

CREDIT CARDS AS AN INSTRUMENT OF PAYMENT IN TOURISM AND HOSPITALITY

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Abstract Credit cards are one of the most used instruments of payment today. The advantages they have are the simplicity of their use and the mandatory relationship of a short-term credit contract. Nowadays, credit cards are increasingly used in tourism and hospitality. Many banks around the world cooperate with global card organizations such as VISA, MasterCard, American Express and Diners Club, so the cards they issue are widely accepted in hotels, travel agencies, hospitality objects and shopping centers around the world. This paper deals with the role of the credit card as a global instrument of payment in tourism from a legal and economic point of view, and its goal is to see what all the characteristics of a credit card are and what benefits its use brings. Its specificity for use in tourism and hospitality is mainly its simplicity (1), high security while reducing the risk of carrying cash (2) and the international character of the legal relations that are related to it (3).

Keywords:
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1 Introduction

Today, credit cards are one of the most used instruments of payment in general. With the global increase in tourist movements, they became increasingly important in tourism and hospitality and in these sectors became the most widespread payment instruments, almost completely replacing checks, bills of exchange, letters of credit and other, once widely used. The advantages that credit cards have over all other types of payment are the ease of their use and the binding relationship that arises between the parties, which is essentially identical to a short-term credit (loan) contract.

It is interesting that the trend of using credit cards in tourism and hospitality is increasing despite the increasing momentum of bank internet/mobile payments in practice, the wide possibility of foreign currency payments in cash "on the spot" and the appearance of the so-called cryptocurrency on the market. It should be noted that today the subjects of tourism and hospitality (hotel-keepers and travel agencies) are contractually connected with banks in the country and abroad, which, on the other hand, cooperate with global card organizations (VISA, MasterCard, American Express and Diners Club), and so the credit cards issued by them are generally accepted in hotels, travel agencies, hospitality facilities and shopping centers around the world.

The paper's aim is to process the role of the credit card as a global instrument of payment in tourism and hospitality today from an (interdisciplinary) legal and economic aspect, through all the characteristics that a credit card possesses and the benefits that its use brings. A particular specificity for the use of credit cards and the reasons for the expansion of its use in tourism is its simplicity, high security of using it while reducing the risk of carrying cash and the international character of the legal relations related to it.

The paper is structured through six chapters. In the first chapter (introduction) is given a brief overview of the topic, the research objectives are set and the content of the paper is presented. The second chapter (the concept and types of credit (payment) cards) deals with and analyzes the term of credit card and the types in which it most often appears in practice. The third chapter (legal relations in the credit card system) talks about contracts that are created when using credit cards and shows

the public law legislative framework of card business in Croatia. The fourth chapter (development of the card business (industry) in EU and Croatia) briefly presents the development and trends of the card business in the European Union and Republic of Croatia as well mentions the most known global card organizations: American Express, Diners Club, VISA and MasterCard. The fifth and most extensive chapter (credit cards in tourism and hospitality) provides an analysis of the card market in tourism and hospitality in theory and practice, using the example of the analysis of card transactions of the one of the largest hotel group in Istria - Arena Hospitality Group Inc. in the period from 2019 till 2021. At the end of the work, a conclusion was reached, in which the results of the work, reached after data analysis, were highlighted through the synthesis of all results.

2 The concept and types of credit (payment) cards

A credit (payment) card is an instrument of payment issued by a bank, a specialized tourist or trade organization, which enables its owner to obtain the goods or services of the seller by presenting it to whom the issuer makes the payment and final settlement is then made by the issuer with the cardholder.¹

Credit (payment) cards can be divided according to many criteria, but three are the most important. Depending on the usage system, there are: contact (a) and contactless (b) cards. According to the number of parties linked there are: simple (1) and qualified (2) cards. Regarding the payment due timing exist: 1. credit card in the strict sense of the word (payment later), 2. debit card (payment immediately) and 3. so-called prepaid cards (payment in advance).

The contact card is used in a way that it is inserted or slipped through the POS device and it contains all the data and records on the magnetic strip or on the chip. A contactless card has all the same characteristics as a contact card, with the additional possibility of contactless payment; it is done by bringing the card closer to the POS device that has readers for reading contactless cards.²

¹ Gorenc V., Šmid, V. (1999), *Poslovno pravo u turizmu i ugostiteljstvu*, Zagreb, Školska knjiga, Croatia, p. 221.

² Vesković, D. (2019), *Znanje i iskustva građanstva o kreditnim karticama*, Opatija, Sveučilište u Rijeci, Fakultet za menadžment u turizmu i ugostiteljstvu, Croatia, p. 13.

Simple cards are those that include two contracting parties in the system, and in the system of three or more contracting parties they are called qualified cards.³

A credit card (*payment later*) proves that its owner has been granted a credit line that enables him to buy or withdraw cash up to a pre-agreed set amount. The approved loan can be paid in full at the end of a certain period (charge) or it can be paid in installments (revolving).⁴ The main difference between a credit card and a debit card is that the amount of the transaction is deducted from the debit card immediately, while from the credit card is deducted after a certain period. In most cases, obtaining a credit card requires a steady source of income, and credit cards can then be used to pay online in internet payments.⁵

Debit cards (*immediate payment*), also called ATM cards, are cards issued by the bank to the account holder so that he can manage his funds regardless of the working hours of the bank branch. With a debit card, the client can withdraw cash from an ATM and pay for goods and services in the shopping and service network. By using this card, the associated account is debited for the incurred expense immediately after the payment is made, provided that there is coverage.

Prepaid cards (*payment in advance*) are payment cards that are not linked to a credit or debit account. These are, as a rule, anonymous cards that bear the name of the bearer, but they can also be personalized in relation to the person. They are, in fact, cards with already obtained credit deposited into an account. These are prepaid cards, i.e. cards that are either pre-denominated for a specific amount, such as phone cards, or a specific amount is paid to the card, which is then used cashless, such as student food cards.⁶ With a prepaid card, user cannot make purchases with deferred payment, and it is not linked to an account in a credit institution (bank). In order to be able to use the prepaid card, it is necessary to pay a certain amount of funds that

³ Vischer, F. (1979), Schweizerisches Privatrecht, Siebenter Band. Zweiter Halband, Helbing & Lichtenhahn, Basel, Switzerland, p. 891.

⁴ Jelenski, M., Šuperina M., Budiša, J. (2013), Kriminalitet platnim karticama (krađa identiteta, krivotvorenje i zlouporaba platne kartice), Zagreb, Ministarstvo unutarnjih poslova RH, Policijska akademija Josip Budiša, Croatia, p. 374.

⁵ Valentić, T. (2020), Kartično poslovanje, Osijek, Sveučilište Josipa Jurja Strossmayera u Osijeku, Ekonomski fakultet u Osijeku, Croatia., p. 21.

⁶ *ibidem*.

are planned to be spent on it. After that, it can be used until the paid funds are used up, that is, until the amount on that card reaches zero. ⁷

3 Legal relations in the credit card system

3.1 Contractual relations in the credit card system

The four most common contractual relationships can be distinguished in the credit card business system⁸:

1. Contract between the emitent and the merchant or service provider
2. Contract between the emitent (issuer) and the credit card user
3. Contract between the user and the merchant or service provider
4. Contract between the foreign organizer and the domestic emitent.

The emitent and the merchant determine their rights and obligations in a special contract by which tourist or commercial company accepts the terms of the issuer without the possibility of amendments, which is completely normal, because the entire system must be unique. Mutual rights and obligations are determined in detail in the emitent's general terms and conditions. The emitent's obligations are: 1) payment of all financial obligations incurred during the purchase of goods or use of services to the contractual organization, 2) assumption of the risk of non-payment, bankruptcy and insolvency of the credit card user and 3) provision of certain services of a commercial, advertising and accounting nature, 4) particularly to responsibly pay all invoices submitted by the merchant or service provider, thus assuming the risk of non-payment by the card user in general, and the obligations of the merchant or service provider are: 1. recognition of the credit card and sale of goods or provision of services to the card owner, 2. application of prescribed, usual prices of goods and services, as well as to other customers, 3. payment of the agreed commission, 4. orderly delivery of the statement of claims against the issuer within pre-set deadlines and 5. compliance with the issuer's instructions, etc.⁹

⁷ *ibidem.*, p. 22.

⁸ Gorenc, Šmid, *op.cit.*, p. 225.

⁹ *ibidem.*, p. 226.

The contract between the emitent (issuer) and the card owner/user¹⁰ is concluded in such a way that a legal or physical person signs the application for the issuance of a credit card, accepting the general conditions of the issuer, who can then accept or reject the application. The contract is concluded when the card is delivered to the applicant or when he receives the card. The obligations of the owner or user of a credit card are: 1. to pay the credit card issuer all the amounts that he paid to the merchant, which are indicated in the delivered notices such as invoices, of course adhering to the agreed deadlines, 2. to regularly pay the agreed amounts in the name of the membership fee, 3. notify the issuer without delay about the theft or loss of the credit card, and the obligations of the credit card issuer are: 1) to deliver the credit card to the user and thus enable him to pay the merchant using that card, 2) to pay all claims of merchants and service providers in a timely manner, 3) to inform the card user of all information that is important for the use of the card, on a way to send catalogs and magazines from contract trading companies. With this contract, the card issuer actually credits the user, although this is not specifically indicated anywhere. When the user pays for the goods or a service provided, he is obliged to pay the bill within a specific period. Due to such a payment system, the credit card user is able to use the issuer's short-term credit within a certain period, which lasts on average from two weeks to a month.¹¹

The contract between the credit card user and the merchant or service provider is entered into by the credit card user as part of merchants/providers activity. These are mostly some kind of named contract, such as a contract of sale, contract of representation, mediation, etc. These are often unnamed contracts, so a contract on hotel services or a contract on food and beverage services and the like can be concluded. If the card user has any complaint regarding material and legal defects of goods or services, he should contact the merchant directly. While the merchant, in case he has any objections regarding the payment, can only contact the card issuer, considering that the use of the card and the signed invoice do not mean that the payment has been made.¹²

¹⁰ It is correct to say both owner and user because the subject can be found in both forms or in only one of them.

¹¹ Gorenc, Šmid, *op.cit.*, p. 227-228.

¹² *ibidem.*, p. 228-229.

Finally, the contract between the foreign organizer and the national issuer have to be concluded. Credit card systems are the product of specialized US tourist and trade organizations and banks, and they quickly spread to other continents, especially in Europe. In Croatia, you can find more and more diverse credit cards, either from foreign issuers or from our own, that is, domestic issuers and banks. Some of the Croatian tourist organizations and banks joined certain credit card systems, so many of them got the right to issue cards themselves. The contracts concluded between the foreign organizer and the national or domestic issuer are mostly not always of the same content. As a rule, there are two types of contracts - representation contract and franchising contract.¹³

3.2 Public law legislative framework for the use of credit cards in Croatia

As an example of the legislative public legal framework for the use of credit cards there is shown the same in the Republic of Croatia which is governed by the Payment Transaction Act (2018)¹⁴, harmonized with the provisions of the European Union Directive 2015/2366 on payment services in the internal market.¹⁵ Act regulates all payment services and their providers, obligations of payment service providers, payment institutions and payment systems.

Payment services such as payment services of credit transfers, including standing orders, then remittances, including bill payment services and direct debits are also regulated by the mentioned Croatian Payment Transactions Act.

Regarding the credit cards system, the Act states that some “payment services” provided by payment service providers are:

- 1 payment transaction services, as well as the transfer of funds to a payment account with a payment service provider:
 - execution of direct debits, including one-time debits
 - execution of payment transactions via payment cards

¹³ *ibidem.*, p. 229.

¹⁴ Zakon o platnom prometu, Narodne Novine, 66/2018.

¹⁵ Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market.

- execution of credit transfers, including standing orders
2. payment transaction execution services where funds are covered by a credit line for the user of payment services:
 - execution of direct debits, including one-time debits
 - execution of payment transactions via payment cards
 - execution of credit transfers, including standing orders
 3. services of issuing payment instruments and accepting payment transactions.

All payments are made in the currency contracted in accordance with this Act and special regulations. If the currency conversion service is offered at an ATM, a point of sale or is offered by a payee, the party offering such service is obliged to inform the payer of all fees and the exchange rate that will be used for currency conversion before initiating the payment transaction.

The obligation to report to the Croatian National Bank (HNB) on all data on activities and processes related to payment transactions and electronic money is prescribed by the Decision on the Obligation to Submit Data on Payment Transactions and Electronic Money (2013)¹⁶. HNB determines the obligees, content, methods and deadlines for statistical reporting on payment services and on fraud with regard to means of payment. Reporting entities report to the HNB according to the Instructions on the method of collecting and compiling and the obligation to submit data on payment transactions and electronic money and the Instructions for creating and submitting a file with statistical data on payment transactions and electronic money.

4 Development of card business (industry) in EU and Croatia

The rapid development of new technologies in the card industry has led to implementing chips on their card products. Doing business with a card that has a

¹⁶ Odluka o obvezi dostavljanja podataka o platnom prometu i elektroničkom novcu, Narodne Novine, 147/2013, 16/2017.

chip is much safer than with cards that only have a magnetic strip, that is, there is less misuse of cards with chips. Another benefit is that such a card can store almost 80 times more data than one with a magnetic stripe.¹⁷

Card business in the Republic of Croatia has been in constant growth for the last ten years and has the potential for even greater growth. However, over the past few years, it has decreased in intensity due to the appearance of various card products.¹⁸ Card transactions within the EU are also constantly increasing, which is evident from the available data of the European Central Bank.

Table 1: Number of issued cards per inhabitant in the European Union

	Cards with a cash function				
	2017	2018	2019	2020	2021
BE	2.0	2.1	3.1	3.6	3.7
BG	1.1	1.1	1.1	1.1	1.2
CZ	1.1	1.1	1.2	1.3	1.3
DK	1.6	1.6	1.7	1.6	1.6
DE	1.8	1.9	1.9	1.9	1.9
EE	1.4	1.4	.	1.4	1.4
IE	1.5	1.6	1.7	1.9	1.9
GR	1.4	1.5	1.5	1.6	1.7
ES	1.7	1.7	1.8	1.8	1.9
FR	1.2	1.1	1.1	1.1	1.1
HR	2.1	2.1	2.2	2.1	2.2
IT	1.4	1.4	1.4	1.5	1.5
CY	1.4	1.5	.	1.5	1.6
LV	1.2	1.1	1.1	1.1	1.1
LT	1.2	1.2	1.2	3.6	3.6
LU	4.3	4.7	5.0	5.0	5.2
HU	0.9	0.9	0.9	0.9	0.9
MT	2.0	1.8	.	1.7	1.8
NL	1.8	1.8	1.9	2.0	2.1
AT	1.5	1.5	1.5	1.7	1.6
PL	1.0	1.0	1.1	1.1	1.1
PT	2.0	2.1	2.1	2.0	2.0
RO	0.8	0.9	0.9	1.0	1.0
SI	1.6	1.7	1.7	1.6	1.6
SK	1.0	1.1	1.1	1.1	1.1
FI	1.8	1.8	1.8	1.8	1.9
SE	1.6	1.7	1.7	1.7	1.6
Euro area	1.6	1.6	1.7	1.7	1.7
EU	1.5	1.5	1.5	1.6	1.6

Source: European Central Bank - statistical data - 2017-2021

¹⁷ Šućur, I. (2007), *Tržište kartičnih proizvoda u Republici Hrvatskoj*, Zagreb, PBZ Card d.o.o., Croatia, p. 215-216.

¹⁸ Many banks are starting to introduce the mobile payment service, i.e. the ability to pay via mobile phones. This made payment much easier, especially for tourists, because to pay for a service, all they need is a mobile phone, they don't have to bother with carrying cash or cards.

According to these data, Croatia is best positioned in comparison with neighboring countries from the region. In the last five years, Croatia was above the European average of 1.5 cards per inhabitant, and in 2021, 2.2 cards per inhabitant were recorded. Slovenia has results at the level of the European average, while Hungary has lower results and amounts to 0.9 cards per inhabitant. It can be said that Croatia is above the Western European average, so it can be concluded that citizens have created new habits (opening of new sales points, sales centers and supermarkets) related to payment methods.

Today, practically all commercial and tourist organizations in Croatia deal with the most important global card organizations as the main emitters (issuers) on the worldwide market: American Express, Diners Club, Visa and MasterCard.¹⁹

5 Credit cards in tourism and hospitality

5.1 Credit cards in tourism and hospitality in general nowadays

A credit card is issued by a bank, a specialized tourist or trade organization that allows the owner to use such a single credit card to obtain a product or service from a seller located in the system, to whom the issuer makes the payment, and after that the issuer makes the final settlement with the owner of the credit card. In simpler terms, when the user buys products or pays for services, the card user is in the role of the customer, but the card issuer is the payer.²⁰

Banks are the primary emitters (issuers) of credit cards, and they do so in cooperation with leading global card organizations. Having a credit card for its users often, in addition to safe and easy card payments around the world, also brings numerous benefits for tourists because the credit card emitters/issuers often cooperate with various airlines, travel agencies, multinational hotel companies, cruise agencies and the like. They are more practical because tourists (especially the foreign citizens) do not have to carry large amounts of money with them and often change currencies, which is ideal for large purchases, such as flights and hotel nights. Some

¹⁹ The use of credit cards in tourism and hospitality (in the next chapter) will be analyzed through statistical data on the use of the credit (payment) cards by the four organizations listed.

²⁰ Jurić, Đ. (2019), Računovodstvo poslovanja kreditnim karticama, Računovodstvo Revizija i Financije, no. 11, Croatia, p. 16.

credit cards may also include travel insurance, so it is suitable for travel as such, especially in case of flight cancellations, flight delays, lost luggage or health problems.

Given that nowadays booking flights, hotels, transportation and other activities abroad is mostly done online, a credit card is the most suitable means of payment. By using it, the tourist gets a certain security and financial freedom, so it will be much easier to deal with unexpected expenses.

They are also popular for business trips because they offer high liquidity and simplify the accounting of travel expenses. Consumers are getting more and more accustomed to the digital environment, which is why the demand for secure payment methods is growing.²¹ Consumers want a wide range of payment methods as well as simple payment processes from travel agencies. They also want data security, and this is provided by the Payment Card Industry Data Security Standard which applies to all distributors, payment service providers and acceptors that process, store or transmit credit card information.

Today, the Republic of Croatia is one of the leading countries in Europe when it comes to card payments in restaurants, hotels, shops, agencies or any other place where you can buy or pay for a service. The system is safe and complies with all European standards. This is one of the easiest and most convenient payment methods in the Republic of Croatia, considering that the risk of possible additional costs due to exchange rate differences is reduced.

Although the plastic credit cards in tourism and hospitality are still often seen and used, more and more people are using alternative payment methods. More and more people are seen paying bills on POS devices with their smartphones and watches, and this method is mostly used by the younger population.

Tourism must be in line with the new needs and market trends in order to provide the best and highest quality service and achieve the greatest possible guest satisfaction. Due to the visible needs of the market for faster and safer payment

²¹ Card payment is the most frequently offered payment method by various apartment and hotel renters, about 95%. Payment by American Express, VISA or MasterCard is possible in 83% of cases, while payment by Diners is possible in 40% of cases.

processing, the tourism sector has adopted contactless payment methods.²² It is also easier for tourists to pay by card, i.e. contactless, than to go to ATMs and carry a large amount of cash and thus expose themselves to a greater risk of theft or loss of money. Moreover, contactless payment avoids the need to exchange currencies if visitors are outside their currency zone.

5.2 Analysis of card business in tourism and hospitality by the example of Arena Hospitality Group co. (Pula, Istria, Croatia)

Arena Hospitality Group co. is an international company (tourism and hospitality group) with a wide portfolio, and is one of the most dynamic hotel groups in Central and Eastern Europe. The portfolio consists of 27 facilities and over 10,000 accommodation units in Croatia, Serbia, Germany, Hungary and Austria. Although the company is present in several countries in Europe, the largest volume of business still takes place in Croatia, more specifically in Istria, which is visited in large numbers during the summer months. This is the first Croatian company that has an exclusive license to manage and develop hotels under the renowned international Park Plaza brand in 18 countries of Central and Eastern Europe.

Arena Hospitality Group co. owns or co-owns ten hotels and four apartment complexes and owns 50% ownership shares in two buildings that are in their current portfolio and which the group currently manages.

The management of the company is located in Pula (Region of Istria, Republic of Croatia, European Union), where the largest volume of business is located. The company owns four hotels in the Pula area and three hotels in the city of Medulin. In addition to hotels, the company owns eight camps and seven resorts in the area of Pula and Medulin, and other facilities owned by the company are located in countries across Europe.

²² By upgrading the systems of platforms like Crypto.com, Coinbase and others, the possibility of a fast, easy and secure way of conducting transactions was created. Most companies are not ready or eager to introduce the possibility of payment through crypto-currencies because they are not familiar enough with the way such a way of carrying out transactions takes place. This method requires that the company also has its own virtual wallet through which it will be able to carry out payment transactions, which most companies are not ready or willing to undertake.

The analysis of the company's card business was carried out for the period from 2019 to 2021 (most recent but very different years in tourism sector), using the values of transactions by card types (American Express, Diners Club, Maestro, MasterCard and VISA) for a particular year.

Table 2: Value of transactions by card types for Arena Hospitality Group co. in 2019

2019.	AMERICAN EXPRESS	DINERS	MAESTRO	MASTERCARD	VISA
January	63.481,57	15.358,00	43.655,63	242.924,42	154.156,65
February	44.762,00	10.426,50	125.310,75	174.236,51	196.419,66
March	85.691,46	20.238,00	133.786,90	292.263,92	291.052,06
April	306.251,14	50.202,90	980.757,68	2.059.345,54	1.880.276,19
May	624.678,42	90.711,39	1.361.202,14	3.363.790,52	3.896.045,80
June	1.184.370,56	156.274,95	6.533.111,96	14.295.914,54	16.063.591,47
July	2.439.279,88	328.844,24	11.969.924,21	32.334.259,91	33.232.462,70
August	3.106.481,44	358.177,58	19.337.459,91	42.431.727,91	40.320.194,68
September	1.200.532,27	71.445,14	5.878.149,94	13.734.170,44	14.163.614,06
October	161.498,29	29.919,74	420.887,71	1.501.704,13	1.481.234,57
November	54.990,47	29.165,50	85.259,83	300.053,83	472.369,75
December	18.203,63	6.360,50	52.587,42	116.515,02	145.808,83
TOTAL	9.290.221,13	1.167.124,44	46.922.094,08	110.846.906,69	112.297.226,42

Source: Authors according to data obtained from Arena Hospitality Group

Through a detailed analysis of the researched data in 2019 a division was obtained according to payment cards and months of conducting transactions.

As it is a company with a predominantly seasonal character, it is evident that the value of transactions during the first three months and the last two months of the year is relatively smaller, that is, no type of card reaches HRK 1 million (app. 133.000 EUR) in the value of payment card transactions. During that period, most of the hotels in the group are closed, because they are business-oriented towards the summer season, on which the business of the entire group depends, and a few hotels and camps extend their season depending on occupancy. A comparison of May and June shows a large difference; the value of all payment card transactions for May was HRK 9,33 mill. (1,24 mill. EUR), while for June the value was HRK 38,23 mill. (5,08 mill. EUR). A comparison of May and June shows an increase in value of almost 4.1 times, and this increase marks the beginning of the season and the end of the

previous pre-season period, which was accompanied by lower values of card transactions.

The June values shown represent very good results, but taking the data for July, where the value of payment card transactions is HRK 80,30 mill. (app. 10,66 mill. EUR) it is evident that the values almost doubled. Excellent results were also achieved during the August, where the total value of payment card transactions for August amounted to HRK 105,55 mill. (app. 14,01 mill. EUR). These indicators show how company relies on the months of July and August as a kind of business carrier. By summing up all the values of payment card transactions, the total value of transactions was obtained, amounting to HRK 280,52 mill. (37,23 mill. EUR) for 2019, which is more than half of the company's total income, which was HRK 542,18 mill. (71,96 mill. EUR).

Table 3: Value of transactions by card types for Arena Hospitality Group co. in 2020

2020.	AMERICAN EXPRESS	DINERS	MAESTRO	MASTERCARD	VISA
January	19.724,74	9.588,32	92.274,65	235.226,06	158.062,71
February	10.932,68	8.900,29	110.100,12	210.251,50	227.807,82
March	5.702,75	437,00	44.005,37	98.057,05	58.501,40
April	0,00	0,00	0,00	0,00	0,00
May	745,00	133,74	49.089,10	48.269,01	81.861,81
June	123.836,91	55.256,25	1.768.582,10	3.763.415,47	3.962.262,28
July	505.893,62	116.896,48	7.297.778,82	15.638.080,80	15.171.028,17
August	762.424,67	128.330,97	8.094.424,14	19.308.441,66	19.076.002,20
September	101.391,89	23.247,54	1.314.683,94	2.644.522,94	3.396.560,75
October	29.898,78	12.229,76	156.438,33	254.328,20	238.339,59
November	2.138,72	6.987,73	19.620,52	80.675,72	54.967,73
December	0,00	-1.007,84	6.442,53	10.903,90	17.836,12
TOTAL	1.562.689,76	361.000,24	18.953.439,62	42.292.172,31	42.443.230,58

Source: Authors according to data obtained from Arena Hospitality Group

The values for 2020 are indicators of a much weaker season due to the pandemic of the Covid-19 disease that has affected the entire world economy. Tourism was very affected because the countries started introducing various measures to protect the

population. The introduced measures significantly prevented domestic and international touristic and travel movement.

At the global level, tourist traffic has been reduced to a minimum, becoming tourism unpredictable and insecure. The results at the beginning of the year were promising, but in April and May, business activity was at a historically low level, as can be seen from the data analysis where there are no card payments in April. As the season approaches, the easing of epidemiological measures and the partial revival of tourism begin, which is visible through May and June when values began to rise, although not even close to 2019.

As autumn approaches, the number of infected people is constantly increasing, which leads to stricter preventive measures and a reduction in international traffic. This is noticeable in the concrete example where in September the values achieved were similar to those in June, but at the end of September the values drop rapidly, and are at record low levels. Comparing December 2020 with that of 2019, there are noticeable differences in the realized values of payment card transactions, where in 2020 the value was HRK 34,174.71 (app. 4.536 EUR), while in 2019 the value was HRK 339,475.40 (app. 45.056 EUR).²³

²³ At the national level, Croatia achieved 7.8 million tourist arrivals, which is 37% of the traffic level from 2019, and 54.4 million overnight stays, which is 50% of the traffic level from 2019. The revenues generated from tourism in 2020 are relatively satisfactory, given that there were 64.2% fewer tourists than in the record year of 2019. Travel and tourism revenues from foreign tourists amounted to EUR 4.8 billion, which is 54.3% less than in 2019 (EUR 10.5 billion).

Table 4: Value of transactions by card types for Arena Hospitality Group co. in 2021

2020.	AMERICAN EXPRESS	DINERS	MAESTRO	MASTERCARD	VISA
January	5.209,75	4.627,25	18.875,25	46.621,22	59.202,68
February	9.449,00	14.396,25	61.663,17	58.100,28	135.125,20
March	12.186,78	18.785,78	100.356,56	190.500,76	295.647,16
April	36.022,06	39.843,01	444.464,59	614.783,84	860.832,32
May	69.984,24	48.628,64	892.810,57	1.420.342,91	1.667.538,13
June	278.740,36	129.310,37	3.009.040,14	7.886.625,52	7.983.833,46
July	1.656.511,89	321.802,24	11.458.986,85	37.283.072,75	32.985.074,73
August	2.853.596,92	243.443,85	21.870.862,30	51.966.486,11	50.300.277,44
September	876.958,54	103.036,15	9.058.529,86	20.448.239,07	19.982.351,34
October	156.575,09	10.459,72	644.794,76	1.751.122,36	1.820.981,38
November	85.605,27	28.281,61	42.820,42	225.466,73	364.298,56
December	1.324,25	2.710,48	35.626,87	182.457,23	310.239,16
TOTAL	6.042.164,15	965.325,35	47.638.831,34	122.073.818,78	116.765.401,56

Source: Authors according to data obtained from Arena Hospitality Group

Through this table of the value of payment card transactions for 2021, an insight into the results of the company is provided one year after the onset of the Covid-19 pandemic. Most companies have adapted to new ways of doing business and respecting preventive measures, which has led to achieving good results despite the challenges. Taking the example of the company there is a visible increase in the value of payment card transactions, which is an indicator of the increase in tourist traffic and the good preparedness of companies.

The total value of the entire year is HRK 293,485,541.18 (38,95 mill. EUR), while in 2020 it amounted to the already mentioned HRK 105,612,532.51 (14,02 mill. EUR). There is a noticeable large increase, but comparing the year 2021 with the record year 2019, an increase of HRK 12,961,968.41 (1,72 mill. EUR) is also visible. From which it can be concluded that excellent results were achieved in 2021 despite the continued presence of the Covid-19 disease pandemic, preventive measures and restrictions.

Moreover, the value of payment card transactions in 2021 exceeded those in the record year 2019, in fact, this is the result of the easing of preventive measures and restrictions due to a significant reduction in the number of infected people. However, such a situation is not the same everywhere, taking the data for the whole of Croatia in 2021, 67% of arrivals and 77% of overnight stays from 2019 were achieved. While in Croatia, 13.8 million arrivals and 84.1 million overnight stays were achieved in 2021, which is 77% more arrivals and 55% more overnight stays than in 2020. Taking the three most used cards from the analysis, Mastercard, Visa and Maestro, and comparing the values from August 2019 and 2021, there is a visible increase in the use of cards, i.e. in the realization of higher transaction values with these payment cards.

7 Conclusion

Credit cards justify their role as a global instrument of payment by their characteristics such as ease of use, financial security that the user gets by owning a credit card, and acceptance at a large number of points of sale all over the world.

Today's credit cards are very different from those first issued; they can be used everywhere, and the safety of their use has improved a lot. What has remained the same is the idea that a credit card represents, which is of course the possibility of cashless payment, but also that the credit card user is only a customer, and the issuer of the card is the payer, that is, the issuer provides the user with a short-term loan with which he will "pay" for the product or the service provided.

The fact is that today almost everyone has at least one credit card in their wallet, if not more than one, which is exactly why the demand for them is growing every day, which makes the card industry one of the fastest growing. What attracts users to credit cards is their practicality, ease of use, as well as the security of their use, which represents a very important segment in the life of consumers, especially tourists who are in an unfamiliar environment. It is one of the non-cash payment methods that is used every day when traveling, abroad and for online purchases. A credit card also increases the purchasing power of its user and plays a very important role in the economy.

In the card business, there are four very important contracts, which are also the most frequently used, namely: 1) emitent/issuer and merchant/service provider contract, 2) issuer and credit card user contract, 3) user and merchant/service provider contract, and 4) contract between foreign organizer and the domestic publisher. In all of the aforementioned relationships, there are a lot of provisions, either on payment obligations or on compensation and it will be all resolved in accordance with the general provisions of mandatory law and the custom practice.

Credit cards are today very well used in tourism and hospitality sectors worldwide. Analyzing data on the value of transactions in 2019, 2020, and 2021 in the Arena Hospitality Group co. (Pula, Istria, Croatia) came to conclusion that cards are one of the most common and even one of the most preferred methods of payment. This is visible in the analysis of the value of card transactions in 2019, where the majority of payments were made using the card. In 2020, a large drop in the value of card transactions is visible due to the emergence of the Covid-19 disease and the preventive measures that came into force to prevent the spread of the infection. Already in 2021, progress can be seen with regard to last year's results, and they can be identified with those of 2019, which is said to have been a record year.

The use of credit cards, as well as other types of cards, has been increasing over the years and it can be assumed that this trend will continue and that card payment will become the primary payment method, if it is not already. Also, contactless payments, as well as payments via mobile devices, are increasingly being used, so it is to be expected that in the future this will be increasingly used, and that cash will partially, if not completely, go out of use. It will be replaced by cards, and cards could be replaced by mobile devices, which will actually become new "wallets".

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