

2023 Enterprise Digital Asset Adoption Report

Why Digital Assets and Blockchain Technology
Are the Future of Finance

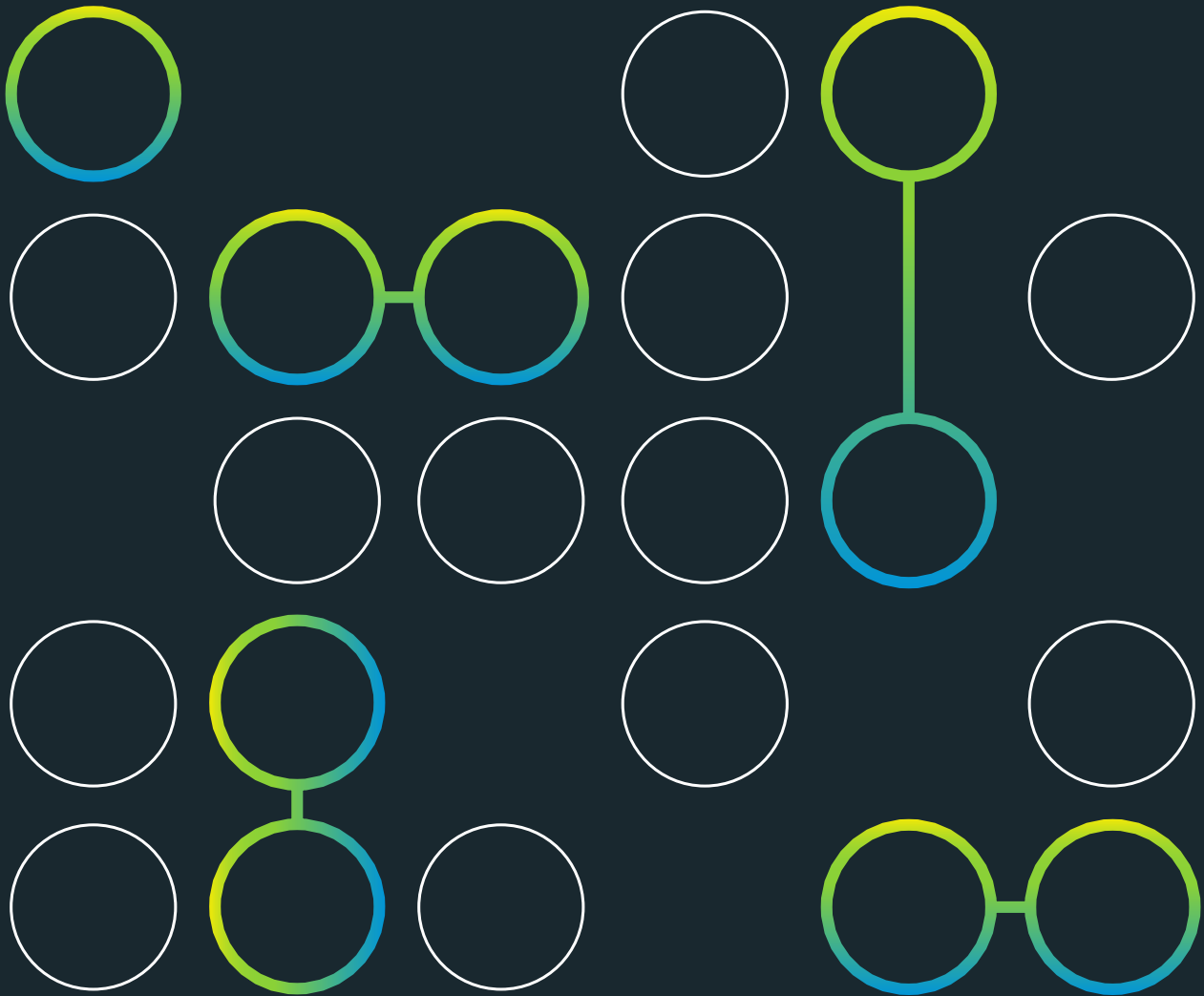


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***I do think it's a big, big, big moment
in the timeline of adoption.***

Richard Rosenthal

Principal, Deloitte & Touche LLP on American Banker podcast
[discussing](#) the launch of PayPal's stablecoin PYUSD

Deloitte.

Digital assets are still in the early stages of global adoption, but **enterprise adoption is rapidly moving beyond early curiosity** to companies viewing digital assets as core to their business strategy.

Enterprise adoption hit a milestone in 2023, with the launch of PayPal's [PYUSD](#). This transformative product, which is now available on Venmo in addition to PayPal, combines the trustworthiness of Paxos' platform with PayPal's reputation and international reach. It also shows how the world's largest financial companies are not simply embracing digital assets and blockchain technology, but are actively pursuing their potential to provide customers with more access, improved transparency, lower costs and instant money movement.

Paxos is proud to be an industry leader in developing these solutions for our clients. Along the way, our team explores and researches what enterprises need to best serve their customers. In this guide, we assembled key data points from a survey of digital asset leaders and US finance companies to help market participants make strategic decisions.

Here's to the future of finance. Let's build it together.

– Team Paxos

Paxos worked with a third party research company in mid-2023 to conduct an online survey among financial services companies about their views and use of crypto and blockchain solutions.

Who we surveyed:

400 senior decision makers employed at US-based enterprises with >5M users, \$50B assets under management or \$50B annual payments volume

Participant Qualifications

- Director-level or above
- Technology decision-maker

Company Type

Banks | Broker Dealers | Payments | Consumer Fintech

Qualifying participants were employed at a bank, broker dealer, payments or consumer fintech company that was headquartered in the US and had at least 5M users, \$50B assets under management or \$50B in annual payments volume.

Further, each participant was based in the US, was of director-level seniority or above and was involved in the company's decisions regarding crypto technology. 400 individuals participated in the survey in June 2023, with 100 participants from banks, broker dealers, payments and consumer fintech companies, respectively.

Key takeaway:

Financial services companies remain invested in digital assets and blockchain technology.

The support is underpinned by several factors, including the recognition of blockchain's transformative potential, the diversification of investment portfolios and the growing acceptance of digital assets.

99%

of enterprise respondents indicated their company is pursuing crypto or blockchain-related projects with equal or higher priority versus the same time last year

The resilience of digital assets and blockchain technology in the face of market events, economic challenges, and a need for more regulatory clarity reflects that companies have internalized the value of the technology in the long term. As enterprises prioritize digital asset and blockchain projects to a greater extent than ever, what lies ahead is an exciting journey of industry transformation.

More points:

Nearly **80%** of enterprises had dedicated, in-house blockchain technology teams.

60% of enterprises planned to hire more employees for that function in the next year.

Key takeaway:

Growing customer engagement and acquisition are seen as the top benefits to enabling crypto or blockchain solutions.

Use cases leveraging innovative technology and providing customers improved financial experiences are creating compelling scenarios for businesses across various industries.

When asked what benefits enterprises seek by enabling crypto or blockchain solutions, the most frequent responses were:

56%

Increasing customer engagement

55%

Acquiring new customers

54%

Improving settlement operations

Trust and access are key. In an earlier survey, 75% of consumer respondents said they are likely or very likely to purchase crypto from their primary bank if it is offered.

Paxos [Consumer Survey](#), March, 2023, Consumer Confidence in Digital Assets Remains Strong in the Wake of Turbulent 2022

The adoption of digital assets and blockchain solutions not only enhance the customer experience, but it also helps improve an enterprise's internal operations. This makes these solutions powerful tools for enterprises looking to stay competitive and responsive to evolving customer preferences in the digital age.

More points:

Primary reasons for enabling digital asset and blockchain solutions by sector:

70% Fintechs

Acquire new customers

58% Payments companies

Improving payments and settlement operations

52% Banks

Offering customers new payment methods

52% Broker Dealers

Improving payments and settlement operations

Key takeaway:

Enabling customer interaction with digital assets is the most mature use case.

Aligned with responses regarding perceived benefits, use cases related to enabling end-customer interaction with digital assets—as a store of value or payment method—are the most likely to be actively pursued or already launched.

Use Case	Already launched	Actively exploring or implementing
Make or receive payments in crypto for company or end customers	40%	54%
Provide access to customers to trade (buy, sell) crypto assets	35%	62%
Establish crypto loyalty or rewards programs	20%	73%

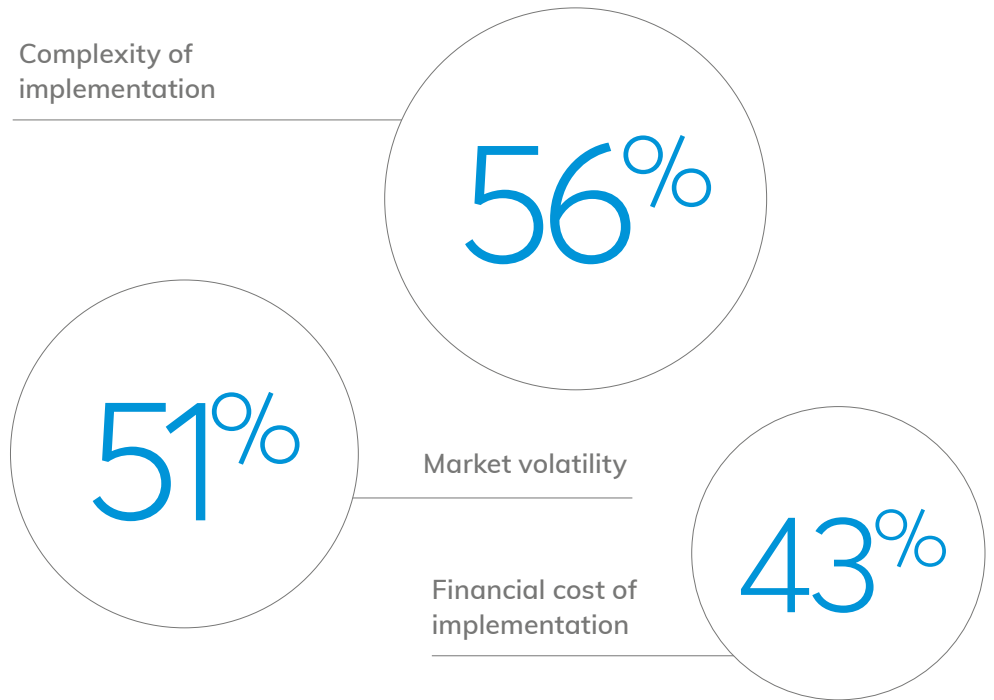
The pursuit and implementation of these use cases demonstrate how businesses are actively responding to customer demands and evolving market dynamics. For example, enabling a digital asset [rewards](#) program is an accessible way to tap into customer demand and increase engagement. By matching customer needs with value-driven engagements, these companies are poised to remain at the forefront of innovation by attracting new customers, retaining existing ones and reshaping traditional financial paradigms.

Key takeaway:

Complexity of implementation is perceived as the largest impediment to launching a crypto solution.

While complexity may pose a challenge to launching digital asset solutions for some, it is not insurmountable. Approaching these complexities strategically and seeking the right expertise can help enterprises navigate the challenges successfully.

When respondents were asked what they saw as impediments to their company moving forward with a crypto or blockchain project, the top responses were:



More points:

Less than 10% of respondents cited lack of stakeholder buy-in or company expertise as impediments.

Only 2% indicated that lack of belief in blockchain's benefits was an impediment.

Key takeaway:

Companies are working with technology partners to launch crypto and blockchain solutions.

Given the potential for complexity in implementation, most companies work with service providers to launch solutions.

Among those respondents that have already launched a solution:

90%

said they are working with a service provider to enable crypto payments.

80%

are working with a service provider to enable buying and selling of digital assets.

70%

are working with a service provider to enable crypto in their loyalty and rewards programs.

A trusted partner brings expertise, experience and a deep understanding of the blockchain landscape, helping to navigate the challenges and seize the opportunities. Trusted partners not only ensure seamless implementation but also provide guidance on regulatory compliance and security. With the right partner, enterprises can confidently harness the transformative power of blockchain, driving innovation, efficiency and sustainable growth.



Infrastructure is hard. We needed to look for a native player in this space with that deep expertise to bring the companies together on that journey.



Jonathan Anastasia, Mastercard

Executive Vice President of Crypto & Security Innovation
[talking](#) about Mastercard's partnership with Paxos

Paxos is the first regulated blockchain infrastructure platform whose mission is to redefine the financial system to enable assets to instantaneously move anywhere in the world, at any time, in a trustworthy way. Using technology to tokenize, custody, trade and settle assets, Paxos is powering transparent and trusted financial solutions for institutions like PayPal, Mastercard, Mercado Libre, Nubank, TD Securities, Interactive Brokers and more.

For more information on the survey or to get in touch with Paxos, reach out to insights@paxos.com or visit paxos.com .

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