



Stanford eCorner

Payment is a Form of Communication

Jack Dorsey, *Square*

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Square and Twitter Co-Founder Jack Dorsey views payments not only as an exchange of value, but also as a form of communication. Although everyone can relate to money, says Dorsey, very little thought has gone into design and user experience for payment transactions. Dorsey shares his desire to build a cohesive point-of-sale system that is far more useful for merchants and customers.



Transcript

But the interesting thing I realized along the way is that payment is another form of communication. It's another exchange of value. The really interesting thing about payments in the financial world is no one has really designed it. If you think about it, every single person in this world has some connection to money, they all hate it. At some point or another, you're going to hate some aspect of money. So, there has never been anyone who has really designed a payments platform or an exchange of value or a currency that's really beautiful and that's really thoughtful and that engages a user experience around communication instead of purely the service and the mechanics of transferring the value. So, when we were building Square, we realized that, "Wow! The receipt is something that has never really been designed or looked at. I go up to a coffee store and I hand them my credit card. I say, "I want a cappuccino." I hand them my credit card. And they type in "cappuccino" on a little terminal, which is basically a calculator on top of the cash box, and then they get \$3.24 from that.

They get a receipt. Then, they take that amount and they go over and they type that amount into the credit card terminal. Then, they swipe the card and then they get that receipt. And then, they hand me that receipt and I sign for that receipt and then I give it back to them. And then, they take that receipt, take the other receipt, staple it together with a little coffee card and then give me all that and I throw that paper away. It's useless. It would be so easy if you built a cohesive system that carries the entire transaction to create a receipt that is useful. With one swipe, I can sign on electronic screen, get rid of paper completely. But with that one swipe, I learn of the merchant's Twitter handle. I learn of their Facebook page.

I learn of their Yelp account. I learn of their menu, their hours, whatever they want to put on their receipt, they can put there. It can be used as a publishing medium and something that you can interact with, instead of something that is a burden to receive. And a lot of retailers out there are embarrassed by the receipts they give out and the whole payment processing aspect of their business. They go above and beyond to craft a beautiful experience in their store and they have to compromise to accept credit cards. They have to compromise to accept any form of payment. And then, what do they get out of it? If you go to any coffee store in America and you ask them, "How many cappuccinos did you sell today?" apart from Starbucks and Pete's, "I don't know, we made \$300." How many cappuccinos did you sell? And then, what percentage of these people bought biscottis? What happens when it's a rainy day? What happens on Tuesday at 5:00 p.m.? All these data were used for Google Analytics. We've used these effectively to build our electronic systems and our blogs and all of these companies that we're building. But real-world offline merchants have none of these data. They can buy into it if they buy into a \$15,000 point-of-sales system.

But then, they would also need to buy into an entire service army of people to figure out how to use it. So, what we want to do is we want to build a full point-of-sales system that is just gorgeous and that allows and enables someone to immediately not just make the transaction fast and feel great but to get very, very rich data for everything that they're selling, Google

Analytics type of data for everything that they're selling. This becomes really, really important, not just when you're starting a business but when you're trying to grow that business.