

New research from PayPal reveals China is the most popular cross-border online shopping destination for global online shoppers

SAN JOSE, Calif.--Today PayPal and Ipsos released their [third annual cross-border commerce report](#). The global insights research, which investigated the online domestic and cross-border shopping habits of more than 28,000 consumers in 32 countries, reveals new opportunities for merchants to expand their international sales.

Shopping internationally on mobile devices gains traction

In Asia Pacific¹, consumers claim that on average, 37 percent of cross-border purchases are made on a mobile device, the majority of which are on a smartphone. In fact, 68 percent of all cross-border shoppers in the Asia Pacific region reported making a cross-border purchase on a smartphone in the past 12 months. In China, the survey saw a marked increase in the shift to mobile purchasing between 2015 and 2016, with an average of 35 percent of cross-border purchases being made on a smartphone in 2016 vs. 27 percent in 2015.

If the growth in Asia Pacific is an indication of a global shift to increased mobile cross-border shopping, there is a tremendous opportunity for merchants in Europe and North America. In the 2016 findings, Western European, Eastern European and Northern American shoppers each claimed to make less than 15 percent of cross-border purchases on a smartphone.

The future of online spending - who is most likely to shop more, and shop the most cross-border

Sixty-four percent of internet users in China, 39 percent of users in Russia and 26 percent of users in the UK claimed that their online spending will increase in the next 12 months. Among all shoppers interviewed across all countries, those predicting to increase their online shopping say that this is primarily driven by convenience of shopping online (selected by 76 percent), changes in disposable income (30 percent), faster shipping (35 percent) and cheaper shipping (27 percent).

“Selling internationally is a substantial opportunity for merchants around the globe to grow their business. At PayPal, we’ve seen our cross-border volume grow 38 percent in the last two years - from \$14 billion a quarter in Q3 2014 to \$19 billion a quarter in Q3 2016,” said Melissa O’Malley, Director, Global Initiatives at PayPal.

“PayPal’s mobile payment volume is also up 56% over last year, so we see the direct benefits merchants can reap by optimizing their mobile shopping experiences.”

Where consumers are buying and why

For the first time in the survey’s three-year history, China is the most popular cross-border online shopping destination for global² online shoppers (21 percent of all online shoppers interviewed claimed to have shopped cross-border from Chinese websites in the past 12 months), followed by the U.S. (17 percent) and U.K. (13 percent).

Current cross-border shoppers are looking for a good deal. Seventy-six percent of global consumers polled who shop cross-border cited better prices as a reason for shopping in another country instead of the country where they live. Gaining access to items not available in their own country also ranked high (selected by 65 percent) as a reason for having made purchases internationally.

However, the reasons change, when it comes to the factors that would make online shoppers more likely to buy from a website in another country. Free shipping (selected by 46 percent of global online shoppers) and a secure way to pay (44 percent) are the top factors that could drive more cross-border shopping.

The distinction between these insights is important for merchants - to retain a current cross-border shopper, better pricing is key. To motivate a shopper who may have never shopped cross-border before, free shipping

and a secure way to pay are paramount in converting them.

Security drives choice of payment method

In 24 of the 32 countries surveyed, PayPal is the most frequently cited cross-border payment method used. Key factors for choosing a preferred payment method for cross-border shopping included security (53 percent of global cross-border shoppers with a preferred cross-border payment method selected 'a secure way to pay'), convenience (44 percent) and being accepted by most retailers (41 percent). Among Cross-border shoppers globally who cite PayPal as their preferred cross-border payment method, 44 percent say that 'I do not need to share my financial details with the seller' is a reason for their preference.

Click [here](#) to view the global results from the 2016 PayPal cross-border consumer research.

Methodology

PayPal Insights 2016:

On Behalf of PayPal, Ipsos interviewed a representative quota sample¹ of c.800-2000 (28012 in total) adults (aged 18 or over²) who use an internet enabled device³ in each of 32 countries (*UK, Ireland, France, Germany, Italy, Spain, Netherlands, Sweden, Belgium, Portugal, Russia, Hungary, Poland, Czech Republic, Greece, Israel, UAE, Egypt, South Africa, Nigeria, Brazil, Mexico, Argentina, Peru, Chile, USA, Canada, India, China, Japan, Thailand & Singapore*). Interviews were conducted online between 30th August and 5th October 2016.

Data was weighted in all countries to adjust for panel bias based on external trend data on incidence of online shoppers in each country.

1 In most countries quotas were applied on age crossed with gender and region representative of online population. No region quota was applied in ZA, Singapore, RU & PE. In Egypt, UAE & Nigeria, no quotas were set but the survey was mailed out to a nationally representative of offline sample who were screened for internet usage

2 Aged 18-74 in all European countries

3 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 (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 Ipsos

At Ipsos we are passionately curious about people, markets, brands and society. We deliver information and analysis that makes our complex world easier and faster to navigate and inspires our clients to make smarter decisions.

We believe that our work is important. Security, Simplicity, Speed and Substance applies to everything we do.

Through specialisation, we offer our clients a unique depth of knowledge and expertise. Learning from different experiences gives us perspective and inspires us to boldly call things into question, to be creative.

By nurturing a culture of collaboration and curiosity, we attract the highest calibre of people who have the ability and desire to influence and shape the future.

1 Regional and global averages are among all respondents interviewed, not weighted for population size. Russia and Poland are down weighted to equivalent sample size (all countries represented equally)

2 Global averages from 2014, 2015, 2016 include respondents from all countries interviewed in each year, however the countries interviewed in each year vary

<https://newsroom.paypal-corp.com/2016-11-15-PayPal-3rd-Annual-Global-Report-Shows-Asia-Pacific-as-Leaders-in-Mobile-Cross-Border-Shopping>