

Bespoke Survey Research

July 2024

Buy Now Pay Later

Volume 14 | Quarterly Survey
1,000 US Consumers Balanced To Census
Tickers Covered: AFRM, SQ, Klarna.

KPIs and Key questions

- The share of consumers who have used BNPL services in the past 6 months increased Q/Q (over time, this KPI has increased considerably).
- An increased percentage of consumers who use both indicated that their usage of BNPL services is additional to their credit card usage (55%-65% view it as additional, while the balance views it as replacement for credit card spend).
- Delinquency rates on BNPL continue to improve slightly with close to 90% saying they are not behind on any payments. Over the history of our survey, the share of respondents who said they are delinquent has declined significantly.
- In the past year or so, the discretionary spending confidence levels of BNPL users with BNPL has increased while discretionary spending confidence levels without BNPL has declined.

Noteworthy Stats:

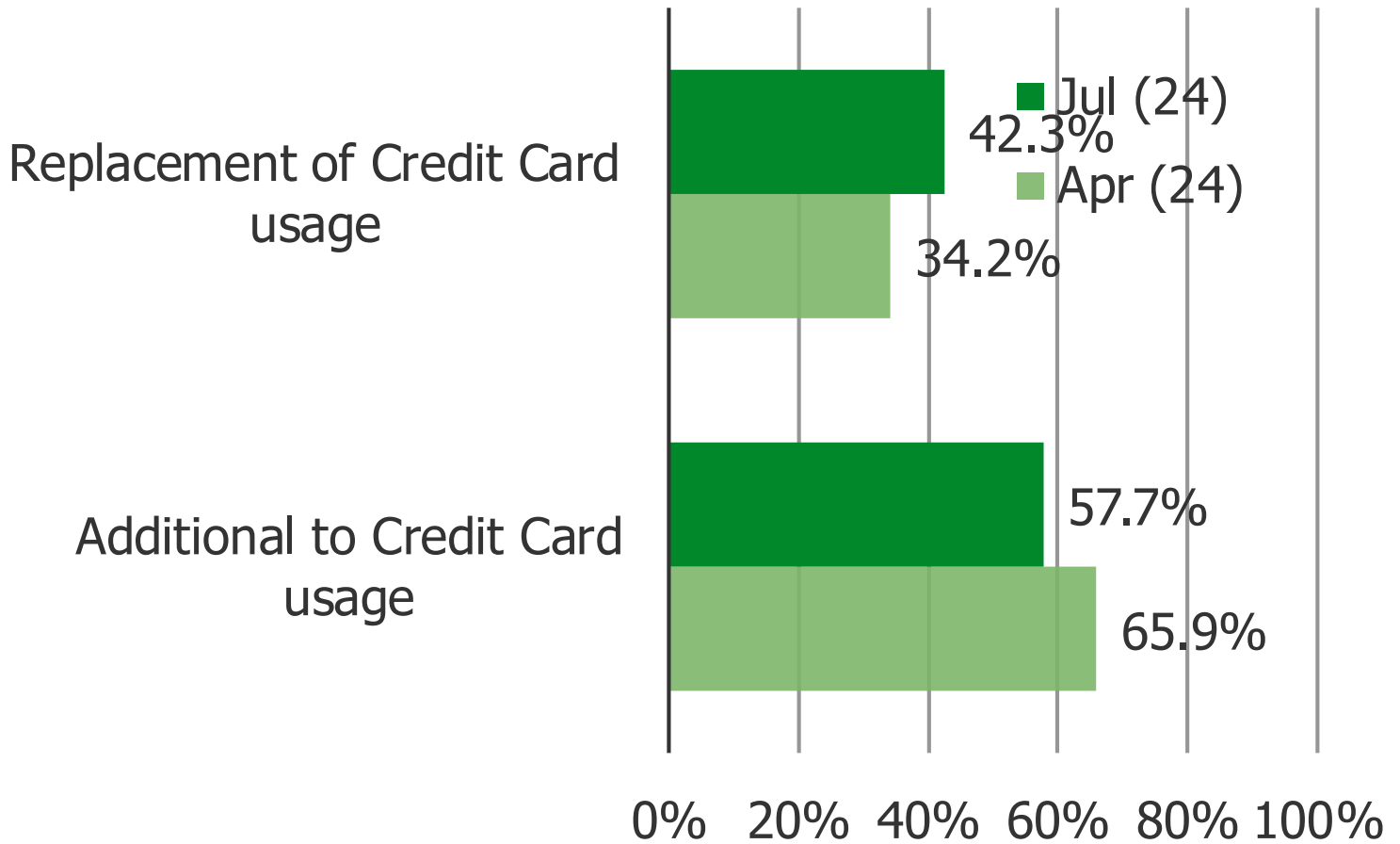
57.7% Of respondents who use both said that BNPL usage is additional to their credit card usage.

42.3% Of respondents who use both said that BNPL usage is replacing their credit card usage.

17.4% Of respondents who are open to using BNPL services are extremely interested in using BNPL options when shopping in person.

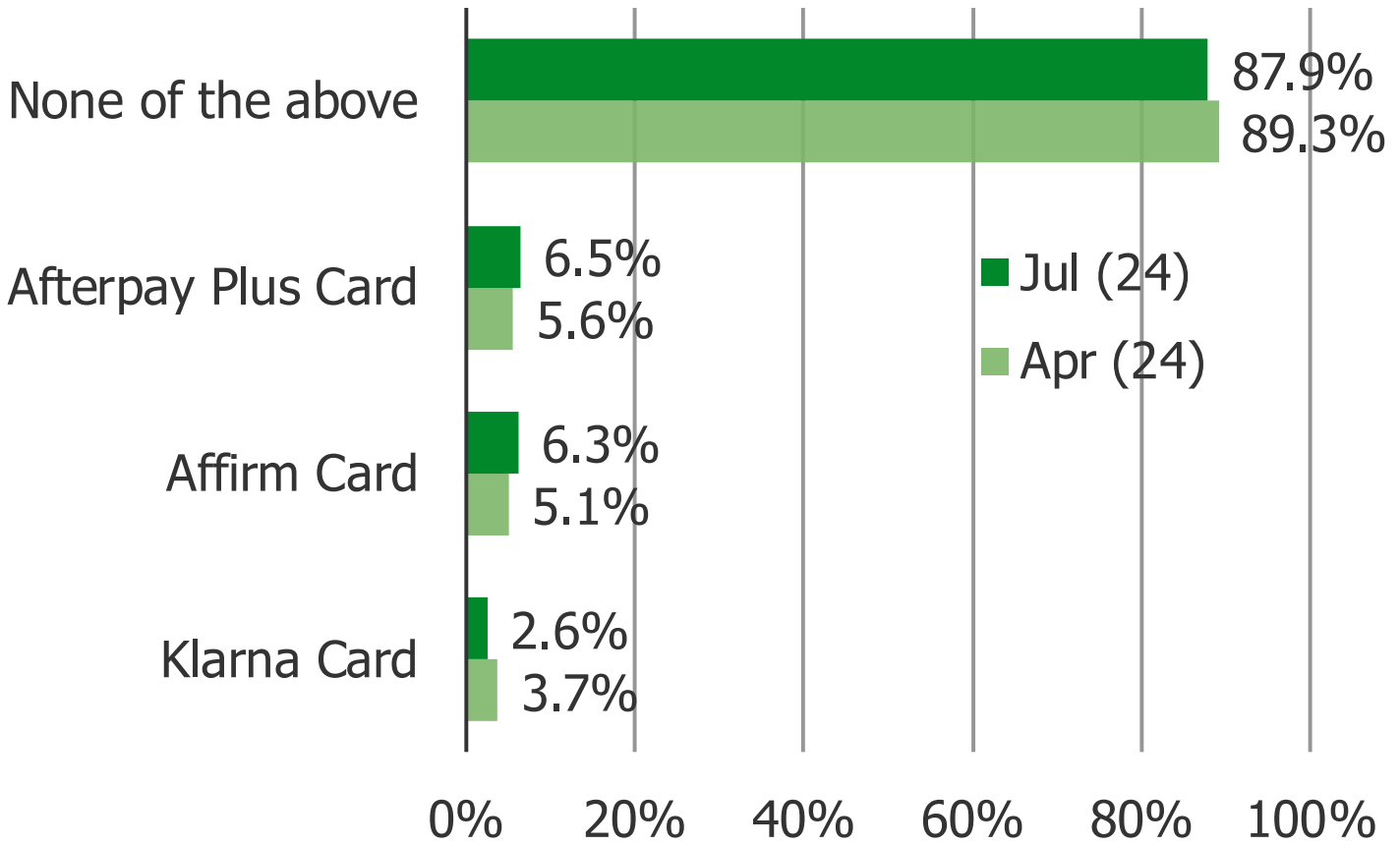
YOU MENTIONED IN THE PREVIOUS QUESTION THAT YOU USE BOTH CREDIT CARDS AND BNPL (BUY NOW, PAY LATER)...DO YOU VIEW YOUR USAGE OF BUY NOW LATER TO BE...

Posed to all respondents use both credit cards and BNPL (N = 189).



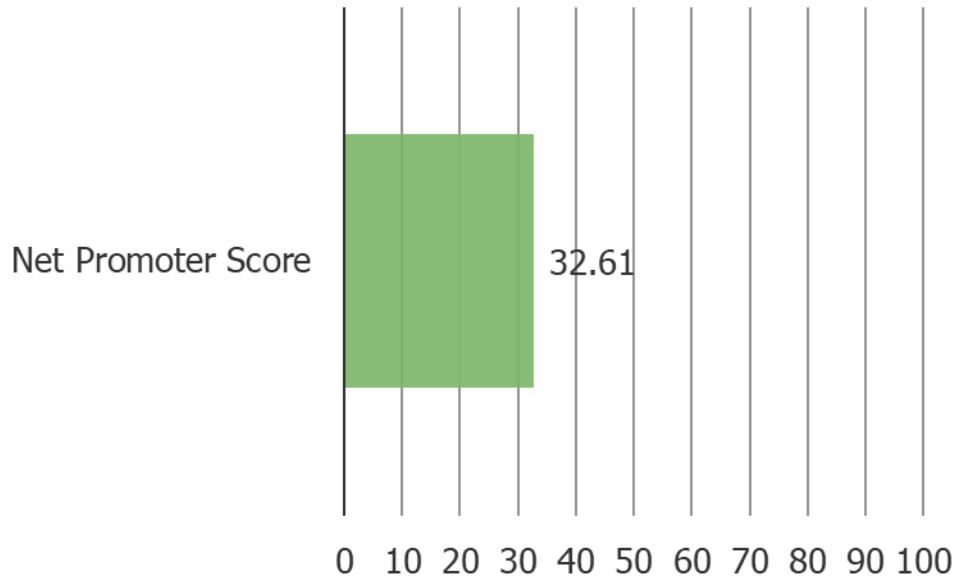
DO YOU CURRENTLY HAVE ANY OF THE FOLLOWING?

Posed to all respondents who would be open to using BNPL services (N = 432).



HOW LIKELY IS IT THAT YOU WOULD RECOMMEND THE AFFIRM CARD TO A FRIEND OR COLLEAGUE?

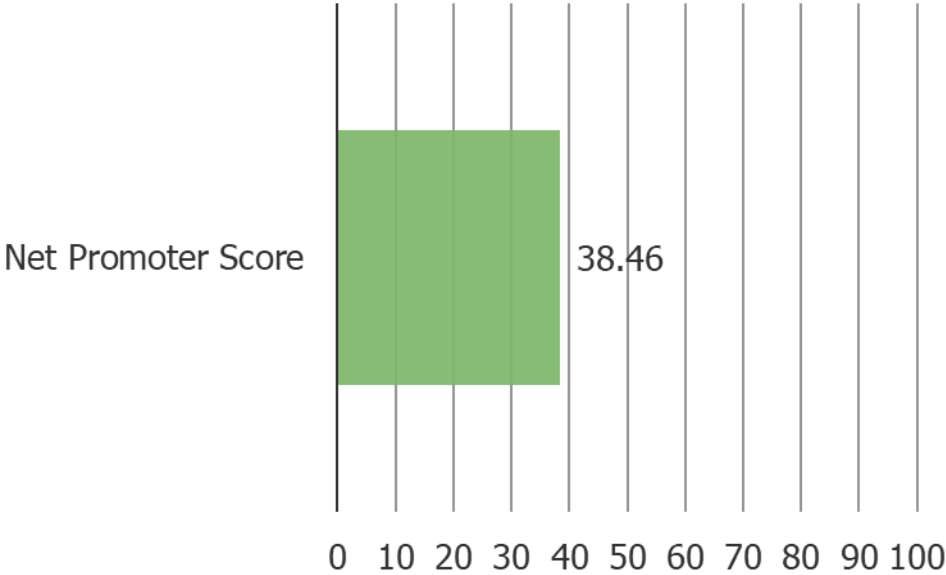
Posed to all respondents who have the Affirm Card. (N=46 after combining waves to date)



*Keep in mind these are relatively low N sizes. We will combine waves in the future to achieve larger N sizes for analysis.

HOW LIKELY IS IT THAT YOU WOULD RECOMMEND THE KLARNA CARD TO A FRIEND OR COLLEAGUE?

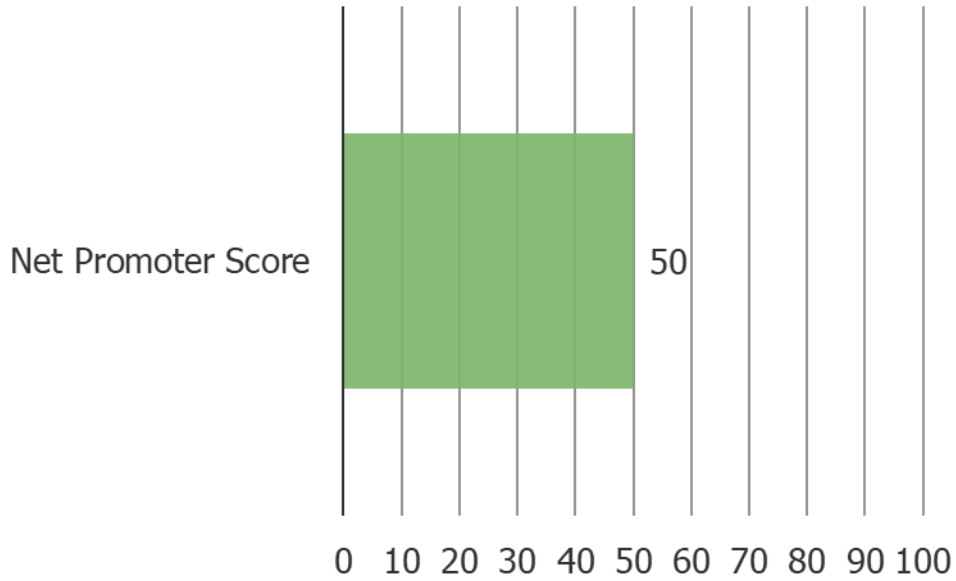
Posed to all respondents who have the Klarna Card. (N=26 after combining waves to date)



*Keep in mind these are relatively low N sizes. We will combine waves in the future to achieve larger N sizes for analysis.

HOW LIKELY IS IT THAT YOU WOULD RECOMMEND AFTERPAY PLUS CARD TO A FRIEND OR COLLEAGUE?

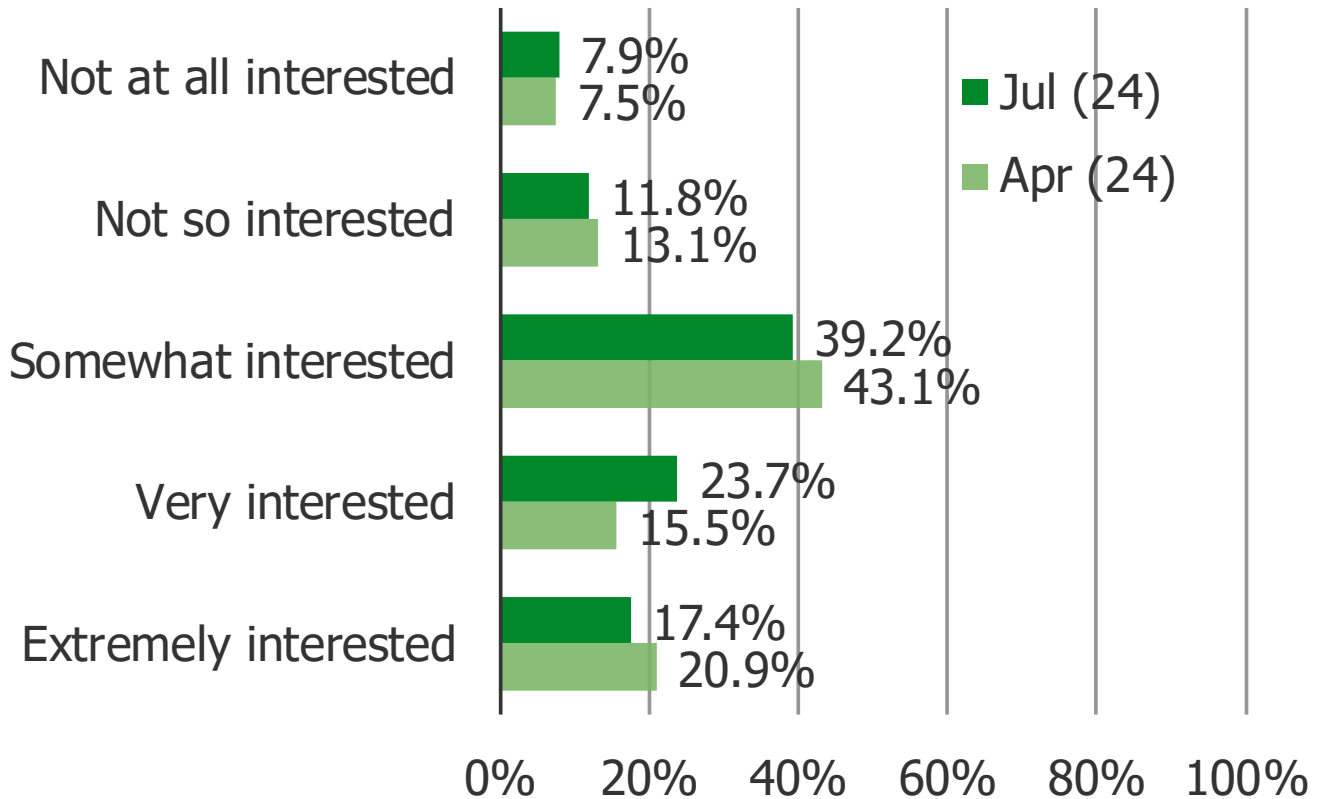
Posed to all respondents who have the AfterPay Plus Card. (N=50 after combining waves to date)



*Keep in mind these are relatively low N sizes. We will combine waves in the future to achieve larger N sizes for analysis.

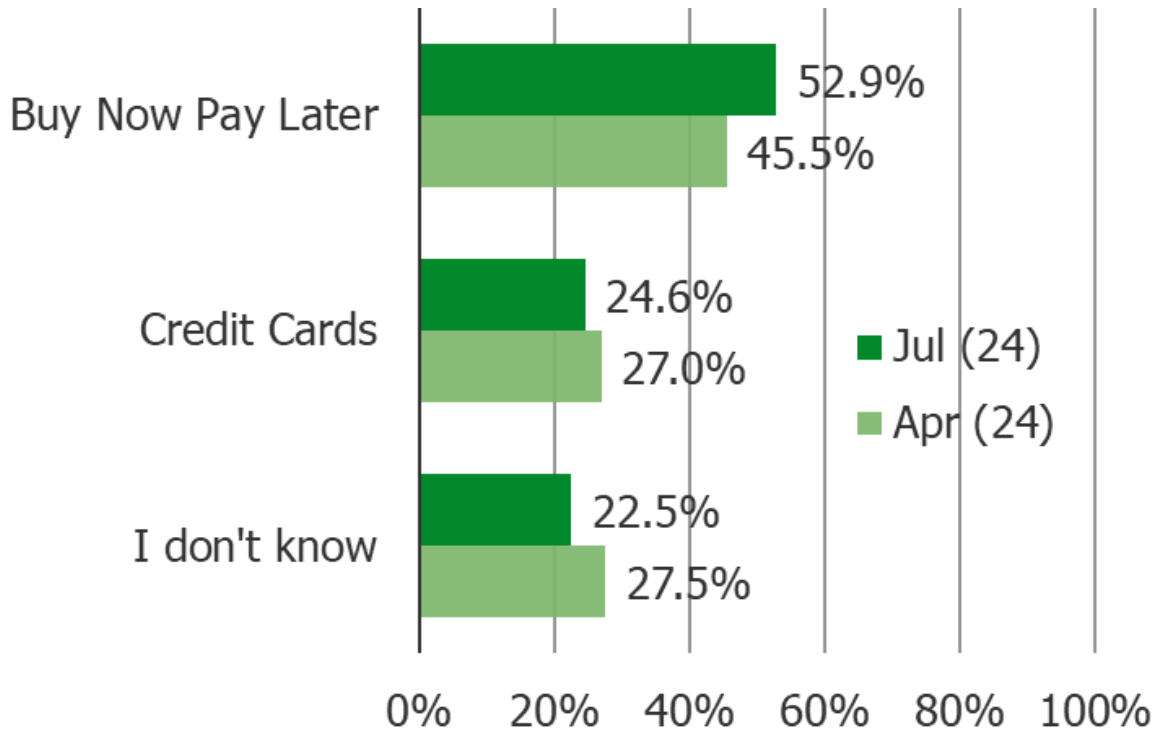
HOW MUCH INTEREST WOULD YOU HAVE IN BEING ABLE TO USE BNPL (BUY NOW, PAY LATER) OPTIONS WHEN SHOPPING IN-PERSON, IN-STORES?

Posed to all respondents who are open to using BNPL services (N = 432).



WHICH DO YOU THINK IS BETTER?

Posed to all respondents who are open to using BNPL services.



RESPONDENTS WHO THINK BNPL IS BETTER.... WHY?

Posed to all respondents who are open to using BNPL services.

- No interest if paid on time
- I have more time to pay it back.
- No interest and the price of what you're buying does not change.
- Interest rates
- No interest, set amount of payments
- No interest fees.
- Helps me budget within my means
- BNPL does not give you high limits that can get you into financial difficulties
- No interest
- Credit card interest is too high.
- Lower interest rates and payments
- Easy, secure payment
- No finance charge
- I like the way payments are set up and it's less interest than credit cards
- Splits up payments with no interest
- No interest
- Because my credit card bill is due at the end of the month. Buy now pay later tends to give you a bit more time to pay.
- No interest
- You have payment over time
- It's convenient
- Payments are extended over a longer period with no interest.
- Saves on Interest
- With buy now pay later, you don't have to worry about interest accumulating
- Because sometimes with a credit card you spend too much
- If no interest then this is the option and the way to go.
- No interest
- Works great

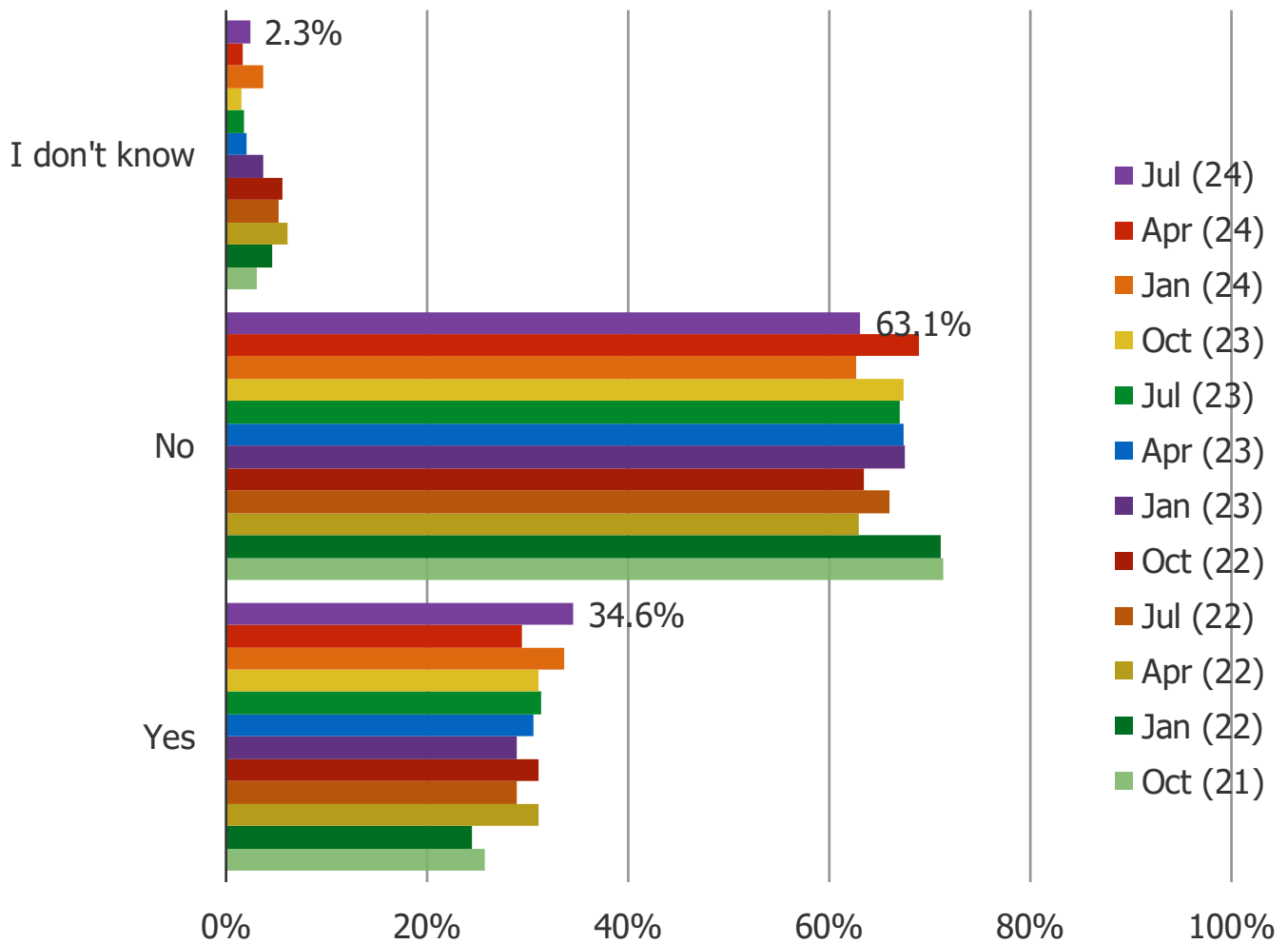
RESPONDENTS WHO THINK CREDIT CARDS ARE BETTER.... WHY?

Posed to all respondents who are open to using BNPL services.

- It's more convenient for me
- It helps you build your credit report
- Better tracking system
- May have interest but many have reward programs
- You can earn reward incentives with credit cards
- Travel rewards
- More widely accepted
- Credit card rewards for regular spending
- You know your balance before you spend
- Rewards
- Because on time payments help my credit score
- Familiarity
- Cash rewards
- Quicker to use but BNPL is great for large purchases
- Get points and handle your finances better

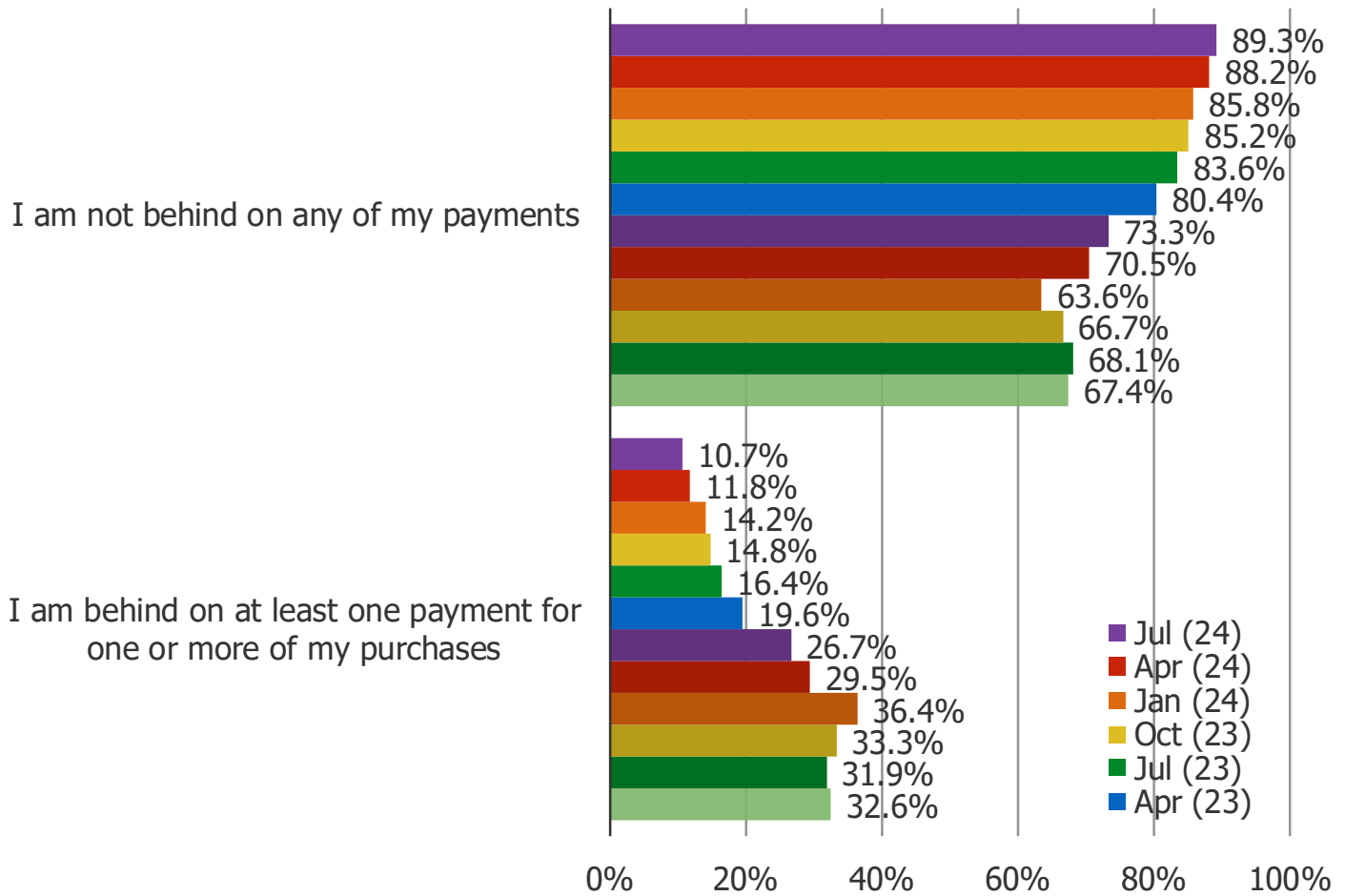
HAVE YOU USED BUY NOW PAY LATER OPTIONS (LIKE AFFIRM, AFTER PAY, KLARNA, ETC) TO BUY ANYTHING IN THE PAST 6 MONTHS?

Posed to all respondents.



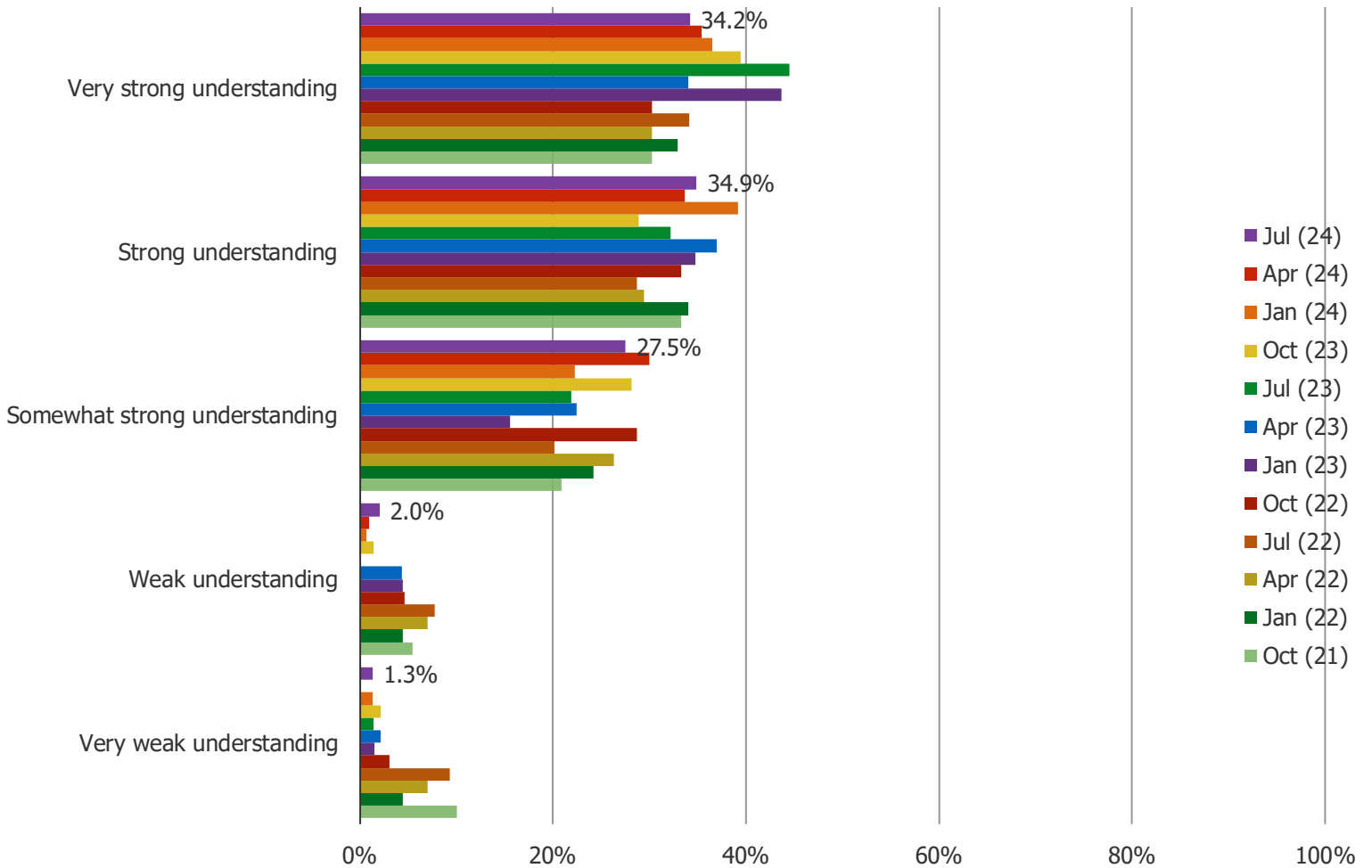
ARE YOU CURRENTLY BEHIND ON ANY OF YOUR BUY NOW PAY LATER PAYMENTS?

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



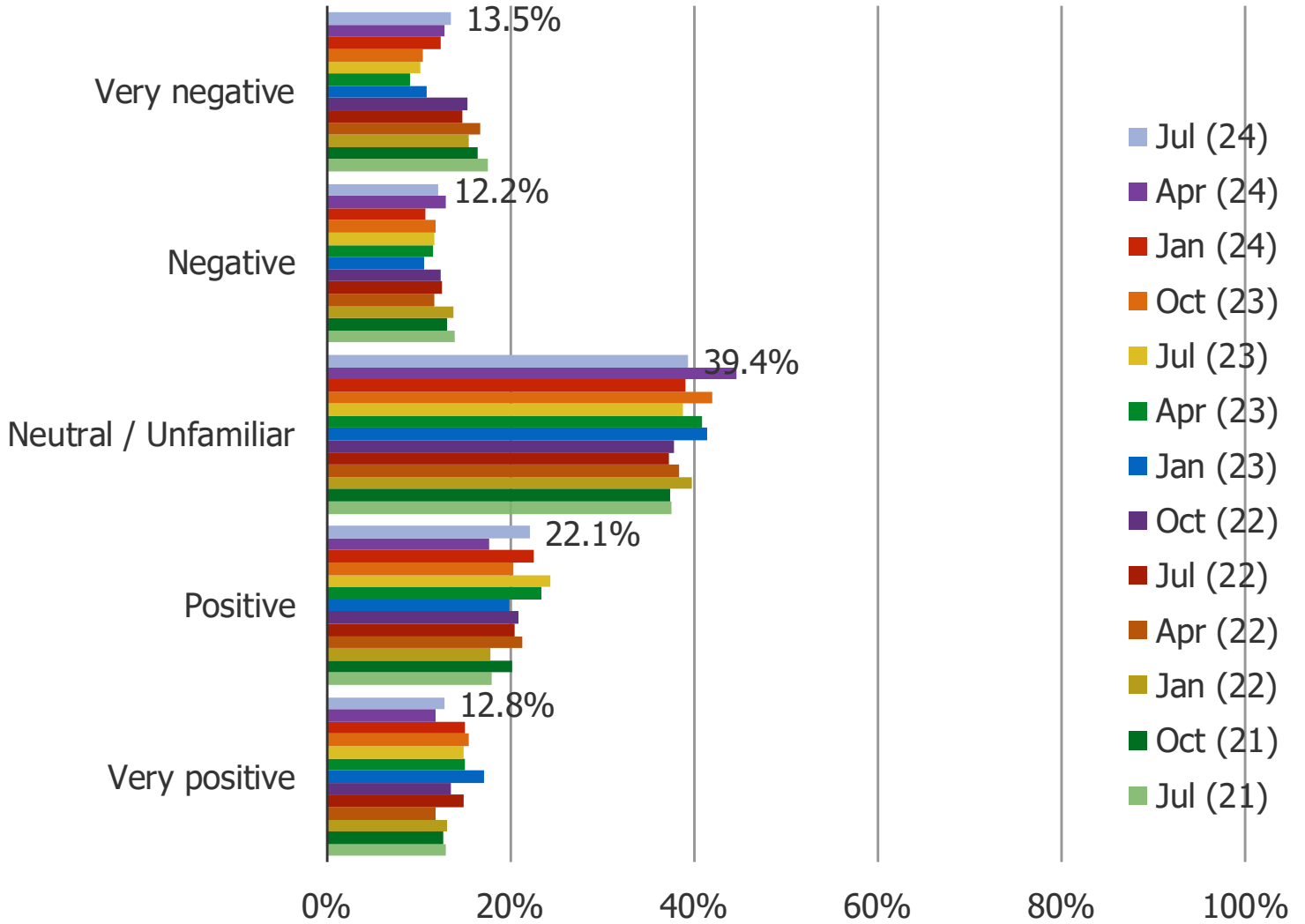
HOW WELL DO YOU FEEL YOU UNDERSTAND HOW THESE BUY NOW PAY LATER OFFERINGS WORK?

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



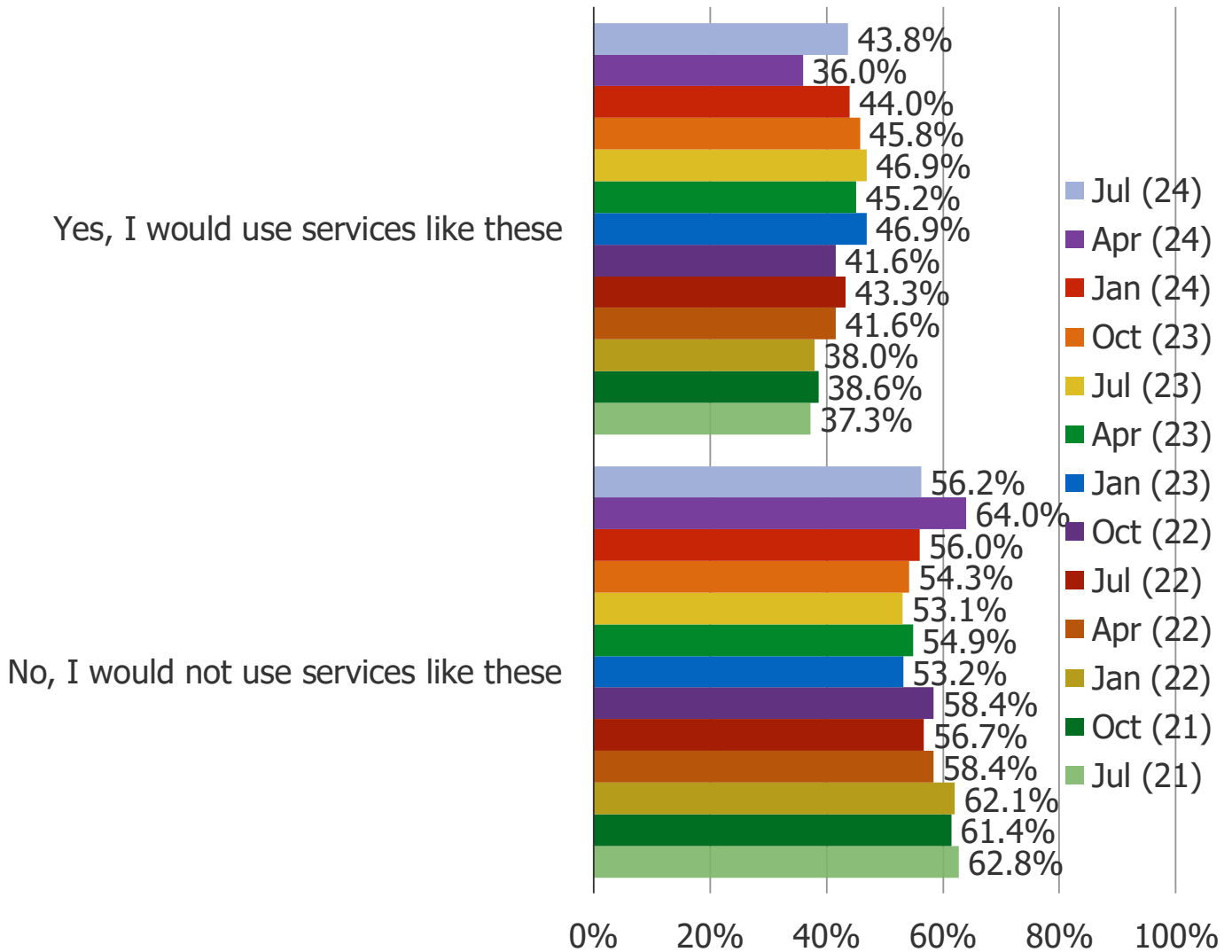
WHAT IS YOUR OPINION OF THE CONCEPT OF "BUY NOW AND PAY LATER" SERVICES IN WHICH YOU COULD BUY A PRODUCT FROM A RETAILER NOW AND PAY LATER WITHOUT THE NEED FOR TRADITIONAL CREDIT, UPFRONT FEES, OR INTEREST (UNLESS YOU ARE LATE ON A PAYMENT)?

Posed to all respondents.



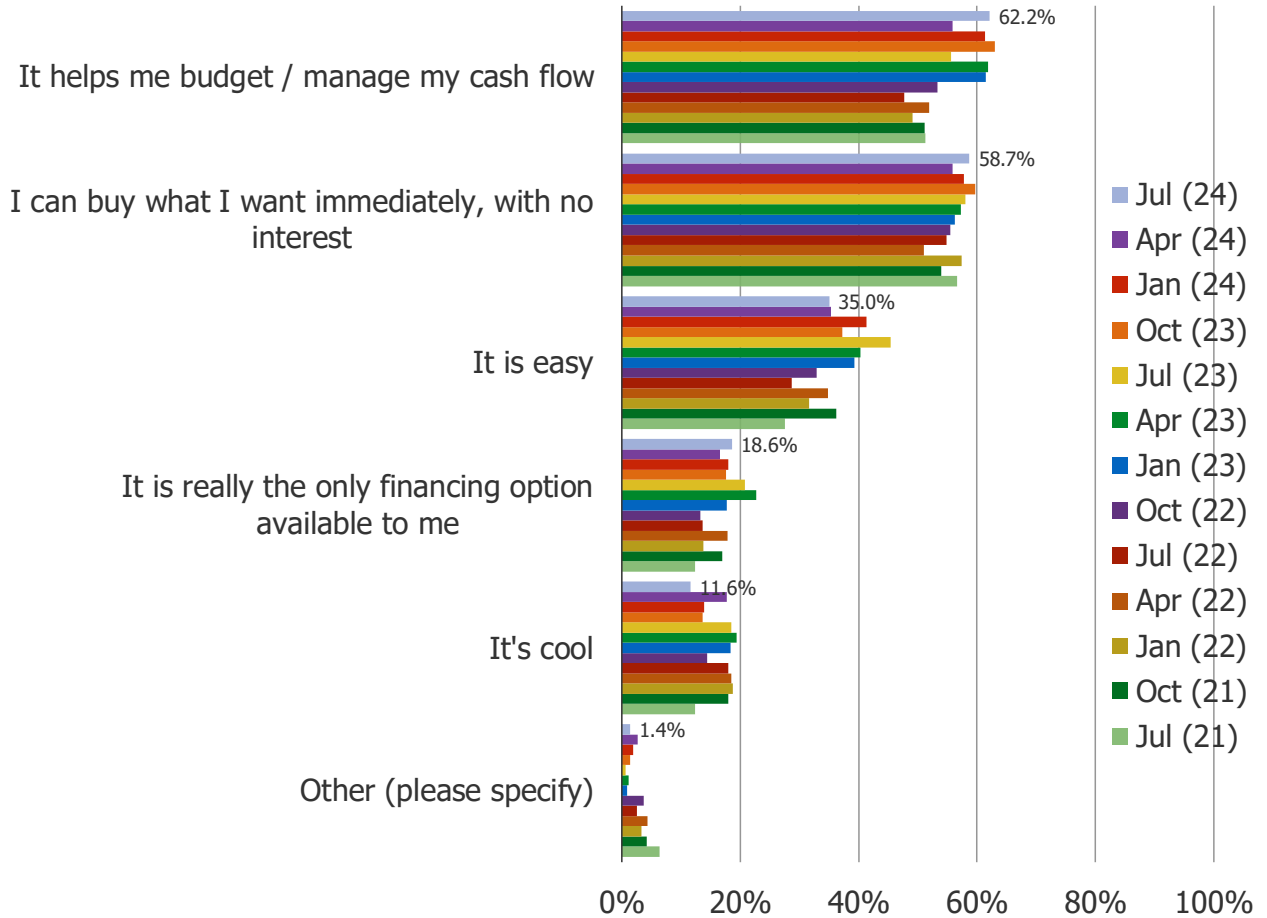
WOULD YOU USE "BUY NOW AND PAY LATER" SERVICES IN WHICH YOU COULD BUY A PRODUCT FROM A RETAILER NOW AND PAY LATER WITHOUT THE NEED FOR TRADITIONAL CREDIT, UPFRONT FEES, OR INTEREST (UNLESS YOU ARE LATE ON A PAYMENT)?

Posed to all respondents.



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

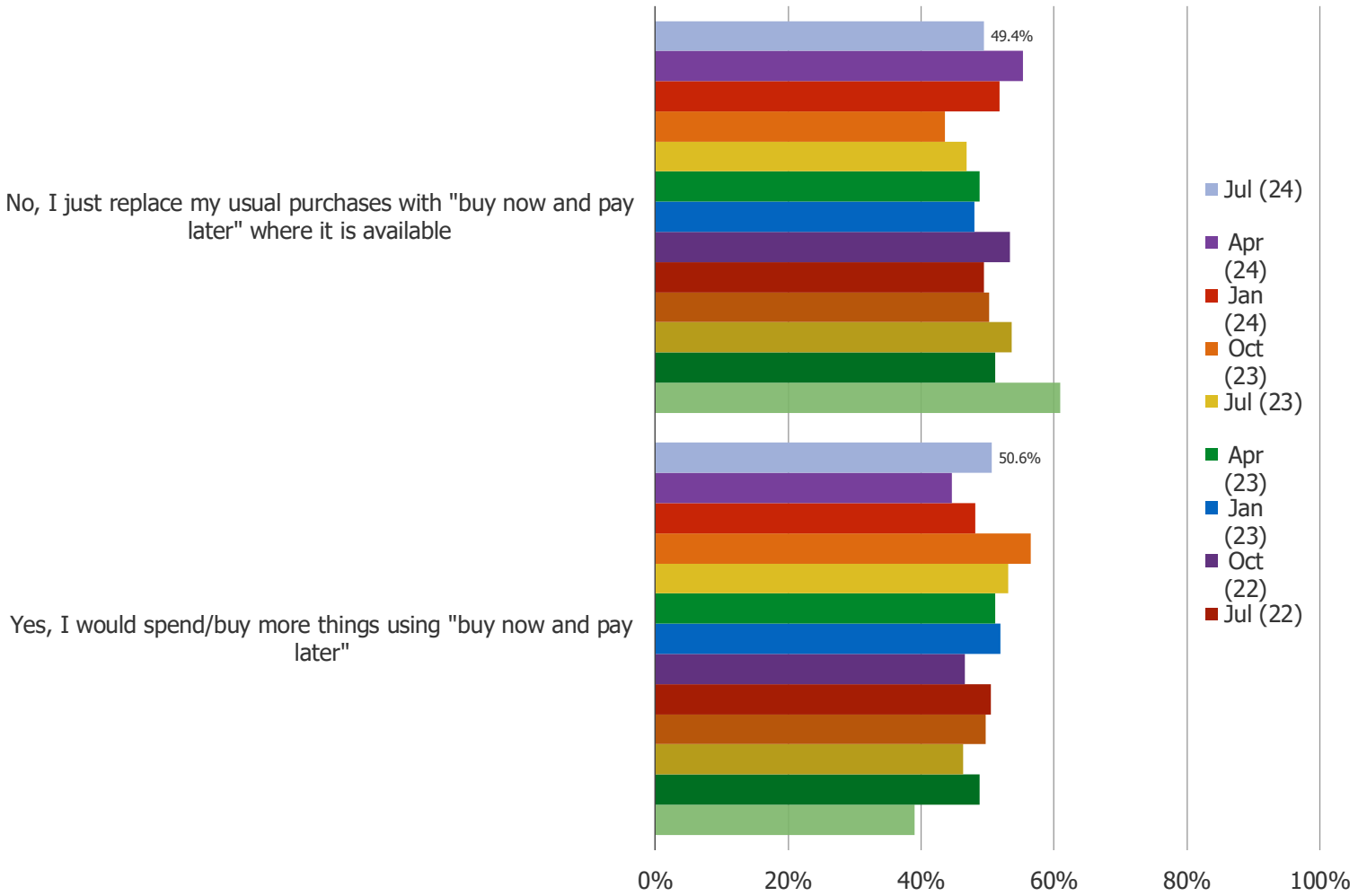
Posed to respondents who said they would use buy now and pay later services.



N = 432

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

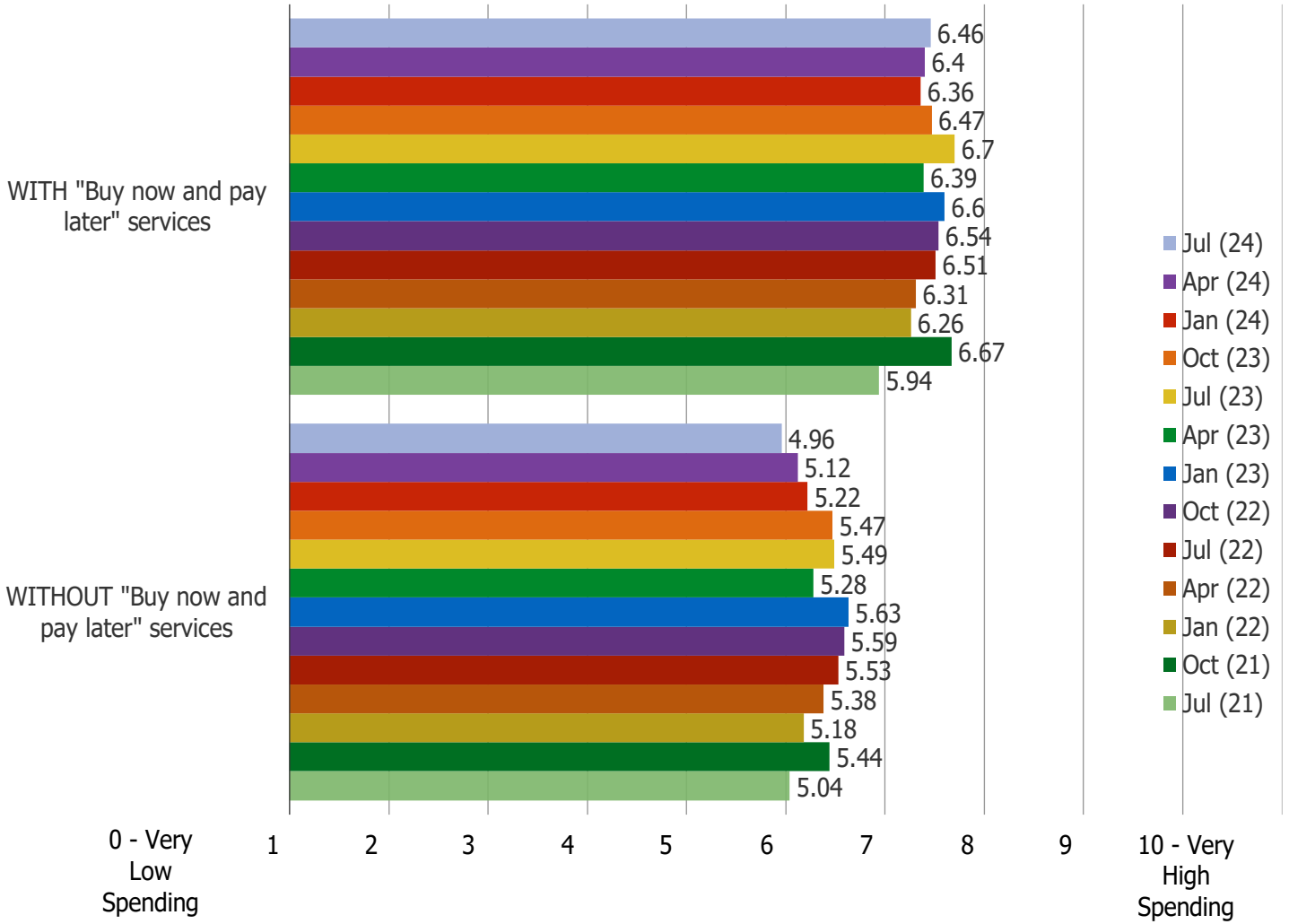
Posed to respondents who said they would use buy now and pay later services.



N = 432

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

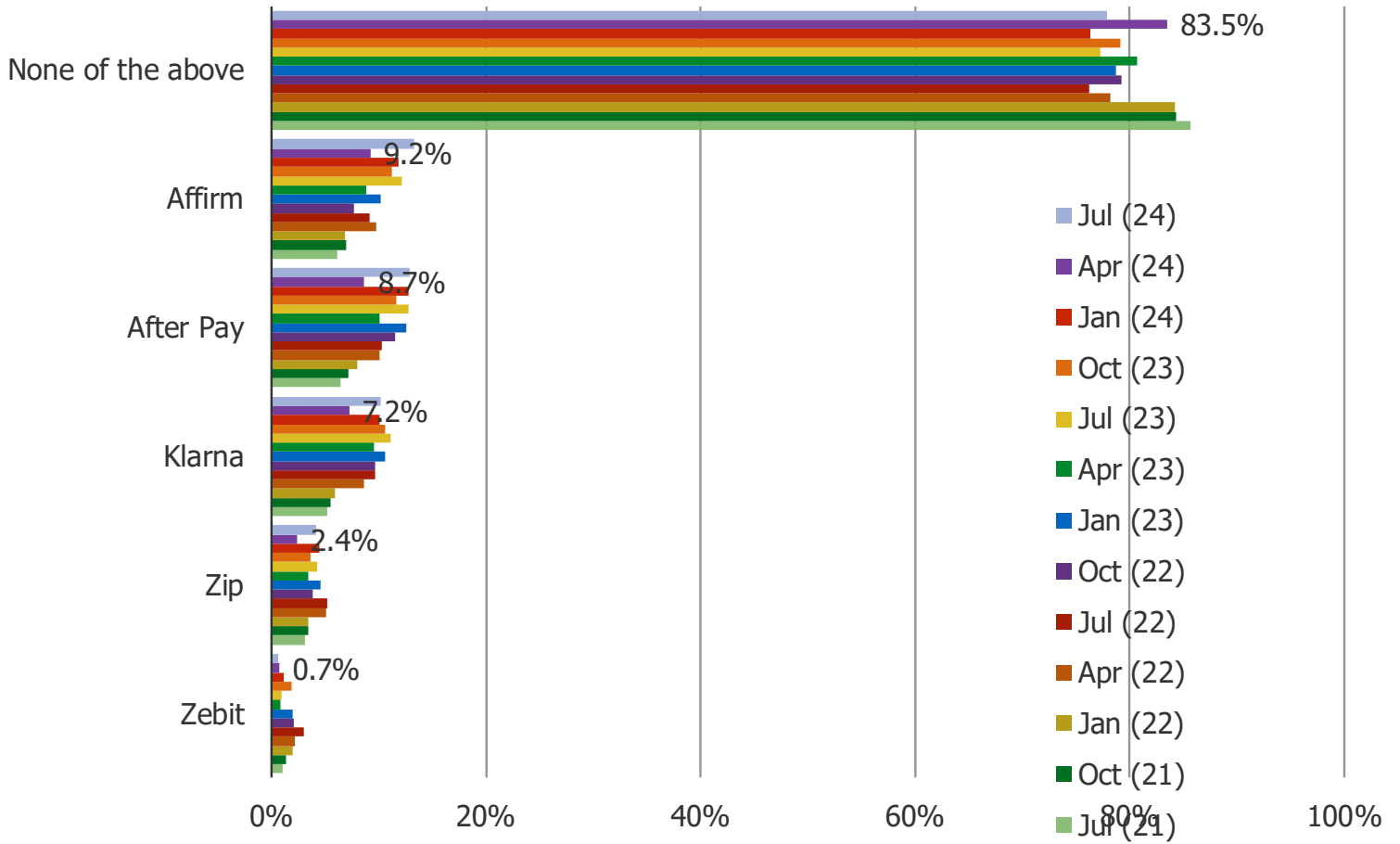
Posed to respondents who said they would use buy now and pay later services.



N = 432

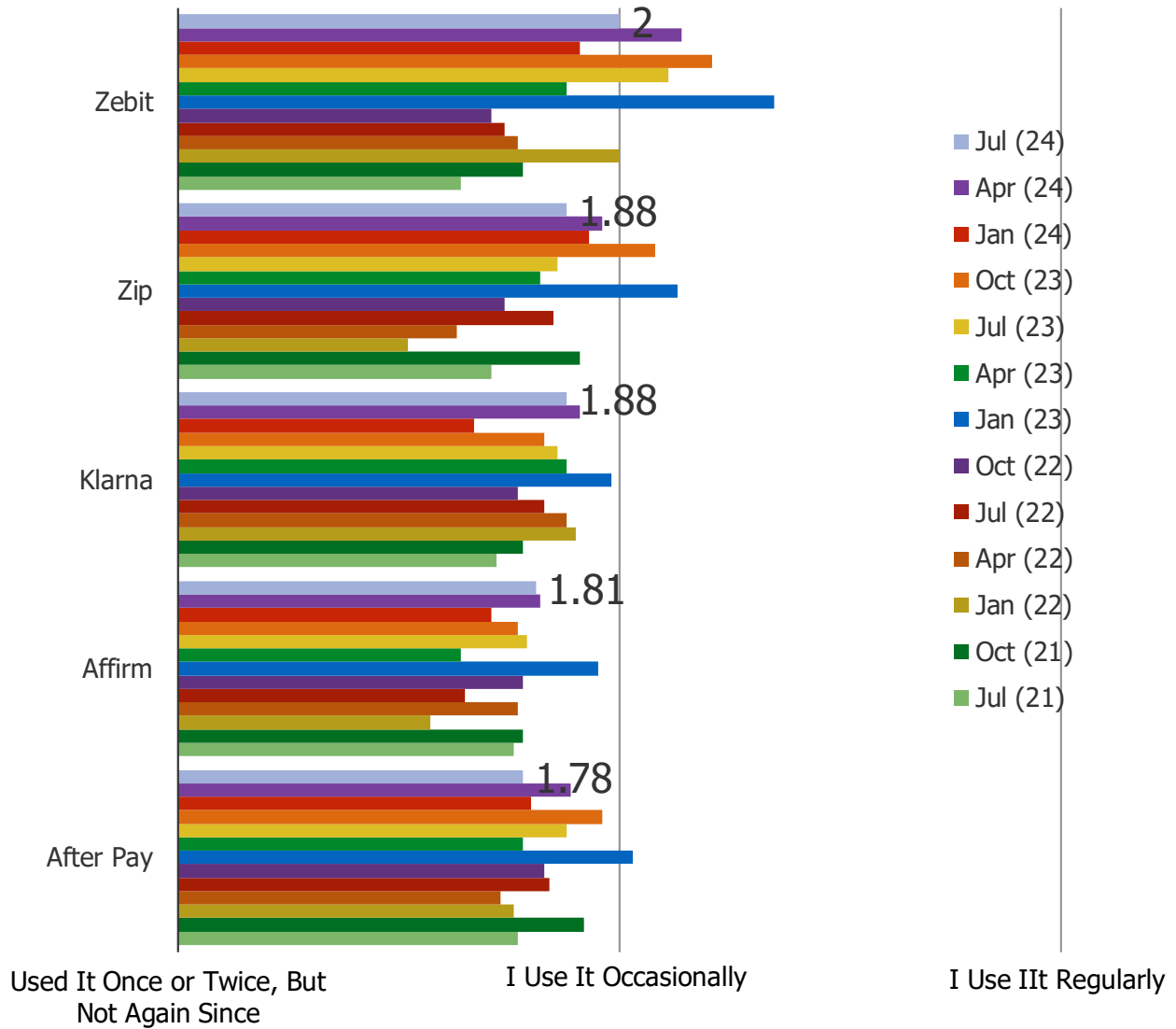
HAVE YOU EVER USED ANY OF THE FOLLOWING?

Posed to all respondents.



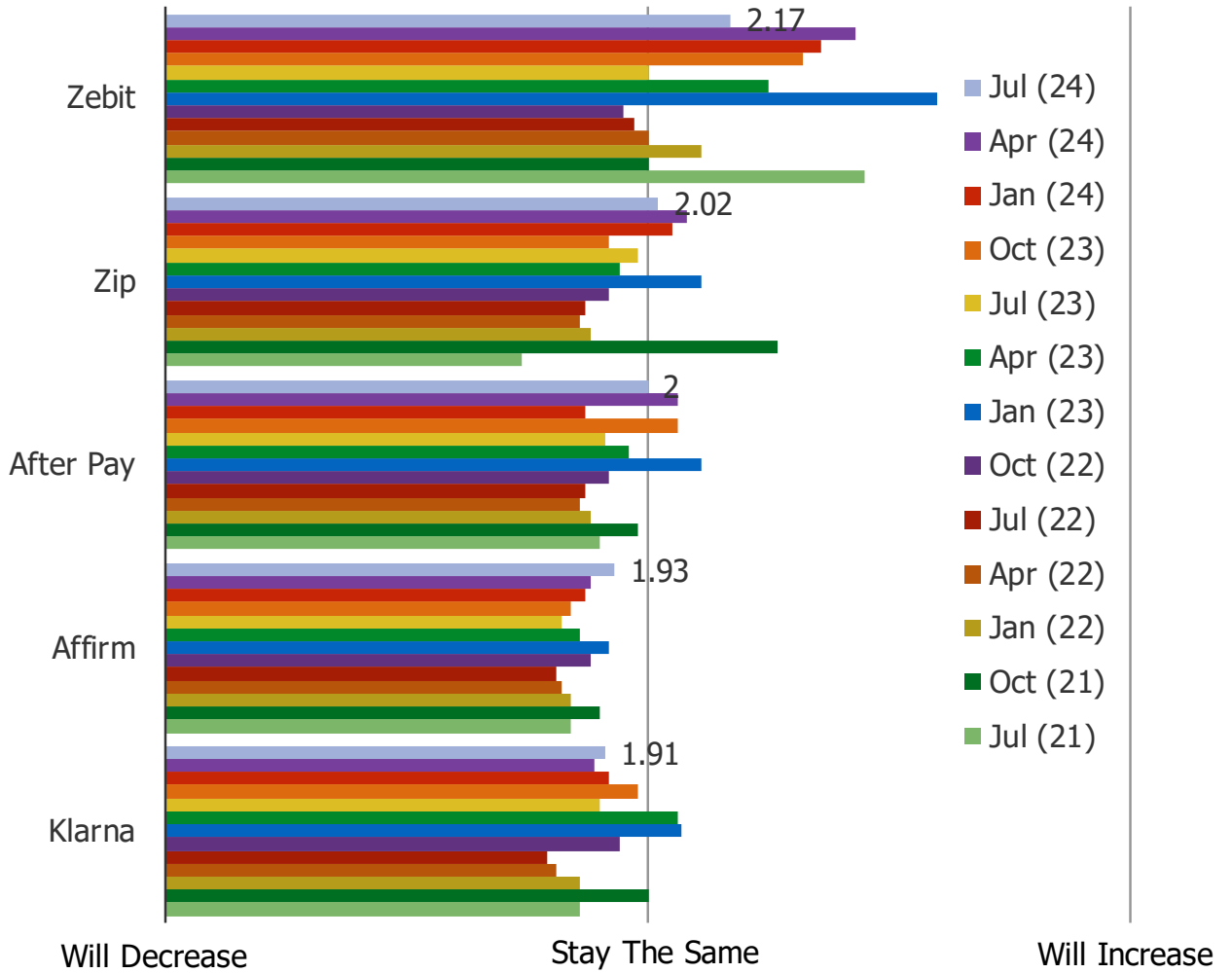
WHICH OF THE FOLLOWING BEST DESCRIBES YOUR EXPERIENCE WITH THE FOLLOWING:

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?

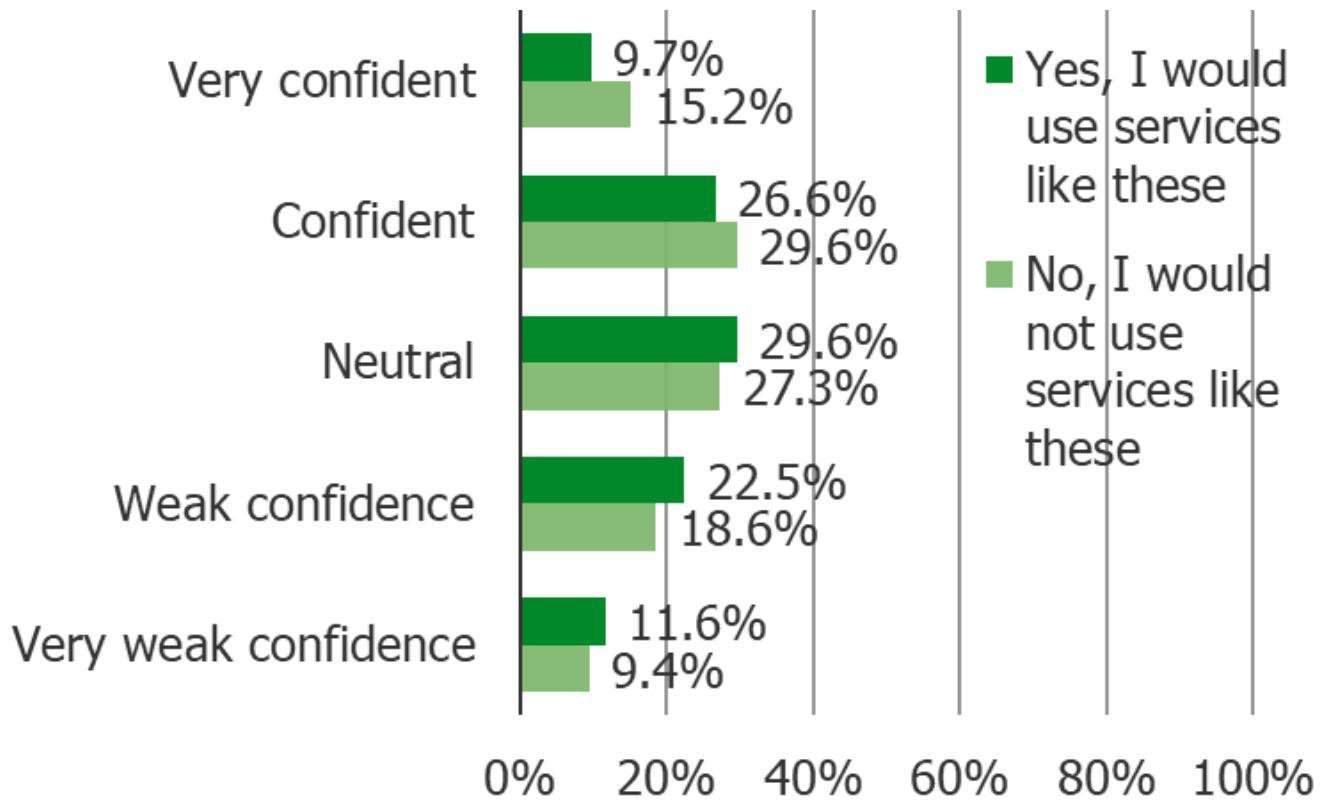
Posed to all respondents who have used the below.



SPENDING CONFIDENCE CURRENTLY:

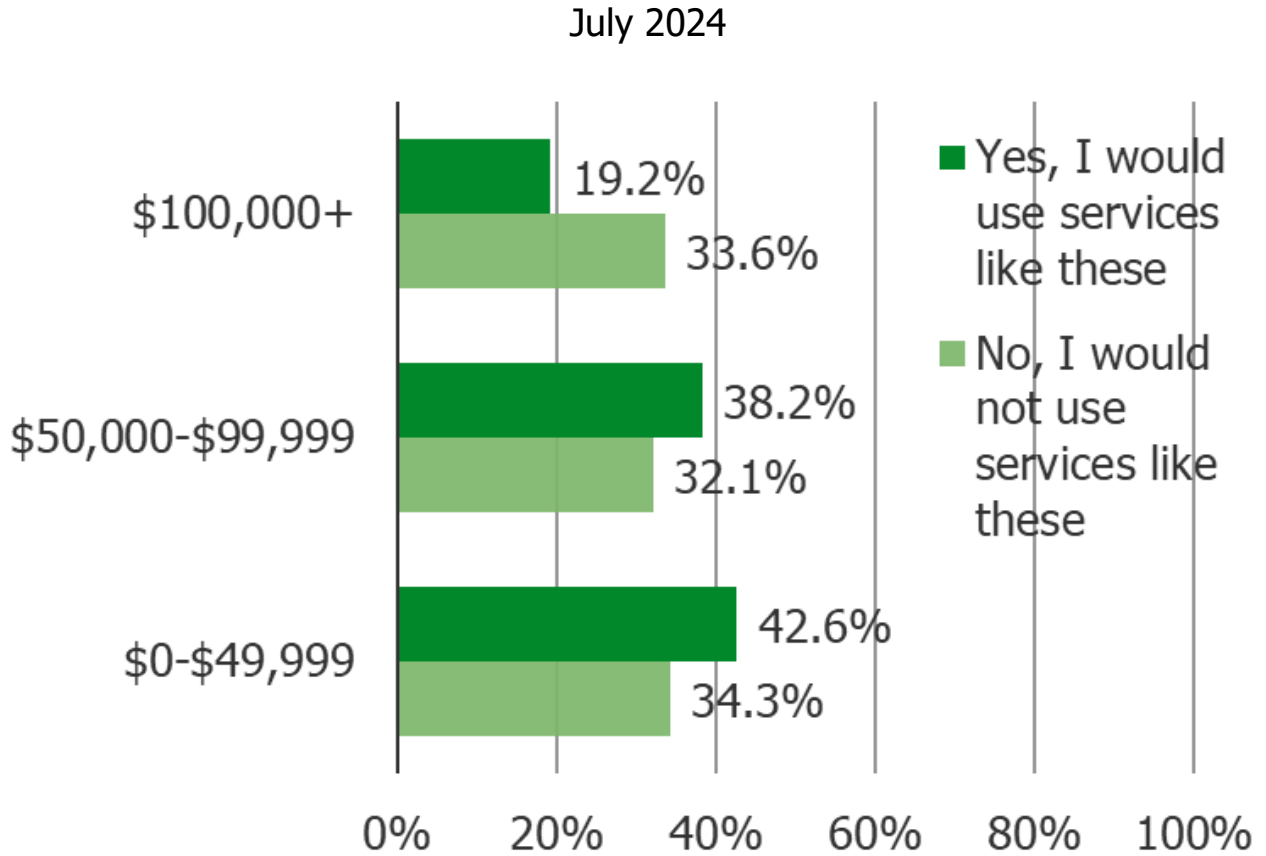
Posed to all respondents, cross-tabbed by whether they would or would not use BNPL services.

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INCOME:

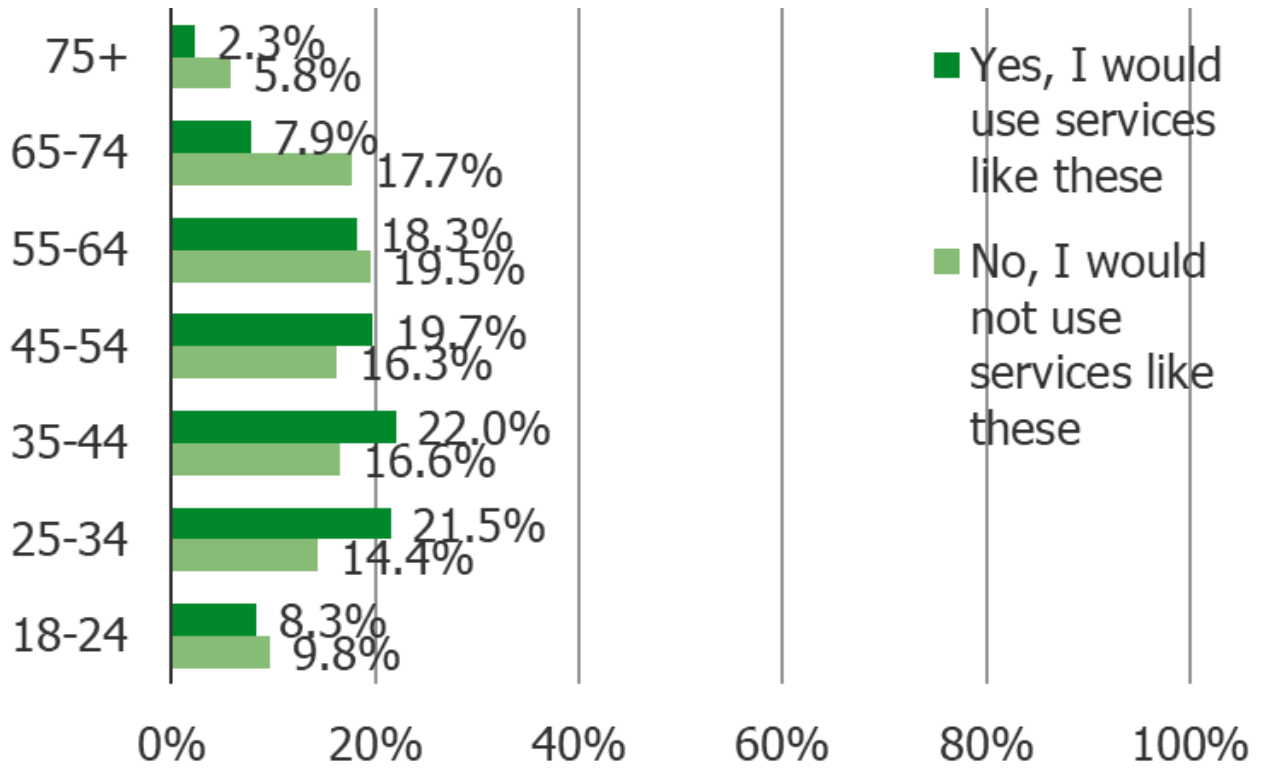
Posed to all respondents, cross-tabbed by whether they would or would not use BNPL services.



AGE:

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

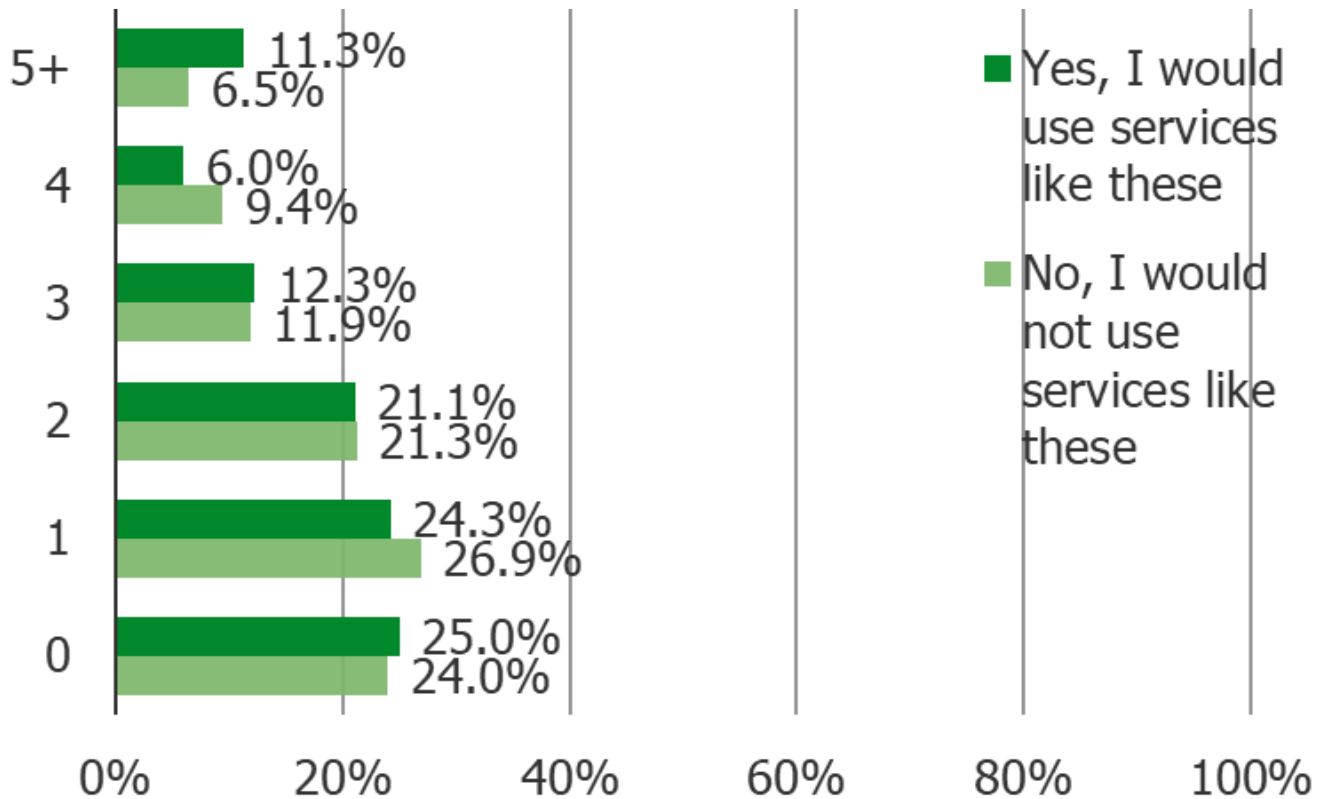
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NUMBER OF CREDIT CARDS RESPONDENTS HAVE:

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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