

Digital talent

How changes in university fee structures will impact on the online advertising industry



By Stuart Aitken

Step right up



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By 2012, no first year university student will have experienced life without the internet. There is also a strong chance that they will have to cope with increased levels of personal debt. These factors may have wide ranging implications on the quality of graduates emerging from universities and seeking a career in the digital sector. As a result they have implications for the future of the digital industry as a whole.

Last year the IAB took to the road to [visit students at Bournemouth University](#) and talk to them about career prospects within the digital sector. An audience of 140 media students filled a lecture hall to hear presentations from New Media Age, the COI, AKQA and Mindshare.

Perhaps unsurprisingly, talk of student debt was never very far away. One student touched on the issue of the £25,000 worth of debt that he was accruing by choosing to study at university. Surprisingly though he took a pragmatic approach to the problem. "It forces me to remain focused on getting a job at the end of the course", he argued.

Later in the year [the IAB hosted an event for students](#) on the very day that the first student protests kicked off in earnest. As fire extinguishers were being thrown from the top of Millbank, over 100 students from universities and colleges like Kingston, West Herts, Bucks, Westminster, Goldsmiths and London College of Communication turned up at the IAB offices to hear tips on getting ahead in digital advertising from the likes of P&G, Yahoo! and Aegis.

So, is this pragmatic attitude representative of how students of digital marketing are facing up to the new reality of increased university fees? This IAB white paper will record the thoughts of lecturers in leading courses within the sector; recruitment consultants; employment experts from within large media agencies and media owners alike; and students themselves as we try to assess to what extent changes in fee structures may impact on the future of the digital sector.



The lecturer: Creatives will be self taught

Tony Cullingham runs the creative advertising course at West Herts College. He believes the cuts will have a striking impact on the courses he teaches. "Courses will either collapse or be full of rich kids," he argues. "People from under privileged and ordinary backgrounds will not be able to undertake creative courses unless business comes forward with bursaries and scholarships."

For Cullingham these are not the only negatives however. In his view, the changes to fee structures will also force more students into part time studying meaning that they will increasingly be forced to juggle work and learning. In his view, the courses that will survive will be vocational courses such as engineering, medicine and law that offer high salaries on graduation. "The spectre of large personal debt will prevent talented people applying to creative courses," says Cullingham ominously.



On a more positive note, Cullingham foresees a future where creatives will be self taught with the internet providing the perfect platform to allow increasingly number of people to express themselves creatively. As a result, Cullingham believes that employers will recruit by scouting the social networks for people without qualifications who exist outside the education establishment. “The comparison here is music labels signing bands off MySpace,” says Cullingham. “The digital industries will be hiring and developing people who are already out there doing what they do. Universities will be marginalised and will become more irrelevant for the creative industries.”

What’s more, Cullingham believes that the digital industry will be forced to step in to fill the education gap. “The communication industry will lose talented people to other trades unless companies develop their own training programmes and creative apprenticeships he argues. Private

enterprise must take over what the Government can no longer pay for. Specifically, the digital industry, like all industries, needs to create its own training programmes if it is to develop a new generation of creative stars”.

The lecturer: Students may see these as 'risky' courses

A number of Cullingham’s concerns are picked up by Mike Molesworth editor of [The Marketisation of Higher Education: The Student as Consumer](#) and lecturer in Marketing, Advertising and Public Relations at the University of Bournemouth. Molesworth is unsure whether it’s a wise suggestion for the digital industry to take non-graduates and train them themselves. “This might seem attractive,” argues Molesworth, “but that training task could be massive and expensive. It might also be narrow. Fine for lower-level jobs maybe, but there is a reason why so many employees prefer to employ young people who have had the full experience of undertaking a degree”.

For Molesworth there is currently no substitute for the rounded education that university courses offer. “My view is that industry benefits from the combination of strong vocational skills and broader intellectual skills that degrees such as ours offer.” A key feature of this according to Molesworth is the focus on developing creative and critical thinking. “However, where students become more concerned with getting a job, there is the possibility that we are under more pressure to focus on key and rather temporary skills and to focus on preparing students to pass assessments.”



So what of the intake? A rounded education is one thing, but will students still be willing to shell out the considerable sums of money to attain it?

Molesworth for one expects students will be increasingly swayed by job prospects and expected salaries in different industries. “An issue here is that although marketing/advertising and PR pay reasonably well, jobs are highly competitive,” he argues. “Students may see these as 'risky' courses where there is not a guarantee of a well paid job at the end of the course”.

Looking to the future Molesworth argues that there is a real risk that we will see a reduction in graduates - and especially a reduction in graduates from poorer backgrounds. “This reduction,

and the focus on the highest paid professions, is likely to have a detrimental impact on both the quality and number of students entering advertising and online advertising. The industry may have to respond by competing for graduates.”

The lecturer: It will enhance the quality of students

Not all lecturers are so focused on the potential negative impacts however. Caroline Barfoot, Programme Group Leader in the Faculty of Media, Arts and Society at Southampton Solent University explains that the course she teaches has a strong vocational focus meaning that graduates can move into a job with only minimal training. “That potentially makes them a very cost-effective resource for employers,” she argues.

For her, the changes in fee structures may serve to drive a new pragmatism in digital marketing education. “I think that it will enhance the quality of students looking to work in the online ad industry as this is perceived to be an industry with a significant future and students will be thinking about their careers more than ever before when they make their university choices”.

The recruitment specialist: We will have to work harder

While there are some understandable concerns from those on the front line at universities and colleges, what do the people doing the recruiting make of the situation?

Phyl Pound, Talent Advisor at Aegis Media, explains that she currently takes graduates from all degree backgrounds. She argues that the cuts will have a variety of impacts in terms of recruitment. “Fewer people will be going to university so I think we’re going to lose out on the number,” she argues. “As for quality, it may mean that quality actually gets better as the students who go to university will work harder and be more driven. We certainly won’t see the variety that we see at the moment though.”



For Pound the biggest danger lies in cash-strapped graduates believing they must look elsewhere for higher salaries. “The media industry will suffer as graduates go into traditional industries such as law and the city,” she explains. “The media sector can’t offer the sorts of salaries that the city does. There is often a £3,000 to £4,000 difference in starting salary.”

According to Pound, the skill sets necessary for the digital sector and the city are quite transferrable – especially the sort of numerical skills that are needed as disciplines like paid for search become more important. During the recession many firms in the city stopped recruiting and the digital industry benefitted. “Now that market has picked up we will have to work harder to target the right people,” says Pound.

Looking to the future, Pound is aware that there is work to be done to ensure that the changes to fee structures will not affect the industry as a whole. “We’ll have to up our game as employers in order to ensure that creative talent isn’t diluted,” she argues. “Graduates are crucial to this industry and we need to keep the lifeblood of the industry coming through.”

The recruitment specialist: We need to change tack

Anji Baker is Digital Recruitment Manager at GroupM, the world's number one media investment management operation. She too is concerned that we will see fewer graduates in the coming years, thus making them even more sought after.

Looking specifically at how universities will respond to the situation, she expects to see a lot more generic or traditional subjects being taught. “A course focusing on one particular area (for example digital) I think may be too niche in a time where there are less students,” she argues. According to Baker this will impact on employers as they will “need to pick up the deficit of knowledge in those areas”.

Another key issue for her is that scholarships will be very rare in the future meaning a return to what she calls “the old way of education, where only the rich are educated to degree standard”.

For Baker this is likely to have a direct impact on GroupM. “It will certainly mean that we need to change tack in our entry level recruitment,” she points out, before going on to explain that she will now be forced to weigh up the cost effectiveness of hiring a graduate from a more generic degree versus a top A-level student who can’t afford to go to university.



The recruitment specialist: The more graduates the better

For Phil Haslehurst, Marketing Manager at digital recruitment specialists Propel London, there have been some encouraging developments in the sector over recent years with a steady increase in the number of graduates who are coming out of university with a clear plan to get a career in digital advertising. “This is a positive,” says Haslehurst. “The well-known skills shortage in the digital sector has been a major challenge to employers in the space for many years, so the more graduates who come into the sector, the better.”

A key concern for Haslehurst is that this trend is not snuffed out. “It’s crucial that universities recognise the massive opportunity for young people in the digital space, and make sure they offer high-quality, industry-supported courses of study,” he argues. “By doing so, they’ll be ensuring not only that their students have a great start in their career, but they’ll be supporting the growth of a very significant UK industry.”

The media owner: The creative sector needs a wealth of voices



Over at Channel 4, Jo Taylor, Head of Learning & 4talent, is most concerned about the “decrease in social mobility” that she expects to accompany the change in university fee structures. “This will impact fair access to the creative career ladders available to new entrants with the social gap widening between those who do go to university and those who don’t,” she argues.

Edwards believe this will have a detrimental effect on this sector. “The creative sector needs a wealth of voices and fresh talent from a variety of backgrounds to reflect the diversity of the UK,” she argues. “If finance proves to be a barrier to education, as we predict it will, those under-represented groups will not be able to flourish in the media industry and the creative economy will suffer as a result.”

Edwards is also concerned about the impact the cuts will have on universities themselves. In an attempt to become more competitive to attract students, she expects them to align themselves closer to employers, with the possibility of courses being sponsored by business. This approach

is not ideal for Edwards. “Unfortunately we do not believe that the private sector bailing out universities is a sustainable model moving forward,” she states.

The graduate: What might happen is that agencies sponsor training

Flo Sharp is a graduate trainee planner at Weapon7 who studied history of art at Cambridge and graduated June 2010. She points out that if university fees are raised, then it seems inevitable that more graduates will come from better off backgrounds, and those from lower income backgrounds will be looking to find employment after leaving school instead of pursuing further study.

In terms of attracting graduates to the sector, Sharp has concerns that the modest salaries of the digital advertising industry may deter some graduates who are looking to pay off large student debts which could rise to as much as £32,000.

While she believes that applicants with a degree will continue to have an advantage over non-graduates, she expects to see some shifts in practices amongst employers. “What might happen is that agencies sponsor training, or provide more advanced graduate training schemes to negate the need for university education,” she suggests. “Another possibility is that digital agencies will give more non-graduates the opportunity to do longer, more intensive placements as a means of proving themselves employment worthy.”

The students: A lot of students will opt for the safe career choice

But what of the students themselves?

Oliver Fernandez is a student on the one year post graduate diploma in copywriting / art direction at West Herts College. He is concerned about the impact of the cuts on the digital industry as a whole as he believes that future generations of students may be discouraged from pursuing a career in digital. “I think the industry will suffer from a lack of new talent because people might be put off by the increased fees,” he argues. “I think a lot of students will opt for the safe career choice”.

Having said this, Fernandez believes that the fee increases may offer some positives for the sector. He argues that the increases will “probably have a good impact as university won’t be a lifestyle choice anymore, and will motivate students to do the best they can thus evolving the industry.”

Interestingly this view is shared by Dave Wright a student on the Advertising course at Solent. Wright believes that the increase in fees will make students more focused so that they are “better prepared and able to think in a more modern and cutting edge way.”



Wright is not convinced that the cuts will have a long term impact on the industry. “I feel that digital is ever evolving, and what cuts that are made now will be cancelled out when more and more opportunities arise in such a fast growing area.”

Conclusion

In recent years, university courses have become more specialized to focus increasingly on the advertising – and digital – sectors. Looking specifically at the increase in numbers of media studies students for example, UCAS states that the figure has grown from 1,727 in 1996 to 5,586

in 2009. Clearly then any changes to the structure of universities – and the make-up of students within them – is not something that this industry can ignore.

As a number of the commentators in this paper have noted, as university fee increases take their toll, the future may see employers themselves increasingly funding the education and training of staff. At the IAB we believe training in digital disciplines will become even more important in the future as companies seek to develop staff to take advantage of the opportunities offered by this vibrant medium. This is one reason why we're currently expanding and developing [our range of training courses](#).

Whatever the future may hold, it's commendable to see the pragmatic approach being adopted by many students seeking a career in this sector. The creative industries may not be able to offer the types of entry level salaries enjoyed by those working in the City. But then again...who wants to work in the City?

Action points for the future

- **Be prepared to recruit using less traditional methods.** We can expect to find younger people increasingly pursuing their own opportunities in the digital space. These will not necessarily be people who have benefited from a formal education - but they will be highly skilled and savvy enough to bring something fresh to the table.
- **Consider school leavers.** It will become increasingly important that employers look beyond the graduate market for the next generation of digital talent.
- **Be ready to invest in training.** If the number of courses and students specialising in digital disciplines does indeed fall, companies need to be prepared to invest in training their entry level recruits to the highest possible standard.
- **Develop scholarships and internship schemes.** Scholarship schemes will become increasingly important for the right candidates looking to benefit from a university education. Internships will be equally important for those candidates who have decided not to go to university but are looking to gain experience in the industry.
- **Create a nurturing environment.** With ever more competition for skilled entry level staff, an attractive benefits package and the promise of a structured career path within your organisation will become key tools to attracting and retaining the best employees.

Additional resources

[Digital Talent MySpace page](#) – The IAB's MySpace presence aimed at students and young industry switchers considering a career in new media.

[Digital Talent Roadshow highlights](#) – Watch a video of highlights from the IAB's roadshow at Bournemouth University

[New to Online](#) – The IAB's handbook for students or young industry switchers considering a career in new media.

[IAB Digital Training](#) – Full information on the IAB's range of training courses which cater for all digital marketing training needs.



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