

PayPal mulls multibillion-dollar Pinterest acquisition to boost its retail standing

Article

The news: The payments giant is in talks to buy **Pinterest**, which has a market value of about **\$40 billion**, per The Wall Street Journal. Talks are still at an early stage, however, and may not

lead to a deal.

Our take: We [predicted](#) last year that **PayPal** would ramp up its buying spree in 2021 and make multibillion-dollar acquisitions. Buying Pinterest, which would be PayPal's largest acquisition to date, follows two other major purchases this year: logistics business [Happy Returns](#) in May and cryptocurrency storage and transfer service **Curv** back in March.

Why this matters: Pinterest would ramp up PayPal's commerce capabilities as it aggressively pushes into retail.

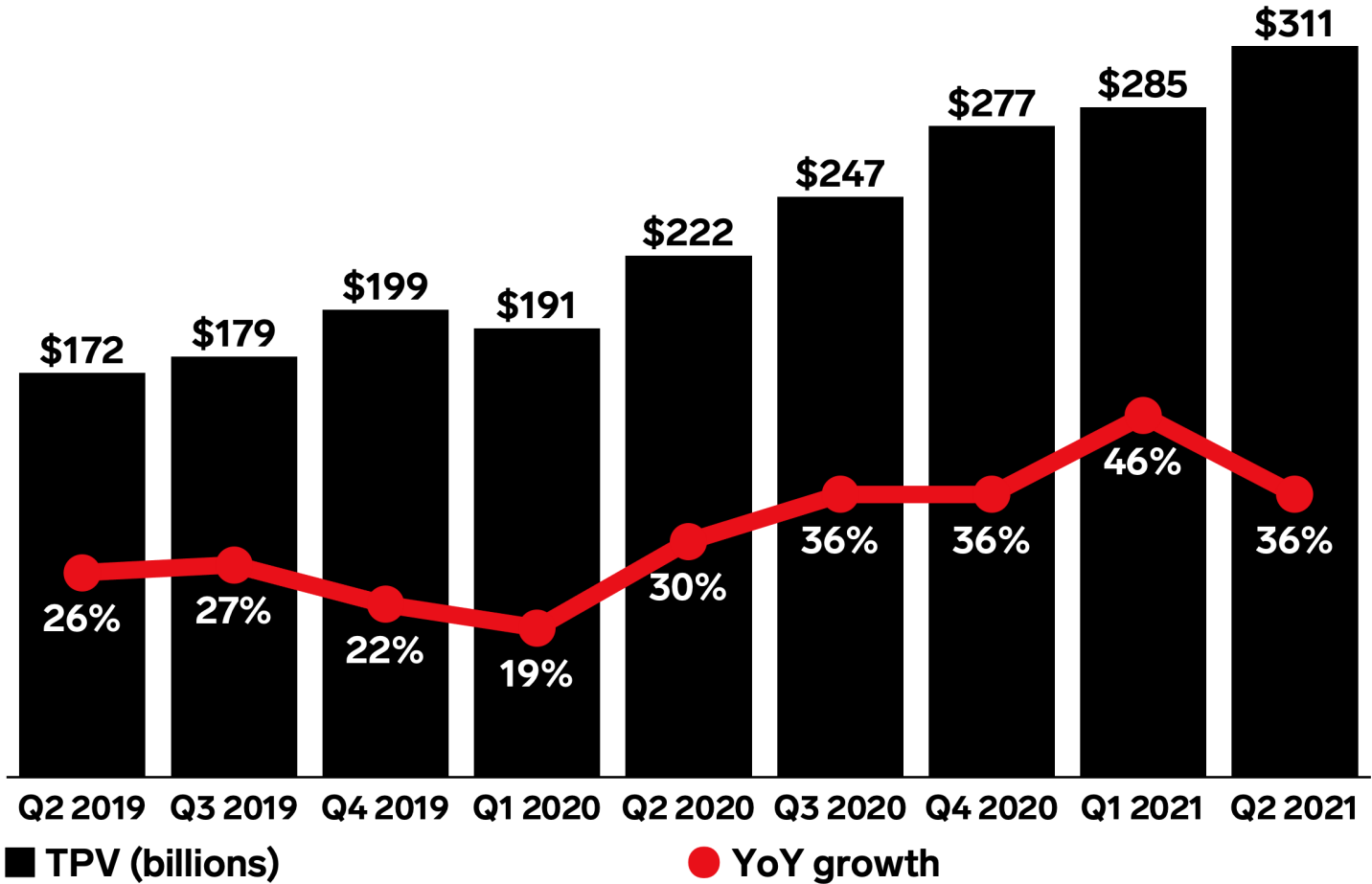
- PayPal [launched](#) its super app last month, which includes a dedicated shopping hub where customers can discover deals, make purchases, and earn rewards. PayPal also [integrated](#) its digital promotions platform **Honey** directly into PayPal by offering cash-back rewards through PayPal, and it [stepped](#) into social commerce in August through a partnership with "link in bio" social media service **Linktree**.
- PayPal could integrate Pinterest into its new super app, boosting its shopping hub and likely drawing in more users. And becoming a more attractive shopping destination sets PayPal up for additional cross-promotion opportunities, like pushing its buy now, pay later (BNPL) offering.
- PayPal could also integrate Honey directly into Pinterest, improving Pinterest's shopping solution and letting PayPal capture more sales volume as shoppers look for deals and ways to save.

Long-term impact: Pinterest is the third-largest social commerce platform in the US: 5.6% of internet users, or **13.9 million people**, will make a purchase on Pinterest in 2021, [according to](#) our forecasts. And with US retail social commerce sales **expected to hit \$36.62 billion** in 2021, Pinterest brings with it a massive volume opportunity for PayPal, allowing it to reach Pinterest users earlier in the shopping experience. If the acquisition comes to fruition, it should propel the payments giant's growth: In [Q2](#), PayPal's **total payment volume (TPV) shot up 36%** year over year (YoY), hitting \$311 billion.

Related content: *Eager to read more? Check out what our Connectivity & Tech analysts have to say about what this possible acquisition means for both PayPal and Pinterest.*

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 Q2 earnings report released on July 28, 2021

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