

PayPal eCommerce Index - 2022 Annual Report

Australia

September 2022

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About the research

This research report was produced by PayPal Australia Pty Limited, based on a study conducted by ACA Research with n=1,012 consumers and n=404 businesses. It contains general observations about trends in eCommerce, social commerce, as well as cryptocurrency, NFTs, the metaverse and smart home devices. The study does not take into account the objectives, situation or needs of any specific business or individual.

The consumer research conducted by ACA Research consisted of a 15-minute online survey of n=1,012 Australians aged 18 - 75 years. In addition, ACA Research conducted a 10-minute online survey of n=404 business decision makers within Australian B2C retailers and businesses who operate entirely or partially online. Numbers may not add to 100% due to rounding.



CONSUMER SAMPLING:

The consumer research consisted of a sample of n = 1,012 Australians aged 18 - 75. The sample was weighted by age, gender and location to ensure data was nationally representative. Significance testing was conducted at a 95% confidence interval, with a potential sampling error of 2.9%.



BUSINESS SAMPLING:

The business research consisted of a sample of n = 404 decision makers within Australian businesses. All businesses had to sell partially or wholly to consumers, and partially or wholly online. Quotas were set on turnover and location, and the sample. Significance testing was conducted at a 95% confidence interval, with a potential sampling error of 4.7%.



METHODOLOGY:

Online self-completion survey. The research was carried out in compliance with the AMSRS Guidelines and National Privacy Principles. Sample was sourced through consumer and business research panels, with participants incentivised for completing the survey.



TIMING:

The research was in field from 15th June to 13th of July.



GENERATIONAL AGES:

Generational Ages as at 2022: Gen Z (18-25 years); Gen Y aka Millennials (26-41 years); Gen X (42-57 years); Baby Boomer (58-75 years).



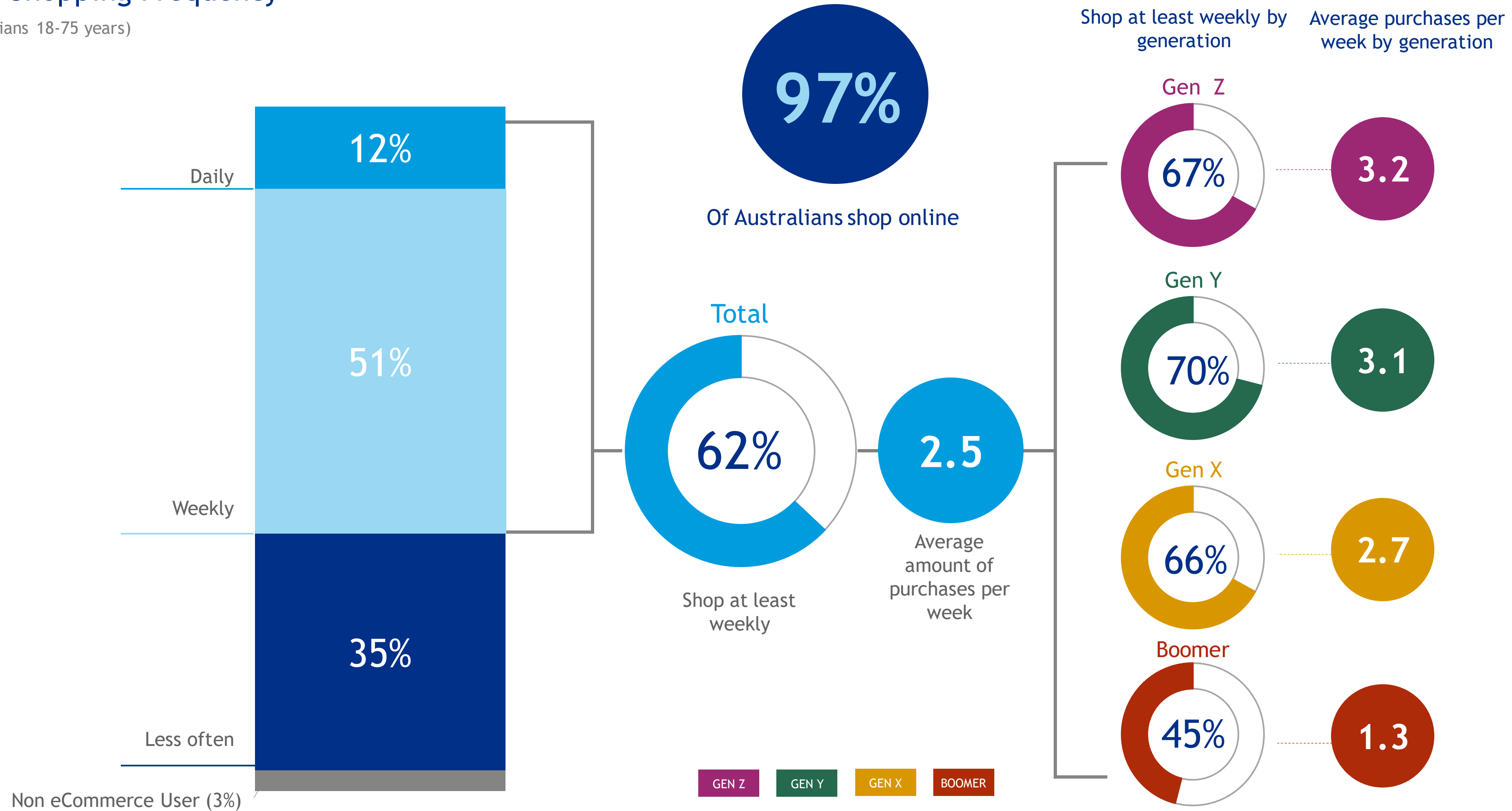
eCommerce in Australia



Online shopping and payments are ubiquitous in Australia. 97% shop online and two thirds of Australians shop online at least weekly, rising to almost three quarters of Gen Y

Online Shopping Frequency

(All Australians 18-75 years)



Online shopping and payments have become part of the Australian way of life, with 97% of the population shopping online. Importantly, it's not just an occasional activity - almost two-in-three Australians (62%) shop online weekly or more often, average between 2 and 3 purchases a week.

This is led by younger Australians (with Gen Y, 70% top in terms of frequency, and Gen Z, 3.2 purchases per week, marginally ahead on volume).

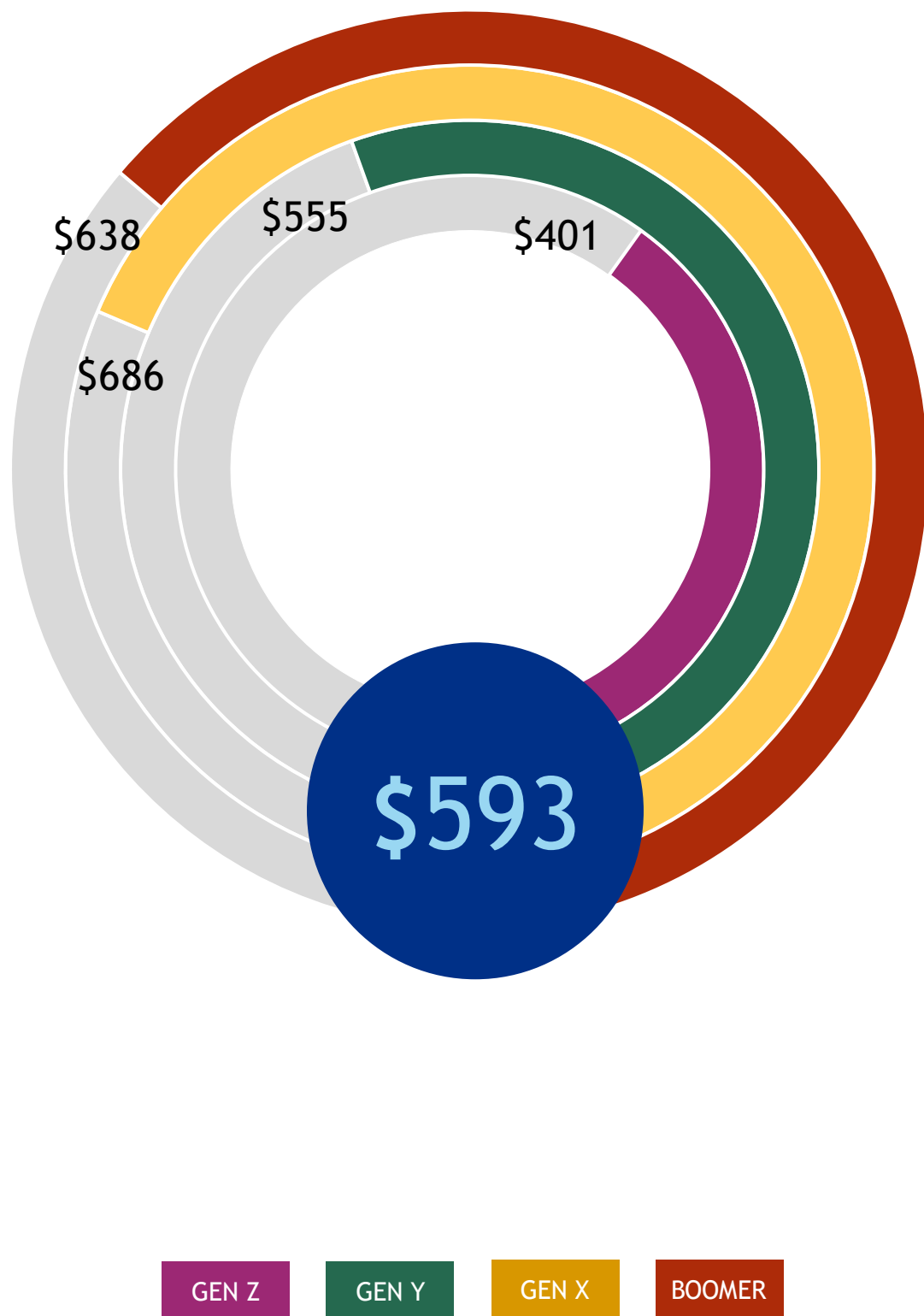
With that said, Gen X aren't far behind, with more than two thirds shopping weekly (66%), and an average of 2.7 weekly purchases.

Finally, let's not forget Baby Boomers - while they are our least frequent shoppers, this doesn't mean they aren't online. Almost half of them (45%) can still be counted as regular online shoppers.

Gen Y may be the most frequent online shoppers, but they're not the highest spenders, lagging both Gen X and Boomers; they do however shop more categories than either group

Average Monthly Spend

(All Australians 18-75 years)



PURCHASE CATEGORY	Australians 18-75	AGE (highlighting options > 30%)			
		Gen Z	Gen Y	Gen X	Boomer
Bill Payments	67%	50%	65%	75%	67%
Clothing & Accessories	53%	65%	59%	52%	39%
Food & Drink	48%	57%	57%	48%	33%
Grocery	44%	34%	51%	48%	35%
Government fees	44%	24%	43%	49%	51%
Subscriptions	38%	45%	43%	41%	24%
Tickets	37%	39%	39%	43%	25%
Travel & Tourism	32%	28%	34%	37%	26%
Health & Beauty	30%	33%	38%	28%	20%
Transport	25%	39%	29%	25%	10%
Home & Garden	24%	12%	26%	26%	26%
Electronics & Computing	22%	22%	28%	24%	10%
Fuel	21%	23%	23%	23%	15%
Toys & Games	19%	20%	30%	16%	7%
Books & Magazines	17%	12%	19%	18%	16%
Online or Digital Gaming	16%	27%	21%	15%	3%
Charity	16%	9%	14%	18%	19%
Digital or Virtual goods	12%	18%	11%	14%	9%
Sporting Goods	11%	9%	9%	16%	8%
Cryptocurrency	4%	8%	4%	4%	1%

Australians are spending almost \$600 per month online, splitting this spend across a wide range of categories.

Despite being slightly less frequent in their online shopping behaviour, Gen X are the highest-spending cohort, reaching almost \$700 per month. Similarly, Boomers aren't afraid to make higher-value purchases online with an average spend of \$638/month.

Gen Z, have the lowest monthly online spend, but engage with a more varied set of purchase categories.

When it comes to the types of eCommerce Australians are engaged in, Bill Payments (67%) is the most common category across all age groups, ahead of Clothing & Accessories (53%), Food & Drink (48%), and Groceries (44%).

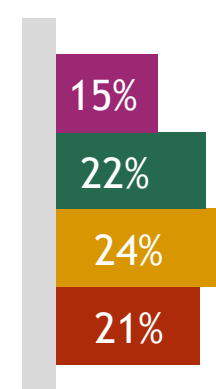
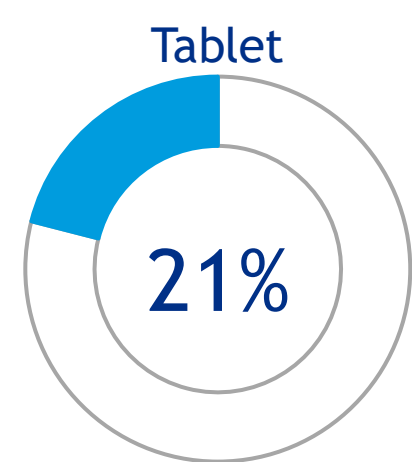
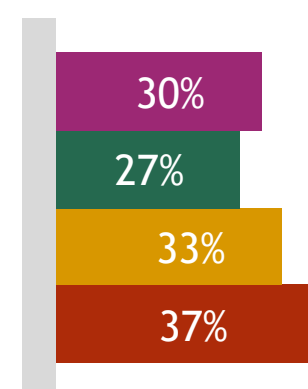
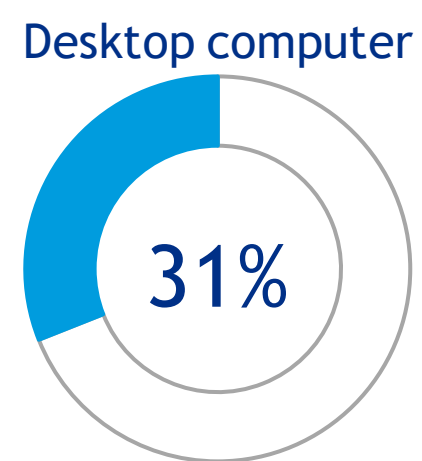
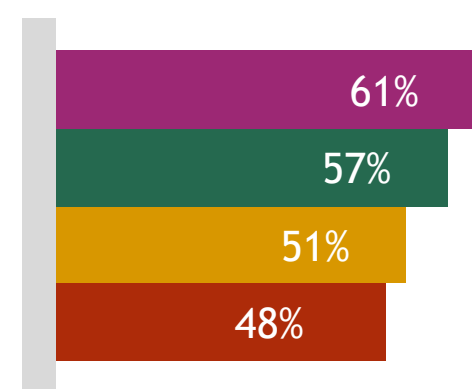
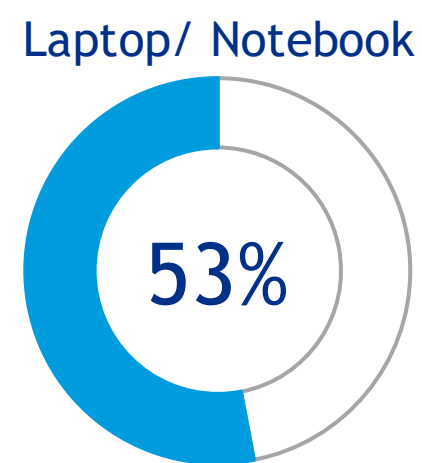
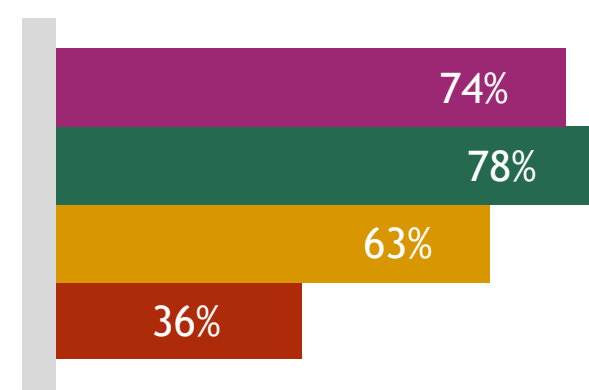
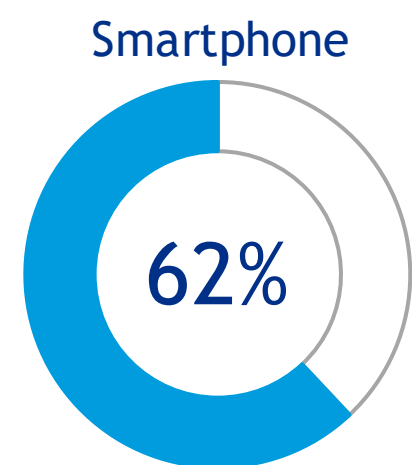
Interestingly, Gen X (37%) and Gen Y (34%) are most likely to have jumped back on the online Travel & Tourism bandwagon post-COVID

While computers are the most 'preferred' device type when it comes to online shopping, smartphones are the most used device for online shopping

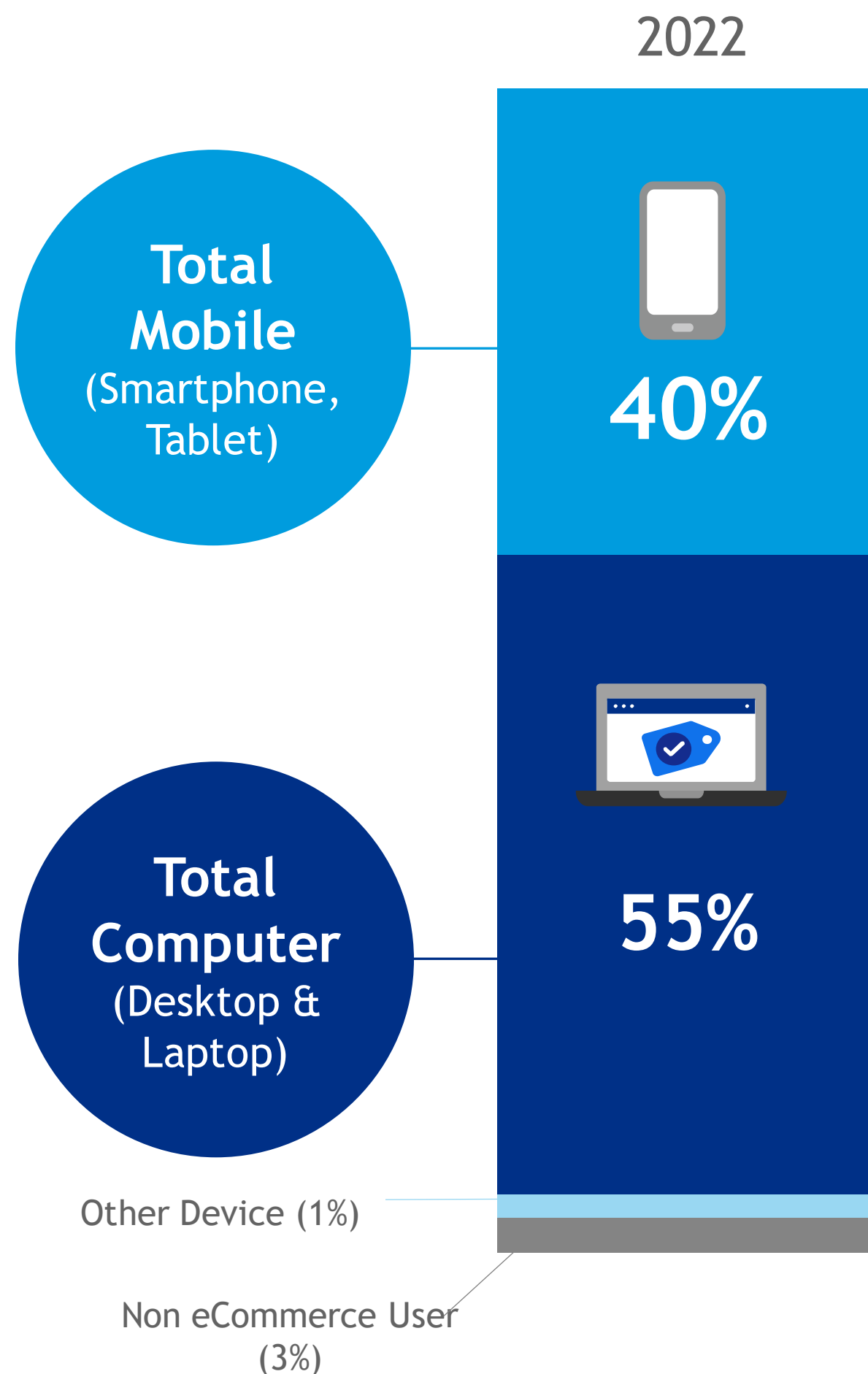
Devices Used for Online Shopping

(All Australians 18-75 years)

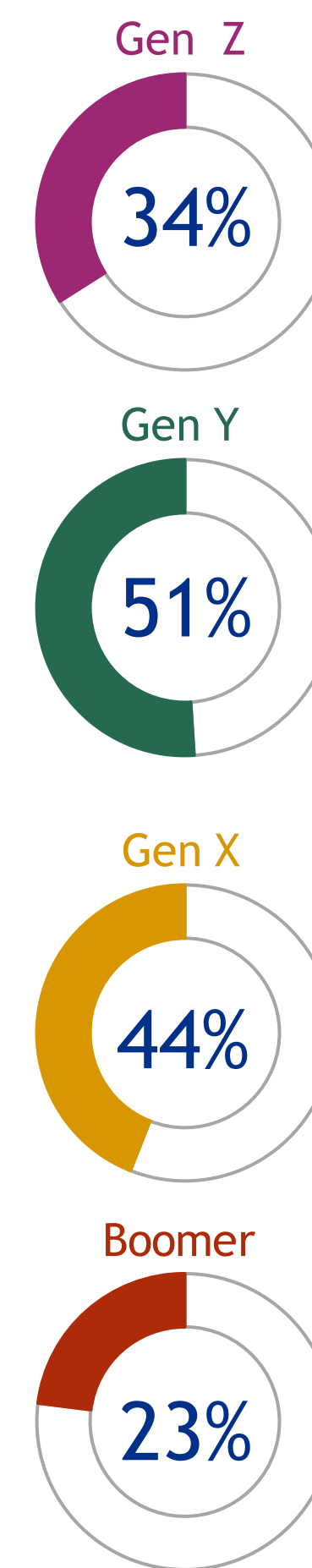
GEN Z GEN Y GEN X BOOMER



Preference by Device Type



Mobile Preference by Generation



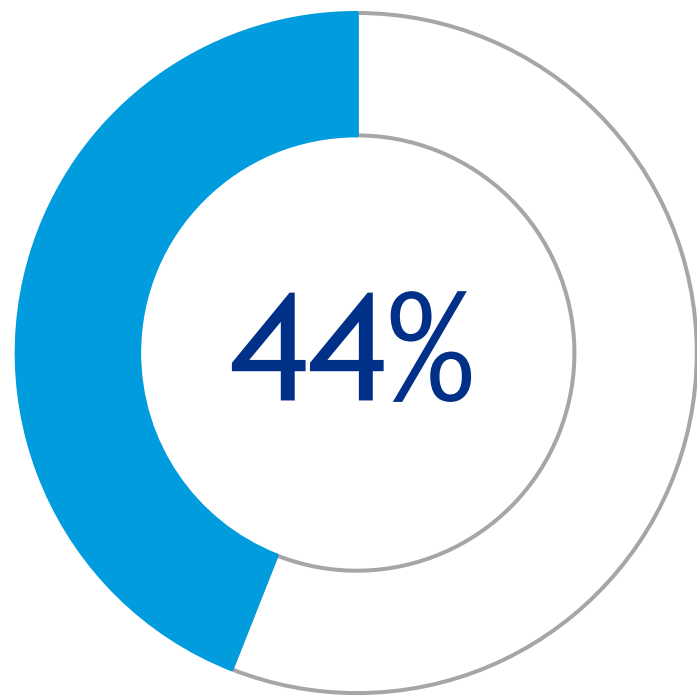
In 2022, Australians are enjoying the convenience of portable devices when online shopping, with smartphones (62%) and laptops (53%) the most commonly used devices.

Despite smartphones leading in terms of overall use, Australian consumers still prefer the shopping experience on fixed devices, with 55% preferring desktop or laptop computers over mobile alternatives (40%).

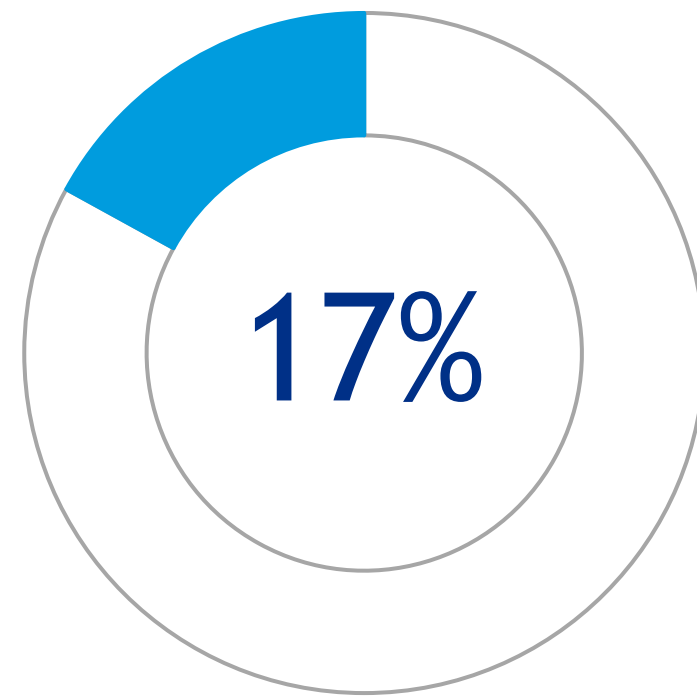
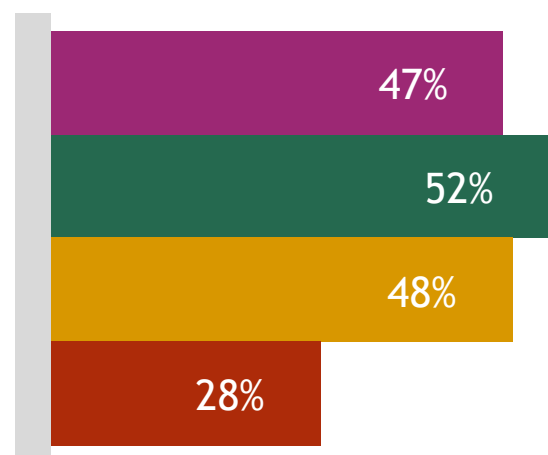
Mobile devices do however have their fans, with a majority of Gen Y (51%) preferring to shop on mobile devices over alternatives. At the other end of the spectrum, only 23% of Baby Boomers prefer to shop on mobile devices, as they gravitate to larger-form devices for their shopping fix.

Shopping and marketing channels have long been converging; mobile devices empower shopping in varied settings, from in-store price checks to second-screening on the couch

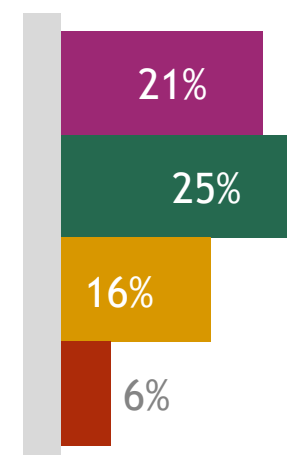
In-store Online Shopping



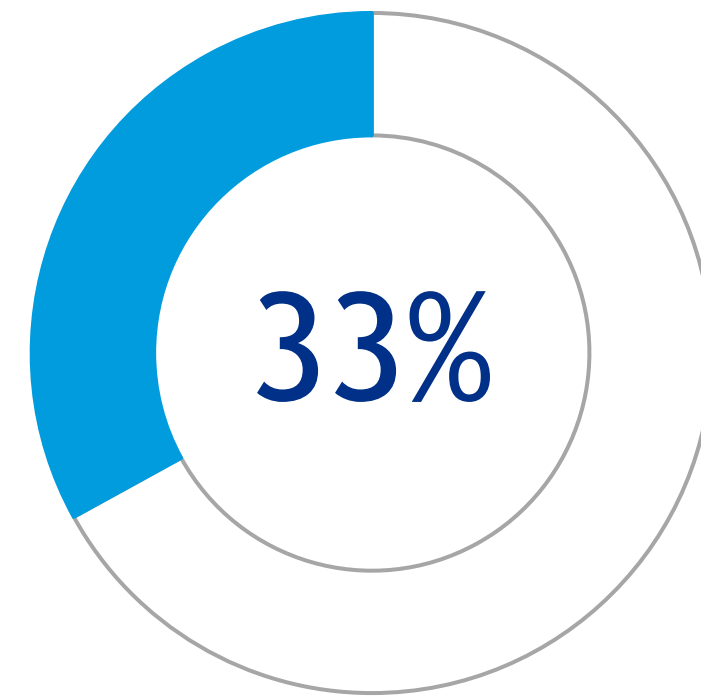
I've price checked an item on my mobile while physically in a store



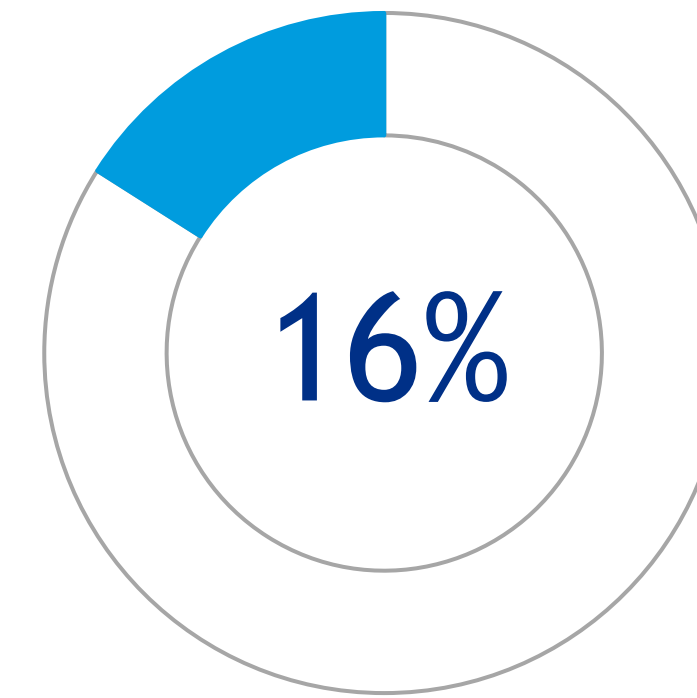
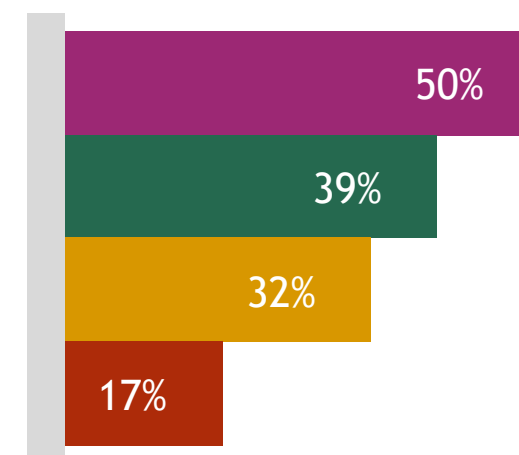
I've shopped on my mobile while physically in a store



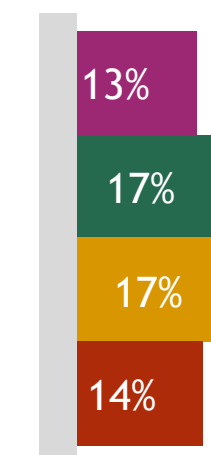
Second Screen Online Shopping



I've shopped online while watching TV/video streaming



I've made a purchase on the couch after seeing an ad on TV



GEN Z GEN Y GEN X BOOMER

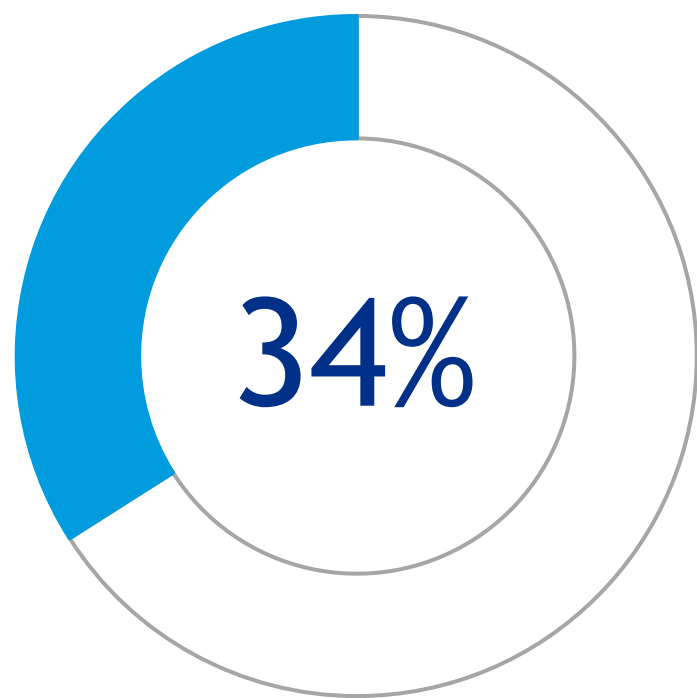
With the proliferation of retail commerce channels and consumer engagement touchpoints, we have moved from 'going shopping' to 'doing shopping' with digital and physical environments, traditional and new media converging.

More than two-in-five Australians (44%) have price checked items on mobile while in-store, or even purchased an item via mobile while in a store (17%). Gen Y are the most active here, with more than half (52%) mobile price checking items in-store as they chase the best deals.

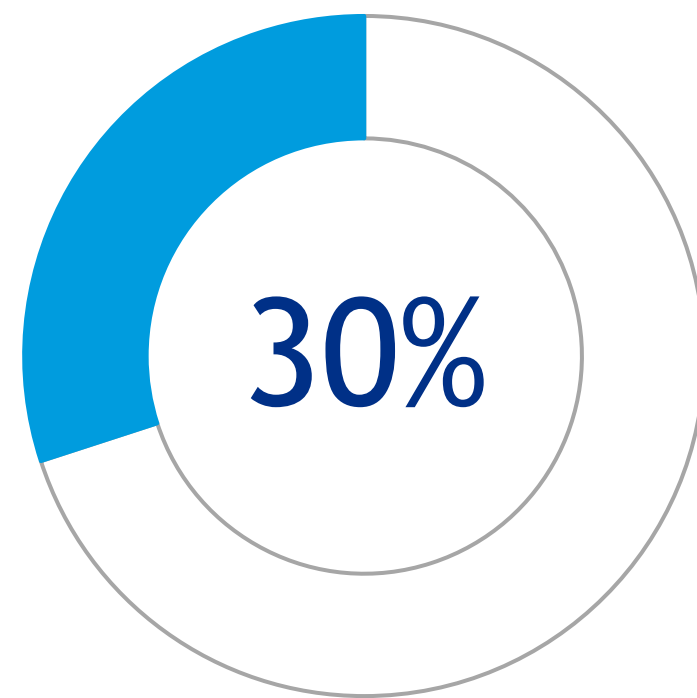
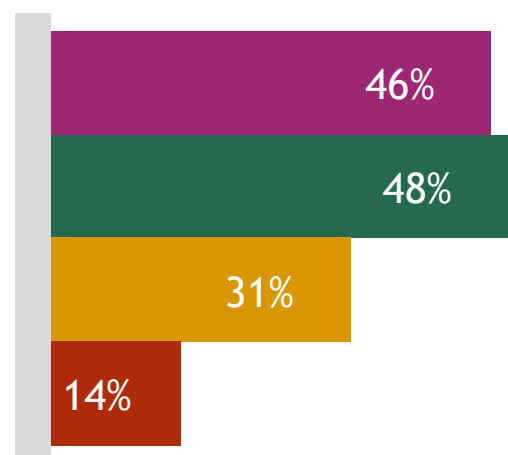
Convergent behaviour continues at home, with one-in-three Australians (33%) shopping online while they binge TV shows. This is most common among Gen Z, 50% of whom shop online while streaming video. And this isn't just restricted to browsing, with one-in-six (16%) making purchases on the couch triggered by seeing an ad on TV.

Australians also shop online for leisure, using it to split up the workday, wind down in the evening, or simply to pass the time

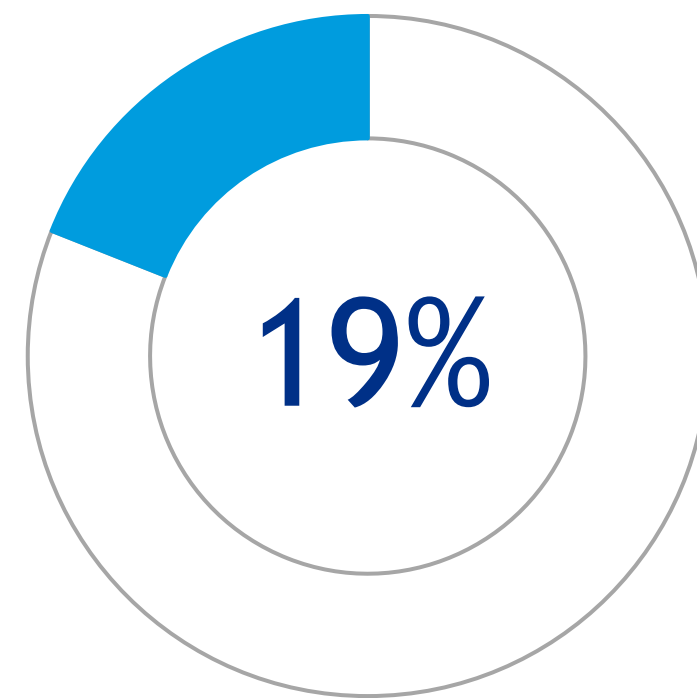
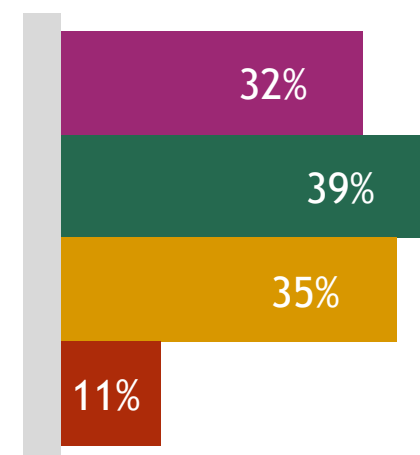
Consumer Behaviours



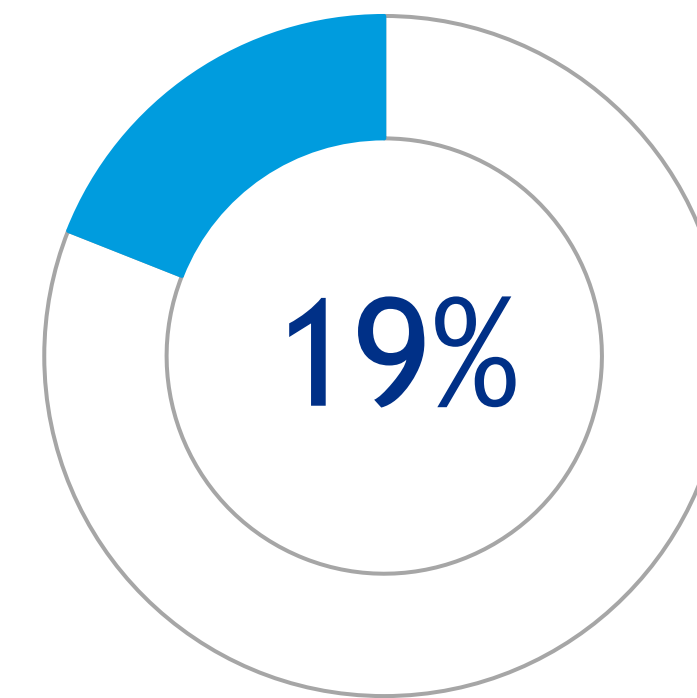
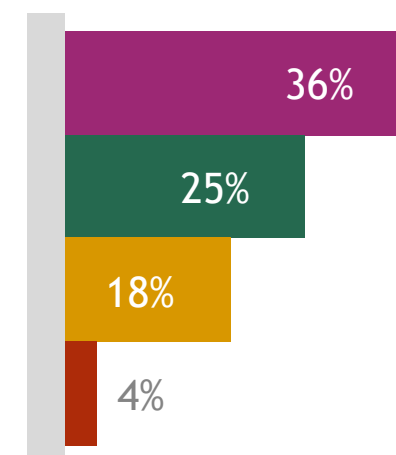
I've shopped online while in bed at the end of the day



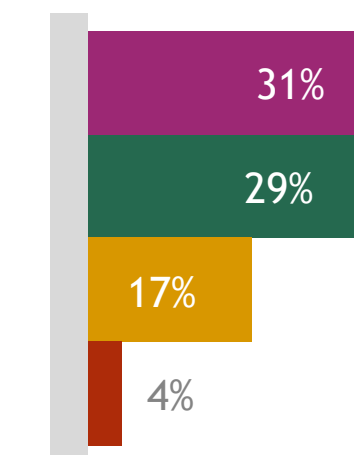
I've shopped online while at work or while working from home



I've shopped online because I was bored



I've shopped online while on public transport or in a car



GEN Z GEN Y GEN X BOOMER

Digital shopping, like its bricks n' mortar predecessor, is a widely-accepted method of breaking up the day or occupying attention during down-time. One-in-five Australians admit to shopping online because they were bored or to kill time while travelling (both 19%). Gen Z are the leaders here, with around one-in-three of them engaging in these behaviours.

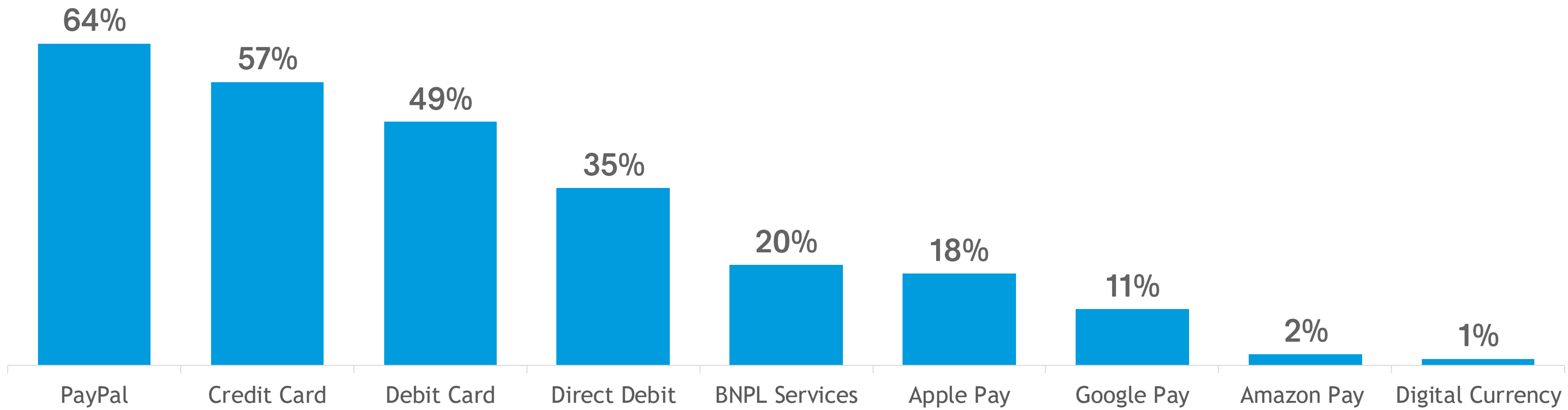
However most online shopping for leisure takes place in the evening, with one-in-three Australians (34%) shopping online from bed - this rises to almost half of Gen Y (48%) and Gen Z (46%).

While Gen X (31%) are a little less likely to shop from bed, it does still play an important role in breaking up their day, with 35% either shopping online from work, or during a gap in the day while working from home.

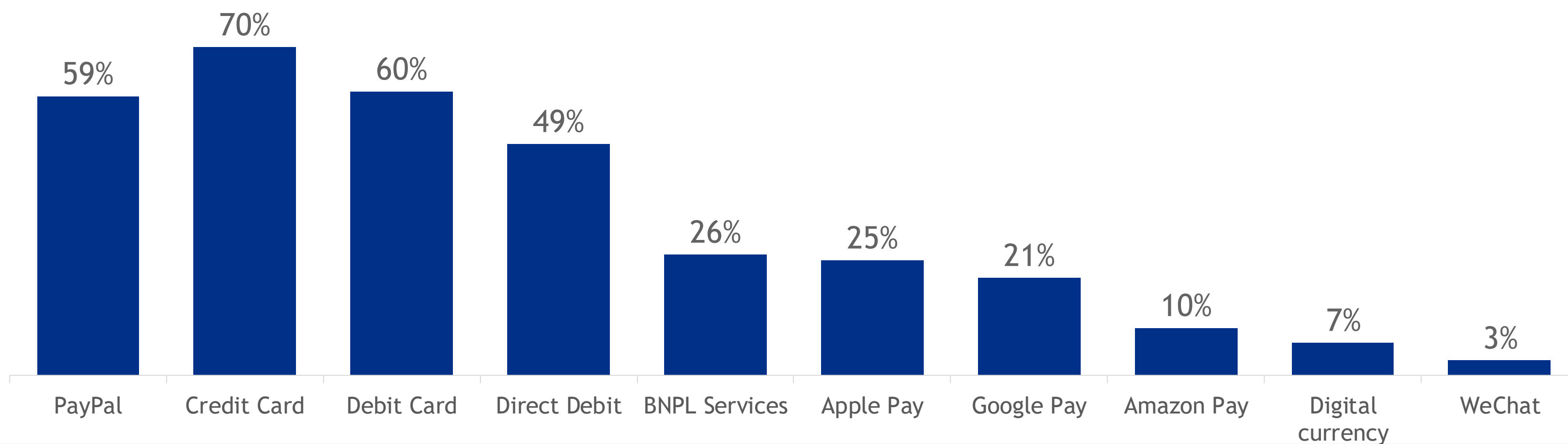
PayPal is the most used online payment method in Australia

Consumer & Business Online Payment Methods

Consumer Online Payment Methods Used



Payment Methods offered by Online Businesses



The research shows PayPal topping the list as most-used online payment method, with almost two-thirds of Australians (64%) having used PayPal in the last 6 months. It is followed by credit cards (57%), debit cards (49%), then direct debit (35%).

Further down the list, we can see newer payment options, such as BNPL Services (20%), Apple Pay (18%) and Google Pay (11%).

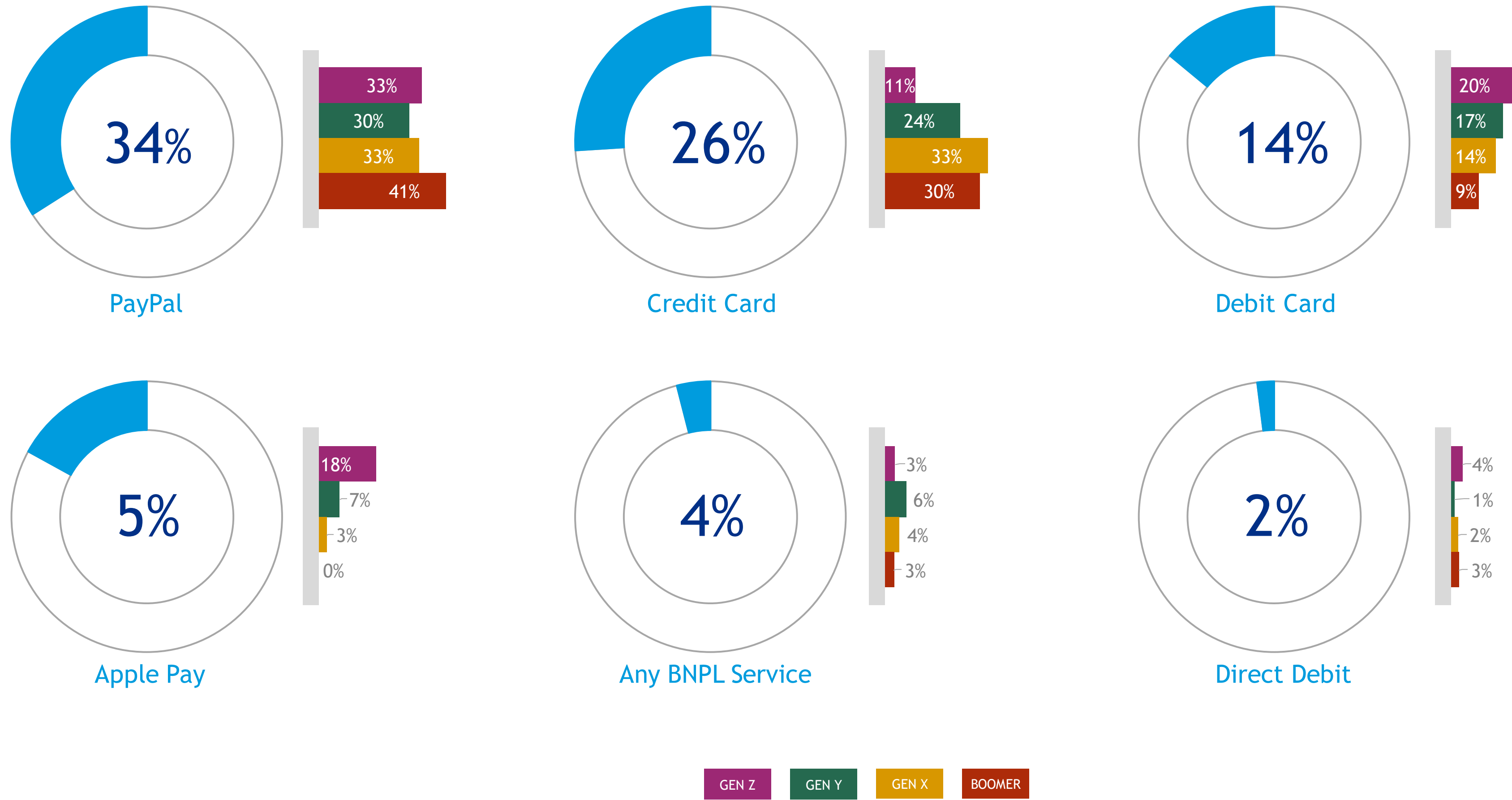
Despite PayPal being the most popular online payment option for Australian consumers, two-fifths of online businesses (41%) still don't offer it. Instead, they are more likely to offer more traditional payment methods such as credit and debit cards.



CQ3a. Thinking about when you make a purchase or pay online, which of the following payment options, if any, have you used in the last 6 months?
 MQ3. Which of the following online payment options do you offer your customers?
 BASE: C: All Australians 18-75, n=1021. M: Online Businesses, n=404

PayPal is also the most preferred online payment option for Australian consumers

Top 6 Preferred Online Payment Options



The data indicates that PayPal (34%) is the most preferred payment method for Australian online shoppers of any age (jointly leading among Gen X with credit cards).

It holds this position ahead of two more traditional financial products in credit cards (26%) and debit cards (14%), with other options (e.g. Apple Pay, BNPL, direct debit) very much in the minority for preference.

We can also see the shift away from credit cards among younger consumers, with debit cards (20%) and Apple Pay (18%) the second and third preference for Gen Z, ahead of their preference for credit cards at 11%.

Despite one-in-five consumers using BNPL, less than one-in-20 view it as their preference.



eCommerce in Australia

97% of Australians shop online, spending almost \$600 per month on online purchases or payments

Gen Y are the most frequent online shoppers (71% weekly or more often), but Gen X are the highest spenders (\$686 per month)

Online shopping is part of life, with Australians purchasing when in bed (34%), WFH (30%), travelling (19%), or just bored (19%)

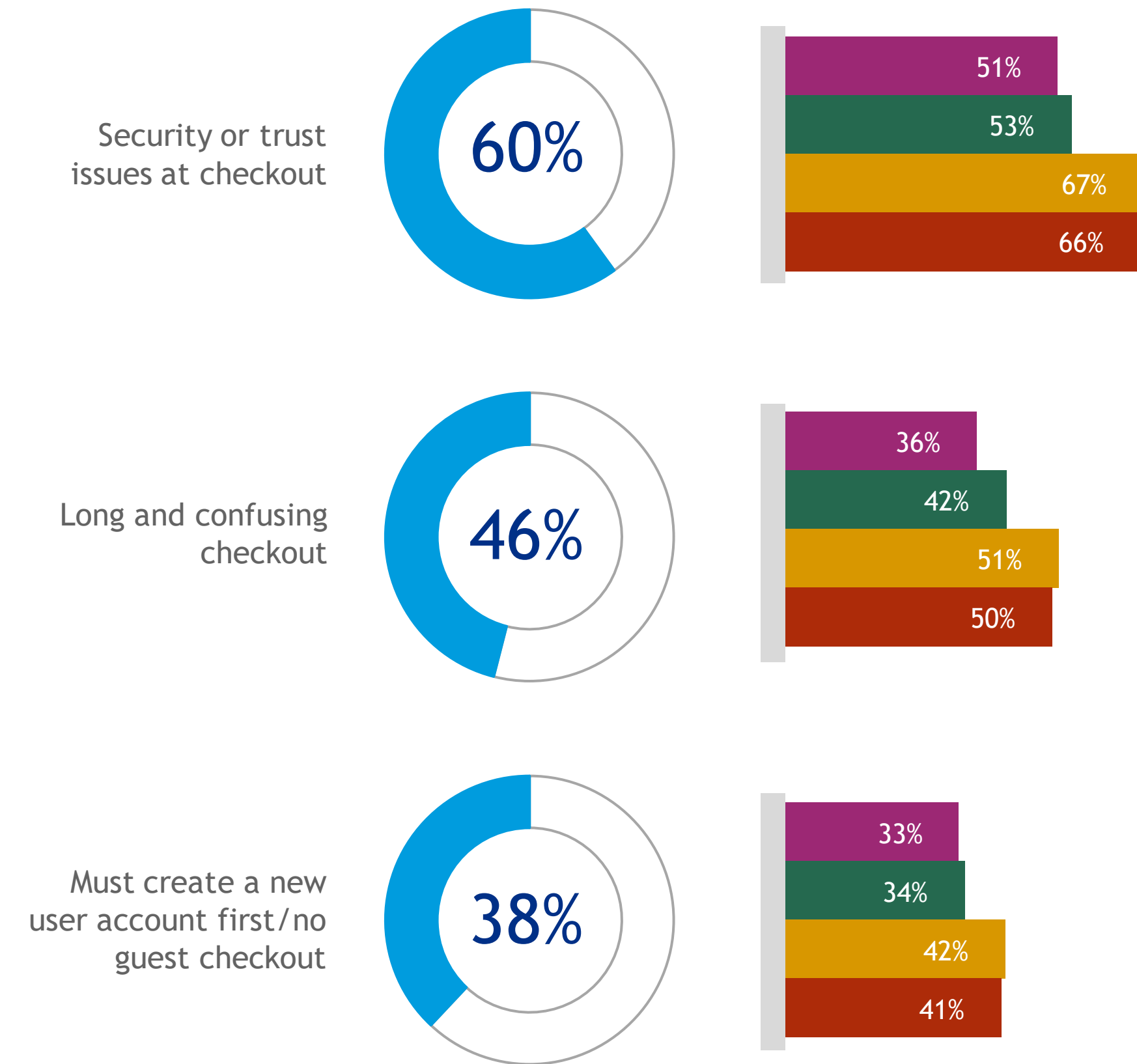
Second screening is common with 33% of Australians shopping online while watching TV (rising to 50% of Gen Z)

eCommerce Drivers & Barriers

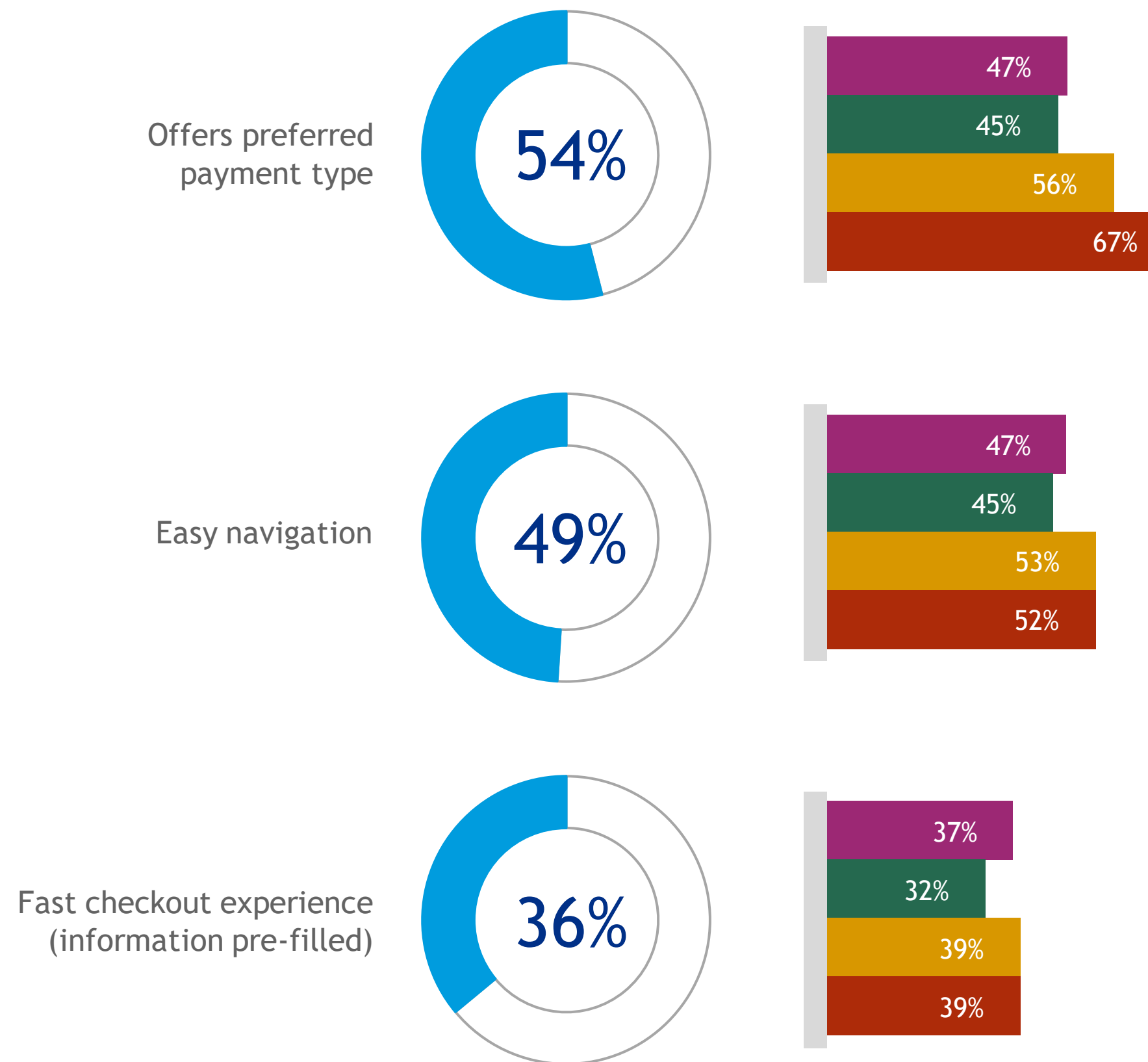


Security concerns are the most significant eCommerce barrier, with both drivers and barriers heavily linked to security / trust, checkout ease and payment type choice

Online Checkout Barriers



Online Checkout Drivers



GEN Z GEN Y GEN X BOOMER

Security concerns (60%) lead all other factors as barriers to purchasing online, particularly among older Australians (Gen X, 67%; Boomer, 66%), who shop online less frequently but are the biggest spenders.

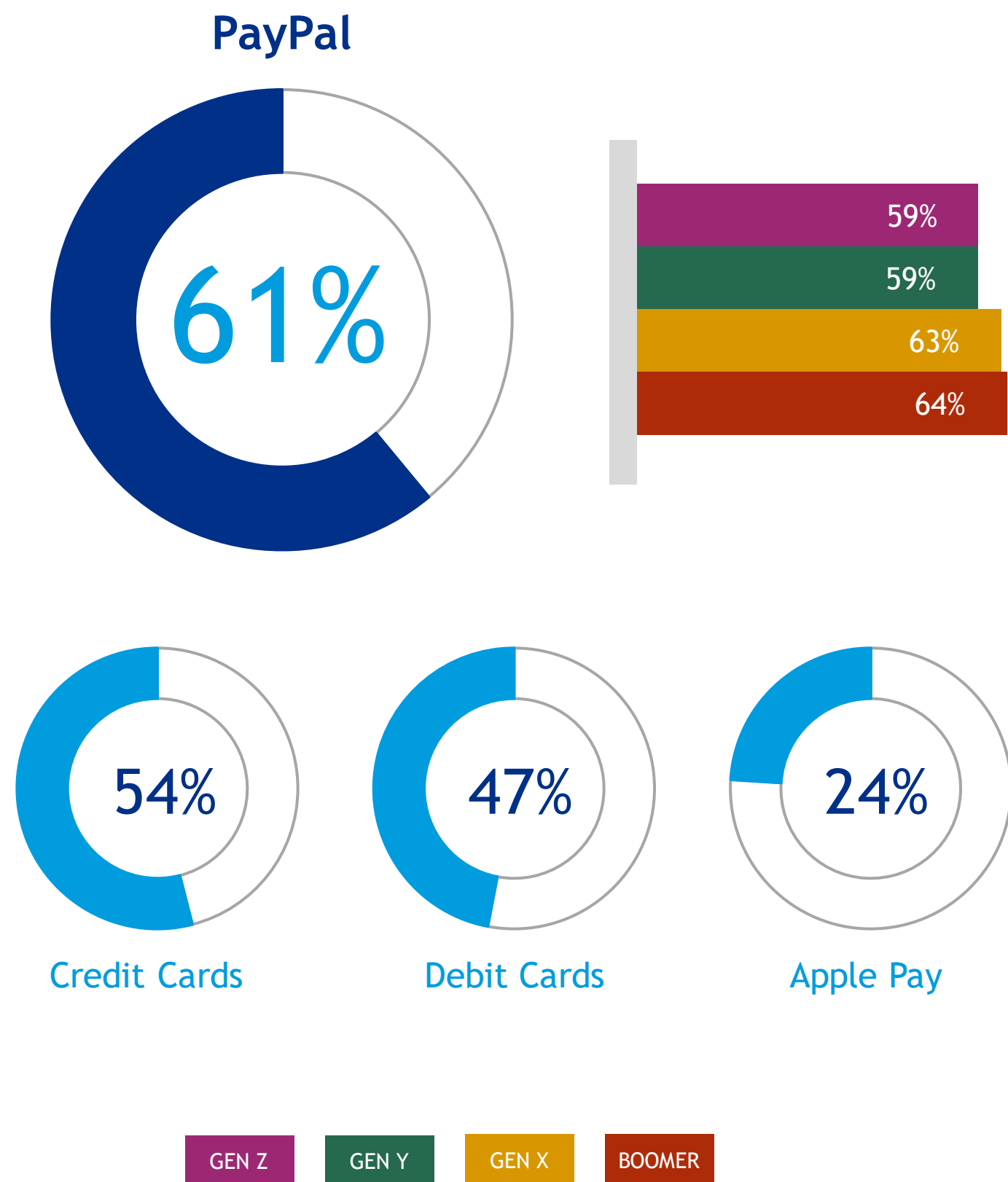
Friction within the checkout process is also a significant factor, with almost half of Australians (46%) reporting that a long and confusing checkout process can deter them from making a purchase, and more than a third (38%) less likely to purchase from sites that force the creation of an account in order to purchase (i.e. don't allow guest checkout).

On the flip side, while a smooth experience (in terms of navigation and checkout) is important, the most powerful driver of making an online purchase is finding a site that offers the consumer's preferred payment type (54%).

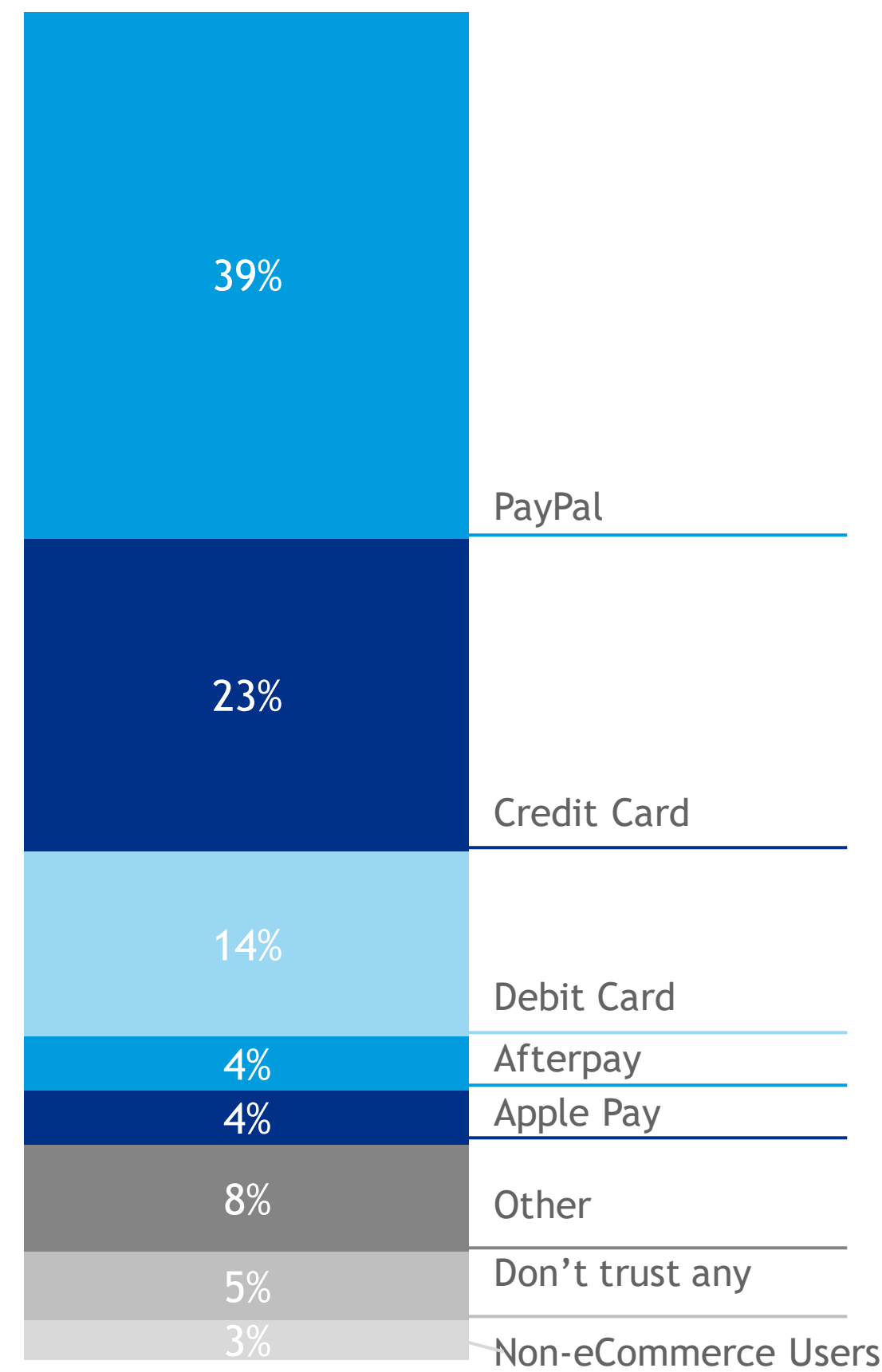
PayPal is the brand most trusted by Australian consumers to deliver payments securely and protect them online

Consumer Trust

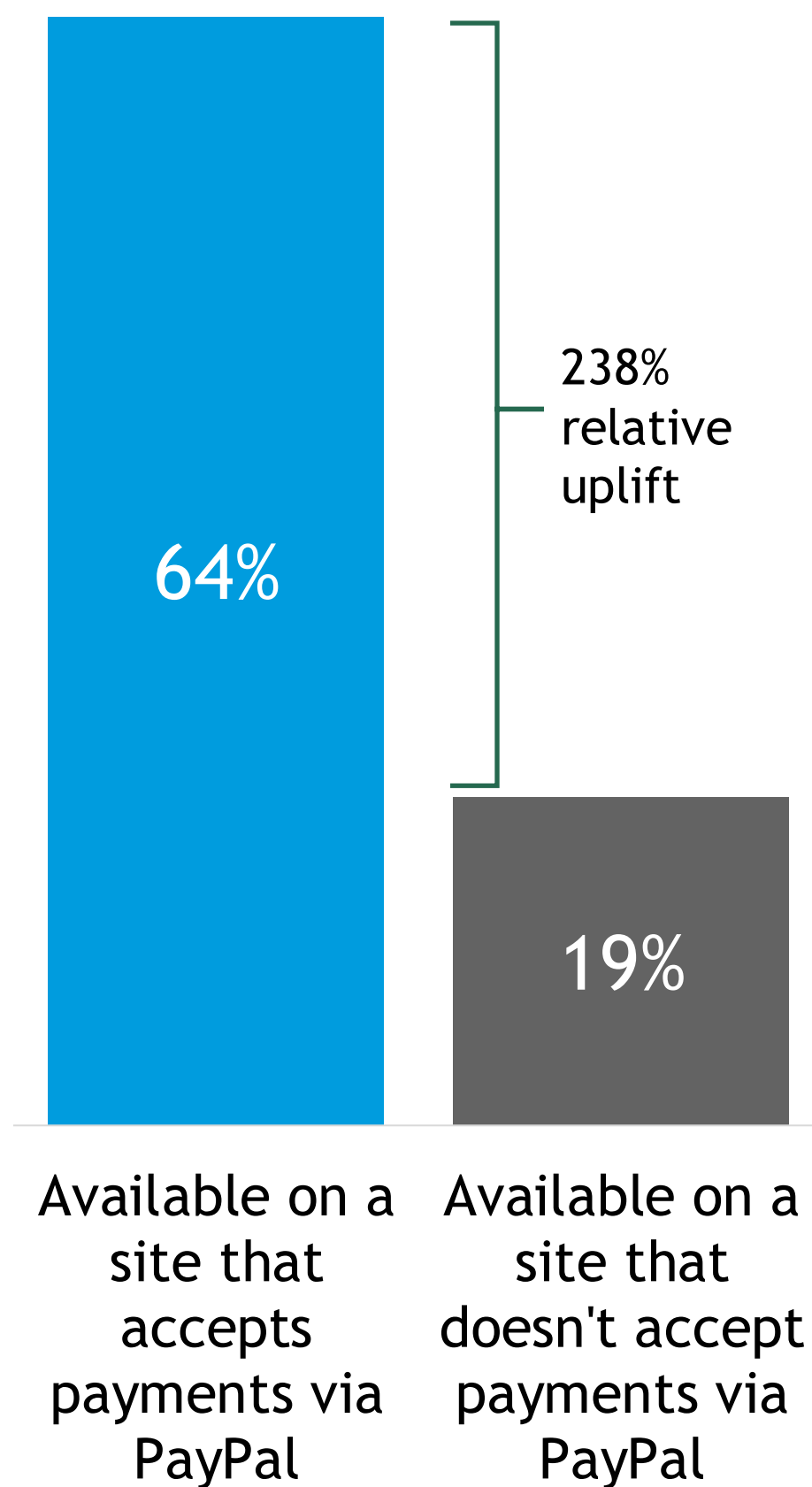
% of Australians that trust each payment option to keep their payment secure and protect them



Most Trusted Payment Options



PayPal Increases Purchase Likelihood



In addition to the research showing PayPal is the most-used online payment method by Australian consumers, the data also indicates PayPal has built a significant level of trust with Australians of all ages. Results show almost two-thirds (61%) trust PayPal to keep them safe and secure when transacting online.

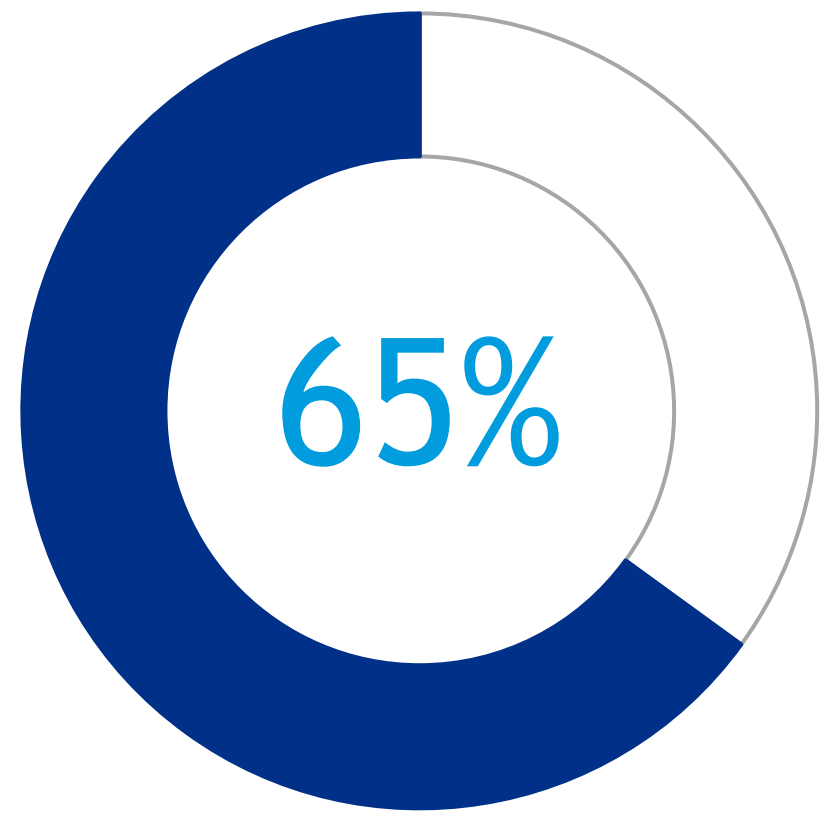
When we asked consumers to select the one payment option they trust the most for online purchases, PayPal was selected by almost two-in-five Australians (39%), almost twice as many as the next closest contender.

Finally, in a direct comparison between a site that offers PayPal, vs. one that does not, consumers would be more than twice as likely to purchase from the site that offers PayPal, highlighting the level of confidence it gives them that their payment will be secure and that they will be protected should something go wrong with their purchase.

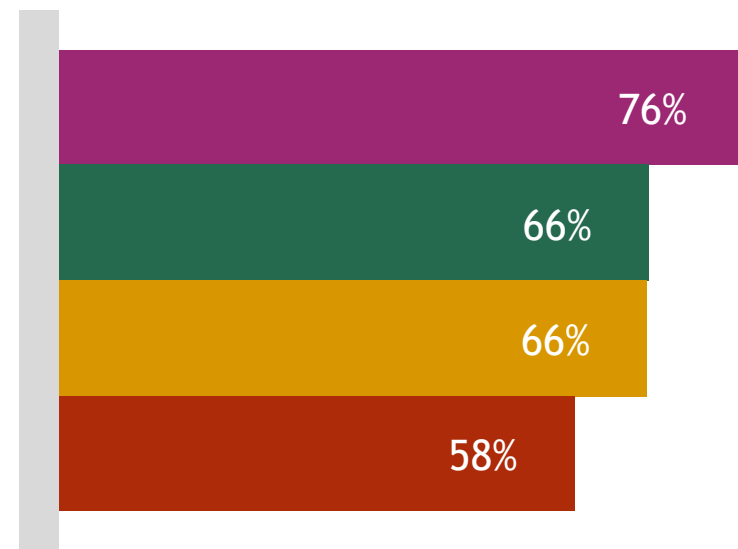


CQ22. Which of the following online payment options would you trust to keep your payment secure and protect you should something go wrong with the purchase?
 CQ23 - Which payment option do you trust the most when purchasing or transacting online?
 CQ24 - If you find a product that you want on two separate sites, both of which are offering it for the same price (including any shipping costs), how likely would you be to buy the product?
 BASE: All Australians 18-75, n=1012

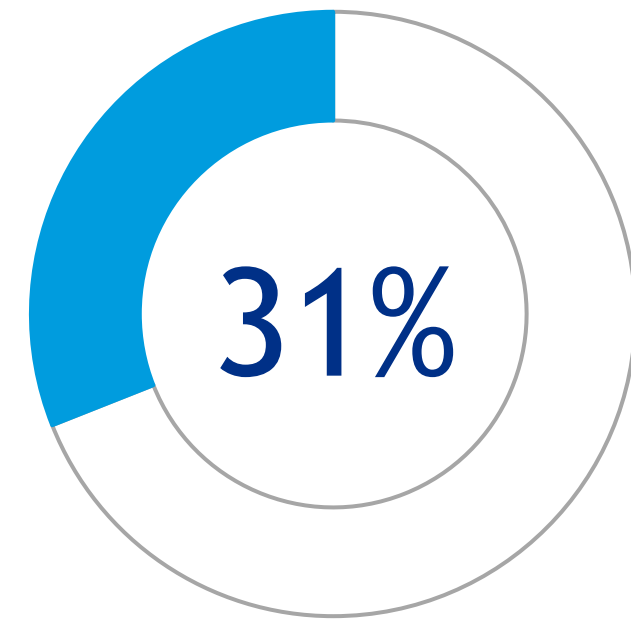
Security is key for conversion, followed closely by availability of preferred payment method and ease of transaction



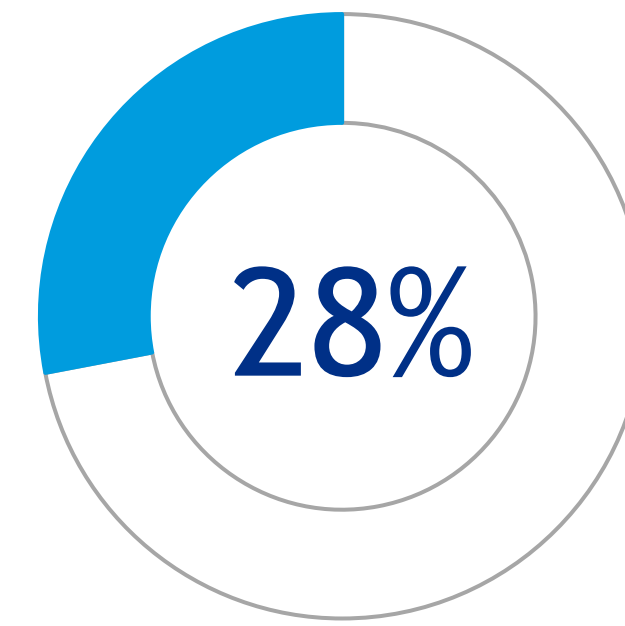
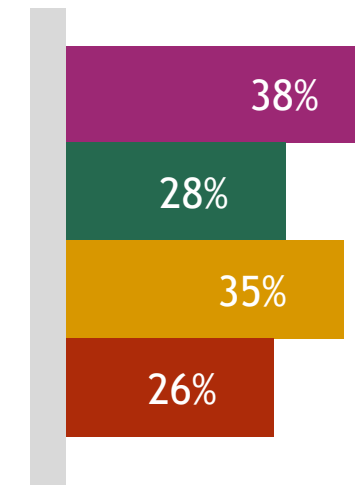
Almost 2-in-3 Australians have abandoned a purchase or payment online



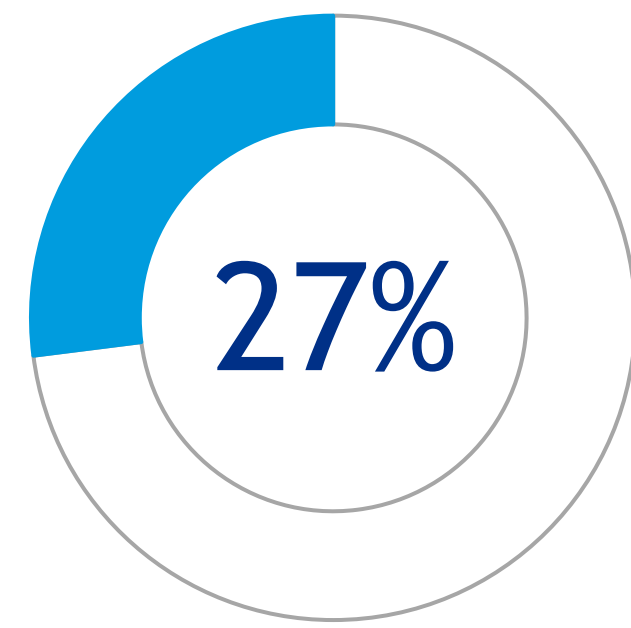
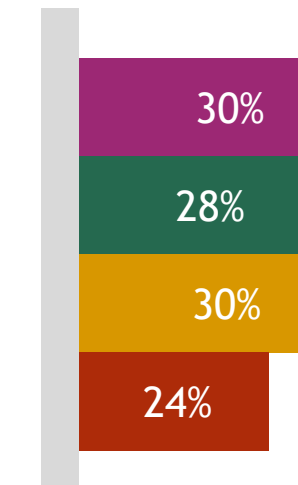
Reasons for Abandonment



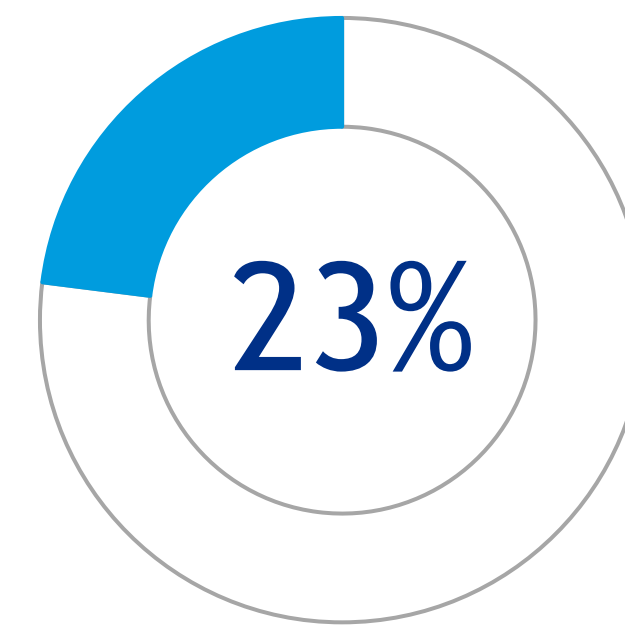
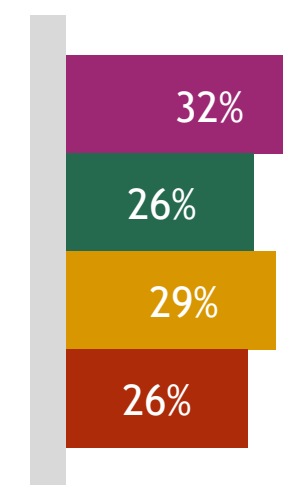
Security concerns



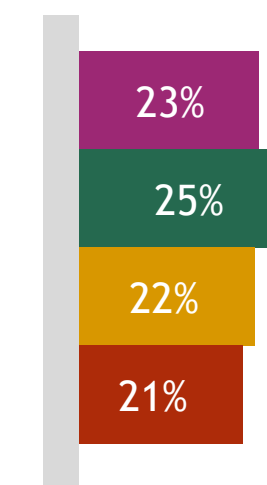
Preferred payment method wasn't available



Too difficult



Took too long



GEN Z GEN Y GEN X BOOMER

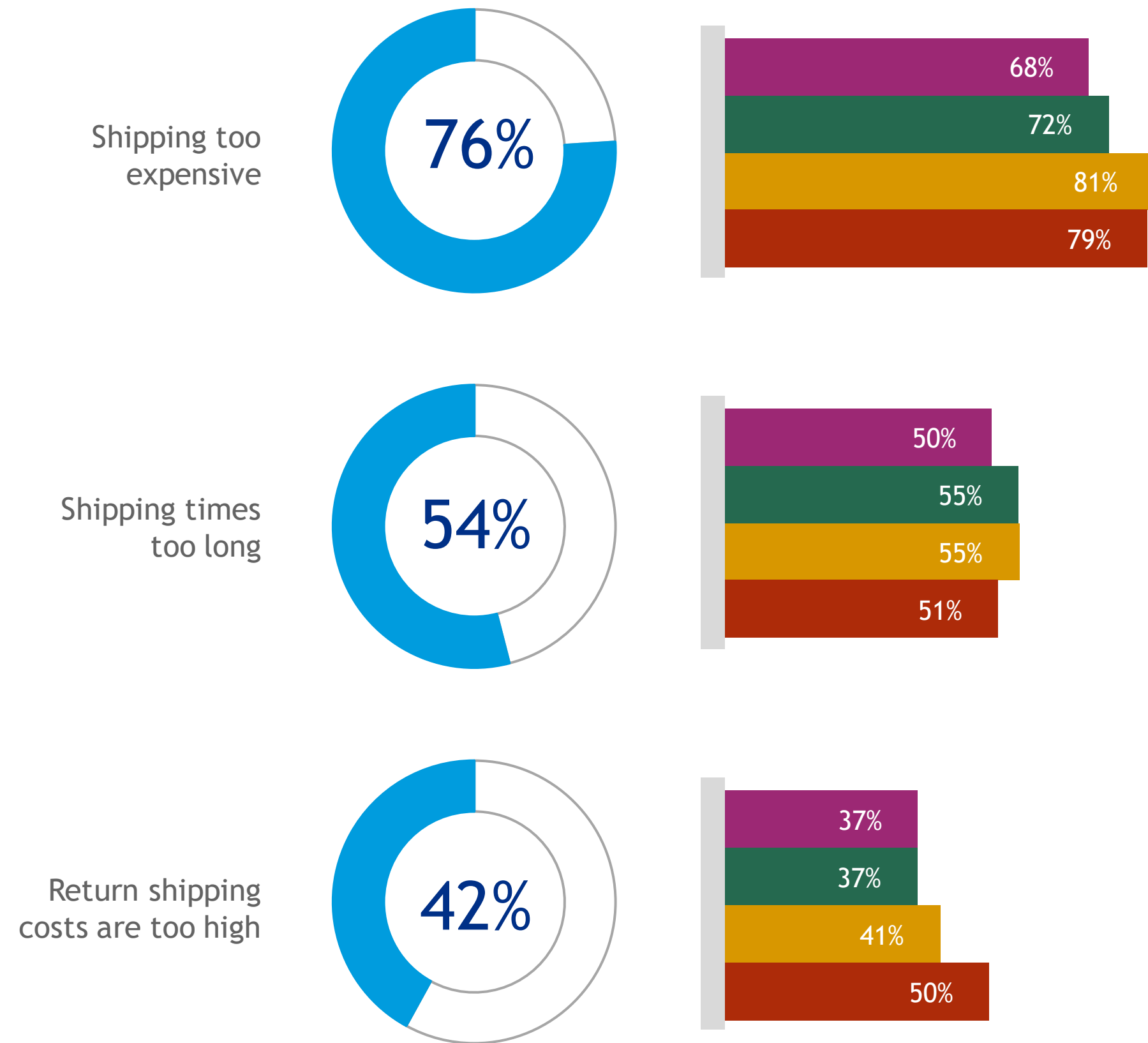
The value of integrating a trusted payment provider becomes more evident when considering that almost two-in-three Australians (65%) have abandoned a purchase or payment online.

The top reasons for cart abandonment relate to security concerns (31%) and not having access to their preferred payment method (28%). These issues are common across all ages of consumers.

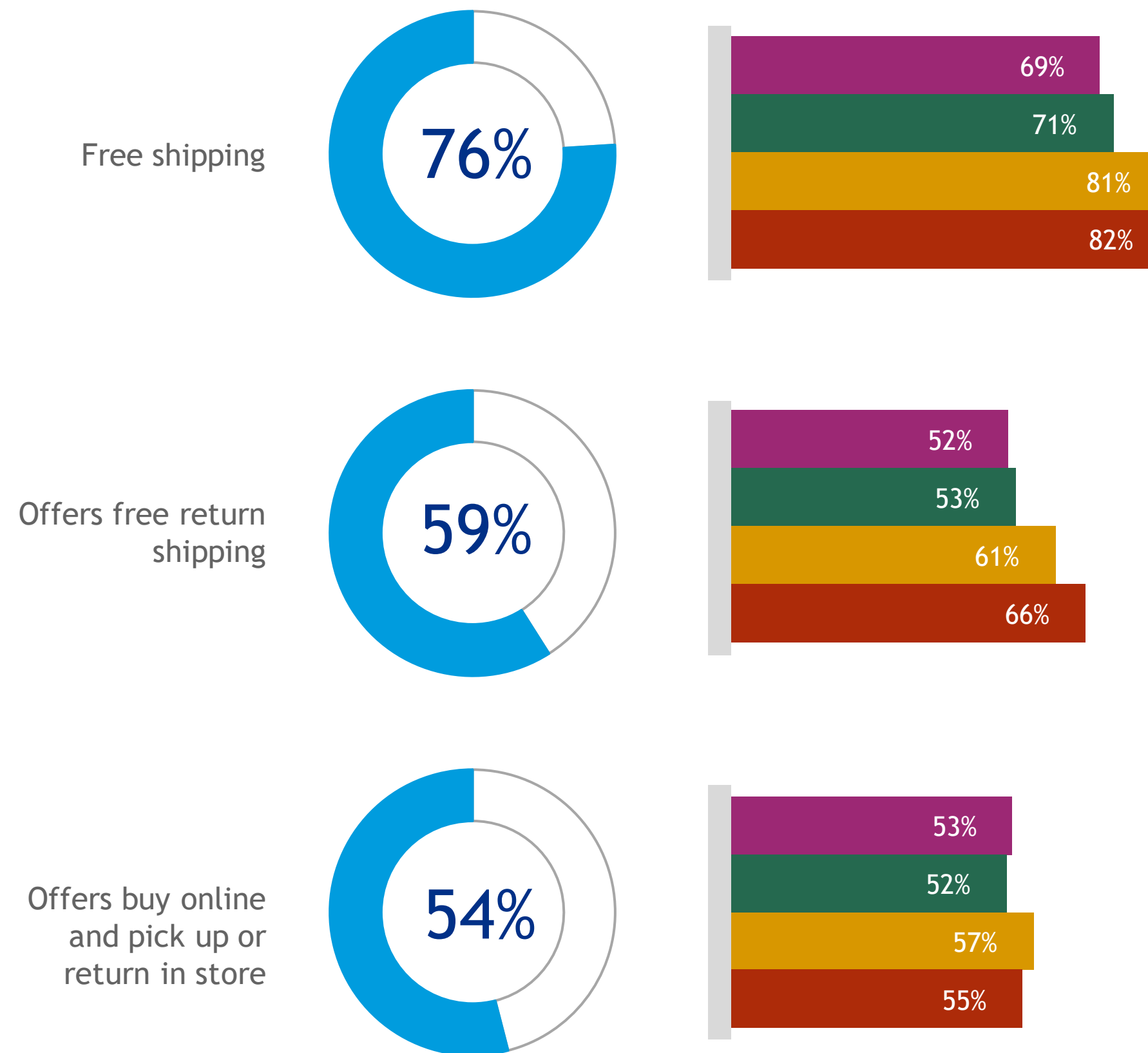
The level of effort involved in making a purchase can also lead to cart abandonment, with around one-in-four consumers having abandoned purchases because it all just became 'too hard'. This is evident in the data, with the process being too difficult (27%) or taking too long (23%) also emerging as common issues that lead to cart abandonment.

Shipping costs also act as a significant deterrent to online shopping; conversely, free shipping (along with free return shipping) increase likelihood of purchase

Shipping and Returns Barriers



Shipping and Returns Drivers



GEN Z GEN Y GEN X BOOMER

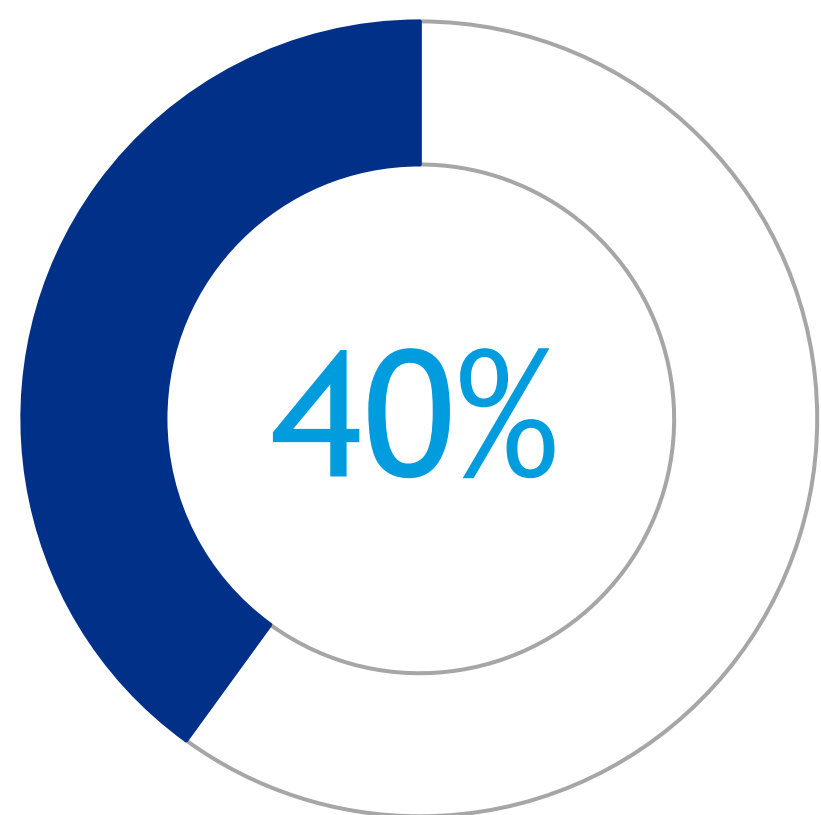
Shipping can also be a significant deterrent if businesses get it wrong - when suitable options are effectively implemented, it can have a strong positive impact, but can equally drive consumers away if they feel a business is overcharging.

Cost is key here, with more than three quarters of Australians agreeing that shipping being too expensive is a barrier to purchase and that free shipping is an incentive to buy (both 76%).

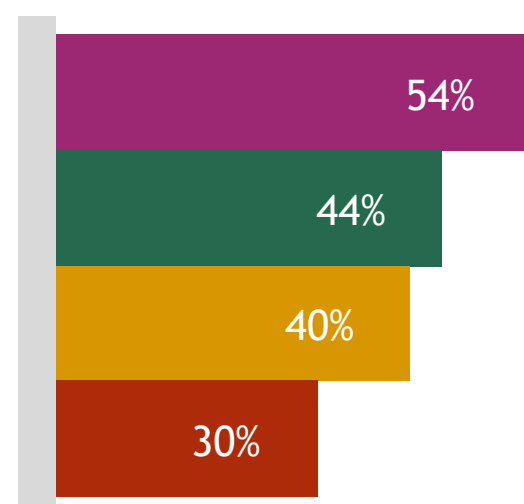
Looking beyond that, the two main other themes emerging are:

- Shipping times: More than half feel long shipping times are a barrier, while the ability to buy online and pick up / return in store is a purchase driver (both 54%)
- Return shipping: Most feel free return shipping can de-risk a purchase (59%), also agreeing that high return shipping costs are a barrier (42%).

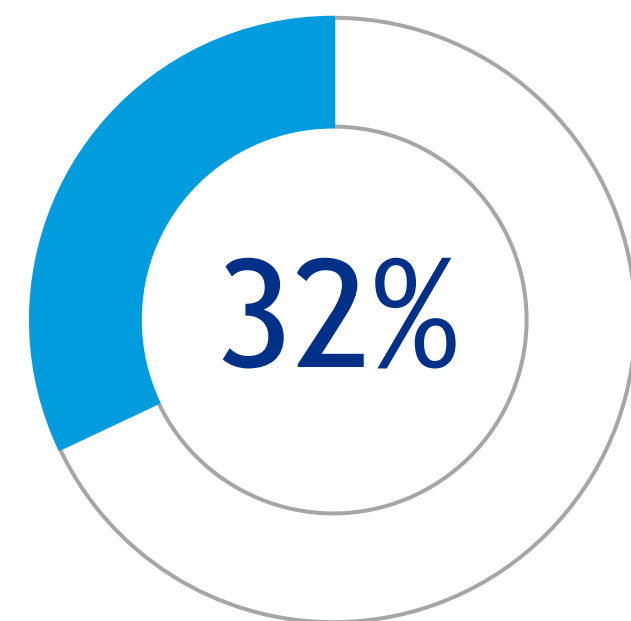
Ethical concerns impact purchasing behaviour, with Gen Z's in particular looking to buy from businesses that align with their personal values and ethics



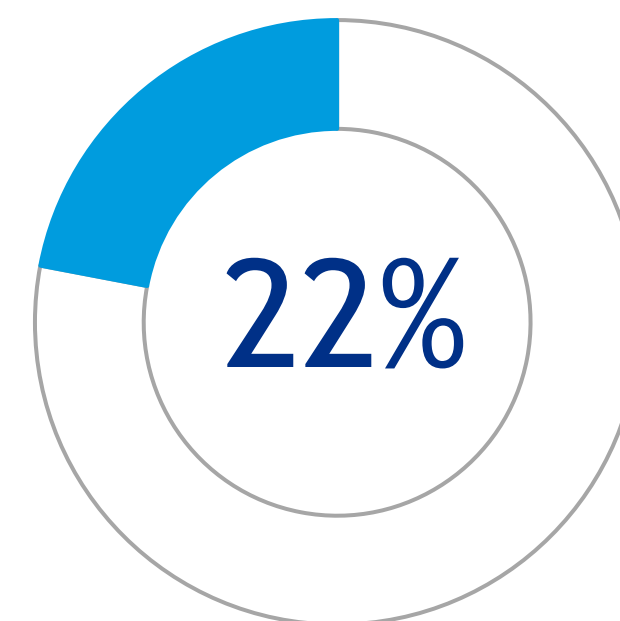
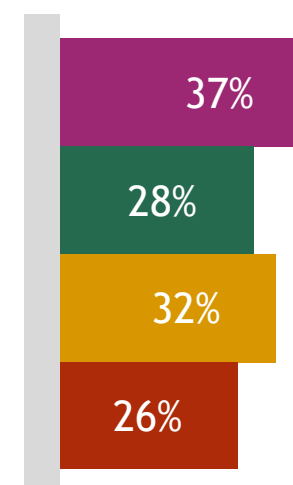
40% of Australians make online purchasing decisions based on ethical considerations



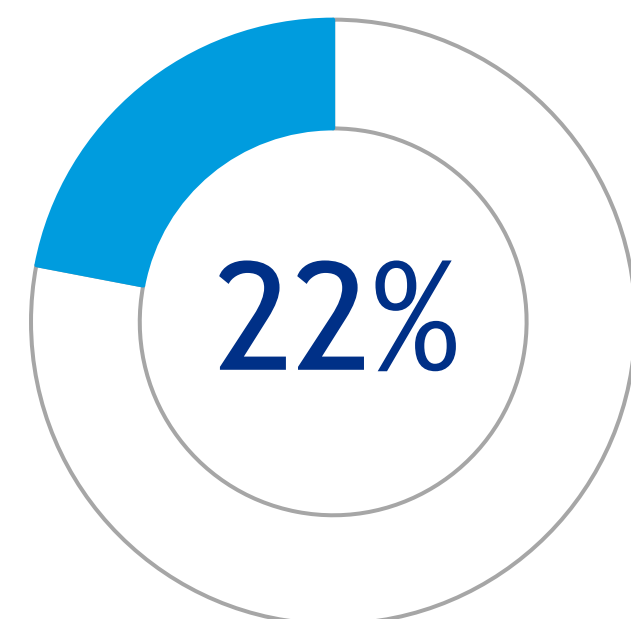
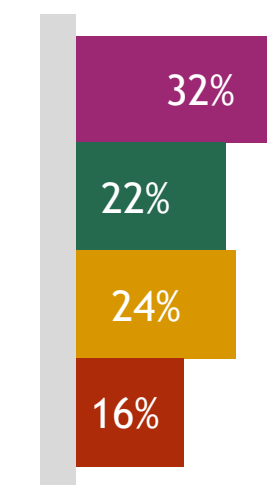
Ethical Considerations that Motivate Online Purchases



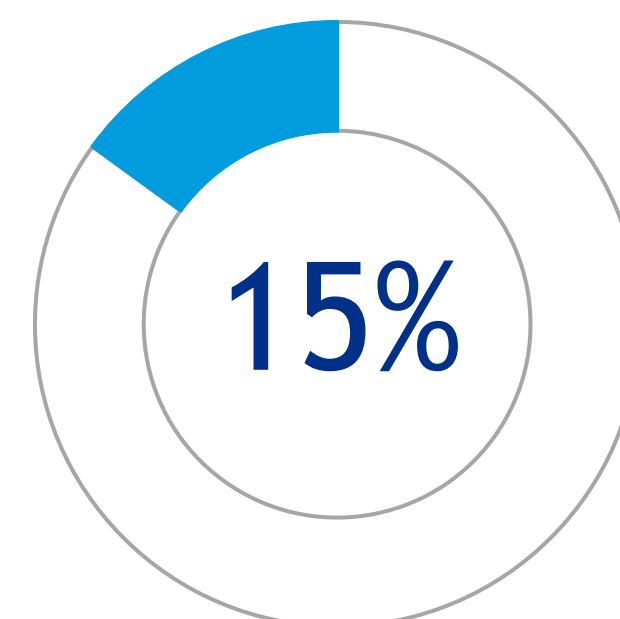
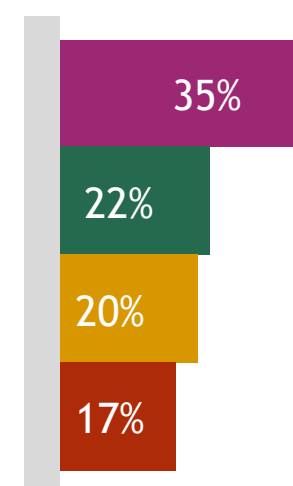
Worker pay and conditions either locally or in supply chain



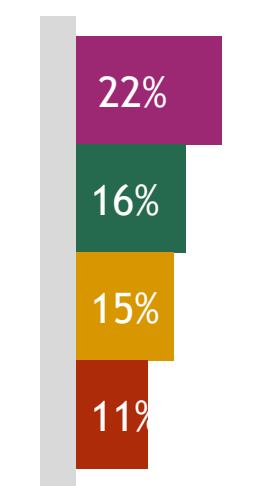
Environmental impact



Social causes that reflect personal values



Diversity and inclusion



Australians in 2022 are looking beyond the direct interactions they have with a business, and actively evaluating its broader ethical positions.

Two-in-five Australians (40%) report that their purchasing decisions are motivated by ethical considerations, rising to more than half of Gen Z (54%).

Topping the list of ethical considerations is worker pay and conditions locally and through the entire supply chain (32%), environmental impact (22%), social causes (22%), and diversity and inclusion (15%).

Gen Z particularly stand out for all of these, with around one-in-three listing each of worker pay and conditions (37%), social causes (35%), and environmental impact (32%) as issues that have motivated their online purchasing decisions.

eCommerce drivers & barriers

Trust issues (60%) are the biggest barrier to eCommerce, particularly for more security-conscious Gen X (67%) and boomers (66%)

Three quarters of Australians (76%) are less likely to purchase if shipping costs are too expensive

65% of Australians have abandoned an online purchase before payment - primarily due to security concerns or lack of payment choice

40% of Australians make online purchasing decisions based on ethical considerations such as worker pay or environmental impact

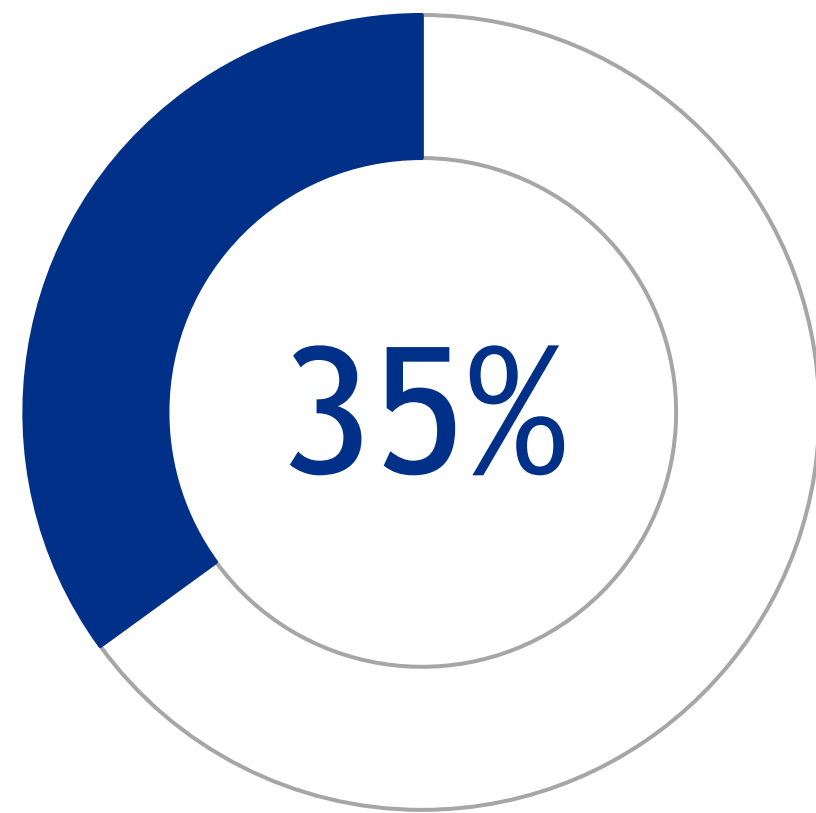
Social Commerce



Social shopping looks here to stay, with almost one-in-four Australians buying through social in the last 6 months (including more than a quarter of Gen Z and Gen Y)

Social Sellers

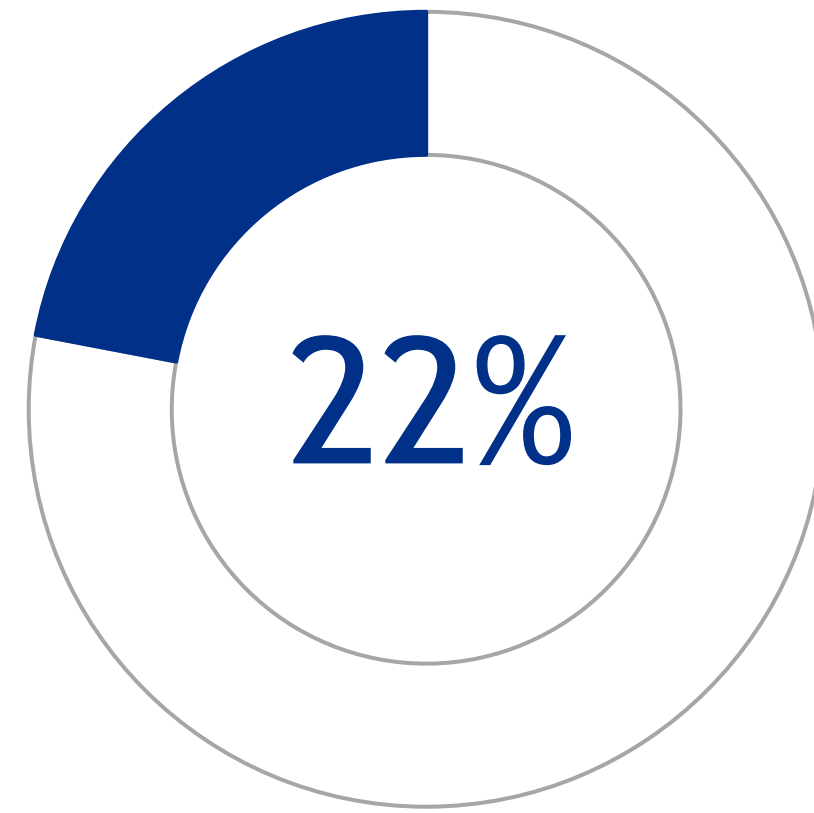
(All businesses who sell online)



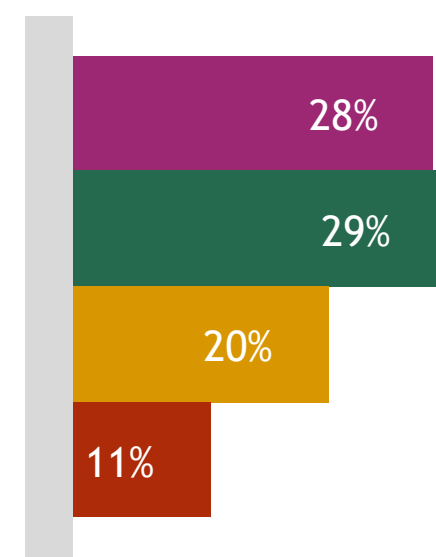
Online businesses that currently sell through social media

Social Shoppers

(All Australians 18-75 years)

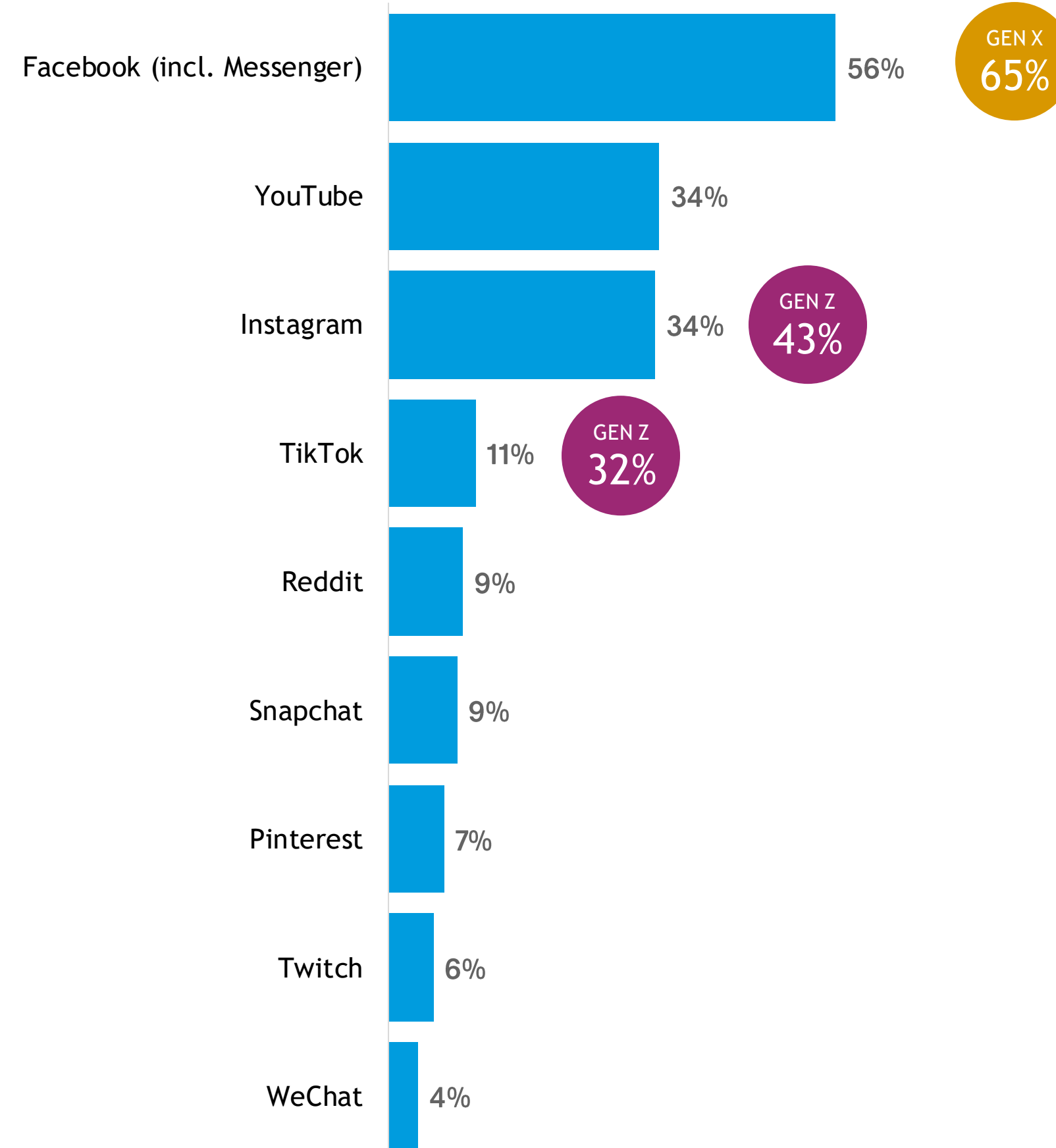


Consumers who have made a purchase through social media in the past 6 months



Platforms Used by Social Shoppers

(Social Shoppers)



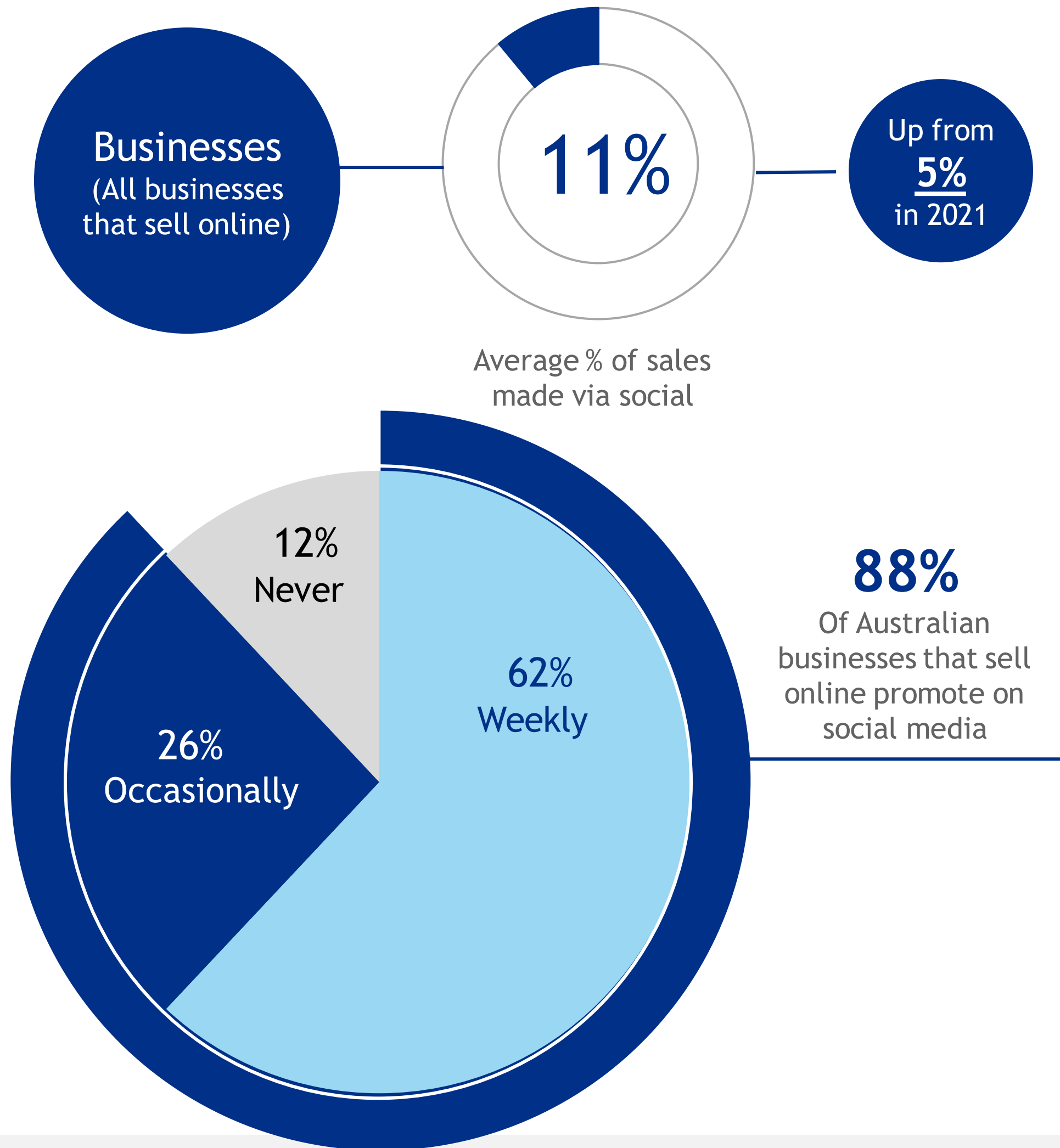
Close to one-in-four Australian consumers (22%) made a purchase through social media in the past six months, rising to almost three-in-ten Gen Y (29%) and Gen Z (28%). This is being recognised by businesses, with more than a third actively selling products through social media.

When it comes to the social platforms consumers are buying through, Facebook is the dominant option, with most Social Shoppers (56%) having purchased through it in the last 6 months. Reflecting the changing audience of Facebook, this does however skew to an older cohort, with almost two-thirds of Gen X Social Shoppers having used Facebook.

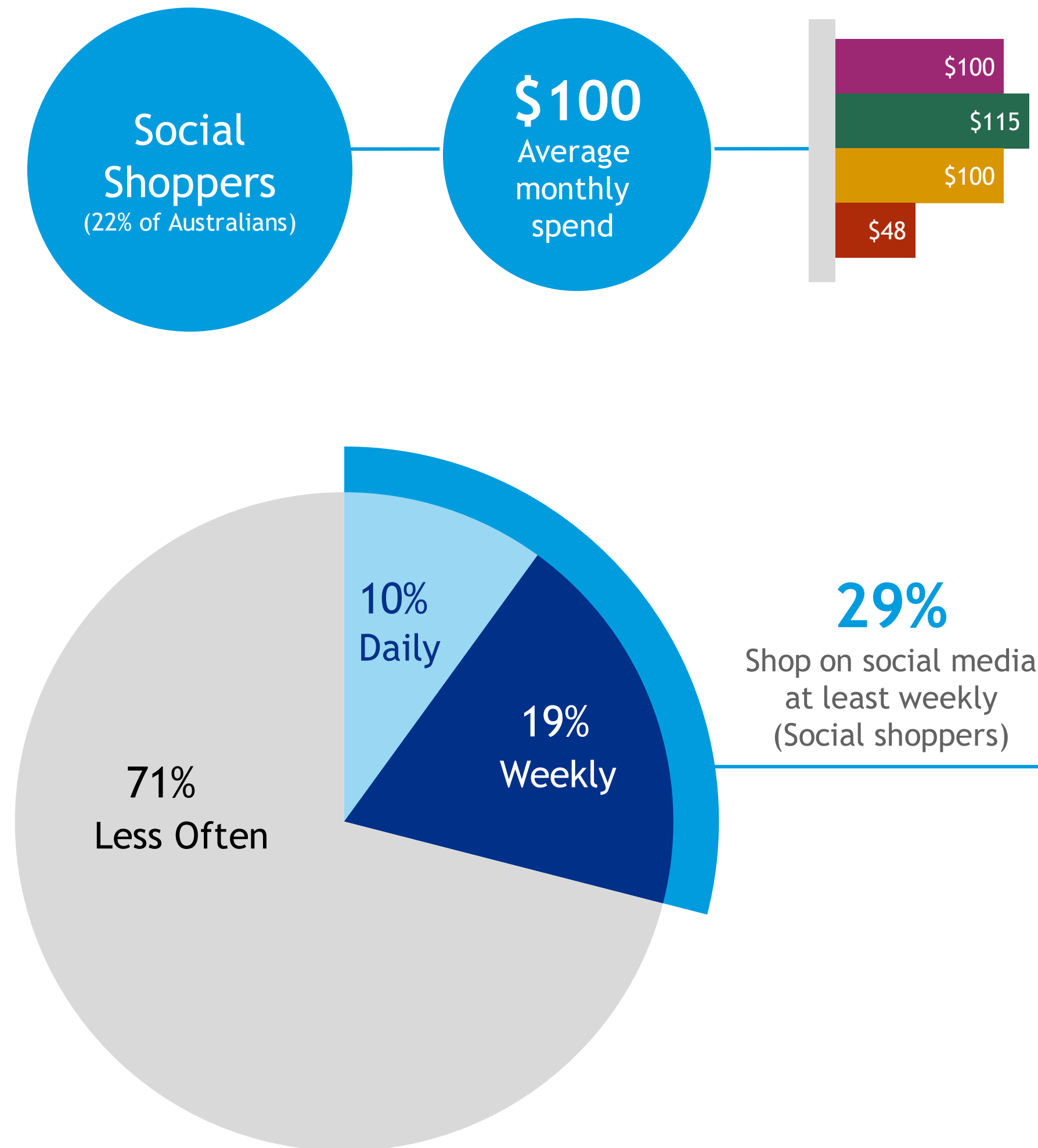
More broadly, Instagram and YouTube (both 34%) also play an important role, although Gen Z are also likely to be looking to TikTok (Gen Z, 32%) for 'inspo'.

More than 10% of online business sales are now received through social channels with social shoppers spending \$100 per month on these channels

Social Activity & Sales



Social Usage & Spend



Social shopping has become entrenched within broader online shopping behaviours, with one-in-ten social shoppers purchasing on a daily basis, and more than a quarter (29%) buying each week through social channels.

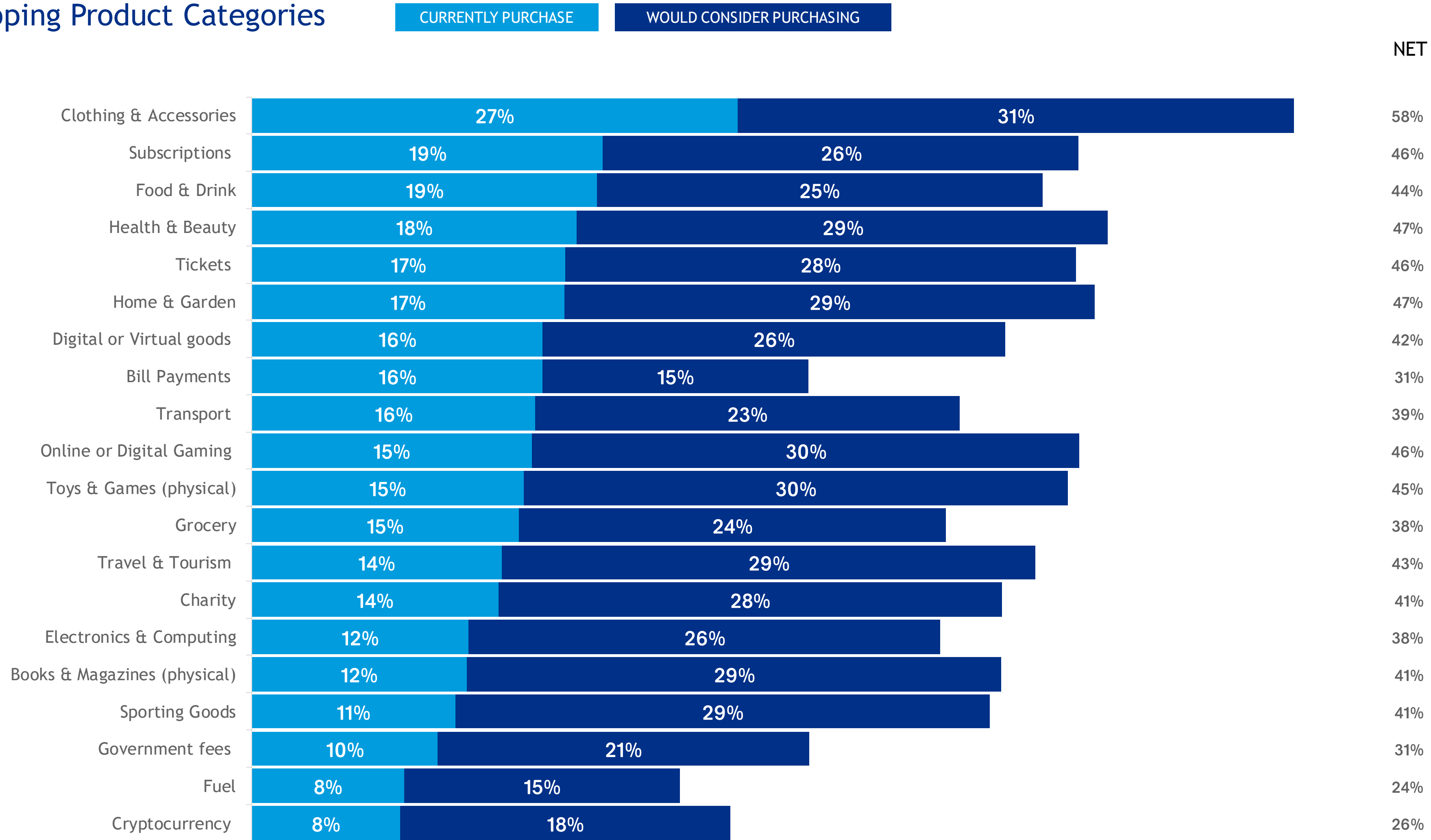
This adds up quickly, with an average of \$100 per month being spent by social shoppers on purchases through these platforms (reaching a peak of \$115 per month for Gen Y).

Businesses have come to recognise the value of social exposure, with almost nine-in-ten choosing to promote their products or services through social media. This is then translating to 11% of total business revenue being generated by purchases through social channels, up by 5% from 2021.

There is however still significant untapped growth in social shopping, with the potential to double (if not triple) sales across most categories

Social Shopping Product Categories

(Social Shoppers)



While the volume of shopping on social channels is significant, the data suggests there's potential to double if not triple social purchase activity across most categories.

Currently, social shopping is most likely to involve Clothing & Accessories (27%), ahead of Subscriptions, Food & Drink (both 19%), and Health & Beauty (18%), with other categories cascading down from there.

Social Shoppers are however open to a much wider (and highly diverse) range of social shopping categories, including:

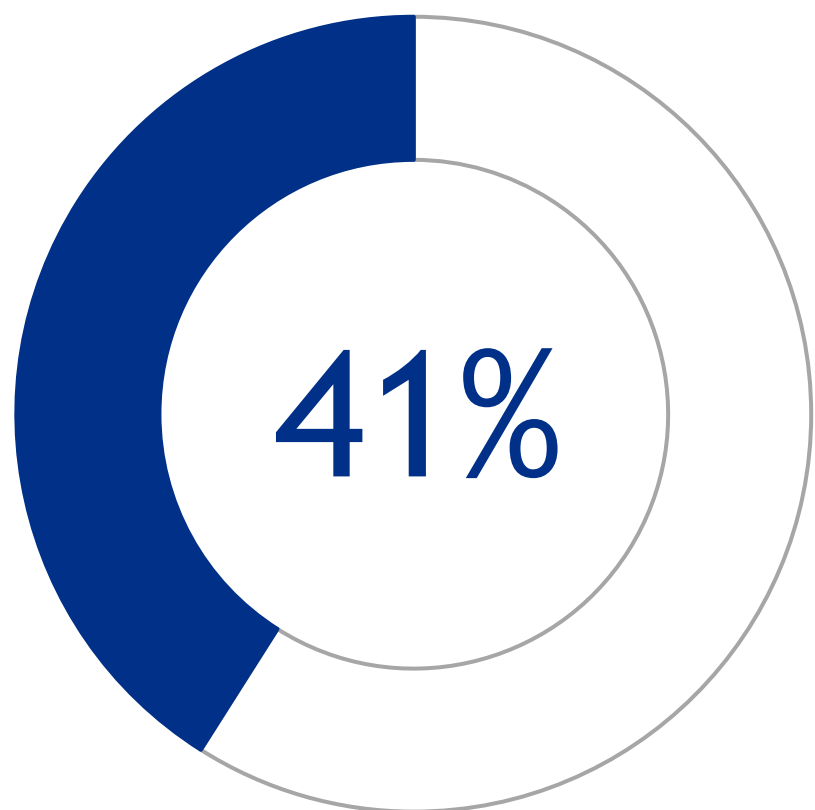
- Online or Digital Gaming (30% would consider)
- Physical Toys & Games (30% would consider)
- Home & Garden (29% would consider)
- Travel & Tourism (29% would consider)



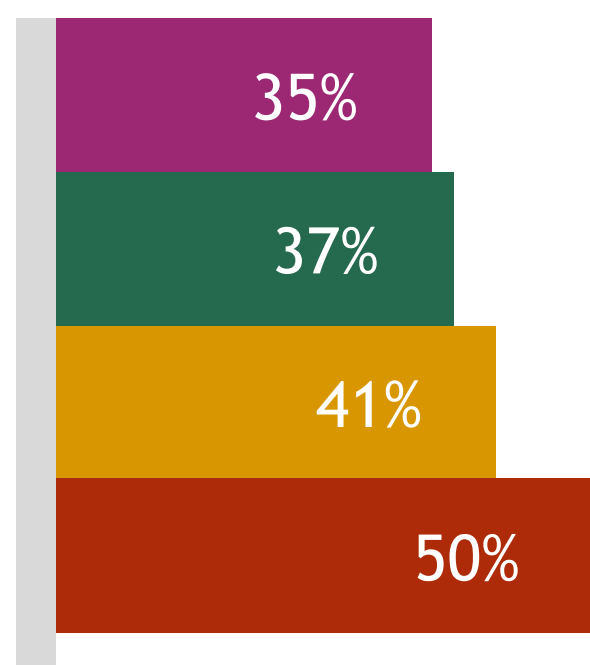
More Australians use social as a platform for discovery (as against purchase), with many viewing PayPal as delivering a safer, more convenient purchase experience on social media and streaming platforms

Social Purchasing Motivations

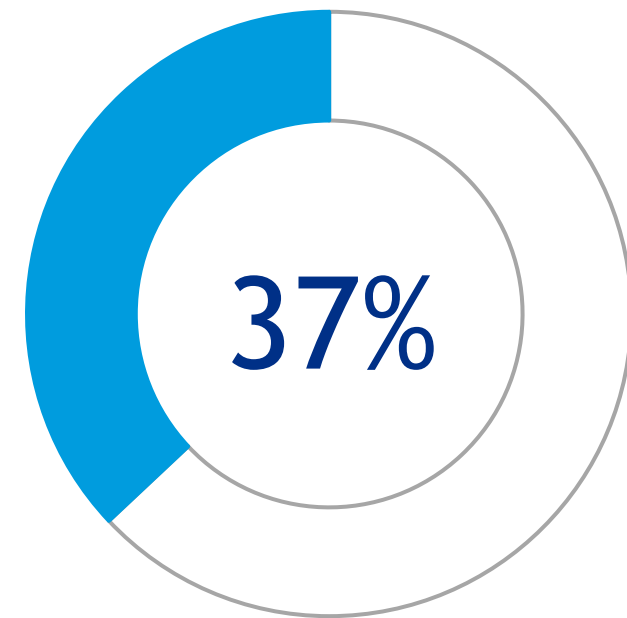
(All Australians 18-75 years)



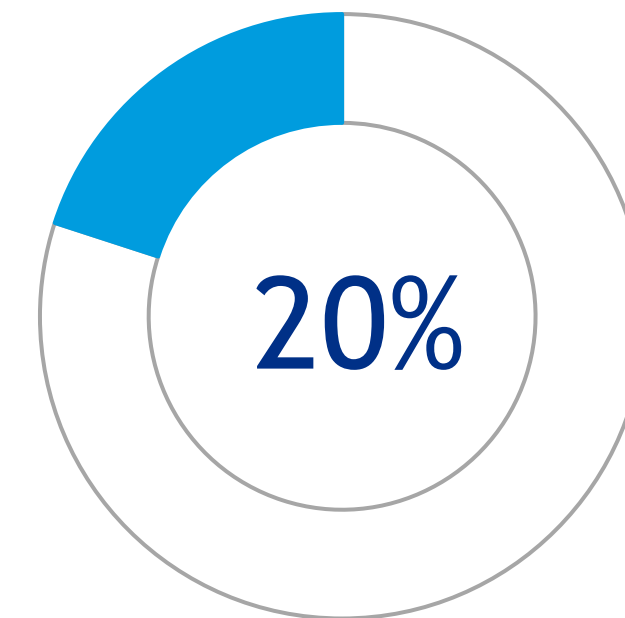
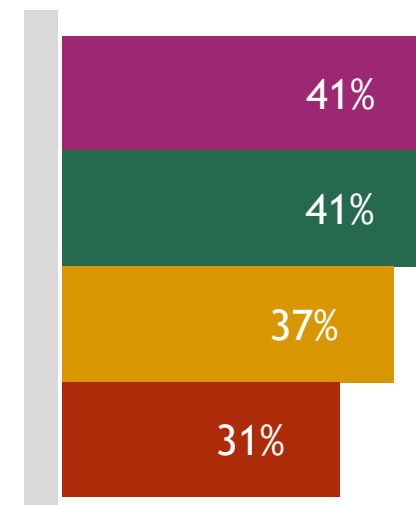
Don't trust the process of buying via social media platforms



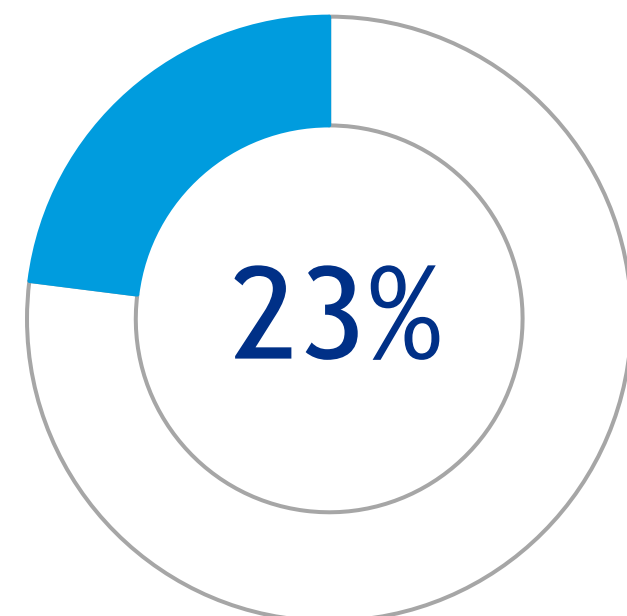
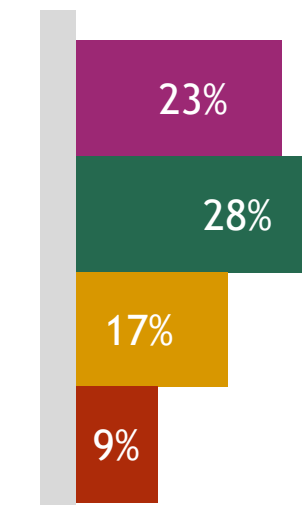
GEN Z GEN Y GEN X BOOMER



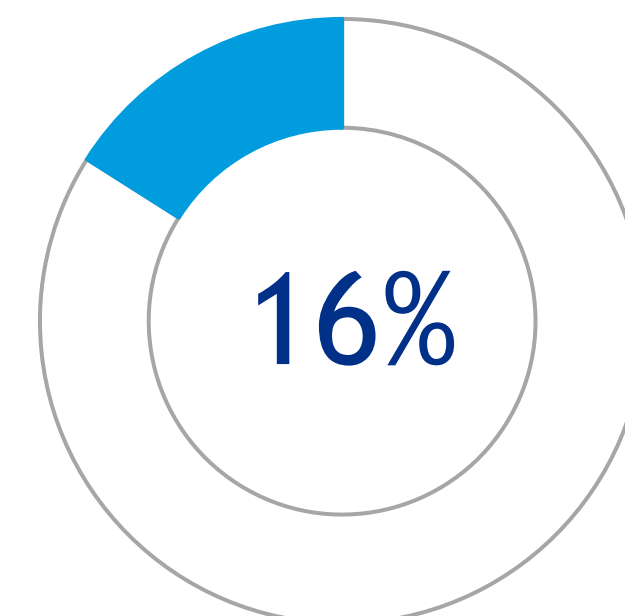
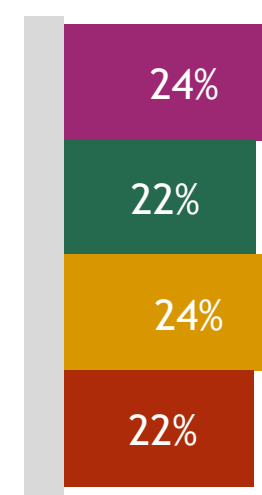
When I see a product on social media, I prefer to go to the website to purchase



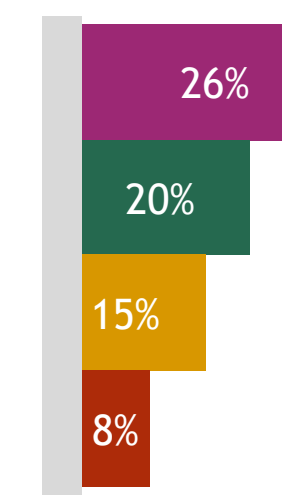
I've purchased something after seeing it on social media or a streaming platform



I'd only buy from a social media platform if I could use my PayPal account for convenience and safety



of Australians discover products on social media that they don't find anywhere else



One-in-five Australians has purchased something after seeing it on social media, showing how important social channels have become for both consumer discovery and for driving sales.

Despite this, more than a third of Australians (37%) would still prefer to purchase through a brand's website rather than through a social platform. This is even though one-in-six Australians (16%) say they discover products on social media that they don't find anywhere else.

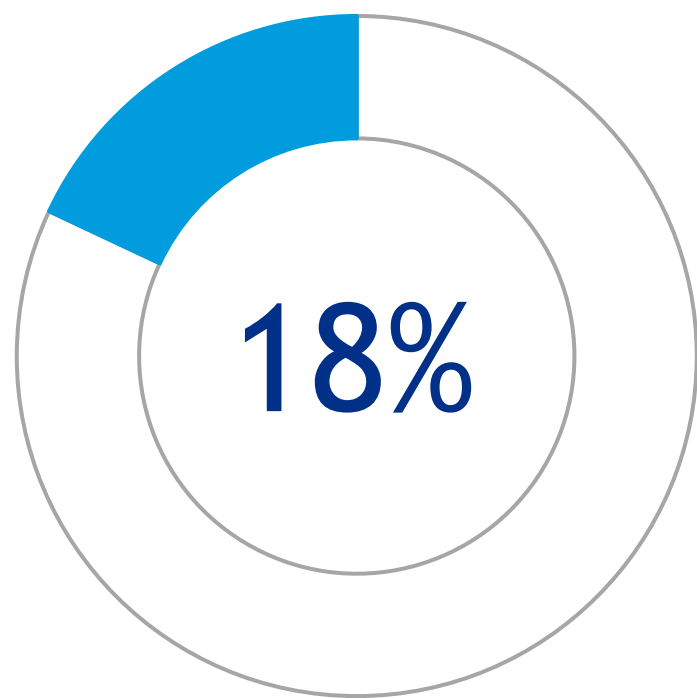
Some of this reluctance to purchase via social platforms could be due to perceived security issues as 41% of Australians don't trust the process of buying via social media platforms.



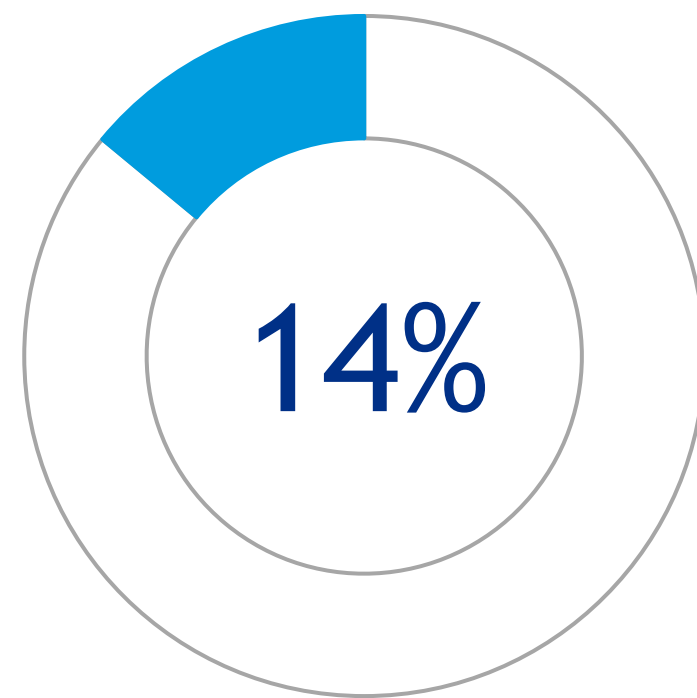
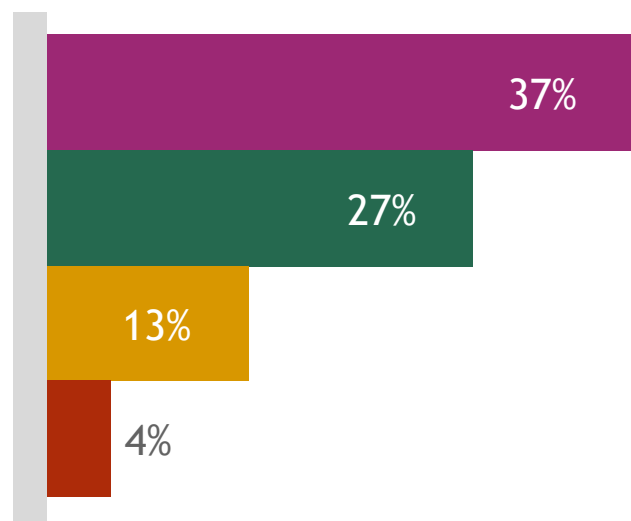
Australians use social media to discover products from their favourite brands, appearing to trust them more than individual influencers

Social Purchasing Motivations

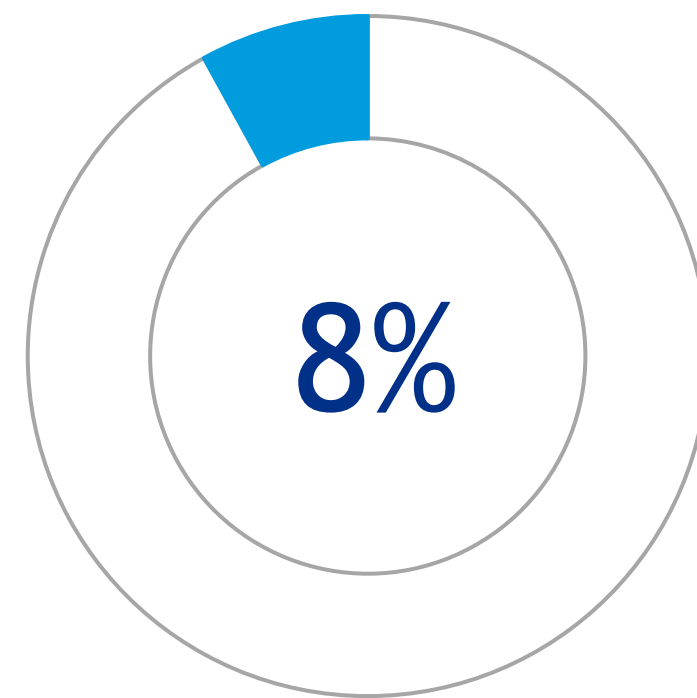
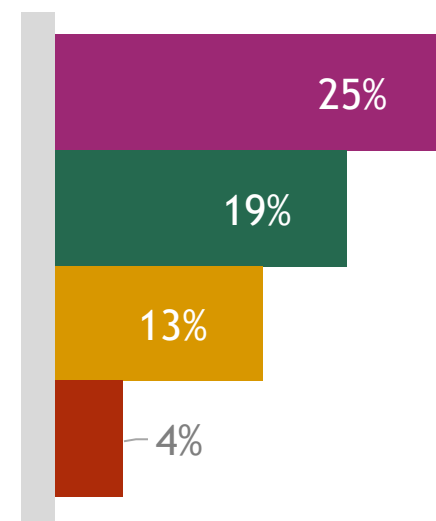
(All Australians 18-75 years)



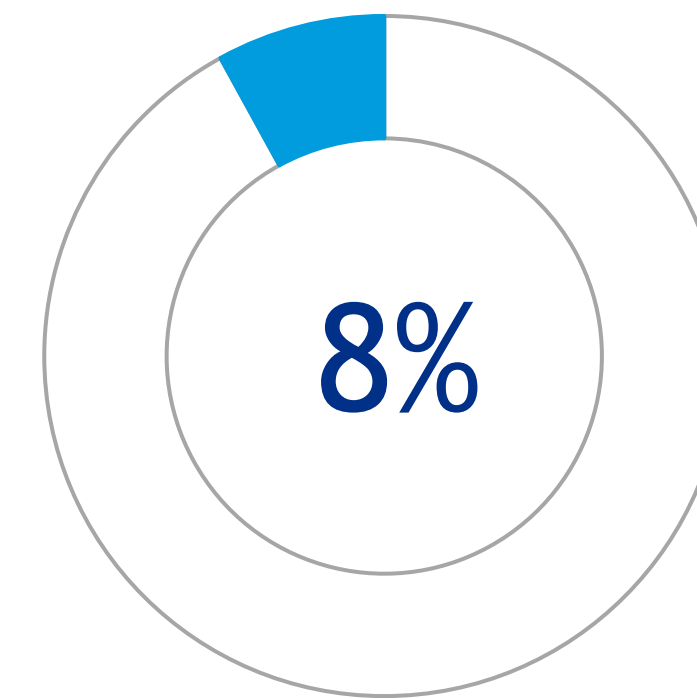
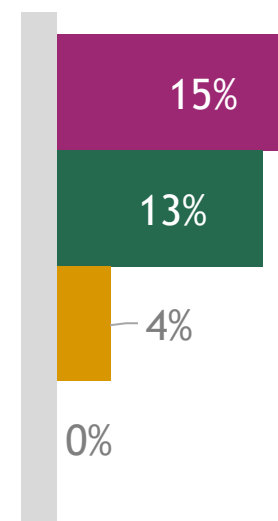
I follow my favourite brands on social media/streaming platforms



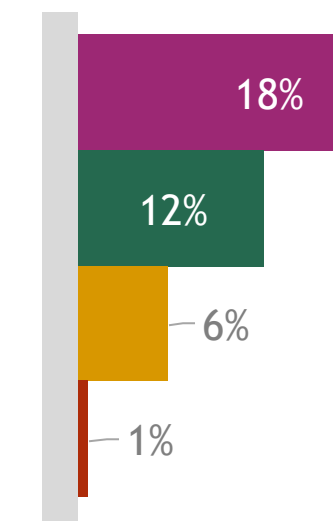
I search social media for products/services I am interested in buying to see them used in real life



I've bought products or services used by social media influencers



I follow influencers on social media/streaming platforms to see what they are wearing/using



GEN Z GEN Y GEN X BOOMER

Almost one-in-five Australians (18%) follow their favourite brands on social - with this more than doubling for Gen Z consumers (37%) and also high for Gen Y (27%).

Less than one-in-ten Australians has purchased products used by social media influencers or follow influencers to see what they are wearing or using (both 8%).

However, influencer-inspired purchasing almost doubles for younger shoppers with 15% of Gen Z buying products used by social influencers and 18% following influencers for purchase inspiration.

Social Commerce in Australia

22% of Australians have made a purchase through social media in the last 6 months

Businesses are generating 11% of sales numbers via social (up from 5% in 2021)

Social shoppers are spending an average of \$100 per month on their purchases via social channels

One-in-three (37%) still choose to visit a website to purchase after seeing a product on social media

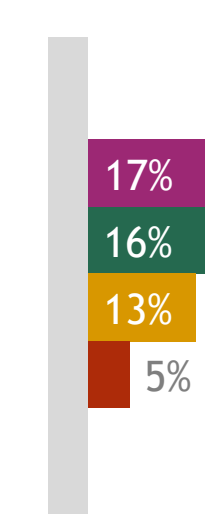
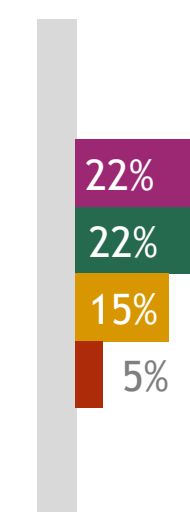
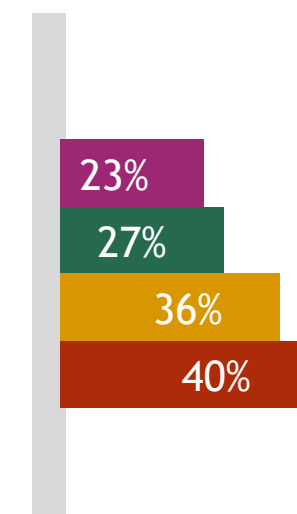
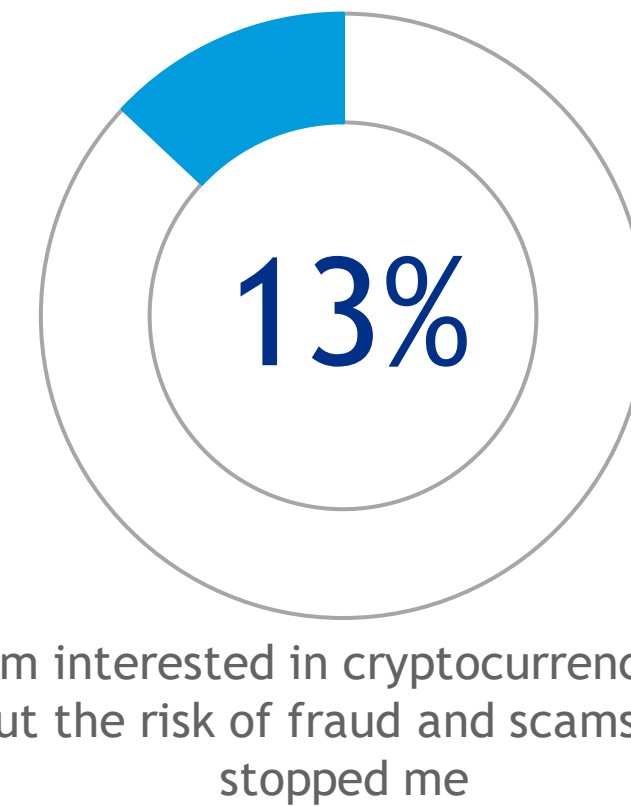
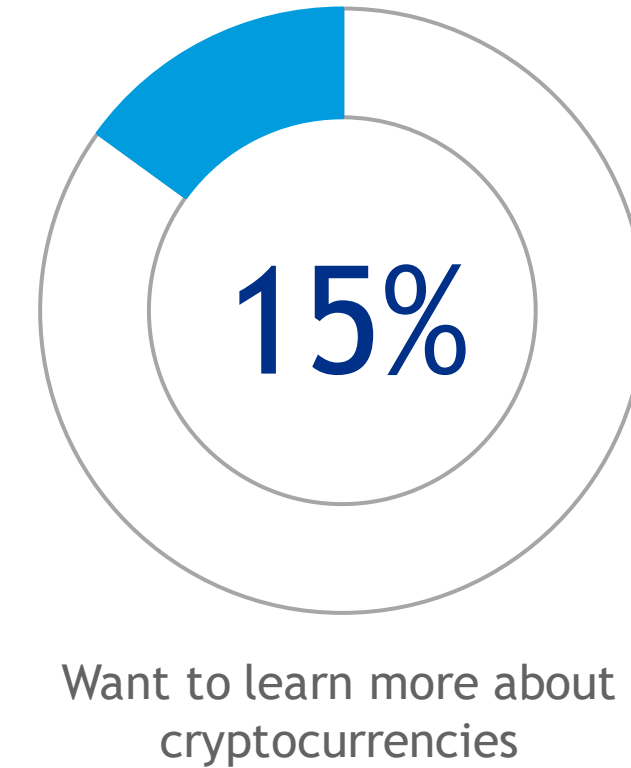
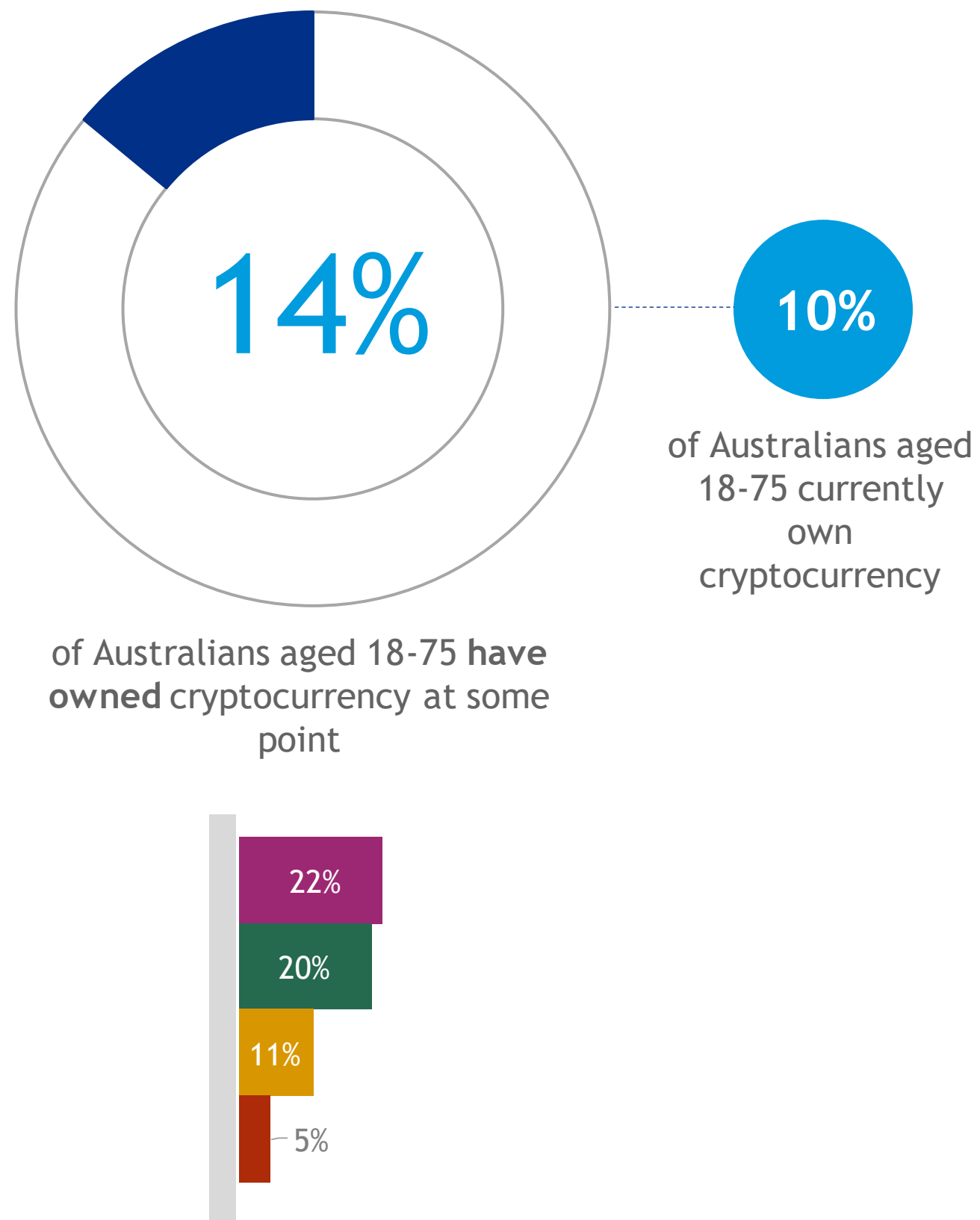
Tech Trends



One-in-seven Australians have owned cryptocurrency, with that rising to one-in-five Gen Z; however Australians remain concerned about the risks

Cryptocurrency Ownership and Beliefs

(All Australians 18-75 years)



GEN Z GEN Y GEN X BOOMER

One-in-seven Australians (14%) has owned cryptocurrencies with one-in-ten (10%) currently holding cryptocurrencies.

Younger Australians are most likely to have explored the category, with close to a quarter of Gen Z (22%) and a fifth of Gen Y (20%) having owned cryptocurrency at some point (against just 5% of Baby Boomers).

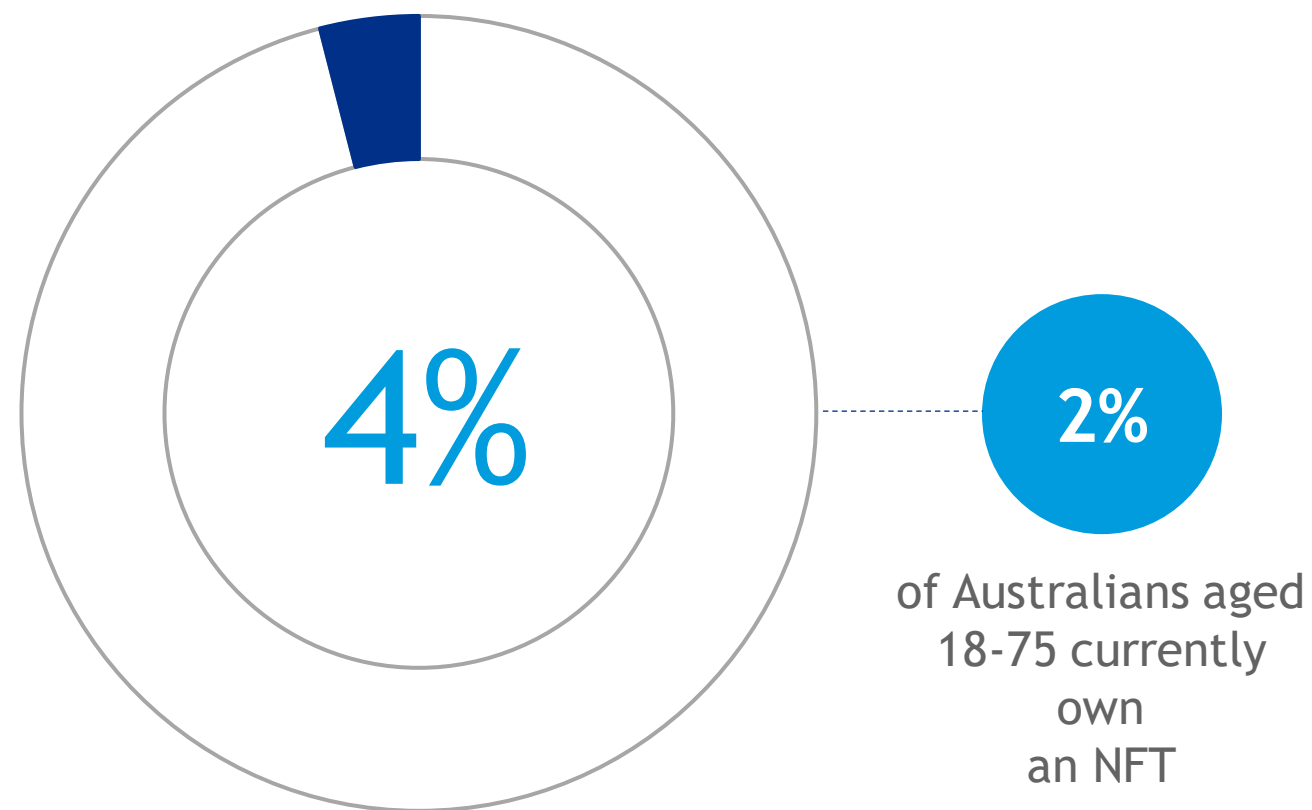
Crypto is however not universally appealing with one-in-three (32%) concerned about the safety and security of trading crypto. This concern is driven by older audiences, particularly Boomers and Gen X.

We do also see though that 15% of Australians want to learn more, while more than one-in-ten (13%) are interested but the risk of fraud and scams has held them back.

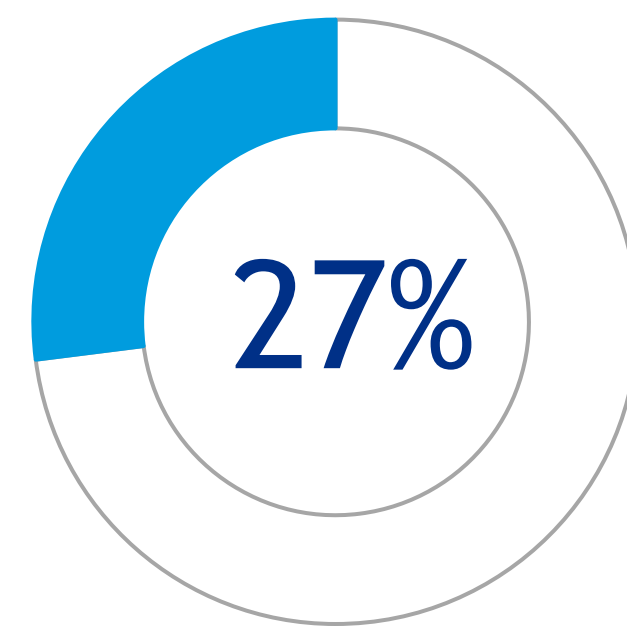
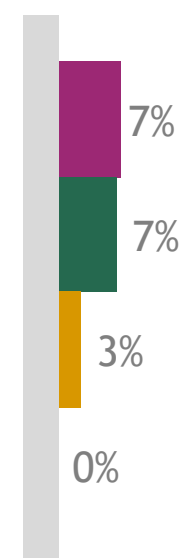
Similarly, few Australians own or have owned an NFT, highlighting their current status as a niche investment category

NFT Ownership and Beliefs

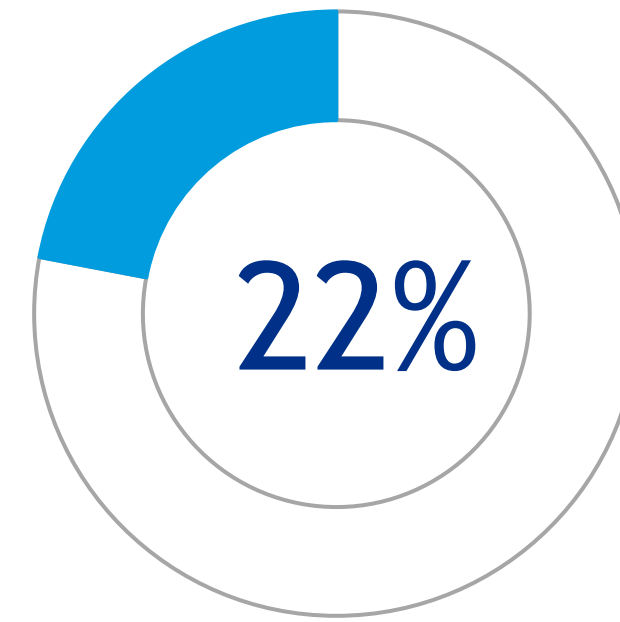
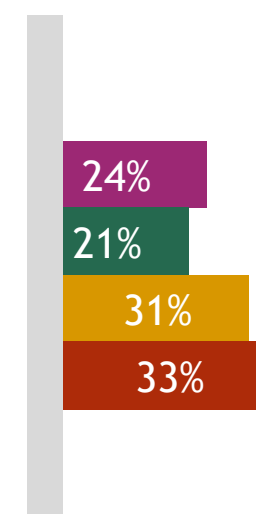
(All Australians 18-75 years)



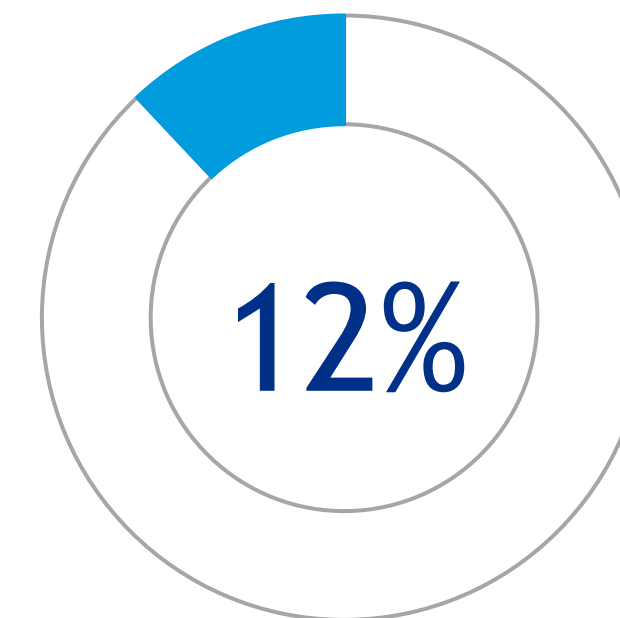
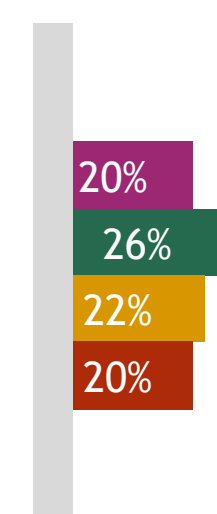
of Australians aged 18-75 have owned an NFT at some point



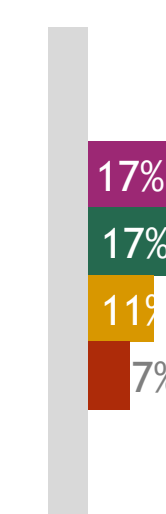
Are concerned about the safety and security of trading NFTs



Think NFTs are a fad



Want to learn more about NFTs



GEN Z GEN Y GEN X BOOMER

Non-Fungible Tokens (NFTs) are unique cryptographic assets that exist on a blockchain and cannot be replicated. They represent a niche investment option, with less than one-in-20 Australians (4%) having owned one at any point in time. While this is somewhat higher among Gen Z and Gen Y (both 7%), take-up to date remains low.

While there is a certain level of interest in finding out more about NFTs (12%), current levels of hesitation appear to be driven by a combination of concerns around the safety and security of trading in this asset class (27%). Older consumers are more concerned about the potential risks with a third of Boomers (33%) and Gen X (31%) concerned about safety and security.

There may also be question marks over the longevity of NFT value with one-in-five Australians (22%) believing NFTs are a fad.

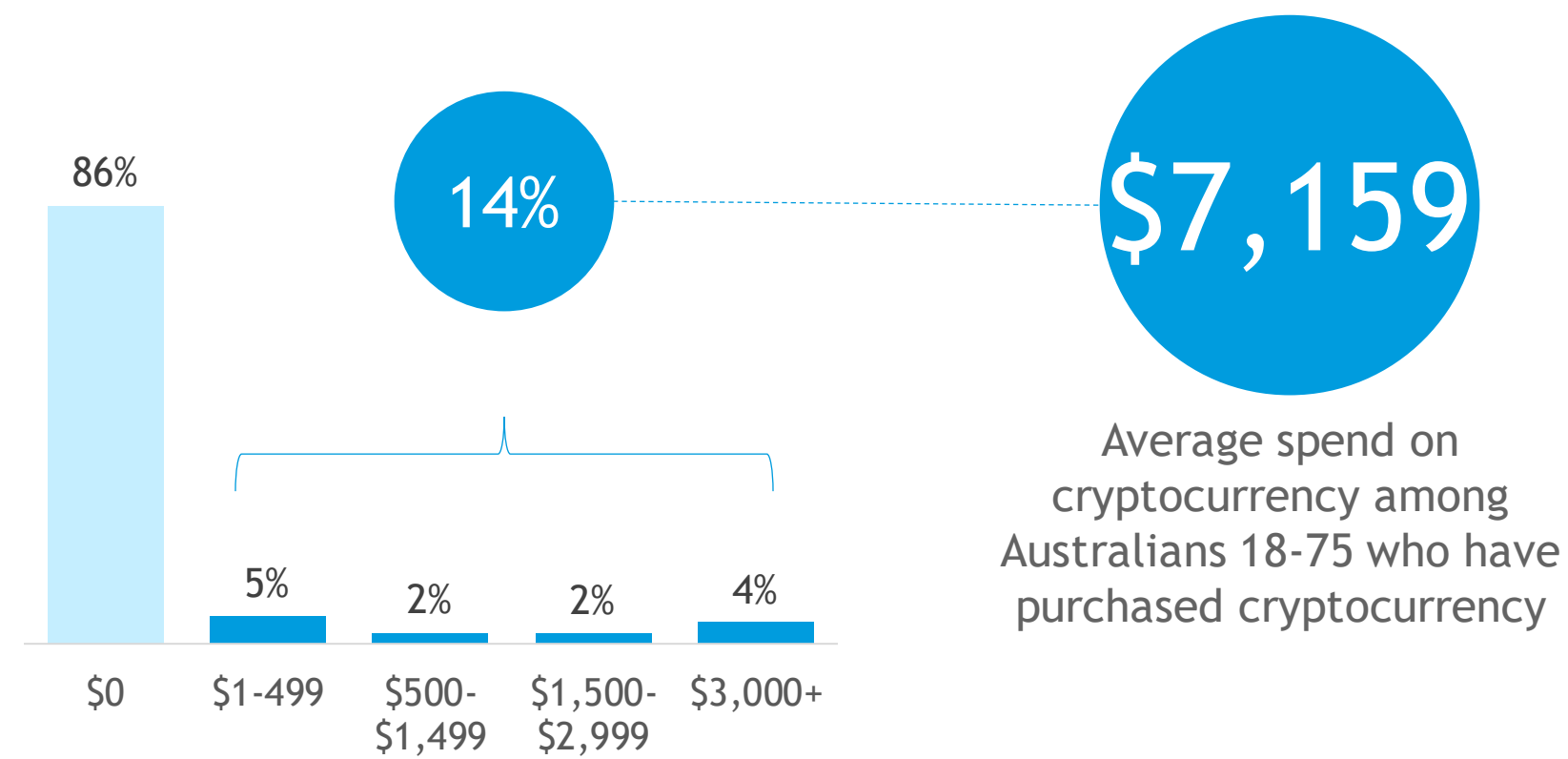


CQ25. Which of the following best describes you when it comes to cryptocurrency and NFTs?
 CQ31. Which, if any, of the following statements about cryptocurrencies do you agree with?
 CQ32. Which, if any, of the following statements about NFTs and virtual spaces/the metaverse do you agree with?
 BASE: All Australians 18-75, n=1012.

Australians who have invested in these categories have focused more on crypto than on NFTs

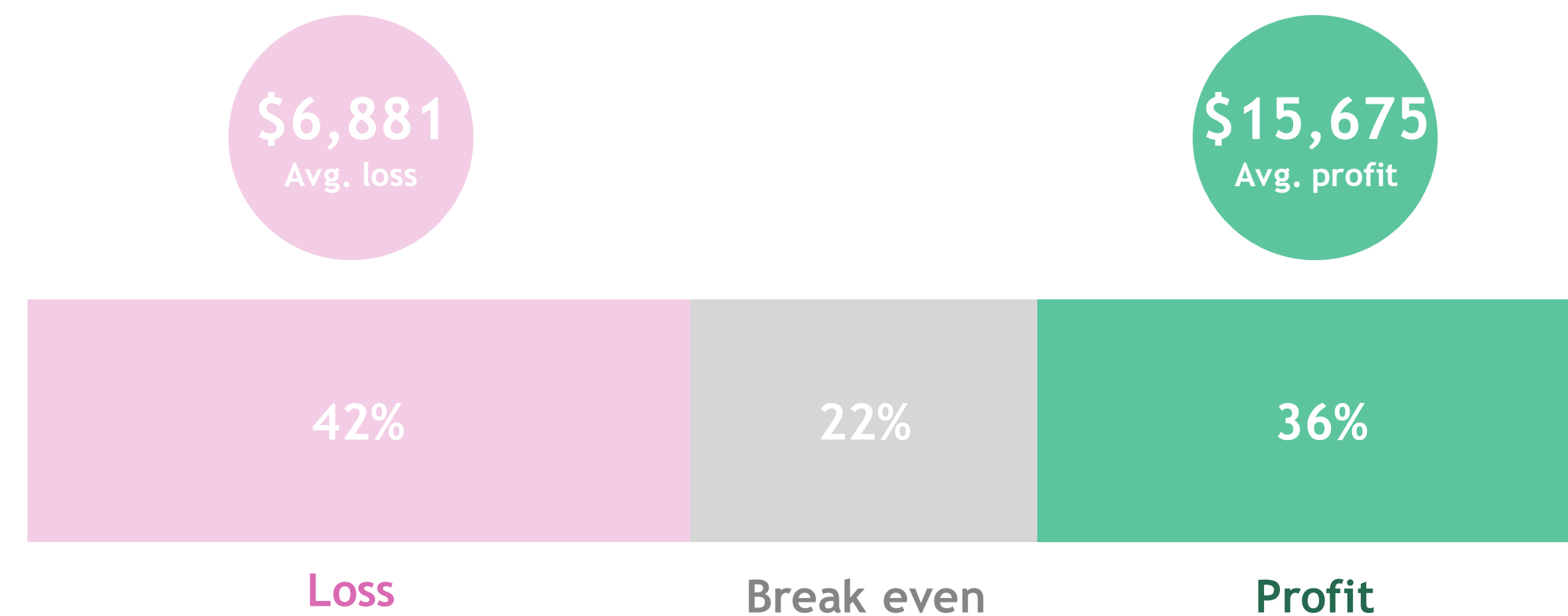
Cryptocurrency Spend

(Australians who currently or previously have owned cryptocurrencies)



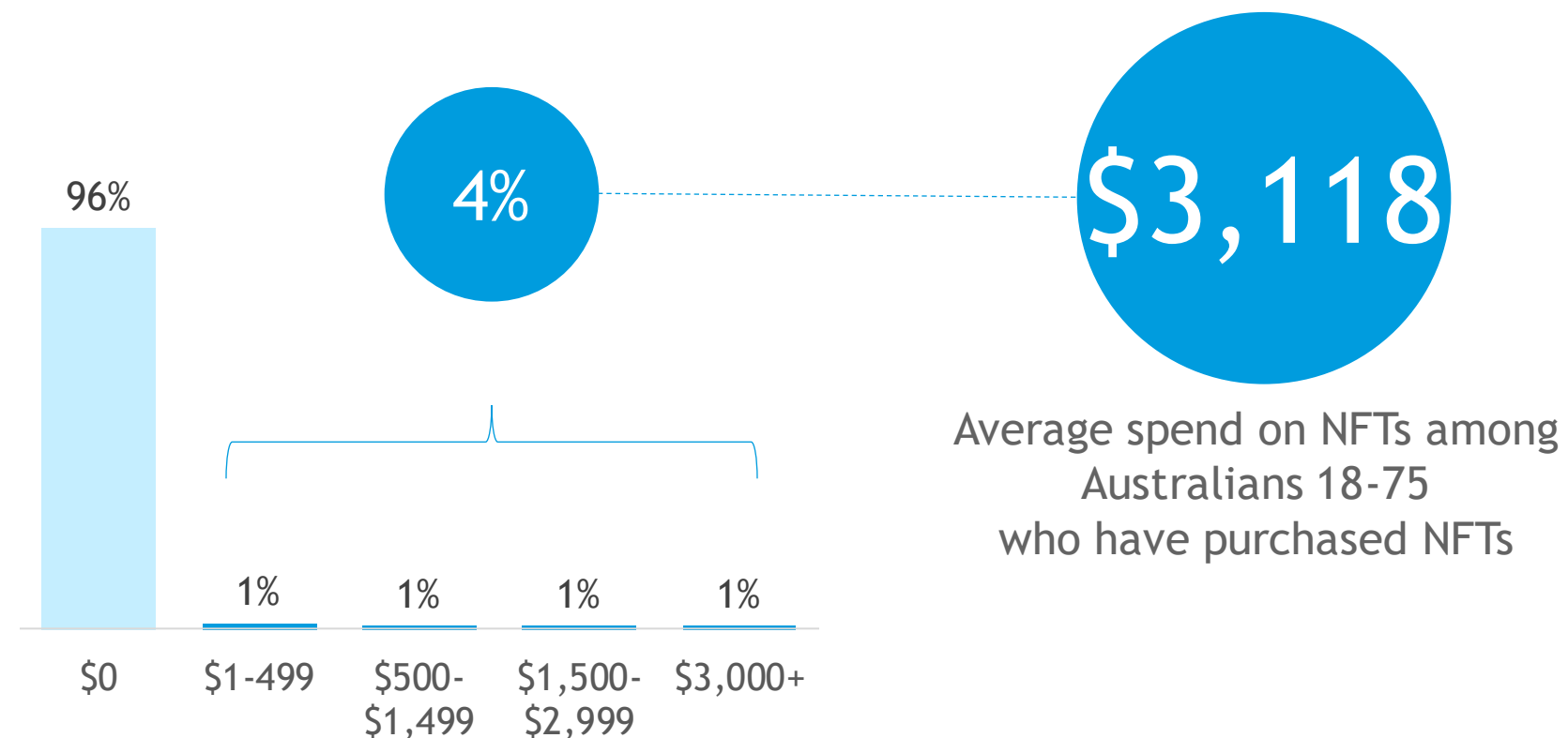
Cryptocurrency Profit and Loss

(Australians who currently or previously have owned cryptocurrencies)



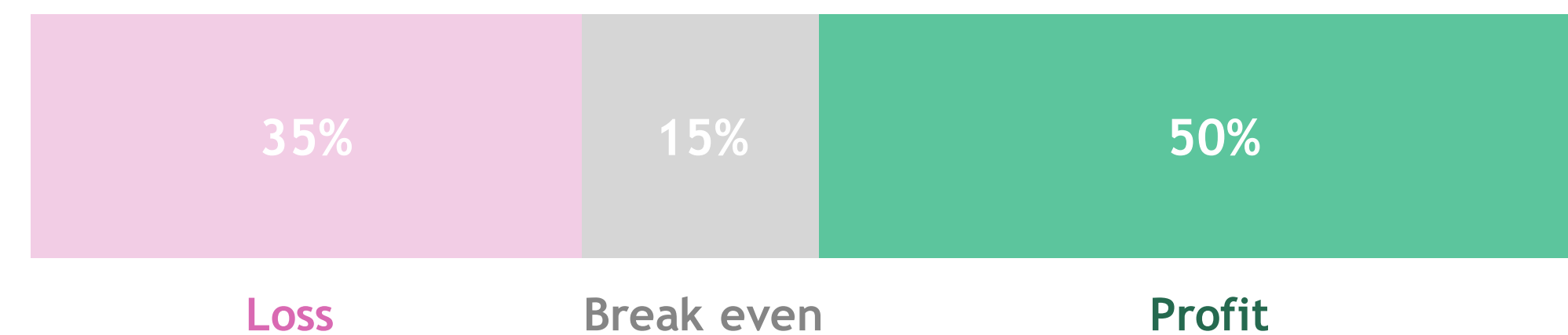
NFT Spend

(All Australians 18-75 years)



NFT Profit and Loss

(Australians who currently or previously have owned NFTs)



Despite acknowledging a level of risk, many Australians have invested significant sums of money into cryptocurrency and NFTs. In fact, the 14% of Australians who have invested in cryptocurrencies have spent an average of more than \$7,000 on their purchases (driven by a small group of higher-spending investors).

Unfortunately, in many cases these investments haven't paid off. More investors have lost money on cryptocurrency than made money (42% vs. 36%), with more than a third (35%) of those who have invested in NFTs down on their original investment too.

With that said, when they do succeed, it can be rewarding. The data indicates the average crypto profit is more than double the size of the average loss (\$15,675 vs. \$6,881).

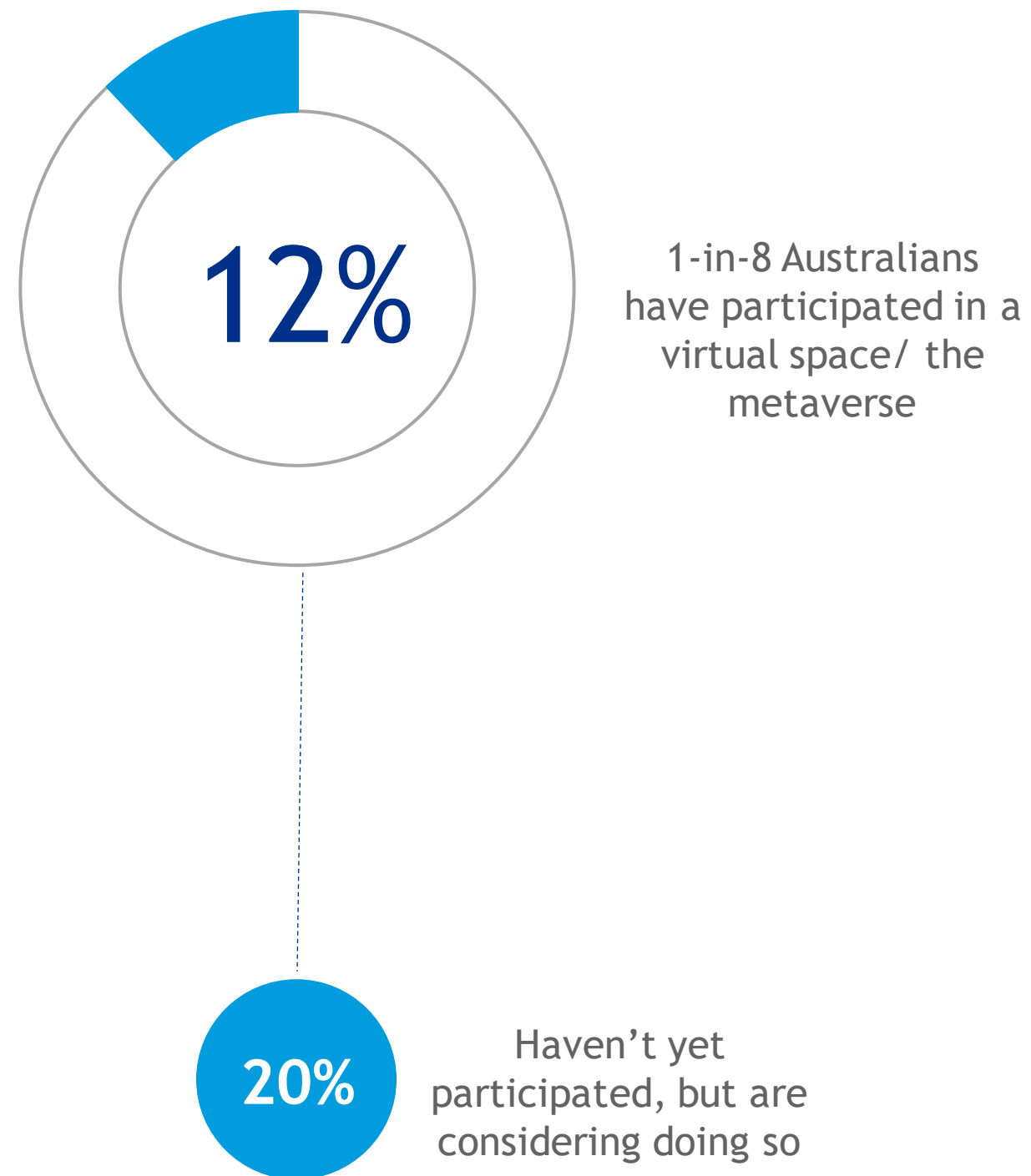
The information in this report is provided as-is, and while we work to make sure information is accurate, PayPal takes no responsibility for users' actions, inactions or decisions based on the information presented.



While current metaverse use is low, there is a significant interest in participation; this is driven by the social connections enabled through the platform

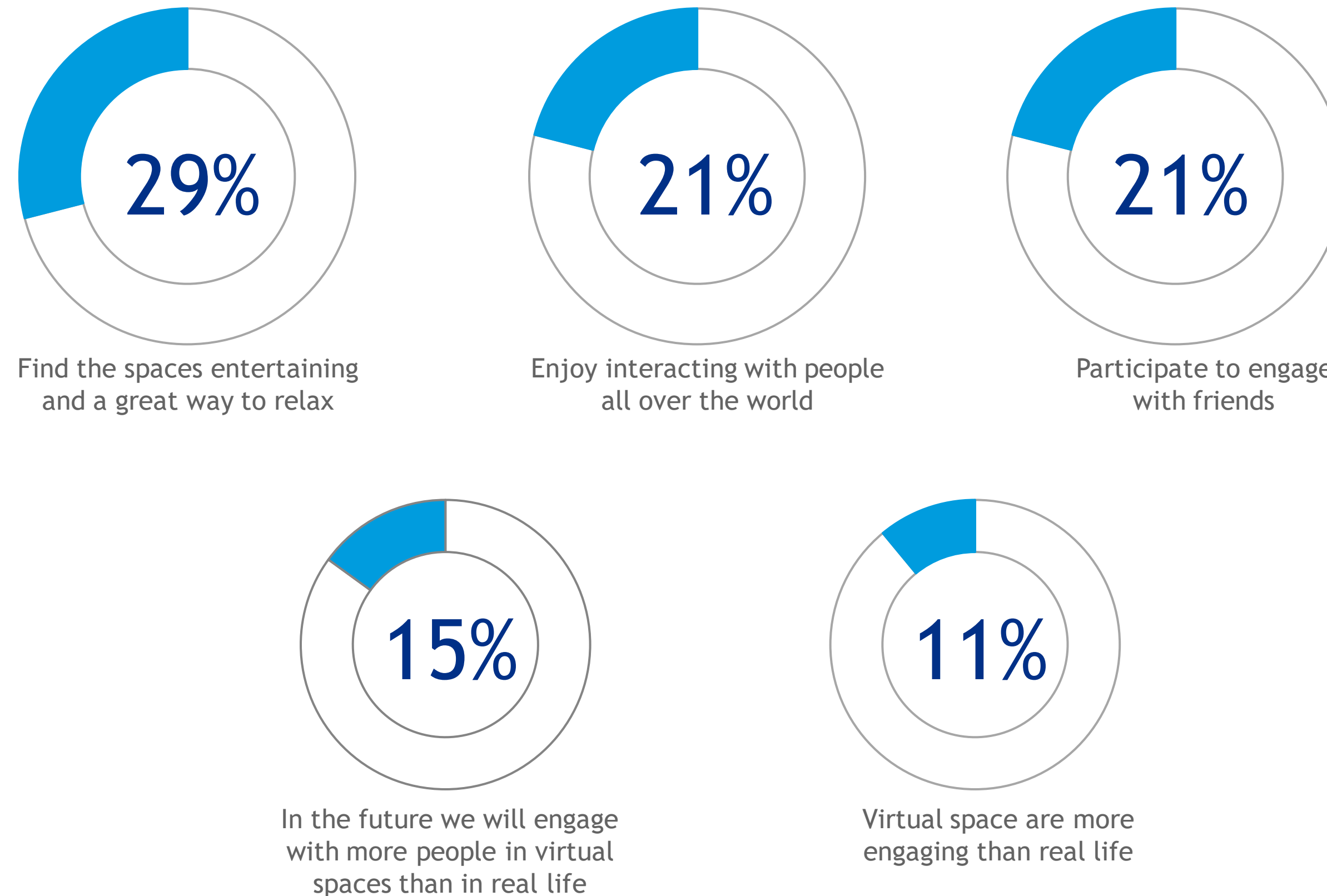
Metaverse Participation

(All Australians 18-75 years)



Social Drivers of Metaverse Participants

(Metaverse Participants)



The metaverse (or virtual spaces) is still in its infancy but has the potential to grow significantly in the years ahead.

Around one-in-ten Australians (12%) have participated in the metaverse to date, but close to double this (20%) are considering it in the future.

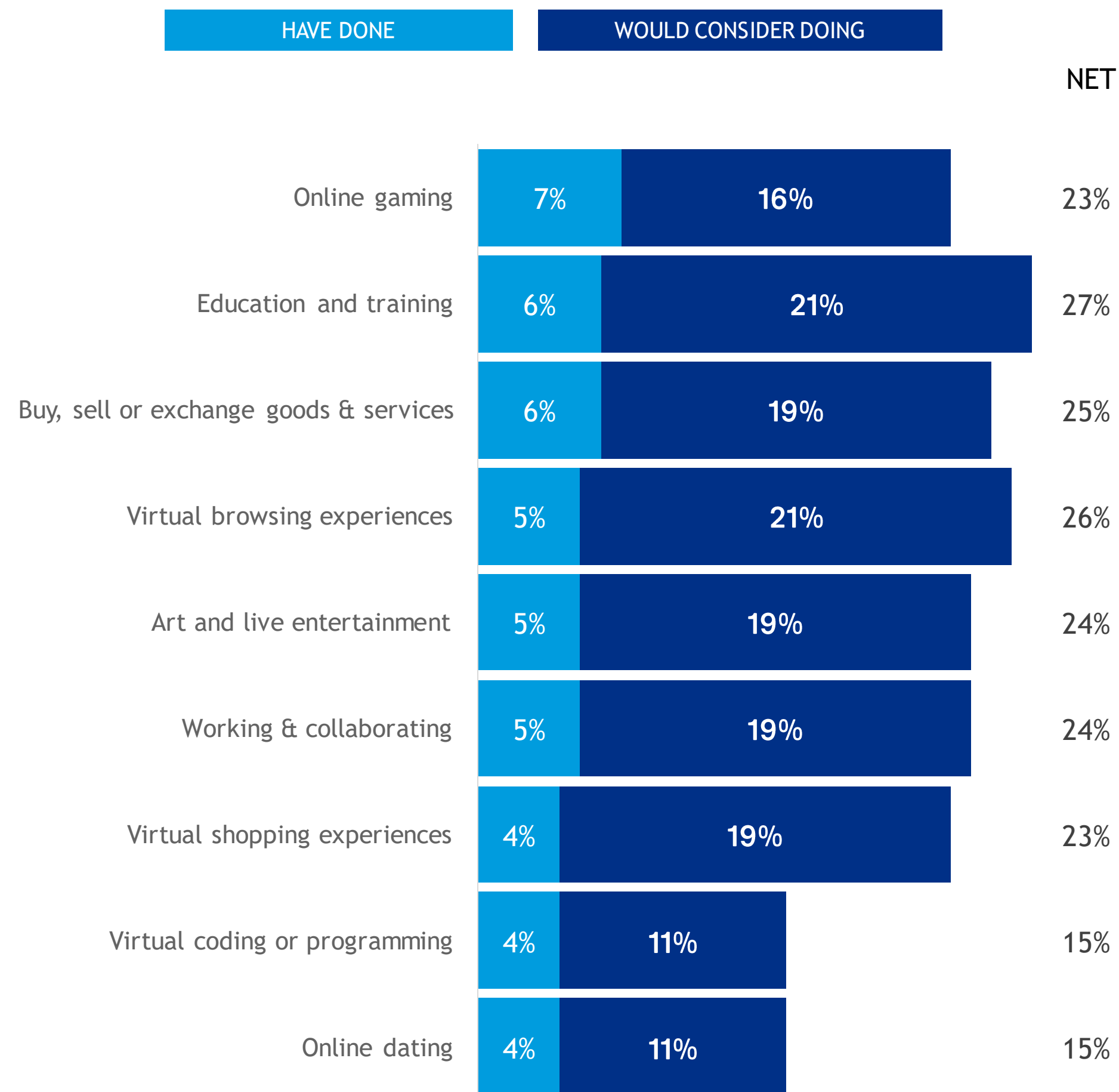
Feedback from current metaverse participants suggests that while the lure of virtual environments is initially built around the entertaining and enjoyable spaces on offer (29%), its ability to facilitate interactions with people all around the world (21%) and engagement with friends (21%) is also important.

Looking to future growth, more than one-in-ten metaverse participants (11%) believe that virtual spaces are already more engaging than real life.

There is an appetite to engage with the metaverse in various ways, with half of metaverse users already buying and selling goods or services in virtual spaces

Activities in the Virtual Space/ Metaverse

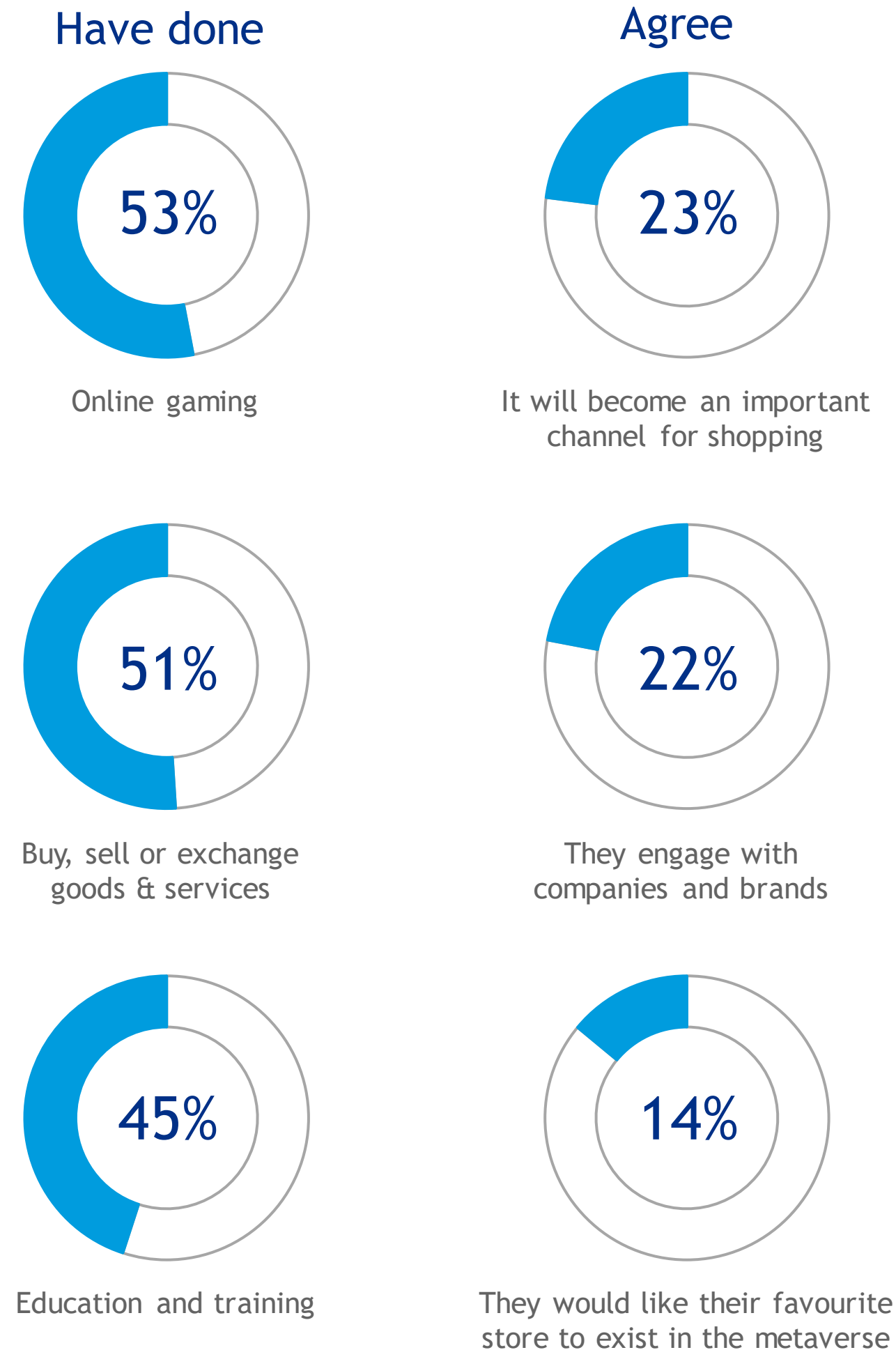
(All Australians 18-75 years)



GEN Z
41%

% of Metaverse Participants:

(Metaverse Participants)



Australians see the potential to use the metaverse for a wide range of different activities, ranging from education and training (27% have done / would consider doing) to engaging with arts and live entertainment (24% have done / would consider doing), or virtual shopping experiences (23% have done / would consider doing). This suggests that they are open to transferring many traditionally off-line activities into a virtual environment.

Looking at what Australian metaverse users actually do in the metaverse, the most common activity is unsurprisingly gaming (53%) followed by buying, selling or exchanging goods & services (51%). However, 45% have participated in education or training in the metaverse, while just over one-in-five (22%) engage with brands in the metaverse.



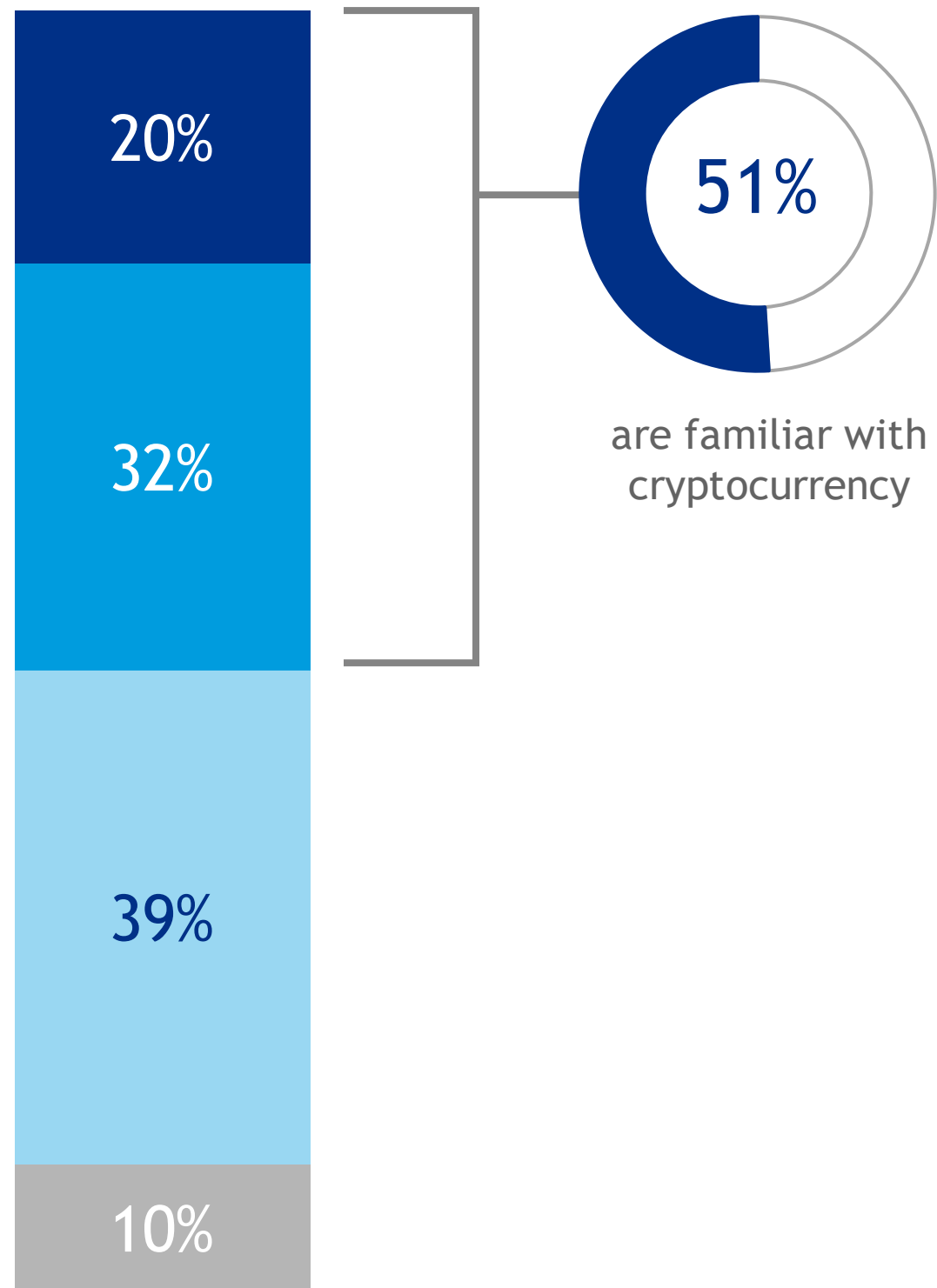
CQ30. Which of the following do you currently, or would you consider doing in a virtual space/ the metaverse?
 CQ32. Which, if any, of the following statements about NFTs and virtual spaces/the metaverse do you agree with?
 CQ40. Which, if any, of the following statements do you agree with?
 BASE: All Australians 18-75, n=1012. Metaverse participants, n=115

Business operators are also building awareness and understanding of crypto (51%) and NFTs (37%), and considering the potential retail and promotional opportunities in virtual spaces

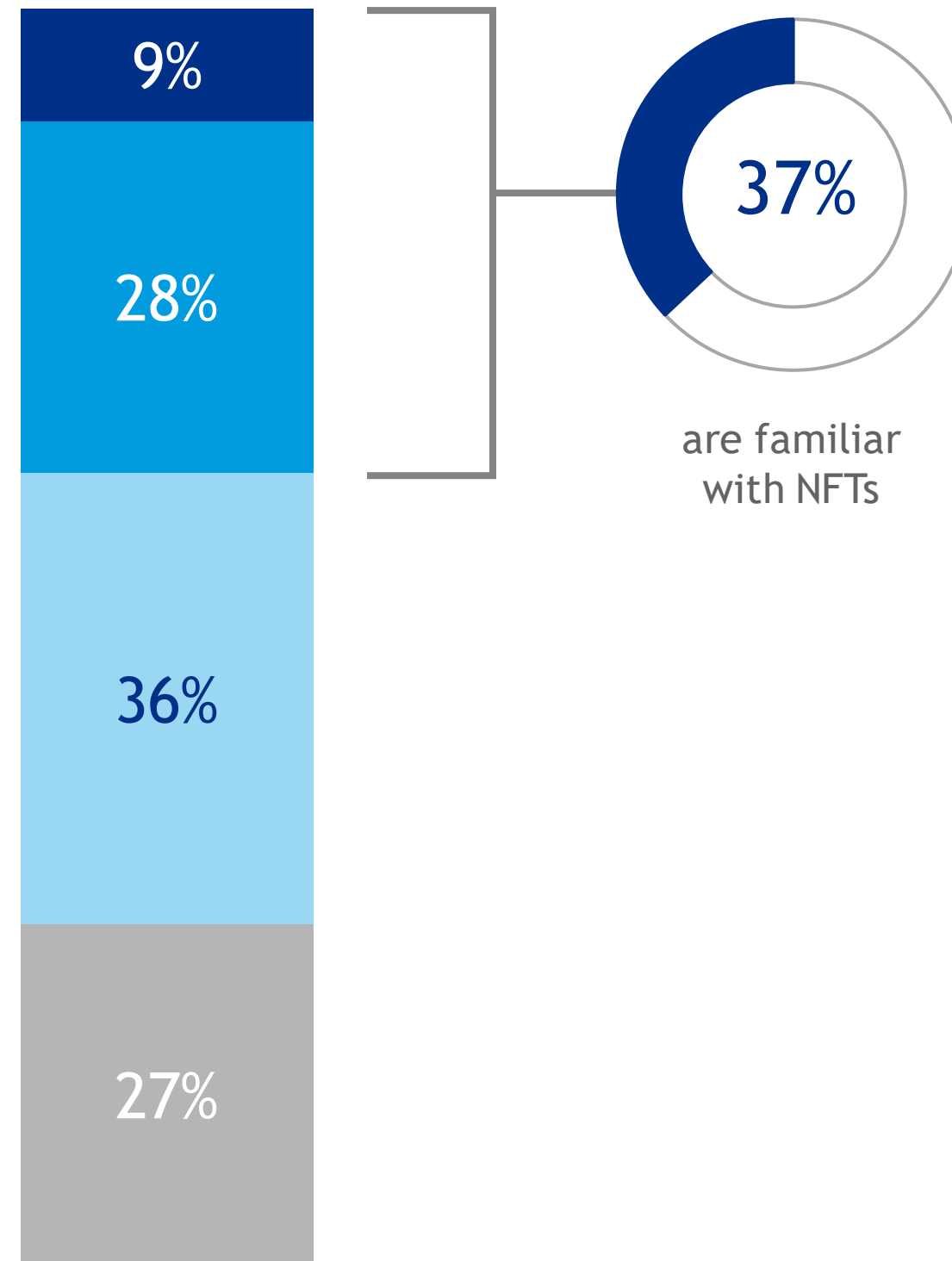
Familiarity with Cryptocurrency and NFTs

(All businesses who sell online)

Cryptocurrency



NFTs



GOOD UNDERSTANDING

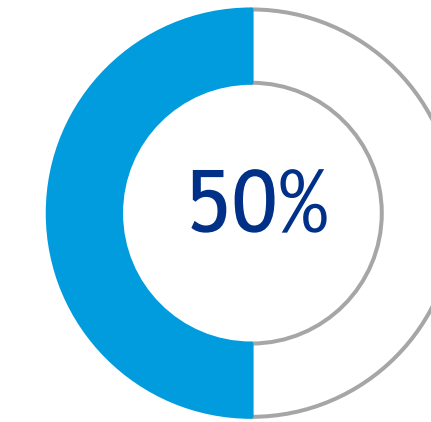
SOME UNDERSTANDING

LOW UNDERSTANDING

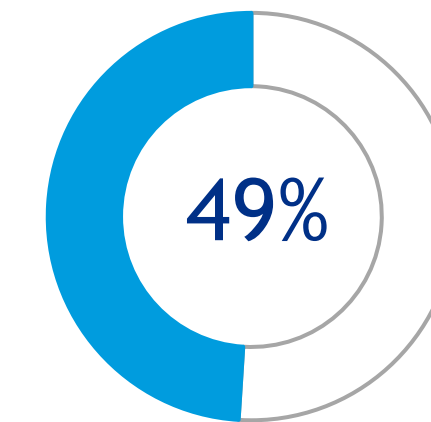
NOT SURE WHAT THEY ARE

% of businesses interested in doing the following within virtual spaces/the metaverse

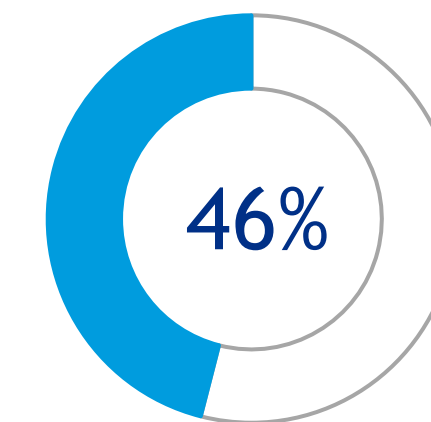
(All businesses who sell online)



Selling physical products or services



Advertising opportunities



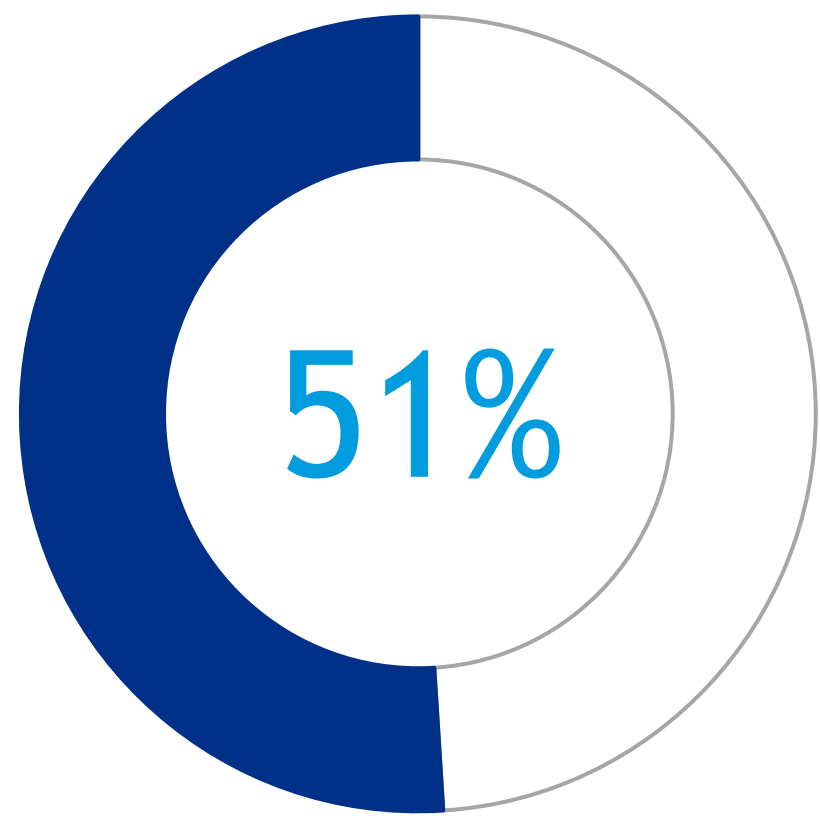
Developing and selling digital products or services

Businesses are also well aware of the potential for new technologies and innovations to disrupt the way they operate. While they are still waiting for practical use cases to emerge, many are seeking to prepare for this by building a level of familiarity with both cryptocurrency (51% familiar) and NFTs (37% familiar).

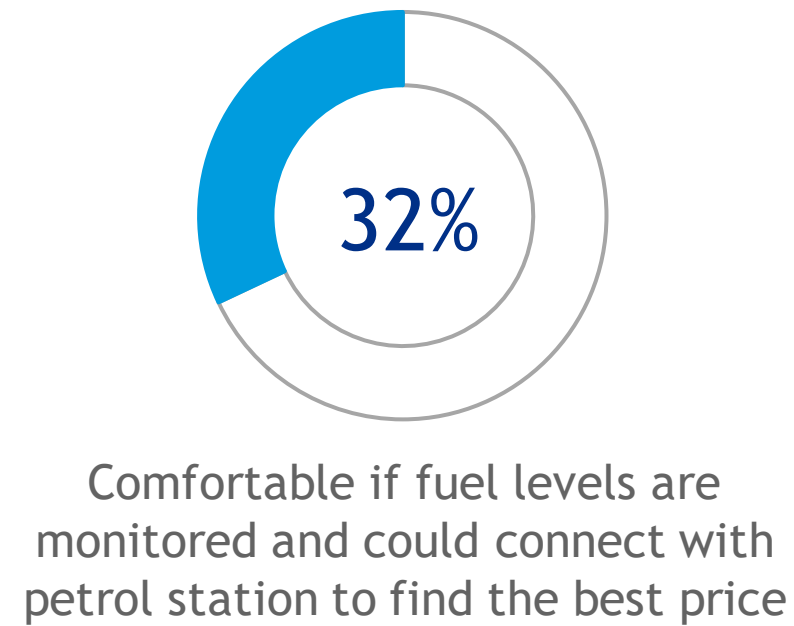
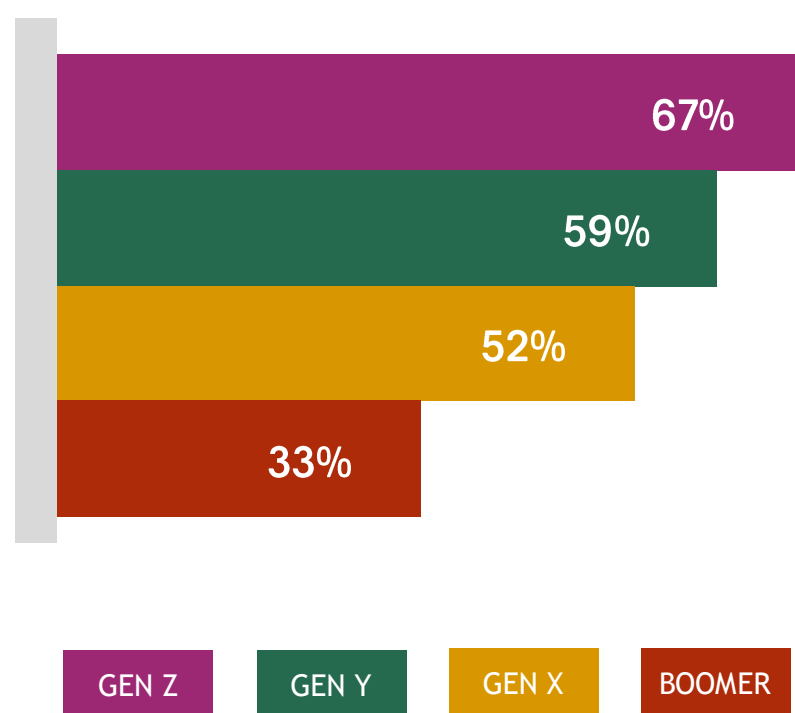
Alongside this, they are also gaining a level of exposure to the metaverse, and starting to identify and understand the potential to develop retail activities in virtual spaces. Importantly, this is not just a direct translation of current operations into a new environment, with businesses interested in:

- Selling physical products or services (50%)
- Advertising opportunities (49%)
- Developing and selling digital products or services (46%)

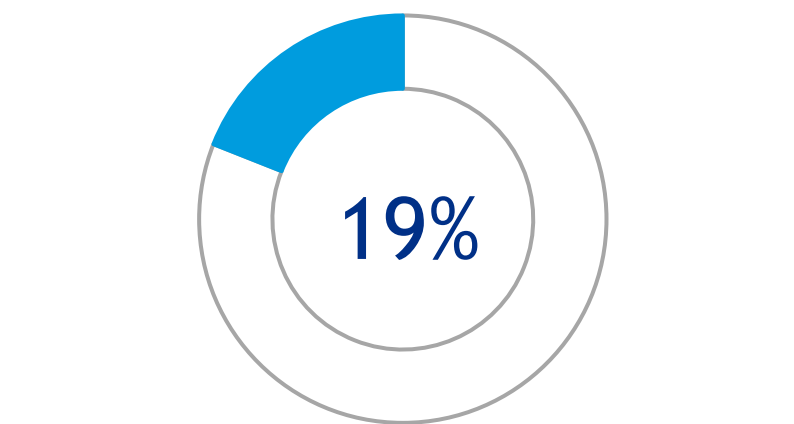
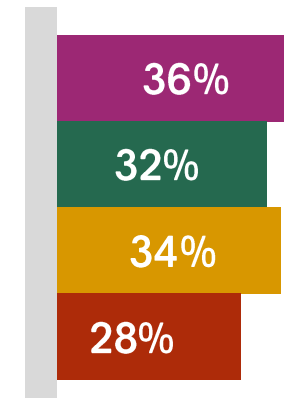
More than half of Australians are happy for their household devices to interact with the internet autonomously to preemptively plan purchases, payments, or avoid shortages



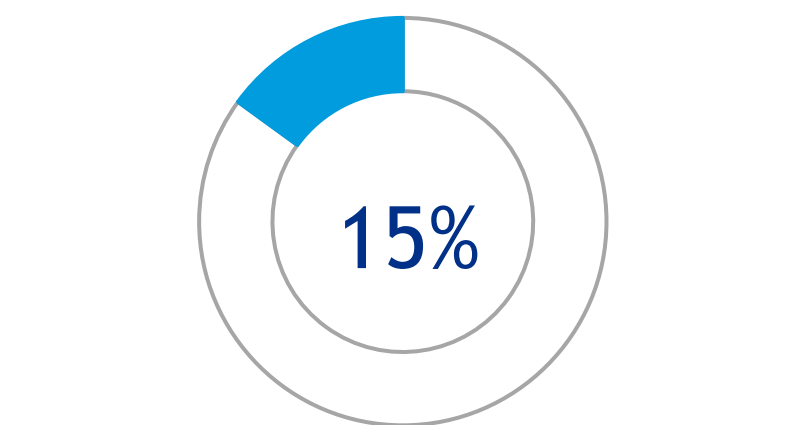
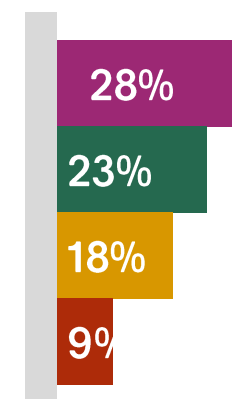
of Australians are comfortable with interactions with IoT integrated into devices (e.g. Car, fridge, TV)



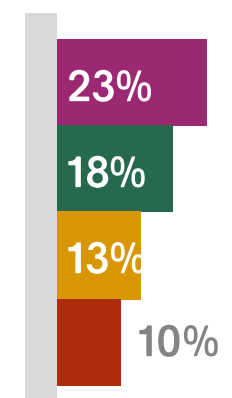
Comfortable if fuel levels are monitored and could connect with petrol station to find the best price



Would like devices to alert them when its time to restock supplies (e.g. milk, printer ink, washing powder)

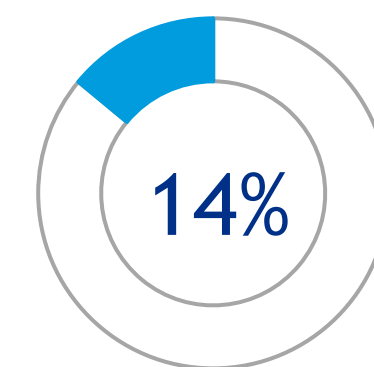


Comfortable if car prompts to make upcoming payments, such as renewing car insurance or prepaying a service

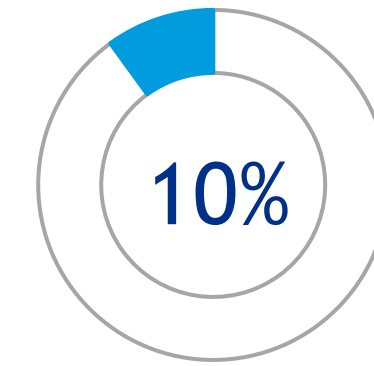
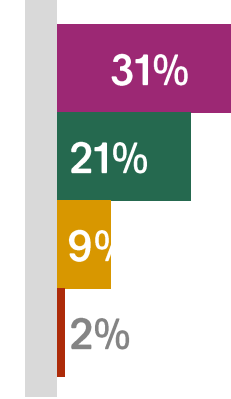


IoT Devices ever used for Online Shopping

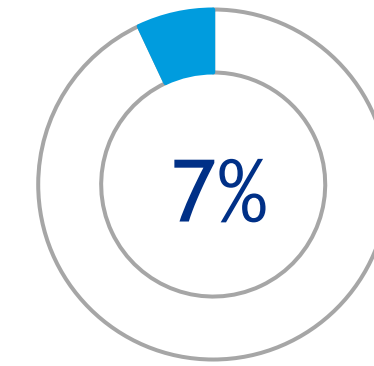
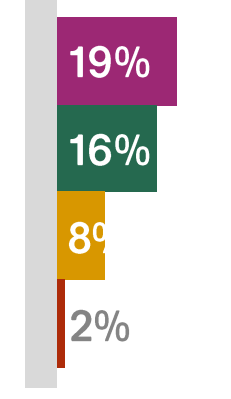
(All Australians 18-75 years)



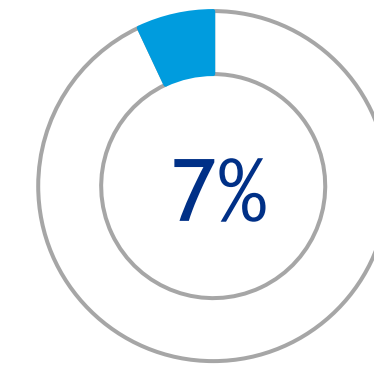
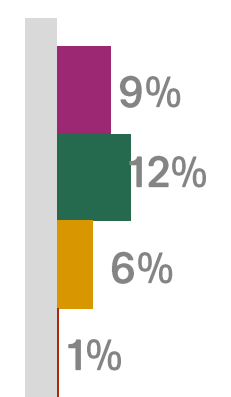
Games Console



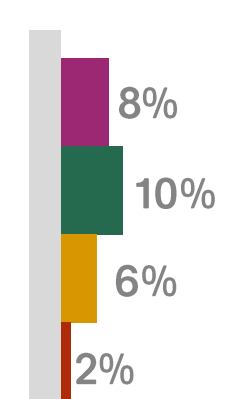
Smart TV



Smart Watch



Smart Home Device



The majority of Australians (51%) say they are comfortable with IoT-enabled purchasing interactions if they deliver cost-savings or make day-to-day life easier.

This includes engaging with IoT devices or functionality across home appliances and vehicles, with more than one-in-ten Australians having made purchases through games consoles (14%) and smart TVs (10%).

They're particularly looking at how this can facilitate more mundane transactions such as finding the best petrol price when they're running low (32%), restocking basic household supplies (19%), or upcoming bills such as car insurance (15%).

While digital natives in the Gen Z cohort are more comfortable with these functions, the ability to automate finding cheap petrol is universally popular - particularly given recent increases in pump prices.

Tech Trends

One-in-ten Australians (10%)
currently own cryptocurrency

12% of Australians have participated
in virtual spaces, with another 20%
interested in the idea

Average of \$7,159
invested in crypto by Australian
crypto users

More than half of Australians (51%)
are comfortable interacting with IoT
devices, with 13% having used smart
home devices

Appendix

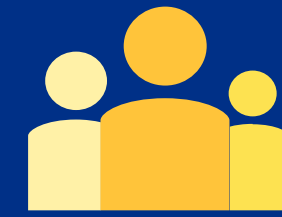


PayPal eCommerce Index 2022 Overview



Research Objective

Develop engaging content on current trends within the Australian eCommerce landscape that will benefit PayPal's business and consumer customers through timely and relevant information.



Audience

1,012 Australians aged 18-75 & 404 business decision makers within Australia.



Objectives

Consumers

Explore the role of Mobile and Laptop/Desktop in consumer purchasing behaviour

Quantify current, historic and likely future usage of different devices for online shopping across different cohorts

Identify consumer experiences and attitudes towards shopping via social media

Understand consumer attitudes and trends regarding cryptocurrency, NFTs, the metaverse & smart home devices

Businesses

Explore the current business payment landscape

Understand the uptake of selling and marketing via social media channels

Understand business attitudes and trends in relation to cryptocurrency and NFTs

Quantify the interest businesses have in new commerce channels such as the metaverse and smart home devices



About PayPal Australia

PayPal has been operating in Australia since 2005 and has more than 9 million active customer accounts. PayPal enables Australian consumers and businesses to easily and securely send, receive and manage their money.

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MEDIA CONTACT: PayPalAU@edelman.com

About PayPal

PayPal has remained at the forefront of the digital payment revolution for more than 20 years. By leveraging technology to make financial services and commerce more convenient, affordable, and secure, the PayPal platform is empowering more than 425 million consumers and merchants in more than 200 markets to join and thrive in the global economy. For more information, visit [paypal.com](https://www.paypal.com).

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