

PayPal Global Study Spells Doom for the Wallet

Consumers Frustrated by Limitations of Cash

SAN JOSE, Calif.--PayPal today revealed the findings of a global study that paints a dim future for the wallet. A vast majority (83%) of respondents across five countries indicated they wished they didn't have to carry a wallet. Additionally, nearly one in three Americans (29%) would choose a smartphone over a wallet if they could only bring one item when going out.

While American consumers are keen to move to a digital payment future, the businesses that serve them may be lagging behind. More than two-thirds of Americans (68%) reported they have been unable to pay for something because they didn't have cash with them; for nearly one in three Americans (30%), this has happened frequently.

PayPal is launching Cash for Registers, a program to help local businesses to solve this consumer frustration. Next month, merchants can trade in their registers for innovative technology that will allow them to accept credit, debit card, check, and PayPal payments. See more at: <http://cashforregisters.com/>.

Leave Home Without It

The survey, conducted in the U.S., UK, Canada, Germany and Australia, found striking similarities in consumer frustration across the globe. In each country, strong majorities of consumers reported they wished they could leave their wallet at home. Specific data points include:

- Americans are in good company: 86 percent wish they could leave a wallet at home; Germans, Canadians, Australians and Brits agreed overwhelmingly (90%, 87%, 80% and 76% respectively) that they'd like to leave a wallet at home;
- Canadians are most likely to find themselves unable to make a purchase because they don't have cash with them (75%); Germans are the least likely (57%);
- The UK may be leading the charge towards a wallet-less future - 32 percent reported they would choose a smartphone over a wallet when going out if they could only bring one item.

This Summer's Least-Wanted Accessory: The Wallet

With summer approaching, people are planning for days at the beach, but the study indicates taking a wallet isn't in their plans. The beach topped the survey in every country as the place most people wish they could go without a wallet.

- The gym/exercising followed closely on the list of locations people wish were wallet-free in every country surveyed;
- Canadians were most likely to wish they didn't need their wallet at a bar, while Germans and Americans were most likely to wish they could attend concerts or sporting events wallet-free;
- People in every country also listed the Laundromat, grocery store and restaurants as places they wished didn't need a wallet.

Parking meters are also a source of wallet frustration with nearly one in five (19%) Americans wishing they didn't need a wallet to pay. Lucky for them, by using the ParkMobile app, PayPal enables users to pay the parking meter with their smartphones, reducing the need for spare change.

Friends and Funds

Americans' payment frustrations aren't limited to wallets. 54 percent of Americans reported that they have been "stiffed" by someone, either intentionally or unintentionally. Victims report this happening most often for a meal. Since PayPal enables person to person transfers, users are able to request that money immediately, helping to reduce the chance they wouldn't get paid (and the likelihood they have to awkwardly hassle a friend for payment).

While each country reported being most often stiffed on a meal, friends purchasing coffee and alcoholic beverages were also likely to not be paid back.

- Australians are most likely to get stiffed – nearly 6 in 10 (57%) reports being stiffed; Brits are least likely to get stiffed – but most likely to be stiffed for a pint;
- In Germany and Australia, men are significantly more likely than women to report that they've been stiffed (German: 57% men vs. 51% women; Australia: 60% men vs. 54% women);
- Beware of the young – those under 25 are significantly more likely than any other age group to stiff their peers.

Change for Spare Change

The wallet's demise may be preceded only by the extinction of the penny. Earlier this year, Canada ceased distribution of its penny, joining Australia, New Zealand and other countries that have dropped 1-cent coins because of rising metal costs and a diminishing need.

In the U.S., a penny already costs more than 2c to produce, but Americans report their spare change usually isn't used. Nearly 7 in 10 Americans (66%) report they usually put their spare change in a jar and nearly 10 percent just give it to their kids. PayPal and Coinstar are already working together to help consumers easily convert that spare change into a PayPal balance at select Coinstar kiosks nationwide.

- Americans and Brits are most likely to lose their spare change; Germans are least likely to lose change;
- Germans are most likely to carry change with them – nearly three times more likely than Americans and nearly twice as likely as Brits.

Solving Payment Pain Points

"It's not about replacing cash or your credit card with a new payment method, it's about using technology to solve real shopping pain points," said David Marcus, PayPal President. "PayPal is at the forefront of developing products that make life easier, help shoppers be more efficient, and untether consumers from their wallets forever."

Through features like Check In and Order Ahead, the company already provides its 128 million customers simpler payment experiences. With the PayPal app, users can use the Check-In feature to pay with just a few clicks and a picture of their face rather than a wallet. Consumers can also "order ahead" in select locations in the United States with the PayPal app, allowing them to pre-order and have their item waiting for them — already paid for.

About the Survey

The PayPal Survey was conducted by Wakefield Research (www.wakefieldresearch.com) among 1,000 credit and debit card holders, ages 18 and older, in each of the following countries: U.S., U.K., Canada, Germany, and Australia between April 26th and May 13th, 2013, using an email invitation and an online survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 3.1 percentage points, in all of the countries, from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

About PayPal

PayPal is the faster, safer way to pay and get paid online. The service allows people to send payments without sharing financial information, with the flexibility to pay using their account balances, bank accounts (where available), credit and debit cards in various markets. PayPal is an eBay (Nasdaq: EBAY) company and enables global e-commerce with over 128 million active accounts in 190 markets and 25 currencies around the world. PayPal is headquartered in San Jose, California and its international headquarters is located in Singapore. More information about the company can be found at <https://www.paypal.com>.

<https://newsroom.uk.paypal-corp.com/2013-05-21-PayPal-Global-Study-Spells-Doom-for-the-Wallet>