

## **Younited study on instalment payments: convenience, the number one selling point, ahead of free services in France and Spain**

Paris, June 6, 2023

In the span of a few years, the use of instalment payments has become essential for European merchants and consumers. According to Kaleido Intelligence, the global instalment payment market could triple by 2025, reaching \$250 billion. In a context of spending trade-offs, inflation, and rising energy costs, what are the new expectations of consumers? Younited provides an overview of the evolution of the French and Spanish markets and the usage of instalment payments compared to 2021\*.

### **Key figures to remember**

- In France, the duration of consumer loans tends to increase overall. Among consumers who made at least one purchase over €200, 61% used 2 to 4 instalment payments in 2023, a marked decrease of 16 points compared to 2021. Long-term credits with 5 or more monthly repayments are more commonly used than before.
- Nearly half of French (45%) and Spanish (49%) consumers surveyed used instalment payment options for purchases exceeding €1,000.
- Among purchases with instalment payments, in-store transactions represent 52% of operations in France, while online purchases with home delivery account for only 37% in 2023.
- 8 out of 10 consumers state that the option to pay in installments would encourage them to return to the store or website where they made their purchase.

### **French consumers prefer instant credit payments for higher average baskets**

Since 2021, the French instalment payment market has evolved. Notably, short-term instalment payments have declined, especially for consumers making purchases over €200, with a decrease of 16 points in the usage of 2 to 4 installments in 2023. There is a gradual shift towards higher amounts and a greater number of installments. Specifically, average baskets between €1,000 and €3,000 increased by 6 points. A similar trend is observed for repayment durations between 5 and 12 installments, which increased by 9 points.

This trend is also visible in the more mature Spanish market, where 29% of purchases were settled in 13 installments or more (+14 points). Only a third of Spanish consumers surveyed paid in 2 to 4 installments (-10 points), compared to two-thirds in France. Notably, nearly half of French (45%) and Spanish (49%) consumers used instalment payments for purchases exceeding €1,000.

*"Building on the conclusions of 2021, we observe that the desire of French consumers to access a broader range of solutions has materialized. At Younited, through our regulated instant credit payment offering, we*

\* The Younited study was conducted in July 2021, in collaboration with MixFactory, an independent research institute, across five countries (France, Germany, Spain, Portugal, Italy). The study involved an online survey conducted with a sample of 2,500 individuals evenly distributed in the listed five countries and falling into three categories: those who had purchased an item between €200 and €3,000 using instalment payments in the last 6 months, those considering acquiring an item valued between €200 and €3,000 via instalment payments in the next 6 months, and those open to the possibility of using instalment payments in the near future.

\*\* Payment facilities, Instalment payments, and affected credit: The term "payment facilities" encompasses both "instalment payments" (staggered payments for generally lower amounts, usually below €300, with short repayment periods, typically 3 to 4 installments) and "affected credits of longer duration" (instalment payments for amounts exceeding €300 and spanning more than 5 installments).

have chosen to position ourselves as specialists in financing moderate to high average purchase amounts: starting from €300 and 10 months. Unlike most other installment payment offerings in the European market, *Younited Pay* is the only solution already 100% in line with future regulations.” declares **David Payet, Marketing Products and Studies Director at Younited.**

## **Instalments conquering the luxury realm and gaining popularity in-store**

A distinguishing element from 2021 is the increasing popularity of instalment payments in the luxury market. In France, 3% of consumers have already used instalment payments for luxury purchases in the last 6 months. This figure could rise to 6% in the next 6 months, reaching 12% in the longer term and up to 19% in Spain.

Another significant change is the resurgence of in-store purchases over online commerce. In France, in-store purchases increased by 17 points, representing 52% of transactions. In contrast, online purchases with home delivery declined from 51% to 37% in 2023 (-14 points).

## **A payment facility that's quick and easy to use**

The study shows that instalment payments are a key tool for customer loyalty and retention: 78% of French consumers and 86% of Spanish consumers state that it would encourage them to return to the store or website where they made their first purchase.

Significantly, this year, convenience has become the number one selling point ahead of free services. This factor is favoured by 45% of French consumers and 33% of Spaniards. The absence of fees is then cited by 39% and 29% respectively, representing a decrease of 9 points in France and 18 points in Spain.

## **A solution to preserve purchasing power during price increases**

In the context of inflation affecting household purchasing power, the study reveals that for 30% of French respondents, "paying in cash would make their end of the month difficult." It is observed that due to inflation, 4 out of 10 consumers will have to resort to instalment payments to settle their purchases, whereas they would have paid in cash before.

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## **About Younited**

Younited is the leading instant credit provider for the e-economy in Europe. Constant innovation, cutting-edge technology and exceptional user experience have allowed nearly a million customers to have access to instant, simple and transparent credit to refurbish their home, go on vacation, buy a new smartphone, or bring any other project to life. Younited provides instant credit throughout the customer journey, shopping, or banking, online or in store, with a single Younited customer experience. Up to €50,000. Up to 84 months. Instantly. Younited operates in 5 European countries (France, Italy, Spain, Portugal & Germany) and generates close to 2 billion euros in yearly GMV. As the pioneer in personalized budget coaching, Younited deploys a credit strategy at the service of all to promote more transparency and more inclusiveness. Younited has launched the process to become a certified B-Corp.

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More information on <https://www.younited-group.com>

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