

Irish businesses lose out as 2.2 million online shoppers head overseas

- New PayPal study finds Irish online shoppers spent an estimated €2.7BN overseas in past 12 months
- 84% of online shoppers made a purchase from an international website
- 1-in-5 Irish online shoppers made purchases exclusively on websites based outside of Ireland
- PayPal urges Irish businesses to set their sights on the soon-to-be €10BN ecommerce market

Dublin, 30 August, 2018 – The number of Irish consumers shopping at international online stores exceeds the number of domestic online shoppers in Ireland, according to new PayPal research. An estimated total of 2.2 million Irish consumers made a purchase from an overseas website in the last 12 months, compared to 2.1 million domestic online shoppers. In fact, Irish online consumers are the biggest international shoppers worldwide, with a larger proportion (84%) shopping overseas than all 30 other countries surveyed.

The Global Cross Border Commerce Report, conducted by Ipsos on behalf of PayPal, reveals new insights into Irish shopping habits and the areas in which Irish businesses can improve to attract more customers.

Irish online shoppers spent €2.7BN overseas in the past 12 months. Almost half-a-million people – 19% of all online shoppers – solely bought from websites outside of Ireland. Lower prices, more product variety and affordable shipping were some of the main drivers behind Irish shoppers choosing to buy from the top three import markets (UK, USA and China). Irish online shoppers were also deterred from shopping on domestic websites due to delivery fees (34%) and return shipping costs (21%).

The survey revealed that total online spend is currently growing at around 20% year-on-year in Ireland, giving local businesses the opportunity to gain a larger stake of the expanding ecommerce market. The study forecasts that Irish consumers will spend €7.8BN online this year, and up to €10.1BN by 2020.

The research also suggests that mobile payments are rapidly growing in Ireland as more shoppers make purchases on-the-go. Two-thirds (65%) of those surveyed shopped using a mobile device, such as a smartphone or tablet, in the last 12 months. The research estimates that mobile spending in Ireland will grow by 61% in 2018 to €2.8BN.

Louise Phelan, PayPal's Vice President for Continental Europe, Middle East and Africa, said: "While our new research suggests Irish consumers prefer shopping from overseas websites, it also shows Irish businesses that there's still so much to play for. In just two years' time, ecommerce is going to be worth over €10BN in Ireland. Irish businesses have a tremendous opportunity in front of them to attract more customers and increase their online sales.

"It's all about putting yourself in your customer's shoes and understanding how to turn a browser into a buyer. For example, the number of Irish consumers making a purchase on their mobile is growing at such a phenomenal rate that having a mobile-friendly website is no longer optional – it is absolutely vital for the future of any business."

Louise added: "The biggest barriers discouraging Irish consumers from shopping domestically are delivery fees and return shipping costs. We launched our Refunded Returns Service to address this. We cover the cost of return shipping for online shoppers who use PayPal, saving consumers and businesses up to €30 per return. It's one of the many ways we're working hard to help Irish businesses compete online, both at home and internationally."

<https://newsroom.ie.paypal-corp.com/2018-08-29-Irish-businesses-lose-out-as-2-million-online-shoppers-head-overseas>