14.

STAFF REPORT
ACTION REQUIRED

TORONTO PUBLIC LIBRARY

Results of the Request for Information Process for Advertising on the Library's Wi-Fi Networks

Date:	May 26, 2014
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

At its December 17, 2012 meeting, the Toronto Public Library Board approved the exploration of an advertising program for the Library's Wi-Fi service through a request for information process, and requested that the results of that process be reported to the Board. The purpose of this report is to provide the results of that request for information process, and recommend that the Board not implement an advertising program on the Library's Wi-Fi networks, but rather request that the Toronto Public Library Foundation pursue sponsorship opportunities for this channel.

The Request for Information (RFI) that the Library issued in March 2014 did not receive any responses that provided solutions for the selling or displaying of advertising on the Library's Wi-Fi networks. It did receive one response that proposes placing a custom search engine (e.g. Google) on the Library's Wi-Fi landing page to generate revenue when the user clicks on Google ads on the search results page.

Based on expected user behaviour and the way different devices and operating systems operate within the Library's Wi-Fi network environment, the effectiveness of the custom search bar on the Library's Wi-Fi landing page to generate revenue would be limited, and revenue opportunities, if any, would be extremely modest.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1.   not implement an advertising program on the Library's Wi-Fi networks; and

2.   request that the Toronto Public Library Foundation pursue sponsorship opportunities for this channel.

FINANCIAL IMPACT

There is no financial impact associated with this report.

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

DECISION HISTORY

At its December 17, 2012 meeting, the Library Board approved the exploration of an advertising program for the Library's Wi-Fi service through a request for information process, and requested that the results of that process be reported to the Board.

In March 2014, Library staff issued a Request for Information (RFI) that was advertised broadly and also targeted interested parties – including advertisers, agencies, media buyers and technology providers – with respect to the implementation and operation of an advertising or sponsorship program for the Library's Wi-Fi service. The RFI requested the following information as it related to the publishing, distribution and sales of advertising, and the packaging and sale of sponsorship opportunities:

1. The various publishing and content distribution models available in the marketplace, and the technologies that power them;

2. The different business models available, and the revenue potential for each model;

3. The interest from the marketplace in advertising and/or sponsorship on the Library's networks.

The Library received one response to the Request for Information, the details of which are described in this report.

COMMENTS

The solution described in the response to the Library's Request for Information does not propose the selling or displaying of advertising on the Library's Wi-Fi networks. Rather, it describes a revenue-generating model whereby a custom search bar (e.g. Google) is placed on the Library's Wi-Fi landing page. When a Library customer searches using the Google search bar from this page, ads from the Google Ad Network appear at the top of the subsequent search results page, (this happens for any search done on Google and is not unique to the custom search engine implementation), and the Library earns revenue when users click on these ads. The revenue earned is a percentage of the ad revenue recognized by Google.

There are a number of factors that would limit the effectiveness of this approach for revenue generation:

1. Different devices and operating systems operate differently within the Library's Wi-Fi network environment. Some operating systems, such as Apple's, do not create a full browsing experience when users log onto the Wi-Fi network and so executing a search from a search bar on the Library landing page would not be user friendly and it is unlikely that Apple users would do this. (Note that a full technical evaluation of the solution has not been done, so it is not known if other technical issues related to the implementation of such a solution might also limit its success.)

2. Users will only see the custom search bar once, at the beginning of their session log-in. Once they navigate away from the landing page, they will not have the opportunity to use the custom search bar again. So revenue generation is dependent on the user using the search bar as their first action after signing in, and then clicking on a Google ad that is displayed as a result of their search.

3. The average bounce rate from the Wi-Fi landing page is almost 90%, indicating that when users log onto the network, the vast majority immediately navigate away from the page or close the browser.

Based on the technical limitations of some devices and operating systems accessing the Library's Wi-Fi networks, and expected user behaviour once logged into the network, the effectiveness of the custom search bar on the Library's Wi-Fi landing page to generate revenue would be limited, and revenue opportunities, if any, would be extremely modest.

As part of the Library's funding priorities, the Toronto Public Library Foundation can pursue sponsorship opportunities for the Library's Wi-Fi network, and considers it a viable channel for sponsorship.

CONTACT

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SIGNATURE

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