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# **Student Advantage Captures the College Market Through an Integration of Their On and Offline Businesses**

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This chapter describes how Student Advantage successfully transformed itself from a brick-and-mortar company to the leading online portal to the higher education community. The company has followed a business strategy that includes creating Web sites that appeal to college students and forming partnerships with businesses and universities. Through its activities, Student Advantage has assembled a wealth of information about college students, all organized around a common student identifier. This information is important to Student Advantage and to its partners who are willing to pay for the insights that Student Advantage can provide about the college market. Interestingly, Student Advantage only recently developed a strong in-house information technology capability. This capability is now allowing Student Advantage to implement a variety of e-marketing applications. Lessons learned from Student Advantage's experiences are discussed.

## INTRODUCTION

In what many people call “the new economy,” there are three kinds of businesses. There are the traditional “brick and mortar” companies that sell their products through physical retail outlets. Then there are the “pure plays” that operate only electronically and have no physical stores. And finally, there are the “bricks and clicks” that operate in both the electronic and physical worlds.

Each kind of company faces challenges. The brick and mortars are at potential risk, at least for lost sales opportunities, if they do not have electronic channels. The pure plays have the cost savings of not operating physical stores, but frequently experience serious order fulfillment problems that can lead to their demise. The bricks and clicks are normally the result of brick and mortar companies establishing a presence on the Internet, but they often have a difficult time adding an electronic business to their existing ones. There are several reasons for this:

- The need to change the mindsets of existing organizational personnel;
- The need to change organization structures and reward systems;
- The need to manage offline and online businesses in an integrated manner;
- The need to integrate disparate systems using a common customer identifier;
- The need to create a stable, scalable architecture; and
- The need to present a “single face” to the customer.

These are difficult challenges and not all companies have handled them well. One that has is Student Advantage. In 2000, The Data Warehousing Institute selected Student Advantage for inclusion in its study, “Harnessing Customer Information for Strategic Advantage: Technical Challenges and Business Solutions.” The companies included in this study had demonstrated “best practices” in their use of customer information. Student Advantage was selected, in part, for its successful integration of its physical and electronic businesses. This chapter presents the Student Advantage case study and provides you with valuable insights about how to successfully create and operate bricks and clicks companies. It also describes how contemporary information technology can be used to support electronic marketing.

## ABOUT STUDENT ADVANTAGE

In 1992, Student Advantage started as a traditional brick and mortar company. At that time, its only product was a card that college students used with participating merchants to obtain a discount on their purchases. Over the

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