

E-commerce in the Nordics 2013



postnord

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About this report

For a number of years now, PostNord has been conducting surveys of the Nordic e-commerce market under the title "E-commerce in the Nordics".

This year's report are based on interviews conducted in January 2013 with a representative sample of private individuals in Sweden, Denmark, Norway and Finland in the 18-79 age group. The survey was conducted using TNS Sifo's Internet panel of 2,000 private individuals in Sweden, 1,000 private individuals in Denmark, 1,000 private individuals in Norway and 1,000 private individuals in Finland.

As the survey was conducted with an Internet panel, the results are representative for the approx. 90 percent of the population in the Nordic region with Internet access. For more information about this, please see the section in the report about the detailed results.

E-commerce is defined in this context as the purchase of physical products over the Internet. This means that online purchases of services (e.g. travel, hotels and tickets) and downloads (e.g. music files, DVDs and applications) are not included.

A rapidly expanding Nordic market

2012 was an important year for e-commerce in the Nordic region. Many of the leading retail chains decided to invest in online shopping in a big way, and many international e-commerce companies chose to expand in the Nordic market. The background to this is the fact that more and more Nordic residents are buying goods online more often, and a number of product categories are becoming increasingly popular online.

The survey that we present in this report reveals that 14.4 million consumers in the Nordic region bought goods online in 2012, and that 4.2 million did it at least once a month. PostNord believes that Nordic e-commerce grew by around 15 percent last year and that Nordic residents consumed goods online to a value of around 10.9 billion euros. According to our reports, the e-barometer^[1] and the Danish e-commerce analysis (published by FDIH in collaboration with Post Danmark and Nets)^[2], growth in 2012 was 14 percent for domestic e-commerce in Sweden and Denmark respectively.

The Nordic region as a market

Most trading still takes place with domestic companies, but it is becoming increasingly common for consumers to look beyond their national borders to access a wider range of goods to choose from or to find lower prices than are available at home. This makes the Nordic market increasingly attractive to international e-commerce companies. As the German e-commerce company Zalando mentions in the report, Nordic residents are generally open-minded about trying new things and are therefore often a good test market when a company is looking to expand internationally.

Nordic residents have a lot in common, which means that national e-commerce companies in the Nordic region find it very beneficial to start their international expansion in a neighbouring Nordic country. But, as the report states, there are also significant differences that businesses must bear in mind. In this report, we asked e-commerce companies Protecty, Cyberphoto, Komplet and Designonline to recount their experiences of selling online to consumers in a neighbouring Nordic country and to offer tips and advice to other e-commerce companies wanting to expand in their domestic markets.

A broad range of e-commerce services

The Nordic region is PostNord's domestic market, and e-commerce is strategically important for us. We have a broad range of e-commerce services. Our distribution network in the Nordic region, with almost 5,000 parcel distribution points, is distributed relatively evenly across Sweden, Denmark, Norway and Finland. In Sweden and Denmark, our postal workers also visit all households and companies every working day. The combination of our network of parcel distribution points and postal workers means that we offer the best coverage for deliveries in the Nordic region.

This is now the fifth consecutive year that we are publishing a Nordic e-commerce report. Our aim is to offer tips, advice and inspiration to anyone who is interested in setting up an e-commerce operation in the Nordic region and/or to expand their business into a neighbouring Nordic country.

Per Mossberg

Senior Vice President and Head of Group Communications
PostNord

^[1] E-barometer annual report 2012. Posten, in collaboration with the Swedish Distance Sellers Association and HUI Research, monitors e-commerce trends in the Swedish retail sector.

^[2] Danish e-commerce analysis, annual report 2012. The Danish e-commerce analysis monitors trends in e-commerce among Danes. The report is published by FDIH in collaboration with Post Danmark and Nets.



The Nordic region an interesting area on the global e-commerce map

A population with strong purchasing power that is used to the Internet contributes to making Nordic residents regular online shoppers. But according to PostNord's e-commerce experts, a local approach is still required to achieve success as an e-trader.

2012 was the year that many Nordic residents seriously accepted e-commerce. In total, more than 14 million Nordic residents bought products online last year. The widespread use of the Internet combined with access to mobile telephony and mobile broadband, are common explanations. As is the fact that all of the countries can generally be said to have a population with strong purchasing power.

“The rapid expansion in recent years shows that the Nordic e-commerce market has an important role to play for both consumers and companies,” says Arne Andersson, e-commerce specialist at PostNord in Sweden.

This is also backed up by a report from the independent US research company

Forrester Research, who highlight the Nordic region as an attractive growth market for e-commerce.

The company predicts that in 2013 and 2014 there will be double-digit growth for e-commerce in the Nordic region. Even if the biggest sectors, such as home electronics and clothing, are playing a leading role, the trend is also driven by new, fast-growing companies in areas such as sport, leisure, furniture and home furnishing, as they move into the e-commerce market.

“The consequence may be that more international companies will target the Nordic region, which will increase competition and mean that companies here will have to raise their game another level to keep their lead,” says Arne Andersson.

Nordic residents choose to shop online primarily because it's easy, saves time and can be done when it suits the consumer. The route to a purchase often goes via search engines and comparison sites, although product catalogues dropping through the letterbox are also important for many.

But despite the similarities, there are also clear differences between the behaviour of different Nordic consumers, depending on their country of origin. Companies that want to become established in the Nordic region must be aware that there are four different markets, which therefore need different approaches.

“As well as differences in language and currency, there are also behavioural differences. One of the biggest differences is how they prefer to pay in each country,” says Carsten Dalbo, Head of Logistics at PostNord in Denmark.

While Swedes like to pay retrospectively against an invoice, Norwegians and Danes



Major differences between the Nordic countries mean that target group analysis is more important than ever before.

Arne Andersson, e-commerce specialist at PostNord in Sweden

prefer to pay by debit or credit card. Finns, on the other hand, choose in the first instance to pay directly through their bank.

Distribution is another area in which the preferences differ. In contrast to Danes, who prefer to have products delivered to their homes, Swedes, Norwegians and Finns don't have too many objections to picking up a packet they've ordered at a collection point. But there is nevertheless a general trend towards more people wanting the goods delivered.

"The Danes also differ from other Nordic residents by expecting shorter delivery times," says Carsten Dalbo.

The greatest levels of patience when it comes to waiting for a product can be found in Finland, where there's still a slightly lower proportion who buy online compared with the rest of the Nordic region. At the same time, long waiting times are one of the

major challenges that Finnish e-commerce companies need to get to grips with to get the domestic e-market moving, believes Jouni Lamberg, Country Manager at Direct Link in Finland.

"Much of the increase in e-commerce in Finland in recent years comes from consumers shopping at foreign online shops. And we still haven't seen a domestic e-commerce boom. One of the explanations is that consumers are wondering why the prices at Finnish online shops are so much higher than in foreign shops, and why distribution times in Finland are so long."

2012 was also the year when the traditional retailers in the Nordic region quite clearly started to take e-commerce seriously. But even if many companies realise the importance of having a presence in the digital channels, and of performing a function from both a sales and a marketing perspec-

tive, there are still major differences in how much progress companies have made.

"Customer service is an increasingly important area when it comes to succeeding in the e-commerce market. You have to adapt to consumers in terms of everything from message to presentation, various platforms and delivery alternatives," says Kristin Anfinsen, Market Analyst at PostNord in Norway.

Amidst the growing range of channels and companies, the challenge is to be receptive so that you can reach your precise target group and to meet their requirements and preferences.

"Despite the many similarities, there are also major differences between the Nordic countries, which makes a target group analysis even more important than it was before. The more precise a company can be, the easier it is to sell," says Arne Andersson.

The experts



Arne Andersson, e-commerce specialist at PostNord in Sweden, advisor and speaker in the field of e-commerce in Sweden.



Kristin Anfinsen, market analyst at PostNord in Norway, where her work includes various surveys in the field of e-commerce.



Carsten Dalbo, Head of Logistics at Post Danmark, which is part of the PostNord Group.



Jouni Lamberg, Country Manager, Direct Link Finland, which is a part of PostNord.

More and more Nordic residents shop online every month

» 14.4 million consumers in the Nordic region bought products online in 2012

Buying products online is now a natural element of the everyday lives of Nordic consumers. 14.4 million Nordic residents bought products on the Internet in 2012. Of these, 37 percent were Swedes, 23 percent Danes, 21 percent Norwegians and 19 percent Finns.

Those shopping online are also doing it more often and for larger amounts. 29 percent of online shoppers in the Nordic region buy products online every month, which represents 4.2 million consumers between the ages of 18 and 79. Danes and Norwegians shop most frequently, followed by Swedes. The Finns shop a little less.

» Norwegians spend the most

Norwegians top the list when it comes to the average amounts spent buying goods online in 2012. The average online shopper in Norway bought goods to a value of 983 euros.

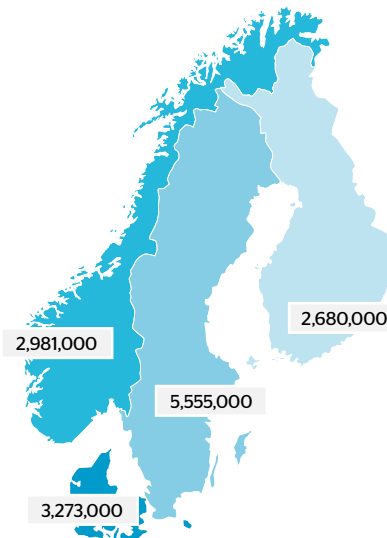
Taking the Nordic region as a whole, the most frequent shoppers are in the 30-49 age group. In Denmark and Norway almost every other consumer in this group, 46 percent, shops online at least once a month. Among Norwegians aged between 18 and 29, every other person shops online at least once a month.

» Simplicity drives e-commerce in the Nordic region

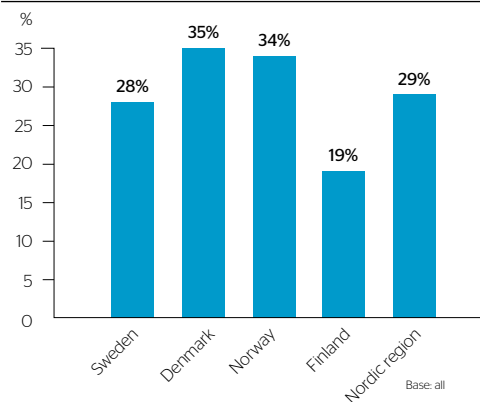
There are several reasons why consumers choose to buy goods online rather than in a traditional shop. What makes Nordic residents choose the Internet above all is the fact that it's simple, i.e. it's convenient, it saves time and you can shop when it suits you.

The second most common reason is lower prices, followed by a bigger and better selection. In Norway and Denmark, however, more people mention price than in Sweden and Finland, where the choice is a more important reason for more people.

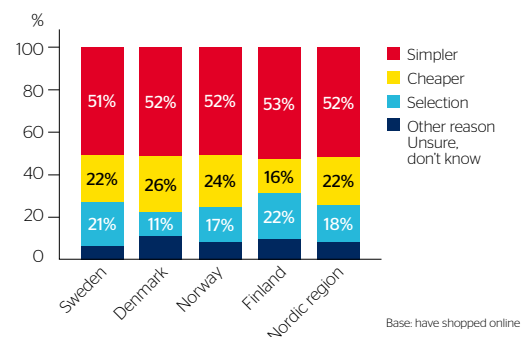
Consumers who bought goods online in 2012



Proportion who shop online every month



The main benefit of shopping online



Home electronics top the shopping lists

» Home electronics, clothing and books lead the way in all Nordic countries

Home electronics, clothing and books are the three product categories that by far the most online shoppers bought in 2012. The sequence at the top of the list does, however, vary between the countries. Books top the list in Sweden, bought by 48 percent of those who shopped online in 2012. Clothing comes top in Finland, bought by 40 percent. Half of all Norwegians and Danes who shopped online bought home electronics.

About 6.3 million Nordic residents bought home electronics online in 2012. Of these, 36 percent were Swedes, 25 percent Danes, 24 percent Norwegians and 15 percent Finns.

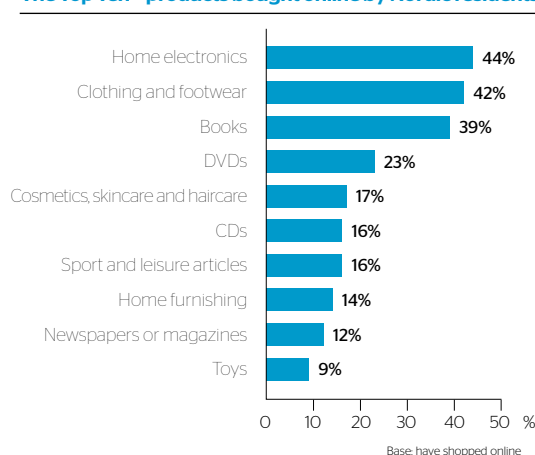
» More people are buying cosmetics, skin and haircare products online ...

The product category that has grown most compared with last year is cosmetics, skin care and haircare, which 17 percent of Nordic residents have now bought online. This is three percentage points higher than one year ago. The increase is primarily in Norway, where almost one in four online shoppers bought such products online in 2012.

... but fewer people are buying CDs online

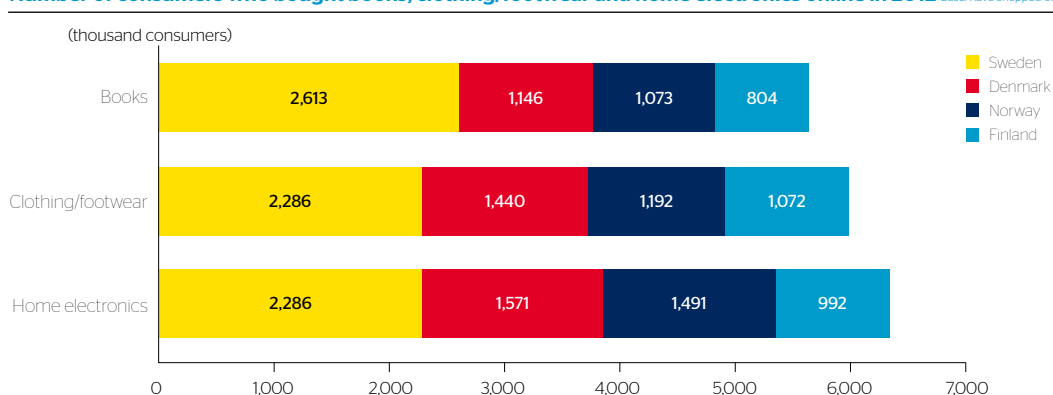
The product category that declined most in 2012 is CDs, which 16 percent of people bought during the year, compared with 22 percent the previous year. The proportion who bought CDs in Norway fell from 21 to 14 percent. In Finland, 19 percent of online shoppers still buy CDs.

The Top Ten – products bought online by Nordic residents



A large number of Nordic residents, 6.3 million, bought home electronics online in 2012.

Number of consumers who bought books, clothing/footwear and home electronics online in 2012



Two in three people often use search engines before purchasing a product online

» Search engines and comparison sites are an important part of the purchasing process

Using search engines and visiting comparison sites are common among Nordic consumers before they buy something online. Two in three often use search engines, and the same proportion often compare prices before making a purchase. Almost seven in ten Norwegian and Danish online shoppers often compare prices on a comparison site before making a purchase. This is least common in Finland, where only one in two do this.

» More than every other consumer study special offers from e-commerce companies that drop through their letterbox

One in four online shoppers often look at an item in a product catalogue before making a purchase. Close on every other consumer in some way studies special offers and catalogues from e-commerce companies that drop through the letterbox.

» Clear total price is important when buying from a site

Once the consumer has decided to buy a product online and has found a site, there are a number of aspects that are important if the consumer is going to want to make a purchase. 91 percent of Nordic residents consider it important that the total price is clearly stated. 94 percent of Danes consider this important. Almost equally important (91 percent) is good, clear information. Many (78 percent) also want to be able to navigate the site easily.

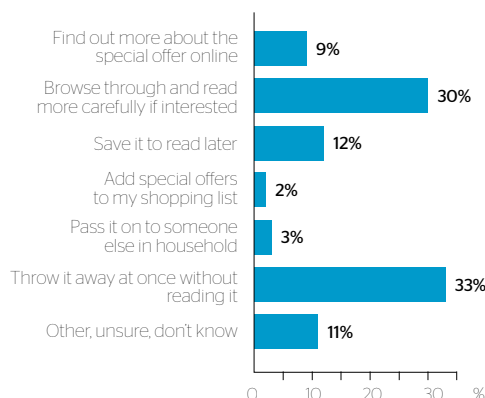


» Every other consumer studies special offers and catalogues from e-commerce companies.

Special offers through the letterbox

Use of product catalogues and other special offers from e-commerce companies that drop through the letterbox (one response possible).

Base: have shopped online

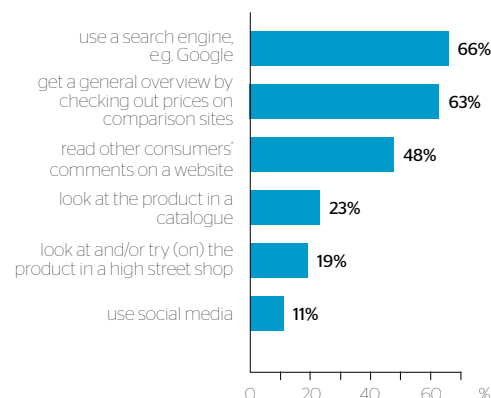


Online shoppers compare

When buying a product online, how often do you first of all ...

Nordic average. Answer: Always + very often + quite often.

Base: have shopped online



More purchases are made from mobile platforms

» Tablet PCs and mobiles increasingly important for e-commerce

Almost one in five online shoppers in the Nordic region bought goods in 2012 from a mobile platform, i.e. a tablet PC or a mobile phone. Last year, 25 percent of Norwegian online shoppers used a mobile platform at some point to buy products. This is not as important in Finland, where only ten percent bought goods using a mobile phone or tablet PC during 2012.

» For many people, shopping from a mobile platform is now taken for granted

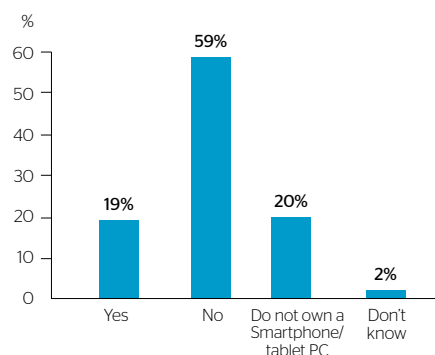
Asked from which device they most recently bought a product online, six percent state that they used a tablet PC and three percent a mobile phone. Most purchases are still made from laptops.

» Major differences in which payment methods are preferred

There are major differences between consumers from the various Nordic countries when it comes to how they wish to pay for a product bought online. In Denmark and Norway, the majority of online shoppers

Nordic residents answer about mobile platforms

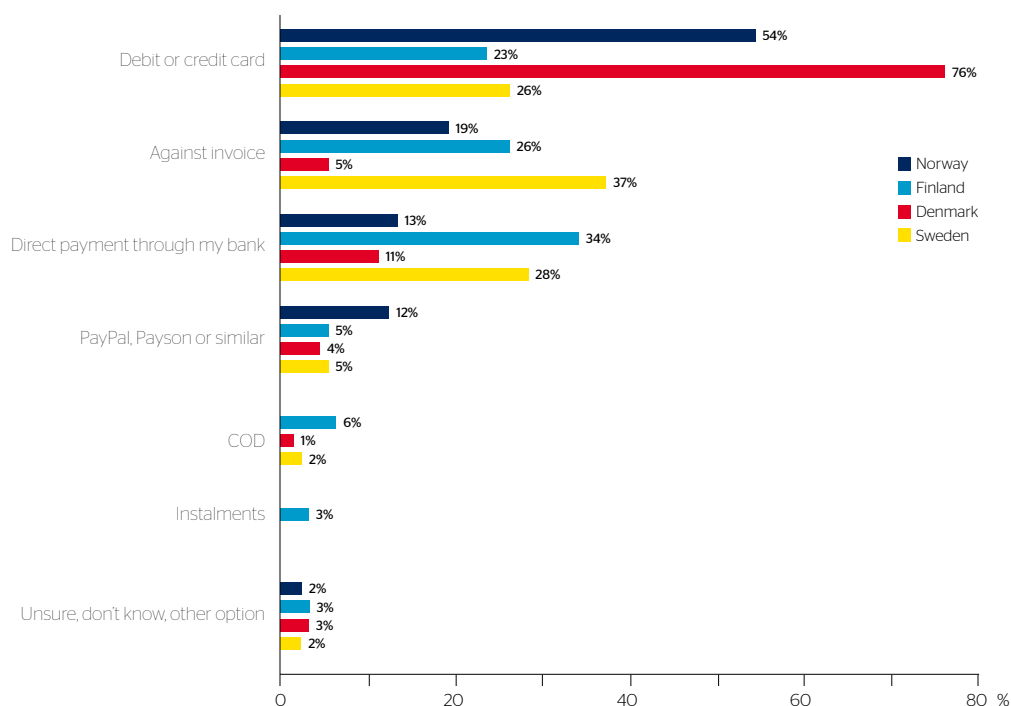
Have you used your smartphone or tablet PC to buy goods online at any time in the last twelve months? Nordic average. Base: have shopped online



prefer to pay by debit or credit card. In Sweden, most people want to pay retrospectively against an invoice, while in Finland the most popular option is to pay directly through the bank.

Nordic e-shoppers choose different payment methods depending on country

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



Faster deliveries are becoming increasingly important

» Every other Dane expects delivery within three days

When a product is ordered online, almost one in three online shoppers in the Nordic region expect the product to be delivered within three days at the most. Demands for fast delivery are highest among Danes, where almost one in two state that it should take no more than three days.

Finnish online shoppers do not have such strict demands. One in five consumers in Finland expect the product within three days, while almost one in three state that they can wait six or seven days.

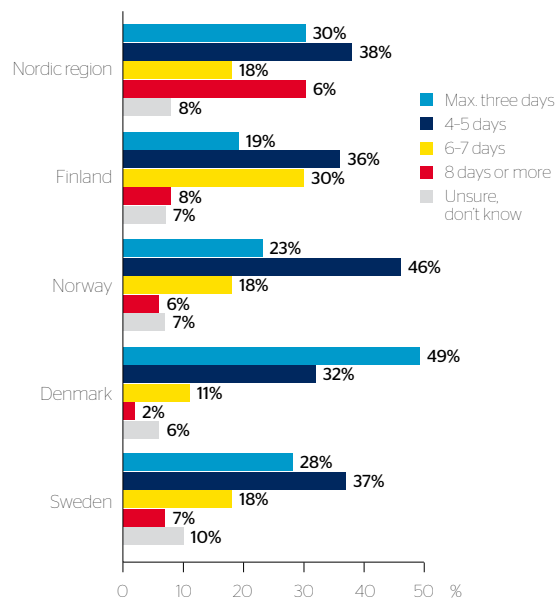
» Delivery alternatives important when choosing an online store

When shopping online, it isn't always speed that's important when it comes to delivery. The online store's delivery alternatives are also very important when Nordic residents choose a web shop. Two in three online shoppers in the Nordic region state that the online store's delivery alternatives are important when deciding from which store they want to buy.

Which delivery alternative is preferred varies, depending on the product, and there are fairly big differences between the various Nordic countries. In contrast to the other Nordic countries, Post Danmark has a social undertaking to offer all households in Denmark the facility to have packages delivered directly to the front door.

Expected delivery times

When you order a product online, what are your expectations of the delivery time, i.e. how many days may it take at the most to receive the product? Base: have shopped online

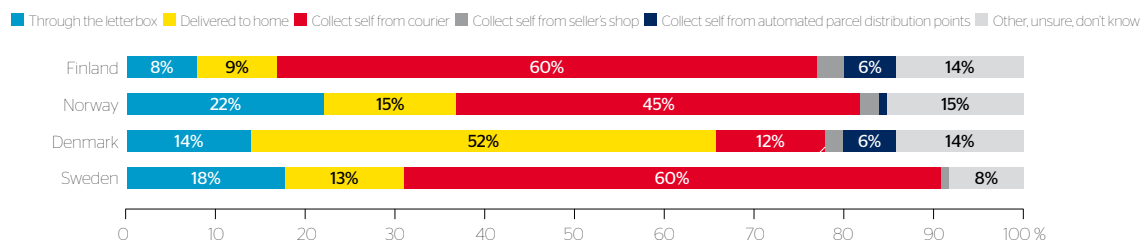


Different delivery alternatives for different products

When you order a product online, how do you prefer to receive it? Base: have shopped online

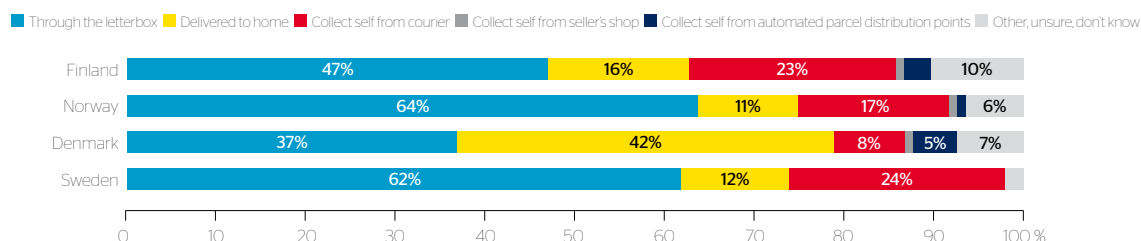
Clothing

In Sweden, Norway and Finland, most online shoppers want to collect clothing bought online at a collection point, while in Denmark they prefer to have them delivered to their home.



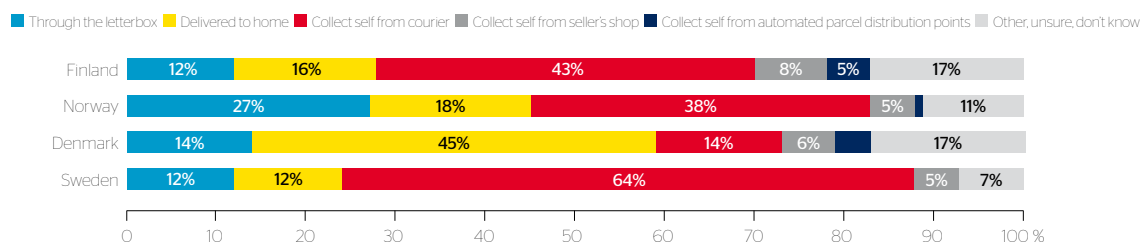
Books, DVDs and computer games

In Sweden and Norway, more than 60 percent of online shoppers want to receive books, DVDs and computer games bought online delivered to their letterbox. The letterbox is the most popular option in Finland as well. Many in Denmark also want to receive their products through the letterbox, even though more specify the home delivery alternative.



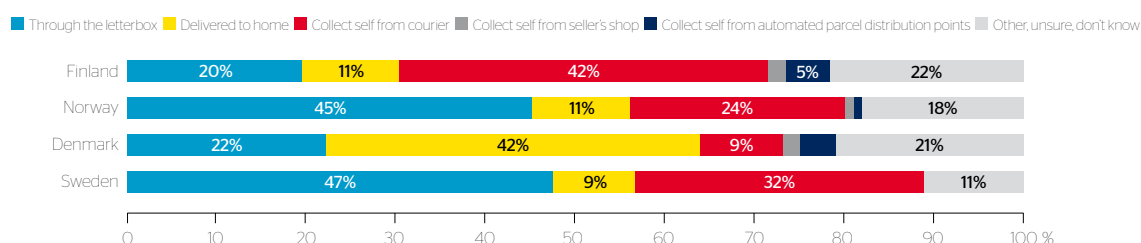
Mobile phones

In Sweden, Norway and Finland, most online shoppers want to collect mobile phones bought online at a collection point, while in Denmark they prefer to have them delivered to their home.



Cosmetics, skincare and haircare

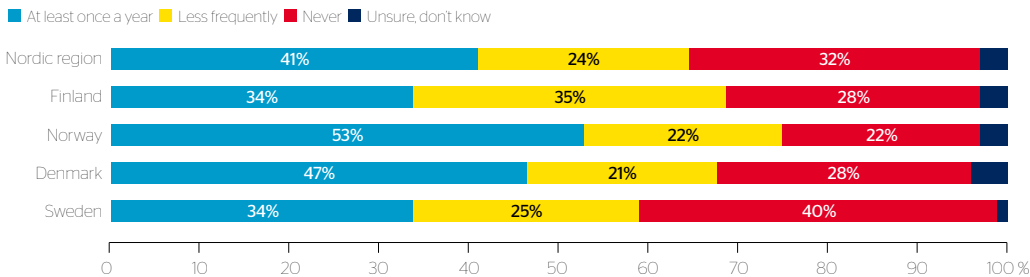
In Sweden and Norway, the letterbox is the most popular option when it comes to receiving cosmetics, haircare and skincare products bought online. In Finland they prefer to go their local collection point. The most popular option in Denmark is delivery to the home.



Popular to buy from foreign sites

How often Nordic residents do online shopping abroad

Approximately how often do you buy online from abroad? Base: have shopped online



» Norwegians buy most from foreign sites

Online shoppers in Norway buy more from foreign sites than any of their Nordic neighbours. More than one in two Norwegian online shoppers buy from abroad at least once a year, and 13 percent do it at least once a month. Danes buy almost as frequently from foreign sites, while Finns and especially Swedes tend to focus more on domestic sites.

» Broader range on offer is the main reason for foreign purchases

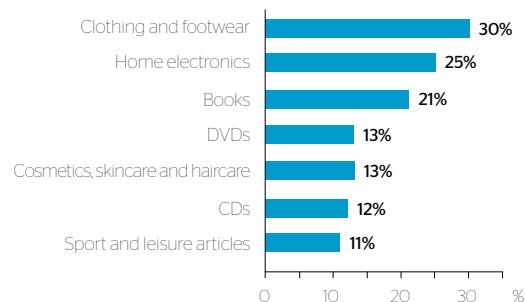
When online shoppers were asked to say why they last bought a product on the Internet from a foreign site, the reason given by most (45 percent) is that the product isn't available on any domestic site. 34 percent state that the main reason was that the product was cheaper than on domestic sites. Danish online shoppers were more likely to say that price was decisive for their choice of a foreign online store.

» Clothing/footwear lead the way for e-commerce from abroad

The most popular items chosen by online shoppers in the Nordic region when buying abroad were clothing/footwear, followed by home electronics and books.

What Nordic residents buy most online

What kinds of products have you bought from foreign sites in the past year? Base: have bought from foreign site at least once a year



Clothing and footwear are the products that most Nordic online shoppers bought from abroad.

This is where Nordic online shoppers make their purchases

» British online stores are most popular among Nordic residents

When Nordic residents buy products online from abroad, it is primarily online stores from the UK and the USA that lead the way, followed by Germany and Sweden.

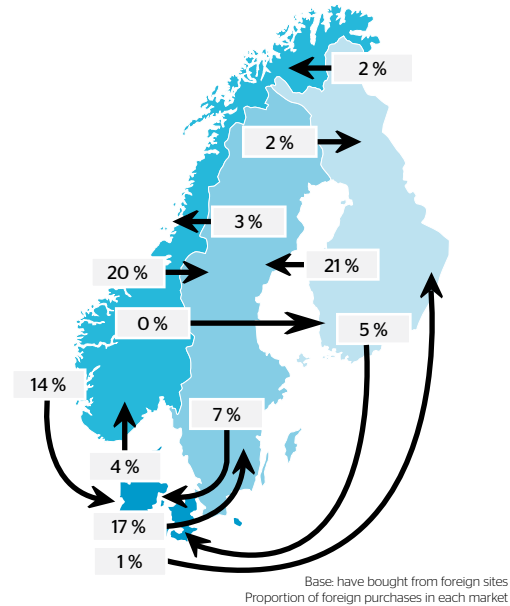
The situation is similar in all countries, although among Norwegian online shoppers there are far more who buy products from American sites. 52 percent of Norwegians, who shop online from foreign sites have bought from sites based in the USA. The figure in other Nordic countries is around 35 percent. The reason is that Norwegians, not being members of the EU, always pay taxes.

This is why a small number of countries dominate among those from which online shoppers most frequently buy, while many more are represented among those from which Nordic residents have made purchases at some time.

» Sweden is the hub of the Nordic e-commerce sector

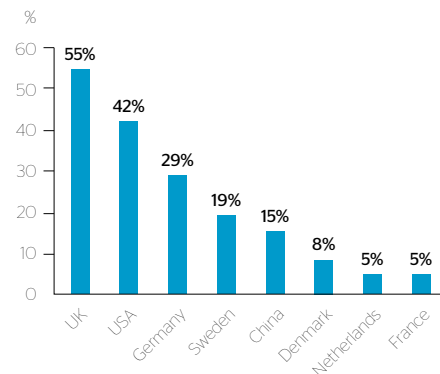
If you conduct a specific study of intra-Nordic e-commerce, a clear picture emerges in which Sweden forms the hub for Nordic e-commerce. About one in five online shoppers in Norway, Finland and Denmark who buy online from abroad state that they have made purchases from Swedish sites. E-commerce flows between the other countries, and from Sweden to other Nordic countries, were not as substantial.

E-commerce flows within the Nordic region



Countries that lead the way for foreign purchases

From which countries have you bought products online? Base: have bought from foreign sites



» Half of the Norwegians who made purchases from foreign sites bought products from American sites.



Rapidly expanding Zalando thinks local

Speed and local adaptation are the distinctive features of the German e-commerce giant Zalando, which last year expanded its operations to the Nordic region. “Once you’ve proved that your business model works, you’re on your way,” says Michael Lindskog, responsible for Zalando’s new business in the Nordic region.

From selling ladies’ footwear for the German market from an apartment in Berlin, in just four years Zalando has been transformed into a European e-commerce giant. Last year’s turnover of 1.15 billion euros was more than double the previous year, and the company currently has about one thousand employees.

By investing in infrastructure and three logistics centres, one of which is currently being built in Mönchengladbach, Zalando has already managed to reach more than



» We believe that it’s extremely important to adapt to local customers and market factors,” says Michael Lindskog, responsible for Zalando’s new business in the Nordic region.

ten million customers.

The business model has remained the same since the beginning: identify the target and customer group, grow by offering more products and categories, encourage customers to enjoy and choose shopping

online instead of in physical shops, and work with search engines and optimisation to get people to buy, as well as to expand into more markets.

“Once you’ve proved that your business model works, you’re on your way and there’s no reason why you shouldn’t just keep on growing,” says Michael Lindskog, responsible for Zalando’s new business in the Nordic region.

Within the space of just six months last year, Zalando became established in no fewer than seven European markets, including the Nordic region, which is an important market for the e-commerce company.

“It’s a mature region when it comes to e-commerce and purchasing behaviour. At the same time, Kinnevik has become an increasingly important shareholder, which also means that we want to perform well in their domestic markets.”

“We didn’t need to start from scratch in the Nordic region by explaining to our customers how e-commerce works, instead we were able to take our Zalando shop to a higher level.

Michael Lindskog, responsible for Zalando’s new business in the Nordic region.

Establishing the business has been helped by the fact that Nordic customers are experienced and used to shopping online.

“When the company went online in the Nordic region, we didn’t need to start from scratch by explaining to our customers how e-commerce works, instead we were able to take our Zalando shop to a higher level straight away.”

This allowed the company to focus immediately on offering customers “the right product range and the right service”. Even if the product range is fairly similar in all Zalando shops, the company still tries to adapt itself to each market by means of local features.

“We believe that it’s extremely important to adapt to local customers and market factors, and to investigate in detail what local customers are demanding. That’s why we offer, among other things, a lot of Nordic brands in our shops.”

Michael Lindskog also believes that this is the biggest challenge as well as being Zalando’s greatest strength: adapting to new customers. Even though the Internet is global and the online world is in many ways homogeneous, there are of course differences in the various regions.

“Some brands perform better in some countries than in others, and some trends

vary. To be able to offer our customers the best possible service, we’re constantly trying to keep an eye on which brands are in demand, and to adapt according to local conditions.”

There are different processes in each country for payment systems and delivery, for example. Marketing is also adapted according to local customers.

“We’ve created a team for each market at our head office in Berlin. It takes much more than simply speaking the language of the various countries.”

The Swedish team that is responsible for Zalando’s marketing in Sweden consists of around 20 Swedes with varying levels of experience and various competences. There’s also a local purchasing office in Stockholm to make sure there’s always a proximity to the customer.

“It’s important to create a loyal customer base by blending new and regular customers. Making the Zalando shop attractive to both customer groups is of course a challenge, as our aim is to create the very best shopping experience for all of our customers.”

Zalando’s rapid growth is explained by Michael Lindskog as being down to the company having a product range that is difficult to match. It means, among other things, 150,000 products, 1,500 well-known brands, free delivery and returns, and no costs for any payment option or customer service.

“We’ve also managed to communicate the brand to a broad customer group, and people feel that they can trust us. We focus on being fast, flexible and constantly improving the customer experience.”

Logistical services in the Nordic region are provided by PostNord, which through its 5,000 or so parcel distribution points can contribute to Zalando meeting its requirements for quality and flexibility.

» About Zalando

Business: Online retailers of footwear and fashion.

Founded: In 2008 in Germany by Robert Gentz, David Schneider.

CEO: Robert Gentz, David Schneider and Rubin Ritter. The investment company Kinnevik, part of the Stenbeck empire, is currently the major shareholder.

Markets: Germany, Austria, Netherlands, France, Italy, the UK, Switzerland, Sweden, Belgium, Spain, Denmark, Finland, Poland and Norway.

Turnover: 1.15 billion euros in 2012.

Employees: About one thousand.



5 TIPS

How to succeed with Nordic exports

1



Be aware of local rules and laws governing distance selling, marketing and handling personal data.

2



Engage a professional translator to translate the site in the country’s language.

3



Make sure that customer service speaks the customer’s language and can be contacted on a local phone number.

4



Find a logistics operator that can take care of distribution in as many countries as possible.

5



Find out how customers in the country want to pay and offer those alternatives.

DENMARK

» Population (aged 18-79)	4,179,644
» Proportion of population with Internet access (2011)	90%
» Consumers who shop online at least once a month	1,146,000
» The products most commonly bought online in 2012: 1. Home electronics 2. Clothing/footwear 3. Books	
» Proportion of online shoppers who expect delivery within a maximum of three days	49%
» Most popular payment methods: Debit or credit card (76%)	



E-commerce a natural feature of everyday life for Danes

» More than one million Danes buy products online every month

More than one in three Danes buy products online at least once a month. This means that Danes shop online more frequently than any of their Nordic neighbours. Amongst men, 38 percent shop online at least once a month. Danes aged between 30 and 49 are the most frequent shoppers. In this age category, 46 percent shop online at least once a month.

» Simplicity the main reason

More than one in two consumers, 52 percent, cite simplicity as the main reason for buying a product online instead of in a traditional shop. Simplicity means that you can shop when it suits you, that it saves time and is convenient. 26 percent mention price, while 11 percent say that the selection available is bigger and better. The younger the consumer, the more important price is. Amongst consumers aged between 18 and 29, 39 percent state that the main reason is that it's cheaper to shop online than in a regular shop.

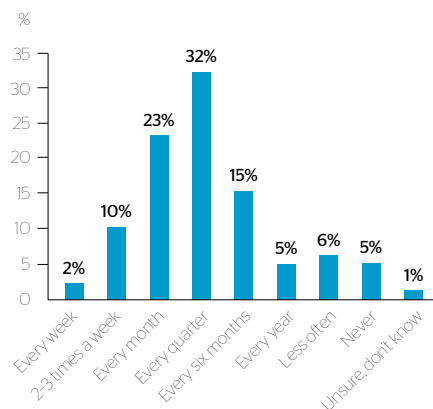
» Most people bought home electronics

The product category that most Danes bought online in 2012 was home electronics, bought by more than 1.5 million consumers.

The category that grew most compared with 2011 is clothing, bought by 44 percent in 2012. Far fewer people bought physical CDs online in 2012 compared with 2011. In 2011, 21 percent of online shoppers bought CDs, last year the proportion was 15 percent.

How often Danes shop online

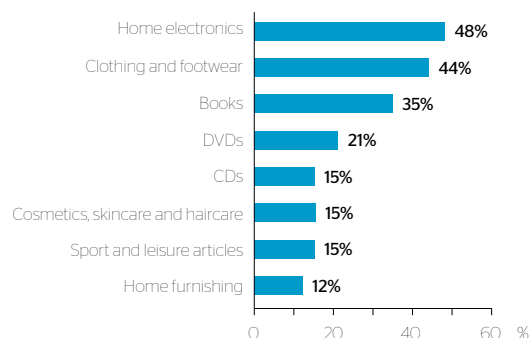
How often do you buy products online? Base: all



Danish online shoppers' favourite items

What kinds of products have you bought online in the past year?

(Top 8, multiple responses possible) Base: have shopped online



* Home electronics means TVs, music systems, home cinema systems, mobile phones and accessories, electronic household appliances, computers and computer accessories.

» The proportion who bought CDs fell from 21 percent in 2011 to 15 percent in 2012.



One in five shop online using a mobile platform

» Purchases from tablet PCs and mobile phones is becoming increasingly common.

20 percent of online shoppers used their mobile phone or tablet PC to buy products online in 2012. This method is most common among those aged between 18 and 29, of whom 28 percent use those devices. Asked which device they used most recently to shop online, seven percent mentioned a tablet PC and three percent a mobile phone. 54 percent used a laptop.

» Every other Dane studies special offers that drop through the letterbox

About every other Dane (51 percent) in some way studies product catalogues and other special offers from e-commerce companies that drop through the letterbox. Most browse through them and read more closely if there's anything of interest. Three in ten often look at a catalogue before buying a product online.

» Danes pay by debit or credit card

In Denmark a clear majority, 76 percent, prefer to pay for products bought online with a debit or credit card. This proportion is 83 percent in the 18-29 age group.

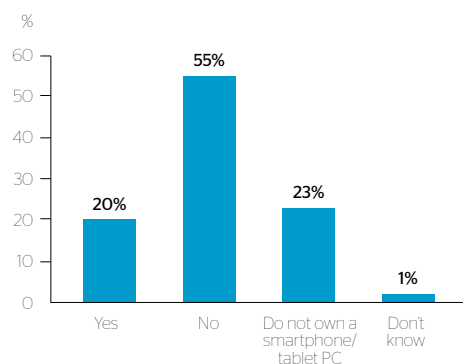
» 20 percent of Danish online shoppers buy using a mobile platform.



Mobile platforms for e-commerce

Have you used your smartphone or tablet PC to buy goods online at any time in the last twelve months?

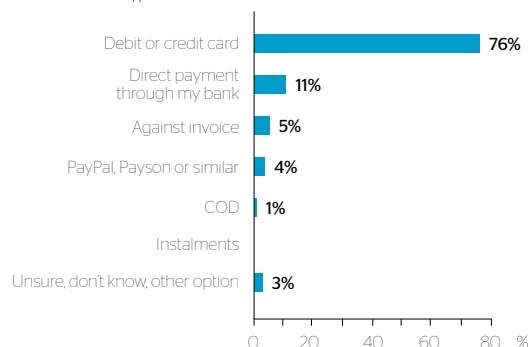
Base: have shopped online



Debit and credit cards most popular

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

Base: have shopped online

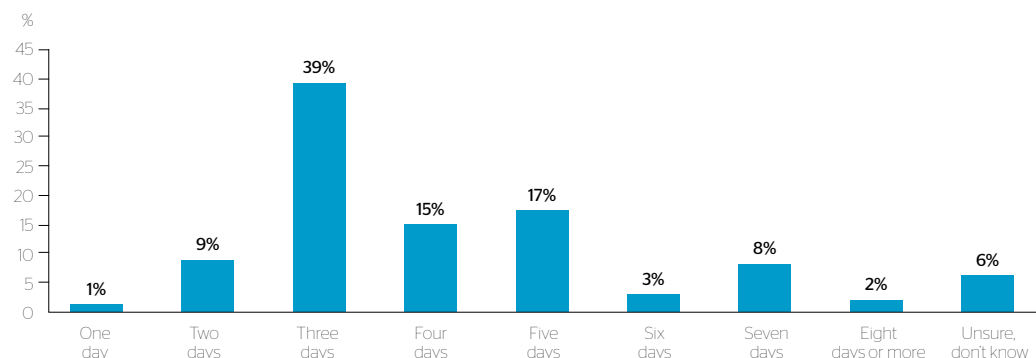


Every other Dane wants delivery within three days

Expectations of the delivery time

When you order a product online, what are your expectations of the delivery time, i.e. how many days may it take at the most to receive the product?

Base: have shopped online



» Danes demand fast deliveries

39 percent of Danes expect delivery within a maximum of three days of placing an order. Ten percent expect even faster deliveries – within a maximum of two days.

A slightly higher proportion of men than women expect to receive goods within three days. 53 percent of men compared with 45 percent of women. Demands for fast deliveries are highest among Danes aged 30-49. 53 percent of those aged 30-49 expect delivery within three days. The corresponding proportion among those aged 18-29 is 36 percent.

» Online stores' delivery alternatives important

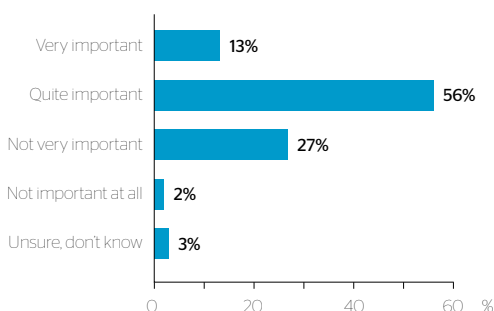
Online stores' delivery alternatives are important for seven in ten Danish online shoppers when they decide which online store to buy from.

Regardless of whether Danes have bought clothing, mobile phones or cosmetics, most want the goods to be delivered to their home. Only when it comes to books

and other media products do almost the same number prefer to have them through the letterbox.

The importance of online stores' delivery alternatives

How important are an online store's delivery alternatives for you when choosing an online store? Base: have shopped online

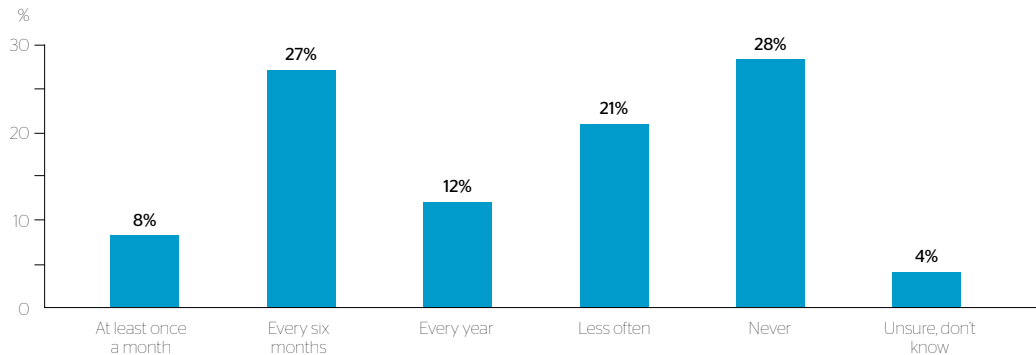


» Danish online shoppers have high demands to receive goods quickly.

Every other Dane buys from foreign sites

How often Danes buy from foreign websites

Approximately how often do you buy online from abroad? Base: have shopped online



» Danes are happy to buy from abroad

Danish online shoppers quite often cross borders to buy goods online. Eight percent buy from foreign sites at least once a month. A far higher proportion of men buy from foreign sites. 13 percent of men buy at least once a month, but only three percent of women.

» Clothing, books and home electronics

Of those who bought from foreign sites in 2012, 27 percent bought clothing/footwear, 25 percent home electronics and 25 percent books.

» Price and choice drive foreign purchases

Asked why they most recently bought a product from a foreign online store instead of a Danish one, 42 percent state that it was because the product was not available in Denmark and 41 percent because it was cheaper on the foreign site. Price was a more important factor for younger online shoppers.

» UK the most common online shopping destination

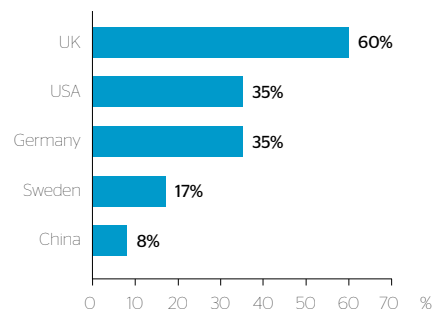
By far the most people shopped at UK online stores. This is true not least of all among the youngest online shoppers, with 70 percent having bought items from the UK.

The most common shopping destination of the Nordic countries was Sweden, used by 17 percent in 2012. Among women, 21 percent of online shoppers who bought from foreign sites used Swedish online stores.

The most popular countries for online shopping

From which foreign countries have you bought products online (a foreign country is a country that you perceive to be the registered domicile of the online store)?

Base: have bought from foreign sites.



» Seven in ten young Danish online consumers have bought items from the UK.



Protecty aims to clothe the entire Nordic region

Peter Højman's ambition is to create a Nordic e-commerce company. He took the first step last year, from Sweden to Denmark. "Creating reassurance and proving that you're serious and credible is the be-all and end-all," says Peter Højman.

Since the beginning in 2007, Protecty has grown to become the Nordic region's biggest online store for work clothing. "The demands, the target group, the products and the brands we sell are available in all Nordic countries," says Peter Højman, founder and MD of the company.

The fact that it was Denmark that came next after Sweden was mostly down to chance, not least because Peter Højman found the right person to take over the project.

"When you're running a small business, all development projects are a challenge when you have to take care of day to day operations at the same time. So we decided to bring in a project manager to assume responsibility for the whole job through to the launch."

A Danish lawyer helped with the legal issues relating to setting up the company. As for logistics, the company invited quotations from both Swedish and Danish companies.



»Reassurance and convenience were decisive when Protecty chose to use Posten MyPack or Företagspaket for their deliveries and returns, believes Peter Højman, MD of Protecty.

For reasons of convenience, the decision was for a Swedish solution. Purchases, dispatches and returns are currently processed from the warehouse in Sweden. The same applies for customer service. Deliveries take place via Posten MyPack or Företagspaket.

"It works really well. If we'd chosen a Danish partner, we'd have had much lower freight costs, but for the initial phase we opted to prioritise reassurance and convenience."

Have you made any mistakes?

"Initially we chose to use a Danish accountant, which proved to be entirely the wrong decision. For example, it's just as easy to report VAT via electronic services to the Danish as to the Swedish tax authority. There

are also plenty of Swedish accountants with good skills in managing and producing accounts for our Danish company."

One success factor he mentions, alongside the company's broad range of brands and products, is the fact that delivery is free.

"I believe that the decision to become properly established, by having a Danish company and a Danish address, and the fact that we aimed for 'Secure e-commerce certification' at an early stage, were important in enabling us as a Swedish company to become established so quickly and to win the confidence of customers in the Danish market."

» About Protecty

Business: Sells work clothing and protective equipment to companies and private individuals.

Founded: 2007.

Employees: 3.

Markets: Sweden, Denmark, Finland and Norway. Also has regular orders from virtually all over the world.

Turnover: EUR 1,089 million per annum.



NORWAY



» Population (aged 18-79)	3,706,777
» Proportion of population with Internet access (2011)	93.5%
» Consumers who shop online at least once a month	1,014,000
» The products most commonly bought online in 2012: 1. Home electronics 2. Clothing/footwear 3. Books	
» Proportion of online shoppers who expect delivery within a maximum of three days	23%
» Most popular payment methods: Debit or credit card (54%)	

One in three consumers shop online every month

» One million Norwegians buy goods online every month

One in three Norwegians (34 percent) buy products online at least once a month. The proportion among those aged between 18 and 49 is 47 percent. For men, the proportion who shop online every month is 36 percent, for women 31 percent.

» Simplicity drives Norwegian e-commerce

Just over one in two consumers, 52 percent, cite simplicity as the main reason for buying a product online instead of in a traditional shop. Simplicity means that you can shop when it suits you, and that it's convenient and saves time. 24 percent state that the main reason is that it's cheaper, 17 percent that the selection is bigger and better.

There are fairly significant differences between the main reasons cited by Norwegian men and women. Among men, 46 percent mention simplicity, compared with 58 percent of women. There is a higher proportion of men who instead mention a bigger and better selection. Price is also mentioned by more men than women.

» Home electronics lead the way

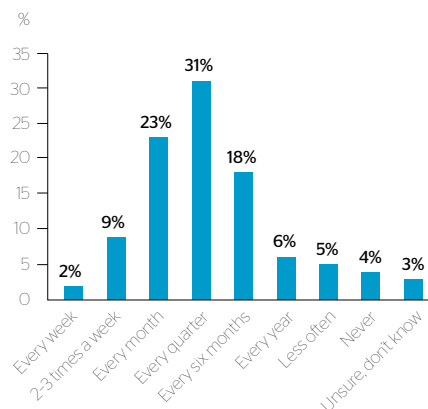
Home electronics dominate among Norwegian online shoppers. Every other online shopper in Norway, 1.5 million people, bought home electronics online in 2012.

More and more Norwegian online shoppers are buying cosmetics and haircare and skincare products online – 22 percent in 2012 compared with 18 percent in 2011. But fewer are buying physical CDs, 14 percent last year compared with 21 percent in 2011.



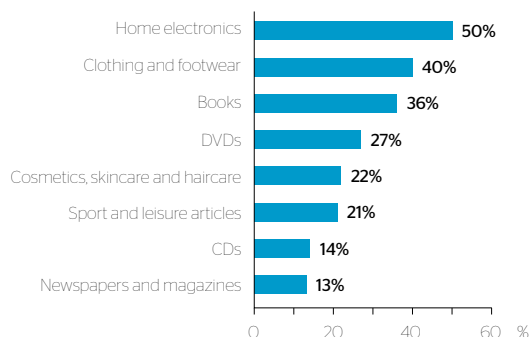
How often Norwegians shop online

How often do you buy products online? Base: all



Norwegian online shoppers' favourite products

What kinds of products have you bought online in the past year? (Top 8, multiple responses possible) Base: have shopped online



» More and more Norwegian online shoppers are buying cosmetics online.

Norwegians lead the way in mobile e-commerce

» One in four have shopped online using a mobile or a tablet PC

Norwegians lead the way in the Nordic region when it comes to buying goods using their mobile phone or tablet PC. 25 percent of online consumers have used a mobile platform to buy goods online. The figure among those aged 18-49 was one in three (33 percent). It is tablet PCs in particular that are becoming increasingly common when shopping online. Asked which device they had used to make their most recent online purchase, nine percent mentioned a tablet PC and two percent a mobile phone. The most common response was a laptop, used by 63 percent.

» Product catalogues are significant when buying

One in four Norwegian online shoppers (26 percent) often look at the goods in a product catalogue before they buy an item online. One in two consumers (49 percent) also study product catalogues and other special offers that drop through their letterbox from e-commerce companies, in particular by browsing through them and reading more carefully if it is something that interests them.

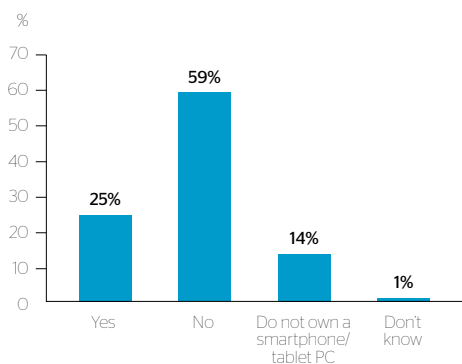
» One in two Norwegians prefer debit or credit cards

When Norwegian online consumers pay for their goods online, most prefer to use debit or credit cards. Among young people aged between 18 and 29 there is quite a large proportion, 20 percent, who prefer to pay via PayPal or similar payment services. There is a higher proportion among slightly older consumers who prefer to pay retrospectively against an invoice.

Mobile platforms for e-commerce

Have you used your smartphone or tablet PC to buy goods online at any time in the last twelve months?

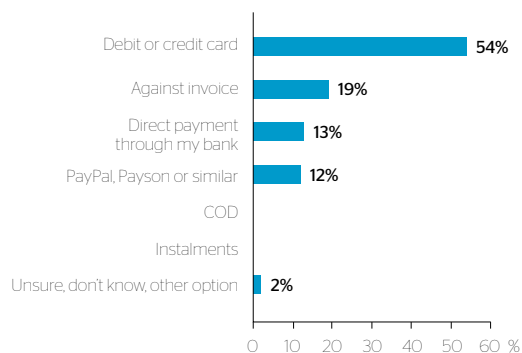
Base: have shopped online



More and more Norwegians are using tablet PCs to shop online.

Debit and credit cards most popular

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

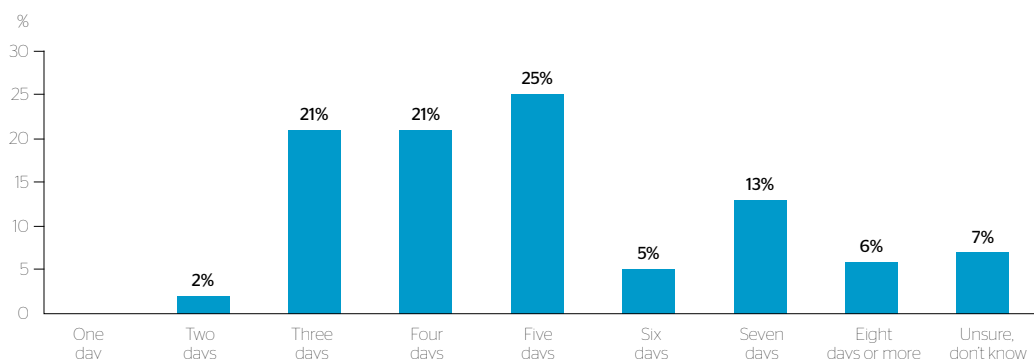


One in four expect delivery within three days

Expectations of the delivery time

When you order a product online, what are your expectations of the delivery time, i.e. how many days may it take at the most to receive the product?

Base: have shopped online



» Delivery within three to five days

Norwegian online shoppers have lower expectations of fast deliveries than Danes and Swedes. Almost one in four consumers (23 percent) expect delivery within a maximum of three days, 21 percent expect delivery within four days and 25 percent within five days.

More men than women expect fast deliveries. 28 percent of men feel that it should take a maximum of three days, while the corresponding proportion among women is 18 percent.

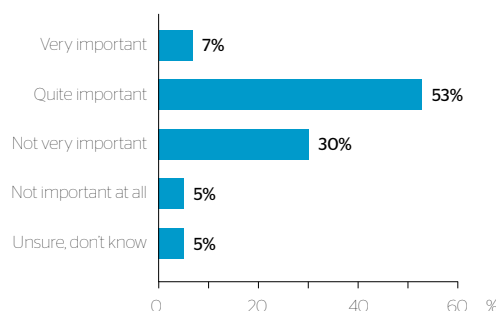
» Delivery alternatives important when choosing online store

Six in ten online shoppers believe that an online store's delivery alternatives are important when deciding from which online store they want to buy. How they want a product to be delivered depends on what kind of product it is. Most online shoppers prefer to collect clothing from a collection point. 28 percent want to collect mobile phones themselves from their collection point, while 27 percent would accept them coming through the letterbox. Most people prefer to receive books and other media products through the letterbox. The letterbox is also a popular delivery alternative when it comes to cosmetics.

» Norwegian online shoppers prefer to have books and other media products delivered through their letterbox.

The importance of online stores' delivery alternatives

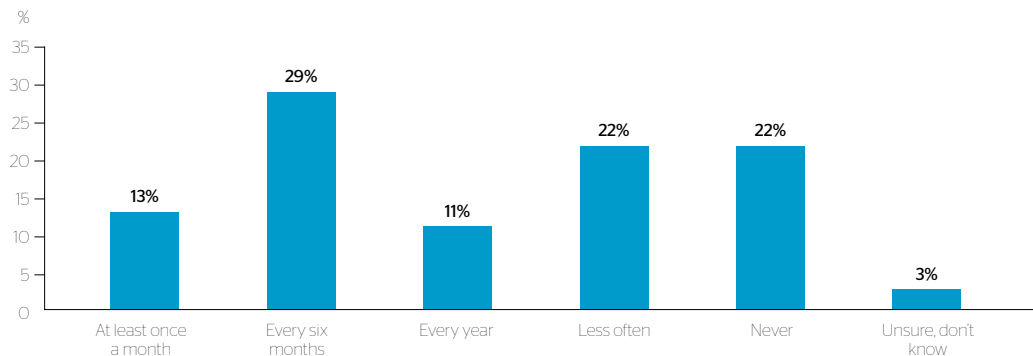
How important are an online store's delivery alternatives for you when choosing an online store? Base: have shopped online



More than half buy from foreign sites every year

How often Norwegians buy from foreign online stores

Approximately how often do you buy online from abroad? Base: have shopped online



» Norwegians lead the way when it comes to foreign purchases

One in two Norwegian online shoppers (53 percent) buy goods online from foreign online stores at least once a year. 13 percent do so at least once a month. This means that of all the Nordic countries, Norwegians are the ones who most frequently cross borders to buy goods online. Among those aged between 18 and 49, 18 percent buy from foreign sites at least once a month.

» Cosmetics are common purchases from foreign sites

Home electronics, clothing/footwear and books are also popular products among consumers when it comes to shopping abroad. But Norwegian online shoppers who buy from foreign online stores also include an unusually high proportion, 21 percent, who buy cosmetics and haircare and skincare products.

» Selection most important for foreign purchases

The most important driving force for shopping abroad among Norwegians is the selection available. 41 percent states that the main reason they chose a foreign online store instead of a Norwegian one when they last shopped online was that the product was not available in Norway. 12 percent stated that there was a better selection abroad, while 36 percent said it was cheaper.

» USA and UK most popular

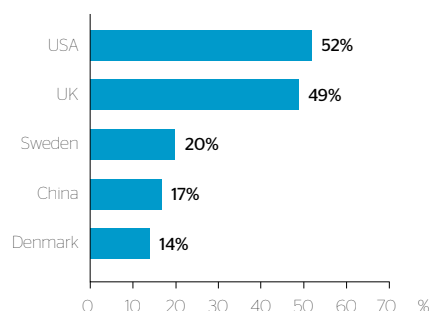
Norway is the only country where the USA tops the list of countries from where people have shopped. The proportion who bought from the USA is also much higher among Norwegians than in other Nordic countries.

Norwegians also lead the way when it comes to buying from their Nordic neighbours. Last year 20 percent bought from Swedish online stores and 14 percent from Danish ones.

The most popular countries for online shopping

From which foreign countries have you bought products online (a foreign country is a country that you perceive to be the registered domicile of the online store)? Top 5

Base: have bought from foreign sites



» A better selection attracts Norwegians to foreign online stores.

Jörgen Bødmar is MD of the Kalmar-based e-commerce company Designonline.



Designonline furnishes Norway

Norwegian consumers have plenty of money and are regular online shoppers. These were a couple of reasons why Swedish company Designonline opened a Norwegian branch last year: ScandinavianDesignCenter.

Even ten years ago, when Jörgen Bødmar started up the Kalmar-based e-commerce company, the sights were set on selling products beyond the Swedish borders. Since then, the home furnishing store has seen steady growth of 50–60 per cent per annum, and at present 55 percent of sales are exported to 70 countries.

"I've been working at SAS for 17 years, so it feels natural to work with other nationalities, not least Norwegians and Danes. On the other hand, what many people don't realise is that each country has its own rules and its own culture, which you have to adapt to as a businessman," says Jörgen Bødmar.

Even though Norway is close to Sweden geographically and culturally, it's a relatively awkward country to export to, as it's outside the EU.

"There are lots of formalities before you can get started. Lots of online traders, especially those that sell products where there are a lot of returns, clothing for example, can give it a miss for that reason.

There's just too much bother with customs and taking back things you've exported."

Despite the obstacle of customs and bureaucracy, Norway is an attractive country for many online traders.

"Norwegians have plenty of money and spend about as much as Danes and Finns combined. One explanation is that Norwegian consumers are comfortable and value their time. Another is that the country's retailers are largely concentrated in the urban regions, which means there's a limited range available in the rest of the country."

Designonline used to sell goods to Norway via its Swedish website. But increased competition led to the decision to become established there too.

"The Norwegian branch was a prerequisite to access their domestic top domain, while at the same time it's made it easier to adapt to local conditions, which has also increased sales."

Before establishing the business in Norway, Jörgen Bødmar conducted an in-depth survey of the market conditions and

also turned to qualified advisors such as the Swedish Trade Council for assistance.

With the aid of PostNord, most products are now dispatched by truck from the warehouse in Kalmar to Oslo.

"PostNord has a system that can take our entire shipment to Oslo in one day. Instead of having a lot of different packages, everything goes on one pallet to Oslo, where it's then broken down into small parcels and passed on into their system, which makes it easy for us to handle."



» About Designonline (ScandinavianDesignCenter)

Business: Sells Scandinavian design and home furnishing products, with around 9,000 products from approximately 180 different suppliers.

Founded: 2002.

Employees: 17.

Markets: Dispatches parcels to address in 70 countries, including Svalbard and Hawaii. Has sites in five languages: Swedish, English, German, Norwegian and Finnish.

Turnover: Forecast EUR 5.4–6 million in 2013.

SWEDEN



» Population (aged 18-79)	7,130,000
» Proportion of population with Internet access (2011)	90.9%
» Consumers who shop online at least once a month	1,524,000
» The products most commonly bought online in 2012: 1. Books 2. Clothing/footwear 3. Home electronics	
» Proportion of online shoppers who expect delivery within a maximum of three days	28%
» Most popular payment methods: Retrospectively against invoice (37%)	

1.5 million Swedes buy from foreign sites every month

» 28 percent of Swedes buy products online at least once a month

E-commerce is an accepted feature of everyday life for many Swedes. E-commerce is most widespread among Swedes aged between 30 and 49, with 34 percent buying goods online at least once a month.

» Simplicity drives e-commerce

For every other online shopper, the main reason for buying a product online instead of in a traditional shop is that it's simple, i.e. that you can shop when it suits you, that it saves time and is convenient. For 22 percent, price is decisive and for 21 percent the selection available.

The reasons vary between men and women. Among men there are more who mention price (27 percent) and a bigger, better selection (23 percent) than among women (where 18 percent mention price and 18 percent selection).

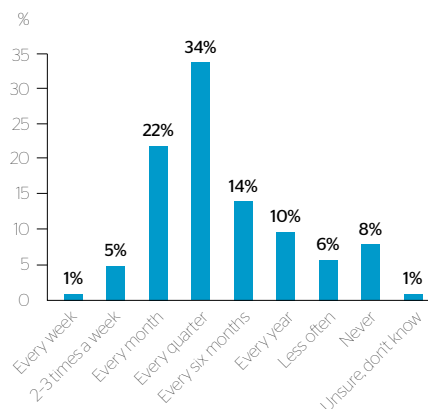
» One in two bought books online in 2012

Almost every other online shopper in Sweden bought books on the Internet in 2012. This is followed by home electronics and clothing/footwear, which 42 percent bought online.

Among female online shoppers, books (57 percent) and clothing/footwear (55 percent) dominate. Among men, it's home electronics that by far the most bought online last year (56 percent), although a lot also bought books on the Internet (40 percent).

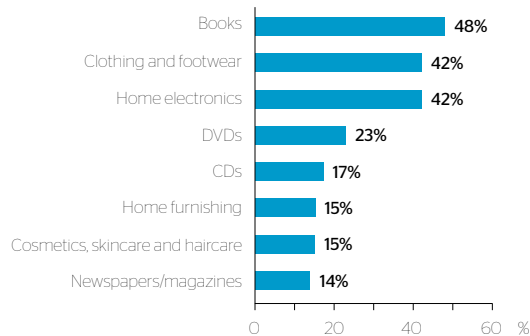
How often Swedes shop online

How often do you buy products online? Base: all



Favourite products among Swedish online shoppers

What kinds of products have you bought online in the past year? (Top 8, multiple responses possible) Base: have shopped online



» Books the favourite product for Swedish online shoppers.



Mobile e-commerce is becoming increasingly common in Sweden



» One in five online shoppers bought using a mobile platform in 2012

Purchases from tablet PCs and mobile phones are becoming increasingly common among Swedish online shoppers. 19 percent bought products at some point using a tablet PC or mobile phone during 2012. Asked which device they used most recently for online shopping, five percent mentioned a tablet PC and three percent a mobile phone. Every other consumer made their most recent online purchase on a laptop.

» Six in ten study special offers that drop through the letterbox

59 percent of Swedish online shoppers in some way study product catalogues and other special offers from e-commerce companies that drop through the letterbox. Almost one in five online shoppers often look at a product in a catalogue when buying online.

» Paying retrospectively against invoice most popular

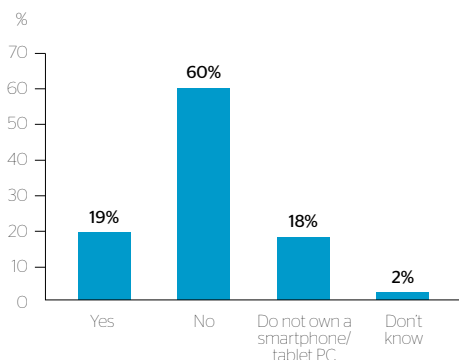
37 percent of Swedes prefer to pay for their goods retrospectively against an invoice. The popularity of the invoice is slightly less than in previous years, but it remains number one. 28 percent prefer direct payment via their bank and 26 percent prefer paying by debit or credit card.

» Swedish online shoppers are choosing more often to buy online from a mobile platform.

Swedes answer about mobile platforms

Have you used your smartphone or tablet PC to buy goods online at any time in the last twelve months?

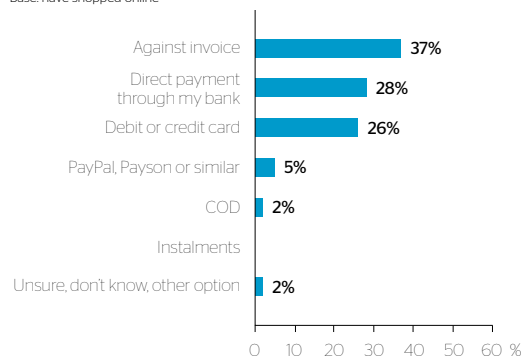
Base: have shopped online



The invoice most popular

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

Base: have shopped online

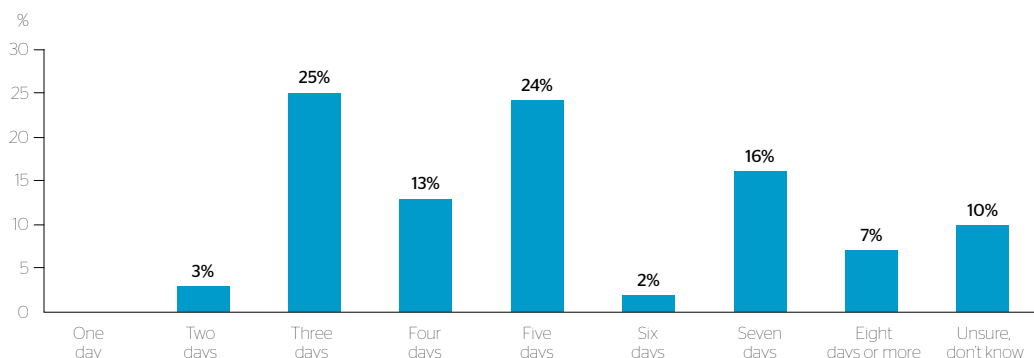


Most want delivery within three to five days

Swedes' expectations of the delivery time

When you order a product online, what are your expectations of the delivery time, i.e. how many days may it take at the most to receive the product?

Base: have shopped online



» Most Swedes want to collect clothing and mobile phones at their collection point.

» Swedes expect delivery within three to five days

28 percent of Swedes expect delivery within a maximum of three days once the order has been placed. 14 percent can wait four days and 24 percent one additional day.

Men are more impatient than women. Among men, 33 percent expect delivery within a maximum of three days. The corresponding proportion among women is 22 percent.

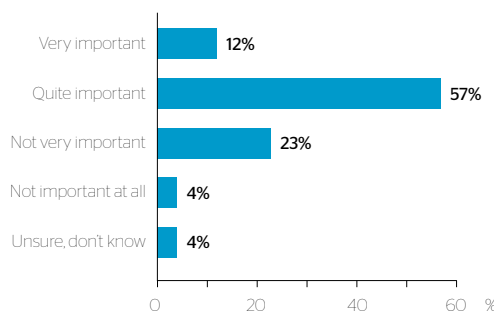
» Seven in ten think that an online store's delivery alternatives are important when choosing an online store

69 percent of online shoppers think that online stores' delivery alternatives are very or quite important when choosing which online store to buy from. Most Swedes want to collect clothing and mobile phones from their collection point, while most want to have books, DVDs and computer games delivered through their letterbox. The letterbox is also the most popular option when it comes to cosmetics and skincare and haircare products.



The importance of online stores' delivery alternatives

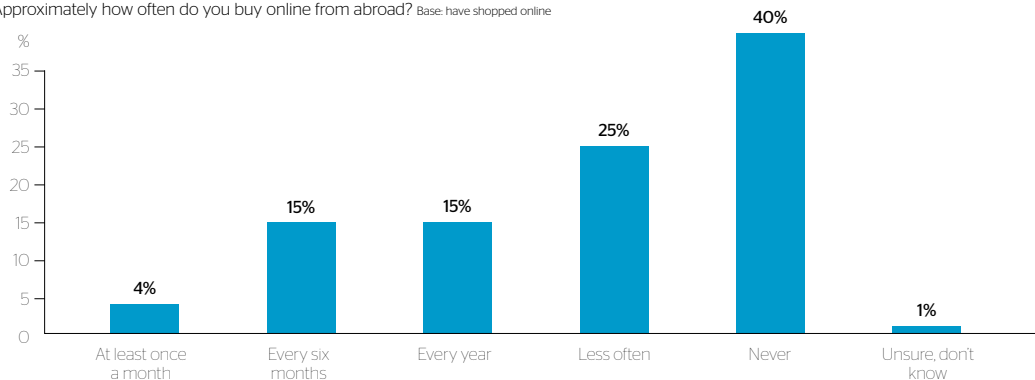
How important are an online store's delivery alternatives for you when choosing an online store? Base: have shopped online



1.9 million Swedes buy from foreign sites

How often Swedes buy from foreign online stores

Approximately how often do you buy online from abroad? Base: have shopped online



» Extensive purchases from foreign sites

One in three Swedish online shoppers buy products from foreign sites every year. This represents 1.9 million consumers. In percentage terms, Sweden is behind Denmark and Norway when it comes to foreign purchases, but in terms of the number of consumers, Sweden has the most.

A significantly higher proportion of men than women have made purchases from foreign sites, especially those under the age of 49.

» Most bought clothing

The products most widely purchased from foreign online stores in 2012 were clothing/footwear (33 percent). These are followed by home electronics (22 percent) and books (18 percent). Clothing/footwear lead the way among both men and women in all age groups up to 65.

» Product not available in Sweden

For every other consumer, the main reason they last bought a product from a foreign online store was that it was not available on Swedish sites. For 34 percent, price

was decisive and for ten percent the fact that the range available was generally greater on foreign sites.

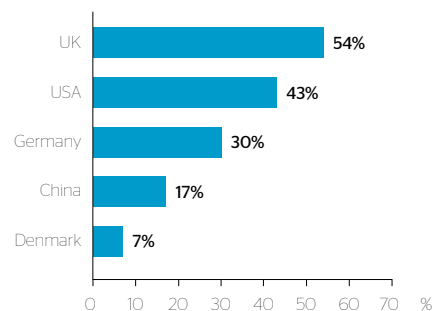
» UK and USA dominate

More than half of the consumers who bought online from abroad in 2012 did so from UK online stores. 43 percent bought from American sites and 30 from German ones. China is growing strongly. No fewer than 17 percent made purchases last year from Chinese sites, a significant increase from the 11 percent who did so in 2011.

E-commerce from abroad

From which foreign countries have you bought products online (a foreign country is a country that you perceive to be the registered domicile of the online store)? Top 5

Base: have bought from foreign sites.



» Swedes choose foreign online stores when the product isn't available on any Swedish site.

Anton Hagberg is
Commercial Director of
the Komplet Group.



Komplett success in Sweden

Since Komplett moved into Sweden in 2001, online shopping has literally exploded. At the same time, the Norwegian home electronics company has become Scandinavia's biggest e-commerce operator.

The Swedish online store Komplett.se is a part of the Komplett Group, which is owned by Norwegian businessman Sten Erik Hagen's company Canica, which is also co-owner of, among others, the Norwegian industrial conglomerate Orkla, formerly co-owner of ICA.

The Norwegian warehouse, which originally consisted of a garage in Sandefjord, has grown down the years to become a group of companies with a current turnover of around SEK 4.5 billion. Around one quarter of this turnover comes from Sweden and Denmark – the rest from Norway.

"Sweden was our first new business outside Norway. It's the biggest market in Scandinavia, which makes it especially important for us," says Anton Hagberg, Commercial Director of the Komplett Group.

Even before the turn of the millennium, the company had a concept for selling home electronics to Norwegian end customers and resellers.

"I wasn't working here then, but I understand that they took the concept on and adapted it for the Swedish market. Both Norwegians and Swedes are active online shoppers. If it worked in Norway, it should also work in Sweden – that was the reasoning.

Mail order paved the way

The fact that Sweden has a long tradition of shopping by mail order presumably contributed to making the transition to shopping online more natural than in other markets. At the same time, Swedish consumers can be demanding.

"They research carefully before making a purchase by using, for example, search engines and comparison sites. There's tough competition in the Swedish market. Swedes expect fast deliveries and are also more price-conscious than most Norwegians."

This is why Anton Hagberg believes that fast deliveries, customer service and a wide range of products combined with a user-

friendly website and the competence of the company's employees have been decisive success factors. As well as efficient logistics.

Komplett currently uses Tollpost, which is wholly owned by PostNord, as its main supplier for outgoing dispatches of parcels from the central warehouse in Sandefjord to all customers in the Nordic region.

"We decided to concentrate on one brand – MyPack. It's an advantage to have one point of contact when it comes to, for example, booking capacity or complaints, fewer vehicle journeys and better capacity utilisation."

» About the Komplett Group

Business: In Sweden, the Group runs the online stores Komplett.se and inWarehouse.se, as well as the distributor site Norek.se

Founded: 1991, started online trading in 1996.

Employees: 440 full-time.

Markets: Norway, Sweden, Denmark.

Turnover: In total, the Group's turnover last year corresponded to around 490 million euros.



FINLAND

» Population (aged 18-79)	4,056,278
» Proportion of population with Internet access (2011)	89.3%
» Consumers who shop online at least once a month	509,000
» The products most commonly bought online in 2012: 1. Clothing/footwear 2. Home electronics 3. Books	
» Proportion of online shoppers who expect delivery within a maximum of three days	19%
» Most popular payment methods: Direct payment through bank (34%)	



Half a million buy goods online every month

» One in five Finns buy goods online every month

Finland is still a little behind the other Nordic countries when it comes to e-commerce, but the market is growing. Three in four Finns (74 percent) bought goods online during 2012, and 19 percent now do so every month. E-commerce is most widespread in the 30-49 age group, where 29 percent shop online at least once a month.

» Simplicity the main reason

More than one in two consumers say that simplicity is the main reason for buying goods on the Internet instead of in traditional shops. The fact that a product is cheaper is only a driving force for 16 percent of Finnish online shoppers. The reasons vary quite a lot between different age groups and between women and men.

For men, price and the range available are far more important reasons for shopping online than is the case for women. Among those aged between 18 and 29, no fewer than 39 percent state that a bigger selection is the most important reason.

» Most have bought clothing and footwear

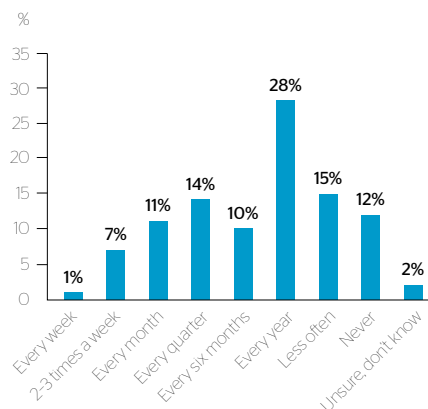
40 percent of Finnish online shoppers bought clothing and footwear on the Internet in 2012. These are followed by home electronics (37 percent) and books (30 percent).

Among Finnish women, clothing/footwear is the category that by far most bought online last year. 57 percent of female online shoppers bought clothing/footwear. Home electronics dominated among men, bought by 57 percent during the year.



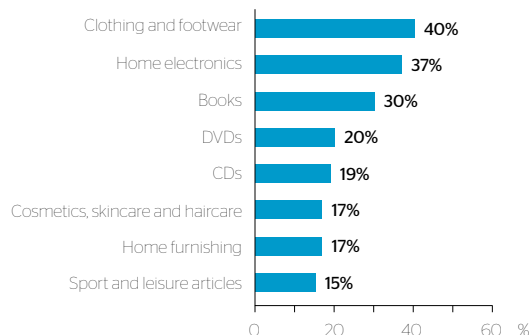
How often Finns shop online

How often do you buy products online? Base: all



Finnish online shoppers' favourite products

What kinds of products have you bought online in the past year? (Top 8, multiple responses possible) Base: have shopped online



» Almost six in ten Finnish women who shopped online in 2012 bought footwear or clothing.

One in ten have shopped using a mobile device



» 268,000 Finns have shopped using a mobile or a tablet PC

Ten percent of Finnish online shoppers used their mobile phone or tablet PC to buy a product online in 2012. This is a much lower proportion than in the other Nordic countries. It is slightly more common among men aged between 30 and 49 than among women and in other age groups.

» Finns study special offers that come through the letterbox

60 percent of Finnish online shoppers in some way study product catalogues and other special offers from e-commerce companies that drop through the letterbox. 28 percent often check out a product in a product catalogue before they buy it online.

» Direct payment via the bank the most popular payment alternative

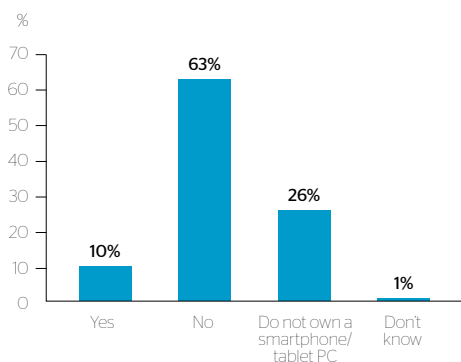
One in three Finns who buy goods online prefer to pay by means of direct payment via their bank. The second most popular is to pay retrospectively against invoice, followed by payment by debit or credit card.

» There's a potentially expanding market for mobile e-commerce among Finnish women.

Mobile platforms for e-commerce

Have you used your smartphone or tablet PC to buy goods online at any time in the last twelve months?

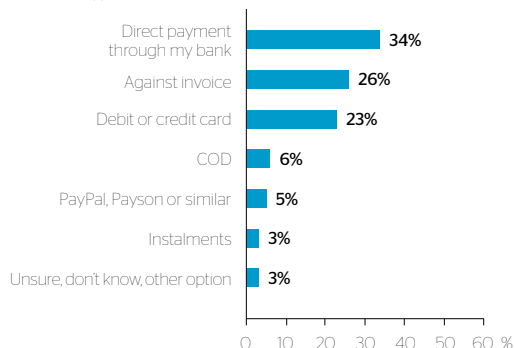
Base: have shopped online



How popular the payment alternatives are

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

Base: have shopped online

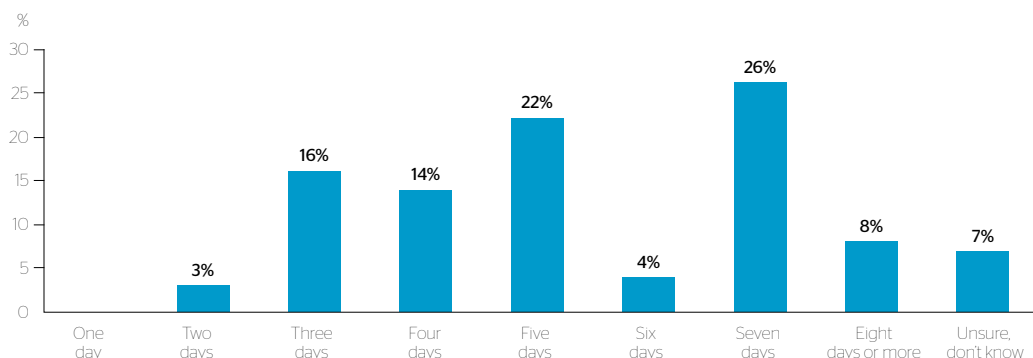


One in five want delivery within three days

Finns' expectations of the delivery time

When you order a product online, what are your expectations of the delivery time, i.e. how many days may it take at the most to receive the product?

Base: have shopped online



» Fewer Finns demand fast deliveries

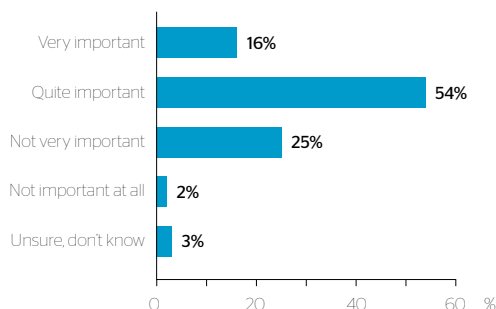
Finnish online shoppers have lower expectations of fast deliveries than other Nordic residents. One in four online shoppers can wait up to seven days for a product to be delivered. However, 19 percent expect a maximum delivery time of three days. The proportion who expect fast deliveries is higher among men than among women.

» Online stores' delivery alternatives important

Seven in ten online shoppers think that online stores' delivery alternatives are important. Most prefer to have clothing, mobile phones and cosmetics delivered to their collection point, while most want to have books, DVDs and computer games delivered through their letterbox.

How important the delivery alternatives are

How important are an online store's delivery alternatives for you when choosing an online store? Base: have shopped online



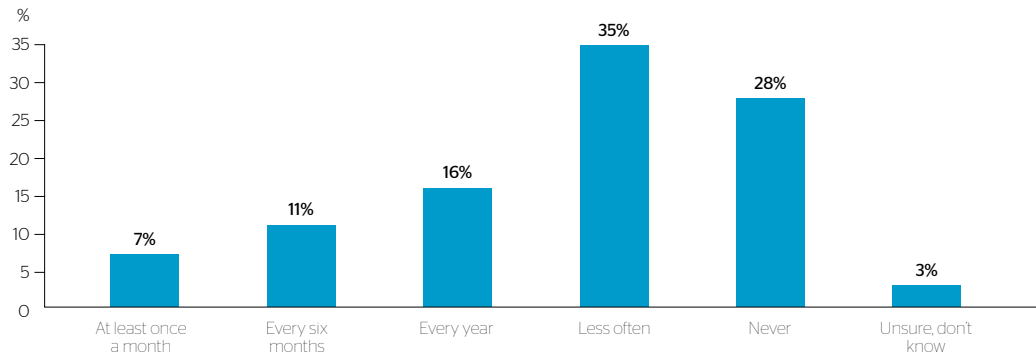
» Finnish online shoppers want to have clothing, mobile phones and cosmetics delivered to their collection point.



Seven in ten Finns have bought from foreign sites

How often Finns buy from foreign online stores

Approximately how often do you buy online from abroad? Base: have shopped online



» One in three make purchases from foreign online stores every year

69 percent of Finnish online shoppers have at some time bought goods from foreign stores, but one in three do this at least once a year.



» Home electronics and clothing/footwear

Among those who made purchases from foreign online stores in 2012, 30 percent bought home electronics and the same proportion bought clothing/footwear. 20 percent bought books, while 17 percent bought DVDs and CDs.

» Finns buy mainly home electronics, clothing and footwear from foreign online stores.

» Price and choice the main reasons for buying from foreign sites

Asked why they last bought a product from a foreign online store, 44 percent said that the reason was that the product was not available in Finland. 41 percent said that it was cheaper than on Finnish sites, while nine percent stated that the selection available was better abroad.

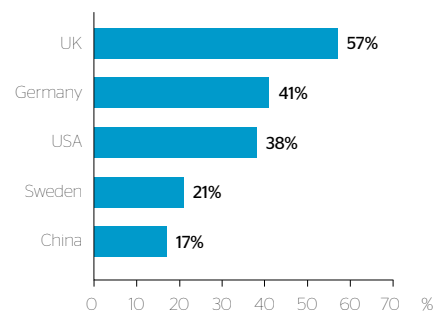
» UK the most common online shopping destination

Almost six in ten of those who bought products online from foreign sites during 2012 did so from UK sites. The next most popular were German online stores.

The most popular countries for online shopping

From which foreign countries have you bought products online (a foreign country is a country that you perceive to be the registered domicile of the online store)? Top 5

Base: have bought from foreign sites.





The euro challenges Cyberphoto in Finland

The fact that some of Swedish company Cyberphoto's employees were Finnish-speaking meant that it was both a natural and a slightly simpler step to take when the electronic retailer moved into the Finnish market in 2006. "We realised that the time was right to move in if we wanted to be involved at something of an early stage," says MD Patrick Ohlsson.

The Internet-based mail order company, which sells products including electronics, is based entirely in Umeå and buys most of its products in Swedish kronor. This meant that the euro was one of the major challenges when the company decided to move into the Finnish market.

"Exchange rate fluctuations could mean anything from sales successes to a real flop. It's incredibly important to integrate the 'life' of the exchange rate into all kinds of costings and to keep constantly updated and well prepared in all respects, both mentally and in terms of the market," says Patrick Ohlsson.

Products sold are packed and handed over to PostNord, who deliver them to parcel distribution points close to the consumer.

"Finnish consumers base their purchasing decisions to a higher degree than Swedes on whether or not the product is in stock for immediate delivery. Maintaining a rapid stock turnover rate in a market like ours where products change so much is



» Finnish online shoppers have a higher threshold for shopping online than Swedes. That's why campaigns in Finland need to be longer than they are in Sweden, believes Patrick Ohlsson, MD of Cyberphoto.

crucial for survival."

He finds that Finnish consumers have respect for terms of delivery and provisions, and can be a little bit more bureaucratic than other Nordic residents.

"In Sweden you can find that consumers react to the fact that it can take two or three days to receive the package, while in Finland they accept that it'll take up to seven days, as long as it says seven days in the terms of delivery."

He believes that they also have something of a higher threshold for shopping online and that campaigns have to be given the chance to "sink in" before they have an effect. If campaigns are too short they will have no impact.

To succeed as an online trader, you must show that you want to be involved, that you want to look after your customers, he believes.

"We must prove that we're fast and keep our promises, and we must be a reliable partner to do business with. Keep 'on our toes' and maintain a high service level and in-depth knowledge of our line of business. You have to move slowly but surely by building up trust and earning the right to exist. You won't achieve success unless you're really willing to work for it."

» About Cyberphoto



Business: Online mail order Photography, mobile telephony, electronics and leisure.

Founded: The company first started life in 1955 under the name Te Ge's, when it was a specialist photography shop. It was then re-established as Cyberphoto when it shifted its primary emphasis to mail order activities.

Employees: 36.

Markets: Sweden and Finland.

Turnover: Around 21,8 million euros.

Detailed results

Consumers in the Nordic region who bought products online in 2012

Population (aged 18-79) in the Nordic countries

Country	Population	Source
Denmark	4,180,000	statistikbanken.dk/Jan 2013
Norway	3,707,000	ssb.no/Jan 2013
Sweden	7,130,000	scb.se/Jan 2013
Finland	4,056,000	tilastokeskus.fi/Jan 2012

The proportion of the population in each country with Internet access

Country	Proportion	Source
Denmark	90.00%	World Bank 2011
Norway	93.50%	World Bank 2011
Sweden	90.90%	World Bank 2011
Finland	89.30%	World Bank 2011
Nordic region	90.80%	

The proportion of the population in each country that shopped online in 2012 (aged 18-79)

Have you bought any products on the Internet in the last year? (Base: all)

Denmark	87%
Norway	86%
Sweden	84%
Finland	74%
Nordic region	83%

Consumers in each country who bought products online in 2012 (aged 18-79)

Calculation: population aged 18-79 x Internet access + %age who shopped online in 2012

Denmark	3,273,000
Norway	2,981,000
Sweden	5,444,000
Finland	2,680,000
Nordic region	14,378,000

Proportion of the population in each country who shop online at least once a month (aged 18-79)

About how often do you buy products online? Proportion who answered "at least once a month" (Base: all)

Denmark	35%
Norway	34%
Sweden	28%
Finland	19%
Nordic region	29%

How often the population buys products online (aged 18-79)

About how often do you buy products online? (Base: all)

	Denmark	Norway	Sweden	Finland	Nordic region
Every week	2%	2%	1%	1%	1%
2-3 times a month	10%	9%	5%	7%	7%
Every month	23%	23%	22%	11%	21%
Every quarter	32%	31%	34%	14%	29%
Every six months	15%	18%	14%	10%	14%
Every year	5%	6%	10%	28%	12%
Less often	6%	5%	6%	15%	7%
Never	5%	4%	8%	12%	7%
Unsure, don't know	1%	3%	1%	2%	2%

The main reason for buying products online instead of in a traditional shop

What is the single most important advantage of buying products online instead of in a traditional shop? (Base: have shopped online)

	Denmark	Norway	Sweden	Finland	Nordic region
Simpler*	52%	52%	51%	53%	52%
Cheaper	26%	24%	22%	16%	22%
Bigger and better selection	11%	17%	21%	22%	18%
Other reason	7%	5%	5%	6%	5%
Unsure, don't know	3%	3%	1%	3%	3%

* The response options "shop when it suits me", "more convenient" and "time-saving" have been combined under "simpler"

How much each online shopper spent on the Internet in 2012

How much do you estimate that you spent online on products last year? Average (Base: have shopped online)

	Denmark	Norway	Sweden	Finland	Nordic region
Average purchase	EUR 656,5	EUR 923,6	EUR 567,8	EUR 577	EUR 638,2

Top 10 products bought by Nordic residents online in 2012

What kinds of products have you bought online in the past year? Multiple responses possible. Proportion who shopped online (Base: have shopped online)

	Denmark	Norway	Sweden	Finland	Nordic region
Home electronics*	48%	50%	42%	37%	44%
Clothing/footwear	44%	40%	42%	40%	42%
Books	35%	36%	48%	30%	39%
DVDs	21%	27%	23%	20%	23%
Cosmetics, skincare and haircare	15%	22%	15%	17%	17%
CDs	15%	14%	17%	19%	16%
Sport and leisure articles	15%	21%	13%	15%	16%
Home furnishing	12%	12%	16%	17%	14%
Newspapers and magazines	10%	13%	14%	12%	12%
Toys	11%	8%	10%	6%	9%

* Home electronics means TVs, music systems, home cinema systems, mobile phones and accessories, electronic household appliances, computers and computer accessories

The route to the online purchase

When buying a product online, how often do you first of all ... ? (Base: have shopped online)

	Denmark	Norway	Sweden	Finland	Nordic region
use search engines, e.g. Google?	80%	62%	60%	66%	66%
obtain an overview by looking at prices on comparison sites?	68%	70%	61%	53%	63%
read other consumers' reviews on a website?	48%	56%	51%	38%	48%
use social media?	16%	10%	8%	10%	11%
look at and/or try the product in a shop?	20%	21%	17%	21%	19%
look at the product in a catalogue?	30%	26%	18%	28%	23%

Reaction to product catalogues and special offers that come through the letterbox

Which of the following statements corresponds most closely with what you usually do with product catalogues and other special offers from e-commerce companies that come through your letterbox? (Base: have shopped online)

	Denmark	Norway	Sweden	Finland	Nordic region
Browse through and read more carefully if it interests me	31%	27%	37%	20%	30%
Save it to read later	6%	5%	13%	19%	12%
Go online to find out more about the special offer	8%	13%	6%	14%	9%
Add the special offers to my shopping list	4%	2%	1%	2%	2%
Pass it on to someone else in the household	2%	2%	2%	6%	3%
Throw it away at once without reading it	30%	42%	35%	26%	33%
Unsure, don't know	19%	9%	6%	13%	11%

Clear total price important when buying from an online store

How important are the following properties when you're choosing whether to buy products from an online store?

Proportion who answered "Very important" + "important" (Base: have shopped online)

	Denmark	Norway	Sweden	Finland	Nordic region
That it's clear what the total price will be	94%	90%	91%	93%	92%
Good, clear information and pictures of a product	91%	89%	91%	91%	91%
Easy to navigate the site	76%	80%	78%	78%	78%
Lowest price	74%	74%	73%	72%	73%
That it's a company/brand I'm familiar with	60%	68%	65%	63%	64%
That I don't need to register/become a member	74%	50%	49%	53%	56%
That delivery is fast (max. three days)	53%	41%	48%	47%	48%
That delivery is free	45%	47%	43%	43%	44%

More purchases are made from mobile platforms

Have you used your smartphone or tablet PC to buy goods online at any time in the last twelve months? (Base: have shopped online)

	Denmark	Norway	Sweden	Finland	Nordic region
Yes	20%	25%	19%	10%	19%
No	55%	59%	60%	63%	59%
I do not own a smartphone/tablet PC	23%	14%	18%	26%	20%
Don't know	1%	1%	1%	1%	2%

Most common for online purchases to be made on a laptop

From which device did you make your most recent online purchase? (Base: have shopped online)

	Denmark	Norway	Sweden	Finland	Nordic region
Desktop PC	34%	25%	39%	42%	36%
Laptop	54%	63%	50%	51%	54%
Tablet PC	7%	9%	5%	3%	6%
Mobile phone	3%	2%	3%	2%	3%
Unsure, don't know	1%	1%	3%	1%	1%

Payment alternatives for online purchases

Which of the following methods do you prefer to use when you pay for a product you've bought online? (Base: have shopped online)

	Denmark	Norway	Sweden	Finland	Nordic region
Debit or credit card	76%	54%	26%	23%	44%
Against invoice	5%	19%	37%	26%	23%
Direct payment via my bank	11%	13%	28%	34%	22%
PayPal, Payson or similar	4%	12%	5%	5%	6%
COD	1%	0%	2%	6%	2%
Installments	0%	0%	0%	3%	0%
Unsure, don't know	3%	2%	2%	3%	3%

Faster deliveries increasingly important

When you order a product online, what are your expectations of the delivery time, i.e. how many days may it take at the most to receive the product? (Base: have shopped online)

	Denmark	Norway	Sweden	Finland	Nordic region
One day	1%	0%	0%	0%	0%
Two days	9%	2%	3%	3%	4%
Three days	39%	21%	25%	16%	26%
Four days	15%	21%	13%	14%	16%
Five days	17%	25%	24%	22%	22%
Six days	3%	5%	2%	4%	3%
Seven days	8%	13%	16%	26%	15%
Eight days or more	2%	6%	7%	8%	6%
Unsure, don't know	6%	7%	10%	7%	8%

Online store's delivery alternatives important

How important are an online store's delivery alternatives for you when choosing an online store? (Base: have shopped online)

	Denmark	Norway	Sweden	Finland	Nordic region
Very important	13%	7%	12%	16%	12%
Quite important	56%	53%	57%	54%	55%
Not very important	27%	30%	23%	25%	26%
Not at all important	2%	5%	4%	2%	3%
Unsure, don't know	3%	5%	4%	3%	4%

Preferred delivery alternatives for clothing

When you order a product online, how do you prefer to receive clothing? (Base: have shopped online)

	Denmark	Norway	Sweden	Finland
Through the letterbox	14%	22%	18%	8%
Delivered to home	52%	15%	13%	9%
Collect self from courier	12%	45%	60%	60%
Collect self from seller's shop	2%	2%	1%	3%
Collect self from automated parcel collection point	6%	1%	0%	6%
Other	3%	1%	2%	0%
Unsure, don't know	10%	14%	6%	14%

Preferred delivery alternatives for books, DVDs and computer games

When you order a product online, how do you prefer to receive books, DVDs and computer games? (Base: have shopped online)

	Denmark	Norway	Sweden	Finland
Through the letterbox	37%	64%	62%	47%
Delivered to home	42%	11%	12%	16%
Collect self from courier	8%	17%	24%	23%
Collect self from seller's shop	1%	1%	0%	1%
Collect self from automated parcel collection point	5%	1%	0%	3%
Other	3%	0%	1%	1%
Unsure, don't know	5%	7%	2%	10%

Preferred delivery alternatives for mobile phones

When you order a product online, how do you prefer to receive mobile phones? (Base: have shopped online)

	Denmark	Norway	Sweden	Finland
Through the letterbox	14%	27%	12%	12%
Delivered to home	45%	18%	12%	16%
Collect self from courier	14%	28%	64%	43%
Collect self from seller's shop	6%	5%	5%	8%
Collect self from automated parcel collection point	4%	1%	0%	5%
Other	5%	1%	2%	1%
Unsure, don't know	12%	11%	5%	16%

Preferred delivery alternatives for cosmetics, haircare and skincare products

When you order a product online, how do you prefer to receive cosmetics, haircare and skincare products? (Base: have shopped online)

	Denmark	Norway	Sweden	Finland
Through the letterbox	22%	45%	47%	20%
Delivered to home	42%	11%	9%	11%
Collect self from courier	9%	24%	32%	42%
Collect self from seller's shop	2%	1%	0%	2%
Collect self from automated parcel collection point	4%	1%	0%	5%
Other	3%	1%	4%	1%
Unsure, don't know	18%	17%	7%	21%

Four in ten buy from foreign sites every year

Approximately how often do you buy online from abroad? (Base: have shopped online)

	Denmark	Norway	Sweden	Finland	Nordic region
At least once a month	8%	13%	4%	7%	7%
Every six months	27%	29%	15%	11%	27%
Every year	12%	11%	15%	16%	41%
Less often	21%	22%	25%	35%	24%
Never	28%	22%	40%	28%	32%
Unsure, don't know	4%	3%	1%	3%	3%

A broader selection and lower prices the main reasons for latest foreign purchase

When you last bought a product online from a foreign site, what was the main reason you didn't buy the product from a site in Denmark/Norway/Sweden/Finland? (Base: have bought from foreign sites)

	Denmark	Norway	Sweden	Finland	Nordic region
Product not available in DK/NO/SE/FI	42%	41%	49%	44%	45%
It was cheaper than on DK/NO/SE/FI site	41%	36%	32%	36%	34%
There was a better selection on foreign sites	8%	12%	8%	6%	8%
The e-commerce site was better	0%	2%	0%	1%	1%
It was exciting	0%	0%	1%	0%	1%
Unsure, don't know	8%	3%	10%	13%	11%

Clothing/footwear lead the way for e-commerce from abroad

What kinds of products have you bought from foreign sites in the past year? Top 8 reported (Base: have bought from foreign sites)

	Denmark	Norway	Sweden	Finland	Nordic region
Clothing/footwear	27%	27%	33%	30%	30%
Home electronics	24%	27%	22%	30%	25%
Books	25%	25%	18%	20%	21%
DVDs	14%	16%	9%	17%	13%
Cosmetics, skincare and haircare	10%	21%	11%	12%	13%
CDs	10%	13%	10%	17%	12%
Sport and leisure articles	11%	12%	11%	10%	11%
Car accessories	4%	10%	8%	11%	7%

UK, USA and Germany lead the way

From which foreign countries have you bought products online (a foreign country is a country that you perceive to be the registered domicile of the online store)? (Base: have bought from foreign sites)

	Denmark	Norway	Sweden	Finland	Nordic region
Sweden	17%	20%	*	21%	19%
Denmark	*	14%	7%	5%	8%
Norway	4%	*	3%	2%	3%
Finland	1%	0%	2%	*	1%
Iceland	0%	0%	0%	0%	0%
UK	60%	49%	54%	57%	55%
Germany	35%	11%	30%	41%	29%
Netherlands	5%	3%	6%	5%	5%
France	4%	2%	6%	5%	5%
Spain	2%	1%	2%	2%	2%
Italy	2%	1%	2%	3%	2%
Russia	1%	0%	0%	1%	0%
Rest of Europe	4%	4%	5%	13%	6%
USA	35%	52%	43%	38%	42%
Canada	2%	2%	3%	6%	3%
Rest of North and Central America	1%	0%	1%	0%	1%
China	8%	17%	17%	17%	15%
India	1%	1%	1%	0%	0%
Japan	1%	4%	4%	4%	3%
Rest of Asia	3%	5%	5%	10%	5%
Australia	1%	3%	2%	4%	2%
Countries in South America	0%	0%	1%	0%	0%
Countries in Africa	0%	0%	0%	0%	0%
Unsure, don't know	6%	10%	4%	5%	6%

PostNord and e-commerce

PostNord was formed through the merger of Post Danmark and Posten in 2009. We offer communications and logistics solutions to, from and within the Nordic region. In 2012 PostNord had net turnover of 4,2 billion euros and 40,000 employees.

PostNord is the biggest, obvious partner for e-commerce in the Nordic market. We have a comprehensive offering with a number of

services in the areas of distribution, notification, marketing and customer communication.

We make everyday life easier for e-commerce companies. With the biggest distribution network in the Nordic region, we shorten the distance between e-commerce and the end customer. PostNord has almost 5,000 parcel distribution points, distributed relatively evenly across Sweden, Denmark, Norway and Finland. In Sweden and

Denmark, our postal workers visit all households and companies every working day.

Through PostNord's subsidiary Direct Link, distribution solutions are offered to and from 192 countries. We help e-commerce companies from all over the world who want to do business in the Nordic market with anything from market analysis to direct marketing and distribution solutions.

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