

Kabuki Strength & Klarna.

Stronger together.

Kabuki Strength was founded in Portland, Oregon in 2016. Kabuki has a big goal: to improve lives and change the world through strength training.

And they chase that goal by manufacturing innovative equipment, educating community members with new research, and growing their community by prioritizing diversity and inclusion.

This is the story of how Klarna helped.

Retailer

Kabuki Strength

Business focus

Fitness retailer

Location

US

Klarna solution

Klarna Payments on Shopify

Installments

Financing

On-site messaging



Klarna.

Challenge

Kabuki has diverse sales channels, but their direct-to-consumer ecomm store is an important one. Community members visit kabukistrength.net both to read educational articles and to purchase Kabuki's acclaimed power training equipment. In the spring of 2018, sales were growing healthily. But with key equipment exceeding \$600, many customers were missing out.

"We saw a definite need for a point-of-sale financing solution," says Creative Director Andrei Miclei. So he set out to find a payments provider to give the Kabuki community more buying power. "Kabuki Strength is a value-based and mission-oriented organization. We knew any partner would have to have a clear vision, make customer service their highest priority, and have a proven track record. That was Klarna."



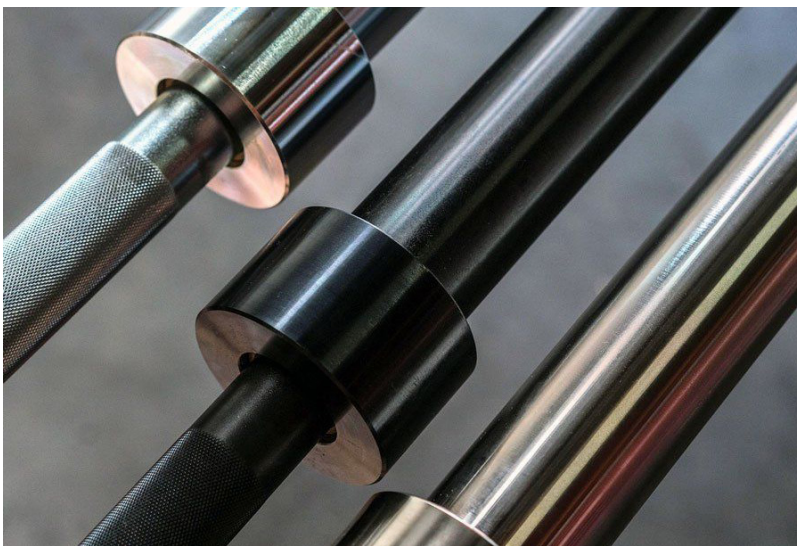
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- Andrei Miclei, Creative Director at Kabuki

Solution

Kabuki leverages Shopify's powerful, cloud-based e-commerce platform. The Shopify platform offers thousands of integrations to benefit online stores, and Klarna's integration is especially easy. Once the partnership was formed in June 2018, it was a breeze to get started.

Kabuki started with Klarna's Financing product that summer and saw early traction thanks to Klarna's On-Site Messaging feature and co-branded marketing materials installed both on their website and social media channels.



Results

Neither Klarna nor Kabuki believe in resting on success. When market research suggested consumer demand for a modern alternative to credit, Klarna released a shorter-term, interest-free installment option. And Kabuki was among the very first merchants to launch it. "Initially, I was concerned that the Pay-in-4 option would eat into our standard card sales," says Andrei.

"But instead, it added an incremental boost from younger customers who need payment flexibility but hesitate when presented with traditional financing."

Add all of that together, and the second half of 2018 was stellar for Kabuki, with a record-breaking Black Friday/Cyber Monday.



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+17% **+47%** **+55%**

to web traffic.

to ecomm revenue.

to ecomm AOV.

The Twist

After the fantastic holiday performance, 2019 showed sustained growth in revenue and conversion rates. So we decided to publish this very case study. But the story wasn't over. "We were taking orders faster than we could fulfill them. We were taking so many sales that we had to temporarily disable Klarna," says Andrei.

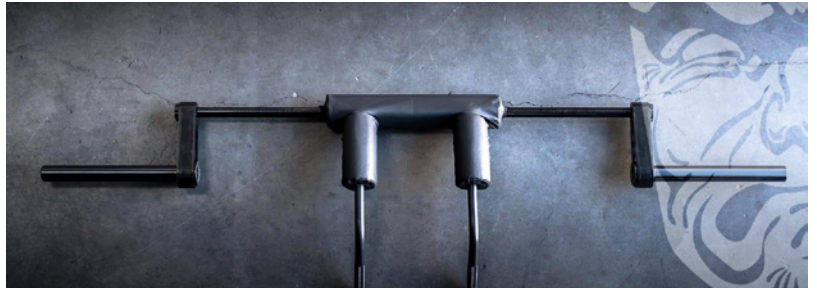
So for much of 2019, the partnership was dormant. In spite of that, both companies had strong years:

- Kabuki continued to grow quickly, expanding especially in its wholesale channels, sales to professional sports orgs, and sales to commercial gyms, all while boosting their production capacity..
- Klarna grew its merchant portfolio massively and launched a game-changing consumer app that became the #1 trending Shopping app in the Google Play Store.

Benefits

But customers brought us back together: “We got questions from customers all the time asking when we would offer Klarna again” says Andrei.

In April 2020, after a year’s worth of manufacturing advancement, Kabuki made the announcement – Klarna was coming back. Customers were thrilled, and sales took off. The partnership delivered its best non-Black Friday day ever.



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- Andrei Miclei



With a reaction like that, we're glad to be back.

Excite your customers and bulk up your sales with Klarna: klarna.com/us/business