

Square expands services on Terminal to bolster all-in-one, vertical-focused push

Article

The news: Square is bringing Square for Retail and Square Appointments—two vertical-specific solutions that target retailers and beauty/personal care professionals—to Terminal,

its smart point-of-sale (POS). These will be available to sellers worldwide, per a press release.

Why it matters: All of Square's products are now available across its full suite of hardware options for the first time, according to the firm.

This can help Square expand its reach and tighten relationships with customers:

- Forty-six percent of Square Appointments users and 59% of Square for Retail customers use three or more Square products in total, per Square.
- Adding these offerings to Terminal makes it even easier for providers to integrate different Square features. Square also said customers can use the Terminal integration to add ecommerce functionality or buy now, pay later (BNPL) through **Afterpay**.

Providers using more of Square's products can help drive the firm's subscription and services-based revenue segment—which **grew 60% to \$1.09 billion** in Q2 2022 and is a historical profit driver for the firm overall.

The bigger picture: The move also reflects two payments industry trends.

1. **Bundling.** Small and medium-sized businesses (SMBs) are aggressively seeking out all-in-one solutions: Last year, **70% of global SMB decision-makers** cited simplifying payments technology as a key priority, per Paysafe. Tightening integrations across its suite can make Square's offerings more convenient and compelling, which can drive both acquisition and retention.
2. **Verticalization.** Across the industry, providers are moving away from one-size-fits-all solutions toward vertical-specific offerings that can meet the niche needs of merchant segments. Terminal can help Square better target these verticals as it does the same in other sectors: It just partnered with **Raydiant** to improve its restaurant-facing capabilities.

The Terminal integration can help build on Square's other recent innovations—like rolling out Tap to Pay on iPhone, striking a faster payments partnership with Visa, and expanding Cash App Pay—to bolster its two-sided ecosystem and make the firm even more competitive in a fast-growing industry segment.