



PayPal Cross-Border 2015 Millennials Reporting

GLOBAL SNAPSHOT

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Background & Objectives

Advancement of technology is helping to open up commerce opportunities for everyone - across borders, anywhere, anytime and via any device.

Understanding that we are going through a commerce revolution, PayPal in partnership with Ipsos, conducted a global 29 market survey with approximately 23,000 consumers to examine how people shop online and across borders.

This survey is designed to gain insight into 3 main areas:

- How online commerce, and specifically cross-border commerce is evolving
- How and why consumers shop online across borders
- How consumers pay for cross-border transactions

This report focuses specifically on the habits and attitudes of Millennial shoppers (those aged 18-34) and how these differ from those of the general population

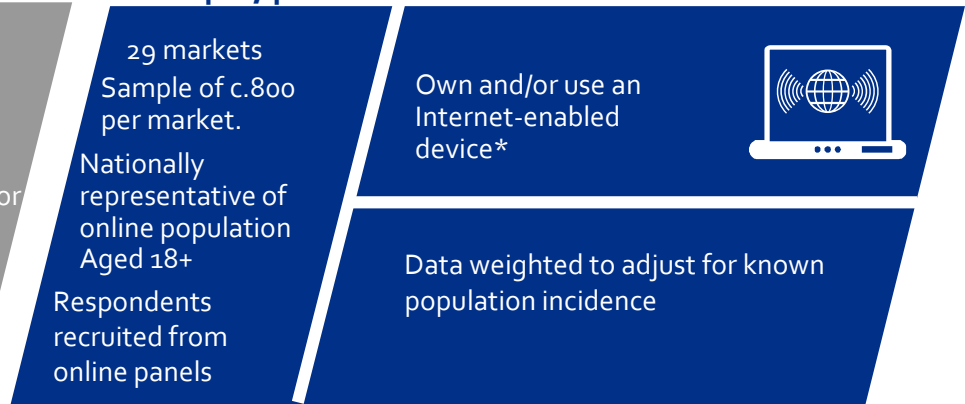
Research Methodology

This study was conducted across 29 markets and approx. 23,000 consumers globally.

Fieldwork



Sample, per market



Questionnaire



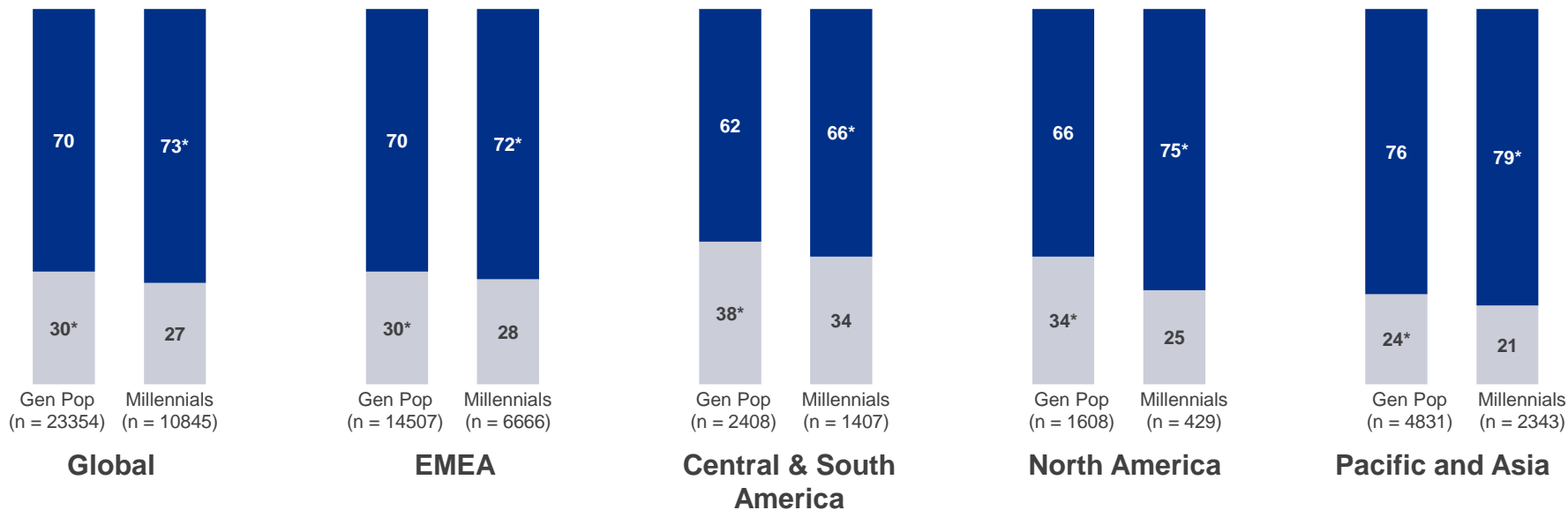
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Millennials (Aged 18-34)

The Millennial population is significantly more likely to shop online than the general population, particularly in North America

Incidence of shopping online in past 12 months among online adults

■ % Shopped online in past 12 months
 ■ % Have not shopped online in past 12 months



† Millennials = 18-34 year olds

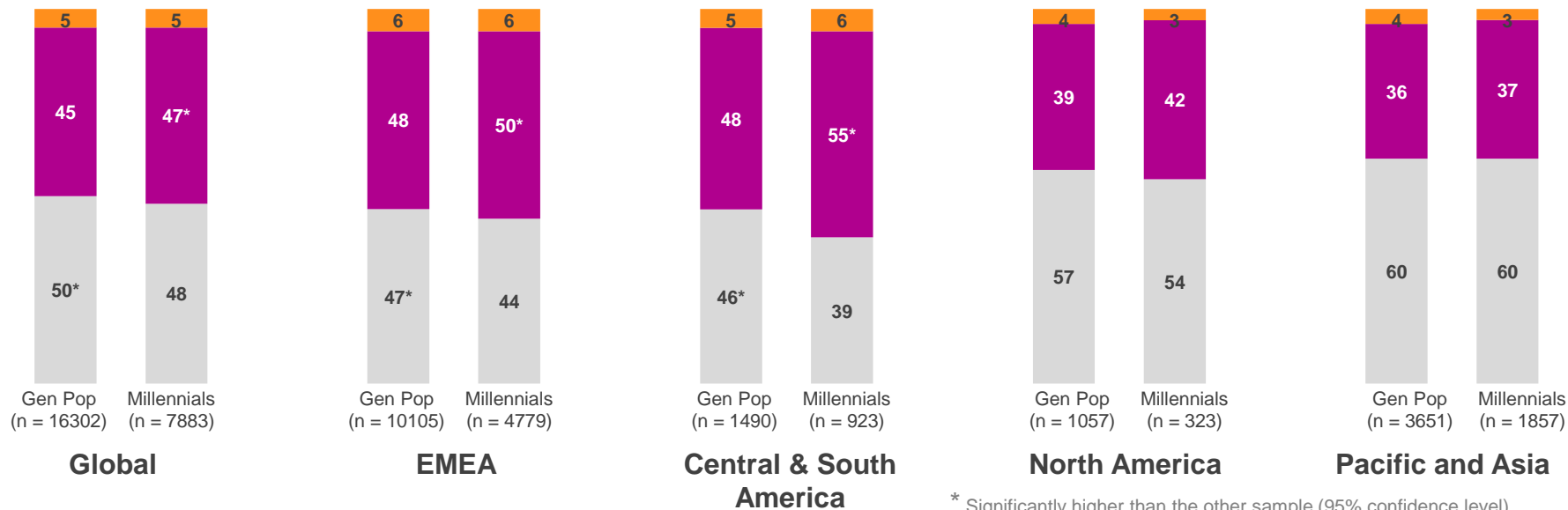
Q6. Thinking about each of the categories below, please estimate spend in each category over the past 12 months:
 .Base: All. Regional and global data is based on combined data from countries interviewed, not weighted for population size

* Significantly higher than the other sample (95% confidence level)

Millennial online shoppers are more likely to have shopped both domestically and cross-border than the general population particularly in Central and South America

Self-stated domestic and cross border purchasing in past 12 months

% Shop domestically only
 % Shop domestic and x-border
 % Shop x-border only



† Millennials = 18-34 year olds

* Significantly higher than the other sample (95% confidence level)

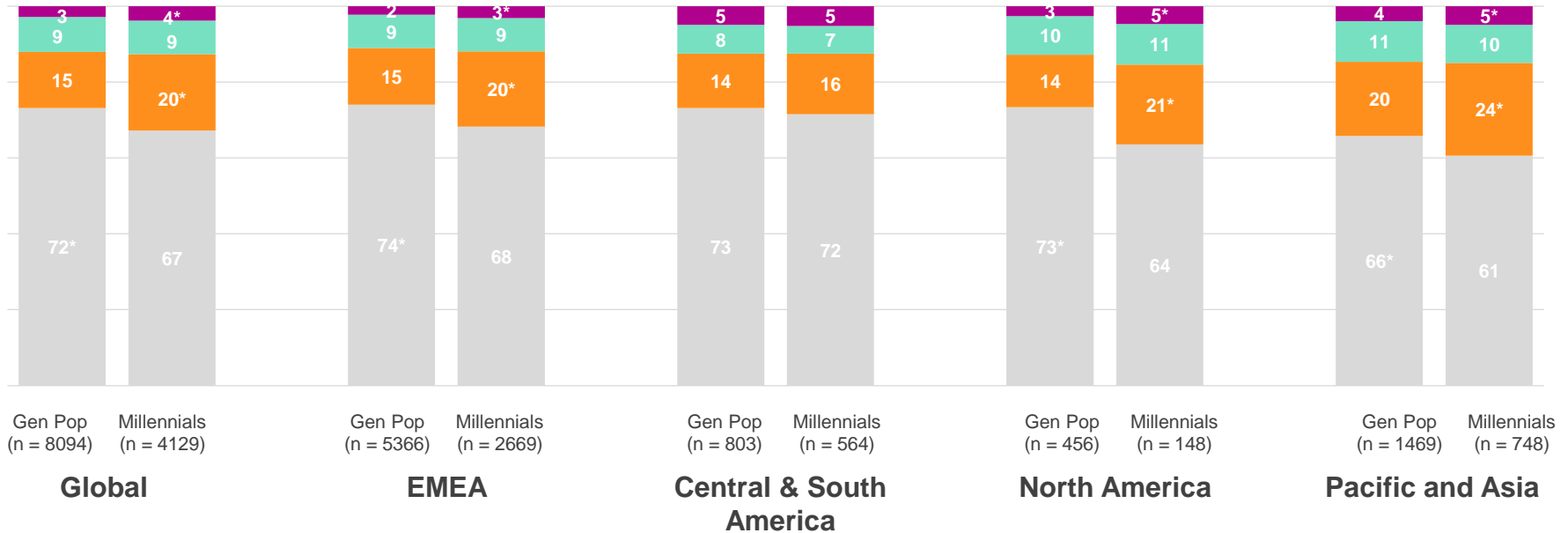
Q27. Thinking about shopping online, from which of the following country or geographies' websites have you purchased in the past 12 months? Please include your home country if applicable. Base: Online shoppers
Regional and global data is based on combined data from countries interviewed, not weighted for population size

The majority of cross border purchases are still made on a computer

In most regions Millennials make significantly more of their cross-border transactions via smartphones than the general population

Average proportion of x-border purchases in past 12 month made on each device

Desktop/laptop/notebook
 Tablet
 Smartphone
 Other device



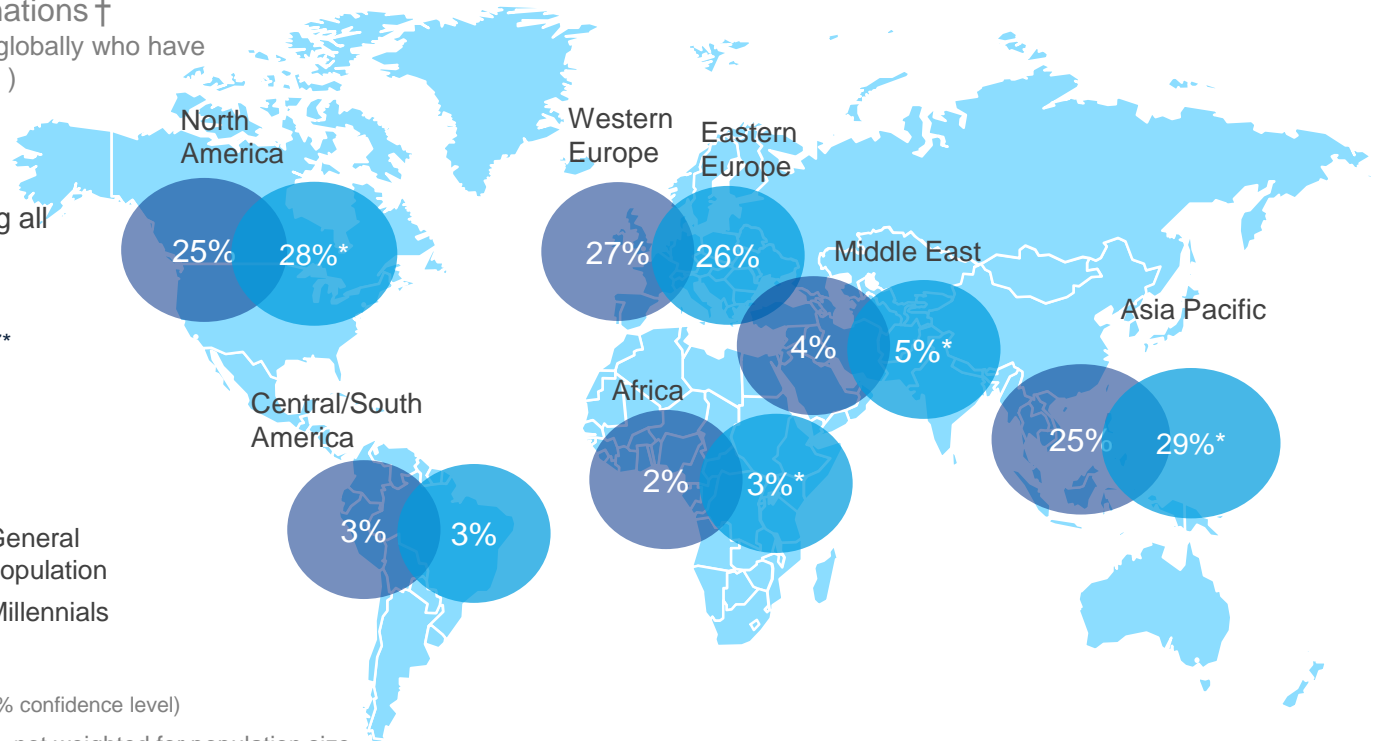
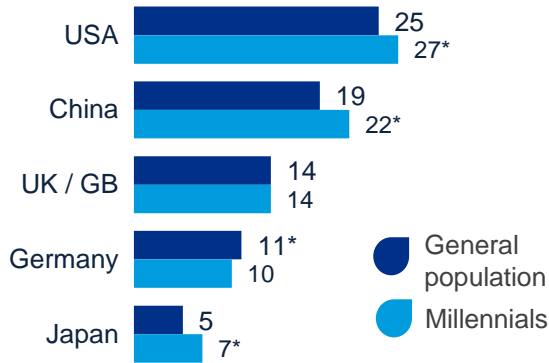
* Significantly higher than the other sample (95% confidence level)

Q33. Thinking only about the purchases you make on websites in other countries, what proportion of your purchases in the last 12 months do you think were made using each device? Base = Cross border shoppers
Regional and global data is based on combined data from countries interviewed, not weighted for population size

Millennial online shoppers shop significantly more in North America and Asia than the general population

Cross-border shopping destinations †
 (% all online shoppers interviewed globally who have purchased x-border from the region)

Top x-border destinations among all online shoppers surveyed †



* Significantly higher than the other sample (95% confidence level)

† Results are among all consumers surveyed, not weighted for population size

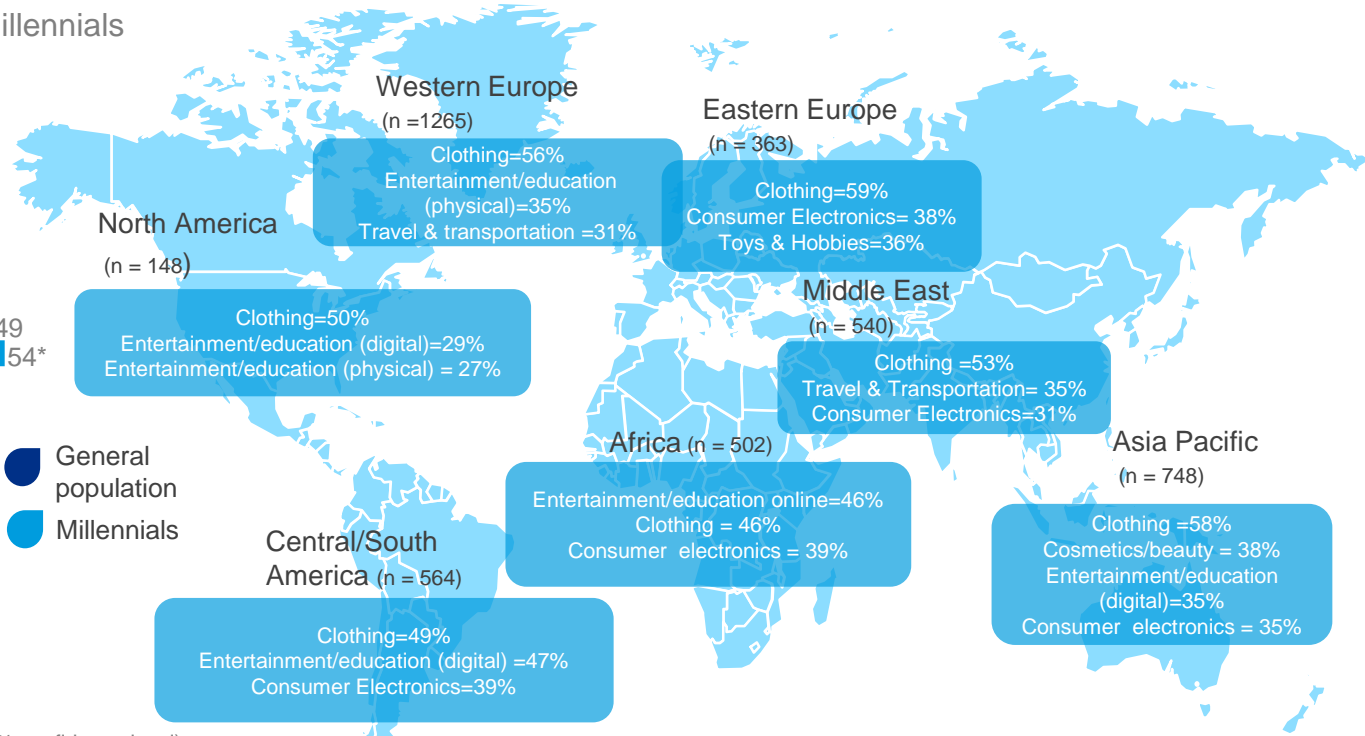
Q27. Thinking about shopping online, from which of the following country or geographies' websites have you purchased in the past 12 months? Please include your home country if applicable. Base: online shoppers, General population n= 16,302 Millennials n=7883

Millennial cross-border shoppers are significantly more likely to have bought clothing or digital entertainment cross-border

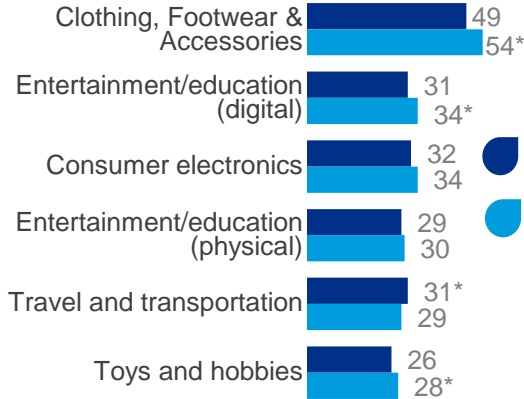
Top x-border categories for Millennials

Living in each region †

(% of x-border shoppers shopping x-border in each category)



Top x-border categories among x-border shoppers surveyed†



● General population
● Millennials

* Significantly higher than the other sample (95% confidence level)

†Results are among all consumers surveyed, not weighted for population size

Q28. In the past 12 months what kinds of products have you purchased from websites in other countries? Base: Cross-Border shoppers , General population n = 8097 Millennials n=4130

Millennials are generally more comfortable with cross-border shopping and shopping in another language

Attitudes among all online shoppers surveyed †

(% Agree with statement)



* Significantly higher than the other sample (95% confidence level)

† Results are among all consumers surveyed, not weighted for population size

Millennial online shoppers are more likely to be put off buying cross border by long delivery times, but are also more likely to be persuaded by things like secure payments, being able to pay in own currency, and promotions & discounts

Top 10 potential drivers for x-border shopping among all online shoppers surveyed †



Top 10 barriers for x-border shopping among all online shoppers surveyed†



* Significantly higher than the other sample (95% confidence level)

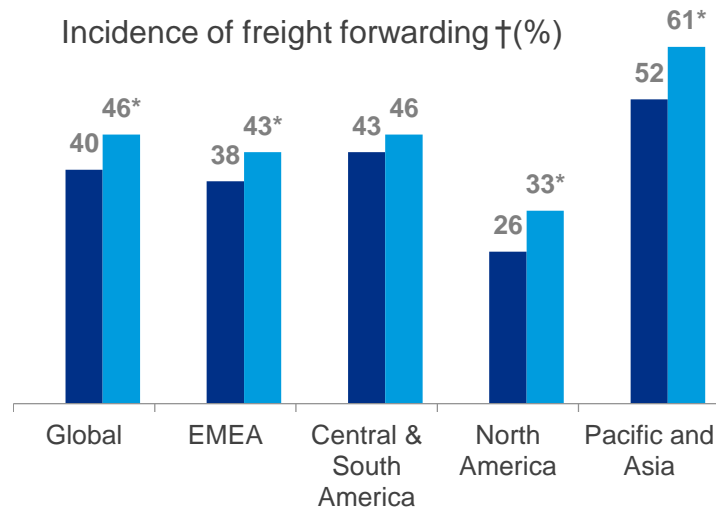
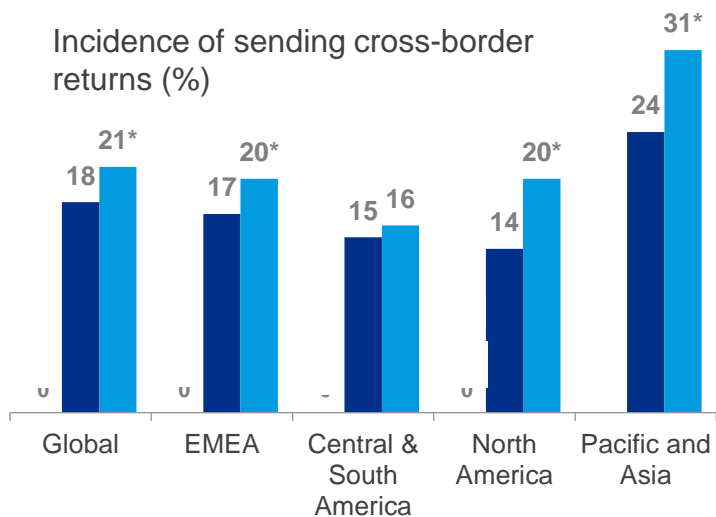
†Results are among all consumers surveyed, not weighted for population size

Q39. Which, if any, of the following would make you more likely to buy from a website from another country? Base: Online shoppers n = 16,302, Millennials n=7883

Q36. Which, if any, of the following reasons prevent you purchasing from websites in another country (more often)? Base: Online shoppers General population = 16,302, Millennials n=7883

Millennial cross-border shoppers are more likely to send returns and are more likely to use freight forwarding

In Central and South America however Millennials are no different to the general population



General population
 Millennials

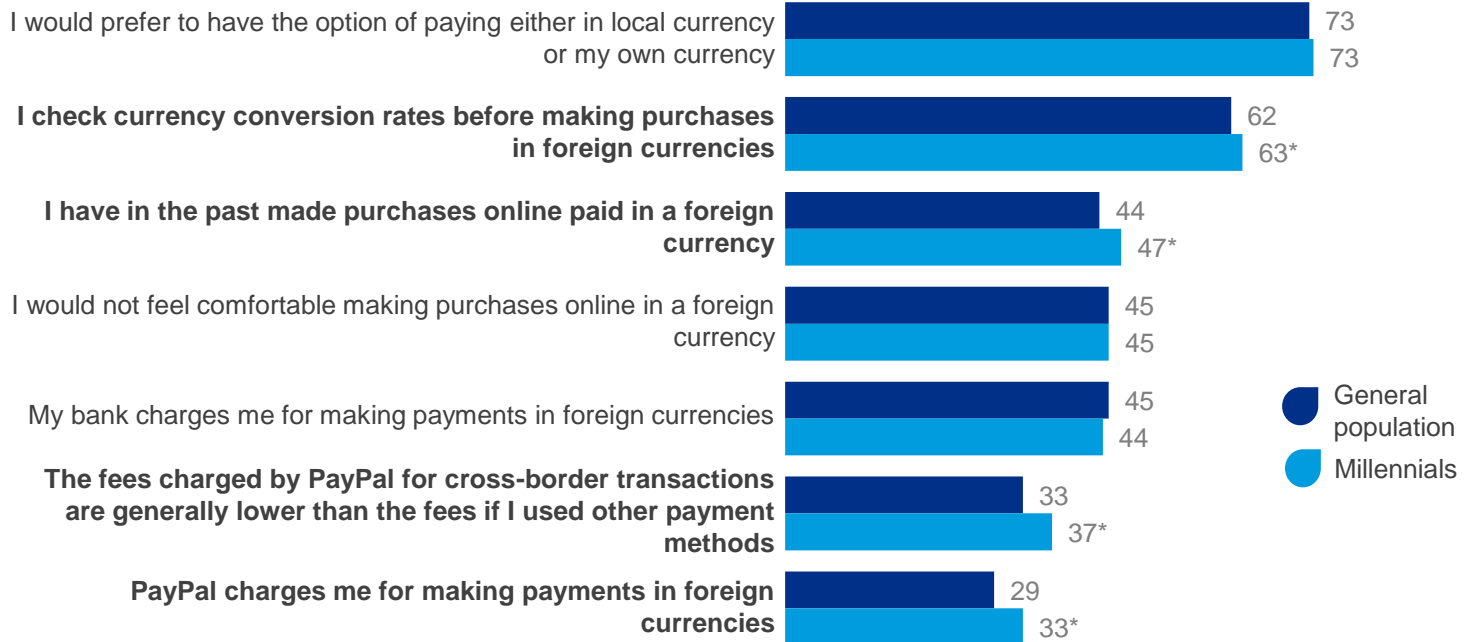
* Significantly higher than the other sample (95% confidence level)

† Freight forwarding defined as having products delivered to a freight forwarding company (who receives goods in the country of purchases then ships them to you) or having products delivered to a friend's/family member's/hotel's address in the country of purchase

Q42. Have you ever done any of the following when buying products online from other countries?
 Q40. Which of the following (if any) have happened to you in the Past 12 months? – returned a product to another country.
 Base = cross-border shoppers (General population = 8094, Millennials = 4130)
 Regional and global data is based on combined data from countries interviewed, not weighted for population size. Regional and global data is based on combined data from countries interviewed, not weighted for population size

Millennial online shoppers are more 'savvy' about making purchases in foreign currencies

Attitudes among all online shoppers surveyed †
(% Agree with statement)



* Significantly higher than the other sample (95% confidence level)

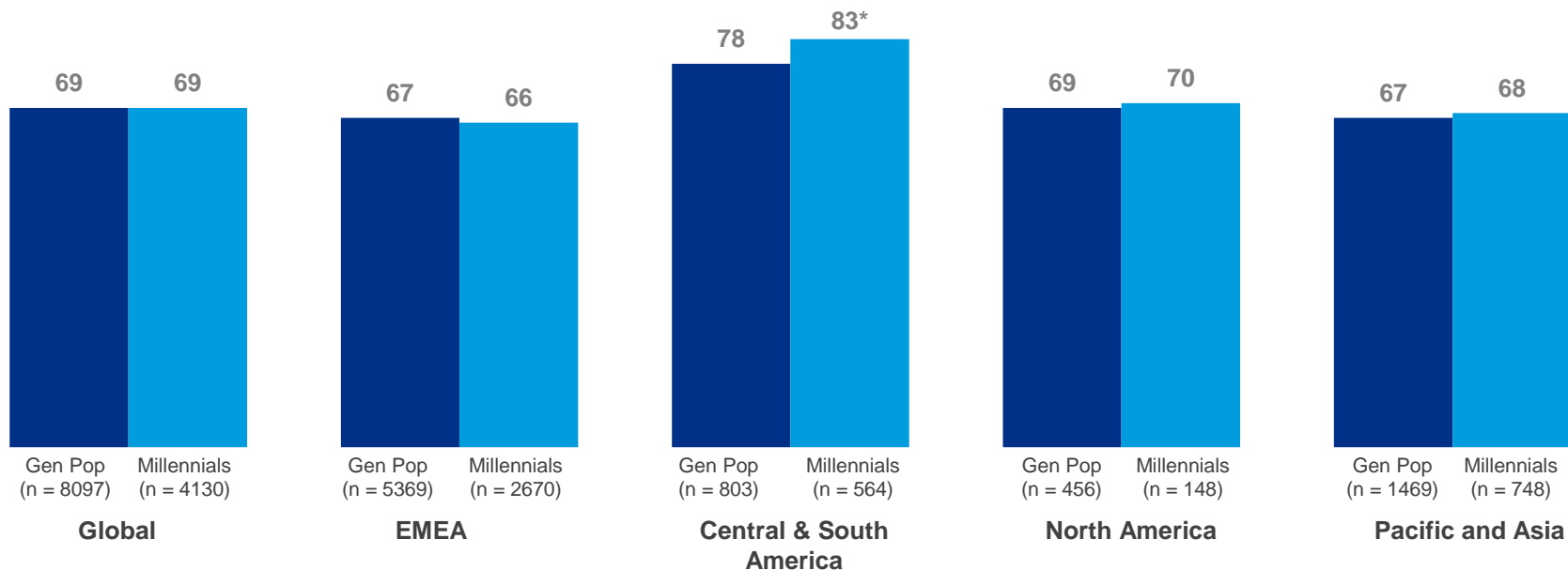
† Results are among all consumers surveyed, not weighted for population size

Q47. Please state whether you agree or disagree with each of the following statements about shopping online in other countries: Base: Online shoppers (General population = 16302, Millennials = 7883)

Only in Central and South America are Millennial cross-border shoppers more likely to use PayPal than the general population

PayPal method used for cross-border purchases
(% of respondents have used PayPal in past 12 months for x-border)

General population Millennials

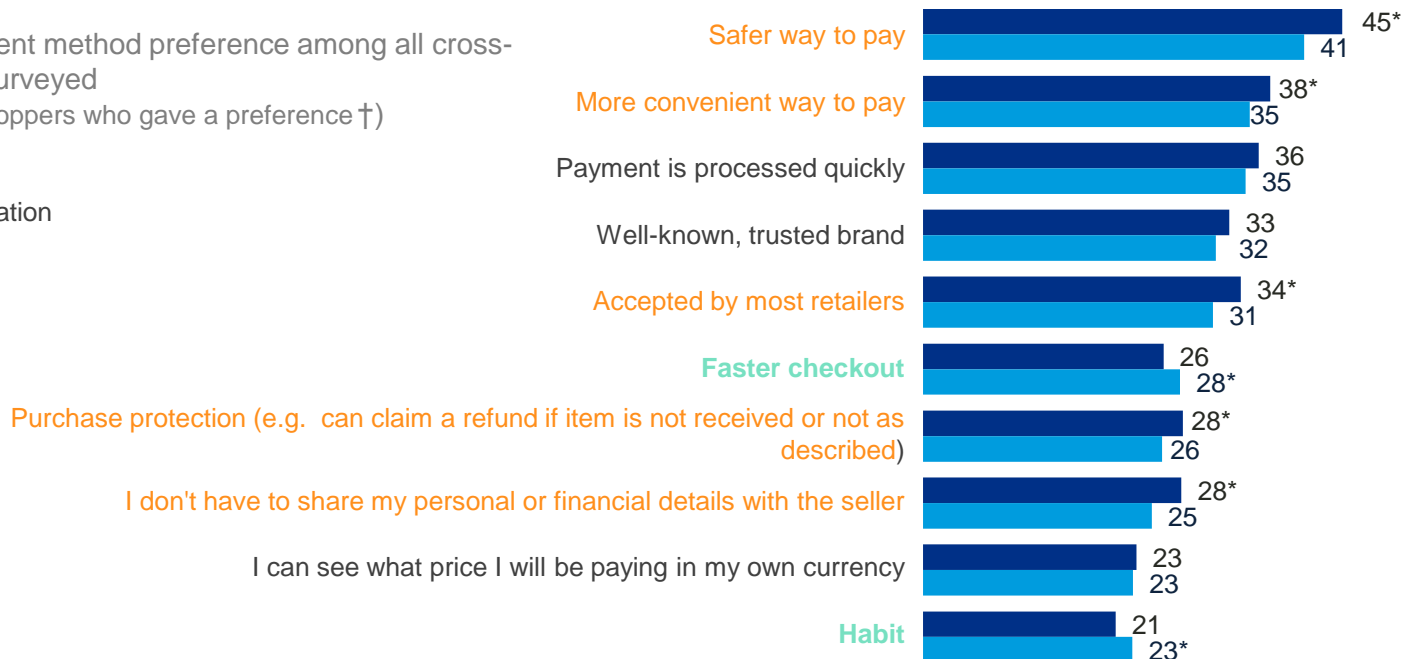


* Significantly higher than the other sample (95% confidence level)

Millennials are less likely to be choosing their payment method on the basis of security of payments, and more likely to be choosing it because it is fast or simply out of habit

Reasons for payment method preference among all cross-border shoppers surveyed
(% of all x-border shoppers who gave a preference †)

- General population
- Millennials



†Results are among all consumers surveyed, not weighted for population size

* Significantly higher than the other sample (95% confidence level)

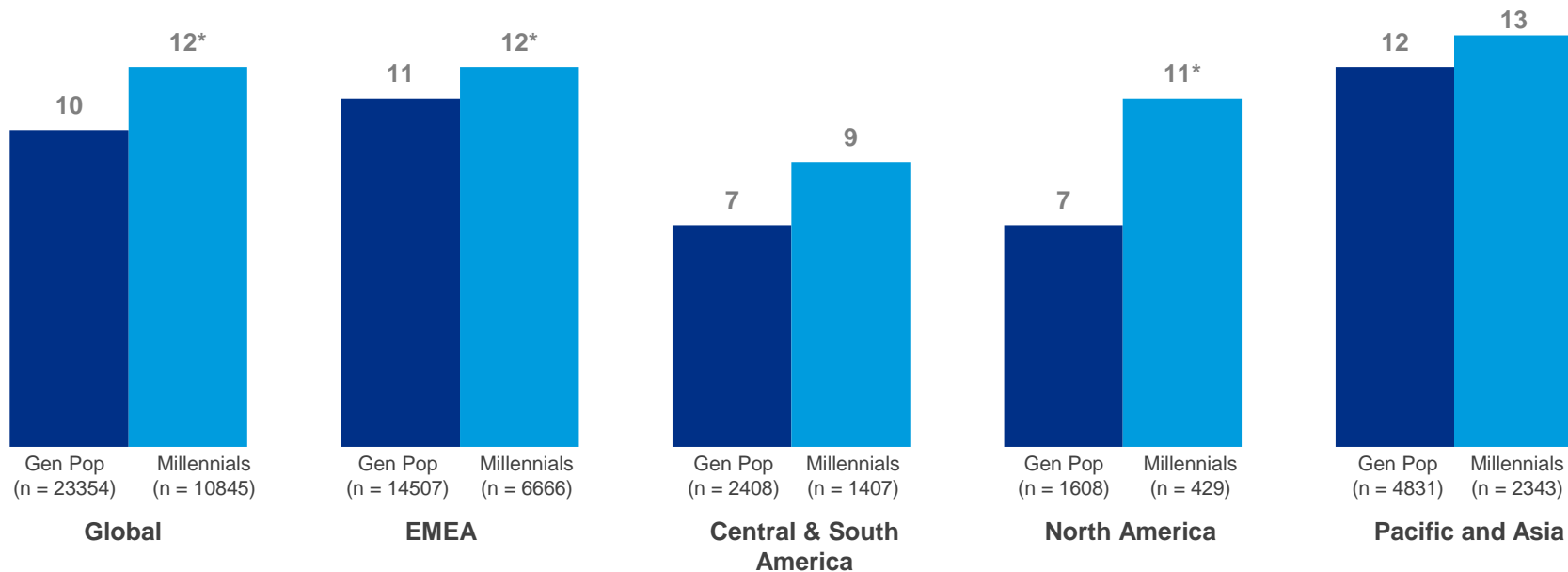
Q44c. For what reasons is this your preferred payment method for online transactions/purchases from websites from another country?)Base: Cross Border Shoppers who give preference , General population n = 7839 Millennials n=4003

Millennials are more likely to send money to friends and family in another country, particularly in EMEA and North America

Incidence of Cross-border P2P Payments

(% respondents have "Sent money to friends and/or family in another country" in the past 12 months)

General population Millennials



* Significantly higher than the other sample (95% confidence level)

Appendix A:

Guidelines for News Releases

Full Global Technical Note

Weighted base:	Total	Millennia Is (18-34)	Weighted base:	Total	Millennia Is (18-34)	Weighted base:	Total	Millennia Is (18-34)
EMEA				14507	6666	Pacific and Asia	4831	2343
Western Europe	8034	2698	Eastern Europe	1612	885	India	808	517
UK	800	270	Poland	811	379	China	800	653
Ireland	810	340	Russia	801	505	Singapore	813	285
Germany	801	233	Middle East	2435	1411	Japan	800	233
France	800	269	Turkey	812	494	Australia	800	334
Italy	800	276	Israel	810	348	South Korea	810	322
Spain	803	280	UAE	813	569	North America	1608	429
Netherlands	803	218	Africa	2426	1671	US	800	226
Austria	800	274	South Africa	811	577	Canada	808	203
Switzerland	809	301	Egypt	811	478	Central & South America	2408	1407
Sweden	808	238	Nigeria	804	616	Brazil	800	414
						Mexico	808	627
						Argentina	800	266

On Behalf of PayPal, Ipsos interviewed a representative quota sample** of c.800 (23,354 in total) adults (aged 18 or over) who own and/or use an internet enabled device* in each of 29 countries (UK, Ireland, France, Germany, Austria, Switzerland, Italy, Spain, Netherlands, Sweden, Poland, Turkey, Russia, Israel, UAE, USA, Canada, Brazil, Mexico, Argentina, India, China, Japan, South Korea, Singapore, Australia, South Africa, Nigeria, Egypt). Interviews were conducted online between 17th September and 28th October 2015.

Data was weighted to known incidence of online shoppers in all countries, and to demographic profile of internet users in 4 countries (SK, SG, EG & UAE). *Desktop computer/Laptop/ notebook computer/Tablet /Smartphone/Some other type of mobile phone/Electronic organizer / PDA with wireless voice and data features/Games console with Internet connectivity (e.g. Wii)

** Age, gender and region representative of online population (Age and gender representative in Switzerland). Quotas were not set for Nigeria, as online profile not available in this country

Full Global Technical Note

Weighted base:	Total	Online shoppers	X-border shoppers	Weighted base:	Total	Online shoppers	X-border shoppers
UK	800	627	224	India	808	632	241
Ireland	810	594	511	China	800	652	231
Germany	801	616	189	Singapore	813	582	406
France	800	569	219	Japan	800	626	75
Italy	800	566	291	Australia	800	538	349
Spain	803	536	303	South Korea	810	620	167
Netherlands	803	535	197	US	800	564	125
Austria	800	603	513	Canada	808	493	331
Switzerland	809	598	391	Brazil	800	532	261
Sweden	808	579	286	Mexico	808	506	341
Poland	811	592	193	Argentina	800	452	201
Russia	801	584	362	South Africa	811	464	192
Turkey	812	590	207	Egypt	811	462	202
Israel	810	591	468	Nigeria	804	485	339
UAE	813	514	281				

Weighted base:	Millennials (18-34)	Online shoppers	X-border shoppers	Weighted base:	Millennials (18-34)	Online shoppers	X-border shoppers
UK	270	217	95	India	517	422	162
Ireland	340	262	223	China	653	536	180
Germany	233	194	69	Singapore	285	227	157
France	269	213	90	Japan	233	175	26
Italy	276	220	128	Australia	334	243	161
Spain	280	217	133	South Korea	322	255	61
Netherlands	218	170	74	US	226	178	50
Austria	274	216	190	Canada	203	145	98
Switzerland	301	230	161	Brazil	414	288	165
Sweden	238	190	103	Mexico	627	418	286
Poland	379	295	108	Argentina	366	217	114
Russia	505	374	255	South Africa	577	321	129
Turkey	494	360	118	Egypt	478	291	127
Israel	348	274	224	Nigeria	616	364	247
UAE	569	373	198				