

PayPal achieves record volume in Q1 and reveals plans for super app

Article

PayPal's total payment volume (TPV) jumped 46% year-over-year (YoY) on a constant currency basis, reaching \$285 billion, [per](#) its Q1 earnings release. Recent results are a sharp [increase](#) from the same period last year, when TPV grew 19% YoY. The payments giant added 14.5 million net new active accounts (NNAs) in the period, bumping its total up to 392 million.

By comparison, PayPal added 20.2 million NNAs in [Q1 2020](#), 10 million of which were organic, with the remaining portion stemming from its [Honey acquisition](#).

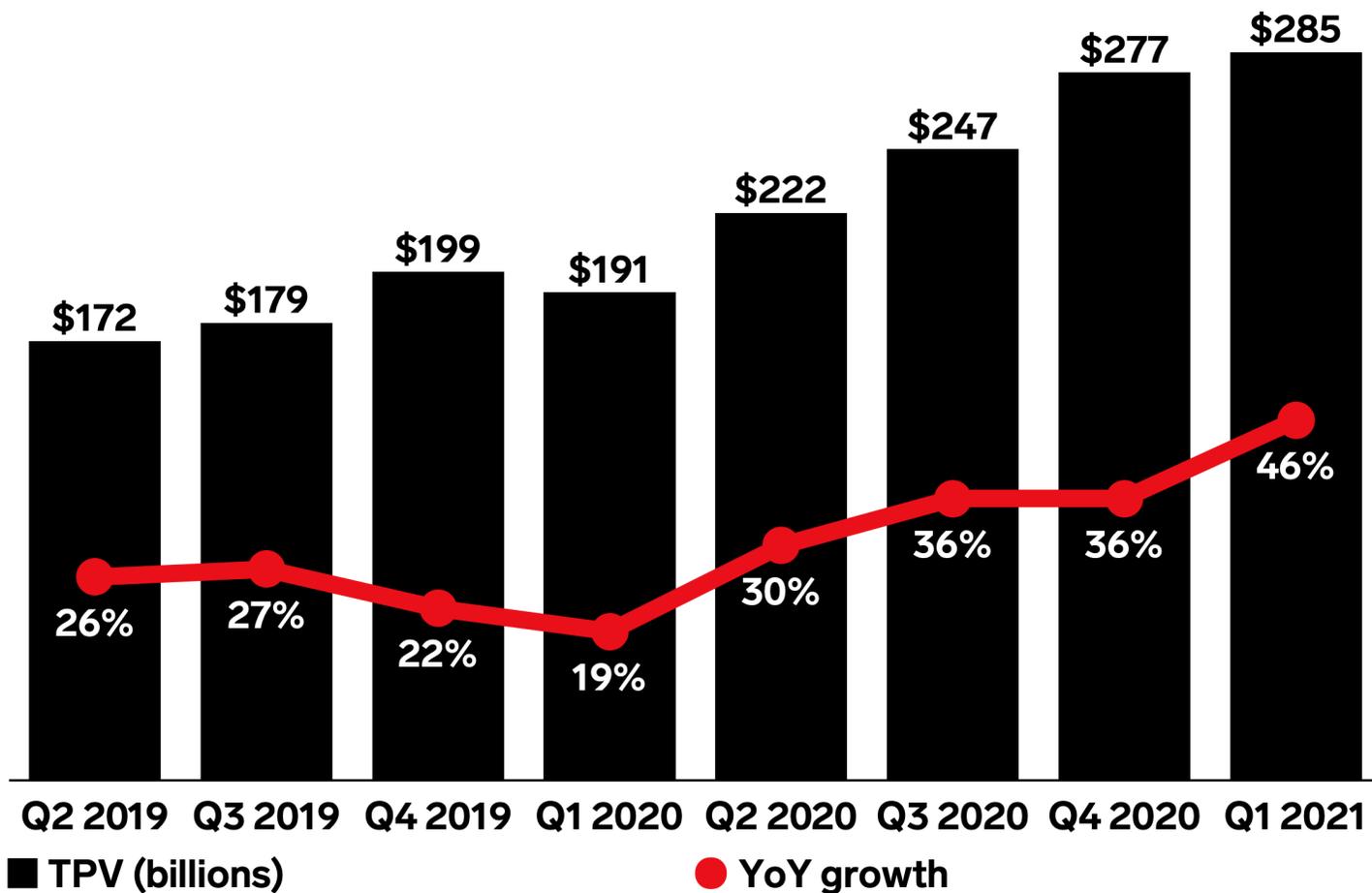
PayPal's cryptocurrency business and buy now, pay later (BNPL) solution helped it pull off record performance in Q1.

- **PayPal saw higher engagement thanks to its crypto service.** On the company's [earnings call](#), CEO Dan Schulman noted that nearly half of all crypto users opened the PayPal app every day. The service, which lets customers buy, sell, hold, and—most recently—[spend](#) cryptocurrencies in the PayPal wallet, has been a [focal point](#) for the company in the last few months. Since launching in November, PayPal's crypto trading has already [extended](#) to Venmo, and the service might expand even further—rumors recently circulated that PayPal is thinking of [developing](#) a stablecoin.
- **And its BNPL solution grew popular among merchants and customers.** Schulman revealed that since Pay in 4's [launch](#) late last August, more than 500,000 unique merchants have added its solution. Further, 50% of first-time customers used the service again within 3 months. Further, since its launch, PayPal's BNPL solution generated \$2 billion in TPV, with some of that volume contributing to Q1 growth. And with the offering reportedly set to launch in [Australia](#) in Q2 and throughout much of Europe by the end of the year, PayPal could see further growth, especially as BNPL [surges](#) in popularity.

The payments giant revealed plans to launch a super app in Q3, which has the potential to turn PayPal from a nice-to-have app to a need-to-have app. Schulman described the app as an all-in-one platform that'll provide customers with a “customized and unique shopping, financial services, and payments experience.” PayPal's ambitions sound similar to what Alibaba built with Alipay in China—but is now required to [dismantle](#). Depending on the app's specific offerings, it might have the potential to make PayPal the go-to destination for all consumer and merchant needs—which would solidify PayPal's standing in the payments market and throttle competition.

PayPal Total Payment Volume (TPV)

global



Note: growth is reported on a constant currency basis

Source: PayPal, 2021

Methodology: This data is from PayPal's Q1 earnings report released on May 5, 2021.

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