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A Study into Advertising on JANET

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A study for the JISC Committee for Electronic Information (JCEI)

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Executive Summary

Introduction

Electronic marketing is just one facet of the many revenue-raising opportunities traditionally used by Colleges and Universities. While offering new potential, it may also open up new areas of problems.

This study was commissioned by the Joint Information Systems Committee (JISC) to investigate the wider implications surrounding the introduction of electronic marketing (advertising) on JANET.

The primary purpose of the study was to focus on the issues surrounding the introduction of electronic marketing on JISC Services.

There are 4 main outputs from the study:

1. An analysis of the potential revenue that could be generated by the hosting of 3rd party electronic marketing (advertising).
2. An analysis of the potential impact on the network.
3. An analysis of the policies that have been implemented outwith the UK education sector.
4. An analysis of the feasibility of setting up a "JISC Advertising Service".

Approach

The study adopted the following methodology:

    i)   Stakeholder interviews
    ii)   Desk research
    iii)   Email surveys to Directors of IT Services, and selected Content Deliverers.
    iv)   Traffic statistics gathering and analysis
    v)   Analysis of benefits and issues surrounding the setting up of a "JISC Advertising Service".

An Advisory Group also contributed to the project. (See **Error! Reference source not found.**.)

Key Findings

General

A state of confusion exists as to what the relevant rules are, why they exist and who, if anyone, should be responsible for monitoring compliance and managing the risks.

Potential for Revenue Generation

At the present time electronic marketing, if chosen appropriately, can be a cost effective way of generating additional revenue. However it is difficult to ascertain whether this revenue could be significant and sustainable.

The electronic marketing sector is still in its infancy and undergoing a period of rapid change. It would therefore be inadvisable to make long term predictions about the cost effectiveness of online marketing. Watch should be kept over both developing financial trends and marketing techniques.

Potential impact on the Network

Hosting electronic marketing will not have a large impact on the traffic over JANET or the information transfer rate, provided careful consideration is given to both the size of images and screen footprint used. Advances in technology should be monitored and implemented as appropriate to limit impact.

Policies outwith the UK Education Sector

While sponsorship is generally acceptable by the organisations that responded, the commercial advertising of products or services is not. The exception to this being appropriately chosen advertising on student intranets. Formal policy development is still relatively embryonic, so it is difficult to draw many conclusions, particularly with respect to acceptability and accessibility issues. To date only one response has been received regarding the issues surrounding e-content and the indications were that the organisation did not perceive this to be an issue.

Current Practice within the UK Education Sector

There is already considerable hosting of electronic marketing within the sector. While profitable, the revenue generated currently from the hosting of electronic marketing is minimal. Development of policy on the hosting of electronic marketing is again in an embryonic phase and there is a need for guidelines regarding its implementation and management and surrounding issues.

Feasibility of a JISC Advertising Service

A JISC advertising service will not remove the need for many issues to be managed at an institutional level and will be unable to compete with commercial brokers. A consortium approach could be used to exploit the benefits of size (bargaining / negotiating power) and experience while at the same time minimising the associated issues.

Conclusions

This study was successful in achieving the main objectives of analysing the potential impact of introducing 3rd party electronic marketing to JISC Services in particular and the UK education sector in general.

The study has proved extremely timely given both the recent shakedown of the electronic marketing sector and the evidence that many institutions are either already participating in or considering the introduction of electronic marketing.

Electronic marketing, however, should not be considered in isolation, but rather as part of an overall marketing strategy, which could include the generation of revenue from commercial organisations, the potential outward marketing of the institution or JISC service.

The study was, however, less successful in analysing how the policy implications of electronic marketing were being addressed outwith the UK HE / FE sector. This was partly due to a lack of response to our enquiries, but mainly due to the fact that the organisations contacted either did not participate in the hosting of electronic marketing or had as yet no clear guidelines in place within the organisation's Policies and Procedures. The study also encountered reluctance from advertisers to release figures detailing potential revenue.

Considerable concern was expressed by some e-content deliverers, within the HE / FE sector which restricted the study's ability to research this area fully. However the content providers contacted did not believe that the introduction of electronic marketing would have a significant effect. Any content deliverer should carry out more detailed investigation of the implications before agreeing to host appropriate electronic marketing.

The overall impression gained of the current situation is one of confusion in the HE / FE sector regarding cost-effectiveness, permissibility and acceptability. A clear policy statement on permissibility and best practice advice in the hosting of electronic marketing is desired.

Principle Recommendations

We recommend that:

JISC:

a)   Policy, Guidelines and Information Dissemination

1. Consider the update of the JANET AUP and provision of additional advisory material to remove the current ambiguity regarding what forms of electronic market are permitted on JANET in particular and more generally within the HE / FE sector.
2. Consider the limited use of hosting electronic marketing in the wider context of the JISC Services Strategy.
3. Commission guidelines on the hosting of electronic marketing for JISC Services and Institution.
   (These should contain process, technical, market, legal and contractual advice.)
4. Develop and implement a dissemination strategy for the findings of this report and any subsequent related work.

b)   Pilots

5. Consider the requirement for a "watch-dog" function to
   - monitor the success of hosting electronic marketing for JISC Services
   - implement a complaints procedure
   - observe developing market trends
   - disseminate relevant information.
6. Investigate the possibility of setting up an electronic marketing consortium for JISC Services and institutions.

c)   Further Investigatory Work

7. The study identified a number of important areas that were either outwith the original scope or time and resource constraints did not allow full investigation. The following areas are highlighted for future consideration.
   - A study into the issues arising with the end user with the aim of producing guidelines to minimise any negative effects of electronic marketing.
   - A study into the opportunities for institutions to market themselves electronically.
   - A Study into more imaginative uses of online commercial activity which institutions could take advantage of.

JISC Services:

8. Examine carefully the appropriateness of introducing electronic marketing to the particular service, paying particular attention to the potential effect on contractual arrangements and the appropriateness of the marketing to the service.
9. Follow any guidelines issued by JISC on electronic marketing, including the monitoring of traffic levels & response times if electronic marketing is introduced.
10. Investigate the provision of an "advertising free" service based on subscription.

Institutions:

11. Consider the implications of the introduction of electronic marketing in light of their general marketing policy.
    Special thought should be given to how the "halo effect" will impact on the institution's own marketing image.
12. Consider any guidelines for institutions, issued by JISC on the hosting of electronic advertising.

Full details of the recommendations can be found within the main body of the report on "A Study into Advertising on JANET" (http://www.strath.ac.uk/IT/projects/reports/jisc-advertising.pdf). This will also be available on the JISC web site in the near future.