

# Hospitality Chargeback Challenges, Strategies and Industry Insights

“Chargeback Gurus helped a large hospitality client's full-service locations achieve a **revenue recovery rate of 53%.**”

Request a Consultation

[Chargebackgurus.com](https://www.chargebackgurus.com)



## Chargeback Gurus Overview

Chargeback Gurus is the leading provider of chargeback management services to the hospitality industry, leveraging innovative technology, AI insights, and deep industry expertise to help hospitality companies prevent chargebacks and recover more revenue. Our clients include leading hospitality companies that maintain a diverse portfolio across various international markets and asset categories.

## Challenge

The hospitality industry has experienced an increase in credit card disputes, resulting in financial losses as well as operational hurdles. Without experienced chargeback management experts, identifying the root causes of these disputes has proved to be challenging for most companies. This has necessitated a multi-pronged approach within the industry to explore strategies aimed at preventing fraudulent chargebacks, maintaining a sustainable chargeback ratio, and increasing revenue recovery.

### Key Industry Challenges:

- **Managerial Expertise and Time Constraints:** Hotel managers, often lacking in chargeback expertise and burdened by time constraints, face difficulties in effectively responding to disputes.
- **Limited Analytics for Root Cause Identification:** The industry lacks robust analytics tools to identify the root causes of chargebacks, hindering the ability to derive actionable insights.
- **Prevalence of First-Party Misuse:** A significant percentage of chargebacks are caused by first-party misuse, requiring risk mitigation strategies designed to combat this more complicated threat.
- **Complexity of Operations:** The industry's reliance on hundreds or thousands of Merchant IDs (MIDs) results in a lack of streamlined processes and consolidated solutions, further complicating operations.

Addressing these challenges necessitates the development of tailored strategies that prioritize enhanced analytics capabilities, managerial training, and streamlined operational processes to effectively combat fraudulent activities within the hospitality industry.

# Approach

The CBG approach combines expertise in the hospitality sector with cutting-edge technology to deliver chargeback prevention and revenue recovery solutions tailored to hospitality clients.

This approach includes:

- **Data-driven Insights:** Utilizing our proprietary FPRONE™ platform to aggregate data and deliver actionable insights.
- **Custom Dispute Packages:** Tailoring dispute responses to each property's unique needs, leading to higher success rates.
- **Collaboration with Property Management and Key Stakeholders:** Working closely with leaders and property managers to implement effective, property-specific policies and strategies.

## Effective Strategies for Reducing Chargebacks in the Hospitality Industry

### Validating Online Travel Agency Reservations

Property managers should carefully review reservations made through Online Travel Agencies (OTAs) and ensure rooms are booked accordingly.

### Prominent Payment and Refund Policies

Display payment and refund policies prominently during the booking process and ensure guests acknowledge them.

### Clear Communication Before The Guest Arrives

Ensure all reservation details, cancellation policies, and any additional charges are clearly communicated to the guest prior to their arrival.

### Report With The Guest During The Stay

Ensure continuous open communication and promptly address any concerns during the guest's stay to prevent dissatisfaction or frustration.



### Guest Interaction Documentation Protocol

Document all interactions with guests, including emails, phone calls, and resolution attempts for evidence records.

### Authorization of Transactions In The Presence of Customer

Process transactions using Chip & PIN whenever the customer is present and ensure all transactions, including the additional charges levied for services, are posted with valid authorization code.

### Reliable Payment Security Protocols with AVS & 3D Secure

Use AVS to verify the billing address provided by the cardholder. Implement 3D Secure protocols for online transactions to add an extra layer of authentication.

### Cardholder Information Records

Collect essential transaction and cardholder information along with identification of the guest, ensuring thorough verification and enhanced security against unauthorized activities.

# Solution

CBG's expertise and technological integrations with top processors and PMS platforms empower hospitality clients to achieve substantial revenue recovery and chargeback reduction. Chargeback Gurus continues to drive meaningful improvements for clients, paving the way for sustained success in the hospitality sector by enhancing the customer journey and providing efficient dispute resolutions.



Request a Consultation

Chargebackgurus.com

Follow us on

