

Klarna®



KLARNA CASE STUDY

Customer: Schuh

Business focus: Footwear retailer

Location: HQ in Scotland

Klarna solution: Online checkout with Pay later.

Klarna and Schuh a perfect pair for smooth online shopping

Named after a German fashion footwear magazine, Schuh opened its first store in Edinburgh in 1981. Now, it is one of the country's leading footwear retailers.

A second Edinburgh shop was quickly followed by Glasgow and Newcastle, as shoppers began to turn to brands, such as CAT, Kickers, Converse, Vans and Dr Martens.

Schuh was one of the pioneers to go online around the turn of the millennium and in 2011 was acquired by Genesco Inc, a Nashville based specialist retailer with almost 2,500 stores in the USA and Canada. Growth continued 'fleet of foot' and in 2012 the first 'kids only' shops opened in Lakeside, Braehead and Liverpool.

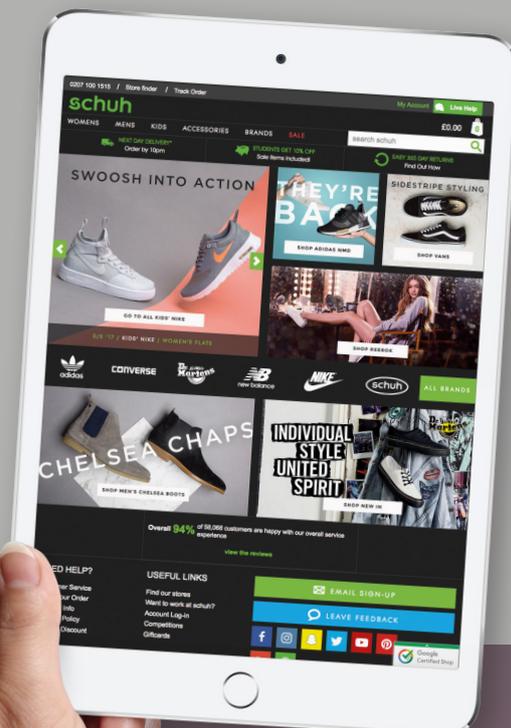
Schuh now operates almost 130 stores in the UK, Republic of Ireland and in Germany, including now selling its own branded products.

Challenge

With thousands more shoppers switching to online purchase, it was vital for Schuh to offer customers a frictionless buying experience. It is a proven fact that a complex and detailed checkout process deters shoppers and is the biggest factor in basket abandonment.

Furthermore, adding significant amounts of personal detail during online checkout is becoming more worrying for consumers, as fraud and identity theft hit record levels.

Klarna is perfect to aid Schuh's continued expansion, as Klarna's payment gateway with Pay later option is easy to adopt, simple to integrate with existing IT systems and produces first-class purchase data for more effective 'back office' management.



Solution

Differentiation and keeping an edge over competitors is essential in the competitive world of international footwear retailing. Little wonder then, that Schuh has adopted Klarna's smooth payment solution. Klarna manages most transactions on behalf of Schuh, helping them accept all forms of card payment, in addition to offering Pay later. Via Pay later, Schuh enables shoppers to buy and pay 14 days after delivery by settling their bill directly with Klarna. Pay later shoppers only need to enter a few personal details - and no card information - to complete the transaction. No matter which payment method is used, with Klarna repeat purchases are speedy due to the retention of payment details within the Klarna network. This makes the checkout seamless, across all merchants in the Klarna stable.

Results

The flexibility of Klarna translates to direct and tangible benefits for retailers. Following extensive AB testing by Schuh, a double-digit uplift in sales conversion was achieved by comparing the online checkout and Pay later with a more traditional provider.

Klarna also assumes the customer risk, so Schuh always achieves the revenue, even if the consumer defaults, or is late in paying.



Startling boost in sales conversion & one click repeat purchases

"With more of our shoppers using mobile than ever before, making the payments process painless and simple continues to be our priority. The uplift in sales conversions since we introduced Klarna has been very impressive. Our shoppers have quickly adopted Pay later."

Sean McKee, Director of eCommerce and Customer Experience at Schuh

About Klarna

Klarna was founded in Stockholm in 2005 with the idea to simplify buying. Today, we're one of Europe's fastest growing companies. In 2014 we joined forces with SOFORT and formed Klarna Group, the leading European payment provider. Klarna Group has more than 1,500 employees and is active on 18 markets. We serve 60 million consumers and work with 70,000 merchants. Our goal is to become the world's favourite way to buy.