



National Survey of Independent Consumer Goods Retailers – 2025 Report

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Executive Summary

This report presents a data-driven analysis of POS adoption among independent consumer goods retailers, uncovering key market trends, merchant preferences, and obstacles to modernization. While legacy cash registers still dominate (42.1%), a significant share of retailers (27.7%) favor non-integrated POS setups, prioritizing flexibility over vendor lock-in.

This study provides actionable insights for ISOs, ISVs, and sales agents to navigate the evolving POS landscape and capitalize on emerging opportunities.

Introduction

Understanding how independent consumer goods retailers adopt POS systems requires identifying the key players that shape this ecosystem. The industry consists of several interconnected entities:

The POS Ecosystem

Before conducting this research, we assumed that a complete POS system consisted of three core components:

Hardware – Terminals, barcode scanners, receipt printers, and other physical devices.

Software – The application that processes sales, manages inventory, and tracks transactions.

Payment Processing – The system that enables credit, debit, and digital payments.

Some companies provide fully integrated solutions covering all three components, while others specialize in one area and integrate with complementary providers.

However, our research revealed a more nuanced understanding of POS systems, which we articulate in the conclusion of this paper.

Key Industry Players

- **Independent Software Vendors (ISVs)** – Companies like CSI Works that develop software solutions to enhance POS functionality. ISVs often integrate with existing hardware and payment processing systems rather than building an all-in-one solution.
- **Independent Sales Organizations (ISOs)** – Third-party companies that resell payment processing services to merchants. ISOs partner with payment processors and POS providers to offer customized solutions.
- **Payment Processors** – Companies that handle credit and debit card transactions, such as Fiserv, TSYS, and Worldpay. Some POS systems, such as Clover, require merchants to use a specific processor, while others offer flexibility.



- **Hardware Manufacturers** – Companies that produce POS terminals, barcode scanners, and receipt printers. Examples include Verifone, Ingenico, and PAX.
- **Sales Agents** – Independent professionals or small firms that sell POS systems and payment services. Many work under ISOs and play a critical role in POS adoption.
- **Merchants** – Independent retailers, including liquor stores, convenience stores, and small markets. Their POS decisions are shaped by cost, operational needs, and legacy systems.

These players collectively shape the market, driving both innovation and fragmentation. Understanding their roles helps clarify why no single POS system has achieved dominance in the independent retail sector.

About CSI Works

CSI Works is an Independent Software Vendor (ISV) specializing in software solutions that enhance modern Point-of-Sale (POS) systems. While our primary focus is software development, we recognized a critical gap in understanding how independent consumer goods retailers select and use POS systems. This research aims to fill that gap by providing actionable insights for independent sales agents selling merchant services and payment processing solutions.

Why We Conducted This Study

Independent consumer goods retailers make up a significant yet often overlooked segment of the retail industry. Unlike corporate chains with standardized operations, independent merchants vary widely in business practices, POS adoption, and payment processing choices. This fragmented landscape presents both challenges and opportunities for sales agents, payment processors, and POS vendors.

This study aims to provide **data-driven insights** on:

- Which POS systems are most widely used by independent retailers?
- Why do merchants resist upgrading their POS systems?
- How do adoption patterns vary by store type and region?
- How can independent sales agents position themselves for success?

Survey Methodology

Between January 31 and February 5, 2025, we conducted field research by visiting **318 independent consumer goods retailers** across **seven states**. The surveyed businesses included liquor stores, convenience stores, tourist gift shops, smoke shops, cigar shops, grocery markets, butcher shops, and stores selling and redeeming lottery tickets.

Store Visit Breakdown by State

State	Stores Visited
California	98
Arizona	50
Texas	50
Louisiana	50
Mississippi	10
Alabama	10
Florida	50
Total	318

Data Collection Approach

We used a structured, field-based approach to collect data. Our process included:

- **Identifying independent retailers** through Google searches based on our study criteria.
- **Mapping store locations** across target regions to plan efficient visits.
- **Documenting POS hardware, software, and checkout workflows** at each store.
- **Engaging with store owners and employees** whenever possible to understand their decision-making process.

Exclusions & Observations

- We intentionally **excluded major enterprise chains** (e.g., 7-Eleven, Chevron AM/PM, and Circle K) to **focus solely on independent retailers**.
- However, we did **encounter independent operators** inside branded gas stations, providing insight into inherited POS systems.
- Whenever possible, we recorded payment processing preferences and analyzed market share trends to identify the most widely used POS systems and the factors influencing adoption.

Key Findings & Market Trends

Our research uncovered several important insights into the POS landscape among independent consumer goods retailers. This section breaks down POS market share, merchant behavior, and adoption challenges.

POS Market Share Breakdown

We identified four distinct types of POS systems among independent retailers:

- **Legacy Systems** – Traditional cash registers lacking modern POS functionality.
- **Integrated POS Solutions** – Complete setups that combine hardware, software, and payment processing from a single provider.
- **Hardware-Based POS Setups** – Merchants use standalone hardware (e.g., computers, iPads) with separate software and payment processing.
- **Software-Based POS Solutions** – Standalone POS software installed on a merchant's chosen hardware.

POS System	Type	Count	Market Share (%)
Old Cash Register	Legacy Equipment	134	42.10%
NRS	Integrated Complete	44	13.80%
Clover POS	Integrated Complete	22	6.90%
Posiflex	Integrated Complete	2	0.60%
Square POS	Integrated Complete	6	1.90%
OVVI POS	Integrated Complete	2	0.60%
Retailz POS	Integrated Complete	2	0.60%
Lightspeed	Integrated Complete	4	1.30%
EposNow	Integrated Complete	2	0.60%
Compro Boston	Integrated Complete	2	0.60%
Grocery Line POS	Hardware	8	2.50%
ELO POS	Hardware	12	3.80%
Volcora POS	Hardware	4	1.30%
Verifone POS	Hardware	8	2.50%
Computer	Hardware	20	6.30%
HP POS	Hardware	28	8.80%
iPad	Hardware	8	2.50%
Dallas POS	Software Provider	2	0.60%
LiquorPOS	Software Provider	2	0.60%
Korona POS	Software Provider	2	0.60%
CStorePOS	Software Provider	2	0.60%
PosBytz	Software Provider	2	0.60%
Total		318	100.00%

If we combine above providers into type of solutions:

POS Type	Count	Market Share (%)
Legacy	134	42.10%
Integrated Complete	86	27.00%
Hardware	88	27.70%
Software	10	3.10%
Total	318	100.00%

The Unexpected Market Leader: Non-Integrated Hardware POS

At first, we categorized hardware-based POS setups separately, treating **computers with payment terminals, iPads with card readers, and standalone payment terminals** as distinct systems.

However, deeper analysis revealed a **common trait**—all these setups **separate hardware, software, and payment processing** rather than relying on an all-in-one integrated POS. When combined, these **non-integrated hardware setups** accounted for **27.7% of the market**, making them the most widely used approach after legacy cash registers.

Key Insight: Merchants prioritize flexibility over convenience. Instead of committing to a single integrated POS system, many prefer a modular setup where they **mix and match** hardware, software, and payment providers.

Examples of Non-Integrated Hardware POS Setups:

- **Computers with separate card terminals** (common in grocery stores and markets).
- **iPads with card readers** (popular among specialty retailers and gift shops).
- **HP POS and Verifone POS** (used in various store types with standalone processing).

This trend highlights a major challenge for fully integrated POS solutions—**many independent retailers refuse to be locked into a single ecosystem** for software and payments.

The Power of Inertia: Why Merchants Don't Upgrade

Our initial assumption was that enterprise influence kept independent store operators at gas stations using legacy POS systems. However, deeper investigation revealed a more significant factor—**merchant inertia**.

Many independent retailers continue using **existing POS systems** not because they are contractually required to, but because they see no compelling reason to change. Store owners who take over locations from corporate chains often **inherit old POS systems** and simply keep using them, even when they are outdated.

Key Observation: 42.1% of independent retailers still use old cash registers, which lack modern features like digital payments and inventory management.

Case Study: Gas Station Convenience Stores

- During our research, we visited multiple independent convenience stores inside **branded gas stations** (e.g., Chevron, Shell).
- Although they were no longer corporately owned, many still ran **Verifone POS systems** installed by the previous operator.
- When asked why they hadn't upgraded, most store owners gave the same response: **"It works, so why change?"**

This pattern was not limited to gas stations. Across all store types, merchants expressed a **strong resistance to upgrading**—even when presented with modern POS options.

Key Takeaway: The biggest hurdle to POS adoption isn't cost—it's the power of habit. Many retailers stick with familiar systems, resisting upgrades until absolutely necessary.

Open vs. Closed POS Systems: No One Can Dominate

A major reason no single POS system has achieved dominance among independent retailers is **the trade-off between openness and control**.

Key Observation: Merchants prioritize **flexibility** over convenience. Many prefer **non-integrated setups** that allow them to choose their **own software, payment processor, and hardware** rather than being locked into an all-in-one solution.

How Open and Closed Systems Affect Market Growth

- **Clover POS (6.9% market share):** Supports third-party software but requires merchants to use **Fiserv** for payment processing, limiting flexibility.
- **NRS POS (13.8% market share):** Allows multiple payment processors but restricts third-party software integration, reducing customization options.
- **Non-Integrated POS Setups (27.7% market share) –** Merchants using **computers, iPads, and standalone hardware** prefer mixing and matching components rather than committing to one provider.

Merchant Sentiment:

- **A Texas store owner** liked **Clover's interface** but chose a **non-integrated system** to negotiate better payment processing rates.
- **A Phoenix merchant** using **NRS** was frustrated by the **lack of customization**, stating, *"I don't want to be locked into a single way of doing things. My store is unique."*

Key Takeaway:

No **closed** POS system has dominated the market because **merchants value flexibility more than all-in-one convenience**. For widespread adoption, a POS solution must embrace third-party software, diverse hardware options, and open payment processing.

The Role of Software Providers: The Path of Least Resistance

Most software providers **avoid** developing for specialized POS hardware and instead build solutions for **general-purpose devices** like **computers, iPads, and laptops**.

Why?

- It is **easier to find developers** who build for **Windows, macOS, iOS, and Android** than for **proprietary POS systems**.
- **Fintech specialization is rare**, so most software companies take the **path of least resistance** by supporting **widely used operating systems** instead of closed POS environments.

The Result?

- ISVs that **do develop for specialized POS hardware** often **lock merchants into specific payment providers** or **limit third-party software integration**.
- Many **computer-based POS setups** run **retail software not explicitly designed for point-of-sale operations**, leading to **fragmented workflows and inefficiencies**.

Field Example:

- We documented multiple stores using **computer-based POS setups** with software designed for retail but limited in functionality.
- Example: Some systems used **laser printers instead of receipt printers**, creating inefficiencies in checkout operations.

Key Takeaway:

By favoring general-purpose computing over specialized POS hardware, software providers are inadvertently fueling market fragmentation. As long as software companies favor consumer platforms, independent retailers will continue relying on **non-integrated setups**, reinforcing the divide between **legacy, integrated, and modular POS solutions**.

Retailers Standardize Products, Not Business Operations

One of the most **striking contradictions** in independent retail is the **standardization of product selection and store layout** versus the **fragmentation of business operations**.

Key Observation:

- **Products, shelving, and branding** are **highly standardized** across stores.
- **Checkout experiences, pricing strategies, and workflows** vary **dramatically** between retailers.

Example from the Field:

- We visited **two independent stores in different cities**—one in a **tourist-heavy coastal area**, the other in a **residential neighborhood**.
- Both stores had **identical inventory, shelf arrangements, and promotional signage** (dictated by manufacturers).
- However, their **checkout systems were completely different**—one used a **manual cash register**, while the other relied on a **modern tablet-based POS**.

Why Does This Matter?

- Merchants **trust manufacturers** to dictate **product selection and merchandising but resist standardizing business operations**.
- This explains why **no single POS system has achieved dominance**—merchants make **highly individual** decisions about technology and operations.

Key Takeaway:

Even though independent retailers **look the same on the surface**, their **business operations are deeply fragmented**. Any POS solution hoping for **mass adoption** must accommodate **customization and flexibility** rather than enforce a one-size-fits-all approach.

Conclusion

The Future of POS in Independent Retail

Our research confirms that no single POS system dominates the independent retail sector—and for good reason. Independent merchants value flexibility over uniformity, leading to a fragmented market where retailers assemble their own combinations of hardware, software, and payment processing.

Key Takeaways:

- **Legacy cash registers** remain prevalent (**42.1% market share**) due to merchant inertia rather than cost barriers.
- **Non-integrated hardware setups (27.7% market share)** highlight that merchants prefer customization over fully integrated solutions.
- **Closed POS ecosystems struggle to scale** because merchants resist restrictions on hardware, software, or payment processing.
- **Software providers contribute to fragmentation** by prioritizing general-purpose computing platforms over dedicated POS environments.
- **While retailers tend to standardize** product selection, their **business operations remain diverse**, making POS standardization a challenge.

What Does This Mean for the Industry?

Independent sales agents should position themselves as solution consultants, guiding merchants toward **flexible, adaptable POS choices** that align with their unique business needs.

POS vendors seeking to expand market share must focus on **interoperability, customization, and merchant control** rather than rigid, closed ecosystems.

Payment processors must recognize that merchants resist exclusivity, making **open payment processing** a key differentiator in the competitive landscape.

A New Understanding of the Ideal POS Model

Through this research, we have identified that **the ideal POS system—one that could achieve widespread adoption across independent retail—must be built on four independent yet complementary components:**

1. **Hardware** – Physical devices such as terminals, barcode scanners, and receipt printers, which should remain independent of software and payment processing.
2. **Base Software** – A foundational system that provides essential POS functions, including:
 - **Core checkout functionality**
 - **Inventory management**
 - **Customer tracking**
 - **Employee management**
 - **Order and transaction history**

This component should provide a standardized yet flexible foundation, allowing seamless integration with third-party applications.



3. **Payments** – A fully **agnostic payment processing system**, allowing merchants to select **any** provider that best fits their business needs.
4. **Vertical Integration & Customization** – Specialized **industry-specific software** or **add-ons** that enhance the **base software** for niche markets. These solutions should be **modular** and **bolt-on**, allowing businesses to tailor their POS to their specific operational needs.

The Future of a Ubiquitous POS

Separating hardware, core software, payments, and vertical integrations allows merchants to customize their POS experience, ensuring adaptability in a rapidly evolving industry.

This four-component model closely resembles **Clover's approach** but eliminates its **hardware and payment processing restrictions**, creating an **open ecosystem** that fosters innovation. A **POS framework** that combines these four elements—**in varying proportions depending on merchant needs**—could be the key to achieving widespread adoption across the industry.

The future of POS in independent retail will be shaped by open, adaptable platforms that empower both merchants and sales agents to drive innovation and business success. Those that prioritize modularity, flexibility, and control will drive long-term success in an evolving market.



Resources

For further insights, product demos, training, or partnership opportunities, please refer to the resources below.

Contact Information

Sales/Partnerships

Steve Slavutskiy

Call or Text: 619-246-8236

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Merchant/App Support

Dedicated Support Team

Call or Text: 760-542-2178

info@csiworks.net

CSI Works Resources

CSI Works Corporate Website – csiworks.net

Provides an overview of our products and their benefits.

Product Guides & Tutorials – csi.works

Step-by-step instructions on how to use CSI Works solutions.

Live Demos – pointofinteraction.net

Watch product demonstrations to see CSI Works solutions in action.

Agent & ISO Training – isotalk.net

Exclusive training and resources for independent sales agents and ISOs.

Partnerships – [Refer](#), [Resell](#), [Own](#).

Earn with CSI Works products on your terms.

Become and Grow ISV with FinTech Development Team – fincore.dev

Explore opportunities for developing your own POS solutions. Bring your project across the finish line. Evaluate new ideas with our experts.

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