

Petroleum Card Services Inc.

Company focuses on independent gas stations and convenience stores

by Deborah Fisher



Back in 2000, Cindy Fencil and Andy Hackler decided to learn and implement at-the-pump credit card payments for independent gas stations and convenience stores because there was not a clear solution available for ISOs in this space. They founded Gardnerville, Nev.-based Petroleum Card Services Inc. (PCS), with Fencil as COO and Hackler as CEO; Fencil took over as CEO in May when Hackler retired.

It took eight to nine months to get everything in place, and the company had its first account in August 2001. Over the next few years, the company continued to grow. And, in January 2005, PCS was purchased by iPayment Inc.

PCS decided to focus on independent gas stations because those owners don't have the network capabilities they need to service fleet cards or pay-at-the-pump transactions. "Banks will go after the owners with 20 to 30 sites," explains Fencil. "We are not looking at stations that are a Shell or a Chevron. They are not 'branded' stations. We look at owners with one, maybe two sites.

"We are not as dependent on each site, because if one site goes branded, it doesn't affect the bottom line that much," she adds.

Independent sales organizations (ISOs) sell PCS's services to those merchants. They allow those independent gas stations and convenience stores to accept all major credit cards—as well as debit, Voyager, Wright Express, Fleet One and the Fuelman Card—right at the pump.

PROFLEET Card

Fleet customers purchase a large percentage of the fuel sold in the United States each year, but standard credit cards don't promote loyalty to one particular station. So PCS created the PROFLEET card to

allow merchants to garner a larger share of fleet fuel purchases.

In essence, the PROFLEET card becomes a proprietary card, which can strengthen a merchant's brand and foster loyalty with fleet customers. It can be used for citywide or regional travel. The card also can be used for all fleet expenses, including fuel, maintenance and other travel expenses.

The reporting capabilities also provide a valuable benefit to PROFLEET customers. Specifically, customers can

"We are so focused on the petroleum industry, and the retail market is so different," she explains. "The broad overview we get from the ETA lets us know what ISOs need from us.

"So many more companies can do petroleum processing at the pump, we have to bring a total solution to ISOs," Fencil adds. "We need to address the problem to [convenience stores] and independent petroleum merchants, and enable the market to grow, all while providing a great service to ISOs."

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— Cindy Fencil, Petroleum Card Services Inc.

know when and where fuel was purchased, who was driving, gas prices, miles per gallon and much more. Features include locked-in fleet accounts, low-cost processing, 24/7 account support, tax-exempt billing for government fleets, captured line item detail with every transaction, and no cost for card issuance.

Specific Focus

PCS has really created a niche for itself by working on petroleum-specific certifications and working with vendors to get petroleum-specific information into their systems—for example, product codes and price per gallon.

Because PCS markets completely to the petroleum industry, it chooses to exhibit at four or five petroleum-related shows each year, rather than ETA shows. However, Fencil notes that its ETA membership provides PCS with a focus on the electronic transaction industry in terms of what the card associations are doing.

And while this sector can be challenging—sales cycles are longer and, because of fluctuation gas prices, margins are tighter—PCS has shown that it can be very profitable for ISOs.

"This is a positive and big growth industry. The de-branding market is always very prolific," says Fencil. "It's just a matter of educating the sales force that is used to higher margins. ISOs need to realize that it is an area of multiple transactions, not premium profit per transaction."

Once merchants change over their point of sale, they tend to stay with their ISO for a while, notes Fencil. "Referrals and word-of-mouth is huge in this industry," she says. "And we improve upon that by providing good customer service and lots of help with risk issues.

"We are looking out for the interests of the industry-specific merchants," she adds. "If it works for the merchant, it works for us and everyone wins. We price for the merchants and ourselves, and we try to be fair." **TT**