

PayPal e-Commerce Index

DEEP DIVE: Israel

Europe

November 2022

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About the research

This research report was produced by PayPal Pty Limited, based on a study conducted by ACA Research with n=1,013 consumers and n=200 businesses. It contains general observations about trends in e-Commerce, social commerce, Buy Now Pay Later as well as cryptocurrency, NFTs and the Metaverse. 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=1,013 Israelis aged 18-75 years, exploring adoption, usage and sentiment towards e-Commerce, social commerce, Buy Now Pay Later as well as cryptocurrency, NFTs and the Metaverse. In addition, ACA Research conducted a 10-minute online survey of n=200 business decision makers within Israel B2C retailers and businesses who operate entirely or partially online, exploring their attitudes and behaviours around e-Commerce, social commerce, Buy Now Pay Later as well as cryptocurrency, NFTs and the Metaverse. Numbers may not add to 100% due to rounding.



CONSUMER SAMPLING:

The consumer research consisted of a sample of n=1,013 Israelis 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 3.1%.



BUSINESS SAMPLING:

The business research consisted of a sample of n=200 decision makers within Israel. 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 6.9%.



METHODOLOGY:

Online self-completion survey. Sample was sourced through consumer and business research panels, with participants incentivised for completing the survey.



TIMING:

The research was in field from 15th of June to 22nd of July.



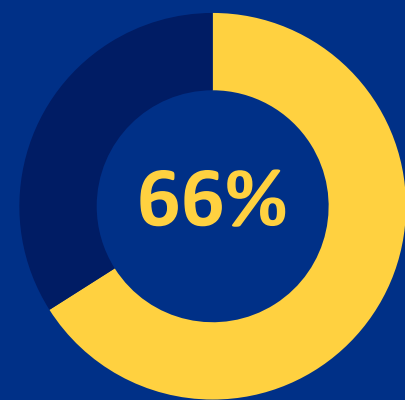
GENERATIONAL AGES:

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



Key Insights: Israel Consumers

e-Commerce Usage



shop online at least weekly



99% uplift for making a purchase on a website that offers PayPal as a payment method, compared to one that does not

Cross Border



Consumers tend to feel more secure to shop internationally when PayPal is available (45%)

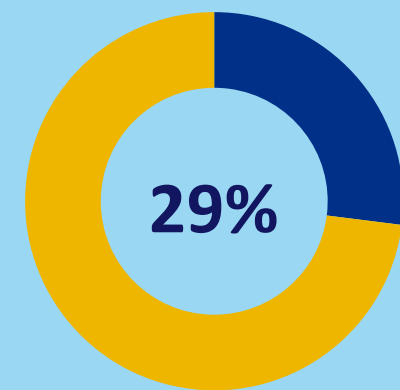


Main benefits to international shopping are better prices (60%) and access to items not available in Israel (41%)

Social Commerce

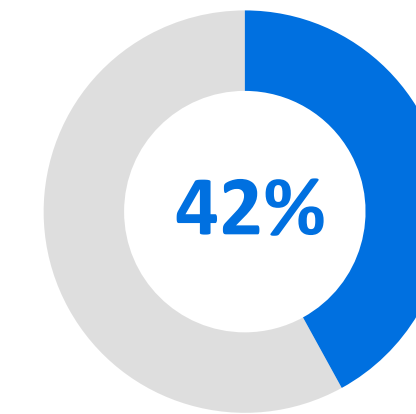


46% have made a purchase via a social or streaming platform in the past 6 months

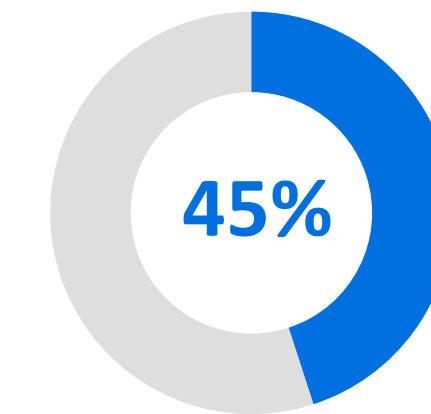


would only buy via a social media platform if PayPal was available

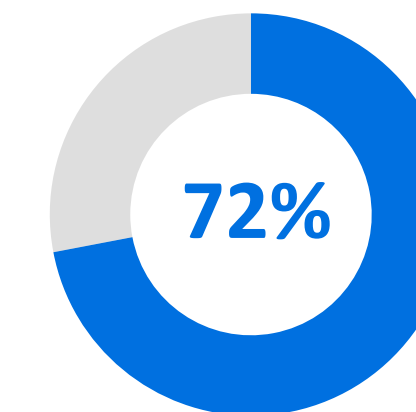
e-Commerce Drivers & Barriers



say PayPal is their most trusted online payment option



make online purchasing decisions based on businesses ethical considerations

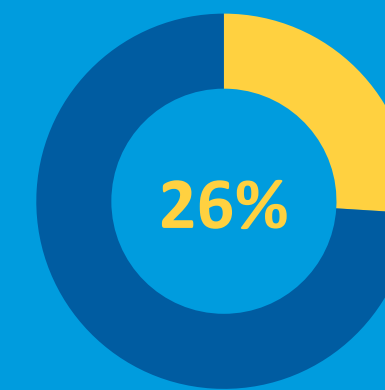


have abandoned an online purchase before payment



51% would be less likely to buy from a site due to security or trust issues at checkout

Tech Trends



have participated in a virtual space / metaverse, led by Gen z at 35%



More than one in seven (15%) believe that virtual spaces / the metaverse will become important channels for shopping

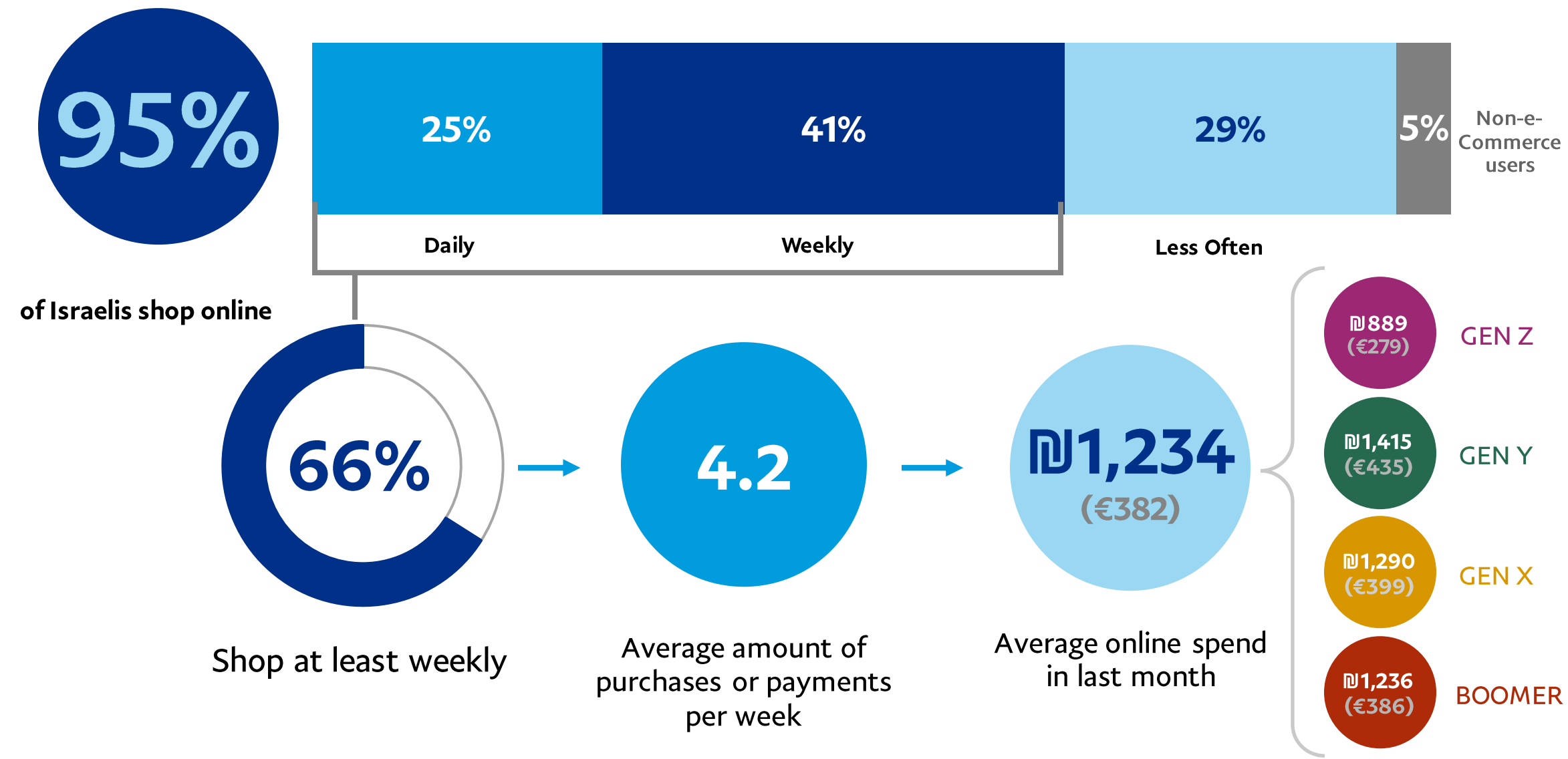


26% had or do own cryptocurrency

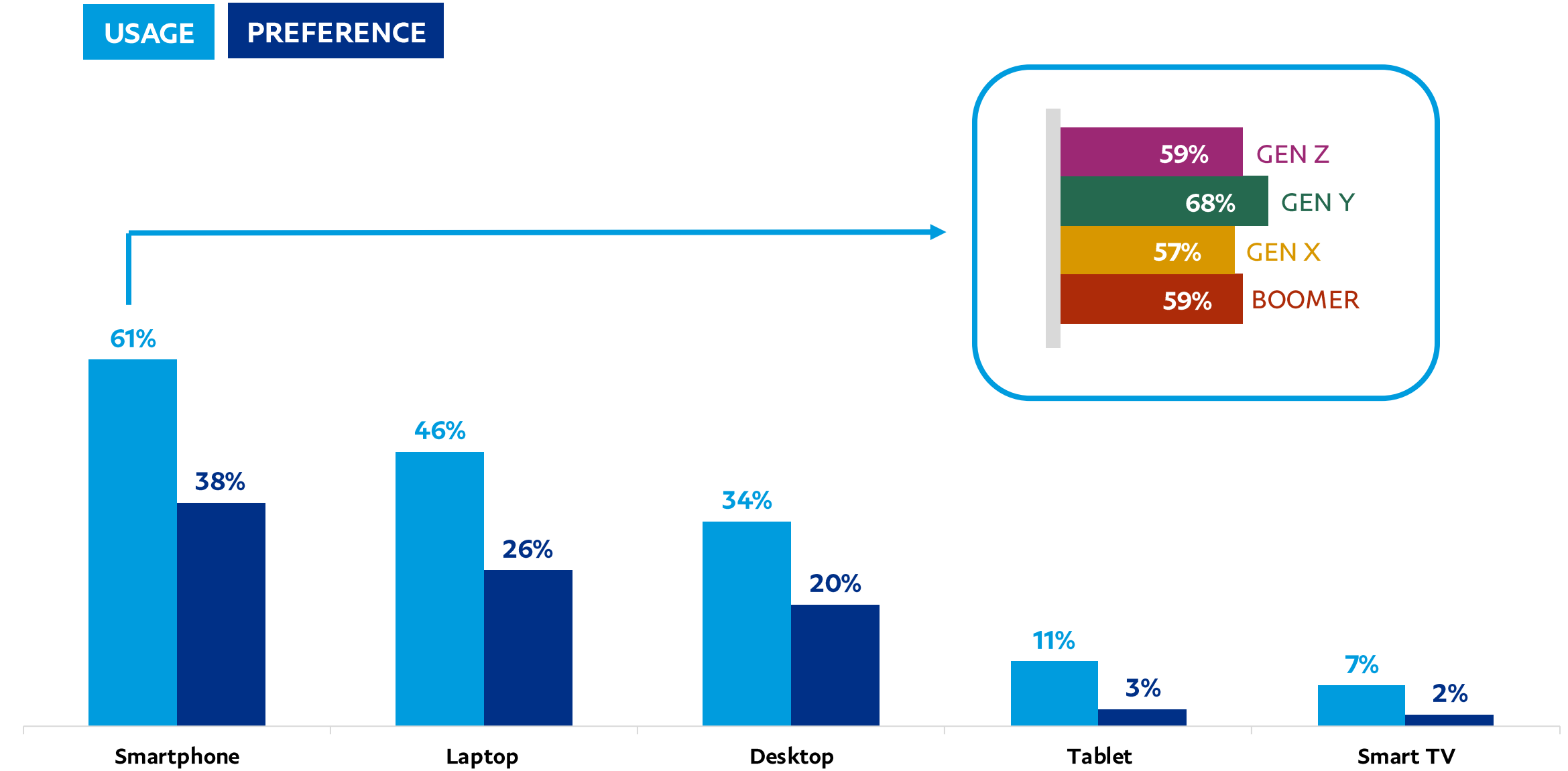
Usage

(All Israelis 18-75)

Online Shopping Frequency

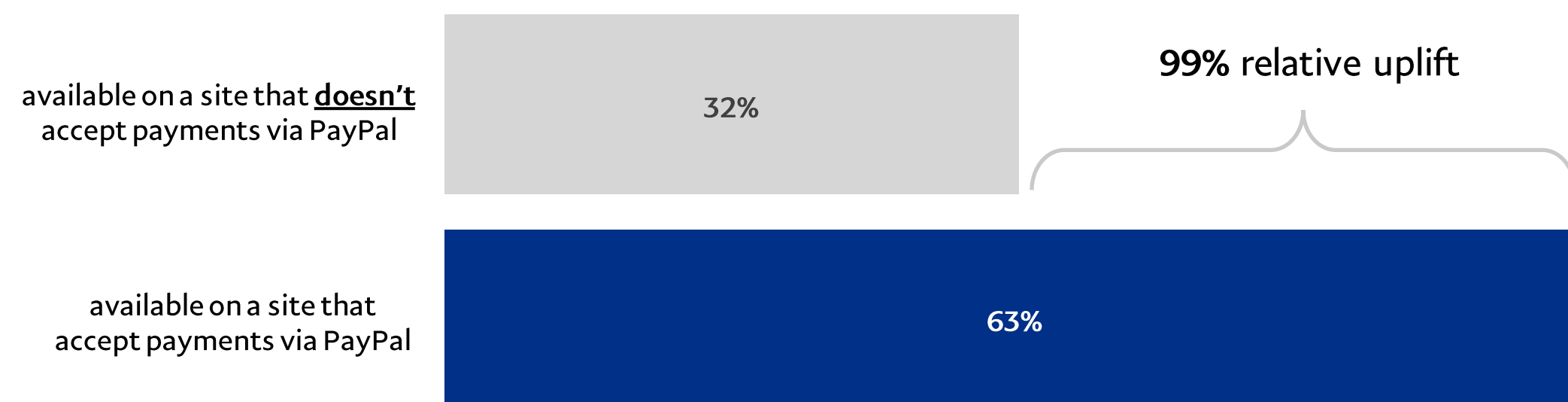


Top Five Devices Used for Online Payments

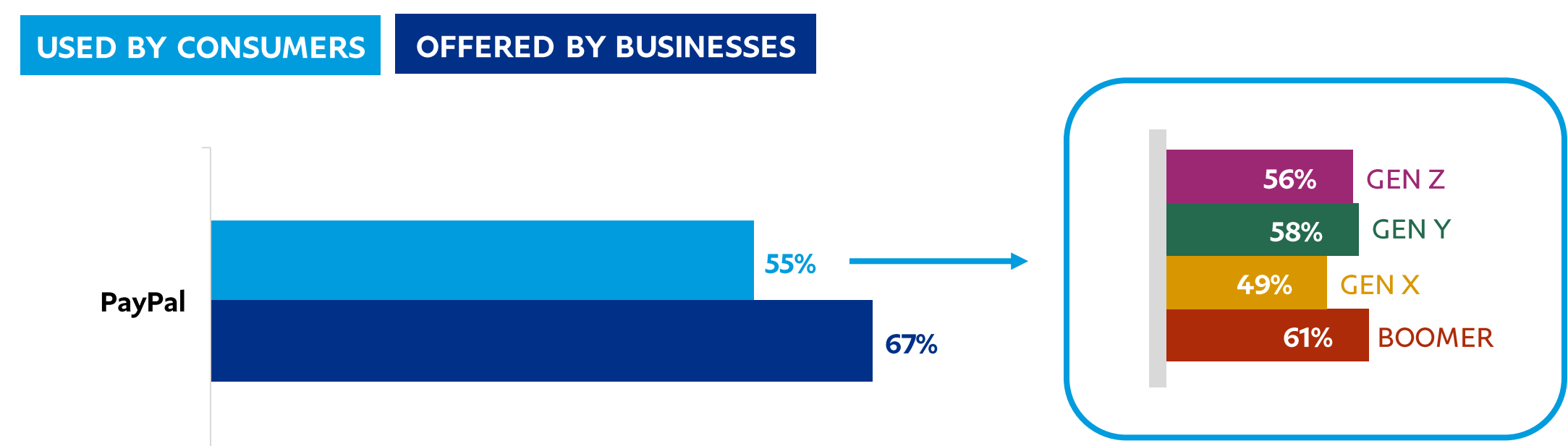


PayPal Increases Purchase Likelihood

If you find a product that you want on two separate sites, both of which are offering it for the same price, how likely would you be to buy the product if it was ...



PayPal Usage for Online Payments

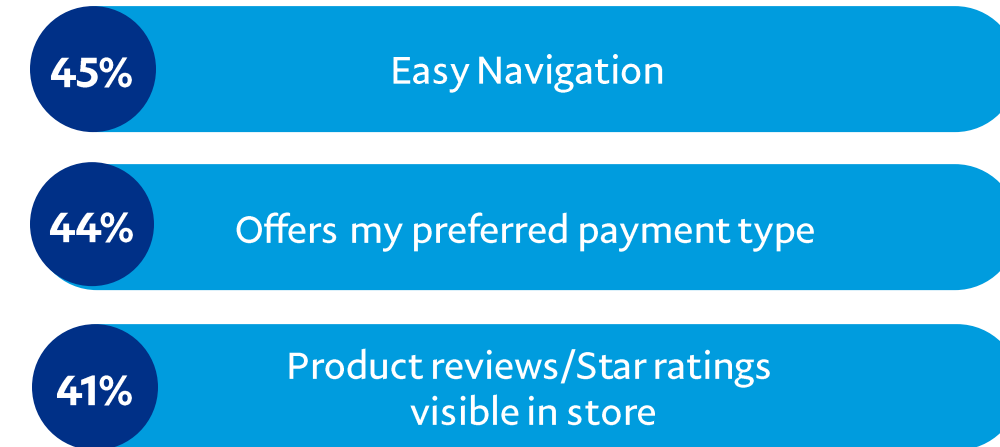


Drivers & Barriers

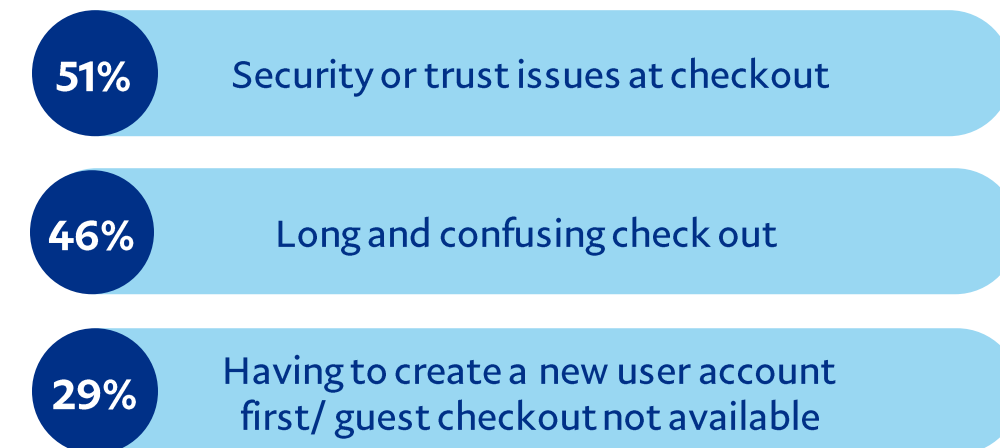
(All Israelis 18-75)

Drivers & Barriers

More likely to buy online if:



Less likely to buy online if:

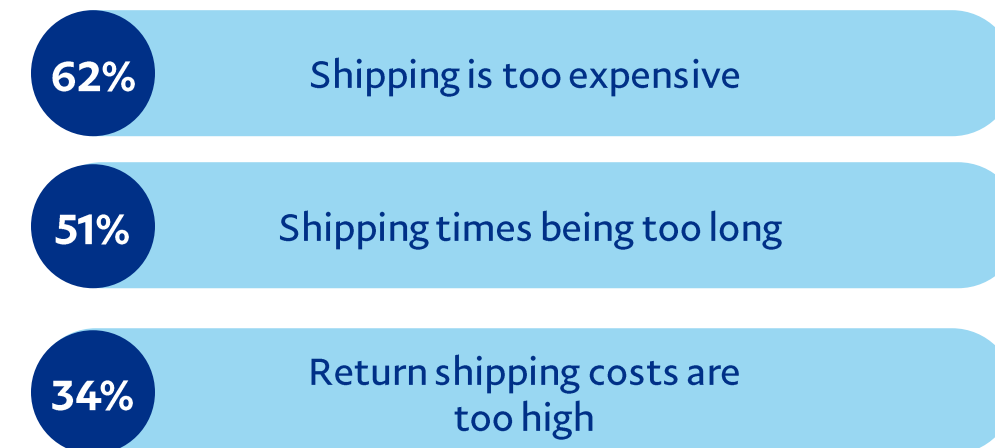


Shipping & Returns

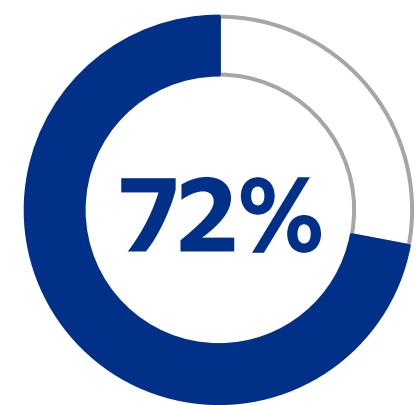
More likely to buy online if:



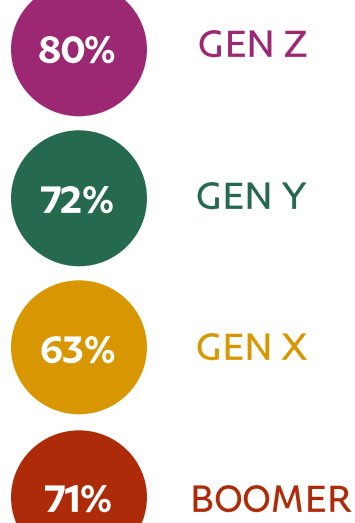
Less Likely to buy online if:



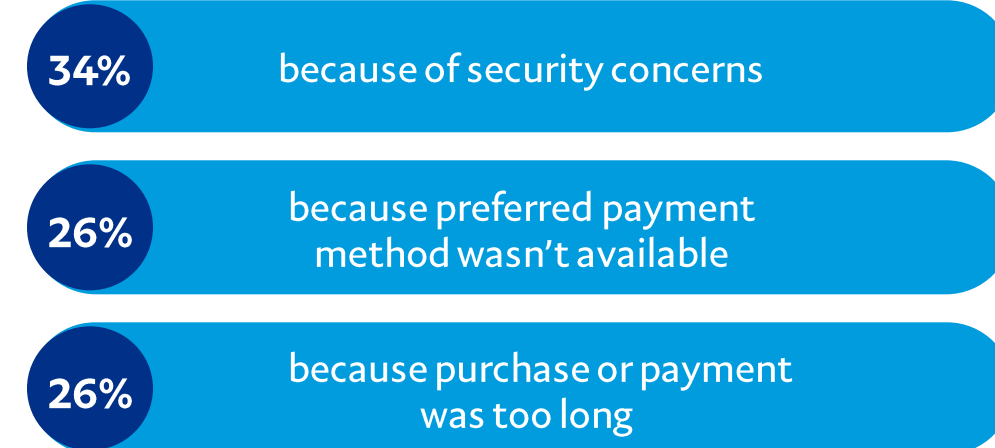
Abandonment



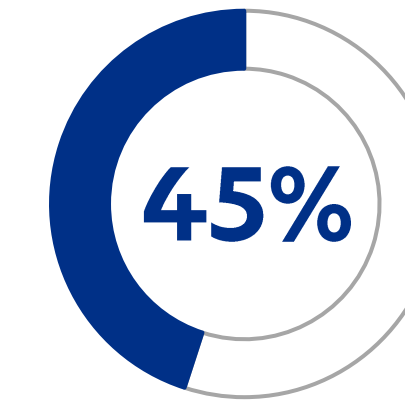
Have abandoned a purchase or payment whilst shopping online



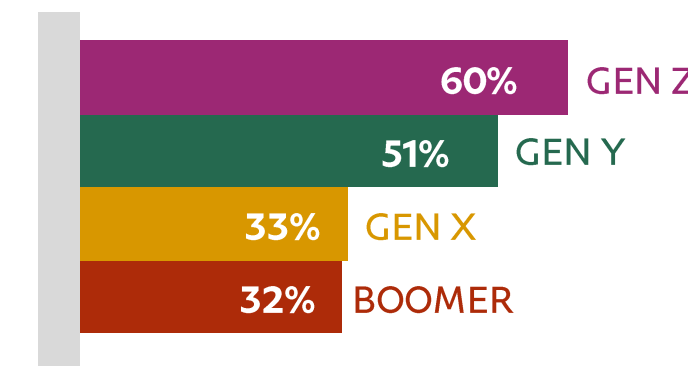
Abandoned a purchase or payment...



Ethics



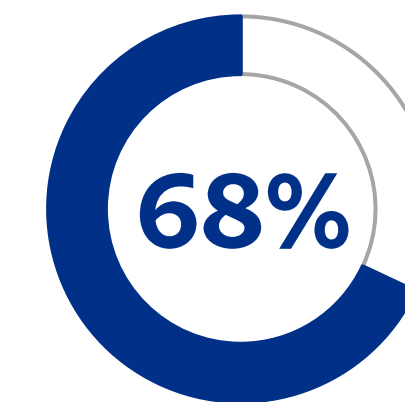
Make online purchasing decisions based on businesses ethical considerations



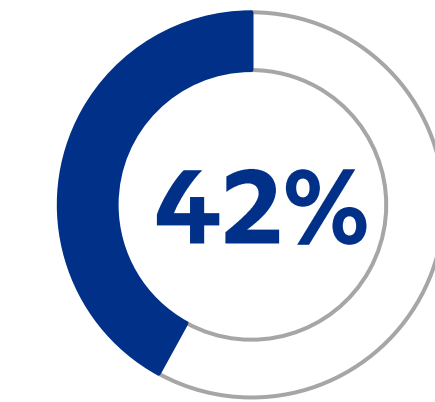
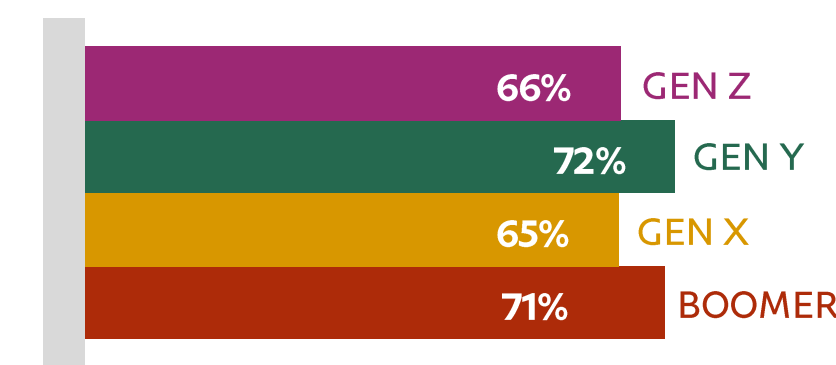
Ethical considerations in e-Commerce:



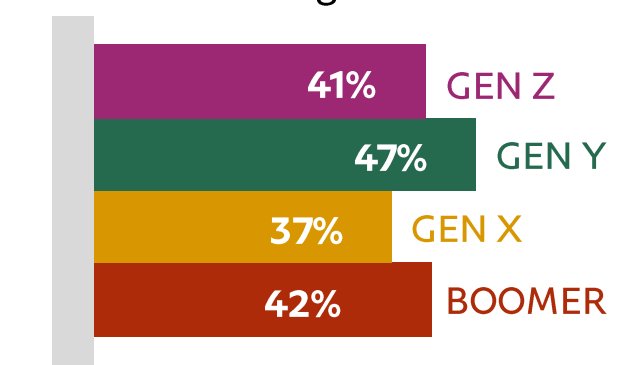
Trust



Trust PayPal to keep their payment secure

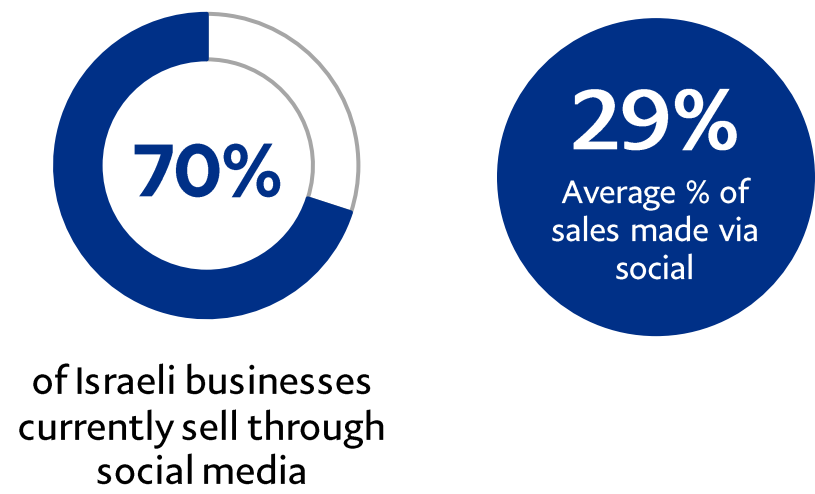


Say PayPal is their **most trusted option** when purchasing or transacting online

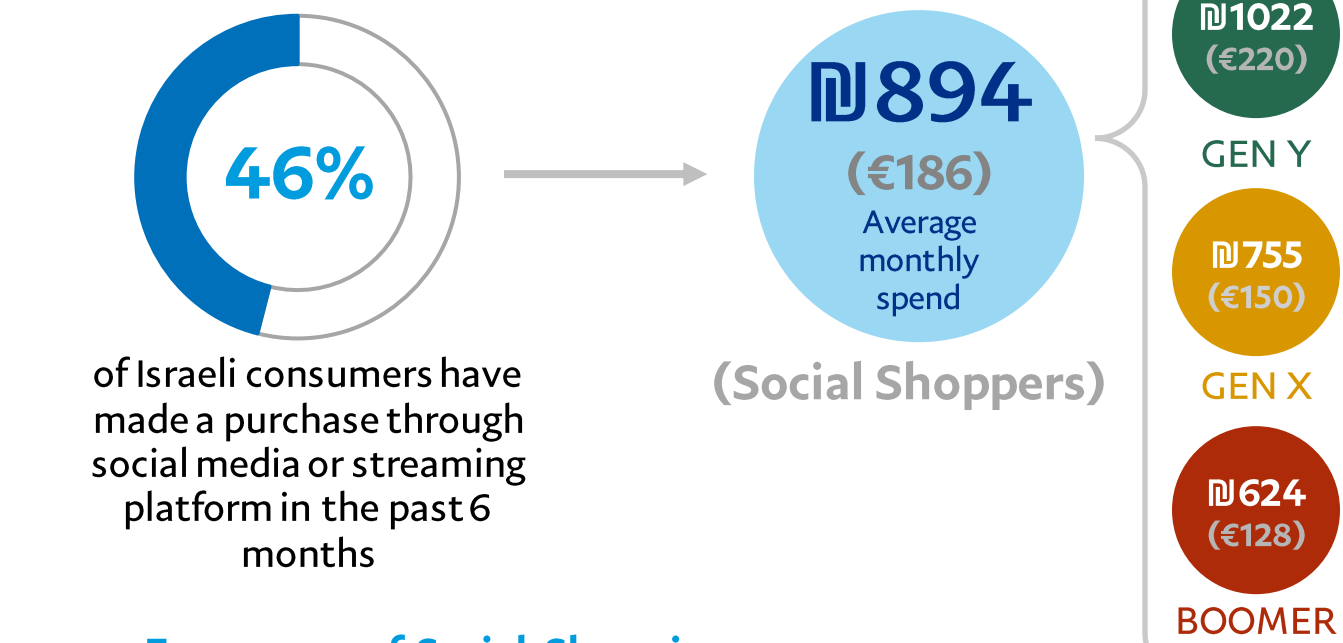


Social Commerce

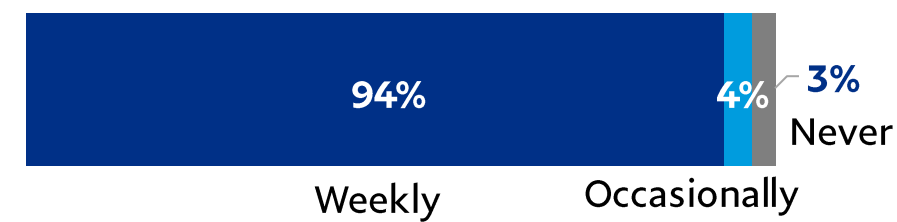
Businesses (that sell online)



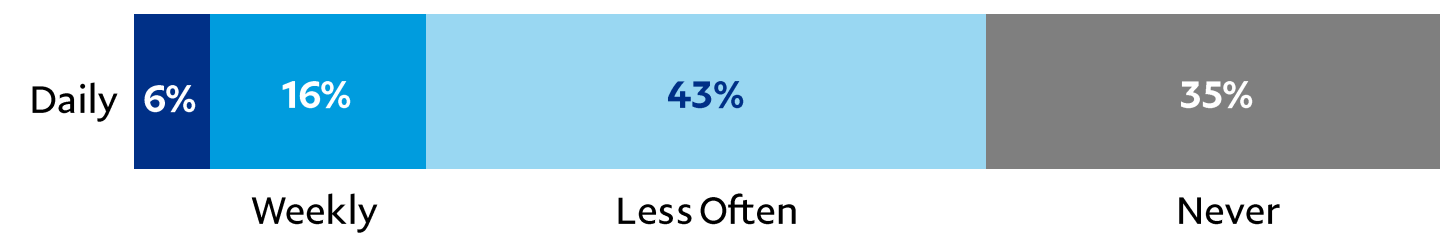
Consumer (All Israelis 18-75)



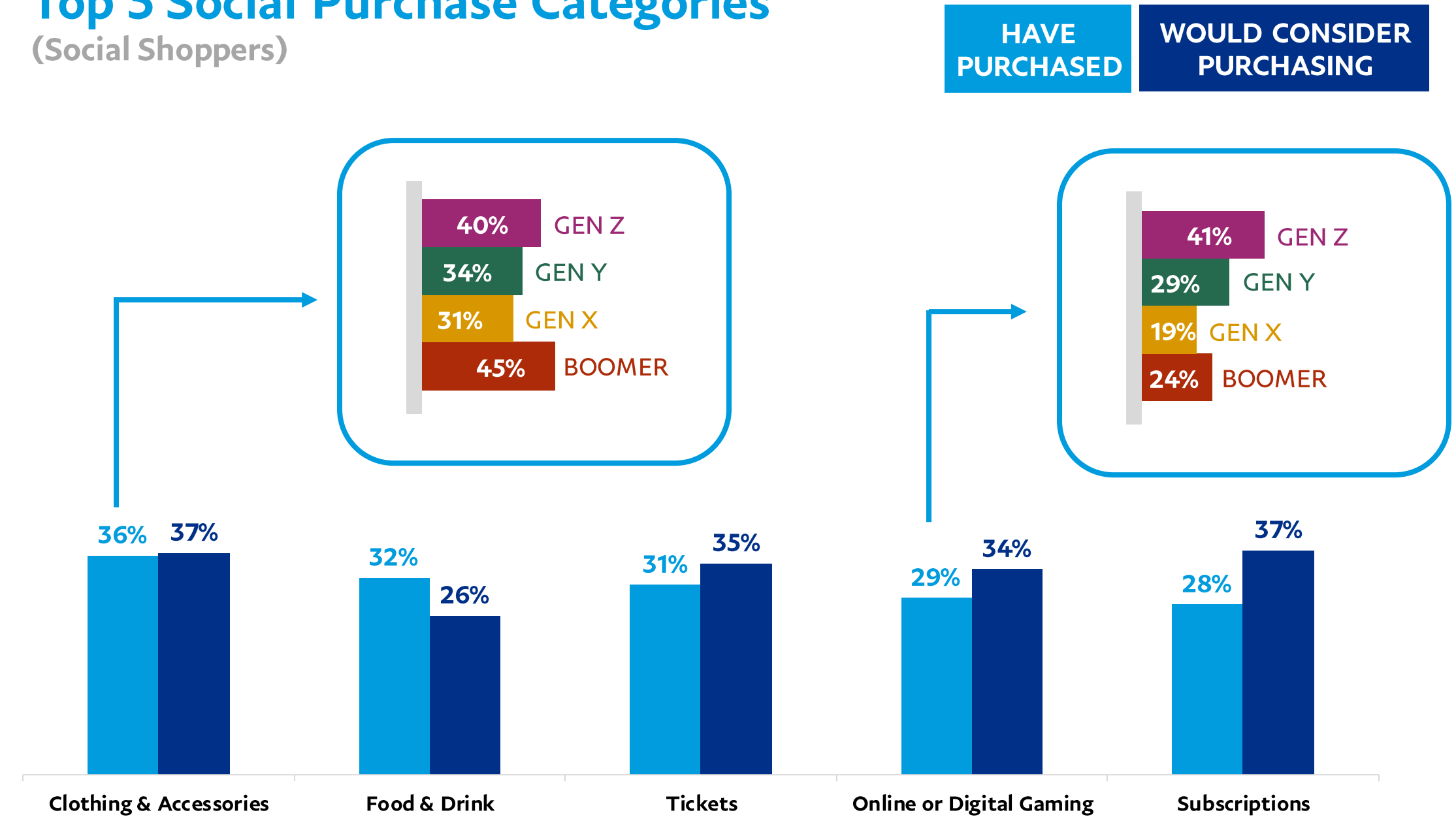
Frequency of Social Promotion



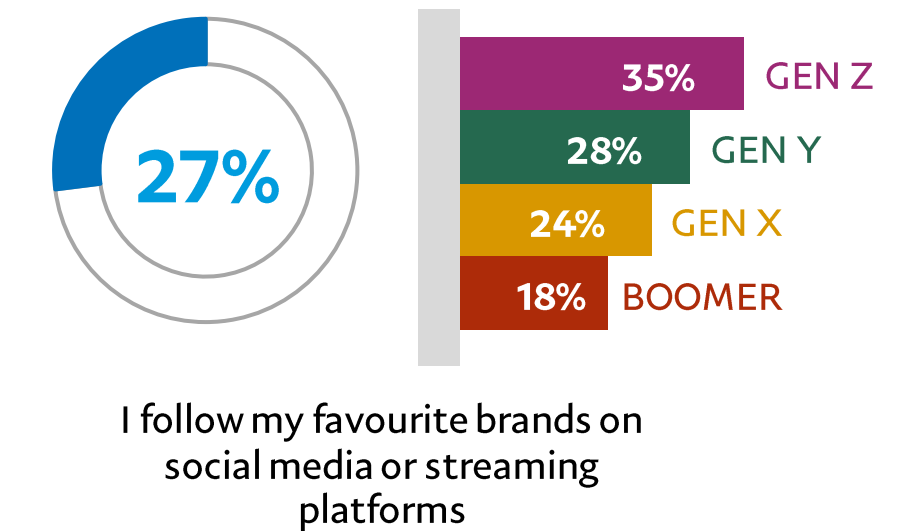
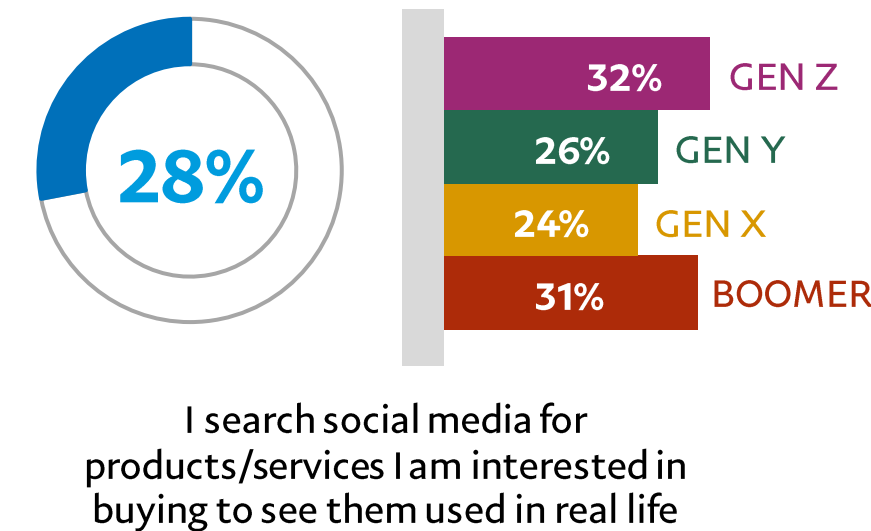
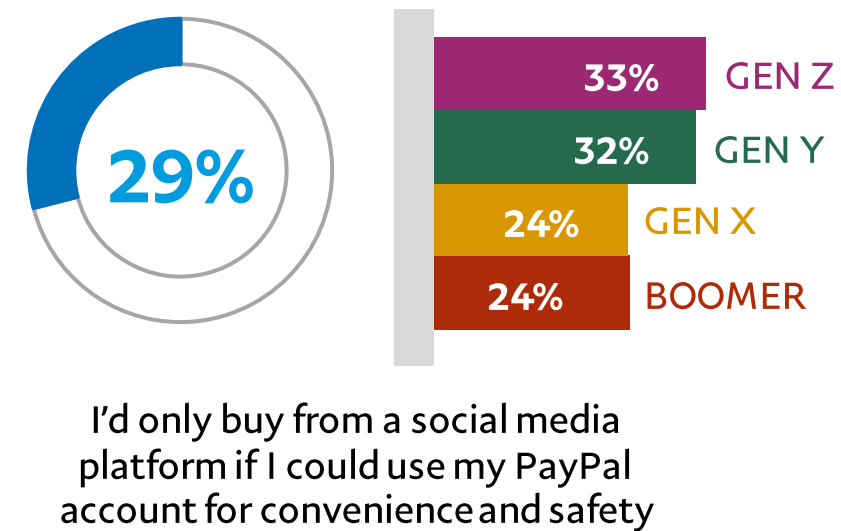
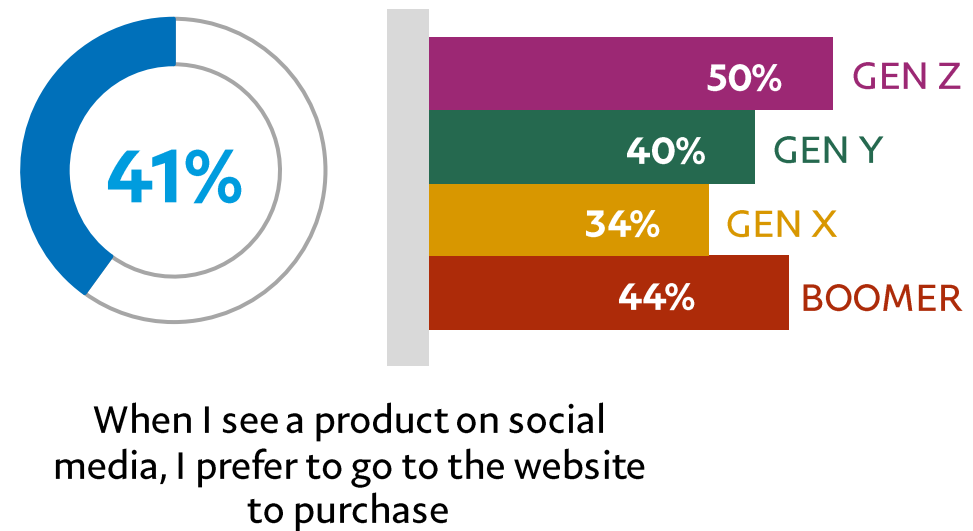
Frequency of Social Shopping



Top 5 Social Purchase Categories (Social Shoppers)



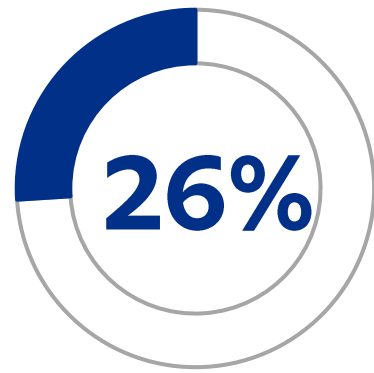
Purchasing Motivations (All Israelis 18-75)



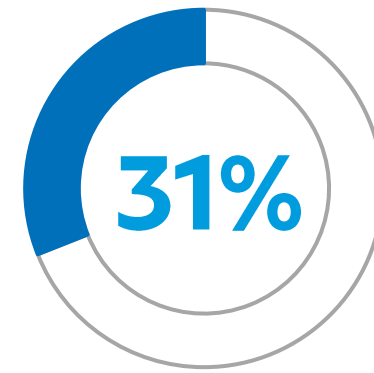
Tech Trends

(All Israelis 18-75)

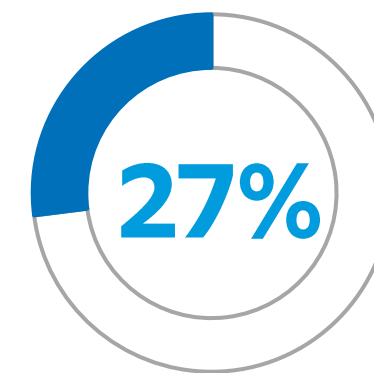
Cryptocurrency



Have owned cryptocurrency at some point

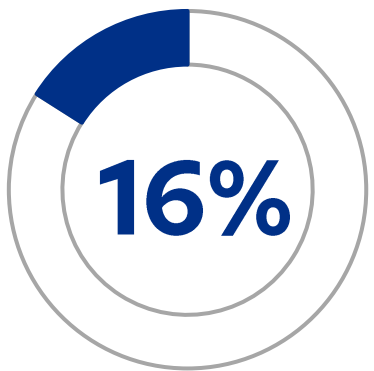


I want to learn more about cryptocurrencies

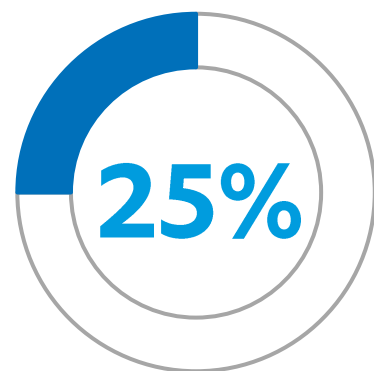


I'm concerned about the safety and security of trading cryptocurrencies

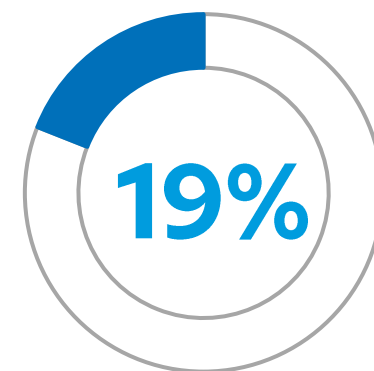
NFTs



Have owned NFTs at some point

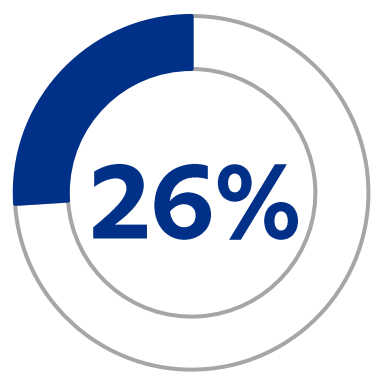


I want to learn more about NFTs

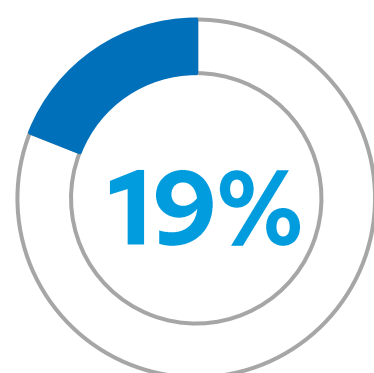
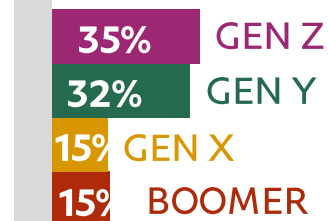


I'm concerned about the safety and security of trading NFTs

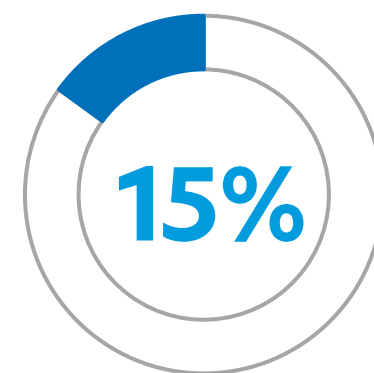
Metaverse/Virtual Space



Have participated in a virtual space/metaverse at some point



Believe they will engage with more people in virtual spaces/metaverse than in real life in the future

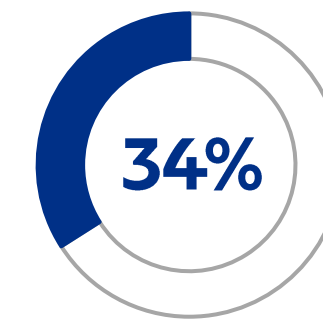


Believe virtual spaces/metaverse will become important channels for shopping

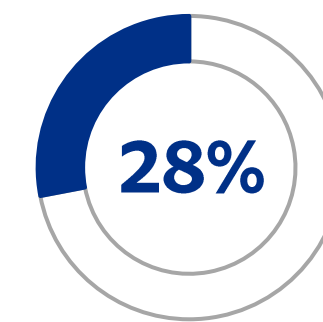
Cross Border

Businesses (that sell online)

(that sell online)



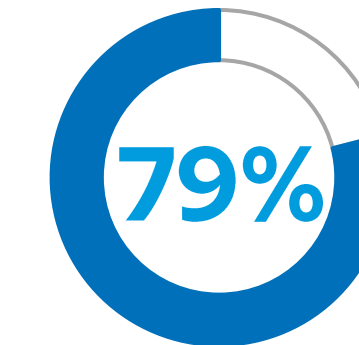
Turnover came from international shoppers



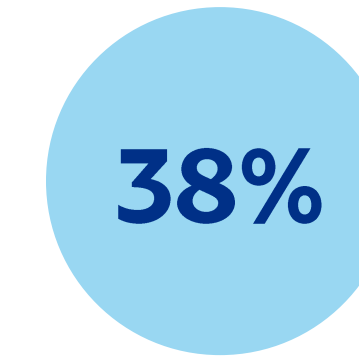
Believe selling to international customers has helped grow business

Consumer (All Israelis 18-75)

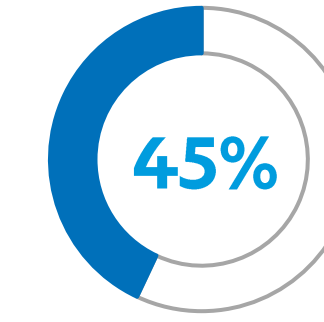
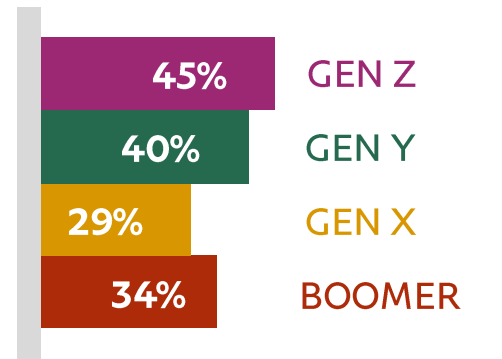
(All Israelis 18-75)



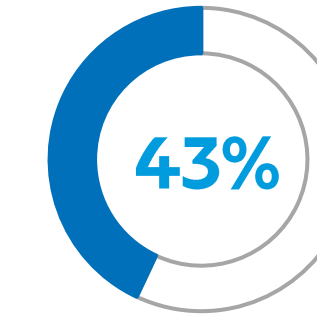
have shopped internationally



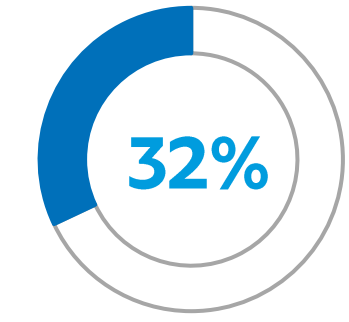
Proportion of online shopping which is from international retailers



when PayPal is available, I feel more secure to shop on international store



prefer large "global" stores when purchasing from another country



prefer to support businesses in my own country

International Shoppers

Reasons for shopping internationally:



Local Shoppers

Reasons for shopping only locally:



Appendix

Please see the questions that refer to each page, ordered clockwise.

Page 4:

Consumer Questions

Q2. How often do you do each of the following online (through either a computer or mobile device)?

Q6. In total, how much money have you spent on online purchases or payments in the last month? Please include purchasing apps, in-app purchases, payments for bills or services and other online shopping. If you are unsure, please provide your best estimate.

Q1b. Which of these devices do you currently use for online purchases or payments?

Q1c. Which of these devices do you prefer to use for online purchases or payments?

Q3b. And which of the payment options that you use, if any, would you say is your preferred payment option?

Q24. 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 if it?

Business Questions

Q3. Which of the following online payment options do you offer your customers?

Page 5:

Consumer Questions

Q9. Which, if any, of the following would lead to you being less likely to make an online purchase?

Q10. And, which of the following would lead to you being more likely to make an online purchase?

Q8. Which, if any, of the following have you ever done when making a payment or purchase?

Q22. 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?

Q23. Which payment option do you trust the most when purchasing or transacting online?

Page 6:

Consumer Questions

Q11. Which of the following social media or streaming platforms, if any, have you made a purchase or payment through in the last 6 months?

Q15. How often, if at all, do you make purchases or payments through social media or streaming platforms?

Q16. In total, how much money have you spent on all purchases or payments made through a social media or streaming platform in the last month? If you are unsure, please provide your best estimate.

Q13. Which of the following product categories, if any, have you, or would you buy through social media or streaming platforms (e.g. Instagram etc.)

Q14. Thinking about purchasing through social media or streaming platforms (e.g. Instagram etc), which of the following statements, if any, do you feel apply to you personally?

Q12. And, thinking specifically about the social media or streaming platforms you use personally, which of the following, if any, do you feel apply to you?

Business Questions

Q8. Do you currently, or will you in the next 6 months sell via social media platforms (e.g. Facebook, Instagram, Pinterest, Twitch, TikTok)?

Q4. Approximately what percentage of your sales are made through social media platforms?

Q7. Approximately how often, if ever, does your business use each of the following social media platforms to promote/market your business (including paid ads and posts)?

Page 7:

Consumer Questions

Q25. Which of the following best describes you when it comes to cryptocurrency and NFTs?

Q31. Which, if any, of the following statements about cryptocurrencies do you agree with?

Q32. Which, if any, of the following statements about NFTs and virtual spaces/the metaverse do you agree with?

Q29. Thinking now about virtual spaces/the metaverse, which of the following best describes you?

Q33. What proportion of your online shopping is from international retailers (i.e. based outside your country)? If unsure, please provide your best estimate.

Q34. Thinking specifically about making a purchase online, which, if any, of the following statements do you agree with?

Q35. You say you have made purchases online from websites in other countries. Please select your main reasons for shopping on websites in other countries rather than the country where you live?

Q36. You say you haven't made purchases online from websites in other countries. Please select your main reasons for not shopping on websites in other countries

Business Questions

Q23. Which, if any, of the following statements apply to your business with regard to selling online internationally?

