

With 10x growth for BNPL products during sales, fintechs gear up for a bumper festive season

1. Fintech are hoping for a growth of anywhere between 50 and 150 percent in the usage of buy now pay later products by customers for festive season purchases
2. Buy now pay later has become popular these days for customers
3. Here no interest is charged for the customer who is opting for buy now lay later
4. Even before the key days of Navaratri, Dusshera and Diwali, the payment mode has witnessed a tenfold growth in usage as customers made the most e-commerce sales

BNPL usage to grow over last year

1. As customers gear up for the big spending season, BNPL players like ZestMoney has already seen a growth in signups and customer applications to avail credit limits
2. Lizzie Chapman, CEO and Co-founder of ZestMoney, said that customers applications for BNPL have grown up by 10X over the last 3 months
3. Fintech startup is growing its network of physical stores it has tie ups with to cross one lakh given the rising demand from retailers from BNPL as a payment mode
4. Seeing the demand of BNPL, we expect his festive season to witness a 3X growth compared to the same period last year
5. E-commerce platforms like Amazon and FlipKart are providing Buy now pay later
6. Amazon Pay India Director Vikas Bansal said that during the great Indian Festival 2021 so far, there was 10 times surge in usage for Amazon Pay later compared to usual business months
7. Flipkart's EMI scheme also has seen a 10X jump in the number of daily transacting customers since the Big billion days sales started on October 3rd

8. Simpl's co founder Nintyanand Sharma said that 2021 has turned out to be starkly different on the customer sentiment front compared with 2020
9. We expect a marked improvement in the overall consumer spirits enhanced spending with a resultant spike in merchant sales during the upcoming festival
10. As there are 3% of Indians holding credit cards, the opportunity for intech led pay later products is huge across ticket sizes
11. For Simpl, Mr Sharma expects customers to avail credit in the range of Rs.400 to Rs.6,000

Customers using pay later for smaller purchases

1. ZeetMoney's 11 millions customers avail credit of Rs.14,000 on an average, which has risen to Rs.16,000 according to Chapman
2. Fintech CASHe which gives a credit line up to Rs.1 lakh recently launched its BNPL product and is expecting month on month transactions growth to increase from 20% to 30% during October and November
3. Yogi Sadana, CEO of CASHe said that currently average ticket size ranges from Rs.15,000 to Rs.20,000 on our BNPL offering
4. There's a steady increase in ticket size as we move more closer to Diwali

Adoption led by Tier II & III markets

1. M.N.Pai, a chartered Accountant from Mangaluru has availed to pay through monthly EMI or BNPL instruments a number of times purely for the convenience
2. For the festive season also, Pai is open to making purchases that allow him to pay later
3. He said that the reason of choosing is no additional costs involved
4. However pay later is easier for anyone and gives flexibility to maintain cash flow

5. Tier II and Tier III markets have 3 times more demand compared to metro cities
6. Customers are lapping up pay later as it gives them maximum flexibility to enjoy the purchased items
7. As per the customers, T.Vs and smartphones are more demand
8. Demand for electric vehicles is also high
9. We are trying to double our electrical business next month
10. Amazon's Pay Bansal said that sign up process has become easy that and is also the key reason why many transactions originate from Tier II and Tier III markets