

Klarna North America Sees Surge In U.S. Merchant And Consumer Adoption Of Its 'Smooth' Financing Solution

500 Online Retailers Have Already Signed Up in First 12 Months

NEW YORK, Dec. 12, 2017 /PRNewswire/ -- Klarna, a leading global payments provider, today reported that a record number of North American online retailers and consumers have enrolled for the company's 'smooth' instant financing solution.

Since Klarna introduced its financing solution in the U.S. in October 2016, 500 online retailers have already enrolled in the simple and 'smooth' credit solution that is fully integrated into the online checkout process. Available in 10 countries via a single API, retailers include powerhouse global brands like Microsoft, TaylorMade, Overstock and Lenovo.

"There has been a groundswell of interest from a broad array of retailers in Klarna's instant financing solution and we have had tremendous success in providing the consumers of these merchants with fair, transparent and affordable financing," said Jim Lofgren, CEO, Klarna North America. "Online merchants are telling us that they want an instant credit option that is native to their checkout and does not vary the interest rate by customer."

Klarna's policy of fully disclosing applicable interest rates before purchase and not varying the interest rate by customer has contributed to the increase in conversion rates Klarna merchants experience at checkout. Customers who get to the checkout with competing online financing providers are surprised to find their rates as high as 30 percent and consequently abandon their purchase," said Lofgren.

Overall, Klarna merchants have recorded an average 58 percent increase in order value and 30 percent conversion rate increase at checkout. Klarna's open ended line of credit has helped merchants improve customer loyalty as well. Klarna's merchants have seen a 25 percent increase in repeat purchases because Klarna does not require returning users to go through the application process again as some of its competitors do.

Klarna's merchants are also asking for options that enable them to tailor their financing program according to their product. Klarna offers a variety of customizable promotions that can help merchants achieve their goals.

According to Gianfranco Lanci, chief operating officer, Lenovo, "The flexibility in payment plans that Klarna offers to its customers, combined with the easy and mobile friendly application process, made it the perfect fit for our product categories and customer base. We drove a 45 percent increase in average order value with Klarna's flexible online financing."

About Klarna

Klarna is a leading payments provider that aims to make the payment process simple, smooth and safe for customers and its merchant partners. The company, founded in 2005, was recently named as one of the top disruptor companies in the world by CNBC.

Klarna works together with 70,000 merchants to offer payment solutions to more than 60 million users in Europe and North America. The company's North America offices are in Columbus, Ohio and New York. Klarna has 1,500 employees and is active in 18 countries. Financing through Klarna is issued by WebBank, member FDIC.

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