PAYMENT TRENDS

Navigating Payment Trends in 2025:
Key Insights for Merchant Growth



About This Report

As e-commerce evolves, so do consumer expectations and the technology supporting their experiences. Riverty conducted this research to explore the role of Buy Now, Pay Later (BNPL) solutions in shaping e-commerce and how merchants can leverage these trends to stay competitive in a crowded marketplace.

Research Methodology

Riverty analyzed the checkout processes and payment options of leading e-commerce merchants in 2024, more specifically of the top 300 merchants by revenue in Germany and the Netherlands. Merchant rankings were sourced from the eCommerce Database.

The Power of BNPL in E-commerce Growth

BNPL has become a game-changer, driving higher revenue by giving consumers the flexibility they need to make purchases comfortably. Between 2014 and 2024, e-commerce revenue in Germany grew dramatically, projected to hit €79.5 billion* by the end of 2024. Statista's data shows Germany currently holds 60% of the BNPL market share in Europe, followed by Switzerland, Sweden and the Netherlands. By reducing cart abandonment and boosting average order sizes, BNPL has significantly contributed to this growth.

*ECDB Whitepaper 'eCommerce in Germany 2024'

Why This Report Matters for Decision-Makers

This report offers actionable insights for leaders looking to optimize payment strategies and leverage BNPL for sustained growth. Here's what we cover:

Market & Consumer Trends

Key trends shaping payment solutions today and tomorrow.

Actionable Strategies

Best practices to strengthen payment offerings.

Competitive Insights

Strategies employed by top e-commerce players.

Riverty's Innovations

Unique solutions for addressing current and future challenges.

The E-commerce Landscape in ‘24

Key Challenges for E-commerce Merchants

The e-commerce sector in 2024 is booming but also intensely competitive. Here’s a look at some of the primary challenges merchants face:

Increased Fraud

Cyber threats are growing, making security paramount.

Data Access Restrictions

Stricter regulations around consumer data impact personalized marketing.

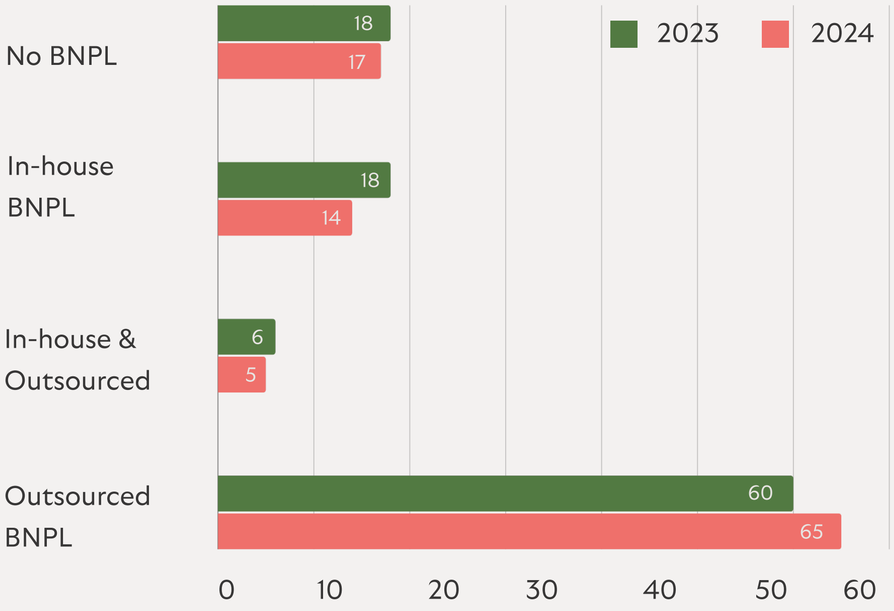
Competitive Pressure

A crowded market means more players offering similar products.

Rising Costs for In-House BNPL

Merchant-owned BNPL solutions are costly due to economic and regulatory pressures.

BNPL adoption of top 300 merchants from DE & NL





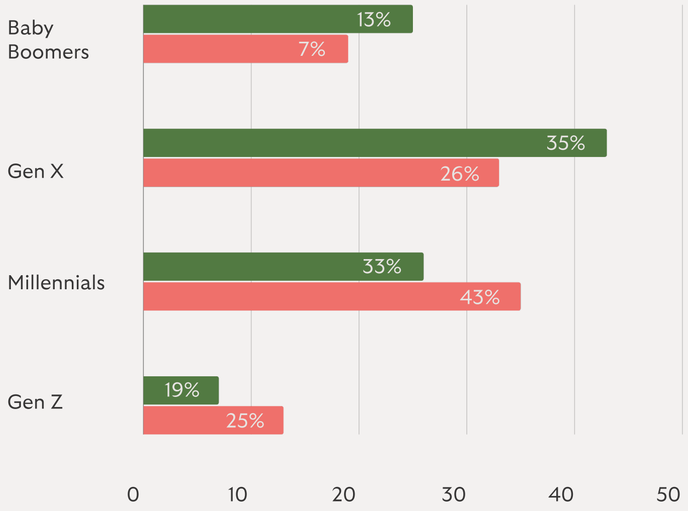
Our research shows a trend toward outsourcing BNPL solutions among the top 300 merchants, indicating a shift toward efficiency and cost-effectiveness.

What's Driving BNPL Adoption Among Consumers?

Why Consumers Love BNPL

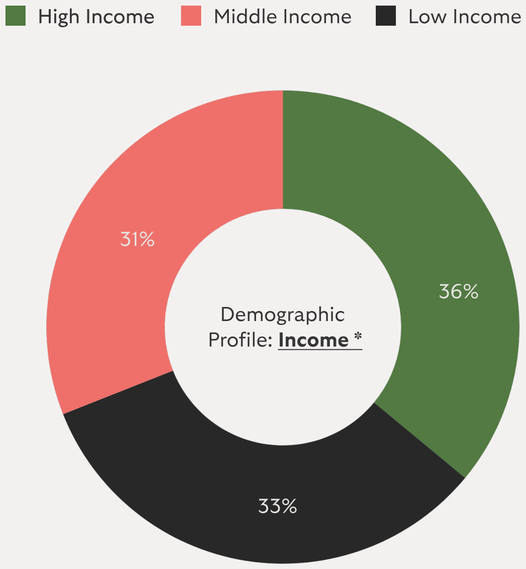
Recent studies show the growing appeal of BNPL solutions among consumers:

Demographic Profile: **Life Stages***



Average German Consumer (all respondants)

German Consumers who used BNPL in the past 12 Months



*Source: Statista Consumer Report "Target audience: Buy now, pay later users in Germany"

Frequent Use

Over 56% of consumers in Germany and the Netherlands reported increased BNPL usage in 2023.

Flexibility is Key

70% of consumers prefer retailers that offer BNPL, with top reasons being the ability to manage larger purchases, the ease of use, and better cash management.

Millennials & Gen Z

The largest BNPL user group, with 75% falling between the ages of 18-35.

Generational Trends

Gen Z and Millennials primarily use BNPL for clothing and electronics, while Boomers favor it for furniture and appliances.

Income Spectrum

BNPL is popular across income levels, with a notable increase among middle- and high-income consumers.



Why Consumers Choose BNPL

Better Financial Management

63% use BNPL to manage budgets and cash flow.

Avoiding Credit Card Debt

62% use BNPL to avoid credit card interest, taking advantage of interest-free options.

Instant Product Access

The desire for quick access drives 55% of consumers to use BNPL.

How BNPL Boosts Merchant Performance.

The data is clear: merchants using BNPL see real benefits:

High Adoption Rates

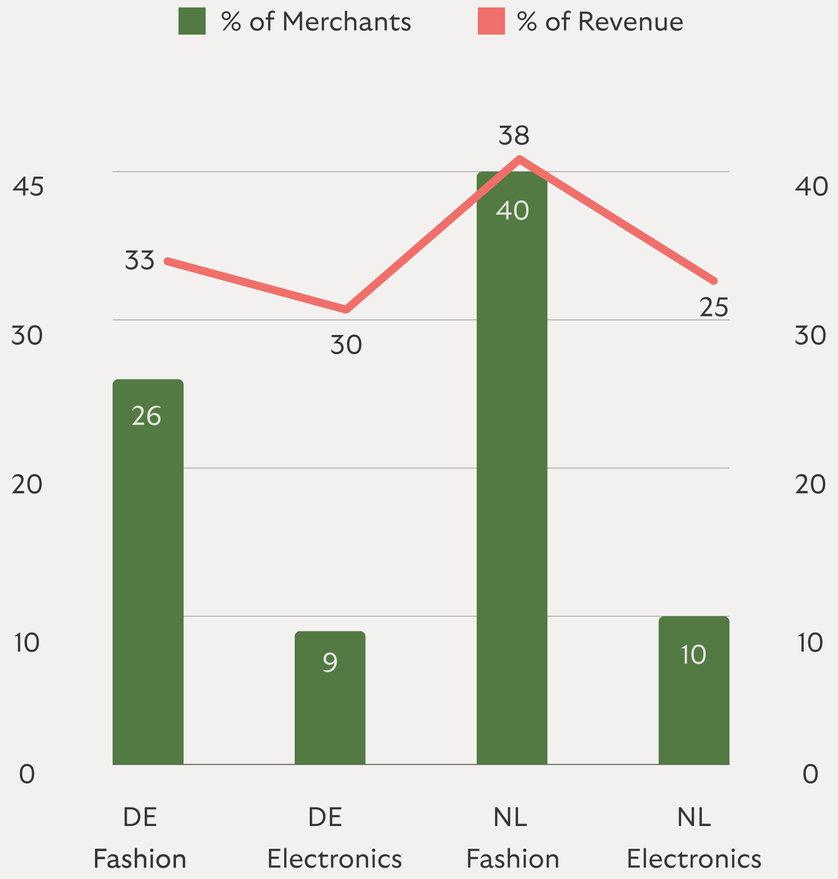
Among the top 300 German e-commerce stores, 89% now offer BNPL options. In the Netherlands, this figure stands at 78%.

Increased Average Order Values (AOV)

46% of merchants report higher AOVs with BNPL, as customers feel more confident making larger purchases.

Better Checkout Conversion

57% of merchants note fewer abandoned carts with BNPL options available.



Fashion and Apparel

Leading in BNPL adoption, with 89.9% of fashion merchants offering it.

Electronics and Home & Lifestyle

These sectors are also seeing a strong BNPL uptake as consumers look for payment flexibility for big-ticket items. 57% of merchants note fewer abandoned carts with BNPL options available.

Notably, in Germany, 26% of merchants belong to the fashion sector, contributing 33% of the nation's e-commerce revenue. By comparison, the electronics sector, with only 9% of merchants, accounts for 30% of revenue.

Preparing for 2025

Top Payment Trends and Strategie

Get ready for 2025! By reassessing your payment options now, your business will be primed to capture growth opportunities. Use this checklist to drive changes that ensure a seamless, competitive, and consumer-friendly experience.

To stay competitive and meet changing consumer preferences, merchants can leverage the following strategies:

1. Diversify Payment Methods for a Customized Check out Experience:

As consumers demand more flexibility, BNPL solutions have evolved to offer personalized payment options. Merchants can capitalize on this trend by providing multiple BNPL choices, appealing to a wider customer base.

Expand BNPL Providers
The share of top German merchants offering multiple BNPL options rose from 1.7% in 2021 to 16.3% in 2024, showcasing the growing demand for diverse payment choices. Expanding BNPL choices aligns with consumer preferences, driving satisfaction and repeat purchases.

Build Consumer Trust and Satisfaction with Third-Party BNPL

- **High Repeat Usage:** 85% of BNPL users are likely to use the service again, highlighting strong satisfaction and loyalty.
- **Ethical and Transparent Practices**: 62% of consumers prefer companies with clear, responsible lending practices, strengthening brand trust and loyalty.

Offer Flexible Payment Plans

- **Flex:** Through Riverty's Flex, customers can adjust monthly payments, repayment periods, and view total interest directly in the Riverty app.
- **Monthly Invoice:** Riverty's Monthly Invoice consolidates multiple purchases into one monthly statement, simplifying payment management for users.

2. Invest in Seamless Integration with Payment Service Providers (PSPs)

Efficient integration with PSPs is essential to optimize checkout processes and ensure smooth operations.

- **Easy Integration**
  Choose PSPs that connect smoothly with existing systems to simplify setup.
- **Unified Platforms**
  Use single-interface solutions to manage multiple payment methods efficiently.



3. Simplify the Checkout Process to Boost Conversion

A frictionless checkout process reduces cart abandonment and enhances the customer experience, particularly for mobile shoppers.

- **Minimize Friction**
  Reduce steps and use auto-fill to keep customers engaged.
- **Optimize for Mobile**
  With 70% of customers shopping via mobile, streamline the checkout flow and improve load times for a seamless experience.

About Riverty

Why choose Riverty?

Since 2006, Riverty has helped **6,000+** retailers across beauty, fashion, electronics, and DIY streamline payments. Trusted by **5.5 million** consumers monthly across Europe, we handle everything from invoicing to debt collection, allowing you to focus on growing your business.

Learn More About Riverty