

QuickBooks introduces new point-of-sale solution to pull in small businesses

Article

The news: Intuit's QuickBooks [launched](#) new portable point-of-sale (POS) hardware, QuickBooks Card Reader, that lets small businesses accept contactless payments and chip

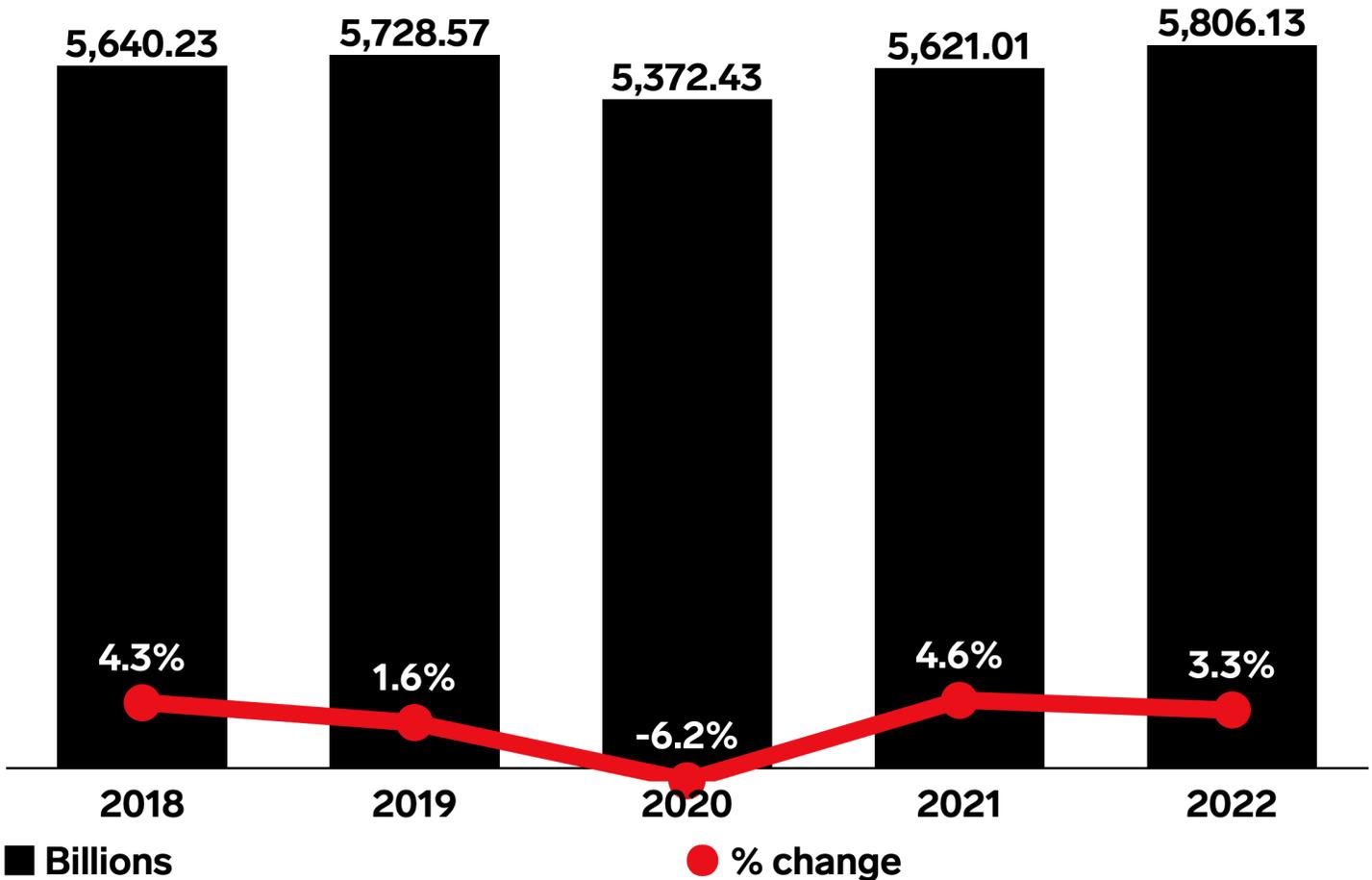
cards. The hardware integrates with QuickBooks Payments to enable automatic transaction reconciliation and includes a feature that lets merchants customize tipping options.

More on this: QuickBooks has long operated in the [small-business space](#) through its accounting software, but it's moved further into mainstream financial services in recent years: It [launched](#) small-business lending service QuickBooks Capital in 2017,, and last summer, it [introduced](#) a business bank account offering called [QuickBooks Cash](#). And although QuickBooks already offers bundled POS solutions—including hardware from third-party providers—it may be looking to delve deeper into small-business payments through proprietary hardware solutions. Intuit's online service revenues [grew](#) **34%** year over year (YoY) in its fiscal Q3 (ended April 30, 2021), driven in part by payments processed through its digital accounting software, QuickBooks Online.

Why it's worth watching: QuickBooks Card Reader opens up new in-store opportunities for Quickbooks as competition in the space heats up.

- **The new hardware can increase QuickBooks' in-store presence.** The contactless payment solution could be appealing for merchants transitioning back to in-store operations that want to cater to pandemic-driven consumer habits: More than **50%** of US consumers now use contactless payments, [per](#) Mastercard. The hardware also helps QuickBooks expand and further capitalize on in-store payments: US in-store retail and food services transaction volume is projected to reenter positive growth this year and hit **\$5.621 trillion**, [per](#) Insider Intelligence forecasts.
- **The contactless solution can keep customers tied to QuickBooks.** The provider already has a large addressable market: In 2019, QuickBooks Online [had](#) **3.2 million subscribers**. Its vast user base can help QuickBooks fend off competitors like **Square** as it pushes deeper into the in-store payments space. Offering a new hardware solution that's compatible with existing QuickBooks software might be appealing to merchants—it'd let them handle all transaction processing and accounting from one platform. It also lets QuickBooks push other branded software and products to its customers, helping increase revenues.

In-Store Retail & Food Services Transaction Value US, 2018–2022



Note: Point-of-sale (POS) transactions made in-store; includes food services and drinking places sales; includes sales taxes; excludes products or services ordered using the internet; excludes travel and event tickets, payments (such as bill pay or money transfers), mail orders, and gambling and other vice good sales. eMarketer benchmarks its retail sales figures against US Department of Commerce data, for which the last full year measured was 2019.

Source: eMarketer, December 2020

Methodology: Estimates are based on the analysis of data from the US Department of Commerce and the Federal Reserve, estimates from other research firms, reported company revenues, historical trends, consumer buying trends, and macro-level economic conditions.

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