

**Klarna.** For Business

The State of Smoooth:

# 2021 Reopening Insights Report.





# Get the key information you need to tackle the months ahead as consumers emerge from lockdown.

2020 was a year marked by disruption, and one that has left a lasting impact on routines, rituals, and, of course, retail. While there's no returning to "business as usual," as lockdowns lift, people are re-entering social and work settings. How will that affect their spending behavior? To answer that question, *The State of Smooth: 2021 Reopening Insights Report* explores the current state of consumer preferences in the U.S. across a variety of industries, including Fashion & Apparel, Beauty & Wellness, Events, Fitness & Outdoor, and Travel.

Jam-packed with must-know insights compiled from consumer surveys as well as Klarna's proprietary shopping data, the report is designed to equip retailers with the key information they need to tackle the months ahead. We also analyzed over 8 million items that Klarna shoppers have added to Collections (formerly "Wish Lists") in the Klarna app to find the hottest products shoppers are coveting this season.



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# Fashion & apparel.





## Ch-ch-changes.

It's no secret that the pandemic caused a major shift in spending habits. In fact, 69% of shoppers said lockdown changed their shopping behavior, with 80% noting that they now prefer to shop online, and 74% now seeking flexible payment options. More than half of shoppers (56%) are on the hunt for deals and coupons, while 40% want easy returns.



**Hot tip:** Consider implementing flexible payment options at checkout to offer shoppers an alternative to traditional credit.

## IRL shopping, it's nice to see you again.

While plenty got comfortable browsing and buying online, the vast majority of consumers (80%) missed the in-person shopping experience—especially Gen Z and millennials. Younger shoppers (Gen Zers: 33%, Millennials: 27%) were more likely than older shoppers (Gen Xers: 23%, Baby Boomers: 22%) to miss in-person shopping “a ton.”

That's great news for brick-and-mortar store owners who are just as eager to welcome shoppers back.

## Give 'em what they want.

69% of shoppers say the pandemic changed their shopping habits:



**80%**

now prefer to shop online



**74%**

look for flexible payment options



**56%**

now look for deals or coupons



**40%**

now wants easy return options

## See ya later, sweats.

After so much time spent in lockdown wearing the same old sweatpants, it's easy to understand why nearly three-quarters (73%) of shoppers are ready to change their styles. How do they plan to mix up their look? More than a third will add a splash of color (38%), while close to a quarter are planning to wear more patterns (23%).

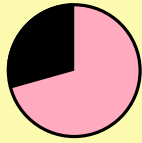
## Get your sexy on.

Giving their loungewear a well-deserved break, shoppers are excited to dress up again.

Who can blame them? 39% point out slipping into something a little fancier makes them feel more confident and sexy.

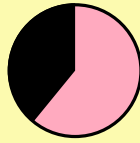
# Wardrobes get a splashy upgrade.

Shoppers are excited to get dressed up again, with 89% planning to refresh their wardrobe as the world reopens.



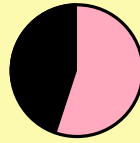
**72%**

plan to clean out their closet



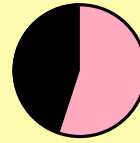
**59%**

plan to add some new accessories



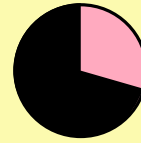
**54%**

plan to splurge on some fun "going out" looks



**54%**

plan to invest in new basics



**28%**

plan to invest in new sweats, loungewear or pajamas

## WHAT'S TRENDING

### Can't beat brand new.

Vintage is so....vintage. 84% of shoppers would rather buy new apparel items, over upcycling or heading to second-hand boutiques. 93% are bypassing rental clothing options in favor of never-worn-before pieces.

### But don't count "old" out.

The pandemic certainly had people longing for the simplicity of bygone days, so it's no wonder nostalgia is on-trend. The styles shoppers most want to see return to their wardrobes are baggy pants (26%) and neon colors (24%), along with glitter, leggings, and low-rise pants. When asked which decade they'd most like to see enjoy a fashion revival, consumers selected the 2000s (34%) when 'Vibing' was all the rage, followed by 90's trends Grunge/Rock-n-Roll (27%) and techno (26%).



**Hot tip:** Consumers are tired of the same-old, same-old. If you've got inventory that leans more eclectic or colorful, make sure it's front and center.

### Common threads.

18-25 yr olds are also excited about the revival of:

Leggings 24%

Corset 18%

Glitter 17%

While 26-35 yr olds are excited about:

Animal prints 23%

Leggings 22%

Low rise pants 20%

And 36-56 yr olds are excited about:

Low rise pants 20%

Glitter 20%

Animal prints 20%

## Feeling blue? Yes, indeed.

As shoppers add more vibrance to their wardrobes, one shade stands out among the crowded color palette: blue. Casting a soothing spell, this hue reminds us of the sea, sky, and long summer days.



**Hot tip:** Perennially-popular black and ultra-cool aquamarine are two other shades shoppers want to wear more frequently. Don't shy away from pairing these bold hues when creating your displays.

## Kicked to the curb.

Sorry, sandals! The majority of shoppers named sneakers (47%) the shoe of choice for summer 2021, followed by sandals (37%). Even flip-flops (33%), a seasonal staple, couldn't compete with athletic footwear.



## What's cool in kicks?

Here are the most popular shoes saved to Klarna's Collections in May 2021:

- 1 **Nike Air Force**  
1's 07 White
- 2 **Nike Air Jordan**  
1 Mid 'Barely Orange'
- 3 **Nike Air Jordan**  
1 Retro High OG 'Silver Toe'
- 4 **Nike Air Jordan**  
1 Retro High OG 'Dark Mocha'
- 5 **Nike Air Jordan**  
9 Retro 'Dark Charcoal'

## Shop 'til you drop.

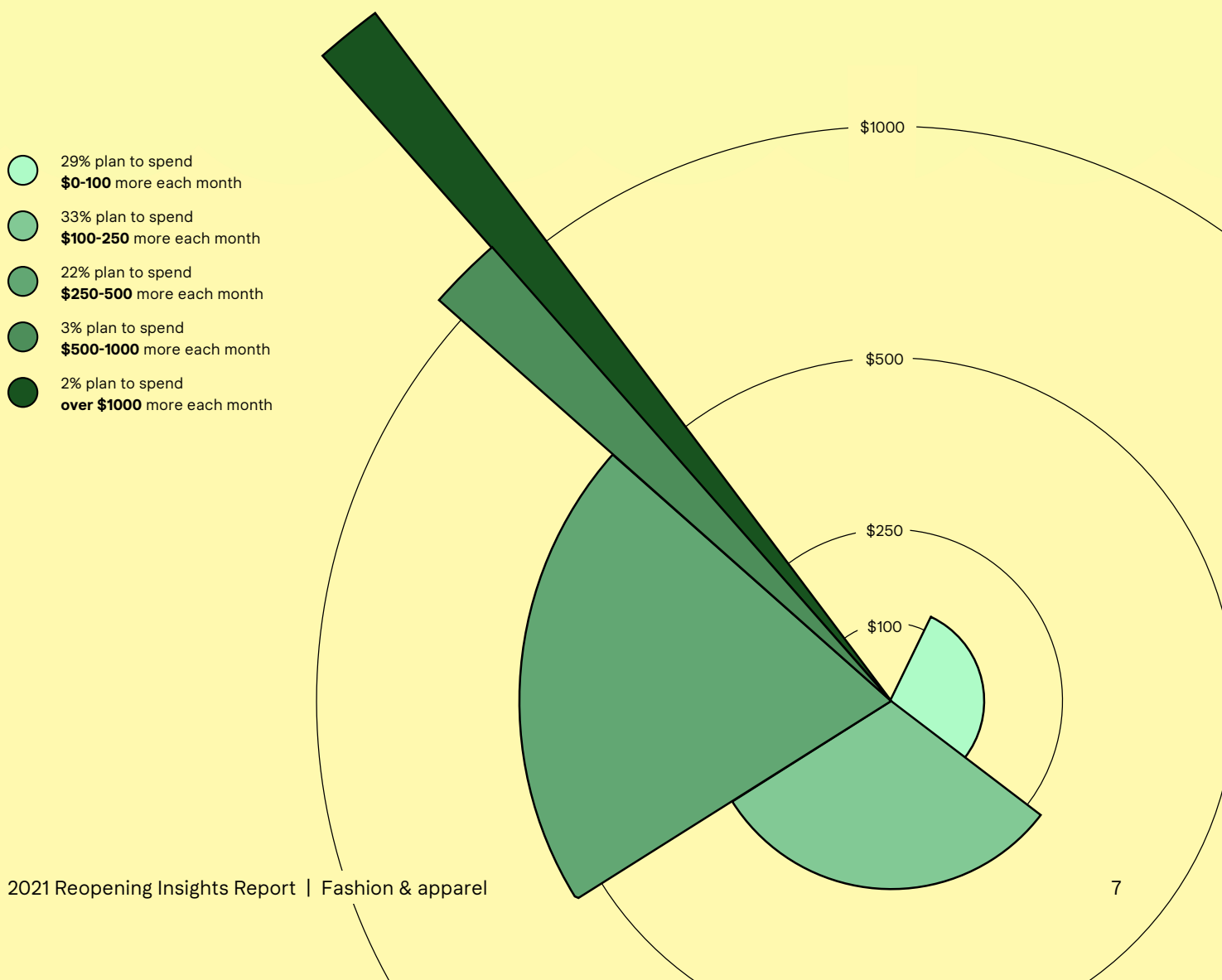
As people venture back out, returning to work and play, they want to look their best...and they don't mind paying up to do so. 89% percent of shoppers plan to spend more money on clothes than they did throughout the pandemic. One-third (33%) anticipate paying \$100-250 more each month.

## Short-term engagements.

With few events on the calendar, demand for rental clothing waned during lockdown. But as more invitations begin to circulate for formal affairs, shoppers across all age groups expect to use rental platforms over the next six months. Leading the rental revival are Gen Zers (12%) and Millennials (9%). Their top reasons for renting are: for formal events and "going out" clothes.

## Show me the money.

Consumers have been hit with summer shopping fever—89% plan to spend more money on clothes now than they did throughout the pandemic.





A pregnant woman with dark hair is lying on her back on a massage table with pink and white horizontal stripes. She is wearing a purple ribbed tank top and a light pink textured cardigan that is tied at the waist. Her eyes are closed, and she has a peaceful expression. In the top right corner, there is a silver tray containing a cluster of red grapes and some pink flowers. The scene is brightly lit, suggesting a spa or wellness environment.

**Beauty  
& wellness.**



## Great skin for the win.

Consumers across all age groups prioritized skincare products during lockdown. When shopping for these items, younger generations noted that they look for natural and toxic-free ingredients that will make their skin look great for the long term.



## So done with DIY.

Throughout lockdown, consumers gave it their all when it came to at-home beauty and wellness treatments. But serving as their own in-house aestheticians has quickly lost its luster. The top 3 regimens audiences will discontinue when the country fully reopens are mani/pedi's (57%), haircuts (54%), and waxing (53%), followed by facials (50%).

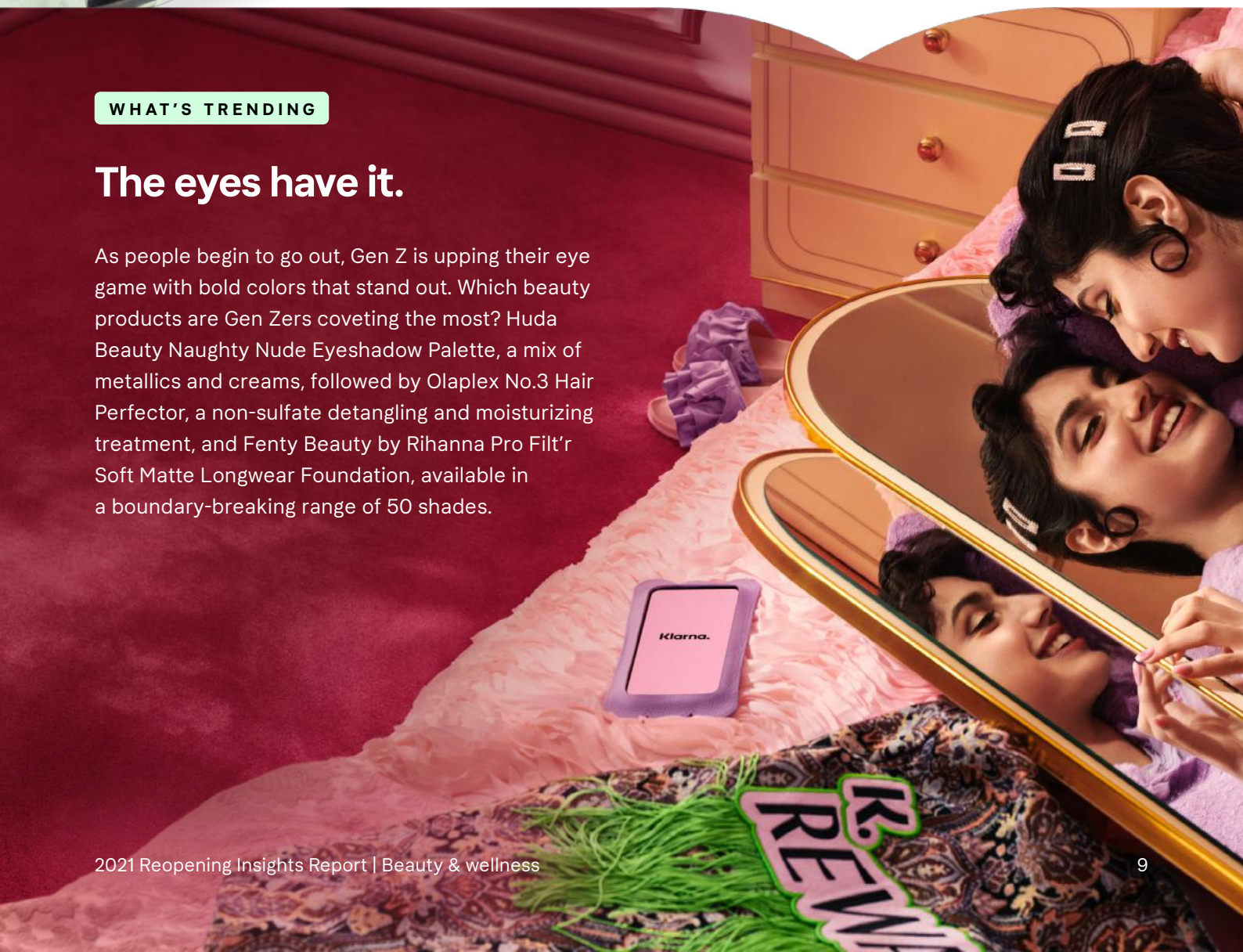


**Hot Tip:** Consumers are eager to return to salons and spas. If you're in this or an adjacent field, now's the time to get your marketing machine in high gear. Don't forget: more than half of shoppers are looking for deals and coupons!

## WHAT'S TRENDING

## The eyes have it.

As people begin to go out, Gen Z is upping their eye game with bold colors that stand out. Which beauty products are Gen Zers coveting the most? Huda Beauty Naughty Nude Eyeshadow Palette, a mix of metallics and creams, followed by Olaplex No.3 Hair Perfector, a non-sulfate detangling and moisturizing treatment, and Fenty Beauty by Rihanna Pro Filt'r Soft Matte Longwear Foundation, available in a boundary-breaking range of 50 shades.



## Looking good. Smelling great.

Fragrance is having a moment with Millennial audiences who want to make a scent-sational re-emergence as lockdowns lift. This group selected Yves Saint Laurent Black Opium Eau de Parfum, Chanel chance eau tendre fragrance, and Olaplex No.3 Hair Perfector as their top wish-listed beauty products in May.



**Hot tip:** If you have fragrance items that aren't specifically perfume, build out inventory around products that smell fantastic and let shoppers discover new favorite scents.

## 'High' up on wellness wishlists.

Believed to promote sleep, feelings of calm, and even pain relief, hemp and CBD-related products were the most popular wellness items saved in the Klarna app in May. In order of priority:

- 1 Wellution**  
Natural Hemp Gummies
- 2 Penguin**  
SBD Gummies
- 3 Simply Gum**  
CBD Chewing Gum
- 4 Elf Cosmetics**  
CBD Lip Oil
- 5 CBD Sleep**  
Botanically Infused CBD Memory Foam Pillow



## The most popular beauty items saved to Klarna's Collections in May 2021.

### Gen Z

- 1 Huda Beauty**  
Naughty Nude Eyeshadow Palette
- 2 Olaplex**  
Hair Perfector No. 3
- 3 Fenty Beauty**  
Pro Filt'r Soft Matte Longwear Foundation

### Millennial

- 1 Yves Saint Laurent**  
Black Opium Eau de Parfum
- 2 Chanel**  
Chance Eau Tendre Eau de Parfum
- 3 Olaplex**  
No.3 Hair Perfector



## In-store beauty rebounds.

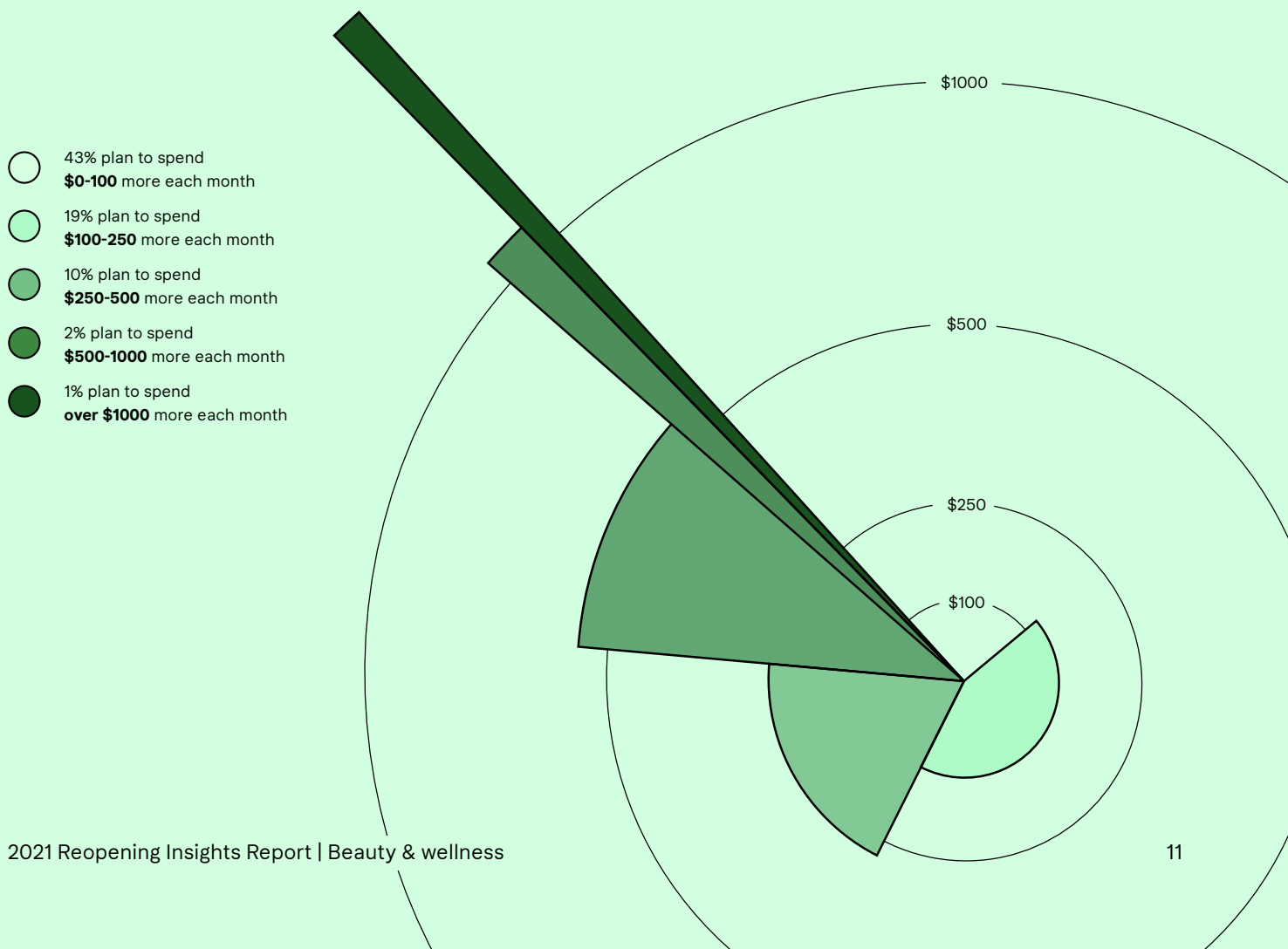
Traditionally, beauty shoppers have enjoyed seeing, sampling, and even smelling their options in-person before purchasing. While consumers embraced online purchasing during lockdown, Klarna data shows that preference towards shopping for beauty items in-store will return as the world reopens. In March, the same number of US consumers shopped in physical stores as they did online (26%), and more people bought beauty products in physical stores (42%) than online (28%) in May.

## Fresh-faced.

With more opportunities to get out and gather in person, nearly three-quarters (74%) of shoppers plan to spend more money on makeup than they did throughout lockdown. Going beyond cosmetics, 93% shoppers are excited to invest more time and money in their health and wellness routine as the world reopens.

## It's time for a modest shopping spree.

As the world reopens, 74% of shoppers plan to spend more money on makeup each month than they did during the pandemic, with 42% of shoppers planning to spend between \$0-100 more each month.



# Events.



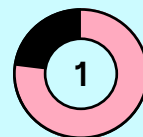


## IRL is where it's at.

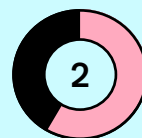
If shoppers were on the fence about spending money to attend in-person events prior to lockdowns, the indoor, streaming-entertainment-only lifestyle helped them see what they were missing. 69% of shoppers plan to attend in-person events within the next 6 months, and 70% are willing to spend more money to have great in-person experiences now compared to prior to the pandemic.

## Where to go first?

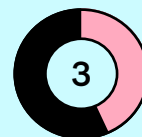
Shoppers are most excited about attending:



Festivals and fairs (62%)



Concerts (58%)



Arts & theater shows (41%)



## WHAT'S TRENDING

## Craving convenience.

While some are ready to return to their pre-pandemic ways, more than half (51%) of shoppers agree there are aspects of virtual life they'd like to see continue. When asked which activities they'd like to remain virtual, working (65%) and shopping (54%) topped the list across all generations. Shoppers are noting that it's hard to beat the convenience, safety, and time saving that comes with doing certain things from home.



**Hot tip:** If you're thinking of hosting a virtual event aimed at older audiences, go for it! More than one-third (36%) of Gen Xers and nearly half (47%) of Baby Boomers would prefer a virtual wine tasting to one IRL.

## C'mon over.

Summer is the perfect season to gather outdoors and make the most of porches, patios, and decks. Shoppers can't wait to spruce up these living spaces. Recognizing that no gathering is complete without ambient lighting and the perfect soundtrack, check out what's hot in at-home entertaining.



### WHAT'S AHEAD

## Livestream shopping is poised for stardom.

While only 25% of shoppers reported having attended a virtual livestream shopping event, 60% of shoppers who had tried it say that it improved their online shopping experience. 47% would prefer it to shopping in-store; and even 38% would prefer it to traditional e-commerce/online shopping.

What is it exactly? Retailers and brands are using live video to share products, answer questions, and close sales with customers who are joining remotely to watch.

Here are the most popular staycation items saved to Klarna's Collections in May 2021:

- 1 Sparkly Trees**  
Fairy Light Spirit Tree
- 2 Etsy**  
Hanging Cloud Light
- 3 Sengled**  
Smart LED Multicolor Light
- 4 LBel - Galaxy Projector**  
Galaxy Projector with Bluetooth Music Speaker
- 5 Kikkerland**  
Karaoke Microphone

## ...and older audiences are the early adopters.

Though you might expect digitally-savvy Gen Z and Millennials to be livestream shopping enthusiasts, it's actually Baby Boomers (28%) and Gen Xers (27%) who are more likely to have participated in these events (Millennials: 23%, Gen Zers: 20%). Maybe having been raised on a steady diet of QVC and HSN, these audiences recognize the allure of discovering new products and connecting with fellow shoppers from the comfort of home.



### Need proof that it works?

*Klarna's second virtual 'Hauliday' event in March, which incorporated a livestream shopping element, drove positive results for over 50 brands, including Macy's and Foot Locker. Participating retailers saw an average 53% week-over-week surge in traffic, and retailers offering discounts above 25% off saw a whopping 620% average increase in traffic during the week of the event.*



# Fitness & outdoor.



## Take a hike.

With traditional forms of exercise and entertainment closed during lockdown, people took to the great outdoors. Many younger shoppers (Gen Zers: 58%, Millennials: 45%) picked up a new outdoor hobby or activity during lockdown, and nearly all of them (98%) plan to continue doing it for years to come. What are the most popular forms of outdoor exercise? Walking (68%) finished first, followed by hiking (35%), and running (32%). That explains why shoppers hunting for fitness and outdoor equipment are willing to spend the most on clothing (76%) and footwear (72%).

## Megastore vs. mom-and-pop.

Where are the top spots consumers search when they're ready to buy outdoor equipment and gear? The first stop is marketplaces like Amazon or eBay (76%), followed by big-box retailers (56%) and small businesses (40%). But who's shopping where varies by age. Younger shoppers (Gen Zers: 47%, Millennials: 42%) favor small businesses for outdoor equipment and gear, compared to 35% of Gen Xers and 33% of Baby Boomers.

## From that thrift shop down the road?

Embracing upcycling and vintage pieces, younger shoppers are also more likely to shop at thrift stores than older shoppers. 27% of Gen Zers and 20% of Millennials say that second-hand stores are their favorite places to shop for outdoor equipment and gear, compared to 16% of Gen Xers and 17% of Baby Boomers.

## Home workouts hit the "mat."

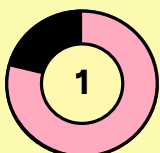
Over seven out of ten (71%) shoppers said they worked out at home during lockdown, and 46% said they workout at home now more often, compared to pre-pandemic.



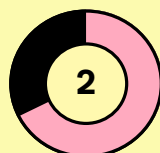
**Hot Tip:** Hoping to increase sales in the workout arena? The most popular way to hit Gen Z (64%) is through social media, while the other age demographics rely on online reviews and magazines.

## The drivers behind the decision making.

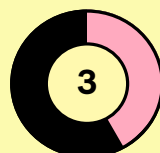
Shoppers' top considerations when shopping for outdoor items are:



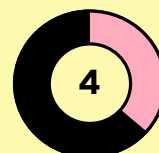
Quality (78%)



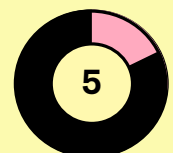
Price point (70%)



Flexible payment options (43%)



Sustainability (35%)



Brand name & recognition (19%)



**Fun Fact:** Younger shoppers care more about sustainability when shopping for outdoor items than older shoppers. 48% of Gen Zers and 39% of Millennials say sustainability is their #1 consideration, compared to 28% of Gen Xers and 27% of Baby Boomers.



## Hey there, fit fam.

Though home workouts are hotter than ever, that doesn't mean that shoppers will be missing their next group fitness classes. Two-thirds of shoppers (66%)—especially Gen Zers (71%) and Millennials (70%)—are excited to hit the gym or studio now that the world is reopening.

## Not your average pair.

Online purchase data from Klarna shows that funky, fashionable leggings have been rising in popularity over the past few months. The styles that Klarna's shopping index revealed increased in May (up from earlier in the year) include: tie-dye (+174%), floral (+174%) cutout (+152), lace-up (+141%), and blue (+132%). For those mid-1990's-2000's style lovers, printed and flare leggings are also gaining traction among consumers, up 75% and 30% over the same period.

## The Tik Tok desk bike.

Even if you're not a Tiktoker, chances are you've seen the FlexiSpot Desk Bike Chair making the rounds. The viral sensation claimed the number two spot in Klarna's Collections within the outdoor & fitness category, proving the marketing power of social media.

### Top outdoor & fitness picks.

Here are the most popular fitness and outdoor items saved to Klarna's Collections in May 2021:

- 1 **The Mirror**  
from lululemon
- 2 **FlexiSpot**  
All-In-One Desk Bike
- 3 **NordicTrack**  
Treadmill
- 4 **The North Face - Eco Trail**  
Synthetic 35 Sleeping Bag
- 5 **Waterrower**  
Rowing Machine Model #200



## Feeling good, looking even better.

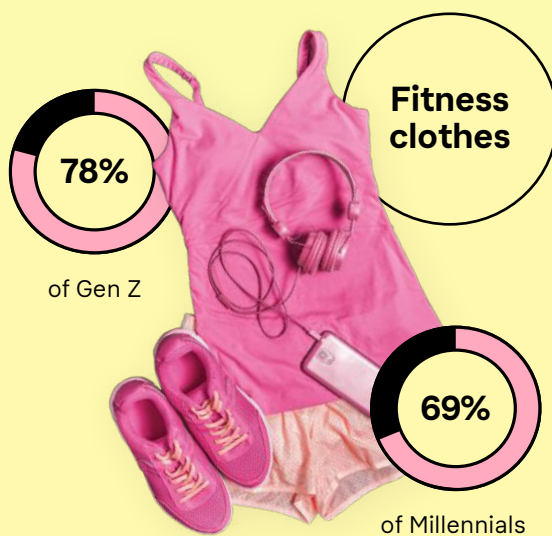
Now that fitness buffs are heading back to the gym or studio where they'll be seen by the masses, they want to upgrade their workout wear. In fact, nearly two-thirds (64%) of shoppers agree they need new apparel ASAP.

## Sweatin' it out at home.

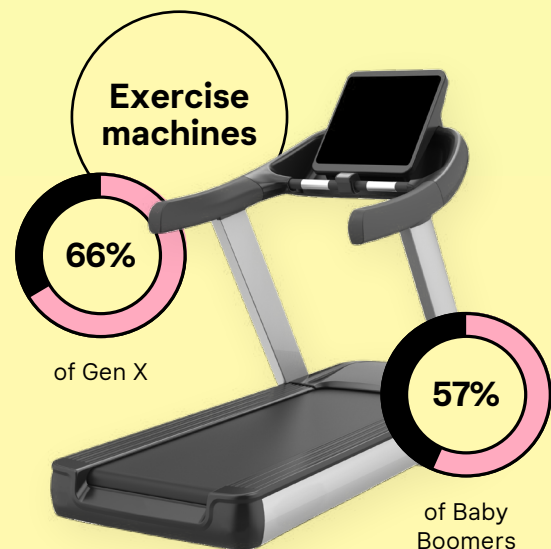
Of the shoppers who worked out at home during the pandemic, nearly nine out of ten (86%) say they'll continue to do so even as gyms and fitness centers reopen. More than half (51%) of shoppers plan to invest in home workout equipment/apparel over the next 6 months, so don't expect this group to throw in the towel just yet!

## Who's shopping what?

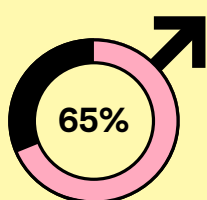
Depends on your age and gender.



**Younger shoppers** will be spending the most \$ on fitness clothes over the next 6 months.

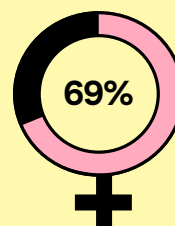


**Older shoppers** will be spending the most \$ on exercise machines over the next 6 months.



### Weights

**Men** (65%) will spend the most money on weights.



### Fitness clothes

**Women** (69%) will spend the most money on fitness clothes.



# Travel.







## Bon voyage.

A change of scenery is good for the soul. 60% of Gen Zers and 53% of Millennials—the groups that coined the term ‘FOMO,’—say that traveling is more important to them now than it was pre-pandemic. In fact, 40% of Gen Zers and 36% of Millennials note that they’re inclined to spend more now on getaways than they would have in their pre-lockdown days.

## Savings vs. safety first.

What are the top considerations when shoppers are booking a getaway? Cost and budgeting options (74%) topped the list, followed by having a positive experience (47%), and health requirements (38%), such as mask mandates, and vaccines.

**Hot tip:** While many think vacation is synonymous with luxury, 62% of shoppers would rather cut travel costs where they can. Again, if you can offer a travel deal, you may find yourself with more business!

## Score one for mother earth.

Two-thirds (66%) of consumers say they care more about the environmental impact they create while traveling than they did a year ago, and 62% take it into account while planning a trip. Younger shoppers, especially Gen Zers (68%), are more likely than any other generation to consider the environmental impact of their travels while making travel arrangements (Millennials: 61%, Gen Xers: 59%, Baby Boomers: 61%).







#### WHAT'S TRENDING

## Up, up and away.

Sorry, road trips, you're getting left in the dust—or is it tailwinds? Of the 83% of shoppers who plan to travel over the next 6 months, more than three-quarters (78%) will be flying. Where will they stay while away from home? Eight out of ten (81%) said hotels, while 50% will rent a house. Taking advantage of platforms such as VRBO and AIRBNB is more popular with younger shoppers (Gen Zers: 61%, Millennials: 55%).

Top reasons for travel in the months ahead? 70% are headed on a family vacation, while 60% say their getaway is "just for fun." In pre-pandemic times, destination weddings were all the rage, but only 8% of those surveyed are traveling to see a happy couple say, "I do!"

## Warmth wins out.

Who can resist a tropical getaway? 88% of shoppers would prefer to stick their toes in the sand than shiver somewhere cold. Literal hot spots include Florida, Nevada, and California domestically. On the international side, Mexico, Jamaica, and the Dominican Republic lead the most sought-after destination list.

#### WHAT'S AHEAD

## New merch for new adventures.

New swimsuit for that seaside vacay? Yes, please! A whopping 91% of consumers go shopping to prepare for vacations, and 68% would rather go on a pre-vacation shopping spree than make do with what they have. What do travelers spend the most on when it comes to vacation? 95% buy clothing & accessories, while 54% splurge on dining. Events and excursions capture the dollars of 44% of shoppers.

## Globetrotter vs. staycation-er.

The distance travelers are willing to venture appears to be dictated by their age. Younger shoppers are more likely than older shoppers to prefer voyaging as far from home as possible (Gen Zers: 56%, Millennials: 56%, vs. Gen Xers: 44%, Baby Boomers: 32%).

Meanwhile, older shoppers are more likely to say they'd rather stay closer to home (Baby Boomers: 67%, Gen Xers: 56% vs. Gen Zers: 44%, Millennials: 44%).

# Help your customers step into style.

To learn more about offering Klarna in  
your checkout at [klarna.com/us/business](https://klarna.com/us/business) or by  
contacting our team at [learnmore@klarna.com](mailto:learnmore@klarna.com)

## ABOUT KLARNA

We make shopping smooth. With Klarna consumers can buy now and pay later, so they can get what they love today. Klarna's offering to consumers and retailers include payments, social shopping, and personal finances. Over 250,000 retail partners, including H&M, IKEA, Expedia Group, Samsung, ASOS, Peloton, Abercrombie & Fitch, Nike and AliExpress have enabled Klarna's innovative shopping experience online and in-store. Klarna is one of the most highly valued private fintechs globally with a valuation of \$45.6 billion. Klarna was founded in 2005, has over 4,000 employees and is active in 17 countries. For more information, visit [klarna.com](https://klarna.com).

## Klarna. For Business

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### Methodology

Findings of this report are based on Klarna survey results and insights from Klarna's proprietary shopping data. We analyzed:

- The results of a US survey of over 6,292 shoppers ages 18-66+, fielded in June 2021. Definitions of each age group are Gen Z (18-24); Millennials (25-40); Gen X (41-56); Boomers (57-66).
- The results of a US survey of 5,732 shoppers ages 18-67+ ages 18-66+, fielded in June 2021. Definitions of each age group are Gen Z (18-24); Millennials (25-40); Gen X (41-56); Boomers (57-66).
- The results of a US survey of 1140 consumers ages 18-45, fielded in May 2021 and conducted by the research agency Nepa.
- The results of a recurring "shopping pulse" survey that Klarna conducted globally, which includes 9 countries on 3 continents. US data was collected from a sample size of 1003 respondents, fielded in March and May 2021.
- The results of a US survey of 15,000 beauty shoppers ages 18-67+, fielded in February 2021.
- The most-saved items to the Collections feature in the US Klarna app in May 2021.
- Klarna's shopping index (KSI) data from online purchases with Klarna in the US between January and May 2021. KSI is calculated based on the number of sold items for different types of clothing. The index value (100) represents the share that a particular item has of the total sales, for all clothing items, at the beginning of the year.