

PayPal deepens US in-store push with new Zettle device

Article

The news: PayPal rolled out the PayPal Zettle Terminal in the US after an EU launch last year, per a press release. PayPal [already offers](#) Zettle's card reader solution in the US.

Terminal is an all-in-one point-of-sale (POS) solution for small and medium-sized businesses (SMBs).

- It lets SMBs track stock levels and manage sales, reporting, and payments all in one place.
- The device's mobility—from its handheld design to its ability to accept payments via a cellular connection—sets it up to attract small and micro-businesses, especially those like vendors at a farmers market without permanent storefronts.

The opportunity: Amid a fintech downturn and other market turmoil, PayPal is focused on recentering the company back to its core business. Its three-pronged growth strategy targets its digital wallet, Braintree, and checkout, which bringing Terminal to the US can support.

PayPal has yet to fully penetrate in-store checkout. Despite its **in-store transaction value topping \$20 billion** in 2020, this was a mere 2.1% of its total volume. And while digitization has been key to PayPal's success, **in-store commerce will still compose 85% of total US retail sales** in 2022, making it a key vehicle for PayPal's growth. Launching Terminal in the US will help it capture more of these in-store sales and get the extra fees associated with card transactions.

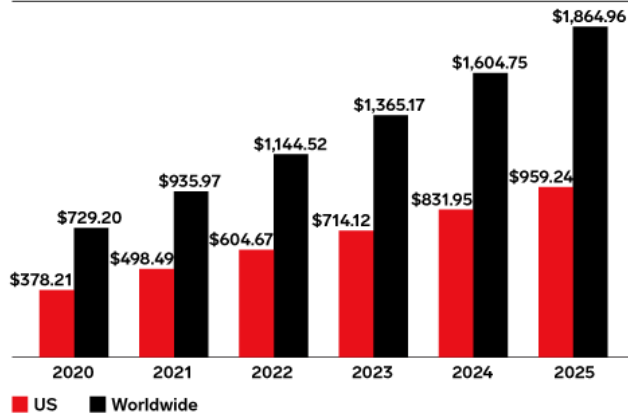
Competitive standing: PayPal is entering a highly competitive POS market. It will have to contend with giants like **Block's Square** and **Fiserv's Clover**. That will make it harder for PayPal to capture market share, complicating Zettle's success.

But Terminal's place in the broader PayPal ecosystem sets it apart from competitors.

- PayPal is working toward a unified commerce experience for merchants and consumers, which requires all transactions staying in-house.
- Zettle merchants will be able to bundle the Terminal with PayPal's other merchant solutions, bringing it closer to being a one-stop shop for small businesses.
- Merchants will also soon be able to access their Terminal sales through their PayPal accounts, with funds settling near instantly. That will tie merchants closer to PayPal's brand and provide more cross-sell opportunities for the payments giant.

PayPal Core Transaction Payment Value in the US and Worldwide, 2020-2025

billions



Note: the value of payments on PayPal, net of payment reversals, completed by users on PayPal Core accounts and those enabled by PayPal via a partner payment solution; excludes gateway-exclusive transactions, Honey, Hyperwallet, iZettle, Pay in 4, and PayPal Credit transactions, along with P2P payments via Venmo and Xoom
Source: Insider Intelligence, Dec 2021

276927

eMarketer | InsiderIntelligence.com

*This article originally appeared in **Insider Intelligence's Payments Innovation Briefing**—a daily recap of top stories reshaping the payments industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

- Are you a client? [Click here to subscribe.](#)
- Want to learn more about how you can benefit from our expert analysis? [Click here.](#)