

Venmo pushes toward profitability with new Amazon tie-up

Article

By the numbers: PayPal reported a stellar [Q3](#) propelled by Venmo, which processed approximately \$60 billion in total payments volume (TPV)—a 36% YoY surge. Venmo is on track to bring in a record \$900 million in revenues this year and has more than 80 million users, per its earnings release.

With its earnings, the payments giant also announced a partnership with **Amazon** to add Venmo as a checkout option on Amazon.com and the retailer's mobile app starting in 2022.

How we got here: Venmo introduced a slew of updates last quarter that likely contributed to its growth.

- It **launched** a redesigned app in July with a more user-friendly layout that highlights features like the Venmo Card and crypto trading. The revamp also tackled privacy concerns by introducing new customer controls to help build trust among users.
- In August, Venmo **continued** its crypto push with Cash Back to Crypto, a feature that lets Venmo credit cardholders automatically purchase cryptos with their monthly cash-back earnings. As demand for crypto-linked cards builds, this feature can attract new users to the card.

What's next: The Venmo-Amazon tie-up is the first of its kind for the companies—**Amazon** doesn't integrate with PayPal.

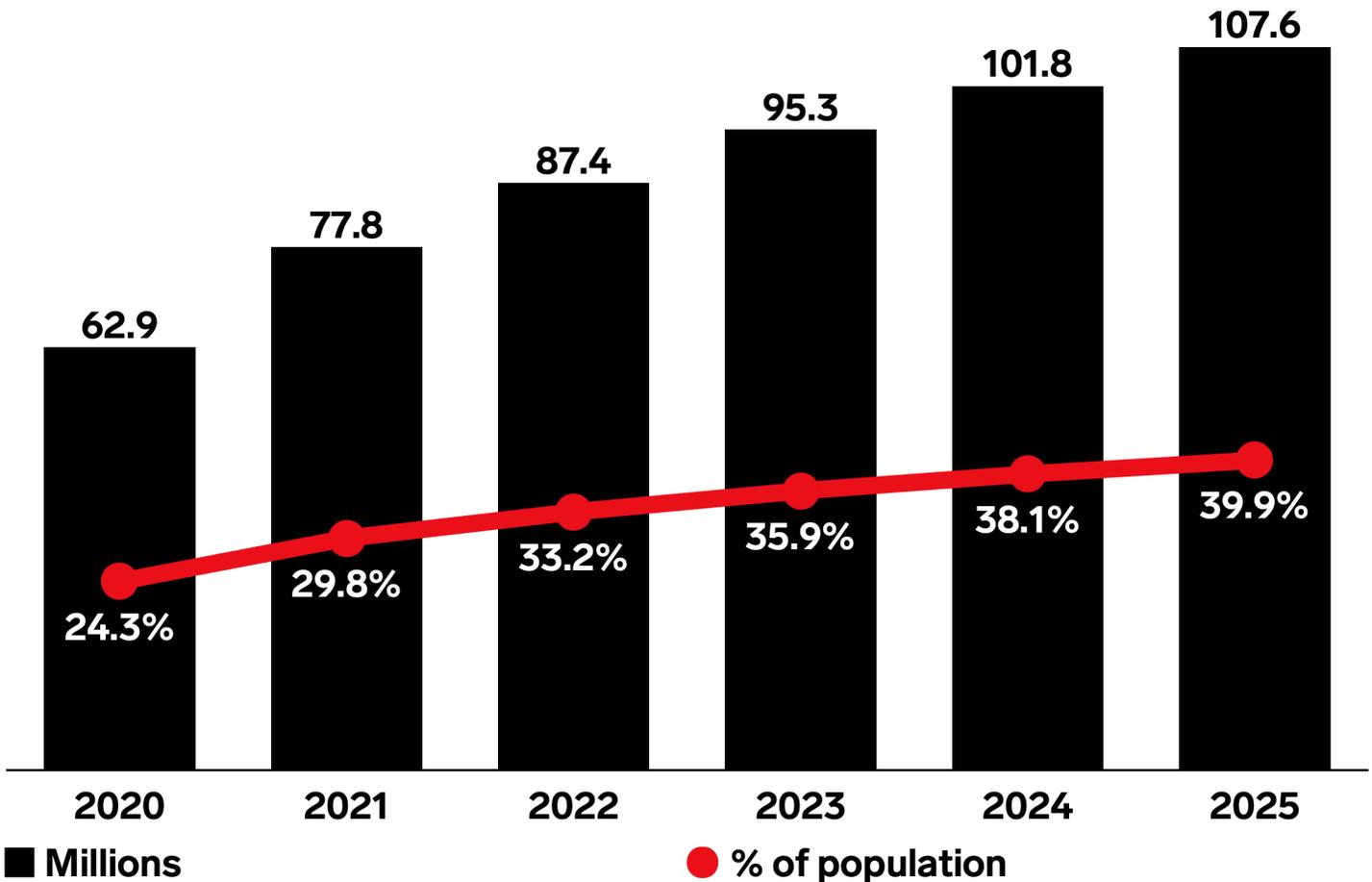
- PayPal's CEO Dan Schulman said the partnership is "just at the start of Venmo's commerce journey." Given Amazon's massive scale—**its US retail ecommerce sales are projected to hit \$376.57 billion this year, per** our forecasts—the partnership is a huge opportunity for Venmo to expand the use of its checkout functionality and grow its payments volume.
- And the tie-up may help Amazon tap into crypto. Amazon is **exploring** crypto payments but **denied** rumors that it will accept them this year. If Venmo integrates PayPal's Checkout with Crypto functionality, Amazon could use it to meet rising consumer demand for the payment method without launching a crypto service in-house.

Why this matters: PayPal is increasing Venmo's monetization to reach **profitability** in 2022, and Pay with Venmo will be a key revenue driver for the app moving forward. The Amazon partnership brings Venmo much closer to its goal, expanding its addressable market to rake in more revenues.

Related content: *To read more about the tie-up between Venmo and Amazon and what this could portend for the rest of the ecommerce world, **check out** what our eMarketer analysts have to say.*

Venmo Users and Penetration

US, 2020–2025



Note: Ages 18+; mobile phone users who have made at least one peer-to-peer (P2P) transaction through Venmo using a mobile phone in the past month. A mobile P2P payment is a transfer of funds from one individual to another individual using a mobile phone. Includes transactions made via mobile browser or applications developed by nonbank providers like Cash App (formerly Square Cash), Facebook Messenger, and Venmo and transactions made via mobile banking websites and apps developed by banks. Excludes cross-border transactions.

Source: eMarketer, March 2021

Methodology: Estimates are based on the analysis of the market presence of major mobile payment players; estimates from other research firms; and consumer smartphone, mobile payment adoption and retail spending trends.

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