

## MEDIA RELEASE

### **Afterpay Drives Sales for Recovering Businesses Amid Pandemic Challenge**

*Accenture report identifies economic impact of the buy-now-pay-later platform  
Afterpay in 2020*

#### **During 2020, Afterpay generated:**

- **\$6b in incremental sales for retailers and more than \$3b in net benefits for 48,000 Afterpay merchants in Australia<sup>1</sup>, including 38,000 small and medium-sized businesses.**
- **\$1.7b in sales for small and medium business owners, of which \$1.3b were incremental**
- **\$510m in sales for regional businesses**
- **63,000 jobs, direct and indirect, supported by Afterpay**
- **\$110 million in savings when compared to credit card interest and fees**

**Australia, April, 2021** -- New research conducted by Accenture reveals that in 2020, leading Buy Now Pay Later service provider Afterpay drove \$3b in net benefits, including \$6b in incremental sales for retailers and SMB owners, as they forged their way through the pandemic and Australia's first recession in 30 years.

[Afterpay Economic Impact Report 2020](#) highlights the beneficial effect Afterpay has had on the Australian economy, including job creation, driving additional business for retailers, supporting the local fashion industry, and helping consumers to avoid credit card fees.

The \$6b in incremental sales for retailers in 2020 included \$510m for regional merchants - many of whom were also doing it tough following the bushfires of late 2019 and a halt on tourism - representing 75% growth in sales to metro and regional customers year on year.

Afterpay drove this jump in retailers' incremental sales through improved online checkout conversion rates, larger customer basket size, exposure to new customers, increased customer engagement and a rise in repeat purchasing (frequency). Of the

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<sup>1</sup> Net benefit is calculated as Gross benefit (\$6.3b) net of merchant fees and cost of goods sold.

merchants identifying increased sales, 43% reported that sales increased by more than 10 per cent after adopting Afterpay.

The \$3b in net benefits for retailers were driven through multiple channels. These include reducing customer acquisition costs, lower return rates, and cost efficiencies through online sales.

Accenture Managing Director, Andrew Charlton said: “This report reinforces that both consumers and merchants win in the Afterpay revolution. For consumers, Afterpay offers the ability to budget and simplifies purchasing without the payment of interest and credit card fees.

“For retailers and small business during the pandemic, Afterpay was an invaluable sales channel, allowing them to connect to internet-savvy, budget-conscious consumers while at the same time, growing their topline and improving operating efficiency.”

A major user benefit of Afterpay is the ability to spread out payment without incurring interest and account fees charged by credit card providers. The report found Afterpay users saved \$110 million compared to what they would have paid making the same purchases with credit cards.

Including late fees, Afterpay users averaged 0.6 per cent costs over purchase price, compared to an average 2.1 per cent costs per credit card purchase. Benefits were evident across every consumer profile, with vulnerable Australians benefiting most from switching to Afterpay and away from credit cards.

The pandemic further accelerated the decline in consumer preference for credit cards as consumers sought more control over spending, with the gap between the value of debit card and credit card purchases widening from 8% in January to 35% in December 2020. The ability to improve personal budgeting was highlighted by 90% of Afterpay users as a reason for choosing the platform.

The report also calculated Afterpay spending helped support 63,000 jobs, including 11,000 jobs directly employed by merchants in sales operations and an additional 33,000 jobs supported indirectly in areas such as logistics, advertising and market research.

Afterpay offers customers interest-free payment plans for online and instore purchases. Since it began in 2015, Afterpay has evolved to become a widely accepted payments platform, operating in seven countries.

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**About Afterpay**

Afterpay offers interest and fee free payment plans (when paid on time) for online and in-store purchases. Consumers can buy what they want immediately and pay it off in four, interest-free fortnightly instalments.

**For more information please contact:**

**EVP, Investor Relations and Communications:** Marie Festa,  
[marie.festa@afterpay.com](mailto:marie.festa@afterpay.com)

**Communications Advisor:** Kate Starke, [kate.starke@afterpay.com](mailto:kate.starke@afterpay.com)