Affirm research reveals impact of 0% APR financing ahead of holiday season

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Nearly half of Americans say the availability of 0% APR options will affect their purchasing decisions, according to Affirm's latest survey

SAN FRANCISCO--(BUSINESS WIRE)--Sep. 12, 2024-- Affirm, the payments network that empowers consumers and helps merchants drive growth, released new research revealing consumer shopping behaviors and sentiments ahead of the 2024 holiday season, including the growing preference towards 0% APR financing options and Americans' confidence levels around budgeting.

The Power of 0% APR

Affirm's survey of 2,000 Americans revealed that nearly half of respondents (48%) are influenced by the availability of 0% APR options when making purchasing decisions. The top benefits Americans see from 0% APR financing include saving money on interest (28%), being able to afford larger purchases (19%) and budgeting with greater ease (17%).

This growing preference among consumers towards 0% APR financing is evident across various categories:

- **Large, One-Time Purchases:** More than 40% of consumers (42%) are likely to consider 0% APR offers for significant purchases like furniture or appliances, making it a key factor in managing major expenses.
- **Electronics:** Nearly 30% of consumers (28%) are inclined to use 0% APR offers for electronics, such as laptops or mobile devices, reflecting a shift towards interest-free payment options across a larger swath of categories.
- **Everyday Essentials:** 25% of consumers view 0% APR offers as a valuable tool for purchasing everyday essentials, such as groceries or home supplies.

Consumer preferences also vary by generation when it comes to 0% APR financing. GenZ respondents (born between 1997 and 2006) are most likely to consider 0% APR offers for clothing and accessories. Compared to other age groups, millennials (born between 1981 and 1996) are most likely to opt for 0% APR offers when purchasing travel and experiences.

"Consumers are being more strategic with their purchases, turning to 0% APR financing options as a more flexible and budget-friendly way to pay and manage their expenses," said Vishal Kapoor, Affirm's SVP of Product. "With the holiday season approaching, we expect that these offers will not only bring value to consumers, but can help merchants drive growth in a more sustainable way than heavy discounting."

Consumer Holiday Shopping Trends and Sentiment

Affirm's research also explored how consumers are feeling about and preparing for the 2024 holiday shopping season. Despite concerns about the macroeconomic environment, the majority of Americans (70%) say they feel the same or more confident about their ability to manage holiday expenses this year compared to last. GenZ shoppers report the highest confidence levels ahead of the holiday shopping season (50%), followed by millennial shoppers (40%) and GenX shoppers, born between 1965 and 1980 (30%).

Getting a head start on shopping may be why many consumers are feeling confident in their ability to budget and manage finances this holiday season. According to Affirm's survey, 40% of respondents say they plan to start their holiday shopping earlier in 2024. That number is even higher among GenZ and millennial respondents, with one in two (50%) saying they plan to start shopping earlier this year. September will be an important month for many holiday shoppers, as 50% of GenZ and nearly half of millennials (47%) plan to start their holiday shopping by the end of the month.

"Whether through advanced planning or 0% APR offers, consumers are clearly seeking ways to feel more in control of their finances," Kapoor said. "Providing consumers flexibility and transparency will be critical for a successful holiday shopping season in 2024."

To shop for exclusive 0% APR offers at retailers like Samsung, Bloomingdale's and Vivid Seats, consumers can visit the Affirm app or Affirm.com.

Survey methodology:
This random double-opt-in survey of 2,000 general population Americans was commissioned by Affirm between June 20 and June 24, 2024. It was conducted by market research company Talker Research, whose team members are members of the Market

Research Society (MRS) and the European Society for Opinion and Marketing Research (ESOMAR).

About Affirm

Affirm's mission is to deliver honest financial products that improve lives. By building a new kind of payment network – one based on trust, transparency and putting people first – we empower millions of consumers to spend and save responsibly, and give thousands of businesses the tools to fuel growth. Unlike most credit cards and other pay-over-time options, we show consumers exactly what they will pay up front and never charge any late or hidden fees.

Consumers who want to pay with Affirm can select it as a payment option at checkout, use the Affirm Card, or shop in the Affirm App. The Affirm App is also home to exclusive 0% APR offers. Eligibility applies.

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