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eBook

# What is POS data? The complete beginner's guide

Get a comprehensive introduction to point of sale (POS) data and its benefits for retailers.



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# Introduction

A point of sale (POS) system is the cornerstone of any modern retail business. Retailers have replaced their analog cash registers with POS terminals that digitize the sales transaction process, letting them tap into the benefits of a multi-functional platform. And demand for this technology is growing; it's predicted that [the global POS terminal market will reach \\$130.91 billion by 2028.](#)

Before POS systems, employees managed the entire sales transaction process on a screenless cash register. Now, POS systems have revolutionized this functionality for both businesses and their customers.

Employees can conduct customer transactions on a digital POS system that is connected to other systems on your network. Or in-store customers can use innovative POS systems like self-service checkouts to quickly handle their own transactions.

These features have made things more efficient for retailers. However, **the biggest benefit of POS systems is the large amount of data they collect and the opportunities this creates for retailers.**







# What is POS data?

**POS data is the information that's collected during the customer sales transaction.** Your POS system manages every shopper purchase in-store, online, or on mobile applications. It can inform you about product transactions, product inventory, customers, and your staff. Retailers can use this information to drive better decision-making in their business.

Every POS system collects large volumes of raw transactional data after the customer has paid. This data is different from payment data. A bank doesn't know details about what products a customer purchases, they only know the amount and time. As POS data is linked directly to your retail store, it provides richer detail. So you can learn about customer purchases and also keep track of stock-keeping unit (SKU) data.

## IN-STORE VS. ONLINE DATA

POS data isn't just collected in-store by POS systems. It's collected online too. A combination of in-store and online data helps retailers obtain a better understanding of customers, improve decision-making, and implement better marketing objectives.





## The 8 types of POS data

# 1. Product data

Product data is the information obtained about each product item during a transaction.

Retailers can use this data to discover what products customers buy, the quantity that is typically purchased at one time, the amount spent on the product, and what products are bought together.

With this information, you can form a better picture of sales value, meaning how successful a product is over time. You can also understand if pricing impacts a product's popularity.



Time of purchase



Product quantity



Amount spent







## The 8 types of POS data

# 2. Transaction data

While product data provides information per item, transaction data (sometimes known as basket data) shows the transaction amount, payment type, and time of transaction.

This data can be used to understand customer purchase intent. For example, was this product purchased as part of a big shopping haul of multiple items, or was it a single purchase? It also provides visibility into whether an item is typically purchased using cash or a card.



Basket size







## The 8 types of POS data

### 3. Payment token data

POS data never records the full payment card information for security and compliance reasons.

However, POS data can collect information which can either be a pseudonymized token from the payment provider, or other card information like the payment card type and last four digits of the payment card, which can be used to create a non-unique token.

Retailers can use this payment token to provide different offers to different transactions. The accuracy of the token varies depending on the data collected, from 70-97% accuracy.



Repeat purchases



Types of payments







## The 8 types of POS data

### 4. Customer data

Customer data is information obtained from a loyalty card. If a customer chooses to sign up for a loyalty scheme and scans their loyalty card during the transaction, you receive detailed POS data. And unlike payment token data, this data is tracked to the individual customer.

You can learn how much a customer buys, what they spend, what brands they're loyal to, typical basket size, time of purchase, purchase type, and more. This level of detail is useful to retailers for targeting promotions to the right people at the right time.



Regular customers



Brand loyalty



Purchase type







## The 8 types of POS data

### 5. Location data

POS data can tell you where a sale was made, such as by country. However, did you know that the location data you can obtain goes far more in-depth than just country? You can also obtain data about customer purchases by region, town, retail store, store size, and even individual POS checkout. For example, whether a purchase was completed at an employee-manned checkout or a self-service POS. Or in which department the purchase was made.

This lets retailers learn where product purchases are made which is useful for understanding how your sales perform by location. At a customer level, you can use this data to target marketing for parts of the store that customers might not usually go to. Or promote products in a certain area of the store.



Store location



Type of POS system



Product success by  
location







## The 8 types of POS data

### 6. Time data

Time data tells you when a purchase was made. Certain products might be purchased at a specific time, such as morning or night. Or during a certain time of year, such as a festive season.

Time data provides a historical record that you can refer to year-on-year. This data is important as it reveals when your products are most successful. It might show the peak times when customers purchase gifts during the Christmas period, for example.



Time of purchase



Date of purchase



Seasonal trends







## The 8 types of POS data

# 7. Promotion data

Promotion data informs you about the success of your promotions in-store. It provides visibility of whether a customer is using a promotion, and which one they have used. This lets retailers understand what's working well, whether buyers are receptive to a certain type of marketing, and whether promotions are more successful by product. For example, multi-buy deals like 'buy one get one free' might be more successful for food than clothing.



Promotion popularity



Promotion success







## The 8 types of POS data

# 8. Coupon data

The way your customers interact with coupons can provide lots of data about their behavior.

However your customers access your coupons, your POS system keeps track of information about them. This includes the source of the coupon, coupon popularity, and which customers are most likely to use them.

You can also use POS data to track whether coupons are driving repeat visits, increasing basket size, or not having an effect at all. Retailers can measure this against a control group that don't get the coupon to get the most accurate result.



Customer behavior



Coupon popularity



Coupon accessibility







# Why retailers should analyze POS data

Today's point of sale systems collect vast amounts of data. This data can help you better understand your customers and the products you sell.

Even without a loyalty card scheme, POS data provides information down to individual customers. It's an untapped resource that's sitting in front of you. If you can gather and analyze it, it will unlock great value.

## Personalize the customer experience

When used correctly, POS data can tell you a lot about your customers. Whether it's the products they buy, average basket size, time of purchase, or the promotions they use – you can harness POS data to learn more about customer behavior.

You can use this information to create targeted marketing campaigns for your customers, including focused receipt marketing and coupons. This is a critical benefit as retail customers are increasingly driven towards personalized experiences.

80% of customers say they want more personalization from retailers.





# Why retailers should analyze POS data

## Improve your decision making

Modern retailers rely on their data-rich environments. You can manage everything from inventory to consumer behavior using sophisticated tools and software. For retailers, POS data is another data goldmine for you to plunder.

On a corporate level, you can use POS data to inform decision-making. With a multitude of use cases ranging from store or product popularity to understanding seasonal trends; POS data provides real insight into how your customers respond to products and offers.

Businesses that leverage consumer analytics are 23 times more likely to outperform competitor companies, and are nine times more likely to surpass them in customer loyalty.







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# Unlock the **power of POS data** with Ecrebo

Every day, your POS systems process vast amounts of data.  
Ecrebo helps you capture and analyze it, so you can make the  
best decisions for your retail business.

Talk to us