

Card-Linked Installments Surge: Merchants Report Uptick of 82% In-Store, 68% Online, New Study Finds

ATLANTA, Aug. 5, 2024 /PRNewswire/ -- New research from Splitit and PYMNTS illustrates the rapid evolution underway in the payments landscape and the implications for customer loyalty and retention. The report, "Innovations and Developments of Card-Linked Installment Plans," finds that most merchants have seen a significant increase in the use of credit card-linked installments, up 82% in-store and 68% online.

"Our research clearly shows that merchants recognize the power of credit card-linked installments to drive sales and build customer loyalty," said Nandan Sheth, CEO of Splitit. "By leveraging the existing credit consumers already have on their cards, these installment plans offer unparalleled convenience and transparency. In fact, 57 percent of merchants are increasingly concerned that without this option, they risk losing customers to competitors who do offer it."

More than one-third of merchants expect to innovate their card-linked installment offers, with only 4% admitting that they have no plans to expand or improve these offers. The share of merchants surveyed who believe their shoppers would be likely to switch to a competitor at checkout in order to pay in convenient interest-free installments using their own credit card has increased by 165% over the past year.

The survey also found:

- 50% of consumers would switch merchants in order to complete their transaction with credit card-linked installments.
- Nearly three-quarters of retailers now prefer credit card-linked installment plans over other Buy Now, Pay Later (BNPL) options, an increase of nearly 17% from last year.
- 20% of acquirers also believe that their business clients were very likely to switch acquirers in order to have the ability to offer interest-free installment plans, up 133% since October 2023.
- Consumers are 60% more likely to choose credit card-linked installments over BNPL plans for expenditures in excess of \$1,000.
- 52% of acquirers plan to innovate their credit card-linked capabilities due to growing consumer demand for more flexible payment options.
- 37% of merchants are offering select credit card-linked installment options to individual customers during checkout, up from 32% in December 2023.

Download the full report [here](#).

Methodology

The Use of Card-linked Installment Plans in Online and In-Store Sales, a PYMNTS Intelligence and Splitit collaboration, synthesizes the findings from our report series detailing acquirer, consumer and merchant preferences for installment plans. These analyses and insights are drawn from an ongoing series of surveys comprising 4,993 consumers, 150 merchants and 100 acquirers conducted from August 8, 2023, to March 28, 2024.

About Splitit

Splitit is a global payment solution provider that lets shoppers 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 originating new credit. Splitit serves many of Internet Retailer's top 500 merchants and is accepted by more than 1,500 eCommerce merchants in over 30 countries and shoppers in over 100 countries.

Splitit Media Contact:

Berns Communications Group
Danielle Poggi
dpoggi@bcg-pr.com

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