



PayPal e-Commerce Index

Europe

November 2022

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About the research

This research report was produced by PayPal, based on a study conducted by ACA Research with n=15,221* consumers and n=4,604 businesses. It contains general observations about trends in e-Commerce, social commerce, Buy Now Pay Later and cross border as well as involving cryptocurrency, NFTs and the metaverse. The study does not take into account the objectives, situation or needs of any specific business or individual.

The consumer research conducted by ACA Research consisted of a 15-minute online survey of n=15,221* consumers across 12 different markets aged 18-75 years, exploring adoption, usage and sentiment towards e-Commerce, social commerce, Buy Now Pay Later and cross border as well as cryptocurrency, NFTs and the metaverse. In addition, ACA Research conducted a 10-minute online survey of n=4,604 with business decision makers within B2C retailers and businesses who operate entirely or partially online, across 12 different markets. It explored their attitudes and behaviours around e-Commerce, social commerce, Buy Now Pay Later and cross border, as well as cryptocurrency, NFTs and the metaverse.



METHODOLOGY:

Online self-completion survey. The research was carried out in compliance with industry guidelines and privacy requirements. Sample was sourced through consumer and business research panels, with participants incentivised for completing the survey. The consumer sample was weighted by age, gender and location to ensure data was nationally representative. Significance testing on this sample was conducted at a 95% confidence interval, with a potential sampling error ranging from 2.2% to 3.1%. Quotas for the business sample were set on turnover and location. Significance testing on this sample was conducted at a 95% confidence interval, with a potential sampling error ranging from 4.3% to 6.9%. Please note that numbers may not add up to 100% due to rounding.



TIMING:

The research was in field from 15 June - 22 July, with additional top-up sample collected between 26 August - 9 September and 13 - 18 September.



GENERATIONAL AGES:

Generational Ages as at 2022: Gen Z (18-25 years); Gen Y (26-41 years); Gen X (42-57 years); Baby Boomer (58-75 years).



SAMPLE:

Market	Consumers	Businesses
Belgium	1,017	405
France*	2,043*	405
Germany*	2,038*	400
Greece	1,014	406
Ireland	1,012	407
Israel	1,013	200
Italy	1,014	405
The Netherlands	1,015	405
Poland	1,017	255
Spain	1,017	406
Sweden	1,009	405
UK	2,012	505

*NOTE: Total consumer sample for France & Germany includes additional participants from top-up studies on BNPL and Cross Border respectively.



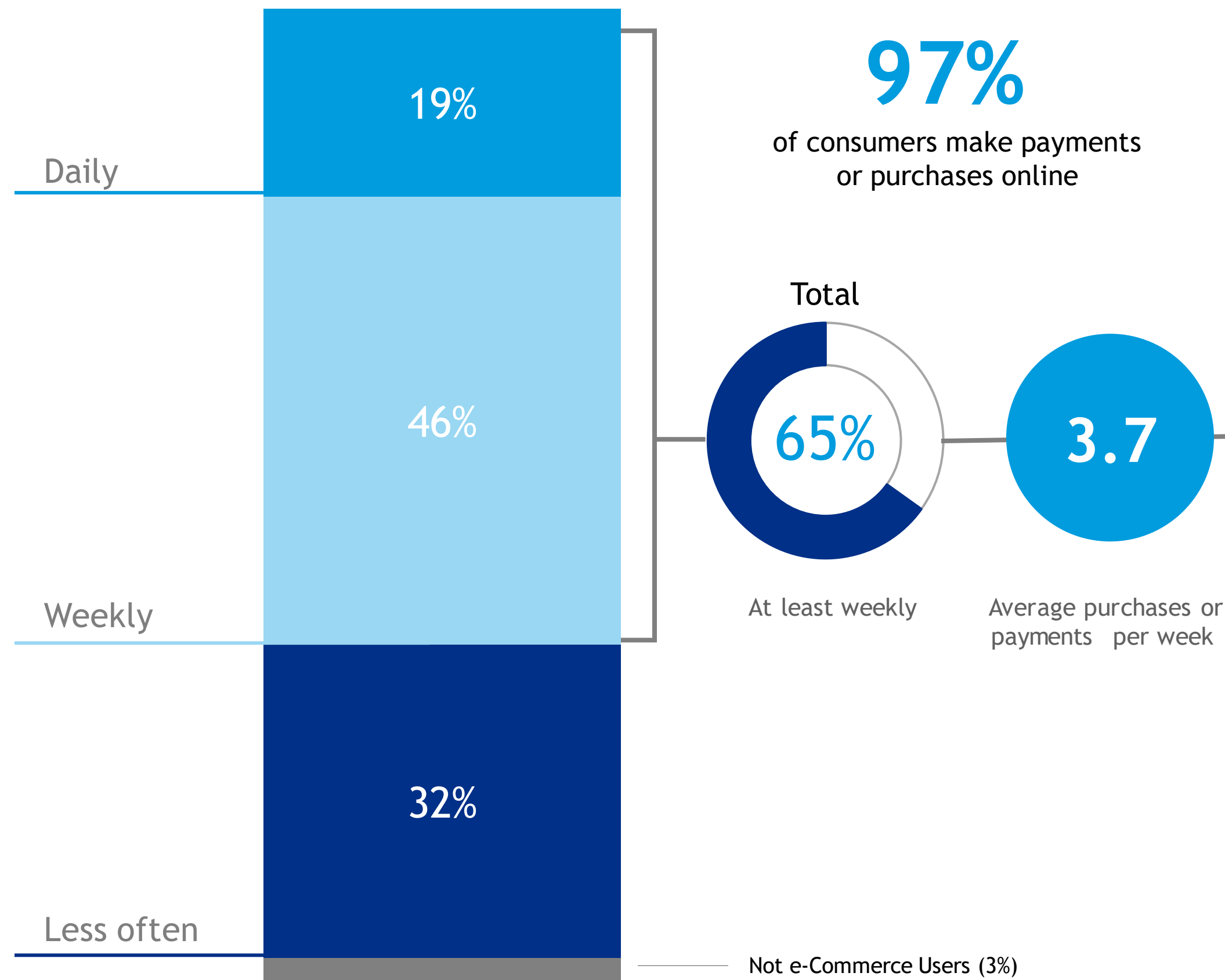
e-Commerce



Consumers almost universally make purchases and payments online, with two thirds making online purchases or payments each week; the Dutch and Greek stand out as the most frequent online shoppers.

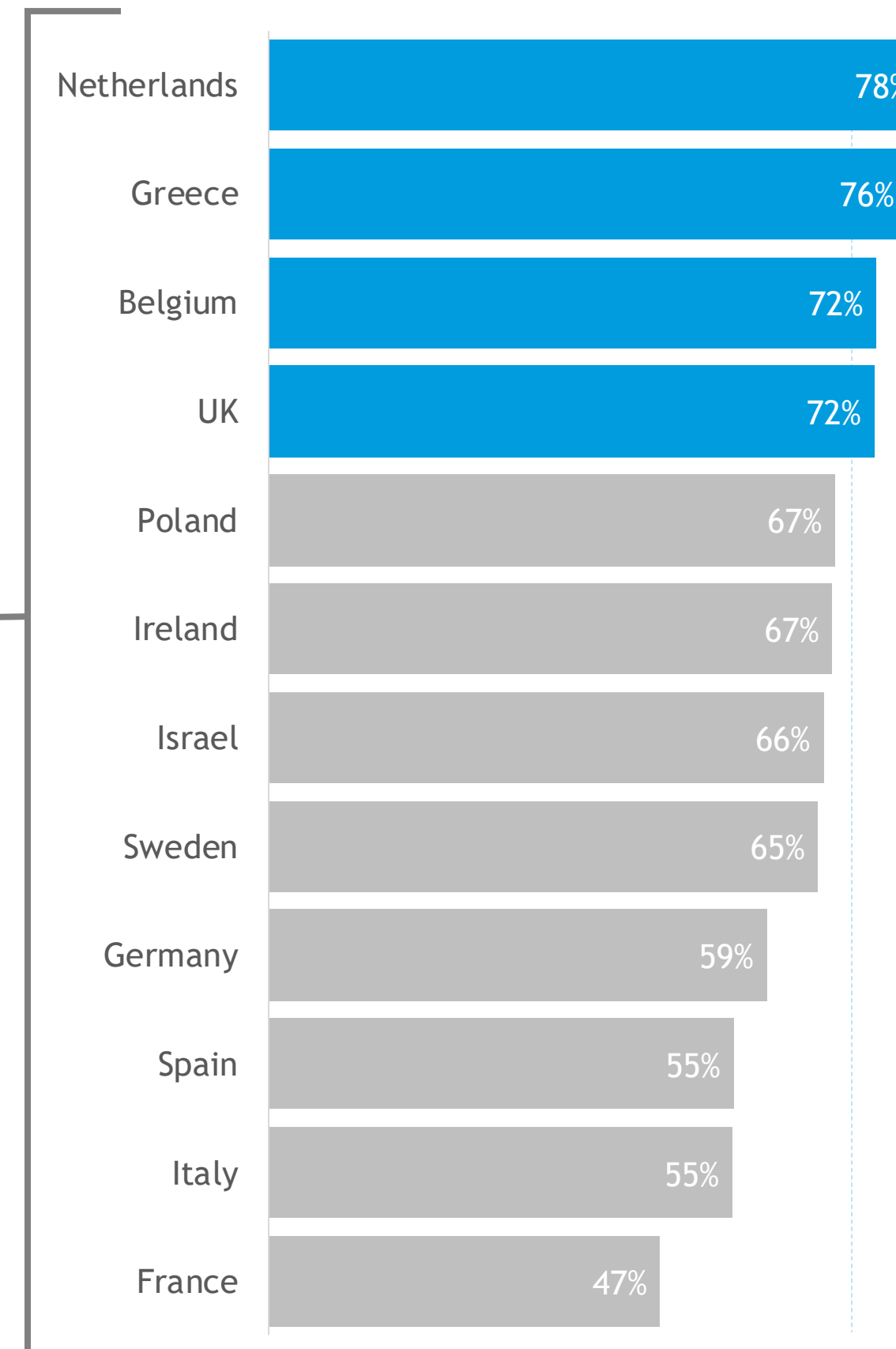
Online Purchase or Payment Frequency

(All Consumers 18-75 years)



Do at least weekly by Country

>70% highlighted



Average purchases per week by Country

>4 & <3 highlighted

4.3

4.8

3.5

3.9

3.9

3.3

4.2

4.1

3.4

2.9

2.9

2.8

The research shows 97% of consumers across Europe and Israel make online purchases or payments. This isn't an occasional activity either, with two-in-three (65%) making online purchases or payments weekly or more often - and the average amount of transactions for this group at almost four a week (3.7).

This activity is led by the Dutch (78% shop/pay at least weekly, 4.3 purchases/payments per week) and Greeks (76% weekly, 4.8 purchases per week).

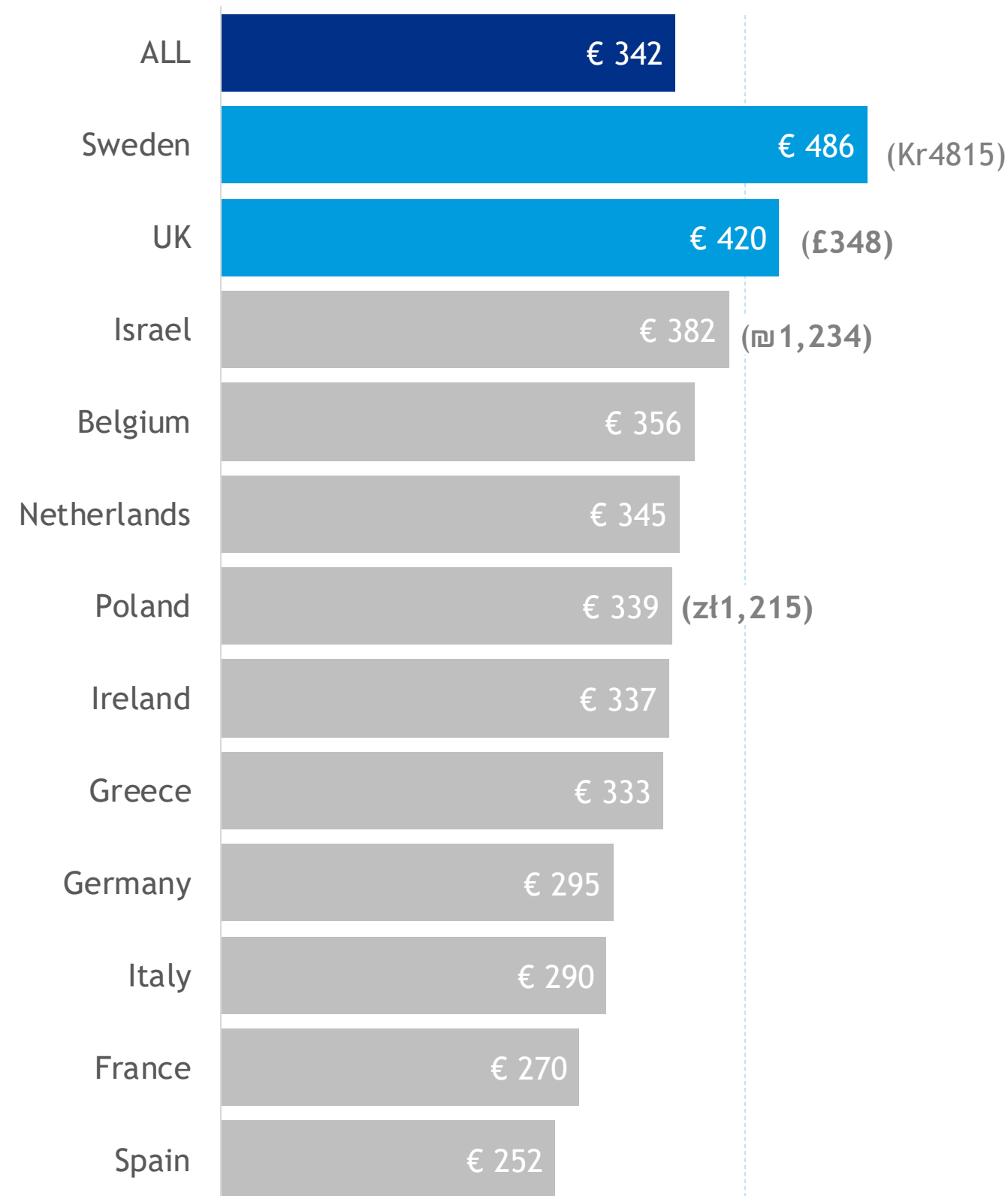
Despite making a smaller number of purchases each week, consumers in Belgium and the UK are both also highly engaged with online commerce, with 72% of each group shopping or making online payments at least weekly.

Consumers spend €342 on online purchases and payments each month; this covers a mix of essential and leisure purchases, with Clothing & Accessories and Bills at the top of the list.

Average online monthly spend

(All Consumers 18-75)

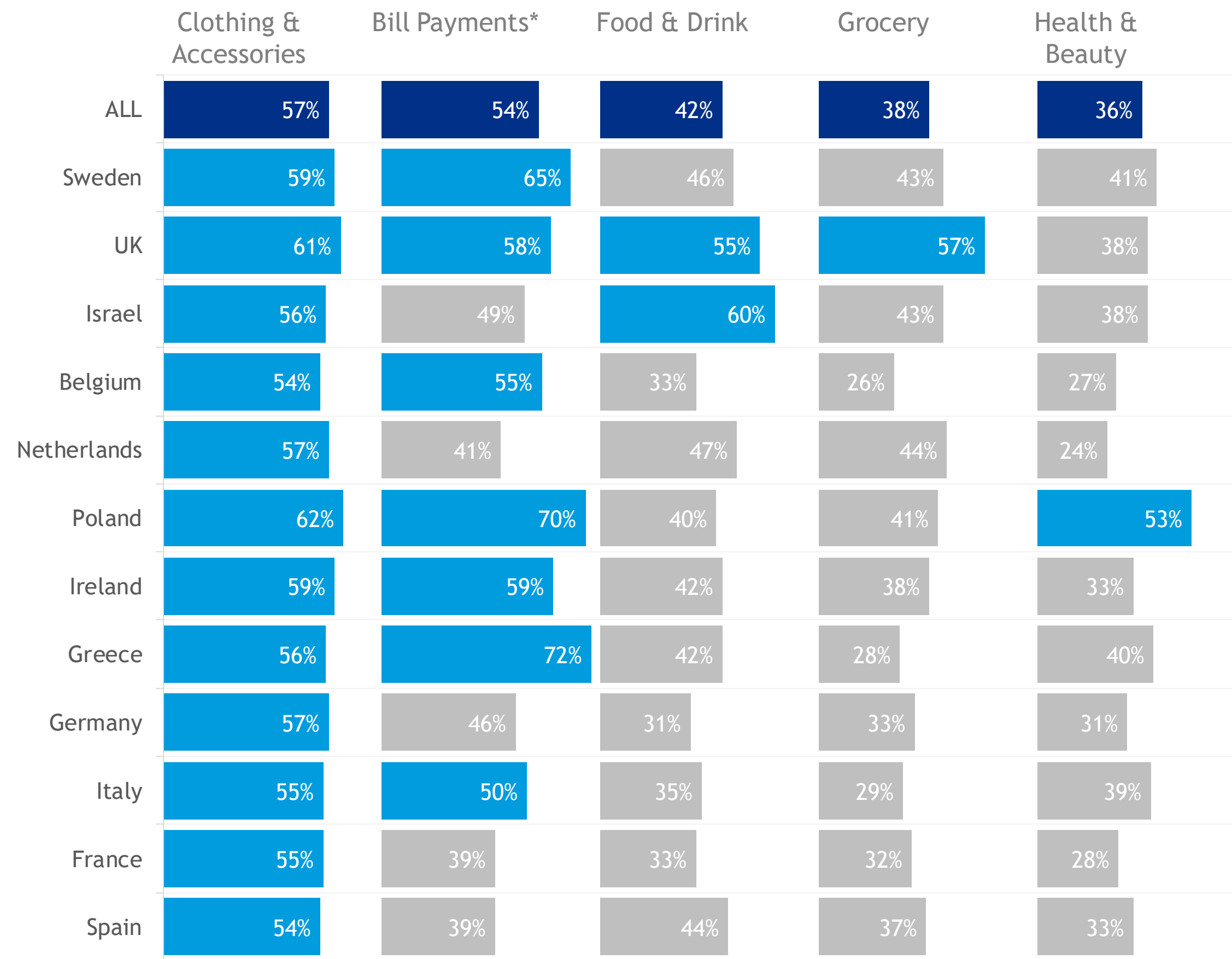
> €392 highlighted



Overall Top 5 Online Payment and Purchasing Categories

(All Consumers 18-75)

>50% highlighted



Overall, consumers spend an average of €342 on online purchases and payments each month.

The top categories cover a mix of products and services:

- Clothing & Accessories - 57%
- Bill Payments - 54%
- Food & Drink - 42%
- Grocery - 38%
- Health & Beauty - 36%

This online activity is led by consumers in Sweden with a €486 av. spend, likely linked to the high proportion who pay bills through online channels. Higher levels of online bill payments are also evident in Greece (72%) and Poland (70%).

The second-highest spending consumers are in the UK (€420 av. spend), with higher proportions than the other countries when it comes to purchasing Groceries (57%) and Food & Drink (55%) online.



Q6: In total, how much money have you spent on online purchases or payments in the last month? Please include purchasing apps, in-app purchases, payments for bills or services and other online shopping. CQ5.

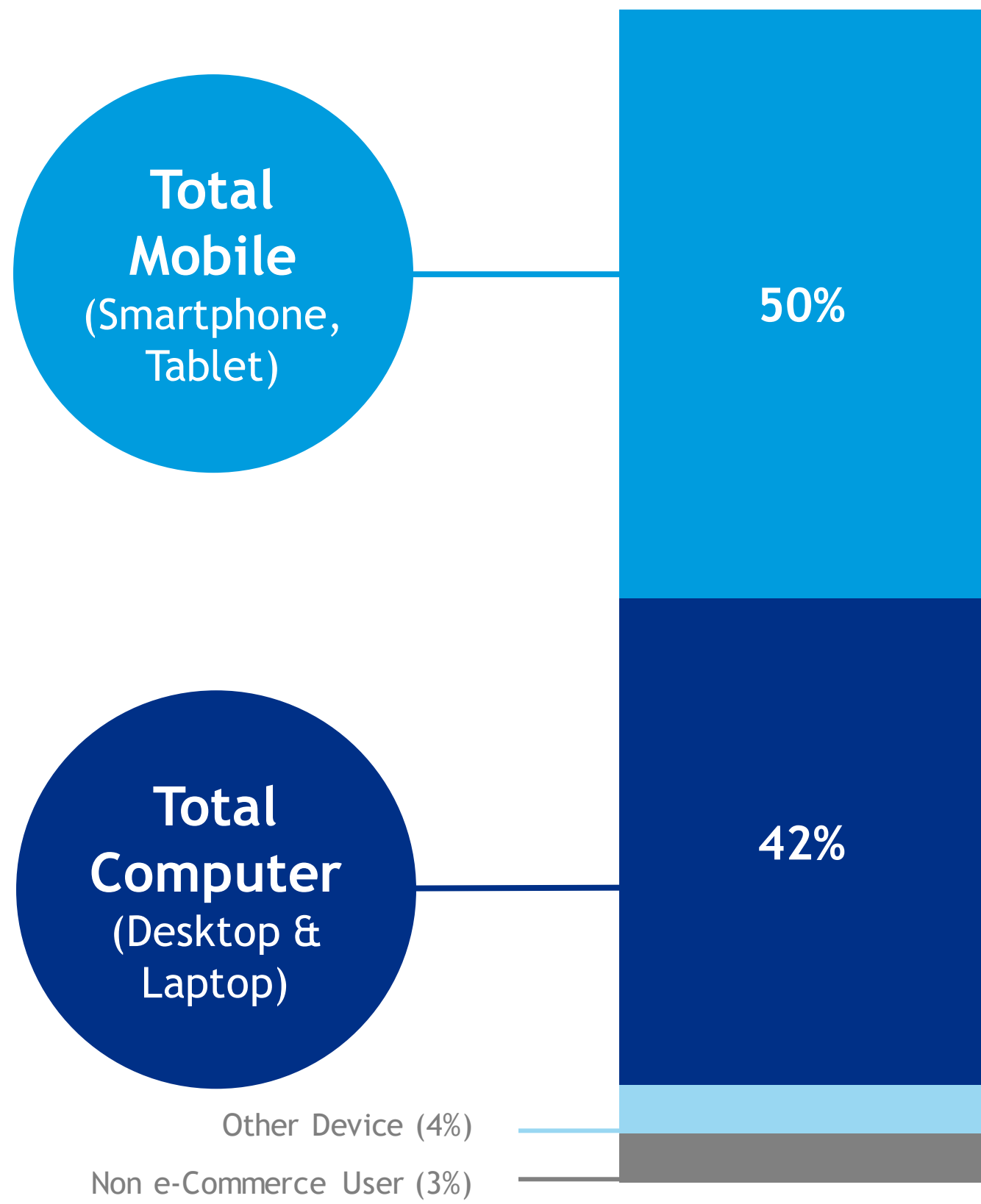
Thinking about the online payments or purchases that you have made in the past 6 months, which of these categories have you purchased? *Note: Bill payments (e.g. phone, insurance, utilities). Food & Drinks refer to take out or delivery food and drink items (i.e. ordering dinner delivered to your home or paying in restaurant via the website/QR code). Grocery refers to household items ordered from Grocery stores/supermarkets.

BASE: All Consumers 18-75, n=13,175

On average, consumers narrowly prefer mobile devices (50%) for making online purchases and payments, this is highest in the UK where two thirds of Britons (66%) prefer mobile.

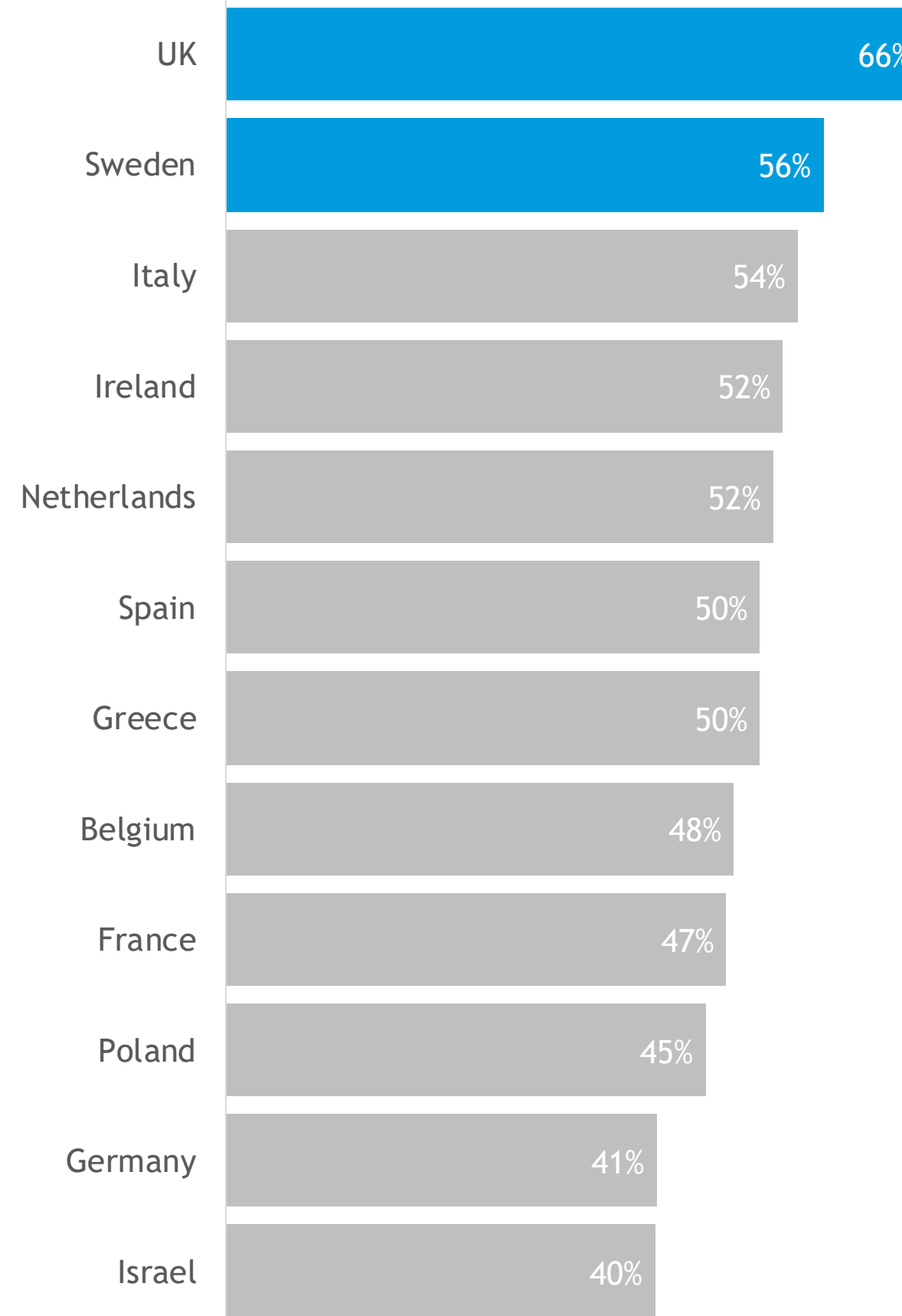
Preference by Device Type

(All Consumers 18-75)



Mobile Preference by Country

>55% highlighted



On average, consumers have a preference for making purchases and payments online using mobiles (50%), ahead of those who choose computers (42%) or other devices (4%).

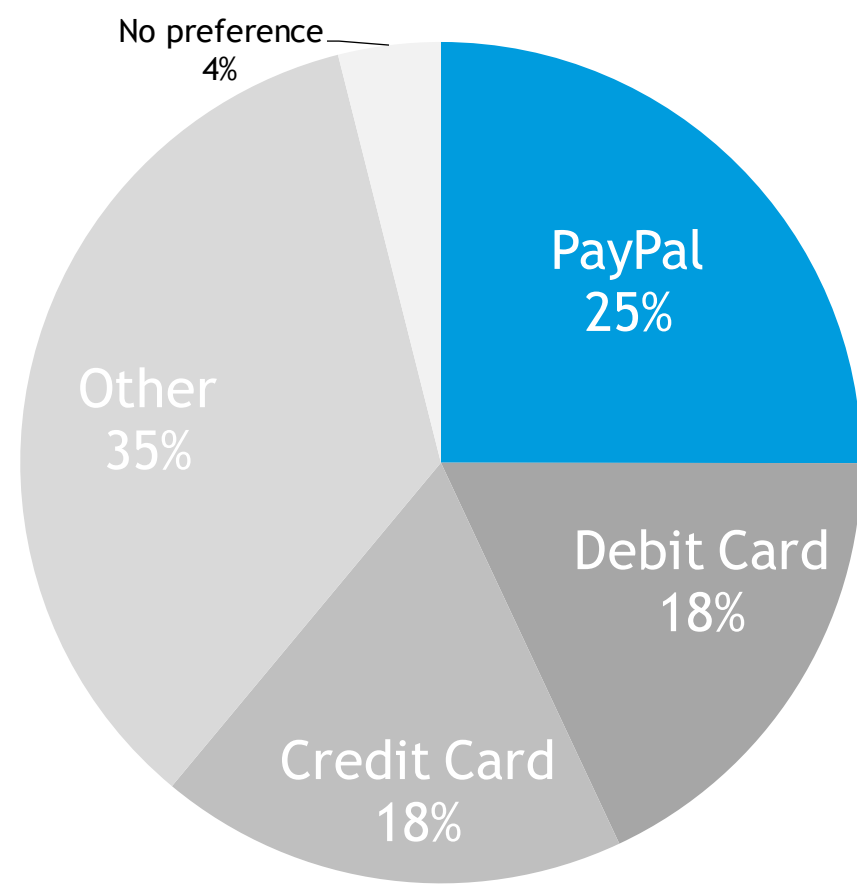
While most countries are generally in line with the overall average, some do stand out significantly - consumers in the UK are clearly the mobile leaders (66% prefer making online purchases or payments on mobile), while the high spending Swedes also skew to mobile (56% prefer mobile).

At the other end of the spectrum, consumers in Israel and Germany prefer fixed devices (i.e. desktop or laptop computers) for their online shopping, with only 40% and 41% respectively choosing to make online purchases or payments on mobile.

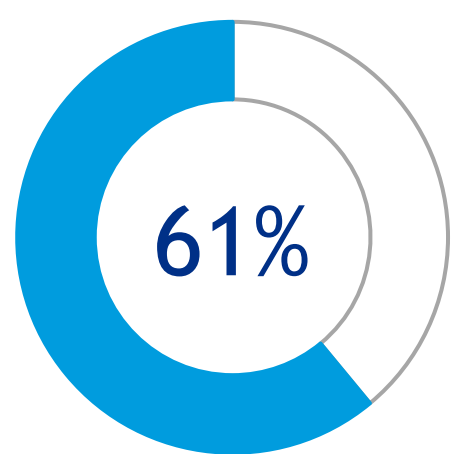
A quarter of consumers (25%) selected PayPal as their preferred payment option.

Preferred Payment Options

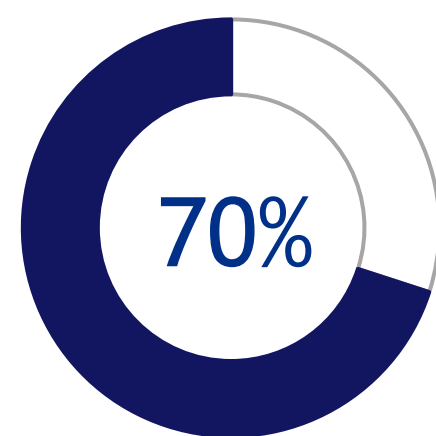
(All Consumers 18-75)



% consumer who used PayPal in the past 6 months

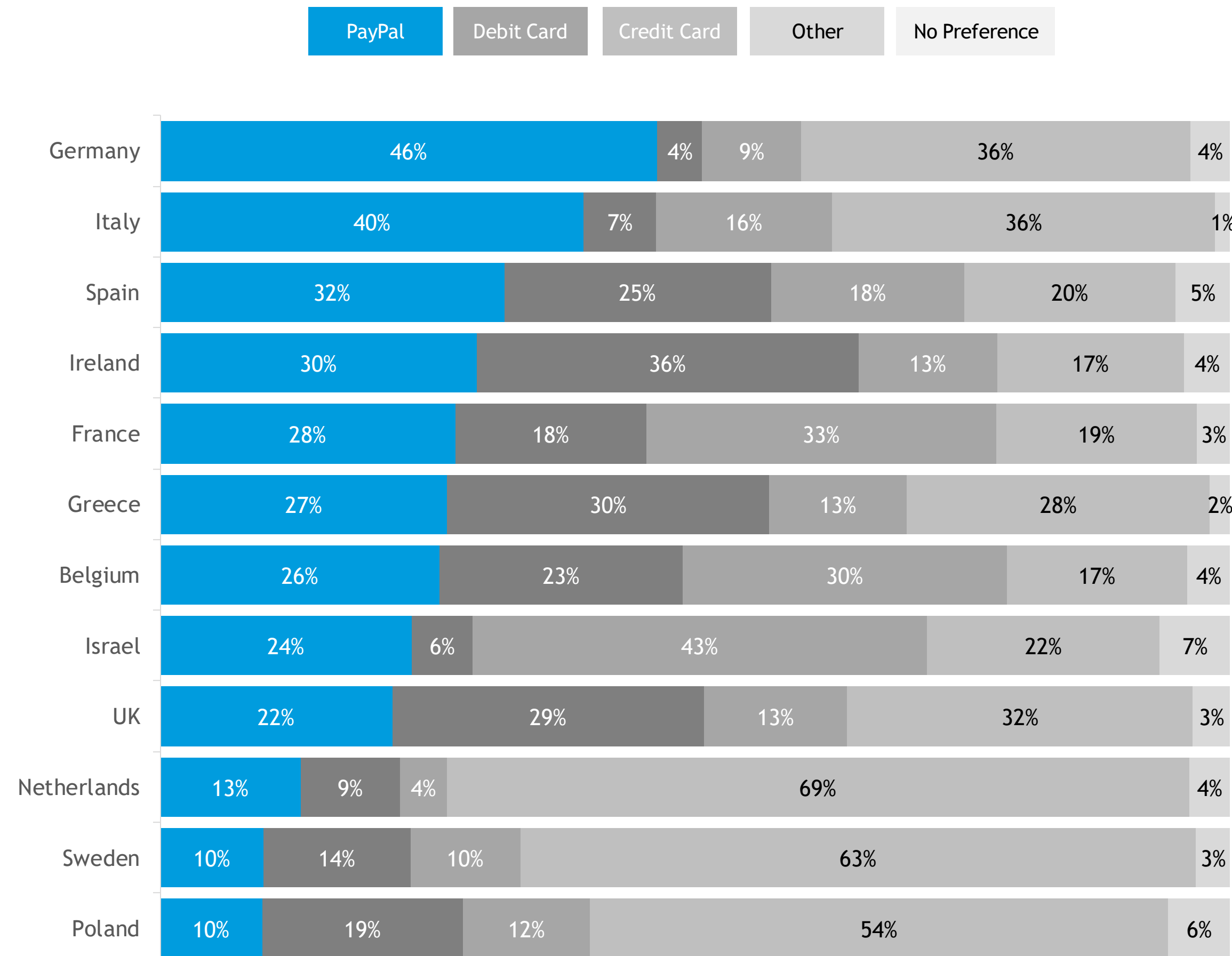


% businesses that offer PayPal as a payment method



ALL MARKETS, PayPal (inc. BNPL options)

Preferred Payment Options By Market



PayPal is a popular payment method across Europe and Israel, with almost two thirds of consumers (61%) having used it in the last 6 months.

One in four consumers (25%) selected PayPal as their top choice, ahead of Debit and Credit Cards (both 18%).

This is driven by particularly high levels of engagement in Germany (46% prefer PayPal).

Businesses clearly recognise the importance of catering to consumer expectations, with almost three in four (70%) offering PayPal as a payment option.

CQ3a. Thinking about when you make a purchase or pay online, which of the following payment options, if any, have you used in the last 6 months?

Q3b: And which of the payment options that you use, if any, would you say is your preferred payment option?

BASE: All Consumers 18-75, n=13,175 for both questions.

MQ3. Which of the following online payment options do you offer your customers?

BASE: All Businesses n=4,604



3 Key Highlights

1

Consumers across Europe and Israel are regular online shoppers, spending €342 a month across essential and leisure purchases and payments.

2

Top categories for online purchase and payments are:
Clothing & Accessories (57%),
Bill Payments (54%) and
Food & Drink (42%).

3

One-in-four consumers list PayPal as their preferred option for online purchases and payments.

e-Commerce Drivers & Barriers

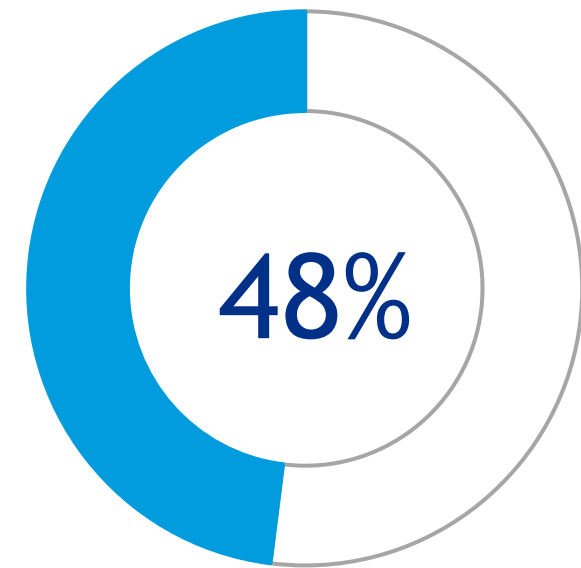


Security concerns are the main barrier to online purchasing across all markets.

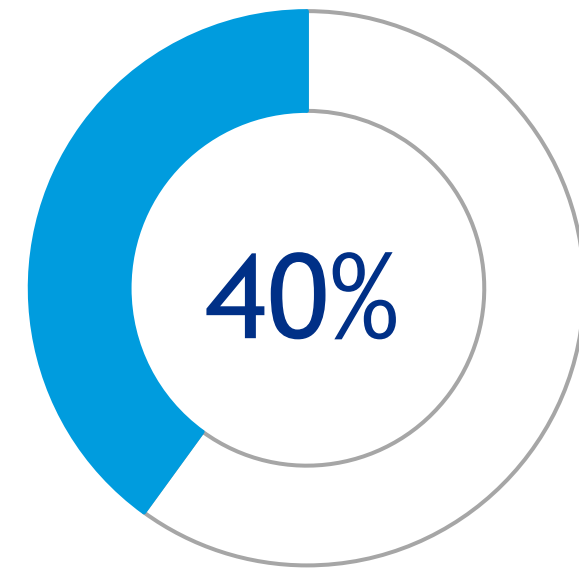
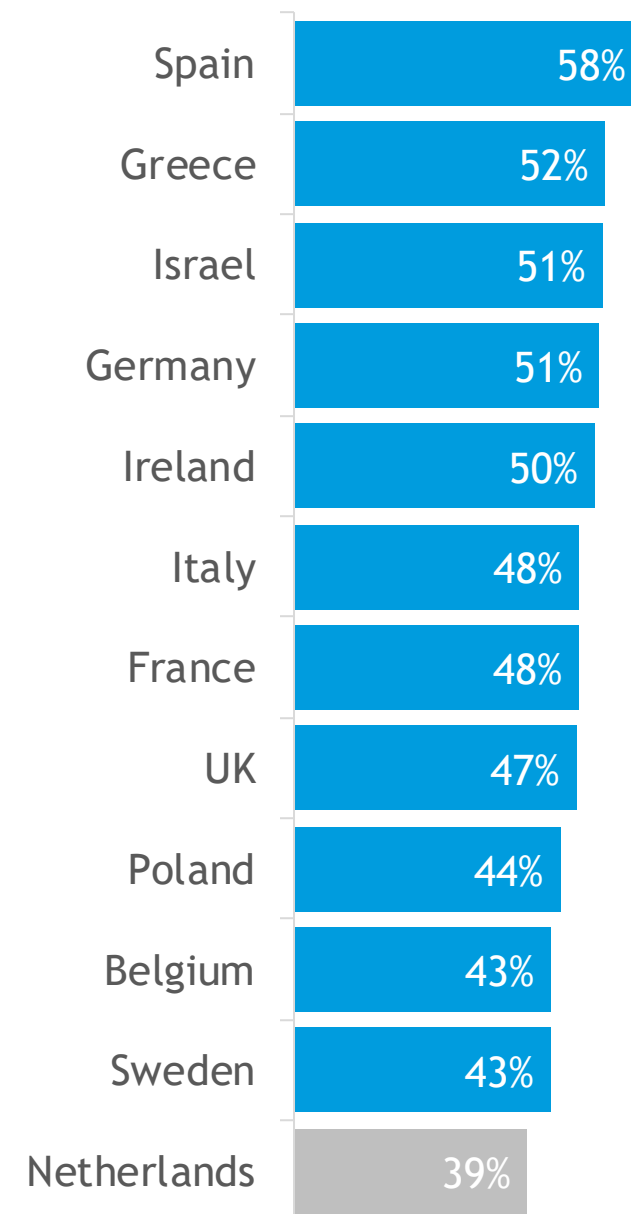
Barriers To Making An Online Purchase

(All Consumers 18-75 years)

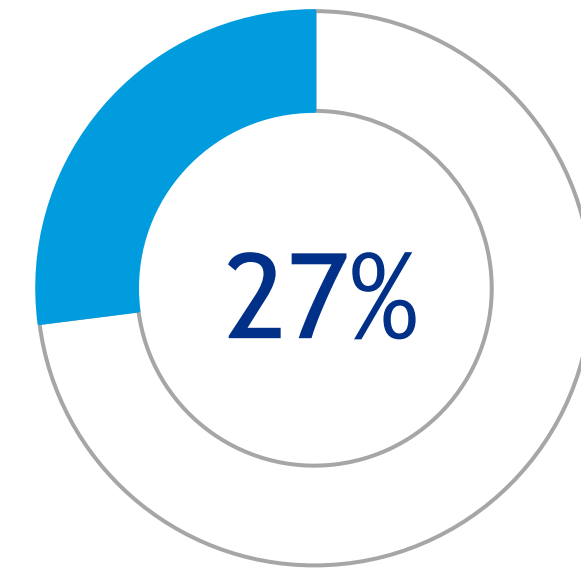
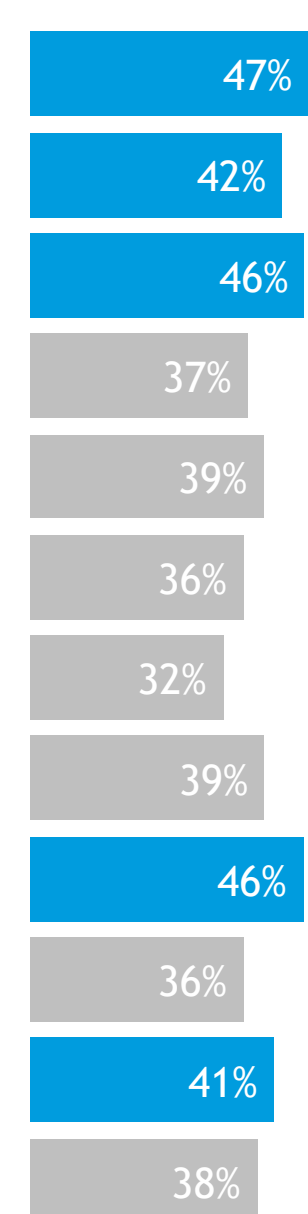
>40% highlighted



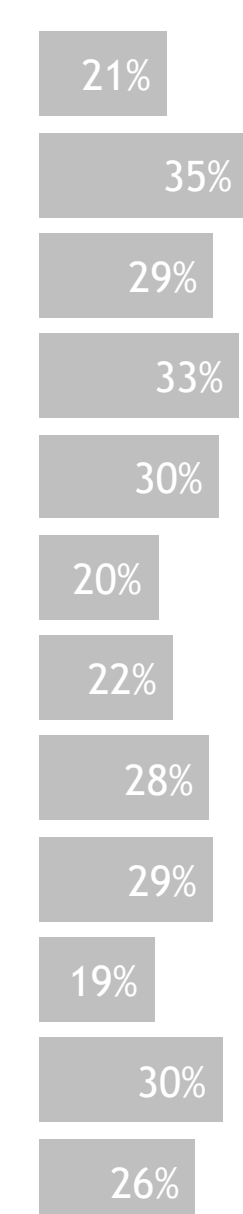
Security or trust issues at checkout



Long and confusing checkout



Must create a new user account first/no guest checkout



Online shopping is complex, with a range of factors potentially facilitating or hindering the desired outcome.

Despite consumers finding overly long or confusing purchasing processes off-putting, security concerns clearly stand out as the most significant barrier. This leads to almost half of consumers reporting that they are less likely to make a purchase if they have security or trust issues at checkout.

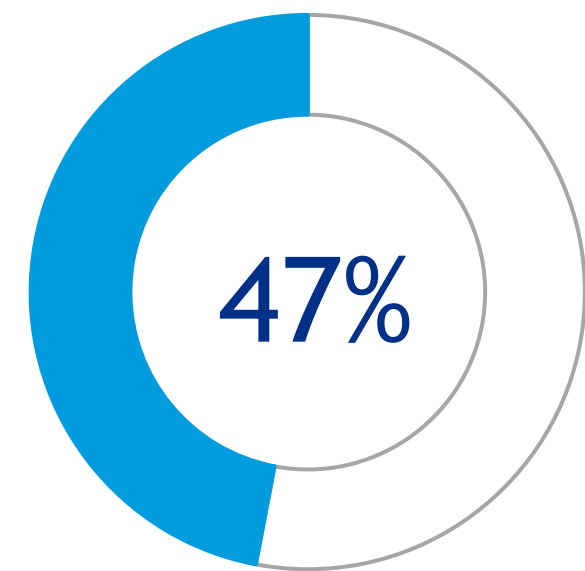
In fact, Poland is the only country where a long checkout experience is a slightly more significant disincentive to purchase than security concerns.

Security concerns can be alleviated by merchants offering preferred payment type.

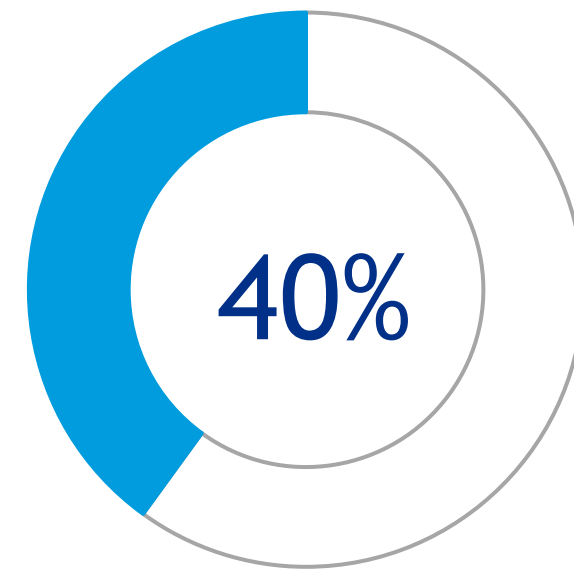
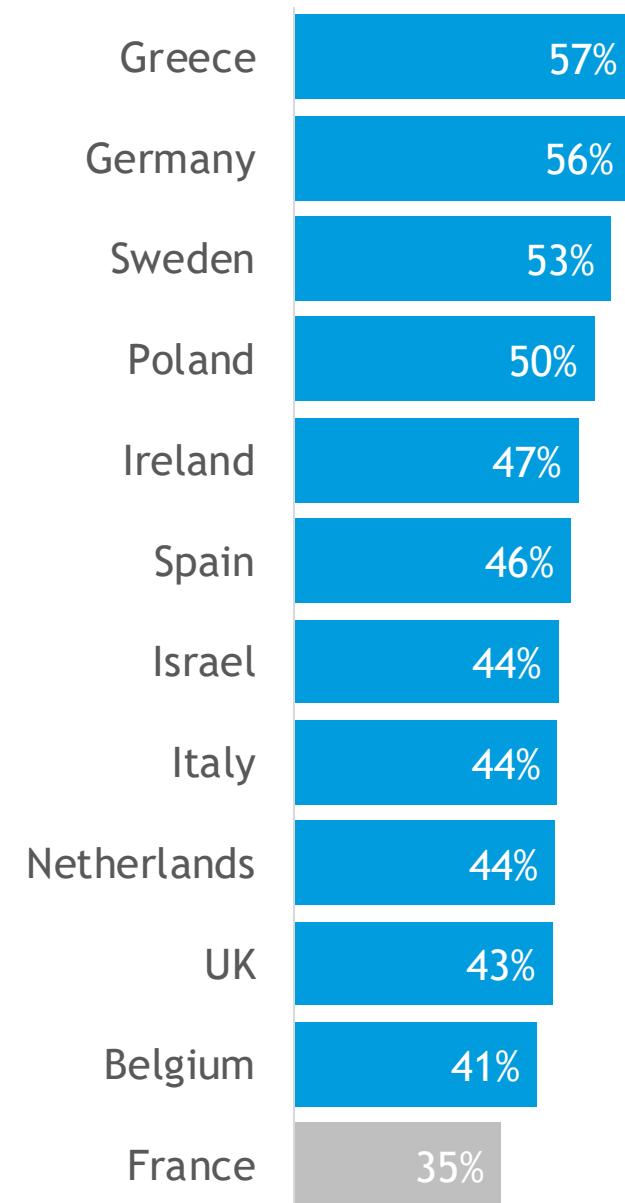
Drivers That Encourage Online Purchases

(All Consumers 18-75 years)

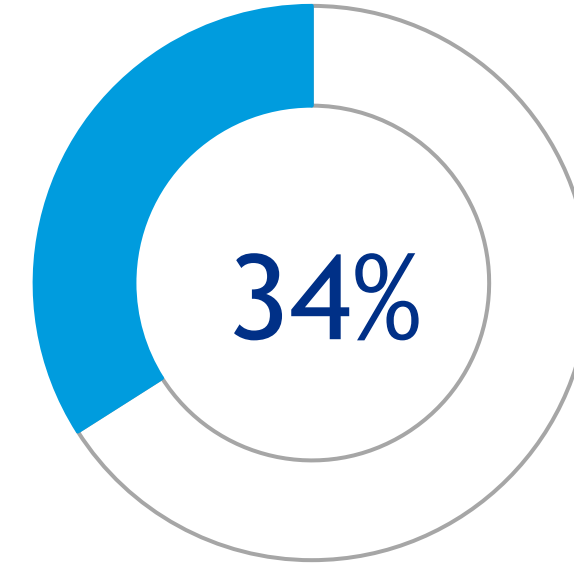
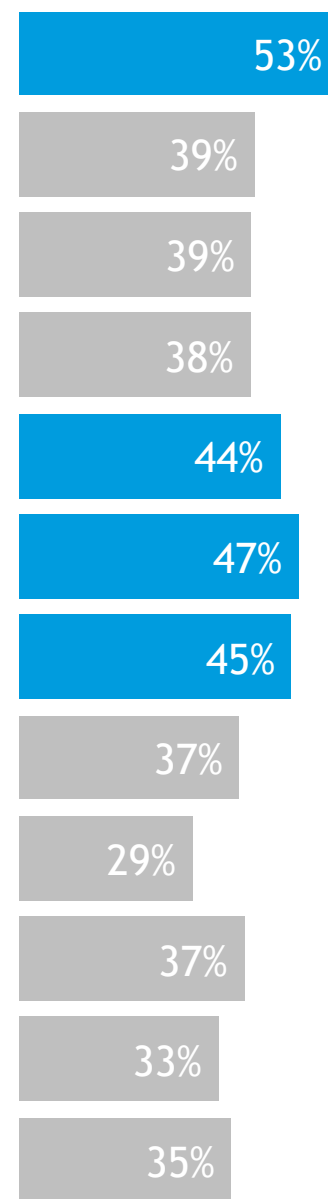
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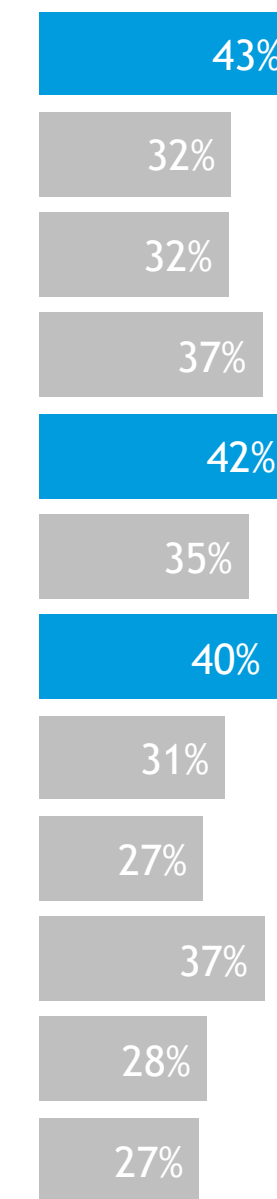
Offers my preferred payment type



Easy navigation



Fast checkout experience



There are many ways to reduce barriers to online purchase. Three key opportunities are offering preferred payment type, having an easy navigation and a fast checkout experience.

Almost half (47%) of consumers stated that businesses offering their preferred payment types would make them more likely to purchase online.

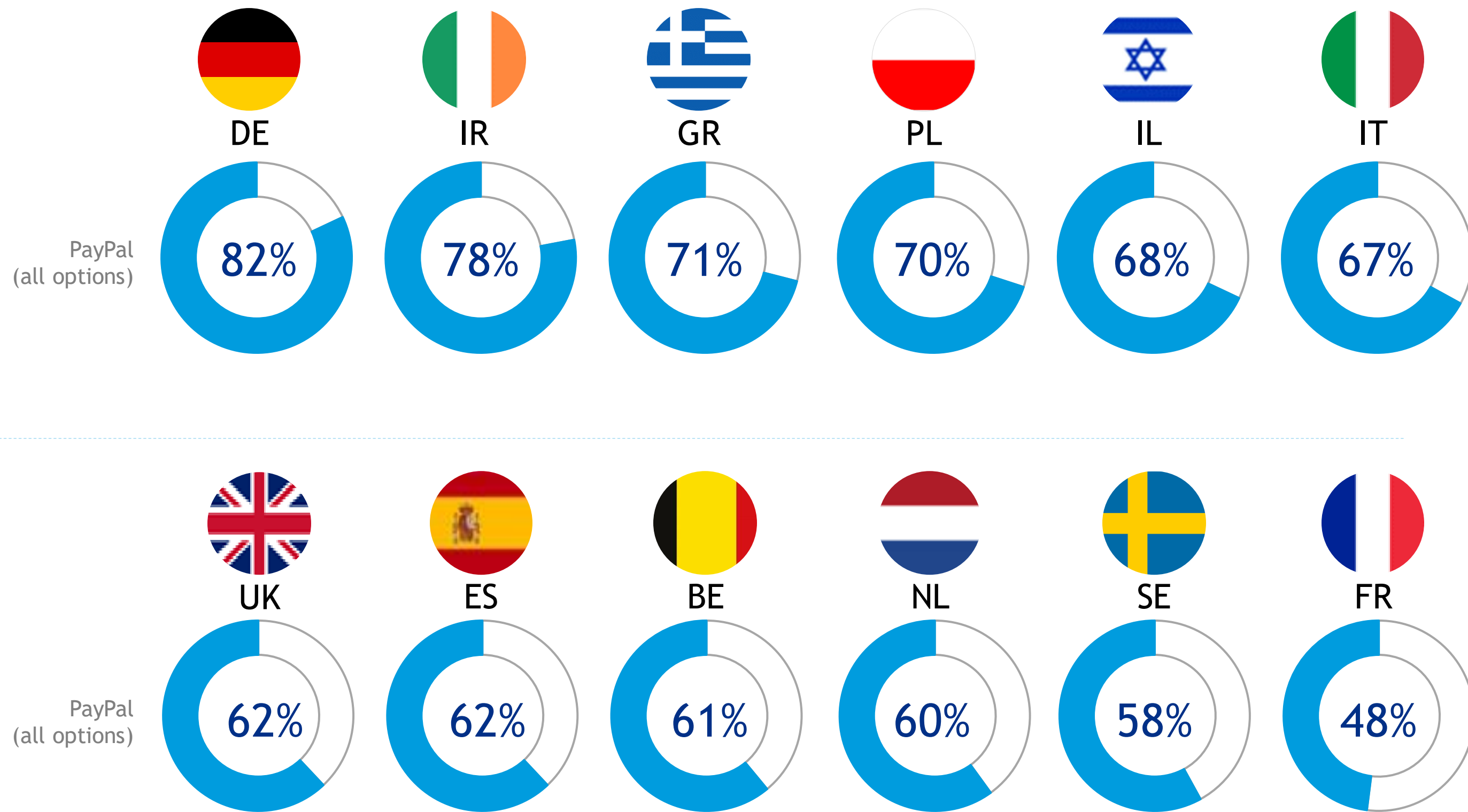
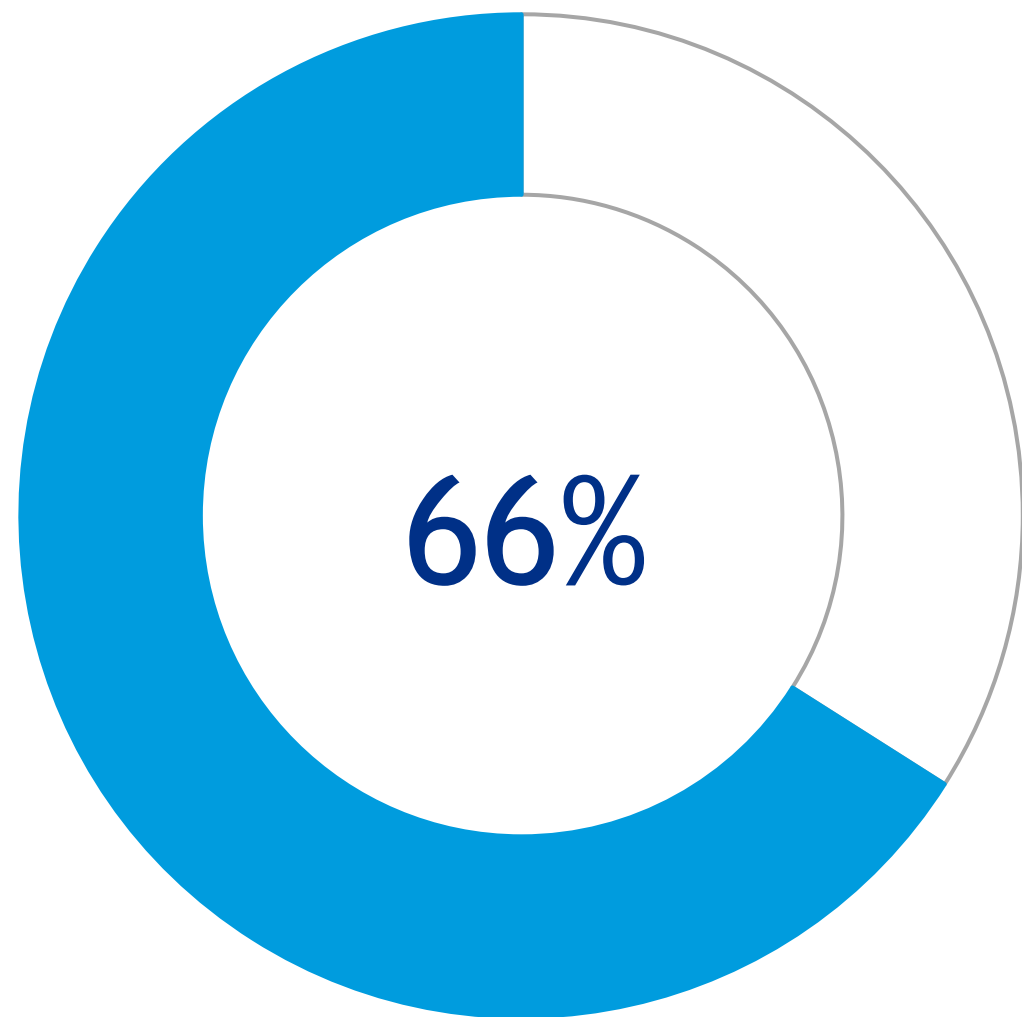
Focus should also be placed on improving the overall purchase experience through easier navigation and a speedier checkout. This stands out particularly for consumers in Greece, Israel, and Ireland.

Two thirds of consumers trust PayPal to keep their payments secure and protect them.

% That Trust Paypal To Keep Their Payment Secure and Protect Them

(All Consumers 18-75 years)

PayPal (all options incl. BNPL)



The ability to use PayPal is an important factor when it comes to building trust in the purchase or payment process.

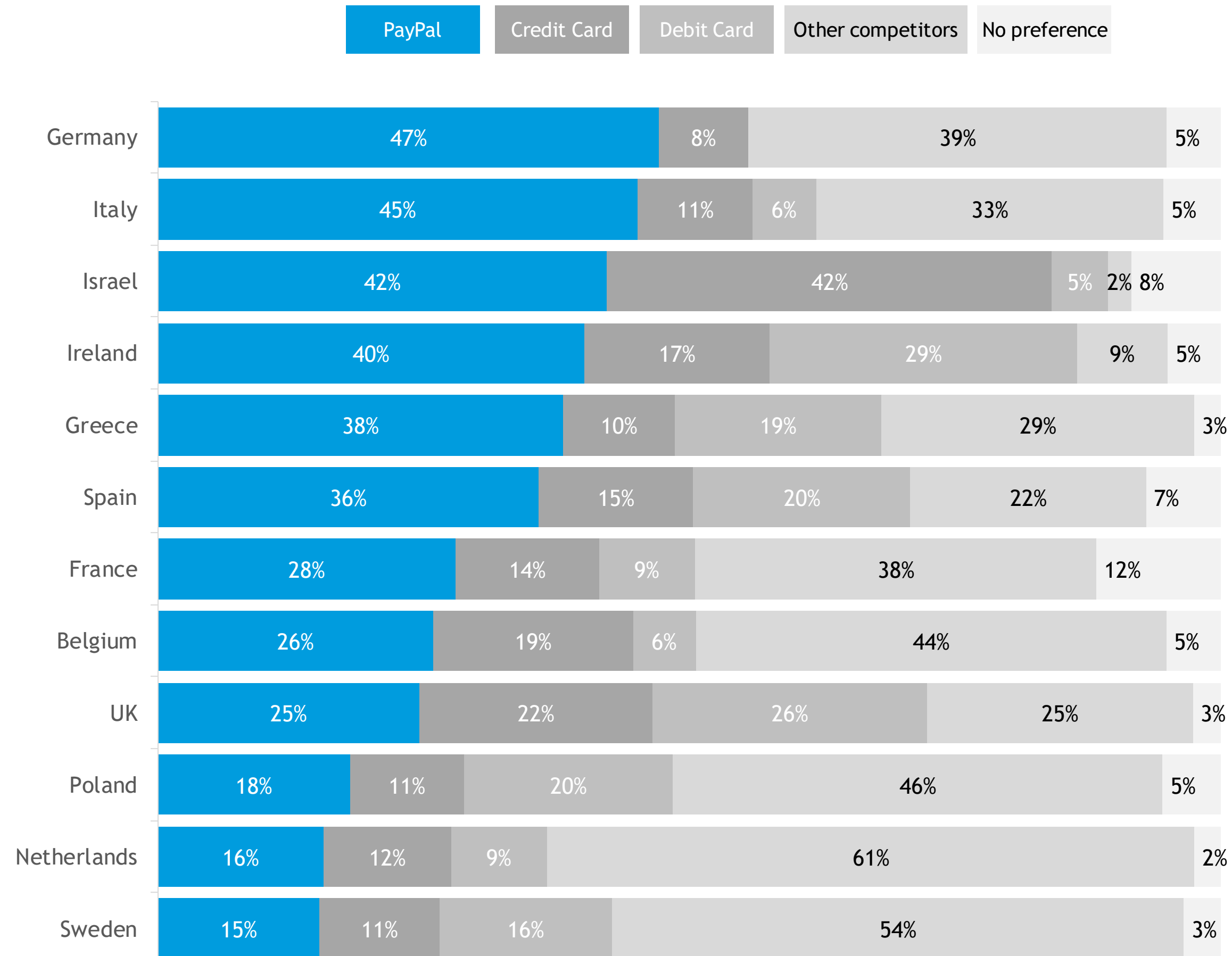
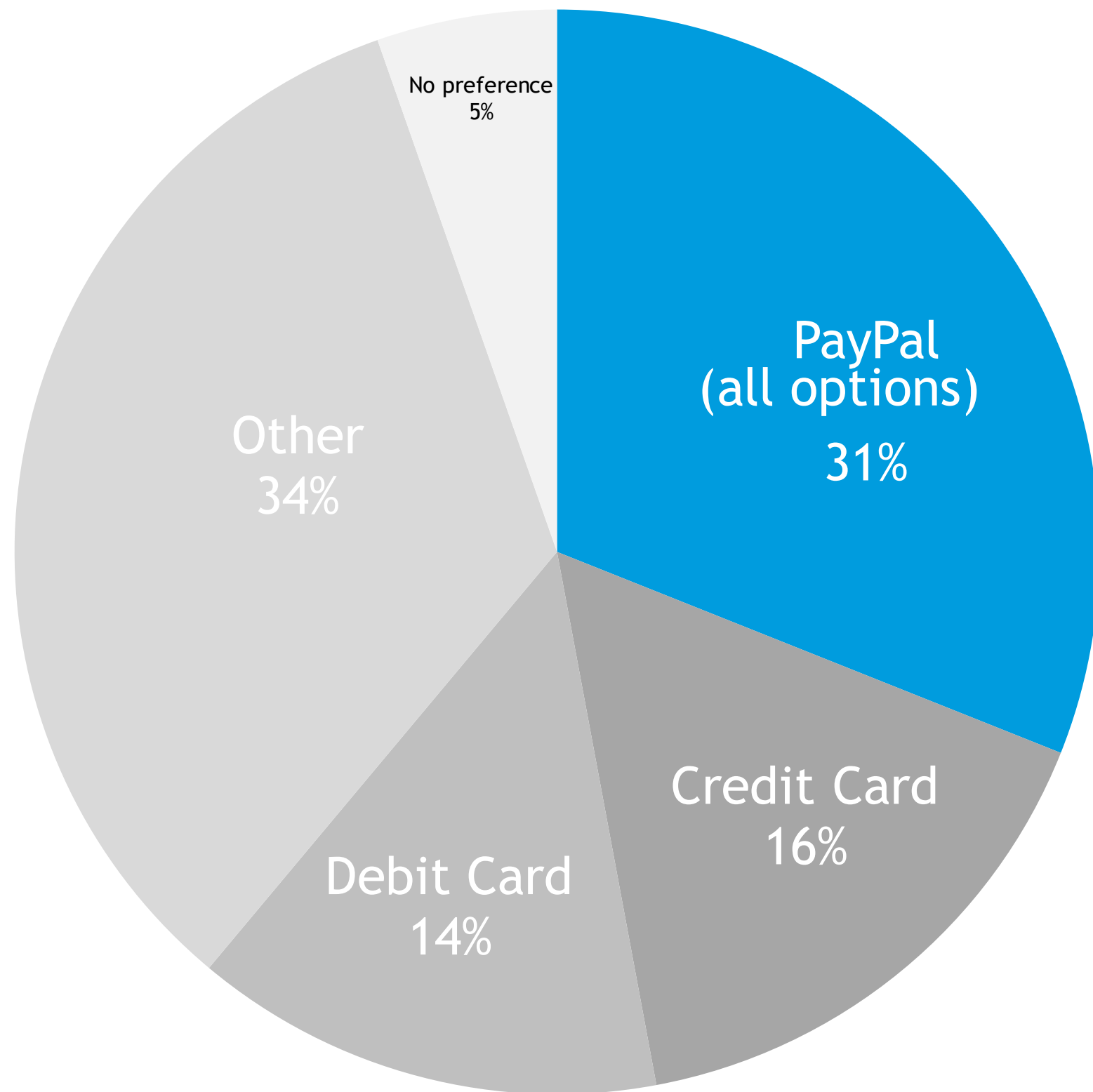
Overall, two thirds of consumers trust PayPal to protect them and their payments, rising to more than three-in-four in both Germany and Ireland.



In fact, almost one-in-three consumers view PayPal as their most trusted payment method, emphasising the position of trust it has built.

Most Trusted Payment Options

(All Consumers 18-75)



Across the markets, almost one-in-three consumers (31%) selected PayPal as their trusted payment option, and was strongest in Germany (47%), Italy (45%) and Israel (42%).

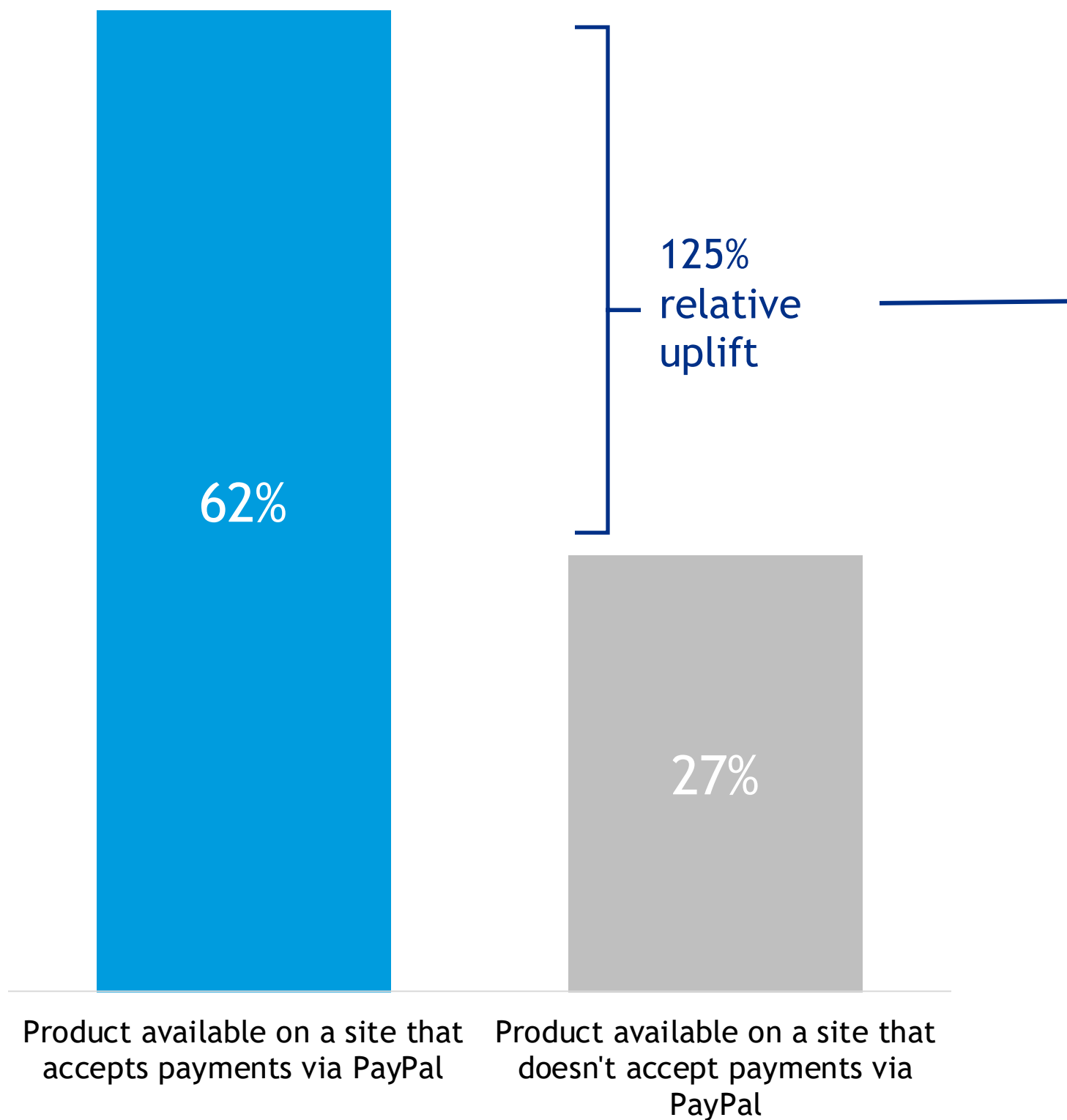
PayPal is selected as the preferred brand by at least one-in-four consumers in the majority of markets.



Offering PayPal as a payment solution significantly strengthens the proposition for merchants, doubling the likelihood that a consumer would purchase their product or service (125% relative uplift).

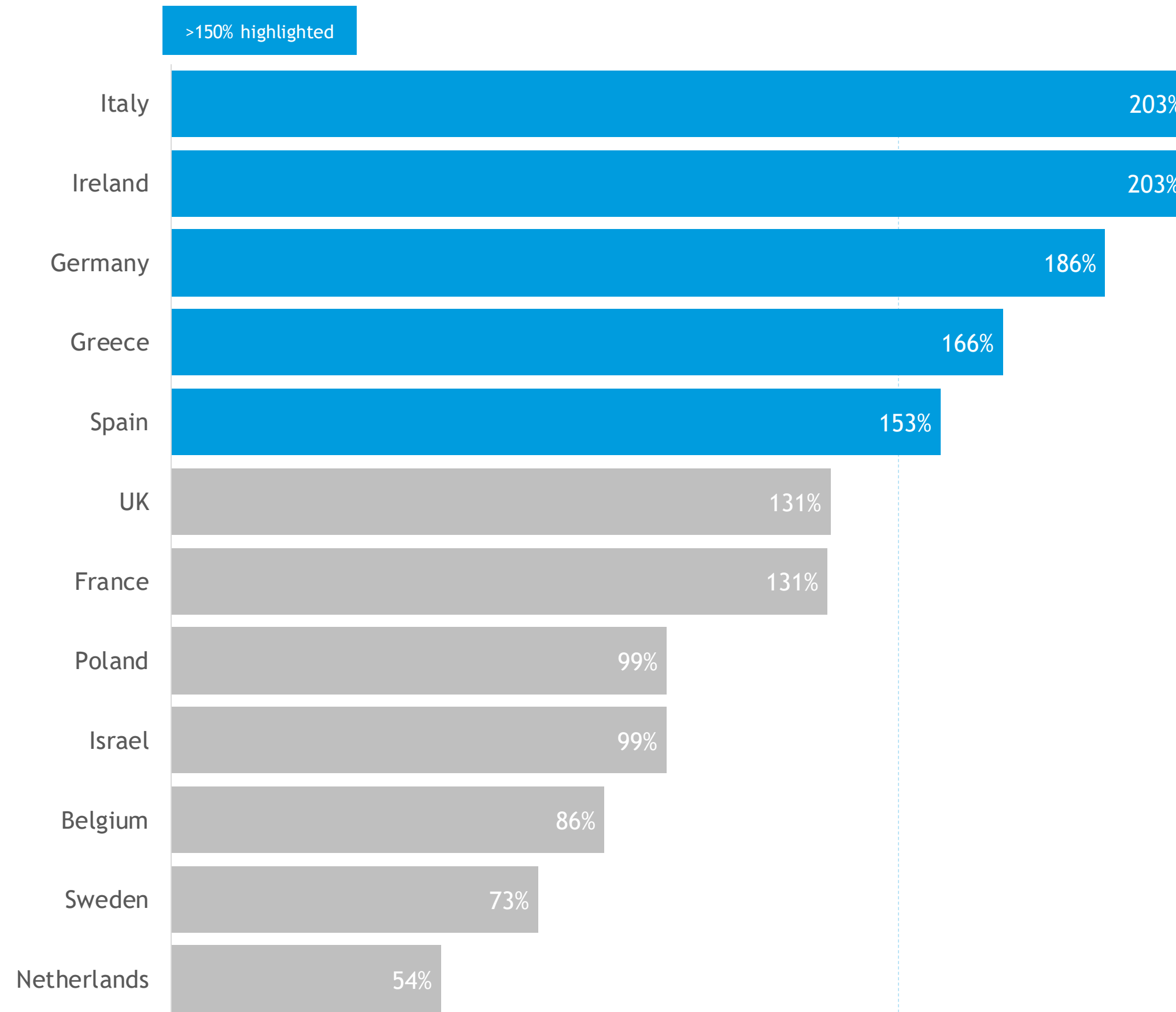
Purchase Likelihood

(All Consumers 18-75 years)



Uplift Among Markets on a Site that Accepts Payments via PayPal

(All Consumers 18-75 years)



The high level of trust delivers a measurable impact on purchase likelihood.

When asked to compare their likelihood to purchase identical products off two competing sites, consumers are more than twice as likely to purchase from the one that accepts payment via PayPal (62% likely to purchase) as the one that doesn't (27%). This translates to an average 125% uplift in purchase likelihood across markets.

While we see some level of uplift in all markets, there are certain countries where this becomes significantly more pronounced:

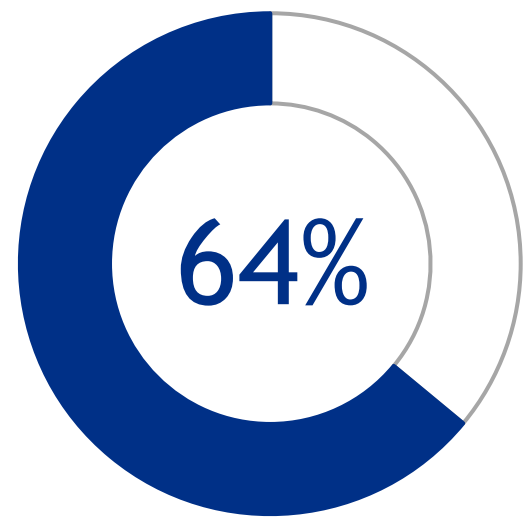
- Italy - 203% increase
- Ireland - 203% increase
- Germany - 186% increase



CQ24. If you find a product that you want on two separate sites, both of which are offering it for the same price (including any shipping costs), how likely would you be to buy the product?

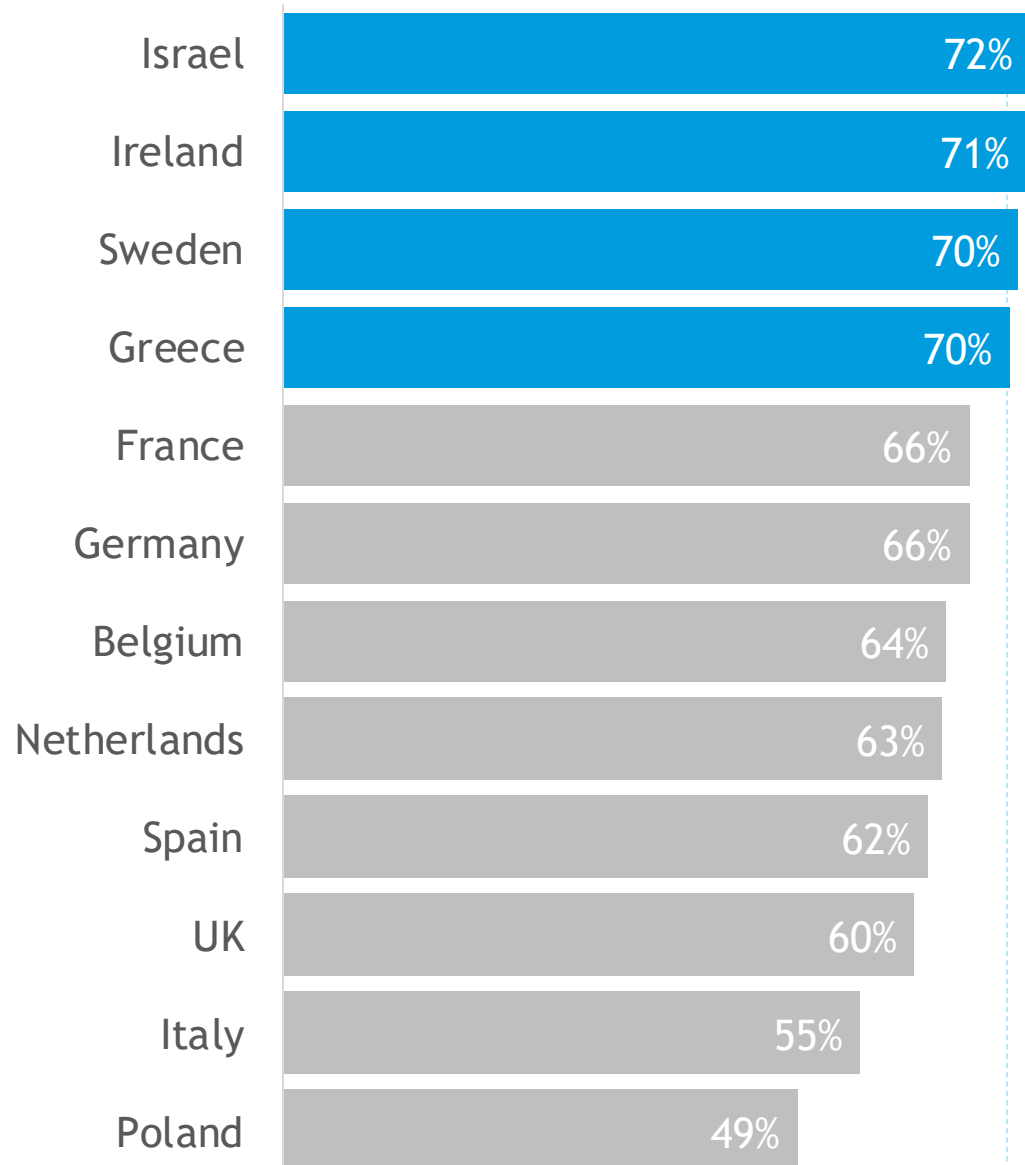
BASE: All Consumers 18-75, n=13,175

Cart abandonment is common across markets (64%), driven by security concerns, lack of preferred payment options and poor customer experiences.



Almost 2-in-3 consumers have abandoned a purchase or payment online

>70% highlighted



Reasons For Abandonment

(All Consumers 18-75 years)

>30% highlighted

	Preferred payment method wasn't available	Concerns about security	Process took too long	They did not deliver to my country
ALL	28%	27%	21%	19%
Israel	26%	34%	26%	32%
Ireland	26%	29%	29%	37%
Sweden	36%	26%	26%	21%
Greece	31%	29%	20%	21%
France	19%	39%	18%	15%
Germany	42%	23%	21%	13%
Belgium	29%	29%	17%	24%
Netherlands	27%	21%	22%	18%
Spain	30%	31%	24%	14%
UK	22%	24%	24%	14%
Italy	24%	23%	13%	12%
Poland	25%	19%	11%	11%

Looking beyond trust, there are other factors at play when it comes to completing a purchase or payment online.

Almost two-in-three consumers (64%) have abandoned an online payment or purchase, primarily citing an inability to use their preferred payment method (28%) or concerns about security (27%), ahead of process and shipping issues (21% and 19% respectively).

Specific reasons do vary by country, with consumers in Germany (42%), Sweden (36%), and Greece (31%) most concerned about the payment methods on offer, while those in France (39%) and Israel (34%) were more significantly concerned by the security of the transaction.

Spanish consumers were the only ones to prioritise both of these, with 31% citing security concerns and 30% the inability to use their preferred payment method.

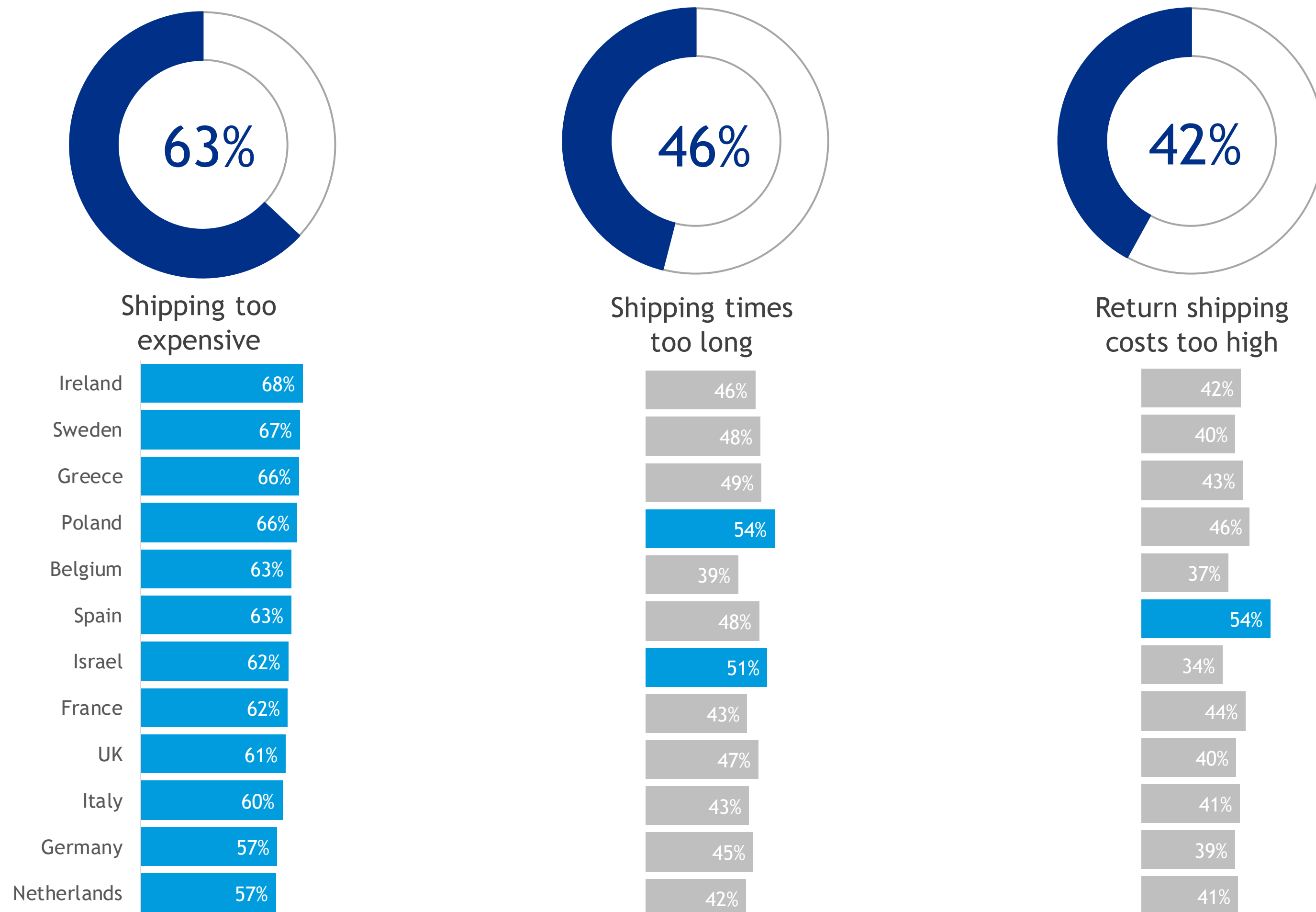


Shipping costs are also a significant barrier to purchasing, particularly if consumers are purchasing across borders.

Shipping Barriers For Online Purchases

(All Consumers 18-75 years)

>50% highlighted



We saw earlier that delivery not being available to their country is (logically) a disincentive to purchase, but shipping is a more complex issue once we start unpacking it.

Depending on a retailer's approach to shipping fees and delivery times, it can either help support purchasing, or act as a significant barrier.

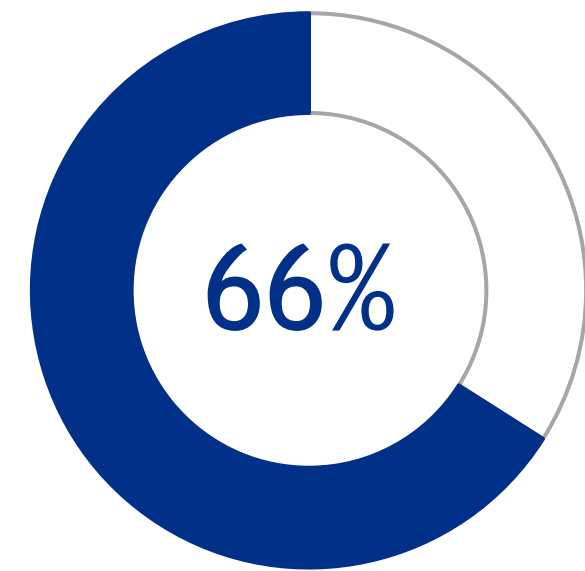
Ultimately, this largely comes back to cost, with almost two-in-three consumers (63%) less likely to purchase if they feel shipping is too expensive.

On the flipside, free shipping or free return shipping are powerful incentives for consumers to make a purchase.

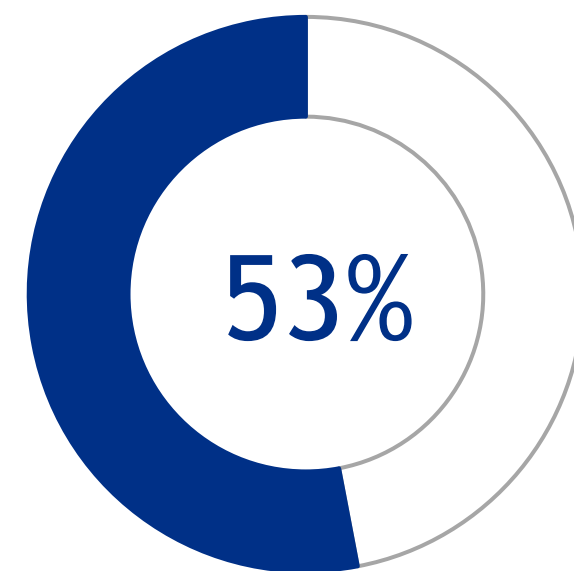
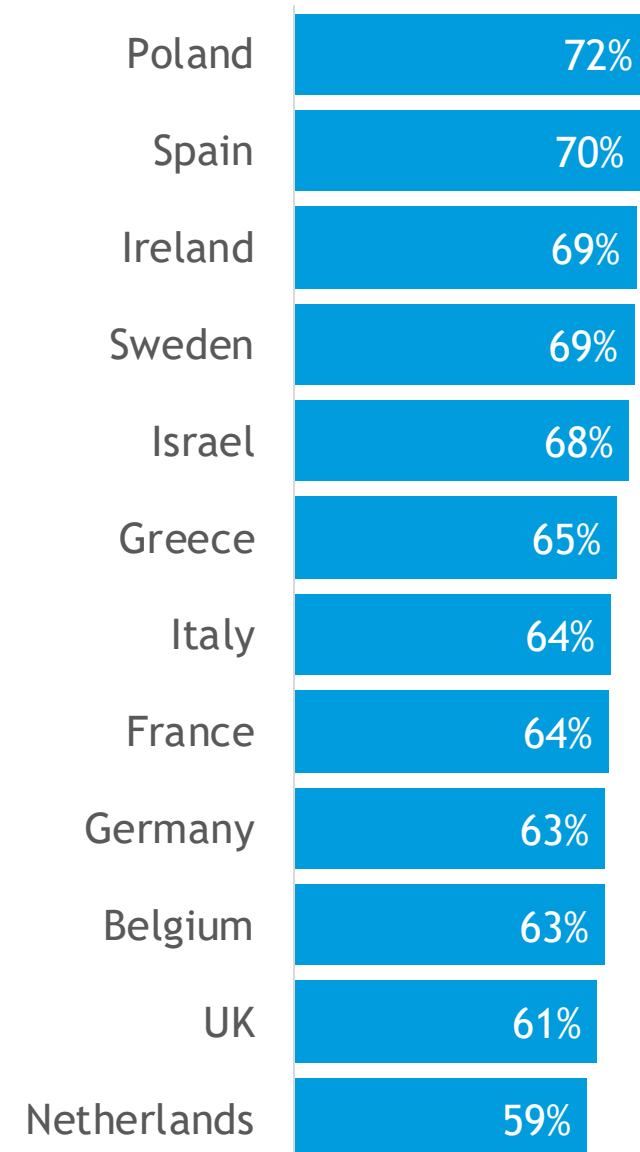
Shipping Drivers For Online Purchases

(All Consumers 18-75 years)

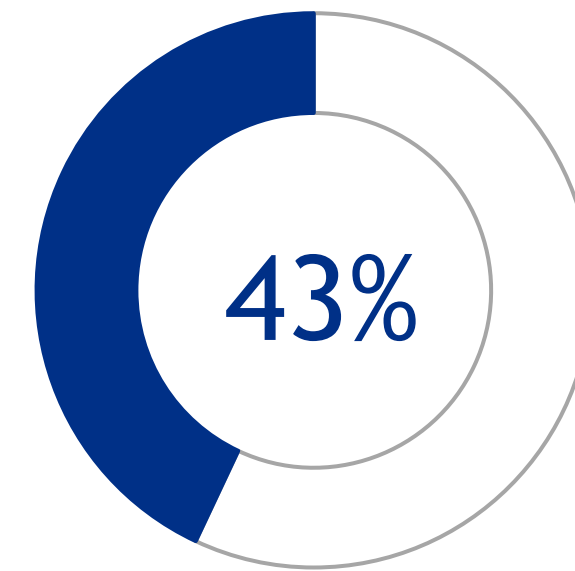
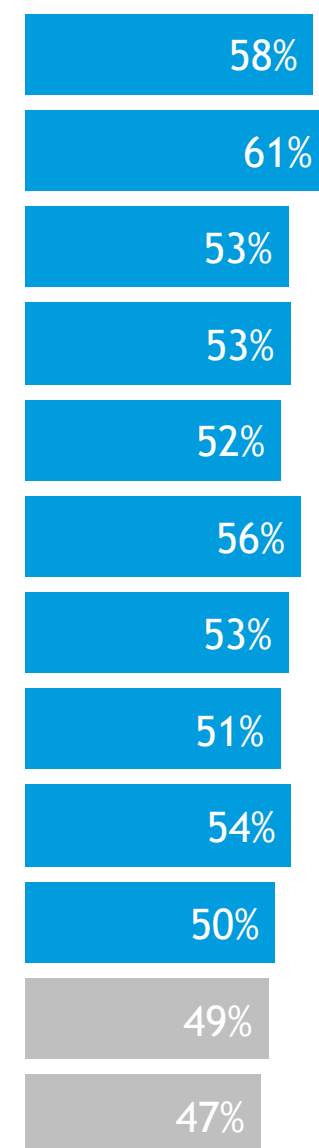
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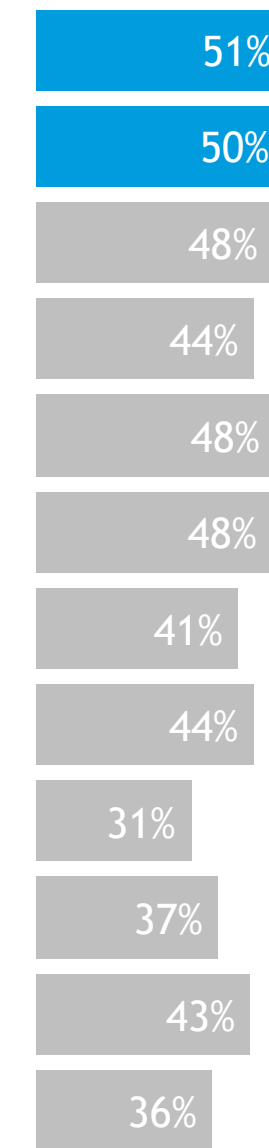
Free shipping



Offers free return shipping

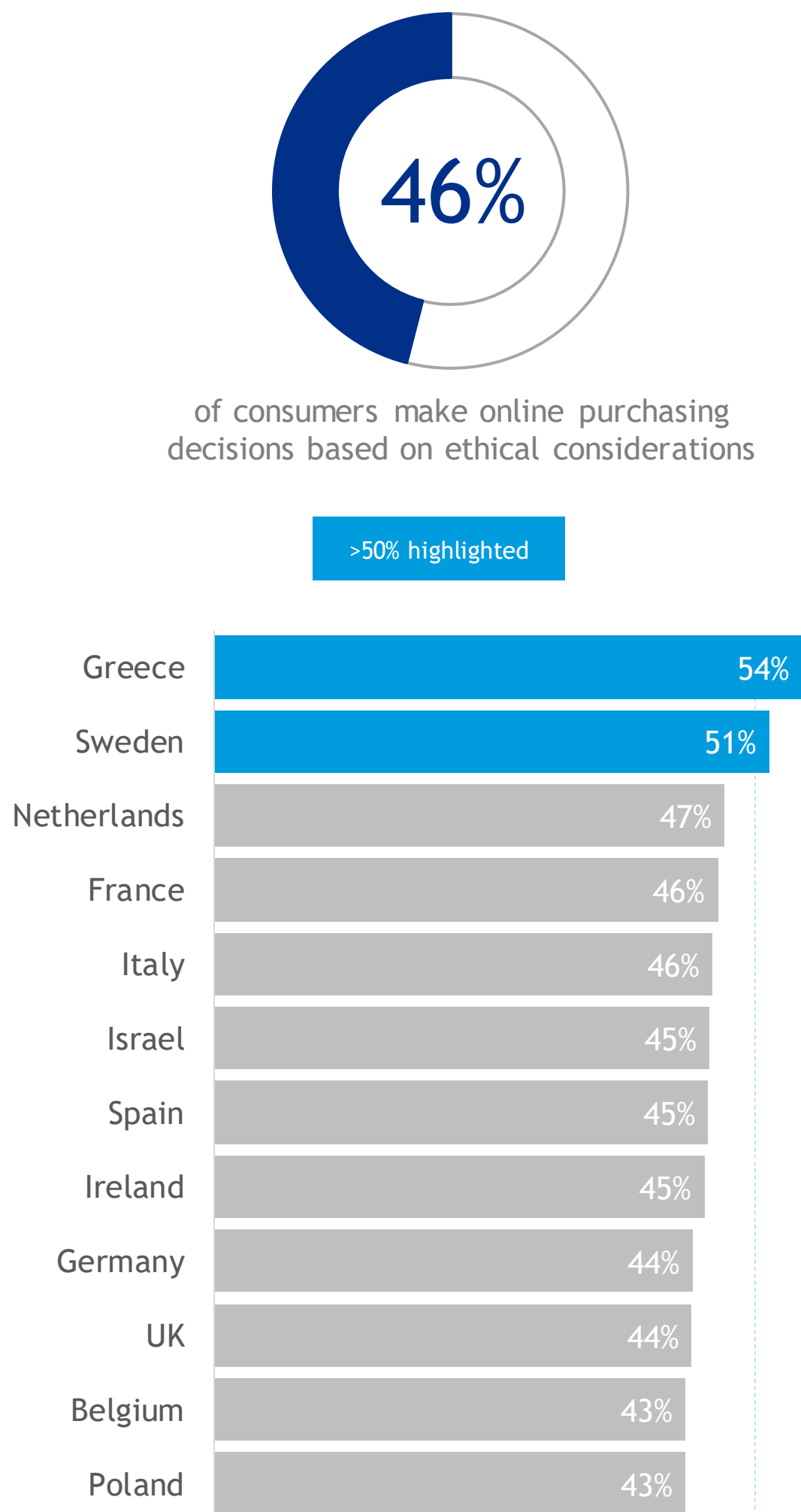


Offers buy online and pick up or return in store



While expensive shipping is a key barrier for consumers, two thirds of respondents are more likely to make a purchase if offered free shipping. For businesses that don't offer free shipping, it is important to note that more than half (53%) of consumers reported being more likely to purchase if they can access free return shipping, reducing the impact of making the 'wrong' choice.

Almost half of consumers (46%) consider ethical factors when making an online purchase, seeking out businesses whose values align with theirs.



Ethical Considerations in e-Commerce

(All Consumers 18-75)

>25% highlighted

	Worker pay and conditions either locally or in supply chain	Environmental impact	Social causes that reflect personal values	Diversity and inclusion
ALL	29%	26%	22%	19%
Greece	35%	30%	27%	19%
Sweden	33%	28%	26%	23%
Netherlands	27%	25%	23%	18%
France	29%	27%	23%	18%
Italy	28%	28%	23%	18%
Israel	26%	23%	23%	20%
Spain	29%	28%	18%	22%
Ireland	32%	27%	20%	20%
Germany	29%	27%	22%	18%
UK	29%	23%	21%	19%
Belgium	26%	25%	20%	17%
Poland	25%	24%	21%	15%

Ethical considerations have become more prevalent in society, with almost half of consumers (46%) reporting that these have some impact on their purchasing decisions.

These ethical considerations encompasses a range of social and environmental factors, with consumers most actively focussed on:

- Worker pay and conditions - 29% report it impacts their purchasing decisions
- Environmental impact - 26% report it impacts their purchasing decisions

Worker pay and conditions are important across all markets, but this was led by Greece (35%) and Sweden (33%); these two markets also largely led across the other categories.

3 Key Highlights

1

Security concerns are the main barrier to online shopping, although lack of payment options, poor customer experience, and high shipping costs also put off prospective purchasers.

2

PayPal helps overcome some of these issues by being a trusted payment option, increasing purchase likelihood.

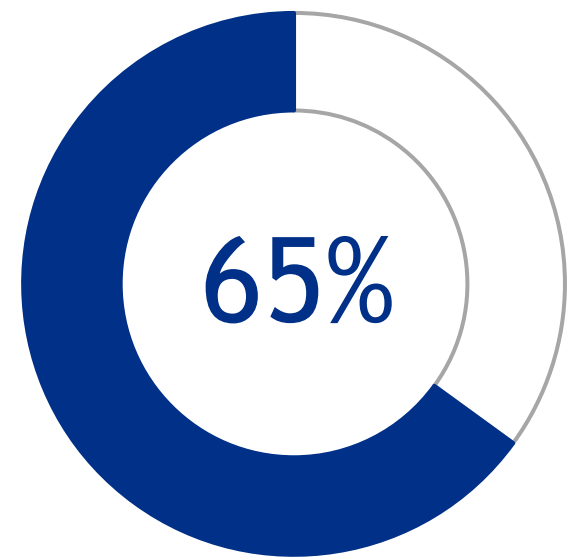
3

Ethical considerations are becoming more important, with almost half of consumers now seeking out businesses whose values align with their own.

Social Commerce

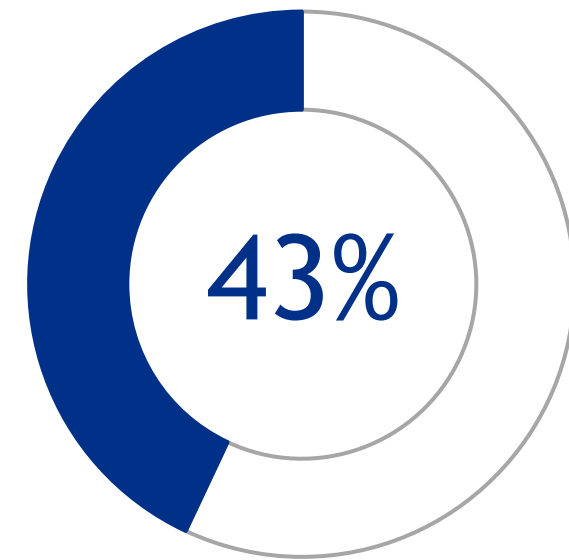
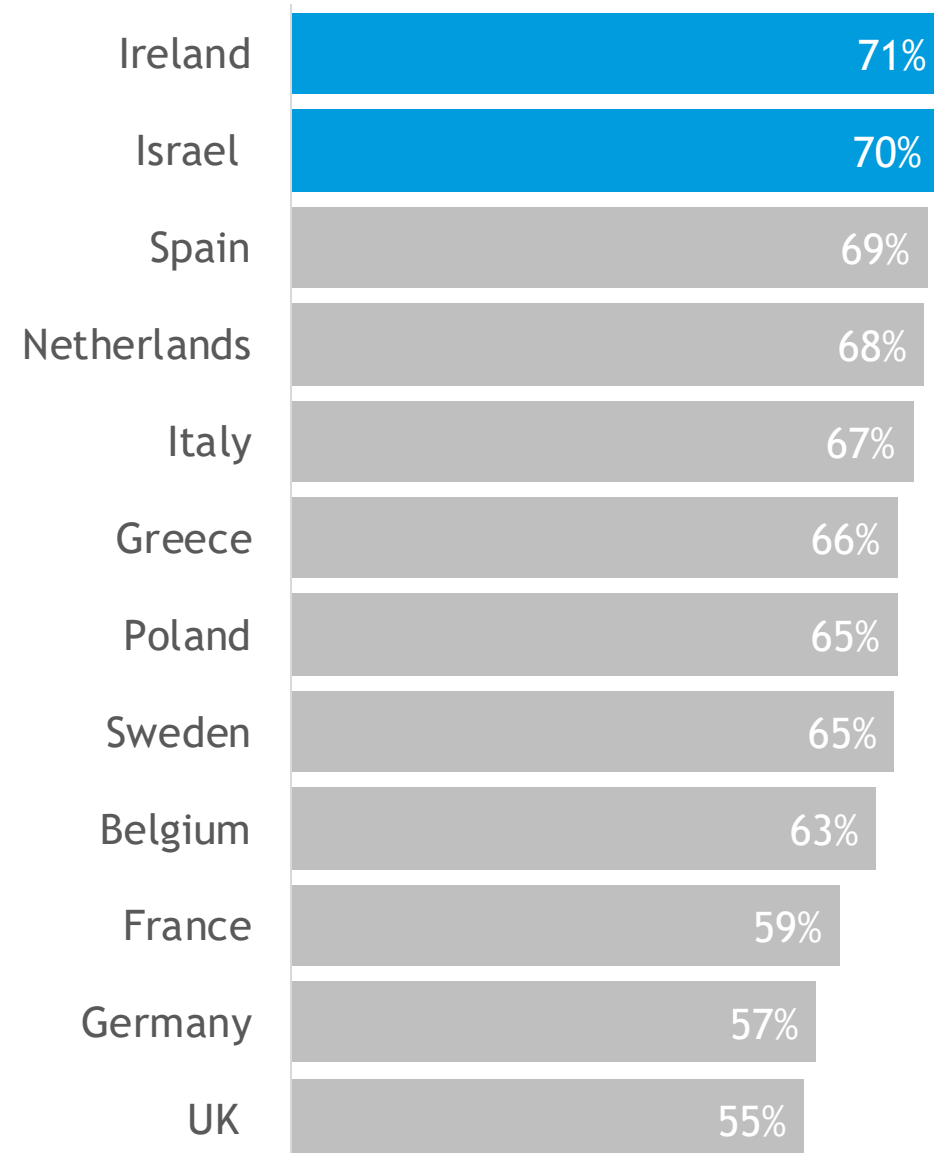


Almost half of consumers (43%) have purchased through social platforms in the last 6 months.



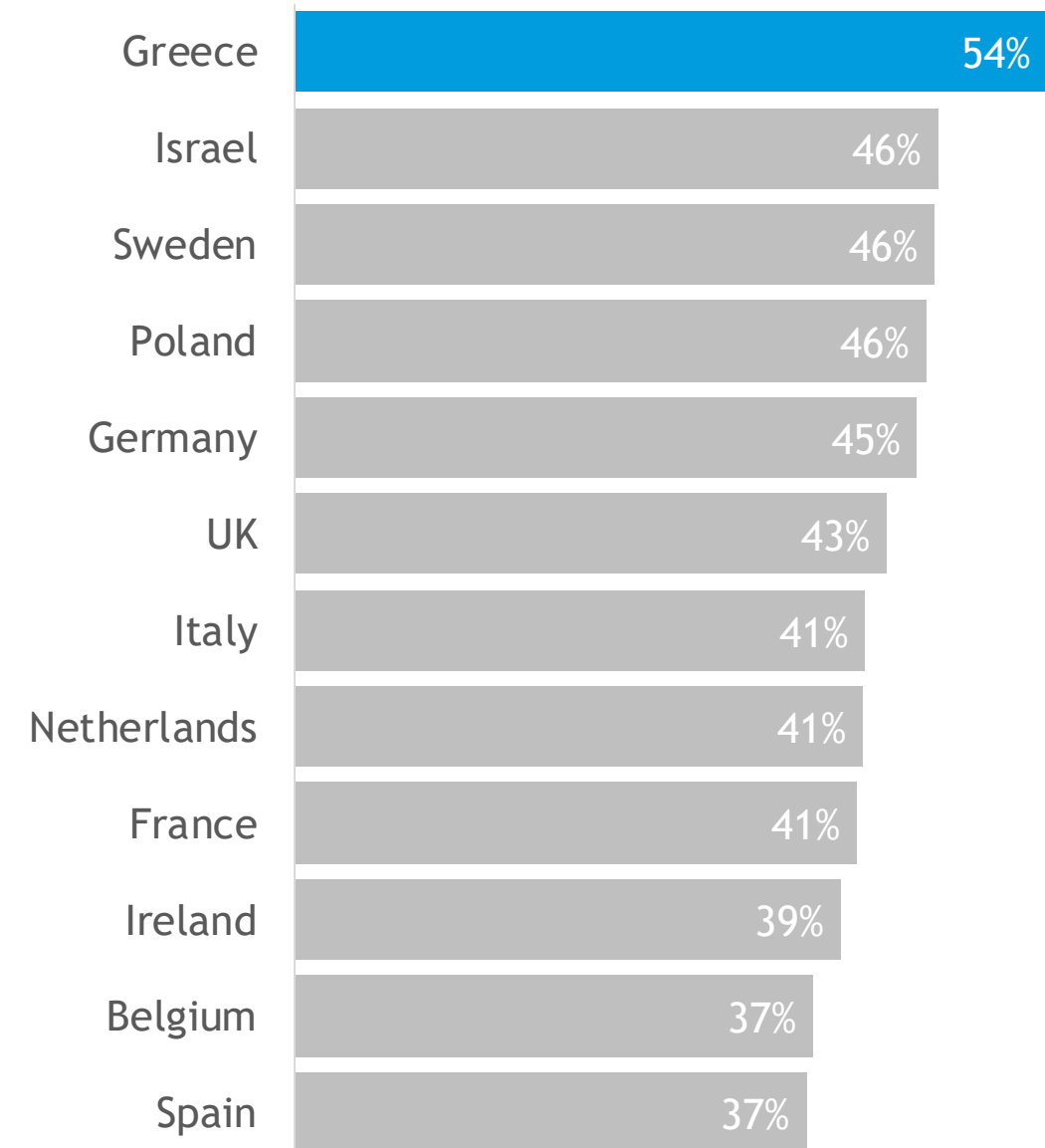
businesses who sell online, currently sell via social media

>70% highlighted



consumers who have made a purchase through social media in the past 6 months

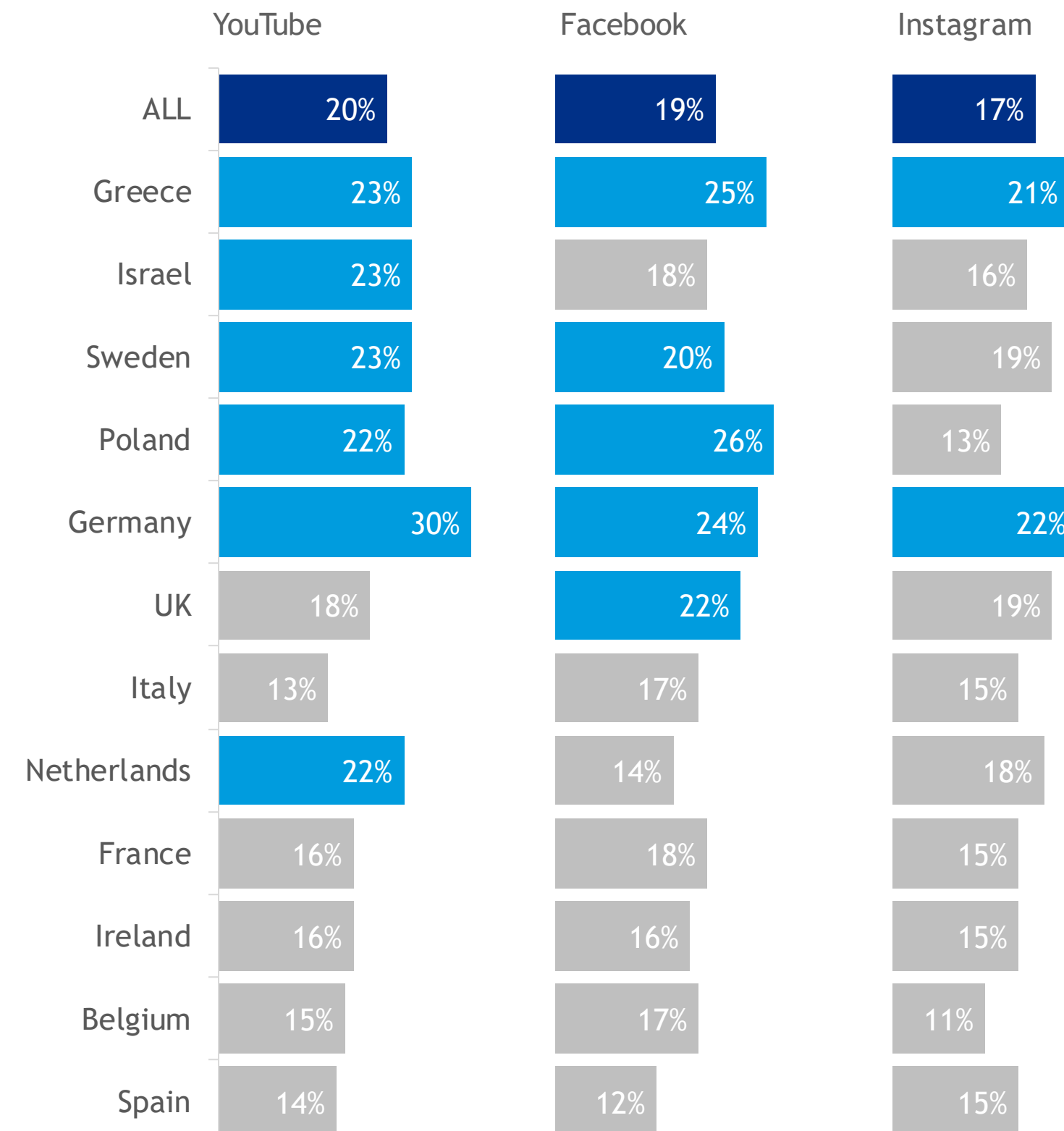
>50% highlighted



Top 3 Social Platforms Used

(All Consumers 18-75)

>20% highlighted



Social commerce is a significant element of the e-Commerce landscape, with almost one-in-two consumers (43%) having purchased through social platforms in the last six months.

This is driven by purchasing activity on more ‘traditional’ social media platforms such as YouTube (20%), Facebook (19%) and Instagram (17%), with consumers in Greece and Germany standing out for the broadest usage of these platforms.

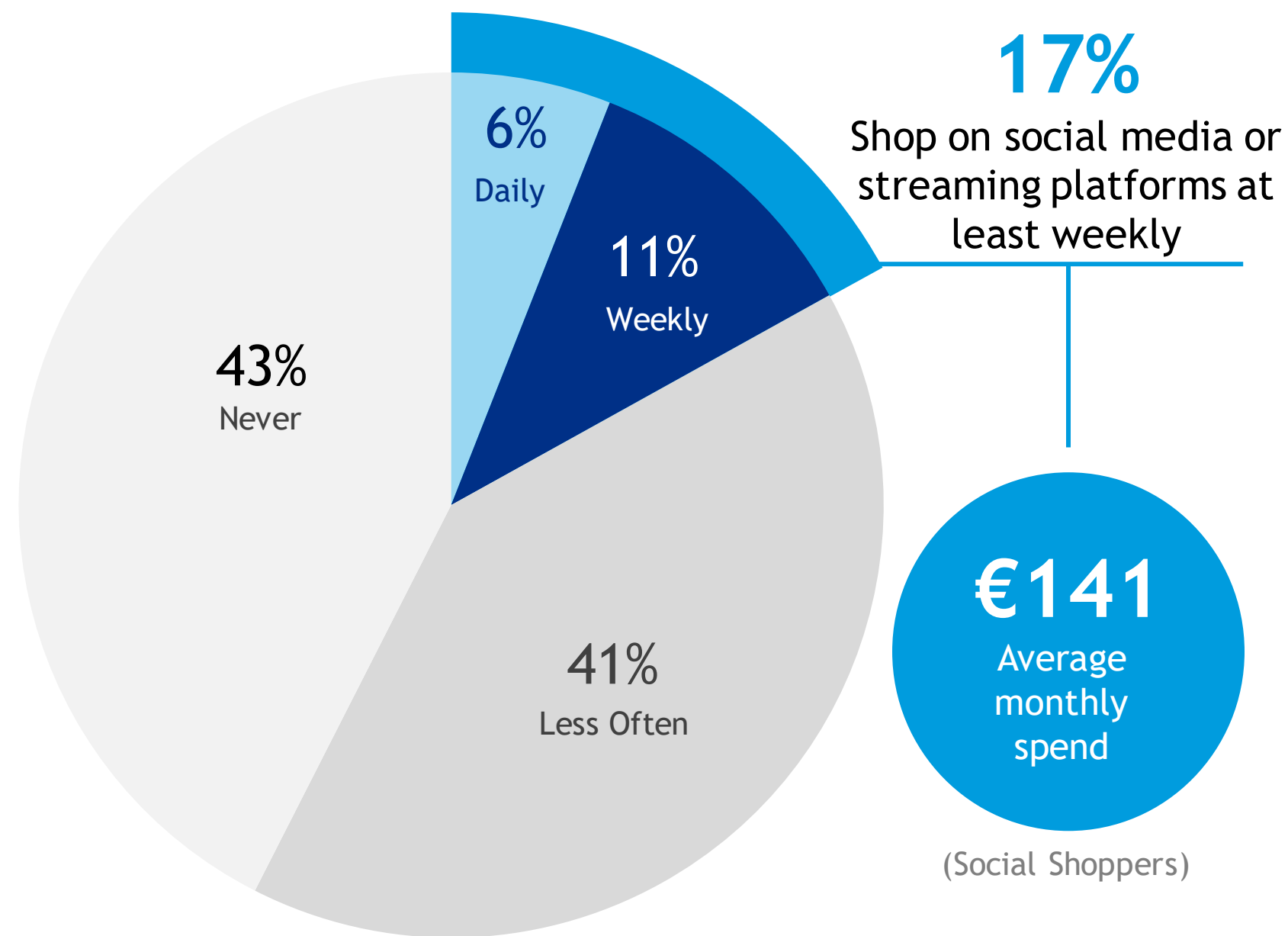
Businesses recognise the opportunity, with almost two-in-three (65%) selling via social media platforms. While this varies by country, more than half in any individual market have embarked on their social commerce journey.



One-in-six consumers (17%) shop through social media or streaming platforms each week, with an average monthly spend of €141.

Social Shopping Frequency

(All Consumers 18-75)



	GR	IL	NL	SE	UK	IT
Shop on social weekly	25%	22%	22%	18%	18%	15%
av. monthly spend (Social shoppers)	€158	€186 (₪894)	€174	€153 (Kr1,523)	€131 (£104)	€131
	DE	PL	FR	IR	BE	ES
Shop on social weekly	15%	14%	14%	12%	12%	11%
av. monthly spend (Social shoppers)	€113	€112 (zł1440)	€127	€131	€160	€102

Consumers are regularly shopping through social media or streaming channels, with around one in six (17%) making weekly (or more frequent) purchases.

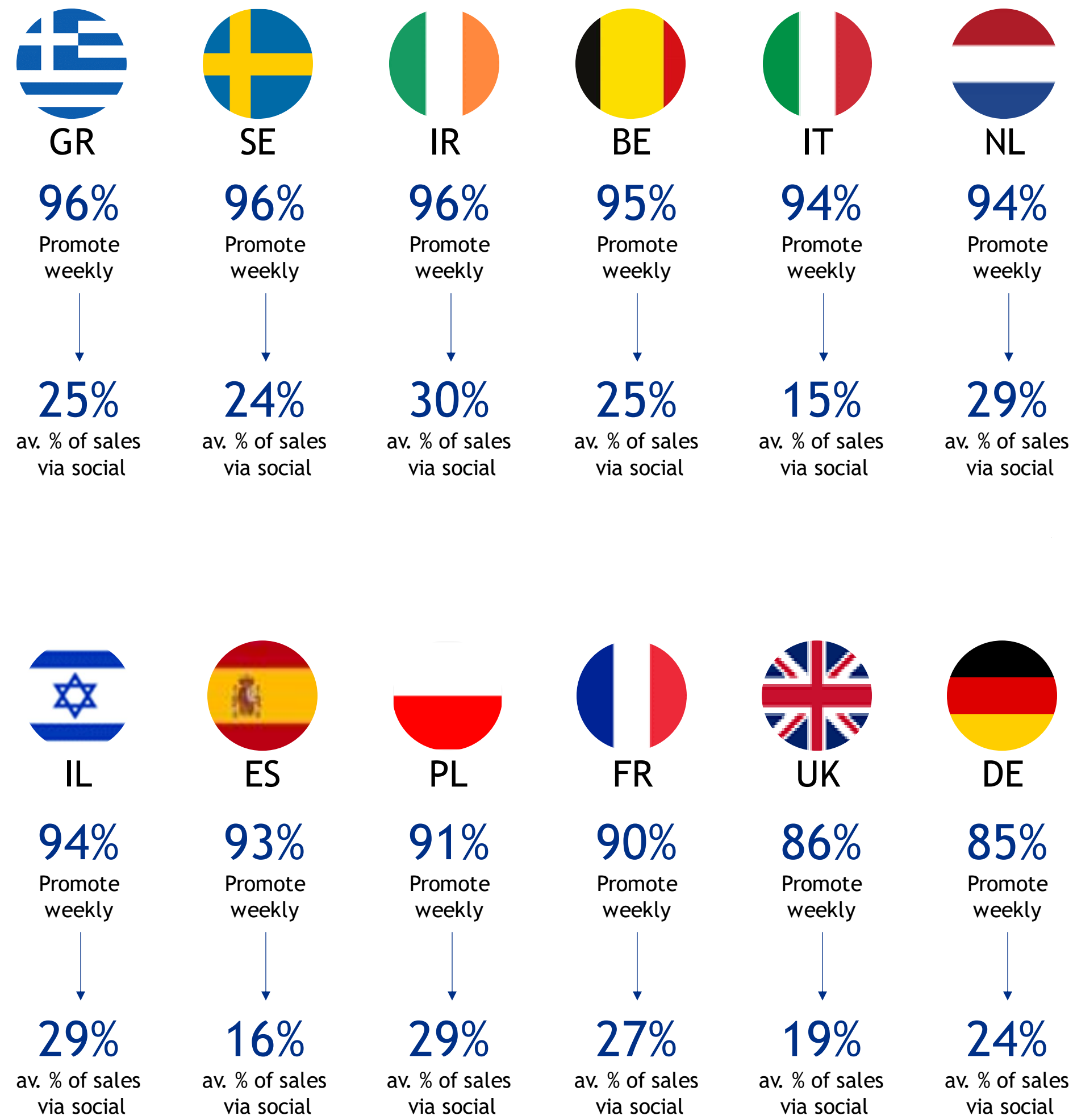
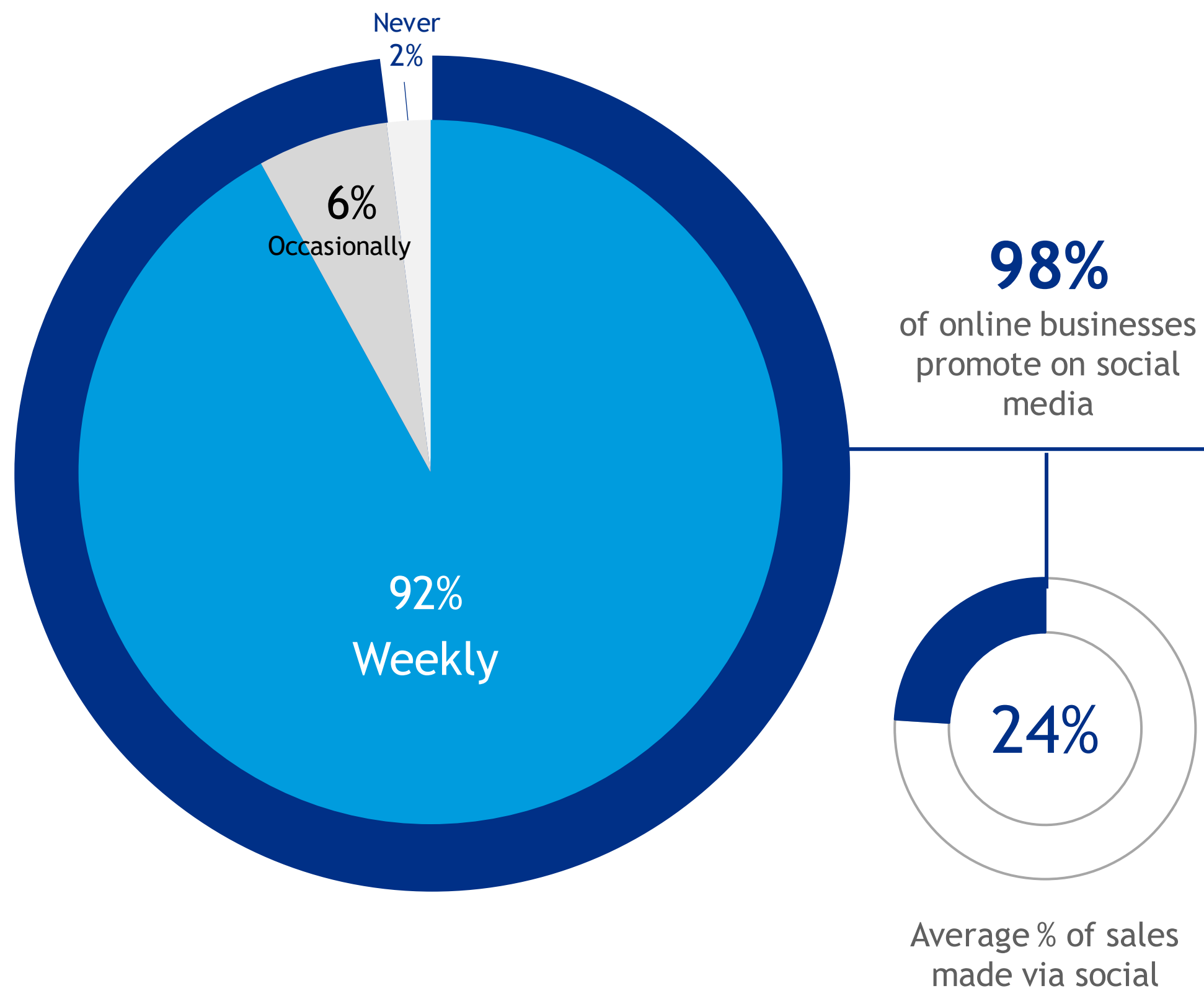
This rises to more than one in five Greeks (25%), Israelis (22%) and Dutch (22%), while the Spanish (11%), Belgians (12%) and Irish (12%) are the least frequent social shoppers.

When combined with purchasing volumes, this translates to an average monthly social commerce spend across the markets of €141, with the Israelis (€186) and the Dutch (€174) the highest spending consumers.

Businesses are achieving strong results off the back of their online posting and promotions, reporting that almost a quarter of sales (24%) are currently made through social channels.

Business Social Media Promotion

(Businesses that sell online)



Businesses are almost universally (98%) promoting their products and services through social media channels.

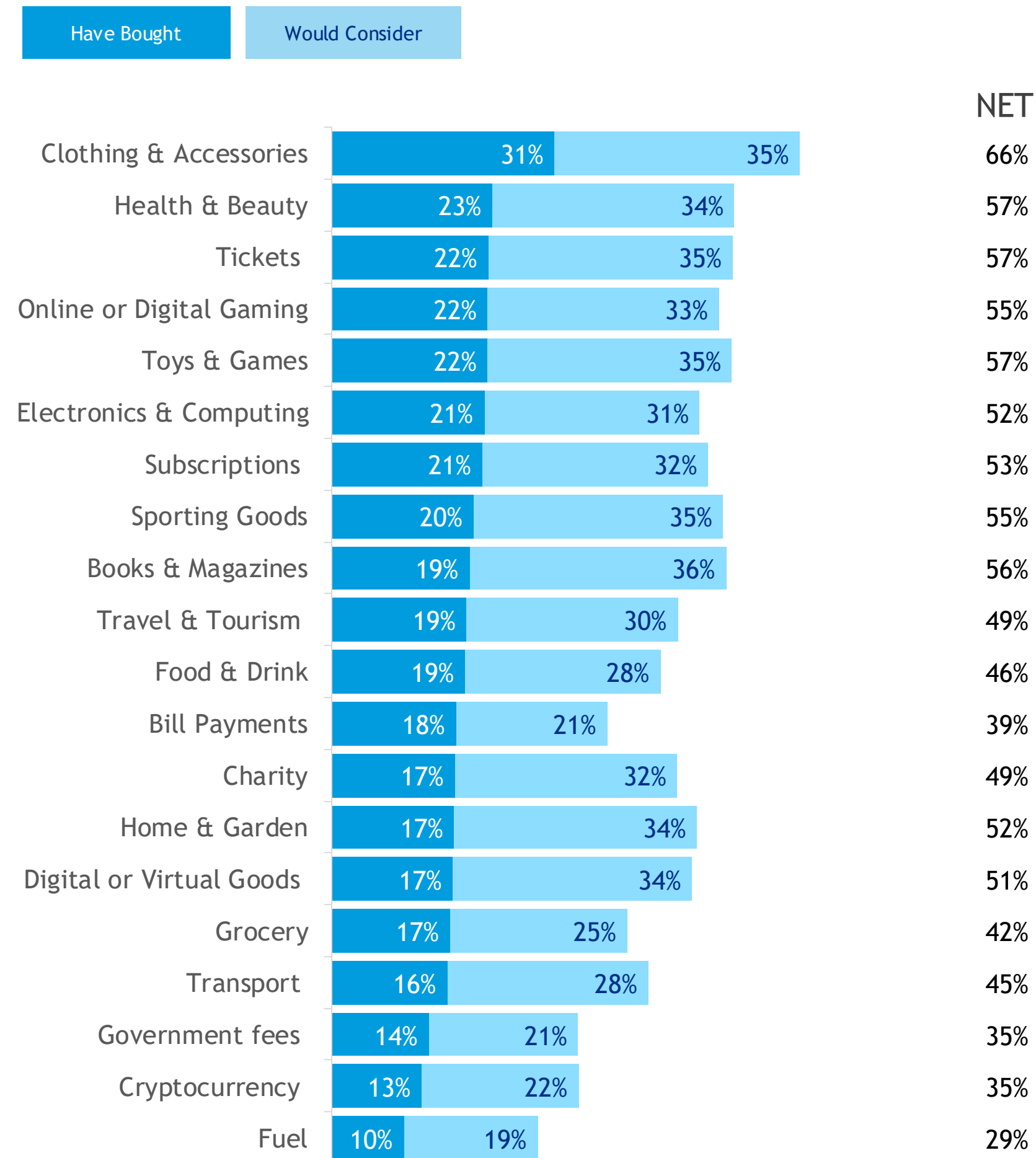
Social media platforms are proving to be an important revenue channel for businesses, with respondents in Ireland, the Netherlands, Israel and Poland reporting that one third of sales are made via these platforms.

While slightly lower, businesses in Greece, Sweden, Belgium, France and Germany all report around one quarter of sales via social platforms.

There is still untapped growth in social shopping, with the potential to double penetration across most categories.

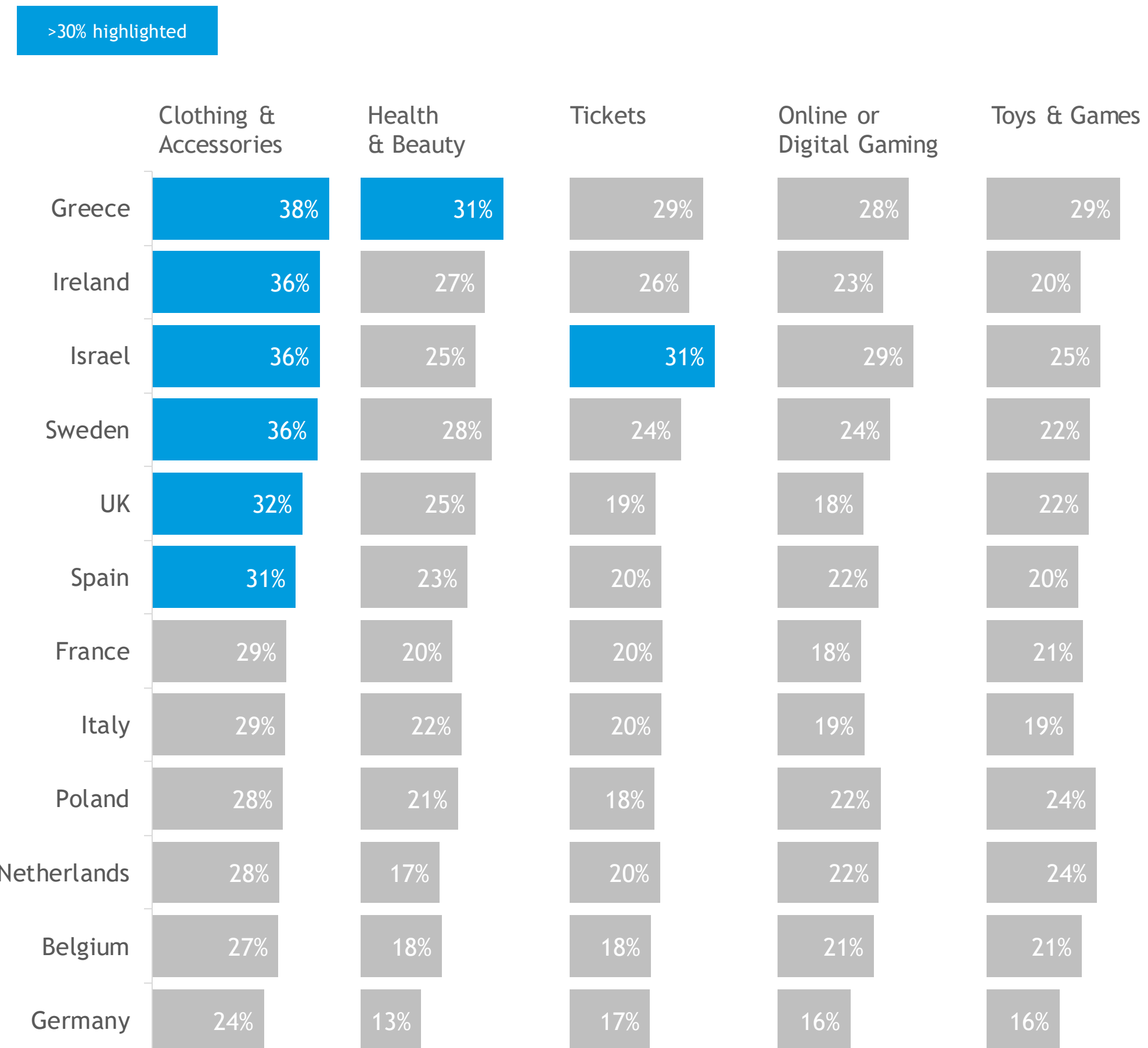
Social Shopping Product Categories

(Social Shoppers 18-75 years)



Top 5 'Have Bought or Would Buy' Social Shopping Categories

(Social Shoppers 18-75 years)



Social shopping is diverse, with consumers purchasing products and services across a wide range of categories.

With that said, one category stands out above all others - on average across the markets close to one-in-three consumers (31%) have purchased, and an additional third (35%) would purchase Clothing & Accessories through social channels.

Beyond this, the spread across product categories is relatively even, with high levels of current purchasing activity also evident across:

- Health & Beauty - 23%
- Tickets - 22%
- Online or Digital Gaming - 22%
- Toys and Games - 22%

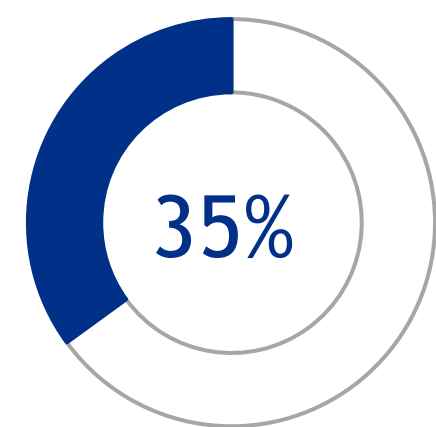


Despite widespread engagement with social commerce, more than one-in-three consumers still prefer to go directly to a website to make a purchase.

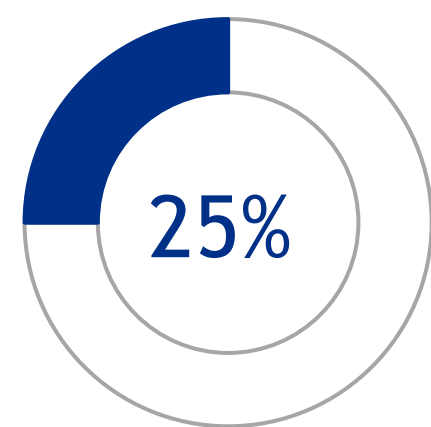
Social Shopping Behaviours

(All Consumers 18-75 years)

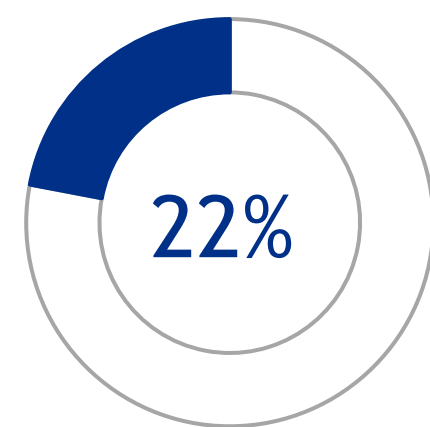
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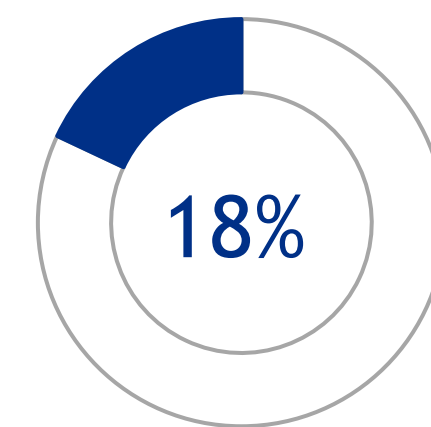
When I see a product on social media, I prefer to go to the website to purchase



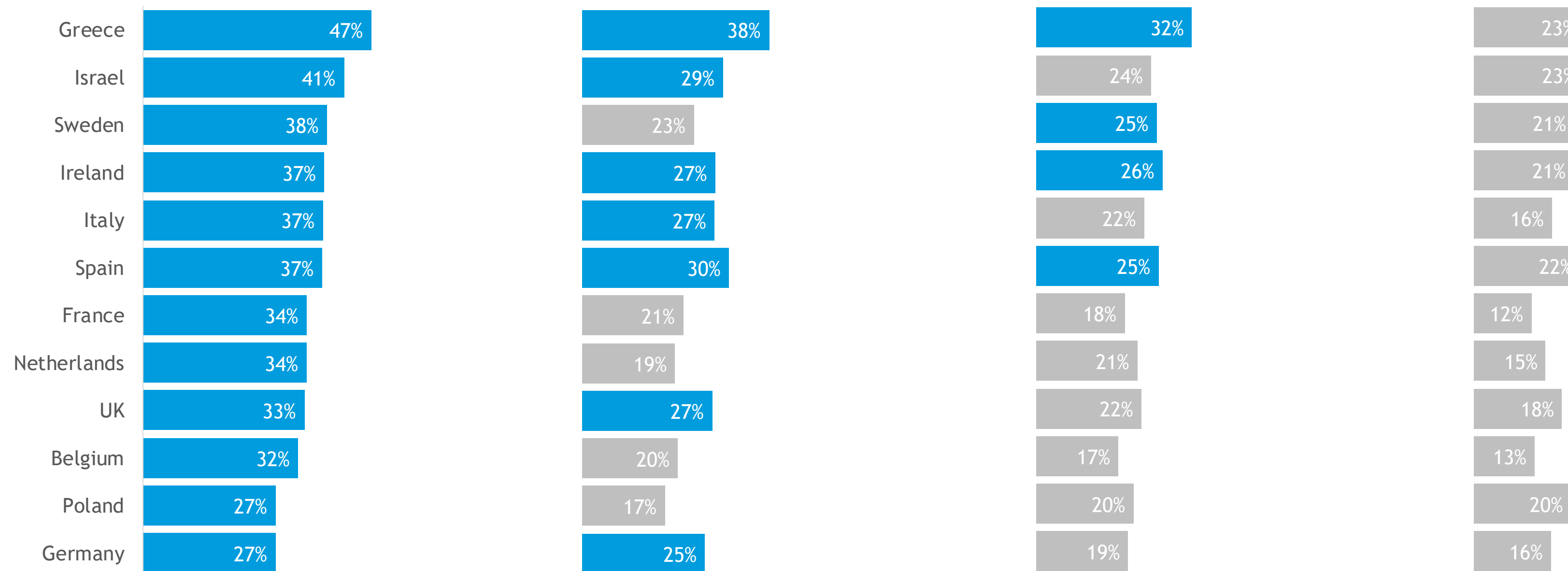
I'd only buy from a social media platform if I could use my PayPal account for convenience and safety



I've purchased something after seeing it on social media or a streaming platform



discover products on social media that they don't find anywhere else



While many consumers are comfortable purchasing through social channels, a significant minority (35%) still prefer to link through to the business's website to make a purchase. This preference is most evident in Greece (47% agree) and Israel (41% agree), although others aren't far behind.

On average, one-in-four consumers state that they would only purchase through social media if they can use their PayPal account for convenience and safety. This is strongest in Greece (38%) and Spain (30%).

We also see that some consumers are using social platforms for inspiration, with one-in-five across markets purchasing something after seeing it on a social or streaming platform.



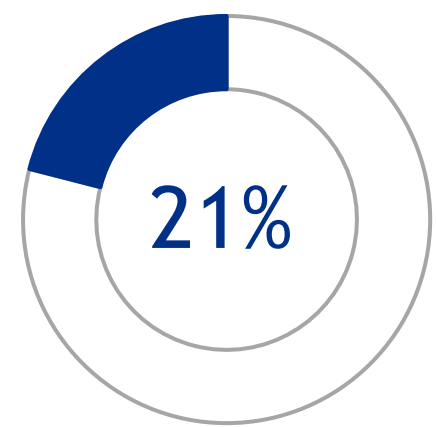
CQ12. Thinking specifically about the social media or streaming platforms you use personally, which of the following, if any, do you feel apply to you?
 CQ14. Thinking about purchasing through social media or streaming platforms, which of the following statements, if any, do you feel apply to you personally?
 BASE: All Consumers 18-75, n=13,175

Even if consumers are not purchasing through social channels, they play an important role in providing shopping inspiration.

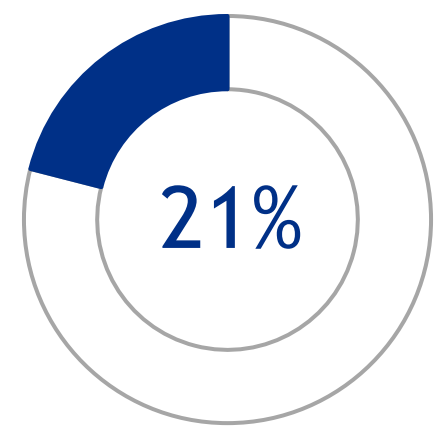
Social Purchasing Motivations

(All Consumers 18-75 years)

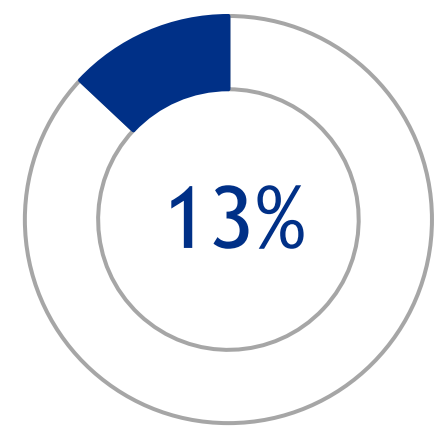
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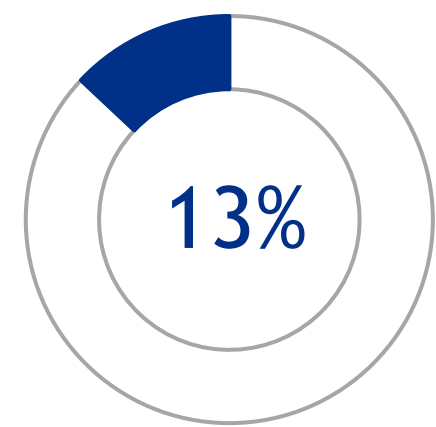
I search social media for products/services I am interested in buying to see them used in real life



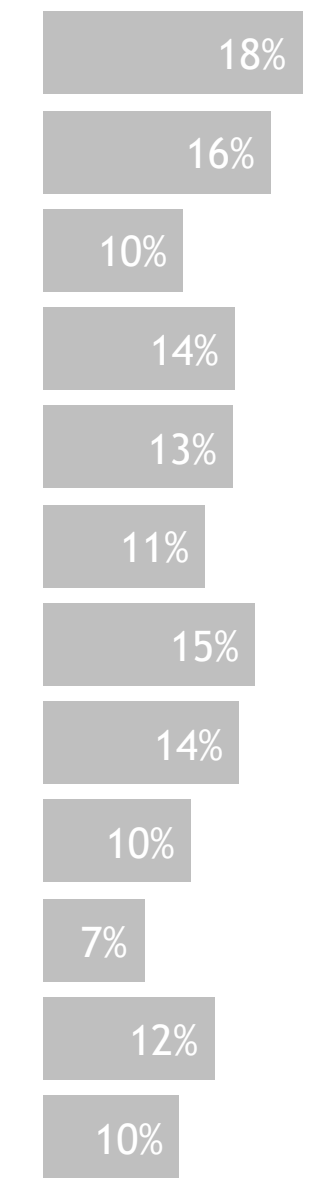
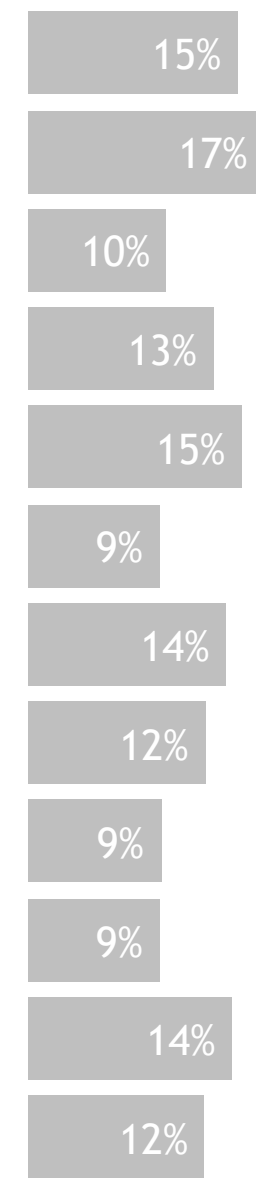
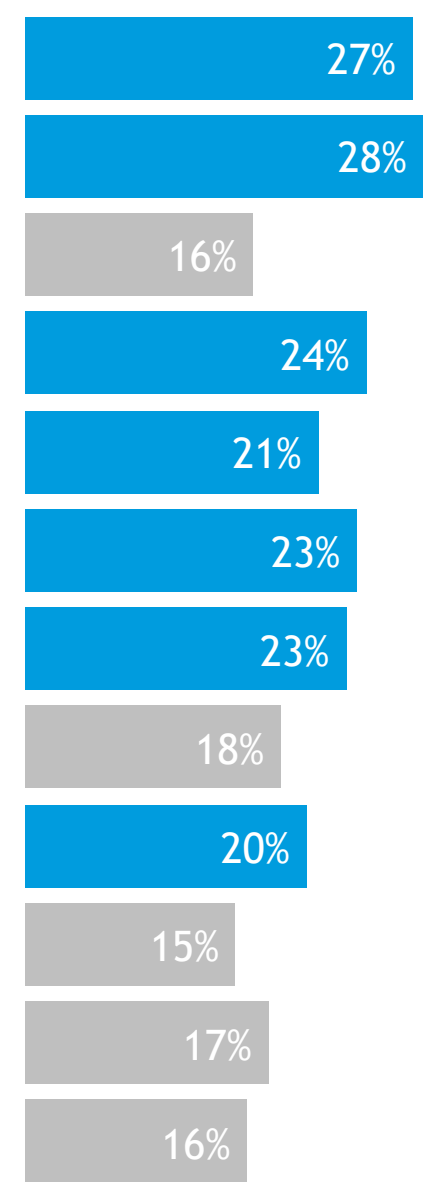
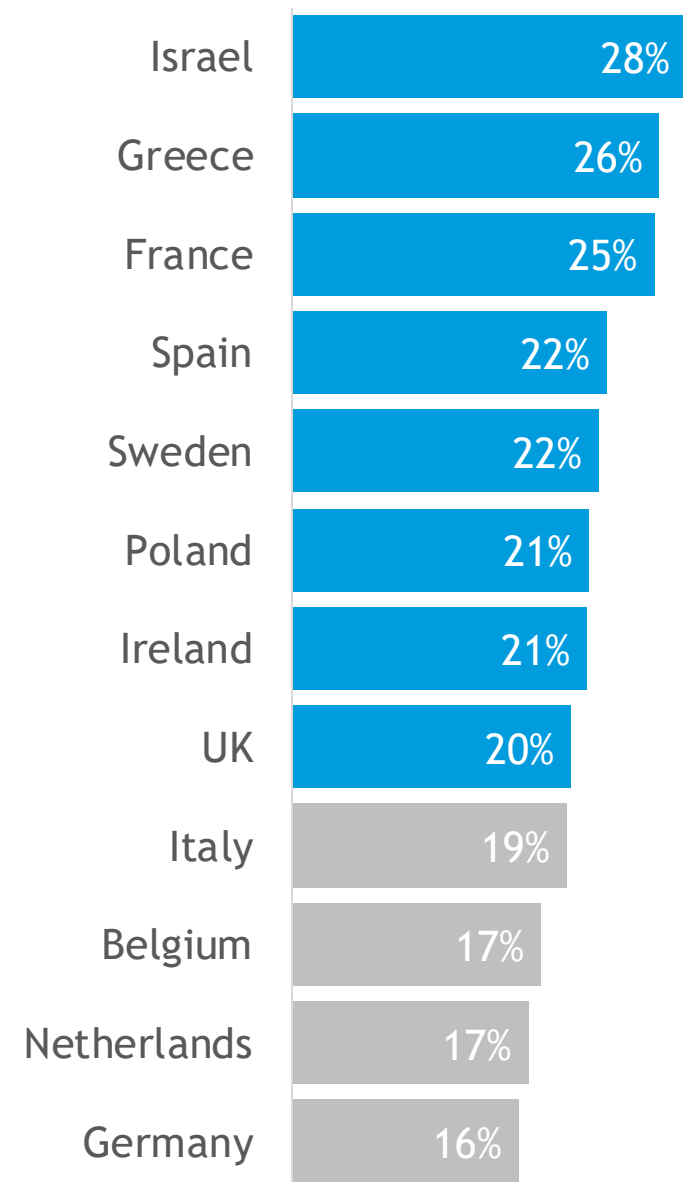
I follow my favourite brands on social media/streaming platforms



I've bought products or services used by social media influencers



I follow influencers on social media/streaming platforms to see what they are wearing/using



Social media platforms are clearly a place for businesses to be promoting themselves, with just over one-in-five consumers searching social media to see products or services they are interested in being used in real life.

Influencers play a role in promoting products and services, with more than one-in-ten consumers having purchased products used by social media influencers. However, consumers appear more interested in posts from brands than influencers, with 21% of consumers saying they follow their favourite brands on social media.



3 Key Highlights

1

43% of consumers have made a purchase through social platforms in the last six months.

2

Social shoppers spend an average of €141 a month.

3

Top product categories for social shopping are: Clothing & Accessories (31%), Health & Beauty (23%), Tickets (22%), Online or Digital Gaming (22%), Toys and Games (22%).

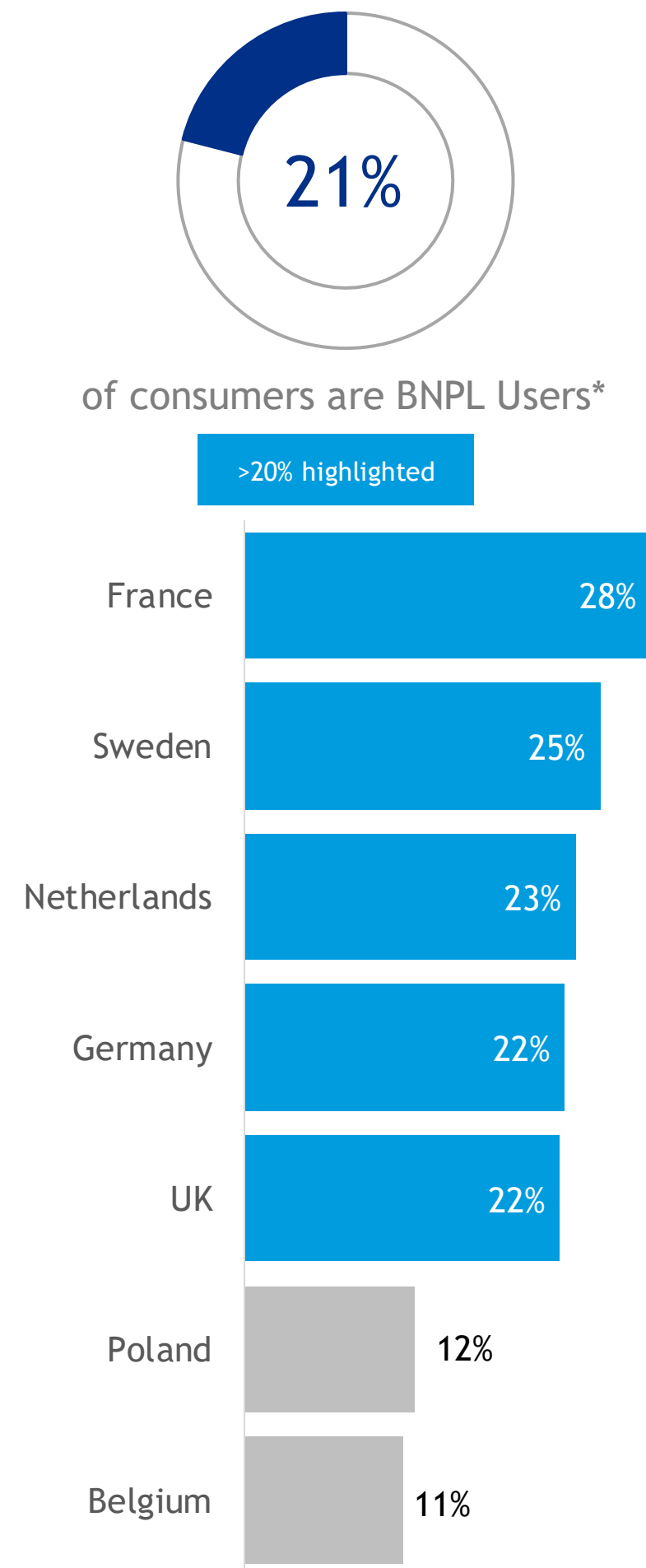
Buy Now Pay Later Behaviours



Around one in five consumers use BNPL, with the highest level of penetration in France, Sweden, the Netherlands, Germany and the UK.

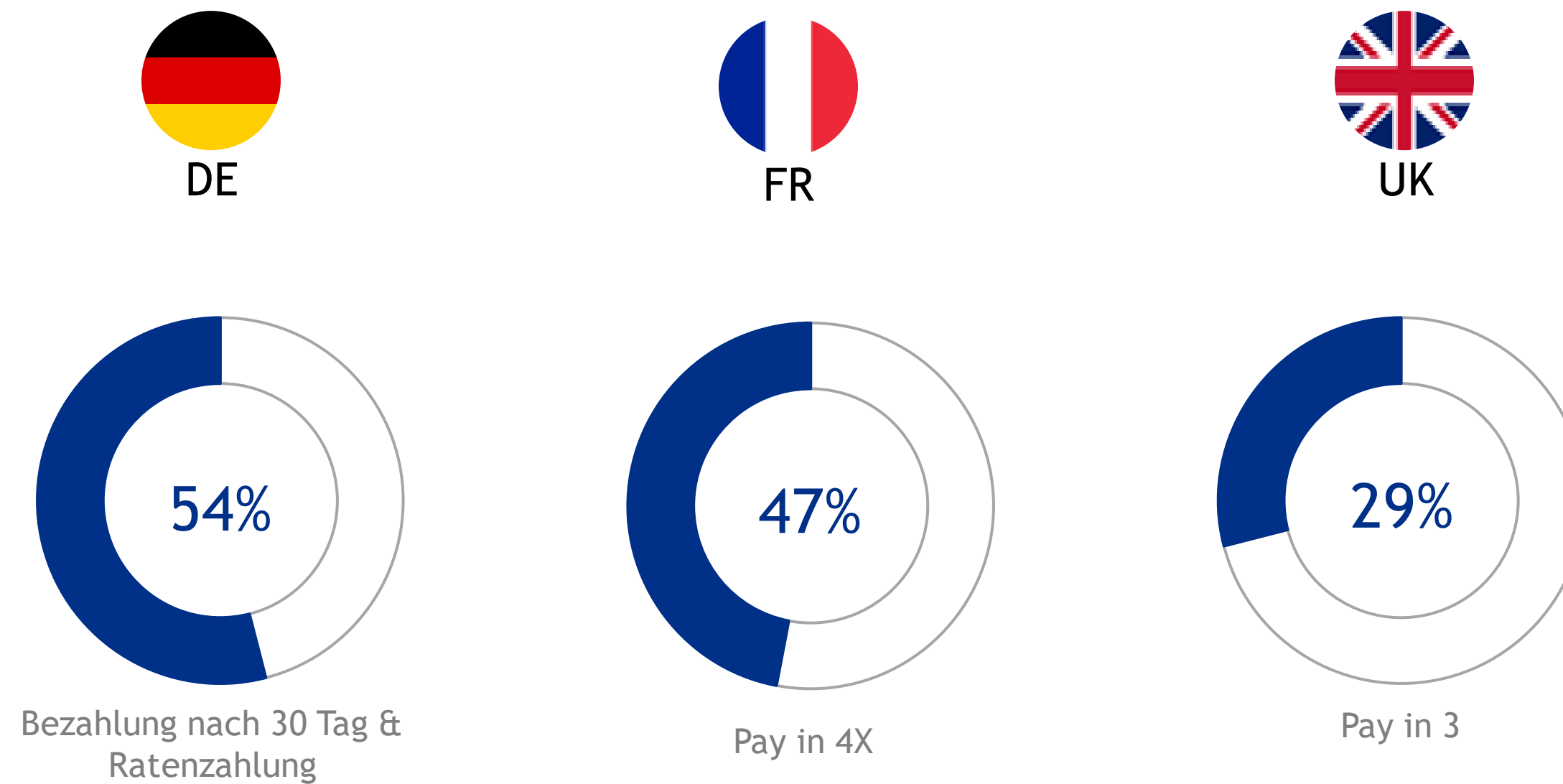
Usage of any Buy Now Pay Later service

(All Consumers 18-75 years)



Preference for PayPal BNPL options, where they are available*

(BNPL Users 18-75 years)*



One in five research respondents use Buy Now Pay Later (BNPL), but there are significant levels of variation in usage by market. At the upper end, this increases to more than one in four consumers in France and Sweden, and more than one in five in each of the Netherlands, Germany, and the UK.

In Germany, 'PayPal Bezahlung nach 30 Tag & Ratenzahlung' dominates more than half of preference in the market, with 'Pay in 4X' performing strongly in France.



CQ4a. Thinking about when you make a purchase or pay online, which of the following Buy Now Pay Later services, if any, have you used in the last 6 months?

Q4b. And which of the Buy Now Pay Later services that you use, if any, would you say is your preferred payment option?

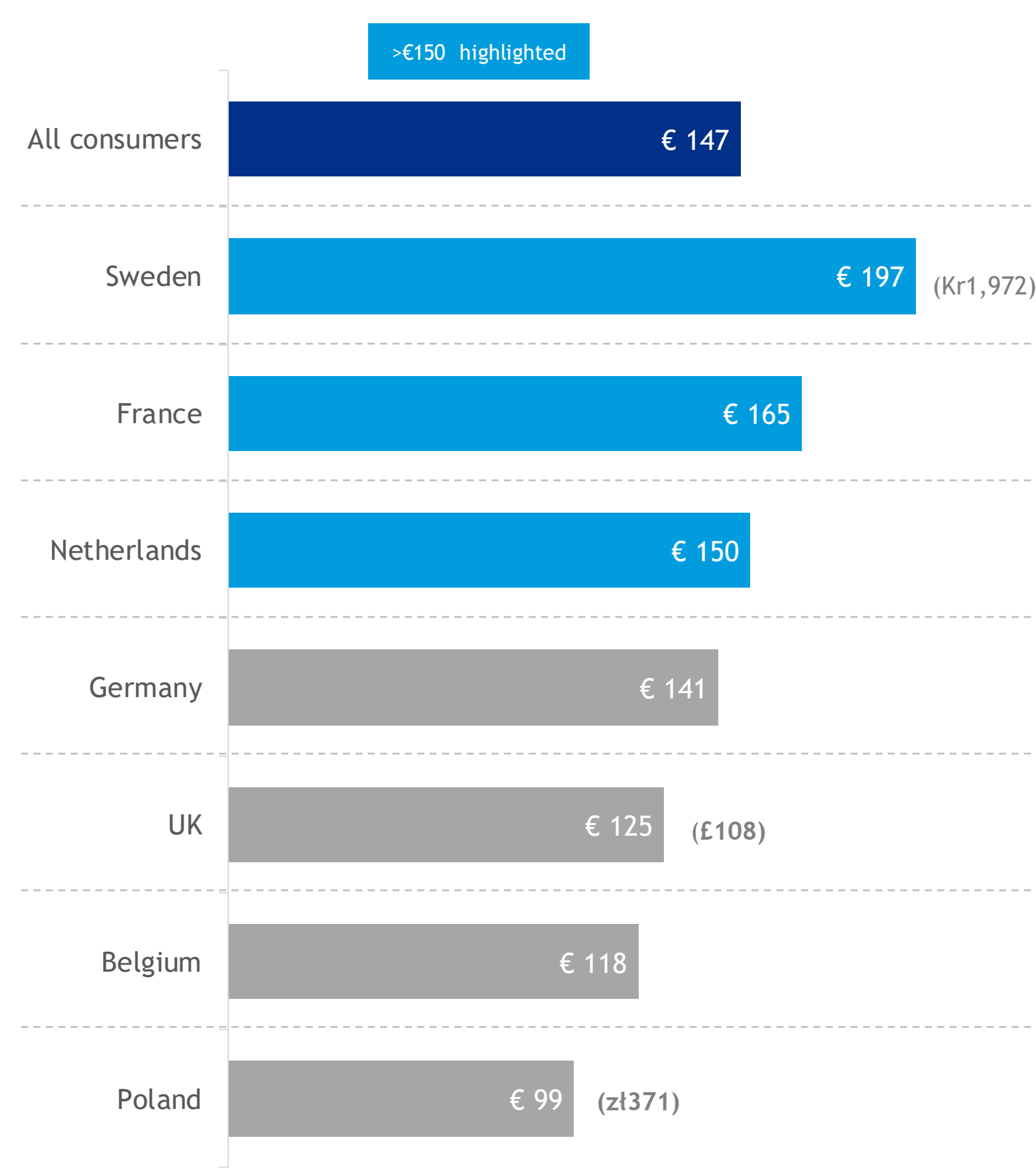
BASE: All Consumers 18-75 n= 13,184, BNPL Users, n=1,898, *Only markets that have a PayPal BNPL product are displayed.

* Results for Spain, Italy, Israel, Greece and Ireland not shown due to sample sizes under n=100

The average monthly spend on BNPL transactions is €147, led by Sweden, France, the Netherlands, and Germany.

Average Spent on BNPL Transactions

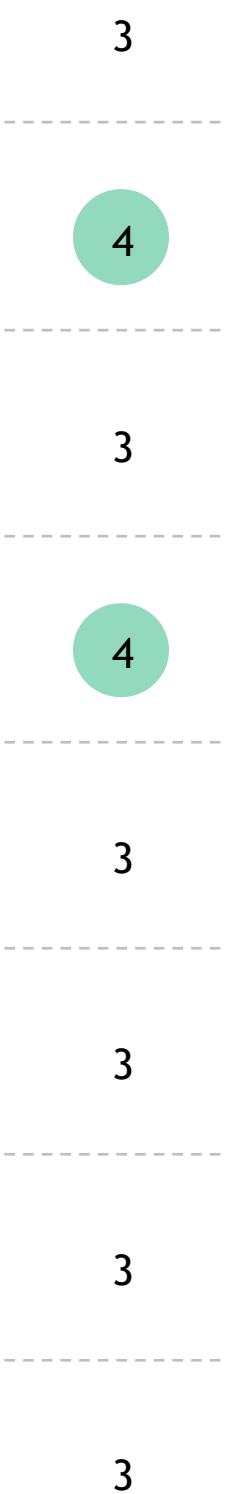
(One month; BNPL Users 18-75*)



Average Number of BNPL Transactions

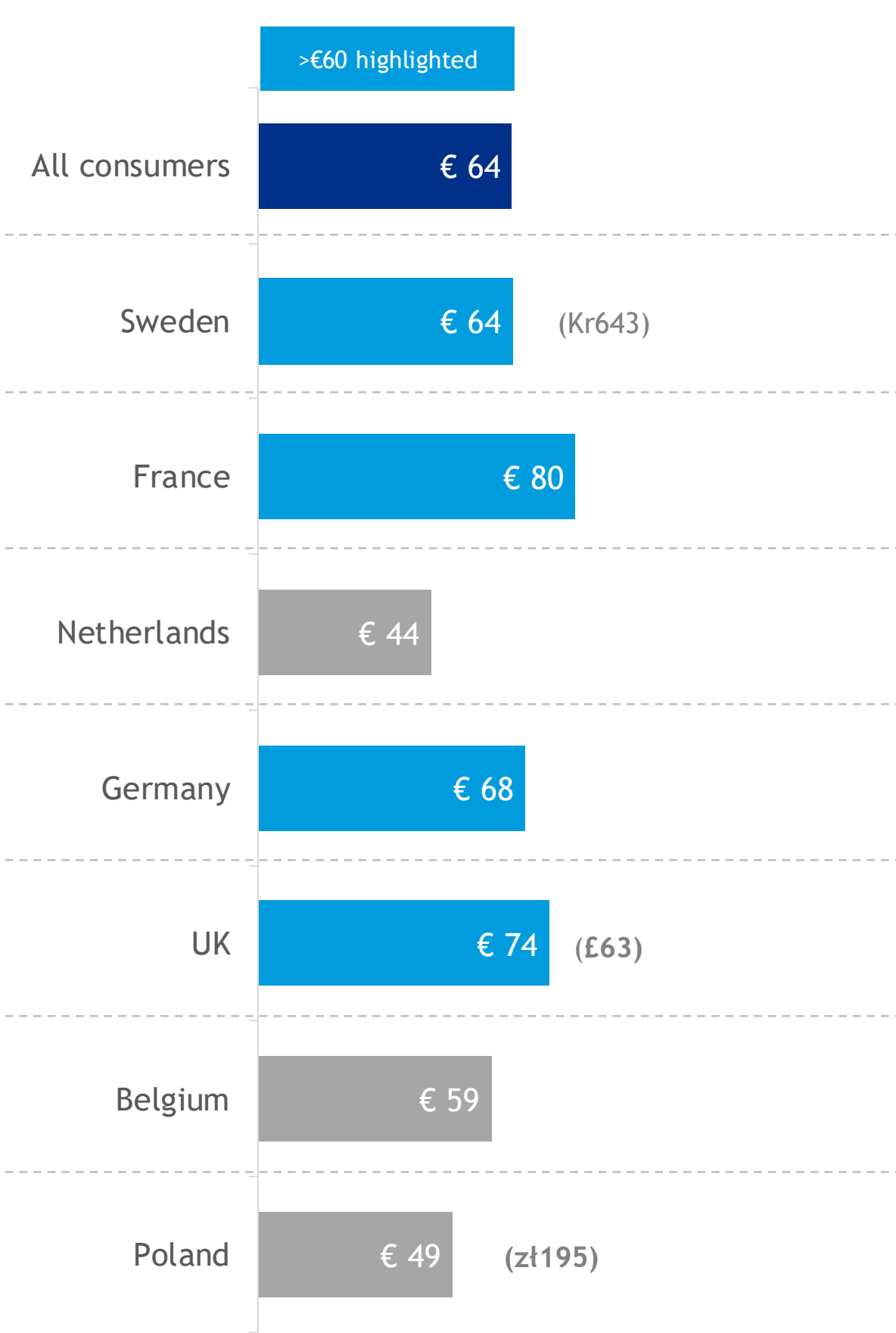
(One month; BNPL Users 18-75*)

>4 <2



BNPL Average Spend Per Transaction

(One month; BNPL Users 18-75*)



Looking at BNPL spend, we see the same three markets at the top of the list. Consumers in Sweden, France, and the Netherlands are not only the most likely to be using BNPL but are also more regular purchasers (among BNPL users).

This unsurprisingly puts them at the top of the list for monthly spending, with the average BNPL users in Sweden spending almost €200 per month on BNPL purchases.

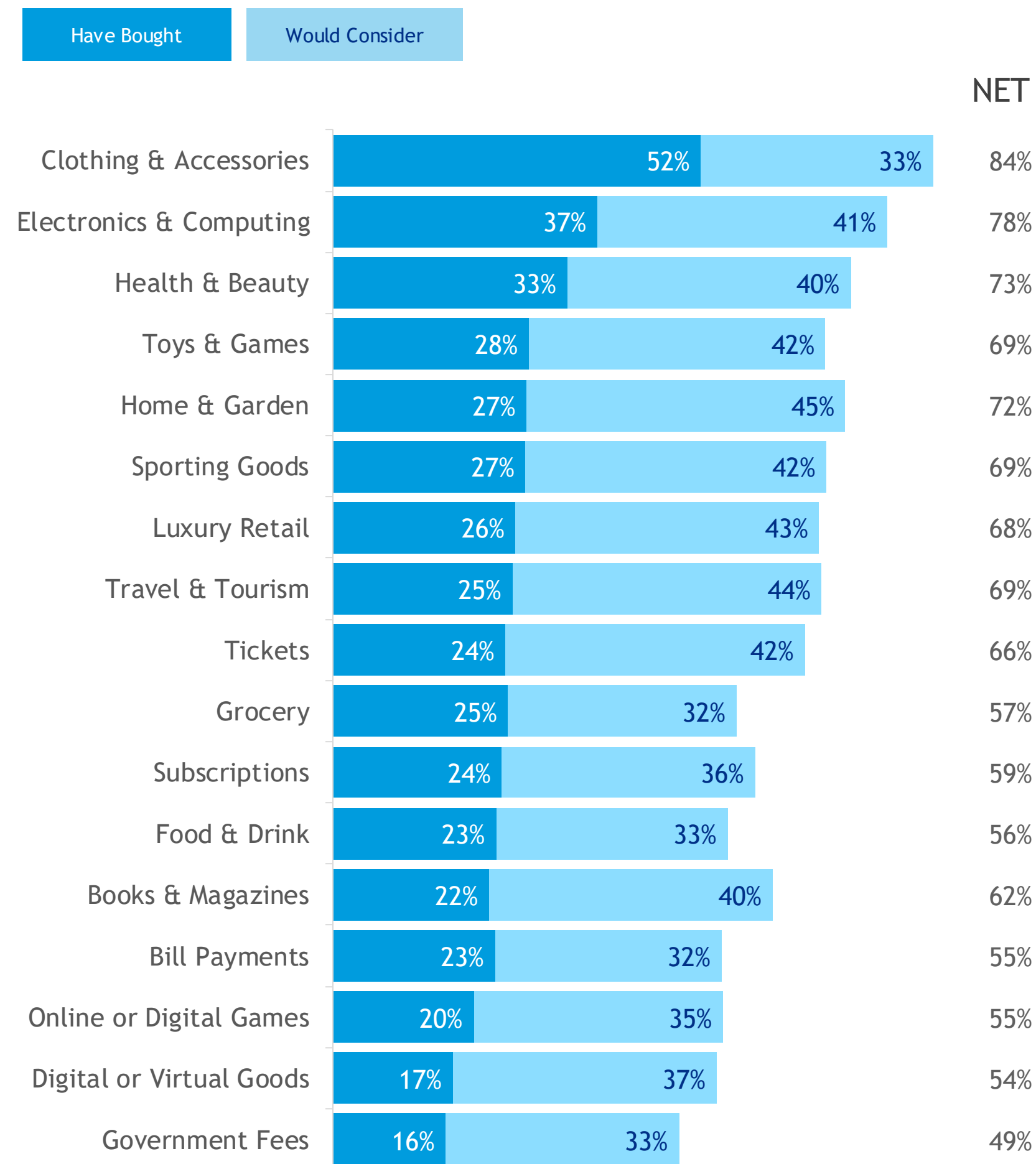
Whilst spend does vary somewhat in other markets, BNPL users in all countries except Poland (€99) spend at least €100 per month on purchases they make using BNPL.



While we can see varying levels of usage, there is still significant upside for BNPL across markets; ultimately consumers are open to purchasing most products and services using BNPL.

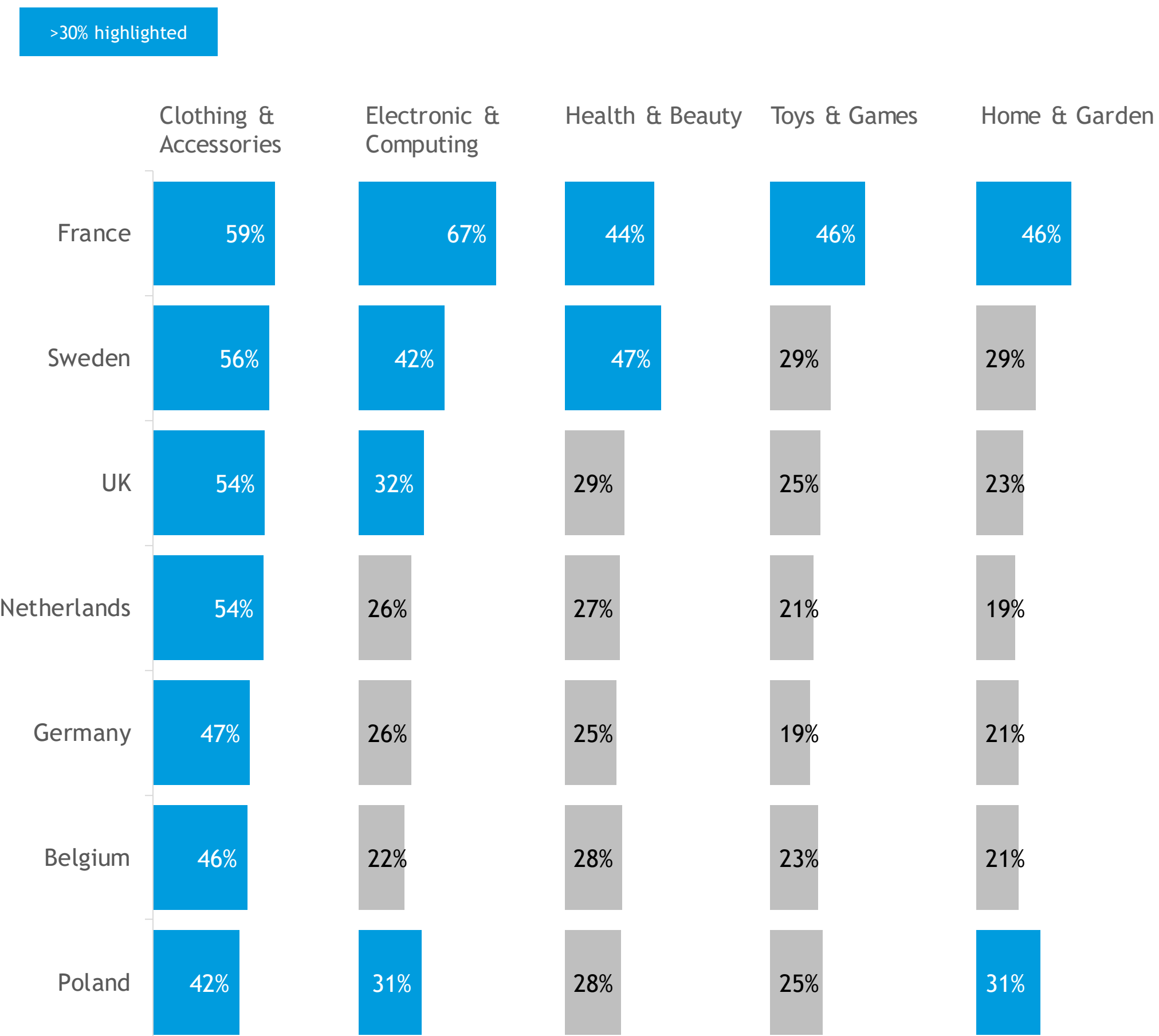
Buy Now Pay Later Product Categories

(BNPL Users 18-75 years)



Top 5 'Have Bought' Buy Now Pay Later Categories

(BNPL Users 18-75 years)



Fashion is consistently the top BNPL category, with at least two-in-five BNPL users in all countries having purchased Clothing and Accessories using BNPL, rising to at least half of users in France, Sweden, the UK and the Netherlands.

While technology is typically the next most popular category for BNPL purchases, it is outperformed by Health & Beauty products in some markets - specifically, Sweden (47% vs. 42%), the Netherlands (27% vs. 26%), and Belgium (28% vs. 22%).

Meanwhile, BNPL users in Poland are choosing to purchase Home & Garden products more regularly using BNPL than any market other than France, making it the joint second most popular category in this country.

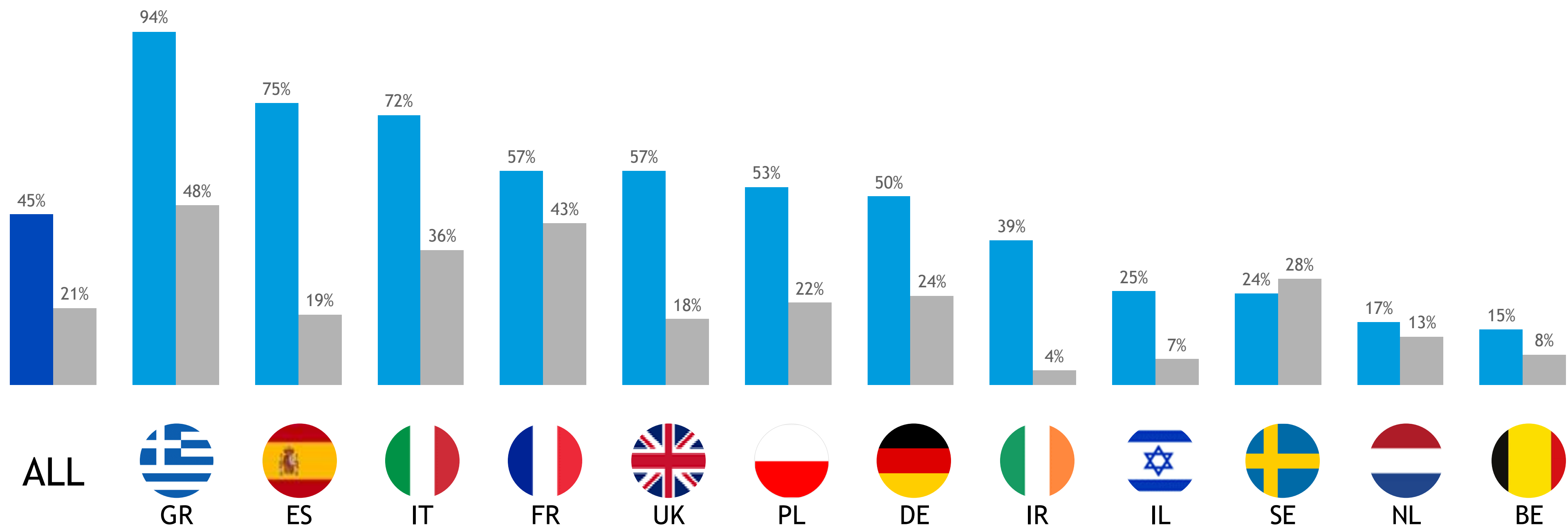


PayPal can help play a role in delivering this growth, with consumers substantially more comfortable purchasing a product from a site that offers a PayPal BNPL service.

Uplift Among Markets on a Site that Accepts BNPL Payments via PayPal

(All Consumers 18-75 years)

- Relative uplift if a site offers a **PayPal** BNPL Service (vs. one that doesn't)
- Relative uplift if a site offers any BNPL Service (vs. one that doesn't)



% that would purchase on a site that offers a PayPal BNPL service



For a business, offering BNPL on their site could provide a significant improvement to sales conversions, with consumers more likely to purchase from a site that offers BNPL than one that doesn't. The impact is most evident in Greece, France and Italy.

Offering a PayPal BNPL service can take this even further, with consumers in Greece almost twice as likely to purchase the same product from a site that offers a PayPal BNPL service vs one that doesn't.

Note: PayPal Pay Later eligibility and availability is subject to merchant status, sector and integration. Consumer eligibility is subject to status and approval. Product features differ by market. See relevant product terms for more details. PayPal Pay Later cross-border messaging is subject to approval by PayPal.



Relative uplift = % difference between the proportion of consumers who would buy on a site if it didn't vs did offer (any BNPL service/ PayPal BNPL service)

CQ24. If you find a product that you want on two separate sites, both of which are offering it for the same price (including any shipping costs), how likely would you be to buy the product?

BASE: All Consumers 18-75, n=13,175

3 Key Highlights

1

Buy Now Pay Later usage is highest in France, followed by Sweden, the Netherlands, Germany and the UK.

2

Clothing & Accessories is the top BNPL category in all but one market.

3

Businesses can benefit from offering PayPal BNPL, as it increases the likelihood of purchase when compared to sites that don't offer it.

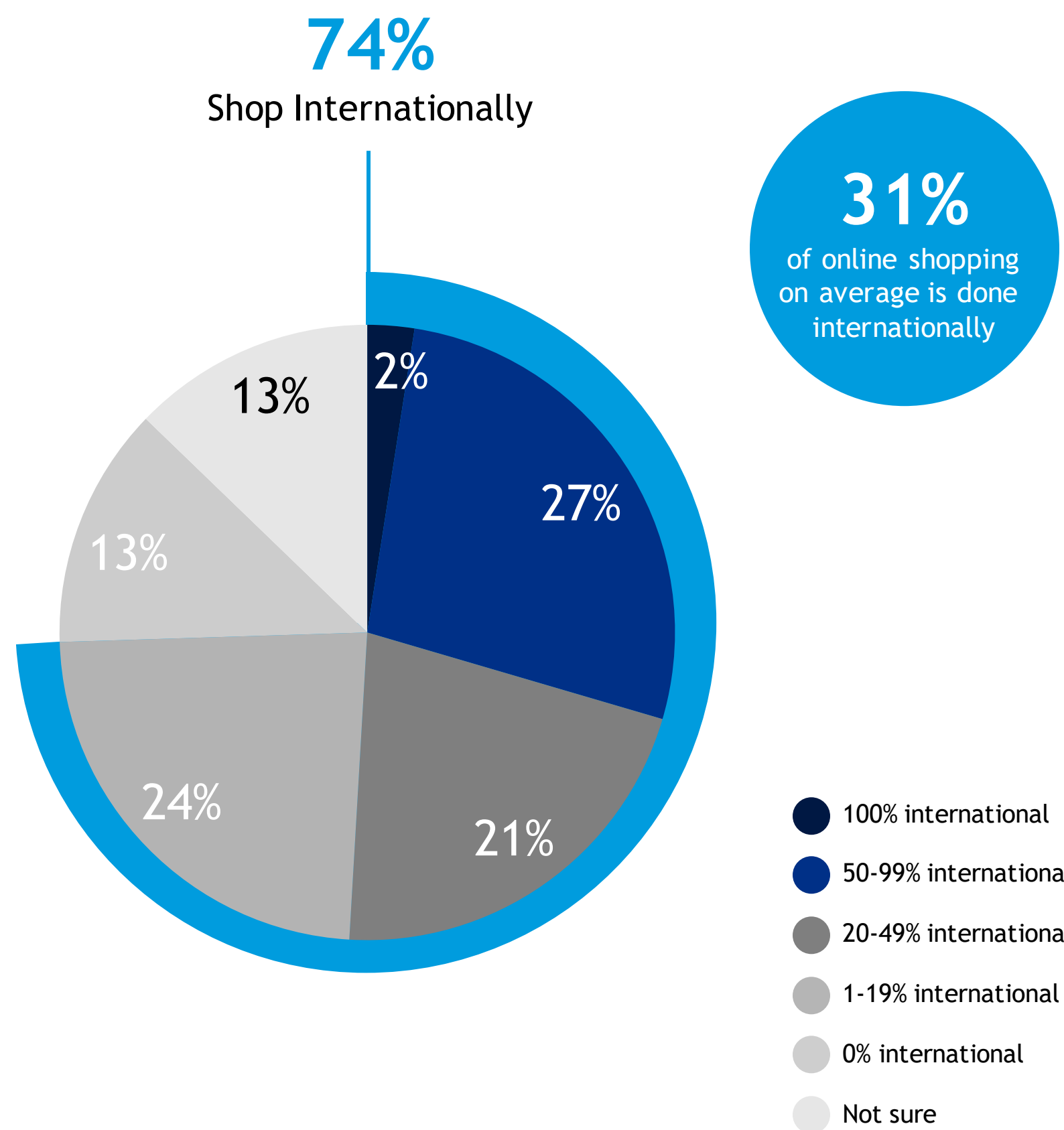
Cross Border



Consumers consistently shop internationally, with at least a fifth of purchases in each market originating from an international seller.

Proportion of Consumers Shopping Internationally

(All Consumers 18-75)*



	GR	IR	DE	IL	SE	NL
Shop Internationally	87%	83%	82%	79%	76%	73%
Av. proportion international retailers	33%	44%	38%	38%	30%	31%

	IT	BE	PL	ES	UK	FR
Shop Internationally	73%	72%	69%	69%	62%	60%
Av. proportion international retailers	29%	32%	25%	26%	21%	20%

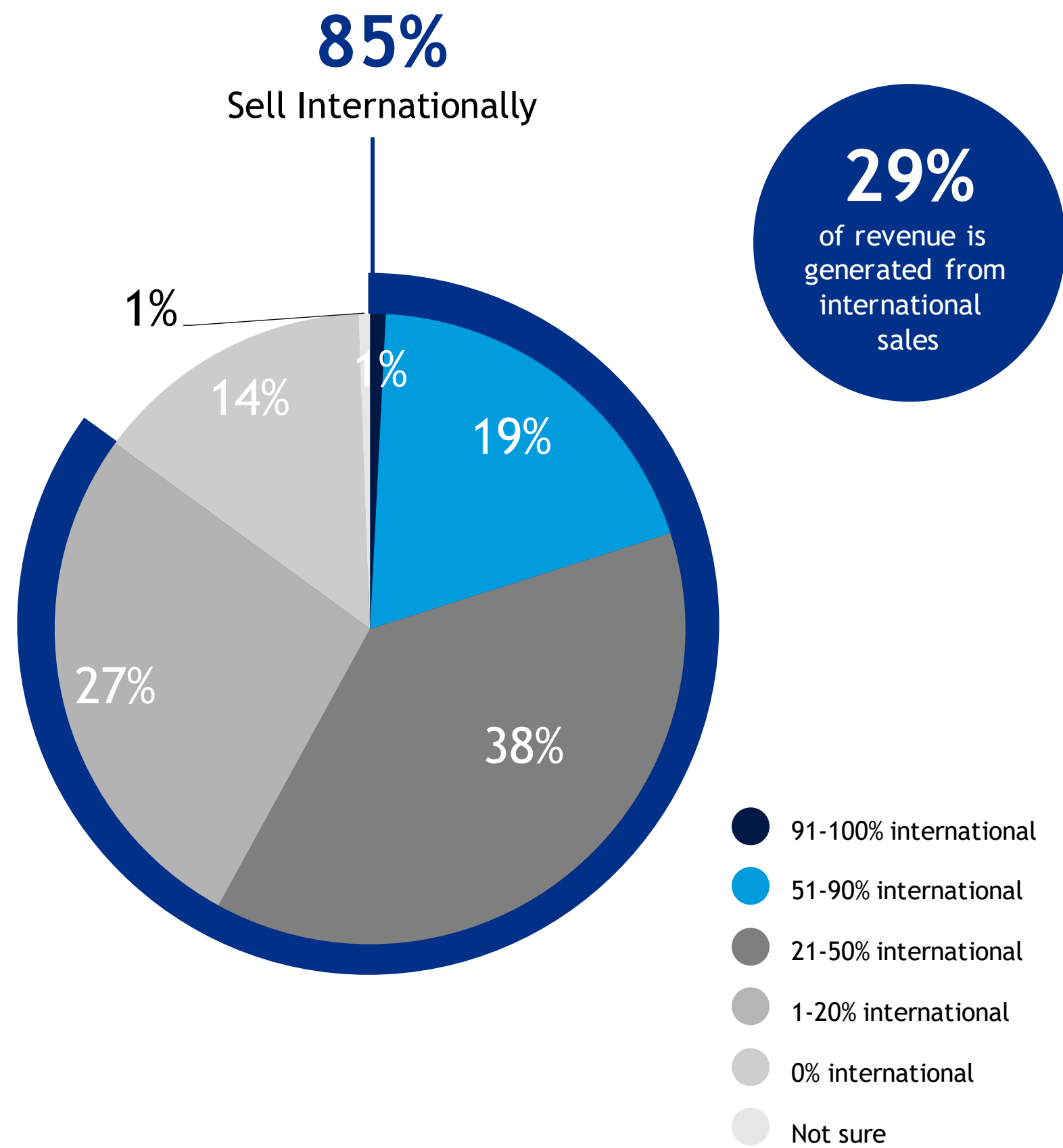
The majority of consumers (74%) are shopping internationally, with an average of 31% of online shopping conducted with international retailers.

French consumers are the least likely to shop internationally, but nonetheless almost two thirds (60%) of them have still engaged in this behaviour.

At the other end of the spectrum, we see that in addition to a high proportion of consumers in Ireland, Germany and Israel shopping internationally, they also have the highest proportion of online shopping done via international retailers (44% Ireland, 38% for both Germany and Israel).

This is also reflected on the business side, with a vast majority (85%) tapping into an international customer base.

Proportion of Turnover from International Customers



	FR	DE	IR	PL	IL	BE
Sell Internationally	91%	89%	86%	86%	86%	86%
av. proportion turnover from international sales	33%	30%	35%	33%	34%	31%
<hr/>						
	SE	IT	ES	GR	UK	NL
Sell Internationally	85%	83%	82%	82%	82%	81%
av. proportion turnover from international sales	29%	19%	20%	28%	24%	30%

A high proportion of businesses sell internationally, with nearly a third of total revenue on average being generated from these sales.

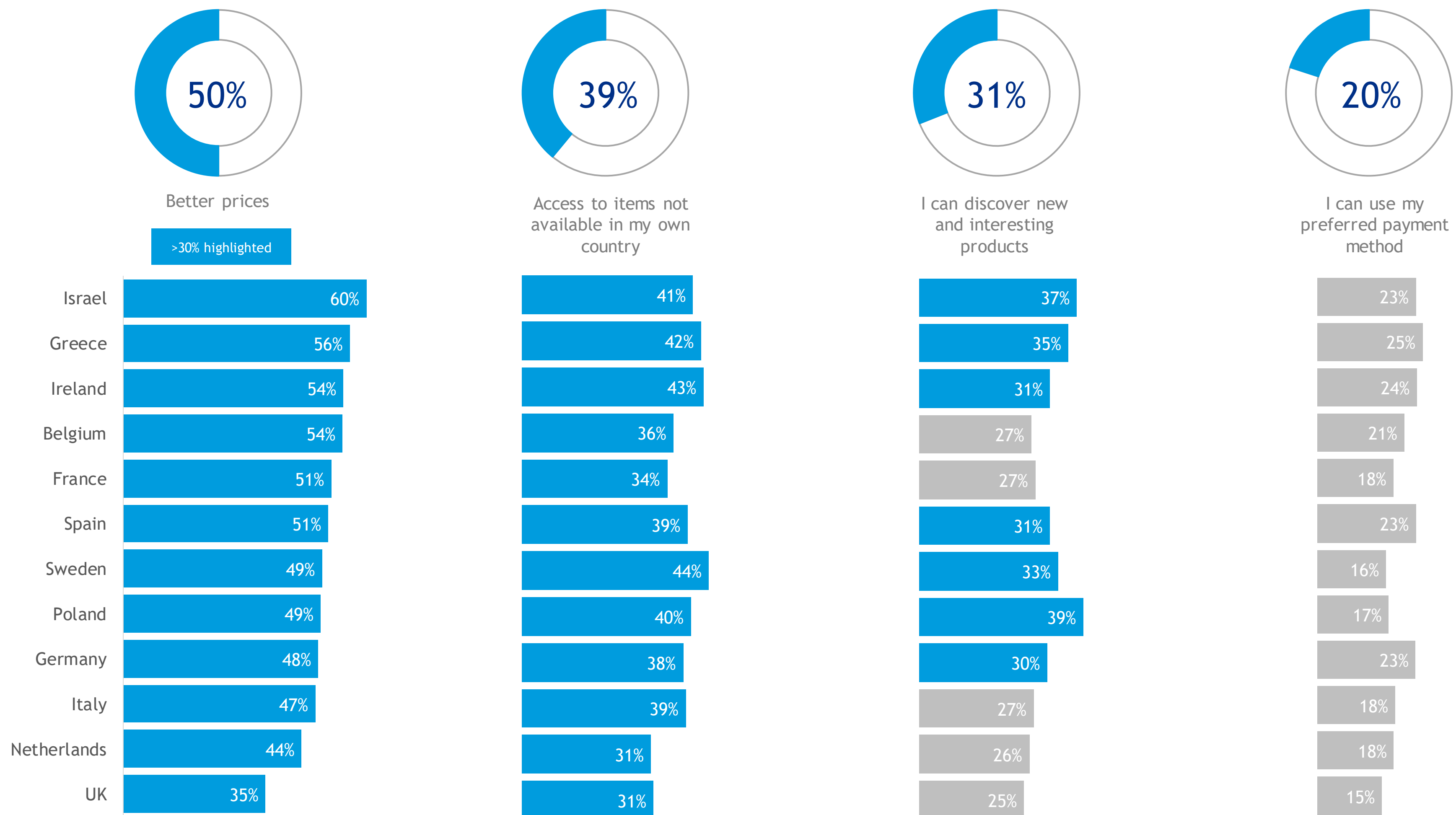
We can see that while French consumers are somewhat less likely to purchase from overseas businesses, French retailers have no doubts about selling into international markets, leading the way at 91%.

Alongside France, the top export markets are Germany, Ireland, Poland, Israel, and Belgium (although the remaining markets are not far behind).

From a consumer perspective, there are two main reasons that drive international shopping - access to better prices (50%) and access to products they can't find locally (39%).

Cross Border Purchasing Motivations

(International Shoppers 18-75 years)*



Price and access to products not found locally are the key drivers of international shopping; almost one in three do however also cite the ability to find new and interesting products as a reason to shop internationally, while one in five are motivated by the opportunity to use their preferred payment method.

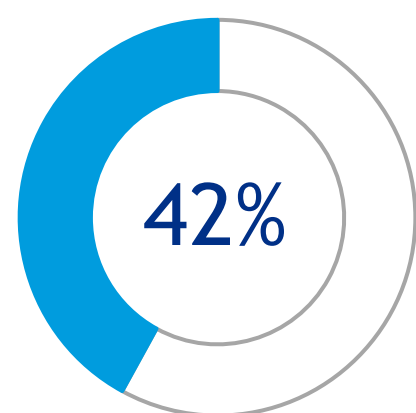
These sentiments appear to be felt more strongly in some of the smaller markets, with consumers in Israel and Greece in particular more likely to agree with all of these opinions.



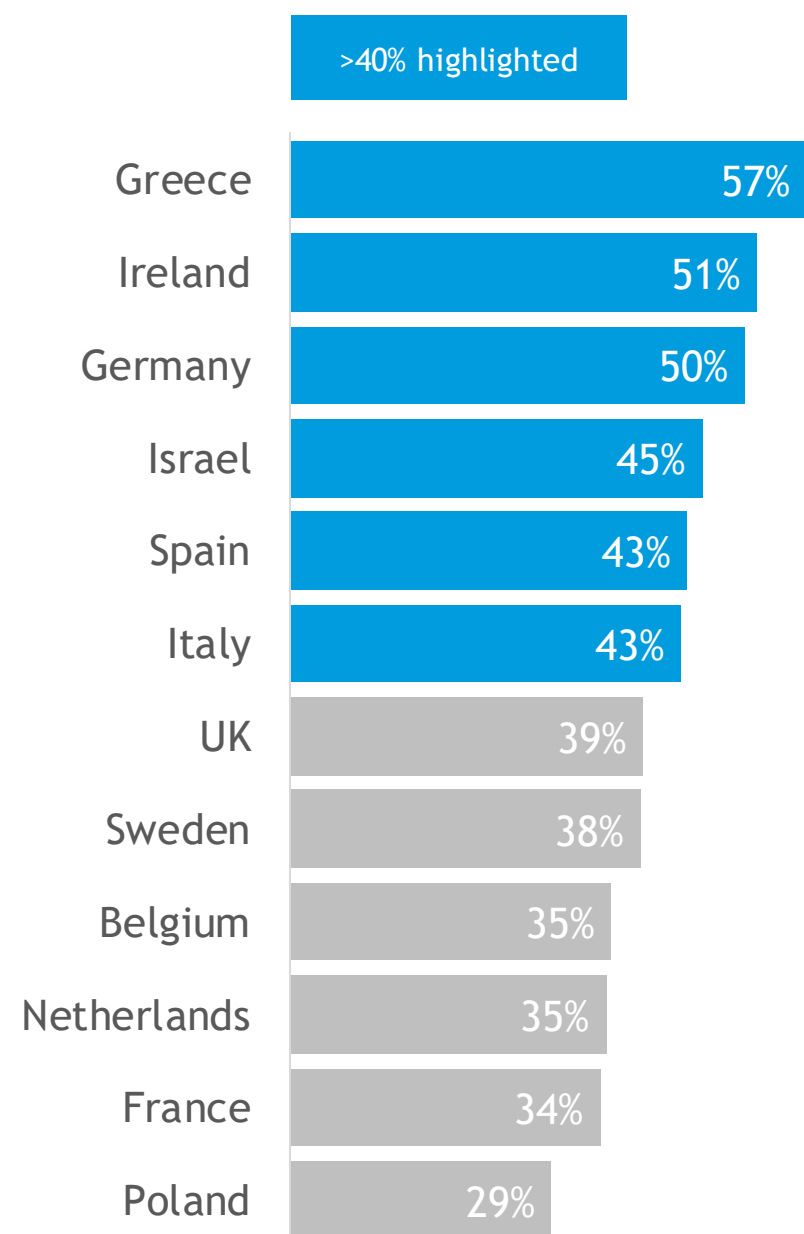
There are trust concerns that emerge when consumers are purchasing in international markets; PayPal can help alleviate these.

Cross Border Purchasing Security

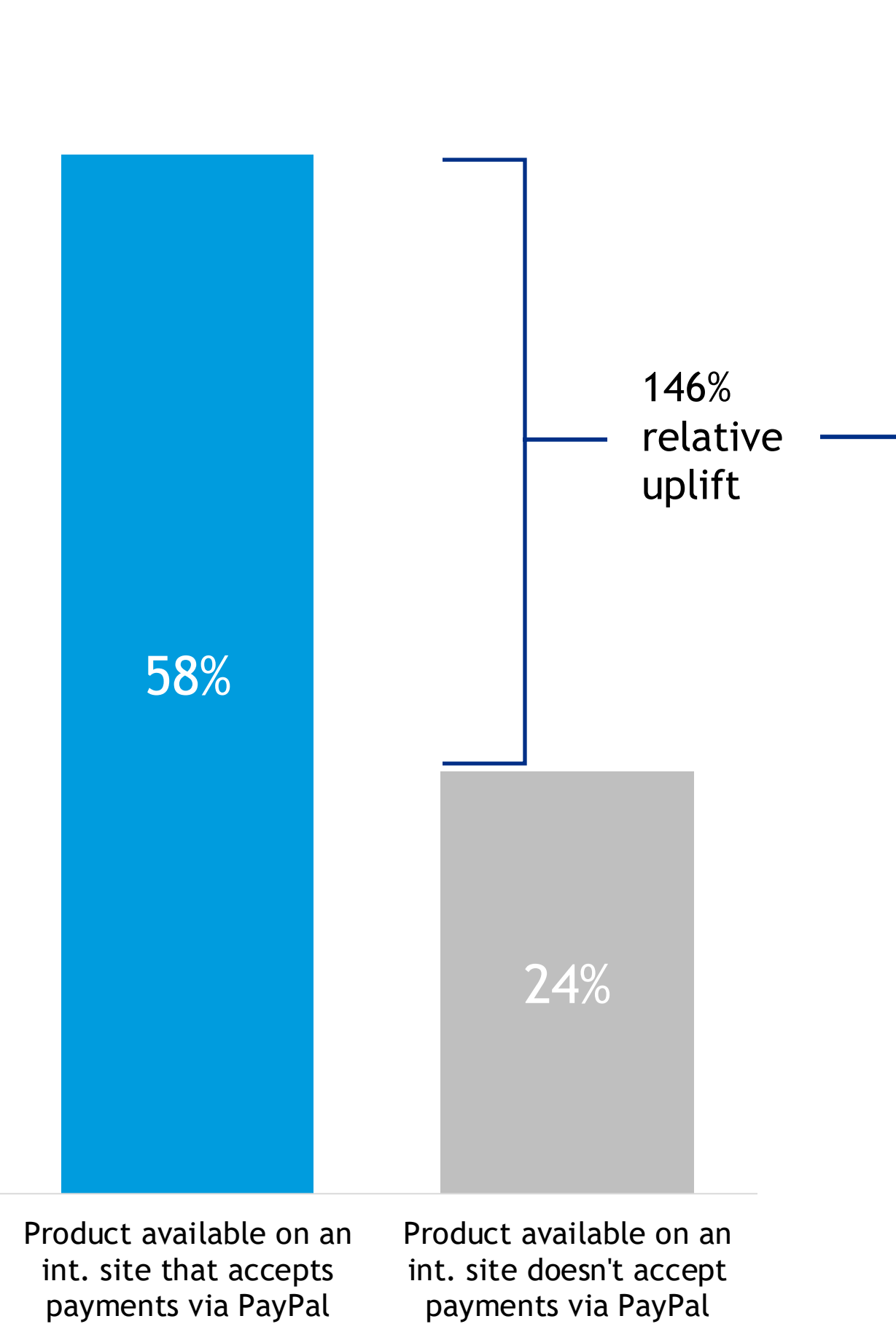
(All Consumers 18-75 years)*



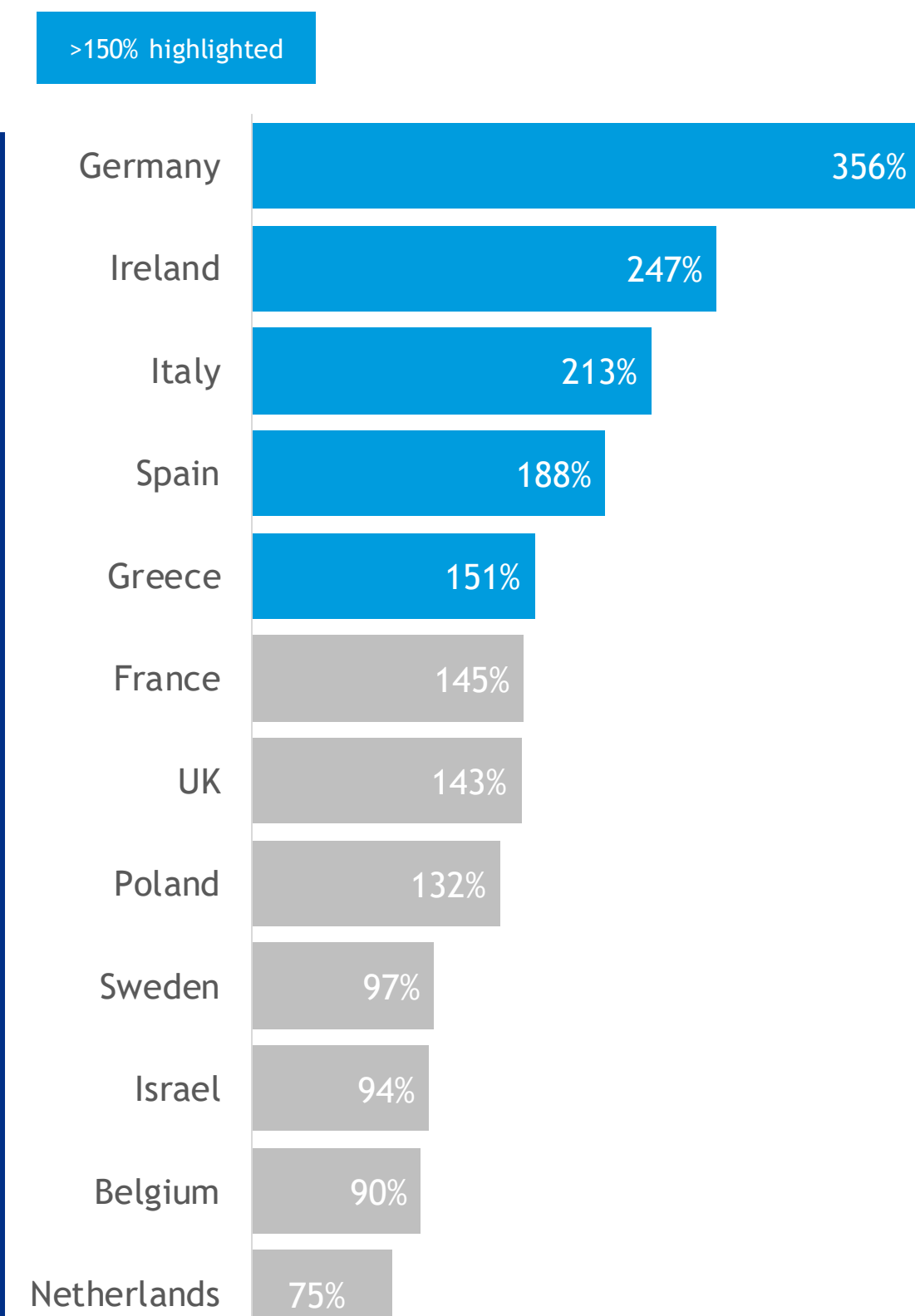
When PayPal is available, I feel more secure to shop on international stores



Purchase Likelihood on International Sites - PayPal vs No PayPal Option



Uplift Among Countries on Int'l Sites that Accepts Payments via PayPal



More than two in five consumers (42%) agreed that they feel more secure shopping with international retailers if PayPal is available, rising to more than half of consumers in Greece (57%) and Ireland (51%).

Offering PayPal as a payment method can also positively impact the likelihood of consumers making a purchase. When comparing the same product from an international site that offers PayPal vs. one that doesn't offer PayPal, consumers in most countries are more than twice as likely to purchase from the one that does offer PayPal, rising to more than four times as likely in Germany, and more than three in Ireland and Italy.



Q24. If you find a product that you want on two separate sites, both of which are offering it for the same price (including any shipping costs), how likely would you be to buy the product if it...?

Q34. Thinking specifically about making a purchase online, which, if any, of the following statements do you agree with?

BASE: All Consumers 18-75, n=13,177

3 Key Highlights

1

Most consumers shop internationally, with around a third of their purchases made from international businesses.

2

Cross border shopping is largely driven by a desire for access to better prices and products not available in their home market.

3

Security is key for consumers, with the availability of a trusted payment solution like PayPal providing a greater level of comfort when shopping in international stores.

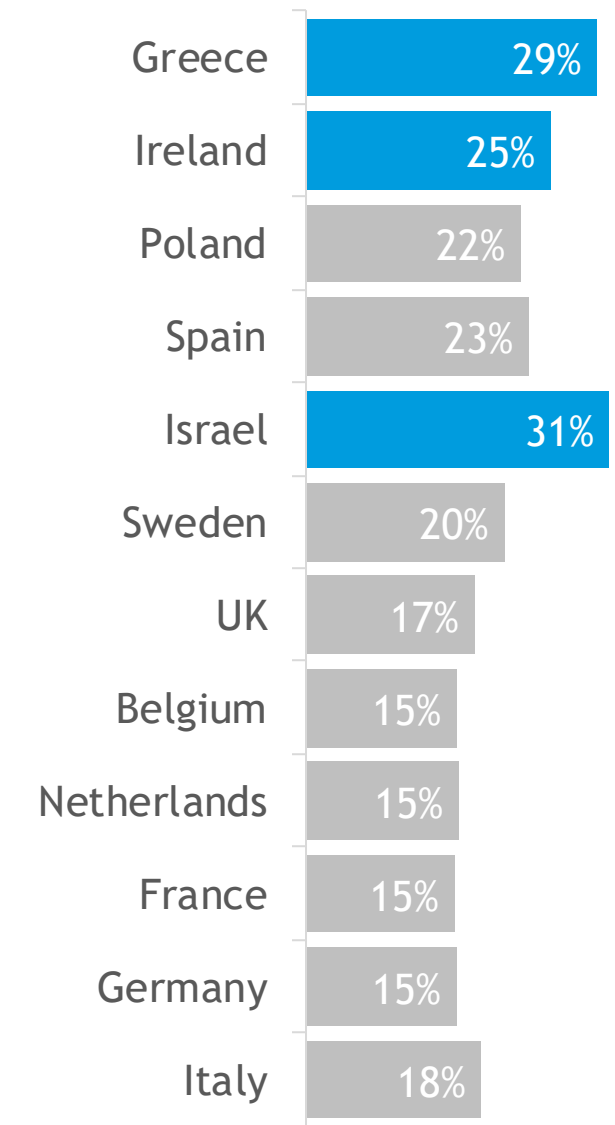
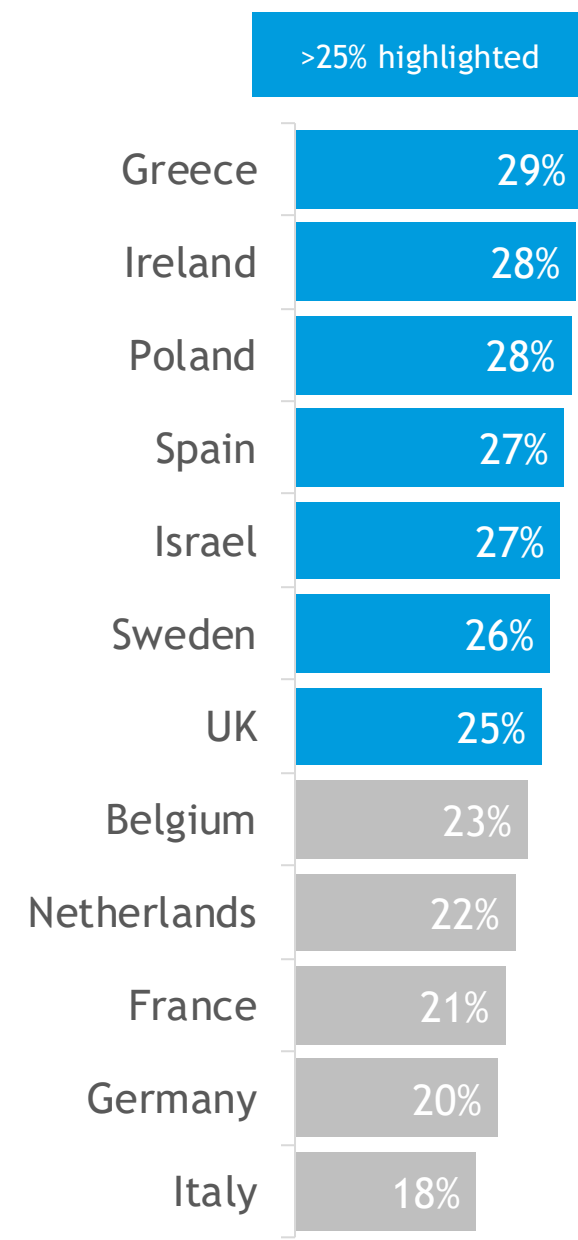
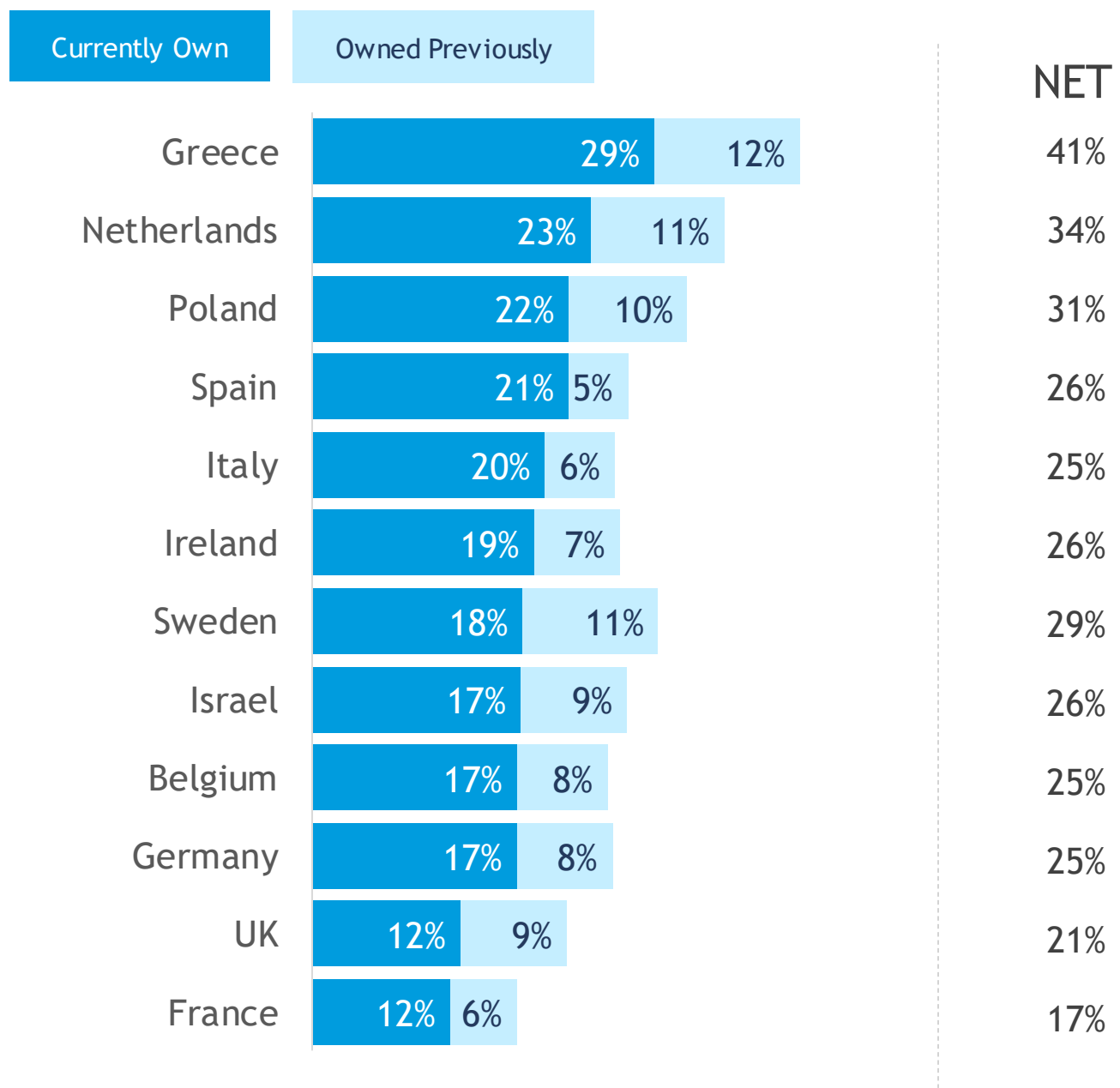
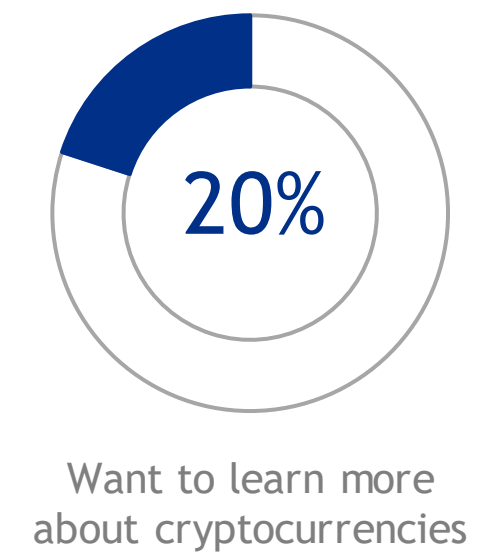
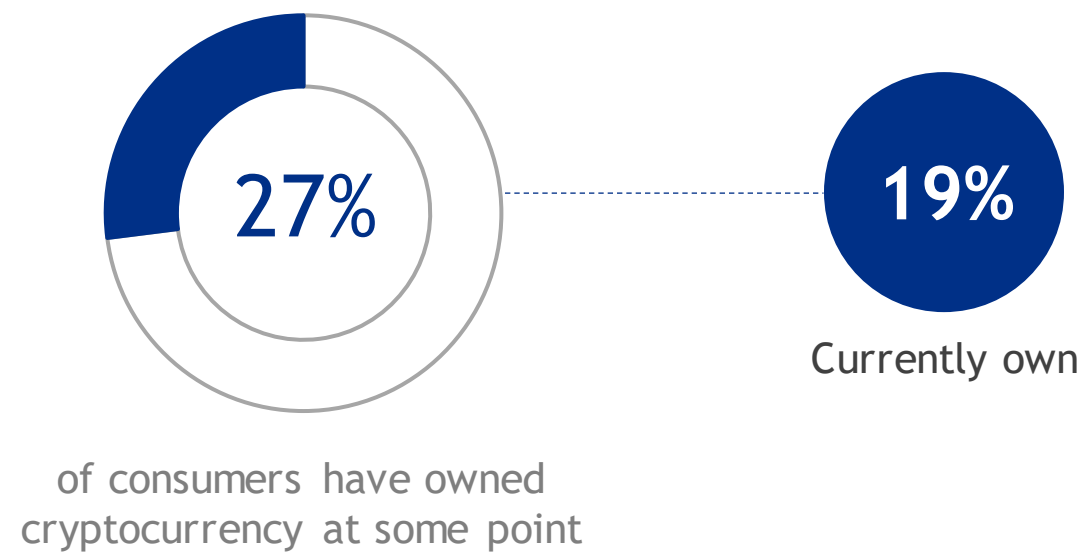
Tech Trends: Crypto, NFTs and the Metaverse



More than one-in-four consumers (27%) have owned cryptocurrencies at some point, however one-in-four are concerned about the safety and security when trading.

Cryptocurrency Ownership and Beliefs

(All Consumers 18-75 years)



More than a quarter of consumers have owned cryptocurrency at some point, with almost one-in-five still having funds invested.

There are however divergent views among consumers, with one in four respondents indicating they were concerned about safety and security when trading cryptocurrency.

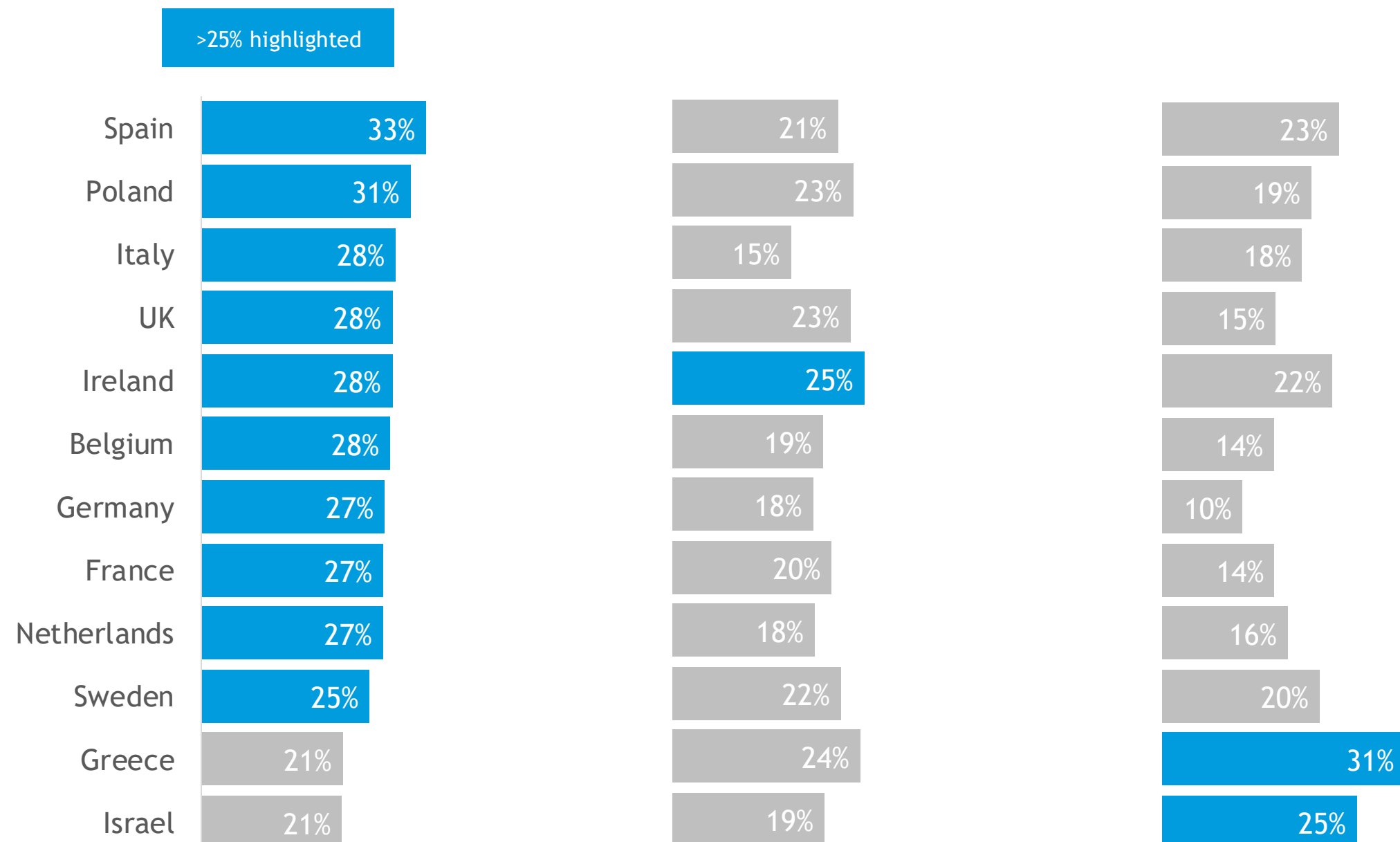
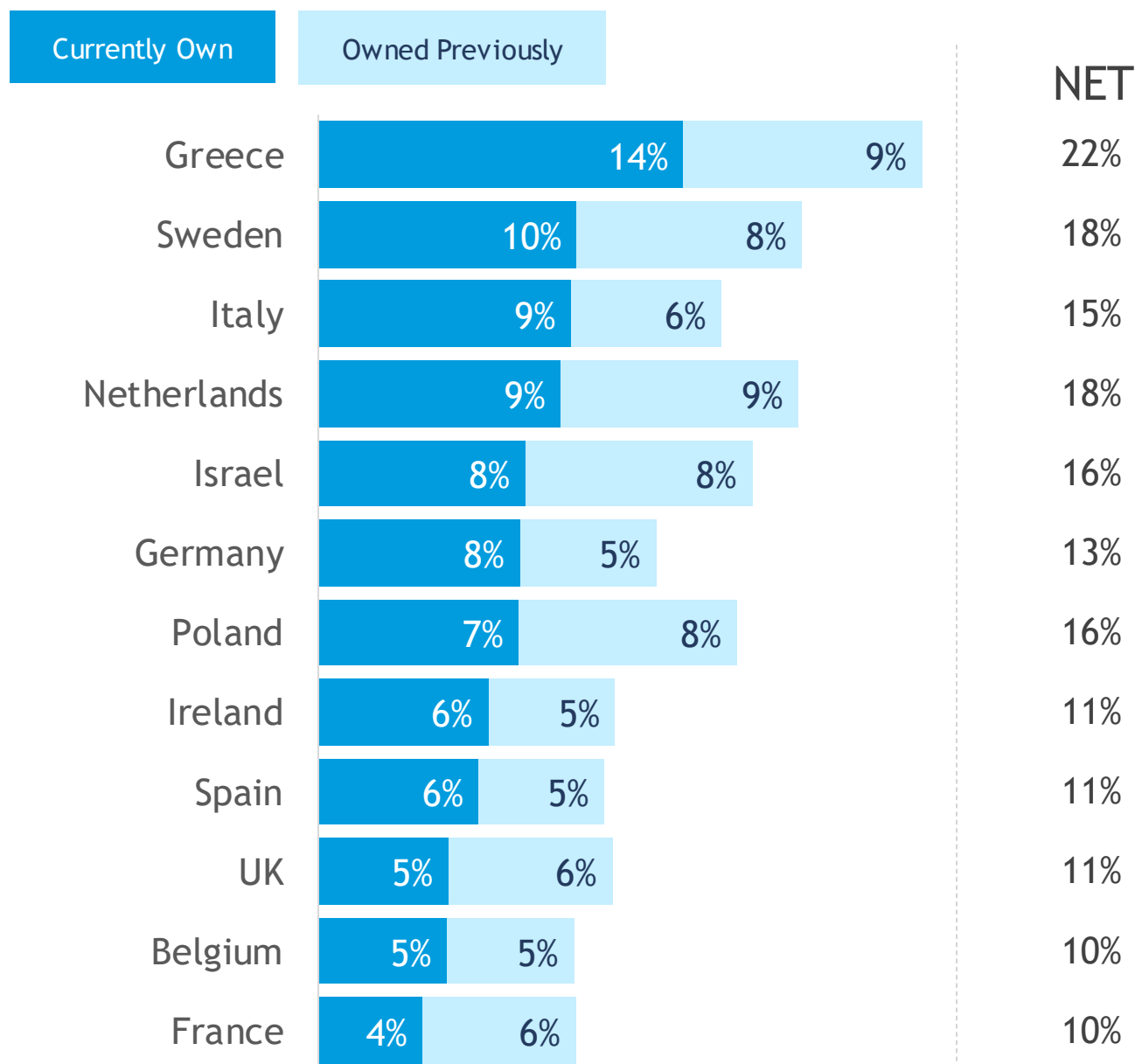
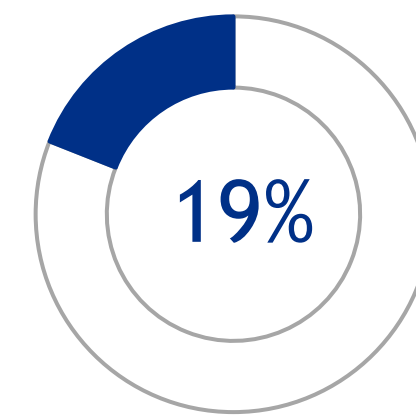
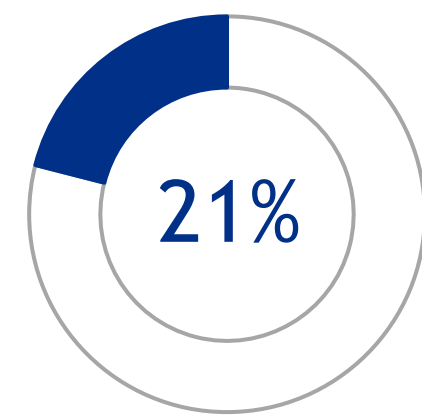
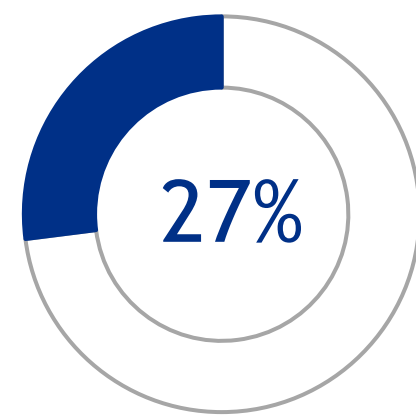
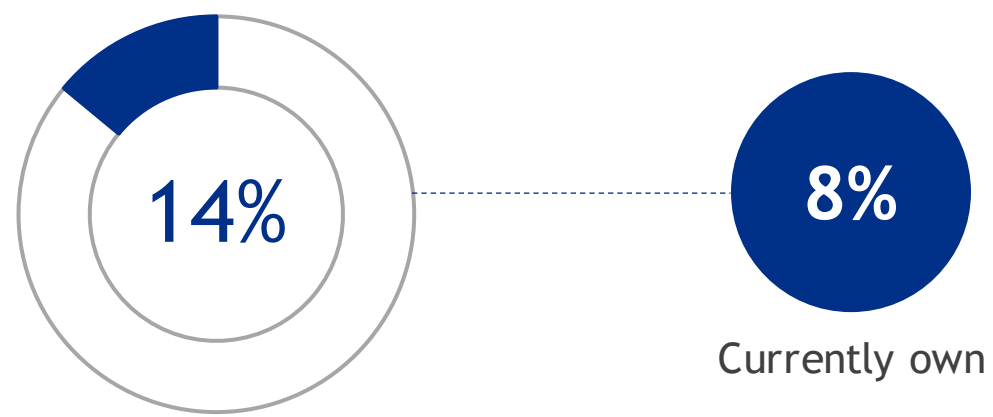
Consumers in Greece are clearly the most engaged with cryptocurrency. More than two-in-five Greeks have owned cryptocurrency at some point, while approaching one in three (29%) are keen to learn more.



Non-Fungible Tokens (NFTs) are more of a niche product, with less than half as many consumers currently owning an NFT as those who currently own cryptocurrency.

NFT Ownership and Beliefs

(All Consumers 18-75 years)



Non-Fungible Tokens (NFTs) are unique cryptographic assets that exist on a blockchain and cannot be replicated.

They represent a niche investment option, with more consumers saying that they don't trust investing in NFTs (27%) or that they are concerned about the safety and security of trading NFTs (21%), than those who have either owned them (14%) or are interested in learning more (19%).

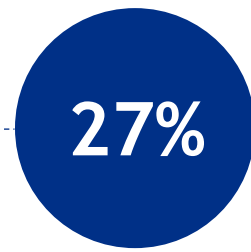
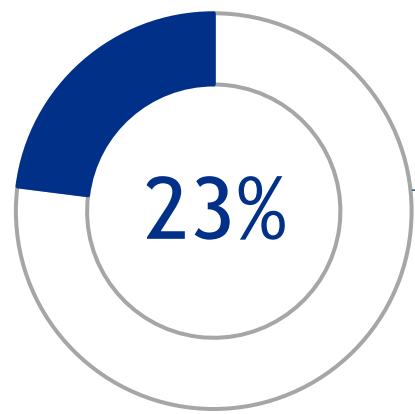
Consumers in Greece are the most likely to own NFTs (14%), while those in Belgium and France lead the way in indicating interest in learning more about NFTs (31% and 25% respectively).



The metaverse stands out as an area with significant growth potential; almost one-in-four consumers (23%) have participated in virtual spaces, with a further 27% open to the idea.

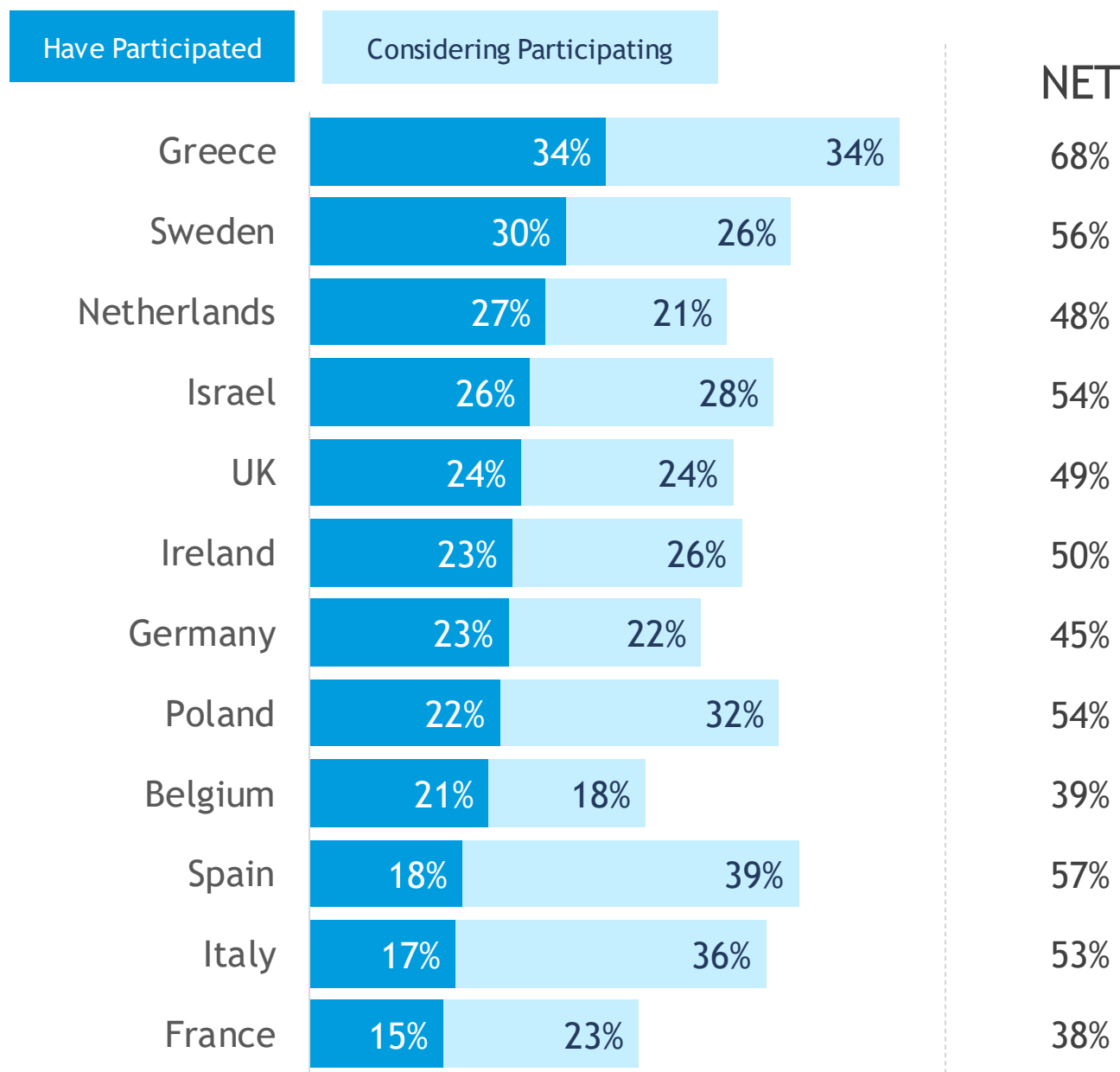
Metaverse Participation

(All Consumers 18-75 years)



Haven't yet participated, but are considering doing so

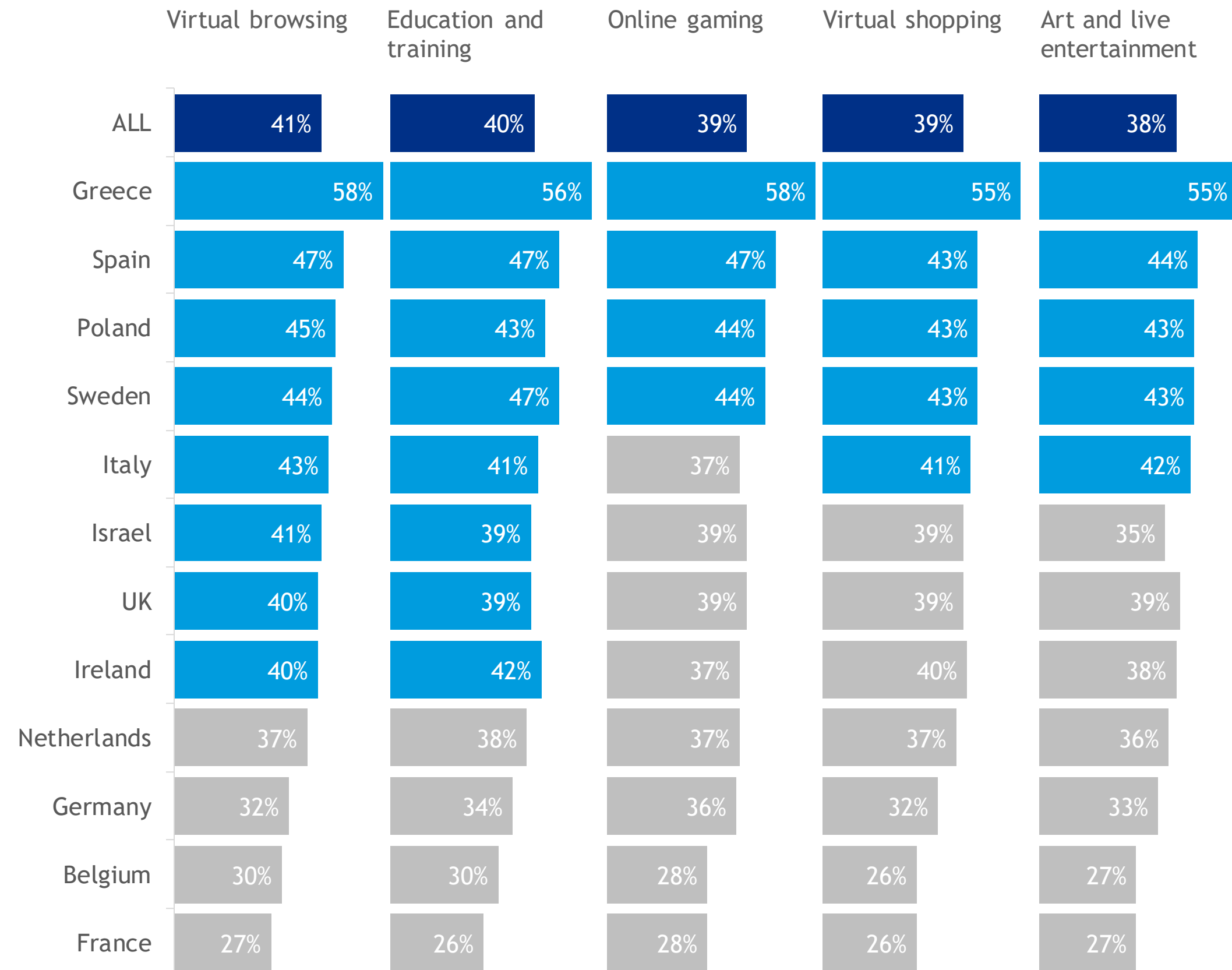
of consumers have participated in a virtual space/the metaverse



Top 5 'Have Done/Would Consider' Metaverse Usage

(All Consumers 18-75 years)

>40% highlighted



Half of consumers (50%) are either current metaverse participants (23%) or considering testing it out (27%).

Focussing on current usage, we can again see Greek consumers at the top of the list, with more than one in three (34%) already having experience of virtual spaces.

Following Greece, Sweden (30%), the Netherlands (27%), and Israel (26%) are the countries that are most engaged with virtual spaces.

Looking to the future, there is clearly an appetite to use virtual spaces for a wide range of activities, including virtual browsing (41%) and shopping (39%), education and training (40%), online gaming (39%), virtual shopping (39%) and arts and live entertainment (38%).

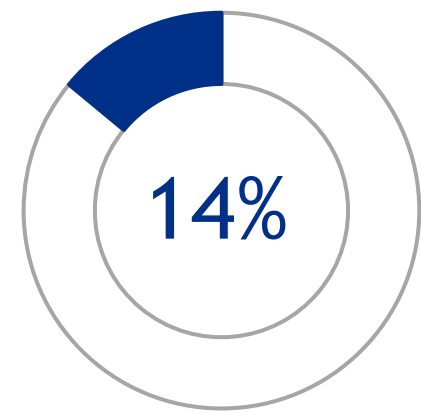


CQ29. Thinking now about virtual spaces/the metaverse, which of the following best describes you?
 CQ30. Which of the following do you currently, or would you consider doing in a virtual space/ the metaverse
 BASE: All Consumers 18-75, n=13,175

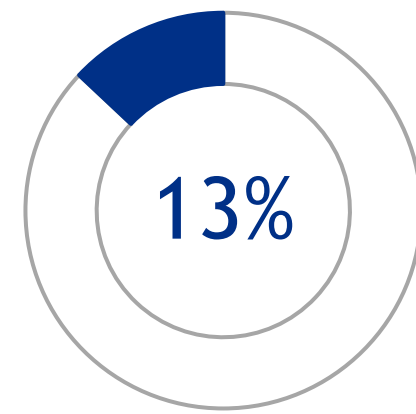
In fact, around one-in-seven (14%) consumers already believe that more engagement will happen in virtual spaces than the real world in the future, and that virtual spaces will be an important shopping destination (13%).

Activities in the Virtual Space/Metaverse

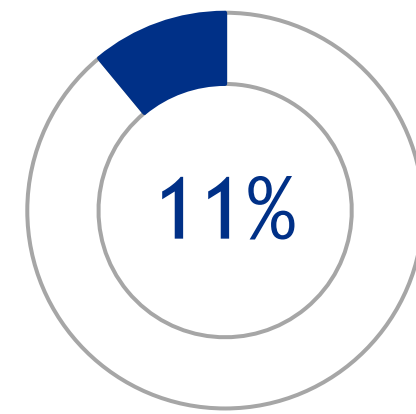
(All Consumers 18-75 years)



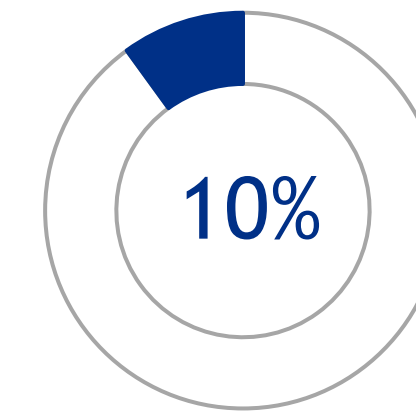
Believe that, in the future, we will engage with more people in virtual spaces/the metaverse than in real life



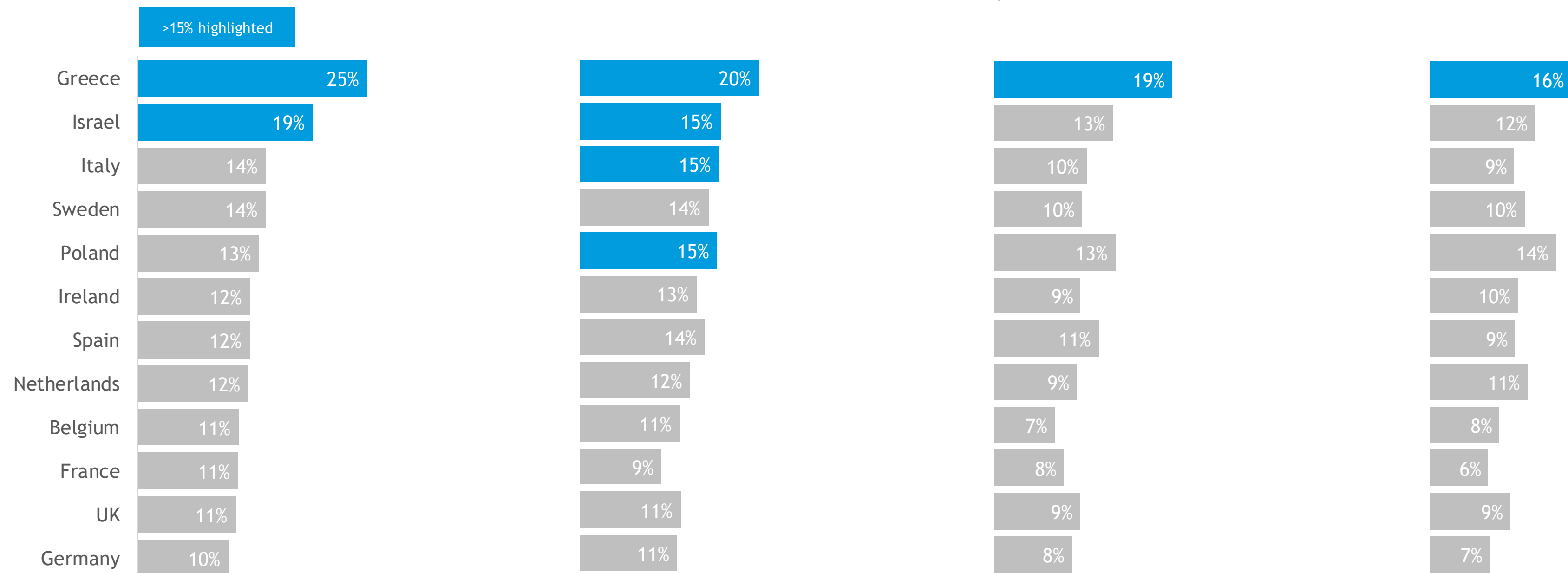
Believe that virtual spaces/the metaverse will become important channels for shopping



Would like their favourite store to exist within virtual spaces/the metaverse



Would like to be able to purchase physical products within virtual spaces/the metaverse



The potential to grow metaverse participation is highlighted by the fact that one in seven consumers (14%) already believe that more engagement will happen in virtual spaces than the real world, and that virtual spaces will become important shopping destinations (13%).

As we've seen previously, Greek consumers are again the most engaged with new technologies and innovations, with one in four (25%) believing that virtual spaces will overtake 'real life' in the future.

Consumers are clearly also considering the future retail opportunity as part of this process, with around one in ten wanting their favourite store to exist within the virtual environment (11%), or to be able to purchase physical products within virtual spaces (10%).

3 Key Highlights

1

There is a level of consumer interest in learning more about Cryptocurrencies and NFTs.

2

The metaverse is coming, with half of consumers having either entered virtual spaces (23%), or being open to the idea (27%).

3

More than one in ten consumers (13%) believe that virtual spaces / the metaverse will become important channels for shopping.

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