

KLARNA CASE STUDY

Customer: Arcadia

Business Focus: Fashion Retailer | Location: Across UK

Klarna Solution: Klarna Payments

World fashion innovator Arcadia is first in the UK with 'Buy Now, Pay Later' from Klarna

Arcadia is one of the world's leading fashion retailers, employing a staggering 35,000 people in the UK, Europe and North America.

The Arcadia Group brands include a string of high street greats, including: Dorothy Perkins, Evans, Miss Selfridge, Topshop, Topman and Wallis. With more than 2,500 outlets in the UK, the group also has concessions in department stores such as Debenhams, Selfridges and House of Fraser.

BURTON DOROTHY PERKINS

EVANS *Miss Selfridge* OUTFIT

TOPSHOP TOPMAN wallis

Challenge

Maintaining global retailing leadership on both the high street and for online shopping, means that Arcadia is always pushing the boundaries of innovation and consumer convenience. UK statistics show that almost seven in 10 (68%) of British shoppers abandon their online purchase before checkout, at an average

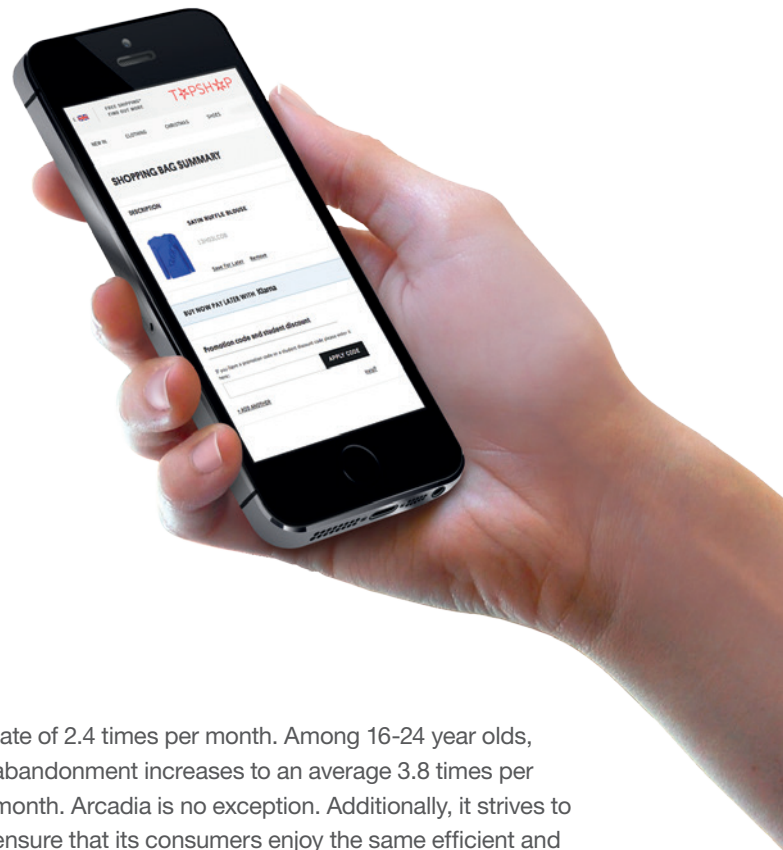
rate of 2.4 times per month. Among 16-24 year olds, abandonment increases to an average 3.8 times per month. Arcadia is no exception. Additionally, it strives to ensure that its consumers enjoy the same efficient and speedy payment experience across all its online offerings.

Solution

Arcadia Group is the first retailer in the UK to introduce 'Buy Now, Pay Later' through Klarna, across ALL its brands. This allows online shoppers to quickly and securely move from checkout to purchase, but have the additional option of instant credit.

With Klarna Arcadia online shoppers can 'Buy Now, Pay Later' with the freedom and control to buy immediately whilst delaying payment for a 3 month interest free period.

At the end of the 'Buy Now, Pay Later' period, shoppers can decide to either pay off the entire purchase in full, or start paying monthly with interest (18.9 % APR representative). Interest is only charged from the end of the 'Buy Now, Pay Later' period.





Hassle free online consumer financing for Arcadia

With an easy IT integration into the existing Arcadia payment flow, Klarna has been able to help boost business in just a few months.

The consumer application for 'Buy Now, Pay Later' is seamlessly built into Arcadia's checkout, so shoppers never leave the brand's website and the decision is made in real-time. Unlike other consumer financing applications, Klarna is streamlined to only a few steps with minimal information gathered from the shopper.

'Buy Now, Pay Later' has been able to improve consumer purchasing power, which in turn has proven to drive a huge increase in Average Order Value of 80% - 90% when compared to other payment types. Klarna also handles the customer risk, so that Arcadia always gets paid immediately for goods purchased.

"Being able to 'Buy Now, Pay Later' at the click of a button empowers our customers to shop however and whenever they want. Revolutionising our approach to purchasing and paying will help us boost conversion rates and ensure our customers remain our brands' biggest fans"

Richard Burchill of Arcadia.

Klarna Payments

'Buy Now, Pay Later' is part of the Klarna Payments portfolio, which also includes pay after delivery and instalment payments. Klarna Payments can be easily integrated into a merchant's existing online checkout and specific terms can be customised to meet the business needs of the retailer. **European merchants who use Klarna financing see an average order value increase of 58% and a 79% increase in conversion.**

Klarna was founded in Stockholm in 2005 with the idea to simplify buying. Today, it is one of Europe's fastest growing companies. In 2014 it 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 18 countries. It regularly serves 45 million consumers and works with 65,000 online merchants across Europe. In 2015 Klarna clocked up over £7.5 billion transaction volume. The goal is to become the world's favourite way to buy.

Klarna

Arcadia