of organizational outcomes.

# The Clusters

# Customer Clusters

- **Customer Segmentation** divides customer bases into groups of individuals that are similar in specific ways such as age, gender, interests, actions, etc.
- Allows companies to **target specific groups of customers** effectively in order to best appeal to each customer segment.





## Audiophiles

- **Primary use:** Borrow audiobooks
- **Visit library > monthly:** 64%
- **Visit website > monthly:** 54%
- **Complementary behaviors:** Pick up holds, borrow print for adults, browse shelves
- **Use Library More With Reminders:** 34%
- **Most Important Service:** Good community partner, access to online resources
- **Smartphone adoption** 64%
- **Children Under 18:** 25%



## Digitarians

- **Primary use:** Borrow eBooks
- **Visit library > monthly:** 34%
- **Visit website > monthly:** 77%
- **Complementary behaviors:** Ask staff a question
- **Use Library More With Reminders:** 39%
- **Most Important Service:** Access to online resources, good community partner
- **Smartphone adoption** 70%
- **Children Under 18:** 25%



## Transitionals

- **Primary use:** Borrow adult print and eBooks
- **Visit library > monthly:** 71%
- **Visit website > monthly:** 74%
- **Complementary behaviors:** Browse shelves, pick up holds, borrow DVDs, ask staff a question
- **Use Library More With Reminders:** 44%
- **Most Important Service:** Access to online resources, good community partner
- **Smartphone adoption** 71%
- **Children Under 18:** 26%



## Double Feature

- **Primary use:** Borrow DVDs and music CDs
- **Visit library > monthly:** 72%
- **Visit website > monthly:** 61%
- **Complementary behaviors:** Browse shelves and pick-up holds
- **Use Library More With Reminders:** 38%
- **Most Important Service:** Good community partner, learning opportunities to children
- **Smartphone adoption** 57%
- **Children Under 18:** 29%



## Bedtime Stories

- **Primary use:** Borrow children's materials and attend children's activities
- **Visit library > monthly:** 68%
- **Visit website > monthly:** 53%
- **Complementary behaviors:** Browse materials, spend time with children, borrow adult print and DVDs
- **Use Library More With Reminders:** 44%
- **Most Important Service:** Learning opportunities for children, print collections
- **Smartphone adoption** 74%
- **Children Under 18:** 86%



## Staying Connected

- **Primary use:** Use a library Computer
- **Visit library > monthly:** 75%
- **Visit website > monthly:** 56%
- **Complementary behaviors:** Browse shelves, pick up holds, ask staff a question
- **Use Library More With Reminders:** 49%
- **Most Important Service:** Access to PCs and Wi-Fi, access to online resources
- **Smartphone adoption** 53%
- **Children Under 18:** 32%



## Bright Future

- **Primary use:** Borrow print materials for teens
- **Visit library > monthly:** 59%
- **Visit website > monthly:** 56%
- **Complementary behaviors:** Browse shelves, borrow print for adults, ask staff a question
- **Use Library More With Reminders:** 33%
- **Most Important Service:** Good community partner, access to online resources
- **Smartphone adoption** 57%
- **Children Under 18:** 50%



## Rising Stars

These are cardholders who are younger than 13 years old, and are not included in surveys to protect their privacy. Unlike the Bedtime Stories cluster, who are adults that check out children's materials, Rising Stars are children engaging with the Library with their own card.





## Dependables

- **Primary use:** Borrow Print and A/V materials
- **Visit library > monthly:** 70%
- **Visit website > monthly:** 62%
- **Complementary behaviors:** Browse shelves, pick-up holds
- **Use Library More With Reminders:** 36%
- **Most Important Service:** Good community partner, access to online resources
- **Smartphone adoption** 46%
- **Children Under 18:** 20%



## Dining In

- **Primary use:** Work, study, or use free Wi-Fi
- **Visit library > monthly:** 60%
- **Visit website > monthly:** 37%
- **Complementary behaviors:** Browse shelves, ask staff a question, read in library
- **Use Library More With Reminders:** 38%
- **Most Important Service:** Access to online resources, good community partner
- **Smartphone adoption** 58%
- **Children Under 18:** 25%



## Staying Connected

- **Primary use:** Use a library Computer
- **Visit library > monthly:** 75%
- **Visit website > monthly:** 56%
- **Complementary behaviors:** Browse shelves, pick up holds, ask staff a question
- **Use Library More With Reminders:** 49%
- **Most Important Service:** Access to PCs and Wi-Fi, access to online resources
- **Smartphone adoption** 53%
- **Children Under 18:** 32%



## Page Turners

- **Primary use:** Borrow adult print materials
- **Visit library > monthly:** 52%
- **Visit website > monthly:** 42%
- **Complementary behaviors:** Browse shelves, pick-up holds
- **Use Library More With Reminders:** 29%
- **Most Important Service:** Good community partner, access to online resources
- **Smartphone adoption:** 47%
- **Children Under 18:** 13%



## Occasionals

- **Primary use:** Borrow adult print materials
- **Visit library > monthly:** 0%
- **Visit website > monthly:** 0%
- **Complementary behaviors:** Browse shelves, ask staff a question
- **Use Library More With Reminders:** 31%
- **Most Important Service:** Good community partner, access to online resources
- **Smartphone adoption** 67%
- **Children Under 18:** 28%



## New Cardholders

**These customers are analyzed separately in Savannah to ensure accurate cluster calculations. The profiles on this page come from cardholder surveys which do not identify New Cardholders as a unique cluster.**

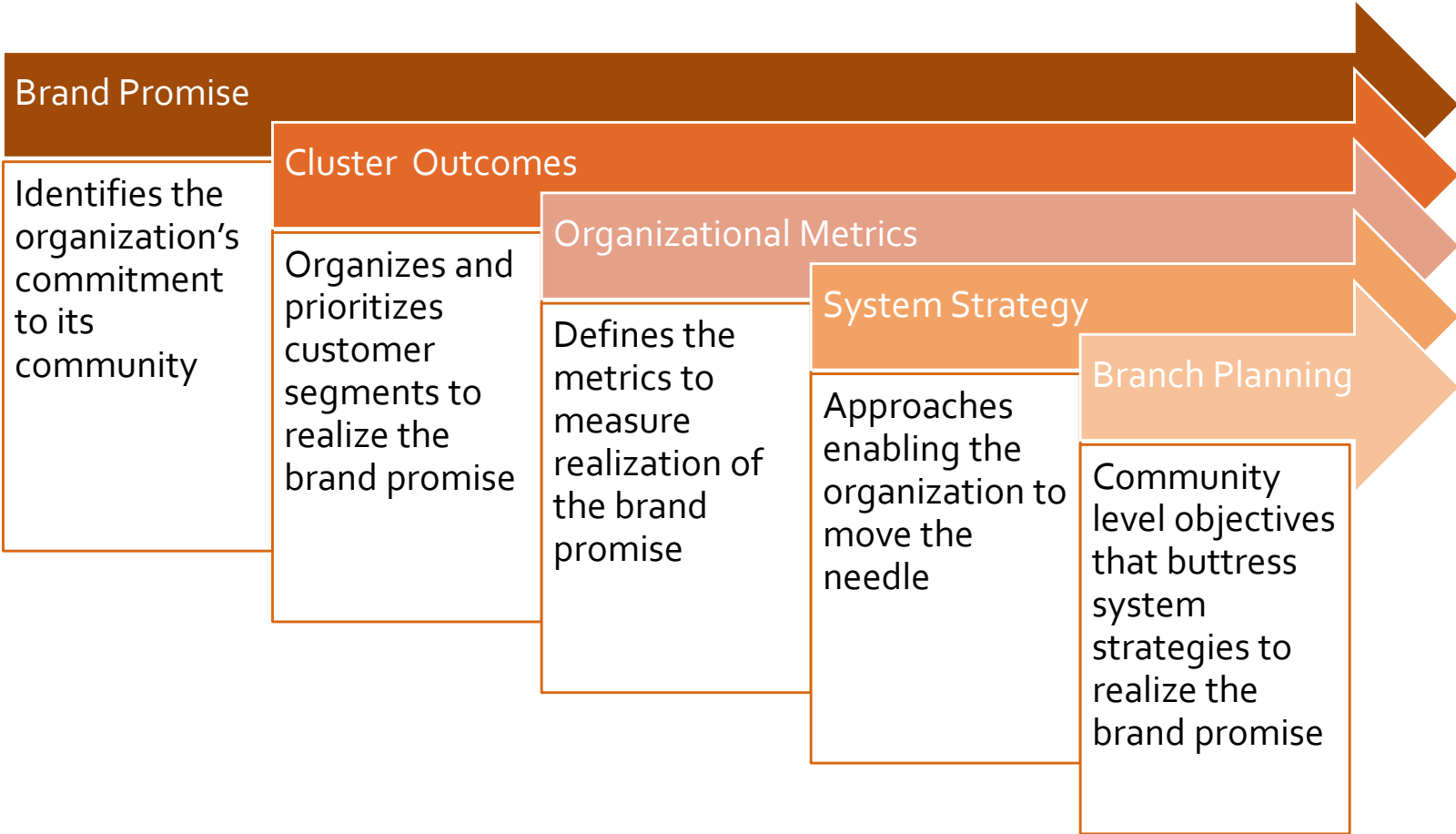
The logo consists of the letters 'R' and '3' in a bold, orange, sans-serif font. The 'R' is significantly larger than the '3'. Both are contained within a thin orange rectangular border.

## Right customer Right message Right time

- **Right customer.** Your intended audience which should align with your organization's specific goals and outcomes. Send emails to customer segments (Clusters), based on characteristics like new cardholders, the type of materials they check out or other attributes.
- **Right message.** Identify what content is most interesting to your intended audience. Focus on providing value. Measure open rates and conversion rates (the percentage of customers who actually do something at the library) to determine if the message was successful and resonates with your target audience. Savannah's data integration makes calls to action easy to measure — whether that's linking to content in your catalog or requesting a customer to sign up for a program or class.
- **Right time.** Now that you have your audience and message, determine the frequency of your communication and when to send emails. Just as with the design of your message, the frequency of your communication requires some testing through measurement to see what works. As a general rule of thumb, you should send something to your customers at least once a month to maintain top of mind awareness.

# Strategic Planning

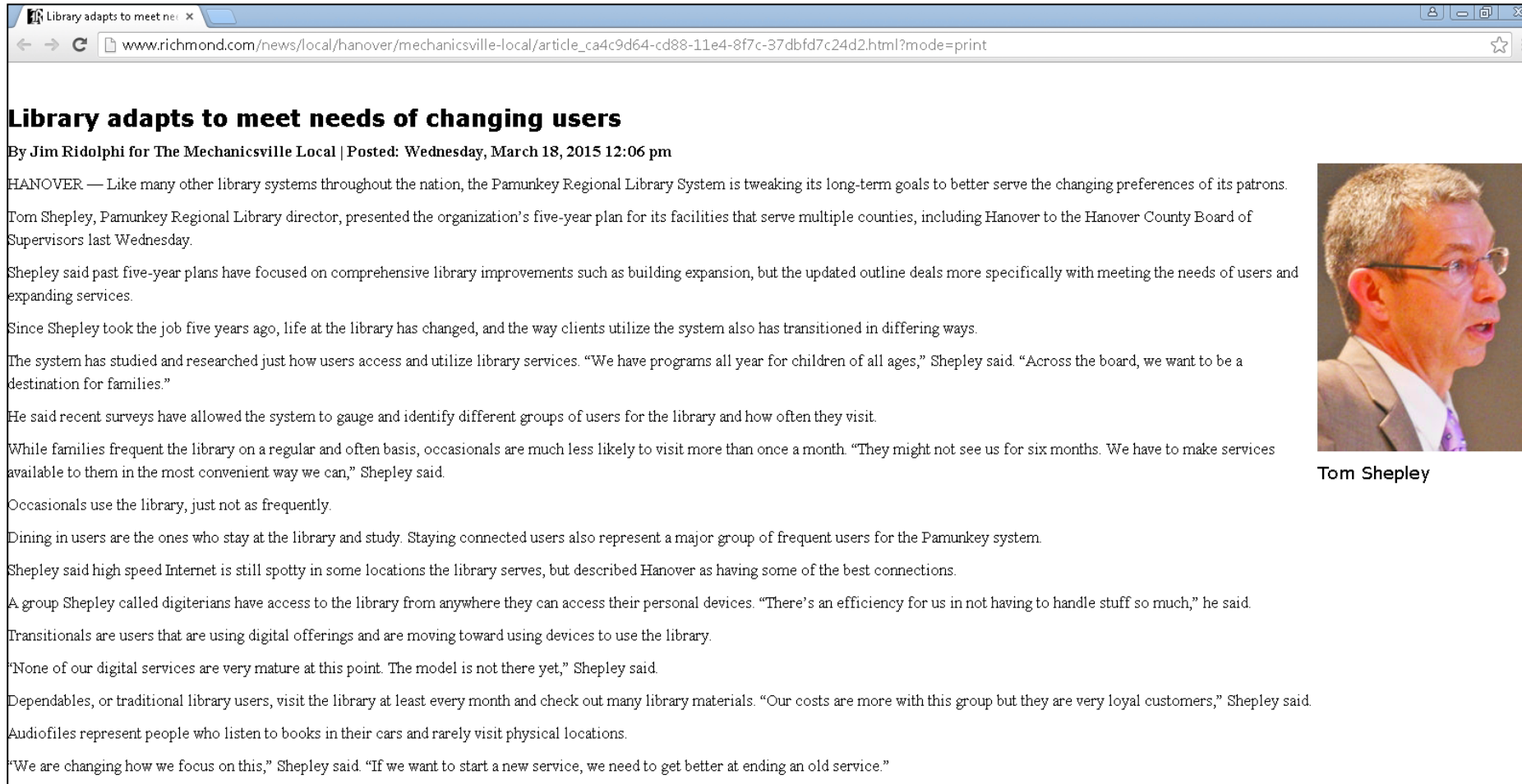
# The Planning Process



# Pamunkey Clusters & Outcomes

Cluster	Outcome	Standard	Resource Level
<b>Destination Clusters</b>			
Family Relationships	Engaged Exploration	We cultivate life-long Library and family bonds that create and broaden opportunities.	Current: 29.2% <b>Target: 40%</b>
Dining In	Creativity Experienced	The Library inspires customers' creativity through compelling spaces and dynamic resources.	
Staying Connected	Empower	Customers use our technology to increase their productivity.	
<b>Digital Clusters</b>			
Digitarians	Moving Forward	Our digital resources provide customers a pathway for realizing enjoyment and fulfillment.	Current: 41.7% <b>Target: 44%</b>
Transitionals	A New Horizon	We guide customers into the digital world.	
Occasionals	Newly Inspired	Informed customers have convenient access to digital resources that meet their needs, interests, and ambitions.	
Audiophiles	Easy Listening	We provide flexibility and convenience to the listening experience.	
<b>Efficiency Clusters</b>			
Legacy Clusters ( <i>Dependables, Page Turners</i> )	Less is More	The library efficiently and conveniently provides a focused collection that meets customers' needs and interests.	Current: 29.1% <b>Target: 15%</b>

# Community Support



Library adapts to meet ne x

www.richmond.com/news/local/hanover/mechanicsville-local/article\_ca4c9d64-cd88-11e4-8f7c-37dbfd7c24d2.html?mode=print

## Library adapts to meet needs of changing users

By Jim Ridolphi for The Mechanicsville Local | Posted: Wednesday, March 18, 2015 12:06 pm

HANOVER — Like many other library systems throughout the nation, the Pamunkey Regional Library System is tweaking its long-term goals to better serve the changing preferences of its patrons.

Tom Shepley, Pamunkey Regional Library director, presented the organization's five-year plan for its facilities that serve multiple counties, including Hanover to the Hanover County Board of Supervisors last Wednesday.

Shepley said past five-year plans have focused on comprehensive library improvements such as building expansion, but the updated outline deals more specifically with meeting the needs of users and expanding services.

Since Shepley took the job five years ago, life at the library has changed, and the way clients utilize the system also has transitioned in differing ways.

The system has studied and researched just how users access and utilize library services. "We have programs all year for children of all ages," Shepley said. "Across the board, we want to be a destination for families."

He said recent surveys have allowed the system to gauge and identify different groups of users for the library and how often they visit.

While families frequent the library on a regular and often basis, occasionals are much less likely to visit more than once a month. "They might not see us for six months. We have to make services available to them in the most convenient way we can," Shepley said.

Occasionals use the library, just not as frequently.

Dining in users are the ones who stay at the library and study. Staying connected users also represent a major group of frequent users for the Pamunkey system.

Shepley said high speed Internet is still spotty in some locations the library serves, but described Hanover as having some of the best connections.

A group Shepley called digitarians have access to the library from anywhere they can access their personal devices. "There's an efficiency for us in not having to handle stuff so much," he said.

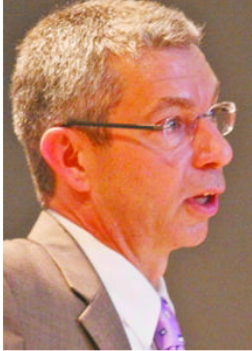
Transitionals are users that are using digital offerings and are moving toward using devices to use the library.

"None of our digital services are very mature at this point. The model is not there yet," Shepley said.

Dependables, or traditional library users, visit the library at least every month and check out many library materials. "Our costs are more with this group but they are very loyal customers," Shepley said.

Audiofiles represent people who listen to books in their cars and rarely visit physical locations.

"We are changing how we focus on this," Shepley said. "If we want to start a new service, we need to get better at ending an old service."



Tom Shepley



Long Range Plan FY2016 – FY2020  
 Adopted June 24, 2015  
 by the Board of Trustees

The Pamunkey Regional Library’s long range plan outlines the library’s mission, goals and objectives for fiscal years 2016 through 2020. The plan was developed through customer surveys and significant analysis of customer usage patterns. Numerous meetings were held with stakeholder groups.

More than 2,200 customers responded to the library’s survey. Library staff put considerable effort into gathering usage information from virtually every resource and service that the library provides. This data was used to create a performance dashboard that provides management the ability to measure progress, which allows the collection and analysis of data on an ongoing basis. Several dozen library staff members and the library board considered these findings and developed the draft plan.

Using this information, library planners created a brand promise—a simple statement of what the library hopes to deliver to customers. The brand promise is “Inspiring Destinations, Compelling Experiences.” To fulfill the brand promise for our customers, the library will customize our service offerings to best focus on the needs of each local community.

# The Strategic Planning

THREE COMPELLING EXPERIENCES		
		
<b>Community Hub</b>	<b>One Stop</b>	<b>Work + Play</b>
Branches: Rockville, Hanover, Montpelier, King & Queen	Branches: Ashland, Atlee, Mechanicsville	Branches: Goochland, Upper King William, West Point
These libraries feature popular collections and resources to help customers stay connected with their community and beyond.	These libraries provide a wide range of services, activities, and collections. Family entertainment and resources for work, study, and exploration are readily available	These libraries are designed for productive work and engaging play.
TEN INSPIRING DESTINATIONS		



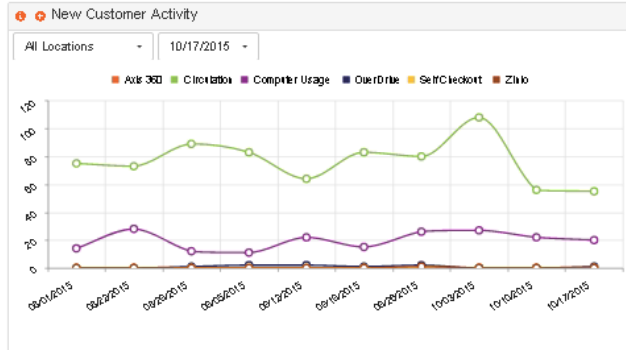
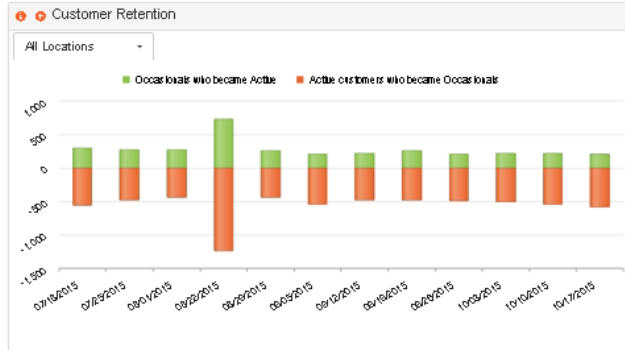
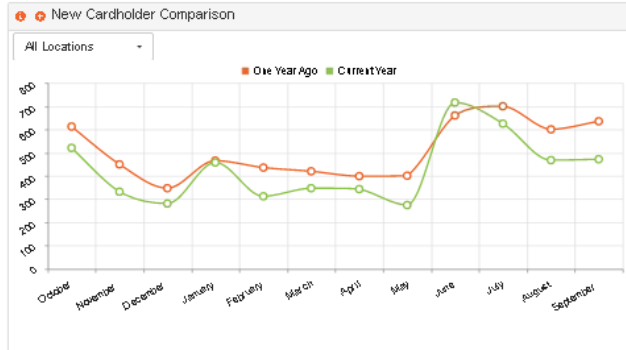
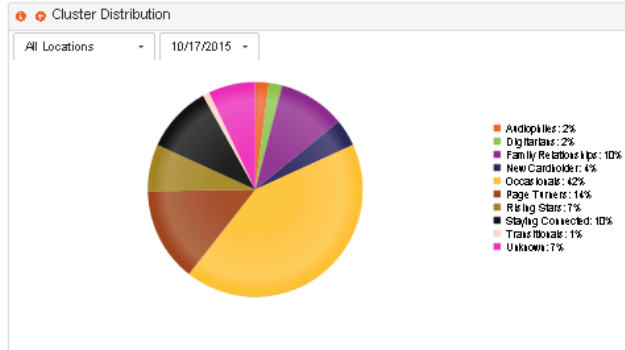
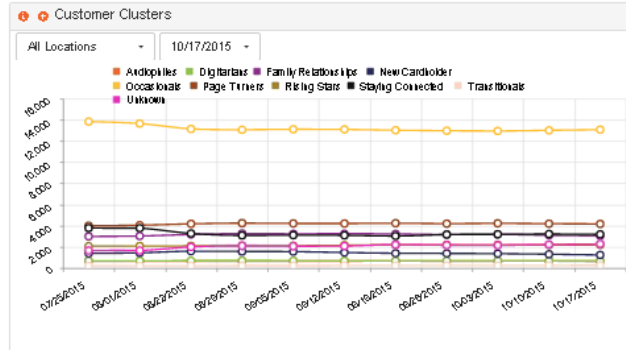
# Effectiveness Measures



## Dashboard

- Dashboard
- Customers
- Feedback
- Analytics
- Community
- Documents
- Data
- Help

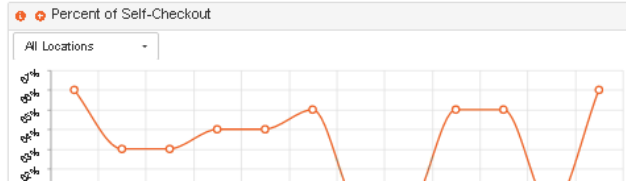
Home Customer Clusters



### Strength of Relationship

All Locations | All Clusters | 10/17/2015

Activity	Number of Users	Utilization %
Print	2,274	7.32 %
CD	77	0.25 %
DVD	378	1.22 %





# Effectiveness Measures

## Strength of Relationship

Activity	Number of Users	Utilization %
Print	2,274	7.32%
CD	77	0.25%
DVD	378	1.22%
Audiobooks	339	1.09%
Computer	1,125	3.62%
Downloadables	1,166	3.75%

# Presenters

# Pamunkey Regional Library

The Pamunkey Regional Library enhances the quality of life in our communities by providing free access to information, promoting reading enjoyment, nurturing lifelong learning and providing places for people to interact.

- Serving Goochland, Hanover, King and Queen, and King William Counties
- Three Compelling Experiences:
  - Community Hub--Features popular collections and resources to help customers stay connected with their community and beyond.

One Stop--Provides a wide range of services, activities, and collections. Family entertainment and resources for work, study, and exploration are readily available

Work + Play--Designed for productive work and engaging play

- Ten Inspiring Destinations:

Ashland	Mechanicsville
Atlee	Montpelier
Goochland	Rockville
Hanover	Upper King William
King & Queen	West Point

# OrangeBoy, Inc.

- **Who we are:** Founded in 1996, OrangeBoy, Inc. uses a **customer-centric, data-driven approach** which enables us to decipher customer behavior.
- **What we do:** We serve **more than 60** library clients in **30 states** and **Canada** from our offices in Columbus, Chicago, and Portland.
- **Industries:** Cultural institutions, financial services, health care, libraries, philanthropy and retail
- **How we help:** By understanding customer behaviors using Savannah, our SaaS (software as a service), we **help clients identify, plan, target, and measure customer engagement and organizational performance.**

