

# Boost your sales by understanding your customers.

Not by chopping into margins.

## Who is Bearpaw?

Bearpaw started in California in 2001 with the intention to redefine casual footwear by utilizing sheepskin, nature's own technical fabric, to create comfortable and stylish shoes. Fast forward to 2020, and Bearpaw is an industry leader within footwear, setting the bar for sustainability and delivering a high-quality product line year-round.

Today, the brand sells in the United States and 45 countries both through wholesale channels and direct to consumers at [bearpaw.com](https://bearpaw.com). Their ecommerce site is operated by Sportif USA, Inc. We spoke to Sportif's CEO John Kirsch and IT Director Mike Youngblood to learn more about their 2019 introduction of Klarna.

### Customer

Bearpaw

### Business focus

Footwear

### Location

The United States

### Klarna solution

Klarna Payments: Pay in 4 interest-free installments

## **Bearpaw + Klarna strengthen shoppers' purchasing power when it matters the most**

Bearpaw's peak seasons are fall and winter. And in Q4, especially around Black Friday, holiday competition is fierce and discounts are aggressive. As a result, customers have tons of attractive shopping options.

But Bearpaw.com, which sells at full price year-round, needed to win sales without discounting. How could they compete when market-leading retailers were drop-shipping their own popular products and slashing prices, in a time when both bargain hunters and competing retailers are increasingly savvy? The answer was partnering with Klarna.

## **Making it easier to shop**

When cash flow is limited and credit cards are maxed out in those holiday months, it can be tough for shoppers to make a purchase, even when they've found something they love. Bearpaw lowered the barrier to entry for customers by letting them spread the purchase cost over 4 interest-free installments, all while receiving the full amount up front from Klarna.

By boosting customer purchasing power, Bearpaw was able to make their footwear more affordable while still selling at full price.

## **Klarna + Magento Commerce integration to set up a world class ecommerce experience**

In order to connect with the modern shopper, Bearpaw created a mobile-first site on Magento Commerce and saw huge success. Now they needed a payment provider to match. Klarna is made to offer the best possible user experience for mobile shopping, and is built into the Magento platform as a vendor bundled extension. Today, the Klarna integration runs seamlessly across multiple brands, including Bearpaw.



**“Klarna was an important option for us to offer our customers that let us get the sale that we may have missed in past years.”**

– Mike Youngblood, Director of IT and Operations

# “It’s really important for us to see that higher lifetime value as it’s very expensive to acquire a new customer.”

– John Kirsch, President and CEO

## Lifting AOV and overall revenue to new heights

The effect was unmistakable. Bearpaw activated Klarna and saw immediate results during their peak season. During the holidays, Klarna accounted for 20% of all sales and came in at 30% higher average order value (AOV) than all other payment options. Customer Lifetime Value was also positively impacted as 11% of customers that used Klarna returned to make repeat purchases.

# 20%

Share of checkout

# 30%

Higher AOV

# 20%

Less returns

## Lower returns

The online footwear industry typically sees high levels of returns, because fit and comfort matter a lot. Many customers order several pairs of shoes to try on, only to return all but one pair. But with Klarna, Bearpaw not only saw a 30% higher AOV by making it easier to shop without breaking the bank. They also noticed 20% fewer returns from Klarna customers compared to other payment options.

Klarna enabled Bearpaw to succeed without lowering their prices. Bearpaw is extremely satisfied with the partnership and is looking forward to growing together with Klarna.

***“There’s no lack of demand or competition for Bearpaw, as many stores sell our products at discounted prices instore and online. We believe that Klarna provided a compelling reason for customers to make a full price purchase while it was on their mind.”***

– John Kirsch, President and CEO

***“Klarna definitely provides a lower barrier of entry for many of the customers that are getting maxed out on their credit cards during Q4 and the holidays.”***

– Mike Youngblood, Director of IT and Operations

