

Monday, 29 March 2021

Awareness of buy-now-pay-later services Afterpay, Zip, Humm, LatitudePay and Openpay continue to grow

The latest Roy Morgan [Digital Payments Report](#) shows 15.3 million Australians (72.4%) are now aware of buy-now-pay-later services such as Afterpay, Zip, Latitude Pay, Humm and Openpay.

Afterpay is the clear market leader with over two-thirds of Australians, 70%, aware of the service in the year to February 2021, up by 36.2% points since September 2018.

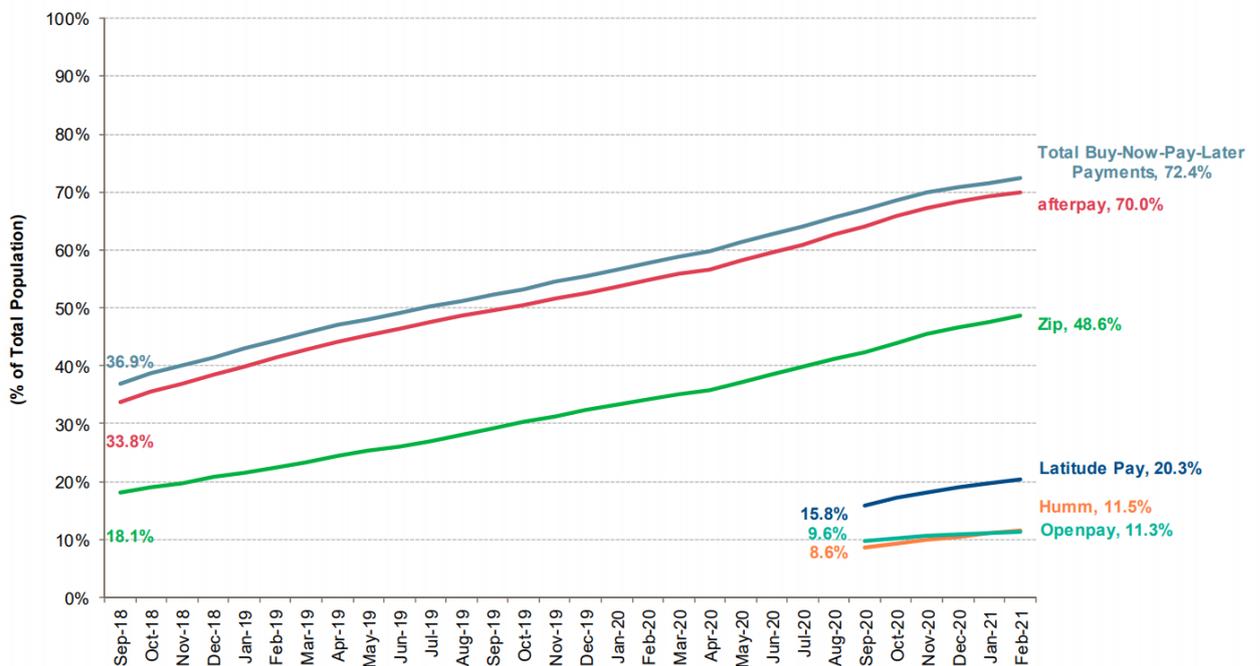
Main rival Zip is also making a significant impression on the Australian marketplace with nearly half of Australians (48.6%) now aware of Zip – an increase of 30.5% points since September 2018.

The two main buy-now-pay-later services have now been joined by a host of second-tier fintech companies in the space including Humm, LatitudePay and Openpay – and awareness of all three is growing quickly.

In February 2021 over a fifth of Australians, 20.3%, were aware of Latitude Pay, and over one-in-ten were aware of either Humm (11.5%) or Openpay (11.3%).

These new digital payment findings are from Roy Morgan Single Source, Australia's leading consumer survey, derived from in-depth interviews with around 50,000 Australians annually.

Buy-now-pay-later payment services awareness trends: 2018-2021



Source: Roy Morgan Single Source, 12 month moving average, Avg. sample = 49,239. Base: Australians 14+.

The COVID-19 pandemic hit Australia a year ago with a nation-wide lockdown but an effective response and hundreds of billions of dollars of Government stimulus has supported the economy and led to record retail spending which has proved to be a boon to innovative buy-now-pay-later-services says Roy Morgan CEO Michele Levine:

“When the COVID-19 pandemic hit Australia a year ago forcing a nation-wide lockdown many predicted this would lead to an economic catastrophe. However, unprecedented stimulus payments from the Government, including the \$100 billion JobKeeper wage subsidy, supported the economy and led to a boom year for many larger retailers.

“Retail sales in Australia have increased by an average of 8.8% on a year-over-year basis for the [nine months since May 2020 according to the ABS](#) compared to a 2% average annual increase pre-pandemic. The closure of the international border, as well as domestic state borders for much of the year, prevented spending on travel and tourism and led many to spend on ‘retail therapy’.

“New digital payment channels such as the buy-now-pay-later services Afterpay, Zip, Humm and LatitudePay and Openpay have been beneficiaries of the retail spending boom. Nearly three-quarters of Australians (72.4%) are now aware of buy-now-pay-later services and over one-in-seven (14.7%) now use these services in an increasingly competitive market.

“Women are the key users of buy-now-pay-later services and have adopted the new fintech digital payment services at almost twice the rate of men while nearly a quarter of people aged 25-34 use the new services – a higher rate than any other age group.

“However, there are key differences between the different providers as although people aged 25-34 are the most likely to use market leaders Afterpay and Zip, the second-tier services provided by Humm, LatitudePay and Openpay are all more likely to be used by a slightly older demographic.

“There are significant differences between the types of customers the different buy-now-pay-later services attract that are drawn out more fully in the [Digital Payments Report](#). The report provides a detailed and in-depth understanding of the Australians using not only buy-now-pay-later services but also bill payment services, online payment platforms, contactless/cardless mobile payments and wearable payment devices.”

Related research findings

For further in-depth analysis, take a look at Roy Morgan’s latest [Digital Payments Report](#) including looking at the adoption of new digital payment services by the psychographic segmentation of [Helix Personas](#).

For comments or more information about Roy Morgan’s digital payment data please contact:

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About Roy Morgan

Roy Morgan is Australia’s largest independent Australian research company, with offices in each state, as well as in the U.S. and U.K. A full-service research organisation, Roy Morgan has over 75 years’ experience collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2



Roy Morgan tracks awareness and use of the following Digital Payment Services

Bill Payment Services



Online Payment Platforms



Banks' Own Mobile Payments



Other Contactless/Cardless Mobile Payments



Buy-Now-Pay-Later Payments



Wearable Payment Devices



Other Payment Methods

