Because they are familiar, simple to use and generally low cost, most small businesses relied on older, dedicated electronic cash registers. But now the situation is changing.

More and more businesses are recognizing that the checkout is a critical “touchpoint”—a location where the opportunity exists not simply to complete a transaction, but also to enhance the customer relationship and streamline the business.

That’s why more and more businesses are upgrading to intelligent, connected, versatile POS solutions that provide a full range of sales and payment processing capabilities—and much more. Increasingly, these POS systems are being implemented on tablets, smartphones and other mobile devices, making it possible to access information and process transactions anywhere.

How Today’s POS & mPOS Systems Are Being Used

POS systems have evolved from simply recording transactions, holding cash and generating receipts. They now support a wide range of capabilities for increasing revenues, controlling expenses and deepening customer engagement:

• Providing ways to promote products that are traditionally sold together, but that a customer may have overlooked.
• Capturing customer loyalty data on the spot, supporting discounts and personal service.

• Integrating directly with purchasing and inventory systems to simplify reorders and identify shortages and overstocks.

Because today’s POS systems perform so many different functions, there is no one preferred solution. POS systems can be customized using a wide range of components.

• A traditional stationary POS system might consist of a computer, cash drawer, barcode scanner, receipt printer and the appropriate POS software.

• A mobile POS solution might be based on a tablet with receipt printing taking place via a mobile (wearable) printer.

POS systems can also be adapted to meet the needs of different markets: A small, specialty retail shop may want an mPOS solution designed primarily for customers who are purchasing just a few select items, or don’t want to stand on line. In a grocery or warehouse environment, however, the POS needs to be able to handle customers who are buying dozens or hundreds of items.

In many cases, you will be looking to come up with the best fit of traditional (stationary) POS systems, as well as new mobile options. A restaurant, for example, might be interested in a mobile solution that wait staff can use at the table, as well as a traditional, stationary POS system that simultaneously handles both online and in-restaurant orders.

IHL Group predicts that mobile POS will cannibalize traditional POS by 12 percent in North America by 2016, with the highest replacement rates in department stores and specialty soft goods retailers.
**Business Value**
Implementing the right POS solution can deliver a range of benefits to any business:

**Increasing Revenues**
- See sales patterns—by day, by hour, by season—and adjust staffing and inventory to maximize sales
- Identify items that frequently sell in pairs (e.g., flashlights and batteries) and rearrange for upsells
- Use graphical customer displays for point of purchase promotions

**Saving Money and Running a More Efficient Business**
- Get reports that identify what’s selling and what’s not—supporting informed purchasing decisions
- Generate audit trails to know what’s happening in your business even when you’re away

**Improving Customer Relationships**
- Use mobile POS solutions to enable employees to spend more time on the floor helping customers and less time behind the counter
- Take advantage of rechargeable gift cards, and A/R charge accounts built into the retail software
- Know who your customers are and what they’re buying, so you can create meaningful marketing campaigns that target the right customers with the right incentives

**Omni-Channel Performance**
- Track purchase and returns on any channel, i.e., in-store, online
- Get a 360-degree view of a customer’s activity, including purchases, returns, and participation in promotions and special offers
- Enhance revenue through cross-selling and upselling recommendations

**The Market**
While the overall market for POS solutions is expected to grow at a CAGR of approximately seven percent a year, the IHL Group estimates that tablet-based mobile POS solutions will see high double-digit growth. Specialty retailers are leading the way in mobile POS, deploying about 45 percent of all tablets shipped to retail. Mobile POS solutions based on non-rugged handheld devices (i.e., mobile phones) will also experience heavy growth over the next two years, particularly among restaurants. In many cases, however, this will involve replacement of older mobile devices.

IHL Group predicts that mobile POS will cannibalize traditional POS by 12 percent in North America by 2016, with the highest replacement rates in department stores and specialty soft goods retailers. A typical scenario might be for a small business to replace its current POS system with three mobile devices and one fewer stationary device. This creates more opportunity as over time, mobile POS solutions will be replaced more frequently than stationary systems.

**Services Opportunity**
The dramatic changes in POS and mPOS solutions and the role they can play in a small business are providing solution providers with more opportunities to add value, such as:
- Helping customers sort out the ways in which the POS solution integrates with other capabilities, such as inventory, pricing and even systems such as digital signage and security.
- Navigating the choices being offered in mobile and stationary POS solutions.
- Understanding the many new mobile payment options and putting in place the right security/compliance.
Solution Recipes


Use Case Scenarios

Developing a POS solution can be a straightforward process—processor, display, cash drawer, POS software, etc.—but your choice of ingredients can have a profound effect on the overall performance and capability of the solution. Here are three typical “recipes” for POS, ranging from basic to advanced:

- Entry-level users are typically getting started with a small system or upgrading an existing system. POS systems are their entry into technology applications. They may need more education about why to use a POS versus a basic standalone electronic cash register. Simplicity, reliability and cost will be driving factors. Mobile POS should be discussed if for no other reason than mobile POS can offer cost and flexibility advantages over traditional fixed POS solutions.
- Mainstream users will typically have more familiarity with the value of a POS and will be focused on how they can take advantage of specific features and capabilities to streamline processes that are unique to their business, such as inventory management and purchasing. Cost-benefit analysis will be extremely important in building a robust solution. Reliable performance and simplicity will be important for mainstream users as they weigh the pros and cons of investing in additional capabilities.
- Advanced users will adopt a more strategic view of the POS and its role in building a business. They will want to take a comprehensive look at issues such as back-office integration, multi-location networking, support for enhanced or personalized customer service, integration with advanced systems such as digital signage and security and, of course, mobility. Advanced users will want to know that they are investing in a flexible, scalable solution that can grow as they grow.