



SkyWire Spa's Payment Safe

A Credit Card Solution

Executive Summary

As life goes, challenges arise, and problem-solvers rise up to meet those challenges. This is the case for the Spa Industry's experience with the Payment Card Industry (PCI) standards. While they are a set of vastly beneficial security practices in whole, they have presented the Spa Industry with a particular set of challenges that SkyWire Spa has sought to overcome. Given the service-orientated nature of the spa industry, Spas tend to experience a high number of no-shows for appointments and last-minute cancellations from their patrons. In the past, pre-PCI compliance era, Spas would have required their patrons to put a credit card down to hold their appointment. However, to maintain PCI compliancy, service providers can no longer store or hold unencrypted credit card information on site, thus removing any financial consequence to the patron if they do not keep their appointment. The removal has resulted in a direct loss of revenue for both the service provider and the therapist employees because it is difficult to fill last minute openings. To combat this issue, SkyWire Spa has employed a Payment Safe to take its clients out of scope, thus enabling their clients to provide a secure transaction process while reinstating a revenue stream from their cancellation and no-show appointment policies. In addition, SkyWire's architectural credit card obfuscation design allows its clients to mitigate their risk from breaches of data at rest.

Business case: Introduction

Since the implementation of Payment Card Industry (PCI) standards in 2006, service providers have been under intense scrutiny to comply with the security measures put in place, which focus on improving payment account security throughout the transaction process.

Among the standards implemented, service providers are no longer allowed to store credit card data unencrypted on site. This standard has, unwittingly, caused a direct loss of revenue for the spa industry. Without a guest's credit card physically on file, it eliminates the spa's ability to implement a 'no-show appointment' and 'cancellation' policy, resulting in nothing more than empty threats to their patrons. To circumvent this issue, SkyWire Spa has created a solution for their clients via a Payment Safe approach. In this approach the guest's credit card information is sent over to a credit card gateway, to be stored and in return, a "token" representing the guest's specific credit card is provided to the client to keep on record, thereby removing the need to maintain a potentially costly in-scope PCI status which can significantly decrease the client's security breach profile.

A case study:

While on a business trip, busy executive Emma Parks thought that she could squeeze in a trip to the luxurious Spa at the Four-Star Hotel she was staying at. She called down to the Spa and booked her appointment for the following afternoon. While booking her appointment, the reservationist was clear to go over the Spa's cancellation and no-show policies, which included a financial obligation on her part, should she not be able to make it to her appointment. Much to Ms. Parks' dismay the following afternoon she was slammed with pop-up meetings and did not have a free moment to cancel, let alone inform the Spa of her inability to come for her appointment. Upon reviewing her folio, Ms. Parks was confused. Even though she had missed her appointment, and there was a no-show policy in place, she did not see any financial obligation for her no-show on her folio.

"Nothing is more expensive than a missed opportunity." – H. Jackson Brown Jr.

Clearly the Spa had missed an opportunity and had not been forth coming about their pseudo-policy that had no financial bearings. This situation has occurred throughout much of the Spa industry as PCI compliancy bars the storage of unencrypted credit card information on site. This has had a direct impact on the way many businesses operate and has limited their ability to function without an alternative means. SkyWire Spa has identified this

missed opportunity and has employed a solution through their Payment Store approach. Once implemented the new scenario should play out like this:

Ms. Parks calls the spa and sets up an appointment for the following afternoon. The reservationist asks for her credit card so that they can hold her appointment and she is informed of the no-show and cancellation policies. The reservationist enters the card data, sends it over to credit card gateway, and receives an encrypted hash tag token back that is then associated to the reservation. As a service to the guest, the reservationist asks Ms. Parks if she would like to store this card to her record for future transactions. Ms. Parks, eager for simplification and convenience, says yes and the token is then stored to her profile, in addition to being attached to her current reservation. Opportunity seized; problem solved.

PCI compliant vs. out of scope:

SkyWire Spas' Payment Safe solution has proven to be a tremendous benefit for the spa industry. Not only does their solution counteract the lost revenue issue and pseudo-policy problem, it also facilitates a more secure and far less costly approach to PCI security via an out of scope status since there is no PCI qualified data stored. By using a third-party token system that stores the authorization on file, SkyWire Spas has significantly reduced both their clients' liability and cost to maintain an in-scope status as it pertains to the transaction process.

Payment Store:

SkyWire Spa's solution aims to benefit both the guest and the service provider. The Payment Safe allows clients to take a guest's credit card information, send it to a credit card gateway, via an out of scope process, and get in return a "token" that represents that specific Credit Card. SkyWire Spa then has the ability to take this token and store it on a reservation, and or store it in the guest's record so when making future appointments, it can be selected and used to hold the reservation. This is the equivalent to having a guest's card on file except, there is no PCI qualified data stored. By doing this it means the client's liability has been significantly reduced if the system were to ever be breached because there is no credit card information at risk. In addition, this benefit to the guest is one of convenience. By having an authorization on file, they will not need to read out this information over the phone every time they need to make a spa reservation. The benefit to the Spa is one of fiscal security. Should someone not show up for their appointment, the service provider has lost revenue for that time slot that they will not be able to regain. With the implementation of the Payment Safe, in the event the guest does not show for their appointment, the Spa operator can still charge them for the missed appointment via the token that is attached to their credit card on file.

Working smartly and efficiently, SkyWire Spa's Payment Safe solution to the PCI challenge that has plagued the Spa Industry since the launch of the PCI Standards has surpassed the expectations of clients and has proven to be a successful cost-savings measure that puts the client out of scope and in an enhanced secured position