

Klarna.

IN THE STYLE



KLARNA CASE STUDY

Customer: In The Style
Business focus: Pureplay Fashion Retailer
Location: UK
Klarna solution: Klarna Pay later

Klarna Pay later allows In The Style customers to own the latest looks now

In The Style is a trend-led, fast-fashion brand that's built a loyal following among the Instagram generation for its hot looks, affordable pricing and special collections endorsed, designed and adored by celebs. It uses Klarna Pay later, to help customers buy more of what they love and boost acquisition amongst this fashion-savvy crowd.

Challenge

In The Style (ITS) has quickly become the go-to site for fashion conscience young women. A brand that doesn't shy away from the spotlight, it's well known for its collaborations with celebrities and fashion influencers like **Dani Dyer**, **Charlotte Crosby**, **Billie Faiers**, **Binky Felstead** and **Sarah Ashcroft**.

dani dyer

CHARLOTTE CROSBY

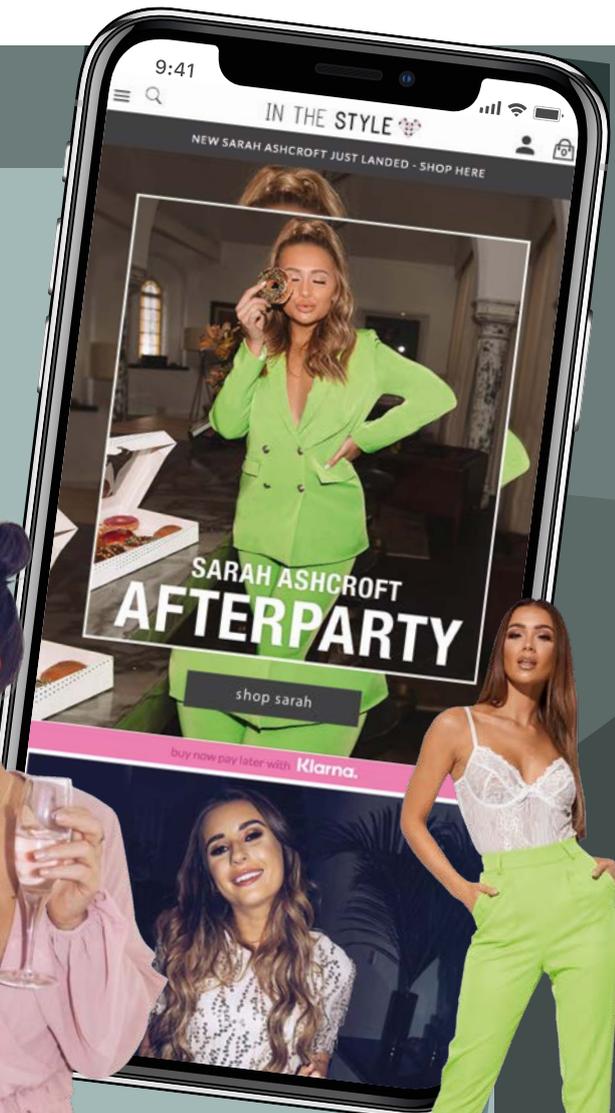
BINKY
X

Billie Faiers

SARAHASHCROFT

In The Style's fashion savvy customers are highly influenced by social media, they love to snap their latest looks at home before making a decision to buy. These young fashion buyers always want to be first with the latest trends and buy new collections as soon as they go live.

To empower its customers, ITS wanted a new way to give flexibility on payments, let them try before they buy, checkout even faster on mobile and to be able to buy more spontaneously.



Solution

ITS chose Klarna's Pay later deferred payment solution to help its customers own the latest designs and trends and manage their cash flow by deferring payment for up to 30 days.

Paul Masters, COO of ITS, confirms: "Klarna is a perfect fit for our millennial demographic. Over 80% of our customers shop with their mobile and Klarna allows them to order items in just two clicks. With Klarna Pay later, they don't have to pay until they have tried on the items and decided to keep them. If they do decide to return the goods, given the extended payment time, they can do so without the cash ever leaving their account. This is really important as it means their cash isn't tied up waiting for a refund, so they can instantly shop with us again for a replacement, new style or different size and we don't lose the sale altogether."



Results

Before using Klarna Pay later, ITS was concerned that any boost to initial order values would also drive a huge increase in returns. But it soon found out that the net impact was favourable.

Paul confirms, "Many of our customers are frequent buyers and like to experiment, particularly with the new collections. So, as with all e-comm fashion businesses a certain level of returns is built into our business model."

Klarna assured us that any increase in returns would be offset against increases in purchase frequency and basket values – and they were right."

"Instead, our customers are buying more, trying more and loving even more of our clothes."

Consequently, we have seen a

31% increase in average order value when our customer shops using Pay later."

The benefits

"Klarna really comes into its own during collection launch days, when items sell out really fast," according to Paul. "Our recent Dani Dyer event, for example, saw most items sell out within a matter of hours. With Klarna, regular customers were able to fast track at the checkout and bag their items, without having to worry about immediate payment and with the confidence they could see it 'offline' before committing to parting with their cash. Pay later has also provided ITS with more options to spread offers and launches throughout the month rather than clustering them around pay days and we've also seen a boost in loyalty; with customers using Pay later returning more frequently and within shorter time frames."

"Klarna is helping to drive acquisition too," concludes Paul. "It's fast becoming a 'must have' for fashion shoppers who now actively seek it at the checkout. As an early adopter, we have stayed ahead of the curve and gained a real advantage. Today, we give Klarna real prominence in all our communications, adding it as a key message during sales, social and media campaigns. Klarna is not only driving sales from our existing customer base, but it's become a powerful acquisition tool encouraging new customers to visit our site and helping them convert once they arrive."

About Klarna

It's all about smooth (yes, with 3 000's). Klarna is Europe's leading payments provider and a newly-licensed bank, we want to revolutionise the payment experience for shoppers and merchants alike. Founded in Stockholm, Sweden, in 2005, we're a fintech unicorn that gives online consumers the option to pay now, pay later or over time — offering a trusted, frictionless and smooth checkout experience.

We work with 100,000 merchants, including ASOS, Topshop and JD Sports in the UK, to offer payment solutions to users across Europe and North America. We have over 2,000 employees and are active in 14 countries.

