

Tuesday, 10 August 2021

\$39 billion purchase of Afterpay highlights value of buy-now-pay-later services such as Zip, Humm and LatitudePay

The latest Roy Morgan [Digital Payments Report](#) shows 16 million Australians aged 14+ (75.5%) are now aware of buy-now-pay-later services such as Afterpay, Zip, Latitude Pay, Humm and Openpay.

The high and growing awareness for buy-now-pay-later services comes as Silicon Valley 'tech giant' Square, fronted by Twitter CEO Jack Dorsey, has lodged a bid of AUD \$39 billion (USD \$29 billion) to buy Australian buy-now-pay-later market leader Afterpay. If the Square purchase of Afterpay is approved by corporate regulators it will be the largest corporate takeover in Australian history.

Awareness of buy-now-pay-later services is now at 75.5% and has overtaken that of traditional online payment platforms (74.5%) such as PayPal, Visa, Western Union and masterpass for the first time.

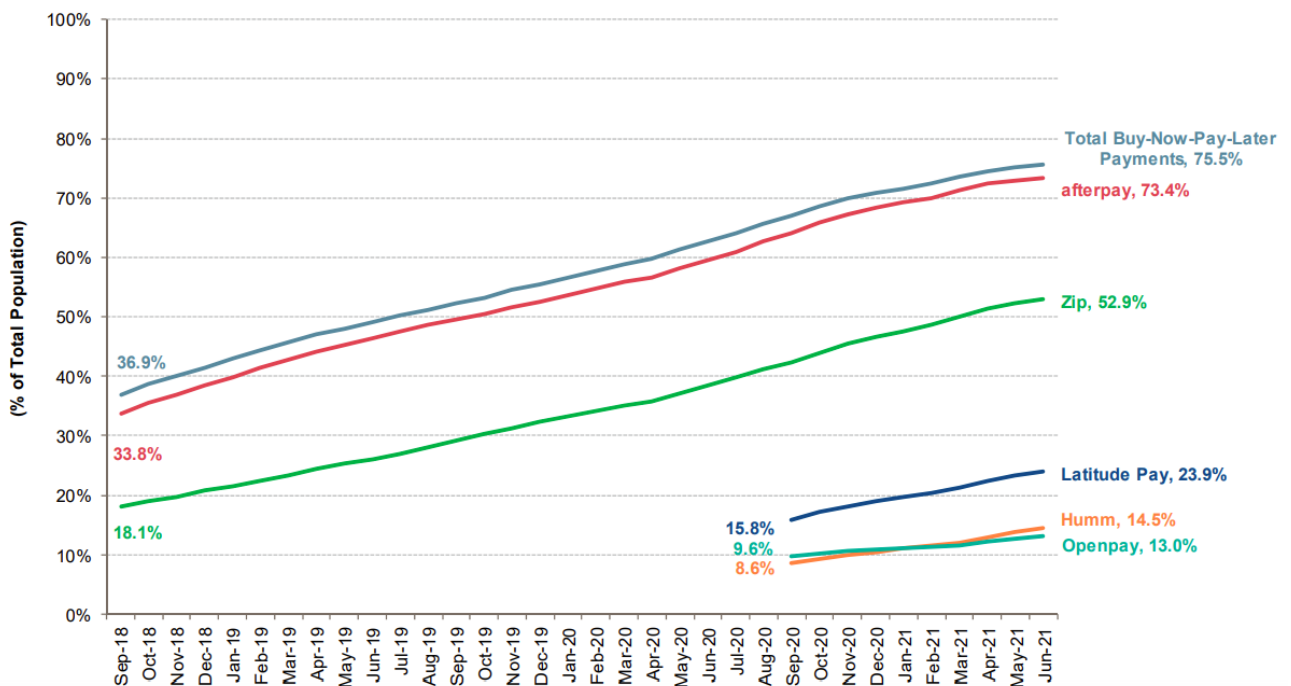
Afterpay is the clear market leader with nearly three-quarters of Australians, 73.4%, aware of the service in the year to June 2021, [up 3.4% points since February 2021](#), and up 39.6% points since September 2018.

However, main rival Zip is also making a significant impression on the Australian marketplace with over half of Australians (52.9%) now aware of Zip – an increase of 4.3% points since February 2021 and awareness of Zip amongst Australians is now rising at a faster pace than Afterpay.

The two main buy-now-pay-later services have 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 rapidly.

In June 2021 nearly a quarter of Australians, 23.9%, were aware of Latitude Pay, and over one-in-ten were aware of either Humm (14.5%) or Openpay (13.0%).

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



Source: Roy Morgan Single Source, 12 month moving average, Avg. sample = 49,634. **Base:** Australians 14+.

Roy Morgan CEO Michele Levine says the AUD \$39 billion acquisition of Afterpay by Silicon Valley 'tech giant' Square last week has highlighted the immense value in the buy-now-pay-later sector with the deal representing the largest corporate acquisition in Australian history:

"The \$39 billion purchase of Australian buy-now-pay-later market leader Afterpay is an incredible vote of confidence in the young company – which was founded less than seven years ago in October 2014.

"However, there can be no denying the stellar growth for Afterpay over the last few years. Afterpay listed on the ASX stock-market just over four years ago in June 2017 and by December 2020 had already joined the ASX20 which is comprised of the 20 largest listed companies in Australia.

"During this time awareness of buy-now-pay-later services has increased rapidly in Australia and now sits at 75.5% of Australians aged 14+ - more than double the awareness less than three years ago in September 2018 (36.9%).

"Afterpay has been nearly 'synonymous' with the sector over the last few years and this is reflected in their high awareness amongst Australians, now at 73.4%, more than double the 33.8% who knew of the company in September 2018.

"However, not only has awareness of buy-now-pay-later services grown quickly but already over 3.3 million Australians (15.7%) used a buy-now-pay-later service in the year to June 2021, up from only 6.8% in September 2018.

"Unsurprisingly, the fast-growing sector has attracted new entrants keen to grab a slice of the swiftly growing market. The most prominent of these is the Sydney-based Zip which has nearly tripled its awareness amongst Australians from 18.1% in September 2018 to 52.9% today. Usage of Zip has also increased consistently since late 2018.

"Behind the two leaders are several newer entrants to the market include Latitude Pay, Humm and Openpay. All three of are increasing both their awareness and usage in an extremely competitive marketplace and a wider look at digital payment services provides a key part of the answer.

"For the first time in mid-2021 awareness of buy-now-pay-later services such as Afterpay, Zip, Humm, Latitude Pay and Openpay at 75.5% overtook that of the more established online payment platforms such as PayPal, Visa, Western Union and masterpass at a total of 74.5%.

"To learn more about Australia's fast-changing digital payments eco-system Roy Morgan's latest [Digital Payments Report](#) provides a wealth of detail 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, derived from in-depth interviews with around 50,000 Australians annually.

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:

Roy Morgan Enquiries
Office: +61 (3) 9224 5309
askroymorgan@roymorgan.com



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

