

Buy Now Pay Later

Gusto's Self-funded Research



2024



Overview

At Gusto we pride ourselves on not only delivering great insight, but delivering added value for clients through our expertise and self-funded work into areas such as Fintech, Vulnerable customers and now, Buy Now Pay Later

Research Approach

YouGov

1,015

Online interviews with a nat. rep sample from YouGov



18-65yrs

Age range



5mins

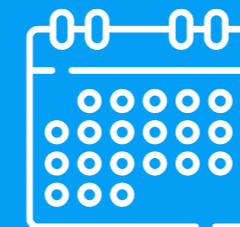
Interview length



5x

Focussed questions asked:

1. How in control of finances
2. BNPL bands ever used
3. Frequency of BNPL use
4. Occasions bought for
5. Time period taken & importance of this



Dec-23

Fieldwork date



Indicates significant differences within a specific group



Notable % difference to 2022

Circa 27 million consumers have engaged with BNPL services. Klarna continues to dominate but PayPal is gaining ground



Penetration

40% of those aged 18-65 years have ever used BNPL
 ↑ An increase of 4% since 2022
 = c. 27 million consumers

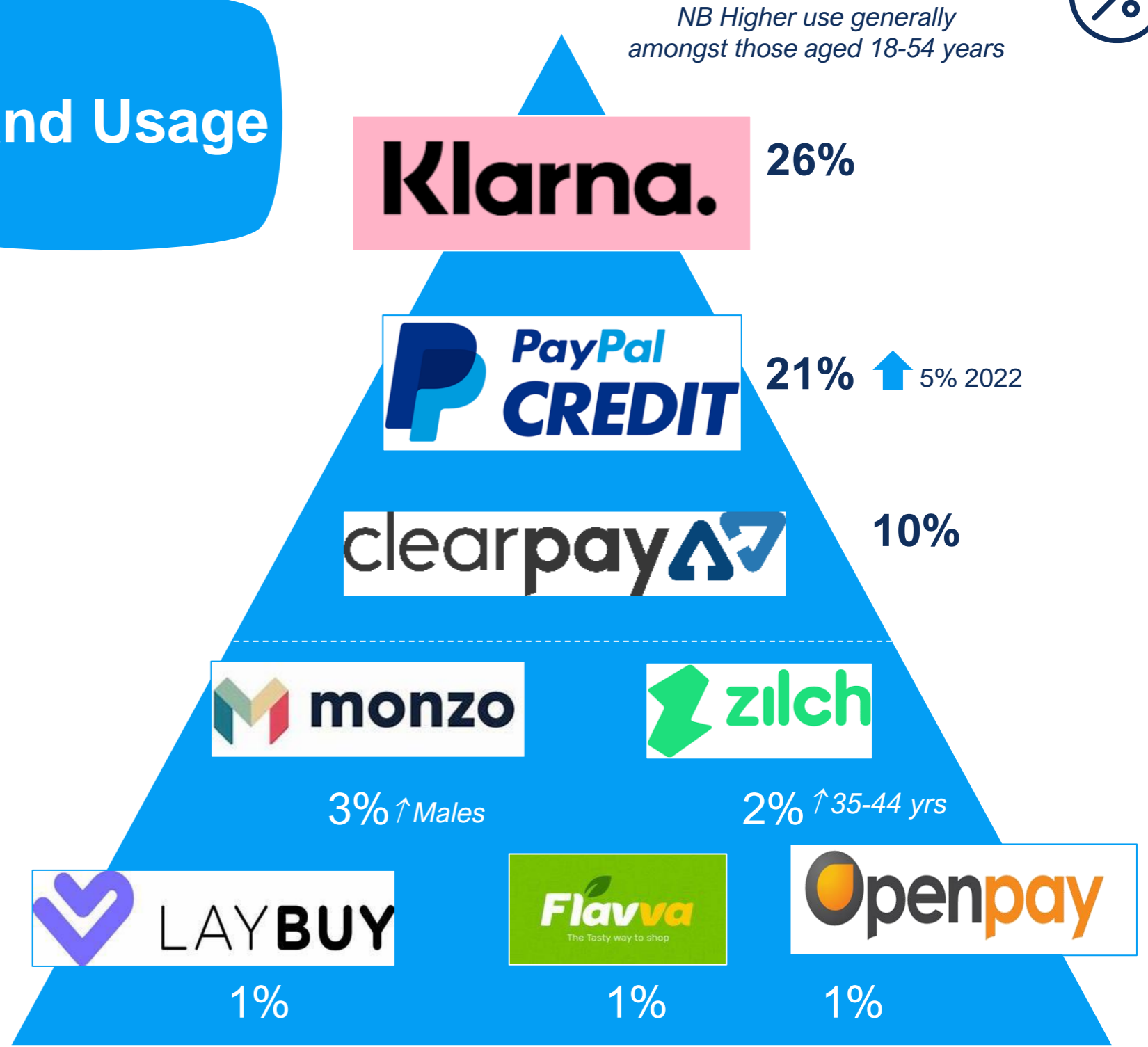
Age:	18-24	25-34	35-44	45-54	55+
	45%	43%	43%	41%	28%

↑ 8% 2022

10% Of UK population regularly use BNPL services)

37% of BNPL users scored 1-6 on a 10 point scale for financial control (where 1 is not at all in control and 10 is completely in control)

Brand Usage



Many are drawn to BNPL to fund impulse and big ticket purchasing

I used Paypal Pay in 3 to buy a games console



Spending Behaviour



43%
Clothing & fashion

↑ Females



27%
Electronics/
consoles

↑ Males



20%
Domestic
appliances

↑ 8% 2022



19%
Home
Furnishings

↑ Females



19%
Gifts

I have bought most of my Christmas presents using buy now pay later



12%
Entertainment
(Theatre,
Events etc)

↑ 25-34 yrs, Males

↑ 5% 2022



9%
Travel/
tourism

BUT Christmas has driven BNPL use for some...



14%
Beauty/cosmetics
(products/
treatments)

↑ Females

↓ 6% 2022



7%
Children's
Toys



5%
Jewellery



22%
Christmas in general
↑ 35-44 yrs

Bought a gift I couldn't otherwise afford

I've used it to spread the cost of payments for presents

Consumers value the convenience and flexibility of BNPL

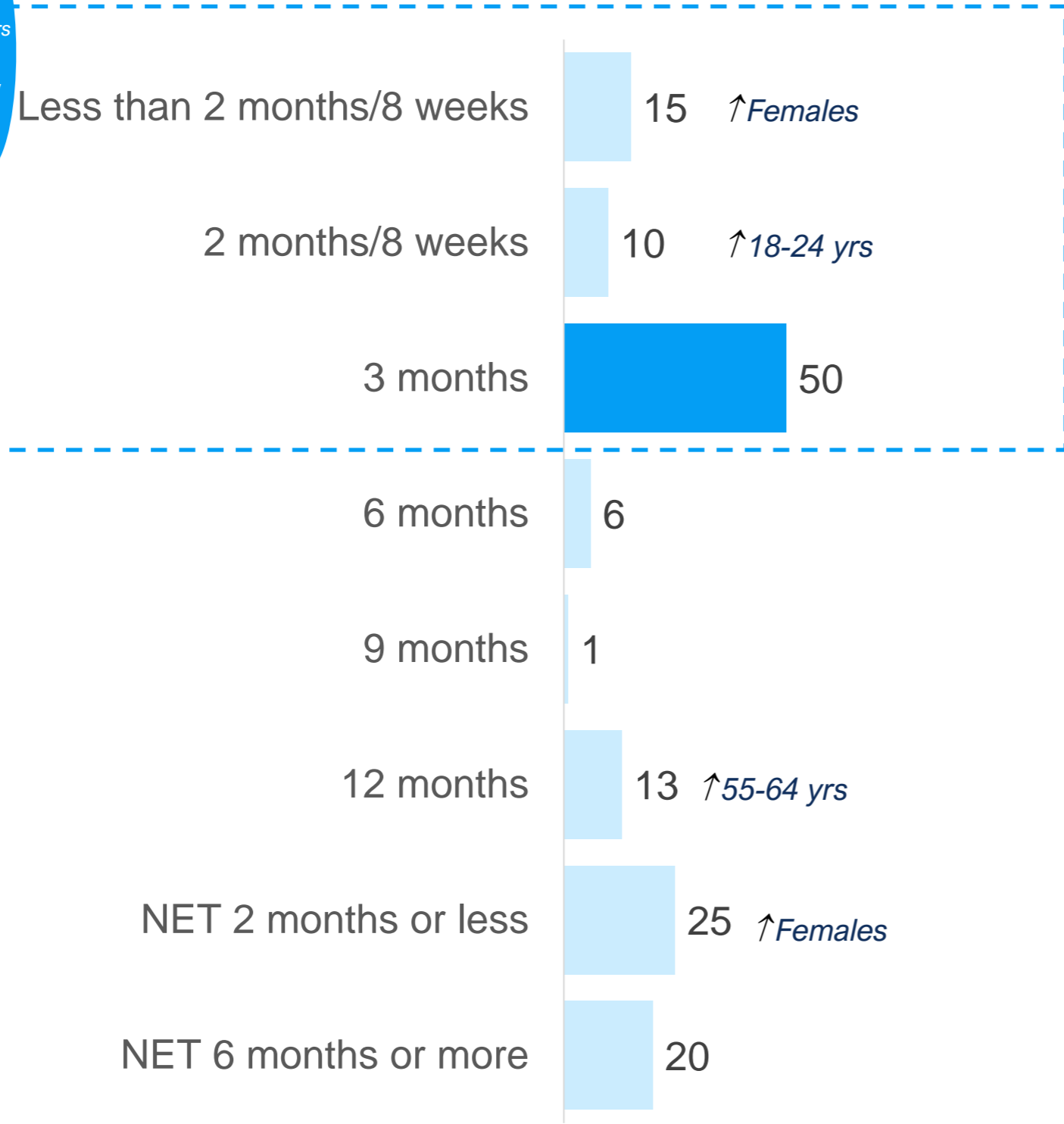
3 months most suited to consumer needs



65% ↑35-44 yrs

said the **timeframe** to pay back was key to taking the BNPL offer

Spread purchase over



A short enough time frame to clear it quickly but long enough for the payments to be manageable

3 months is enough time to make it not painful to buy big ticket items

3 months is the most easily manageable time frame for me personally

Needed to spread payments, as could not afford to purchase in a single payment. I like to spread costs.

Long enough to make it worthwhile but not too long so that you get into debts

I didn't have the money at the time of purchase

The longer the better so I could spread payments as I couldn't afford Christmas

BNPL Summary

1

There has been steady growth of buy now pay later, with a 4% uplift in those engaged with BNPL versus Gusto's 2022 survey

2

The Christmas period is likely to account for some of the uplift seen

Consumers are still drawn to BNPL to fund impulse and big ticket purchasing

3

The major players in the industry remain, with Klarna continuing to dominate but PayPal is gaining ground

4


Consumers value the convenience and flexibility that BNPL offers and how it works for them financially. The timeframe offered is a key part of this, with 3 months being most suited to consumer needs for BNPL



Straightforward approach • Clear commercial thinking

Get in touch to find out more about our BNPL research expertise and how we can support with your research needs



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