

The Hotel Yearbook 2023
The Uncertainty New Normal



HY8



**Payments:
The ultimate guest
centric tech-
experience for
travelers**

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Synopsis

The hotel industry has been going through a technological revolution for decades, causing hotels to change pricing, business models and distribution strategies, and re-thinking the physical experience for guests. Despite this, the hotel experience has not changed much and the industry is behind on digital maturity. This is due to the structural ownership and operating of hotels, the overwhelming choice of different technology suppliers, and lack of consistency in the guest experience. The author left a leading hotel company to join Planet, which aims to solve some of the biggest frictions in the guest experience through a transformation led by software on payment rails.

For decades, the hotel industry, has been going through a technological revolution that's disrupted the industry like never before. Hotels have had to change pricing and business models, and re-think distribution strategies. At the same time the technology revolution has changed so many aspects of the physical experience.

Looking around you in your every day travel, a lot has happened in the last two decades. I boarded a flight recently just by using facial recognition, without the airline having ever taken a picture of me (as far as I know). Book online, check in on the phone, walk through security with your QR code, facial scanning for passport control, followed by a friendly "Hello Lennert" by the airline employee when I enter the plane ready to take my seat.

Wow... can you imagine how this process compares to what we experienced in the early 2000s? It's improvement is awesome.

I am always using Uber as an example of how simple innovation can be. In truth, Uber did not invent that much. It used a phone, a map, geolocation, a user profile and payment details, to make the process of ordering a taxi, seeing where it is, paying for a taxi, and paying for it, very simple. And people love it precisely because it's so easy to use

Or think about the good old Citi bikes in the big cities. Great idea to get people out of the taxi or being stuck on public transport. But renting one was hard. Registering on a device on a street, adding card details and cycling whilst checking where you can dock it again to finish. What a hassle. Look at the city e-bikes and scooters now. Download the app, register, and from there you scan a code on the bike or scooter and off you go. Park it anywhere and your card gets charged in the background, receipt in your inbox. It's so easy – there's no friction and people love it.

All of these winning modern use cases of existing technology have one thing in common; they solve user problems by simplifying things and focusing on the core steps needed to get it done.

Let's go back 20 years and imagine how the hotel experience of booking a room, checking-in, getting around, enjoying breakfast, managing the in-room experience, and checking-out will have changed in 20 years.

Check-in must have become seamless, no more queues? Breakfast lists must be a thing of the past? The concierge must have been replaced by chatGPT? What kind of cool technologies will be there in the hotel room? Smart mattresses, showers, AI to help get you the best sleep you have ever had? 20 years ago people had the wildest Jetson-like fantasies of all the possibilities that lie ahead of us in hotel experiences.

But the truth is far from that. Where online travel agencies have changed the way people book hotels for good, the hotel experience in general is more or less the same. Yes, some hotels might have an app for check-in, or entering a room, but is it really much better than the process of presenting a key to the door? How many times are guests still queuing for a reception desk for check-in, or to get their name ticked off a breakfast list?

Why is an industry devoted to guest satisfaction so far behind on digital maturity? You might even have read the McKinsey digital report that puts farmers higher on the digital maturity curve than hotels.

Partly it is a structural thing. So many hotels operate in the middle of a triangle, where there is a brand at the apex, a management company and a property owner at the other two corners. And in the middle a friendly hotelier trying to integrate tech and systems, bouncing between the three different stakeholders. With guests experiencing the disconnection and friction that comes from it.

But it's not just the owning and operating structure of hotels, it's also the market. With thousands of local and very few global players on each side. Different aspects of the guest experience managed by different technology suppliers. The choice is overwhelming and leads to a different guest experience at every hotel, and hardly any consistency.

Can you imagine walking into the same fast-food chain restaurant in the same city, with a different way to order, a different look and feel? I am not advocating to become like fast-food restaurants, but you get the point.

A lot of people have been asking me why I left one of the most innovative hotel companies in the world, citizenM, after 16 years to a company that is one step removed from the ultimate guest experience?

At citizenM I always had pretty much *carte blanche* to innovate, driven by a centralised owner operator with institutional investors that were always happy to write a cheque to improve our NPS score, and therefore long-term revenues.

When I was approached by the co-investors behind Planet, Advent International and Eurazeo, I realised that I was staring at a once in a lifetime opportunity. To lead a transformation of a company that aims to solve some of the biggest frictions in the guest experience. Just being focused on Hospitality and Retail, there is a firm belief that with software on payment rails, some of the core processes can be improved. Just think about it.



Source: depositphotos.com

20 years ago at industry conferences we were talking about distribution issues on how to get across rates and availability in the best way, and get reservations from travel agents or OTA's into the PMS in the best way.

These are all transactional processes. Mobile apps don't write anything on a ride folio, it charges a payment method on a user profile. In the hotel industry there are either loyalty cards to identify a customer, or email addresses. But just think about the opportunities of payment methods.

I might have changed my email address when I left citizenM to Planet, but my private Amex and Visa are still the same. Now combine my gmail address with my new corporate card, and you can understand my spend across all your hotels, as well as recognise me based on the card.



Lennert de Jong — President Hospitality at planet

Lennert De Jong is President Hospitality at Planet since 2022. Before Planet he was one of the founding team members of citizenM and their CCO since 2006. He began his career in hotel distribution at SynXis where he guided its expansion in Europe from the year of 2000 onwards. Lennert has a passion for customer centric use of technology in hospitality.

Planet — planetpayment.com/en/merchants/hospitality-payments

Planet provides integrated software, payment and technology solutions for its customers in the Hospitality and Retail sectors and worldwide via a network of global Financial Services Partners. Founded over 35 years ago, we have evolved our services, delivering an innovative digital commerce platform that puts customer experience first. With headquarters in London and more than 2,500 expert employees located across six continents we serve customers in over 120 markets.



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