

# Our 2024 prediction comes true with PayPal's latest feature launch, including AI-powered product recommendations

Article

**The news:** PayPal is piloting and bringing to market later this year six innovations that use artificial intelligence (AI), [per](#) a press release.

1. **Enhanced checkout.** PayPal upgraded its checkout experience, using AI to remove friction points like password prompts and lagging response times.
2. **Fastlane by PayPal.** This is a one-click checkout experience that merchants can offer. It will remove the need for a username or password or entering any personal information.
3. **PayPal Smart Receipts.** The receipts will let users track their purchases. Merchants can also include AI-powered personalized recommendations and rewards offers in the receipts.
4. **PayPal Advanced Offers Platform.** The platform will give merchants insights into what consumers have bought across the internet, using AI to organize and analyze the data. This will let them customize offers to better attract customers.
5. **CashPass.** The feature will give customers access to hundreds of cash-back merchant offers that will be personalized using AI. CashPass' launch partners include **Walmart, eBay, Ticketmaster, and Uber.**
6. **Upgraded Venmo Business profiles.** The change will help small businesses improve their discovery by adding subscribe options, profile rankings, and the ability to offer promotions in their profiles. This could help consumers find local small businesses endorsed by their networks.

**Why it matters:** PayPal is on a journey to reinvigorate slower-than-anticipated growth.

- At the start of FY 2023, it began “[a multiyear efficiency journey,](#)” which included layoffs and restructuring to focus resources on high-potential growth initiatives like **buy now, pay later (BNPL)** and **Braintree**.
- One of these high-growth opportunities was investing in AI, which led to the announcement of these innovations.
- The company is hoping the updates will boost its ecosystem sales by making the checkout process more seamless for consumers and enabling merchants to offer more personalized

offers to attract buyers.

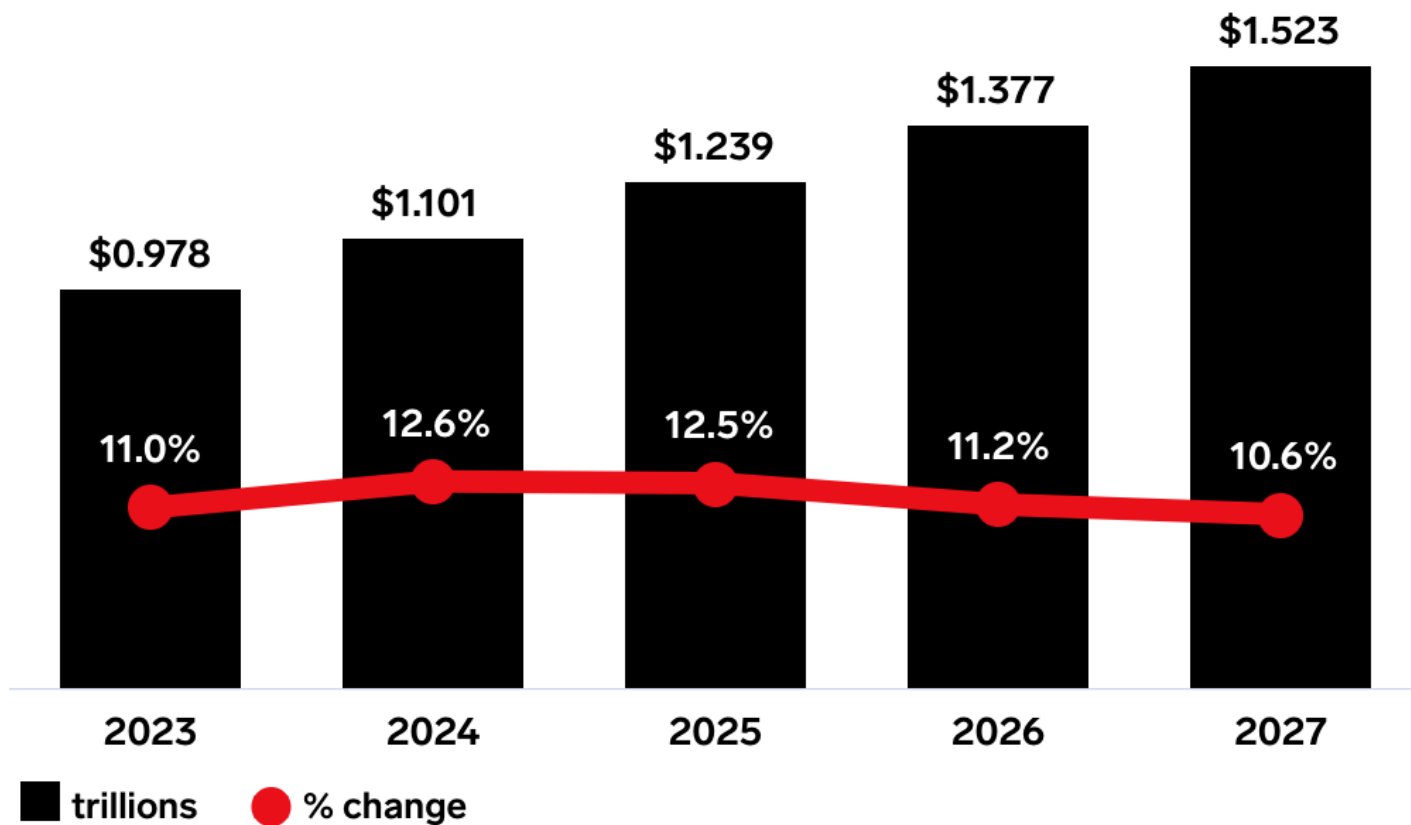
**The bigger picture:** PayPal's innovations help fulfill our predictions for digital wallets in 2024, but they may not be enough in this fast-moving industry.

- As part of our 2024 payment predictions, we expected a major wallet would introduce AI-driven predictive product recommendations to drive purchase conversion. Less than a month in, PayPal is fulfilling this idea.
- Digital wallets are leaning into feature innovation to become everyday commerce enablers. Features we expect more of in 2024 include commerce management tools like PayPal's Smart Receipts and passwordless checkout.
- But the industry is moving fast, and by the end of 2024, we expect most of these features to be commonplace in all digital wallets. PayPal and other wallets will need to lean further into innovation to really differentiate themselves from competitors.

***Dig deeper:*** For more on our predictions for the year, check out the report [Payments Trends to Watch in 2024](#).

# PayPal Transaction Payment Value

US, 2023-2027



Note: the value of payments on PayPal's platforms and those enabled by PayPal via a partner payment solution; net value after payment reversals; completed by users on all PayPal accounts

Source: Insider Intelligence | eMarketer, July 2023

Insider Intelligence | eMarketer

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

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