

PayPal's super app dreams come to fruition, setting it up for strong cross-promotion possibilities

Article

The news: The payments giant launched a redesigned **PayPal App** with a slew of new features that it will roll out incrementally in the US over the coming weeks, per a press release. The super app will be powered by AI and machine learning to offer customized user experiences.

What's new? The overhaul coincides with the launch of new services to make the app an all-in-one financial and shopping solution.

- PayPal partnered with **Synchrony Bank** to introduce **PayPal Savings**, a high-yield savings account that will be available in a few months. Customers will be able to transfer money between PayPal Savings and their PayPal balances to use for purchases.
- The app will also support **Direct Deposit**, which will let customers add all or a portion of their paychecks to their PayPal accounts, and will have enhanced **Bill Pay** functionality so users can track, view, and pay their bills.
- The PayPal App includes a new **Shopping** hub where customers can discover deals, make purchases, and earn rewards. PayPal will integrate **Honey's** offerings—the digital promotions platform it acquired in 2019—into the service.
- PayPal also integrated its crowdsourced fundraising platform, the **Generosity Network**, directly into the app.

What's next? PayPal plans to add new features to the app in the coming quarters, including previously [rumored](#) investment capabilities. It also plans to enable offline QR code payments and improve other in-store payment capabilities.

What this means: PayPal announced its [super app](#) plans in its Q1 earnings call—CEO Dan Schulman said the company wanted to provide customers with a “customized and unique shopping, financial services, and payments experience.”

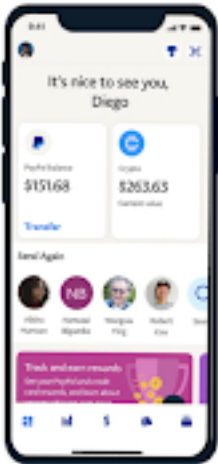
And this all-in-one solution could yield substantial cross-promotion opportunities:

- The app will centralize features that PayPal is trying to emphasize, like buy now, pay later (BNPL) and crypto offerings, which should improve user discovery.
- And the additions may encourage users to spend more time on the app, like offering crypto did: Schulman [said](#) in August that users tended to log into the platform twice as often after buying cryptos. This can lead to a more loyal user base and increase payment volume moving through the app.

The new features also help sharpen PayPal’s competitive edge against **Square**, which has been inching into its territory with its **BNPL** push and **Cash App Pay** rollout. As the rivalry heats up, PayPal’s app revamp can help it maintain growth and drive payments volume: In **Q2**, **PayPal’s total payment volume (TPV) shot up 36% year over year (YoY), hitting \$311 billion**—up from the same period last year, when the metric grew 30% YoY.

PayPal Overhauls App

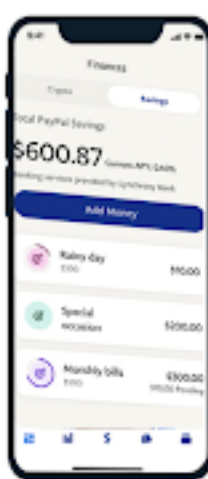
Customers can navigate the new features through a personalized dashboard.



PayPal’s Shopping hub integrates Honey and features deals and a rewards program.



PayPal Savings offers customers an in-app high-yield savings account.



Source: PayPal, 2021