

Bitpay staffs up and raises ambition



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Three months after raising a staggering \$30 million Series A round of capital, BitPay has staffed up its San Francisco contingent with a few hires that are worth noting.

Currently, BitPay has 40, 000 merchants signed onto its service, which helps companies of all stripes accept payment for their goods and services in bitcoin.

Sonny Singh, formerly of Jumio, which handles payment verification, will pick up the chief commercial officer title.

Steve Pratt, formerly of Visa, will become the company's director of business development. And Gregg Zigler, formerly of PayPal, will become a senior developer.

In September 2013, BitPay had 10, 000 merchants signed to its platform. It amped that figure this year.

The company has a goal to have 1 million merchants using its platform by the end of 2016. It's a massive objective, given that the company is implicitly hoping to grow its merchant base by 25X in less than a year-and-a-half.

BitPay is an interesting company, as it provides wallet-agnostic bitcoin payment processing — transaction tipping, if you were curious, is taken care of by the paying party, not BitPay itself. As such, the company can offer stronger margins than traditional payment providers who accept dollars and so forth.

BitPay's pitch to merchants is therefore simple: Use BitPay for free, accept bitcoin-based sales that might expand your total transaction volume, and even if they do not, you might save a few points on the sales that shifted from traditional currencies to bitcoin, as the bitcoin transactions were free.

Apart from the implosion of Mt. Gox, 2014 has been a slow period for bitcoin. The price of bitcoin, which is correlated to public interest in the stuff, has been somewhat flat.

According to BitPay CEO Tony Gallippi, that stability is actually seen as a plus by merchants — though most merchants clear their bitcoin from sales directly into their currency of choice. That bitcoin is no longer gyrating like an inebriated yo-yo makes it seem like more stable stuff to invest time into supporting.

BitPay is taking a shovel, not gold-panning approach, to deriving revenue from the bitcoin economy. The company charges for premium processing on a monthly basis, though its free tier is robust.