

US POS Terminals - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

Market Report | 2024-02-17 | 143 pages | Mordor Intelligence

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Report description:

The United States POS terminals market is expected to grow from USD 24.63 billion to USD 37.53 over the forecast period, registering a CAGR of 8.79%.

POS terminal systems have changed from transaction-oriented terminals and devices to systems that interact with the company's CRM and other financial solutions. With the assistance of this innovation, end users can better manage their revenue streams and inventory. The primary benefits of POS systems include lower maintenance costs, precise transactions, and real-time lists. Due to the practical advantages that modern POS systems provide, businesses have switched from using old billing software to POS systems.

Key Highlights

- According to the US Bureau of Economic Analysis, consumer spending increased to USD 14.42 trillion in the second quarter of 2023 from USD 14.36 trillion in the first quarter of 2023. The rise in consumer spending directly impacted the demand for POS terminals as an easy payment option. Furthermore, the growth in e-commerce and the entangling of brick-and-mortar and online retail practices are also expected to affect the future growth of POS terminals. With the option of payment on delivery provided by significant e-commerce platforms in the region, a sudden rise in the adoption of portable POS terminals has been noted.
- According to Worldpay, cards were one of the popular POS payment methods in the United States after COVID-19, while BNPL had a smaller market share. About 40% of POS payments in 2022 were made with credit cards. A debit card was the second most familiar payment method in 2022, followed by cash. It allows market players in the region to develop new POS products to cater to a wide range of clients.
- The Census Bureau of the Department of Commerce reported that the estimated retail e-commerce sales in the United States for the second quarter of 2023 were USD 277.6 billion, a rise of 2.1% (□0.9%) compared to the first quarter of 2023. With the increased

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e-commerce sales, the demand for mobile POS terminals has increased to accept payment through cards at their doorstep. An mPOS, which uses Bluetooth to connect to cellphones, is a better option than a regular POS. Portable point-of-sale users can collect payments using tablets, smartphones, and other mobile devices without being bound to a POS register in one specific location. Payments made with credit cards using magnetic stripe readers and wireless transactions are possible. It processes transactions using the data connection of devices.

-Implementing the latest technology in POS systems is expected to drive the market studied. For example, cloud computing providers deliver web-based financial services for POS systems, where data is appropriately maintained on remote vendor servers. The solution currently controls most of the cloud POS market share and is anticipated to do so in the long run. Increased end-user support for the deployment of cloud technology across all the important areas is anticipated to be a significant growth factor for the POS market.

-On the flip side, a factor hampering the growth of the market is the security concerns due to the use of critical information. POS terminals are linked to the network and the Internet, making them vulnerable. Cyber attackers could access unencrypted card data, including PIN information, providing all the essential information required to steal and clone payment cards. Furthermore, a team of researchers disclosed two major security issues in the POS terminals. The first issue was that they shipped with manufacturer passwords, which a Google search can quickly reveal. The secondary security issue was that the terminals contained undeclared functions in the firmware, allowing undeclared access. Attackers could leverage such flaws to launch attacks, allowing them to copy people's credit card information and run fraudulent transactions.

-In the post-pandemic scenario, digital payment usage has sharply increased, and many new users have come to value their convenience. While this impacts future POS system upgrades in the United States, regional development is gradual. In addition, much work needs to be done to increase the effectiveness of cross-border payments, which need to be faster and cheaper.

US POS Terminals Market Trends

The Retail Segment is Expected to Grow Significantly

- The retail industry is one of the major users of point-of-sale (POS) terminals. The segment is expected to hold a significant share in the US region. The retail segment is slowly picking up with the reopening of brick-and-mortar stores in different parts of the country. Tech and non-tech-savvy customers are equally demanding in desiring a seamless experience at their preferred retailers.

- The increasing need for multiple POS systems among big retailers, supermarkets, and departmental stores with a robust and centralized system has propelled the retail sector's steady growth in the POS terminal market. The increased emphasis on consumer behavior has led to increased POS adoption due to its consumer mapping application.

- Digital payment is also becoming the preferred mode of payment for citizens across the United States, considering the e-commerce trends. For instance, 41% of all shoppers in the country expect their smartphone or tablet to become their 'most important shopping tool.' Moreover, digital payments are the preferred mode of payment among millennials. This has also contributed to the country's rising adoption of POS systems.

- The rising number of retail stores across the region also attracts customers due to significant easy transactions and services. Further, according to the US Census Bureau, the total retail sales in the United States was USD 7.1 trillion the previous year. However, customer retention becomes the primary challenge to sustaining in the market. This is fueling the adoption of POS as these terminals make transactions faster, and it helps to keep track of the other services, such as discounts and loyalty programs since it stores and manages data for each customer.

Mobile/Portable Point-of-sale Systems is Expected to Hold a Major Share

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- Mobile point of sale (mPOS) is a technology that enables merchants to process payments via their mobile device (smartphone or tablet) instead of a cash register or POS terminal. An mPOS (mobile point-of-sale) is a smartphone, tablet, or dedicated wireless device that wirelessly performs the functions of a cash register or electronic point-of-sale terminal (POS terminal).
- An mPOS is a more innovative alternative to the traditional POS, connecting smartphones via Bluetooth. A mobile point-of-sale system allows users to accept payments via tablets, smartphones, and other handheld devices without being tied to a POS register in a single location. The transactions can include credit card magstripe, reader payments, and wireless transactions. It utilizes a mobile phone's data connection to process transactions.
- Data protection is paramount as mPOS devices may not have security protocols as robust as their POS counterparts, primarily if users use commercial-off-the-shelf (COTS) devices like Apple or Android smartphones and tablets. Toward the end of the forecast period, the segment is expected to grow in market presence as vendors increase their relevant offerings in response to the increased demand for contactless, ease-of-use payment methods. As mPOS solutions are specially designed for tablets instead of desktop computers, the trend of smaller and more portable devices will augment the market's growth.
- In August 2023, in San Diego, United States, RYVYL Inc., a financial technology company that leverages the security of the blockchain and USD-pegged stablecoin technology with near-real-time attestation capabilities to conduct payment transactions, announced the launch of the coyni Mobile Point of Sale (mPOS) app, transforming iOS and Android devices into a payment terminal for secure, efficient transactions. The coyni mPoS app is available in Beta mode for download in the Apple & Google store.

US POS Terminals Industry Overview

The United States POS terminals market is moderately fragmented. The market consists of major players, such as NEC Corporation, Ingenico Inc. (Apollo Asset Management), BBPOS Limited (STRIPE), Castles Technology, and NEC Corporation.

Investments in partnerships and alliances are expected to be some of the strategic focus of vendors operating in the market. In addition, the vendors in the market are focusing on expanding their presence to gain new customers. The firm concentration ratio is high, and all major players are working toward gaining a better share, increasing the competitive rivalry. With the easy distribution of products, the rivalry further increases. Overall, competitive rivalry is expected to grow moderately and grow among the vendors.

In June 2023, Verifone rebranded to underline its visionary payment solutions by introducing a new logo, global website, and brand identity to align with an updated vision. Verifone is now the 'Payments Architect and Commerce Expert partner for all businesses everywhere.

In April 2023, Cantaloupe, Inc., a digital payments and software services company, announced an expanded partnership with GlobalConnect, North America's contactless break rooms, markets, vending, and pantry services provider. This partnership offers GlobalConnect's network of United States-based operators a unique micro market kiosk program called Bistro to Go! By Cantaloupe.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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