The Use of Differentiation Strategy by Libraries to Gain Competitive Advantage

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Abstract: *Some libraries would die a natural death if not working towards differentiation strategy to achieve competitive advantage. Differentiation strategy is one of Michael Eugene Porter's business management strategies, he formulated after observing that organisations, nations, states and regions can survive in business competition by either lowering the cost, differentiate products and service or focusing on a certain segment. This article focuses on the differentiation strategy and how libraries can embrace it to gain competitive advantage. Without strategising, libraries will lose their market share in this competitive and turbulent environment.*

Keywords: *differentiation strategy, competitive advantage, libraries, Information and Communication technology (ICT), re-branding, Michael Porter's generic strategies.*

I. Introduction

There are three kinds of companies, those that make things happen, those that watch things happen and those that wonder what has happened (Anonymous). Poor firms ignore their competitors, average firms copy their competitors and winning firms lead their competitors (Kotler, 2005:241). Porter (1980) declares that "the key aspect of the firm's environment is the industry or industries in which it competes". Peter and Waterman (1982) argue that "great companies are all driven by changing pressures in the market place". Nickols (2012) argues, "toss out the rulebook. Change, by definition, calls for a configured response, not adherence to prefigured routines". We are living in a turbulent and changing environment which calls for strategists in the information profession who would strategically position information centres in this world of information society and information superhighway. The differentiation strategy can also be embraced by libraries to strategically position themselves so as to gain competitive advantage. There is therefore need for libraries to embrace competitive advantage.

II. The purpose of the article

The purpose is this article to: Explore how libraries can use the differentiation strategy in order to gain competitive advantage.

III. Competitive Advantage

Competitive advantage is an advantage that a firm has over its competitors, allowing it to generate greater sales or retain more customers than its competitors. There can be many types of competitive advantages including the firm's cost structure, product offerings, distribution network and customer support. Saloner et al (2011:21) posits that since the firm faces actual or potential competitors, it must have a compelling reason to expect that it will be able to compete effectively against them. As the phrase "competitive advantage" suggests high-performance firm must achieve advantage over its competitors. A firm will do better if its source of competitive advantage is unique.

IV. Competing for Stakeholders

Cole (2005) observes that "within each industry, whether a profitable or not, there is competition between those supplying the goods and services to the customer". Therefore in the library services industry, there is also competition between those supplying information products and services. Tweed (1992:8) notes that with recent emphasis on the importance of an organisation's strategy in a competitive market place, the question should be asked, "What are we competing for?" Too often we get so myopic as to think we are competing only for sales dollars or for customers. In fact, every successful organisation is not only is competing for sales and customers, but for different stakeholders. Stakeholders are groups of individuals who have some stake in the success or failure if the organisation. Every organisation has at least the following stakeholder groups:
- customers

- employees
- owners
- suppliers
- community
- partners
- alliance
- sponsors
- government
- nations
- global environment

V.   Differentiation strategy

Differentiation strategy is one of Michael Porter's generic strategies. He comes up with the five generic strategies which are Low Cost Leadership, differentiation strategy, Best Cost Provider, focus on low cost, focus on differentiation strategies. They are considered to be the backbone of all processes of crafting strategies. These strategies are called generic because all organisations can pursue them regardless of whether they are manufacturing, service or non- profit enterprises. They are also called generic because they can be pursued in different kinds of industry environments and libraries should not be left out.
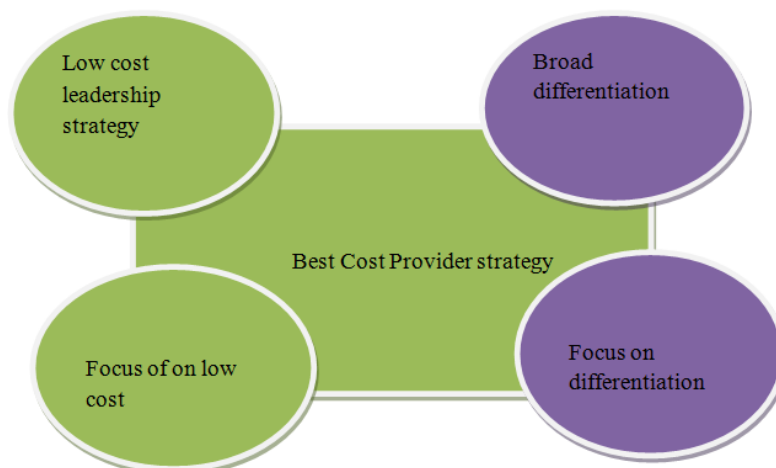
Porter's generic strategies

Figure 1

Gamble at all (2010) avers that differentiation strategy is whereby organisations distinguish its products or services apart from all others thereby capitalising on competitive advantage. It is an exceptional advantage over other libraries and others offering the same product or service. Pearce and Robinson (2011:219) opine that differentiation strategy is a business strategy that seeks to build competitive advantage with its product or service by having it be 'different' from other available competitive products and services based of features, performance or other features. They allude that the difference would be one that would be hard to create and difficult to copy. Cole (2005) remarks, "this differentiation can be based on the product itself, on its delivery system or on the way it is marketed". Tomlison (2006) posit that differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by customer. Based on those definitions a library should be thriving to be different from other library as well as different from other available competitive products and services. The customers should perceive the library as better than competitors and offering distinct products and services from competitors. The uniqueness of those products and services calls for that product or service to have an extra cost to cover up for those costs incurred to come up with that differentiated product or service.

5.1 Broad differentiation strategy

The essence of broad differentiation strategy is to be unique in ways that are valuable to a wide range of customers (Thompson et al 2005:126). This is offering degrees of differentiation. A differentiation strategy should be pursued only after a careful study of buyer's needs and preferences to determine the feasibility of incorporating one or more differentiating features into a unique product that features the desired attributes. A successful differentiation strategy allows an organisation to charge a higher price for its products and services

and to gain customer loyalty as consumers may become strongly attached to the differentiation features (Thompson et al 2005). Special features that differentiate one's products can include superior service, spare parts, product performance, useful life, easy to use, multiple features for example Microsoft Windows. It also includes wide selection and one stop shopping for example Amazon.com.

5.2 A focused differentiation strategy

A focused strategy based on differentiation aims at securing a competitive advantage by offering niche members a product they perceive as well suited to their own unique tastes and preferences (Thompson et al, 2005:130). This is a focus strategy based on differentiation. In the case of libraries, focused differentiation strategy can be applied to special libraries.

VI.   Competitive Advantage and Globalisation

To maintain competitive advantage organisation should understand the global environment and some are going globally. Some organisations have gone globally by putting their organisation on web sites. Some are exporting, others have gone into joint ventures with foreign companies and others have physically established businesses in foreign countries. There is therefore need to understand the culture of different countries that you are doing business with as well as understand the political situations. One can get a competitive advantage through getting foreign experience and getting advanced technologies and above all the market share is increased.

VII.   How libraries can use differentiation strategy to gain competitive advantage?

The future is not ahead of us. It has already happened. Unfortunately, it is unequally distributed among companies, industries and nations (Kotler, 2005:1). Kanter (1989) defines what organisations need to look like in the future if they are to be successful. She called for a revolution in business management to create what she termed post-entrepreneurial organisations. Thus, advocating for entrepreneurial spirit in organisations and those organisations include libraries. Today you have to run faster to stay in the same position (Kotler, 2005:6). Peters and Waterman (1982) argue that "great companies are all driven by changing pressures in the market place". Information is fast becoming a vital, individual, family, orgnisational, national and globally resource that determines the direction. Information also results in sustainable development of organisations and libraries have to strategically position themselves so that they remain relevant in this era of technological advancement. Libraries do not need to be lagging behind in the changing tide, they need to strategies and re-strategise to survive. Kanter (1989) posits that "today's corporate elephants need to learn to dance as nimbly and speedily as mice if they are to survive in our increasingly competitive and rapidly changing world". They need to embrace the use of Information and Communication Technologies (ICT) which include the internet such that they remain relevant and also gain competitive advantage. Kotler (2005:33) observes that the internet creates new winners and bury the laggards. Library should be automated to achieve efficiency and effectiveness. The differentiation strategy increases the perceived value of library as to their accuracy, timeliness, thoroughness in order to gain competitive advantage over rivals Mckinstry, Jill and McCracken (2002) share the same sentiments when they delineate that, libraries can remain competitive if they embrace and harness the benefits of information and communication technology, Information and Communication Technology does not only affect how libraries activities are performed but, through information flows, it is also greatly enhancing the library's ability to exploit linkage between activities on the delivery of information both within and outside the library. Library users will know they will be able to save time when searching for information since the available resources will be of high quality. A library will tend to be used most by library users when information retrieval and dissemination system of the library is much easier.

In differentiating themselves in order to gain competitive advantage, libraries and information centres can capitalise on customer orientation by personalising its products and services. The document delivery system would be done in a way that each client would be received his/ her best information interests such that the time of the user would be saved as propounded by Ranganathan (1931) that save the time of the reader. Libraries can build Loyal Customer Base which is comprised of clients that are loyal to the library. To maintain library usage as well increase library usage, libraries can offer monthly or yearly awards of best library user or best reader. This does not only promote the continuous usage of the library but also in cultivating a reading culture to clients. There is also need to have a database for an Installed Customer Base which captures those customers who are currently using a company's products. This facility will enable the library to contact the clients informing them of new services and materials that might be of use to those different library users.

The libraries should embrace Web. 2.0 and Library 2.0 respectively to enable community –based input, interaction , content sharing, discussions and collaboration. This is made possible though social media sites and applications which include micro-blogging, social networking, forums, social curation and wikis. Social media tools or web 2.0 applications cut across geographical boundaries. Users can share and publish information

across borders or can also decide to confine groups to geographical or other boundaries. The library can market itself as well as advertise through web 2.0 and reach out to different clients and new clients globally. Libraries should not be left out in the use of library 2.0 (L2) which is the transformation in the way library services are delivered to library users. This makes the library space more interactive, collaborative and driven by community needs. There is also constant feed back from the client as well as suggestions for improved and client can air out want they want hence making the libraries achieve competitive advantage through differentiating strategy.

Libraries like any other goods and services have been associated with certain brands and imagines which might be positive or negative. If one in the developing countries hears the word library, he/she might associate it with out dated building with an old lady or man seated behind the desk surrounded with many physical catalogue cards. In those people's images it would be deserted room with massive shelves comprising of old books. However the library has since moved from such scenarios though there are still some libraries which are still lagging behind in the developing world. Some libraries would have been improved but still in the people's mind the library would be associated with storage of old books which have dramatically gathered dust. One can actually have a negative attitude towards the librarian himself or herself. He/she can just consider a librarian as someone who stamps books. He/she can just consider a librarian as someone who stamps books. Through experience, in those people's minds, they might not view the librarian as someone with vast knowledge who can do wonders in the devolvement of the person.

People can also associate the librarian with lower a grade and limited education. This can be shown in the following experience by one of the authors of this article. l was supervising a PhD candidate, one day the candidate visited me for PhD thesis supervision. The candidate initially had a positive attitude about me and in his mind sees someone with a very high post. Then one day he came in my office and saw lots of clients researching ad reading and he realised that it was actually a library he turned to me and said "initially I thought that since this is a very big office you might be holding a very big position but l have realised that it is a library". So in his mind, he associated a librarian with someone in a lower grade. I then replied "so since you have realised it's a library, what makes you think, l do not have a high post? I was left wondering "how can someone pursuing doctorate studies, at this level have not yet realised the importance of a library? This all point to negative perception of the library and the librarian. Libraries should therefore have to work very hard in changing the mindset of some people, such that they gain more customers as there are so many people that are potential customers but they are not consulting the libraries due to ignorance. The brand of a library should be continuously improved thereby following the Japanese's kaizen model of continuous improvement. The environment should be welcoming such that clients would view the library as the best place to be thereby achieving competitive advantage.

Re-branding is a differentiating strategy the libraries can use in order to win back traditional users and new users. Re-branding can involve making clients also access the library from the cloud though cloud computing such that authorised clients can have access to the library any time and also potential users can get to know about the library. 'Ask the library' facility will also be available 24 hours a day. The library will be re-vitalised though cloud is sourcing and cloud funding. The use of talking books through the use of CDs, DVDs and memory sticks and cards should be promoted. The question is should the library name be changed to information centre or resource centre? It then depends with the organisations though l feel the challenge is on the people's mind set and it is the mindset that has to be changed.

VIII.   Conclusion

An exploration has been made on the use of differentiation strategy by libraries to gain competitive advantage. Libraries should embrace the use of Information and Communication technologies (ICT) and should also be accessed from the cloud. There is need of re-branding as well as changing the mindset of the people. There is need for continuous improvement of libraries to remain vigilant and relevant in this competitive advantage. Libraries to achieve competitive advantage should be a good place for clients and the time of client should be greatly saved.

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