

Bespoke Survey Research

October 2023

Buy Now Pay Later

Volume 11 | Quarterly Survey

1,000 US Consumers Balanced To Census

Tickers Covered: AFRM, SQ, Klarna.

KPIs and Key questions

1. The percentage of consumers who have used BNPL options has been mostly unchanged over the past couple quarters (has increased since inception of this survey).
2. As the number of people who use BNPL has increased, a declining percentage have been telling us that they are behind on payments.
3. Consumers broadly have a net positive, and improving, opinion of the concept of BNPL. Over time, the share of consumers who would use BNPL services (after reading our description of BNPL) has increased.
4. The share of those who would use BNPL who claim BNPL would change how much they spend/buy (ie, more) has increased over time.
5. By age cohort, older respondents are more likely to favor using credit cards as their favorite method of payment. Younger respondents are more likely than older respondents to favor Apple Pay and Cash App Pay.
6. In open-text fill-ins, we'd highlight that consumers tell us they primarily use BNPL offerings for larger purchases, furniture, and clothing.

Noteworthy Stats:

31.1% Of respondents noted that they have used BNPL services in the past 6 months.

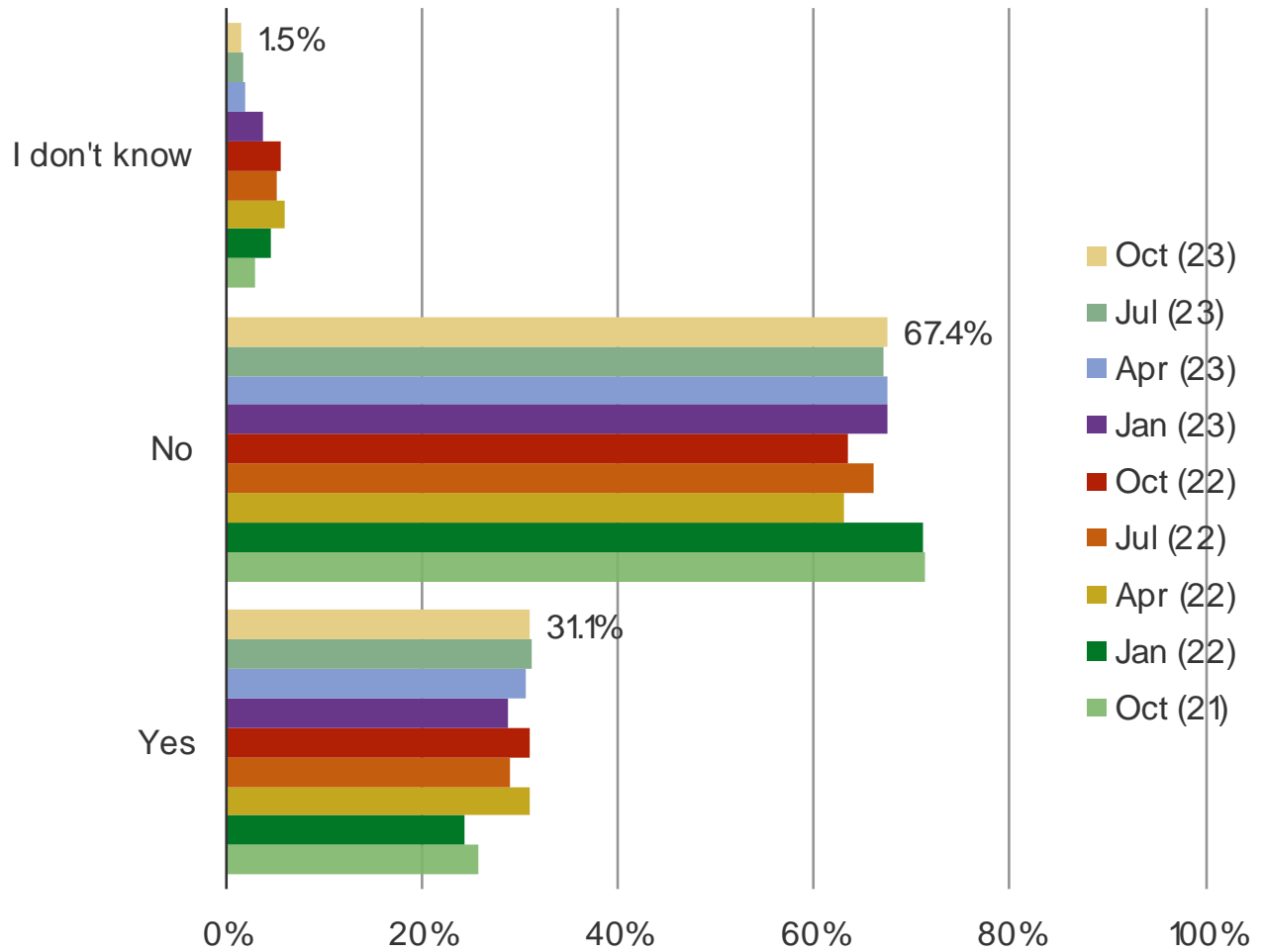
35.7% Of respondents have a positive to very positive view of BNPL concepts.

63.0% Of respondents note that they would use BNPL services because it would help them budget/manage their cash flow.

14.8% Of respondents who have used BNPL services in the last 6 months note that they are behind on at least one payment.

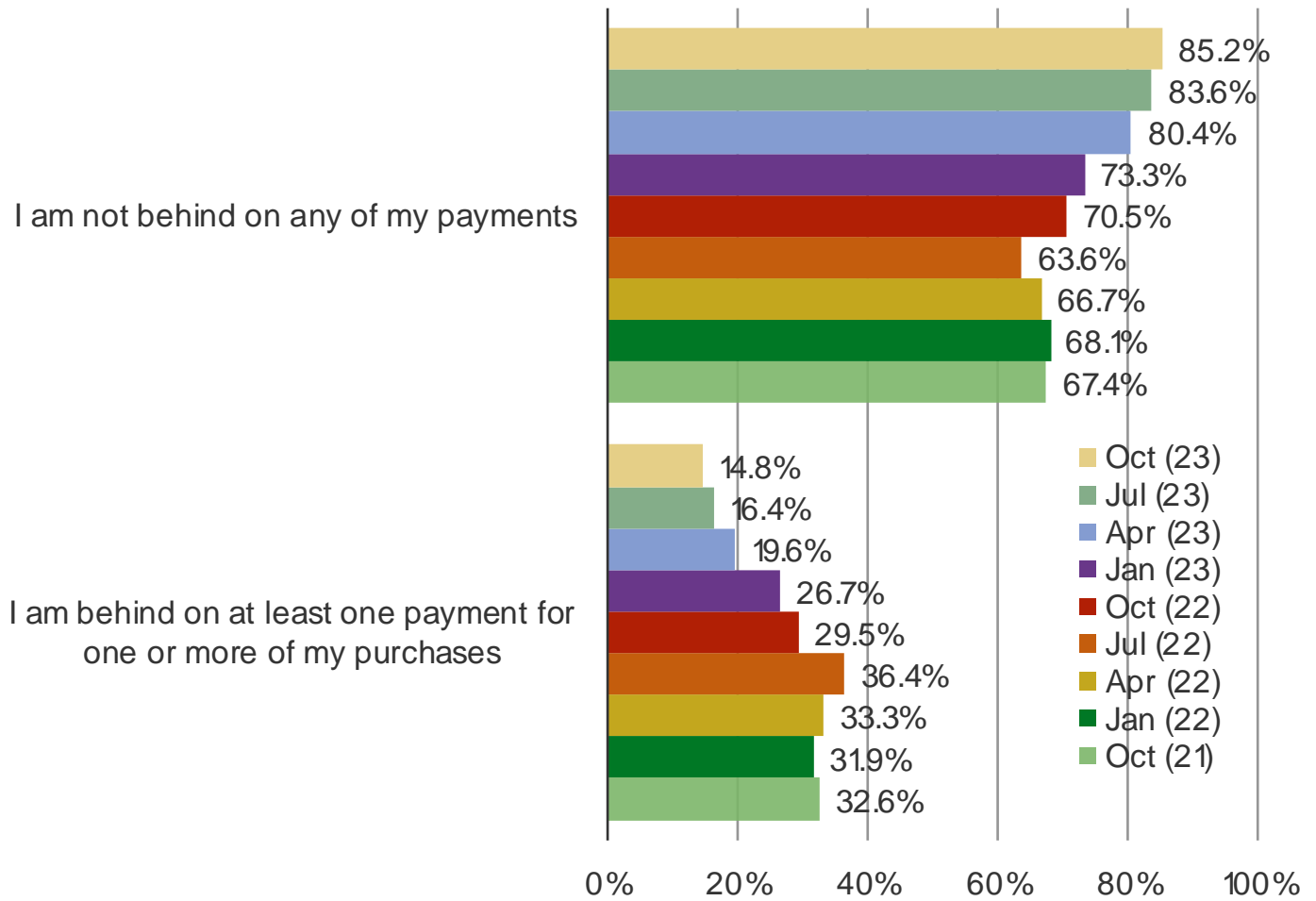
HAVE YOU USED BUY NOW PAY LATER OPTIONS (LIKE AFFIRM, AFTER PAY, KLARNA, ETC) TO BUY ANYTHING IN THE PAST 6 MONTHS?

Posed to all respondents.



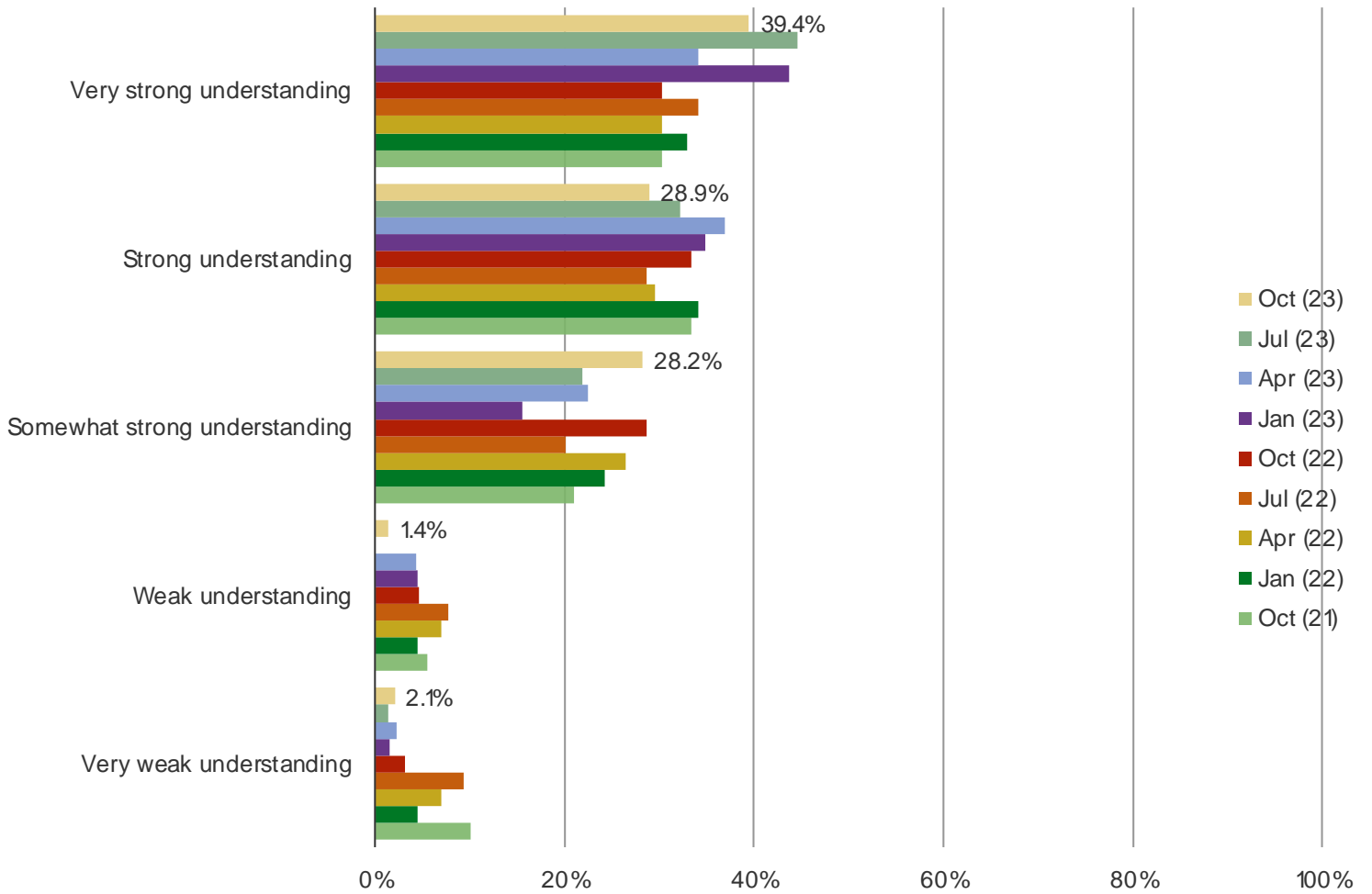
ARE YOU CURRENTLY BEHIND ON ANY OF YOUR BUY NOW PAY LATER PAYMENTS?

Posed to all respondents who have used BNPL services in the last 6 months.



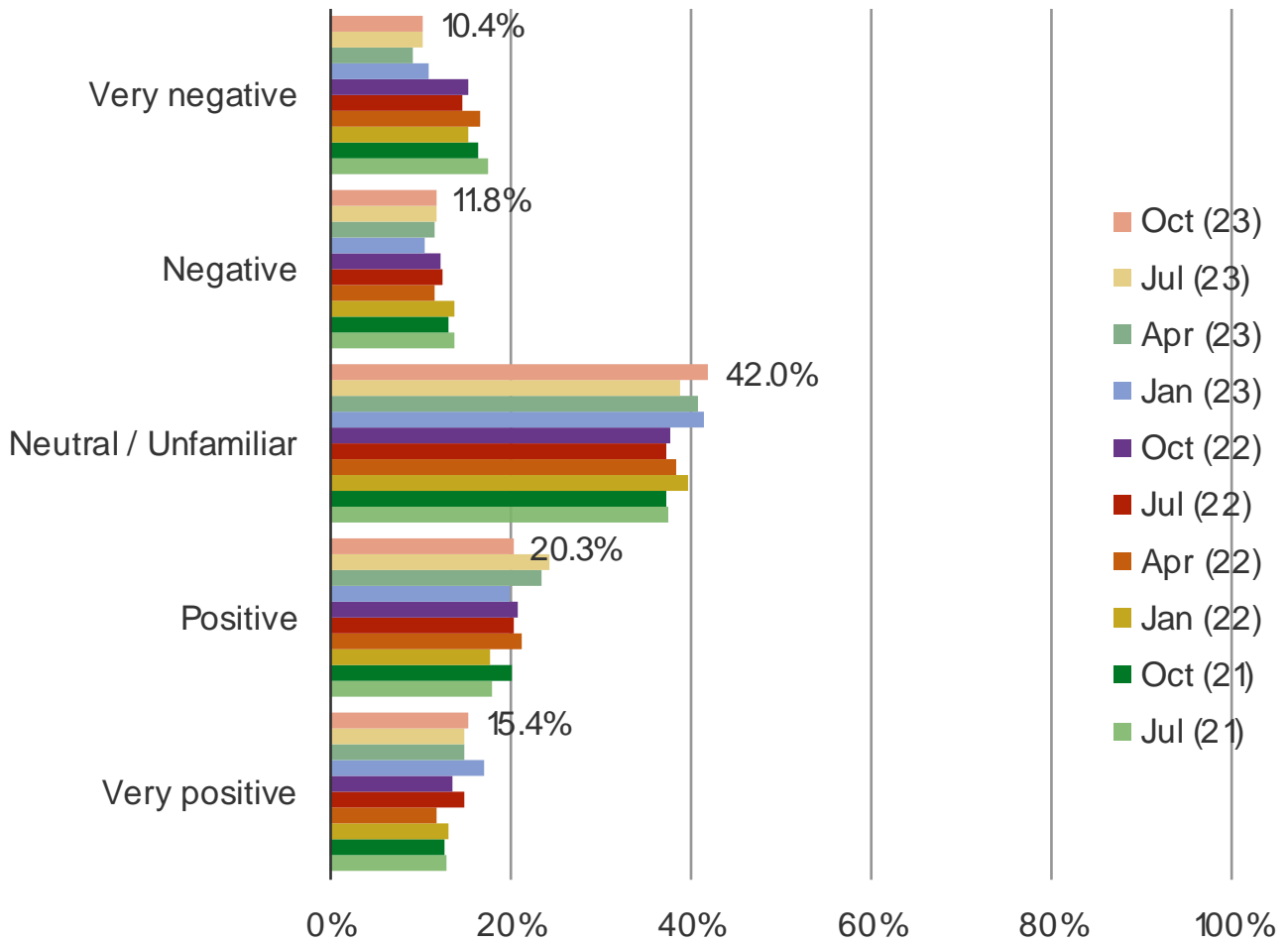
HOW WELL DO YOU FEEL YOU UNDERSTAND HOW THESE BUY NOW PAY LATER OFFERINGS WORK?

Posed to all respondents who have used BNPL services in the last 6 months.



WHAT IS YOUR OPINION OF THE CONCEPT OF "BUY NOW AND PAY LATER" SERVICES IN WHICH YOU COULD BUY A PRODUCT FROM A RETAILER NOW AND PAY LATER WITHOUT THE NEED FOR TRADITIONAL CREDIT, UPFRONT FEES, OR INTEREST (UNLESS YOU ARE LATE ON A PAYMENT)?

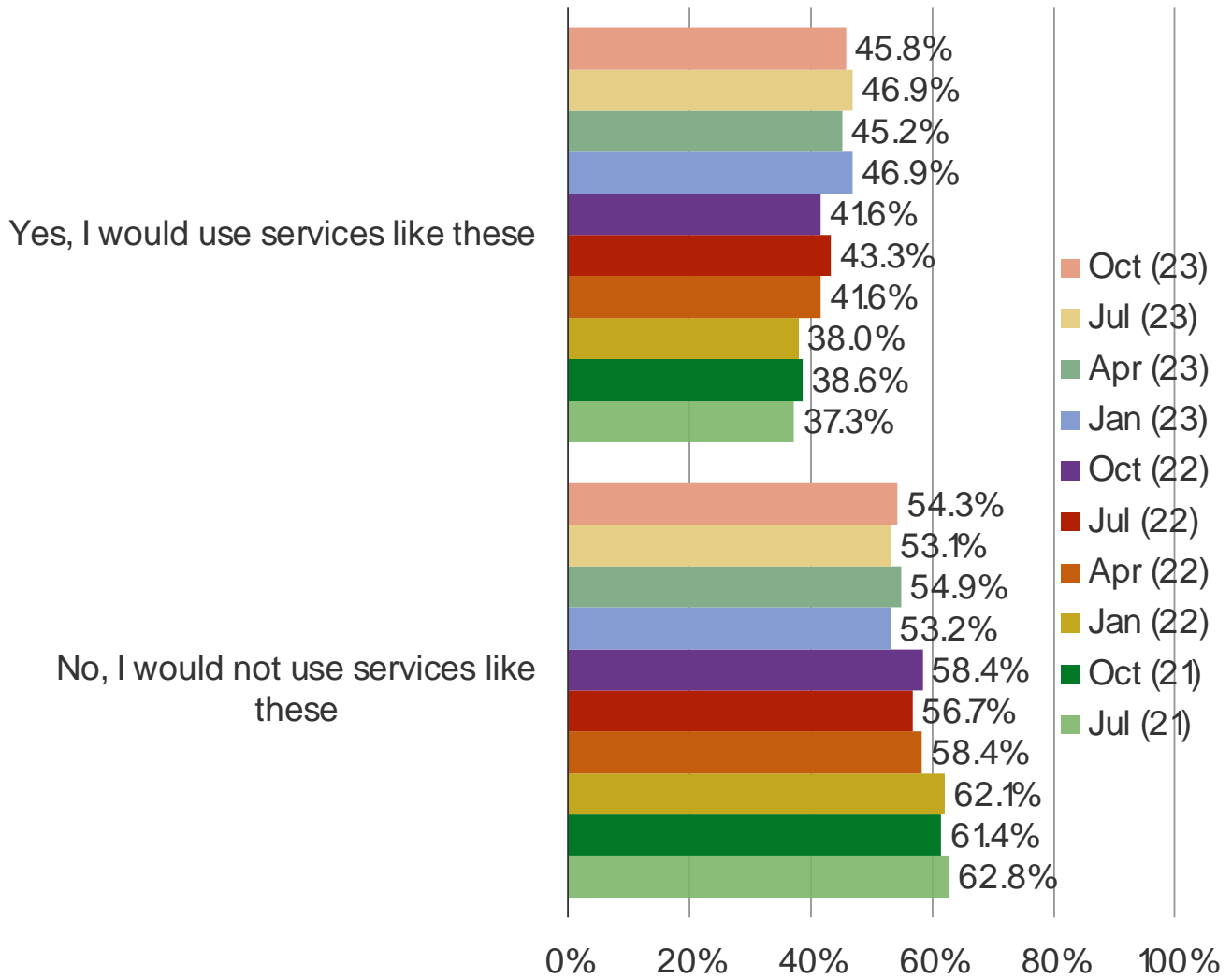
Posed to all respondents.



Buy Now Pay Later

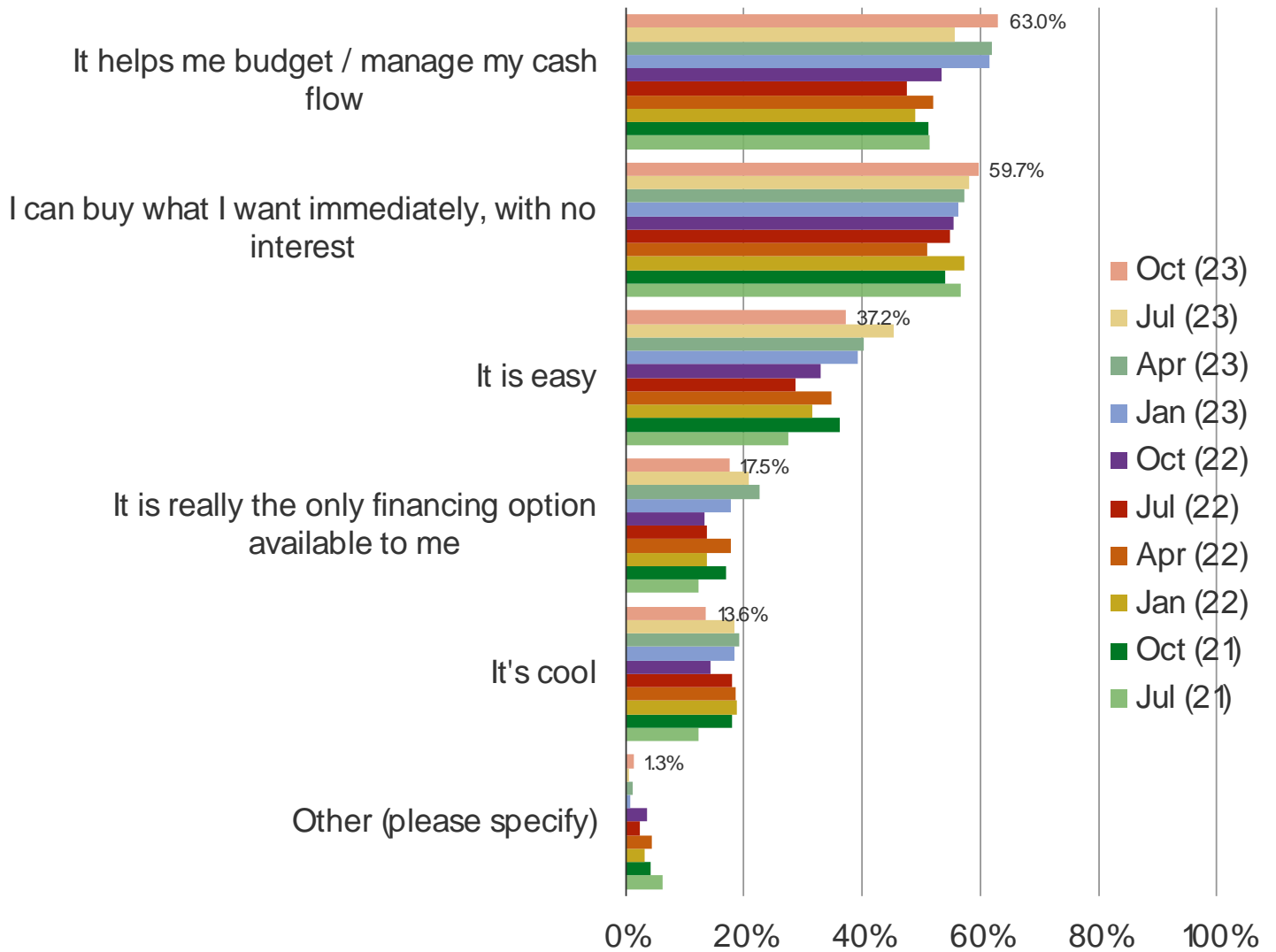
WOULD YOU USE "BUY NOW AND PAY LATER" SERVICES IN WHICH YOU COULD BUY A PRODUCT FROM A RETAILER NOW AND PAY LATER WITHOUT THE NEED FOR TRADITIONAL CREDIT, UPFRONT FEES, OR INTEREST (UNLESS YOU ARE LATE ON A PAYMENT)?

Posed to all respondents.



WHICH OF THE FOLLOWING BEST DESCRIBES WHY YOU WOULD USE "BUY NOW AND PAY LATER SERVICES"?

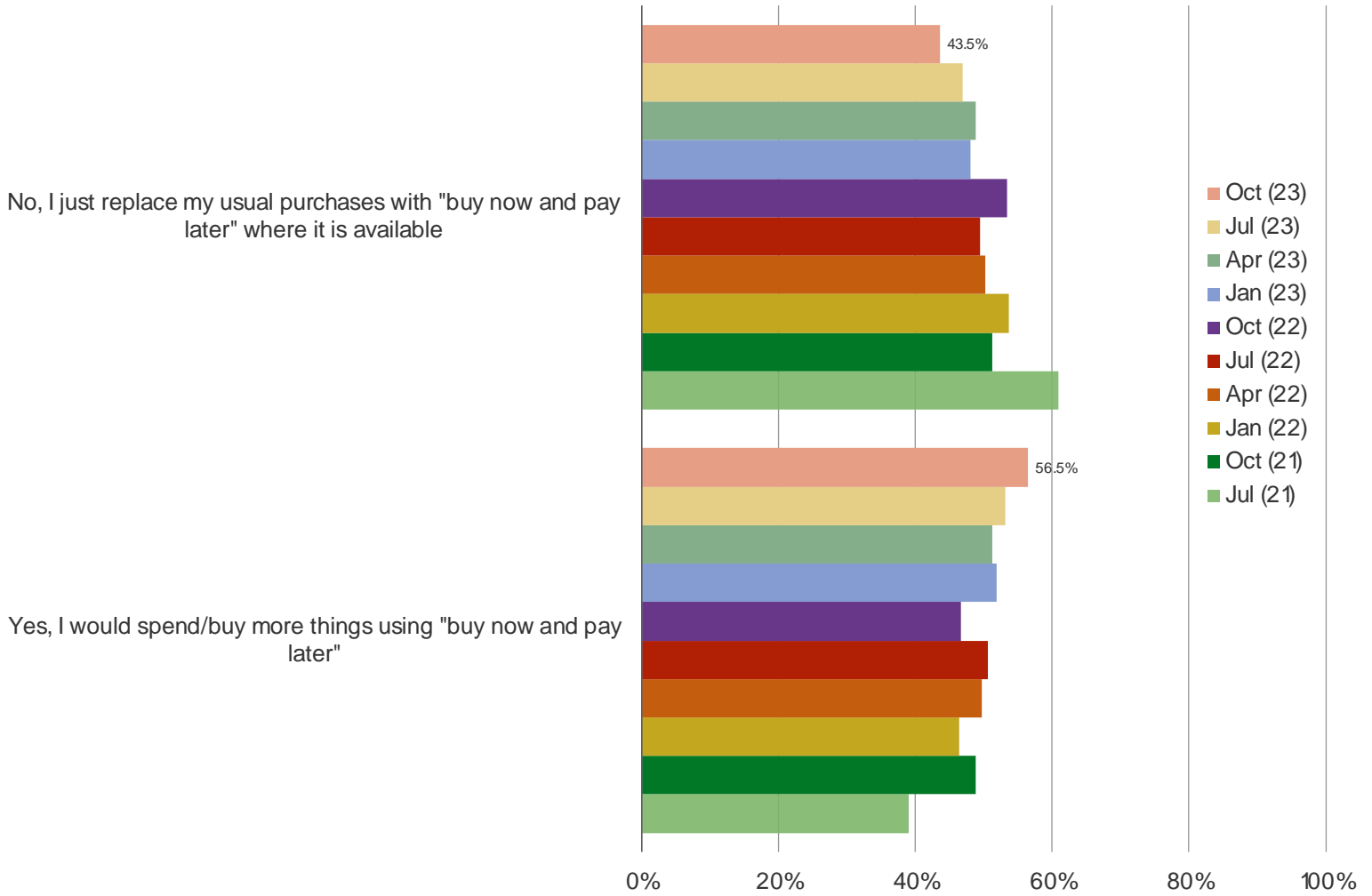
Posed to respondents who said they would use buy now and pay later services.



N = 457

IN YOUR OPINION, WOULD "BUY NOW AND PAY LATER" CHANGE HOW MUCH YOU SPEND/BUY?

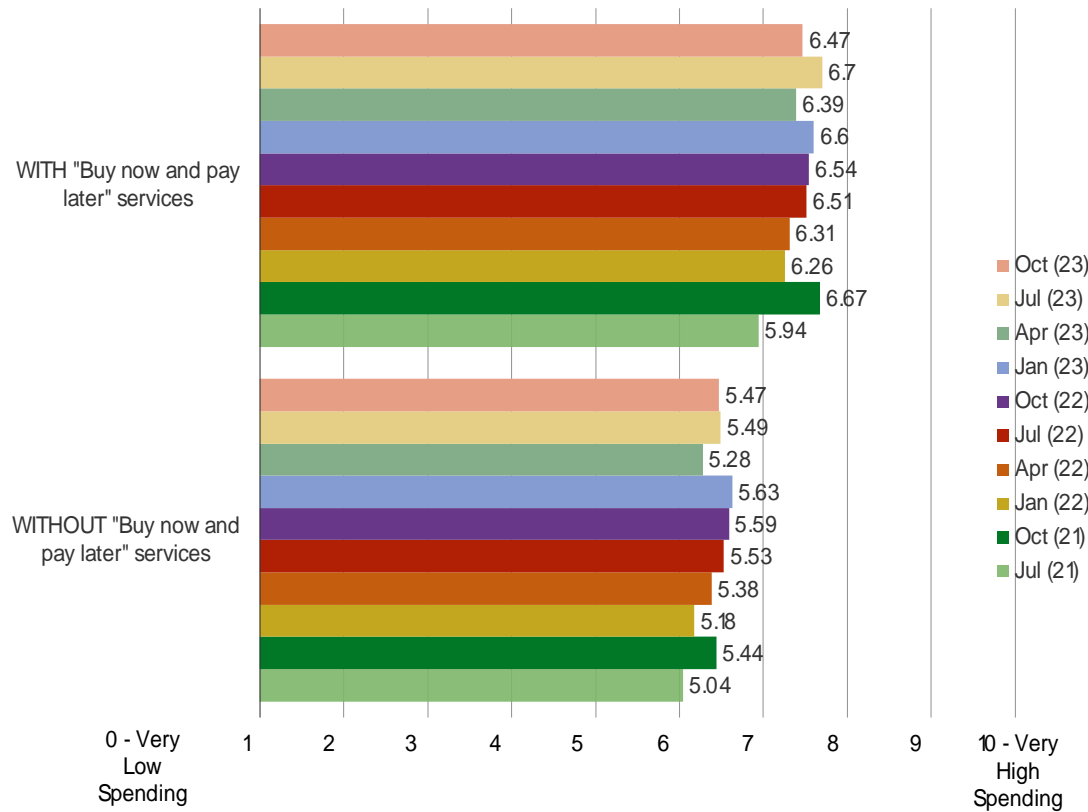
Posed to respondents who said they would use buy now and pay later services.



N = 457

HOW MUCH MONEY WOULD YOU SPEND ON DISCRETIONARY (IE, NON-ESSENTIAL) ITEMS IF...

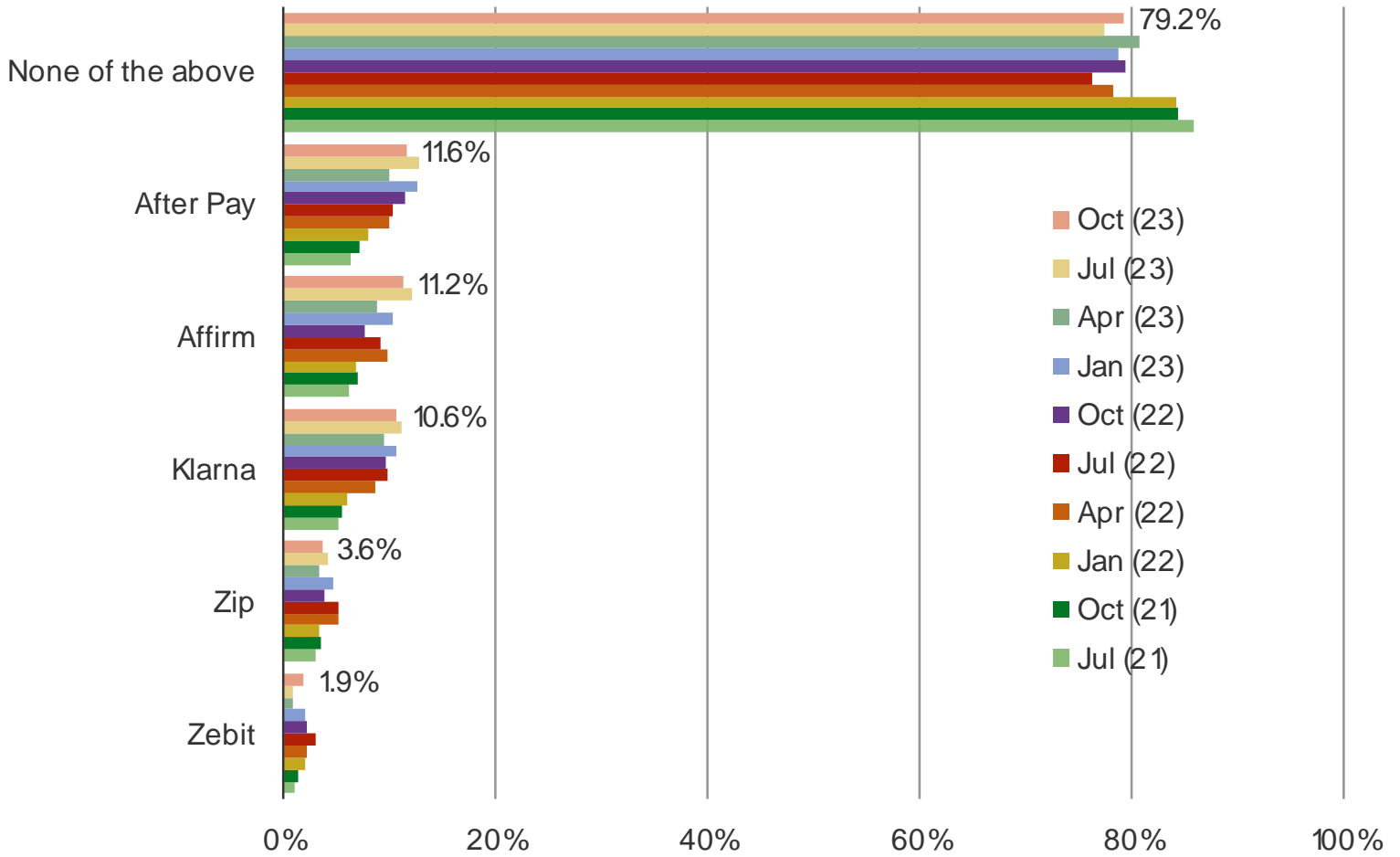
Posed to respondents who said they would use buy now and pay later services.



N = 457

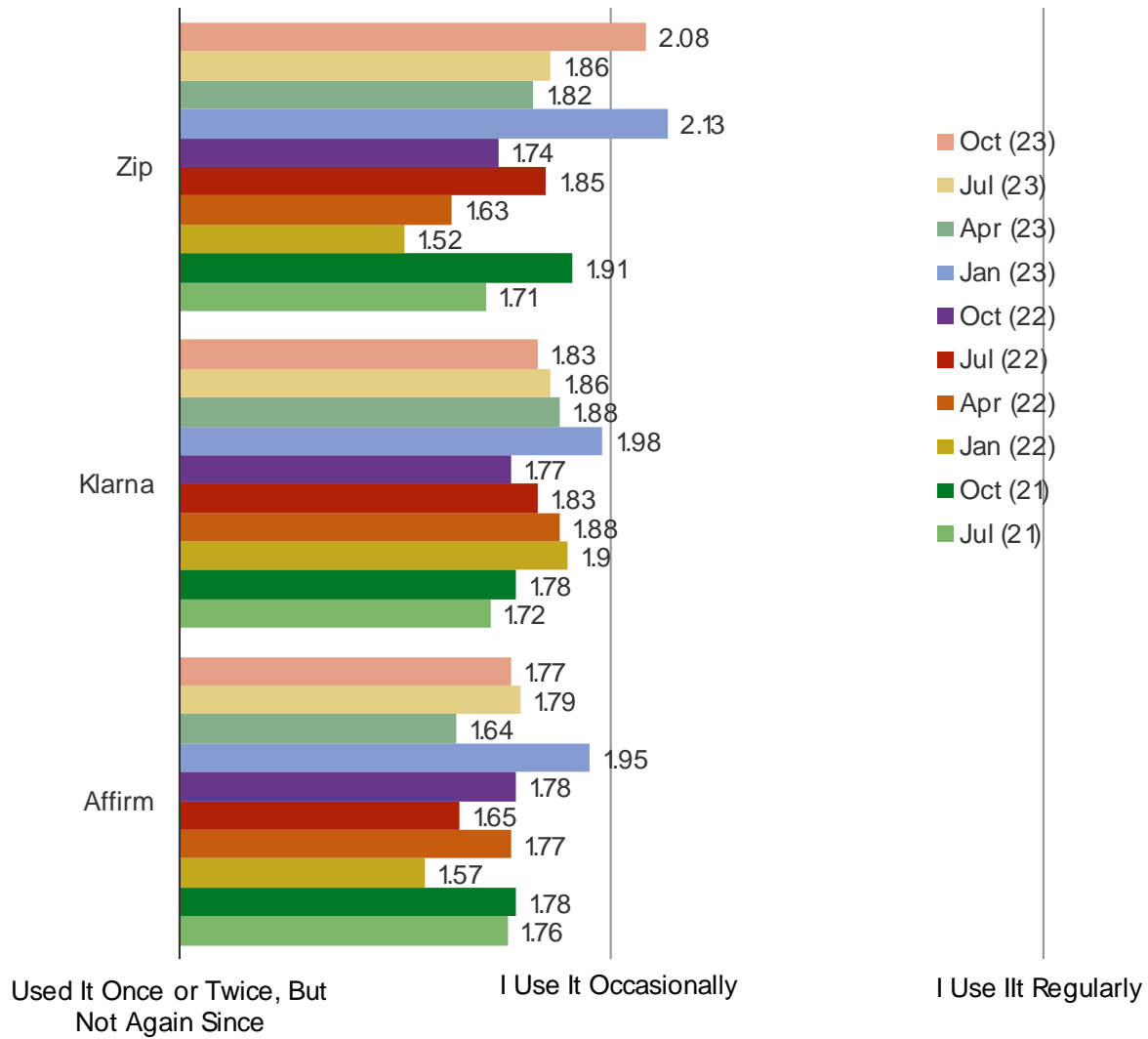
HAVE YOU EVER USED ANY OF THE FOLLOWING?

Posed to all respondents.



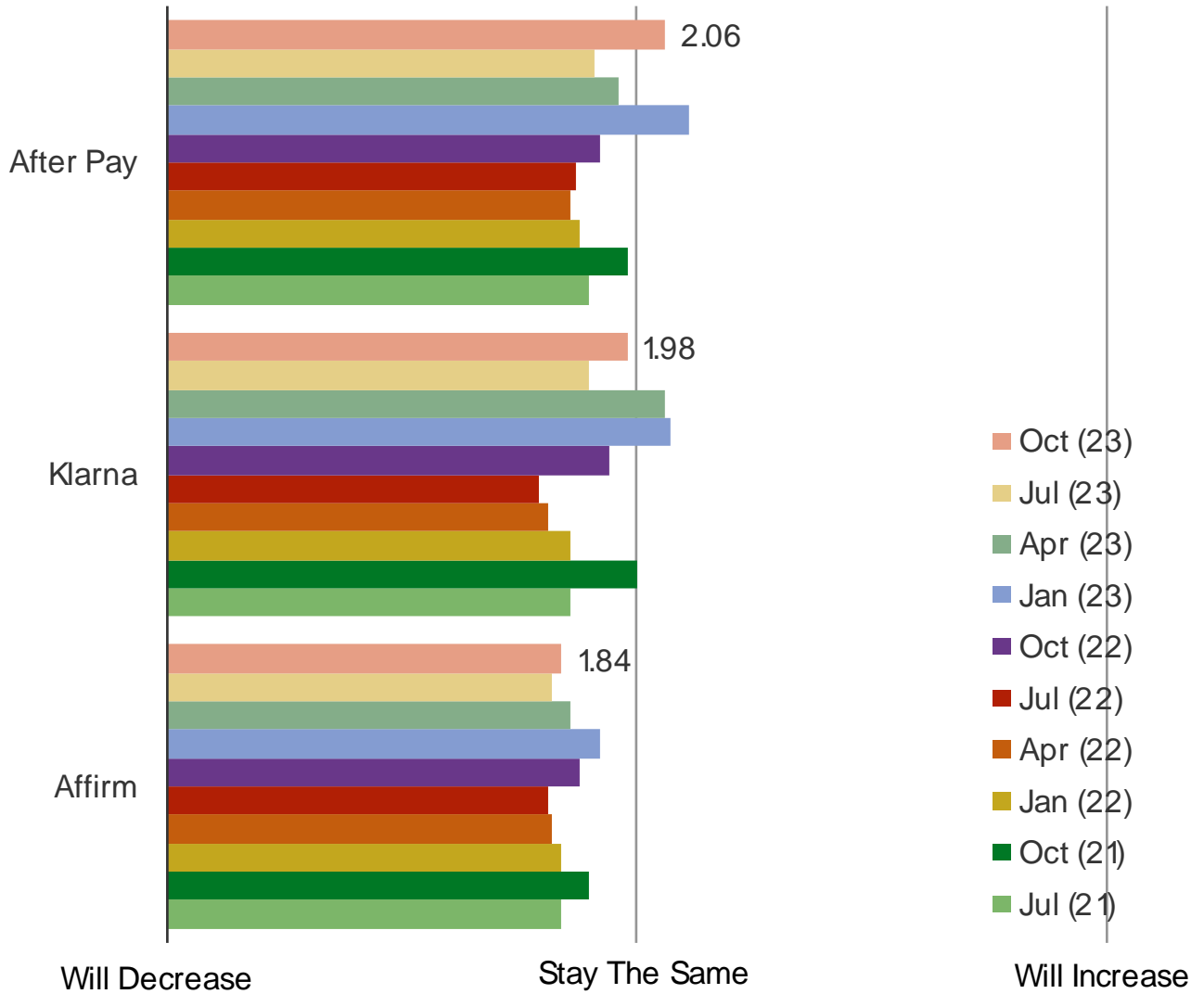
WHICH OF THE FOLLOWING BEST DESCRIBES YOUR EXPERIENCE WITH THE FOLLOWING:

Posed to all respondents who have used the below.



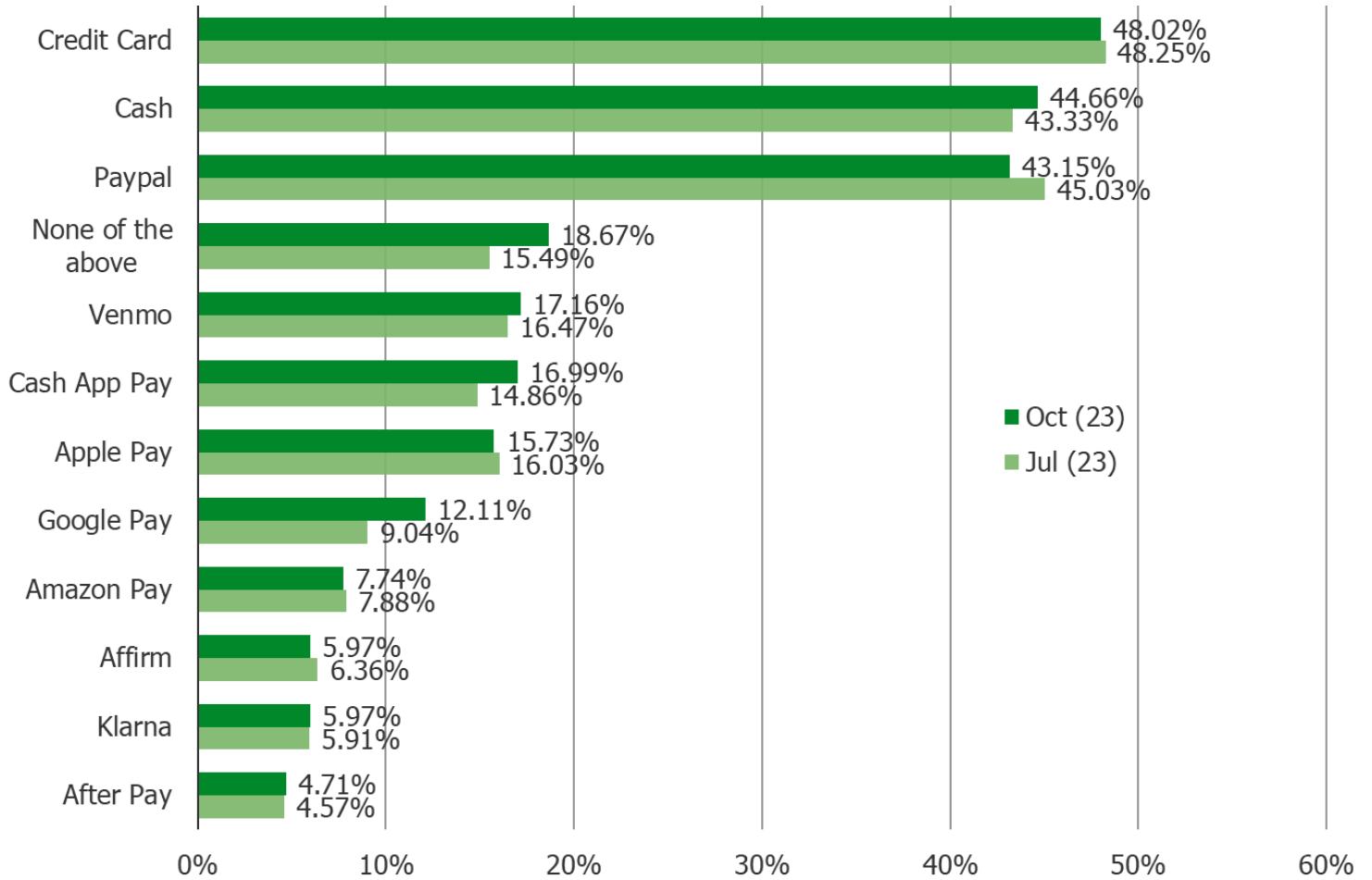
OVER THE NEXT 6 MONTHS, HOW DO YOU EXPECT YOUR USAGE OF THE FOLLOWING TO CHANGE AS A % OF YOUR TOTAL PURCHASES?

Posed to all respondents who have used the below.



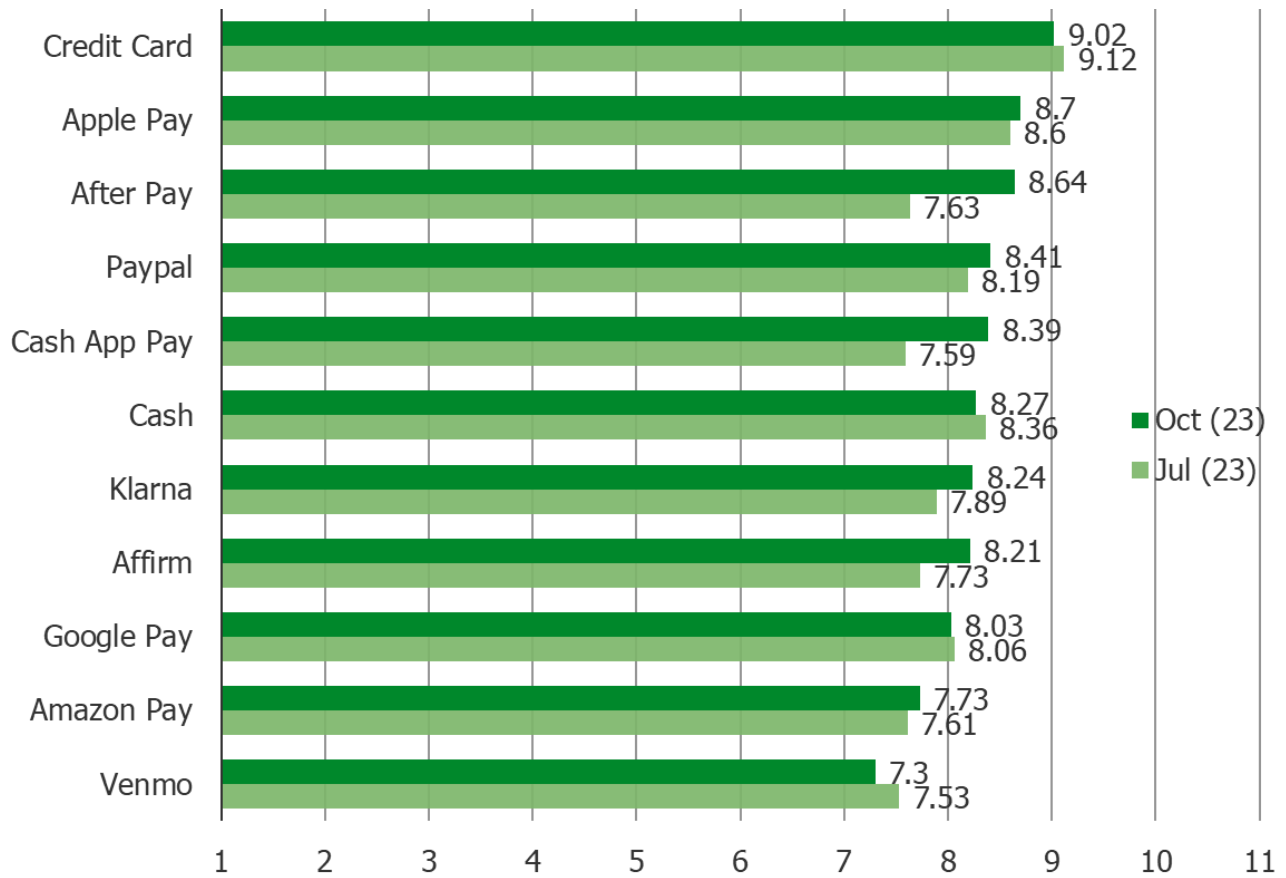
HAVE YOU USED ANY OF THE FOLLOWING TO CHECKOUT IN PERSON OR ONLINE DURING THE PAST 12 MONTHS? SELECT ALL THAT APPLY

Posed to all respondents.



WHEN YOU ARE BUYING SOMETHING AND THE FOLLOWING IS AN OPTION TO PAY FOR IT, HOW LIKELY ARE YOU TO USE IT TO CHECK OUT?

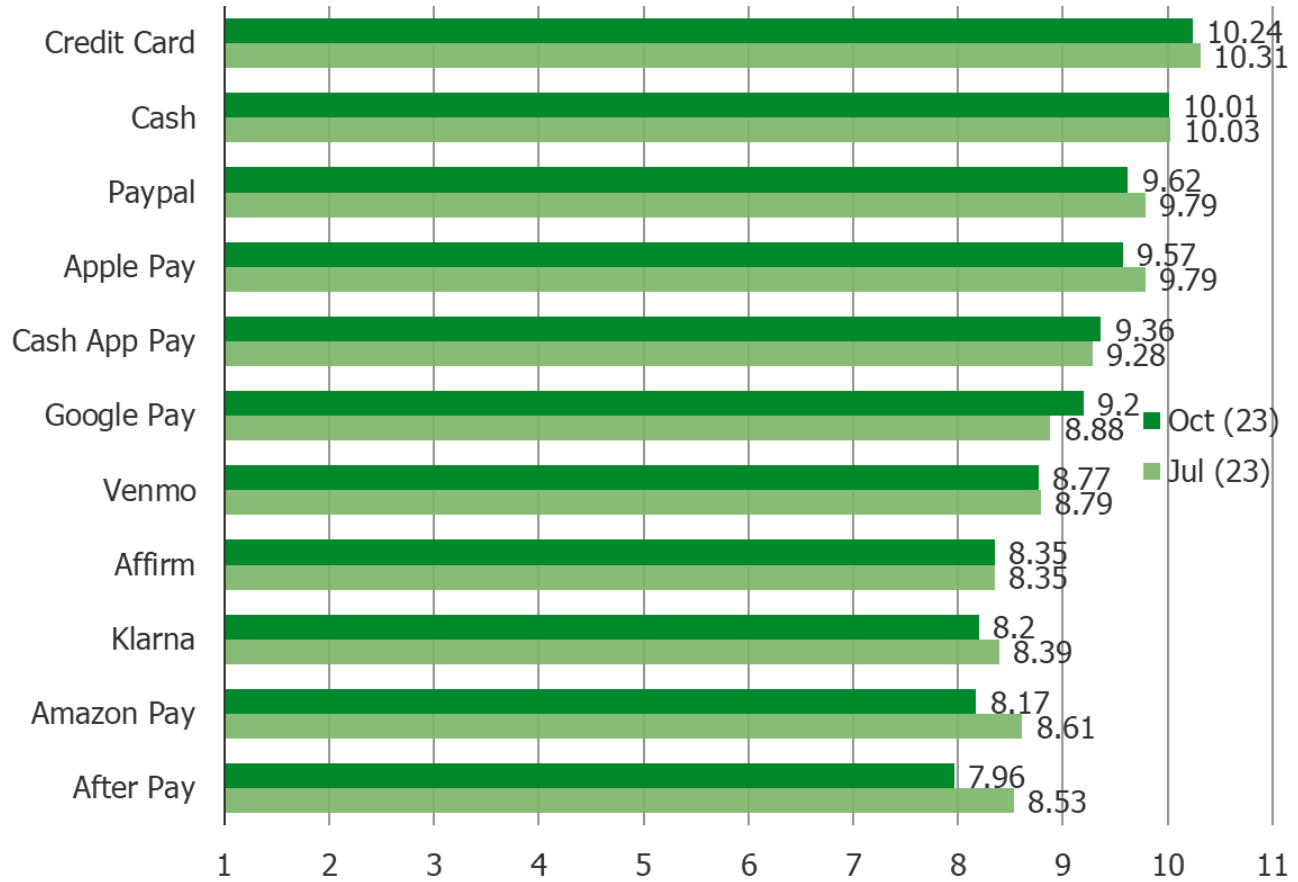
Posed to respondents who have used each of the following to check out in the past 12 months...



	N =
Venmo	184
Amazon Pay	88
Google Pay	101
Affirm	71
Klarna	66
Cash	484
Cash App Pay	166
Paypal	503
After Pay	51
Apple Pay	179
Credit Card	539

PLEASE RANK YOUR PREFERRED METHODS OF PAYMENT WHEN SHOPPING IN-PERSON, WITH YOUR MOST PREFERRED METHOD AT THE TOP AND LEAST PREFERRED METHOD AT THE BOTTOM.

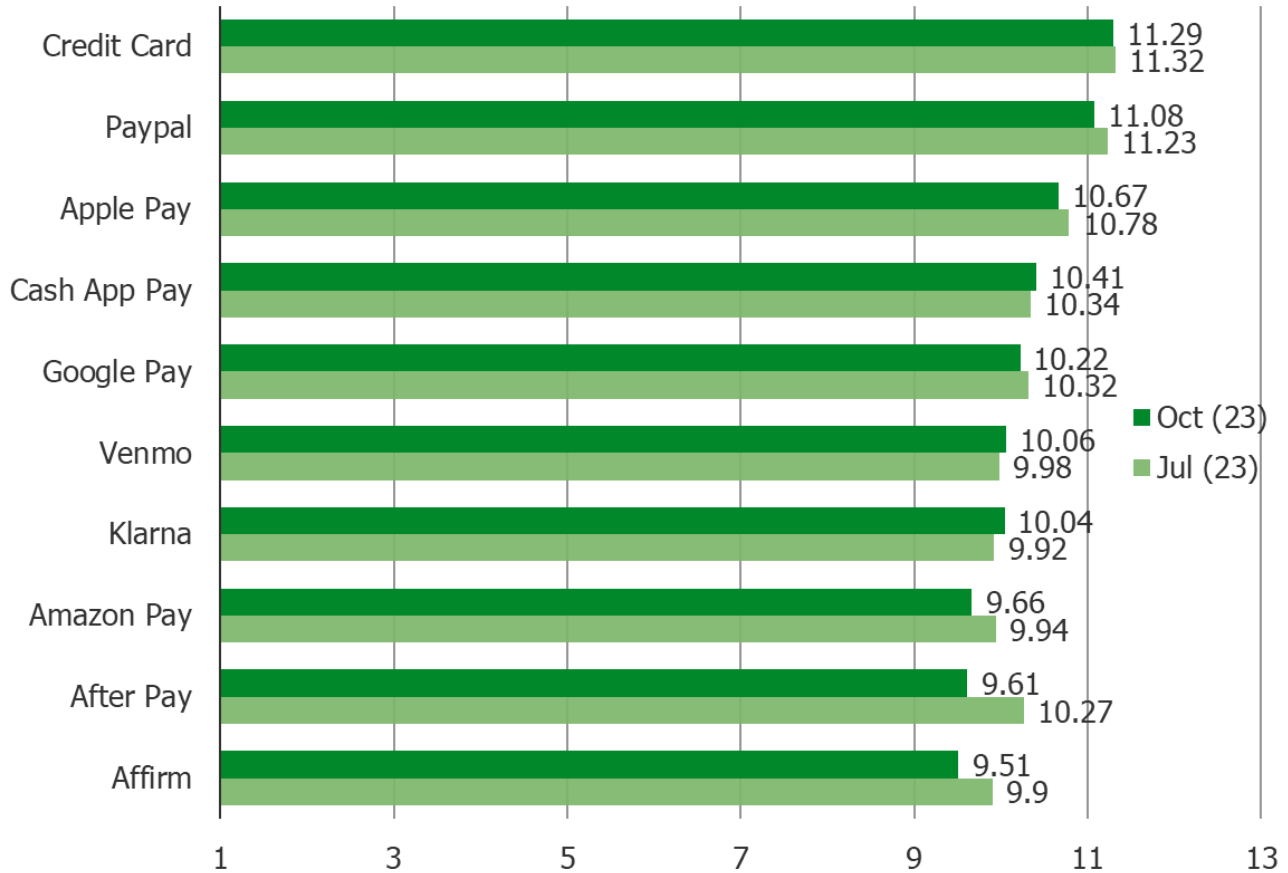
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Cash App Pay	166
Paypal	503
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Apple Pay	179
Credit Card	539

PLEASE RANK YOUR PREFERRED METHODS OF PAYMENT WHEN SHOPPING ONLINE, WITH YOUR MOST PREFERRED METHOD AT THE TOP AND LEAST PREFERRED METHOD AT THE BOTTOM.

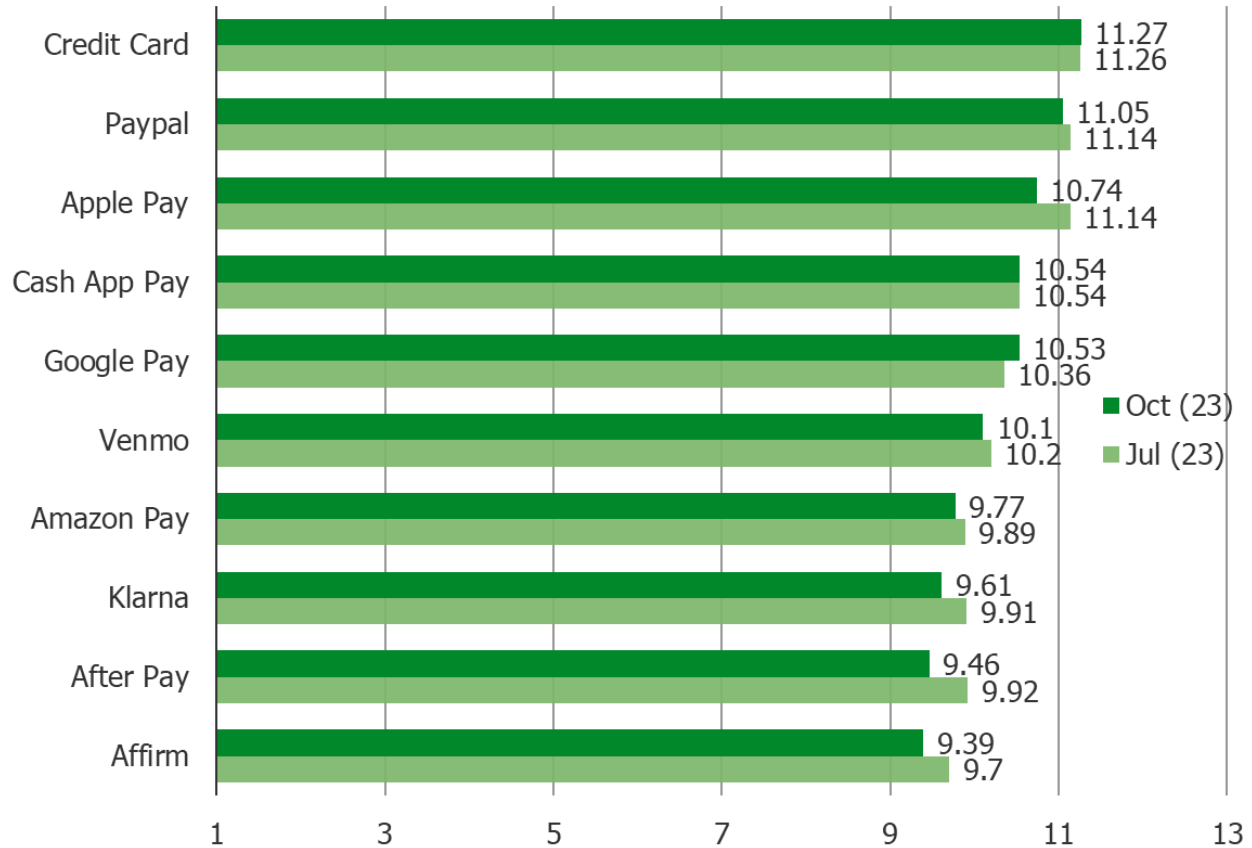
Posed to respondents who have used each of the following to check out in the past 12 months...



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Amazon Pay	88
Google Pay	101
Affirm	71
Klarna	66
Cash	484
Cash App Pay	166
Paypal	503
After Pay	51
Apple Pay	179
Credit Card	539

PLEASE RANK YOUR PREFERRED METHODS OF PAYMENT WHEN SHOPPING ON YOUR MOBILE DEVICE, WITH YOUR MOST PREFERRED METHOD AT THE TOP AND LEAST PREFERRED METHOD AT THE BOTTOM.

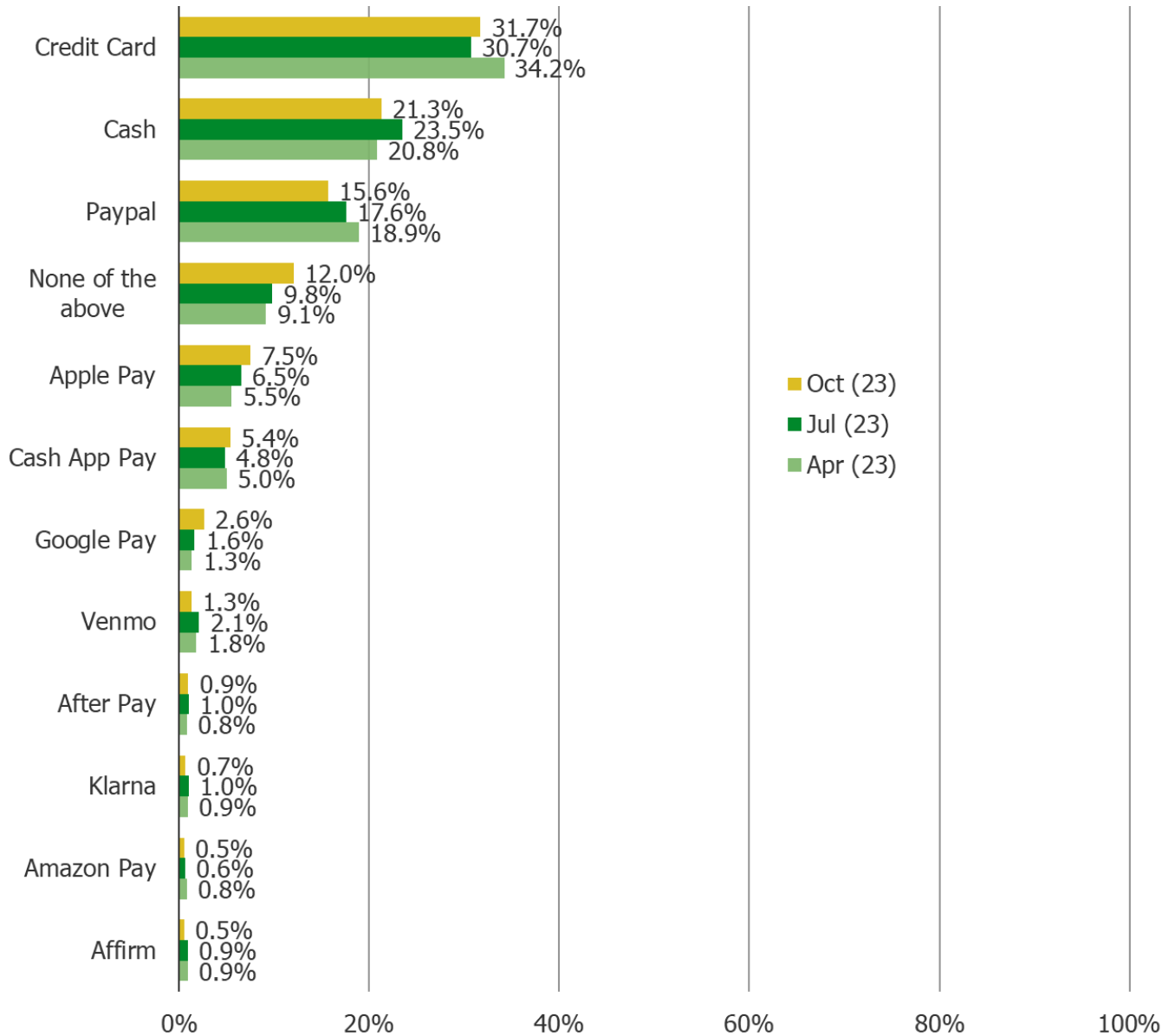
Posed to respondents who have used each of the following to check out in the past 12 months...



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Venmo	184
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Klarna	66
Cash	484
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After Pay	51
Apple Pay	179
Credit Card	539

WHICH OF THE FOLLOWING IS YOUR FAVORITE METHOD OF PAYMENT?

Posed to all respondents.



WHICH OF THE FOLLOWING IS YOUR FAVORITE METHOD OF PAYMENT?

Posed to all respondents, cross-tabbed by age.

	None	Apple Pay	Google Pay	Cash App Pay	Klarna	After Pay	Affirm	Paypal	Venmo	Amazon Pay	Credit Card	Cash	N=
Age: 18 to 24	15.4%	12.8%	2.6%	6.8%	0.9%	0.9%	0.0%	11.1%	2.6%	0.0%	22.2%	24.8%	117
Age: 25 to 34	10.2%	16.1%	5.9%	7.5%	0.5%	1.1%	0.5%	17.2%	2.2%	0.5%	26.3%	11.8%	186
Age: 35 to 44	9.3%	11.6%	2.7%	10.2%	1.3%	0.9%	0.9%	17.8%	0.9%	0.9%	22.7%	20.9%	225
Age: 45 to 54	10.4%	5.2%	3.8%	1.9%	1.0%	1.9%	1.4%	21.3%	1.9%	1.0%	30.8%	19.4%	211
Age: 55 to 64	16.0%	2.1%	1.3%	5.1%	0.4%	0.4%	0.0%	12.2%	0.4%	0.0%	35.4%	26.6%	237
Age: 65 to 74	10.6%	0.6%	0.0%	1.8%	0.0%	0.6%	0.0%	13.5%	0.0%	0.6%	47.1%	25.3%	170
Age: 75 or older	16.3%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	9.3%	2.3%	0.0%	51.2%	18.6%	43
Total	12.0%	7.5%	2.6%	5.4%	0.7%	0.9%	0.5%	15.6%	1.3%	0.5%	31.7%	21.3%	1189

WHAT DO YOU TYPICALLY USE THE FOLLOWING FORMS OF PAYMENT FOR?

Posed to respondents who have used Cash App Pay in the past 12 months (N = 633)



WHAT DO YOU TYPICALLY USE THE FOLLOWING FORMS OF PAYMENT FOR?

Posed to respondents who have used **Klarna** in the past 12 months (N = 243)

CLOTHES



WHAT DO YOU TYPICALLY USE THE FOLLOWING FORMS OF PAYMENT FOR?

Posed to respondents who have used Amazon Pay in the past 12 months (N = 365)



WHAT DO YOU TYPICALLY USE THE FOLLOWING FORMS OF PAYMENT FOR?

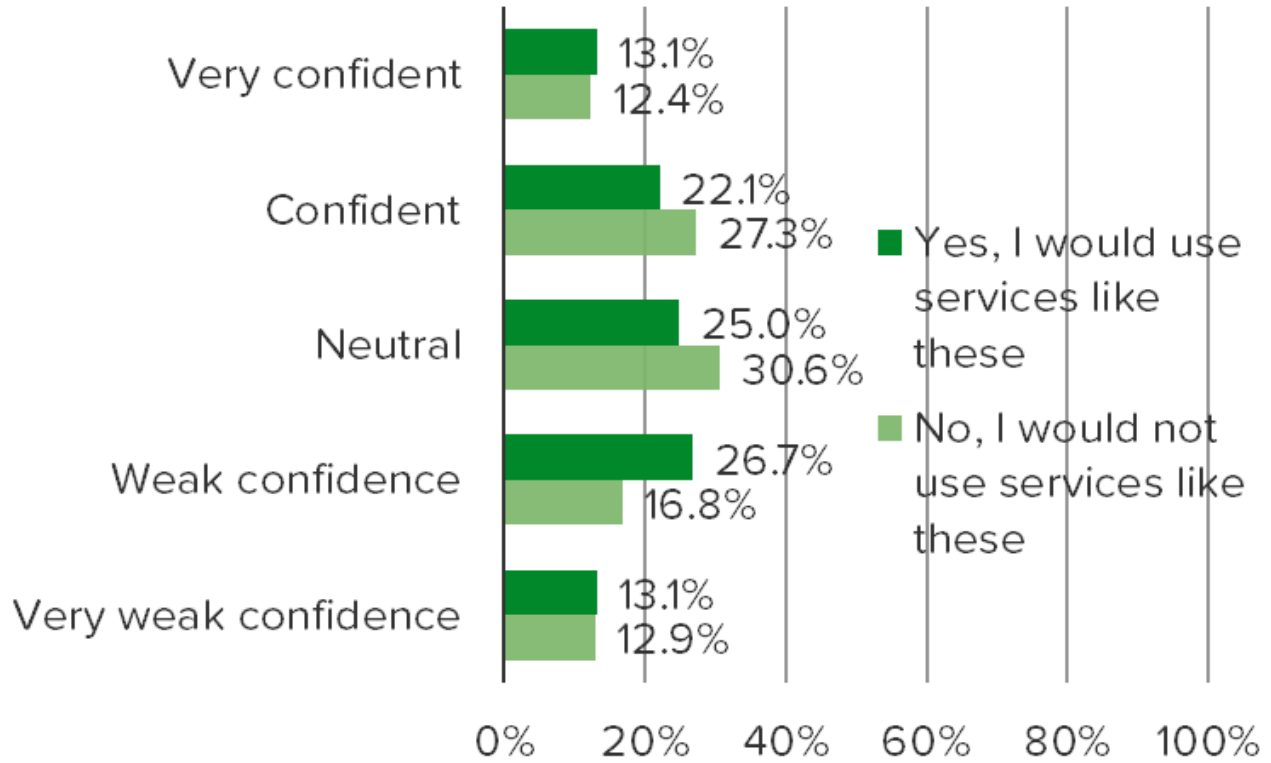
Posed to respondents who have used Credit Card in the past 12 months (N = 2071)



SPENDING CONFIDENCE CURRENTLY:

Posed to all respondents, cross-tabbed by whether they would or would not use BNPL services.

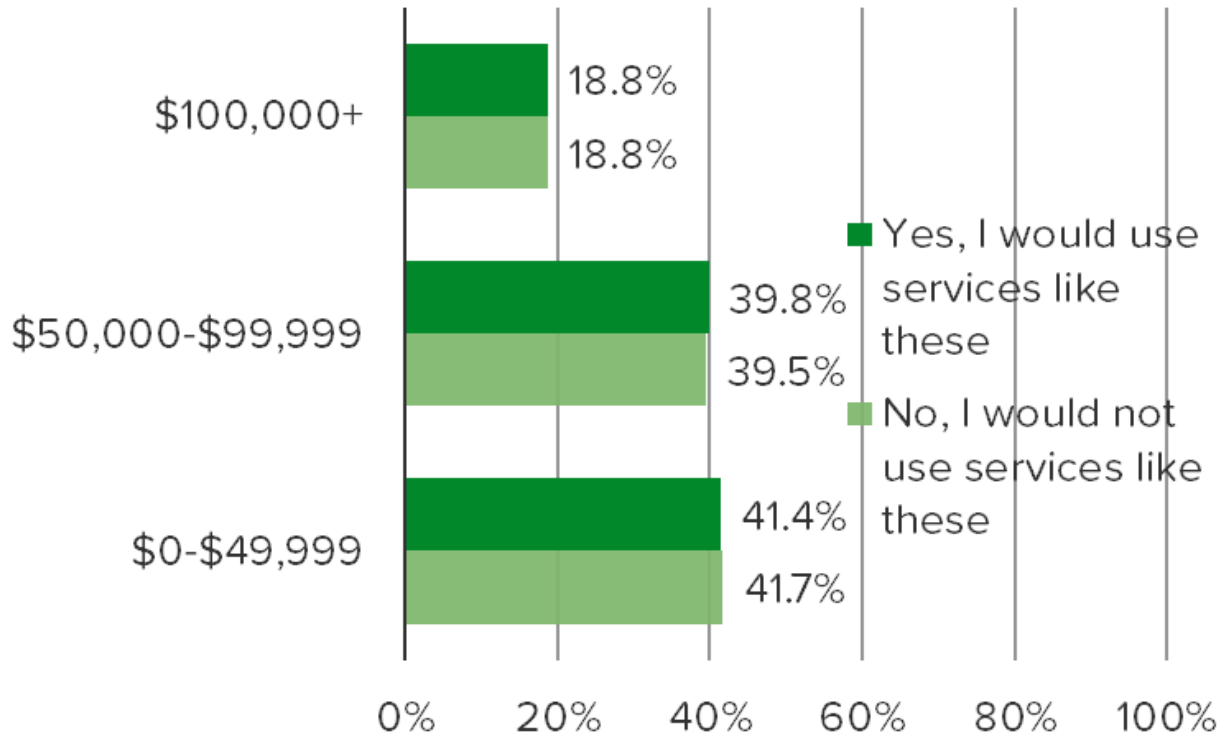
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INCOME:

Posed to all respondents, cross-tabbed by whether they would or would not use BNPL services.

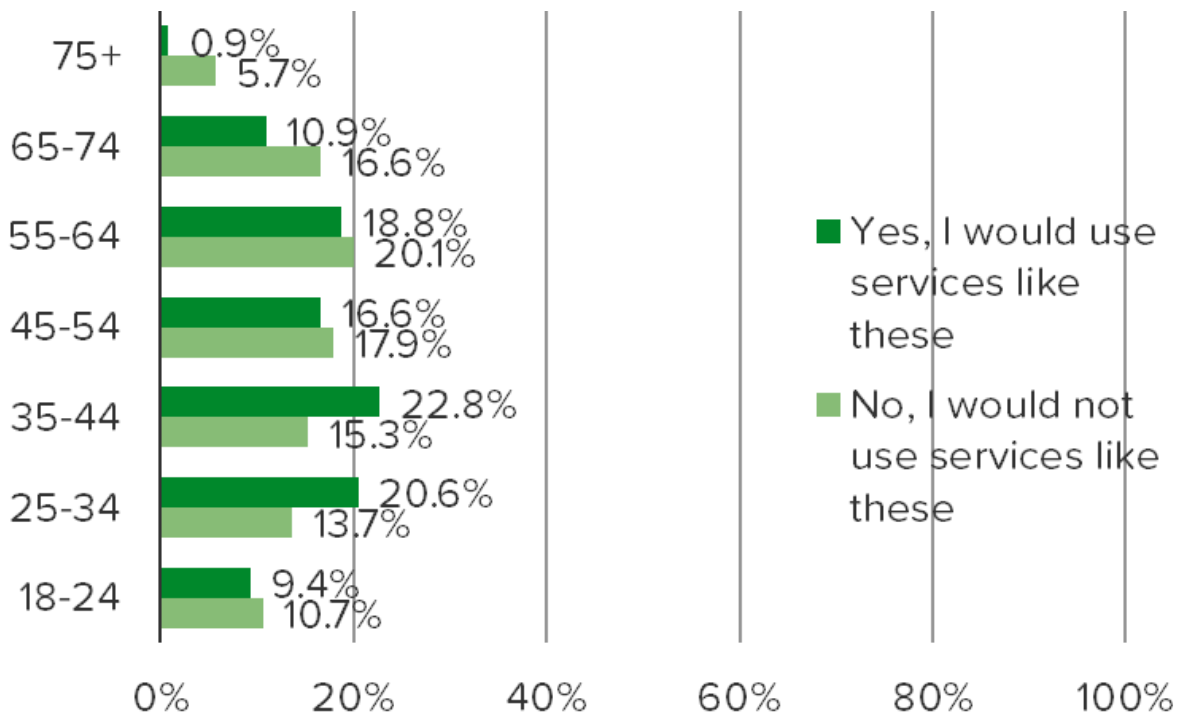
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AGE:

Posed to all respondents, cross-tabbed by whether they would or would not use BNPL services.

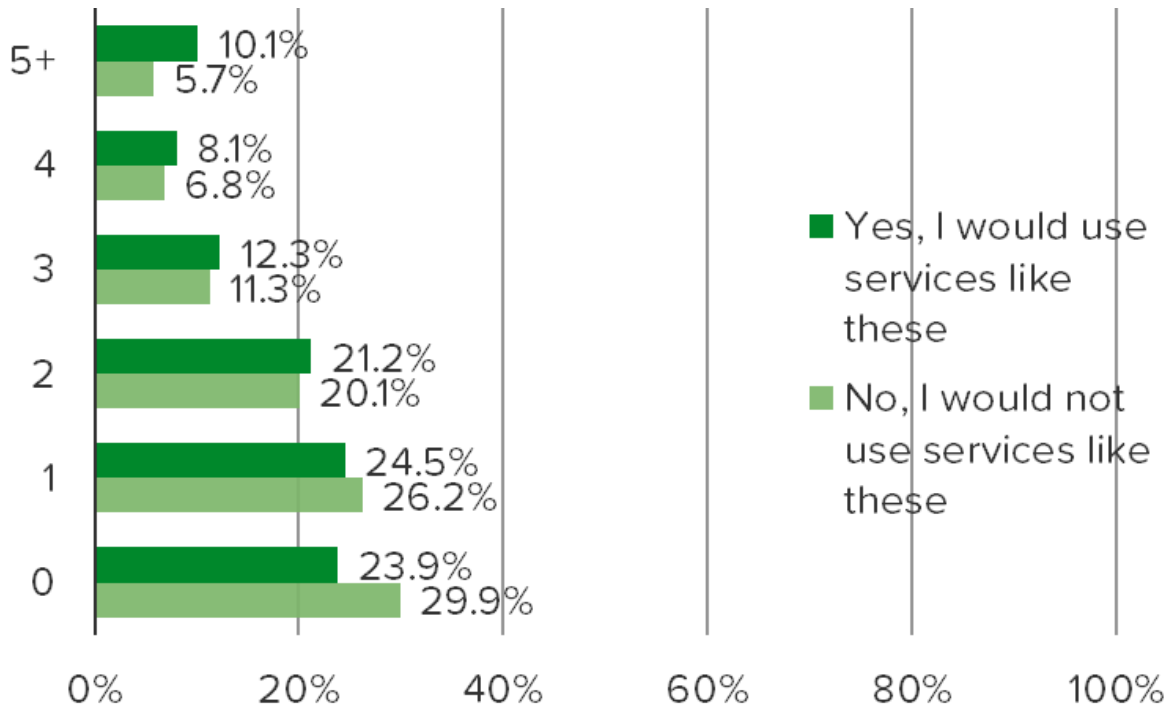
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NUMBER OF CREDIT CARDS RESPONDENTS HAVE:

Posed to all respondents, cross-tabbed by whether they would or would not use BNPL services.

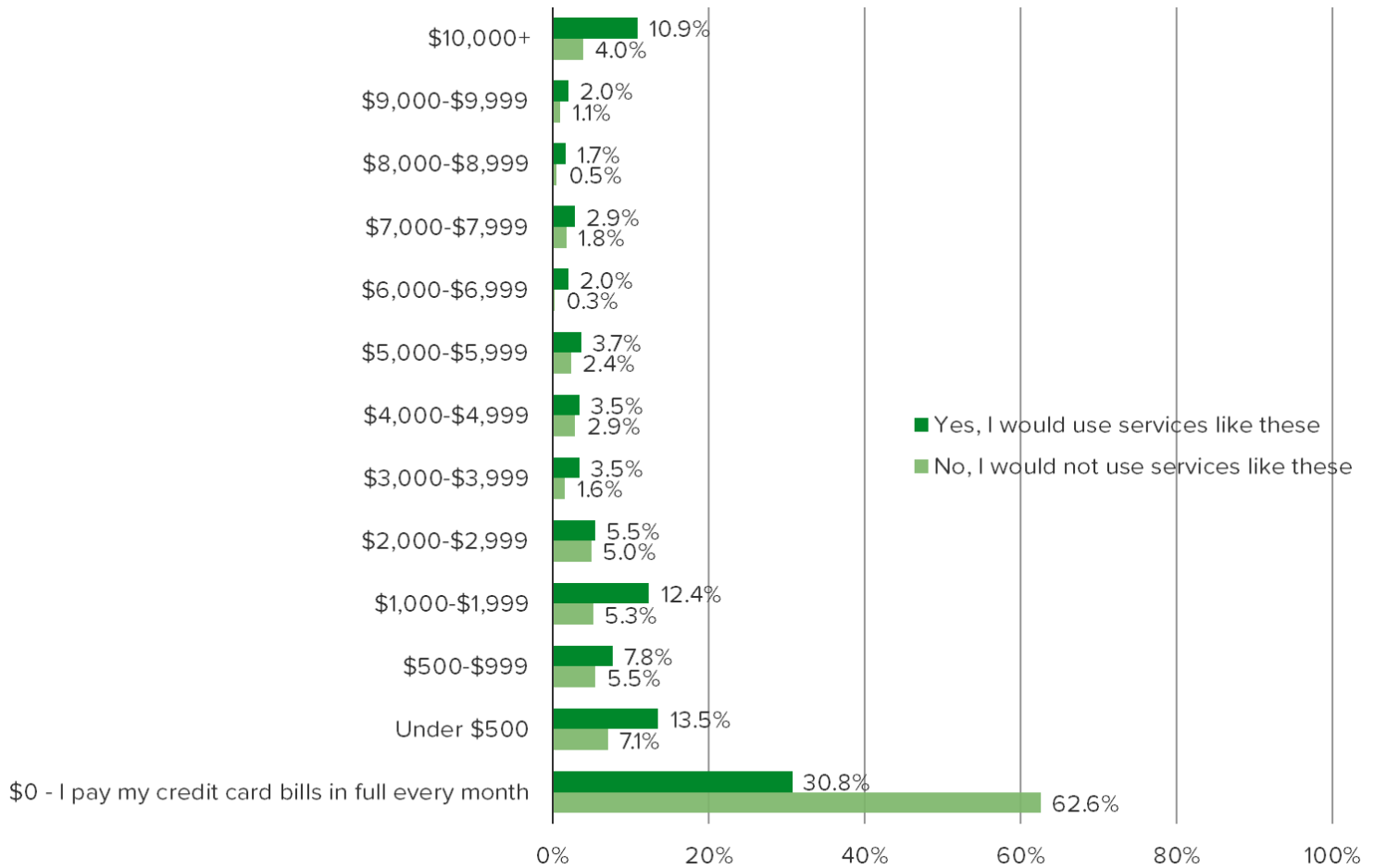
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AMOUNT OF CREDIT CARD DEBT THEY CARRY OVER MONTH/MONTH

Posed to all respondents, cross-tabbed by whether they would or would not use BNPL services.

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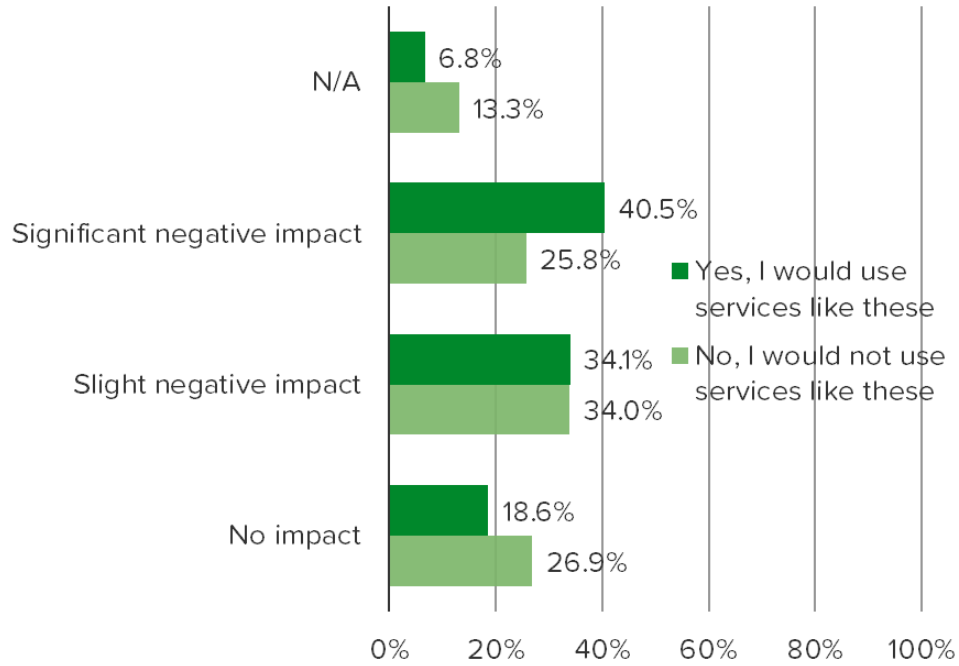


IF YOUR HOUSEHOLD INCOME DECLINED BY 5-10%, WHICH OF THE FOLLOWING WOULD BEST DESCRIBE HOW IT WOULD IMPACT YOUR...

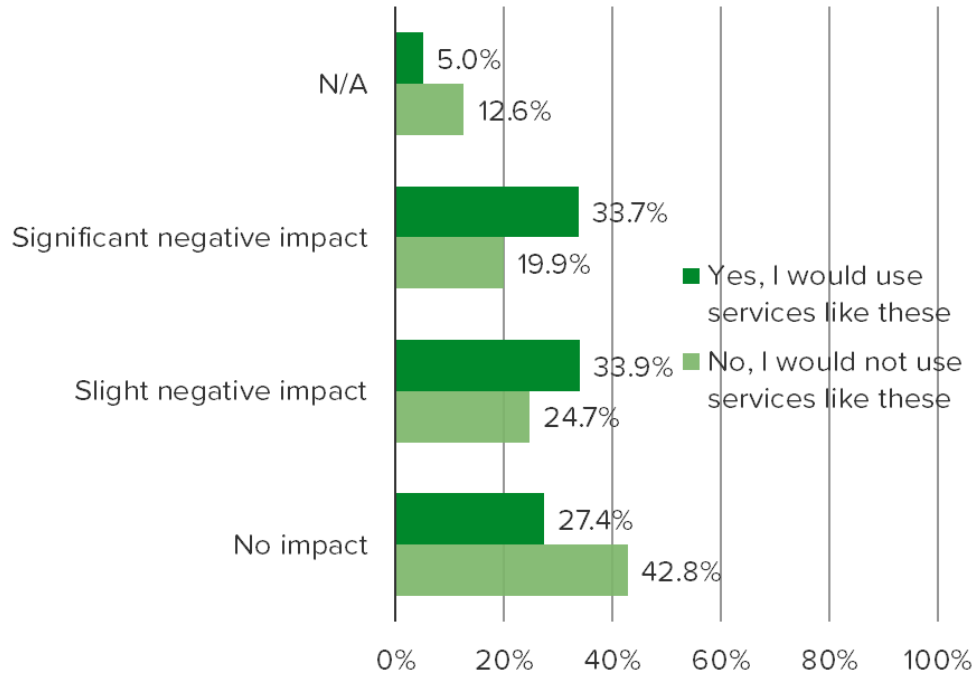
Posed to all respondents, cross-tabbed by whether they would or would not use BNPL services.

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Ability to spend on discretionary items



Ability to spend pay my monthly bills



TO THE BEST OF YOUR ESTIMATION, DID THE AMOUNT OF MONEY YOU HAVE SAVED CHANGE SINCE THE START OF THE COVID-19 PANDEMIC?

Posed to all respondents, cross-tabbed by whether they would or would not use BNPL services.

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