

PayPal unveils micropayments, Facebook integration

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PayPal unveiled a new micropayments service on Tuesday that makes it easier to buy digital goods and announced an integration with social networking giant Facebook.

PayPal said the new micropayments system "lets consumers pay for digital goods and content in as little as two clicks, without ever having to leave a publisher's game, news, music, video or media site."

It described the service, which will be available later this year, as the "online equivalent of dropping a quarter in the slot to buy a newspaper or play a videogame."

"PayPal's new solution solves a key problem for the digital goods

industry by offering a faster, safer and more cost-effective way to send and receive micropayments globally," the online payment giant said.

"Every time a customer purchases content, publishers and merchants get paid quickly, giving them fast access to their funds," [PayPal](#) said in a statement released at its two-day developers' conference here.

PayPal said its fee structure for micropayments was five percent plus five cents for purchases under 12 dollars -- "lower than the fees typically charged by payment processors in the digital goods industry."

Facebook chief operating officer Sheryl Sandberg said the social network will integrate PayPal's new digital goods payment service to make PayPal the way to make purchases on [Facebook](#).

PayPal, which is owned by online auction giant eBay, said a number of other companies have also signed up for the service including Autosport.com, FT.com, GigaOM, Justin.tv and Ustream.

"The decision to purchase digital goods and content usually happens on impulse, so the act of paying needs to be as quick as that impulse," Sam Shrauger, PayPal's vice president of global product strategy, said.

"PayPal for digital goods is an ideal solution for game developers, newspapers, bloggers, media companies, and anyone who is looking to monetize premium digital content around the globe," Shrauger said.

EBay chief executive John Donahoe said meanwhile in an interview with financial news network CNBC that he expected PayPal to eventually be a bigger business than [eBay](#).

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