



Make the most of card data

For years, expense management professionals have urged clients to pressure their suppliers for enhanced data. Mark Harris looks at what's involved and how it can add value.

IF YOU'VE MANAGED or used a commercial card product in the last 10 years, you're bound to have encountered the term "enhanced data".

Much has been written and talked about enhanced data - so much so that the focus may have shifted from using it in a meaningful way to simply having it for the sake of it. The key to deriving value from this data is what you do with it.

The data breakdown

In broad terms, there are six key categories of data that can be identified and are delivered (at least on a global level). Each of the card scheme providers also provides progressive "levels" of data enrichment in each of the categories (these are published on the card providers' web pages if you want more detail).

- > Financial Record: what you've been getting from your financial provider for years, the financial information and basic merchant details for a transaction (transaction date, transaction value, etc).
- > Travel-related Data: in Australia and New Zealand at least, this data is still primarily related to airline data but does

extend to hotel and rental car data. There is increasing focus on moving into these areas, particularly around RFP time.

- > Non-travel-related Data: almost non-existent in this part of the world, for example, stationery suppliers and courier companies. This is certainly part of the data landscape in other parts of the world (for example, Great Britain) and could become in this part of the world.
- > Cardholder and Organisational Data: card providers are often able to provide information on cardholder and company data (for example, changes to credit limits, lost and stolen cards, etc). This data is often only provided on a monthly basis as opposed to daily.
- > Tax Data: limited to GST at this stage (at least in Australia).
- > Additional Data added by your core systems – just as important as the externally provided data and obviously more relevant to your particular environment: not captured by the card provider but added to the transaction as it makes its way through your financial system and/or Expense Management System (EMS).

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So what enhanced data is available in Australia and New Zealand?

American Express and Diners Club have been providing enhanced data (mostly of the travel variety) in Australia and New Zealand for a number of years. More recently, with the introduction of GST (in Australia), they have added tax to their enhanced data suite. Due to the “closed” systems of both of these providers

(they’re the merchant and the card issuer), American Express and Diners can pass enhanced data directly between their systems, then onto the customer (i.e. it’s captured at point of sale).

Visa and MasterCard have made significant inroads into providing enhanced data. Some card providers have even developed their own data enrichment programmes. These programmes rely on data matching platforms that take “feeds” of data from the

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card providers and the suppliers (airlines, TMCs, etc) and match the data based on a range of criteria. Matched data files are then able to be sent to an appropriate location for the customer to process.

In this part of the world, little progress has been made into penetrating non-travel related transactions. Given the ubiquitous nature of credit cards, there seems little doubt that a movement into non-travel related expenditure would be beneficial to all parties involved.

What matters is what you do with the data

So what happens to all of this extra data? We know that airline data is useful when it comes to assisting travel co-ordinators who need to allocate costs for a number of travellers. Without flight data, this task can be very difficult and time-consuming. With enhanced data and an electronic reconciliation tool, costs can be allocated in a straightforward manner.

Tax data is obviously also beneficial and can mean that card statements can be used as tax-compliant statements (no more pieces of paper for travellers to collect and file at the end of the month).

The key to deriving value from this data is what you do with it.

The question is what do you do with the rest of the data?

Although travel management companies (TMCs) provide a significant level of reporting for their customers, enhanced data combined with financial system data and EMS data can significantly improve the reporting capability of an organisation.

For instance, organisations are better able to track the total travel costs by combining the enhanced data for airline, rental car and hotel usage with incidentals such as meals, taxis, airport taxes and many others in their financial or EMS system.

Total travel costs obviously provide a much more accurate picture for the travel manager and ultimately provide a tool to better manage travel spend.

Organisations are also able to better manage supplier relationships as enhanced data can allow a detailed picture of expenditure and assist in answering critical supplier questions like:

- > Are we getting our discount rates?
- > Are we flying best fare of the day?
- > Do we have supplier leakage?
- > How are our travellers behaving (i.e. are they re-booking once they arrive at the airport; how often do they re-book travel)?
- > Do we need to negotiate rates for specific legs of travel?
- > How much are they really spending on the minibar?
- > Are they following company policy?

Perhaps one of the most under-used aspects of the current enhanced data landscape is the cardholder and organisational data provided by the card suppliers. This data can assist an organisation in minimising its administration burden by allowing the automatic mapping of cardholder details to records in the financial or EMS system (for example, card numbers, expiry dates, credit limit changes, etc. are often all provided in the daily or monthly files produced by the card provider). It also

ensures that important items like disputed transactions can be tracked from the card supplier (many provide non-financial records in their data feeds that notify the progress of disputed transactions).

What does the future hold?

In the Australian and New Zealand markets, more extensive reporting (both in terms of the number of players and the level of data provided) for hotels would seem an obvious area where more data is required.

One of the major issues holding this back is the lack of centralised billing systems in many of the hotel chains. This has meant that card providers have had to deal with individual hotel sites in order to get the data for matching.

A movement into non-travel related industries for enhanced data appears to also be an avenue that has great potential for the industry.

The ability to provide line item detail for such purchases as stationery, legal, temporary labour, couriers and a raft of other expenditure would provide real value to organisations and would allow the use of a low-cost payment method like cards to be used for a greater range of purchasing.

When you get it, use it

There's real value in the data that is provided. What's important is to look for areas where data is being provided but may not be currently being used by your organisation (for example, cardholder information). Using this data can allow you to increase the accuracy of the data in your systems and lower your administration overheads.

And if you want something that is not currently being delivered, then put pressure on your card provider and system suppliers to get the data you want and have it displayed in a way that is meaningful to your organisation.