

Merchants Should Think Global This Holiday Season; Cross-Border Shoppers Out-Spend Domestic Shoppers by Double

New Global Research from PayPal Reveals Significant Opportunities for Cross-Border Merchants

SAN JOSE, Calif.--With the holiday season upon us, merchants should look beyond their own borders for sales opportunities. New research from PayPal and Ipsos* shows that cross-border trade is a driving force of the global marketplace, with cross-border shoppers (those for whom more than 10 percent of their online spend is cross-border), spending approximately twice as much as consumers who only shop domestically. The research, which investigated the online and cross-border shopping habits of more than 17,500 consumers in 22 countries, also reveals opportunities and best practices for merchants who wish to grow their international business this December and beyond.

“By identifying trade opportunities around the world, our research findings can help merchants tap into the expanding global marketplace,” said Anuj Nayar, senior director of global initiatives for PayPal. “In addition to research, we are also actively providing our merchants with tools such as [PayPal PassPort](#) and selling opportunities such as our [China Singles Day](#) program, to help them attract more business overseas.”

Who Is Buying Cross-Border?

Cross-border shopping is most prominent in Austria, where 83 percent of online consumers shop internationally, Israel (82 percent) and Australia (75 percent). Conversely, international shopping is relatively rare in China, where only 26 percent of online shoppers reported making international purchases, the United States (30 percent), and Poland (35 percent).

However, China may soon become a bigger market for international trade. Fifty-two percent of Chinese online consumers said they plan to begin shopping cross-border or increase their cross-border shopping in the next 12 months, giving China the 3rd largest projected growth, behind Mexico (59 percent) and Russia (54 percent).

What Shoppers Want and Where They Want it From

Clothing and footwear are the most sought-after goods for cross-border shoppers, representing 39 percent of online cross-border purchases. Additionally, it is consistently the dominant category across every individual region: North America (33 percent), Latin America (47 percent), Middle East (47 percent), Western Europe (33 percent), Nordics (36 percent), Central and Eastern Europe (50 percent) and Asia Pacific (43 percent).

There are wide regional variances regarding preferences beyond clothing and footwear. Overall, consumer electronics is the second most popular category, at 26 percent of all online cross-border purchases. However, it does not rank second in all regions. In Asia Pacific it ranks third, behind cosmetics and beauty products, in the Nordics it ranks fourth, behind physical entertainment (e.g. books, DVDs) and travel & transportation; and in North America, it ranks a distant fifth.

As for country of origin, U.S. and Chinese goods are the most popular overall, representing 26 and 18 percent of all online cross-border purchases, respectively. However, regional preferences vary. North America, Latin America, the Nordics and the Middle East all prefer American goods, while Western European cross-border shopping is dominated by German merchandise, and Central and Eastern European consumers most often purchase from China.

Free Shipping is the Key to Consumers' Hearts

Shipping cost is of paramount importance to cross-border shoppers. More than half (51 percent) of those who have shopped cross-borders in the past 12 months say that delivery costs prevent them from making purchases from another country more often. Similarly, 47 percent of all online shoppers say that free shipping would make them more likely to buy from another country and 51 percent of all adult internet users say that free shipping or postage for returns is a “must have.”

Putting this Information into Practice

In addition to these global findings, specific data is available for all 22 countries included in the research. This

data can help local merchants uncover their best opportunities for international sales.

“Advancements in technology are helping to open up commerce opportunities for everyone - across borders, anywhere, anytime and via any device,” continued Nayar. “We call this The People Economy, and PayPal is leading this movement by making it easier, more secure and more intuitive for people to pay - wherever and whenever they want.”

On Behalf of PayPal, Ipsos interviewed a representative quota sample of c.800 (17,519 in total) adults (aged 18 or over) who own and/or use an internet enabled device in each of 22 countries (*UK, France, Germany, Austria, Switzerland, Italy, Spain, Netherlands, Sweden, Norway, Denmark, Poland, Turkey, Russia, Israel, UAE, USA, Canada, Brazil, Mexico, China, Australia*). Interviews were conducted online between 9th September and 3rd November 2014. Data was weighted to known incidence of online shoppers in all countries, and to demographic profile of internet users in 7 countries.

*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)

About PayPal

At PayPal, we put people at the center of everything we do. Founded in 1998, we continue to be at the forefront of the digital payments revolution, processing almost 10 million payments for our customers per day. PayPal gives people better ways to connect to their money and to each other, helping them send money without sharing financial information and with the flexibility to pay using their PayPal account balances, bank accounts, PayPal Credit and credit cards. With our 157 million active digital wallets, we have created an open and secure payments ecosystem people and businesses choose to securely transact with each other online, in stores and on mobile devices. PayPal is a truly global payments platform that is available to people in 203 markets, allowing customers to get paid in more than 100 currencies, withdraw funds to their bank accounts in 57 currencies and hold balances in their PayPal accounts in 26 currencies. PayPal is an eBay Inc. (Nasdaq: EBAY) company. In September 2014, eBay Inc. announced the planned separation of eBay and PayPal into independent publicly traded companies in 2015. More information about PayPal can be found at www.paypal.com and www.paypal-media.com. More information about the planned separation of eBay and PayPal can be found at update.ebayinc.com.

About Ipsos

Ipsos is a global independent market research company ranking third worldwide among research firms.

We specialize in six areas: [advertising research](#); [marketing research](#); [media, content and technology research](#); [loyalty, quality and customer relationship management research](#); [opinion polls and social research](#); and [survey management, data collection and delivery](#). Our industry specialization model means we have an intimate understanding of our clients' brands, consumers and markets.

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