



# Billion dollar fintech, Afterpay, shares secrets of rapid global growth

Afterpay is one of Australia's flagship fintech unicorns. Launched in 2015, the company has already notched up its 10 millionth customer. The company has scaled up overseas at a blistering pace with a unique payments service that enables consumers to stagger payments.

In this case study, Senior Manager for Public Policy, Marty Gray explains how the company grew so fast, including:

- How the company's merchant-partnering model powered ultra-fast scaling
- How Austrade helped raise the company's profile overseas
- What makes Australian fintech competitive in global markets.

It's quite a story. By mid-June, 55,400 retailers around the world were using the Afterpay service – including merchants in US, UK, Canada and New Zealand. And by stealing a march on global competitors, Afterpay has created an Australian fintech with amazing, long-term prospects.

To find out more about how Austrade can help Australian tech companies grow rapidly in overseas markets, please contact [Austrade](#).

## Simple ideas make for rapid growth

Australian fintechs are great at creating unique products. Their challenge: how to capitalise on their creativity – *and grow fast in global markets*. First-mover advantage is critical. Most areas of modern tech are dominated by the one or two companies that 'got their first'.

Afterpay has grown ultra-fast. In just five years, the company went from Melbourne startup to global unicorn. In 2019, the company generated a revenue of over A\$250 million and the company is still expanding fast.

Senior Manager for Public Policy, Marty Gray, explains the foundation of Afterpay's success.

'We created something that was simple and super clear, so that millennials would use it,' he says. 'Merchants like the service because the deferred payment option improves sales from hard-to-reach Millennial and Gen Z customers. Consumers like the flexibility to budget for their purchases without incurring interest or racking up long-term debt.'

## If the product-market fit is right for Australia – it's probably right elsewhere

Afterpay is a modern-day instalment payment service provider that enables its customers to buy products on a 'buy now, receive now, pay later' basis. Customers purchasing products using Afterpay receive the product upfront and repay the purchase price in four equal instalments. According to Marty, that was a new idea – and it's proved a global hit.

Marty says the secret to rapid scaling in fintech is getting the product right for the market at exactly the right time. And he says that if it's right for the Australian consumer market it's probably right for global markets too.

'We had a strong product-market fit from the start,' he says. 'With e-commerce taking off, the market was ripe for our product. People want an alternative to credit that just gives them payment flexibility.'

'The reason why Afterpay was successful in the US and UK is the same reason we were successful in Australia. And that's really the point: it's getting the product-market fit right. Get that right – then go for it.'

## How did they scale so fast?

One thing that stands out about Afterpay is the merchant partnering model. Marty says this is vital to Afterpay because it gives partners a huge incentive to adopt their service. This – in turn – powers a global scaling phenomenon.

'One of the reasons why Merchants like Afterpay is because it gives them access to a wider consumer base,' he says. 'When they sign up to Afterpay, they join the Afterpay Shop Directory. This makes Afterpay a powerful marketing channel and data partner for retailers, so there's multiple reasons to partner with us.'

Afterpay's founder-chief executive, Anthony Eisen, emphasises the point. If it makes your partners money, then you've created a self-scaling dynamo.

'They [retailers] want to partner with a product that's going to grow their business and represent their brand in the right way,' he says.

## Introductions to commercial partners at overseas events

Austrade helped Afterpay to find receptive commercial partners. This was vital: Afterpay's growth model depended on recruiting hundreds of merchants – quickly.

'Austrade helped us get slots to give talks at stakeholder events,' says Marty. 'For example, Austrade helped us to gain a presence at fintech festivals in Canada, Singapore, Taipei and UK in 2020. That gave us excellent exposure: it generated buzz and momentum, and got our name around.'

## Austrade helps gain institutional contacts

One-on-one contacts also proved valuable.

'Austrade introduced us to the Toronto Board of Trade, which in turn got us connected to Invest Canada,' says Marty. 'Austrade also helped us increase our exposure to key customers elsewhere in Canada and the US.'

'Also, Austrade provided market research for us and they helped us to craft our launch strategies in individual markets. With Austrade's assistance, we accelerated launch plans in several markets.'

San Francisco based Business Development Director, David Brown, assisted with Afterpay's Canadian expansion and connected Afterpay to major commercial opportunities in the US, including e-commerce platform Houzz.

'It was great to work with such a well-known Australian tech company', says David. 'The strength of the Afterpay brand – and the reputation of Australian fintech in general – helped a lot when engaging potential targets'.

## Australian fintech showcases ingenuity and flair

Today, Afterpay is proving that Australian fintech has the potential for global success. The company now has more customers in the US than in Australia.

Marty says that part of their success is because Australia is a great place to nurture fintechs. If startups are fast, they can prove a concept in Australia's financial markets then scale up swiftly in global financial hubs.

'There is a proactive relationship in Australia between the industry and regulators, and this helped us get our financial product established,' says Marty. 'It gave us a first-mover advantage.'

'Great talent is coming to Australia, which is why we do our development work here. Increasingly, Australians are creating world-leading technology.'

## Austrade helps with regulatory engagement in overseas markets

Fintechs are often required to engage with Government regulators when expanding internationally. So one of the ways that Austrade helps is by providing guidance in overseas jurisdictions.

'Having proactive and positive engagement with Governments is a core of Afterpay's international growth strategy,' says Marty. 'Austrade provided advice and introductions to key government stakeholders, so that we could provide them with an overview of our product.'

'Austrade's credibility and extensive contact list helps make sure we are speaking to the right people in overseas markets.'

## Working with Austrade

Afterpay and Austrade will continue to work together around the world.

'Afterpay is an example of an Australian fintech committed to global expansion' says Bernice Vanguardia, Global Engagement Manager, Austrade. 'Our Global Engagement Team continues to work with Afterpay to help them replicate their success in Canada and the US in other key markets.'

For more information, please contact [Austrade](#).

## About Austrade

Austrade is Australia's leading trade and investment agency. We have the power to open doors, unlock opportunities overseas and help Australian businesses go further, faster.

We also introduce foreign investors to Australian partners, strengthening global supply chains, creating local jobs and boosting the economy.

Promoting Australia's growth and prosperity is why we're here.

To discover how we can help you and your business, visit [austrade.gov.au](https://austrade.gov.au) or contact us at [info@austrade.gov.au](mailto:info@austrade.gov.au) or on 13 28 78 (within Australia).

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