

# Afterpay's Black Friday results highlight evolving consumer trends

## Article

**By the numbers:** Buy now, pay later (BNPL) firm **Afterpay's** Black Friday and Cyber Monday data reveals significant changes in how people are shopping this holiday season compared with last year, when fear of the coronavirus kept people away from stores.

- Afterpay reported a **34% year-over-year (YoY) surge** in orders through its platform, a sign of BNPL's continued strength.

- Consumers are gravitating toward debit: **88% of US shoppers have used debit cards** this holiday season.
- BNPL also gained popularity among Gen Zers: **11% more** used Afterpay to purchase items than last year.

**Key context:** In preparation for the holiday season, Afterpay forged retail deals with popular brands like **Fashion Nova** and **PetSmart** to encourage consumer spending. It also expanded its in-store payment solution, Afterpay Card, to maximize customer touch points as brick-and-mortar retail mounted a comeback: **US non-ecommerce holiday sales are expected to rise 79% YoY** in 2021 compared with last year's mere 2% annual growth, per eMarketer forecasts from Insider Intelligence.

And since Afterpay's US user base will grow nearly 70% this year (reaching **12.7 million customers**), according to our forecasts, the company could see greater traffic and more volume despite a deluge of competitors.

**What this means:** Consumers have shifted their shopping habits and payment preferences to contend with supply chain issues, inflation, and smaller discounts than usual.

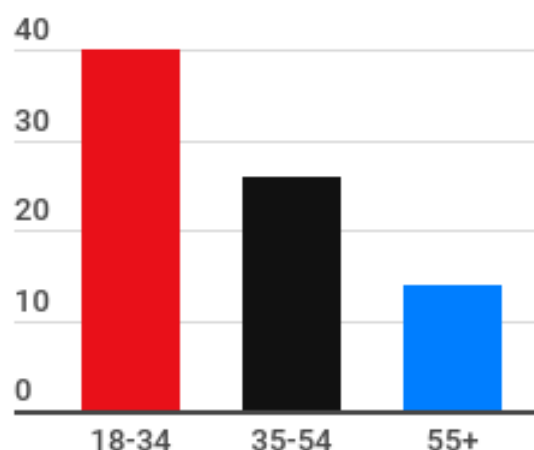
**Here's the take from eMarketer analyst Rachel Wolff:** While much attention has been paid to ecommerce over the past year, consumers are increasingly venturing back into stores. Black Friday saw a **60% increase in traffic** at brick-and-mortar stores from last year, per data from RetailNext. This is partly because of supply chain issues—Afterpay noted that **442% more consumers are choosing to shop in-store** this year instead of waiting for deliveries—and partly because people feel more comfortable with the in-person retail experience.

But Afterpay also reported a **30% YoY increase in users shopping online**, reinforcing the fact that the future of retail lies in the intersection of ecommerce and physical store experiences.

**Payments & Commerce associate analyst Adriana Nunez weighs in:** Afterpay's Black Friday results are a promising sign for the BNPL provider as holiday shopping gets underway, which will be critical in helping Afterpay sustain payments volume and recover user market share, which has gradually declined over the years. The company has its work cut out for it: Afterpay faces new competitors like **PayPal**—which reported a **400% YoY increase** in Black Friday BNPL volume—major banks getting involved, and nonexclusive deals with retailers like **Target** offering more than one option at checkout.

Over the summer, Afterpay [enhanced](#) its Pulse loyalty program with new promotions and expanded accessibility, which can help it attract users and generate higher sales during the holidays. Pulse can also help the brand keep a hold on its customer base, which now has a bevy of BNPL providers to choose from.

40% of consumers ages 18 to 34 said they have used BNPL, far more than other generational cohorts.



See charts 270377, 270541, and 269116 for full notes and sources.



7% of US adults said they are likely to use BNPL this holiday season; 14% said they are somewhat likely.

In general, 17% of US adults say they are very interested in BNPL services, with 24% somewhat interested.

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**Go deeper:** Interested in learning more about Afterpay and how this year's holiday season will play out? Check out a few of our reports:

- [The Buy Now, Pay Later Report](#)
- [US Holiday Shopping 2021](#)
- [US Gen Z Shopping Behaviors](#)