

A look back at PayPal in 2021—and a prediction we got right

Article

Our prediction for 2021: Last year, we [predicted](#) PayPal would ramp up its acquisition spree by making a number of multibillion-dollar purchases in key categories like cryptocurrencies; buy now, pay later (BNPL); online checkout; and in-store payments.

Were we right? True to our prediction—discounting deal size, since most were undisclosed—the payments titan made four major acquisitions in 2021, most of which fell within previously

highlighted categories.

- In March, PayPal **announced** that it would acquire crypto transfer and storage startup **Curv** several months after enabling crypto buying and selling on its platform. Since the acquisition, PayPal has doubled down on digital currencies by launching **Checkout with Crypto**, **Cash Back to Crypto** for Venmo credit cardholders, and a crypto **price alert** feature.
- In May, PayPal **purchased Chargehound**, a company that helps merchants automate chargeback recovery. The acquisition may have been a way for PayPal to tighten relationships with retail partners—chargebacks are a major **issue** for merchants.
- Later that month, PayPal **snagged Happy Returns**, which works with online merchants so customers can return unwanted merchandise at **more than 2,600 drop-off locations** throughout the US. This solution can help PayPal strengthen merchant relationships and also supports its super app, which includes a dedicated shopping hub.
- PayPal acquired Japan-based BNPL provider **Paidy** for an estimated **\$2.7 billion**. Paidy offers products like a short-term installment plan and Paidy Link, which lets customers connect their mobile wallets to their Paidy accounts—PayPal was the first wallet to integrate the solution. The **acquisition** supported PayPal's global BNPL expansion: In March, the firm announced it'd roll out its BNPL program in Australia after expanding into the UK in late 2020.

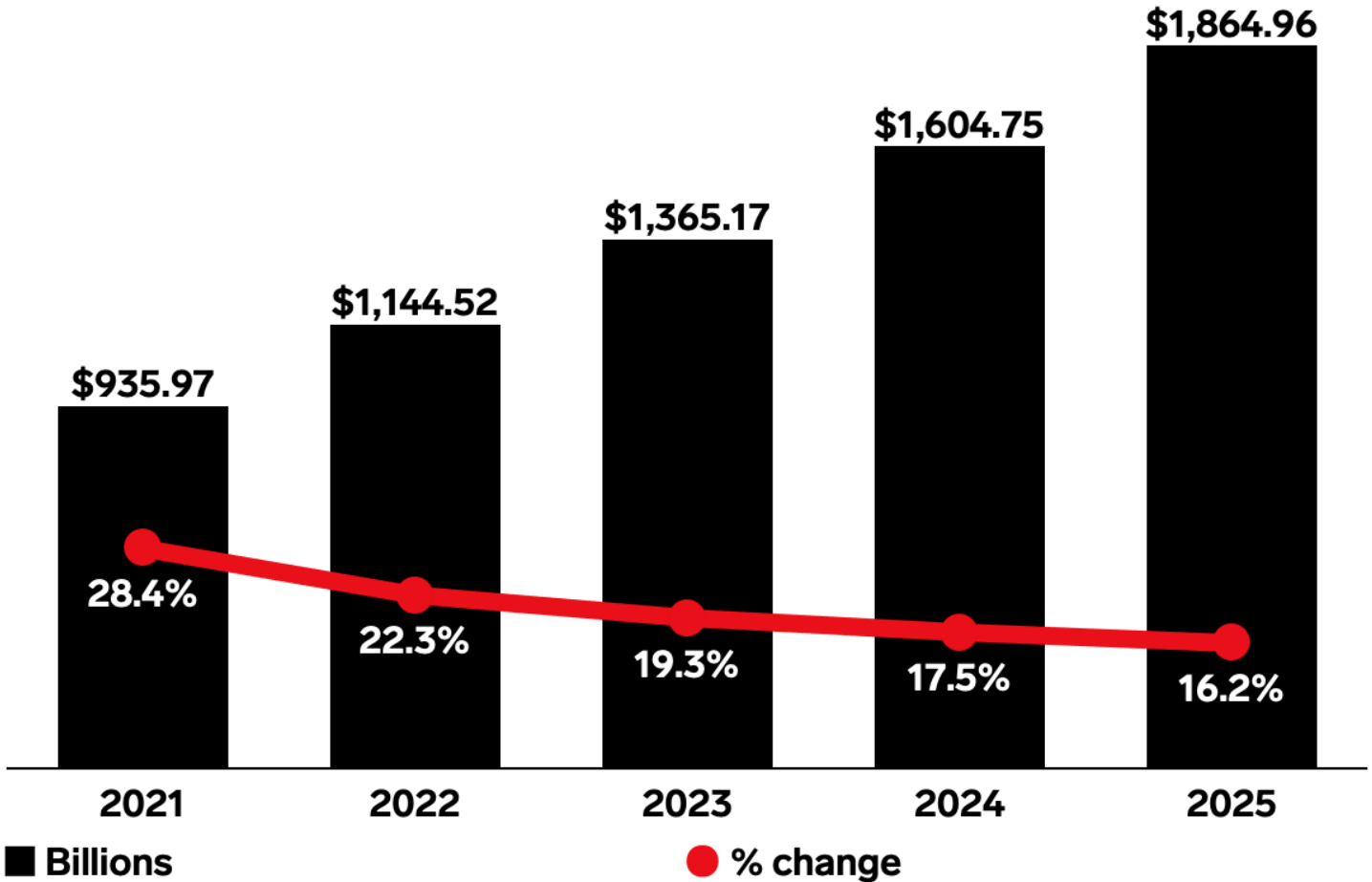
The bigger picture: PayPal also forged several deals to help boost core transaction volume, which is **expected to hit \$1.144 trillion globally** in 2022, **per** Insider Intelligence forecasts.

- In March, it **partnered** with digital payments firm **Flutterwave** to expand cross-border payment capabilities in Africa.
- In May, crypto exchange **Coinbase** **tapped** PayPal to give customers the option to purchase cryptos with PayPal's mobile wallet.
- **Honey**, PayPal's digital promotions platform, **introduced** cash back through PayPal in October.
- And in November, the payments titan **signed** a deal with **Amazon** to make Venmo a checkout option on Amazon.com and the e-tailer's mobile app starting in 2022.

And aside from major deals, PayPal has focused on its **super app** and may continue to as it looks to position itself as a one-stop shop for all consumer payment and retail needs.

PayPal Core Transaction Payment Value

Worldwide, 2021-2025



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: eMarketer, December 2021

Methodology: Estimates are based on the analysis of survey and traffic data from research firms, historical consumer adoption and buying trends, payment adoption trends, retail spending trends, reported company data, interviews, demographic and socioeconomic factors, and macro-economic conditions.

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