

# Starbucks teams with Square for mobile payments

August 8 2012

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Starbucks customers will be able to use the Pay with Square mobile application to buy their Java beginning in the fall, and find nearby Starbucks locations via Square Directory.

Meanwhile Square will process Starbucks US credit and debit card transactions, sharply expanding Square's scale and, in turn, lowering Starbucks's payment processing costs.

Starbucks has been a pioneer in mobile payments, with a mobile [phone application](#) usable in the United States and Canada, and since the beginning of the year in Britain.

In December the Seattle-based global coffee franchise said it more than 26 million mobile payments transaction in less than a year.

"As the largest retail mobile [payment platform](#) in the US, we're excited and proud to accept payments with Square," said Howard Schultz, Starbucks chairman, president and chief executive, in a statement.

"The evolving social and digital media platforms and highly innovative and relevant payment capabilities are causing seismic changes in [consumer behavior](#) and creating equally disruptive opportunities for business."

Schultz will join Square's board of directors as part of the deal that will see about 7,000 company-operated US stores participating.

Square, based in San Francisco, offers retailers, especially small businesses, a way to process credit and debit card payments more cheaply than dealing directly with the card issuers.

Meanwhile its Pay with Square app provides consumers a near-seamless way of paying for purchases: cash registers recognize mobile phones using the app and the shopper's picture appears on the registers to confirm their identification.

"We're proud that Starbucks chose Square, as we share the value of always putting customers first," said Jack Dorsey, co-founder and CEO of Square.

"More than two million individuals and businesses can already use

[Square](#). This partnership will accelerate our ability to provide them with the tools they need to grow their business and thrive in today's economy," said the 35-year-old Dorsey, who also co-founded Twitter and is its executive chairman.

Shares in Starbucks slipped 0.6 percent in midday New York trade.

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Citation: Starbucks teams with Square for mobile payments (2012, August 8) retrieved 30 April 2024 from <https://phys.org/news/2012-08-starbucks-teams-square-mobile-payments.html>

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