



PayPal Holiday Research 2017

November 9, 2017

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Methodology

What	<ul style="list-style-type: none">▪ An online study among a sample of the general public was conducted by independent research firm, Koski Research
When	<ul style="list-style-type: none">▪ The study was fielded September 21 to 28, 2017▪ The study averaged 12 minutes in length
Who	<ul style="list-style-type: none">▪ 1,000 Americans aged 18-55 completed the survey▪ The sample was drawn from online sample sources▪ Age, gender, ethnicity, and region quotas were used to develop a nationally representative sample; the data was not weighted

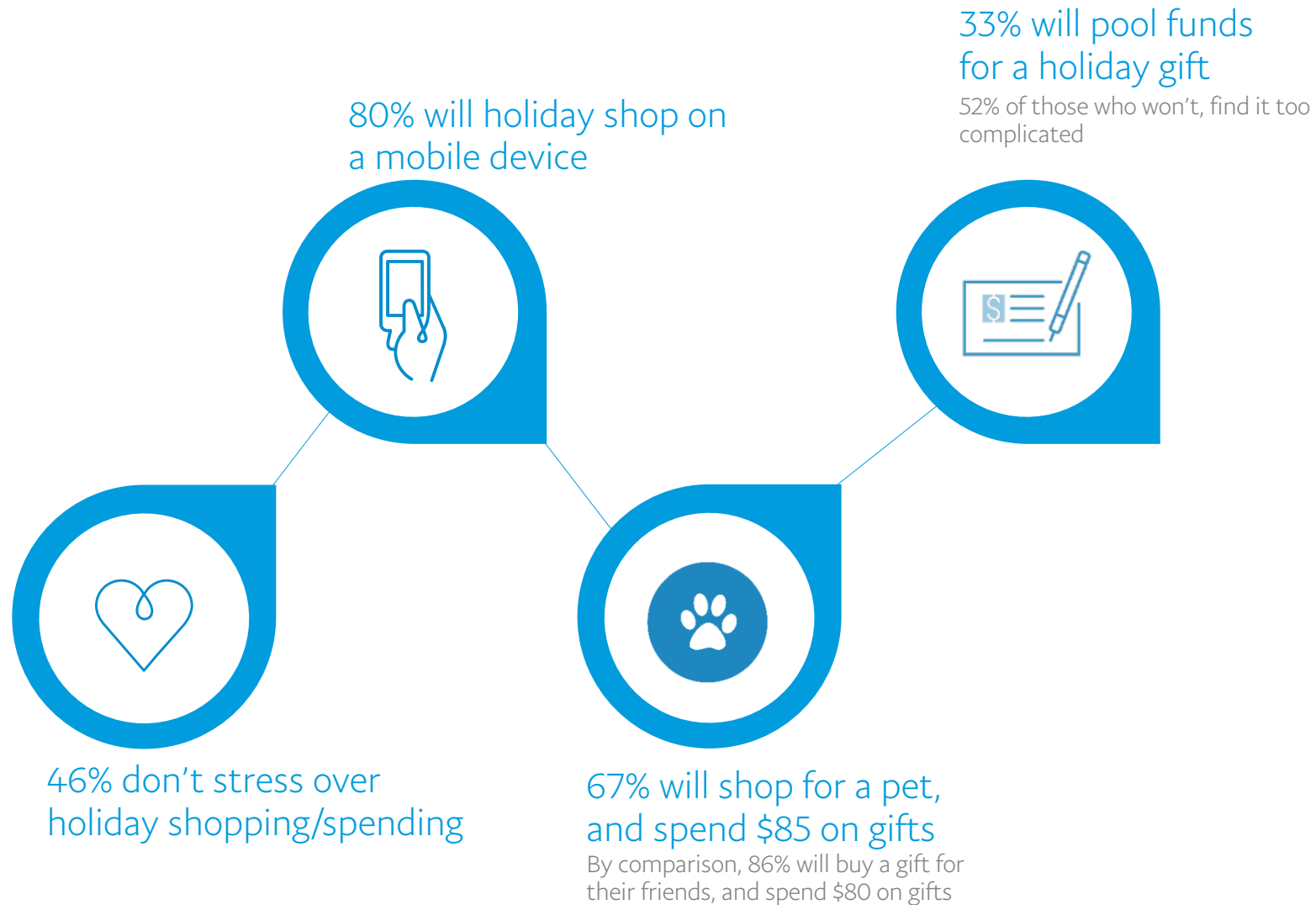
Executive Summary

- **Most shopping will take place at major chains or online marketplaces.**
 - Americans are almost equally likely to say they will do most of their shopping at an online marketplace (39%) as in-store or online at a major retailer (38%). About one in five (22%) say they will do most of their shopping at small businesses.
 - 63% say they are more likely to shop at a store which donates a percent of their proceeds to a charitable cause.
- **Americans are slightly more likely to be stressed (54%) about holiday shopping than have a positive outlook about it (46%).**
 - A third (32%) of Americans say they find holiday gift shopping to be a joyful experience, and 14% say holiday gifts and spending do not stress them out at all.
 - About a quarter (23%) of Americans say spending too much money is a concern, and 14% say all of the hassle of holiday shopping is stressful.
- **Americans will spend the most on purchases for their significant others (\$226) and children (\$220), and nearly equal amounts on their pets (\$85) as their friends (\$80).**
- **Almost all Americans plan to shop in-store (98%) or on their computer (95%). Four in five (80%) will shop on their mobile device.**
 - They expect to spend 2.8 hours in-store, 3 hours online, and 2.5 hours on their mobile device shopping.

Executive Summary

- **Mobile shoppers recognize the benefits of shopping on their devices.**
 - Shopping on mobile devices is catching up to laptops and desktops. 43% say they prefer to shop on their mobile device, compared to 57% who say they prefer to shop on their laptop or desktop.
 - Two-thirds (67%) say they like that they can shop from anywhere on their mobile phone.
 - Americans are more than twice as likely to say they have no problems shopping from their mobile device (68%) than they are to say it can be frustrating to shop on their mobile device (32%).
- **One in three (33%) holiday shoppers plan to buy a gift abroad this holiday season.**
 - They're shopping overseas because they want a unique gift (41%), are looking for a deal (34%), or looking for an item they can't find in the U.S. (25%).
 - Security (38%) and free shipping (31%) are most important when shopping online outside of the U.S.
- **Over a quarter (27%) plan to pool funds via person-to-person (P2P) payments.**
 - 49% of P2P users will pool money for a gift, and are more likely to prefer P2P to be paid back.
 - Over half of those who aren't pooling funds (52%) say they aren't doing so because it's too complicated.

American mindset going into Holiday Season



Millennial Mobile Shopper

Love shopping on mobile devices and see fewer drawbacks & barriers



71% of Millennials report no problems when shopping on their mobile device

72% like shopping from anywhere

47% prefer to shop on mobile device

More likely to shop in bed **56%**, on toilet **50%**, walking down the street **27%**

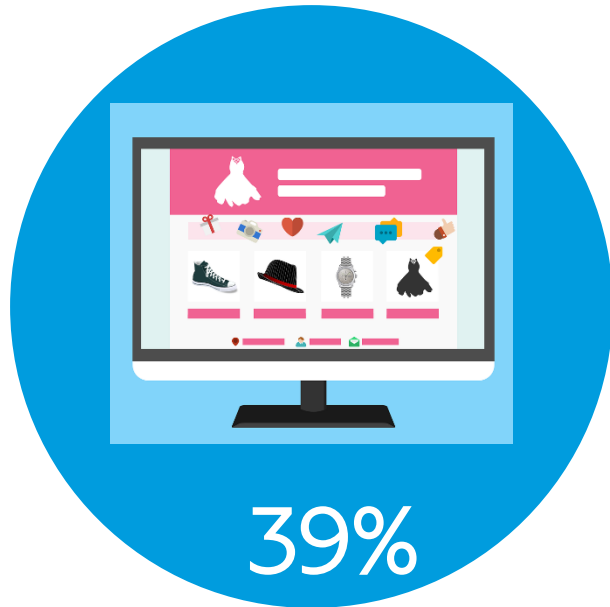
Would consider today: purchasing through social media (**33%**), drone delivery (**28%**)

Holiday Shopping

Americans expect to do most of their shopping in online marketplaces or large traditional retailers

A fifth will get most of their gifts from small or local businesses

Plan to buy most holiday gifts from



Online/mobile marketplace



In-store/online traditional retailer



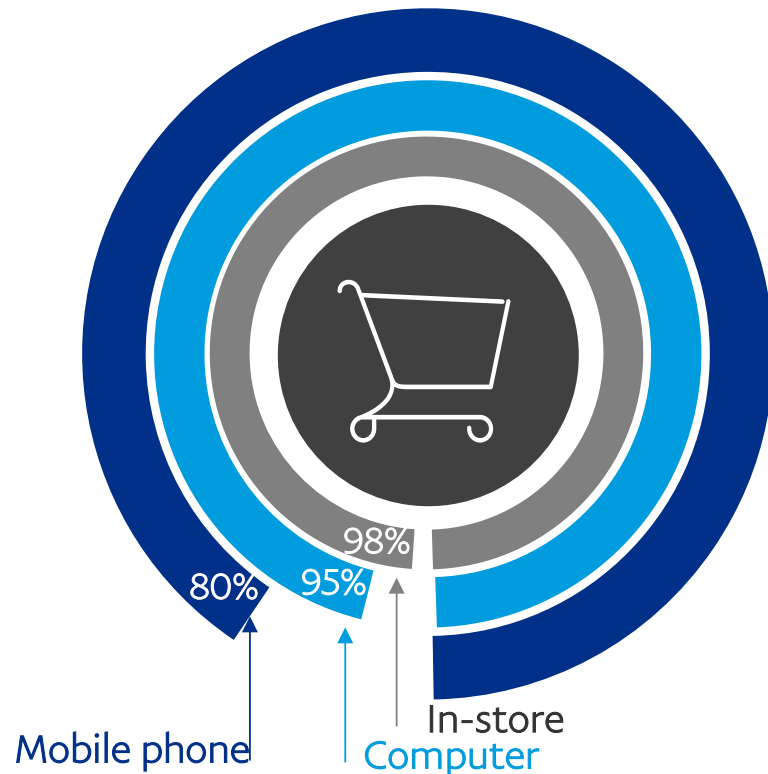
In-store/online local/small business

Americans (63%) are more likely to shop from a store that will donate a percentage of their proceeds to a cause.

More than 4 in 5 Americans expect to do some holiday shopping on their mobile phone

In-store and computers remain most popular for holiday shopping

Holiday shopping methods



Mobile shopping experience

Pain points for mobile shopping include:



- The small screen and keyboard size (54%)
- Having to type in all of my data (37%)
- Difficulty switching between browser tabs (34%)
- Sites that are not optimized for mobile (28%)

88% believe shopping on their mobile device is **secure** and **32%** agree it is **very secure**.

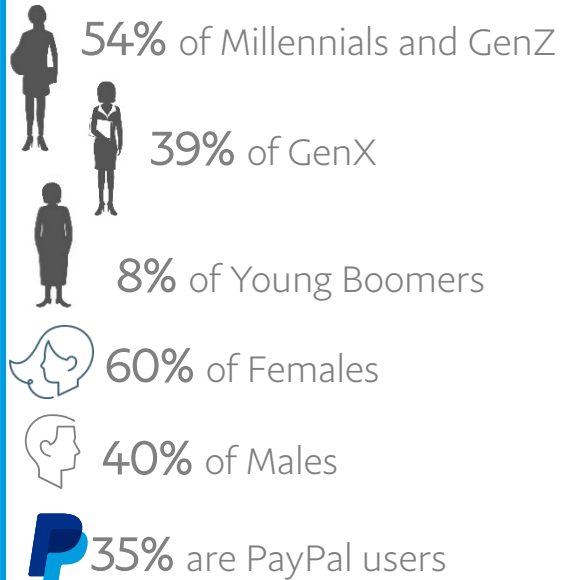
Being able to purchase items anywhere and in the moment are top reasons for mobile device shopping

Mobile Shoppers shop on the go and...in bed!

Holiday Mobile Shoppers

Who?

Young...female...mobile friendly



40% have used P2P in past 12 months

Why?

Shop on the go and in the moment



50% say the ability to shop from anywhere



31% say the ability to buy a gift the moment get the idea

Where?

Any and everywhere

...they truly mean **anywhere!**

Mobile shoppers will shop from:



Their bed while their partner snoozes alongside (49%)



The toilet (46%)



Work (42%)

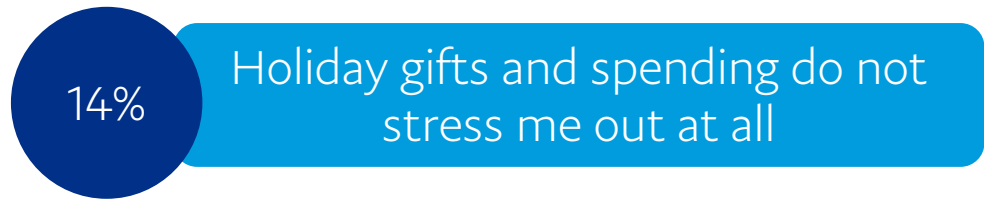
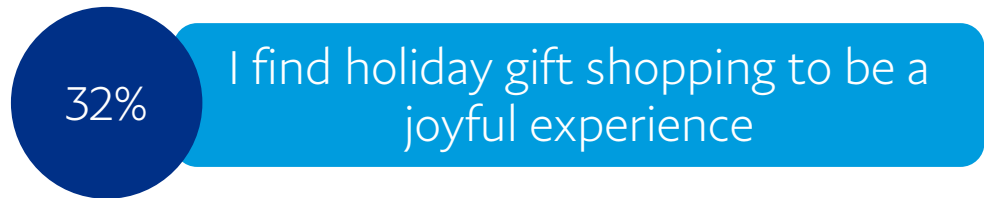


While in-store shopping (35%)

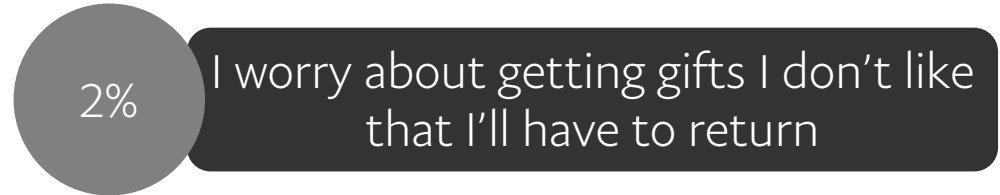
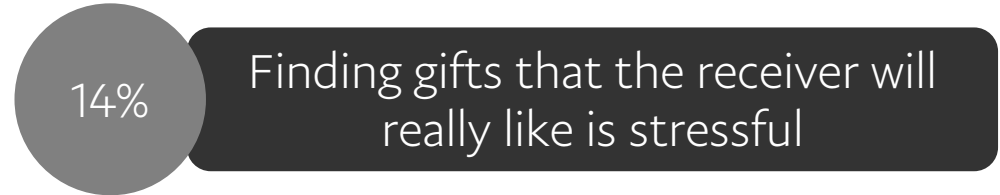
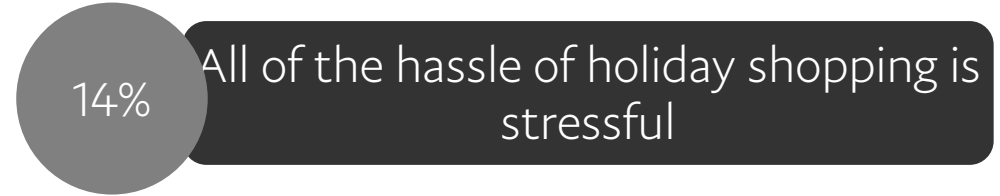
Americans are split between a positive, and a stressed outlook on how they feel about the holiday season

The biggest reason behind stress is concern about spending too much money

Holiday shopping outlook



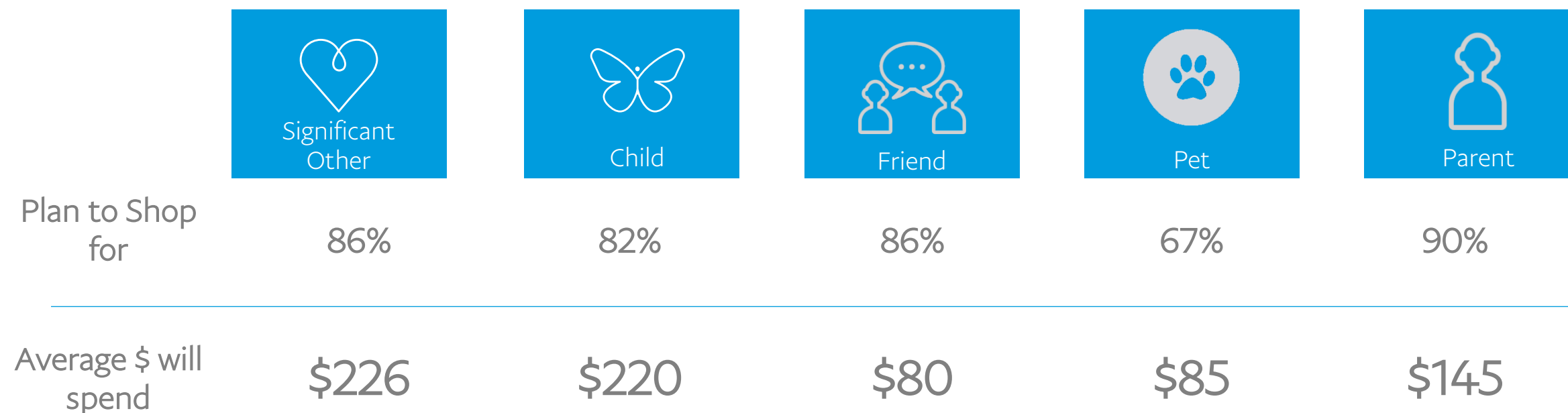
46% of Americans do not stress over holiday shopping and spending.



Two-thirds of Americans will be filling their pet's stocking this year

Americans on average will spend more on a gift for their furry friends than human friends

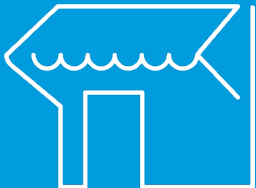


Expected spend on holiday gifts



4 in 5 Americans will shop from their phones this holiday season

On average, Americans will spend between 2 and 3 hours each shopping in-store, online, and mobile

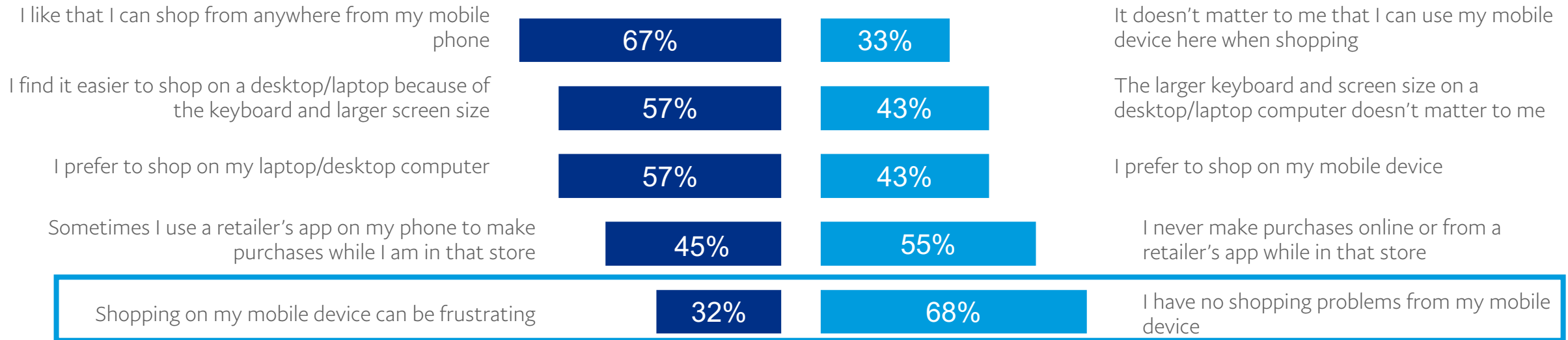
Time expected shopping per channel

		
In-store	Online	Mobile
98%	95%	80%
2.8 hours	3 hours	2.5 hours

Mobility, preference, and ease are driving mobile device shopping

Some Americans still prefer a desktop for larger screen and keyboard when shopping online

Describes me best...



Americans today are most likely to consider purchases through social media or driverless vehicle delivery

They are least likely to be interested in purchases through visual/augmented reality

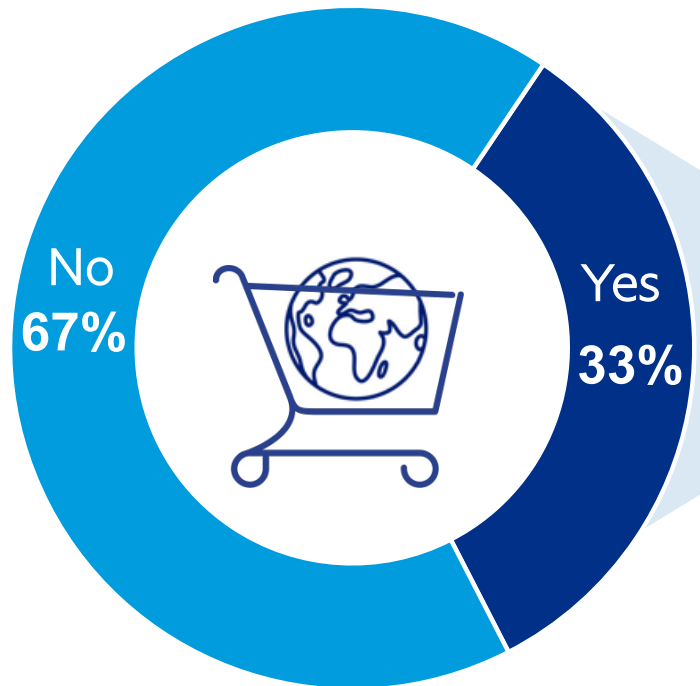
Consideration of new shopping technologies

	Would Consider Today	Would Consider in Next 5 Years	No Interest
Driverless vehicle delivery	25%	30%	45%
Delivery by drone	23%	29%	47%
Purchase through social media	28%	19%	53%
Purchase on voice-controlled device	20%	27%	53%
Purchase through virtual/augmented reality	17%	26%	57%

Global gifting: a third plan to purchase gifts from out of country this season

Americans seek international gifts for uniqueness and savings

Plan to make overseas purchases



Shoppers are going abroad for a variety of reasons

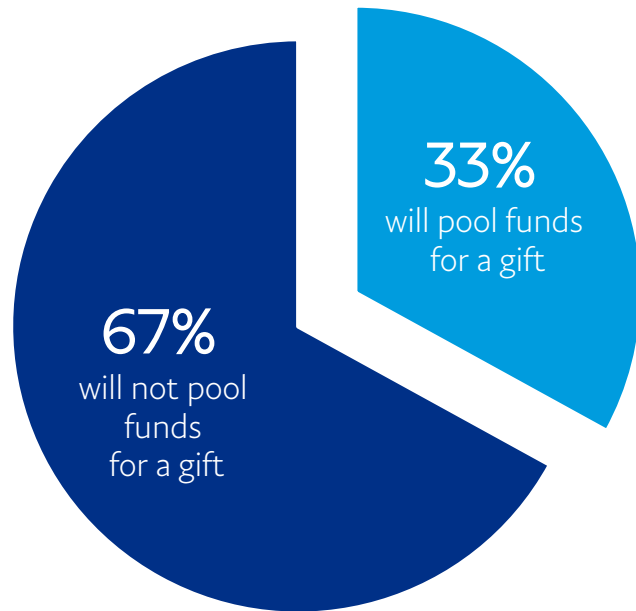
Wanting a unique gift	41%
Looking for a deal	34%
Looking for something can't find in the U.S.	25%

Security is most important when shopping online outside the U.S. (**38%**), followed by **free shipping** (**31%**).

A third of all shoppers, and half of P2P users, will be pooling funds to purchase gifts this year

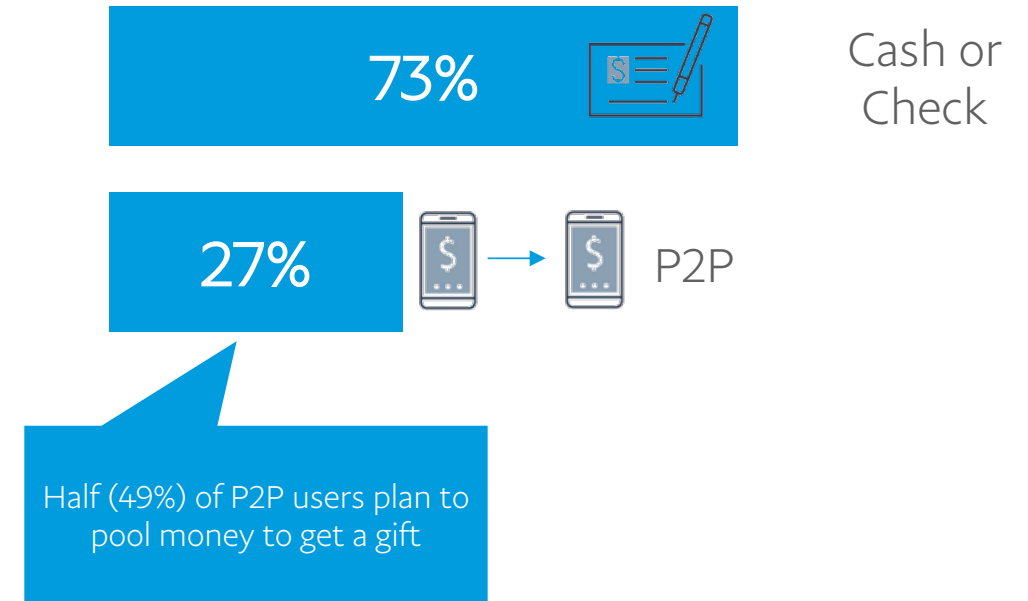
A quarter of those pooling will use P2P to gather funds

Pooling funds for a gift



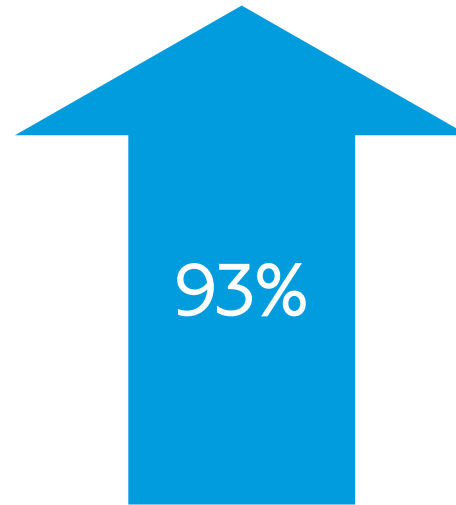
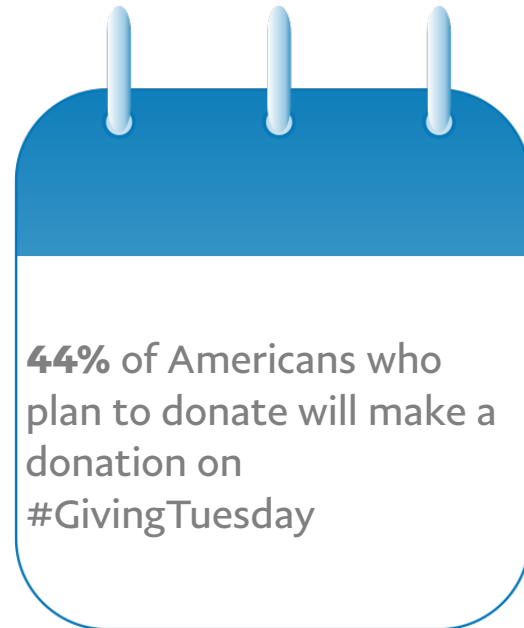
52% of those who do not plan to pool funds for a gift this year feel it's **too complicated.**

Method used to pool funds



Over half of Americans say they will be making a charitable donation this year

Almost all who give will give more or the same as last year



Will donate the same or more than last year

Top giving causes:

- Humanitarian relief (45%)
- Animal welfare (35%)
- Faith/religion (32%)

Demographics

Demographics

	Total (N=1,000)
Gender	
Male	42%
Female	58%
Age	
Gen Z	6%
Millennials	43%
Generation X	40%
Boomers	11%
Mean	37
Region	
East	16%
Midwest	22%
South	42%
West	20%
Phone	
Android	55%
iPhone	37%
Other/Both	6%
None	2%

	Total (N=1,000)
Personal Income	
Under \$25,000 (\$25k)	27%
\$25,000 - \$34,999 (\$30k)	13%
\$35,000 - \$49,999 (\$42.5k)	15%
\$50,000 - \$59,999 (\$55k)	11%
\$60,000 - \$74,999 (\$67.5k)	11%
\$75,000 - \$99,999 (\$87.5k)	9%
\$100,000 - \$149,999 (\$125k)	9%
\$150,000+	3%
Prefer not to answer	2%
Mean	\$55,612