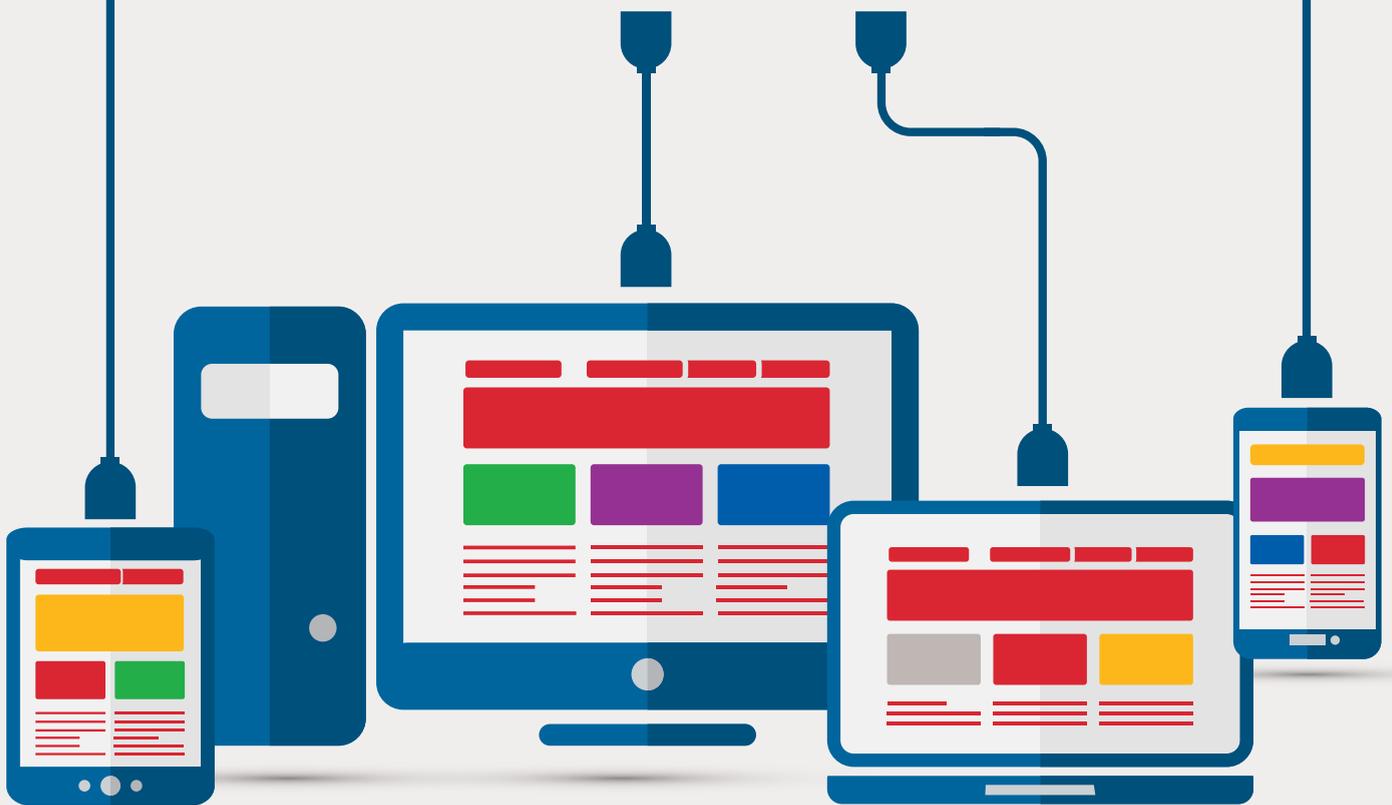


8 POS trends to watch in 2017



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In the retail and hospitality space, 2017 will likely see a continuation of the trend toward mobility and cloud-based solutions and the emergence of unified commerce strategies. Some belt-tightening should also be expected as these industries waded through economic and political uncertainties, particularly in Europe.

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RESOURCES

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WHAT TO EXPECT IN 2017:

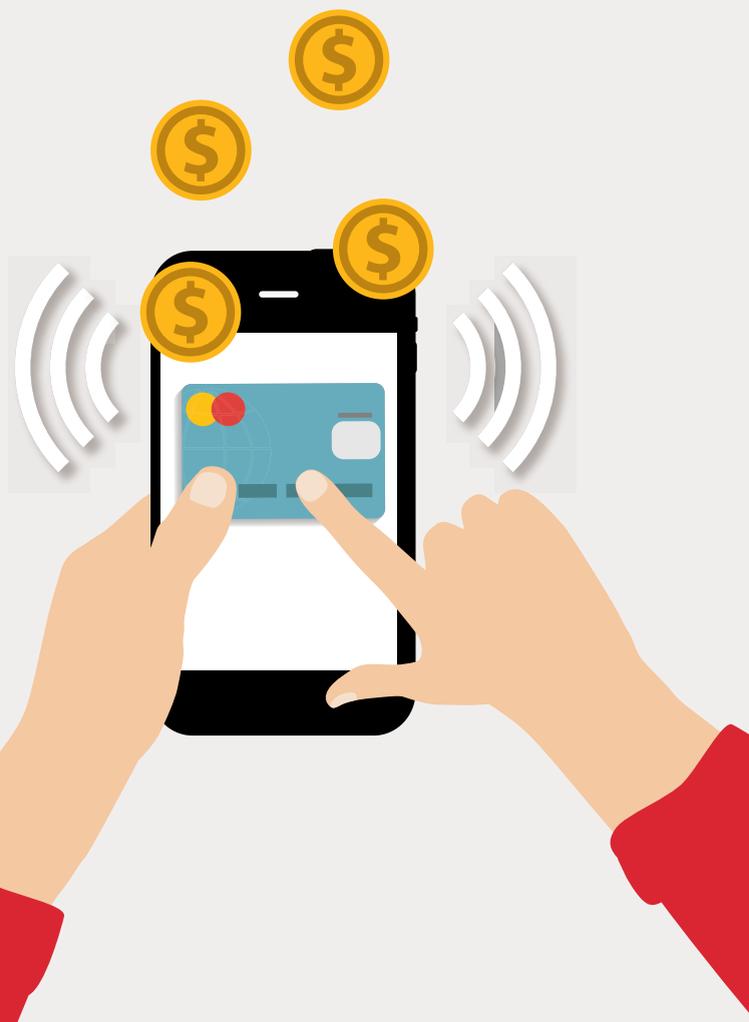
1 TABLET POS CONTINUES TO GROW More customers, both in the U.S. and globally, are requesting product designed for tablets and mobile POS. The difference is significant: Although both solutions are typically cloud-based and thin client-based, one is stationary and the other is, well, mobile. This aligns with a trend in hospitality, convenience, retail and service stations to use tablets for checkout and data access. With mPOS gaining traction, especially in the SMB space, heavy-duty peripherals are giving way to more cost-effective hardware. Rather than spending thousands of dollars on POS components, companies now are spending hundreds.

2 EMV AND BREXIT/POLITICAL/ECONOMIC UNCERTAINTY In Europe, for example, the Brexit vote and a recent referendum in Italy have created economic uncertainty. The EMV liability shift has been pushed out from 2017 to 2020 for U.S. automated fuel merchants. Key decision makers within the retail petroleum industry may hold off on POS upgrades as the new EMV deadline approaches. These political and economic issues and compliance uncertainty have retailers holding onto their hardware.



3 BRICKS AND MORTAR VS. ONLINE Brick-and-mortar retail is alive and well, despite online competition. Online retailers such as Amazon are crossing into the physical domain, while physical stores strive to offer a more online-like experience. For example, they are making tablets available for transactions and information lookup. Shoppers can place orders from home for store pickup and vice versa. The future of retail will combine elements in an emerging unified commerce. In many cases, the retail store is becoming a local warehouse.

4 MOBILE WALLETS, CREDIT CARDS AND CASH Despite all the buzz around mobile wallets, including Apple Pay and Google Wallet, they haven't displaced cash — nor are they likely to. Indeed, some mobile wallet users are going back to cash. More budget-conscious consumers would rather budget with cash and spend accordingly, avoiding the temptation to spend more that comes with the convenience of mobile wallets — or credit cards, for that matter. While some users will prefer the ease of electronic payments, ultimately we'll see a healthy mix of plastic, electronic and cash payments.



5 INDUSTRY CONSOLIDATION

A mature market always features mergers and acquisitions, and activity in the POS space is bound to continue. Consolidation likely will continue as payment processors step into the POS hardware space and ISVs merge. The large players will continue to acquire portfolio accounts to expand or complete their solutions offering.

6 EXPANDING CLOUD

The trend to deploy POS systems and peripherals in the cloud will gain traction in a pay-as-you-go model that makes it easier for customers to access the latest technology and keep their systems updated. For resellers, this approach creates opportunities to build value-based services around your offerings and increase profit margins. POS systems are being integrated through the cloud not only with peripherals, but also with payment card services and back-end solutions. This disruptive philosophy is reshaping the POS technology space.

7 UNIFIED COMMERCE

Largely driven by millennial shoppers who expect their in-store experience to be similar to online shopping, retailers are developing unified commerce strategies that serve consumers when, where and how they prefer. Rather than having multiple channels, unified commerce streamlines communication to a single software platform, linking existing legacy applications and providing a holistic shopping experience. A step beyond omnichannel, unified commerce connects physical stores, online and mobile app stores, telephone sales and any other transaction methods in real time. Retailers also are starting to personalize service with promotions tailored to groups or even targeted at individual shoppers. These trends will drive much of the retail industry's IT investments in 2017.

8 REDUCED LABOR POOL, RISING MINIMUM WAGE AND NEW OVERTIME RULES

Labor and compensation will continue to be an issue. Retailers are struggling to find enough qualified help — regardless of the position. A rising minimum wage and new overtime rules only exacerbate the problem. Retailers will seek out solutions to help control store-level labor or reallocate labor back into customer-service activities. **C**



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