



THE SECURITY TIGHTROPE:

Balancing Innovation and Risk
Management for Enterprise Brands

Growth. Security. Can you have both?

The hospitality and restaurant industries are booming, but fragmented payment systems create security vulnerabilities and interfere with efficiency. This can lead to:

- **Data breaches** that damage customer trust and brand reputation.
- **Slow checkout times** that frustrate customers and impact revenue.
- **Manual processes** that increase errors and administrative costs.



Discover how integrated payment solutions bridge the gap and empower businesses to achieve secure transactions and unlock their full growth potential.

Friction and Risk in Today's Business Landscape

Enterprise hospitality and restaurant brands face a critical challenge: Balancing growth and innovation with the need for a secure and efficient payment ecosystem. Disjointed payment solutions can create friction and introduce security risks. This report examines the key concerns these organizations face and explores how integrated payment solutions can overcome these challenges.

Data Security: A Top Priority

Data security and privacy are paramount. Executives ranked it as a top concern, second only to overall system reliability when selecting a payment solution and point-of-sale (POS) system.

99%

of respondents think security and privacy are extremely important attributes of a POS system.

This concern is justified. Data breaches can be devastating, leading to financial losses and reputational damage, as well as potentially destroying customer trust.

\$3.36M

Average cost of a data breach in the hospitality industry.

Source: IBM 2023 Cost of Data Breach Report.

Beyond the financial impact, data breaches disrupt operations—system downtime inconveniences both employees and customers. Siloed payment systems can compound the problem and make it difficult to manage operations efficiently.

Beyond Data Breaches: Fighting Fraud

Organizations struggle with fraudulent payments, adding another layer of complexity to the security landscape.

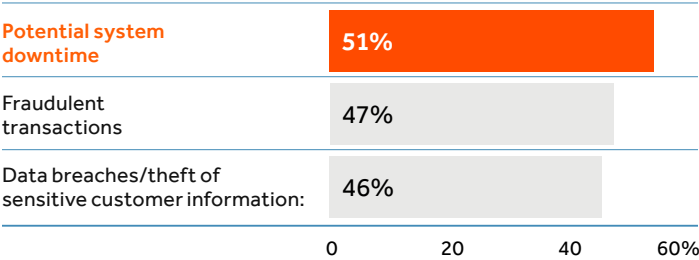
CHALLENGES WITH PAYMENT SYSTEMS

	TOP 2	MAJOR	MODERATE	MINOR
Fraudulent payments	68%	17%	51%	33%
Tracking billing	57%	9%	48%	40%
Accepting multiple payment methods	48%	13%	35%	48%
Accepting multiple currencies	46%	12%	35%	48%

While many businesses prioritize emergency preparedness plans as a key cybersecurity measure, they consider it equally important to have powerful, resilient systems in place to prevent threats and to conduct regular audits to identify vulnerabilities.

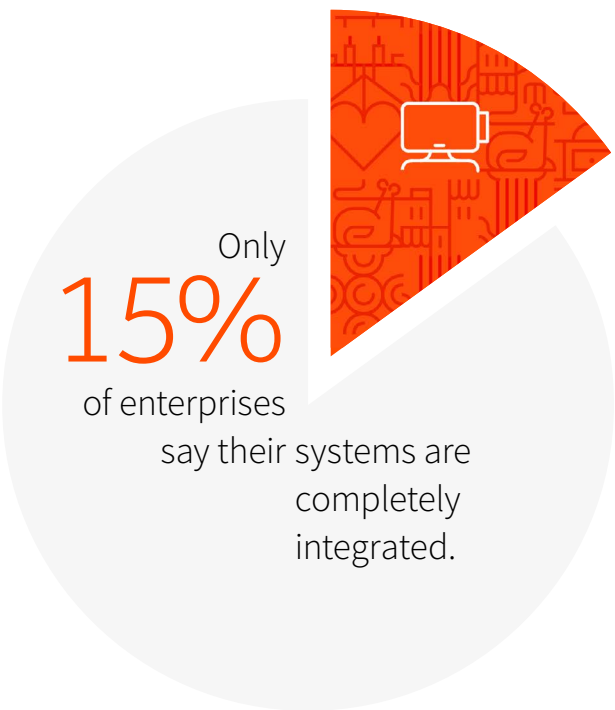
Downtime and data breaches are major concerns for businesses. However, a strong security posture shouldn't create a barrier to a smooth customer experience. Existing systems often struggle to offer seamless offline payment capture, leaving businesses vulnerable to losing transactions during outages. Additionally, when not done properly, security measures can potentially add complexity to the payment process.

PAYMENT SOLUTION SECURITY CONCERNS



Lack of Integration: A Barrier to Growth

Many enterprise restaurant and hospitality brands struggle with a patchwork of independent payment and POS systems. These silos create significant challenges:



- **Data fragmentation:** Disconnected systems make it difficult to get a comprehensive, end-to-end view of customer data. This gets in the way of analysis and insight and makes it harder to understand customer behavior, personalize experiences, or identify trends.
- **Budget challenges:** Managing separate budgets for multiple technology systems can be inefficient and costly—53% of brands report struggling to decide where to spend their tech budgets.
- **Friction in customer experience:** Unconnected systems can mean a confusing customer payment experience. And slow processing times and the inability to integrate payments with other aspects of the customer journey can lead to frustration.

TOP 5 CHALLENGES

PAYMENT PROCESSING		POINT OF SALE	
Difficult to maintain	40%	Expensive to use/maintain systems	44%
Expensive to use/maintain	39%	Difficult to maintain	38%
Slow processing times	37%	Does not meet all regulations	30%
Not able to gather end-to-end data	36%	Not able to gather end-to-end data	27%
Not able to meet all regulations	29%	Difficult to navigate	22%

Bridging the Gap: The Power of Integrated Payment Solutions

Imagine a seamless hospitality experience: Guests can effortlessly pay for meals at on-site restaurants, settle hotel bills with a tap, or book spa treatments—all within a secure and efficient environment. This is the reality that integrated payment solutions can create for hotels and resorts.

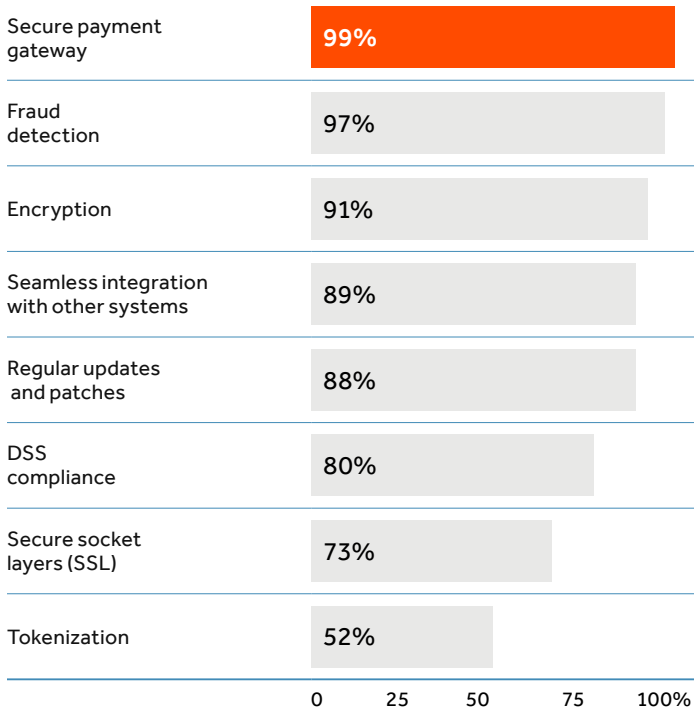
Now, picture a streamlined restaurant experience. Diners can seamlessly pay their bill, easily split it with friends at the table, or even order and pay for additional rounds of drinks from their smartphones. This, along with the ability to book reservations and pre-pay for meals, is the reality that integrated payment solutions can create for restaurants.

MOST IMPORTANT FEATURES OF POS AND PAYMENT SOLUTIONS

- Number of accepted payment types
- Integration with your software
- End-to-end customer data gathering capabilities
- Number of accepted card types
- Bill tracking

Security First, Customer Experience Always

ESSENTIAL FEATURES TO ENSURE SECURITY



Data security is a primary consideration for restaurant and hospitality brands. Diners and guests trust you with their sensitive financial information, and a data breach can be devastating.

99%

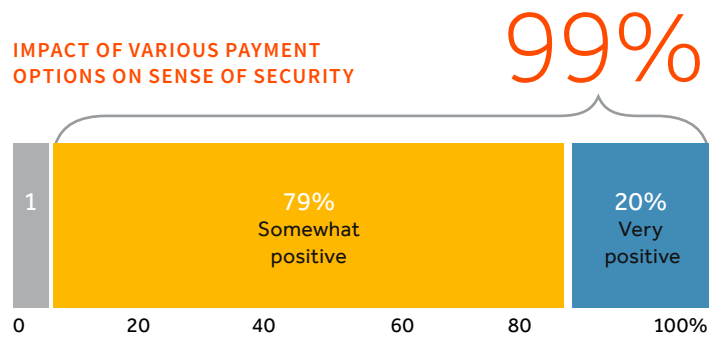
of merchants believe offering various payment options positively impacts their organization's sense of security.

Brands need a solution that safeguards sensitive customer data while also contributing to a positive

customer experience. Integrated POS and payment solutions address this by:

- **Streamlining checkout:** Consolidating payment systems minimizes manual entry points and reduces the risk of human error and data exposure.
- **Reducing wait times:** Faster processing times improve customer satisfaction and keep lines moving, enhancing the overall dining or stay experience.
- **Offering diverse payment options:** An integrated solution enables a wider range of payment options, catering to customer preferences and building trust.

IMPACT OF VARIOUS PAYMENT OPTIONS ON SENSE OF SECURITY



Beyond Security: Functionality and Trust

Security is crucial, but it's only part of the picture. When selecting a payment solution, there are other factors to consider.

- **Seamless integration:** Look for a solution that seamlessly integrates with your existing POS and other systems. This eliminates data silos, simplifies data management, and enables accurate and efficient reporting.
- **Exceptional support:** A solution that offers top-notch customer support ensures prompt resolution of any issues and goes beyond functionality—it's about establishing a reliable partnership. The quality of customer support is the number one factor for trust in payment solution providers.

By prioritizing these features, brands can achieve a secure and user-friendly payment experience for employees and customers.

The Path Forward: Unlocking Growth with Integrated Solutions

In the competitive, data-driven landscape of today's hospitality and restaurant industries, customer experience reigns supreme. Friction at the point of payment can quickly erode customer satisfaction and loyalty. Yet, ensuring security doesn't need to come at the expense of efficiency.

Integrated payment solutions go beyond simply accepting and processing payments. Leading hospitality and restaurant brands are embracing the power of these integrated payment solutions to deliver exceptional customer experiences while safeguarding sensitive data. Working with trusted technology partners for these solutions offers many benefits.

- **Smooth operations:** Seamless integration may help reduce data silos and manual entry, leading to more efficient data management and consolidated reporting.
- **Convenient payments:** Offering diverse payment options can help build trust and loyalty, encourage repeat business, and may potentially lead to higher transaction completion rates and increased revenue.
- **Enhanced customer experience:** Faster checkout times, diverse payment options, and an efficient transaction process can all help contribute to a more positive experience.
- **Deeper insights:** Integrated solutions can mean end-to-end data, providing a more holistic view of the customer, and helping enable better insight and more informed decision-making.
- **Protected sensitive data:** Robust security features protect customer information and mitigate the risk of costly data breaches.
- **Seamless support:** Integrated technology partners are better able to provide effective, knowledgeable support.

Are you ready to uncover the full potential of integrated payment solutions for your hospitality or restaurant business?

Partnering for Growth

Partnering with established and trusted brands like FreedomPay and Toast, industry leaders in secure payment processing and data protection, adds another layer of security to your business. Their integrated solutions offer a unified platform that streamlines operations, simplifies data management, and empowers you to deliver a consistent and accurate customer experience. This allows you to focus on growth strategies and delivering exceptional customer service, confident that your data is secure. Working with these partners brings peace of mind and the expertise to navigate the ever-evolving payments landscape, ensuring your business maintains a competitive edge.

Contact us today to discuss how a customized integrated payment solution can empower your hospitality or restaurant brand to deliver exceptional customer experiences and achieve its full growth potential.

Survey methodology

The findings are based on a survey administered online in April 2024. Respondents are decision makers at U.S. enterprise hotel/lodging (30%) and food and beverage (70%) companies with at least 200 locations. Fifty-eight percent are Directors or Senior Directors, 30% are VP level, and 13% are in the C-suite. Sixty percent of these companies have annual revenue of \$1 billion or greater. All of the respondents use a point-of-sale system.



FREEDOM.PAY

About FreedomPay

FreedomPay's Next Level Commerce™ platform transforms existing payment systems and processes from legacy to leading edge and enables merchants to unleash the power of pay. As the premier choice for many of the largest companies across the globe in retail, hospitality, lodging, gaming, sports and entertainment, foodservice, education, healthcare and financial services, FreedomPay's technology has been purposely built to deliver rock solid performance in the highly complex environment of global commerce.

The company maintains a world-class security environment and was one of the first payment solution providers in North America to be validated by the PCI Security Standards Council. FreedomPay's robust solutions across payments, security, identity, and data analytics are available in-store, online and on-mobile and are supported by rapid API adoption. The award winning FreedomPay Commerce Platform operates on a single, unified technology stack across multiple continents allowing enterprises to deliver an innovative Next Level experience on a global scale.

freedompay.com

About Toast

Toast [NYSE: TOST] is a cloud-based, all-in-one digital technology platform purpose-built for the entire restaurant community. Toast provides a comprehensive platform of software as a service (SaaS) products and financial technology solutions that give restaurants everything they need to run their business across point of sale, payments, operations, digital ordering and delivery, marketing and loyalty, and team management. We serve as the restaurant operating system, connecting front of house and back of house operations across service models including dine-in, takeout, delivery, catering, and retail. Toast helps restaurants streamline operations, increase revenue, and deliver amazing guest experiences. For more information, visit toasttab.com.