PayPal

# A Fresh Look
# at the Payments
# Landscape

# Contents

# 1 The changing payments landscape.

With every new technology, customers are altering the ways they interact with their physical and digital worlds — and they expect businesses to keep pace. They want personalized service, fast response times, and fluid shopping experiences across channels. These evolving expectations apply to payments as well. Customers expect secure, frictionless, quick, and easy mobile payment options that are accessible whenever and wherever they're shopping — all while aligning with their eco-friendly values.

To keep shoppers engaged and seize every opportunity for new customers, your business needs to quickly adapt to economic challenges, evolving customer preferences, and new ways of selling.

PayPal can help.

# Opportunities and challenges.

## Opportunities.

Change brings opportunities, and there are plenty of ways you can make payments a strategic part of revenue growth.

### $70.9T

The global e-commerce market size reached $16.6 trillion in 2022, and is expected to reach $70.9 trillion by 2028 — that's a compounded annual growth rate of 27% during 2022-2028.[1]

### 54%

By 2026, digital wallets are forecasted to account for 54% of all global e-commerce transaction value.[2]

## Challenges.

Despite increases in sales, the cart abandonment rate continues to be high — and as e-commerce sales grow, so do fraud incidents. There's more work to be done.

### 71%

In 2022, studies revealed that online shopping cart abandonment within the retail industry was 71%.[3]

### 97%

Of global fraud-prevention decision makers at e-commerce companies, 97% have experienced fraud.[4]

> Let's take a fresh look at the changing payments landscape — and explore ways to take advantage of growth opportunities and navigate these challenges.

[1] Research and Markets, E-Commerce Market: Global Industry Trends, Share, Size, and Growth, Opportunity and Forecast 2023-2032, Jan 2023, accessed Oct 9, 2023.
[2] WorldPay from FIS, 2023 Global Payments Report, accessed Oct 9, 2023.
[3] Statista, Online shopping cart abandonment rate in selected industries worldwide in 2022, Oct 2023, accessed Oct 9, 2023.
[4] Forrester Consulting, a study commiss. by PayPal, Nov 2021. Forrester conducted an online survey with 309 global fraud prevention decision makers at e-commerce companies across North America (102), Europe (104), and Australia (103). Base: 253 global fraud prevention decision makers at e-commerce companies planning to invest/investing in an automated fraud management solution.

# 2 Appeal to mobile customers.

Mobile phones are interwoven throughout our daily lives. And the time we spend purchasing goods and services via mobile devices grows each year. So far, 2023 has seen mobile sales reach $2.2 trillion, making up 60% of all e-commerce sales around the world — and these numbers are expected to reach $3.4 trillion and 62% in 2027.[5]  Businesses must prioritize offering streamlined mobile shopping experiences.

These numbers are too large to ignore. How can your business appeal to mobile and mindful customers?

[5]  Statista, Global Mobile E-Commerce Worth $2.2 Trillion in 2023, Aug 10, 2023, accessed Oct 9, 2023.

# Make mobile simple.

Two-thirds of customers in a recent survey said that a positive checkout experience was very or extremely influential in the decision to buy from a retailer again.[6] This is true for any checkout experience, regardless of the device used — but with so many customers shopping on smaller mobile screens, businesses need to optimize for a friction-free mobile experience. Big gains in conversions and repeat customers could result from small improvements like these:

## Simpler navigation.
Tiny buttons on small screens complicate mobile navigation. An intelligently designed checkout process that minimizes the number of clicks and amount of scrolling can help make mobile checkouts easier.

## Fewer form fields.
Research reveals that the length of checkout process impacts checkout performance, and most sites should aim to optimize their checkout flows to just eight form fields.[7] To reduce the number of form fields, try providing a single "full name" field, using zip code autodetection to supply city and state. And let customers add or open optional fields such as company and coupon code.

## Faster load times.
Slow load times frustrate on-the-go customers who may then abandon their carts and shop elsewhere. Many factors can contribute to slow load times, such as advertisements, plugins, and graphics. Carefully consider each element you incorporate to find a balance between features and functionality.

## PayPal can help streamline mobile checkout.

Give your customers what they want: fast checkout, minimal clicks, and preferred ways to pay. PayPal provides a mobile-friendly drop-in UI that allows businesses to accept PayPal, credit cards, debit cards, Venmo (in the United States), and a wide variety of local and alternative payment methods — all with a single integration. PayPal can also dynamically identify customers so they can securely check out without having to create an account, type in an address, or enter a 16-digit card number.

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[6]  PYMNTS, Building A Better Online Checkout Experience, Sep 2022. A PYMNTS and Checkout.com collaboration conducted a census-balanced survey of 2,030 US
      consumers from Jun 29 to Jul 6, 2022.
[7]  Baymard Institute, Checkout Optimization: 5 Ways to Minimize Form Fields in Checkout, Oct 19, 2021.

# 3 Drive conversions with a streamlined user experience.

E-commerce sales continue to grow, but businesses are still facing high levels of cart abandonment. In 2022, studies revealed that online shopping cart abandonment within the retail industry was 71%.[8] That leaves a lot of room for improvement. Driving conversions is all about removing barriers and creating friction-free checkout processes. A well-constructed user experience can encourage browsing customers to complete their purchases.

[8] Statista, Online shopping cart abandonment rate in selected industries worldwide in 2022, Oct 2023, accessed Oct 9, 2023.

# Remove barriers to checkout.

A frustrating checkout process stood out as the most common pain point among surveyed customers' most recent transactions.[9] Every obstacle gives a potential customer a reason to walk away, so removing barriers is critical to improving conversion. Here's how you can solve for common checkout barriers:

## Security concerns

Security concerns are the main barrier to online purchasing across markets.[10] First and foremost, customers need to be able to trust that their personal and financial information is secure.

**The solution:** Only offer payment methods that customers trust. Use robust authentication engines, fraud detection tools, and network tokens, and prominently display SSL certificates and industry-leading trust logos.

## Overly complicated checkouts

Excessive form fields, multiple pages or steps, unnecessary required scrolling, and too much up-selling and cross-selling can frustrate time-pressed customers.

**The solution:** Make it simple to check out quickly. Let customers check out from product pages, facilitate ways for customers to skip entering payment and shipping information, make it easy to edit fields, and place your cart icon prominently on each page.

## Hidden costs

Customers don't like surprises. They want to know the final cost before getting to the checkout page — and not knowing is what frustrates global customers the most about their e-commerce experience.[11]

**The solution:** Throughout the checkout process — and especially on the cart page — be transparent about taxes, shipping costs, and any other fees. And enable cost comparisons for in-person pickup options, consolidated shipping, and other cost-saving possibilities.

## Mandatory account creation

Some customers don't want to provide personal info or they just want to buy and run. In fact, roughly one-third of Australian and European customers surveyed say they're less likely to make an online purchase if they're required to create a new user account first.[12]

**The solution:** Default to a guest checkout flow so these customers can check out quickly. And offer digital wallets as a payment option, as they store customers' billing and shipping information, speeding the checkout process.

## ✅ PayPal can help remove checkout barriers.

Both businesses and customers trust PayPal:

> ❯ Of enterprise PayPal merchants surveyed, 85% agree that PayPal is the most trusted payment method their company accepts.[13]

> ❯ PayPal is the second most trusted brand across the financial services industry in the United States.[14]

And the PayPal buy-button checkout flow facilitates an average of 43% faster checkout compared to checkout flows that do not use the feature.[15]

9   PYMNTS, Building A Better Online Checkout Experience, Sep 2022. A PYMNTS and Checkout.com collaboration conducted a census-balanced survey of 2,030 US consumers from Jun 29 to Jul 6, 2022.

10  PayPal E-Commerce Index Europe Report, Nov 2022 and PayPal E-Commerce Index Australia Report, Sep 2022.

11  IDC InfoBrief, spons. by PayPal, "Do Retailers Really Know What Digital Shoppers Want?" Doc. # US49041822, May 2022. The survey was conducted by IDC among 505 large enterprises and 10,054 consumers in five markets: United States, United Kingdom, Australia, Germany, and France.

12  PayPal E-Commerce Index Europe Report, Nov 2022 and PayPal E-Commerce Index Australia Report, Sep 2022.

13  B2B International, commiss. by PayPal, Nov-Dec 2021, B2B International surveyed among 504 mid-market and large enterprises in United States, United Kingdom, and Germany during Nov/Dec 2021. LE defined as merchants with annual revenue >100M; mid-market defined as merchants with annual revenue between 20M-100M. Base N: PayPal Users = 227.

14  Morning Consult – The most trusted brands 2022. Oct 2022. This Brand Intelligence data set was gathered Mar 3-Apr 3, 2022, among a sample of 5,241 to 5,560 US adults.

15  PYMNTS.com, The 2022 Buy Button Report: Accelerating Checkout Optimization. Aug 2022. N=636: Merchants that accepted at least one buy button in Q2-2022, fielded May 23, 2022-Jun 5, 2022.

# Offer preferred payment methods.

Customers expect choice, and they want to pay with their preferred methods. In a recent global survey, 68% of customers said they will not shop at a retailer that does not offer their preferred payment type.[16] However, too many payment options can be overwhelming, so determining which payment methods are relevant to your target audience is critical. Consider the following:

- **Country- and region-specific preferences.** Local payment methods may be the preferred option in certain geographies. For example, in the Netherlands, iDEAL is one of the country's most popular payment options, with 70% of all e-commerce transactions paid with iDEAL.[17] And in Germany, PayPal is the most popular online payment method.[18]
- **The popularity of digital wallets.** People are finding a lot to like about digital wallets. Once payment information is entered, it's stored and doesn't need to be re-entered for future purchases. And digital wallets have the largest market share of e-commerce transaction value worldwide: 49% in 2022, and predicted to reach 54% by 2026.[19]
- **Buy now, pay later (BNPL) options.** BNPL payment value is expected to rise almost 90% between 2022 and 2026 — driven by increased adoption and spend per user.[20] Typically, BNPL options offer installment payments over weeks or months, providing a flexible alternative that can also help with budgeting. In fact, BNPL is considered one of the top "nice to haves" among shoppers surveyed globally.[21]
- **Demographic trends.** Certain demographics gravitate towards specific payment methods. For example, if your target market age is 18 to 39 in the United States, Venmo might be a good payment option to offer, as 56% of Venmo users make up that age demographic.[22]

## PayPal can help improve conversion.

PayPal has shown it can help increase checkout conversion by an average of 33% with large enterprise merchants.[23]

Of PayPal users surveyed, 55% have abandoned a purchase because PayPal was not an option at checkout.[24]

Of PayPal Pay Later users surveyed, 67% have abandoned a purchase because PayPal BNPL options were not available at checkout.[25]

Learn how Spanish airline Vueling turned to PayPal to offer customers BNPL, then saw its BNPL sales soar by 210% with PayPal's Paga en 3 plazos.

[16] IDC InfoBrief spons. by PayPal, "Do Retailers Really Know What Digital Shoppers Want?" Doc. # US49041822, May 2022. The survey was conducted by IDC among 505 large enterprises and 10,054 consumers in five markets: United States, United Kingdom, Australia, Germany, and France.
[17] NL Times, "Dutch payment processor iDEAL to become European standard," 25 Apr, 2023.
[18] Ecommerce News, "PayPal most popular online payment method in Germany," May 12, 2023.
[19] Statista, Market share of payment methods in total e-commerce transaction value worldwide in 2002, with a forecast for 2026, Sep 18, 2023, accessed Oct 10, 2023.
[20] Insider Intelligence, Spotlight US Buy Now Pay Later Forecast 2022, Oct 4, 2022.
[21] IDC InfoBrief, spons. by PayPal, "Do Retailers Really Know What Digital Shoppers Want?" Doc. # US49041822, May 2022. The survey was conducted by IDC among 505 large enterprises and 10,054 consumers in five markets: United States, United Kingdom, Australia, Germany, and France.
[22] Statista, Global Consumer Survey Brand Report, Online payment: Venmo users in the United States, Nov 2022. Base: n=1530, Venmo users, n=4040, online payment users, n=55275, all respondents.
[23] Nielsen Study, commiss. by PayPal, Nielsen Media Behavioral Panel of USA with 408K large enterprise desktop purchase transactions, from 25K consumers between Jan-Dec 2022. Checkout conversion measured from the point at which the customers start to pay.
[24] Nielsen Survey, commiss. by PayPal, Nielsen Media Attitudinal Survey of USA (Feb 2023) with 3,999 recent purchasers (past two weeks) from large enterprise merchants, including 1,999 PayPal transactions and 2,000 non-PayPal transactions. Base N. PayPal users = 3,350.
[25] Nielsen Survey, commiss. by PayPal, Nielsen Media Attitudinal Survey of USA (Feb 2023) with 3,999 recent purchasers (past two weeks) from large enterprise merchants, incl. 1,999 PayPal transactions and 2,000 non-PayPal transactions. Base N. PayPal BNPL (Pay Monthly and/or Pay In 4) users in last 12 months = 2,334.

# Use smart authorization rate tools.

Another way to remove barriers is to make sure your authorization rate — the percentage of transactions that successfully complete a checkout process — is as high as it can be. Optimizing payments processing in the back end can help boost auth rates, improve customer satisfaction, and give your business an opportunity to capture more sales. To do this, use a smart suite of tools focused on combating declined transactions.

**Network tokens** help secure customer payment information with credentials that replace actual credit card numbers. Even when a card's details change, transactions that use network tokens are less likely to be declined — which helps increase authorization rates. In fact, 32% of businesses surveyed leverage real-time card-on-file updates using tokenization to help improve authorization rates.[26]

**Authentication tools like 3D Secure (3DS)** can be customized and dynamically invoked for specific scenarios or by region to help detect fraudulent activity and improve authorization rates. This process usually involves capturing a large number of data elements to validate identities, and using machine learning to select the necessary type of authentication.

**Account updater tools** automatically update a customer's stored payment credentials with no extra effort from the customer or business. Particularly for subscriptions and recurring payments, keeping account information updated in the back end minimizes the chances a transaction will get declined due to outdated card information. And customers enjoy a seamless front-end checkout experience.

**Smart retry strategies** can help reduce friction at checkout. Inevitably, transactions will get declined, but that doesn't have to be the end of the sale — and the customer doesn't always have to know. Retrying can recover a transaction, helping you minimize false declines and complete more orders. Machine learning is an effective tool you can use to examine patterns in larger data sets and previously declined transactions and understand when a retry would be worth the cost.

## PayPal can help prevent lost sales.

With PayPal, a declined transaction doesn't have to mean a lost sale. In the United States, PayPal has shown it can help increase authorization rates by 4.8 percentage points.[27] We process and learn from billions of transactions every year — and we use this data to create insights, improve tools, and power machine learning so your business can adjust in real time to improve its authorization rates.

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[26] Merchant Risk Council (MRC), Global Fraud and Payments Survey Report 2022. The survey sample included a diverse mix of SMBs, mid-market, and LE merchants across NA, APAC, and LATAM regions. The research was conducted in Nov and Dec of 2021.

[27] Comparative analysis of major global payments network and PayPal internal data from transactions throughout a 12-month period from Q4 2020-Q3 2021 in eight markets (United States, United Kingdom, Germany, Australia, France, Italy, Spain, Canada) across 12 verticals. Does not include transactions from domestic schemes (e.g., Cartes Bancaires, eftpos).

# 4 Mitigate risk with machine learning.

The growth in e-commerce is coupled with a greater potential for fraud — and the cost to businesses is real. The total cost of e-commerce fraud is expected to exceed $48 billion globally in 2023, up from just over $41 billion in 2022.[28] You should consider global fraud management tools that meet your business's fraud management goals. The goal is to flag as many fraudulent transactions as possible, without affecting the checkout experiences of good customers.
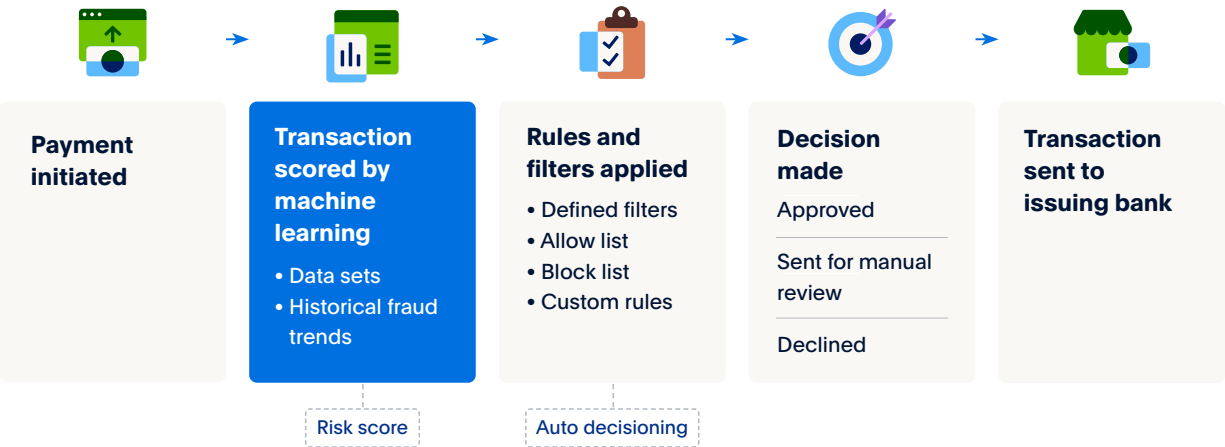
[28] E-commerce Losses to Online Payment Fraud to Exceed $48 Billion Globally in 2023, Juniper Research, Oct 2022.

# Leverage machine learning to manage fraud.

As businesses work to remove checkout barriers for customers, they may also be making it easier for bad actors to commit fraud. Finding the right balance — and using machine-learning technology — is key. Vast amounts of high-quality data on purchase histories, devices used, card types, user profiles, and locations can help payment service providers understand if a card or customer is potentially fraudulent. By identifying the most-relevant data to help distinguish fraudulent activity and using machine learning to profile ever-changing purchase patterns, you can better recognize potentially risky customers and transactions.

## Intelligent Fraud Management with Machine Learning

**Payment initiated**

**Transaction scored by machine learning**
- Data sets
- Historical fraud trends

Risk score

**Rules and filters applied**
- Defined filters
- Allow list
- Block list
- Custom rules

Auto decisioning

**Decision made**

Approved

Sent for manual review

Declined

**Transaction sent to issuing bank**

# PayPal can help mitigate risk.

Our fraud management solutions can help you turn data into actionable insights so you can more confidently handle what's next.

| | |
|---|---|
| **Global insights** | PayPal has processed **$1.36 trillion** in total payment volume of transactions throughout 20+ years.[29] |
| **Experience** | PayPal sees **62 million** fraud events per year.[30] |
| **Intelligent technology** | PayPal has **10+ billion** identifiers in our network.[31] |
| **Advanced fraud features** | PayPal can recognize **97%** of buyers.[32] |
| **Trusted and proven solution** | PayPal surveyed its users and **82%** agree that PayPal protects them against fraudulent activities.[33] |

[29] PayPal internal data, Q1 2023.
[30] Based on PayPal and Braintree internal data collected as of Sep 2022.
[31] Based on PayPal and Braintree internal data collected from Jan 2022–Jan 2023, and all PayPal visits historically available.
[32] Based on PayPal and Braintree internal data collected as of Sep 2022.
[33] Nielsen Survey, commiss. by PayPal, Nielsen Media Attitudinal Survey of USA (Feb 2023) with 3,999 recent purchasers (past two weeks) from large enterprise merchants, including 1,999 PayPal transactions and 2,000 non-PayPal transactions. Base N. PayPal users = 3,350.

# Minimize chargeback volume.

Sometimes business doesn't go according to plan, and customers don't receive products, charges are duplicated, or transactions are unauthorized. In these cases, customers can file post-transaction payment disputes — or chargebacks — requesting a transaction reversal. Chargebacks are also one of the most common types of fraud.[34] And they're time consuming and costly for businesses to manage. Let's examine why.

When a customer initiates a chargeback, the disputed amount plus a chargeback fee is typically taken from the business's account. If the business chooses to contest the chargeback to "win back" the disputed amount, it must spend hours completing contestation documents and follow the requirements of that particular issuer. The process is time consuming and often unclear as each issuer has its own rules, and there's no guarantee of success.

Forrester Consulting, a global customer-focused research firm, found that once a business identifies fraud, it takes the majority of respondents weeks to resolve the issue.[35] When facing such a daunting task, you can navigate and manage chargebacks with help from a payment service provider (PSP):

- PSPs with intelligent fraud management systems and robust authentication engines can help your business decide whether a transaction should be approved or denied in the first place.
- PSPs that process large transaction volumes likely maintain relationships with multiple issuers and have time-saving understandings of necessary chargeback-contest documentation and effective approaches that can help increase the chances of winning chargeback cases.
- Some PSPs also offer fraud and chargeback protection. Fraud protection typically means they'll analyze every transaction with risk mitigation tools to minimize the number of fraudulent transactions. Chargeback protection usually means they'll help cover eligible chargeback losses and fees when chargebacks do occur.

As well as being frustrating, time consuming, and costly, chargebacks involve a lot of uncertainty and are potentially damaging to your brand. Ideally, businesses put measures in place to minimize fraud, and engage PSPs to help navigate the ever-changing world of chargebacks.

## PayPal can help reduce chargebacks.

In the United States, PayPal has shown it can help reduce the chargeback rate on cross-border purchases by 40 basis points (bps).[36]

### Reduction in chargeback rates by industry[37]

| | | | |
|---|---|---|---|
| Travel | 42 bps | Fashion | 27 bps |
| Health and beauty | 32 bps | Grocery | 26 bps |
| Transportation | 31 bps | Gaming | 23 bps |
| Automotive | 29 bps | Electronics | 11 bps |

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[34] Forrester Consulting, a study commiss. by PayPal, Nov 2021. Forrester conducted an online survey with 309 global fraud prevention decision makers at e-commerce companies across North America (102), Europe (104), and Australia (103). Base: 253 global fraud prevention decision makers at e-commerce companies planning to invest/investing in an automated fraud management solution.

[35] Forrester Consulting, a study commiss. by PayPal, Nov 2021. Forrester conducted an online survey with 309 global fraud prevention decision makers at e-commerce companies across North America (102), Europe (104), and Australia (103). Base: 253 global fraud prevention decision makers at e-commerce companies planning to invest/investing in an automated fraud management solution.

[36] Comparative analysis of major global payments network and PayPal internal data from transactions throughout a 12-month period from Q4 2020-Q3 2021 in eight markets (United States, United Kingdom, Germany, Australia, France, Italy, Spain, Canada) across 12 verticals. Does not include transactions from domestic schemes (e.g., Cartes Bancaires, eftpos).

[37] Comparative analysis of major global payments network and PayPal internal data from transactions over a 12-month period from Q4 2020-Q3 2021 in eight markets (United States, United Kingdom, Germany, Australia, France, Italy, Spain, Canada) across 12 verticals. Does not include transactions from domestic schemes (e.g., Cartes Bancaires, eftpos).

# Improve operational efficiency with dispute automation.

As your business grows, its chargebacks will likely grow in step, and it can be hard to know if it's even worth the time and effort to contest each chargeback. This is where a payments service provider (PSP) with a large transaction volume, relationships with various issuers, and vast experience with chargebacks can help relieve the burden and automate the process.

> " Chargebacks are expensive and can't be ignored, but you should focus your time on running your business, not disputing chargebacks.
>
> —Arpit Kumar, Product Management Manager at PayPal

A dispute automation solution can take a PSP's data and understanding of each issuer's process, apply intelligent machine learning in real time, and determine if a chargeback is worth contesting — and if so, how. This type of solution can help your business:

> Centralize dispute management

> Free up resources to focus on other things, like fraud prevention

> Decrease operational costs

> Optimize chargeback win rates and recover revenue

> Scale with a growing transaction volume

# 5 Grow revenue with the future of payments.

With aspirations for growth in an [evolving payments landscape](#), you need to be ready for what's next. This could mean expanding your sales reach to new geographies — which also involves paying vendors, sellers, and contractors in new regions — or broadening your digital or in-person channel capabilities. Or both! In every case, you should orchestrate growth in a way that's efficient and doesn't detract from a smooth customer experience. The right payment service providers can help make sure you're covered for today and ready for tomorrow.

# Orchestrate growth efficiently.

Expanding to new markets? To be successful, you'll need to offer locally preferred payment methods and relevant third-party services. But this increases the complexity of your payments architecture, and the number of necessary integrations can multiply quickly. Instead of connecting with many local payments processors in each new market, you can leverage one connection with a payments orchestrator to quickly establish a presence.

A payments orchestrator can help you avoid lengthy and costly development work to reach new markets faster. The orchestrator's local relationships can also help with authorization rates, since regional banks will be more familiar with local credit cards and payment methods — and can eliminate cross-border fees by keeping transaction processing local.

In addition to facilitating and expediting smooth global growth, a payments orchestrator can also help you:

- **Reduce technical and integration costs.** One integration to an orchestrator will replace many integrations to several payments providers. Orchestration will also help automate management of the overall system, freeing up technical resources.
- **Optimize payment routing.** An orchestrator can build logic into a system so that transactions get routed to specific payments providers to minimize costs or optimize performance, according to your payment processing goals.
- **Provide business redundancy.** When one payments provider is performing better than another, an orchestrator can redirect traffic to optimize performance. It can also retry a failed transaction to increase authorization rates.
- **Standardize accounting and reporting.** Multiple payment providers often means multiple accounting and reporting systems. As the central point of integration, a payments orchestrator can consolidate and normalize settlement and reconciliation so you receive standardized reporting.
- **Offer value-added services.** Orchestrators should allow you to seamlessly share payment data from their vaults with partners and other payment service providers. This enables more possibilities — like relevant add-on sales from partners, fraud management, loyalty and rewards programs, and more — with better experiences.

## PayPal can help orchestrate growth.

PayPal Braintree is an end-to-end payment platform built for growth. One of the many global businesses that use PayPal Braintree as a payments orchestrator to integrate popular payment options under one platform — is Adobe.

> **66**
>
> **I knew that orchestration was the fastest path to unlocking new opportunities that help accelerate and maximize customer retention and approval rates … I'm a huge believer in orchestration, and I think it has the potential to change the rules of the game for a lot of companies.**
>
> —Matt Wegner, VP of Payments and Risk at Adobe

# Make fast, reliable global payments.

As crowdsourcing, marketplaces, and the gig and sharing economy business models have become more prevalent, how you pay sellers or providers has become just as important as how you get paid. Payouts are central to the value proposition of many large global businesses, and being able to disburse payments locally is key to scaling your business and keeping sellers happy.

Working with a payments service provider (PSP) that maintains established relationships in different regions can help you pay sellers quickly through local banks. Since these payments are processed locally, you can avoid cross-border fees and pay sellers as frequently as needed. In addition to enabling fast, reliable payouts to sellers, a PSP can also help your business:

- **Scale without a complicated payments architecture.** You don't need to establish your own relationships with multiple payments infrastructures around the world. Instead, you can leverage the PSP's relationships to connect with sellers in each new region.
- **Avoid the complexity of global fraud and regulatory management.** Entering new markets means understanding new regulatory environments, along with different compliance controls. A PSP could alleviate your business of this burden by shouldering this responsibility.
- **Offer sellers preferred payout options to help with retention.** If sellers are at the heart of what you do, it's important keep them happy — and not lose them to competitors. When you use a robust payouts platform, your sellers can choose how, where, and how frequently they want to get paid.

## PayPal can help with payouts.

Internationally expanding businesses turn to PayPal for fast, reliable, globally distributed payout capabilities. PayPal offers diverse payout options in more than 200 markets and 50+ currencies directly to bank accounts, debit cards, alternative payment methods, prepaid cards, PayPal, and Venmo.[38]

## 🌐 200+ markets. 50+ currencies. 1 provider.

A great example of this happened in late 2022, when Southwest Airlines experienced massive holiday travel disruptions and wanted to make things right for its affected customers by quickly compensating them. Learn how Southwest stayed true to its famous customer-care brand by implementing PayPal Hyperwallet to distribute $250 million to 200,000 customers within six weeks.[39]

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[38] Venmo is only available in the United States.
[39] Data from Southwest Airlines, 2023.

# Offer a unified shopping experience.

In the past, businesses thought about online and in-person experiences differently. But the reality has always been that customers don't draw the same distinction. They expect a consistent experience with a brand, regardless of the channel, device, location, or platform. You need a unified view of your customers to deliver on this expectation. Here are some important aspects to make unified commerce a reality:

| | |
|---|---|
| **A single vault that scales and flexes across channels.** | A payment service provider can help store your customers' sensitive payment information in a vault. Enabled by one centralized vault, you can turn payment data into personalized customer profiles. These could include previous purchases, payment methods, frequently used devices or channels, rewards, favorite brands and sizes, and more. |
| **Tokenized data across all digital and in-person channels.** | The payment vault can provide you with a unique token that acts as a substitute for customers' stored payment data. This token is tied to one business, but you can use this token for repeat transactions, enabling seamless checkout experiences no matter where your customer decides to buy. |
| **Customer expectations around where, when, and how they pay.** | Customers expect their payment preferences and reward status to follow them wherever and whenever they shop. You need to be prepared for a customer to buy online and return in store or pay in person then purchase a subscription online — and everything in between. |

The possibilities of unified commerce are endless, but the need for consolidated customer data is clear to create frictionless online and in-person experiences.

## PayPal can help provide a unified shopping experience.

PayPal is at the forefront when it comes to unified commerce. When Adorama — the largest specialty retailer of professional audio, video, and photography gear in New York City — wanted to provide a seamless online and in-person experience, it collaborated with PayPal on the best solutions to support growth and scale. Learn how PayPal is enabling Adorama to offer next-level experiences to customers in both the digital and physical realms.

# Prioritize payments.

After taking a fresh look at the payments landscape, are you ready to elevate your business with an integrated and data-driven payments solution?

Tap into the value of PayPal's global insights and get peace of mind from a brand your trust. Learn more about our global enterprise solutions.

**PayPal**