

KLARNA CASE STUDY

Customer: Finery

Business focus: Women's fashion

Location: London, UK

Klarna solution: Online checkout with Pay later.

Finery achieves online conversion increase and wins new customers with Klarna

At top women's fashion house Finery, the aim is to 'put the excitement back into shopping' and that is certainly what's happened with Klarna.

For women who love clothes, Finery's design is contemporary and accessible. The promise is to re-inspire shoppers with modern, original and sophisticated styling, without a compromise on quality. Finery is the 'treat on the high street' that gives women a different and unique style. No wonder that Finery has grown exponentially and been lauded by the UK fashion media since its launch in 2014.

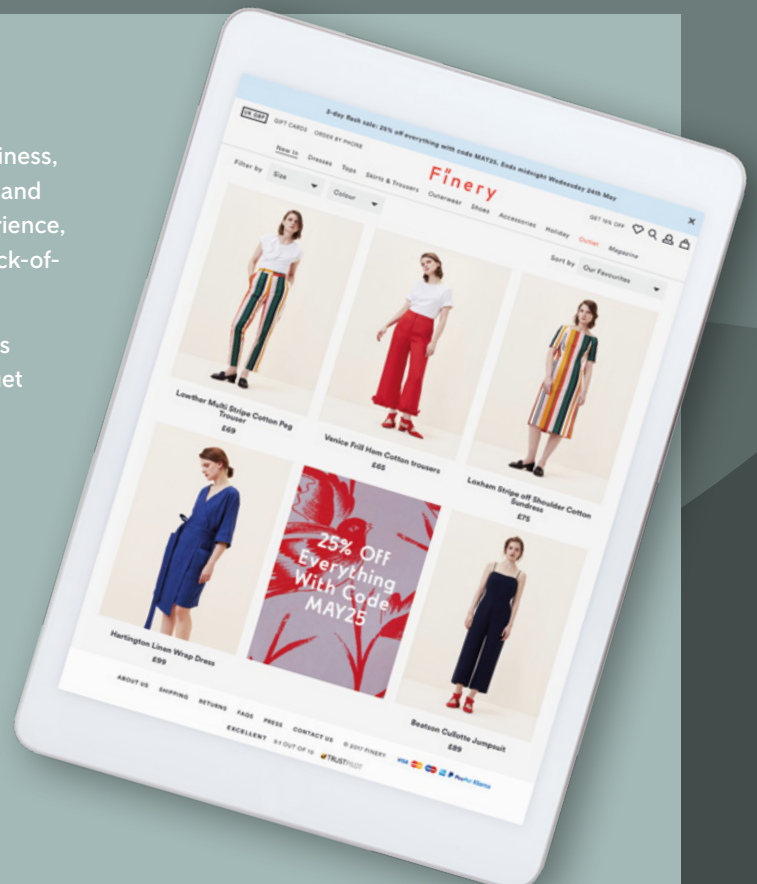
Challenge

Conversion at the checkout is key for any online business, but especially in women's fashion. Margins are tight and a new technology that enhances the customer experience, but also creates cost saving and efficiency in the 'back-of-house' is highly sought-after.

Normal fiddly checkouts, with pages of tedious forms to complete, are a complete turn-off for Finery's target audience of affluent 30+ year old working women, or stylish stay at home mums.

Finery also wanted to help its consumers buy spontaneously, especially on their smartphones or tablets and Klarna's Pay later fulfils that need perfectly.

Shoppers are increasingly aware of keeping their card details safe - and Klarna is proven safe and secure. Finery and Klarna share the same vision of innovation around payment, to make life simple, quick and worry-free for consumers.



Solution

Finery was initially attracted by the one click repeat purchase and mobile optimisation offered by Klarna's online checkout. In addition to traditional card transaction management, these unique selling points elevate the Klarna experience from that of your usual payments service provider.

With Pay later, Finery's customers can pay for their goods after delivery, allowing them to try on clothing, make a return and only pay for what is retained. Shoppers only have to enter their email, address and post code to complete the purchase, then an invoice will be sent 14 days later. Shoppers will settle their bill directly with Klarna, but the merchant will be paid immediately.

Results

In just a few short months, basket values grew 15% and items per basket grew by 20%. Over a quarter of Finery customers now use Klarna rather than paying direct by card.

The unexpected bonus with Klarna is that it has attracted new customers, who had never shopped at Finery before. Klarna users have also shopped 8% more frequently than other card users, meaning they are spending more and increasing Finery's loyalty statistics.

The total Klarna solution was rolled out in less than two months, with little special customisation. The two teams worked very closely together, hitting 'Go-Live' dates, with speed and system reliability featuring highly during the deployment.



Less checkout abandonment, increased new sales and simple charges

"Even marginal improvements in online checkout abandonment are hard to get, so our results with Klarna have been fantastic. And, we have added a whole raft of new customers, thanks to Klarna's Pay later."

"From a day-to-day management standpoint, Klarna is easy for the Finery team. The daily dashboard/snapshot in the merchant portal is easy to understand and operate by the team. Another positive is that Klarna is agnostic with regard to card charges. There is simple pricing with consistent fees for all types of cards."

"With other payment service providers the merchant rates vary with the type of card and from month to month. In the past, we struggled to understand what was being changed and why. With Klarna, pricing is completely transparent."

Luca Marini, chief operating officer at Finery



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.