

6.9 Computers in the retail industry

Syllabus 2026 - 2028

WHAT YOU NEED TO KNOW

- Characteristics and uses of computers in the retail industry, including point of sale (POS) and electronic funds transfer at point of sale (EFTPOS) terminals
- Characteristics, advantages and disadvantages of internet shopping

Point of sale (POS) terminals

A POS terminal is the checkout. It includes a barcode reader, keypad, screen, receipt printer and cash drawer, and is linked to the shop's computer.

- The barcode is scanned and the computer looks up the item's price and description in the stock file
- The price is shown on the screen and added to the bill, and a receipt is printed
- The stock file is updated automatically after each sale
- When the stock falls below the reorder level, new stock is ordered automatically

Electronic funds transfer at point of sale (EFTPOS)

An EFTPOS terminal is used to pay by card. It reads the card and sends the payment details to the bank.

- The card is checked for validity (not expired, not reported stolen or blocked)
- **Chip and PIN:** the card is inserted and the customer types the PIN, which is checked against the chip
- **Contactless:** the card is tapped on the reader for small payments
- **NFC payment:** a smartphone or smartwatch is held close to the reader, using short-range radio
- The shop's computer sends the details over a secure link to the bank's computer
- The bank checks that there is enough money and, if so, moves the money to the shop's account
- A message is sent back to confirm the payment and a receipt is printed

Internet shopping

Customers choose goods on a website or app, add them to a basket, pay online and have the goods delivered.

Advantages	Disadvantages
+ Open 24 hours a day, from anywhere, with no travel	- Goods cannot be seen, tried on or tested first
+ Wider choice, easy price comparison and often lower prices	- Delivery takes time and may cost extra; returns can be difficult
+ Goods are delivered to the door, which helps people who cannot travel	- Payment details can be stolen and fake websites exist
+ Shops need fewer premises and staff, and can sell to the world	- Needs an internet connection and may harm local shops

EXAM TIP

When describing EFTPOS, write the steps in order: card validity, PIN or contactless, the shop's computer contacts the bank's computer, the bank checks funds, money is transferred, then the receipt is printed.

Key terms

Term	Meaning
POS	Point of sale: the place where a customer pays, such as a checkout.
EFTPOS	Electronic funds transfer at point of sale: paying by card at the checkout.
NFC	Near Field Communication: very short-range wireless communication.
Stock file	A file that holds the details and quantities of every product.