

Japan's Paidy launches mobile wallet integration feature with PayPal as first partner

Article

Japan-based buy now, pay later (BNPL) firm Paidy [launched](#) Paidy Link, an app feature that lets customers connect mobile wallets to their Paidy accounts. Paidy enables customers to

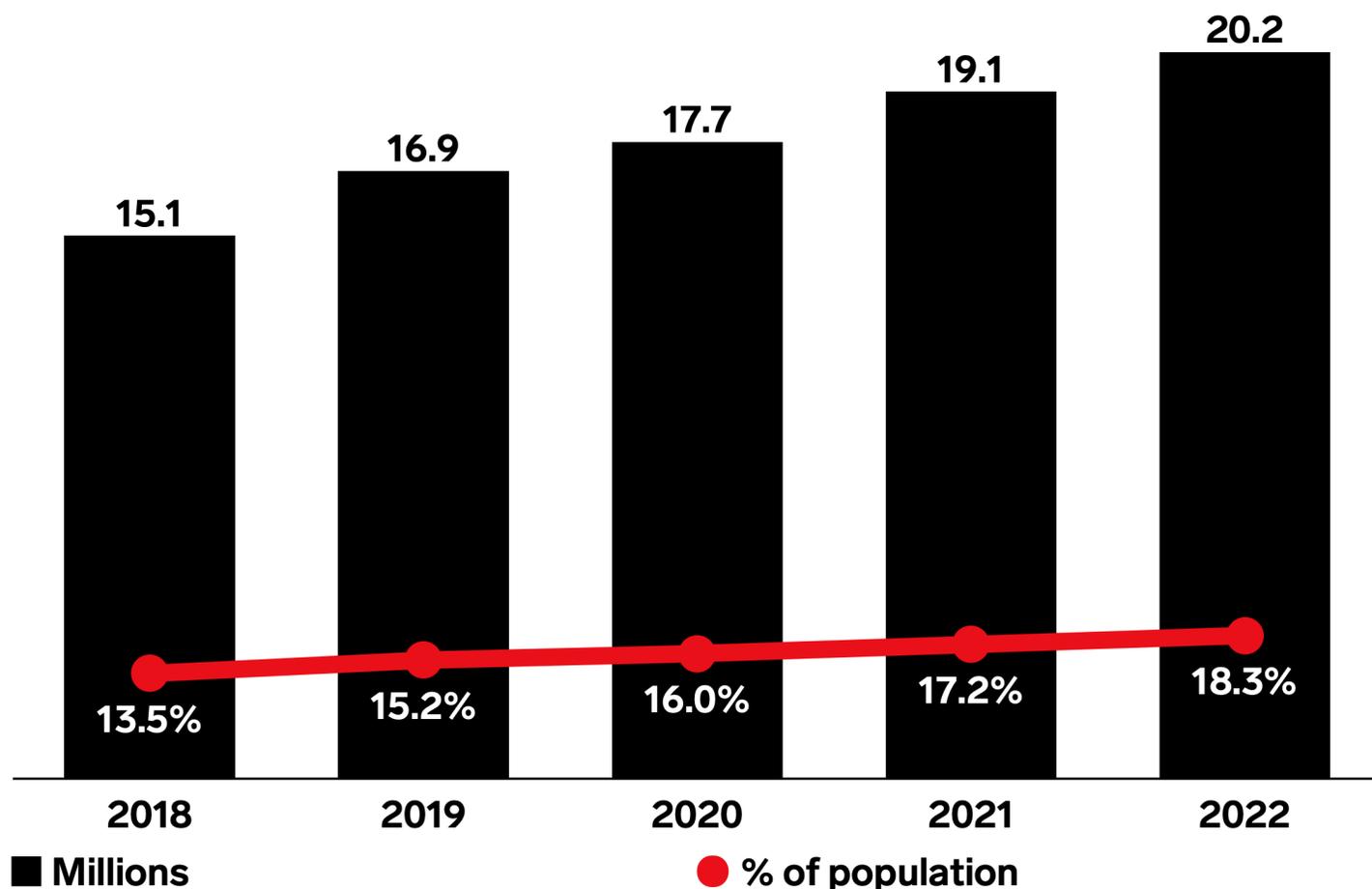
split purchases at participating merchants into as many as 36 monthly installments and also offers **3-Pay**, a new payment solution that lets customers pay for purchases in three interest-free monthly installments. PayPal is the first Paidy Link partner, which lets customers shop at PayPal's global merchants via Paidy's app and pay for purchases in monthly installments. Paidy says the integration will roll out to other mobile wallet providers in the future.

The tie-up follows Paidy's multimillion-dollar funding rounds as Japanese consumers lean further into credit card alternatives. The firm recently raised **\$120 million** in Series D funding after a \$48 million round last **April**. According to its latest figures, Paidy works with more than 700,000 merchants and has over 5 million customers, **covering** about **4%** of Japan's population. As in most global markets, the pandemic **lifted** Japan's ecommerce sector and could have made consumers more interested in flexible payment solutions, which likely boosted Paidy's business—especially because weak credit card **adoption** among Japanese consumers may have pushed them to alternatives.

Integrating with mobile wallets like PayPal can help make Paidy's service more appealing to customers, especially as Japanese consumers develop an appetite for cross-border ecommerce. The feature helps expand Paidy's existing merchant base by letting customers use the service at merchants that may not take Paidy but do accept partner wallets. For example, the PayPal partnership will now let Paidy customers shop at PayPal's 29 million global merchants at a time when Japanese cross-border ecommerce is on the rise: In 2021, Japan's share of cross-border ecommerce buyers are expected to grow 8% annually to reach 19.1 million—a jump from last year's 5% increase, **per** eMarketer forecasts from Insider Intelligence. For PayPal, the tie-up will give its merchants direct access to Paidy's customer base, which could help it drive more volume in Japan, where it has **struggled** to retain customers.

Cross-Border Retail Ecommerce Buyers

Japan, 2018–2022



Note: Internet users 14+ who have purchased goods online from a seller in a foreign country, either directly or through an intermediary (i.e., marketplaces), at least once during the calendar year via any digital channel and device; excludes travel and event ticket sales, digital downloads, subscriptions, and other services. Includes only consumer-aware cross border purchases with a seller in a foreign country; includes only purchases where customs are cleared after the order has been placed.

Source: eMarketer, December 2020

Methodology: Estimates are based on the analysis of survey and traffic data from other research firms, historical consumer adoption trends, company releases and demographic adoption trends.

1039970854753

eMarketer | InsiderIntelligence.com