



Wachovia targets students with all-in-one college ID and bank card.

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As part of its customer acquisition strategy, Charlotte, N.C.-based Wachovia (\$542 billion in assets) saw an opportunity to leverage the growing demand for debit card products among college students by issuing an all-in-one campus card that can be used as a student ID, ATM card and Visa Check debit card. While other banks have similar products in the marketplace through partnerships with MasterCard International (Purchase, N.Y.), Wachovia says it was the first bank to partner with Visa USA (San Francisco) to pursue this lucrative customer segment. "If we can acquire a consumer between the ages of 18 and 22 when they are making their initial banking decisions -- and retain their loyalty -- they will become profitable customers over time," explains Wachovia VP Temple Richardson.

"The banks have always viewed the college market as a key way to establish brand loyalty early in the financial life of a prospective customer -- the student," according to Richard Winston, a partner with Chicago-based Accenture. "College is the first, most-natural transition point where that makes sense. The presumption is that by the time a student graduates, the affiliation with the bank will be cemented and continue on. These accounts also tend to generate reasonably good fee income."

You're Gonna Love It in an Instant

Wachovia further enhanced its offering by teaming with Dynamic Card Solutions (DCS; Englewood, Colo.) to create an instant issuance program. "By integrating our instant issuance and card management solutions into Wachovia's on-campus infrastructure, colleges can instantly issue a card that doubles as a debit card and a student ID," explains Ron Zanotti, VP of the instant-issue and PIN-selection software provider. DCS' CardWizard software is integrated via a proprietary interface with Wachovia's data center.

When students open Wachovia checking accounts, they have the option to link them to their student ID cards. Data entered into Wachovia's DCS CardWizard software, which also is integrated with the university's existing card management platform, then is delivered via a secure connection to the campus' card offices. The cards can be used as an ATM card or to make PIN-based point-of-sale purchases -- both on campus and off campus wherever Visa debit cards are accepted -- according to Wachovia's Richardson, who notes that customer information is securely maintained in separate databases that reside at both Wachovia's data center and at the university's college office.

Wachovia first rolled out the all-in-one card concept in 2001 at the University of North Carolina at Chapel Hill and expanded the program to the University of North Carolina at Greensboro and Mercer University in Macon, Ga., in the summer of 2005. "Our programs penetrate more than 50 percent of each campus' new student population each year," Richardson relates. Although she says Wachovia is not aggressively pursuing new business in this arena, "We are being sought by new campuses that want to implement similar programs." In fact, the bank currently is rolling out its fourth program at North Carolina A&T State University (Greensboro, N.C.).

"Research shows that students are less likely to change their banking relationship after 12 months," Richardson says. "While our campus cards do have an expiration date, the account is automatically switched to a formal account and account holders are issued a formal checking card," she adds. "This reinforces our ability to retain these young banking customers." *