SUCCESS STORY

When faced with having to turn off Debit at the fuel dispenser, Edward's Oil Company installed Secure PumpPAY and recouped their investment in less than 6 months.

No one in the petroleum retail business can avoid the pay-at-the-pump mandates from Visa for fuel dispenser encryption. Edwards Oil devised a plan to address their compliance and to exceed the card industry's requirements for a stronger return on investment.

Customer: Edwards Oil Company

Business: Petroleum

Location: Alabama and Tennessee

Solution: Secure PumpPAY

Challenge:

Address card industry encryption mandates that will impact all fuel dispensers

In the face of the July 1, 2010 Visa Mandate to have all fuel dispensers upgraded to the Triple Data Encryption Standard (TDES) or EPP's (Encrypted PIN Pads), Edwards Oil set out to determine the path that was right for them well ahead of the deadline.* Edwards, however, decided it wouldn't just meet this standard, but it wanted to take a longer view at what was the best overall investment and what was best for its customers.

With 40 sites and more than 150 dispensers, Edwards was looking at a significant investment to meet the Visa standard. Still, they recognized dispensers had become a possible target for fraud and the popularity of pay-at-the-pump was very important. Edwards determined it had three options: 1) eliminate debit at the pump and do nothing despite consumer's growing preference for debit and processor's lower interchange fees, 2) replace all its dispensers at a significant cost, or 3) find an upgrade solution just for the dispenser payment technology (DPT).

Solution:

VeriFone's next generation solution for pay-at-the-pump was selected for a beta installation

For Edwards, doing nothing wasn't an option given the customer satisfaction and economic benefits. And replacing all their dispensers in such a short timeframe, would be nearly impossible to cost justify. So Edwards began to explore DPT upgrade solutions and selected VeriFone's Secure PumpPAY (SPP) system. The device had been proven in European and Asian markets where card regulations like those from Visa had been in place for some time. VeriFone's leadership in security, end use design, petroleum, and payments were also applicable. Edwards was already using the Ruby and Sapphire solutions from VeriFone to which SPP integrated easily.

After Edwards evaluated all its locations and considered the many POS related devices and systems that had to be addressed – an important step as you transition to TDES at the pump – it selected a beta location where it would be easy to test the SPP installation. As part of the beta, Edwards also wanted to ensure that downtime would be minimized with SPP. Shell (Edwards' distribution partner), VeriFone, and VeriFone's Authorized Service Contractor all participated in the project to help with the plan of action, to load SPP encryption keys, and to help test the points of integration.

Results:

Manageable costs, a quick installation, and an improved customer experience are just the start of the project's ROI

Edwards determined the cost for Secure PumpPAY upgrades was 70% less than the cost to replace existing dispensers.

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* July 1, 2010 represents the date that all installed fuel dispensers must have TDES functionality. Starting January 1, 2009 Visa also mandated that any new dispensers installed would have EPP's as well.

In its beta installation, Edwards had a quick, easy install given its careful planning and the flexible design of the SPP. While several sites required replacement of the complete dispenser, SPP was a great solution for the majority of the Edward's sites needing upgrades. After observing the installation, Doug Howe, Edwards Oil Assistant Manager said, "The device just looks more secure. You can see it (because the entire body of the SPP is encased)." Downtime was minimal and lasted just three hours for four fueling positions.

Customer reactions have been extremely positive - many thought the station had installed new dispensers. People have remarked the screen is easy to read, even on bright days, and the ATM-like keys are more responsive. Service calls to the location are down for the DPT, and in the long run, downtime is expected to be lower for cards as well, as each fueling position now operates separately on the POS system. In the future, Edwards plans to enhance the project ROI by leveraging the multimedia, IP connectivity (which allows the devices to be networked), and contactless features.

Edwards plans to use SPP where possible but also in some locations to simply replace antiquated pumps. "Dispenser technology is evolving so fast, it's a challenge to stay up on it. Our hope is Secure PumpPAY and careful asset management will allow us to go beyond today's requirements and even meet future demands," says Mr. Howe.

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- Doug Howe, Edwards Oil Assistant Manager

Return on Investment: Less than 6 Months!

Lost Revenue/Profit:
Turning off Debit at the pump means lost customers and higher transaction fees

- 10% less Debit customers
- 34% increase in credit card processing fees

Monthly Lost Profit and Increased Expense: $3,500

Total Dispensers: 6
Total Capital Investment at the Site: $20,700

Number of Months required to recoup investment — 5.9 Months!

CALCULATE YOUR OWN SECURE PUMPPAY RETURN ON INVESTMENT

Visit www.verifone.com/spp to use the online Secure PumpPAY ROI Calulater

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