

Nigeria Buy Now Pay Later Business and Investment Opportunities - 75+ KPIs on BNPL Market Size, End-Use Sectors, Market Share, Product Analysis, Business Model, Demographics - Q1 2025 Update

Market Report | 2025-02-10 | 88 pages | PayNxt360

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- Single User Price \$1500.00
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Report description:

According to PayNXT360, BNPL payment market in Nigeria is expected to grow by 13.8% on annual basis to reach US\$1,622.4 million in 2025.

The BNPL market in the country experienced robust growth during 2021-2024, achieving a CAGR of 23.1%. This upward trajectory is expected to continue, with the market forecast to grow at a CAGR of 10.0% during 2025-2030. By the end of 2030, the BNPL sector is projected to expand from its 2024 value of USD 1,425.8 million to approximately USD 2,614.2 million.

This report provides a detailed data-centric analysis of the Buy Now Pay Later (BNPL) industry in Nigeria, covering market opportunities and risks across a range of retail categories. With over 75 KPIs at the country level, this report provides a comprehensive understanding of BNPL market dynamics, market size and forecast, and market share statistics.

It breaks down market opportunities by type of business model, sales channels (offline and online), and distribution models. In addition, it provides a snapshot of consumer behaviour and retail spending dynamics. KPIs in both value and volume terms help in getting an in-depth understanding of end market dynamics.

PayNXT360's research methodology is based on industry best practices. Its unbiased analysis leverages a proprietary analytics platform to offer a detailed view of emerging business and investment market opportunities.

Key Insights

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Nigeria's BNPL market is experiencing rapid growth, driven by increased e-commerce activity, financial inclusion initiatives, and changing consumer preferences. The expansion of BNPL beyond online retail into sectors such as transportation and utilities highlights its growing role in the broader financial ecosystem. With projections indicating steady growth over the next few years, the market will likely see increased competition, prompting providers to diversify their offerings and enhance accessibility to a wider consumer base.

Strategic partnerships further strengthen BNPL adoption, allowing fintech firms and retailers to integrate flexible payment solutions into their platforms. As these collaborations continue, BNPL services are expected to become more mainstream, reshaping how consumers manage credit and financial transactions. Over the next 2-4 years, Nigeria's BNPL sector will continue evolving, offering more tailored financing options while contributing to the overall digital transformation of the country's financial landscape.

Rapid Expansion of BNPL Services

- Nigeria's BNPL sector is expanding rapidly, driven by increasing consumer demand for flexible payment solutions. Projections estimate that BNPL payments will reach \$5.59 billion by 2024, highlighting the sector's role in shaping digital financial transactions. As more consumers seek alternatives to traditional credit, BNPL services are becoming preferred for managing short-term credit needs.
- Several factors contribute to this expansion, with e-commerce growth playing a central role by creating demand for installment-based payment options. Additionally, BNPL services address financial inclusion challenges by offering credit access to individuals without traditional banking relationships. Many consumers also favor BNPL over credit cards due to its transparent fee structures and ease of use, further driving adoption.
- Over the next few years, the expansion will likely intensify competition among BNPL providers, leading to more tailored product offerings and enhanced accessibility. As the sector matures, BNPL services could become a mainstream financial tool, contributing to broader financial inclusion and digital payment adoption across Nigeria.

Integration of BNPL in Various Sectors

- Expanding BNPL services beyond traditional retail into sectors such as transportation and utilities is reshaping Nigeria's financial ecosystem. One notable instance is the Nigerian government's 'convert now, pay later' initiative, which allows vehicle owners to transition from petrol-powered engines to compressed natural gas (CNG) through installment payments. This development demonstrates the increasing role of BNPL in providing financial flexibility for essential services.
- The primary driver of this trend is the need for alternative financing solutions in sectors where upfront costs can be a barrier to adoption. By offering installment-based payments, BNPL providers make significant expenses, such as vehicle conversions, more accessible to a broader population. This approach also aligns with broader financial inclusion efforts, ensuring that consumers with limited access to traditional credit can still participate in key economic and environmental initiatives.
- Over the next few years, integrating BNPL into diverse sectors will accelerate the shift toward digital payment adoption. As more consumers become comfortable using BNPL for everyday expenses, the financial ecosystem will likely become more inclusive, reducing dependence on cash transactions. This expansion could also stimulate consumer spending across multiple industries, further driving economic activity and supporting Nigeria's broader adoption of digital financial services.

Strategic Partnerships Enhancing BNPL Reach

- Strategic partnerships are crucial in expanding BNPL adoption in Nigeria, allowing providers to scale their services more efficiently. Collaborations such as Jumia Nigeria's partnership with Easybuy and CredPal illustrate how BNPL firms integrate their solutions into established e-commerce platforms. These alliances make BNPL more accessible to consumers, increasing adoption and driving digital payment growth.

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- The primary motivation behind these partnerships is the ability to tap into existing customer bases and leverage established distribution networks. By working with e-commerce platforms, fintech firms, and financial institutions, BNPL providers can quickly gain market share while offering diverse financing options. This approach accelerates penetration and strengthens the overall BNPL ecosystem, making it a viable alternative to traditional credit.
- Over the next few years, BNPL partnerships will deepen, enhancing visibility and trust in installment-based payment solutions. As more retailers and fintech firms integrate BNPL into their services, consumer adoption will likely grow, reinforcing BNPL as a mainstream payment method. Additionally, these collaborations will foster innovation in credit solutions, leading to more tailored and flexible payment options that cater to Nigeria's evolving financial landscape.

Competitive Landscape and Regulatory Developments in Nigeria's Buy Now, Pay Later (BNPL) Market

Nigeria's BNPL market is expanding rapidly, driven by increased digital adoption, growing e-commerce activity, and rising consumer demand for flexible credit solutions. Key players such as CredPal, Easybuy, and Motito are scaling their operations, while partnerships such as Jumia Nigeria's collaborations with BNPL providers signal a maturing sector. As BNPL services integrate into online and offline retail, they are expected to become a mainstream credit alternative, improving financial access for consumers and small businesses.

Looking ahead, competition in Nigeria's BNPL space is expected to intensify, with established players expanding their offerings and new entrants driving innovation. Regulatory developments, including Central Bank guidelines for non-interest digital banks and tax incentives for fintech firms, will further shape the sector, ensuring sustainable growth. As the market evolves, BNPL services are poised to play a significant role in Nigeria's financial ecosystem, driving financial inclusion and enhancing consumer purchasing power.

Current State of the BNPL Market

- Nigeria's BNPL market is expanding rapidly, fueled by the increasing adoption of e-commerce and the rising demand for flexible payment solutions. Consumers seek alternative credit options that provide greater financial flexibility, leading to the widespread adoption of BNPL services.
- BNPL is set to become an integral part of Nigeria's financial landscape. As more consumers and businesses embrace installment-based payment models, BNPL providers will likely expand their offerings and partnerships to meet evolving market demands. This growth trajectory positions BNPL as a key driver of financial inclusion and digital credit accessibility in the country.

Key Players and New Entrants

- CredPal: A Nigerian BNPL startup, CredPal has expanded its offerings. Customers can pay within 30 days with 0% interest or spread payments over 2 to 6 months. This flexibility is available to both online and in-store shoppers, and additional benefits such as discounts and cashback are also available.
- Easybuy: Partnering with Jumia Nigeria, Easybuy offers BNPL options on Jumia's platform, aiming to attract more consumers to BNPL services.
- Motito: Based in Ghana, Motito launched its "Pay later" option, focusing on simplifying consumer hire purchases. This service is aimed at African startups and makes it easier to purchase essential goods.

Recent Launches, Mergers, and Acquisitions

- Recent developments in Nigeria's BNPL market highlight a strategic push toward expanding service accessibility. Kueski's introduction of an in-store payment option using QR codes represents a shift toward omnichannel BNPL adoption, allowing consumers to use installment-based payments in physical retail settings. This move enhances BNPL's reach beyond e-commerce,

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catering to a wider audience still prefers in-person shopping experiences.

- Similarly, the Shein-Stori partnership has resulted in the launch of a co-branded credit card, signaling growing collaboration between fintechs and retailers. This initiative broadens BNPL accessibility, attracting a diverse customer base by integrating installment financing directly into Shein's ecosystem. These recent launches reflect the increasing competition and innovation in Nigeria's BNPL sector, which is expected to continue evolving in response to consumer demand.

Outlook

- Nigeria's BNPL market is poised for significant expansion over the next few years, with increased competition among existing players and new entrants. As providers look to differentiate themselves, strategic partnerships and technological advancements will become key growth drivers.

- With more companies investing in BNPL solutions, the industry will likely see further integration across online and offline retail environments. Innovations in digital payments and credit assessment models will enhance accessibility, attracting a broader consumer base. As the market matures, regulatory developments will also play a crucial role in shaping its trajectory, ensuring sustainable growth while addressing potential risks associated with alternative credit solutions.

Regulatory Changes

- Recent regulatory changes in Nigeria aim to expand financial inclusion and encourage growth in the fintech sector. In March 2024, the Central Bank of Nigeria introduced guidelines for non-interest digital banks, creating a framework for Shariah-compliant financial services. These regulations are expected to attract new market players, providing consumers with ethical financing alternatives and increasing access to digital credit solutions.

- The Nigerian government has also implemented tax incentives to support fintech companies in the alternative lending space. Reduced corporate tax rates and investment tax credits for financial technology infrastructure aim to drive market expansion and enhance credit accessibility for individuals and small businesses. These regulatory developments will likely foster innovation in BNPL and other digital lending models, further strengthening Nigeria's financial ecosystem.

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