

Splitit survey shows most prefer a Buy Now, Pay Later option on existing credit cards vs. a new line of credit

Monthly payments favored over pay-in-four, while home improvement, home décor, travel and jewelry categories among those to benefit in 2022 from flexible credit card payment options

NEW YORK, Feb. 2, 2022 /PRNewswire/ -- New data revealed by Splitit (ASX:SPT, OTCQX:SPTTY) indicates a closer correlation between credit cards and Buy Now, Pay Later (BNPL) as 60% of consumers would prefer to use a BNPL option with existing credit cards versus opening new lines of credit. The survey also showed most consumers prefer making monthly over bi-weekly payments and prefer longer terms, especially for larger purchases. Additionally, 64% of consumers anticipate their credit card spending to be the same or more than they did in 2021.

Splitit survey shows most prefer a Buy Now, Pay Later option on existing credit cards vs. a new line of credit. The survey, *U.S. Consumer Perspectives: Credit Cards and Buy Now Pay Later*, found most respondents (56%) would prefer to make installment payments monthly instead of every two weeks (25%). The number increases the larger the purchase amount, with 70% preferring monthly payments on purchases of \$500 or more. Consumers also clearly prefer options in the number of payment installments. While 60% of those surveyed are fine with four or fewer payments for purchases under \$300, 66% favor more than four payments for a \$500 purchase, and 75% want more than four on purchases of \$1,000 or higher.

As shoppers think ahead to making larger purchases and considering using a BNPL or installment plan on purchases over \$1,000 in the year ahead, several categories stand out to make gains. Nearly two-thirds would make purchases on home improvement (66%) or home furnishings (63%). Beyond the home, other top categories are healthcare expenses not covered by insurance (62%), automotive accessories and repair (61%), travel (56%) and jewelry (51%).

As the market's only credit-card-based installment payment solution, Splitit enables consumers to spend smarter and better using the balance on their existing credit cards to pay for higher-ticket purchases over time without new financing, interest or fees. The company attracts higher-value shoppers willing to spend more using the flexible platform. In fact, the survey shows 60% of consumers would spend more with a merchant or upgrade their purchase if they could pay over time.

"Despite the discussions around the decline in credit card use, we're continuing to see continued growth on our platform, including many key categories around the home, fitness and sporting goods, jewelry and luxury," said John Harper, Splitit's interim CEO. "From what we're seeing so far in the past few months, 2022 will continue to be a year where people will be spending on the home and themselves. I also expect spending to shift eventually as more people are heading back to work as people upgrade their wardrobe and accessories."

Interestingly, the survey found 83% of respondents feel credit card perks – such as cash back, points or miles – were important, and 48% say it's the primary reason for using their credit cards. Because consumers who choose to pay in installments with Splitit are still using their credit cards, they continue to receive the same points or miles that they typically earn with that card.

In other findings, the survey discovered 83% are happy with their credit cards, and 71% see credit cards as part of a healthy approach to personal finances. Also, 69% would use their cards more often if they had a lower interest rate, and 63% would likely use their cards if they could pay in smaller, interest-free installments.

Methodology

Attest conducted the survey on behalf of Splitit in November 2021 using a sample pool of 2,482 US adults to build a study of 2,000 credit-card holders. The survey was constructed to form a representative sample of the U.S. working population from ages 18 to 66, with 49% male and 51% female.

About Splitit

Splitit is a global payment solution provider that enables shoppers to use the credit they've earned by breaking up purchases into monthly interest-free installments using their existing credit card. Splitit enables merchants to improve conversion rates and increase average order value by giving customers an easy and fast way to pay for purchases over time without requiring additional approvals. Splitit serves many of Internet Retailer's top 500 merchants and is accepted by more than 3,000 e-commerce merchants in over 30 countries and shoppers in over 100 countries. Headquartered in New York, Splitit has an R&D center in Israel and offices in London and Australia. The company is listed on the Australian Securities Exchange (ASX) under ticker code SPT. The company also trades on the US OTCQX under ticker codes SPTTY (ADRs) and STTTF (ordinary shares).

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