

Convenience Store News

KEEPING THE INDUSTRY AHEAD OF WHAT'S NEXT

March 13, 2005

POS Spending Exceeds \$6.5 Billion in 2004



The convenience store segment, along with various retail industries including grocery, QSR and supercenters, dedicated a large amount of IT dollars and time to upgrading and installing new POS equipment in 2004, according to a study done by IHL Consulting Group, in conjunction with The Association of Retail Technology Standards (ARTS).

And this focus is projected to continue into 2005.

"Looking ahead, our research indicates that every segment of the retail industry will increase its POS purchases in 2005 over 2004, as retailers upgrade to more reliable and easier-to-use systems," said Greg Buzek, president of IHL Consulting Group. "POS systems and self-checkout systems are where most of the IT budgets for retailers are going the next two years."

Overall, shipments of Linux-based units increased 34 percent, despite still representing only 6 percent of the overall market, and shipments of Windows 2000/XP-based terminals represented 56 percent of the overall market. Additionally, Windows 9x/CE took another 15 percent of shipments for a total of 71 percent of the market.

The C-Store Segment

POS operating systems were up 12 percent at convenience stores in 2004, according to the report, and Windows NT/2000/XP was the leader among larger chains requiring multi-tasking abilities like pay-at-the-pump, Speed Pass (RFID), car-wash facilities and other integrated terminals.

While there is no clear POS leader as far as vendors are concerned, Radiant Systems, IBM, VeriFone and NCR are all popular, the report stated. Also, the choice of operating systems has been a mixture of DOS, Windows 9x/CE, NT/2000/XP and proprietary operating systems.

The complete report by IHL, entitled "2005 North American Retail POS Terminal Study," reviews the shipments and installed base of POS terminals sold to retailers in North America, and includes market shipment and installed base figures, market value and situation analysis for 10 retail market segments. It also forecasts the market through 2009.

The report is available for purchase at www.ihlservices.com.