42GEARS

White Paper - Why tablets are the future of POS technology?

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Convergence of technology based robust, fast, secure business process solutions and ubiquitous tablet devices are the major driving forces for mobile POS Terminal adoption.

One of the biggest challenge faced by the businesses today is making a concise and cost-efficient payment system, especially in the retail sector. Low installation cost and speedier checkout offered by Tablet POS Terminal has considerably increased their adoption. Tablets are not only improving Return on Investment (ROI) but it helps to meet the targeted sales as well as labour efficiency.

From the use of metal equipment to bulky computers all are comparatively costly. The traditional PC-based POS system can cost more than **$5000 per terminal** while tablet based solution can come in sub **$1000 range**.

Having emerged as a small retailer phenomenon, tablet POS is rapidly adopted worldwide, across verticals. According to a report posted by *Transparency Market Research*, the global POS terminals market stood at **US$36.86 billion** in **2013**, which is expected to grow **11.6% annually** in the coming years. The overall market holds the share of fixed POS, Wireless and Mobile POS (tablet). Though **81%** share hold by fixed POS, higher growth is expected for mobile POS due to its low initial cost. According to *Grand View* research mobile, POS terminal market is expected to reach **USD 42.99 billion** by **2022**.

Tablet POS terminal requires an elegant combination of both hardware as well as software. Software companies are providing solutions to manage customer data, inventory control, and analytics. Companies like *PayPal, Groupon* have come up with hardware accessories what work with any tablet and present super convenient ways to collect credit card payments.

Though retail segment is dominating with over **30%** of the overall market share in 2014; the restaurants, hospitality, healthcare, retail, warehouse and entertainment are not far away from adopting tablet POS terminals. Growing adoption among SMBs and micro-merchants is responsible for retail segment dominance.

With a tablet in hand, staff can get valuable data on the fly and use them at the time of customer service. Information on pricing, inventory, product ingredients empowers staff to satisfy customer queries faster and converted to sales. Troubleshooting and fixing problems remotely is now easier for technicians as the store data can be accessed remotely from the cloud. With a tablet-based system, customer feedback can be taken immediately right after the service.

In hospitality and restaurants, one of the biggest pain points is high waiting time to deliver services. The tablet-based solutions are helping to speed up service by allowing staff to take orders at the table. Staff can directly send orders from table to kitchen without any delay. Now, the outdoor seating and remote sales can be conducted seamlessly, which generates more revenue.

Due to private and financially sensitive nature of transactions conducted on these POS, most government poses extensive certifications and regulations on tablet POS terminals for security reasons which might restrain its market growth. Some regions like Latin America have low-cost manufacturing advantage over others due to less government interference. mPOS demand in coming years is expected to be dominated by North America. China and India are also expecting high growth due to disruptive growth in smartphone and tablet market. These developing economies have an abundance of small retail and *Kirana* shops where mPOS can be used, who would have otherwise never dreamed of affording traditional POS systems.

Few advantages of tablet POS over the traditional are:

1. **More flexibility and transparency in business**: Checking sales records, inventory management, and customer analysis is now more flexible. It can be done from anywhere, physical presence is no more needed. Managers can remotely control and monitor the operations from their personal phones.

2. **Cost advantage**: Traditional POS includes the cost of equipment, setup, software license fee, yearly maintenance, staff training etc. which is 10 times higher than the tablet POS. Tablet POS is a single device work on SaaS basis where no initial big investment is required but the only small amount is to be paid monthly. In that way, it is easily affordable by SMBs.

3. **Easy software upgrades**: Traditional POS generally required a consultant or expert from initial installation to upgrades time to time whereas tablet POS work from the cloud so software can be upgraded instantly without any expert onsite.

4. **Providing better customer service and Enhancing sales**: Availability as well as delivering the right information at right time to the right person is key to improve customer services in retail and hospitality sector. With the tablet integrated with several systems, manager or salesperson can provide useful information on demand which helps to convert patrons into customers.\

5. **Secure system**: Tablet POS is a safe and secure system, if any theft or damage happen with the tablet, data will always be secure and available on the cloud. Contrary to this traditional POS will fail to secure data in such kind of unfortunate event unless some strong backup system is in place.

6. **Well integrated system**: From tracking to the staff's sales register to accounting analysis, CRM and loyalty programs everything can be well integrated with tablet POS. A single tablet can do work of barcode scanner, cash register, and printer. The only thing that needed is card reader device, attached to the tablet.

Undoubtedly, tablet POS is emerging as a compelling solution for most businesses including SMBs, however, there are some challenges as well.

Problem: *Misuse of tablets*: Businesses adoption of tablets should not overlook its potential misuse by employees. They are easily tempted by Facebook, twitter, games etc. when they get Wi-Fi/4G on their devices. Due to this, businesses can't utilize the tablets to its fullest productivity.

Solution: Lockdown solutions and mobile device management can be used to prevent such loss of productivity. Software like **SureLock** can allow just the essential apps and lock out others. While SureMDM help to remotely manage and control the device.

Problem: *Damage or Theft of tablets*: Tablets serving as POS terminal may house important and confidential data and if any unfortunate event like damage or theft happens, it may cause serious loss.

Solution: MDM solution like **SureMDM** can help to manage the device remotely if any damage or theft happen. Data can be backed up and wiped off the device before it falls into wrong hands.

Problem: *Keeping users on POS application all the time*: Because tablets are generic mobile computing devices with the consumer grade operating system, it is possible for mPOS users to digress from the POS application on a tablet and get lost in tablet's native user interface. Rebooting the device or system notifications can easily land users in this situation. This can put the mPOS terminal into an unusable state until main POS application is launched again. Sometimes considerable technical assistance might be required for this which can delay or halt sales transactions.

Solution: **SureLock** can fix a particular app to the foreground in the tablet if mPOS application is dismissed for some reason, SureLock will make sure to bring it back and make mPOS ready for next transaction.