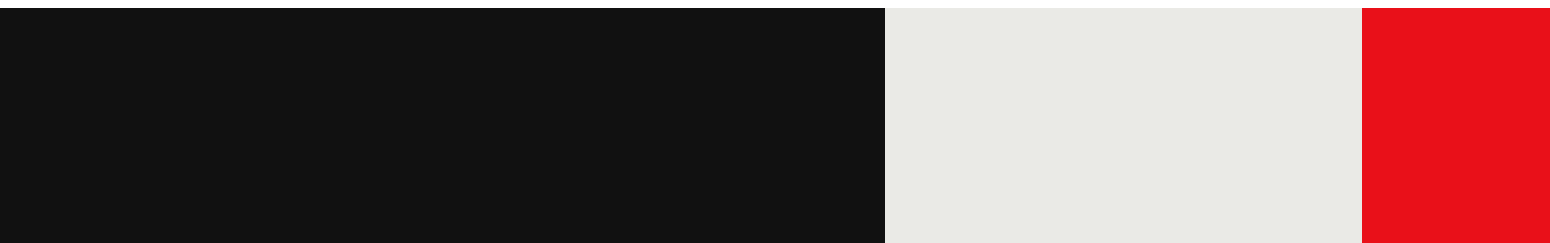


Block extends Cash App's reach outside Square ecosystem

Article



The news: Cash App users can now make online payments via [Cash App Pay](#) to merchants that don't use Square, per TechCrunch.

- The **Block-owned app** partnered with major retail brands like **American Eagle** and **JD Sports** for the launch, and it expects other merchants to join in the coming months.
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- Users can get discounts and promotions from these merchants when they shop on Cash App's Discover tab, or they can check out with a dedicated Cash App button on merchants' websites.

Why it's worth watching: The rollout further broadens Cash App's use cases beyond peer-to-peer (P2P) payments and can help monetize the platform.

- Starting out with P2P payments let Cash App build a large user base. **The number of US Cash App users is expected to hit 47.8 million this year, [according to](#)** Insider Intelligence forecasts.
- And now Cash App wants to monetize these users by letting them transact outside of its Square ecosystem—bolstering Block's gross payment volume, which increased 23% year over year (YoY) in Q2.
- It can also help Cash App capture more ecommerce volume. **US retail ecommerce sales are expected to reach \$1.050 trillion in 2022, [per](#)** eMarketer forecasts from Insider Intelligence.

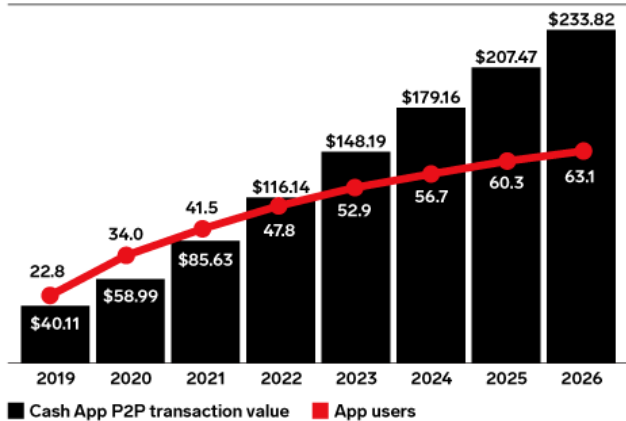
Block invested heavily in Bitcoin features in recent years to engage and monetize Cash App users. But a long, deep crypto winter may have pushed Block to explore other growth avenues: **Block's Q2 Bitcoin revenues [sank 34%](#) YoY.**

The opportunity: Enabling Cash Pay for third-party retailers can help Block compete more aggressively with **PayPal**, whose **Venmo** already lets users make payments on websites like **Amazon** and **Adidas**. Offering the same capabilities erodes some of the competitive advantages Venmo had against Cash App.

PayPal and Block are no strangers to competitive one-upmanship. For instance, Block announced its **Afterpay [acquisition](#)** roughly a year after PayPal introduced its first buy now, pay later (BNPL) product, Pay in 4. And PayPal has [scaled](#) its in-store POS solutions to contend with Block's Square products.

US Cash App Peer-to-Peer (P2P) Transaction Value and Users, 2019-2026

billions and millions of users



Note: a mobile P2P payment is a transfer of funds from one individual to another individual using a mobile phone; includes transactions made on the Cash app and mobile browser; excludes transfers on tablets; excludes P2P cross-border transactions, P2B transactions, B2B transactions, and B2C transactions
Source: Insider Intelligence, March 2022

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