Chapter

7

GATEKEEPERS

Reaching the Mother Lode through "Big Mother"

THE GATEKEEPER TRIAD

School Administrators, Faculty, and Parents

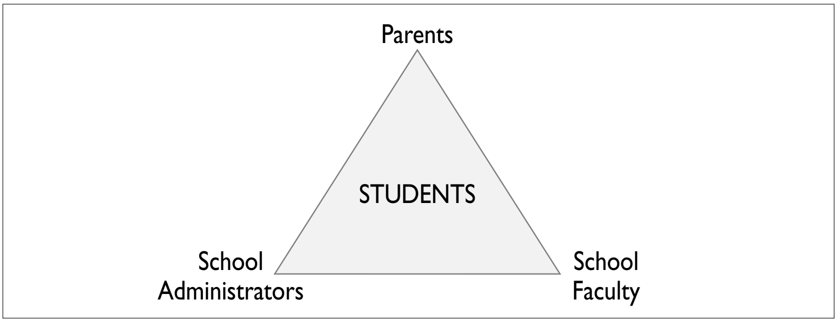
From George Orwell's somber novel *1984,* everyone is familiar with the term *Big Brother* and its connotations. As the result of several events that transpired over the past decade (more on that in a bit), colleges and universities have been subtly coerced into playing a role I like to call "Big Mother." The two primary factors driving this trend have been legal (in our litigious-happy culture) as well as political. Like it or not, institutions of higher learning have assumed the hapless role of parent in absentia.

With such rampant and volatile issues as underage drinking, fraternity/sorority hazing, drug usage, violent crime, and a host of other potentially genuine life-threatening situations, administrators are expected to protect students from themselves, each other, and outsiders. (See Figure 7.1.) College marketers must therefore often interface with school administrators and faculty—especially if they wish to promote their products/services through an on-campus presence.

Fact

Institutions of higher learning have been forced into playing the hapless role of parent in absentia.

FIGURE 7.1
"Big Mother" Schematics



Source: Diagram by author

QUID PRO QUO
Give Us Your Tired, Your Poor (Students) . . . and We'll Give 'Em T-Shirts

Schools initially welcomed most for-profit companies to their campuses with open arms because of the free excitement such programs typically generated. Students received a limitless pipeline of branded premiums (ranging from baseball hats to T-shirts) and had the opportunity to participate in—or at least watch—highly memorable and entertaining promotions. These activities enhanced college life by making it, well, more fun.

Crowds, freebies, loud music . . . what more could an undergraduate student ask for? If the students were happy, then so too were school administrators and parents. As companies raced to differentiate themselves, students had the chance to participate in increasingly outrageous activities such as giant sumo wrestling, bungee jumping, and Velcro-suit catapults. Free T-shirts and other premiums were (and still are) par for the course.

Students used to leisurely troll the campus green en route from one class to the next in search of new baseball hats, fresh T-shirts, and entertainment. This dynamic quickly snowballed into a state of mind-numbing saturation. In some of my keynote speeches to corporations and trade groups, I have addressed how the larger young adult audience is both "supersaturated and cybersaturated," as it is bombarded by advertising and promotions at every turn—doubly true for the much-coveted campus crowd. I frequently joke, not entirely tongue in cheek, that the undergraduate mantra is *"Cool! Where's the free T-shirt, dude!"*

Graduate students typically demonstrate a greater level of sophistication (but not always). During my two years at business school, for instance, many of my fellow classmates gravitated to corporate luncheon presentations and cocktail receptions because these social events translated into real budgetary savings on food and entertainment. They also provide a welcome respite from the intense rigors of business school. Despite students' savoir faire, T-shirts are still highly prized items even among graduate students because, to paraphrase, "they represent the corporate gift that keeps on giving."

Times have changed, though, and school administrators have been quicker to exercise gatekeeper rights in the name of student safety (not to mention political correctness and minimized liability). Other key issues that have altered the landscape of on-campus marketing include the desire to maintain institutional academic and aesthetic integrity. Some schools had so much corporate intrusion that their quads, walkways, and other public spaces started to look more like bizarre bazaars than the pathways to intellectual enlightenment.

There has also been incredible pressure from parents and the media for schools to take a more proactive role in minimizing the perceived outsider commercialization of its student body. Rather than saying that the 1990s represented the beginnings of Big Brother, I prefer to use the term *Big Mother,* as it epitomizes more clearly how these institutions are expected by the media, the general public, politicians, alumni, parents, and even the students themselves to protect students in a largely maternalistic manner.

The focal shift has moved to that of controlled, limited fun. Students are not barraged to the degree they once were. Schools look more like schools again. The upside is that companies who can cultivate an on-campus presence might have somewhat less on-site clutter to contend with; however, the downside is that getting on to campus is becoming increasingly more difficult for some categories, as administrative hurdles need to be jumped even before you try to capture the campus crowd's attention.

STUDENT CREDIT CARDS
Plastic? Fantastic!

College credit card marketers see a prime opportunity to capitalize on both short-term and long-term profitability with the college market. During the 1970s, banks and credit card issuers leveraged student representatives largely through "tabling" and "take-ones." (Specific methods of on-campus and even off-campus marketing channels are discussed in detail in Chapter 9.)

Issuers typically adopted the following business model because it generated low cost yet high returns:

Step 1. A credit card issuer would recruit student representatives and provide basic product education as well as "guerilla" on-campus sales and promotions training.

Step 2. Student sales forces are activated and quickly establish an on-campus presence through tabling, take ones, signage, and word of mouth in high traffic areas. The most potent sales tool in this context was tabling: a table manned by college students is a vehicle that literally shouts out to student passersby. A powerful, yet subtle, peer marketing dynamic would occur whereby student reps would entice their fellow campus dwellers into applying for a credit card by highlighting card ownership benefits and linking them to the student lifestyle. "Hey, Bob, I know you love your eight-track! [Remember, we are revisiting the 1970s.] Well, this credit card here will let you buy *all* the music you want!"

In many cases, a simple inducement—like a branded T-shirt—was used to close the deal. An added benefit of this premium was the generation of on-campus buzz by acting as a living, breathing billboard with implicit student (and administrative) endorsement.

Step 3. An on-site credit card application would be completed and later submitted by the student rep to the credit card issuer; and a credit check would be run by the issuer.

Step 4. Student reps would receive a straight commission of $3 to $5 per approved application. Student applicants would, in most cases, receive a credit card.

Successful registration of 30 students in a day, a rather easy feat on a large campus such as Arizona State University (a total current enrollment population of over 44,000 students) translated into as much as $150—in the 1970s—for an afternoon's work of fun in the sun. Do the math; convert that amount into today's dollars and observe that this activity was a high-revenue proposition for your average college student back in the 1970s.

Several of these ad hoc student ventures morphed into full-time college promotion companies that continue to this day. My firm took a decidedly different and uncharted path as it evolved into the world's original young adult consultancy.

Smart credit card issuers know that college freshmen represent the best market. According to a 2002 Nellie Mae report on student relationships to the category: "Most dramatic, however, is the 70 percent jump occurring between freshman and sophomore year in the percentage of students with at least one card—from 54 percent to 92 percent of the total population."[1] Because most student activities are focused on campus (most schools don't permit first-year students to own cars), the majority of these applications occur on school property.

The ability to get onto campus to reach students is therefore nothing short of business critical for astute credit card issuers. In fact, some credit card companies—similar to what Apple Computer did with our guidance in 1993—are now targeting the college market before incoming freshmen even arrive on campus. Ever seeking the first-mover advantage, the industry might even target high school juniors (or younger students) unless they encounter parental/administrator resistance, unwanted media attention, or diminishing returns.

CREDIT CARD WARS
The Battle for "Wallet Share"

There is much to be learned by the credit card industry so far as college marketing is concerned, because the category is fierce, the stakes high, the playing field supersaturated, and the potential for mistakes frighteningly easy. In a nutshell, there are three stages to credit card marketing that can be easily applied to a variety of other industries and businesses:

1. *Acquisition:* getting students to apply for a card
2. *Activation:* motivating students to use a card (i.e., trial)
3. *Retention:* prompting students to continue using a card as their primary card of choice (i.e., repeat purchase)

Cards that lie dormant in a purse or wallet may look good for membership figures, but they drain the bottom line as company resources are allocated to basically maintaining inactive accounts. In a category as cluttered as credit cards, it is imperative for an issuer's card to be the primary one used by a given student. That is the holy grail and, as such, being the first credit card in the purses and wallets of the campus crowd can yield phenomenal dividends. (This dynamic touches on the topic of targeting the precollege crowd covered earlier in Chapter 4.)

Ensuring that one's card is carried and used by students carves a patterned behavior and permits the issuer to begin leveraging communications and special promotions to build brand loyalty and promote usage; in addition, this strategy based on the first-mover advantage also provides the opportunity to erect barriers to competitive entry through such tactics as loyalty programs. The most effective means of generating a first-mover advantage is to go to where the campus crowd dwells and provide compelling offers that demonstrate lifestyle relevance and added value.

In the late 1980s, American Express offered two tickets on Northwest Airlines to any destination in the continental United States for only $99 apiece—a very compelling offer. In fact, the strategy was so attractive that Amex became my first credit card while I was in college. It seemed as if every student was applying and receiving American Express credit cards—the offer generated quite a bit of campus buzz. This tactic was most likely an extension of the firm's overall marketing message of "Membership has its privileges."

Best in Class: AT&T Universal Card Changes the Field Forever

Following the American Express offer, AT&T entered the fray with its Universal Card that charged no annual fee, a strategy that revolutionized the industry as all issuers were charging their credit card holders some type of annual fee at the time. Consequently, AT&T immediately broke through the clutter, gained significant market share, and became the second credit card in my undergraduate wallet. This unique selling proposition (USP) was eventually rolled out to the mainstream, demonstrating how college marketing strategies can extend well beyond campus gates.

Leveraging the parent company's domination in the telecommunications category, the AT&T Universal Card was inevitably bundled with phone service plans such as calling cards (presumably an industry first). In doing so, AT&T was able to accomplish several strategic and tactical objectives:

- Make the purchase decision easier for the customer (the crux of marketing).
- Build brand loyalty.
- Reach new customer segments.

- Erect barriers to entry as well as introduce switching costs.
- Set the stage for cross-selling and upselling.
- Provide value-added services to the customer.

AT&T ultimately sold its Universal Card to Citicorp for $3.5 billion plus considerations approximately seven years after it was created.[2] Because Citibank now owns the AT&T Universal Card, I predict that, in time, the AT&T name will disappear completely from the credit card as the telecom company understandably would want to have full control over its branding efforts. I therefore expect that Citicorp will either be issuing Citibank-branded Universal Cards or migrating all or specific customer segments to other preexisting (or future) cards.

Creation of the School as Parent in Absentia

Multiply all of the credit card companies deluging college campuses, combining them with all of the other companies eager to hawk their wares, and we see that campus walkways from one building to the next became deluged by for-profit advertising and promotions. This scene was all the more exacerbated by student-run organizations ranging from athletic club fundraisers to fraternity/sorority recruiters, all of whom were feeling the heat from increased outside competition. How is a soccer team going to sell $5 to $10 T-shirts to fund a training camp trip to Florida if an endless parade of marketers are giving away really cool T-shirts for free? To some, corporate America was inadvertently cannibalizing student fundraisers.

As with many facets of life, some folks on campus began to think that there might be a potential downside to all the fun. Criticism began to grow, fueled by concerns that colleges were actually aiding and abetting student exploitation. (As is usually the case with change, it was, more often than not, a small but highly vocal and emotional group calling for accountability and action.) College administrators, as the parent in absentia, became the lightning rod for the stinging harangues. Volatile topics included underage drinking in the 1980s, student credit card debt during the 1990s, and campus safety as well as illicit drug use today. Prompted by unexpected media attention, school administrators started to more closely examine to which organizations they would grant a physical on-campus presence.

Strategic Insight

Students still like to save a buck or get a free T-shirt; they just don't want to feel exploited in the process.

For example, because the Bank of Mom and Dad (see Figure 7.2) is frequently turned to for bail-out funds, at least a few parents of spendthrift students were quick to aim their frustration and disappointment at college administrators. Seeking to avoid any chance of being depicted in a negative limelight and genuinely wanting to establish the groundwork for positive customer satisfaction, credit card companies began to develop and distribute educational materials to show students (and parents of college students) responsible card management.

Best in Class: Visa and Others Educate Customers

Visa features extensive educational pages on its student section of the company Web site. One page, as seen in Figure 7.3, specifically addresses the topic of budgeting in a hip, relevant, and informative tone that the campus crowd can easily relate to. It's through this approach of

FIGURE 7.2
The Bank of Mom and Dad

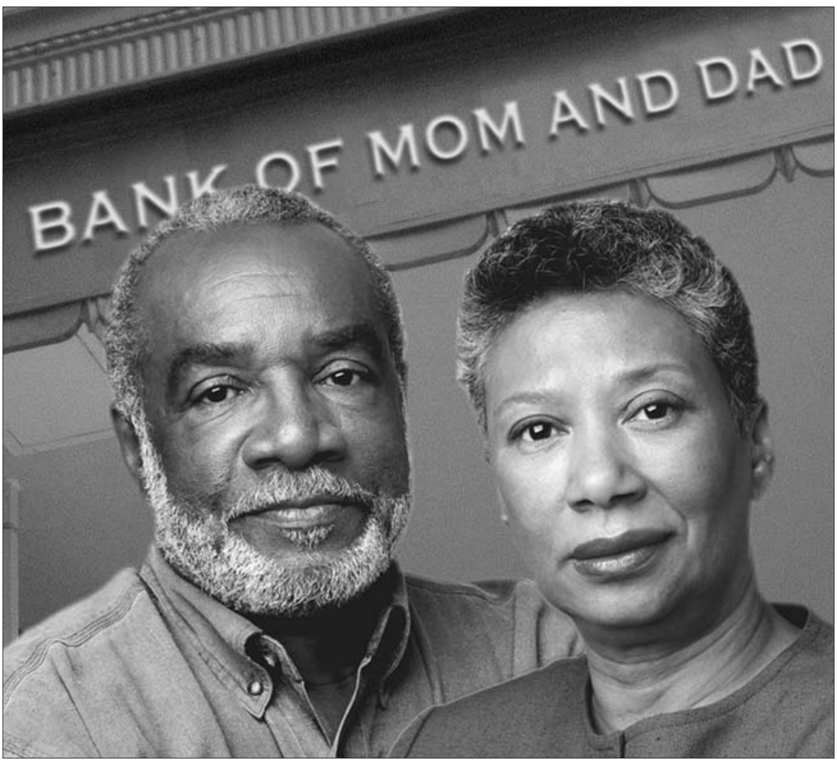
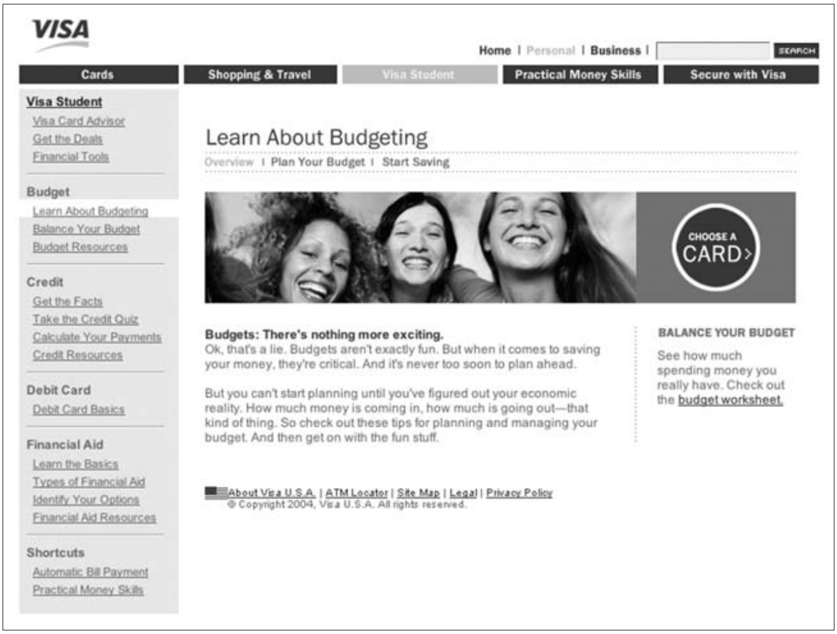


FIGURE 7.3
Visa: It's All in the Delivery



Source: Visa USA

providing tips for, and stressing, responsible product usage that Visa communicates it cares about its customers. Demonstrating its understanding of today's college market, its college Web site contains a photo that features three different ethnic minorities and a brief tongue-in-cheek quip that "there's nothing more exciting" than budgets. Then the text delves quite seriously into the nitty-gritty.

DiscoverCard ran a rather clever back-to-school campaign that, externally, looked like a message targeting parents about the risks of student debt. Its TV commercial featured a student whose parents gave him a DiscoverCard to use "only in emergencies"; very quickly, he spirals into a comic out-of-control card-spending frenzy with pizza parties and a large-screen television set categorized as emergency items. The next scene shows the surprised student opening his dorm room door to see his father angrily clutching the most recent credit card statement. The commercial concludes with an explanation of how parents can order a free pamphlet from DiscoverCard on teaching responsible credit.

Because the campaign was repeatedly broadcast during prime-time TV shows, it not only buttered up the parental gatekeeper but also generated wonderful brand awareness among prospective student applicants. Even the competition had to admit that this was a very ingenious two-pronged tactic indeed. Like Visa, the firm also offers an educational booklet—*How Credit Works*—for students to be distributed at campus seminars as well as via direct mail and the Internet.

MasterCard circulates a *Money Talks* brochure designed to help parents speak about credit card debt with their college-bound offspring. Launched in 1998 as a joint project between MasterCard and the College Parents of America, it also describes the basics of a credit history and provides a budgeting worksheet. Another approach used by this issuer is a peer education program—"Are You Credit Wise?"—that holds workshops and informal presentations throughout a semester. Student leaders in this grassroots program work directly with professors, deans, orientation directors, and hall advisors to identify additional opportunities for financial education.

Best in Class: MasterCard's "Letting Go" Television Commercial

A contemporary example from a financial services provider comes courtesy of MasterCard. This issuer clearly recognizes that credit card selection, especially among incoming freshmen, is far from a monolithic decision. As such, the television commercial titled "Letting Go" (as part of the larger "Priceless" campaign) targets both parents and students with an advertisement that is sincere, heartwarming, and highly relevant to two completely separate customer constituents. McCann-Erickson, the creator of this college-specific ad, ran this spot throughout the summer and well into the fall, recognizing that parents might order credit cards for their children as well as prime the college target for on-campus registration (see Figure 7.4). This campaign's honesty and impactfulness clearly make it a "Best in Class" example.

Citibank created a unique online Q&A service for students with credit questions and issues. Ms. Anita Future, a comic-strip character with a debt-ridden friend (Les Foresight), is the "person" behind the new "Ask Anita" e-mail program. Students need only direct their questions to anita.future@citibank.com for expert advice from a Citibank counselor.

As the preceding examples illustrate, credit card issuers have taken it upon themselves to defuse the potentially volatile topic of student debt by properly educating the consumer. During the process, they can gain even greater exposure to the market and further polish their brand

FIGURE 7.4
MasterCard's "Letting Go" Commercial

image. After all, brand loyalty only works when both parties are pleased with the relationship: contrary to the occasional media hype, credit card companies want happy customers. Don't we all?

CULTIVATING AND MAINTAINING SCHOOL RELATIONSHIPS

Schools have become increasingly more vigilant about who they physically let onto campus and the types of functions permitted. They still want to add value for their student customers but are also burdened with a sense of protecting students and the school from even the mere appearance of corporate exploitation. Running an advertisement in the school paper is a relatively easy task; erecting a tent on campus or even a manned table is often an entirely different proposition. If you are so fortunate as to have ongoing relations with a school, I strongly encourage you to maintain those a priori connections. Drop school connections simply because of the dreaded not invented here (NIH) mentality—perhaps the promotion was something you inherited and don't totally agree with executionally or even strategically—and it may be quite difficult, if not impossible, to procure permission to get back onto campus at some future point.

Carefully maintain already established on-campus relationships if your company is fortunate enough to have them. (If you are not entirely pleased with the specifics, they can often be gently modified over time.) In a sense, the ability to have a priori permission to go on campus can be leveraged as a competitive advantage as the majority of other firms don't have such a luxury. Think of it as being grandfathered, in a sense. Use your relations well and don't terminate them simply because of NIH-based issues . . . leverage those relationships instead. Strengthen and even reposition them, if need be, so they form the foundation for win-win-win relationships for the school, its students, and your firm.

Best in Class: Coca-Cola Targets Students and Administrators

For many astute marketers, maintaining a high standing with a school's administration is business critical. In 2001–2002, Coca-Cola launched a Mello Yellow tour of northeastern colleges to introduce new flavors as well as to grab market share away from top rival Mountain Dew. The effort was spearheaded by a fleet of brightly painted DaimlerChrysler PT Cruisers that delivered over 20,000 samples; in addition, branded T-shirts and the like were distributed as well. Coca-Cola was not only targeting the college market but also key school decision makers who have the power to grant exclusivity contracts to a particular soft drink manufacturer. The campaign was carefully orchestrated and monitored by senior management in Atlanta. According to Coca-Cola's manager of emerging markets, Mike Elmer, who spoke with *Promo Magazine:* "You've got to make sure the college is happy with the way you're interacting with the kids, and make sure the distributors are happy with the way you're treating their clients [i.e., the universities]."[3]

Coca-Cola recently took its commitment to the next level by investing $10 million in an equity position with an MTV-owned college television network—now appropriately named MTVU—that was launched April 7, 2003. Using this strategic alliance as a means of creating competitive barriers to entry for the Powerade brand, Chuck Fruit, Coca-Cola's senior vice president of worldwide media and alliances, commented that the deal "creates a true partnership between content providers, media distributors, and marketing organizations." He added: "I suspect this won't be the last of these types of relationships we see," which echoes Coca-Cola President Steve Heyer's comment that the firm must "concentrate on building relationships instead of making one-off transactions."

This significant shift in thinking demonstrates Coca-Cola's perceptions of leveraging alliances, not merely as an additional distribution channel, but also as a distinct source for competitive advantage by locking in such relationships over an extended time period (e.g., seven to ten years). Coca-Cola's involvement with this college-specific channel appears to have set the stage for its equity stake in College Sports Television (CSTV), discussed further in Chapter 9.

Thus far, we have only been discussing how school administrators can act as a filter for the types of promotions and programs that are permitted on campus. The role of these gatekeepers, however, can run far deeper. As previously mentioned, Penn State maintains an exclusive arrangement with AT&T for telecommunications services. Not only do schools provide exclusivity contracts to telephone companies, but they do so with dining services firms, computer manufacturers, textbook publishers, and numerous other product and service categories. Such contracts even extend to trash removal, office supplies, athletic equipment, dorm furniture, and bottled water. As dull as a category may appear, the dollar figures attached to these long-term contracts are anything but. School monopolies—and the exclusivity contracts they control with commercial firms—continue to be found throughout campuses.

TRUMPING EXCLUSIVITY CONTRACTS

Even though contracts do provide an enviable competitive advantage as a barrier to entry, they are not impervious to clever countermeasures.

Strategic Insight

With a college's perpetually constrained budgets and increased accountability, a second opinion is almost always appreciated.

So how might a firm try to overcome an exclusivity obstacle if it is not fortunate enough to currently have an exclusive relationship with a school? It might offer its services or products at a reduced rate as both universities and students love to save a buck; such savings could induce a school to shift vendors the moment a contract is up for renewal. More creative benefits could also be provided, such as helping in the design of a computer center (for a PC maker) or donating shoes to a school's sports team or favorite charity (for a sneaker company).

Activities such as these wouldn't necessarily infringe on a preexisting contract but could do wonders in establishing and growing goodwill. A firm could also try to establish outreach relations through trade shows and/or conferences, mainstream advertising, and even community service. With a college's perpetually constrained budgets and increasing accountability, a second opinion is almost always appreciated.

It takes time, effort, and the right strategy, but if you have spent that time establishing a positive rapport with the campus gatekeeper, while the incumbent firm has been elsewhere trying to generate new business (or taking its current incumbency for granted), you might be able to successfully become the next incumbent when the next exclusivity contract is open for bids. All exclusivity contracts expire eventually. To keep your company under consideration, we encourage firms to regularly speak with students, faculty, and administrators to gauge customer satisfaction and undertake surveys as well as focus groups on both a regularly scheduled and an ad hoc basis to keep a pulse on the market and all involved constituencies (i.e., administrators, students, parents).

How much should you be willing to spend to lock in a school contract? It depends on what the short-term and long-term business is worth to you. What is the estimated lifetime value of all those current and potential student customers for your business? Where is your break even point? Develop and use metrics specific to your organization to guide critical decision making. Marketing opportunities frequently appear when you least expect them. So *always* have contingency plans ready, and be ready to implement them at the drop of a dime.

Does this mean a firm needs to sit on the bench until a contract comes up for renewal? Are school monopolies unbreakable? Absolutely not on all counts. As mentioned earlier, student representatives and technology—especially the Internet—are excellent potential bypass strategies. During their early years, phone companies such as Sprint and MCI initially employed on-campus advertising to encourage students to use calling cards, toll-free numbers, collect calls (e.g., 1-800-COLLECT), and call sequences (e.g., "Dial 10-10-321") to bypass the school-sanctioned phone company. It required slightly more work by the customers, but many students happily expended the effort (especially heavy users). Today, a wireless phone represents a contemporary bypass strategy, thanks to advancements that have made such technology affordable to the masses.

Aside from bypass strategies, contracts can be compromised by other paradigm shifts such as new technology. Schools that have long relied on revenue derived from both telecom contracts and a percentage of student calls are suddenly losing a *lot* of money as college students, given their mobility and propensity for early adoption, are simply using their cell phones in lieu of landlines. My firm predicted this trend long ago in our newsletter after speaking with early adopter engineering students; and the trend is traveling like wildfire on college campuses as cell phones become increasingly more affordable and convenient. As we forecast in the firm's August 2000 issue of *TwentySomethingTrendz*™:

> "Deep Six" the Home Phone, Jack!
>
> Given the falling costs of cellular service plans, a growing number of young adults . . . are drop[ping] their standard in-home phone service. Perceived benefits of just having a cell phone (versus a conventional wired phone) are simplicity, lower monthly costs, and increased mobility. "Why have two phones when you can get away with one?" asks a 20-year-old college student. "It's like having a cordless phone in your dorm room that you can just pick up and take to classes, parties, and road trips."[4]

Over two years later, in 2003, the *Wall Street Journal* confirmed the mainstreaming of this trend: "These young, single people going entirely wireless are often recent graduates from college and fairly affluent."[5] For landline carriers, their most lucrative customer base is being eroded by decreasing wireless cost plans and features. Because schools buy long-distance service wholesale and then mark up the price to the on-campus student by 100 percent or more, phone service has traditionally provided college administrations with a fantastic revenue stream; but with the market's move to wireless communications, the river is quickly drying up.

Universities are now trying to recapture a piece of the lucrative landline pie by offering cell phone usage directly to the student body. For example, as the *Wall Street Journal* reports, "Loyola University used to get $30,000 to $50,000 a year in long-distance revenue. But as cell phone use grew, that amount 'dwindled down to nothing,' says Jay Bertucci, telecommunications director."[6] Loyola responded to the shift by exiting the landline long-distance reseller business entirely and partnering with Cingular Wireless and Nextel to create a new revenue stream. An added benefit was that discounted cell phone service could even be extended to eager school administrators.

Bypass strategies are by no means reserved for large corporations with lots of manpower and big budgets. On a far smaller scale, one resourceful Philadelphia bookseller used to park a large van just outside the University of Pennsylvania bookstore as late as 1997, where it sold identical textbooks at a discount of about 15 percent. Same books, less money.

Positive word of mouth led to enormous lines of grateful students—the monetary savings were high and the inconvenience minimal. (Obviously, there was probably a notable skew toward those individuals who personally paid for their own books.) Because the bookseller parked its van on a public road, the school had a very difficult time ridding itself of this innovative competitor. Eventually, the university won an injunction against the bookseller and the Philadelphia courts imposed a restraining order covering 10 blocks. Ever resourceful, the small bookseller simply moved 11 blocks away and delivered the books to students' rooms instead.

This David and Goliath confrontation coincided with several companies that began to sell student textbooks over the Internet. My firm was first engaged by VarsityBooks.com in 1997 to help it become the market leader in online textbook sales. Even though VarsityBooks.com has since adopted a new business model, a variety of dot-coms and online extensions of brick-and-mortars continue to meet the needs of the virtual bookstore shopper. Companies such as eCampus.com, textbooks.com, and bigwords.com are still doing battle in cyberspace.

Still, many students like immediate gratification and convenience; thus, sales at student bookstores continue to proliferate despite widespread perceptions among the campus crowd of "highway robbery" markups, because the pros of convenience and immediate gratification continue to outweigh the cons. To be fair, some school bookstores have implemented a policy that limits product markups so they are largely competitive with area retailers.

A LOOK TO THE FUTURE
Nike-Managed School Gyms?

Many school administrators are recognizing that certain companies offer core competencies that can result in increased revenue to the school through economies of scale as well as higher placement on the learning curve (or decreased costs, depending if you look at a glass of water as half full or half empty) and increased student satisfaction. In this sense, marketer-school relationships have the potential of being transformed from a vendor-supplier structure to a more complex joint venture–partnership arrangement.

Jeez, talk about the fantastic opportunity of erecting competitive barriers to entry if your company "owned" the rights to the very campus facility or school-sanctioned service in the category in which it competes. Along these lines, a firm's college-based strategic business unit (SBU) could actually represent a cash cow whereby revenue is allocated to the bottom line or to new business initiatives.

Within the past ten years or so, many campuses have similarly privatized their college bookstores to either a major supplier or a retailer that is better equipped to maximize profits, increase student satisfaction, and streamline operational logistics. Follet and Barnes & Noble have emerged as the two current leaders in managing collegiate bookstores based on their past experience in the category. Follet manages over 660 college bookstores (collectively selling over 20 million college textbooks annually) and customizes each retail operation to the specific campus environment, strategic vision of school administrators, and student needs. Both of these market leaders are acutely aware that the college market, even on a given campus, is far from monolithic; consequently, they take care to make certain that all involved parties are kept well satisfied.

It would not be at all surprising should other aspects of a college or university also become privatized: a copy center run by Xerox, a computer lab managed by IBM or Apple, Internet access or cable TV by Comcast, or the school gymnasium by Nike. In fact, Xerox is in the midst of a pilot program with the state of California to use specialty copiers to provide "near real-time" Braille translations of class notes, exam papers, course catalogs, and textbooks.[7] This collaboration is being closely evaluated by the federal Office for Civil Rights, which requires schools to have documents available in a timely manner to Americans with disabilities (ADA Title 2).

> **Strategic Insight**
>
> Market leaders are acutely aware that the college market, even on a given campus, is far from monolithic; consequently, they take care to make certain that the needs of all involved parties are satisfied.

Obviously, such technology is beyond the financial and technical means of a single school; therefore, Xerox has seized on a wonderful opportunity to get its foot in the door of higher education institutions by helping them comply with federal government mandates. Don't be surprised if they further integrate on campus to the point where all copy machines must be bought from, and serviced by, Xerox. This is not to suggest that such an opportunistic move would place Xerox in a negative light in my book, but simply that it is a for-profit organization driven by the desire to provide tangible solutions to client needs. After all, that is what business is all about.