

JANUARY 2025



Unlock growth with insights from Zip's loyal shoppers



Introduction 02

Meet high value shoppers 03

Reach underserved shoppers with confidence 04

Loyalty is the key to long-term revenue 06

**Empowering shoppers: why
customers choose flexible payments 06**

**Spending behavior across
categories and channels 09**

Ready to drive business growth? 13

QUICK SUMMARY

Insights to drive business growth

Executives today face increasing pressure to grow revenue and retain customers in a competitive marketplace. While many focus on traditional strategies, they often overlook a critical growth lever: underserved audiences. [Flexible payment solutions provide a unique opportunity to tap into this high-potential segment, recovering declined transactions and building long-term loyalty.](#)

Only have 5 minutes? Here's what you need to know:

- **Expand your reach:** Connect with over 3.8 million active customers in the Americas, primarily millennials (54%) and female (62%)
- **Tap into diverse income segments:** 60% of customers earn \$40,000–\$80,000 annually, and 14% earn above \$100,000, showcasing broad appeal across income levels
- **Increase customer retention:** With an NPS of +62 and a 46.7% monthly repeat rate, flexible payment options foster loyalty and advocacy
- **Reach underserved audiences safely:** Serve near-prime and below-prime customers confidently with a low 1.3% loss rate, even though 86% of users have FICO scores below 670

Flexible payments are not just a transactional tool—they are a growth strategy for merchants who want to unlock untapped potential and outperform the competition.

1 Who are high-value shoppers, and how can they drive growth?

Your next growth opportunity isn't in products—it's in people. Flexible payments connect merchants to loyal, underserved audiences who drive real results. High-value shoppers bring purchasing power, repeat engagement, and advocacy, making them a critical driver of revenue growth. These customers:

Represent a broad demographic range:

- 62% are female, with an average age of 37
- Millennials dominate (54%), followed by Gen X (31%), providing strong engagement across prime spending age groups

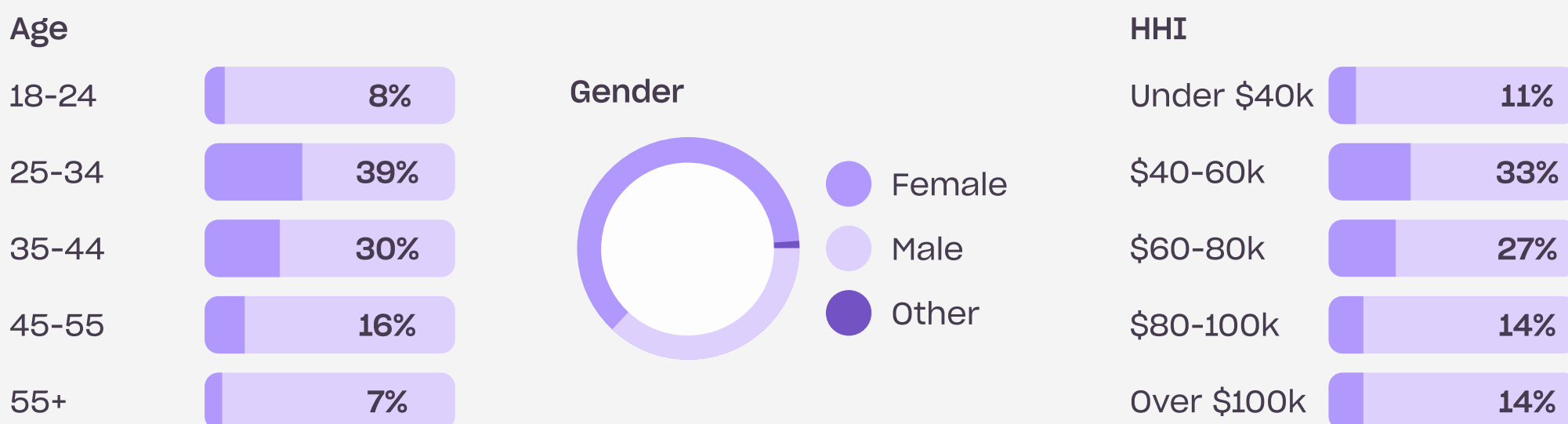
Include high-earning and budget-conscious shoppers:

- The largest income segment (60%) earns \$40,000–\$80,000 annually, offering consistent spending power
- Higher-income customers are also present, with 14% earning above \$100,000, signaling that flexible payments appeal to affluent segments

Have nationwide presence:

- Customers span urban and rural regions, with California and Texas as the top-performing states
- Merchants can reach a diverse audience across metropolitan areas, suburban markets, and smaller towns

Takeaway: Understanding shopper demographics allows businesses to tailor their strategies to engage high-value and high-potential segments across varied geographies and income brackets.



2 Reach underserved shoppers with confidence

Who are you not reaching today? Millions of loyal, repeat shoppers are waiting for businesses to offer the flexibility they value most. These **credit-challenged shoppers** are often overlooked by traditional payment methods. Reach high-value, underserved customers while minimizing financial exposure.

Low risk with high reward:

- 86% of our customers having FICO scores below 670 & nearly half below 580
- Loss rate remains exceptionally low at 1.3%
- Our flexible payment options help customers align payments with their cash flow, fostering financial stability and reducing risk
- Near-prime and below-prime customers are approved using advanced risk capabilities, ensuring financial safety for merchants

Household structure

- The data reveals a variety of household structures among Zip customers,
- including 43% of users who live in family settings with young children, highlighting how Zip supports families managing diverse financial needs



Flexibility for varied incomes:

- 76% of customers are employed full-time; remaining users include part-time workers, students, and self-employed individuals, highlighting the broad appeal of Zip's payment solutions
- 50% of users receive bi-weekly income, seamlessly aligning with Zip's payment flexibility to help customers manage cash flow effectively
- 21% are on a monthly pay schedule, which influences their preference for spreading out payments
- Payment schedules align with customer income structures, improving affordability and reducing default risks

Takeaway: Businesses can confidently expand their customer base by serving underserved segments, unlocking new revenue streams while mitigating risk.

3 **Loyalty is the key to long-term revenue**

Building a loyal customer base is essential for businesses looking to grow sustainably. High-value shoppers demonstrate strong loyalty and repeat purchasing behavior:

- **NPS score of +62:** This industry-leading score reflects customer satisfaction, trust, and the likelihood to recommend merchants offering flexible payments
- **High repeat purchase rates:** Nearly half (46.7%) of customers make a purchase every month, demonstrating consistent engagement
- **Preferred Payment Solution:** Customers consistently choose flexible payment options that align with their budgeting needs, fostering ongoing trust and satisfaction

Takeaway: Loyal customers translate into higher lifetime value, lower acquisition costs, and organic brand promotion through word-of-mouth advocacy.

4 **Empowering shoppers: why customers choose flexible payments**

Understanding why shoppers consistently choose flexible payments can help businesses design experiences that foster loyalty and long-term engagement. Beyond convenience, these solutions resonate deeply with customers who seek flexibility, ease of use, and trust in their financial choices.

Key drivers of shopper satisfaction:

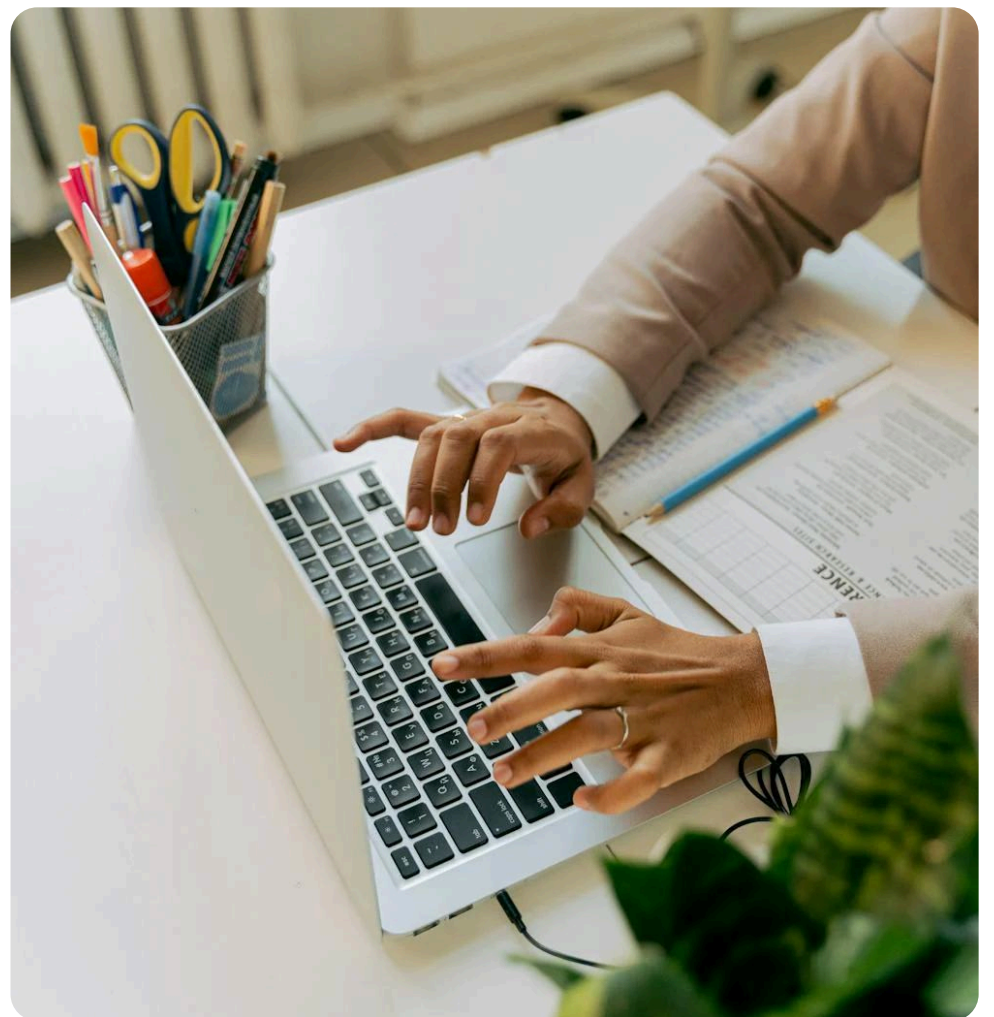
- **Ease and accessibility:** 86% of customers find flexible payments easy to use, and 90% value the simple, intuitive application process
- **Trust and high value:** 81% of users trust flexible payment providers, and 81% also see significant value in the service

- **Exceptional loyalty:** An NPS score of +62 reflects strong satisfaction and consistent advocacy

Why customers love flexible payments:

According to surveys, customers consistently cite reasons that reflect their appreciation for genuine care and financial empowerment:

- Support during emergencies
- Feeling valued by the service
- Access to versatile merchant options
- Financial flexibility that helps them manage expenses
- Convenience and ease of use
- No negative impact on credit scores



5 Real stories, real impact

Shoppers using flexible payments often share how these solutions improve their lives. Here are just a few examples:

“I needed a way to afford urgent car repairs without stressing about my budget. Flexible payments gave me breathing room when I needed it most.”



“The ability to split payments into smaller amounts makes it so much easier to shop for my family without feeling overwhelmed.”



“I love the convenience of using the app—it’s quick, simple, and perfect for everyday purchases.”



Takeaway: Shoppers value services that prioritize their needs, offering convenience, trust, and financial support. By aligning with flexible payment solutions, merchants can connect with customers on a deeper level, driving satisfaction and loyalty.

6 Spending behavior across categories and channels

Maximize sales by understanding how customers shop and what they buy.

Where they shop:

Top categories include electronics, apparel, beauty, and travel, giving merchants opportunities in high-demand sectors

Category	Items	Brands
Electronics	smartphones, laptops, tablets, gaming monitors, keyboards, cameras, VR headsets, headphones, earbuds, printers, scanners	Apple, Samsung, HP, Microsoft, Lenovo, Sony, Dell, LG, Toshiba, Insignia, JBL, Beats, Bose, Nintendo, ASUS, Acer, Gigabyte, MSI, Razer, Fitbit, Vizio, Canon, Logitech, GoPro, PlayStation, Xbox, Roku, Fire TV, Amazon Echo, AirPods, Google Chromecast, Oculus, Meta Quest, Fitbit
Clothing & Accessories	handbags, jewelry, watches, hats, sunglasses, belts, scarves, gloves, coats, jackets, hoodies, sweaters, jeans, dresses, skirts, tops, shirts, pants, shorts, leggings, activewear, swimwear, socks, underwear, lingerie	Nike, Adidas, Puma, Reebok, Converse, Skechers, UGG, Dr. Martens, Vans, Crocs, Timberland, Jordan, Fila, New Balance, Birkenstock, Levi's, Wrangler, Gucci, Coach, Michael Kors, Kate Spade, Louis Vuitton, Ralph Lauren, Columbia, North Face, Patagonia, Lululemon, Under Armour, Fashion Nova, Shein, Zara, H&M, Forever 21, Old Navy, Gap, Express, Uniqlo, Macy's, Nordstrom, J.Crew, American Eagle, Abercrombie, Hollister, Hot Topic, Aeropostale, T.J. Maxx, Marshalls, Ross, Burlington, DSW, Foot Locker, Champs, Journeys, Lids, New Era, Victoria's Secret
Entertainment	concerts, sports events, theater, movies, amusement parks, theme parks, museums, zoos, aquariums, gaming consoles, video games, board games, puzzles, toys, Funko Pop, action figures, collectibles	Ticketmaster, StubHub, Live Nation, Eventbrite
Health & Wellness	health supplements, vitamins, minerals, protein powder, fitness equipment, workout gear, yoga mats, exercise bands, energy bars, wellness products, medical supplies, prescriptions, over-the-counter medications	CVS, Walgreens, Rite Aid, GNC, Vitamin Shoppe, Holland & Barrett

Category	Items	Brands
Beauty & Personal Care	skincare, makeup, haircare, fragrance, bath and body products	Sephora, Ulta, MAC, Clinique, Estee Lauder, L'Oreal, Maybelline, Revlon, CoverGirl, Neutrogena, Olay, Dove, Gillette, Schick, Nair, Venus, Pantene, Head & Shoulders, Herbal Essences, Garnier, TRESemmé, Aussie, OGX, Redken, Paul Mitchell, Matrix, Aveda, Kérastase, Moroccanoil, Oribe, Drybar, Bumble and bumble, John Frieda, Clairol, Sally Hansen, Essie, OPI, Urban Decay, Too Faced, Benefit, Anastasia Beverly Hills, Huda Beauty, Fenty Beauty, Kylie Cosmetics, Jeffree Star Cosmetics
Travel	plane tickets, hotel stays, travel accessories, luggage, rental cars, cruises, vacation packages	Airbnb, Booking.com, Expedia, Priceline, Hotels.com, Marriott, Hilton, Hyatt, IHG, Choice Hotels, Best Western, Wyndham, Southwest Airlines, Delta Airlines, United Airlines, American Airlines, JetBlue, Alaska Airlines, Spirit Airlines, Frontier Airlines
Home & Garden	lawn and garden, outdoor furniture, home decor, kitchen appliances, bedding, bath accessories, furniture, lighting, tools, hardware, paint, flooring, storage solutions, cleaning supplies	Home Depot, Lowe's, Menards, Ace Hardware, True Value, Tractor Supply, Harbor Freight, IKEA, Wayfair, Overstock, Bed Bath & Beyond, Crate & Barrel, Pottery Barn, West Elm, Williams-Sonoma, Restoration Hardware, CB2, Pier 1, World Market, Ashley Furniture, Rooms To Go, Bob's Discount Furniture, Raymour & Flanigan, Mattress Firm, Sleep Number, Casper, Purple, Tuft & Needle, Leesa, Serta, Sealy, Tempur-Pedic
Automotive	car accessories, car parts, tires, batteries, oil, fluids, car maintenance, car repair, car cleaning products	AutoZone, Advance Auto Parts, O'Reilly Auto Parts, NAPA Auto Parts, Pep Boys, RockAuto, CarParts.com, Tire Rack, Discount Tire, Firestone, Goodyear, Bridgestone, Michelin, Pirelli, Continental, BFGoodrich, Yokohama, Cooper, Hankook, Falken, Kumho, Toyo
Home Improvement	tools, hardware, building materials, electrical, plumbing, lighting, flooring, paint, home renovation, home repair, DIY projects	Home Depot, Lowe's, Menards, Ace Hardware, True Value, Tractor Supply, Harbor Freight
Subscriptions and Memberships	gym memberships, magazine subscriptions, streaming services, subscription boxes	Netflix, Hulu, Disney+, Amazon Prime, Apple Music, Spotify, Pandora, Audible, Birchbox, Ipsy, Stitch Fix, Trunk Club, Dollar Shave Club, Blue Apron, HelloFresh
Pets	pet essentials, pet toys, pet accessories, pet grooming, pet health products	PetSmart, Petco, Chewy, Pet Supplies Plus, Petland
Books & Media	audiobooks, e-books, physical books, DVDs, Blu-rays, CDs, vinyl records, comic books, manga, graphic novels	Barnes & Noble, Books-A-Million, Powell's Books, Book Depository, Audible, Kindle, iBooks, Kobo

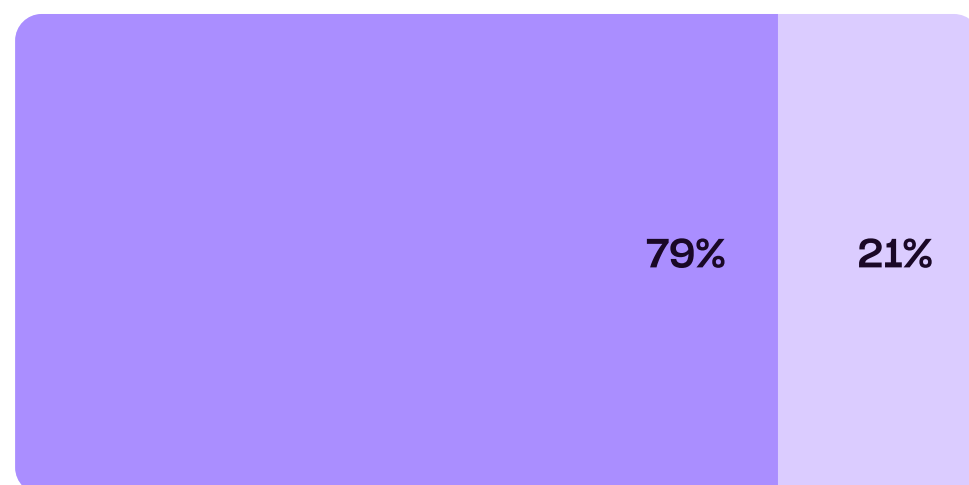
Category	Items	Brands
Office Supplies	office furniture, office electronics, stationery, shipping supplies, breakroom supplies	Staples, Office Depot, OfficeMax, Quill, Uline, Amazon Business
Education	textbooks, school supplies, educational software, tutoring services	Chegg, Amazon, Barnes & Noble
Baby & Kids	baby clothes, baby gear, baby toys, kids' clothes, kids' toys, strollers, car seats, cribs, nursery furniture	Babies "R" Us, BuyBuy Baby, Carter's, OshKosh B'gosh, The Children's Place, Gymboree, Janie and Jack, Pottery Barn Kids, BabyGap, Fisher-Price, Graco, Chicco, Britax

7 Channel preferences

Unlock growth by implementing strategies that align with high-value customer preferences:

- 79% of transactions occur via mobile app, highlighting the importance of mobile-first strategies
- Average order values differ by channel, with app transactions averaging \$122, while web or in-store checkouts average \$134—suggesting an opportunity to promote higher-value purchases across these channels

Checkout vs app



● Mobile app ● Checkout

Takeaway: Businesses that optimize for mobile shoppers and align with popular categories can drive higher conversion rates and average order values.

8 Strategies for merchant success

Unlock growth by implementing strategies that align with high-value customer preferences:

- **Promote financial flexibility:** Interest-free installments appeal to customers balancing tight budgets or looking to manage larger purchases
- **Engage millennials and Gen Z:** Focus on convenience, value, and tech-friendly experiences to attract these digitally native, high-spending generations
- **Leverage family-oriented offers:** With 43% of users living in family households, merchants can attract these shoppers by offering discounts on essentials or bundling products
- **Bridge online and offline:** Provide seamless in-store¹ and online experiences, ensuring consistent checkout options across all channels
- **Focus on mobile optimization:** With 79% of transactions occurring via app, merchants that enhance mobile shopping experiences can increase visibility and conversions

Takeaway: By adopting strategies tailored to customer preferences, merchants can maximize satisfaction, retention, and sales.

¹Zip can only be used for US purchases. Certain merchant, product, goods, and service restrictions apply.

Ready to drive business growth?

Flexible payment options are more than just a checkout solution—they are a proven strategy for growing revenue, expanding reach, and increasing customer loyalty.

Explore your potential: Book a demo to discover actionable insights tailored to your business, including how to:

- Recover revenue from declined transactions
- Increase average order values and basket sizes
- Tap into loyal audiences that value financial flexibility

Take the next step:

[Book a demo](#) today and explore how flexible payment solutions can transform your business strategy.



This whitepaper was prepared by the Zip Research and Insights team in May '24 using comprehensive market analysis, independent transactional data, and extensive customer and merchant surveys. Our team is dedicated to providing valuable insights to help merchants optimize their business strategies and maximize the benefits of BNPL services.

Sources used:

1. Active users that have transacted in the past 12 months
2. [Customer Demographic Nov '23](#)
3. US Census, [Income in the United States: 2022](#), September 12, 2023. Report Number P60-279.
4. Zip External Brand Report May '24
5. Zip US NPS, as of May '24
6. [Macro & Competitor Update: April 2024](#)
7. [Repeat rate by month from Jan '23 -May '24](#)

© 2025 'Quadpay,' 'Zip,' the 'Q Logo' and 'Zip' Logos, and all tag lines used in conjunction therewith including 'Any Store, Split in 4 and 'Can I Zip It?' are trademarks of Zip Co Ltd. or its subsidiaries in the jurisdictions in which any of them operate. All other product names, logos, brands, trademarks, and registered trademarks are the property of their respective owners. All company, product, and service names and logos used in this website are for identification purposes only. Use of these names, trademarks, and brands do not imply endorsement. Zip Co US Inc. [NMLS ID 1963958 Consumer Access](#). Loans to California residents, other than loans through the Zip Pay Anywhere and Zip Web Checkout are made or arranged pursuant to a California Lenders Law license. Loans through Zip Pay Anywhere and Zip Web Checkout (including any "powered by Zip" loans) are originated by WebBank. You must be over 18, a resident of the U.S., and meet additional eligibility criteria to qualify. Installment fees may apply. Please check your loan disclosures for details. Late fees apply.