

Klarna taps Simon Properties and FreedomPay to offer in-store BNPL solutions ahead of the holidays

Article

The news: Klarna forged partnerships with mall operator **Simon Properties** and commerce technology provider **FreedomPay** so their merchants can offer its buy now, pay later (BNPL) solution in-store via the Klarna app, per press releases. Simon Properties has **more than 200 retail locations** across North America, Asia, and Europe, and FreedomPay works with big-name retailers like **Foot Locker**.

The opportunity: Klarna's latest tie-ups can expand its in-store presence and overall retail coverage. This can help supercharge its gross merchandise volume, which **topped \$20 billion globally** in its Q2, a \$12 billion increase from the same period last year.

- Klarna's partnerships can help it prepare for the lucrative holiday shopping season: This year, **US holiday retail sales are expected to hit \$1.092 trillion**, **per** eMarketer forecasts from Insider Intelligence. And the **majority of this volume (81.1%)** will occur in-store.
- Klarna moving further into brick-and-mortar retail positions it to capture these sales, especially as in-store foot traffic rises: Throughout 2021, foot traffic at US Simon Properties has approached and on a number of occasions exceeded 2019 levels, **per** Placer.ai—sometimes by more than 50%—and this will likely carry over into the holidays thanks to COVID-19 vaccine efforts.
- The tie-ups also let Klarna put its recent acquisitions to greater use: In July, the BNPL provider **acquired Stocard**, which bundles customers' loyalty and rewards cards in one place and applies any discounts available when presented at physical points-of-sale. Klarna can integrate Stocard into its app to support brick-and-mortar shopping through the holidays.

The bigger picture: Digital-first BNPL players like Klarna may be bracing for stiffer holiday competition this year given how many banks and other financial institutions jumped into the BNPL ring this year.

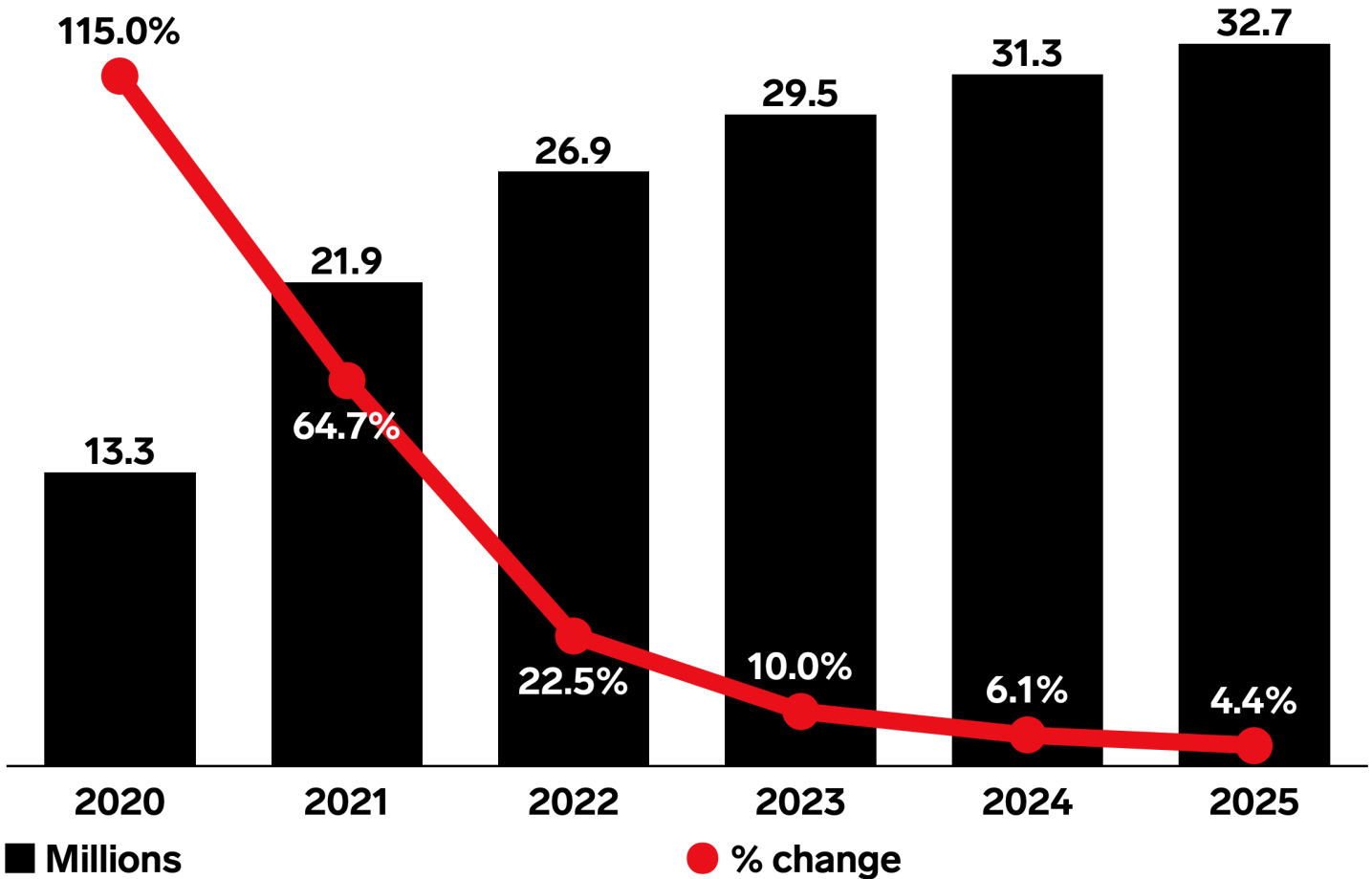
Among them are retail card leaders **Synchrony**, **Alliance Data**, and **First National Bank of Omaha**, which may be a greater threat to incumbent BNPL players because they can bundle their new solutions with their retail cards to offer a more attractive financing option: A blended offering that taps customers' rewards appetite and demand for flexible payment options. But in-store initiatives let Klarna and other providers cast a wider net—especially among credit-averse consumers who are unlikely to lean on interest-bearing credit cards—which can help cushion volume and revenues against these competitors.

Go deeper: Check out "[The Buy Now, Pay Later Report](#)" to learn more about Klarna's position in the BNPL ecosystem and growth tactics it's used to get ahead—and how all of this stacks

up against competitors like Afterpay and Affirm.

Klarna Users

US, 2021–2025



Note: Internet users who have accessed their Klarna account digitally and have made a payment toward a purchase at least once in the past year; includes purchases of goods and services. Buy now, pay later (BNPL) services are defined as interest-free solutions provided by third-party payment platforms that allow consumers to purchase and finance a product or service, and pay in scheduled installments; also known as digital installments, installment lending and point-of-sale financing. Users are typically allowed to pay off balances in weekly, bi-weekly, or monthly installments. Failing to adhere to a predetermined payment plan will usually lead to late fees and interest charges. Consumers access these solutions at the point-of-sale (online or in-person), usually via a merchant's website or app, via the third-party provider's app or via proximity mobile payment apps like Google Pay and Apple Pay. Examples include Affirm, Afterpay, Klarna, Sezzle and PayPal's BNPL service. Excludes services that provide a revolving line of credit, and retailer- and bank-branded financing options.

Source: eMarketer, May 2021

Methodology: Estimates are based on the analysis of survey and traffic data from research firms, historical consumer adoption and buying trends, payment adoption trends, reported company data, interviews, demographic and socioeconomic factors, and macro-economic conditions.

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