



2024 Growth Playbook:

7 Inspiring Things You Can Do This
Year to Drive Your Business Forward

Contents

3

Introduction

4

Play #1:
Accelerate revenue

7

Play #2:
Boost
customer loyalty

9

Play #3:
Scale

12

Play #4:
Mitigate
increasing fraud

15

Play #5:
Prioritize innovation
and technology

17

Play #6:
Improve your
omnichannel
experience

19

Play #7:
Future-proof
your business

21

Conclusion

2024: The year of taking action.

This is it. The year you can stop putting out fires and start working on your business goals. The year to take all your big ideas from aspiration to action.

The rollercoaster ride we've all been on seems to finally be ending. The economy is heating back up. Economic projections predict steady growth of real gross domestic product (GDP) and a gradual decline of inflation through 2025.²

US ecommerce sales are also strong: They totaled \$269.5 billion for the second quarter of 2023, an increase of 6.6% from the first quarter and a 7.7% increase YOY.³

As business leaders begin to see positive signs of recovery, they're starting to focus on long-term goals. What will yours be? This playbook will help you get inspired.

According to the Federal Reserve, recent economic indicators suggest that economic activity has been expanding at a solid pace.¹

¹United States Federal Reserve, [FOMC statement](#), released September 20, 2023.

²Congressional Budget Office, [An Update to the Economic Outlook: 2023 to 2025](#), released July 26, 2023.

³United States Census Bureau, [Quarterly Retail Ecommerce Sales Q2 2023](#), released August 2023.



Play #1: Accelerate revenue



53% of merchants surveyed say their prioritized goal for the next 2–3 years is to increase revenue margins.⁴

Why now?

The economy is looking up, but times are still tight for many consumers. Businesses always want to drive more revenue, but now more than ever they need to find new ways to do so.

⁴Cicero Research survey, commissioned by PayPal, PayPal Payment Processing Benchmark Assessment 2023. Online survey of global merchants (executive and senior decision-makers responsible for selecting their business's payment provider) between April 2023 - May 2023. N=927, 5 markets: the US, UK, Australia, Germany and France.

The action plan

Step 1: Drive conversion.

On average, large enterprises experience just 6.1% website conversion in the US.⁵ Customers abandon their carts for a number of reasons – and payments can help you solve many of the issues.

Step 2: Increase AOV.

It's Revenue 101: When you increase your average order value (AOV), you can increase your margins. But how? Payment methods come to the rescue again. Buy now, pay later (BNPL) is especially essential: PayPal Pay Later purchases in large enterprises have 39% higher AOV compared to standard PayPal purchases.⁶

Customer pain point	Solution	PayPal Solution
They have to create an account.	Don't require account creation. Also, offer guest checkout.	PayPal Checkout
They don't see their preferred payment method.	Offer a variety of payments, like wallets and Venmo.	PayPal Braintree
They must enter all their information for every purchase.	Use tokenized vaulting to save information for future use and keep it secure.	PayPal Checkout and PayPal Braintree

⁵Website conversion is the % of visits on a website that lead to a purchase. Nielsen Study, Commissioned by PayPal, Nielsen Media Behavioral Panel of USA with 408K large enterprise desktop purchase transactions, from 25K consumers between January-December 2022.

⁶Nielsen Survey, Commissioned by PayPal, Nielsen Media Attitudinal Survey of USA (February 2023) with 3,999 recent purchasers (past 2 weeks) from large enterprise merchants, including 1,057 PayPal BNPL transactions & 942 non-BNPL PayPal transactions; PayPal BNPL includes Pay Monthly & Pay in 4.

Step 3: Improve inefficient operations.

You've worked hard to bring customers to your site and get them through checkout, so don't let unoptimized backend operations prevent you from capturing that hard-won revenue.

Speedy, accurate approvals help you avoid the risk of burning a good customer for life if they're declined. A focus on fraud, chargebacks and tech debt can improve your margins.

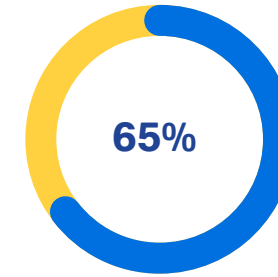
And a flexible, customizable strategy tailored to your unique industry, business model and customers can drive operational efficiency.

*Terms apply to the Chargeback Protection tool. Chargebacks that are not related to fraud or item not received (INR), such as broken Item, significantly not as described (SNAD), refund not processed, and duplicate charge, are not protected by Chargeback Protection. Chargeback Protection is available for accounts enrolled in Advanced Credit and Debit Card Payments.

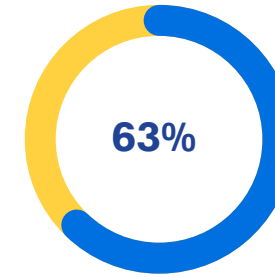
Challenge	Solution
High declines	Reduce false positives and approve good customers with customized risk, routing and retry strategies.
Fraud and abuse	Help mitigate fraud with highly customizable rules-based and machine learning tools.
Chargebacks	Opt into Chargeback Protection* to outsource risk checks to PayPal and get reimbursed for eligible chargebacks that get through (Limits Apply).
Dispute management	Outsource time-consuming and painful dispute resolution to PayPal, and only pay for the disputes that we win.
Unit economics	Uncover pricing efficiencies as you leverage processing, risk and commerce functionality with a single vendor.
Tech debt	Leverage our open, connected platform to simplify integration and enable collaboration with partners.

Play #2: Boost customer loyalty

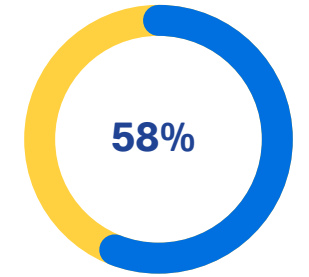
What do your customers care about?⁷



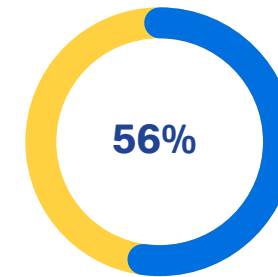
Built-in loyalty programs



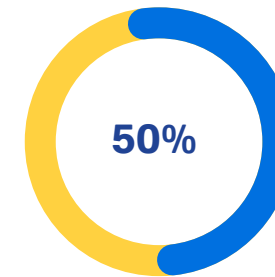
Optimized checkout experiences



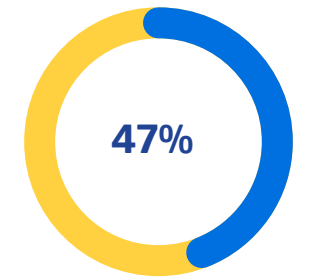
Detailed product information



Digital wallets/digital payments



Promotions and deals



Flexible payment options

Why now?

As competition increases, customers have endless options for where to make a purchase. Only the businesses that give them what they want and provide a frictionless experience will keep them coming back.

⁷Forrester, commissioned by PayPal. December 2022. An online survey conducted by Forrester of 507 respondents across US, UK, France, Germany, Australia (100 each) including 15-20 questions; Company Size: 5,000+ employees; Industry: B2C companies. Base: 507 global merchants in five markets: the US, UK, Australia, Germany and France.

The action plan

Step 1: Make checkout easy.

Incorporate network tokenization and vaulting to streamline the checkout process. These tools let you store customer payment information so when they return, they can check out even faster. Yet only 47% of merchants we surveyed employ network tokenization.⁴

Step 2: Add desired payment methods.

Customers' payment preferences are shifting, and they're telling businesses that if digital wallets, other digital payments, and flexible options like BNPL aren't available at checkout, they might not return to make another purchase. Adding PayPal, Apple Pay, Google Pay, Venmo (US only), and PayPal Pay Later is just smart business.

Step 3: Create loyalty and rewards programs.

It's no surprise promotions and deals are top of mind for customers. Traditional rewards – offering points and discounts for purchases – are still effective, but consider offering these innovative loyalty programs:

- Priority customer service for members
- Experiential rewards like early product access
- Subscription-based tiers with special perks



26%

26% of PayPal users surveyed said they choose to pay with PayPal because they can earn rewards or use their rewards to pay.⁸

⁴Cicero Research survey, commissioned by PayPal, PayPal Payment Processing Benchmark Assessment 2023. Online survey of global merchants (executive and senior decision-makers responsible for selecting their business's payment provider) between April 2023 - May 2023. N=927, 5 markets: the US, UK, Australia, Germany and France.

⁸Nielsen Survey, Commissioned by PayPal, Nielsen Media Attitudinal Survey of USA (Feb 2023) with 3,999 recent purchasers (past 2 weeks) from large enterprise merchants, including 1,999 PayPal transactions and 2,000 non-PayPal

Play #3: Scale



48% of merchants surveyed said expanding to new markets is a priority goal in the next 2–3 years.⁴

Why now?

While the peaks of the pandemic have flattened, global ecommerce will continue to experience steady growth in the long-term. And, younger demographics like Gen Z have increasing purchase power.

⁴Cicero Research survey, commissioned by PayPal, PayPal Payment Processing Benchmark Assessment 2023. Online survey of global merchants (executive and senior decision-makers responsible for selecting their business's payment provider) between April 2023 - May 2023. N=927, 5 markets: the US, UK, Australia, Germany and France.

The action plan

Step 1: Offer the modern purchase experiences younger audiences expect.

In 2024, the oldest members of Gen Z will be turning 26 – and becoming an ever-more-important demographic for businesses to reach as their incomes rise. Data from the Bureau of Labor Statistics shows that even those under 25 spend more in many categories than their older peers, when accounting for average income.⁹ Growing affinity within this base is essential for building customer lifetime value (CLV).

Both Gen Z and millennials have been big adopters of several payment methods that could help you reach them. One recent study found that Gen Z makes up 55% penetration in the BNPL space, with 26% saying they've used it up to three times in the last three months.¹⁰ Another found that Venmo users tend to be younger and have higher household incomes than the general US population.¹¹ Both generations also have a higher level of trust in digital wallets than Baby Boomers.¹²

Annual expenditures per age group (as a percentage of average income)⁹



⁹ US Bureau of Labor Statistics, Table 1300. Age of reference person: Annual expenditure means, shares, standard errors, and relative standard errors, Consumer Expenditure Surveys, 2022.

¹⁰ Billtrust, 2022-23 Gen Z and Digital Payments Study. Billtrust commissioned a new research study encompassing responses from more than 750 US-based Gen Z individuals from ages 18 to 25 years old.

¹¹ TRC survey, commissioned by PayPal, survey conducted by TRC across 3,208 Venmo users in the US in August 2022.

¹² IDC Infographic, Sponsored by PayPal, From Global to Local, Retailers Must Know Shopper Expectations, Doc. #US49075222, May 2022. The PayPal Digital Payments Customer Experience Survey conducted by IDC in January

Step 2: Go global.

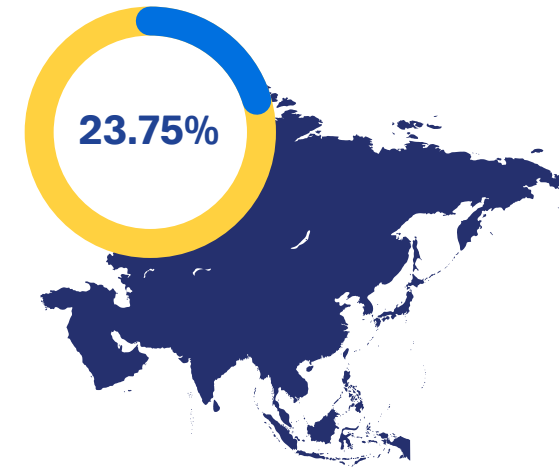
As online behaviors evolve and more individuals turn to their devices to shop, the demand for digital services and commerce is expected to increase globally.

Offering local payment methods, leveraging global fintech rails on the backend, and partnering with a payments platform with deep banking, regulatory, and compliance expertise can help you scale successfully. For example, PayPal can help you:

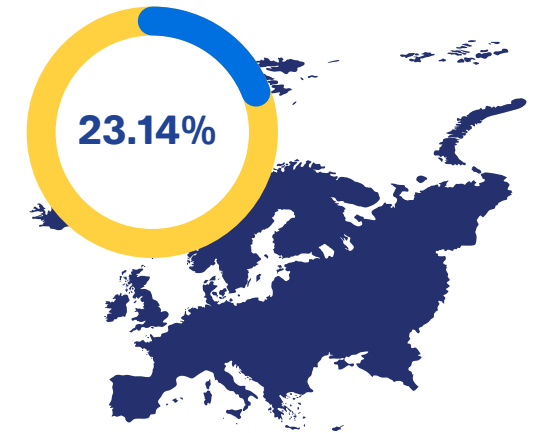
- Determine whether to use cross-border or local acquiring to optimize transactions.
- Navigate the global compliance and regulatory landscape.
- Accept local currencies and manage currency conversion.
- Offer preferred local payment methods in each region.
- Tap into our customer network: We have a large market share in several emerging markets.¹³

¹³Website Merchant Machine used data from BuiltWith, a website that tracks the payment methods used by the top 1 million most visited websites worldwide, to calculate the market share of upfront and BNPL payment options globally, across continents and in 133 countries. August 2023.

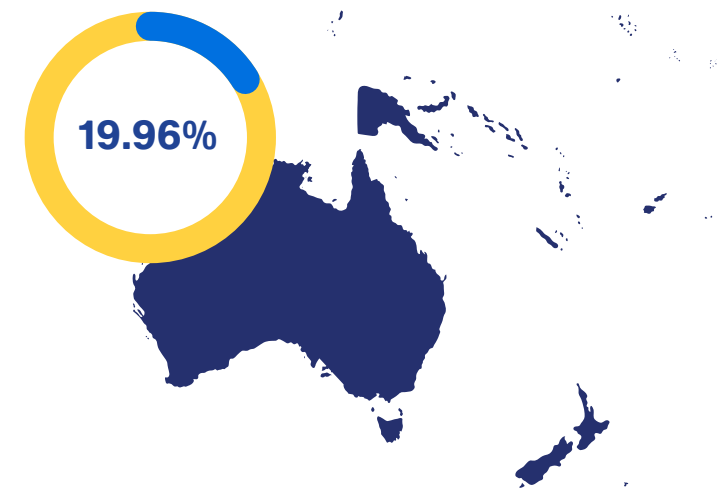
PayPal global market share¹³



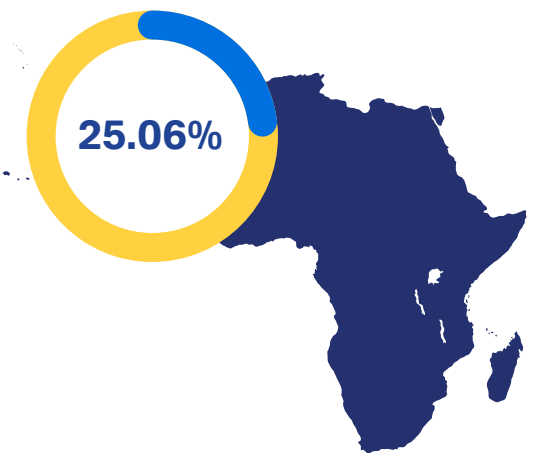
Asia



Europe



Oceania



Africa

Play #4: Mitigate increasing fraud



In one study, organizations said they lost an average of \$3.7 million per year due to fraudulent online transactions.¹⁴

Why now?

Fraud is increasing, fraudsters are becoming more sophisticated, and so-called friendly fraud is also on the rise. The technology to stop them is advancing too, and now is the time to implement it.

¹⁴ Ponemon Institute, Commissioned by PayPal. The 2022 True Cost of Online Fraud Global Study. Ponemon Institute surveyed 3,739 individuals in the United States (442), Canada (468), Australia (475), United Kingdom (471), France (462), Germany (453) and European Cluster (968). August 2022.

The action plan

Step 1: Implement machine learning solutions.

Machine learning is a subset of AI that uses algorithms to see patterns in data, then applies those insights to improve its decision-making abilities. It can help mitigate many types of fraud, including signup fraud, login fraud, and card-not-present fraud.



Card-not-present fraud in the US is projected to make up 73% of card payment fraud loss this year, up from 57% in 2019.¹⁵

Step 2: Back it up with robust data.

Machine learning and AI are only as good as the data sets they're trained on. The more data they have, the more they can learn how to distinguish between real customers and bad actors. For example, PayPal's two-sided network is a rich source of data from 430+ million active global accounts. We can look at learnings from a basket of customers similar to yours and design tailored solutions for your business.



93% of the time, PayPal has already seen a card in use during a transaction.¹⁶

¹⁵ Insider Intelligence: Card-not-present fraud to make up 73% of card payment fraud, 2023.

¹⁶ Based on PayPal and Braintree internal data collected from Jan 2022–Jan 2023, and all PayPal visits historically available.

Step 3: Manage chargeback and friendly fraud risk automatically.

Chargebacks are painful, but the good news is you have options, from robust, customizable fraud prevention to complete chargeback management and reimbursement to end-to-end dispute management. Whatever makes sense for your business.

Step 4: Stay flexible.

Fraud is constantly evolving. Plus, as your business grows and you process more transactions, you may find you develop different needs. Adaptive enterprise fraud management solutions let you fine-tune your strategy without incurring major costs or increasing complexity for your team. For example, once you have PayPal Braintree, no additional integration or APIs are required as you add fraud solutions.



Play #5: Prioritize innovation and technology



45% of business respondents in the US consider coming out with new, innovative products or services important.¹⁷

Why now?

Skyrocketing online sales accelerated the digital transformation for many businesses. Now, as customers demand increasingly fast, personalized experiences, executives are looking ahead for how to stand out from the competition.

¹⁷ Forrester, commissioned by PayPal. December 2022. An online survey conducted by Forrester of 507 respondents across US, UK, France, Germany, Australia (100 each) including 15-20 questions; Company Size: 5,000+ employees ; Industry: B2C companies. Base: ~100 merchants in the US.

The action plan

Step 1: Get personal.

It's impossible to create innovative products for customers you don't even know. That's why so many businesses are investing in payments analytics technology, which can provide insights into buying behavior, customer lifetime value, omnichannel payment trends, and peak buying times. All of that helps you personalize your products and your shopping experience.

Step 2: Invest in AI for payments.

Behind the scenes, AI and machine learning are beginning to power everything from payment processing to security, analyzing payment data and behavior to improve authorization rates while mitigating fraud. AI and machine learning can also play a part in optimizing payment routing, another way to boost approvals.

Step 3: Look for the next big thing.

There are exciting things happening in ecommerce. Biometric payments, where the shopper scans their palm or face, are on the horizon, as are augmented reality tools that help customers try out products virtually. And don't count out crypto.* While it's been a wild ride, 41% of business respondents globally think they need to adopt blockchain technologies for the future of commerce.⁷



53% of businesses surveyed plan to focus on offering augmented reality tools.⁷

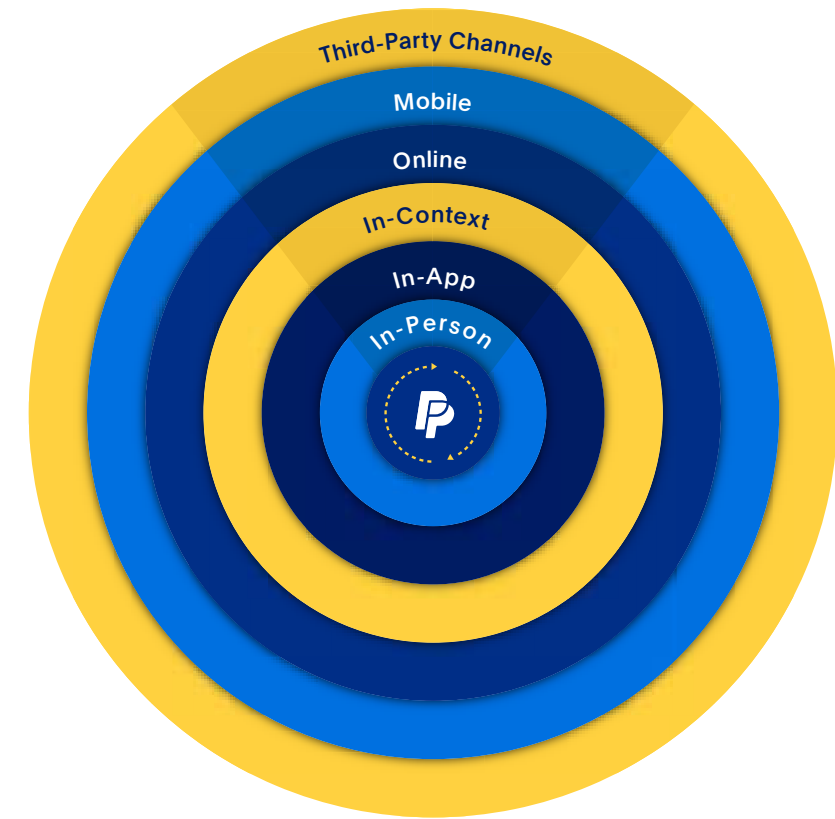
*When you buy or sell cryptocurrency, including when you check out with crypto, we will disclose an exchange rate and any fees you will be charged for that transaction. The exchange rate includes a spread that PayPal earns on each purchase and sale. For cryptocurrency fees, click [Fees | PayPal Consumer | PayPal US](#).

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⁷ Forrester, commissioned by PayPal. December 2022. An online survey conducted by Forrester of 507 respondents across US, UK, France, Germany, Australia (100 each) including 15-20 questions; Company Size: 5,000+ employees; Industry: B2C companies. Base: 507 global merchants in five markets: the US, UK, Australia, Germany and France.

Play #6: Improve your omnichannel experience



Why now?

As customers return to in-person shopping, they expect a seamless end-to-end experience. It's time for businesses to bring together siloed touchpoints and streamline the solutions they implemented during the pandemic, such as buy online, pick up in-store (BOPIS).

The action plan

Step 1: Connect in-store and online payments.

Cross-channel and omnichannel strategies record and share customer data between channels, like your website, social media, and physical stores. The ability to link online, in-app, and in-person payments data can give you more information about your customers' preferences and habits, helping you personalize your marketing and loyalty strategies.



Only 32% of merchants surveyed offer customers cross-channel purchase options.⁴

Step 2: Harness the power of contextual commerce.

Make sure you're truly meeting your customers where they are. Third-party integrations let you seamlessly integrate buying opportunities in the apps and channels your customers use in their daily activities. That lets you harness the true power of omnichannel.

Step 3: Bring it under a single provider.

Cross-channel and omnichannel tech stacks can feel like a puzzle – or a tower that's about to topple. Working with a single provider can help you unlock new operational efficiencies so you can put your resources where they're needed most.



95% of omnichannel merchants surveyed say it's important to have a single payments provider for online and in-store.¹⁸

⁴ Cicero Research survey, commissioned by PayPal, PayPal Payment Processing Benchmark Assessment 2023. Online survey of global merchants (executive and senior decision-makers responsible for selecting their business's payment provider) between April 2023 - May 2023. N=927, 5 markets: the US, UK, Australia, Germany and France.

¹⁸ Dynata & Veridata, commissioned by PayPal, survey conducted in February and March 2023 with 2000 US consumers. Base: N=2000.

Play #7: Future-proof your business



In a recent global survey of business leaders, 69% of respondents described the global outlook for the next two years as “consistently volatile.”¹⁹

Why now?

Things are looking up, but executives have learned lessons from the past few years, and many still find the business landscape unpredictable. Still, they now have a chance to take a breath and focus on preparing for any future volatility.

¹⁹ WEF (World Economic Forum), Global Risk Report 2023. Global Risks Perception Survey insights 2022-2023.

The action plan

Step 1: Focus on operational agility.

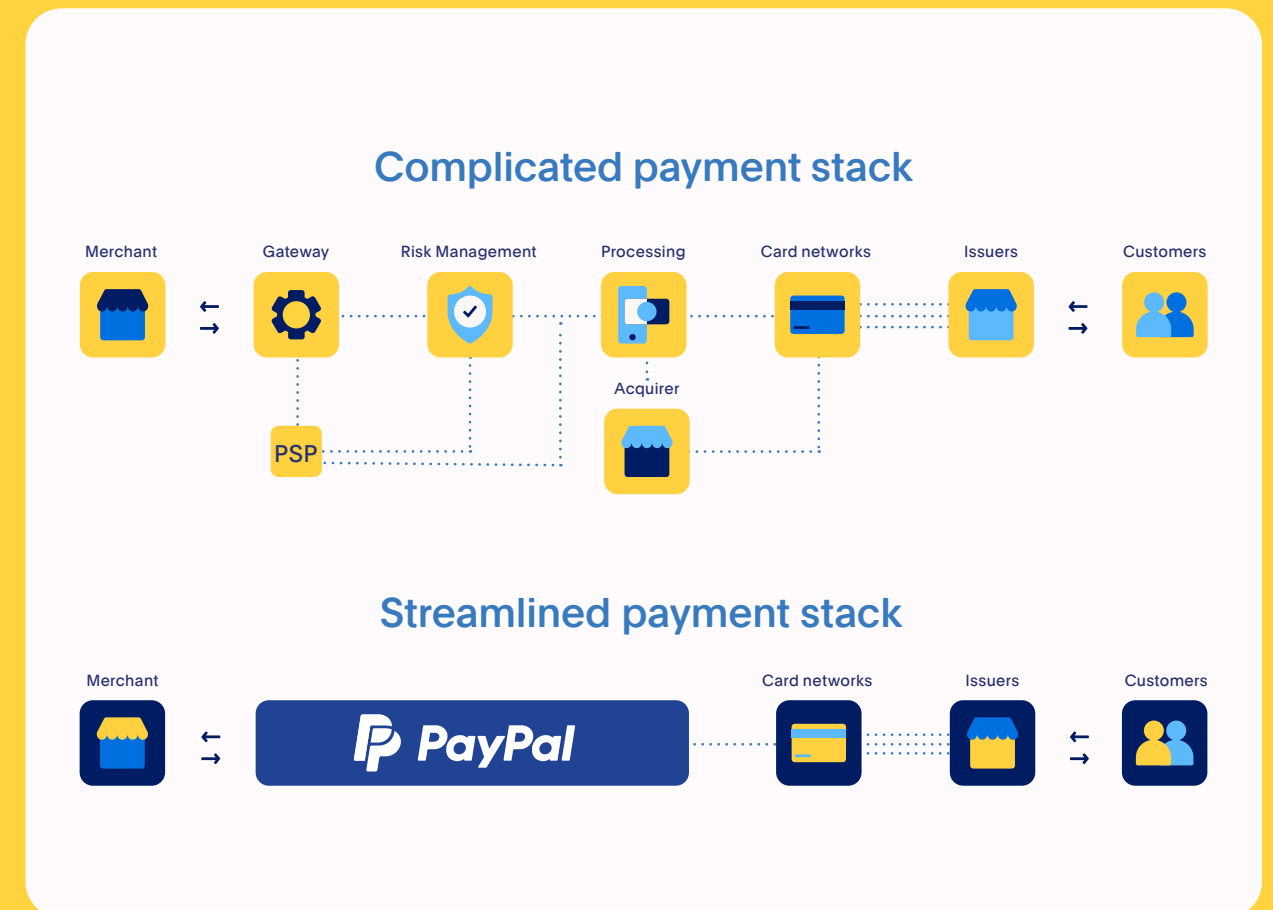
In the new landscape, businesses that can shift on a dime will be the ones that not only survive, but thrive. Are you able to make quick, informed decisions – and then implement them? Do you continuously evaluate your priorities – and then change them? Look for areas where you can improve your operational agility (payments may be one of them).

Step 2: Leverage your payments data.

Your payments data can give you important information about changing customer habits and values. That helps you align your business priorities to delight your customers – and that's what it's all about. A good platform will have detailed analytics and reporting capabilities so you can easily leverage this data.

Step 3: Integrate with an all-in-one platform.

Managing multiple vendors, acquirers and payment service providers is like having speed bumps on a race course – it can only slow you down. Ditch the complicated à la carte payment stack and go with a platform that does it all, plus offers fraud protection, compliance solutions, orchestration, and third-party integrations.



2024 is your year. What plays will your team implement to drive your business forward?

We're ready to help.

Put our decades of experience to work for you: Tell us your vision,
and we'll work together on a plan to help you make it happen.

[Let's Collaborate](#)

