

Amazon's BNPL success in India could lead to expansion plans

Article

The news: Amazon Pay Later—the etailer's installment lending solution—has amassed **2 million users** and processed more than **10 million** transactions in India since it launched in April 2020, [per](#) PYMNTS. Pay Later lets shoppers pay for purchases in up to 12 monthly installments with a credit limit up to INR20,000 (**\$270**). The installment lending solution can be used for purchases made on Amazon's platform and some utility bills.

What this means: Pay Later's success could help Amazon expand further into India's ecommerce market and segue into the country's wider payment space.

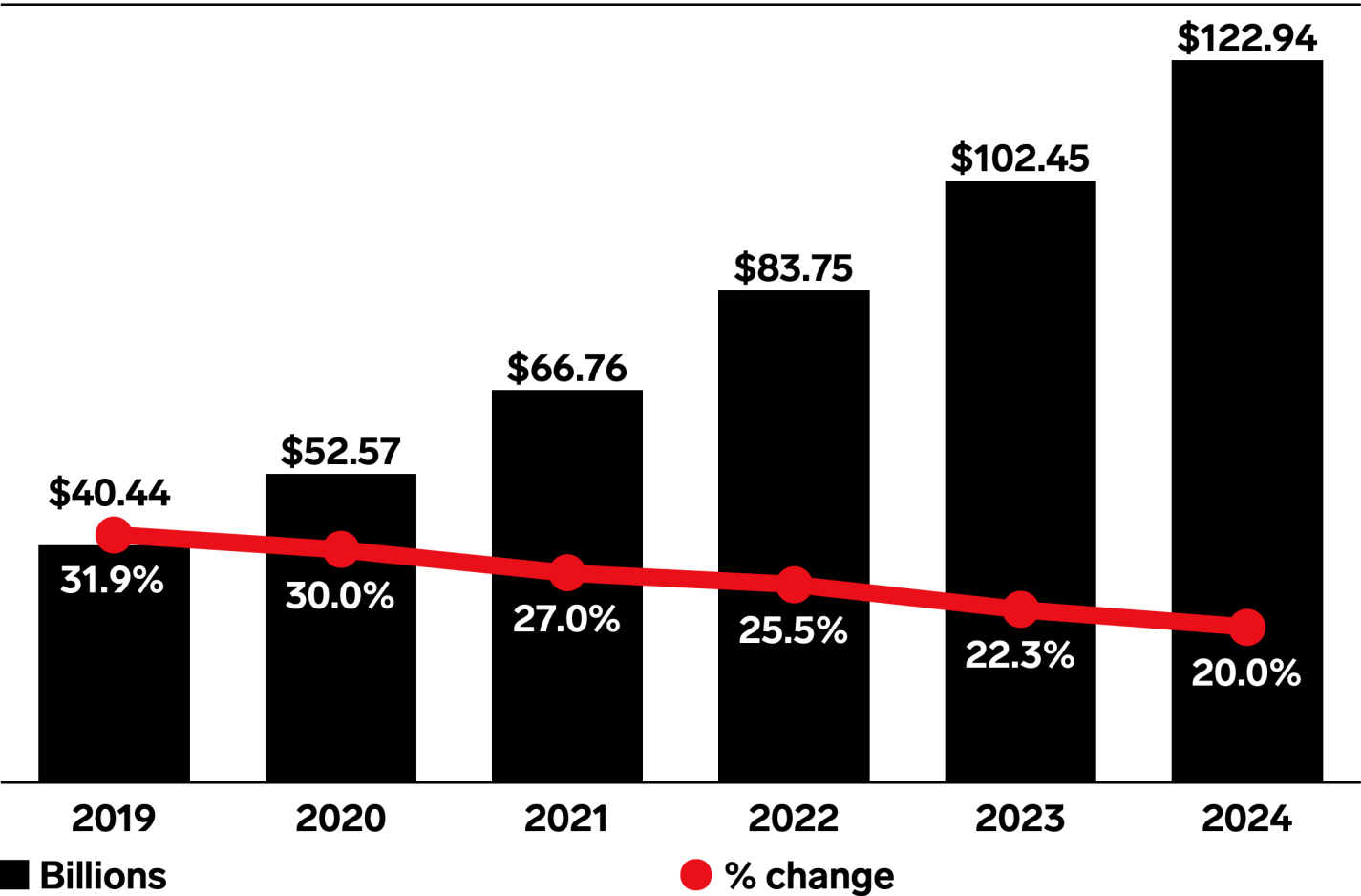
- **Pay Later can help the etailer boost ecommerce business in India.** Consumers in India have shown an appetite for buy now, pay later (BNPL) solutions: Local BNPL provider **LazyPay**, which is available at a variety of merchants, closed out 2020 with **2 million** active users. Amazon's installment lending solution could therefore be key in helping it capture sales in India and expand its global sales volume: It's projected to grow **27%** annually to hit **\$66.76 billion** this year, per eMarketer forecasts from Insider Intelligence.
- **Pay Later's success suggests there's an opportunity for Amazon to move deeper into payments.** Since consumers can already use Pay Later to pay for things like electricity bills and prepaid phone plans, there's an opportunity for Amazon to push further into India's wider payments ecosystem, where it already operates Amazon Pay, its mobile payments solution. India's digital transformation and vast population make it an attractive payments market for Amazon. But the etailer will need to consider possible regulatory implications if it decides to scale its payments business in India: **The Reserve Bank of India** recently warned against Big Tech moving into financial services, stating it could disrupt the country's stability and governance.

What's next? The success of Amazon Pay Later in India might push the etailer to expand the installment lending service into other countries, including the US, where the number of BNPL users is expected to climb **179%** year over year to hit **45.1 million** in 2021, according to our forecasts.

The etailer also already has standing BNPL partnerships with providers like Australia's Zip and Japan's Paidy, but replacing these with a proprietary service would let it capitalize on the global BNPL market: The share of ecommerce transactions made using BNPL services is expected to **double** by 2024.

Retail Ecommerce Sales

India, 2019–2024



Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice good sales

Source: eMarketer, May 2021

Methodology: Estimates are based on the analysis of data from other research firms and government agencies, historical trends, reported and estimated revenues from major online retailers, consumer online buying trends, and macro-level economic conditions.

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