

Twitter and Amazon announce crypto plans

Article

The news: Twitter CEO Jack Dorsey confirmed in the company's Q2 earnings call that the social media platform will integrate Bitcoin into its services, and Amazon wants to let customers pay in cryptocurrency—taking approaches the companies hope will let them avoid the same pitfalls that have [bedeviled](#) Facebook's project.

Here's what they're planning to do: Twitter is focused on Bitcoin, while Amazon is open to other cryptos.

- **Twitter.** The planned integrations would enable Bitcoin payments for existing products like [Tip Jar](#), which lets users receive tips from their followers, [per](#) TechCrunch. Dorsey is big on Bitcoin: Last week, he [announced](#) that his digital payments firm **Square** will develop **decentralized finance** services on the Bitcoin blockchain, and he [invested](#) in a Bitcoin development fund in February.
- **Amazon.** The ecommerce leviathan posted an opening on its payments team last week to develop its **Digital Currency and Blockchain strategy**, [per](#) Business Insider. The role asks for expertise in cryptocurrencies and central bank digital currencies (CBDCs), suggesting Amazon wants to add payment options for a wider range of digital currencies than just Bitcoin. So far, Amazon's main involvement in the space is its [Managed Blockchain](#) service, which helps client firms interact with public blockchains like Bitcoin and Ethereum or scale their own private networks.

How do these compare with Facebook's crypto plans? Twitter and Amazon are undertaking less ambitious crypto plans than Facebook, which has helped them avoid the same difficulties.

Facebook originally proposed its own digital currency in June 2019, a blockchain-based payment system for users to make purchases on its platform. But the project has been [marred](#) by delays and regulatory hurdles regarding data privacy, money laundering, and financial stability concerns. Despite reports the crypto would roll out by Q1, no launch date has been confirmed.

Twitter and Amazon decided to piggyback on existing cryptocurrencies instead. CBDCs in particular should be easier to integrate, as these would have full regulatory support. However, Amazon is [reportedly](#) also working on its own digital currency, and the new opening may assess the best strategy forward for the project.

The big takeaway: Big Tech clearly thinks cryptos can improve their global user reach thanks to blockchain's fast and cheap payments properties.

Twitter's and Amazon's announcements highlight crypto as an efficient additional payment option to power their global platforms. Blockchain can reduce the time for cross-border payments from days to **4–6 seconds** on average while also reducing transaction costs, [per Insider Intelligence's Blockchain in Payments report](#). As Dorsey said regarding Bitcoin: "If the internet has a native currency ... we are able to move so much faster with products such as Super Follows, Commerce, Subscriptions, Tip Jar, and we can reach every single person on the planet because of that instead of going down a market-by-market-by-market approach."

Banking Products/Services from Nonbanking Firms in Which Banking Customers Worldwide Would be Interested, by Business Type, Nov 2020

% of respondents in each group

	Accounts	Cards	Payment	Lending
Big techs	18%	30%	38%	10%
Educational institutes	14%	23%	26%	9%
Fintech	24%	25%	29%	11%
Healthcare providers	13%	26%	29%	9%
Mobility providers	10%	21%	33%	7%
Quick-service restaurant	10%	27%	33%	7%
Retailers	12%	30%	34%	11%
Telecom operators	13%	25%	33%	8%
Travel & hospitality	10%	31%	30%	8%

Note: n=8,559

Source: Capgemini, "World Retail Banking Report 2021" in collaboration with Efma, March 25, 2021

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