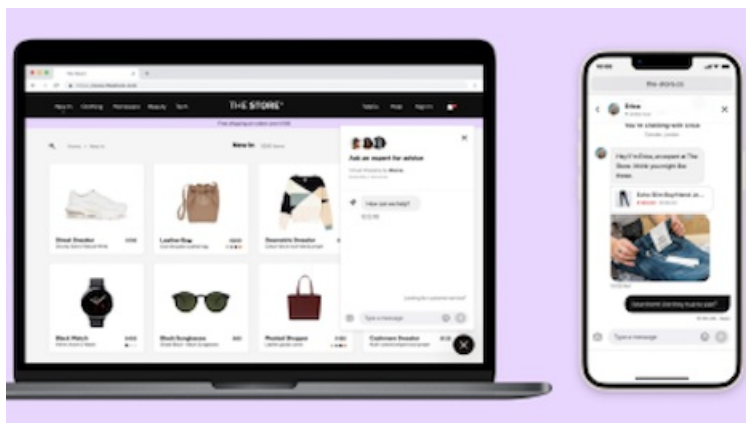


RETAIL

Klarna incorporates human connection with launch of virtual shopping

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Klarna wants to make the online shopping experience more personal; more human. Image credit: Klarna

By NORA HOWE

In the booming age of ecommerce, flexible payment provider Klarna is looking to reconnect online shoppers with retail associates through its newly launched virtual shopping service.

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Based on the notion that online shopping has become increasingly transactional, having lost the human element and experience physical shopping provides, Klarna wants to reshape the online shopping journey. The new program, Virtual Shopping, builds off Klarna's acquisition of social shopping platform **Hero** and aims to foster meaningful and personalized interactions between online consumers and in-person retail experts.

"At Klarna, we want to provide the world's best shopping experience, whether that is online or in-store," said David Sandström, chief marketing officer at Klarna, in a statement. "In the past, online shopping has been missing a key element: human interaction."

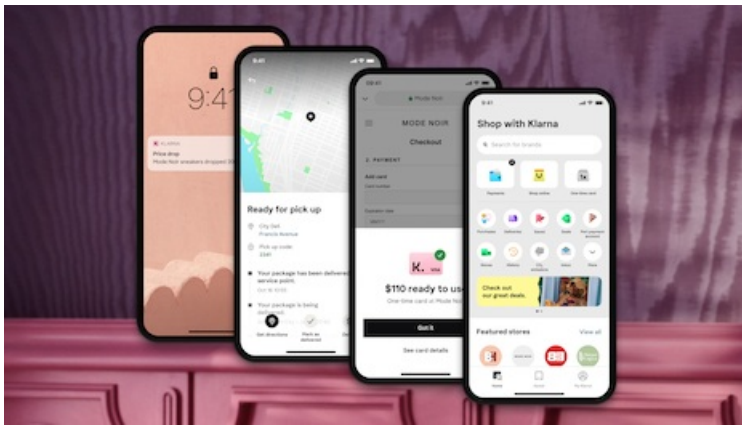
Expanding physical reach

Klarna's Virtual Shopping connects online shoppers to retail experts and associates through live video chat and messaging options, providing retailers ample opportunities to increase engagement and loyalty.

While ecommerce has certainly grown in the last few years, in-store shopping remains the dominant channel for consumption, accounting for nearly 80 percent of global retail sales in 2021.

According to Klarna's **Shopping Pulse** report, consumers favor shopping in physical stores because of the social interaction and level of customer service they provide.

Online shopping inhibits consumers' ability to see items up close, touch and try them on, making it more difficult to discern sizing, fit and color.



Klarna reported its highest rates of adoption in Australia, the U.S. and the U.K. Image credit: Klarna

Consumers are looking for the same level of assistance when shopping online, as 78 percent of U.S. shoppers believe that online retailers need to invest in new technology to create more personalized services, 45 percent, and product recommendations, 40 percent.

Based on these consumer preferences and growing concerns, Klarna wants to serve as an online shopping liaison, providing online customers with confidence in their purchasing decisions.

Klarna is now making Virtual Shopping available to partnered retailers worldwide, serving as the ultimate online shopping companion to consumers and strengthening Klarna's position as a global growth partner to its retailers.

Consumers can shop for anything, from apparel to home furnishings, without stepping foot inside a physical store, but all while receiving guidance from store associates. Through live video and messaging, shoppers can view photos and videos of items up close and watch live product demos by retail experts.

These capabilities not only aim to empower retailers to create immersive experiences beyond their physical spaces, but also provide greater opportunities for them to increase customer engagement, reduce returns and drive loyalty.

Retailers integrated with Klarna can add "Virtual Shopping" to their online stores to gain insights into shopper interactions and sales, enabling them to improve overall performance. To connect with online shoppers, in-store experts can now use the Klarna Store app for iOS and Android.

In 2020, the conversion rate among online shoppers who engaged with the virtual shopping tools via Hero was nearly 21 times higher than those who did not.



Hugo Boss is one of more than 300 brands utilizing Klarna's new virtual shopping tools. Image credit: Hugo Boss

Klarna's virtual shopping tools are live with more than 300 brands, including German luxury house Hugo Boss, transforming online stores into a true omnichannel experience.

The tools are currently available in 18 markets: the U.S., Canada, the U.K., Australia, New Zealand, Norway, Denmark, France, Poland, the Netherlands, Belgium, Germany, Austria, Switzerland, Spain, Portugal, Italy and Sweden. They will extend to more regions this year.

Omnichannel experiences

Despite accelerating tremendously due to the COVID-19 pandemic, ecommerce only makes up about **12 percent** of total retail sales in the U.S., meaning in-store shopping experiences are still critical to the retail industry as a whole.

Primarily an ecommerce platform, tech giant Amazon recognized it was missing a large piece of this market and announced the launch of its first physical fashion store: Amazon Style.

From personalized shopping to innovative fitting room experiences, Amazon wants to integrate the benefits of shopping online into the physical environment. At the core of the new concept is a new, seamless way to discover products.

By using the Amazon Shopping app, customers scan an item's QR code to view size and color options, customer ratings and additional product details. They can add their selected item to a fitting room, or send it directly to the pickup counter ([see story](#)).

In 2020, tech-savvy British fashion brand Burberry opened the luxury sector's first social retail store in Chinese tech hub Shenzhen, binding the physical and social worlds in a digitally immersive retail embrace.

The store, backed by Tencent technology in an exclusive partnership, opened in the Shenzhen Bay MixC development, designed as a venue for exploration, inspiration and entertainment, letting shoppers experience Burberry and its products in person and on social media ([see story](#)).

"With virtual shopping, we replicate the brick-and-mortar experience of receiving personalized advice from an in-store expert and bring it to the online realm," said Klarna's Mr. Sandstrm. "This will empower our partnered retailers around the world to bring their online stores to life and build customer relationships that last."

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