

Tuesday, 9 June 2020

Awareness of buy-now-pay-later services Afterpay and Zip soars to over 12.3 million Australians

The latest Roy Morgan [Digital Payments Report](#) shows over 12.3 million Australians (59%) are now aware of buy-now-pay-later services such as Afterpay and Zip – up 22.1% points in only 18 months.

Afterpay is the clear market leader with a majority of 55.8% of Australians aware of the service in the year to March 2020, up by 22% points since September 2018.

Main rival Zip is also making a significant impression on the Australian marketplace with over a third of Australians (35.2%) now aware of Zip – almost doubling awareness of the service in only 18 months.

The rising awareness of buy-now-pay-later services comes as the [share prices of Afterpay, Zip and smaller rivals has soared during the COVID-19 induced shut-downs](#). The Afterpay share price increased by over 500% since a low of only \$8 in late March and the share price of Zip was up over 50% last week alone.

The COVID-19 pandemic hit Australians hard in mid-March as shutdowns were enforced across the country however as the economy is progressively re-opened there are signs the impact on our way of life will provide an enduring benefit to some businesses says Roy Morgan CEO Michele Levine:

“Nearly three-fifths (59%) of Australians are aware of buy-now-pay-later services such as Afterpay and Zip and over one-in-ten (10.9%) now use these services. Digital payment services have gained prominence during the COVID-19 pandemic as personal hygiene practices, such as the way we handle money and pay for goods and services, have been put in the spotlight.

“Afterpay and Zip are the clear market leaders for buy-now-pay-later services but their early success in Australia has attracted newer rivals. Newer local rivals include OpenPay, Splitit Payments and Flexigroup which all offer buy-now-pay-later services and indicate the increasingly competitive nature of the market.

“Australians aged 25-34 have been the quickest to take to the buy-now-pay-later services with around one-in-five in this age group using these new digital payment systems. However, there are key differences between the two market leaders as Zip’s customer base skews slightly older and their second strongest age group is those aged 35-49 whereas for Afterpay it is the under 25 market.

“There are other significant differences between the types of customers both 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.”

These new digital payment findings are from Roy Morgan Single Source, Australia’s leading consumer survey, compiled by comprehensive interviews with a sample of over 1,000 Australians each week.

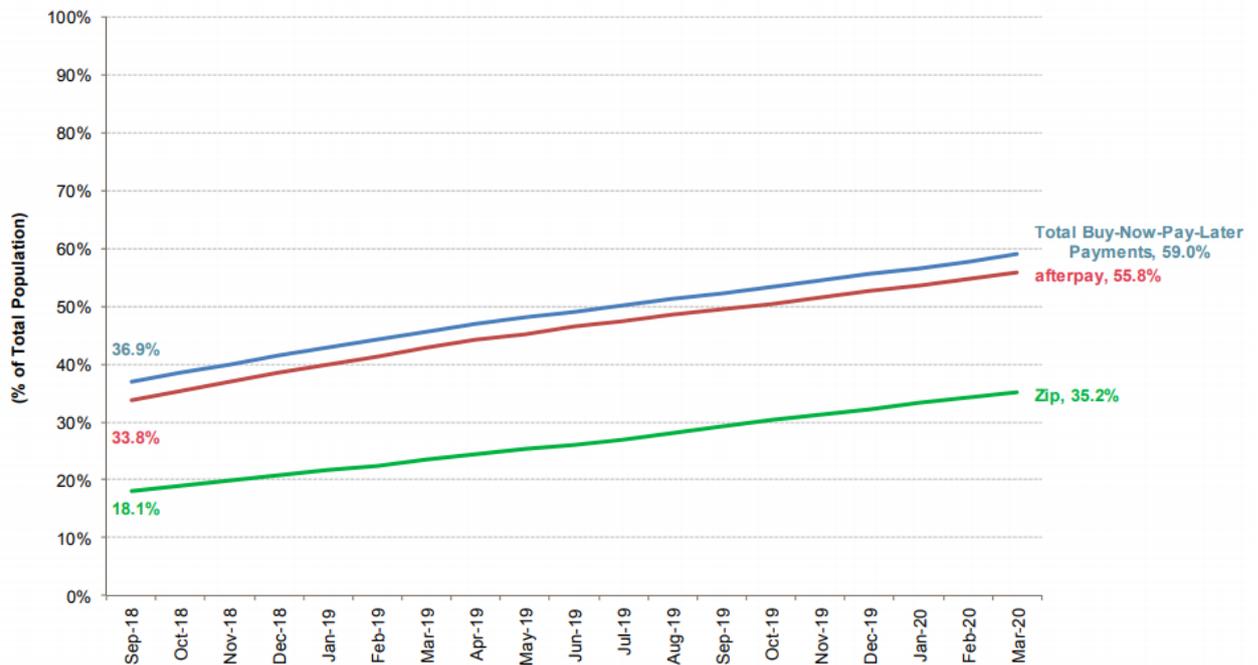
Related research findings

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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Buy-now-pay-later payments awareness trends: 2018-2020



Source: Roy Morgan Single Source Australia, 12 month moving average, Average sample = 50,250.
Base: Australians 14+.

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 Helix Personas



100 Leading Lifestyles

Focused on success and career and family, people in the Leading Lifestyles Community are proud of their prosperity and achievements. They are big spenders and enjoy cultured living to the max.

Explore



200 Metrotechs

Socially aware, successful, career focussed and culturally diverse, Metrotechs are trend and tech focused. They are committed experience seekers, willing to spend big on the best of city life and thrive on being out and about in the world.

Explore



300 Aspirationals

Driven by dreams of a big future, Aspirational are highly ambitious and culturally diverse up-and-comers. Careful spenders, they're working hard today to create a more successful tomorrow.

Explore



400 Hearth and Home

Closest to the average Australian, life revolves around the home for these contented Australians who embrace conventional family life. Perennial home improvers, they see their homes as an expression of their status and achievements.

Explore



500 Doing Fine

Modest but contented, people in the Doing Fine Community are happily making their way through life and value simple pleasures. Price sensitive and light spenders, they take a pragmatic approach to what they buy.

Explore



600 Fair Go

Struggling to make ends meet, looking for a better deal in life, making the best of things or simply pessimistic, cynical and likely to feel they get a raw deal out of life; the Fair Go community are lower income Australians.

Explore

Learn more by visiting www.helixpersonas.com.au.

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

