

Advertising Policy and Program

Date:	February 27, 2012
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

At its November 21, 2011 meeting, the Toronto Public Library Board requested that the City Librarian present an Advertising Policy for approval in the first quarter of 2012 as a framework to support advertising as a source of revenue for the Library. This report presents the Advertising Policy for approval with a recommended approach to implementation as outlined in this report.

The Advertising Policy balances the Library's primary public service role, to provide high quality library service to Toronto's diverse residents in a welcoming and supportive environment, with the potential for advertising as a source of revenue for the Library. Principles of the policy include developing mutually beneficial advertising relationships between the Library, the business community and other organizations, and using advertising revenue to support the delivery of library service. The principles also outline that advertising will not compromise the Library's mandate, mission and service values, including intellectual freedom, nor will it negatively impact the ability of the Toronto Public Library Foundation to raise funds on behalf of the Library. Specific directives outline the content requirements for advertising to be accepted by the Library, including compliance with Toronto Public Library's other policies and procedures, the Ontario Human Rights Codes and the Canadian Code of Advertising Standards. A review and appeals process is provided.

As context for the policy, and to help inform the implementation of the Library's advertising program, an environmental scan of paid advertising approaches of other Canadian and North American libraries, as well as other municipal and public service organizations, was conducted and results are reported here. Generally, library systems do not have advertising policies or programs with some exceptions, including Mississauga and Kitchener. A key learning from the investigations to date is that advertising as a substantial source of sustained revenue is a relatively untried approach in public libraries. As a result, additional investigation will be required in the development of a comprehensive and sustainable advertising program for Toronto Public Library.

Based on the proposed Advertising Policy, a two-phased implementation approach for an advertising program is recommended in the report. In the first phase, beginning in March 2012, it is recommended that staff expand the advertising program currently in place for the Library's *What's On* publication, and pursue the implementation of paid advertising on the reverse side of Library date due slips. As a second phase, also beginning in March, it is recommended that Library staff contract the services of an external advertising and media consultant to assess all Library channels and vehicles for their appropriateness and financial viability for an advertising program, and make recommendations to the Library on how best to proceed to maximize revenue and minimize impacts to the delivery of Library services. Potential third party vendors, revenue projections, infrastructure requirements and any associated costs, and competitive analysis will be included in this analysis, and will be reported back to the Board.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves the attached Advertising Policy (Attachment 1);
2. approves the recommended implementation approach to the advertising program in two phases:
 - i. Phase 1 to consist of the expansion of the current *What's On* publication advertising program and the implementation of advertising on the reverse side of Library date due slips; and
 - ii. Phase 2 to consist of the contracting of the services of an external advertising and media consultant to assess all Library channels and vehicles for their appropriateness and financial viability for an advertising program, and make recommendations to the Library on how best to proceed to maximize revenue and minimize impacts to the delivery of core library services;
3. appoints two board members to the Advertising Review Working Group; and
4. approves changes to related Toronto Public Library Board policies as outlined in this report and in Attachments 2 and 3.

FINANCIAL IMPACT

No net costs are anticipated for Phase 1 of the recommended implementation approach to the advertising program. Further investigation into revenue models and implementation costs are required to develop net revenue projections. The City Librarian will report back to the Board on the revenues generated through these advertising vehicles.

In Phase 2 of the recommended implementation approach, the cost to hire an external advertising and media consultant is estimated at \$10,000, and revenues from the Phase 1 implementation are expected to offset these costs. Revenue and cost projections will be provided as part of the Phase 2 report.

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

DECISION HISTORY

At the November 1, 2011 Library Board Budget Committee meeting, the Budget Committee identified a variety of cost savings and revenue generating suggestions, including a recommendation to “expand advertising channels and opportunities” in order to increase revenue for the Library.

At its November 21, 2011 meeting, the Toronto Public Library Board approved the recommended actions related to advertising revenue generation as shown in Appendix 1 of Attachment 2 of the *2012 Operating Budget – Budget Suggestions* report, which stated:

“Staff will bring forward an advertising policy for the Board’s consideration in mid-2012 which will include an assessment of the feasibility of increasing advertising revenue.”

ISSUE BACKGROUND

An advertising policy is required to provide a framework and guidelines regarding advertising on Toronto Public Library property (e.g. publications, websites, video screens, trucks and other spaces identified by the Library), and the processes by which advertising is managed, approved and/or appealed.

An advertising program outlining implementation considerations and approaches is also required to ensure that the implementation and management of advertising at the Library:

- maximizes advertising revenue opportunities;
- minimizes costs of program implementation and oversight;
- does not impede or interfere with the delivery of library services;
- does not adversely or negatively impact the Library’s image or brand, and
- does not negatively impact the ability of the Toronto Public Library Foundation to raise funds on behalf of the Library.

COMMENTS

The development and implementation of an advertising policy and program as a source of revenue at the Library requires careful consideration. The recommended policy and implementation plan balance the Library’s primary public service role – to provide high

quality library service to Toronto's diverse residents in a welcoming and supportive environment – with the generation of advertising revenue.

To develop the policy, staff undertook a review of relevant legislation, the Toronto Public Library policy framework, competitive advertising channels and vehicles in Toronto, and the practices regarding paid advertising at other Canadian and North American public library systems, within other City of Toronto departments, and other public service organizations. An overview of the policy with a summary of the environmental scan as well as a proposed implementation approach is provided below.

Recommended Advertising Policy

The Advertising Policy included in Attachment 1 provides a framework for the approval of paid advertising at the Library. The principles within the policy aid in the development of mutually beneficial advertising relationships between the Library, the business community and other organizations, while also recognizing that advertising at the Library must not compromise the Library's mandate, mission and service values, including intellectual freedom.

Specific directives of the policy outline the content requirements for advertising to be accepted by the Library, including compliance with Toronto Public Library's other policies and procedures, the Ontario Human Rights Codes and the Canadian Code of Advertising Standards. It is the responsibility of potential advertisers to ensure that their advertising complies with the Board's advertising policy and all relevant legislation.

To ensure a fair and efficient application of the Policy, a review and appeals process is also provided. The policy outlines an appeals process whereby the Library will establish an Advertising Review Working Group (ARWG) comprised of Library Board members and Library staff to make determinations on whether advertising is consistent with the policy in the event of a dispute. The ARWG will review advertising materials for acceptability, on an as-required basis, and is the final arbiter in all matters relating to Library advertising acceptance in accordance with this policy.

The Advertising Policy also speaks to the scope of the Library's advertising program, and does not apply to:

- Sponsorship;
- Naming;
- In-branch distribution of non-commercial materials;
- Affiliate programs;
- Philanthropic gifts, donations or grants;
- Government grants or funds;
- External program or project partnerships, where the Library sponsors, partners with, or contributes to programs or projects of other organizations.

The recommended Advertising Policy has been reviewed by City legal counsel.

Required Policy Amendments to Related Toronto Public Library Board Policies

The following policies require amendments to ensure that the Library's policies and programs can be administered without conflict:

1. Displaying and Distributing Information for the Public

This policy deals with materials displayed in library branches. With the introduction of the proposed Advertising Policy, the Displaying and Distributing Information for the Public Policy must be limited in scope in application to materials displayed without charge. The policy will be amended to add the following wording as highlighted below and in Attachment 2:

Scope

This policy applies to all materials displayed on and/or distributed on Library premises from individuals, community groups, agencies, institutions and government, with the exception of any materials displayed through the Advertising Policy.

Application

This policy applies to any individual or group wishing to display and/or distribute information in Library premises and to all Library staff involved in the review and approval of this information, with exception of individuals or groups that have contracted to advertise on Library premises.

2. Sponsorship

The Sponsorship Policy applies to arrangements where an external organization contributes funds, products or in-kind services in exchange for recognition or promotional considerations. The current policy allows for advertising to be made part of a sponsor's benefits package. Since the proposed Advertising Policy specifies that sponsors must sign separate agreements for advertising, advertising should be removed from the potential benefits for sponsors. The Sponsorship Policy also contains a definition of "Advertising" that must be amended to reflect the wording in the proposed Advertising Policy. The policy will be amended as highlighted below and in Attachment 3:

- a) *Amend to exclude advertising from the benefits package available to sponsors (amendment in highlights)*

Appropriate Benefits for the Sponsor

The sponsor will receive a benefits package and level of recognition that is commensurate with the value of its contribution. Within the general conditions of this policy, a wide range of sponsor benefits may be negotiated including, but not limited to, naming rights, supplier arrangements, public recognition, advertising and/or the placement of the sponsor's name and/or logo on Library property (e.g. Library cards, facilities, rooms, collections) and/or on printed materials (e.g. date due slips, posters, bookmarks, flyers, banners, brochures).

b) *Amend definition of advertising to match definition found in Advertising Policy*

Current definition in Sponsorship Policy:

Advertising is a business arrangement where an external organization purchases, buys or leases space, or time, on Library property for the purpose of communicating with the public. While some sponsors will receive advertising as part of their overall sponsor benefit package, the advertising will generally represent a small component of the overall sponsorship arrangement. Furthermore, advertising does not generally imply an association between the advertiser and the Library as is the case with a sponsorship.

Definition in Advertising Policy:

Advertising is a business arrangement where an external organization purchases or leases space, or time, on any form of Library property for the purpose of communicating with the public with the intent to influence their choice, opinion or behavior. Unlike 'sponsorship' it involves the use of contracted public advertising in set locations, for a set period of time. Advertising does not imply any reciprocal partnership arrangement since the advertiser is not entitled to any additional benefits beyond access to the space or time.

Advertising and sponsorship at Toronto Public Library

Toronto Public Library does not have an advertising policy and currently offers limited paid advertising opportunities in its *What's On* publication only, with revenue generation in 2011 of \$35,000. The Library has a **Displaying and Distributing Information for the Public Policy** which supports the free distribution and posting of community information from individuals, community groups, agencies, institutions and government within the Library's branches.

Though paid advertising is currently limited, sponsorships of programs are available to individuals and corporations under the Library's **Sponsorship Policy**, as overseen by the Library Board and managed by the Toronto Public Library Foundation.

Environmental Scan

As context for the Advertising Policy, and to help inform the implementation of the Library's advertising program, an environmental scan of paid advertising approaches of other Canadian and North American libraries, as well as other municipal and public service organizations, was conducted.

Generally, library systems and public service organizations do not engage in advertising as a source of revenue. In cases where they do, revenue that is generated is primarily used to offset production and delivery costs associated with programs and advertising vehicles. Most library systems who advertise have policies and practices tied with their municipalities' broader advertising programs. Below is a brief summary of findings. Attachment 4: *Advertising Policy Environmental Scan* provides additional details.

Canadian and U.S. Public Library Systems

Commercial advertising in public libraries is uncommon and therefore examples of policies and practices are difficult to find. Many public library systems including Edmonton, Vancouver, Seattle, LA, San Francisco and Boston, do not offer advertising. Those that do, including Mississauga and Kitchener, have a variety of implementation models, with modest revenue generation which, in general, is used as cost avoidance in the delivery of library outreach and promotion.

City of Toronto and its departments and agencies

The City of Toronto does not have an advertising policy which addresses the purchase of advertising space on City property by external organizations, although several of its departments have advertising programs. Of note, **Toronto Parks and Recreation** offers paid advertising opportunities through its printed Fun Guide (although the electronic PDF version of the publication which is posted on the City's website has all the ads removed). The City's **Curbside Collection Calendar** also includes paid advertising. As with the library systems mentioned above, these vehicles generate modest advertising revenues, which are used to offset production and delivery costs of the publications.

The **Toronto Transit Commission** has an extensive advertising policy that outlines the process for the approval and management of advertising. TTC offers three categories of advertising managed by separate units and serviced by separate vendor agreements, including: Vehicles (Subways and Street Cars), Online (website and screens) and Transit Shelters and Street Furniture.

Other Public Sector Organizations

The **City of Ottawa** has an extensive sponsorship and advertising policy that governs all of its departments and staff. It includes paid advertising on City property at City events and in City publications; Program and special event sponsorship; Naming; and Preferred Supplier status.

The **Canadian Broadcasting Corporation** has an extensive advertising policy and multi-channel advertising program. The CBC emphasizes its public service role as primary, while acknowledging the financial benefit of offering advertising via its channels. The policy states: "The CBC/Radio-Canada also recognizes that the sale of commercial time or space on its television and new media services provides an important source of revenue. However, the CBC/Radio-Canada's first priority is to deliver distinctive, high-quality programs to its citizens and not consumers to advertisers."

The **Toronto District School Board** only permits advertising in "yearbook advertisements, special event programs, fun fair sponsorships, partnerships, donor recognition, athletic uniforms and T-shirts." Any form of advertising must be consistent with the Board's mission and values. The display of corporate logos is strictly controlled.

Recommended Approach to the Implementation of the Library Advertising Program

A key learning from the environmental scan and investigations to date is that advertising as a substantial source of sustained revenue is a relatively untried approach in public libraries and other public sector organizations. As a result, additional investigation will be required in the development of a comprehensive and sustainable advertising program for Toronto Public Library. However, there are near-term revenue generating opportunities that can be achieved with manageable implementation and management costs and minimal impacts to the delivery of library service.

A two-phased implementation approach for an advertising program is recommended. This approach allows the Library to move forward with paid advertising in *What's On* and on Date Due slips with staff support while conducting a thorough investigation of the feasibility of paid advertising in other vehicles as a second phase. The investigation will focus on understanding the potential for revenue generation, the relative merits of different Library channels and vehicles for advertising, and the costs, resources, impacts and infrastructure requirements involved in the implementation and management of a successful advertising program.

Phase 1 (March – December 2012)

***What's On* print publication:** It is recommended that staff expand the advertising program currently in place for the Library's *What's On* publication. This program will be managed by library staff and implemented using existing internal resources.

Date Due Slips in Branches: It is recommended that staff investigate the implementation of a new program which would allow for advertising to be displayed on the reverse side of Library date due slips. This program would be managed by external vendors. Potential vendors, revenue models and revenue projections will be considered and a procurement process would be undertaken to secure a company to implement the program, while overseen by Library staff.

Phase 2 (March – August 2012)

As a second phase, it is recommended that Library staff contract the services of an external advertising and media consultant to assess all Library channels and vehicles for their appropriateness and financial viability for an advertising program, and make recommendations to the Library on how to best proceed to maximize revenue and minimize impacts to the delivery of library services. Included in this analysis will be infrastructure requirements and any associated costs; resourcing and expertise requirements; an environmental scan of potential third party vendors; revenue projections; and competitive analysis. Results and recommendations will be reported back to the Board.

Library channels and vehicles to be explored as part of this investigation would include but may not be limited to:

- In-branch posters and brochure displays;

- Online text and display ads on the Library’s website;
- Networked computer screens including the Library’s in-branch wireless network, public computers and LCD screens.
- The Library’s truck fleet, excluding the Bookmobiles.

CONCLUSION

The Library recognizes that the sale of commercial advertising is a source of revenue for the Library. However, the Library’s primary mission is to provide high quality library service to Toronto’s diverse residents in a welcoming and supportive environment. Therefore, the development and implementation of an advertising policy and program at Toronto Public Library requires careful consideration to balance these objectives successfully.

The recommended policy and implementation plan will allow the Library to increase its existing advertising revenues in the short term, while taking a considered approach to the development of a more comprehensive and sustainable advertising program in the longer term.

CONTACT

Linda Hazzan; Director, Communications, Programming & Customer Engagement;
Tel: 416-393-7214; Email: lhazzan@torontopubliclibrary.ca

SIGNATURE

Jane Pyper
City Librarian

ATTACHMENTS

- Attachment 1: Toronto Public Library Advertising Policy – Draft for Approval
- Attachment 2: Displaying and Distributing Information for the Public Policy – with amendments for approval
- Attachment 3: Sponsorship Policy – with amendments for approval
- Attachment 4: Toronto Public Library Advertising Policy – Environmental Scan