

# 'Buy now pay later' sees increased uptake online over Black Friday weekend

Buy now pay later (BNPL) online sales this Black Friday and Cyber Monday are triple those recorded in 2021, driven overwhelmingly by SA's female shoppers, according to South African fintech Payflex. This showcases how much more comfortable South Africans are with online shopping and especially interest-free payment options.



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“By 10am on Black Friday, sales value had already surpassed Black Friday 2020. By the end of Cyber Monday, sales value was three times higher than last year,” says Paul Behrmann, founder and CEO of Payflex, which offers an interest-free buy now pay later payment solution.

The top five categories of BNPL purchases over Black Friday and Cyber Monday were fashion, health, sports & outdoor, electronics & gadgets and general retail.

Shopper volumes spiked this year at 10am and 12pm, with further spikes in the evening at 8pm, 9pm and 10pm, which indicates that people tend to think about what they'd like to purchase during the day and then make their purchases after work.

## BNPL good for business

In November 2018, Payflex had just eight merchants offering BNPL. This has swelled to over 1,200 merchants in 2021. Interestingly, online merchants indicate that BNPL is attracting almost eight times more customers than traditional credit payment options.

Says Behrmann, "There is greater awareness of BNPL as an interest-free payment option with consumers adopting BNPL as an alternative to expensive credit. BNPL allows customers to shop today and only pay a quarter of the cost upfront. It's good for business, too - online merchants see increased sales and larger basket sizes when customers pay with BNPL."

Several retailers have worked to create special deals for Black November, incorporating Black Friday and Cyber Monday, which has also driven up the numbers.

Explains Stef Michael, marketing executive at JD Tech which includes brands like Incredible Connection, HiFiCorp and Everyshop, "Consumers remain cash conscious and looking for means to access discounted deals and plan their spend over a period. Some promotions may only be valid for a limited period and consumers seek payment solutions that allow them to secure products. Consumers remain cash conscious and look for flexibility."

Superbalist.com co-CEO David Cohen says that uptake of BNPL options has increased over the past year. "We believe that this can be attributed to consumers gaining awareness of the multiple payment options available on our platform. Consumers can shop for the latest fashion without the added interest," he says.

Leroy Merlin's brands and customer excellence leader Claudia Krishna says that the BNPL option gives customers the flexibility to invest in higher-priced options. "The average transaction value is higher using the BNPL option than a standard payment method at checkout. The option to receive goods after making the first payment makes sense to customers, instead of laying out the entire amount upfront."

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