

Special Report: Corporate Payment Systems

Citibank Challenging Amex

BY JAY BOEHMER

Citigroup last month announced the creation of a global data repository that gathers, retains and reports charge card and travel data from 29 countries for commercial clients.

By stepping up its role on a multinational level, the card issuer said it plans on challenging the dominance of travel and entertainment card giant American Express. Amex maintains a multinational niche in the corporate market since most other corporate card providers issue cards and report spend data on a regional or national level.

"Who is the issuer that has the largest portion of the commercial card market on the T&E side?" asked Gary Schneider, global business manager for Citibank commercial cards. "It's certainly American Express, and no bank provider except for us has been able to compete with them."

Prior to the data repository initiative, Citibank, which issues commercial cards in 28 countries, consolidated data only on a regional basis. Citibank said in addition to corporate card data it would work with corporate clients to capture spend from multiple vendor sources worldwide, including car rental agencies, airlines and travel management companies. Citibank also said it would leverage customer relationships with preferred hotel suppliers to bring in level-three folio data.

"On a T&E card, there may be hotel folio data or incremental car rental data that does not come from the credit card," Schneider said, adding that such data now could be reported globally.

Citibank, which issues both MasterCard and Visa brands, said the repository would accept data from either network, depending on customer preference. The bank also would bring in data feeds from other card issuers, including Amex, for customers that have multiple card vendors in separate regions and want a single report to reflect all spend companywide.

"Because the data is something that we handle for them and not the networks, they can be brand-agnostic or have multiple brands around the world and we'll give them the consolidated data," Schneider said.

Citibank has worked with third-party data aggregator TRX Inc. and expense management provider Concur Technologies to compile information and transmit it to customers.

"Citigroup supports its corporate clients all over the world with multiple processors. That information resides in multiple systems, agencies and bank processing places," said TRX Data Services executive vice president and general manager Susan Hopley.

TRX worked with Citibank for more than a year developing the technology, and the two companies will continue their relationship to provide enhanced data to Citibank customers.

Although Hopley would not comment on the details of the Citibank partnership, industry sources said the scope of the project surpasses prior work at TRX.

Concur also would not comment on its role in the Citibank initiative.

Citibank piloted the system for about a year with clients it declined to name. Although Citibank would not disclose the names of companies currently accessing the global data repository, a "large, multinationally branded consumer goods company in the beverage industry based in the U.K." is among the companies receiving enhanced data, a spokesperson said.

Citibank is "live and processing" data from 29 countries, and plans to access data from an aggregate 35 countries by year-end. Before going forward with implementing the remaining six countries into the data repository, Schneider said, there are international data privacy laws that Citibank must be attuned to before exporting the data.

American Express, which issues cards in 37 countries and offers data

consolidation from all of its markets, launched its global data repository in 1998. "The important thing that the global data repository does is standardizes and correlates data drawn from different markets that might have been submitted by merchants under slightly different formats," an Amex spokesperson said. "A repository is a fine thing, but what it's ultimately supposed to provide is



Schneider: Taking Citi global

reporting." Amex offers standard or ad-hoc reporting globally through its American Express @Work online tool, where travel managers can break out spend by region or department among other criteria.

Citibank has taken a similar approach to report the large amount of data compiled in its repository. "We have an ad-hoc reporting tool that we are putting on top of the global data repository that we've been very successful with in the United States," Schneider said. "It's an Internet-based tool that our clients have been using for several years in which they can drill down to the specific data they want by section of their company, and it can be at a specific vendor level or at a commodity level." Citibank now is extending the tool to all other regions.