

IPad finds niche in restaurants and stores

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Apple has often touted the millions of consumers who have switched from Windows PCs to Macs and from Android devices to iPhones.

But there's another, growing group of customers who are switching to Apple devices that the company hasn't talked a lot about - owners of restaurants and retail stores.

Giuseppe Carrubba is one of them. About two years ago, he replaced all the cash registers in the three restaurants and nine cafes he and his brother own in the Bay Area with iPads.

His only regret? "Not switching three years earlier," said Carruba. "It would have saved me a lot of time and a lot of stress."

Carruba is among the thousands of <u>business owners</u> small, medium and large who are ditching old-style push-button cash registers and even newer touch screen-based ones for iPads.

The iPad has "completely revolutionized that market," said Rhoda Alexander, director of tablet and notebook research at IHS Technology, a consulting firm.

Startup companies have been designing applications that allow the iPad to be used as a sales system since soon after the first one hit store shelves in 2010. But the use of the device in restaurants and retailers has been gaining increasing momentum.



Actual numbers in use are hard to come by, but it's becoming more and more common to see them being used in both small and large stores. The Waffle House restaurant chain, for example, has rolled out an iPadbased cash register system at hundreds of its locations around the country.

Companies that design the apps that allow the iPads to be used as sales systems say that the numbers in use have been growing at exponential rates. For example, the number of iPads running a sales system from Revel, a San Francisco startup, grew 300 percent last year, and the company is shipping out about 1,600 iPads with its software pre-installed each month, said Chris Ciabarra, the company's chief technology officer

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"Every month it increases," he said.

Companies that offer iPad and tablet-based sales systems typically include several components. There's usually an app that can be used to take orders or ring up purchases. The systems usually include a cloud service that stores and analyzes sales data and makes it accessible on multiple devices. And the companies often offer directly or through partner accessories like cash drawers, receipt printers, countertop stands, credit card readers and cases that allow the iPads to duplicate the features of traditional cash registers.

The companies generally charge a monthly per device fee to business owners who use their services. Some sell iPads directly to customers, while others direct them to Apple's stores and other electronics outlets.

Although some companies also offer apps and services for Android or even Windows devices, iPads tend to be the most popular among both businesses and vendors. They're generally easier to support than rival devices, because there are fewer models to worry about and they're sold



is so many different places, said Alex Barrotti, CEO of New York-based TouchBistro, which offers another iPad-based sales service.

The growing popularity of the iPad as a sales system for retailers and restaurants comes as Apple's tablet business has been struggling. Apple sold 16.1 million iPads in its most recent quarter, which was the lowest total for a holiday quarter since 2012. It also represented the eighth straight quarter in which its sales have fallen from the same period a year earlier.

But CEO Tim Cook has remained enthusiastic about the iPad line, and the company has been touting its potential for use by businesses. The headway the device has made in the retail and restaurant industry gives credence to that push.

Business owners offer different reasons for why they switched from other sales systems to the iPad. For Gary Blackwell, who with his wife, Dita, owns Blackwell's Wines & Spirits in San Francisco, a crashed hard drive on the server that backed up his sales records was the catalyst. He wanted to find a system that was cloud-based so he didn't have to worry about another drive failure.

He didn't initially care that the system he adopted, which was designed by Ottawa-based Shopify, ran on iPads. But he quickly grew to love the advantages of using the tablets for his sales system. He could check out customers using one of his three iPads while walking the aisles, for example, or check his inventory without having to go to Windows-based desktop PC he previously used as a cash register.

Such features were "hideously cool," he said.

The portability that the iPads offer is just one of their advantages over traditional cash registers. Among the others: they tend to be far less



expensive than traditional sales system and easier to swap in and out or replace if they break. Businesses can choose among multiple apps and sales services rather than being stuck with a system from a particular cash register maker like NCR or Oracle-owned Micros.

The systems aren't perfect. Laura Rodriguez, general manager at San Jose's 71 Saint Peter restaurant said she's been having some trouble getting sales reports after-hours from the credit card provider that works with her system, which was designed by TouchBistro. Blackwell said one frustration he's had is that he can't connect more than one iPad at a time to his receipt printer or cash drawer.

But on the whole, both are more than happy they ditched their old systems.

"Once we got switched over it was like, 'Oh my goodness, why couldn't we have done this in the past?' "Blackwell said.

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