



H&M & Klarna.

H&M fashions unique In-app experience with Klarna.

With nine well-established brands and millions of customers worldwide, H&M is one of the world's leading fashion retailers and a champion of smart, simple and engaging shopping experiences. As its physical and digital channels become increasingly integrated, loyal fans can now enjoy a whole new way of paying for their fashion finds, wherever they are, using H&M's mobile app powered by Klarna.

Young, fashionable and trendy, H&M consumers see shopping as a social activity. They want fun experiences and to follow fashion and seasonal trends without blowing their budgets. They're also more likely to shop, browse or look for inspiration using their mobiles, even when in-store or at home. In addition, they're becoming increasingly 'credit averse' and are hungry for innovations that offer more convenience and reward loyalty.

Retailer
H&M

Business focus
Fashion retailer

Location
International

Klarna solution
Klarna In-app



Klarna.

Challenge

H&M wanted to provide its loyal customers with a fast, seamless and responsive native app so they could shop more easily online, in-store and everywhere in between using their smartphones. One that lets them access a full spectrum of payment options – including buy now pay later – using their loyalty program IDs.

It was important that the app also enabled H&M to experiment easily with new services, to keep pace with evolving customer and market needs. It also had to be easy to integrate for rapid roll-out to support H&M's international growth plans. Above all, it had to be secure.

Mikael Strand, Pay later Services Architect at H&M, explains, "Our ambition was to provide a consistent shopping experience across all channels. Instantly recognizing loyalty program members, whether browsing on our website or mobile app. Our existing app wasn't able to deliver the functionality or responsiveness to achieve this. Customization and service-changes were slow to action. There were also extra security measures around the app checkout experience and customer ID to factor in."



"We set a quite high ceiling for our mobile app and have exceeded it together."

- Mikael Strand, Pay later Services Architect at H&M

Solution

H&M already had Klarna as a payments partner and knew that it was equally committed to exceeding customers' expectations. Using Klarna's In-app mobile checkout ensured that H&M's app delivered shoppers a truly smooth mobile UX.

"With Klarna, we were also able to develop a new feature that balanced our need to verify a customer's identity in-store without adding unnecessary friction in the checkout," says Mikael. "Replacing barcodes with QR codes, helped us introduce more security, without adding extra steps for our customers during checkout. Klarna adapted their solution to fit our specific needs and together we found the right path forward."

Fitting seamlessly into H&M's new native application, Klarna In-app, lets members of H&M's loyalty program 'shop now and pay later' across all channels, using the branded H&M app. Invoices get handled within the H&M app, where customers can decide how and when they want to pay.

A fabulous interface, pre-filling, a range of flexible ways to pay, and a rich post-purchase experience ensure it's a convenient and compelling proposition for shoppers. And, as with all Klarna solutions, it's easy to integrate, scale-up and roll out internationally.

Results

Across the world, H&M is expanding online, through stores, digital marketplaces and external platforms. Klarna's In-app solution is now live with H&M in 10 countries - US, UK, Switzerland, Sweden, Netherlands, Austria, Denmark, Finland, Norway and Germany - with more markets scheduled in 2020.

In some countries, almost half of all H&M's mobile sales come from iOS users. And in many, between 40-50% of these shoppers are now choosing to pay with Klarna In-app.

"The results are really promising," adds Mikael. "For iOS users alone, we have seen a double-digit (11%) uplift in conversion. It's clear that loyal customers love being able to access pay later with a quick tap of their mobile - no fuss or friction. We see Klarna In-app as a key differentiator in both existing and new-entry markets especially for mobile-first Millennials and Gen Z customers."

50%

of mobile shoppers are choosing to pay with Klarna.

11%

uplift in conversion.

"We see Klarna In-app as a clear differentiator... especially for mobile-first Millennials and Gen Z customers."

- Mikael Strand

Benefits

Partnering with Klarna has enabled the brand to develop an 'H&M-unique' payment solution that offers its fans a truly modern shopping experience. No matter where and how they choose to shop - without compromising security or interfering with checkout flows.

The In-app solution is also more flexible for the retailer. Services are easily stripped in or out as market needs and customer preferences dictate. H&M can now identify improvements in the shopping experience, action them with Klarna,

and stay ahead in today's fast-paced fashion environment.

Mikael confirms, "It's been amazing working with Klarna. We set quite a high ceiling for our mobile app and we have exceeded it together. It's a true partnership based on openness and transparency. We have daily discussions between our teams, which throw up new and exciting ways to improve customer satisfaction. It's been a really fun journey so far, and we look forward to see where it leads next."