

Buy now pay later

What the Heck is that ?!



nORBR
#PayDecoding

**explained
to kids!**

Buy after the delivery!

For instance, you want to buy a pair of shoes for 120€ on internet.



You don't have the money right away, but you will have it in a few days.



When you pay you choose

PAY LATER



**By choosing this type of payment,
you pay nothing today and you
receive your shoes right after!**



Then **you have 30 days* to pay
the 120€ you owe ...**

*Yes, it's true, it depends on the payment provider
... are you a specialist?

At the time you paid, it cost you 0€* but the merchant got 120€.

So who paid the merchant? ???
Who gave him the 120€?



The company behind the button

PAY LATER

advanced the 120€, and you're going to give it back to them.

*or 25% of the amount depending on the case
... definitely, you're a specialist! So, go 2 pages further... Go on!

This is what means "Buy now pay later"

**But if it can be a good way to try
before paying,
or buy when you don't have your
card on you,
it remains a debt.**

**So you have to be able to pay it
back within the time of the
commitment.**



... AND DETAILED FOR

SPECIALISTS

"Buy now pay later" (BNPL) is simple: instead of paying for your online purchase immediately, the provider of this service pays the merchant for you.

You then agree to pay them back in installments, allowing you to spread the cost.

The BNPL is precisely the "Pay after delivery". The payment is independent of the act of purchase.

The customer leaves immediately with the good and chooses, with the service provider, the terms of payment on a schedule ranging from several days to several weeks.

This differs from the "Installment" payment method is mainly the fact that you don't have to pay anything on the day of purchase.

(Want to know more about the difference between both? Follow #PayDecoding every week on linkedin)

Perfectly integrated into the payment options, the BNPL creates a **very strong compulsive buying situation**. Especially since suppliers often charge **no interest** and sometimes **no late payment fees**.

In the absence of obvious upfront drawbacks, BNPL adoption is booming, especially among Generation Z and millennials.

For merchants, it's a way to **increase sales**, have **better conversion** at checkout and even **save on interchange fees**.

On the other hand, for the customer, this type of payment is **not without risk**.

Spreading out payments is convenient, but you don't get the same protections as credit cards:

- payments that are **harder to track**.
- missing or late payments result in **fees**
- payments may continue even if the item is returned (**as refunds may be longer and delayed**).

In addition, there is the danger of getting carried away and **buying much more than you can afford**.



In 2021, regulators in many countries (UK, Sweden, Australia, US, etc.), alerted to the risks to consumers, are considering better regulation of BNPL.

55%

**CONSUMERS SHARE WHO SAY
THEY TEND TO SPEND MORE
USING THIS PAYMENT METHOD
THAN THEY NORMALLY WOULD.**

60%

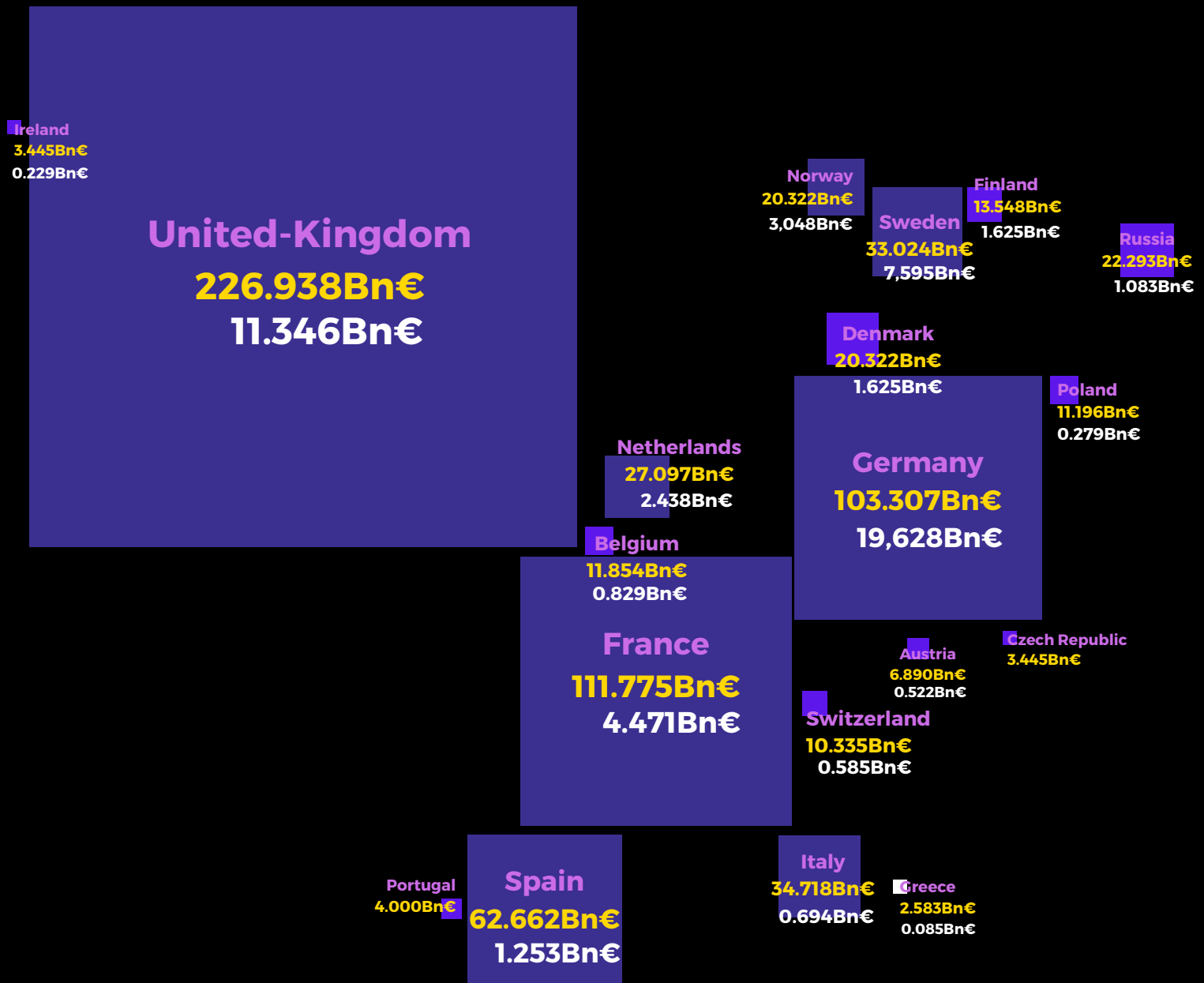
**OF AMERICANS SAY THEY HAVE
TRIED "BUY NOW PAY LATER" AT
LEAST ONCE**

(Strawhecker Group survey, sept. 2021)

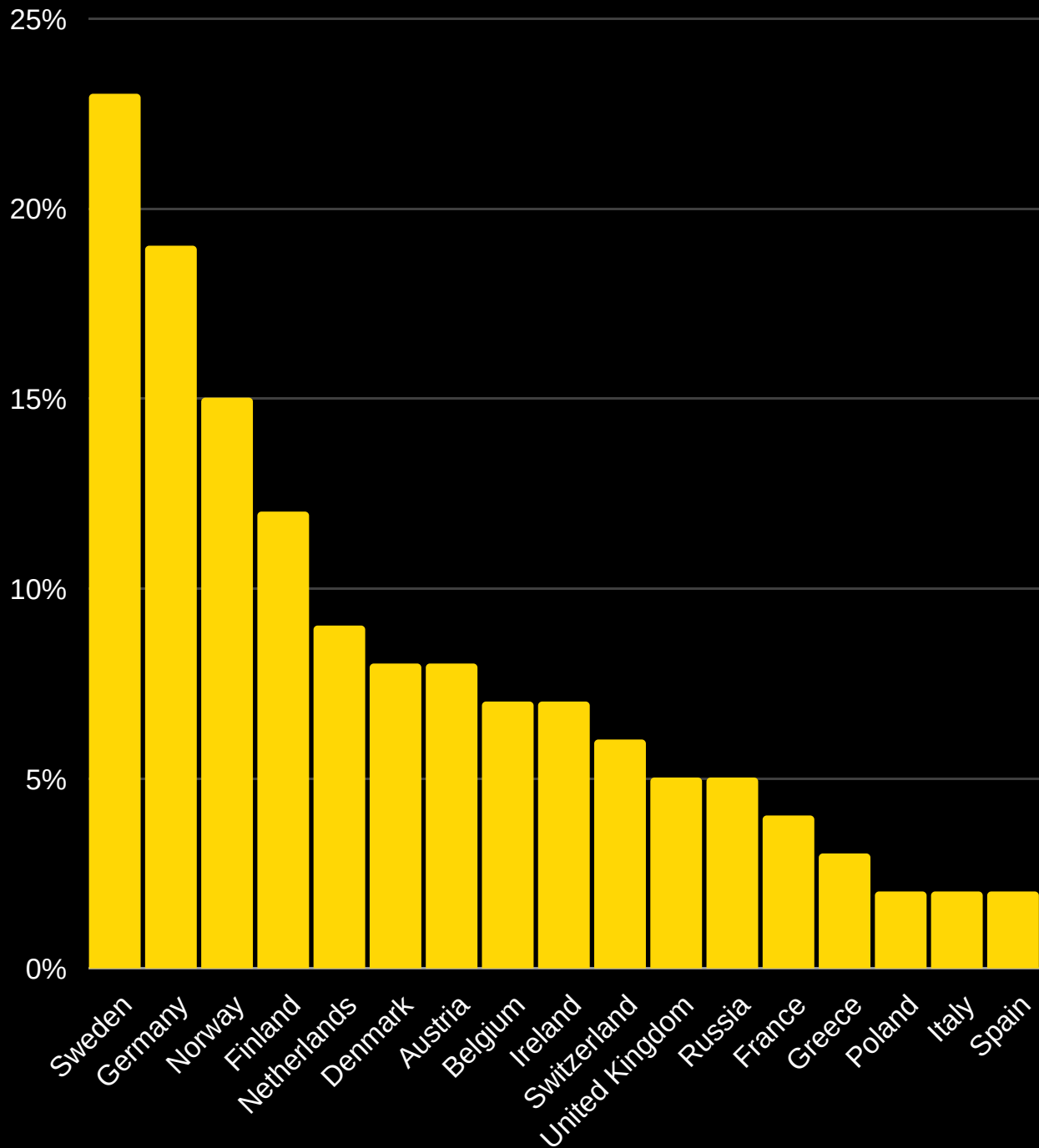
EUROPE

E-COMMERCE TURNOVER (2020)

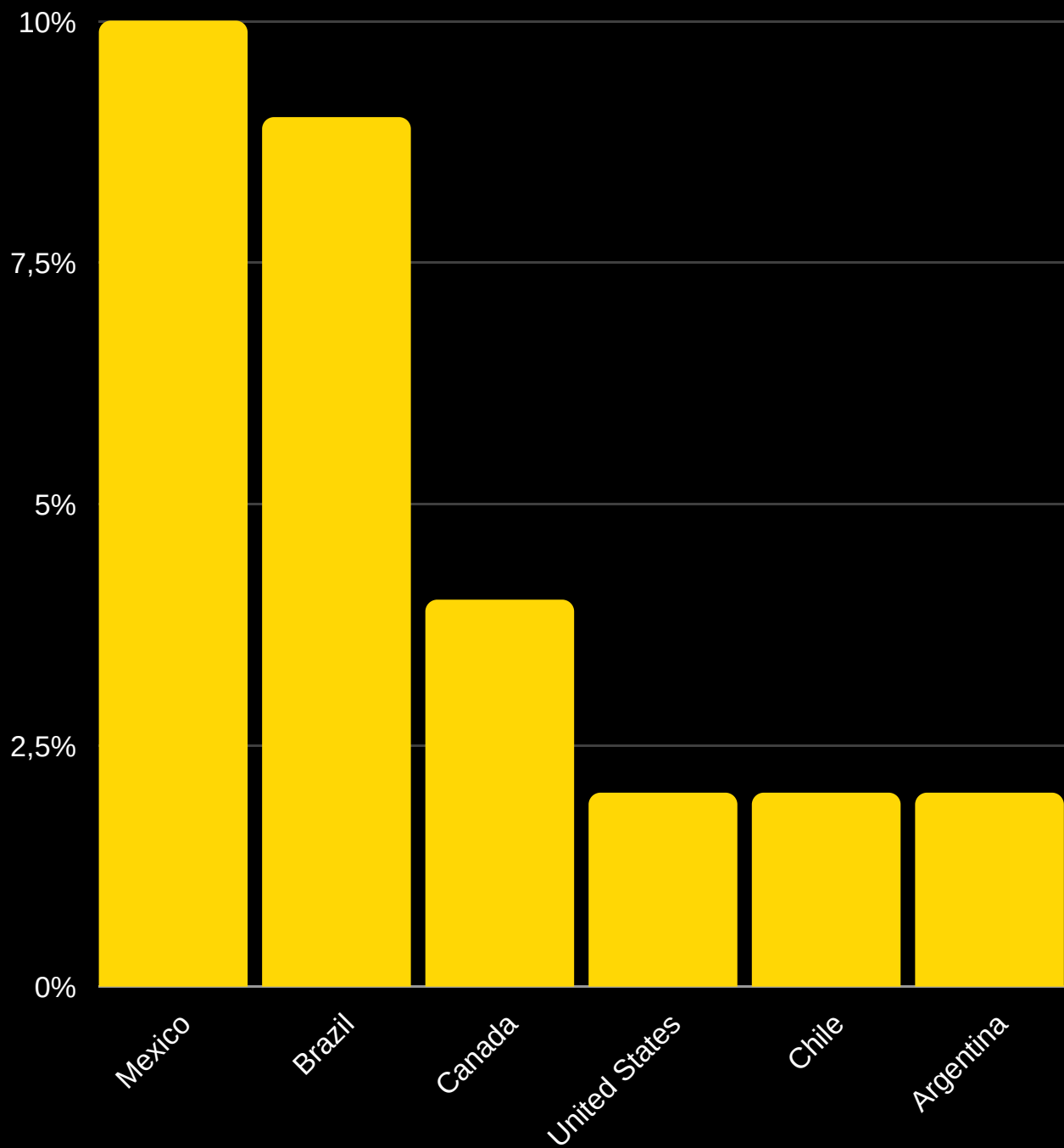
BNPL MARKET VALUE (2020)



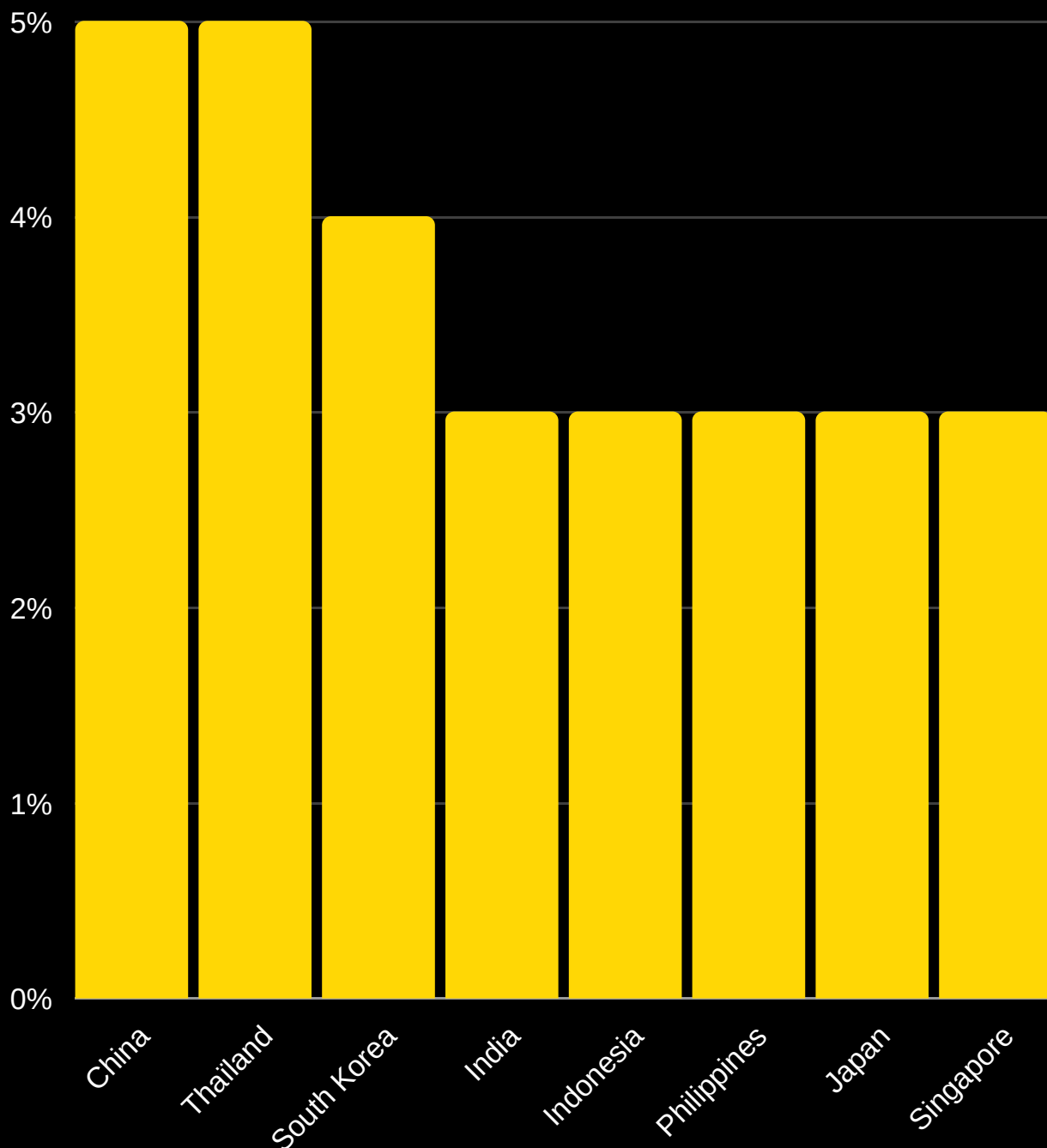
BNPL PENETRATION RATE IN THE EUROPEAN MARKET (2020)



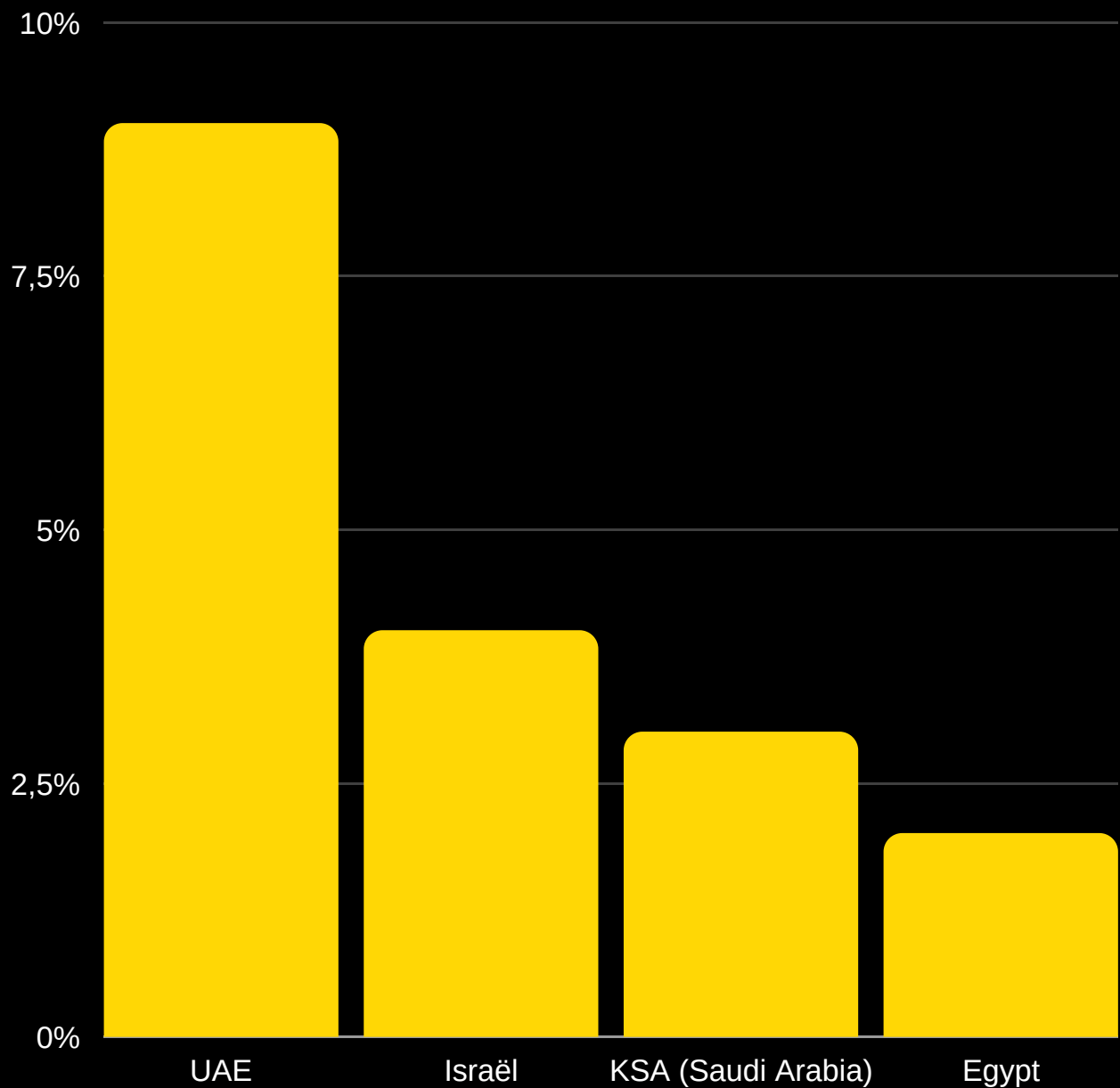
BNPL PENETRATION RATE IN THE AMERICAN MARKET (2020)



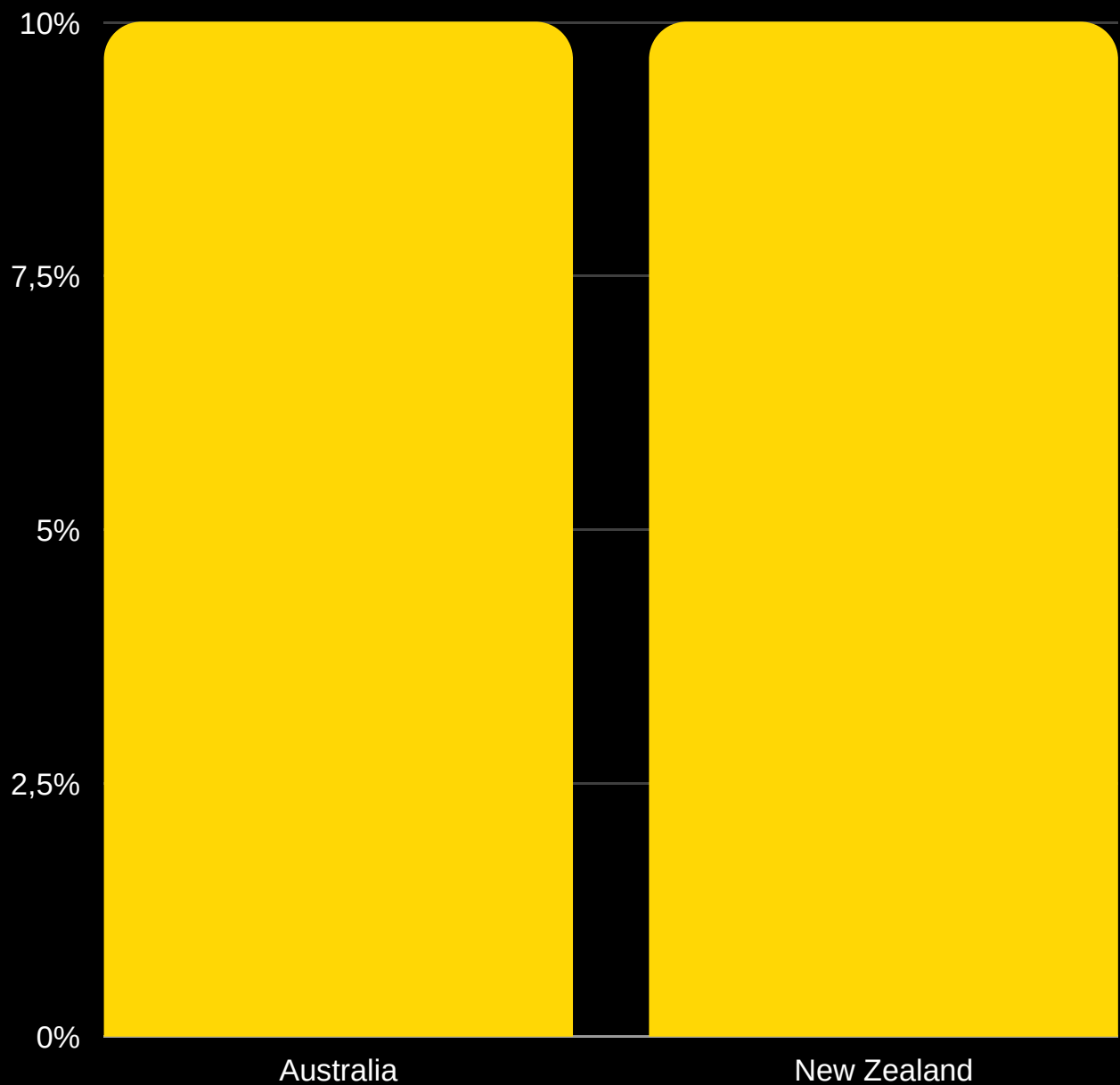
BNPL PENETRATION RATE IN THE ASIAN MARKET (2020)



BNPL PENETRATION RATE IN THE MIDDLE EAST MARKET (2020)



BNPL PENETRATION RATE IN THE OCEANIA MARKET (2020)



AS OF OCTOBER 2021, THERE ARE MORE THAN
170 COMPANIES AND STARTUPS OFFERING BNPL

... AND EVERY MONTH NEW PLAYERS ARE
EMERGING.

Klarna.

divido

zip

oney

alma

affirm

FLOA 
pay

♥scalapay

 sezzle

Jifiti.

afterpay 

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PAYMENT
word of the week

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#PayDecoding