



Enhancing Convenience: Co-op's Online Grocery Success with PayPal

Co-op is one of the world's largest consumer co-operatives with millions of members across the UK. Today, Co-op has over 2,400 food stores. They are a recognised leader for their social goals and community-led programmes. They exist to meet members' needs and stand up for the things they believe in. So, the more successful they are, the more they can give back to the local community, putting principles before profit.¹

For Co-op, online grocery sales have skyrocketed thanks to their optimised website and quick delivery. We spoke to Chris Conway, eCommerce Director at Co-op, to hear how they are embracing payment technology to deliver first-class service to their customers.

PayPal drives a **higher frequency** of purchases.²

10% of customers use PayPal.²

PayPal delivers a **diverse demographic**.²



The opportunity.

Streamlining checkout while offering more ways to pay.

In developing a roadmap for its online shopping experience, Co-op prioritised a smooth, simple flow for customers.

Co-op's approach to the navigation of their site is very much around optimising the buying experience. Their goal is to surface the right products for customers at the right time. As Chris Conway notes, "We just want to make it really easy for them to add those items to their basket."

And Co-op's customer focus goes beyond driving basket size. It's also about minimising drop-off across checkout by making the experience seamless. Co-op is committed to growing the reach and scale of its offer, and creating value for its member-owners, rolling out member price benefits across its online shop this year. Offering their customers choice of payment was also important.

Critical to being member-first was offering alternative payment methods. Co-op needed a solution to enhance checkout and help grow their customer base.

The solution.

PayPal helps deliver new customers and a convenient checkout.

Co-op integrated PayPal early in their journey to enhance the payments experience and drive growth.

With PayPal, shoppers don't have to enter their card details every time they check out. This speeds up the checkout process whilst helping acquire new customers. Chris emphasises, "For any business that wants to acquire customers effectively and efficiently, PayPal is a great way to do it."

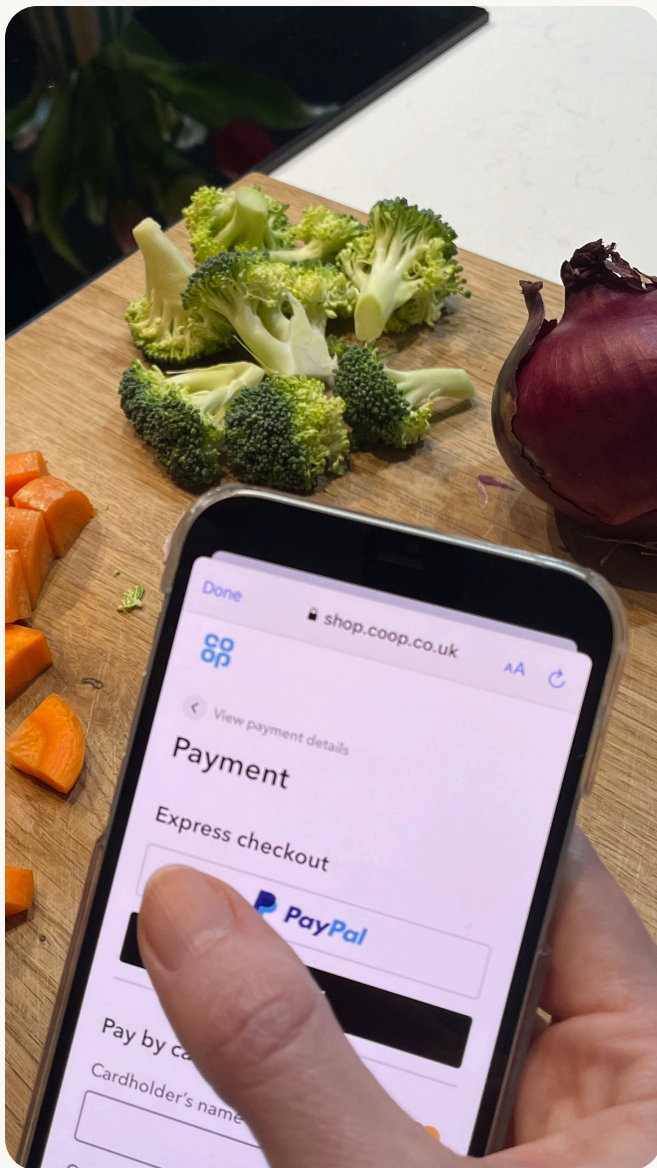
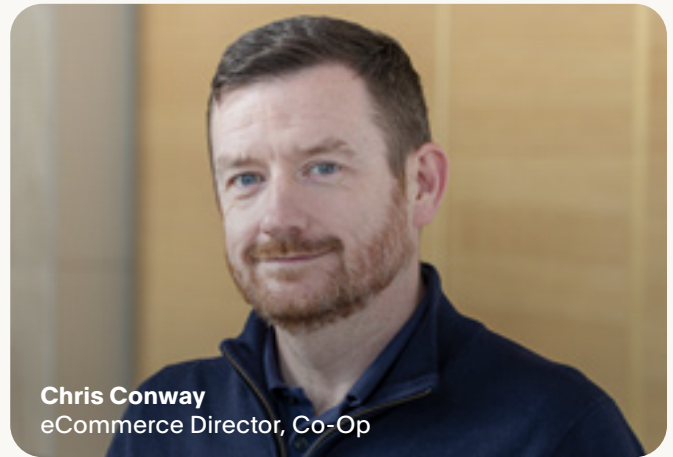
As a trusted brand, PayPal is recognised for working hard to keep payments secure, a key priority for Co-op's online channel, and they've seen widespread adoption of their customers choosing it. "PayPal is trustworthy. It's got a large customer base that trusts it and uses it a lot. That's why we chose PayPal."

As Co-op has expanded with various delivery services, alternative payments like PayPal are essential. "PayPal aligns perfectly in terms of what we're trying to do from a customer experience lens because we want to make it as seamless and simple a transaction as possible."

PayPal has played a part in delivering a diverse demographic to Co-op which is a key factor of their growth strategy. "With our quick service delivery, pop-ups, festival integrations and Co-op Live we are appealing to a younger demographic. We see PayPal over index in the younger demographics," emphasised Chris.



PayPal is a technology company that's enabling a secure, quick, and easy payment. That's exactly what people want and need.



The impact.

PayPal helps deliver high revenue.²

The implementation of PayPal by Co-op led to fast checkout and a speed of adoption that Chris described as “incredible.”

10% of Co-op customers choose PayPal as their preferred method of payment. Co-op also saw higher conversion rates with PayPal than other payment methods. “Our revenue through PayPal is growing at a slightly higher rate than our revenue through other payment methods. We have year-on-year and week-on-week comparisons by payment method, and PayPal is our highest year-on-year growth.”³

Approximately 70% of Co-op transactions are from their members. Chris describes these shoppers as Co-op champions who are more likely to use PayPal. “It creates this kind of cyclical process of a champion shopper who shops frequently and uses PayPal. That then breeds this behaviour of a more valuable customer,” said Chris.

Working closely together with PayPal has also helped Co-op build brand awareness and adoption. Chris explains, “When we integrated PayPal, we did a joint marketing campaign that enabled us to reach a much broader audience quite quickly.”

Co-op found PayPal’s expansive network to be instrumental to their growth. “The fact that we were able to talk to PayPal’s existing customer base and tell them about our proposition was invaluable to us. The return on investment for us from a new customer perspective was great, and we were really pleased with that collaboration.”

The all-round benefits are perhaps best summed up by the one-word Chris used to describe PayPal, easy. “PayPal makes it easy for us. And it’s easier for consumers – and that’s the Holy Grail for our business.”

¹ Source: <https://www.co-operative.coop/about-us/our-co-op>

² Data source from Co-op interview, June 2024.

³ Data source from Co-op, Q2 (Apr-Jun) 2024.