



E-commerce in the Nordic region Q3 2014

THEME: E-COMMERCE AT CHRISTMAS

postnord

Nordic e-commerce valued at SEK 34.5 bn

FOREWORD

Nordic consumers estimate that during Q3 they have made online purchases to a total value of SEK 34.5 bn, as against SEK 33 bn in Q2 2014. The strong growth of e-commerce thus seems set to continue.

We are also noticing the positive trend at PostNord. During Q3 PostNord's e-commerce related B2C parcel volumes continued to grow and rose by 18 percent during Q3.

Much seems to suggest that e-commerce relating to Christmas gifts will smash new records this year. Nordic consumers estimate that they will be buying Christmas gifts online to a value of SEK 11.2 billion. This quarter the theme is e-commerce at Christmas, and we will be looking more closely at how Nordic consumers do their Christmas shopping in general and online shopping in particular.

Christmas shopping in the Nordic region takes place from the end of October all the way up to Christmas Eve. Nordic e-commerce consumers choose to do their online Christmas shopping early. The Nordic online Christmas shopping season culminates in the last week of November.

The most important reason why Nordic consumers choose to buy their Christmas gifts online rather than in stores is that it is simple and convenient.

Håkan Ericsson
President and Group CEO at PostNord

About the E-commerce in the Nordic region (E-handeln i Norden) report

Since the first quarter of 2014, PostNord has been monitoring growth in e-commerce in the Nordic region on a quarterly basis. The survey is based on consumers' estimates of the total amount for their e-shopping bill.

The report, published once a quarter, is based on a consumer survey conducted in Sweden, Denmark, Norway and Finland involving 4,000 respondents.

In it, e-commerce is defined as sales of goods via the Internet, with delivery to the home or a distribution point, or for collection by the consumer in a store, warehouse or distribution center.

This means that the following are not defined as e-commerce for the purposes of this report:

- In-store purchases that have previously been reserved via the Internet
- Sales of services (for example, travel, hotel accommodation and concert tickets) conducted via the Internet
- Business-to-business sales via the Internet
- Sales between private individuals via the Internet

The consumer survey was conducted in October 2014 with a nationally representative sample of the population aged 18–79 years in each country. The survey was conducted via the TNS SIFO online panel. In all, 1,301 respondents took part in Sweden, 1,479 in Denmark, 1,337 in Norway and 1,305 in Finland.

Because this was an online survey, the findings are representative for the percentage of the population that have access to the Internet. In cases where estimates are presented as applying to the population as a whole, the findings were adjusted to reflect the degree of Internet penetration in the particular market.

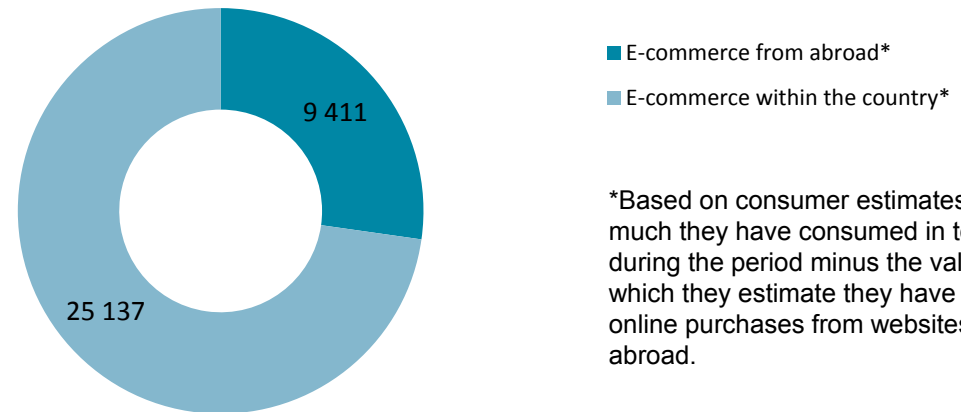
E-commerce valued at SEK 34.5 bn

E-COMMERCE FOR SEK 34.5 BILLION

The value of Nordic consumers' e-commerce is estimated to be SEK 34,548 million in Q3. Of this sum, consumers estimate that around SEK 9.4 billion is e-commerce on websites they assess to be foreign.

E-commerce from abroad is more common in Norway than in the rest of the Nordic region. The proportion of mail items purchased online and delivered from abroad was estimated in Q3 at 54 percent. In Sweden the proportion of mail items delivered from abroad was the lowest in the Nordic region, at 22 percent.

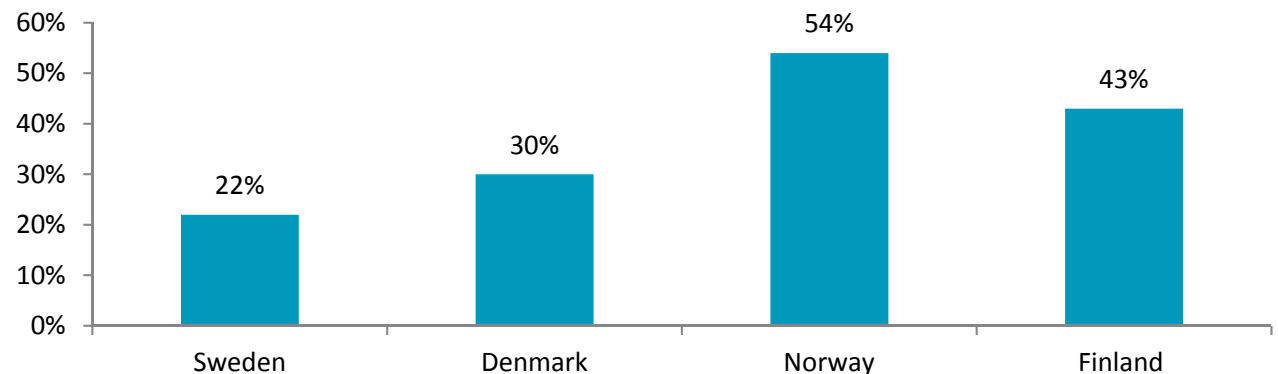
THE VALUE OF NORDIC CONSUMERS' E-COMMERCE IN Q3 2014 (SEK BN)



*Based on consumer estimates of how much they have consumed in total during the period minus the value for which they estimate they have made online purchases from websites abroad.

PROPORTION OF ITEMS DELIVERED FROM ABROAD

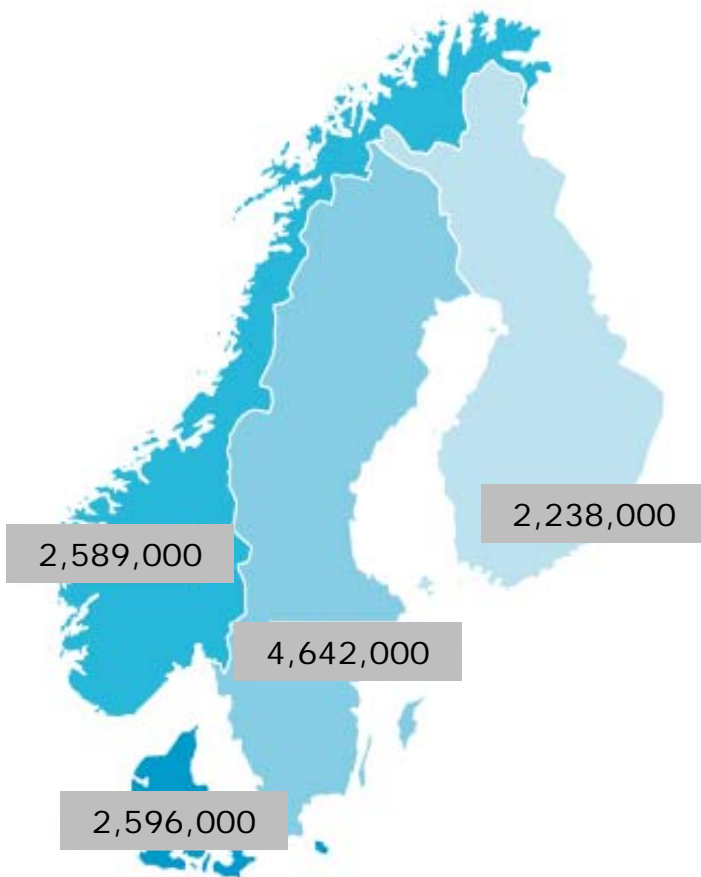
Base: Have made purchases online from abroad in Q3 2014



Development of e-commerce

Seven out of ten Nordic residents purchased goods online in Q3 2014

CONSUMERS THAT MADE ONLINE PURCHASES, Q3 2014



The number of Nordic e-commerce consumers remains stable at a high level. Approximately the same number of consumers stated that they made purchases in Q3 (69 percent) as in Q2 (68 percent) and Q1 (70 percent).

The highest percentage of e-commerce consumers is in Norway, while Finland has the lowest percentage in the Nordic region.

Have you bought items on the Internet in the past three months?

Base: all respondents

	Sweden	Denmark	Norway	Finland	Nordic region
Yes	70%	69%	72%	62%	69%
No	28%	29%	28%	37%	30%
Doubtful, don't know	2%	1%	1%	1%	1%

Norwegian e-commerce consumers make purchases to the highest value

SEK 2,000

Nordic e-commerce consumers estimate that during the last quarter, they have purchased goods to a value in excess of SEK 2,000. Norwegian e-commerce consumers spend an average of SEK 3,565 per quarter on e-commerce. The corresponding figure for Finland is SEK 2,285.

How much do you estimate that you have purchased goods for online over the last three months?

Base: Have made online purchases

	Sweden	Denmark	Norway	Finland
Average value in local currency	SEK 2,864	DKK 2,156	NOK 3,259	EUR 249
Average value in SEK	SEK 2,864	SEK 2,653	SEK 3,565	SEK 2,285

Clothes, media products and home electronics top Nordic e-commerce list

CLOTHES TOP THE LIST

Clothes and shoes top the list of goods bought online during the quarter, closely followed by the media category (books, films and music), which is the most common category in Sweden.

Home electronics, cosmetics, skincare and haircare products are the categories of goods that Nordic consumers like to purchase online.

Which types of goods have you bought online in the past three months? TOP 5

BASE: have shopped online in Q3 2014

	Sweden	Denmark	Norway	Finland
Clothing/shoes	41%	40%	35%	41%
Books/media	44%	34%	35%	38%
Home electronics (incl. computers)	31%	25%	34%	29%
Cosmetics, skincare and haircare products	14%	13%	16%	15%
Sports and leisure articles	12%	12%	16%	
Dietary supplements/pharmaceuticals				12%

E-commerce from cellphones and tablets

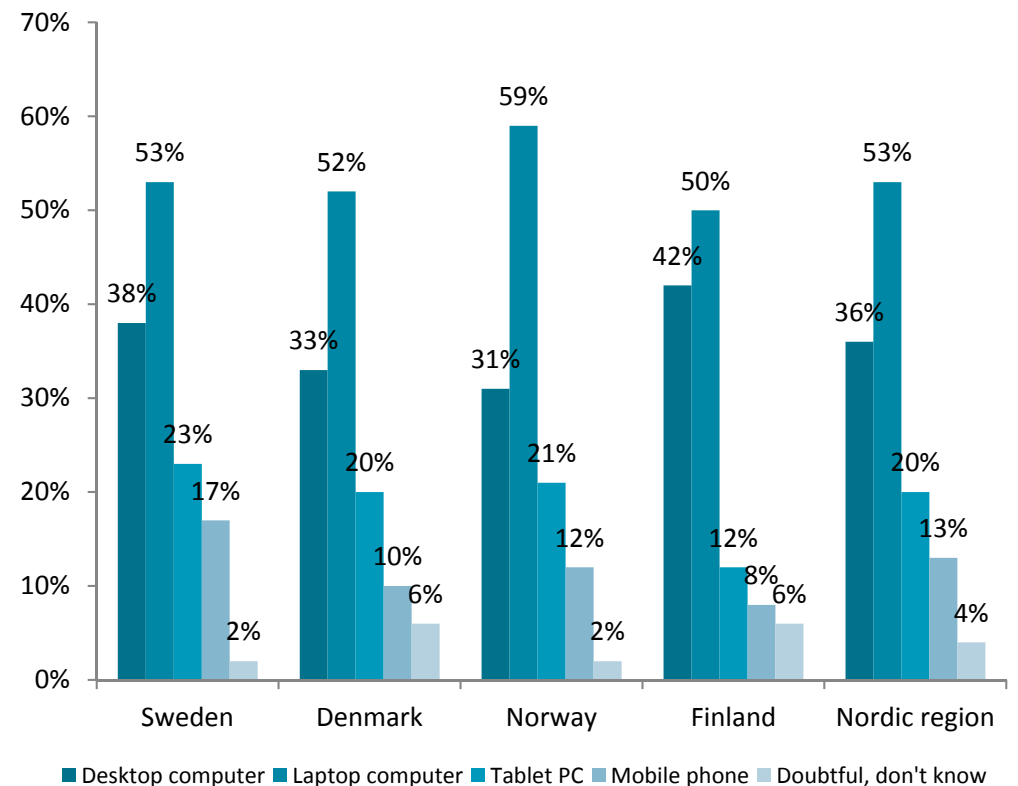
MORE COMMON TO PURCHASE ONLINE FROM CELLPHONE

To an increasing extent, e-commerce consumers are starting to make purchases from devices other than computers. During Q3 13 percent of Nordic e-commerce consumers stated they had purchased goods from a cellphone and 20 percent stated they had used a tablet.

The biggest growth in the quarter took place in Sweden, where 17 percent of e-commerce consumers made purchases from a cellphone and 23 percent from a tablet.

WHICH DEVICES HAVE YOU USED FOR BUYING ON THE INTERNET IN THE PAST THREE MONTHS?

Base: Have made purchases online in Q3 2014



Six out of ten Norwegians make purchases online from abroad

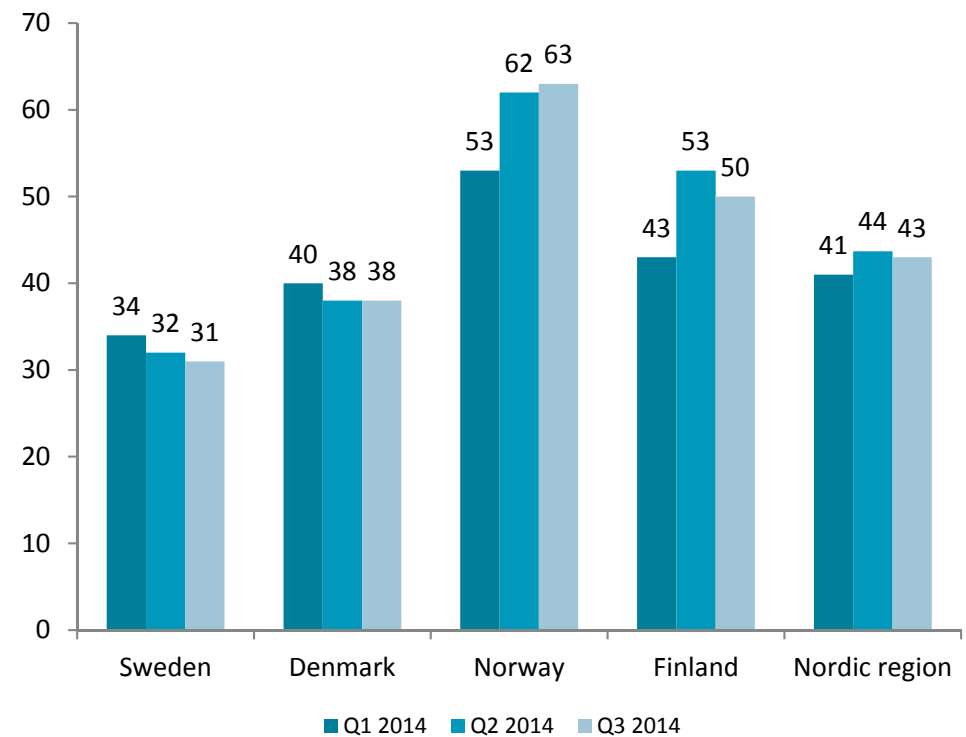
E-BUYING FROM ABROAD

Four out of ten Nordic e-commerce consumers make purchases from websites abroad. Norwegian e-commerce consumers continue to be those who state to the largest extent that they have made purchases from websites abroad (63%).

The proportion of consumers who made purchases online from abroad was lowest in Sweden this quarter too – 32% of those who shopped online during the quarter.

PERCENTAGE WHO BOUGHT GOODS ONLINE FROM ABROAD DURING THE QUARTER

Base: Have made purchases online during the quarter



UK, USA, China, Germany

FOREIGN E-COMMERCE

The UK and the US are the most common countries from which Nordic e-commerce consumers make purchases outside their own country. In joint third place are China and Germany.

Of the Nordic countries, Sweden is the country that Danes, Norwegians and Finns mostly buy from.

E-commerce flows between other Nordic countries are not as large.

From which countries have you bought goods online in the past quarter? Top 5.

	Sweden	Denmark	Norway	Finland	Nordic region
<i>Base: Have made purchases online from abroad in Q3 2014</i>	22%	26%	45%	31%	
UK	41%	49%	39%	31%	40%
USA	31%	19%	50%	20%	30%
Germany	19%	29%	13%	27%	22%
China	23%	18%	28%	18%	22%
Denmark	7%				
Sweden		14%	17%	17%	10%

Top 5, Rest of Nordic region

	Sweden	Denmark	Norway	Finland
<i>Base: Have made purchases online from abroad in Q3 2014</i>	22%	26%	45%	31%
Denmark	7%		13%	4%
Norway	2%	1%		2%
Finland	1%	0%	0%	
Sweden		14%	17%	17%

Clothes most popular purchase from foreign websites

CLOTHES FROM ABROAD

When Nordic residents make online purchases from abroad, clothes and shoes are the most common goods category. This is followed by home electronics and media.

Together these constitute the most common goods categories for both e-commerce in general and e-commerce from abroad.

One category of goods that stands out in particular in purchases from abroad is car parts and accessories; this appears among the top rankings in Sweden.

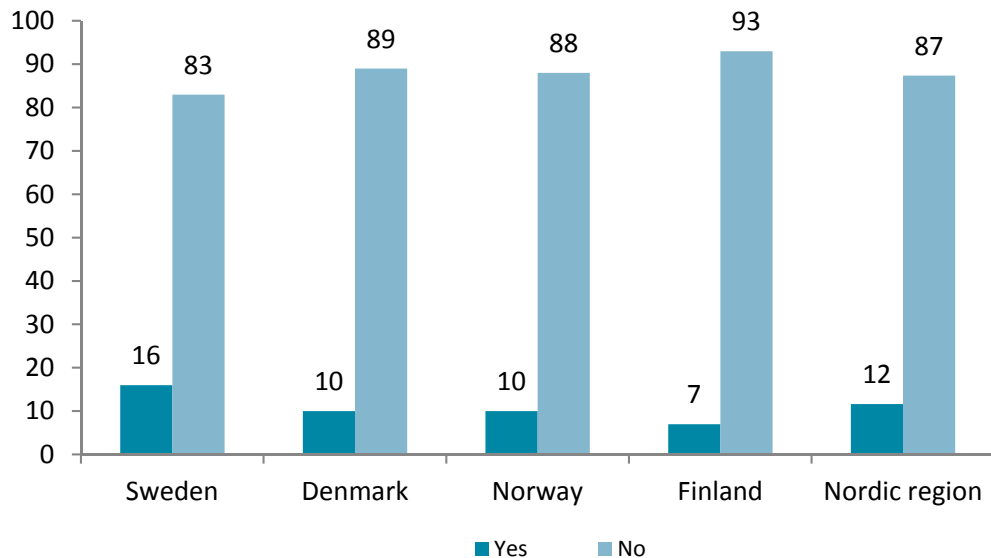
Which types of goods have you bought online from abroad in the past three months? TOP 5.

	Sweden	Denmark	Norway	Finland
<i>Base: Have made purchases online from abroad in Q3 2014</i>	22%	26%	45%	31%
Clothing/shoes	29%	35%	26%	36%
Home electronics (incl. computers)	20%	18%	22%	22%
Media	16%	23%	23%	19%
Cosmetics, skincare and haircare products			11%	8%
Sports and leisure articles	14%	8%	8%	7%
Jewelry, watches	5%	6%	8%	
Car parts and accessories	5%			
Dietary supplements/pharmaceuticals	5%	6%		

Important interaction between e-commerce and stores

HAVE YOU AT SOME POINT DURING THE PAST THREE MONTHS FIRST LOOKED AT/TRIED OUT A PRODUCT IN A STORE AND LATER BOUGHT IT ON THE INTERNET?

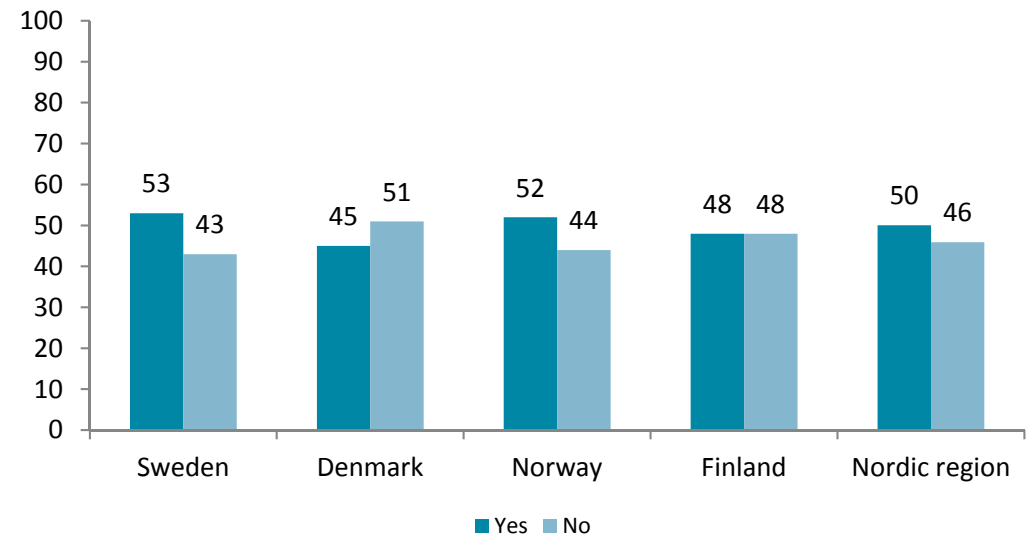
Base: Have made purchases online in Q3 2014



12% of e-commerce consumers in the Nordic region state that at some point during the past quarter they have first looked at or tried out a product in a store and later bought it online

HAVE YOU AT SOME POINT DURING THE PAST THREE MONTHS FIRST RESEARCHED A PRODUCT ON THE INTERNET AND LATER BOUGHT IT IN A STORE?

Base: Have made purchases online in Q3 2014



Half of Nordic e-commerce consumers state that at some point during the past three months they have first researched a product online and later bought it in a physical store.

Theme: E-commerce at Christmas Q3 2014

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Christmas gifts for just under SEK 60 billion

TOTAL CHRISTMAS GIFT SHOPPING

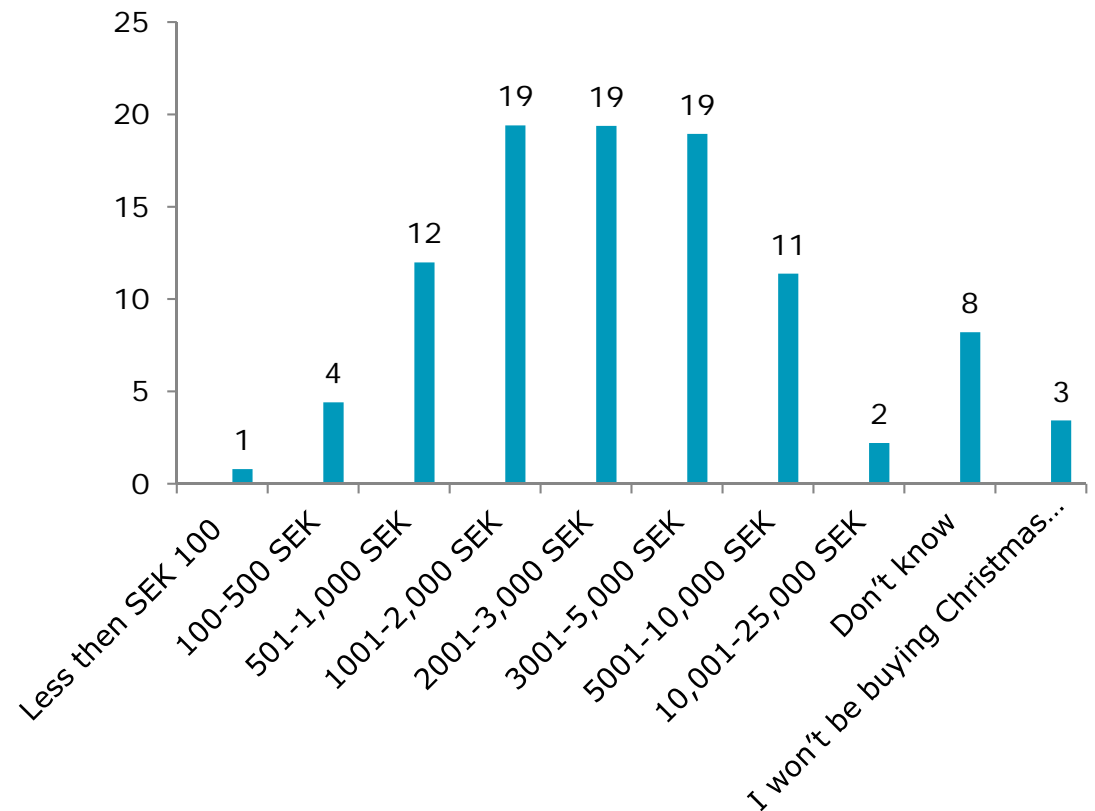
Nordic consumers estimate that they will be spending a total of SEK 59,449 million on Christmas gifts this year.

How much they will be spending differs between the countries.

- Swedish consumers estimate that they will be spending an average of SEK 2,881.
- Danish consumers estimate that they will be spending an average of DKK 2,956.
- Norwegian consumers estimate that they will be spending an average of NOK 5,041.
- Finnish consumers estimate that they will be spending an average of EUR 286.

APPROXIMATELY HOW MUCH DO YOU THINK YOU WILL BE SPENDING ON CHRISTMAS GIFTS THIS YEAR? (ENTIRE NORDIC REGION)

Base: all respondents



Online shopping for Christmas gifts for SEK 11.2 billion

35 PERCENT OF NORDIC CONSUMERS WILL BE CHRISTMAS SHOPPING ONLINE

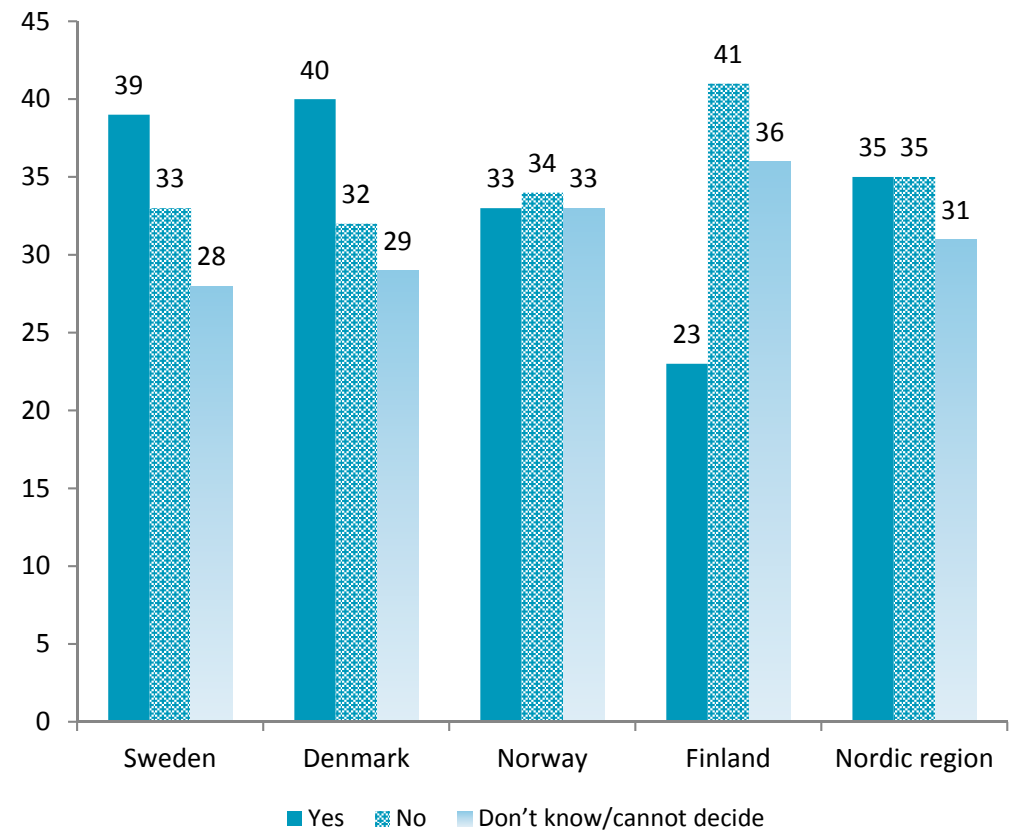
Just over three out of ten Nordic consumers will be buying Christmas gifts online to an estimated value of SEK 11.2 billion. This is probably quite a cautious forecast as 31 percent of consumers do not yet know whether they will be purchasing Christmas gifts online.

Danish and Swedish consumers estimate they will purchase Christmas gifts online to the greatest extent (40 and 39 percent).

Out of the Finnish consumers, 41 percent state that they will not be purchasing Christmas gifts online.

DO YOU THINK YOU WILL BE BUYING CHRISTMAS GIFTS ONLINE THIS YEAR?

Base: all respondents



Christmas shopping online culminates at the end of November

E-COMMERCE TAKES PLACE EARLY

Nordic consumers choose to do their online Christmas shopping early. The Nordic online Christmas shopping season culminates in the last week of November.

When it comes to overall Christmas shopping, it culminates in mid-December according to consumer estimates.

WHEN DO YOU THINK YOU WILL BE BUYING YOUR CHRISTMAS GIFTS?

Base, retail trade: will buy Christmas gifts
Base, of which e-commerce: will buy Christmas gifts online



Simple and convenient to do Christmas shopping online

ADVANTAGES OF E-COMMERCE

The most important reason why Nordic consumers choose to buy their Christmas gifts online rather than in stores is that it is simple and convenient. The fact that it is cheaper is also a common reason for buying Christmas gifts online.

In Sweden e-commerce consumers state that the second most important reason is to avoid the crowds in the Christmas rush. This does not rank as highly in other Nordic countries.

In Finland the fact that the item is not available where the consumer lives is third on the list.

What is the most important reason for you choosing to buy Christmas gifts online instead of in a store? (TOP 5)

	Sweden	Denmark	Norway	Finland
<i>Base: think they will buy Christmas presents online this year</i>	39%	40%	33%	23%
It's simpler/more convenient	28%	27%	29%	27%
It's cheaper	16%	23%	18%	20%
To avoid the crowds in stores/the Christmas rush	21%	13%	14%	8%
To save time	13%	11%	9%	9%
I get the product I want			9%	
There's a wider range	7%			
It's delivered straight home to me		6%		
The item isn't available where I live				10%

Books, films and music most common Christmas gifts purchased online

MEDIA, CLOTHES AND TOYS

Media (books, films and music) is the most common category of Christmas gifts purchased by Nordic e-commerce consumers online. Clothes and shoes are the second most common category to purchase online in all Nordic countries.

It is clear that Christmas is for children – toys and children's items are in the top five in Denmark and Sweden.

What kinds of Christmas gifts do you think you will be purchasing online this year? TOP 5.

	Sweden	Denmark	Norway	Finland
<i>Base: think they will buy Christmas presents online this year</i>	39%	40%	33%	23%
Media	57	49	35	54
Clothing/shoes	23	30	24	27
Toys (not computer games and home electronics)	20	24		16
Home electronics (incl. computers)	18		19	15
Children's items (not toys, books, films)	15	16	13	
Cosmetics, skincare and haircare products				13
Sports and leisure articles		14	18	

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