

Modern Spice Routes

The Cultural Impact and Economic Opportunity
of Cross-Border Shopping



Content

6-Market Cross-Border Shopping Trends P.2 - P.3 (US, Australia, UK, Germany, China & Brazil)
US Cross-Border Shopping Trends P.4 - P.5
Australia Cross-Border Shopping Trends P.6 - P.7
UK Cross-Border Shopping Trends P.8 - P.9
Germany Cross-Border Shopping Trends P.10 - P.11
China Cross-Border Shopping Trends P.12 - P.13
Brazil Cross-Border Shopping Trends P.14 - P.15

The Modern Spice Routes

6-Market Cross-Border Shopping Trends



Throughout history, trade has influenced culture. When the traditional spice routes were first established, between Europe, India, Africa and the Middle East, when we exchanged goods, we also shared language, knowledge, food etc. In short - culture.

This type of importing and exporting - or cross-border shopping - is common today. And we now see savvy consumers using the Internet to buy directly from merchants all over the world. This is creating the emergence of modern spice routes that could start to influence cultures in the same way the spice routes did.

PayPal has commissioned Nielsen research to better understand the rise of cross-border shopping by analysing the activity and behaviour of over 6,000 consumers in six major markets who shopped directly online from overseas websites over the past 12 months. Here is what we discovered about the modern spice routes.

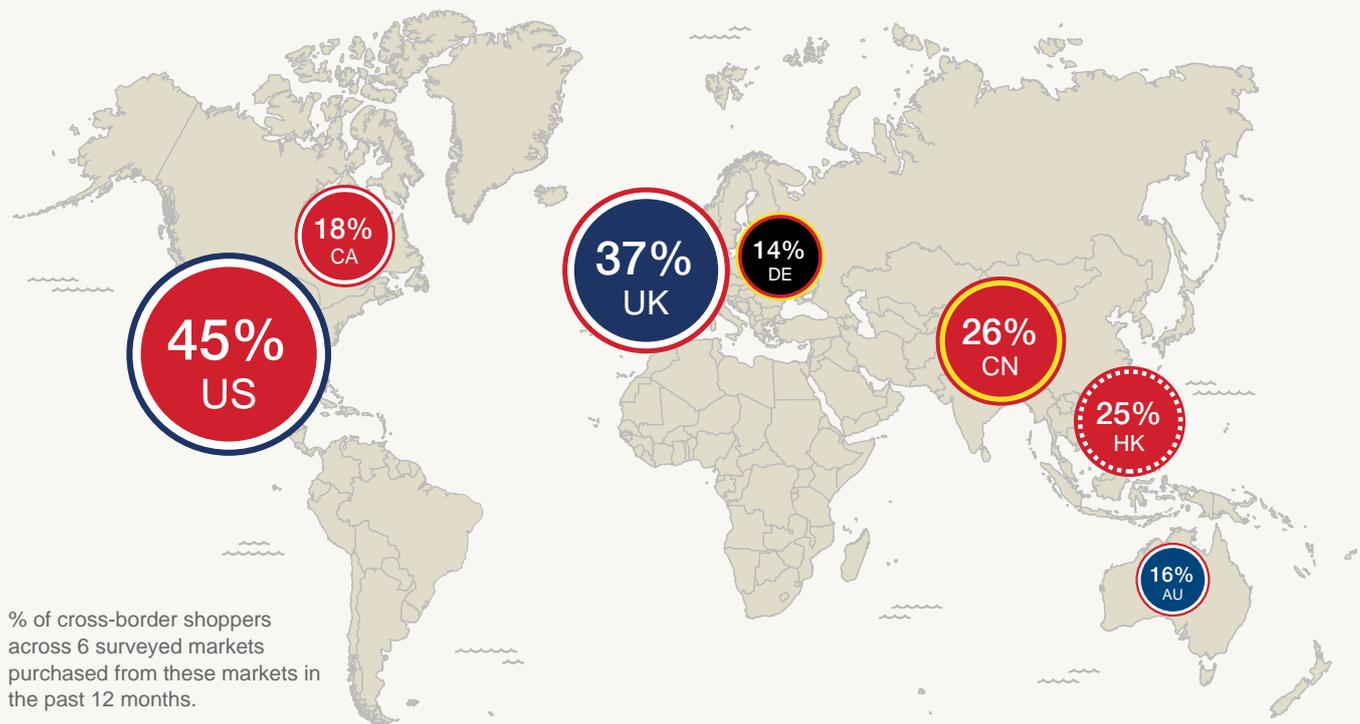



US\$105bn


93.7m

The cross-border online shopping market across these 6 markets has **93.7 million** consumers spending **US\$105 billion** on overseas websites in 2013, representing 16% of overall online shopping spend this year.

MOST POPULAR OVERSEAS ONLINE SHOPPING DESTINATIONS



% of cross-border shoppers across 6 surveyed markets purchased from these markets in the past 12 months.

TOP FIVE CROSS-BORDER SHOPPING CATEGORIES OVER PAST 12 MONTHS



US\$12.5bn
Clothes, Shoes, Accessories



US\$7.6bn
Health & Beauty Products



US\$6.0bn
Personal Electronics

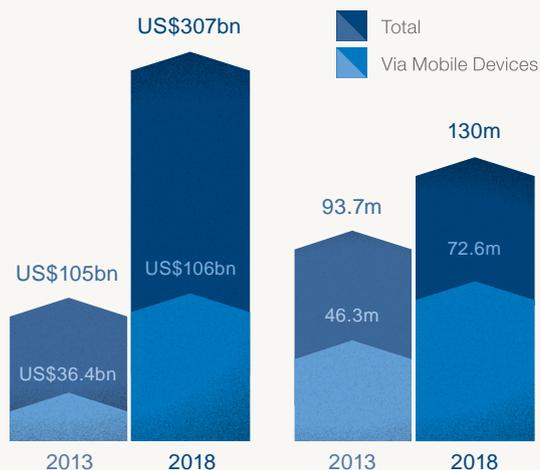


US\$6.0bn
Computer Hardware



US\$5.8bn
Jewellery, Gems and Watches

CROSS-BORDER ONLINE AND MOBILE SHOPPING 5 YEAR GROWTH TRENDS



CROSS-BORDER ONLINE SHOPPING SPEND

The value of the cross-border online shopping market across the six markets will grow by nearly 200% from **US\$105 billion** in 2013 to **US\$307 billion** in 2018.

Mobile cross-border purchases across the six markets will grow 200% from **US\$36.4 billion** in 2013 **US\$106 billion** by 2018.

CROSS-BORDER ONLINE SHOPPING POPULATION

The number of cross-border online consumers across the six markets will increase by over 38% from **93.7 million** in 2013 to **130 million** by 2018.

The **46.3 million** cross-border consumers using mobile devices for online purchases in 2013 will increase 57% to **72.6 million** by 2018.

CROSS-BORDER SHOPPING AND PAYMENT PREFERENCES



The cross-border shopper is not just looking for a discount from an overseas website but also seeks high quality, authentic and special items. The top reason for buying online from overseas is **“to save money”** (80% of respondents), followed by **“more variety that cannot be found locally”** (79%).



However, 7 out of 10 (69%) cross-border online shoppers cite **fear of identity theft and fraud** as the main deterrent against making a cross-border online payment.



In addition, 9 out of 10 (88%) cross-border online shoppers believe that **buyer protection is important or very important** when making an overseas online purchase.



PayPal is the top payment method for cross-border online shopping with 8 out of 10 (79%) having used PayPal for an overseas purchase in the past 12 months.



The top reason for using PayPal for an overseas online transaction is because **“PayPal is safer to use online due to less fraud”** (41% of respondents).



8 out of 10 (81%) cross-border online shoppers are more willing to make a purchase from an overseas merchant because they are **covered by PayPal’s buyer protection policy**.

WHAT TYPE OF CROSS-BORDER SHOPPER ARE YOU?



Fearless Adventurers

Like to be different and are always on the hunt for new overseas websites. Love shopping on their mobile devices and are happy to pay more for unique items not available locally.



Efficient Explorers

Busy people, so convenience is very important. Mostly buy from overseas seller whom they know and trust, and will spend a lot for an online purchase, like entertainment or air tickets.



Value Voyagers

Love shopping and keeping track of the latest trends. Check and compare overseas purchases using their favourite online tools to ensure they find the best quality and good value products.



Safety Seekers

Shop online more for leisure, but like the variety and brands found on overseas websites. Careful about what they buy and only shop from trusted online sellers or those with a return policy.



Deal Hunters

Don't shop online very often and when they do they mostly buy from their own country's websites. But if they spot a bargain or lower price on overseas websites, they will snap it up.

PERCENTAGE OF OVERSEAS ONLINE SPEND



PERCENTAGE OF CROSS-BORDER SHOPPERS



The Modern Spice Routes

US Cross-Border Shopping Trends



Throughout history, trade has influenced culture. When the traditional spice routes were first established, between Europe, India, Africa and the Middle East, when we exchanged goods, we also shared language, knowledge, food etc. In short - culture.

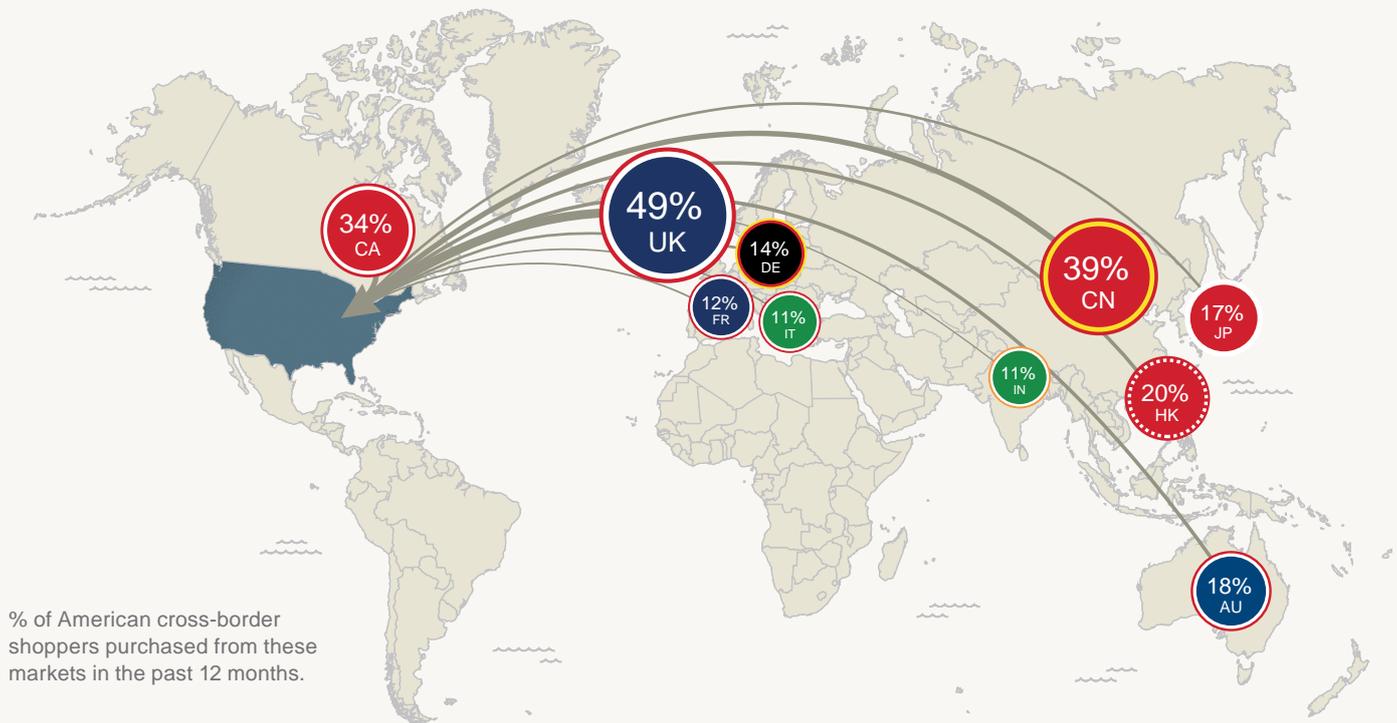
This type of importing and exporting - or cross-border shopping - is common today. And we now see savvy consumers using the Internet to buy directly from merchants all over the world. This is creating the emergence of modern spice routes that could start to influence cultures in the same way the spice routes did.

PayPal has commissioned Nielsen research to better understand the rise of cross-border shopping in the US by analysing the activity and behaviour of over 6,000 consumers in six major markets who shopped directly online from overseas websites over the past 12 months. Here is what we discovered about the modern spice routes.



The US has **34.1 million** consumers spending **US\$40.6 billion** on overseas websites in 2013, representing 18% of overall online shopping spend this year.

TOP 10 MOST POPULAR OVERSEAS ONLINE SHOPPING DESTINATIONS



% of American cross-border shoppers purchased from these markets in the past 12 months.

TOP FIVE CROSS-BORDER SHOPPING CATEGORIES OVER PAST 12 MONTHS



\$4.9bn

Clothes, Shoes, Accessories



\$2.6bn

Health & Beauty Products



\$2.5bn

Jewellery, Gems and Watches



\$2bn

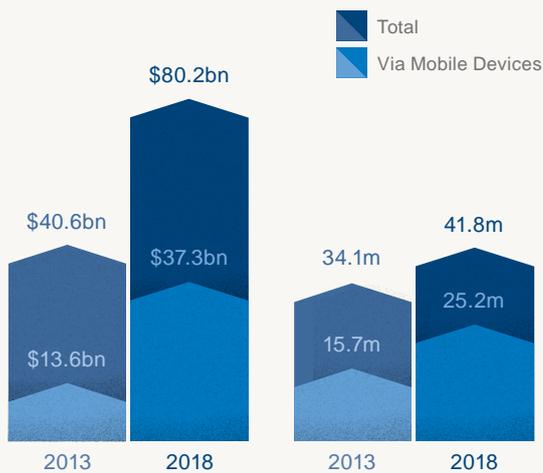
Personal Electronics



\$2bn

Home Electronics

CROSS-BORDER ONLINE AND MOBILE SHOPPING 5 YEAR GROWTH TRENDS



CROSS-BORDER ONLINE SHOPPING SPEND

The value of the US cross-border online shopping market will grow by nearly 100% from **US\$40.6 billion** in 2013 to **US\$80.2 billion** in 2018.

Mobile cross-border purchases will grow nearly 175% from **\$37.3 billion** by 2018.

CROSS-BORDER ONLINE SHOPPING POPULATION

The number of US cross-border online consumers will increase by over 23% from **34.1 million** in 2013 to **41.8 million** by 2018.

The **15.7 million** cross-border consumers using mobile devices for online purchases in 2013 will increase 61% to **25.2 million** by 2018.

CROSS-BORDER SHOPPING AND PAYMENT PREFERENCES



The US cross-border shopper is not just looking for a discount from an overseas website but also seeks high quality, authentic and special items. The top reason for buying online from overseas is **“more variety that cannot be found locally”** (80% of respondents), followed by **“to save money”** (78%).



However, 7 out of 10 (70%) US cross-border online shoppers cite **fear of identity theft and fraud** as the main deterrent against making a cross-border online payment.



Nearly 9 out of 10 (86%) US cross-border online shoppers believe that **buyer protection is important or very important** when making an overseas online purchase.



PayPal is the top payment method for cross-border online shopping with 75% of respondents having used PayPal for an overseas purchase in the past 12 months.



The top reason for using PayPal for an overseas online transaction is because **“PayPal is safer to use online due to less fraud”** (40% of respondents).



Nearly 8 out of 10 (78%) US cross-border online shoppers are more willing to make a purchase from an overseas merchant because they are **covered by PayPal’s buyer protection policy**.

WHAT TYPE OF AMERICAN CROSS-BORDER SHOPPER ARE YOU?



Efficient Explorers

Busy people, so convenience is very important. Mostly buy from overseas seller whom they know and trust, and will spend a lot for an online purchase, like entertainment or air tickets.



Fearless Adventures

Like to be different and are always on the hunt for new overseas websites. Love shopping on their mobile devices and are happy to pay more for unique items not available locally.



Value Voyagers

Love shopping and keeping track of the latest trends. Check and compare overseas purchases using their favourite online tools to ensure they find the best quality and good value products.



Safety Seekers

Shop online more for leisure, but like the variety and brands found on overseas websites. Careful about what they buy and only shop from trusted online sellers or those with a return policy.



Deal Hunters

Don't shop online very often and when they do they mostly buy from their own country's websites. But if they spot a bargain or lower price on overseas websites, they will snap it up.

PERCENTAGE OF OVERSEAS ONLINE SPEND



PERCENTAGE OF CROSS-BORDER SHOPPERS



The Modern Spice Routes

Australia Cross-Border Shopping Trends



Throughout history, trade has influenced culture. When the traditional spice routes were first established, between Europe, India, Africa and the Middle East, when we exchanged goods, we also shared language, knowledge, food etc. In short - culture.

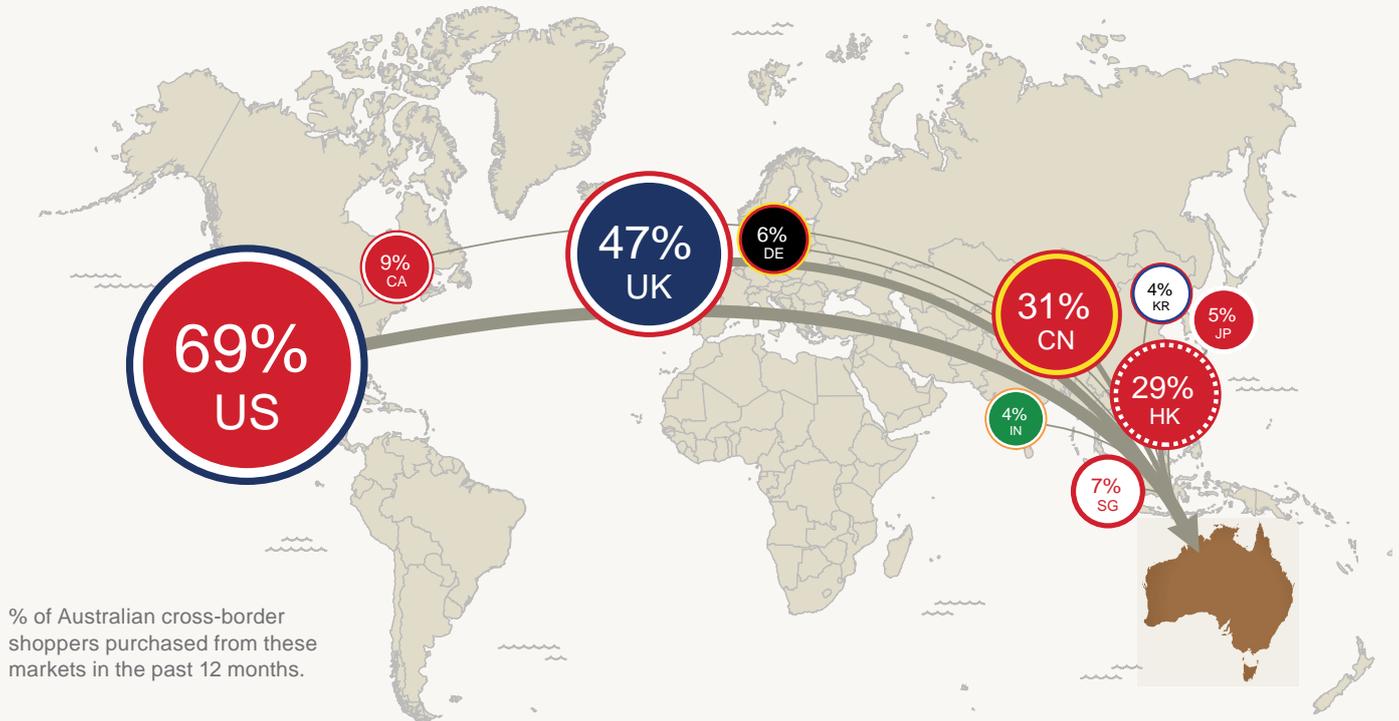
This type of importing and exporting - or cross-border shopping - is common today. And we now see savvy consumers using the Internet to buy directly from merchants all over the world. This is creating the emergence of modern spice routes that could start to influence cultures in the same way the spice routes did.

PayPal has commissioned Nielsen research to better understand the rise of cross-border shopping in Australia by analysing the activity and behaviour of over 6,000 consumers in six major markets who shopped directly online from overseas websites over the past 12 months. Here is what we discovered about the modern spice routes.



Australia has **6.3 million** consumers spending **AUD6.5 billion** on overseas websites in 2013, representing 35% of overall online shopping spend this year.

TOP 10 MOST POPULAR OVERSEAS ONLINE SHOPPING DESTINATIONS



% of Australian cross-border shoppers purchased from these markets in the past 12 months.

TOP FIVE CROSS-BORDER SHOPPING CATEGORIES OVER PAST 12 MONTHS



AUD890m
Clothes, Shoes, Accessories



AUD527m
Books



AUD467m
Airline Tickets

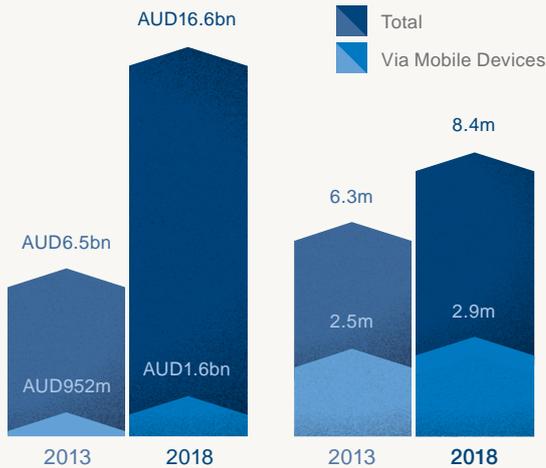


AUD368m
Health & Beauty Products



AUD302m
Personal Electronics

CROSS-BORDER ONLINE AND MOBILE SHOPPING 5 YEAR GROWTH TRENDS



CROSS-BORDER ONLINE SHOPPING SPEND

The value of the Australian cross-border online shopping market will grow by nearly 155% from **AUD6.5 billion** in 2013 to **AUD16.6 billion** in 2018.

Mobile cross-border purchases will grow nearly 70% from **AUD952 million** to **AUD1.6 billion** by 2018.

CROSS-BORDER ONLINE SHOPPING POPULATION

The number of Australian cross-border online consumers will increase by over 33% from **6.3 million** in 2013 to **8.4 million** by 2018.

The **2.5 million** cross-border consumers using mobile devices for online purchases in 2013 will increase 15% to **2.9 million** by 2018.

CROSS-BORDER SHOPPING AND PAYMENT PREFERENCES



The Australian cross-border shopper is not just looking for a discount from an overseas website but also seeks high quality, authentic and special items. The top reason for buying online from overseas is **“buying online to save money”** (80% of respondents), followed by **“more variety that cannot be found locally”** (76%).



However, more than 7 out of 10 (73%) Australian cross-border online shoppers cite **fear of identity theft and fraud** as the main deterrent against making a cross-border online payment.



Nearly 9 out of 10 (87%) Australian cross-border online shoppers believe that **buyer protection is important or very important** when making an overseas online purchase.



PayPal is the top payment method for cross-border online shopping with 85% of Australian respondents having used PayPal for an overseas purchase in the past 12 months.



The top reason for using PayPal for an overseas online transaction is because **“PayPal is safer to use online due to less fraud”** (50% of respondents).



Nearly 8 out of 10 (79%) Australian cross-border online shoppers are more willing to make a purchase from an overseas merchant because they are **covered by PayPal’s buyer protection policy**.

WHAT TYPE OF AUSTRALIAN CROSS-BORDER SHOPPER ARE YOU?



Value Voyagers

Love shopping and keeping track of the latest trends. Check and compare overseas purchases using their favourite online tools to ensure they find the best quality and good value products.



Safety Seekers

Shop online more for leisure, but like the variety and brands found on overseas websites. Careful about what they buy and only shop from trusted online sellers or those with a return policy.



Deal Hunters

Don't shop online very often and when they do they mostly buy from their own country's websites. But if they spot a bargain or lower price on overseas websites, they will snap it up.



Efficient Explorers

Busy people, so convenience is very important. Mostly buy from overseas seller whom they know and trust, and will spend a lot for an online purchase, like entertainment or air tickets.



Fearless Adventures

Like to be different and are always on the hunt for new overseas websites. Love shopping on their mobile devices and are happy to pay more for unique items not available locally.

PERCENTAGE OF OVERSEAS ONLINE SPEND



PERCENTAGE OF CROSS-BORDER SHOPPERS



The Modern Spice Routes

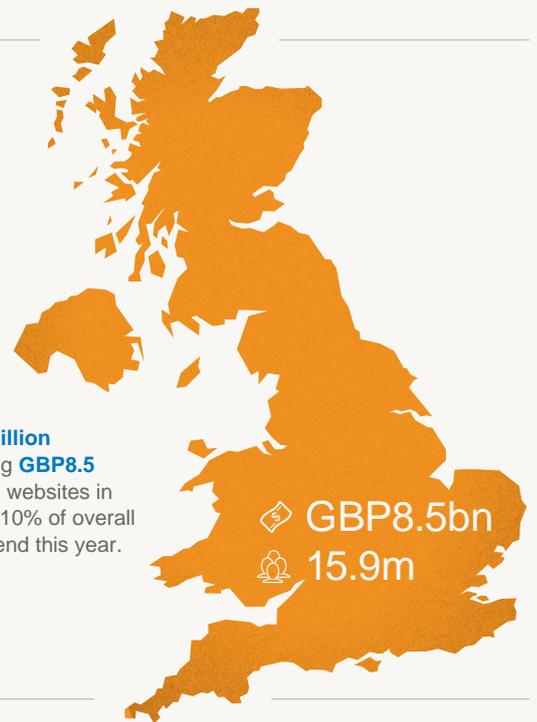
UK Cross-Border Shopping Trends



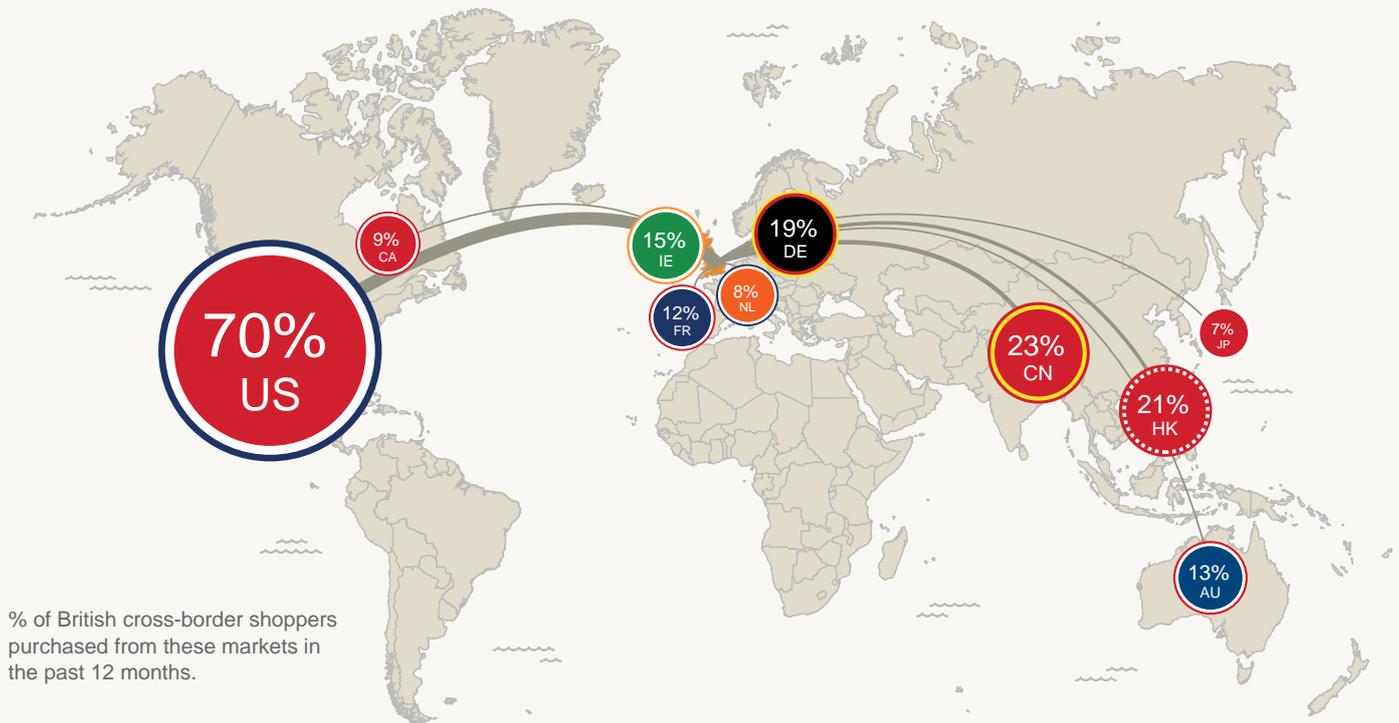
Throughout history, trade has influenced culture. When the traditional spice routes were first established, between Europe, India, Africa and the Middle East, when we exchanged goods, we also shared language, knowledge, food etc. In short - culture.

This type of importing and exporting - or cross-border shopping - is common today. And we now see savvy consumers using the Internet to buy directly from merchants all over the world. This is creating the emergence of modern spice routes that could start to influence cultures in the same way the spice routes did.

PayPal has commissioned Nielsen research to better understand the rise of cross-border shopping in the UK by analysing the activity and behaviour of over 6,000 consumers in six major markets who shopped directly online from overseas websites over the past 12 months. Here is what we discovered about the modern spice routes.



TOP 10 MOST POPULAR OVERSEAS ONLINE SHOPPING DESTINATIONS



TOP FIVE CROSS-BORDER SHOPPING CATEGORIES OVER PAST 12 MONTHS



GBP958m
Clothes, Shoes, Accessories



GBP545m
Airline Tickets



GBP504m
Home Electronics

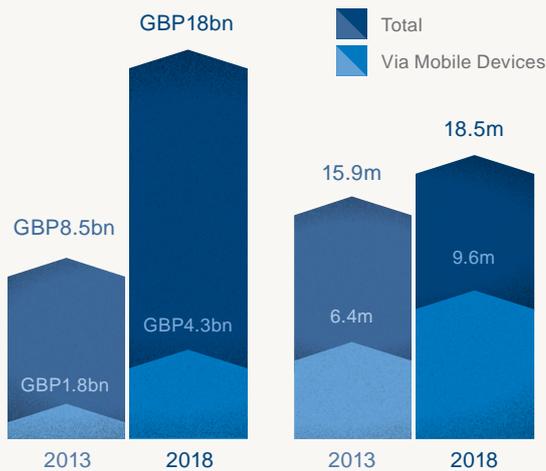


GBP487m
Computer Hardware



GBP432m
Health & Beauty Products

CROSS-BORDER ONLINE AND MOBILE SHOPPING 5 YEAR GROWTH TRENDS



CROSS-BORDER ONLINE SHOPPING SPEND

The value of the UK cross-border online shopping market will grow by over 110% from **GBP8.5 billion** in 2013 to **GBP18.0 billion** in 2018.

Mobile cross-border purchases will grow nearly 140% from **GBP1.8 billion** in 2013 to **GBP4.3 billion** by 2018.

CROSS-BORDER ONLINE SHOPPING POPULATION

The number of UK cross-border online consumers will increase by over 16% from **15.9 million** in 2013 to **18.5 million** by 2018.

The **6.4 million** cross-border consumers using mobile devices for online purchases in 2013 will increase by 50% to **9.6 million** by 2018.

CROSS-BORDER SHOPPING AND PAYMENT PREFERENCES



The UK cross-border shopper is not just looking for a discount from an overseas website but also seeks high quality, authentic and special items. The top reason for buying online from overseas is **“buying online to save money”** (82% of respondents), followed by **“more variety that cannot be found locally”** (76%).



However, 7 out of 10 (68%) UK cross-border online shoppers cite **fear of identity theft and fraud** as the main deterrent against making a cross-border online payment.



More than 8 out of 10 (84%) UK cross-border online shoppers believe that **buyer protection is important or very important** when making an overseas online purchase.



PayPal is the top payment method for cross-border online shopping with 83% of UK respondents having used PayPal for an overseas purchase in the past 12 months.



The top reason for using PayPal for an overseas online transaction is because **“PayPal is safer to use online due to less fraud”** (39% of respondents).



Nearly 8 out of 10 (78%) UK cross-border online shoppers are more willing to make a purchase from an overseas merchant because they are **covered by PayPal’s buyer protection policy**.

WHAT TYPE OF BRITISH CROSS-BORDER SHOPPER ARE YOU?



Fearless Adventurers

Like to be different and are always on the hunt for new overseas websites. Love shopping on their mobile devices and are happy to pay more for unique items not available locally.



Value Voyagers

Love shopping and keeping track of the latest trends. Check and compare overseas purchases using their favourite online tools to ensure they find the best quality and good value products.



Deal Hunters

Don't shop online very often and when they do they mostly buy from their own country's websites. But if they spot a bargain or lower price on overseas websites, they will snap it up.



Efficient Explorers

Busy people, so convenience is very important. Mostly buy from overseas seller whom they know and trust, and will spend a lot for an online purchase, like entertainment or air tickets.



Safety Seekers

Shop online more for leisure, but like the variety and brands found on overseas websites. Careful about what they buy and only shop from trusted online sellers or those with a return policy.

PERCENTAGE OF OVERSEAS ONLINE SPEND



PERCENTAGE OF CROSS-BORDER SHOPPERS



The Modern Spice Routes

Germany Cross-Border Shopping Trends



Throughout history, trade has influenced culture. When the traditional spice routes were first established, between Europe, India, Africa and the Middle East, when we exchanged goods, we also shared language, knowledge, food etc. In short - culture.

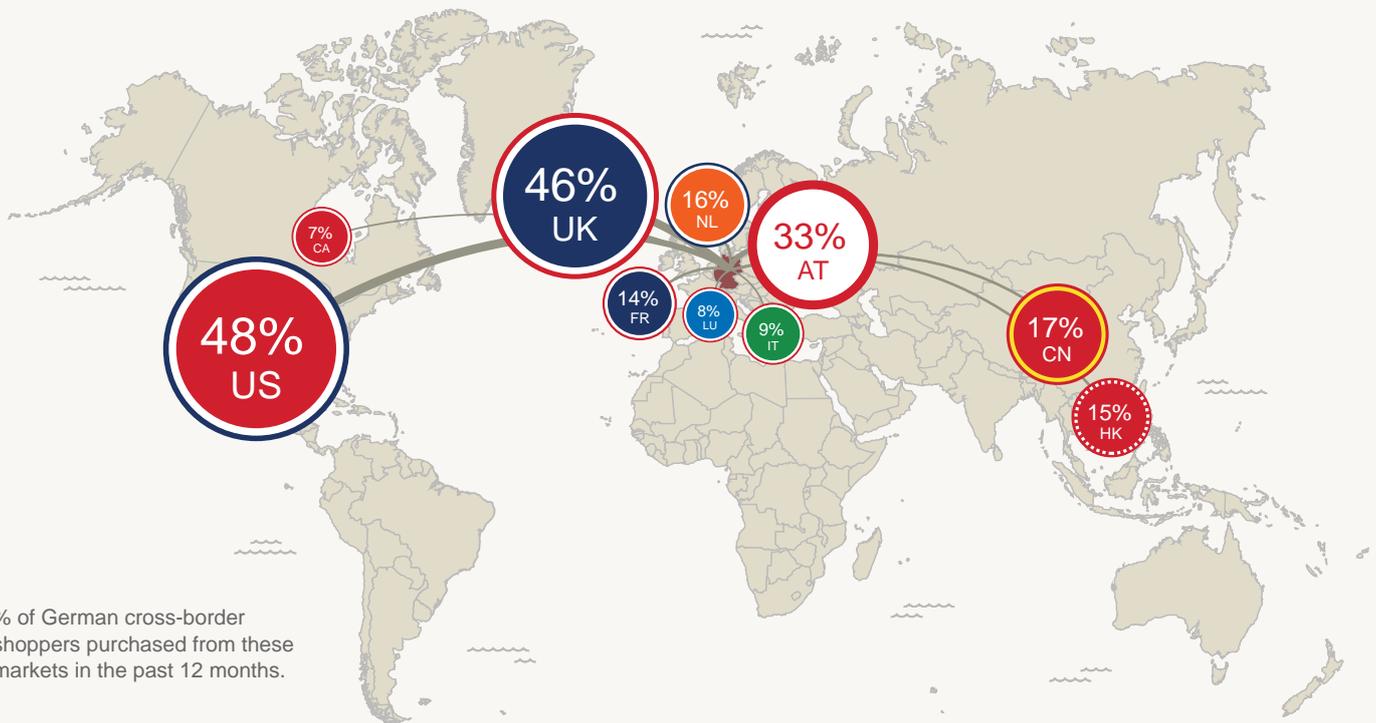
This type of importing and exporting - or cross-border shopping - is common today. And we now see savvy consumers using the Internet to buy directly from merchants all over the world. This is creating the emergence of modern spice routes that could start to influence cultures in the same way the spice routes did.

PayPal has commissioned Nielsen research to better understand the rise of cross-border shopping in Germany by analysing the activity and behaviour of over 6,000 consumers in six major markets who shopped directly online from overseas websites over the past 12 months. Here is what we discovered about the modern spice routes.

Germany has **14.1 million** consumers spending **EUR7.6 billion** on overseas websites in 2013, representing 8% of overall online shopping spend this year.



TOP 10 MOST POPULAR OVERSEAS ONLINE SHOPPING DESTINATIONS



% of German cross-border shoppers purchased from these markets in the past 12 months.

TOP FIVE CROSS-BORDER SHOPPING CATEGORIES OVER PAST 12 MONTHS



EUR991m
Clothes, Shoes, Accessories



EUR497m
Home Electronics



EUR472m
Health & Beauty Products

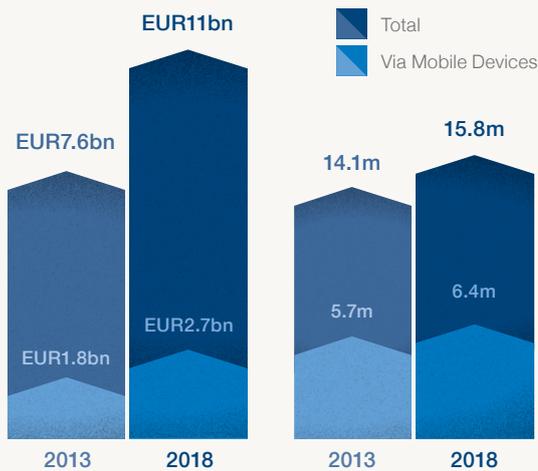


EUR403m
Personal Electronics



EUR398m
Airline Tickets

CROSS-BORDER ONLINE AND MOBILE SHOPPING 5 YEAR GROWTH TRENDS



CROSS-BORDER ONLINE SHOPPING SPEND

The value of Germany cross-border online shopping market will grow by over 45% from **EUR7.6 billion** in 2013 to **EUR11.0 billion** in 2018.

Mobile cross-border purchases will grow nearly 50% from **EUR1.8 billion** in 2013 to **EUR2.7 billion** by 2018.

CROSS-BORDER ONLINE SHOPPING POPULATION

The number of Germany cross-border online consumers will increase by over 12% from **14.1 million** in 2013 to **15.8 million** by 2018.

The **5.7 million** cross-border consumers using mobile devices for online purchases in 2013 will increase by 12.3% to **6.4 million** by 2018.

CROSS-BORDER SHOPPING AND PAYMENT PREFERENCES



The German cross-border shopper is not just looking for a discount from an overseas website but also seeks high quality, authentic and special items. The top reason for buying online from overseas is **“more variety that cannot be found locally”** (78% of respondents), followed by **“buying online to save money”** (75%).



However, more than 6 out of 10 (63%) German cross-border online shoppers cite **fear of identity theft and fraud** as the main deterrent against making a cross-border online payment.



Nearly 9 out of 10 (86%) German cross-border online shoppers believe that **buyer protection is important or very important** when making an overseas online purchase.



PayPal is the top payment method for cross-border online shopping with 84% of German respondents having used PayPal for an overseas purchase in the past 12 months.



The top reason for using PayPal for an overseas online transaction is because **“PayPal is safer to use online due to less fraud”** (36% of respondents).



Nearly 8 out of 10 (77%) German cross-border online shoppers are more willing to make a purchase from an overseas merchant because they are **covered by PayPal’s buyer protection policy**.

WHAT TYPE OF GERMAN CROSS-BORDER SHOPPER ARE YOU?



Deal Hunters

Don't shop online very often and when they do they mostly buy from their own country's websites. But if they spot a bargain or lower price on overseas websites, they will snap it up.



Fearless Adventures

Like to be different and are always on the hunt for new overseas websites. Love shopping on their mobile devices and are happy to pay more for unique items not available locally.



Efficient Explorers

Busy people, so convenience is very important. Mostly buy from overseas seller whom they know and trust, and will spend a lot for an online purchase, like entertainment or air tickets.



Value Voyagers

Love shopping and keeping track of the latest trends. Check and compare overseas purchases using their favourite online tools to ensure they find the best quality and good value products.



Safety Seekers

Shop online more for leisure, but like the variety and brands found on overseas websites. Careful about what they buy and only shop from trusted online sellers or those with a return policy.

PERCENTAGE OF OVERSEAS ONLINE SPEND



PERCENTAGE OF CROSS-BORDER SHOPPERS



The Modern Spice Routes

China Cross-Border Shopping Trends



Throughout history, trade has influenced culture. When the traditional spice routes were first established, between Europe, India, Africa and the Middle East, when we exchanged goods, we also shared language, knowledge, food etc. In short - culture.

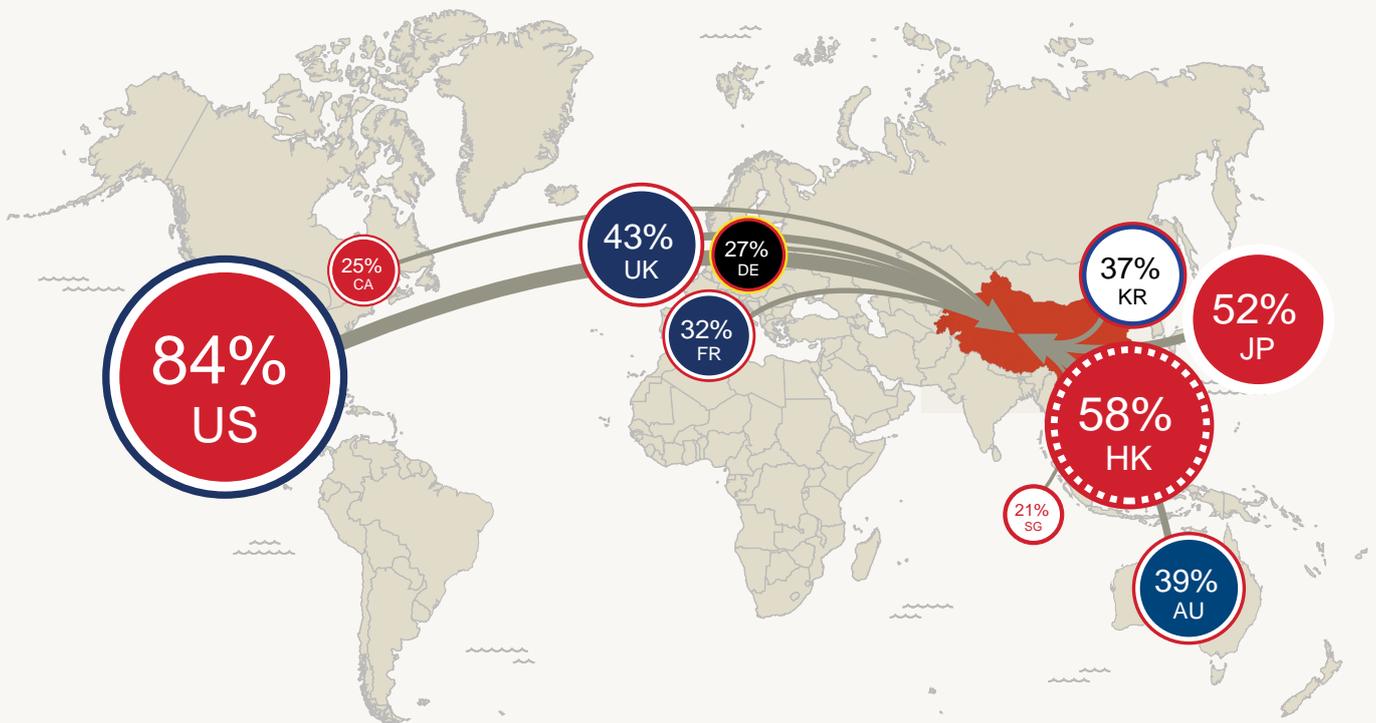
This type of importing and exporting - or cross-border shopping - is common today. And we now see savvy consumers using the Internet to buy directly from merchants all over the world. This is creating the emergence of modern spice routes that could start to influence cultures in the same way the spice routes did.

PayPal has commissioned Nielsen research to better understand the rise of cross-border shopping in China by analysing the activity and behaviour of over 6,000 consumers in six major markets who shopped directly online from overseas websites over the past 12 months. Here is what we discovered about the modern spice routes.

China has **18 million** consumers spending **RMB216 billion** on overseas websites in 2013, representing 17% of overall online shopping spend this year.



TOP 10 MOST POPULAR OVERSEAS ONLINE SHOPPING DESTINATIONS



TOP FIVE CROSS-BORDER SHOPPING CATEGORIES OVER PAST 12 MONTHS



RMB22bn

Clothes, Shoes, Accessories



RMB17.6bn

Health & Beauty Products



RMB13.5bn

Computer Hardware



RMB13.1bn

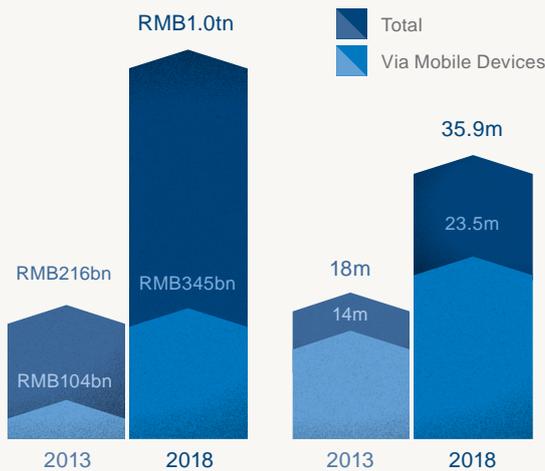
Jewellery, Gems and Watches



RMB12.9bn

Personal Electronics

CROSS-BORDER ONLINE AND MOBILE SHOPPING 5 YEAR GROWTH TRENDS



CROSS-BORDER ONLINE SHOPPING SPEND

The value of the China cross-border online shopping market will grow by over 574% from **RMB216 billion** in 2013 to **RMB1.0 trillion** in 2018.

Mobile cross-border purchases will grow nearly 232% from **RMB104 billion** in 2013 to **RMB345 billion** by 2018.

CROSS-BORDER ONLINE SHOPPING POPULATION

The number of China cross-border online consumers will increase by nearly 100% from **18 million** in 2013 to **35.9 million** by 2018.

The **14 million** cross-border consumers using mobile devices for online purchases in 2013 will increase by 68% to **23.5 million** by 2018.

CROSS-BORDER SHOPPING AND PAYMENT PREFERENCES

89% The mainland Chinese cross-border shopper is not just looking for a discount from an overseas website but also seeks high quality, authentic and special items. The top reason for buying online from overseas is **“buying online to save money”** (89% of respondents), followed by **“more variety that cannot be found locally”** (83%).

70% However, 7 out of 10 (70%) mainland Chinese cross-border online shoppers cite **fear of identity theft and fraud** as the main deterrent against making a cross-border online payment.

95% More than 9 out of 10 (95%) mainland Chinese cross-border online shoppers believe that **buyer protection is important or very important** when making an overseas online purchase.

79% **PayPal is the top payment method** for cross-border online shopping with 79% of mainland Chinese having used PayPal for an overseas purchase in the past 12 months.

46% The top reason for using PayPal for an overseas online transaction is because **“PayPal is safer to use online due to less fraud”** (46% of respondents).

94% More than 9 out of 10 (94%) mainland Chinese cross-border online shoppers are more willing to make a purchase from an overseas merchant because they are **covered by PayPal’s buyer protection policy**.

WHAT TYPE OF CHINESE CROSS-BORDER SHOPPER ARE YOU?



Fearless Adventurers

Like to be different and are always on the hunt for new overseas websites. Love shopping on their mobile devices and are happy to pay more for unique items not available locally.



Efficient Explorers

Busy people, so convenience is very important. Mostly buy from overseas seller whom they know and trust, and will spend a lot for an online purchase, like entertainment or air tickets.



Value Voyagers

Love shopping and keeping track of the latest trends. Check and compare overseas purchases using their favourite online tools to ensure they find the best quality and good value products.



Deal Hunters

Don't shop online very often and when they do they mostly buy from their own country's websites. But if they spot a bargain or lower price on overseas websites, they will snap it up.



Safety Seekers

Shop online more for leisure, but like the variety and brands found on overseas websites. Careful about what they buy and only shop from trusted online sellers or those with a return policy.

PERCENTAGE OF OVERSEAS ONLINE SPEND



PERCENTAGE OF CROSS-BORDER SHOPPERS



The Modern Spice Routes

Brazil Cross-Border Shopping Trends



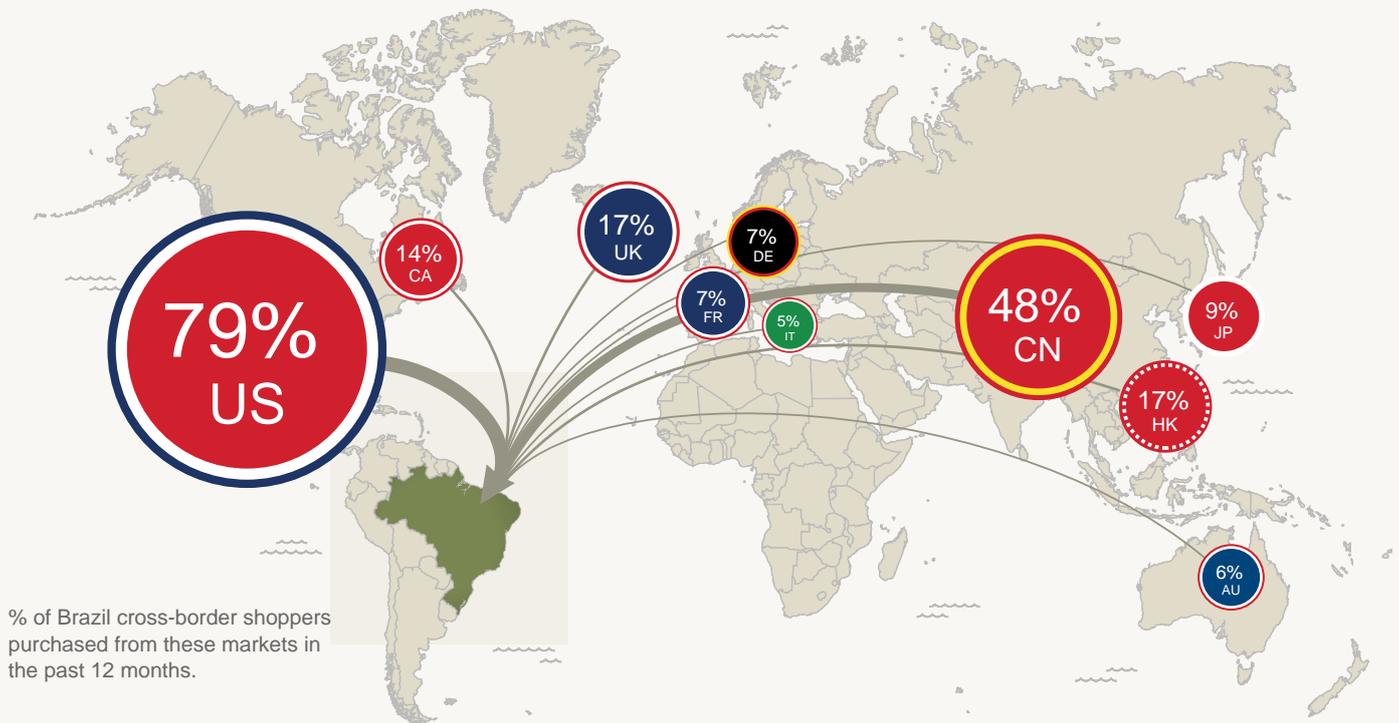
Throughout history, trade has influenced culture. When the traditional spice routes were first established, between Europe, India, Africa and the Middle East, when we exchanged goods, we also shared language, knowledge, food etc. In short - culture.

This type of importing and exporting - or cross-border shopping - is common today. And we now see savvy consumers using the Internet to buy directly from merchants all over the world. This is creating the emergence of modern spice routes that could start to influence cultures in the same way the spice routes did.

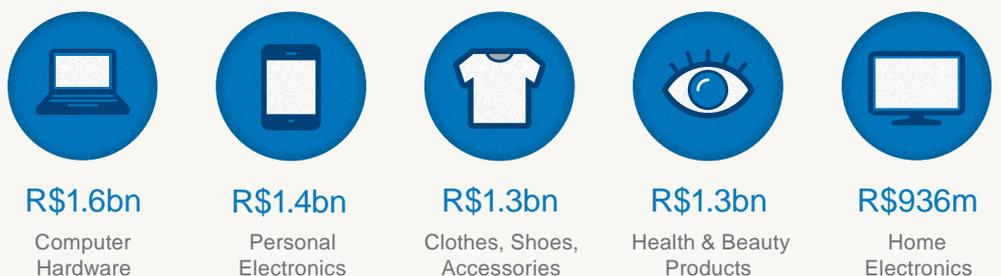
PayPal has commissioned Nielsen research to better understand the rise of cross-border shopping in Brazil by analysing the activity and behaviour of over 6,000 consumers in six major markets who shopped directly online from overseas websites over the past 12 months. Here is what we discovered about the modern spice routes.



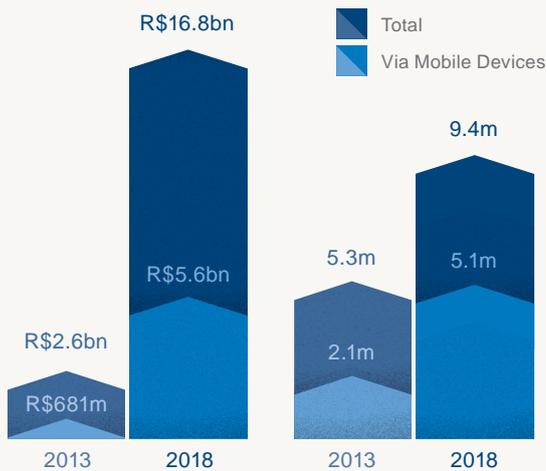
TOP 10 MOST POPULAR OVERSEAS ONLINE SHOPPING DESTINATIONS



TOP FIVE CROSS-BORDER SHOPPING CATEGORIES OVER PAST 12 MONTHS



CROSS-BORDER ONLINE AND MOBILE SHOPPING 5 YEAR GROWTH TRENDS



CROSS-BORDER ONLINE SHOPPING SPEND

The value of the Brazilian cross-border online shopping market will grow by nearly 546% from **R\$2.6 billion** in 2013 to **R\$16.8 billion** in 2018.

Mobile cross-border purchases will grow nearly 232% from **R\$681 billion** to **R\$5.6 billion** by 2018.

CROSS-BORDER ONLINE SHOPPING POPULATION

The number of Brazilian cross-border online consumers will increase by over 77% from **5.3 million** in 2013 to **9.4 million** by 2018.

The **2.1 million** cross-border consumers using mobile devices for online purchases in 2013 will increase by 142% to **5.1 million** by 2018.

CROSS-BORDER SHOPPING AND PAYMENT PREFERENCES



The Brazilian cross-border shopper is not just looking for a discount from an overseas website but also seeks high quality, authentic and special items. The top reason for buying online from overseas is **“more variety that cannot be found locally”** (84% of respondents), followed by **“to save money”** (78%).



However, nearly 7 out of 10 (66%) Brazilian cross-border online shoppers cite **fear of identity theft and fraud** as the main deterrent against making a cross-border online payment.



More than 9 out of 10 (94%) Brazilian cross-border online shoppers believe that **buyer protection is important or very important** when making an overseas online purchase.



PayPal is the top payment method for cross-border online shopping with 77% of Brazilian respondents having used PayPal for an overseas purchase in the past 12 months.



The top reason for using PayPal for an overseas online transaction is because **“PayPal is safer to use online due to less fraud”** (36% of respondents).



More than 8 out of 10 (84%) Brazilian cross-border online shoppers are more willing to make a purchase from an overseas merchant because they are **covered by PayPal’s buyer protection policy**.

WHAT TYPE OF BRAZILIAN CROSS-BORDER SHOPPER ARE YOU?



Efficient Explorers

Busy people, so convenience is very important. Mostly buy from overseas seller whom they know and trust, and will spend a lot for an online purchase, like entertainment or air tickets.



Fearless Adventurers

Like to be different and are always on the hunt for new overseas websites. Love shopping on their mobile devices and are happy to pay more for unique items not available locally.



Value Voyagers

Love shopping and keeping track of the latest trends. Check and compare overseas purchases using their favourite online tools to ensure they find the best quality and good value products.



Safety Seekers

Shop online more for leisure, but like the variety and brands found on overseas websites. Careful about what they buy and only shop from trusted online sellers or those with a return policy.



Deal Hunters

Don't shop online very often and when they do they mostly buy from their own country's websites. But if they spot a bargain or lower price on overseas websites, they will snap it up.

PERCENTAGE OF OVERSEAS ONLINE SPEND



PERCENTAGE OF CROSS-BORDER SHOPPERS

