



# Can Any Retailer Offer Installment Payments?



Once you learn about the benefits of installment payments, it's natural to want to know whether they make good sense for any e-commerce business. Or, more importantly, do they make sense for YOUR business? In fact, there are installment solutions for retailers of all shapes and sizes.

With a wide range of different installment payment solutions available on the market, different solutions suit different retailers better than others. Because you have many good choices, it might be challenging to figure out how to make the best decision. Only you can make the decision that is best for you.

This guide will take you through the primary considerations that you should be weighing up. We'll also clear up some common misconceptions that might make you think installment solutions are out of reach for you.

## 1. Will It Fit Your Budget?

Successful retail is all about margin. When you add installment options into the mix, you need to be aware that it will increase your costs for each transaction. Your first order of business should be to understand the costs of every provider you might be considering. While such costs are not astronomical, they can affect your business's profitability, especially when margins are already tight.

Nevertheless, the added costs should not turn you away from offering installments. You should also take a look at the upside potential of adding them. For example, if you use Splitit, you can see increases of 20% or more on order values. You can reduce cart abandonment by 10 percentage points. You can increase shoppers' likelihood of purchasing by 35%. These impacts more than compensate for the minor additional cost charged by Splitit. The math can be similar with other installment solutions.

As long as you take the budget considerations into account as you build your business case, you will undoubtedly find suitable options.



## 2. Is It Easy to Install and Set Up?

You want to be able to see fast results after you choose installment solution providers. Easy onboarding allows you to start enjoying the benefits of offering installment plans with minimal effort and delay.

### There are two main areas to explore



Are your currencies, payment methods, and payment infrastructure supported?



Is it easy to integrate the solution as an option with your shopping cart?

Larger e-commerce businesses can have more complexity in both of these areas. If that describes your business, you should make sure you're including people from across your company in the decision making: marketing, operations, finance, and IT. Solutions that allow for more customization may work better for your unique setup and situation.

Smaller businesses typically prefer a turnkey solution. Options that allow you to set up your account quickly, plug the technology into your e-commerce platform, and easily add the right widgets and interface elements to your website will help you offer installments faster.

And if these concepts are unfamiliar to you, be aware that some providers are making it even more straightforward. With Splitit Payments, for example, you can get yourself set up in three easy steps. You don't even have to open a payment processing account to get started.

In short, no matter the size of your business, you can find installment payment options that will suit your needs.



## 3. Does It Fit What and Where You Sell?

With respect to what you sell, the various solutions on the market have different strengths with different product categories. Some set maximum amounts on their plans and do not work well with more expensive categories. Others have a lot of experience in categories like fast fashion, beauty and cosmetics, or other mass-market consumer goods.

Still others have a more comprehensive range, supporting both smaller purchases and higher-end items. Therefore, you should evaluate the fit between a provider and your main product categories. There are providers that suit most scenarios.

Where you sell can create some trickier scenarios, however. There are significant differences between providers in the currencies they support, the locations of their merchants, and the locations of the end-user or buyer.



The more global your business is, the more careful you will need to be. You may find options that only work for some countries. While Splitit is accepted anywhere in the world where Visa and Mastercard are available, other solutions are more limited because they are extending loans to consumers and have to be regulated in each country and sometimes even in each U.S. state.

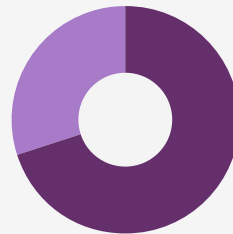


#### 4. Will It Work for Your Shoppers?

Installment options can add steps to your customers' checkout process. Too many steps or too much shopper discomfort risks making you lose shoppers before they complete the full purchase.

Most solutions on the market today require customers to apply for their installment plan before the purchase is complete. The installment provider approves or denies the application. Shoppers benefit from the trade-off of buying something they may not have been able to afford in one payment. However, people are naturally impatient.

As many as 70% of shoppers abandon their carts



Splitit differs because it uses existing credit cards, so there is no application. This advantage means a simpler purchase experience, as long as the shopper does indeed have enough credit for the purchase. They may just prefer to have less impact on their monthly statements.


Your shoppers are likely a mix of people who are willing to apply for new credit and those who prefer to use the credit they have. Make sure you have a good understanding of the way your chosen solutions will affect the purchase experience. No matter which approach sounds right for your customers, simpler is better. The best way to decide is to experience it yourself.



## 5. Does It Help You Improve Your Business?

Installment solutions offer many benefits to your business. They can help you increase your revenues by reducing cart abandonment and increasing average order value (AOV). They can also help you build better relationships with your customers by improving intangible factors such as customer satisfaction.

### For example, Splitit benefits include:

-  85% of customers say they would return to buy from a store that offers Splitit
-  Over 20% increase in AOV
-  More than 10% improvement in conversion by reducing cart abandonment

You should also dig deeper than the averages. Ask each provider on your list what results they have delivered to businesses like yours — in similar product categories, with similar shoppers, or in the countries where you do business. Ask for specific case studies, too. The more specific you get, the better.



## 6. What Should You Do Next?

Are you weighing your options for implementing an installment payment solution in your business? The most logical approach is to review the various options on the market, make a shortlist of potential providers, and then compare them side by side on the factors that matter most to your business.

In our guide [“Which Approach is Right for Your Business,”](#) we walk through all of the questions you need to ask to make informed — and profitable — decisions.

For more information on how you can get started,  
talk with a Splitit representative today!

Get Started