



Contemporary fashion.

Re-styling payments for contemporary
fashion shoppers.

Klarna.



US consumers can't get enough of contemporary fashion that's accessible, affordable and wearable. With its premium (\$50-\$500) price tag, it's the new sweet spot for apparel retailers too.

It's also among the most competitive clothing niches, with established and new fashion players facing stiff competition from above (fast fashion) and below (diffusion brands).

Revamping their checkouts with new styles of payment, may be just what they need to attract and lock-in fashion shoppers and avoid being squeezed out of the market.

Not only is fashion a main-stay of US retailing, it's also one of the big online success stories. **22%** of all clothing & footwear in the US is now bought over the internet, expected to reach 34% in 2024*. Online and mobile growth is fuelled by Millennials & Gen Z who are now the primary fashion consumers in the US. Heavily influenced by celebrities, music, media and fashion

websites, they're seeking clothes, accessories and footwear that reflect their lifestyles, status, social and culture 'tribes'.

As well as fresh, on-trend looks and woke brands, they're also demanding sustainability and want items that are built to last with ethical sourcing and fabulous detailing and styling.

The good news is that they're prepared to pay more for what they love – just as long as the buying experience matches their expectation!

The US fashion industry is worth \$1.5 trillion in 2020**

Source:

[*Statista: Fashion, 2019](#)

[**Statista: Global Apparel Market, 2020](#)

Fashion retailers are eager to capture the Instagram generation with premium-priced fashion items

Mainstream brands are trading up with new collaborations and designer lines while luxe brands are looking to go mass market with more affordable diffusion sub-brands. As a result, fashion buyers are facing more choices and channels than ever – giving them the opportunity to shop around for exciting new looks.

As fashion influences become more diverse so do buying habits. Shoppers are now more aspirational when it comes to their clothing, and as the value of items rises, so do expectations at the checkout.

Negative consumer emotion when it's time to pay can be the biggest challenge of all for fashion retailers

A poor checkout journey will cause contemporary fashion buyers to run, leaving retailers left holding an empty basket. The more fear, anxiety, stress, or disappointment, the less conversion, uplift and loyalty retailers can expect.

So, what are shoppers looking for in a great shopping experience?

When it comes to their top priorities, contemporary fashion buyers are attracted to retailers that offer a wide variety of quality products (57%), combined with a fabulous customer experience (32%) and a seamless and efficient checkout experience (28%).

What they don't want is complexity, delays and lack of flexible payments. In fact, half of all contemporary fashion shoppers (49%) feel that if a checkout is too long and drawn out, they won't shop there again.

76%

buy fashion online because **it's more convenient**

67%

want to see fashion items before buying

68%

won't buy expensive items unless they can check them out first



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

Klarna's recent contemporary fashion consumer survey shows that they can. It reveals that **56%** believe fashion shopping would be more enjoyable with flexible payment options, with more than half (**53%**) even prepared to spend more. Importantly, feedback shows that almost half (**45%**) would choose a fashion retailer that offered flexible payments over a competitor that didn't.

When it comes to loyalty, the figures speak for themselves

44% of fashion shoppers 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 fashion buyers also read (and are influenced by) online reviews, generating positive 'word of mouth' is crucial – especially for pure-play fashion brands.

At Klarna, we believe flexible payment options can put the joy back into shopping in-store and online

By applying the same innovative approach and customer focus to their checkouts as they do to their style and product lines, fashion retailers can raise their game and compete more effectively.

By offering alternative payment options at the point of sale and letting shoppers pay later for goods, retailers can deliver a better buying experience that resonates

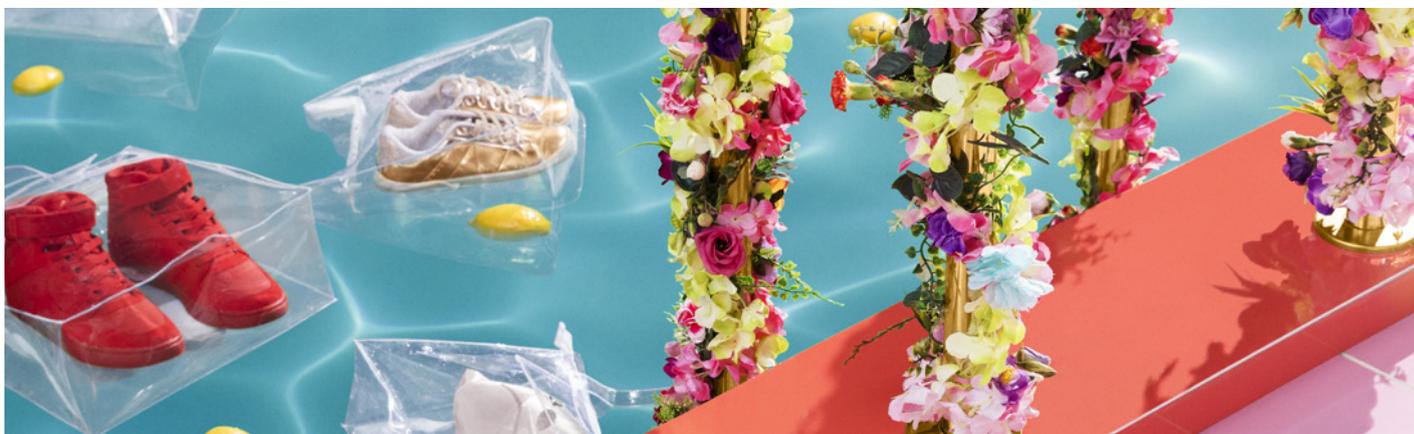
56%

believe fashion shopping would be more enjoyable with flexible payment options

with today's consumers. Payment choice can be catered to a shopper's lifestyles and spending habits – and it puts them in control. Here's how:

1. Help e-shoppers ditch 'fear'

Fashion websites can lose out to physical stores because customers can't experience the goods or ensure they fit. **41%** are afraid their item will arrive in poor condition while more than half (**56%**) are often disappointed with their purchase. With Klarna, shoppers can pay for goods 30 days later or split their payment into 4 installments. This empowers customers to try before they buy so they only part with their cash when they are happy, and happy customers are the best and most loyal kind!



2. Reduce stress for spontaneous buyers

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. **44%** of contemporary fashion buyers find that having the option to pay flexibly (e.g. with Klarna), makes shopping much less stressful for them as they know they can delay or spread the payment.

3. End frustration for mobile shoppers

Fashionistas-on-the-go, don't always have access to payment details, or don't want to input them on tiny screens in non-secure locations. With Klarna, returning customers can pay with one-click even on their mobile. If they've used Klarna before, they'll automatically have this functionality on their first visit to your online store too.

4. Cut FOMO and give back control

Fashion 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 celebrity endorsement) so limited stock runs out fast. With Klarna, customers don't have to wait, they can buy as soon as collections are launched with the option to manage their spending over time.

5. Create a more personal fashion experience

The growth of curated fashion websites and personal shopping services shows that there is a huge demand for a customized approach. As well as providing a

springboard for highly-targeted value-rich promotions, new checkout platforms like Klarna, support personalized offers to attract high volume and premium brand shoppers.

6. Put premium in reach

Sometimes, disposable income is tight. Particularly for items that are out of their price range, **31%** will wait for it to come on sale and **25%** will look for a cheaper alternative.

7. Make it fun for the Insta lovers

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

8. Smooth seasonal spending

Limited disposable income and busy lifestyles mean many fashion shoppers tend to be seasonal (Spring/Summer/Autumn and Winter) with Black Friday and Holiday season delivering a huge spike. With Klarna helping them to pay later, shoppers can buy earlier in the season (to avoid FOMO) and shop more consistently throughout the year.





Check out Klarna for contemporary fashion retailers

Klarna keeps contemporary fashion checkouts 'smooth' (yes, so smooth we need 3 o's), delivers proven competitive advantage and boosts revenue results. That's why over 200,000 retailers – including leading fashion and lifestyle brands – offer Klarna payment options and 85 million global consumers love using Klarna.

Klarna.