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MCM X KLARNA CASE STUDY



Who is MCM?

Since 1976, luxury lifestyle goods and fashion house MCM has been creating high-quality and high-end products ranging from footwear, ready-to-wear, leather goods, and more. Embodying the bold and rebellious, the brand is sought after by a generation of creative visionaries, musicians, jet setters, entrepreneurs, and stars and starlets alike. Today, MCM's most sought after products include pieces like the iconic Stark backpack, having become the first luxury brand to turn them into a signature staple.

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The Challenge.

MCM wanted to reduce customer hesitation around its products and increase its overall conversion rate. In particular, MCM wanted to reduce the number of people abandoning their carts at the checkout and connect with new customers. Already massively popular in Europe and Asia, MCM wanted to further broaden its US customer base, increasing accessibility online and in stores.

The Solution.

With buy-now-pay-later (BNPL) solutions growing in popularity, in 2018 MCM evaluated that offering flexible payments would be a value add for potential European customers.

In opting to partner with Klarna, MCM evaluated four key factors:

First, MCM's digital nomad target audience was an ideal match with Klarna's users, 50% of whom are Gen Z and Millennial.

Second, being an iconic multicultural brand, MCM wanted to transmit a luxury and high-end feel to the visitor, while at the same time providing a flawless shopping experience. Klarna's solutions were able to seamlessly integrate with MCM's existing infrastructure and keep the premium MCM experience.

Third, Klarna's payment solutions, and its customer journey experience fit MCM's goals. And importantly, Klarna as a brand itself was perfectly aligned with MCM'S brand direction and approach.

“Klarna has a great brand language, which matches with our customer. Also, it's facilitating the whole customer journey.”

YVES GUY COULTER, MARKETING DIRECTOR EUROPE

Fourth, Klarna's track record of success in increasing conversions for its partner retailers neatly dovetailed with MCM's goals and needs.

MCM began offering Klarna's Pay in Parts, which allows customers to buy their items while splitting their purchases into 3/4 interest-free payments. While the merchant is paid in full, upfront, the customers are able to receive their items easily and in a manner helpful to their personal budgets. Integrating Klarna's Pay in 3/4 into the checkout process was speedily done and MCM was up and running with minimal development time.

For MCM in Europe, offering Klarna became a major growth engine, as more sales and conversions followed following the integration. Building on that success, MCM expanded its Klarna offerings to its US stores in 2019. Additionally, MCM and Klarna began co-marketing efforts enabling the brand to reach more customers and highlight the option to pay using Klarna through On-site messaging.

Partnering with one of Klarna's global marketing campaigns, MCM and Klarna implemented a social media campaign to pull audiences all the way through the conversion funnel through **On-site messaging** and additional exposure on MCM's channels.



The Results.

Since first offering Klarna in 2018, MCM has seen marked results across the board.

First offered in the EU, MCM sales there increased by 102% YoY, enhanced by an increasingly proactive partnership and joint marketing activities. By offering more flexible ways to pay with Klarna at checkout and showcasing these flexible payment options throughout the shopping journey, MCM saw a 11% increase in conversion and a 10% decrease in their checkout abandonment rate.

The MCM/Klarna marketing efforts led to an increase in on-site traffic of over 25% MoM. Combined with

launching Klarna On-site messaging the incoming traffic gains led to more conversions and orders. Adding On-site messaging caused MCM to see a 40% increase in orders due to Klarna and a 20% increase in AOV.

Upon offering Klarna in North America, Klarna usage now makes up **39% of MCM's e-commerce sales in the US**. Equally valuable for MCM, Klarna's unique post-purchase experience helped **drive repeat purchases**: On a monthly basis, more than **20% are from returning MCM x Klarna customers**.

EU

11%

Increase in conversion rate.

10%

Reduction of people dropping off in the checkout.

20%

Increase in average order value with Klarna On-site messaging.

40%

Increase in orders with Klarna On-site messaging and co-marketing efforts.

“Klarna has been a significant element increasing our conversion rate and in the last months our share of sales through Klarna continues to grow even bigger.”

JARMO LAHDE, HEAD OF ECOMMERCE EUROPE