Klaviyo Releases Q1 2023 Business Trend Recap

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Consumer Spending Shows Signs of the 'Lipstick Effect' Amid Continued Economic Uncertainty

Boston, May 3, 2023 – **Klaviyo**, an intelligent marketing automation platform, today released its Q1 2023 edition of its Business Trend Recap, which leverages data from Klaviyo's customers for the latest insights into online shopping habits.

"Even as the economy continues to fluctuate, consumers are prioritizing spending their money on small, discretionary items that bring them joy and improve their quality of life," said Andrew Bialecki, CEO and co-founder of Klaviyo. "For businesses, this means they have a greater opportunity to cater to the emotional needs of their customers – and provide products and experiences that resonate on a deeper level. By tapping into the desires of consumers to feel good, businesses can build brand loyalty and long-term growth – even in the most challenging economic times."

Top Klaviyo Q1 2023 Shopping Insights

Klaviyo combined insights from over 250 million global shoppers across more than 82 countries and territories powered by the company's platform during Q1 2023—between January 1, 2023, and March 31, 2023. This quarter's top highlights include*:

- Despite continued economic uncertainty, consumers are still spending and even increasing their average order value by 13%. This is supported by the well-known "lipstick effect," where consumers tend to spend more on small, luxury indulgences during uncertain times, such as mascara, serums, and other Health and Beauty products.
    - In fact, the Health and Beauty category saw an increase in order count by 36%, while Jewelry saw a decrease of 15%.
    - In addition, within Health and Beauty, order count for mascara increased by 86%, and by 65% for serums.
- As pandemic trends continue to soften, the experience economy is growing. Consumers are spending more

on services and experiences, as evidenced by the decrease in the House and Home Improvement category, where both order count and average order value (or AOV) decreased by 19% and 17%, respectively.
- With summer just around the corner, consumers are getting ready to spend more time outdoors, and we're already seeing an increase in AOV for Sporting Goods by 8%.
- We're seeing a significant rise in the number of texts sent to consumers as businesses continue to realize the efficacy of the medium. In Q1, businesses drove nearly 28% more revenue from SMS campaigns than they did in Q1 of 2022.

*All values are compared to Q1 of the year prior.

"Since adopting Klaviyo's SMS capabilities, our ecommerce numbers have seen stunning growth and we've developed stronger relationships with our customers," said Ben Tulagan, Director of Ecommerce at Sneaker Politics. Our demographic is interested in the here and now, not lazily checking their inboxes, and when an opportunity to grab the latest in hot footwear or apparel presents itself, they're always ready to buy. The fast-paced, can't-miss nature of SMS is symbiotic and allows for us to move product at full tilt and for our closest subscribers to get their hands on items that are truly special to them."

Klaviyo's platform is designed to make it even easier for brands to create and foster strong relationships and provide the best possible customer experience. With Klaviyo, brands can combine customer data with more than 300 native integrations to automate personalized email and SMS communications that make customers feel seen. Klaviyo recently announced a new integration with Square Online to help sellers quickly sync real-time and historical data from Square Online into Klaviyo, including event-level data, profile properties, and catalog information to help them deliver truly personalized experiences across their marketing channels, including email, SMS, forms and more.

To learn more about Klaviyo, visit **www.klaviyo.com**.

ABOUT KLAVIYO

Klaviyo is an intelligent marketing automation platform that gives online businesses direct ownership of their consumer data and interactions, empowering them to turn transactions with customers into long-term relationships—at scale. With Klaviyo, businesses can combine customer data with more than 300 native integrations to automate personalized email and SMS communications that make customers feel seen. Klaviyo makes it easy—no need to start from scratch, piece together multiple platforms, or rely on third-party marketplaces and ad networks. From mom-and-pop shops to established companies, innovative businesses like Dermalogica, Living Proof, Solo Stove, Citizen Watches, and more than 110,000 other paying users leverage Klaviyo to acquire,

engage, and retain customers—and grow on their own terms. Learn more at klaviyo.com.