



Smart Hospitality: Enhancing Guest Experience With Digital Payments

16TH Of April 2025

The background is a solid blue color. Overlaid on this are several white geometric lines. A large, thin white line forms a wide, shallow 'U' shape that spans across the middle of the slide. Another white line starts from the top left, goes diagonally down to the right, then curves back up and to the left, forming a partial circle or arc. A third white line starts from the bottom left, goes diagonally up to the right, then curves back down and to the left, also forming a partial circle or arc. These lines intersect to create a series of geometric shapes, including a large triangle on the right side of the slide.

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What is Digital Payments ?

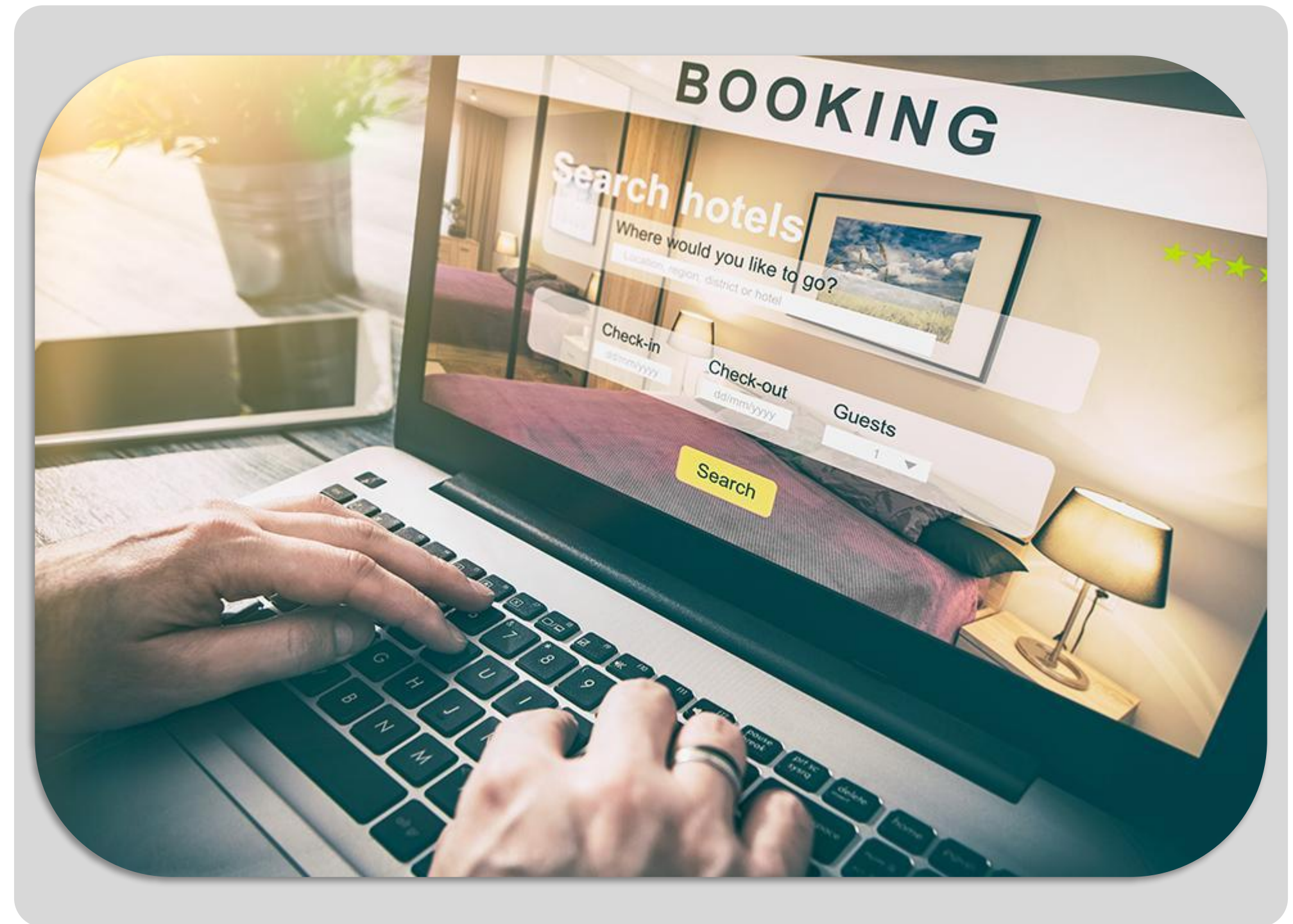
Digital Payments

Definition

Digital payments refer to:

****electronic transactions**** where money is transferred digitally—without physical cash or paper invoices.

These include online bookings, mobile payments, QR code payments, NFC-based contactless transactions, and automated billing systems.



Is POS (point of sale) a form of Digital Payments?



Positive impact of Digital Payments (based on D-EDGE's Distribution Report)

Revenue Growth

Hotels that shift to direct booking and digital payments gain significant advantages over relying on third-party platforms.



2019 (Pre-COVID) VS 2023		
Metric	Impact of Digital Payments	Regional Data
Revenue Growth	Hotels see higher revenue due to frictionless transactions	+68% in Europe +52% in Asia
Guest Spending (ATP)	Guests spend more per booking when using digital payments	+37.7% in Europe +23% in Asia
Average Daily Rate (ADR)	Digital payments contribute to higher room rates	+33.8% in Europe +33.3% in Asia
Direct Booking Revenue	Less reliance on third-party platforms, driving direct sales	32% in Asia 28.8% in Europe



Positive impact of Digital Payments

Direct Booking Revenue

Higher Profit Margins & Cost Savings by:

- Eliminates OTA Commissions: Online Travel Agencies (OTAs) charge 15%–30% commission per booking.
- Direct bookings allow hotels to retain 100% of the revenue.
- Reduced Payment Processing Fees: Digital payments streamline transactions, lowering administrative costs compared to manual cash handling.
- Time value of money and re-investment opportunity.

Better Guest Experience

Stronger Guest Relationships & Loyalty:

- Direct Communication: Hotels can engage with guests directly, offering personalized services and upselling experiences. (features VS benefits)
- Loyalty Programs: Direct bookings allow hotels to offer exclusive discounts, perks, and membership benefits to returning guests.



Positive impact of Digital Payments

Average Daily Rate (Revenue Management Optimization)

Improved Revenue Management & Dynamic Pricing:

- Control Over Pricing: Hotels can adjust rates dynamically based on demand, avoiding OTA-imposed pricing restrictions.
- Better Data Insights: Digital payments provide real-time analytics on guest spending habits, profile, helping hotels optimize revenue strategies.

Reduced Cancellation

Reduced Cancellations & Payment Security:

- Stronger Cancellation Policies: Direct bookings allow hotels to set their own cancellation terms, reducing last-minute losses.
- Secure Transactions: Digital payments minimize fraud risks compared to cash handling.

Guest Spending

- Better service display and utilization remotely and on premises.



Adoption Barriers:

- CBE regulation and Foreign currency settlement
- Security Concerns
- Guest Adaptability
- System Integration Challenges

The Future of Digital Payments in Hospitality:

- Invisible Payments: Guests auto-pay without manual transactions.
- AI-Powered Personalization: Predictive billing and tailored discounts.
- Blockchain & Cryptocurrency: Secure, decentralized transactions.
- Omnichannel Ecosystems: Payments across smart rooms, kiosks, and apps.
- IoT-Based Payments: NFC wristbands and voice command purchases.
- Subscription Models: VIP membership-based hospitality payment options.





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Thank You!

Questions