

Library Location Audit Exercise

Libraries have their own statistical measures, but to communicate with sponsors, we need to establish other metrics. In this exercise, you will learn how to calculate cost per thousand (CPM) for any area of your library.

When you generate revenue by negotiating value, you can use CPMs to determine if a method is worth trying and to persuade advertisers that a sponsorship is a good investment. Other factors, like demographics, may be involved, but CPM is a well-recognized statistic that you can start with.

Exercise:

1. Pick 3 areas of your property (like a meeting room, audio/visual area, or computer lab) and estimate usage over time: weekly, monthly, annually.
 - Automated traffic counters can be very valuable here. Most libraries have them at entrances; new technology is making closer assessments possible.
 - Even without hard traffic stats, you can make observational studies over time or base estimates on checkouts and program attendance.
2. Establish a revenue goal for that area. For example, you might aim for \$500 monthly for a computer lab sponsorship.
3. Divide the goal by usage (in thousands):

\$500 monthly sign cost in a traffic area with 30,000 patrons passing by (impressions).

$$500 / 30 = 16 \text{ CPM}$$

4. Compare that CPM to other media in your area. Is 16 CPM a competitive rate, for example? If not, adjust your dollars accordingly. You may be over- or undervaluing your pitch.