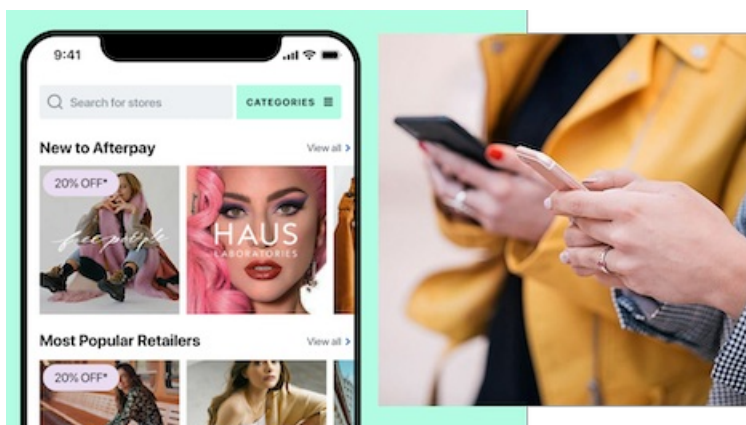


RETAIL

Pay-later providers surpass \$52M in ad spend: report

November 2, 2021



More shoppers are using "buy now, pay later" options to make purchases more accessible. Image credit: Afterpay

By LUXURY DAILY NEWS SERVICE

With the holiday shopping season already underway, installment payment providers have increased their ad spend as they make their pitches to aspirational consumers.

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According to a new report from MediaRada, ad spend from Affirm, Klarna, Afterpay and PayPal has collectively increased 130 percent during the first nine months of the year compared to the same period in 2020. "Buy now, pay later" (BNPL) providers have grown in popularity in recent years, particularly among younger consumers who want to avoid debt while splurging on high-end purchase.

"With more consumers shifting to online shopping and more interest in BNPL, we've seen a corresponding explosion in ad spend," said Todd Krizelman, cofounder/CEO at [MediaRadar](#), in a statement. "It's still early days in this category and each company is well-funded and fighting for market share."

Reaching new shoppers

From January to September 2021, the four leaders in the BNPL space have spent more than \$52 million on advertising, up from ad spend of \$22.75 million for the first nine months of 2020 an increase of almost 130 percent.

Affirm's ad spend jumped more than 1,000 percent, leading its competitors.



Shoppers are expected to spend more online this holiday season, and BNPL providers are ready. Image credit: Klarna

Klarna ramped up its ad spend by 557 percent. While digital advertising accounts for the majority of Klarna's ad spend, the company has begun dabbling in other channels including traditional linear television.

Afterpay and PayPal saw more modest year-over-year increases in ad spend, at 68 and 48 percent respectively. Seventy percent of PayPal's ad spend is now dedicated to digital advertising formats.

Per a recent report from social advertising platform BrandTotal, Klarna accounts for more than half of sponsored impressions on among BNPL providers. It also is more likely to target Gen Z consumers, ages 18 to 24, on social media than its competitors the same demographic that tends to gravitate to BNPL offerings ([see story](#)).

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