

# Klarna courts merchants with revamped online shopping experience

Article

**The news:** Klarna launched Virtual Shopping, which connects online shoppers with in-store retail associates via live chat and video to get product advice and shopping inspiration, per a press release.

**More on this:** Virtual Shopping builds on technology from Hero, which Klarna [acquired](#) last July. The solution was already live with 300 brand partners but now extends to Klarna's base

of **more than 400,000 global merchants**. Customers can access Virtual Shopping on retail websites, and merchants can connect their employees to these customers via the Klarna Store app.

**What this means:** As ecommerce grows, Klarna is looking to improve the online shopping experience.

- **US ecommerce sales are expected to hit \$1.033 trillion in 2022**, a 14.1% annual increase, [per](#) eMarketer forecasts from Insider Intelligence. And its share of total retail sales will swell to account for more than one-fifth of total US retail sales by 2026, per our forecasts.
- But online shopping still has room for improvement. **Thirteen percent of global consumers said that the shopping experience isn't as good online** and the lack of sales assistance is a drawback to online shopping, [per](#) Dynata. Virtual Shopping can address this sentiment because it offers online shoppers the same help they'd get in-store.

**Klarna's opportunity:** Klarna can use Virtual Shopping as a merchant acquisition tool and volume driver.

Virtual Shopping can help merchants improve customer service and bolster their online sales. These advantages can set Klarna apart from competitors, giving it access to a wider pool of customers. **The number of US BNPL users is expected to increase 31.4% year over year (YoY) in 2022**, [per](#) Insider Intelligence forecasts. That can boost Klarna's payments volume and revenue potential.

**The bigger picture:** Like its [super app](#), Virtual Shopping reflects Klarna's efforts to improve and sustain its BNPL business.

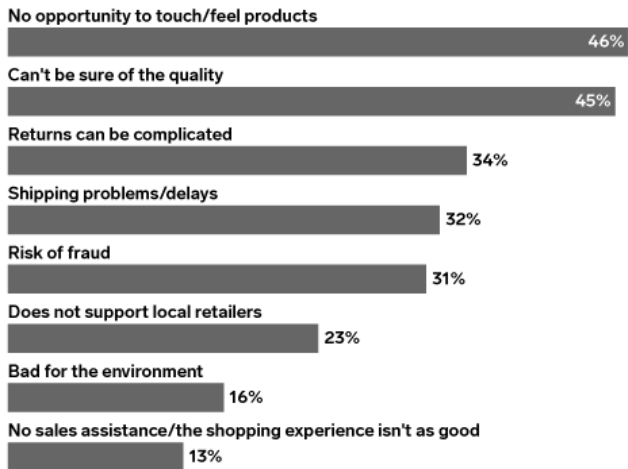
While BNPL will likely remain a mainstay for its business, Klarna is exploring other growth avenues: It [launched](#) bank accounts in Germany last year and more recently [introduced](#) Kosma, an open banking sub-brand and solution for fintechs, financial institutions, and merchants. These offerings extend Klarna's reach and could help it contend with [tighter competition](#) and impending [regulation](#) in the BNPL space.

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## Drawbacks of Online Shopping According to Consumers Worldwide, Feb 2022

% of respondents

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Source: Dynata, "Global Consumer Trends: The New Experience Economy," March 18, 2022

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