



# 2017 P2P Market Sizing: Moving Into High Gear

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The person-to-person payment (commonly referred to as P2P) market has experienced dramatic change in the past few years, and 2017 has been no different. Further change is expected for the foreseeable future as more banks enter the market, new services become available and more consumers adopt P2P payments for a variety of reasons. Since Zelle (by Early Warning Services) was announced in October 2016, there has been massive financial services industry support for the bank-offered P2P network. In the past 12 months since the announcement, a number of large banks, including Bank of America, Wells Fargo, and U.S. Bank have launched their P2P offerings within their mobile and online banking platforms. Venmo has introduced a debit card tied to its P2P wallet and launched the ability for the mobile app to be used at more than 2 million retailers. As the market continues to evolve to meet growing consumer demand, more change has been expected that should benefit the millions of consumers who already use P2P payments. This report covers how the P2P payment market is evolving from one dominated by wire and money service branches to a digital one where mobile and online channels are the fastest-growing channels. It also covers how partnerships are fueling the growth of the two main P2P platforms, Zelle and Venmo (by PayPal). It will also highlight the opportunities and challenges facing companies wanting to serve this growing market.

## Key questions discussed in this report:

- How large is the domestic P2P market, and how quickly is it growing?
- Which segments of the P2P market are growing the most quickly?
- What is consumer adoption of P2P payments?
- What role does mobile technology have in the P2P market?
- Are leading banks actively adding P2P capabilities into their mobile apps now that Zelle has launched?
- How is the functionality of P2P evolving?
- How are consumers using P2P? How does this differ by age?

**Companies Mentioned:** ACI Worldwide, Apple, AT&T, Bank of America, Chase, ClearXchange (Early Warning Services), CO-OP Financial Services, Early Warning Services, Facebook, FIS, Fiserv, Google, Isis Mobile Wallet (Softcard), Jack Henry, Mastercard, MoneyGram, PayPal, Snap, Softcard, Square, T-Mobile, U.S. Bank, Venmo (PayPal), Verizon, Visa, Wells Fargo, Western Union, Zelle

The consumer data in this report was primarily collected from the following:

- A random-sample survey of 3,000 respondents conducted online in October-November 2017. The overall margin of error is +1.74 at the 95% confidence level. The margin of error is larger for subsets.

Data on the industry participants were derived from interviews with industry leaders. Supplementary data were provided by secondary sources such as the Consumer Financial Protection Bureau (CFPB), the Federal Reserve Bank, the U.S. Treasury, and company websites.

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