

Common-Sense Planning for Uncommon Times

How the right payment platform can help your business remain resilient and thrive during an economic downturn.



Plan ahead for tomorrow to navigate today's uncertainty.

It's impossible to predict the future but it's not impossible to make plans based on your best read of the present. If a quick survey of headlines tells you that stubborn inflation and tightening budgets point to a likely economic downturn, you're not alone.

A recent survey by the Conference Board found that 93% of business leaders were preparing for a recession in the next 12 to 18 months.¹ And with inflation hitting everything from food to fuel, consumer sentiment sunk to an all-time low over the summer, according to a McKinsey study.²

There's a lot about business you can't control, which makes planning for what you can control all the more urgent when economic forecasts turn gloomy. Now is the time to make sure your payment platform delivers resilience and fosters innovation no matter what the future holds.



Prioritize your business needs by what your customers want.

The first stage of a planning and prioritizing process is deciding the order to tackle challenges. But in a business landscape where economic conditions, technology, and customer preferences are constantly evolving, prioritizing can be tricky. It's hard to take aim at moving targets.

Sometimes it can be useful to know what your customers want before you draw up a list of priorities and allocate budgets. It can also be instructive to know what your customers don't want.

IDC recently surveyed customers to better understand their priorities and preferences; the results can guide businesses as they tailor their payment strategy for next year.³ More precisely calculated adjustments to the payment stack allow businesses to realize bigger returns on investment at a time when budgets are tightening.

Here are the top 5 frustrations for online shoppers:

- 1 Not knowing final costs before reaching the checkout page
- 2 An inability to reach customer service
- 3 Lack of inventory availability and visibility
- 4 Online experiences that require too many clicks
- 5 A preferred payment method is not accepted at checkout

Not all of these obstacles to a smooth buying experience can be solved by changes to the payment stack. But a comprehensive platform solution can help enterprises drive more conversions, increase engagement, and forge deeper bonds of trust with customers.

People want choice. They want a range of goods, channels, and ways to pay.

That's why we've made it as simple as possible for businesses to accept PayPal payment types, credit cards, digital wallets, local payment methods, as well as offer buy now, pay later (BNPL) methods in a single, easy-to-manage integration. PayPal outperforms other digital wallets by up to 60% in conversion rates,⁴ which means we can help you drive revenue even as economic headwinds threaten to slow growth.

Of course, not all payments businesses manage are inbound. Fast and frictionless payouts to vendors, suppliers, and customers are also vital to the success of an enterprise. PayPal gives businesses end-to-end visibility of payouts and the detailed reporting required to validate and confirm payments in real time. And the ability to make payment in more than 30 currencies gives enterprises more flexibility in a global economy.



Customers will choose your business if you give them more choices.

An economic downturn will call on businesses to provide more flexibility — not just in how customers pay, but when they pay.

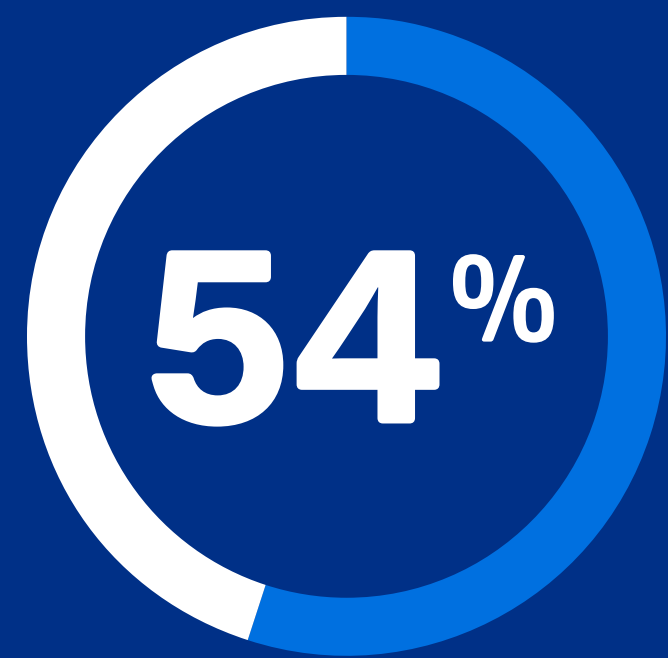
To help your business drive conversions and build loyalty, PayPal provides short-term interest-free payments and longer-term monthly installments that give businesses payments upfront while providing flexibility for their customers.

PayPal Pay Later enables shoppers to make purchases over installments without interest (in selected countries), sign up or late fees. PayPal Pay Later is protected by PayPal's deep commitment to responsible lending and is available in the US, UK, France, Germany, Italy, Spain and Australia, at no additional costs to your business.

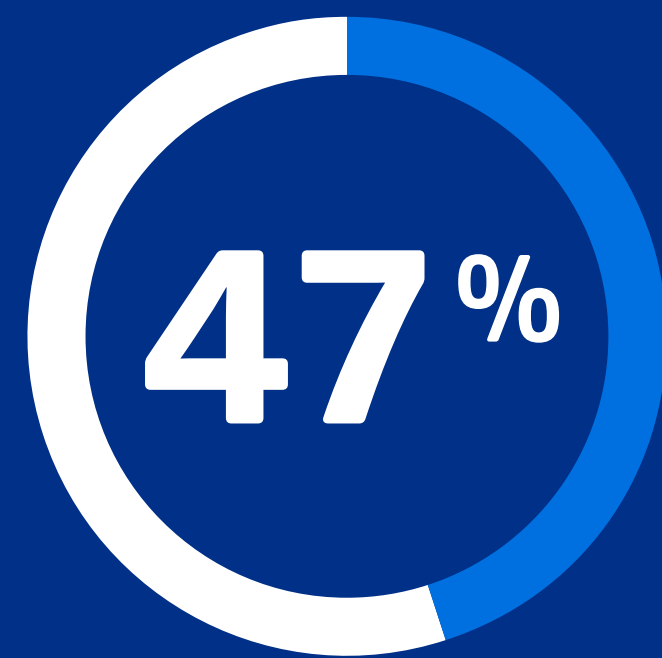
Our business is built on putting customers first and that means protecting their financial well-being. PayPal Pay Later decisions are informed by data points that range from credit bureau reports to proprietary information like individual spending history. And all Pay Later transactions are backed by the PayPal security that people and businesses already know and trust.



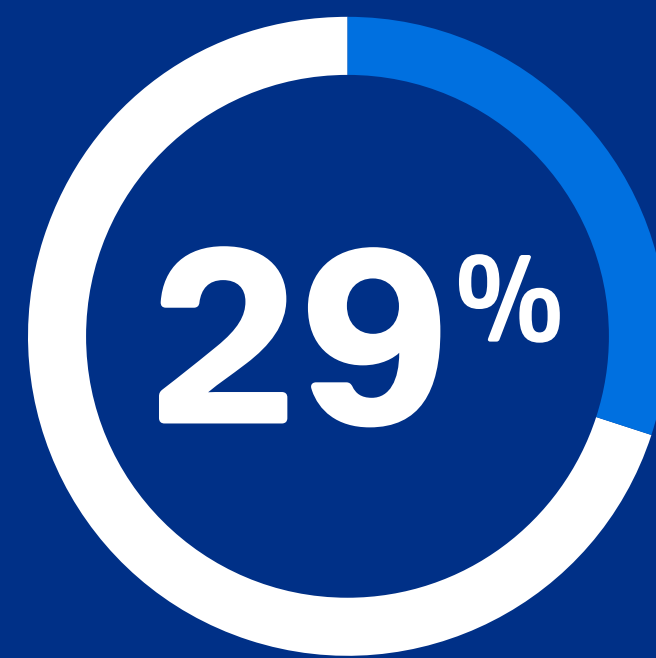
Preference for PayPal Pay Later options, where they are available:⁵



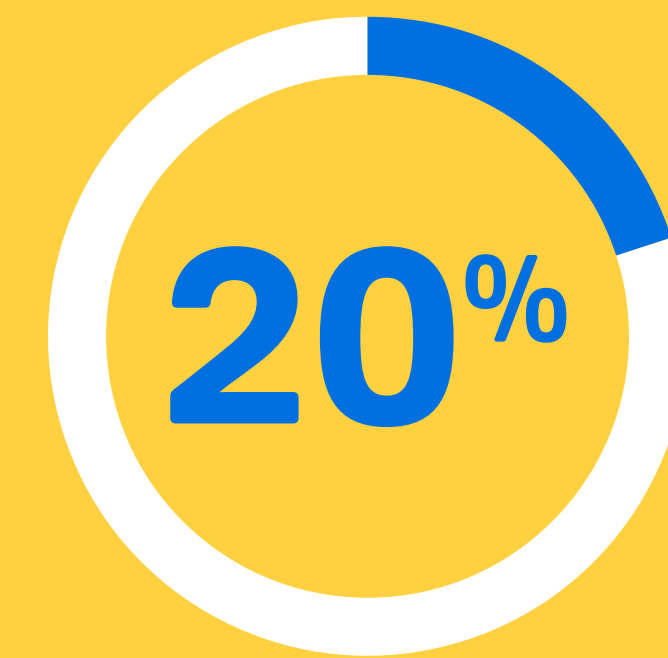
Germany



France



UK

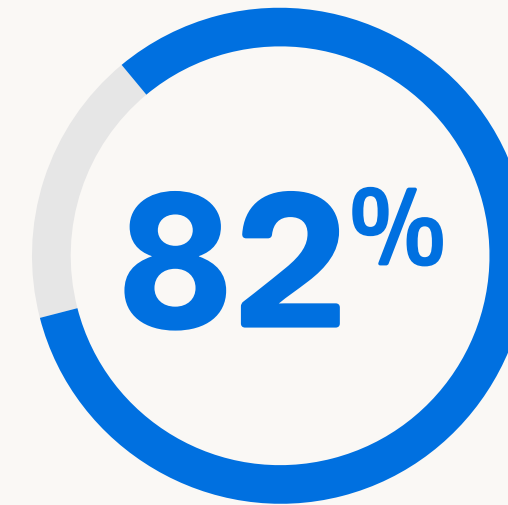


In Australia, **20%** of respondents surveyed said that they have used BNPL services in the past 6 months.

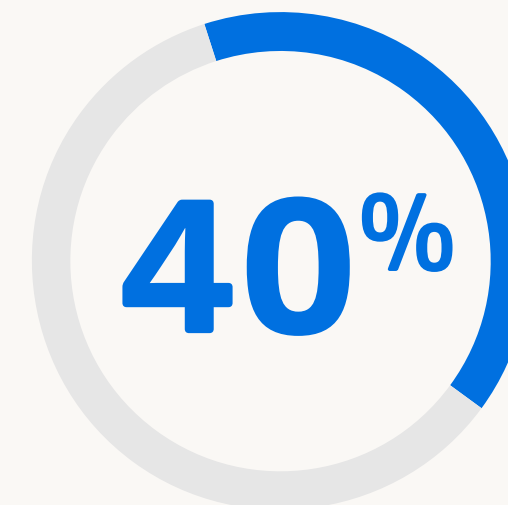
Why take the risk? Protect the business you've built.

If past periods of economic uncertainty are a guide, businesses can expect a rise in fraud next year. However, the prospect of more crime in digital shopping channels presents businesses with an opportunity to bolster risk management and stand out from competitors with an offering customers are seeking.

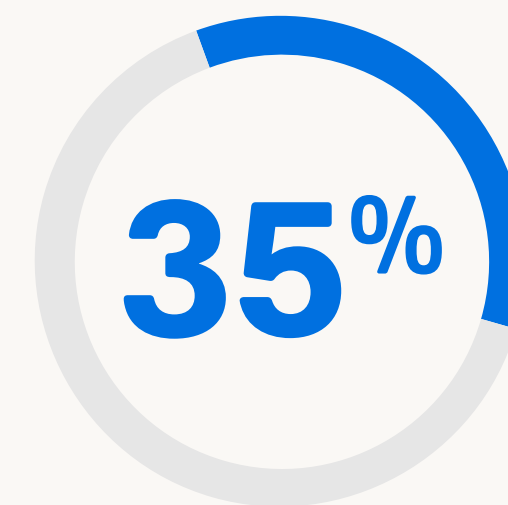
Consider these findings from IDC:⁶



of businesses are somewhat or very confident that they have ensured that their e-commerce site is safe and secure.



of customers trust the sites where they shop to keep their payment data safe.



of businesses consider the security of their payment data to be an online investment priority, despite customers ranking security as a top priority.

The gulf between customer priority and business investment is ripe territory for businesses to differentiate themselves. Quick to adapt to shifting fraud patterns, PayPal makes certain that security doesn't come at the expense of easy checkouts or legitimate transactions. Automation reduces the amount of time businesses invest in disputing chargebacks, and because flexibility is critical, PayPal makes it simple to integrate with other anti-fraud services and secondary vault providers.

Additionally, the ready-built payments interface is eligible for SAQ-A PCI compliance validation, while the 3D Secure 2 solution help ensure your transactions meet PSD2's Strong Customer Authentication requirements.

Fraud and risk will continue to adapt alongside the evolution of the digital ecosystem, but having a partner with robust data insight, machine-learning tools, and global expertise helps your business stay ahead.

PayPal is the most trusted brand globally to keep financial information secure.⁷

Custom solutions. Built for your business.

Just as economic conditions change, businesses change, and have different requirements at different phases of their evolution.

PayPal confers the ability to build a commerce network customized to those shifting needs. With PayPal at the center of your infrastructure, your business is positioned to find new revenue streams and build resilience even as your business experiments with new channels, markets, and partners.

By unifying payments information from all of your channels, you can make smarter decisions faster with comprehensive data reporting. Our global support teams have the technical and business expertise to provide real-world solutions customized to what your business needs now.



PayPal by the numbers:

432+

million active
customers

100+

currencies

25+

million
businesses

200+

global
markets



Resilience is in our DNA. With more than 20 years at the forefront of online payments, PayPal has the experience to help your business withstand whatever the future holds in store.

Want to get started on the path to our end-to-end payment solutions?

Connect with us.

Visit our PayPal for enterprise hub to learn more about our solutions so you're equipped for today and tomorrow.

[Learn More](#)



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PayPal credit services are provided by PayPal Credit Pty Limited (ACN 600 629 258).

¹ Based on Q3 2022 survey conducted by The Conference Board in collaboration with The Business Council, Measure of CEO Confidence™ August, 2022.

² Federal Reserve Board of San Francisco; SGH Macro Advisors; US Bureau of Economic; McKinsey analysis. June 2022.

³ IDC InfoBrief, Sponsored by PayPal, "Do Retailers Really Know What Digital Shoppers Want?," Doc. # US49041822, May 2022. The survey conducted by IDC among 505 large enterprises and 10,054 consumers in five markets: the US, UK, Australia, Germany and France.

⁴ comScore online panel, Q4 2017. Analyzed shopping behavior at 20 large merchant sites across categories, utilizing its 1 million US consumer panel.

⁵ The 2022 PayPal e-Commerce Index report was developed by PayPal based on a study conducted by ACA Research across 13 different markets spanning Europe, Israel, and Australia.

⁶ IDC InfoBrief, Sponsored by PayPal, "Do Retailers Really Know What Digital Shoppers Want?," Doc. # US49041822, May 2022. The survey conducted by IDC among 505 large enterprises and 10,054 consumers in five markets: the US, UK, Australia, Germany and France.

⁷ TRC online survey commissioned by PayPal in April 2021 involving 5,000 consumers ages 18+ across US, UK, DE, FR, AU (among Millennial & Gen Z BNPL users (ages 18-40), US (n=214), UK (n=258), DE (n=262), AU (n=369), FR (n=157).