

PayPal looks to expand in-store payment solution and card business as European cash use tumbles

Article

The news: Two new developments pushed **PayPal** deeper into Europe as it scouts out growth opportunities.

- Payment processor **Euronet** brought PayPal's QR code offering to **epay**, its suite of digital payment solutions, per a press release. The tie-up lets merchants using epay—which comprise **748,000 point-of-sale terminals in 60 countries**—enable PayPal's QR code solution for in-store customers. The offering is live in Germany and is expected to roll out to more markets.
- PayPal also expanded its business debit card into Belgium, Finland, the Netherlands, and Portugal. The PayPal Business Debit Mastercard gives merchants instant access to their PayPal balances and lets them spend the funds wherever Mastercard is accepted. The card offers 1% cashback on transactions processed as credit and can be added to most mobile wallets.

What this means: PayPal wants to expand its European business as cash use falls throughout the region.

- Cash use in Europe is expected to plummet in the next few years: **Last year, cash made up 27.4% of point-of-sale (POS) transactions in Europe—but this share is expected to drop sharply to 15.4% by 2024.**
- European consumers have leaned into digital payments through the pandemic—especially cards, which made up the largest share of POS transactions in 2020. With **Europe's digital payments space expected to hit nearly \$1 trillion by 2023**, per Finanso.se, PayPal is likely trying to capitalize on the shift to digital payments to bolster volume.

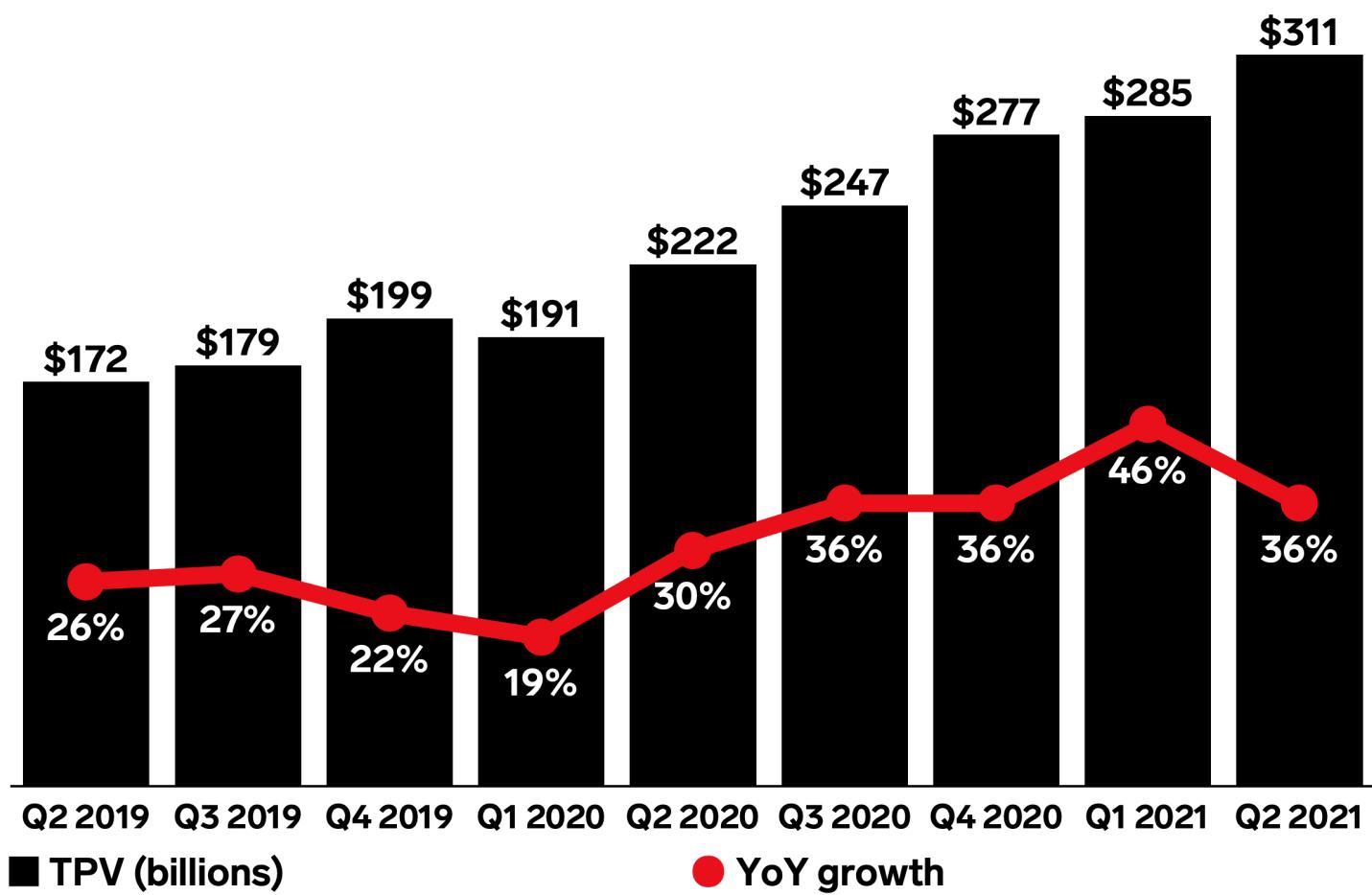
The opportunities:

- The Euronet partnership can bring PayPal further into in-store payments. Progress made against COVID-19, aided by vaccination campaigns, may have helped bring more consumers back into stores in Europe. This may push merchants to offer a wider range of digital payment solutions to address evolving shopping habits. Enabling its QR code payment solution across Euronet's POS can help PayPal gain both a stronger foothold in stores and a larger presence in Europe overall.
- Expanding its business debit card offering can help PayPal deepen its relationship with merchants by offering a tool that gives them instant access to their funds. And as more sellers use the card, PayPal also boosts its payments volume. The firm may also be looking to

compete with players like SumUp, a European mobile POS provider that has also employed a similar tactic.

Related content: Check out the *In-Store Retail* section of [The Payments Ecosystem](#) report if you want to take a closer look at brick-and-mortar payment trends and growth opportunities to see what PayPal's up against.

PayPal Total Payment Volume (TPV) global



Note: growth is reported on a constant currency basis

Source: PayPal, 2021

Methodology: This data is from PayPal's Q2 earnings report released on July 28, 2021

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