

E-commerce in the Nordics 2018

Trend: E-commerce is becoming increasingly mobile

Cell phones are used for everything from purchasing to taking pictures of products, doing research and asking friends for advice.



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About E-commerce in the Nordics

PostNord has been following Nordic developments in e-commerce for the last ten years. PostNord always strives to improve its studies and reports. In the last two years, the study that lays the basis for E-commerce in the Nordics has therefore been markedly expanded and improved. In January 2016, the data material in the report was expanded from a total of 16 consumer surveys per year (4 per country) to a total of 48 consumer surveys per year (12 per country). This results in better and more accurate data, but it also means that comparability with previous years is limited and should be carried out with significant care.

From January 2017, the survey of consumption figures was also updated down to the product category level and in free text format, which further improves the precision. Comparisons regarding consumption figures in particular between this and previous reports should therefore be made with caution; however,

other numbers may be compared with last year's report.

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 webshops.

E-commerce in the Nordics 2018 is based on consumer surveys carried out monthly in Sweden, Denmark, Norway and Finland from February 2017 through January 2018. The total number of respondents is 92,656.

In the report, e-commerce is defined as the sale of goods via the internet, which are delivered to the home or a collection point, or picked up from a store, warehouse or collection facility by the consumer.

This means that the following are not defined 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 via the TNS SIFO online panel on 12 different occasions from February 2017 - January 2018. In all, 19,186 respondents took part in Sweden, 21,293 in Denmark, 21,766 in Norway and 30,411 in Finland.

Because the results are produced through an online survey, the findings are representative for the percentage of the population with access to the internet. In cases where estimates are presented as applying to the population as a whole, the findings were adjusted to reflect the degree of internet penetration in the particular market.

Mapping the entire customer journey is increasingly important

The Nordic e-commerce market continues to develop strongly and physical commerce faces challenges in more and more areas. As Nordic consumers adopt an increasingly digital lifestyle that permeates all aspects of life, it is becoming more and more important for e-commerce players to follow and map the entire customer journey – before, during and after the purchase – in order to keep track of how customers behave.

New purchasing processes and customer behavior are rapidly evolving and the desire to change in pace with the market is crucial for success. As an e-retailer, expending energy on obtaining the right insights about consumers is already important today, but it will be even more important in the coming years in order to succeed on a Nordic market with continuously increasing competition.

Even if the Nordic market is in many ways becoming more homogenous, there are still many differences between the countries. As an e-retailer, it is important to keep track of each country in order to adapt and streamline everything from marketing and offers to delivery options and payment methods based on what consumers really want.

This report contains many exciting insights.

A very clear trend and an additional sign of the increase in digitalization is that Nordic e-commerce consumers are using cell phones more and more in conjunction with online purchases. This is no longer about researching products before buying them; now the mapping and positioning functions on cell phones are used, while the camera has become a natural part of purchasing behavior in a way that we have not seen before.



“New purchasing processes and customer behavior are rapidly evolving and the desire to change in pace with the market is crucial for success.”

At PostNord, we are proud to be able to offer the most comprehensive logistics and communication services on the Nordic market. The Nordic region is our home market and we are the natural choice of business partner for e-commerce players with operations in one or several Nordic countries. We combine expertise on the local conditions of all markets with complete distribution networks and the ability to assemble comprehensive logistics solutions for distribution to, from, and within the Nordic region.

“**E-commerce in the Nordics**” is published for the tenth time this year, and I hope the report will offer new information and an abundance of inspiration, whether you are already established in the Nordics, or whether you are considering the possibility of expanding into this e-commerce-friendly, digital and forward-looking region.

Håkan Ericsson

President and Group CEO
PostNord

Overview

Swedes shop online 21% more with their cell phones than people in the Nordic region in general.

p.24

Norwegians are 19% more inclined to buy sporting goods online than people in the Nordic region in general.

p.32

Among Danes, on average 73% more want to shop online using a debit or credit card than people in the Nordic region.

p.28

Finns shop online 27% more from abroad than the Nordic average.

p.36

An average month in 2017

* Aged 18-79

SWEDEN

3.6

Million consumers shopped online*

66%

Proportion of population*

EUR 200

Average estimated value per person (Pertains to people who shopped online)

DENMARK

1.9

Million consumers shopped online*

61%

Proportion of population*

EUR 229

Average estimated value per person (Pertains to people who shopped online)

NORWAY

1.8

Million consumers shopped online*

63%

Proportion of population*

EUR 220

Average estimated value per person (Pertains to people who shopped online)

FINLAND

1.4

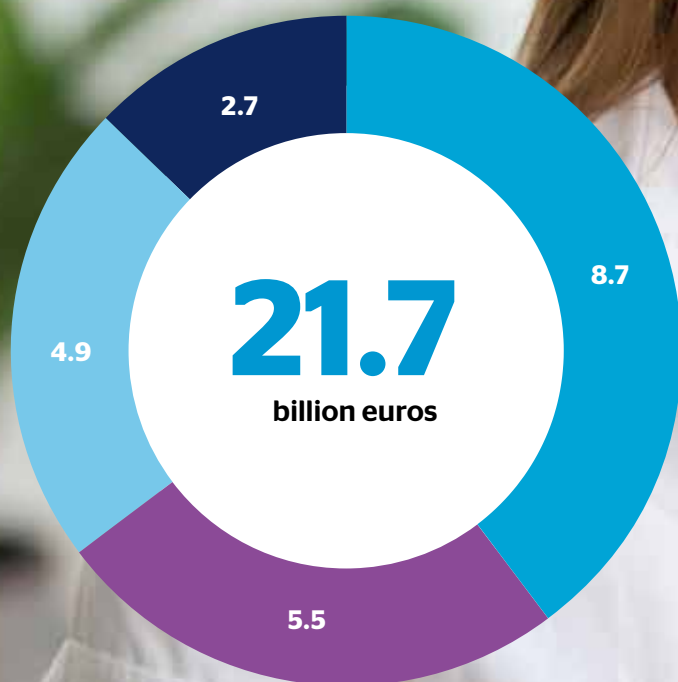
Million consumers shopped online*

46%

Proportion of population*

EUR 156

Average estimated value per person (Pertains to people who shopped online)



Sales - Nordic e-commerce 2017

Calculated based on the average response of respondents in each country to the question "How much do you estimate that you spent online on products last year?"

(Base: Shopped online in the past month)

Due to changes in the survey method, this year's results cannot be compared with previous years.

■ Sweden ■ Denmark ■ Norway ■ Finland

Nordic e-commerce in brief:

60

The percentage of Nordic residents aged between 18 and 79 who made purchases online during an average month in 2017.

21.7

Billion euros total of Nordic consumers' e-commerce purchases in 2017.

17.6

Percent of sales comprised of e-commerce from abroad.

Freedom of choice is the key to success

Increased demands for flexibility and freedom of choice. Marketplaces and groceries gain ground. PostNord's e-commerce experts comment on the development in the Nordic countries.



Arne Andersson, e-commerce expert, PostNord

In the past, we have focused a great deal on the clear differences between the Nordic countries' consumers with regard to e-commerce, but we are now beginning to see that they are becoming increasingly similar. This could be because many companies sell to the entire Nordic region, and thus also export behaviors and expectations. Take deliveries, for example. Previously, we have seen that Danes prefer to have products delivered directly to their homes, while Swedes want to collect them from a partner outlet. I believe that ultimately these differences are going to disappear. Already now, more and more consumers want freedom of choice and convenience – they want to be able to receive their purchases where they want, how they want and when they want.

At the same time, it is important to keep track of differences. Today, there is a lot of talk about mapping the entire customer journey – before, during and after the purchase, and this should be done for each country. For example, Snapchat has significantly older users in Norway than in Sweden, which of course impacts marketing.

The desire for freedom of choice also applies to payment method. To meet customer preferences in all Nordic countries, e-retailers should offer at least three: invoice, card and direct payment via bank. But we're also seeing that direct payment via apps which are connected to bank accounts are gaining popularity: Swish in Sweden, Vipps in Norway, and MobilePay in Denmark.



Jørgen Fischer, e-commerce expert, PostNord Denmark

Danish e-commerce consumers are becoming increasingly mature and secure when it comes to shopping online. But to grow even more, e-commerce must give customers the opportunity to have more control before, during and after the purchase. Especially when it comes to deliv-

“If we think about the future, I think marketplaces like Amazon are going to grow in popularity. In Denmark wupti.com has already taken a step in that direction.”

eries. Danes are already used to receiving their parcels where they want, and now they want even more flexibility. If a customer is not home when the product is to be delivered, it should still be possible to receive it, for example by leaving it at the back door or with a neighbor. Customers decide themselves what will happen. If we think about the future, I think marketplaces like Amazon are going to grow in popularity. In Denmark wupti.com has already taken a step in that direction. Initially, they only sold their own products, but now they have invited in other retailers to sell through them. For Danish e-retailers to be able to compete globally, they must think big, they should enter partnerships, and they should focus their export gaze on countries like China.

“Already now, more and more consumers want freedom of choice and convenience – they want to be able to receive their purchases where they want, how they want and when they want.”

ARNE ANDERSSON, NORDIC E-COMMERCE EXPERT, POSTNORD



**Carin Blom, e-commerce expert
PostNord Sweden**

We are now at the turning point for Swedish retail trade. In 2017, e-commerce accounted for the majority of growth within durable goods trade in Sweden, i.e. everything except for food. We are a mature e-commerce nation and consumers have high demands, both for the websites we shop from and for deliveries. We want clear information about when the product is coming and how it will be delivered, and we want to be able to guide those things ourselves. We also love our cell phones and use them more

“We are a mature e-commerce nation and consumers have high demands, both for the websites we shop from and for deliveries.”

and more to shop online, not only for conducting research. This year, there was a lot of talk about customer insights, and my recommendation is to try to structure up customer data in order to personalize the buying experience and bring customers closer. There is also a lot happening on the technical front that makes websites faster and more relevant, and deliveries more convenient. Swedish consumers are good at adapting to technology and innovations, which makes the country an excellent test market for new initiatives.



Sinnika Eloranta, e-commerce expert, PostNord Finland

In Finland, e-commerce is not really quite as big as in the other Nordic countries. This could be due in part to the fact that we have been in a recession for a long time. But as the economy improves, online purchases have also increased. Buying clothes and shoes is most popular,

“In general, I would say that Finland has excellent growth potential when it comes to e-commerce moving forward.”

often from abroad, and what draws consumers the most is primarily a broad selection. Finland is a small country and many brands do not have their own stores here. The fact that we are not especially accustomed to online shopping is also evident in how we like to pay. Direct transfer from a bank account is the most popular method, and I believe this is because many people are still not used to the idea of giving out their credit card information online. In general, I would say that Finland has excellent growth potential when it comes to e-commerce moving forward. We still have no major players investing in omnichannel, but on the other hand, several promising medium-sized companies are combining e-commerce and physical stores. As in many other countries, we're also seeing that buying groceries online is a strongly growing segment.



Rikke Kyllenstjerna, e-commerce expert, PostNord Norway

In Norway, we have been able to see high average purchase amounts per e-commerce consumer and month for a long time. The major challenge for e-retailers who sell in Norway is returns. Because we aren't part of the EU, it can take a long time for returned purchases to cross the border and get back to the e-retailers, and customers feel they have to wait too long for the money. E-retailers must therefore make returns as easy and convenient as possible, and also communicate this on the website. When it

“When it comes to the future, online groceries are the fastest growing segment in Norway.”

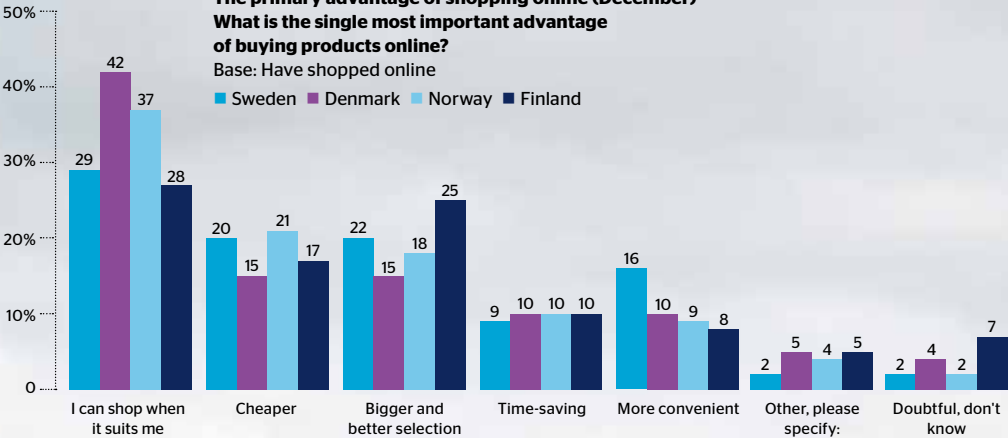
comes to the future, online groceries are the fastest growing segment in Norway. I believe that 2018 will also be the year when ordinary people really begin to use marketplaces. Communication is something that has been discussed at length in Norwegian e-commerce circles, especially in light of the EU's new data protection regulation, GDPR, which comes into force in May and also applies to Norway. The regulation means that e-retailers must be very careful with the information they save about customers and instead consider what is really relevant. I believe this will lead to more accurate customer communication in the future.

Why Nordic residents shop online

The primary advantage of shopping online (December)
What is the single most important advantage of buying products online?

Base: Have shopped online

Sweden Denmark Norway Finland

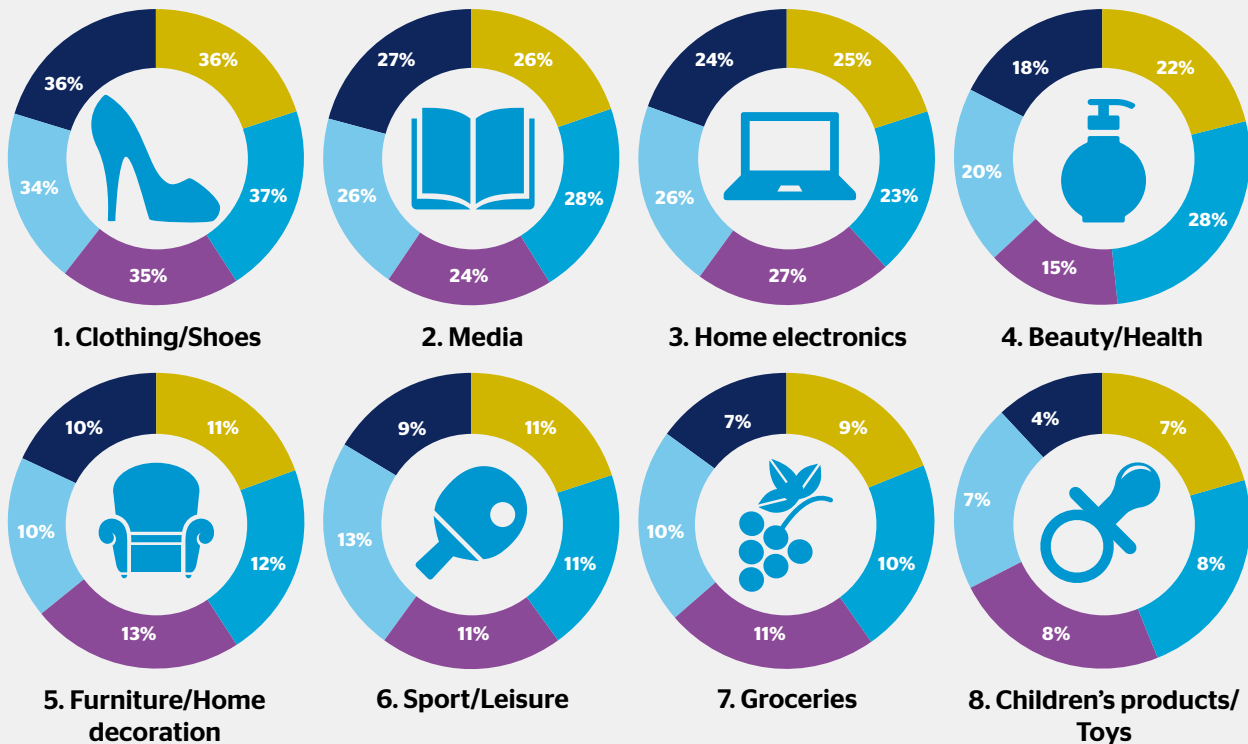


Product categories that people in the Nordic region buy online (average per month January – December)

What types of physical products have you bought online in the past 30 days? (Total)

Base: Purchased goods online in the past 30 days

■ Nordics ■ Sweden ■ Denmark ■ Norway ■ Finland



Online purchases of EUR 21.7 billion

The Nordic countries are advanced e-commerce nations. The digital infrastructure was expanded early on and consumers have had plenty of time to become familiar with both the internet and e-commerce. In 2017, Nordic consumers spent a total of EUR 21.7 billion online.

Sweden has a high rate of e-commerce and the largest population, which resulted in the most e-commerce sales in the Nordic region with EUR 8.7 billion. When it comes to e-commerce sales per capita, Denmark showed the highest value with EUR 229 per online shopper each month, and thus took over the top slot from Norway via higher average values, primarily in the second half of the year.

The percentage of people in the Nordic region who shop online is generally high, even if Finland is slightly behind the other

countries. Growth therefore primarily takes place due to existing consumers moving more of their consumption online. However, the reasons for shopping online still vary between the countries. In Finland, consumers primarily appreciate a large offering, while in Denmark and Sweden, consumers value being able to shop whenever they feel like it to a greater extent. Price is also a relevant factor for most consumers when choosing to shop online.

Fashion items still top the list of the most frequently purchased product

online, and are the most common product group purchased online among Nordic consumers. Media and home electronics are other product groups that are preferably purchased online. However, there are variations. Beauty and health comprise a category in which Sweden stands out during the year. Nearly 3 out of 10 of the Swedes who shopped online in the past month stated that they bought products in this category. This figure is significantly higher than in the neighboring Nordic countries.

Five countries dominate

Where Nordic consumers shop when they make online purchases from abroad



Finland and Norway shop online from abroad the most

A consequence of digitalization and e-commerce is the rise in trade across national borders. In 2017, on average, one of three Nordic e-commerce consumers stated that they had shopped from abroad in the past month.

In 2017, total Nordic e-commerce consumption from abroad amounted to EUR 3.8 billion.

Finland and Norway are the Nordic countries in which people shop from abroad to the greatest extent. Both Finnish and Norwegian e-commerce are characterized to some extent by proximity to Sweden and the availability of Swedish e-commerce companies. Norway also stands out through its high share of e-commerce from the US.

The favorite destinations for international e-commerce varied between the Nordic countries, but the four biggest are still China, the UK, Germany and the US. E-commerce from China has been strongly on the rise during the year and has grown in all Nordic countries – especially when calculated in number of shipments. The

purchase sums for products from China are, however, lower than the purchase sums for products from Europe and the US, which means that Chinese e-commerce is not as high when measured in sales value as in number of shipments. One reason for this is that Chinese e-commerce players, for example Wish and Aliexpress, are known for their very low prices.

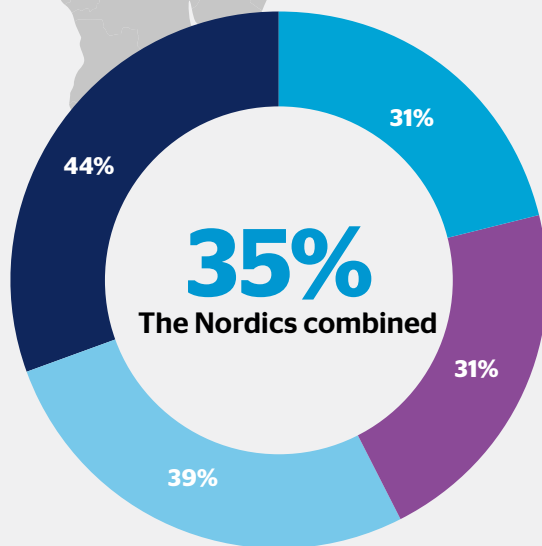
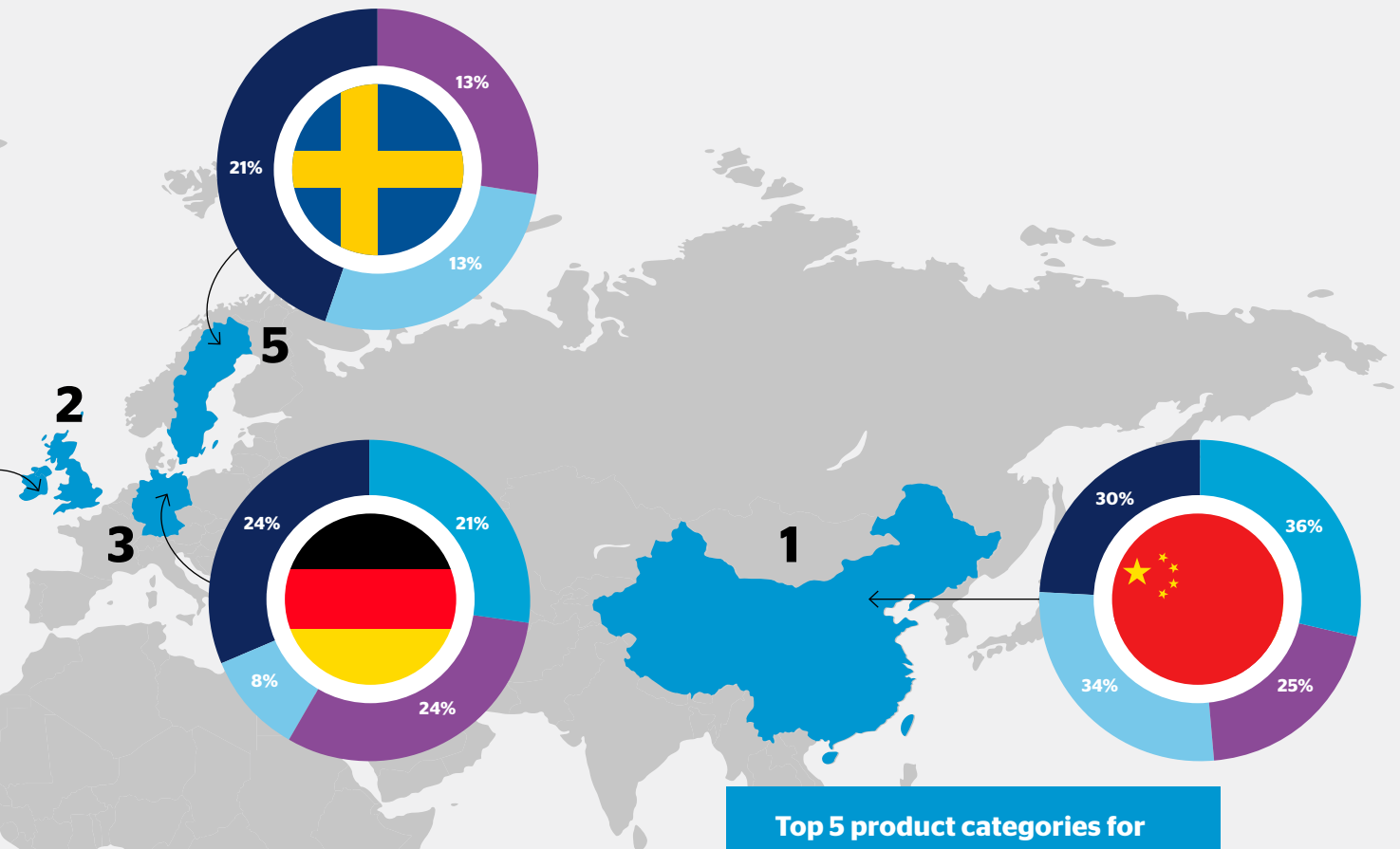
The dominant product groups in e-commerce from abroad are approximately the same as those consumers purchase from their home country. Clothes and shoes also top sales from abroad, with home electronics in second place. Denmark had the highest percentage of consumers who bought clothes and shoes online from abroad, and Norway the highest percentage of home electronics.

Nordic online shoppers' favorite countries

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

Base: Purchased products online from abroad in the past 30 days.

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).



■ Sweden ■ Denmark ■ Norway ■ Finland

Finns shop online from abroad the most

Have you bought products online from abroad at any time in the past month?

Base: Shopped online in the past month.

"Abroad" means that you perceive the online store's domicile to be outside of your country and/or that your delivery comes from another country.

Top 5 product categories for purchases from abroad among Nordic online shoppers



1. Clothes and shoes

Sweden: 31%
Denmark: 32%
Norway: 26%
Finland: 38%



2. Home electronics

Sweden: 21%
Denmark: 20%
Norway: 23%
Finland: 21%



3. Media

Sweden: 11%
Denmark: 21%
Norway: 18%
Finland: 14%



4. Beauty and health

Sweden: 10%
Denmark: 11%
Norway: 13%
Finland: 12%



5. Sports and leisure

Sweden: 10%
Denmark: 9%
Norway: 8%
Finland: 7%

Cell phone

In the past few years, e-commerce has become increasingly mobile. Sweden is the country that has come the furthest in this regard. Just over four out of ten Swedish consumers state that they have shopped online with a cell phone compared with just over one third in the Nordic region overall. Swedish consumers also stand out for using their cell phones to a high extent as a tool in the purchasing process – for example, to search for product information or check inventory status.

A clear trend in the Nordic countries in December was that a slightly higher percentage of women than men stated that they shopped online with a cell phone. This development was especially clear in Norway, where the difference between the sexes was around ten percentage points. In Denmark, the difference was much smaller.

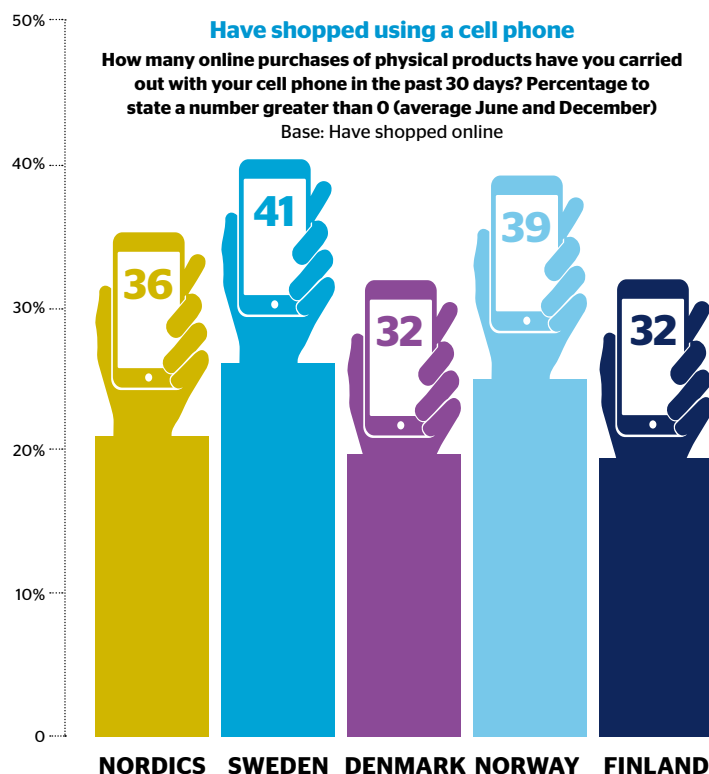
Another factor that clearly influences the tendency to shop online with a cell phone is age. The age groups 18-29 and 30-49 state that they shop online using their cell phones to a much greater extent than the older age groups. At the same time, it is not necessarily the youngest consumers who shop with a cell phone the most. In both Norway and Sweden, the age group that shops online with a cell phone the most is the group between 30-49. In Denmark, the relationship between the groups is equal, while in Finland, the youngest group clearly shops by cell phone the most. However, the Finnish cell phone percentage is likely affected by the fact that the e-commerce activity is generally lower than in the other Nordic countries and consists to a greater extent of younger consumers, who are more inclined to use their cell phones.



Mobile consumer behavior

As mobile technology has become more sophisticated, more opportunities have arisen regarding the ability to use cell phones for more than just carrying out the actual purchase. The most common mobile consumer behavior in the Nordic region is accepting offers via cell phone from a store where one is customer. It is also common for Nordic consumers to research a product using their cell phone. Product research via cell phone is primarily carried out on weekdays when consumers are not at the store, but a considerable amount, about 25% of Nordic e-commerce consumers, also conduct cell phone research while in the store or at the shopping center.

Consumers also use the other functions of smart phones. For example, one third of people in the Nordic region state that they have used their cell phones' mapping and positioning function in order to find nearby stores. Sometimes cell phone cameras are also used. Just over one out of five Nordic residents stated that they have taken a picture of a product or price tag. Specific consumer groups also have niche behaviors, for example, young women comprise a group which to a significantly greater extent than others uses cell phone cameras in try-on rooms in order to ask for tips and advice from friends and family when making purchases.





More companies adopt an omnichannel strategy

Rather than dedicated initiatives in physical retail or e-commerce alone, more and more companies have adopted an omnichannel strategy, with a presence both online and in a physical store. Retailers want to meet customers where they are, regardless of sales channel.

Two consumer behaviors that illuminate the importance of having a good omnichannel strategy are showrooming and webrooming. Webrooming means the consumer researches a product online first, and then buys it in a store. This is the most common of the two consumer behaviors and nearly half of online shoppers in the Nordic region state that in the past month, they have practiced webrooming. The most common product group for webrooming was home electronics, which is probably due to the complexity of technology products: consumers may need to learn about technical details.

Showrooming means the reverse of webrooming. Consumers try a product in a physical store in order to purchase it online later. On average, about 14 percent of Nordic e-commerce consumers state that they have practiced showrooming in the past month. The behavior is most common in Denmark and least common in Finland. Consumers who practice showrooming do so primarily when it comes to clothing and shoes, where size and fit play a crucial role.

At any time in the past three months, have you used your cell phone for any of the following?

Base: Shopped online in December

1. Received an offer via your cell phone from a store where you are a customer.

Nordics: 44%
Sweden: 57%
Denmark: 36%
Norway: 45%
Finland: 29%

2. Researched a product using your cell phone other than while visiting a physical store or shopping mall.

Nordics: 37%
Sweden: 45%
Denmark: 36%
Norway: 41%
Finland: 21%

3. Searched for a nearby store.

Nordics: 37%
Sweden: 43%
Denmark: 35%
Norway: 38%
Finland: 27%

4. Researched a product using your cell phone while visiting a physical store or a shopping mall.

Nordics: 25%
Sweden: 33%
Denmark: 22%
Norway: 25%
Finland: 13%

5. Taken a photo of a product or price tag using your cell phone in a physical store in preparation for a possible purchase at a later time.

Nordics: 22%
Sweden: 28%
Denmark: 22%
Norway: 22%
Finland: 13%

6. Checked stock levels before visiting a store.

Nordics: 29%
Sweden: 41%
Denmark: 19%
Norway: 29%
Finland: 16%

WEBROOMING

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

TOP 3 PRODUCT CATEGORIES PURCHASED ONLINE IN THIS WAY



1. HOME ELECTRONICS

Nordics: 33%
Sweden: 34%
Denmark: 28%
Norway: 36%
Finland: 32%



2. CLOTHES AND SHOES

Nordics: 24%
Sweden: 22%
Denmark: 25%
Norway: 29%
Finland: 22%



3. SPORTS AND LEISURE

Nordics: 15%
Sweden: 15%
Denmark: 8%
Norway: 24%
Finland: 15%

SHOWROOMING

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

TOP 3 PRODUCT CATEGORIES PURCHASED ONLINE IN THIS WAY



1. CLOTHES AND SHOES

Nordics: 47%
Sweden: 45%
Denmark: 45%
Norway: 49%
Finland: 51%



2. HOME ELECTRONICS

Nordics: 19%
Sweden: 22%
Denmark: 21%
Norway: 17%
Finland: 15%



3. BEAUTY AND HEALTH

Nordics: 13%
Sweden: 13%
Denmark: 19%
Norway: 13%
Finland: 9%



E-retailers need to be flexible

In e-commerce, it is important for retailers and logistics players to adapt to consumers' expectations both with regard to the purchasing experience and delivery.

When it comes to delivery, Nordic residents are big supporters of freedom of choice.

Four out of five Nordic residents

who have shopped online state that it is important to be able to choose where and how a product will be delivered. This is consistently true across all ages and sexes. E-commerce companies should therefore be flexible and offer different delivery options in order to meet the service level that customers expect.

Despite the fact that in general, Nordic residents are relatively similar, there

are sometimes significant differences with regard to delivery preferences. For example, Danish consumers are the strongest advocates of freedom of choice. Just over 90 percent of Danes who shop online believe it is important to be able to choose where and how the product is delivered, and six out of ten state that it is important to be able to choose which logistics player specifically will carry out the delivery.

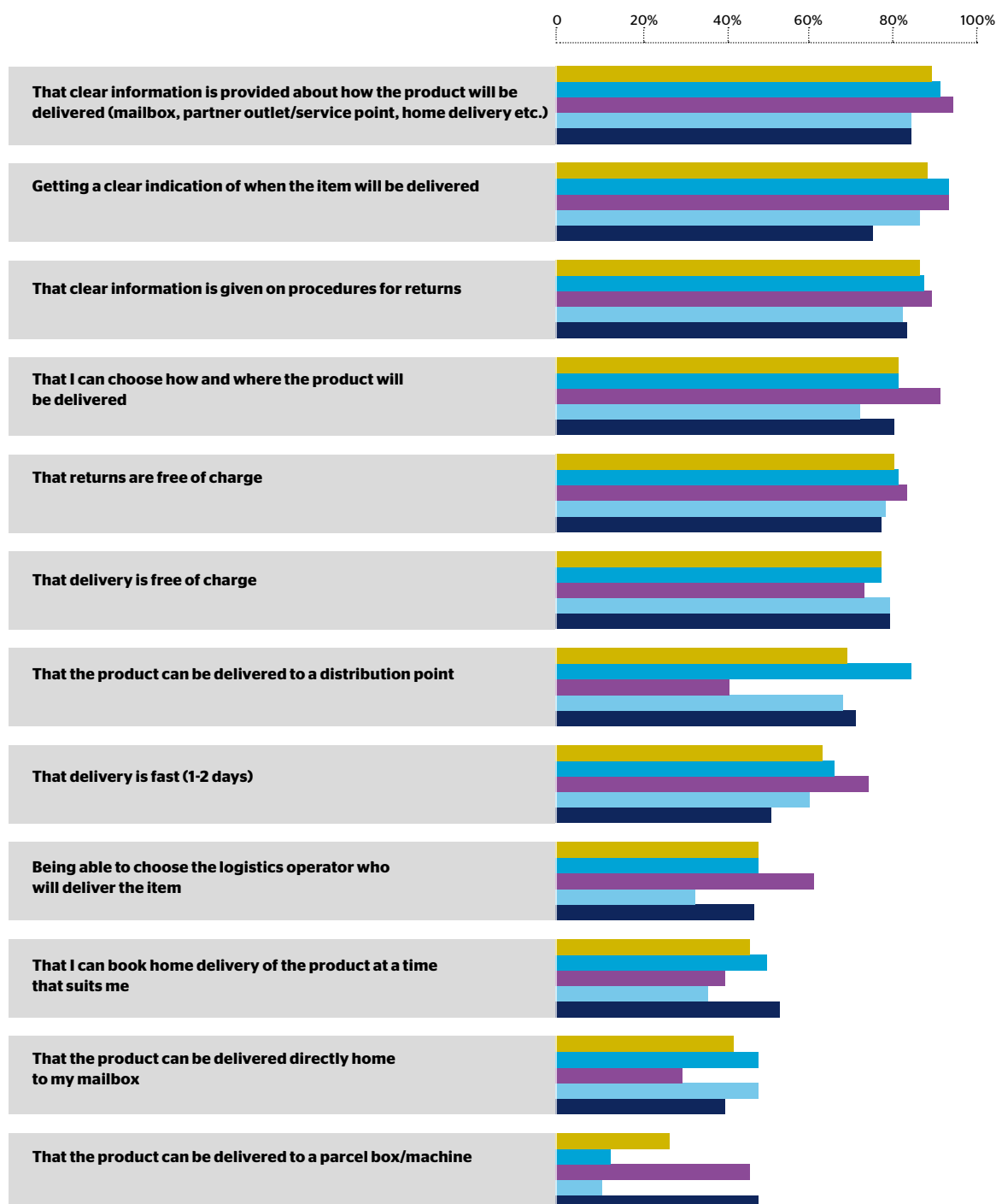
In Norway, only one third think it is important to be able to choose the logistics player, while over eight out of ten consider it important to receive clear information about when the product will be delivered. When it comes to Sweden, it is considered especially important that the product can be delivered to a distribution point, which stands out compared with the rest of the Nordic region.

Delivery options and preferred delivery methods

Important characteristics of webshops - delivery (Percentage who responded “very important” and “fairly important”) (December) How important are the following features when you decide which online store/site to purchase a product from?

Base: Have shopped online

■ Nordics ■ Sweden ■ Denmark ■ Norway ■ Finland





Customers want free returns

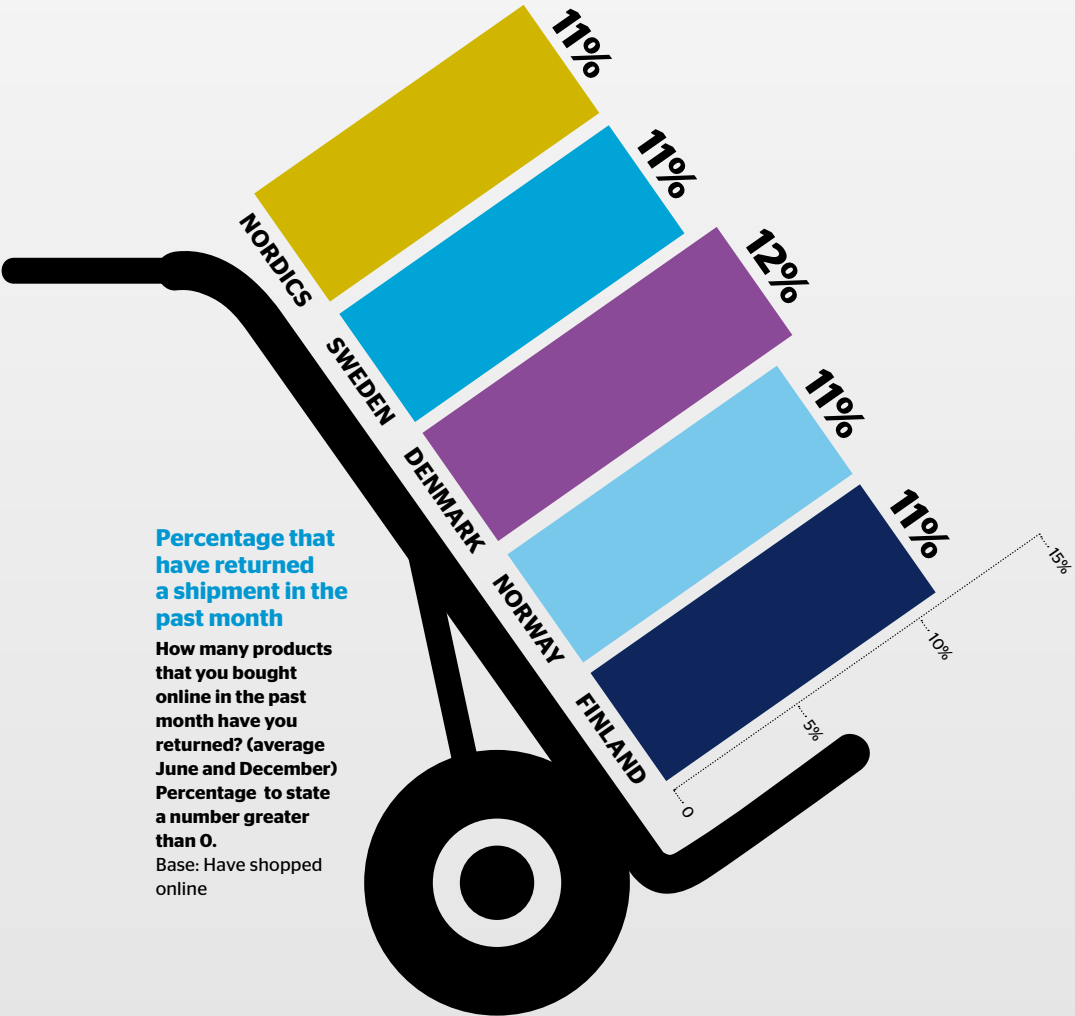
E-commerce does not only involve product flows from retailers to consumers. Many products are returned, especially clothing, shoes and products with a high “touch and feel factor”. It is essential for retailers to have returns procedures that live up to consumers’ expectations.

About 11 percent of Nordic consumers who have shopped online state they have made a return in the past month. The percentage was approximately equal among the Nordic countries, with Denmark leading just above the other countries. Because Nordic consumers have become relatively used to shopping online, returns have become an issue that many consider

early in the purchasing process. Almost nine of ten people in the Nordic region who have shopped online state that it is important that there is clear information about returns procedures when shopping online. Swedish and Danish consumers especially stand out in considering clear returns procedures particularly important.

Another return-related aspect that is

central for many online shoppers is the matter of free returns. Among Nordic residents, eight in ten considered free returns important when choosing a webshop. The desire for free returns is considered to some extent also to be connected to consumers’ age. In all Nordic countries, older online shoppers to a greater extent than younger ones consider it important to have free returns.

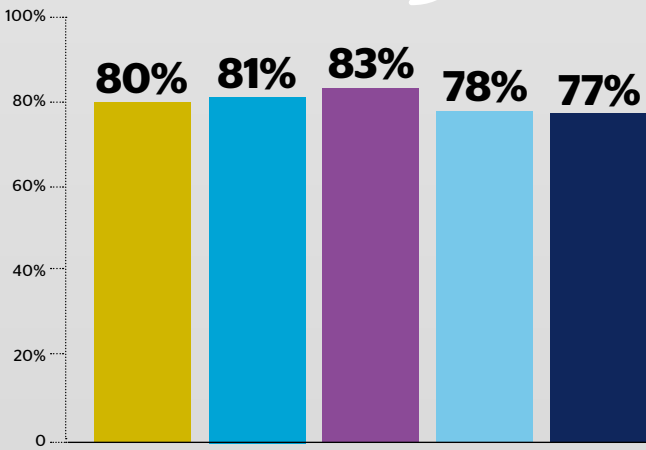
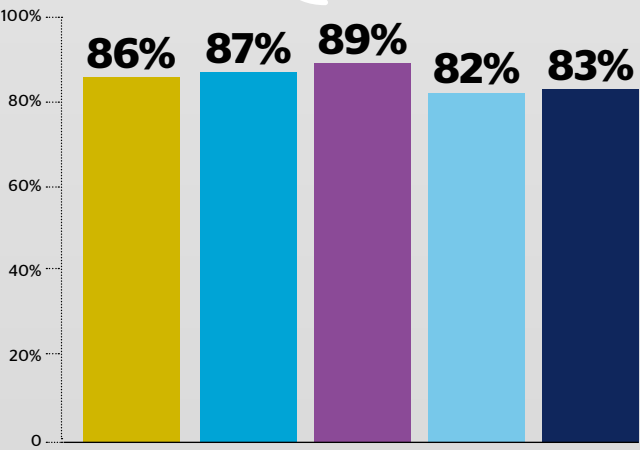


That clear information is given on procedures for returns

Important characteristics of webshops
- delivery (percentage who responded "very important" and "fairly important")
Base: Shops online

That returns are free of charge

■ Nordics ■ Sweden ■ Denmark ■ Norway ■ Finland



Local, relevant and personal

How Bubbleroom will get to the top

Becoming the biggest e-retailer for party wear for young women in the Nordic region. That is the goal of Bubbleroom. CEO Ville Kangasmuukko explains how the company is working to get there.



commerce company Bubbleroom sells fashion and accessories to customers throughout the Nordic region. The company was founded in 2005 and was something of a pioneer on the Swedish e-commerce market. At the same time, the business was running at a loss. But the winds changed in 2015. A new branding strategy was developed, the assortment was modified and men's fashion was dropped. Now Bubbleroom is investing in becoming the biggest e-retailer in the Nordics for party wear for young women, and the result has been anything but subtle. From SEK 21 million in losses in 2016 to SEK 9 million in profit in 2017.

Selling to the entire Nordic region is natural, says Bubbleroom CEO Ville Kangasmuukko.

"We've never seen it as an option to only focus on one Nordic country, because there are such large synergistic effects to selling to the entire region. For example, one warehouse is sufficient for good lead times to customers," he says.

Ville Kangasmuukko says that the fact that consumers in the Nordic countries are so similar is also helpful. The same products essentially work everywhere, even if demand and brand trends may vary somewhat. In Norway, for example, more expensive Swedish winter jackets in winter-time have been popular, while Finns prefer affordable garments.

At the same time, there are important differences between the countries, and therefore it is essential to have a local presence either in the form of your own operation or a partner. Bubbleroom's employees, headquarters and warehouse are in Borås in southwestern Sweden. But the company has also opened a showroom in Helsinki and is working with a Finnish PR agency.

"We notice that it produces a better understanding of the Finnish market," says Ville Kangasmuukko.


He uses an example of a campaign from two years ago to demonstrate how important local familiarity can be. At that time, Bubbleroom was marketing white dresses to Finnish students. The only problem is that white dresses at graduation is a Swedish tradition. In Finland, people wear pastel colors.

"The white garments weren't selling, and then we realized why," says Kangasmuukko.

He points out that the entire customer offering must feel local, relevant and personal.

"It's not enough to have good products and prices to stand up to the competition in today's e-commerce market".

Bubbleroom therefore adapts all communication to the local languages, from the website to social media and return slips – and the translations are thoroughly quality assured. Customer service is also outsourced to local players, and Bubbleroom

A portrait of Ville Kangasmuukko, a man with short brown hair and a light beard, wearing a dark blue blazer over a light-colored button-down shirt. He is standing against a teal background with numerous colorful, iridescent bubbles floating around him. His hands are in his pockets.

Ville Kangasmuukko became CEO of Bubbleroom in 2015. Before then, among other things, he was in charge of expansion and business development online for H&M New Business for the brands COS, Other Stories, Cheap Monday, Monki and Weekday. He has also been in charge of the expansion of H&M online to the UK and the US.



“No one in the organization talks anymore about what they think customers want to buy. Instead, we do surveys and meet customers regularly.”

BUBBLEROOM

» **Founded:** 2005, in Sweden.

» **Market:** Launched in Sweden in 2005, in Finland and Denmark in 2010 and in Norway in 2011. Also has an English-language EU website.

» **Owner:** Owned since 2008 by the Consortio fashion group, an e-commerce group that owns Haléns and Cellbes, among others.

» **Employees:** 45.

» **Sales 2017:** Just over SEK 200 million.

has employed a customer experience manager who trains them in product familiarity.

But above all, Ville Kangasmuukko says the success in the past year is because Bubbleroom gained a firmer hold on customers.

"No one in the organization talks any more about what they think customers want to buy. Instead, we do surveys and meet customers regularly," he says.

Something which Bubbleroom chose to improve and invest in is product presentation. In the past, there were only photographs, but now video has also been added. Customers can also upload their own pictures of items they have purchased, so that others can see them in a natural setting.

"We've opted to make a major investment in the company that takes our product and campaign photos," says Ville Kangasmuukko.

When it comes to deliveries, Bubbleroom's customers want to receive the products within 2-3 days, and that is relatively similar throughout the entire Nordic region. But preferences vary regarding how parcels will be received. For example, Danes want home delivery while Swedes prefer to go to a partner outlet. To be able to deliver quickly, and to not have excessively large volumes on Mondays, Bubbleroom has started picking and packing deliveries even on weekends.

"I am convinced that it is an important part of our customer offering," says Ville Kangasmuukko.

3 tips for e-retailers who want to set up operations in the Nordic region

1

LOCAL FAMILIARITY

Make sure to have a local presence on the markets to which you sell, either in the form of one's own operation or a partner, for example a PR agency. Otherwise it can be difficult to fully understand customers' needs.

2

ADAPT THE LANGUAGE

Everything should be available in the local language, from the website to return slips, emails and customer service. Translations should also be quality assured, preferably by a partner on the actual market.

3

LET CUSTOMERS DECIDE

Customers in the Nordic countries have a lot in common, but there are also differences. Check out what applies, for example when it comes to which payment and delivery methods are most popular in different countries.

Sweden



**Swedes shop online
21% more with
their cell phones than
people in the Nordic
region generally**



Population (January 1, 2017)

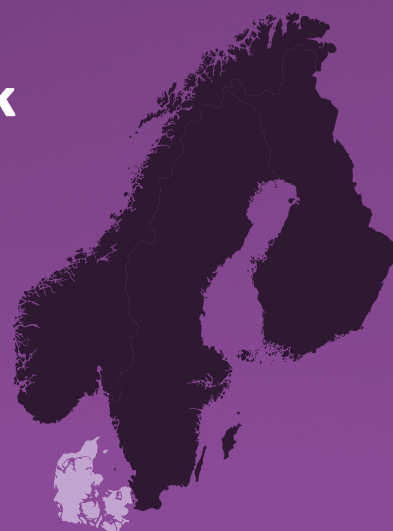
9,995,153



Percentage with internet access (2015)

95%

Denmark



**Among Danes,
73% more want to shop
online using a debit or
credit card than people
in the Nordic region
on average**



Population (January 1, 2017)

5,748,769



Percentage with internet access (2015)

97%

Norway

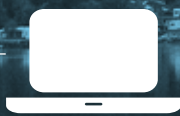


Norwegians are 19% more inclined to buy sporting goods online than people in the Nordic region in general



Population (January 1, 2017)

5,258,317



Percentage with internet access (2015)

97%

Finland



Finns shop online 27% more from abroad than the Nordic average



Population (January 1, 2017)

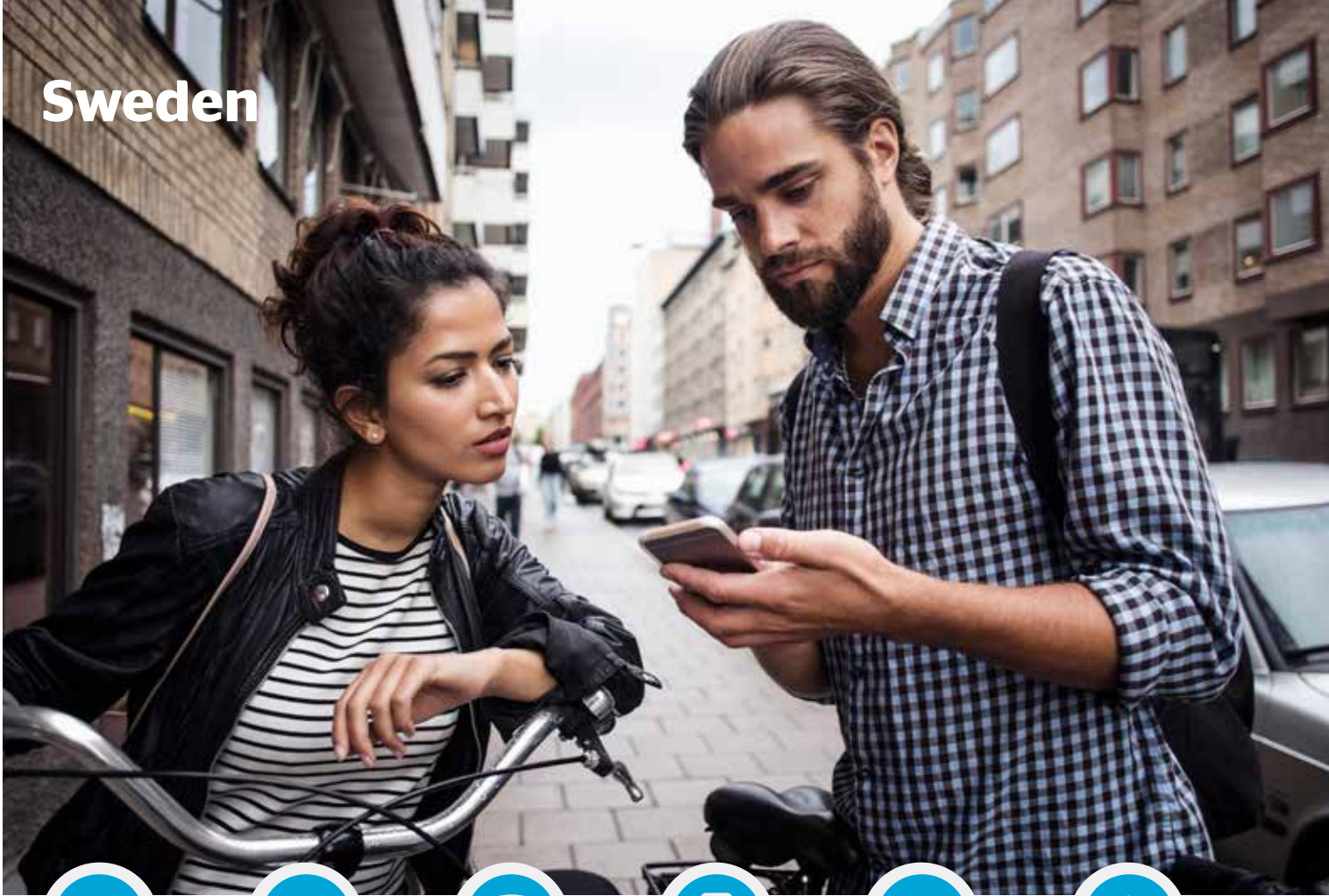
5,503,297



Percentage with internet access (2015)

97%

Sweden



Percentage that
shop online
each month*

66%



Percentage that
shop online
from abroad
each month*

31%



Estimated
amount spent
by each con-
sumer online,
per month**

EUR 200



Percentage that
shop via cell
phone each
month***

41%



Percentage that
carried out
research
online and then
purchased in a
store (Decem-
ber 2017)

54%



Percentage that
carried out
research
in a store and
then purchased
online (Decem-
ber 2017)

13%

Well-developed e-commerce nation with technology-savvy consumers

In many respects, Sweden occupies a leading position as an e-commerce nation relative to the rest of the Nordics. The percentage of consumers who shop online in Sweden is the highest of the Nordic countries, and Swedes have proven to be willing to try new tools to streamline their purchases and simplify daily life. For example, more than four out of ten online shoppers made an average of at least one purchase by cell phone per month in 2017, which is a clear increase compared with the previous year. In addition to the

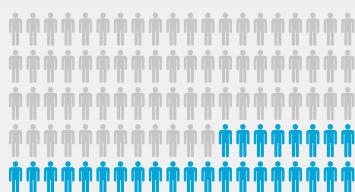
actual purchase, cell phones were regularly used to research products, find stores and even check inventory.

Swedish companies benefit from a well-developed infrastructure, the excellent reputation of Swedish-made goods worldwide, and high trust in modern payment solutions among the domestic population. However, even if many consumers feel that the domestic players have a satisfactory product offering, competition has increased. In particular, imports

among Swedes of relatively cheap goods from China have increased sharply in the last few years, which means that Swedish companies that compete with low prices rather than unique products must sharpen their customer offering even further in order to retain and enhance their competitiveness. Overall, however, one can conclude that Swedish companies have excellent conditions to meet customer requirements and equip themselves for the continued transition from physical to digital commerce.

8.7

Total sum Swedes estimate having spent online in 2017 (billion euros). Of which 16% was purchased online from abroad.



28%

Have taken a picture of an item in a physical store for a potential purchase later.



41%

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



33%

Have researched a product using their cell phone while visiting a physical store.



43%

Have searched for a store nearby using their cell phone.

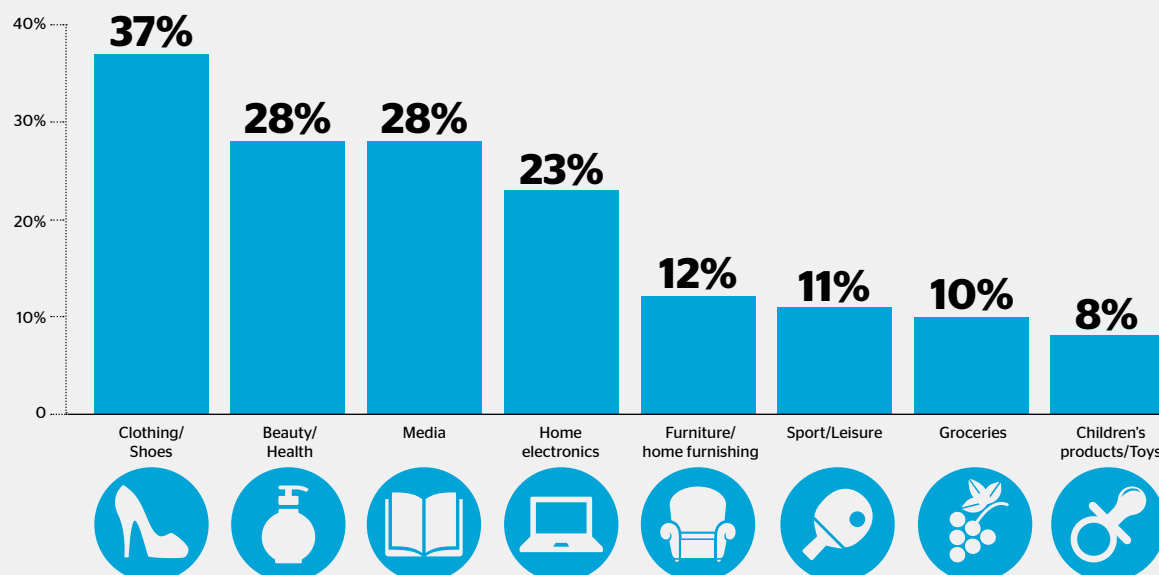
Top 5 most popular countries to shop from****

1. China 36%
2. UK 24%
3. Germany 21%
4. US 15%
5. Denmark 7%

*Average January-December 2017.
Base: Entire population aged 18-79.
**Average January-December 2017. For the furniture/home furnishing product category, the figure refers to the period of April-December 2017.

Base: Shopped online in the past month.
***Average for June and December.
Base: Shopped online in the past month.
****Average January-December 2017.
Base: Shopped online from abroad in the past month.

Top list of goods purchased online**



Top 5 most popular e-commerce payment methods

1. Invoice 37%
2. Debit or credit card 26%
3. Direct payment through bank 17%
4. Paypal, Payson or similar 8%
5. Swish 8%

Important characteristics of webshops - payment

Invoice is the most popular payment method for Swedish e-commerce consumers. The fact that Swedes are most inclined to pay via invoice in the Nordics is most likely rooted in both tradition and in the presence of skilled niche players specialized in digital invoice solutions, which facilitates safe and convenient payments for both customers

and retailers. In addition to this, Swedish consumers want flexibility in their choice of payment option. In many cases it is important to offer both card and direct payments. It is worth noting that payments via the mobile service Swish have also gained significant momentum since the service was launched for companies in 2014.

How would you prefer to pay for an item purchased online?

Base: Shopped online in the past month (December)

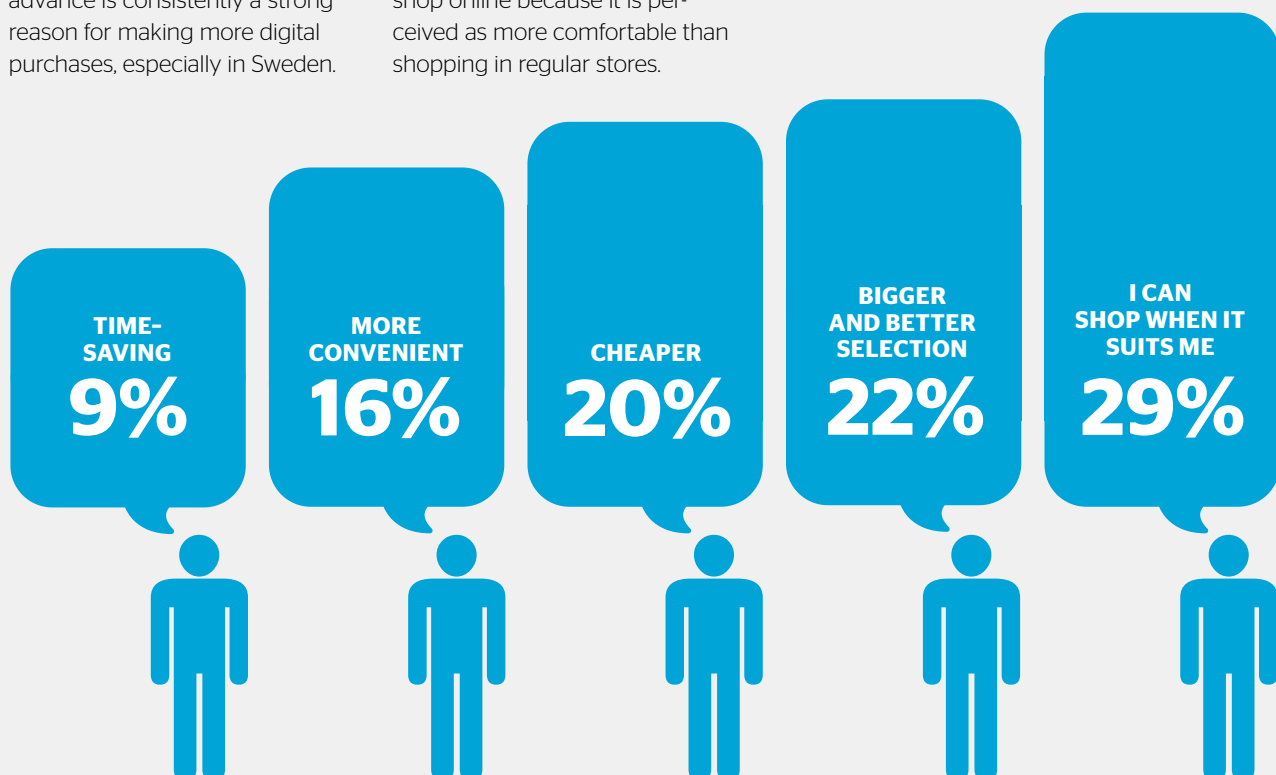
Why Swedes shop online

Consumers are taking their purchases to the internet because the advantages of shopping online are perceived as greater than the advantages of physical retail. The ability to shop at any time and thus avoid the need to plan in advance is consistently a strong reason for making more digital purchases, especially in Sweden.

However, Swedish consumers are seeing more additional advantages to shopping online versus in physical stores. They appreciate the large offering and low prices online, and a larger number than in the other Nordic countries shop online because it is perceived as more comfortable than shopping in regular stores.

What is the single most important advantage of buying products online instead of in a traditional shop?

Base: Shopped online in the past month (December)



18

Are the returns
100 Swedish e-commerce
consumers make
per month

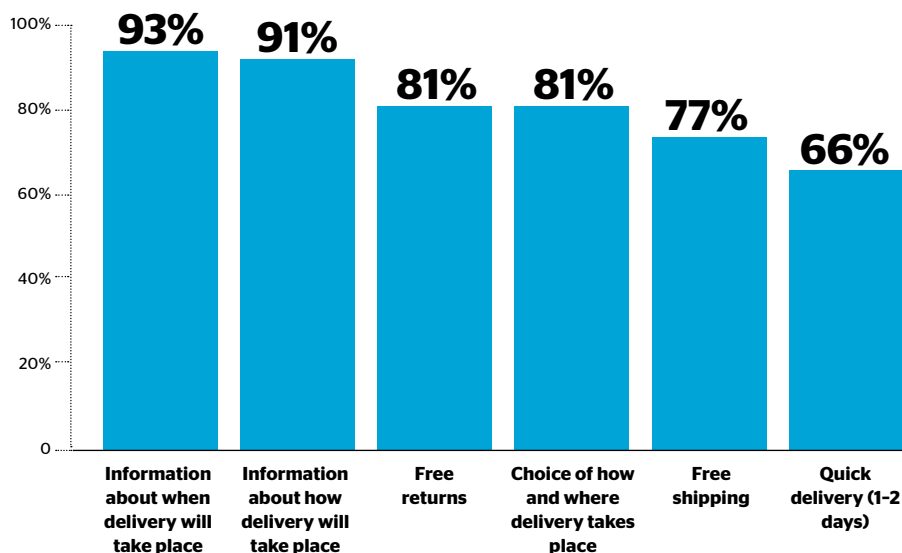
Important characteristics of webshops - delivery

Swedes have stringent requirements of retailers and logistics players when it comes to deliveries. They want freedom of choice with regard to how the product will be delivered and consider clear information about deliveries a matter of trust. Willingness to pay for shipping has also declined over time. The percentage of e-commerce consumers who consider free shipping important has increased since 2016 and now amounts to over three out of four respondents. Stringent requirements are also placed on returns management. More than four of five consider free returns an important factor when choosing a webshop, and to a very high degree they want clear information from retailers regarding the applicable return policy.



Important characteristics of webshops - delivery (percentage who responded "very important" and "fairly important")

Base: Shops online



“Swedish consumers are good at adapting to technology and innovations, which makes the country an excellent test market for new initiatives.”

CARIN BLOM,
E-COMMERCE EXPERT, POSTNORD

Denmark



Percentage that
shop online
each month*

61%



Percentage that
shop online
from abroad
each month*

31%



Estimated
amount spent
by each con-
sumer online,
per month**

EUR 229



Percentage that
shop via cell
phone each
month***

32%



Percentage that
carried out
research
online and then
purchased in a
store (Decem-
ber 2017)

47%



Percentage that
carried out
research
in a store and
then purchased
online (Decem-
ber 2017)

21%

Shop online the most per person in the Nordics

Denmark has a modern and retail-oriented economy with excellent infrastructure. Its residents shop online often and gladly. A typical Danish e-commerce consumer spends EUR 229 per month. This means that in 2017, Danes surpassed Norwegians and took first place with regard to online consumption per capita in the Nordics. Popular products to buy online include clothing, books and home furnishings. Danes gladly buy products from the UK and prefer to pay by card to a much

greater extent than their Nordic neighbors.

Danes shop online primarily because they value the flexibility of being able to place an order whenever and wherever they like. It is easy to see how such wishes also benefit and strengthen the trend toward increased commerce via cell phone. Almost one in three Danish e-commerce consumers who were asked in 2017 had shopped online using their cell phone in the past month, which is a sharp increase

compared with 2016, when the equivalent figure amounted to almost one in four. In the same period, the percentage that researched a product online and then purchased it in a physical store climbed to almost half of those asked. Retailers that want to compete for Danes' purchasing power must, in other words, take into account the rapidly changing habits of consumers and shift the buying experience accordingly, for example by adapting their websites for mobile.

5.5

Total sum Danes estimate having spent online in 2017 (billion euros). Of which 16% was purchased online from abroad.



22%

Have taken a picture of an item in a physical store for a potential purchase later.



19%

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



22%

Have researched a product using their cell phone while visiting a physical store.



35%

Have searched for a store nearby using their cell phone.

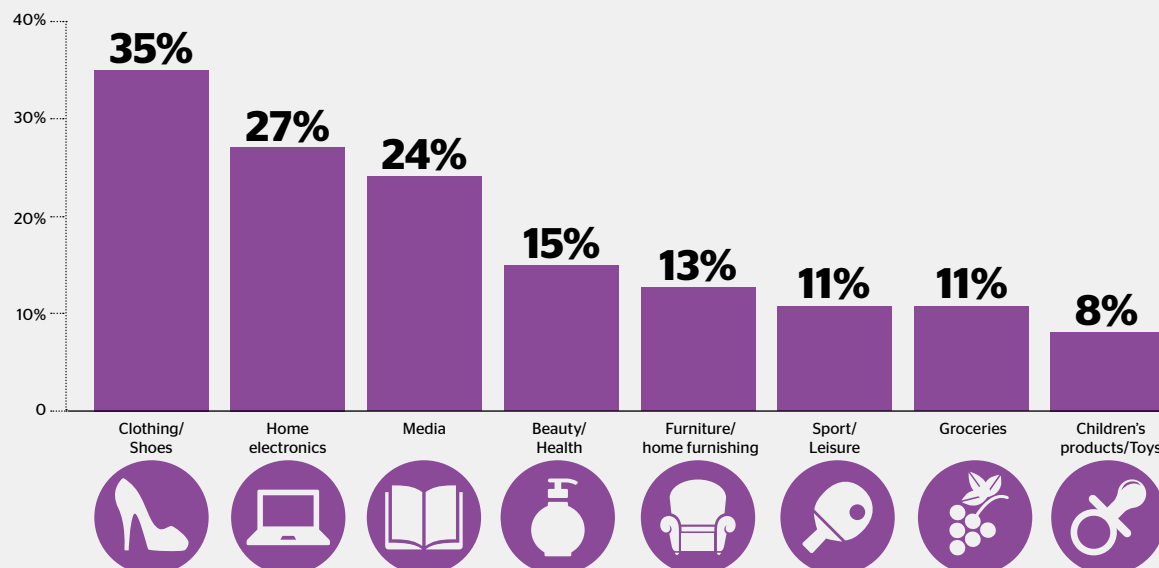
Top 5 most popular countries to shop from****

1. UK 34%
2. China 25%
3. Germany 24%
4. Sweden 13%
5. US 11%

*Average January-December 2017.
Base: Entire population aged 18-79.
**Average January-December 2017. For the furniture/home furnishing product category, the figure refers to the period of April-December 2017.

Base: Shopped online in the past month.
***Average for June and December.
Base: Shopped online in the past month.
****Average January-December 2017.
Base: Shopped online from abroad in the past month.

Top list of goods purchased online**



Top 5 most popular e-commerce payment methods

1. Debit or credit card 75%
2. MobilePay 16%
3. Paypal, Payson or similar 4%
4. Direct payment through bank 2%
5. Invoice 1%

Important characteristics of webshops - payment

Danish consumers are very clear with respect to which payment option is preferred: three of four prefer to pay by card. This preference is likely characterized by the fact that Danish retailers encourage the use of national cards, for example Dankort, which could in part be because

companies do not have to pay fees to their banks when consumers use these cards. In addition to card payments, the mobile solution MobilePay doubled in popularity in 2016 and sixteen percent of Danes now state this solution as their first choice when shopping online.

How would you prefer to pay for an item purchased online?

Base: Shopped online in the past month (December)

Why Danes shop online

More than their Nordic neighbors, Danish consumers value the ability to shop when it suits them via the internet. More than two in five consumers who shopped online in the past month state this as the first advantage compared with retail in physical stores. Prices and offers thus end up slightly lower on the priority list than in

the neighboring countries. Geographically speaking, Denmark has a concentrated population which probably means there are large stores with a relatively broad selection and competitive prices within a reasonable distance for a larger share of the population than in many comparable countries.

What is the single most important advantage of buying products online instead of in a traditional shop?

Base: Shopped online in the past month (December)



19

Are the returns
100 Danish e-commerce
consumers make
per month

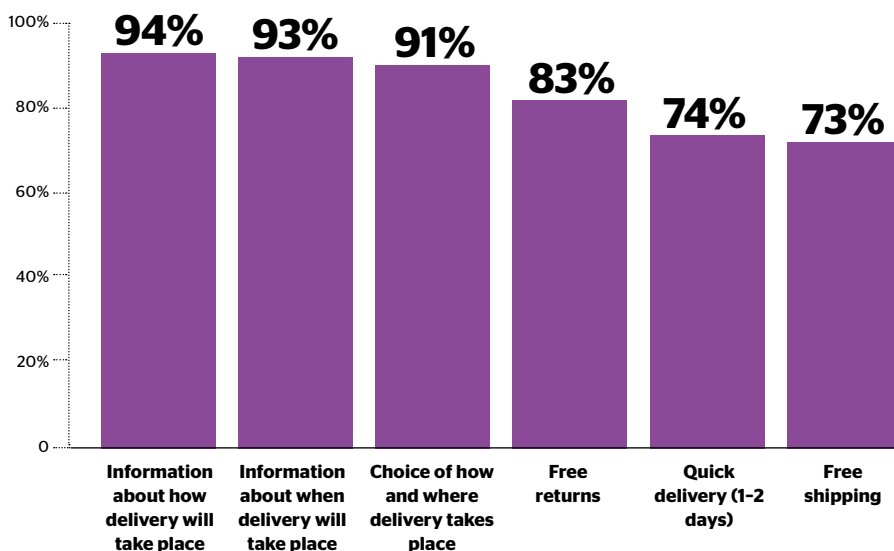
Important characteristics of webshops - delivery

Danes place the highest demands in the Nordic region when it comes to speedy deliveries. Nearly three out of four consider a delivery time of max two days to be fairly or very important. This may be because geographically, Denmark is a relatively small country with short distances, which has driven up expectations for speed. Denmark also takes the top position in the Nordics regarding the desire for free returns. Overall, the above means that the logistical challenges and requirements of companies that sell to Danish consumers via the internet may be significant. At the same time, Danes are the most satisfied in the Nordics with the delivery of their last online purchase, which means that most companies manage to meet or exceed the high demands.



Important characteristics of webshops - delivery (percentage who responded "very important" and "fairly important")

Base: Shops online



"Danish e-commerce consumers are becoming increasingly mature and secure when it comes to shopping online. But to grow even more, e-commerce must give customers the opportunity to have more control before, during and after the purchase."

**JØRGEN FISCHER, E-COMMERCE EXPERT,
POSTNORD DENMARK**

Norway



Percentage that
shop online
each month*

63%



Percentage that
shop online
from abroad
each month*

39%



Estimated
amount spent
by each con-
sumer online,
per month**

EUR 220



Percentage that
shop via cell
phone each
month***

39%



Percentage that
carried out
research
online and then
purchased in a
store (Decem-
ber 2017)

57%



Percentage that
carried out
research
in a store and
then purchased
online (Decem-
ber 2017)

13%

Affluent consumers with high digital presence

Norway is the richest country in the Nordic region calculated as GDP per capita. It is therefore no surprise that Norwegians demonstrate a high average purchase amount per e-commerce consumer: EUR 220 per month, even if in 2017 they were surpassed by the Danes. More than one eighth of the Norwegians who placed an order online in the past month shopped from Sweden, which is due among other reasons to the good historical connections and relatively minimal linguistic barriers. Otherwise, websites

in China, the UK and the US attract consumers. Among individual products, clothing, books and cosmetics are at the top of the shopping list, but it is also clear that Norwegians enjoy sports, as they buy sporting goods to a greater degree than their Nordic neighbors. In almost two thirds of cases, Norwegian consumers pick up their online purchases from a distribution point.

Norway is not a member of the EU, which means there are different rules

regarding duties and VAT to take into consideration than the other Nordic countries. Most products except for clothing, shoes and groceries are duty-free, but VAT is added to all imported products with a value over NOK 350, including shipping. Accordingly, imports of cheaper products than this are given a boost by the regulations, while those who plan to sell more expensive products to Norway must consider solutions for payment and handling of VAT in order to be competitive.

4.9

Total sum Norwegians estimate having spent online in 2017 (billion euros). Of which 16% was purchased online from abroad.



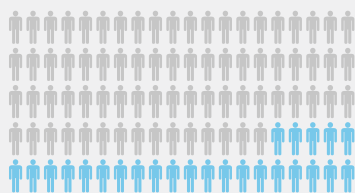
22%

Have taken a picture of an item in a physical store for a potential purchase later.



29%

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



25%

Have researched a product using their cell phone while visiting a physical store.



38%

Have searched for a store nearby using their cell phone.

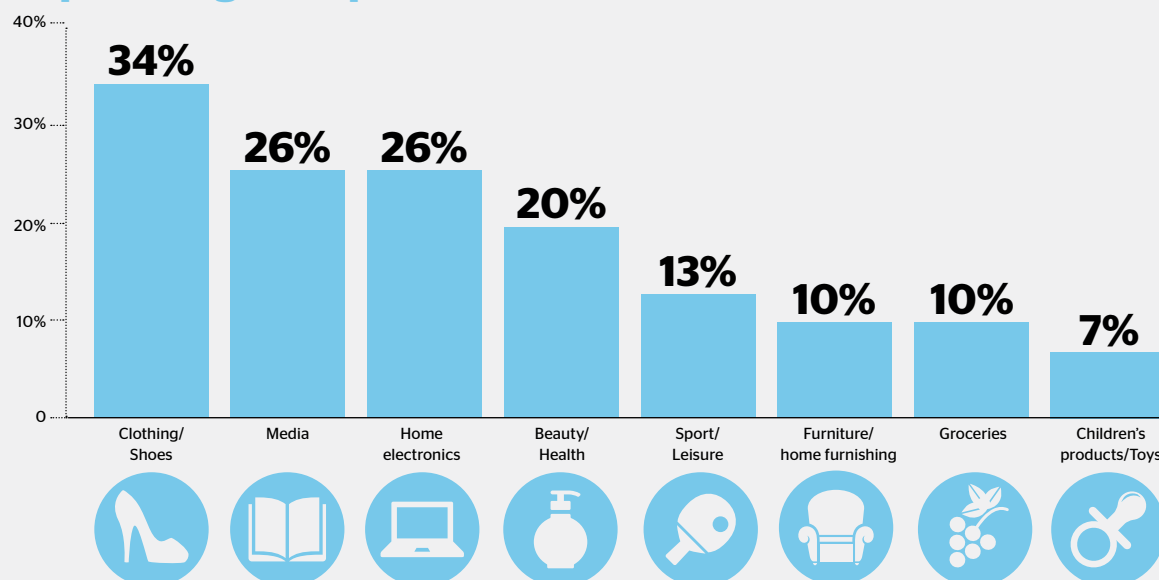
Top 5 most popular countries to shop from****

1. China 34%
2. UK 27%
3. USA 23%
4. Sweden 13%
5. Germany 8%

*Average January-December 2017.
Base: Entire population aged 18-79.
**Average January-December 2017. For the furniture/home furnishing product category, the figure refers to the period of April-December 2017.

Base: Shopped online in the past month.
***Average for June and December.
Base: Shopped online in the past month.
****Average January-December 2017.
Base: Shopped online from abroad in the past month.

Top list of goods purchased online**



Top 5 most popular e-commerce payment methods

1. Debit or credit card 59%
2. Paypal, Payson or similar 17%
3. Invoice 15%
4. Vipps (app) 7%
5. Cash payment upon delivery 1%

Important characteristics of webshops – payment

Norwegians have high trust

in modern payment solutions. They consider it most important to be able to pay for their online purchases by debit or credit card. To a much greater extent than in the rest of the Nordic countries, retailers are likely to lose business if payment via services such as

PayPal or Payson are not offered. Of the most used payment methods, however, the mobile service Vipps increased in popularity the most in the past year. Seven percent of Norwegian e-commerce consumers use Vipps as a first choice, compared with two percent one year ago.

How would you prefer to pay for an item purchased online?

Base: Shopped online in the past month (December)

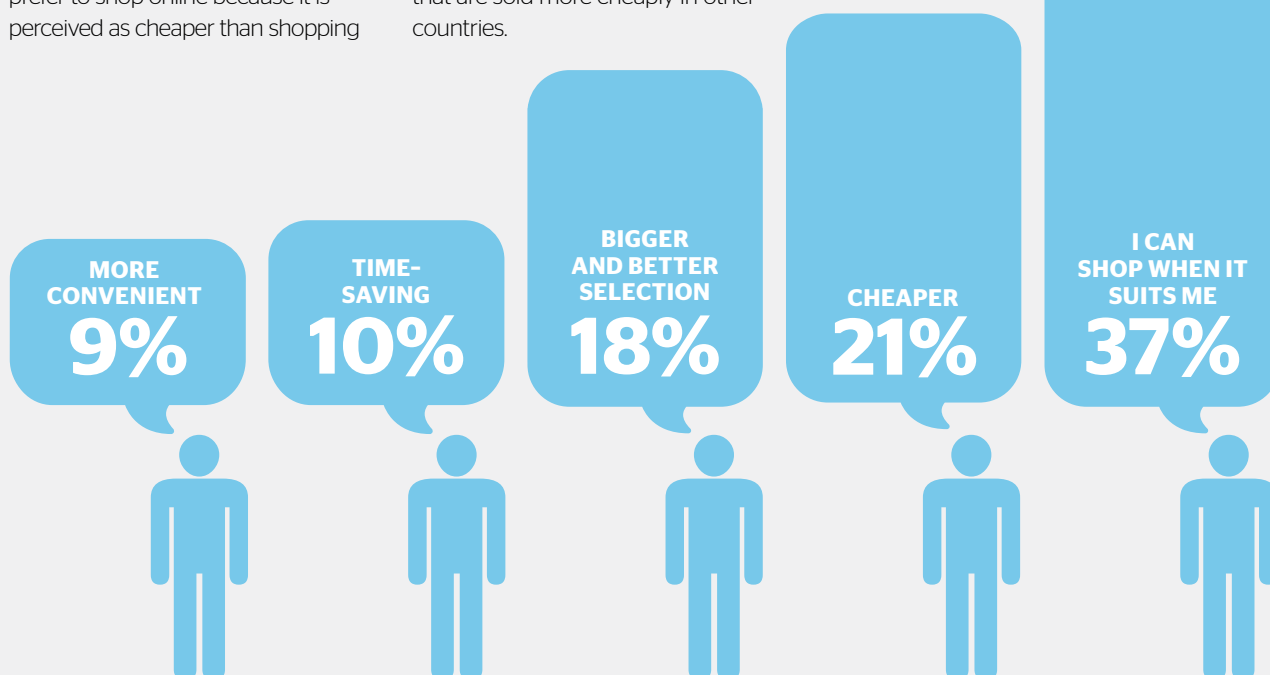
Why Norwegians shop online

Offering freedom and flexibility in the purchase experience is thought to be a consistent theme for how to satisfy Norwegian customers. Like their Nordic neighbors, Norwegian consumers are taking more and more of their purchases to the internet, primarily because it makes life easier to be able to choose when one shops. More than one in five Norwegians, however, prefer to shop online because it is perceived as cheaper than shopping

in physical stores. This is a slightly higher share than in the rest of the Nordic countries. The outcome fits well with Norwegians' relatively high tendency to import products from abroad and with the fact that domestic price points are often perceived as high. E-commerce can thus be experienced as an affordable alternative as it provides access to products that are sold more cheaply in other countries.

What is the single most important advantage of buying products online instead of in a traditional shop?

Base: Shopped online in the past month (December)



24

Are the returns
100 Norwegian
e-commerce consumers
make per month

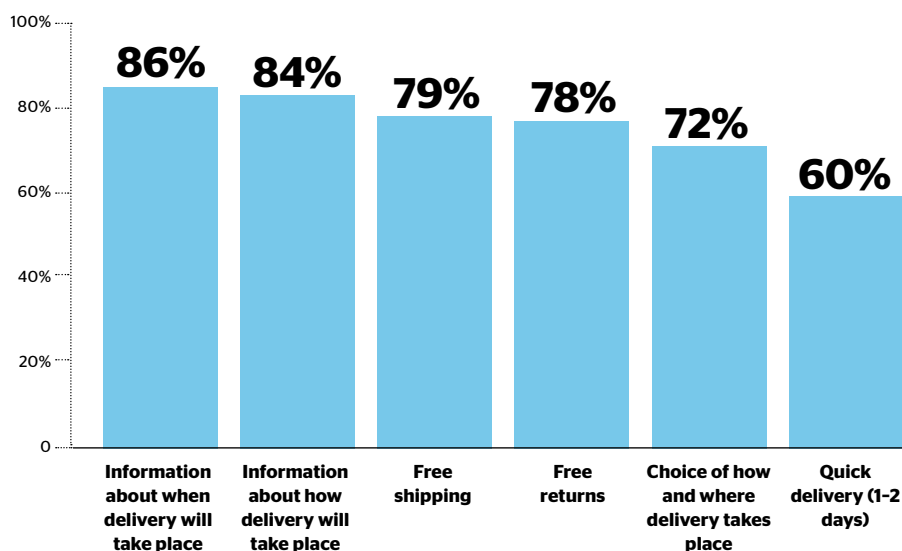
Important characteristics of webshops - delivery

Expectations for fast deliveries are lower in Norway than in Sweden and Denmark, which may be related to the large percentage of purchases from abroad, but also to the fact that the Norwegian landscape is logistically challenging in places, combined with the fact that Norwegian roads are not in the same condition as roads in the neighboring countries. In addition, there is a slightly lower need for information about the actual delivery process. It is also worth noting that Norwegians, along with Swedes, are the Nordic residents who most appreciate it when webshops offer delivery directly to mailboxes. At the same time, it can be concluded that almost two thirds of Norwegian e-commerce consumers – the highest percentage in the Nordic region – picked up their most recent shipment via a distribution center, which can be interpreted as tension between the delivery options offered and those demanded.



Important characteristics of webshops - delivery (percentage who responded "very important" and "fairly important")

Base: Shops online



"Because we aren't part of the EU, it can take a long time for returned purchases to cross the border and get back to the e-retailers, and customers feel they have to wait too long for their money back. E-retailers must therefore make returns as easy and convenient as possible."

RIKKE KYLLENSTJERNA, E-COMMERCE EXPERT, POSTNORD NORWAY

Finland



Percentage that
shop online
each month*

46%



Percentage that
shop online
from abroad
each month*

44%



Estimated
amount spent
by each con-
sumer online,
per month**

EUR 156



Percentage that
shop via cell
phone each
month***

32%



Percentage that
carried out
research
online and then
purchased in a
store (Decem-
ber 2017)

42%



Percentage that
carried out
research
in a store and
then purchased
online (Decem-
ber 2017)

8%

Most consumers who buy products from abroad

Finland is the least mature e-commerce market in the Nordic region. The average purchase amount per e-commerce consumer and month is lower than in other countries. Just under half of Finns aged 18 to 79 shop online, which is slightly less than the Nordic average of six in ten. This means, however, that there is major, latent development potential, which can be illustrated among other ways by the fact that cell phone use for shopping purposes has sharply increased in recent times. Of the Finns who shopped online in 2017,

one out of three placed an order via cell phone, compared with one out of five in 2016. In the past, there has been a clearer generation gap with respect to cell phone purchases among Finns than among other people in the Nordic region. However, in terms of percentage, the increased cell phone use right now is more evident in the highest age groups, which indicates the generational gap is closing.

Finland is also the Nordic country where the largest share of e-commerce

consumers make their purchases from other countries. Four out of ten Finns who shopped online did so from abroad, which is likely related to the fact that they cannot find a comprehensive offering among the domestic players. Clothing attracts the most purchases from abroad, and three out of ten consumers who shopped from abroad in the past month made purchases from China. In general, Finns shop mostly from other EU countries and order many products from Germany, Sweden and the UK online.

2.7

Total sum Finns estimate having spent online in 2017 (billion euros). Of which 28% was purchased online from abroad.



13%

Have taken a picture of an item in a physical store for a potential purchase later.



16%

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



13%

Have researched a product using their cell phone while visiting a physical store.



27%

Have searched for a store nearby using their cell phone.

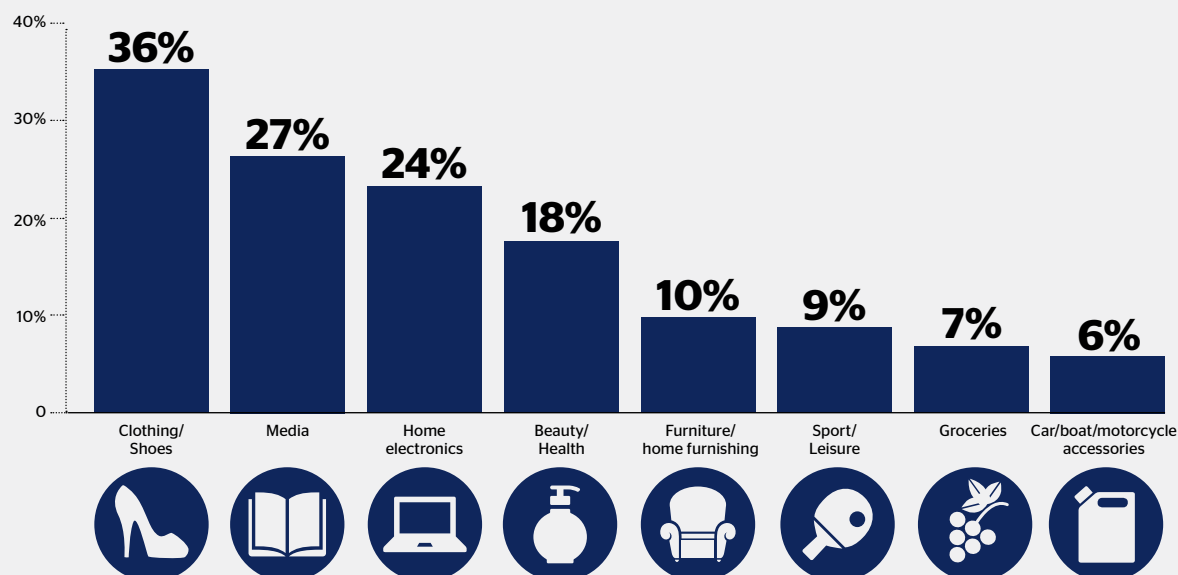
Top 5 most popular countries to shop from****

- 1. China 30%**
- 2. Germany 24%**
- 3. Sweden 21%**
- 4. UK 16%**
- 5. US 10%**

*Average January-December 2017.
Base: Entire population aged 18-79.
**Average January-December 2017. For the furniture/home furnishing product category, the figure refers to the period of April-December 2017.

Base: Shopped online in the past month.
***Average for June and December.
Base: Shopped online in the past month.
****Average January-December 2017.
Base: Shopped online from abroad in the past month.

Top list of goods purchased online**



Top 5 most popular e-commerce payment methods

1. Direct payment through bank 30%
2. Invoice 27%
3. Debit or credit card 26%
4. Paypal, Payson or similar 12%
5. Cash payment upon delivery 2%

Important characteristics of webshops - payment

Finnish consumers stand out in that direct payment is the most popular payment method online. They are generally more cautious and less willing to pay by card than their Nordic neighbors. This is likely in part because they have not gotten as far in their

adjustment to e-commerce as their neighboring countries and they do not feel completely safe giving out their card information online. Traditional payment methods such as direct payment and invoice thus feel safer and are the preferred alternative.

How would you prefer to pay for an item purchased online?

Base: Shopped online in the past month (December)

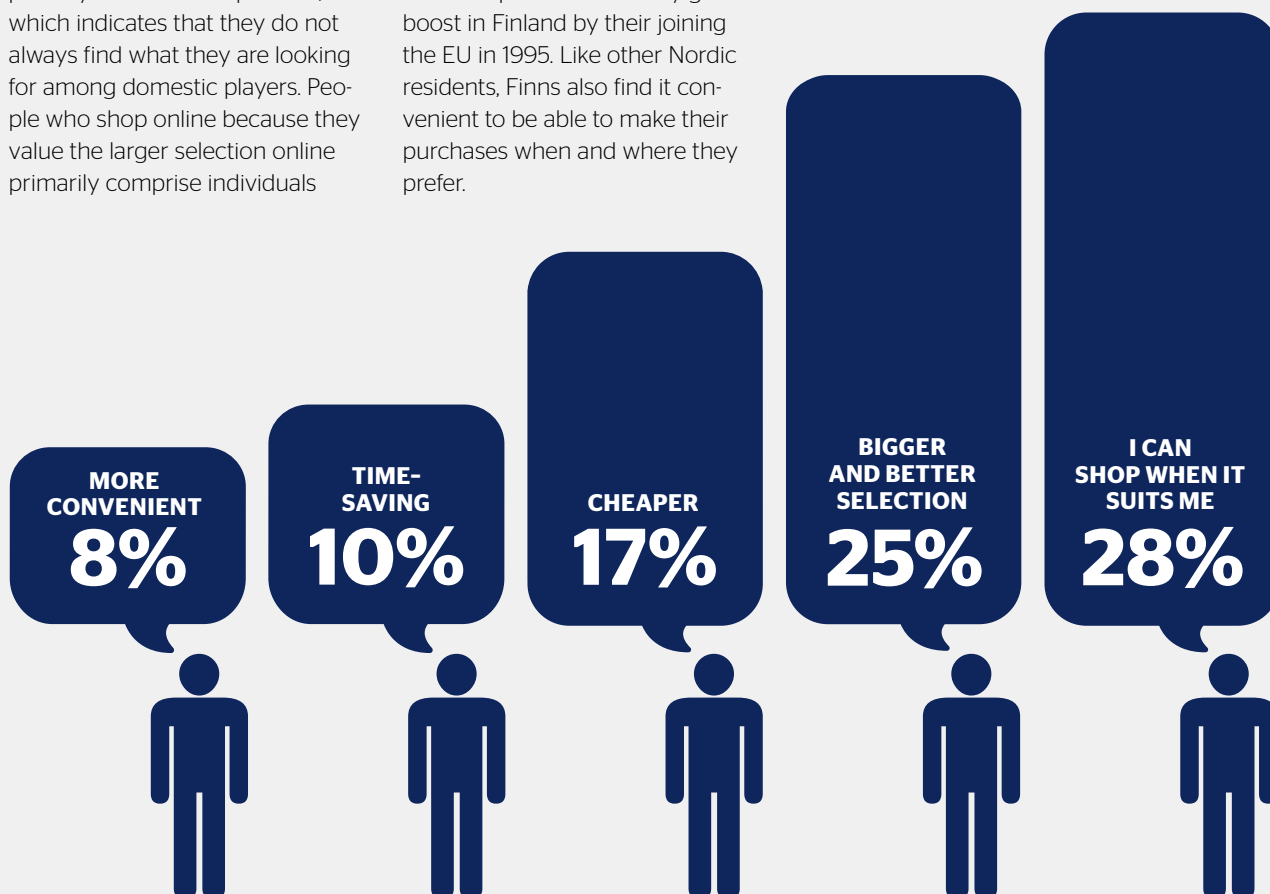
Why Finns shop online

Finland is the Nordic country where the most e-commerce consumers state selection as the primary reason to shop online, which indicates that they do not always find what they are looking for among domestic players. People who shop online because they value the larger selection online primarily comprise individuals

aged between 18 and 29. This generation is largely internationalized and used to foreign products, an atmosphere which likely got a boost in Finland by their joining the EU in 1995. Like other Nordic residents, Finns also find it convenient to be able to make their purchases when and where they prefer.

What is the single most important advantage of buying products online instead of in a traditional shop?

Base: Shopped online in the past month (December)

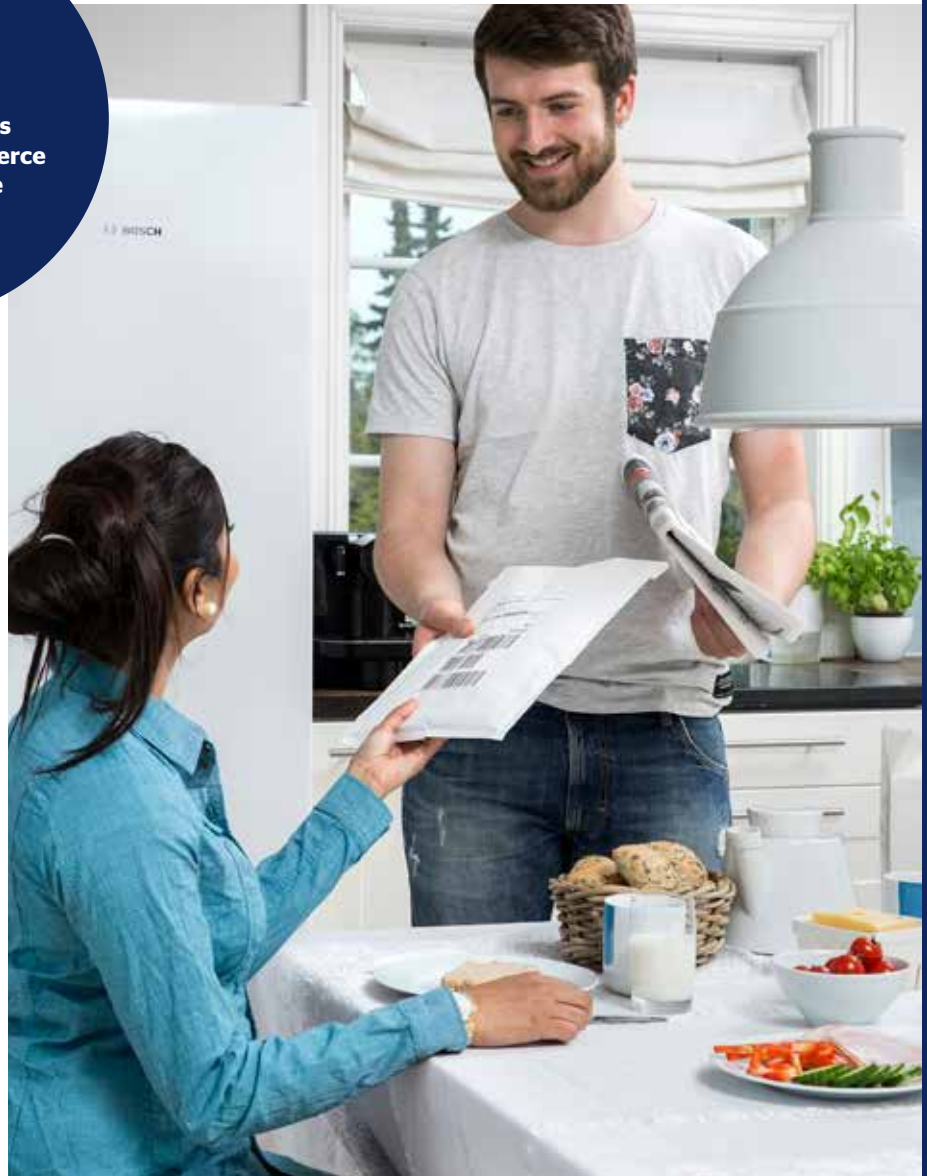


23

How many returns
100 Finnish e-commerce
consumers make
per month

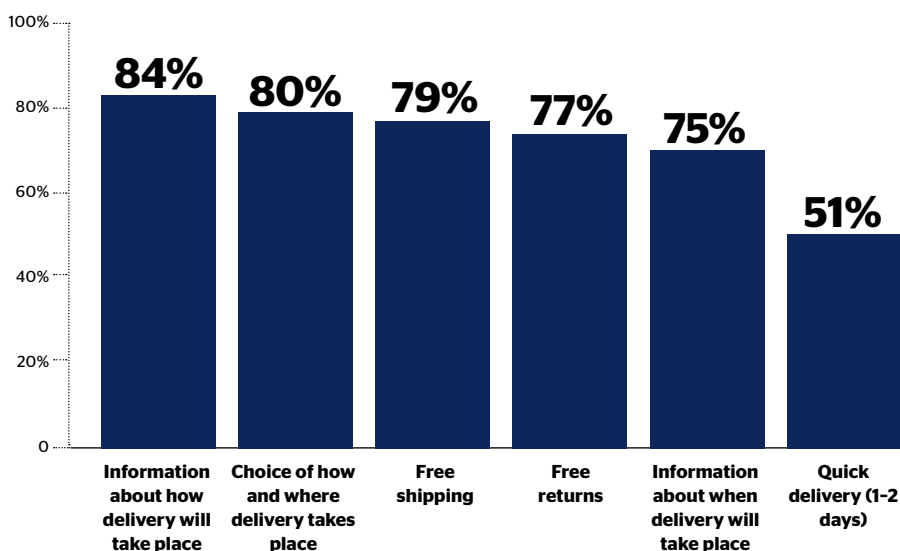
Important characteristics of webshops - delivery

Finns have more cautious requirements for both delivery times and delivery information compared with their Nordic neighbors, caused as a result of a high share of purchases from abroad. In Finland, it has been the practice for sellers to cover the cost of returns, because this used to be legally required. However, consumers still hold on to this expectation in some ways, even if the share who consider free returns important or very important has declined somewhat and is now on a par with the share in the other Nordic countries. When it comes to home deliveries, however, Finns land in the top spot when it comes to the preference for being able to book delivery at a point in time when it suits them, which is worth noting for e-retailers who sell products to Finnish consumers.



Important characteristics of webshops - delivery (percentage who responded "very important" and "fairly important")

Base: Shops online



"Just like in many other countries, we're also seeing that buying groceries online is a strongly growing segment."

SINIKKA ELORANTA, E-COMMERCE
EXPERT, POSTNORD SWEDEN

Detailed results

Basic data

Population (aged 18-79) of the Nordic countries

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

Sweden	7,324,290 (total population 9,995,153)
Denmark	4,296,033 (total population 5,748,769)
Norway	3,866,558 (total population 5,258,317)
Finland	4,130,767 (total population 5,503,297)
Nordics	19,617,648 (total population 26,505,536)

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 in 2017 (sum 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?"

	Nordics	Sweden	Denmark	Norway	Finland
Total, national currency	-	MSEK 83,356	MDKK 40,697	MNOK 45,739	MEUR 2,723
Total, EUR million	MEUR 21,749	MEUR 8,651	MEUR 5,471	MEUR 4,904	MEUR 2,723
Average per person and month, EUR	-	EUR 200	EUR 229	EUR 220	EUR 156

Number of consumers to shop each month (average per month January-December)

Have you bought products online in the past month?

Base: The entire population

	Nordics	Sweden	Denmark	Norway	Finland
Yes	60 %	66 %	61 %	63 %	46 %

Biggest advantage of shopping online (December)

What is the single most important advantage of buying products online instead of in a traditional shop?

	Nordics	Sweden	Denmark	Norway	Finland
I can shop when it suits me	33%	29%	42%	37%	28%
Cheaper	18%	20%	15%	21%	17%
Bigger and better selection	20%	22%	15%	18%	25%
Time-saving	10%	9%	10%	10%	10%
More convenient	12%	16%	10%	9%	8%
Other, please specify:	4%	2%	5%	4%	5%
Doubtful, don't know	3%	2%	4%	2%	7%

Product categories that people in the Nordic region buy online (average per month January-December)

What types of physical items have you bought online in the past 30 days? (Total)

Base: Purchased goods online in the past 30 days	Nordics	Sweden	Denmark	Norway	Finland
Clothes and shoes	36%	37%	35%	34%	36%
Home electronics	25%	23%	27%	26%	24%
Furniture and home decoration	11%	12%	13%	10%	10%
Media	26%	28%	24%	26%	27%
Car/boat/motorcycle accessories	5%	5%	4%	6%	6%
Children's products and toys	7%	8%	8%	7%	4%
Sports and leisure	11%	11%	11%	13%	9%
Beauty and health	22%	28%	15%	20%	18%
Groceries, food and drinks	9%	10%	11%	10%	7%

Percentage that shop online from abroad (average per month January-December)

Shopped from national/foreign shops

Base: Purchased goods online in the past 30 days	Nordics	Sweden	Denmark	Norway	Finland
Percentage that have shopped online from domestic websites	82%	89%	84%	80%	71%
Percentage that have shopped online from foreign websites	31%	28%	27%	34%	40%
Percentage who do not know regarding domestic/foreign	5%	3%	5%	5%	8%
Percentage foreign (weighted)	35%	31%	31%	39%	44%

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?" "Abroad" means that you perceive the online store's domicile to be outside of your country and/or that your delivery comes from another country.

Base: Shopped online in the past month	Nordics	Sweden	Denmark	Norway	Finland
Total, national currency	-	MSEK 13,335	MDKK 6,588	MNOK 7,379	MEUR 770
Total, EUR million	MEUR 3,831	MEUR 1,384	MEUR 885	MEUR 791	MEUR 770

Product categories that people in the Nordic region buy online

(average per month January-December)

What types of physical items have you bought online in the past 30 days? (Foreign webshops)

Base: Purchased goods online in the past 30 days	Nordics	Sweden	Denmark	Norway	Finland
Clothes and shoes	32%	31%	32%	26%	38%
Home electronics	21%	21%	20%	23%	21%
Furniture and home furnishing	7%	7%	6%	6%	7%
Media	15%	11%	21%	18%	14%
Car/boat/motorcycle accessories	7%	8%	6%	9%	7%
Children's products and toys	6%	7%	6%	6%	4%
Sports and leisure	9%	10%	9%	8%	7%
Beauty and health	11%	10%	11%	13%	12%
Groceries, food and drinks	2%	2%	2%	4%	3%

Top countries from which people in the Nordic region shop

(average per month January-December)

From which foreign countries have you purchased goods online in the past 30 days?

Base: Purchased products online from abroad in the past 30 days.

	Nordics	Sweden	Denmark	Norway	Finland
Sweden	16%		13%	13%	21%
Denmark	5%	7%		6%	3%
Norway	1%	1%	1%		1%
Finland	1%	1%	0%	0%	
UK	25%	24%	34%	27%	16%
Germany	20%	21%	24%	8%	24%
Netherlands	3%	3%	4%	2%	3%
France	1%	2%	2%	1%	2%
Spain	1%	1%	2%	1%	2%
Italy	1%	1%	1%	1%	1%
Russia	0%	0%	0%	0%	0%
Rest of Europe	3%	3%	3%	2%	4%
US	14%	15%	11%	23%	10%
Canada	0%	0%	0%	1%	0%
China	32%	36%	25%	34%	30%
India	0%	0%	0%	0%	0%
Japan	1%	1%	1%	1%	1%
Rest of Asia	3%	4%	3%	4%	2%
Australia	1%	0%	1%	1%	0%
Countries in Central America	0%	0%	0%	0%	0%
Countries in South America	0%	0%	0%	0%	0%
Countries in Africa	0%	0%	0%	0%	0%
Other, please specify:	1%	1%	1%	1%	1%
Unsure, don't know	7%	6%	6%	7%	10%

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

How many online purchases of physical products have you carried out with your cell phone in the past 30 days? Percentage to state a number greater than 0 (average June and December)

Base: Have shopped online

	Nordics	Sweden	Denmark	Norway	Finland
Percentage	36%	41%	32%	39%	32%

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: Have shopped online

	Nordics	Sweden	Denmark	Norway	Finland
Yes	14%	13%	21%	13%	8%

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: First looked at/tried in store and later bought online	Nordics	Sweden	Denmark	Norway	Finland*
Clothing/shoes	47%	45%	45%	49%	51%
Home electronics	19%	22%	21%	17%	15%
Media	13%	16%	16%	7%	10%
Furniture/Home decoration	9%	7%	11%	8%	11%
Car/boat/motorcycle accessories	2%	2%	1%	3%	4%
Children's items/toys	10%	12%	12%	7%	8%
Sport/leisure	10%	9%	9%	12%	9%
Beauty/health	13%	13%	19%	13%	9%
Groceries	3%	3%	2%	4%	1%
Other, please specify:	5%	4%	6%	1%	9%
Doubtful, don't know	3%	3%	1%	3%	5%

*NOTE For Finland, the number of observations was less than 100.

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 researched a product online that you later bought in a store? (percentage that answered yes)

Base: Have shopped online	Nordics	Sweden	Denmark	Norway	Finland
Yes	47%	54%	47%	57%	42%

Product categories purchased online in this way (December)

Which item(s) have you researched online first and then purchased in a store in the past month?

Base: Researched online first and then purchased in a store	Nordics	Sweden	Denmark	Norway	Finland
Clothing/shoes	24%	22%	25%	29%	22%
Home electronics	33%	34%	28%	36%	32%
Media	15%	15%	18%	15%	12%
Furniture/Home decoration	15%	13%	21%	17%	11%
Car/boat/motorcycle accessories	5%	4%	4%	6%	6%
Children's items/toys	11%	12%	14%	10%	9%
Sport/leisure	15%	15%	8%	24%	15%
Beauty/health	13%	11%	16%	11%	16%
Groceries	13%	10%	14%	12%	17%
Other, please specify:	8%	8%	8%	6%	8%
Doubtful, don't know	4%	5%	5%	2%	4%

Preferred payment methods (December)

Which of the following methods do you prefer to use when you pay for a product you've bought online?

Base: Have shopped online	Sweden	Denmark	Norway	Finland
Debit or credit card	26%	75%	59%	26%
Invoice	37%	1%	15%	27%
Direct payment via bank	17%	-	-	30%
Bank transfer	-	2%	-	-
Vipps (app)	-	-	7%	-
Paypal, Payson, or similar	8%	4%	17%	12%
Cash on delivery	0%	-	1%	2%
MobilePay	-	16%	-	-
Swish	8%	-	-	-
Other	3%	1%	0%	1%
Doubtful, don't know	1%	1%	0%	4%

How many products that you have bought online in the past month have you returned? (December)

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

Base: Shopped online in the past month	Nordics	Sweden	Denmark	Norway	Finland
None	86%	85%	83%	88%	90%
1	8%	9%	12%	7%	5%
2	2%	3%	2%	2%	2%
3	1%	1%	1%	1%	1%
4	0%	0%	0%	1%	0%
5	0%	0%	0%	0%	1%
6 or more	0%	0%	0%	1%	1%
Doubtful, don't know	1%	0%	1%	1%	1%

Number of returns per 100 e-commerce consumers (December)

Have shopped online	Sweden	Denmark	Norway	Finland
Number of returns	18	19	24	23

Percentage that have returned a shipment (average June and December)

How many of the physical products that you bought online in the past 30 days have you returned?
Percentage to state a number greater than 0

Base: Have shopped online	Nordics	Sweden	Denmark	Norway	Finland
Yes	11%	11%	12%	11%	11%

Important characteristics of webshops - delivery (percentage who responded “very important” and “fairly important”)

Base: Shops online	Nordics	Sweden	Denmark	Norway	Finland
That I can choose how and where the product will be delivered	81%	81%	91%	72%	80%
That delivery is fast (1-2 days)	63%	66%	74%	60%	51%
Getting a clear indication of when the item will be delivered.	88%	93%	93%	86%	75%
That clear information is provided about how the product will be delivered (mailbox, partner outlet/service point, home delivery etc.)	89%	91%	94%	84%	84%
That delivery is free of charge	77%	77%	73%	79%	79%
Being able to choose the logistics operator who will deliver the item (such as PostNord, Bring, DHL, DB Schenker)	48%	48%	61%	33%	47%
That clear information is given on procedures for returns	86%	87%	89%	82%	83%
That the product can be delivered to a distribution point	69%	84%	41%	68%	71%
That the product can be delivered to a parcel box/machine	27%	13%	46%	11%	48%
That the product can be delivered directly home to my mailbox	42%	48%	30%	48%	40%
That I can book home delivery of the product at a time that suits me	46%	50%	40%	36%	53%
That returns are free of charge	80%	81%	83%	78%	77%



Detailed results

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

Base: Have shopped online	Nordics	Sweden	Denmark	Norway	Finland
Received an offer via your cell phone from a store where you are a customer.	44%	57%	36%	45%	29%
Researched a product using your cell phone while visiting a physical store or a shopping mall.	25%	33%	22%	25%	13%
Researched a product using your cell phone other than while visiting a physical store or shopping mall.	37%	45%	36%	41%	21%
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	22%	28%	22%	22%	13%
Bought a product with your cell phone when you were in a physical store	2%	3%	1%	2%	0%
Clicked on an ad/banner while surfing on your cell phone	16%	18%	14%	22%	8%
Searched for a nearby store	37%	43%	35%	38%	27%
Entered a location in your cell phone and received information about local offers	7%	7%	6%	5%	9%
Checked stock levels before visiting a store	29%	41%	19%	29%	16%
"Checked into" a store via social media	6%	5%	3%	7%	10%
Bought a product with your cell phone when you were not in a physical store	29%	37%	27%	29%	19%
Downloaded an app for a particular brand or chain store	22%	37%	11%	13%	13%
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%	6%	2%	3%	4%
None of the above	20%	13%	26%	18%	30%
Doubtful, don't know	2%	1%	2%	1%	3%



PostNord – a partner for e-commerce

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 2017, the Group had around 31,000 employees and sales of just over SEK 37 billion.

PostNord is the biggest and obvious 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 ensure 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 and www.directlink.com

Contact us for more information

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