



Growing P2P Adoption

26 November 2019 By: Krista Tedder

P2P growth in the U.S. market is on an upward trajectory with fintech providers leading the way. Apple, Google, PayPal, and others provide consumers a vital service as many financial institutions struggle to provide the needed financial services to their customers. Banking, specifically checking accounts, play a significant role in the success of P2P, and the convergence of banking and technology will come to a head in 2020 as Google launches a checking account in partnership with Citibank and Stanford Federal Credit Union.

Financial institutions are investing in P2P payments through Zelle; however, the technology being launched is currently not to consumer expectations. It is not too late for financial institutions to improve their own P2P experience, but without significant improvements, consumers may move their deposits to financial institutions that can meet the standards set by technology firms.

Delivering features that meet consumer expectations does not mean that all consumers will want to use P2P as it is defined today. A large group of consumers, primarily people over the age of 45, are not currently planning on using P2P activities based on their existing payment habits. However, there are multiple ways P2P applications can improve money management in addition to money movement, ways that will change the consumer mindset and increase use of the services.

Key questions discussed in this report:

- What is the P2P market size for 2020, and what will impact future forecasts?
- Who uses P2P services and why? What use cases will grow?
- What do providers need to do to increase adoption by consumers who do not currently see the value of P2P?

Companies Mentioned: Amazon, Citibank, Early Warning/Zelle, Facebook (including Facebook, Messenger, Instagram, WhatsApp), Federal Reserve FedNow, Google, Mezu, MoneyGram, PayPal (including PayPal, Venmo, and Xoom), People Pay, Popmoney, Square, Stanford Federal Credit Union, Walmart, Western Union

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

- A random-sample survey of 3,000 respondents conducted online in March 2019. Respondents are selected to be demographically representative of the U.S. population over the age of 18. The overall margin of error is +/-2% at the 95% confidence level for questions answered by all respondents.

The consumer adoption model in this report was collected from 2014 through 2019 using 19 different surveys from the consumer payments, online and digital banking, digital lending, and fraud management surveys.

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