

# Skip the credit card: Fleet cards make more dollars and sense

## Saving opportunities



Savings this month  
**\$4,563.70**



**wex**<sup>TM</sup>

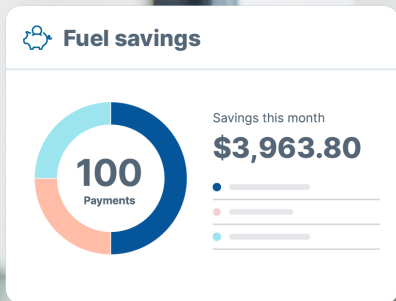
# Managing fuel costs

With gas prices constantly fluctuating, 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.

On the following pages, 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



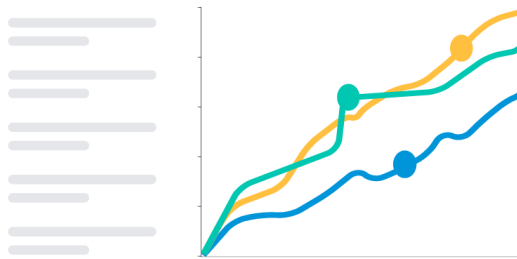
# Fleet cards vs. credit cards

## The advantages 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.



### Fleet analytics



While bank cards tap into a one-size-fits-all approach, fleet card companies such as WEX 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 the needs of fleet customers. These needs can differ significantly from those 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 the odometer reading, vehicle ID, etc. (See chart on the following page.)

There is a significant difference between providers that offer Level II data and those offering Level III data. 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.

More importantly, these credit card providers offer limited access to Level III data. This lack of critical data limits a fleet's 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 coverage is inconsistent at best, leaving fleet customers to manually crunch the numbers to separate this Level III information from their receipts. This process can be tedious and cumbersome, leaving much room for error given the inconsistency of reporting methodologies.

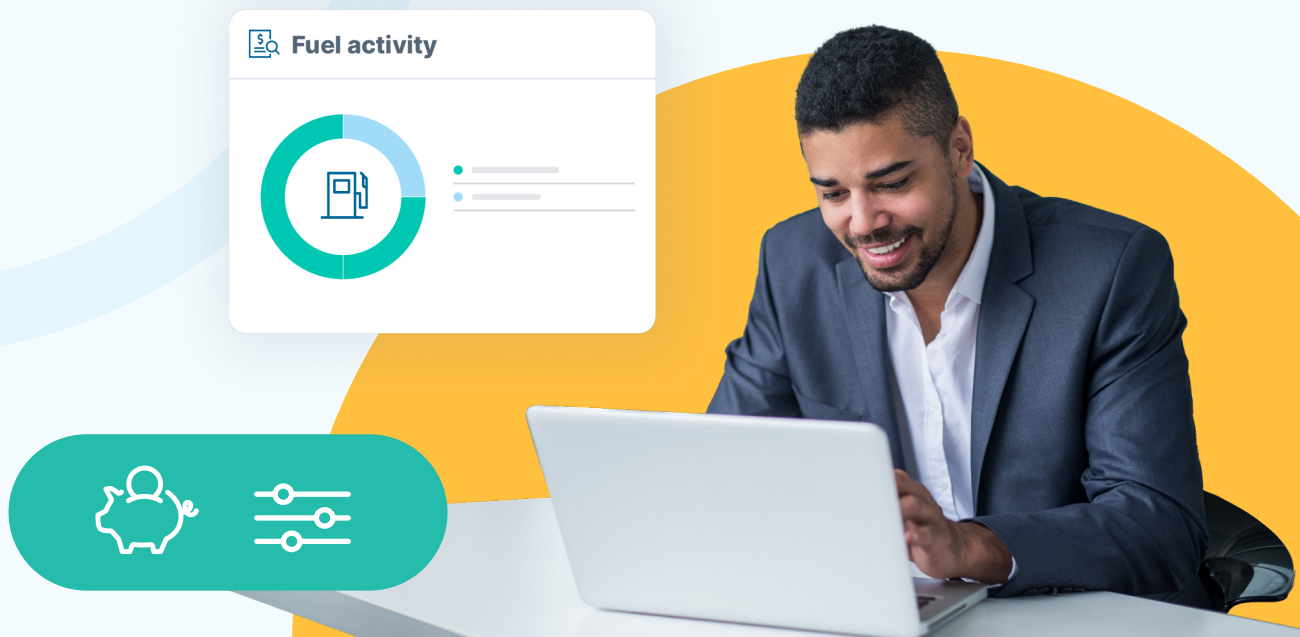
A side benefit of Level III data capture is that it requires the cardholder to input an ID number for each transaction, preventing the card's fraudulent use in case of loss or theft. Contrast this to a typical credit card, which usually requires no additional verification — those cards are simply tap-and-go.

## ACCOUNTABILITY — INFORMATION CAPTURING CAPABILITIES — SAVINGS



Source: WEX

Level III line item detail allows commercial vehicle fleet 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.



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# 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 spending.

This is because fleet card networks organize data by “Product Type Controls,” or PTCs. 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 particular product types. Managers can then go a level deeper and set spending controls at the transaction level, including limits on:

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



# What is Level III data?

Level III line item detail is enhanced transaction data that helps fleet managers identify not only 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.

In addition, fleet cards can provide soft controls, like 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.

On the other hand, credit card networks can provide some purchase controls, but they aren't tailored for a fleet customer and cannot set purchase limits based on the product type. This control is unique to proprietary fleet cards. WEX, 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 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,” “restaurant,” and so on.

Beyond that, further granularity is unavailable. That means 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 your typical credit card platform. Not only does that mean accounting programs and processing algorithms often mislabel non-fuel transactions as fuel expenses, but the potential for card misuse — or abuse — exponentially rises.

Oftentimes, the only solution for many credit card networks 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 antifreeze 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 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 ultimate flexibility. They enable the manager to limit transactions within a predetermined network of fuel and service vendors. In addition, they can get a level deeper, enabling the fleet manager to allow or exclude certain categories of products. For example, fleet managers 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, which opens up the organization to unauthorized expenses and program abuse.

### **Merchant Type Controls:**

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

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.

### **Product Type Controls:**

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

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.

Make sure to read the fine print when researching network acceptance. 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." Dive a little deeper, however, and you discover that this network only captures Level II transaction data — such as vendor name 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 that limit which vendors they allow into their acceptance network can offer this enhanced data.

## Level III data available with a fuel card

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

Merchant Type Controls	
MERCHANT CATEGORY	MERCHANT TYPE
<b>T&amp;E</b>	Travel agencies
	Other transport
	Restaurants - Bars
	Airline
	Auto rental
	Hotel - Motel
<b>RETAIL</b>	Clothing stores
	Discount stores
	Sporting good - Toy store
	Electric - Appliance
	Mail order
	Food stores - Warehouse
	Hardware
	Vehicles
	Interior furnishings
	Department stores
	Gas stations
	Drug stores
	Other retail
	<b>SERVICES</b>
Education	
Recreation	
Repair shops	
Professional services	
Utilities	
<b>CASH</b>	Healthcare
	Cash



## WEX acceptance network



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

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. Specific transaction 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 to be able to pull Level III data every time a driver is on the road. In certain areas of the country, Level III data just isn't available, exposing fleets 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.

WEX fleet cards offer acceptance at over 95% of U.S. retail fueling locations. More importantly, WEX 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 rare cases that 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 they need. The driver can still fuel at these stations — ensuring they will not get stranded.

## 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, enabling quick financial decision-making sooner.