



Small Businesses Could Learn From Online Revolution

PayPal offers a free guide for small businesses: 'The Seven Building Blocks of eCommerce'

- High street spending falls by £122.3bn¹ while online spending hits £8.2bn¹ in 2005
- The estimated 2,000 small businesses² predicted to fold due to online popularity need to embrace the online space

Although high street spending is down, online spending is rising faster than ever before. Online spending will continue to grow over the coming years and will rise from 2005's figure of £8.2bn to £39bn³ by 2010 thanks to the estimated 24.9 million active online shoppers, according to research by leading global payments system PayPal.

In today's shopping experience, the internet is imperative for a business to succeed and therefore a quarter (25%) of the UK retail sector operated online in 2005 compared to just 7%⁴ in 2004.

Carl Olav Scheible, Head of Merchant Services at PayPal comments: "Today's findings from Verdict demonstrate yet again how important it is that small businesses adapt to meet consumer demand especially as 'convenience home shopping' is only set to grow faster with 11 million⁵ UK households now signed up to broadband. However, there is a fine line between success and failure for the newcomers of eCommerce as many online ventures learnt in the dot com crash of the late '90s.

"Retailers need to provide an impressive 'online shop' to stay ahead of the game and find the success they are looking for so we have worked closely with market experts, Trade Online Project, to produce a free guide for companies wanting to capitalise on the growth in online spending. This guide contains genuinely useful and practical information for professionals seeking to provide an excellent online service for their customers. This simple but effective guide can provide SMEs with the essential toolkit which many of them are lacking."

Once small businesses are up and running online, they can benefit further by using PayPal as their chosen ePayment service. With over 10 million PayPal users in the UK alone, accounting for 60% of the UK's online shoppers, merchants have experienced on average a 14% uplift in sales revenue*.

To apply for your free online business guide 'The Seven Building Blocks of eCommerce' log onto:
www.paypal.co.uk/ecommerceguide

For more information about PayPal Merchant Services please call 0800 358 7929

Notes to Editors

For further comment or a copy of the guide please contact:

paypal@lansons.com

020 7566 9777

Sophie Lilley / Chloe Mann / Sean Williams / Neil Gregory

Lansons Communications

1. Verdict research, September 2006
2. Federation of Small Businesses, September 2006
3. The online shopping research was conducted in March 2006 for PayPal Europe by Datamonitor
4. <http://www.vnunet.com/vnunet/news/2144066/small-uk-firms-jump-ecommerce>
5. Office of National Statistics (ONS) Internet Connectivity, August 2006

The Trade Online Project

The Trade Online Project offers a fixed price eCommerce service that enables businesses to build - publish - sell. Trade Online Project (TOP) is the most professional, affordable route to trading over the Internet. TOP covers your web site design and implementing your ecommerce software, content management system (CMS), hosting and online payments. TOP project manage the entire build to get your new online business live in 4-6 weeks. The specialist training ensures you learn how to manage your own content and upload your own products and images - with little or no technical expertise required. A free initial consultation is offered to PayPal customers. Visit www.tradeonlineproject.com/paypal

About PayPal (Europe) Ltd

PayPal (Europe) Ltd. is a UK-based company, regulated by the FSA as an Electronic Money Institution (ELMI) and became regulated by the FSA as such in February 2004. As a regulated institution, we are subject to general prudential supervision by the FSA. It is a subsidiary of PayPal (International) Ltd., which is based in Dublin and is in turn a subsidiary of PayPal Inc. of San Jose, California. PayPal is 100% owned by eBay. PayPal was set up in the US in December 1998 and acquired by eBay in 2002. PayPal has over 10M accounts in the UK, over 100M accounts worldwide and can be used to make online payments in 55 markets.

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