Retail Innovation Shout Out: Square Changes the Way Small Businesses Accept Payments

by Kate Fletchall

Square is everywhere. Look around for the little box attached to the top of a smart phone used by your taxi driver or local coffee shop to charge your credit card, and you’ll see the impact on small shops and individual entrepreneurs.

Founded by Jim McKelvey and Jack Dorsey, Square’s concept was born when McKelvey lost a sale of hand-blown glass due to his inability to accept credit cards. Credit card terminals can be cost prohibitive for many small entrepreneurs, but at a mere 2.75% per transaction with no additional fees, Square provides a very reasonable and portable option.

Though Square started in the underserved small business market, their strategic plan incorporates larger businesses. There was a widely publicized rollout into Starbucks stores in 2012 that has not been without its hiccups, but still, Square Wallet enables customers to pay in stores using their smart phones. This continues to blur the lines between the real and digital worlds.

In a recent roundtable discussion at Columbia University, Jack Dorsey acknowledged that changing consumer behavior takes time, though he hopes to “shorten that time frame significantly with Square Wallet.” With millions of Square users and $100 million in funding in 2011, Square is a mobile payments company to watch.

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Originally published on October 9th, 2013

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