

Meet Deko, rethinking credit for every retailer and every basket

As part of our quick fire questions series – or QFQs – we spoke to Melanie Vala, Chief Commercial Officer at Deko about checkout finance, improving customers' ecommerce journeys and keeping the startup mindset after a decade in the industry.

Temps de lecture : minute

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At inception, the company filled a gap in the market, recognising the rapid growth of e-commerce and the opportunity to help retailers add a layer of sophistication to the online checkout through flexible finance options. Checkout finance offered a credible alternative to credit cards and, crucially, integrated into online retailers' payment gateways and customers' online journeys.

Checkout finance has existed, in one form or another, throughout the entire history of commerce. Once known as payment plans in the UK, or layaway programmes in the US, the contemporary version is now digitally savvy and brand driven. This is a market that has shown extraordinary growth in recent years especially. Global retail sales online using Buy Now Pay Later (BNPL) are forecasted to grow by 22% 2024. The UK has a more marked picture, as the national e-commerce market is projected to grow by 37% until 2024.

Today, checkout finance is a central strategy for any retailer looking to diversify buying options for consumers and expand their buying power in an era of constrained budgets. Deko has always been a payment industry pioneer and has served as the go-to payment platform for customers and merchants. We aim to simplify the ecosystem and help retailers serve

customers.

Having a range of payment options is vital. *Research* shows, for example, that close to ten million Britons have avoided buying from merchants that don't offer alternative payment methods at checkout. This represents a considerable loss of potential sales for merchants who do not offer flexible payment options. However, whilst there is often a range of checkout payment solutions offered to online customers, the difference between these options and what they provide is often unclear and adds unnecessary confusion to what should otherwise be a seamless final step in purchasing. In 2022 Q4, approximately 80 percent of orders on mobile devices in the UK were not completed. During that same three-month period, over seven in ten carts created were left abandoned on both computers and tablets as well.

In response, there has been increasing innovation in buy-now-pay-later (BNPL) and checkout finance, accelerating with rising demand for more simple, convenient, and seamless purchasing experiences. Early BNPL checkout offerings used straightforward products and a one-size-fits-all model, but it's increasingly clear that a more sophisticated approach is needed.

Deko has been able to cut through the noise now faced by merchants and consumers alike when confronted by this new range of largely identical 'pay later' offerings. It solves the growing problem of a repetitive and standard approach to BNPL that caters often to only a single type of consumer and merchant, by creating an intuitive and trustworthy way for merchants to deliver a checkout option that is tailored to as many customers' finance needs as possible, and which guarantees consumers a better chance of completing a far wider range of lifetime purchases across a range of basket sizes.

Customers shouldn't need to be experts in finance products to see the

benefit of a tailored finance option that's right for them personally. Similarly, merchants seeking this advantage at the crucial purchasing stage shouldn't need to concern themselves with integrating a convoluted network of payment providers that muddy their online sales strategies.

Tell me about the business - what it is, what it aims to achieve, who you work with, how you reach customers and so on?

Deko offers customers financial flexibility and empowers them to buy the items they need and want. We help merchants to reduce cart abandonment at checkout and increase average order value with flexible payment options powered by a panel of lenders that increases acceptance rates.

Deko's *multi-lender platform* is continually expanding to ensure that we cater to all business needs. We aim to simplify the checkout finance ecosystem for both merchants and customers, so merchants can offer the right solutions to their consumers under one identifiable solution that integrates with their brand and the customer journey.

Deko aims to be the go-to embedded checkout finance platform trusted to accelerate sales by the widest range of merchants and partner platforms across diverse price-points and sectors. Deko's roadmap is solely focused on continuing this quest to harness the aggregate power of a lender ecosystem in a single integrated checkout platform for online and in store.

We work with all merchants - from those offering high-end bespoke engagement rings to those selling online nutritional supplements. Thanks to our lender aggregation, we serve all customers with any size of credit appetite.

How has the business evolved since its launch? When was this?

Since being founded in 2010 we have developed and grown our multi-lender platform. We are proud of what we have achieved until now, hitting industry-first milestones along the way.

Founded in 2010 as Pay4Later, the company was already the first POS finance company to launch e-signature. By 2011, Deko was the first to offer APIs to transform credit into an online method. In 2012, it was the first to launch omnichannel finance and in 2015, Deko became the first UK company to launch a multi-lender finance platform.

In 2017, Pay4later rebranded as Deko, and in 2020, the company was acquired by Menean Midco, who own NewDay, the finserve company which houses the Newpay product and which is now part of the Deko platform. Since then Deko has continually developed the platform's capabilities, including the expansion of its lender panel. Finally, back in August 2021, Deko acquired Imegamedia, the UK's leading experts in retail finance modules and bespoke integration solutions.

Tell us about the working culture at Deko

Our culture is very much of a dynamic startup but with the benefit of over a decade of experience in the industry. Deko is a company that has a legacy in this industry and has firmly established its roots as a pioneer. Yet, we are not afraid of change, and it's this that fortifies our position as a leader in retail finance.

We live by three simple values. Do the right thing, be bold and one team. Incorporating these aspects into our day-to-day life enables us to create a motivated and positive working environment. We are proud to have built a team that considers the needs of our valued customers, delivering

through effective teamwork and inclusivity.

How are you funded?

Deko was launched as Pay4later in 2010 but was acquired by Nimean Midco, which owns NewDay, in 2020. As a result, we are not subject to venture capitalists' expectations and can grow strategically whilst retaining autonomy. It's this autonomy which also helps accelerate the pace of required change that is vital in this fast-paced and competitive fintech industry. We are fortunate to have a supportive parent organisation that gives us the freedom to navigate our own path.

What has been your biggest challenge so far and how have you overcome this?

The rapid growth of BNPL has shone a light on the benefits of retail finance and increased the market awareness and understanding. However, it's also led to unregulated and unsustainable BNPL businesses dominating the space, and becoming synonymous with checkout finance. Now, the market is realising that these offerings are one dimensional.

The challenge is therefore to educate merchants about the need to offer a range of regulated financial payment options - not just single-lender BNPL offerings. There is also the need to educate the wider market, consumers, on what they should expect to see at the online checkout and how to ensure they find the best value.

Our strategy to overcome this challenge is an ongoing process. Our priority is to better educate both merchants and consumers on the benefits of multi-lender finance providers that connect consumers with the most appropriate finance options for their needs. And this is an ongoing challenge, as well as an opportunity. We are also FCA regulated, and we welcome increased regulation in this sector as it engenders more

confidence in the industry as a whole. Our path is focused on serving customers by offering pioneering products to ensure all consumers have access to the right finance for their needs and that merchants can serve every one of their potential customers both in-store and online.

How does Deko answer an unmet need?

Deko offers a single integration that meets the needs of all merchants, consumers and products. We simplify the ecosystem for consumers and merchants, meaning merchants can focus on website improvements and enhancing the customer journey. For consumers, it removes part of the friction of the buying journey and ensures they can trust the finance options at checkout, either online or in-store.

Thanks to our aggregation model, we're able to drastically improve acceptance rates, improve access to finance for consumers and improve commercials for merchants. Ultimately, customers have better access to what they need, when they need it, and can trust in the checkout finance product they opt for, whilst merchants can continue to offer their customers best-in-class customer service and better value all year around.

What's in store for the future?

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And finally, a more personal question! What's your daily routine and the rules you're living by at the moment?

I'm a mum of three who loves her job, and so like many working parents, my priorities are naturally split. To support both my passions I live by a rule of 'work/life harmony'. Flexibility is key and I'll flex my day depending on what is needed. I'll start my day early, before anyone is awake to get clear on my priorities for the day and fit in a little exercise. I'll be in the office 3-4 days a week and work from home 1-2 days which I find is a great way to get enough team facetime and enough focus work time. This harmony is only made possible because I have a supportive employer, team and framework at home. Setting expectations, demonstrating your ability as an individual and having a strong work ethic is key to supporting this approach.

Melanie Vala is Chief Commercial Officer at [Deko](#).

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