



# Best Practices Guide

For Dynamic Promotional Messaging



# Leverage the full power of **Pay Later** with dynamic promotional messaging

The popularity of buy now, pay later is increasing.<sup>1</sup> Customers love the ability to better manage their expenses with interest-free payment options.<sup>2</sup> That's why letting them know early in the process that you offer PayPal Pay Later could help you:



## Build trust

PayPal is **14X** more trusted by millennials to keep their financial information secure than other buy now, pay later providers<sup>3</sup>



## Increase average order value (AOV)

Businesses with pay over time messaging on their site saw a **56%** increase in overall PayPal AOV<sup>5</sup>



## Grow sales

After implementing Pay Later dynamic messaging, one enterprise fashion merchant saw a **107%** YOY lift in pay later sales volume and **3.5x** incremental lift in growth<sup>4</sup>

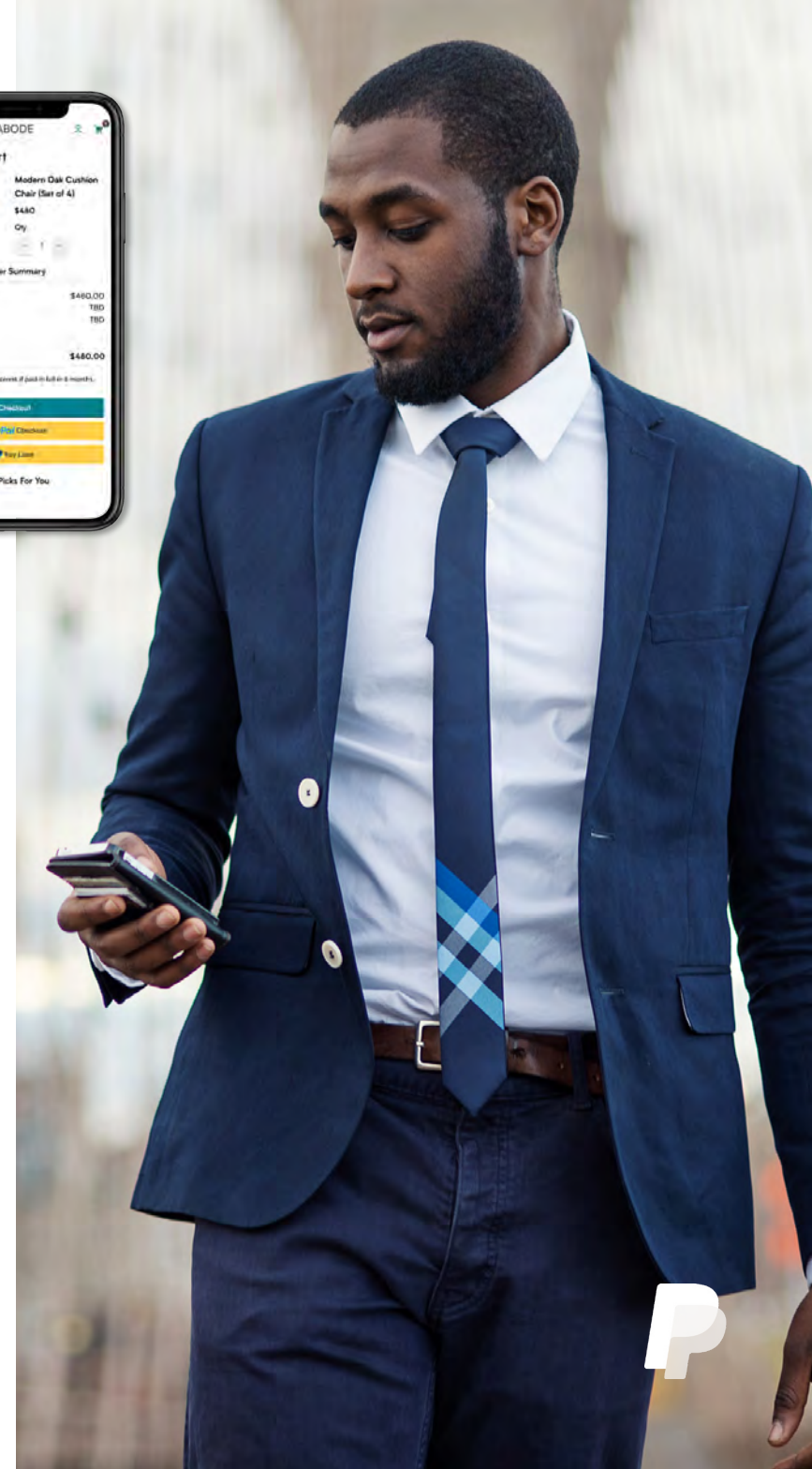
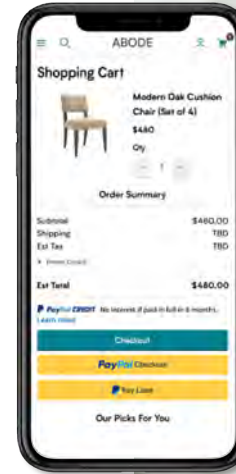


## Drive loyalty and lifetime value

**65%** of Pay in 4 spend is from repeat users and **60%** of Pay in 4 users have completed 2+ transactions with Pay Later<sup>6</sup>

This guide goes over the best practices for implementing dynamic promotional messaging on your website, so you can take advantage of the full benefits of PayPal Pay Later. But you don't have to do it on your own – we're here to provide implementation support for our enterprise merchants.

**Contact your account manager or call 855-477-5687 to get started.**



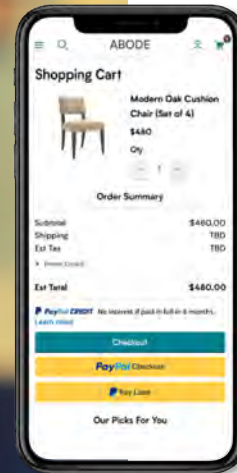
(1) Buy Now Pay Later: Millennials and the Shifting Dynamics of Online Credit, an online study commissioned by PayPal and conducted by PYMNTS.com, based on two surveys with nearly 15,000 U.S. consumers, December 2020. (2) At least 37% of consumers rate interest-free and installments as important features of a buy now, pay later option. An online study commissioned by PayPal and conducted by Netfluent in November 2020, involving 1,000 US online shoppers ages 18-39. (3) An online study commissioned by PayPal and conducted by Netfluent in November 2020, involving 1,000 US online shoppers ages 18-39: Gen Z (18-23) and Millennials (24-39). (Among BNPL users, n=357.) (4) After implementing PayPal Pay Later, one large fashion merchant saw a 107% YOY lift in pay later sales volume and 3.5x incremental lift in growth. DXL Case Study, 2021. Results are based on internal PayPal data from October 21, 2020 - December 31, 2020. Results may not be typical and may vary substantially by business. (5) Average lift in overall PayPal AOV for merchants with PayPal Credit messaging vs. those without. 2019 PayPal internal data. (6) Analysis of PayPal internal data as of February 2021 (based on data October 2020 through February 2021).





# What is dynamic promotional messaging?

One of the biggest benefits of **PayPal Pay Later** is that you get access to two solutions in a single integration, at no additional cost to you:



**Pay in 4**

Enables shoppers to make purchases in four interest-free payments<sup>7</sup>

**PayPal CREDIT**

A revolving credit line with a special financing offer<sup>8</sup>

Unlike traditional promotional messaging, where you have to choose which offer to promote, dynamic promotional messaging automatically presents the most relevant Pay Later option to your customers as they are browsing.

Throughout this guide, you'll see sample messaging of what Pay Later dynamic messaging may look like on your site.

The three locations in this guide are the most impactful places on your site to add dynamic messaging, but your options don't end there. Contact us for a consultation about how dynamic messaging can best help you drive sales and increase average order values.

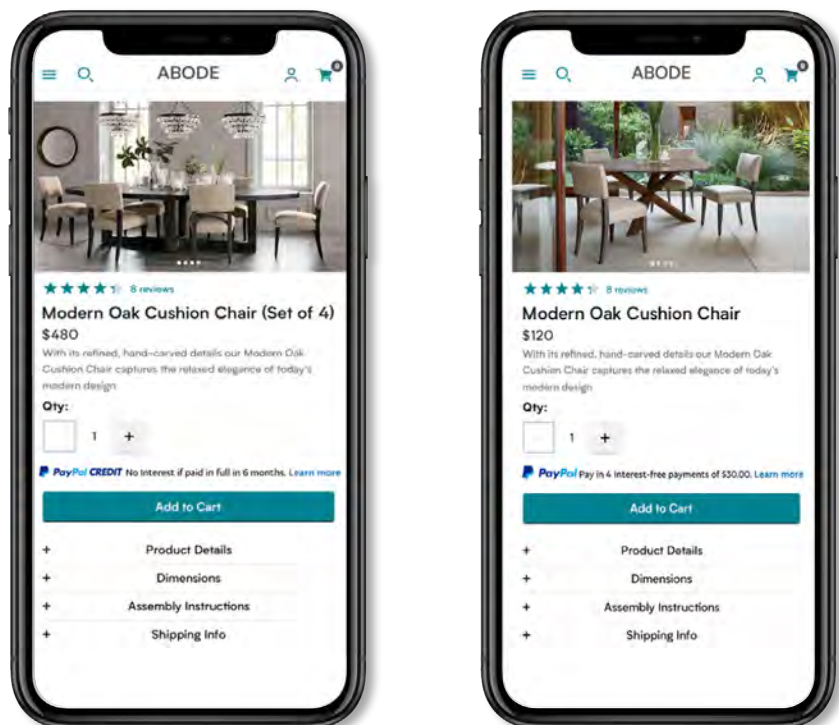
(7) About Pay in 4: Loans to California residents are made or arranged pursuant to a California Finance Lenders Law License. PayPal, Inc. is a Georgia Installment Lender Licensee, NMLS #910457.

(8) PayPal Credit is subject to consumer credit approval.

# 1 Product Pages: Boost Buying Power

## Best practices for product pages

Pay Later messaging should be placed directly above the Add to Cart button so customers know flexible payment options are available



(9) Online study commissioned by PayPal and conducted by Logica Research in May 2020 involving 2,000 U.S. consumers, half were PayPal Credit users and half were non-PayPal Credit users.

## Why You Need Pay Later Messaging on Your Product Pages

Help boost  
buying power by  
informing customers  
they can buy now  
and pay later

# 66%

of consumers agree that seeing a  
pay-over-time message early in the  
shopping experience gives them  
confidence that they will be able to  
pay for their purchase<sup>9</sup>

Interest-free  
offers are an  
important feature  
to consumers  
and can help drive  
conversion

# 64%

of consumers say that they are  
more likely to make a purchase at  
a retailer that offers interest-free  
payment options<sup>9</sup>

Let customers  
know you can help  
them budget

# 50%

of consumers agree that they can  
manage their expenses better if they  
can buy some things now and pay for  
them later<sup>9</sup>



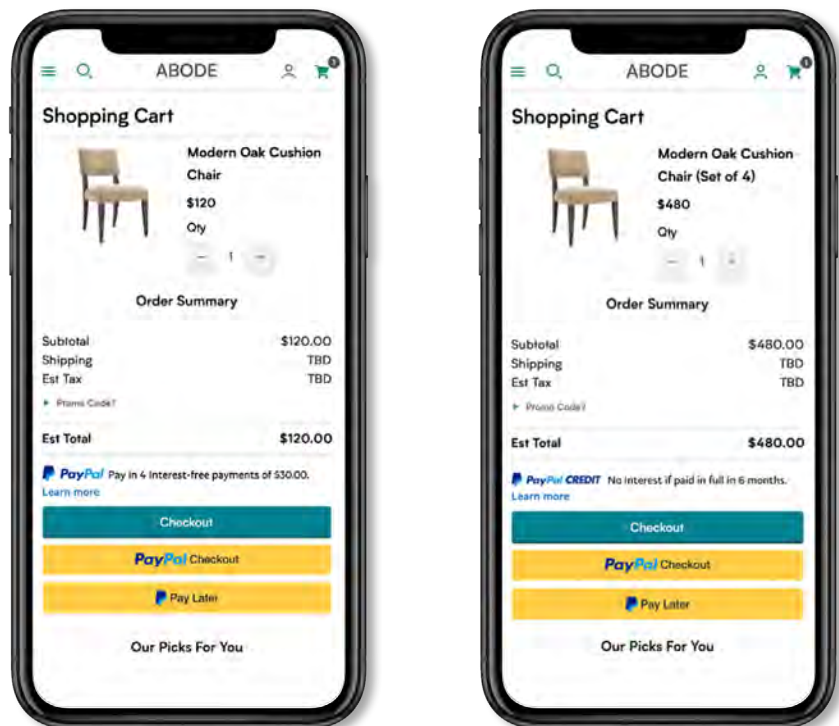


# 2 The Cart: Help Reduce Shopping Cart Abandonment

## Best practices for the shopping cart

Place Pay Later messaging above the Checkout button, below the cart total

Present PayPal Checkout and Pay Later buttons in same button size and shape as the Checkout call to action button



(10) Netfluential study of 1,000 U.S. PayPal SMB merchants selling directly to consumers through a website or e-commerce platform, commissioned by PayPal, August 2020. (11) An online study commissioned by PayPal and conducted by Netfluential in November 2020, involving 1,000 US online shoppers ages 18-39. (Among BNPL users, n=357.) (12) Study commissioned by PayPal and conducted by Logica Research in February 2019 involving 12 participants, including existing account holders for PayPal Credit and three online purchase financing competitors.

## Why You Need Pay Later Messaging in Your Shopping Cart

Reinforce the ability to pay later to help reduce cart abandonment

# 42%

of fashion merchants agree that buy now, pay later financing options help reduce shopping cart abandonment<sup>10</sup>

Help capture the sale with upfront Pay Later messaging that lets users know you offer the payment method they prefer

# 51%

of buy now, pay later users have abandoned a purchase due to not seeing a pay later option<sup>11</sup>

Give your customers a faster, easier way to pay

PayPal Credit is

# 41%

faster than competitor average for existing customers and 33% faster than competitor average for first-time users<sup>12</sup>



# Presenting the Pay Later button

**PayPal Pay Later** provides another payment choice for PayPal customers who already like and use PayPal to make purchases. By presenting it as equal to PayPal Checkout and traditional checkout in your shopping cart and further down the buying journey, you can help drive awareness and use of this popular solution – and leverage the PayPal brand to help close the sale.

**60% Uplift in Willingness to Buy on an Unfamiliar Merchant When PayPal is Accepted<sup>13</sup>**

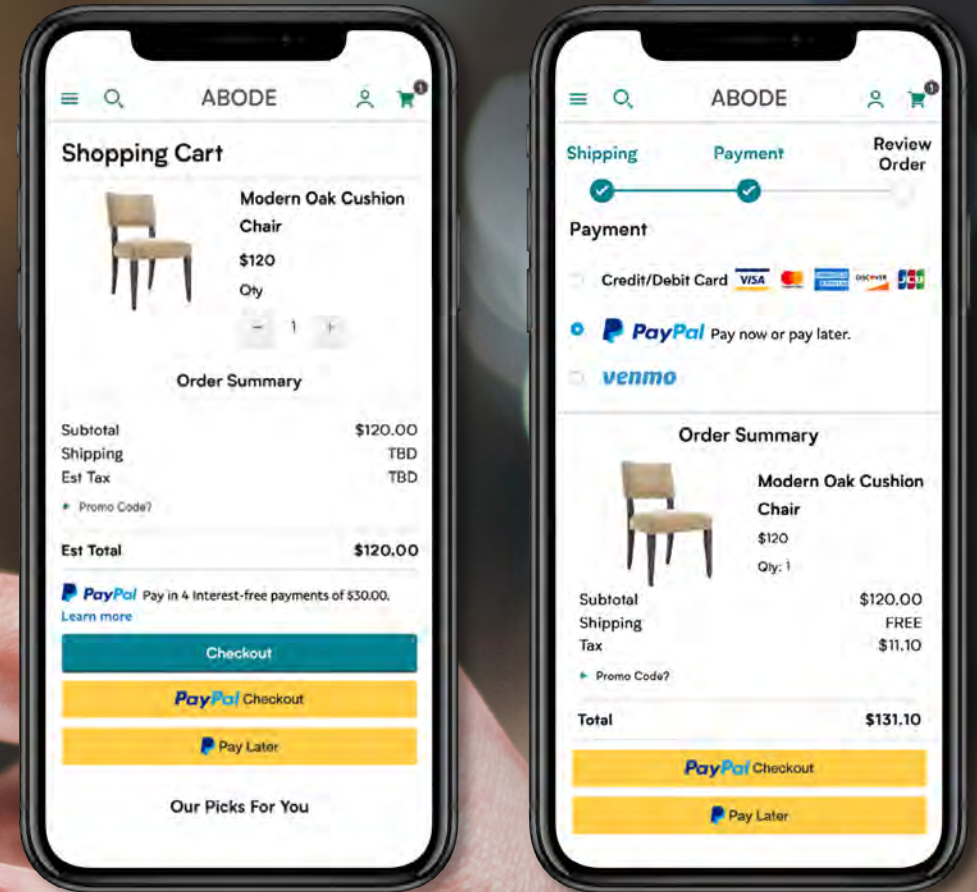
When the PayPal Checkout and Pay Later buttons are displayed, it's essential to display dynamic promotional messaging as well. This will provide clarity for the customer on:

- How to access the offers they saw displayed while browsing
- What may be available when they click the Pay Later button

## Best practices for the Pay Later button

Use the stacked button to present PayPal Checkout and Pay Later equally

Use the gold button to leverage PayPal's brand recognition



(13) Ipsos conjoint study of 10,500 online shoppers across US, UK, Germany, Australia, Italy, Spain, Brazil conducted Q4 2018.





You've seen the benefits of  
**PayPal Pay Later** dynamic messaging

**Now put them to work for you**

Contact your account representative  
Or call 855-477-5687

