

# BNPL providers expand installments as a service to grow through the uncertainty

## Article

**The trend:** BNPL providers are increasingly courting businesses with installment as a service solutions as gathering economic storm clouds threaten to knock the sector's gangbusters

growth off course.

### Affirm is now BigCommerce's preferred BNPL provider

- Ecommerce platform and software provider **BigCommerce** expanded its partnership with **Affirm** so any BigCommerce merchant can use Affirm's Adaptive Checkout, which offers biweekly and monthly payment options, per a press release.
- **Sezzle** had been BigCommerce's preferred BNPL partner since August 2021. The switch opens up Affirm to BigCommerce's massive payments volume: Its **retail ecommerce gross merchandise volume (GMV)** will hit **\$9.24 billion** in 2022, according to our forecasts.
- And given that **70%** of **BigCommerce's clients are enterprises**, Affirm will be able to access a much wider market.

### Splitit and Telispire team up to bring BNPL to big-ticket mobile devices

- **Telispire**, a wholly owned subsidiary of the **National Rural Telecommunications Cooperative (NRTC)**, integrated **Splitit's** Installments-as-a-Service platform into its technology stack and billing system, per a press release. This lets Telispire's mobile virtual network operator (MVNO) customers offer installment payments to subscribers for their devices and services.
- Splitit launched the platform in May; university ecommerce platform **OCM** was the first merchant to use the white-label product. The tie-up with Telispire will help the offering gain traction as other BNPL giants also expand into BNPL as a service.

**The bigger picture:** Economic uncertainty has taken a toll on the BNPL sector.

- Valuations are sinking: **Klarna's valuation dropped by 85%** between June 2021 and July 2022, for example. At one point, Affirm's stock price had fallen more than **88%** from its November 2021 high.
- The BNPL industry is also under regulatory scrutiny. The Consumer Financial Protection Bureau (CFPB) opened an inquiry into Affirm, Klarna, **Afterpay**, **PayPal**, and **Zip** in December to determine the risks and benefits of BNPL products. And last month, it opened an inquiry into **Apple's** BNPL offering. New guidelines from the CFPB could lead to compliance costs and reworked products.
- Fears of a recession are also disturbing the industry. An economic slowdown would hamper future growth, as providers would likely approve fewer loans to protect against consumer risks.

Expanding BNPL as a service can help providers like Affirm and Splitit keep growing during this uncertain time and reach more of the **79.0 million people in the US** who are expected to **use BNPL this year**, per our forecast.

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