



Payments today and tomorrow

The view of senior leaders
in hospitality and leisure

Changing payment technology to gain a competitive advantage

We teamed up with FT Longitude to hear what 500 senior leaders are thinking about the payment landscape today and how their businesses are preparing for the future

To discover what's important to the hospitality and leisure sector, we've delved deeper into the data. From COOs and CIOs to heads of marketing and digital transformation, we compared the responses of business leaders in this sector to the responses of all businesses. It's a fascinating snapshot of where the sector is heading and how it's planning to get there.

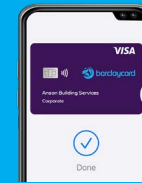


The research was carried out by FT Longitude and Barclaycard Payments and comprised of a survey of 500 senior UK business leaders, at organisations with an annual turnover of at least £10m, as well as a series of qualitative interviews with senior executives with responsibility for payments.

We discovered:

79%

of sector leaders saw simplified steps around security and privacy as a key opportunity to enhance the customer experience, alongside 70% who identified accepting international payments



74%

of hospitality and leisure businesses are planning to invest in business-to-consumer solutions to help them prepare for the future of payment transformation – with 67% also exploring push-to-debit-card methods to make payments faster and more convenient

79%

of bosses in the sector are adopting advanced analytics this year to better utilise customer data, compared to 59% of leaders across all sectors



74%

of hospitality and leisure corporates are also improving their vendor and customer payment experience (compared to 66% of all other organisations)

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Which factors are having a negative impact on business performance?

Employee and talent shortages have been an issue for hospitality and leisure businesses for a number of years, so it's unsurprising that three-quarters of leaders saw it as having a negative impact on growth (11 percentage points more than other sectors).

Many of the other factors having an impact were at similar levels to the all-business results, except for liquidity and cashflow, and inefficiencies in the back office (9 and 13 percentage points higher respectively). While there are no easy answers for a sector under enormous pressure from factors outside its control, improving back-office efficiency, responding to customers' preferences, introducing new ways to manage cashflow and training/retaining talent could be areas where businesses can take action.

All industries benchmark:

64%

65%

68%

62%

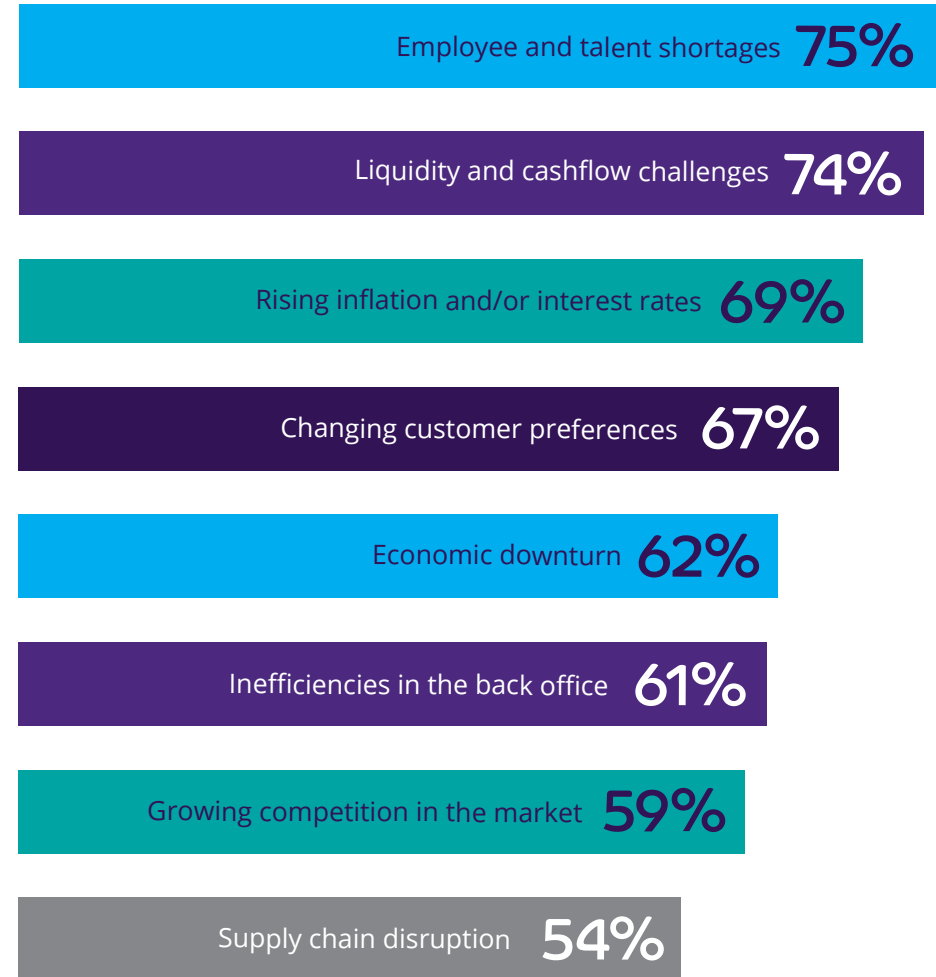
66%

48%

57%

57%

Hospitality and leisure only



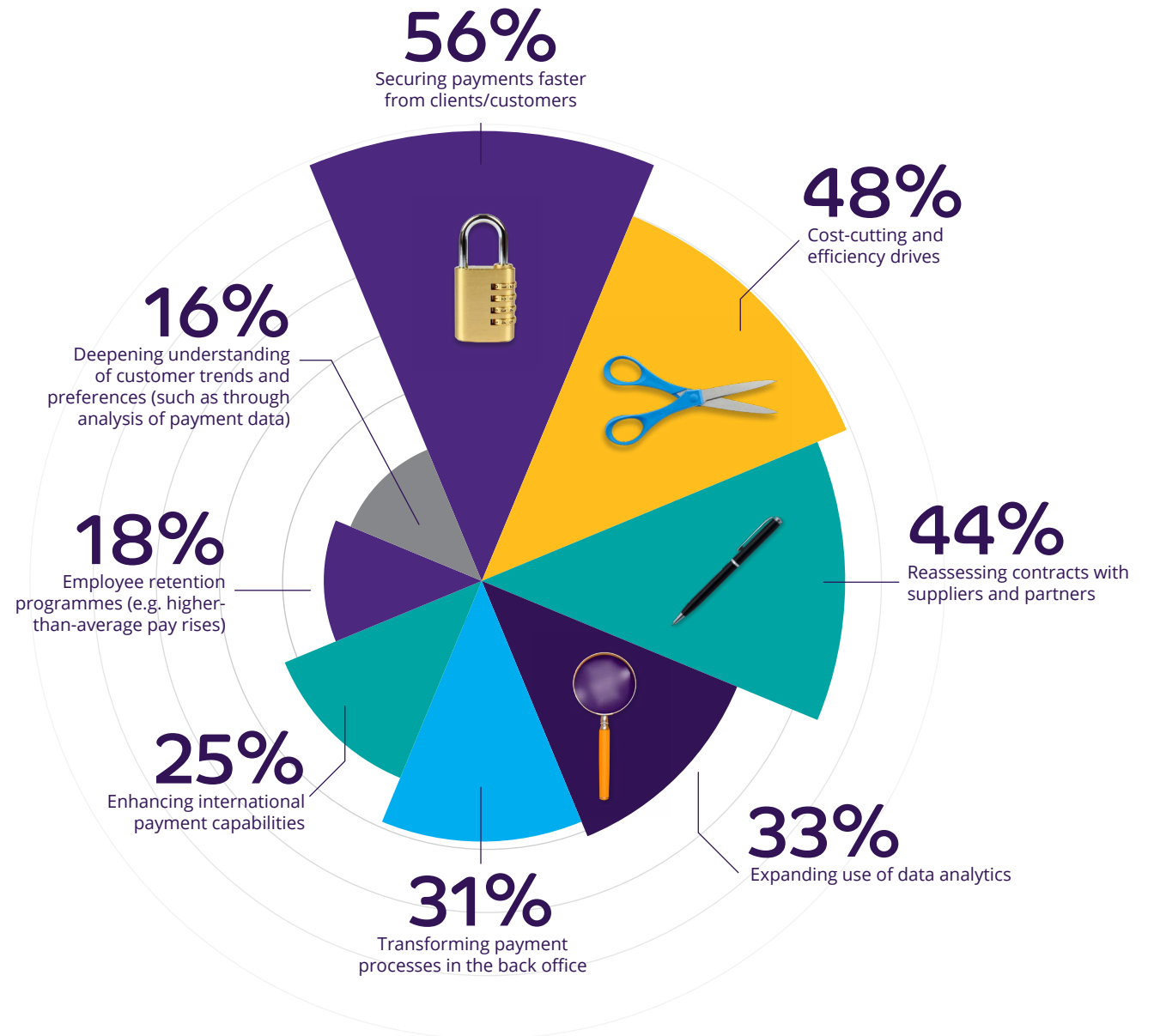
How are businesses building resilience over the next 12 months?

From immigration restrictions to post-pandemic recovery and soaring costs, hospitality and leisure businesses are facing a range of challenges and opportunities. But how are leaders planning to respond to economic uncertainty?

When it comes to building resilience, top of leaders' goals are:

- **securing faster payments**
- **cost-cutting and improving efficiency**
- **reassessing contracts**
- **expanding the use of data analytics**

Only 18% of leaders were rolling out employee retention programmes. This perhaps indicates that despite falling margins much has already been done to address the talent shortage, or perhaps points to new opportunities to be innovative in this area.



Where can payments create opportunity?

Despite the challenges, hospitality and leisure leaders are seeing the opportunities that payment transformation could bring to their businesses – from invaluable insight to an improved customer experience.

“Because we now know a lot more about each individual, we are able to form a better picture of them and personalise the service. That is the gold dust we can use to improve our customers’ experience.”

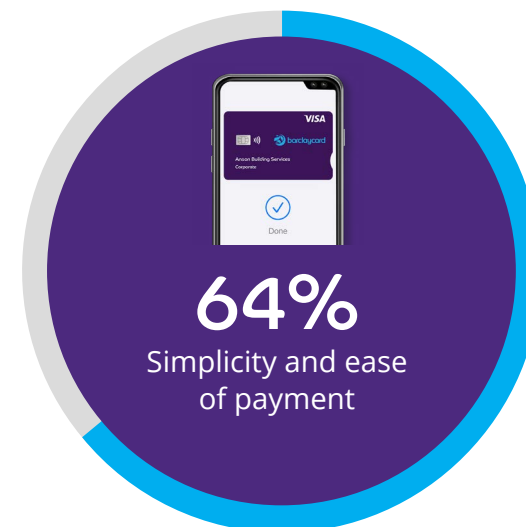
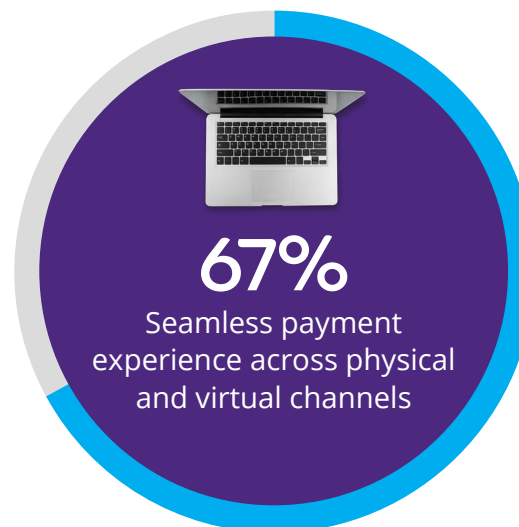
Raj Dhawan
CTO, Soho House



Where can payments enhance the customer experience most?

Simplified steps around security and privacy is the leading opportunity to create a more positive payment experience, according to 79% of sector leaders. Accepting payments from international customers and reducing friction wherever customers pay were also seen as important initiatives.

Hospitality and leisure companies also saw opportunities to enhance the payment experience in personalised recommendation at the point of sale (57%), solutions that support cost-of-living concerns (54%) and sustainability information (48%).



What will customer payments look like in two years?

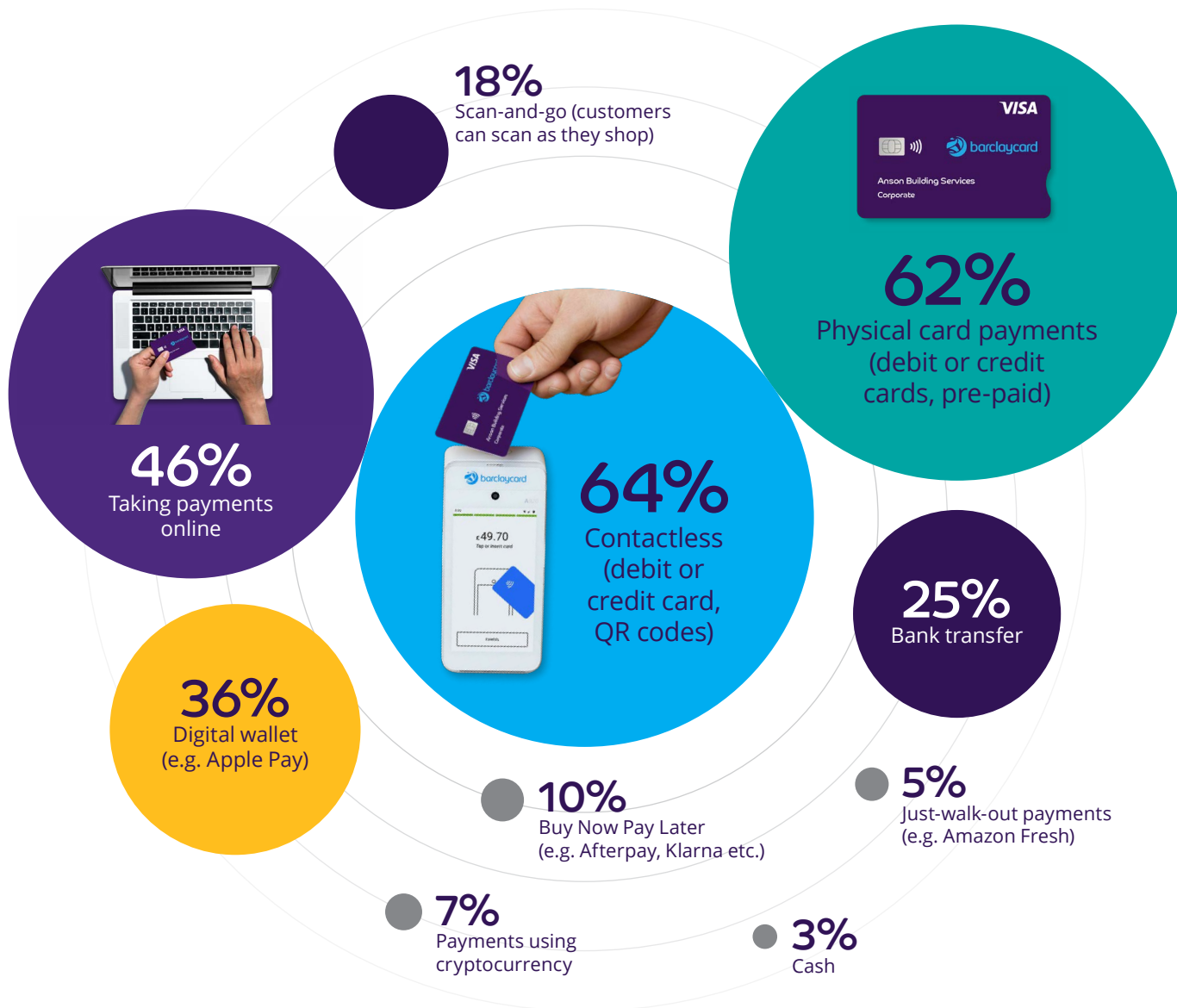
Contactless and physical cards look set to remain popular payment methods for at least the next 24 months. But sector leaders also believe that online, digital wallet and bank transfers will be important ways for customers to pay.

Opportunities for innovation

While support for newer methods of payments is relatively modest, the percentage difference between hospitality and leisure and all businesses is striking. This sector sees:

- **scan-and-go as 32% more likely**
- **cryptocurrency as 33% more likely**
- **just-walk-out payments as 50% more likely**

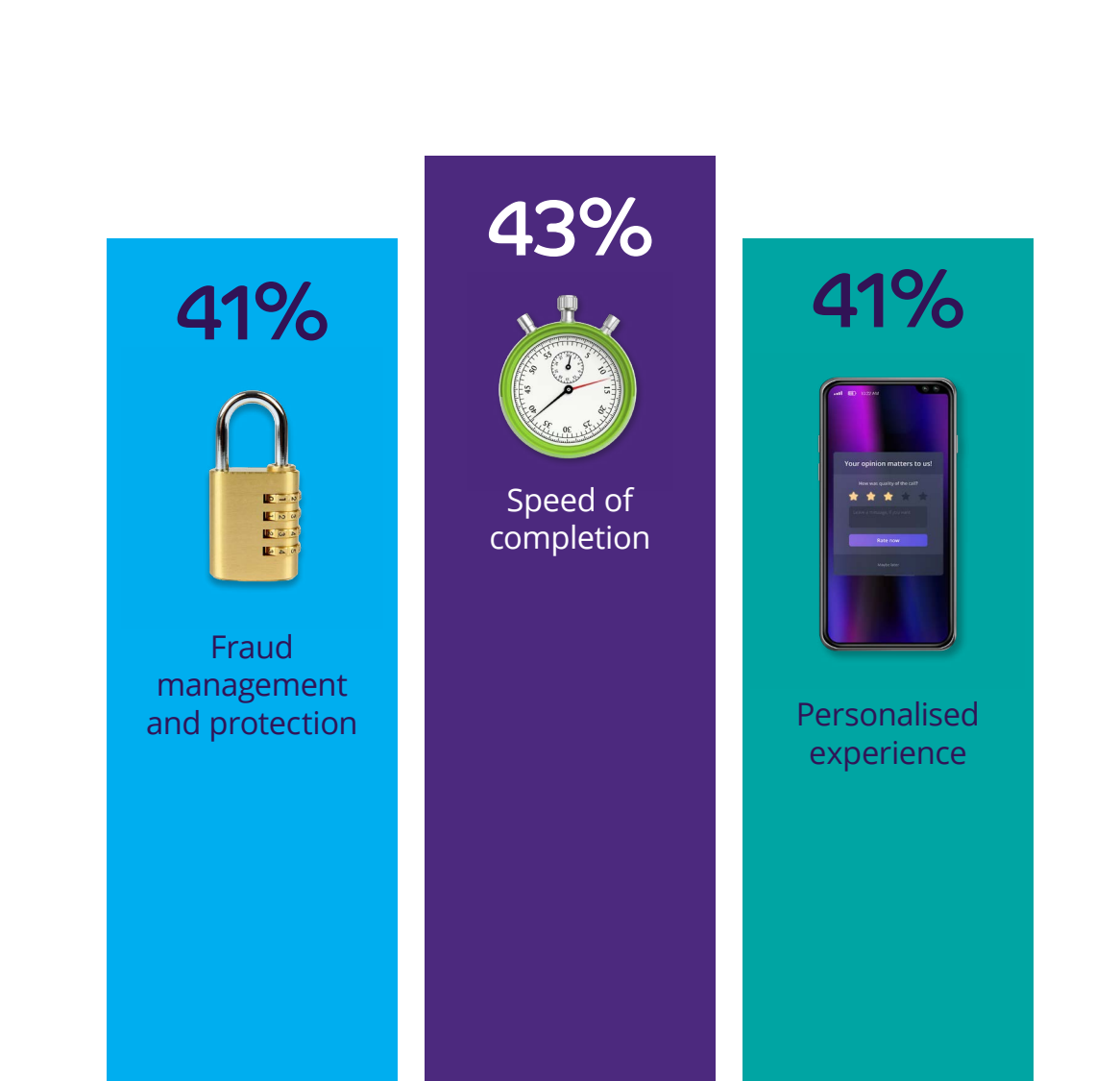
This could be down to a particular customer base, or some leaders being ahead of the curve in understanding their consumers' needs.



What matters most to your customers about how they pay?

According to sector leaders, speed of completion matters most to customers, with fraud management and a personalised experience being a very close second. Trust and safety (38%) and omnichannel (34%) also ranked highly.

Interestingly, only 28% of hospitality and leisure companies identified the opportunity for savings as important to customers in how they pay – 10 percentage points lower than all businesses. This makes it one of the few sectors where opportunity for saving wasn't in the top three customer priorities.



How are companies investing for future payment transformation?

Hospitality and leisure leaders are more likely to invest in faster and more convenient payments that could also lower transaction costs. Take, for example, business-to-consumer payments, such as Venmo or PayPal; 74% of the sector are likely to be investing soon compared to just 49% for all businesses.

Similarly, investment in push-to-debit-card methods is more likely to attract the attention of this sector compared to all other businesses (67% versus 47%). The more instant nature of these payment methods may be attractive for improving cashflow and customer satisfaction.

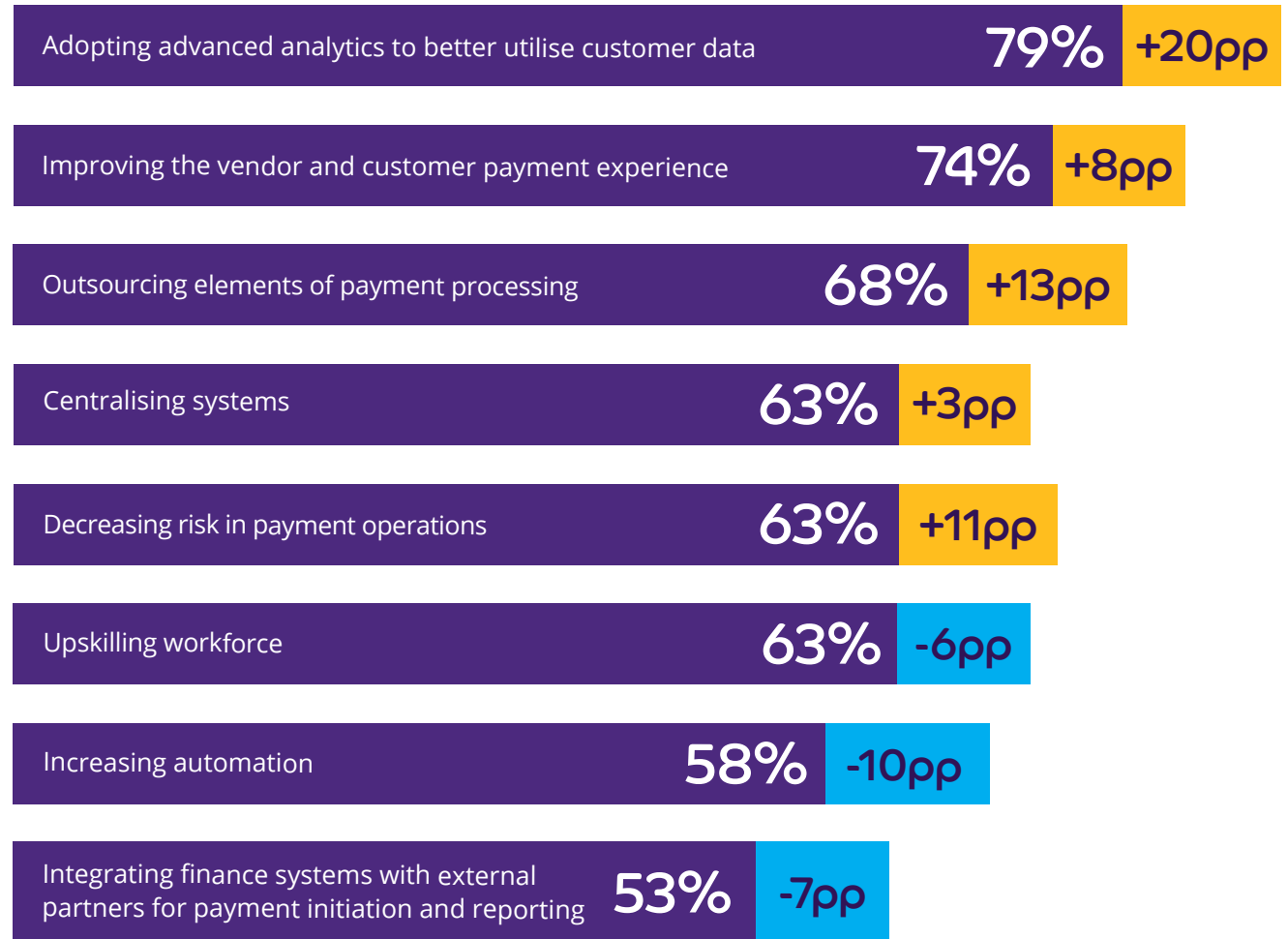
However, there is still a lot of interest in other payment methods in line with the plans of all businesses.



What are leaders doing to transform payments this year?

Initiatives to adopt advanced analytics are being implemented by 79% of leaders in the sector – compared to just 59% of all businesses. Outsourcing elements of our payments processing was also significantly more popular for hospitality and leisure businesses (68% versus 55% of all businesses).

What was striking about this sector is that for every payment transformation initiative we asked about, over half of leaders were planning to capitalise on at least one this year. This clearly shows an importance being placed on payments to help evolve businesses and develop competitive advantages.

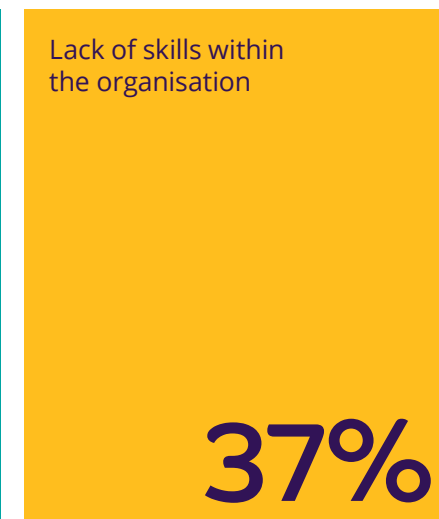
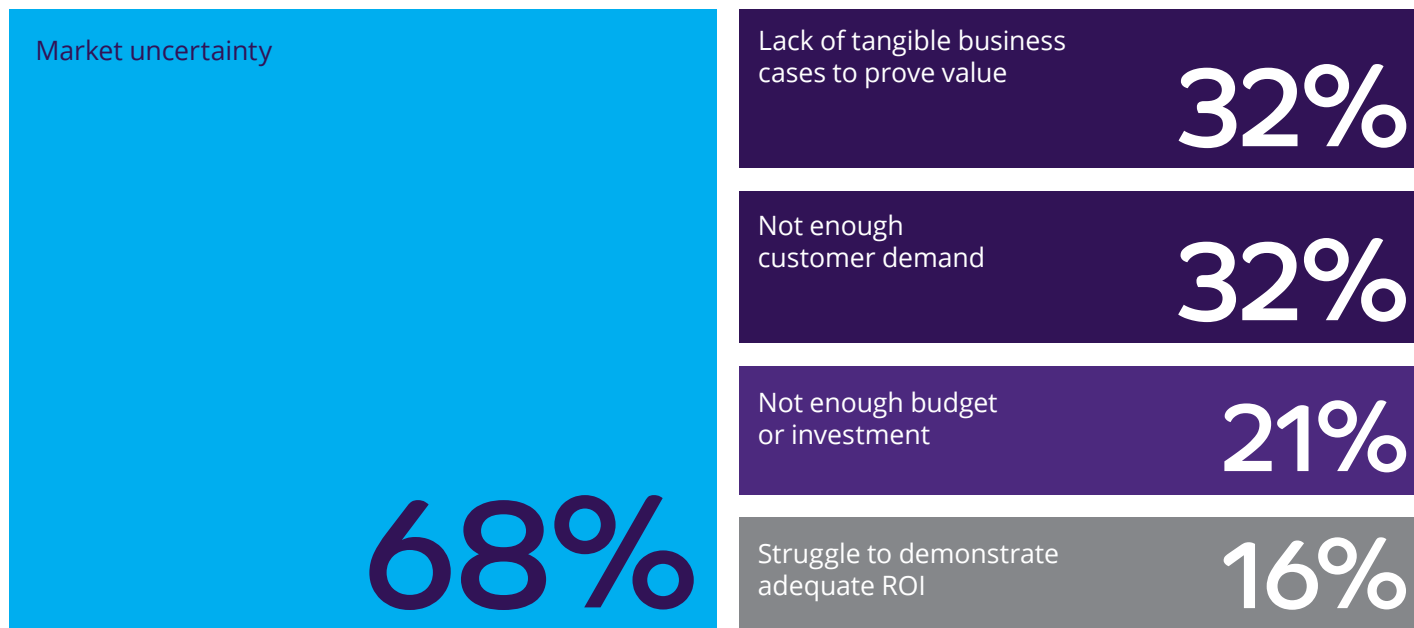


  Percentage point difference of the sector compared to all businesses surveyed.

What's getting in the way of payment transformation?

With the turbulence and crises of the last few years, it's unsurprising that 68% of leaders say market uncertainty is the biggest challenge to payment transformation – compared to just 47% of all businesses. Competing initiatives and general scepticism from leadership were also key challenges for just under half of respondents.

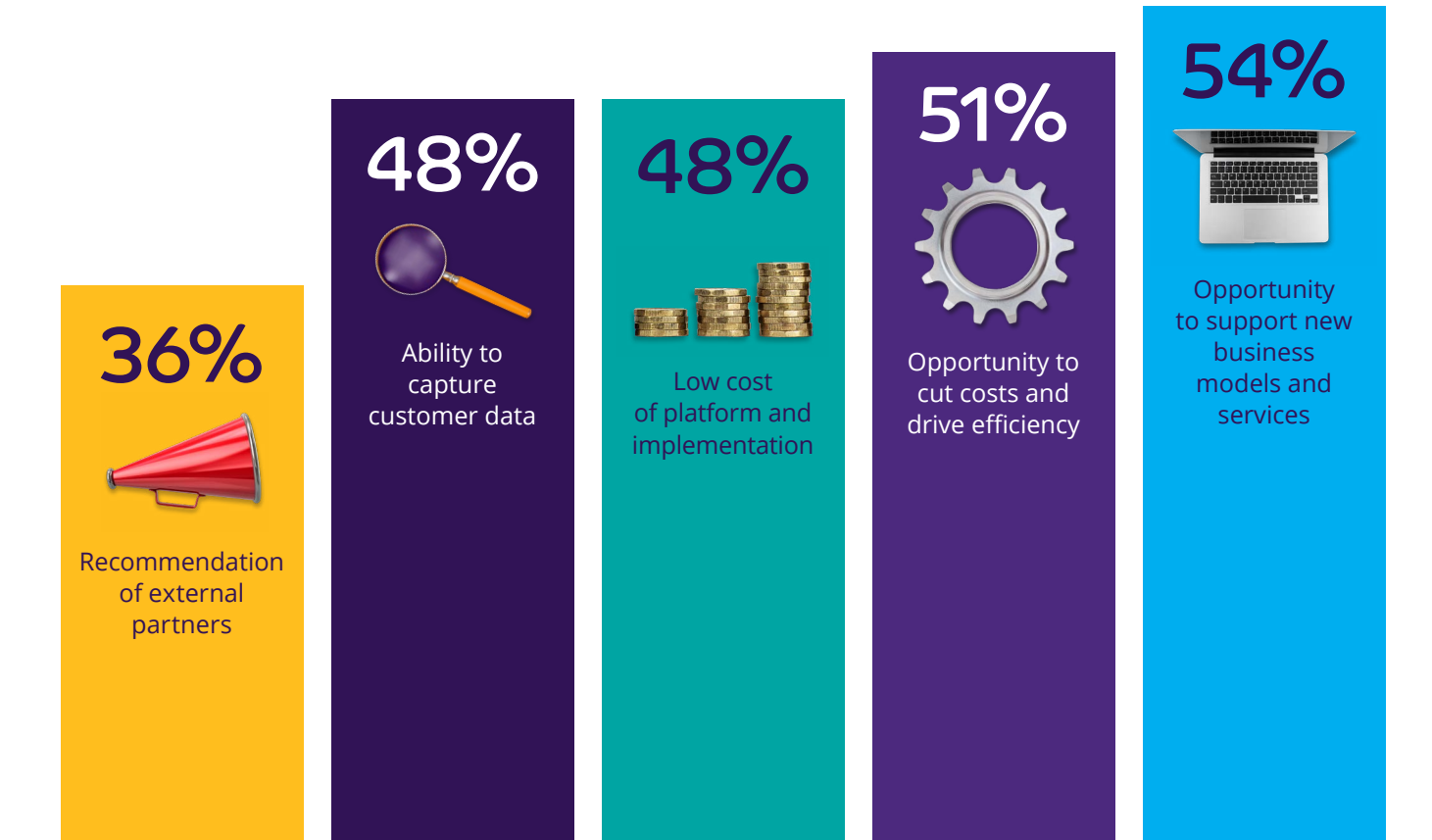
On a positive note, lack of skills (37% versus 53%) and a lack of tangible business cases to prove value (32% versus 39%) were lower for hospitality and leisure bosses compared to all sectors. Close to 30% fewer leaders also said that not enough budget or investment was the greatest challenge – perhaps showing that with the right buy-in, keeping payments fit for the future is still possible.



What influences investment in payment technology?

Having had to pivot almost overnight at the start of the pandemic, many hospitality and leisure bosses are seeing opportunities to support new business models and services as a major influence on their investment decisions – more so than all other businesses (54% versus 42%). A platform that’s low-cost to implement and run is also a strong influence for many (48% versus 36% of all businesses).

They’re also responding to a need to reduce costs and drive efficiencies like other sectors, looking for the ability to capture customer data and use the recommendation of external partners. They are roughly half as likely to be influenced by customer preference (16% versus 31%) or issues around interoperability (15% versus 29%).



Where do businesses gain insight on customer trends?

Analysing payment data to uncover current and future customer needs isn't just about having the skills to look at your own payment data, but also the ability to combine and compare results with other data sources.

It's no surprise, then, that around 86% of businesses in the sector work with an external provider to dig into their data and find valuable insight.

However, the sector may be missing a trick. With more hospitality and leisure services looking to work with third-party providers for their data, perhaps they should be reassessing their relationship with their main payment provider to make sure it can meet their evolving needs?

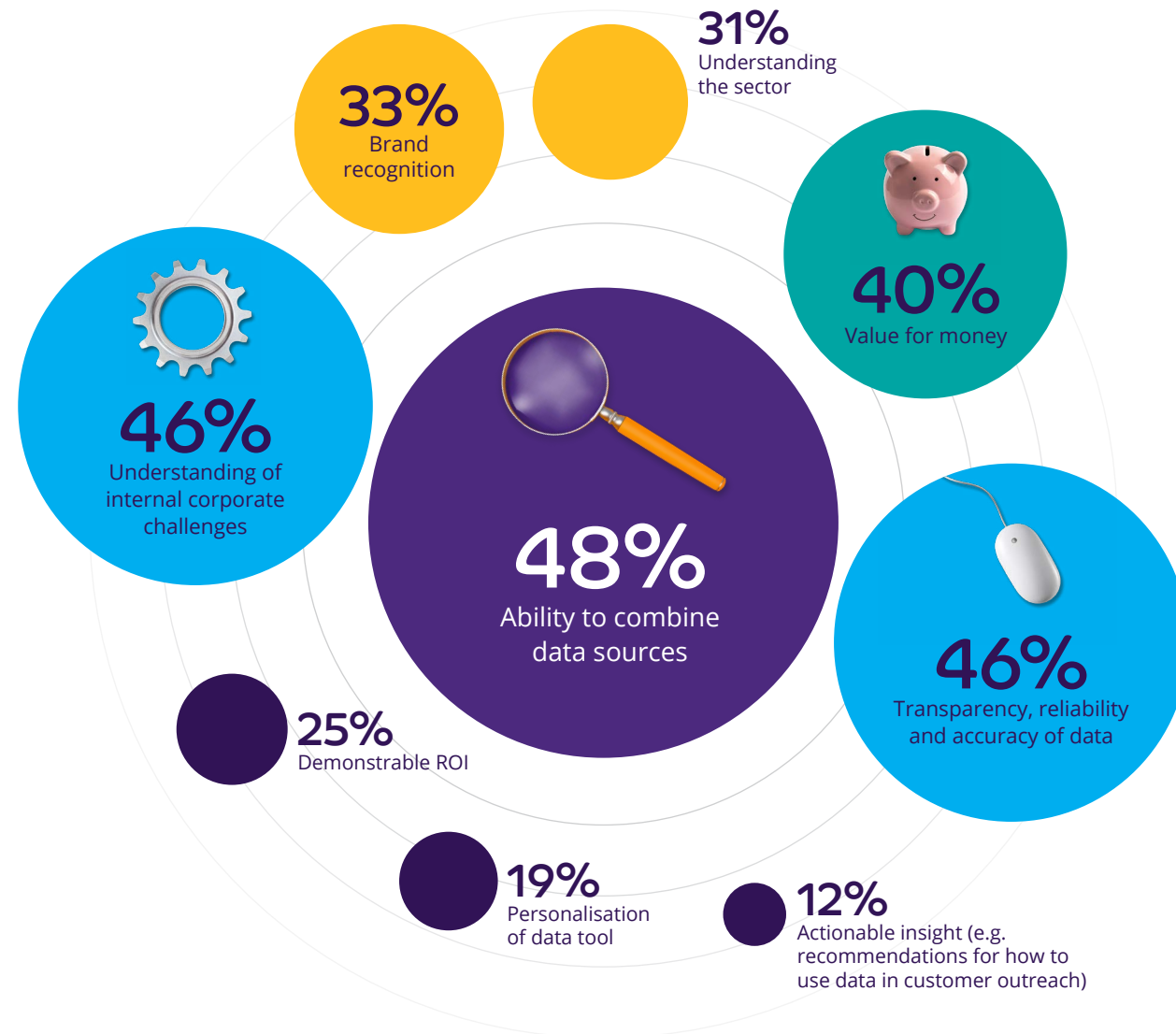


What should an external payment data provider offer?

When it comes to selecting an external payment data provider, hospitality and leisure bosses are looking for the ability to:

- **combine data sources (48%)**
- **understand internal corporate challenges (46%)**
- **deliver transparent, reliable and accurate data (46%)**

Compared to other sectors, leaders are less interested in sector understanding (31% versus 41%) and actionable insight (12% versus 23%), although value for money was more important compared to all businesses (40% versus 31%).



Making change work for business: the payment expert's view

The hospitality and leisure sector has been through a lot over the past few years, with tough pandemic protocols followed by even tougher macroeconomic headwinds.

While some businesses have made payment transformation less of a priority for understandable reasons, others have continued to invest in their payment technology strategy.

Payments for growth

Having the right tech in place could unlock continued growth and success for businesses. Leaders are looking to take full advantage of what payment tech can offer, from deeper insights into customer behaviour to improved customer journeys with faster and more convenient ways to pay.

With tourism increasing again, being able to accept payments across channels and currencies becomes a vital part of welcoming more overseas customers.

Partnering with payments

As the sector looks forward, investment in payments is going to be key. The right payment partner will help offer the insight you need to set your strategic decisions and back them up with the capability to deliver for your customers and your business. For us, the payment part is just the start of how we can help.

Jamie Evans

Director, Corporate Travel, Barclaycard Payments



Want to know more?

Speak to your relationship manager, call us on **0800 096 8237*** or ask our payment specialists to [call back](#).

Find out more at barclaycard.co.uk/business/corporate-solutions



*Monday to Friday, 8.30am-6pm.

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The payment part is just the start



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