

# Sezzle helps Klaviyo fight cart abandonment—but may stir up backlash in the process

Article

**The news:** The buy now, pay later (BNPL) provider launched a direct integration with marketing automation platform **Klaviyo**, per a press release.

Klaviyo helps **more than 100,000 merchants** send personalized email and text message campaigns. With the **Sezzle** integration, these merchants' campaigns can include flexible financing messaging.

**How it works:** Klaviyo merchants can target shoppers who are ready to abandon their carts with messages offering Sezzle's installment options. Merchants can also see which of their email subscribers have used Sezzle before.

**The appeal for merchants:** Cart abandonment is one of the biggest fights for retailers. **94.0% of baskets created on a mobile device were abandoned** in the US during Q1 2021, and **88.0% of computer carts were abandoned.**

Offering a discount or financing deal can encourage customers to finish their purchases, boosting conversion rates. The Sezzle-Klaviyo tie-up gives merchants the opportunity to boost sales as ecommerce grows: **US retail ecommerce sales are expected to hit \$1.050 trillion in 2022**, catapulting to \$1.671 trillion in 2026, **according** to our forecasts.

**Cause for concern?** The BNPL industry already faces consumer protection criticisms, and Sezzle's latest integration could give detractors more ammunition.

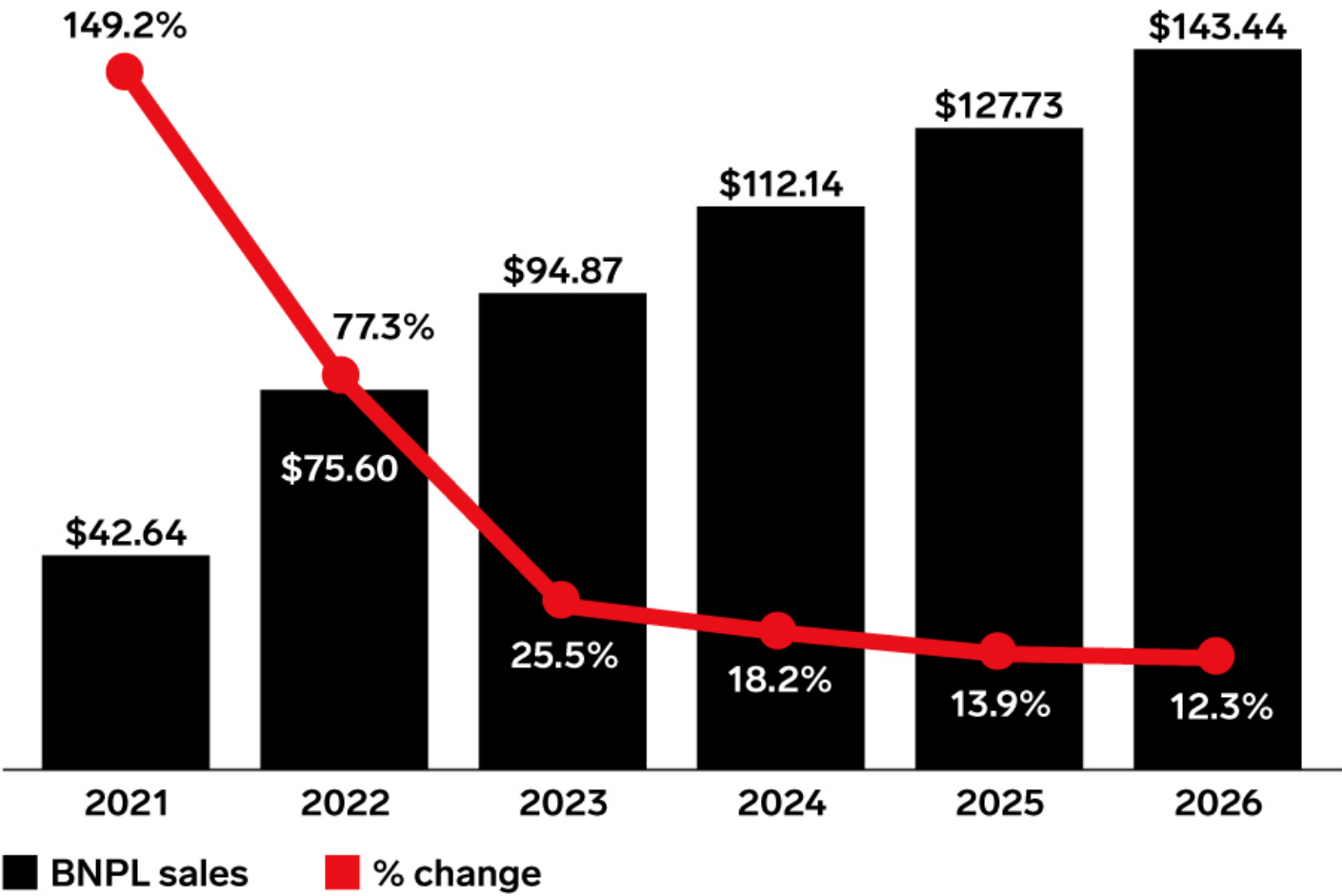
- **More than one-third of US BNPL users** had missed at least one payment as of September 2021, per Credit Karma, raising concerns that shoppers are taking on more debt than they should. Customers can also double dip and take out loans from multiple providers at a time.
- Regulators are worried BNPL lending practices put consumers at risk of overborrowing and damaging their credit. The Consumer Financial Protection Bureau (CFPB) is investigating five major BNPL providers—Affirm, **Afterpay**, **Klarna**, **PayPal**, and **Zip**—to determine whether it should regulate BNPL more strictly. The consumer watchdog has yet to publish any rules or recommendations for BNPL providers but could crack down **soon**.
- Sezzle's tie-up with Klaviyo will likely compound those concerns because it encourages consumers to go back and make purchases they would otherwise have abandoned.
- The CFPB has the regulatory wind in its sails—it just threatened to **crack down** on digital marketers in the financial sector that go beyond traditional marketing practices.

**The big takeaway:** Sezzle will likely have to go on the defensive over this integration and prove its customers understand the risks associated with BNPL products.

New regulation may lead to privacy compliance costs and protracted headaches for providers, but it can also increase consumer trust in the products and ensure long-term growth. **US BNPL payment value is projected to reach \$143.44 billion by 2026, per our forecasts.**

**Keep reading:** To learn more about the current challenges BNPL companies face amidst market volatility, check out our [Era of Uncertainty: Buy Now, Pay Later](#) report.

## US Buy Now, Pay Later (BNPL) Sales, 2021-2026 billions and % change



Source: Insider Intelligence, June 2022

276084

eMarketer | InsiderIntelligence.com

*This article originally appeared in **Insider Intelligence's Payments Innovation Briefing**—a daily recap of top stories reshaping the payments industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

- *Are you a client? [Click here to subscribe.](#)*
- *Want to learn more about how you can benefit from our expert analysis? [Click here.](#)*