

E-commerce in the Nordics 2014



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About this report

For six consecutive years, PostNord has conducted surveys of the Nordic e-commerce market under the title "E-commerce in the Nordics".

This year's report is based on interviews carried out in January 2014 with a representative selection of private individuals in Sweden, Denmark, Norway and Finland.

The TNS SIFO web panel conducted

the survey with 2,434 respondents from Sweden, 1,307 respondents from Finland, 1,233 respondents from Denmark and 1,094 respondents from Norway.

Having the survey carried out with a web panel means that it is representative of the portion of the population with Internet access. In the following survey report, we have therefore taken Internet penetration in each country into account

and adjusted the results. The method is described in greater detail in the Detailed Results section.

In the report, e-commerce is defined as the sale of goods via the Internet, which are delivered to the home or a collection point, or picked up from a store, warehouse or collection facility by the consumer. This means that our definition does not include services that not needed.

E-commerce, an accepted feature of everyday life for many Scandinavians

E-commerce growth continues. Eight in ten consumers in the Nordic region bought products online at some point in 2013, which corresponds to just over 15 million consumers. Almost one in three Nordic residents shops online each month: e-commerce has become an accepted feature of everyday life. It is clear from the study presented in this report that simplicity is the primary motivator for shopping online in the Nordic region, i.e., it is convenient, saves time, and can be done when it suits the shopper.

Most trading still takes place with domestic companies, but it is becoming increasingly common for consumers to look beyond their national borders. Nordic consumers lead the way by far in this development. Just over one in three Nordic residents shopped online from foreign sites last year, amounting to a total of SEK 19 billion. However, relatively few consumers shopped online from their neighboring Nordic countries; rather, it is primarily sites in the UK that attract Scandinavians.

While e-commerce continues to grow, the importance of the physical shop is growing as well. Omni-channel, that is, the integration of physical and digital channels, is one of the clearest e-commerce trends in 2014. Retailers are using more and more channels to reach consumers and push sales, which puts new requirements on logistics players and their flexibility.

The importance of integrating the various channels is highlighted in particular by the e-retailers Panduro and Klingel. In the report, both companies talk about their experience with selling online to consumers in the Nordic region.

PostNord also noticed the sharp rise of e-commerce in 2013: our B2C parcel volumes increased by 12 percent in the Nordic market. In recent years, we have developed our Nordic logistics offering and today, the Group has a widespread Nordic distribution network that includes 5,300 distribu-

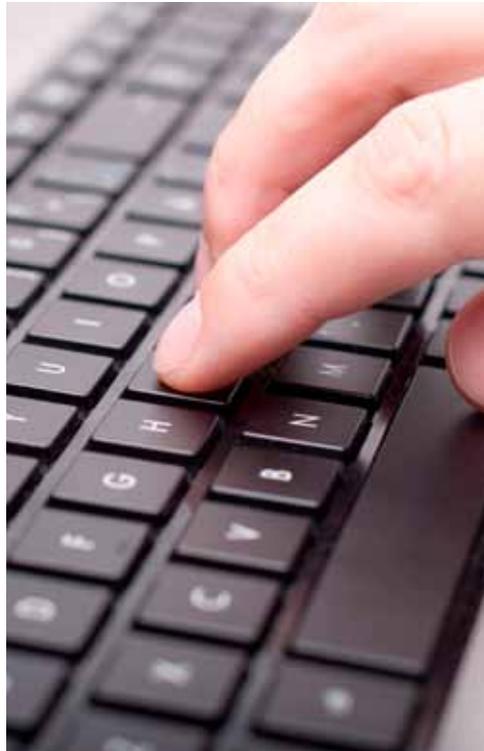


PHOTO: HENRY LUNDHOLM

tion points evenly distributed across the Nordic countries. In addition, our mail carriers visit all households and companies every business day in Sweden and Denmark, as well as on Saturdays in Denmark. This combination of distribution points and our mail carriers means that we offer the best coverage for deliveries in the Nordic region.

This is now the sixth 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 in expanding their business into a neighboring Nordic country.

Håkan Ericsson
President and Group CEO
PostNord



The channels converge

E-commerce in the Nordic region is growing, but so is the importance of the physical store. Omni-channel, that is, the integration of physical and digital channels, is one of the clearest e-commerce trends in 2014, according to PostNord's experts.

"We see that e-commerce in the Nordic region has good, strong growth, and there is nothing to indicate a slow-down," says Arne Andersson, e-commerce expert at PostNord in Sweden.

Home electronics, books/media, and clothing and footwear, the usual major e-commerce categories, continue to do well. But as Nordic consumers become increasingly accustomed to shopping online, other sectors are growing even faster, such as cosmetics, sports and leisure, and health and beauty.

According to Arne Andersson, building supplies and furniture/ home furnishing are also interesting areas to watch in the coming years, primarily because they have excellent growth potential in the hottest phenomenon in e-commerce: omni-channel.

Simply put, omni-channel is about combining different physical and digital channels to let customers shop and have their products delivered where, when and

how they want. Before, it was primarily major clothing chains opening webshops to give customers the choice of shopping for products digitally or in a physical store, but now, the reverse also happens.

"It's a rising trend that retailers who only used to have an online presence are also starting to open physical shops as well. One example of this, Tailor Store, an online shirt retailer, opened its own shop and started collaborating with local tailors," he explains.

"Accessibility and convenience lead customers to shop, but that doesn't mean the same thing all the time. Sometimes convenience means shopping from the couch at home, while the next day it means you don't have to take your own measurements for a new shirt; you can go to a tailor instead."

The widespread availability of digital access in the Nordic region is a huge factor

behind the strong growth of e-commerce in the region, but in Europe, the Nordic countries are still a little behind the two biggest markets, Germany and the UK.

"There is a strong tradition in distance selling there, while Amazon's establishment in the countries has given a boost to many small e-retailers, who have been able to sell and be seen via them," says Arne Andersson.

"In addition, these countries are big markets, which is more attractive, thereby increasing competition and contributing to development."

A great deal unifies the different Nordic countries when it comes to e-commerce, but retailers must still be wary of treating the Nordic market as a single homogeneous region. For example, Norwegians spend the most money online, but that does not mean that they favor Norwegian retailers, as Norwegians are also most likely to shop from foreign sites.

"Norwegian e-retailers face major competition from abroad," says Kristin Anfinsen, Head of Development in eCommerce in PostNord in Norway.

"The product offering in the Norwegian channels has now become bigger, and can certainly capture a larger share of the



PHOTO: POSTNORD, HENRY LUNDHOLM, COLOURBOX

» *Accessibility and convenience lead customers to shop, but that doesn't mean the same thing all the time.*

Arne Andersson, e-commerce specialist at PostNord in Sweden

market. But at the same time, Norwegians are now so used to shopping from e-Bay and Amazon, for example, that I don't think it will wane."

On the whole, Kristin Anfinsen sees great potential for e-retailers to go beyond their own countries and sell even more on the various Nordic markets.

"There is a great Nordic infrastructure with complete logistics solutions, and culturally, the countries have many similarities. But in order to get this business, retailers must learn even more about the needs and desires of consumers in the various countries, and adapt their websites accordingly."

Jouni Lamberg, country manager at Direct Link in Finland, agrees.

"E-commerce has no borders, and

we see that Finnish consumers are also becoming more and more comfortable with shopping from foreign webshops. But despite this trend, you can't enter a new market with your webshop without an understanding of local consumer values and behavior. For example, if you want to reach middle-aged Finnish consumers, you have to have a Finnish language site, otherwise you'll miss the target audience."

Another example of local demands are payment solutions: consumers in the various countries have completely different preferences. 36 percent of Swedes prefer to pay against invoice, while 67 percent of Norwegians and an impressive 80 percent of Danes prefer to pay with a credit or debit card.

"You can also see differences in deliver-

ies," says Carsten Dalbo, Head of Logistics at PostNord in Denmark.

"In the other Nordic countries, it's traditionally been the norm to pick up your parcel at a collection point, but if you look at Denmark, 71 percent expect to have their goods delivered to the door."

So what happens moving forward? According to Carsten Dalbo, the e-commerce market will grow significantly, but at the same time, customers will expect greater flexibility and faster deliveries.

"We're also seeing competition from foreign players increasing, in part because giants like Amazon may enter the Nordic markets, and in part because consumers are less and less concerned with borders when shopping. The important thing is getting your product home, not where it comes from."

The experts



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



Kristin Anfinsen, Head of Development in eCommerce in PostNord in Norway, where her work includes various surveys in the field of e-commerce.



Carsten Dalbo, Head of Logistics and e-Commerce PostNord in Denmark.



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

Panduro's e-commerce success in the Nordic region

With its classic mail order catalogue, Panduro Hobby learned how to ship products and receive payment for them. Then came the digital revolution. Now they also know how to establish a successful webshop around an already existing business.

Panduro Hobby was founded in Denmark in 1955, and in 1962 they crossed the sound and became established in Malmö. The headquarters are now also in Malmö, along with the central warehouse, which has more than 10,000 products.

"For us, e-commerce is really just a new channel that complements mail orders and our physical shops," says Thomas Panduro, marketing manager and one of the three co-owning Panduro brothers.

Today, the company has just over 75

shops in Sweden, Norway, Denmark and Germany, and 30 shops under the name Pipos in the Netherlands and Belgium, with distributors in the UK, France, Finland and Iceland.

The classic Panduro catalogue was the primary sales channel for a long time, with a few physical shops. But in the mid-1980s, retail came into focus on an increasingly large scale. And in the early 2000s, they took the step into e-commerce.

"We already had the logistics, so it was simply a matter of about moving order

intake from the mail and phone to the Internet. We had a back office, and we could handle orders from private customers. That allowed us to get started relatively quickly and pain-free."

But Thomas Panduro does not only see advantages to being an established mail order company when entering the e-commerce market.

"We were bound by traditions, with how to present new products in the catalogue and so on. We had all the products, with item numbers and a register, so we really just had to copy and paste our product register and let that be the website. In retrospect, it may have been wise to do everything from scratch instead, to end up with a better website."

Panduro launched its webshop in Sweden, Norway and Denmark at about the same time, around the year 2000. And Thomas Panduro thinks the Nordic countries have more similarities than differences.

"The product range and marketing are essentially the same, because the customers are so similar to each other. Danes may want to keep a sharper eye on prices, while Swedes are a bit more tolerant. And Norwegians fall somewhere in between. But you still can't ignore the differences: 80 percent of the range may be the same, but it's the last 20 percent that determine whether sales are successful or not.

And it's important to keep an eye on the differences that do exist, he says. Especially the different holidays and celebrations.

"A clear example is that confirmation is a big deal in Denmark, and people will gladly spend a lot of money. In Sweden, graduation is the equivalent.

3 steps to Nordic E-commerce

- 1 Recognize the differences**
- Respect the differences that actually exist when it comes to consumer patterns and traditions.
- 2 Local sites**
- Sites in the customers' language and currency generate confidence and feeling for the brand.
- 3 Integrate with other channels**
- The site should offer the same experience of the company as the physical shops and catalogue.

For us, e-commerce is really just a new channel, says Thomas Panduro.



PHOTO: LINNEA SVENSSON ARBAB



So you have to respect the differences that exist, despite everything, and not try to sell any products that people don't want. It's important to have the right offering in the right market."

Mainly in Sweden and Denmark, but in Norway too, Panduro has long been a well-known, established brand, which was beneficial when opening the webshop. In 2010, when preparing to start selling online in Germany, it was in part a different story.

"Almost half of all Swedes have been in our shop on Kungsgatan in Stockholm at some point in their lives. For them, we feel like a safe trustworthy brand from which to shop. In Germany, we aren't as well known, so it's been a little slower there. Starting completely from scratch, without a brand, in a new country is an incredibly huge challenge."

Panduro has local sites in all four of the countries in which they work, in part

because each one has different prices and currencies.

"Customers often perceive local websites as safer, but that will probably have less importance over time. Our shopping habits are changing and we are increasingly shopping across borders."

Instead, Thomas Panduro emphasizes having a uniform profile and marketing: the customer's interaction should be the same, whether the platform is a catalogue, website or physical store.

"Everything should work together, because maybe a lot of customers shop online and make an exchange in a physical store and the like. Our stores have a particular atmosphere, which is how we want to be perceived, so the website should have that same feel. An example of this coordination is that you can sit at home and check the stock of your local shop online before you go there."

But perhaps the most crucial lesson Panduro Hobby has learned in its fifty years of running shops and catalogues is the importance of charging the right prices; even for shipping.

"We charge shipping for our products. We regularly offer free shipping as a campaign, but not as a business concept. Free shipping promotes volume, but in all honesty, it doesn't earn any money."

Panduro Hobby

Business: Sells materials for hobby activities.

Founded: In 1955 in Denmark by Carlo Panduro. The company moved to Malmö in 1962.

Owners: Thomas, Jesper and Peter Panduro.
CEO: Rickard Kemfors.

Markets: Sweden, Denmark, Finland, Norway, the UK, France, Germany, the Netherlands, Faroe Islands and Iceland.

Sales: Approximately SEK 800 million.

Number of employees: Approximately 650.

Website: pandurohobby.com

Almost one in three Nordic residents shops online each month

» 15.3 million consumers in the Nordic region bought products online in 2013

Eight in ten consumers in the Nordic region bought products online at some point in 2013. This represents 15.3 million consumers. Just over one third (37 percent) of these consumers lives in Sweden; thereafter, the number is distributed relatively evenly across Denmark, Norway and Finland.

Danes shop online most often: 37 percent of consumers in Denmark shop online at least once a month. Next come Norwegians and Swedes, while Finns trail a bit behind.



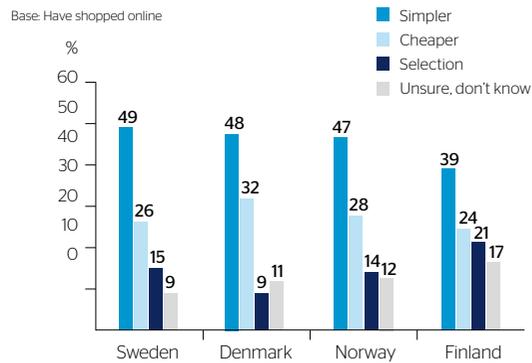
Danes shop online the most frequently.

» Simplicity drives e-commerce in the Nordic region

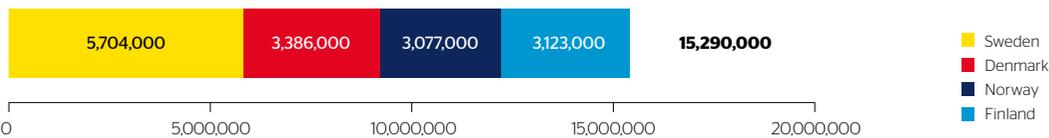
There are several reasons why consumers choose to buy goods online rather than in a traditional shop. For Scandinavians, simplicity is the primary motivator for shopping online: it is convenient, saves time, and can be done when it suits the shopper.

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

The main benefit of shopping online

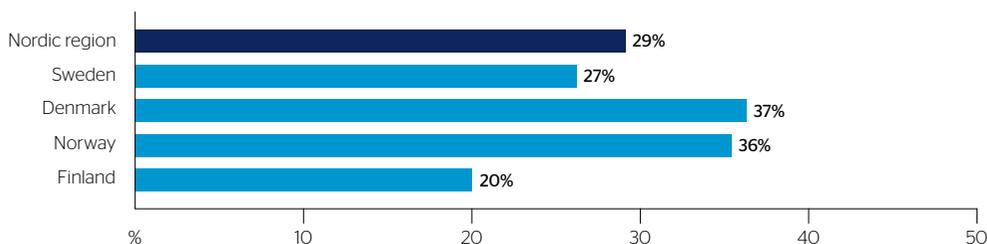


Number of consumers in the Nordic region who bought products online in 2013



Proportion who shop online every month

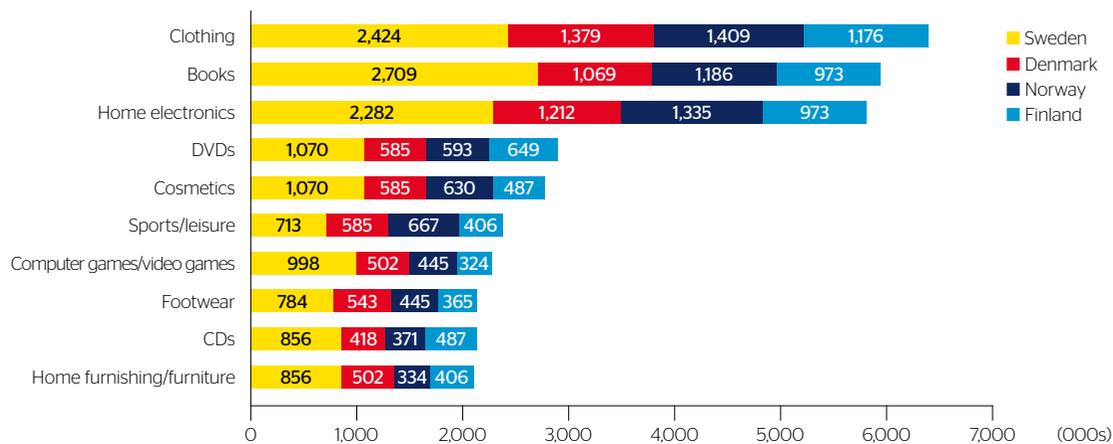
Base: Entire population



Clothes at the top in Nordic e-commerce 2013

Number of consumers in the Nordic region who bought products online in 2013 (000s)

Base: Entire population



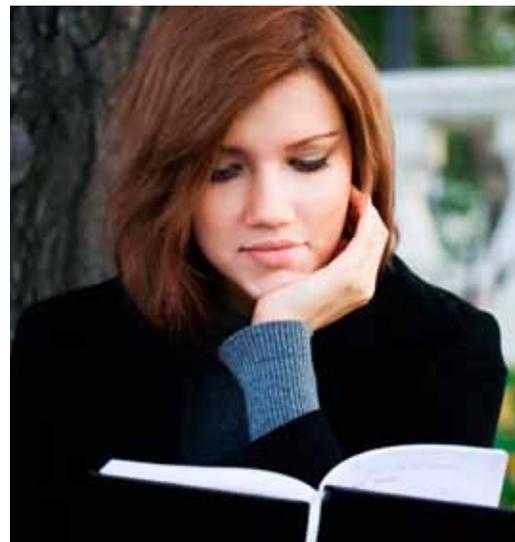
» Clothes, books and home electronics top the list in all Nordic countries

Clothes, books and home electronics are the three product categories that by far the most consumers bought online in 2013. The sequence at the top of the list does, however, vary between the countries. In Denmark, Norway and Finland, buying clothes online was most popular last year, but in Sweden, books still top the list of products that most consumers buy online.

Almost one in three consumers in the Nordic region, the equivalent of about 6.3 million consumers, bought clothes online in 2013. The proportion is about the same size in each country. Books were bought online by 38 percent of Swedish consumers, but by only 26 percent of Danish consumers. Home electronics were most commonly bought online by Norwegians (38 percent), while consumers in Finland comprised the lowest proportion: only 24 percent bought home electronics online in 2013.

» Cosmetics gaining ground

It is becoming increasingly common for Nordic consumers to buy cosmetics, hair care and skin care products online. In all countries, around 15 percent of the population bought cosmetics online at some point in 2013. The highest proportion was in Norway, where 17 percent bought cosmetics online in 2013.



» In Sweden, books still top the list online.

Increased interplay between physical and digital stores

» Omni-channel - a quickly growing trend

The substantial growth of e-commerce in the last year was driven in part by retail chains and previously strictly e-commerce players now focusing on meeting customers in several channels. Omni-channel is becoming more and more common in retail: companies are integrating the physical and digital channels among which customers search for information or buy products and services. Companies are striving to create a customer experience that is the same in all purchasing channels. In the last few years, American and British companies have taken the step toward omni-channel, and in 2013, it also became an increasingly common development in the Nordic countries.

» More and more, stores serve as showcases for webshops

A growing number of consumers search for information about a product online and then buy it in a physical store. The reverse is also typical.

Almost one in five consumers in the Nordic region (17 percent) have, at least once in the last year, looked

at or tried a product in a store first, and then bought it online. This behavior is significantly more common in Sweden and Denmark, where the figure is around 20 percent, than in Norway and Finland, where the corresponding proportion is 12 percent. This consumer behavior is most common when buying clothes, home electronics, and footwear.

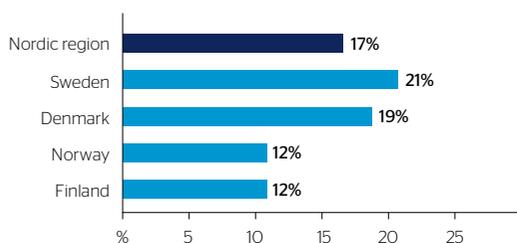
» Webshops are important for consumer research

Even more common is for a webshop to serve as a showcase for the physical store. Over half of consumers researched a particular product in a webshop and then bought it in a physical store at least once last year. This is most common in Norway, where at some point, 58 percent of consumers did research in a webshop before buying in an ordinary physical shop. It was least common in Finland, where 45 percent of consumers did this at some point in 2013.

The consumer behavior of first doing research on the Internet, and then buying the product in a store, is most common when shopping for home electronics.

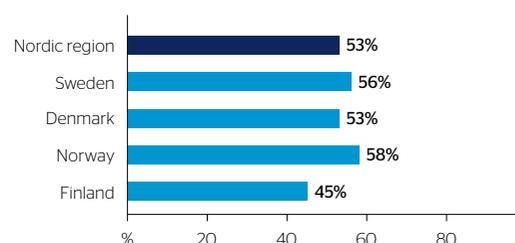
Look in stores - buy online

Proportion that at some point in the last year looked at/tried a product in a store first, and then bought it online. Base: Entire population



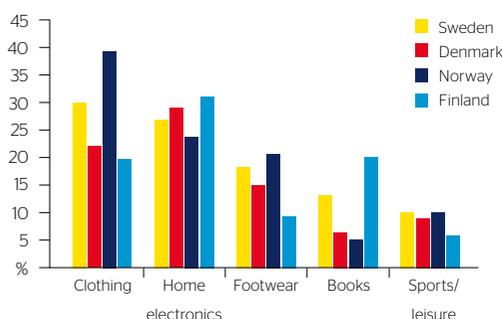
Read online - buy in stores

Proportion that at some point in the last year researched a product online first, and then bought it in a physical store. Base: Entire population



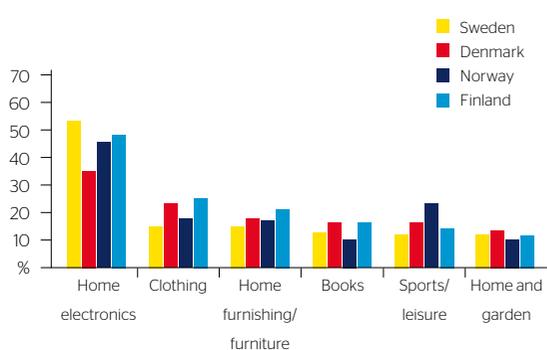
Products bought online after checking them out in a shop

Base: Have in the last year looked at a product in a store first, and then bought it online



Products bought in a shop after researching online

Base: Have in the last year researched a product online first, and then bought it in a physical store



One in ten Nordic residents shop online with their mobile phone

» Mobile phones are increasingly important for e-commerce

Every tenth consumer in the Nordic region shopped online with their mobile phone in 2013. In Norway, 13 percent of consumers used a mobile phone to buy products online at some point in the last year. This is not as common in Finland, where only 4 percent bought products using a mobile phone in the last year. The products that most Nordic residents buy online using their mobile phones are clothes, followed by books and other media products.

» Major differences in which payment methods are preferred

There are major differences among the various Nordic countries when it comes to how consumers wish to pay for a product bought online. In Denmark and Norway, a distinct majority (80 percent and 67 percent, respectively) prefer to pay by debit or credit card. In both countries, consumers that prefer to pay with a credit or debit card have increased by around 10 percentage points in the last year. Correspondingly, the percentage that prefers direct payment via their bank has reduced in these markets. Most consumers in Finland also prefer to pay by debit or credit card, even if the percentage is not as high as in Norway and Denmark. A relatively high proportion of consumers in Finland prefer to pay against invoice.

In Sweden, the highest proportion still prefer to pay retrospectively against an invoice. However, the proportion that prefer this payment method has fallen in Sweden for several years in a row. Debit and credit cards are also gaining ground in Sweden.

Most popular payment methods

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

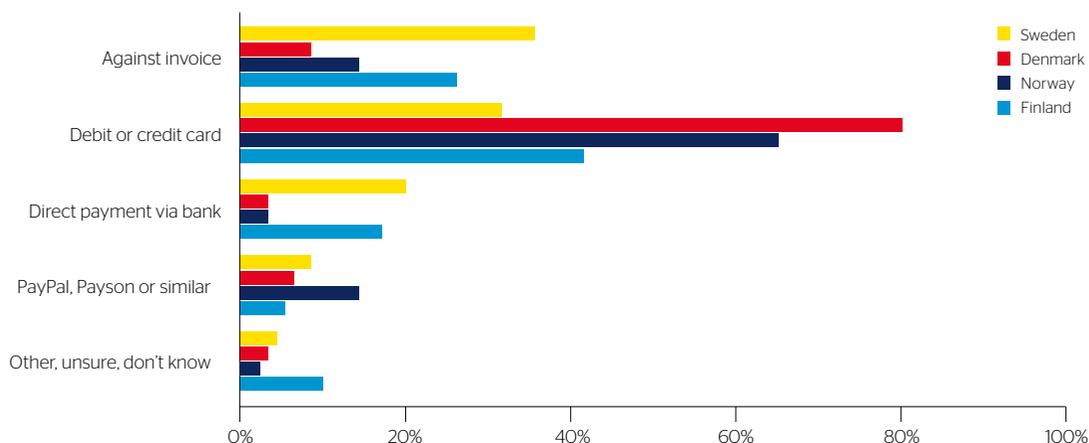
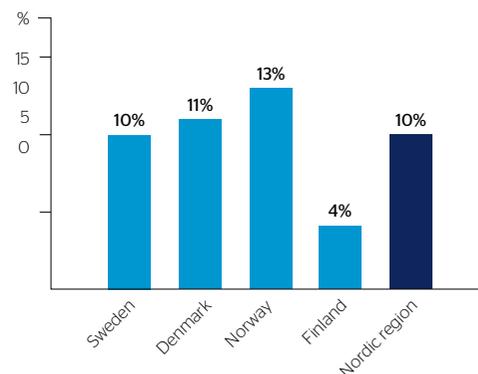


PHOTO: GAB PHOTOGRAPHY

Clothes and books are most common to buy via phone.

Proportion that bought products online using their mobile phone in 2013

Base: Entire population



Growing demand for faster deliveries

» Rising demand for shorter delivery times in the entire Nordic region

Among Nordic online shoppers, demand for shorter delivery times has grown, i.e., how many business days the delivery of an item may take at most. In this year's survey, the average expectation for maximum delivery time among Nordic residents is 4.16 business days. Last year, the expectation for maximum delivery time was 4.67 business days.

We are seeing the same trend for faster deliveries in all Nordic countries. In 2013, the biggest change took place in Finland. In this year's survey, Finnish online shoppers responded with the longest they will wait at most for their delivery is 4.25 business days. Last year, the corresponding figure was 5.27 business days.

» Danes expect the fastest delivery

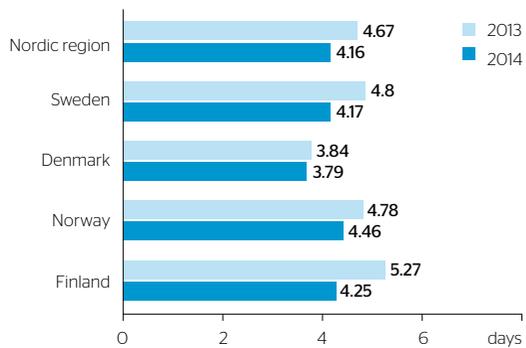
Danes demand the fastest deliveries. On average, Danish online shoppers could wait 3.79 business days at most for the delivery of a product ordered online. 13 percent of Danish online shoppers expect deliveries within two business days. In Sweden, the corresponding percentage is seven percent; in Norway it is three percent, and in Finland, two percent. One in four online shoppers in Finland were prepared to wait six business days or more.

» A majority want the mail carrier to deliver their products

When shopping online, speed is not the only important factor when it comes to delivery: online shoppers also have expectations for how they want their purchases to be delivered. Those expectations vary among the Nordic countries. In Norway, Sweden and Denmark, online shoppers mostly want their online purchase to be delivered to the mailbox. In Finland, a larger proportion want to collect an online purchase from a partner outlet or collection point.

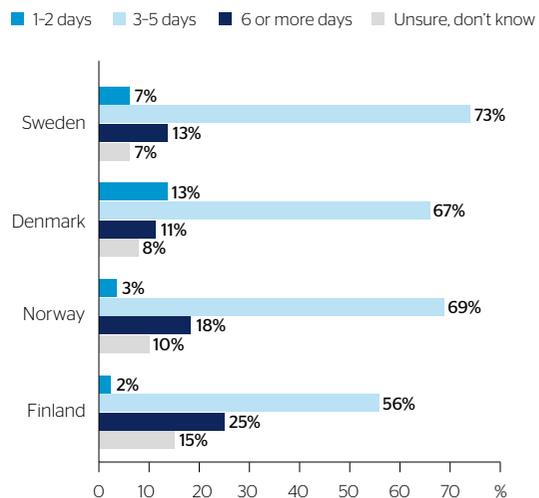
Higher expectations for delivery times

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



Expected delivery times

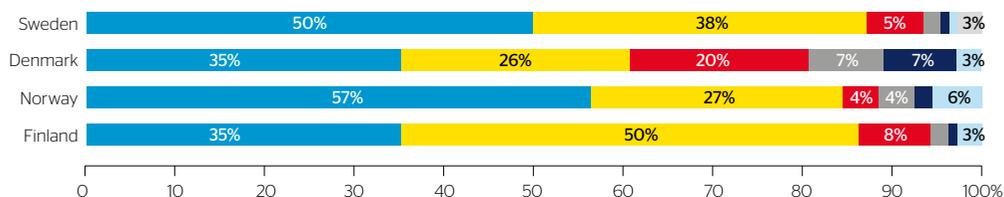
When you order a product online, what are your expectations of the delivery time, i.e. how many days may it take at most to receive the product? Base: Have shopped online



Most popular delivery methods

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

■ In the mailbox by the mail carrier ■ Collect from a partner outlet/collection point ■ Delivered to my home, daytime 9 a.m.-5 p.m. ■ Delivered to my home, evening 5 p.m.-9 p.m., even if it costs extra ■ Delivered to my workplace ■ Pick up myself from a physical shop ■ Other, unsure, don't know



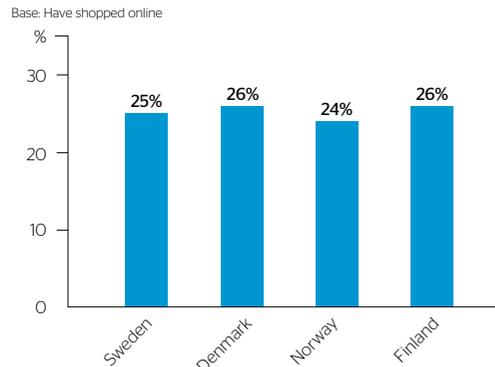
Roughly 8 million consumers returned parcels in 2013

» One in four consumers have returned products bought online in 2013

One in four online shoppers in the Nordic region returned at least one product that was purchased online in 2013. The proportion is about the same size in each country. Per consumer the most parcels were returned in Finland (2.58) and the least in Norway (1.9). In total, 8.6 million e-commerce shipments were returned. Among those who returned products bought online, almost 60 percent indicated that they returned clothes they bought online. After clothing, footwear was clearly the product that most indicated returning in 2013 (around 15 percent).

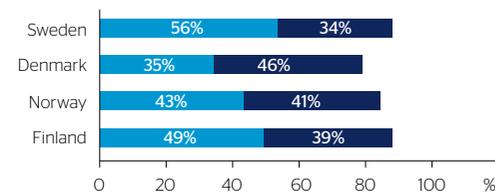
Nordic online shoppers are satisfied with the return handling process. Over 80 percent indicate that they think it works well or very well. Most satisfied are consumers in Finland and Sweden, which are also the countries with the most returned shipments in 2013.

Proportion that have returned products bought online in 2013

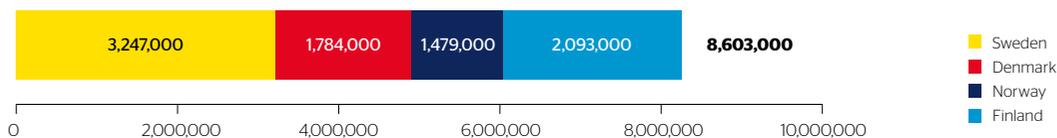


Satisfaction with return handling

Proportion that think the return handling process works well or fairly well. Base: Have returned a product bought online in 2013



Number of returned shipments in the Nordic region in 2013



Among products bought online, clothing is the category with the most returns.

E-commerce across borders for EUR 2.1 billion

» Norwegians most frequently shop online from abroad

The Nordic countries lead Europe when it comes to shopping online from abroad. Over one third of all Nordic residents (36 percent) bought products online from abroad last year. Among the Nordic countries, Norway is at the top when it comes to shopping online across borders. Almost half of Norwegians (46 percent) bought goods online from abroad last year.

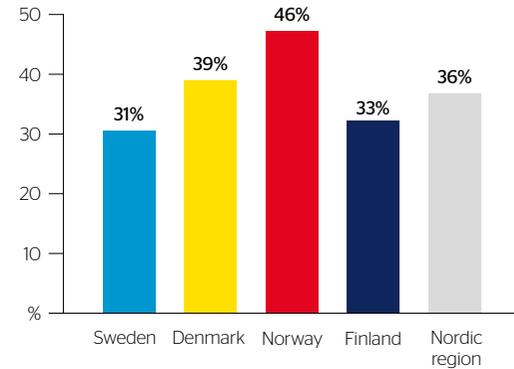
Among Nordic residents, clothing is still the most popular product to buy from abroad (27 percent). Home electronics (24 percent) and books (17 percent) are in second and third place for popular products to buy online across borders.

In total, Swedes spent the most on online purchases beyond Swedish borders in 2013. Swedes spent a total of EUR 654 million. Norwegians spent EUR 552 million, Danes spent EUR 485 million and Finns spent EUR 415 million.

» More than one third of all Nordic residents bought products online from abroad last year.

E-commerce from abroad

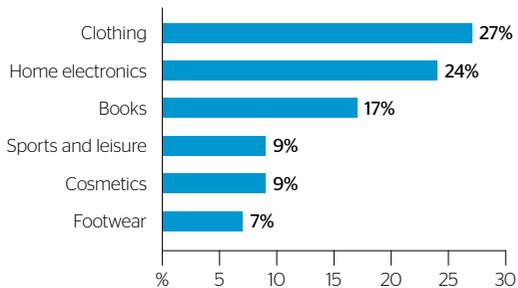
Proportion of Nordic residents who bought products online from abroad in 2013. Base: Entire population



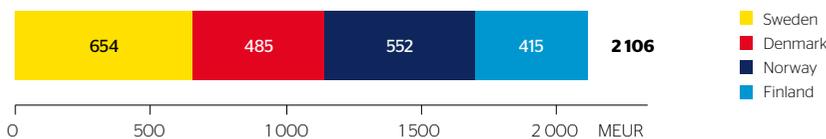
Products from abroad

What products did Nordic residents buy from abroad in 2013?

Base: Have shopped online from abroad



How much Nordic residents spent on purchases online from beyond their own country's borders (MEUR)



The UK is the most popular online shopping destination

» British online stores are most popular among Nordic residents

When Nordic residents buy products online from abroad, webshops based primarily in the UK and US lead the way, followed by Germany and China. In Sweden and Denmark, it is clearly most popular to shop from British sites. In Norway, an equally large proportion has shopped from the US as from the UK, and in Finland, the proportion is almost as big for consumers who have shopped from Germany as from the UK.

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

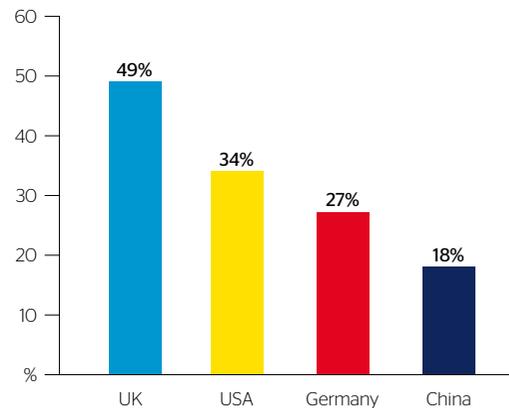
If you conduct a specific study of intra-Nordic e-commerce, a clear picture emerges in which Sweden forms the hub for Nordic e-commerce. One in five online shoppers in Norway, Finland and Denmark who buy online from abroad say that they have used Swedish sites. E-commerce flows between the other countries,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



Nordic online shoppers choose the UK most often.

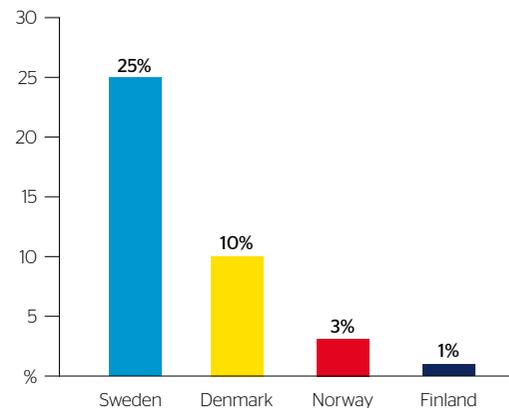
Most popular countries

From which countries have you bought products online in the last year? Base: Have shopped online from abroad



E-commerce in the Nordic region

What percentage of Nordic consumers have shopped online from each Nordic country in 2013? Base: Have shopped online from abroad



E-commerce flows within the Nordic region

Percentage of consumers in each Nordic country that have shopped online from other Nordic sites. Base: Shopped online from abroad in 2013

	Swedes	Danes	Norwegians	Finns
From Swedish sites		24%	24%	29%
From Danish sites	9%		15%	4%
From Norwegian sites	3%	3%		2%
From Finnish sites	2%	0%	0%	



German Klingel chooses local optimization

Klingel is the historic German mail order company that, almost ten years ago, entered the Nordic market, opened a webshop and managed to win Sweden, Norway and Finland. Today, almost half a million Nordic women and some men are loyal Klingel customers for their clothing purchases.

PHOTO: ANDERS DEROS AND KLINGEL

Backed by the security of a large group, plus the courage to dare to choose local optimization: this is their future concept. At least if you believe Carina Bergudden, CEO of Klingel in the Nordic region.

“When we entered the Nordic market in 2003 we started with Sweden, followed by Norway and Finland the next year. We rather quickly launched a webshop in Sweden, which was unthinkable in Germany at the time. But we got central acceptance, probably because the market



» “About 80 percent of all of our new customers are familiar with online shopping, and this is where there is major potential,” says Carina Bergudden, CEO of Klingel in the Nordic region.

was seen as so small that it was therefore safe to try.”

The test went well enough to become permanent, despite relatively few 50-plus-es using the Internet at that time, at least

when shopping for clothes. But internet maturity was high and things gradually started to pick up, even among the older people in the population. Therefore, it was not long before webshops opened for Norway and Finland as well. And e-commerce grows steadily, particularly when it comes to recruitment.

“About 80 percent of all of our new customers are familiar with online shopping, and this is where there is major potential,” says Carina Bergudden. “But we also have to keep nurturing the group of our customers that we’ll probably never be able to convert from the phone or order form to e-commerce.

Today, around 35 percent of purchases in the Nordic region are via Internet; half are via telephone, and the remaining 15 percent are via order form. All order processing takes place in each country, while warehousing, finance and other



Facts about Klingel

Founded: 1920.
CEO: Dirk Hauke.
Owner: Andreas and Joachim Kohm, grandchildren of the founder.
Markets: Germany, Sweden, Norway, Finland, Belgium, the Netherlands, Russia, Austria, France, Switzerland, Czech Republic and Slovakia.
Sales: around EUR 113 million (Group).
Employees: around 3,000 (Group).
Website: klingel.com

administrative tasks such as marketing, are in Germany. The logistics are well developed, and customers do not have to wait significantly longer for their parcels than if distribution took place from a local warehouse. And so far, there have not been any demands for faster deliveries. Most of Klingel's customers are extremely satisfied, which is particularly evident from the low return rate.

"In Sweden and Norway, only 15 percent make returns; it's a few more in Finland, as free returns are standard there," says Carina Bergudden.

But Finland is not only different when it comes to returns. This is where Klingel chose to take the first step into social media six months ago, another variation on local optimization in a big group with presence in 12 countries. Today, Klingel's Finnish Facebook page has 16,000 followers and the blog naistenhaku.fi has a huge number of visitors. There are now Swedish

and Norwegian Facebook pages.

But what has led to such success in the Nordic market? Selling clothes via mail order or online is hardly unique. It's about generic products and extremely tough competition.

"We stand out from the crowd," says Carina Bergudden. "Our clothes have a completely unique design that speaks to a slightly older target group. It's about everything from forgiving cuts to jeans with rhinestones or patterned garments. And it's all at a reasonable price level, even for people living on their pensions."

The attraction of the products is just as high in Finland and Norway as in Sweden; there is no discernible difference here. However, the end result is a little different in terms of age. Finland has the youngest Klingel customers: here, the average age is 55 rather than 60. In Sweden, it is almost exactly 60, and in Norway the average customer is just over 60.

Cultural differences may well be the biggest challenge for a company that wants to expand in other countries, whether it comes to immediate neighbors, or other countries within or beyond the EU. For Klingel, time and again the task has been to get a feel for what works and what doesn't in each country. Centrally controlled marketing campaigns rarely have favorable

results.

"Our customers react immediately if they can't recognize themselves; they may even get angry and submit complaints," says Carina Bergudden. "Our motto is therefore that Swedish Klingel should be perceived as Swedish as it possibly can; and of course, the same goes for Norway and Finland."

The hub of Klingel's marketing is the catalogue - primarily the two main catalogues, which are distributed annually, as well as the ones that come out between those publications.

"We don't send the main catalogue to everyone; rather, we have naturally segmented our customers in order to process them the best way possible, and so that they can also get more from us," says Carina Bergudden.

Sharing address lists and advertisements in *Plusset*, as well as other traditional DM, have long been Klingel's primary recruitment channels. They are now sharpening their focus on social media and a more deliberate PR strategy.

"We may be large in terms of number of customers, but brand awareness is low, and that's where we have a challenge ahead of us if we're going to take market share from our much more famous competitors. And that applies in Sweden, Norway and Finland," says Carina Bergudden.



SWEDEN

» Population aged 18-79 (2013)	7,130,000
» Proportion of population with Internet access (2012)	93 %
» Proportion of the population that shopped online in 2013	80%
» Number of consumers who shop online at least once a month	1,925,000
» Number of consumers who bought products online from abroad in 2013	2,210,000
» Proportion of Swedes that shopped online using their mobile phone in 2013	10%
» Average number of business days, maximum, in which e-commerce consumers expect to receive a delivery	4.17



One in two Swedes shop online each quarter

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

E-commerce is an accepted feature of everyday life for many Swedes. 55 percent of all Swedes buy products online at least once a quarter. Just under three in ten (27 percent) do so at least once a month. The most frequent online shoppers in Sweden are women aged 30-49. 40 percent in this category shop online at least once a month.

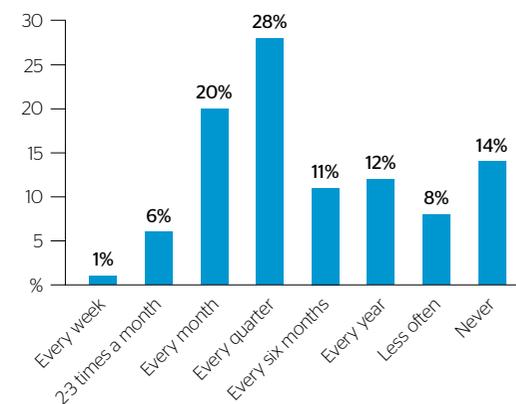
» Books the favorite product for Swedish online shoppers

Among Swedes, books are the product that most people shop for online: 38 percent of the entire population bought a book online in 2013. However, that is a decrease from the previous year, when 44 percent of Swedes bought a book online. Next comes clothing, which 34 percent bought, closely followed by home electronics, which 32 percent bought online in 2013. Last year, movies came in quite clearly at number four, followed by CDs. However, the percentage of consumers in Sweden that bought these products online declined sharply in 2013.



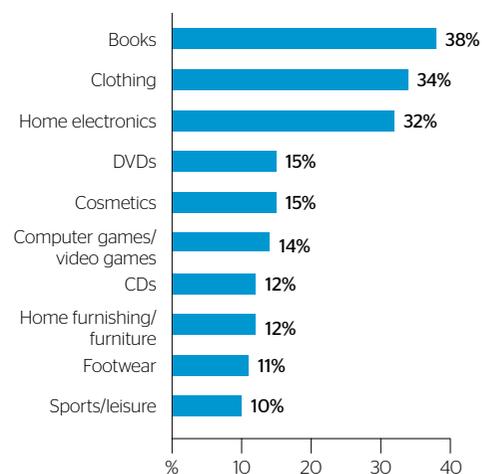
How often Swedes shop online

How often do you buy products online? Base: All Swedes aged 18-79



Favorite products among Swedish online shoppers

What kinds of products have you bought online in the past year? Base: All Swedes aged 18-79
Top 10.



Webshops are often showcases for physical shops

» Increased interplay between digital and physical sales channels

Swedish consumers often choose to do research online and then buy a product in a physical store. And occasionally, the reverse takes place: consumers test a product in a store, and then compare prices online and buy from the cheapest source or where the correct size is available.

Around one in five consumers in Sweden (21 percent) tried a product in a store and then bought it online at some point in 2013. This behavior was most common among consumers aged 30-49, and the products involved were clothing (30 percent), home electronics (22 percent) and footwear (18 percent).

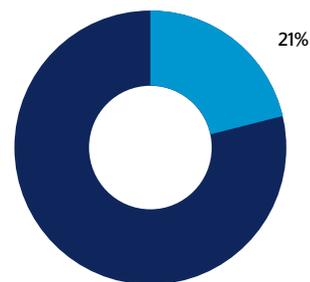
More than half (56 percent) used the Internet at some point in 2013 to research a product that they then bought in a store. This behavior was most common among men aged 30-49 when buying home electronics (44 percent), but also when buying clothing (21 percent).

» Payment by invoice most popular

Among online shoppers in Sweden, the highest proportion still prefer to pay retrospectively against an invoice for products bought online. In the rest of the Nordic region, it is more popular to pay with a debit or credit card. However, we do see among Swedish online shoppers that a higher proportion prefer to pay with a debit or credit card compared with the previous year.

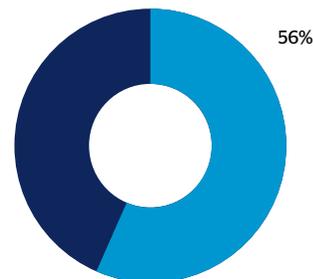
Proportion that check out a product in a store first

Proportion that at some point in the last year looked at/tried a product in a store first, and then bought it online. Base: All Swedes aged 18-79



Research online before buying in a store

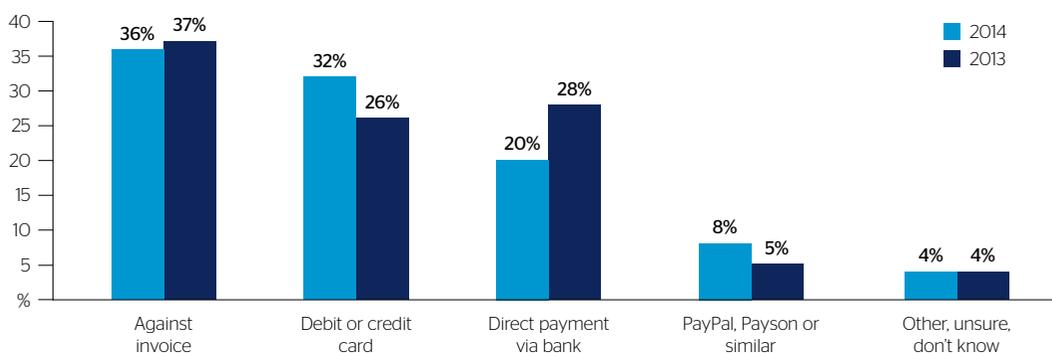
Proportion that at some point in the last year researched a product online first, and then bought it in a store. Base: All Swedes aged 18-79



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

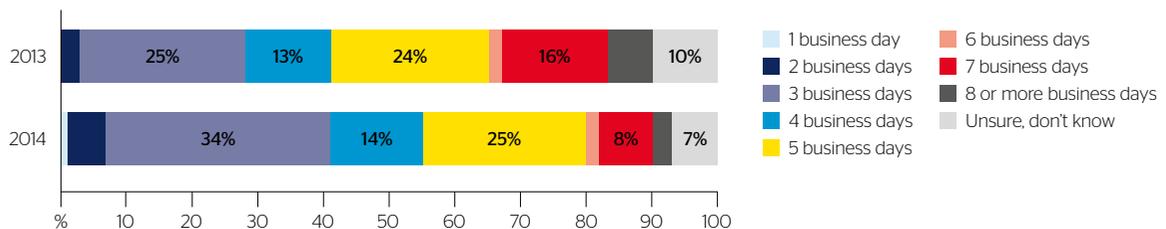


Demand for fast deliveries increases

Swedes' expectations of delivery time

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

Base: Have shopped online



» Four in ten want the product to be delivered within three days

Among all Nordic online shoppers, demand for shorter delivery times has grown, i.e., how many business days the delivery of an item may take at most. In 2013, Nordic residents expected an average maximum delivery time of 4.16 business days. The equivalent figure for online shoppers in Sweden is 4.17 business days. Around 40 percent of consumers expect a delivery to take three or fewer business days at most. 25 percent would accept waiting up to 5 business days for the delivery of a product they had ordered.

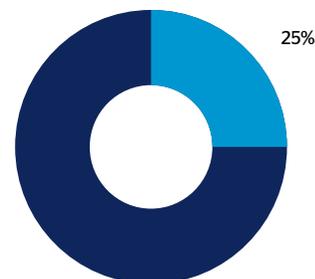
» Clothing returned the most

One in four online shoppers in Sweden returned a product in 2013. On average, these consumers returned 2.07 shipments, which means that 3,247,000 shipments were returned collectively. The item clearly returned by most respondents was clothing, at 57 percent. Subsequently came footwear and home electronics. The consumers who returned products are satisfied with how it works. 88 percent are fairly or very satisfied.

This many have returned products

Proportion that returned products bought online in 2013.

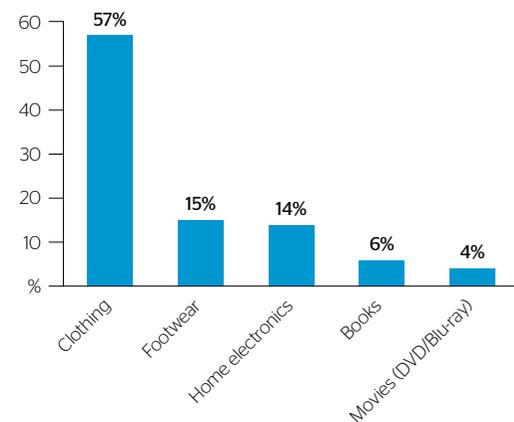
Base: Have shopped online



Most returned products

What products have you returned? Top 5.

Base: Have returned products bought online in 2013



Swedes spent SEK 5.8 billion at foreign sites in 2013

» One in three Swedes shopped online from abroad in 2013

In 2013, 2.2 million Swedes bought goods from foreign sites to the value of approximately SEK 5.8 billion. That corresponds to 31 percent of all Swedes aged 18-79. At the same time, our study shows that many consumers are not aware that they have shopped from a foreign site. Among the consumers who indicated that they had not bought goods from foreign sites, five percent responded that they shopped online from German site Zalando in 2013.

The products consumers bought from foreign sites are primarily clothes (24 percent), home electronics (18 percent) and books (13 percent).

» British online stores are most popular among Swedes

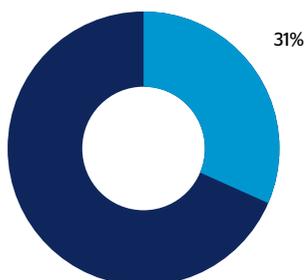
When Swedes shop across borders, it is mainly from British, American, German and Chinese sites. However, Swedish consumers seldom shop from Danish, Norwegian or Finnish sites.

» The goods consumers bought online from foreign sites are primarily clothes, home electronics and books.



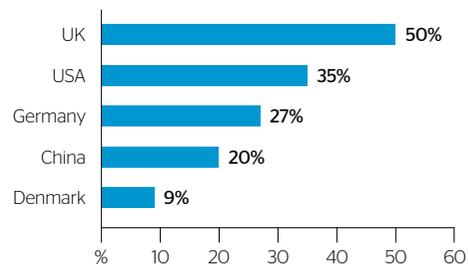
This many have shopped online from abroad

Proportion that have shopped online from abroad in the last year/at least once a year. Base: Entire population



Countries from which Swedes prefer to shop online

From which countries have you bought products online from abroad in the last year? ('Abroad' means that in your view, the online store is based outside of Sweden and/or that the delivery came from a country other than Sweden.) Top 5. Base: Have shopped online from abroad in 2013



DENMARK

» Population aged 18-79 (2013)	4,180,000
» Proportion of population with Internet access (2012)	90%
» Proportion of the population that shopped online in 2013	81%
» Number of consumers who shop online at least once a month	1,547,000
» Number of consumers who bought products online from abroad in 2013	1,630,000
» Proportion of Danes that shopped online using their mobile phone in 2013	11%
» Average number of business days, maximum, in which e-commerce consumers expect to receive a delivery	3.79



Roughly six in ten Danes shop online each quarter

» 37 percent of Danes buy products online at least once a month

Danes buy products online more frequently than any of their Nordic neighbors. An impressive 37 percent of all Danish consumers buy products online at least once a month. That is ten percentage points more than in Sweden. Among consumers under age 50, 45 percent shop at least once a month.

» Danish online shoppers favor clothes

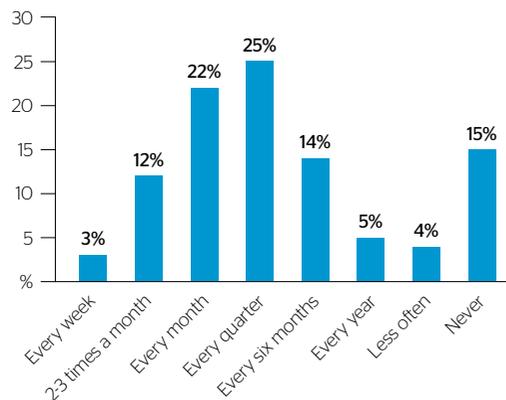
Clothes are the item that most Danes bought online in 2013. One in three Danes (33 percent) bought clothing at least once in 2013. After clothing, home electronics were the most popular products to buy online (29 percent), followed by books (26 percent). Among men, home electronics are clearly most popular, followed by books and clothing. Among women, clothes came in at the top, followed by books and cosmetics.



How often Danes shop online

How often do you buy products online?

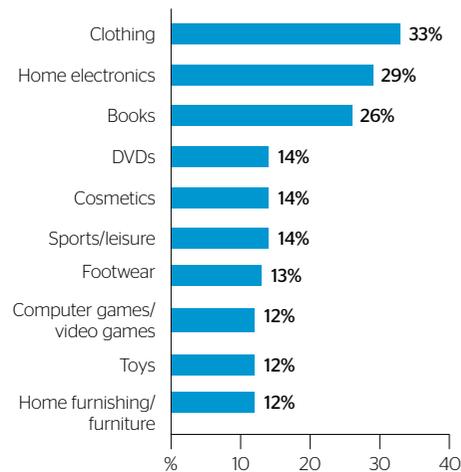
Base: All Danes aged 18-79



Favorite goods among Danish online shoppers

What kinds of products have you bought online in the past year? Top 10.

Base: All Danes aged 18-79



Increased interplay between digital and physical sales channels

» Many Danes do research online before shopping in a physical store

Danish consumers often choose to do research online and then buy a product in a physical store. Danes also choose to do the reverse quite often: consumers test a product in a store, and then compare prices online and buy from the cheapest source or where the correct size is available.

Almost one in five consumers in Denmark (19 percent) tried a product in a store and then bought it online at some point in 2013. That is about as big as the proportion of the population as in Sweden, and much more than in Norway and Finland.

This behavior was most common among consumers aged 18-29, and the products involved were home electronics (28 percent), clothing (23 percent) and footwear (15 percent).

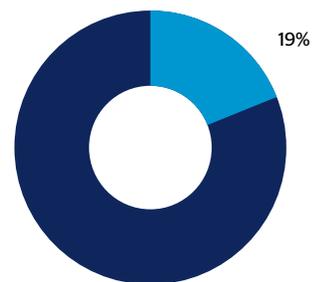
More than half (53 percent) used the Internet at some point in 2013 to research a product that they then bought in a store. This behavior was most common among consumers aged 18-29 when buying home electronics (35 percent), but also when buying clothing (23 percent) and home furnishing/furniture (18 percent).

» The overwhelming majority want to pay with a debit or credit card

An impressive 80 percent of online shoppers in Denmark want to pay for products bought online with a debit or credit card. Only eight percent prefer to pay retrospectively against an invoice. Among consumers aged 18-29, an entire 87 percent want to pay with a debit or credit card. Paying against an invoice is most popular among consumers aged 65-79: 13 percent in this age group prefer this payment method.

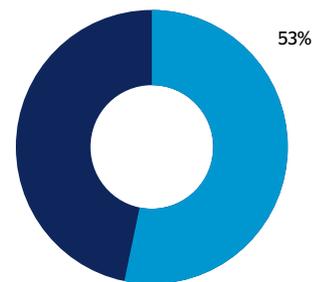
Proportion that check out a product in a store first

Proportion that at some point in the last year looked at/tried a product in a store first, and then bought it online. Base: All Danes aged 18-79



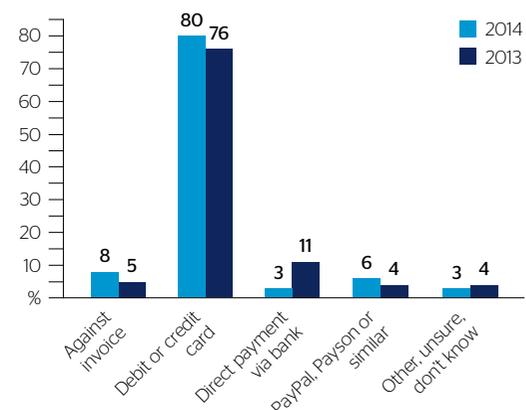
Research online before buying in a store

Proportion that at some point in the last year researched a product online first, and then bought it in a store. Base: All Danes aged 18-79



Debit or credit card 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

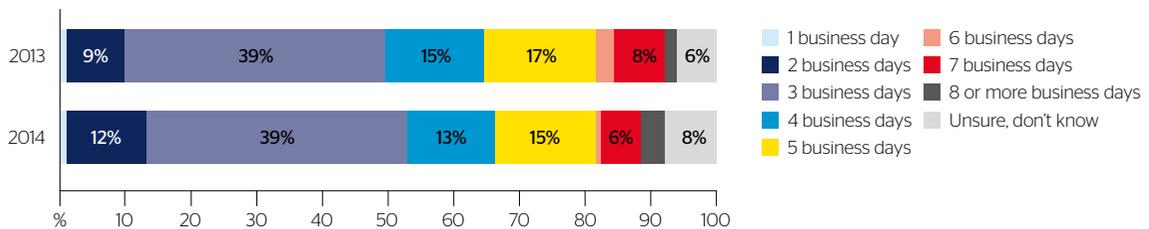


Danes demand fast deliveries

Danes' expectations of delivery time

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

Base: Have shopped online



» More than half want products bought online to be delivered within three business days

Danish consumers have the highest expectations in the Nordic region when it comes to delivery times. After ordering an item online, a Danish online shopper could wait an average of 3.79 days at most for the delivery. More than half (52 percent) expect deliveries within three days at most. Roughly one in ten consumers (11 percent) could wait six days or more.

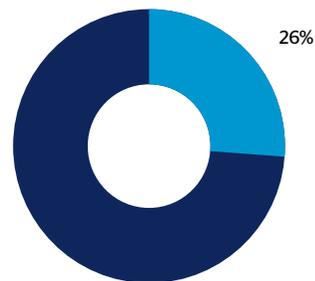
» Clothing returned the most

One in four consumers in Denmark (26 percent) returned a product in 2013. These consumers returned 1.94 shipments on average, which means that collectively, 1,784,000 shipments were returned last year. The item returned by most respondents was clothing, followed by home electronics and footwear. Danish consumers are satisfied with the return handling process: 84 percent think it functions fairly or very well.

This many have returned products

Proportion that returned products bought online in 2013.

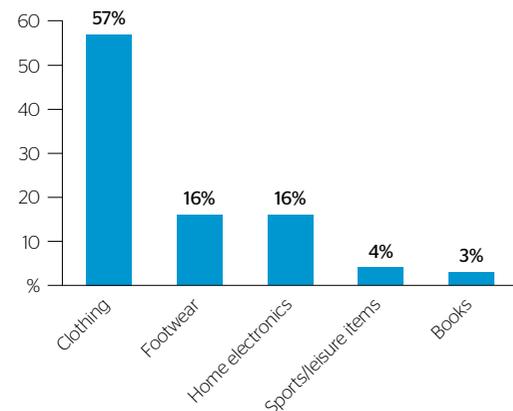
Base: Have shopped online



Most returned products

What products have you returned? Top 5.

Base: Have returned products bought online in 2013



Four in ten Danes shopped online from abroad in 2013

» Around SEK 4.4 billion in goods bought online from abroad in 2013

In 2013, 1.6 million Danes bought products online from foreign sites, spending about SEK 4.4 billion. That corresponds to 39 percent of all Danes aged 18-79. In the Nordic region and after Norwegians, Danes have the highest proportion of consumers that shop online from abroad. However, the proportion is probably higher than 39 percent. Among the consumers who indicated that they had not bought goods from foreign sites, five percent responded that they shopped online from German site Zalando in 2013.

The products consumers bought from foreign sites are primarily clothes (28 percent), home electronics (25 percent) and books (20 percent).

» British online stores are most popular among Danes

When Danish consumers shop across borders, it is mainly from British sites. An impressive 56 percent of online shoppers that made purchases from abroad in 2013 bought from British sites. 31 percent bought from German sites, 26 percent from American sites, and 24 percent from Swedish sites.

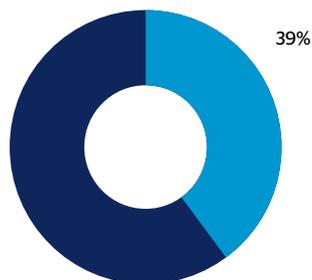
» When Danish consumers shop across borders, it is mainly from British sites.



This many have shopped online from abroad

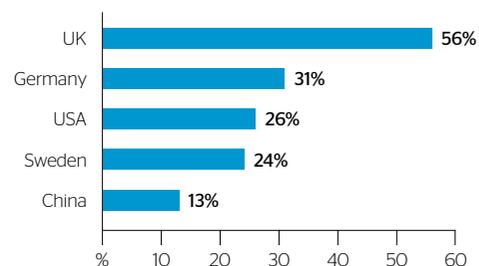
Proportion that shopped online from abroad in the last year/at some point each year.

Base: All Danes aged 18-79

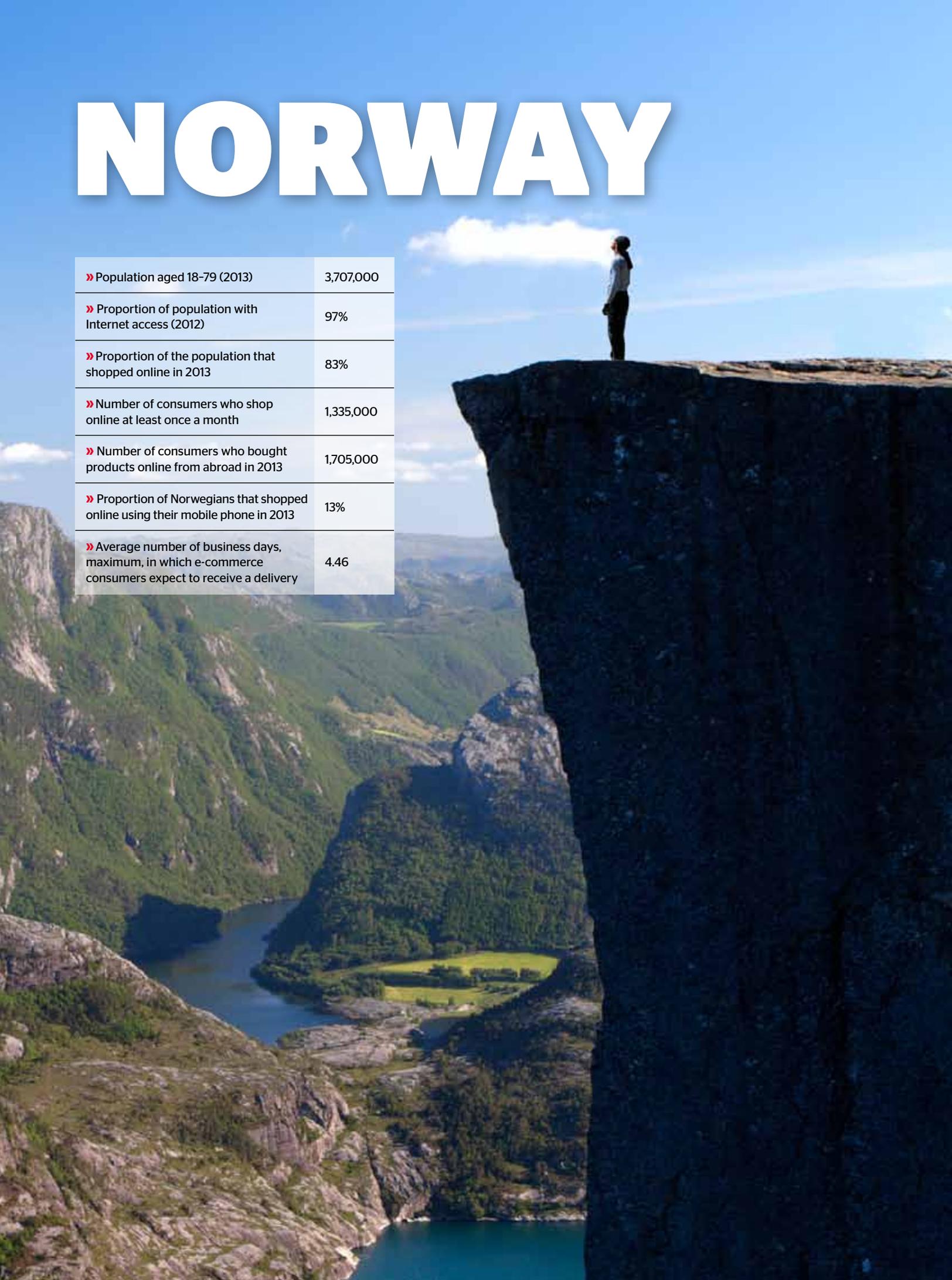


Countries from which Danes prefer to shop online

From which countries have you bought products online from abroad in the last year? ('Abroad' means that in your view, the online store is based outside of Denmark and/or that the delivery came from a country other than Denmark.) Top 5. Base: Have shopped online from abroad in 2013



NORWAY



» Population aged 18-79 (2013)	3,707,000
» Proportion of population with Internet access (2012)	97%
» Proportion of the population that shopped online in 2013	83%
» Number of consumers who shop online at least once a month	1,335,000
» Number of consumers who bought products online from abroad in 2013	1,705,000
» Proportion of Norwegians that shopped online using their mobile phone in 2013	13%
» Average number of business days, maximum, in which e-commerce consumers expect to receive a delivery	4.46

Most one in three Norwegians shop online each month

» 61 percent of Norwegians buy products online at least once a quarter

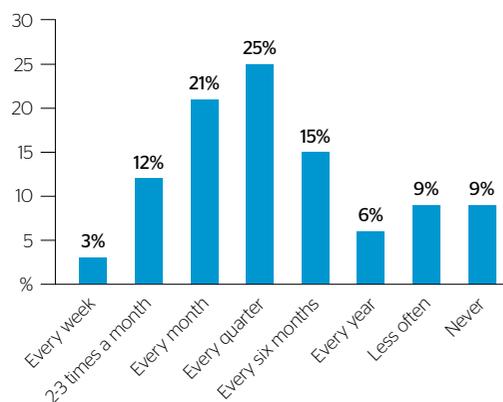
Norwegians, together with Danes, buy products online more frequently than their Nordic neighbors, with 36 percent of all consumers in Norway shopping online at least once a month. That is almost ten percentage points more than in Sweden. Among consumers under age 50, 47 percent shop at least once a month.

» Home electronics are the favorite product for Norwegian online shoppers

Home electronics are the products most Norwegians bought online in 2013. Around one in three Norwegians (36 percent) bought home electronics online at some point in the last year. The next most popular products to buy online were clothing (34 percent), followed by books (32 percent). A higher proportion of Norwegians (18 percent) bought sporting goods online in 2013 than in any other Nordic country.

How often Norwegians shop online

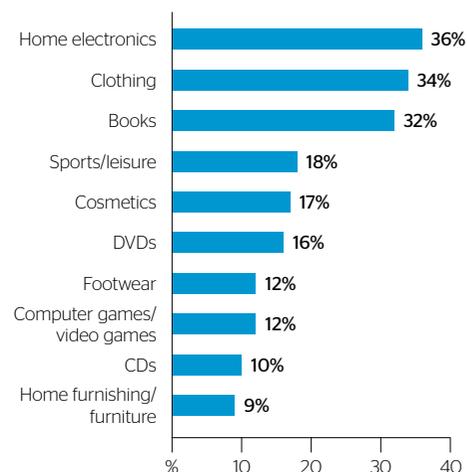
How often do you buy products online? Base: All Norwegians aged 18-79



Favorite products among Norwegian online shoppers

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

Top 10. Base: All Norwegians aged 18-79



Research online before shopping in a physical store is typical in Norway

» Many do research on webshops before buying in physical stores

Consumers in Norway often choose to do research online and then buy a product in a physical store. However, fairly few consumers do the reverse, i.e., test or look at a product in a store, and then compare prices online and buy from the cheapest source or where the correct size is available.

Only twelve percent of consumers in Norway tried a product in a store and then bought it online at some point in 2013. That is a significantly lower percentage than in Sweden and Denmark, but about on par with Finland. Consumers who did partake in that behavior at some point in 2013 primarily bought clothing (39 percent), home electronics (24 percent) or shoes (21 percent).

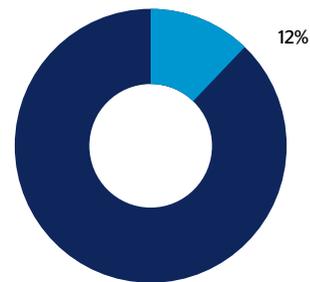
More than half (58 percent) of respondents used the Internet at some point in 2013 to research a product that they then bought in a store. This behavior was most common among consumers aged 18-29 when buying home electronics (47 percent), but also when buying sports and leisure products (23 percent) and clothing (18 percent).

» A clear majority wants to pay with a debit or credit card

67 percent of online shoppers in Norway want to pay for products bought online with a debit or credit card. That is an increase of 13 percentage points compared with the previous year. Relative to the other Nordic countries, many Norwegians (14 percent) prefer to pay with PayPal, Payson or similar solutions.

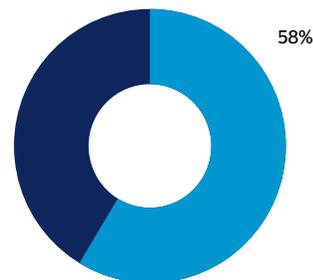
Proportion that check out a product in a store first

Proportion that at some point in the last year looked at/tried a product in a store first, and then bought it online. Base: All Norwegians aged 18-79



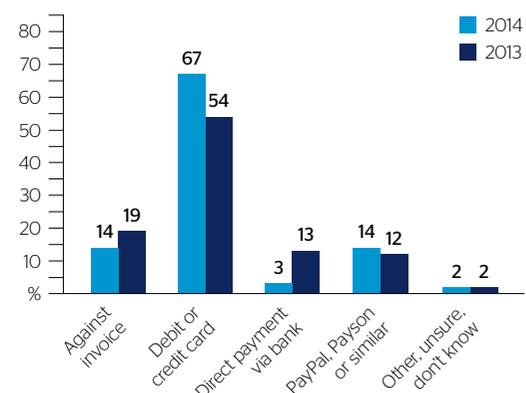
Research online before buying in a store

Proportion that at some point in the last year researched a product online first, and then bought it in a store. Base: All Norwegians aged 18-79



Debit or credit card most popular

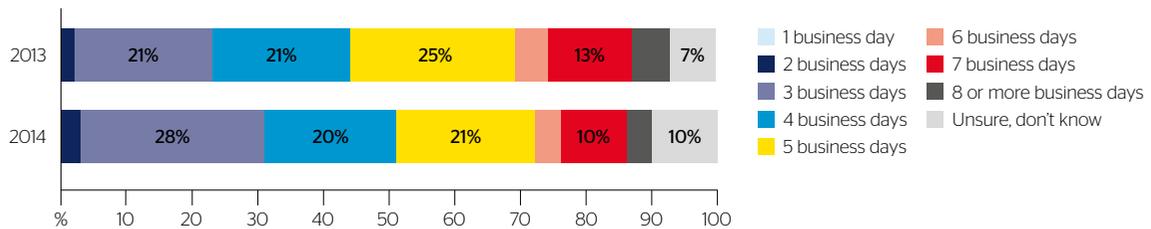
Which of the following methods do you prefer to use when you pay for a product you've bought online. Base: Have shopped online



Greater demand for fast deliveries

Norwegians' expectations of delivery time

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



» Almost one in three Norwegians expect deliveries to arrive within three business days

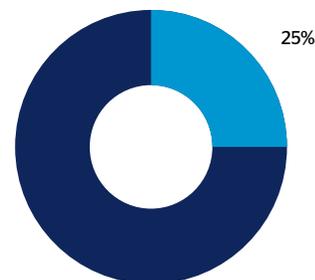
Norwegians' expectations for fast deliveries are rising. On average, a Norwegian expects a product bought online to be delivered within 4.46 business days after placing the order. That is a change from 4.78 business days last year. 31 percent of consumers expect deliveries within three days at most. 18 percent could wait six days or more for the product to be delivered.

» Clothing returned the most

One in four consumers in Norway (25 percent) returned a product in 2013. These consumers returned 1.9 shipments on average, which means that collectively, 1,479,000 shipments were returned last year. The item returned by most respondents was clothing, followed by home electronics and footwear. Norwegian consumers who returned a product they bought online in 2013 are satisfied with the return handling process: 81 percent think it functions fairly or very well.

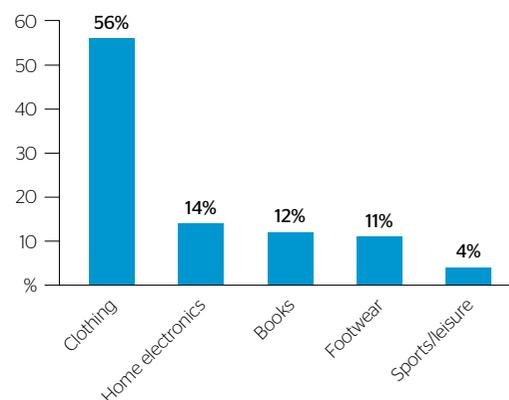
This many have returned products

Proportion that returned products bought online in 2013. Base: Have shopped online



Most returned products

What products have you returned? Top 5. Base: Have returned products bought online in 2013



Norwegians shopped most from foreign sites in 2013

» Almost every other Norwegian shopped online from foreign sites

In 2013, 1.7 million Norwegians bought goods online from foreign sites, spending around SEK 5.1 billion. That corresponds to 46 percent of all Norwegians aged 18-79. Norway is the Nordic country (and even the European country) with the highest proportion of consumers that shop from foreign sites. However, the proportion is probably higher than 46 percent. Among the consumers who indicated that they had not bought goods from foreign sites, four percent responded that they shopped online from German site Zalando in 2013. The products consumers bought from foreign sites are primarily clothes (28 percent), home electronics (23 percent) and books (20 percent).

» British and American webshops are most popular among Norwegians

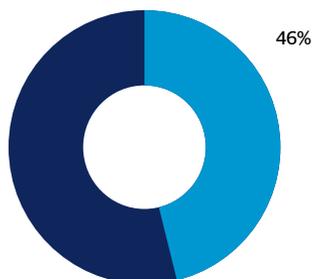
When Norwegian consumers shop online across borders, it is mainly from British and American sites. 48 percent of online shoppers that made purchases from abroad in 2013 bought from British and American sites equally. Other countries from which Norwegians shopped online are China (24 percent) and Sweden (24 percent).

» When Norwegian consumers shop online across borders, it is mainly from British and American sites.



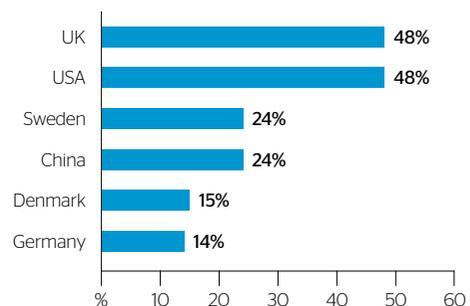
This many have bought from foreign sites

Proportion that shopped online from abroad in the last year/at some point each year. Base: All Norwegians aged 18-79



Countries from which Norwegians prefer to shop online

From which countries have you bought products online in the last year? ('Abroad' means that in your view, the online store is based outside of Norway and/or that the delivery came from a country other than Norway) Top 5. Base: Have bought from foreign sites in 2013





FINLAND

» Population aged 18-79 (2013)	4,056,000
» Proportion of population with Internet access (2012)	89%
» Proportion of the population that shopped online in 2013	70%
» Number of consumers who shop online at least once a month	771,000
» Number of consumers who bought products online from abroad in 2013	1,338,000
» Proportion of Finns that shopped online using their mobile phone in 2013	4%
» Average number of business days, maximum, in which e-commerce consumers expect to receive a delivery	4.25

One in five Finns shops online every month

» Consumers in Finland shop online less than other Nordic residents

E-commerce is slightly less widespread in Finland than it is in the rest of the Nordic countries. 19 percent shop online each month, which is a significantly lower proportion than the 37 percent who shop online in Denmark. However, 19 percent corresponds to 771,000 consumers. Per quarter, the percentage is 43 percent.

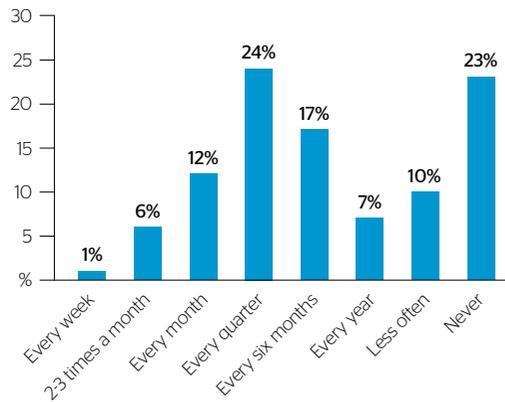
» Finnish online shoppers favor clothing

Clothing is the product most Finns bought online in 2013. Almost three in ten Finns (29 percent) bought clothes online at some point last year. The next most popular products to buy online were books and home electronics (24 percent).



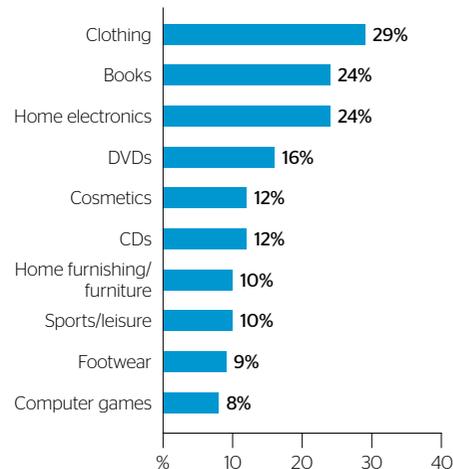
How often Finns shop online

How often do you buy products online?
Base: All Finns aged 18-79



Finnish online shoppers' favorites

What kinds of products have you bought online in the past year?
Top 10. Base: All Finns aged 18-79



Research online before buying in a physical store is typical

» Many do research on webshops before buying in physical stores

Consumers in Finland often choose to do research online and then buy a product in a physical store. However, fairly few consumers do the reverse, i.e., test or look at a product in a store, and then compare prices online and buy from the cheapest source or where the correct size is available.

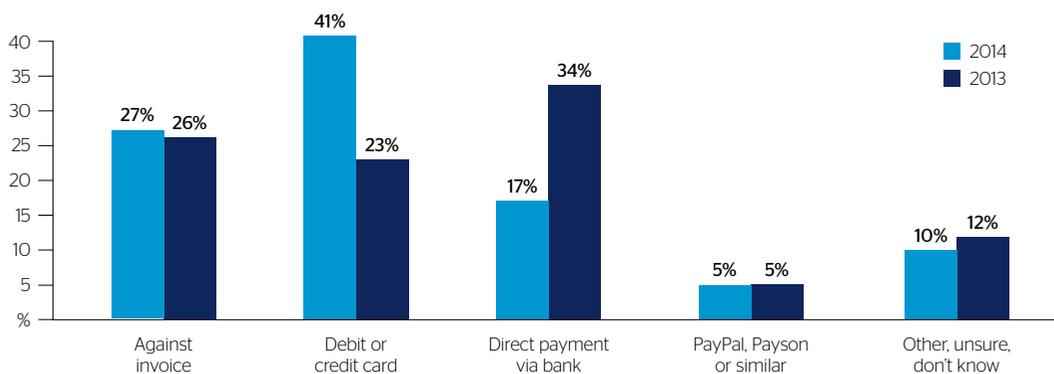
Only twelve percent of consumers in Finland tried a product in a store and then bought it online at some point in 2013. That is a significantly lower proportion than in Sweden and Denmark, but about on par with Norway. Consumers who did partake in that behavior at some point in 2013 primarily bought home electronics (31 percent), books (20 percent) or clothing (19 percent). Almost half (45 percent) of consumers used the Internet at some point in 2013 to research a product that they then bought in a store. However, this is a much lower proportion than in the other Nordic countries. This behavior was most common when buying home electronics (49 percent).

» Multiple payment methods are popular in Finland

The payment method that most consumers in Finland prefer is debit or credit card (41 percent), followed by paying against invoice (27 percent) and direct payment via bank (17 percent). Relative to one year ago, a significantly higher proportion prefer debit or credit card, and a lower proportion prefer direct payment via bank.

How popular the payment alternatives are

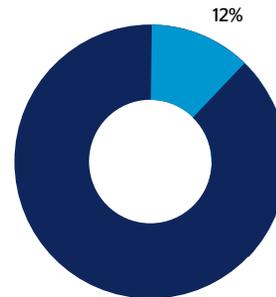
Which of the following methods do you prefer to use when you pay for a product you've bought online Base: Have shopped online



Proportion that check out a product in a store first

Proportion that at some point in the last year looked at/tried a product in a store first, and then bought it online.

Base: All Finns aged 18-79



Research online before buying in a store

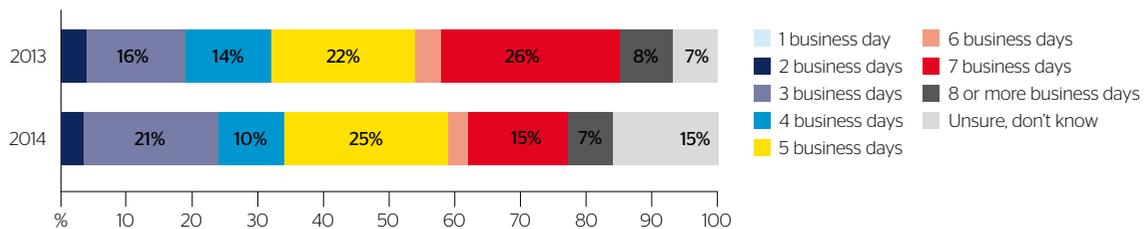
Proportion that at some point in the last year researched a product online first, and then bought it in a store. Base: All Finns aged 18-79



Demand for fast deliveries increases

Finns' expectations of delivery times

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



» Just under one in four consumers expects deliveries within three days

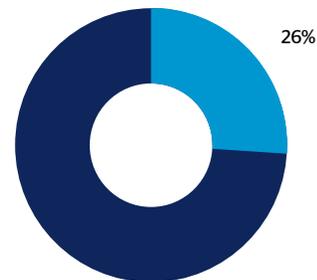
Previously, Finnish consumers had the lowest demand in the Nordic region for receiving deliveries quickly. But in the last year, demand for speed has increased. On average, consumers in Finland expect to receive deliveries within 4.25 business days. One year ago, the equivalent average was 5 business days. However, one in four consumers (25 percent) could wait six days or longer to receive a product.

» Clothing returned the most

One in four online shoppers in Finland (26 percent) returned a product in 2013. On average, these consumers returned 2.58 shipments, which is the highest average in the Nordic region. Collectively, 2,093,000 shipments were returned last year. The item returned by most respondents was clothing (61 percent), followed by home electronics and footwear. Consumers in Finland who returned a product they bought online in 2013 are satisfied with the return handling process: 90 percent think it functions fairly or very well. Even that is the highest proportion in the Nordic region.

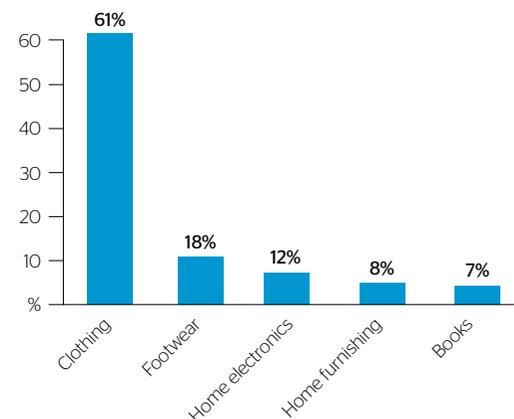
This many have returned products

Proportion that returned products bought online in 2013. Base: Have shopped online



Most returned products

What products have you returned? Top 5. Base: Have returned products bought online in 2013



One in three consumers shopped online from abroad in 2013

» E-commerce from abroad for SEK 3.7 billion kronor

In 2013, 1.3 million Finns bought goods online from foreign sites, spending around SEK 3.7 billion. That corresponds to 33 percent of all Finns aged 18-79. Finnish consumers are thus more active than Swedish consumers when it comes to searching beyond their country's borders when shopping online. The products consumers bought from foreign sites are primarily clothes (30 percent), home electronics (22 percent) and books (15 percent).

» British and German webshops are most popular in Finland

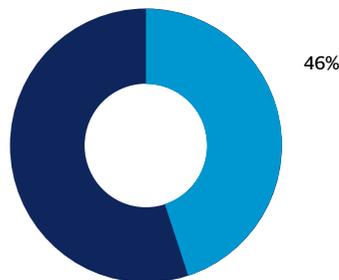
When Finnish consumers shop from abroad, it is primarily from British and German sites. 41 percent of online shoppers that made purchases from abroad in 2013 bought from British sites; an almost equally high percentage bought from German sites (37 percent). Other countries from which Finns often shop online are Sweden (29 percent) and the US (24 percent).

» When Finnish consumers shop from abroad, it is primarily from British and German sites.



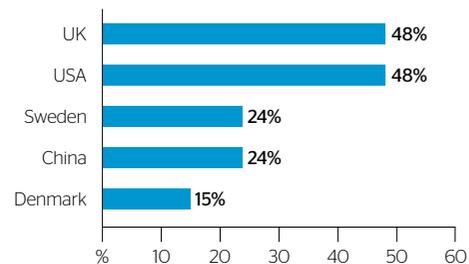
This many have bought from foreign sites

Proportion that have bought from foreign sites in the last year/at least once a year. Base: All Finns aged 18-79



Countries from which Finns prefer to shop online

From what countries have you shopped online from abroad in the last year? ('Abroad' means that in your view, the online store is based outside of Finland and/or that the delivery came from a country other than Finland) Top 5. Base: Have bought from foreign sites in 2013



A wide range becomes narrower

PostNord is an obvious logistics partner for a large number of the companies in the Nordic region that have entered the Internet in the last few years. But e-commerce is growing and changing quickly, and constantly requires new solutions. It is in this arena that PostNord intends to be the leading player.

Both 2012 and 2013 were exceptional years for e-commerce in the Nordic region, with double-digit growth rates: around 15 percent each year. Players from abroad have made huge inroads into both the Swedish and Norwegian markets, and consumers are increasingly mobile, searching beyond national borders for a larger selection of goods. Competition is fierce for e-commerce companies and consumer behavior patterns are changing with increased maturity in shopping online. This market development puts increasingly high demands on flexible distribution solutions. In light of this background, PostNord recently initiated a restructuring process with a new organization from March 31.

“Moving forward, we will have an even sharper focus on e-commerce in order to develop our offering for customers and consumers,” says Annemarie Gardshol, Head of eCommerce & Corporate Clients and Chief Strategy Officer of PostNord.

With 375 years of experience in distribution and 110 million parcels per year, PostNord is the obvious choice both for e-commerce companies taking the step from packing parcels in their living rooms to more professional distribution

and retailers increasing their focus on e-commerce.

There are already services that appeal to and satisfy the vast majority of companies and consumers: secure and fast deliveries, roughly 5,300 distribution points, the option to have goods delivered directly to the mailbox or to the door within specific time windows, well developed third-party logistics, solutions for profitable customer recruitment and so much more.



Annemarie Gardshol, Head of eCommerce & Corporate Clients and Chief Strategy Officer at PostNord.

But new times call for new solutions for e-retailers and online shoppers. Therefore, PostNord now has a team powered by ten men and women wherein the most important work task is to face the future together with customers.

“Parts of the group focus completely on concept and service development; one person is devoted to trendspotting and competitive intelligence; another is fully dedicated to the IT structure and how to handle the future information flow. And maybe most importantly of all: several team members are out with customers full-time to jointly produce specific solutions that can be developed into new products and services,” says Annemarie Gardshol.

Naturally, each customer has different needs. Doorstep deliveries are a must for those selling foods; return handling is



PHOTOS: JUNE-WITZOE

»» *Weekend deliveries will be requested more often; it will be more important for our services to be environmentally efficient, and for our return handling to be further streamlined.*



important for fashion stores; flexibility and unique solutions can be a matter of success or failure for home electronics e-retailers; in turn, selling pharmacy products requires specific delivery solutions, and the environmental aspect is an increasingly influential factor for the industry as a whole.

“To continue to be an attractive partner, we must grow with customers and help them find attractive communications and logistics solutions that can lead in turn to profitable growth, and contribute to creating a positive buying experience for online shoppers,” says Annemarie Gardshol.

What kinds of services are in the works

and what needs may arise in the future?

“We’re going to see greater segmentation of e-retailers’ customers. In turn, that segmentation will generate a need for more variants of logistics solutions. Weekend deliveries will be requested more often; it will be more important for our services to be environmentally efficient, and for our return handling to be further streamlined,” says Annemarie Gardshol.

E-commerce has enormous potential, and at this point an estimated 6 percent of all purchases take place online. Several barriers prevent people from shopping online more, such as the ability to test and

touch a product or get expert advice from knowledgeable staff. But many barriers are also related to the actual delivery of the item, and cases in which customers wish to return a purchase. It is in this period of transition that PostNord will actively lead the progress in e-commerce.

“By being innovative, flexible and responsive, we will help push companies’ growth and competitiveness, and thus be the obvious choice for both senders and recipients of e-commerce shipments, even in the future. Companies and private individuals in the Nordic market will see us as their first choice,” says Annemarie Gardshol.

Detailed results

Consumers in the Nordic region who bought products online in 2013

Population (aged 18-79) in the Nordic countries. Sources: Scb.se, 2013/Statistikbanken.dk, 2013/ssb.no, 2013/tilastokeskus.fi

Sweden	7,130,000
Denmark	4,180,000
Norway	3,707,000
Finland	4,056,000

Proportion of the population with Internet access. Source: Internet World Stats, June 2012

Sweden	93%
Denmark	90%
Norway	97%
Finland	89%

Proportion of consumers who have shopped online. Base: Entire population

Sweden	86%
Denmark	85%
Norway	89%
Finland	77%

Proportion of consumers who shopped online in 2013. Base: Entire population

Sweden	80%
Denmark	81%
Norway	83%
Finland	70%

Number of consumers who bought products online in 2013. Calculation: Proportion who shopped online × population aged 18-79

Sweden	5,704,000
Denmark	3,386,000
Norway	3,077,000
Finland	3,123,000
Nordic region	15,290,000

Proportion of the population in each country who shop online at least once a month

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

	Sweden	Denmark	Norway	Finland
2014	27%	35%	33%	18%
2013	25%	32%	32%	17%

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

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

	Sweden	Denmark	Norway	Finland
Simpler*	49%	48%	47%	39%
I can shop when it suits me	27%	27%	30%	26%
Time-saving	8%	9%	11%	8%
More convenient	14%	12%	5%	5%
Cheaper	26%	32%	28%	24%
Bigger and better selection	15%	9%	14%	21%
Other, unsure, don't know	9%	11%	12%	17%

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

Top 10 products bought by Nordic residents online in 2013

What kind of products have you bought online in the past year? Multiple responses possible.

Number of consumers, proportion of entire population in parentheses. Base: Entire population

	Sweden		Denmark		Norway		Finland	
Clothing	2,424,000	(34%)	2,709,000	(38%)	1,409,000	(34%)	1,176,000	(29%)
Books	2,709,000	(38%)	1,069,000	(26%)	1,186,000	(32%)	973,000	(24%)
Home electronics	2,282,000	(32%)	1,212,000	(29%)	1,335,000	(36%)	973,000	(24%)
Movies (DVD/Blu-ray)	1,070,000	(17%)	585,000	(14%)	593,000	(16%)	649,000	(16%)
Cosmetics, hair and skin care	1,070,000	(17%)	585,000	(14%)	630,000	(17%)	487,000	(12%)
Sports/Leisure	713,000	(10%)	585,000	(14%)	667,000	(18%)	406,000	(10%)
Computer games/video games	998,000	(14%)	502,000	(12%)	445,000	(12%)	324,000	(8%)
Footwear	784,000	(11%)	543,000	(13%)	445,000	(12%)	365,000	(9%)
CDs	856,000	(12%)	418,000	(10%)	371,000	(10%)	487,000	(12%)
Home furnishing/furniture	856,000	(12%)	502,000	(12%)	334,000	(9%)	406,000	(10%)

Proportion of population in 2013 who looked at/tried a product in a store first, and then bought it online.

Have you looked at/tried a product in a store first, and then bought it online at any time in the last year?

Percentage that responded yes. Base: Entire population

	Sweden	Denmark	Norway	Finland	Nordic region
Yes	21%	19%	12%	12%	17%

What kind/kinds of products did you look at/try in a store first, and then buy online in the last year?

Top 5. Base: Have looked at a product in a store first, and then bought it online in 2013

	Sweden	Denmark	Norway	Finland
Clothing	30%	23%	39%	19%
Home electronics	27%	28%	24%	31%
Footwear	18%	15%	21%	9%
Books	13%	6%	5%	20%
Sports/leisure	10%	9%	10%	7%

Proportion of population who researched a product online and then bought it in a store in 2013.

Have you researched a product online first, and then bought it at a traditional store at any time in the last year?

Percentage that responded yes. Base: Entire population

	Sweden	Denmark	Norway	Finland	Nordic region
Yes	56%	53%	58%	45%	53%

What kind/kinds of products have you researched online first, and then bought at a traditional store in the last year?

Top 6. Base: Have researched a product online first, and then bought it at a traditional store in 2013

	Sweden	Denmark	Norway	Finland
Home electronics	53%	35%	47%	49%
Clothing	15%	23%	18%	25%
Home furnishing/furniture	15%	18%	17%	21%
Books	12%	16%	10%	16%
Home and garden	11%	13%	10%	12%
Sports/leisure	11%	16%	23%	14%

Proportion of the population that shopped online using their mobile phone in 2013

Have you used your mobile phone to buy goods online at any time in the last year? Base: Entire population

	Sweden	Denmark	Norway	Finland	Nordic region
Yes	10%	11%	13%	4%	10%

Payment alternatives for e-commerce

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

Parentheses indicate 2013 answers. Base: Have shopped online

	Sweden	Denmark	Norway	Finland
Against invoice	36% (37%)	8% (5%)	14% (19%)	27% (26%)
Debit or credit card	32% (26%)	80% (76%)	67% (54%)	41% (23%)
Direct payment via bank	20% (28%)	3% (11%)	3% (13%)	17% (34%)
PayPal, Payson or similar	8% (5%)	6% (4%)	14% (12%)	5% (5%)
Other, unsure, don't know	4% (4%)	3% (4%)	2% (2%)	10% (12%)

Faster deliveries increasingly important

When you order a product online, what are your expectations of the delivery time, i.e. how many business days

may it take at the most to receive the product? Base: Have shopped online

	Sweden	Denmark	Norway	Finland
1 business day	1%	1%	0%	0%
2 business days	6%	12%	3%	2%
3 business days	34%	39%	28%	21%
4 business days	14%	13%	20%	10%
5 business days	25%	15%	21%	25%
6 business days	2%	1%	4%	3%
7 business days	8%	6%	10%	15%
8 or more business days	3%	4%	4%	7%
Unsure, don't know	7%	8%	10%	15%
Average	4.17 business days	3.79 business days	4.46 business days	4.25 business days

Preferred delivery alternatives

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

	Sweden	Denmark	Norway	Finland
I want it delivered to my mailbox by the mail carrier	50%	35%	57%	35%
I want to pick it up myself from my partner outlet/collection point (pakkeboks [parcel box])	38%	26%	24%	50%
I want it delivered to my home in the daytime between 9 a.m.-5 p.m.	5%	20%	4%	8%
I want it delivered to my home in the evening between 5 p.m.-9 p.m., even if it costs extra	2%	7%	4%	2%
I want it delivered to my workplace	1%	7%	2%	1%
I want to pick it up myself from a physical store	1%	3%	6%	3%
Unsure, don't know	3%	0%	0%	0%

One in four Nordic residents have returned a product bought online in 2013

Have you returned a product you bought online at any time in the last year?

	Sweden	Denmark	Norway	Finland
Yes (Base: Have shopped online)	25%	26%	24%	26%
Yes (Base: Entire population)	22%	20%	21%	20%
Number of consumers	1,568,500	836,000	778,500	811,000

How many packages/letters of products bought online do you estimate you have returned in the last year? Base: Have returned products bought online in 2013

	Sweden	Denmark	Norway	Finland
Average	2.07	1.94	1.9	2.58

Number of returned packages in 2013.

	Sweden	Denmark	Norway	Finland
Average x number of consumers who have returned products	3,247,000	1,784,000	1,479,000	2,093,000

Consumers satisfied with the return handling process

How well do you think the return process for items bought online works?

Proportion who answered “very well” and “fairly well”. Base: Have returned products bought online in 2012

	Sweden	Denmark	Norway	Finland
Very well	49%	43%	35%	56%
Fairly well	39%	41%	46%	34%

Around one in three Nordic residents shopped online from abroad in 2013

Have you bought goods online from abroad in the last year? "Abroad" means that in your view, the online store is based outside of (country) and/or that the delivery came from a country other than (country). Base: Entire population

	Sweden	Denmark	Norway	Finland	Nordic region
Proportion Yes	31%	39%	46%	33%	36%
Population (number)	2,210,000	1,630,000	1,705,000	1,338,000	6,883,000

How much do you estimate that you spent online on products from foreign sites last year? Base: Have shopped online from abroad in 2013

	Sweden	Denmark	Norway	Finland
Average	SEK 2,634	DKK 2,220	NOK 2,721	EUR 310

Total e-commerce from abroad in 2013. Calculation: Number who have shopped online from abroad × average. Exchange rates January 1, 2014.

	Sweden	Denmark	Norway	Finland	Nordic region
National currency	SEK 5,785 million	DKK 3,619 million	NOK 4,640 million	EUR 415 million	
SEK	SEK 5,785 million	SEK 4,378 million	SEK 5,132 million	SEK 3,674 million	SEK 18,969 million
EUR	EUR 654 million	EUR 485 million	EUR 552 million	EUR 415 million	EUR 2,106 million
DKK	DKK 4,871 million	DKK 3,619 million	DKK 4,130 million	DKK 3,095 million	DKK 15,715 million
NOK	NOK 5,467 million	NOK 4,060 million	NOK 4,640 million	NOK 3,474 million	NOK 17,641 million

What products have you bought online from abroad in 2013? Top 6. Base: Have shopped online from abroad in 2013

	Sweden	Denmark	Norway	Finland	Nordic region
Clothing	24%	28%	28%	30%	27%
Home electronics	24%	25%	23%	22%	24%
Books	13%	20%	20%	15%	17%
Sport and leisure	11%	12%	12%	10%	9%
Cosmetics	10%	10%	16%	10%	9%
Footwear	9%	10%	8%	9%	7%

From which countries have you bought products online from abroad in the last year? "Abroad" means that in your view, the online store is based outside of Sweden and/or that the delivery came from a country other than Sweden.

Nordic countries and top 4 excl. Nordic countries. Base: Bought products online from abroad in 2013

	Sweden	Denmark	Norway	Finland	Nordic region
UK	50%	56%	48%	41%	49%
USA	35%	26%	48%	26%	34%
Germany	27%	31%	14%	37%	27%
China	20%	13%	24%	14%	18%
Sweden		24%	24%	29%	25%
Denmark	9%		15%	4%	10%
Norway	3%	3%		2%	3%
Finland	2%	0%	0%		1%



PostNord and e-commerce

PostNord is the leading supplier of communications and logistics solutions to, from and within the Nordic region. We also ensure postal delivery to private individuals and businesses in Sweden and Denmark. With our expertise and an excellent distribution network, we are continually developing the basis for tomorrow's communication, e-commerce, distribution and logistics in the Nordic region. In 2013, the Group had sales of EUR 4,5 billion and 39,000 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 5,300 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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