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More and more, people are getting used to—and encouraged to—not only buy their stuff, but ring it up themselves. Banks got in on this early, with ATMs. Now it's everywhere. Grocery stores, convenience stores, pharmacies, gas stations, you name it, they all have self-service spots where you interact with a screen and a touchpad instead of a human being.

The signs indicate this will only expand. As First Data's Christopher Cox says in his exclusive article elsewhere in Tech Topics, "The number of people using mobile payments is on the rise, and this number will only grow over time as new technologies and advancements are introduced. Today's consumers increasingly expect a shopping experience that seamlessly crosses online and offline channels. They use multiple channels and information sources to make buying decisions and expect an integrated experience that's timely and consistent wherever they are and at any time."

The card companies certainly are encouraging this. On the one side is the digital wallet. On the other is the point of sale terminal. Visa and MasterCard, through their recently issued plans for EMV and NFC, make no bones about their vision of burgeoning automated payments. Again, check out Visa's recent announcement here in Tech Topics, which details one more step in making payment account information easy to get on portable gadgets. At the same time, Isis Mobile Wallet is teaming up with Chase, Capital One, and Barclaycard to enable credit, debit, and prepaid card payments. (Also here in Tech Topics.)

There are a lot of pieces to this puzzle. They all have to work. The point of sale terminal, however, is absolutely crucial. It represents the input—money—that makes the whole thing go around. Some indications are popping up that that grey plastic gadget behind the counter is itself getting a whole new makeover.

Mercator Advisory Group has a report out on this subject. The Title, "POS Terminals: On the Cusp of Change," pretty much gives the flavor of what they found. It says: "The POS terminal industry has entered a period of dramatic change and development. Terminals have been steadily moving to a digital format, with electronic signature capture and emailed receipts enabling paper-free transactions. With the anticipated integration of the terminal with EMV, NFC, and nonpayment technologies on the horizon, the next few years in the industry promise to be a period of even greater change and development than the last."

Whew.

But it's probably true. Look at the latest releases from Verifone and Ingenico, the leading manufacturers of POS systems.

Verifone just announced the release of a complete suite of services and software that enables mobile network operators the ability to manage mobile wallet acceptance at merchant systems. Its PAYMEDIA Universal Acceptance Platforms promises to ensure that "mobile wallet transactions of all types will be processed smoothly at merchants and allows wallet providers to greatly expand the variety of services and applications offered through their wallets and increase consumer stickiness of their apps."

Ingenico, in January, announced a partnership with PayPal in order to allow merchants—with Ingenico

systems—to accept PayPal payment options in retail stores. That’s right. PayPal. “Today’s savvy shoppers want the option to choose how they pay for goods and are agile enough to easily switch between multi-shopping platforms,” says Thierry Denis, president of Ingenico North America.

There’s more. One new avenue of approach literally seeks to turn the tables around. IBM, for example, offers a mega-POS terminal with a big touch screen that faces the clerk, and an attached video touch screen that faces the customer. It’s the IBM SurePOS 500 with Customer Display. Goes from 0 to 60 in three seconds.

Not really. But one blogger—Cengiz Topel—gushes over the opportunities such an instrument offers.

“With modern retail POS systems, the customer-facing display can be a large touch screen capable of showing multiple lines of text and full-color graphics. These types of customer-facing displays give you many options for increasing profits, building brand awareness, and requesting customer feedback,” Topel says.

For example, such a set-up allows for an electronic equivalent of the question “You want fries with that?” Says Topel: “No pressure on the customer, just an informative nudge that improves your bottom line.”

Five years ago did anybody think we’d be bagging our own six packs of Mountain Dew at the convenience store while being instructed by a disembodied voice to “slide your card through the slot now”? Who knows what we’ll be doing five years from now.

Mercator’s Dave Kaminsky sums it up. “As a result of both technological development and business model evolution, the payment transaction is losing its primacy as the most important, discrete step in the commerce transaction cycle. It is becoming embedded in the entire customer experience. The impact at the merchant’s POS terminal will be profound and must become a major planning concern for retailing and acquiring industries. Against this background, the role of the POS terminal, and those who build them, is shifting.”

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Sources used for this article include:

POS Terminals: On the Cusp of Change

Ingenico Launches New PayPal Payment Solution, Expanding Consumer Payment Choices in the USA

VeriFone Enables Mobile Network Operators to Manage NFC Wallet Acceptance End to End

Using the customer display for increasing profits, building brand awareness and requesting customer feedback

About the Author

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