

# The Challenge and Threat of **EXTRA HOTEL FEES**

**S**ome hotel operators are facing a new question as they offer their properties on their Website or in the global distributions system (Sabre, Galileo, Amadeus and Worldspan). That question: Where to show additional fees when displaying room rates?

The question is a good and necessary one. If we are serious in our rhetoric about building and retaining travelers as loyal guests, there must be honesty and forthrightness in every aspect of our communication, including that about the rates (and fees) that we charge for our lodging.

The problem, however, is that the neither the systems that house the rates shown on the property or brand Website, the booking engines used on the Website, nor the GDSs, are designed to display additional fees each time they display room rates. Our continuing efforts to find a sufficient but not off-putting manner in which to present extra fees, so that the guest understands the full cost of the stay, (and is not unpleasantly surprised at either at check-in or check-out) have thus far met with mixed success.

Increasingly, on Websites today we use a flag (an asterisk by the rate for instance) that refers the site user to a footnote that contains the details of the additional fees, often together with deposit, guarantee and cancellation policy information. In other cases we display a phrase that serves as a link to a fuller explanation. We assume that the Website visitor will interpret phrases such as view rate details, see rate rules or rate policies, as a prompt to click the link and read the information to which it leads.

In still other cases we show a catch-all phrase on a near-to-final reservation entry screen—something such as fees and service charges—together with an aggregate amount of all of the individual fees, again expecting the booker to search further for the relevant details. In worst cases, we make no mention at all of the extra fees.

Hotel rate information displays in the GDS—with details positioned in an only-

sometimes-read policies paragraph—fall similarly short in assuring full awareness of the fees the guest will be charged.

Ultimately hotel operators face two questions. First, how best to alert travelers to these fees that they will be required to pay? Second, should these fees be charged at all?

## To Charge Fees Is an Emotion-filled Topic

There are explanations for extra fees, such as a charge for the delivery of an additional service, or we are balancing declining room rates, we need the money, guests are willing to pay it anyway, or the airlines do it, so why shouldn't we?

Yes, in some cases there are additional, value-added services; parking, HSA, and pay-per-view movies are three legitimate examples. But we quickly stray into a much more questionable area with resort fees. Since when did bell service, morning paper, evening turndown or towels at the pool become excluded from services delivered in the room rate? Why do some of us impose this umbrella charge for items like health club access, in-room safe use, a coffeemaker or the concierge? What is the guest's attitude when each day we add \$10, \$15, \$20 or more—I recently saw a \$39.50 per room per day resort fee—to the room rate? What should a guest's reaction be to a minibar restocking fee?

And back to the justifications. The justification that you have lowered your

rates is hard to process when I remember resort fees being charged long before the economic meltdown. The justification that because you can or because the airlines do it, would you want your guests to talk about your property and your brand the same way that they refer to Spirit Airlines? We add extra fees—fees that to the layman sometimes have little credibility—and put at risk the relationships that we seek, and need, with our guests.

So what is a hotel operator to do? In the case of your property or brand Website, my answer is to go back and look at how any extra fees that you charge are displayed. Put yourself in the place of the traveler and ask if you feel adequately informed, whether the fees will be noticed, or if they will come as a surprise later on. For the GDSs, ask your brand or representation company staff how the extra fees are presented, then ask yourself that same question about information visibility and clarity.

Today, announcing the presence of non-optional extra fees in the booking systems with appropriate prominence and sufficient clarity is often awkward. When we make the difficult decision that extra fees are warranted, and viable in the marketplace, we must make sure that they are explained to the guest early and clearly, or else risk losing both their business and respect.

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