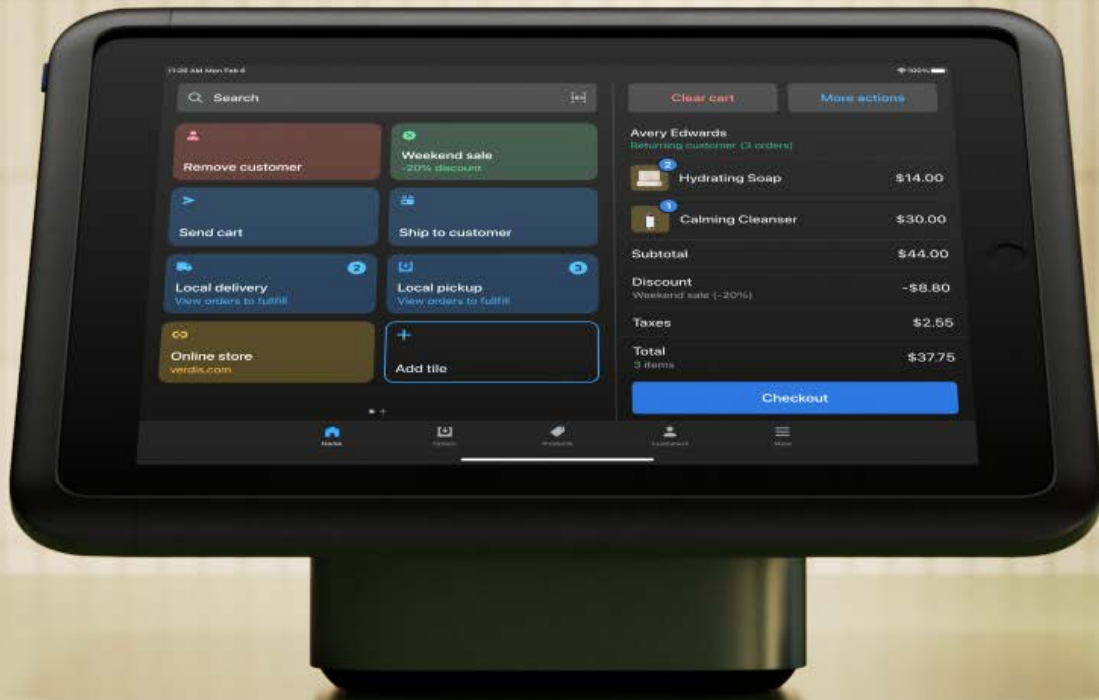




The Retail POS Buyer's Guide

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How to choose the best point of sale system to run and scale your retail operations



As a retail leader, you juggle a lot of different responsibilities.

Driving growth, maintaining operations, managing your team, and maximizing the performance of your retail stores—the last thing you want is a POS system that slows you down or impedes on your success.

When you operate a network of retail stores and sell across physical and digital channels, your POS system needs to do more than accept payments—it plays a pivotal role in ensuring the multi-channel customer journey is frictionless. Your POS should help anticipate demand across locations, maintain a tight control over your inventory and teams, conquer peak sales periods with confidence, and proactively ensure your stores meet and exceed your brand's performance objectives.

If your team is experiencing headaches with your current POS system, then migrating to another may be the best bet to turn performance around. Before you do, though, you need to carefully assess your options and how they will affect your customers, staff, and operations.

This buyer's guide will help you navigate the process, assess different POS providers, and ensure the system you choose supports the needs of your business today and as you scale.

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Customers

Selling how they want to buy

While it may be tempting to start evaluating POS systems on back-end functionality and how well they address operational needs, consider envisioning the experience you want your brand to offer in-store shoppers first. From there, pinpoint gaps in your current stack's capabilities, identify which functionalities your POS system needs to make that experience possible, and review how well the platform integrates with your commerce stack and workflows.

Modern shoppers are channel agnostic, using whichever blend of online and in-person shopping is most convenient. For brands with a retail presence to support multi-channel shoppers, offering flexible fulfillment and payment options is imperative for delivering a truly seamless shopping experience that blends the convenience of online shopping with the irreplaceable tactility of shopping in-store.

Store pickup

Store pickup is when your website shows product availability per store location. Shoppers can buy the item online and pick it up at a store that has the product item on hand. Some brands also use [Google channel integrations](#) to display store inventory availability to reach even more local shoppers with purchase intent.

Nearly [60% of shoppers](#) plan to continue using in-store pickup as a fulfillment option following its initial surge in popularity in 2020—but to do it right across your network of retail stores, your website, point of sale, and inventory management system (IMS) must be tightly integrated to ensure stock levels displayed online and in your POS system stay accurate as products are sold through both channels.

Home delivery

Home delivery is popular among brands whose products are large or who adopt a showroom selling model where inventory on hand is limited. Orders are shipped to a customer's address from the warehouse once available, and the sale is attributed to the retail store and sales associate who assisted the customer.

This fulfillment method gives shoppers the convenience of purchasing a product after having seen it in store without having to transport it home. But to do this effectively, your POS system must integrate with your enterprise resource planning (ERP) and warehouse management software (WMS).

Browse in store, buy online

Retail stores are not just a conversion point, but a channel where shoppers discover and evaluate products to purchase later. But in this scenario, brands often struggle to control the buyer's journey once they leave the store, or fairly attribute their store for influencing the buyer's decision.

To support this fulfillment method, it's recommended that your POS system and ecommerce platform pull draft orders and sales reporting from the same back office. This enables store associates to create and send draft orders to customers via email, and get credit for making the sale once the shopper completes the purchase online at a later date.

Financing and installments

Buy now, pay later (BNPL) has become a ubiquitous offering when shopping online, with upward of 54% of shoppers using it as a payment method. Installments are an excellent way to increase conversions on high price point products by extending shoppers' buying power.

While consumer interest in installment payments is roughly the same for both online and in-store purchases, adoption in retail stores is low due mainly to a lack of availability. Consider whether your POS provider supports BNPL payments so you can offer in-store shoppers the same flexible payment options they've come to expect when shopping online.

Gift cards

In 2022, 43% of US consumers planned to purchase gift cards as a present for the holidays, making them an essential product to sell. But while it's important to sell gift cards, brands that use middleware to connect a POS system and ecommerce platform from different providers may find themselves managing an imperfect customer experience, where gift cards can only be used toward purchases on the same channel they were bought on.

To give shoppers the flexible gift cards they expect, your POS system should let staff sell and redeem physical or digital gift cards in-store that shoppers can use toward purchases on whichever channel is most convenient.

Returns and exchanges

Shoppers are accustomed to returning and exchanging products online or at any one of your stores. When a store location can't live up to that expectation, it exposes a disconnect between your systems that negatively affects their experience with your brand.

To support omnichannel returns and exchanges and keep manual reconciliations to a minimum, your POS system and ecommerce platform need to pull order and customer data from the same source.

This enables store staff to view and manage online orders directly from the POS. Conversely, it also lets shoppers initiate self-service returns online for items they purchased at one of your stores.

How Shopify can help

- **Support multichannel shopping journeys in-store**

Whether you offer store pickup, want to transform your stores into an endless aisle, or are looking to offer a better experience to [showroomers](#), Shopify POS was built from the ground up to offer shoppers a seamless multichannel buying journey.

Activate [local pickup](#) to offer shoppers this option as a fulfillment method at checkout, use [ship to home](#) to close sales in-store and deliver orders to shoppers from your warehouse, and [send draft orders](#) to undecided shoppers via email so they can buy later. Each of these capabilities is straightforward for staff to action in the POS, and your inventory, sales, and order data stays synced whether it's stored in your Shopify admin or in another system in your commerce stack.

- **Offer flexible payment options at checkout**

With Shopify POS, you can let shoppers pay how they want so you never lose sales at checkout. Accept debit and credit cards, mobile wallets, and even offer flexible buy now, pay later options in-store with [Shop Pay Installments](#) which lets customers pay with interest-free payments, or monthly installments up to 24 months.

Gift cards with Shopify are also multichannel, so customers can buy them from your website or retail locations and redeem them either online or in-person. Gift cards are associated with the customer's profile on Shopify POS, which allows staff to quickly check remaining balances, issue new cards in the event of loss or theft, or refund balances to gift cards.

- **Take the toil out of issuing returns and exchanges**

For businesses looking to streamline returns and exchanges, Shopify POS offers the flexibility customers need and streamlines workflows for store staff. Regardless if an order was placed online or at one of your store locations, staff can easily search for orders and issue a return or exchange directly from Shopify POS.

Shopify also comes with a self-serve returns capability, which lets customers submit product return requests directly from your online store. After a customer submits a return request, you can approve or decline it. If approved, email shipping instructions and any return labels are sent to the customer. Your customers don't have to contact you directly to submit return requests and you can manage all your customer return requests in your Shopify admin.

Store associates

Equipping your frontline for success

Store staff are your front line. Once you've envisioned the customer experience you want to offer in your stores, you need to assess a POS provider's ability to help you bring it to life while ensuring staff workflows are streamlined.

Consider reviewing a POS system's capabilities in three categories—hardware, software, and back office—to determine if it will help store associates serve shoppers effectively and stockroom specialists perform stockroom tasks quicker and with fewer errors.

HARDWARE

Set the foundation for your store experience

The POS hardware you choose will lay the foundation for how your store staff serve customers. Each setup has its own advantages and drawbacks, whether you opt for a traditional countertop checkout, a mobile checkout, or a hybrid approach.

Countertop checkout

A countertop checkout is when you place your POS system in a fixed location, like a cash wrap. It's a central hub shoppers are conditioned to search for when they visit a store and want to buy an item or get service.

That said, stationary checkouts can have congestion issues during peak sales periods. To counter this, high volume retailers add several POS systems to the checkout counter to complete multiple checkouts at once.

To build a countertop checkout, you'll need a tablet with POS software installed, a tablet stand, a card reader, a barcode scanner, a receipt printer, and a cash drawer.

Mobile checkout

A mobile checkout is when staff are equipped with portable hardware—like a tablet and wireless card reader—that enables them to accept payments anywhere in the store.

While tablet-based mobile checkouts can be effective, they aren't perfect. Staff have to juggle multiple peripherals, and wireless card readers connect to tablets via Bluetooth, which is prone to disconnecting.

If you want a truly seamless mobile checkout, consider purchasing mobile POS terminals with built-in card reader, barcode scanner, all-day battery life, and reliable W-iFi connectivity.

Hybrid checkout

To get the best of what countertop and mobile checkouts offer, consider having both in your stores. This helps staff conquer peak sales periods with confidence and keep congestion to a minimum.

Countertop checkouts act as a central hub where shoppers can readily find staff to help them or complete transactions. Staff assigned to the sales floor are equipped with mobile POS terminals that facilitate service and selling.

To build a hybrid checkout experience, ensure your POS provider's hardware is modular—meaning you can add any mix of devices without running into issues.

SOFTWARE

Access insights to serve shoppers better

Your POS software should allow staff to easily access the context they need to provide the best service to shoppers. Since shoppers today seamlessly jump between online and in-person touchpoints, it's important for store staff to have real-time insights on customers, products, and inventory across all sales channels using your POS system.

Unified customer profiles

When a customer comes into your store, staff quickly need to be able to see if they already have an account with your brand, whether it was created online at one of your store locations. Most importantly, your POS system's customer profiles should give store staff a complete view of customers' online and in-person interactions. This equips them with the context they need to give standout service.

In a sales scenario, customer profiles should let staff view purchase history, review notes, learn what products the shopper likes, and make more targeted recommendations. In a support scenario, they should help staff quickly find past purchases, reprint receipts, and issue returns or exchanges.

To deploy high-context customer profiles, your POS system and ecommerce platform should integrate with your customer relationship management (CRM) software. While middleware is a solution, using it may result in duplicate customer profiles when either staff create a profile through the POS or customers create their own profile online. Ensure you can easily find and merge customer profiles in bulk to speed up the consolidation process.

Product pricing and information

Customers expect store staff to have product expertise above and beyond what they can find online. While learning about products can be done through supplier training sessions, meetings, or between staff, your POS system should also be able to help.

To equip staff with the information they need to serve customers with confidence, your POS system should help staff quickly see basic details like pricing, category, and vendor. Additionally, consider whether the POS system has customizable product metafields, which are a way to share product information like care instructions, restock dates, warranty details, or complementary products with staff across each store location.

Inventory states

Your inventory is always on the move. Inventory states are a convenient way to see inventory quantities by location and whether or not they're available for sale.

When choosing a POS system, ensure staff have complete visibility of your inventory throughout the entire replenishment process: whether it's in transit from a supplier or store transfer, on hand and available for sale, committed to an order that's yet to be fulfilled, or out of stock. Granular visibility into your inventory states can reduce the risk of accidental overselling, and helps staff sell with confidence.

BACK OF HOUSE

Keeping stock organized

Having tight control over the inventory moving in and out of your stores is the foundation of retail operations. To ensure operations teams have insight they need to replenish inventory, and that store staff can sell effectively, consider how well a POS system helps count and reconcile inventory, restock shelves, and fulfill orders.

Inventory counts and reconciliation

Whether you opt for intermittent cycle counts, full physical counts, or a mix of both, your POS system should help store associates or stockroom staff count stock on hand without manual entries.

Using a barcode scanner, staff should be able to select a product, scan barcode labels, and compare quantities on hand versus on record in real time in the POS system. Once discrepancies are accounted for, they can submit a reconciliation to keep records accurate. Most importantly, records of those reconciliations should be saved, including the shrink rate, total value of the discrepancy, and the staff who performed the reconciliation.



Receiving inventory and purchase orders

When a purchase order (PO) or shipment from the warehouse or another store arrives, store staff need a straightforward way to process them. Your POS system should enable staff to receive POs, print labels for new stock, and sync inventory quantities. If a PO shows a different number of items than expected, or some items arrive damaged, staff should be able to partially receive the PO and place the remaining items on back order so they can be reordered from the supplier.

If your business uses an IMS to receive POs, your POS system should be tightly integrated. This ensures that when shipments are scanned and marked as received, store inventory quantities are updated in real time and those products are available for sale.

Fulfilling store pickup orders

To ensure seamless fulfillment for store pickup orders, your POS system needs built-in tools to help store staff get the job done.

When a shopper selects store pickup as a fulfillment method online, store staff at the selected location should receive real-time notifications and order details in the POS system to quickly prepare orders for pickup. Once ready, staff should also be able to send push notifications to customers to let them know their order is available for pickup. Items reserved for a store pickup order should be marked as unavailable for sale to prevent accidental selling by another store associate.

How Shopify can help

- **Get award-winning, modular POS hardware**

Shopify's POS hardware gives your brand the flexibility to build a checkout setup that works best for your stores. Choose the [Retail Kit](#) for a countertop selling, or the award-winning [POS Go](#) for mobile selling. All hardware offered through [Shopify's hardware store](#) is modular, so you can design the in-store experiences that reflect your brand best—from the counter to the sales floor.

Alternatively, if you already have POS hardware that you want to reuse—Apple or Android tablets, for instance—it's easy to install Shopify POS software, connect compatible peripherals, and pick up where you left off.

- **POS software that speaks to the rest of your commerce stack**

Whether Shopify POS is the only product you use, or you run your entire business on our platform, our POS software gives staff unparalleled real-time insights into customers, products, orders, and inventory.

Customer profiles include purchase history online and in-store, lifetime value, a custom segment or tag you assign, notes by staff, and more. This ensures staff have quick access to context that helps them serve customers better and close sales directly from the POS, without having to search through duplicate profiles or have access to your CRM software.

Shopify POS also pulls product information like price, quantities, category, and vendor from either your ERP or Shopify admin. If you use Shopify's [product metafields](#) staff can also see details like care instructions, fabric information, and more.

Staff can also trust that the inventory information they see in Shopify POS is correct. Products are marked as On-hand, Available, Committed, Unavailable, or Incoming, which gives staff unmatched visibility into store stock—whether it's in transit in a purchase order or store transfer, on hand and available for sale at your store or at another location, or committed to a store pickup order.

- **Extensible back-of-house capabilities**

Shopify POS has the extensibility to connect to your IMS and ensure store-level inventory data is reliable. Once inventory quantities are reconciled after a count, Shopify POS ensures the quantities staff see are accurate. After receiving a purchase order, stock levels are updated instantly so staff know what's on-hand and ready to sell.

Additionally, Shopify POS alerts store staff when an online order marked for store pickup is ready to fulfill. They know exactly which items to include and when to get the order ready for, and can send a push notification to customers when the order is ready for pickup. There's no need to give staff access to other systems; store pickup orders can be fulfilled end-to-end from the point of sale.

Store managers

Streamlining your store operations

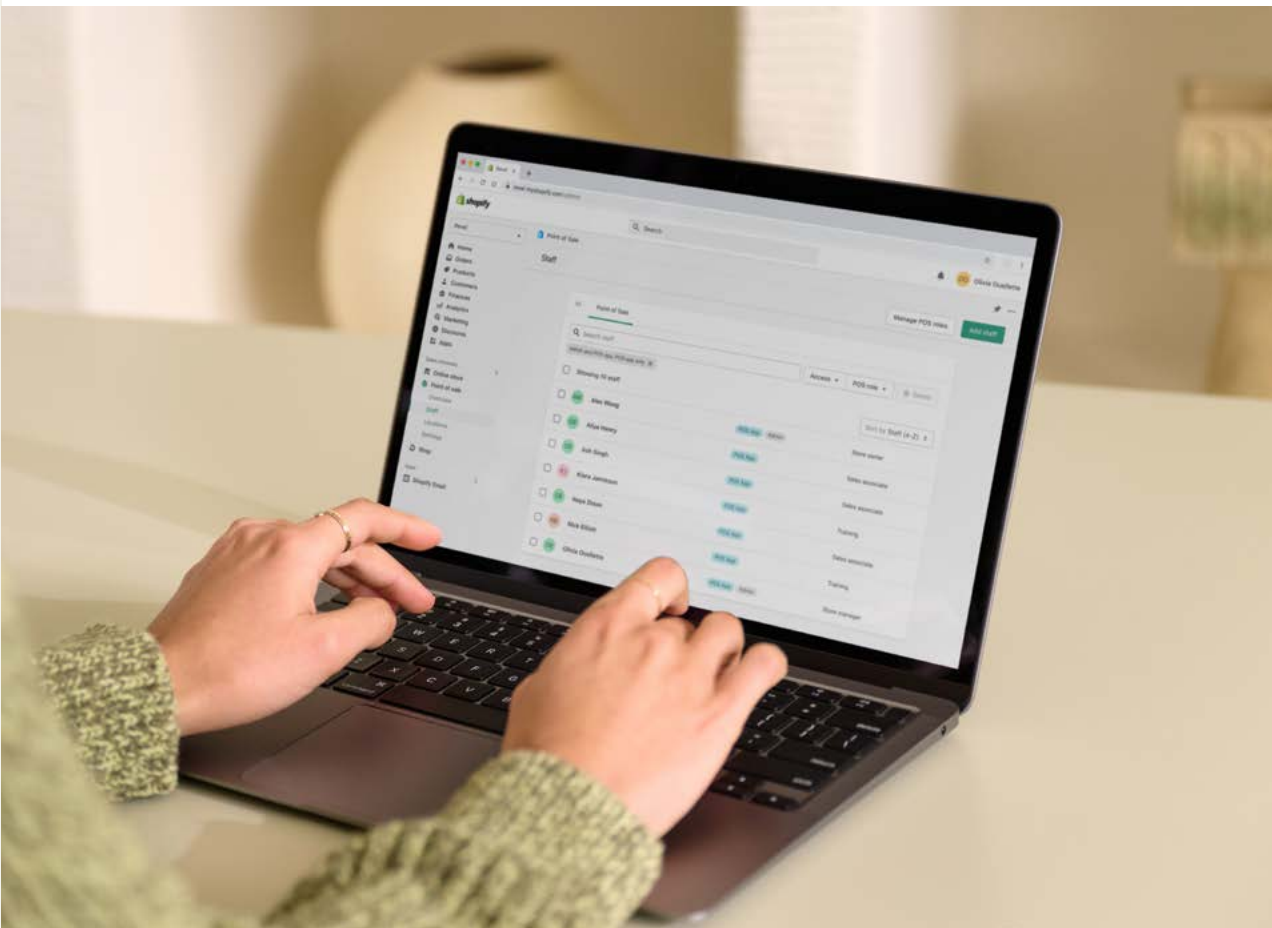
Store managers are responsible for keeping a store on track to hit its sales targets, inspiring teams to do their best work, and performing restricted administrative tasks.

When reviewing a POS system provider, consider reviewing the capabilities your store managers rely on the most: sales reporting, staff reporting, and access to restricted admin capabilities.

Store-level sales reporting

One of the key responsibilities of store managers is ensuring stores meet and exceed their sales targets. To do that effectively, they need a POS system with reliable, real-time reporting that gives them insight into the store's sales by day, week, and month.

With these insights, store managers can better communicate goals during pre-shift huddles, keep their team aligned with company goals, and address key areas to improve—like increasing average order values through upselling, or lifting the average units per transaction through cross-selling.



Staff reporting

Similar to store-level sales reports, managers need detailed staff sales reports to drive team performance and tie their performance back to store-wide sales targets. With this information, managers can motivate staff and give them targets each shift.

For larger stores where it's common for shoppers to be served by multiple staff before checking out—like department stores, for example—managers should also have granular visibility into which staff members assisted with each line item in the shopper's cart. This helps managers see the full impact of their teams, and also ensures staff get credit or commissions for every sale they make.

Store administration

Being a store manager comes with the responsibility of handling tasks that aren't fit for store associates, but are essential to store operations and great customer service.

For instance, store associates may not need the ability to close cash tracking sessions at the checkout register, view the sales performance of other staff, or apply custom discounts to an order—but store managers likely need the authority to carry out those tasks to keep the store running smoothly. Ensure a POS provider enables you to give store managers access to those workflows, while restricting access to sensitive information or workflows for store associates.

How Shopify can help

- **Get reliable, real-time staff and store reporting**

Managers rely on reports to prepare for team huddles, motivate and hold staff accountable for performance, and keep stores on track to hit their objectives. Shopify POS staff reports show managers how much each store employee has sold per day, week, and month, alongside more granular statistics like their average order value and average units per transaction. Store reports allow managers to get a snapshot of a store's hourly, daily, weekly, and monthly sales at a glance. All of this information is available directly in Shopify POS for the store they manage, so operations teams don't have to grant them administrative access to other systems.

- **Move faster with straightforward manager approvals**

With Shopify POS, manager approvals only take a few taps. Operations teams determine which workflows or actions require manager approval—like applying a custom discount, for instance. Once applied, only users with the appropriate permissions, such as managers, can perform or approve the action by entering their PIN.



Retail operations

Running your network with confidence

Retail operations are your mission control. They're the ones who standardize, deploy, and manage your retail systems and ensure stores run smoothly.

When reviewing a POS system, ensure it comes with the built-in capabilities and controls operations teams need to manage a network of retail stores effectively, has the composability to connect with your existing commerce stack, and gives them the insights they need to keep stores well stocked and drive more sales.

Device configuration and management

When you operate multiple stores, you want the ability to configure each store's POS software to the needs of each store from a distance. This includes importing your product catalog, setting up user accounts and permissions, setting up payment processing, and connecting your POS system with any essential third-party apps and systems, such as your ERP, CRM, IMS, and business intelligence (BI) software.

In addition to ensuring the POS system is functional, ensure your POS system's workflows and interface can also be set up in advance and updated remotely. For example, if you want to ensure staff apply a seasonal promotion at checkout, having the ability to push that discount code across all POS terminals in applicable regions at once.

POS integration with your commerce stack

Brands with multiple stores and sales channels need a POS system that integrates with their existing commerce stack, reliably pushes and receives data to each system, and helps simplify store operations. For the most part, this is done using middleware and APIs.

Brands with a large network of retail stores and high sales velocity especially need to be aware of API rate limits—the number of queries per second the API can process—and response times—the speed at which an API processes a request and passes data between the systems it connects. The higher the API's response times and rate limits, the quicker store sales, inventory, and customer data will be updated in data visualization software, IMS, and CRM, and the more accurate it will be.



Inventory reporting, planning, and logistics

One of retail operation's key responsibilities is ensuring that each store has the goods available to meet customer demand. To do that, they need inventory reports that give them a clear picture of each store's needs. With reliable reporting, operators can act quickly to ensure stores have the right products on hand—whether by initiating a store transfer, shipping more inventory from the warehouse to the store, or ordering products from suppliers.

To ensure store inventory is proactively replenished with the right stock at the right time, it's essential for your POS system to come with inventory management capabilities like low stock alerts, and that its reporting gives operations teams a clear view of each of stores' inventory on hand and product sell-through rates. If you use an IMS and WMS, consider how well the POS system integrates with your existing stack and how quickly and reliably it pushes data from each store to those systems.

Multi-store sales reporting

To effectively forecast demand, replenish stock, and proactively ensure stores are on track to hit their targets, retail operations teams need both a high-level view of store performance across the entire organization, locally and internationally, and store-level granular insights.

For brands to achieve this, the sales data collected each time a POS system processes a transaction needs to sync with your ERP and data visualization software. When reviewing POS providers, consider how reliable its integration with your commerce stack is and review API response times.

Detailed customer insights

Retail stores are an essential collection point for customer data. To help build more personalized multichannel shopping experiences, ensure the sales data that passes through your POS system is centralized to the same customer profiles as your ecommerce website in your CRM.

This enables operations teams to leverage customer reporting to its fullest and build targeted customer segments, make marketing automations feel bespoke, increase ad spend efficiency, and drive more repeat business for your brand—whether the sale is completed online or in-person.

Staff permissions and controls

With a distributed network of retail stores, operations teams need the ability to set custom user permissions that limit what certain roles can access in the POS system. Store associates, stockroom specialists, and store managers each have access to the tools they need to do their job effectively, while other capabilities are unavailable.

When reviewing POS providers, consider whether the POS system lets you create role-specific permissions which are applied to any staff with the role assigned to their POS login account. This enables you to maintain tight control over what staff at every level can access in your POS system across multiple store locations.

How Shopify can help

- **Configure and manage devices across multiple stores**

Operations teams can configure Shopify POS software from a distance before it gets in the hands of store staff. Sync products from your catalog, install third-party apps and tooling, customize your apps, workflows and home screen with [UI extensions](#), set up user permissions, enable certain capabilities like store pickup, and lock the POS from further changes being made.

Shopify POS is configured to meet the needs of a specific store, and each device connected to the same store location will have the same user interface and tooling available. This enables operations teams to customize the workflows and feature set of Shopify POS to the needs of each store.

In the event a Shopify POS terminal is lost or stolen, teams can use mobile device management (MDM) software to lock and wipe the device remotely to keep business and customer information secure.

- **Keep stores running smooth with unified reporting**

Your retail store's point-of-sale system produces a treasure trove of insights. With Shopify POS, it's at your fingertips wherever you need it: in Shopify admin, your IMS, ERP, CRM, WMS, or business intelligence software.

As transactions are processed through Shopify POS, your inventory and sales reports update to reflect the changes across your commerce stack. This enables you to confidently review store stock quantities, product sales velocity, and other data points to ensure each store is equipped to fulfill demand.

Customer data is also bi-directionally shared between Shopify POS and your CRM. When staff create customer profiles or associate sales with an existing profile, that data is shared with your CRM. Conversely, when staff looks up a customer profile, it's a 1:1 match with your CRM. This prevents duplicate profiles, and subsequent consolidation.

- **Stay in control with customizable staff roles and permissions**

Shopify POS [staff roles and permissions](#) are fully customizable and allow you to set boundaries on what store associates can do without manager approval. They're also valuable for giving store managers access to privileged functions—like viewing staff and store sales reports—without giving them broader access to your organization's business intelligence software.

You can create new staff roles and assign customizable permissions to each in bulk, enabling you to move faster and manage teams across multiple stores and geographies quickly.

How to select the right POS provider

Before signing an agreement with a POS provider, it's important for you and other decision-makers in your organization to do your due diligence and ensure the platform meets your brand needs in terms of feature set, cost, extensibility, and security.

Each organization's needs and purchasing criteria are different. That said, we recommend reviewing a POS provider's capabilities in the following categories to ensure it's the best fit for your brand.

Omnichannel selling capabilities

Modern customers want the flexibility to shop however they want. Whether a customer shops online, in-store, or using a mix of channels, your POS system needs to work with the rest of your commerce stack to ensure the experience feels cohesive and convenient.

When reviewing a POS system, consider how reliably its capabilities sync with your ecommerce platform and the rest of your commerce stack. While many POS systems support flexible order fulfillment options like store pickup and home delivery, these services can create a messy experience for staff and customers when the integration between systems isn't reliable. Problems can range from minor frustrations, like duplicate customer profiles, to bigger issues, like inaccurate inventory availability presented to customers online, which can result in overselling and having to manually issue refunds.

To offer customers a truly multichannel shopping experience, your POS system has to support omnichannel fulfillment out of the box and reliably pass order, sales, inventory, and customer data to the rest of your commerce stack.

Extensible feature set

When reviewing a POS system's feature set and what it makes possible, consider what it offers natively, and if it's possible to extend the system's capabilities while keeping costs and maintenance to a minimum.

When a POS provider expands its product capabilities by acquiring other companies, for instance, its internal teams carry the technical debt of integrating solutions and ensuring they function as one cohesive system. The end result is often a system with limited functionalities and cumbersome workarounds.



Alternatively, when a POS provider invests in a robust ecosystem of app developers—and has strict compliance guidelines for apps to be listed in its marketplace—it's easier to extend the system's capabilities beyond what's possible out of the box. This helps ensure that each app's layout, style, and experience feel like a native functionality POS, enabling brands to extend its feature set without risk of incurring additional development costs or tolerating suboptimal workflows.

Speed to launch

Whether you're setting up your first POS system or migrating from another provider, launching on a new POS system can be a drawn out, expensive process. When reviewing providers, consider the resources they have available to import your product catalog, integrate the POS with the rest of your commerce stack, and set up your hardware. You want to keep downtime and costs to a minimum.

Look for providers that offer consulting services for instances where you need dedicated support during onboarding, and self-serve support options if you prefer internal teams managing the launch. Large-scale implementations typically require dedicated assistance from the provider or its partners, while smaller implementations can be done in-house.

Additionally, consider the POS system's ease of use. It's quicker to train store staff with an intuitive POS system, which minimizes downtime and ensures your teams are operating at peak performance sooner.

Security and compliance

The POS system you choose should have comprehensive security capabilities that prevent unauthorized access to sensitive data like customers' payment information. When reviewing POS providers, consider the certifications it has to ensure your business' data—and that of your customers—stays secure.

PCI compliance is given to organizations dedicated to maintaining standards for the secure processing of credit card transactions. It corroborates that a POS system can process credit card payments securely and protect cardholder information. If you want to sell in-person and accept payments from Visa, Mastercard, American Express, or Discover, your POS system's payment processing needs to be PCI compliant.

In addition to PCI compliance, your POS provider should come with built-in tools to help control which tasks or information staff can carry out based on their account permissions, and have complete visibility over which staff perform potentially sensitive tasks such as balancing a cash register or reconciling inventory.

Lastly, a POS provider's hardware should be remotely controllable. In the event a POS register or payment terminal is stolen, operations teams can remotely lock and wipe a device to prevent malicious actors from accessing sensitive information.

Total cost of ownership (TCO)

Consider the total upfront and ongoing costs associated with purchasing and operating a POS system. This includes your subscription plan, payment processing fees, hardware costs, and development costs.



Subscription cost

Most POS providers offer different subscription plans, each offering different capabilities. The pricier subscriptions come with a more advanced set of features. Subscriptions can be paid per store or per POS register, depending on the provider. The more staff you have, it's typically more cost effective to pay per store than per register, particularly if you want to equip each store with multiple POS devices.

Additionally, POS providers typically let you choose between monthly or annual subscriptions. While monthly plans offer flexibility, annual plans may offer cost savings. If your business has cash on hand and is comfortable committing to a provider longer term, paying annually may be more cost effective.

Payment processing fees

To accept popular payments from debit or credit cards like Visa, Mastercard, and American Express, you need a payment processor. Depending on which provider you choose, the fee you pay to process card payments will vary based on what their pricing model is: fixed rate pricing or cost plus pricing.

With cost plus pricing, brands pay a non-negotiable interchange fee per card type in addition to the payment processor markup. The markup is calculated by adding the interchange fee, basis point mark-up, and a per-transaction fee charged by the payment processor. Cost plus pricing is appealing for brands seeking flexibility, but may result in higher operating costs depending on transaction volume and the card types shoppers use.

Conversely, with fixed rate pricing, you pay the same flat, percentage-based fee per transaction for any type of card payment. It doesn't matter what type of card is used (i.e., a Visa card versus an American Express card) or the method of payment (i.e., swipe versus mobile wallet). The fixed rate model is appealing to brands that want more predictable ongoing operating costs.

Hardware costs

The cost of your POS hardware will vary depending on the checkout setup you want each store to offer shoppers and how many retail stores you operate.

For instance, if you want to offer shoppers a purely mobile checkout experience, you'll likely need to invest in multiple mobile POS terminals per store, alongside peripherals like card readers and barcode scanners. If you want each store to have a countertop checkout, you'll need a tablet, tablet stand, card reader, barcode scanner, cash drawer, and receipt printer. If you want to accept cash payments, you'll need a cash drawer.

When paying for POS hardware, providers will typically give you the option of paying upfront, leasing the hardware, or paying in monthly installments.

Ongoing development costs

To extend the capabilities of your POS system, teams typically have two options: third-party apps and integrations, or solutions custom-built and maintained by developers.

For the latter, brands may be drawn to a POS system that enables developers to create and integrate tools purpose-built for its needs. However, the ongoing cost of developing, implementing, and maintaining custom POS add-ons may make it difficult to justify the value they bring to the business.

Instead, brands looking to lower ongoing costs may consider a POS provider with a rich app ecosystem. Rather than absorb the cost of creating and maintaining custom integrations, this enables brands to outsource development to trusted partners, and bring new capabilities to stores quicker without support from developers.

Pace of innovation

When evaluating POS providers, consider their track record of innovation. The speed with which a provider brings new features, capabilities, and applications to its product—and how effectively they function with one another—depends on its development strategy.

When new features and capabilities are built internally by providers, they're created with the same codebase as its POS system and function natively without the need for developers, APIs, or middleware. The feedback loop between customer needs and the development roadmap is tight, which results in the provider shipping new functionalities or improving existing ones quickly. Brands benefit from their POS provider's pace of innovation by being able to iterate and improve the store experience more often.

Dedicated support

When your teams hit roadblocks, they need help right away—whether they work in operations at HQ or are on the floor at one of your stores. Consider how accessible support is from your POS provider, when its operating hours are, and by which communications channels it's offered: live chat, phone, help center documentation, or community forums.

For more complex issues, you'll want dedicated support from a customer success agent who has deep knowledge of your business. If you want white-glove support, consider whether your POS provider offers this service.



About Shopify

From opening record-breaking pop-ups to operating hundreds of stores around the world, Shopify POS provides brands with unmatched scalability, reliability, and flexibility.

It's built from the ground up to offer seamless multichannel shopping experiences to customers and streamline workflows for staff.

Shopify POS also powers some of the world's most innovative businesses, from high-volume, multi-store brands to Fortune 500 brands, like Crate and Barrel, Glossier, Forever 21, Stüssy, and STUDS.

Brands trust Shopify POS to run their retail operations because of its award-winning modular hardware, reliable payment processing, extensible software, and intuitive customizability. Get key tooling out of the box, install trusted apps to extend its capabilities, and integrate Shopify POS with your existing commerce stack for centralized orders, inventory, customer insights, and reporting.

We innovate at a pace no other commerce platform can match. Twice a year, we publish a product showcase of everything we've built in [Editions](#). We're committed to building for the future so you're always ready for what's next. Commerce moves fast, but we move faster.

Talk to our team today to learn how Shopify POS can elevate your store experience and streamline operations—whether you have one store or 1,000.

Let's talk

