

**The Next BNPL Horizon Report,**

a PYMNTS and Amazon Web Services (AWS) collaboration, is based on a census-balanced survey of 2,211 U.S. consumers. The survey consisted of 10 questions regarding consumers' use of BNPL tools and their interest in using the payment option for high-value service purchases. It was conducted between June 23 and June 28, 2021.



SEPTEMBER 2021 ■

# THE NEXT BNPL HORIZON

EXPANDING ACCESS  
TO HIGH-VALUE SERVICES

AWS helps financial institutions manage, analyze and use machine learning (ML) on large and real-time data sets for more efficient lending decisions.

BNPL providers need low cost structure, scalability and the ability to make decisions quickly and accurately, and they are doing so on AWS. Customers like U.S.-based **Affirm** use ML and alternative data sets to make underwriting decisions on factors other than a customer's credit score. Swedish FinTech **Klarna** grew from a startup to supporting 60 million customers across 170,000 merchants. Finally, Australia-based **Zip** developed its own data lake, enabling the firm to deploy artificial intelligence capabilities and increase its automation rates for Zip Money underwriting decisions by 50 percent.

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aws financial services

# THE NEXT BNPL HORIZON

EXPANDING ACCESS  
TO HIGH-VALUE  
SERVICES

PYMNTS.com



The Next BNPL Horizon was produced in collaboration with Amazon Web Services (AWS), and PYMNTS is grateful for the company's support and insight. PYMNTS.com retains full editorial control over the following findings, methodology and data analysis.



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# INTRODUCTION

## TWENTY-NINE MILLION.

**T**hat's the number of U.S. consumers who have purchased at least one product or service using a buy now, pay later (BNPL) solution over the last 12 months. The ability to pay for retail purchases in installments over a fixed term using BNPL solutions provides buyers with financial predictability and certainty that their purchases will be fully paid for at the end of their term.

PYMNTS' research shows that these are some of the most common reasons consumers use BNPL: 61 percent of consumers who use BNPL payment options do so because the options offer consumers a better way to manage their spending on purchases through spreading out payments over time, and 42 percent

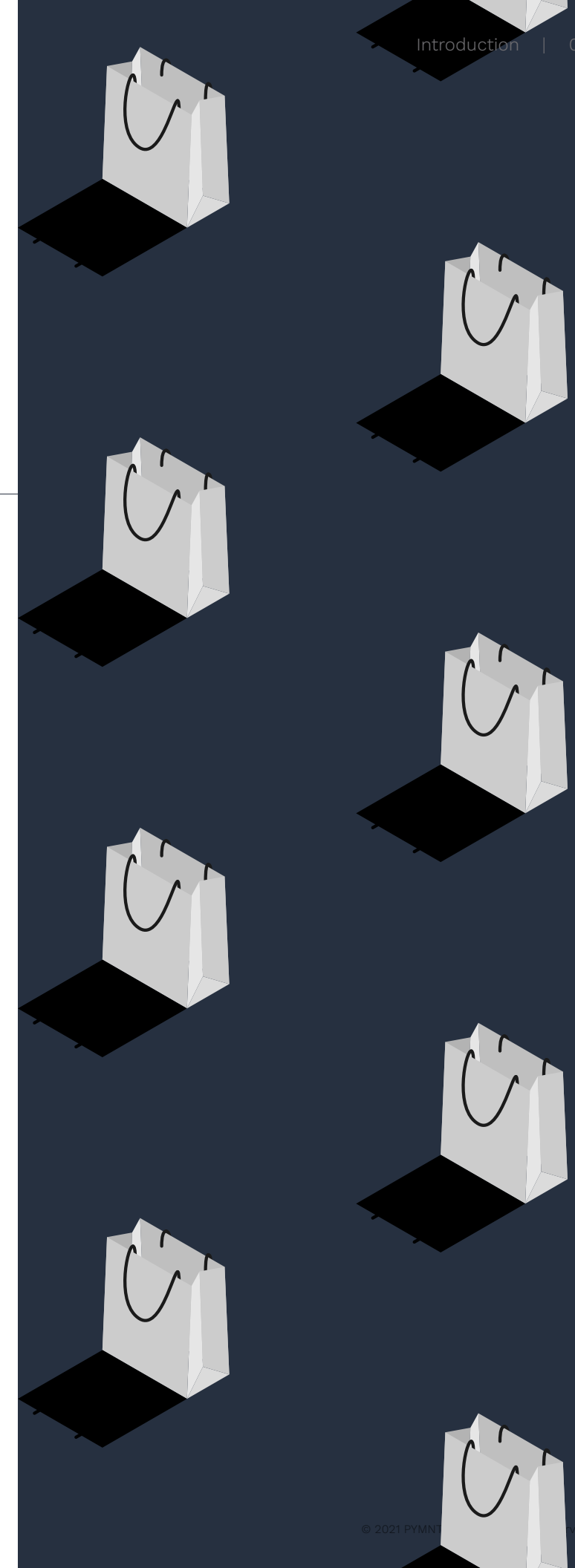
use BNPL options so they do not have to worry about paying interest. Others want to avoid tying up their credit lines.

PYMNTS' research also shows that consumers' interest in using this alternative payment option expands far beyond its roots in retail. As many as 111 million U.S. consumers want to use BNPL plans for purchasing high-value products and services, including airline tickets, out-of-pocket medical expenses and home remodeling.

The question then becomes: How must BNPL solution providers adapt their offerings to incorporate all the features consumers like about BNPL and expand its utility beyond a plan to pay in three or four monthly installments for clothing, accessories and beauty products?

These are some of the key questions that PYMNTS, in collaboration with Amazon Web Services, set out to answer in The Next BNPL Horizon Report: Expanding Access To High-Value Services. We surveyed a national, census-balanced panel of 2,211 consumers about their usage of BNPL options to make product and service purchases and their interest in using such options to make high-value service purchases to find out which services they would be most interested in purchasing via BNPL and discover the types of BNPL features merchants can provide to tap into this latent demand and drive sales.

### **This is what we learned.**



01

**43%** of the U.S. adult population, some 111 million consumers, say they are interested in using BNPL solutions to pay for big-ticket service purchases. Travel, remodeling and medical expenses top the list.

PYMNTS' research shows a massive potential market for consumers who want to use BNPL options to purchase big-ticket services including travel, home remodeling and medical procedures, to name a few. Although 43 percent of consumers say they would like to use BNPL options to pay for at least one of the six types of high-value service we studied, another 11 percent would like to use BNPL to pay for each of them, including tuition and training, prescription drugs and meals at expensive restaurants. In total, as many as 111 million people across the U.S. would like to pay for at least one of these big-ticket items using a BNPL option.

Vacation is at the very top of consumers' BNPL wish lists, with 28 percent of all consumers saying they are "very" or "extremely" interested in making vacation- and travel-related BNPL purchases. Twenty-seven percent express the same level of interest in using BNPL for out-of-pocket medical procedures, and 26 percent would like to use BNPL options to fund the remodeling of their homes. While consumers are least likely to use BNPL for luxury dining, there are still 19 percent who would use BNPL options at luxury restaurants.

02

**BNPL has increased the capacity to spend for consumers living paycheck to paycheck. The predictability of BNPL payments makes consumers more comfortable increasing their spending without overspending.**

The predictable payment plans offered by BNPL providers resonate with consumers. These BNPL options are especially popular among the 140 million U.S. consumers who are on tight monthly budgets and say they live paycheck to paycheck. Seven million of those consumers — 11 percent of the paycheck-to-paycheck population who also say they struggle to pay their monthly bills — have made at least one purchase using BNPL in the past year, as have 14 percent of those who live paycheck to paycheck but say they can meet their monthly expenses.

Using BNPL is appealing to these consumers for several reasons. First, it provides a more systematic and predictable way of paying for those purchases over a fixed period of time — 61 percent of BNPL users point to that feature as the reason they use it.

Second, that predictability provides those consumers with more purchasing power and a greater sense of security in increasing their capacity to spend. **This predictability makes consumers more comfortable increasing their spending without overspending.** Paycheck-to-paycheck consumers who struggle to pay monthly bills say they are more comfortable spending as much as \$1,000 on a product or service using a BNPL option.

03

**Eighty-three percent of consumers who would like to use a BNPL option to make big-ticket service purchases say they see it as a practical alternative to using personal loans and credit cards for those purchases.**

Forty-one percent of consumers who are interested in BNPL options for making big-ticket purchases consider them to be better alternatives than personal loans. More than a quarter (26 percent) would like to use BNPL options to avoid locking up their credit lines for expensive purchases, especially for purchases that may not be fulfilled until some point in the future, such as travel. Twenty-two percent see BNPL as the only viable way of making high-value purchases since they have no other credit alternative.

04

**Signaling that purchases can be made in installments on product pages drives consumer awareness and use. More than half of consumers learn about BNPL options on retailer product page.**

Fifty-seven percent of consumers who have used BNPL as a credit alternative in the last year learned about the option because it was offered on the product page as part of the consideration in making a purchase, not as a way to pay for what they already had purchased at checkout. That makes product pages the most common place where consumers discover BNPL.

This is true especially for millennial and Gen X consumers. Fifty-seven percent of millennial BNPL buyers and 62 percent of Gen X BNPL buyers discovered BNPL while browsing the product pages on retailers' websites, making them the most likely of all to have done so.

Online advertisements are the second-most common way consumers learn about BNPL options, with 31 percent of consumers learning about such options this way last year.

05

**BNPL as a credit alternative puts the retailer store card model at risk. Three times as many consumers would use third-party BNPL options as those who would use BNPL options offered directly by merchants.**

Consumers often say they are more willing to make BNPL purchases enabled by third-party providers, rather than merchants. Fifty-nine percent of all consumers — roughly 153 million people in the U.S. — say they would use BNPL options offered by third-party providers, compared to just 20 percent who would purchase via BNPL if it were offered by the merchants themselves.

More consumers say they would use BNPL options offered by banks than from any other third-party provider. Twenty-seven percent of consumers would be willing to use BNPL options offered by their banks, and 23 percent would be willing to use BNPL options offered by a third-party provider that specializes in BNPL service, such as Afterpay, Affirm or Sezzle. Also, 13 percent of consumers say they would be willing to use BNPL options offered by a global technology firm such as Amazon, Google or Apple.

Consumers are willing to trade personal information for better terms. Twenty-one percent of consumers would be “very” or “extremely” interested in providing their transactional histories if it meant obtaining more favorable BNPL terms. This could mean being able to pay for purchases over longer periods of time, paying more installments but less money per installment. Interest in sharing personal data in exchange for more favorable terms is even higher among consumers who already use BNPL, as 52 percent of them say they would be willing to do so.



# Sizing up the BNPL market

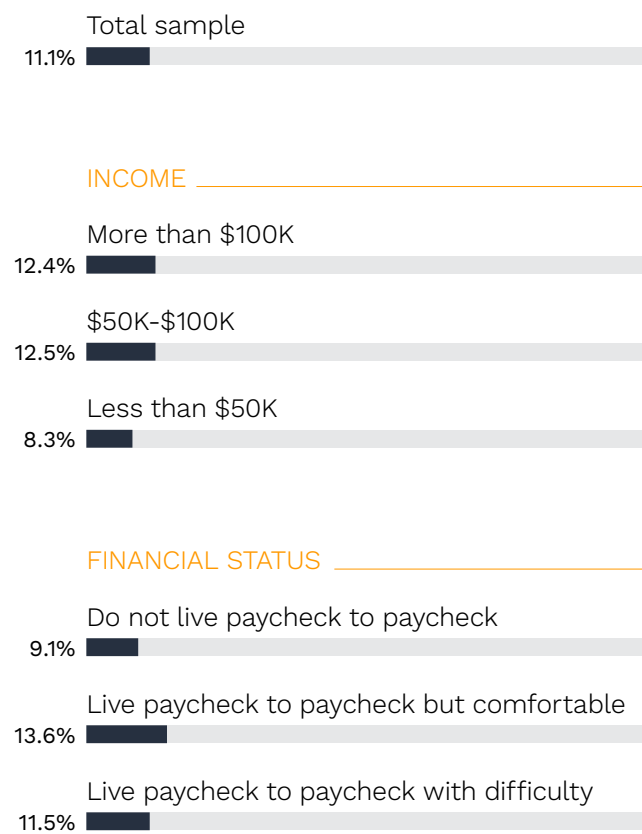


Consumers in the U.S., particularly those living paycheck to paycheck, have a growing appetite for BNPL options. Fourteen percent of consumers who live paycheck to paycheck but do not struggle to pay their bills have made at least one product or service purchase using BNPL options in the past year, as have 11 percent of consumers who live paycheck to paycheck and struggle to pay their monthly expenses. Of the entire U.S. population, slightly more than 11 percent have made purchases using BNPL plans.

FIGURE 1:

**Percent of consumers who have used BNPL in the past 12 months**

Share who have used BNPL to pay for products or services in the last year, by demographic



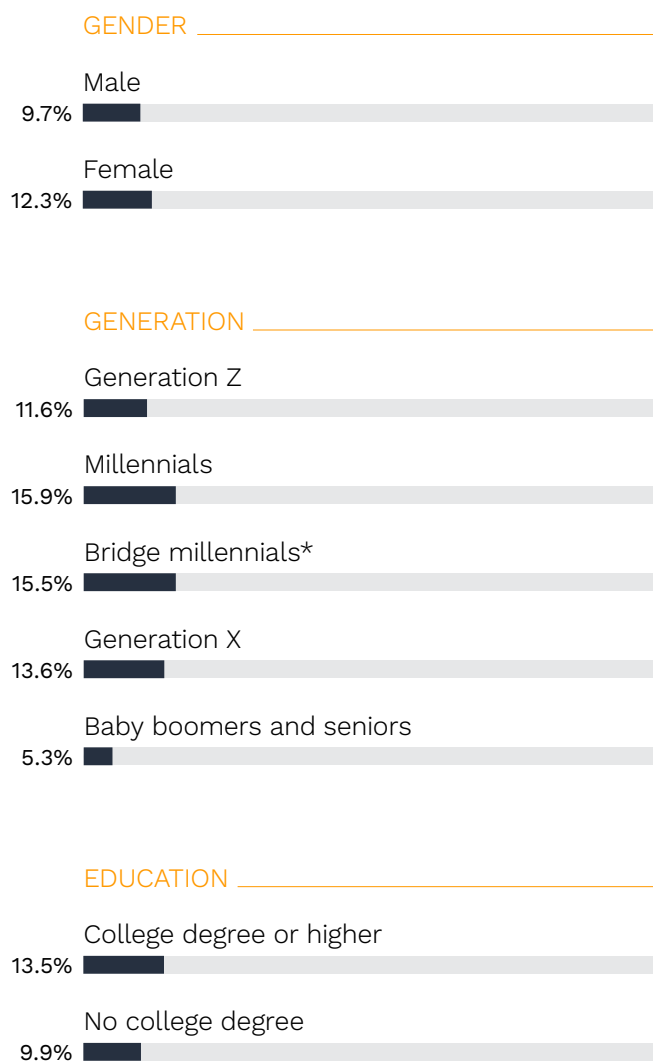
Source: PYMNTS | Amazon Web Services  
The Next BNPL Horizon Report

**11%**  
OF ALL U.S. CONSUMERS —  
**29 MILLION PEOPLE** —  
HAVE MADE AT LEAST ONE BNPL PURCHASE IN THE LAST YEAR ALONE.

FIGURE 2:

**Percent of consumers who have used BNPL in the past 12 months**

Share who have used BNPL to pay for products or services in the last year, by demographic



Source: PYMNTS | Amazon Web Services  
The Next BNPL Horizon Report

\*The bridge millennial cohort (defined as those born between 1978 to 1988) is an overlapping of two neighboring generations, millennials and Generation X. Members of this group experienced the internet at a young age and are old enough to be in their prime earning and spending years.

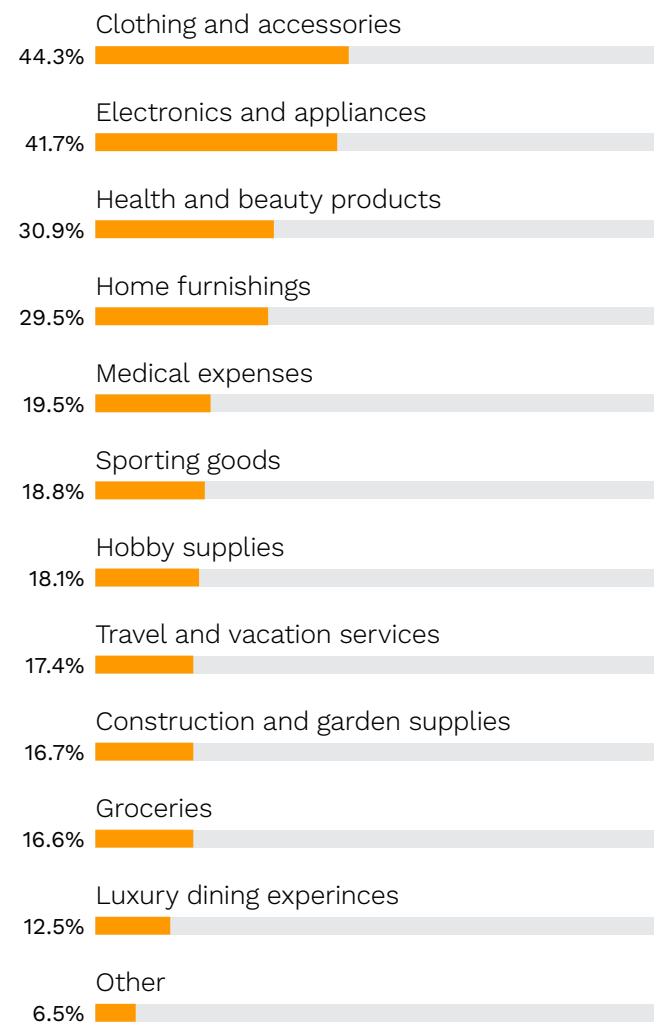
Millennials and bridge millennials are the most enthusiastic about using BNPL plans, as they are the two age groups most likely to be living paycheck to paycheck. Sixteen percent of both millennials and bridge millennials have made at least one BNPL purchase in the past year. No other generation comes close except for Gen X, 14 percent of whom have made at least one BNPL purchase in the past year.

Certain retail purchases are especially popular for BNPL options. These include clothing and accessories, electronics and appliances, and health and beauty products, among others. Forty-four percent of consumers who have used BNPL at least once in the past year say they used it to purchase clothing or accessories, and 42 percent say they have used BNPL options to buy electronics and appliances. Our research also shows that 31 percent of BNPL buyers have used BNPL to make at least one health and beauty product purchase in the past year.

FIGURE 3:

**Most popular products and services for which consumers use BNPL options to purchase**

Share of BNPL users who have used BNPL to buy select items in the past 12 months



Source: PYMNTS | Amazon Web Services  
The Next BNPL Horizon Report

**16%**  
OF **MILLENNIALS**  
HAVE MADE AT  
LEAST ONE BNPL  
PURCHASE IN  
THE PAST YEAR.

Our research also shows that many consumers are using BNPL options to make high-value and luxury purchases, whether for medical expenses, travel and vacation-related purchases or meals at expensive restaurants. Twenty percent of the past year's BNPL buyers have used BNPL options to help pay outstanding medical expenses, and 17 percent used them to pay travel and vacation expenses. Meals at expensive restaurants are the least common type of purchase made via BNPL in the U.S.; still, 13 percent of BNPL users (4 million) paid for meals at expensive restaurants with BNPL.

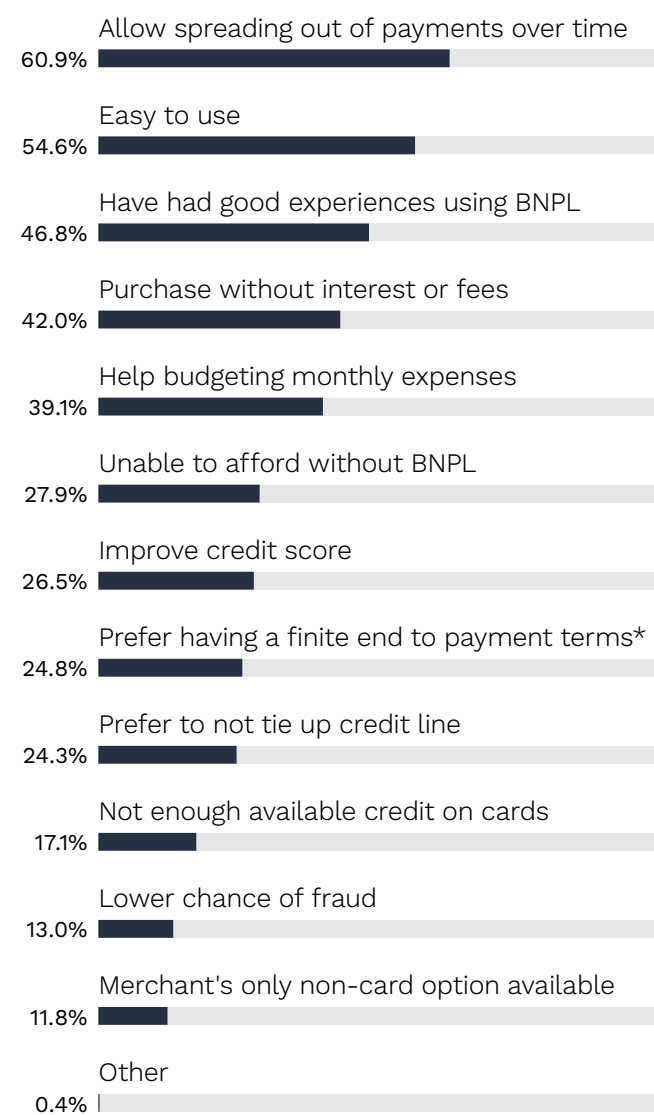
# Big spenders, now and later



FIGURE 4:

**Reasons shoppers use BNPL options to buy retail products and services**

Share of BNPL consumers who use BNPL to make retail purchases for select reasons



Source: PYMNTS | Amazon Web Services  
The Next BNPL Horizon Report

Many of the consumers who use BNPL see it as an effective way to manage their budgets, enabling them to make purchases without having to worry about spending too much of their personal savings or paying interest on their purchases. Sixty-one percent of BNPL users report using a payment plan option because it allows them to spread their payments over time, for example. We also found that 42 percent use BNPL because it means they do not need to pay interest on their purchases, as they might with credit cards, and 39 percent use it because it helps them manage their monthly expenses.

Many BNPL users see it as a viable option for boosting their spending power. Twenty-eight percent of BNPL users say they would not have been able to afford the retail products and services they purchased without the payment flexibility that BNPL options provide them, and 17 percent did not have enough credit to purchase those items at the time without BNPL.

\*Respondents' full answer to the question of why they would want to use BNPL options to buy high-value services read as follows: ' I like knowing that I will have paid for the purchase at the end of the payment term.'



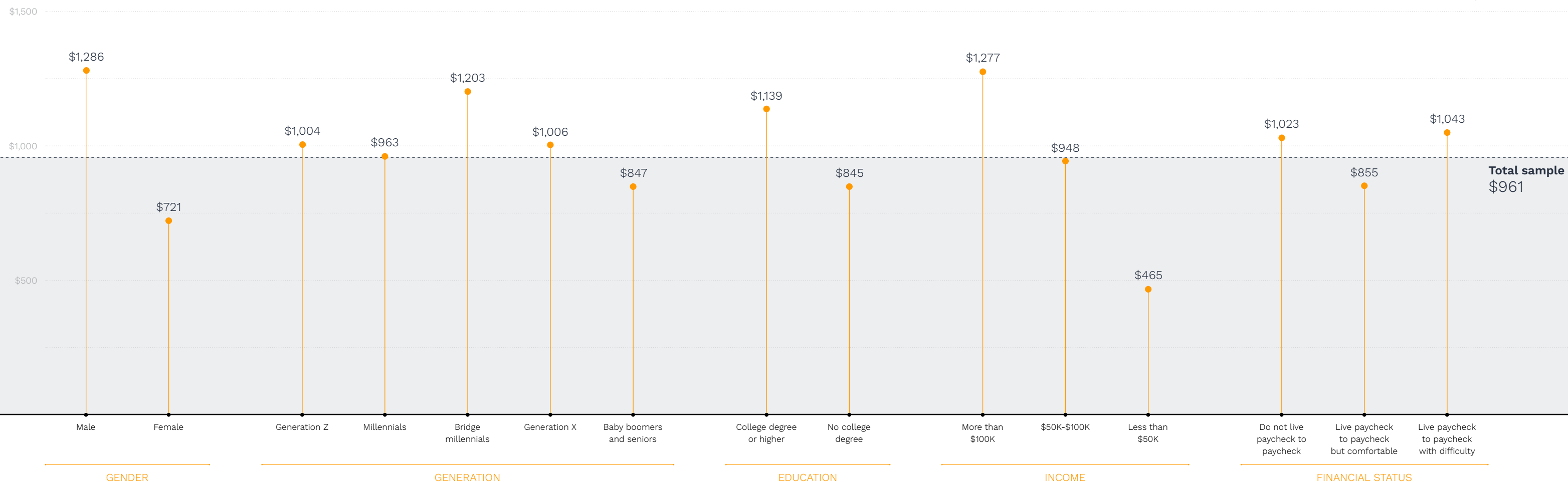
Another common reason for using BNPL options cited by nearly a quarter of consumers is that they want to avoid stretching their credit lines.

The financial flexibility consumers say BNPL options enable can also provide the comfort and peace of mind they need to make high-value retail purchases. The average BNPL user is willing to spend \$961 on a single BNPL purchase, and bridge millennials and Gen X BNPL users are willing to spend even more. The average bridge millennial BNPL user would spend as much as \$1,203, while the average Gen X BNPL user would spend as much as \$1,006 on a single BNPL-enabled purchase.

Even consumers who feel they live paycheck to paycheck — to the point where they struggle to cover their monthly bills — would pay more than average for retail purchases made via BNPL. These cash-strapped consumers would be willing to spend \$1,043 on a single BNPL-enabled retail purchase. This underscores how useful the option can be in helping consumers living on a budget manage their expenses, empowering them to make higher-value purchases without needing to overspend.

**FIGURE 5:**  
**What consumers are willing to spend on BNPL purchases**  
 Average dollar value BNPL users will spend using BNPL options

Source: PYMNTS | Amazon Web Services  
 The Next BNPL Horizon Report

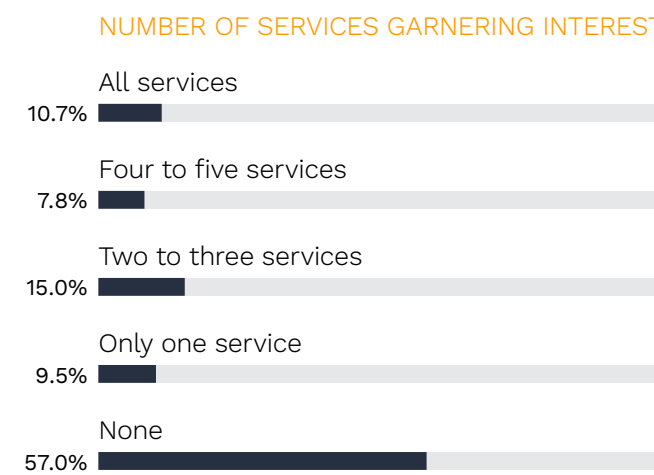
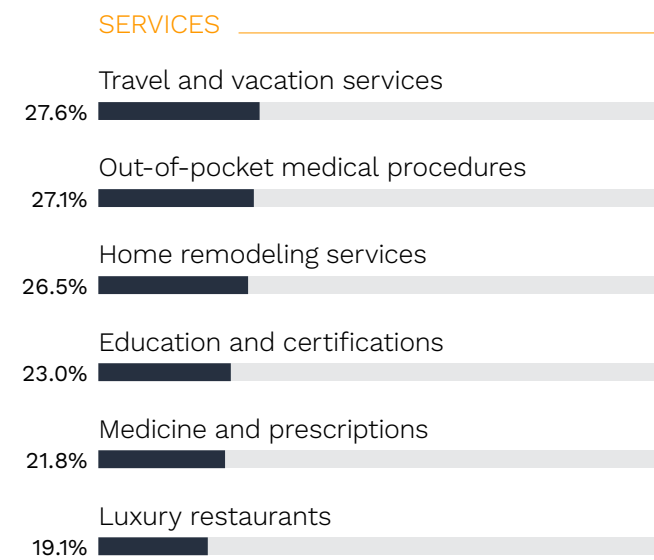


# Gauging interest, boosting purchasing power



**FIGURE 6:**  
**Percent of consumers most interested in using BNPL options to make high-value service purchases**

Share who would be “very” or “extremely” interested in using BNPL options to make high-value service purchases



Source: PYMNTS | Amazon Web Services  
 The Next BNPL Horizon Report

It is easy to see how consumers’ interest in using BNPL options for purchasing retail products and services might extend to high-value and luxury purchases. After all, being able to pay in installments with no interest is one of the biggest appeals of BNPL, making consumers more comfortable spending large sums over time. PYMNTS’ research shows that 43 percent of consumers want to use BNPL options to purchase at least one type of high-value service, whether to remodel their homes, earn a new educational certification or for another reason. Moreover, 11 percent of consumers want to use BNPL to purchase every single type of high-value service we examined in our study.

Interest is highest among millennials and bridge millennials, 62 percent and 59 percent of whom, respectively, say they want to make at least one type of high-value BNPL service purchase. These age cohorts also are the most likely to want to buy every single type of high-value service we considered in our analysis.

Travel and vacation-related purchases are the most common that consumers — especially millennials — want to be able to make via BNPL. Twenty-eight percent of consumers would be “very” or “extremely” interested in using BNPL options to finance their vacations, meaning there could be as many as 71 million would-be travelers across the U.S. who would relish the opportunity to make BNPL-enabled travel purchases.

**TABLE 1:**  
**Percent of consumers most interested in using BNPL options to make high-value service purchases**  
 Share who would be “very” or “extremely” interested in using BNPL options to make high-value service purchases, by generation

	Generation Z 24 or younger	Millennials 25 to 40	Bridge millennials 33 to 43	Generation X 41 to 56	Baby boomers/seniors 57 or older
<b>SERVICES</b>					
• Travel and vacation services	34.8%	45.3%	<b>44.0%</b>	<b>31.8%</b>	8.6%
• Out-of-pocket medical procedures	33.4%	<b>45.4%</b>	40.9%	27.8%	<b>10.5%</b>
• Home remodeling services	26.9%	42.9%	41.3%	30.9%	<b>10.5%</b>
• Education and certifications	<b>36.8%</b>	39.5%	39.9%	25.7%	3.8%
• Medicine and prescriptions	22.7%	37.4%	36.8%	25.5%	6.9%
• Luxury restaurants	24.3%	34.7%	33.8%	22.9%	2.7%

**NUMBER OF SERVICES GARNERING INTEREST**

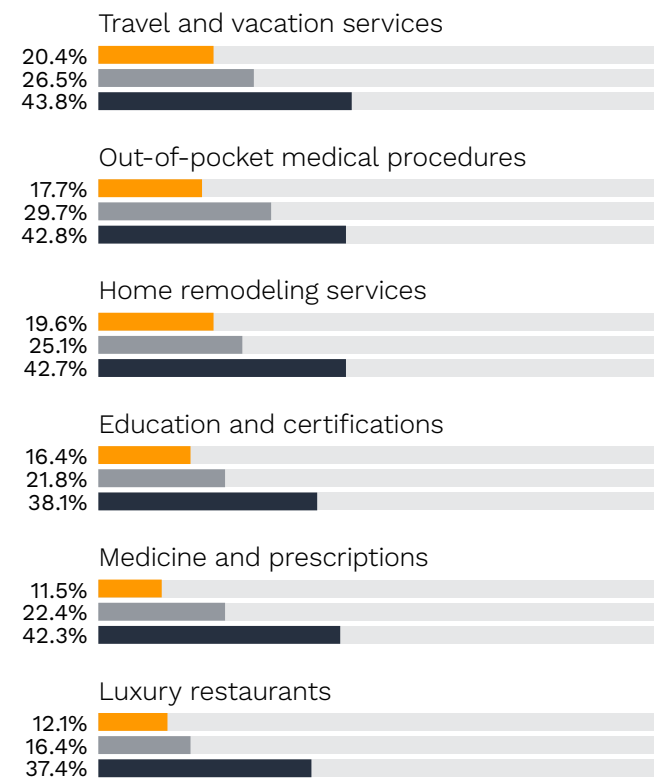
• All services	8.0%	<b>22.1%</b>	<b>21.5%</b>	12.5%	1.6%
• Four to five services	10.4%	13.5%	12.1%	9.1%	1.7%
• Two to three services	<b>30.2%</b>	17.8%	18.8%	<b>15.5%</b>	7.5%
• Only one service	13.3%	8.5%	6.5%	10.4%	<b>8.4%</b>
• None	38.1%	38.1%	41.0%	52.4%	80.8%

Source: PYMNTS | Amazon Web Services  
 The Next BNPL Horizon Report

**FIGURE 7:**

**High-value services consumers would like to purchase with BNPL options**

Share who would be “very” or “extremely” interested in using BNPL options to make specific high-value service purchases, by financial lifestyle



Source: PYMNTS | Amazon Web Services  
 The Next BNPL Horizon Report

■ Do not live paycheck to paycheck  
 ■ Live paycheck to paycheck but comfortable  
 ■ Live paycheck to paycheck with difficulty

Other would-be BNPL buyers are interested in using BNPL to fund their healthcare payments. Twenty-seven percent of consumers say they would be “very” or “extremely” interested in using BNPL to pay for out-of-pocket medical procedures, and 26 percent express the same level of interest in using BNPL to remodel their homes.

Consumers are least interested in using BNPL for luxury dining; still, 19 percent would want to make BNPL purchases at luxury restaurants.

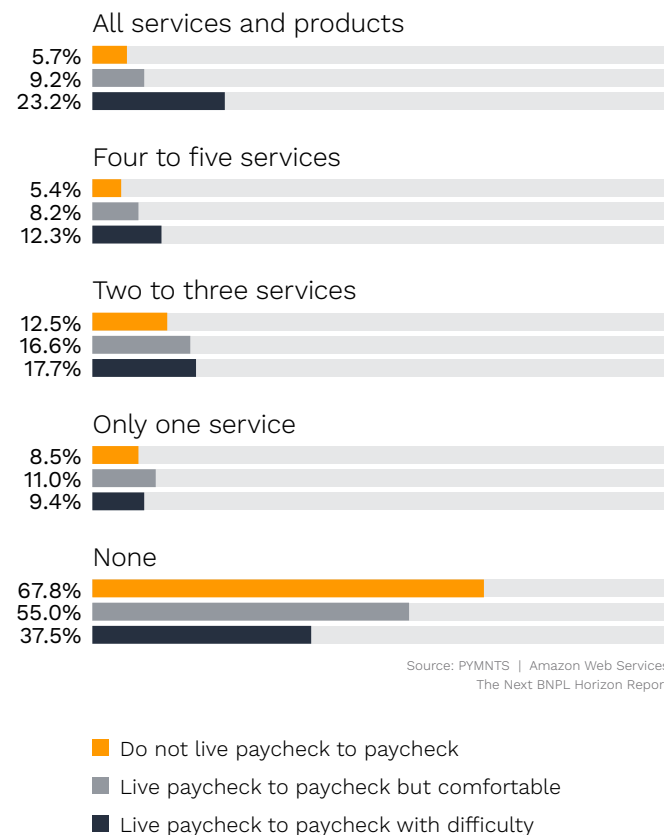
Consumers living paycheck to paycheck and struggling to pay their monthly bills are twice as likely as consumers on more stable financial footing to say they would want to use BNPL options to purchase all varieties of high-value services.

Forty-four percent of these paycheck-to-paycheck consumers want to use BNPL options to help pay for vacation and travel expenses, for example, and 43 percent want them to pay for out-of-pocket medical procedures. This compares to 20 percent and 18 percent of consumers who do not live paycheck to paycheck and express the same level of interest in these services, respectively.

# 43% OF CONSUMERS WANT TO USE BNPL TO MAKE HIGH-VALUE SERVICE PURCHASES.

**FIGURE 8: High-value services that consumers would like to purchase with BNPL options**

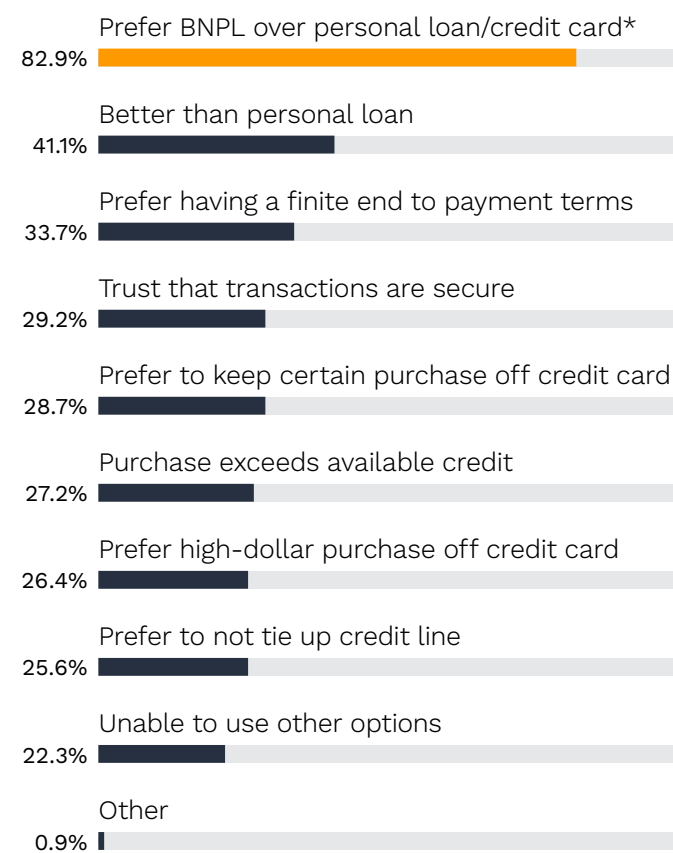
Share who would be “very” or “extremely” interested in using BNPL options to make specific high-value service purchases, by financial lifestyle



Many of these consumers would choose BNPL over credit cards because they prefer to keep certain types of purchases off their credit cards. This is the case for 29 percent of the consumers who would like to use BNPL to make high-value service purchases. Also, 26 percent specifically want to keep larger purchases off their cards, and 26 percent say larger purchases would tie up their credit lines for too long. It is clear that although BNPL options have a strong appeal among consumers of all financial circumstances, they can be useful particularly for those struggling to manage their finances.

**FIGURE 9: Reasons consumers would like to use BNPL options to purchase high-value services**

Share who cite select reasons for wanting to use BNPL to purchase high-value services



# 41% OF INTERESTED CONSUMERS BELIEVE THAT BNPL OPTIONS ARE BETTER THAN PERSONAL LOANS.

Using BNPL to make high-value purchases often is seen as a more practical alternative to using more traditional credit products. Eighty-three percent of all consumers who express interest in using BNPL options to buy high-value services say they consider BNPL to be an alternative to either financing such purchases by taking out a personal loan or using their credit cards, in fact. This means there could be more than 53 million consumers across the U.S. who would opt to make high-value purchases with BNPL options rather than with personal loans or credit cards if they were given the chance.

\*To calculate the share of BNPL users who prefer BNPL to personal loans or credit cards, we aggregated the share of those who had either indicated that they believe BNPL options are better than personal loans, prefer to keep certain types of purchases off their credit cards, prefer to keep high-value purchases off their credit cards, do not have enough available credit for the purchase or wish to avoid tying up their credit lines.

# Discovering BNPL:

## Online and through the grapevine

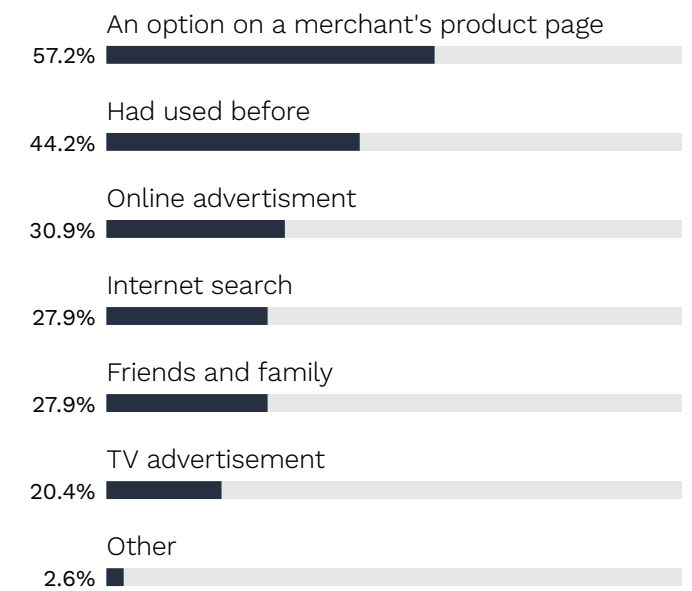


**B**usinesses can take several measures to ensure potential buyers are aware that BNPL options are available and drive sales in turn. The most common way BNPL buyers say they discovered BNPL was on the product pages of the retail items they used BNPL to purchase, in fact, as 57 percent of BNPL users say they learned about BNPL this way. Thirty-one percent of BNPL buyers say they discovered BNPL through an advertisement they saw online. Providing BNPL options on the web pages of services they are aiming to sell and purchasing online advertisements thus can be an effective way to tap into consumers' latent demand for BNPL purchasing options.

**57%**  
OF BNPL USERS  
LEARNED ABOUT  
BNPL FROM THE  
**PRODUCT PAGE**  
OF AN ITEM THEY  
**PURCHASED**  
**ONLINE.**

**FIGURE 10:**  
**How consumers learned about BNPL purchases**






Share of BNPL users who learned about BNPL options in select ways



Source: PYMNTS | Amazon Web Services  
The Next BNPL Horizon Report



**TABLE 2:**  
**How consumers learned about BNPL purchases**  
 Share of BNPL users who learned about BNPL options in select ways, by generation

	 Generation Z 24 or younger	 Millennials 25 to 40	 Bridge millennials 33 to 43	 Generation X 41 to 56	 Baby boomers/seniors 57 or older
• An option on a merchant's product page	<b>50.1%</b>	<b>56.9%</b>	<b>52.2%</b>	<b>61.7%</b>	<b>54.7%</b>
• Had used before	40.2%	39.5%	34.4%	46.9%	52.9%
• Online advertisement	41.3%	39.7%	46.2%	27.8%	8.5%
• Internet search	36.1%	31.6%	30.6%	26.4%	16.0%
• Friends and family	40.5%	34.7%	38.0%	21.3%	15.0%
• TV advertisement	32.5%	25.0%	27.9%	16.2%	8.8%
• Other	0.0%	0.0%	0.0%	2.7%	10.1%

Source: PYMNTS | Amazon Web Services  
 The Next BNPL Horizon Report

**35%**  
 OF MILLENNIAL  
 BNPL USERS  
 LEARNED ABOUT  
 BNPL OPTIONS  
**THROUGH WORD  
 OF MOUTH.**

Television advertisements also can be useful in spreading the word about how BNPL can help consumers buy high-value products and services. Twenty percent of consumers who used BNPL in the past year learned about BNPL options from ads they saw on television.

\*Figure 10 and Table 2 show the share of BNPL users who first learned about the option within the past 12 months. Respondents who indicated that they had previously been aware of BNPL answered that they "had used it before," as in, before the 12-month time frame about which our study inquires.

Online and television advertisements can be particularly useful in engaging millennials and bridge millennials. These two age groups are among the most likely to have heard about BNPL from ads they either saw online or on television. Forty-six percent and 28 percent of bridge millennial BNPL buyers were introduced to BNPL options through online and television advertisements, respectively. Among millennial BNPL buyers, 40 percent and 25 percent were introduced to BNPL through online and television advertisements, respectively.

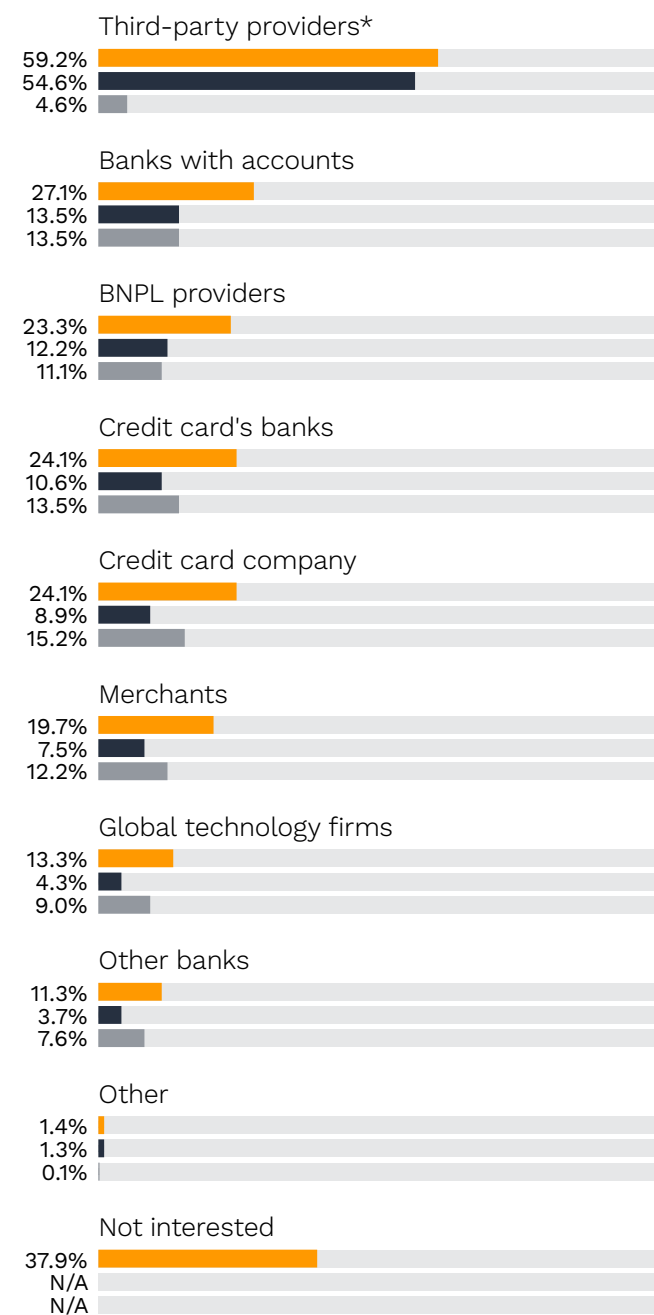
Having BNPL options prominently displayed on the web pages of products and services businesses are looking to sell is still the most effective method for converting new BNPL buyers, however — regardless of age. Not only did 52 percent of bridge millennials and 57 percent of millennials who made BNPL purchases last year learn about BNPL directly from product pages, but 62 percent of Gen X and 55 percent of baby boomer and senior buyers did as well.



# Delivering BNPL experiences



**FIGURE 11:**  
**Percent of consumers willing to use BNPL services provided by select entities**  
Share who would be willing to use BNPL services provided by select entities



Source: PYMNTS | Amazon Web Services  
The Next BNPL Horizon Report

**P**YMNTS' research shows that enlisting help from neutral third parties is the best approach to driving engagement and conversion rates. Just 20 percent of all consumers say they would use BNPL options offered by a business from which they make BNPL purchases, compared to 59 percent who would be willing to use BNPL options enabled by third-party providers.

Banks are first on the list of third parties that consumers would trust to enable their BNPL options, with 27 percent of consumers saying they would be willing to use BNPL options offered by their banks. Eleven percent would be willing to use those offered by any bank at which they do not have an account.

■ Total  
■ Ranked first  
■ The rest

\*Our study defined third-party providers as all firms except for the company that provides the purchased service.






# 74%

## OF MILLENNIALS WOULD USE BNPL OPTIONS OFFERED BY THIRD-PARTY PROVIDERS.

As much as consumers trust their banks, they would be happy to use many other entities' BNPL products. Twenty-three percent of consumers say they would use BNPL options provided by third-party providers that specialize in BNPL offerings, for example. These include big-name brands such as Affirm, Afterpay or Sezzle. Thirteen percent of consumers also would be willing to use BNPL options offered by global technology firms, including Amazon, Google, Apple or Microsoft.

Millennials and bridge millennials especially are interested in being able to use BNPL options enabled by BNPL providers and technology companies. Thirty-one percent of both millennials and bridge millennials say they would pay via BNPL provided by specialist firms. Meanwhile, 20 percent of millennials and 22 percent of bridge millennials say they would pay via BNPL options provided by large technology firms. These two age groups are more likely than others to be willing to use BNPL options offered by any third-party provider, in fact, with the only exception being banks with which they do not have active accounts.

**TABLE 3:**  
**Percent of consumers willing to use BNPL services provided by select entities**  
 Share who would be willing to use BNPL services provided by select entities, by generation

	 Generation Z 24 or younger	 Millennials 25 to 40	 Bridge millennials 33 to 43	 Generation X 41 to 56	 Baby boomers/seniors 57 or older
• <b>Third-party providers</b>	<b>66.9%</b>	<b>74.4%</b>	<b>71.3%</b>	<b>63.4%</b>	42.1%
• <b>Banks with accounts</b>	25.2%	33.2%	31.8%	29.4%	21.2%
• <b>BNPL providers</b>	22.5%	31.0%	31.2%	28.0%	14.2%
• <b>Credit card's banks</b>	22.7%	28.4%	26.9%	27.5%	18.9%
• <b>Credit card companies</b>	21.3%	29.1%	28.8%	26.4%	19.5%
• <b>Merchants</b>	26.7%	25.5%	25.3%	21.0%	12.2%
• <b>Global technology firms</b>	17.8%	19.8%	21.5%	15.3%	5.4%
• <b>Other banks</b>	19.0%	14.7%	14.3%	12.1%	5.6%
• <b>Other</b>	0.8%	0.2%	0.7%	1.5%	2.5%
• <b>Not interested</b>	28.3%	22.2%	25.4%	34.4%	<b>55.6%</b>

Source: PYMNTS | Amazon Web Services  
 The Next BNPL Horizon Report

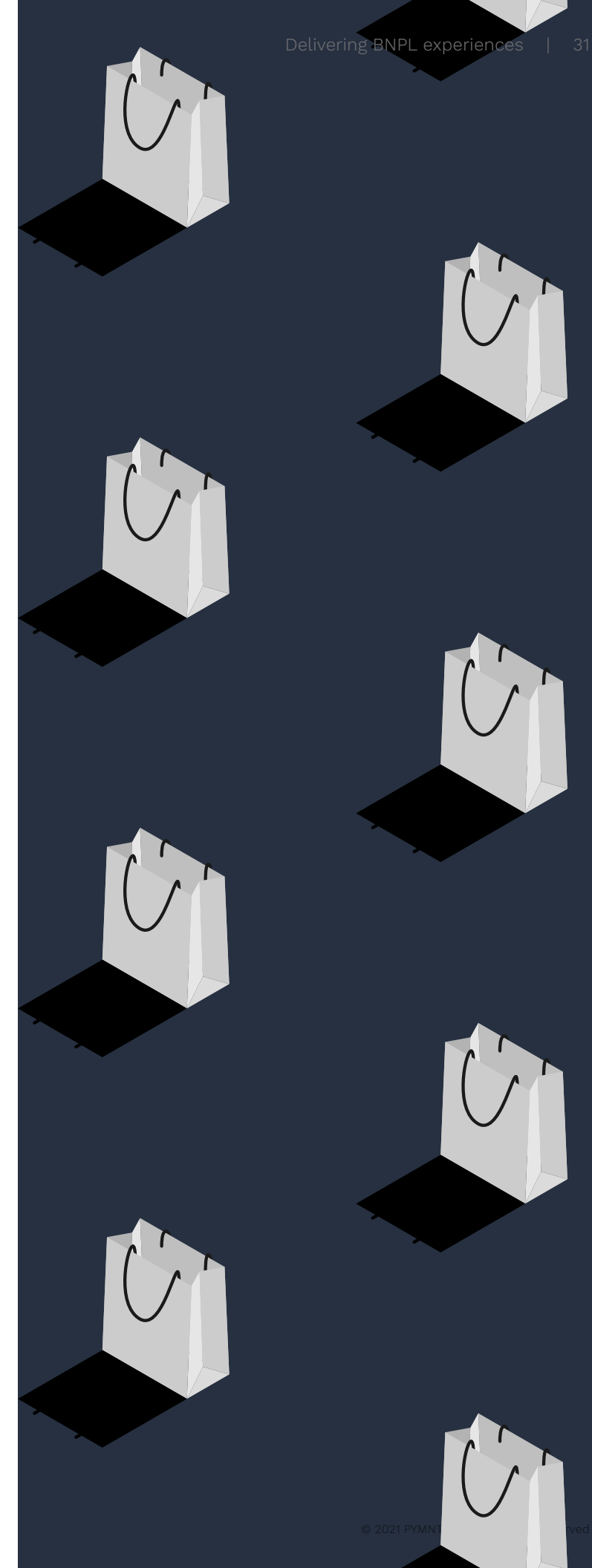
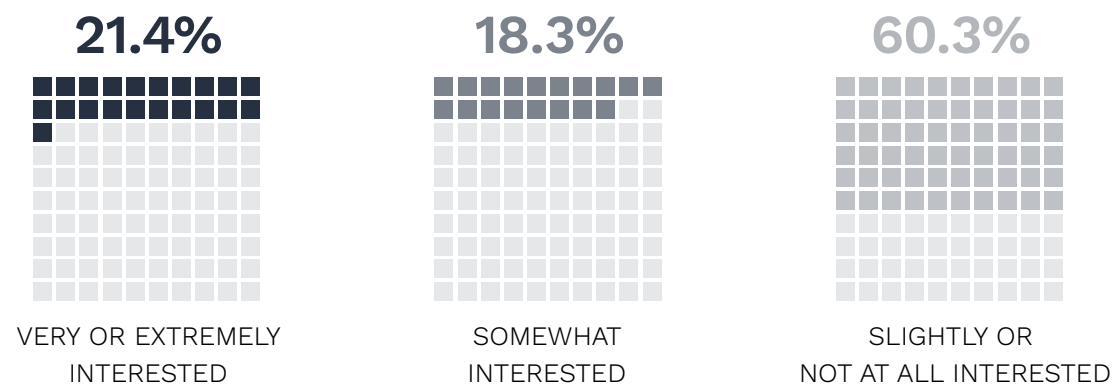




FIGURE 12:

**Percent of consumers willing to provide personal data for better BNPL terms**

Share who would be willing to provide personal transactional information about purchase history to obtain more favorable BNPL offers



Source: PYMNTS | Amazon Web Services  
The Next BNPL Horizon Report



FIGURE 13:

**Percent of consumers willing to provide personal data for better BNPL terms**

Share who would be willing to provide personal information about purchase history to obtain more favorable BNPL offers, by generation



Source: PYMNTS | Amazon Web Services  
The Next BNPL Horizon Report

Willingness to share personal data for more favorable terms is most common among the very consumers most interested in BNPL options overall: millennials and bridge millennials. Thirty-eight percent of millennials and bridge millennials say they would be happy to share their personal data with their BNPL providers if doing so could reduce their installment payments, prolong their payment periods or unlock any other favorable adjustments to their BNPL terms.

**40%**  
OF CONSUMERS  
WOULD BE AT LEAST  
"SOMEWHAT"  
INTERESTED IN  
**PROVIDING  
PERSONAL  
TRANSACTIONAL  
DATA** TO EARN  
MORE FAVORABLE  
BNPL PAYMENT TERMS.

BNPL providers also can add value to their end users' experiences by using their transactional data to determine and deliver more favorable payment terms. Twenty-one percent of consumers would be "very" or "extremely" interested in giving their BNPL providers their personal transactional data if it meant that data could provide them with longer payment periods and lower installment payments, for example, and this interest is even higher among consumers who already have experience using BNPL options. Fifty-two percent of all BNPL users would be willing to share their transactional histories to obtain more favorable payment terms.

# CONCLUSION

There has been a meteoric increase in the use and adoption of BNPL in recent months as consumers seek new, innovative ways to manage their budgets. The ability to pay for purchases in installments without having to worry about interest charges has helped shoppers purchase everything from clothing and accessories to plane tickets, medical procedures and more without feeling as though they were breaking their budgets. Now, millions are looking to BNPL options to buy higher-end services.

Providing BNPL options on products' web pages can help businesses tap into this new market opportunity. Doing so not only ensures that consumers know that BNPL options are available but also creates an opportunity to educate individuals about BNPL and open the door to using it for future transactions. Businesses stand to benefit from offering BNPL options if they enlist help from the third-party providers whose BNPL services consumers are most likely to use online. They also have an added opportunity to go one step further by providing their shoppers with the option to share their transactional data in return for more personalized BNPL experiences that suit their unique financial needs.

## METHODOLOGY

The Next BNPL Horizon Report, a PYMNTS and Amazon Web Services (AWS) collaboration, is based on a census-balanced survey of 2,211 U.S. consumers conducted between June 23 and June 28, 2021. Respondents were 47 years old on average, and 52 percent were female. Also, 32 percent had earned college degrees and 36 percent earned more than \$100,000 in annual income.



# ABOUT

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This report, a collaboration with PYMNTS, demonstrates how BNPL options have — in a relatively short period of time — become a crucial growth driver in financial services for both FinTechs and nonfinancial providers. To learn more about new ways to extend credit with AWS Financial Services, visit <https://aws.amazon.com/financial-services/>.

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