

SAMPLE ANSWER – TASK 2

Hi John,

Hope you are well.

Here is our recommendation regarding introducing a Buy Now Pay later option for Everqlo's e-commerce store. Based on the findings, our recommendation is that Everqlo should go ahead with implementing a BNPL option.

This method of point-of-sale finance is becoming increasingly popular with consumers and has the potential to impact several key revenue drivers for Everqlo.

Below are the reasons why we are making this recommendation:

1. BNPL market is showing consistent growth, shaping consumer expectations when shopping online

- Data shows that overall BNPL market CAGR is estimated to be 22.4% over the next few years
- Surveys suggest that 1 in 3 consumers in the US has used a BNPL service, whilst in the UK 67% of millennials have used such service
- Fashion & garment industry accounted for over 40% of BNPL volume, which is particularly relevant given Everqlo's business

2. BNPL option can help increase AOV & conversions for Everqlo

- Reports show that introducing BNPL option can increase average order value for the merchant by 45-85%, which can significantly boost overall revenue
- Retailers implementing BNPL reported conversion rate improvements of up to 20%

3. Majority of BNPL providers offer low upfront costs & direct integrations with popular e-commerce engines

- Majority of leading BNPL providers charge a transaction fee between 3% to 5% with low setup costs, making it attractive to start offering BNPL at checkout
- A number of pre-built integrations exist with popular e-commerce platforms (Adobe Commerce, Shopify, BigCommerce and the likes) meaning implementation should be relatively quick

Overall, looking at the 3 points above, our hypothesis is that introducing the BNPL payment option has the potential to boost e-commerce revenue for Everqlo considerably. Additionally, if successful, the same offering can be introduced in physical stores as well.

Sources:

- <https://www.borngroup.com/views/buy-now-pay-later>
- https://www.crrresearch.com/blog/buy_now_pay_later_statistics
- <https://www.eseller365.com/afterpay-users-save-459-million-not-using-cards>
- <https://www.digitaltransactions.net/a-new-report-from-accenture-and-afterpay-casts-light-on-how-fast-bnpl-is-taking-hold/>
- <https://www.cnbc.com/2021/09/25/why-retailers-are-embracing-buy-now-pay-later-financing-services.html>