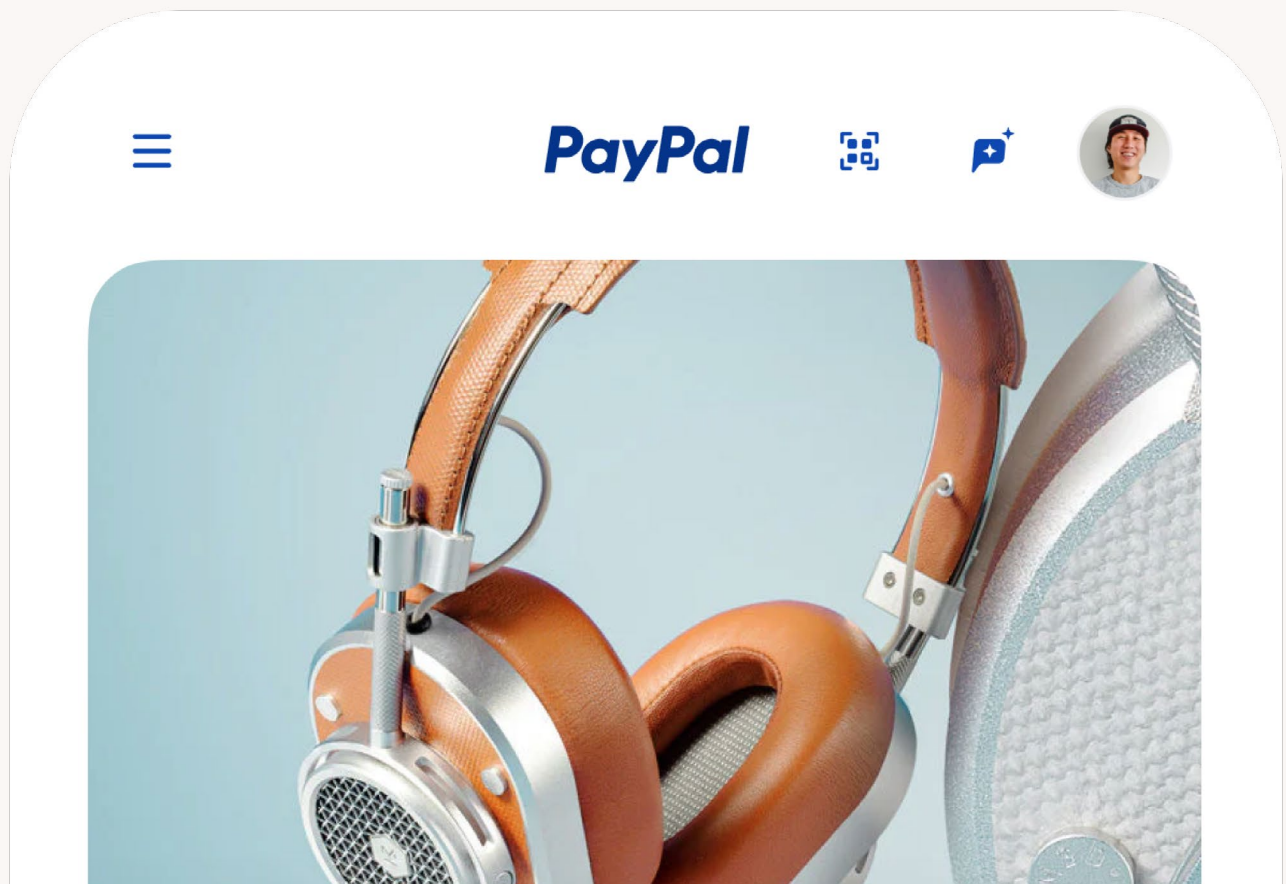


How to personalize the customer journey with AI.

Discover new ways to boost growth.



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Introduction

Deliver a fast, personalized shopping experience to help drive conversion.

Today's busy shoppers prioritize fast, simple, satisfying shopping experiences. And they're quick to move on from businesses that slow them down. At the same time, they're being hit with an unprecedented amount of retail choice and ad noise. And an avalanche of irrelevant offers can be irritating to the point of pushing potential customers away.

This evolving shopping landscape is challenging businesses to find more-effective ways to reach and attract new customers. And while rapid checkouts can make or break a sale, a speedy checkout experience *alone* is no longer enough.

Effective personalized experiences can surface relevant products shoppers are more likely to buy — and help keep those customers coming back.



Of customers surveyed, 56% say they'll become repeat buyers after a personalized experience.¹



Of business leaders, 80% report an increase in customer spending by an average of 38% when the customer experience is personalized.²

Businesses can give customers these desired shopping experiences by building **intelligence, personalization, and speed** into every customer touchpoint — from discovery to doorstep. After all, a customer's decision to buy is based on a culmination of experiences up to the moment they click "pay."

^{1,2} Twilio Segment, "The State of Personalization Report 2023," May 2023.

**PayPal
processes
trillions of
dollars in total
global payment
volume from
426 million
active customer
and business
accounts.^{3,4}**

³ In 2022, PayPal processed 22.3 billion payment transactions and \$1.36 trillion in total payment volume across the PayPal platform. Source: 2023 Notice of Annual Meeting of Stockholders and Proxy Statement, 2022 Annual Report, 2023.

⁴ PayPal Earnings-FY, 2023, based on PayPal internal data. *Active accounts are accounts that have completed a transaction within the past 12 months.

Relevant, actionable customer insights when businesses need them.

Artificial intelligence (AI) can help redefine commerce. Predictive customer insights have the potential to help businesses intelligently reach customers and deliver the fast and personalized shopping experiences that customers want. PayPal, with its global network and AI-powered data intelligence, is uniquely positioned to help businesses grow within this evolution.

AI analyzes the multitudes of data points that PayPal collects to generate insights that can help businesses offer customers personalized shopping journeys and fast, friction-free checkout experiences.

PayPal is introducing a new suite of demand and conversion innovations that work together to help drive sales and increase conversion so businesses can:

- Attract and engage new customers
- Deliver a fast checkout process using low-friction login technologies
- Satisfy new shoppers with a simple, speedy guest checkout experience
- Retarget and reward customers post-purchase with highly relevant recommendations and cash-back deals

“ With 426 million user accounts, PayPal handles about a quarter of the world’s e-commerce transactions each year. But more importantly, shoppers trust PayPal to power their payments. ”

— Alex Chriss, CEO, PayPal

This guide will show you how PayPal’s newest innovations can deliver actionable customer insights that can help accelerate business growth.



Pre-purchase

Attract new customers with targeted offers.

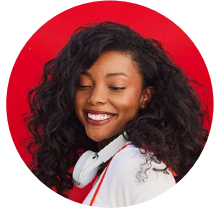
Businesses have typically relied on shoppers' online browsing behavior to attract new customers. Too often a customer sees ads from businesses that can afford to buy the best search terms, not necessarily the businesses that are most relevant to them. This makes it harder for customers to find the items they want, at the right price — leaving them frustrated and drowning in ad-heavy emails and social feeds.

Here, targeted offers and rewards based on AI-analyzed shopper insights can be a powerful force for building connections and inspiring purchases.

Deliver hyper-relevant products and offers to increase reach.

Using predictive customer insights from a global network of 426 million accounts,⁵ PayPal's advanced offers platform can help businesses reach new shoppers by delivering **intelligently targeted, personalized, and real-time offers**. These offers are based on detailed purchase history insights taken from across the web, down to stock keeping unit (SKU)-level data in many cases.

Because PayPal understands users' behaviors and preferences — including their shopping habits from 35 million businesses⁶ — businesses can present intelligently targeted offers based on what a particular customer has actually bought. If a shopper has purchased from high-end beauty websites, PayPal can surface an offer for a specific blouse in the shopper's preferred color and size from a similarly high-end retailer.



⁵ PayPal Earnings—FY, 2023, based on PayPal internal data. *Active accounts are accounts that have completed a transaction within the past 12 months.

⁶ PayPal Earnings—Q3, 2023, based on PayPal internal data.

**“Reach
customers
based on what
they’ve actually
bought across
the internet...
down to the SKU.
Only PayPal has
the data to do
this.”**

— Alex Chriss, CEO, PayPal



Keep customers in control of their data.

While PayPal's exciting innovations are focused on delivering personalized shopping experiences, PayPal still wants to keep customers in control. So, PayPal is building transparent, easy-to-use privacy controls that empower customers to opt out of sharing their data with businesses. Their privacy, their choice.

Pre-purchase

Encourage purchases with innovative upstream engagement.

Shoppers' purchase decisions are often influenced by messages they see while browsing. For example, if shoppers see they can split payments over time with a pay later option, they may go for a higher-ticket item.



Globally, the PayPal Pay Later AOV is 55% higher than the standard PayPal AOV for merchants with upstream messaging.⁷

Use insights to entice customers with offers before they reach checkout.

PayPal is introducing innovations in upstream engagement to help businesses meaningfully connect with customers throughout their shopping journeys.

Spotlight payment offers and rewards early.

Businesses can present personalized rewards and messages like BNPL eligibility on product pages to encourage customers to complete their purchases. Businesses saw an additional 12% lift in sales after six months when adding Pay Later upstream messaging.⁸ And customers could multiply their rewards when they receive credit card or bank program rewards on top of PayPal rewards.

Attract subscribers.

PayPal will introduce revamped subscription-specific shopping journeys to encourage sales. By turning shoppers into subscribers with a modernized subscription signup experience, businesses will have access to recurring revenue.

When businesses deliver personalized messages upstream, they may drive even higher conversion throughout their customers' shopping journeys.

⁷ Based on an internal data analysis of Pay Later retailers, Oct 2020 through Aug 2023. Data inclusive of transactions using PayPal Pay Later products across seven markets.

⁸ Based on internal PayPal data from 50 LE merchants with Pay Later messaging from Jun 2021–Feb 2022.

At purchase

Reimagine checkout and help improve conversions.

Shoppers expect at least choice, convenience, and a secure checkout experience — and they have no problem abandoning their carts if they face obstacles. Each barrier a business creates — obligatory account creation, too many fields to complete, lack of preferred payment methods — decreases the likelihood of a sale.



Paying with PayPal could be twice as fast for some customers, as PayPal can potentially reduce latencies by 50%

(based on PayPal internal data from October through November 2023).¹⁰

PayPal has analyzed and optimized every millisecond of the shopping experience to deliver a faster, streamlined checkout experience. The reimaged PayPal checkout experience features:



Early recognition with low-friction login technologies so shoppers can instantly log in with texted pin-codes, or use biometric logins.



Prefilled card, shipping, and delivery method details help shoppers quickly and safely complete purchases.



Newly designed paysheets with the customers' preferred payment methods so shoppers see preferred payment methods first at checkout. This is critical: 68% of customers surveyed globally said they won't shop at a retailer that doesn't offer their preferred payment type.⁹

⁹ IDC InfoBrief, spons. by PayPal, "Do Retailers Really Know What Digital Shoppers Want?," Doc. # US49041822, May 2022. The survey conducted by IDC among 505 large enterprises and 10,054 consumers in five markets: United States, United Kingdom, Australia, Germany, and France.

¹⁰ Based on PayPal internal data from Oct–Nov 2023.

At purchase

Help speed checkout with an accelerated guest checkout.

Guest checkout processes are notoriously slow and cumbersome. That changes with the new guest checkout offering, **Fastlane by PayPal**.

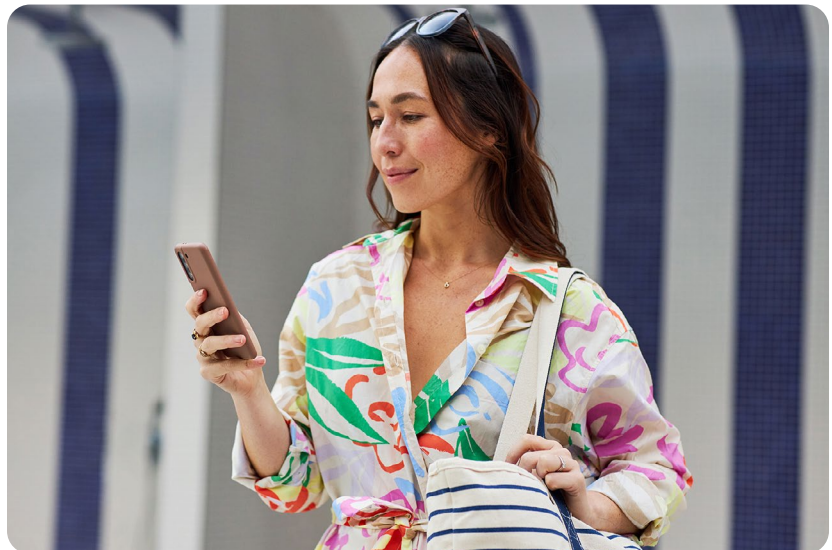
The newest shopper recognition and high-speed checkout tool from PayPal provides a fast and easy way for new customers to check out without signing up for new accounts. With as little as one tap after authenticating, shoppers can check out in seconds, thanks to prepopulated shipping and payment credentials.

Fastlane has been shown to help customers complete checkout approximately 30% faster.¹¹ New customers can quickly and easily save information for future use, and shoppers without PayPal accounts can opt-in to save their relevant information to a Fastlane profile and check out in as quick as one click after authenticating.

Of customers surveyed, 82% have decided against an online purchase because the account registration process was too complicated.¹²

Fastlane has been shown to help customers complete checkout approximately

30% faster.¹³



¹¹ When compared to a traditional guest checkout. Based on PayPal internal data from Mar 15–Apr 14, 2024.

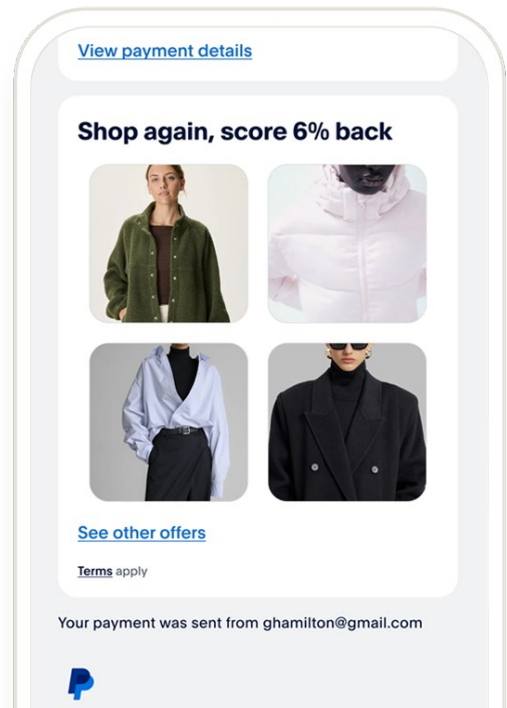
¹² Capterra, online shopping survey conducted in Mar 2022 among 770 US consumers. Apr 2022. N=770.

¹³ When compared to a traditional guest checkout. Based on PayPal internal data from Mar 15–Apr 14, 2024.

Post-purchase

Connect with customers after they buy.

Businesses want customers to come back after they complete a purchase. And customers want to stretch their dollars and get the best deals. Connecting with customers post-purchase through personalized offers and rewards can be an effective way to cross-sell, up-sell, and encourage future purchases.



More than
300 million
purchase
receipts
are opened by PayPal
users each month.¹⁴

Encourage repeat customers with Smart Receipts.

PayPal users can view personalized, hyper-relevant offers and product recommendations with Smart Receipts, part of PayPal's new advanced offers platform. PayPal uses the power of AI to help predict what customers may want to buy next from that business, narrowing it down to the exact product in the right size and preferred color.

¹⁴ Based on PayPal internal data from Oct 5–Nov 3, 2023.

Post-purchase

Reduce business costs with shipment tracking.

PayPal users can track their purchases to their doorsteps in real time with PayPal's new Package Tracking, part of PayPal Checkout reimaged. Increasing users' visibility may help businesses enhance efficiencies through integrated order management with consolidated receipts.



Package Tracking can help businesses streamline operations.



Reduce time spent on shipping inquiries.

Proactive shipping updates in the PayPal app and through email save customers from having to contact businesses about their packages' whereabouts.



Lower the number of disputes.

Package Tracking can help reduce the number of disputes, thanks to live shipment updates and consolidated emails. Some merchants have reduced "items not received" disputes by as much as 80%.¹⁵



Increase claim win rates.

Transactions with tracking- and item-level details may help businesses increase win rates by up to 40% for "items not received" and "unauthorized" disputes.¹⁶

¹⁵ Tracking details can reduce INR disputes by 80%. Based on PayPal internal data from Jan 1–May 5, 2023 for "Item Not Received" dispute criteria in North America (United States).

¹⁶ Based on PayPal internal data from Jan 1–Jul 7, 2023 for "Item Not Received" and "Unauthorized" dispute criteria in North America (United States).

Conclusion

Accelerate growth with intelligence, personalization, and speed.

Win customers and sales throughout the shopping journey with PayPal's latest AI-driven innovations.

PayPal's advanced offers platform

Businesses can reach new customers with AI-powered targeted and personalized offers.

PayPal Checkout reimagined

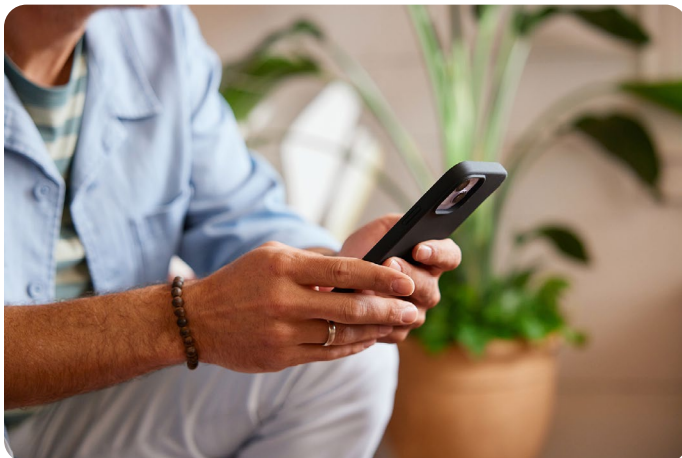
Shoppers could potentially check out twice as fast (based on PayPal internal data from October through November 2023).¹⁷

Fastlane by PayPal

New customers can use a rapid-fire guest checkout experience to make fast and rewarding purchases.

Smart Receipts and Package Tracking

Smart Receipts deliver highly relevant recommendations and cash-back rewards based on what PayPal predicts a shopper may want to purchase next. Package Tracking lets customers track their purchases in real time, which can help reduce disputes and costs.



By organizing and analyzing multitudes of business transaction data globally,¹⁸ PayPal is empowering businesses with the knowledge from PayPal's vast global network.

¹⁷ PayPal checkout can reduce latencies by 50%. Based on PayPal internal data from Oct–Nov 2023.

¹⁸ In 2022, PayPal processed 22.3 billion payment transactions and \$1.36 trillion in total payment volume across the PayPal platform. Source: 2023 Notice of Annual Meeting of Stockholders and Proxy Statement, 2022 Annual Report, 2023.



Ready to **engage** **and delight customers** like never before?

Learn how PayPal's newest innovations can help accelerate business growth.

[Learn More](#)



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You should always obtain independent business, tax, financial, and legal advice before making any business decision.