Hip to be square

Strategic Management Hip to be Square grew faster than its competitors did, because it addressed a widespread need as well as providing effective solutions of small business payments. It was expensive for small business owners to afford and register credit cards. The complexity and costs involved in credit card processing made it difficult for smaller businesses to accept credit cards. In addition, the users who interacted with the product followed a new payment experience, which was the best solution to their problem. The users then spread the word about Square and the service they offer to potential merchants who were looking for a payment solution. This meant growth to the business since when one merchant installed it; thousands of customers used it and became aware of the product. Its partnership with Starbucks enabled customers to pay for the in-store purchases with the company's payer application. Hip to be Square took all control of all the processing for Starbucks debit and credit card transactions thus expanding squares scale. The strategy of square to expand internationally contributed to the growth of the company. This is because of the new competitors in some overseas markets (Lydia, p. 14). Lastly, the Square's decision to expand the customer base also contributed to its success. For example, Square announced the provision of all the processing for coffee shops like Blue Bottle Coffee that has eleven locations in the Bay area as well as Brooklyn. This led to the higher-volume transactions.

PayPal is one of the biggest competitors of Hip to be Square. PayPal is looking to expand beyond online transactions. It also announced the introduction of a credit card reading smartphone attachment that small retailers' would use. Since consumers look for the possibility to shop anytime and anywhere, PayPal introduced the use of a smartphone to accept

payments. Merchants who have a card reader can manually enter a customer's credit card details, then scan the card with the iPhone camera and send an invoice to a customer for deferred payments. In addition, Google is also another threat to the Square. In 2011, Google introduced Google wallet. This Android mobile application combined Pay Pass technology. After installation of the Application, users could link up their current debit or credit cards to a virtual MasterCard account issued by the Bancorp Bank. Google wallet requires that users wave their phones over any Pay Pass terminal to pay for purchases. The original plan of Goggle was to collect data. It attempted to enhance the convenience of not having to carry a card or carry a wallet. This was successful through partnership with retailers like the Gap to offer its users with the special discounts as well as advertising (Lydia, p. 35). The aim was to provide customers with a shopping experience that was more than a card swipe. Lastly, the introduction of the Android OS phones has seen a significant increase in the use of the product. Google has developed its own platform in the mobile payment, which has its own carriers. It has also developed a way of tying the NFC chip into an application directly by passing the phones SIM by utilizing the cloud for payment processing.

Wireless carriers have gained in the mobile payment space. However, they also face a risk of getting out of the market if they do not push for further development. The carrier is an important element in mobile payments. Mobile payments should be easy to use and should fulfil the user needs and provide a sense of immediacy to ensure the satisfaction of the consumer's needs. The carriers have an important role to play in ensuring that the customer experience with mobile payments is seamless. Carriers provide

multiple solutions that drive major relevance to customers in their busy schedules. Customers need to feel that their money is safe and secure. This can engage consumers and make them to purchase because they trust the carrier and the mobile payment services. Customers trust that there should not be any compromise on wireless data transmissions.

The opportunity it creates for square is there is a large number of people and new markets who are willing to use the wireless carriers. Secondly, people are willing to invest in businesses and may need to use the wireless carriers. Some of the risks involved are viruses, especially after the development of smart phones that are vulnerable because they are network enabled and used for exchanges of data.

Work Cited

Lydia, Hope. Hip to Be Square. Eugene, Or: Harvest House, 2005. Print.