

# A Bump in Business:

How Interest-Free Installments Helped Lily Jade Stay Ahead of the Competition



## Who is Lily Jade?

Lily Jade is a retailer of premium diaper bags and multi-functional leather bags. Designed for busy, on-trend parents and caretakers, Lily Jade produces bags that are designed to accompany women through motherhood and beyond. The company was first to market in 2013 with a high-quality, fashionable leather diaper bag that converts from backpack to shoulder carry.

## Lily Jade + Klarna deliver much-needed flexibility to new parents

Lily Jade's typical customer values quality and wants a versatile everyday bag to help her stay organized while on the go. But with a new baby on board, parents tend to be budget-conscious.

Lily Jade realized that to get parents interested in their quality products, they needed to offer a better way to pay. Klarna's suite of flexible payment options was the perfect fit.

## Klarna + Shopify integration makes life a breeze

Shopify offers an easy-to-use platform that makes selling simple. A standard online store integration through Shopify allowed Lily Jade to seamlessly implement Klarna into their existing checkout and offer customers payment options that fit their lifestyle.

### More sales in the bag

In October 2017, Lily Jade enlisted Klarna to help deliver payment flexibility through their Financing payment option. Customers could access on-demand financing, directly at checkout, and spread out the cost of their purchase without having to use a credit card.

**Within the first full year of offering Klarna, Lily Jade saw their highest sales year ever.**



As more retailers identified a growing opportunity for must-have mommy products, 2019 saw new industry players pitching a medium-quality diaper bag at a more modest \$100-\$200 price tag than Lily Jade's \$300 AOV.

To combat this new competition, Lily Jade launched Installments through Klarna in June 2019. With no interest and no upfront fees, customers could pay in four equal installments over a period of time to minimize the initial cost of Lily Jade's premium bags.

### Results that carry over

The results were immediate. Within the first three months offering installments, **Lily Jade's Klarna sales quadrupled: +312% vs. the same period in 2018.**

They also nearly doubled their Klarna conversion rate, with an 81.6% boost from 2018 to 2019.

And with the launch of their enhanced durability vegan leather line in the fall of 2019 with a new price point between \$150 and \$175, Lily Jade expects Klarna transactions to continue to surge.

### “ In their words... ”

“It's valuable, and people absolutely use it. They're very vocal. There was certainly a lift in sales once we announced the Installments option, certainly a lift in utilization, and people seem to be really happy with that option. So I think it really goes a long way for customer satisfaction in general.”

- **Landon Wood**, Co-founder, Lily Jade

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