

Executive Interview Series

A Supplement to the First Annapolis Navigator

A Conversation with Finance Pioneer and Blispay Founder, Greg Lisiewski

In this conversation, Greg Lisiewski, founder of the point-of-sale financing provider Blispay, provides a better understanding of this new player in retail financing. Blispay makes financing easy and accessible for merchants and shoppers. Blispay provides omnichannel point-of-sale financing with no integration and no additional cost to the merchant, helping businesses increase sales while providing shoppers with better buying options. Once shoppers decide to make a purchase using Blispay, they can quickly apply on their mobile device or computer and receive an immediate credit decision. When approved, the customer will pay with Blispay at checkout. For purchases over \$199, there is no interest and no payments if paid in full in six months.



Shoppers who use the financing provider will also receive the Blispay Visa card in the mail and will continue to receive no payments, no interest on all purchases over \$199 if paid in full in six months, plus 2% cash back everywhere Visa is accepted. Blispay is the only payment option that provides this instant, flexible, and anytime buying power giving shoppers control of financing everywhere they shop.

Lisiewski has been an innovator in consumer credit for more than 20 years. He held various operating and leadership roles during his 10 years at consumer credit pioneer MBNA, and then 8 years at Bill Me Later, which was acquired by PayPal for about \$1 billion in 2008. Lisiewski founded Blispay in 2014 with the goal to make everyday financing easy and accessible for both merchants and consumers. And it's with his founding of Blispay that our Q&A begins below.

1. It's been about two years since the launch of Blispay. What has been the overall response from the merchant community and where are you seeing traction?

We launched in stealth mode in 2015 and have been publicly available since April 2016. The response from both merchants and consumers has been extremely positive, especially in the small to mid-sized market. We've seen traction in many different retail categories across the country including sporting goods, apparel and accessories, health and wellness, music instruments, home and patio furnishings, auto and tire as well as veterinary to name a few. Our merchants are amazed that they can quickly offer financing to their shoppers with no systems or back office integration and no additional cost or hidden fees.

On the shopper side, we are seeing excellent adoption and very high activation rates - 30%-40% higher than a typical store financing card. Blispay customers use us everywhere they shop. They finance everything from skis at evo.com to big screen TVs at Costco to a computer at Amazon. Whenever they spend over \$199, they know they get 6 months financing and 2 percent cash back on every purchase - even their morning coffee at Starbucks.

2. The move to mobile continues to accelerate. How is Blispay taking advantage of this shift in consumer behavior? And how is Blispay helping merchants make the shift to mobile?

Mobile is the enabler of our offline experience. It is our point of acquisition; there is no paper application or associate involvement needed in the process. Our merchants can take advantage of the fact that consumers shop with devices in hand as a way to simplify and reduce friction and tech fears for retailers without requiring any back-office integrations.

If you think about it, while shoppers are browsing in the stores, phone in hand, they are already conducting product and price research. So if they can immediately apply for financing for the products they are eyeing, the store can convert that buyer right away.

This mobile functionality is another reason why we're able to bring such a compelling value proposition to merchants without any additional costs and integration work. It's because we moved all of that complexity onto our systems so that the consumer can make a purchase with the device they already have in hand.

3. How would you say Blispay differentiates itself from other financing offerings?

From the beginning, we built Blispay to be easy to onboard and create a financing program that many merchants think the offer is too good to be true. "What's the catch?" they ask. "You mean, I don't have to do anything. You're not going to charge me anything and I get a financing program? Something doesn't seem right," they say. This was our hope all along.

Our team is comprised of pioneers that helped drive financing innovation throughout the industry. This deep experience allows us to quickly analyze technical hurdles and know how to solve them. We understand omnichannel businesses. And we appreciate constrained resources. Because we built Blispay on the existing Visa network, there is very little for merchants to do to leverage Blispay.

And shoppers already have phones in their pockets, which is our acquisition device, so Blispay is frictionless for both consumers and merchants. We created the service to be as simple as signing a few pages long document and deploying ready-made banners and the retailer is ready to go. All a merchant needs to do is visit us at blispay.com and sign up to get started. We've had several merchants get up and running in less than an hour. It's that simple.

4. What is your perspective on the effectiveness of financing offers compared to installment programs?

We have a product that speaks to the consumers who make up 85% of retail spending. These are prime customers, those with good to excellent credit who have many options to pay for their purchases. They don't need financing, but they tend to lean toward a 0% offer that gives them control over their cash flow, and when and if they pay interest. This type of offer resonates more with this demographic than installment offers that have imputed interest. Also, once customers use financing, they will continue to use their line of credit more than once. They will use it over and over and never have to worry about re-applying for new installment loans.

Our merchants are also seeing Blispay provide higher transaction values. While this varies by merchant, we are seeing a 75% to 100% lift in average transaction values in general. When it comes to merchants who have transaction values under \$500, we are seeing lifts in their average transaction values as high as 300%.

5. Does Blispay offer the same solution to online and offline merchants and is the selling proposition to merchants and consumer the same in both channels?

We built Blispay to be truly omnichannel. That means consumers can use it from their phone, their computer and in-store. Blispay enables merchants to offer financing in all of their channels so they can take advantage of the benefits of financing wherever their customers shop. The Blispay financing offer is always the same: no payments, no interest on all purchases over \$199 if paid in full in six months, plus 2% cash back everywhere Visa is accepted.

6. How applicable are the lessons learned from the Bill Me Later journey to Blispay at this stage especially as you balance growth, investments, and the inevitable bumps that come with lending businesses?

Our Bill Me Later and PayPal journey taught us a lot about the importance of a strong team. That's why we've built a team here at Blispay with deep industry experience in banking, credit, and retail. The team has been hands-on working with thousands of merchants from the smallest to the largest enterprise. We've seen the inevitable bumps and we have the experience to get past them.

7. Building on this initial success, where do you see Blispay going from here?

We're a financing platform and we will continue to grow as a financing platform, but I think we are going to move toward providing more customized merchant-financing programs. We are currently starting with six-month financing and plan to offer more options. We've been fully operational for about a year, and we're now at the point where we're ready to scale our merchant business and bring our value to more stores and more merchants and to add additional financing value propositions.



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