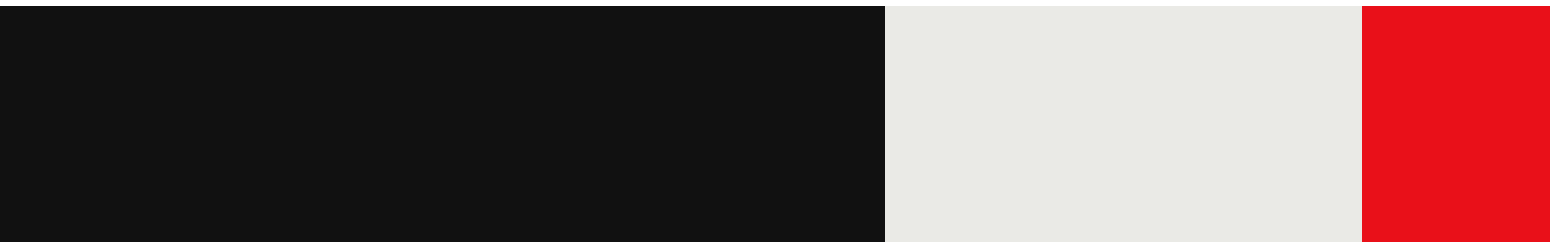



PayPal unveils new advertising platform

Article



The news: Payments giant **PayPal** formally rolled out **PayPal Ads**, its business set to debut during the upcoming holiday shopping season, at **Advertising Week New York**. The move marks PayPal's entry into the competitive digital advertising space, harnessing its vast user base and transaction data.

- The key selling point, of course, is access to 400 million PayPal users, 90 million **Venmo** accounts, and millions of **Honey** users—combined with data from 225 billion transactions across millions of merchants.

- PayPal is touting the ability to reach consumers throughout the entire shopping journey, along with its closed-loop attribution for advertisers, as factors that will drive success.
- **Mark Grether**, who leads the initiative, emphasized the platform's unique advantage in accessing transaction data, which can enable “a holistic view on market share.” This capability allows brands to track their performance across multiple merchants, offering a comprehensive understanding of consumer behavior.

PayPal Ads will provide advertisers with cross-merchant insights, market share analysis, and optimization opportunities across multiple touchpoints.

Zooming out: PayPal Ads is also part of a [larger trend in financial services](#), with players like **Klarna**, **Revolut**, and **Chase** launching financial media networks (FMNs). FIs see advertising as a way to diversify revenue streams as traditional profit margins come under pressure.

This launch is also part of PayPal’s “[transition year](#),” focused on driving profitable growth. By leaning into data monetization, PayPal looks to boost revenues and reach its profitability goals. From 2024 to 2026, **FMN ad spend will explode at a [107.0% compound annual growth rate to hit \\$1.50 billion](#)**, per our forecast.

Overheard at #AWNY: Still, PayPal's ad debut could raise user experience concerns. On a panel discussing the initiative, **Joanna O'Connell**, chief intelligence officer at **OMG**, cautioned that users in PayPal’s ecosystem haven’t encountered ads before, so the introduction will represent “a big change.”

However, it also presents opportunities for innovative ad formats. **JiYoung Kim**, COO of **Group M**, stated: “I don't think the definition of an ad experience has to be what we are already familiar with.”

Our take: The success of PayPal Ads could leave an imprint on the digital advertising landscape, particularly for small and medium-sized businesses.

With its vast data resources and established trust in financial transactions, PayPal is uniquely positioned to offer a compelling advertising solution. However, the company must tread carefully to maintain user trust while delivering value to advertisers.

Go further: Read our [Commerce Media Explainer 2024](#).

Not All Commerce Media Networks Are Created Equal

key differences in commerce media networks data and audience insights

	First-party commerce data	SKU/brand level data	Cross-merchant data	Closed-loop attribution	Audience in shopping mindset
Commerce intermediaries (e.g., Instacart, Uber/Uber Eats, DoorDash)	Always available	Always available	Always available	Always available	Always available
Retail media networks (e.g., Walmart Connect, Amazon Ads)	Always available	Always available	Never available	Always available	Always available
Financial media networks (e.g., Chase Media Solutions, PayPal Media Network)	Always available	Sometimes available	Always available	Sometimes available	Sometimes available
Travel media networks (e.g., Expedia Media Solutions)	Always available	Sometimes available	Sometimes available	Sometimes available	Always available

Always available
 Sometimes available
 Never available

Source: EMARKETER, July 2024

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