

ZapMe!

Linking Schoolhouse and Marketplace In a Seamless Web

Mr. Molnar questions the tradeoffs involved when schools use programs like ZapMe! The ZapMe! Corporation will respond in an early fall issue.

BY ALEX MOLNAR

IN HIS 8 April 1999 column in the *Washington Post*, George Will criticized a proposal to put advertising on the sleeves of baseball players' uniforms. Will reasoned that such advertising crossed a line between advertising that is strategically placed so that large numbers of people are likely to see it and "advertising so unavoidable it is assaultive." He concluded, "Within the cheerful swirl of commerce at a ballpark, there is a baseball game — dignified competition in a zone of its own, within the white lines."¹

If "advertising so unavoidable it is assaultive" is unacceptable in baseball, it should be even less acceptable in a school setting. Unlike attendance at a baseball game, a child's presence in school is required. Over the past two decades, advertisers have increasingly exploited this fact. Today, students in schools all over America are routinely required to view advertising in order to complete class assignments or are denied access to learning technologies unless they provide marketers information about them-

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selfs and their families. Moreover, these practices seem certain to intensify as the current emphasis on computer technology and the use of the World Wide Web combine to encourage the formation of more "public/private partnerships" to provide computers, software, and Web access to schools. Today, the price of a computer lab or a school website may very well be the willingness to provide advertisers access to students and to information about students and their families. The current focus on electronic technologies as key elements in school reform and improvement makes the issue of defining a school's "zone of its own" more important than ever.

ZapMe! Corporation is one example of how difficult it will be to draw lines around that zone. ZapMe! provides computer labs and Internet access to K-12 schools in return for advertising or promotional access to students and their families. The structure of ZapMe! illustrates how marketers can exploit the current emphasis on electronic technologies to integrate schoolchildren more fully into America's advertising and marketing system.

Linking Internet Technology and Marketing

Founded in 1996, ZapMe! Corporation has described its business model as "bringing together technology providers, sponsors, and schools."² The company describes itself as "the leading provider of quality technology and online educational content to schools and communities nationwide."³ Its "Netspace" program for K-12 schools was launched during the 1998-99 school year. In October 1999, ZapMe! made an initial public offering of its stock.⁴ According to Wit Capital, an investment banking firm that underwrote ZapMe!'s IPO, by the end of 1999 ZapMe! had installed computer labs in 1,252 schools and had a backlog of 4,396 expected installations.⁵

As their reward for participating in ZapMe!, schools get a very attractive package of hardware: between five and 15 desktop computers with 17" monitors, a network

server, a printer, and a satellite dish. What's more, all the equipment is installed and maintained by ZapMe!, and the company provides training and technical support for teachers and students.⁶ According to a company press release, ZapMe! has established strategic alliances with Dell Computer, Gilat Satellite Networks, Microsoft, School Specialty, NEC, Inacom, Sylvan Learning Systems, Toshiba, Xerox, Ask Jeeves, and Yahoo!, among others, to "further enhance the educational experience."⁷ In November 1999, ZapMe! announced its partnership with Amazon.com to develop the ZapMe! Bookstore, where students can shop for books, CDs, DVDs, videos, consumer electronics, computer games, and sheet music. The bookstore is part of a larger commercial section of ZapMe! netspace called the ZapMall, launched in December 1999.⁸ Items offered in the online mall also include school supplies from ClassroomDirect.com, software from SQC.com, and equipment from ZapMe! partners Toshiba, Xerox, Hewlett Packard, and NEC.⁹

ZapMe! promotional material explains, "Corporations WANT to support education. Corporations are looking for ways to support education. ZapMe! Corporation has established a unique business/school partnership that is a win-win arrangement for all."¹⁰ (This rationale will sound familiar to anyone who has followed the controversy surrounding Channel One, the 12-minute current events program that includes two minutes of commercials.) It would appear that corporations indeed see the ZapMe! program as a winning situation. In a report released in February, Wit Capital analysts noted, "The [ZapMe!] company's \$2.1 million in revenue [in the fourth quarter of 1999] handily beat our estimate of \$1.1 million. Approximately 87% of revenue, or \$1.83 million, came from content sponsorship, approximately 10% of revenue came from network services (Sylvan's after-hours use of the ZapMe! labs), and 3% . . . from impression-based advertising." The authors commented, "Perhaps the most encouraging metric was the significant contribution from content sponsorship. We be-

lieve the uptick in sponsor revenue demonstrates that partner/advertisers recognize, with their wallets, the considerable opportunity to make a connection with the various school stakeholders."¹¹

ZapMe! computers are equipped with word-processing, spreadsheet, and presentation software, and no software other than that provided by the corporation can be installed.¹² ZapMe! "Netspace" offers e-mail, chat rooms, and access to preselected websites (approximately 13,000 according to the company).¹³ However, schools may choose to offer unrestricted Internet access using the ZapMe! system.¹⁴ Corporations pay ZapMe! to provide access to curriculum materials they have developed. For example, General Electric has purchased advertising space on the ZapMe! browser and paid to have Web content it developed about space placed on the "Netspace."¹⁵

ZapMe! provides hardware, software, and content without direct cost to participating schools. However, when schools sign a contract with ZapMe!, they do incur obligations beyond providing the necessary space, telephone connection, electrical service, and such supplies as paper for the printer. The ZapMe! contract requires that each computer in the ZapMe! computer lab be in use an average of four hours a day, that schools provide ZapMe! corporate partners with access to the system after hours, that schools participate in ZapMe!'s "take home" programs, and that school staff members provide feedback to the company about its services and features.¹⁶

Following the Money

On the surface, the ZapMe! program has considerable appeal. It appears to promote broadly supported educational goals, such as teaching computer literacy and providing students with access to the Information Superhighway. It also purports to address the lack of resources available to design and implement school technology programs by harnessing the good will and self-interest of corporate America. As an added plus, it seems to address the equity concerns of many school reformers, for ZapMe! is available to rich and poor schools alike. However, despite its surface appeal, a look at how ZapMe! makes its money should set off alarm bells.

ZapMe! bundles together a package of hardware and software products that are provided, for the most part, by firms that

can use ZapMe! to increase their visibility, showcase their brand, and presumably win greater market share. The logic is simple: when a child is familiar with a particular software application or accustomed to a particular brand of hardware, it is more likely that parents will purchase the same products for home use.

ZapMe! then promotes this package with the assistance of DD Marketing, a firm that has become famous for negotiating exclusive sales agreements between school districts and soft drink companies.¹⁷ Virtually all the ways that ZapMe! makes money are related to advertising. Advertisers can rent ad space on the ZapMe! browser. Firms can pay to put their materials on a ZapMe! "Netspace" site. ZapMe! further seeks to make itself attractive to advertisers by gathering demographic data on students that can be used to target ads to specific populations. Students who participate in the "ZapPoints" program can earn "learning rewards" in the form of products sent directly to their homes. The more hours students spend on a ZapMe! computer, the more points they accumulate.¹⁸ In addition, when a school contracts with ZapMe!, it agrees to allow ZapMe! equipment and the lab space where it is installed to be used after hours for corporate purposes. For example, ZapMe! partner Sylvan Learning Systems uses ZapMe! labs to house its proprietary course offerings.

Ethical, Educational, And Policy Issues

The fact that the ZapMe! program joins the academic activities of schools and the marketing activities of corporations in a seamless web raises a number of important ethical and public policy issues. For example, the suppliers of hardware (e.g., Dell) and software (e.g., Microsoft) provide their products for the purpose of brand exposure and building future market share.

Although the hardware and software provided by ZapMe! are "free," this does not necessarily mean that they offer the best value. For example, the free hardware and software might not be the most appropriate for realizing a school's instructional goals. Furthermore, schools that participate may find that their educational plans are being shaped not by a sound assessment of educational needs but by the business objectives of corporations.

ZapMe! also raises money by selling space in its "Netspace" to corporations, which then post educational programs they have developed. This financial relationship creates the danger of curriculum bias. Corporate-sponsored educational materials are often very biased and at times promote behavior, such as drinking soft drinks or eating junk food, that is discouraged in the school curriculum.¹⁹ In addition, instead of curriculum options that have been developed or selected by teachers, the materials available to students are those created or chosen by whichever corporation was willing and able to pay to have them posted. In effect, the school curriculum becomes, at least in part, an electronic flea market open to any vendor with deep pockets.

The ZapMe! contract allows the company to provide its advertisers with aggregated data on students. The company monitors traffic on its websites and collects information on each student's age, gender, and zip code. The information can then be used to target advertising campaigns and even to trigger the appearance of certain ads when a particular student logs on.²⁰

In January 2000, a broad coalition of consumer and child advocacy groups, led by Ralph Nader's Commercial Alert, sent a letter to all 50 governors asking them to take steps to protect against ZapMe!'s incursions into student privacy. The coalition also wrote letters to ZapMe!'s corporate sponsors and partners urging them to sever their ties to the company. ZapMe! responded with news releases declaring its commitment to student privacy and announcing an agreement with PricewaterhouseCoopers to conduct independent audits of the company's compliance with its own privacy policy. The company seemed to have learned a quick lesson about the sensitivity of student data: ZapMe! identified itself in its press releases as "ZapMe!, a champion of student privacy rights as well as the leading provider of quality technology and online educational content to schools."²¹

Providing demographic information about students to special interests, even in aggregate form, is a potential violation of the privacy of children and their families. The problem is compounded by the fact that the information is gathered by *requiring* that students provide it in order to participate in a school activity.

ZapMe! also requires that participating schools make the equipment on school prop-

erty available during after-school hours for "community education, corporate training, and/or testing purposes." To exploit the financial benefit of this arrangement, ZapMe! announced in March 1999 that it had entered into a strategic partnership with Sylvan Learning Systems. Sylvan uses ZapMe!'s access to participating schools to host Internet-based educational and testing services offered primarily during after-school hours.²²

Since schools represent a significant capital expenditure in every community, the question of whether a for-profit entity should be granted free access to school facilities to engage in its business activities or to promote its products and services warrants careful consideration. Such access may unfairly favor a particular profit-making corporation not only by providing free space but by, in effect, promoting that company's products and services through ZapMe! ties. In addition, community and student groups may have their access limited by the presence of corporate activities.

ZapMe!'s required "take home" programs are marketing materials that will be designed by ZapMe! sponsors. They may promote contests and other activities that supplement a sponsor's "on-line message."²³ Although student participation is voluntary, schools are required to participate in the program. This virtually guarantees that most students will participate as well. The issue raised here is the extent to which schools should act as agents of ZapMe! sponsors in reaching and putting commercial pressure on students, their parents, and other members of the family.

The Associated Press reported on a demonstration of ZapMe! advertising, at which Frank Vigil, ZapMe!'s president, clicked on a Schick Razor banner, which brought up a full-motion commercial featuring "an attractive blonde confidently marching through the streets as people rushed to protect her freshly shaved legs." According to a ZapMe! spokesperson, clicking on a banner might mean being transported to a corporate website or "pretty much whatever [the corporations] want" to get the message across.²⁴

The more ZapMe! is used for required lessons, the more often students will be forced by school authorities to view certain favored commercials, creating a situation in which a student's school success is mediated by an advertiser's access to that student. Moreover, the values promot-

ed in commercials may directly or indirectly conflict with a school's overall curricular message. The ethical concerns raised by advertising to children are beginning to get some attention from politicians and policy makers, but no real attention has yet been paid to the impact of linking school reform to the willingness of schools to further commercialize themselves.

The degree to which electronic technologies represent an opportunity to positively transform the processes of teaching and learning and what emphasis those technologies should be given in school reform efforts are matters worthy of serious debate. Unfortunately, across America, politicians, educators, policy makers, corporate executives, and community leaders are now acting as if the role of computers in education is well understood. Jumping on the high-tech bandwagon, they have become uncritical advocates for virtually any computer/Internet technology in the schools — regardless of how it is provided.

For their part, software and hardware companies claim to be responding to the market demand. In fact, they have had and continue to have a strong role in developing this market and creating the policy environment in which it can flourish.²⁵

In such a frenzied policy environment, the promise of free hardware, software, or Internet access has strong appeal for many schools. However, the potential for harm done by commercialized programs must be weighed against the potential for benefit from the hardware and software such programs offer. If educators and concerned citizens fail to consider such tradeoffs, our children will be the losers.

1. George F. Will, "Leave the Sleeves Alone," *Washington Post*, 8 April 1999, p. A-31.

2. "ZapMe! Press Kit: Corporate Backgrounder," ZapMe! Corporation, San Ramon, Calif., n.d.

3. "ZapMe! Announces Record Fourth Quarter and Year-End Financial Results," press release, ZapMe! Corporation, San Ramon, Calif., 2 February 2000.

4. For share prices, see "ZapMe! Detailed Quote" page of the Hoover's Online website, <http://www.bigcharts.com>, as of 18 February 2000.

5. Bob Parija and Kristen E. Campbell, "ZapMe! Reports Strong 4Q99 Results — Revenue Driven by Significant Contribution from Content Sponsorship," Wit Capital Company Report, 4 February 2000. Available at <http://www.witcapital.com/research/reports/izap-20000204/index.html>.

6. "Frequently Asked Questions" page of the ZapMe! Corporation website, http://www.zapme.com/home/faqs/content/con_faqs.html, as of 21 February 2000.

7. "ZapMe! and Ask Jeeves, Inc., Enter into Co-

Branding Agreement," press release, ZapMe! Corporation, San Ramon, Calif., 16 November 1999.

8. "ZapMe! Announces Grand Opening of ZapMall," press release, ZapMe! Corporation, San Ramon, Calif., 8 December 1999.

9. "School Supplies" page of the ZapMe! Corporation website, http://www.zapme.com/home/parents/content/con_supplies.html, as of 21 February 2000.

10. "ZapMe! Press Kit: Corporate Sponsors," ZapMe! Corporation, San Ramon, Calif., 22 October 1998.

11. Parija and Campbell, op. cit. We assume that "content sponsorship" means fees paid by sponsors to put educational materials on the ZapMe! netpage or to insert the sponsor's name into ZapMe!'s content (as in a "brought to you by . . ." message). However, a request for clarification sent via e-mail to Wit Capital on 23 February 2000 was met with a refusal by the Wit analysts to comment. A second e-mail request did not receive a reply.

12. Chris Albritton, "ZapMe! Sparks Battle over Ads, Links Cybermarketers, Students," *Las Vegas Review-Journal*, 6 December 1998, p. 31-A.

13. "Frequently Asked Questions" page of the ZapMe! Corporation website.

14. Albritton, op. cit.

15. "ZapMe! Offers Free Intranet Computers in Exchange for Ads Aimed at Kids," *eSchool News*, 10 August 1998.

16. "ZapMe! Now" page of ZapMe! Corporation website, http://www.zapme.com/home/educate/content/con_zapmenow.html, as of 21 February 2000.

17. "Commercialism in Schools: Supporting Students or Selling Access?," National Issues Forum, Association for Supervision and Curriculum Development, Washington, D.C., 9 December 1998.

18. Andrew Hagelshaw, "Notes and Impressions After Receiving a Demonstration of Zap Me," memorandum, Center for Commercial-Free Public Education, Oakland, Calif., 17 December 1998.

19. *Captive Kids: Commercial Pressures on Kids at School* (Yonkers, N.Y.: Consumers Union Education Services, 1995); and Alex Molnar, *Giving Kids the Business: The Commercialization of America's Schools* (Boulder, Colo.: Westview Press, 1996), chap. 2.

20. Albritton, op. cit.

21. See Mary Ann Zehr, "Data from Free Computer Labs Raise Privacy Concerns," *Education Week*, 26 January 2000, p. 8; and "ZapMe! Backs Its Strict Privacy Policy with Action: Announces Quarterly Independent Privacy Audits by PricewaterhouseCoopers," press release, ZapMe! Corporation, San Ramon, Calif., 21 January 2000.

22. "Sylvan Learning Systems to Launch Internet-Based Education and Training Programs Utilizing ZapMe! Network," press release, ZapMe! Corporation, San Ramon, Calif., 31 March 1999.

23. "ZapMe! Frequently Asked Questions," information packet, DD Marketing, n.d.

24. Albritton, op. cit.

25. See Douglas D. Noble, "A Bill of Goods: The Early Marketing of Computer-Based Education and Its Implications for the Present Moment," in Bruce J. Biddle, Thomas L. Good, and Ivor F. Goodson, eds., *International Handbook of Teachers and Teaching* (Dordrecht, Netherlands: Kluwer Academic Publishers, 1997); and idem, *Classroom Arsenal: Military Research, Information Technology, and Public Education* (London: Falmer Press, 1991). ■