

# Klarna's new partnership pushes it into B2B buy now, pay later greenfield

## Article

**The news:** Buy now, pay later (BNPL) giant **Klarna** partnered with Germany-based **Billie**, which offers BNPL services for business payments, according to a press release. The integration will let Klarna's merchants with business customers offer Billie's services. It will roll out in Germany in Q1 2022, with plans to follow for other European markets.

**How it works:** More than 250,000 eligible merchants will be able to activate Billie's offering, which will be incorporated into Klarna's existing processes. Billie offers **shopping limits of up to €100,000 (\$114,025)** and boasts a **90% conversion rate**, making it a compelling option for merchants.

**The opportunity:** Globally, the B2B payments market is **worth \$84 trillion**, [according to Juniper Research](#), which could be pulling providers into the space.

- The pandemic accelerated B2B payment digitization: Check and cash's share of the US B2B market is set to **decrease from 53.0% in 2018 to 42.0% next year**, per our forecast—a shift that likely reflects trends worldwide.
- As businesses face spending crunches and cash flow challenges, they might **increase** their reliance on financing options like credit cards. But BNPL's **ascendant** popularity among consumers as a card alternative will likely trickle into the B2B space, in turn prompting innovation and competition.

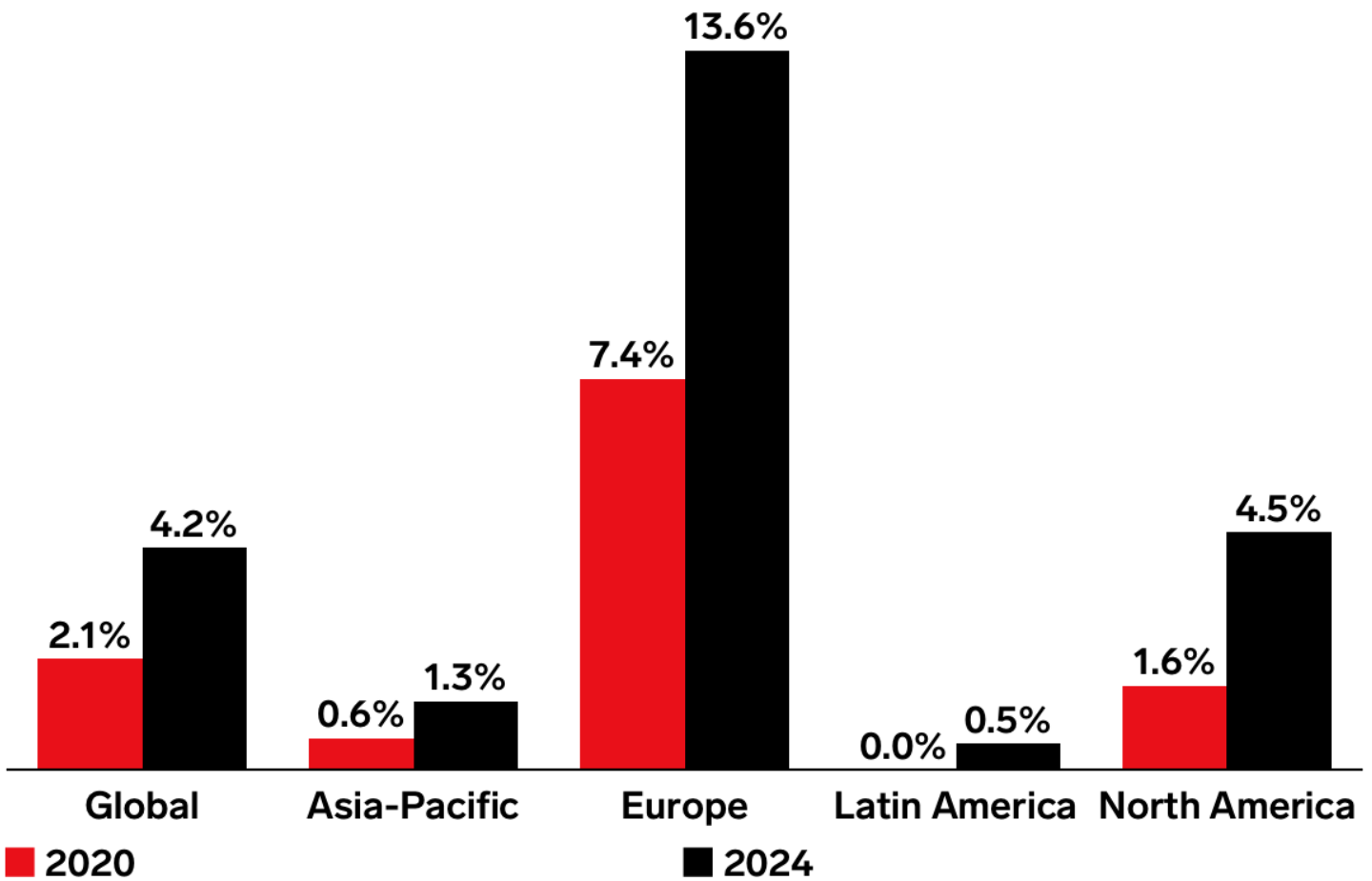
As B2B ecommerce **expands**, it makes sense for providers like Klarna to integrate BNPL for online transactions. And doing so through a partnership with an established provider can help Klarna scale quickly to beat out new entrants like **Behalf** and **Resolve**, which recently **raised \$100 million and \$60 million**, respectively, to move into the space.

**Why it matters:** Pushing into B2B BNPL reflects industry players trying to diversify as the entrance and expansion of heavyweights like **Capital One**, **Mastercard**, **PayPal**, **Square**, and **Visa** are intensifying competition. As a result, established digital-first players are forging partnerships that might help grow their reach, like **Splitit's** recent tie-up with **Discover** and **Affirm's** deals with **Target** and **Amazon**. And everyone is looking to expand into new markets.

B2B represents the latest greenfield for providers to diversify and expand their business into rather than going head-to-head with the competition to steal market share.

**Go deeper:** *To learn more about the state of the BNPL space and how incumbents stack up, check out our "[Buy Now, Pay Later Report](#)."*

# Share of Ecommerce Transactions Made Using Buy Now, Pay Later Services



Note: percent of BNPL transactions made online

Source: Worldpay from FIS, "The Global Payments Report," February 2021

Methodology: Data is from the February 2021 Worldpay from FIS report titled "The Global Payments Report," which measures transactions across 41 countries.

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