

Friday, 6 September 2019

Women more likely to use Buy-Now-Pay-Later services

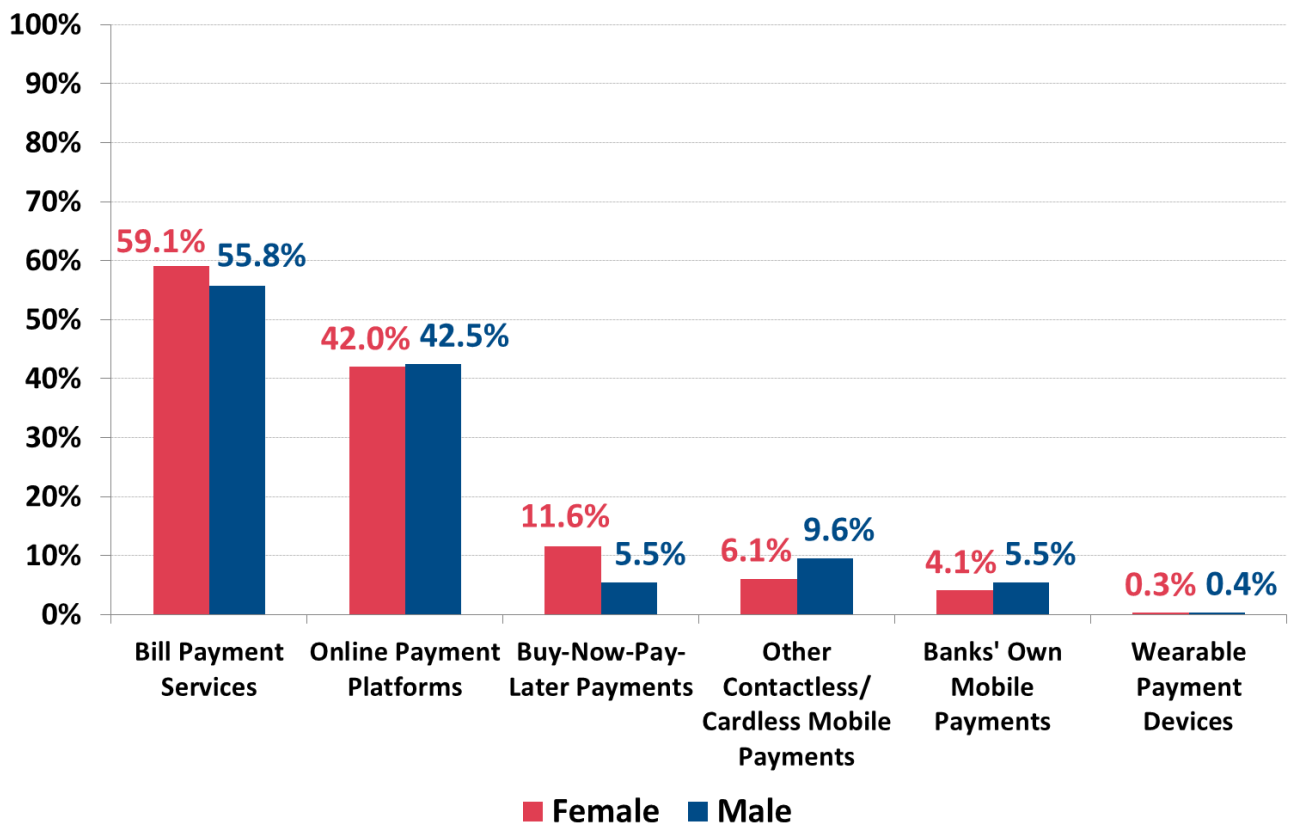
New research from Roy Morgan shows that women are significantly more likely to use buy-now-pay-later payment services such as Afterpay, Zip Pay or Zip Money than men. Over one-in-ten women (11.6%) report using a buy-now-pay-later service in the last year compared to only 5.5% of men.

Digital payment solutions represent the frictionless option for consumers looking for an easy way to conduct their financial transactions to purchase goods and services. Australian-based Afterpay is a market leader in this space operating under the 'buy-now-pay-later' model which allows consumers to purchase goods they may not be able to afford immediately via the app and pay for the purchase down the track by a specified date.

Once there is competition or alternatives in any market consumer 'word of mouth' and recommendations become important. Afterpay's easy-to-use service represents a significant challenge to traditional transaction services such as credit cards and also debit cards and it's no surprise to see Afterpay has the highest Net Promoter Score® of any of the digital payment solutions on 53.6 just ahead of Apple Pay on 53. **See below for a full analysis of the Net Promoter Scores® of competing digital payment solutions.**

In recent years Roy Morgan has recorded debit cards taking an increasing share of consumer transactions at the expense of credit cards however the introduction to the market of buy-now-pay-later services Afterpay, Zip Pay and Zip Money, offering credit-card 'adjacent' services, are set to draw consumers away from both.

Usage of Digital Payment Services¹ in last 12 months by Gender – June 2019



Source: Roy Morgan Single Source (Australia), July 2018– June 2019, n=50,057. **Base:** Australians 14+. 1. Bill Payment Services includes BPAY and Post Billpay. Online Payment Platforms includes PayPal, VISA Checkout, Masterpass and Western Union. Buy-Now-Pay-Later Payments includes Afterpay, Zip Pay and Zip Money. Other Contactless/Cardless Mobile Payments include Apple Pay, Google Pay and Samsung Pay. Banks' Own Mobile Payments include Commbank Tap & Pay, ANZ Mobile Pay, NAB Pay, BankWest Halo and others. Wearable Payment Devices include Fitbit Pay, Garmin Pay and paywear.

FOR IMMEDIATE RELEASE

In addition to greater user of buy-now-pay-later services women are also more likely to use the more traditional Bill Payment Services such as BPAY and Post Billpay with nearly three-fifths of women (59.1%) using a Bill Payment Service in the last year compared to 55.8% of men.

However, men are more likely than women to use other digital payment services. Slightly more men (42.5%) than women have used Online Payment Platforms such as PayPal, VISA Checkout, Masterpass and Western Union in the last year and more men (9.6%) than women (6.1%) have used Other Contactless/Cardless Mobile Payments services such as Apple Pay, Google Pay or Samsung Pay.

In addition more men (5.5%) than women (4.1%) have used Banks' Own Mobile Payments services such as Commbank Tap & Pay, ANZ Mobile Pay, NAB Pay and BankWest Halo. Fewer than 1% of either men or women have used Wearable Payment Devices such as Fitbit Play, Garmin Play or paywear in the last year.

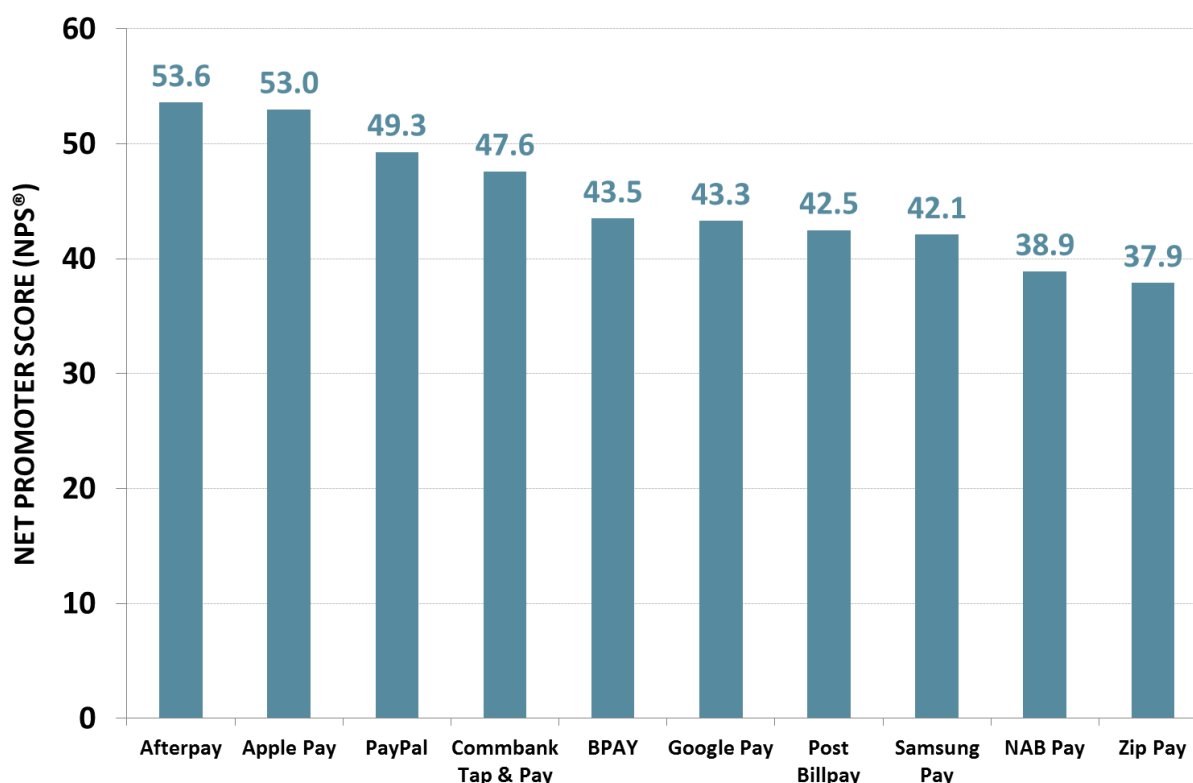
These are some of the findings from the newly released Roy Morgan '[Digital Payment Solutions Currency Report](#)' June 2019. The data in this latest report is from Roy Morgan's Single Source survey which is based on in-depth interviews conducted face-to-face with over 50,000 consumers per annum in their homes. Results presented here are based on interviews conducted in the 12 months to June 2019.

Afterpay, Apple Pay and PayPal have the highest NPS® of Digital Payment Solutions

Analysing the many different digital payment solutions by Net Promoter Score (NPS®) shows high scores for many services led by Buy-Now-Pay-Later Payment Service Afterpay with an NPS® of 53.6 just ahead of Contactless Mobile Payment Service Apple Pay on 53.0.

There are several other payment services with a high NPS® including Online Payment Platform PayPal on 49.3, Commbank Tap & Pay on 47.6, Bill Payment Service BPAY on 43.5 and Contactless Mobile Payment Service Google Pay on 43.3.

NET PROMOTER SCORE (NPS®) of Top 10 Digital Payment Solutions – June 2019



Source: Roy Morgan Single Source (Australia), July 2018 – June 2019, n=50,057. **Base:** Australians 14+. Net Promoter Score and NPS® are registered trademarks of Bain & Company, Inc., Mr Frederick Reichheld and Satmetrix Systems, Inc. Based on score of 9 or 10 minus 1 to 6 on a ten point scale, where one is very unlikely to recommend to a friend or colleague and ten is very likely.

Michele Levine, CEO, Roy Morgan, says the proliferation of digital payment solutions means it's easier than ever to pay for your work commute or the latest fashions in your favourite boutique and the alternative types of services available are attracting different consumer demographics:

"Analysis of the different digital payment solutions in the market by gender shows that different types of services are appealing to different consumers. More than twice as many women (11.6%) in Australia have used 'buy-now-pay-later' services such as Afterpay in the last year than men (5.5%). In comparison more men are using banks' own mobile payment systems (5.5% of men cf. 4.1% of women) such as Commbank Tap & Pay and ANZ Mobile Pay and more men (9.6%) than women (6.1%) are using other contactless/cardless mobile payment services such as Apple Pay, Google Pay and Samsung Pay.

"Professor Lisa Adkins an expert in Sociology and Feminist Theory at the University of Sydney [outlined to 9Honey recently](#)¹ why services such as Afterpay may be deliberately targeting female consumers: 'Afterpay services are often designed with women in mind. Women tend to be very good debtors – so they pay on time – compared to men, and often very good in terms of the disciplines of payment schedules.'

"A quick look at Afterpay's social media of choice, [Instagram](#), shows a heavy emphasis on female-centred content and products clearly aimed at young women aged 14-34 which Roy Morgan's analysis of '[time spent on social media](#)' shows are easily the heaviest users of the platform.

"The success of Afterpay, which is now valued at close to \$8 billion, has of course not gone un-noticed. New entrants entering the market include LatitudePay – which is partnered with retailer Harvey Norman, and the Commonwealth Bank which is set to launch its own buy-now-pay-later service in the near future.

"The increasing number of entrants into the market ensures competitive tensions will be on the rise which in turn leads to greater innovation in the industry as each player seeks to gain the edge on its rivals. These developments should ultimately benefit the consumer with downward pressure on prices for the foreseeable future.

"The data used here covers only a small part of what we have collected over many years regarding new and traditional payment methods. To find out more simply ask Roy Morgan."

To learn more about Digital Payment Services see the Roy Morgan '[Digital Payment Solutions Currency Report](#)' and to learn more about Roy Morgan's digital payments and financial data, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

Please click on this link to the [Roy Morgan Online Store](#) to access detailed and in-depth consumer data on a range of topics.

About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 75 years' experience in 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%
5,000	±1.4	±1.2	±0.8	±0.6
10,000	±1.0	±0.9	±0.6	±0.4
50,000	±0.4	±0.4	±0.3	±0.2

¹ 9Honey article: 'Alarming', 'worrying', 'disturbing': Is Afterpay really as bad as it's being labelled? – by Josephine Parsons <https://honey.nine.com.au/latest/afterpay-women-buy-now-pay-later/2288151c-8cd5-45b5-b3c3-6a73d9d4aa23>