

Engen dealers get subsidised credit card charges

Engen announced yesterday, Monday 24 May 2010, that it will share the burden of bank transaction costs halfway with its dealers over the World Cup period, which will significantly improve dealer profitability on credit card fuel sales.

After some internal deliberations, the fuel retailer is now ready to incentivise its dealers who are willing to accept credit cards by subsidising half of the nett impact to dealers on transaction fees.

"Currently at 1.75%, credit card transaction fees erodes a significant part of the dealer margin on fuel, leading to a loss on earnings from such purchases," says Engen retail marketing manager Pierr Roodt.

He says a successful run could lead to Engen increasing its retail fuel sales on credit. For now, the deal is valid for the months of June to September, after which the company will review the programme and its results.

"This initiative will ensure that the company, in partnership with its dealers, is leading the way in providing a service to foreign tourists during the World Cup, while stimulating volumes for the dealers," Roodt says. "We invite all our dealers to welcome the world to Africa, and to share in a great opportunity."

Roodt however cautions customers to look out for signage indicating which service stations accept credit cards, as retailers are still entitled to refuse acceptance.

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