



# Meeting Evolving Customer Needs With POS Technology

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**P**oint of service (POS) is approaching an inflection point in today's retail environment. With the move to mobile devices, omni-channel experiences, and a focus on customer loyalty, more is being demanded of POS systems. Customers want to be able to have a common shopping experience regardless of which sales channel they choose. They also want that experience to be personalized, reflecting their interests and buying habits. Integration of POS with online and back end systems will allow retailers to deliver this experience. In addition, customer-owned smartphones and retailer-owned tablets are poised to become POS stations and POS architectures will need to change to accommodate this development. It is an exciting and challenging time for store systems, and retailers need to think strategically when considering new POS solutions.

Generally, pain points and new functionalities are driving POS upgrades and replacements today. More specifically, seamless integration to online and back end systems, extending POS capabilities to mobile devices including near field communications (NFC) and mobile couponing, and maintaining PCI (payment card industry) compliance are all key drivers of POS upgrades.

Many retailers are weighing the pros and cons of staying with on-premises, client-server POS technology versus transitioning to on-demand, cloud-based or thin-client solutions. Cloud-based solutions will become increasingly attractive as connectivity to the store becomes more robust. Interest

in on-demand, cloud, and virtualized POS continues to grow but retailers are cautious by nature, and I believe adoption of these technologies will happen gradually. For nonmission-critical activities such as payroll, reporting, and customer relationship management (CRM), cloud-based solutions can provide a cost-effective solution for retailers.

Mobile POS functionality is often viewed as limited to line busting, but its role will continue to evolve and play an important part of an overall mobility strategy. As customers become more comfortable with emailed receipts and limited tender types, mobile POS will move beyond line busting to full-fledged transactions. Customer smartphones may also provide an opportunity for self-check to become mobile as customers can scan and pay for items without the need for a traditional self-check solution. Over the next 24 months, retailers will find new and inventive ways to leverage mobility to increase speed of service and improve the shopping experience.

The consumer push for cross-channel transparency frequently accelerates the POS upgrade cycle while increasing the number of requirements and integration points that retailers must consider. Retailers have additional functionality to consider when defining requirements and they need a flexible architecture that can adapt to future needs. Cross-channel transparency is driving opportunity, but it is also multiplying the challenges retailers face when upgrading POS.

There are a number of categories related to POS that are important to the

overall in-store solution. Digital signage can deliver huge benefits to retailers by providing the right message at the right time to the right audience. It can also allow retailers to make real-time changes to promotions, pricing, or menu selections to reflect changing conditions. When coupled with interactive capabilities, digital signage can also create a personalized shopping experience.

Digital surveillance and analytics provide a powerful platform for retailers. With the addition of real-time analytics such as people counting and queue management, digital surveillance can provide business insights and understandings along with its traditional loss prevention and security functions. Retailers can become smarter about how to staff, track conversion rates, and reward their employees.

Finally, there is the increasingly critical area of data security and PCI compliance. In order to provide comprehensive protection to their customers, VARs need to offer a full portfolio of solutions. Patch management, endpoint security including antivirus and PCI compliance assessments, and consulting are all necessary components of data security. ●



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