



Case Study

Why PayPal's Pay in 4 is a critical part of JTV's growth strategy

JTV (Jewelry Television®) is one of the largest jewelry retailers in the United States. One of the many things that sets JTV apart is its omni-digital strategy, including live TV programming that runs 24 hours a day, 7 days a week, to 78 million US households. It has an industry-leading, mobile optimized ecommerce platform, over-the-top (OTT) platforms, and a robust and engaging social media presence. JTV also employs numerous gemologists and accredited jewelry professionals to provide best-in-class customer service.

With a successful 26-year history, JTV has been partnering with PayPal since 2008, more than half of the company's

history. JTV understands the value of providing their loyal customers with flexible payment options. In fact, their first private label credit card was with PayPal, and the partnership has only deepened and expanded in the 13 years since.

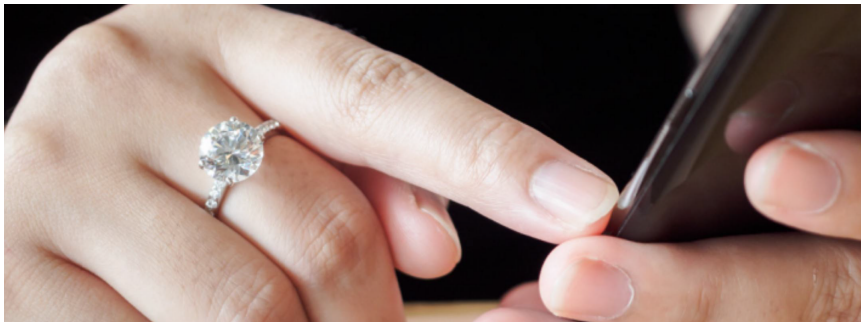
PayPal had the good fortune to speak with JTV Chief Strategy Officer Tim Engle. Since 2006, Tim has been responsible for all digital platforms: mobile, ecommerce, and OTT. His purview is great, as is his business acumen.

PayPal Pay in 4¹ helps decrease friction and increase incrementality

Credit products are part of JTV's DNA and are a strategic growth engine for the company. Tim explained that when a new customer comes into JTV's funnel, **the one metric** that has a positive and material effect on the customer's **lifetime value** was **whether or not they used a credit product**.

"There are a lot of companies out there offering pay in 4 products, but they do not have PayPal's ubiquity and trust. **It's PayPal's brand that sets Pay in 4 apart**. Personally, I will not shop on a site that does not offer PayPal," Tim said.

Tim elaborated, "Partnering with the right brand makes all the difference. **People have confidence in PayPal, and for us, PayPal's brand recognition is critically important**. The PayPal brand not only provides us with an opportunity to acquire new customers, but it also helps us increase our conversion rate. When you begin with the PayPal brand, and then the customer sees PayPal Pay in 4 – it's an easy and simple click. Any time you can **decrease friction**, you **increase incrementality**. It does not take much to click out of a website. Our partnership with PayPal streamlines the checkout process, and offering flexible payment makes it easy for the customer to purchase."



Expanding sales and broadening demographics

JTV has been growing by double digits and will launch 2 new businesses this year: Jedora.com and Gemstones.com. Jedora is a marketplace bringing sellers and buyers together, and Gemstones will be an authoritative site for gem-related content.

To complement its growth, JTV has also seen a significant increase of customers checking out on desktop and mobile. The more that customers are buying online, the more critical a seamless checkout becomes, and approval rates weigh heavily into this equation. Tim aptly noted, **"Declines are negative friction, and PayPal Pay in 4 approval rates have been over 90% since our launch."**

JTV has high engagement, with its average customer shopping 11 times a year. "When you can defer payments, you increase the dollar amount customers can afford and how quickly they will order again from you. It positively affects not only Average Order Value (AOV), but frequency. When you can improve AOV and frequency, you are increasing a customer's lifetime value," said Tim.



"The fact that PayPal Pay in 4 does not compete with my other credit products makes it feel incremental. For JTV, it's all about the lifetime value of the customer."

Tim Engle
Chief Strategy Officer, JTV

Measuring the impact

AOV for
Pay in 4 is

85%

higher than
JTV's AOV.³

PayPal Pay in 4
approval rating is over

90%

since launch.³

PayPal Pay in 4
sales have grown

22%

since launch.³

What the future holds for the PayPal and JTV Partnership

"I foresee PayPal Pay in 4 being a much bigger player for us," said Tim. "We would love to convert more of our customers to Pay in 4. PayPal's visibility and customer horizon are much greater than JTV's."

PayPal Pay in 4 may be the most recent PayPal product that JTV has integrated, but it's certainly not the last. **Tim explained that JTV is in the process of adding Venmo to Jedora.com, along with PayPal and Pay in 4.** "Jedora will be branded separately from JTV and will drive a younger demographic with a higher AOV," said Tim.

"With higher AOVs come potentially higher risks. With Pay in 4, PayPal pays JTV immediately, and I know I am covered on the back end with Seller Protection on eligible transactions.² You cannot underestimate the cost of capital. When I don't have to fund the receivables and that is taken on by Pay in 4, that is a real advantage. I can deploy those funds into other things. The cost of capital is real."

When asked what he would say to someone about PayPal, Tim answered with a question: "I would begin by asking if they had PayPal. And if not, why not? If you want to be a serious player in ecommerce, you need to partner with the serious player in the payment space. That is PayPal."

And that is the power of Pay in 4.





“I am never surprised by the things we do with PayPal because we have worked so long together and always successfully. Ultimately, our focus for the near term is: how do we increase our PayPal share of checkout while growing our digital business?”

Tim Engle

Chief Strategy Officer, JTV



Note: Results are based on internal PayPal data from 2021. Results may not be typical and may vary substantially by business.

1. 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.

2. Available on eligible purchases. Limits Apply.

3. Average Pay in 4 AOV versus JTV's standard AOV based on the analysis of PayPal internal data from November 2020 – March 2021.

