

Adyen brings in Block's Cash App Pay to drive merchant loyalty

Article

The news: Payment processor and acquirer **Adyen** will let its US merchants accept online payments via **Cash App Pay**, per a press release. Adyen will roll out the payment method for brick-and-mortar stores next year. It's the first merchant services provider to offer Cash App Pay since Block made it **available** to merchants that don't use Square.

Why it's worth watching: Block is trying to build out the Cash App ecosystem beyond peer-to-peer (P2P) payments. As P2P payments volume growth slows in the coming years, Cash App Pay can help Block monetize the app. It can also help Block increase online payments revenues and compete more aggressively with **PayPal**, which has a strong checkout presence.

- **US P2P payments volume is expected to increase 38.5% year over year (YoY) in 2022 and hit \$1.091 trillion, [per](#) Insider Intelligence forecasts.** But by 2026, US P2P payments volume gains will slow to 13.4% YoY. While Cash App will still benefit from this growth, expanding beyond P2P payments will make the brand more resilient.
- Cash App's US user base will reach 47.8 million in 2022, or about **171% of the population, [according to](#)** our forecasts. By 2026, that share will swell to nearly 22%—63.1 million people. As Cash App brings in more users, Cash App Pay will likely gain more traction.
- Online checkout will remain a lucrative business for payment providers as ecommerce prevails: **US retail ecommerce sales will reach \$1.050 trillion in 2022**, surging to \$1.671 trillion by 2026, [per](#) Insider Intelligence forecasts.

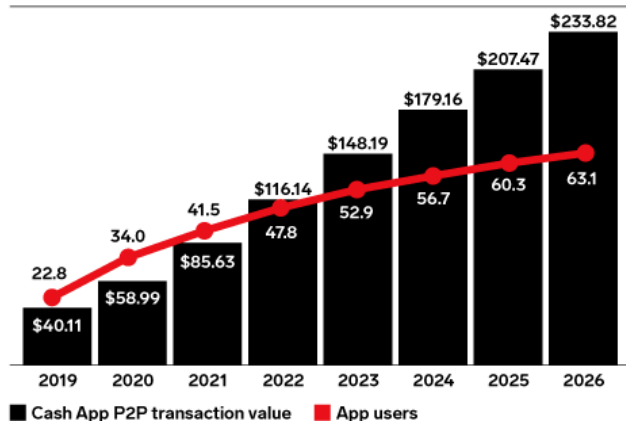
Block's opportunity: Adyen can help Block expand Cash App Pay to a broader merchant base of larger, more established retailers. The [majority of Adyen's business](#) comes from enterprise customers like **Shein** and **Dick's Sporting Goods**. Integrating Cash App Pay into these retailers' checkouts can help make the payment method more popular, fueling volume.

Adyen's benefit: Cash App Pay can help Adyen tighten merchant loyalty. Merchants may be interested in Cash App Pay because it's likely to appeal to younger shoppers—Cash App users tend to skew [younger](#). This digital-native demographic can help bolster merchants' online sales.

Related content: Check out our [Era of Uncertainty: Merchant Services Providers](#) report to learn about what providers like Block can do to sustain business as economic headwinds pick up.

US Cash App Peer-to-Peer (P2P) Transaction Value and Users, 2019-2026

billions and millions of users



Note: a mobile P2P payment is a transfer of funds from one individual to another individual using a mobile phone; includes transactions made on the Cash app and mobile browser; excludes transfers on tablets; excludes P2P cross-border transactions, P2B transactions, B2B transactions, and B2C transactions

Source: Insider Intelligence, March 2022

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