

PayPal Europe

Christmas Shopping 2017

November 28, 2017

Table of contents

1. Methodology
2. Executive Summary
3. European Attitudes toward Christmas Shopping
4. Christmas Shopper by age
5. Holiday Shopping
6. Gift of Money
7. Giving
8. Demographics

Research Design



Methodology:

Research Project carried out by Kantar
Millward Brown
Online Survey (Access Panel Guided)

Sample Size:

- Spain: n=1003
- France: n=1000
- Netherlands: n=1003
- Sweden: n=1000
- Italy: n=1000
- Russia: n=1001
- Poland: n=1004

Sample Size: 7000 interviews across Europe
Sampling error at confidence level of 95%: +/- 3.1%



All participants met the following criteria:

- 18 to 65 years old
- Middle class
- Buying Christmas gifts
- Men (50%) and women (50%)



Online fieldwork:

From November 2nd to 10th, 2017

Executive Summary

- Online environment is becoming one of the main shopping channels this Christmas for the European population. Almost half of the Europeans will buy Christmas gifts online (45%), and 23% will do so using mobile devices.
 - The main advantages perceived from mobile shopping are:
 - **Immediacy:** 46% of Europeans who use mobile devices for their Christmas Shopping state they do so because it allows them to purchase the product at the same time as they have the idea.
 - **Availability:** For 17% of buyers through mobile devices, the possibility of buying from anywhere is an advantage
 - **Convenience:** 13% of them save time
- Up to 20% of European buyers use PayPal as the main payment method in online transactions. It is the third payment method at European level in online purchases, after debit (30%) and credit cards (21%)
- 78% of PayPal owners declare using it frequently
- 46% of European potential online buyers declare that they intend to buy gifts in stores outside their country
- 30% of Europeans declare that they intend to sell their gifts online, and 11% would not know how to do it
- 33% of Europeans are planning to give money as a gift this Christmas, mainly in cash (71%) and in a gift card (34%)

Executive Summary

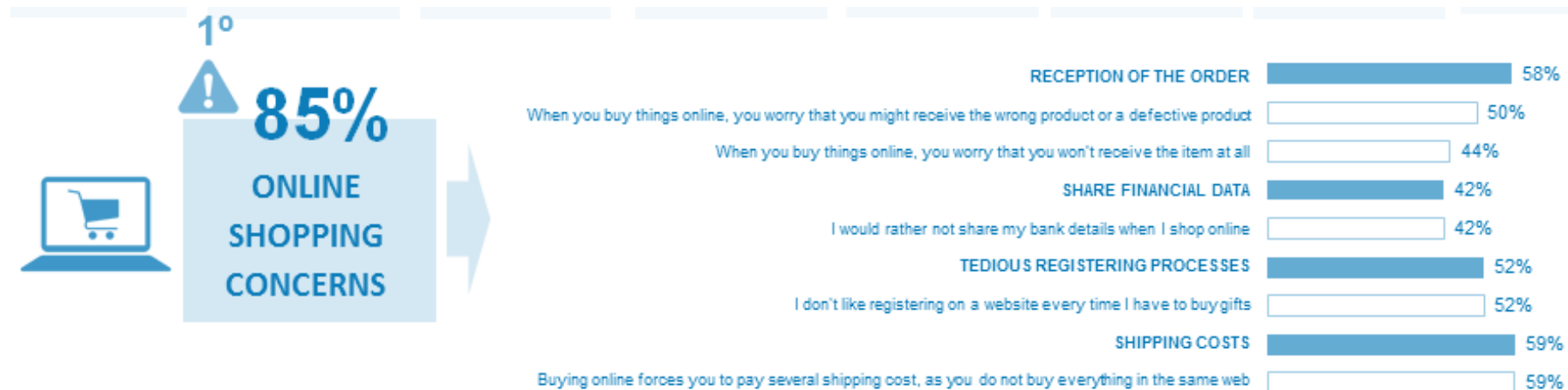
- Christmas shopping is a polarizing milestone for the European population
 - Spontaneously, 87% of all Europeans state that they feel some sort of appeal towards Christmas shopping, relating to the search of gifts (24%) and the Christmas Atmosphere (24%)
 - This Season is highly polarising: also spontaneously, 92% of Europeans mention elements that bother them, mainly linked to crowds (42%), the burden and stress (10%) and the increases of prices (10%)
- The lack of foresight defines Christmas shopping: only 36% of Europeans start their Christmas shopping more than one month in advance
 - 6 out of 10 Europeans make their Christmas shopping in the same month as the holidays (December). Only 36% of the European population starts their purchases in previous months.
 - Black Friday is the starting gun for Christmas shopping: 7/10 Europeans know what it is, and 4/10 buy Christmas gifts that day
- Europeans worry about three key aspects linked to the Christmas Shopping period:
 - 8 out of 10 (80%) Europeans stress about the Christmas gifts search process.
 - 76% of the European population stress about the experience in the physical store
 - 7 out of 10 (69%) are concerned about budget management
 - Crowds (66%), doubts about what to give (49%), getting the right gift (43%) and the risk of going over budget (44%) are also the main pain points of Christmas shopping to Europeans

Executive Summary

- **Online** shopping is an alternative that helps deactivate the main barriers and negative experiences of Europeans when facing Christmas Shopping at a whole.
 - 90% of Europeans spontaneously mention disturbing elements related to Christmas shopping, but...
 - 87% of them consider that shopping online allows you to avoid the crowds and traffic, making the whole process more pleasant.
 - 75% of Europeans consider it's possible to optimize your shopping time by buying online.
 - 68% say it's specially relevant when you do not know what to give because it allows to see many options with little effort.
 - 67% declare that buying online allows you to be more original, as you have access to a wider range of products.
 - 67% of Europeans consider it is easier to find a particular present online than to look for it in the physical store.
 - 66% of Europeans says it's easier to find better deals by buying the Christmas gifts online.
 - 64% declare that buying gifts online makes the process less stressful .

Executive Summary

- Even though 100% of the European population mention some type of advantage associated with buying in the online environment, 85% are also concerned about problems linked to it.



- More than half of the Europeans (59%) see the payment of several shipping costs as a barrier, as well as registering on a website every time they want to shop online (52%)
- 4 out of 10 Europeans (42%) would rather not share financial details
- 58% express concerns linked to product delivery.

European Attitudes toward Christmas Shopping

This Season is highly polarising: 87% of all Europeans state that they feel some sort of appeal towards Christmas, and at the same time, 92% of Europeans also mention elements that bother them



41% is going to buy Christmas gifts on Black Friday



76% stress about the experience in the physical store



Up to 85% is concerned about problems linked to online shopping

- 59% Several shipping costs
- 52% Registering on a website every time they want to shop online
- 42% would rather not share financial details



PayPal significantly contributes to generate peace of mind in every negative key aspects linked to online shopping processes

Christmas Shopping by age



51% of Millennials (25-34 y.o.) are going to buy Christmas gifts online

29% of them will use their smartphone to do it

50% of youngest target (18-24 y.o.) buy through mobile devices because it allows them to buy the gift the moment they get the idea

The 18-44 yo target thinks that shopping via mobile is easier than on a computer.

20% of European buyers use PayPal as a payment method in these online transactions, particularly in the 35-54 yo target (23%)

Christmas Shopping Europe 2017

This Season is highly polarising

Christmas shopping are one of the main axis on which positive valuations are made. 87% of all Europeans state that they feel some sort of appeal towards Christmas. In any case, this Season is highly polarising: 92% of Europeans also mention elements that bother them, mainly linked to crowds and the drawbacks of their physical/off-line holiday experiences.



87% ANY LIKE

24% Searching for gifts

10% Christmas atmosphere

10% Buying for others / child / family

7% Excitement



87% ANY DISLIKE

43% Crowds, queues, long waits

10% The burden, stress, hurry

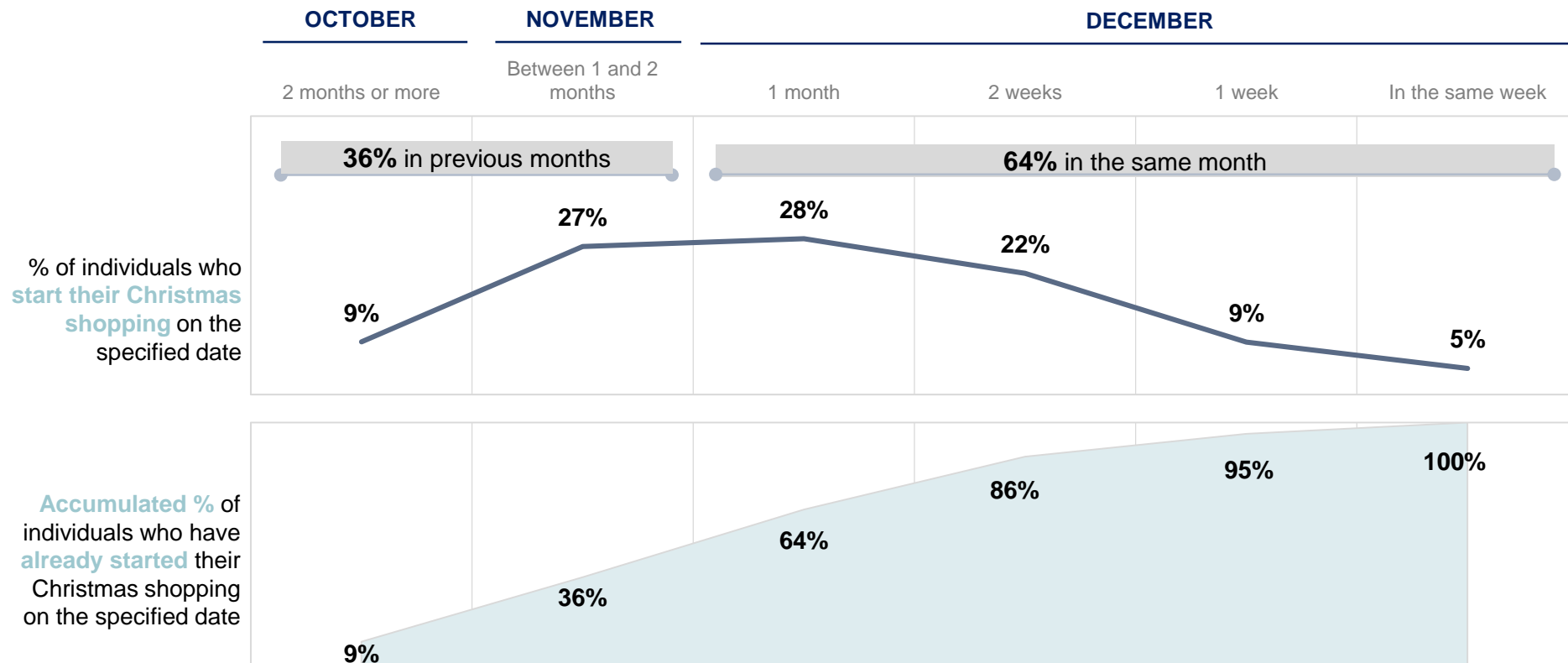
10% Prices / prices go up

8% You spend a lot of money

6 out of 10 Europeans make their Christmas shopping in the same month as the holidays (December). Only 36% of the European population makes their purchases in previous months.



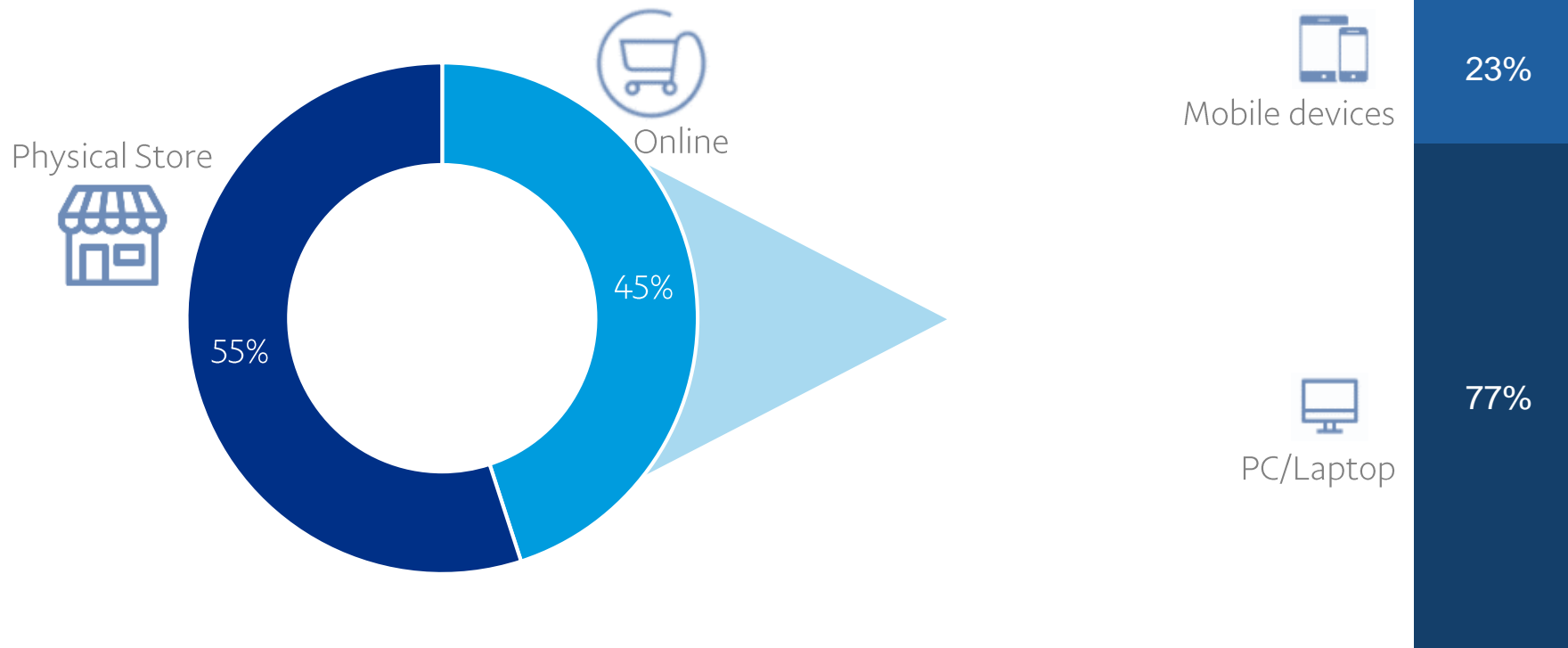
How far in advance do you usually do your Christmas gift buying?



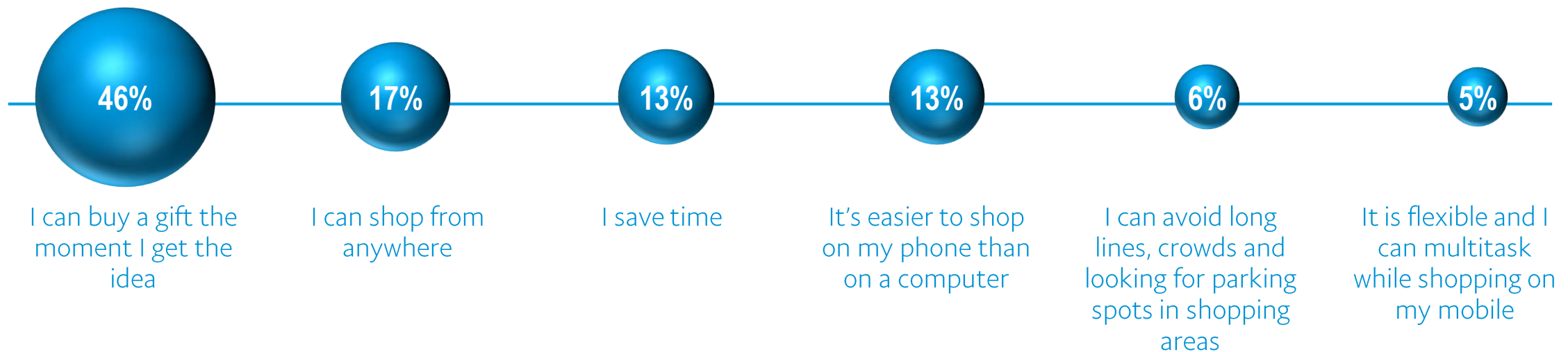
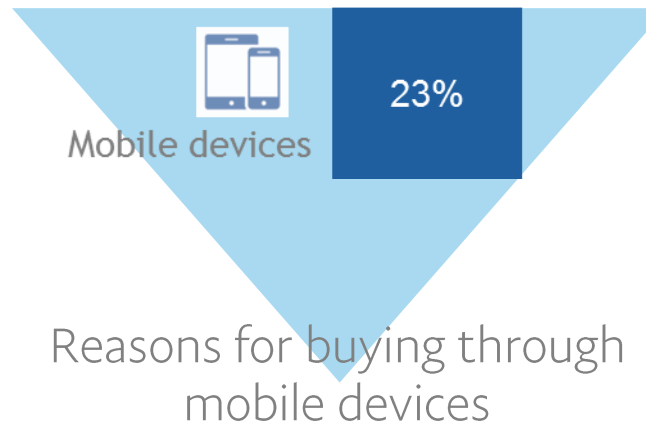
Christmas



Almost half of Europeans are going to buy Christmas gifts online, and 23% of them will use their smartphone to do so

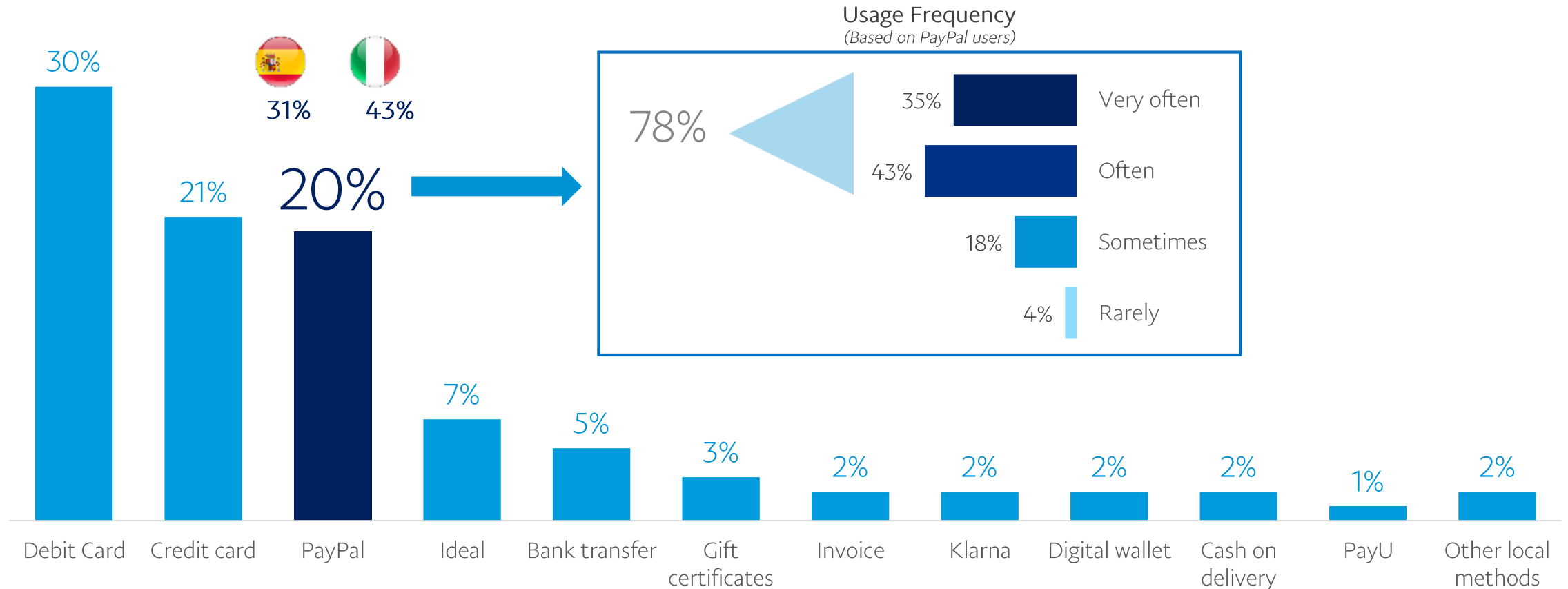


IMMEDIACY, AVAILABILITY AND CONVENIENCE are the main advantages of mobile shopping



Up to 20% of European buyers use PayPal as a payment method in these transactions; this is particularly true in Spain and Italy






78% of PayPal owners declare a frequent use of it



Black Friday is the starting gun for Christmas shopping

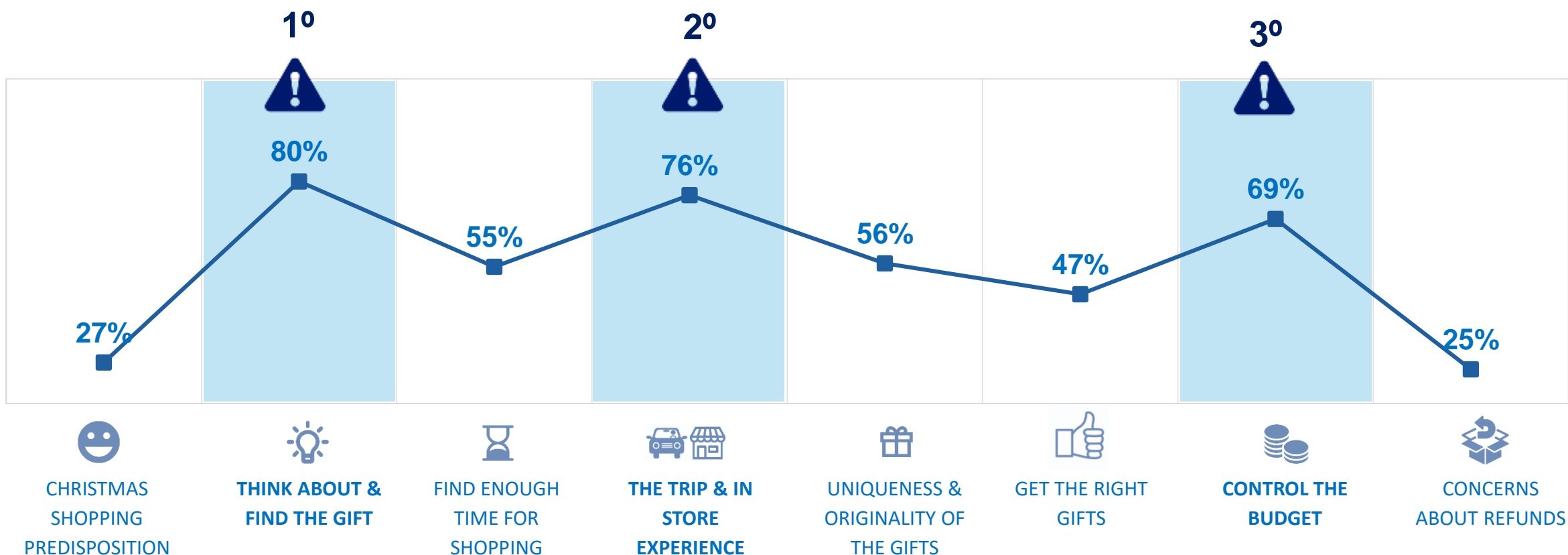
7/10 Europeans know what it is, and 4/10 make purchases that day.

Cyber Monday and the China Singles Day also have an excellent performance: those who know about it make purchases those days.

					
Christmas gifts Purchase intention	41%	30%	23%	23%	9%
General Purchase intention	49%	34%	28%	28%	11%
Awareness	71%	51%	45%	28%	11%

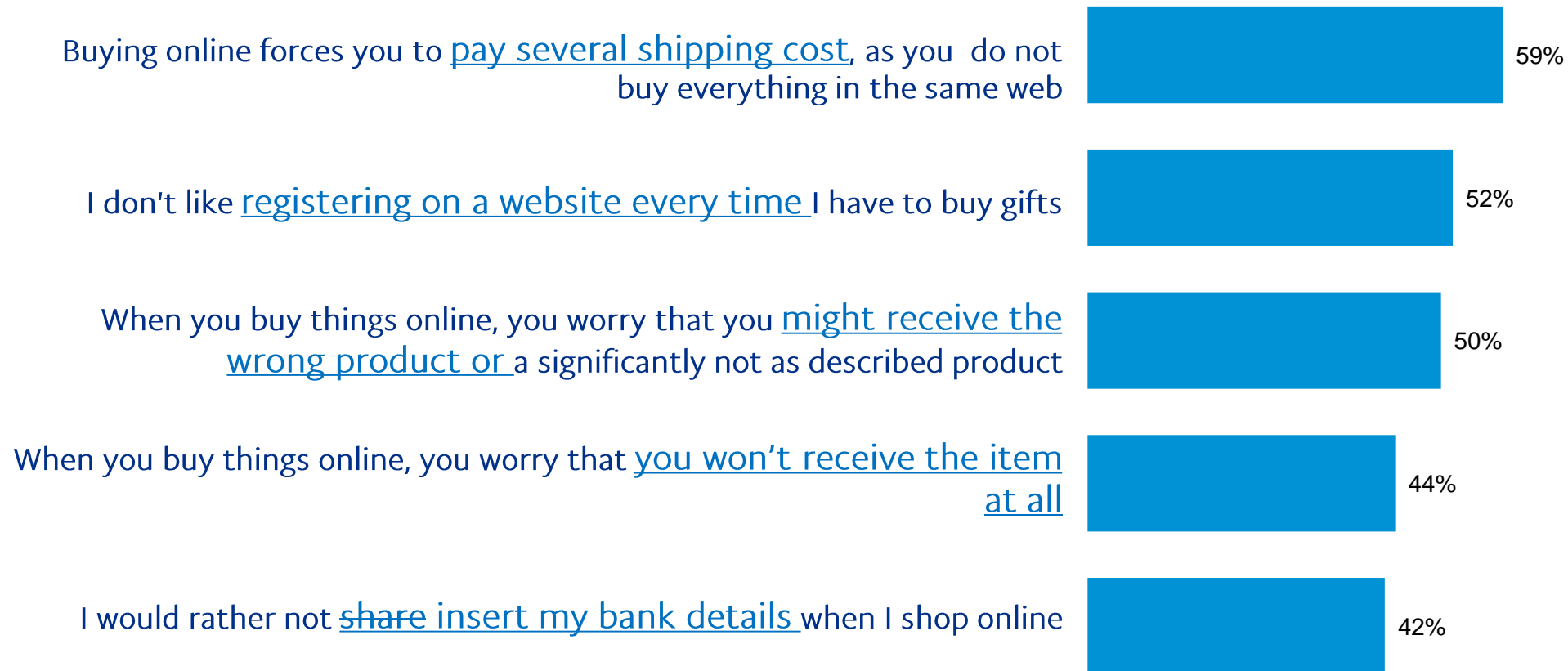
Three key areas linked to the negative side of Christmas shopping:

Thinking about & finding the gift, trip & in-store experience and controlling the budget. Broadly speaking (not just online), the stance towards Christmas shopping is not particularly negative, as neither is the refund process.



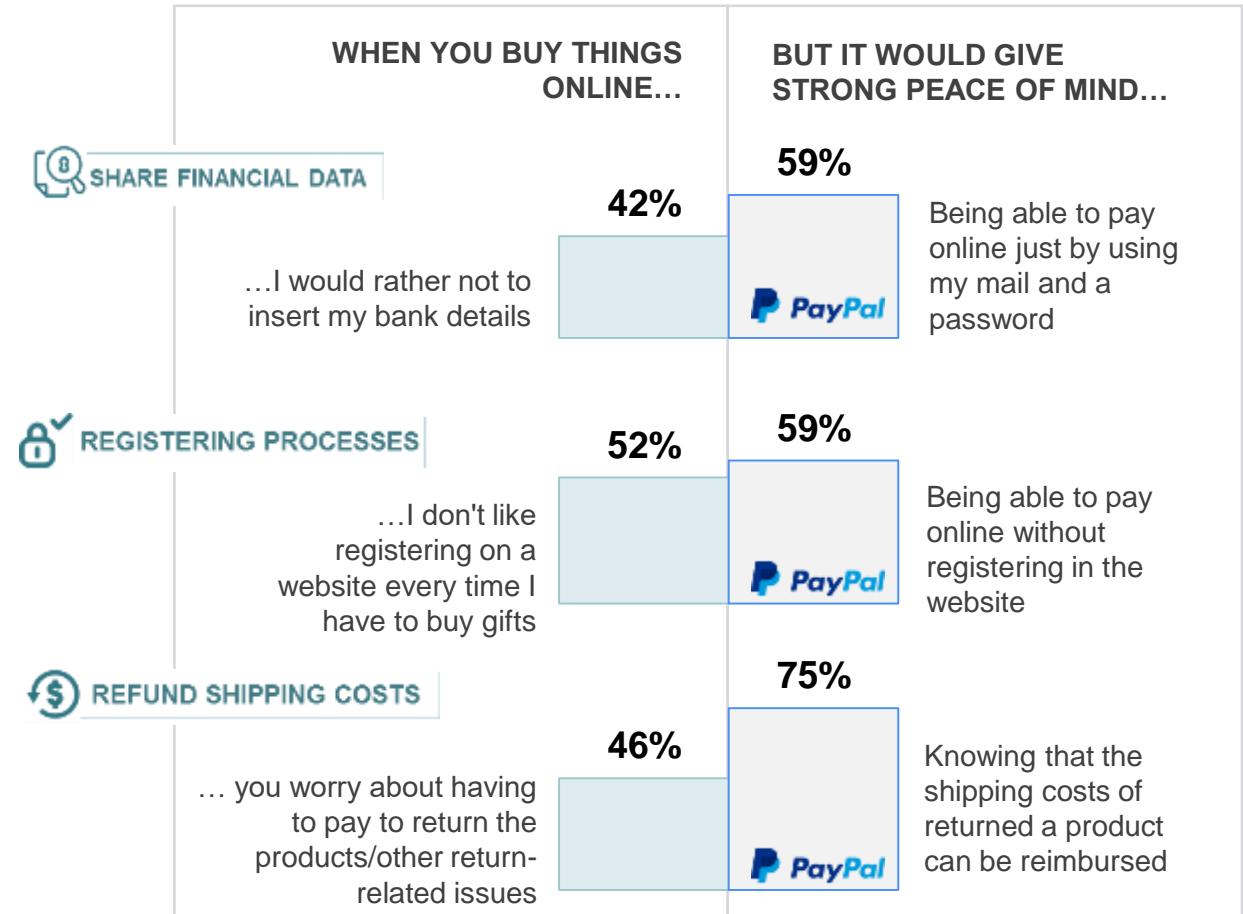
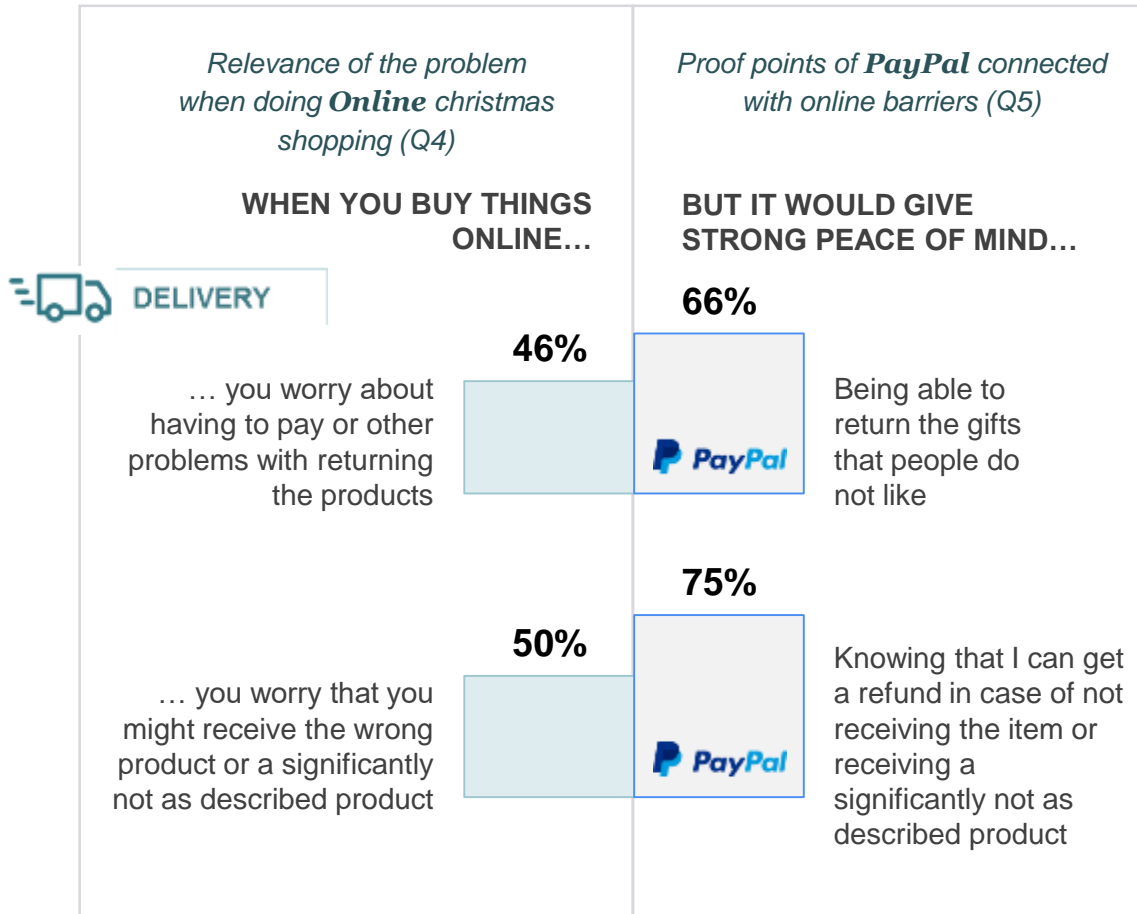
To what extent are online difficulties relevant for Christmas shopping in general?

More than half of the Europeans see the payment of several shipping costs as a barrier, as well as registering on a website and the issues linked to receiving the product.



Proof points of PayPal connected with online barriers

PayPal significantly contributes to generate peace of mind in every negative key aspect linked to online shopping processes.



Summary per country

SPAIN



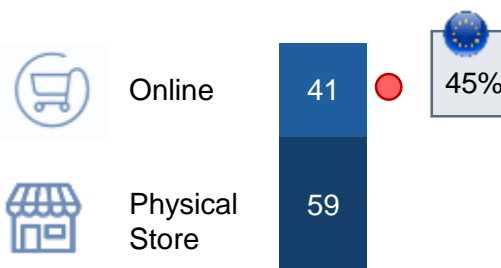
Summary per Country Christmas Shopping Habits



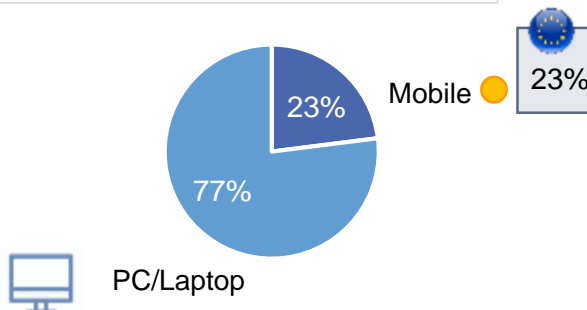
SPAIN

Although the penetration of online shopping is below the European average, Spain is open to new technologies and payment methods. About 31% of its population uses PayPal to pay for Christmas gifts.

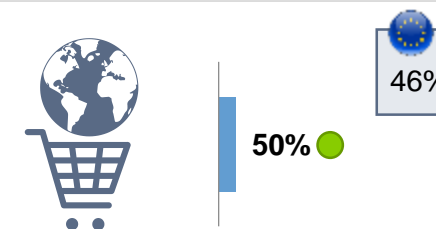
Christmas Shopping Distribution



Devices Purchases Distribution



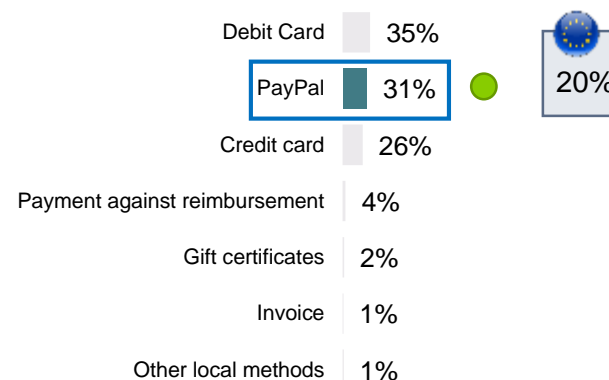
International Purchase Intention



Reasons for buying through mobile devices



Main online payment method

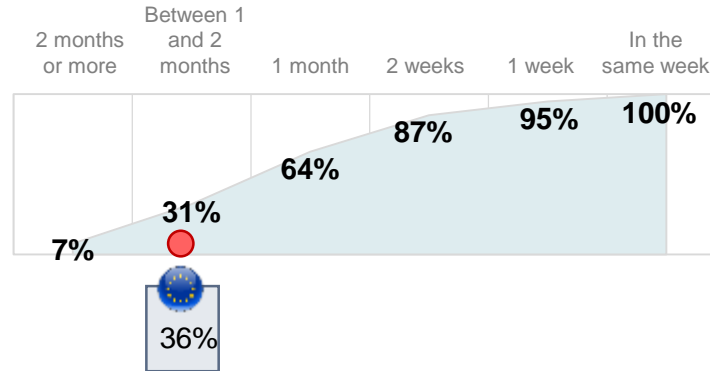
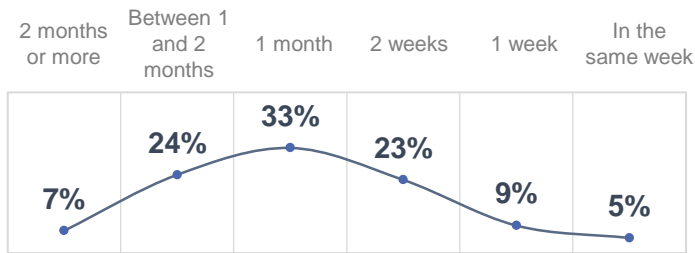


Summary per Country Christmas Shopping

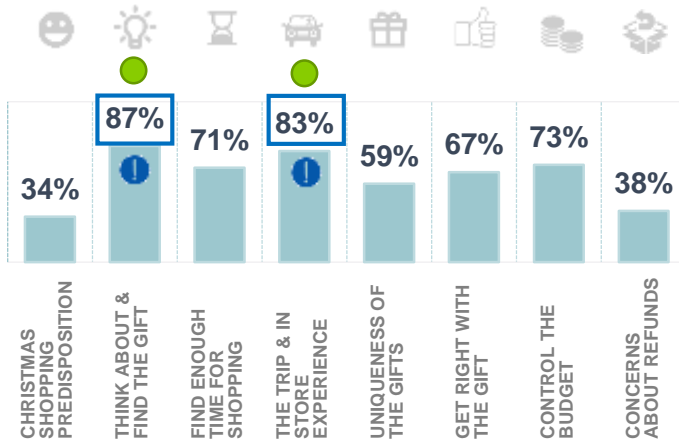


SPAIN

How far in advance do you usually do your Christmas gift buying?



Pain Points of Christmas Shopping DISSATISFACTION AREAS



The processes linked to the off-line environment (trip and in store experience + find the gift) are the most overwhelming ones to Spaniards.

Pain Points of Christmas Shopping RANKING



● Above European Average ● On Average ● Below European Average

Summary per Country Online Christmas Shopping

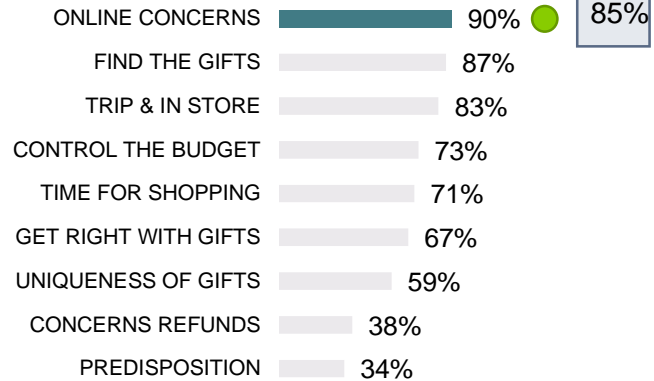


SPAIN

Relevance of the concerns of online shopping



85%



Compared to the rest of Europe, Spaniards are more reluctant to buying gifts online, particularly because they don't trust the delivery of the product (70%); shipping costs are a barrier to 66% of them.

Feelings towards Christmas Shopping Online Barriers



● Above European Average ● On Average ● Below European Average

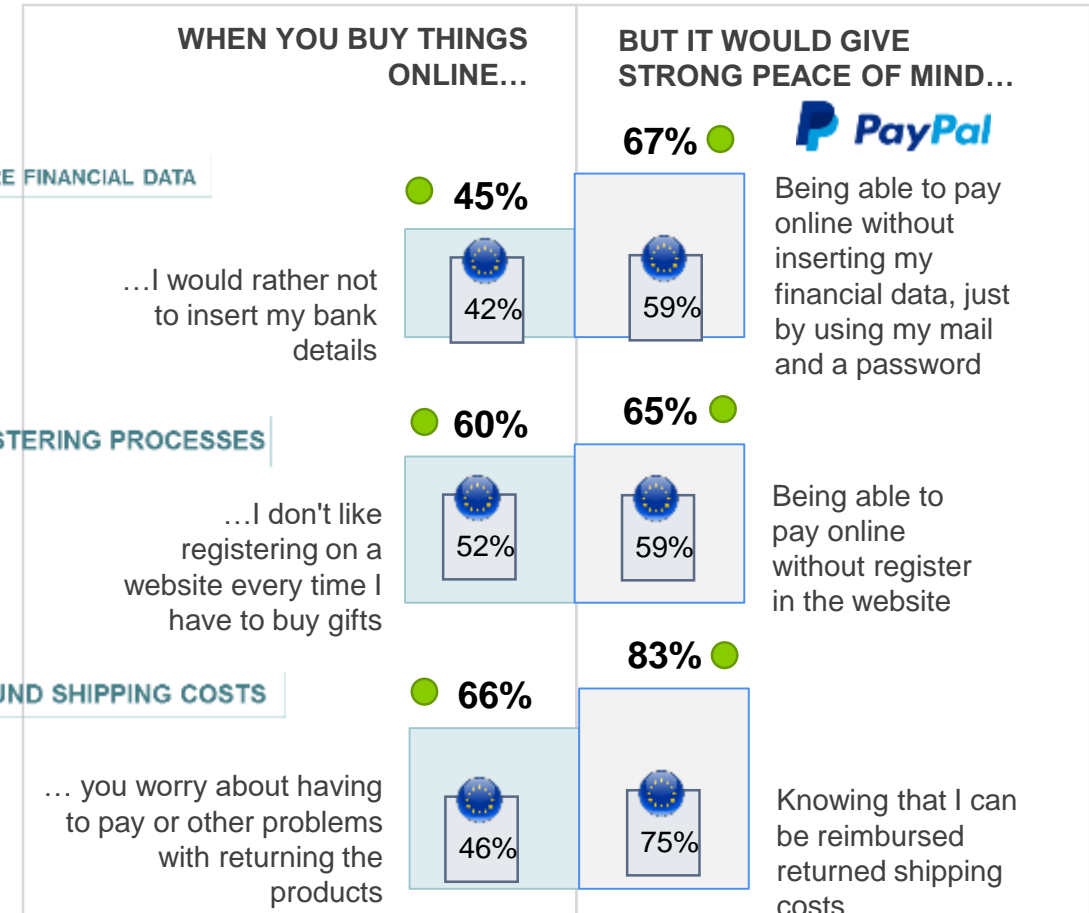
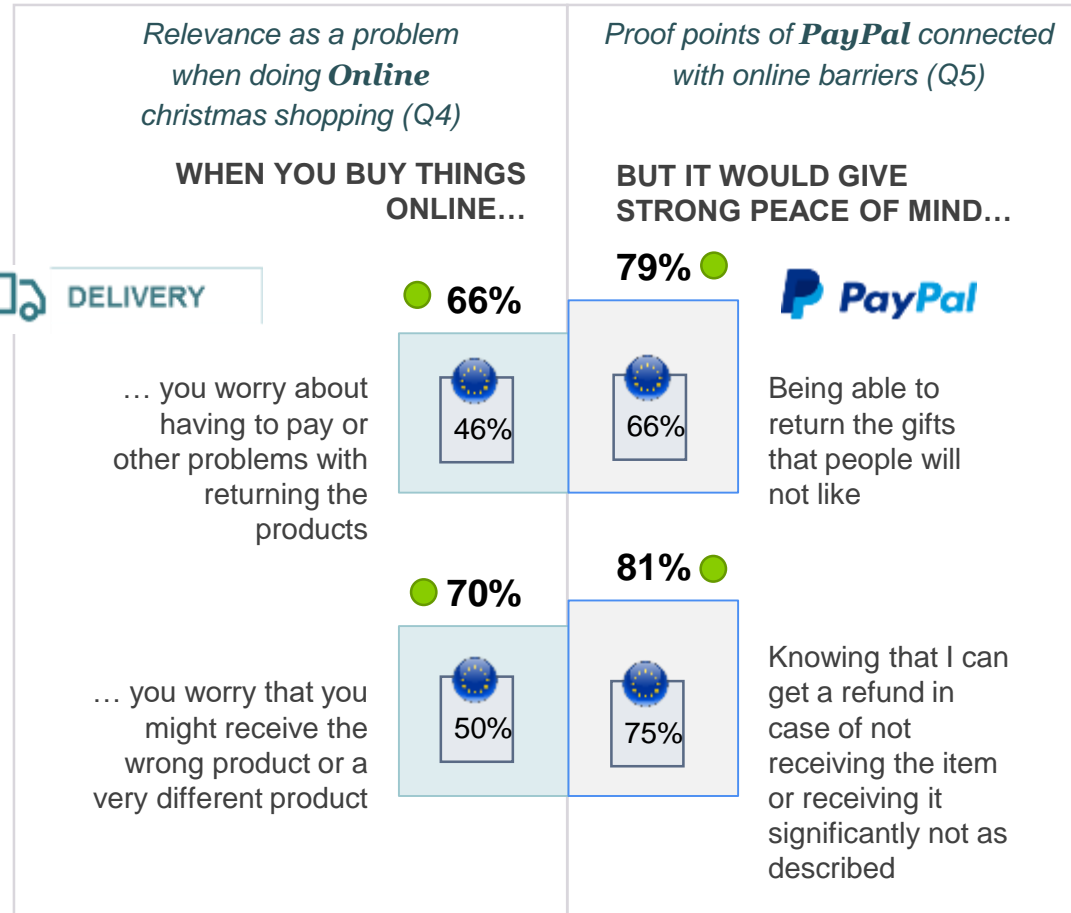
Summary per Country

PayPal as a guarantee while online shopping



SPAIN

Christmas shopping is a bigger problem to Spanish people than the European average; therefore, the value of the PayPal endorsement is also greater.



% of Strongly agree + Agree on a 5 points scale
 % It would really help me+ Quite a lot

● Above European Average ● On Average ● Below European Average



Summary per country

FRANCE

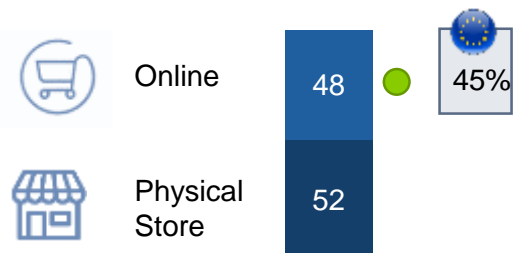


Summary per Country Christmas Shopping Habits

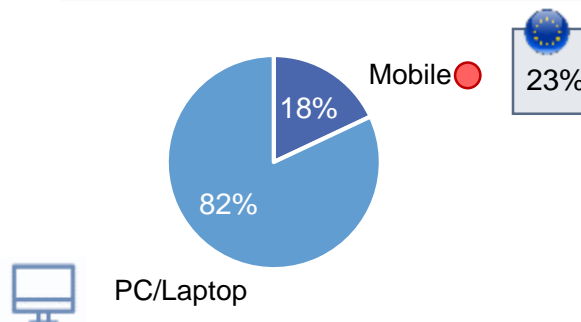


The French are more open to online Christmas shopping, although only 18% will use their Smart phone to do it. They are also less prone to buying things from outside their own country. Their use of PayPal is aligned with the European average (only 20% of the French use it frequently as the main payment method when shopping online)

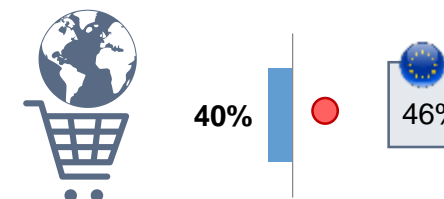
Christmas Shopping Distribution



Devices Purchases Distribution



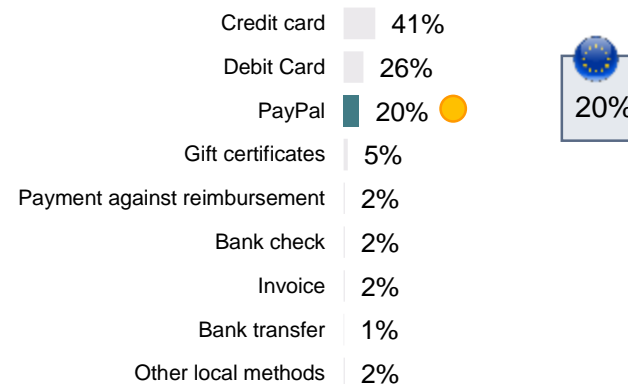
International Purchase Intention



Reasons for buying through mobile devices



Main online payment method



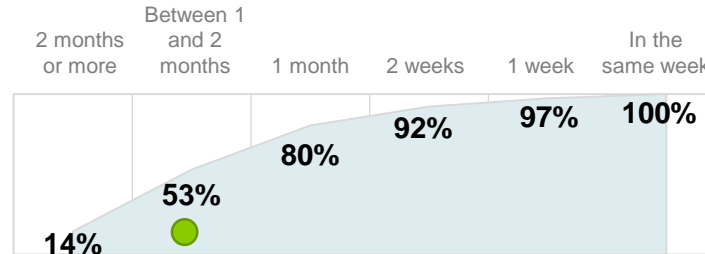
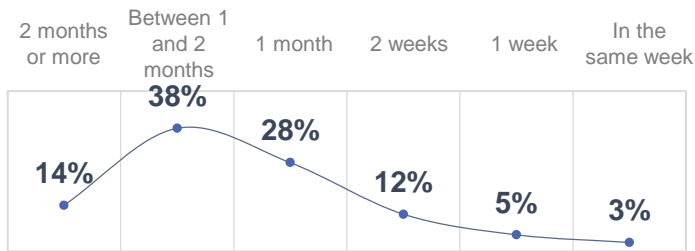
● Above European Average ● On Average ● Below European Average

Summary per Country Christmas Shopping

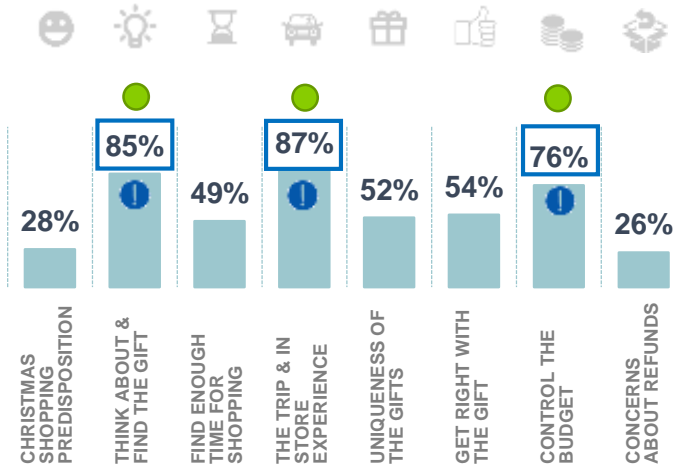


FRANCE

How far in advance do you usually do your Christmas gift buying?



Pain Points of Christmas Shopping DISSATISFACTION AREAS



More forward-looking than others, French consumers plan their Christmas shopping well. Their expenditure is high and the main pain points are linked to getting the right gift, managing their budget and the in-store experience.

Pain Points of Christmas Shopping RANKING



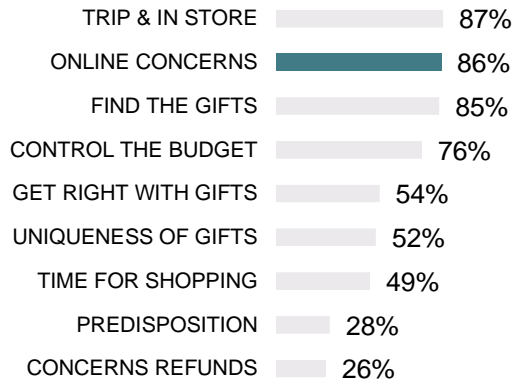
● Above European Average ● On Average ● Below European Average

Summary per Country Online Christmas Shopping



FRANCE

Relevance of the concerns of online shopping



85%

Buying online forces you to pay **several shipping cost**, as you do not buy everything in the same web

The registry processes and sharing banking details are the main challenges to be overcome.

Feelings towards Christmas Shopping Online Barriers

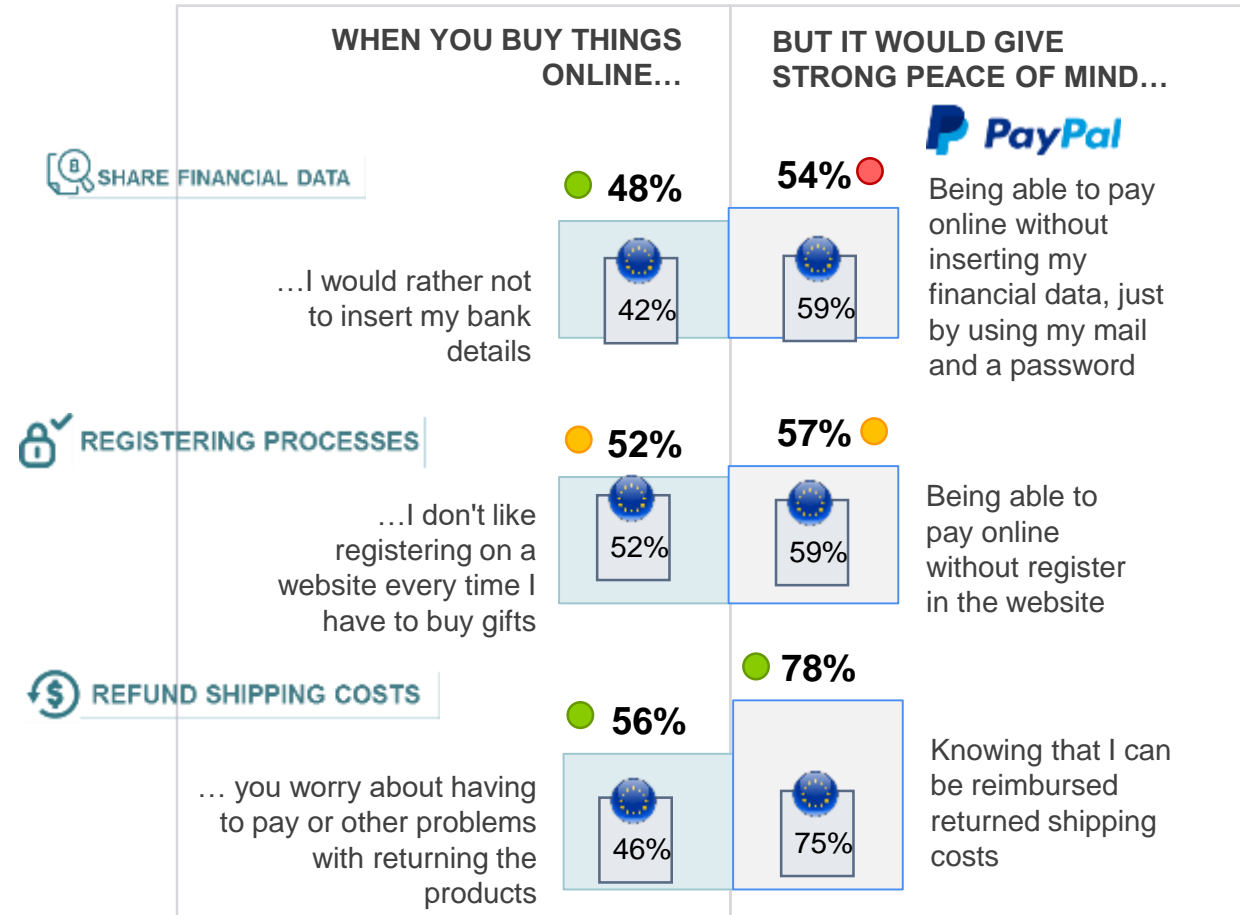
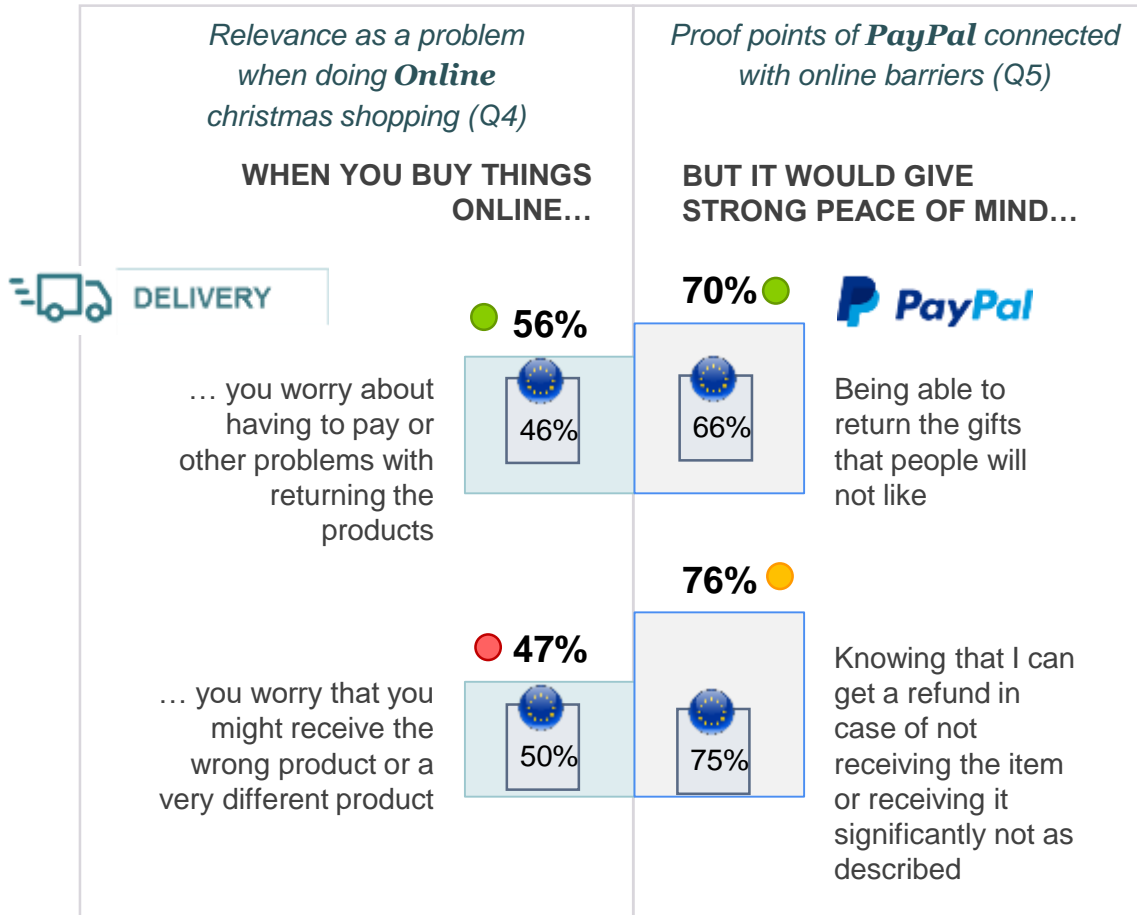


Summary per Country

PayPal as a guarantee while online shopping



The main advantage of PayPal is linked to the guarantee in the delivery processes and returns.



% of Strongly agree + Agree on a 5 points scale

% It would really help me+ Quite a lot



● Above European Average ● On Average ● Below European Average

Summary per country

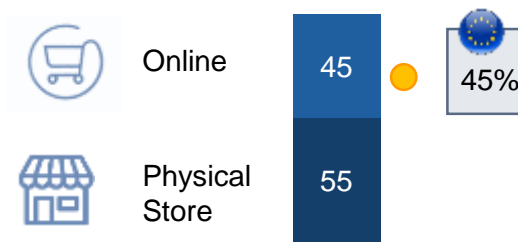
NETHERLANDS



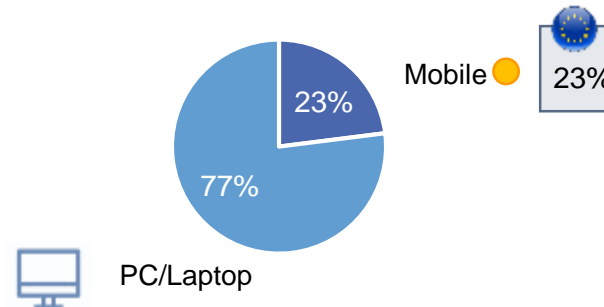
Summary per Country Christmas Shopping Habits

The shopping habits of the Dutch are completely aligned with the European average.

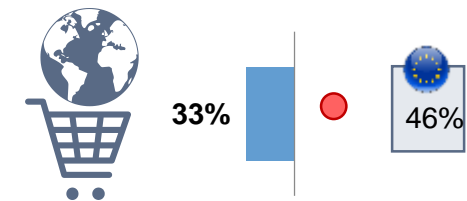
Christmas Shopping Distribution



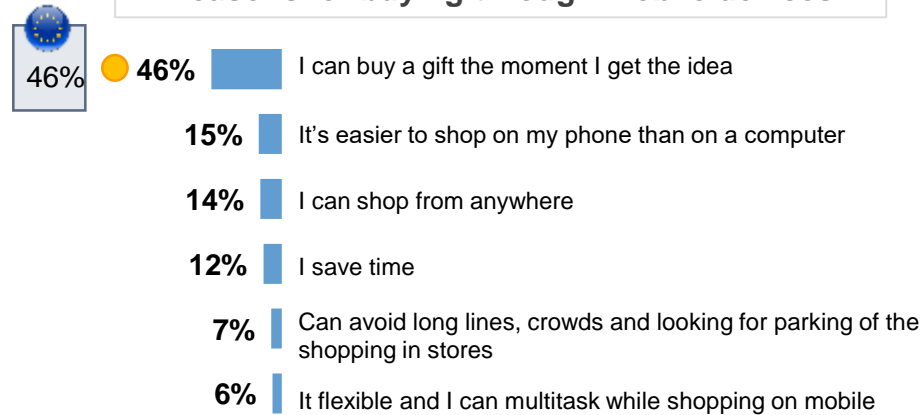
Devices Purchases Distribution



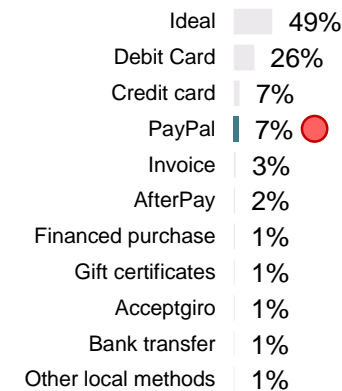
International Purchase Intention



Reasons for buying through mobile devices



Main online payment method



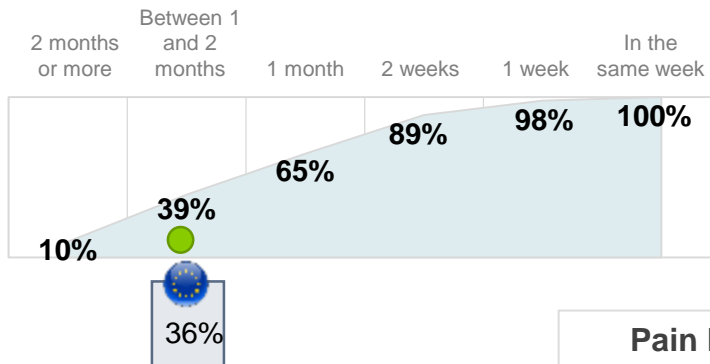
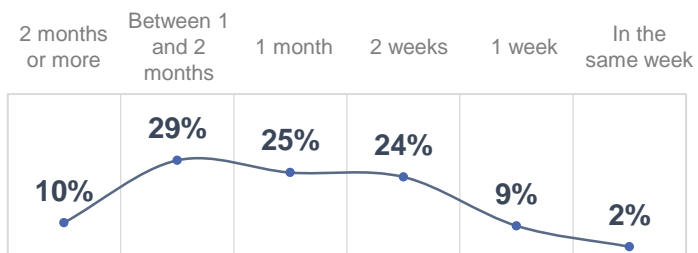
● Above European Average
 ● On Average
 ● Below European Average

Summary per Country Christmas Shopping

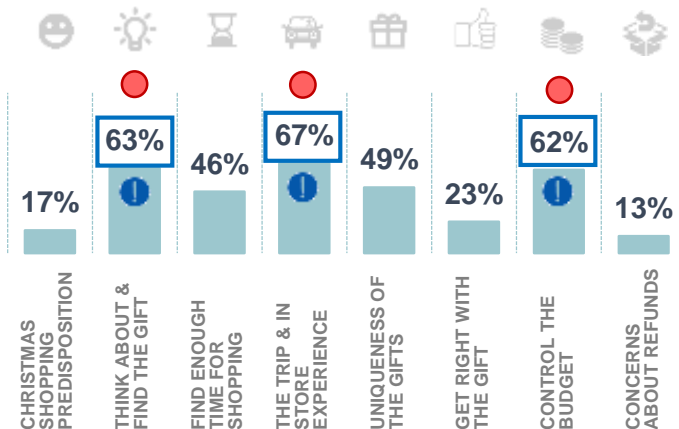


NETHERLANDS

How far in advance do you usually do your Christmas gift buying?

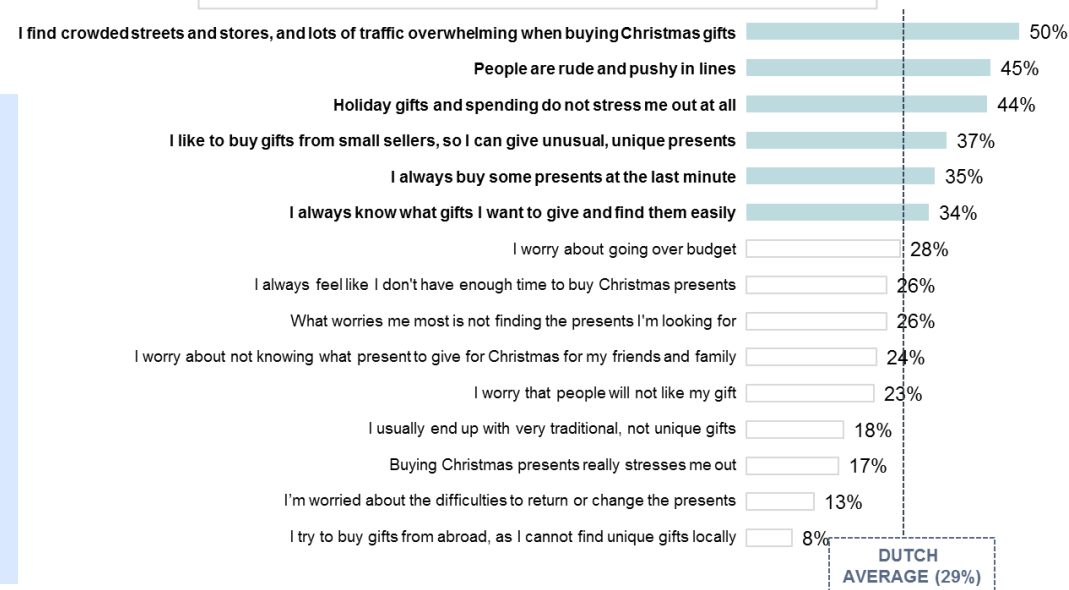


Pain Points of Christmas Shopping DISSATISFACTION AREAS



Clearly, the Dutch have a more relaxed approach to Christmas shopping than the European average: they spend less money around these dates and are less critical with the pain points

Pain Points of Christmas Shopping RANKING



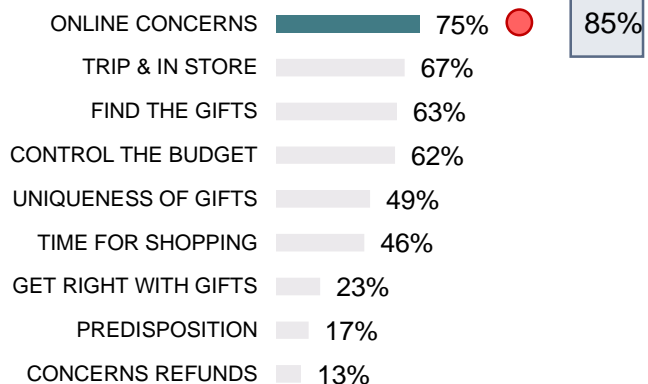
● Above European Average ● On Average ● Below European Average

Summary per Country Online Christmas Shopping



NETHERLANDS

Relevance of the concerns of online shopping



Feelings towards Christmas Shopping Online barriers



● Above European Average ● On Average ● Below European Average

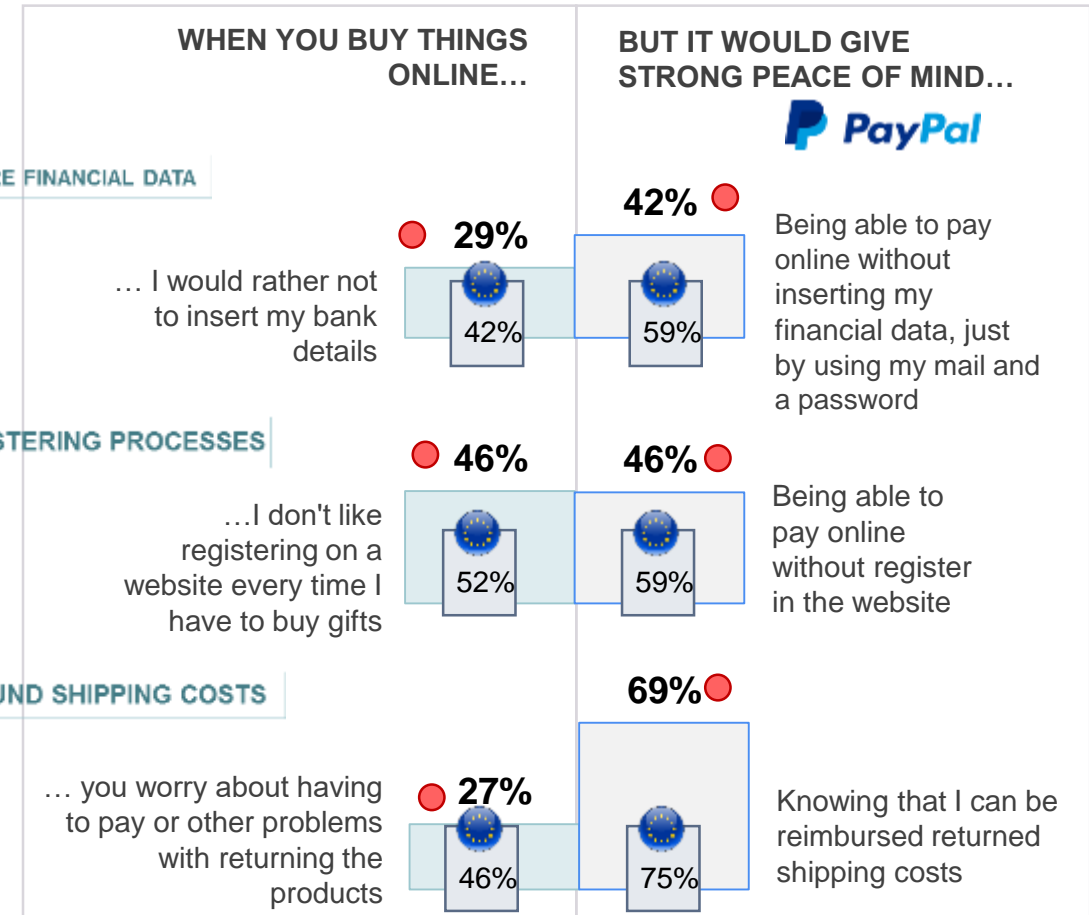
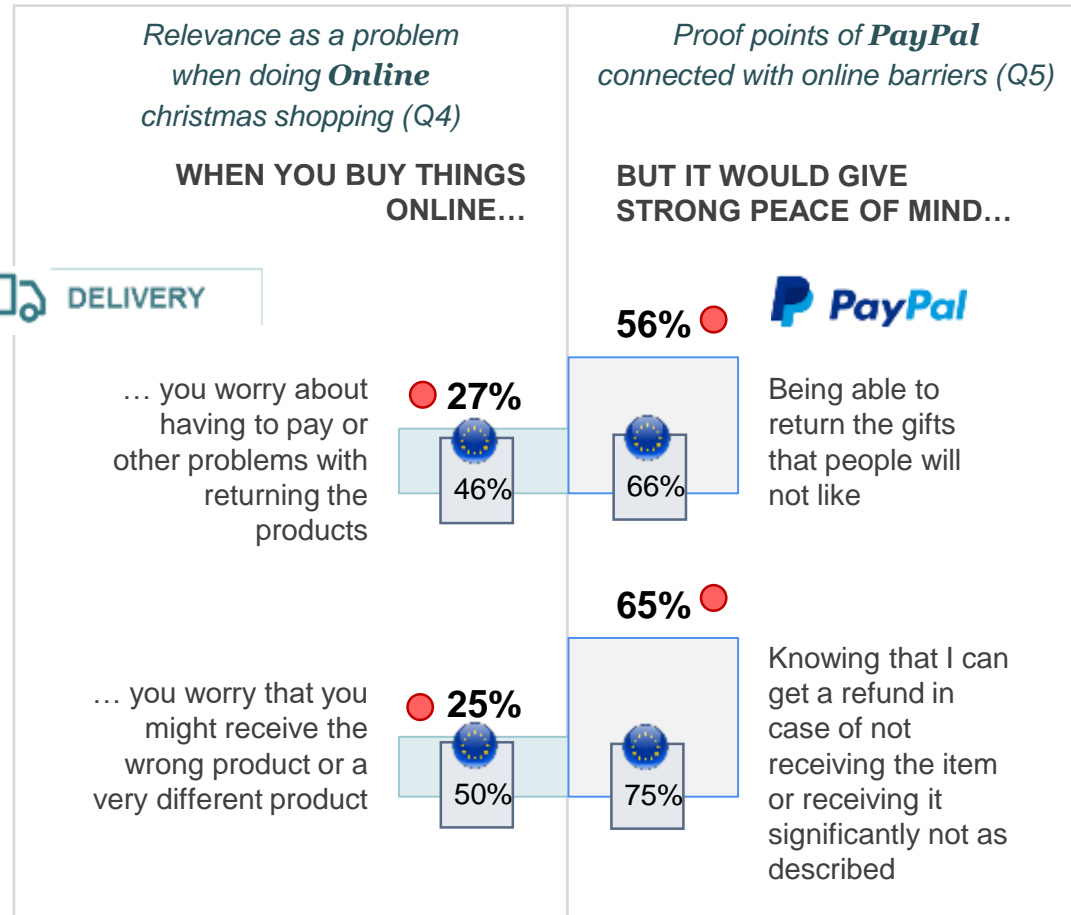
Summary per Country

PayPal as a guarantee while online shopping



NETHERLANDS

Even though the Dutch are less critical with online processes, they have a particularly positive assessment of the proof points of PayPal when it comes to delivery, shipping costs and privacy of the banking details.



% of Strongly agree + Agree on a 5 points scale

% It would really help me+ Quite a lot



● Above European Average ● On Average ● Below European Average

Summary per country

SWEDEN

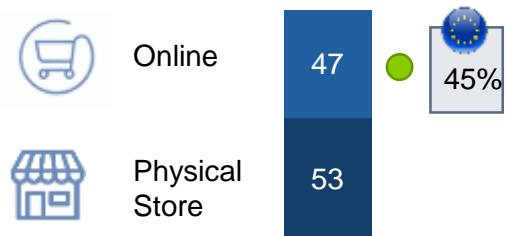


Summary per Country Christmas Shopping Habits

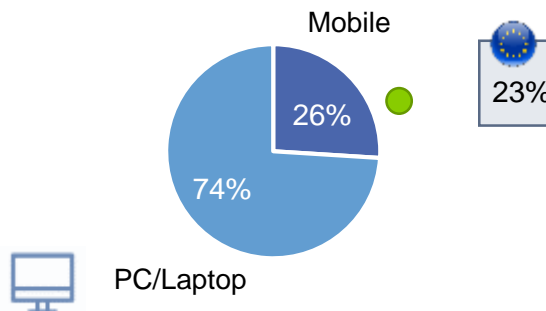


The Swedish are clearly ahead when it comes to digital shopping, international purchases and the convenience of smartphones. However, their use of PayPal is lower than the European average.

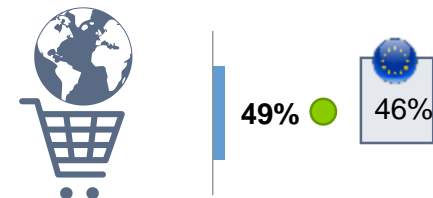
Christmas Shopping Distribution



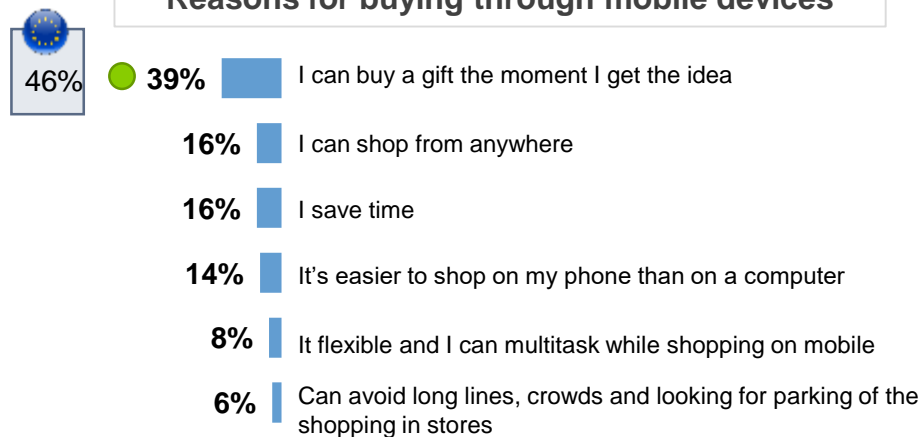
Devices purchases Distribution



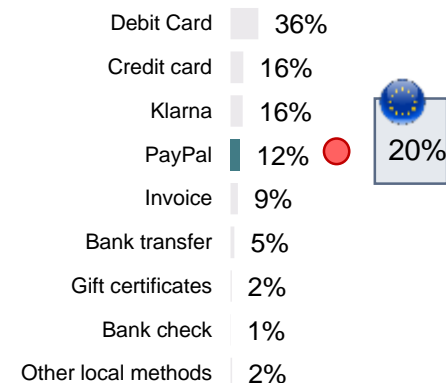
International Purchase Intention



Reasons for buying through mobile devices



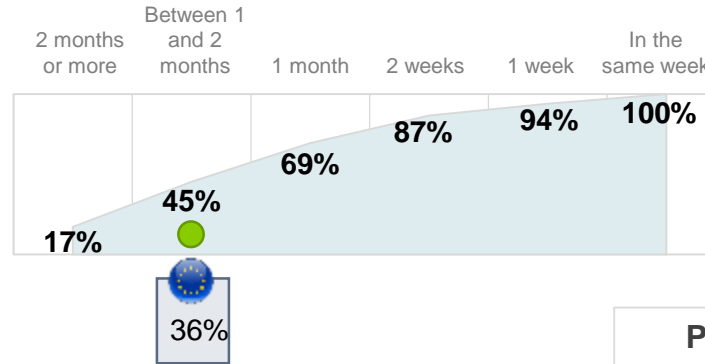
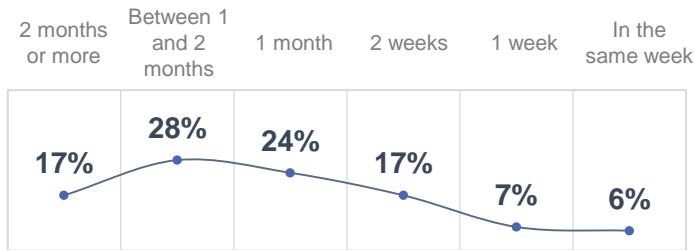
Main online payment method



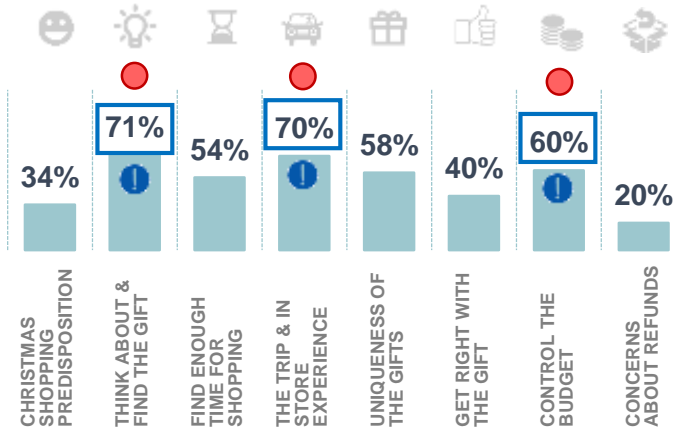
Summary per Country Christmas Shopping



How far in advance do you usually do your Christmas gift buying?



Pain Points of Christmas Shopping DISSATISFACTION AREAS



The Swedish are more relaxed than the European average when it comes to Christmas shopping, although they share the same pain points with the other countries.

Pain Points of Christmas Shopping RANKING



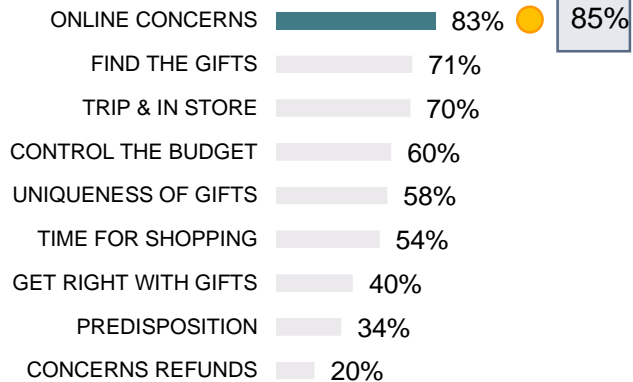
● Above European Average ● On Average ● Below European Average

Summary per Country Online Christmas Shopping



SWEDEN

Relevance of the concerns of online shopping



The drawbacks of online shopping are aligned with the European level. The barriers are linked to shipping costs, registering and quality reinsurance when receiving the products.

Feelings towards Christmas Shopping Online barriers



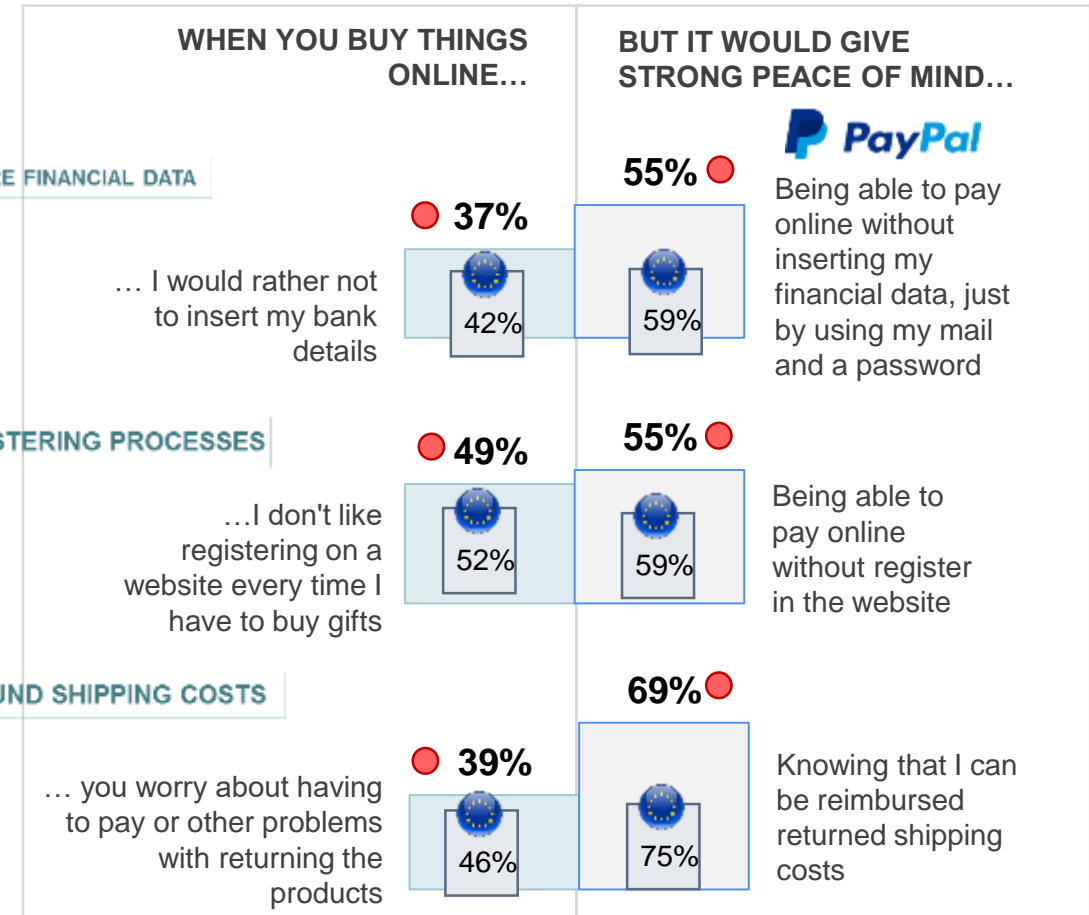
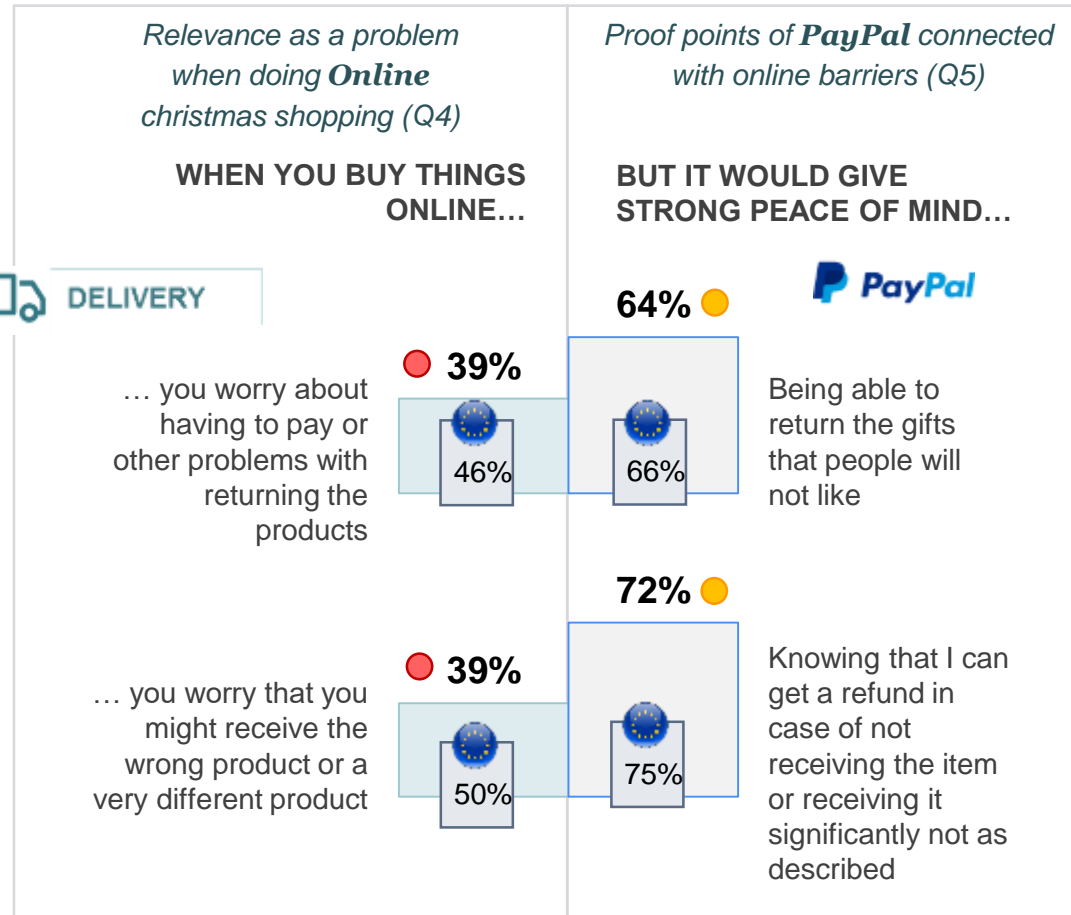
● Above European Average ● On Average ● Below European Average

Summary per Country

PayPal as a guarantee while online shopping



Even though the Swedish are less critical about online shopping than the European average, they have a particularly positive opinion on the proof points of PayPal when it comes to delivery and shipping costs.



Summary per country

ITALY

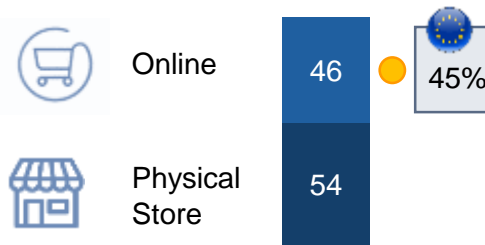


Summary per Country Christmas Shopping Habits

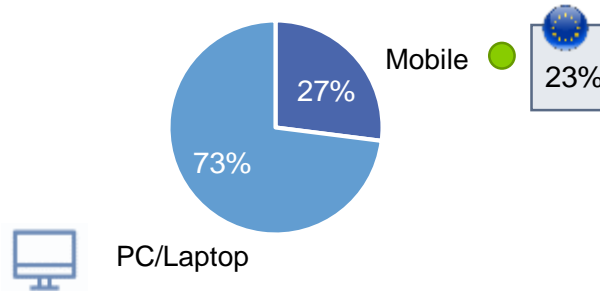


In Italy, the penetration of online shopping is aligned with the European average. However, its population is more open to using their mobile devices, since they really appreciate their benefits (immediacy). PayPal is the primary payment method for online Christmas shopping in the country.

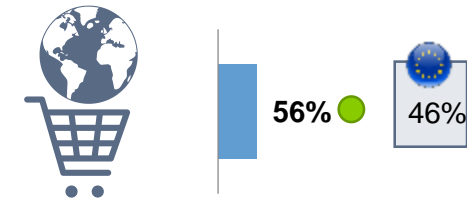
Christmas Shopping Distribution



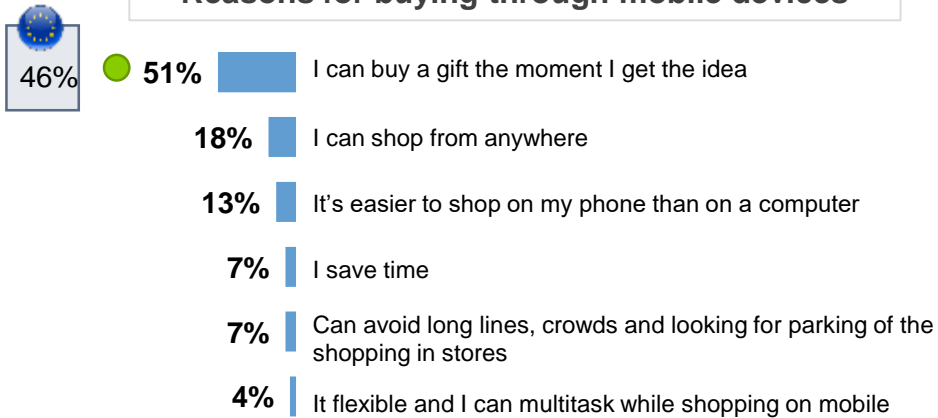
Devices Purchases Distribution



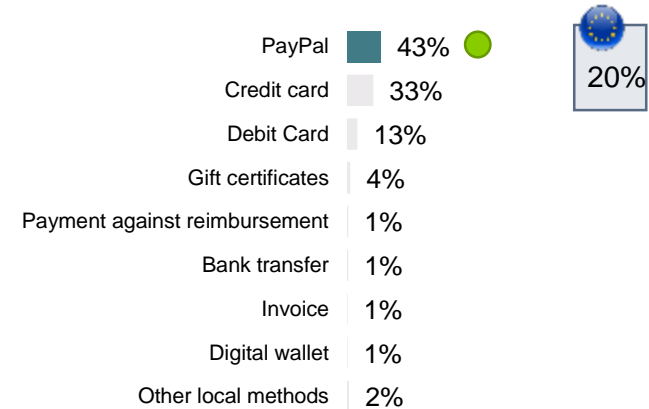
International Purchase Intention



Reasons for buying through mobile devices



Main online payment method

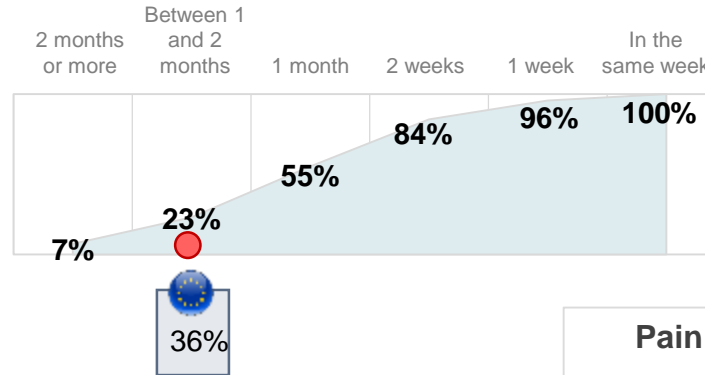
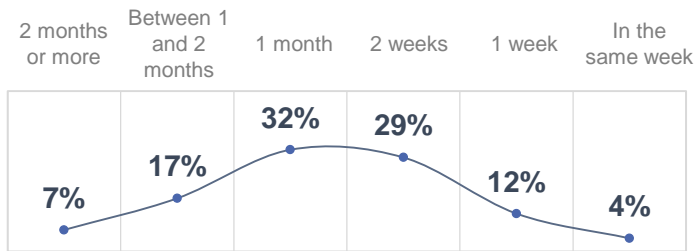


Summary per Country Christmas Shopping

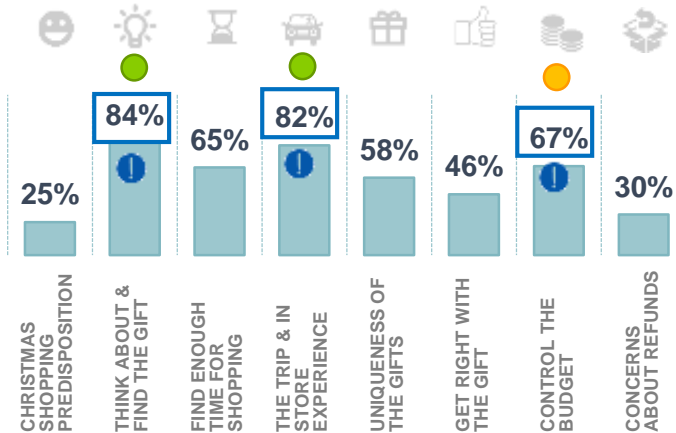


ITALY

How far in advance do you usually do your Christmas gift buying?



Pain Points of Christmas Shopping DISSATISFACTION AREAS



Just like Spain, Italians are not that forward-thinking as consumers. Their expenditure in Christmas shopping is average and they appear to stress more about searching for gifts and the offline experience.

Pain Points of Christmas Shopping RANKING



ITALIAN AVERAGE (41%)

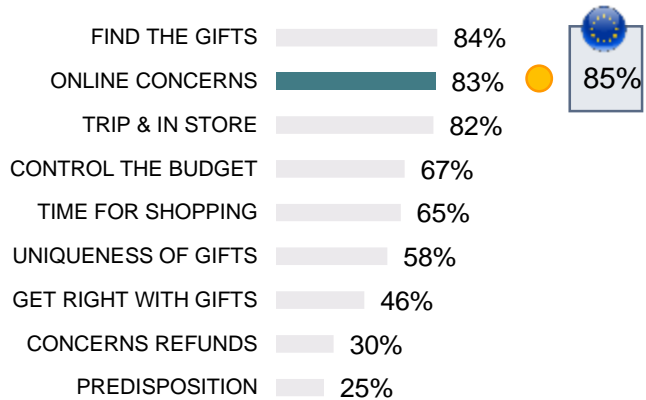
● Above European Average ● On Average ● Below European Average

Summary per Country Online Christmas Shopping



ITALY

Relevance of the concerns of online shopping



What bothers Italians the most when shopping online are shipping costs and sharing bank details.

Feelings towards Christmas Shopping Online barriers



● Above European Average ● On Average ● Below European Average

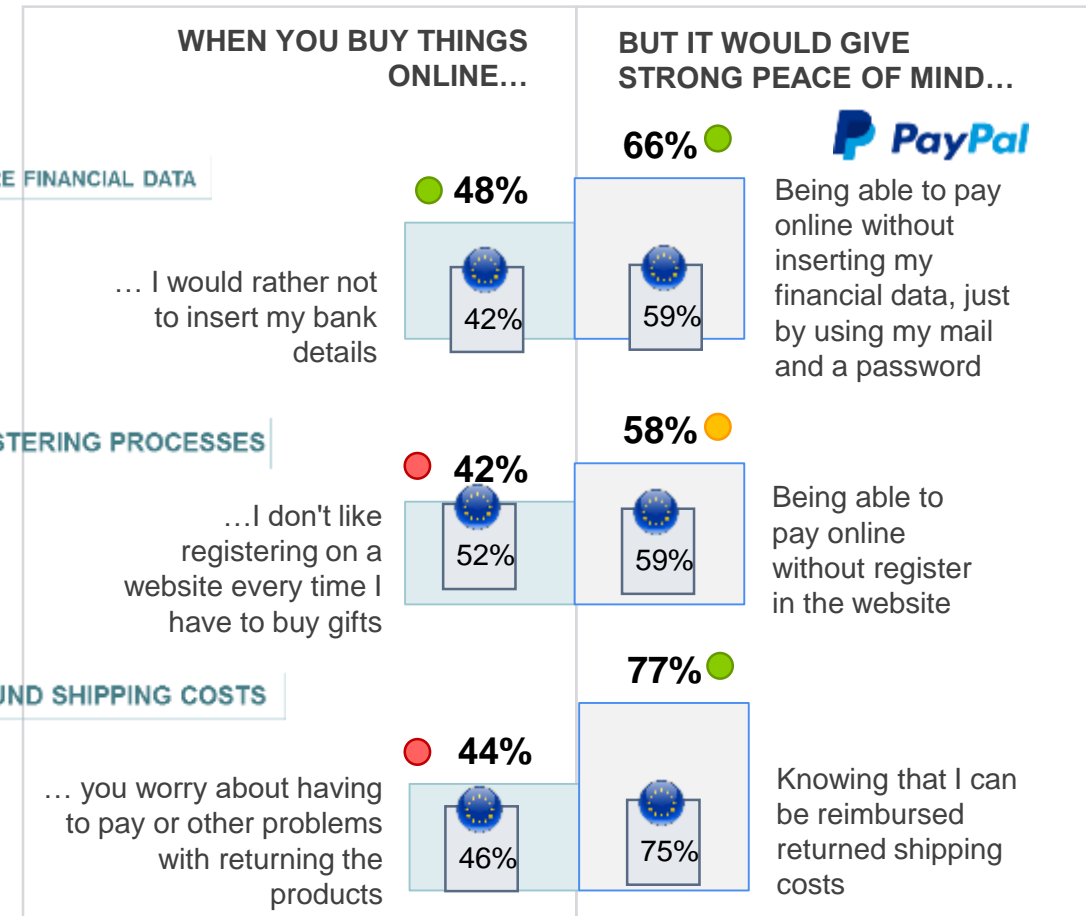
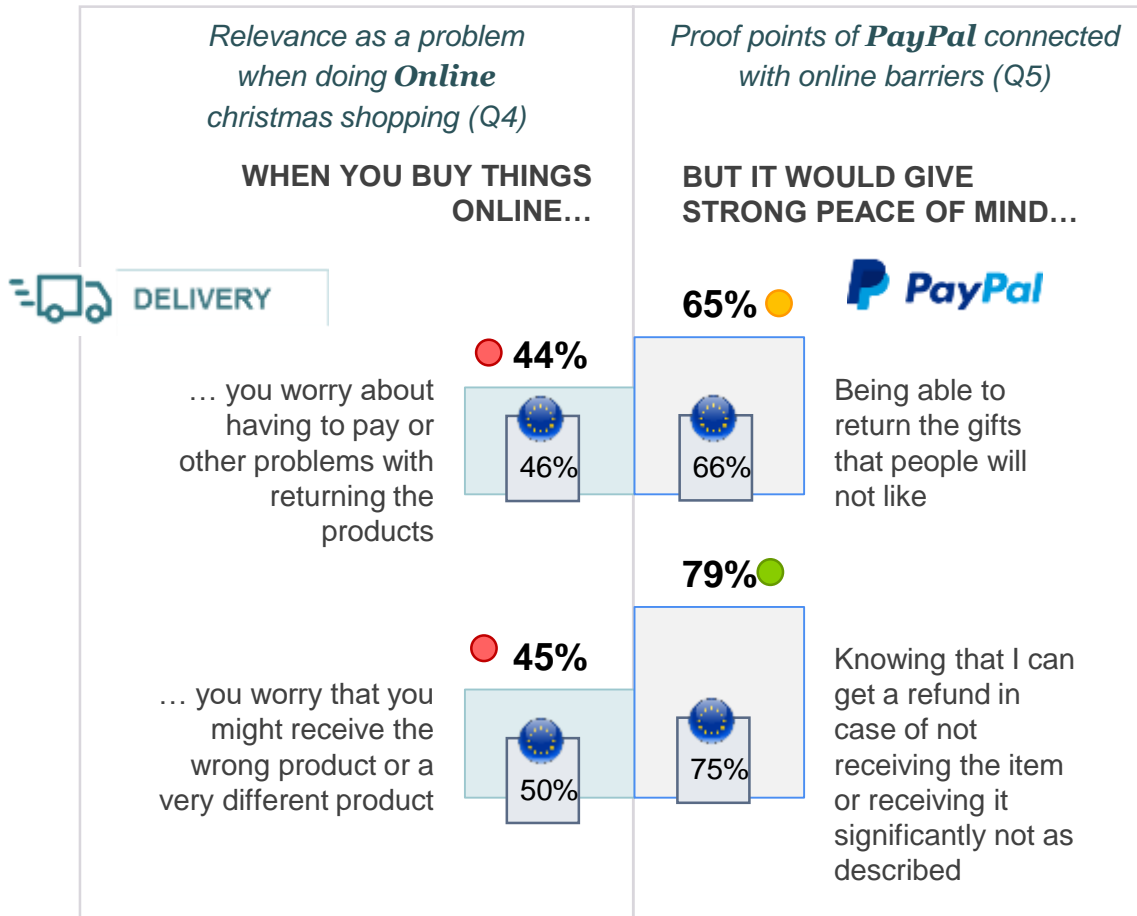
Summary per Country

PayPal as a guarantee while online shopping



ITALY

To Italians, the guarantee of return and refund and the possibility to pay online without sharing their bank details are particularly relevant aspects of PayPal.



% of Strongly agree + Agree on a 5 points scale

% It would really help me+ Quite a lot

● Above European Average ● On Average ● Below European Average



Summary per country

RUSSIA



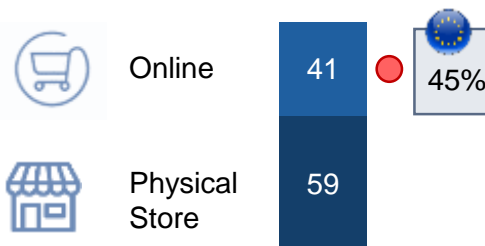
Summary per Country Christmas Shopping Habits



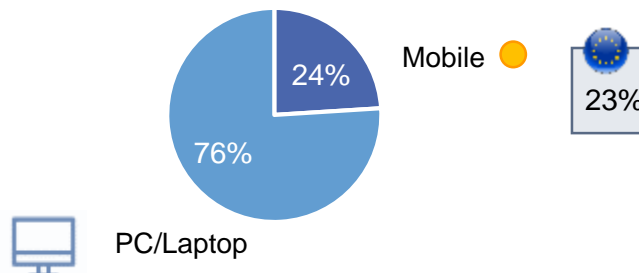
RUSSIA

In Russia, there is still a way to go to create solid habits linked to online shopping. Even though its population is open to international things, it is also reflective and particularly concerned about managing their budget.

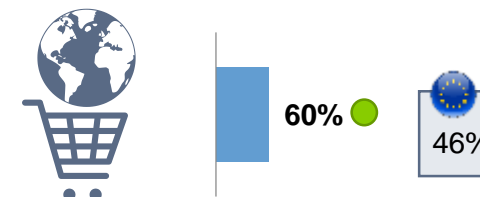
Christmas Shopping Distribution



Devices Purchases Distribution



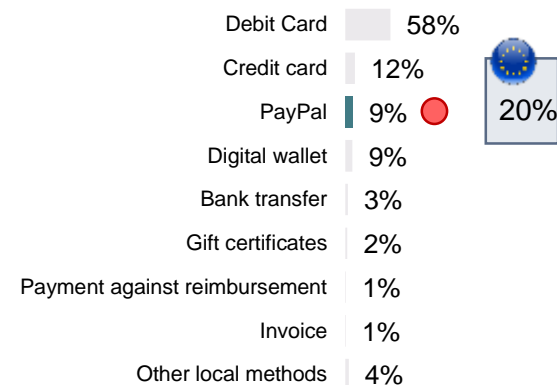
International Purchase Intention



Reasons for buying through mobile devices



Main online payment method

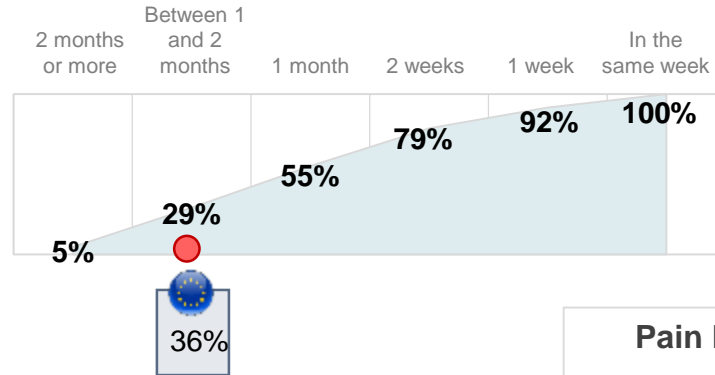
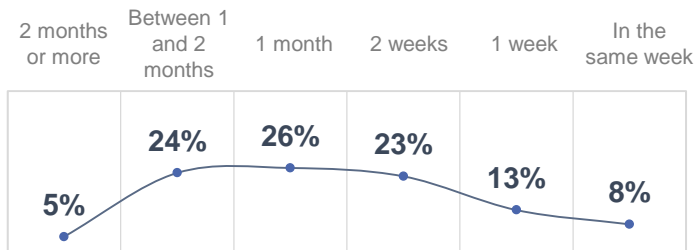


Summary per Country Christmas Shopping

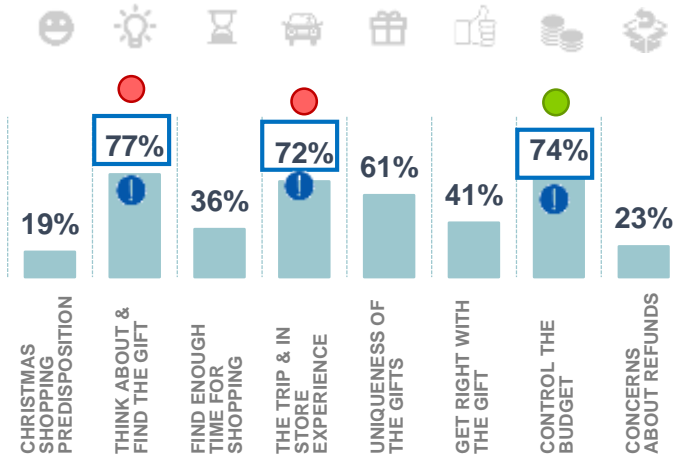


RUSSIA

How far in advance do you usually do your Christmas gift buying?



Pain Points of Christmas Shopping DISSATISFACTION AREAS



The Russians are very concerned about the management of their budget, as well as other issues shared with other countries (finding the gift and in-store experience)

Pain Points of Christmas Shopping RANKING



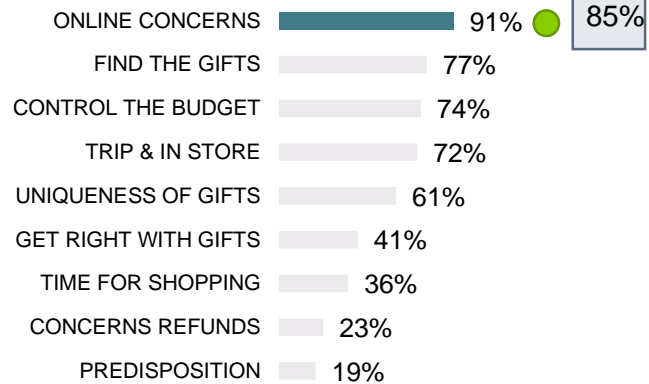
● Above European Average ● On Average ● Below European Average

Summary per Country Online Christmas Shopping



RUSSIA

Relevance of the concerns of online shopping



Their concerns about online shopping become a top concern when it comes to Christmas shopping.

Feelings towards Christmas Shopping Online barriers



● Above European Average ● On Average ● Below European Average

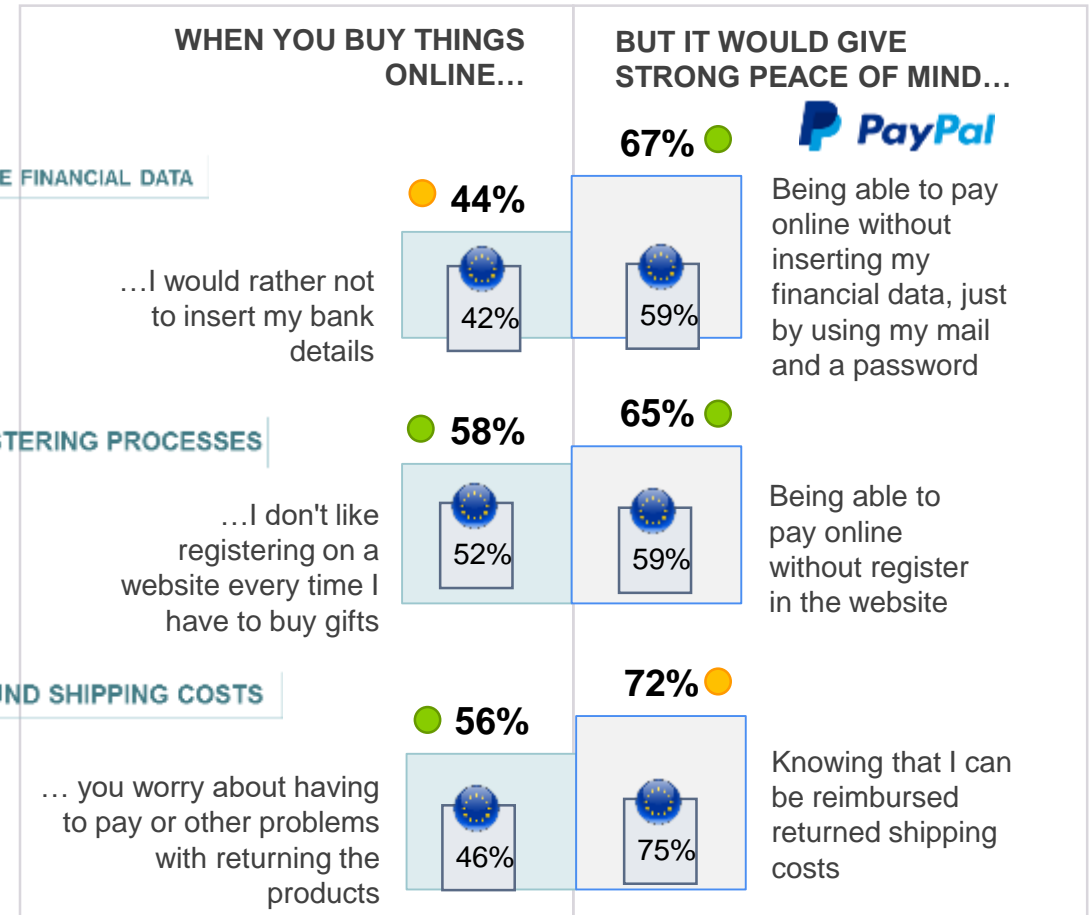
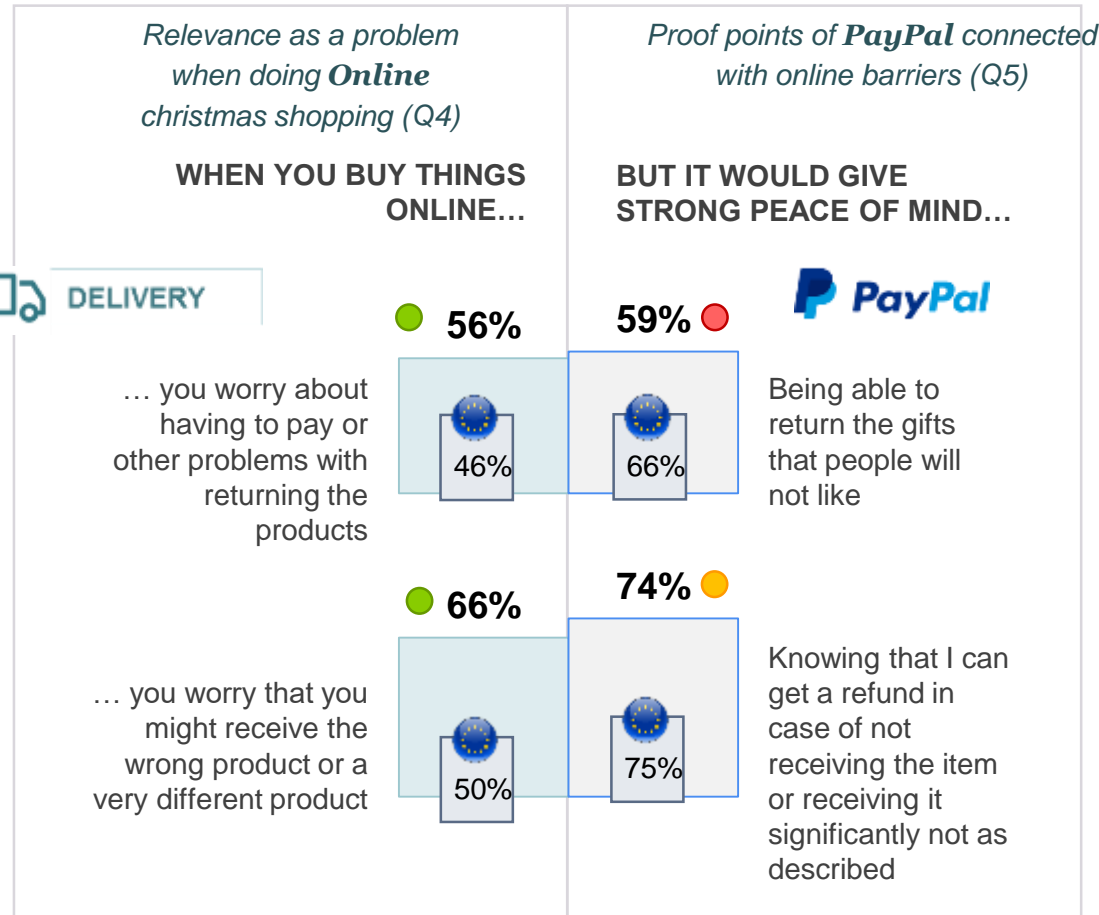
Summary per Country

PayPal as a guarantee while online shopping



RUSSIA

Delivery-related issues are very important to the Russians; they are equally sceptic about the benefits of PayPal. They are very cautious when sharing their personal and banking details.



● Above European Average ● On Average ● Below European Average

Summary per country

POLAND

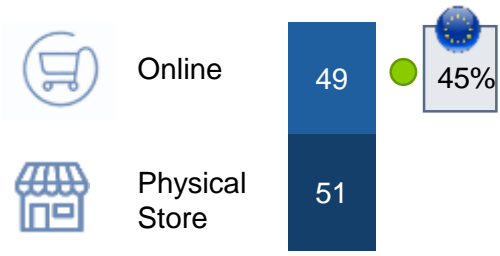


Summary per Country Christmas Shopping Habits

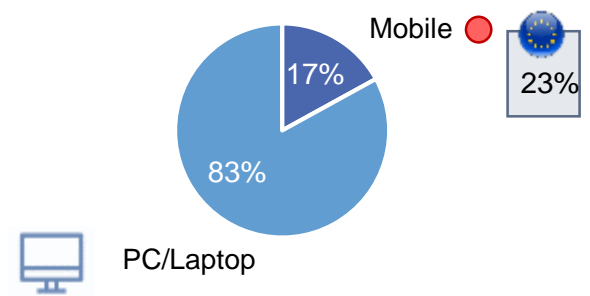


The Polish find barriers to shopping with mobile devices, they are less prone to impulse purchases and their use of Paypal is aligned with the European average.

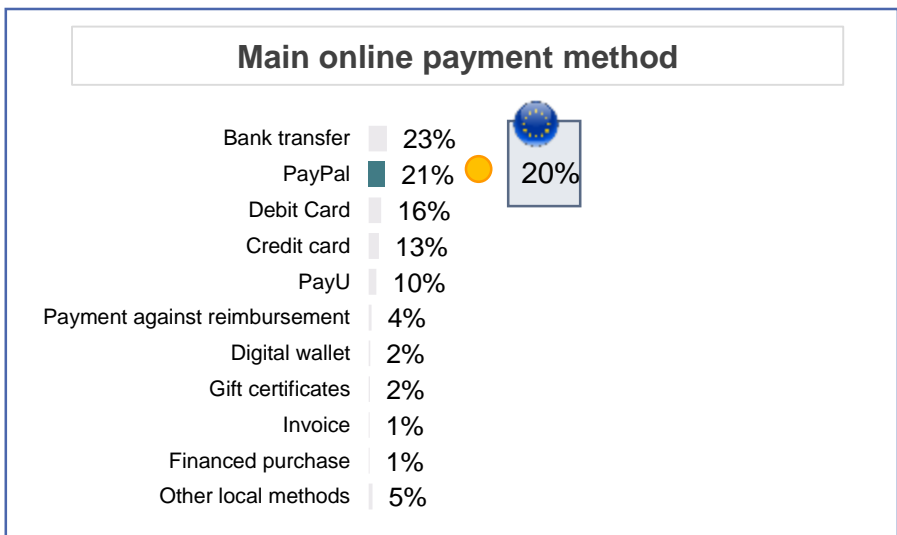
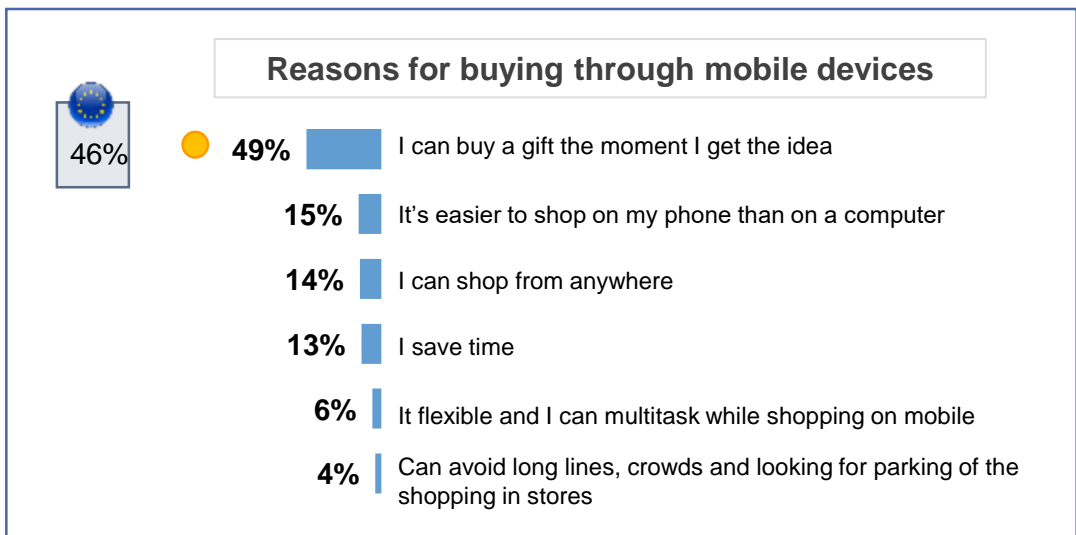
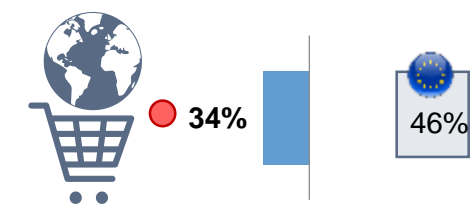
Christmas Shopping Distribution



Devices Distribution



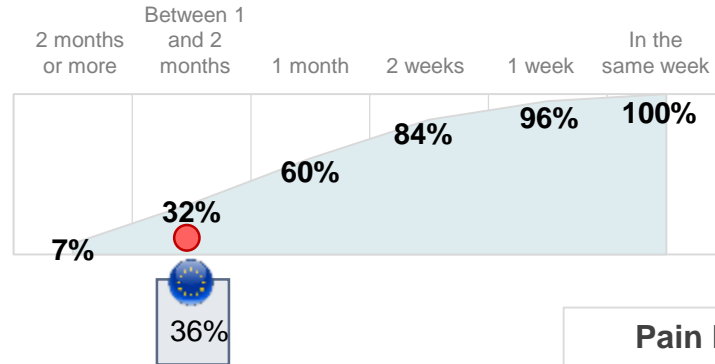
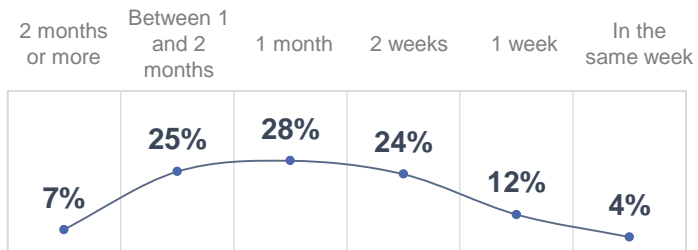
International Purchase Intention



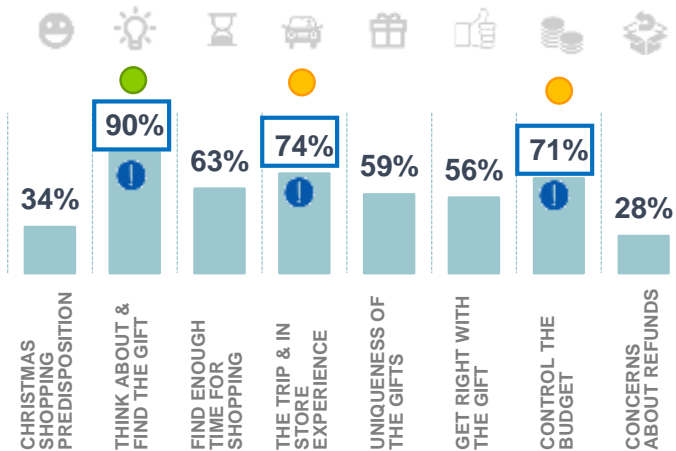
Summary per Country Christmas Shopping



How far in advance do you usually do your Christmas gift buying?

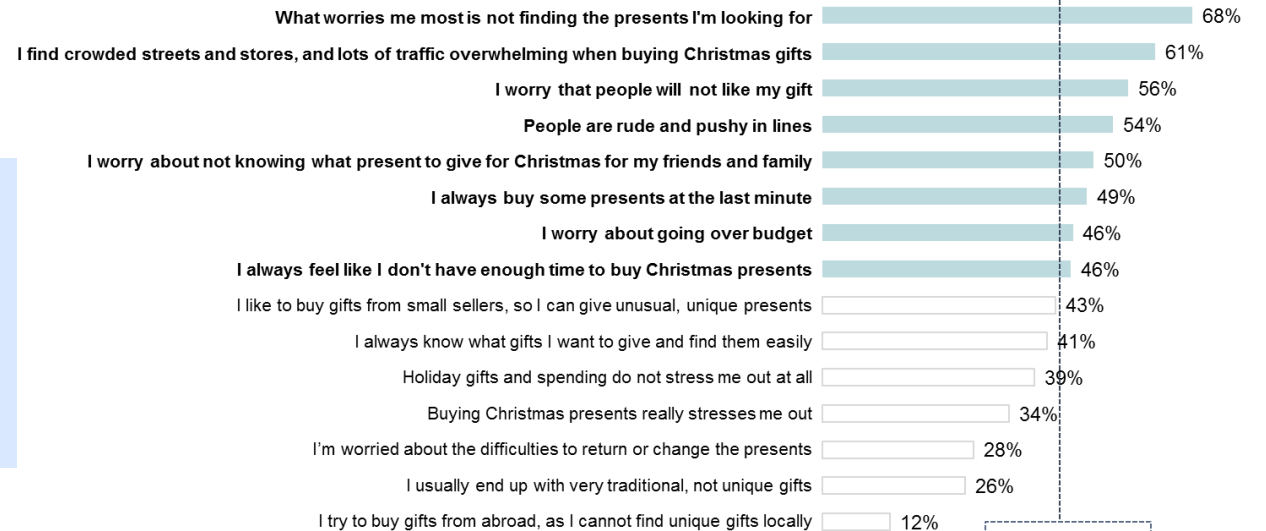


Pain Points of Christmas Shopping DISSATISFACTION AREAS



Poor planning and a limited budget; the main pain point is finding the right gift.

Pain Points of Christmas Shopping RANKING



POLISH AVERAGE (44%)

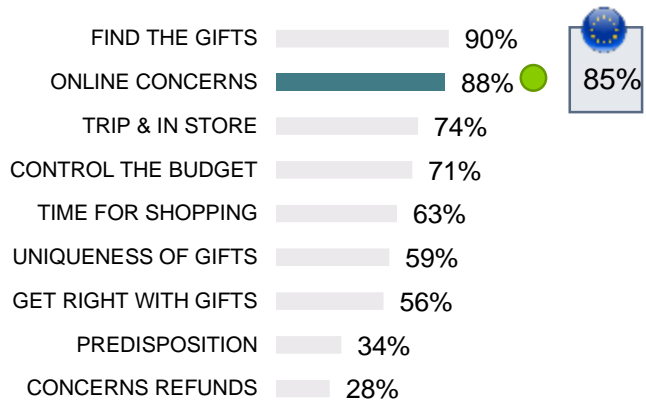
● Above European Average ● On Average ● Below European Average

Summary per Country Online Christmas Shopping



POLAND

Relevance of the concerns of online shopping



Concerned about additional difficulties when buying things online; these worries become a top concern when it comes to Christmas shopping.

Feelings towards Christmas Shopping Online drivers & barriers



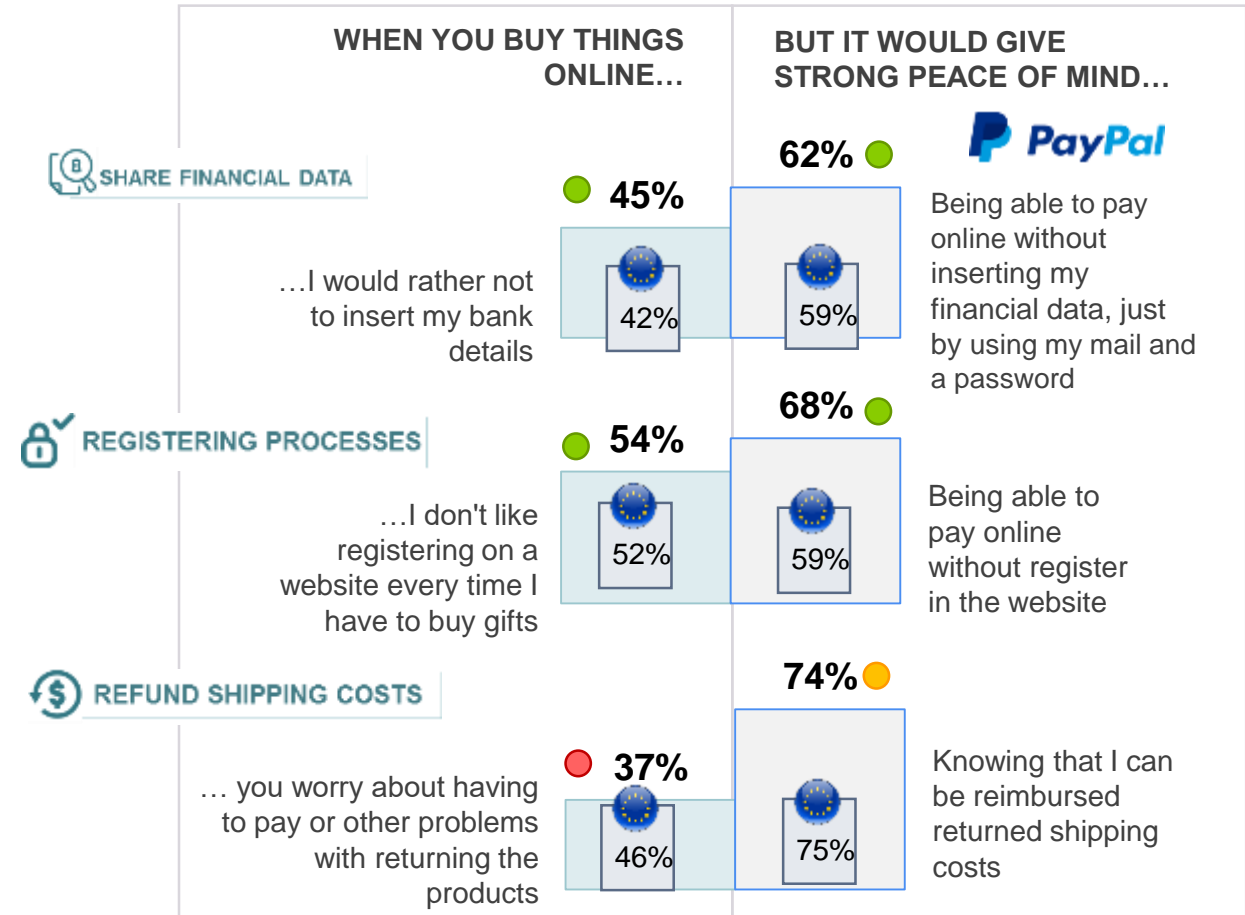
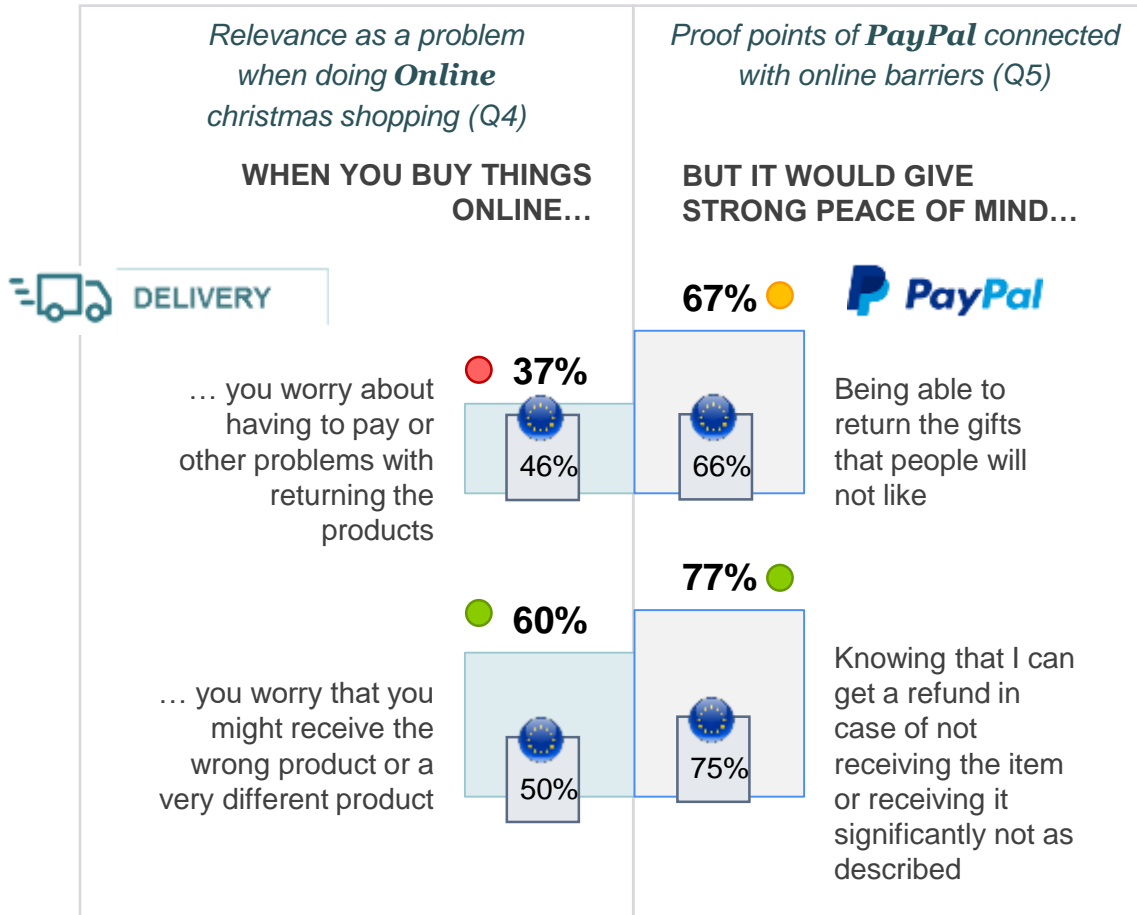
● Above European Average ● On Average ● Below European Average

Summary per Country

PayPal as a guarantee while online shopping



They value very highly any aspect linked to delivery of the items, privacy of banking details and swift online processes.



% of Strongly agree + Agree on a 5 points scale

% It would really help me+ Quite a lot



● Above European Average ● On Average ● Below European Average

Christmas Shopping

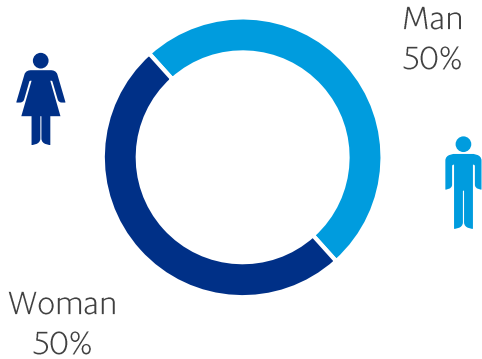
Europe 2017

Technical Specifications

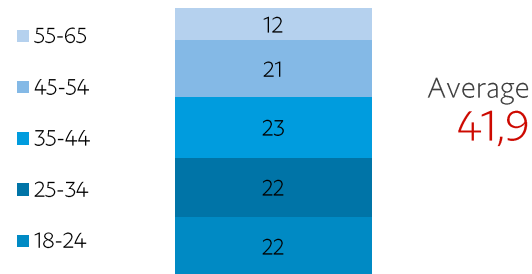
Sociodemographic profile

Sample Size: 7000 interviews across Europe
Sampling error at confidence level of 95%: +/- 3.1%

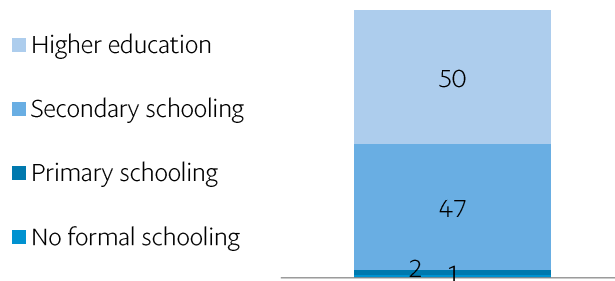
GENDER



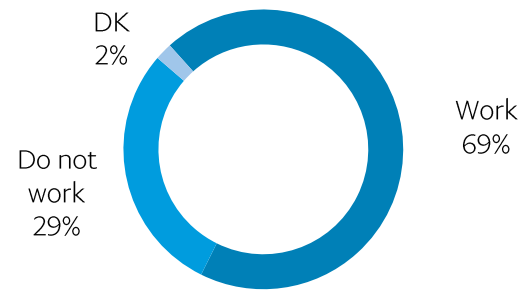
AGE



LEVEL OF EDUCATION

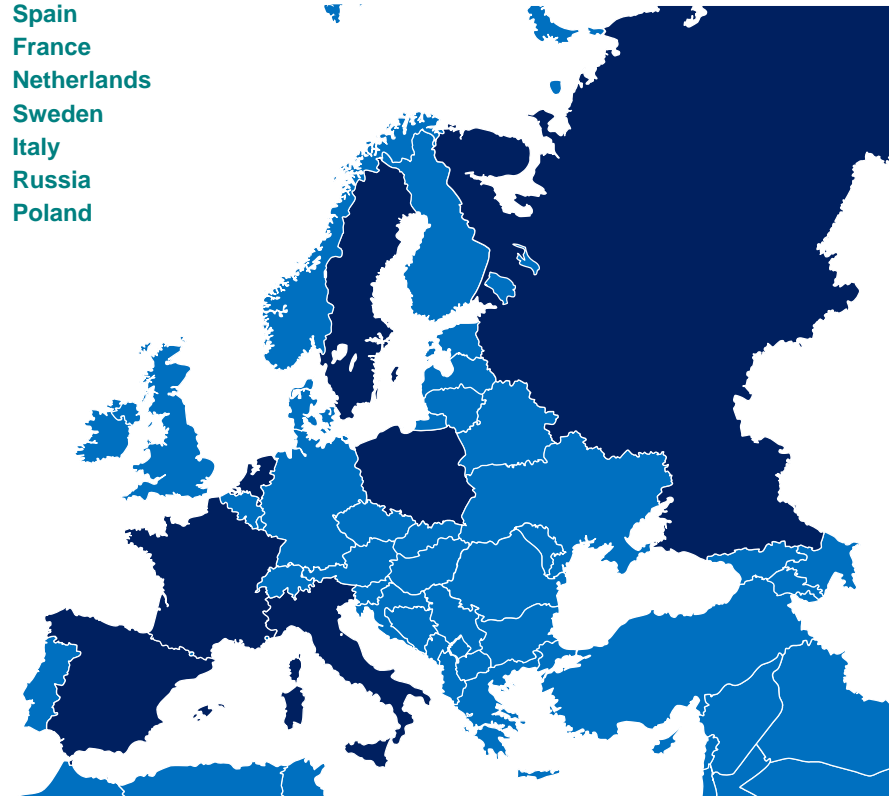


EMPLOYMENT STATUS



COUNTRIES

- Spain
- France
- Netherlands
- Sweden
- Italy
- Russia
- Poland



Thank you