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Starbucks app integrates with Bitcoin wallet

Rakin Azfar

In a move that could possibly pave the way for widespread legitimization of the cryptocurrency, Starbucks is partnering with iPayYou to provide users of the Starbucks application an easy way to pay with Bitcoin.

Customers using the Starbucks app can now pay through iPayYou's Bitcoin wallet to pay for an assortment of items on its menu. iPayYou works through automated conversion processes to convert the oft-volatile cryptocurrency into USD in real time, through a tool called Bitcoin Direct to Starbucks.

"There world is changing, we are all becoming increasingly connected, and even though 92 percent of transactions still happen in a physcial retail space vs. online, when it comes to managing the transaction the lion share of value exchange shortly will be transacted digitally rather than physically with cash," said Michael Becker, managing partner at mCordis and The Connected Marketer Institute. "In fact, I believe we should recognize and accept that we're digital beings living in a physical world, that our digital selves have more economic value than or physical selves for all intensive purposes

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cash will be some day, in our life time, go away,” he said. “Cash is a dinosaur.

It is expensive to produce, distribute and manage, and like so many elements of our current society, it will eventually go away. In fact, most consumer transactions are digital, in the U.S. cash today only accounts for 40 percent consumer transaction activity, in other developing countries it is even less.”

iPayYou

To use the service, users must first commission an amount of Bitcoin to transfer. The wallet then transfers that amount of bitcoin into the user’s Starbucks app leveraging real-time conversion rates.

While numbers surrounding Bitcoin usage tend towards being more dubious than other, more sanctioned currencies, the partnership definitely makes sense from iPayYou’s end: over one million Starbucks customers use Mobile Order and Pay a month. Whether users of Bitcoin (or any like cryptocurrency) will be willing to use it for such quotidian purchases as their daily coffee is still up in the air.

“Bitcoin—and its parent tech, blockchain—are both valuable tools, and in and of themselves they are neutral entities; they can be used for good or for bad,” Mr. Becker said. “I prefer to recognize and applaud the former, and encourage us all to collaborate and find ways to diminish the later.

“In the case of Bitcoin, there are many great applications, like Starbuck’s implementation with iPayYou.”

Bitcoin integration

The integration comes on the heels of iPayYou’s foray into gift cards, which allows holders of bitcoin to purchase gift cards from an array of major retailers and chains, including Starbucks. Time will tell if bitcoin’s marred history will catch up to it to preclude the efforts of well meaning—and perhaps prescient—platforms such as iPayYou to introduce it into the mainstream of ecommerce.

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The coffee chain is also expanding its mobile commerce platform to include integration with the massively popular WeChat mobile application in a partnership with Tencent, making a stronger push into the lucrative Chinese mobile market (see story).

“In the short term, there will be little impact of-of this integration to Starbuck’s business or consumer behavior,” Mr. Becker said. “They—all of us—are still in a trial and error mode when it comes to innovations like this.

“In the long-term, these technologies will evolve, they’ll traverse the Gartner Technology Hype Curve stages, and will eventually crawl out the primordial trough of disillusionment that every technology falls in to following their initial hype and they’ll eventually find their place as a productive tool for society.”

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