

rue21[®] × Klarna.
For Business

An on-trend sales increase:

How rue21 connected with tech-savvy shoppers and
upped its average order values by 73%.



Who is rue21?

rue21 is a trend-setting American retailer that offers the latest styles at an affordable price. Due to the nature of rue21's seasonally rotating apparel, more is more for its stylish young shoppers. With a focus on young men and women's casual clothing, accessories and extended sizes, rue21 caters to customers who are always on the hunt for trendy looks they can buy frequently without breaking the bank. The mission? To make fashion fun and accessible for all.

The Challenge

Even before the pandemic, the typical mall experience had been fading into the background. rue21 was looking for a way to keep up with a new generation of fashion lovers who do the majority of their shopping in the fast-paced digital world. These unique customers, aged 18-25, use credit cards far less than their predecessors and have little patience for long, clunky, or antiquated checkout experiences, whether they are shopping online or in-store.

Furthermore, with so many small-ticket items available online, lifting the average order volume was an ongoing challenge for rue21.

Robert Brous, rue21's VP of Ecommerce & Digital said, "We were actively seeking ways to put more purchasing power into our customers' hands by offering quick and easy alternative payment methods that are available everywhere they shop, without slowing down."

CHALLENGE KEY POINTS

1. Connect with younger shoppers who don't use credit cards and expect a super simple checkout.
2. Lift average order volume.
3. To be accessible both online and in store.

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— ROBERT BROUS, RUE21'S VP OF ECOMMERCE & DIGITAL

rue21 + Klarna meet younger shoppers on their terms.

So how do you make it possible for mobile Gen Z and Millennial shoppers to buy what they love with more confidence? It all comes down to the experience. Since Klarna lets customers check out with the fewest clicks available among today's top pay-later providers, **Klarna Pay in 4** was a natural choice.

Additionally, Klarna's unique combination of **stylish and intuitive UX**, broad omnichannel capabilities, and a rapidly expanding user base was perfectly aligned with rue21's existing demographic and lofty growth goals. "An easy and intuitive integration meant the new rue21 checkout online and in-store, could be up and running without any technical headaches to slow our momentum." says Brous.

Overall, Klarna's shopping experience **reduces friction and increases conversion** among customers who care about the details. Providing these discerning shoppers with an effortless way to pay over time meant that they were empowered to shop more and do it more often. Plus, with no interest, Klarna gave rue21's shoppers a flexible payment option without the need of a credit card.

Effortless integration got the ball rolling right away.

Easy integration with its existing payment platform, **Cybersource**, a Visa Solution, reduced complexity and helped rue21 launch Klarna's pay-later options right away. The consolidated payout stream between Cybersource and Klarna simplified financial reporting, making for a **clean, effortless transition** to the Klarna Pay-in-4 product which quickly became one of the most popular payment options used by rue21's customers. **Accepting Klarna in their physical stores was even easier** as it required no integration at all.

In rue21's Words...

“ We saw a big lift in sales and AOV once we introduced Klarna as an option at checkout...”

“...Our younger audience, in particular, is really responding to it, which has helped us with both customer satisfaction and retention. We're looking forward to growing our audience together with Klarna as a partner.”

- LAUREN PEARSON, RUE21'S SR. MANAGER OF CRM AND LOYALTY

rue21's Klarna users have the highest sales per customer:

73%

higher AOV of rue21 shoppers using Klarna

6%

higher purchasing frequency

26%

E-commerce sales represented by Klarna

2x

Klarna's usage in stores compared to usual trends with Klarna's in-store messaging

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rue21's new numbers reflect its fresh look.

Change is good! Klarna's modern branding matched perfectly with rue21's new standards. More importantly, the numbers looked a lot different too. Klarna's smooth shopping experience offered a flexible, interest-free payment option that **encouraged more sales at an AOV 73% greater than other payment methods.**

Klarna was able to introduce rue21 to their 15 million shoppers in the US alone. Since more than 50% of Klarna's users are Gen Z or Millennial and 6 out of every 10 are female, Klarna's existing audience was an ideal match for rue21.

rue21's Klarna users not only have the highest sales per customer but a **6% higher purchase frequency** as well. Lifetime to date, Klarna represents 17% of rue21's e-commerce orders and 26% of e-commerce sales.

As an added bonus, Klarna's unique post-purchase experience helped rue21 drive repeat purchases at a much higher rate than the competition. Klarna customers are more likely than non-Klarna customers to shop more than once per year.

During the 2020 holiday period (November-December), rue21 added Klarna messaging in its stores to help acclimate shoppers back into the physical shopping experience. With the new messaging, rue21 saw Klarna usage doubled in stores.

YOUR TURN

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