

Klarna targets desktop online shoppers with rewards-centric browser tool

Article

The news: Klarna launched a browser extension that enables buy now, pay later (BNPL) for online shoppers even if Klarna isn't partnered with the merchant, per a press release. The tool

is compatible with Google Chrome, Microsoft Edge, and soon Firefox and Safari.

Here's how it works: The extension lets shoppers generate one-time **Visa** cards when they shop online that can enter as a regular card during checkout. It can automatically apply discounts—through its recent acquisition of discount provider **Piggy**—and lets shoppers earn rewards like cash back or gift cards, depending on their location. Shoppers can also save items and activate price-drop notifications.

The opportunity: The browser extension rounds out Klarna's suite of tools to grab more market share as the space grows increasingly competitive.

- **It makes it easier for Klarna to reach more customers through a popular shopping channel.** More than 60% of US ecommerce sales are expected to occur via desktops and laptops this year, [per](#) eMarketer forecasts from Insider Intelligence. Although Klarna already facilitates online shopping through its standalone button for partners and its mobile app for non-partners, the extension makes it easier for shoppers using a desktop or laptop to access its BNPL product. And the rewards and price-drop notifications further incentivizes spending, which can help increase Klarna's volume.
- **And the tool can also support Klarna as it battles major payment players.** The feature helps Klarna keep up with BNPL competitors that offer similar products, like [Zip](#) or [PayPal](#), which owns popular browser extension and discount provider **Honey**. But more notably, the tool's rewards feature makes Klarna more like credit cards—increasing the BNPL provider's offenses against issuers, [many](#) of which have been stepping into the BNPL space lately.

The problem: Klarna's new shopping feature can help the provider grab more volume, but it may also feed into one of the big financial concerns surrounding BNPL—overspending.

Zip recently faced [backlash](#) over its browser extension: Some users were concerned that the tool would add fuel to the fire for consumers who already struggle with managing their credit. These are the types of financial risks that are helping push regulation in the BNPL space: Australia, for instance, recently [drafted](#) more robust BNPL regulations, and stricter rules in the US could follow.

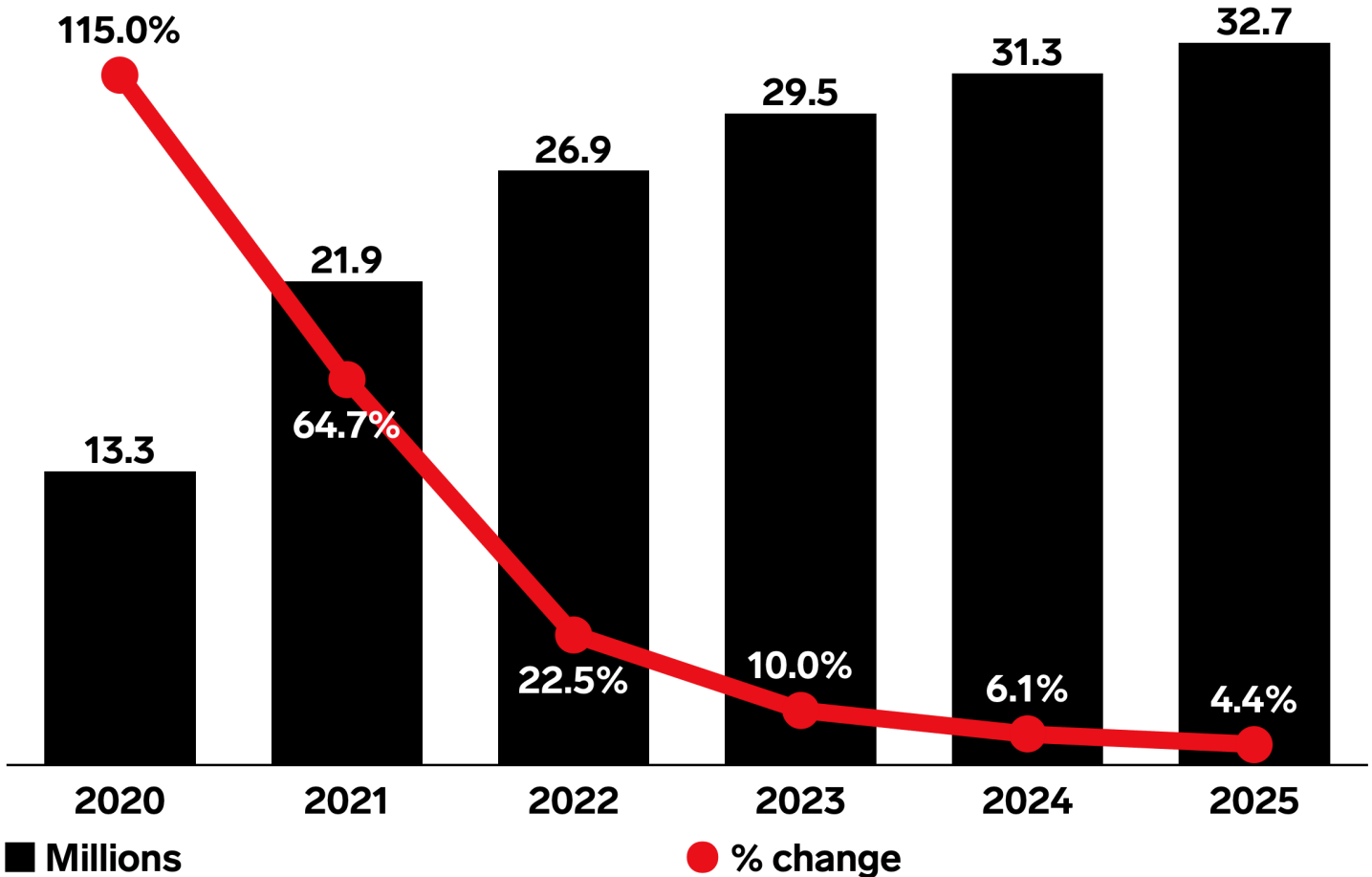
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- *Funding rounds for Kueski and TradeDepot reflect growing BNPL appetite in underserved markets*
- *Klarna brings Pay Now to the US ahead of holiday shopping season*

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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