
2020
PAYPAL BORDERLESS
COMMERCE REPORT



The opportunity beyond your doorstep

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EXECUTIVE SUMMARY



The Great Pause

Toilet paper, face masks and disinfectant wipes. These weren't the first items that came to mind for most online retailers at the start of the year. But they've become the defining shopping categories of 2020.

EXECUTIVE SUMMARY

- The search for 'toilet paper bulk' rose from 2,657th place in February 2020 to become the fourth-most-popular search term on Amazon.com in March 2020 ('toilet paper' was the #1 search term).¹
- Sales of liquid hand sanitiser and disinfecting wipes experienced a 202% year-over-year increase.²
- Non-medical face masks were in hot demand online across the spectrum, from handmade offerings at Etsy, to options from retailers like Nordstrom and Gap, to popular brands like SKIMS by Kim Kardashian West³ and high-tech air mask maker Airinum.

From Wall Street to Main Street, every facet of the world's economies has been turned on its head. It's a time that's given all of us pause.

While no one can be certain how all this will play out, we see some key trends to keep an eye on as commerce resumes in fits and starts around the globe, and the world discovers its 'new normal'.

Puzzle Warehouse reported a 10x increase in orders⁴ while luggage sales dropped 77%⁵

Bread machines and baking yeast sales rose by ~650%⁴

Overall, eCommerce growth is up, but not uniformly — while some retailers saw abrupt spikes in new areas, others saw sharp drops. Younger generations in particular are cutting back on purchases.⁶ After an initial surge in shelter and security essentials (charmingly referred to as Hamsterkäufe or 'hamster buying' in Germany), sales have been up for what might be termed 'the new essentials,' items that help people live — and work — comfortably at home.⁶

Some shifts in spending habits may be lasting. Shoppers are now finding ways not just to pass the time but also to improve their surroundings and their lives, become less dependent on hard-to-find items, and learn new skills that will take hold. eCommerce is likely to play an increasingly prominent role in consumers' lives, even after stay-at-home restrictions end, due to new online-first habits formed during this time.⁷

60% of Americans working from home would like to continue doing so as much as possible⁸

Along with these new habits, consumers are rethinking many aspects of their previous lives, especially their level of consumption and their hectic schedules. Smart businesses would be wise to keep a finger on the pulse of these larger conversations.

This year, look for a changed eCommerce landscape, and expect more competition from brick-and-mortar stores which are adapting to change by moving online. Expect more consumers seeking value and sustainability.⁷ And expect that the relationship you build with your shoppers will matter more than ever.



1. Big Commerce, Understanding the COVID-19 effect on online shopping behavior. Published in March, 2020. 2. Adweek, Demand for Hand Sanitiser and Disinfecting Wipes Spikes Amid Coronavirus Scare. February 26, 2020. 3. CNBC.com, "Demand for jigsaw puzzles is surging as coronavirus keeps millions of Americans indoors." April 5, 2020. 4. Stackline.com, Top 100 Fastest Growing & Declining Categories in E-commerce, March 2020 vs. March 2019, Published March 31, 2020. 5. KPMG, COVID-19: Retail's survival and revival. Published April 2, 2020. 6. MarketWatch, 5 weird products Americans are stockpiling, including a surge in demand for dumbbells, MarketWatch. Published April 15, 2020. 7. Gallup, Economy, U.S. Workers Discovering Affinity for Remote Work. Published April 3, 2020. 8. Marketplace Pulse, Coronavirus Dominates Amazon Search. April 1, 2020 9. NC Solutions, COVID-19 Resources, Top Categories on March 12. Published March 15, 2020. 10. CNBC, Demand for jigsaw puzzles is surging as coronavirus keeps millions of Americans indoors. 11. NPR, Face Masks Provide a New Frontier for Retailers During Coronavirus Crisis. May 21, 2020.

EXECUTIVE SUMMARY

WHAT'S STILL TRUE

Even after the threat of COVID-19 subsides, the potential for external shocks like geopolitical events, trade wars, even new pandemics may continue to impact economies — and potentially your business. Pursuing a cross-border strategy now can put you in a stronger position to respond, to both the near-term developments we can foresee and the longer-term events we can't.

Well before COVID-19, online sales were booming. Current global challenges appear to be encouraging that trend. In 2019 across 31 countries surveyed, eCommerce estimated growth was expanding at 17%¹, with shoppers spending an estimated \$412 billion USD on cross-border purchases alone.¹ There are indications that these numbers will further increase as consumers around the world form new shopping habits that start online.

For businesses seeking to expand their footprint internationally, this report will help you understand some of the most relevant seasonal, cultural, behavioural and technological differences that could give you an edge when breaking into new, unfamiliar markets.

This report may also shed light on global trends affecting just about every market. Across all 12 countries in this report, if there is one key takeaway, it's that cross-border businesses would be wise to meet the growing demand for mobile-first experiences, either through mobile site optimisation or mobile app development.

Desktop remains the preferred online cross-border shopping platform, but trend lines show a clear move to mobile commerce (mCommerce), which was growing globally at an estimated rate of 34% in 2019.¹ Any pauses in this growth as a result of so much of the world being homebound are probably mere pauses — take advantage of the downtime to upgrade your shopping experience.

EXECUTIVE SUMMARY

KEY CROSS-BORDER METRICS (ALL CURRENCY IN USD)

This year’s top-level findings point to 10 key areas of wealth, growth and momentum across the 12 countries included in this report.

LARGEST ECONOMY

U.S.
\$21.4 trillion GDP¹

PER CAPITA ANNUAL ONLINE SALES (ESTIMATED)

U.S.
\$3,766²

LARGEST POPULATION

CHINA
1.4 billion³

HIGHEST ANNUAL ONLINE SALES

CHINA
\$635.5 billion²

FASTEST ECOMMERCE GROWTH

INDIA
42% annually²

FASTEST MCOMMERCE GROWTH

JAPAN
62% annually²

HIGHEST MCOMMERCE PENETRATION

INDIA
92%⁴

HIGHEST % OF SHOPPERS WHO USE PAYPAL FOR CROSS-BORDER PURCHASES

AUSTRALIA
78%²

TOP COUNTRIES SELLING CROSS-BORDER

CHINA & U.S.²

TOP CROSS-BORDER SALES CATEGORY

CLOTHING, FOOTWEAR & ACCESSORIES²



1. Statista: Gross domestic product (GDP) of the United States from 1990 to 2019. Published by BEA, February 3, 2020. Based on BEA.gov. 2. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 3. The World Bank Data, Population Total, 2018. 4. PayPal commissioned Ipsos MORI PayPal Insights 2019. n=22,000 consumers and 4,600 businesses, 11 markets. Interview of adults (aged 18-74) between 23rd July — 25th August 2019.

EXECUTIVE SUMMARY

HOW A CROSS-BORDER STRATEGY CAN BE A SOURCE OF STRENGTH

From our vantage point as one of the world's largest online payments platforms, we have seen the power of a smart cross-border approach in transforming small online businesses into vibrant global ones. International expansion has many inherent benefits, including:

- **Diversification of risk** through distributed supply and demand, leaving you with more options for responding to any local market disruption.
- **Discovering new audiences who love your product.** Products take hold in every country differently. Something that sold well locally may be a surprising hit in new markets.
- **A larger addressable market.** Bring your products to areas where demand may be higher, and take advantage of global seasonal sales during slow periods at home. In times of economic uncertainty, a cross-border strategy can prepare you to take advantage of favourable conditions in specific countries and regions, making your business more resilient. Our insights across 12 key countries can help you identify potential markets and spark your business strategy as you forge ahead in a changed world.

Cross-border commerce is changing how online retailers around the world do business — now more than ever before. We hope this report helps, as you chart a course for growth that's right for you, in the countries and regions that matter most for your business.



Key Findings

COMMONALITIES AND DIFFERENCES

When deciding whether to break into a new market, there's a lot to consider. In each of our 12 market profiles, we've broken down insights into seasonal, technological, cultural and behavioural drivers. Here's an overview of those drivers, and a recap of what's trending by region.

KEY FINDINGS



SEASONAL DRIVERS

When it comes to planning around seasonal shopping trends, always check your dates and your assumptions.

For instance, Western countries see higher online spending at Christmastime — **but did you know India, Japan and Singapore also see significant increases?** Similarly, Black Friday has become a global online shopping event. The UK, Australia, Germany, Brazil, Russia and Mexico are now among the biggest participants

in what began as an American post-Thanksgiving shopping event.¹ In 2011, Mexico even launched its own spin-off retail event, El Buen Fin, that’s now just as popular.

Meanwhile, a newer online-only shopping event — one many Americans have never heard of — has taken much of the world by storm: **Singles Day**. Popularised by Alibaba in 2009 to promote its online marketplace, the November 11 event quickly grew from obscure origins inside China as a salute to loveless bachelors to become the largest shopping day in the world — for everyone.

Now a celebrity-fuelled extravaganza, Singles Day took in more than \$38.4B USD in 2019² with shoppers spending \$1B USD in just 68 seconds.³ **As evidence of its wide appeal, it’s worth noting that 30 million Singles Day purchases came from Russia.**⁴

Outside of global sales events, pay attention to regional holidays and always check your dates when planning around typical seasonal drivers like back-to-school. Hint: It’s in April in Japan.



KEY FINDINGS



TECHNOLOGY DRIVERS

For businesses looking to sell cross-border, it's likely your mobile strategy will be paramount.

China leads the world in mCommerce, where 75% of all eCommerce sales happen on a mobile device¹ and adoption is growing at 36% a year.² But adoption is growing even faster in India — at a blazing 57% annually, outpacing its overall eCommerce growth of 42% annually.³ **Together, these two nations comprise 2.75 billion people — nearly 1 in 3 people on the planet.**²

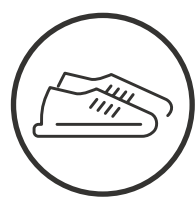
Internet usage is nearly ubiquitous in countries like Australia, Japan and Singapore. But large countries like India and Brazil that are playing catch-up are often demographically younger⁴ — and are seeing higher mobile penetration for online payments³ and mCommerce growth⁵ than in countries with higher overall internet penetration.

Indeed, many younger shoppers bypass desktop altogether with cheaper handheld devices that get them where they want to go.⁵ India, where over half the population is under the age of 25⁵, again exemplifies this phenomenon: Overall internet penetration is just 34%⁶, yet mobile penetration for online payments is high at 92%.³ In Mexico, where the median age is just under 30⁴, 64% of mobile shoppers shop cross-border, versus the global average of 57%.³

Bottom line: mobile is — slowly or quickly — becoming the preferred channel for eCommerce around the globe, cross-border and otherwise. It's a method used by 65% of online shoppers in the U.S.³, home to what is still the world's largest economy at \$21.4T USD GDP.⁷



KEY FINDINGS



CULTURAL DRIVERS

Every country's quirks tend to distinguish it. Our 12-country report spotlights the rich array of cultural drivers that can impact cross-border sales.

Consider the following:

- With a population of six million people, Singapore supports four commonly spoken languages¹, while in Japan, 99% of its 126 million population speaks only Japanese.²
- Only 12% of Japanese consumers buy on impulse, almost half the global average.³ Meanwhile, 78% of British adults admit to making impulse purchases online.⁴

- More than half of Australian online shoppers regard themselves as 'conscious consumers' who consider brand values before buying.² But nearly all of this nation's Gen Z shoppers — 94% — are drawn to sales.⁵

While Australians do consider more than just price when they shop, **the appeal of sales is universal**. And, you'll find that enthusiastic online shoppers will often shop cross-border in countries like Russia and Mexico, where shoppers buy online internationally at 70% and 66% respectively, versus the global average of 66%.⁶

It's especially important to understand each country's purchase deterrents to cross-border sales, which correlate directly with cart abandonment. **Shopper concerns generally centre around security, delivery times and shipping fees**, especially in island

nations and countries with logistical challenges around delivery. For instance, more than 53% of Singaporean and 57% of Australian online shoppers have abandoned their carts while shopping cross-border when shipping or postage costs were too high.⁶ 28% of Brazilian online shoppers say long delivery times are a key barrier to cross-border purchases.⁶

Smart cross-border sellers can address buyer concerns with clear, upfront communications about delivery times, alliances with trusted local delivery partners, and proactive (read: early) seasonal promotions. **Incentives such as free shipping can be an effective driver for cross-border purchases**, as cited by 44% of survey respondents from 31 markets.⁶

KEY FINDINGS



BEHAVIOURAL DRIVERS

Perhaps the most important way a cross-border business can understand a country is by the way it actually shops.

As with mCommerce adoption, digital wallet adoption is growing around the world at varying speeds, providing not only a new level of convenience but also a new level of financial access for the unbanked.¹ However, many demographically wealthier and older online shoppers still prefer credit cards — in Japan and France, for instance, the majority of payments are still processed this way.² The challenge for cross-border businesses is to provide the payment options most desirable to the greatest number of online shoppers in your target market.

But popular payment terms and delivery methods unfamiliar in your country can be surprising for new sellers. Cash on delivery is supported in many countries, including Russia.³ In Germany, free shipping, returns and post-purchase payment formats are still common, a leftover legacy from the country’s mail-order days.² In Mexico and Japan, you’ll need to get comfortable with convenience store pickup and payment.⁴

Bank transfers, while not the dominant payment method, are still common in Brazil and Japan.² And instalment payments are commonly supported in Australia, Mexico and Brazil, where more than half of those surveyed were currently paying in this way.⁵

What helps to make shoppers more comfortable with your site? According to our extensive market research, shoppers in several countries have a preference for large multinational eCommerce marketplaces like Amazon or eBay when shopping internationally — this is particularly strong in India and China.⁶ Online shoppers are also significantly more likely to buy abroad if they can do so in their own currency⁶, using payment options that offer perceived security.

The PayPal brand name offers cross-border businesses a high level of recognition, trust and acceptance around the world, according to surveyed buyers.¹ Those who rated PayPal favourably cited convenience, security and familiar payment options as key benefits, three factors which cross-border online shoppers also cite as top determinants of payment method selection.⁶



KEY FINDINGS

REGIONAL SPOTLIGHTS



ASIA-PACIFIC

The world’s most populous region is characterised by high digital adoption rates in Singapore, Japan and Australia. Lower per capita online spending in India is offset by sheer population size. Meanwhile China, home to 100 million of the wealthiest 10% of the people in the world¹, comes in as the 4th highest per capita online spender (annually) in the report.² Across the region, smartphones dominate among eCommerce channels, so a mobile-first approach is critical. Digital wallet usage is especially popular, driven by convenience and security concerns.



EUROPE & RUSSIA

While smartphone penetration is high, mCommerce has been slower to take off in this region. Signs of change are in the air, however. Innovations in online security, such as 3D Secure, may alleviate German shoppers’ security concerns. Meanwhile, cross-border purchases comprise about 56% of online sales in Russia² (where they’re also fond of social commerce). In Germany and France, discount sites and price aggregators enjoy widespread popularity — tailor your offerings accordingly.



LATIN AMERICA

Driven by a youthful consumer base and high social commerce adoption, Latin America is a growth market for cross-border sellers who can navigate regional payment systems that support unbanked and remote populations, such as Brazil’s Boleto Bancário and Mexico’s cash-on-delivery innovations. Instalment payments are common, especially for big-ticket items, and a mobile-first approach is crucial: Brazil has more than 200 million active smartphones — more than one per resident.³ Be aware of shopper expectations for low- or no-cost shipping.



UNITED STATES

With a GDP of \$21.4 trillion,⁴ the U.S. is a singular market opportunity and the largest economy in the world. Cross-border sellers who want to participate are encouraged to focus on U.S. founded global mega-marketplaces, like Amazon or eBay, where Americans shop with confidence and are more willing to buy from someone new — especially during the holidays. Adjust your strategy around shoppers’ strong preference for paying in U.S. dollars, and their willingness to abandon an international order over delivery times, shipping charges or security concerns.



Ready To Dive Deeper?

We invite you to explore the 12 countries in our report and enjoy the journey of discovery. Although the world faces a time of significant challenge, it continues to spin, and smart businesses can find new ways to persevere by finding new sources of momentum and equilibrium around the globe.

For more information on how PayPal can help you grow your business around the world, visit us online today:

<https://www.paypal.com/business>.



Country Profiles

The COVID-19 pandemic has unfolded this year at lightning speed. As the ripple effects continue, so does uncertainty. Because of this, economies and the opportunities within those markets are expected to fluctuate greatly, potentially altering their trajectory in a meaningful way.

We believe the benefits of cross-border trade are inherent and constant, and in recent times we have only seen these benefits accelerate. However, the impact of COVID-19 on individual market opportunities remains difficult to predict. This report contains the most up-to-date data at the time of research.

With its population of just 25 million¹, **Australia ranks as the world's 13th largest economy²**, making it home to an abundance of affluent shoppers.

Australia

MACROECONOMIC SNAPSHOT

AUSTRALIA

POPULATION

25
million¹

LANGUAGE

English³

GDP

\$1.43
trillion²

ANNUAL
ONLINE SALES
(ESTIMATED)

\$45
billion⁴

PER CAPITA
ANNUAL
ONLINE SALES
(ESTIMATED)

\$2,207⁴

ANNUAL
MCOMMERCE
GROWTH*
(ESTIMATED)

33%⁴

SMARTPHONE
PENETRATION

72%⁶

ANNUAL
ECOMMERCE
GROWTH
(ESTIMATED)

15.2%⁴

INTERNET
PENETRATION

88%⁵

PURCHASING
POWER INDEX

1.44⁷

\$2,707

Australian online shoppers' annual spend per capita is seventh out of the 12 countries in this report.⁴

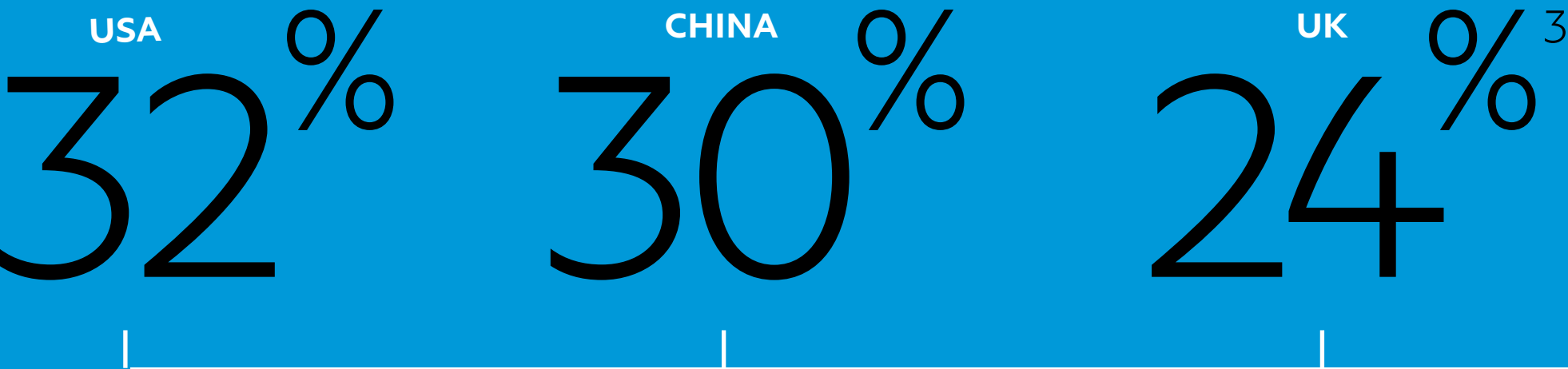
AUSTRALIA OVERVIEW

Almost universal access to the internet has allowed this country to develop a healthy e-commerce spend of approximately \$2,207 per capita, annually.³

Cross-border sales to the inhabitants of the world’s largest island and smallest continent, however, demand tackling the challenges of long-distance logistics — primarily shipping times. As shoppers prioritise reliability, convenience, speed and security, Australians tend to favour big, well-known marketplaces like Amazon, Etsy and eBay.⁴ They prefer the ease of paying through apps, although a mobile-first approach is still a prudent bet for many online retailers. Finally, many Australian online shoppers shop with intention, making buying decisions based on brand values and recommendations by online influencers.



TOP 3 COUNTRIES THAT AUSTRALIAN ONLINE SHOPPERS BUY FROM:



AUSTRALIA



KEY BUYING DRIVERS IN THE AUSTRALIAN MARKET

AUSTRALIA



BEHAVIOURAL
27%

of Australians who purchase cross-border online worry about not receiving the goods, and long delivery times play to their concerns.³

The tyranny of distance can mean a wait of many weeks for cross-border shoppers to get their goods.

Put their minds at rest by providing clear estimates of delivery times at purchase, tracking systems with regular updates and on-site security guarantees.



CULTURAL
55%

of smartphone owners are 'conscious consumers' who consider brand values before buying.⁵

One in 10 Australian smartphone owners claim to have boycotted a brand because of their values, and that number increases for Gen Z shoppers.⁵ Certifications for sustainability can provide strong purchase motivators.

Online influencers also play a significant role in buying decisions. Consider outreach to Australian influencers in your product category to reach buyers.



SEASONAL
94%

of Gen Z shoppers are looking for a bargain, and 58% of Australian shoppers admit to impulse buying sale items.⁶

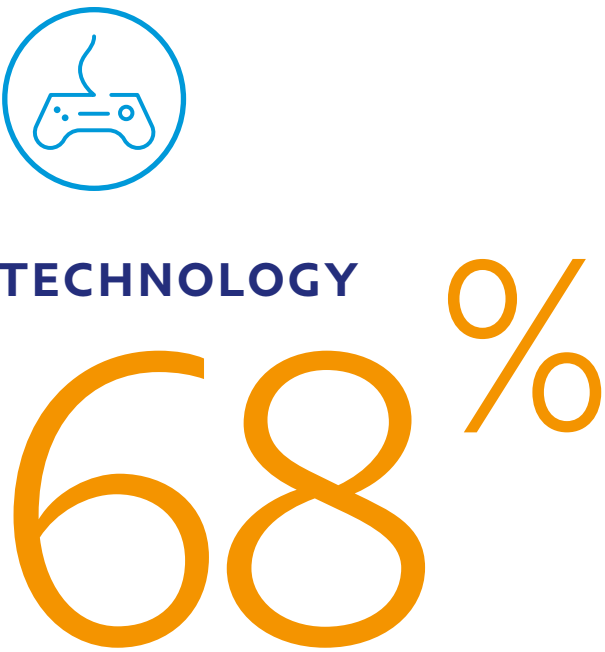
Peak sale periods are in focus, particularly the end-of-year festive season, while interest in international sales events, from the U.S.'s Black Friday to China's Singles Day, is growing.

Australia's own Click Frenzy, 'the sale that stops a nation', runs in November, boosting traffic for the hundreds of retailers who participate.

THE SHIFT TO BUY NOW, PAY LATER

Use of credit cards is declining in Australia as consumers have rushed to pay by instalment through (mostly) interest-free Buy-Now-Pay-Later (BNPL) services, with a growing number of BNPL providers operating in the country.

AUSTRALIAN DIGITAL SHOPPING LANDSCAPE



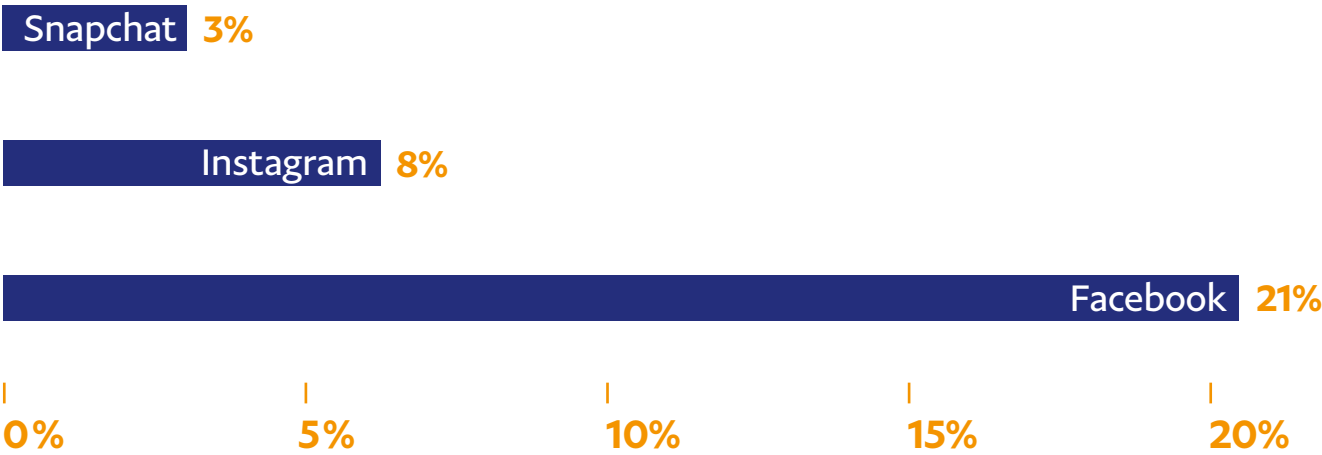
of Australian adults prefer paying for goods via apps.⁷ However, 55% of mobile shoppers pay via mobile on a weekly basis, and 73% use mobile devices for payments at least monthly⁵, suggesting that for most businesses, a broader, less expensive mobile-first approach makes sense.

Visual research can be a dealmaker in this market. Shoppable videos, 360-degree views, user-generated content and virtual reality product demos can increase the likelihood of a sale by 40%.⁶ In general, emerging tech is attractive, especially to younger Aussies, as long as it’s fast and convenient.



1. The World Bank Data, Population, Total, United Nations Population Division. World Population Prospects: 2019 Revision. 2. The World Bank Data, GDP (Current US\$). World Bank national accounts data, and OECD National Accounts data files. 2018. 3. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 4. PayPal commissioned ACA Research, 2018. n=1,004 consumers, Australia. 15-minute online survey of smartphone users aged 18 and older. 5. PayPal commissioned Ipsos MORI PayPal Insights 2019. n=22,000 consumers and 4,600 businesses, 11 markets. Interview of adults (aged 18-74) between 23rd July — 25th August 2019. 6. PayPal commissioned ACA Research, 2019. n=1,018 consumers, Australia. 5-minute online survey of Australians aged 18 and older. 7. PayPal commissioned ACA Research, 2018. n=1,004 consumers, Australia. 15-minute online survey of smartphone users aged 18 and older.

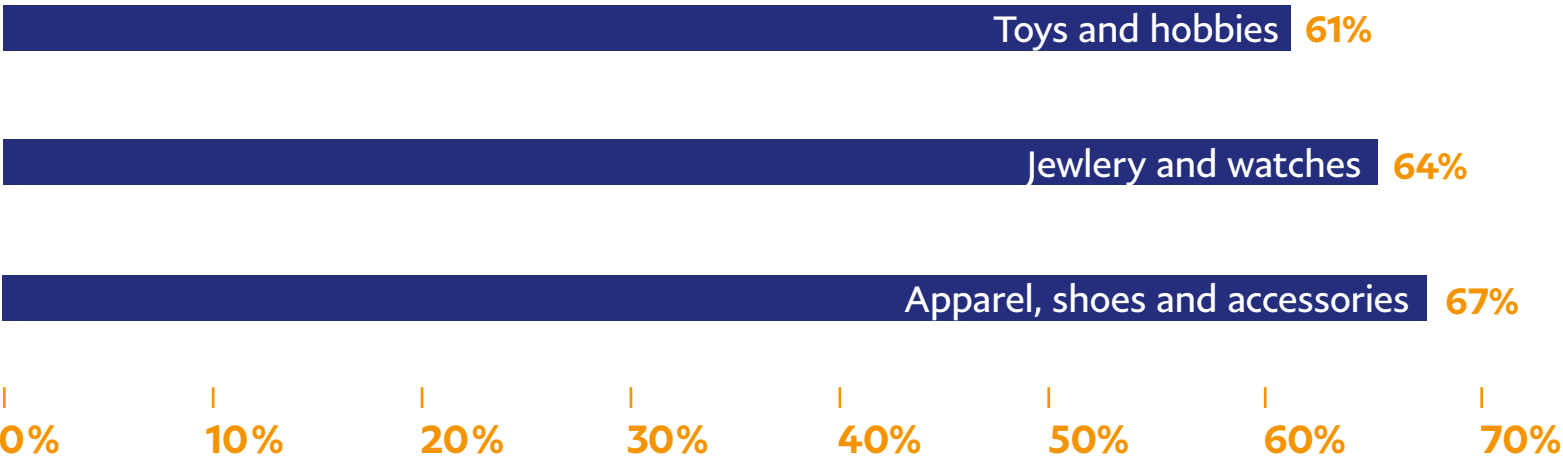
SOCIAL MEDIA PLATFORMS USED TO MAKE A PURCHASE



PayPal commissioned Ipsos MORI PayPal Insights 2019. n=22,000 consumers and 4,600 businesses, 11 markets. Interview of adults (aged 18-74) between 23rd July — 25th August 2019.

TOP CROSS-BORDER SHOPPING CATEGORIES

Percentage of respondents who shopped in a particular category when buying online across borders.



PayPal commissioned Ipsos MORI PayPal Insights 2019. n=22,000 consumers and 4,600 businesses, 11 markets. Interview of adults (aged 18-74) between 23rd July — 25th August 2019.

AUSTRALIA

TOP 3 AUSTRALIAN MARKET TAKEAWAYS

1. The Land Down Under is a country of socially conscious, relatively affluent online shoppers. They’re open to well-priced impulse buys, as well as recommendations by influencers.

Certifications such as Fair Trade for sustainable products provide easily identifiable credentials and are strong purchase motivators. Also, consider outreach to Australian social media movers and shakers in your product category to reach buyers.

2. Australians are technologically savvy, with a penchant for in-app payments and online instalment services.

A mobile-first approach remains the sensible option for many businesses, but if an app is right for you, make it a habit — with a loyalty or rewards programme, app-exclusive sales and deals, and relevant and timely push notifications. Smaller businesses can get up to speed by partnering with turnkey eCommerce partners for things like app development and visual search capabilities.

3. Many cross-border shoppers are concerned about lost packages and long shipping delays.

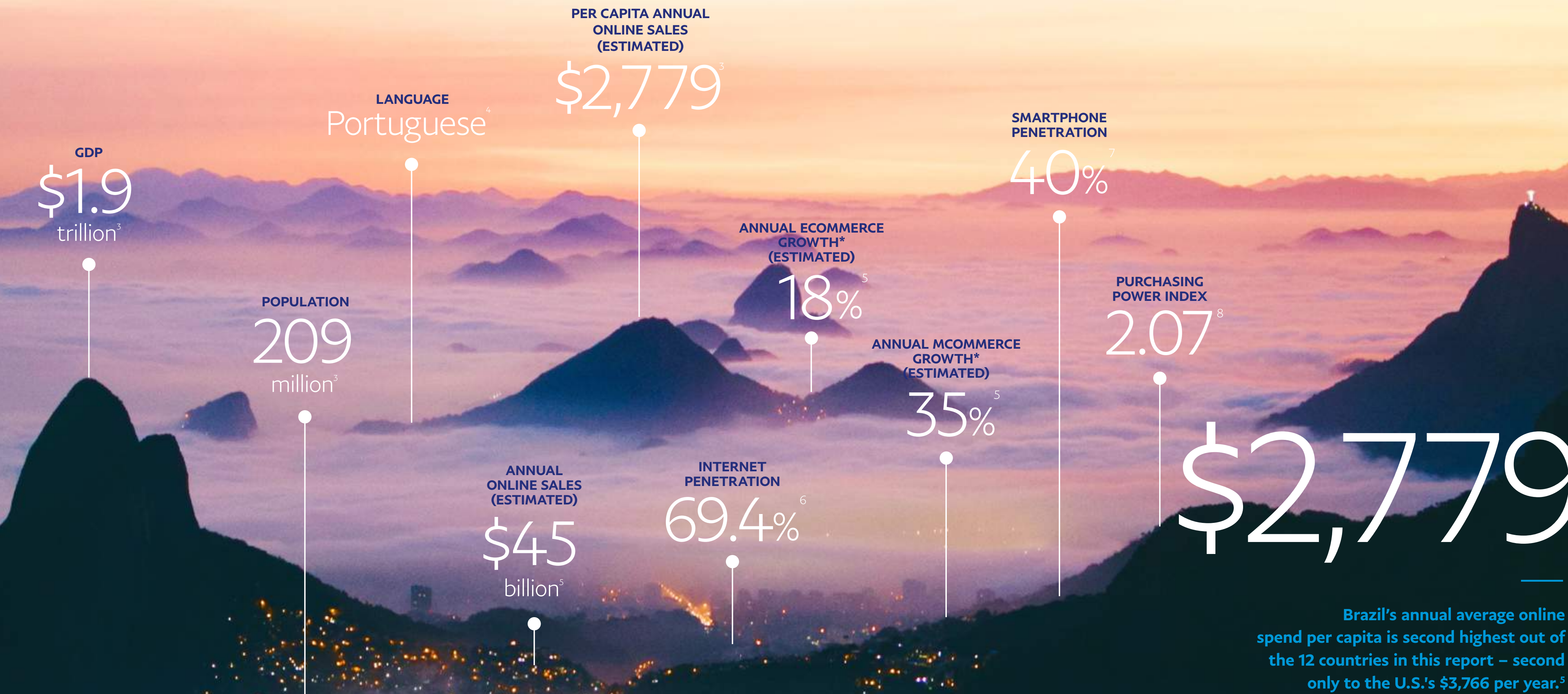
Address their long-distance logistics upfront in all your communications. Put shoppers’ minds at ease, especially during busy holiday shopping seasons, by providing clear estimates of delivery times at purchase, tracking systems with regular updates, and on-site security guarantees.

Brazil may be the **biggest economy** in Latin America — and the ninth largest in the world — but its \$45 billion eCommerce sector has plenty of room to grow.



MACROECONOMIC SNAPSHOT

BRAZIL



1. eMarketer, Retail eCommerce Sales in Brazil, 2011-2019. Published March 26, 2019, based on Ebit (formerly Ebit Informatão). 2. Statista, E-commerce retail sales as a percentage of total retail sales in Brazil from 2018 to 2019. Published by Statista Research Department, April 24, 2020. Based on Câmara Brasileira de Comércio Eletrônico; Compre & Confiar; MCC-ENET. 3. The World Bank Data, World Bank national accounts data, and OECD National Accounts. 2018. 4. CIA World Fact Book, Publications, Languages, Brazil, April 6, 2020. 5. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 6. eMarketer, Internet Users and Penetration in Brazil. April 2020, individuals of any age who use the internet from any location via any device at least once per month. 7. Statista, Brazil: Share of population in Brazil that use a smartphone from 2017 to 2023. Published by Statista Research Department, January 17, 2020. Based on Digital Market Outlook. 8. Statista, E-commerce retail sales as a percentage of total retail sales in Brazil from 2018 to 2019. Published by Statista Research Department, April 24, 2020. Based on Câmara Brasileira de Comércio Eletrônico; Compre & Confiar; MCC-ENET.

*All data 2018 in USD. *Compound annual growth rate.

BRAZIL OVERVIEW

While eCommerce sales grew 15% in 2019,¹ the online retail sector still accounts for just 4.9% of the country's total retail sales.²

However, eCommerce sector looks set for a boost with the recent entrance of international giants like Amazon and eBay to the local market to compete with Brazilian online retailer B2W Group, which currently dominates the country's eCommerce landscape.

With more than 200 million connected smartphones in the country³ — more than one per resident — Brazil presents a unique opportunity to engage with customers. In fact, most cross-border sales are made on smartphones. This, along with higher social media usage on mobile devices, indicates room for significant growth in this dynamic economy.

To sell effectively in Brazil, get to know this country's unique consumer preferences for instalment payments and Boleto Bancário, the national voucher-based payment system.



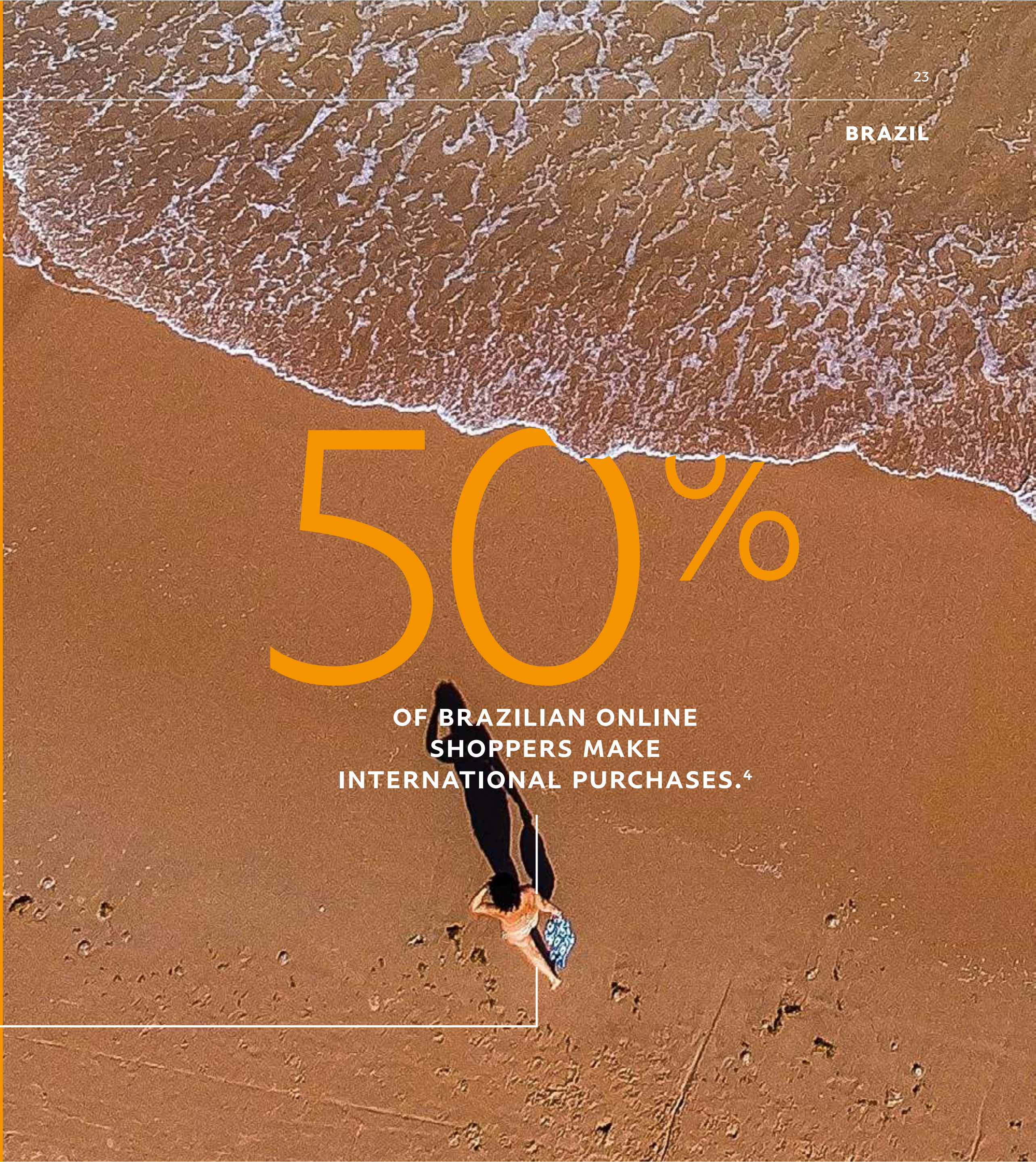
TOP 3 COUNTRIES THAT BRAZILIAN ONLINE SHOPPERS BUY FROM:



BRAZIL

50%

OF BRAZILIAN ONLINE SHOPPERS MAKE INTERNATIONAL PURCHASES.⁴



KEY BUYING DRIVERS IN THE BRAZIL MARKET



BEHAVIOURAL
28%

of Brazilian shoppers cite long delivery times as a key barrier to international purchases.²

High fees and taxes are another obstacle. Goods valued below \$3,000 USD are subject to a 60% import tax and may be subject to a custom clearance fee that can vary by carrier.⁵ International businesses may choose to work with local fulfilment centres and agents to help streamline processes.



CULTURAL
1/3

of Brazilian online shoppers cite payment slips like Boleto Bancário as their preferred payment method for cross-border purchases.²

Customers receive a prefilled voucher slip, which can be paid online or printed and paid physically at bank branches, ATMs or authorised processors such as supermarkets, lottery agencies or post offices. In order to accept Boleto Bancário, international businesses must partner with a local processor to intermediate the payment. Or, focus on the growing use of digital wallets, which also support the large number of unbanked Brazilians.



SEASONAL
43%

of Brazilian consumers shop cross-border more frequently than usual for Black Friday.²

Christmas comes in second place (39%), followed by Mother's Day (15%). As Brazil's eCommerce sector grows, the country's other major retail events may present opportunities for greater online sales. These events include Valentine's Day (celebrated on June 12 in Brazil), Easter, Carnival, Children's Day (October 12), Consumer's Day and Cyber Monday.

BRAZIL

BRAZILIANS LOVE INSTALMENT PAYMENTS

Whether it's a big-ticket item or daily expenses, Brazilian shoppers are used to increasing their purchasing power by paying in instalments.

The practice dates back to the 1950s when crediários (personal loans) became a popular way for retailers to sell products in several instalments.⁶ Customers could make more purchases without the burden of interest, and retailers created a reason for customers to return to their stores.⁶ Instalments proved especially important during times of instability and high inflation, helping retailers grow their businesses despite economic hardship.⁶

Today, in a new time of uncertainty, instalment options may prove to offer the same kinds of benefits to both online and brick-and-mortar retailers.

BRAZILIAN DIGITAL SHOPPING LANDSCAPE



TECHNOLOGY

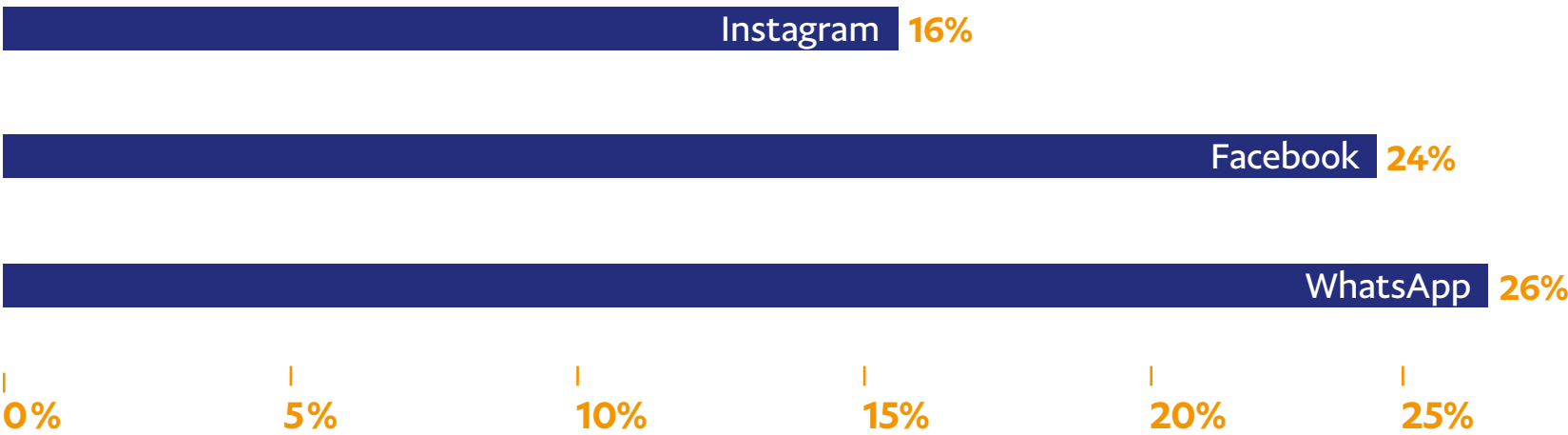
65%

of Brazilian shoppers have made a purchase via smartphone.²

In general, Brazilians are digitally engaged, and become more so every day. Mobile commerce grew 35% in 2019,² largely due to the lift in social media usage on mobile devices. mCommerce sales are projected to reach \$13 billion by 2021.⁵

Social-commerce penetration sits at 43%, compared to the 30% global average,⁴ and the top three social commerce platforms are WhatsApp (26%), Facebook (24%) and Instagram (16%).⁶

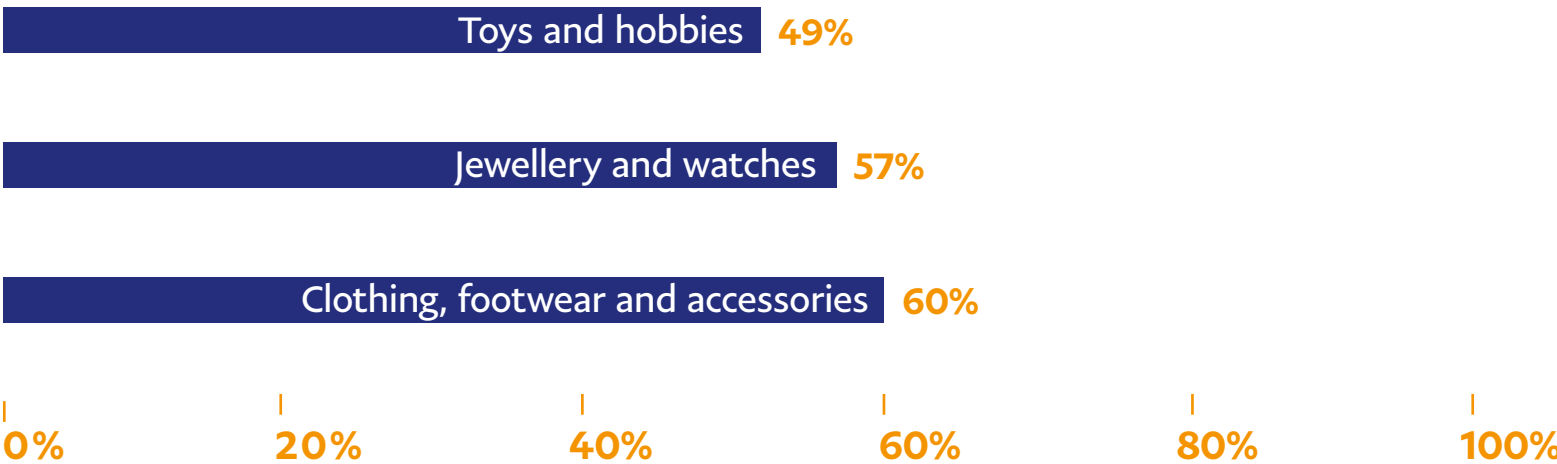
SOCIAL MEDIA PLATFORMS USED TO MAKE A PURCHASE



PayPal commissioned Ipsos MORI PayPal Insights 2019. n=22,000 consumers and 4,600 businesses, 11 markets. Interview of adults (aged 18-74) between July 23—August 25, 2019.

TOP CROSS-BORDER SHOPPING CATEGORIES

Percentage of respondents who shopped in a particular category when buying online across borders.



PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018.

BRAZIL

TOP 3 BRAZILIAN MARKET TAKEAWAYS

1. Instalments are king for Brazilian shoppers. The option is readily available and expected in Brazil, with more than half of shoppers currently paying one off.⁷

Credit and debit cards follow in popularity, followed by Boleto Bancário and digital payment methods. Digital wallets are now trending and able to support Brazil’s significant percentage of unbanked shoppers.

2. Long delivery times are a turn-off for Brazilian cross-border shoppers.

High fees and taxes are also a deterrent, so consider working with local fulfilment centres and agents to help streamline fees and processes. This may be especially critical during popular shopping events such as Black Friday, Christmas and Mother’s Day.

3. mCommerce is growing at an annual rate of 35%² and the lift is driven by the increase in social media usage on mobile devices.

Cross-border businesses can take advantage of the country’s growing interest in mCommerce and make their site future-ready with in-app discounts, mobile-only offers and seamless payment solutions for their Brazilian shoppers.



1. eMarketer, Retail eCommerce Sales in Brazil, 2011-2019. Published March 26, 2019, based on Ebit (formerly Ebit Informação). 2. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 3. Statista, E-commerce retail sales as a percentage of total retail sales in Brazil from 2018 to 2019. Published by Statista Research Department, April 24, 2020. Based on Câmara Brasileira de Comércio Eletrônico; Compre & Confe; MCC-ENET. 4. PayPal commissioned Ipsos MORI PayPal Insights 2019. n=22,000 consumers and 4,600 businesses, 11 markets. Interview of adults (aged 18-74) between 23rd July — 25th August 2019.5. J.P. Morgan 2019 Payments Trends: Global Insight Report. 6. Latin American Business Stories, Why do Brazilians love to pay with instalments? October 10, 2018. 7. SPC Serasa + Confederação Nacional de Dirigentes Lojistas.

China's pace of economic growth may have slowed, but its **massive \$13.6 trillion** economy continues to expand significantly. A proof point is the Chinese eCommerce market, which is the world's biggest, and is growing by a spectacular 29% annually.¹

china



MACROECONOMIC SNAPSHOT

CHINA



China's per capita annual spend is the fourth highest among the 12 countries in this report. But its impact is magnified profoundly as the world's most populous country.¹



1. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 2. The World Bank Data, GDP (Current US\$), World Bank national accounts data, and OECD National Accounts data files 2018. 3. CIA World Fact Book, Publications, Languages. United States, May 20, 2020. 4. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 5. The Organisation for Economic Co-operation and Development, National currency units/US dollar, OECD, 2019. 6. Statista, Number of internet users in China from 2017 to 2023. Published by Lai Lin Thomala, January 24, 2020. Based on Digital Market Outlook. 7. J.P. Morgan Payments Trends — Global Insights Report 2019. E-commerce payments trends: China. All data 2018 in USD. *Compound annual growth rate.

CHINA OVERVIEW

CHINA

China’s huge population holds great potential for cross-border sellers with improving internet penetration into its tier 2 and tier 3 cities beyond Beijing and Shanghai. Add to that the increasing disposable incomes of its upwardly mobile population, with hundreds of millions of Chinese customers already buying from homegrown platforms like Alibaba, JD.com, Pinduoduo and social media sensation WeChat.

Trade tensions with the U.S. and pandemic disruptions aside, China’s big marketplaces have opened up to overseas sellers in recent years. These online shopping meccas welcome businesses who deliver a fast, frictionless customer experience.

While the preferences of Chinese cross-border shoppers range widely, many look for big-name international niche brands, along with limited editions not available locally.



TOP 3 COUNTRIES THAT CHINESE ONLINE SHOPPERS BUY FROM:



KEY BUYING DRIVERS IN THE CHINESE MARKET

CHINA



BEHAVIOURAL
54%

of Chinese online shoppers now use a digital wallet for payments², with popular local providers including Alipay and WeChat Pay dominating the market.

Cards come second, catering to just 21% of transactions, while bank transfers (11%) and cash payments (10%) are becoming rare.

Be mindful of the high risk of cart abandonment in this market.¹ From browsing to buying, Chinese eCommerce shoppers prioritise convenience, speed and security. Be sure you can meet their expectations for innovative experiences that are easy and safe, and seal the deals with one-tap payments.



CULTURAL
84%

of Chinese cross-border shoppers have made purchases from international sites via smartphone.¹

Today's on-the-go Chinese people live on their mobile devices. Almost 75% of all eCommerce sales happen on a mobile device³, making China the world leader in mCommerce, with \$873 billion in annual sales² and 36% predicted annual growth.¹

Security is top of mind for China's online consumers due to the pervasive impact of digitisation on daily life — 43% of cross-border shoppers call out secure payments as a key driver,¹ and 49% of Chinese cross-border shoppers say their preferred payment method is a secure way to pay.¹



SEASONAL
22%

of Chinese consumers shop cross-border more frequently for Singles Day.¹

While the mega-sales event pumps the year's most eCommerce sales into, yes, a single day, the popular extended periods around Christmas, Black Friday and Valentine's Day actually account for more total sales. Chinese New Year also presents a major selling opportunity across categories.

To capture a slice of this vast market, consider your ability to meet demand for stock, which is often needed in very high volumes. Well-known online shopping platforms can help you ensure seamless transactions and secure payments.

SINGLE OR NOT, IT'S TIME TO SHOP

Chinese tech giant Alibaba created Singles Day in 2009 as an anti-Valentine's Day retail occasion for single people to celebrate and treat themselves to discounted goods. Now arguably China's most celebrated online event, it has also been eagerly embraced in many other countries around the world. One decade after its launch, Singles Day generated a whopping \$58 billion worth of sales.⁴ Organisers keep the big event fresh with innovations such as an opening gala and celebrity livestreams luring more prospective customers year after year.

CHINESE DIGITAL SHOPPING LANDSCAPE



TECHNOLOGY

1 billion

people now use Chinese super-app WeChat.⁵

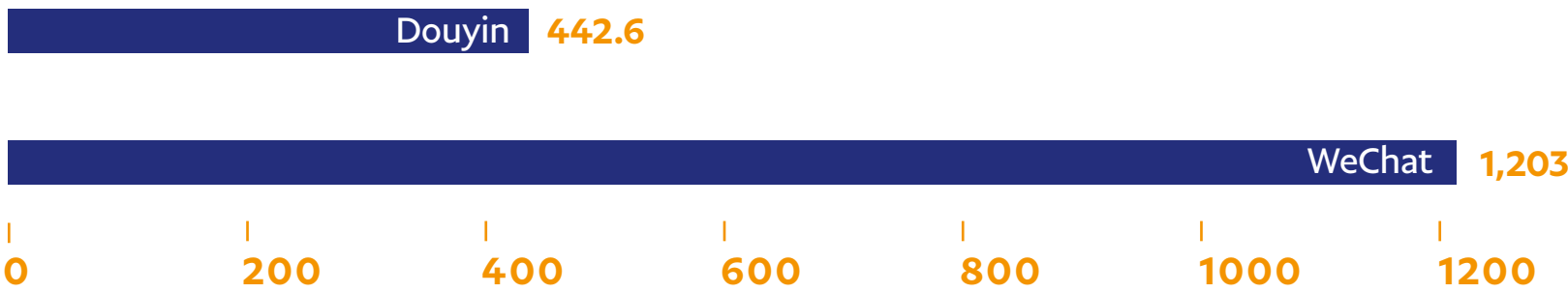
This multipurpose social media powerhouse continues to transform how Chinese people shop, among many other activities.

Although WeChat pioneered 'shoppertainment' to create more meaningful connections between brands and customers, it's just one of several apps with cross-border selling potential.

China's big online shopping platforms focus on controlling the whole value chain — by taking care of logistics, for instance — which simplifies eCommerce for buyers and sellers. JD.com now drops goods by drone to remote rural areas.

MOST USED SOCIAL MEDIA PLATFORMS

by Monthly Active Users (in millions)



Statista, Number of monthly active WeChat users from 2nd quarter 2011 to 1st quarter 2020. Published by Lai Lin Thomala, May 20, 2020. Based on Tencent Q1 2020 Results.
Statista, Number of users of Douyin (Tiktok) in China from 2018 to 2023. Published by Lai Lin Thomala, February 12, 2020. Based on eMarketer.

TOP CROSS-BORDER SHOPPING CATEGORIES

Percentage of respondents who shopped in a particular category when buying online across borders.



PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018.

CHINA

TOP 3 CHINESE MARKET TAKEAWAYS

1. China's eCommerce market is the world's biggest, growing by 29% annually. Shoppers are increasingly using mobile devices to make purchases — 84% have used a smartphone to buy cross-border.¹

China's average \$2,426 annual online spend per capita is powered by the transaction volume of more than 1 billion people, especially as many tier 2 and 3 cities and more remote areas come online — and as the spending power of the rising number of middle-class Chinese consumers grows exponentially.

2. Fast, frictionless and intuitive are three key words for businesses transacting with Chinese customers, whose daily lives typically rely on the convenience of highly networked social media platforms like WeChat.

Sellers must meet the consumers' sophisticated tech expectations in this market where choice abounds. Make sure your site is fast and easy to navigate, quick to make recommendations and able to finalise sales securely with just one tap.

3. China's mega-marketplaces, such as Alibaba, Pinduoduo and JD.com, have opened the way for international sellers, providing ready-made entry points, logistics solutions and payment options in this busy and widespread market.

It's worth taking time to understand this market and its buying preferences. Chinese cross-border shoppers seek out products that are rare or unavailable locally, and they are drawn to globally recognised brands across a broad range of categories, from food and groceries to high-end apparel and beauty products.



1. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 2. J.P. Morgan Payments Trends — Global Insights Report 2019. E-commerce payments trends: China. 3. Statista, Number of internet users in China from 2017 to 2023. Published by Lai Lin Thomala, January 24, 2020. Based on Digital Market Outlook. 4. McKinsey & Company, The innovations behind China's Singles Day shopping phenomenon. Lambert Bu, Lei Xu, and Daniel Zipser, December 3, 2019. 5. Statista, Number of monthly active WeChat users from 2nd quarter 2011 to 1st quarter 2020. Published by Lai Lin Thomala, May 20, 2020. Based on Tencent Q1 2020 Results.

A full-page background image of the Eiffel Tower in Paris, France, during sunset. The sky is a mix of deep blue, purple, and orange. The tower is silhouetted against the bright orange and yellow light of the setting sun. The word "France" is written in large, white, sans-serif font across the middle of the image, with the Eiffel Tower acting as the letter 'F'.

France

The French eCommerce market is growing at a rate of 12% Compound Annual Growth Rate (CAGR)¹ — however, a heavy reliance on discounts can hold some online retailers back.

MACROECONOMIC SNAPSHOT

FRANCE

POPULATION

67
million²

GDP

\$2.8
trillion²

PER CAPITA ANNUAL
ONLINE SALES
(ESTIMATED)

\$2,165¹

ANNUAL
MCOMMERCE
GROWTH*
(ESTIMATED)

34%¹

ANNUAL ECOMMERCE
GROWTH*
(ESTIMATED)

12%¹

ANNUAL
ONLINE SALES
(ESTIMATED)

\$99
billion¹

INTERNET
PENETRATION

88%⁴

SMARTPHONE
PENETRATION

68%⁶

LANGUAGE

French³

PURCHASING
POWER INDEX

0.75⁵

79%

of purchases made by French
online shoppers are made on
a desktop or laptop.¹

FRANCE OVERVIEW

Cross-border businesses must work hard to attract the French shopper, who seeks better deals than they can get domestically, and are driven by low or no shipping costs. They also place high value on security.¹ In fact, the majority of French consumers have yet to make an international purchase, with only two in five proceeding to a cross-border checkout.¹

Mobile commerce adoption is low as well, with only 24% of cross-border purchases made on mobile devices.¹ Cross-border shoppers in France express concern about not receiving their items (14%) or receiving counterfeit items (12%).¹ Website security is one of the top reasons for cart abandonment, cited by 33% of online shoppers.¹

A complex regulatory environment has also deterred many overseas sellers from attempting to crack the French market. That may be about to change with the recent introduction of the Single Euro Payments Area Instant Credit Transfer Scheme, which aims to improve the efficiency of cross-border payments.



TOP 3 COUNTRIES THAT FRENCH ONLINE SHOPPERS BUY FROM:



25
IN

FRENCH ONLINE SHOPPERS MAKE CROSS-BORDER PURCHASES.¹

KEY BUYING DRIVERS IN THE FRENCH MARKET

FRANCE



BEHAVIOURAL
54%

of transactions are still made via card, driven by the domestic interbank payment system, Cartes Bancaires.²

However, cards may soon be surpassed by digital wallets, which are the second-most common payment method in France. Digital wallets account for 21% of transactions, and PayPal is the most popular (17-19%) due to a reputation as a secure way to pay.²

On the other hand, bank transfers are also popular in France — they're the fastest-growing payment method⁵, and mostly used for big-ticket purchases.



CULTURAL
36%

of French online shoppers seek the best deal — cost is one of the key drivers of cross-border purchases.¹

Recent eCommerce growth in France has been spurred by initiatives such as one-off discount days and discount-driven retail.³

Costs of shipping and logistics are a key factor too, with 44% of French consumers surveyed citing high charges as their number one reason for cross-border cart abandonment.¹



SEASONAL
65%

of French holiday shoppers prefer to buy gifts online once holiday crowds appear.⁴

Christmas is the prime shopping occasion, cited by 45% of French consumers as the time they shop cross-border more frequently than usual.¹

Black Friday is also a popular shopping day in France.¹ In order to compete with the Americanised occasion, six of the largest eCommerce players in France recently joined forces to introduce a discounting event called French Days, which runs from April 27 to May 1.⁵

CRAZY FOR CLICK AND COLLECT

Discount-driven consumers are largely responsible for the huge popularity of click and collect in France — the option to buy online and pick up in-store or via drive-thru.⁶ The trend started with grocery shopping and has now expanded to a range of retail items, with French shoppers preferring to collect their purchases rather than pay for home delivery.

For businesses, click and collect reduces the cost and complexity of last-mile delivery. Goods can be delivered to local shops or public spaces for collection, and global businesses are investing in unmanned lockers, where consumers can collect their purchases free of charge.

FRENCH DIGITAL SHOPPING LANDSCAPE



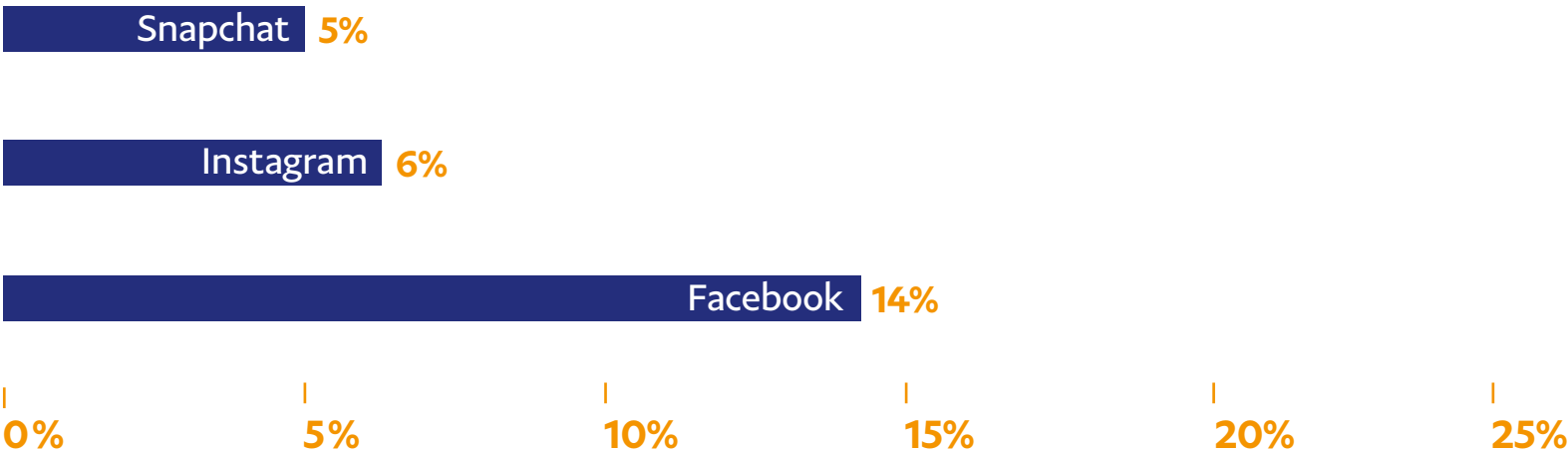
TECHNOLOGY

35%

of French shoppers have made a cross-border purchase by smartphone, surprisingly low for a country with 68% smartphone penetration.²

Low mCommerce uptake may be driven by a cultural backlash against excessive smartphone use. However, businesses would be wise to prepare their mobile strategy — mCommerce in France grew 34% in 2019¹, and the trend is expected to continue. French online retailers are expecting a mobile boom, with 65% creating mobile-optimised payment experiences.⁷

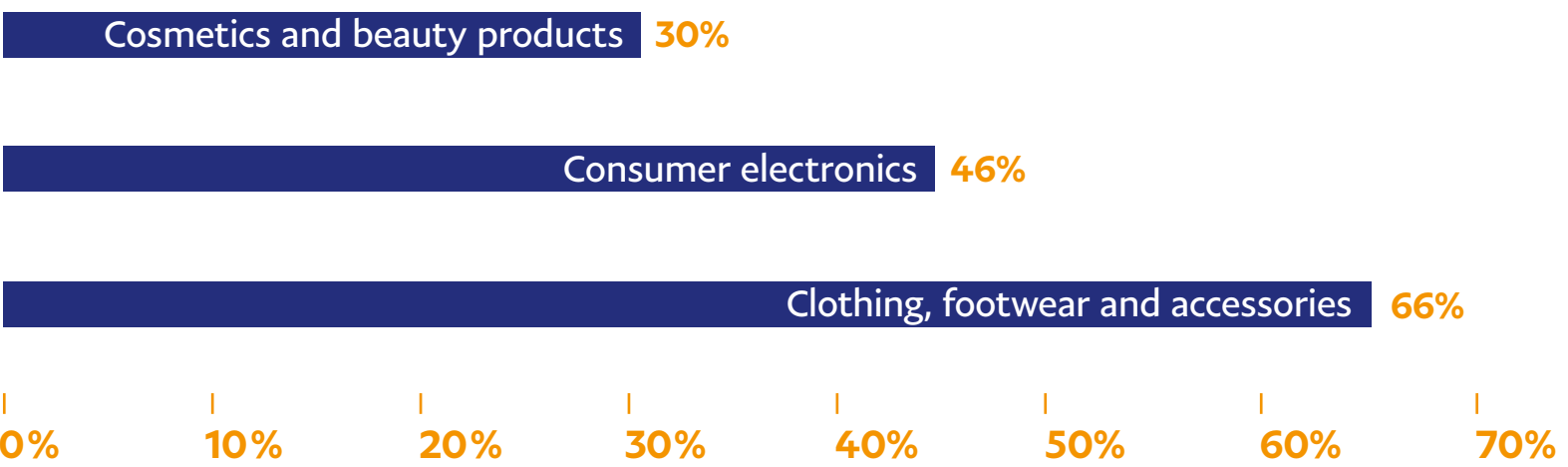
SOCIAL MEDIA PLATFORMS USED TO MAKE A PURCHASE



PayPal commissioned Ipsos MORI PayPal Insights 2019. n=22,000 consumers and 4,600 businesses, 11 markets. Interview of adults (aged 18-74) between 23rd July — 25th August 2019.

TOP CROSS-BORDER SHOPPING CATEGORIES

Percentage of respondents who shopped in a particular category when buying online across borders.



PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018.

FRANCE

TOP 3 FRENCH MARKET TAKEAWAYS

1. Cross-border shoppers in France are concerned about not receiving their purchases or receiving counterfeit items.

Collaborating with payment solution providers to offer insurance and protection should help to allay these concerns and boost the confidence of French cross-border shoppers.

2. Know how to capture buyer attention in this market. Discount sites are common, and high-quality site localisation will help you connect with the country's majority non-English-speaking shoppers.

France is home to the world's biggest flash sales site, Veepee, making this type of online discount particularly familiar. Finally, remember that when it comes to holidays, French shoppers tend to start early — run your promotions accordingly.

3. mCommerce is on the rise in France, and the trend is expected to continue.

Now is the time to prepare your mCommerce strategy — in-app discounts and mobile-only offers can appeal to discount-driven French shoppers. Keep in mind that mobile shoppers also expect a seamless payment solution. In fact, two of the top challenges that keep French shoppers from purchasing via mobile are difficulties with navigation (37%) and payment problems (29%).⁷



1. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 2. J.P. Morgan 2019 Payments Trends — Global Insights Report. E-commerce Payments Trends: France. 3. FEVAD, Bilan 2017 du e-commerce en France: les ventes sur internet en hausse de 14% sur un an, 2018. 4. Lengow blog, E-commerce and Christmas: Three countries compared. Published by Adrian Gmelch, December 12, 2020. 5. ECommerce News, Europe. French retailers launch shopping event French Days, April 19, 2018. 6. JLL, Why France's retailers love click and collect, October 18, 2018. 7. PayPal commissioned Ipsos MORI PayPal Insights 2019. n=22,000 consumers and 4,600 businesses, 11 markets. Interview of adults (aged 18-74) between 23rd July — 25th August 2019.

Germany

As the world's fourth-largest economy with modest but stable growth, Germany has the **eighth largest eCommerce market** in Europe¹ — and it's expanding at a healthy pace.



MACROECONOMIC SNAPSHOT

GERMANY



1. Statista, Online shopping market size in 25 countries in Europe in 2019. Published by Raynor de Best, May 19, 2020. Based on ECommerce Foundation. 2. The World Bank Data, GDP (Current US\$). World Bank national accounts data, and OECD National Accounts data files. 2018. 3. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 4. CIA World Fact Book, Publications, Languages. United States, May 13, 2020. 5. J.P. Morgan Payments Trends — Global Insights Report 2019. E-commerce payments trends: Germany. 6. The Organisation for Economic Co-operation and Development, National currency units/US dollar, OECD, 2019. All data 2018 in USD. *Compound annual growth rate.

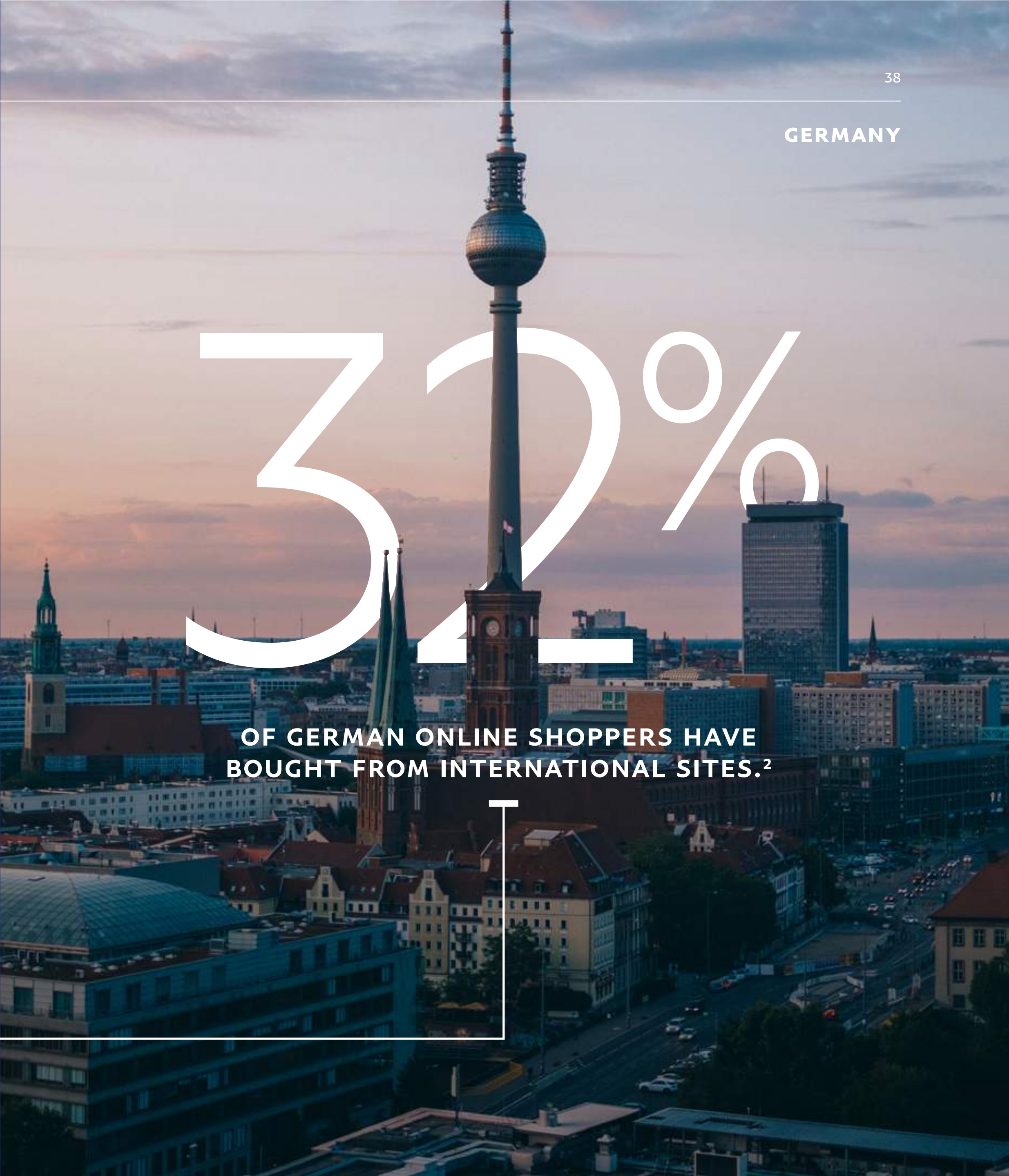
GERMANY OVERVIEW

High internet penetration allows many Germans to shop online, and the population’s historical dedication to buying by mail order has made its transition to eCommerce relatively smooth. However, they are not so quick to move on mCommerce. Although 71% of Germans own smartphones¹, mCommerce growth sits at 33%² — almost on par with the global average — so there’s plenty of potential to grow this market. It’s worth noting 77% of online cross-border purchases are still made via a desktop computer in Germany.²

Typically, German online shoppers are loyal to big international marketplaces with a local presence, like Amazon, Zalando and Otto. Only about one in three shop cross-border, and they cite concerns about security as one of their main reasons for cart abandonment.²



TOP 3 COUNTRIES THAT GERMAN ONLINE SHOPPERS BUY FROM:



32% OF GERMAN ONLINE SHOPPERS HAVE BOUGHT FROM INTERNATIONAL SITES.²

KEY BUYING DRIVERS IN THE GERMAN MARKET

GERMANY



BEHAVIOURAL
26%

of eCommerce payments in Germany are made using digital wallets.¹

While Germans prefer bank payments for safety reasons, they can't always use them. Girocard, the largest debit card system in Germany, is not enabled for online shopping.

Germans also like digital wallets for their security features and their ability to integrate with bank accounts. PayPal is by far the most trusted payment method for cross-border purchases, as cited by 64% of German shoppers.²



CULTURAL
53%

of German online shoppers returned at least one item in 2018.¹

This is a legacy from pay-later mail-order days — and many also still prefer to pay after receiving goods. What's more, free shipping and free returns are likely expectations.

Catering to these preferences adds costs for businesses, even more so for those selling cross-border. Risks lurk in the possibility of non-payment and the extra time and effort spent reconciling invoices.

Businesses keen to sell in this market may consider building these costs into the asking price for products.



SEASONAL
23%

of German consumers shop cross-border more frequently for Christmas. Many also seek out bargains during Black Friday sales.²

Seasonal sales, including Easter, Valentine's Day, Mother's Day and Father's Day, are also popular.

In particular, buying spikes are seen around the country's major festivals, like Oktoberfest in Munich, and Reeperbahn, an annual music event in Hamburg.

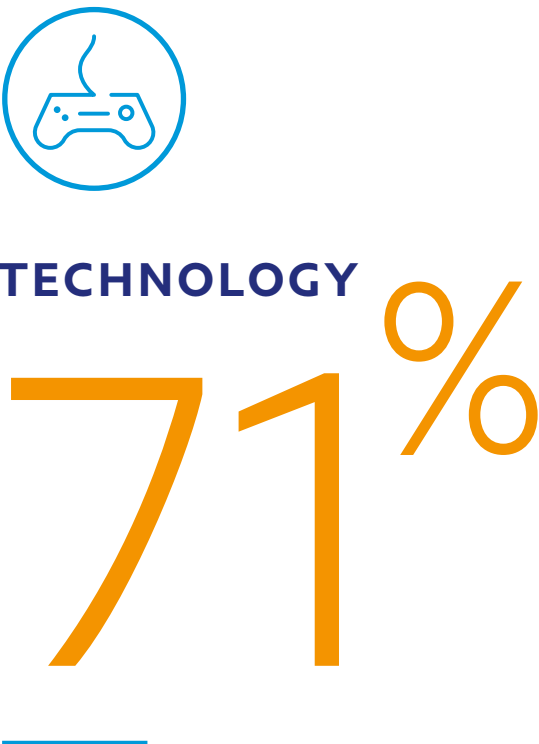
Familiarity with the calendar of German festivities — and there are many — offers many promotional cues for international sellers.

HOW MAIL-ORDER SHOPPERS WENT DIGITAL

Otto, the 70-year-old German retailing giant, is credited with whetting shoppers' appetites for eCommerce by promoting the habit of mail-order buying. For decades, German shoppers enjoyed browsing Otto's printed catalogues, ordering by phone and having goods delivered to their doorsteps.

Despite the continuing popularity of mail order in Germany, 2019 was the end of Otto's printed catalogue — some 656 pages long — after 97% of store purchases were made via its website in the previous year, in line with the generational trends.⁴ However, old habits die hard: many online shoppers still love paying upon invoice, as they did or continue to do with mail order.¹

GERMAN DIGITAL SHOPPING LANDSCAPE



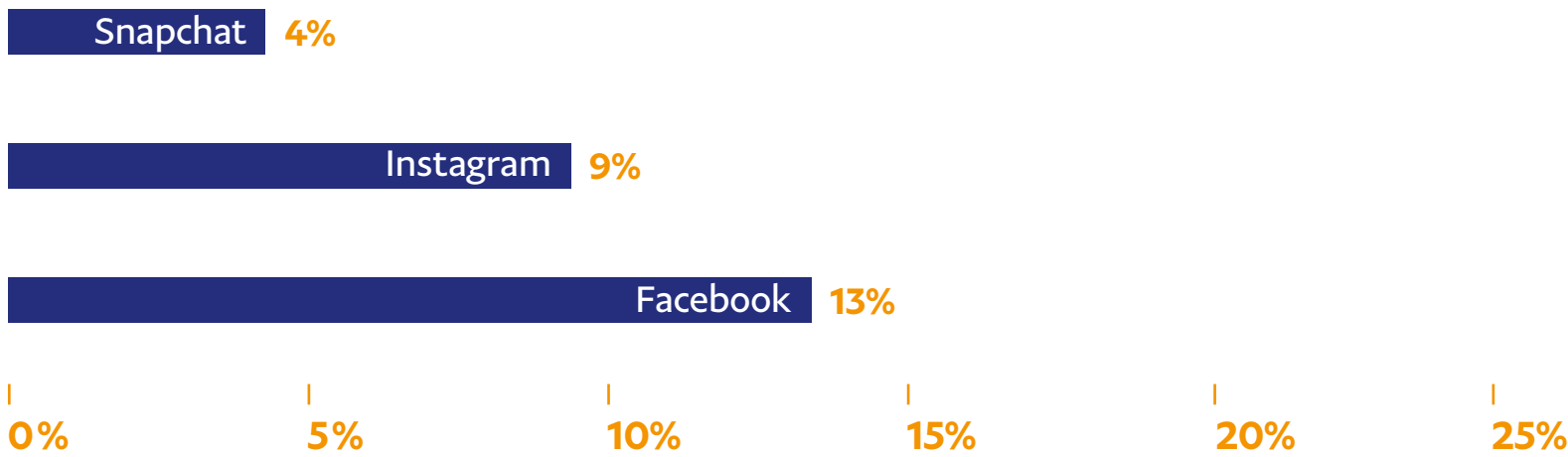
of Germans own a smartphone¹, but mCommerce adoption in this country is still sluggish.

Only 23% of cross-border purchases happen on mobile devices.² Security concerns are a likely reason.

Germany has one of the highest incidences of eCommerce fraud in Europe at 3%¹, a figure that's expected to decrease with the recent arrival of smart online security tools like 3D Secure.

Entice prospective customers to buy by assuring them their payment solutions are safe. Having a secure way to pay is a dealmaker for 30% of German cross-border shoppers.²

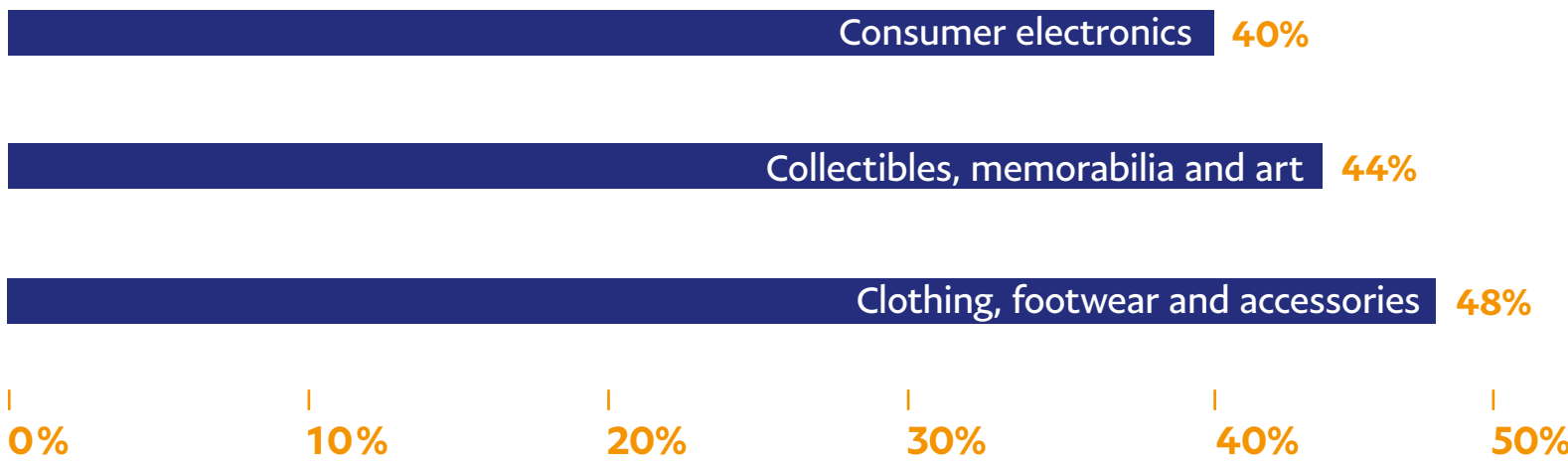
SOCIAL MEDIA PLATFORMS USED TO MAKE A PURCHASE



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TOP CROSS-BORDER SHOPPING CATEGORIES

Percentage of respondents who shopped in a particular category when buying online across borders.



PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018.

GERMANY

TOP 3 GERMAN MARKET TAKEAWAYS

1. Germany ranks as Europe's eighth largest eCommerce market⁵ with annual online sales of almost \$91 billion — and growth is steady at 12.6%.²

A substantial volume of online purchases is still made via desktop computers, and the German mCommerce market has been slow to take off. But this trend may soon change as smartphone penetration is 71%.¹ In addition, 60% of digital shoppers are now in the 18—34 age bracket.⁶

2. The German population's historical dedication to buying by mail order has made its transition to eCommerce relatively seamless.

However, a raft of customer expectations from mail-order days linger on, with many German online shoppers still preferring to pay after receiving the goods. eCommerce customers generally seek the lowest prices and expect free shipping for purchases and returns.

3. Almost a third of German eCommerce shoppers have bought from international sites, but cross-border sales can be hindered by customer concerns about security.²

One in three online shoppers cite security as one of their main reasons for abandoning a cart while shopping cross-border. A significant number also choose to pay using digital wallets for security reasons. PayPal is the dominant payment method, used by 75% of cross-border online shoppers in the past 12 months.²



1. J.P. Morgan Payments Trends — Global Insights Report 2019. E-commerce payments trends: Germany. 2. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 3. The World Bank Data, GDP (Current US\$). World Bank national accounts data, and OECD National Accounts data files. 2018. 4. Signifyd, What does killing Otto's catalog say about retail's digital transformation? Published by Digna Brand, January 10, 2019. 5. Statista, Online shopping market size in 25 countries in Europe in 2019. Published by Raynor de Best, May 19, 2020. Based on ECommerce Foundation. 6. eMarketer, Germany is Western Europe's second-Largest eCommerce Market, Behind UK. Published by eMarketer Editors, July 21, 2019.

India

Fuelled by government policies, rapid digital transformation and rising disposable income, India is among the world's **fastest-growing internet economies.¹**

MACROECONOMIC SNAPSHOT

INDIA

POPULATION
1.35
billion²

GDP
\$2.7
trillion²

ANNUAL ONLINE SALES
(ESTIMATED)
\$77.7
billion¹

LANGUAGES
Hindi, Bengali,
Marathi, Telugu³

PER CAPITA ANNUAL
ONLINE SALES (ESTIMATED)
\$1,272¹

ANNUAL ECOMMERCE
GROWTH* (ESTIMATED)
42%¹

INTERNET
PENETRATION
34%²

SMARTPHONE
PENETRATION
29%⁴

ANNUAL MCOMMERCE
GROWTH* (ESTIMATED)
57%¹

PURCHASING
POWER INDEX
18.4⁵

34%
of Indians use the internet,
indicating a nation with
huge unrealised potential.¹



1. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March – May 2018. 2. The World Bank Data, GDP (Current US\$), World Bank national accounts data, and OECD National Accounts data files, 2018. 3. CIA World Fact Book, Publications, Languages, United States, May 20, 2020. 4. eMarketer, Smartphone Users and Penetration in India, 2017-2022, April, 2018. 5. The Organisation for Economic Co-operation and Development, National currency units/US dollar, OECD, 2019. All data 2018 in USD. *Compound annual growth rate.

INDIA OVERVIEW

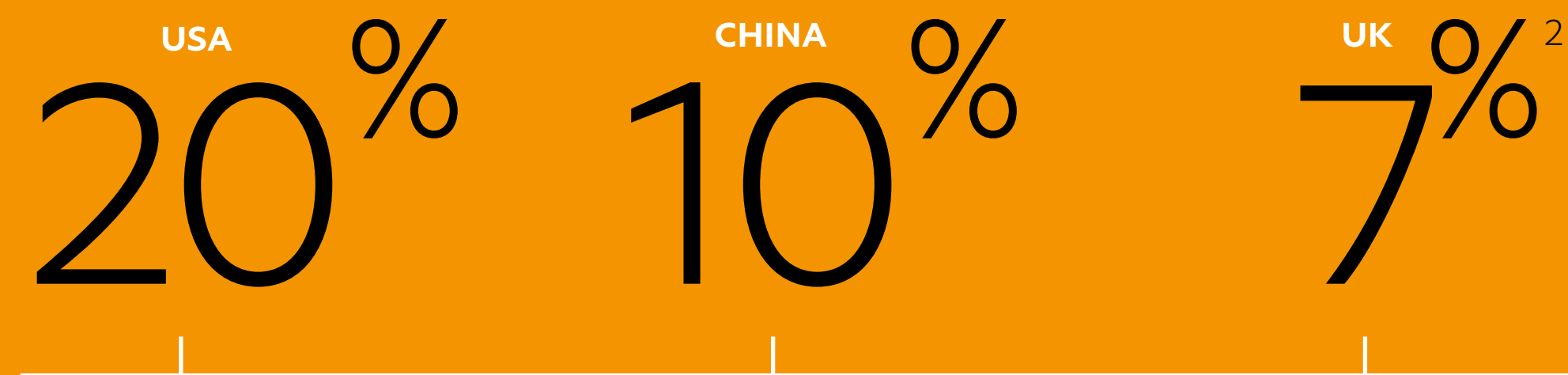
The country's low internet penetration rate of 34%¹ leaves plenty of runway, and eCommerce growth was bounding ahead at 42% in 2019.² India is a young country — the average age is less than 30 — and inexpensive smartphones and data plans are feeding this tech-savvy generation.³

While cross-border purchases remain low, a strong link can be seen between international sales and mobile penetration. Of the one in three Indian online shoppers who purchased something abroad, 84% used a smartphone.²

Proof of authenticity is important to 41% of surveyed Indian online shoppers, showing a wary eye towards seller claims.² India represents great opportunities for international businesses who can validate their claims — especially those with smart pricing strategies and a promise of buyer protection.



TOP 3 COUNTRIES THAT INDIAN ONLINE SHOPPERS BUY FROM:



1 IN 3

INDIAN ONLINE SHOPPERS
HAVE PURCHASED FROM
OVERSEAS.²



KEY BUYING DRIVERS IN THE INDIA MARKET



BEHAVIOURAL
29%

of all online transactions are made via card — and the number is rising, largely due to the shrinking demand for cash following the country’s demonetisation initiative.³

Digital wallets like PayPal are also proving a popular payment solution and comprise 25% of all eCommerce payments.³ While cash payments are a declining trend, they still represent 17% of all transactions due to reliance on cash-on-delivery methods to reach rural communities and people who are unbanked.³ However, traditional delivery services have presented challenges for many e-retailers, with nearly 33% of cash-on-delivery orders not being delivered.⁴ Marketplaces such as Amazon, Flipkart and Big Basket no longer offer the option.



CULTURAL
23%

of Indian online shoppers are put off by the process of returning products purchased overseas.²

They are also deterred by higher costs associated with logistics (28%), taxes and fees (24%) and currency conversion (20%).² International businesses that incorporate logistics into the product price, offer free shipping, a minimum purchase value or buyer protection via a trusted payment solutions provider like PayPal may have an advantage.

The number-one driver for Indian cross-border sales is having costs shown and payment options available in local currency — cited by 42% of shoppers.² Additionally, any methods you can include on your site to verify product dimensions, sizing, colour and other variables prior to purchase may help.



SEASONAL
48%

of Indian consumers shop cross-border more frequently for Christmas,² despite Christians comprising just 2.3% of the country’s population.⁵

This is followed by Diwali (46%), the Hindu festival of lights, and seasonal sales (33%) like Valentine’s Day (30%) and International Women’s Day (25%).²

India is a focus of attention for marketplaces like Amazon and Flipkart, which have established their own shopping festivals with the potential to rival eCommerce events such as Singles Day in China.

INDIA

CASH IS NO LONGER KING

In November 2016, the Indian government launched a demonetisation initiative in a bid to crack down on the flow of illegal funds hidden from tax authorities. Economic disruption ensued, with 86% of the currency in circulation rendered invalid.⁶ However, the demonetisation policy did accelerate India’s move towards a cashless economy. Card transactions grew by 136%, digital wallet usage increased by 72%, and eCommerce shopping spiked 405%.⁷

More recent government actions, such as driving the Merchant Discount Rate (MDR) to zero in 2019, establish rigour in the country’s journey towards a cashless economy, but introduce concern that incentives for further investment by payments providers have been eliminated.⁸

Nevertheless, the total transaction value of digital payments in India is expected to continue growing at an annual rate of 19.5%, reaching a value of nearly US \$141B by 2024.⁹

INDIAN DIGITAL SHOPPING LANDSCAPE



TECHNOLOGY

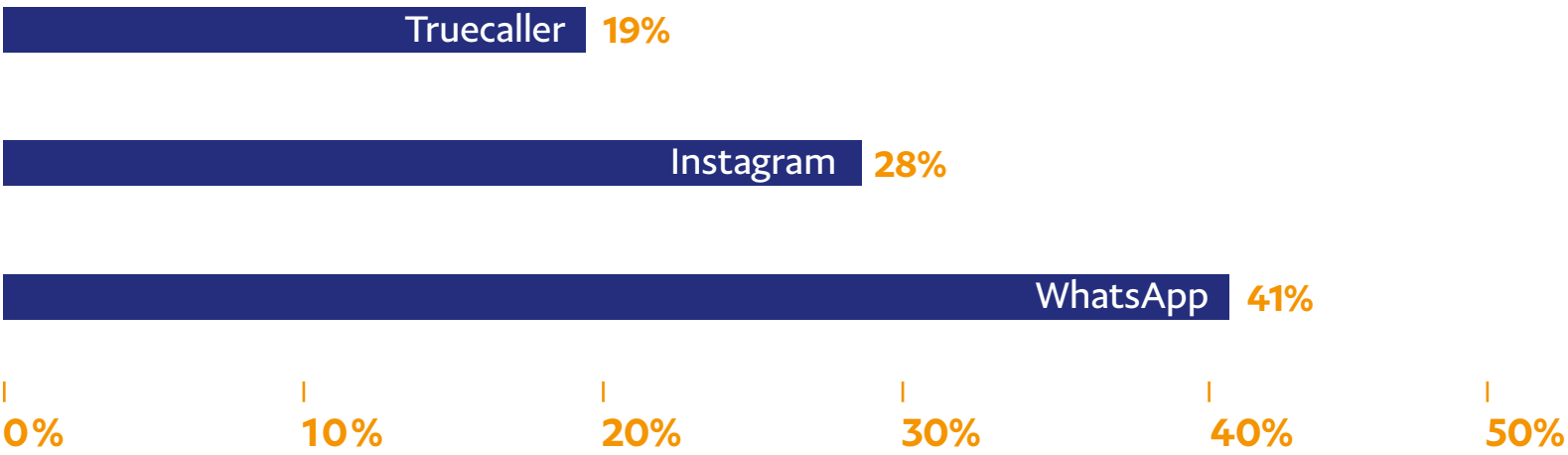
59%

of shoppers in India purchase or pay via social media at least once per week.¹⁰

This figure aligns with the high overall social commerce purchasing adoption rate in India in the past 6 months — 57% compared to the global average of 30%¹⁰ — a development generally associated with the popularity of WhatsApp Business. India accounts for about one-fifth of the platform’s 5 million small business users globally.¹¹

India is a leader in app-based payments, which account for more than 82% of all mCommerce sales.³ Top-rated shopping apps like Amazon, Flipkart and Myntra lead the way. To capture shopper attention in India, a compelling app experience is critical.

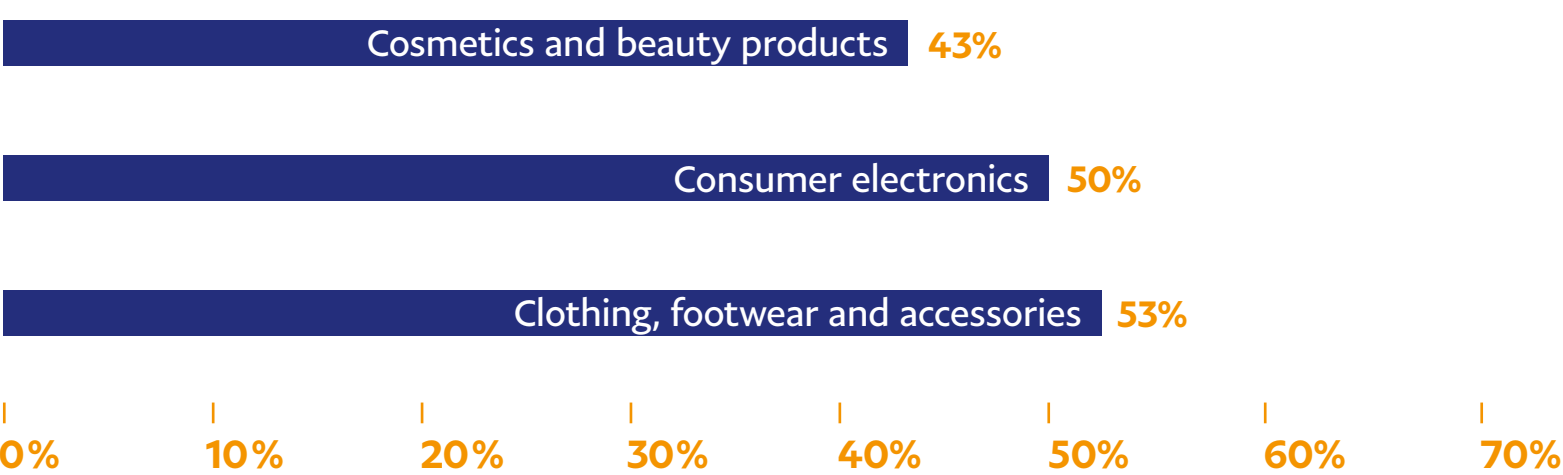
SOCIAL MEDIA PLATFORMS USED TO MAKE A PURCHASE



PayPal commissioned Ipsos MORI PayPal Insights 2019. n=22,000 consumers and 4,600 businesses, 11 markets. Interview of adults (aged 18-74) between 23rd July — 25th August 2019.

TOP CROSS-BORDER SHOPPING CATEGORIES

Percentage of respondents who shopped in a particular category when buying online across borders.



PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018.

INDIA

TOP 3 INDIAN MARKET TAKEAWAYS

1. mCommerce is driving cross-border sales in India — of the one in three Indian online shoppers who have purchased from international businesses, 84% used a smartphone.²

Increasing mobile penetration, along with cheap mobile-internet packages, looks set to boost both mCommerce and cross-border sales. Leverage the growth with mobile-friendly websites, mobile-only offers, in-app discounts and seamless payment solutions.

2. While Indian shoppers generally equate foreign goods with high quality and authenticity, they also associate cross-border shopping with higher costs and complex international returns processes.

Address these concerns by incorporating logistics into the product price or offering free shipping on a minimum purchase value. A trusted payment solution provider like PayPal will also ensure buyer protection through refunds and product-return support.

3. India's eCommerce sector was growing by 42% in 2019², with shoppers frequently making purchases via social platforms.¹⁰

India presents huge potential for cross-border sellers — especially those who develop a seamless payment experience. While in-app payments are underutilised, the popularity of social commerce in India suggests this may change. Prepare for take-off by integrating payment solutions like PayPal Checkout with your app.



1. The World Bank Data, GDP (Current US\$). World Bank national accounts data, and OECD National Accounts data files. 2018. 2. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 3. J.P. Morgan Payments Trends — Global Insights Report 2019. E-commerce payments trends: India. 4. News18 Business, One out of three cash-on-delivery orders in India remains undelivered: report. November 11, 2019. 5. Office of the Registrar General & Census Commissioner, Religion, India. 6. Impact of Demonitisation on Household Consumption in India, Sagar Wadhwa. November 27, 2019. 7. Forbes, India's Demonetisation Drive: A necessary jolt towards a more digital economy? September 1, 2018. 8. Times of India, E-payments industry counts the costs after zero MDR jolt, February 24, 2020. 9. Statista, Digital Payments India. Transaction value, May 2020. 10. PayPal commissioned Ipsos MORI PayPal Insights 2019. n=22,000 consumers and 4,600 businesses, 11 markets. Interview of adults (aged 18-74) between 23rd July — 25th August 2019. 11. Economic Times, How WhatsApp Business has become a popular tool for micro enterprises. Published by Shelley Singh, September 16, 2019.

Japan boasts one of the world's largest economies, **with GDP nudging \$5 trillion.¹** However, its pace of growth at 0.8%¹ is relatively slow, and online sales are increasing by a modest 6.2% CAGR.²



MACROECONOMIC SNAPSHOT

JAPAN



1. The World Bank Data, GDP (Current US\$), World Bank national accounts data, and OECD National Accounts data files, 2018. 2. J.P. Morgan 2019 Payments Trends — Global Insights Report, E-commerce Payments Trends: Japan. 3. CIA World Fact Book, Publications, Languages, United States, May 14, 2020. 4. PayPal commissioned Ipsos MORI PayPal Insights 2018, n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 5. Statista, Internet penetration in selected Asian countries as of June 2019, by country. Published by Molly Moore, August 21, 2019. Based on Internet World Stats. 6. The Organisation for Economic Co-operation and Development, National currency units/US dollar, OECD, 2019. 7. Japan Ministry of Economy, Trade and Industry, Commerce and Information Policy Bureau, Information Economy Division, Infrastructure Development for data-driven society in Japan, May 2019. 8. Statista, Penetration rate of smartphones in Japan from 2013 to 2018, n= 42,744, household member aged 6 years and older. Published by Statista Research Department, January 6, 2020. All data 2018 in USD. *Compound annual growth rate.

JAPAN OVERVIEW

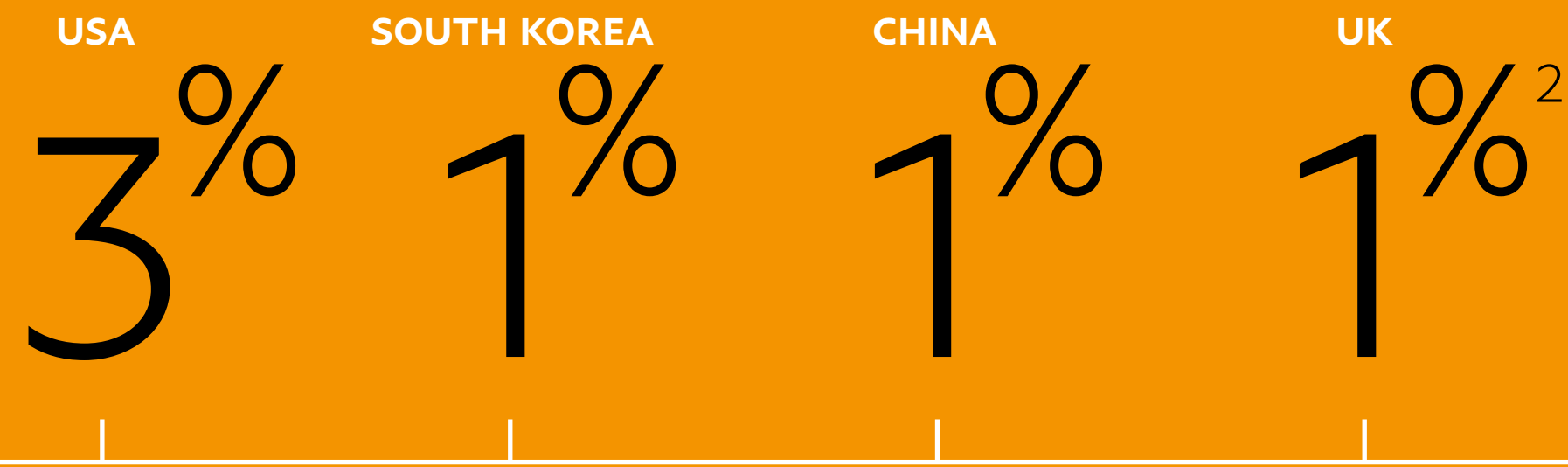
Japan stands out as a tech-savvy nation, but its eCommerce growth has been slowed by an ageing population — 28.8% of the population is 65 or older.¹ Nevertheless, mCommerce looks set to gain more traction. In fact, 32% of mobile shoppers make mobile purchases online at least once per week.

Japanese consumers shop online often — 91% made online purchases in a recent 12-month period — and the country’s most popular platforms are Rakuten, Yahoo Shopping and Amazon Japan.¹ However, only 6% of shoppers have made cross-border purchases, largely due to concerns about security and receiving their items.²

Since 99% of the population speaks only Japanese³, cross-border businesses who include language translation features on their platform have a clear advantage — 24% of shoppers in Japan say that having customer support in their native language is a top driver for cross-border shopping.²



TOP 3 COUNTRIES THAT JAPANESE ONLINE SHOPPERS BUY FROM:



91%

OF JAPANESE CONSUMERS HAVE SHOPPED ONLINE, BUT ONLY 6% HAVE PURCHASED FROM INTERNATIONAL SITES.⁴

KEY BUYING DRIVERS IN THE JAPAN MARKET



BEHAVIOURAL
65%

of online payments in Japan are made by card, the number one payment form, followed by bank transfers known as ‘furikomi’.¹

Cash remains a popular payment method, accounting for 13% of all transactions.¹

Japanese consumers are concerned about security — 28% say it’s their number one barrier to shopping on a mobile device.⁵ Security concerns are contributing to the growth of digital wallets such as PayPal and Yahoo Wallet.

Finally, consumers appear to be more considered in their purchasing decisions — only 12% of Japanese mobile shoppers purchase on impulse, almost half the global average.⁵



CULTURAL
99%

of the population speaks only Japanese, which gives local e-commerce players an advantage.³

Language translation sites like Google Translate are helping to level the playing field for international businesses. However, website localisation will go a longer way to meeting shoppers’ needs. Almost one in four Japanese consumers cite native language support as a key potential driver for cross-border shopping, though free shipping is slightly more important (26%).²

In addition, businesses may consider adapting their website design to a denser, text-heavy visual online style in Japan, which reflects a shopper preference for product information over white space.¹



SEASONAL
21%

of Japanese consumers shop cross-border more frequently than usual for Christmas, followed by Black Friday (9%) and Valentine’s Day (9%).²

eCommerce retailers can also gain traction from local events, such as White Day, celebrated on March 14, when men who received a gift on Valentine’s Day return the favour a month later.

While Japanese consumers celebrate a secular Christmas with treats, decorations and sales, the main gift-giving occasion of the winter season is Oseibo, which takes place from early to mid-December.

April is a time of new beginnings in Japan, as the start of both the school year and the new business year. It’s a popular month for back-to-school sales, with Amazon and Rakuten launching major campaigns.

JAPAN

JAPAN’S ‘CASHLESS VISION’ INITIATIVE

As part of a nationwide digital transformation initiative aimed at updating its paper-based government, Japan’s Ministry of Economy, Trade and Industry (METI) is leading a concerted effort to increase cashless payments in the country to 40% of all transactions by 2025.⁶ A major experimental project is now underway in Fukuoka using QR codes throughout the city.⁴ In February, a METI-sponsored national assembly of young entrepreneurs featured all-cashless exhibits.⁷

This national focus, coupled with the recent pandemic-related surge in digital wallet adoption worldwide, could converge favourably to support METI’s goals of boosting convenience and security, and aligning the country with other technologically advanced nations. If you’re thinking of selling in Japan, keep an eye on this space.

JAPANESE DIGITAL SHOPPING LANDSCAPE



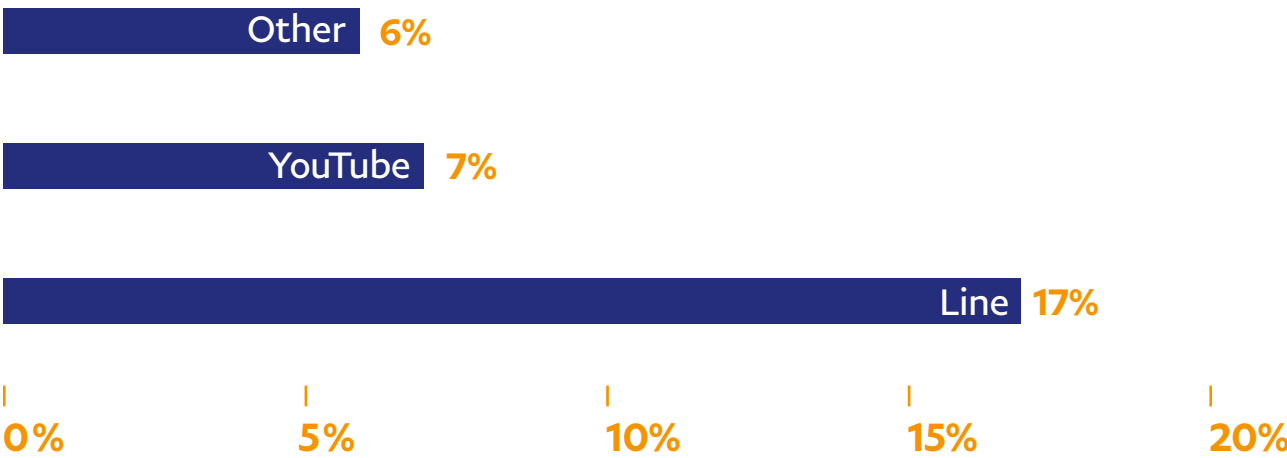
TECHNOLOGY

76%

of consumers have used a smartphone to pay online, but only 49% of businesses have a mobile-optimised site or app.⁵

This reveals a significant gap, one in which current investments in mobile infrastructure may decrease. Meanwhile, 25% of Japanese shoppers pay via app weekly, with the most popular purchase category being food and drink, as well as clothing and accessories.⁵ In fact, online fashion stores appear to be early adopters of emerging mobile technology. For example, Uniqlo is testing AI-enabled app features such as product recommendations and voice-activated customer service.¹

SOCIAL MEDIA PLATFORMS USED TO MAKE A PURCHASE



PayPal commissioned Ipsos MORI PayPal Insights 2019. n=22,000 consumers and 4,600 businesses, 11 markets. Interview of adults (aged 18-74) between July 23—August 25, 2019.

TOP CROSS-BORDER SHOPPING CATEGORIES

Percentage of respondents who shopped in a particular category when buying online across borders.



PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018.

JAPAN

TOP 3 JAPANESE MARKET TAKEAWAYS

1. While cards and bank transfers remain the most popular online payment methods, increasing concerns about security are accelerating the adoption of digital wallets.

Almost 30% of consumers say security/trust issues are the number one barrier to interacting with a business on a mobile device⁵, so it pays to partner with a reputable payment solution provider like PayPal, which uses data encryption and complies with PCI standards to protect buyers and sellers.

2. Japan’s single-language culture can limit cross-border sales as shoppers feel a lack of support in their native language.

International businesses should consider investing in Japanese language-enabled eCommerce sites or collaborating with Japanese platforms to reach Japan’s online consumers. This is a crucial benefit for 74% of Japanese shoppers who say they would not feel comfortable buying from a foreign site that is not in their native language.²

3. There’s a gap between mCommerce demand and business readiness for it, but new public and private investments in mobile infrastructure and technology hope to address it.

Consumer appetite for mobile payments is clear — 45% of Japanese online shoppers prefer mobile payments, and one-third make a mobile purchase at least weekly.⁵ A national government initiative towards ‘digital transformation’ and a ‘cashless vision’ is now underway, alongside significant industry investments in mobile innovations that aim to close the gap.



1. J.P. Morgan 2019 Payments Trends — Global Insights Report. E-commerce Payments Trends: Japan. 2. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 3. GlobalSecurity.org, Japanese Language. 4. The World Bank Data, GDP (Current US\$), World Bank national accounts data, and OECD National Accounts data files. 2018. 5. PayPal commissioned Ipsos MORI PayPal Insights 2019. n=22,000 consumers and 4,600 businesses, 11 markets. Interview of adults (aged 18-74) between 23rd July — 25th August 2019. 6. METI Journal in the Japan Times, Cashless payment changing Japan. December 14, 2018. 7. METI, State Minister Matsumoto Attends the National Assembly of Young Entrepreneurs Group of the Japan Chamber of Commerce and Industry Held in Numazu City, Shizuoka Prefecture, February 25, 2020.

Mexico, the world's **15th largest economy** and the second largest in Latin America¹, is a rising economic power. Its fast-growing eCommerce sector is driven by increasing internet and smartphone use, especially by Gen Z and millennial shoppers, who make up 60% of the population.²

Mexico

MACROECONOMIC SNAPSHOT

MEXICO



21%

Mexico's eCommerce growth rate outpaces the global average of 17%.⁴

MEXICO OVERVIEW

Mexicans enjoy social media, in particular Facebook, and embrace buying on social sites — a factor behind the country’s rapidly climbing mCommerce trajectory.

While many Mexicans live in remote locations and do not have bank accounts, such limitations are countered by promising online shopping growth indicators. Plus, major companies like convenience store chain OXXO™ have found clever ways to facilitate eCommerce with last-mile delivery and payment solutions.

Research shows secure transactions and low- or no-cost shipping are key to getting sales over the line with Mexico’s cross-border shoppers.¹ Additionally, ability to pay in local currency is often a dealmaker — 86% of Mexican cross-border shoppers prefer it.¹



TOP 3 COUNTRIES THAT MEXICAN ONLINE SHOPPERS BUY FROM:

USA
51%

CHINA
27%

JAPAN
9%¹



MEXICO

31%

OF CROSS-BORDER PURCHASES ARE MADE VIA SMARTPHONE.¹



KEY BUYING DRIVERS IN THE MEXICAN MARKET

MEXICO

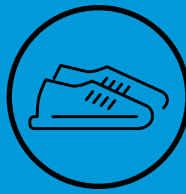


BEHAVIOURAL
40%

of Mexican online shoppers have abandoned their cart because shipping costs were too high, and 45% are more likely to buy if shipping is free.¹

eCommerce growth is strong, especially via mobile. Mexico is one of a handful of countries with strong cross-border shopping in the cosmetics and beauty products category.

For larger-ticket items, interest-free instalments — Meses Sin Intereses — are becoming a popular payment method. According to the Mexican Internet Association (AMIPCI), 6 of 10 eCommerce buyers would prefer to make an online purchase that offers interest-free instalments vs. free shipping.²



CULTURAL
20%

of Mexican online shoppers list identity theft and fraud as a concern when shopping and transacting cross-border.¹

Win them over by offering multiple payment options — 45% of Mexican online shoppers like to pay by card, while 17% are using digital wallets, and the same number still pay cash.³

Shoppers say they are more likely to purchase when assured of secure transactions.¹ As a leading global payments provider, PayPal uses data encryption to keep payments safe and prevent fraud, and provides buyer protection in case something goes wrong.



SEASONAL
60%

of Mexican consumers shop cross-border more frequently than usual for Christmas.¹

Christmas remains the #1 online shopping event. But Mexico's second-biggest sales event is growing fast — El Buen Fin, or 'The Good Weekend.' Observed over the four days in November leading up to Mexican Revolution Day, the homegrown event has grown fast since launching in 2011. Retail sales increased nearly 58% from 2018 to 2019, to 10.9B pesos (\$448.9M USD)⁴, making it now just as popular as its inspiration: Black Friday.

REVOLUTIONIZING
REMOTE ONLINE
SHOPPING

With more than half the Mexican population unbanked and living in remote locations, OXXO™, a retailing giant with 17,000 convenience stores across the country⁵, spotted the opportunity to operate as a go-between. It partners with online businesses to provide a last-mile delivery service, and also takes payments from a growing number of far-flung online shoppers. Many eCommerce customers in Mexico still pay with cash.

MEXICAN DIGITAL SHOPPING LANDSCAPE



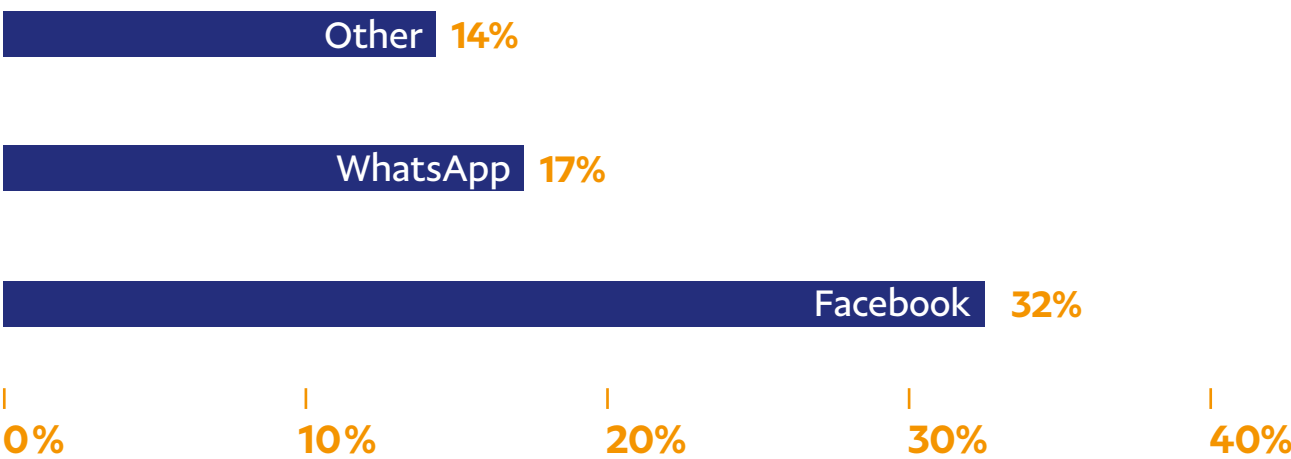
TECHNOLOGY

48%

of Mexicans buy online via social media sites like Facebook⁶ — which goes hand in hand with the rising popularity of smartphone use. However, just over half of cross-border purchases still happen on a laptop or desktop computer.

To maximise market potential, businesses keen to sell to Mexican shoppers ideally support any connected device. A clear opportunity exists for businesses to disrupt this market — and reach younger buyers⁷ — with an easy-to-use mobile platform offering a mobile-optimised payment solution.

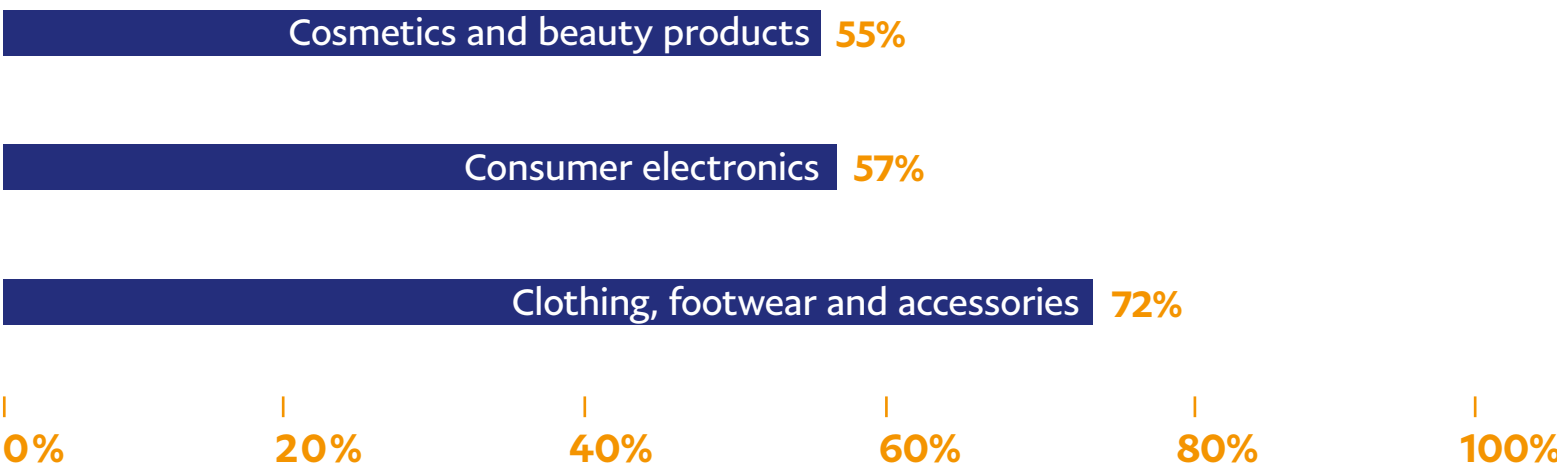
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MEXICO

TOP 3 MEXICAN MARKET TAKEAWAYS

1. Strong eCommerce and mCommerce growth in Mexico comes from Gen Z and millennial shoppers who show a clear preference for buying via social commerce on popular platforms like Facebook and WhatsApp.

Meet buyers where they like to hang out and are influenced by friends. Social commerce success comes from brand building and the ability to 'speak' directly with customers. Mexico is a youthful market, with more than 20 million residents living in Mexico City, the largest metropolis in North America.⁸

2. Many Mexicans live in remote locations and do not have bank accounts, posing challenges for international businesses who need to understand the nuances in this market and how to work around them.

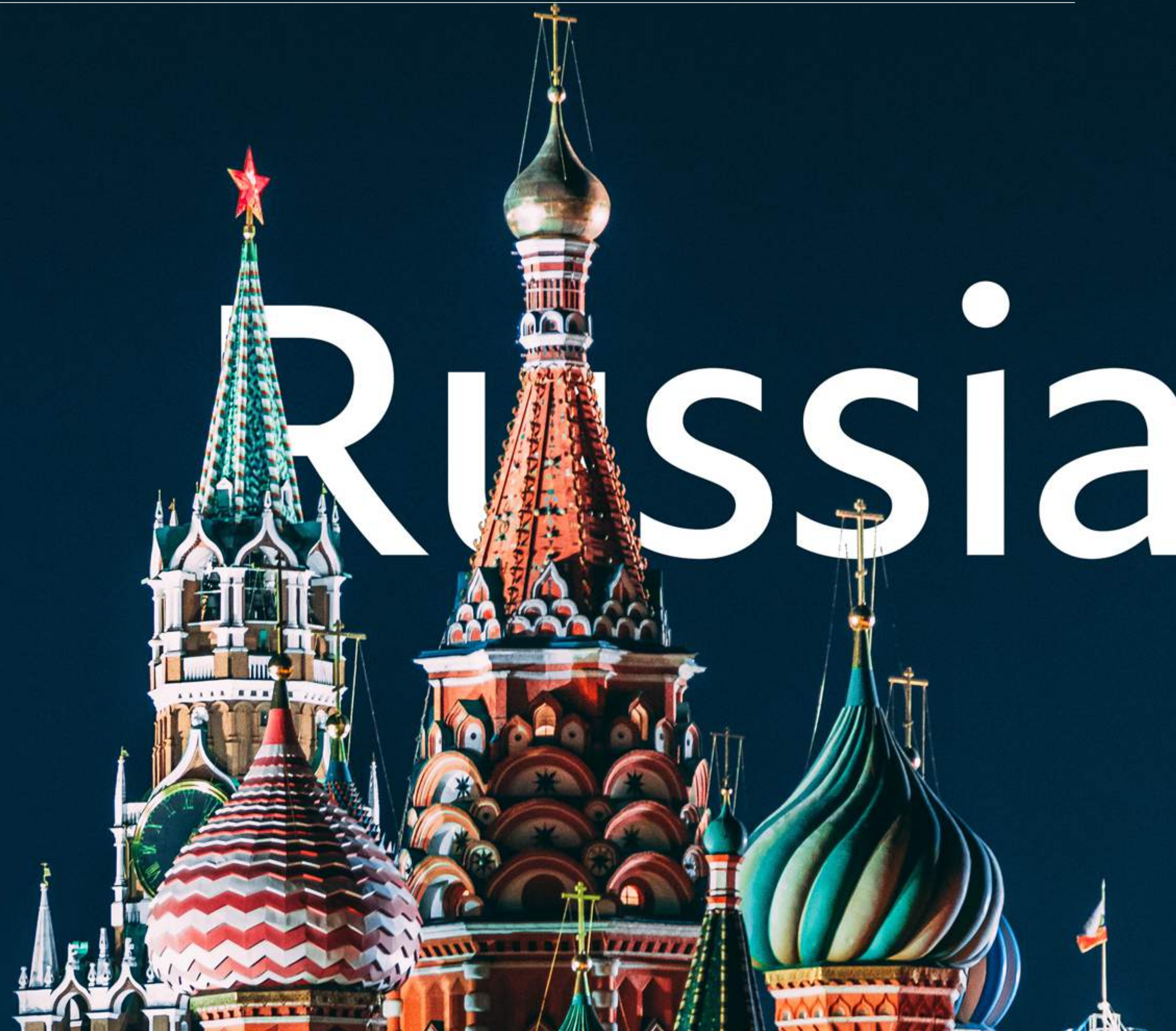
Offer multiple ways to pay in local currency options — through digital wallets, credit cards, and specialised arrangements for cash and instalment payments. Seemingly complex delivery logistics can be addressed by using global marketplaces that partner with local retailer OXXO™ for last-mile pickup.

3. Secure transactions and low- or no-cost shipping are must-haves for cost-conscious Mexican cross-border shoppers whose international purchases most commonly are clothing and footwear, computer goods and electronics, and beauty products.

Businesses may woo Mexican customers by offering free shipping for a comparatively small minimum spend, and by providing assurance that transactions are secure through globally recognised payments providers, such as PayPal.



1. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 2. Latin American Business Stories, Unlock the power of Instalments, or Meses Sin Intereses, in Mexico. Published by Annia Lopez, May 26, 2017. 3. J.P. Morgan 2019 Payments Trends — Global Insights Report: Data has been provided by Edgar, Dunn, and company, 2018. 4. Statista, Mexico: Sales revenue generated by online shopping on El Buen Fin in Mexico from 2016 to 2019, Published by El Universal, March 11, 2020. Based on Secretaria de Economia (Mexico), AMVO. 5. Reuters, Business News, Cokes, smokes and clicks: How Oxxo corner stores are cashing in on Mexican e-Commerce. Julia Love, Daina Beth Solomon, October 12, 2018. 6. PayPal commissioned Ipsos MORI PayPal Insights 2019. n=22,000 consumers and 4,600 businesses, 11 markets. Interview of adults (aged 18-74) between 23rd July — 25th August 2019. 7. El Universal, E-commerce shows 5% growth in Mexico. October 24, 2018. 8. United Nations, Department of Economic and Social Affairs. 68% of the world population projected to live in urban areas by 2050, UN says, Published May 16, 2018.



While Russia ranks as the world's 11th largest economy¹, **its eCommerce market is fragmented and still in the early stages.**

MACROECONOMIC SNAPSHOT

RUSSIA



\$1,161

Russia's average annual online spend per capita is 11th out of the 12 countries in this report, reflecting a mix of purchases by the nation's wealthy alongside those of more frugal shoppers.²



1. The World Bank Data, World Bank national accounts data, and OECD National Accounts data files. 2018. 2. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000. 31 markets. Online survey of adults (aged 18+) between March — May 2018. 3. CIA World Fact Book, Publications, Languages. Russia, May 12, 2020. 4. Statista, eCommerce — Russia, Key Market Indicators. Published May 2020 based on IMP, World Bank, UN, and Eurostat. 5. Statista, Number of smartphone users by country as of September 2019. Published by S. O'Dea, February 28, 2020. 6. The Organisation for Economic Co-operation and Development, National currency units/US dollar, OECD, 2019. All data 2018 in USD. *Compound annual growth rate.

RUSSIA OVERVIEW

Online sales of \$15.6 billion per year¹ comprise only about 5% of Russia’s total retail market², a figure well below the global average of 12%.³ However, it’s a market with considerable potential.

Dominant players for online shopping and payments are yet to emerge, but rapid change is underway. mCommerce is growing at 29% CAGR¹, and a trend for buying on social networks is already clear.

As traditional payment methods are disrupted and e-commerce expands outside of major cities, Russia’s emerging eCommerce market is expected to accelerate considerably.

Cross-border shopping holds huge appeal for Russians, who look enthusiastically to international sellers for discounted goods, recognised brands, and items they’re unable to find locally. Don’t be deterred by the country’s comparatively low online spending — there’s a wide gap between rich and poor⁴, and wealthy Russians spend much more than the average.



TOP 3 COUNTRIES THAT RUSSIAN ONLINE SHOPPERS BUY FROM:



KEY BUYING DRIVERS IN THE RUSSIAN MARKET



BEHAVIOURAL
56%

of all online purchases in Russia are made using bank cards, according to a Yandex-GfK survey.²

When it comes to finding what they want online, shoppers turn to Yandex, which dominates the Russian search game by excelling in Cyrillic-language support.

Much like Google elsewhere in the world, Yandex also offers a wealth of online services like email, payment services, streaming music, news aggregation, live traffic maps and even taxi services via Uber. Bargain-spotters make comparisons through price aggregators like Yandex with its 230+ million offerings from 25,000 shops.²



CULTURAL
44%

of online shoppers are looking for the cheapest total cost, and 41% who have abandoned a cross-border purchase have done so to look for a better price.¹

A third of them also cite free shipping as a main potential driver for cross-border shopping.¹ The world's largest country by landmass, Russia also poses logistical challenges. Delivery of cross-border purchases to some regions can take a few weeks. Most shoppers prefer the reliability of postal delivery.

In a nation where price is the primary persuader, businesses should work on keeping delivery costs down, and take time to explore the many online promotional tactics deployed in this market, where dedicated players specialise in flash sales, coupons and group buying schemes.



SEASONAL
28%

of Russian consumers make online cross-border purchases more frequently than usual during the Black Friday sales period.¹

The global event first gained popularity in Russia with heavy discounting offline. AliExpress, the Chinese retailing service, gave it a digital push by launching online Black Friday sales in 2019⁶ — Russia, which is the top market for AliExpress globally¹⁴, saw a 30% increase in online Black Friday spend that year, reaching \$350 million.⁸

Singles Day is also gaining significant traction. More than 5 million shoppers made a total of 30 million purchases on Singles Day in 2019.⁹ Five out of six of those purchases were from cross-border businesses.

RUSSIA

HOW TO ACCESS RUSSIA'S MIR CARD NETWORK

Launched in 2015, the Russian National Card Payment System — known as Mir — now accounts for 20% of the nation's bank card market.¹⁰ A wholly owned subsidiary of the Central Bank of Russia, Mir cards have now been issued to more than 56 million people and are accepted by banks in 12 countries. To access the Mir network, overseas businesses need to either establish a local entity or provide access through an e-wallet like PayPal.

RUSSIAN DIGITAL SHOPPING LANDSCAPE



TECHNOLOGY

57%

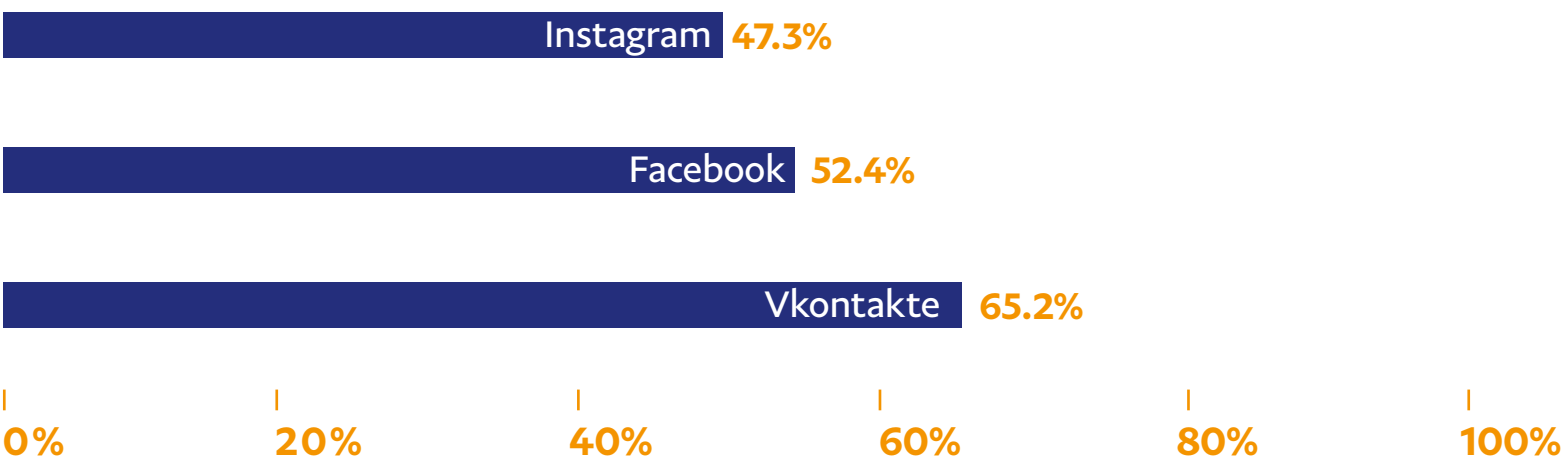
of cross-border shoppers in Russia made an international purchase on a smartphone.¹

Most Russians (88%) frequently access the internet via their smartphone², so focusing on mobile experience makes sense.

Meanwhile, social commerce is the new horizon. While many Russian online shoppers look to global giants Instagram and Facebook, some 15% have made a purchase on the local social network, Vkontakte, aka VK.² With over 300,000 communities, VK is raising sophistication levels and expectations of Russia’s social shoppers by using neural networks and image recognition to make product recommendations. Their payment solution, VK Pay, also offers one-click purchase options.

MOST USED SOCIAL MEDIA PLATFORMS

by Active Users (in millions)



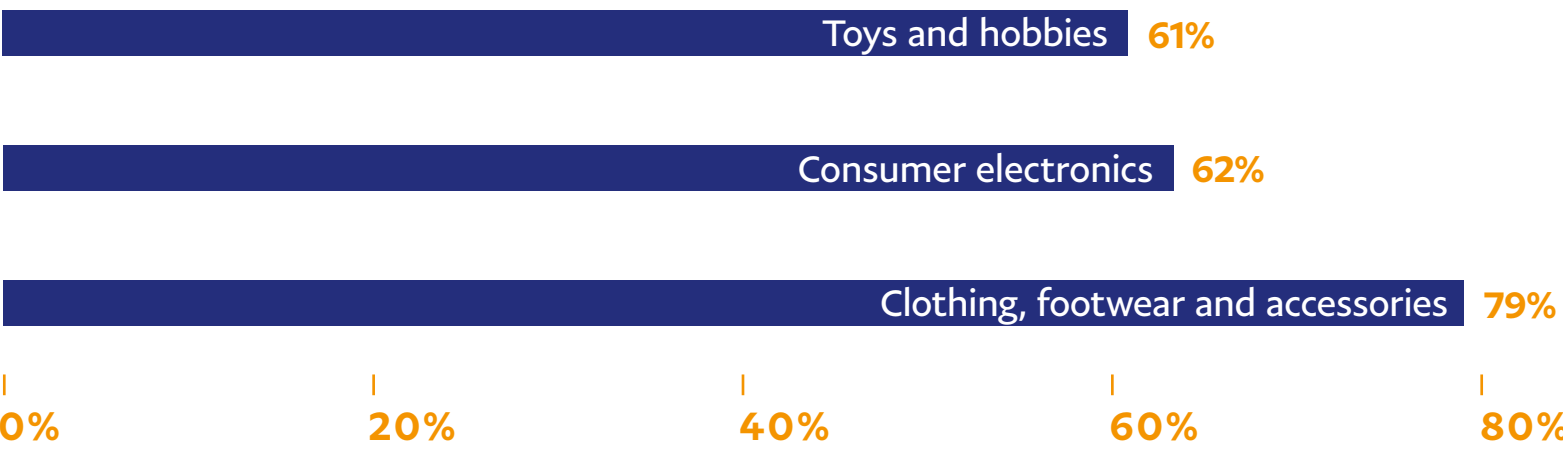
Statista, Number of monthly active users of VKontakte (VK) from March 2016 to December 2019. Published by A. Melkadze, April 29, 2020. Based on Mail.ru Group Annual Report 2019, page 32.

Statista, Facebook users in Russia from September 2018 to March 2020. Published by A. Melkadze, May 18, 2020. Based on NapoleonCat.

Statista, Instagram users in Russia from September 2018 to April 2020. Published by A. Melkadze, May 6, 2020. Based on NapoleonCat.

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Percentage of respondents who shopped in a particular category when buying online across borders.



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RUSSIA

TOP 3 RUSSIAN MARKET TAKEAWAYS

1. Russian online shoppers are dedicated bargain hunters and commonly use price aggregation, group-buying and coupon sites to find the best deal.

Black Friday and Singles Day, two globally recognised online shopping events, have taken off in a big way in Russia recently, due to a push by China’s major retail service AliExpress. These events may provide familiar introductions for cross-border businesses looking to sell in this highly fragmented market.

2. Strong uptake of smartphones, mCommerce and social shopping adoption suggests the Russian market holds impressive potential.

The low purchasing power of \$1,161 per capita¹ may be discouraging to overseas businesses, but Russia is also home to significant numbers of wealthy shoppers who target luxury goods. Income distribution varies by 41.6% between the lowest and highest, impacting spending power.⁴ A growing number of international players entering the Russian market are expected to spur online buying as shoppers seek goods they are unable to find domestically. Already, 70% of Russia’s online shoppers purchase cross-border.¹

3. Russia’s online sales channels and multiple payment systems leave room for a dominant eCommerce player to emerge.

China has driven much of the growth in cross-border eCommerce over the last few years, but Western European and UK contenders like ASOS are now making inroads. Many businesses — particularly in the fashion space — are moving into this complicated market via partnerships with local entities like Wildberries, Lamoda and Bringly.

Singapore

Tiny Singapore is a **major digital innovator** with high per-capita online and cross-border sales.

MACROECONOMIC SNAPSHOT

SINGAPORE

POPULATION

5.6
million¹

GDP

\$364
billion²

PER CAPITA ANNUAL
ONLINE SALES (ESTIMATED)

\$2,297⁴

ANNUAL ONLINE SALES
(ESTIMATED)

\$2.9
billion⁴

ANNUAL ECOMMERCE
GROWTH* (ESTIMATED)

22%⁴

SMARTPHONE
PENETRATION

78%⁶

84.5%

of the Singaporean population is
using the internet⁵, and 78% uses
smartphones⁶ — indicating a
wide-open digital landscape.

LANGUAGES

English, Mandarin,
Malay, Tamil³

INTERNET
PENETRATION

84.5%⁵

ANNUAL MCOMMERCE
GROWTH* (ESTIMATED)

33%⁴

PURCHASING
POWER INDEX

0.64⁷



1. The World Bank Data, Population, Total. United Nations Population Division. World Population Prospects: 2019 Revision. 2. The World Bank Data, GDP (Current US\$). World Bank national accounts data, and OECD National Accounts data files, 2018. 3. CIA World Fact Book, Publications, Languages. United States, May 12, 2020. 4. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 5. Statista, Internet User Penetration in selected Asian countries as of June 2019, by country. Published by Molly Moore, Jun 2019. Based on Internet World Stats. 6. eMarketer, Smartphone Users, Singapore. April 2020, individuals of any age who own at least one smartphone and use the smartphone(s) at least once per month. 7. World Bank, Price level ratio of PPP conversion factor (GDP) to market exchange rate - Singapore.
All data 2018 in USD. *Compound annual growth rate.

SINGAPORE OVERVIEW

SINGAPORE

With the ninth highest per capita GDP in the world¹, Singapore is an attractive market for international online sellers — especially those with a strong mobile offering.

The widespread adoption of digital technologies has transformed Singapore’s society, from its government practices to its business models. Heavy investment in its digital economy signals strong opportunities for digital commerce.

With a highly international population and small geography, it’s perhaps no surprise that Singaporeans are comfortable purchasing online from outside their country. Cross-border purchases represent almost a quarter of Singapore’s \$2.9 billion USD annual online spend, and 68% of these purchases are made via mobile devices.²

Singapore’s adoption of mobile payments almost doubled in 2019³, making it among the highest in the APAC region. Its cross-border shoppers value a seamless experience and are sensitive to shipping costs, with more than half citing free shipping as their top purchase driver.² International sellers should take a mobile-first approach and consider the growing popularity of in-app payments.



TOP 3 COUNTRIES THAT SINGAPOREAN ONLINE SHOPPERS BUY FROM:

CHINA
47%

USA
31%

SOUTH KOREA
15%²



KEY BUYING DRIVERS IN THE SINGAPORE MARKET



BEHAVIOURAL
30%

of Singaporean cross-border shoppers are put off by the process of returning products purchased overseas.²

Collaborating with payment solution providers to offer protection may make Singaporean shoppers feel more comfortable.

As an example, more than 30% of the Singaporeans who use PayPal say its Buyer Protection is their main incentive to use the payment method.²



CULTURAL
54%

of Singaporean shoppers have abandoned their cart while shopping cross-border if shipping or postage costs were too high.²

Price-conscious Singaporean shoppers are attracted to free shipping (57%).² International businesses that incorporate shipping costs in the price of the product, use flat shipping rates, or have a minimum purchase value may have an advantage.



SEASONAL
34%

of Singaporean consumers shop cross-border more frequently around Christmas.²

Growth is also driven by regional events. About 75% of the population is ethnic Chinese⁴, so Chinese New Year is widely celebrated, and the Chinese-born Singles Day sales event is popular as well.

Every summer, the Great Singapore Sale, known locally as GSS, transforms the entire island into a five-week-long shopping mecca. While designed to boost tourism, the event can lure online shoppers as well.

SINGAPORE

INTERNATIONAL TRADE IS IN SINGAPORE'S DNA

From its beginnings as a British colonial trading hub to its current role as a global financial centre, the island of Singapore has long served as a crossroads for Asia.

Surrounded by deepwater ports and shipping routes, the geographically small but important country has made the most of its role, advancing from developing nation to key economic player in just decades since its 1965 founding under prime minister Lee Kuan Yew.⁶

The country's strong emphasis on free trade agreements and foreign investment are often credited as crucial to its success. This innate openness to international trade — and the fact that 45% of cross-border buyers seek items they can't find locally² — suggest why the country has the highest online cross-border shopping rate of all countries in this report.²

SINGAPOREAN DIGITAL SHOPPING LANDSCAPE



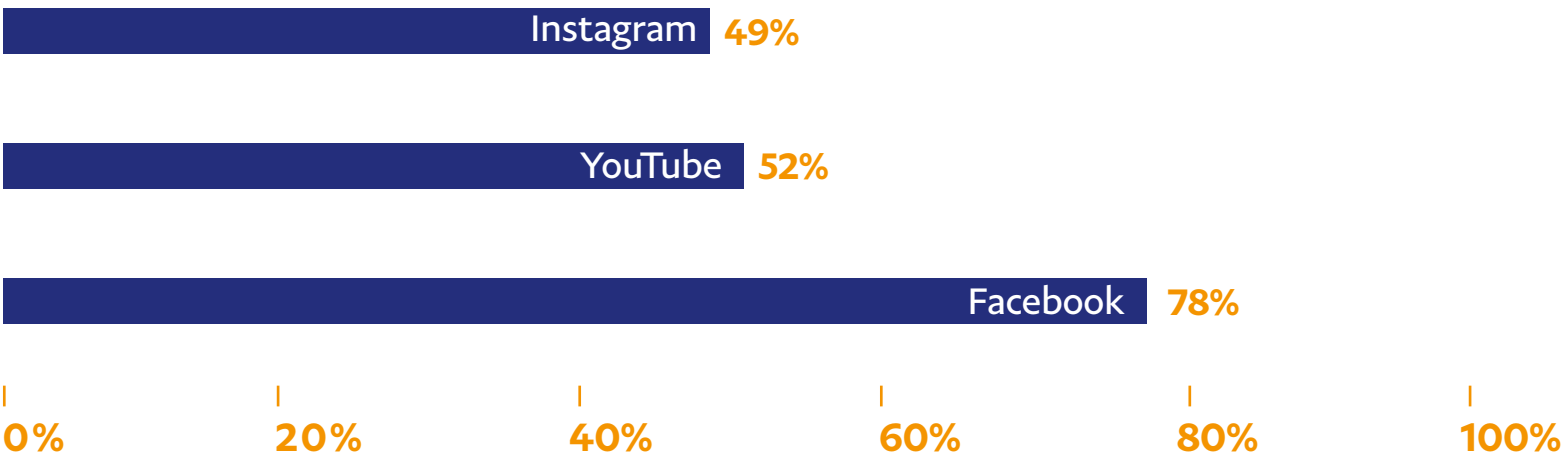
TECHNOLOGY

65%

of online cross-border shoppers have made an international purchase via smartphone², reflecting the fact that Singapore has one of the highest smartphone penetration rates in the APAC.

Growth in use of mobile apps and e-wallets is also driving demand for in-app payment solutions, with Singapore leading the APAC region for in-app payment adoption (19%).⁷ Integrating payment solutions such as PayPal Checkout with your app can help create a seamless shopping experience for Singaporean shoppers.

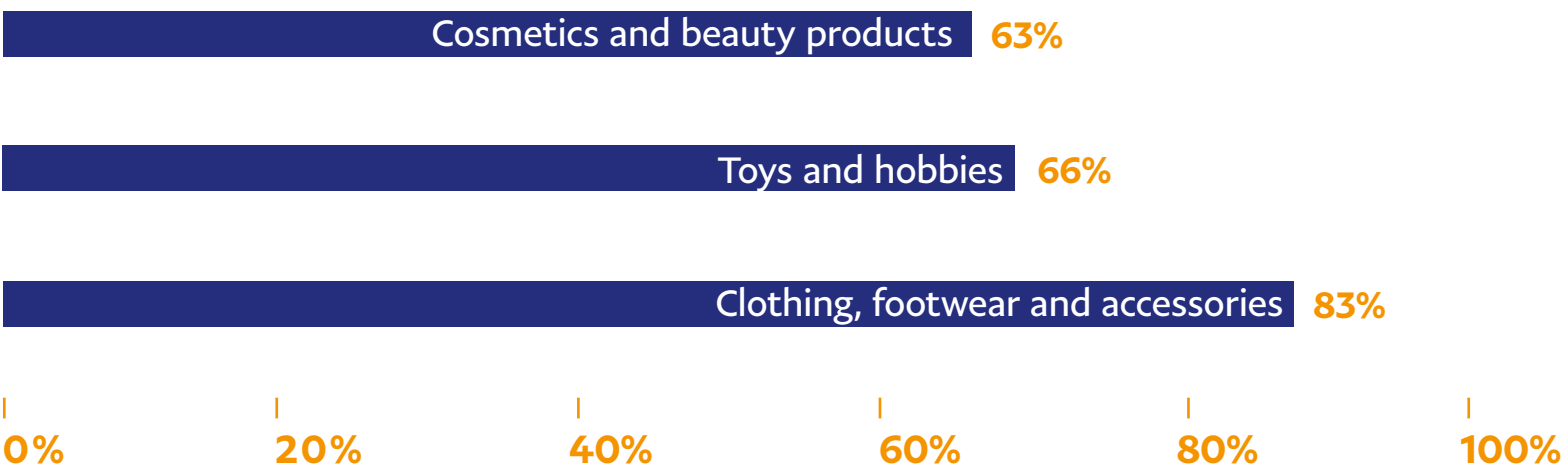
SOCIAL MEDIA PLATFORMS USED TO MAKE A PURCHASE



eConsultancy, The State of Social Commerce in Southeast Asia Report in Partnership with Magento and Hootsuite.

TOP CROSS-BORDER SHOPPING CATEGORIES

Percentage of respondents who shopped in a particular category when buying online across borders.



PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018.

SINGAPORE

TOP 3 SINGAPOREAN MARKET TAKEAWAYS

1. Singaporeans have one of the highest online cross-border shopping rates in the world², driven by consumer appetite as well the nation’s strong global economic focus.

Not surprisingly, two of country’s biggest strategic trade partners — the U.S. and China — are also the two top countries that sell to Singapore. Savvy sellers anywhere can expect a pro-business climate and well-heeled, receptive audience.

2. Price-conscious Singaporean shoppers are turned off by high shipping or postage costs and the process of returning international purchases.

Businesses can remove these barriers by incorporating shipping costs in the price of the product or offering flat shipping rates or a minimum purchase value. Collaborating with payment solution providers to offer protection may also get more Singaporean shoppers across the line.

3. Singaporeans are tech savvy, and their use of mobile apps and e-wallets drives demand for in-app payment solutions.

Most cross-border purchases are made via smartphones, and the island nation also leads the APAC region for in-app payment adoption. Meet their expectations by integrating payment solutions like PayPal Checkout with your app. If an app is not right for your business, make sure your shopping experience is mobile-friendly.



1. International Monetary Fund, World Economic Fund Outlook Database, 2019. 2. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 3. Business Singapore Review, Singapore’s mobile payments growth hits 46% in 2019. 4. Index Mundi, Singapore Demographics Profile. 2019. 5. Internations Go, The Economy of Singapore, 2019. 6. Council on Foreign Relations, Singapore: A Small Asian Heavyweight, 2020. 7. PayPal commissioned Blackbox Research. n=4,000, 7 markets within the Asia region.

United Kingdom

The island nation is **poised for the future** — especially the online one. Address buyer concerns about cross-border purchases, and tap into a vibrant opportunity for well-priced items from abroad.



MACROECONOMIC SNAPSHOT

UNITED KINGDOM



1. The World Bank Data, GDP (Current US\$), World Bank national accounts data, and OECD National Accounts, 2018. 2. The World Bank Data, Population Total, 2018. 3. CIA World Fact Book, Publications, Languages, United States, April 7, 2020. 4. PayPal commissioned Ipsos MORI PayPal Insights 2018, n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 5. World Bank, Individuals using the internet (% of population), United Kingdom, 2018. International Telecommunication Union, World Telecommunication/ICT Development Report and database. 6. Statista, United Kingdom: Forecast of the smartphone user penetration rate in the United Kingdom (UK) from 2018 to 2024. Published by S. O'dea, April 1, 2020. Based on Digital Market Outlook. 7. The Organisation for Economic Co-operation and Development, All data 2018 in USD. *Compound annual growth rate.

UNITED KINGDOM OVERVIEW

In the post-Brexit era, UK consumers continue to hold back on discretionary spending. However, the nation remains a significant economic power, and internet and smartphone usage rates are very high. They share a similar consumer shopping profile with the U.S., although they have a lower per-capita online spend, and lower social commerce adoption. Facebook is the preferred social shopping platform.

The UK also faces some unique cross-border challenges as an island nation, with shipping and postage charges being the top reason leading to cart abandonment.¹ When UK shoppers do buy online internationally, however, clothing, toys, collectibles, memorabilia and art are most likely to be in the cart, and PayPal is their preferred payment choice because it is a secure and convenient way to pay.¹



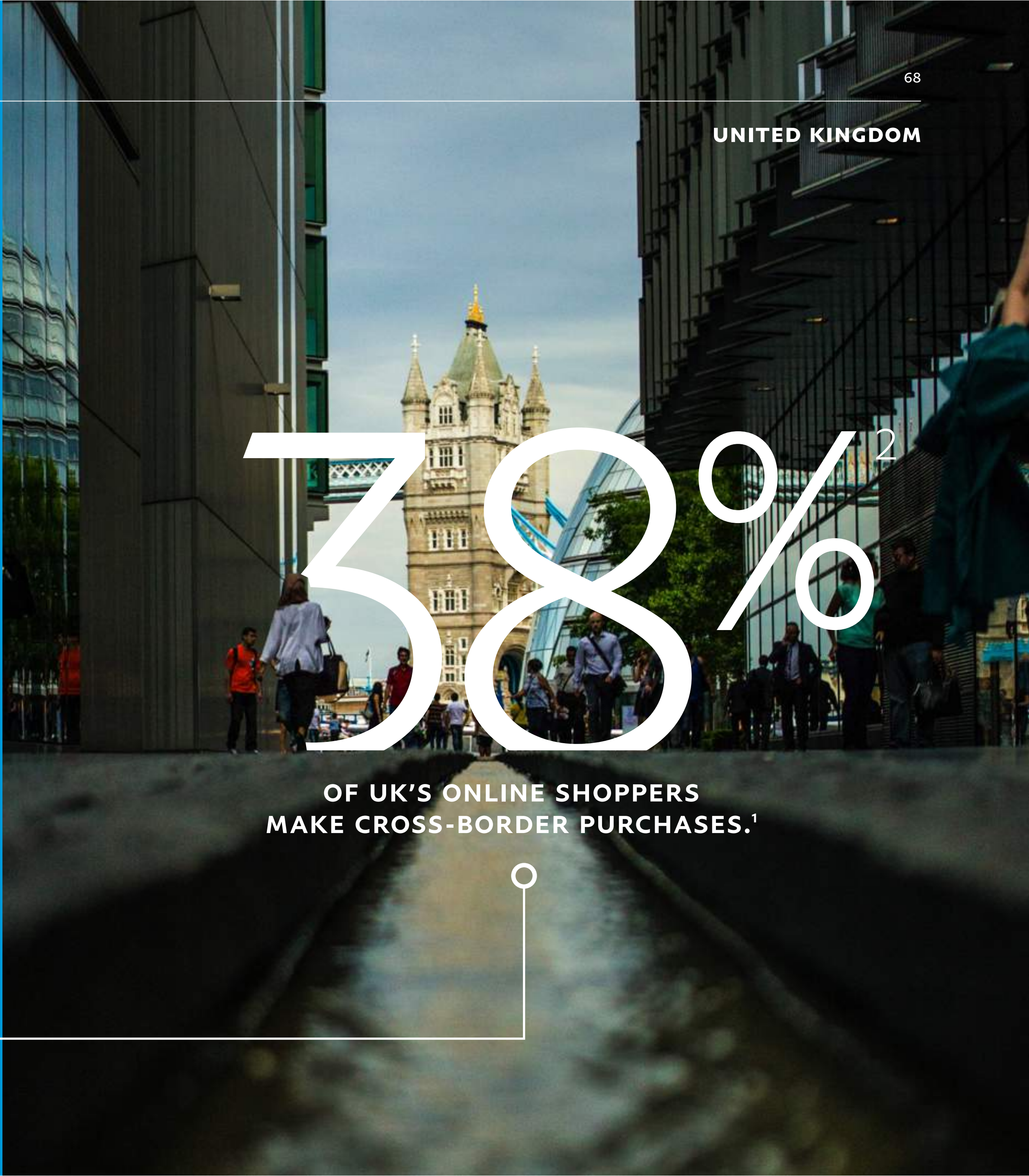
TOP 3 COUNTRIES THAT UK ONLINE SHOPPERS BUY FROM:³



UNITED KINGDOM



OF UK'S ONLINE SHOPPERS
MAKE CROSS-BORDER PURCHASES.¹



KEY BUYING DRIVERS IN THE UK MARKET



BEHAVIOURAL
78%

of British adults admit to making impulse online purchases.²

The average splurge is modest: £32.69 (\$40.36 USD).² Unplanned purchases happen anytime, of course, but almost a third of mobile shoppers say they shop in bed when browsing at the end of the day.³ Consider experimenting with time of day when running ads and promotions — especially for items normally regarded as 'little luxuries' — think cosmetics or top cross-border shopping items like accessories and toys.¹



CULTURAL
48%

of British cross-border shoppers have abandoned their cart due to high shipping and postage costs.¹

Shoppers also worry that the item received will be incorrect or get lost in transit.¹ This may relate to the country's lower cross-border online shopping rate. Those who do shop cross-border prefer to use PayPal for payments, citing security reasons 64% of the time.¹



SEASONAL
34%

of UK consumers shop cross-border more frequently than usual for Christmas.¹

Discretionary spending has been down since the original Brexit vote — except during the holidays, when British shoppers let their giving traditions overrule their recent, more budget-minded instincts. Time your holiday campaigns to traditional gift-giving times and be ready for shoppers who are ready to buy.

UNITED KINGDOM

THE UK'S SINGULAR ONLINE JOURNEY

A record net 2,481 stores disappeared from the UK's top 500 high streets in 2018⁴, triggering a shift to online sales. In the post-Brexit era, eCommerce continues to flourish, having grown 10.9% in 2019 and accounting for 22.3% of total retail.⁵ mCommerce sales, too, are estimated to grow at 18% per year.¹

But UK shoppers, many of whom are digital natives, have high expectations.⁵ Brick-and-mortar stores with strong omnichannel offerings like click-and-collect promotions have a clear advantage. Cross-border retailers should have solid digital retail experience, and consider breaking into the market through major online marketplaces, which occupy the UK's top two out of 20 online retailer positions — the following 18 are dominated by brick-and-mortar players.⁶

BRITISH DIGITAL SHOPPING LANDSCAPE



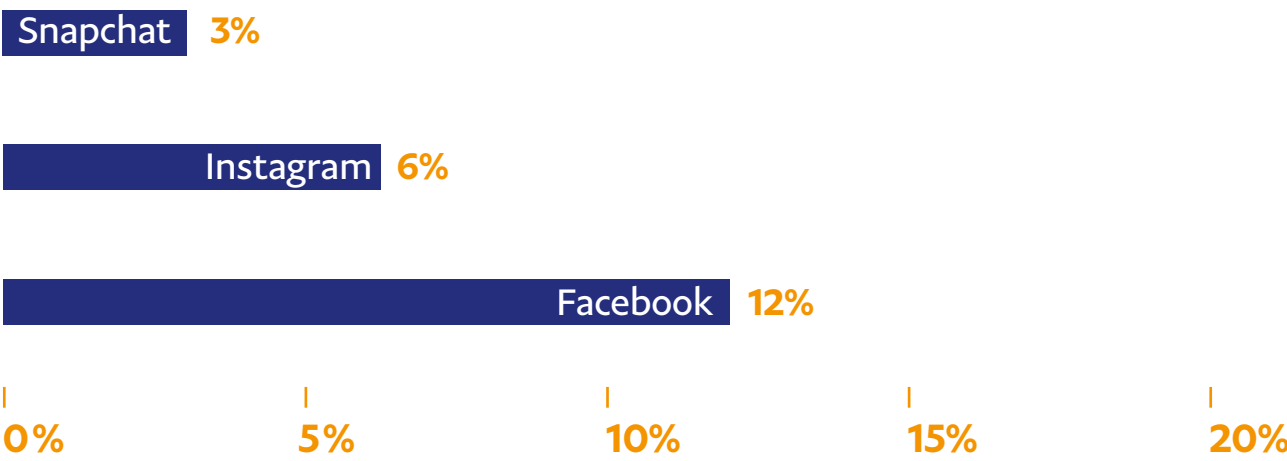
TECHNOLOGY
7.6%

The UK’s estimated eCommerce growth rate is low compared to the global average of 17%.¹

This figure reflects the UK’s large and mature market size, which trails only the U.S. and China.

On the other hand, mCommerce growth is steady, with 35% of UK cross-border shoppers making purchases via smartphone. These sales account for 20% of UK’s online cross-border purchases.¹

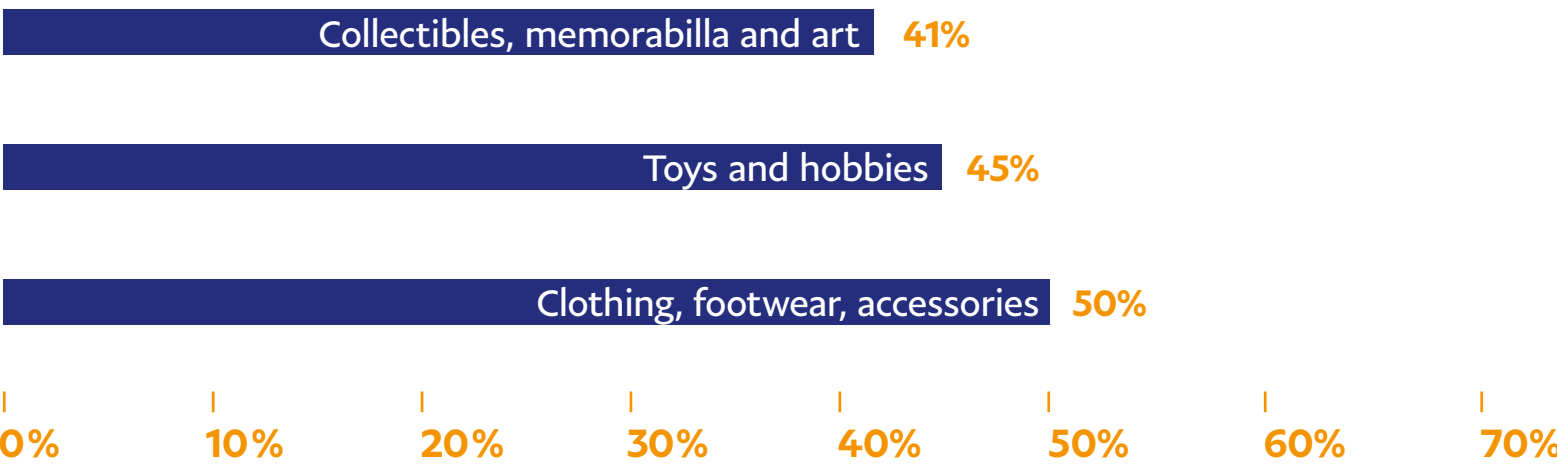
SOCIAL MEDIA PLATFORMS USED TO MAKE A PURCHASE



PayPal commissioned Ipsos MORI PayPal Insights 2019. n=22,000 consumers and 4,600 businesses, 11 markets. Interview of adults (aged 18-74) between 23rd July — 25th August 2019.

TOP CROSS-BORDER SHOPPING CATEGORIES

Percentage of respondents who shopped in a particular category when buying online across borders.



PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018.

UNITED KINGDOM

TOP 3 BRITISH MARKET TAKEAWAYS

1. There’s potential for cross-border shopping growth in the UK with strong eCommerce sales and high per capita average for spending online each year.

Enticing people to buy cross-border relies on more than keenly priced quality goods. Allay skepticism that the right order will actually arrive, and provide recognised, trustworthy payment options.

2. Economic uncertainty brought on by Brexit prompted many in the UK to rein in discretionary spending, and it’s yet to rebound.

Encouraging Britons to buy beyond the traditional holiday shopping seasons may mean catching them with spontaneous offers at unexpected times. Many browse eCommerce sites at the end of the day and admit to treating themselves with impulse purchases.

3. Shipping and postage costs and doubts about whether cross-border purchases will actually arrive cause many prospective cross-border buyers in the UK to bail out before they check out.

Free shipping has universal appeal, so consider building logistics costs into the purchase price. PayPal’s Buyer Protection also sets minds at ease that their goods will be delivered.



1. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 2. Finder.com, Impulse Buying. Published by Georgia-Rose Johnson, April 27, 2020. 3. PayPal commissioned Ipsos MORI PayPal Insights 2019. n=22,000 consumers and 4,600 businesses, 11. markets. Interview of adults (aged 18-74) between 23rd July — 25th August 2019. 4. PwC, UK. High Street exits remain at historic high as openings slump to lowest levels on record — What now for retailers? April 10, 2019. 5. eMarketer, UK eCommerce 2019: Clicks and bricks are important for retailers grappling with Brexit effects. Report by Bill Fisher, June 27, 2019. 6. ComScore MMX Multi-Platform as cited in UKOM, “UK Digital Market Overview — December 2018,” Jan 31, 2019. Top 20 UK Retail Properties, ranked by unique visitors.

United States

The United States remains the **largest economy in the world**, with its pioneering digital economy as a key driver of economic growth and productivity.



MACROECONOMIC SNAPSHOT

UNITED STATES



1. Gross domestic product (GDP) of the United States from 1990 to 2019. Published by BEA, February 3, 2020. Based on BEA, gov. 2. CIA World Fact Book, Publications, Languages, United States, April 16, 2020. 3. The World Bank Data, GDP (Current US\$). World Bank national accounts data, and OECD National Accounts data files. 2018. 4. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March— May 2018. 5. Statista, United States: Internet usage penetration 2017-2023. Published by J. Clement, February 2019, based on Digital Market Outlook. 6. The Organisation for Economic Co-operation and Development, National currency units/US dollar, OECD, 2019. 7. Statista, United States: Number of smartphone users in the United States from 2018 to 2024 (in millions). June 2019, based on Digital Market Outlook. All data 2018 in USD. *Compound annual growth rate.

UNITED STATES OVERVIEW

One-third of American shoppers have shopped from international businesses in the last year, most often for unique, hard-to-find items and better deals, as well as premium items from coveted brands. Clothing, footwear and accessories top U.S. cross-border buyers' shopping lists, followed by jewellery and watches.¹

Established online marketplaces like Amazon dominate the eCommerce landscape, providing service and security for shoppers, and reducing barriers to entry for cross-border brands.



TOP 3 COUNTRIES THAT U.S. ONLINE SHOPPERS BUY FROM:

CHINA
16%

CANADA
10%

UK
8%¹

UNITED STATES

\$73 BILLION¹

ANNUAL
CROSS-BORDER
SALES



KEY BUYING DRIVERS IN THE U.S. MARKET

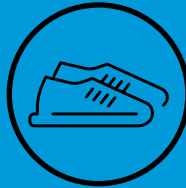
UNITED STATES



BEHAVIOURAL
65%

of all U.S. online shoppers make purchases via mobile devices, the preferred channel for eCommerce.²

Despite this, security or trust issues make 58% of American consumers less likely to interact with a business on their mobile device.² When cross-border shopping, they have similar concerns — 28% of U.S. online consumers worry about identity theft or fraud when making international purchases.¹ PayPal is the most trusted payment method for cross-border purchases amongst online shoppers (57%), with buyers citing security, convenience and purchase protection.¹



CULTURAL
75%

of American online shoppers prefer global platforms or marketplaces, with familiar brands and payment methods, for cross-border purchases.¹

Online security is a top barrier for American cross-border shoppers.¹ They also prefer shopping experiences that feel familiar to them; 76% of American online shoppers prefer to have the option to pay in their own local currency — the same percentage of consumers would also feel uncomfortable purchasing online from a website that is not in their own language.¹ When shopping cross-border, Americans most often purchase apparel, footwear and accessories.



SEASONAL
50%

of U.S. consumers shop cross-border more frequently than usual for Christmas.¹

This elevated shopping trend begins in November, with 23% of American consumers surveyed making cross-border purchases more often on Black Friday, too.¹ The annual American holiday of Thanksgiving falls on the fourth Thursday of every November. Sales remain brisk and continue until and even after Christmas, the gift-giving holiday of the year. These days, the U.S. holiday shopping season lasts longer than ever, with seasonal promotions starting as early as the beginning of November.

BLACK FRIDAY IS GETTING LONGER

The biggest shopping day of the year in the U.S. has evolved into a nearly week-long event that often starts the Wednesday before Thanksgiving, and continues through the weekend to Cyber Monday, a shopping event dedicated to online sales.

AMERICAN DIGITAL SHOPPING LANDSCAPE



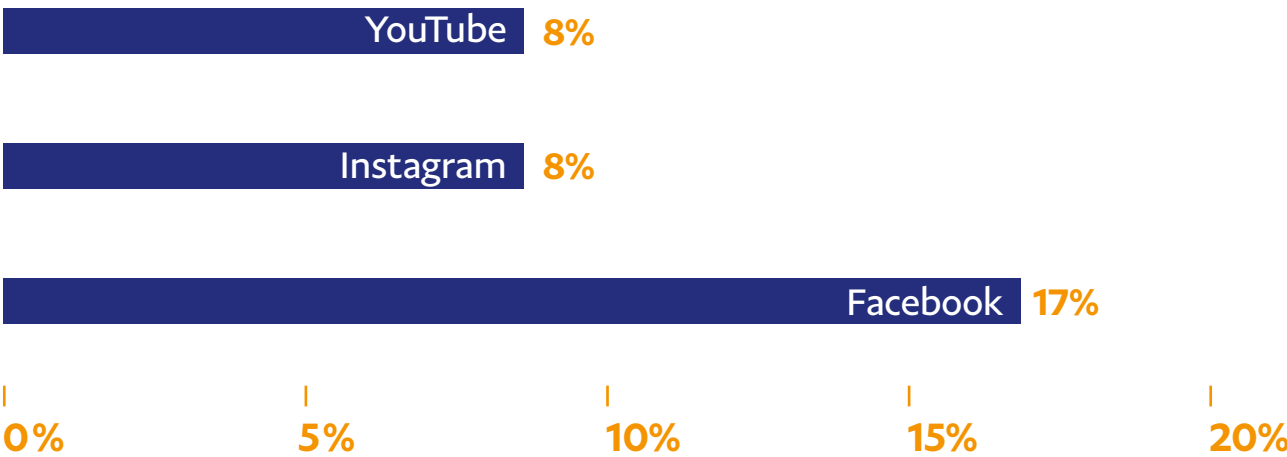
TECHNOLOGY

41%

of American online shoppers surveyed have abandoned their cart while shopping cross-border, mainly due to delivery times, shipping charges, or security concerns.¹

Consider setting expectations upfront, running campaigns with longer lead times, offering price promotions, and exploring other creative approaches to offset cross-border realities. Having your site in English with local currency options available also goes a long way towards making U.S. shoppers feel comfortable.

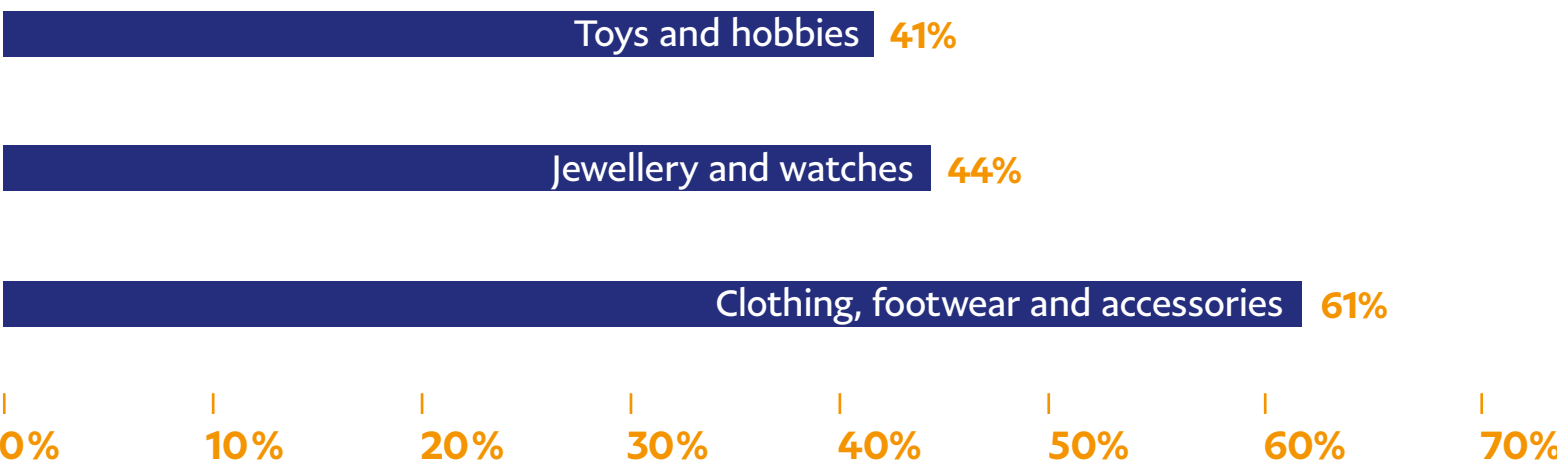
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UNITED STATES

TOP 3 AMERICAN MARKET TAKEAWAYS

1. Mobile is the channel of choice for eCommerce shoppers in the world’s largest economy, but businesses targeting the vast U.S. market must ensure an mCommerce site that’s intuitive, responsive and secure.

Your mobile-first approach should offer an mCommerce site that’s quick to load and easy to navigate and read. Provide a frictionless checkout process with minimal forms, and deals that can be sealed with a seamless payment experience.

2. The familiarity of U.S. founded global mega-marketplaces has given U.S. cross-border shoppers confidence to buy something new on a platform they know and trust.

When launching in this busy market, international brands can readily build brand profiles and recognition for reliability by establishing positive customer reviews and boosting their reputations on major platforms.

3. Almost three quarters of cross-border eCommerce sales in the U.S. take place between the lead-up to Black Friday in early November and late December.¹ ‘Tis the season to be selling.

Consider ways to stand apart from the myriad discount promotions at this time by making exclusive offers to U.S. customers who tend to look internationally for premium and hard-to-find goods. Highlight what’s special, different or unique about your product.



1. PayPal commissioned Ipsos MORI PayPal Insights 2018. n=34,000, 31 markets. Online survey of adults (aged 18+) between March — May 2018. 2. PayPal commissioned Ipsos MORI PayPal Insights 2019. n=22,000 consumers and 4,600 businesses, 11 markets. Interview of adults (aged 18-74) between 23rd July — 25th August 2019.

Thank You

For more information on how PayPal
can help you grow your business around
the world, visit us online today:

[https://www.paypal.com/business.](https://www.paypal.com/business)