

# E-commerce in the Nordics 2017

The Nordics – a digitized region:  
**A review of Nordic residents' online purchasing behavior**



# Contents

<b>Foreword:</b> The digital purchasing process now an integrated part of daily life.....	<b>3</b>
<b>Overview:</b> Nordic e-commerce summarized.....	<b>4</b>
<b>Outlook:</b> Uniquely customized shopping experiences increasingly important.....	<b>6</b>
<b>Nordic e-commerce in 2016:</b> Online purchases totaling EUR 21.86 billion.....	<b>8</b>
<b>E-commerce from abroad:</b> One-quarter of online purchases are cross-border.....	<b>10</b>
<b>Omnichannel—digital and physical channels combined:</b> Cell phones.....	<b>12</b>
<b>Deliveries:</b> Freedom of choice no. 1 priority.....	<b>14</b>
<b>Returns:</b> Customers want free returns.....	<b>16</b>
<b>Interview:</b> E-commerce pioneers who go their own way.....	<b>18</b>
<b>Spotlight on:</b>	
<b>Sweden</b> .....	<b>22</b>
<b>Denmark</b> .....	<b>26</b>
<b>Norway</b> .....	<b>30</b>
<b>Finland</b> .....	<b>34</b>
<b>Detailed results</b> .....	<b>38</b>
<b>PostNord—your e-commerce partner</b> .....	<b>45</b>

## E-commerce in the Nordics

**PostNord has been monitoring** e-commerce trends in the Nordics for the past nine years. As of January 2016, we began monitoring developments monthly. Doing so provides us—and you—with a more precise overview, but also means that the 2016 results are not directly comparable with those of previous years, when consumer habits were monitored quarterly. The section of the survey that deals with the estimated total e-commerce consumption in the Nordics is based on consumers' estimates of how much they have purchased online, both in total and from foreign sites.

**E-commerce in the Nordics 2017** is based on consumer surveys conducted monthly in Sweden, Denmark, Norway

and Finland during the period February 2016 through January 2017. The number of respondents surveyed totaled 89,223.

**E-commerce is defined** in this report as the sale of products via the Internet that are delivered to the consumer's home or a distribution point, or are collected by the consumer from a store, warehouse, or distribution point.

**This means that the following are not classified as e-commerce:**

- » In-store purchases that were initially arranged via the Internet
- » Sales of services (e.g., travel, hotel accommodation, concert tickets) via the Internet
- » Business-to-business online sales
- » Online sales between private individuals

**The consumer surveys** were conducted using a representative selection of the national population aged 18-79 years in each country. The surveys were conducted with the help of TNS SIFO's online panel on 12 different occasions during the period February 2016 through January 2017. In all, 19,122 respondents took part in Sweden, 19,880 in Denmark, 20,164 in Norway, and 30,057 in Finland.

**Since the results are obtained** using an online survey, they were representative of the percentage of the national population who have access to the Internet. In cases where estimates are presented as applying to the population as a whole, the results have been adjusted to reflect the degree of Internet penetration in the particular market.

## Foreword

# The digital purchasing process now an integrated part of daily life

**N**ordic residents are increasingly shopping online, and the boundary between e-commerce and physical commerce is steadily disappearing. We are also seeing an increase in consumers either testing products in physical stores before purchasing them online, or doing research online before making in-store purchases. The fact that this type of behavior has led to the coining of widely-used terms like “webrooming” and “showrooming” goes to show how the digital purchasing process has become a natural part of everyday life in the Nordic region.

**E-commerce in the Nordics** is now in its ninth edition, and continues to provide useful insight into Nordic consumers’ e-commerce habits and preferences. The report is based on surveys conducted monthly during 2016 that covered a total of almost 90,000 respondents.

**The report reveals that** e-commerce companies operating in the Nordic market need to be able to offer sales through multiple channels. Employing a clear omnichannel strategy appears to be increasingly important if companies are going to keep pace with their competitors. Businesses that have successfully combined physical and digital channels include the likes of homeware retailer Royal Design. We take a closer look at their strategy for continued expansion in the Nordic region and internationally later in this report.

**The fact that Nordic residents are mature** online consumers means foreign players enjoy good prospects for success in the Nordic market, and also that Nordic e-retailers will need to get used to increasing competition from abroad. This market situation makes it essential that retailers insure that both their contact with customers and local knowledge are top-notch. While there are many similarities among the Nordic countries, there are also many differences. To succeed here, businesses must be flexible and must refine their range of products and services to perfection.

**The growth potential** in many product categories in the Nordic markets remains strong. The general trend in which the most popular items purchased online by Nordic residents are clothing and footwear, home



Håkan Ericsson  
President & Group CEO  
PostNord

“We’re currently witnessing a trend in which Nordic online shoppers are beginning to buy larger and heavier goods.”

electronics, and media has continued for a number of years. On the other hand, the more mature online shoppers Nordic residents become, the greater the number of new types of goods they choose to buy online. For example, we are currently witnessing a trend in which Nordic online shoppers are beginning to buy larger and heavier goods, such as building supplies and major household appliances.

**Delivery continues to be** an extremely important part of the e-commerce experience, and convenient solutions attract new purchases in themselves. Online shoppers in the Nordics have different expectations and preferences when it comes to delivery, and offering customers a first-rate shopping experience requires keeping your ear to the ground at all times.

**I’m proud to say** that PostNord knows the Nordic market better than anyone, has the region’s best-developed distribution network, and offers comprehensive services in both logistics and customer communication.

**I hope that this report** will provide you with both inspiration and fresh new insight. Then, when you’re ready to take the next step, we’ll be here to serve as a partner with local knowledge of the Nordic markets and coordinated logistics solutions that will satisfy your distribution needs to, from, and within the Nordic region.

**Håkan Ericsson**  
President & Group CEO  
PostNord



Norway is an affluent market. See page 30

An average month in 2016...



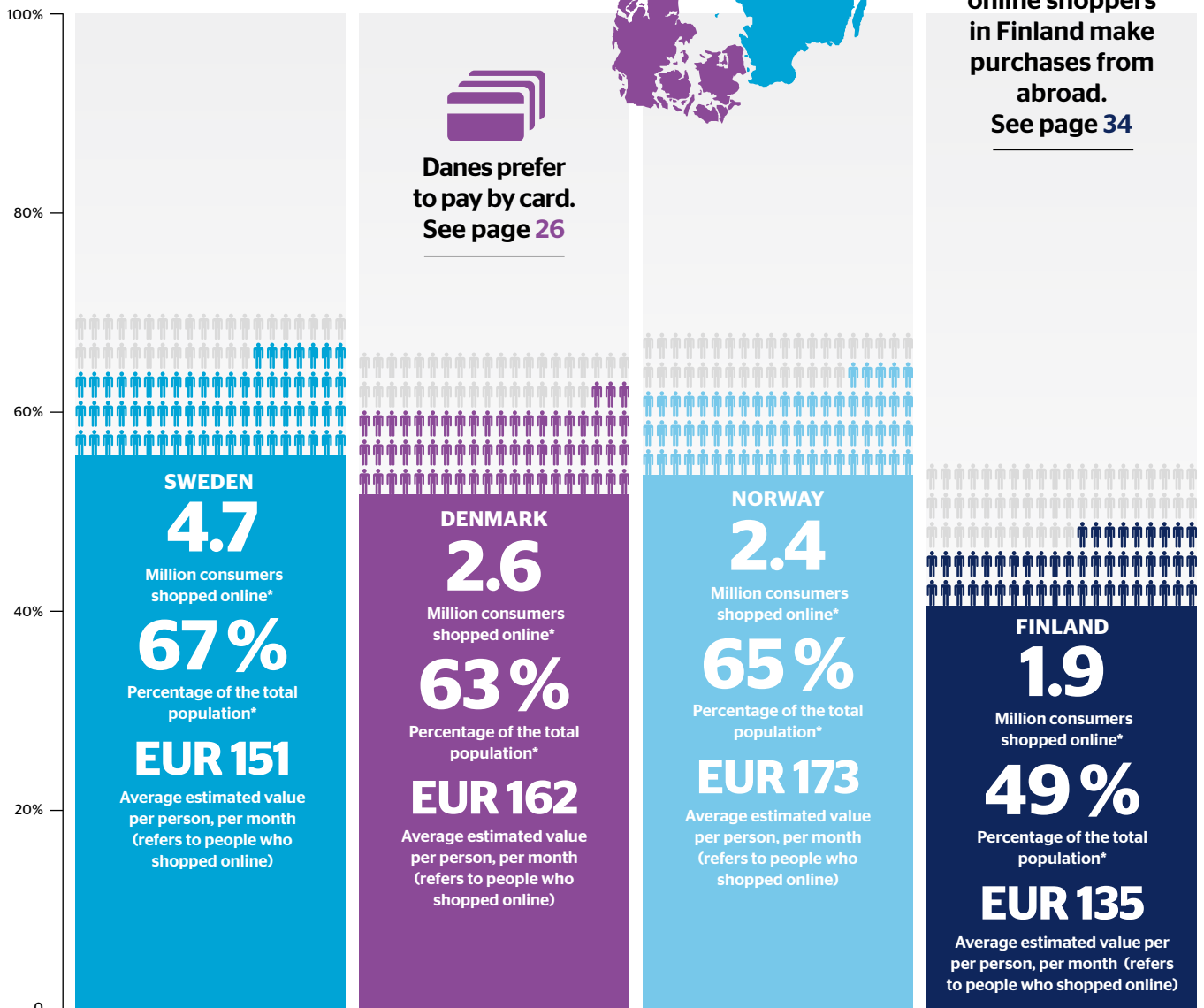
To a large degree, Swedes use their cell phones for the entire purchasing process. See page 22



Almost half of all online shoppers in Finland make purchases from abroad. See page 34

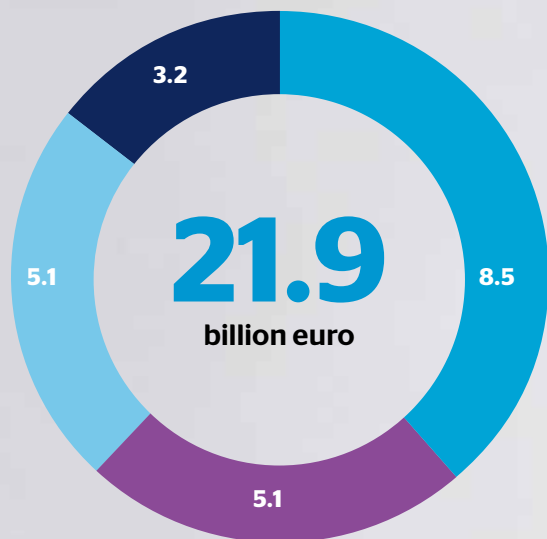


Danes prefer to pay by card. See page 26



\*Aged 18-79 years





■ Sweden ■ Denmark ■ Norway ■ Finland

**Nordic e-commerce 2016**

**Value of online purchases by Nordic consumers during 2016 (EUR bn)**

Calculated based on the respondents in each respective country's average response to the question "What total amount do you estimate that you have spent purchasing products online during the past month?" (Base: Shopped online in the past month)

Due to changes made to the measurement interval—from quarterly surveys to monthly surveys—the results for 2016 are not comparable with those of previous years.

**Nordic e-commerce summarized:**

**62** The percentage of Nordic residents aged 18-79 years who made purchases online during an average month in 2016.

**21.9** Nordic consumers estimated that they made online purchases totaling EUR 21.86 billion in 2016.

**25** The percentage of Nordic consumers' online purchases made from foreign retailers.



# Uniquely customized shopping experiences increasingly important

**Faster, more personalized, and smarter. These are key concepts for e-retailers who want to succeed in providing a solid product offering and a consummate shopping experience for consumers in the Nordic markets. The power lies in the consumer's hands. As such, being proactive and getting to know your customers in the various Nordic markets is becoming increasingly important.**

**One characteristic common to all** the Nordic markets is that consumer demands and expectations determine the conditions for e-retailers, logistics suppliers, and other e-commerce partners. The shopping experience must be simple, convenient, and flexible. Consumer expectations concerning their ability to keep track of their parcel—where it is, when it will be delivered, and where—are increasing all the time.

While Nordic consumers share many behavioral traits, e-retailers should be careful not to assume that the Nordic market is altogether homogeneous. The fact is that each country still has many unique characteristics. Here below, PostNord's e-commerce experts provide insight into current trends in their respective countries.

### **Carin Blom,** **PostNord in Sweden**

**Swedes are experienced** online shoppers and the frequency of their Internet purchases is increasing. Swedish women and men shop online almost equally often. The purchases they make depend primarily on which phase of life the consumer is in.

"Young people more often buy clothing and beauty and health products, whereas older people primarily buy books, and those aged somewhere in between often buy more children's items. In the past year Swedes have bought significantly more goods from China, a trend which will continue as long as shipping charges remain low. Conversely, we've also seen an opposing trend in which the younger generation are showing a high level of consciousness about sustainability. It's possible that once they get out into the working world and become more affluent consumers, they might take this attitude with them, and stop buying

from countries that don't have the same quality and environmental standards as we have," says Carin Blom.

**Last year proved to be very positive** for both the food and pharmaceuticals industries in Sweden, and Carin Blom foresees continued strong growth in these areas, especially for sales of personally selected items within the food sector.

"At the same time, I predict that sales of furniture and homeware will also continue to rise. This is quite an immature industry in terms of e-commerce sales, so there's a lot of room for expansion. I'm also eagerly monitoring developments in the markets for modular homes and assembling cars online. These sectors are still very young, but nowadays there's no longer any debate about what can and cannot be sold online. It's simply a matter of how to package things."

Carin Blom believes that the most important factors for achieving e-commerce success in the Nordic region and in Sweden, specifically, are the ability to be agile, flexible, and remain relevant.

"Consumer behavior changes quickly. E-retailers have to keep one step ahead of the game and have a presence wherever consumers are. Sort through information for the customer, be personable, have a fast and uncomplicated website, and deliver on the customer's terms."

### **Carsten Dalbo Pedersen,** **PostNord in Denmark**

**In Denmark, the size and weight** of goods bought online is increasing, placing greater demands on delivery and service.

"Customers expect buying a washing machine to be as simple as buying a book, and they want the same kind of convenient delivery and good service

regardless of what they buy. Buying large products online will only become more common as time goes by. Customers also want the option to add additional services to their purchase, such as having their new washing machine carried inside and installed, or having furniture items assembled for them."

**Danes continue to buy** large amounts of home electronics and clothing. Many of these purchases are made from retailers in Germany, the UK, and Sweden. As a newcomer to the Danish market, China is also making a strong showing.

"In general, Danes are experienced e-shoppers and over 90 percent of the population made online purchases during 2016. The group that shops most are women aged 30–45 years, but we're also seeing a noticeable increase in the percentage of online shoppers aged 60 years and over."

"The most important factors for e-commerce success are providing the consumer with as much information as possible and being flexible," says Carsten Dalbo Pedersen.

"Making a purchase via your website must be easy, and the customer wants the option to influence how, where, and when their parcel will be delivered. As an e-retailer, you need to make demands of your logistics partners, so as to be able to offer the consumer as much flexibility as possible when it comes to delivery options."

### **Jouni Lamberg,** **PostNord in Finland**

**Finns continue to make a large number** of online purchases from abroad.

"In Finland, price and range are important, which is one reason why many shoppers look to foreign retailers. In addition to these factors, domestic e-retailers don't seem to be able to satisfy

## The experts



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Vice President Sales,  
Marketing & E-commerce  
PostNord in Finland

consumers' needs and requirements in the same way as foreign vendors, which leads many Finns to prefer buying from other countries," says Jouni Lamberg.

**One segment that is growing** within Finnish e-commerce is "DIY products," as Jouni Lamberg calls them.

"By that I mean construction kits and furniture that you assemble yourself for use in your home or garden—a category I see increasing in Finland, but one that I also believe will experience strong growth in the other Nordic countries in the future. Apart from purchases for the home and garden, Finns continue to buy large amounts of clothing, electronics, and sporting and outdoor products."

Jouni Lamberg's best advice for anyone looking to make it big in the Finnish e-commerce market is to dare to pull out all the stops.

"The e-commerce market is highly competitive, and Finnish consumers want to see a good price and a large range. So, you either have to find a niche that is so highly specialized that your products sell themselves, or be able to invest a lot of money in marketing and large volumes. Well-functioning logistics and supply chain management combined with a solid product portfolio are critical if you want to succeed."

### **Kristin Anfindsen,** **PostNord in Norway**

**In Norway, import duties** and value-added tax are important considerations for consumers, who traditionally buy significant quantities of goods from the US and UK. In the last two years, a growing number of Norwegian online shoppers have also made purchases

from China. Home electronics and clothing are among Norwegians' favorite products to buy online, while sporting, leisure, and beauty products are also increasing in volume. Kristin Anfindsen also predicts an increase in sales of food items and pharmaceutical goods.

"These markets are still quite small in Norway, but we've seen strong growth here, and many new players have arrived on the scene within these areas in only a short space of time. My belief is that they will continue to grow during 2017."

### **The percentages of men and women**

who shop online are approximately equal in Norway, although men report spending larger amounts.

"What all Norwegian consumers have in common is the desire to choose the mode of delivery for each individual product they buy, rather than always collecting their parcels from a partner outlet, for example. If they buy socks, they want a home delivery, but if they buy a tablet, they want a safer mode of delivery whereby they collect their goods from a partner outlet," Kristin Anfindsen explains and continues:

"It's about having such a seamless offering that the consumer enjoys a uniquely customized experience with each purchase, such as being able to buy a product online and then exchange it in-store."

### **Arne Andersson,** **PostNord**

**Nordic consumers** have achieved a high level of maturity when it comes to e-commerce; they are very well informed and have high expectations.

"As a result, it's important to have good customer insight, so you can

"Nordic consumers have achieved a high level of maturity when it comes to e-commerce."

**ARNE ANDERSSON, NORDIC E-COMMERCE SPECIALIST, POSTNORD**

achieve both a personal offer and effective communication. E-retailers must understand their consumers and their behavior, part of which involves choosing their logistics partner with care. This partner must be able to make a high-quality contribution to the all-important conclusion to the shopping experience, and must act like a service company. The logistics partner must be proactive and allow the consumer the option to track their parcel from start to finish, and to choose whether it will be delivered tomorrow, in three days, or in two weeks, to their home or to their vacation home in the countryside," says Arne Andersson.

### **In addition to new and exciting**

solutions for logistics and delivery options, Arne Andersson also sees a major e-trend occurring within digital marketplaces:

"It's an extension of the simplicity that you want to be able to offer consumers: The physical malls that exist today aim to make shopping as convenient as possible for customers. In the same way, consumers save time and energy when they have access to all their e-commerce combined in one digital marketplace. Amazon is successful internationally and, in the Nordic region, we have similar local examples like CDON and Komplet Group. We'll see more of this type of digital marketplace in the Nordics in the years to come."



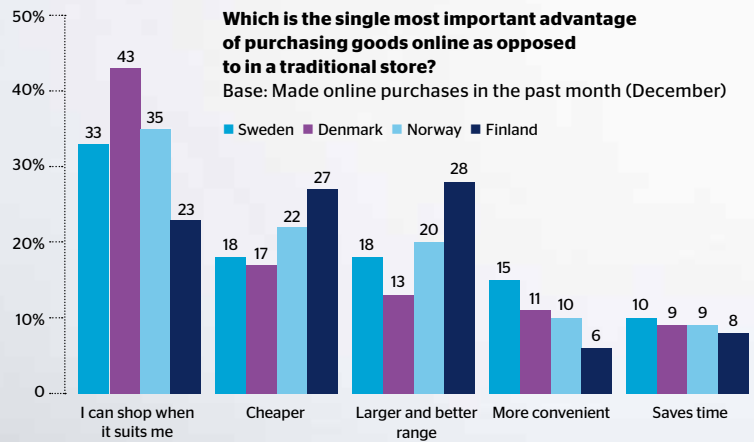
“The physical malls that exist today aim to make shopping as convenient as possible for customers. In the same way, consumers save time and energy when they have access to all their e-commerce combined in one digital marketplace.”

ARNE ANDERSSON, NORDIC E-COMMERCE SPECIALIST, POSTNORD

**Why Nordic consumers shop online**

**Which is the single most important advantage of purchasing goods online as opposed to in a traditional store?**

Base: Made online purchases in the past month (December)



Nordic e-commerce is primarily driven by the fact that it allows consumers access to goods that they are otherwise unable to find in local physical stores.



## Online purchases totaling EUR 21.9 billion

**Nordic consumers estimate that they made online purchases totaling EUR 21.9 billion during 2016. Sweden has the largest population of the Nordic countries and also its highest percentage of online consumers, culminating in the largest total spend in the region in 2016, EUR 8.5 billion. Norway recorded the largest amount spent per capita, however: EUR 173 per e-shopper and month.**

**Nordic e-commerce** is primarily driven by the fact that it allows consumers access to goods that they are otherwise unable to find in local physical stores. A larger range, convenience, and lower prices have been e-commerce's foremost competitive advantages over physical commerce since online shopping began. Certain important differences exist among the Nordic countries when it comes to why people choose to buy online. Finns more often reported lower prices as their motivation compared with

other countries, for example. Also, more than their Nordic neighbors, Swedes like the idea of avoiding crowded physical stores.

**The most popular products** purchased online in the Nordics are clothing and footwear, followed by media products and home electronics. Although the purchasing pattern is similar in all the Nordic countries, certain differences are also apparent. It is more common to buy groceries online in Denmark than in the

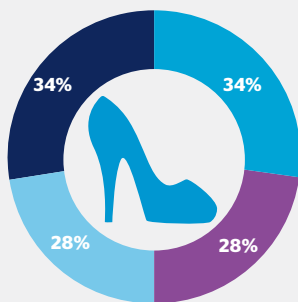
other countries, for example. Grocery stores were e-commerce pioneers in Denmark, and the country also has a long tradition of home deliveries. In Sweden, online consumers buy health and beauty products much more often than their Nordic neighbors. This is because the local beauty industry includes many influential players and because the pharmacy business is flourishing, with both specialized online retailers and traditional physical players who have made the leap to digital trading.

### Top product categories among Nordic online shoppers

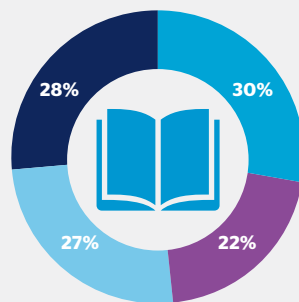
What types of goods have you bought online in the past month?

Base: Made online purchases in the past month (average per month, Jan.-Dec.)

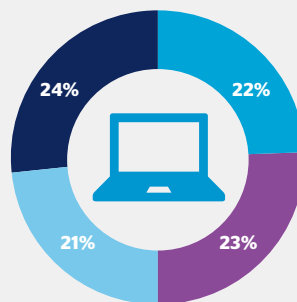
■ Sweden ■ Denmark ■ Norway ■ Finland



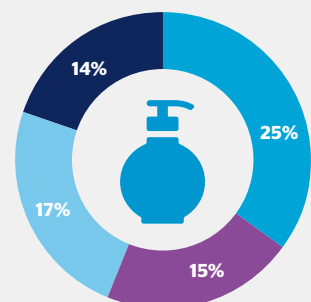
1. Clothing/footwear



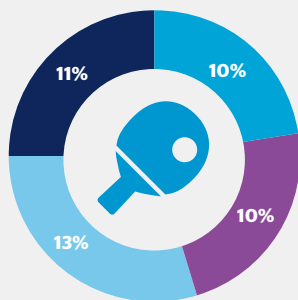
2. Media



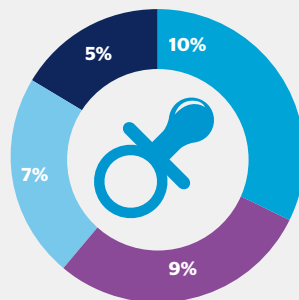
3. Home electronics



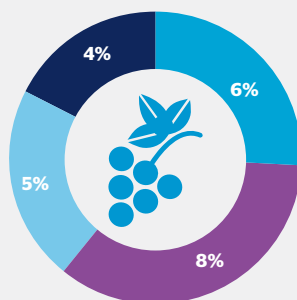
4. Health/beauty



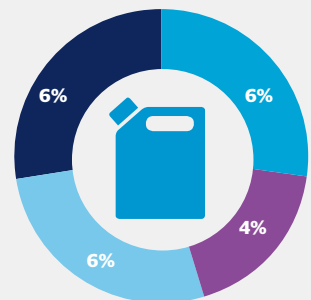
5. Sport/leisure articles



6. Children's items/toys



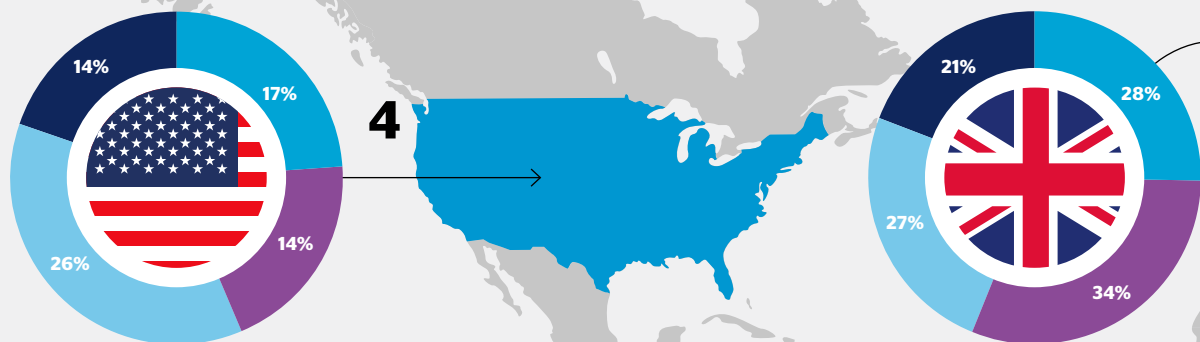
7. Groceries



8. Car/boat/motorcycle accessories

## Five countries dominate

Where Nordic consumers shop when they make online purchases from international retailers



## One-quarter of online purchases are cross-border

**E-commerce is becoming increasingly global. Access to lower prices and broader ranges of goods entice many Nordic consumers to buy from other countries. Just over one-third of Nordic online consumers make purchases from international retailers every month.**

**Finland and Norway** are currently much more dependent on foreign players than Sweden and Denmark in satisfying their online shopping needs. In 2016, purchases from foreign merchants accounted for 25 percent, or EUR 5.4 billion, of total e-commerce consumption in the Nordic region.

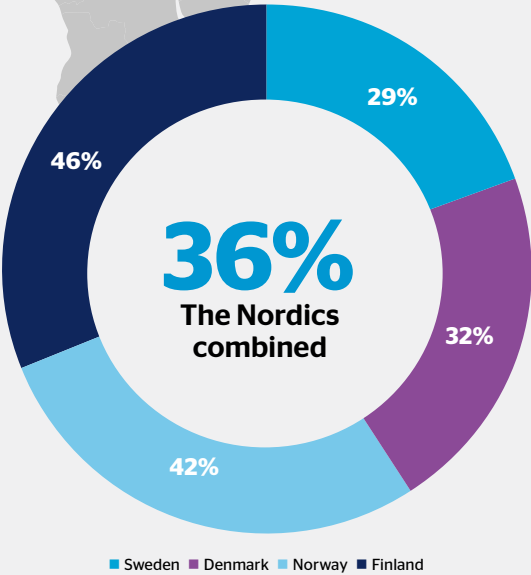
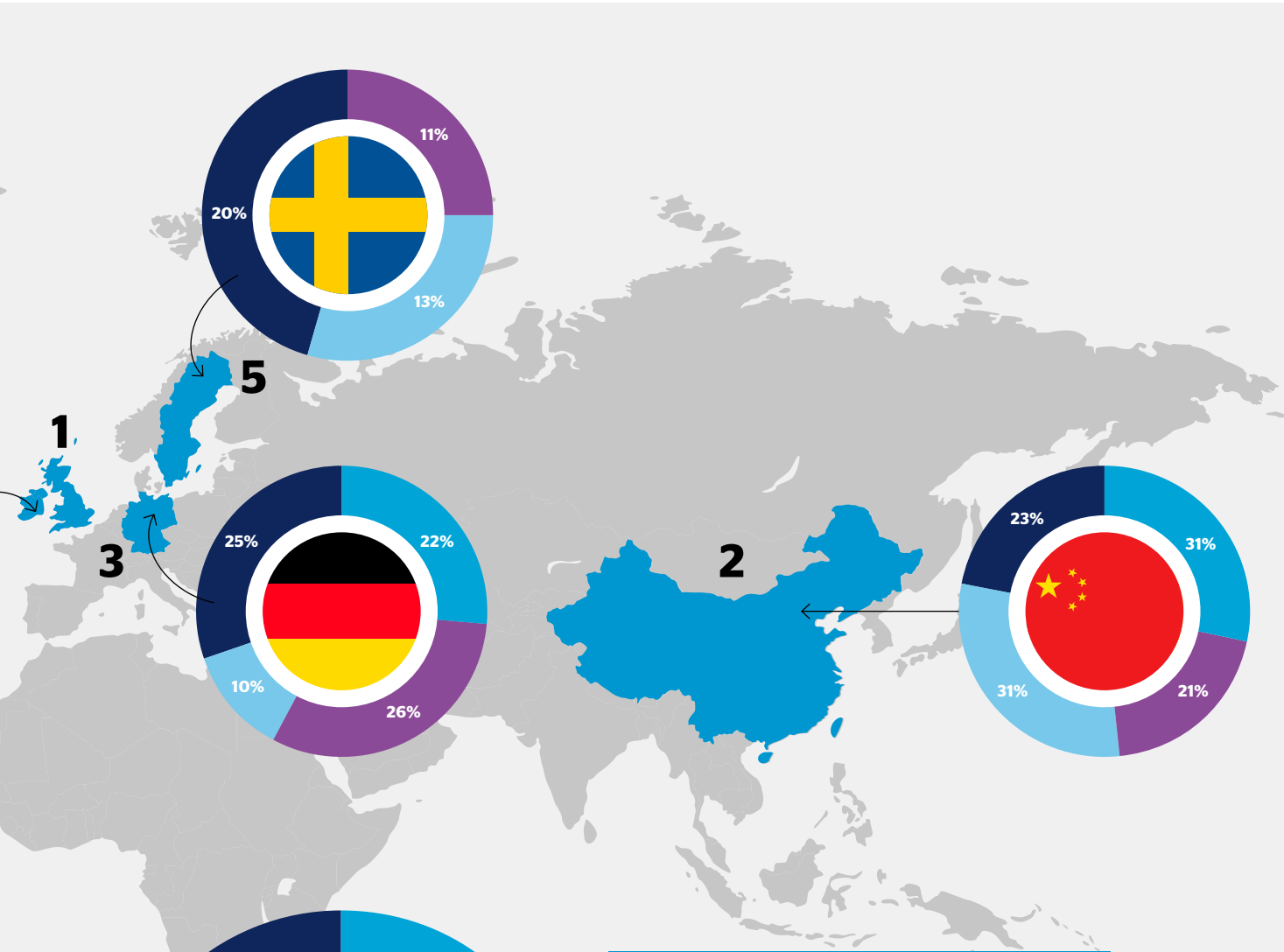
**The UK and China** are equally ranked as the most popular countries to purchase from. A minor trend observed during 2016 involved China's growth as an export country at the expense of the UK. China is a popular online shopping destination, primarily thanks to its low prices on items such as small home electronics products and clothing. Moreover, shipping charges from China are often low. On the other hand, the UK offers a broad spectrum of experienced retailers and strong brands as

well as websites in English, which Nordic residents find easily accessible.

**Goods imported** to the Nordic countries follow the same general pattern as is seen within Nordic e-commerce on the whole: Clothing and footwear rank as the number one category, with home electronics coming in at a comfortable second place. Comparatively, the Finns buy the most fashion items from abroad, while the Danes have the highest percentage of media product purchases among the Nordic nations. Among the four neighboring countries, Sweden recorded the lowest percentage of foreign purchases. Sweden has a relatively high level of e-commerce maturity and a comprehensive domestic product range, which is the likely reason why a lower relative percentage of consumers sought goods abroad.

### Nordic online shoppers' favorite countries

From which foreign countries have you purchased goods online in the past month? Base: Purchased goods online from abroad during the past month (average per month, Jan.–Dec.)



**Finns the biggest international online shoppers**

**Have you bought products online from abroad at any time in the past month?**  
 Base: Shopped online in the past month. By "abroad" is meant that you perceive the online store's domicile to be outside of your country and/or that your delivery comes from another country. (Percentage who answered yes, average per month January-December.)

**Top 3 product categories for international purchases among Nordic online shoppers**

- 1. Clothing and footwear**  
 Sweden: 28%  
 Denmark: 25%  
 Norway: 23%  
 Finland: 34%
- 2. Home electronics**  
 Sweden: 20%  
 Denmark: 18%  
 Norway: 20%  
 Finland: 22%
- 3. Media**  
 Sweden: 11%  
 Denmark: 18%  
 Norway: 17%  
 Finland: 17%

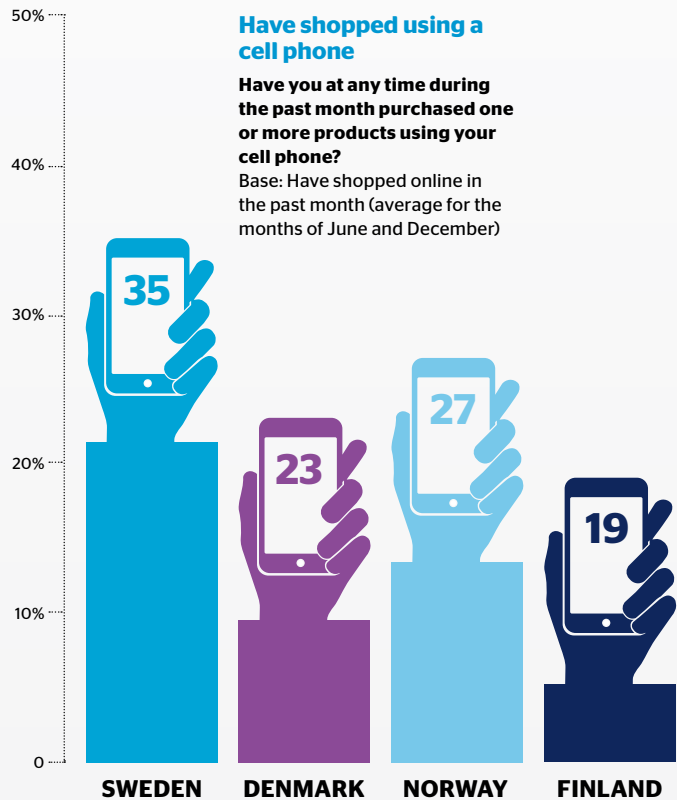


## Cell phones

The cell phone has fundamentally changed consumer behavior within both e-commerce and physical commerce in just a short period of time. It serves not only as a purchase channel, but also as a source of information. In part, it provides information that consumers themselves actively seek out, but also acts as a channel for receiving offers via text message, e-mail, and advertising, for example. Cell phones are often a consumer's most readily accessible device, and many e-commerce businesses have been quick to develop customized sites and apps to suit phones' smaller screen sizes.

One in four Nordic consumers who has made purchases online has carried out a purchase via their cell phone. The differences seen among Nordic countries and age groups in this respect are significant, however. One trait that all the Nordic countries have in common is that consumers aged 18–49 years make purchases using their phones much more often than older consumers. Currently, Sweden and Norway are the Nordic leaders in cell phone maturity. For example, Swedish consumers shop using their cell phones almost twice as much as their Finnish counterparts.

The Nordic countries' differing degrees of cell phone maturity are also evident when it comes to using cell phones for purposes other than shopping. Seventy percent of Swedish online consumers have received offers via their cell phones, compared with just over 30 percent of Danes, for example. Likewise, 40 percent of those surveyed in Sweden have done research on a product using their cell phones while in a physical store, compared with just ten percent in Finland.



### Have you at any time during the past three months used your cell phone in connection with any of the following?

Base: Shopped online in the past month





## Omnichannel trade increasing

**Omnichannel trade**, in which online stores and physical stores work in concert, continues to expand. The trend is fast-paced and is leading us towards a future in which we will barely use the terms “e-commerce” and “physical commerce” anymore, referring instead simply to an all-encompassing “commerce.”

**Webrooming and showrooming** (see the fact box below) have arisen as two of today's most interesting consumer behaviors. Almost half of all Nordic online consumers state that they practice webrooming. The phenomenon is most widespread in Sweden, and least common

in Denmark. Showrooming is less common, with only around ten percent of Nordic residents reporting that they showroom. Many physical retailers are afraid that consumers will test products in-store and then buy them online, whereas the figures show that, in fact, the opposite is more common. For physical retailers, it is more a case of having well-trained, bold, and dedicated personnel who can capture the attention of usually single-minded webrooming consumers so as to generate additional sales. If they also have their own online store, the likelihood of physical retailers retaining the consumer right to the end of the purchasing process increases.



### WEBROOMING

Consumers seek out information about a product online before purchasing it in a physical store.

#### Top 3 product categories for webrooming



**1. Home electronics**  
Sweden: 40%  
Denmark: 25%  
Norway: 35%  
Finland: 32%



**2. Clothing and footwear**  
Sweden: 26%  
Denmark: 25%  
Norway: 33%  
Finland: 23%



**3. Sport/leisure articles**  
Sweden: 19%  
Denmark: 15%  
Norway: 29%  
Finland: 11%

### SHOWROOMING

Consumers try out or look over a product in a physical store before purchasing it online.

#### Top 3 product categories for showrooming



**1. Clothing and footwear**  
Sweden: 45%  
Denmark: 27%  
Norway: -\*  
Finland: -\*

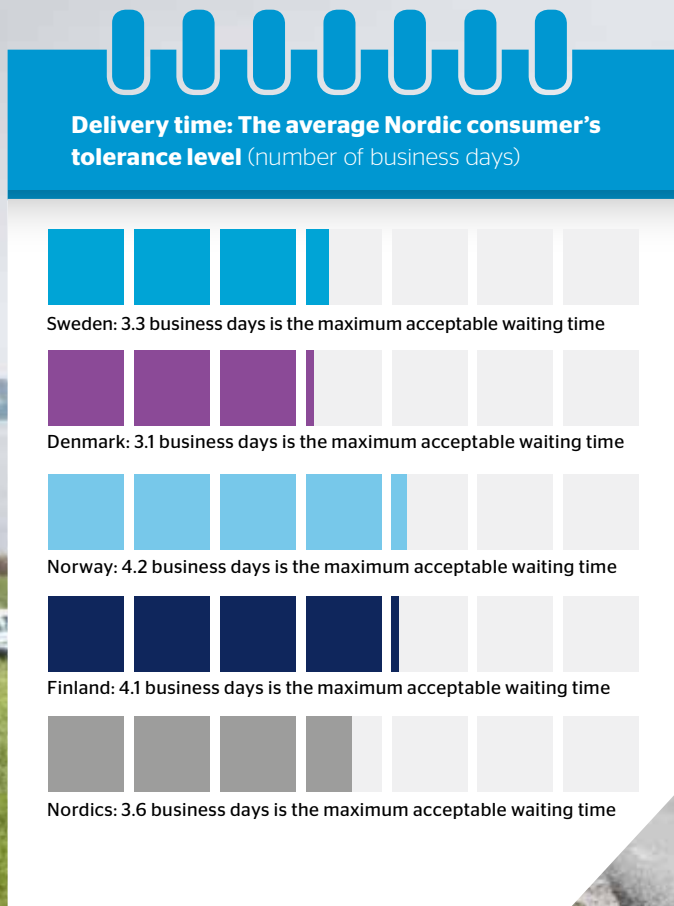


**2. Home electronics**  
Sweden: 16%  
Denmark: 21%  
Norway: -\*  
Finland: -\*



**3. Media**  
Sweden: 17%  
Denmark: 14%  
Norway: -\*  
Finland: -\*

\*No figures provided due to a lack of data



## Freedom of choice no. 1 priority

**Looking at the different Nordic markets reveals a number of clear differences that require both retailers and logistics operators to adapt to local expectations. On average, 80 percent of Nordic online shoppers consider that being able to choose the method of delivery when shopping online is important.**

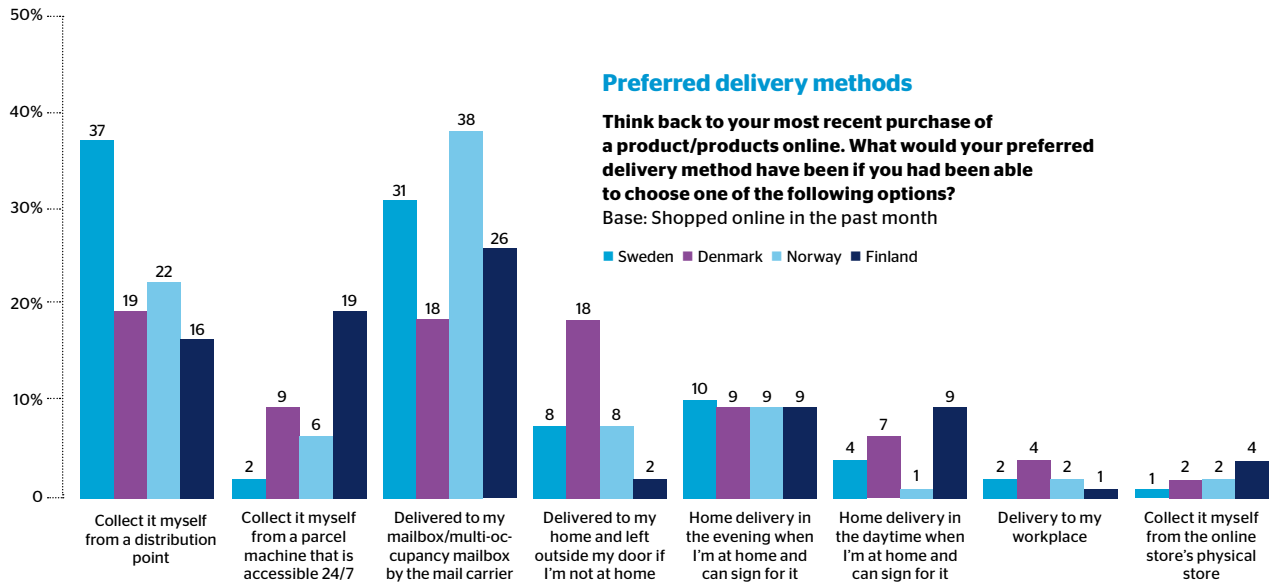
As online shoppers hunt for the best deals, it is increasingly important for online retailers to offer as convenient and practical deliveries as possible, whether this means home delivery or the option to choose delivery to the distribution point closest to the customer's workplace.

When customers themselves are allowed to choose, clear local differences become apparent. In Finland and Norway, for example, online shoppers prefer to have their goods delivered to their home

mailboxes, whereas in Denmark and Sweden, customers prefer to have their purchases delivered to a distribution point. Moreover, in Finland, systems that use 24/7 parcel machines for distribution have become increasingly common, and in Denmark the demand for—and availability of—home deliveries is significant.

Local preferences are also evident in connection with delivery times. Consumers are becoming increasingly demanding when it comes to how long

they are willing to wait to receive an item purchased online. However, it is also evident that online stores' and logistics operators' ability to meet consumers' expectations is good. Swedes and Danes expect—and receive—the fastest deliveries. Consumers in Norway and Finland make purchases from foreign retailers more often than their neighbors, and this likely explains why delivery times and expectations are both about a day longer in these countries.



**Collect it myself from a distribution point**  
Sweden: 37%  
Denmark: 19%  
Norway: 22%  
Finland: 16%



**Delivered to my mailbox/multi-occupancy mailbox by the mail carrier**  
Sweden: 31%  
Denmark: 18%  
Norway: 38%  
Finland: 26%



**Home delivery in the evening when I'm at home and can sign for it**  
Sweden: 10%  
Denmark: 9%  
Norway: 9%  
Finland: 9%

## Customers want free returns

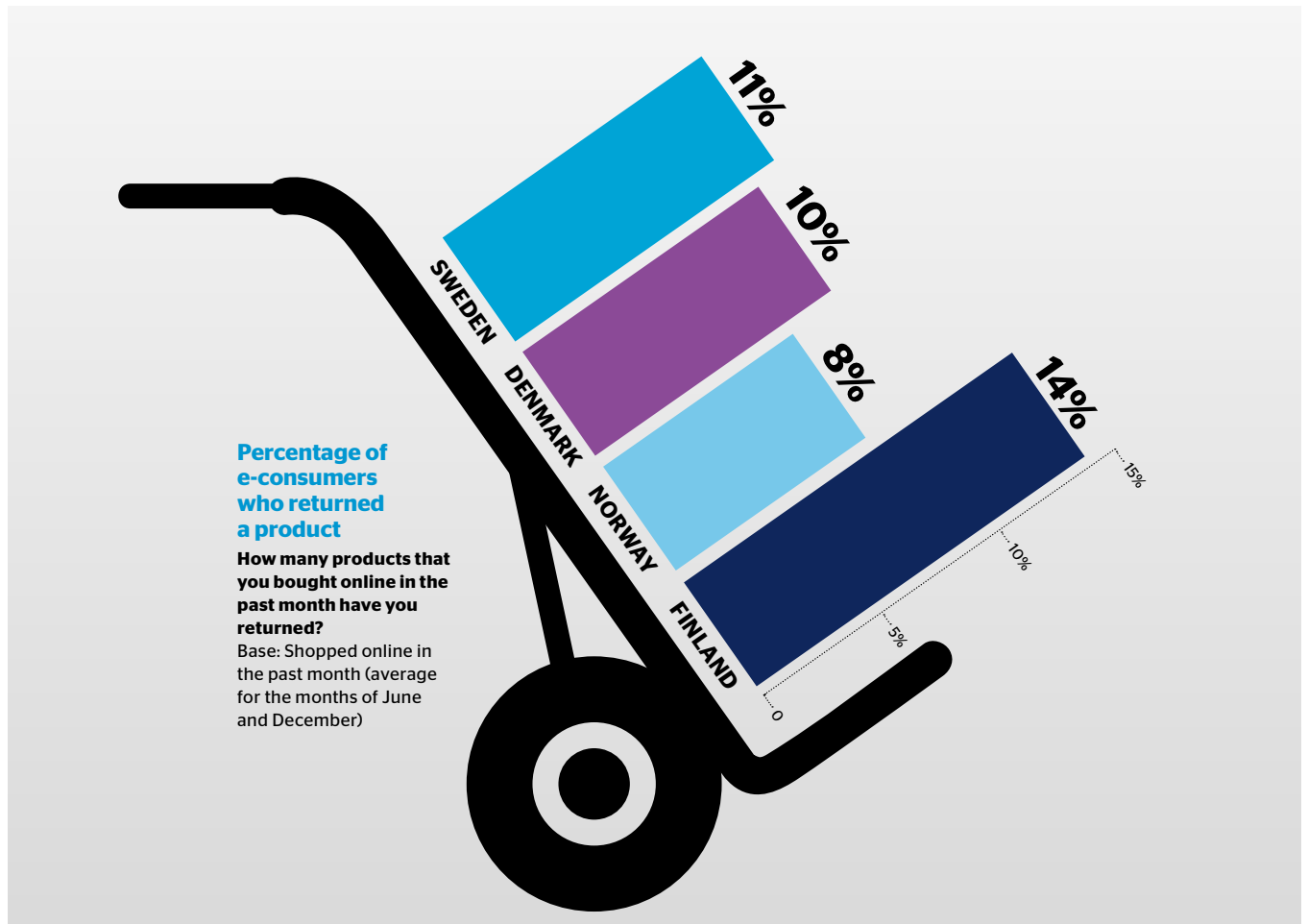
**One in ten Nordic** online shoppers return at least one item per month. Interestingly, consumers in Finland have a higher rate of returns than those in other Nordic countries, even though they purchase many goods from abroad. The likely reasons for this are the fact that they buy a lot of fashion items and that returns are made very convenient by the 24/7 parcel machines that are installed in many parts of the country. Each of the Nordic

countries displays a trend towards young consumers making the most returns, likely because they buy a lot of fashion items and return clothing and footwear ordered in the wrong size or model.

Post-purchase customer contact is the most important factor in retaining satisfied customers and earning their loyalty in the long run. Eight of ten consumers consider that clear instructions about how to contact

customer service are important, and nine of ten feel that clear information about returns procedures is important.

**Four out of every five consumers** wants free returns. For individual retailers, this can be an expensive prospect in the short term. On the other hand, free returns can make customers more loyal and, in that way, contribute to better profitability in the long term.



**1 in 10**  
 One in ten Nordic online shoppers returns at least one item per month.

**8 of 10**  
 Consumers consider clear instructions about how to contact customer service to be important.

**9 of 10**  
 Consider it important to receive clear information about returns procedures.

**4 of 5**  
 Consumers want free returns.







## E-commerce pioneers who go their own way

**With 18 years' experience in the e-commerce industry behind him, Royal Design CEO Hans Bengtsson has had time to learn a thing or two. What started out as a campaign targeting the US market has become an omnichannel venture with its sights set on becoming no. 1 in the Nordics, and then in Europe.**





**Hans Bengtsson** and colleague Andreas Ekberg were some of the first pioneers of Swedish e-commerce. Immediately after founding design and home furnishing company Royal Design in 1999, they set their sights on global e-commerce. In the beginning they sold exclusive Swedish brands to the US market, though their strategy has evolved somewhat since then. In 2010, before the term “omnichannel” had even been coined, the company made the decision to become a multichannel business, and opened its first physical store in Stockholm. Things have moved quickly ever since. Hans Bengtsson and Andreas Ekberg now operate 14 physical Royal Design.se stores in Sweden and, in the near future, will also open physical stores in neighboring Nordic countries.

“The aim is to supplement e-commerce with physical stores in all markets. However, since the physical stores operate just like the online store—allowing customers to place orders and arrange deliveries, manage returns and more, in addition to regular shopping—their set-up has involved a lot of synchronization overall. That’s why we’ve focused on making sure that everything works perfectly here at home before we scale up the concept,” Hans Bengtsson explains.

**One major reason why** this synchronization has involved so much work is that Royal Design started by taking on the hard part first; that is, they first tackled international e-commerce, then national e-commerce, and finally, physical



stores. Given that the e-commerce market was so young when the company began in 1999, its founders had to design their own tailor-made solutions. They've continued in the same vein ever since, and Hans Bengtsson and Andreas Ekberg have had to create their own IT functions to suit the services and flows in their omnichannel offering.

At the same time, these experiences have equipped Royal Design to establish e-trading in 13 markets across the globe.

"Thorough preparation is everything if you want to make it internationally. It's an easy trap to fall into to think that the Nordic countries, for example, are all quite similar, but every market is different. To start with, our behavior as consumers differs, so you need to be alert and investigate what the needs and preferences are in each country. Another important factor is local law. What applies in the case of returns and the nature of the local consumer sales act alone can differ greatly from place to place."

Looking into the future, however, Hans Bengtsson nonetheless predicts an increasingly homogeneous e-commerce market in both the Nordics and Europe at large.

"It might sound contradictory, but by 'homogeneous market' I mean more joint solutions for deliveries, payment methods, and marketing, and that we'll buy freely from all the other countries to a greater degree than we do presently. On the other hand, a common Nordic and European

"Thorough preparation is everything if you want to make it internationally. It's an easy trap to fall into to think that the Nordic countries, for example, are all quite similar, but every market is different."

### ROYAL DESIGN

- » **Founded:** 1999 by Hans Bengtsson and Andreas Ekberg.
- » **Market:** Active in 13 countries, from the Nordics to continental Europe, North America, and Australia.
- » **Omnichannel strategy:** Operates 14 physical stores in Sweden. The next step is to establish a physical presence in the other Nordic countries.
- » **Employees:** Approx. 110
- » **Sales:** More than half a billion Swedish kronor.
- » **Business:** Sells homeware, furniture, and design articles for the entire home. Stocks over 400 brands and 100,000 products.

e-commerce market won't mean that each individual market isn't customized to suit local consumers. You still need to find out what is unique about the consumers in each country. In Denmark, for example, the most common payment method used by Danes must be listed as the first alternative, and the products that Norwegians buy most often must be displayed ahead of products that might not sell as well in Norway. If Swedes prefer to contact customer service via live chat, this should be available on the Swedish site."

**A seamless approach** is another consideration that is becoming increasingly important for e-retailers. Seamlessness is important for business strategies that include multiple purchasing channels, but also in connection with marketing. The more interfaces you have, the greater the chance of reaching customers where they are. That said, it is important that customers perceive your offering and business concept to be the same regardless of where you meet them. In Royal Design's case, this involves insuring that in-store purchasing functions as smoothly as e-commerce and vice versa, for example.

"When you get right down to it, we view our stores as yet another e-commerce channel, just with personal service. And since customers can place online orders in our stores, in reality, the physical shopping experience is the same as the digital experience. The basic idea is that we must always be available to the customer and have the same offering, no matter whether they're in the city or at their vacation house in the countryside."

**This "reverse" omnichannel strategy**, in which e-commerce preceded physical stores, has worked well in Sweden and, in the near future, Royal Design plans to open physical stores in the other Nordic countries, too.

"The fact that we've had a digital presence in the Nordic region for a while now gives us a major advantage, since we have precise data on which products sell best in which country, and where, geographically speaking, our customers are located in the various countries. This means that we know where we should open our stores and what range they should carry. So, starting from the wrong end, so to speak, with e-commerce before physical stores, has been a big help in our case."



Royal Design CEO Hans Bengtsson has 18 years' experience in the e-commerce industry.

### Three tips for expanding e-retailers

1

A very important part of today's shopping experience is the method of delivery, and new requests come in from customers all the time. Be alert and think one step ahead when it comes to options that fall outside of standard delivery parameters. We will see more of this kind of offer in the future.

2

Choose partners who are progressive when it comes to new services, who are willing to accommodate new services and products, and, obviously, those who can offer local alternatives for different markets.

3

Remember to do your homework: Make sure you are completely up to speed on how consumers in the new market function and adapt your offer to suit their preferences. This applies to your website, payment methods, delivery, and so on.

# Sweden



Population, 18-79 years (as of January 1, 2016)

**7,324,290**



Percentage of population with access to the Internet (2015)

**95%**



Percentage of population that shops online every month\*

**67%**



Percentage of population that shops online from abroad every month\*\*

**29%**



Estimated amount that each Internet consumer spends online per month\*\*

**EUR 151**



Percentage of population that shops via their cell phone each month\*\*\*

**35%**



Percentage of population who did research online before buying in-store

**53%**



Percentage of population who did in-store research before buying online

**13%**

\* Average, Jan.-Dec. 2016. Base: Entire population aged 18-79 years.

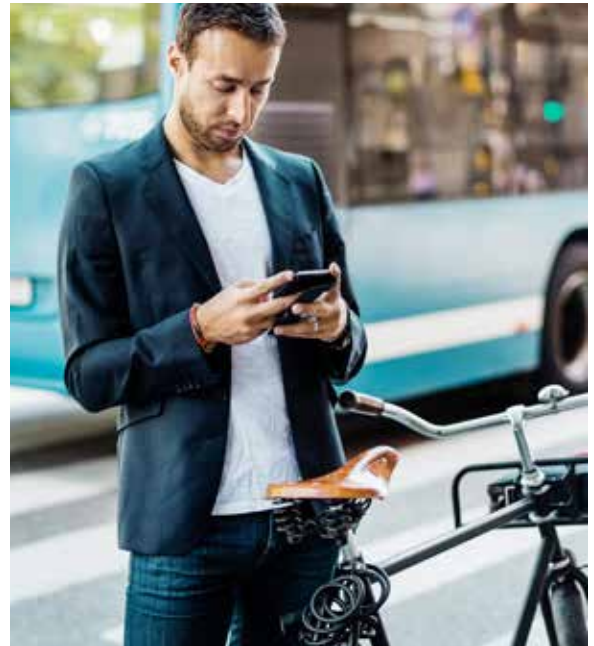
\*\* Average, Jan.-Dec. 2016. Base: Made purchases online during the month.

\*\*\* Average for the months of June and December. Base: Shopped online in the past month.

\*\*\*\* Refers to Swedish consumers'

purchases from both Swedish and international online stores. As opposed to the E-barometer survey, which measures sales recorded by Swedish online stores, only, and thereby excludes Swedes' online purchases from abroad.

\*\*\*\*\* Average, Jan.-Dec. 2016. Base: Purchased goods online from abroad during the month.



One in three Swedish online consumers makes a purchase via their cell phone every month. In the popular shopping month of December, as many as four in ten online consumers made a purchase using their phones.

## A mature e-commerce nation

**Sweden has come a long way** in its maturity as an e-commerce nation. Ambitious retailers who strive to remain competitive, a knowledgeable populace who are interested in technology and willing to use their debit and credit cards online, and a solid infrastructure have contributed to the robust growth of e-commerce in Sweden over the past decade. On average, two-thirds of Swedes shop online each month, and of these, three in ten make purchases from abroad. Each Swedish online shopper spends an average of EUR 151 online each month.

**The cell phone is making** steady advances, not only as a tool for making purchases, but as an aid employed throughout the purchasing process. Consumers like to shift between platforms, especially between their cell phones, computers, and physical stores. Sweden is a clear leader in the Nordic region when it comes to using cell phones in the purchasing process. For example, 40 percent of Swedes say that they have looked up information about a product on their cell phones while visiting a physical store. The percentage of consumers who make purchases using their cell phones also increased markedly during the year. One in three Swedish online consumers makes a purchase via their cell phone every month. In the popular shopping month of December, as many as four in ten online consumers made a purchase using their phones.

# 8.5

billion euro: The total amount that Swedes estimate spending on online purchases in 2016\*\*\*\*, of which, purchases from abroad total 21%.



**40%**

Have done research on a product while visiting a physical store.



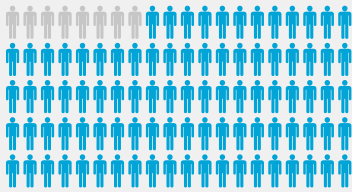
**36%**

Have taken a photo of a product in a physical store before later making a purchase online.



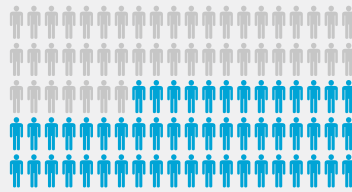
**32%**

Have checked stock levels using their phones before visiting a store.



**92%**

Consider information about when delivery will take place to be important.



**53%**

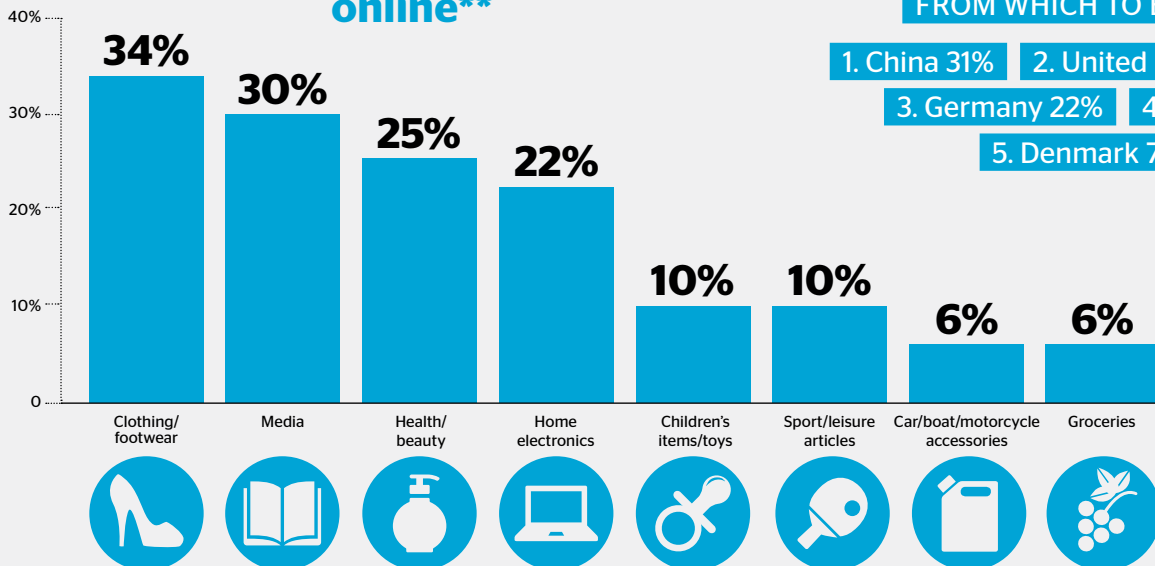
Have conducted research online before making a purchase in a physical store.



**37%**

Would prefer to be able to pay for their purchases via invoice when they shop online.

## Most popular goods purchased online\*\*



## TOP FIVE MOST POPULAR COUNTRIES

FROM WHICH TO BUY\*\*\*\*

1. China 31%
2. United Kingdom 28%
3. Germany 22%
4. USA 17%
5. Denmark 7%

## Important features in online stores—payment

Once they have added their items to their shopping basket and it is time to check out, Swedish consumers want the option to choose between various payment methods more than their Nordic neighbors. In part, they want the option to pay via invoice for traditional reasons (a service that leading payment companies have developed into a hassle-free experience), and in part the option to

pay using debit or credit cards. A significant percentage also want to be able to pay directly via their bank. If they fail to offer these alternatives, online stores risk losing customers who can't pay using the method they feel most comfortable with, or the payment method that is most convenient for them when they're shopping online in their living room sofa, for example.

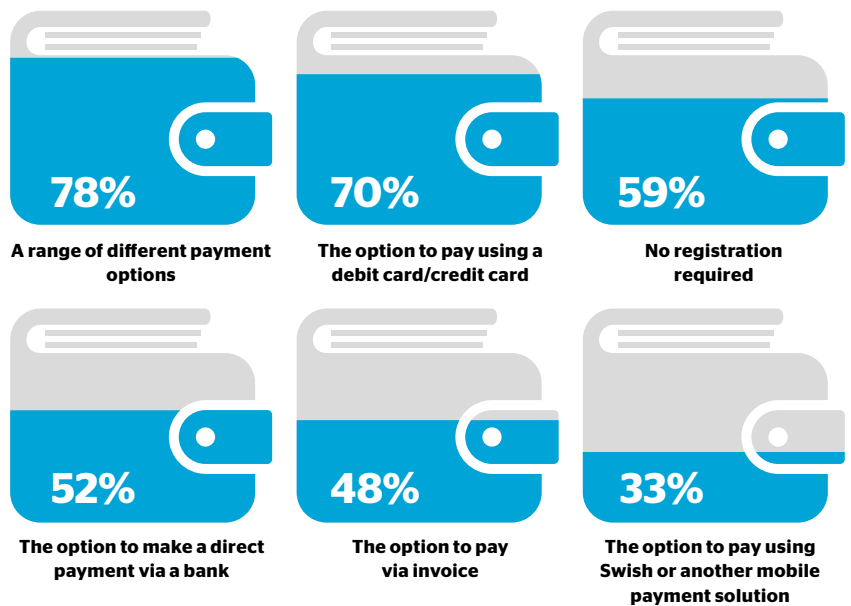
### Five most popular e-commerce payment methods

1. Invoice **37%**
2. Debit card or credit card **35%**
3. Direct payment via bank **20%**
4. Paypal, Payson, or similar **5%**
5. COD **1%**

### Which of the following methods do you prefer when paying for a product purchased online?

Base: Made online purchases in the past month (December)

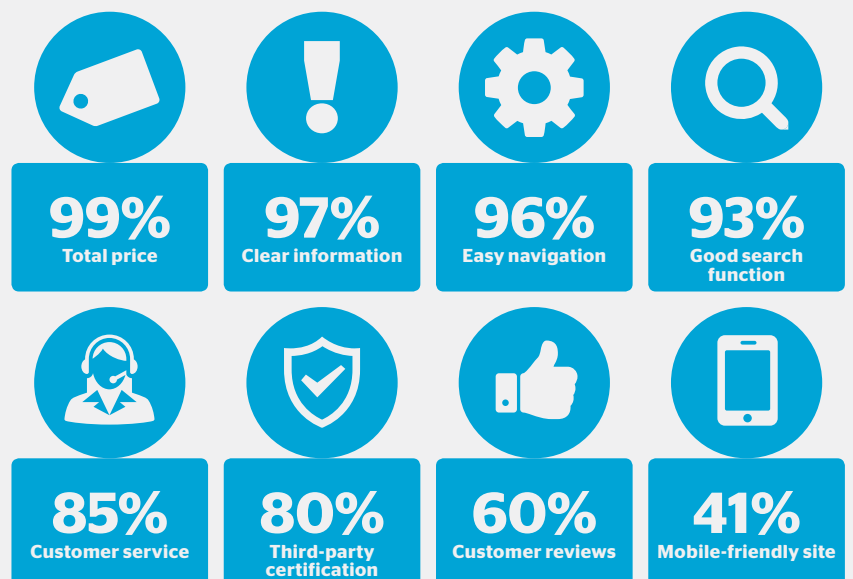
### Important features of online stores—payment (percentage of respondents who rated this as “very important” or “quite important”) Base: Shop online



## Important features in online stores—layout

When you enter a dark room, your hand automatically reaches for the light switch beside the door. In the same way, consumers expect certain standard inclusions—so-called “hygiene factors”—when they visit online stores. The total price, clear information about products, and logical navigation are at the top of consumers' wish lists.

Despite the fact that so many Swedes use their cell phones during the purchasing process, only four out of ten say they think it is important that a site be adapted to suit mobile devices. One possible reason for this is that e-commerce companies have become so good at developing this kind of site that consumers don't even notice the modified designs.



How important are the following features when you decide which online store to purchase a product from? (percentage who answered either “very important” or “quite important”) Base: Shop online



**3.3**

is the maximum number of business days a Swedish consumer is prepared to wait for their product.

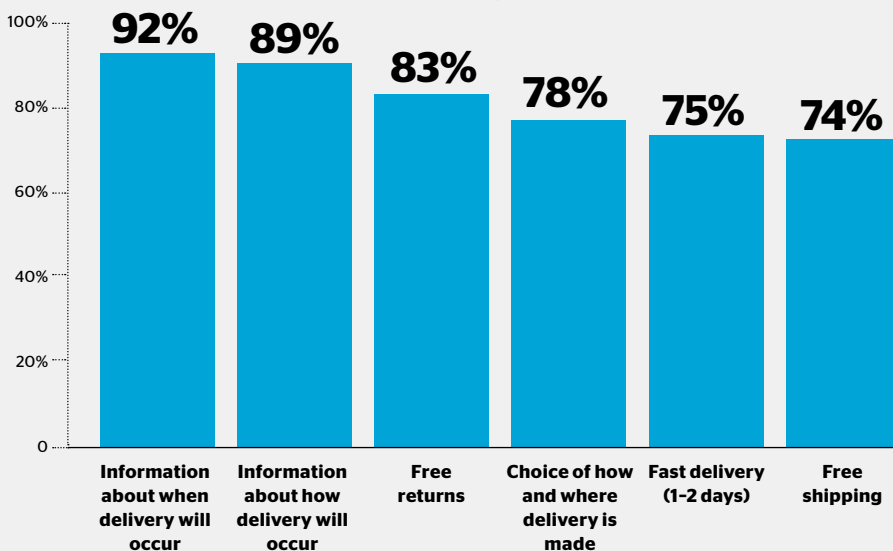
“The biggest trend in e-commerce in Sweden right now is the ambition to make the shopping experience more personal. Many e-retailers haven’t come that far yet, but there is loads of data that can help in achieving greater relevance for the consumer. This is especially true of delivery, which is becoming increasingly important.”

**CARIN BLOM, E-COMMERCE EXPERT, POSTNORD IN SWEDEN**



**Important features in online stores—delivery (percentage of respondents who rated this as “very important” or “quite important”)**

Base: Shop online



## Important features in online stores—delivery

**Swedish consumers have high expectations** when it comes to deliveries. Retailers and logistics operators have worked hard to satisfy customers’ wishes when it comes to getting their purchases home. As customers have received better service over time, their expectations have also increased correspondingly.

**Nine of ten consumers** say it is important for them to receive information about both when and how delivery will take place, and eight of ten want to be able to decide these things for themselves. Sweden is also the Nordic country with the highest percentage of consumers who consider free returns to be important.

# Denmark



Population, 18-79 years (as of January 1, 2016)

**4,296,033**



Percentage of population with access to the Internet (2015)

**97%**



Percentage of population that shops online every month\*

**63%**



Percentage of population that shops online from abroad every month\*\*

**32%**



Estimated amount that each Internet consumer spends online per month\*\*

**EUR 162**



Percentage of population that shops via their cell phone each month\*\*\*

**23%**



Percentage of population who did research online before buying in-store

**35%**



Percentage of population who did in-store research before buying online

**16%**

\* Average, Jan.-Dec. 2016. Base: Entire population aged 18-79 years.

\*\* Average, Jan.-Dec. 2016. Base: Made purchases online during the month.

\*\*\* Average for the months of June and December. Base: Shopped online in the past month.

\*\*\*\* Average, Jan.-Dec. 2016. Base: Purchased goods online from abroad during the month.



Danish consumers find much of what they're looking for among domestic e-commerce retailers, although one in three online consumers still shops abroad.

## One in four online purchases made via cell phone

**Denmark, like Sweden, is a mature** e-commerce nation. Two-thirds of Danes shop online each month, spending an average of EUR 162 each. Only Norwegians spend more per capita. Danish consumers find much of what they're looking for among domestic e-commerce retailers, although one in three online consumers still shops abroad. They primarily buy clothing and footwear, home electronics, and media products.

**The mobile e-commerce revolution** is moving much more rapidly than many could have predicted, and Denmark is no exception. One in four online purchases in Denmark is made using a cell phone. Cell phones are also gaining ground not only as a purchasing channel, but also as a tool for accessing information and making payments. Four in ten Danes consider it important that an online store be customized to suit mobile devices, which places major pressure on retailers to develop attractive and well-designed mobile experiences to attract new customers and generate loyalty.

# 5.1

billion euro: The total amount that Danes estimate spending on online purchases in 2016, of which, purchases from abroad total 22%.



**93%**

Think it is important to be able to pay using a debit card/ Dankort.



**40%**

Think that a mobile-friendly site is important.



**78%**

Think that speedy delivery is important (1-2 days)



**66%**

Think it is important not to have to register to make a purchase.



**35%**

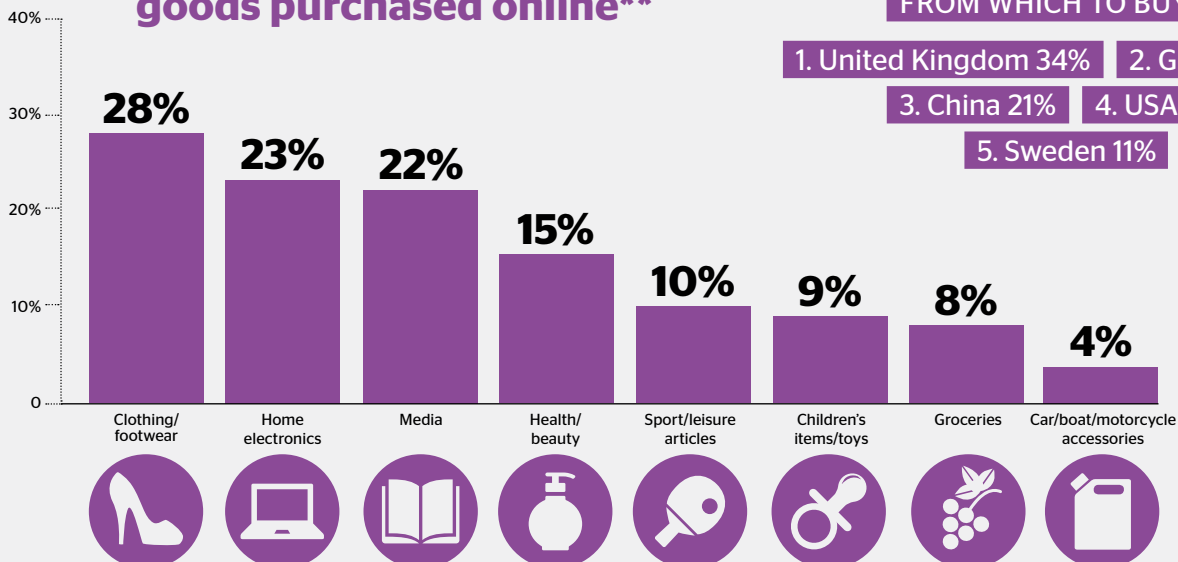
Have done research using their phone other than while visiting a physical store.



**20%**

Have paid for a product using their cell phone in a physical store.

## Most popular goods purchased online\*\*



## TOP FIVE MOST POPULAR COUNTRIES

### FROM WHICH TO BUY\*\*\*\*

1. United Kingdom 34%
2. Germany 26%
3. China 21%
4. USA 14%
5. Sweden 11%

## Important features in online stores—payment

**Danish consumers' wishes** with regard to payment solutions are very clear: Eighty percent say that they prefer to pay using a debit/credit card, and in particular with the national Dankort card. Many retailers accept only Dankort or other national charge cards, since they avoid paying a fee when

consumers pay using these cards. Denmark is also far advanced when it comes to mobile payment compared with its Nordic neighbors. One in ten Danish online shoppers prefers to pay using their cell phone. Moreover, one in five say that they have paid for goods in a physical store via their cell phone.

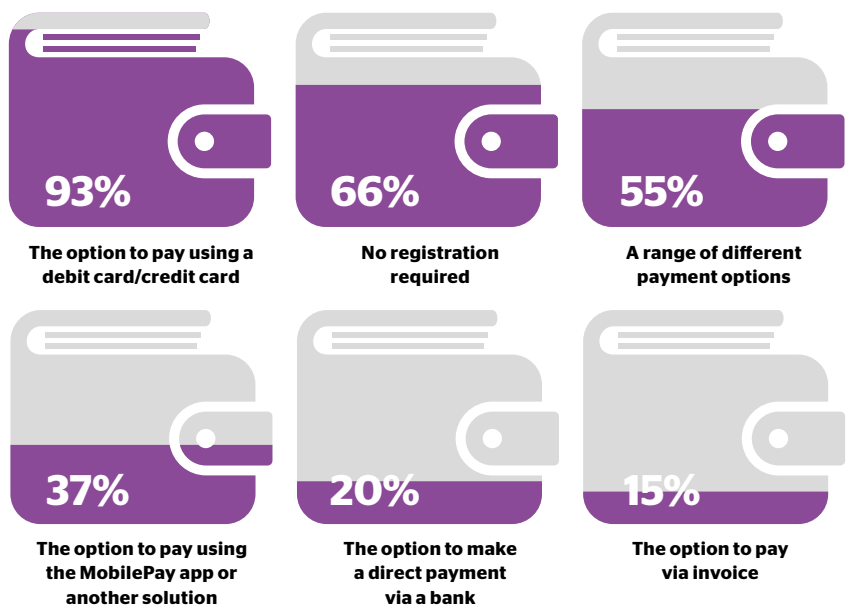
### Five most popular e-commerce payment methods

1. Debit card or credit card **81%**
2. MobilePay (app) **8%**
3. Paypal, Payson, or similar **5%**
4. Invoice **3%**
5. Bank transfer **1%**

### Which of the following methods do you prefer when paying for a product purchased online?

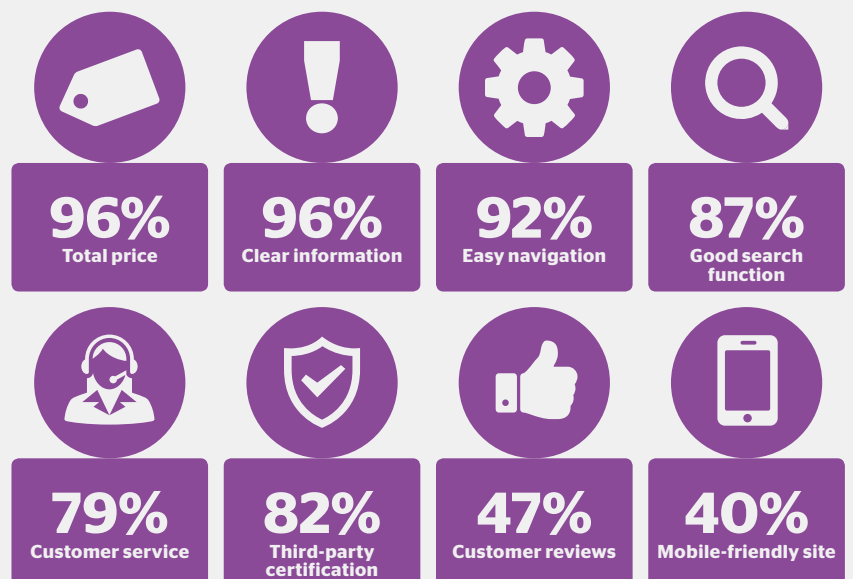
Base: Made online purchases in the past month (December)

**Important features of online stores—payment**  
(percentage of respondents who rated this as “very important” or “quite important”)  
Base: Shop online



## Important features in online stores—layout

**Payment solutions** and delivery options are important factors in determining the percentage of visitors to an online store who will ultimately make a purchase—what is often referred to as a site’s “conversion rate.” Often, a web store’s visual layout is also critical in attracting purchases, additional sales, and return visitors. For Danes, a clear total price, clear information about products, and a site that is logical and easy to navigate in are the most important features of an online store.



**How important are the following features when you decide which online store to purchase a product from? (percentage who answered either “very important” or “quite important”)** Base: Shop online



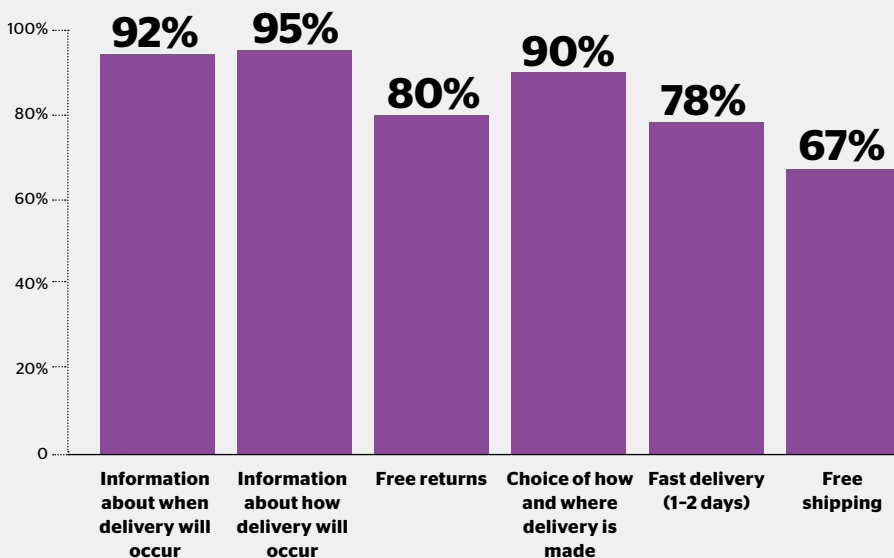
**3.1**  
 is the maximum number of business days a Danish consumer is prepared to wait for their product.

“To succeed in the e-commerce market in Denmark, you need to have as attractive a price as possible. The shopping experience must also be convenient, informative, and give the consumer full insight into the delivery process and where their parcel is at any given time. You must also be able to offer the same service, regardless of the size of the product purchased online.”

**CARSTEN DALBO PEDERSEN, HEAD OF E-COMMERCE & LOGISTICS, POSTNORD IN DENMARK**



**Important features in online stores—delivery (percentage of respondents who rated this as “very important” or “quite important”)**  
 Base: Shop online



### Important features in online stores—delivery

**The Danes are the most demanding** consumers in the Nordic region when it comes to speedy deliveries. One in ten expects to receive their goods on the following business day, and three in ten after two business days. Denmark is a small country geographically, leading to clear expectations among consumers concerning rapid service. This places heavy demands on e-retailers with regard to internal logistics, since they need to dispatch goods quickly from their warehouses.

Danes return 12 percent of the goods they purchase online, and 80 percent of Danish consumers consider free returns to be important.

# Norway



\* Average, Jan.-Dec. 2016. Base: Entire population aged 18-79 years.

\*\* Average, Jan.-Dec. 2016. Base: Made purchases online during the month.

\*\*\* Average for the months of June and December. Base: Shopped online in the past month.

\*\*\*\* Average, Jan.-Dec. 2016. Base: Purchased goods online from abroad during the month.



Norwegian online shoppers made purchases totaling an average of EUR 173 each per month in 2016. Chinese, UK, US, and Swedish online stores attract the most Norwegian consumers who shop abroad.

## The Nordics' purchasing powerhouse

**Norway is an affluent market** with a major interest in e-commerce and a large percentage of purchases made from foreign retailers. Two-thirds of Norwegians made online purchases during an average month in 2016, and of these, 40 percent made purchases from abroad. Chinese, UK, US, and Swedish online stores attract the most Norwegian consumers who shop abroad. Norwegian online shoppers made purchases totaling an average of EUR 173 each per month in 2016.

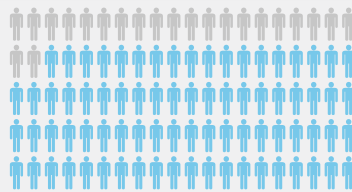
**Since Norway is not a member of the EU**, it has its own set of rules concerning things like value-added tax (VAT) and import duties to take into consideration compared with other Nordic countries. For example, imported goods are subject to VAT if their value exceeds 350 Norwegian kroner, including shipping. Web stores selling more expensive items require a solution for paying Norwegian VAT, at the same time as less expensive wares sold by international retailers get a small boost due to their VAT-exempt status.

# 5.1

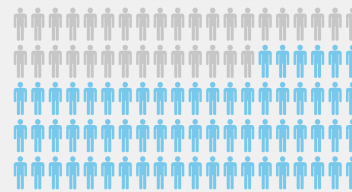
billion euro: The total amount that Norwegians estimate spending on online purchases in 2016, of which, purchases from abroad total 26%.



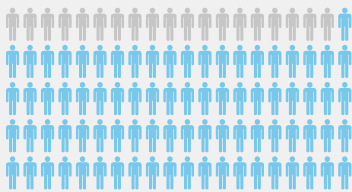
**40%**  
Think that a mobile-friendly site is important.



**78%**  
Think that free returns are important.



**66%**  
Think that free shipping is important.



**81%**  
Think it is important to be able to pay using a debit/charge card.

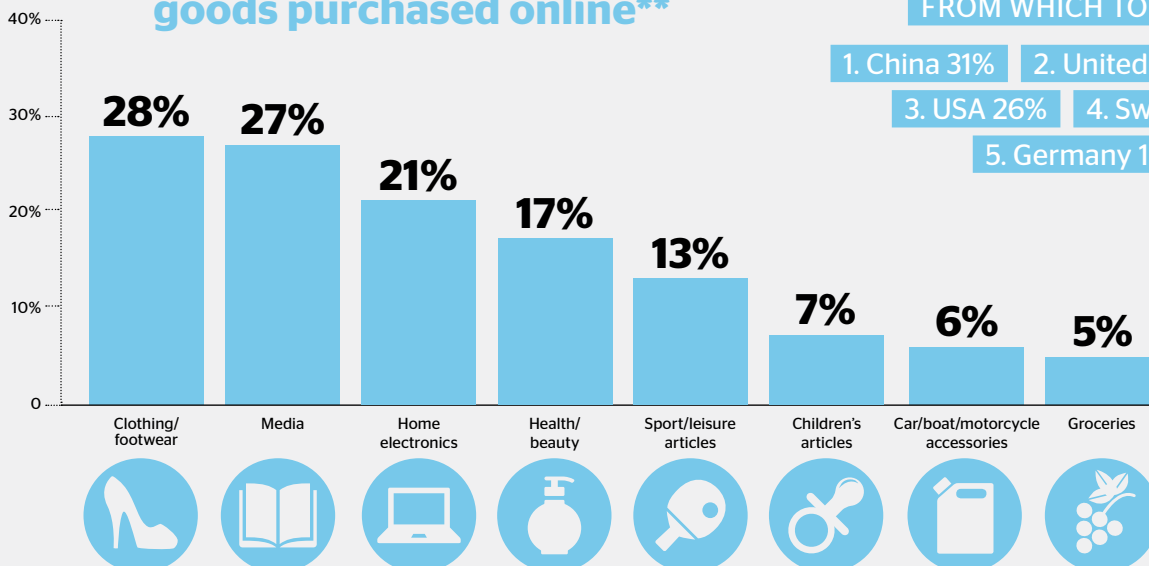


**14%**  
Prefer to be able to pay using Paypal.



**33%**  
Have done research on a product using their cell phone while visiting a physical store.

## Most popular goods purchased online\*\*



## TOP FIVE MOST POPULAR COUNTRIES

FROM WHICH TO BUY\*\*\*\*

1. China 31%
2. United Kingdom 27%
3. USA 26%
4. Sweden 13%
5. Germany 10%

## Important features in online stores—payment

**Norwegians have a strong** preference for using a debit or credit card when shopping online. Two-thirds of online consumers prefer this payment option. One in seven prefer to pay using PayPal, a relatively large percentage

that distinguishes Norway among its Nordic neighbors. Norway is also the Nordic country where the largest number of consumers accept the need to either register or become a member before making a purchase.

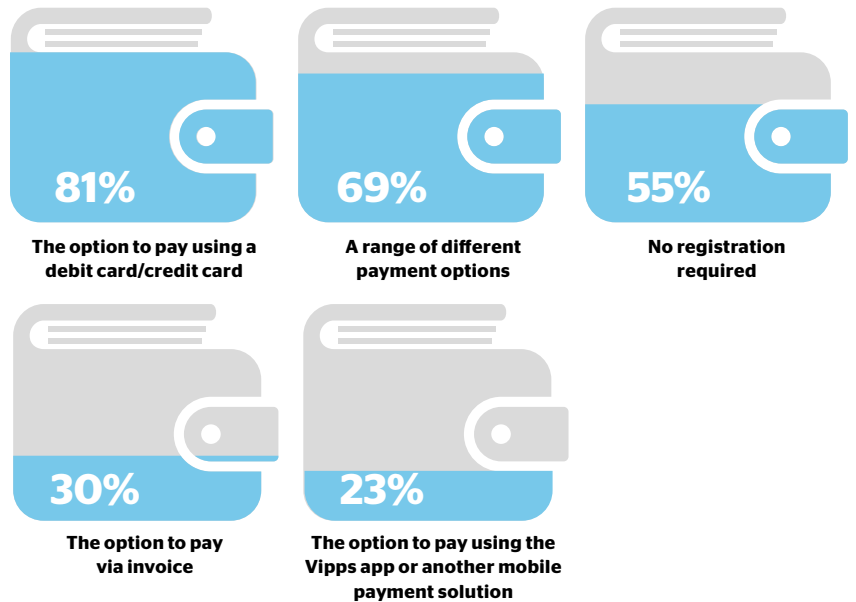
### Five most popular e-commerce payment methods

1. Debit card or credit card **65%**
2. Invoice **16%**
3. Paypal, Payson, or similar **14%**
4. Vipps (app) **2%**
5. COD **1%**

### Which of the following methods do you prefer when paying for a product purchased online?

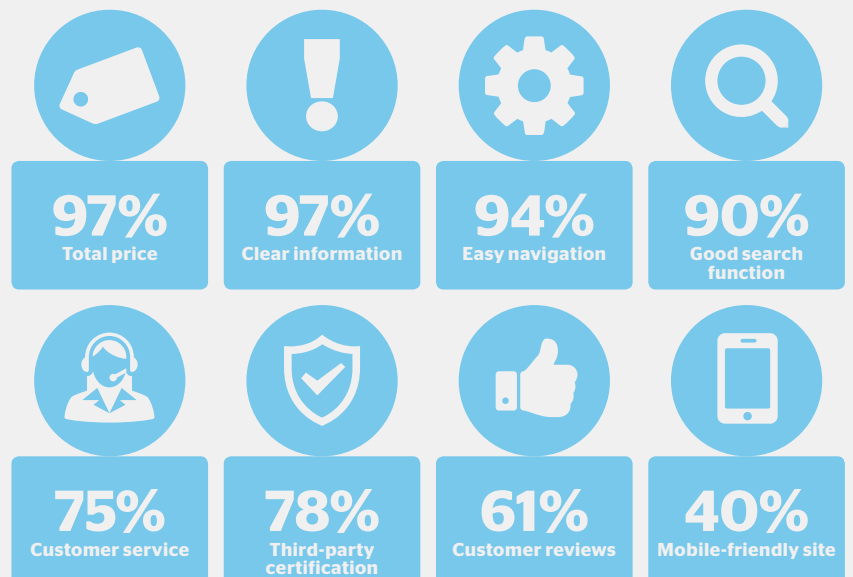
Base: Made online purchases in the past month (December)

### Important features of online stores—payment (percentage of respondents who rated this as “very important” or “quite important”) Base: Shop online



## Important features in online stores—layout

**For Norwegians, the most important** features of online stores are that they display the total price in a simple way and that they provide clear information. By being clear throughout the purchasing process regarding everything from product information to shipping charges and complaints policies, companies increase their likelihood of acquiring a higher conversion rate and, in the best-case scenario, also repeat customers.



**How important are the following features when you decide which online store to purchase a product from? (percentage who answered either “very important” or “quite important”)** Base: Shop online



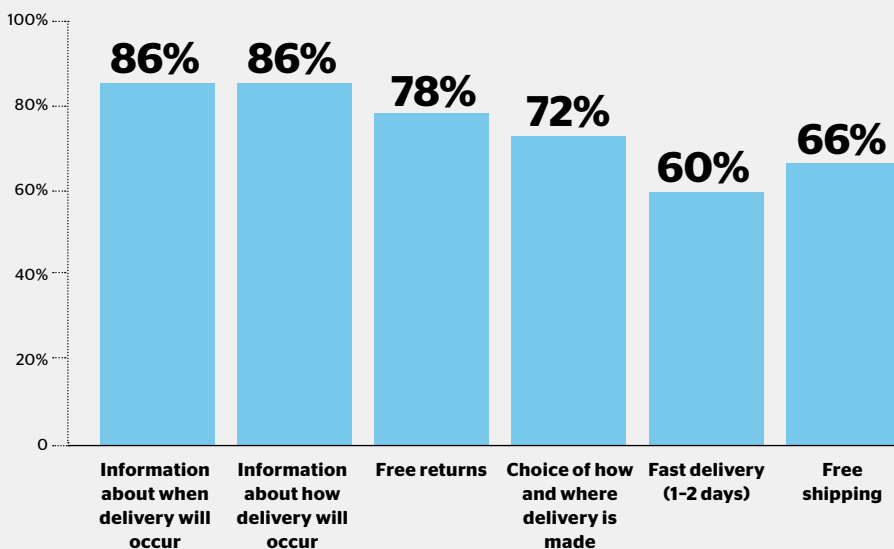
**4.2**  
 is the maximum number of business days a Norwegian consumer is prepared to wait for their product.

“More and more Norwegian consumers expect to be able to seamlessly combine their cell phones and physical stores; to buy, exchange, and return goods via the channel that suits them best at the time. An increasing number of Norwegians also use their phones to check prices while inside physical stores.”

**KRISTIN ANFINDSEN, E-COMMERCE DEVELOPMENT MANAGER, POSTNORD IN NORWAY**



**Important features in online stores—delivery (percentage of respondents who rated this as “very important” or “quite important”)**  
 Base: Shop online



### Important features in online stores—delivery

**The fact that Norwegians buy** a lot from abroad and that Norway is an elongated and somewhat logistically challenging country means that expectations concerning delivery times are somewhat laxer than in neighboring countries. Only 14 percent of online shoppers in Norway expect to receive their delivery within no more than two days. As many as one in five expect delivery times of greater than six days. This means that there are excellent opportunities in Norway for e-commerce companies that can offer faster delivery times, thereby exceeding customer expectations, acquiring a competitive advantage, and encouraging customers to come back time and again.

# Finland



Population, 18-79 years (as of January 1, 2016)

**4,130,767**



Percentage of population with access to the Internet (2015)

**97%**



Percentage of population that shops online every month\*

**49%**



Percentage of population that shops online from abroad every month\*\*

**46%**



Estimated amount that each Internet consumer spends online per month\*\*

**EUR 135**



Percentage of population that shops via their cell phone each month\*\*\*

**19%**



Percentage of population who did research online before buying in-store

**42%**



Percentage of population who did in-store research before buying online

**8%**

\* Average, Jan.-Dec. 2016. Base: Entire population aged 18-79 years.

\*\* Average, Jan.-Dec. 2016. Base: Made purchases online during the month.

\*\*\* Average for the months of June and December. Base: Shopped online in the past month.

\*\*\*\* Average, Jan.-Dec. 2016. Base: Purchased goods online from abroad during the month.



In Finland, making purchases using cell phones is more closely tied to which age group a consumer belongs to than is the case in other countries. Around one in four Finnish consumers aged 18-49 years has made purchases via their phone, as compared with one in 20 among older consumers.

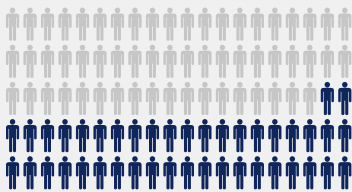
## International web stores most attractive

**Although Finland enjoys similar Internet coverage** to the rest of the Nordic region, it lags somewhat behind neighboring countries when it comes to e-commerce. Only half of all Finnish consumers aged 18-79 years shops online each month; a much lower percentage than in the rest of the region. What's more, almost half of those who shop online make purchases from abroad. This makes Finland a market where domestic online stores have some catching up to do, and where foreign e-retailers have a clear opportunity to acquire customers. The average Finn spends a total of EUR 135 online each month.

**Similarly, Finland also still has a way to go** when it comes to using cell phones in the purchasing process. Only 20 percent of Finnish online shoppers make purchases using their phones. Neither is the use of phones as an information channel especially widespread in Finland. For example, only one in ten online shoppers there has conducted research using their cell phone while in a physical store. In Finland, making purchases using cell phones is more closely tied to which age group a consumer belongs to than is the case in other countries. Around one in four Finnish consumers aged 18-49 years has made purchases via their phone, as compared with one in 20 among older consumers.

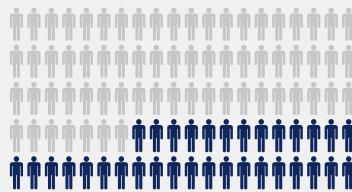
# 3.2

**billion euro: The total amount that Finns estimate spending on online purchases in 2016, of which, purchases from abroad total 38%.**



**42%**

Shopped online because the goods were cheaper there.



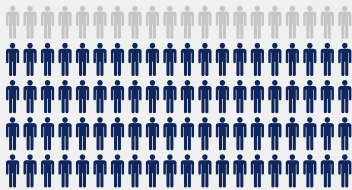
**33%**

Shopped online because the goods weren't available locally.



**86%**

Consider it important to be able to choose how and where a product is delivered.



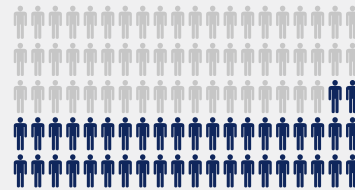
**80%**

Think that free returns are important.



**74%**

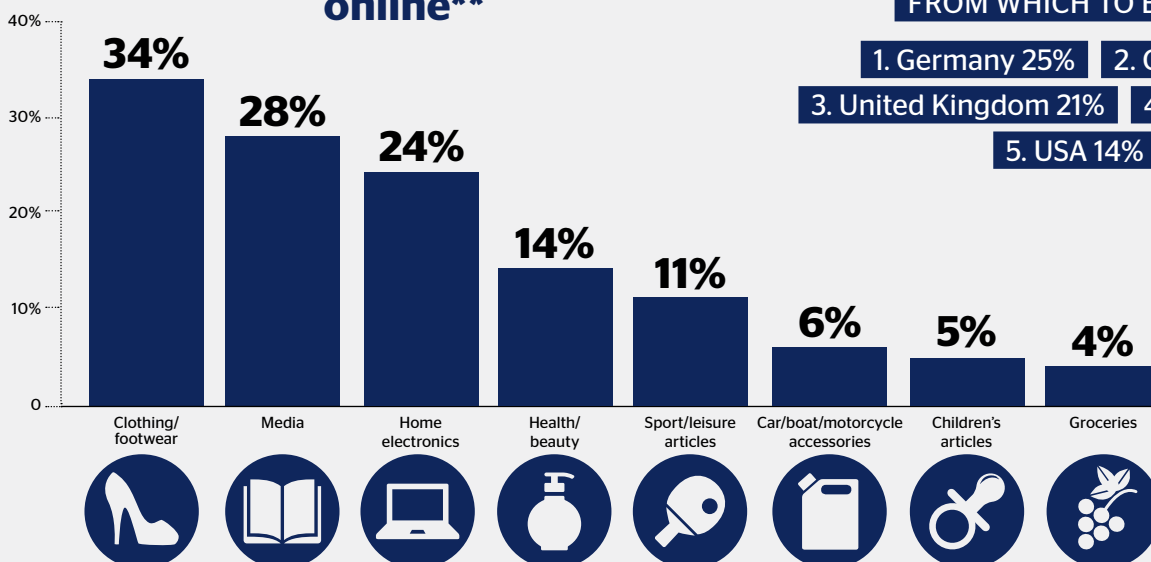
Consider it important to be able to make payment directly via a bank.



**42%**

Conducted research online before buying in-store.

## Most popular goods purchased online\*\*



## TOP FIVE MOST POPULAR COUNTRIES

### FROM WHICH TO BUY\*\*\*\*

- 1. Germany 25%
- 2. China 23%
- 3. United Kingdom 21%
- 4. Sweden 20%
- 5. USA 14%



## Important features in online stores—payment

**Finns attach great importance to the ability** to choose between different payment options. As distinct from other Nordic countries, three in ten Finnish consumers prefer to pay directly via their bank. An equal number prefer to pay using a debit or credit card—the lowest percentage in the region. Getting Finns to start using charge cards is a slow process, which is likely one of the

reasons why Finnish e-commerce has not yet reached the same level of popularity as in other Nordic countries. Finland has had problems inspiring trust among its population when it comes to sharing their card details online. Consumers there still choose payment options that are perceived to be safer, such as invoices and direct payments via a bank.

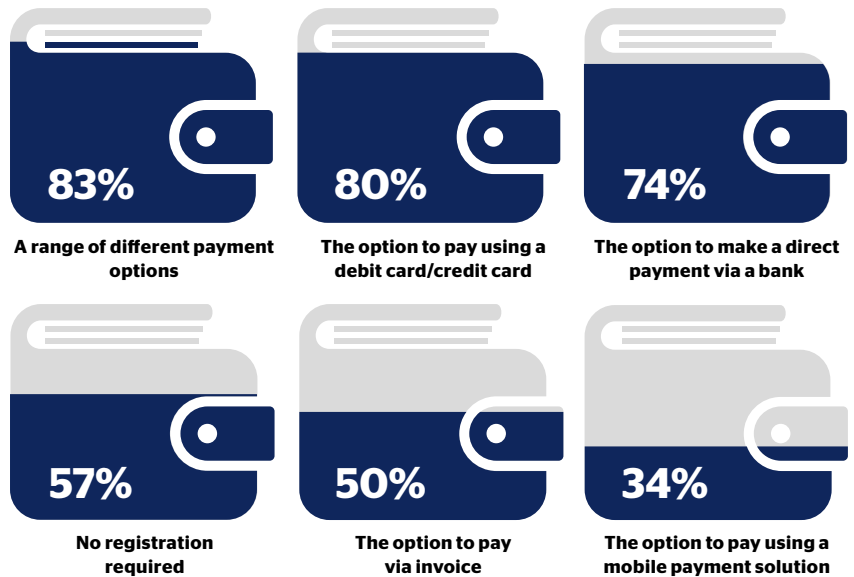
### Four most popular e-commerce payment methods

1. Debit card or credit card **31%**
2. Direct payment via bank **30%**
3. Invoice **23%**
4. Paypal, Payson, or similar **12%**

**Which of the following methods do you prefer when paying for a product purchased online?**

Base: Made online purchases in the past month (December)

**Important features of online stores—payment**  
(percentage of respondents who rated this as “very important” or “quite important”)  
Base: Shop online



## Important features in online stores—layout

**Finland’s relatively low level of** e-commerce maturity means that the distribution of market share is still very much up for grabs. In other words, up-and-coming e-commerce businesses have solid opportunities to reshape the local market. The keys to cracking open the Finnish market are the same as for the rest of the region and for the rest of the world, for that matter—a clear total price, clear information about products and terms and conditions, and a site that is easy to navigate.



**How important are the following features when you decide which online store to purchase a product from? (percentage who answered either “very important” or “quite important”)** Base: Shop online

**4.1**  
 is the maximum number of business days a Finnish consumer is prepared to wait for their product.

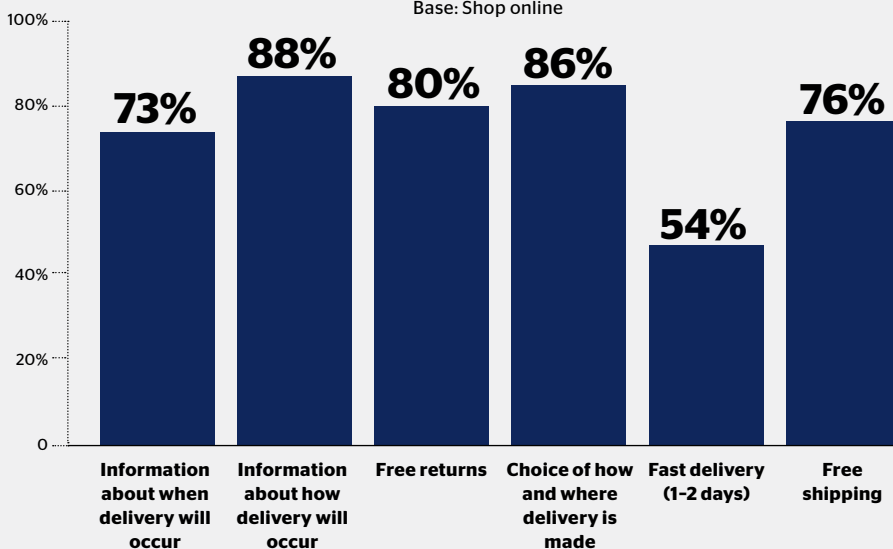
“You have to talk to Finns in their own language, to know what they value, how they think, and how they want to be treated. Engaging a local consultant to help you find these things out is always a good investment, because trying to do things the same way in every country won’t work.”

**JOUNI LAMBERG, VICE PRESIDENT SALES, MARKETING & E-COMMERCE, POSTNORD IN FINLAND**



Important features in online stores—delivery (percentage of respondents who rated this as “very important” or “quite important”)

Base: Shop online



## Important features in online stores—delivery

**Finnish consumers have the lowest** expectations among Nordic consumers regarding delivery times, probably because they buy so much from abroad. Not surprisingly, the percentage of Finnish online shoppers who consider it important to receive information about when their delivery will arrive is therefore also the lowest of all the Nordic countries. It is something of a Finnish custom for the vendor to pay for return shipping charges for repurchases, since this used to be required by law. Although this is no longer the case, the habit lives on, and four out of five online shoppers in Finland consider free returns to be important.

## Detailed results

## Basic data

**Population (18-79 years) in the Nordic countries**

Source: Statistics Sweden, Statistics Norway, Statistics Denmark, Statistics Finland, (as of January 1, 2016)

Sweden	7,324,290
Denmark	4,296,033
Norway	3,866,558
Finland	4,130,767
<b>Nordics</b>	<b>19,617,648</b>

**Percentage of population with access to the Internet**

Source: Internet World Stats (2015)

Sweden	95%
Denmark	97%
Norway	97%
Finland	97%

**Number of persons aged 18-79 years with Internet access**

Calculated as the country's population aged 18-79 years, multiplied by the country's Internet penetration

Sweden	6,958,076
Denmark	4,167,152
Norway	3,750,561
Finland	4,006,844

**Total e-commerce during 2016** (total, January-December)

Calculated based on the respondents in each respective country's average response to the question "What total amount do you estimate that you have spent purchasing products online during the past month?"

	Sweden	Denmark	Norway	Finland	Nordics
Total, national currency	SEK 84.779 bn	DKK 40.068 bn	NOK 50.115 bn	EUR 3.154 bn	-
Total, EUR bn	EUR 8.478 bn	EUR 5.097 bn	EUR 5.126 bn	EUR 3.154 bn	EUR 21.855 bn
Average per person and month, SEK	EUR 151	EUR 162	EUR 173	EUR 135	-

**No. of consumers who make purchases every month** (average per month, January-December)**Have you bought products online in the past month?**

Base: Entire population

	Sweden	Denmark	Norway	Finland	Nordics
Yes	67%	63%	65%	49%	62%

**Biggest advantage to shopping online** (December)**Which is the single most important advantage of purchasing goods online as opposed to in a traditional store?**

Base: Shopped online in the past month

	Sweden	Denmark	Norway	Finland	Nordics
I can shop when it suits me	33%	43%	35%	23%	33%
Cheaper	18%	17%	22%	27%	20%
Larger and better range	18%	13%	20%	28%	19%
More convenient	15%	11%	10%	6%	11%
Saves time	10%	9%	9%	8%	9%
Unsure, don't know	2%	4%	2%	5%	3%
Other	3%	3%	2%	3%	3%



## Top product categories for Nordic e-commerce

(average per month, January-December)

### What types of goods have you bought online in the past month?

Base: Shopped online in the past month	Sweden	Denmark	Norway	Finland	Nordics
Clothing/footwear	34%	28%	28%	34%	32%
Media	30%	22%	27%	28%	27%
Home electronics	22%	23%	21%	24%	23%
Health/beauty	25%	15%	17%	14%	19%
Sport/leisure articles	10%	10%	13%	11%	11%
Children's items/toys	10%	9%	7%	5%	8%
Groceries	6%	8%	5%	4%	6%
Car/boat/motorcycle accessories	6%	4%	6%	6%	6%

## Percentage of population that makes online purchases from abroad

(average per month, January-December)

Have you bought products online from abroad at any time in the past month? By "abroad" is meant that you perceive the online store's domicile to be outside of your country and/or that the delivery comes from another country. (Percentage who answered yes)

Base: Shopped online in the past month	Sweden	Denmark	Norway	Finland	Nordics
Yes	29%	32%	42%	46%	36%

## Total online purchases from abroad (total January-December)

Calculated based on the respondents in each respective country's average response to the question "What total amount do you estimate that you have spent purchasing products online from international sites in the past month? By 'abroad' is meant that you perceive the online store's domicile to be outside of your country and/or that the delivery comes from another country."

Base: Have purchased goods online from abroad during the month	Sweden	Denmark	Norway	Finland	Nordics
Total, national currency	SEK 17.479 bn	DKK 8.744 bn	NOK 12.881 bn	EUR 1.187 bn	-
Total, EUR bn	EUR 1.748 bn	EUR 1.112 bn	EUR 1.318 bn	EUR 1.187 bn	EUR 5 365 bn

## Product categories purchased online by Nordic shoppers from abroad

(average per month, January-December)

### Which types of goods have you purchased online from abroad during the past month?

Base: Purchased goods online from abroad during the past month	Sweden	Denmark	Norway	Finland	Nordics
Clothing/footwear	28%	25%	23%	34%	27%
Home electronics	20%	18%	20%	22%	20%
Media	11%	18%	17%	17%	15%
Car/boat/motorcycle accessories	9%	5%	8%	8%	7%
Children's items/toys	7%	5%	6%	4%	6%
Sport/leisure articles	10%	9%	9%	11%	10%
Health/beauty	8%	10%	13%	10%	10%
Groceries	1%	2%	3%	2%	2%

## Detailed results

### Nordic online shoppers' favorite countries (average per month, January–December)

#### From which foreign countries have you purchased goods online in the past month?

Base: Purchased goods online from abroad during the past month	Sweden	Denmark	Norway	Finland	Nordics
United Kingdom	28%	34%	27%	21%	27%
China	31%	21%	31%	23%	27%
Germany	22%	26%	10%	25%	21%
USA	17%	14%	26%	14%	17%
Sweden	-	11%	13%	20%	15%
Denmark	7%	-	9%	3%	6%
Rest of Europe	5%	3%	3%	5%	4%
Rest of Asia	5%	3%	5%	2%	4%
Netherlands	3%	4%	3%	2%	3%
France	2%	2%	1%	2%	2%
Japan	1%	1%	2%	1%	2%
Spain	1%	2%	1%	1%	1%
Norway	1%	1%	-	2%	1%
Italy	1%	1%	1%	1%	1%
Australia	1%	1%	1%	1%	1%
Canada	1%	0%	1%	0%	1%
Finland	0%	0%	1%	-	0%
India	0%	0%	0%	0%	0%
Rest of North and Central America	0%	0%	0%	1%	0%
Russia	0%	0%	0%	0%	0%
Countries in Africa	0%	0%	0%	0%	0%
Countries in South America	0%	0%	0%	0%	0%

Note: The weighted averages for the Nordic countries reflect the average for only three of the four countries (the country to which the question refers is excluded).

### Have shopped using a cell phone

#### Have you at any time during the past month purchased one or more products using your cell phone? (average for the months of June and December)

Base: Shopped online in the past month	Sweden	Denmark	Norway	Finland	Nordics
Yes	35%	23%	27%	19%	27%

### Percentage who first looked at/tried a product in a store and later bought it online (December)

#### During the past month, have you first looked at/tried a product in a store and later bought it online?

Base: Shopped online in the past month	Sweden	Denmark	Norway	Finland	Nordics
Yes	13%	16%	10%	8%	12%

### Product categories purchased online in this way (December)

In the past month, which types of products have you first looked at/tried in a store before purchasing them online?

Base: Looked at/tried in advance	Sweden	Denmark	Norway*	Finland*	Nordics
Clothing/footwear	45%	27%	-	-	-
Home electronics	16%	21%	-	-	-
Media	17%	14%	-	-	-
Children's items/toys	14%	7%	-	-	-
Health/beauty	13%	14%	-	-	-
Other, please specify	8%	13%	-	-	-
Sport/leisure articles	9%	9%	-	-	-
Unsure, don't know	2%	8%	-	-	-
Groceries	2%	0%	-	-	-
Car/boat/motorcycle accessories	0%	0%	-	-	-

\*No results are included for Norway or Finland due to a lack of data.

### Percentage of consumers who have first researched a product online before purchasing it in a physical store (December)

At any time in the past month, have you first done research online about a product that you later bought in a store? (percentage who answered yes)

Base: Shopped online in the past month	Sweden	Denmark	Norway	Finland	Nordics
Yes	53%	35%	52%	42%	47%

### Product categories purchased online in this way (December)

In the past month, which types of products have you first researched online before purchasing them in a store?

Base: Conducted research online	Sweden	Denmark	Norway	Finland	Nordics
Home electronics	40%	25%	35%	32%	34%
Clothing/footwear	26%	25%	33%	23%	27%
Sport/leisure articles	19%	15%	29%	11%	18%
Media	15%	16%	16%	17%	16%
Health/beauty	13%	14%	9%	13%	12%
Children's items/toys	9%	13%	10%	10%	10%
Groceries	6%	8%	9%	13%	9%
Car/boat/motorcycle accessories	5%	4%	4%	6%	5%
Other, please specify	11%	12%	12%	8%	11%
Unsure, don't know	2%	5%	1%	4%	3%

### Expectations concerning delivery times (June)

Think back to your most recent online purchase of a product or products. What were your expectations concerning delivery time, i.e. the maximum number of days you were prepared to wait?

Base: Shopped online in the past month	Sweden	Denmark	Norway	Finland	Nordics
One business day	5%	8%	3%	3%	5%
Two business days	20%	31%	11%	10%	18%
Three business days	29%	28%	25%	26%	27%
Four business days	13%	9%	15%	14%	13%
Five business days	17%	7%	17%	21%	16%
Six business days or more	10%	9%	19%	15%	13%
Don't know	6%	9%	10%	11%	8%
<b>Average number of days</b>	<b>3.29</b>	<b>3.10</b>	<b>4.20</b>	<b>4.10</b>	<b>3.60</b>

### Preferred delivery methods (June)

Think back to your most recent online purchase of a product or products. What would your preferred delivery method have been if you had been able to choose one of the following options?

Base: Shopped online in the past month	Sweden	Denmark	Norway	Finland	Nordics
Collect it myself from a distribution point	37%	19%	22%	16%	26%
Collect it myself from the online store's physical store	1%	2%	2%	4%	2%
Collect it myself from a parcel machine that is accessible 24/7	2%	9%	6%	19%	8%
Delivered to my mailbox/multi-occupancy mailbox by the mail carrier	31%	18%	38%	26%	28%
Delivered to my home and left outside my door if I'm not at home	8%	18%	8%	2%	9%
Home delivery in the evening (I am at home and sign to confirm receipt of the product)	10%	9%	9%	9%	9%
Home delivery in the daytime (I am at home and sign to confirm receipt of the product)	4%	7%	1%	9%	5%
Delivery to my workplace	2%	4%	2%	1%	2%
Other, please specify	-	6%	4%	5%	3%
Unsure, don't know	5%	7%	8%	9%	7%

### Preferred payment methods (December)

Which of the following methods do you prefer when paying for a product purchased online?

Base: Shopped online in the past month	Sweden	Denmark	Norway	Finland
Debit card or credit card	35%	81%	65%	31%
Invoice	37%	3%	16%	23%
Direct payment via a bank	20%	-	-	31%
Bank transfer	-	1%	-	-
Vipps (app)	-	-	2%	-
Paypal, Payson, or similar	5%	5%	14%	12%
COD	1%	-	1%	0%
MobilePay (app)	-	8%	-	-
Other	1%	0%	0%	0%
Unsure, don't know	1%	1%	1%	4%



### Percentage who have returned a shipment (average, June and December)

#### How many products that you have bought online in the past month have you returned?

Base: Shopped online in the past month	Sweden	Denmark	Norway	Finland	Nordics
Returned at least one product	11%	10%	8%	14%	11%

### Important features in online stores—layout and information

(percentage of respondents who rated this as “very important” or “quite important”)

#### How important are the following features when you decide which online store/site to purchase a product from?

Base: Shop online	Sweden	Denmark	Norway	Finland	Nordics
Total price	99%	96%	97%	98%	98%
Clear information	97%	96%	97%	96%	97%
Easy navigation	96%	92%	94%	93%	94%
Good search function	93%	87%	90%	91%	91%
Information on how to contact customer service	85%	79%	75%	88%	82%
Third-party certification	80%	82%	78%	80%	80%
Customer reviews	60%	47%	61%	62%	58%
Mobile-friendly site	41%	40%	40%	40%	40%
Lowest price	80%	78%	82%	81%	80%
The online store's range	85%	74%	83%	92%	84%

### Important features in online stores—delivery

(percentage of respondents who rated this as “very important” or “quite important”)

Base: Shop online	Sweden	Denmark	Norway	Finland	Nordics
Information about how delivery will occur	89%	95%	86%	88%	90%
Information about when delivery will occur	92%	92%	86%	73%	87%
Choice of how and where delivery is made	78%	90%	72%	86%	81%
Free returns	83%	80%	78%	80%	81%
Free shipping	74%	67%	66%	76%	71%
Fast delivery (1-2 days)	75%	78%	60%	54%	68%

### Important features of online stores—payment

(percentage of respondents who rated this as “very important” or “quite important”)

Base: Shop online	Sweden	Denmark	Norway	Finland	Nordics
A range of different payment options	78%	55%	69%	83%	72%
No registration required	59%	66%	55%	57%	59%
The option to pay using a debit card/credit card	70%	93%	81%	80%	79%
The option to make a direct payment via a bank	52%	20%	-	74%	-
The option to pay via invoice	48%	15%	31%	50%	38%
The option to pay using Swish or another mobile payment solution	33%	37%	23%	34%	32%

## Detailed results

### Have you at any time during the past month used your cell phone in connection with any of the following?

Base: Shopped online in the past month	Sweden	Denmark	Norway	Finland	Nordics
Received an offer via your cell phone from a store where you are a customer	72%	36%	53%	41%	54%
Conducted research on a product using your cell phone other than while visiting a physical store or shopping mall	54%	35%	43%	17%	40%
Searched for a nearby store	43%	31%	34%	25%	35%
Conducted research on a product using your cell phone while visiting a physical store or shopping mall	40%	21%	33%	10%	28%
Taken a photo of a product and/or price tag using your cell phone in a physical store in preparation for a possible purchase at a later time	36%	19%	24%	14%	25%
Checked stock levels before visiting a store	32%	10%	23%	12%	21%
Clicked on an ad/banner while surfing on your cell phone	19%	8%	18%	7%	14%
Downloaded an app for a particular brand or chain store	16%	10%	16%	12%	14%
Paid for a product using your cell phone while in a physical store	7%	20%	3%	2%	8%
Entered a location in your cell phone and received information about local offers	5%	4%	5%	6%	5%
"Checked into" a store via social media	4%	2%	3%	4%	3%
Taken a photo of yourself (a selfie) in a fitting room and sent it to a friend to ask their opinion about a product	4%	1%	1%	2%	2%



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# PostNord—your e-commerce partner

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PostNord is the leading supplier of communication and logistics solutions to, from, and within the Nordic region. We also manage the postal service to households and businesses in Sweden and Denmark. Through our expertise and strong distribution network, we are laying the groundwork for tomorrow's communication, e-commerce, and logistics in the Nordic region. In 2016, the Group had around 33,000 employees and sales of just over SEK 38 billion.

PostNord is both the largest and preferred choice of partner for e-commerce in the Nordic market. Our comprehensive offering includes a host of services within goods distribution, marketing, and customer communication.

We make everyday life easier for e-commerce companies. With a coordinated, Nordic-customized service offering within logistics and the broadest distribution network in the region, we help bring e-retailers and end-customers

closer together. PostNord has around 6,100 distribution points evenly spread across Sweden, Denmark, Norway, and Finland. To insure more satisfied customers, PostNord has developed apps that offer additional services for both private recipients and corporate customers. These apps are available via App Store and Google Play. In Sweden and Denmark, our mail carriers also visit every household and business each business day.

PostNord is also active beyond the Nordic region through subsidiary company Direct Link, which offers distribution solutions to countries all over the world. Direct Link helps e-commerce companies from around the globe to do business in the Nordic market by offering everything from market analysis and direct marketing to fulfillment, goods distribution, and returns processing.

Find out more at [www.postnord.com](http://www.postnord.com) and [www.directlink.com](http://www.directlink.com)

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#### PHOTO/COVER

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