



## Case Study

# Why Venmo is a fan favorite for Fanatics

As a global leader in licensed sports merchandise, Fanatics drives multi-channel commerce for the world's largest sports brands. Fanatics offers the widest assortment of merchandise whether shopping online, on your phone, in flagship stores, in stadiums or onsite at the world's biggest sporting events. Online, Fanatics is changing the way fans purchase team goods and apparel via an innovative digital sports platform that quickly distributes gear to today's 24/7 mobile-first sports fan.

Fanatics is passionate about offering fans variety in sports merchandise, with unique offerings such as matching family jerseys to support their favorite teams. They apply the same strategy with payments. Fanatics provides an array of payment options at checkout, with Venmo being their most recent addition to a winning team. We spoke to Doug Raymond, Head of Business Development for Payment Solutions at Fanatics, to get his perspective on how Venmo is performing.

# And the MVP award goes to Venmo



Fanatics integrated Venmo across multiple sites in fall 2021. The results have exceeded expectations, a win for Team Fanatics. Doug Raymond with Fanatics shared, "I have been shocked by Venmo's average order value (AOV). We thought the Venmo AOV would be lower than credit cards. The reality is it's comparable to credit cards -both from an AOV and repeat purchase perspective." Venmo lets consumers complete their purchases quickly from mobile, desktop or the Fanatics mobile app. **"Integrating Venmo was one of the best decisions we made. It is another alternative payment method (APM) that our consumers have wanted to use,"** said Raymond.



Integrating PayPal's SDK for Venmo was a fairly light lift, which makes the positive results even more all-star. Given 70% of Fanatics transactions are mobile, a seamless checkout experience is critical. Adding Venmo QR payment option was an enhancement that allowed faster conversion for desktop users also, delivering a preferred payment method to consumers is part of that experience.

With an average age demographic of 37–39, Fanatics wanted to expand the demographic and attract younger consumers. Venmo has 76 million users<sup>1</sup>, who tend to be younger and more affluent than the overall U.S. population.<sup>2</sup> In addition, 33% of those Venmo users have made a purchase from an online retailer after seeing it shared on a friend's social feed.<sup>3</sup> Venmo is helping Fanatics extend their reach.

Fanatics was also featured in a Venmo marketing campaign and stood out as one of the highest performing in terms of sales and transactions. Fanatics sales were 10% higher with 8% more engaged users, which is a significant win for both teams. Raymond could not be happier with the close collaboration and said, "We love PayPal and the products that come with it."

*Venmo is live across*

# 9

*Fanatics sites in the US.<sup>4</sup>*

*Venmo AOV of*

# \$83

*2x higher than anticipated results.<sup>4</sup>*

*Venmo outperformed*

# 2 KPIs

*when compared to other integrated APMs.<sup>4</sup>*

<sup>1</sup> PayPal Q2 2021 earnings call, July 28, 2021.

<sup>2</sup> Venmo, Venmo Behavior Study, survey of 2,217 US Venmo athletes, October 2020.

<sup>3</sup> Netfluentia, research findings from survey of 1,010 US online adult shoppers (including 504 Pay with Venmo users), commissioned by PayPal, July 2021.

<sup>4</sup> PayPal internal data from 2021. This content is provided for informational purposes only. You should always obtain independent business, tax, financial, and legal advice before making any business decision.



# A grand slam: Venmo increases incrementality

Not only has Venmo delivered on demographics, AOV and marketing opportunities, it also drove higher incrementality for Fanatics. Raymond is emphatic with regard to other merchants adding Venmo as a payment method. **“If they’re looking for incrementality to their overall sales, then they need to add Venmo. Full stop. It’s another source of spending that is untapped by individuals who are looking for an outlet to spend. They have money in there, whether they’re 18 or 38, it doesn’t matter, but it’s an incrementality question. And for us, Venmo is adding incrementality. That’s it.”**

## What’s next

As the landscape evolves for college sports, Fanatics is committed to the next generation of athletes and is creating a new vertical for Name, Image and Likeness (NIL) resources. Fanatics currently partners with more than 150 colleges and universities across ecommerce, wholesale and physical stores on-campus, so this is a natural extension of their collegiate reach.<sup>5</sup> This unique revenue share program will include student athletes as financial beneficiaries when fans purchase their jerseys. This innovative program is expected to launch in fall 2022.

While originating in college football, the NIL program has the opportunity to spread across all sports in the future. Fanatics turned to PayPal to strategize together on how Venmo can help capitalize on this burgeoning market and incent fans to start buying NIL merchandise.

Given the demographic overlap, Raymond believes “Venmo will be big in NIL. And honestly, you are the first ones we reached out to.” Fanatics enables fans to express their love and devotion to their favorite sports teams and players via merchandised goods and apparel. PayPal and Venmo help enable that fan journey, and through great teamwork, the outcome is a winning record.



***“Venmo has added to the incrementality of both sales and new customers, but it’s also added to the incrementality of guest checkout as well.”***

**Doug Raymond**

Head of Business Development  
for Payments Solutions, Fanatics

<sup>5</sup> Business of College Sports, “Fanatics and OneTeam Partners Announce College Football Jersey Program”, Michael Ehrlich, February 3, 2022.

