

Google snags former PayPal exec to sharpen payments strategy and widen financial scope

Article

The news: Google hired former PayPal executive Arnold Goldberg to head its payments division. The division was previously led by Caesar Sengupta until his departure from Google

last spring, per Bloomberg.

The new hire is part of the tech giant's aim to broaden its financial services, including exploring cryptocurrencies, Google's head of commerce, Bill Ready, told Bloomberg. That includes making Google Pay a more "comprehensive digital wallet" that supports things like airline tickets and vaccine passports.

Key context: Last year, Google faced [internal challenges](#) within its payments division.

- Roughly 40 employees (including team higher-ups) reportedly left the company following an organizational restructuring that occurred after Sengupta's departure.
- At the time, former employees reportedly expressed frustration over the lack of progress on the payments app and on key projects like Plex—Google's bank account offering that has since been [scrapped](#).

Despite the purported turnover, Ready said its payments division is "growing in a very healthy way." And bringing in Goldberg—who helped lead PayPal's product development—could help hone in on the company's new growth strategy.

Google's opportunity: Widening its wallet's scope and adding innovative features like cryptos could help Google capitalize on its strengths.

Expanding wallet capabilities can open new revenue-generating opportunities.

- Letting users store things like tickets and other digital documents broadens Google Pay's use cases, which could help bring more customers to the app. **Last year, Google Pay had an estimated 25 million users in the US, per** Insider Intelligence forecasts.
- While the storage component itself likely won't generate revenue for Google, users may start using the wallet for payments too, which would boost volume. This is a tactic **Apple Pay employed** last year.

Google's vast reach could set it up for success in financial services.

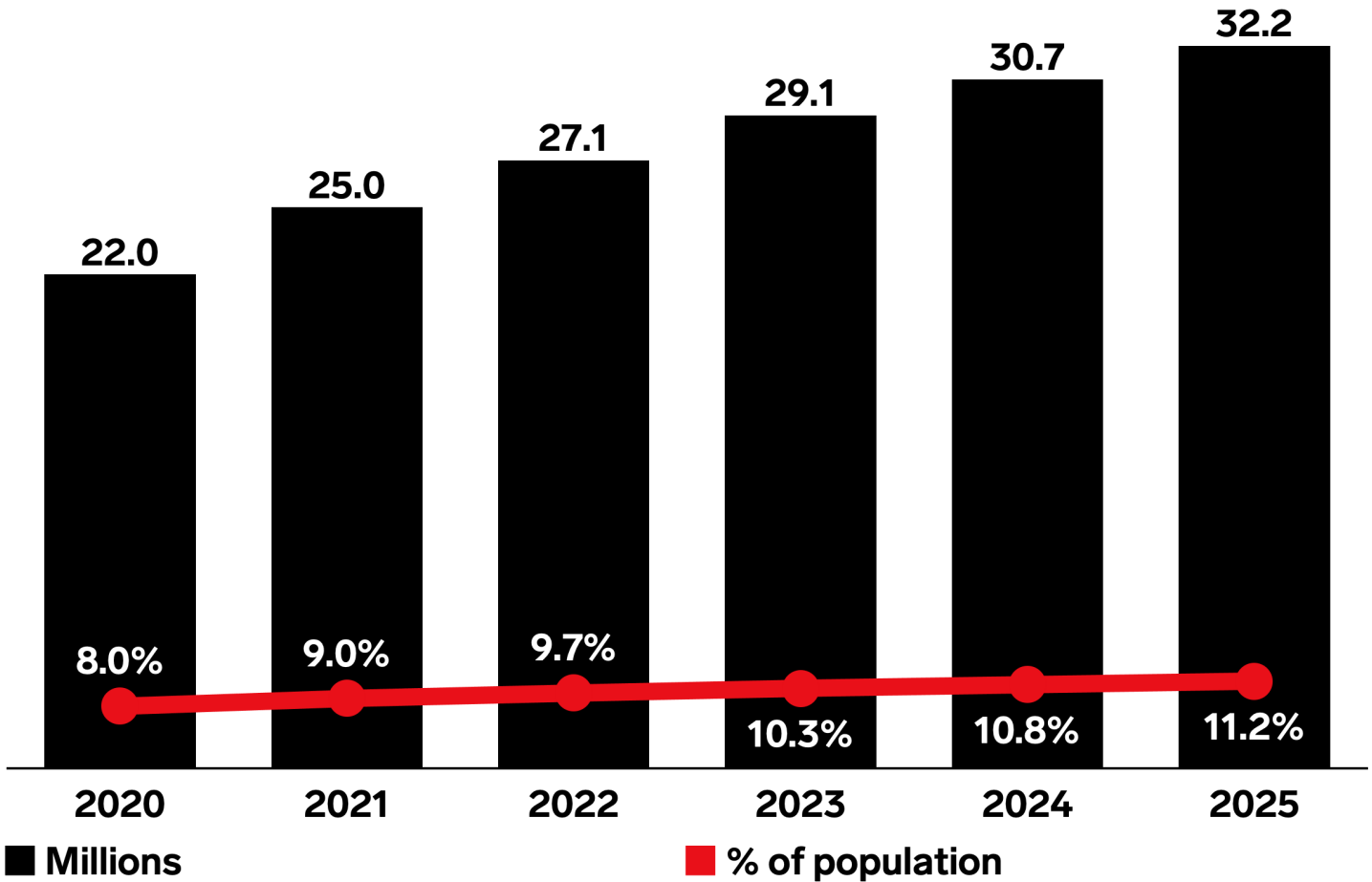
- While Google's foray into banking may not have panned out how it had hoped, the tech giant is still in a good position to broaden its financial horizons. The company's overall user reach and its technical expertise put it in a good position to develop other financial tools—which it's already [doing](#) within the payments app.

- But the tech giant could go further. For instance, it could develop its own crypto exchange, which would feed the [demand](#) for digital currencies. That could also be tied into the wallet—and could lead to support making purchases with cryptos. Conversely, Google could also work with existing exchanges to tie crypto purchasing to its platforms.

Related content: Check out our [“US Mobile Payments Forecast 2021”](#) to gain insights on the state of the mobile payments space and see how Google Pay stacks up against competitors.

Google 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 Google 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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