

# 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.

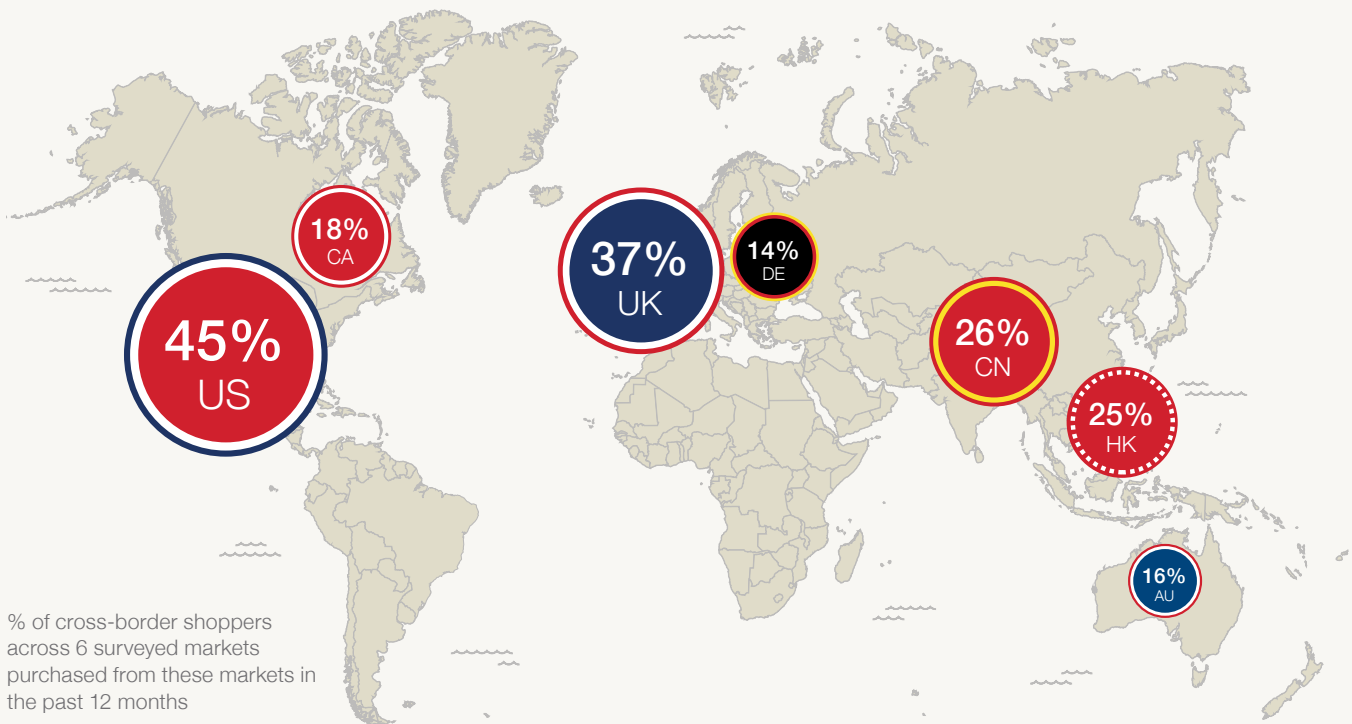


 US\$105bn

 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

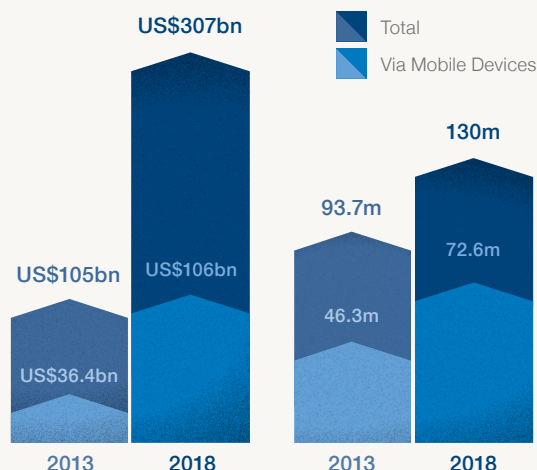
Computer Hardware



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.

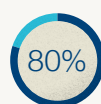
Mobile cross-border purchases across the six markets will grow 200% from **US\$36.4 billion** in 2013 **US\$106 billion** by 2018.

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%).



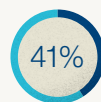
However, 7 out of 10 (69%) cross-border online shoppers cite **fear of identity theft and fraud** as the main deterrent against making a cross-border online payment.



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 sellers 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

