

# Apple taps Stripe as first payments provider to incorporate softPOS solution

Article

**The news:** Stripe will be the first provider to offer Tap to Pay on iPhone, Apple's software point-of-sale (softPOS) solution that will let merchants accept contactless payments like

Apple Pay with their iPhones, no additional hardware needed, per a press release.

The feature will be available for third-party payment providers and their software developers to integrate into their iOS apps later this year. Stripe will add it to the Shopify Point of Sale app this spring.

**Key context:** We [covered](#) rumors that Apple was creating a softPOS offering last month and analyzed how this could steal volume from mPOS players and bring a new customer base to Apple. But it was unclear whether Apple would keep the integration within its ecosystem or enable it for third-party use.

**Our take:** Apple made the right move integrating with third-party payment providers. Here's why:

### **Working with third-party payment providers gives Apple a strong distribution channel.**

- Letting providers like Stripe (which has **more than 2 million business customers**, [per](#) CB Insights) integrate its softPOS solution lets Apple take advantage of their existing merchant networks. This can give Apple more customer touchpoints than if it kept the solution in-house.
- The integration might also be less complicated for merchants because they can use Apple's softPOS offering through a provider that they're already working with. That means they can manage all their payments through one provider.

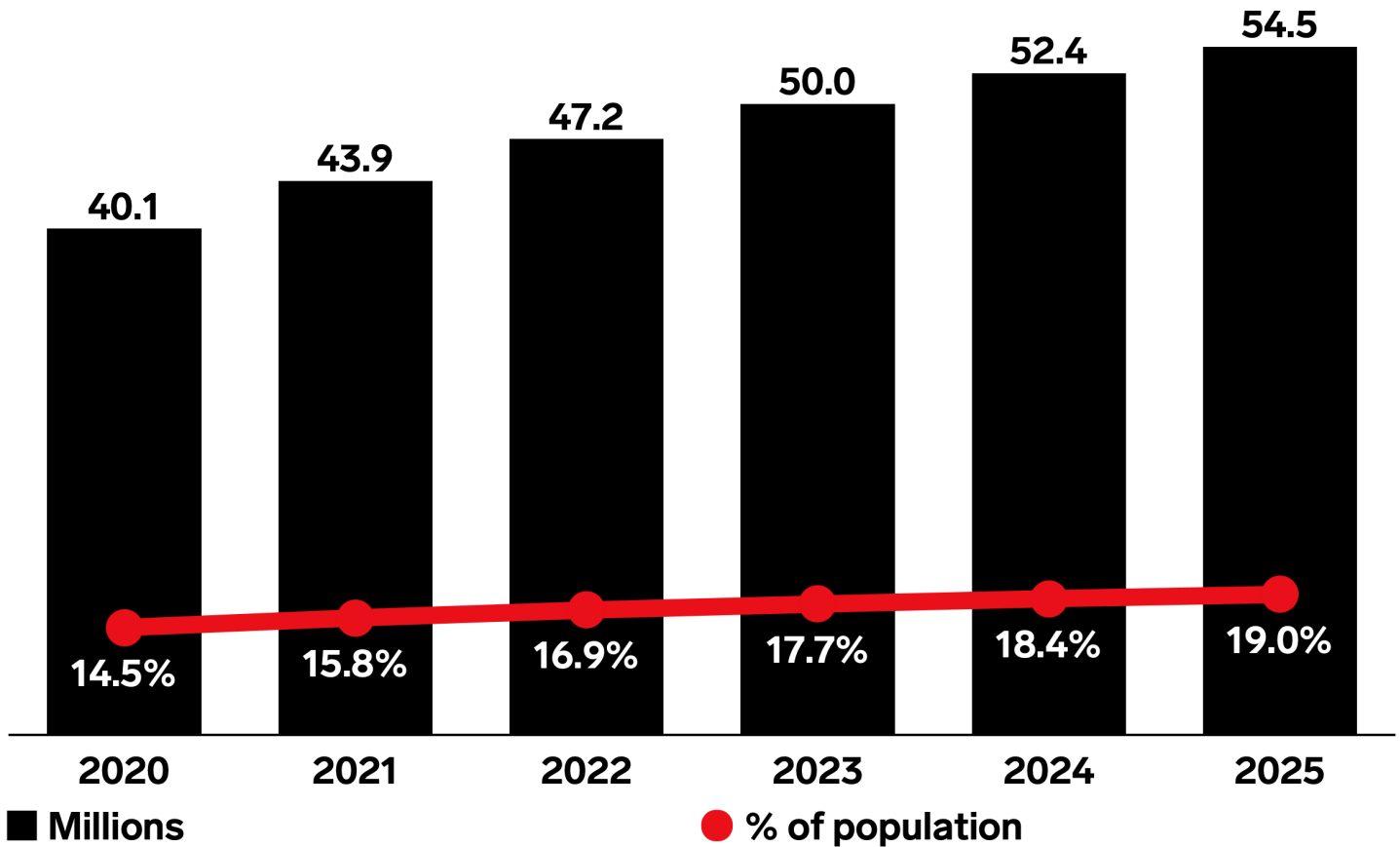
### **This also positions Apple Pay for growth.**

- Small businesses have been hesitant to adopt mobile payments because of the costs associated with acceptance—but softPOS solves this problem. Previously, softPOS was only available on Androids. But with Apple entering the arena, it can capture some of this volume and further capitalize on its large [base](#) of iPhone users.
- This helps fortify Apple Pay's already strong acceptance network: The mobile wallet is **accepted at more than 90% of US retailers**, per Apple. The third-party integration therefore gives Apple stronger ties to small businesses, not only by capturing contactless payments volume but also encouraging spending with Apple Pay.

**The bigger picture:** The integration with third-party payment providers might also help it minimize antitrust heat: Apple is facing [scrutiny](#) over its control on near field communication (NFC) technology. Working with third parties to power Tap to Pay with iPhone might open the door to broader access to NFC tech in the iPhone.

**Related content:** Check out the [Point-of-Sale](#) section of our Payments Ecosystem 2022 report collection to learn more about the growing prevalence of softPOS.

## Apple Pay Users and Penetration US, 2020–2025



*Note: ages 14+; mobile phone users who have made at least one proximity mobile payment transaction in the past 6 months using Apple Pay. A proximity mobile payment is a point-of-sale (POS) transaction made by using a mobile device as a payment method. Includes scanning, tapping, or swiping a mobile device at the POS to complete transaction; excludes purchases of digital goods on mobile devices, purchases made remotely on mobile devices that are delivered later on, and transactions made via tablets.*

*Source: eMarketer, March 2021*

*Methodology: Estimates are based on the analysis of the market presence of major mobile payment players; estimates from other research firms; and consumer smartphone, mobile payment adoption, and retail spending trends.*

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