

ON-CAMPUS HOSPITALITY

March 1998



Branding in Academic America

- Campuses Explore Branding's Frontiers
- Preview: Branding America '98
- Profile: Alfred University

BEVERAGE REFILL PROGRAMS • GAL POLY CHEF VITAL TO UNIVERSITY

Huber Predicts Campus Card Functionality Growth

The premier event for the campus card industry—the annual conference of the National Association of Campus Card Users—holds its fifth incarnation next month in Las Vegas. For that event, *On-Campus Hospitality* is preparing a special conference issue that will include:

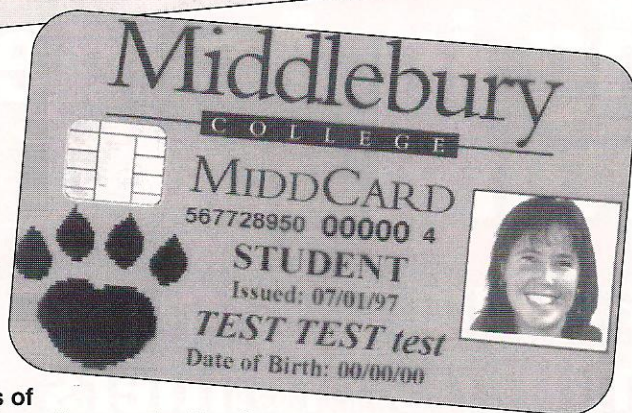
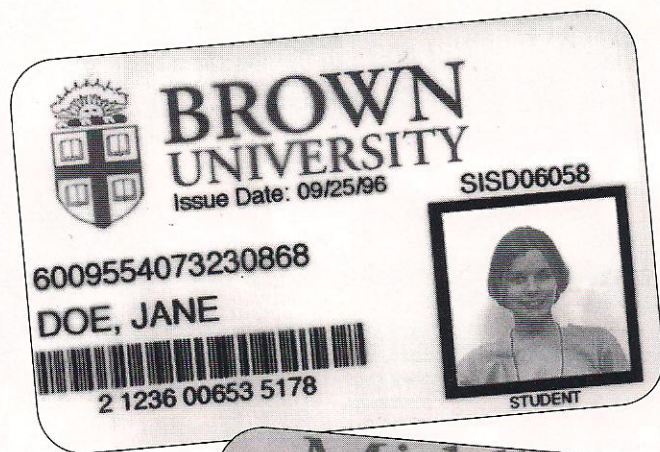
- a preview of the conference,
- a directory of campus card system suppliers, and
- a compilation of comments from industry executives on the direction campus cards are headed as the next millenium approaches.

As a prelude to the NACCU conference and our special issue, included here is a set of 10 predictions by Robert Huber of Robert Huber Associates, a campus card consulting firm that has worked with nearly 200 campuses across the country.

Huber's predictions suggest that campus cards are currently not being used to their potential by more than half of all campuses operating them. Many applications, both financial and non-financial, exist on campus that, if added to a system, can make it much more integral to campus life.

He also believes the manufacturer base supporting the campus card market is still in the midst of a shakeout. Merger activity will continue and card subsidiaries of larger corporations will remain in vulnerable positions.

In addition, Huber feels that the market and vendors will be at odds over the role of the Internet, that campus card banking relationships may lose their muster, that full market-wide acceptance of smart cards is still some years away, and that the campus card in gen-



SMART CARD or MAG-STRIPE? The debate continues, with some industry participants favoring the cavernous storage capabilities of smart cards and others the practicality of mag-stripes. No matter the technology, experts predict that campus card functionality will grow beyond meal plans and debit purchases in the years to come.

eral will expand in functionality and capability.

To discuss these or other issues, Huber promises to be at the Tropicana Hotel in Las Vegas from April 5-8 during the NACCU conference. For more conference information, call (919) 403-2273.

CAMPUS CARDS: A 1998 FORECAST

Fewer Corporate Players

“**T**he campus market is becoming less stable. Three of the top five leading campus card access system companies have been acquired by large firms or venture capitalists within the past three years. Notwithstanding, it is highly probable that at least one firm may divest itself of its subsidiary if this entity is viewed as a distraction to its core business by corporate management.”

Fewer Private Companies

“**I**n the shadow of campus card company takeovers, it is not inconceivable that at least one of the remaining firms might be sold in the future as retirement begins to loom on the horizon of owners. Wall Street reminds us on a daily basis that everything is for sale, and every stockholder has their price.”

Internet “Hoopla”

“**W**ith the increased fascination which the Internet attracts, more campuses will pressure campus card system vendors to utilize it for all communications—card readers, debit card payment. However, with this brave new world still unregulated and basically unsecured, vendors will resist moving card transactions (financial) and their company credibility to this new communications pipeline.”

Financial Institution Partnerships

“**M**any campuses will join the tidal wave to link their campus card to a financial institution. Although many



“**C**ampuses will focus on new verification, financial and security applications. Cashless or card-only vending will accelerate.”

—Robert Huber,
Robert Huber Associates

dream of substantial revenues, few will realize such fortunes. Long-term effects may also include future closure of campus retail operations, as well as alienation of established financial partnerships.

Just when campuses are eager to establish financial partnerships and reap new revenues, that same industry is in the midst of increasing turmoil due to national takeovers and downsizing. Few campus contracts will be renewed by financial institutions due to the lack of anticipated revenue and low participation by students with established banking relationships.”

Smart Card Restraint

“**T**he hype regarding smart cards by marketing departments will continue but participation by the general public will be slow until the industry provides multiple applications for chip cards.

Video Image Cards

“**C**ampuses will rapidly replace old (pouch) card production systems with trendy image technology systems. Although these systems are expensive and utilize less durable PVC card stock (than polyester), the high-tech appear-

ance and flexibility of this process will drive institutions to purchase these systems.”

Management Tool Focus

“**I**nstead of viewing their all-campus card as strictly a revenue source, institutions will refocus on delivery of services. They will view their campus card as a management tool and utilize it to (1) deliver more services, (2) streamline campus operations, (3) increase convenience and (4) provide additional revenue where applicable.”

Beyond Food Service

“**I**n that less than 50 percent of campuses utilize their all-campus card beyond food service, bookstore and library applications, campuses will focus on new verification, financial and security applications.

These will include vending (food, beverage, snack, copiers, laundry, amusements, dispensers, parking and phones), student voting, marketing surveys, legal age, information kiosks, class schedule printing, computer labs access, convenience store purchases, financial aid distributions, employee expense payments, ticket purchases, concessions, campus post office ser-

—Continued

Future Campus Card Uses

Fewer than 50 percent of campuses use their campus cards beyond food service, bookstore and library applications. Where can and should they use them in the future?

Transaction-based

- ◆ Vending—food, beverage, snack, copiers, laundry, amusement games, dispensers, parking, phones
- ◆ Convenience stores
- ◆ Financial aid distributions
- ◆ Employee expense payments
- ◆ Ticket purchases
- ◆ Concessions (merchandise)
- ◆ Campus post offices
- ◆ Off-campus merchants

Non-transaction

- ◆ Student voting
- ◆ Marketing surveys
- ◆ Legal age verification
- ◆ Class schedule printing
- ◆ Access—residence hall, classroom, office, stadium, storage

vices, residence hall door access, alarm monitoring, automatic locking/unlocking of office and classroom doors, stadium gate access, storage room access and off-campus merchants.”

Cashless Vending

“**C**ashless or card-only vending will accelerate throughout campuses in order to reduce cash handling expenses and potential vandalism of monies in machines. These closed environments are ideally set up for conversion of laundry machines and food/beverage/snack machines in residence halls, offices and classroom areas. If properly marketed and visibly located, significant revenue increases to institutions should follow.”

OCH

ROBERT HUBER ASSOCIATES
Suite 1072
13421 North 43rd Avenue
Phoenix, AZ 85029

Tel: (602) 439-3118
Fax: (602) 938-1657
Toll Free: (888) 277-3118
www.allcampuscard.com/huber/