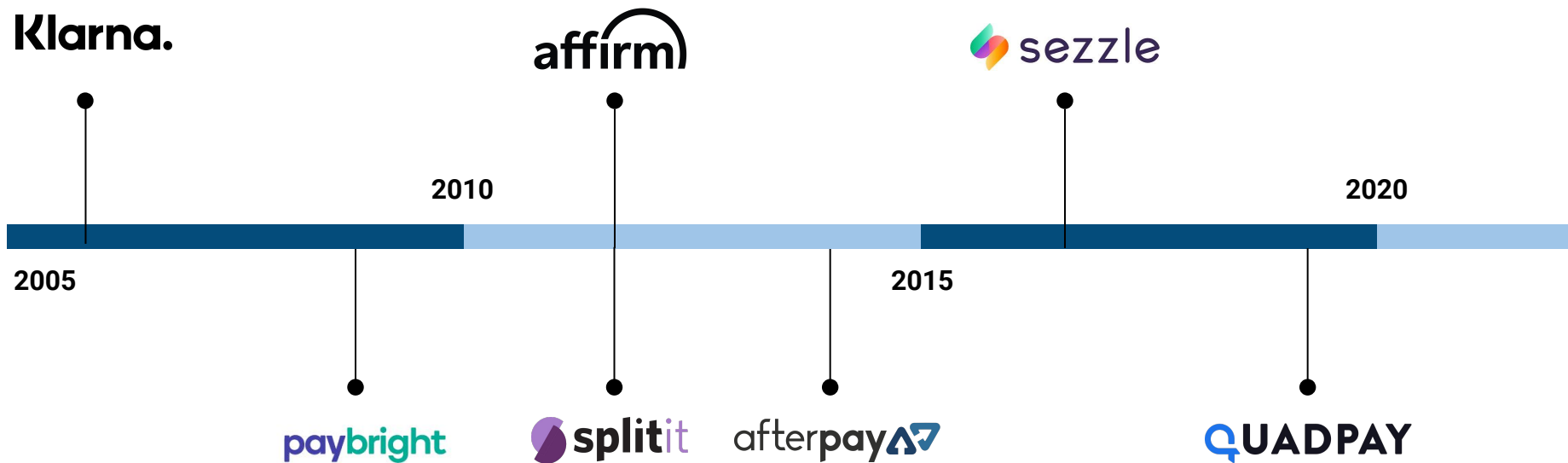




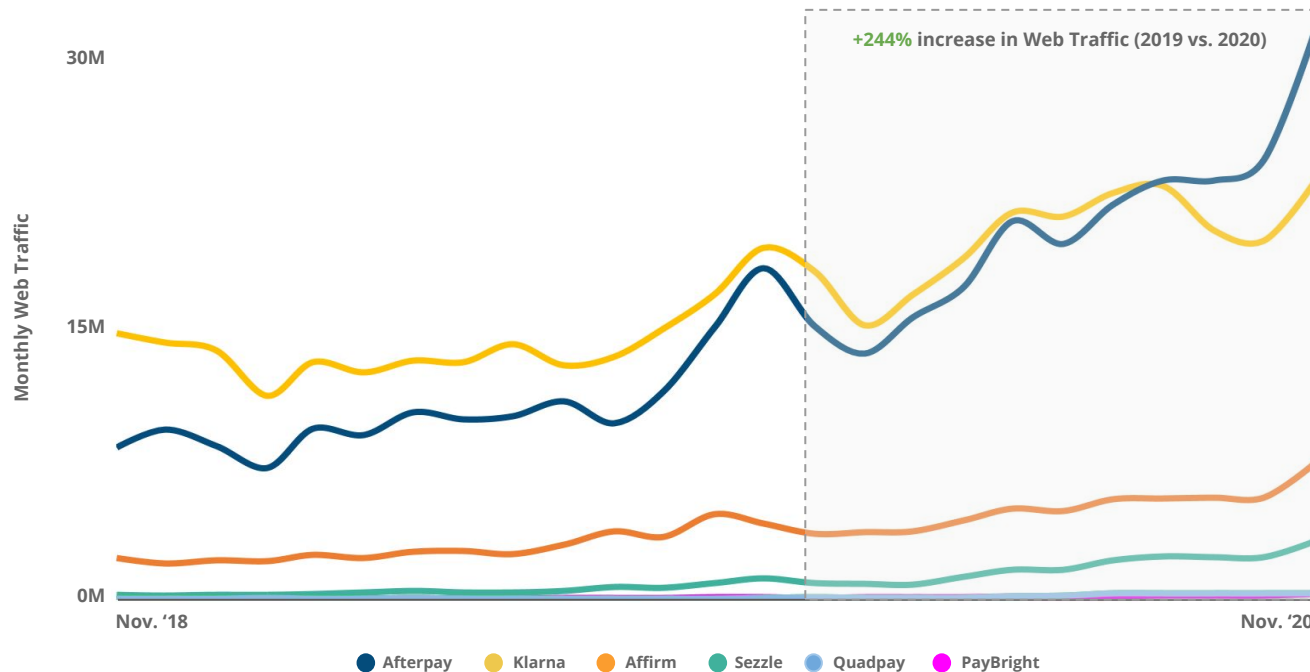
**Using Buy-Now-Pay-Later Services  
to Increase Conversions  
Financial Services**

Pay Now Buy Later (BNPL) services entered the online shopping domain more than a decade ago.

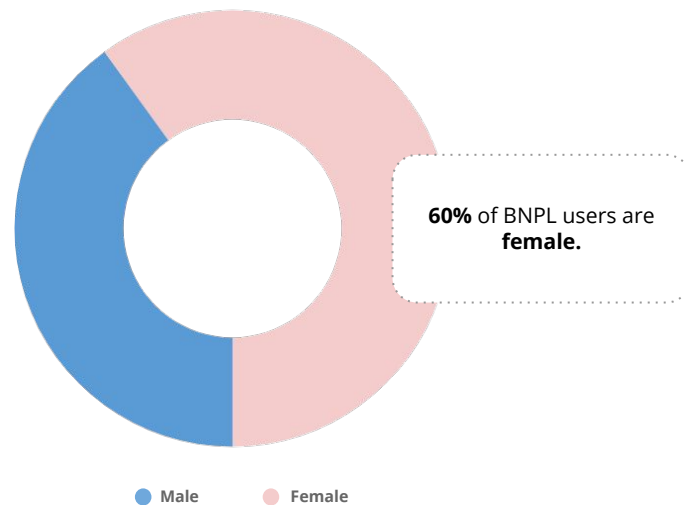
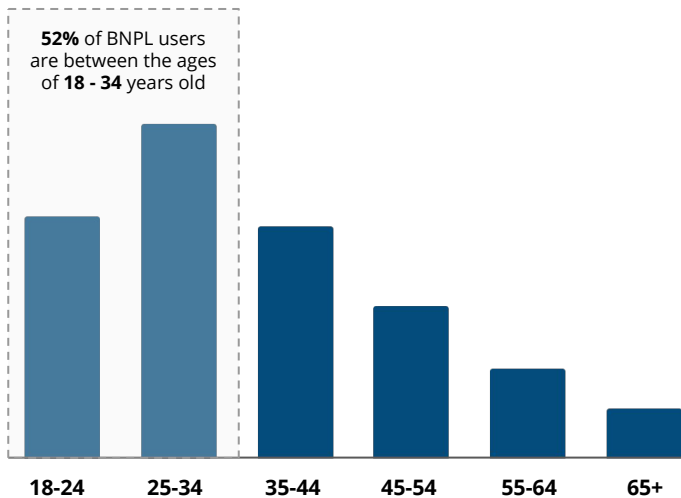




Yet, 2020 brought an exponential growth to the BNPL category with a **+244%** increase in web traffic YoY.

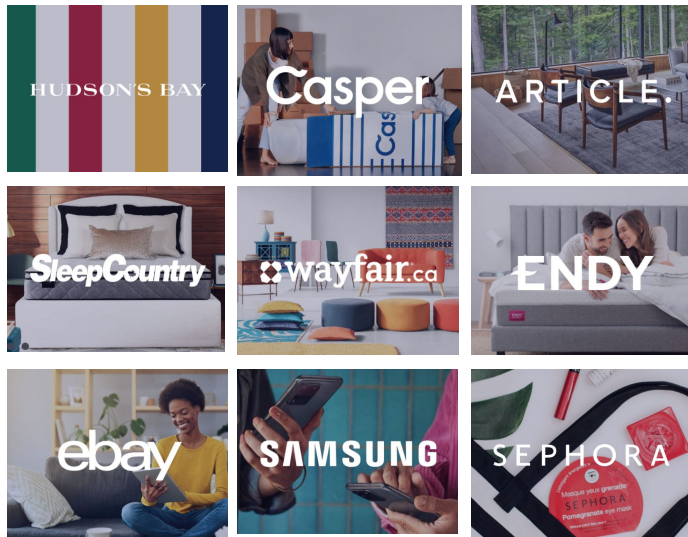


**Female gen Z and millennials aged between 18-34 are prime users of BNPL apps.**



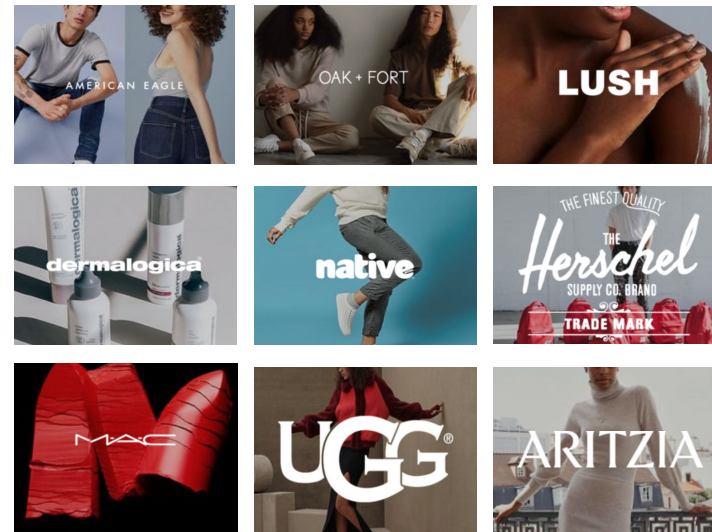
PayBright and Afterpay, the main two players in the Canadian market, make shopping in installments possible in the over 7,200 online stores.

paybright



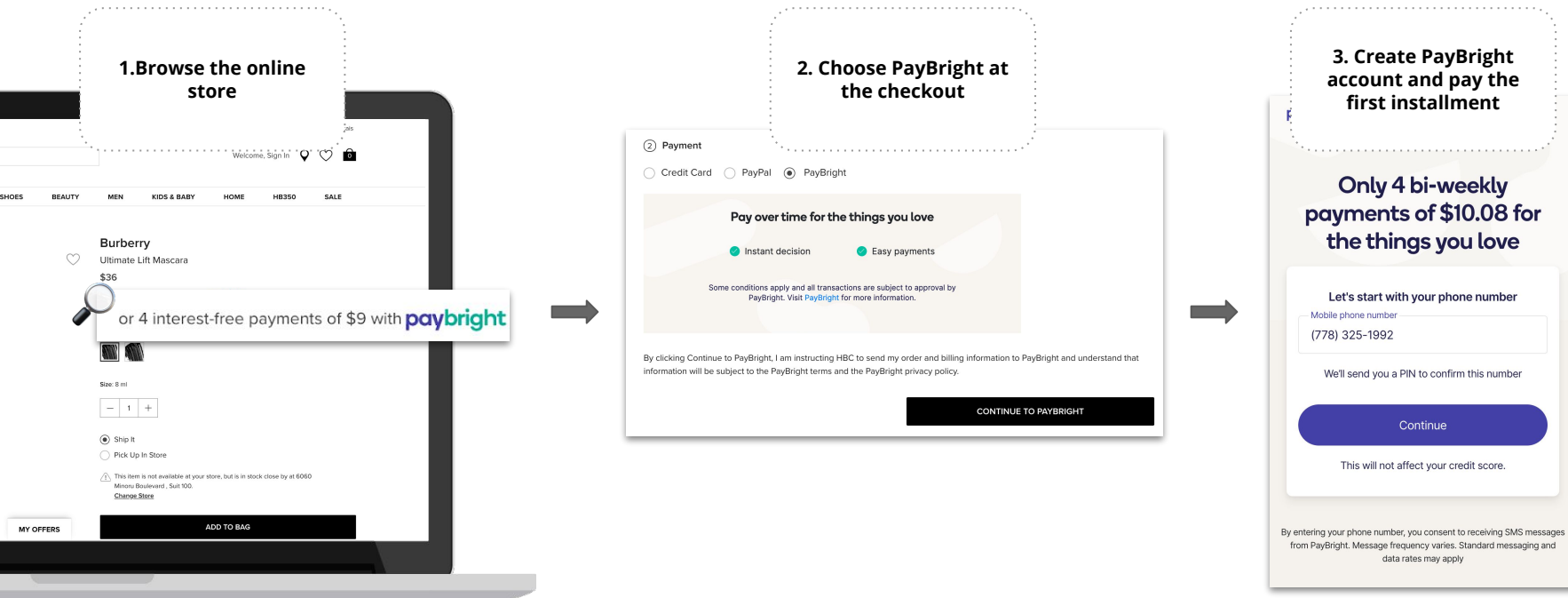
7,000+ Stores

afterpay

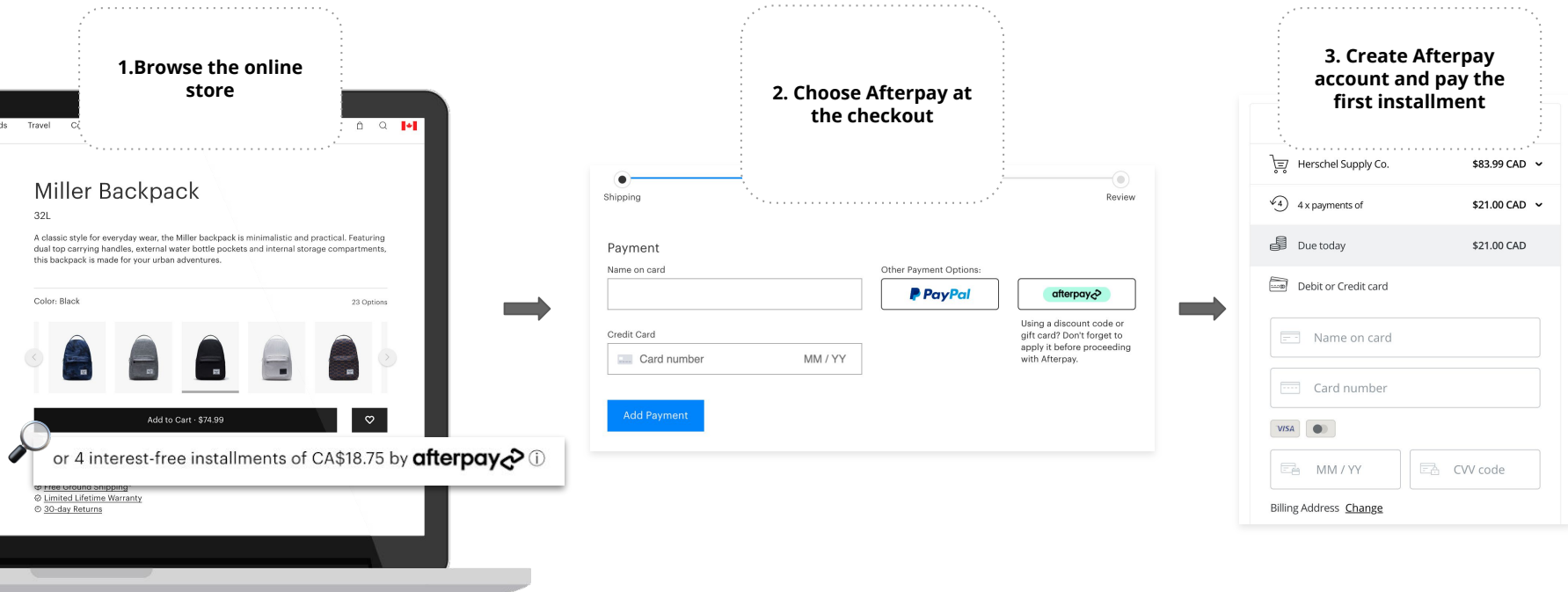


260 Stores

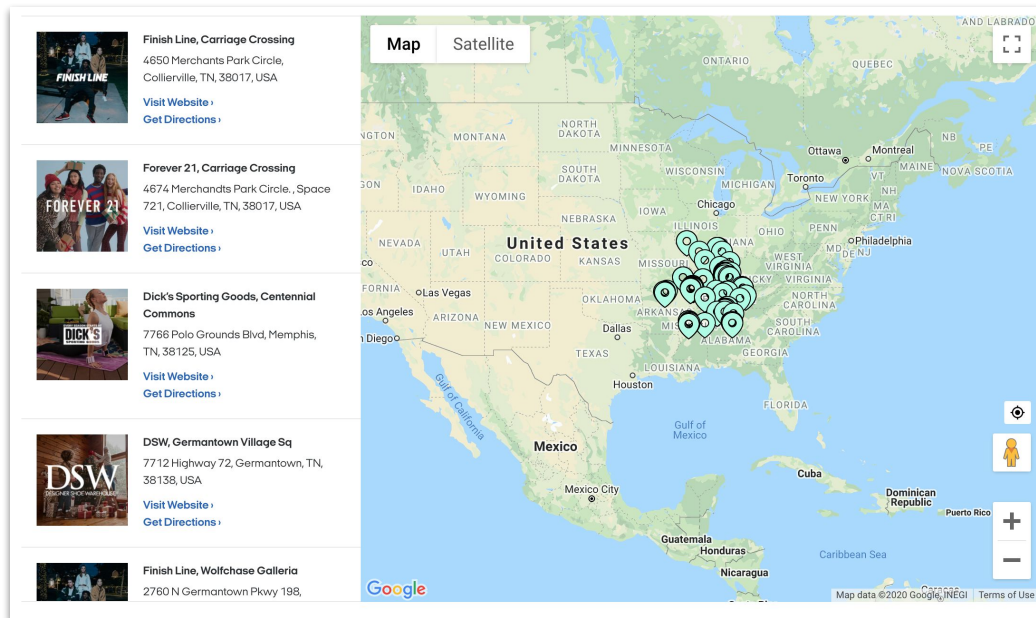
PayBright offers the ability to pay in 4 bi-weekly installments with no interest or fees.



Afterpay follows the same process as PayBright, with 4 bi-weekly payments.



**Afterpay was the first BNPL service to take its proposition offline—consumers in New Zealand, Australia and the US (since Nov' 20) can benefit from the BNPL model when buying products in selected brick and mortar stores.**





## Benefits for the retailers include:



**+30% increase in  
average order  
value**



**+30% Sales from  
new customers  
who otherwise  
could not afford it**



**+25% Cart  
conversions**



**Affiliate traffic  
from BNPL  
websites**

"During the first quarter, we also launched Afterpay on our U.S. shopping site. Sales through the service have already grown very nicely and carry a notably higher average order value. We will continue to invest in customer centric capabilities, which we believe will become even more relevant in a post-COVID world. As we reopen stores, we are very closely following state and local guidelines and have opened 556 locations to-date."



## Benefits for consumers include:



**No payment  
interest or fees**



**Price is less of a  
purchase barrier**



**No effect on credit  
score**

"I think this is a new dawn for Canadians to make big purchases [without paying the 20% credit card interest.](#)"

- Joshua Y.



However, there are some downsides to using BNPL apps, such as the following:



**Encourages  
impulse spending  
for consumers**



**Late payment fees**  
(i.e: \$10 late fee is  
charged from Afterpay if  
there are insufficient  
funds)



**No flexibility in  
payment periods**  
(cannot pick when you  
pay your 4 installments)

# Key Takeaways

## From the Rise of Buy Now Pay Later (BNPL) Services Case Study:

### Retailer Benefits for BNPL Services Include:

- [+30%](#) increase in average value order
- [+30%](#) sales from new customers who otherwise could not afford it
- [+25%](#) cart conversions
- Affiliate traffic from BNPL websites

### Consumer Benefits for BNPL Services Include:

- No payment interest or fees—consumers do not have to worry about paying additional fees on top of the original product price
- Price is less of a purchase barrier as the full product price is broken down into four individual payments
- No effect on credit score

### Downsides to BNPL Services Include:

- Encourages impulse spending for consumers as they may be spending money that they do not have.
- Late payment fees (i.e: \$10 late fee is charged from Afterpay if there are insufficient funds)
- No flexibility in payment periods (cannot pick what day you pay your 4 installments)