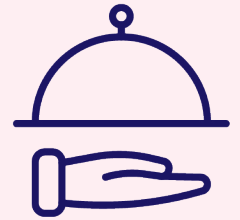


# Lowering payment acceptance costs in the hospitality sector





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The hospitality sector has been hit hard by rising inflation. With travel, dining out, and other services impacted in many areas, businesses in the hospitality sector need help to reduce costs to cope with and manage ever-rising expenses. As a result, one way of doing this is by reviewing and lowering merchant services costs.

## Offsetting Cost Challenges

With plenty of cost challenges, it is essential to look for ways to offset them. Hospitality businesses can reduce payment acceptance costs in an inflationary business environment in several ways.

This includes settlement risk, treatment of intra-regional cards in a non-present environment, and emerging new channels such as contactless payments or e-commerce purchases.

Also, the right choice of PSP and gateway provider can ensure all transactions run smoothly while lowering costs. In addition, PSP and gateway connectivity allow businesses to accept payments from various sources. For example, credit and debit cards and alternative payment methods like Apple Pay, Google Pay, and PayPal. Finally, ensuring dynamic currency conversion (DCC) is correctly in place can provide an additional source of income to offset other costs.

By leveraging these technologies and the best options in the market, hospitality businesses can save money on transaction fees by choosing the lowest-cost payment method for any given customer or country.



## Managing Down Payment Acceptance Costs

Payment acceptance costs are among the most important factors to consider when selecting a payment gateway. Although an expert can help businesses evaluate several providers and mitigate interchange rate exposure or choose suitable payment gateway fees. An industry expert can also help explore a range of strategies companies can use to reduce down payment acceptance costs.



Also, understanding the fees associated with different categories of transactions, and reviewing pricing models for various payment acceptance services, can help you to select the most cost-effective payment gateway for your business.



## Mitigate Economic Uncertainty

Hospitality businesses can also mitigate economic uncertainty making sure they have fair/transparent pricing & charging mechanisms and reviewing payment processing trails from POS to settlement. This ensures businesses have a clear view of all transactions and can accurately monitor your expenses.



In addition, regular market benchmarking can help identify cost savings.



## Regulatory Support & Compliance

Ensure you support and deliver regulatory compliance to remain aligned with current regulations. With help from experts, hospitality businesses can also ensure legislative changes such as the Payment Services Directive 2 (PSD2) so that your business is not impacted negatively by these changes.

Some fundamental PSD2 changes include:

- ▶ Strong Customer Authentication (SCA)
- ▶ Access to payment account information
- ▶ Open Banking APIs

By understanding and embracing these changes, you can ensure your business remains secure and compliant whilst exploring ways to reduce payment acceptance costs.

## Bringing it all together

The hospitality sector has been hard hit over the last few years. With rising inflation and cost pressures, it's more important than ever for businesses to find ways to reduce operating expenses. In addition, doing this while still providing high-quality products and services to customers. Reviewing and lowering merchant services costs is one way businesses can do just that.

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## Contact us

Contact us for further information and testimonials on how Bankbrokers has assisted businesses across the hospitality sector. In addition, how industry specialists have helped review merchant services options and solutions to lower costs and offset the impact of rising inflation. Our team of friendly experts can help your business secure the support you need.

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