

## Terminology – POS system

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### What is the pos (point of sale) ?



Point of sale (pos) systems are electronic systems that provide businesses with the capability to retain and analyze a wide variety of inventory, and transaction data on a continuous basis.

POS systems have been touted as valuable tools for a wide variety of business purposes, including refining target marketing strategies;

Tracking supplier purchases; determining customer purchasing patterns; analyzing sales (on a daily, monthly, or annual basis) of each inventory item, department, or supplier; and creating reports for use in making purchases, etc.

Basic point of sale systems currently in use include standalone electronic cash registers, also known as ECRs; ECR-based network systems; and controller-based systems.

All function essentially as sales and cash management tools, but each has features that are unique.

### Standalone ECR

*Standalone ECRs.* These electronic registers operate independently of one another, and are thus the most limited of the three POS system types.

They can merely report the business activity at that particular register. Given its limitations, ECRs are usually used by small independent retailers that feature a limited number of register sites.

Indeed, these systems are often well suited for small businesses because they are the least expensive of the POS system options, they nonetheless provide many helpful features, including automatic sales and tax calculation ability; calculation of change owed to the customer; sales report generation capability; capacity to sort food stamps and trading stamps (through programming of function keys); and scanning.