

A Payment Solution Tailor-Made for DXL Customers

Destination XL Group (DXL) is the largest retailer for big and tall shoppers. Between their brick-and-mortar stores and ecommerce website, they offer men, who wear sizes XL and up, an extensive variety of clothing, shoes and accessories, built for every budget. The group curates wardrobe solutions from hundreds of name brands, designers and private labels, many exclusive to the retailer itself. They maintain more than 250 stores nationwide, and two Canadian locations. Beyond clothing, DXL is a community. The brand is active in connecting with their customers online and has an engaged following across its channels.

SUCCESS METRICS

107%

Year over year lift in pay later sales volume

3.5X

Incremental lift in growth

25%

Increase in Pay in 4 usage from millennial and Gen Z customers²

“By offering a flexible payment option for our customers in the new macro-economic reality, the overall shopping experience has been elevated.”

– Ujjwal Dhoot

Chief Marketing Officer, DXL
www.dxl.com

Objective

In 2019, DXL launched an ambitious digital transformation initiative so that they could increase sales, acquire new customers, and also lift average order values through their ecommerce site. As COVID-19 shook world markets in early 2020, DXL was already well-positioned to act. With a digital-first mindset and a responsive marketing strategy in place, they tapped one of their most valuable tools: the strategic relationship they'd built with PayPal.

Solution

In response to the dramatic shift in customer habits and behaviors brought on by COVID-19, DXL quickly implemented PayPal's Pay in 4, a flexible financing solution that gives customers the option to pay for their purchases in four interest-free installments.¹ They embedded dynamic multi-offer messaging across the buying journey and notified customers that they could buy now, pay later with PayPal. Next, DXL took to social media to drive awareness and acquire new customers. In January 2021, they featured pay later messaging in a Facebook ad campaign which was met with positive response. **“Given the volume, amount of scale, actual conversion rates, and revenue share we saw from PayPal ads, I'd say we can view this as a win,”** said Ujjwal Dhoot, Chief Marketing Officer at DXL.

Outcome

DXL's ability to be agile and adopt Pay in 4 helped them realize new revenue, engage customers, and continue to be the go-to for big and tall men's fashion. Pay in 4 accounted for **44% of total 2020 pay later sales volume after implementation**. Contributing to this success were millennial and Gen Z customers² who embraced the new payment option. The use of Pay in 4 with these NextGen customers² increased **25% October to December 2020**. Additionally, 55% of buyers used pay later for the first time at DXL during that same time frame. DXL also saw Pay in 4 average order values rise to \$137. Pay in 4's interest-free installments deliver a flexible payment option for the DXL discerning customer.

Results may not be typical and may vary substantially by business. This content is provided for informational purposes only. You should always obtain independent business, tax, financial, and legal advice before making any business decision.

1. About Pay in 4: Consumer late fee may apply for missed payments and varies by consumer's state of residency. Loans to California residents are made or arranged pursuant to a California Finance Lenders Law license. PayPal, Inc. is a Georgia Installment Lender Licensee, NMLS #910457

2. NextGen customers / millennial and Gen Z customers defined as ages 18-30.

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