

What Dreams are Made of : How Klarna Helped Gravity Blankets Achieve a 200% Increase in Conversions

What's a Gravity Blanket?

An estimated 50-70 million adults in the US have chronic sleep and wakefulness disorders. Trouble sleeping is linked to negative impacts on cognitive performance, physical health, and emotional wellbeing. In less scientific terms, sleeplessness is a serious problem.

Enter Gravity Blankets. This pioneering weighted blanket simulates the feeling of being held or hugged, which has been shown to increase hormones responsible for rest and relaxation while decreasing those responsible for stress. Whether it's the 15, 20, or 25-pound variant of the Gravity Blanket, thousands of Americans are now sleeping peacefully thanks to one smart investment.

Gravity Blankets + Klarna Make Shopping Dreams Come True

A good night's sleep is worth its weight in gold. Millennials know this, which is why they spend more time sleeping than past generations.

But when it comes to finances, things aren't so dreamy for America's biggest consumer group. While millennials are turning away from credit cards, cash flow is still a major concern. In fact, 41% have no savings at all. So when it comes time to buy, fiscal friction can mean lost conversion.

Gravity Blankets realized that in order to capture those lost customers, they needed to offer a new way to pay. Klarna's **4 interest-free installments** option was the perfect fit. Now, customers eager to invest in a better night's sleep have an easy way to pay in smaller, more manageable increments while enjoying all the benefits of the product right away. And since Klarna always pays the merchant right away, Gravity Blankets was able to offer flexible payment options, without taking on any risk.

¹ CDC: 1 in 3 adults don't get enough sleep.

² GOBankingRates: More Than Half of Americans Have Less Than \$1,000 in Savings in 2017.

Integration was a Breeze with Klarna + Shopify

Shopify offers an easy-to-use platform that makes selling simple, but it also has industry-leading capabilities that grow alongside your business. With Shopify, Gravity Blankets has access to thousands of great integrations that help them optimize their site -- including Klarna's smooth two-minute integration. The ease and power of Shopify + the smoothness of Klarna's flexible alternative payment methods has proven to be the ideal ecommerce combo to support Gravity Blankets' ambitious growth goals.

For Gravity Blanket's Premium Prices, Klarna Was a Perfect Fit

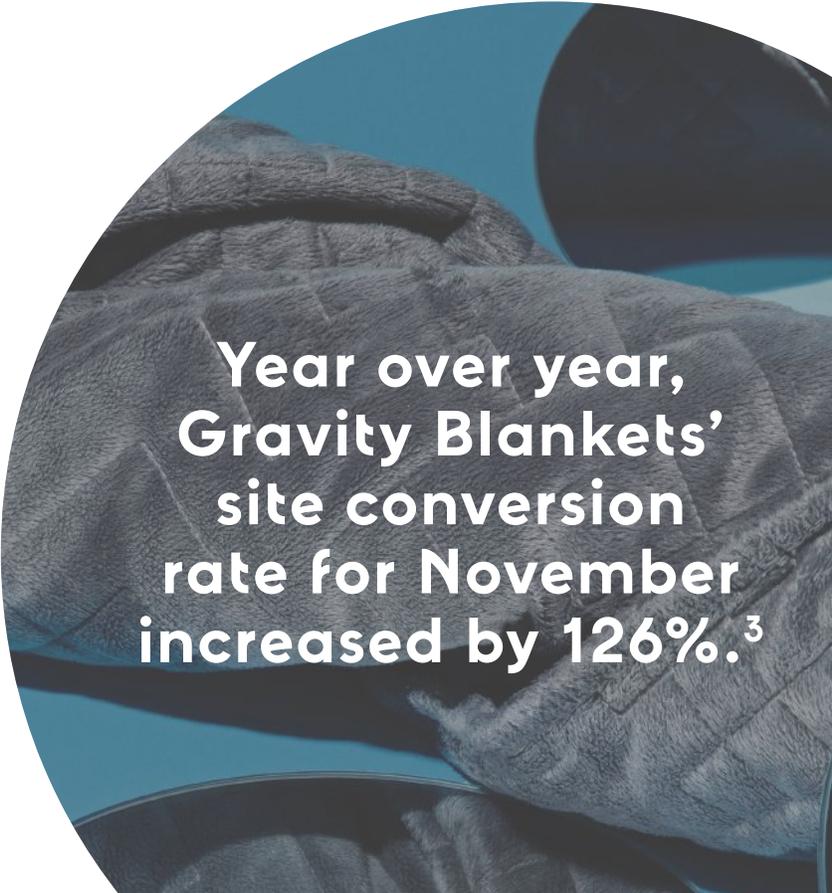
Klarna offers a suite of payment options, but the obvious match for Gravity Blankets was 4 interest-free installments.

With no interest, no upfront fees, and no application, this biweekly payment plan offered the perfect solution to Gravity Blankets' \$220 AOV and broad consumer audience. Gravity Blankets launched with interest-free installments in November 2018, just in time for holidays.

Results That Lasted Well Past December 25th

The results were immediate.

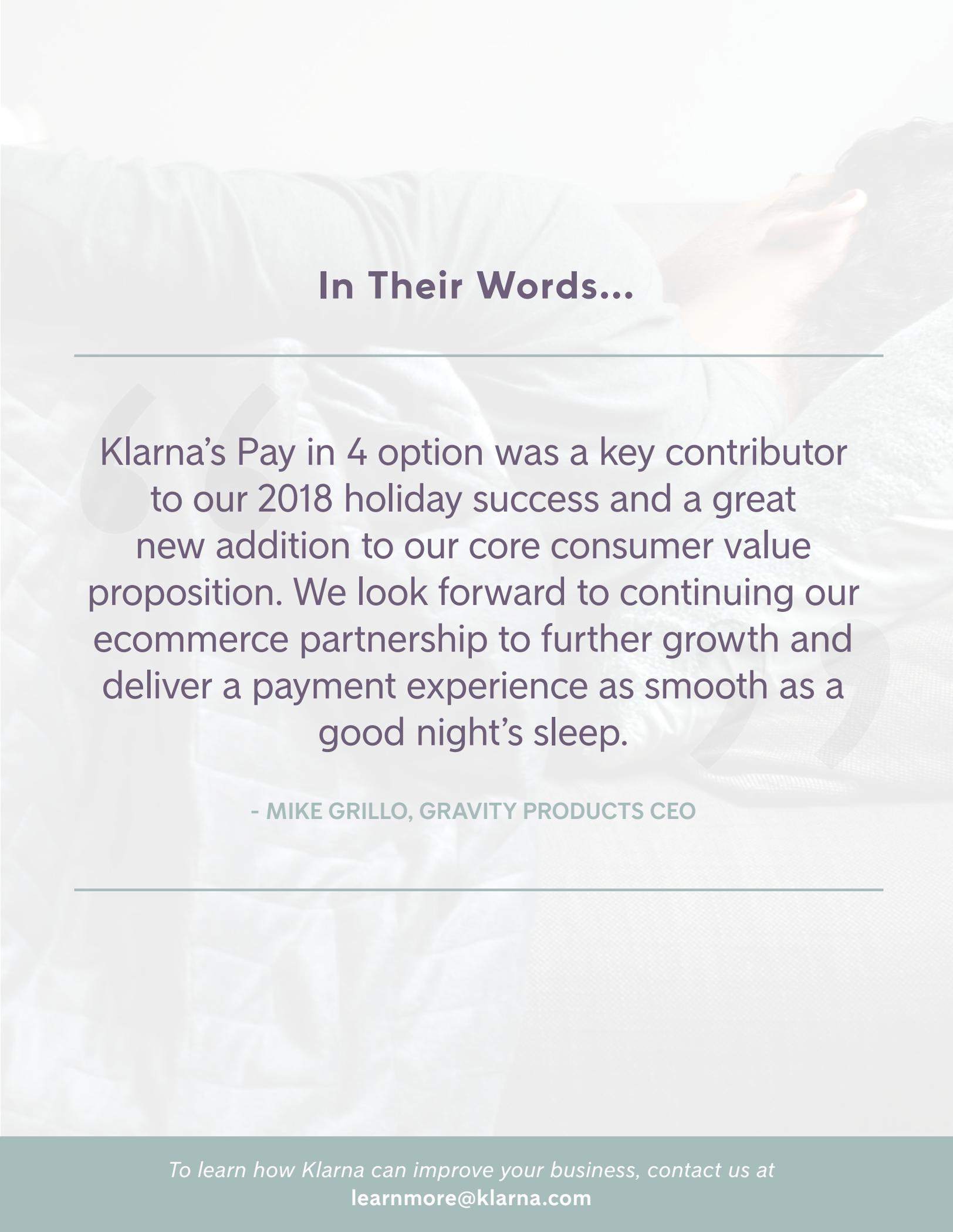
Year over year, Gravity Blankets' site conversion rate for November increased by 126%.³ And the trend held: in the months since launching with Klarna's payment method and product page messaging, Gravity Blankets has seen website conversion increase by almost 200% vs. the same time period pre-launch.⁴



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³ Site conversion rate Nov 2018 up 126% vs. site conversion rate Nov 2017.

⁴ Site conversion rate Nov 2018 – March 2019 up 196% vs. site conversion rate June 2018 – Oct 2018.



In Their Words...

Klarna's Pay in 4 option was a key contributor to our 2018 holiday success and a great new addition to our core consumer value proposition. We look forward to continuing our ecommerce partnership to further growth and deliver a payment experience as smooth as a good night's sleep.

- MIKE GRILLO, GRAVITY PRODUCTS CEO

To learn how Klarna can improve your business, contact us at learnmore@klarna.com