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18 Market engineering – Basis for the success of the REGNET-System in the future

18.1 The concept: an introduction

The REGNET-System is being developed to provide a comprehensive solution for the different domains of museums, galleries, archives, libraries and artists. It will provide a wide range of services based on a new model which is referred to as application service providing (ASP) or Webservices-Model. It will not merely provide functions which are already available at the market: the synthesised form with all possibilities of customisation and the new Webservices-Model are an innovation in the cultural business. Especially small and medium sized organisations within the cultural sector – by far most of these organisations are SMEs - will be able to use and apply features for their daily work which could not be afforded until now. The REGNET-System is a real innovation in the cultural business – with all the problems which arise with innovations: uncertainty about the acceptance of the new product, about the success promising marketing strategies, about the price structure and their acceptance at the market place.

Therefore a rational approach must be applied in order to develop a new product and a range of services which will meet the demand from the user side. But, as with most innovations, this need must be stimulated as well. This will be a major challenge for the project to succeed. Multipliers, such as associations and pioneering organisations have to be encouraged in the introductory phase to use and apply this new product.

As a first step towards a business plan a thorough market analysis has to be executed. The guiding questions are:

- What are the trends in the cultural market?
- Which and how many organisations can be regarded as potential customers in the respective countries?
- How can those target groups be segmented into homogenous groups which can be addressed by different marketing approaches?
- What are the requirements of the different customer groups?
- What potential does the REGNET-System have in comparison with the competitors and their competing products?
- How will be the willingness to pay for each feature on offer? What business models for the different offerings of the REGNET-System can be successful?
- Where are the strengths of the REGNET-System, where are the weaknesses?
- What is the “unique selling proposition” (USP) of REGNET?
- How can the competition be described?
- Who are the players, what is their market share, what products and services are applied currently by the respective organisations?
- Which strategies on the market in the cultural domain have proved to be successful (Best-Practice)?

In this report we try to provide some answers to the raised questions.

The REGNET project has to be turned into a business success and this requires to develop a viable commercial product for the benefit of the cultural sector. The task of market engineering is to enable this process.



18.2 Overview and document structure

This document provides a basis for further market strategies, which have to be customized for each cultural service center (CSC) and each respective country, which is to be targeted. It provides at the beginning an overview on the trends in the cultural market place which are to be expected in the near future. These observations are based on the DigiCult Study, which was performed on behalf of the European Commission. After that a qualitative analysis of the different target groups is given. The specific characteristics of each customer group is described. The next step within this chapter is to provide an quantitative analysis. Research on the market potential in selected countries was performed. This provides a first impression about the market size and the potential customer base.

The second part deals with the REGNET-System itself: it describes the services and features which are offered to the customer. It shows, where the added value for the customer can be found. These features are compared with the actual status on the market – where is REGNET innovative and does have a market leader position, where does it meet established standards. These provides the basis for answering the question, what the willingness of the user to pay for the use of the REGNET system could be. In this chapter the unique selling proposition of the REGNET-System is being elaborated.

In the third part of the report the competition situation is being described. What organisations, what products can be found on the market, what are their respective strengths, what are their weaknesses in comparison with the REGNET-System? This benchmarking approach offers valuable insights into the logic of the market and demonstrates proofed strategies. Best practices are identified, which can provide a good base line for marketing the REGNET-System.

In the fourth part the marketing concept is being elaborated. Methods and instruments from strategic market planning, such as the life-cycle-concept and the market attractiveness/resource strength portfolio are applied in order to highlight the position of the REGNET-System within its competition environment. Following that some general marketing strategies are developed.

In the fifth section an illustrative concept for market introduction strategies and activities are compiled. This provides an excellent basis for the cultural service centers to adopt this approach to the different circumstances as needed. Two case studies provide an easy to follow approach in introducing the REGNET-System in a specific market.

The last part of this report provides an overview on the different cultural service centers (CSC), their respective area to be covered and their members at the beginning stage. It also encompasses the different functions which these CSC plan to establish.

19 Market analysis

19.1 Trends in the cultural market

The following chapter is based on the results of the DigiCULT study (www.salzburgresearch.at/fbi/digicult/) which was performed on behalf of the European Union in the year 2001. Those results which have a direct effect to the cultural market as addressed by the REGNET-System are compiled within this chapter. The prospects and roles arising from these trends for the REGNET-System and the Cultural Service Centers (CSC), the operating organisations of the REGNET-System, are drawn within each chapter.

19.1.1 Value of cultural heritage

In the last years, the cultural heritage sector has gained much political attention due to its economic potential and its importance for market development in the Information Society. The expectations that cultural heritage institutions will become active players in the emerging information economy are high, even within national governments and regional authorities.

New technologies are considered as one of the key drivers of future prosperity. The following key challenges will drive the development in the cultural heritage sector in the future:

- The awareness for “value of cultural heritage” is becoming more and more apparent in the public
- Education (in all age groups) as the key market for digital cultural heritage products and services
- Co-operation and co-ordination as key to operating in a networked environment
- Strengthening small cultural heritage institutions by increasing competence and capacity
- Born digital resources and long-term preservation as key drivers of technological development
- Methodological and co-ordinated approach to digitisation

The Cultural Service Centers as the operators of the REGNET-System have to play an active role in offering solutions and thus harnessing on the developments.

19.1.2 Co-operation and co-ordination

In the networked world, the demand for unique cultural heritage resources does not stop at the institutional walls, but highlights the need for co-operation and co-ordination. As Jennifer Trant, AMICO, USA, noted: “It’s a major technology thing, that technology demands collaboration.” (DigiCULT Interview, August 8, 2001).

Therefore, archives, libraries and museums need to enter into new relationships with their environment, other institutions across sectors, private businesses, intermediary organisations and new user groups. Major objectives of these partnerships are to collaborate in the costeffective creation of new services, to co-ordinate digitisation programmes, define standards and structures to provide seamless access and to share resources. Networks with other institutions across sectors will be an essential component of every organisation. The governing principle of these networks will not be competition but partnership.

The organisation of CSC as non-profit oriented institution and an open platform for interested parties provides it an excellent and unique position on an international base.

19.1.3 Strengthening small cultural heritage institutions

Looking at Europe’s memory institutions from the viewpoint of their awareness of new technologies, we are confronted with a wide spectrum with regards to the adoption and exploitation of the benefits information and communication technologies offer to these organisations. On the one end, there are the pioneer institutions and early adopters of information technologies among libraries, archives and museums. These institutions have a clear plan for digitising their collections and spearhead market

development by thinking of innovative ways of how to better exploit their digital collections also commercially on the world wide web. On the other end of the spectrum, we find mostly small archives, libraries and museums, which are neither aware of the new technologies and their possibilities nor do they possess the financial as well as human resources to actively participate in the new development.

Here starts the mission of the CSC for the whole continuum of interests and needs: REGNET provides on the one hand a platform for connecting own data bases, or provides on the other hand full service to small institutions to execute all necessary tasks.

19.1.4 Co-operation at all levels is key to marketing to new target groups

Cultural heritage institutions should actively seek the co-operation and partnership with other institutions across the sector, research centres, networks of excellence, intermediary organisations, and commercial businesses.

Co-operation should be sought in order to:

- build enriched, interactive environments and new cultural services that customers will demand in the future;
- present and/or market their products and services on common virtual cultural heritage platforms as well as tourism networks that aggregate visitors and users;
- digitise and manage cultural heritage resources;
- negotiate licensing models that involve creators and owners of digital cultural surrogates as well as distributors and licensees that work closely with various target groups.

For the cultural heritage institutions, it will become increasingly clear on how to market their unique resources especially to the educational community. A clear digitisation policy will enable memory institutions to create digital cultural heritage resources efficiently, for future access over computer and mobile networks. The key to success will be co-operations and strategic partnerships at all levels with other memory institutions across the sector, intermediary organisations as well as commercial companies. Trained personnel and growing digital collections will be the key to success. Figure 1 provides an overview of the key issues addressed in four thematic areas:

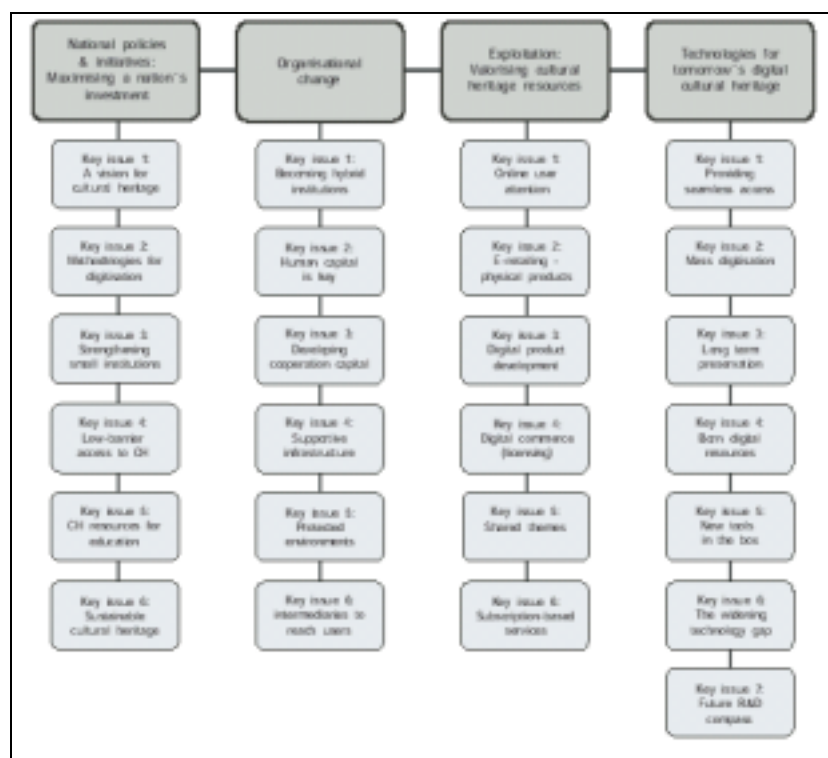


Figure 1: Key issues grouped by thematic areas

The REGNET-System with the CSC provides a platform for the cooperation needs described above.

19.1.5 Organisational change

Today, memory institutions have to come to terms with the radical changes in the ways information is produced, distributed and used. The major institutions are working hard to adapt their infrastructural and human capital in order to be able to collect, make accessible, and preserve also “born-digitals”, i.e. set-up and manage e-collections. In fact, as many experts in the field see it, the rise of the “born-digitals” is the main driver of organisational change in memory institutions. For some institutions most or key current objects they have to deal with become “born-digitals”. These objects stem from different origins, may it be public administrations, scholarly publishing, or new networked media objects of artists. Beside the question of how to come to terms with the “born-digitals”, there is an even more daunting question of how cultural heritage institutions can unlock the value of their traditional holdings into the Information Society.

The CSC will have to provide guidelines and best practices on how to initiate, stimulate, promote and channel this organisational changes.

19.1.6 Cultural heritage organisations are becoming hybrid institutions

By becoming hybrid institutions, cultural organisations struggle to find the balance between the analogue and digital worlds. Institutions that become hybrid (national libraries, research libraries, TV archives, etc.) are forced to bridge two different worlds: the physical and the digital. In their long history, memory institutions have developed infrastructure capital that is directed toward the handling of physical objects (written records, manuscripts, books, film rolls, tapes, pictures, etc.). Today these same institutions also have to deal with the intangible objects, the born digitals. This will require new overall solutions, the implementation of new procedures and workflows, and new tools to collect, make accessible, exhibit, contextualise and preserve these objects.

In the Information Society the most important intellectual capacity of a memory institution lies in the contextualisation, interpretation and explanatory narratives it can bring to networked cultural heritage resources. Whereas there is substance in the view that “the real value” of memory institutions is in the librarian, archivist or curator, in fact, the efficiency of the intellectual capital of an institution depends on the interplay of the staff (human capital) and technology (infrastructure capital).

“I want to stress that co-operation legitimises in a way the use of IC technologies. There will be network services or no services, that is my opinion, and if we do not achieve a very new quality of information by use of IC technologies then we cannot legitimise expensive and very time-consuming efforts in this field. So we need a new quality of results, new views on our history, new views on our collections, and this means co-operation between different institutions, combining things that we could not combine before. It is absolutely necessary to achieve this kind of co-operation.” (Andreas Bienert, Prussian Heritage Foundation, State Museums of Berlin; ERT, Berlin, July 5, 2001).

The REGNET-System offers new solutions which encompasses new tools, workflows, products and services for these new hybrid organisations.

19.1.7 “Raw content” is not good enough

What is today seen as more than “raw data or content” and how can institutions enrich and add value to it, in order of creating something that is more valuable for potential users (including broader groups of users: e.g. in the educational sector)?

Yet, as the following suggestions show, for “virtual curators” there are or will be many new approaches available to attract and involve online visitors:

- Heritage collections closely linked together in a variety of navigational ways,
- Semantically rich, adaptive information contexts for the understanding and consumption of artefacts (digital or otherwise),
- Have the ability to view collections from multiple points of view,
- Multiple perspectives and multidisciplinary approaches,

- Online virtual reality museums, live conferences, multimedia products,
- Video clips online telling the story of the art or artefacts in the gallery,
- Artificial intelligence and automated response systems to communicate with personalities of the past (allowing current ideology to challenge that of the past),
- Having people add their own stories and meanings to existing collections.

In embryonic form such an approach from digital collections to virtual products was for example realised in the automatically generated "virtual resource packs" provided by Scottish Cultural Resources Access Network (SCRAN).

The REGNET-System can be viewed as a "value adding system", providing new value chains to the participating institutions.

19.1.8 Cross-domain institutional co-operation

An important issue in EU initiatives and academic discussions is the need for enhanced co-operation of archives, libraries, museums, and other cultural heritage institutions. There is a general vision and expectation that the age of the domain-fixed institutions will come to an end and that cultural institutions will co-operate with each other across domains with regard for example to standards, digitisation, new services. This vision is in particular present in what users increasingly expect to be able to find on the Internet. From the user's point of-view the traditional separation between archives, libraries and museums simply is a barrier for efficient access to resources. Because users are not interested in institutions and their different logic of how resources are catalogued, registered, etc., but in themes of research and study that often encompass institutional borders.

The REGNET-System provides such an approach: the system is transparent for the user, the barriers between the different organisations within REGNET are inexistent for the user.

19.1.9 Cross-domain co-operation in not easily achieved

While co-operation of institutions in the same field is most common, cross-domain cooperation is not easily achieved. In fact, most institutions do not seem to be concerned with cross-domain co-operation. A recent study on cross domain collaboration between libraries, museums and archives in Europe, has brought clear results that co-operation with institutions outside their own field of work is not a task that ranges high on the priority lists.

The REGNET-System supports cooperation in a horizontal (different sectors of cultural heritage institutions, e.g. museums, archives) and a vertical (e.g. collection owner, service provider, e-shop, etc.) view.

19.2 What does REGNET contribute to the cultural market?

REGNET aims at setting up a functional network of service centres in Europe which provides IT-services dedicated to Cultural Heritage organisations and will be an enabler of e-Business activities for CH organizations. Multi media industries enabling the production of electronic publications will be integrated. It will provide access and use of digital data (scientific and cultural) as well as of physical goods as provided by museum shops. The four players within the network are the content providers, the service centre operators, the system developers and end users.

The content providers (museums, libraries, archives etc.) will provide access (via wired and wireless communication) to their digital contents, services and products and offer them to their clients (B2C). In return they can use the REGNET facilities for multimedia productions and data base management, or cooperate with other REGNET partners during the creation of data bases, generation of multimedia products or creation of a virtual exhibition (B2B). The service centre operators will generate income by providing the technical infrastructure (software/hardware) to content providers and other partners within the REGNET network. They offer additional IT-services and consultancies. And the system developers are selling the REGNET-System to other cultural service centres and content providers. They implement additional components for the REGNET software system (additional 'nodes' like an 'exhibition creator', etc), and will generate income via licence fees for the REGNET-System. For the



end user the system will offer easy and wide access to cultural heritage data information and the purchase of CH related goods and services at one point, with stress on the production of personalized goods (e.g. CD-ROM) and services.

Main objectives of REGNET are:

- Development of a service infrastructure which enables business to business (B2B) transactions as well as business to consumer (B2C) transactions
- Development and use of existing - locally held - electronic catalogues (OPACS: Online Public Access Catalogues) referring to cultural & scientific objects contained in libraries, museums, archives, and galleries, as well as to goods and services.
- Integration of a distributed search and retrieval system to achieve a 'virtual union' catalogue of all OPACS and product/service catalogues held locally
- Definition of Information Products and Services including necessary 'supply chains' and the connected business processes and functions to deliver digital and physical goods (to provide high quality services an editorial committee will be installed)
- Development of thematic access to the digital collections using the topic map concept
- Setup of a legal framework necessary for all business transaction on the B2B and B2C level (containing payment features, copyright systems, authentication control, etc)
- Integration and test of existing components, standards, and methods in the field of distributed search and retrieval and e-commerce
- Access to the REGNET-WEB services with mobile devices via de facto standard protocols (such as wireless application protocol, WAP, UMTS etc).
- Run a trial service (demonstration phase) which should be followed by a regular service.

REGNET network provides IT-services to cultural heritage organisations. It will integrate multi media industries enabling the production of electronic publications and will provide access and use of digital data (scientific and cultural) as well as of physical goods to the education and cultural community. Therefore the main target institutions of the REGNET network are Archives, Libraries, Museums and Galleries of all Europe which are now facing the challenge of how to react to new ICT technologies whilst taking full advantage of this evolving e-world.

Only in Europe, there are about 100.000 cultural institutions, whose 25% has been estimated in year 1999 to have a web site. This number has been continuously growing in the last years also thanks to the support from the national governments to exploit the benefit of the new ICTs in the education and culture sector. Meanwhile the proportion can be estimated at about 70-80 %.

REGNET network will provide CH institutions of West and East European countries a technical, legal and business infrastructure. From a legal point of view, REGNET organisation, through the Regional Poles, will provide IPR consultancy and services for the online selling of digital products, images and contemporary works of art (online auctions). From a technical point of view, REGNET will provide a full range of technical services, supported by the REGNET building blocks.

In fact, REGNET system is composed of several building blocks (nodes) which consist of:

- REGNET – Portal (access to remote data entry, distributed search, e-business)
- REGNET – Cultural Heritage Data Management (search over distributed meta data repositories connected to stores containing digital content)
- REGNET – eBusiness Data Management (e-commerce system allowing access to distributed product/service catalogues)
- REGNET – Ontology (Metadata) Subsystem (containing the specifications of all metadata needed in the Cultural Heritage domain as well as in the e-business domain; this subsystem also stores specifications of workflows and process related metadata)
- REGNET – Electronic Publishing Subsystem (allowing the production of personalised digital products based on standardised meta data and workflows)



From a *business point of view*, REGNET will be able to provide specific customised business planning consultancy services to Cultural Institutions aware of the fact that the application of ICT poses a challenge in terms of adapting to the new underlying logic and developing, as it were, a new mind-set. REGNET organisation moves from the assumption that the digital world entails new forms of organization and new relationships with new (and old) audiences. Museums and galleries are one of the most popular cultural and learning activities all over the world and the demand of quality of services provided continues to rise year after year.

REGNET will provide full support to National and Regional CH institutions in setting up their digitisation programmes. The Archives, Libraries and Museums already involved in the network have agreed upon a theme approach as a criterion to select material for REGNET digitisation program. In addition, they have been provided guidelines on high quality digitisation techniques that better satisfy long-term and differentiated access requirements of digital collections.

One challenge regards **digitisation**: the key issues being the selection and management of digitised resources. The costs linked not only to the initial phase of digitising but also to the long-term maintenance of digital assets could lead to the decision to digitise only a certain portion of a CH institution's collection.

A second challenge concerns sustaining **"hybrid" services**, that is, running traditional and digital services in parallel. CH institutions will clearly need to continue to provide existing location-based services and maintain their permanent physical collections. At the same time, they will need to provide and maintain digital services and collections. This means it will not be possible to redeploy resources from the traditional sector to the digital sector, with the consequence that the pressure to find additional funding will increase. Bridging the two sectors will require new overall solutions and will involve new workflows and procedures, as well as new instruments to collect, render accessible, exhibit, contextualize, and preserve these objects. This, in turn, will require skilled staff capable of coordinating and integrating both spheres.

REGNET is a supportive organisation offering technical know-how and skills to memory institutions in their reorganisation process of combining traditional and digital services. In offering personalised and customised technical, legal and business services to CH institutions through a network approach, it also supports small and regional institutions in identifying new services and exploiting new ways to reach a wider audience, while satisfying new emerging needs.

A third challenge regards cross-domain cooperation: integrating resources and knowledge from differently structured institutions to enable cross-sectoral access. Traditional boundaries between museums, libraries and archives represent a barrier to a seamless access to knowledge and resources. There is a compelling need for enhanced cooperation between CH institutions to ensure interoperability regarding standards, digitisation and new services. The more streamlining there is in terms of digital processes, the more a seamless and efficient access to resources can be guaranteed.

Examples of cross-domain cooperation are still very few¹, especially among different countries. REGNET could be considered unique, as it combines 25 different organisations; i.e. system developers and multi-media industries, cultural institutions and service centre operators from 10 European Union states as well as Bulgaria and Russia together. REGNET conceives cooperation as a central issue to unlocking the value of CH resources online. Along with the need to adapt to the requirements of the rapidly changing information society, scarcity of resources can be seen as a compelling reason for cooperating more closely. Interoperability can only be achieved by adopting a "network logic", and REGNET network provides the means to effectively exploit the opportunities offered by ICT and new media, as well as the necessary infrastructure for cooperation. Cross-sectoral cooperation through REGNET is also central to being able to create value added services and rich digital environments for a wide range of user groups.

The model suggested by the DigiCULT report, which is totally in line with the way REGNET is organised, is that of a splitting of functions between the supportive infrastructure organization and the CH institutions involved. The former, in this case, REGNET, would manage the digital resources of these institutions, providing the necessary consultancy and project management, digitisation

¹ In Sweden, the "Cultural Heritage of the Industrial Era of Sweden" initiative, and in Norway, the "Netting Local History" initiative are good cases showing how cross-domain cooperation can be encouraged through a thematic approach.



equipment, skilled staff, technical support in creating products and offering online services, as well as support for the long-term preservation of digital collections. The institutions, on the other hand, would provide the knowledge and expertise related to their collections: metadata descriptions, interpretations and contextualizations. Outsourcing technical functions lying outside the core functions of a CH institution could be an efficient and cost-effective solution to the problem of limited budgets, lack of marketing and technological capacities, and shortage of ICT personnel.

A major concern for the cultural heritage sector is the future position and role of smaller institutions in the digital environment. An estimated 95% of CH institutions in Europe are not in the position to participate in any kind of cultural heritage venture (DigiCULT 6.3). This is because they lack not only the financial resources to participate, but also have a shortage of staff, essential skills, necessary technologies, and marketing capacities.

REGNET would allow small and medium-sized institutions to become more visible in the information society and help promote their services and products.

REGNET aims to set up a functional network of service centres throughout Europe providing IT-services dedicated to cultural heritage institutions, as well as an e-commerce service infrastructure enabling business to business (B2B) and business to consumer (B2C) transactions. It will function as a centrally coordinated network integrating four key players: content providers, service centre operators, system developers and end-users. A technical and legal infrastructure will ensure maximum interoperability and collaborative support. It will also enable full exploitation of the revenue-generating potential of cultural heritage assets.

In the context of REGNET, services which have a market potential in terms of generating revenue are those in the areas of: e-retailing, digital commerce, online auctions and e-learning.

19.3 Market segments: Target institutions

In this chapter we will provide an attempt to characterize the main target groups for REGNET. At first a qualitative description of the target groups according to their tasks, functions and processes is given. In the quantitative analysis we used available marketing data bases and internet sources in order to provide a first guess on the market potential in selected European countries. At this stage a rough estimation on the numbers seems to be sufficient. Each CSC in the specific countries will have to collect own data, when the marketing process will start. We concentrate in this step only on the market segments of organisations, who could become customers of the products and services offered by the REGNET-System, we do not consider the external audience, that means the internet user as the ultimate end user group. There are plenty of different studies for each country characterizing the respective internet user. We assume for this project, that the potential end users do have internet access. The rationale for internet based applications as REGNET does not need to be justified any longer by terms of possible internet users – they are there.

19.3.1 Qualitative description

The qualitative description of the main target groups will be restricted – as said before – to the market segments of organisations which were defined as potential customers of the products and services. These are museums, archives, libraries and galleries/artists. The end user groups will not be considered here. The qualitative description refers to the main tasks and functions in order to specify their needs for (new) products and services and possible ways to meet them (see Chapter 20 for the description of products and services of REGNET). It is also a summary of all definitions and models already described in former reports referring to market engineering issues (D3, D6).

19.3.1.1 Museums

Tasks/functions

According to the International Council of Museums "A museum is a non-profit making, permanent institution in the service of society and of its development, and open to the public, which acquires, conserves, researches, communicates and exhibits, for purposes of study, education and enjoyment, material evidence of people and their environment. (...)". The main focus lies on their collections which must be preserved, developed and displayed. Museums as other cultural organisations have to cope with the need to combine culture and economics, with the side-by-side of the traditional idea of a



museum as a non-profit organisation and the new challenge to be an enterprise submitted to the laws of the market. Museums must be service companies without neglecting traditional tasks. Traditional tasks and products mainly comprises the organisation of exhibitions and museum programmes, information, communication, education and content services. New products could be generated by increasing community activities. Accordingly products help the museums to be present outside themselves and comprise touring exhibitions, museum shops and outreach programmes.

Process areas

The main process areas in museums are the collection management processes to develop, to enrich, to conserve and to catalogue the museum's collection and to manage museum's exhibition. Moreover all processes related to „Tourism“ (processes around museum's visit), „Education“ (Processes to offer educational resources and programs developed from the museum's collection), „Recreational economics“ (Processes to develop and to offer leisure within and about museum), Processes to sell physical manufactured products related to museum's collection (posters, reproductions, publications, games,) as well as other processes to develop services that can offer the museum's infrastructure and the expertise of its employees.

Needs

The main interest of museums will be the management (administration) and presentation of their collection(s) and related events and publications. Tools and services are needed which cover all basic functionalities – not only additional ones like e-Publishing (Internet Publishing). Basic features needed are data and object management (admin databases in order to register, edit and delete data), address and event management. Besides the support of traditional processes and functions the tools must enable the offer of new products and services to a broader target audience– an enhanced visibility is an important issue. Accordingly all marketing activities must be supported e. g. through publishing of information about the museum and their collections, to establish a community respectively cooperation with similar organisations etc. According to feedback gained during first demonstration activities and events consultancy is needed in order to inform about the usage of standards, digital rights management in the Internet environment and e-Commerce possibilities besides the classical museum shop.

19.3.1.2 Galleries

Tasks/functions

The main task of (art) galleries is to select, manage, promote and sell the works of artists. Often they act as agencies for contemporary visual artists show their works, organise exhibitions and be present on relevant art fairs. As well as museums the nature of galleries has been changed considerably in recent years, they have been developed into interactive and information-rich environments allowing visitors to experience artefacts on display. They became communication centres where artists and their works reach the buyers, patrons and collectors. Often with buyers in mind they offer background information and facilities enabling a search in the artist portfolio. The support of individual artists could comprises the promotion as well as the provision of necessary information, training and further business opportunities (B2B) to the artists. With regard to the market they must be familiar and deal with all aspects of commerce – considering established rules, following market trends, legal issues etc.

Process areas

Process areas in galleries could be grouped in artwork promotion and artist resources. Artwork promotion refers to all processes to introduce, to promote and to develop the artist and his work. It includes various activities – from „conventional“ marketing (producing catalogues, flyers, attending fairs etc.) to the organisation of exhibitions and electronic marketing. Especially the Internet became a valuable marketing instrument for galleries – existing information could be combined with background information and the establishment of networks by using the hyperlink approach. Visitors and customers could be informed about news, offers and virtual exhibitions to reach new customers could be created – eventually together with e-commerce features (buy and sell). Artist resources are all processes to provide opportunities for artists: necessary materials, jobs, studios etc..

Needs

The needs of art galleries are determined mainly by the commercial aspect of their work: they need support in handling all necessary aspects of business transactions and tools for the usage of the Internet as a marketing and distribution channel (e-Commerce) – especially smaller galleries. Services

could comprise information services as well as new interactive (e. g. newsletter) and transactional services (e-commerce systems, business platforms, retrieval solutions/databases). The artists himself needs tools to digitize and publish his works and textual and background information (e. g. exhibitions, related products) and to become part of a network to promote his work online and offline (publishing and search facilities). The e-Commerce aspects will be of great importance: individual works should be included and promoted in online auctions and e-Shop, new business opportunities could be supported by features to find and contact potential promoters for and sponsors.

19.3.1.3 Archives

Tasks/functions

An archive is a place where a set of documents about the history of a town, a family, a group of persons, a society, a place, a building, a state, ..., are preserved. The main function of archives will of course vary with the type of archive, but anyway the most important function is the preservation and storage of information. The value of the archive will be determined by its access facilities.

Process areas

In former report the main process areas to be distinguished were the collection management/archive management and the service processes. Collection management processes deal with new entrants, to catalogue them, to manage the existing catalogue, to preserve originals, to store them). Service processes are processes to provide originals to internal or external user (online or within the archive), provide further contextual information and help, e.g. catalogues about the material.

Needs

Archives want to offer an access to its databases (search). Besides the general need for the support of the data management which is valid for all domains a special focus of archives (especially commercial ones) will be professional solutions for the copyright handling, e. g. watermarking solutions.

19.3.1.4 Libraries

Tasks/functions

A library is a place or an establishment where collections of books, printed matter, manuscripts are classified, managed and put at public's or special group's disposal for reading and academic investigation. Besides the definition of a traditional library as an (ordered) collection and repository for (printed) books and periodicals together with adequate services to ensure the convenient use of the materials for different purposes, the definition as a business is relatively new. The traditional tasks of a library can be described as the selection, collection, preservation, organisation and representation of library holdings for assigned users.

Process areas

To achieve the central core functions of collection management normally the following three areas could normally be found: acquisition, cataloguing and user services. Acquisition means to establish and form holdings irrespective of the way of acquisition (purchase, donation, exchange or other forms). Cataloguing combines internal handling and users' access to the holdings. The user is enabled to retrieve literature listed by different criteria. All processes to manage loan of works and to administer library users build a second process area, processes to provide information for science and research a third one.

Needs

Libraries want and must offer an access to their collections (specially for researchers and students). Accordingly the need of (professional) users/customers in libraries will refer to the data management combined with search functionalities also for an in-depth research which is not supported by traditional library information system. In order to point out needs not already fulfilled by existing library systems one could state that libraries need mainly support in manage also business transactions and create and offer services for special target groups, e. g. e-shops, in-depth search, special databases for selected materials etc..

19.3.1.5 Summary

All CH organisations listed before need access facilities to distributed heterogeneous catalogues, need to offer their services and products and to cooperate in the CH domain. The internet is revolutionising

the ways in which all organisations work. The ability to generate new services and to interact with audiences, visitors and customers in new ways represents an exciting opportunity for all those seeking to contribute to and enhance cultural and learning experiences. The awareness that there is a need to create new online services, targeted to user groups, leads to specific requirements supporting services and systems must meet: to enhance and improve the access to the collections, to support multilinguality and to consider and support actual standards and rules in the digital environment (e. g. copyright management, protection of digitised resources).

19.3.2 Quantitative analysis

In the following we will quantify the potential markets by using secondary market research techniques. Of course the data derived from the various sources provides only a first attempt to the actual number of relevant customers. The selected numbers also vary when some plausibility calculations are undertaken, eg. in building ratios as the size of a country in relation to number of museums, this is mostly due to the different sources of information. We have used different data bases in order to get to these numbers. Actually we can assume, that the real numbers are at a factor 1,5 – 2 higher than described. This is due to the fact, that many of the small museums, galleries, archives and libraries are not listed in the relevant data bases. But nevertheless, the following tables do offer a first glimpse on the market potential. In the following table we do not try to number the size of artists in each country. This seems to be too speculative, as potential partners for REGNET could be professional artists, semi-professional artists but also leisure artists.

Country	small	medium	large	Total	source	population
Germany						82.183 Mio.
museums	1731	243	28	2002	EBC	
galleries	6322	1193	33	7548	EBC	
archives	453	121	8	582	EBC	
libraries	2512	185	228	2715	EBC	
Austria						8.075 Mio.
museums	300	5	2	307	EBC	
galleries	657	18	2	677	EBC	
archives					n.a.	
libraries	1199	11	4	1214	EBC	
Switzerland						7.206 Mio.
museums	368	53		421	EBC	
galleries	1227	63		1290	EBC	
archives				460	NACE: archives&bib.	
libraries	409	39	3	551	EBC	
Spain						39.92 Mio.
museums	467	19		486	EBC	
galleries					n. a.	
archives	45	11		56	EBC	
libraries	1225	65	7	1302	EBC	



France						59.453 Mio.
museums				2038	EBC	
galleries				1995	EBC	
archives				290	EBC	
libraries				3580	EBC	
Belgium						10.26 Mio.
museums	252	278		530	EBC	
galleries					n.a.	
archives					n.a.	
libraries					n.a.	
Flanders (Within Belgium)						6 Mio
museums				353	diverse	
galleries				n.a.		
archives				190	diverse	
libraries				321	diverse	
Netherlands						15.9 Mio.
Museums					n.a.	
galleries					n.a.	
archives				2327	NACE: archives&bib	
libraries				2327	NACE: archives&bib	
Sweden						8.833 Mio.
museums				ca. 1000	(estimate)	
galleries				ca. 517	(estimate)	
archives				ca. 62	(estimate)	
libraries				ca. 700	(estimate)	
Norway						4.49 Mio.
museums				511	www.ssa.no	
galleries				ca. 263	(estimate)	
archives				ca. 32	(estimate)	
libraries				352	www.ssa.no	



Italy						57.34 Mio.
museums				ca. 2000	(estimate)	
galleries				ca. 1500	(estimate)	
archives				ca. 250	(estimate)	
libraries				ca. 3000	(estimate)	
Greece						10.624 Mio.
museums				ca. 287	(estimate)	
galleries				ca. 616	(estimate)	
archives				ca. 75	(estimate)	
libraries				ca. 427	(estimate)	
Denmark						5.33 Mio.
museums				ca. 600	(estimate)	
galleries				ca. 312	(estimate)	
archives				ca. 38	(estimate)	
libraries				ca. 400	(estimate)	

Table 1: Quantitative Market Potential**Legend:**

EBC = European Business Code

NACE = Classification of Economic Activities in the European Community

n.a. = not available

estimate = this data was derived according to ratios (population : number of respective institutions) from similar structured countries

19.4 Users of the services

A great deal of effort has gone into defining the users and their needs. Solutions are made to meet the diverse demands of cultural heritage organisations and end users in Europe.

REGNET proposes a series of essential services between suppliers (museums, art galleries, libraries, archives, artists etc.) and end users, whether they are experts, novices, researchers or just casual visitors. An added advantage is that advanced technology Cultural Service Centres (Web services, web server, virtual reality etc.) create jobs and generate funds through the sale of products and services to third parties. A series of centres, or clusters, are set up to serve this very purpose within the network system. The following tables will summarize the users categories in term of profiles and needs.

	A	B	C
openness and inter-operability of access systems			
provision of online-shops			
provision of an auction module			
provision of a procurement module			



museums, galleries and libraries could charge modest fees for reproduction of information and images			
proper protection of intellectual property rights and copyright, with operational mechanisms for controlling and charging for commercial re-use of material			
balanced between scientific and academic interest in museum/gallery collections or libraries and generic public interest.			
accesses information both from the museum and directly from home			
create a trans-European network of "Cultural Service Centers" in order to sell high quality documents (high quality color prints, 3D digital or solid models)			
obtain a geographical or historical path or map related to an author or movement			
tutorial tours in digital museums			
hyper-media navigation and surfing through different kind of work of art and information (architecture, sculpture, paintings, frescos etc.)			
creation of 'virtual' exhibitions not related to the real one (collection of disseminated works of art, etc)			

Table 2: Needs of the different user groups

Users A	Users B	Users C
<ul style="list-style-type: none"> - Museums - Archives, - Libraries, - Galleries 	<ul style="list-style-type: none"> - Art Restorators - Cultural Associations, Local Entities for the Protection of the Community, Linguistic Reasons, Thematic Museums - Photographers, Scenographers, Directors and/or TV Producers - Curators, Authors, Scenographers, etc - Manufacturing Companies, Advertising Agencies, Sponsors, Public Relations - Children of ages 3-5 - Toddlers and Teenagers - Artists, Technicians, Advertisements - Sponsors - Image Agencies - Merchandise Producers - Art Brokers 	<ul style="list-style-type: none"> - Cultural Tourist - Disabled Cultural Tourists - Tourist Operators/Agencies

Table 3: The different user groups

19.5 Demand for the services

REGNET's main objective is to make art available to the public. It will encourage cultural exchange between countries in Europe and the rest of the world. This is fundamental because the last relevant



studies (Eurobarometer 09/97) have shown that the number of visitors from Japan and America interested in our art is far greater than the 28% of Europeans interested in getting 'on line' to view art. I

Considering the fact that the first step of the CSC services is mainly based on the network dissemination of existing cultural application, we have put our attention to the Internet world of users. Table 4 - Table 6 illustrate how the Internet can offer an easy way to get wired with the system.

	% Interested	% Willing to pay 10 ECU per month	No. of people (millions) willing to pay 10 ECU per month
Multi-Media access to museum collections using email	28	7	19

Source : Compiled from "Eurobarometer", number 47.0

Table 4: Interest in using the Internet for various services

Country	% Interested
Italy	39
Sweden	38
Spain	34
Portugal	34
Greece	31
France	29
Finland	29
Luxembourg	29
EU Average	28
The Netherlands	27
Denmark	27
UK	23
Austria	23
Belgium	22
Ireland	21
Germany	18

Source : Compiled from "Eurobarometer", number 47.0

Table 5: Interest in using the Internet for On-line Museum Visits by Country

Socio-economic characteristics of those willing to pay an Ecu 10 monthly subscription fee for on-line access to museums:

		% Willing
A. Sex	Male	8
	Female	8
B. Age	15-24	9



	25-39	9
	40-54	9
	55+	5
C. Education	Full-time to 15	3
	16-19	7
	20+	15
	Still studying	23
D. Occupation	Self-employed	11
	Managers	14
	White collar	9
	Manual	6
	House persons	5
	Unemployed	8
E. Income	Lowest	4
	Low	8
	High	9
	Highest	12

Source : Compiled from "Eurobarometer", number 47.0

Table 6: Willingness to pay monthly subscription fees

The major considerations that can be resumed are the following:

- Access Systems
 - 28% use PCs at Home (22% interested)
 - 15% have CD-Roms (24% interested)
 - Internet usage low (4%), but interested high (24%)
 - Scandinavian & Benelux countries have highest use (and interest) in the Internet
- On-Line Museum Visits
 - 28% are interested. 19 million people
 - Interest is highest in Southern Europe & Scandinavia
 - Most willing to pay are :
 - 25-54 years olds
 - Highly educated & still studying
 - Managers & self-employed



- & have high incomes
- Possible new revenue stream of 1 bn/ECU/year

Source : [\[Databank Consulting\]](#)

REGNET represents a particular initiative as far as we didn't see any other European project concerning both services and products on the field of cultural heritage already activated in a organized structure as this one.

20 What does REGNET offer? Products and services

20.1 Where are the needs of the cultural market?

In the Information Society, in the long run, the importance of the digital resources will increase in the memory of a nation as it is more readily available and accessible than analogue cultural heritage resources. The experts participating in the DigiCULT study identified several challenges they think a national cultural heritage policy should address in order to reach national policy objectives. These challenges are:

- the need for a diverse and multilingual approach to cultural heritage
- the need for a systematic, comprehensive and transparent methodology to digitisation
- the need to integrate small cultural heritage institutions across the sectors and in the regions
- the need for low-barrier access
- the need for an understanding of new target groups and markets
- the need for a methodology for future use of cultural heritage materials

20.2 REGNET Product and service portfolio: Customer benefit and USP

20.2.1 REGNET-System as whole integrated concept

In this chapter we describe the features of the REGNET-System as they will be on offer to the customers. For a more detailed description of the most important product and service categories listed here see Chapter 20.2.2.

Products/services (= features) REGNET will offer	<ol style="list-style-type: none"> 1. Information Services (News, Events, Forum, Calendar, guidelines etc. – personalised IS) 2. Search&Retrieval (Collections), Topic Explorer 3. Virtual Tours 4. E-Business services 5. Research 6. Consultation work (standards integration etc...) 7. Cooperative Thesaurus Management 8. Remote Data Entry 9. Remote Data Hosting 10. Remote Publishing 11. Teach & Learn
The main target groups for this respective features	CH organizations, Universities, Students, scholars, professors, Art professionals, curators, CH companies, tourists, individuals, art brokers, archive managers, artists, publishers, public administration offices etc...
The benefit that arises for the customer by using/buying this feature	Integration of a wide variety of services dedicated to cultural heritage due to different CSC cooperation, (mobile access) (personalised services)
This benefit can be quantified in terms of	Example:

money, time, quality, ...	Remote Data Hosting: Because of the service agreement the customer does not have to establish the whole technical infrastructure (together with yearly upgrades, personnel training etc...) for its database. The service Centre administers his data with latest technology environment according to international standards provisions. Top security (saving) measures are guaranteed. First calculation: 1 week consultancy and training + Membership fee (basis 1 year).
Competitors who provide similar features	See individual profiles
Why this feature is an USP for REGNET	The USP is the wide variety of services dedicated to cultural heritage (services pool) that will be offered by one portal due to the integration of different CSC services throughout Europe
How the customers get what they need, expect and how it is secured that there is nothing missing	A common marketing line is very important and continually feedback surveys.
How the cycle of this features looks like	After ½ year introduction phase marketing activities and user feedback will define further development and extension which will continue in ½ to 1 year cycles
Why these features and services are protected from imitators	Imitation should only be possible for parts of the services – but the growing network that will lead to continuous further integration of products/services to the catalogue will be very difficult to imitate
The main advantage for the customers	The diversity of services on one platform over many regions and countries. The distributed CSCs behind the REGNET network offering national specialised services as well as international consultation work, products and services.
Does this feature have a “dangerous” competitor?	Not at the moment, (OpenHeritage)
Further remarks	non

Table 7: REGNET service and product portfolio (overview)

20.2.2 REGNET-System-Components: Differentiation according to each feature

20.2.2.1 Information services

Information services could comprise general information about the REGNET site (mission, goals, usage etc.), membership conditions and the cultural institutions and collections which are part of the REGNET network as well as information of general interest like news, events and products. For specific user groups (special interest) thematic content products could be provided like ICT-infrastructure guidelines, information about CH-related standards, digitising methodologies, thesauri, guidelines for terminological work, educational materials etc. All information services should be adaptable for the needs of individual user groups (e. g. specific thematic newsletter) and individual users/institutions. Example: for registered users a feature should be offered to subscribe to specific information channels and to transfer events of interest in the own calendar. Typical information services are:

- Knowledge base (for a permanent storage of all relevant information),
- Newsletter,

- Newsboard(s),
- Calendars,
- Mailing lists,
- Forum.

Mailing lists should be offered to subscribed users according to their interests. A newsboard aims to organize news and events in a simple and user-oriented way. It should have an archive functionality to search for older information. A forum e. g. informs about events, seminars and news. For some best practise examples look at domain specific web sites like:

- www.museum.nl
- www.museumstuff.com
- www.russianculture.ru
- www.museum.com

Several respective associations in the cultural heritage area provide information services, e.g.: NINCH, AMOL, ... OpenHeritage will offer information services too and focuses on regional museum and tourist related information. To sum up one can say that these services can be frequently found in websites of the museum domain, information services are also available for librarians on the web, for archivists they are quite rare. A detailed profil for the envisaged information services is given in Table 8.

Products/services (= features) REGNET will offer	<ul style="list-style-type: none"> • Knowledge base with free part and access-restricted areas; to store all articles, news, materials of general and special interest • Newsboard and newsletter for the publication of thematic news and general news referring to the portal and REGNET services and network • Event calendar (seminar, workshops, exhibitions) • Discussion board/forum • Mailing lists • General help (About REGNET, partners, business opportunities, membership, ...)
The main target groups for this respective features	All CH organizations (professional users) as well as all interested end user.
The benefit that arises for the customer by using/buying this feature	Add-On: professional support Integration of a wide variety of services dedicated to cultural heritage due to different CSC cooperation, (mobile access) (personalised services)
This benefit can be quantified in terms of money, time, quality, ...	Use and share of expertise, one-stop-shop for all relevant information related to CH data management etc.
Competitors who provide similar features	Not applicable. Not competitors, but best-practise examples, e. g. www.museum.nl , www.museumstuff.com , www.russianculture.ru , www.museum.com
Why this feature is an USP for REGNET	The USP could be the add-on: when becoming a member access will be providing to the huge knowledge base combined with push and personalisation features.

How the customers get what they need, expect and how it is secured that there is nothing missing	Conduct feedback surveys and integrate feedback mechanism (e. g. voting of articles, statistical analysis).
How the cycle of this features looks like	After providing basic information services, the content base could be developed continuously, integrating also member resources by offering content management facilities.
Why these features and services are protected from imitators	Imitation should only be possible for parts of the services – but the growing network that will lead to continuous further integration of products/services to the catalogue will be very difficult to imitate
The main advantage for the customers	Additional information and support of internal work processes, share of expertise.
Does this feature have a “dangerous” competitor?	No
Further remarks	non

Table 8: REGNET information services (profile)

20.2.2.2 Search and retrieval services

Search and retrieval services – together with browsing facilities like the topic explorer - are important services of REGNET. They should be provided for collection and item search, for product search in the shop and as an distributed search using all collections/catalogues. Looking at the set of search results in all cases browsing features are needed for a simple overview and detailed item information. The browsing functions can also be used as an access point to collections, virtual galleries, topic maps or product categories in the shop. According to the level of expertise simple or advanced search possibilities can be divided. For a simple search a single freetext input-field is satisfying. The advanced search however need to give options for index search (e.g. thesauri search), field search (metadata search: e.g. search by artist name etc., dependant on data structures for different domains and databases) and contextual search. A detailed service profile is given in Table 9.

Products/services (= features) REGNET will offer	<ul style="list-style-type: none"> • Search in single collections • Browsing facilities, e. g. topic explorer • Multisite search Personalisation of search, different search modi (simple and advanced)
The main target groups for this respective features	Professional users (internal), end user, researches (in-depth search)
The benefit that arises for the customer by using/buying this feature	Searching a variety of collections from different domains, provide access to the own collection to own users (web-based) and in a broader context (network).
This benefit can be quantified in terms of money, time, quality, ...	One search question (syntax) – results of distributed catalogues

Competitors who provide similar features	Libraries: search over distributed databases is available since several years. Distributed catalogues in the cultural heritage area: e.g. RLG, CHIN, the Library of Congress, NUCMC, AMOL, NINCH. A German example: BAM portal in Baden-Württemberg provides access to a library, a museum and an archive. Search supported by topic maps is not yet available in this area!
Why this feature is an USP for REGNET	Multisite search combining different domains
How the customers get what they need, expect and how it is secured that there is nothing missing	Specific help regarding the search features, help desk.
How the cycle of this features looks like	
Why these features and services are protected from imitators	Not applicable
The main advantage for the customers	Additional information and support of internal work processes, share of expertise..
Does this feature have a "dangerous" competitor?	No
Further remarks	non

Table 9: REGNET search & retrieval services (profile)

20.2.2.3 Data(base) services

This service category includes the remote data entry and hosting services. These are services for the data management (built up catalogues and databases, e. g. museum database, library catalogue, artist works ...) using web-based tools for input, editing and deleting items. Existing items can be related with digitalizations and background materials as well as with other items of associated topics. Besides the provision of tools these kind of services includes:

- Support in analysing material to be documented,
- Support in definition of data fields,
- Usage of vocabularies for a terminological control,
- Implementation of databases on a web-based system,
- Definition and implementation of user groups and access rights (security concept).

A special feature is the upload of already existing data from databases. Services will be offered for the conversion of existing data. Databases and data will be hosted on the central server respectively the server of the responsible CSC.

Products/services (= features) REGNET will offer	<ul style="list-style-type: none"> • Web-based tools for data management • Data(base) hosting • Data conversion • Consultancy
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The main target groups for this respective features	Professional users in the different domains
The benefit that arises for the customer by using/buying this feature	Access to innovative, web-based tools for data management.
This benefit can be quantified in terms of money, time, quality, ...	Using the database hosting services no own infrastructure is needed; all databases will be operated by the CSC.
Competitors who provide similar features	<p>Remote data entry: Conventional collection management programs provide increasingly this feature, e.g.: ADLIB, ARGUS v2-AM, CALM2000, DataPoint v4, Epoch (currently developing this feature), KE Emu Electronic Museums,... Recent enterprises, that offer remote data entry via the web are commercial and not domain specific.</p> <p>Remote data hosting: Several data hosting services are available, that are commercial and not domain specific, eg.: www.netstandard.net www.hostingbox.net www.veritance.net</p>
Why this feature is an USP for REGNET	Basic CH related functions, web-based, ASP model.
How the customers get what they need, expect and how it is secured that there is nothing missing	Specific help regarding the data management features, help desk, specific consultancy services
How the cycle of this features looks like	
Why these features and services are protected from imitators	Not applicable
The main advantage for the customers	No own infrastructure needed, easy-to-use.
Does this feature have a "dangerous" competitor?	No
Further remarks	non

Table 10: REGNET data(base) services (profile)

20.2.2.4 (Remote) Publishing services

The publishing services reach from web-publishing features for the own collection (e. g. virtual catalogues and exhibitions) to offline and print publications like CDs, catalogues, brochures. All publications could be personalized. The user can compose a set of items for publication and afterwards publish his/her selection. A PDF- and HTML-Generator is able to create the respective files

with some additional presentation features for CD-ROM and web-publishing. Additional services to be offered are the design of individualised publications and storyboard writing.

Products/services (= features) REGNET will offer	<ul style="list-style-type: none"> • Web-publishing tools for the preparation of virtual galleries, thematic catalogues etc. • Offline-/Print publishing tools • Personalized publications • E-Learning products • Stylesheets, storyboard writing
The main target groups for this respective features	Professional users in the different domains
The benefit that arises for the customer by using/buying this feature	Combination of data management and publications – both web-based and available using the same interface
This benefit can be quantified in terms of money, time, quality, ...	Starting from the databases stored items could be selected for a direct publication in different formats/products.
Competitors who provide similar features	There are several publishing services available in the web, they all are also commercial and not domain specific (www.iprint.com, www.publishyourbook.iuniverse.com, www.trafford.com).
Why this feature is an USP for REGNET	Domain-specific publishing tools combined with other tools for data management and e-commerce.
How the customers get what they need, expect and how it is secured that there is nothing missing	Specific help regarding the publishing features, own authoring tools
How the cycle of this features looks like	
Why these features and services are protected from imitators	
The main advantage for the customers	Integration of different tools using the same interface
Does this feature have a "dangerous" competitor?	No
Further remarks	non

Table 11: REGNET publishing services (profile)

20.2.2.5 E-Business services

To manage all business-related processes and tasks appropriate tools have to be provided. This means an input and editing form for all kind of item information, which includes "sales-related" information, prices and special conditions. Also tours and ticket data should be updateable here. Already existing items can be assigned to other shop topics or gift categories or be removed from the

catalogue. The ordering and stock management should be supported by services as well. Services in the B2B section are guiding methods to find partners and to get in contact with them. This will be a line-of-business-orientated catalogue of partners and their contact addresses (e.g. promotion, digitalization, transport) for works and secondary products (e.g. labels, poster, T-shirts). The contacts can be organized in a kind of address book.

Products/services (= features) REGNET will offer	<ul style="list-style-type: none"> • E-Shop tools, catalogue management • Partner search/e-Procurement system • Auction system
The main target groups for this respective features	Professional users in the different domains (e. g. shop keepers=
The benefit that arises for the customer by using/buying this feature	
This benefit can be quantified in terms of money, time, quality, ...	Starting from the databases sellable items could be related; e-commerce will be supported using one interface
Competitors who provide similar features	Many single museums offer their goods in virtual museum shops and their tickets via the web. Large museumshops that do not pertain to a specific museum e.g.: www.museumshop.com , www.postershop.com , www.europostershop.com . SCRAN also offers sellable goods. Openheritage will offer museum and regional goods in its shop. Some singular enterprises offer their goods for museum procurement via the web, e.g.: http://www.antennaaudio.com . A comprehensive website for procurement of cultural heritage institutions could not be found.
Why this feature is an USP for REGNET	Domain-specific e-Commerce tools for CH organisations.
How the customers get what they need, expect and how it is secured that there is nothing missing	Specific help regarding the features, catalogue management functionalities
How the cycle of this features looks like	
Why these features and services are protected from imitators	
The main advantage for the customers	Integrated set of e-Business tools adapted to the needs of the CH community, combined to the general database management (workflows)
Does this feature have a "dangerous" competitor?	Standalone solutions
Further remarks	Non

Table 12: REGNET e-business services (profile)



20.2.2.6 Other services

Other services listed in the first overview will not be discussed in detail. Only the following hints concerning main competitors should be given:

Creation of Virtual Tours

Software for creating virtual tours is available in a wide variety: Infobyte (www.infobyte.com), Photovista (www.mgisoft.com), Visual Tour (www.visualtour.com),... This products are commercial and not domain specific.

Research

Facilities for researchers available in the web depend highly on the association/institution and the area of research. Emphasis for research via the web lies in cooperative research (see Cooperative Thesaurus Management).

Consultation work

Consultation, particularly concerning documentation standards is available on several websites of expert associations and respective domains: CHIN, MDA, NINCH, CLIR, MCN, A & MI. Openheritage will also provide support and information for the museum domain.

Cooperative Thesaurus Management

No website known.

Creation of material for Teach & Learn

Guidelines and tools for the creation for teaching & learning are also available in the web, e.g.: www.imsglobal.org.

For a detailed list of services see Appendix I.

Abbreviations used in this chapter:

AAM: American Association of Museums AAM <http://www.aam-us.org/>

A&MI: Archives and Museums Informatics www.archimuse.com

AMOL: Australian Museums and Galleries online www.amol.org.au

BAM: Bibliotheken, Archive, Museen, Baden Württemberg www.bam-bw.de

CHIN: Canadian Heritage Information Network www.chin.gc.ca

CLIR: Council of Library and Information Resources www.clir.org

ICOM: International Council of Museums www.icom.org

LOC: Library of Congress: lcweb.loc.gov/

MCN: Museum Computer Network www.mcn.edu

MDA: Museum Documentation Association <http://www.mda.org.uk/>

NINCH: National Initiative for a Networked Cultural Heritage www.ninch.org

NUCMC: National Union Catalogue of Manuscript Collection
<http://lcweb.loc.gov/coll/nucmc/nucmc.html>

RLG: Research Library Group, www.rlg.org

SCRAN: www.scran.ac.uk

A detailed list of the features and services can be found in appendix 1.



20.3 REGNETs unique selling proposition (USP)

The value of the REGNET-System lies fundamentally in its contribution to the European objective of providing low-barrier access to cultural heritage to all its citizens. Affordable, high-speed Internet access for everyone and networked convergence and interoperability for ease of access are key conditions for the realisation of this objective. REGNET's contribution regards the second key condition for universal access: the possibility of seamless access across institutional and sectoral boundaries. Seamless access demands agreeing on shared metadata standards for object description. REGNET addresses the issue of metadata definitions for both CH related data and e-business data through a harmonized search and retrieval facility across different domains. The technical and legal framework of the system will enable a collaborative process facilitating standardization, thus providing for seamless cross-institutional and cross-sectoral access. A further, and equally important, contribution made by REGNET is that of supporting small CH institutions and regional cultural heritage initiatives. REGNET offers a supportive infrastructure helping small and medium-sized museums, galleries, archives and libraries to set up and manage digital collections. Through the system of Regional Poles, small and under-resourced CH institutions are given the chance to participate in e-culture initiatives and make full use of the opportunities offered by new technologies.

The Regional Poles are in an ideal position to connect regional initiatives to a higher level European framework, as well as enabling such initiatives to get on board larger initiatives or projects. Interconnections of this type, both horizontal and vertical, would help smaller institutions in terms of visibility and with regards maximizing the revenue-generating potential of their cultural assets. The Regional Poles, as language and user-friendly access points to the system as a whole, have the advantage of being able to cater directly to a known environment and audience. They enable access through an interface meeting their audience's needs and are able to add value to services appropriately tailored for the specific communities of users.

21 Competition and Best-Practice-Analysis

In this part of the report the competition situation is being described. What organisations, what products can be found on the market, what are their respective strenghts, what are their weaknesses in comparison with the REGNET-System? This benchmarking approach offers valuable insights into the logic of the market and demonstrates proofed strategies. Best practices are identified, which can provide a good base line for marketing the REGNET-System.

21.1 Canadian Heritage Information Network (CHIN)

Name	CHIN (Canadian Heritage Information Network)
Projects, Services, Products in the EU	Broker effective access to Canadian and international heritage information for public education and enjoyment and for collective benefit of Canadian museums
Name and location, countries being addressed	<ul style="list-style-type: none"> • Canadian Heritage Information Network Quebec, Canada • Department of Canadian Heritage
Characterize the competitor (employees, keys, etc.)	<ul style="list-style-type: none"> • Direction: 4 Program development (marketing virtual, museum invest.: 31 • Systems and access (techn.): 16 • Services&admin.:10+700 member institutions across Canada 200.000 images millions of records
Key features of the competing product	Near to full coverage of all aspects of the production an consultation of (Canadian) cultural heritage information resources
The difference between REGNET and the competing product	<ul style="list-style-type: none"> • Canada vs. European • Education oriented vs. various types of users • Bilingualism vs. full multilingualism • Classic vs. knowledge based search • CHIN data structure vs. open structure
Strategy and instruments the competitor uses to access the market	Promote Canadian cultural heritage by sponsoring initiatives in this area and by offering free access to this content
Range of products and services they offer	Services: guidance and support for: <ul style="list-style-type: none"> • Creating/managing digital content • Intellectual property • Collection management • Standards • Reference library • Exhibition exchange • Conservation
How they sell and support their products, their distribution	<ul style="list-style-type: none"> • No selling • Seems to be sponsored by governmental bodies although,



channel	not explicitly stated
Their innovation potential	Adapted several times to newer technologies since they started in 1972 (telecommunications, data entry facilities, the Internet)
Their profitability	<ul style="list-style-type: none"> • Not-for-profit organisation • members pay no fee • they have to contribute content extra benefits: call for proposals, discount for events, courses
Special strengths and weaknesses	+ fully bilingual English-French + broad coverage of all digital cultural heritage aspects; + excellent proven track record - e-Business features
Further remarks	non

Table 13: Competitor profile CHIN

21.2 The Art Museum Image Consortium (AMICO)

Name	AMICO (The Art Museum Image Consortium)
Projects, Services, Products in the EU	<ul style="list-style-type: none"> • Compilation of digital multimedia • Documentation of works of art contributed by AMICO members
Name and location, countries being addressed	Art Museum Image Consortium (AMICO) non-profit organisation based in the US (Pittsburgh) with worldwide addressing
Characterize the competitor (employees, keys, etc.)	<ul style="list-style-type: none"> • Non-profit organisation Members/suscr.: 36, Pure subscribers: 162 • Board chosen out of the members • Staff contracted from members
Key features of the competing product	Gathering/consulting of digital multimedia docum. of works of art. Some characteristics: <ul style="list-style-type: none"> • Text record: ASCII • ISO Latin 1 • Image: 1024x786 min • Bit depth : 24 • Uncompressed TIFF • Related documents: TIFF, GIF, ASSCI, RTF, HTML, SGML
The difference between REGNET and the competing product	<ul style="list-style-type: none"> • Strong US oriented vs. European focus • Educational use vs. various types of usage • No multilingual support vs. full multilingualism • Classic vs. knowledge based search
Strategy and instruments	<ul style="list-style-type: none"> • Internet



competitor uses to access the market	<ul style="list-style-type: none"> Existing Business community
Range of products and services they offer	<p>Services to members:</p> <ul style="list-style-type: none"> Technology information (guidelines, standards) Data enhancement (DOI, watermarking, meta data, SGML,...) Catalogue management (directory creation, interfaces) Rights management Customer monitoring analysis Collaborative partnering (technology, telecom, partners, ...)
How they sell and support their products, their distribution channel	<ul style="list-style-type: none"> For members: directly through AMICO For subscribers: through third party distributors such as: RLG, H.W. Wilson, SCRAN, VTLS on a worldwide basis; OhioLink and University of Michigan on a restricted basis
Their innovation potential	Offering a coherent way for distribution and navigation of cultural heritage content. Setting a "de facto" standard
Their profitability	<ul style="list-style-type: none"> Not-for-profit organisation Income trough: membership fees, – subscription fees indirectly via distributors for mainly big cultural and/or educational institutes
Special strengths and weaknesses	<p>+ clear guidelines and data structures</p> <p>+ proven track record</p> <p>- mainly cataloguing and imaging based</p> <p>- e-Business features</p> <p>- real multilingualism</p> <p>- flexibility and openness</p> <p>heavily US-Anglo-Saxon oriented.</p>
Further remarks	<p>Membership fee depends on annual operating budget (x)</p> <p>x < \$5m : 2.500\$</p> <p>\$5m < x < \$10m : 3.500\$</p> <p>x > \$10m : 5.000\$</p> <p>Rebate based on number of works contributed and quality of documentation provided</p> <p>Subscription fee example (RLG)</p> <p><2000 students: 2000\$</p> <p>>25.000 students: 10.000\$</p>

Table 14: Competitor profile AMICO



21.3 Research Libraries Group

Name	RLG (Research Libraries Group)
Projects, Services, Products in the EU	Through collaborative action, improve access to information that supports research and learning
Name and location, countries being addressed	<ul style="list-style-type: none"> Research Libraries Group (RLG) non-profit organisation based in the US (Mountain View) with worldwide addressing
Characterize the competitor (employees, keys, etc.)	<ul style="list-style-type: none"> Non-profit organisation Members : +160 ; 73% US, 21% Europe (mostly UK) 50%univ., 25% primary sources, 20% museums 42 million titles 125 million records
Key features of the competing product	<p>Gathering/consulting of digital multimedia docum. of works of ar. Some characteristics:</p> <p>MARC, Z39.50, ISO-ILL, Unicode, EAD, METS, ICOM-CIDOC, OAIS</p>
The difference between REGNET and the competing product	<ul style="list-style-type: none"> Strong US oriented vs. European focus Scientific use vs. various type of usage Some multilingual support vs. full multilingualism Strong Z39.50 vs. newer developments (SOAP, ...) classic research vs. knowledge approach
Strategy and instruments the competitor uses to access the market	<p>Direct focus on:</p> <p>Universities, state and private archives, public and private research repositories, historical societies</p>
Range of products and services they offer	<p>Membership:</p> <ul style="list-style-type: none"> consultancy resource sharing grant funding standards knowledge base <p>Resource offerings:</p> <ul style="list-style-type: none"> Library holdings (RLIN) Cultural (multimedia) AMICO Archival info Citations (research) <p>Main tools: Ariel, for delivery of scannable materials, ILL manager for interlibrary loan activity</p>



How they sell and support their products, their distribution channel	<ul style="list-style-type: none"> • HQ: Mountain View US • Satellite: London UK • Plan: New York office • Collaboration with OCLC Online Computer Library Center
Their innovation potential	<ul style="list-style-type: none"> • Mostly established or even older technologies • Newer is a project like "Borrow direct": online loan requests
Their profitability	<ul style="list-style-type: none"> • Not-for-profit organisation • Income: <ul style="list-style-type: none"> – 15% membership fees – + 80%: services fees "some projects" project funding • membership receive discounts on service fees • no government support
Special strengths and weaknesses	<ul style="list-style-type: none"> + proven track record in the academic and research communities – diversity of proprietary access methods – e-Business features – real multilingualism – heavily US-Anglo-Saxon oriented

Table 15: Competitor profile RLG

The following reflects a snapshot of the exhaustive price list of RLG.

Membership fee:

Seems to be negotiated case by case.

Service fees:

DB access by search block:

Nr of search	standard price (\$)	member price (\$)
1000	940	890
10000	7400	7000
100000	63000	59000

DB access by single search:	standard price (\$)	member price (\$)
1,02	0,96	

DB unlimited access subscription:	standard (\$)		member (\$)	
	5 users	10 users	5 users	10 users
RLG Union Catalogue	33000	62000	31350	58900

Start-up fee: 200 \$

Software:

Ariel Document transmission: 949 \$

RLG ILL Manager Interlibrary Loan	standard (\$)	member (\$)
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licence	2500	2370
annual fee	350	330

Prices for network connections are foreseen but this depends heavily on the local situation and offerings.

21.4 ADLIB

Name	ADLIB
Projects, Services, Products in the EU	ADLIB Information Systems Addressing information management systems for museums, archives, libraries.
Name and location, countries being addressed	<ul style="list-style-type: none"> ADLIB Information Systems B.V. Utrecht, Netherlands Subsidiaries in UK, Australia, Germany Representations in Austria, Belgium
Characterize the competitor (employees, keys, etc.)	<ul style="list-style-type: none"> HQ Netherlands (est. 7 persons) Germany (est. 2 persons) Top 5 rating for collection mgmt systems by evaluation of CHIN Installed copies: +50
Key features of the competing product	<ul style="list-style-type: none"> Collection Management System based on CIDOC, Spectrum, Dublin Core ISAD (G), ISAAR (G), MARC. Z39.50 and to a lesser extent EAD, XML (import and export)
The difference between REGNET and the competing product	<ul style="list-style-type: none"> Proprietary solutions vs. open system Specialist oriented vs. various types of users Static content vs. dynamic content Granular product range vs. integrated approach Partial multilingualism vs. full multilingualism Classic vs. knowledge based search
Strategy and instruments the competitor uses to access the market	<ul style="list-style-type: none"> Direct contacts Strong involvement in early initiatives, seminars, committees
Range of products and services they offer	ADLIB Museum, ADLIB Archives, ADLIB Libraries, ADLIB Database, ADLIB Internet Server
How they sell and support their products, their distribution channel	<ul style="list-style-type: none"> Selling through HQ own subsidiaries and representations Support is heavily based on the Internet
Their innovation potential	<ul style="list-style-type: none"> No direct innovation, they follow established standards Take part in early initiatives (Z39.50)
Their profitability	Variety of sources income: Licence, Maintenance, Courses (important), Partner in sponsored projects

Special strengths and weaknesses	+ Well established clientele in Belgium and the Netherlands + Recognised player in concerned domain + excellent internal data structuring - system administration - e-Business features - real multilingualism - openness
Further remarks	Pricing: – Licence: (average per sale) – 2300Euro: single user – 20000Euro: multi user – Maintenance: 15% of list price of licence – Course: 400 Euro per student; 2000 group rate

Table 16: Competitor profile ADLIB

21.5 Bibliotheken, Archive, Museen (BAM)

Name	BAM-Portal (Joint portal of libraries, archives and museums)
Projects, Services, Products in the EU	Online Information Portal of three different kinds of CH organisations to integrate catalogues under a single interface for access and retrieval (end-user portal). To be seen as part of the digital library initiatives, supported by the DFG (German Research Group)
Name and location, countries being addressed	Integrated access to digital holdings/catalogues of <ul style="list-style-type: none"> BSZ (Bibliotheksservicezentrum Baden-Württemberg, Konstanz) for the library holdings LAD (Landesarchivdirektion Baden-Württemberg, Stuttgart) for archives LTAM (Landesmuseum für Technik und Arbeit, Mannheim) for museums German site, integrating only holding of german CH organisations (Baden-Württemberg).
Characterize the competitor (employees, keys, etc.)	<ul style="list-style-type: none"> Consortium of 3 established (service) organisations in the different domains, well-known, high professionalism, regional concentration. Centralised organisation Services&admin.:10+700 member institutions across Canada 200.000 images millions of records
Key features of the competing product	Portal (Search) for a centralised public access, cross-domain searches and links to existing online-databases. Advanced retrieval using intellectual indexing (classification terms/thesauri) and a common thematic catalogue (!) for browsing. Meta data search, fulltext search. No additional services.

The difference between REGNET and the competing product	<ul style="list-style-type: none"> Regional/National vs. international Search services vs. full service portfolio Domain-specific access vs. institutional access (access to individual catalogues)
Strategy and instruments the competitor uses to access the market	Promote the project using established channels in the professional community (mailinglists, events/fairs), own colloquium.
Range of products and services they offer	Search services (<ul style="list-style-type: none"> Simple/Advanced search Cross-domain search and domain-specific search Thematic access using one classification scheme Meta data search and fulltext search
How they sell and support their products, their distribution channel	<ul style="list-style-type: none"> No selling/free access Internet
Their innovation potential	Combination of different domains together with the attempt to support thematic access.
Their profitability	<ul style="list-style-type: none"> members pay no fee
Special strengths and weaknesses	+ combination of different domains + thematic browsing + established institutions - no additional services - lack of information about background, catalogues
Further remarks	non

Table 17: Competitor profile BAM

21.6 Conclusion: Best Practice

The competition and Best-Practice-Analysis should describe the relevant environment for REGNET respectively the products and services to be offered by the Cultural Service Centres. In which way REGNET could and should learn from competitors? Which are well-established models on the market, how could they be adapted? These are the main questions of benchmarking to be answered within the context of this report. The trends and conclusions could be summarized as follows:

- in order to build a broad content (and consultancy) basis all competitors started to cover all (or least different aspects) of cultural heritage (coalescence of different domains),
- multilinguality is of course an important feature for the global market - but on the other side not fully developed. Only small attempts could be identified covering this requirement,
- due to the fact that most of the products and services are information-based (and thereby in need of explanation) a detailed description of available and contractable services is essential,
- data structuring and knowledge-based searches are important necessary features,



- customer loyalty focuses on membership models (often only for non-profit organisations): e. g. free information/access for members, discounts, knowledge exchange within the professional community,
- the pricing model should consist of "package prices", which include some workable configuration und "individual prices" for features, which can be bought if needed.

None of the identified competitors offer a comparable comprehensive product and service portfolio, most of them focus on a certain domain or - as e. g. the BAM-Portal - one specific service aspect. For the REGNET system certainly one possibility to demarcation.

22 Marketing: Generic marketing strategies for REGNET

In this part the marketing concept is being elaborated. Methods and instruments from strategic market planning, such as the life-cycle-concept and the market attractiveness/competitive advantage-portfolio are applied in order to highlight the position of the REGNET-System within its competition environment. Following that some general marketing strategies are developed. These form the basis for each CSC in order to customize and adjust them into their operating market strategies and to develop customized marketing instruments.

22.1 REGNET in Product-Lifecycle-Portfolio (ADL-Portfolio)

The life-cycle concept illustrates the maturity of each product on the respective market. This provides an view, whether the product (REGNET-System) comes to a market which is developing and therefore the market need for such systems may increase, or whether the potential customers already have other systems in use and the need for new systems is not obvious.

The two dimensions which are used are on the one hand the market life cycle, the other one is the competitive position of each competitor on the market. The relative position is concluded from different factors.

In the following figure we provide a view on the new REGNET-System as it can be seen on the cultural market in relation to other existing competing products. We use the other two information categories just for illustrative purposes (Museumplus stands for dedicated informations system, Filemaker Pro stands for Standard software packages):

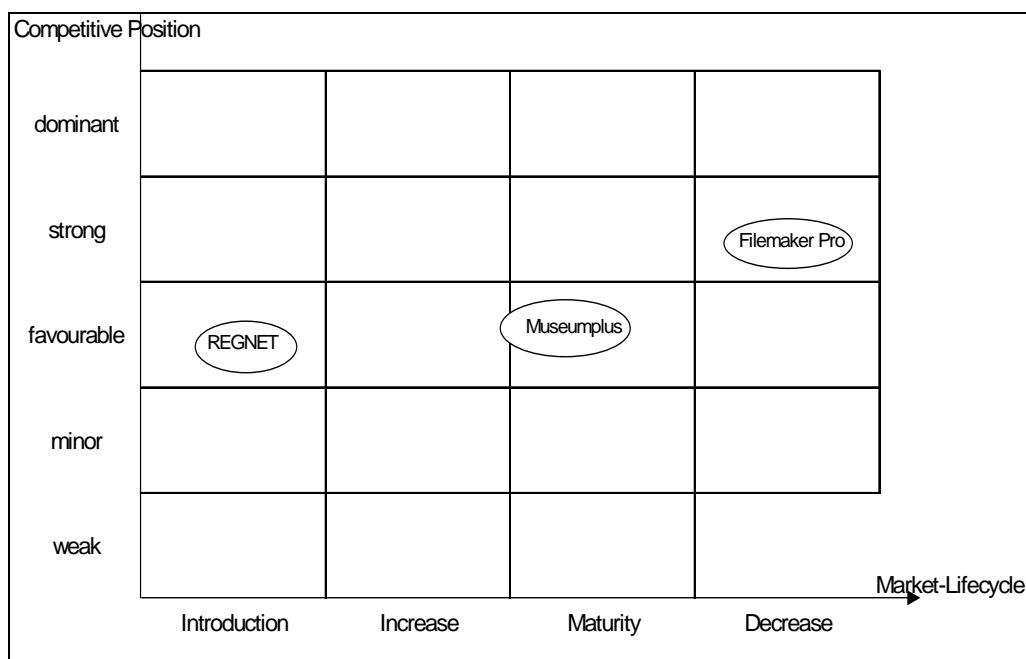


Figure 2: Life Cycle Portfolio

It is obvious, that some generic strategies can be concluded from this positioning. Especially we can draw the conclusion, that the efforts in introducing REGNET to the market must be essential. This will be described later in this report.

22.2 Market-Attractiveness-/Competitive-Advantage-Portfolio (Mc Kinsey-Portfolio)

This portfolio provides a view on the REGNET-System in comparison with other systems taking into account the market attractiveness (possibility of market acceptance of the systems) and the relative

competitive advantage (the resource strength to serve the market) of each competing system. At this stage we again regard the different types of competing systems and do evaluate these in this framework. From this analysis some so-called "norm strategies" can be concluded, that is a set of actions, which usually should be addressed in order to succeed on the market. These have to be adapted to each organisation's capabilities and product circumstances.

The different possible factors for each of the axis can be:

Relative-Competitive-Advantage

- relative market position (for example market share, company size, company growth rate, rentability, marketing potential)
- relative product potential (for example innovativeness, know how, licence agreements, geographical advantages, cost efficiency of the product/system)
- relative research and development potential (for example applied research, innovation cycles, innovation capability of developers or platform offerers)
- relative qualification of the management and staff (for example quality of management systems, professionalism, motivation of staff)

All of these factors are measured in comparison to the best competitor.

Market attractiveness

- market size and market growth rate
- quality of market (for example rentability of sector, position in market life cycle, intensity of competition, number and structure of possible customers, entry barriers for new market entrants, possibility of substitution by other products)
- environment (for example dependency on economic development, law, public opinion)

Out of all these different factors the relevant ones have to be identified and applied for the REGNET project. The different relevance of each factor is being regarded by applying a scoring model with different weights.

We now do provide a basic evaluation of the REGNET-System. The whole portfolio must be developed for each CSC and is an essential business tool.

22.2.1 Market attractiveness

In the following we will provide a brief look at some different factors for market attractiveness.

22.2.1.1 Size of the market

We have delivered in the previous chapters a quantitative analysis of the potential customer base. If we assume, that a specific percentage of the cultural heritage organizations is willing to accept the business model of REGNET, the market potential is huge. Because of the large amount of museums and other cultural organisations which use self-developed software based on available commercial software packages, the need for REGNET as a cost-effective webservice model can be expected as being high.

Estimation: high

Increase in size in future years

22.2.1.2 Intensity in competition

Our market analysis has shown, that in the cultural heritage market there is no predominant information system, the market share is divided into many different software packages, which are in most cases only of national wide importance. European solutions are yet not at the market. Far most of the available information systems are used only in some countries. Of course, the need for a European solution at this stage is not evident; its role comes into play when we expect an European, multilingual audience and European networking, only then the full potential of information systems like

REGNET can be exploited and the need for these systems can be established and communicated to the market.

Estimation: high

22.2.2 Competitive Advantage

This factor indicates the competitive advantage of each system on the market compared to the competing systems. It is mostly based on the strength of available resources, this can be financial, networks, technology, know-how, image and so on.

Just to provide a glance, we have compared REGNET with two other types of products, which are well established on the market. Again, these software categories just do illustrate the general positioning. In each european country there is a different picture, therefor we cannot provide an overall view on it.

Software categories

- Museumplus, referred to as = Museum software
- Own-developed-systems, e.g. Filemaker Pro, referred to as = Standard software

Our conclusion is as following:

Cost for purchase

REGNET	Standard software	Museum software
low	low	middle to high

Market image

REGNET	Standard software	Museum software
middle (as being supported by EU with a big consortium, there should be good trust in the product)	high (packages like Filemaker, MS-ACCESS and others are well available and the producers guarantee further development of the systems).	low (on European basis) (products are until now in an European perspective niche products)

Fitness for use in the cultural heritage area

REGNET	Standard software	Museum software
high (can be used as an out-of-the-box-solution according to current and future needs. Does have some features which go far above the level of usual information systems used in the cultural heritage area. These features, e.g. „networked union applications“ do deliver an decisive added value)	low (no specific functions for the cultural heritage area are available; huge effort for developing and customizing is needed.)	Middle to high (highly developed according to the needs of the specific target group, however they do not provide in a comprehensive way solutions in technical compatibility, standards and networking)

Effort in operation and for maintenance for customer

REGNET	Standard software	Museum software
low (as being an ASP-Software, we can assume low Total Cost of Ownership)	high (dedicated personal is needed, low level of documentation, further development not guaranteed, when developer is not longer in organisation)	low to middle (some local technical support is usually needed by it-skilled professional)

Potential for cooperation with other cultural heritage organisations

REGNET	Standard software	Museum software
high (this is the ultimate USP for REGNET)	low (no integrated cooperation functions available, often not suitable for web-interface)	low (no integrated cooperation functions available, often not suitable for web-interface)

Regarding the different factors and weighting the different importance of each factor, we can develop the following portfolio:

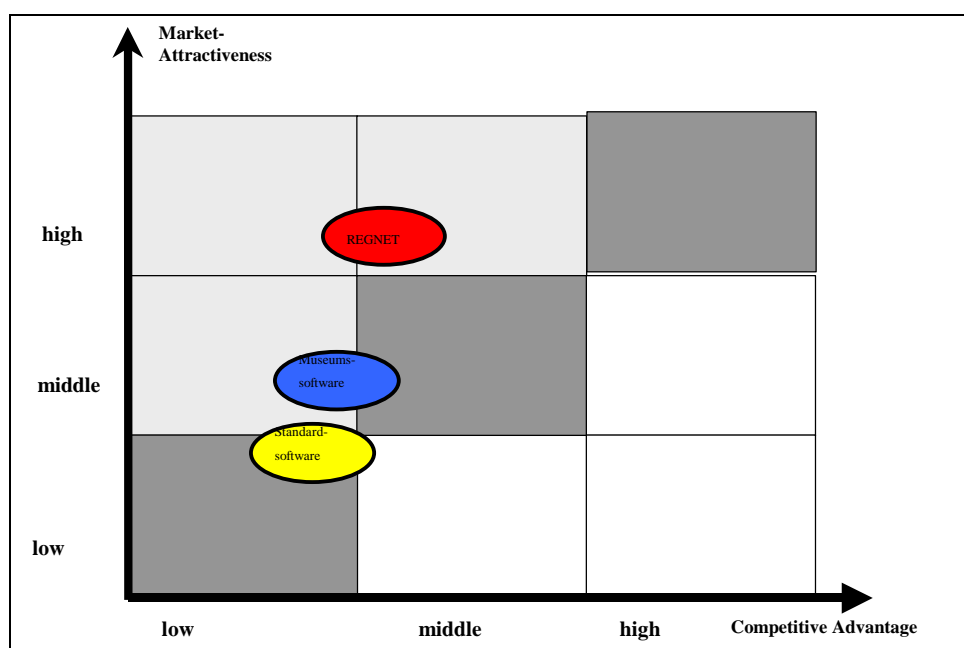


Figure 3: Market-Attractiveness/Resource-Strength-Portfolio

The following norm strategies for REGNET can be concluded:

1. Investment into the market presence is essential
2. Development of the partner network is critical
3. Investment to further the technological leadership and maintain this competitive advantage is of importance.

22.3 REGNET Marketing framework

It is important at this stage to differentiate two different marketing approaches:

1. Customers, who shall subscribe the REGNET-System and use the services offered by the CSC. This is the core customer group. This group is paying for the services and the CSC are being financed by these customers.
2. Users of the REGNET-Portal are the internet users, who get access to the different contents and services offered by the REGNET portal. They are usually not paying for the use of the services.

These two groups require different marketing approaches. Both are linked together: without customers (group 1) there are no contents at the REGNET-Portal. It is critical, to reach a critical mass of customers in a very quick time. And without users (group 2), the attractiveness for the customers to participate in REGNET is limited. Figure 4 illustrates this relationship:

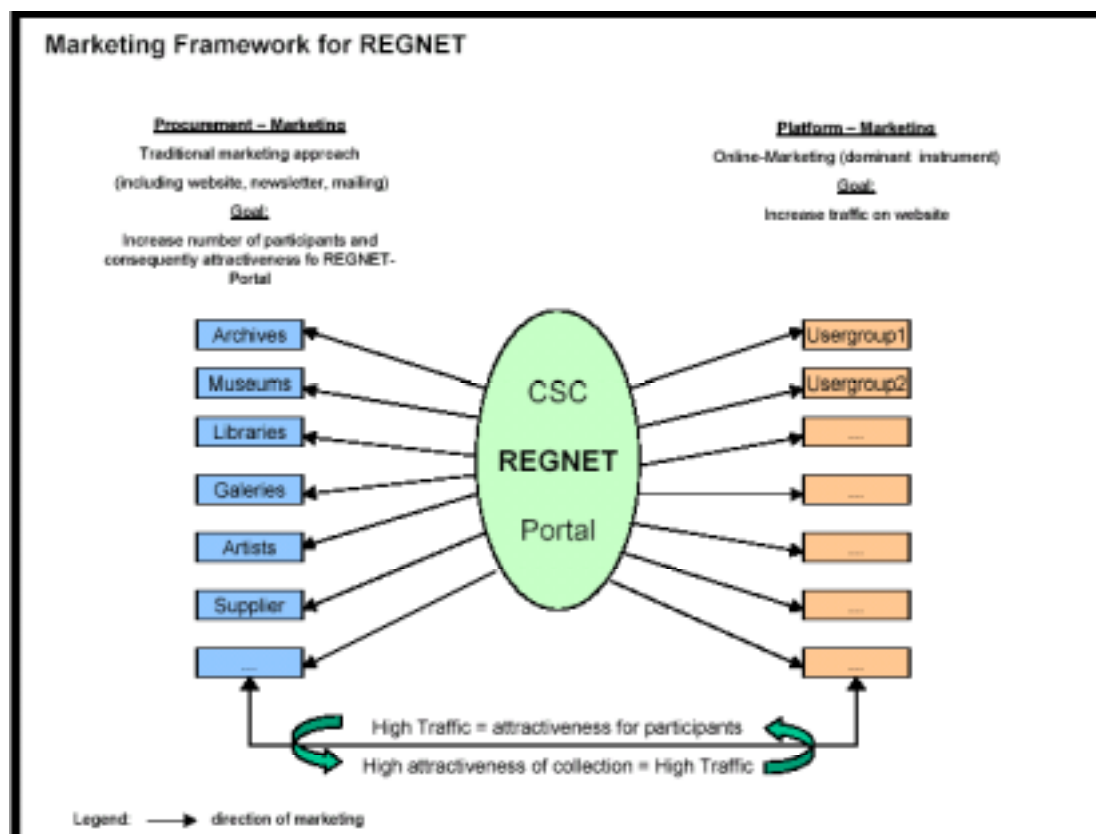


Figure 4: REGNET marketing framework

In the following we provide a basic structure for the marketing instruments. Each CSC has to develop an own marketing strategy, based on these findings. Therefore we provide generic marketing strategies and instruments. These must be adapted by each CSC according to their potential and available resources.

At this level it is important to embed the marketing concept for REGNET into a broad perspective: cultural heritage is important for the society and therefore aspects of societal marketing have to be used. On the other hand, of course there are competing systems and the competitive advantage of REGNET must be communicated and a differentiation from the competitors has to be outlined. Each CSC must prove the benefits in its concept

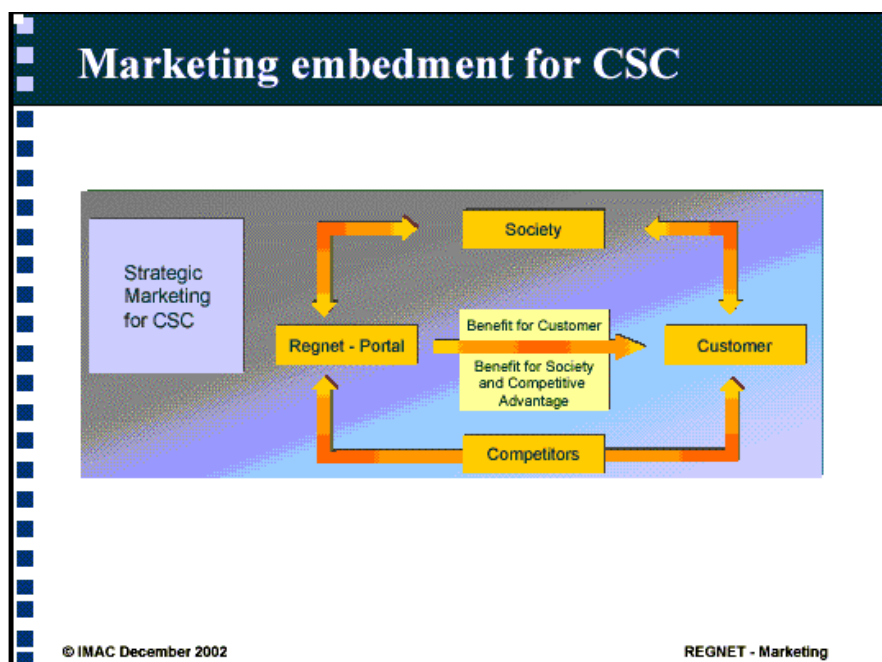


Figure 5: Marketing embedment for CSC

22.4 Positioning of the REGNET-System

The marketing concept for REGNET has to take into account two aspects:

1. REGNET is a system (common platform), which must be communicated clearly as a brand with defined quality standards and availability on the market. It makes sense to define a set of "musts", which must be followed by the participating CSC (franchising principle).
2. Each CSC has to start at this stage and localize this concept to its respective needs. It is important to have clearly defined common sets of marketing instruments and procedures, but to have a flexibility to serve different regional needs.

Figure 6 provides the general concept on how to develop marketing strategies and thus to achieve at the position which is aimed for:

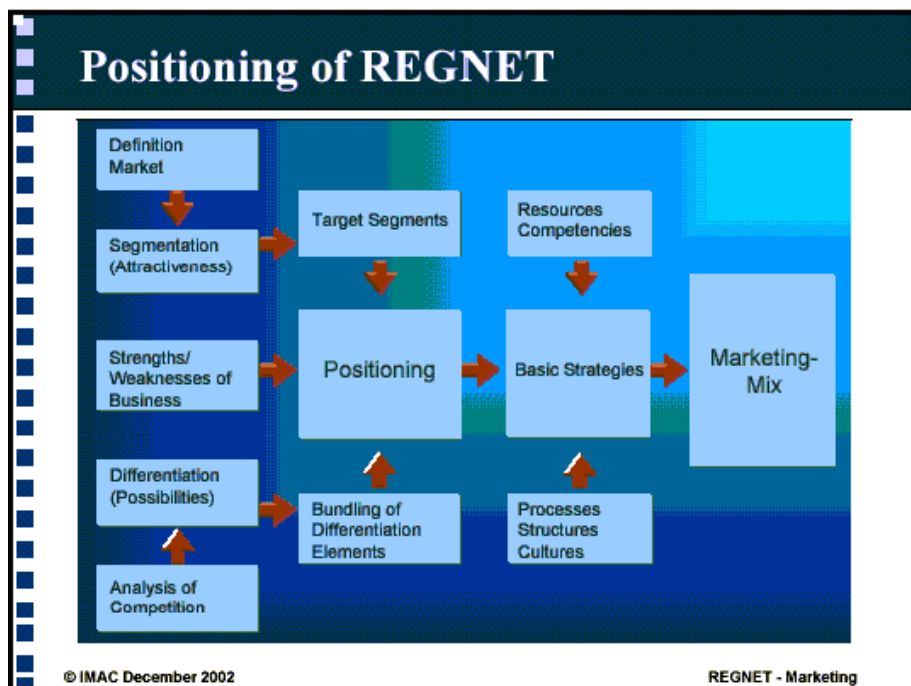


Figure 6: Framework for the development of marketing strategies

The basic analysis for this process has been performed in this report. Based on this, each CSC must develop its own marketing mix.

22.5 Marketing-Mix

Marketing-Mix consists of the different marketing instruments. The following four general instruments are used:

- **Product:** a clear definition on what is being offered to the customer (services and their quality level)
- **Price:** a clear definition on the prices and potential price differentiation according to the different customer groups (price structure)
- **Place:** a clear definition on the different channels, how the product will come to the customer (direct sale, partner network (according to the franchising-concept))
- **Promotion:** a clear definition on the communication policy: What message is to be communicated by which means to whom.

These marketing instruments are based around the solution which satisfies customer needs and solves their problem (management of cultural assets in a networked society). And, these instruments are based around people, who play the key role in this interaction process: people at the side of the customers and people at the side of each CSC. This concept is outlined in Figure 7.

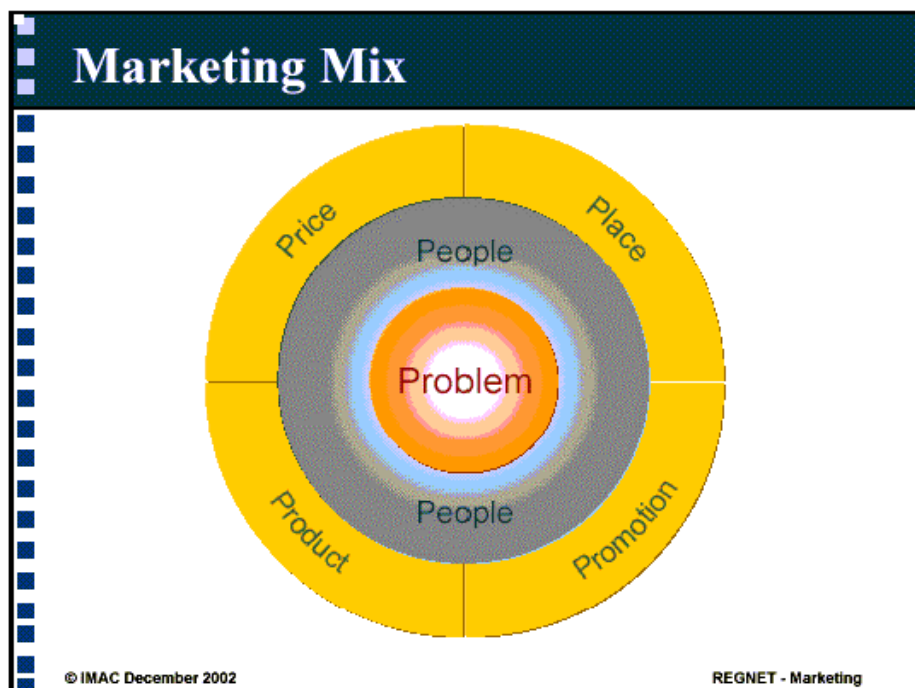


Figure 7: Marketing Mix

22.5.1 Product policy

The range of services has been described earlier in this report. These different services must be modularised:

- Basic services (a set of features for minimal use by a defined customer group)
- Standard services (a set of features for normal use by a defined customer group)
- Premium services (a set of features for excellent use by a defined customer group)

All other features can be subscribed according to the individual needs. Beside this core services of the REGNET-System, the services by each partner within a SCS must be defined, e.g. consulting services, digitising services, logistic services, payment services and so on.

A critical aspect of the REGNET-System is the quality management. Electronic platforms are expected to provide services to customers all times (24 x 7) in defined service level agreements. Therefore quality management is a most important issue. The quality management system should be developed according to the gap model, which is shown in Figure 8.

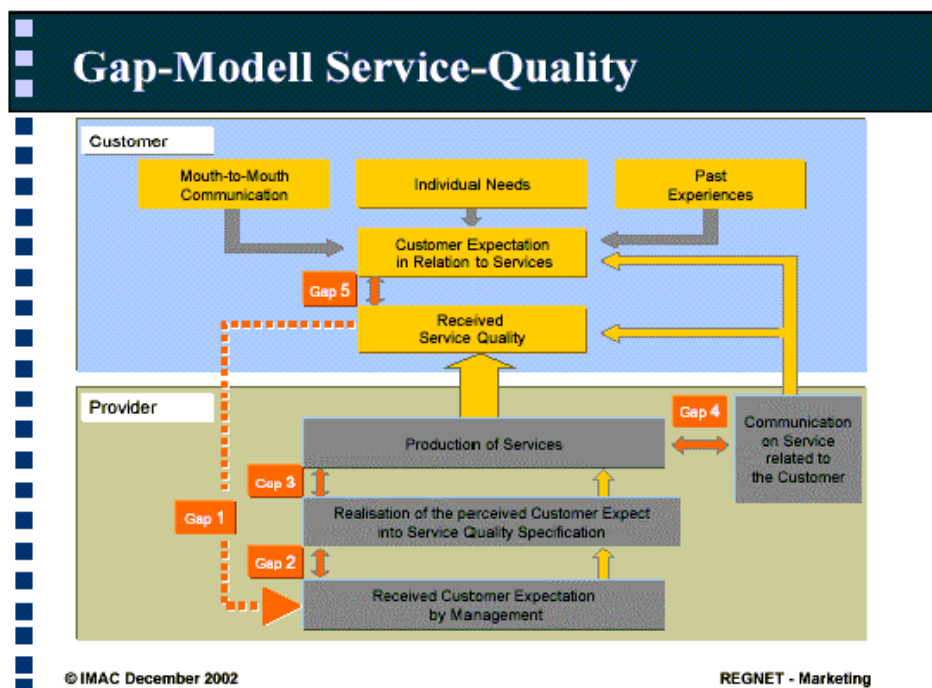


Figure 8: Gap modell

It is strongly suggested to develop a quality management handbook, which is based on this gap model. The EFQM Excellence Model (European Quality Model) provides an excellent guide to this task. Quality of the REGNET-System and of the CSC services will be crucial for the success of the REGNET-System.

22.5.2 Price policy

The pricing policy for the REGNET-System still has to be developed. For this task the following main questions has to be answered:

- What prices for each services and levels (basic, standard, premium services) should be charged?
- What price level for the others feature services should be charged?
- What time frames with what discounts shall be established? Will there be a minimum time frame?
- Will the prices be based on services on offer, on traffic costs, on space required by the customer? What combination of these features?
- `What prices for the consulting, digitising services etc. shall be established?
- Will there be different prices for different customer groups? E.g. non-profit-organisations.
- Will there be introductory prices for a specific period?
- What percentage of the different cost will be charged by REGNET as royalty-fee? How will be the franchise-concept in this regard?

This task has to be carried out between the CSC. An orientation was provided in the best practice chapter, where some examples on pricing structures can be found.

22.5.3 Communication policy

Communication policy is essential during the whole lifecycle of a product, but especially in the market introductory phase. The task to carry out communication lies within the CSC. The whole set of possible measures has to be regarded and taken. In the following figure we du provide an overview of possible and relevant measures. We group them into

- internal or external measures
- personal or nonpersonal measures.

This portfolio of possible communication measures must be developed within each CSC, distributed among the partners, respect some central guidelines for corporate image (ci). The different actions to be taken must be integrated into a communication plan. The different communication measures grouped according the different axes are in Figure 9.

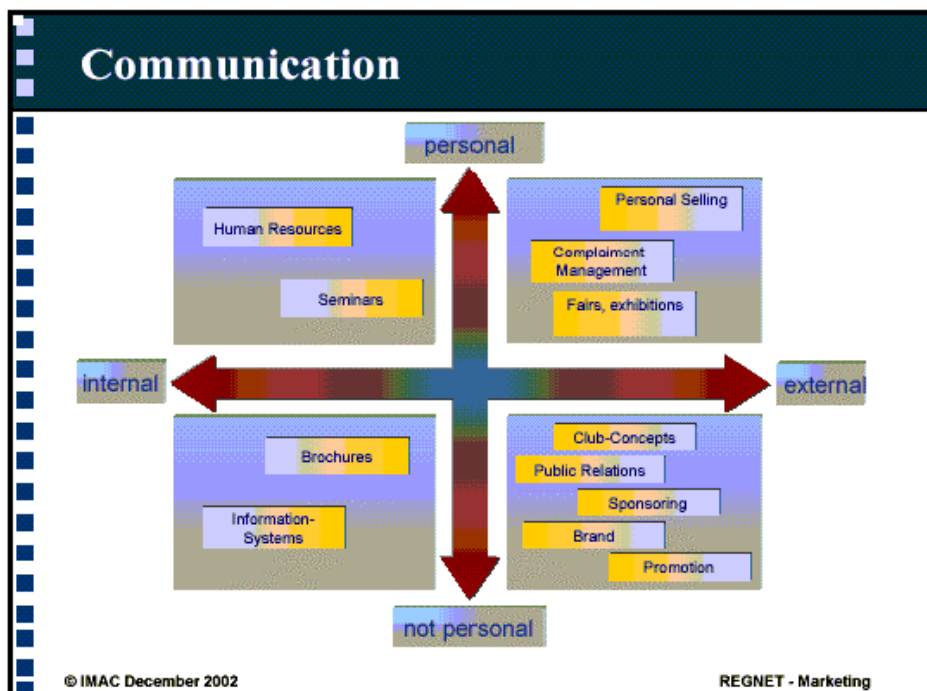


Figure 9: Communication measures

22.5.4 Customer relationship marketing

Especially the concept of relationship marketing is important in a network of different partners, like it will be within a CSC. The structure of a CSC has to provide "one interface" to the customer, although there are several different partners. This should not lead towards inconsistent data. A common database comprising all relevant data on customers and his range of services is a necessity. This database must be accessible by each partner of a CSC. This database should as well allow some data mining techniques (on the data warehouse) in order to conclude some common structures between customers and thus provide hints on future marketing strategies. The concept for customer relationship marketing as it seems to be of importance to CSC is shown in Figure 10.

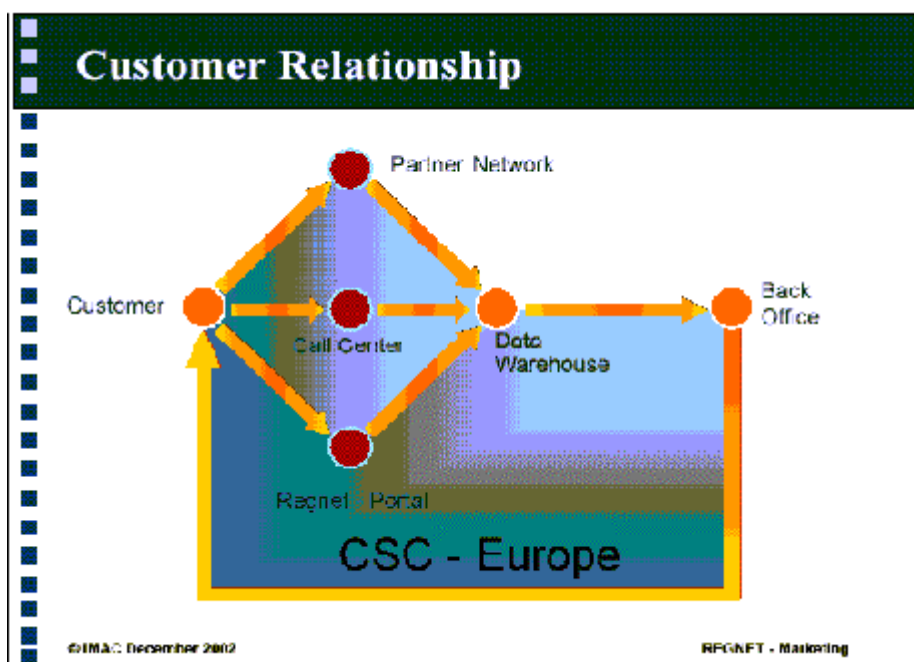


Figure 10: Customer relationship management

A second aspect of customer relationship marketing has an important role for the CSC. It can be assumed, that the relationship with each customer will develop on a long timeframe. The usual path of a relationship will start with the use of some standardised features, but will develop during the customer relationship and integrate further personalised services.

Therefore the application of CRM-Software packages in each CSC with harmonised data procedures within each partnersite seems to be of critical importance for a successful customer management. This concept is illustrated in Figure 11.

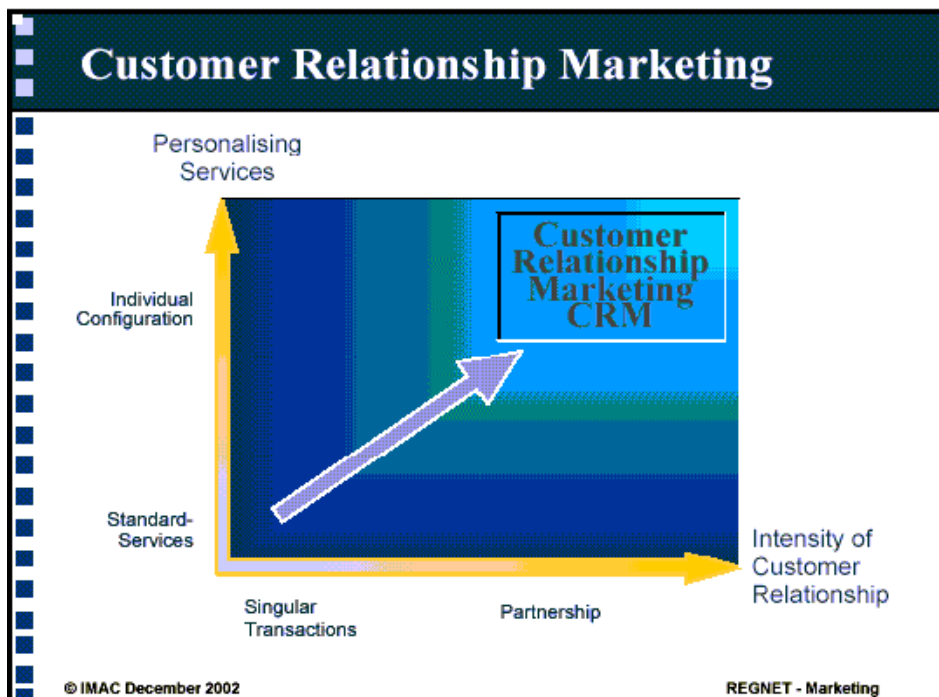


Figure 11: Customer relationship marketing

22.5.5 Communication instruments – online marketing

Within the electronic sphere online communication instruments gain further relevance. The concept of online marketing is of most significant relevance to the marketing of the platform REGNET. Meanwhile the concept of online (or electronic) marketing is widely accepted and the different instruments have been developed. Within the online marketing the following concepts are integrated:

- customer relationship marketing: that means individuality in the communication
- content: the different aspects of relevance are clearly defined
- commitment: each partner is devoted to his role within this network
- experiences: they are an integral aspect of relationship management and based around them
- permission: the partners are willing and open for communication and participation
- co-design: the umbrella and ci of the CSC and REGNET is clearly defined and has a clear image.

Figure 12 illustrates these different relationships:

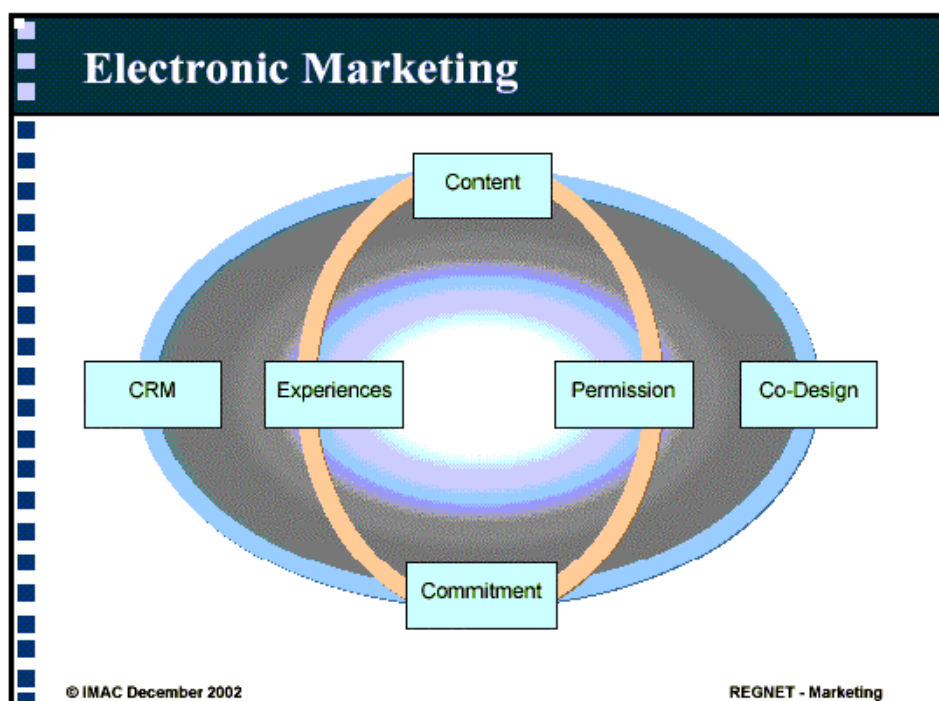


Figure 12: Concept for electronic marketing

Instruments within electronic marketing

The different instruments which should be used either by REGNET or the different CSC are described briefly:

Search engine

An automated system that relies on a software agent (otherwise known as spiders, robots or crawlers) that explores the World Wide Web following links from site to site and catalogues relevant text and content into the search engine's database. The REGNET-System and each CSC have to be registered by relevant search engines. As well the customer sites must be registered with the search engines (Google et. al.)

Search engine optimisation

The process of updating HTML code and choosing targeted keyword phrases related to a site, and ensuring that the site places well when those keywords are queried on search engines.



Search engine submission

Inserting a URL into a search engine "submit" form in order to make the search engine aware of a site or page for indexing and positioning.

Directories

A web search tool compiled manually by human editors. Once websites are submitted with information such as a title and description, they are assessed by an editor and, if deemed suitable for addition, will be listed under one or more subject categories. Users can search across a directory using keywords or phrases, or browse through the subject hierarchy. Best examples of a directory are Yahoo and the Open Directory Project (www.dmoz.org)

Viral Marketing

Encouraging visitors to an online site to pass along a marketing message by providing an incentive for doing so.

FAQ

Frequently Asked Questions. A collection of questions and answers that are regularly asked about a specific subject or area.

Banner

Banners are rectangular, graphic displays with a link to a web page of the advertiser. They are the ads of the WWW and are most of the time shown on WebPages with editorial content. Size differs between 75x75 and 468 x 60 pixel. The advertiser pays the operator of the web page where the ad is shown e.g. by view or by click on the banner. At REGNET-Portal will be some places available for banners. An advertisement management system should be used for the handling and accounting of banners.

Banner exchange

The members of the banner exchange show banners of other members on their web page - e.g. for every shown banner on his page, the advertiser has one impression free on the pages of the other members. Therefore this is a very low-priced method of advertising with the help of banners.

Microsite

A Web page or related series of Web pages maintained as a service to a sponsor or advertiser. Instead of linking directly to the sponsor's Web site, an interactive banner may link to a microsite with detailed information about a specific offer, and the microsite may then provide hyperlinks to the sponsor's Web site. This is advantageous to a sponsor who does not already have a Web site, or who wants to support their offer without having to their corporate Web site.

Discussion Forum

A Web-based discussion group where participants with common interests can exchange open messages.

Doorway pages

Pages designed specifically to improve a website's search engine placement. These pages are also known as bridge pages or doorway pages and are used for a variety of reasons, such as to emphasise particular keywords or phrases; to target the optimisation requirements of a specific search engine; or to overcome the elements of a website that are not 'search engine friendly', such as frames, software applications like Flash or if the website is dynamically written. Care must be taken when using these to achieve a good search engine placement as they can be viewed as spamming if prepared incorrectly.

Affiliate Marketing

Affiliate marketing is the use by a Web site that sells products of other Web sites, called affiliates, to help market the products. Amazon.com, the book seller, created the first large-scale affiliate program and hundreds of other companies have followed since.

**Cookies**

Client-side text file that is used by Web servers to store information about the site visitor and visitor behaviour. Information pertaining to a site can only be read by the side that wrote the information. Used to identify repeat visitors and track visitor behaviour.

Interstitial

An ad that appears in a separate browser window while you wait for a Web page to load.

Sponsorship

Advertisers sponsor content, usually a section of Web site or an email newsletter.

Form

A Web page feature used to request information or take orders from users. Like paper forms, Web forms may use text fields, check-off boxes and multiple choice options to structure user responses and can only be processed when the user clicks a button to submit the form.

Online Press releases:

There are two possibilities: the press releases can be posted on the own homepage or they can be submitted to press release services – both is much easier then doing it in the conventional way (e.g. via fax).

Lotteries

Another form of viral marketing – the user/visitor provides his address, name, etc. and might also deal with the content of the website or with the advertiser, e.g. in forms of a survey or the answering of some questions and receives in return (as far as he is among the winners) a prize.

The advertiser can therefore gain addresses (e.g. for mailings), opinions, etc.

Link exchange

The exchange of links between two different sites. In comparison to the banner exchange there are no amounts of clicks measured, most of the time the deal is only to link to the page of the other partner.

Link list

A collection of links, often concerning one topic. For pertinent websites it might be very important to be listed on popular link lists.

Mailing

A form of email communication with customers or prospective customers to inform them e.g. about special offers and is normally supposed to be a sales appeal. In comparison to a newsletter, a mailing does not need to be sent in regular intervals, also the receivers often don't register to that specific mailing list.

The generation of e mail addresses of prospective customers is a hot topic – taking addresses of people who are not interested in this kind of information is considered as spam and can be fined. An alternative of taking addresses of strangers is e.g. the generation of addresses via lotteries.

Newsletter:

Special form of an mailing – list where the receiver can only answer to the sender, but not to all the other receivers.

Newsletter are often used to inform the (prospective) customers about news concerning the website or the advertiser. The user themselves have to register on the list and should have the possibility to leave the list at any time they like to.

Most of the times a newsletter is sent at regular intervals. REGNET and each CSC should establish a frequent newsletter system.

From this set of possible instruments – which may change over time – a consistent approach must be developed by the CSC.

22.5.6 Distribution policy

REGNET will be operated by several CSC. A CSC will consist of several partners with different roles and responsibilities. There must be a clear picture for the customer, whom to address if questions arise. Within REGNET-CSC it must as well be clearly defined, who is responsible for what. The management of the partnership network within the CSC with members within the CSC and with partners outside the CSC is an important task and to be established.

There must be a clear vision on

- roles of each partner in the network
- responsibilities of each partner
- competences of each partner
- reporting structure (based on the CRM-concept, developed earlier in this report).

Each CSC has to provide a specific range of services which to perform requires specific partners within this network. This should be developed as a “masterplan of required partnerships”, each CSC should following that identify, evaluate, invite, qualify and finally manage the different partners within each CSC. In Figure 13 this concept is illustrated.

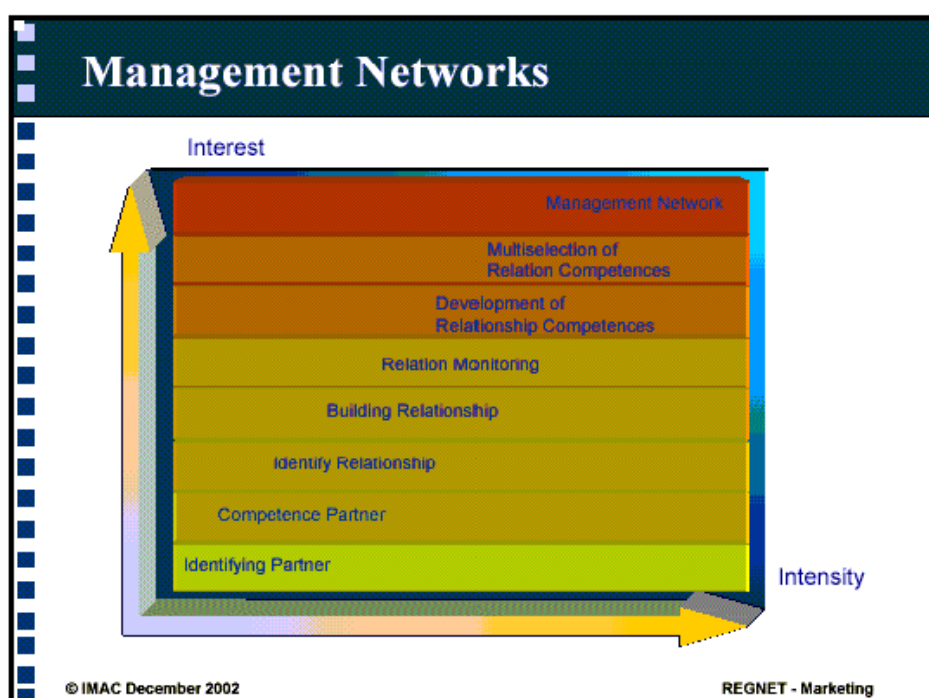


Figure 13: Concept for management networks

The competitive advantage of each CSC depends mostly on the competences within each CSC. These competences are brought in by the different partners. Trust will be an essential critical success factor and must be managed carefully.

22.6 Implementing of Marketing

The implementation of marketing can be distinguished into two phases:

- pre-marketing phase: before operation is started
- marketing phase during the normal business operation

During the pre-marketing phase a lot of actions have been taken: papers at conferences, in journals, participation with posters at exhibitions and several other actions. The aim was, to establish the name REGNET as a brand and to provide a reference base to be drawn upon later. This actions led to the fact, that REGNET is now wellknown within the closer community in cultural heritage. Some first “early” adopters as potential customers of the REGNET-System were identified and invited to take part in the test-bed phase.

In the marketing phase all efforts will be devoted to address further cultural institutions to take part in the REGNET-System and at the same time the broader audience of (internet) end users must be informed about the existence of REGNET. During the two phases, the communication framework may be the following:

Reference targets

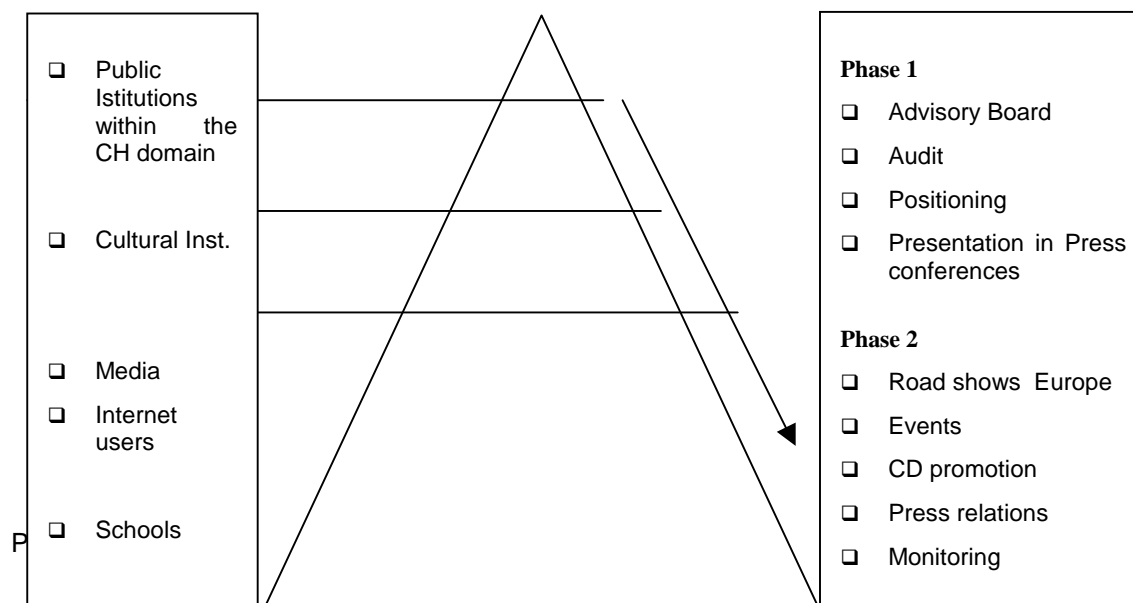


Figure 14: Communication framework (per phases)

Advisory board

It is mandatory to create an Advisory Board in the REGNET International Organisation team, that accordingly to the Scientific committee shall represent all the components involved in the project. It is constituted of Curators and a representant of each partner (company or institution). The Advisory Board activity shall be done every two months and shall be coordinated by the Scientific Committee. Its main objectives are:

- guarantee the correct project implementation
- define the REGNET products
- diffusion of “key messages” during phase 1 and phase 2

Preliminary audit

A Preliminary audit with institutions (external audit) and with project developers (internal audit) shall be done to select the reference project targets. Audits shall collect interviews to define the project strategy, its priorities, targets and critical points.

Project strategy

With audits results the REGNET International Organisation shall realise two sessions with the Advisory Board members. The two sessions shall define the “key messages” to be used in promotional and communication activities devoted to the project.

**Key Messages and spokesperson**

The Advisory Board member sessions shall individuate the “key messages” and the spokespersons to promote the product towards media or during events. Three persons shall be individuated from the Advisory Board. They shall follow a training course to be ready for project diffusion in meetings or towards media.

Road shows

A tour of meetings and conferences shall be organised in some european or extra-european towns with significative cultural traditions. To the meeting shall be invited institutional representative, journalists specialised in cultural heritage or arts. The target shall be the project diffusion to favor knowledge of the real and innovative project characteristics.

Events

Organisation or participating in several events to present the project and its characteristics and functions to the wide public.

Press Office

Realise a press conference to diffuse the project towards european and extra-european media and the wide public. The press office activity shall follow the project evolution up to the last meeting in coincidence with the system start-up.

CD

It shall be realised a CD to allow the diffusion of the project characteristic and its innovative aspects.

Internet promotion

The REGNET internet site shall be promoted by links on all others project related web sites. Free promotional services shall be activated.

Monitoring

REGNET success – numer of visitors, user quality, internet links, comments on media – shall be promoted on media to maintain attention and expectations on the project. This rough overview of possible actions illustrate the dynamic view to the marketing.



23 Case Studies

In this section an illustrative concept for market introduction strategies and activities is compiled. The two case studies provide an excellent basis for the cultural service centers to adopt this approach to the different circumstances as needed. They provide an easy to follow approach in introducing the REGNET-System in a specific market.

23.1 Promotional Activity in Switzerland

23.1.1 Preliminary: The REGNET project

The project REGNET – Cultural Heritage in REGIONAL NETWORKS was originated to support a modern, technical highly-developed and user-friendly documentation and dissemination of cultural heritage in Europe. The concept which is advanced by the EU for the period of two years will be realised by a consortium of 23 project partners coming from ten European Union states as well as Russia and Bulgaria.

The goal of REGNET is to establish a network of service centers (Cultural Service Centers, CSC) which should support cultural heritage organisations (museums, archives and libraries) in creating and operating databases, in developing information services and products as well as in e-Business activities (offer E-Publishing products, museum shop items, auctions). Cultural Heritage of regional interest and related digitised information should be presented via the Internet; for all interested people (artists, experts, tourists) access will be offered via a platform.

The implementation phase of this project is completed since July 2002 and the system will now be tested within the demonstration phase by different user groups in several countries. Doing this the goal now is to introduce the project to a broader public, finding (new) partners and thereby prepare the introduction to the market.

The implementation phase of this project is completed since July 2002 and the system will be tested within the demonstration-phase from different users in several countries. Now, the objective is to introduce the project to the general public, looking for (new) partners in single regions and to prepare the official launch.

Information events/meetings could be organised to start the test phase in different countries and regions. The following case study deals with an event organised by the German project partner IMAC for the market preparation in Germany/Switzerland.

23.1.2 Targets of the demonstration activity

This event can be considered as a prototype for the official launch of the REGNET system. Therefore, the planning, the realisation and the „lessons learned“ have been prepared as a case study. They might serve as best-practice for other project partners in order to use the experiences.

The informational meeting focused on the following targets:

- promotion of REGNET to potential target groups (customers),
- to increase the awareness concerning future demands of cultural organisations within the digital branch of cultural economy
- demonstration of the REGNET-system („Hand-ons“)
- discussion with potential customers about the usage of the system and necessary (future) improvements
- presentation of conditions of participation in the REGNET Testbed
- discussion about the participants' expectations
- collection of addresses and contact data of participants for further marketing activities

During the testing phase – the testbed – all available tools of the system can be used for cataloguing, search & retrieval and e-business for free and non-committally. All functionalities of the system should be tested by various partners. Potential problems and weaknesses can be identified and eliminated. Moreover, necessary improvement could be integrated together with required additional functionalities.

Target group of such an informational meeting are all cultural institutions - alongside museums which are mainly addressed through this campaign, archives, libraries and related institutions. Organisations which like to participate in the testbed provide their test data to the project partner – in this case IMAC – for conversion in the internal data structure and the storage in a XML-database on the central web server. All modifications of data can be made online. The test database is available both as part of whole system (multisite search) and via an individual URL. In return, the participating organisations commit themselves to supply a test report (evaluation report) at the end of the campaign.

At the end of the testbed, each participant has the choice to use the offered services on a regular basis: for reward or in the context of a membership to the Cultural Service Centre Europe. the opportunity. There is no obligation – on request an offer will be made.

23.1.3 Planning and preparation of the action

A structured planning is necessary in order to guarantee the event's success. Alongside with the preparation of the presentation (content) a differentiated and complex marketing is necessary to attract as much as possible participants for such an event.

23.1.3.1 Partners/contacts

An important and maybe also a critical success factor is to enter a partnership with well-established representatives/organisations in the area of cultural economy, e.g. professional associations. IMAC was successful in finding a multiplier: the Association of Museums in Switzerland (www.vms-ams.org), which consists of 950 members and which could profit itself from this alliance using the event as a forum for the own goals and messages as well as a starting point for series of similar events.

Thereby it is possible to

- use venues which are central, approved and consolidated,
- used established communication channels for the announcement,
- to win a permanent promoter for the project (in the case of success).

Finally, the event could gain an „official“ status, which is an important confidence-building operation.

23.1.3.2 Marketing actions

Für die Vermarktung einer solchen Veranstaltung sollten verschiedene Instrumente geeignet kombiniert werden:

- Veröffentlichung eines Beitrags über REGNET und Ankündigung der Informationsveranstaltung in der Mitgliederzeitschrift des Verbandes.
- Comprehensive information about the planned event and the whole concept via a web site (temporarily available at the following URL: <http://regnet.arte24.ch>)

Content of the web site

- Information about the project and the event
- Conditions of participation and registration form for the REGNET Testbed
- Contact information and application form
- Particular actions concerning the invitation to the event via mailing
 - via e-mail: announcement (short text), programme and application form via own distributors (mailing lists), posting in appropriate mailing lists and the usage of e-mail-distributors of other organisations (e.g. the VMS-AMS)
 - via letter: announcement (short text), programme and application form by postal service; the way of execution depends on the return of the email announcement before

- web marketing: announcement using an own web site as well as web sites of related institutions, e.g. other professional associations like the Association for Documentation (SVD-ASD for Switzerland and DGI for Germany).

All actions aim to transmit preliminary information about the programme, application forms and contact addresses for call backs to potential participants. The provisional web site <http://regnet.arte24.ch> should be cultivated and expanded even when the campaign is over, e. g. by adding information the transmission of test data, FAQs concerning the participation and the system, links relevant web sites, forum and feedback possibilities.

23.1.3.3 Financing

A secured financing is an important factor for execution of an event of that size. Therefore, it is necessary to create a financial plan which enables potential sponsors to get an idea of revenues and expenses. The described informational meeting has been carried out for free. There have been calculated the following expenses:

- | | |
|---|-----------------------|
| <input type="checkbox"/> Informational meeting, 24 th of October 2002: | Euro 10.000,-- |
| <ul style="list-style-type: none">- Planning of the event (programme, execution)- Announcement / invitation via e-mail- Administrative registrations, reply to call backs,- Charges for premises and lodging- Charges for speakers (incl. preparation of the presentation's documents)- Arrangement and creation of information material | |
| <input type="checkbox"/> Setting up of the website „regnet.arte24.ch | Euro 9.500,-- |
| <ul style="list-style-type: none">- Programming and design- Editorial arrangement- Running operation / administration | |
| Total costs of the marketing event: | Euro 19.500,-- |

Due to the fact that the partner association for the described event has taken over the written announcement, the costs for this action are not taken into account here and have to be added accordingly.

23.1.4 Course before the action

23.1.4.1 Approximate yield of contacts:

- VMS-Bulletin (1900 copies per edition)
- Mailing (written: 650 addresses)
- Own e-mail-distributor, museums' addresses (420)
- Own e-mail-distributor, customers from the information branch (180 addresses)
- Mailing list Swisslib / DGI-Info (about 1000 addresses)

Evaluating these results - also with regard to the success rate - it is important to notice that the personal addressing via e-mail including a written invitation is much more effective than the anonymous invitation via mailing list.

23.1.4.2 Registrations

The feedback rate was altogether quite high and therefore satisfactory. Altogether 70 registrations were submitted – more than 90% via the web-based announced both in the web and via e-mail.

Success rate: 10% (the amount of registrations from „qualified“ contacts, i.e. personal address and double invitations have been taken into account).

Feedback during the registration phase:

Several participants used the given contact address for their call backs e. g. if a participation could also be useful for small museums. Others worried if they will be able to follow the presentation („I don't understand much of computer science!“). In order to carry out an event which focuses on special target groups it is therefore useful to distribute information about the target groups and preconditions/requirements already with the invitations and preliminary information about the event. In the case of the described event there hadn't been such requirements – it was intended to address generally interested persons.

23.1.4.3 Organisational issues

All necessary organisational aspects (e.g. seating, hospitality, identity-clips, media of presentation, etc.) should be co-ordinate with the responsible representatives at the venue (in this case the Schweizerisches Landesmuseum Zürich [State Museum of Switzerland]). The creation of the presentation material (PowerPoint-sheets) is carried out by the speakers. Informational brochures and participation forms (for participation in the testing phase) have to be created, duplicated resp. printed in time.

Checklist:

- Contacting possible multipliers
- Planning of appointments and marketing activities: which actions at what time?
- Financial plan, addressing of sponsors
- Creation of announcements and invitations (incl. mailing)
- Setting up of a website
- Creation of flyers, handouts, application forms, posters,...
- Organisational preparation at the venue (incl. catering)
- Preparation of the presentation

23.1.5 Course of the action

About 90% of the registered participants attended the presentation of the REGNET-system. The event based on the following course programme (see also attachment)

- Welcoming, Introduction of the agenda
- Information to the Task Force Museum Documentation
- Topical section 1: The REGNET-project
 - Introduction and concept
- Coffee break
- Topical section 2: Demonstration
 - Presentation of the single tools
 - Means of participation in the testbed
- Discussion

After the welcome by the chairman of VMS-AMS a brief information on the work of the Task Force Museum Documentation followed. Afterwards the REGNET- project was presented. The following subject matters were handled:

- The DigiCULT-report on the status quo concerning the digitalisation of cultural heritage (=> a higher grade of efficiency is required as well as new technologies and organisational structures)
- Establishment of a functional network
- Description of application and business scenaria



- Presentation of the components to the REGNET-system
 - Portal
 - Cultural Heritage Data Management (search in spread stocks)
 - E-Business Data Management
 - Ontology Subsystem
 - Electronic Publication-Subsystem

- Presentation of REGNET's project partners

Following the tools of the system were described in detail and demonstrated. In detail:

- Support of workflows via
 - data input
 - search
 - e-publishing
 - e-business
 - portal
- Overview about data standards and data structures
- Creating knowledge structures within REGNET(topic maps, semantic web)

After the coffee-break, the participants were informed about how to participate in the test phase. Starting from this an intensive discussion emerged, several questions arose which should be handled separately elsewhere. One main concern were the costs in the later operation (after the testing phase) – these question could not finally be answered at this; a second interesting question the possibilities for a re-import of the original data.

Due to the fact that live presentation (the internet connection failed) was possible, interested participants were invited to use the local internet facilities in the media centre. At the end of the event a smaller group of participants discussed about open questions. Mainly related to concrete requirement of (individual) museums and the sense of participation. Finally, there was a discussion ongoing within a small circle of interested participants.

23.1.6 Results to the event

Altogether a strong interest at the side of the participants could be assessed; on the other hand some of them had some reservations towards the new system.

Positive feedback:

- The largest avidity aroused about the idea that the REGNET-system could provide a practical solution for the future which could replace existing local management systems and an own internal IT-infrastructure (ASP concept)
- With regard to e-business issues, a lot of interest was piqued on the topic „Copyright“, that means the possibility to protect the digitalized pictures of the museum in the web and to disable the copying respectively the administration using the e-shop on a commercial basies. An addition of accordingly features to the REGNET-system seem to be desirable.
- To most of the participants the idea of networking within the REGNET-system was both essential and favourable especially considering the advantages of the end user (access to a broader content base).

Critical observations and apprehensions

- Just as much as the participants were enthusiastic about participating in the test phase for free, they also were uncertain about the question of future costs. Since there couldn't be given exact



information on the future costs and models of calculation, many worried they might have to expect unpredictable costs.

- Many museums and institutions do have to cope with a limited budget. Often it is much easier to get an approval for a one-time investment than to oblige oneself to long lasting costs per annum.
- The actual extent of functionalities of REGNET-system does not cover all functionalities needed, especially tools for an object and event management. Those museums without any (electronic) data management system are in need of a basic functionality in order to cope with the tasks of their daily routine.
- In contrast, the proposed e-Business tools are not required by most museums. Moreover, in major museums this channel of merchandising is organised via a different department.

Frequently asked questions:

- Is it possible to test the REGNET-system as a user without participating from the start?
- Do I oblige myself by participating in the testbed, and if so, in which way?
- Can / should I consider the REGNET-system as a substitute for the one I use at present?
- Can / should I consider REGNET as full-service-solution or just as additional solution?
- Will it be possible to use just a number of single components to the system?
- How much are the costs to the active participation in the REGNET-system after the testing phase? Which amount of total costs are to expect in the future?
- What will happen when REGNET ceased to exist (e.g. after a period of 12 years)?
- Are there interfaces to other networks (related ones)?
- Which hardware- and software-conditions are required by the server?
- How is an existing database to be integrated into the system?
- Am I allowed to transmit my own data structure to you, and which data format suits best concerning the transmission of data in particular (CD, Mail..)?
- In which format should the data be transmitted ?
- What happens to my data ?
- How far can REGNET guarantee, that our latest developments (e.g. individual search masks) do not get lost within the new system generation?
- What is the connection between XML and relational database structures?
- Is XML to be considered as the prospective format to make relational database structures superfluous, or is it not appropriate to compare document type definitions with database structures ?
- Is it possible to reverse XML-data into relational database structures ?
- What happens if I try to reverse XML-data into relational database structures?
- Is it possible to set up different security levels, e.g. various user groups for the administration and the input of data, even related to different sections of single documents?
- Is the system going to be extended by means of additional functionalities (e.g. event- and object management) ?
- How can I prevent others from downloading and copying pictures from the virtual gallery instead of buying them via e-shopping ?

23.1.7 Further procedure

The existing web site <http://regnet.arte24.ch> should be developed to become the portal for Cultural Service Centers. There will be represented also those institutions which have already provided services to Cultural Heritage in Switzerland.

23.2 Promotional Activity at the EVA Conference and Exhibition

23.2.1 Preliminary: The EVA conference series

The conference EVA (Electronic Imaging & Visual Arts) Berlin 2002 belongs to a series of conferences which take place around the world to bring together especially scientists and interested people from museums, galleries, libraries and public administration. Traditionally realized projects and running research projects will be presented as well as novel drafts to refer to the networking between EC Projects as well as general efforts to disseminate leading-edge practice and apply new technology results in the cultural field. The main topics of EVA 2002 event in Berlin were: Digitisation and Visualization, Preservation of the Cultural Heritage, Edutainment and Transfer of Cultural Knowledge, Use of Mobile Information Technologies, Communicating and Navigating in Digital Worlds and Internal Cooperation. The event which runs 3 days was divided in a 1. Workshop day, 2. Conference Day (with an accompanying exhibition of PC and Internet applications) and 3. Cooperation Day (for the presentation of EC-projects and networks). 37 exhibitors presented their products and projects, approx. 50-80 (?) attendants visited conference and exhibition - mainly museum & heritage organisations, research institutions and university representatives and suppliers of databases, online information services and multimedia & processing systems (for the programme, a list of exhibitors and other information see <http://www.eva-berlin.de>).

The REGNET project was presented in two ways: 1. During the exhibition with an own booth organised by IMAC and 2. During the cooperation day with a presentation of the actual status and the testbed activities given by Silke Grossmann. The main goal was to enhance the publicity for the project and with regard to the testbed campaign to find new partners. The exhibition included facilities for the demonstration of the REGNET system (online). Project flyers in English and German were laid out together with registration forms for the participation in the testbed campaign. 2 persons, familiar with the project, were responsible for the answering of questions.

23.2.2 Objectives of this action

This event can be esteemed as another prototype of a launch of the REGNET system. The main objectives of the EVA-conference were:

- To acquaint REGNET with potential target groups
- To create sensibility for requirements in the future of cultural organisations in digital cultural economy
- To demonstrate the REGNET-System
- To get content partners for the testbed-phase
- To collect addresses from participants for further marketing actions
- To find potential partners for the consortium
- To get feedback from experts to improve the project

23.2.3 Strategy and pre-arrangement of this action

23.2.3.1 Marketing actions

An important and decisive point is to provide informative material (flyer, leaflet, project description and posters). Even more important is to demonstrate the status quo of the project by presenting the tools online using a laptop or related equipment. Potential customers are more impressed if they get visual explanations additionally to the oral description of the project.

For the active marketing measures different instruments are eligible combined:

- Publishing and providing a project description in terms of a flyer in English
- Information about REGNET on the URL: www.regnet.org.
 - Information about the project (description, factsheet)
 - Information about the consortium
 - ...
- Product information sheet in German explaining points of capital importance:
 - Developing Regional Networks as a new form of cooperation
 - Development process divided in implementation and demonstration phase
 - Technical realisation by the use of state-of-the-art and platform stand-alone components
 - General conditions like legal environment in a virtual company
- Prefab Application forms for the testbed in German to participate for free
 - Service: mapping of testdata into standards like Dublin Core and storing them in XML
 - Consideration: feedback from content partners about their experience with the tools especially the data entry
- Poster giving the the REGNET-concept at one view
 - Good possibility to give the visitor a short impression by visual demonstration
- Laptop with tools for an online-demonstration
 - Interactive presentation of the actual state of REGNET and applied implementation to the system.
 - Plausibility of oral explanation will be confirmed
- Lecture with PowerPoint presentation about the REGNET-Portal
 - Circularisation and dissemination of the project in front of experts
- Publication of lecture in the conference proceedings
 - Noticing in-print-version by readers

All visitors of the booth were given information literature about the case they had been preferably interested in. Application forms and contact addresses were exchanged and collected for possible queries afterwards.

23.2.4 Application flow before the event

A lot of arrangements must be made to coordinate the production of informative literature and the written contributions:

- a) Number of informative literature:
 - Project description flyer in English [150 pieces]
 - Product sheet in German [50 pieces]
 - Application forms in German [100 pieces]
 - Poster [1 piece]
 - Preparation and checking of tools
- b) Text and presentation:
 - Writing the lecture

- Assembling the Power Point-Presentation according to the written lecture

You never know how many visitors will come to see your booth at least. It depends on the volume of the conference and the scope to calculate efficiently.

23.2.5 Application flow of the conference

Before the beginning of the conference the booth was prepared by fixing a poster and displaying the informative literature on the table. The appropriation of the internet access had to be done already in order to demonstrate the tools for potential customers right from the start. The exhibition didn't draw that much attention, there were crowds only during the coffee break and lunch time. To collect information material from other booths in order to analyze, to evaluate and to be up to date with state-of-the-art technology concerning digitalisation and portal solutions belonged to the conference as well.

Some interested parties collected only informative material without wanting any oral explanation on the project. Others were asking questions straightforward and were showing great interest in the project, they even wanted to have a demonstration of the tools

23.2.6 Results of the conference

Generally speaking, there was brisk demand according to the number of people attending the conference. Other visitors were skeptic about the project.

Positive feedback:

- The idea of an cooperative network of cultural institutions was broadly appreciated.
- The possibility for cross-domain-searches arouse interest under the visitors who wanted to know how they could realize this by using standards particularly with regards to the end user.
- It was also highly appreciated that the participation in the testbed was for free.

Negative reactions and misgivings:

- An important input was given by Acit GmbH asking whether the user and usability were payed enough attention to and what should force cultural organisations to elect exactly the REGNET-system and not another one. What is the unique selling proposition or exclusive feature of the REGNET-system, and will it be recognised as such by users?
- Clarification of financing the participation in the REGNET-project lacks. An exact amount or a concrete alligation could not been told concerning the finacing after the end of the project
- Concern about the future of the project based on the interest of enough content partners who are participating
- It was not clear what would happen exactly with the testdata.
- Ambiguity about the copyright concerning digital images
- Having second thoughts about the realisation of data standardisation



24 CSC-Organisation

Finally, an overview is given to the different CSC which are planned to operate and market the REGNET-System. Several CSC have been identified which operate in different geographical areas and plan to cover different services.

24.1 CSC by Regions

The following table shows the different partners who plan to operate a CSC:

Middle and Northern Europe 1	
Responsible organisation	AIT
Affiliated cultural institutions	ONB
Languages	English, German

Middle and Northern Europe 2	
Responsible organisation	IMAC
Affiliated cultural institutions	SUL, LMG, NRM, KVA, VMS-AMS, Arte 24
Languages	English, German, Swedish, French

Western Europe	
Responsible organisation	TARX
Affiliated cultural institutions	Mechelen, Museon
Languages	English, Dutch, Spanish

Southern Europe 1	
Responsible organisation	SPACE
Affiliated cultural institutions	ALI, CC
Languages	English, Italian

Southern Europe 2	
Responsible organisation	ZEUS
Affiliated cultural institutions	To be defined
Languages	English, Greek

Southern Europe 3	
Responsible organisation	IAT
Affiliated cultural institutions	IAT, GRAN
Languages	English, Spanish, Catalan

Eastern Europe	
Responsible organisation	ICCS
Affiliated cultural institutions	Union of Bulgarian Artists, Ural State University, Ethnographic Museum Sofia
Languages	English, Bulgarian, Russian

24.2 Importance of different functionalities

Each different services have been grouped and were evaluated by the partners, who plan to operate an CSC. This provides an interesting view into the services, which are to be expected at the beginning of the operational phase.

The synthesis is based on following quotation:

- 1: the functionality is not useful;
- 2: the functionality is not necessary;
- 3: the functionality is useful;
- 4: the functionality is mandatory.

Then all functionalities with an average score of at least 3.5 are selected as 1st priority (in green on the following table). All functionalities with an average score less of 3 are selected as low priority (in yellow on the table).

Function	AIT	SUSU	IMAC	SPACE	TARX	ZEUS	IAT	Mean
Category 1: News & Archive								
News & Archive	4	3	3	3	2	4	3	3,1
Category 2: Search & Browse								
Theme explorer	4	4	4	4	4	4	4	4,0
Collection	4	4	4	4	4	4	4	4,0
Virtual tours	4	4	4	3	4	3	3	3,6
Search	4	4	4	4	4	4	4	4,0
Search guide	4	3	4	4	4	4	4	3,9
Search profile	4	3	4	3	4	3	3	3,4
Copyright information	4	3	4	4	4	3	4	3,7
Category 3: Cultural heritage data								
Topic Map Entry	4	3	3	3	4	4	3	3,4
Data Entry	4	3	4	4	4	4	4	3,9
Category 4: Events and exhibition								
Event calendar	3	2	4	3	3	3	3	3,0
Virtual exhibition	3	4	4	3	3	3	3	3,3
Virtual tours	3	2	4	2	4	3	2	2,9
Tickets	3	2	3	3	2	3	2	2,6



Function	AIT	SUSU	IMAC	SPACE	TARX	ZEUS	IAT	Mean
Category 5: Information and services								
Forum	4	2	3	2	2	4	2	2,7
Guest book	3	3	3	2	2	4	3	2,9
Address book	3	3	3	2	2	4	3	2,9
Job offers	3	3	2	3	2	2	2	2,4
Membership	4	3	4	4	3	3	3	3,4
Feedback	3	3	3	3	4	4	3	3,3
Personalize	4	2	4	3	4	4	3	3,4
Category 6: Education and research								
Training catalogue	3	2	4	2	3	3	2	2,7
Event calendar	3	2	4	2	3	3	2	2,7
Cooperative thesauri	3	2	4	3	4	2	3	3,0
Category 7: eBusiness								
eSHOP	4	4	4	4	4	4	4	4,0
eProcurement	4	4	4	4	4	4	4	4,0
Delivery	4	3	2	3	3	4	3	3,1
Auction	3	3	3	3	2	4	3	3,0
Category 8: ePublishing								
ePublishing	4	3	4	4	4	4	3	3,7
Category 9: others								
WAP access	4	3	2	3	4	4	3	3,3

Table 18: Functionalities of CSCs

It will be a further task finally to establish the different CSC and to define their partnerships and their range of services. This will be in the commercial part of the REGNET project and outside the timeframe envisaged here.



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Appendix 1 – Product and service portfolio detailed list