

GPS-enabled payments launching in 2013

SAN FRANCISCO, US: Jack Dorsey, founder of Twitter and Square Inc, has announced an extension of Square, the mobile payments system, with a GPS-enabled payment system that will launch in 2013 through Starbucks.



About two years ago, Square had its first big break when it signed a corporate contract with Starbucks, one of the first large American corporations to move toward accepting mobile payments. Two years ago, it was a risk, but today it has paid off. Starbucks has transacted hundreds of millions of dollars in sales through the Square hardware, but in the last few months, it has processed US\$70m in sales, via its mobile application, which is powered by Square.

Adding service

A few Square engineers noticed they had not tipped at a coffee shop like Starbucks in years. The reason is simple; they always paid with credit or debit cards and most coffee shops do not have a space to leave tips, as it is cash only. The company set out to solve this problem by creating a digital tipping aspect to the mobile app.

To buy coffee at Starbucks, users flash the digital barcode on their phone, which is then scanned for payment.

The company has reported recently that the days of having to exchange any currency, digital barcode, etc. are soon going to be over. It is in latter stages of developing GPS technology that will allow clients to simply walk into the coffee shop, tell the barista their name, take their drink and walk out of the store. The coffee shop will verify the identification of the customer by photo identification, which will pop up on the Starbucks point of sale screen.

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