

# Marketing Educational Products

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**Abstract:** Educational institutions are frequently seeking new ways of increasing revenues or reducing expenses. For many post-secondary institutions, strategies such as marketing, brokering, or sharing educational products are becoming viable alternatives to the expense of producing instructional materials in-house. The success of such endeavours often depends on how an institution elects to establish, manage, and monitor these activities. Before embarking on a marketing, brokering, or sharing agreement, the institution's administrators must be aware of the benefits and limitations of each. In some cases, a special office may be established to coordinate and oversee the marketing, brokering, or sharing of an institution's educational products.

**Résumé:** Les établissements d'enseignement cherchent constamment de nouvelles façons d'augmenter leurs revenus ou de réduire leurs dépenses. Pour de nombreux établissements postsecondaires, des stratégies comme le marketing, le courtage ou le partage de produits éducatifs s'affirment comme des solutions de rechange viables permettant de compenser le coût de la production interne de matériel didactique. Le succès de ces activités dépend souvent de la façon dont l'établissement choisit de les créer, de les gérer et d'en assurer le déroulement. Aussi, avant de décider de se lancer dans ces activités, l'administration doit-elle être consciente des avantages et des limites de chacune des formules. Dans certains cas, il peut être nécessaire de mettre sur pied un secrétariat spécial chargé de coordonner et de surveiller le marketing, le courtage ou le partage des produits éducatifs.

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## INTRODUCTION

Increasingly, post-secondary institutions are marketing their educational products. The primary motivation is to generate funds, which can be used to develop more educational products and to support or expand existing programs. However, in times of budget restraint, it may be advantageous for institutions to examine how the external distribution of their educational products may be incorporated into the institution's overall marketing scheme.

Although marketing educational products can generate funds for an institution, the process of marketing may affect the manner in which the institute conducts its business. High-profile marketing may offend the insti-

tution's faculty and members of the community Faculty may feel that they will achieve recognition only for profitable activities. Some faculty may be excited about the possibility of making a profit on their educational activities. Others, particularly the general public, may perceive that the educational philosophy is moving toward an emphasis on competition and commercialization.

If an institution elects to market its educational products, it must ensure that it can distribute a high-quality product, which will not negatively affect the institution's image, at a minimum cost. Care must also be taken to ensure that the institution's favourable tax advantages are not adversely affected by a marketing policy For example, educational institutions receive federal sales tax exemption on hardware and software products that are used in an instructional setting. If these items are then used to develop marketable products, the federal government's taxation department may take a dim view of this commercial activity In addition, local media producers may cry foul because they cannot effectively compete; their hardware and software costs are much greater than the institutions'.

### BENEFITS OF MARKETING

Currently, educational products such as print-based courses and instructional videotapes are shared among various institutions. However, as budget restraints become a "fact of life," many institutions are looking for alternative sources of revenue. One of these sources is the sale of educational products,

An institution should consider marketing their educational products if the institution wants to:

- recover the cost of developing course materials including computer-managed and computer-assisted instructional materials;
- support independent study and increase the accessibility of its programs by providing services such as extended learning resources centre hours and correspondent student services;
- continue to support existing activities under current budgetary restraints;
- reduce its dependency on government funding;
- provide an alternative means of encouraging its employees' creative endeavours and developing new instructional materials;
- recognize changes in the educational environment wherein more institutions are marketing their products;
- avoid a negative public image that may result from sharing and selling instructional items of varying quality;
- achieve renown as an institution that produces quality educational products.

## CONCERNS WITH MARKETING

Before contemplating the benefits of marketing, an educational institution must consider how marketing may affect it. Some of these concerns, as well as a few potential solutions, are outlined below. These issues will have varying affects on each institution; some concerns will be more prominent than others, some will be easily addressed, and some will present unavoidable problems. Occasionally the “worst case scenario” is presented in order to emphasize a particular concern.

### *A Change in Philosophy*

The implementation of a prominent marketing program may change the perception of an institution’s educational philosophy. Some people may see the institution emphasizing competitiveness rather than cooperation. Others may believe that the institution is exchanging its community leadership and long-term societal goals for short-term monetary gains. The fear is that the public education system will become commercialized. Whether or not these shifts will actually occur is debatable; however, it is the public’s perception of the institution that counts.

A high profile marketing stance may be an affront to the institution’s supporters. Although they may appreciate the new entrepreneurial spirit, they could easily be offended by the institution’s potential “hard-sell” approach, or they could object to an educational organization entering the commercial marketplace. Small businesses or consulting firms, who feel that the institution would be operating from an unfair advantage, may also raise objections. The institution would be seen using public resources and facilities to produce goods and services that compete directly with private industry. As well, an institution that has a large resource base could absorb the financial risks of an entrepreneurial venture better than a small business. Therefore, the institution must be willing to handle concerns from businesses who feel that their commercial positions would be jeopardized by the marketing stance of the institution.

### *The Human Factor in Academic Marketing*

When an institution initiates a serious marketing campaign, evidence indicates that a human cost is involved. In the effort to break-even or earn a profit, the institution’s faculty may find that their academic roles have changed. Faculty might find it uncomfortable to have their work examined for evidence of profitability or external marketing potential. They could become concerned that they will gain recognition only if their activities generate income. Other staff, such as continuing education personnel, may feel that if their work generates marketable products, perhaps they should establish their own businesses and reap these benefits directly.

Perhaps a parallel situation would help illustrate these role changes. Consider how some institutions emphasize the importance of scholarly re-

search and publication. Their faculty members, who prefer classroom teaching to researching and writing, may find this emphasis on research and publication unsettling. Similarly, instructors who work in academic institutions where marketing is emphasized may also feel uncomfortable.

### *A Change in Activities*

If staff perceive that only fund-generating projects receive recognition, then nonrevenue-producing activities may not be implemented. For example, the individualization of a specific program may not occur because there may only be a few, if any, external clients who wish to purchase that program. The institution must ensure that its needs are placed before the need to market educational products. The products marketed by an institution should be the direct result of projects undertaken to meet the needs of the institution's students, faculty, or staff.

### *Internal Versus External Product Design*

Educational materials, designed primarily for institutional use, may not be appropriate for an external market. For example, some courses may contain numerous references to local place names, contact persons, and so forth. These references might be inappropriate in course materials intended for a national or international market. Should such design criteria be considered **before** an instructional package is produced or **after** the project is completed and the course implemented at the institution?

### *Product Focus*

Because an institution cannot design educational products for every segment of the population, what markets should the institution focus on? Should they concentrate on materials for areas such as business, health sciences, or international education? Should materials be designed for a specific external market? Currently, many developing countries in Africa, Asia, and South America are seeking suitable course materials. In order to fully develop its potential for marketing, the institution must select a product or market focus.

### *What Materials are Suitable for Marketing?*

If educational products are to be distributed to external clients, then the materials must be of superior design. These materials will reflect the educational quality of the institution that produced them. Who should decide which materials are suitable for external distribution? Who will establish the quality standards? Who will ensure that these standards are consistently met? The institution may have to establish a marketing office to perform these activities.

### *of Control*

Frequently, when educational products are sold, the institution no longer controls how the materials will be used or how long they will be used. Perhaps

these materials will be modified in ways that are unacceptable to the institution that produced them. Usually, sharing agreements can minimize these risks. These agreements state the conditions under which the materials may be used, altered, upgraded, and distributed.

### ***Affect on Tax Rating***

As a nonprofit entity, an educational institution receives several tax benefits. Will the marketing of instructional products affect the institution's current favourable tax rating? In order to avoid a change in its tax rating, it may be beneficial for the institution to establish an educational marketing agency that remains at "arm's length. The effects of Canada's new goods and services tax (GST) on academic marketing must also be considered.

### ***Resources for Marketing***

To successfully market educational products, certain resources are required. The costs incurred through marketing should be offset by the funds generated from product sales. Initially, more funds would be spent establishing the marketing system than generated through sales. If the appropriate incentives are put in place, if reasonable prices are set, and if the potential market is large, the revenue from product sales should exceed the marketing costs.

### ***Pricing***

If it is determined that the marketing of educational products will be beneficial, pricing must be considered. Establishing the price of an educational product is a fine art, and it depends on the goals of the marketing plan. The price for an instructional item should reflect a consideration of the following:

- the need to recover part or all of the development costs;
- the need to maximize profits;
- the quality of the product;
- the potential buyer's perception of the product's quality;
- the demand for the product;
- the price of similar products.

Price guidelines must be established for different types of course materials. For example, prices for print-based materials will vary according to the number of pages and the inclusion of visual or graphic material. Prices for computer-assisted instructional material will vary depending on the amount of animation and/or videodisc material included in the package.

## ORGANIZING FOR MARKETING

### *Sharing, Brokering, and Marketing*

Before an institution begins marketing its educational products, it should consider the merits of sharing instructional materials with other institutions. A sharing arrangement is a mechanism whereby each institution receives some benefit from the exchange of materials. For example, one institution may exchange an accounting course for the other institution's materials on human resource management. This type of arrangement benefits both institutions and promotes feelings of cooperation. In addition, when institutions share educational products, they are more likely to exchange ideas on how to implement or improve the materials. Faculty may also appreciate the opportunity to develop contacts with instructors at other institutions who use specific educational products.

If a mutually beneficial sharing agreement cannot be arranged, the institution may elect to pursue brokering arrangements with other institutions. In a brokering situation, an institution can control the quality of its courses, which are being offered through other institutions. The originating institution benefits by collecting revenues and by having its materials tested with a large group of students. The institution that brokers the materials benefits by being able to offer a program or course, which it would have been unable to produce without the assistance of another agency.

If sharing or brokering arrangements are not possible, then an institution should consider selling its educational products, providing that such sales are in the best interests of the institution. Although product sales generate income, the institution would not be able to control the manner in which its materials would be used. For example, once the product is sold, the institution can not prevent the materials from being used after the content becomes outdated. The concerns mentioned earlier would then have to be addressed.

### *Marketing Office*

In order to effect a coordinated sharing, brokering, and marketing effort, an office could be established to oversee all such activities. The function of this office would be to:

- actively participate in any sharing, brokering, or marketing arrangements;
- set marketing guidelines;
- review all products to be shared, brokered, or marketed;
- set an appropriate unit price for marketed items;
- promote the institution's instructional materials;
- determine how to market educational products successfully, especially in the relatively small Canadian market.

The marketing office would act as a clearinghouse for all sharing or marketing arrangements completed by the institution. This procedure ensures

that a coordinated effort is mounted and that pertinent guidelines are followed. The marketing offices could also handle all copyright clearances.

The marketing office should set the sharing and marketing guidelines. These guidelines would take into account:

- the mission, goals, and objectives of the institution;
- the marketing plan, as reviewed by the institution's Board of Governors;
- an assessment of the institution's resources, strengths, and weaknesses;
- the markets already covered by other departments within the institution such as the extension or continuing education department, the community relations department, the alumni office, and the registrar's office; and
- the decision to market the materials locally, nationally, and/or internationally

All of the educational products, which are to be marketed, should be reviewed to ensure that they are of a suitable quality and that they reflect the high standards of the institution. In addition, these materials should:

- specify an intended audience;
- be applicable to clients beyond the institution;
- contain instructional objectives;
- contain appropriate learning activities, which are congruent with the learning objectives, the evaluation instruments, and the targeted audience;
- contain a summary of the formative and summative evaluation reports;
- have all required copyright clearances;
- be copyright protected by the institution, and where warranted, by the author;
- be clearly identified as material produced by the institution with the institution's name or logo prominently displayed on all items;
- be attractively packaged;
- feature precise titles that are easily understood by the potential audience; and
- specify the follow-up services that the institution provides.

If the educational products do not meet these standards, the marketing office should provide, where warranted, the funds required to upgrade the materials.

The marketing office would also establish the appropriate prices for all educational products. Unit prices should reflect the factors previously

tioned as well as the development and duplicating costs, the need for cost recovery, and comparable market prices. In most cases, the unit price will include a portion of the development cost and 100 percent of the duplicating cost. An administrative overhead charge of 15 percent and a 10 to 15 percent handling charge will also be reflected in the unit price. These percentages are similar to those used by national book publishers.

The question of how to disperse the funds generated from the sale of educational products must also be considered. For example, although funds generated from the sale of educational products may go into the institution's general revenues, some monies should be returned to the authors or the originating departments in the form of one-time payments. Would people continue to produce and develop marketable products if only the institutions profited from their endeavours? Such remunerations may encourage additional innovative work. Attention must also be given to the possibility that some faculty will perceive the marketing of educational products as an opportunity to increase their income. Faculty may ask for: royalties for each student who uses the materials; a percentage of the profits; a one-time payment; or non-monetary payments such as an instructional assistant or release time from teaching duties.

The marketing office must also determine the potential risks involved in mounting marketing campaigns. It must ascertain whether or not the educational products are worth the efforts required to prepare them for distribution. Such preparations could involve producing brochures to promote the materials, developing mailing lists, duplicating the materials, establishing a potential client preview system, and mailing or delivering the materials to the buyers. All of these activities require "up-front" money - funds that must be spent before an educational product is sold. In each case, the marketing office must estimate how much money should be assigned to these activities, and thereby determine the potential financial risks. This assessment is particularly critical if the product is to be sold in the small Canadian market.

### *Authorship and Copyright*

If faculty and staff are not aware of the authoring rights or the copyright laws and procedures, the marketing of educational products will be unsuccessful. Before an institution's staff members begin a project, they should be informed of their moral, legal, and economic rights regarding all published materials including print, videotape, computer software, and works of art. These rights and obligations should be included in, and form part of, an authoring contract. Such a contract should contain details with respect to the following:

- the parties involved in the agreement;
- the competency of the writers or producers;
- the services to be rendered;
- copyright, patents, and trademarks;

- indemnities;
- acknowledgements;
- revisions and adaptations;
- fee payments including licensing and royalty payments,
- part performance;
- rights as independent contractor;
- writers' access to the materials; and
- conditions for terminating the contract.

If course materials are to be marketed, there may be instances where an author, who is also an employee of the institution, completes all or part of the work on his or her own time. In such cases, in addition to the above, a contract should contain:

- the percentage of the work to be completed on the individual's own time and the percentage to be completed as part of the individual's regular duties;
- the facilities and resources that the institution will provide and the means by which the individual will compensate the institution for the use of these resources;
- the right of the individual or the institution to market and/or distribute the materials locally, nationally, or internationally and, where applicable, the method of allocating the funds generated by the sale of these materials, particularly in partnership situations. In the case of partnerships, it will be necessary to agree on whether the author receives a one-time payment or royalty fees;
- the right of the individual to use or perform works, such as dramatic scripts, in public;
- the right of the institution to modify the materials for its own use; and
- the method of revising or updating the materials. If the materials are developed exclusively by the author on his or her own time, the author should have the right to refuse to revise or update the material.

However, if the materials are developed on institutional time using institutional resources, it is assumed that the institution can alter, amend, delete, or edit the material at its discretion and without the consent of the author. Ideally, the institution should inform the author of its intent to make revisions to the work and provide the author with a copy of the revised material. If the material is produced as a result of a partnership arrangement, the institution should negotiate the right to revise or update the material without the author's consent. The author, however, would reserve the right to have his or her name removed from the revised editions.

In order to avoid misunderstandings between the institution and its employee-authors, it is imperative that all agreements be negotiated before

the commencement of any developmental work. Negotiation sessions should involve the author, his or her dean, and the manager of the marketing office. Employee-authors must also be made aware of materials such as course outlines, course syllabuses, lesson plans, class assignments, examinations, and media or computer materials that are the exclusive property of the institution.

Materials such as policy manuals, computer programs, photographs, works of art, and so forth, which are produced by an individual as part of his or her job responsibilities and during the course of his or her employment with the institution, are usually the property of the institution, unless it decides to waive this right in writing. However, it is recommended that the employee be given the option of having his or her name attached to these materials, but not the right to gain financially from the sale of the materials or the right to prevent the institution from revising or updating the materials. Consideration should be given to providing the institution with the national rights and giving the author the international rights. The institution must clearly delineate the rights of the institution as well as the rights of its faculty and staff.

If an authorship agreement is not signed prior to the commencement of a development project, the marketing office may, at its discretion, create an authoring agreement that recognizes the rights of the individual as well as the rights of the institution.

## CONCLUSION

Due to budgetary constraints, many institutions are considering marketing their educational products. Although this revenue-generating strategy has its benefits, an institution should carefully consider the following recommendations before it embarks on a marketing program:

- The institution must ensure, wherever possible, that its sharing and marketing arrangements are congruent with the institution's mission, goals, and objectives and that the needs of the institution's students, faculty, and staff are placed before the need to market educational products.
- The institution must consider the liabilities as well as the benefits of sharing, brokering, and marketing activities.
- The institution must ensure that the marketing of educational products will not adversely affect its current tax status or the operation of its alumni and foundation departments, or place the institution in a position whereby private enterprise believes that the institution is competing unfairly.
- The institution must continue to abide by its existing sharing/brokering agreements and comply with federal copyright laws.
- The institution should sell its products to other institutions only when

- such a sale is in the best interest of the vendor.
- The institution should sell only those products that are complete and that meet appropriate quality standards. If the product is incomplete, the institution may elect to enter into an arrangement whereby both parties agree to complete the materials jointly
  - If materials are sold, the market price should reflect the developmental, administrative, and duplicating costs, the need to recover costs, and the current market prices of comparable products.
  - A marketing office should be established to:
    - oversee the sharing or marketing of materials;
    - set marketing guidelines;
    - evaluate all products to be shared or marketed;
    - set fair and appropriate unit prices for marketed items;
    - promote the institution's instructional products.
  - The institution's faculty and staff members must be fully apprised of the existence of the marketing plan as well as its associated copyright/authoring policies and procedures.

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