



Student Business: College Trifecta: ID, debit, ATM Card in ONE UNC Greensboro and Mercer are among the schools combining higher education with customer acquisition. And it's convenient.

By Jeremy Quittner

When students at the University of North Carolina, Greensboro, and at Mercer University in Macon, GA, return to school this fall, Wachovia Corp. will offer them something new: a student ID card that is also an ATM card and Visa-branded debit card.

It's a new twist on an old concept. For years, colleges and universities have issued ID cards that combine a stored-value function that lets students purchase books, meals and vending-machine items, all within the closed environment of the school campus. The Wachovia program, called One Card Plus, appears to offer the first card that combines a student ID with a Visa-branded debit and ATM capacity, which also lets students purchase outside the closed campus.

"This is not just your traditional closed-network, generic ID and spending card," says Ed Kountz, senior analyst for bank cards for TowerGroup. "It is much more mainstream and a good opportunity for an issuer and one of the [bank card] associations to establish a brand-trust relationship."

Wachovia agrees. "Wachovia and Visa pioneered the Visa-branded campus card," says Temple Richardson, vp in charge of campus card relationships for the bank. "We worked closely with Visa to define the rules to protect customer data, to protect the value of the Visa brand and the bank."

Richardson says Wachovia has the exclusive rights to market the card to the 35,000 students at the combined campuses. Wachovia expects about a 40 percent uptake of the card from freshmen, based on its prior experience with the Chapel Hill campus program. Wachovia has card partnerships with 13 colleges and universities in the U.S. However, the other college cards only have on-campus debit functions and are not Visa-branded.

The program is strictly opt-in for students. When freshmen register, they will be asked to sign up for a Wachovia checking account. If they choose to do so, their student ID card, which identifies them for a multitude of school activities and controls access to campus buildings, meal plans and library privileges, will change to the One Card Plus. At registration, their photo ID will be overlaid on top of an embossed Wachovia Visa debit card.

Wachovia has partnered with card vendor Dynamic Card Solutions, based in Englewood, CO, for the program. The vendor specializes in technology that allows card issuers instantly to issue embossed plastic and perform personal identification selection.

"What we have been able to do with the Wachovia partnership is take all of the specifications that are required to issue a student-identification card and combine those with specifications and requirements for debit plastic, and merge those two data elements onto a single plastic," says Ron Zanotti, vp of sales for Dynamic Card Solutions.

Neither Wachovia nor Dynamic Card Solutions would comment directly on the technology used for the cards, but experts say the cards, which have magnetic stripes rather than chips, can identify students through a single number. The card would tap either the bank or university database, depending on the function required, such as withdrawing cash from the bank or taking a book out of the library. Richardson says the number used to identify the students is the 16-digit ISO number embossed on the card. Industry experts say the cards also exploit a significant market opportunity in the student population. "This is a way to get Wachovia cards in the hands of 35,000 students," says Avivah Litan, vp and research director at Gartner. "That is the market they are going after."

Wachovia agrees the cards represent a significant marketing opportunity. "It is a very successful acquisition strategy," says Richardson. "We are appealing to young customers and students when they could very possibly be making their first banking decisions." Wachovia was careful to craft the program so the cards would only have debit and ATM functions, avoiding any problems arising from student use of credit accounts, he says.

Litan says the University of North Carolina and Mercer University probably benefit by getting charged a reduced interchange rate for purchases students make on campus with the Visa-branded identification cards. Richardson would not comment on the interchange specifics of Wachovia's relationship with any of the schools in the program.

While Wachovia appears to be the first bank out of the gate with a Visa-branded student identification card, other banks are working on similar initiatives. Richardson says Wachovia bid against Wells Fargo & Co. and U.S. Bancorp for its current contract with University of North Carolina. Wells Fargo did not return calls for comment, but U.S. Bancorp confirmed it will announce a Visa-branded student identification card within the next year. (c) 2005 Bank Technology News and SourceMedia, Inc. All Rights Reserved. <http://www.banktechnews.com> <http://www.sourcemedia.com>