

Klarna.

RANCOURT & Co.
MADE IN MAINE, U.S.A.





Shoemaking doesn't get any more American than Rancourt & Co, a Maine-based and family owned business whose loyal followers include Team USA Olympians and international fashion designers. Famous for its hand-sewn, fine leather loafers, shoes and boots, the American-made shoemaker is now stepping up its online appeal, and sales revenue, thanks to Klarna's flexible 'pay later' payment options.



The Challenge

Rancourt attracts quality-conscious buyers of all ages who appreciate their superior materials and traditional American craftsmanship. Of course, maintaining these time-honored processes is not only time-consuming, but also labor intensive. Since exceptional quality influences product pricing, the business has to work extra hard to stay competitive.

With much of its sales completed online, Rancourt wanted to grow its business by appealing to a wider audience. It also wanted to make its handcrafted goods more accessible to Millennial shoppers who see the Rancourt brand

as an investment that never goes out of style. Kyle Rancourt, VP of sales and marketing explains, "While consumers expect to pay more for quality, we didn't want cost to be a barrier to sales. As soon as people see and feel our shoes, they love them, but selling online makes it difficult to deliver a 'hands-on' experience before they pay. To overcome this, we began offering Klarna's Pay later solution to give customers the option to try before they buy. However, we wanted to help them extend their purchasing power even further, to make sure they weren't limiting their choices based on price."

The Solution

To ease the cost of payment, Rancourt began offering shoppers Klarna's latest Pay later method - four equal installment payments with no added interest. This frictionless solution keeps customers in control of their finances, with payments automatically charged bi-weekly to the debit or credit card provided at checkout. With an average order value of around \$250, Rancourt's purchase patterns were a perfect fit for this type of spread payment.

Klarna's unique payment methods are supported with a dynamic On-site Messaging (OSM) tool, which automatically generates web placements on product pages and across the webstore that illustrate all of the flexible purchasing options available to the shopper (including the bi-weekly or monthly payment based on the total purchase price). Communicating this information while customers are browsing, and before they click through to checkout, can dramatically boost conversion and increase order value.

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Magento Integration

Integrating Klarna payments into the Magento 2, Rancourt's existing ecommerce platform, was simple and frictionless. According to Kyle, “Klarna's core plug-ins and team of Magento developers made onboarding as simple as flipping a switch. We were able to do it through our existing Klarna integration, without any downtime or system compromise. We also have the peace of mind going forward that all updates and fixes will happen automatically as part of Magento's regular release schedule.”



The Results

Since introducing equal installments with OSM, Rancourt's daily online orders have increased by 10%. In fact, almost one in ten of its customers now choose to pay by slicing their order value into more convenient and manageable installments. The company has also seen a 47% increase in checkout conversions as visitors are now aware of their flexible options when making a purchase decision.

Kyle confirms, "Not only is Klarna providing a smoother experience for our customers, it's also been great for our own team. Simple to use, integrate, and manage, there's no extra burden on our customer support, leaving them free to focus on delivering great pre and post sales service. The OSM tool has also made it really easy for our customers to explore pricing options, providing them with an 'as low as' cost comparison before they hit the checkout. This has helped to boost AOV and aid conversion."



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The Benefits, In Their Words



“The uplift we’ve seen from Klarna is incredible. They allow shoppers to feel in control of their purchasing, without paying the full price up front. Smashing this barrier has undoubtedly helped to boost our buyers’ confidence, leading to greater sales.”

“Our customers know that if the item they order online isn’t the right fit, they can return it without the hassle of waiting to receive a full refund. The addition of installment payments takes this even further, empowering them to buy more products, more often and to trade up to higher value items if they see something they simply can’t resist.”



“Using Klarna means that Rancourt is now able to compete more effectively with lower cost shoe retailers by bringing the handcrafted experience into reach for more consumers. We can keep our brand relevant to a modern audience, driving greater volume and value, without compromising on quality or our commitment to craftsmanship.”



Interested in learning more about how Klarna lets shoppers pay later?

Let's talk