

Nearly 40% of Shoppers Plan to "Treat Themselves" Using Pay Later Options This Holiday Season, New Splitit Study Finds

New Study Also Reveals that 38% of Millennials Plan to Increase Use of Pay Later Options for Holiday Shopping

Half of Parents Rely on Pay Later Plans to Reduce the Guilt of Splurge Purchases

ATLANTA, Nov. 4, 2024 /PRNewswire/ -- Thirty-eight percent of consumers plan to use pay later options for self-gifting this holiday season, according to a new study from Splitit and PYMNTS. The report, "The Use of Card-linked Installment Plans in Holiday Shopping," highlights the golden opportunity merchants have to leverage pay later options as a powerful customer acquisition tool. The study also finds that 38% of Millennials intend to use pay later options more frequently during the holiday season than they typically do throughout the year.

"Though we see a strong interest in shoppers buying for themselves using pay later plans this holiday, nearly two-thirds of consumers also plan to use flexible payment options for gifting," said Nandan Sheth, CEO of Splitit. "Millennials and parents, in particular, are leveraging pay later options to justify large purchases and better manage their finances. In fact, 67% of parents intend to use pay later options to finance their holiday purchases this year. This season also presents an opportunity for merchants to acquire new customers, as 43% of consumers interested in using pay later plans value it enough to influence where they shop."

The new study finds that nearly half (49%) of parents say pay later plans reduce the guilt of splurge purchases by spreading large expenses out over time. That number increases to 52% for Millennials. Additional key findings underscore that 62% of consumers want to know upfront if pay later is available, influencing their purchasing decisions. This illustrates that educating consumers about these payment options before the point of purchase can drive greater adoption, particularly as more consumers (27%) are willing to pay full price when they can split payments into manageable chunks.

Additional key findings include:

- **Shoppers favor credit card-linked installments:** The study found that credit card-linked installments continues to be the most popular pay later option over the last 12 months at 39%, closely followed by traditional BNPL at 38%, with merchant store cards behind at 31%.
- **Holiday shopping sparks greater interest in pay later options:** Twenty-eight percent of holiday shoppers are highly likely to use pay later plans this season. In fact, two-thirds of consumers who intend to use pay later options this holiday plan to use them to buy gifts for others. Additionally, 30% of holiday shoppers expect to use pay later more frequently during the holiday season than during the rest of the year.
- **Availability of pay later plans influences purchase decisions:** Approximately half of millennials and parents interested in financing their holiday purchases say availability of their preferred pay later option is highly influential to their merchant selection. This high use of pay later payment methods during the holiday period presents a powerful opportunity for merchants to acquire new customers.
- **Most popular pay later categories:** Clothing and accessories account for almost 60% of pay later gift purchases this holiday. The research also indicates that luxury items such as vehicles, furniture and electronics are among the purchases that consumers want to finance via credit card installments this holiday season, reflecting a trend in premium spending.
- **Pay later options for holiday influence merchant selection:** Roughly half of Millennials and parents interested in financing their holiday purchases say availability of their preferred pay later option is highly influential to their merchant selection.
- **Using pay later to manage finances this holiday:** Twenty percent of consumers are interested in using a pay later plan this holiday, citing improved financial management as their top reason for financing.
- **Consumers would rather be offered pay later options early on in the shopping journey:** The majority of consumers (62%) would prefer to see a pay later solution before deciding what to buy, rather than after making the purchase. Ninety percent of respondents that do not use pay later plans would be more likely to use them if they were being offered during the purchase journey, indicating that early advertising of pay later plans could be helpful for attracting new users.

Click [here](#) for the special report.

Methodology:

The "Use of Card Installment Plans in Holiday Shopping", a PYMNTS Intelligence and Splitit collaboration, synthesizes the findings from our report series detailing consumer preferences for installment plans. These analyses and insights are drawn from a survey comprising 5,248 consumers conducted from September 30, 2024, to October 5, 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.

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