



EXTENSION

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Selecting the right point of sale system for your business

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Introduction

A Point of Sale system, or POS system, enables merchants to process cash or card payments for the sale of products or services. In addition to facilitating the sale, these systems can also have other functions. They can calculate purchase amounts, generate receipts, track inventory and monitor sales patterns (Hayes, 2024). These systems can be used for both in-person and online sales. Point of sale systems are becoming increasingly necessary in the digital age. A survey by the American Bankers Association (2024) found that 72% of customers use a debit card or other digital means when purchasing goods or services. In addition to preferring digital payment, fewer Americans are carrying cash or using it for purchases. According to the Pew Research Center, 41% of Americans in 2022 reported none of their purchases were paid for with cash, up from 24% in 2015 (Faverio, 2022). While digital forms of payment are becoming more popular, most modern Point of Sale systems still accept and record cash transactions, including all the systems highlighted in this fact sheet.

To help evaluate which POS system may be best for your business, this fact sheet contains a table that compares a few of the most popular POS systems on the market today. A POS system will likely include both the hardware and software needed to facilitate payment services. Hardware can include credit or debit card readers, countertop terminals or customer displays (such as tablets), barcode scanners and receipt printers (Crawford, 2024). Some POS systems simply work with software installed to your mobile device, sending a digital receipt to the buyer.

Several POS systems offer free or low-cost versions of their product with the option of upgrading to receive additional features. Additional features might include inventory management, the ability to sync to accounting software and shipping support. Almost every POS system includes fees that are assessed per transaction. Sometimes the fees assessed for in-person sales can differ from fees assessed for online sales. It is important to take this into consideration when choosing a system, as fees can add up quickly.

It is also important to consider that most POS systems will require an internet connection. While some features may be accessible offline, nearly all require an internet connection to process payments. While customer and tech support is offered with most systems, the degree of individual or direct support can vary. Whether you sell a product or a service, the ability to collect digital and online forms of payment can potentially make or break your business.

In conclusion

Incorporating a Point of Sale system as a tool can help you complete and track sales, track inventory and manage the financial aspects of your business. It's important to remember that while some aspects of a POS system may work offline, a Wi-Fi or internet connection is required for a majority of the functions, including processing payment. Before selecting a POS system, consider your specific business needs. For example, are you primarily processing payments? Will those payments be in person or online? Will you also need real-time inventory tracking? Choosing the right POS system for your business can help your business compete in a world that is increasingly technological.

Table 1. POS systems chart.

	Square	Shopify	Lightspeed	Clover	PayPal Zettle
Base Price	Free version: \$0 Plus: \$29/mo Premium: Custom pricing	Basic: \$29/month Shopify: \$79/month Advanced: \$299/month	Basic: \$89/month Core: \$149/month Plus: \$289/month	Starter Plan: \$14.95/month Standard Plan: \$49.95/month	No monthly cost
Fees per transaction	Per Transaction: In-Person Payments: 2.6% +15¢ Online Payments: 2.9% + 30¢ Manually Entered: 3.5% + 15¢	Basic: 2.9% + 30¢ online 2.6% + 30¢ in person 2% 3rd-party payment providers Shopify: 2.6% + 30¢ online 2.5% + 10¢ in person 1% third party payment providers Advanced: 2.5% + 30¢ online 2.4% + 10¢ in person 0.6% third party payment providers	Basic: 2.6% + 10¢ Core: 2.6% + 10¢ Plus: 2.6% + 10¢	Card present: 2.6% + 10¢ Online payments: 3.5% + 10¢	Card present: 2.29% + 9¢ Manual card entry: 3.49% + 9¢ QR code transactions: 2.29% + 9¢ Invoicing (PayPal payments): 3.49% + 49¢
Key features	Free: Accepts multiple payment types, website builder tools, pickup, local delivery and shipping. Plus: All Free features + website themes, site customization, QR code ordering, customer accounts, free domain for one year. Premium: All Plus features + lower processing rate, real-time shipping rates, premium customer support.	Basic: Shipping discount, inventory, 24/7 chat support Shopify: Shipping discount and insurance, 24/7 chat support. Advanced: Shipping discount and insurance, enhanced 24/7 chat support, custom reports and analytics.	Inventory management, customer relationship management, business reporting and analytics, multi-store management.	Manages reoccurring payments, inventory management, client database, online ordering.	Syncs to accounting software, can receive low stock notifications for inventory, no monthly fees.

Table 1. POS systems chart (cont'd).

	Square	Shopify	Lightspeed	Clover	PayPal Zettle
Hardware costs/needs	Square Reader for contactless and chip: \$59 Square Reader for magnetic stripe for swiping credit cards: Free Square Terminal: \$299	Mobile device	Register: One included for all plans	\$799	Card reader: \$29 Terminal: \$199
Payments accepted	In Person, Online, Remote, Buy now/pay later	Credit card, PayPal, ACH debits	Credit card, PayPal, invoice, Apple Pay, Google Pay	Credit card, online payments, reoccurring payments	Credit cards, QR code payments, invoices
Cash payments accepted	Yes	Yes	Yes	Yes	Yes
Internet connection required	Yes	Yes- to process credit card payments. Other features can be used offline.	Yes- to process credit card payments. Cash payments do not require an internet connection.	Yes- to process credit card payments. Other features can be used offline.	Yes

Table 1. POS systems chart (cont'd).

	Square	Shopify	Lightspeed	Clover	PayPal Zettle
User-friendliness	Easy to set up, easy to navigate, integrated features.	Easy to set up, flexible, users can create an online store.	Easy to set up, intuitive.	Easy to set up, easy to use.	Easy to set up, easy to use.
Tech support	Primarily online chat and tutorials. Direct contact is available for account-specific questions.	Community forums, Help Center, 24/7 chat support.	Most common complaint is lack of customer support.	Help center, community forum and email support.	Offers a range of tech support, including troubleshooting hardware, deposits and how to use the app.
Pros/cons	<p>Pros: Can be easy to set up and navigate.</p> <p>Cons: Transaction fees can become expensive.</p>	<p>Pros: Easy to set up, 24/7 customer service, shipping discounts, sell online or in person.</p> <p>Cons: Can be pricey, limited customization.</p>	<p>Pros: Easy to set up and use, free resources and tools for small businesses.</p> <p>Cons: Customer support is lacking, little to no customization.</p>	<p>Pros: Easy to set up and use. Accepts online payments and reoccurring payments.</p> <p>Cons: Maintenance timing has been during peak and rush times for businesses.</p>	<p>Pros: Easy to use, no monthly fees, low cost hardware.</p> <p>Cons: Needs Wi-Fi, fewer add-ons than other popular POS systems.</p>

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