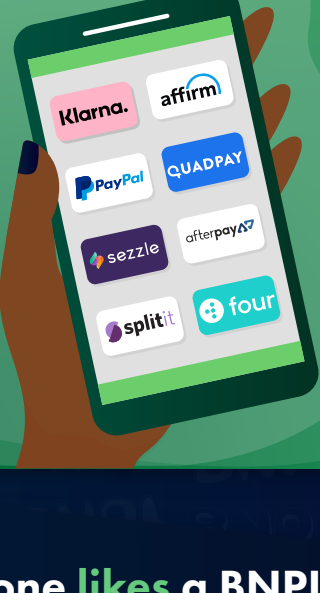


Buy Now, Pay Later Booms with Young Americans

In February 2021, TSG conducted a survey of over 1,500 U.S. consumers, with the goal of understanding usage, experiences, and trust surrounding buy now, pay later (BNPL) services.



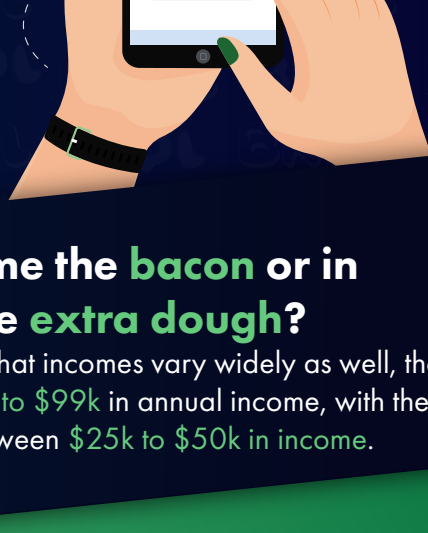
Everyone likes a BNPL option, but younger generations are LOVING it.

Younger consumers in particular are drawn toward simple and flexible payment processes and behavioral shifts away from traditional credit cards. Typically users are within the younger population between ages 18 and 44, where 54% of that group has tried buy now pay later, compared to an average of 29% for ages 45+.



Payments on the go!

Typical users prefer shopping with their phones. A recent report from Afterpay found that 80% of their customers make purchases with mobile devices.



Bringing home the bacon or in need of some extra dough?

TSG's survey found that incomes vary widely as well, though most users have between \$25k to \$99k in annual income, with the largest group being those with between \$25k to \$50k in income.



WHY ARE CONSUMERS CHOOSING BUY NOW, PAY LATER OPTIONS?



47% of users want to avoid credit card interest



46% of users want to buy something outside their budget



31% of users simply enjoy the flexibility offered by delaying payment for a purchase



22% feel more responsible when breaking large purchases into smaller payments

BNPL USAGE IS STILL HEATING UP

Many still haven't tried it...
61% of consumers have never tried a buy now, pay later service.

39% of consumers have tried it at least once.



Most love it...
85% of consumers that have used buy now, pay later services plan to continue doing so.

& they want some more of it!

83% of consumers who have used buy now, pay later services wish they were accepted by more businesses and 79% of consumers indicated they would use buy now, pay later more often if it were offered by more businesses.

BNPL users want to look good and stay connected...

Electronics, clothing and fashion, and beauty and cosmetics were the top three most common categories of spending for buy now, pay later services.

& they don't mind spending a little extra

39% of respondents noted they spend more and 16% noted they spend "much more" when using buy now, pay later services.

\$312 Consumers indicated an average spend of \$312 using buy now, pay later services.



BATTLE OF THE BNPL SERVICES: WHO IS WINNING?



Amazon's monthly payments, Afterpay, and Affirm were the most popularly used providers. Amazon and Afterpay also had the highest user retention rates at 55% and 53% respectively.

One won't rule them all

Those that use BNPL services like to have options. In fact, 49% of consumers have tried more than one service and the average consumer has tried two services. Plus, 25% of consumers have tried three or more services.

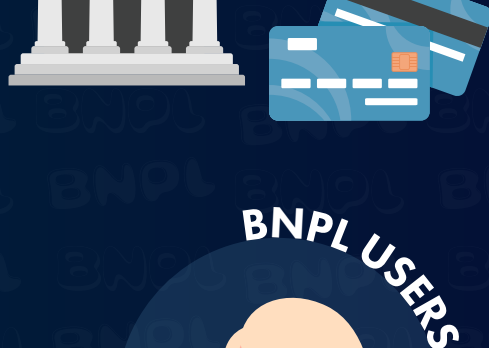


Net Promoter Scores



Klarna is feeling the love
Klarna users reported a net promoter score of +56; the highest among all buy now, pay later services.

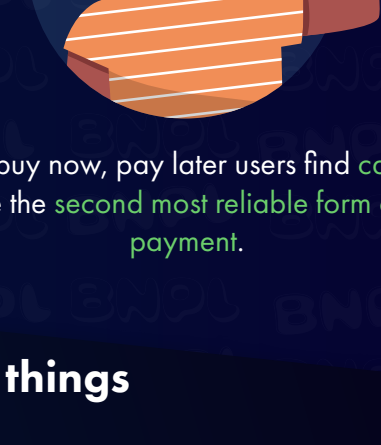
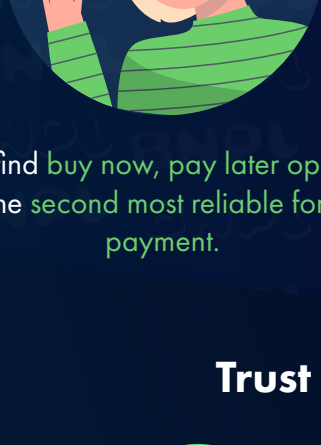
TRUSTED BY CONSUMERS, BUT CREDIT/DEBIT REIGNS AS MOST RELIABLE



Personal bank cards are #1

Regardless of experience with buy now, pay later, most consumers stated a credit/debit card issued through their bank was the #1 most reliable payment method.

However, opinions on BNPL diverge according to what a consumer has the most experience with.



Users find buy now, pay later options to be the second most reliable form of payment.

Non-buy now, pay later users find cash to be the second most reliable form of payment.

Trust can mean many things

91%

Most respondents trust that their buy now, pay later services will work from a functional standpoint.

Meanwhile, 1 in 5 consumers believe their buy now, pay later service would take advantage of them.

What do YOU think about BNPL services?

Chime in by emailing info@thestrwegroup.com or visit our socials!

