



MEMBER EXCLUSIVE, PAYMENTS

Splitit launches new integrated payment gateway for installment payments

Splitit Plus integrates Splitit's signature installments platform with a payment gateway.

Key features include a quick set-up and seamless integration.

SHEHZIL ZAHID | MAY 14, 2021



Splitit is streamlining the merchant experience with its new offering Splitit Plus, an integrated payment gateway for installment payments.

Splitit is a buy now, pay later solution that works with a consumer's existing line of credit. Splitit allows merchants to receive the full cost of a consumer purchase in one lump sum as is customary or over time in installments. Consumers can use their credit cards at a Splitit merchant's checkout to break their payments into monthly installments.

Splitit Plus combines Splitit's installment payment platform with a card processing solution for installments on one account.

The key difference between Splitit and Splitit Plus is that Splitit is an installments platform that connects to a merchant's existing payment gateway. With Splitit Plus, the two layers — installments and payment gateway — have been consolidated into one product.

Brad Paterson, CEO of Splitit, says merchants wanted a quick, simple way to set up and manage their Splitit accounts. Splitit Plus was a natural next step for the company since it streamlines the merchant experience by combining installments and payment gateway into one.

One of the key benefits of having a Splitit Plus account is that Splitit is able to process installment transactions and fund merchants directly through the account instead of multiple accounts, including a merchant's existing payments gateway. This allows merchants to accept payments within minutes — something Paterson says can typically take weeks.

Paterson also says that merchants can pay one fee to Splitit Plus instead of paying two different fees — installment fees for Splitit and transaction fees to the gateway provider — with this all-in-one account. The typical fee for the standard model is 1.5% and \$1.50 per installment payment — but merchants also pay their payment gateway provider a percentage and a cost per transaction. With Splitit Plus, pricing starts at 3.9% and \$0.30 per transaction. Essentially, Splitit Plus eliminates the complexity of reconciling multiple accounts by deducting all charges upfront.

Splitit Plus also incorporates a chargeback service that helps with the time and inconvenience of managing the chargeback process.

Splitit Plus gives merchants an opportunity to activate Splitit through the Splitit Plus gateway, but they can also do so through one of Splitit's 90-plus integrated gateway partners. Merchants can sign up for Splitit Plus in a self-guided process through the Splitit website. Splitit Plus integrates into websites and e-commerce platforms like Shopify, WooCommerce or Magento.

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At the moment, Splitit Plus is only available in the U.S, but there are plans for a broader rollout across multiple countries in 2021.

“Our goal is to be present wherever a retailer accepts a credit card,” says Paterson. “They should be able to use Splitit as a payment option to allow consumers to split that transaction.”

Daniel Keyes, a payments and commerce analyst at Insider Intelligence, says that if Splitit Plus works the way it’s supposed to, it should make it easier for Splitit to onboard more merchants to build its merchant network — a big step in the process for becoming a more popular BNPL solution.

“Ultimately, the key to becoming popular is being accepted as many places as possible,” says Keyes. “This shows that Splitit is on its way to becoming widely accepted, and it has the tools to do so potentially.”

Having said that, Keyes does not believe Splitit will take over Klarna or Afterpay any time soon. Keyes says Splitit is behind other BNPL solutions as far as merchant networks are concerned. Just for scale, Splitit has 2,200 merchants, whereas Afterpay has 85,000.

The good news is that the new credit side of BNPLs is super crowded with the Klarnas and Afterpays of the world. Splitit is one of the few — if not the only — BNPL solutions working with existing lines of credit so it’s relatively unopposed, which helps its growth. Keyes believes Splitit Plus is a notable step in Splitit’s ascension.

“Years down the road, there’s gonna be some consolidation,” says Keyes. “There probably won’t be Afterpay, Klarna, Sezzle and Quadpay, so how they differentiate themselves now is important. Splitit has a very clear differentiation that probably bodes well for it.”

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