



# How Payments Innovation Can Help Enterprise Businesses Compete, Grow, and Thrive



# Contents

- 03 Executive Summary
- 04 Digital Commerce: The New Reality
- 05 Turning Complex Challenges into Positive Business Outcomes
- 06 Making It Happen: Comprehensive Enterprise Commerce Solutions from PayPal
- 12 4 Ways the PayPal Commerce Platform Can Help Your Business Do More
- 13 Get More from Your Payments with the PayPal Commerce Platform





## Executive Summary

As technology advances and the ways that people shop and make purchases evolve, it's up to businesses to keep pace with ever-changing customer expectations. But many companies still struggle to overcome the obstacles that stand in the way of competing, growing, and thriving in a complex and challenging digital commerce ecosystem. A comprehensive platform solution, such as the PayPal Commerce Platform, can help enterprise businesses access the tools, partners, and processes they need to help achieve positive business outcomes while increasing customer engagement and trust



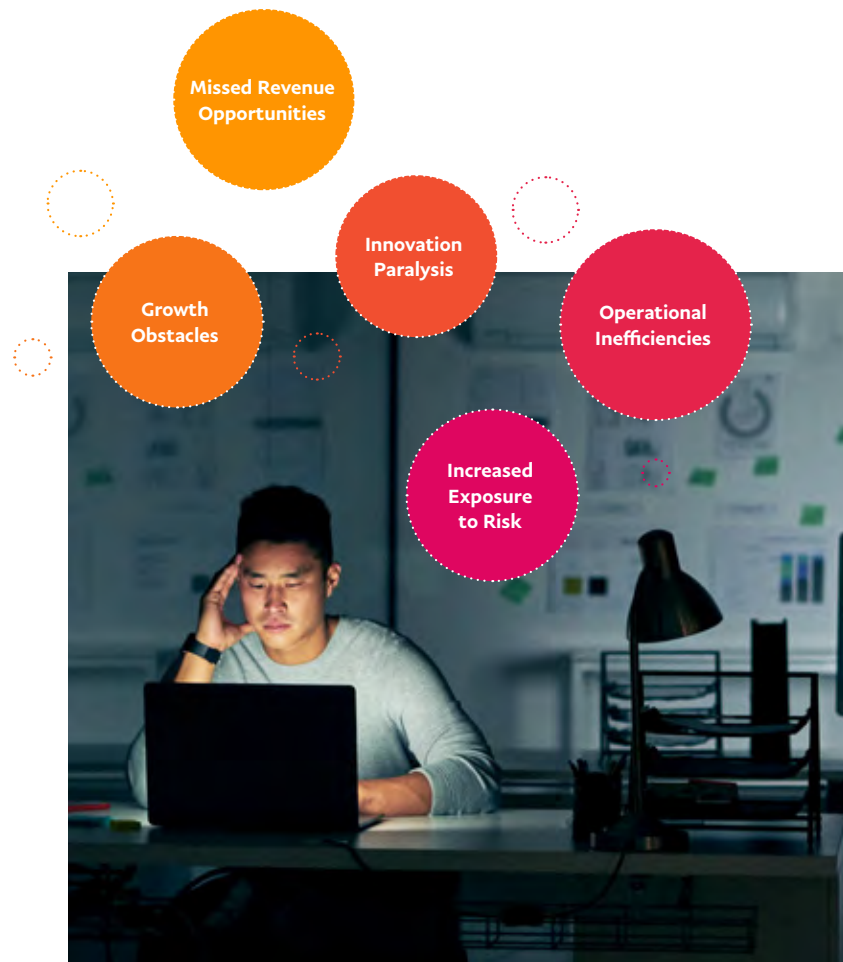
# Digital Commerce: The New Reality

The way that people shop, purchase, and pay for things has changed dramatically – and quickly – in recent years. Smartphones, social platforms, instant delivery, subscription services, and more continue to put online shopping ahead as the fast, convenient, and reliable buying option for most consumers. In 2019, ecommerce sales accounted for 14.1% of all retail sales worldwide,<sup>1</sup> and they're expected to reach 22% by 2023.<sup>2</sup> **With 2.041 billion digital buyers<sup>3</sup> around the globe, online shoppers are a significant audience for almost any enterprise.**

As ecommerce has increasingly become the norm, consumers are holding retailers to higher standards – they demand security, speed, and a seamless experience across channels and devices.

If an online commerce experience doesn't measure up, businesses quickly experience the consequences. While consumers might muddle through a mediocre brick-and-mortar shopping experience to get what they want and go home, a so-so online shopping experience is as easy to abandon as closing an app or browser window. Research shows that 80% of shoppers stop transacting on sites with a poor experience,<sup>4</sup> while the average global cart abandonment rate in 2019 was a staggering 69.57%.<sup>5</sup>

For today's enterprises, this complex, fragmented commerce ecosystem has given rise to significant roadblocks between consumer expectations and competitive business capabilities. Data that's siloed between ecommerce sales and in-store sales can lead to a disconnected customer experience. Opportunities to capture, engage, and upsell consumers get overlooked, while competitors swoop in to take advantage of the fallout. Shifting global regulations make staying up to date with the latest compliance requirements elusive and cumbersome. And at the same time, the ever-present threat of fraud and data breaches continues to grow.



1-2. eMarketer. (June 27, 2019). E-commerce share of total global retail sales from 2015 to 2023 [Graph]. In Statista <https://www.statista.com/statistics/534123/e-commerce-share-of-retail-sales-worldwide/>. Retrieved September 23, 2019.

3. eMarketer. (May 2019). Digital Buyers, by Country 2019, millions. [Graph]. In eMarketer. Retrieved September 25, 2019.


4. The Hard Truth About Acquisition Costs (and How Your Customers Can Save You), updated March 2019.

5. Baymard Institute. (March 28, 2019). Online shopping cart abandonment rate worldwide from 2006 to 2019. In Statista <https://www.statista.com/statistics/477804/online-shopping-cart-abandonment-rate-worldwide/>. Retrieved September 23, 2019.

# Turning Complex Challenges into Positive Business Outcomes

To overcome the challenges of this swiftly changing, hyper-complex market, you need more than a payments processor – you need the right mix of technical capabilities, expertise, and access to help you improve your performance across these five key strategic areas:

- **Help increase conversion rates and customer lifetime value** by delivering fast, seamless, mobile-first commerce experiences that invite and engage your customers.
- **Gain access to new customers and markets** by tapping into new pools of high-value customers and more easily expanding to new geographies.
- **Respond with agility to changing market conditions** to help stay ahead of consumer trends, regulatory changes, and industry innovations by harnessing speed-to-market as a competitive advantage.
- **Help reduce operational costs and improve efficiency** with solutions that allow you to orchestrate your entire payments ecosystem alongside global and local coverage, servicing, and support.
- **Help mitigate risk and simplify compliance** with advanced fraud tools, data-driven decisioning, and built-in compliance assurances.



Help increase conversion rates and customer lifetime value

Gain access to new customers and markets

Respond with agility to changing market conditions

Help reduce operational costs and improve efficiency

Help mitigate risk and simplify compliance



# Making It Happen: Comprehensive Enterprise Commerce Solutions from PayPal

For your business to thrive, you need to harness core capabilities, strategic partnerships, and new technology that can help you drive sales, scale operations, increase reach, and build customer loyalty. And that's where PayPal comes in.

**The PayPal Commerce Platform is an enterprise-grade, modular solution** designed to help businesses leverage payments innovation as a catalyst for growth. Thanks to our massive network of consumers, merchants, partners, and financial institutions, PayPal's global scale, local expertise, processing capacity, and proprietary data insights are unmatched in fintech. Here's what the PayPal Commerce Platform can do for your business.

- Accept payments to help capture more revenue
- Make fast, frictionless payouts
- Navigate modern security challenges with risk and fraud protection
- Leverage unique commerce tools to help accelerate growth
- Orchestrate and optimize an effective payments infrastructure

## The PayPal Commerce Platform



Accept  
Payments



Make  
Payments



Manage  
Risk



Accelerate  
Growth



Streamline  
Operations



The PayPal Commerce Platform



# Accept Payments to Help Capture More Revenue

Consumers value the power of choice, whether it's for their preferred purchase channels or their favorite payment methods. In fact, 30% of shoppers will abandon their purchase if they don't find their preferred payment method.<sup>6</sup> Businesses that offer more options at checkout could see an increase in sales.

Leading the way in online payment volume<sup>7</sup> and shown to outperform other digital wallets in conversion rates by up to 60%,<sup>8</sup> PayPal can help drive your revenue and growth. The PayPal Commerce Platform allows you to accept exclusive PayPal payment types, in addition to credit and debit cards, digital wallets, and local payment methods – all in a single, easy-to-manage integration.

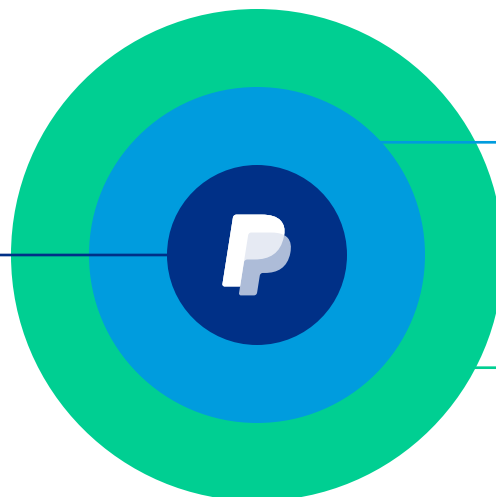
The PayPal Commerce Platform makes it simple to brand, design, and optimize your checkout experience across channels and device types, offering **a seamless, consistent experience no matter where your customers prefer to shop**. In addition, you can securely store customer and payment information and offer single-click payments for repeat customers while simplifying PCI compliance.

Powered by trillions of transaction insights from customers around the globe, the PayPal Commerce Platform can also help you optimize processing and maximize approval rates without compromising security or the user experience.

**STAY SALES-READY WITH PAYPAL'S OPTIMIZED PROCESSING ENGINE**

**Unparalleled Global Network**

- Trillions of transaction data points
- Expansive network of more than 25 million merchants and 325 million active customer accounts
- Deep global banking relationships
- Direct links to card networks



**Fresh Vault**

- Batch Account Updater
- Real-time Account Updater
- Verifications
- Network Tokenization

**Adaptive Processing**

- Real-time Decisioning & Retries
- Robust Risk Filters
- Merchant Advisory
- Ongoing Monitoring and Alerts

6. Ipsos MORI Conjoint Research (US respondents). Methodology: Online survey conducted across seven markets (UK, Germany, Italy, Spain, US, Australia, Brazil) with 1,500 respondents per market/10,500 total respondents (boost in Brazil to ensure 500 PayPal users), including 6,930 PayPal users. Respondents were online shoppers who have made a purchase in the last month, 2018.

7. Koski Research: The Future of Money, Spring 2018. Online survey of 1,000 US adults 18 and over, balanced on gender, income, and generation. 200 older Gen Zers (16-20) not included in total. Results are not weighted.

8. PayPal, comScore Study of Large Merchant Checkouts, April 2018.

## The PayPal Commerce Platform



# Make Fast, Frictionless Payouts

Many of today's business models require the ability to send money to contractors, vendors, sellers, and suppliers – and even back to customers. Our payout solution makes it simple to send rebates, issue fares, payout sellers on a marketplace, send royalties, and more.

**The PayPal Commerce Platform gives you full control and end-to-end visibility of your payouts**, along with the comprehensive reporting you need to validate and confirm payments in real time. Single account consolidation lets you combine multiple settlements into a single payout that is delivered into partner or customer PayPal accounts or Venmo accounts (in the US). Payments can be sent around the world in 30+ currencies, simplifying how you scale and operate in a global economy.





The PayPal Commerce Platform



# Protect Against Fraud and Reduce Risk

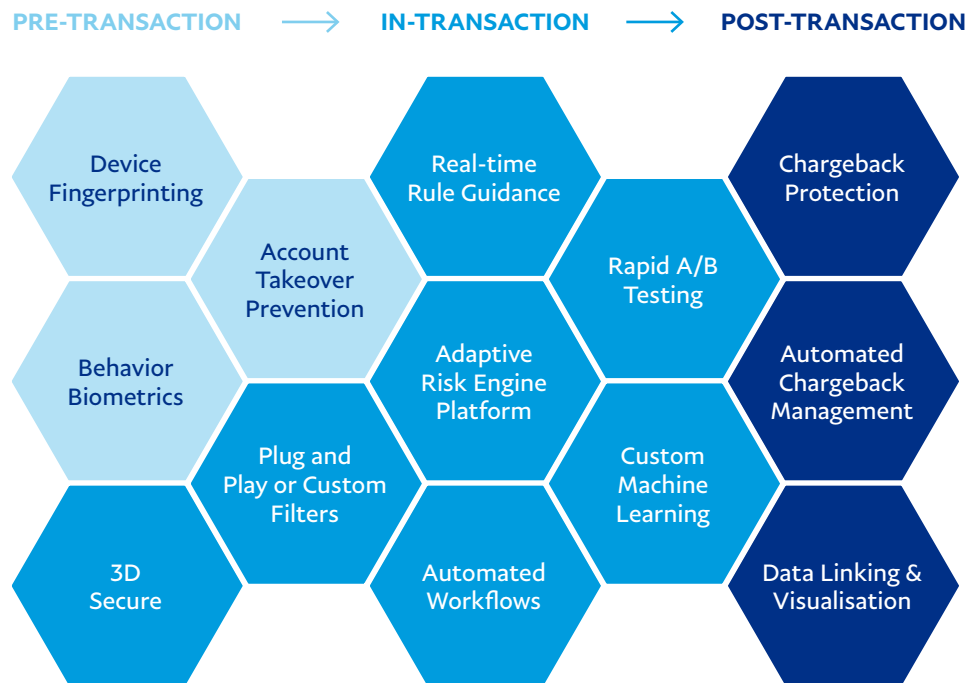
Fraud and risk have always been merchant challenges, but operating in the digital ecosystem presents an ever-evolving set of security obstacles. Sophisticated criminals and fraudsters have a number of tools at their disposal to steal both money and sensitive data. Our powerful, customizable solutions utilize advanced machine learning, automated decisioning, and decades of data-driven insights to help you fight back.

**With one of the largest global payments datasets in the world, PayPal can help your business mitigate risk effectively and strategically.** Our fast-learning, predictive risk algorithm can be tailored to your specific payments infrastructure, adapting in real time to evolving fraud

patterns without causing friction at checkout or increasing the risk of declines on legitimate transactions. And the platform uses automation to help eliminate hours of chargeback representation without the need for additional integrations.

Our ready-built payments interface creates a secure checkout experience that's eligible for SAQ-A PCI compliance validation, while our 3D Secure 2 solution helps you ensure your transactions meet PSD2's Strong Customer Authentication (SCA) requirements. The flexible platform also makes it simple to integrate third-party fraud services or secondary vault providers so you can securely share and store your most sensitive customer and payment data.

**A COMPREHENSIVE RISK MANAGEMENT TOOLKIT**



## The PayPal Commerce Platform



# Leverage Unique Commerce Tools to Accelerate Growth



Innovation isn't a one-time effort – it's a continuous process. That's why your business needs **a payments platform that allows you to innovate and iterate as you explore new channels, markets, and partnerships.**

The PayPal Commerce Platform makes it easier for new groups of buyers to discover your products and services via connections with merchant and channel partners, enabling you to keep pace with the new and native commerce experiences your customers go to next.

You can create unique rewards partnerships to incentivize repeat purchases or engage customers by sending targeted offers to PayPal users who have abandoned their carts. Built-in artificial intelligence helps you analyze and predict customer behaviors to give you the real-time insights you need to customize marketing campaigns and maximize customer lifetime value.

## The PayPal Commerce Platform



# Orchestrate Your Entire Payments Infrastructure

When it comes to payments, you shouldn't be stuck with a one-size-fits-all approach. PayPal makes it simple to design a robust payments infrastructure that's customized to what you may need for your business.

Use our built-in tools – or the partners, systems, and tools of your choice – to **create a commerce network unique to your business and customers**. Make our secure vault the centerpiece of your infrastructure or turn it into a strategic component of your overall payments workflow. Enjoy hassle-free connectivity to your preferred security, redundancy, and processing partners. Customize your integration methodology at the deepest level with a suite of dev-friendly SDKs and APIs. The choice is yours.

Rather than navigating multiple providers, you can manage and settle payment-processing transactions and disputes from a single, streamlined control panel. By putting payments information from all your channels in one place, you can use our robust reporting to make smarter, data-driven decisions about your business.

Not sure where to start? Our global support team has deep technical and business expertise to provide real-world solutions and work with your team to design, implement and optimize your integration.





# 4 Ways the PayPal Commerce Platform Can Help Your Business Do More

- 1 Accept all types of payments:** You won't just be able to accept PayPal, the most widely used online payment method in the world.<sup>9</sup> You'll also be able to accept other exclusive PayPal products like Venmo and PayPal credit, not to mention credit cards, debit cards, and a wide range of local alternative payment methods from around the globe. Going forward, as new payment methods get developed (and used by customers), adding them to your digital store will be as easy as clicking a button – no additional upgrades or complicated back-end integrations required.
- 2 Sell more around the globe:** Sell to customers around the globe (including more than 325 million active PayPal customer accounts) knowing that our platform makes it easy to accept payments in a variety of currencies, payment methods, and on any device.
- 3 Access smart fraud protection:** Our AI-powered platform gets smarter with every transaction we process. And with trillions of transactions processed to date, that's pretty smart. We use that intelligence to help protect you from fraud while ensuring legitimate transactions go through.
- 4 Connect to the best in payments:** Working with PayPal infrastructure means access to a strategic partner with 20+ years of online payments experience, and a global brand trusted by merchants and consumers alike. And the PayPal Commerce Platform gives you a single point of entry to our comprehensive suite of leading payments technology, tools, and data.

9. Market Force Information, Online Survey of 6,518 US Banking Customers, US Adults, August 2017.



PayPal internal data, 2019-2020

# Get More from Your Payments with the PayPal Commerce Platform

As customer needs, expectations, and options continue to grow and evolve, it's up to you to use every tool at your disposal to maximize the growth and competitive potential of your business. Your approach to payments is much more than completing sales – it can be the differentiator your business needs to win.

With **more than 325 million active customers and 25+ million merchants globally**, no other payments partner can match PayPal for global scale, local expertise, processing capacity, and data insights. And that means PayPal can help uniquely position your business to grow, compete, and thrive in today's digital commerce landscape.



The information in this whitepaper has been prepared by PayPal and is for informational and marketing purposes only. It does not constitute legal, financial, business, or investment advice of any kind and is not a substitute for qualified professional advice. You should not act or refrain from acting on the basis of any content included in this whitepaper without seeking the appropriate professional advice. The contents of this whitepaper contain general information and may not reflect current developments or address your situation. PayPal disclaims all liability for actions you take or fail to take based on any content in this whitepaper. Although the information in this article has been gathered from sources believed to be reliable, no representation is made as to its accuracy. This whitepaper is not an endorsement or recommendation of any third-party products or services of any kind.

© Copyright PayPal 2020. All rights reserved.