

PayPal Organization Marketing Strategy

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## Abstract

PayPal has rapidly become the focal time for across border commerce. The main threat to digital money transfer is fraud. Consumers of digital payment platforms have to navigate constant threats of a security breach. PayPal positioned itself appropriately to solve this need. The demand for online shopping has increased many folds motivated by various factors. PayPal, therefore, markets itself as a solution to an urgent market need. It promises efficiency, security, and cost-effectiveness. All these services involve the movement of money between various people. The product mix is therefore meant to attract various groups of people about the services they Generally require, PayPal charges between 1.9-2.2% of the amount being transacted for every transaction. So far, the organization is inalienable to businesses. It, therefore, does not have to advertise itself to businesses. However, to remain relevant, the company needs to continue remaining relevant to the people. PayPal is quite visible in its social media accounts interactions with consumers. These interactions are usually targeted at increasing the user-friendliness of the platform to consumers.

## Main Products/Services

PayPal has rapidly become the focal time for across border commerce. The main threat to digital money transfer is fraud. Consumers of digital payment platforms have to navigate constant threats of a security breach. For this reason, many people are hesitant to give out their bank details in online transactions as would be needed when dealing with visa card or MasterCard payments. This is juxtaposed with a rising need for digital monetary transactions. Social media has caused a rise in across border exchange of goods. Through platforms such as Facebook, people can advertise products to a global audience with minimal expenditure. PayPal positioned itself appropriately to solve this need. Since it is possible to make payments using a PayPal account and without engaging one's bank details directly, it has become a preferred service for many.

PayPal is a business in the service provision arena. There are four main services that are provided by PayPal. These include:

a) The processing of payment for Online Vendors

These are payment relationship between the consumer of a product and a business commonly referred to as C2B relationships. There are the majority if transitions that are carried out through the PayPal platform. Customers prefer PayPal over other payment methods because of lesser transaction costs and greater privacy. The forms of transactions grew especially rapidly when eBay took over the possession of PayPal. The consumers of eBay products increasingly chose the platform as the method of paying the sellers. Since the online payment is global, it allows easier transfer of funds. The use of a common denomination for the transactions also allows consumers to price their products appropriately. There have been past concerns about fraud

involving clients who request refund claiming the product was not as advertised. There is a need for the organizations to address these concerns.

b) Auctioneers and Commercial Enterprises Payment Gateway

There are sites where organizations can auction their products and payers can place their bids through PayPal. This is also a form of C2B payments as those who are purchasing the products will use PayPal to pay for the goods.

c) Payment Bank for Individual users

This is especially popular for individuals who may be working for across border employers. It is easier for these companies to dispatch large sums of money through PayPal. This avoids the complexity of dealing with multiple regulatory policy frameworks in international money movement. Unlike other payment platforms, there it is possible to move little amounts of money as well as large sums. For this reason, people who are moving irregular amounts of money may prefer a method that does not have restrictions on upper and lower amount settings. Also, various banks can link client's PayPal accounts to their bank accounts. This allows easy use of money via local banks after it is played by international organizations.

d) Easier money transfers facility cross-border

The global nature of the company also makes it easy for it to be used by individual transferring finances across borders. An example of this is individuals living abroad and who wish to send cash gifts to their relatives. It is easier to send the money to the individuals through their PayPal accounts. These people can then directly withdraw the money into their local bank accounts without navigating the complexity of currency exchange.

## Marketing Strategy

The marketing process of PayPal has evolved through a psychographic trend. Psychographic trends target the thinking of people (Bhasin, 2017). This, in turn, will determine their lifestyle trends. For this reason, PayPal has been perfectly positioned for current market trends. There is an increasing demand for online shopping that is motivated by various factors. First of all, there is increased visibility of products to global markets and therefore a wider demand for them. It is easier to compare prices and therefore consumers no longer have to withstand exorbitant costs changed by importers while they can purchase the products directly. International celebrities also affect the decision making of wider segments of people leading to harmonization of tastes. This means that there are more people attempting to purchase things from a similar supplier.

Additionally, many young professionals have tighter schedules to cover the inflating cost of living. They, therefore, do not have time to physically go shopping. Online shopping provides an opportunity to get the required products while performing other activities. There is also the need for privacy and the desire to cut the cost of moving around to do physical shopping.

Considering the above factors, PayPal markets itself as a solution to an urgent market need. It promises efficiency, security, and cost-effectiveness (Hinterhuber, 2008). Efficiency means that it is possible to make a paypal account with a few clicks. It is also possible to link a PayPal account to a particular service providers account so that payments can be done at regular intervals without consequent authorizations. Security means that the user is less likely to be a victim of privacy breach and theft. PayPal has risen to a position of trust in amongst its uses.

Cost-effectiveness concerns the low transaction costs.

## Products, Product Mix, and Product Strategies

As mentioned earlier, there are four main services. All these services involve the movement of money between various people. The product mix is therefore meant to attract various groups of people about the services they require (Grewal, Roggeveen, Compeau & Levy, 2012). There are various types of accounts that one can open on PayPal. An example of this includes business accounts and individual accounts. These accounts will have different transaction thresholds, different withdrawal frequencies, and different verification processes. Allowing for this enables individual to open the accounts that will be friendlier to their operations.

Even within similar accounts, there are different accounts depending on the on the transaction ties. For example, after a particular level of movement of funds, a user has to verify the legitimacy of the account. These processes increase the validity of the platform by preventing illegal transfer of accounts such as money laundering.

PayPal charges between 1.9-2.2% of the amount being transacted for every transaction (Bhasin, 2018). This fee is charged to the individual making the transactions. To entice businesses, the company reduces costs for accounts that are making more transactions. The more transactions that an account makes, the less the amount it will pay for every transaction (Bhasin, 2018). This encourages enterprises to use the platform alone so that the cumulative benefits can be more. In essence, PayPal does not need to do an extensive marketing campaign. This is because businesses need the platform and therefore they are going to advertise it on their behalf. It is more common to see an enterprise advertising that it allows PayPal payments than to see PayPal advertising itself. PayPal marketing strategy has therefore been the effort to ensure it remains relevant and unalienable to the current businesses.

Sales Methods Employed

So far, the organization is inalienable to businesses. It, therefore, does not have to advertise itself to businesses. However, to remain relevant, the company needs to continue remaining relevant to the people (Verhoef & Leeflang, 2010). PayPal is quite visible in its social media accounts interactions with consumers. These interactions are usually targeted at increasing the user-friendliness of the platform to consumers ("PayPal Product Offerings and Services - PayPal," 2018). It is not challenging to convince people about the necessity of having a PayPal account. Currently, PayPal is active in 200 countries with active accounts exceeding 179 million. This is why businesses need the platform to entice the holders of these accounts to shop with them.

While ensuring that people continue to open accounts, PayPal selling point to businesses focuses on demonstrating to them how they can grow through PayPal ("PayPal Product Offerings and Services - PayPal," 2018). It, therefore, demonstrates its features such as enhanced security features and cost-effectiveness. These selling activities are mostly done through digital platforms. There is pop up advertisements on web pages related to online money transfer. The aim of these is to bring the effectiveness of PayPal to the consumers and businesses attention rather than explain the relevance. PayPal has come into existence at an appropriate time when the need for the service is arising. It is therefore not difficult to conduct its marketing activities as the consumers are ready to consume the product. The organization is therefore expected to grow without problems shortly.

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