

Venmo and BNPL carry PayPal to Q2 success

Article

By the numbers: In [Q2](#), PayPal's total payment volume (TPV) jumped **36%** year over year (YoY), hitting **\$311 billion**—up from the same period last year, when the metric grew **30%** YoY. TPV increased nearly **81%** compared with [Q2 2019](#), reflecting PayPal's strong growth during the pandemic.

PayPal wrapped up Q2 with **403 million** active accounts, netting **11.4 million** new active accounts (of which **1.5 million** were merchant accounts)—slower growth than Q2 2020, when the payments giant [brought in](#) a whopping **21.3 million** thanks to the rise in digital payments demand. PayPal also reported a **58%** yearly increase in Venmo volume, which hit **\$58 billion**.

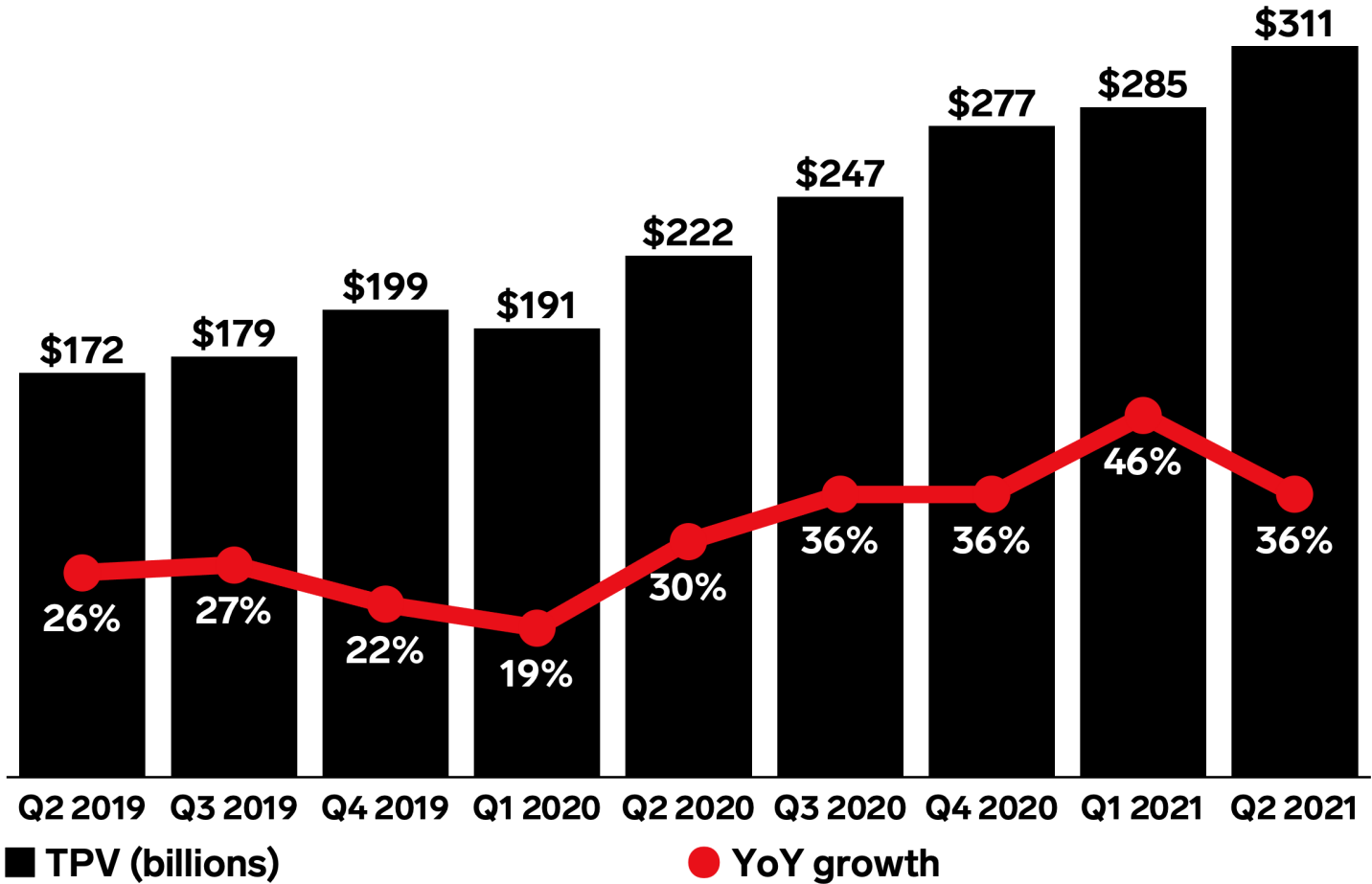
On the company's [earnings call](#), CEO Dan Schulman said that a resurgence in travel and events contributed to the firm's strong performance.

Looking ahead: Here are four areas that will likely prop up PayPal's business in the next quarter and beyond.

- **Buy now, pay later (BNPL):** Since [launching](#) in August 2020, the company has processed more than **\$3.5 billion** in TPV, with more than **\$1.5 billion** coming in Q2 alone—and the company has expanded into new markets in the last few months, like Australia. Unlike other BNPL providers, PayPal has the advantage of a significantly larger existing merchant base that it can use to capture business and increase BNPL revenues.
- **Venmo:** Schulman has big plans for Venmo—he noted that PayPal plans to include features like high-yield savings, early access to direct deposit funds, improved bill pay functionality, and messaging capabilities. These features can help build out the platform, and if PayPal chooses to charge for some of these perks or tie fees to them, it could bring the app closer to meeting its 2022 profitability [goal](#).
- **In-store payments:** Schulman said PayPal will be very aggressive on this front—and it's already made moves in the space. The company [launched Zettle](#), its small-business point-of-sale business, in the US in early July after [introducing](#) the solution in the UK. It also started [letting](#) merchants accept PayPal and Venmo QR code payments in April. Building out its presence in the space can help the company grab a piece of the **\$5.621 trillion** in-store payments are expected to reach in the US this year, [per](#) Insider Intelligence forecasts.
- **Cryptocurrencies:** The company is working on integrations for its crypto service, like Automated Clearing House (ACH) support to enable faster payments and the ability to make transfers to third-party wallets. These enhancements, coupled with the company's decision to [raise](#) the weekly crypto purchase limit to **\$100,000**, can help make the service more attractive to customers and help it stay ahead as competitors like **Square** [lean](#) into the space.

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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