



Online Payment Experiences of Merchants

Ipsos Global Research Study across US, UK, Germany,

Australia, Italy, Spain & Brazil

October 2018

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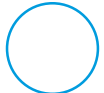
1. Ipsos Research methodology
2. PayPal helps increase consumers' willingness to buy
3. Payments experience helps to drive customer engagement
4. PayPal is customers' preferred way to pay
5. PayPal rated top provider against important features of a payments experience
6. Market level 'willingness to buy'

PayPal commissioned 3rd party study by Ipsos across 7 markets to understand consumer drivers of transaction abandonment and ‘willingness to buy’



Ipsos consumer panel

- Online survey conducted in July 2018
- 7 markets UK, DE, IT, ES, US, AU, BR
- 1,500 respondents per market/10,500 total respondents
- Online shoppers: made a purchase in the last month
- Boost in Brazil to ensure 500 PayPal users
- 6,930 PayPal users surveyed in total



Indicates a statistically significant difference (higher than comparison number)

Attitudinal measures

- Drivers of transaction conversion and abandonment
- Role of payments and preference towards payment providers

Transaction simulation: Willingness to buy

- Consumers prepped that they will be presented with hypothetical transaction scenarios and asked “Would I complete the purchase?”
- Multiple transaction scenarios tested including purchase vertical, familiar /unfamiliar merchant, high/low ticket size, domestic/cross-border merchants, mobile v desktop.
- Available Payment providers tested as a variable allowing us to measure the difference in Willingness to buy when PayPal is present versus not

Example scenario 1

| | |
|-----------------|-----------------|
| Value | £200+ |
| Seller | Well known name |
| Geography | Cross-border |
| Channel | Mobile |
| Buying | Insurance |
| Payment options | |

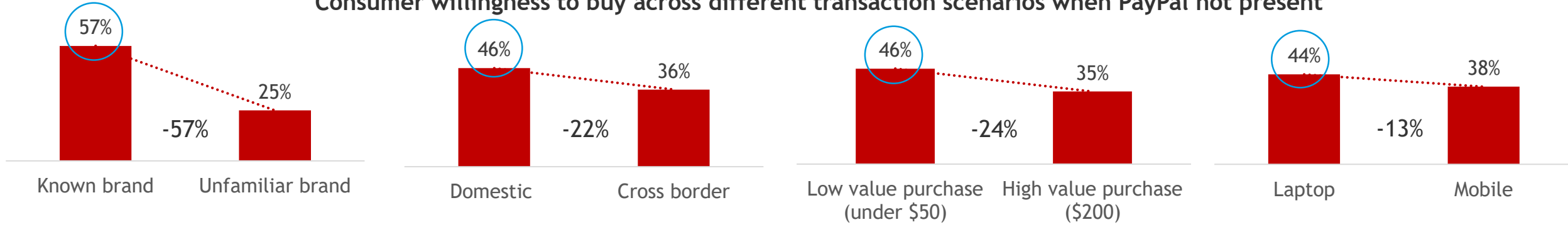
Example scenario 2

| | |
|-----------------|------------------|
| Value | £50 - £100 |
| Seller | Unfamiliar brand |
| Geography | Domestic |
| Channel | Desktop |
| Buying | Fashion |
| Payment options | |

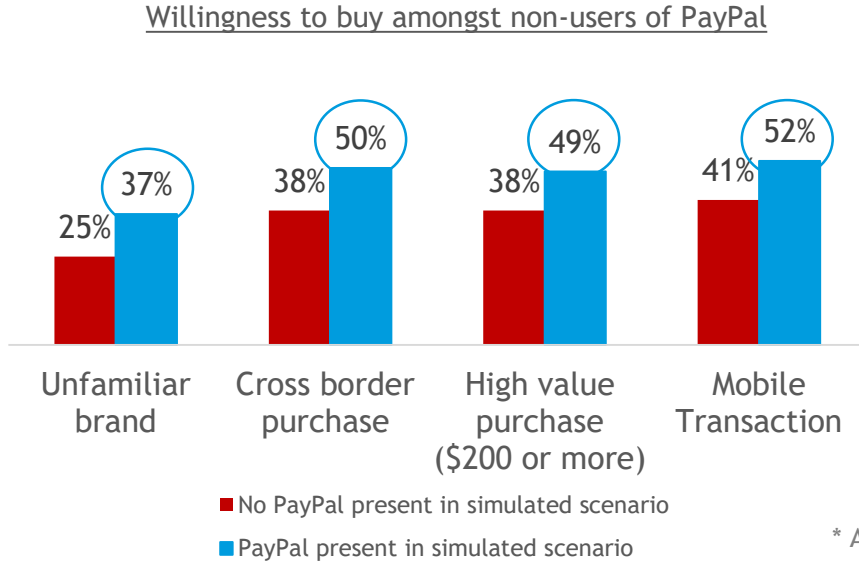
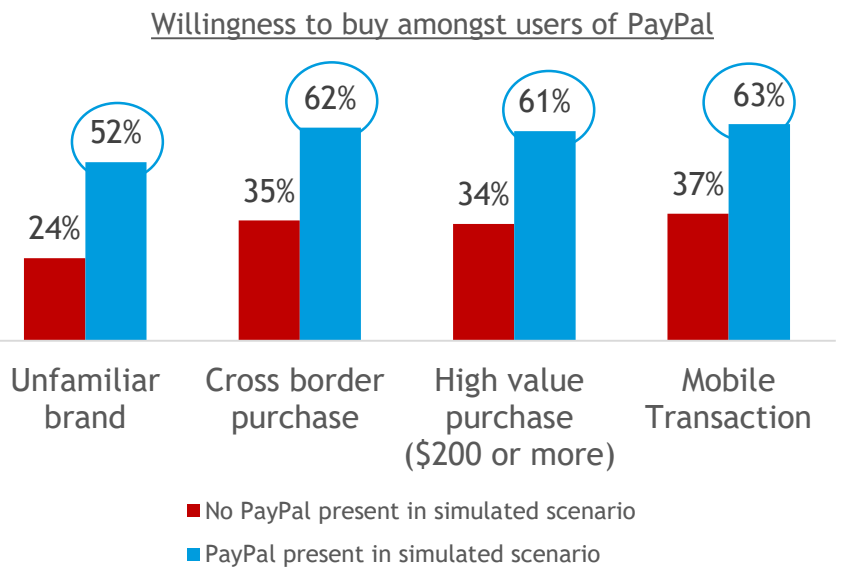
PayPal accepted on a site can increase consumer willingness to buy; higher uplift in challenging scenarios e.g. mobile, cross-border, high ticket, unfamiliar brands

PayPal brand halo effect also occurs among non-PayPal users, most notably for less familiar brands

Consumer willingness to buy across different transaction scenarios when PayPal not present



Consumer willingness to buy uplift for PayPal present versus not present (all markets)



PayPal uplift (all scenarios/markets)

PayPal = +54% increase in consumers willingness to buy

Market level PayPal uplift

| | | | |
|------|------|-------|------|
| | | | |
| +38% | +37% | +137% | +66% |
| | | | |
| +54% | +57% | +32% | |

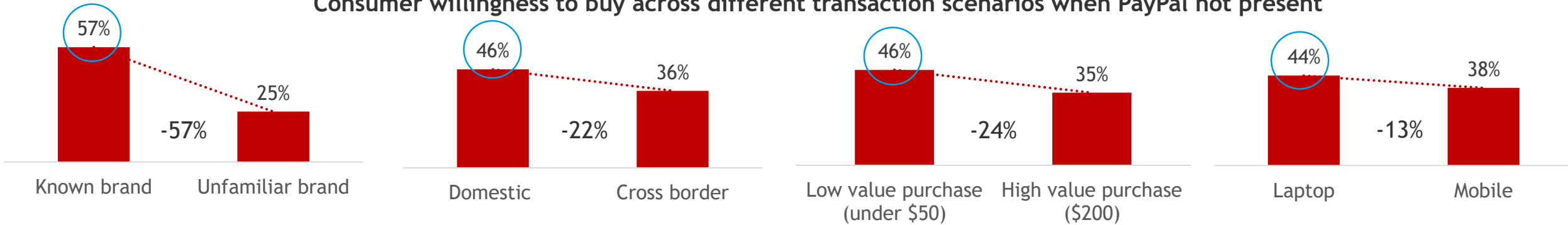
Confidence interval max of 1%

* Aggregate of all markets unweighted by shoppers in each market. Only selected scenarios referenced in chart

PayPal accepted on a site can increase consumer willingness to buy; higher uplift in challenging scenarios e.g. mobile, cross-border, high ticket, unfamiliar brands

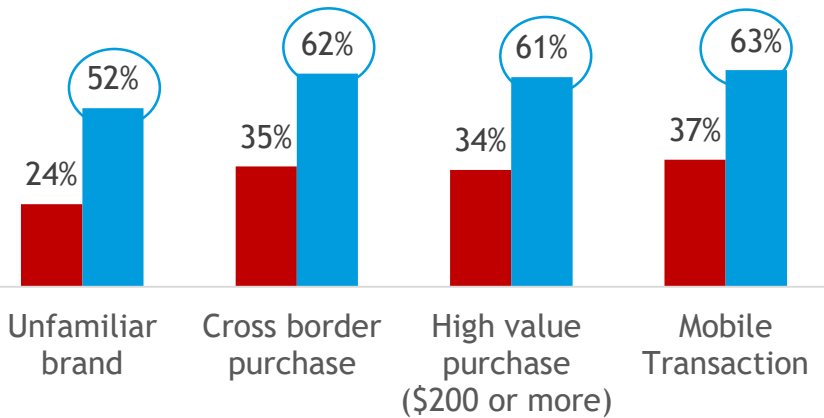
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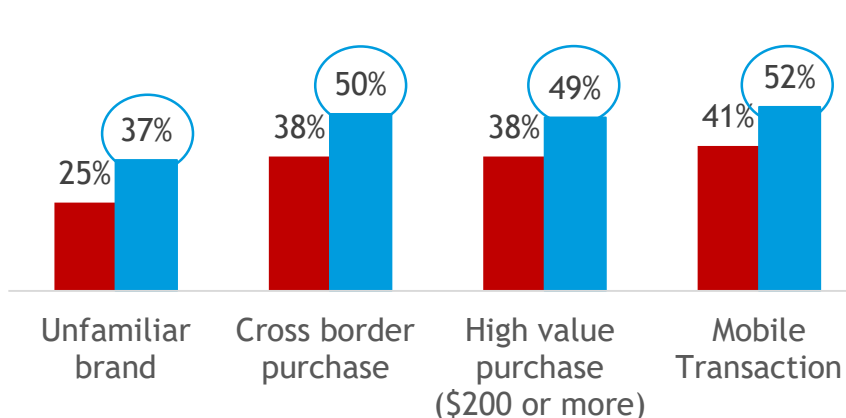


Consumer willingness to buy uplift for PayPal present versus not present (all markets)

Willingness to buy amongst users of PayPal



Willingness to buy amongst non-users of PayPal



PayPal uplift (all per scenario)
increase in consumers willingness to buy

- = **+92%** For unfamiliar brand
- = **+61%** For high value purchase \$200
- = **+61%** For cross-border
- = **+56%** For mobile

Confidence interval max of 1%

* Aggregate of all markets unweighted by shoppers in each market. Only selected scenarios referenced in chart

Clear presence of right payment options on a merchant site can establish trust and confidence early in the shopping experience

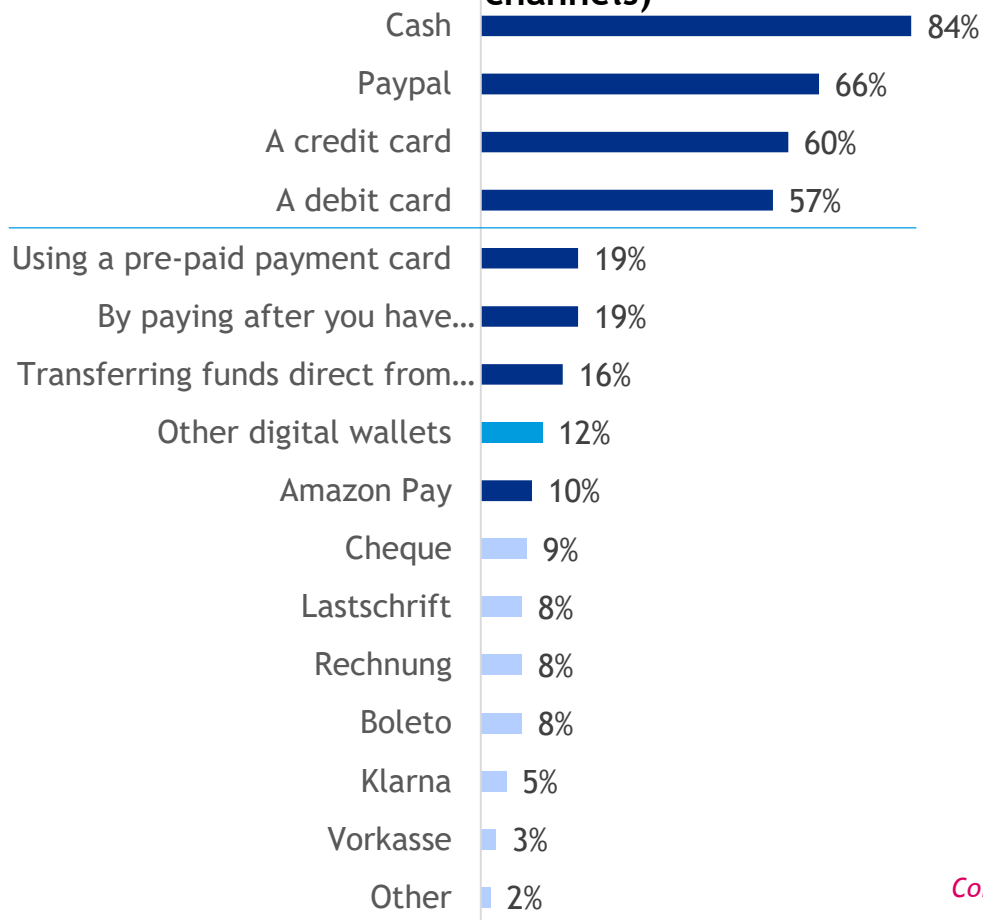


Confidence interval of 1% or less applies to each number

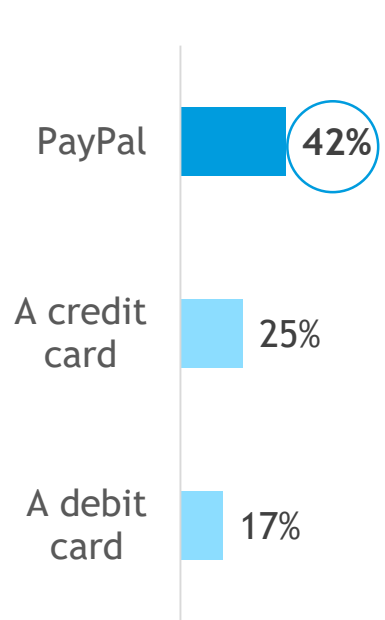
PayPal is most preferred payment method by consumers; 59% of users have abandoned a transaction because PayPal wasn't presented



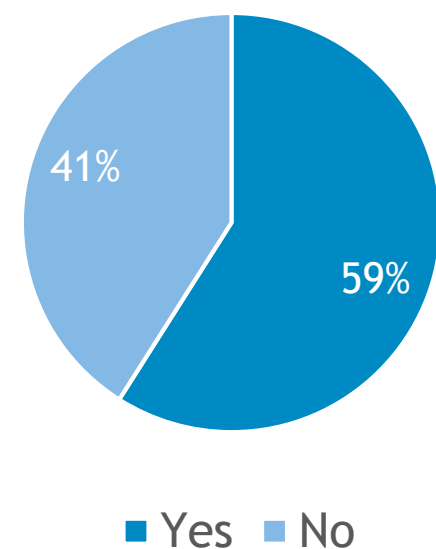
Usage by payment method (all channels)



Preference by users (online shoppers)



Abandoned at payment because PayPal was not available (among users)



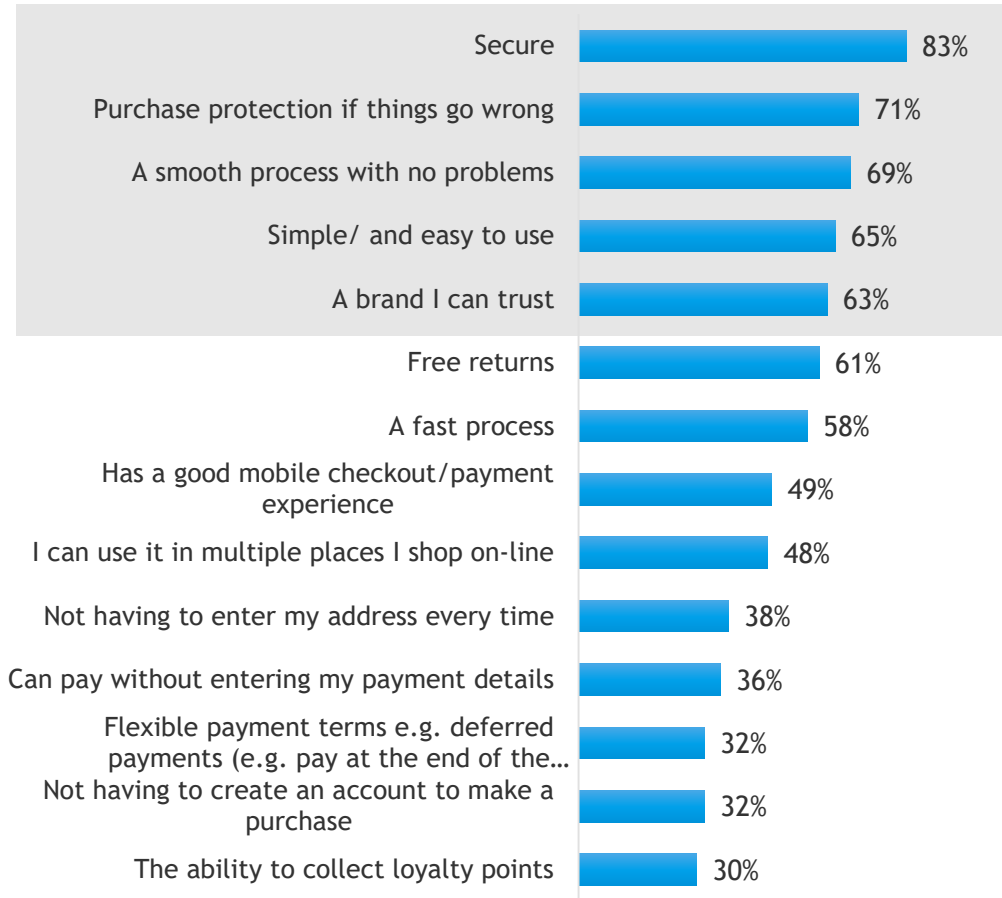
Confidence interval of 1% or less applies to each number

Source: Ipsos conjoint research 10,500 shoppers across 7 markets (1,500 per market) inc 6,930 PayPal users S03. And thinking about how you pay for things you buy, which of the following have you used in the last 12 months? A08. When you've been shopping online, what is your preferred method or payment. Base: S03 Total Respondents (1500); A08 (1176)

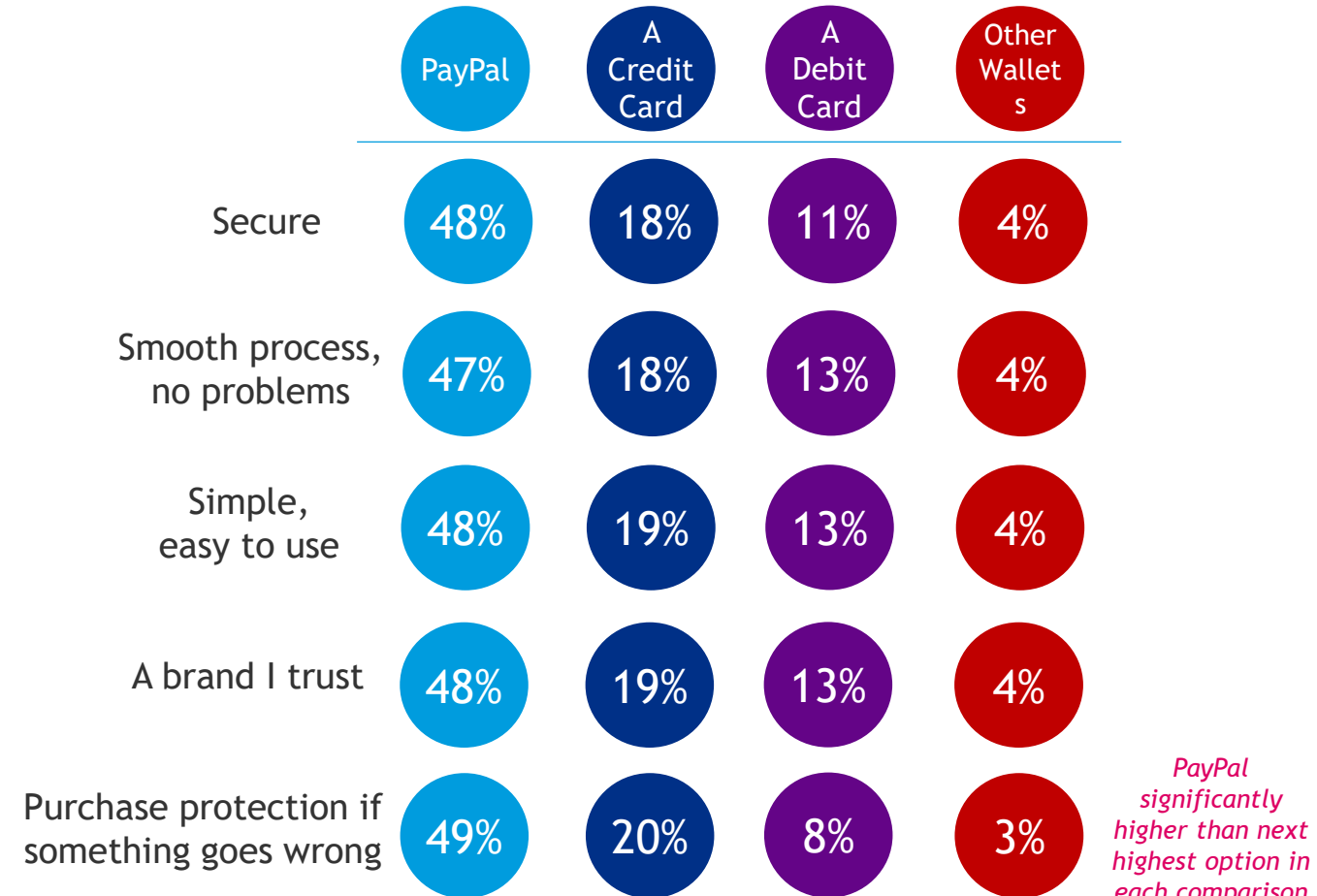
PayPal demonstrates superior performance versus other payment methods against features consumers state as most important for payments



Top features stated as important in payments phase for conversion



Which payment provider is best at delivering against each feature?



Confidence interval of 1% or less applies to each number

Source Ipsos conjoint research 10,500 shoppers across 7 markets (1,500 per market) inc 6930 PayPal users

¹ 3371 respondents who purchase online at least once a week, A06 research Here are some features that you might link with different methods of paying for shopping online. Please say which are very important, which important and which not important to you.

² Now we'd like to know how you think different payment methods perform. Which of the payment methods listed is best at delivering each feature? Base: All (10,500)



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Market level willingness to buy

PayPal accepted on a site can increase consumer willingness to buy; uplift in challenging scenarios e.g. mobile, cross-border, unfamiliar brands

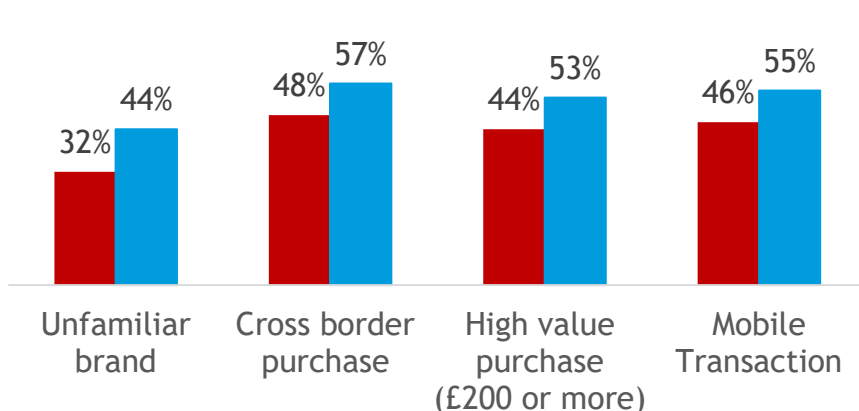
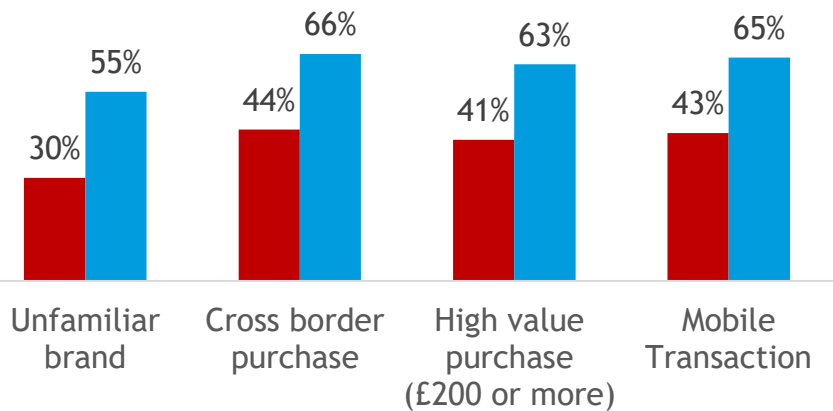
PayPal brand halo effect also occurs amongst non-PayPal users, most notably for less familiar brands

Consumer willingness to buy uplift for PayPal present versus not present

PayPal uplift across transaction scenarios

Willingness to buy amongst users of PayPal

Willingness to buy amongst non-users of PayPal



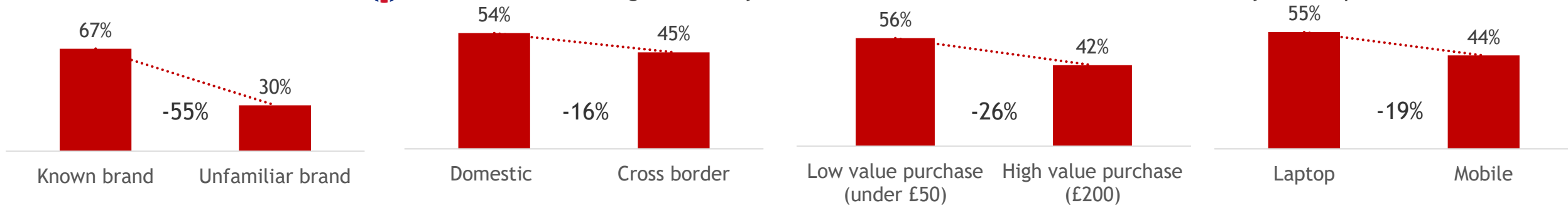
= **+38%** increase in consumer willingness to buy

■ No PayPal present in simulated scenario
■ PayPal present in simulated scenario

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*only selected scenarios referenced in chart

All consumer's willingness to buy across different transaction scenarios when PayPal not present



PayPal accepted on a site can increase consumer willingness to buy; uplift in challenging scenarios e.g. mobile, cross-border, unfamiliar brands

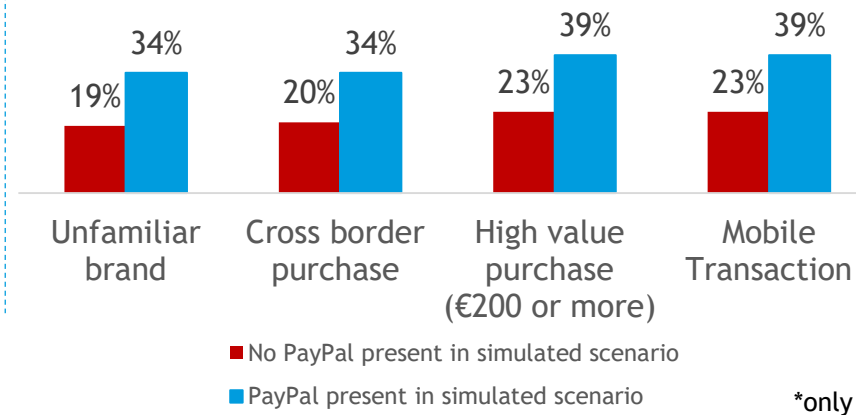
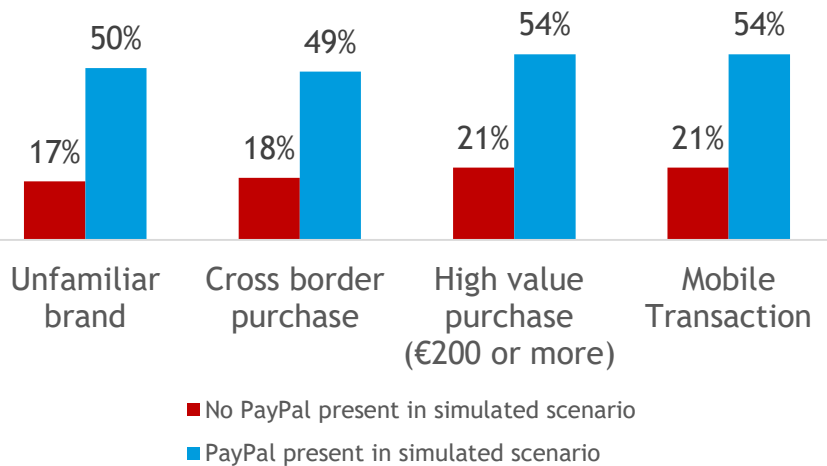
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PayPal uplift across transaction scenarios

Willingness to buy amongst users of PayPal

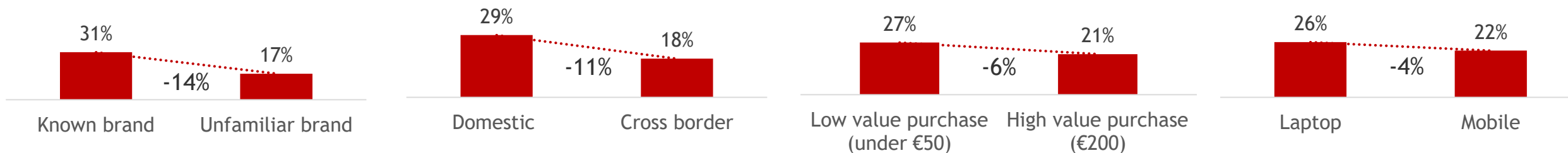
Willingness to buy amongst non-users of PayPal



= **+137%** increase in consumer willingness to buy

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All consumer's willingness to buy across different transaction scenarios when PayPal not present



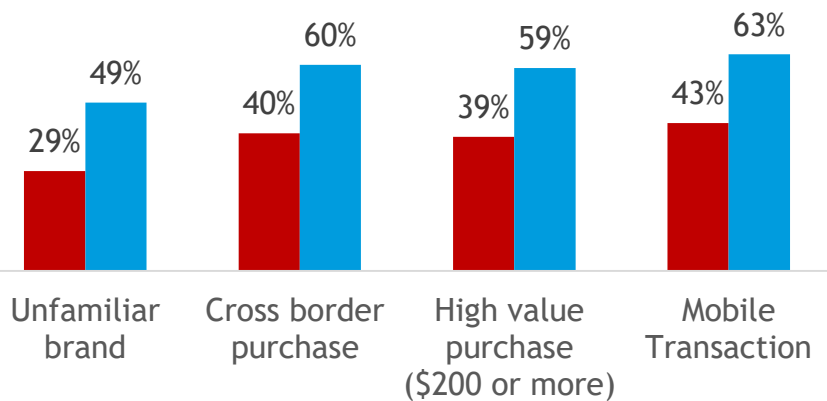
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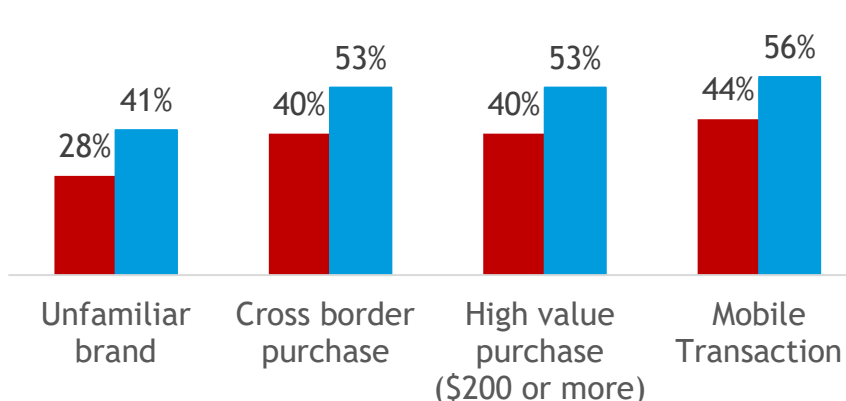


Consumer willingness to buy uplift for PayPal present versus not present

Willingness to buy amongst users of PayPal



Willingness to buy amongst non-users of PayPal



PayPal uplift across transaction scenarios

= +37% increase in consumer willingness to buy

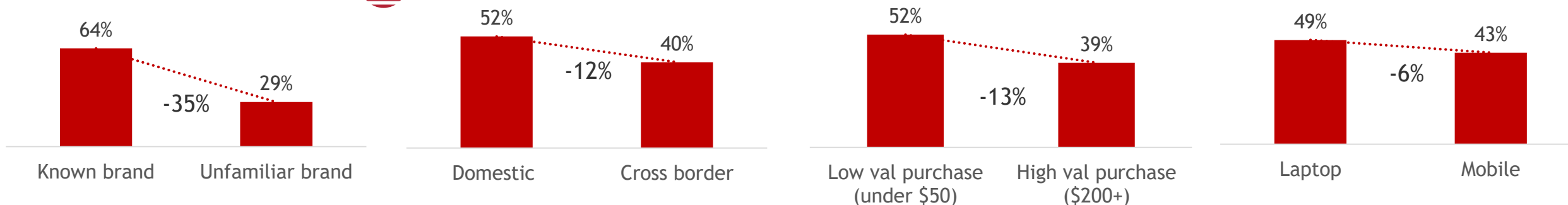
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All consumer's willingness to buy across different transaction scenarios when PayPal not present



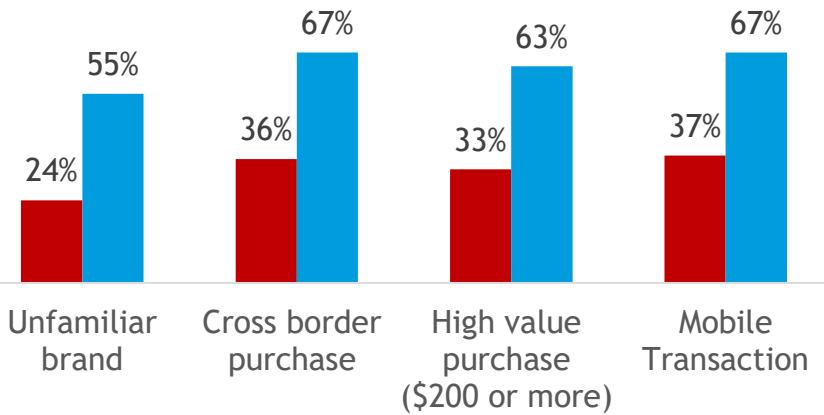
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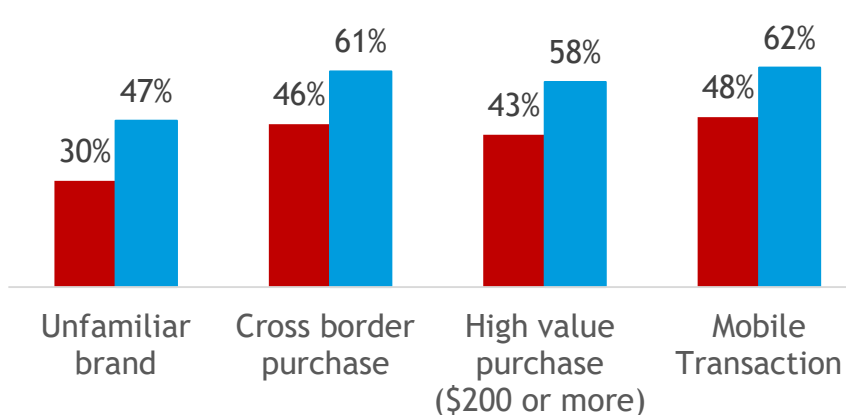


Consumer willingness to buy uplift for PayPal present versus not present

Amongst users of PayPal



Amongst non-users of PayPal



PayPal uplift across transaction scenarios



= +66%

increase in consumers willingness to buy

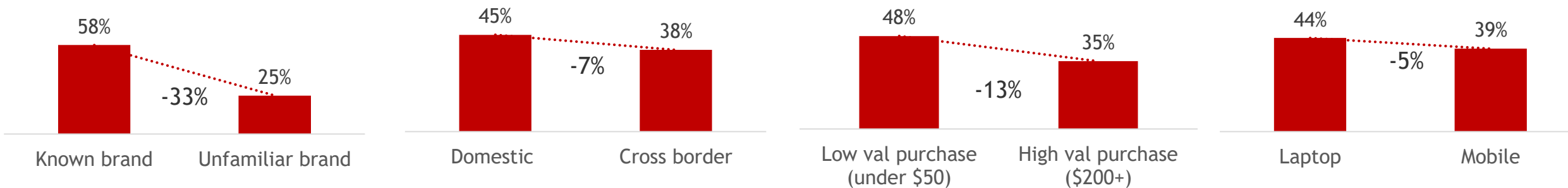
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All consumer's willingness to buy across different transaction scenarios when PayPal not present

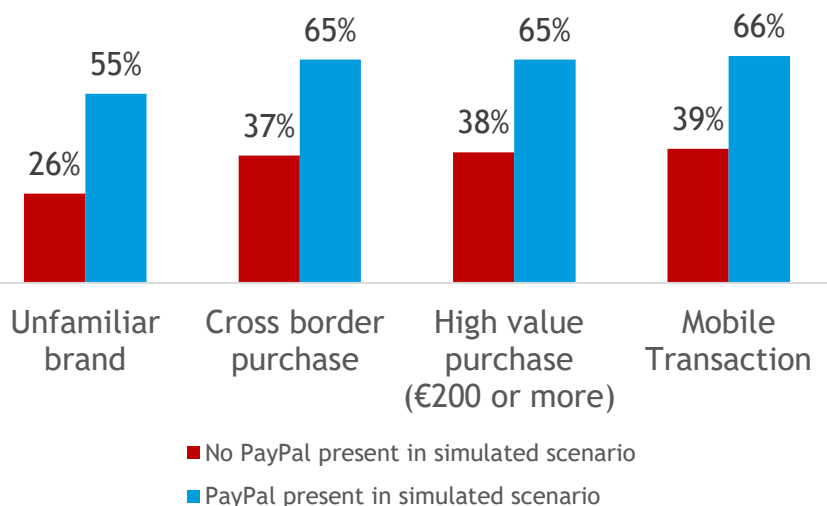


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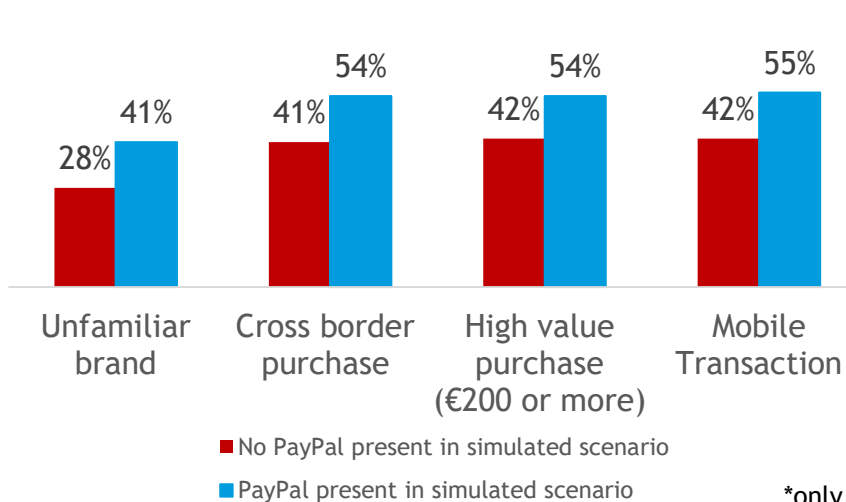
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Willingness to buy amongst users of PayPal



Willingness to buy amongst non-users of PayPal

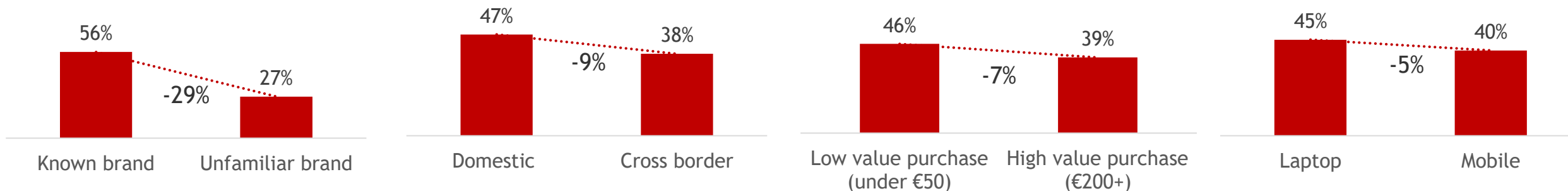


PayPal uplift across transaction scenarios

= +57% increase in consumer willingness to buy

*only selected scenarios referenced in chart

All consumer's willingness to buy across different transaction scenarios when PayPal not present



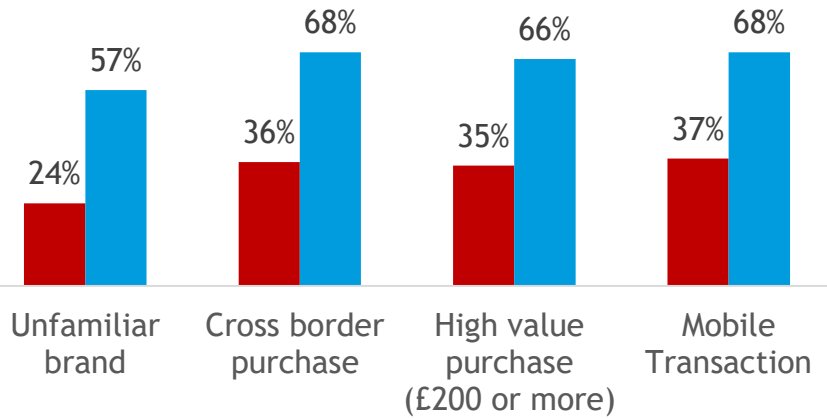
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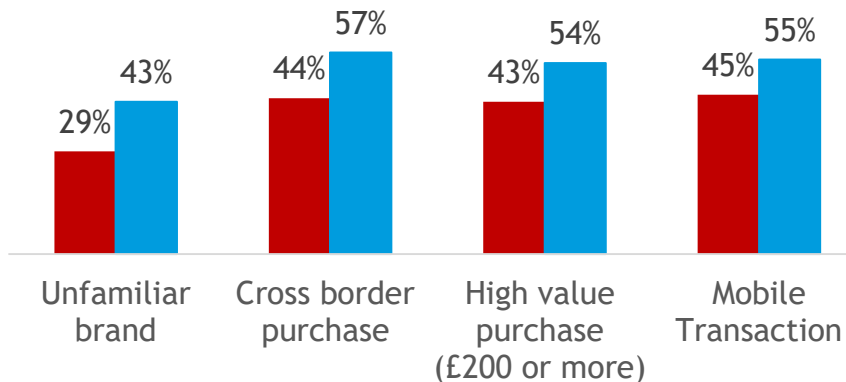


Consumer willingness to buy uplift for PayPal present versus not present

Amongst users of PayPal



Amongst non-users of PayPal



PayPal uplift across transaction scenarios



= +54%

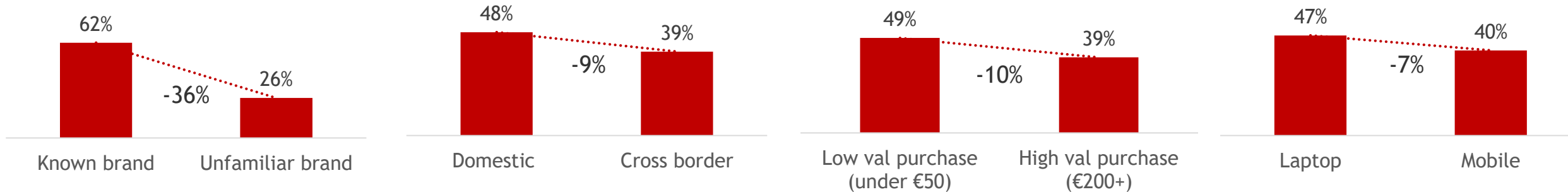
increase in consumers willingness to buy

■ No PayPal present in simulated scenario
■ PayPal present in simulated scenario

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All consumer's willingness to buy across different transaction scenarios when PayPal not present



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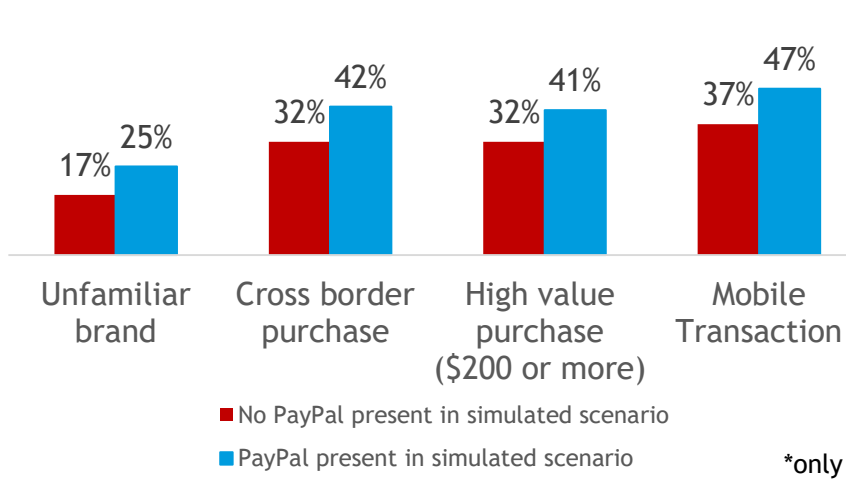
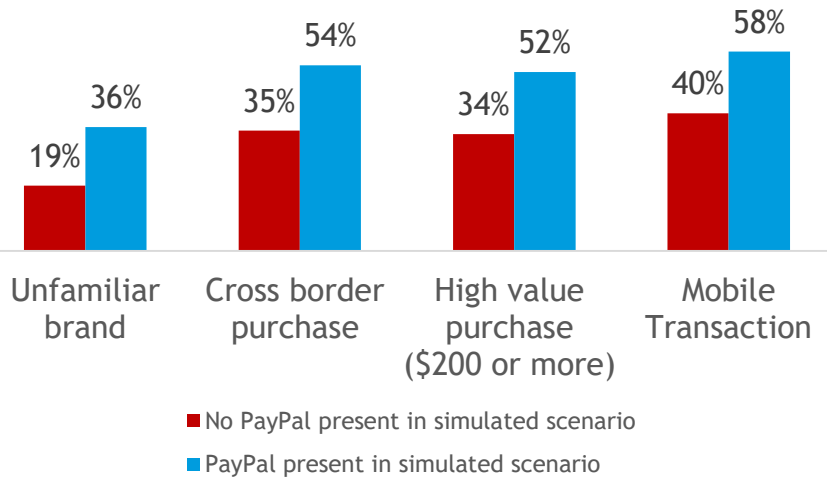


Consumer willingness to buy uplift for PayPal present versus not present

PayPal uplift across transaction scenarios

Willingness to buy amongst users of PayPal

Willingness to buy amongst non-users of PayPal



= +32% increase in consumer willingness to buy

*only selected scenarios referenced in chart

All consumer's willingness to buy across different transaction scenarios when PayPal not present

