

# Affirm strengthens ties with Amazon despite exclusivity agreement ending

Article

**The news:** Affirm's buy now, pay later (BNPL) product will be available through **Amazon Pay**, [per](#) a press release. US merchants offering Amazon Pay can add Affirm's Adaptive Checkout

as a payment option at checkout.

**How we got here:** Amazon and Affirm have a long-standing relationship.

- Amazon started offering the BNPL solution on its US checkout page in August 2021. The two expanded the tie-up to Canada in September 2022.
- Affirm's exclusivity contract with Amazon expired after January, but the **US agreement will be in effect until 2025**.

Despite deepening connections to Affirm post-exclusivity period, Amazon also partnered with Citi to let select credit cardholders access Citi Flex Pay in their Amazon Pay wallets.

**How this can benefit Amazon:** Amazon may be trying to spur Amazon Pay adoption as it struggles to compete against other buy buttons, like **PayPal** or **Shop Pay**.

- Despite internal success, some retailers and larger sellers could be reluctant to adopt Amazon Pay because they don't want Amazon to access any real estate on their checkout pages.
- They may also want to avoid giving Amazon insight into valuable merchant data.

But offering Affirm may make Amazon Pay more appealing, especially to merchants that don't directly compete with Amazon. Affirm helps increase basket sizes and conversion rates: **Merchants reported 60% higher average order values from Affirm** compared with other payment methods.

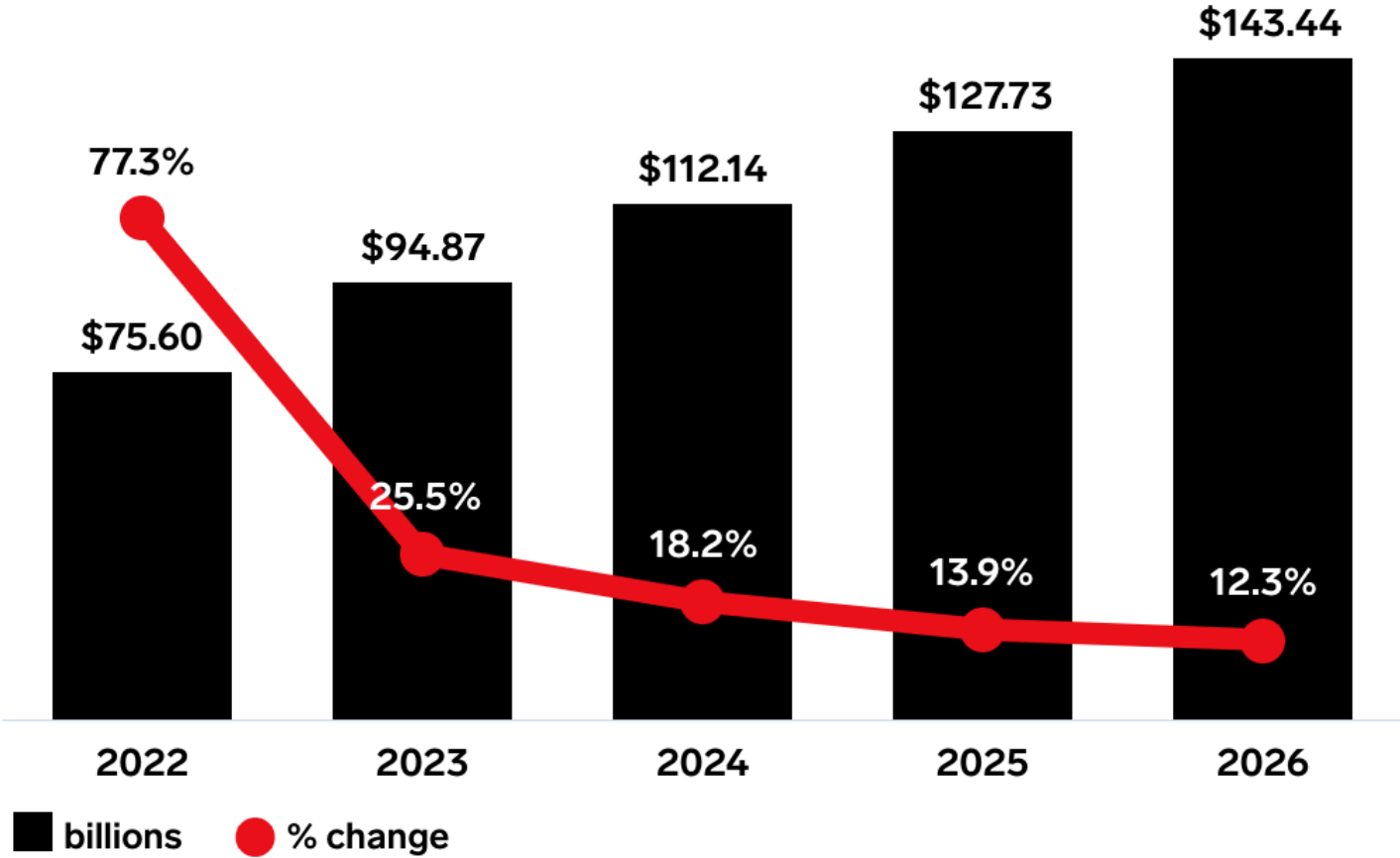
**How this can benefit Affirm:** The BNPL landscape is more competitive than ever, but strengthening a tie-up with the world's largest retailer should help solidify Affirm's standing.

- BNPL fintechs face increasing competition from cards and payment networks launching their own card-linked installments. We expect these products will benefit from existing customer relationships and cut into fintech's market share.
- To mitigate attrition to competition, Affirm can lean on Amazon for volume growth. **Affirm's gross merchandise volume hit \$4.639 billion** in FY Q3 2023, jumping 18% year over year (YoY).
- In 2016, Amazon reported that **33 million people in 170 countries** used Amazon Pay to make a purchase, a number that has likely only grown.

Total BNPL payment value will reach \$94.87 billion in the US this year, skyrocketing to \$143.44 by 2026, [according to](#) our forecasts.

*Dig deeper:* Check out our [“US Buy Now, Pay Later Forecast 2022”](#) report for more on BNPL user and volume growth trends.

## Buy Now, Pay Later Payment Value US, 2022-2026



Note: includes products or services ordered using the internet, paid with a BNPL (buy now, pay later) service platform; excludes payments (such as bill pay, taxes, or money transfers), gambling and other vice goods sales

Source: eMarketer, June 2022

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