



Cost-Benefit Analysis

We can affix a cost to some aspects of this project but not all will be so easily quantified.

The following section outlines the estimated start-up costs that CCP will incur for equipment and marketing/advertising and identifies costs involved to sustain CCP.

Table 1: Equipment

Item	Cost
Microphone/headset*	\$100
Audio editing software	\$0
Personal computer/hardware**	\$0
Total estimated cost	\$100

*May not be necessary if personal computer comes equipped with built-in microphone; students paid for equipment for start up if needed.

**Student-owned equipment

The development of podcasts is relatively inexpensive. Equipment costs shown are based on current market values. Free audio/editing software is available, so there is no cost there. Equipment costs incurred were paid for by the students. Students developed the sample podcasts on their personal computers with their own equipment.

Most students probably have access to personal computers and the software to create the podcasts; however, because the goal is to have CCP emerge as a sustainable organization within the NJIT community, we should consider the cost of purchasing equipment for

students and faculty to use in the future. This would ensure community access to the technology needed to create podcasts. The downside would be that access would be limited to students who are on campus or nearby. Also, CCP would have to secure a place on campus to house the equipment and serve as work area for students to develop their podcasts.

Table 2: Marketing and Advertising*

Item	Quantity	Unit Cost	Total Cost
Print Brochure 8 1/2 x11 tri-fold, Color	500	\$0.44/each	\$220.00
Mail	300	\$0.67/each	\$200.00
Postage**	300	\$0.41/each	\$123.00
Total estimated cost			\$543.00

*Information provided by Laser Tech Direct.

**Based on postage rate increase occurring after May 14, 2007.

Laser Tech Direct, a print vendor used frequently by NJIT, provided the information outlined in the table above. The estimated costs were far less expensive than the costs received from a print vendor that was not an NJIT vendor.

Additional or lesser print quantities would impact printing/ mailing costs. The rates above are based on a print run of 500 brochures. Based on data provided by the NJIT Office of the Registrar, there are 271 students enrolled in MSPTC and SOM in Spring 2007. If we use the enrollment number as a guide for Fall 2007 enrollment and include faculty, we would need to print and mail approximately 300 brochures; the additional 200 brochures would be distributed throughout the campus.

Because the brochure could be emailed as a pdf to students and faculty in MSPTC and SOM, members of CCP agree that printing the brochure may not be necessary given the

budget constraints. However, having printed brochures throughout campus would attract other possible interested parties and create a buzz about what students in MSPTC are doing. In that case, it may be cost-effective to print a larger quantity (>500) to attract other audiences within the college who won't be part of a targeted email list.

Additionally, based on student feedback about how they came to learn about the service, CCP might want to print additional brochures to be distributed/mailed in Spring 2008.

CCP might also want to consider printing more brochures to send to prospective students and to individuals outside of NJIT.

Table 3: Approximate Cost for Print Ad Space*

Cost per column inch	Ad size	Total cost (Black and White)	Total cost (One color)
\$8.75	Full page	\$743.75	\$893.75
	½ page	\$382.82	\$532.82
	¼ page	\$185.94	\$335.94

*Costs based on an average of prices provided by colleges within The College Publisher Network.

Advertisements placed in The Vector—print and Web—would have a similar effect.

And, the exposure could possibly open the doorway to audiences outside of NJIT. This could attract potential students to MSPTC and SOM and have a positive impact on enrollment. Additionally, the brochure would be a good way for the students within MSPTC to showcase their talents, skills, areas of expertise, and capabilities for potential employers.

I contacted The Vector to inquire about the following information regarding advertising costs:

- Does The Vector charge a fee for placing ads?
- Would we be exempt from that fee because we are part of the NJIT community?
- Are there fees for ad placement on the Web?
- Would the ad be automatically placed on any other campus news Websites (e.g., Rutgers)

I never received a response from The Vector; however, the publication is part The College Publisher Network, which comprises more than 450 colleges and universities nationwide. The College Publisher Network handles all advertising placement for the colleges and universities that belong to the network (College Publisher). I was unable to get specific rates for NJIT, but through some Web research, I found the rates of some other colleges and universities in the network. Other campus publications were charging \$8 to \$10 per column inch. The cost for print ads below are based on an average cost determined by the rates that I was able to find for a tabloid size newspaper (11 3/8 x 17 inches). I used the discounted costs that were available for student or departmental advertisements.

Table 4: Approximate Cost for Web Banner Ad

Ad type	Ad size	Cost per week
Banner	468 x 60 pixels	\$125.00
Skyscraper	120 x 240 pixels	\$80.00
Box	300 x 250 pixels	\$190.00

The College Publisher Network is also responsible for Web banner ads. I used a similar approach to determine the approximate cost for CCP to have a Web banner ad on The Vector Website.

Initial advertising efforts will be important to raise awareness of CCP within the NJIT community. The following table outlines the proposed media placement strategy that will fall within CCP’s budget. Iyer et al., assert that “Advertising is one of the most important decisions a marketer will make, and media purchasing is the largest element of advertising spending.” The authors claim that ensuring that the right media strategy is employed has always been a challenge for marketers, but the multitude of media today allows organizations to target specific segments within their market (461).

Implementing this media strategy, and utilizing both print and electronic advertising, helps broaden the reach to our target audiences at NJIT through the use of various media. Relying heavily on electronic media for advertising purposes is not only a way for us to save money, but it is a good strategy because so many students in MSPTC and SOM are using their computers and iPods in the academic environment. The funds spent on print ads will still be well spent as it is a way for CCP to reach a larger audience and attract potential users. The print resources will also help draw people to the Web.

Table 5: Cost for Proposed Media Placement/Print Strategy

Item	Cost
500 brochures/300 to be mailed	\$543.00
2 Print Ads (¼ page)	\$671.88
2 Web banner ads (2 week run; dates to be determined)	\$250.00
2 Web skyscraper ads (2 week run; dates to be determined)	\$160.00
Total cost	\$1624.88
Balance of CCP budget	\$3375.12

This media strategy proposal will cost CCP \$1,624.88, which leaves \$3,375.12 available to purchase additional equipment to sustain CCP or we could run additional ads on the The Vector Website.

While the service will be ready to launch in May 2007, advertisements that will run in The Vector will not be placed until Fall 2007/Spring 2008 as that publication is only printed during the Spring and Fall semesters. It would be too late to run ads for Spring 2007 as the semester will be coming to an end. The brochures can be printed this summer and be ready to mail or be distributed on campus beginning September 2007. The tables below outline the dates the brochure and advertisements will be available.

Table 6: Advertising Timeline—Fall 2007

Task/Item	Completion Date
Create/print brochure	August 2007
Distribute/mail brochure	September 2007
Run Print ad #1	September 2007*
Run Web banner ad #1 (week run)	October 7 – 14, 2007
Run Web skyscraper ad #1 (week run)	November 11 – November 18, 2007

*Print date/issue will be determined by The Vector print schedule

Table 7: Advertising Timeline—Spring 2008

Task/Item	Completion Date
Run Print ad #2	January/February 2008*
Run Web banner ad #2 (week run)	February 2008**
Run Web skyscraper ad #2 (week run)	May 2008**

*Print date/issue will be determined by The Vector print schedule.

**Actual dates will be determined when Spring 2008 schedule is available.

The above timelines allow for CCP to run advertising throughout each semester to increase the service’s visibility within the NJIT community. Dates may be subject to change based on The Vector publication schedule. Also, CCP will need to factor in holidays and university breaks (e.g. Spring Break) when deciding on timing of ads to optimize cost-effectiveness of the ad placement strategy.

Below are some of the overall benefits of CCP:

- Students can gain knowledge about creating a podcast.
- The MSPTC Department is able to sustain quality podcasts by their students.
- Oral history is archived and available on demand.
- MSPTC students who create podcasts for CCP can satisfy several of the MSPTC core competencies.
- The MSPTC program and SOM program gain recognition within the university.
- The CCP project could become marketable to other universities and corporations.

- Increased visibility of CCP topics, the CCP Project Team, and the university Departments involved.
- Potential profits could help sustain CCP

Other Sustainability Issues

Not all costs incurred will be easily quantifiable. Below are some of the intangible costs that need to be considered. For the launch of CCP, these tasks were performed at no cost, but will need to be considered if CCP is to be sustained.

- Training
 - How to create a podcast (software/technology)
 - How to maintain the Website
- Creation/development time
 - Podcasts
 - Advertising/marketing materials (new/updated brochures, etc)
 - Website (updates/maintenance)

Covering the Costs for Sustaining CCP

Professor Elliot has donated \$5000 to cover the initial costs for CCP. In order for CCP to be a sustainable venture, it must find ways to cover the costs. Below are possible ways to cover the costs.

Income from the following sources could be used to cover the cost of equipment and advertising/marketing of CCP.

Subscription/download fees

- Charged per series or per podcast
- Price would be determined by market value
- Charging subscription and download fees for the podcasting service would require a designated individual to handle incoming funds.

Program fees

- Incorporated into the tuition cost for students enrolled in MSPTC and SOM.
- Would require cooperation from NJIT administration and distribution of CCP funds

Donations/grants

- University grants from programs within NJIT (e.g. MSPTC)
- Corporate grants from organizations with an interest in the topics covered by the podcasts
- Would require a corporate liaison and possibly cooperation of NJIT administration

Sale of advertising space on CorpComm Website

- We could charge a fee to allow corporations or other institutions to advertise on our Website.
- Would require a designated individual to handle income from sale of ad space

Resources Required to Sustain CCP

CCP was started by students in PTC in Spring 2007, but the future of the service will depend on dedicated individuals. While it is listed in this report as a possibility, as of right now, members of CCP believe it is not realistic to expect that CCP will be a profitable service especially since students can access other podcasting services, such as those provided by the Harvard Business Review, free of charge. Rather, we believe that CCP's future and evolution are dependent upon NJIT students and faculty, particularly those in the MSPTC program.

Resources and staff required to sustain CCP would include, but not be limited to, the following individuals:

- Podcast content developers
- Podcast reviewers to ensure quality, accuracy, etc.
- Marketing/advertising/sales coordinators to continue promotional efforts
- Business manager to handle financial aspects
- University liaison to work with NJIT administration to ensure CCP is well integrated into the NJIT community
- Webmaster to ensure Website is functioning properly and to update when necessary.

Below are possible ways to ensure that resources are available to sustain CCP:

- Each semester, students enrolled in MSPTC would be required to manage CCP as part of a course requirement—marketing, sales, communications, Website maintenance, product development. Using their skills and knowledge to help sustain

CCP would be beneficial for students in terms of the practical experience that they would gain.

- Faculty could collaborate and different courses would be responsible for different aspects of CCP so the burden wouldn't fall on one class to sustain it.
- Students/faculty in other programs could be involved in content development. Professors could encourage students to be involved by offering incentives such as extra credit for creating podcasts that are accepted by CCP.
- CCP could create student volunteer positions. Student involvement would be strictly voluntary—not part of a course requirement. These students would be charged with overseeing the service, and if necessary, handle the budgetary aspects that are involved. These positions would be beneficial and available to students in MSPTC as well as SOM. Again, the practical knowledge and experience they gain would be invaluable in terms of working with this new media, as well as becoming knowledgeable in the various aspects of corporate communication.

The cost-benefit analysis was prepared by Dana Giangreco and Debra Hall, Product Development and Sales Group, in collaboration with Neil McGarry from the Core Values Group and Paula Some from the Advertising Group.