Mobile POS: Mainstream and Moving Up

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Introduction

Mobile technology in retail, more particularly Mobile POS, has been the source of a tremendous amount of buzz since coming on the scene a handful of years ago. When it first came on the scene, there was a great deal of talk about how Mobile POS would replace traditional POS. And to a very strong sense it has among the smaller mom and pop retailers. At the enterprise level, however, we have seen more of a side by side role. This has affected the numbers. The number of shipments among the smaller retailers are now leveling off but for enterprise we are just getting started.

All that said, mobility has been transforming how retailers and hospitality providers interact with customers. The seminal moment was the release of the iPad. And it was not so much the device, but the price point of $499 that opened the door for retailers to begin looking at mobile devices for associates and potentially as a replacement for POS. This is true in spite of the fact that the device is neither retail-hardened nor enterprise-friendly.

In this report we have our traditional categories of Retail Hardened Handhelds, Consumer Handhelds, and Tablets. We have extended the data this year to also show shipments and installed base for fixed mobile devices, which are those like iPads or other tablets that simply act as a POS replacement. They are mobile devices but fixed in place due to a lower up front price point than POS. We contrast this to the number of units being shipped and installed that are truly mobile devices.

In all the reader will get shipments and installed base across North America as well as a forecast through 2021. While we mention vendors in this report, we do not provide market share or units for those vendors. For this information we refer you to our Mobile POS Vendor Share study that comes out quarterly for hardware share that actually reviews total shipments by vendors and by segments around the world.   Then the Mobile POS Software Share study that provides market share by software vendor.

Four Stages of Mobile Details

At **Stages 1 and 2** (mobile for managers and associates), the market is additive related to POS in that new mobile devices are coming into the store, but there is no impact on the number of traditional POS devices.

Stage 3 (Mobile POS) is the game changer for POS and in certain segments has become a major disrupter to overall POS shipments going forward. In general, however, mobile POS is best used where transaction speed is not as critical as mobility and customer engagement at the transaction.

Stage 4 (leveraging the customer device) may have an effect on total number of POS devices, but not for several years. This makes the most sense in transaction environments where customers bring their own bags.

The use of one or more of these stages is entirely dependent upon the retailer's individual desire for the technology and their willingness to transform the manner in which they interact with the customer. The aforementioned slower adoption of **Stage 3** is due in part to a variety of reasons, including:

o   Retailers are working towards a unified commerce back end system to feed the Mobile POS, ecommerce, and POS platforms. Most retailers have focused on this first as it is a core issue of growth and survival.

o   Apple's continued challenges to date in "enterprise-friendliness" have also caused delays, though IBM's relationship with Apple may help this in the future.

o   Mobile POS requires new layouts of security cameras, payment islands, etc.. Those remodels are costly.

In this report, we provide worldwide and North American shipments and installed base for each of the handheld categories outlined for Stage 3 for North America. We also forecast the shipments and installed base for these devices through 2022.

Retailers can utilize the data to measure their own plans against what we are anticipating, as well as what competing retailers are considering. Vendors, for their part, will be able to utilize the data in as a tool to gauge the most likely areas of investment by retailers and how to refine their strategies.

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Thank You

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