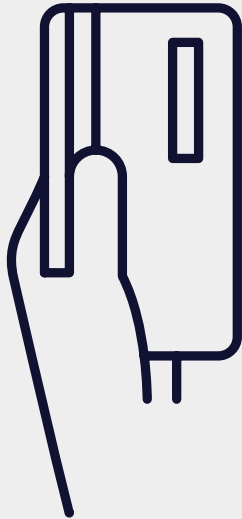




Future-proof your fuel card business with ease.

Steer through the fuel sector transformation
with insights around the horizon.

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Where happiness is built-in



The fuel industry is evolving at an increasingly rapid pace – and payments technology is surging forwards in tandem. These striking developments mean huge opportunities and advantages. But like virtually every other sector on the planet, that means growing pains as it goes through the digital transformation.

Many card issuers and fuel retailers are hamstrung by legacy systems, not only hindering present business performance but also hampering development of new solutions. The modernisation of these systems can enhance cost-effectiveness, unlock access to existing opportunities and build the resilience needed to navigate the industry's evolving landscape.

That makes this a particularly good time for an overview of modern payments technology, drawing on our own extensive research into industry trends, as well as our broad experience across the payments sector.

From the myriad current benefits, the innovations in payments at the fuel card issuer level and the cost-efficiencies and control for businesses of all sizes, from large fleets to single-vehicle operations.

To the future of the industry and the roles technology has to play both as a catalyst for change and as a powerful solution for navigating digital transformation, changing customer expectations and the marked move away from fossil fuels.

And as we'll also see, partnering with the right technology provider can prove key, in enhancing business operations and fostering agility and adaptability for long-term success and growth.

Driving competitive advantage for card issuers through payment system innovation

Customer expectations, accelerated by the COVID retail environment, are driving changes across the payment industry. Digital wallets are now the leading payment method globally in e-commerce and at physical locations, and the percentage share of in-person transactions using digital wallets in Europe is forecast to double by 2026.¹ Furthermore, in an industry with a high prevalence of card fraud, the benefits of a digital payment solution are clear.

Behind the scenes, flexible, cloud-based processing platforms offer unparalleled adaptability and scalability – a great bonus for issuers who can't easily predict precise future requirements. With their own needs, and the needs of their customers, certain to evolve in the coming years, the data-driven insight offered by modern payment systems can help issuers anticipate the solutions that will shape the future of the industry.

In the interim, cloud-enabled administrative and operational efficiencies can pay immediate dividends. Modern payment processing technology brings a host of benefits to card issuers, enabling them to stay competitive in a rapidly changing market, improve customer experiences and unlock new opportunities for growth. It also allows businesses to address inefficiencies in the current environment, as well as providing the agility to adapt to whatever the future holds.

Modern payment processing technology offers a multitude of benefits for card issuers, ranging from enhanced security and customer experiences to new revenue opportunities and operational efficiencies. By embracing these solutions, card issuers can not only overcome the challenges posed by declining fuel sales and shifting market dynamics, but also strategically position themselves for long-term success and growth in the payments industry.



The percentage share of digital wallet transactions is forecast to double by 2026.

1. FIS Global Payments Report 2023.



Enhanced fraud prevention and security

Ensuring the highest level of security is crucial when handling sensitive payment data. With advanced encryption techniques, tokenisation, and multi-factor authentication, modern payment processing technology provides robust security measures to protect customer data and mitigate the risk of fraud.



Improved customer experience

By offering contactless payments, digital wallets and real-time transaction tracking, card issuers can provide a seamless and frictionless experience for their customers. These features cater to the needs of users who increasingly value speed, convenience and ease-of-use, resulting in greater customer satisfaction and loyalty.



Rapid Onboarding

Automated onboarding processes and the issuing of digital cards can get users up and running in minutes, wherever they are in the world. With in-built AML and KYC processes, issuers can boost convenience for customers as well as significantly reduce administrative burden and operational costs.



New revenue streams

Modern payment processing technology enables card issuers to tap into new revenue streams by offering value-added services, such as analytics, loyalty programs and targeted marketing campaigns. By leveraging data insights, card issuers can create personalised offers and rewards, driving customer engagement and boosting revenue.



Cloud-enabled efficiency

Adopting cloud-based payment processing infrastructure can streamline operations, reduce the need for physical infrastructure and lower overall costs. With real-time transaction processing, card issuers can also minimise manual interventions and improve the accuracy of billing and settlement, leading to increased operational efficiency.



Scalability and adaptability

The inherent scalability of a modern payment solution allows card issuers to quickly adapt to changing market conditions, regulatory requirements and customer preferences. With a flexible development platform, issuers have the agility to respond quickly to emerging trends and opportunities, and the capacity to scale their businesses when the time is right.

Payments technology and efficient fleet management

The fuel industry's transformation has brought the importance of cutting-edge payment technologies and modern fuel card solutions to the forefront. By adopting these innovations, fleet operators can not only optimise their current processes but also create new opportunities to thrive in this rapidly changing market.

Real-time visibility and control allows fleet managers to increase efficiency at both the operational and administrative level. Pre-defined spend limits alongside real-time control over card use provides flexibility as well as unprecedented protection against fraud.

With a broadening of mobility and non-mobility service offerings, fleet operators can leverage data insights from these interconnected ecosystems to optimise fuel management strategies, reduce costs, and support more sustainable fleet operations.

Real-time expense tracking

The ability to monitor expenses in real-time allows for greater visibility, security, and control over spending. This can lead to better decision-making, more efficient budgeting, and the ability to identify cost-saving opportunities quickly.



73%

**of fleets plan
a transition to
electric, hybrid
or hydrogen cell
within 5 years.**

Visa – Enfuce & Visa
Fleet Card Concepts. (2023)



Data-driven decision-making

With granular insights into customer behaviour, transaction patterns and market trends, businesses can make more informed decisions about product development, pricing strategies and marketing campaigns. A data-driven approach enables card issuers to optimise their operations, identifying growth opportunities and align with customer expectations.



Streamlined partner integrations

The adoption of modern payment technology simplifies the integration process with partners, such as merchants, payment networks and technology providers. This seamless connectivity allows card issuers to expand their offerings, collaborate with industry players and create solutions that cater to the evolving needs of customers.

Customisable spending limits

Advanced payment systems offer the flexibility to set individual and line-item specific spending limits for drivers, helping to prevent unauthorised or excessive purchases. This can lead to reduced fuel costs, improved overall fleet efficiency, and control over non-fuel transactions.

Fraud prevention

Moving away from magstrips to chip-based cards and biometric authentication methods provides an added layer of security and convenience for users. This technology will not only reduce the risk of fraud and identity theft but also streamline the payment process and boost the confidence of card users. Furthermore, modern payment platforms provide embedded fraud prevention systems at the processing level. By leveraging machine learning models and adaptive behavioural analytics, these systems understand genuine user behaviour and can flag suspicious activity in real time.

Streamlined administration: Integrating payment technologies into fleet management systems with a single-card solution can simplify administrative tasks, such as expense reporting and invoice processing. This can save valuable time and resources, allowing businesses to focus on their core operations.

Enhanced data analysis: Integration with fleet management systems provides access to a wealth of data, including fuel consumption patterns, driver behaviour, and vehicle performance metrics. By leveraging this data, fleet managers can make informed decisions to optimise operations, reduce costs and increase overall efficiency.

56%

**agree that current
fuel card solutions
are unable to meet
the changing fuel
needs of fleets.**

Visa – Enfuce & Visa
Fleet Card Concepts. (2023)



Stock of electric cars and plug-in hybrids to grow at a CAGR of 33% in Germany over the next decade.

**Arkwright Research –
Market Trends Deep-Diving
Fleet/Fuel Cards. (2022)**

Payment terms and flexible credit: Providing enhanced convenience and improved operational efficiency, flexible credit and extended payment terms can help fleet managers and businesses of all sizes better manage their cash flow. Our research suggests that flexible credit is a high priority for fleet operators, but is something offered by just 12% of fuel cards, and 33% of current cards require immediate payment.

The changing landscape of the fuel industry

One of the more disruptive issues to be faced by many in the industry is the decline in fuel sales. Driven by the rapid adoption of electric vehicles, increasing fuel efficiency and a global push for sustainable energy solutions, this decline is set to reshape the market.

Petrol retailers find themselves at the forefront of the upheaval to fuel revenues. According to research by KPMG, the share of forecourt revenue derived from traditional fuels has fallen from 90% to 50% over the last 10 years. As these businesses continue to evolve in the coming decade, broadening their service offering and diversifying their revenue streams, that figure is set to fall to 20%.²

Investments in convenience retail, as well as adjacent services and modern mobility offerings, are designed to both offset the decline in traditional revenue streams as well as respond to changing consumer behaviour and expectations.

Fuel cards have been about more than just fuel for quite some time – but the scale of the coming change and the diverse and fragmented mobility landscape requires a modern solution. Mixed-fuel fleets will become the norm during a long transition period, and there is a strong desire for a unified, single-card solution that can cater for this.

Fuel cards of the future

At the heart of this market transformation lies the critical role of payment technology innovation. By embracing these advancements, fleet operators can not only streamline their fuel management processes but also uncover new opportunities to thrive in an ever-changing industry. Card issuers can put themselves in a position to adapt to changing customer requirements, and at the same time leverage modern payment processing infrastructure to unlock insight, efficiency and scalability.

Fuel cards are overdue an upgrade. As fuel retailers broaden their revenue streams through investment in retail and broader mobility services, and mixed-fuel fleets become the norm, the fleet operations landscape is set to become increasingly fragmented. Modern, adaptable solutions are required to cater to the diverse needs of fleet operators, fuel retailers and end-users alike.

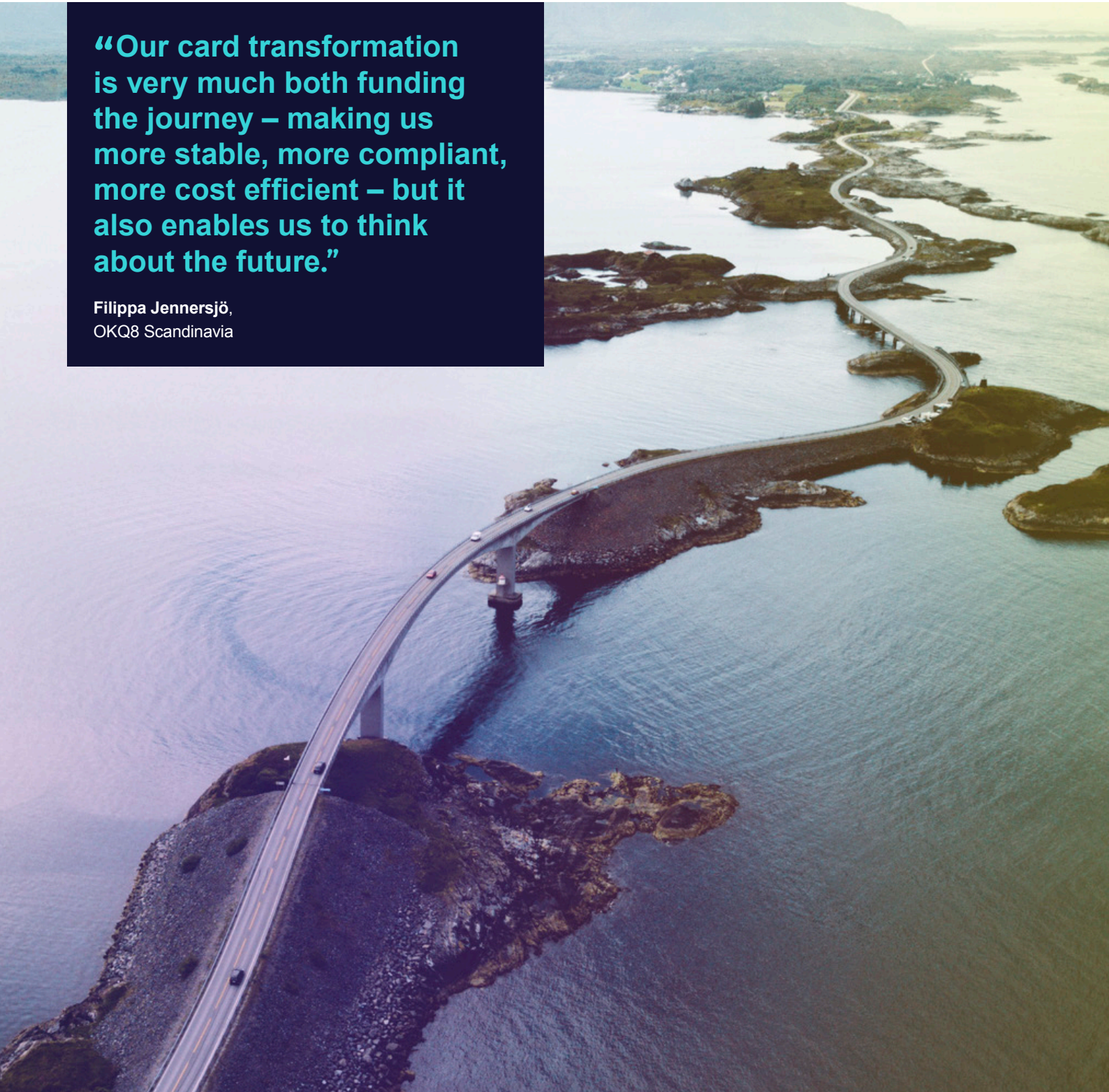
2. KPMG Report – “Fuel and Forecourt Retail Market”.

The next generation of fuel cards are in a position to be a linchpin service, leveraging modern payment infrastructure to both strengthen current fleet operations and embrace new developments. They can be designed to support multi-modal transportation options such as electric vehicle charging, public transit and shared mobility services, as well as efficiently managing the transition away from fossil fuels.

Resilience and adaptability are key in a dynamic, fast-moving environment. Along with the continued growth of mobile payment and digital wallet adoption, further advancements in payment-related technology are expected in the future.

“Our card transformation is very much both funding the journey – making us more stable, more compliant, more cost efficient – but it also enables us to think about the future.”

Filippa Jennersjö,
OKQ8 Scandinavia



Vehicle-to-everything (V2X) communication and connected cars

Valued at \$86 billion in 2021, the global connected car market is expected to hit \$361 billion by 2030.³ With built-in internet connectivity, these vehicles will be able to communicate with fuelling stations, parking facilities and toll booths, enabling seamless and automated payments without the need for physical cards or cash. This level of integration will not only enhance convenience for drivers but also streamline operations for fuel and transport service providers.

AI-driven dynamic pricing

The integration of advanced data analytics and machine learning technologies into fuel and transport payment systems will enable dynamic pricing based on factors such as demand, time, and location. This approach will allow service providers to optimise pricing strategies, maximise revenue and offer personalised incentives to customers.

Mobility-as-a-service

The rapid evolution of Mobility as a Service (MaaS) is driving the transportation industry towards a more connected, efficient, and user-centric future. With some fleets planning a move to a mobility budget, the integration of multi-modal transport capabilities into payment card solutions will become a key concern for certain fleet types. The move away from single vehicle, end2end transportation and ownership across both business and consumer markets is developing apace: advanced payment solutions will be an intrinsic enabler of MaaS.

The rapid development and integration of new technologies in the payments sector will continue to transform the fleet and fuel industries. Adapting to the change will require a modern technological infrastructure that offers the experience users will come to expect, and the flexibility to grasp new opportunities as they present themselves.



Embracing technology partnerships to navigate uncharted waters

As we've noted throughout, this sector is subject to developments that are remarkable by any standards. That's where technology partnerships can prove such a valuable asset, providing expertise, guidance and innovative solutions to tackle challenges that may arise. Particularly as the fuel industry undergoes transformation, driven by factors such as the rise of electric vehicles and the push for sustainable energy sources, and the evolving needs and expectations of customers.

Technology partners with their finger on the pulse of industry trends and innovations can help fuel card issuers anticipate and respond to these emerging demands. Through this collaboration, issuers can tap into a wealth of expertise and resources, enabling the development of cutting-edge solutions that cater to the shifting needs of their customer base.

With these changes comes the inevitable burden of more complex regulation. In some markets for example, PSD2 is slated to be applied more broadly, bringing previously exempt systems under greater scrutiny.

And while it's a necessity in keeping payments safe and secure for customers, compliance can be costly in terms of both time and resources. With the right technology partner, issuers can not only stay abreast of these regulatory developments, but also outsource the compliance burden, freeing up time and resources to concentrate on business growth.

These partnerships enable issuers to leverage the knowledge and experience of experts who have navigated similar challenges across the payments industry, applying lessons learned to their unique circumstances and fostering a proactive approach to regulatory compliance.

“We are a partner for the future. However the future takes shape, and whatever solutions will be required, we have the knowledge and expertise to develop them in partnership with our customers.”

Linda Buss,
Senior Product Manager at Enfuze

The way forward...

To sum up what we've seen so far. With advanced payment technology, businesses can not only address current challenges but also remain agile and responsive to future market developments.

By leveraging cutting-edge payment solutions, fuel card issuers can enhance security, improve customer experiences, tap into new revenue streams and increase operational efficiency. These technologies also enable fleet operators to optimize fuel management strategies, reduce costs and support sustainable operations.

Technology partnerships can play a critical role in helping fuel card issuers and fleet operators navigate this complex and rapidly changing environment. Through collaboration, businesses can access expertise, resources, and innovative solutions to tackle emerging challenges, stay ahead of regulatory developments, and capitalize on new opportunities – and profit from the industry's transformation.



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About Enfuze

Enfuze is an award-winning, trusted, and strategic partner for transformative, secure, compliant and globally scalable issuer processor card solutions. Powering payment partnerships that reimagine customer connection and engagement, Enfuze brings together the brightest minds and the best technology to create modular, flexible and cloud-based payment processing capabilities.

Founded in 2016, Enfuze is a global company with teams in Finland, Germany, Sweden and the UK. Enfuze has an Electronic Money Institution (EMI) license from the Finnish FSA. Being the first financial service provider in the world to be PCI-DSS certified while running its service in the public cloud, Enfuze's enterprise-grade modular platform and core payments processing engine provide 99.999% uptime, global scalability and card scheme connectivity. Enfuze supports debit, credit, prepaid, gift, fleet and fuel card programmes in any form – plastic, virtual and/or tokenised – for consumer, commercial and B2B applications, including integration with digital wallets.

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