

Klarna.

**7 Ways Klarna is Capturing the Gen Z
And Millennial Market On Instagram**

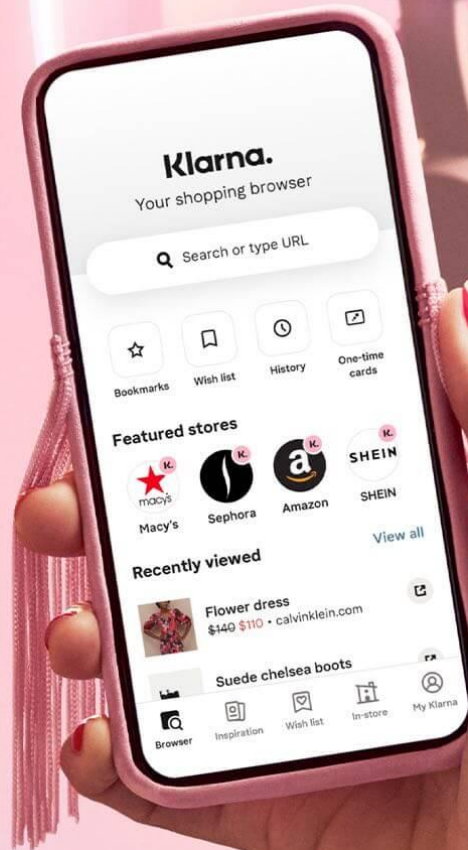
Financial Services

[Klarna](#) is a global payments brand that offers online shoppers a “buy now, pay later” service.

When using Klarna, customers receive their items right away but pay for them over time in instalments, with no interest or fees (if paid on time).

Similar to credit cards, customers must qualify to use the lending service.

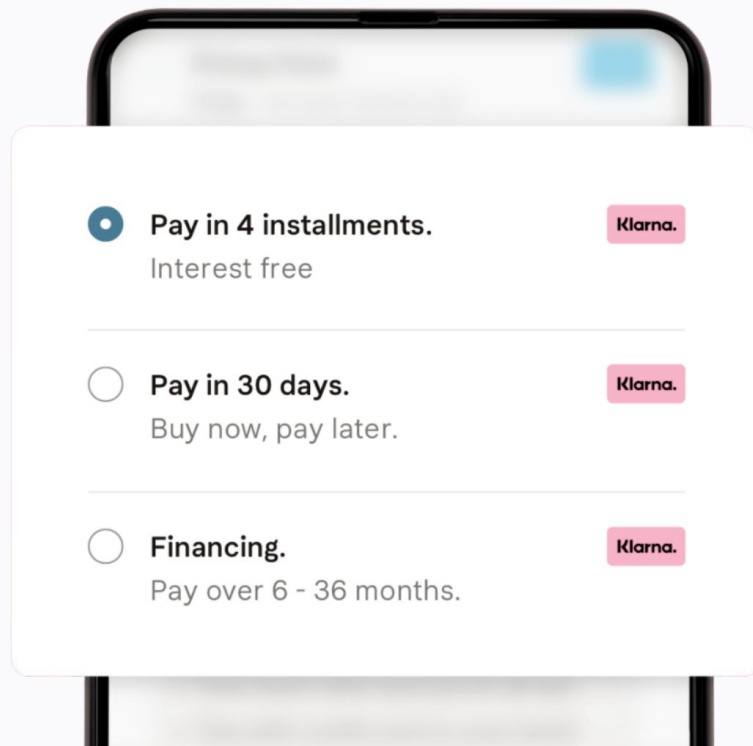
Klarna collects a percentage ranging from 2% to 8% for each item’s sale from the retailer.



The buy-now-pay later industry took off during the pandemic as online shopping surged and is expected to exceed **\$1T** in annual gross merchandise sales by 2025*.

The service attracts a younger consumer who is “eager to spend but not willing to use an interest-accruing credit card that could result in more debt”.

70%
of Klarna's Customers
are Gen Z and
Millenials



90M
Global Shoppers

2M
Daily Transactions

20M
Shoppers in the US

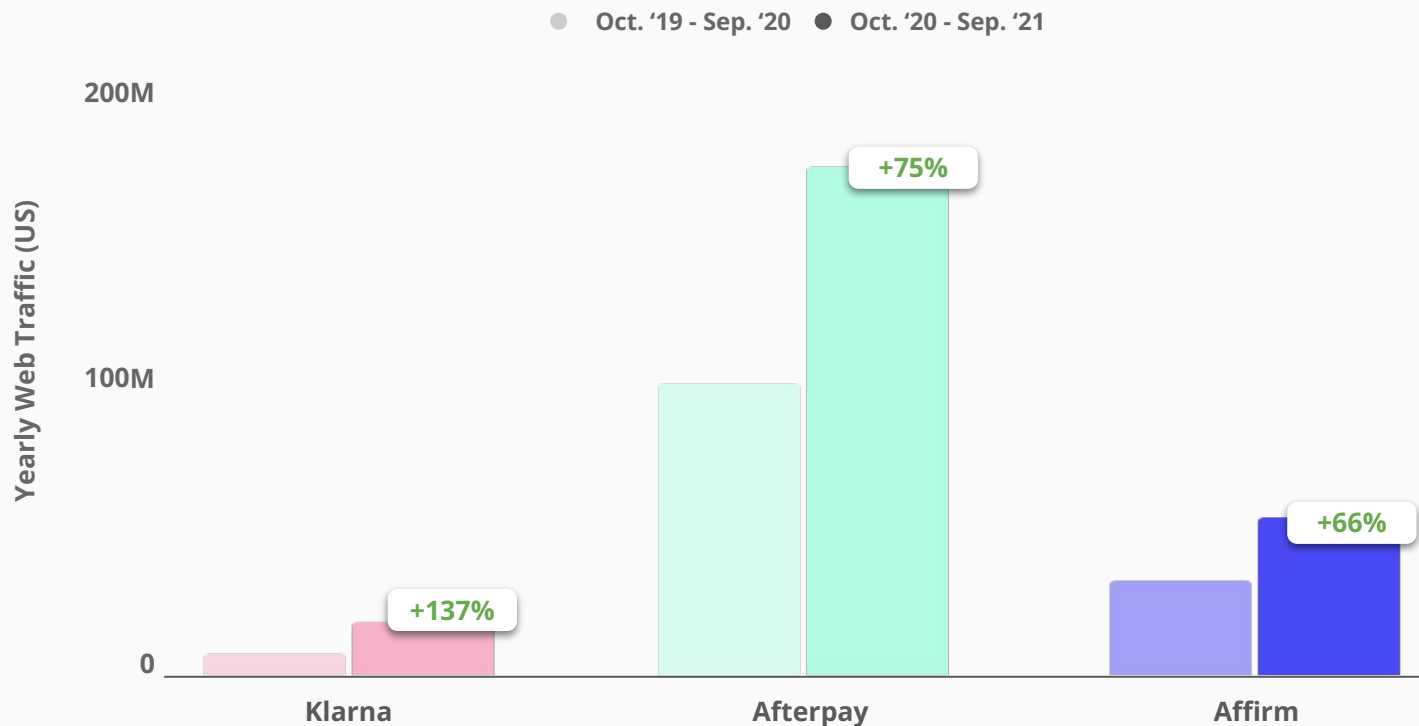
45%
Higher purchase freq.

[*Source](#)

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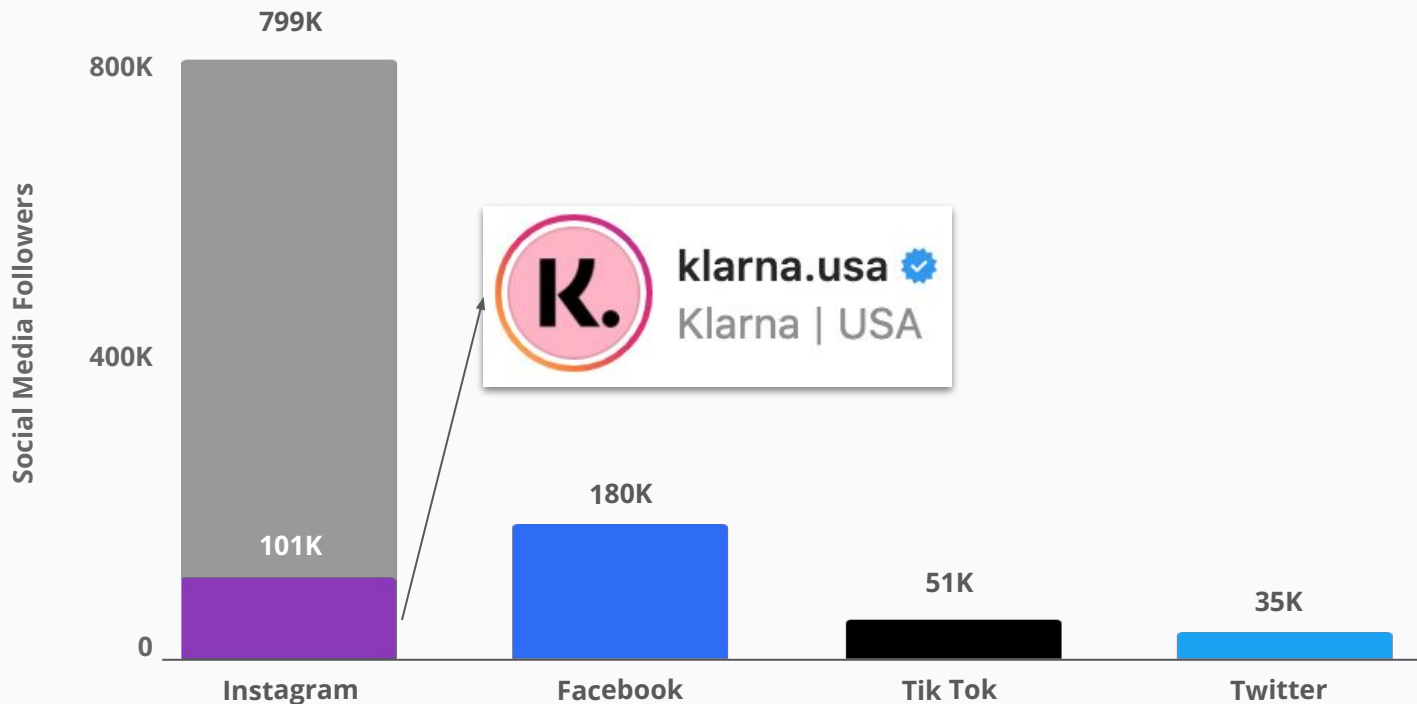
From October 2020 to September 2021, Klarna had a +137% YoY increase in US web traffic.

Relative to Klarna's competitors, Afterpay and Affirm, Klarna's web traffic growth was significantly greater.



Klarna's main social platform is Instagram, which makes up 75% of their total social audience. Instagram is the only platform on which they run country-specific brand profiles.

Klarna's US Instagram account has over 101K followers which makes up 9.5% of their total social audience.

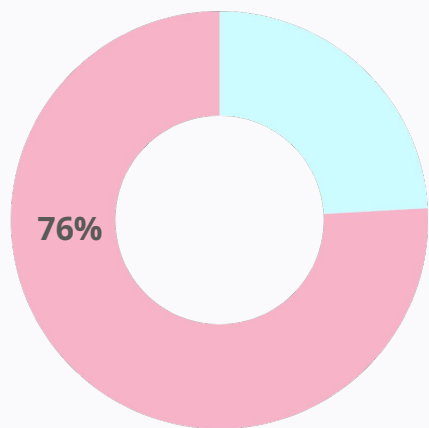


Klarna has successfully captured a younger demographic on their US Instagram account, with 80% of their followers being under 34 years old.

Additionally, their Instagram audience is predominantly female (75%) and are single (60%).

Gender Breakdown

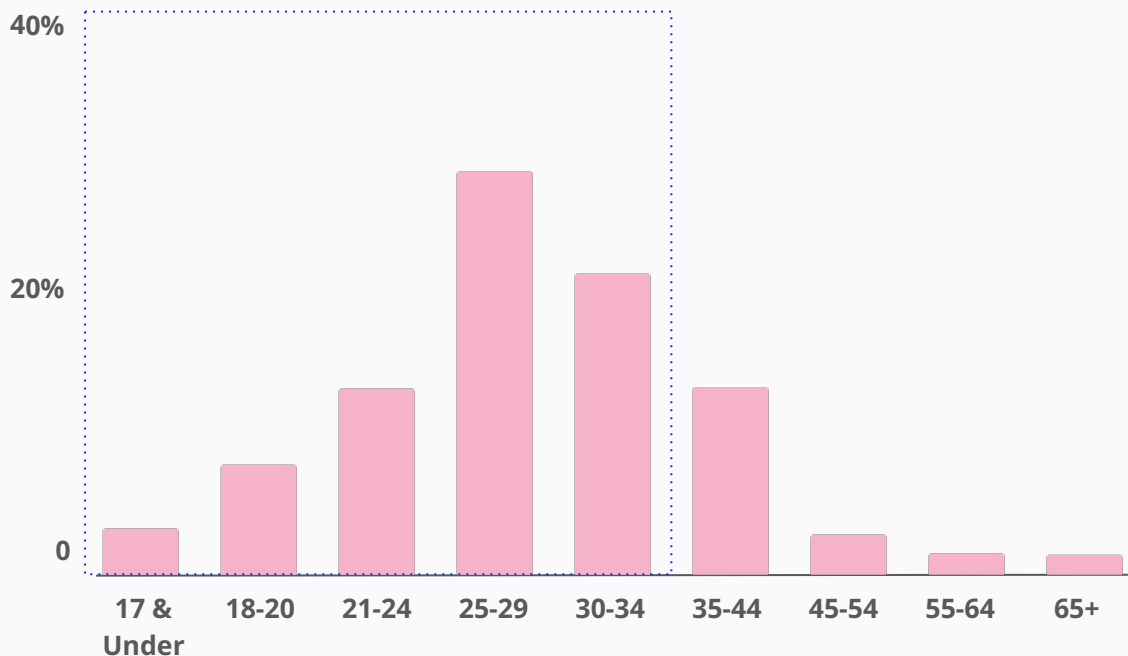
Klarna US Instagram Followers



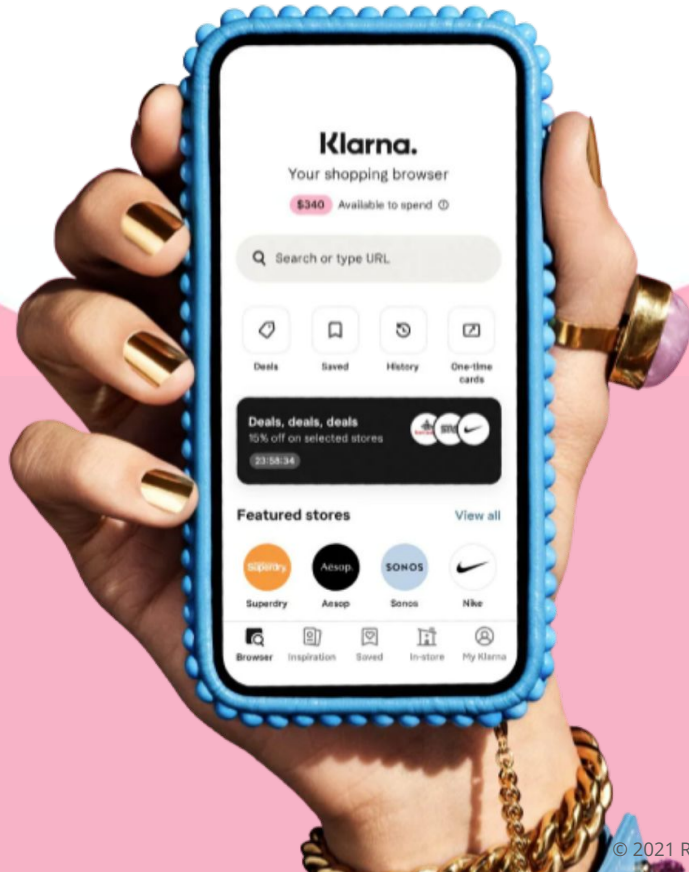
- Female
- Male

Age Distribution

Klarna US Instagram Followers



How does Klarna capture the Gen Z and Millennial audience?



01

Participating in Social Conversations

02

Committing to Sustainability

03

Promoting Financial Wellness

04

Talking about Mental Health

05

Engaging with the Gaming World

06

Partnering with Micro-Influencer

07

Spotlighting Individuals

#1: Participating in Social Conversations

54% of consumers expect brands to take an active role in social conversations like #MeToo and racial injustices*.

Millennials and Gen Zs are interested in brands taking an active role in social activism, and Klarna is not afraid to take part in these conversations. Klarna utilizes their Instagram as a platform to amplify the voices of the LGBTQIA+ and BIPOC community.



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For APAHM, Klarna ran a series featuring their AAPI photographers and their street styles.



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For Pride month Klarna ran an IGTV series called "Let's Kiki" which spotlighted the Queer journeys of LGBTQIA+ influencers



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For Black History Month, Klarna featured black-owned businesses.

[*Source](#)



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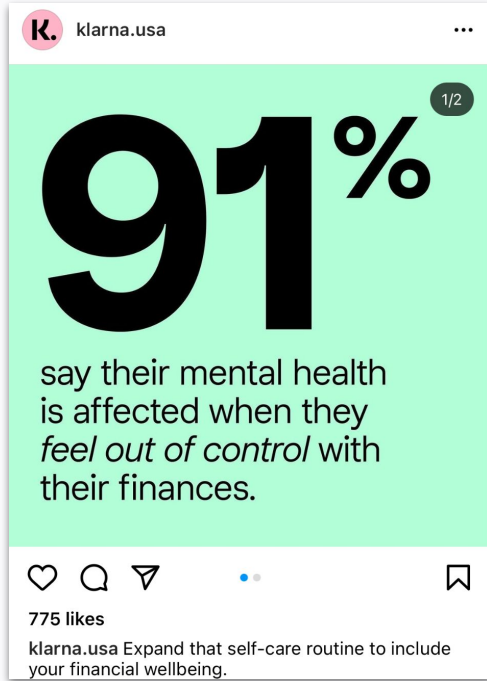
#2: Committing to Sustainability

Nearly half (48%) of Gen Z surveyed said that helping the environment is important to them (GWI).

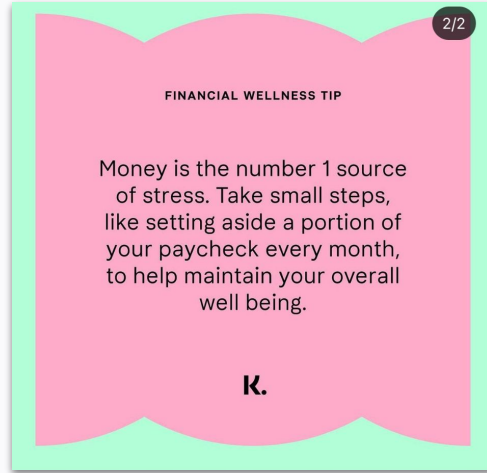
Despite being a company that profits from online shopping, Klarna recognizes the harmful impacts of mass consumption. Klarna encourages shoppers to reduce their emissions through upcycling, thrift shopping and creating capsule wardrobes.

Additionally, Klarna launched a CO2 tracker which allows customers to see how much carbon is linked to their purchase. The feature aims to “democratize access to unbiased climate impact information for consumers” and “help drive awareness around climate change”*.

*[Click to View](#)



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#3: Promoting Financial Wellbeing

The pandemic elevated financial concerns for millennials and Gen Z. 66% said they “often worry or get stressed” about their general financial situations. (Deloitte, 2020)

As part of their content strategy, Klarna shares a series of financial wellness tips. This series includes ways to spend more intentionally, establish financial goals, save money each month, and cut monthly expenses.

Klarna’s positions financial wellness as part of self-care. Often their financial wellness tips focus on the impact finances can have on your mental health and stress levels.

To gain insight into what financial wellness meant to their audience, Klarna promoted a [financial wellness survey](#) on their website. Survey participants were entered into a \$500 cash prize draw.



#4: Talking about Mental Health

48% of Gen Zs and 44% of millennials surveyed said that they “feel anxious or stressed all or most of the time” (Deloitte, 2020)

Considering these extremely high levels of reported anxiety and stress, promoting mental wellness should be a priority for brands speaking to millennials and Gen Z.

Klarna promotes mental wellbeing and self-care with visuals of clothing tags with empowering quotes on them.

To increase engagement, Klarna encourages users to tag a friend “who needs to hear this” in the comment section

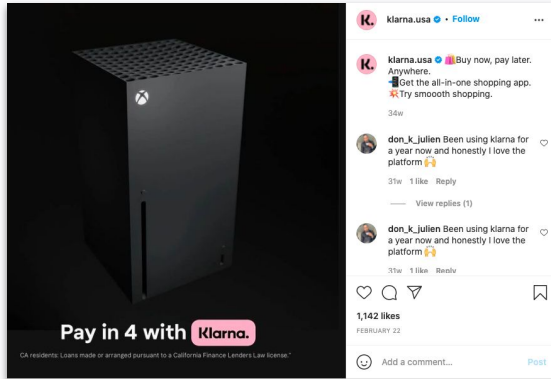
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#5: Engaging with the Gaming World

With 94% of all Gen Zs playing games on any device, they're the most active gaming generation. Females in this generation are keen gamers, with 92% saying they do so ([GWI, 2021](#)).

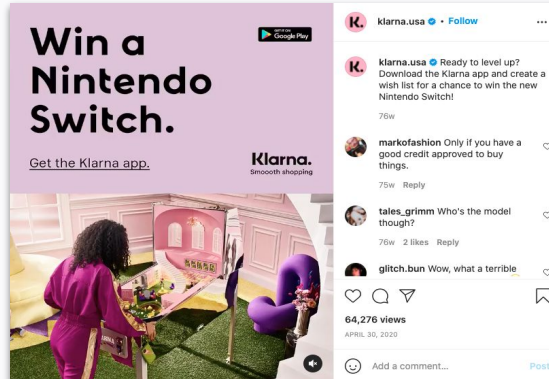
Paid Instagram ads promote buying new gaming tech with Klarna, gaming giveaways to increase app downloads and showcase their Twitch partnerships.

Promoting buying new gaming tech with Klarna



Spend: **\$144K** | Impressions: **15M**
CPM: **\$9.65** | [Click to View](#)

Gaming tech giveaways to drive app downloads



Spend: **\$9.8K** | Impressions: **982K**
CPM: **\$9.97** | [Click to View](#)

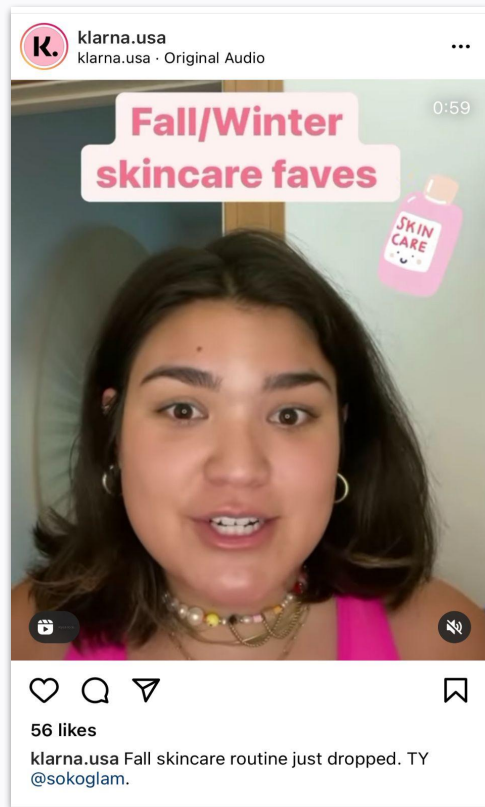
Promoting Klarna's partnerships with Twitch Streamers



Spend: **\$9.8K** | Impressions: **982K**
CPM: **\$9.97** | [Click to View](#)



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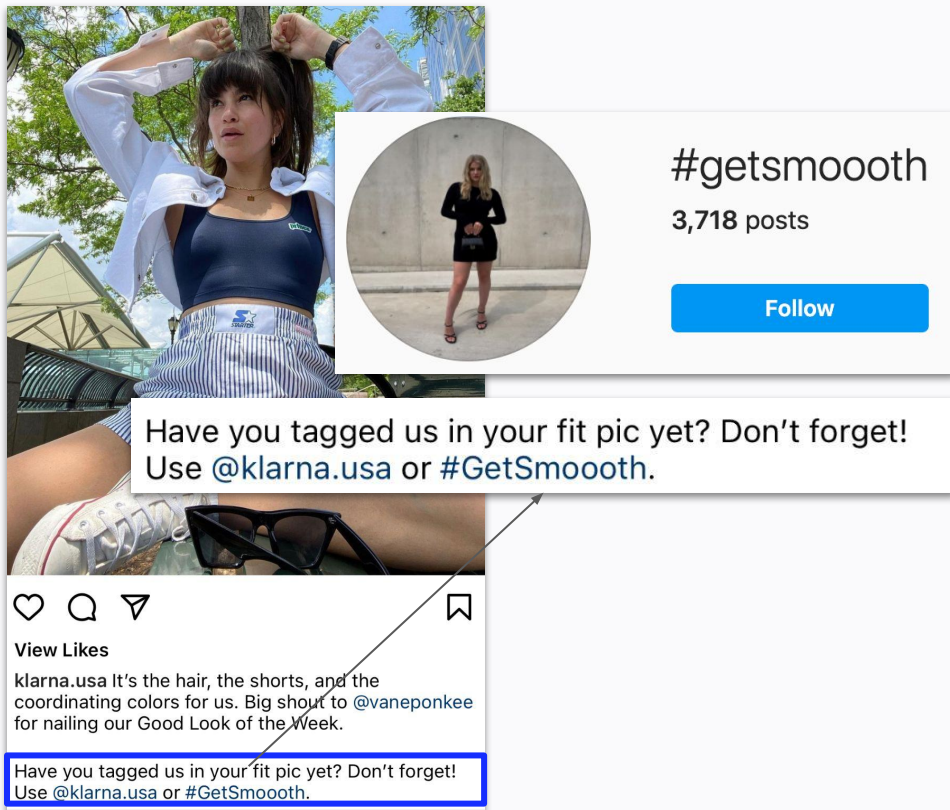
#6: Partnering with Micro-Influencers

4 out of 10 Gen Zs surveyed said brands should help them improve their knowledge ([GWI, 2021](#))

Gen Z shows a strong affiliation for brands that are perceived to be fluent with popular culture, young and trendy. Additionally, Gen Zs are 1.47x more likely than the average internet user to discover a brand through vlog content.

To reach this younger demographic, Klarna connects with them through the personalities and interests they associate themselves with.

Klarna shares educational and relatable vlog content created by micro fashion and beauty influencers. Topics include the latest fashion trends to skincare must haves.



#getsmooth
3,718 posts

Follow

Have you tagged us in your fit pic yet? Don't forget!
Use @klarna.usa or #GetSmooth.

View Likes

klarna.usa It's the hair, the shorts, and the coordinating colors for us. Big shout to @vanepoonkee for nailing our Good Look of the Week.

Have you tagged us in your fit pic yet? Don't forget!
Use @klarna.usa or #GetSmooth.

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#7: Spotighting Individuals

Only 15% of Gen Z say they feel represented in the advertising they see. Additionally, 40% say it is important for brands to make them feel valued (GWI, 2021).

Gen Zs are looking to align themselves with brands that are spotighting them as individuals.

Klarna's [#getsmooth](#) campaign has generated 3.7K posts. The campaign encourages followers to tag the brand and use the campaign hashtag on "fit pics" to be featured on their feed.

By sharing this UGC, Klarna is able authentically represent their target audience, and make their customers feel valued.

Klarna ran a [giveaway contest](#) to incentivize their followers to participate in the campaign. People who shared their "fit pics" were entered to win a vintage collection selected by A\$AP Rocky.

Key Takeaways

Klarna, the global payments brand that offers online shoppers a “buy now, pay later” service, has had a +137% YoY increase in its US web traffic. Klarna has successfully attracted a younger audience, reporting that 70% of their customers are Gen Z or Millennials. Klarna’s leading social platform is Instagram, which makes up 75% of their total social audience. 85% of their followers on their US Instagram account are under 34 years old and are predominantly female (75%) and single (60%).

Klarna captures the Gen Z and Millennial audience on Instagram by:

- **Participating in Social Conversations:** Millennials and Gen Z are interested in brands taking an active role in social activism, and Klarna participates in these conversations on their Instagram by amplifying the voices of the LGBTQIA+ and BIPOC.
- **Committing to Sustainability:** Klarna recognizes the harmful impacts of mass consumption. Klarna encourages shoppers to reduce their emissions through upcycling, thrift shopping and creating capsule wardrobes. In addition, Klarna launched a CO2 tracker, allowing customers to see how much carbon is linked to their purchases.
- **Promoting Financial Wellness:** As a result of the pandemic, Millennials and Gen Z have elevated stress levels about their finances. As part of their content strategy, Klarna shares a series of financial wellness tips. This series includes ways to spend more intentionally, establish financial goals, save money each month, and cut monthly expenses.
- **Talking about Mental Health:** A large percentage of Millennials and Gen Z struggle with their mental health. Klarna promotes mental well-being and self-care with visuals of clothing tags with empowering quotes on them.
- **Engaging with the Gaming World:** Gen Z is the “gaming generation”, with 94% reporting playing games on any device. Klarna engages with the gaming world by running ads which promote buying new gaming tech with Klarna, running gaming giveaways to increase app downloads and partnering with Twitch streamers.
- **Partnering with Micro-Influencer:** Gen Z shows a strong affiliation for brands that are perceived to be fluent with popular culture, young and trendy. To reach this younger demographic, Klarna connects with them through the personalities and interests they associate themselves with. Klarna shares educational and relatable vlog content created by micro fashion and beauty influencers.
- **Spotlighting Individuals:** Gen Zs are looking to align themselves with brands that are spotlighting them as individuals. Klarna’s #getsmooth campaign encourages followers to tag the brand and use the campaign hashtag on “fit pics” to be featured on their feed. By sharing this UGC, Klarna is able authentically represent their target audience, and make their customers feel valued.