

# Zettle's US debut gets PayPal deeper into in-store payments

Article

**The news:** PayPal [launched](#) Zettle, its small-business-centric point-of-sale (POS) solution, in the US. PayPal [acquired](#) Zettle (previously known as iZettle) in 2018 for a massive **\$2.2 billion**. At the time, the Sweden-based startup had **500,000** merchants and operated in 12 countries throughout Latin America and Europe, where much of its business still exists today.

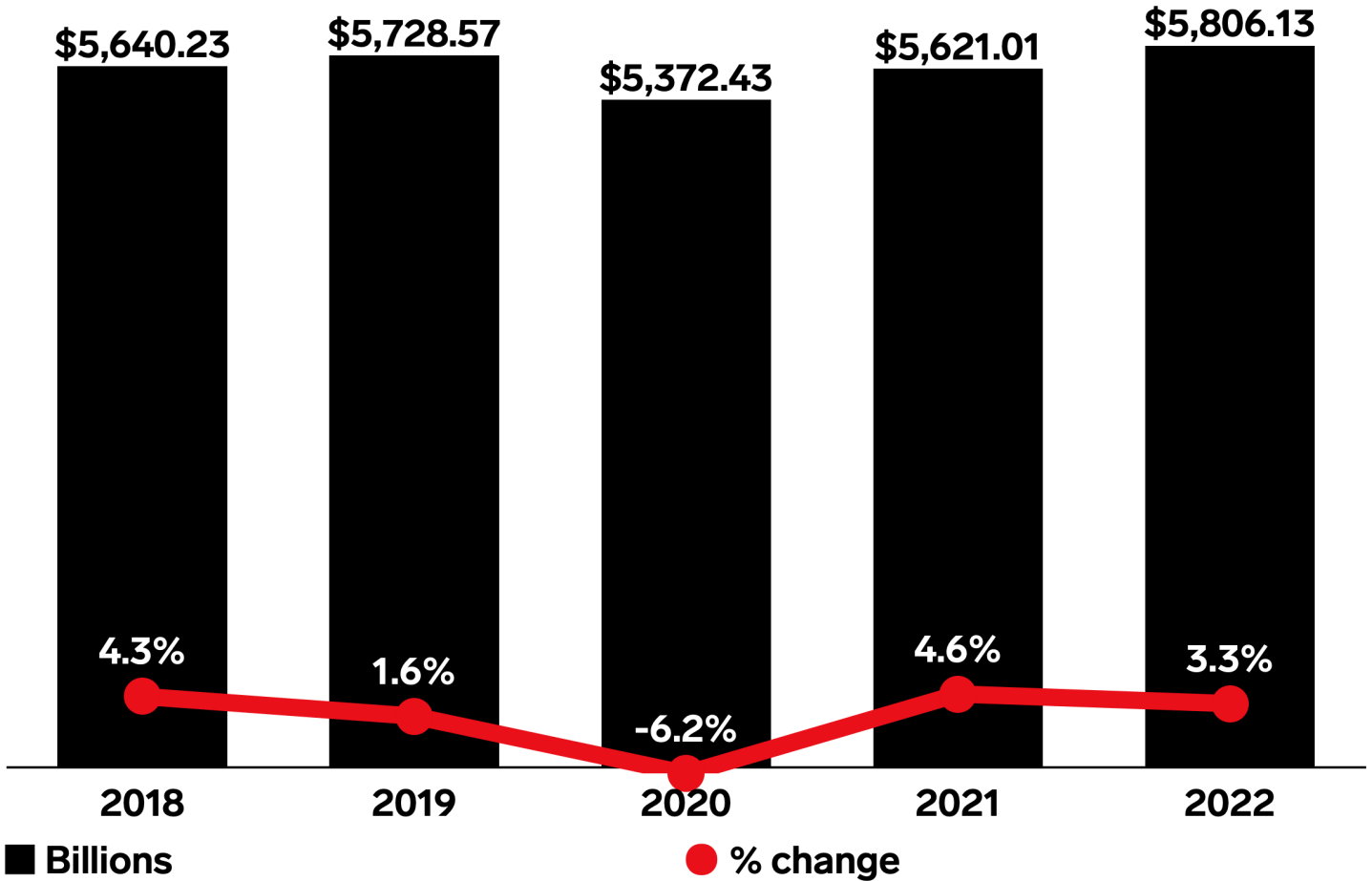
**What this means:** Zettle's US launch pushes PayPal further into lucrative spaces.

- **It's another opportunity to court small business sellers.** In 2019, there were roughly **30.7 million** small businesses [in the US](#), making up **99.9%** of all US businesses—a massive market that PayPal hopes to push further into. Although it's already [involved](#) in the space, it can use Zettle's tech—like its [card reader](#) machine—to push further into the market now that many small businesses are looking to [upgrade](#) their POS with digital payment solutions. Pressing into the small-business space can help sustain PayPal's revenue growth, which in Q1 [hit 29%](#) annually on a constant currency basis.
- **PayPal wants to move further into in-store payments.** PayPal likely sees a growth opportunity in the in-store payments market, especially now that US consumers are [heading back](#) to physical stores as pandemic conditions improve: US in-store payments are projected to resume positive growth this year and hit a market value of **\$5.621 trillion**, [according to](#) Insider Intelligence forecasts. Zettle's POS payments hardware can help build out PayPal's existing in-store capabilities—like its QR code payments [tech](#)—to give small businesses more robust transaction solutions.

**Stiff competition:** PayPal needs Zettle to stand out from other in-store payment solutions. **Square, Fiserv's Clover, and Stripe** all have similar in-store and small-business payment capabilities, which may complicate Zettle's success. But Zettle has PayPal's backing—along with its various business tools and integrations—so businesses might be more likely to opt for it instead: They'd be able to bundle Zettle's POS solutions with PayPal's existing merchant solutions, which are interoperable—making PayPal a [one-stop shop](#) for all their business needs.

**The bigger picture:** Zettle's US launch comes as PayPal works aggressively to expand: The company has entered new sectors like [cryptocurrencies](#) and [buy now, pay later](#) and has also built out existing solutions in the [payment](#) and [retail](#) spaces. The Zettle launch could further these ambitions and help it get even closer to super-app status—something PayPal CEO Dan Schulman [envisions](#) for the firm.

# In-Store Retail & Food Services Transaction Value US, 2018–2022



*Note: Point-of-sale (POS) transactions made in-store; includes food services and drinking places sales; includes sales taxes; excludes products or services ordered using the internet; excludes travel and event tickets, payments (such as bill pay or money transfers), mail orders, and gambling and other vice good sales. eMarketer benchmarks its retail sales figures against US Department of Commerce data, for which the last full year measured was 2019.*

*Source: eMarketer, December 2020*

*Methodology: Estimates are based on the analysis of data from the US Department of Commerce and the Federal Reserve, estimates from other research firms, reported company revenues, historical trends, consumer buying trends, and macro-level economic conditions.*

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