



RETAIL FUEL SOLUTIONS

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PIPELINE

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We wish you a happy holiday season and a prosperous 2008!!!

Cash/Credit Pricing Spark a War of Words

SAN FRANCISCO- Is it alright for convenience stores to offer two different rates – one for people who pay with credit cards and another, lower rate for people who pay with cash?

Convenience stores say that they're entitled to offer a "cash price" and a "credit price." The credit card industry opposes the stations terminology and wants more ambiguous language used, reports the San Francisco Chronicle.

Although it seems like this is a war of words, the stakes are actually high – and it may take a judge to decide who's right.

With credit card fees cutting into thin profit margins, some station operators are offering discounts to customers who pay in cash. These operators often post their rates in terms of a "cash price" and a "credit price."

Credit card companies say this is misleading because California law prohibits surcharges from being tacked onto retail prices for using plastic. They want the price paid with credit cards to be a station's "base price," and for the cash price to represent a discount from that rate.

We believe this language is misleading and unfairly surcharges cardholders who choose to pay for their gas using their credit card," VISA spokesperson Rhonda Bentz told the newspaper.

"It would seem that 'credit price' is clearest," said Al Shelden, the assistant attorney general for consumer law, to the Chronicle. "I don't think most people would know what a 'base price' is."

NACS is also seeking clarity in the matter. "Credit card fees eat up about 10 cents a gallon at these gasoline- price levels," said NACS spokesperson Jeff Lenard to the newspaper. "The whole reason for cash discounts is to move customers to a payment method that won't cost so much."

Lenard accused the credit card industry of playing "verbal shell games" to prevent customers from having a clear idea about payment options at the pump and said VISA in particular is "good at parsing words."

Lenard also noted that convenience stores paid about \$6.6 billion in fees to credit card companies last year. At the same time, he said convenience stores registered total profits, after taxes and fees, of \$4.8 billion. "The credit card industry made more off our business than we did." he said.



Custom-Built Trucks with Hidden Trap Doors Used To Siphon Gas

Florida authorities said that custom-built trucks with concealed trap doors are being used to steal hundreds of gallons of fuel from gasoline stations, WKMG-TV reports. Authorities also think that the thefts might be linked to an organized crime ring that is targeting gas stations. The police arrested three men in conjunction with several of the thefts. In both crimes, investigators found that the men had similar custom-built trucks that were used to steal the gasoline. Last week, deputies saw one of the men perpetrating the crime from two stations. The man pulled over near a gasoline station's underground storage tank, raised the trailer's hood and fiddled with the engine. Meanwhile, the trap door covered the fact that fuel was being pumped into the tanks, police said. One thief, who authorities say might have begun to steal fuel in January, might have taken as much as 10,000 gallons of gasoline a week to re-sell at his towing company. This is not the first time that thieves have tried to steal gasoline from underground storage tanks. Members of a theft ring operating in Florida were arrested in June 2005 for using trucks that could siphon upwards of 1,000 gallons of fuel undetected. Also in June 2005, a man in Cottdale, Alabama, was severely burned in an explosion while allegedly trying to siphon hundreds of gallons of fuel from a station.

N.G.A. Express Lanes - October 29, 2007



Tips for Fraud Prevention

Here are a few tips to help keep cardholder and transaction information safe:

- Keep all credit card account number records such as receipts or journals in a locked, secured place only accessible to management.
- Dispose of old receipt journals by shredding them so the account numbers cannot be read or copied.
- Immediately put all Credit cards left at the station on a safe place to avoid loss and fraud. If the customer does not contact the station, destroy the card and call the voice authorization number for the appropriate credit card as listed in the Clark Payment Methods Manual.
- Any unusual requests for credit card numbers and or information should not be complied with unless authorized by appropriate Clark representatives.
- Be aware of the use of unusual plastics being used for credit card purchases.
- Watch for numerous purchases in a short period of time with the same card by the same person.
- Also watch for numerous purchases in a short period of time with the same card and different people.
- Pay attention to your Pay-at-the Pump transactions. Assign dispensers that are “out of site” Pre-Pay only.



Each of us has a responsibility to help prevent fraud. Following these easy tips will help provide credit card security to your location.

(Reprinted Clark Connection, 2007)

harnessing the Rising Cost of fuel to Drive Retail Sales

Competition is fierce for customers. With more retailers vying for the same consumer, finding ways to attract new customers and cultivate your average customers register ring into a higher ring is absolutely critical to every business's economic vitality.

With the price of fuel fluctuating almost daily, rewards that lower the cost of filling up consumer's family car quickly becomes the talk-of-the town! It's the perfect reward – think about it; how do customers get to retail stores in the first place?

The basic premise of a fuel reward program is that by letting shoppers “earn” cents-per-gallon discounts when they purchase specific items, retailers gain control over the consumer that steer them to purchase more profitable items, and gain loyal customers in the process.

Critical to any business endeavor is to understand your customers; what makes them tick? There is an old saying, “*If you want to sell Bill what Bill wants – you had better look at the world through Bill's eyes!*” Your customers, after all, are your best merchandisers, listen to them – they will tell you which discounts and rebates move their needle, they tell you every time they enter your store – with their wallet. Are you listening? By making your customer part of a comprehensive program revolving around discounted fuel you will build a customer database that will provide a broader understanding into each customer spending behavior. How would you like to know which customers spend the most money in your store, weekly, monthly, or yearly and even cross check it by department?

Today's proactive retailers are moving beyond short-term discounting tactics and installing fuel islands into their parking lots as part of their overall marketing and promotional program. When customers see the price of a gallon of gas “Roll Back” at your pumps, they feel as they have done the right thing by becoming a loyal customer and increase spending levels.

Smart Echo, a technology company that specializes in multi-dimensional loyalty and electronic messaging programs has created software that integrates directly with grocer's point-of-sale equipment that creates the ability to take vendor's promotional funds and convert them into cents-per-gallon discounts. Smart Echo extends your existing POS system directly to the fuel pumps!

SmartEcho customers have seen between a 7 to 15 percent increase in grocery sales after launching a program. Some even with an area superstore opening! By shifting the consumer's attention away from price, and to saving money on fuel, retailers can gain a competitive advantage in the marketplace to retain their current customers and win back those the big box stores have stolen away.

