

## CASE STUDY

# How Open Banking made Boozt's checkout healthier and their business better



## About

Boozt, a Nordic company selling fashion and lifestyle online, offers customers a curated and contemporary selection of brands relevant to a variety of lifestyles. They sell through their multi-brand web store Boozt.com and Nordic fashion outlet Booztlet.com. The company has grown rapidly over the last few years to reach SEK 5.8 billion in revenue in 2021, and has over 3 million active customers on Boozt.com.

## The operational challenges of cross-border sales

It's a well-known expression: "think global, act local". And any company which aims to succeed internationally has to understand and cater to local preferences and needs. Boozt recognised the importance of APMs (Alternative Payment Methods) including direct bank payments for the Nordic consumer in 2016, including them at checkout in Denmark, Sweden, Finland and Norway.

A challenge arose in Finland, where bank payments are an extremely popular payment method. For Boozt, offering them was a given. To do this, Boozt opened its own local accounts, integrating with each bank individually. With this setup, funds would settle in Boozt's local accounts, which is great for taking

payments. But, as everyone knows, in online fashion refunds and returns are key, and the direct integration to the banks didn't offer automated customer refunds. In other words, if a customer needed money returned to them, it was not going to be an easy process.

Unsurprisingly, this technical constraint caused serious problems with settlements and reconciliations, and created a lot of additional manual work for Boozt's customer service department. Contacting customers for their bank details in order to make refunds also proved difficult, as many customers are, understandably, unwilling to share what they consider very private information. Boozt was left in the position of holding money which belonged to its customers and which it had a legal responsibility to return.



## Trustly solved the operational complexities

Boozt needed a simpler way to refund its customers and enable them to pay directly from their bank accounts in a user-friendly, convenient way over both desktop and mobile. And it needed to improve the user experience across every payment-related touch-point.

Integrating with Trustly solved the big problem instantly. It revolutionised the refund process for Boozt's end users, enabling consumers to receive instant, automatic refunds - without being asked to share their bank details.

Boozt could meet all the local demands of the Finnish market, without the hassle of being local. Putting this into context, prior to partnering with Trustly, Boozt had individual contracts with different banks across the Nordic region. Now with Trustly, instead of having to manage all these relationships, they can reach every bank through a single integration, enabling them to reach a much larger share of customers.

Partnering with Trustly removed the operational hassle and complexities Boozt experienced earlier, allowing them to focus on what they do best - giving customers the clothes they love.

## Results

The partnership solved Boozt's initial operational challenges by:

**Maintaining legal compliance**

**A seamless user experience**

**Streamlining work across departments (customer service, order management, finance) – saving 40h of work per week, or one full-time employee.**



## A deeper partnership: Open Banking revolutionised the way Boozt was able to do business.

Since launching their collaboration in 2017, Trustly and Boozt have had a very close partnership - and it's getting deeper all the time. After great initial results, the companies have worked together to achieve two key goals. Firstly, to capitalise on the fact consumers are no longer using mobile devices simply to browse, but are increasingly converting on mobile. Secondly, Boozt aims to achieve healthy checkout economics together with a smooth user experience.

### Challenge 1:

How do you make it easy for your customers to convert on mobile?

**“Our business is all about choice, whether it’s choosing the right things to wear or the right ways to pay. Trustly gives our consumers the choice to pay directly from their preferred accounts - and it’s proving a very important option.”**

Hanui Ye, Payments & Order Management Director, Boozt

It's no secret that consumers have been glued to their phones for the past decade, with browsing online stores a favourite pastime. But five or so years ago, e-commerce merchants faced a common challenge – bridging the m-commerce gap. While consumers spend the majority of their browsing time on mobile devices, only a fraction of the actual revenues came from mobile conversions.

Mobile purchases didn't feel safe: it felt like there were too many things that could go wrong. Taking out cards in public, entering the wrong numbers – hitting the actual buy button felt safer using a 'proper' keyboard attached to a computer.

At the same time, if consumers felt safe and trusted the checkout enough, consumer behaviour research

showed people would likely convert more on mobiles. Anticipating that consumers would shift to increase mobile conversion if this was solved, Boozt was keen to create the best mobile checkout they could – a decision that proved to be prescient, as today Boozt sees 73% of purchases completed using a mobile device.

### Challenge 2:

Delivering a healthy checkout Boozt is always looking to optimise its operations, and this is equally true for payments. Achieving a healthy checkout with payment methods which are good both for the consumer and for Boozt's bottom line is a key priority. Offering direct and debit payment options is therefore at the top of Boozt's wishlist.

However, in terms of a best-performing payment mix, the company feels consumers should be able to enjoy the flexibility of being able to choose either to pay immediately or after they have received their goods.

The healthy mix between debit and credit options is yet to be determined, and Boozt is committed to testing in order to find it. But for this to work, they need a sense of control of their checkout.





## Innovating together to create Booztpay: a healthy, mobile-first solution.

Through its partnership with Trustly, Boozt has addressed both these challenges with the creation of Booztpay. Booztpay enables Boozt to assume full control of the brand experience and the customer journey. It enables Boozt to offer a full range of both direct payment and Buy Now, Pay Later options, which also extends to the post-purchase experience when it comes to paying invoices.

With Booztpay, the company has created a mobile-first checkout which leverages the full potential of open banking payments. Open banking helps them address both local, technical and operational challenges, all the while giving their users the simplest and safest user experience. Booztpay set out to amplify these benefits and give Boozt the power of continuously optimising for a healthy payment mix.

### Results

So, what results have Boozt seen? The partnership shows what can be achieved when a retailer and a partner innovate together.

- ▶ True to the predictions, mobile conversion has grown over the past five years. However, through diligent focus on perfecting the checkout, Boozt's conversion beats the index. Being a pioneer in the field, and an early-adopter of new technology has paid off.
- ▶ Through constant optimisation, Boozt has found a healthy payment mix for every local market. The common denominator? Debit is a key offering in all their markets, and Trustly is placed on top in Sweden, Estonia, Lithuania, and Latvia. In addition, despite being in third position in Finland, Trustly reaches the same significant share of customers as the markets where it's at the top of the checkout.

**“Through Booztpay, we fully control our payment data while ensuring the best shopping experience for our customers. It also allows us to test different ideas to learn and use the gained knowledge to optimise the healthy level of the payment mix for Boozt.**

**Trustly has been a crucial part of launching Booztpay, and we truly appreciate our partnership with Trustly for their willingness and innovative mindset. I firmly believe that Open Banking is a ‘must-have’ in the payment mix, and we see the result via Trustly in Booztpay!”**

Hanui Ye, Payments & Order Management Director, Boozt

Get in touch

