

Square and Starbucks Partner Up, Soon You'll Only Need Your Name and Your Phone to Pay for a Coffee



Starbucks has partnered with Square and will offer its mobile payment system soon, where all you need is your name to pay for your coffee.

A potentially market-changing partnership between Square, the mobile payments company, and Starbucks, the coffee chain, [has been announced](#). Besides investing in Square, Starbucks will start processing its credit card payments through the company, and will be offering customers the chance to pay for their coffees using Square's app too.

Square is probably best known for its square credit card reader, and for being Twitter co-founder Jack Dorsey's startup. Although you'll have to decide for yourself whether a company valued at \$3.25 billion, can still be classed as a startup.

Starbucks has added \$25 million to Square's investment pot as part of this new deal, and Howard Schultz, Starbucks' CEO, will join the Board too. Payments made at Starbucks with a credit or debit card will be processed by Square, but most excitingly, in the future it will implement Square's mobile, GPS-based payment system too.

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Pay With Square is the company's mobile app, and initially it will work in a similar way to Starbucks own mobile payment app, where a barcode will need to be scanned by the cashier.

But in the future, Starbucks intends to make use of Pay With Square's GPS-based system. The location-aware app will communicate with Starbucks payment system when you walk in, your details will appear on the cashier's screen and all you'll need to do is to say your name to pay.

This doesn't sound all that secure, but to set Pay With Square up you need to provide a picture of yourself, which is then shared with the retailer for the cashier to confirm at the time of sale - almost like a passport. We're sure Starbucks is looking forward to all those who will inevitably chose a picture of their cat/dog/baby/car as their avatar.

No to NFC, yes to the iPad

It's an interesting alternative to NFC-based wireless payments, as there's no direct interaction between your phone and the point-of-sale, but you still register your payment card with the app.

Also, we could see Starbucks adopt the iPad as its register, as at the moment, [Pay With Square's retailer-side system only supports Apple's tablet](#).

Dorsey [tweeted](#) [1] that more details on the new partnership would be revealed this week, which we hope will include a list of locations and a timescale for Pay With Square's GPS rollout.

Starbucks has already seen considerable success with its app - [26 million payments in 2011](#) [2] - so its customers are used to paying this way, but the partnership is a much bigger deal for Square, as this level of exposure could catapult the still-niche company into the mainstream.

Read more: [3]

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Links:

[1] %3C<https://twitter.com/jack/status/233065284028739584>%3E

[2] %3C<http://www.digitaltrends.com/mobile/starbucks-mobile-apps-account-for-26-million-transactions-over-2011>%3E%3C/a%3E

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[3] <http://www.digitaltrends.com/lifestyle/get-ready-to-pay-for-your-starbucks-coffee-using-square/#ixzz22xQZa524>