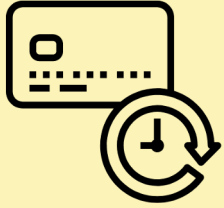


PULSAR*



Buy Now Pay Later:

From luxuries to lifelines, how BNPL is discussed by audiences online

Buy Now, Pay Later: An audience-centred topic

Over the past decade, Buy Now, Pay Later (BNPL) products have solidified their place in public consciousness, retail models, and consumer behavior. These payment options, often seen on e-commerce sites targeting younger demographics, have evolved from a trendy fintech product to a crucial tool for purchasing necessities amidst pandemic-driven economic shifts.

BNPL solutions are now a lifeline for those shut out of traditional financing options. As their use expands from fashion and lifestyle to everyday essentials, skepticism and calls for stricter regulation grow louder. This shift makes understanding the media and public conversation around BNPL increasingly complex for marketing professionals

















Our report delves into attitudes toward consumer spending, generational trends, regulatory challenges, brand perception, and market innovations, providing the insights needed to navigate this evolving landscape.

Approach

Data Collection Period:

Jan 1st 2023 – June 2024

Channels:

 Online News	 X
 Television	 Reddit
 Radio	 YouTube
 Podcasts	 Blogs
 Facebook	 Forums
 Instagram	 Amazon Reviews
 TikTok	 Tumblr
 Pinterest	 Google Search

Markets/Languages:

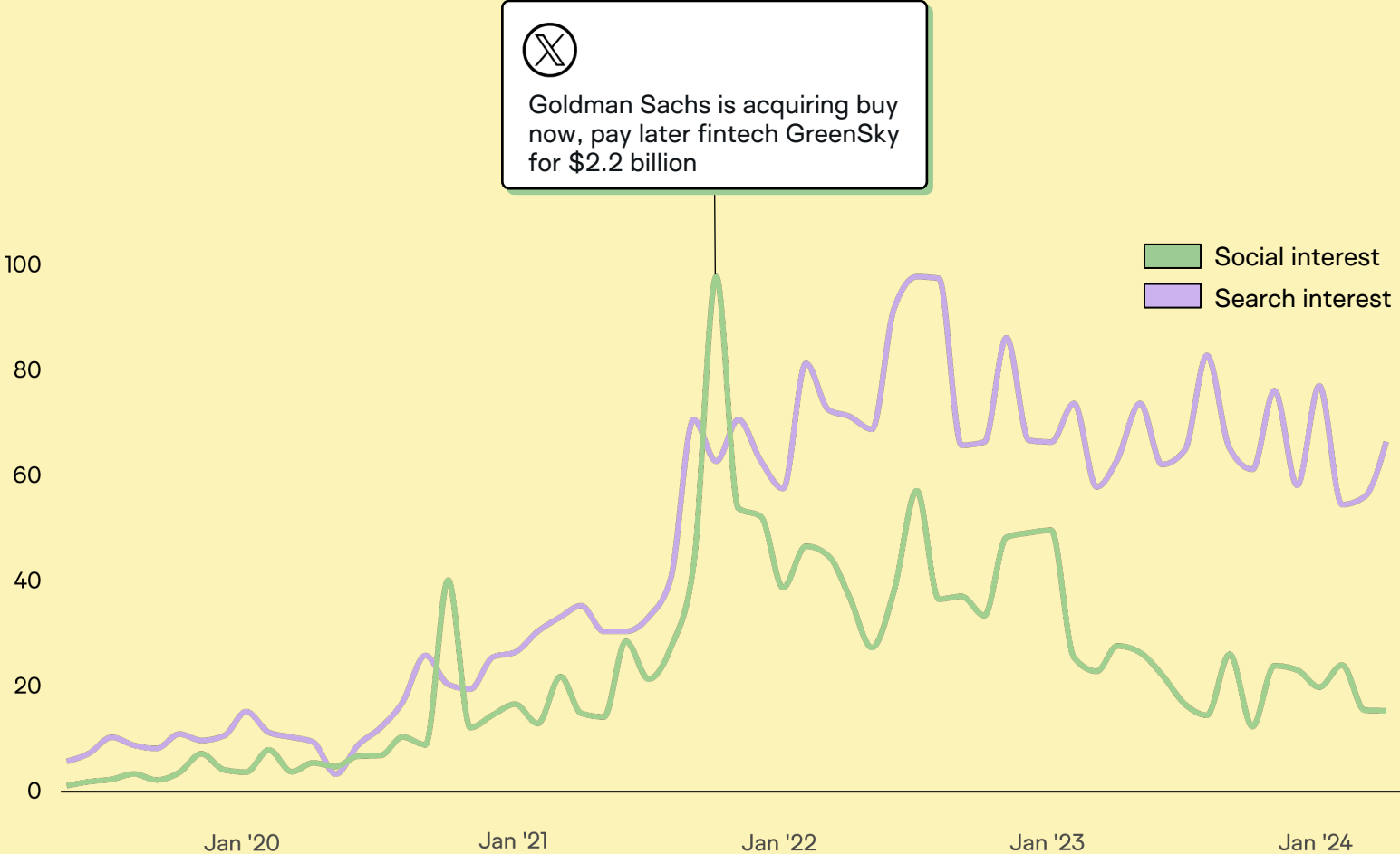
Global data collection
Analysis in English-language

BNPL: different moments, different signals

Although BNPL platforms originate in the early to mid-2000s, they didn't make any kind of significant impact across media, social media or search until late 2020.

Following the advent of the cost-of-living crisis, the conversation went onto split into two branches: news media tended to focus on legislative change to the sector, and industry news, while the social conversation reflected the consumer point of view. The topic accrued increased social interest as audiences joked about their shopping habits, and as commentators marvelled at the upward trend of the industry.

In 2022, the conversation reach its peak – before falling once again. How so, when search interest suggests the topic was more current and relevant than ever? Users appear to have become less likely to talk about the topic on many public forums, as the conversation takes a significant tonal turn. This still leaves tens of thousands of conversational data points, of course – and these are well worth listening to for what they tell us about consumer perspectives.



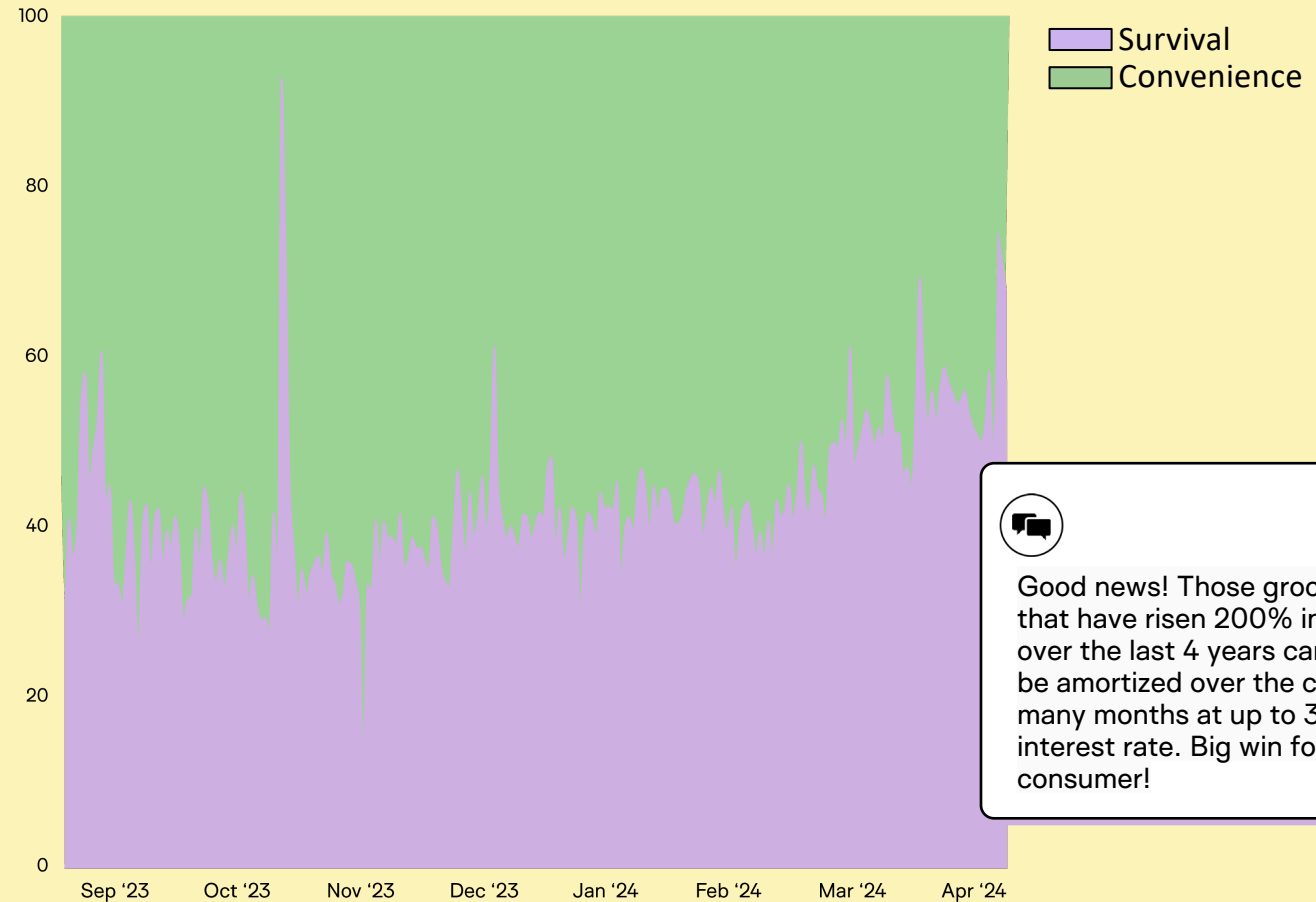
Is BNPL a growing lifeline for financial survival?

What started out as a means of driving spending for pleasure has gradually transitioned into spending for survival. The context in which BNPL is mentioned may indicate a progression towards categories like supermarkets, utilities, healthcare and auto repair.

The globally ubiquitous cost of living crisis has impacted many communities to now use or at the very least explore buy now pay later options for necessities.

Which is not to suggest that the two conversations are not also interlinked: fashion and beauty influencers promote their BNPL discount links to products they showcase in content.

Individuals and communities may acknowledge the situation in their online discussions, but they are nonetheless not pleased with how corporations they depend on are potentially taking advantage of such a dire situation.



 Good news! Those groceries that have risen 200% in cost over the last 4 years can now be amortized over the course of many months at up to 36% interest rate. Big win for the consumer!

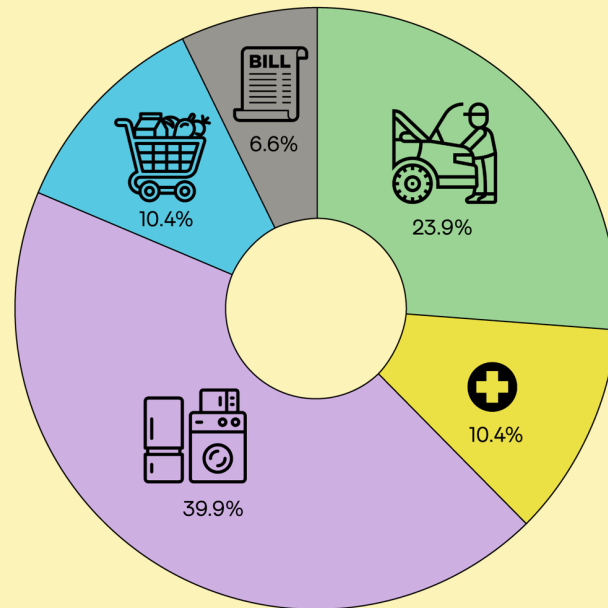
What do consumers talk about buying using BNPL?

Audiences are increasingly talking about BNPL as a means of paying for essentials, with some individuals hard-pressed to afford operational home appliances like fridges. Essentials like household bills, automotive payments and medical bills are additional categories that audiences are exploring BNPL options for.

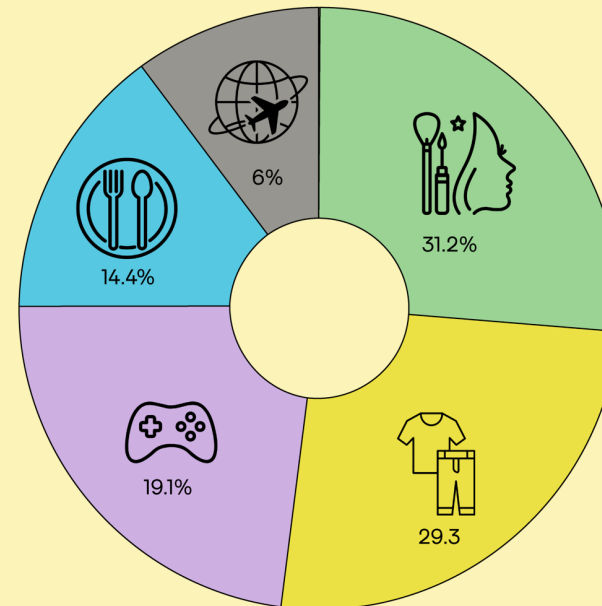
Notably, it is still one-off significant purchases that drive the majority the conversation. Fridges rather than food, in other words. But certain communities clearly do not feel financially stable enough to purchase items like white goods using conventional payment options.

Naturally, clothing, beauty and electronic entertainment retailers retain a key share of the 'leisure' conversation. This is maintained in part by brands like Mx Skincare offering discount codes exclusively through Afterpay. Experiential industries are also increasingly adopting these options with travel, eating out and takeout emerging as new leisure categories.

Essentials



Leisure



★
Brought an American fridge freezer thinking that it would be on 12 months buy now pay later. needed a new freezer to replace old one so didn't have much option at time of purchase. !!!!!!!

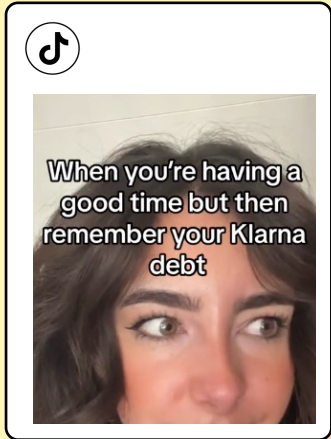
🎵
I need adult supervision #klarna #klarnaisnotmyfriend #trending #fyp #fashioninspo #fashioncontent #fits

Which regions discuss which platforms?

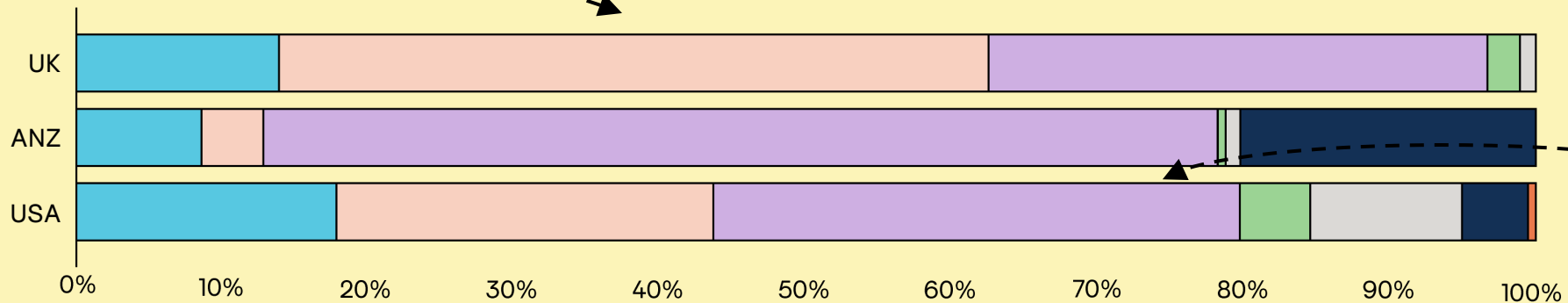
In ANZ regions, BNPL ASX and NZX-listed companies have struggled – this has been accentuated by the Australian government moving to impose stricter regulations on providers. It’s also reflected in consumer sentiment. Conversation around Afterpay, for instance, is circumspect with consumers expressing concern about using

the platform for essentials like petrol. In the UK, meanwhile, Klarna leads media discussions which focus on regulations and consumer transparency. It’s notable that one key player within this narrative is the BNPL sector itself, which calls for regulation comparable to the mainstream credit market in order to shore up user and investor confidence.

In the US, media focuses on innovations like Apple Pay Later, which recently exited the market after a brief stint. On the audience side, Afterpay’s partnerships with brands have made it a major discussion leader, appealing to younger generations who find themselves having to explain BNPL methods to older generations.



“ Sorry its a problem atp #klarna



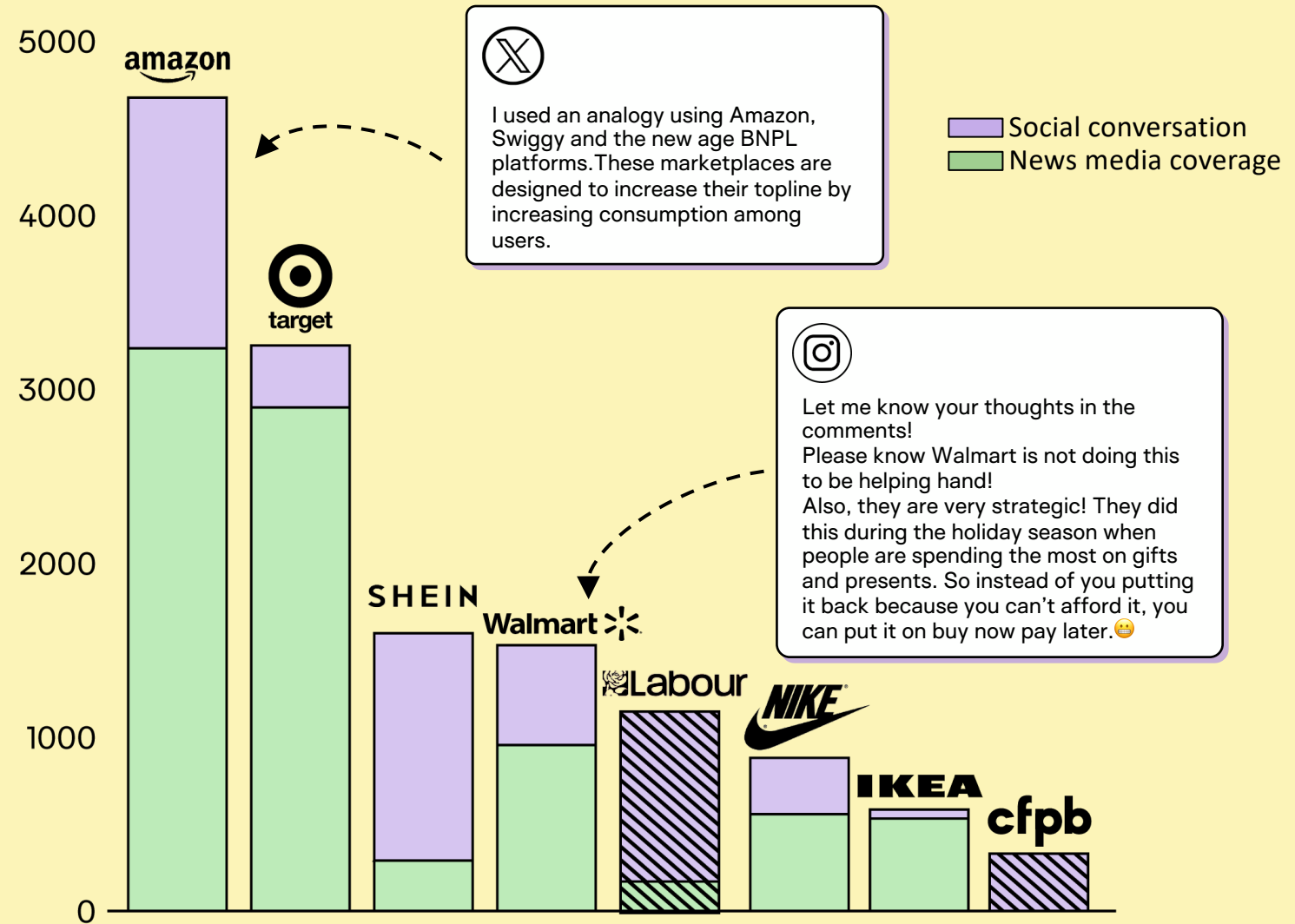
Trying to explain Afterpay to my mother and I finally just said...it's kinda like layaway but you get your stuff now idk how much clearer I can be and she still doesn't get what I'm saying lol she want logistics GIRL IDK I DONT WORK FOR THEM I JUST BUY STUFF

Tapping into brand conversation and coverage

BNPL platforms are often associated with unsustainable spending and environmental strain. Consequently, e-commerce brands and major retailers are critiqued for driving greater levels of consumption.

We see some clear disparities between what drives social and news conversation – reflecting the fact that different narratives take hold amongst audiences and the media. But we also see some notable asymmetry – such as Shein being far more identified with BNPL by commentators than by audiences themselves, or IKEA’s incorporation of the payment system attracting interest amongst a very particular online community (more on which later).

The UK Labour party’s is an outlier in this brand line-up – this is due to both the presence of a BNPL sponsor at a labour event (which attracted a certain degree of backlash) and because of its views on future regulation.

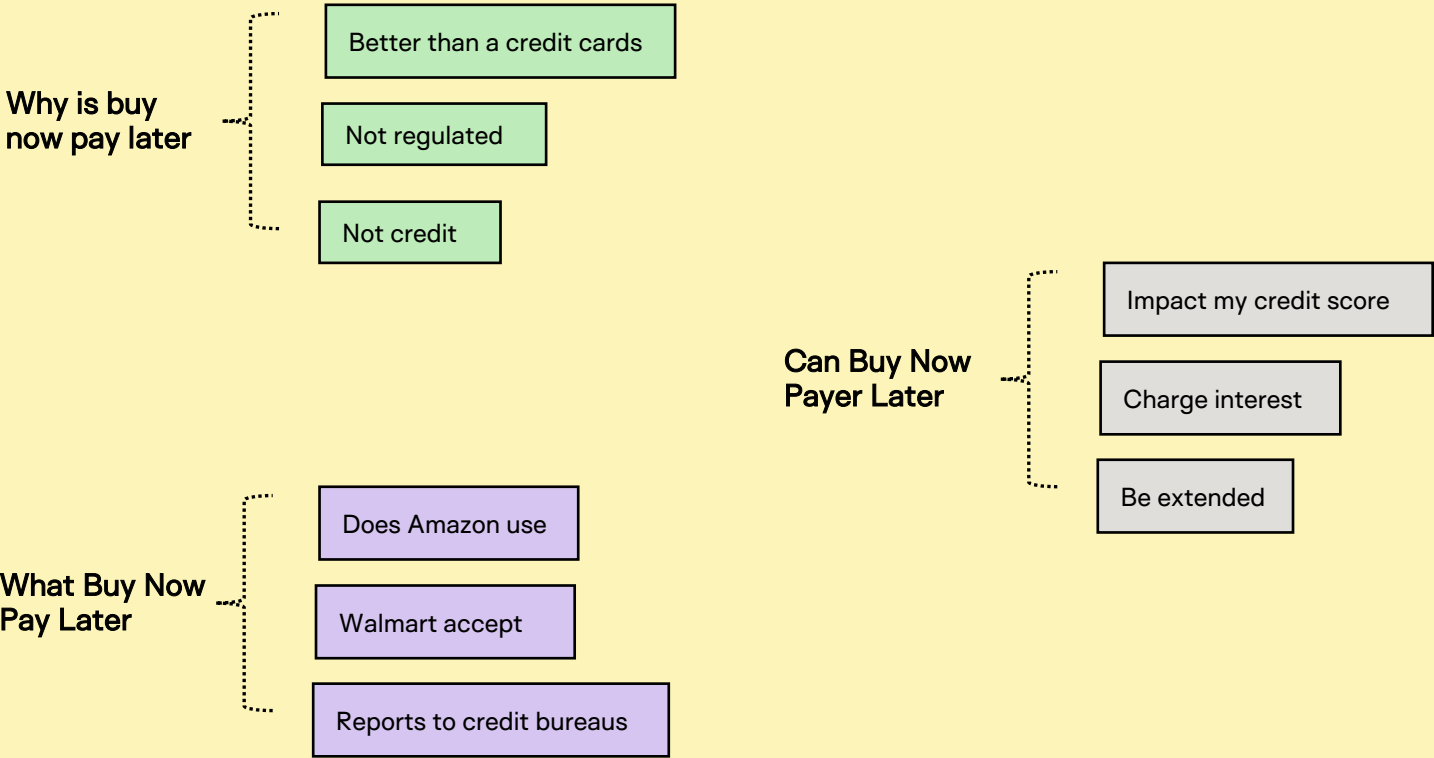


What do consumers ask about BNPL?

Top search queries on the use of BNPL showing people are looking to become more aware of which regulations are going to be enforced – they want to know how this impacts their financial profile and options.

This is particularly evident in queries such as 'Why is buy now pay later not regulated?' and 'Can buy now pay later impact my credit score?'.

There are also more technical questions, which suggest greater financial literacy and know-how on the part of the query-writer. These reflect how BNPL platforms are being called to report to consumer credit reporting companies like Experian.



The common search queries regarding BNPL between Jan 1, 2023 – May, 2024. Source: Pulsar TRAC

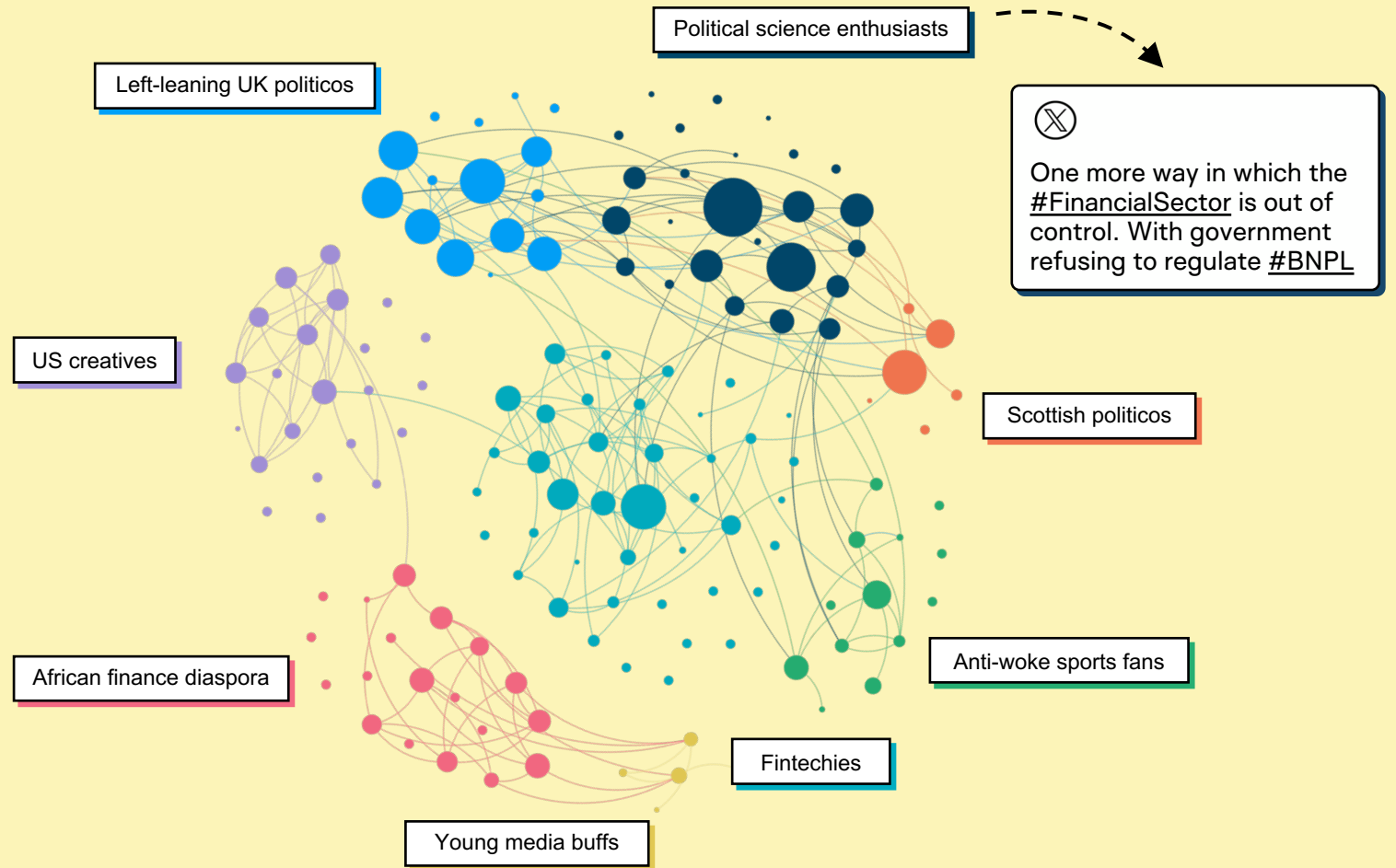
Who's driving the commentary around BNPL?

Here, we visualize the communities driving the global conversation around BNPL. The more points within a segment, the larger that particular segment is – the larger those points, the more interconnected it is within the wider conversation.

The first thing to note is that there several themes within these communities – Young Media Buffs and US Creatives, for instance, reflect the youthful consumers who use and amplify BNPL in line with its conception as a fun, convenient way of financing 'nice to haves'

Political and financial communities, on the other hand, are far more likely to talk about category in the abstract. Overall the sector's increasing scrutiny has elevated its significance among the politically engaged, sparking conversations about government intervention and regulatory oversight.

Finally, we see that Britain is disproportionately represented – this is due to the involvement of the Labour Party alongside prominent commentators such as personal finance journalist Martin Lewis.

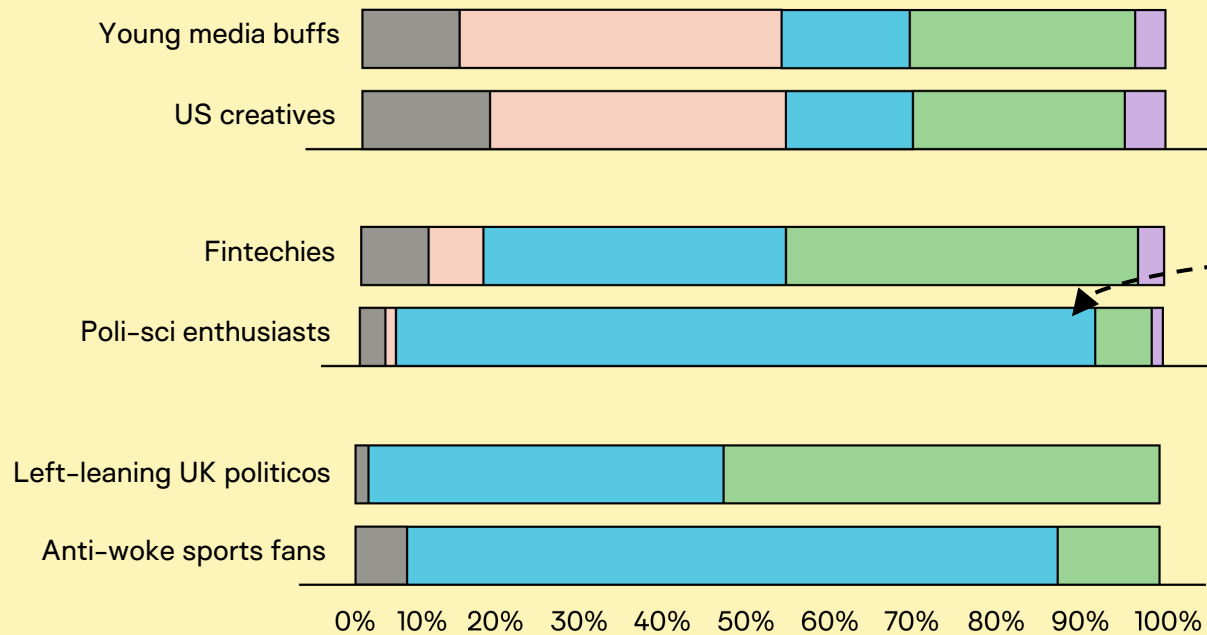
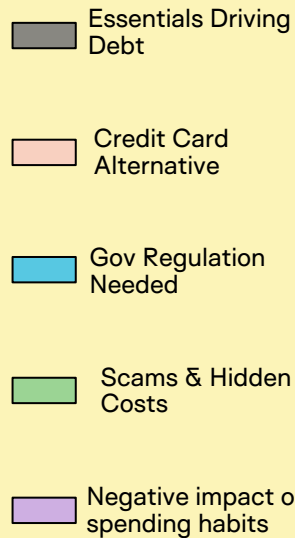



Exploring BNPL narratives across audience groups

These audience groups pair off, providing a useful series of dichotomies. Young media buffs and US creatives align on BNPL being useful for essentials like food and creative resources/tools, but US creatives in particular notice that BNPL is pushing them further into uncomfortable financial positions.


Fintech enthusiasts and political science enthusiasts discuss BNPL outside of their personal use of it. Fintech experts offer business insights and critique BNPL users for perceived financial illiteracy. Meanwhile, political enthusiasts focus on the welfare of the financially vulnerable, advocating for stricter regulation.

The last two groups share major narratives but with a few differences. Left-leaning UK politicians highlight exploitative behaviors and political parties' contradictory ties with BNPL organizations, while anti-woke sports fans see themselves as victims of perceived unethical political decisions.



 Over the last few years Buy Now Pay Later has become more and more commonplace. But without regulation, each time customers check out they are missing out on protection they would have access to when using other products

Abi's Story
 Abi used Buy Now Pay Later to pay for an electrical item that she otherwise couldn't afford. But the product never arrived.
 Abi told her Buy Now Pay Later provider what had happened, but they continued to chase her for payment. Abi came to Citizens Advice for help when she found out they had passed the debt to a debt collector.



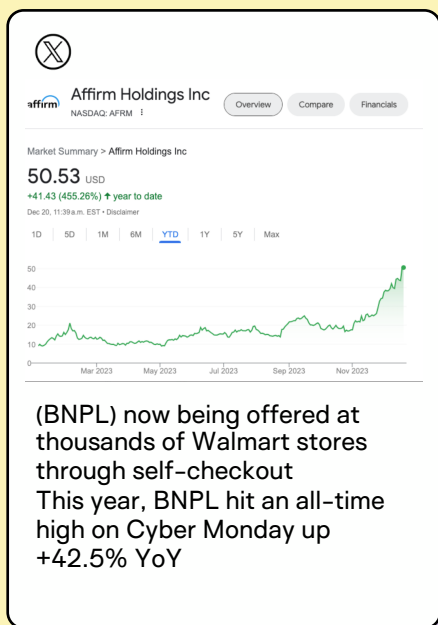
The 4 macro-conversations within online discussion of BNPL

Breaking up the conversation in macro-themes reveals four main branches: fintech, seller, political and consumer.

There is a strong fintech macro-conversation which reflects changes in the market and major updates in the sector e.g. company changes like Walmart's BNPL self-checkout offering.

Seller conversation themes, meanwhile, triggered by regulation and changes to user experience that impact retailers and customers alike. This counterpoints consumer discussion, which is heavily focused on both the user experience of BNPL and management of personal finances.

The political side of the conversation focuses predominately on regulation, and discussions of how BNPL fits into a starker financial reality.



Fintech

“Afterpay also performs a soft credit check on a customer's credit to open an account or at the time of purchase. They will conduct a *hard credit check* if the *pay monthly* feature is chosen at checkout with a participating merchant.”

Seller

Charlie and Alex discussing housing, the election and the economy
And how there's no point in waiting for politicians to fix housing, they can't

Stig & I discuss the Budget and everything. Inflation (it's just bad) Tech (The advent of machine learning, and Klarna's AI call centre experiment) So, it's all up for discussion.

Political

This was my first time using Klarna and I'm very disappointed. I ordered and paid for a bathroom tap as the company promised next day delivery on their website. It turns out they could not deliver, so I cancelled the order on the same day (couple hours later). By this time, Klarna had taken the payment.

Consumer

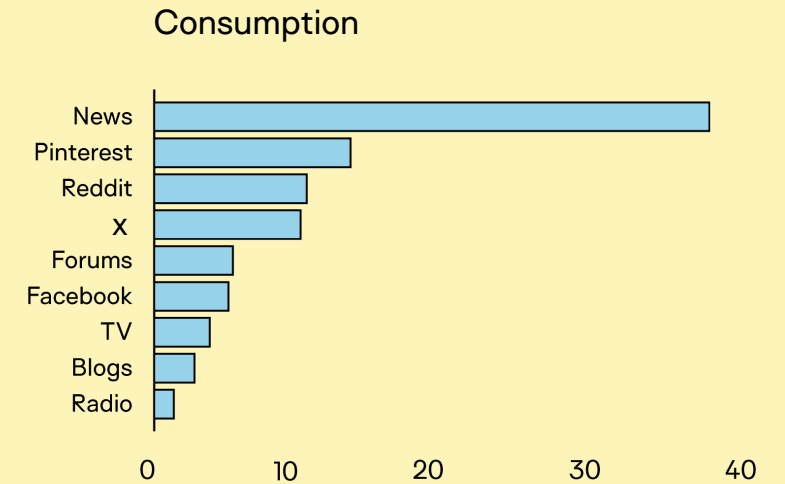
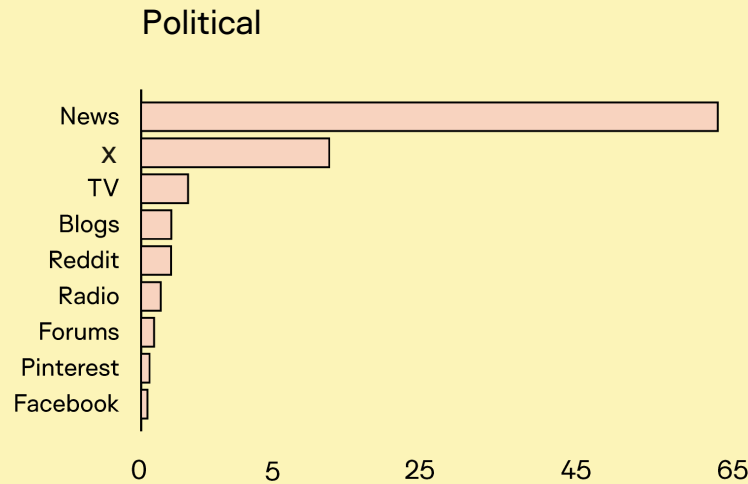
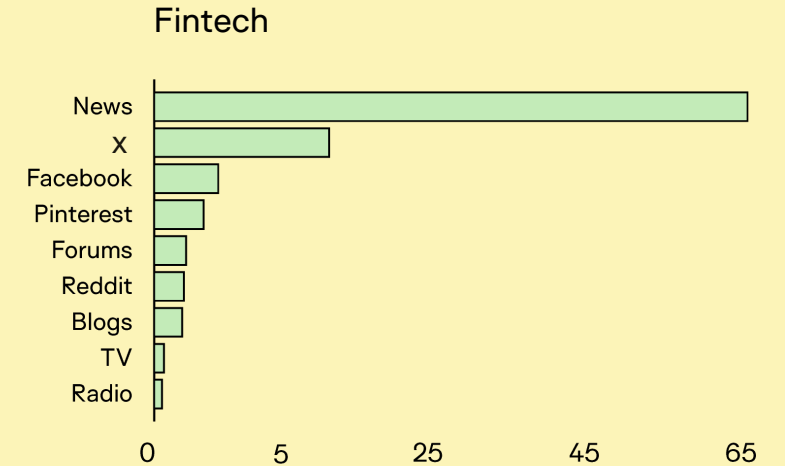
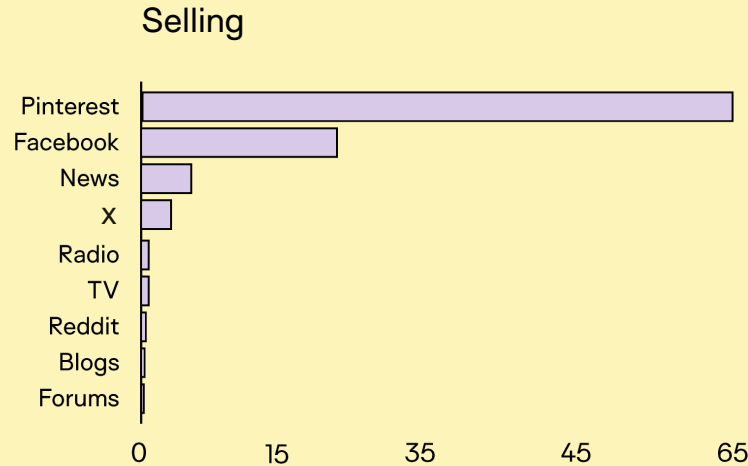
Where do different conversations play out?

Having established these four macro-conversations, we can see where it occurs across different platforms.

News media plays an important role within both the fintech and political macro-conversations. However, the precise nature of publications is very different, with the former tending more towards industry, insider publications with niche, dedicated communities and the latter more widely read generalist newspapers.

Elsewhere, X acts a conduit for these same conversation types, whereas Reddit – another text-based platform – is used more for consumers to share their experiences and compare their rights & obligations.

Sellers, on the other hand, tend to leverage Pinterest and Facebook as two of the major platforms by which they conduct business. This is unsurprising given the dynamics of these two platforms, which prioritize in turn images (reflecting the fashion and aesthetics trend within BNPL) and a constellation of different marketplaces.



Analysis of channels most active amongst macro audience groups news, Pinterest, Facebook, Instagram, Reddit, TikTok, X, forums, radio, blogs and TV between Aug 1 2023 - May 2, 2024. Source: Pulsar TRAC

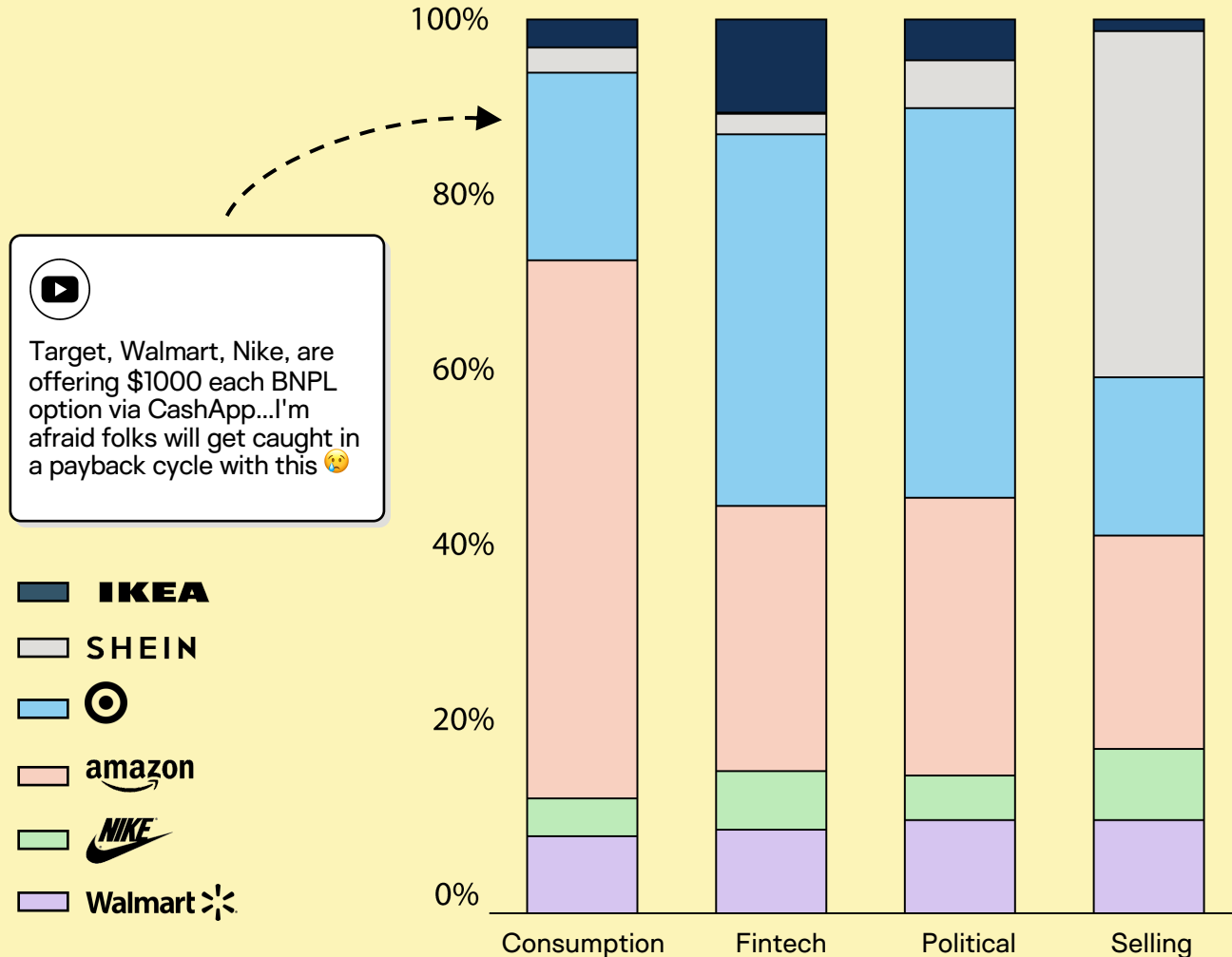
How different brands are drawn into different conversations

Amazon and Target are particularly well-represented across these different conversations; Amazon as their in-platform option attracts both consumers and column inches. Target's adoption of BNPL methods in stores sparks fintech discussion on providers' expanding partnership portfolios. However, consumption and political conversations are increasingly concerned about individuals falling into debt spirals or facing phantom debt due to the widespread availability of BNPL at everyday retailers.

Elsewhere, however, the narratives and associations develop at interesting angles. Why is Ikea, for instance, so popular within the Fintech conversation?

One key reason is that many within the community have amplified news around the retailer adopting BNPL, viewing it as a significant moment as a whole new sector (and household name) incorporates the system.

Shein stands at the center of debates about BNPL-related overconsumption and overspending. Its high appeal, driven by competitive affiliate marketing and instant app incentives, fuels discussions about selling strategies.



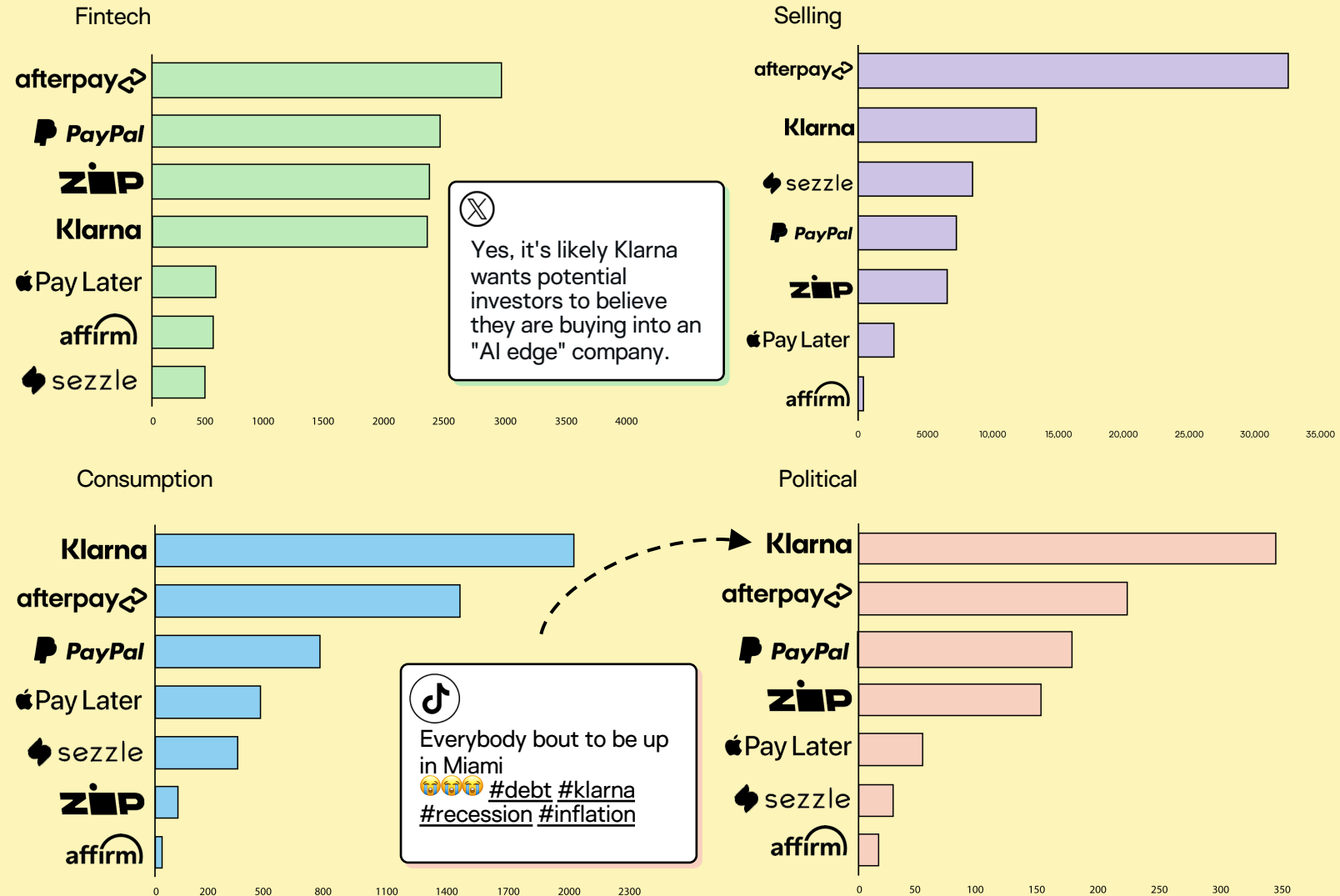
Analysis of leading brands in the BNPL conversation by macro-group across Facebook, Instagram, Reddit, TikTok, X, Twitch, YouTube, Reviews, Tumblr, Forums and more between Aug 8 2023 - Jun 18, 2024 Source: Pulsar TRAC

Each platform is absorbed into different conversations

Fintech enthusiasts discuss smart investments, focusing on factors like Klarna's AI adoption and Apple Pay integrating Affirm. These conversations see industry optimists and boosters emphasise how technological advancements enhance platform efficiency and customer engagement.

Sellers promoting businesses and sales, on the other hand, gravitate towards Afterpay due to its many brand deals and partnerships.

Within this framework, Klarna and Afterpay divvy up top spot between themselves. This spells bad news for the latter, as it's more discussed in critical conversations (consumption and political). One key reason for this is simple geography – Klarna is a dominant player within the UK, which is where much of this conversation is taking place. These can then ripple outwards and have a profound impact on brand reputation and consumer perspectives.



About Pulsar


Pulsar is the world's leading audience intelligence platform—harnessing rich data sets, AI and human minds – so our clients can access nuanced and actionable insights that get straight to what matters most to their customers, their businesses and to society.

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