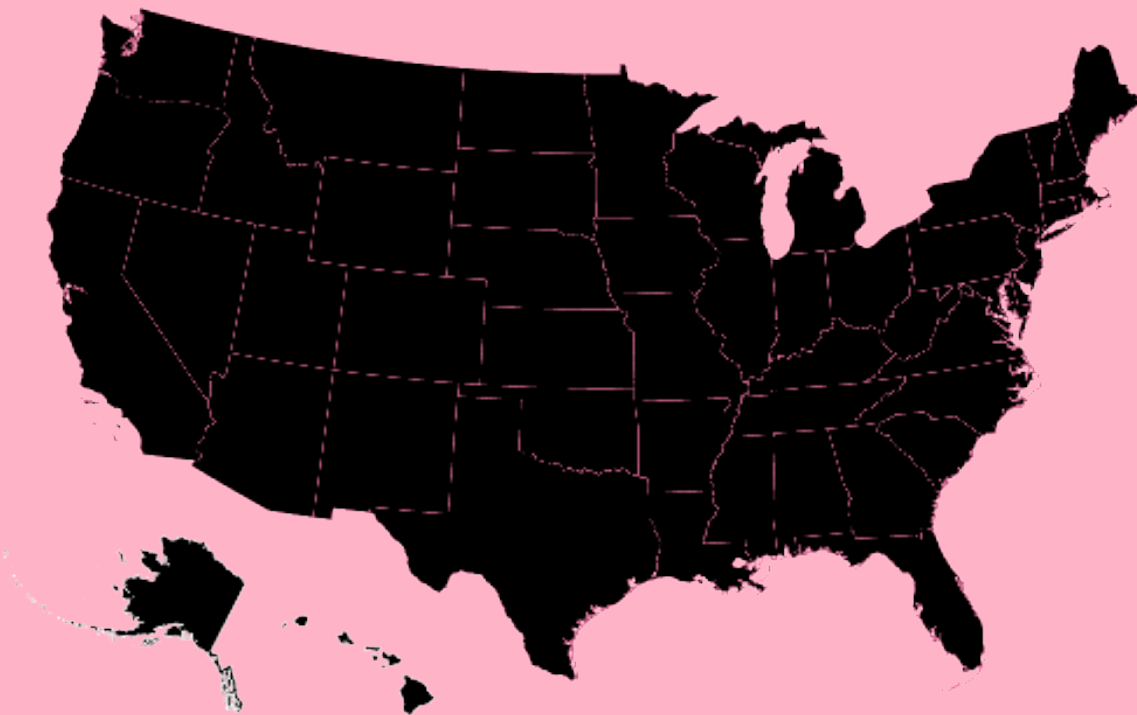



Platform guide.

For US merchants

Guide for choosing the right e-commerce platform for your business.



Klarna.



**Should your online store run on Shopify?
Or on WooCommerce? Or Magento?
Or a platform specially adapted to your
country or market?**

The answer is... it depends.

**This guide highlights the things you need
to consider before making this major
decision for your business.**

If you make the right decision, you'll add more revenue, attract more customers, get more repeat business (retention) and become more cost-effective. But when your platform isn't the right fit, all these things can suffer.

Maybe you are totally new to the business, maybe you are a seasoned retailer but new to selling online, or maybe you have outgrown your current e-commerce solution.

Whatever your situation, taking the next step and choosing a platform can feel overwhelming. There are many aspects to weigh up: how quickly it can be set up, ease of use, reliability, costs (including apps/extensions), conversion capabilities, integrations with existing and future systems, products management, tax management, access to support... and we're just getting started.

Unless you have looked at the bigger picture and identified a few guiding principles for your decision, you'll be going in blind as you try to create the best environment for your business to succeed. This guide will help you move forward with clarity.

Your first criterion.

Choose a Klarna-integrated platform (...and here's why)

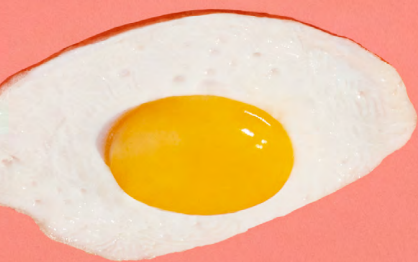
To be a winner in online business in 2019 and beyond, it's critical to offer a smooth shopping experience, including modern, consumer-friendly payment alternatives. That's what you get when you use Klarna.

Our merchants are experiencing impressive conversion improvements after taking full advantage of all the payment benefits. Big jumps in conversion, from 35-40 percent up to 60 percent, are not uncommon.

(www.klarna.com/us/business/case-studies/)

Retention is improved as well, and many merchants see their average order value increasing. (Read more about exactly how expensive cart abandonment is for your business – because it's way more hurtful to business than you may think – in the article *The true cost of cart abandonment*.)

(www.klarna.com/knowledge/articles/true-cost-cart-abandonment/)



Pay in 30 days

comes integrated with all of the platforms listed further down in this guide. This Klarna-enabled payment option gives consumers the convenient benefit of postponing payment until after they receive their order. All credit and fraud risk is on us, so you don't need to worry about not getting paid.

Pay later in installments

is already integrated with these platforms, too. Giving your customers the option to slice their payments into affordable parts boosts conversion and increases order value. For the UK market Klarna provide the option of "Pay in 3", in the US "Pay in 4" where payments are split into 3 and 4 installments.

Financing

give your customers the flexible option to buy now and spread the cost with monthly payments.

You can create instant shopping buttons, for a much quicker checkout. These can be used offsite too, so that your store can take orders directly via influencers' YouTube-channels, blogs or Instagram.

And there's more....

New Klarna-enhancing features are being added all the time. For example, Shopify added Klarna's effective onsite product messaging in 2019, and more platforms are in the process of including it. (With onsite messaging you can display preferred payment and shipping options dynamically in your shop, customised down to individual products, making your customers more likely to buy from you).

Bottom line: If you choose a Klarna integrated platform, your customers and stakeholders will thank you for it.

The next thing to consider.

How much time and resources are you ready to put in for setting up and maintaining your online store?

There are a few different routes to take when choosing a platform.

The easiest and quickest one:

Look no further than Shopify, Etsy, or a freestanding out-of-the-box solution in your country that doesn't require the time-consuming involvement of developers. Just follow the tutorials and setup processes these platforms provide, and you are ready to go. You can launch a store within a couple of days.

If you don't mind some tech development efforts, in return for being able to customise your store exactly the way you want, you can choose an open source platform like WooCommerce, which can be installed on a WordPress site. This usually requires at least a few weeks to set up.

If you are on your way to becoming a big enterprise e-commerce business, you may look at a full-scale solution like Magento. It runs on your own server and is able to do pretty much anything you want. Just be aware this kind of solution requires the investment of ongoing IT resources plus training on how to use the platform.



Examples of Klarna-integrated SaaS platforms

SaaS (software as a service) platforms are website builders you subscribe to. They make it quick and easy to go live with an online store. Just sign up for an account, then once you have picked a storefront theme, done your settings, uploaded your products, images and descriptions, and set prices – and maybe added a few applications to customise your store (within the given constraints; there are limits to how much you can make the store “yours”) – you can begin selling. You don’t need to worry about maintaining the platform itself. And you get the support you need. You pay a fee for the service, and usually a percentage of each transaction on top of that.



www.shopify.com

Perhaps the quickest and easiest way to get an online store up and running.



www.etsy.com

An online store solution for people who craft their own home-made products.



www.bigcommerce.com

One of the most feature-rich subscription platforms, which means a slightly steeper learning curve.

Local stores

Out-of-the-box solutions for local markets, for example Mystore (www.mystore.no) in Norway, Wikinggruppen (wikinggruppen.se/e-handel/) in Sweden, and CCV Shop (www.ccvshop.nl/) in the Netherlands and Belgium.

Examples of Klarna-integrated plug-in platforms

Plug-in platforms are the customisable solutions that require a higher level of tech development effort to get everything to work. Unless you have the tech skills under your own roof, you need consultative services – including system integrators – to set up your online store.

If you use an open source platform like WooCommerce, the platform itself is free to use, and there’s a huge community of coders, merchants and tech developers that help each other with bug fixing, maximizing conversion, and how to integrate with third-party vendors, among other things.



woocommerce.com

The most popular e-commerce platform on the web, according to Builtwith (LINK: <https://trends.builtwith.com/shop>), having 27.7 percent market share. Runs on WordPress.



www.opencart.com

A lightweight, easy-to-learn platform that runs on MySQL databases hosted locally.



www.prestashop.com/en

Another open source solution used worldwide that runs on MySQL databases hosted locally.



www.magento.com

A commerce solution that is highly flexible, and can scale beyond tens of thousands of products.

For a complete list of Klarna-integrated platform partners in the US, go here: www.klarna.com/us/business/platforms-and-plugins

Other countries, in case you are operating on other markets as well:

1. Go to www.klarna.com/international/
2. Choose your country, and go to the footnote section at the bottom of the page to find the right link.

Next.

Ask yourself how important different features are for your success and growth.

Before making the decision about what platform suits your business the best, you need to do your due diligence. Evaluate a few different platforms, keeping in mind the industry you are in, what your vision is for your e-commerce journey, where you are in terms of business evolution, and so on.

But what should you look for?

Some features will play a valuable role in growing your business, while others are simply a distraction. To avoid getting caught up with unnecessary bells and whistles, you need to ask yourself which features are “critical”, which are “highly desirable”, which are just “nice to have”, and which are altogether irrelevant.

Below we have included a list you can use to evaluate different features. It's not a complete list of all the features you can find on the platform market, but it should make you aware of the kinds of things to consider.

1.

Before looking at our list below, take a piece of paper (or create a new document in the cloud if you want to get fancy) and write a list of all the critical, must-have features you can think of off the top of your head for your store, considering what you sell, who your customers are, local requirements, and so on. This helps you start from a place of clarity, so you can stay on track while going through our collection of features.

2.

Print the list below and mark each point's importance with these letters:

C = Critical
D = Desirable
N = Nice to have
I = Irrelevant

Tip: If you want to get more insights before making a decision, discuss the list below with stakeholders as well – your salespeople, the marketing team, customer service, IT, solution partners and maybe even customers – since they all have valuable input about how your store should work.

3.

Once you know your “critical”, “desirable” and “nice-to-have” features, you are ready to check out different solutions.

Note: Some features and functionality are built in as standard in certain platforms, while many others can be put in place thanks to extensions/apps. (Just beware of the costs, if that's a concern at this point of your business development. Adding third party apps can push up your monthly costs.)

You can have a look at the different app marketplaces here:

Shopify apps
apps.shopify.com

BigCommerce apps
www.bigcommerce.com/apps

Others
Google “platform name” + “apps”

Etsy apps
www.etsy.com/market/apps

Magento extensions
marketplace.magento.com

WooCommerce extensions
woocommerce.com/product-category/woocommerce-extensions/

Prestashop add-ons
addons.prestashop.com/en/?gclid=Cj0KC-Qjwi43oBRDBARIsAExSRQFWtRCvnmdRJ-FakXJy7jz1_4-Hjj3dIKRne8g2OZ4KLgCP-k4Z3igPsaAtu_EALw_wcB

Open cart extensions
www.opencart.com/index.php?route=marketplace/extension

Integrations with third-party solutions:

To what extent can the platform integrate with, or replace, your existing and future business systems/partners?

- Sales / Marketing / CRM systems
- Accounting system
- Inventory system
- AI solutions systems
- Transport administration system

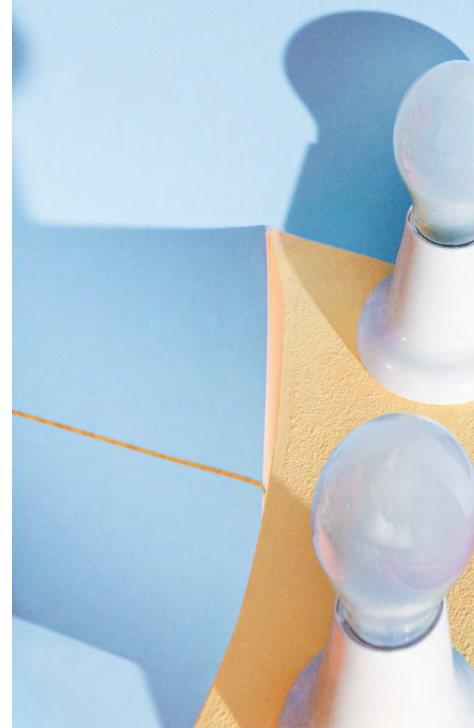
Checkout & payments:

How customer-friendly and conversion-optimised do you want your checkout to be?

- Pre-filled address, payment method and shipping method at checkout
- The option to pay immediately via bank transfer
- The option to pay with the major cards
- The option to order now, but pay later (with a guarantee from the payment provider that you as the merchant will get paid)
- The option defer payment for a small fee
- The option to pay in installments
- Subscriptions
- "Instant shopping" buttons to be used onsite or offsite (in other words, checkout from anywhere on the web: advertisements, blogs, and even social media feeds)
- Show preferred payment options on product pages (to returning customers)
- Accept payments from different countries
- Accept multiple/any currencies
- The option to integrate more payment providers and payment methods
- Responsive checkout on any device
- Single-page checkout
- Promotional price and payment method displayed for an entire cart, and/or an individual product. As in "Hey Daniel, Pay Later with Klarna. 4 installments of \$150/mo. No interest. No fees. Learn more"
- Automatically calculate and show the right sales taxes for the local market
- (by country, state and/or city)
- Accept payments from businesses
- No login required to buy
- GDPR compliance
- EU VAT rules
- Order summary with product images in the cart
- Abandoned cart recovery (automatic email reminders to customers about left items in their shopping cart)

Comment: For additional valuable integrations, you can – usually – do workarounds using services like Zapier (<https://zapier.com/>) (non-techy) and sometimes API-connections (techy) to connect different apps and systems. Naturally, it's often much easier and more reliable if the integration is there to start with.

Comment: The most critical factor for increasing revenue is having your cart and checkout optimised for conversion. Just a slight improvement in conversion, let's say 40 of 100 shoppers completing a purchase instead of only 35, means 12.5 percent greater revenue. Even better, profitability could improve by 100 percent or more (read more about the relationship between cart conversion and profitability here. (www.klarna.com/knowledge/articles/true-cost-cart-abandonment/)). One of the ways to do this is using the full power of alternative payment methods (www.klarna.com/knowledge/articles/checkout-experience-payment-options/)



Other profit enhancing features:

What else will increase conversion, average order value (AOV) and lifetime customer value?

- Product ratings and reviews
- Store ratings and reviews
- Personal greetings
- Personalised promotions of preferred shipping and payment methods
- Gift cards
- Discount codes/coupons for specific customer segments, time periods, products, categories and shipping rates
- Scheduling of on-site promotions
- Flexible coupons for specific customer segments, time periods, products, and categories
- Show recently viewed and compared products
- Upsales
- Cross-sales
- Rules to determine which products to present as up-sells, cross-sells, and related products to each customer segment
- Post-purchase smoothness: invoices with images, easy access to support, review of past purchases, etc.
- Loyalty points (for purchases, registration, product reviews and/or other actions)
- Dynamic, unique payment promotions for each product, including credit eligibility
- Dynamic, unique payment promotions on the search page
- Access to a customer shopping app that enhances branding, additional sales and lifetime value

Sales channels:

What channel features do you need to bring in more customers?

- Multi-channel integration, for selling on Amazon, eBay, etc.
- Affiliate / reseller management
- Access to important parameters for SEO optimisation, for example creating search engine friendly URLs
- Instant shopping buttons, for enabling express checkout from anywhere (like in influencers' blog posts, advertisements and social media)
- Point of sale (for selling offline)
- Blog features
- Newsletter functionality

Products:

What are you selling – and what will you be able to do on the platform?

- Physical products (one-off transactions)
- Product subscriptions / memberships
- Digital media
- Membership levels

Comment: There are many things to be said about profitability when choosing a platform. The most important is that you approach your decisions from a place of wanting to give your customers the best shopping experience possible (which is more of an attitude issue than a resource issue). Repeat purchases come from giving a positive, hassle-free buying experience in the first place; in everything from making it easier for customers to choose products (using reviews <https://www.klarna.com/knowledge/articles/customer-reviews-24mx/> for example), to personalising the shopping experience, (<https://developers.klarna.com/resources/on-site-messaging/>) to being smooth – all the way from pre-purchase to post-purchase.

Comment: Instant shopping is now available through Klarna-integrated platforms.



- 1-10 products
- 11-100 products
- 100+ products
- 10,000+ products
- Show multiple images per product/category
- Zoom-in on product images
- Automatically resize images and include watermarking
- Define unlimited product attributes
- Display product variations (colours, sizes, etc.)
- Create your own product templates
- Display product videos from YouTube or Vimeo on product and category pages
- Unlimited number of products and product categories
- Add products to one or many categories
- Automatic additions to categories/collections (based on product titles, tags, dates, brand etc.)
- Featured products
- "You May Also Like" recommendations
- Bundled products
- Inventory tracking (keeping stock levels up to date)
- Receive notifications when inventory needs to be replenished
- Indicate stock availability
- Customize out-of-stock messages, and display options
- Set maximum product quantities that can be added to the cart
- Set tax rates based on location, product type, or customer group
- Provide an option to add products to a wishlist
- Dropshipping capabilities
- Mass-uploading

Design:

What design solution(s) do you need?

- An abundance of themes to choose from
- Hands-on help from designers
- Drag-and-drop page builders
- Customise the look and feel of product pages
- Customise the look and feel of category pages
- Landing pages for campaigns
- Mobile friendly/responsive
- Automatic re-formatting (so that the store still looks good if you decide to change the theme)

Comment: Your products are the heart of the shopping experience, so take time to consider this deeply. Most people like to imagine themselves having, using and owning the product they will find in your store. How will your product descriptions help your customers see the value of each product? Be sure to include the features you need to make your products irresistible.

Comment: If you choose a large, worldwide platform there are plenty of ready-made themes to choose from. A theme defines the basic look and feel of your online store – how images, text, navigation and other elements are structured. The price for a theme varies from nothing to a few hundred dollars. A couple of examples:

Shopify's own theme store
(themes.shopify.com/themes)

BigCommerce's theme store
(www.bigcommerce.com/theme-store)

You can also find themes at ThemeForest (themeforest.net) or TemplateMonster (www.templatemonster.com), where there are 1000+ templates for different platforms.

Shipping & delivery:

What shipping-related features do you need?

- Multiple locations for stock inventory and order fulfilment
- Flat-rate shipping fees, per order or item
- Price-based shipping rates (e.g. "free shipping over €40")
- Destination-based shipping rates (e.g. free shipping within certain post codes, cities or countries)
- Product-based shipping rates
- Weight-based shipping rates
- Onsite display of real-time shipping quotes from a variety of logistics partners
- Order tracking (from customer accounts and/or a configurable order tracking widget)
- Label printing

Customer permissions and groups:

How do you want to manage and empower your customers?

- Customised customer area(s) with access to order status and history, receipts, digital products, subscription management, store credits, gift card totals, reward points, etc.
- Let customers quickly re-order previous purchases
- Control over which products, categories, pages can be viewed by each customer group
- Rules to show or hide blog posts, blog categories
- Custom catalogues with prices, selections and terms based on customer type or business account
- B2B: Ability to create company accounts for businesses
- B2B: Multiple buyers per company with defined roles and permissions
- B2B: Self-service tools for business customers to easily manage company accounts, purchases, quotes, and credit

Security:

What security measures do you need?

- Fraud protection. This is usually a concern if you sell high-risk products like tickets for concerts or sports events, branded shoes, designer bags, perfume, electronics, expensive tech, travel services, etc.
- Hacker protection
- Spamming protection
- Daily backups

Comments: Customers want to be in control of where, when and how they will receive orders (read more about that here (<https://www.klarna.com/knowledge/articles/shoppers-delivery-questions/>)). A way to simplify the shipping experience for consumers is to present shipping options in a dynamic way at checkout – with personalised delivery times and prices – and thereby increasing conversion and customer satisfaction at the point of purchase. This can be done through Klarna Shipping Service, available via some of the Klarna-integrated platforms.

Comment: Everyone likes easy, smooth and personalised experiences. That includes your customers. No matter what platform you finally choose, you can emphasise those experiences by using Klarna.

Comment: Make sure your payment provider raises red flags for suspicious buying patterns (Klarna does). If you use plugin platforms, it's your responsibility to set up protection against hackers and spammers. You need your own SSL certificate and a hosting company with secure servers. With SaaS solutions, it's on them to keep the bad guys out.

Merchant support:

What levels of merchant support might you need?

- 24/7 phone
- 24/7 live chat
- Email support
- Quick response time
- User support forum
- A knowledge centre where you can quickly find tutorials
- Advanced specialist support that can answer anything
- Done-for-you support

Local/international:

What are your local and international needs?

- Correct display and calculations of the local currency and taxes on product pages, in the cart and checkout, and on invoices/receipts
- Tax customisation (the option to exclude tax from the displayed price, or include it, and apply globally or select specific countries)
- Language selector
- Currency selector, and/or currency converter for international orders
- Adjustable shipping costs (and tax rates for that shipping) based on location
- Legal compliance for each market you plan to sell in
- Configuration of which countries are allowed for site registration, shipping, and billing

Admin:

What flexibility do you need as you manage your business?

- Multi-user accounts, with different levels of permissions
- Multiple views of the dashboard that can be customised
- Multiple staff logins
- Order management: view, edit, create, and fulfil orders and/or invoices
- App for managing your store from anywhere
- Print invoices, packing slips, and shipping labels
- Analytics, stats and reporting
- Multiple storefront management, including sync of inventory data, product data, etc.
- Sync to accounting system including inventory, sales transactions, customer data, payment method, local currencies and sales taxes, accounts, multi-channel sales, etc.
- Complete control and ownership over data
- Moderating customer reviews

Comment: If you choose an open source platform like WooCommerce, you are pretty much on your own (except for large communities of other WooCommerce users who you can ask, as well as the more technical WooCommerce Docs). Subscription-based platforms, on the other hand, give their clients 24/7 access to a customer adviser for any queries. If you choose a platform via one of the many platform-specialised consulting firms, you might enjoy more hands-on help.

Comment: Everyone likes easy, smooth and personalised experiences. That includes your customers. No matter what platform you finally choose, you can emphasise those experiences by using Klarna.

Comment: Keep in mind, the more time you waste on non-efficient administration, the less time you'll have for business development.



Costs / Pricing / Fees:

How would you like to pay for your online store?

- A set fee every month, plus transactional fees, for the service
- A one-time setup investment
- Do most of the work in-house
- Pay for third party handling of various aspects (setup, tech development, admin, etc.)

Some final thoughts.

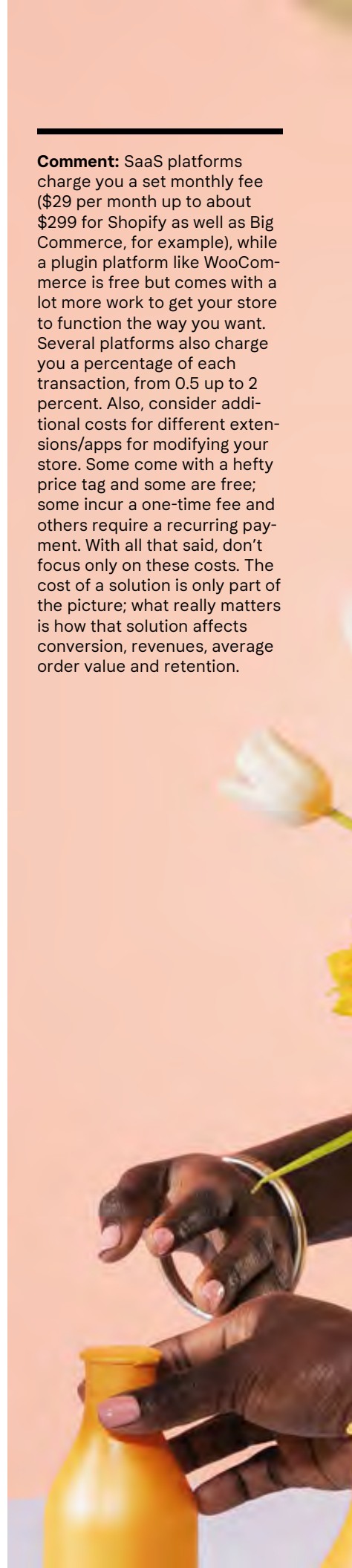
Yes, it's easy to feel overwhelmed when it comes to choosing the right platform for your online store. But don't let that be a reason to procrastinate about it.

If you don't have a store yet, remember it's more important to get something up and running than to try and make things perfect. Give yourself a deadline for your decision, then go with that choice – and start earning some money from your store.

If you are replatforming, be sure to follow a process for how to come to your conclusion, and set a deadline for each milestone in that process.

And remember, choosing a Klarna-integrated platform will give you a better chance of succeeding with your online sales – the numbers speak for themselves. (www.klarna.com/us/business/case-studies/)

Comment: SaaS platforms charge you a set monthly fee (\$29 per month up to about \$299 for Shopify as well as Big Commerce, for example), while a plugin platform like WooCommerce is free but comes with a lot more work to get your store to function the way you want. Several platforms also charge you a percentage of each transaction, from 0.5 up to 2 percent. Also, consider additional costs for different extensions/apps for modifying your store. Some come with a hefty price tag and some are free; some incur a one-time fee and others require a recurring payment. With all that said, don't focus only on these costs. The cost of a solution is only part of the picture; what really matters is how that solution affects conversion, revenues, average order value and retention.



Thank you!

**We could be a simple payment provider.
Just an invoicing company with a checkout.
But we're not.**

At Klarna, we are investing major resources and working around the clock to develop our products and checkout to make sure they run as smoothly as humanly possible. We do this to create a flawless customer experience and push the conversion and acceptance rate to the limit, all to make sure that our connected webshops increase their revenue.

That's the added value we're providing for the 120.000 webshops that we're helping revolutionize shopping online. **This is their edge.**

Is your business not using Klarna already? You can onboard directly through the partners in this report. Depending on choice and preferences you could be up and running in less than 15 minutes.

Or just reach out. We'd love to hear from you!

Klarna.