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within a merchant's online checkout. It enables merchants to offer consumers the option to spread payments over time with low APR financing offers and provides an ...

Isaac M. O'Bannon • Apr. 17, 2018



Online merchants in the U.S. are increasingly recognizing the importance of offering instant financing to shoppers, according to a new online e-commerce survey. Nearly two-thirds of retailers polled (64 percent) believe providing online financing options through their store is important to driving new and increased sales.

Forty-six percent indicate it would decrease cart abandonment – still one of the most critical challenges for online retailers today. The survey was released here by Klarna,

a global payments provider.

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consumers by providing additional freedom, flexibility and buying power,” said Klarna North America CEO Jim Lofgren. “The speed and simplicity with which consumers can apply and be approved for instant financing is widely believed to convert more sales.”

The online study was fielded between January 2 and 23, 2018 by Researchscape International on behalf of Klarna North America (www.klarna.com). The survey of 263 U.S. online retailers was designed to better understand their behavior, implementation and attitudes regarding instant financing and its impact on their business. The roles of respondents ranged within their organizations from manager to president. The credibility interval is ± 9 percent. The survey results were not weighted.

Following on to their belief that instant financing is important to boosting their bottom lines, online retailers also rated the top three most important features of point-of-sale (POS) financing as *simplicity of online application*, *speed of approval* and *keeping consumers on their sites during the approval process*.

The merchant survey, which recognizes the importance of instant financing among online retailers, corresponds with consumer attitudes as revealed in a Klarna-sponsored survey last year that showed:

- Three quarters of consumers (75 percent) indicate preference for online merchants offering instant financing
- 39 percent said they would spend more money if given instant credit options when purchasing goods and services online
- 28 percent would be very likely or completely likely to change merchants in order to use instant financing
- Nearly half of respondents (47 percent) would like to be presented with an instant financing option while shopping online

“Our survey of U.S. online merchants provides an intriguing look into the ‘sell side’

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helps them achieve their business goals rather than determining the rate unilaterally. This includes providing them with the quickest and most seamless instant approval process that does not take the customer away from the sites of our merchant partners.”

Small Business

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