

KLARNA CASE STUDY

Customer: Polarn O. Pyret (PO.P)

Business focus: Omni-channel Childrenswear Retailer

Location: UK and Ireland

Klarna solution: Online checkout with Pay later

Klarna makes checkout child's play for PO.P

Leading Swedish childrenswear brand Polarn O. Pyret (PO.P) makes clothes that are fun, functional and built to last. With PO.P kids can be kids, play and be happy – an approach that's made the brand a massive hit in the UK and Ireland, where it's been franchised since 2006. Today, PO.P UK has 16 retail stores and concessions and is a leading supplier to John Lewis and House of Fraser. Since 2011, the franchise has also run its own website, which now generates 40% of total sales making it PO.P's biggest and fastest growing single channel.

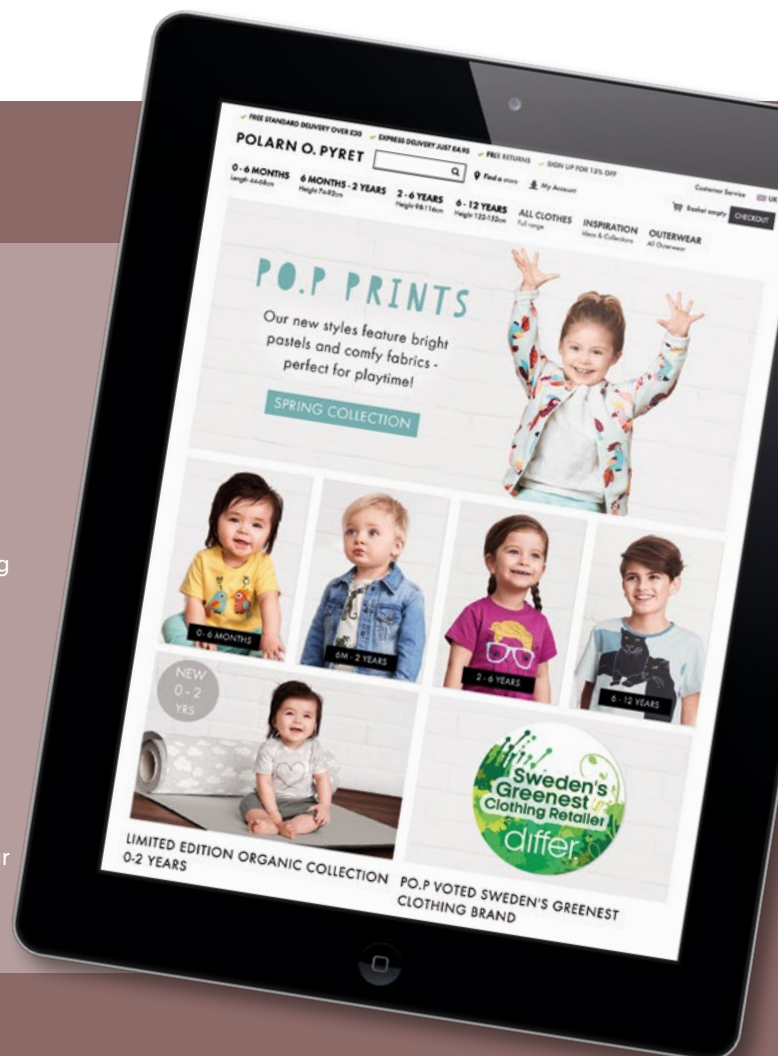
Confident that it makes the best children's clothes in the world, PO.P wanted its website to be the best too. With many of its customers now browsing and buying online, the business recently switched to Klarna Checkout and Pay later to help simplify its checkout experience and make shopping child's play for its family-focused audience.

Challenge

With growing brand appeal and a reputation for quality and style in the 0-12 year age group, PO.P was eager to boost conversion among its core buyers; doting parents and gift-buying grandparents, relatives and friends.

Ian Hoverd – Head of ecommerce at PO.P, explains, "We noticed that many of our repeat customers were buying using their mobile phones. Our old checkout was complex with several screens and lots of data fields. It was getting in the way of our sales and causing friction with our buyers, many of whom are busy mums and grandparents."

"In the UK we are a small team and supporting people through a sale puts a burden on our business. We wanted to replace our checkout with a seamless and frictionless payments page that would make it faster and simpler for our shoppers and easier for our business to support."

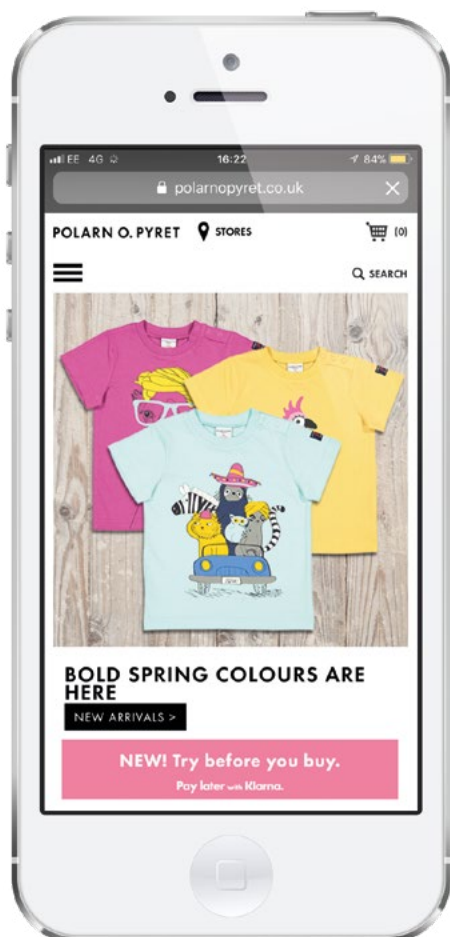


Solution

While PO.P's parent company in Sweden was already using Klarna, Pay later was still a relatively new concept in the UK. So, in 2016, the UK team decided to carry out a split A/B test which would compare its legacy checkout page with one powered by Klarna. This was a fully controlled test, with the two versions running simultaneously, using exactly the same stock and promotions.

Ian was surprised at the results, "In most cases, when comparing new versus old sites, merchants would expect conversions to go down as users would be unfamiliar with the new site. Surprisingly Klarna had the opposite result. Checkout conversions rose by 11% and returning mobile conversions increased by a staggering 20%."

Having obtained strong evidence of Klarna's appeal, PO.P decided that it was the right solution for the UK and Ireland. Today, it uses Klarna's online checkout with Pay later to service its eCommerce channel. Klarna provides PO.P with a simple and smooth payment experience and shoppers benefit from minimal data entry and one-click repeat purchases – even on mobile. The Pay later option is great for those worried about size and fit, which can sometimes be difficult when buying for children and for those purchasing gifts.



Results

With Klarna, PO.P can now deliver a shopping experience that parents and family love. Ian confirms, "The Klarna checkout is ridiculously easy. It really is child's play. Particularly when buying from mobile, which many of our return purchasers are. All the details are pre-filled and the products can be bought instantly with one-click."

Since introducing Klarna, PO.P has experienced an overall 11% conversion uplift. Around 19% of shoppers are using Pay later at PO.P with numbers rising as more users become aware of the benefits including only paying for what they love and want to keep."

But it's not just the customers who are happy. The PO.P team are delighted too. "The merchant part of the Klarna solution was also very good," according to Ian. "We have received excellent technical support from Klarna, and are able to contact its IT experts direct, who are always happy to help. There are now far fewer customer support enquiries to deal with. And, when customers do have a payment issue, we are able to outsource the query, passing it on to the Klarna team who take exceptional care of them."

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 in 14 markets. We serve 60 million consumers and work with 89,000 merchants.