

# Skip the Credit Card

Fleet Cards Make  
More Dollars & Sense

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# Managing fuel costs: fleet cards vs. credit cards

With gas prices back on the rise, now more than ever fleet managers must tightly monitor and contain their fleet's fuel costs. For large and small fleets alike, doing so requires the right information presented in the right way.

Both proprietary fleet cards and bank-issued credit cards offer fleet managers the ability to track and set controls on their fuel spend. But the similarities stop there. Fleet cards provide more in-depth transaction data, greater flexibility and tighter controls than their bank card alternatives.

In this paper, we'll compare and contrast the practicality of both fleet cards and credit cards for managing fleet fuel spend, including:

- Why fleet managers need a card backed by a proprietary network
- How fleet cards allow for tighter controls, and minimize spending abuse and fraud
- Why a wide acceptance network for Level III data matters most of all
- How you may be losing money by getting limited or no Level III data

## What is Level III Data?

**Level III line item detail is enhanced transaction data that helps fleet managers identify not just the "when" and "where" behind a purchase, but also the "who", "what" and "why".**

**Examples of Level III data that can be tracked include:**

- Driver/vehicle ID number
- Odometer readings
- Line-item list of purchases
- Cost per mile

**Level III data capture requires the cardholder to input a driver or vehicle ID number for added security.**

## The PRO's of Proprietary Networks

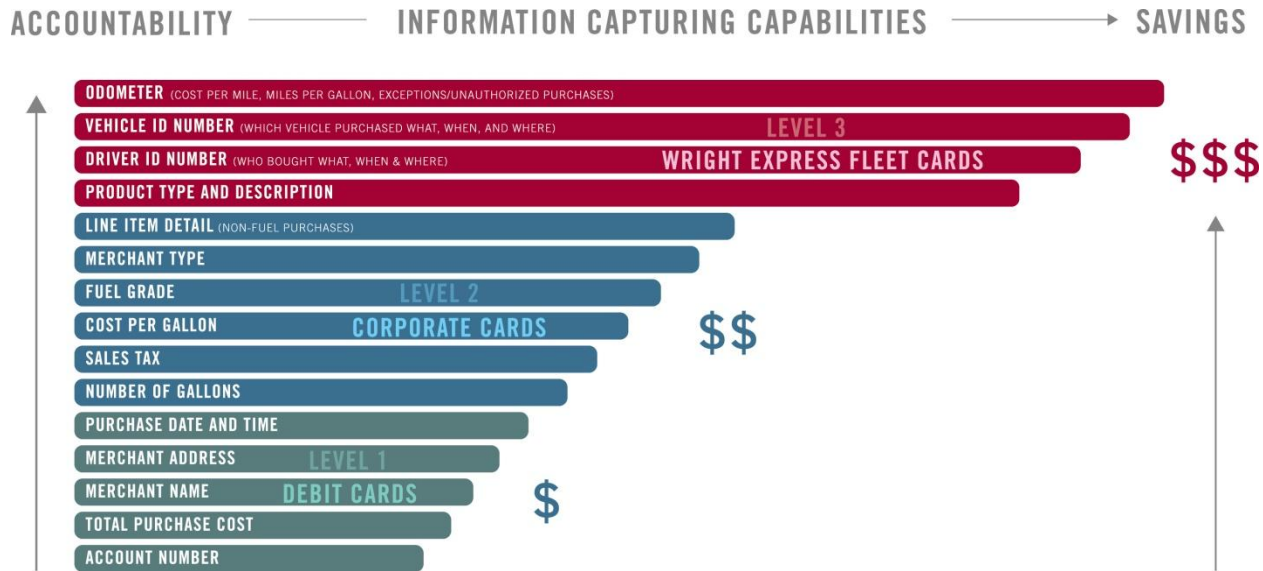
One of the most significant advantages proprietary fleet cards offer over credit cards is their custom-built network, which can provide highly granular data on individual transactions—a must for today's cost-conscious fleet manager.

While bank cards tap into one-size-fits-all approach, fleet card companies such as Wright Express own and build all the necessary back-end processes associated with their card's operation. That means fleet card companies can ensure that any vendors accepting their cards will comply with the same requirements, and that data capture is tailored specifically to meet fleet customer needs. These needs can differ significantly from the needs of a consumer driven network.

A proprietary network also means a fleet card can capture Level III data on all transactions. This means that when a driver swipes the card, the point-of-sale device will prompt them to enter information, such as odometer reading, vehicle ID, etc. (See chart below.)

Level III line item detail allows managers to better track their fleet’s expenditures, better facilitating cost analyses, vehicle life-cycle analyses and overall fleet management. It can also help streamline administrative operations, reducing the time and resources necessary to devote to accounting.

**Comparison Chart: Level I, II, and III Data**



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There is a significant difference between providers which offer Level II data and Level III. All fuel transactions on the major credit card networks offer Level I data – such as Purchase amount, Merchant name, and Purchase Date/Time. However, most of the major credit card networks do not offer Level II data – with the exception of one provider which has it partially integrated into their network. More importantly, they offer limited access to Level III data. This lack of critical data limits a fleets ability to determine which driver or vehicle is fueling, and how many miles they are using per gallon.

While some credit cards do offer Level III data capture, their Level III coverage is inconsistent at best, leaving fleet customers to manually crunch the numbers to separate this information out from their receipts. This process can be tedious and cumbersome, with much room for error when reporting methodology is not consistent.

Another side benefit of Level III data capture is that it requires the cardholder to input an ID number for each transaction, preventing the card’s use in case of loss or theft. Contrast this to a typical credit card, which usually requires no additional verification—it’s simply swipe-and-go.

## Product Type Controls – The Ultimate Control Over Your Budget

Fleet cards also allow for tighter, more granular purchasing controls at point-of-sale terminals, which helps to minimize abuse and inappropriate spend.

This is because fleet card networks organize data by “**Product Type Controls**”, or **PTC’s**. A PTC is as it sounds: a grouping of like products separated by type: services, fuels, fluids, food, and so on. Fleet card networks can use Level III data to customize card controls, so they may only be used at certain times or on these product types. Managers can then go a level deeper and set controls on dollar-spend at the transaction level, including limits on:

- Daily and weekly dollar amount limits
- Fuel quantity (amount of fuel purchased in a day)
- Timeframe of purchase(limit to certain days or weeks, or even hours of the day)

In addition, fleet cards can provide soft controls such as email alerts, which keep managers informed of unusual or unauthorized purchases, such as when a driver exceeds a per-gallon threshold, or fuels out-of-state.

Product Type Controls
Product Type
Fuel (always on)
Parts & Service
Quick Lube
Oil & Fluids
Roadside Assistance
General Merchandise

On the other hand, credit card networks can provide some purchase controls, but they aren’t tailored for a fleet customer, and the ability to set purchase limits based on the product type. This control is unique to proprietary fleet cards. Wright Express, as a leading fleet card provider, has worked with the Petroleum Convenience Alliance for Technology Standards (PCATS) to help standardize many of these product-based codes in order to help fleets better control their purchases, and to aid with reporting and accountability.

Credit card networks rely on “**Merchant Type Controls**”, which are identification numbers based on the kinds of products and services a business provides. A merchant picks up its Merchant Category Code (MCC) when they sign up to participate in the network; sample merchant codes might include a number for “gas station”, or “restaurant”, and so on.

### Merchant Type Controls

enable bank card customers to limit transactions to a merchant type (gas station, drug store, etc).

### Product Type Controls

enable access to specific product categories (fuel, fluids, service, etc), within a specific merchant network.

Merchant Type Controls	
Merchant Category	Merchant Type
T&E	Travel agencies
	Other transport
	Restaurants - Bars
	Airline
	Auto rental
	Hotel-Motel
Retail	Clothing stores
	Discount stores
	Sprngng good - Toy stores
	Electric - Appliance
	Mail order
	Food stores - wrhse
	Hardware
	Vehicles
	Interior furnishings
	Department stores
	<b>Gas stations*</b>
	Drug stores
	Other retail
Services	Other services
	Education
	Recreation
	Repair shops
	Professional svcs
	Utilities
	Healthcare
Cash	Cash

*\*Note: Gas stations often sell multiple product categories. Limiting station access to this merchant type does not limit which products can or cannot be purchased at these retailers.*

Beyond that, however, further granularity is unavailable, meaning if a purchase appears on a credit card statement as originating from a “gas station”, the fleet manager has no way of knowing whether it was a fuel purchase or another product, such as food, cigarettes, liquor, etc. The ability to distinguish products is not a part of this platform. Not only does that mean accounting programs and processing algorithms often mislabel non-fuel transactions as fuel expenses, the potential for card misuse—or abuse—exponentially rises.

The only solution for many credit card networks, often, is to set the card as “island reader only”, which shuts out any station that doesn’t offer pay-at-the-pump service, or is having technical problems with its outdoor payment terminals. This is hardly a solution for rural or small, mom-and-pop stations. What’s more, doing so excludes drivers from making potentially acceptable purchases, such as anti-freeze or wiper blades. Thus, fleet managers are left with an all-or-nothing choice: Either open the card up to transactions inside a fuel station’s retail outlet – and also open the card up to potential abuse – or hamper a driver’s ability to properly manage his or her vehicle.

On the other hand, Product Type Controls offer fleets the ultimate in flexibility. They enable the manager to limit transactions within a pre-determined network of fuel and service vendors. In addition, they can get a level deeper, and allow the fleet to allow or exclude certain categories of products. For example, the fleet can allow drivers to purchase fluids, like washer fluid or oil, and disallow general merchandise, like snacks and soft drinks. In contrast, the bank card would be open to all gas stations, and any merchandise that is available in this retail channel. For example, a driver could purchase electronics or snack food. This opens up the fleet to unauthorized expenses and program abuse.

A proprietary network also allows for a more extensive set of controls. Proprietary fleet cards can offer features such as **Automatic Pump Shut-off** – a feature that shuts off the fuel pump when a specific card hits a pre-established spend limit. Another example is **Real-Time Alerts** – emails or text messages are

sent to the fleet manager when a card reaches pre-established spend limits. Controls can work in tandem with each other to provide a fleet with the most advanced management tools.

Under a fleet card program, you get transactional control that you just can't get with a typical bank card. If a driver isn't following company policy, it puts the power back in your hands sooner and gives you a much bigger menu of options, through control of the product category.

## The Myth of Credit Card Acceptance Rates

Large fleets need a card with high network acceptance, so that drivers don't waste time and fuel driving around to find a station they can use. However, data offered within this network should not be overlooked.

Many bank card companies will claim that their fleet cards have high station acceptance rates; indeed, one major branded network claims to have "97% station acceptance". Read the fine print, however, and you discover that this network only captures Level II transaction data—such as name of vendor and time of purchase—instead of the more detailed Level III transaction data. Most major bank cards do not even offer Level II – only Level I (See Level I, II, III Data Comparison Chart). Fuel providers which limit which vendors they allow into their acceptance network can offer this enhanced data.

### Questions to Ask Your Card Provider:

- **Does the card offer a proprietary network?**
- **What percent of purchases get Level III data?**
- **Are my purchase controls set at the product or merchant level?**
- **How extensive is the cards station acceptance?**

Often there is no way of knowing what a station captures until fueling time: stations that do not capture Level III data skip the prompts for driver ID and odometer readings and go straight to fuel grade selection instead. The specific transaction's details are permanently lost to the fleet. Over time, this will reduce the accuracy of mileage reporting, throw off maintenance flags, and cause exceptions in accounting software.

Nationwide fleets, or those whose vehicles often travel to rural or less-populated areas, need Level III data every time. In certain areas of the country, Level III data just isn't available, and leaving fleets exposed to potential liabilities. Working without this information is like writing a blank check to your vendors, and waiting until next month's statement to see what they spent it on.

A fleet card such as the Wright Express Universal Fleet card offers acceptance at over 90% of U.S. retail fueling locations. More importantly, it provides Level III data capture at more than 99.8% of these accepting locations. This covers all of the major fuel retailers, and a majority of the independents.

In the rare cases a station can't provide Level III data, merchants must call into the fleet card company and process the transaction manually, so the fleet manager gets the Level III data he or she needs. The driver can still fuel at these stations – ensuring they will not get stranded.

## Wright Express Acceptance Network



Bigfoot	Cumberland Farms	Enmark	Fauser Oil	Grow Mark	Kenyon	Pantry	MFA Oil	Pantry	Quik Mart	Rutters	Taylor Foods	Tripair Oil	Wesco
Certified	D & D Oil	Express Stop	Gas America	Halley's	Krause	Lil Champ	Multi Serv	PRIDE	Road Ranger	Rymes 24	Thornton Oil	US Oil	Xtra Fuels
Coastal	Dairy Mart	Family Express	Giant	Huck's	Kroger	Lucky Stop	NU-Way	Pure	Rotten	Stewarts	Town&Country	Valley Dairy	Zip Mart
Cogos	Depot	Farstad	Git-n-Go	ICO	Kum & Go	M & H	O'Connor	Qik N EZ	Robbie	Shops	Trade Oil	Weigel Store	
Economy		Fast Track	Global	Ideal	Kwik	Mac's Stores	OK Petroleum	Quality Oil	Royal Farms	TCI			

Wright Express Acceptance Network includes over 140,000 locations.

Not all fleet cards offer Level III data – and some of the ones that do, often do not have Level III data at all of their locations. Savy businesses need to read the fine print – and make sure they are optimizing savings by ensuring their network has adequate Level III data capture.

## Fleet Cards Make More Dollars And Sense

For most fleets, fleet cards are a more versatile option than bank-issued credit cards. Proprietary fleet card networks offer advantages to the fleet manager that regular credit card networks can't, including greater consistency of Level III data capture, tighter and more granular purchase controls, and higher network acceptance for Level III stations nationwide. For fleet customers the choice to switch to fleet cards is clear. Fleet cards can revolutionize reporting processes and allow immediate information, for quick financial decisions as soon as the need arises.

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