Binge-Watching, Big Buys and Bed: PayPal Predicts New Holiday Shopping Trends

New Research Reveals How Technology Will Reshape the Way We Spend, Send and Give Money This Season

As of November 27, 2022, Free Shipping on Us is no longer available. Customers looking for other shopping benefits and ways to save can take advantage of a range of features in the PayPal app. More information can be found here.

SAN JOSE, Calif.--PayPal, the global technology platform and digital payments leader, today released its predictions for the upcoming holiday shopping season, highlighting how technology is radically transforming the shopping experience and empowering people to spend, send and donate money on their own terms.

"There have never been more options for Americans to shop in a way that works for them, and those options have fundamentally changed holiday shopping behavior," said Anuj Nayar, Head of Global Initiatives, PayPal. "Much like PayPal, holiday shopping has grown beyond simply one button at one moment, now encompassing the freedom of mobile devices, the social enjoyment of peer-to-peer payments, and the security and simplicity to make a purchase, with confidence, at a moment's notice."

From mobile devices driving shopping anytime and anywhere, to peer-to-peer payments bringing people together, proprietary PayPal data and a new survey* show how Americans are finding new ways to take stress out of the holiday shopping experience.

Shoppers will turn to mobile to stress less, buy big and make the most of Cyber Monday.

The majority (59%) of Americans find holiday shopping to be stressful; so much so they'd rather do a multitude of unenviable activities than fight the holiday shopping crowds. More than a quarter of Americans would rather shovel snow from their driveway; 1-in-5 Young Boomers and Gen-Xers would rather go to the dentist; and, about 1-in-5 Millennials (19%) would rather text with their boss over the weekend.

Fortunately, it doesn't have to come down to that, as more and more shoppers will take to mobile devices through the season to simplify their shopping. Thanks to innovations like <u>PayPal One Touch</u>™, where shoppers can remain logged in to check out faster across millions of merchants, PayPal saw a 56% year-over-year increase in mobile payment transactions this past quarter1 and we expect to see more shoppers turn to their mobile devices during holidays. Smartphone shopping isn't just for stocking stuffers, however – PayPal predicts the largest holiday transaction on mobile will cost more than \$64,000.2

Also, this Cyber Monday will mark the summit of the shopping season once again, and PayPal expects more than \$25,000 in Total Payment Volume (TPV) per second at peak of Cyber Monday3 – with a formidable 40% of Millennials planning to shop on a mobile device that day.

Anytime, anywhere shopping will reach new heights ... and locations.

Holiday shoppers are increasingly interested in choice and flexibility when it comes to how they pay for purchases, whether they're putting all of their holiday gifts on credit or spreading their gift list across a variety of funding sources. Even more than how they pay, shoppers are also particular about how and when they shop this season.

From the TV to the toilet, Americans plan on shopping whenever and wherever they want this holiday season. Half of Americans, and even more Millennials (59%), plan do to their Holiday shopping while binge-watching TV. All that TV binging could signal what's on their wish list as PayPal predicts consumers will spend more than \$141 million on digital subscriptions this holiday season with PayPal. 4

Shopping has certainly spread to other areas of the home, with 22% saying they will shop on the toilet—an increase of <u>7 percentage points over 2014</u>—and more than a third (34%) will shop in bed for their partner or spouse while they are sleeping next to them.

Wherever consumers are or what else they're doing at the time, PayPal connects them with a vast network of 15 million merchants – from local artisans to big retailers – all over the world so they can find one-of-a-kind gifts

without even having to leave the couch.

Shopping and socializing will collide this holiday season, as Americans eat, drink and shop merry.

Combining shopping with dinner or drinks is no longer considered the faux pas it once was, especially if there is a bargain to be had. 29% of Americans – and one-third of Millennials – will have an alcoholic drink while shopping for holiday gifts. One in five Millennials will shop at the dinner table with family and friends. And, 35% of Americans say they would even shop online at the Thanksgiving table to make sure they get a good deal.

For those shoppers who buy something that doesn't fit, isn't right, or just regret the choice they made after a few glasses of egg nog, shoppers can get their eligible <u>return shipping costs reimbursed</u> when shopping with PayPal. Limitations apply.

Gifting will become a group sport—and settling up will be simple and social with P2P payments.

Peer-to-peer (P2P) payments like PayPal and Venmo are helping eliminate holiday hassles, particularly among Millennials. Half of Millennials will pool funds for gifts this holiday season, with 35% planning to collect funds from friends and family via P2P platforms. With group gifting on the rise, PayPal predicts more than 17 million P2P transactions in the month of December5 and that the gift box emoji will be used more than 350,000 times on Venmo6 in the months of November and December as people gift money and get paid back.

2016 will be the biggest year yet for charitable giving, and "on-the-go" giving will skyrocket.

The majority of Americans (62%) plan to make a charitable donation this holiday season and PayPal continues to see steady growth in mobile donations year over year as donors give at the point of discovery.

Last year, PayPal users helped set the GUINNESS WORLD RECORDS® title for, "Most money raised online for charity in 24-hours" raising \$45.8 million for charities on #GivingTuesday, more than doubling the previous record. Following the launch of <u>in-app donations</u> earlier this year, PayPal predicts a 45% increase in donations made via mobile on #GivingTuesday alone this year.7

Young Boomers will be the most generous consumers this holiday season, with plans to make the largest donations on average (\$416), but the generosity of Millennials will edge out Gen X, giving \$245 and \$230 on average, respectively.

Be it a surprise for a loved one or a donation to a worthy cause, PayPal makes it easy to give some goodwill whether it's on a charity site or by making a donation in the PayPal app.

For more information, go to: paypal.com/holiday.

About the Survey*

The survey was commissioned by PayPal and conducted online by independent research company Koski Research in October 2016. The survey polled 1,000 Americans planning to celebrate the holidays this season.

About PayPal

At PayPal (Nasdaq:PYPL), 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. PayPal gives people better ways to manage and move their money, offering them choice and flexibility in how they are able to send money, pay or get paid. We operate an open, secure and technology agnostic payments platform that businesses use to securely transact with their customers online, in stores and increasingly on mobile devices. In 2015, 28% of the 4.9 billion payments we processed were made on a mobile device. With our 192 million active customer accounts, PayPal is a truly global payments platform that is available to people in more than 200 markets, allowing customers to get paid in more than 100 currencies, withdraw funds to their bank accounts in 56 currencies and hold balances in their PayPal accounts in 25 currencies. For more information on PayPal, visit https://www.paypal.com/about. For PYPL financial information, visit https://investor.paypal-corp.com.

About Koski Research

Koski Research specializes in custom research solutions that answer the most complex business questions of Fortune 1000 companies. Answers to these questions result in national media coverage, drive business growth and prepare clients for the future. As the creator of the Engagement IQ, a proprietary measurement system that assesses the public's sentiment of a company based on key social behaviors, Koski Research excels in leveraging research to drive customer engagement.

- 1 As reported in Q3 PayPal Earnings, October 20, 2016.
- 2 Based on the global mobile transactions we have seen on our platform in 2013, 2014 and 2015.
- 3 Based on the 2015 average for the peak hour of Cyber Monday.
- 4 Based on the global transactions we have seen on our platform in 2013, 2014 and 2015.
- Based on the average number of global transactions (Venmo + PayPal) we have seen on our platform in December for 2013, 2014 and 2015.
- 6 Based on percent of gift box emoji payments and Venmo year over year forecasts.
- 7 Based on the percent increase for 2013, 2014 and 2015.

Additional assets available online:

Photos (2)

https://newsroom.paypal-corp.com/2016-10-26-Binge-Watching-Big-Buys-and-Bed-PayPal-Predicts-New-Holiday-Shopping-Trends