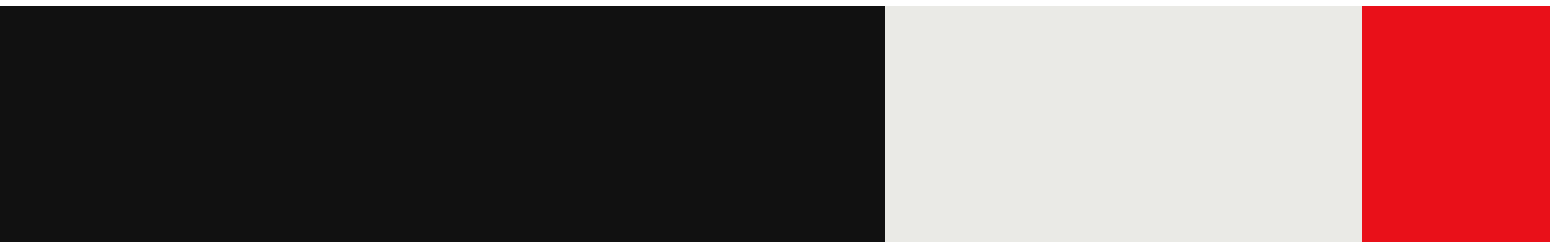# Software point-of-sale is booming

Article

Software point-of-sale (softPOS) is a form of mobile point-of-sale (mPOS) that can turn any seller's smartphone into a payment terminal. Merchants can accept NFC contactless card payments without additional hardware—a boon for cash-strapped micromerchants.

Appeal among micromerchants and larger businesses will drive growth.

- **SoftPOS is set to explode.** Global softPOS usage endpoints will jump 683% from 2023 to 2028, per Juniper Research. Transaction value will grow almost twelvefold. Growth was triggered by Apple's 2022 rollout of Tap to Pay on iPhone. Ongoing momentum stems from a

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continued stream of Tap to Pay launches across mobile operating systems from industry heavyweights.

Software Point-of-Sale (softPOS) Transaction Value and Smartphone Users Worldwide, 2023 & 2028

	2023	2028	CAGR
Transaction value (billions)	1.0	11.8	63.8%
Smartphone users (millions)	8.9	61.0	47.0%

Note: softPOS allows NFC-enabled smartphones or tablets to accept contactless payments, without requiring additional hardware
Source: Juniper Research as cited in company blog, Jan 9, 2024

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▪ **SoftPOS will transform micromerchant payments.** Juniper's heady growth estimate translates to about $193 per endpoint, which suggests that growth will be driven by micromerchants. These lower-revenue businesses make ideal softPOS candidates, since they can save on hardware by accepting payments with a device they likely already own. While per-merchant revenues may be low, softPOS converts these businesses from cash-based to digital payments—and customers for payments providers.

▪ **But growth will also come from larger businesses.** In 2023 alone, Block-owned Square, Fiserv-owned Clover, PayPal, Stripe, and JPMorgan all expanded their Tap to Pay acceptance capabilities. This casts a net far wider than the smallest businesses, tempting larger ones to adopt the technology for use cases such as on-demand delivery and in-aisle solutions.

What does it mean for payment providers?

▪ **SoftPOS will bring more merchants into the digital payment ecosystem.** We believe this will be especially true among cash-based micromerchants, such as food cart operators and kiosk-based or farmers market merchants. Giving their customers additional payment methods—without absorbing hardware costs—could help these businesses attract more customers. For merchants already using QR payment codes, softPOS could also draw consumers who may prefer the ease of tapping and paying.

▪ **SoftPOS is not a major threat to POS and mPOS—for now.** SoftPOS presently has limited utility outside of payments acceptance, but that could change. Already, payments providers envision that innovation could pave the way for tap-to-verify and other use cases over time, per stakeholders present at the December 2023 US Payments Forum.