

Affirm hopes to prop up financials with new tie-ups and features following Twitter blunder

Article

By the numbers: US-based buy now, pay later (BNPL) company **Affirm** reported a **115% year over year (YoY) surge in gross merchandise volume (GMV)** for its fiscal Q2 2022 quarter

(ended December 31, 2021), [per](#) its earnings supplement—up strongly from the [previous](#) quarter.

- The number of active consumers soared 150% YoY, compared with a 97% increase in fiscal Q1. **The number of active merchants skyrocketed 2,030% YoY**—even more dramatic growth than Q1’s 1,468% YoY surge.
- Active consumer and merchant growth was fueled in part by Affirm’s new partnership with **Amazon**, which began shortly before the holiday season.

Tweeted too soon: Affirm’s earnings were accidentally [released](#) early in a tweet outlining quarterly performance that was sent out from the company’s official Twitter account. The company’s stock price [rose](#) slightly following the since-deleted tweet, which highlighted positive growth. But the price cratered after the company’s full results reported wider-than-expected losses.

How Affirm achieved GMV results: The holiday season helped buoy Affirm’s GMV thanks to its tie-ups with major brands like Amazon and **Apple**. Unlike last year, consumers were more likely to spend in-store and could’ve used Affirm’s virtual card solution. **Total US holiday retail sales hit \$1.147 trillion in 2021**, [per](#) eMarketer forecasts from Insider Intelligence.

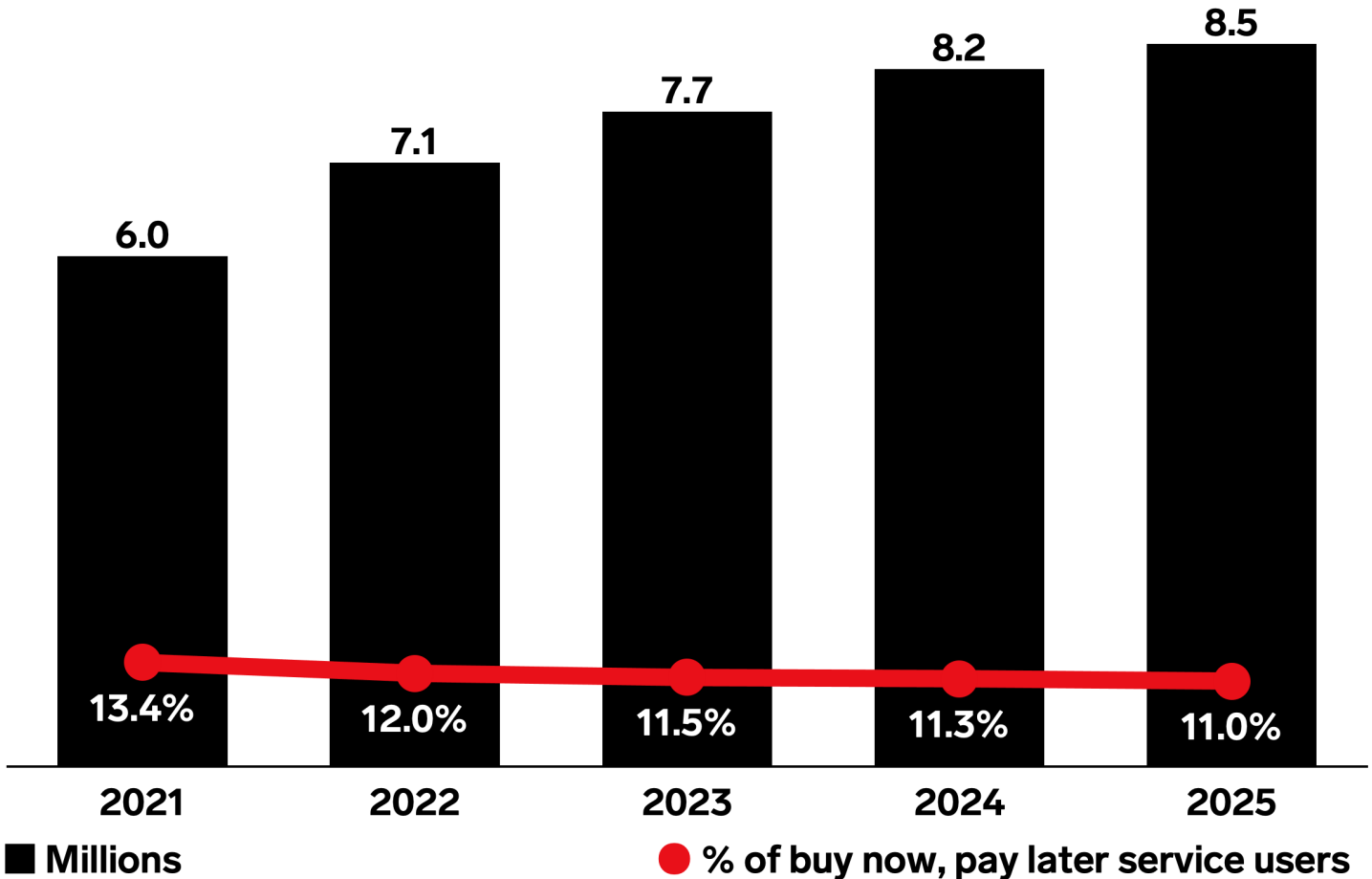
What’s next? Major issuers and card networks (including [Mastercard](#)) plan to launch BNPL products this year, which could make it even harder for Affirm to compete. But new tie-ups and features might relieve some competitive pressures by helping broaden its reach and encouraging spending.

- Last month, Affirm [partnered](#) with payment gateway **Verifone** to offer its flexible payment solutions through Verifone’s online and in-store merchants. Verifone is one of the largest payment providers in the world and **works with more than 600,000 merchants**. The tie-up can help Affirm scale its business and increase customer touchpoints. We [forecast](#) the number of US Affirm users will hit 71 million this year.
- And in January, Affirm [launched](#) a Chrome extension and its super app, which consolidates services like its savings accounts and shopping tools in one place. These offerings can help boost customer engagement, which might increase the likelihood of spending.

Related content: Interested in learning about key trends in the BNPL space? Check out the [“Payment Methods and Funding Mechanisms”](#) segment of our payments ecosystem report collection.

Affirm Users

US, 2021–2025



Note: Internet users who have accessed their Affirm account digitally and have made a payment toward a purchase at least once in the past year; includes purchases of goods and services. Buy now, pay later (BNPL) services are defined as interest-free solutions provided by third-party payment platforms that allow consumers to purchase and finance a product or service, and pay in scheduled installments; also known as digital installments, installment lending and point-of-sale financing. Users are typically allowed to pay off balances in weekly, bi-weekly, or monthly installments. Failing to adhere to a predetermined payment plan will usually lead to late fees and interest charges. Consumers access these solutions at the point-of-sale (online or in-person), usually via a merchant's website or app, via the third-party provider's app or via proximity mobile payment apps like Google Pay and Apple Pay. Examples include Affirm, Afterpay, Klarna, Sezzle and PayPal's BNPL service. Excludes services that provide a revolving line of credit, and retailer- and bank-branded financing options.

Source: eMarketer, May 2021

Methodology: Estimates are based on the analysis of survey and traffic data from research firms, historical consumer adoption and buying trends, payment adoption trends, reported

company data, interviews, demographic and socioeconomic factors, and macro-economic conditions.

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