

# Peer-to-peer (P2P) Payments

A CMB Consumer Pulse  
Transferring High-value  
Insights to You Instantly



# What is P2P?

- Peer-to-peer payments (P2P) are a type of electronic funds transfer (EFT) that enable users to send money directly, privately, and immediately to another person. Apps like Venmo, PayPal, Cash App, and Zelle process these encrypted payments through the convenience of a user's phone at no to low cost.

# The State of P2P

Financial services brands are continually looking for ways to innovate and adapt to the latest technologies and behaviors to better serve their customers through excellent experiences, products, and services. **Understanding the P2P landscape and how it is evolving is a critical piece in the financial wellness puzzle.**

The popularity of P2P has grown exponentially thanks to its flexibility, efficiency, transparency in transactions, and ease of use. P2P is reshaping how consumers—especially Millennials and Gen Z—purchase, pay, invest, and save. The old playbook no longer works like it used to in attracting and building loyalty. P2P platforms have expanded features and services to meet the needs of consumers and will continue to challenge traditional payment, banking, and investment services brands.

CMB conducted self-funded research to better understand the evolving P2P landscape with an eye toward the future.

# Executive Summary



## OVERALL

Based on this research, **P2P brands will win with cash back features and expanded usability** (e.g., bill pay). Already usage is solid, and satisfaction is strong for the top P2P brands.

**Traditional firms should pay attention** to P2P brand moves by top players like Cash App, Venmo, and PayPal. The more features these apps build to meet emerging needs (e.g., crypto purchasing), the greater loyalty and usage they'll garner.

PayPal boasts the greatest loyalty, most usage, and is used differently than others: shopping online v. splitting expenses with friends.



## GROWTH & INNOVATION

Traditional pathways into investing are being challenged. **As P2P brands build trust with younger consumers and continue to meet their growing financial needs, young investors will have less reason to search for a new provider** when it's time to begin their investing journey outside of defined contribution workplace plans.

Non-traditional investments (e.g., REITs, Artwork, Wine, NFTs, etc.) continue to gain traction and present opportunities for P2P to offer investments beyond traditional securities and funds.



## USERS

**Recent P2P users tend to be younger and more diverse** than non-users, underscoring the challenge that traditional brands face. Cash App has the youngest and most racially diverse users, strong satisfaction, and continues to grow in popularity.

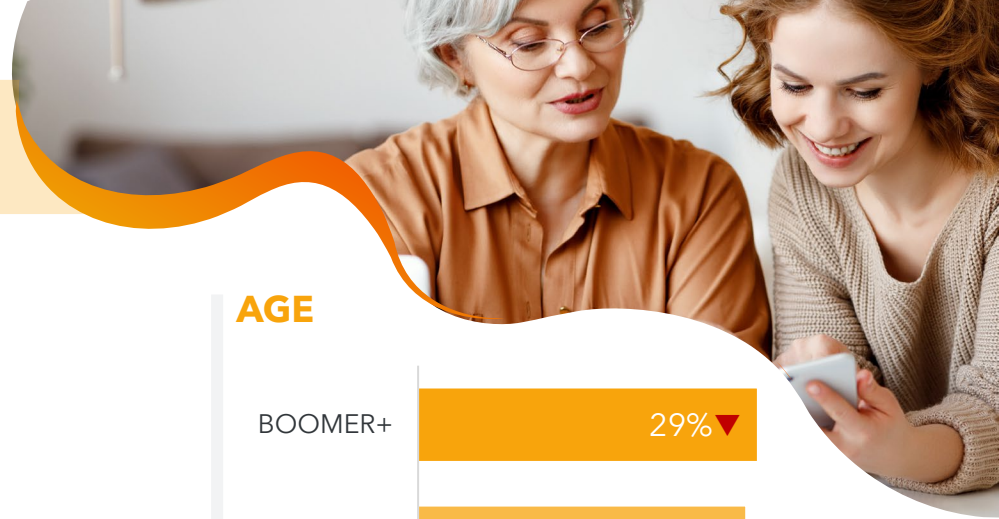
Women—who are often under-represented in investing—use P2P just as much as men. As P2P grows their products and services, **women will likely stick with a familiar, comfortable app over than traditional brands.**



# Key Findings

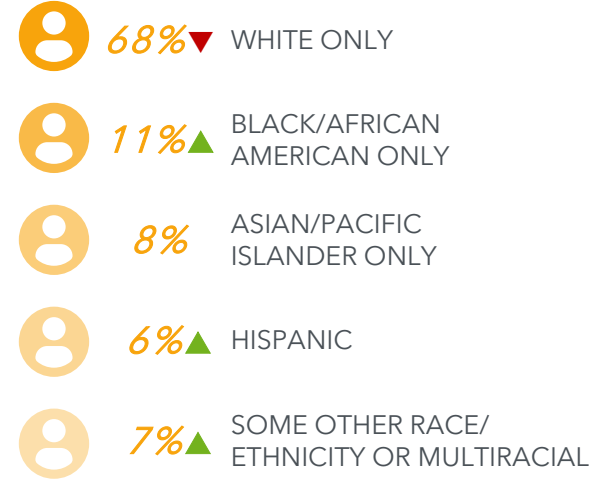
## Past 6 Months User Profile

(80% of total sample)

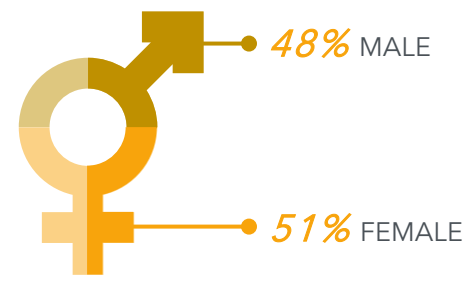


Overall, P2P Users are More Diverse, Younger, & Have Fewer Investable Assets Compared to Non-Users

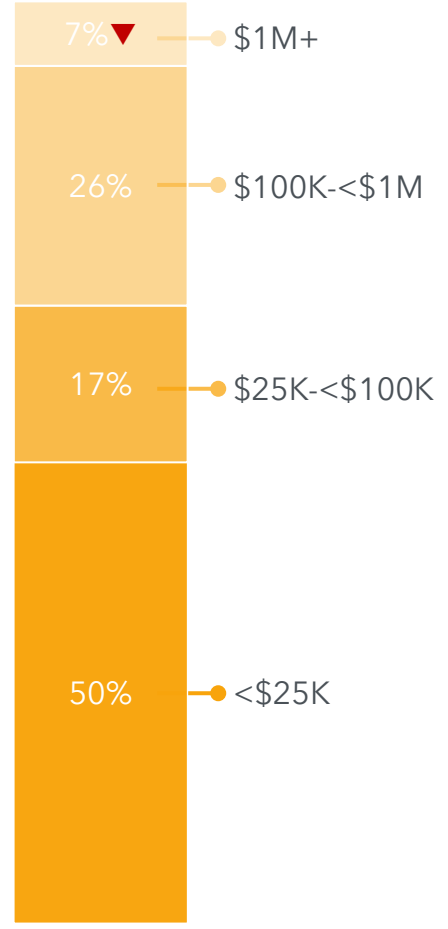
### RACE / ETHNICITY



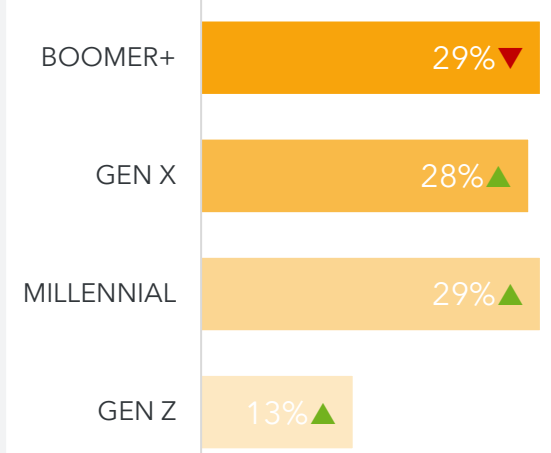
### GENDER



### INVESTIBLE ASSETS

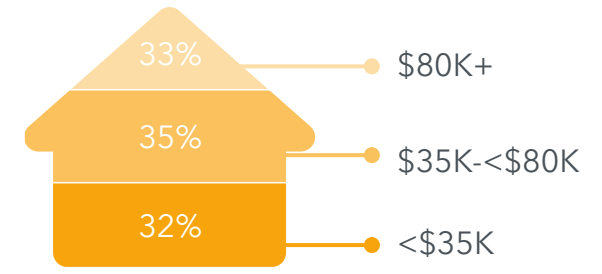


### AGE



Average: **48 Years Old**▼

### HOUSEHOLD INCOME



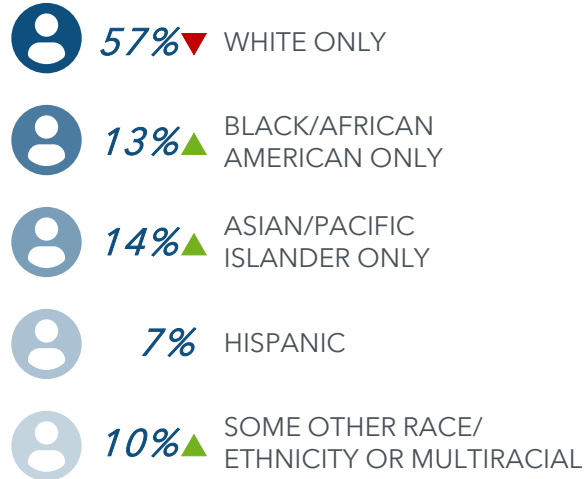
Green/red significance arrows indicate higher/lower versus those who have never used P2P at 95% level



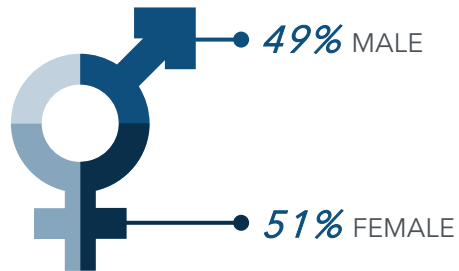


Zelle Users  
Are More  
Racially  
Diverse,  
Younger, and  
Have Greater  
Investable  
Assets  
Compared to  
Non-users

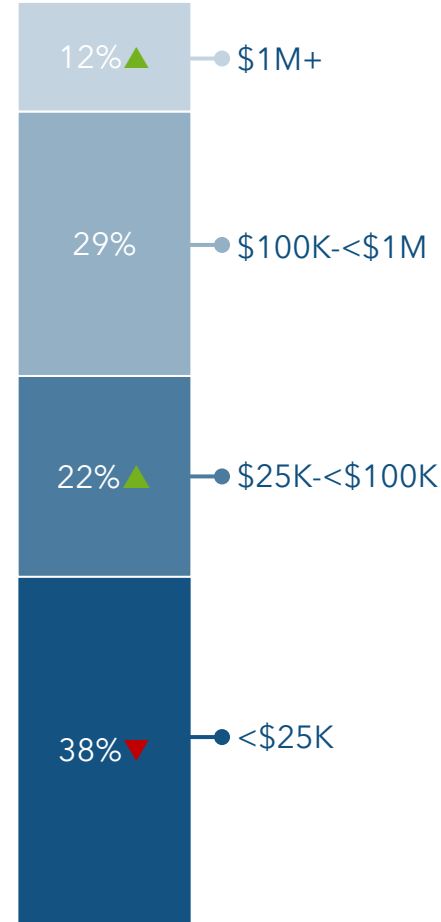
### RACE / ETHNICITY



### GENDER



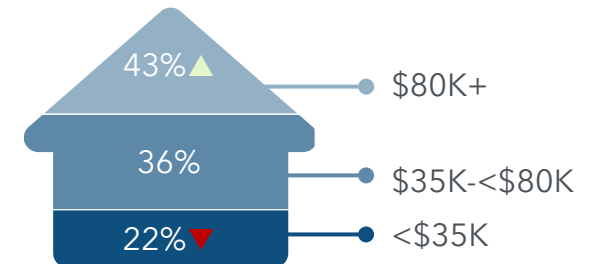
### INVESTIBLE ASSETS



### TOP USE CASES



### HOUSEHOLD INCOME

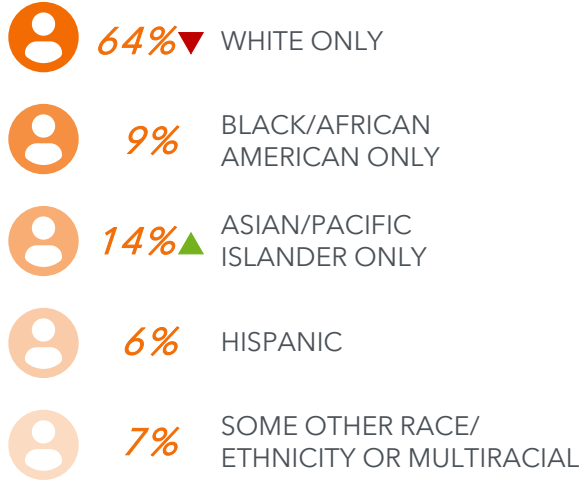


Green/red significance arrows indicate higher/lower versus non-Zelle users at 95% level

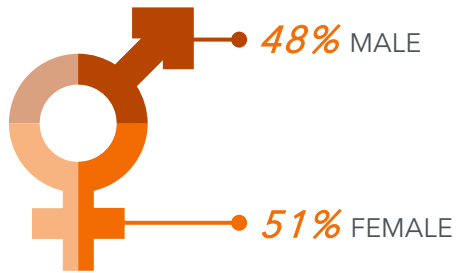


Venmo Users Have Higher HHI, and More Investable Assets (\$100K-\$1M) Compared to Non-users

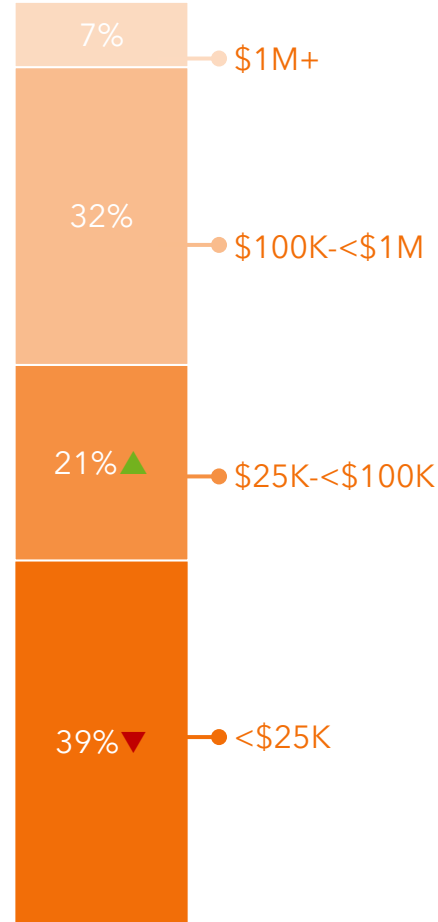
## RACE / ETHNICITY



## GENDER



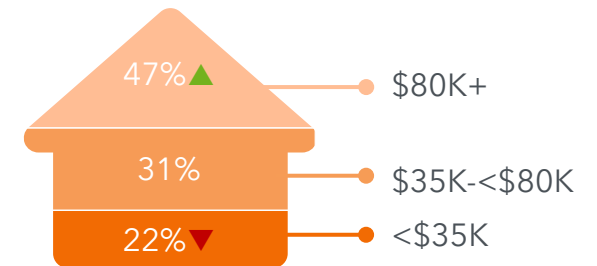
## INVESTIBLE ASSETS



## TOP USE CASES



## HOUSEHOLD INCOME



Green/red significance arrows indicate higher/lower versus non-Venmo users at 95% level

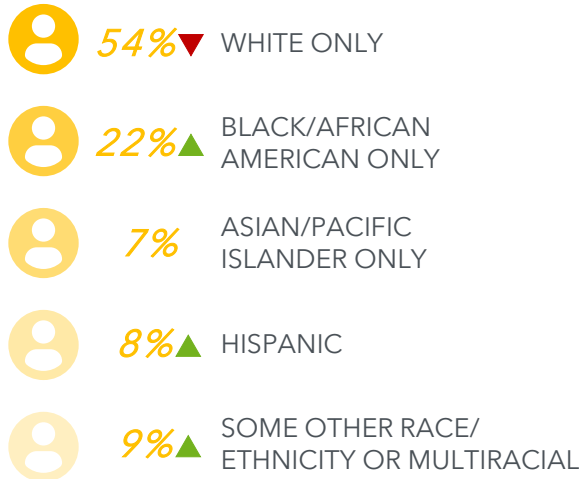


# \$ Cash App

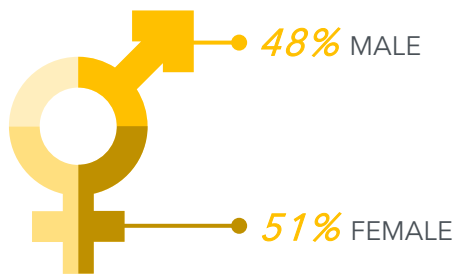


Cash App Users Are Younger and Are The Most Diverse Compared To Other Top P2P Brand Users

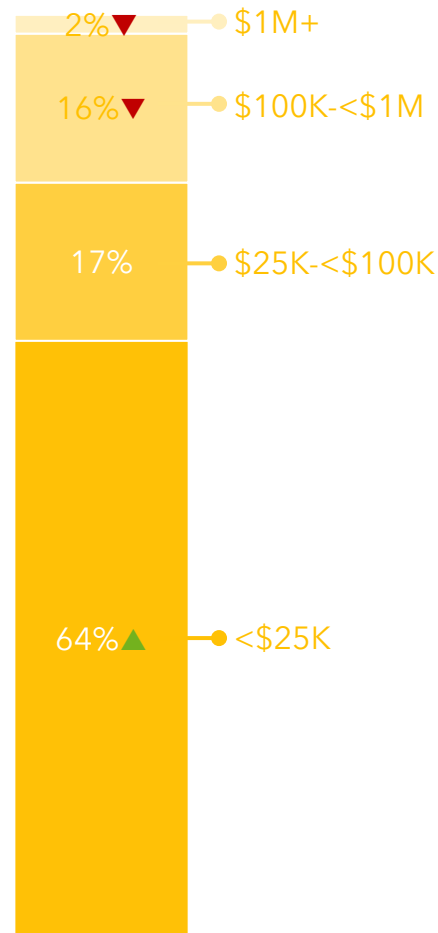
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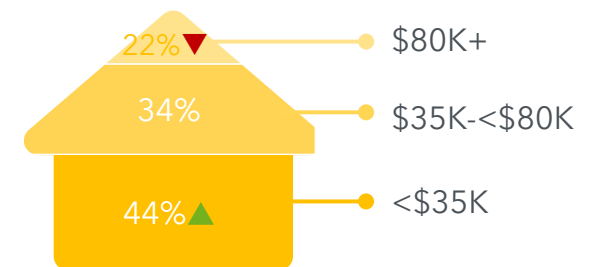
## INVESTIBLE ASSETS



## TOP USE CASES



## HOUSEHOLD INCOME



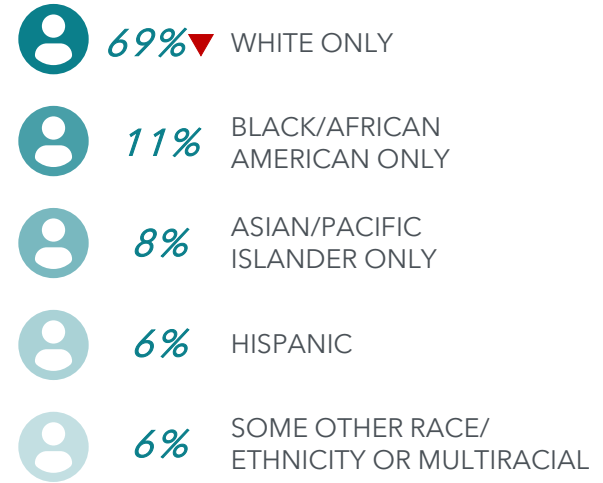
Green/red significance arrows indicate higher/lower versus non-Cash App users at 95% level



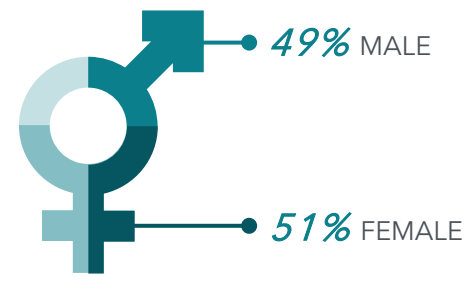
# PayPal Users Primarily Use PayPal, Especially When Shopping Online



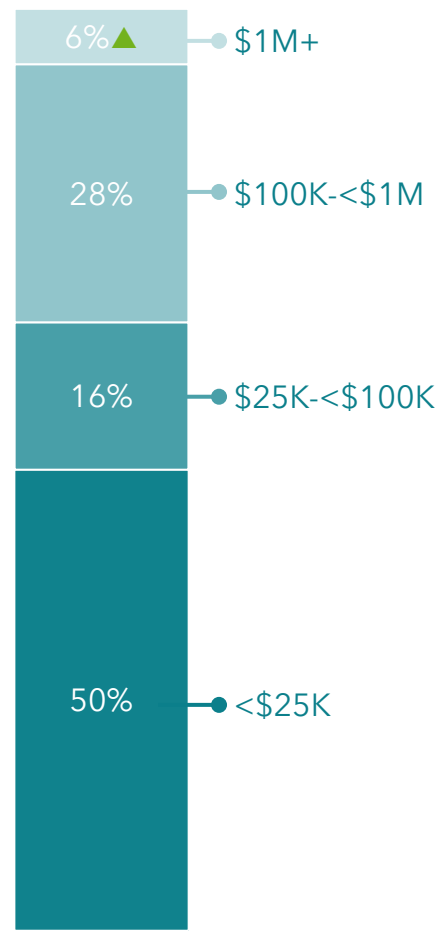
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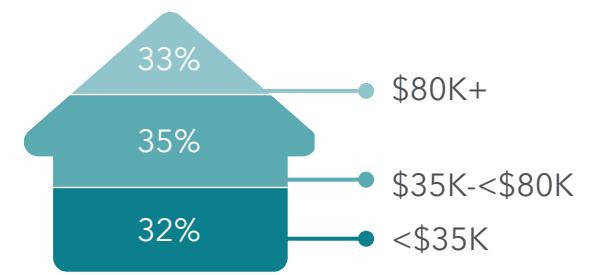
## INVESTIBLE ASSETS



## TOP USE CASES



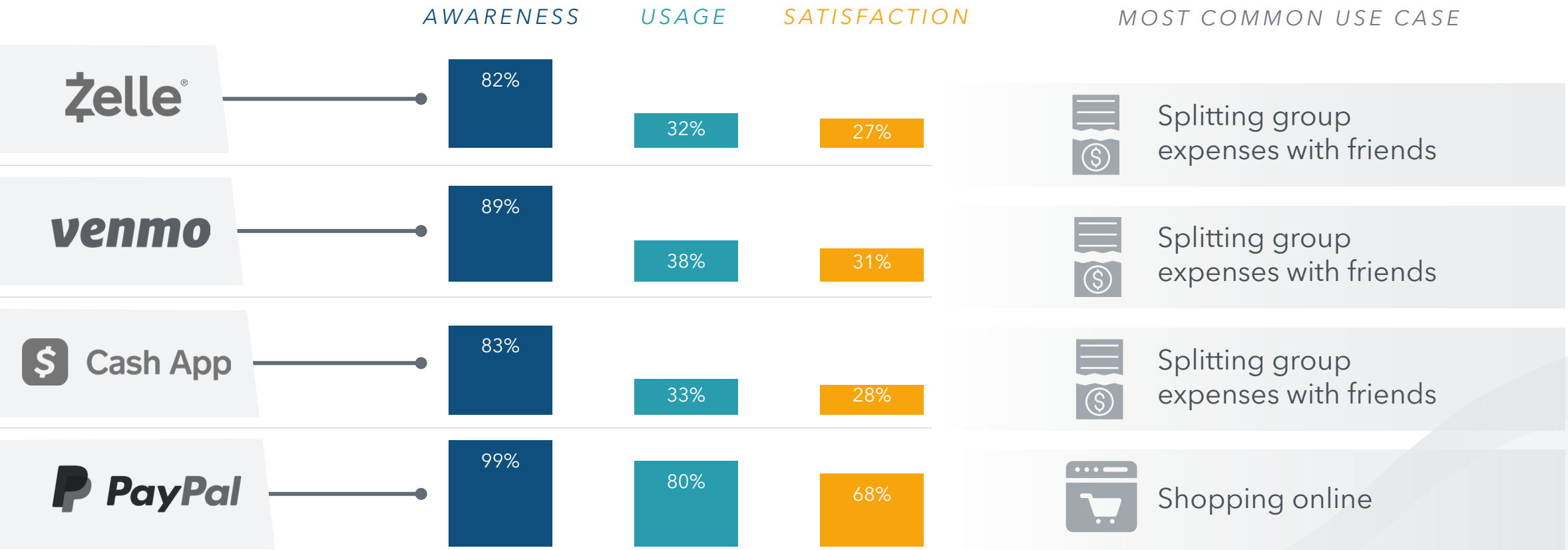
## HOUSEHOLD INCOME



Green/red significance arrows indicate higher/lower versus non-PayPal users at 95% level



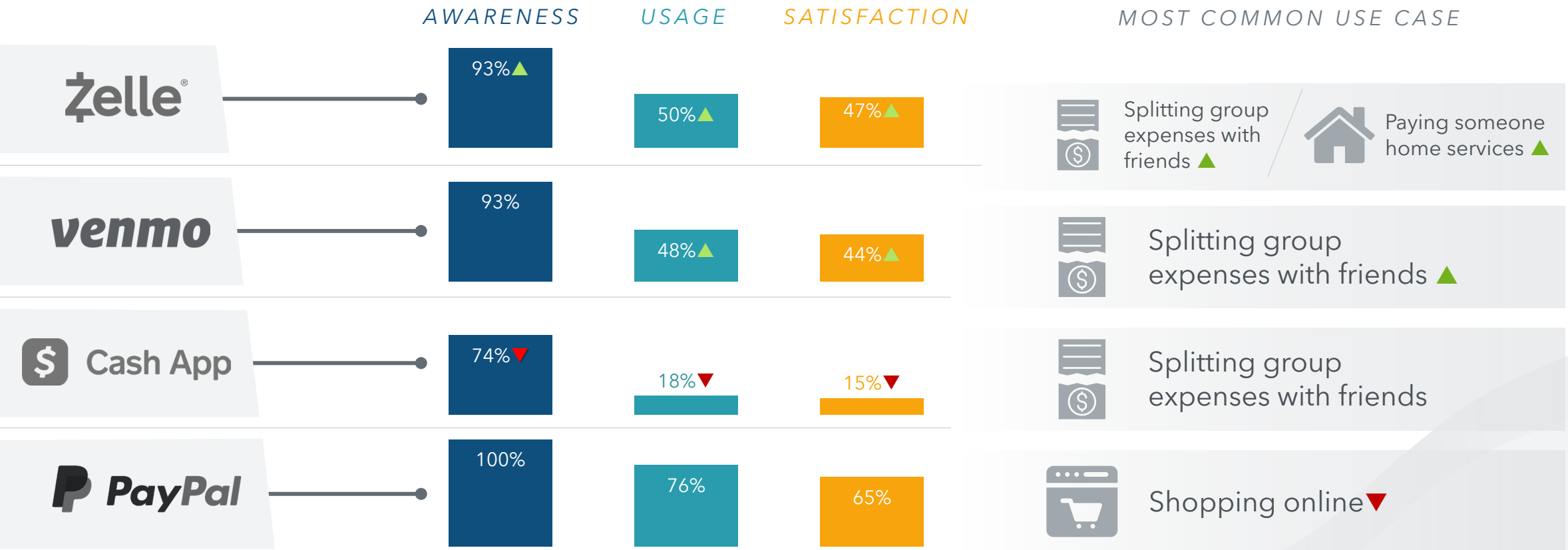
# Among All Participants, PayPal Has the Strongest Funnel; Other Providers Have Similar Funnel Metrics With Some Room to Improve



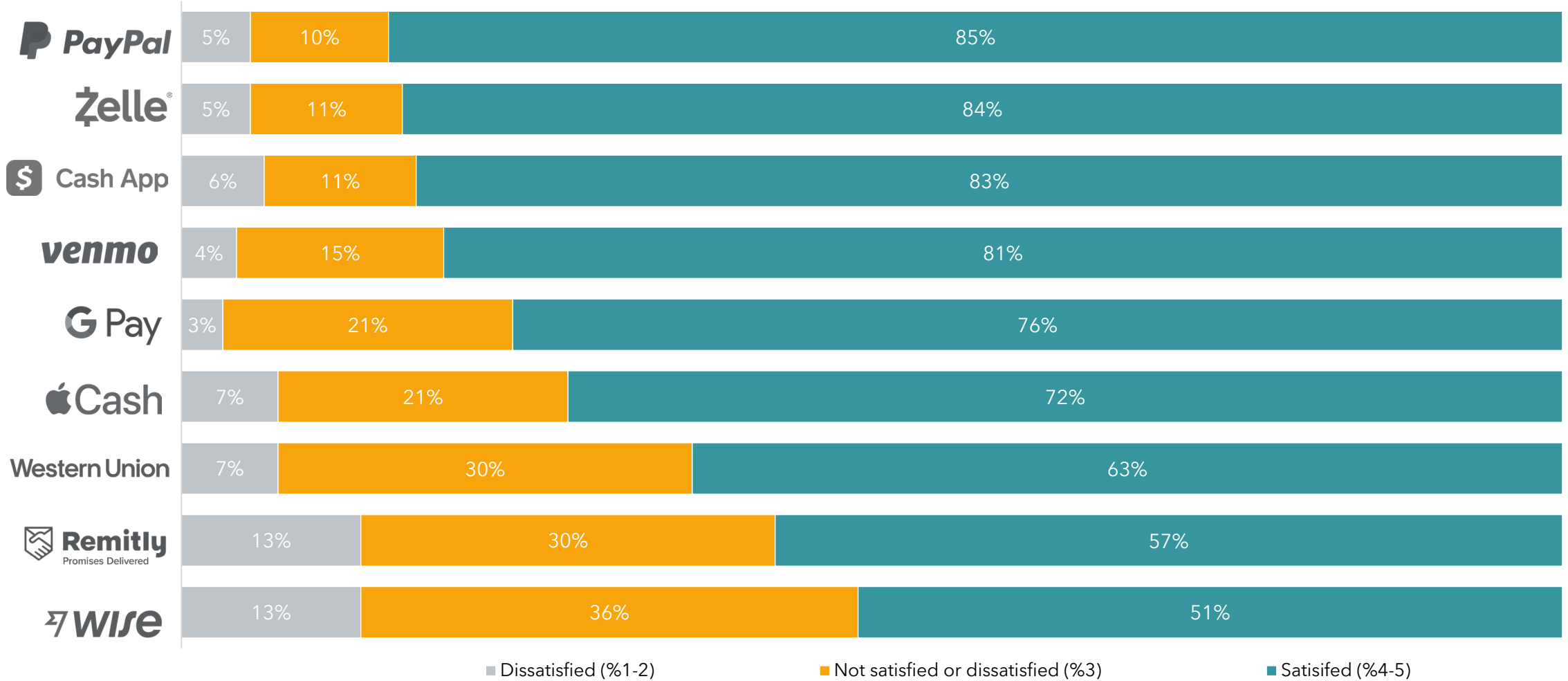
# Among Gen Z, Cash App Has Particular Strength, But PayPal Still Leads in Usage & Satisfaction



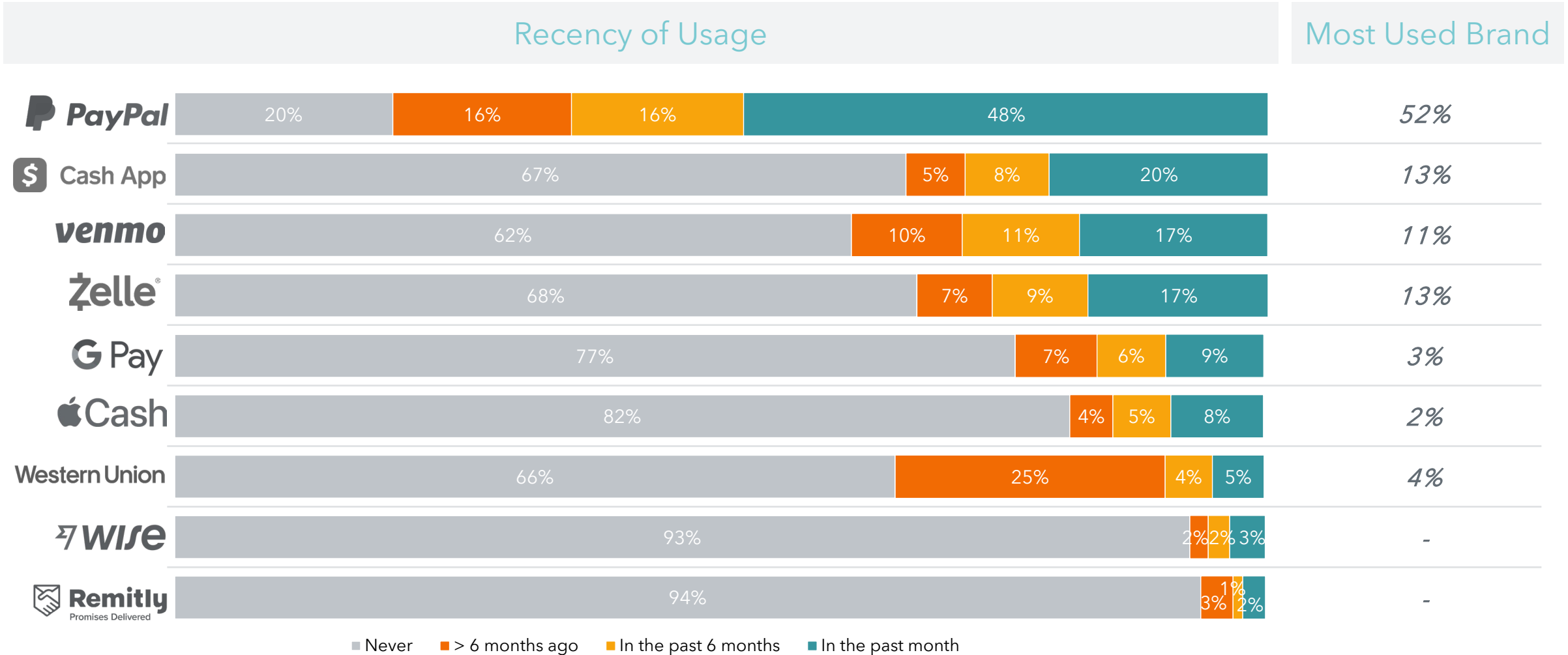
# Among HNW Consumers, Top Brands Have Strong Penetration—Except Cash App, Where Entire Funnel is Relatively Weak



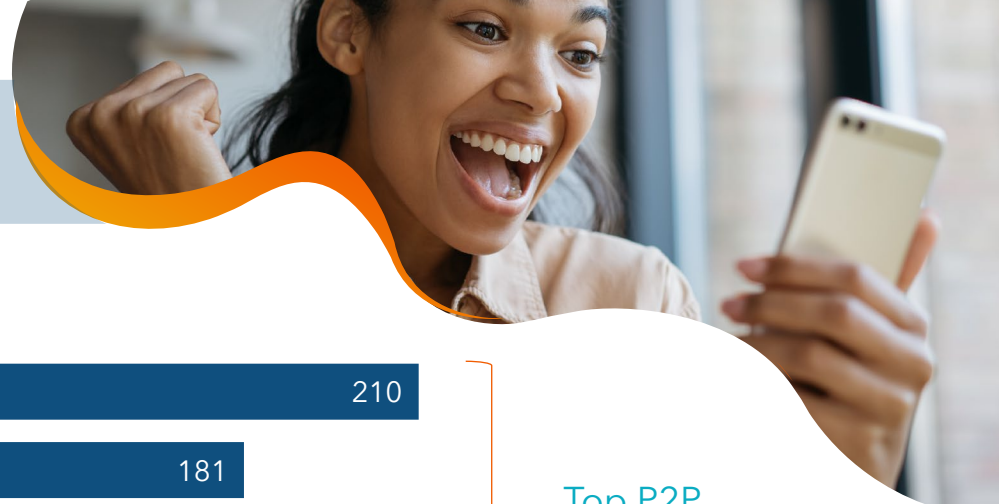
# Top Brands Enjoy Very Strong Satisfaction Among Users



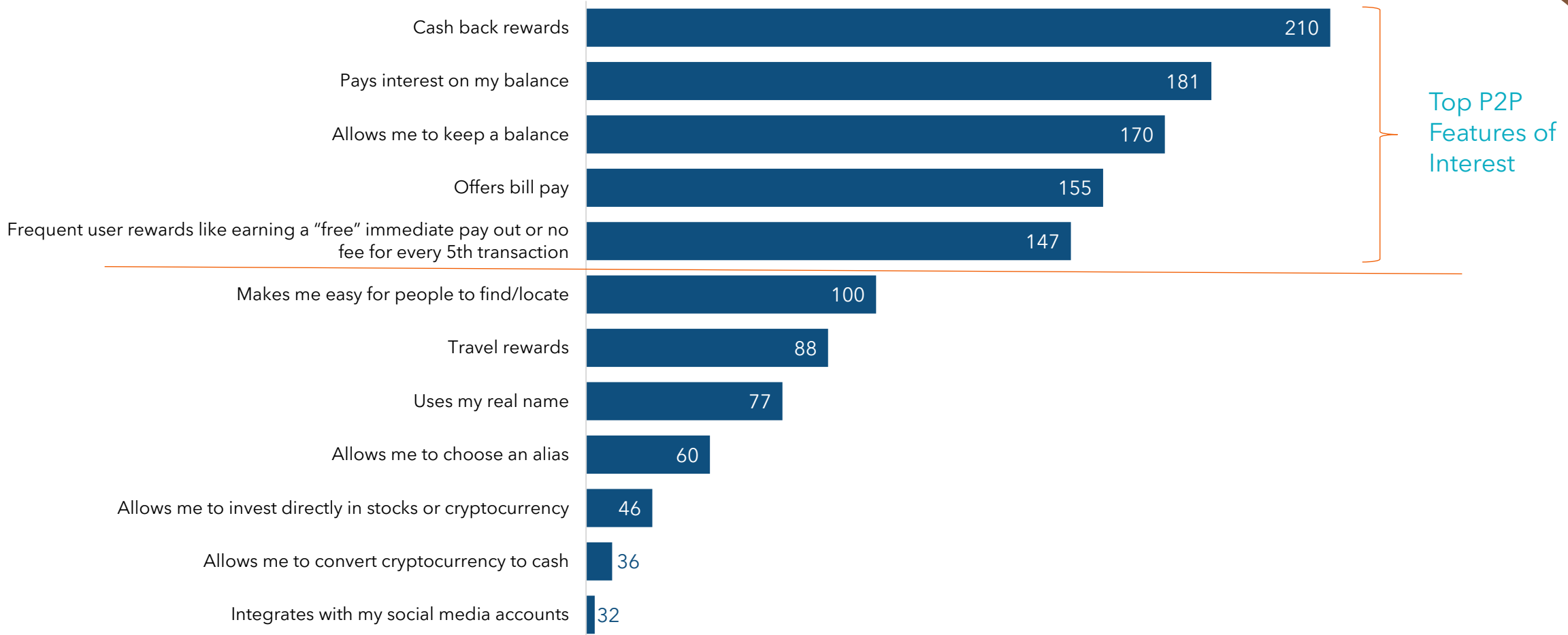
# Cash App, Venmo, and Zelle Vie For Second Position Beyond Legacy PayPal For Recent and Most Often Usage



# Brands Will Win with Features that Pay Back and Facilitate Transactions



## DESIRED FEATURES



For the purposes of this analysis, we have set the middle claim to 100 and indexed the remaining scores against that. An item with a score of 200 is twice as important as an item with a score of 100. Removed bad cases from analysis.





• Ready to make insights-based  
strategic decisions with  
confidence?

Contact

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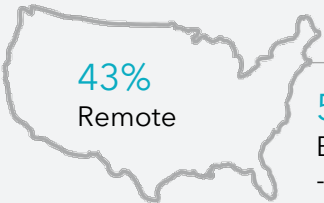
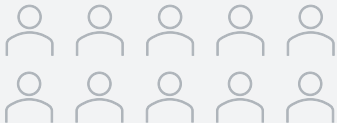


# CMB: Innovative. Decision-centric. Collaborative.

## ABOUT CMB



100+ Employees



43%  
Remote

57%  
Boston-based

## KNOWN FOR



Consultative,  
business  
decision focus



Expert,  
collaborative  
team



Rock-solid  
execution



Advanced  
analytics



Storytelling  
deliverables



Leveraging  
the latest  
technologies

## DESIGNATIONS



ISO27001  
Certified  
*international  
standard in  
info security*

## INDUSTRIES WE SERVE



Financial Services



Tech & Telecom



Media



And Others



# Methodology



## Sample

- US adults, 18+
- Have heard of at least one (1) P2P brand
- Click-balanced to be representative of the population on gender and age



## Method

- 10-minute online survey
- MaxDiff exercise used to find derived importance of P2P features