

Sports and outdoors.

Kick sales into touch and see how sports retailers can raise their game with flexible payments.

Klarna.

US sports retailers are in it to win it. With more and more being focused on health, wellbeing and staying in shape, business is booming. As retail teams dive into this fast-paced, lucrative segment, it's getting harder to stay ahead of the pack. That's why many are turning to new performance-enhancing payment options to raise their game and get their checkouts sales-fit.

\$45 billion*

US sporting goods annual revenue



Whatever their lifestyle, hobby or interest, US consumers can't get enough of sports and outdoor clothing, accessories and equipment

From soccer, tennis, cycling and running, to pilates, yoga and dance, Americans love investing in whatever it takes to get or keep them healthy and fit. The United States is the key market in the sports and outdoors industry, with a market share of 36%.*

Fuelling this growth are influential brands like Nike and Adidas, with big spend and big ad campaigns. No surprise, Nike is the most valuable sports brand in the world, valued at 36.8 billion US dollars in 2019. With \$39 billion in sales in 2019, Nike is no doubt the top sports brand choice for American consumers of all genders.*

In addition, modern consumers are also choosing healthier lifestyles, with an emphasis on gym and home-based activities such as HIIT, barre, boxing and spin. When it comes to outdoors, pursuits like camping and extreme sports are also booming thanks to music festivals, vloggers and social media.

All of this is great news for sports and outdoor retailers – especially online where low-cost business models enable them to maintain competitive price points, while still being able to charge a premium for sports products.

With sport now mainstream, retailers can't afford to pull their punches

Sports is no longer a niche retail market. As fashion retailers continue to launch sportswear lines, athleisure will drive sports goods into chain stores and multi-retailers, both on the high street and online. More than ever, pure-play and omnichannel sports retailers need to establish their position in a crowded sector. Many will need to extend their offerings beyond sportswear to higher-value goods and equipment in order to drive sales growth and compete as 'one-stop-shops' for enthusiasts.

That means knowing their audiences, expanding their appeal and finding new ways to drive loyalty. They'll also have to make sure their websites are at the top of their game – fitter and faster than ever before.

The social sports & outdoors

Increasingly, merchandise and products are promoted and endorsed by celebrities, with many sports people having their own fashion lines or sports brands (Beckham, Serena and Neymar). As a result, sportswear is now one of the hottest fashion looks for Millennials and Gen Z.

Sources:

[*Statista: Sporting Goods Industry - Statistics & Facts, 2020](#)

All other figures quoted are from the Klarna US Sports and Outdoor Consumer Survey, 2020



Consumers seeking to boost experiences with premium-priced branded items

To boost performance, get a more enjoyable experience (or just make sure that they look the part), consumers are investing more in their activities. Yoga pants, trainers, ski-wear and hi-tech hoodies can range from \$100- \$500. Sports that require equipment can be even more expensive than others. For example, amateur cyclists can spend between \$1000-\$2500 on a basic bike, but with specialist sports, hybrid and electric models can reach as much as \$10,000.

Raising the bar on price can also push up expectations at the checkout

It makes sense that those spending more on sports and recreation gear want a better sales experience. Quite often, meeting these expectations, preventing negative attitudes and emotional resistance at the checkout, can be the biggest challenge of all for retailers. A poor UX will cause buyers to run, leaving retailers with an empty basket. The more anxiety or disappointment, the less conversion, uplift and loyalty retailers can expect.

So, what are shoppers looking for in a great sports UX?

According to Klarna's recent sports & outdoor shopper survey, when it comes to their top priorities, sports buyers are attracted to retailers that offer a wide

variety in quality of products (**41%**), combined with fabulous customer experience (**23%**) and a seamless checkout UX (**26%**). What they don't want is complexity, delays and lack of flexible payments. In fact, more than half of all sports shoppers (**49%**) feel that if a checkout is too long and drawn out, they won't shop there again.

At Klarna, we believe flexible payments can set new performance records for sports sales in-store and online

By applying the same no-compromise approach to their checkouts as they do to their merchandise, retailers can raise their game and compete more effectively. The ability to pay later with Klarna gives customers the confidence to buy big-ticket items and accessories to get the most out of their activity.

With flexible payments, shoppers can buy 'top-to-toe-kit' when taking up a new sport or activity or, if more experienced, can upgrade to more expensive and higher-specification equipment that will help them exceed their personal goals.

Re-shaping payment options at the point of sale, and adding Klarna to their online and in-store checkout and mobile apps, can help deliver the frictionless buying experience that resonates with today's consumer, giving them the payment choice that reflects their lifestyles and spending habits.

Here's how:

1. Boost the feel-good factor

Sports and outdoor websites can lose out to physical stores because customers can't experience the goods or ensure they fit. Our study shows that **48%** are afraid their item will arrive in poor condition, while almost half (**44%**) are often disappointed because their purchase doesn't match expectation. Klarna empowers customers to try before they buy – and pay 30 days later – so they only part with their cash when they are happy. They can also pay for their purchase in 4 equal parts when choosing Klarna Installments. Happy customers spend more and are more loyal.

2. De-stress the UX

Having to make an on the spot decision about whether they like an item enough to pay a bit extra for it will lead many to walk away. Half of sports buyers (**49%**) find that having the option to pay in installments makes shopping less stressful as they know they can spread the cost.

3. End mobile frustration

Sports shoppers' active lifestyles and demand for convenience means checkout friction is a big no-no. Consumers in this sector are likely to browse and shop on the go straight from their mobiles. Returning Klarna users can pay with one-click across the entire Klarna merchant network without having to worry about entering personal details, registrations or complex forms again – particularly useful on mobile.

4. Cut FOMO and give back control

Sports shoppers hate not being able to buy what they want when they want. Exclusive lines fly off the rack (especially after a rave review or celeb-endorsement) so limited stock runs out fast. With Klarna customers don't have to wait, but can buy as soon as collections are launched with the option to manage their spending over time.

5. Get under buyers' skin

Sports and outdoor is an area where consumers appreciate a consultative sell. They are eager to explore items that can help them get fitter, faster or make them achieve more within their chosen field. As well as providing a springboard for highly-targeted value-rich promotions, new checkout platforms, like Klarna, support CRM with insights into buyer behavior and preferences, in addition to offering personalized payment plans.

6. Empower premium spend

Sometimes, finances are constrained – particularly for Millennials and Gen Z, the largest group of online shoppers. If items are out of their range, **19%** will wait till they can afford it, **20%** will go look for a cheaper alternative and **37%** will not buy it at all. With a potential 4 out of 10 premium sales being lost on price alone, it makes sense to provide interest-free payment options that help alleviate financial pressure.

71%

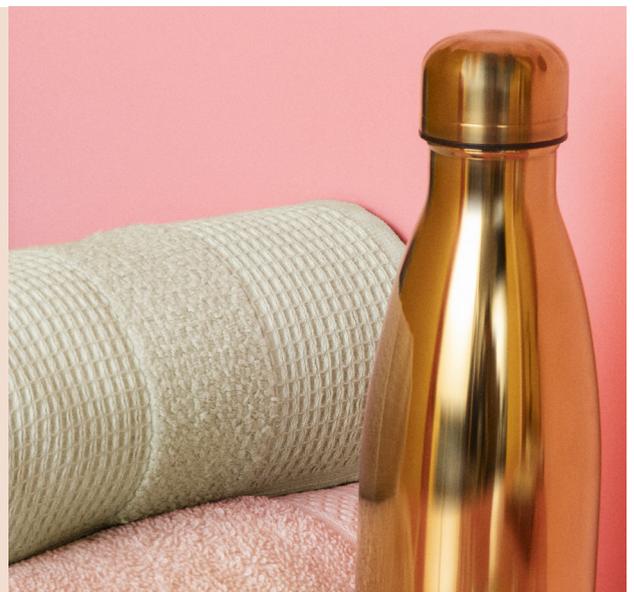
buy sports kit online because
it's more convenient

67%

want to **see their items**
before buying

63%

won't buy expensive sports &
outdoor goods **unless they can**
check them out first



Can sports retailers restyle their checkouts and empower customers to spend more on the items they truly love?

Our survey shows that they can. It reveals that **47%** believe sports shopping would be more enjoyable with flexible payment options with nearly half (**49%**) even prepared to spend more. Importantly, one in two is more likely to choose a sports retailer that offers flexible payments (**56%**) – giving them an edge over competitors that don't.

When it comes to loyalty, the figures speak for themselves

Five out of ten sports shoppers (**50%**), would be more likely to remain loyal if a retailer offered flexible payments. The same number would recommend the retailer to family and friends. Given that as many as 80% of sports buyers also read (and are influenced by) online reviews, generating positive 'word of mouth' is crucial – especially pure-play sports and outdoor brands.

1. Click with the Insta generation

Consumers influenced through social sites such as Facebook and Instagram often want to bag items immediately and are eager for services that help them get more for their money. They also want to look good, even when keeping fit, so being able to try before they buy is a real bonus for these frequent online shoppers.

2. Smooth seasonal spend

Limited disposable income and busy lifestyles means many sports shoppers wait for seasonal promotion, with Black Friday and Holiday season delivering a huge sales spike for retailers. However, with Klarna payment options, shoppers can buy earlier in the season and shop more consistently throughout the year.

3. Ditch discounting

It's easy for retailers to get sucked into a cycle of reducing prices to drive volume. This can de-value their products and drive a bargain culture where customers are reluctant to pay full price and squeeze sales into shorter time frames. With Klarna payment options retailers can add value while keeping their profit margins intact and their sports and outdoor enthusiasts happy.



Check out Klarna for Sports and Outdoor Retailers

Klarna is proven to deliver a competitive advantage and boost revenue for retailers of all sizes. That's why over 200,000 merchants offer our payments products in 19 countries and 85 million shoppers rely on us to keep them 'shopping smooth'.



Let's get in touch with the Klarna team:

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