

SEAMLESS PAYMENT IS CRITICAL TO THE HOTEL GUEST'S EXPERIENCE

For many years, hotels worldwide have relied on outdated payment systems that involve requesting and processing payments using credit card authorization forms that are prone to fraud. This method not only results in lost time, money, and accuracy for hotels, but it also causes inconvenience for guests who are used to more streamlined payment methods used in other industries.

While customer data autofill, one-step checkout, and digital wallets, including Apple Pay and Google Pay, have become the norm from fashion e-commerce to grocery delivery sites, hotels have lagged, particularly regarding payments on their channels.

Troubles with Payment

Some hotels have put much effort into creating memorable hotel guest's experience in person and online. However, they may face payment difficulties that can take away from the overall experience they've created.

Although the hotel industry is known for its luxurious and sophisticated services, it has often been criticized for its outdated payment processes. For hotels to stay competitive in today's market, they must prioritize seamless payment options.

It is common for hotels not to accept the payment methods that travelers have grown accustomed to using in other industries. This could be due to a lack of support for international payment methods or an inability to accept digital wallet payments. Unfortunately, this often leads to dissatisfied customers who face difficulties paying for their stay. A significant 40% of guests report having experienced such payment-related problems during their recent hotel stays. Additionally, most customers (66%) expect hotels to have their payment method saved on file already. Interestingly, 68% of customers say they would spend more on summer travel if a buy now, pay later option was available.

Hotels and guests seek secure, simple, and flexible payment options to replace outdated transaction methods and high-risk credit card authorization forms. Hoteliers have recognized the disconnect between their on-property experience and the inconvenient payment process for guests.

Hotel Payment Security Risks

Fraud-prone credit card authorization forms have long been hotels' go-to method of requesting guest payment. Not only are these forms lengthy to complete and built on antiquated payment processes, but they also pose a high risk to hotels, as most are not compliant with Payment Card Industry (PCI) or European 3D Secure standards.

Not complying with PCI requirements can result in steep fines of up to \$100,000. To avoid such risks, it is crucial to avoid using low-security credit card authorization forms and other time-consuming manual methods to request payment information. The statistics speak for themselves: E-commerce losses due to fraud are predicted to reach \$48 billion in 2023.

PCI DSS is a security standard that aims to improve payment account security globally, particularly for secure credit card transactions. 3DS mandates that the bank assesses each transaction within Europe and sometimes prompts for an extra authentication step. This helps decrease the chance of

fraudulent activity and transfers fraud liability from the hotel to the card issuer.

Hotels need to adopt payment technologies that follow the guidelines of PCI and 3DS regulations to safeguard guest privacy and prevent fraud. Maintaining consumer trust is crucial when handling data, as only one-third of customers believe companies use their data responsibly. Additionally, 56% of individuals consider online privacy " extremely important."

Hotels can safeguard their guests' information from security breaches and fraud by providing secure payment options like digital wallets and utilizing privacy-focused payment technology for PCI compliance instead of relying on conventional credit card authorization forms.

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