

BNPL played \$940 million role in Cyber Monday success

Article

The news: Cyber Monday was buy now, pay later's (BNPL) biggest day ever—shoppers used BNPL to pay for \$940 million worth of online purchases, per Adobe Analytics.

- This was a 42.5% year-over-year (YoY) surge from last year.

- The number of items per order using BNPL increased 11% YoY, suggesting consumers are using the payment option to increase their cart sizes, per Adobe.

BNPL demand was strong across Cyber Five.

- US consumers who used BNPL **spent 48% more on Black Friday** than shoppers using other payment methods, [per](#) PYMNTS Intelligence.
- The average BNPL user spent \$598, compared with \$452 non-BNPL users.

The winners: BNPL fintechs are reaping the rewards from the holiday shopping weekend.

- Providers like [Afterpay](#) and [Klarna](#) ramped up their shopping features ahead of the holidays to capitalize on this spend, and so far, these efforts have paid off.
- **BNPL transactions through Afterpay increased 19% YoY this weekend**, [per](#) a press release. A lot of this activity took place directly in the Afterpay app: usage was up 16% from last year.
- Afterpay's top item categories after fashion and beauty included home and garden, arts and entertainment, office supplies, and electronics.

What's driving demand? Consumers are turning to BNPL to help mitigate financial pressures this holiday season.

- Among BNPL users, **40% use the payment method primarily to help them budget and manage money**, [per](#) a survey from Afterpay.
- And 21% of all consumers would consider using BNPL to make their holiday budgets go further.
- BNPL can be a cheaper borrowing option for consumers than credit cards, which still have record-high interest rates.
- And BNPL also gives underserved consumers access to credit. **About one-third of BNPL users** had a credit score of less than 620, reported having a credit application rejected, or were delinquent on a loan within the last year, [per](#) the Federal Reserve.

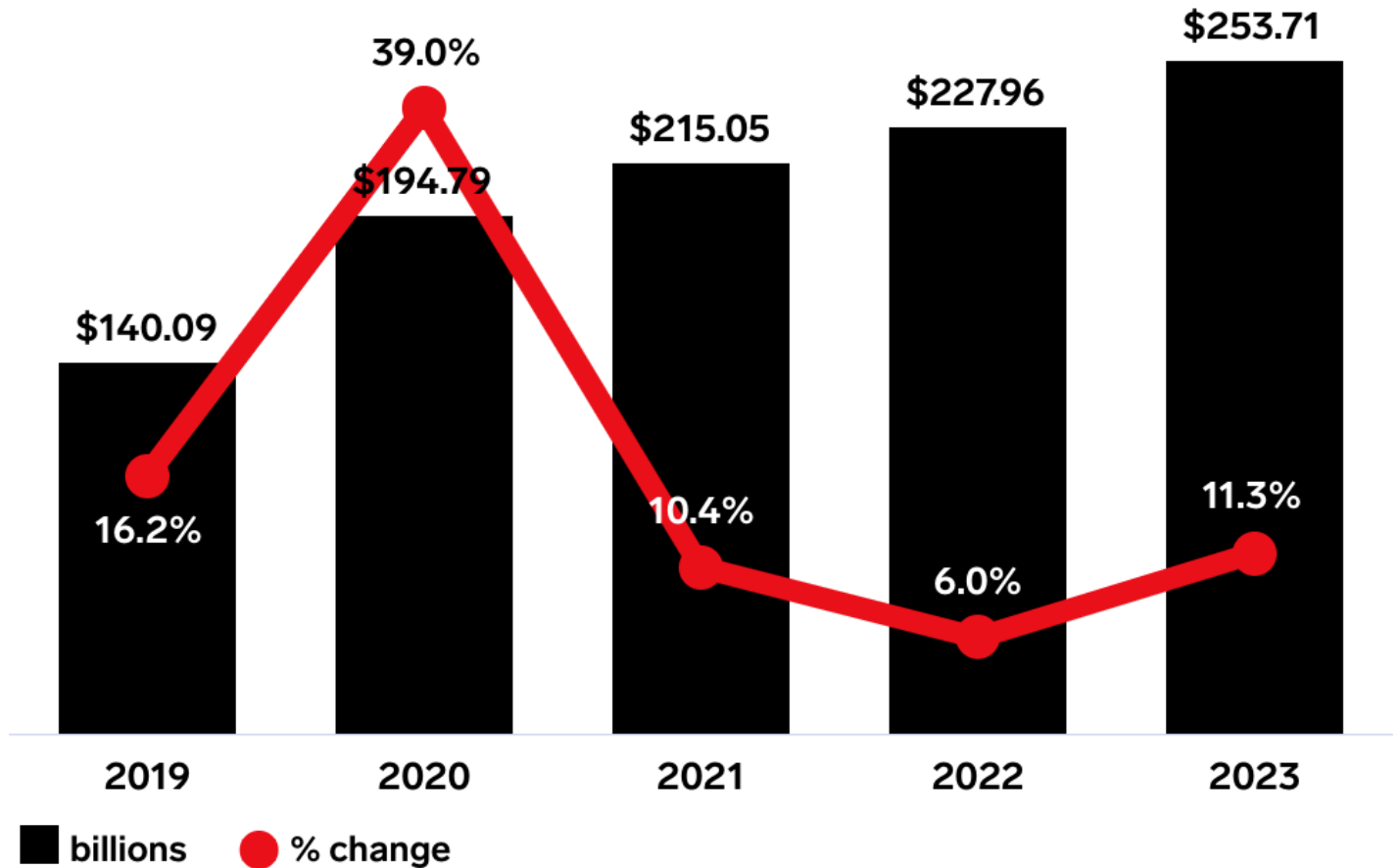
What this means: BNPL will help drive strong holiday spending this year, helping consumers maintain their holiday traditions. And BNPL providers will benefit from the massive volume uptick.

But concerns about overspending can't be ignored. Some consumers may not be able to pay off their installment loans, leading to higher delinquencies and potentially an increase in defaults for the BNPL providers.

Dig deeper: Check out our [Retail & Ecommerce Briefing's take on Cyber Monday sales.](#)

Holiday Retail Ecommerce Sales

US, 2019-2023



Note: sales are for Nov and Dec of each year; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, food services and drinking place sales, gambling and other vice goods sales; includes products or services ordered using the internet, regardless of the method of payment or fulfillment

Source: Insider Intelligence | eMarketer, June 2023

Insider Intelligence | eMarketer

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