

National Survey Shows Instant Financing Will Drive Business to Online Retailers

Three Quarters of Consumers Indicate Preference for Online Merchants Offering Instant Financing; Thirty-nine Percent Would Spend More Money if Given Instant Credit Options

NEW YORK, May 2, 2017 /[PRNewswire](#)/ -- American consumers appear to be warming up to instant financing options when purchasing goods and services online. According to a new national survey, three quarters (75 percent) of consumers indicate they would be likely to select an online retailer that offered instant financing compared to another that did not; 28 percent would be very likely to change merchants in order to use instant financing.

Instant financing is an easy-to-use, revolving line of credit that consumers apply for within a merchant's online checkout. It allows consumers to spread purchases over time with low APR financing offers, and provides an alternative to credit and debit cards when paying for an online purchase.

"Instant financing is more than simply a convenience to consumers making online purchases," said Jim Lofgren, GM, Klarna North America. "It gives them additional freedom, flexibility and buying power that they find very attractive and leads them to merchants that offer it. This survey indicates that instant financing has the potential to drive significant business to merchants."

The online study was fielded between April 10 and 13, 2017 by Researchscape International on behalf of Klarna North America (www.klarna.com). The survey of 2,024 consumers, ages 18 and older, was designed to better understand the behaviors and attitudes of consumers towards instant financing. Consumers were quota-sampled using 32 different cells (gender by age by region) to closely match the overall national population.

In terms of how instant financing might impact their spending while shopping online, 39 percent of consumers indicated they would spend more money on a purchase if they had the option of instant financing compared to 42 percent who would not and 19 percent who did not know if they would spend more money.

Smartphone owners, 88 percent of consumers who responded, were asked about the ease and willingness to enter certain types of personal information when applying for instant financing. Among the information seen to be "too much trouble" to enter were Social Security number and bank account numbers (51 percent each), and credit card numbers (40 percent). On the other hand, just over a tenth of consumers found it to be too much trouble to enter an email address (11 percent), birthday (12 percent) or spouse's name (12 percent).

Other key findings of the survey include:

- Nearly half of respondents (47 percent) would like to be presented with an instant financing option while shopping online
- Just over a quarter of consumers surveyed (28 percent) have used instant financing while 68 percent have not and 4 percent were not sure if they had

Beyond probing consumers' thoughts regarding availability, the survey also asked about the convenience and ease-of-use factors of instant financing. For instance, a majority of consumers (52 percent) expect to wait three or more minutes to be approved for instant financing. Twenty-eight percent would expect to wait two minutes and just 20 percent would expect to wait under a minute. Klarna's approval process typically provides an approval in under a minute with only simple, top-of-mind information required.

"American consumers want choice and to be in control of how they pay for their online purchases," said Lofgren. "When it comes to instant financing, Klarna is prepared with the most seamless and quickest instant approval process in the industry requiring just a few fields of information and all while remaining on our merchant partners' sites."


About Klarna

Klarna is a leading payments provider that aims to make the payment process simple, smooth and safe for customers and its merchant partners. The company, founded in 2005, was recently named as one of the top disruptor companies in the world by CNBC.

Klarna works together with 70,000 merchants to offer payment solutions to more than 60 million users in Europe and North America. The company's North America offices are in Columbus, Ohio and New York. Klarna has 1,500 employees and is active in 18 countries. Financing through Klarna is issued by WebBank, member FDIC.

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For further information: Media contacts: Richard Anderson / Doug Wright / Henry Feintuch, Feintuch Communications, 718-986-1596 / 212-808-4903 / 212-808-4901, klarna@feintuchpr.com

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