

eBay adds Venmo as a payment option after pulling the plug on Amex cards

Article

The news: eBay added PayPal-owned Venmo's buy button as a payment option at checkout on eBay.com and the eBay app, per a blog post.

- Consumers can pay for the purchases with their Venmo balances or Venmo-linked bank accounts, debit cards, or credit cards.
- eBay said accepting Venmo would resonate with Gen Z and millennials.

Why this matters: eBay is trying to restore goodwill among its younger shoppers.

- The retailer will soon stop accepting American Express cards after failing to negotiate swipe fees.
- That put eBay at risk of losing loyal Amex customers, which could become a bigger problem as Amex gains popularity among Gen Zers.

Adding Venmo could be eBay's effort to keep these customers from leaving eBay: 63% of consumers strongly agree that **paying with their preferred payment method is the most significant factor** when completing a purchase, per a Discover study. And 42% of Gen Z uses Venmo, per a March 2023 survey from The Motley Fool.

A win for Venmo: PayPal has struggled to expand Venmo's merchant acceptance as it tries to monetize the app and expand beyond peer-to-peer transactions. And it took a major hit when Amazon stopped accepting it in December.

eBay's large transaction volume can help it gain back some of those lost revenues: eBay's retail ecommerce sales will reach \$35.40 billion in 2024, per our forecasts.