MPOS: How it's Revolutionizing Payments

Mobility is rocking the point of sale world. From line busting to omnichannel marketing, it's changing the way retailers and restaurateurs do business. The payments branch of the POS world has not been isolated from mPOS and its effects. In fact, as margins shrink and the competition in merchant processing grows fierce, the payment industry is rushing to adopt tablet POS systems. This is due to ISOs (Independent Sales Organizations) needing to add value to their solutions to stay competitive; tablet POS is a prime way to do this.

What's more, with the EMV liability shift having gone into effect October 2015, now is the time to look into the latest and greatest in mPOS solutions and what they mean for your payment and transaction options. When you upgrade, you might as well go the extra mile and ensure that you've got the edge on your competition.

Hardware and Software Upgrades: EMV Liability Shift

EMV Acceptance

The Oct. 1, 2015 EMV liability shift is driving equipment upgrades across the industry. This shift means that retailers without payment processing equipment certified to the Europay, Mastercard, Visa (EMV) security standard — i.e., credit and debit cards featuring secure microprocessor embedded chips — are liable for any fraudulent activity committed with chip-enabled cards, instead of holding the card issuers liable. Javelin Strategy and Research estimates that U.S. businesses will invest $8 billion to become EMV compliant.

At an estimated cost of $150 to $1,000 per terminal, retailers must upgrade both their hardware and software systems to become EMV compliant. The good news is that vendors in the retail payment processing industry already have taken the crucial first step of ensuring their product offerings meet the latest standard. When undertaking your EMV upgrade, consider the following:

Enlist your vendor. Check with your POS hardware vendor to ensure that your equipment is certified to be EMV compliant.

Double-check the app. Is your software EMV compliant? From each of the Big Four card networks (American Express, Discover, Mastercard and Visa), you will need to secure EMV certification through your acquiring bank.

Now that you know what steps you will need to take, it's time to determine your options, and to leap into the 21st century, not only to gain the edge on your competitors, but also to deliver a superlative customer experience.

Graduating from the Electronic Cash Register (ECR)

Upgrading from the traditional electronic cash register (ECR) to a mobile point of sale (mPOS) platform is one solution to addressing the new payments conundrum.

mPOS is your POS — unleashed. mPOS, also known as EPOS, generally includes a small, portable, handheld wireless device, such as a lightweight tablet or smartphone combined with a small, usually Bluetooth-based, swipe-and-chip-based payment device and payment app (and any other pertinent peripherals), so that employees can assist customers with transactions from any location in a restaurant or retail store. While traditional POS calls for fixed checkout areas, the accompanying long customer queues, and also takes up considerable floor space, mobile POS enables greater flexibility in the store or restaurant layout, while also enabling superior customer service.

One solution to the need for EMV compliance is to choose a modern tablet POS platform. Consider the following benefits of tablet POS versus ECR:

Lower total cost of ownership. While the initial cost of a tablet POS may be higher than an ECR, the mobile platform will earn back more than its investment over time. ECR does nothing more than accept transactions. With tablet POS, you not only can conduct transactions (including cash payments and returns) and queue-bust during peak volume times, but you can also "save the sale" by looking up inventory information for stockouts. In addition, the tablet POS is built to be durable for any retail or restaurant environment.

Easy to setup and use. Tablet POS is user-friendly and compatible with Android™, Apple® iOS, and Windows® — the very same mobile software platforms your employees use on their personal mobile devices. In no time at all, your tablet POS can be up and running, and earning its ROI.

Expanded features. ECRs offer few, if any, features beyond basic sale and return transactions. On the other hand, tablet POS offers Bluetooth and USB connectivity so you can add on peripherals that will be useful to your associates and to your customers. Some tablet POS hardware comes with a built-in cash drawer, scanner and receipt printer, so you simply need to pick the tablet that best matches your needs to go live with your new system.

Cloud POS offers better data security. Tablet POS software backs up data to the cloud, enhancing your data security. With transactions backed up outside of the local tablet device, you can rest assured that your information is still available in the event that the equipment is lost or stolen.

Versatility. Tablet POS gives you options. Restaurants using mobile POS can generate higher table turnover and accelerate order processing during peak hours. Users also have the option to dock your tablet POS as a fixed terminal to checkout customers primarily in one location. What's more, your tablet POS can seamlessly integrate with loyalty and rewards programs, inventory software, or workforce scheduling and optimization applications.

How do payments factor into the equation?

Many modern mPOS and tablet POS don't require upgrading — they're already purpose-built to accept the latest advancements in payment technologies. To be EMV compliant, your mPOS needs a dip-in card reader that holds the card to read the embedded chip until the entire transaction is complete (unlike previous cards that just needed to be swiped).

NFC (Near Field Communications) enables touchless payment applications, such as Android™ Pay and Apple® Pay. Customers today expect to be able to pay without pulling out their credit or debit card. These proximity-based payments offer security benefits, as your business never actually receives the customer's card number, thereby reducing your liability.

While many mPOS devices aren't designed to accept cash transactions without forcing the associate back to a fixed station to dock the device, some of the latest tablet POS offerings are built with a sleek and secure, wireless drawer to store cash, receipts, and other essentials. This enables you to serve a wider variety of customers, and not just those seeking cashless transactions.

In order to complete transactions, you'll need to print off receipts on-the-fly. Tablet POS can be easily paired, or connected, with wireless, mobile printers that can be carried by, or displayed closely to, the sales representative. These wireless, mobile printers deliver a neatly printed receipt quickly and quietly, offering an end-to-end transaction experience from anywhere in your restaurant or store.

Why choose an ergonomic mobile solution?

When considering mPOS, look at ergonomic mobile solutions. These solutions recognize that some businesses need peripherals beyond the basic tablet POS, such as a combination cash drawer/receipt printer. Here's what ergonomic mobile solutions offer:

Convenience. With an ergonomic tablet POS plus cash drawer/receipt printer, you can accept all payments anywhere, anytime. This is a big improvement over common mPOS, which traditionally only handles electronic payments.

Space saver. Ergonomic solutions reduce your POS footprint significantly. With their small size and sleek profile, these platforms are attractive and unobtrusive in your retail or restaurant environment, freeing up space in which you can add tables or expand merchandise displays.

Assist mPOS solutions. Because these ergonomic mobile solutions rely on Bluetooth technology for connectivity, they're fully mobile when needed and rid you of tangled wires and a jumble of dongles.

Full functionality. Ergonomic mobile solutions offer robust features and functionality for a wide range of applications.

Receipt printer. Small and compact, a built-in printer lets you quickly and quietly print a receipt as soon as the transaction closes. Additionally, sometimes single accessories are needed without a full system. In this case, you should check to see if your system can support additional printers for your bar, kitchen, and other areas.

Barcode scanner. If your tablet or mobile device lacks a barcode scanner, your ergonomic mobile solution easily accommodates an optional plug-and-play scanner for reading merchandise.

Cash drawer. A secure cash drawer stores currency, checks, receipts and other important items. The size of cash drawer you choose will depend on the number of cash transactions you process a day.

Software application. To get the greatest value of your ergonomic mobile solution, pick a software application that supports the latest payment options such as NFC and EMV. This will help you to avoid another technology upgrade in the near future.

Tablet/device. When evaluating tablet and mobile device options on the market, be sure to select hardware that's designed to process NFC and EMV payments, preferably without requiring add-ons or peripherals to do so. Choose a device that's compatible with your preferred software application. Most software applications have a preferred operating system, however if you need a software application to be cross compatible, make sure to do your research and find a web-based solution.

Digital Receipt. More and more retailers want to deliver an in-store experience that provides digital support. There are innovative, downloadable apps on the market today that are supported by many POS systems. These apps allow your customers to receive a digital copy of their receipt on their smartphones. Some of these apps even allow functionality for customer satisfaction surveys, so retailers can always get a gauge on how they are perceived by their customers.

Conclusion

As the payments landscape proliferates at a dizzying speed, retailers and restaurateurs are now facing significant pressure to keep up with the latest technology, and let consumers pay how they want, when they want. mPOS — and tablet POS in particular — is emerging as an essential means of ensuring compliance with the new EMV standard while delivering the brand-building customer experience that your consumers have come to expect.

About Star Micronics

Star Micronics America, Inc. is a subsidiary of Star Micronics Company Ltd., one of the largest printer and POS manufacturers world-wide. Star Micronics also manufactures high precision machine tools and precision parts. Star Micronics Company Ltd. is ranked as one of the Top 50 "Most Stable" Japanese companies on the Japanese Nikkei. For more information, visit www.starmicronics.com or call 800-782-7636.