



# E-commerce in the Nordics

Six-month report 2019

**postnord**

# Foreword



**T**here are significant similarities between our Nordic e-commerce markets, but there are also considerable differences. That is made very clear in this half-year report.

**One thing consumers** in Sweden, Denmark, Norway and Finland have in common is that many take sustainability into consideration when they shop for products online. More than one third of the Nordic respondents in our survey say that they always, or often, make sustainability-conscious consumption decisions online. This is without a doubt often related to buying the right products, with as little environmental impact as possible. But the transports' contribution to the equation is receiving ever more attention in the public debate. We also see in all four countries that there is a strong wish from consumers in regard to better adjusting the size of the parcel to the size of the product. These are topics we have come a long way with at PostNord, through different initiatives, not least in Sweden which is our biggest market.

**When it comes** to differences between the countries, there are also several interesting insights to extract from the report. The share of consumers shopping from China has decreased with a few percentage points in both Sweden,

Denmark and Finland. In Norway however, the group has increased in size – as many as 36 percent of the Norwegian online consumers had bought products from China during the past 30 days, when they responded to the survey (compared to around 20 percent in Denmark and Sweden).

**Another clear difference** between the markets is how the end-recipients have received their deliveries. To have picked up the latest e-commerce delivery from a parcel locker is, for instance, much more common in Denmark and Finland, than in Sweden and Norway. In Denmark, PostNord has conducted a successful pilot with so called Nærboksar during the first half of 2019. In Sweden too, we intend to be a part of driving this important development forward, and the same goes for Norway and Finland.

**I hope that you** who read E-commerce in the Nordics will gain a lot of new knowledge, and that you will keep your eyes open for our yearly report E-commerce in Europe 2019, which is released during the autumn as well.

**Annemarie Gardshol,**  
acting Group CEO PostNord  
September 2019

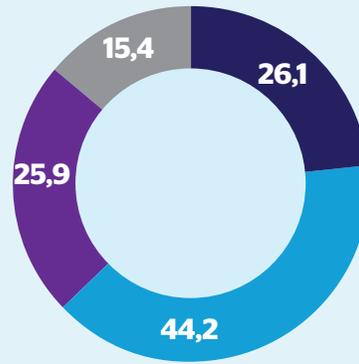
## E-commerce development

# E-commerce sales of SEK 112 billion in the first half of 2019

**Nordic consumers indicated** spending SEK 112 billion online in the first six months of 2019. Swedes estimated spending a total of SEK 44.2 billion online, which corresponds with SEK 5,800 per person.\* Following Sweden are the Danish and Norwegian e-commerce markets, respectively, which are comparable in size. Danes indicate spending SEK 26.1 billion in the first six months of the year (SEK 6,000 per person). Norwegians are just behind, with SEK 25.9 billion, corresponding with the Nordic region's highest e-commerce consumption per person (SEK 6500). Finnish e-commerce continues to lag a bit behind the rest of the Nordic countries, amounting according to Finnish consumers' responses to SEK 15.4 billion during the period, which corresponds with SEK 3,700 per person. The reason for the Finnish lag is primarily that fewer people shop online on a monthly basis in Finland than in the rest of the Nordic region.

**The share of consumers** who state that they shopped online from abroad has declined by several percentage points in all Nordic countries since last year's survey. E-commerce from abroad is volatile and dependent on several different factors, including exchange rates, customs, fees and transport terms and conditions. One factor in Finland is that domestic e-commerce initiatives have taken off, which reduces the need to shop from abroad. Trade conflicts around

**Value of Nordic consumers' e-commerce during the first six months of 2019\*** (in SEK billions)

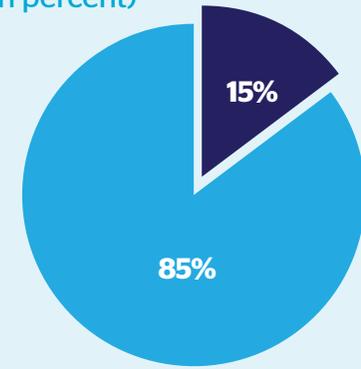


■ Sweden ■ Denmark ■ Norway ■ Finland

Calculated based on each country's respondents' answers to the question: "What total amount do you estimate that you have spent on products online in the past 30 days?" (Basis: Have shopped online in the past 30 days)

\*Based on consumers' estimates

**Value of Nordic consumers' e-commerce in each respective country as well as abroad during the first six months of 2019** (in percent)



■ Value of e-commerce in home country\*

■ Value of e-commerce abroad\*

the world and expanded customs fees may also influence where consumers choose to shop from, along with increased commitment to sustainability.

All in all, Nordic residents indicated that they spent SEK 16.6 billion online from abroad during the first six months of 2019. \*Per person between ages 18 and 79.

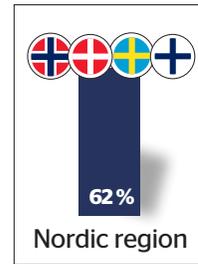
## E-commerce development

# Increased share of e-commerce thanks to increased purchasing frequency

**More and more** Nordic consumers shop online. In the first six months of 2019, on average, 62% of Nordic residents shopped online per month, which is an increase of two percentage points compared with last year. The increase took place in Finland, Norway and Sweden. However, the Danish share was unchanged, and it is possible that high population density and proximity to physical shops in Denmark means that some consumer groups still have a limited need for e-commerce. Finland is still a bit behind the other countries, but on the other hand, the country increased its share by a significant five percentage points during the year. If e-commerce consumers continue to grow in number the way they did this year, it is conceivable that Finland will catch up to the other Nordic countries within just a few years.

**What is the reason** for this Nordic growth? A potential explanation is that shopping online for items which consumers purchase often has been on the rise in all Nordic countries. Purchases of groceries, pharmacy products and beauty products have grown and contribute to regular and recurrent purchases, which in turn add to the share of people who shop online on a monthly basis. On the other side of the spectrum are low-frequency but capitalintensive purchases such as household appliances and furniture, which are practical to buy online and have delivered home, and this raises the average purchase amount.

Have you bought products\*  
online in the past month?



All figures refer to average per month (January-June 2019)  
Basis: Entire population

\*\*“Products” refers to physical products. Purchases of, for example, various kinds of tickets or streaming services are not included.

## E-commerce development

# Snapshot: E-commerce in the Nordic countries\*

	Sweden	Denmark	Norway	Finland
<b>Freedom of choice regarding delivery (1)</b>	<b>55%</b>	<b>69%</b>	<b>48%</b>	<b>62%</b>
<b>Share of home deliveries (2)</b>	<b>29%</b>	<b>38%</b>	<b>32%</b>	<b>26%</b>
<b>Purchase via cell phone (3)</b>	<b>50%</b>	<b>42%</b>	<b>53%</b>	<b>50%</b>
<b>Online purchases from abroad (4)</b>	<b>17%</b>	<b>26%</b>	<b>33%</b>	<b>35%</b>
<b>Most online purchases from... (5)</b>	<b>Germany</b>	<b>UK</b>	<b>China</b>	<b>China</b>
<b>Consumers focused on sustainability (6)</b>	<b>77%</b>	<b>82%</b>	<b>72%</b>	<b>71%</b>

**1** Share who got to choose the delivery method of their latest online purchase. Basis: Have shopped online in the past 30 days

**2** Share to have their latest online purchase delivered to their home (in the mailbox, left outside the door or signed for personally by the recipient in the day or evening). Basis: Have shopped online in the past 30 days

**3** Share to shop online using their cell phone in the past month. Basis: Shopped online in June 2019

**4** Basis: Have shopped online in the past 30 days

**5** Basis: Purchased goods online from abroad in the past 30 days

**6** Share of consumers who "always," "fairly often," or "sometimes" consider sustainability as a factor when they shop. Basis: Shopped online in June 2019

\* In the first six months of 2019

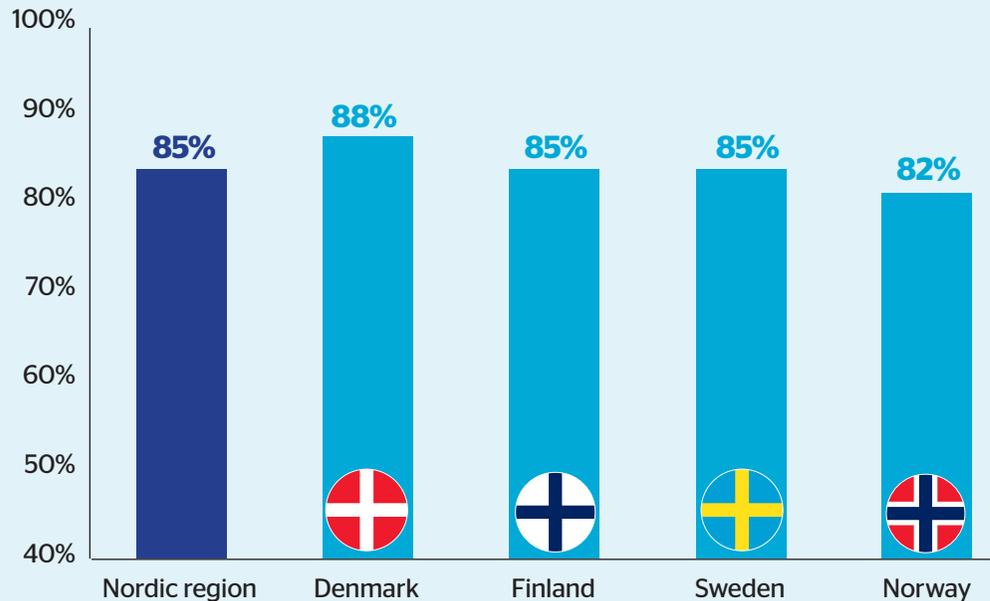
## Deliveries and returns

# More purchases increase the need for well-adapted deliveries

**Just over eight** out of ten e-commerce consumers are satisfied in general with their deliveries. This share has increased by one percentage point compared with last year. Danes are the most satisfied. This is probably the result of advantageous logistics conditions. Denmark's land area only amounts to about one tenth of the other Nordic countries. This entails shorter transport distances and higher logistics efficiency. The latter is because high population density is advantageous for efficient transports. The concrete effects of advantageous Danish geography entail above all greater freedom of choice when it comes to delivery method; for example, a larger share of Danish consumers had their most recent purchase delivered to their home. This probably contributes to the high level of customer satisfaction.

**Freedom of choice** is also significant to habitual e-commerce consumers who have made shopping online an increasingly integrated part of their daily lives. If you shop online often, convenient deliveries are important - deliveries that contribute to simplifying daily life, rather than the reverse. Poorly adapted deliveries risk creating extra daily steps and hassle for the customer if the parcel has to be picked up when it is also time to shop for groceries and the children need to be shuttled from point A to point B.

**Think back to your most recent online purchase. How satisfied were you with the delivery?**  
(Percentage to respond that they are very or fairly satisfied)



Basis: Have shopped online in the past 30 days

## Deliveries and returns

# Distribution point most common in all countries

**The choice of delivery** method is based on several different factors. One of the most important is the nature of the product. Some deliveries are large and cumbersome (sofas and household appliances), while others require special transports (groceries) or are surrounded by regulations (pharmaceutical products). The choice of delivery method may also be influenced by the number of products in the shipments and the time of year of the purchase.

**When it comes to** delivery method, distribution point is still the most common option in all markets. Denmark stands out as a country with a high share of home deliveries. Home deliveries have long been popular in Denmark and are expected by many consumers.

**Denmark and Finland** stand out with a high share of deliveries via parcel machine, and the countries lead Europe in this area. For example, Finland is expected to be home to nearly 2,000 parcel machines by the end of 2019.

Think back to your most recent online purchase.  
How was your product delivered?



		Nordic region	Denmark	Finland	Norway	Sweden
Delivery to distribution point		54%	32%	52%	61%	64%
Delivered to mailbox/ multi-occupancy mailbox		17%	11%	14%	24%	19%
Home delivery outside the door (no signed confirmation)		7%	18%	4%	4%	5%
Daytime home delivery (with signed confirmation)		5%	8%	6%	3%	3%
Collected from parcel machine		5%	14%	12%	0%	1%
Collected from a physical store		2%	2%	3%	3%	2%
Delivered to workplace		1%	3%	1%	1%	0%
Evening home delivery (with signed confirmation)		1%	0%	1%	2%	2%

Basis: Have shopped  
online in the past 30 days

## Deliveries and returns

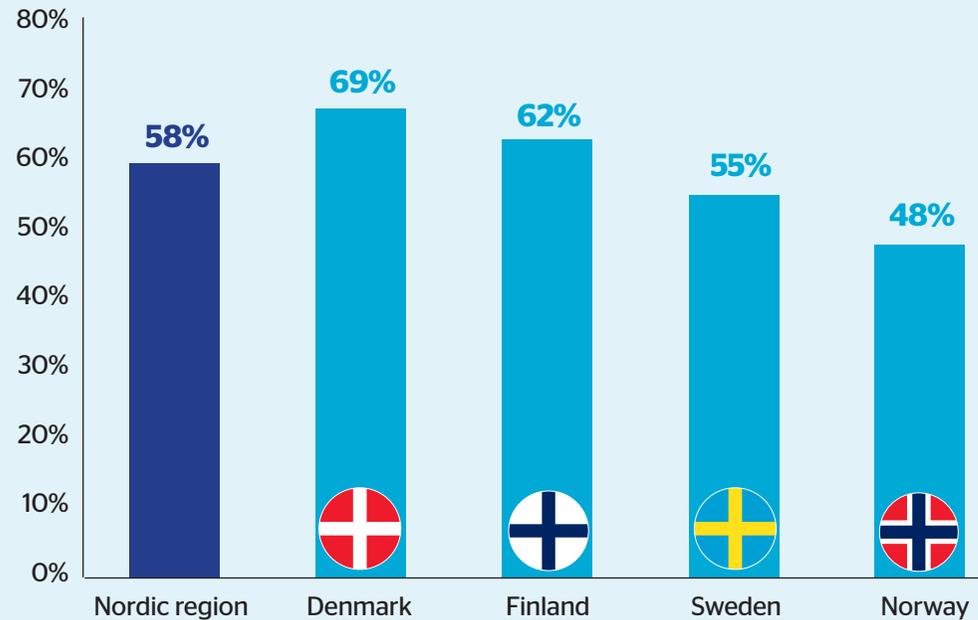
# Continued significant potential for more freedom of choice

**An increasing number** of consumers in the Nordic countries may choose how their products are delivered. This is gratifying, because freedom of choice with regard to deliveries is one of consumers' most important questions when choosing a webshop from which to make a purchase. E-barometer Sweden (Q2 2019) also indicated that the most satisfied consumers were buyers of beauty products, children's items and groceries. These sub-sectors offered customers the most delivery options. On the other side, the least satisfied consumers were those who bought furniture and home decor - often large, bulky products with limited delivery possibilities.

**Danish webshops** are best when it comes to offering several choices. Seven out of ten Danish consumers got to choose the delivery method of their latest online purchase. In Norway and Sweden, e-commerce is slightly behind in this area. There, 48 and 55 percent, respectively, could choose their delivery method.

**There is still major** potential here for webshops. The E-Barometer for Q2 2019 showed that one in four Swedish consumers refrained from shopping from a site that did not offer the desired delivery method. Freedom of choice with regard to delivery is also a meaningful factor when it comes to winning business.

**Think back to your most recent online purchase.  
Were you able to choose how the product was delivered?**



Basis: Have shopped online in the past 30 days

## Deliveries and returns

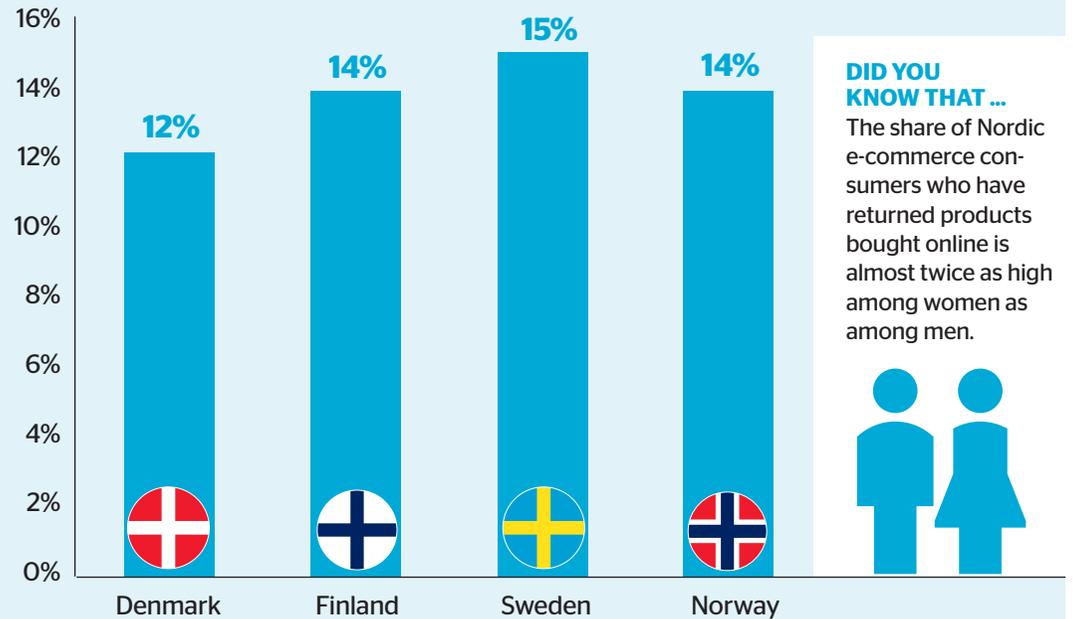
# Views of returns have changed

**One in eight** Nordic e-commerce consumers has returned a product in the past month and the shares are relatively similar among the countries. However, it is noteworthy that the share to make a return has increased in recent years. This is likely in part an effect of more e-commerce purchases being made, which means there are more returns, but it may also be due to the fact that it has become easier to make returns. Some logistics players collect returns from the customer and there are also payment apps (such as Klarna) that simplify refunds and make it possible to pause invoices.

**Some returns** are necessary in that they are part of the purchasing process and are difficult to avoid. Clothing size and fit, for example, can be difficult to fully understand before the garment has arrived and the customer has tried it on. Therefore, retail will always involve some returns. There are also so-called information-driven returns (erroneous purchases) which could have been avoided through better product images and clearer information.

**When it comes to** pictures and information, companies can also employ modern technology such as AI and AR to reduce the number of returns. This technology may help consumers choose the products that suit them best, for example if the product is a sweater or an armchair. Recommendations and comments from other shoppers also help consumers make the right choice.

**How many products have you sent back in return in the past 30 days?**  
(Percentage that responded that they had returned at least one product, June)



Basis: Shopped online in June 2019

## Consumer

# Delivery cost and out-of-stock products interrupt purchases

**It has always been** a challenge for webshops to capture their consumers. The focus used to be primarily on getting customers to feel secure shopping online. Today the challenge is rather to make the purchasing process as convenient and comfortable as possible.

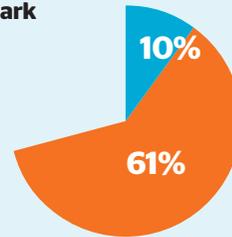
**Challenges at checkout** become clear in light of the fact that three out of four Nordic consumers have interrupted a purchase at the final step in the past year. And most of them have done so on multiple occasions. Two factors become clear as the primary causes. Either the delivery option is perceived as too expensive, perhaps because the consumer expected free shipping. Or it turned out that an item was sold out. In general, Danes are thought to be the least satisfied with shipping costs, while Swedes and Norwegians most often added items to the shopping cart which turned out to be out of stock.

**Many consumers** also say they have interrupted a purchase because they simply changed their minds during the purchasing process, or realized that in fact they did not need the item in question. Other consumers used the shopping cart as a “to-do list” or clicked to checkout in order to see the total cost including shipping, without actually having intended to make the purchase at that moment.\*

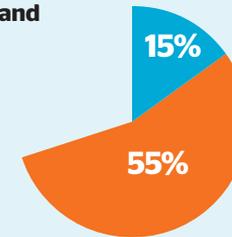
**Some country-specific** expectations are also reflected

**At any point in the past year, have you placed an item in your shopping cart without completing the purchase?**

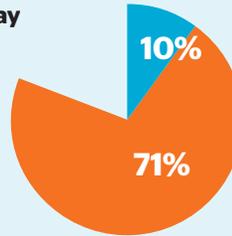
**Denmark**



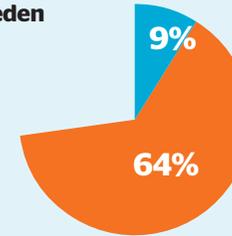
**Finland**



**Norway**



**Sweden**



■ Yes, once  
■ Yes, multiple times

Basis: Shopped online in June 2019

in these figures. Swedes are used to being able to pay by invoice at no extra cost, and if this unwritten rule is broken, it may result in an interrupted purchase. Finland is the only country in the Nordic region where consumers do not uniformly favor a specific payment method. Instead, it is a dead heat between credit card,

direct payment via bank and invoice, which ultimately leads to interrupted purchases if the webshop does not offer all of these payment methods.

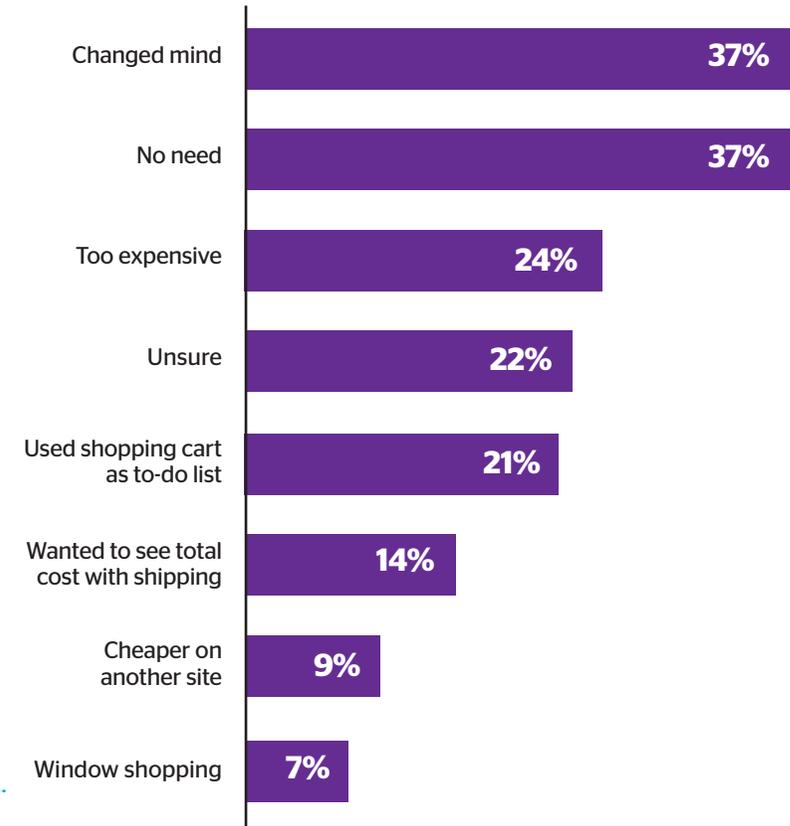
\*The kinds of responses in this paragraph fall under the category of “other” in the table on the next page and were given by respondents via free text.

# Consumer

Why did you not complete the purchase?	Denmark	Finland	Norway	Sweden
The delivery options were too expensive	34%	25%	26%	22%
Not all products were in stock	24%	23%	27%	28%
The payment methods did not suit me	5%	16%	6%	9%
You had to pay an invoice fee	6%	9%	6%	10%
The website felt insecure	6%	5%	5%	6%
I could not choose the delivery method before paying	7%	5%	4%	4%
Choosing a payment method was complicated	2%	5%	4%	6%
The website loaded slowly	3%	4%	5%	5%
Could not deliver to the right distribution point	6%	3%	3%	3%
Choosing a delivery method was complicated	1%	4%	3%	2%
No home delivery	4%	1%	1%	1%
Other	32%	26%	31%	32%
Don't know	10%	9%	11%	10%

## Other reasons for incomplete purchases

Base: Other



## Consumer

# Fashion, beauty and health are the most successful industries

The list of top items bought online is well-known. Clothes and shoes, beauty and health products, as well as home electronics are the top trio. The pattern is identical throughout the Nordic region, but there are also differences among the countries. Sweden is far ahead when it comes to beauty and health products bought online. Swedish beauty players are motivated, while pharmaceutical retail online has seen explosive growth in recent years. Norwegians, who are active, lead the way in the category of sports, while Danish design lovers carry the furniture and home decor industry.

**It may be interesting** to view the list of top product categories from a historical perspective. In the past three years, i.e. since the first six months of 2016, most product categories have increased in terms of the share of consumers who shop online. The exceptions are books and media, car accessories and children's items/toys. Book consumption is in a transition phase to streaming audio or e-books, and most people who still bought movies three years ago have now probably switched to digital subscription services. With regard to food purchases, Danes were the most digitally mature consumers in the Nordic region three years ago. Today, in terms of the share of people who shop online in the category, Swedes have caught up and surpassed them - thanks largely to the fact that traditionally physical grocery retailers are on the offense and have taken the step online.

## What types of items have you bought online in the past 30 days?

Change in percentage points compared with preceding year are in parentheses.

	Nordic region	Denmark	Finland	Norway	Sweden
1	 37% (0)	 37% (0)	 36% (0)	 37% (+2)	 39% (0)
2	 24% (+1)	 24% (-2)	 24% (-1)	 24% (+1)	 34% (+3)
3	 22% (-1)	 18% (-2)	 23% (+1)	 23% (-1)	 22% (-4)
4	 22% (-2)	 17% (+1)	 19% (+1)	 21% (-1)	 20% (-2)
5	 11% (0)	 11% (-1)	 9% (+1)	 15% (+2)	 12% (0)
6	 11% (0)	 11% (0)	 9% (0)	 9% (-1)	 10% (-1)
7	 10% (0)	 10% (0)	 8% (-1)	 9% (0)	 10% (-1)
8	 5% (0)	 5% (-1)	 6% (+1)	 7% (0)	 6% (+1)
9	 4% (-1)	 3% (-1)	 3% (-1)	 5% (0)	 5% (-1)

-  Clothing and shoes
-  Beauty and health
-  Home electronics
-  Books and media
-  Groceries
-  Sports and leisure
-  Furniture and home decor
-  Car, boat and MC accessories
-  Children's items and toys

Basis: Have shopped online in the past 30 days

## Consumer

# Product characteristics determine delivery logic

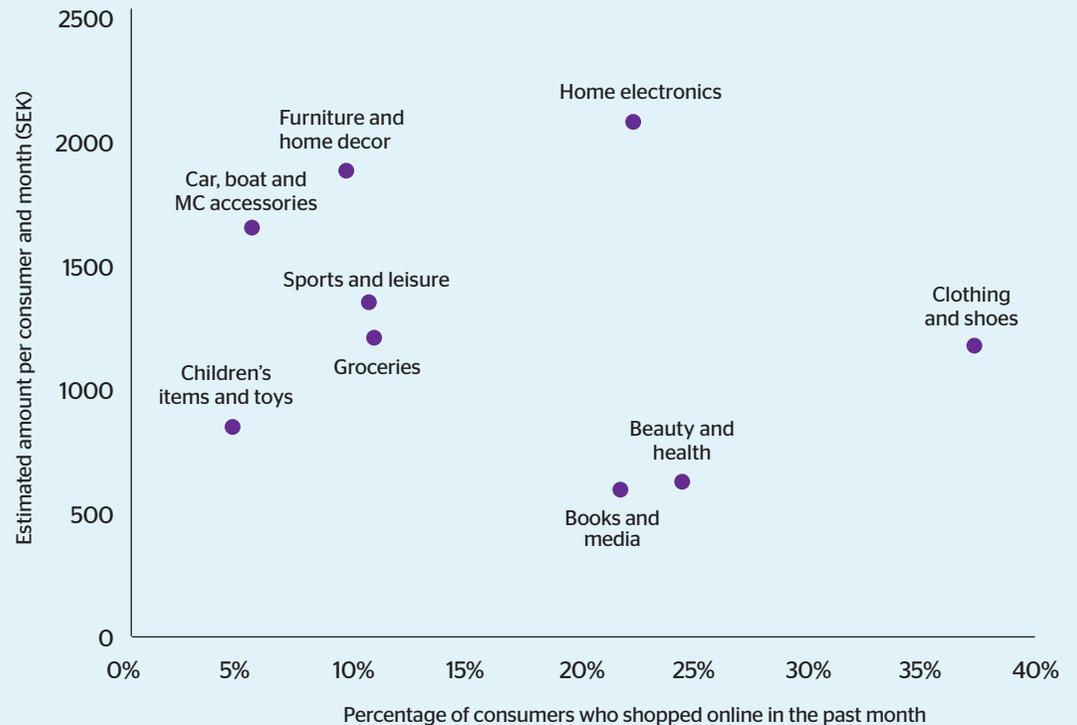
**If you look closer** at the various sub-sectors of e-commerce, many of the most popular purchases to make online, such as books and media as well as beauty and health, also have the lowest average purchase amounts in e-commerce. These sectors send out a lot of shipments - often small - with high frequency. Fast and easy deliveries can contribute to high customer satisfaction in these sub-sectors, while the relatively low average purchase amount may entail a challenge for retailers when it comes to recouping and covering their costs.

**A digitally mature** sub-sector such as home electronics combines a high share of consumers that shop online with high average purchase amounts. Deliveries can play a crucial role for the customer experience, especially for larger electronics products. The feeling of being able to sign to confirm receipt of a new computer from a personal courier or the convenience of additional services such as carrying in and/or installation are two examples that can support customer satisfaction.

**The most popular** product category online, clothing and shoes, is diversified but its success is based among other things on the fact that a large customer mass makes enough orders to cover the added costs that arise due to returns. However, the average purchase amount for fashion is relatively high - about as high as for groceries, where it is common to make weekly purchases. As grocery retailing grows online, e-commerce frequency probably grows as well, because many people who say they have shopped for food online in the past month shop several times per month.

### Share to have shopped online and average amount by month (Nordic average)

Basis: Have shopped online in the past 30 days (Y axis) and the entire population (X axis)



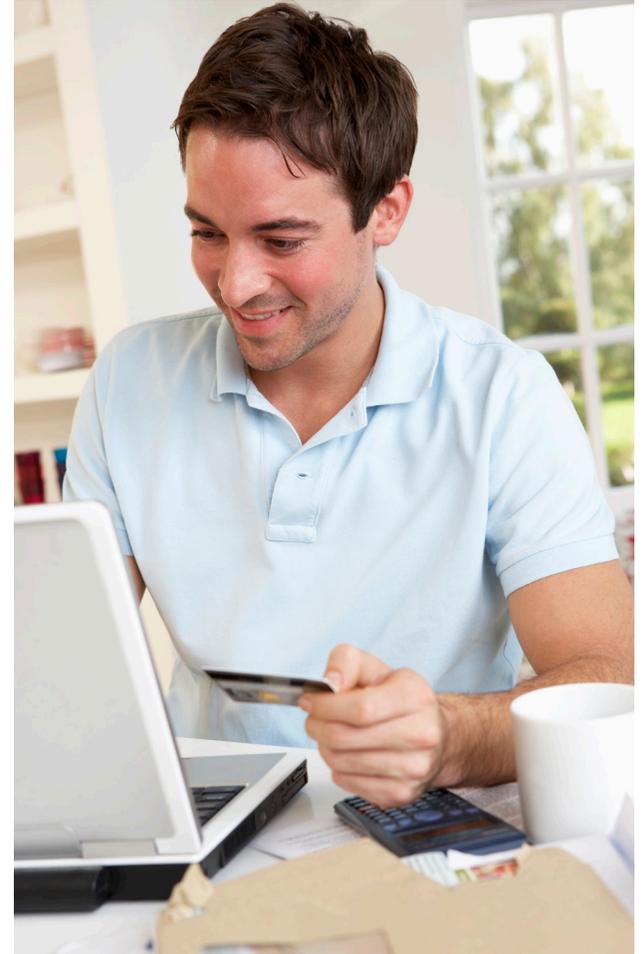
# Consumer

## Estimated amount that consumers in each product category spend online, per month (SEK)

	Nordic region	Denmark	Finland	Norway	Sweden
1	 2089	 2193	 1976	 2379	 1986
2	 1878	 2112	 1685	 2058	 1820
3	 1654	 1589	 1481	 1960	 1512
4	 1343	 1542	 1241	 1636	 1307
5	 1204	 1234	 1034	 1440	 1152
6	 1176	 1229	 799	 1312	 1106
7	 837	 913	 714	 1024	 764
8	 622	 692	 649	 666	 544
9	 584	 636	 642	 595	 517

-  Clothing and shoes
-  Beauty and health
-  Home electronics
-  Books and media
-  Groceries
-  Sports and leisure
-  Furniture and home decor
-  Car, boat and MC accessories
-  Children's items and toys

Basis: Have shopped online in the past 30 days



## Consumer

# Half shop online via cell phone

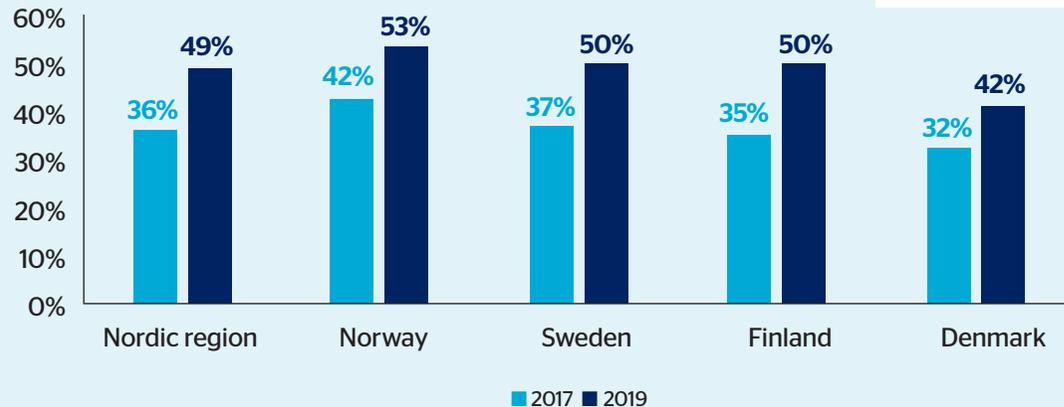
**Nordic residents' shopping** habits steadily continue to be centered around the cell phone. Half of Nordic consumers now use their cell phone to shop online. Norway is at the top among the Nordic countries, while Denmark has fallen a bit behind its Nordic neighbors. Since 2017, shopping with a cell phone has increased sharply in all countries, with the strongest growth in Finland.

**An important reason** why e-commerce via cell phone has been able to take such vast steps forward is that the technology has evolved incredibly quickly. Innovations such as Instagram Checkout, Klarna Checkout and Google Shopping create an entire infrastructure in support of mobile shopping experiences. E-commerce sites use cookies to save information about users' preferences and to reduce the friction between visits and completed purchases. Possibilities to shop via cell phone are also popping up significantly more often today than just a few years ago, for example through algorithms that adapt content on Facebook, WhatsApp or other social media platforms.

**The shift toward** mobile sales channels will most likely continue with steady power. In comparison with countries like China, the Nordic countries are lagging behind. China has built up its e-commerce

### Have you shopped online with your cell phone in the past 30 days? (Proportion who responded Yes)

Basis: Shopped online in June



### DID YOU KNOW THAT...

In China, more people use mobile payment solutions like WeChatPay and AliPay than card or cash.

Source: CNBC/Bain\*

with a “mobile first” approach: design and web development should be based on the mobile experience. Mobile payments are an important part of this, and mobile payment methods WeChatPay and AliPay are now used more often by people in China than both

card and cash. The powerful growth of mobile payments in the Nordic countries is pointing in the same direction. The explosive development for Vips in Norway, Swish in Sweden and MobilePay in both Denmark and Finland foreshadow where we are headed.

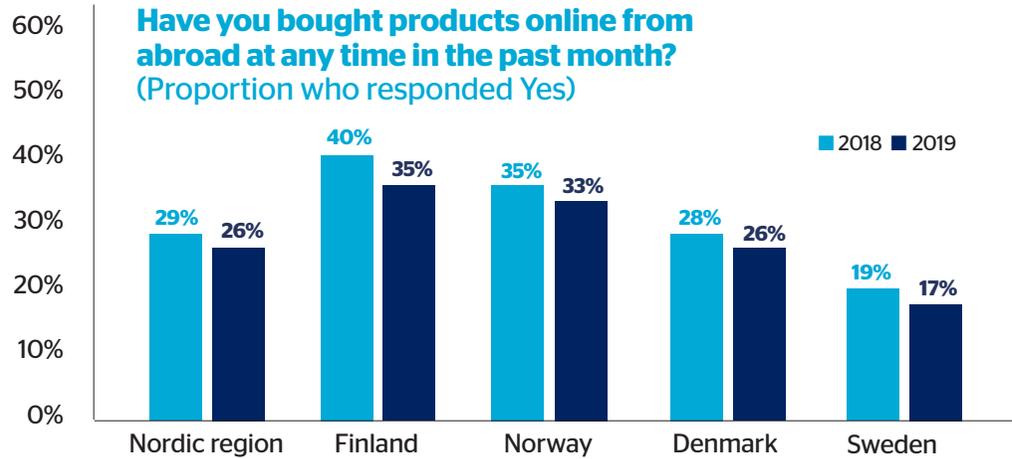
\*CNBC, August 2019. Mobile payments have barely caught on in the US, despite the rise of smartphones. August 2019.

## Consumer

# Fewer consumers shopping from abroad

**Nordic residents** are dedicated to shopping from abroad. High digital maturity, a limited domestic product offering and hunts for low prices lead to strong international retail. However, the trend for an increasingly high share of consumers to shop online from abroad has flattened recently and has even reversed for the Nordic region as a whole.

**At the moment**, the strongest downward trend is in Finland. Finnish consumers have probably started shopping domestically due to a stronger domestic product offering and a relatively high level of environmental awareness. Norwegians still like to shop from China. However, the draw of China's strong offering and low prices seems to have lost some of its power among the other Nordic countries. On the other hand, Norwegians are not as enthusiastic about shopping from Germany as their Nordic neighbors are, who have a predilection for Germany's e-commerce giants like Zalando and German Amazon. Among the Nordic countries, Sweden is the most popular country from which to shop, especially among Finnish consumers. For Swedes, Denmark has emerged as a popular e-commerce destination which now competes with the US for fourth place when it comes to foreign destinations for online shopping. Proximity to Denmark and the cultural similarities between the countries probably help Swedish consumers feel secure when shopping from Danish sites.



Basis: Have shopped online in the past 30 days

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

Top 5	Denmark	Finland	Norway	Sweden
1	29%	26%	36%	26%
2	27%	26%	23%	26%
3	22%	21%	21%	20%
4	16%	16%	14%	13%
5	10%	9%	11%	10%

Basis: Purchased products online from abroad in the past 30 days

## Consumer

# Clothing and shoes hold unsteady top place for online purchases from abroad

**Clothing and shoes** continue to be the most popular items for Nordic residents to buy online from abroad. However, the trend has shifted and the percentage has declined in both Sweden and Finland, with a drop of two and four percentage points, respectively. Fashion products are probably more frequently bought from national webshops. For the Nordic region overall, purchases online from abroad of both fashion and home electronics are slowing somewhat. Two likely consequences of this development are fewer returns to abroad and a reduction in the average order value of foreign shipments. The former is because fashion products have a high return frequency and the latter is because order values tend to be higher for home electronics than for other types of goods.

**In all Nordic countries**, it is more popular to shop for items in the product category “car, boat and motorcycle accessories” from abroad than from domestic stores. Germany is an appreciated country when it comes to this kind of good. Many large car brands are based there, which contributes to advantageous prices.

**The grocery category** continues to climb and has now placed just behind children’s items and toys when it comes to the Nordic countries overall. Children’s items and toys have in turn dropped, indicating that domestic players have taken market share.

## What types of physical items have you bought online from abroad in the past 30 days?

Change in percentage points since the preceding year are in parentheses

	Nordic region	Denmark	Finland	Norway	Sweden
1	 32% (-1)	 35% (+3)	 37% (-4)	 26% (+1)	 30% (-2)
2	 18% (-1)	 18% (-1)	 21% (+3)	 22% (0)	 15% (-3)
3	 15% (0)	 15% (-2)	 17% (+2)	 18% (0)	 13% (+1)
4	 10% (0)	 10% (-2)	 12% (0)	 11% (-1)	 10% (0)
5	 9% (0)	 9% (0)	 10% (+3)	 10% (+2)	 10% (-1)
6	 9% (+1)	 6% (0)	 9% (+2)	 9% (+2)	 7% (0)
7	 4% (-1)	 5% (+1)	 5% (-1)	 5% (-1)	 4% (-1)
8	 4% (+1)	 3% (+1)	 3% (0)	 5% (-1)	 4% (+2)
9	 3% (-1)	 3% (-1)	 2% (-1)	 4% (0)	 2% (0)



Clothing and shoes



Beauty and health



Home electronics



Books and media



Groceries



Sports and leisure



Furniture and home decor



Car, boat and MC accessories



Children's items and toys

Basis: Have shopped online in the past 30 days

## Sustainability

# High focus on sustainability in the Nordic countries

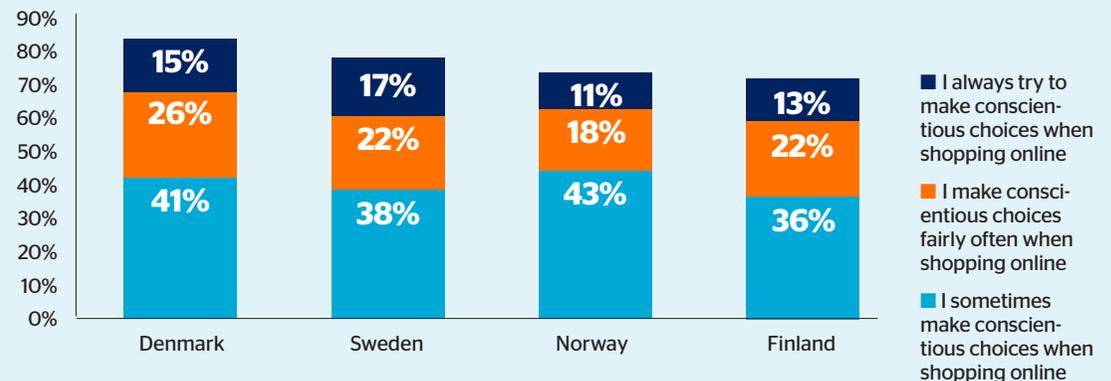
In a short amount of time, sustainability has become one of the most important social issues for many consumers and companies. This is especially evident in the fact that in the Nordic countries, consumers are highly interested in making conscientious choices when they shop online. Three out of four Nordic online consumers say that they always, fairly often or sometimes try to give consideration to how and under what conditions the items they intend to buy are made and transported.

According to this survey, Danes are the most sustainability-conscious consumers, followed closely by Swedes. This is probably connected to the fact that grocery retail in Denmark and Sweden has a long history of providing an ethical- and environmentally labeled selection of products. For example, according to Ecowebb, both countries are world leaders when it comes to consumption of organic foods. Many consumers consider organic food to be sustainable and environmentally friendly, even as a lively discussion is underway on the potential downsides of organic food, such as a lower crop yield relative to land area when grown.

The share of sales of organic food is in many cases higher online than in physical stores. This

### When it comes to environmental impact, sustainability, labor conditions etc., what best describes you when shopping online?

Basis: Shopped online in June 2019 (Denmark, Norway and Finland) and shopped online in March 2019 (Sweden)



may be because more of the same kinds of goods are suggested to consumers who want to shop for foods with sustainability labels, because through e-commerce searches and filters, algorithms learn shoppers' behavior. Danish nemlig.com and Swedish Mathem report that every fourth item they sell is

organic, which is more than twice as much as with traditional physical players.\* New online services that reduce food waste have also emerged, such as Matsmart, Karma and Finnish ResQ Club.

\*Ekoweb.nu 2019. Organic grocery market and Online success for organic products in Denmark. Last accessed on September 12, 2019.

## Sustainability

# Sustainability is key for products used on or near the body

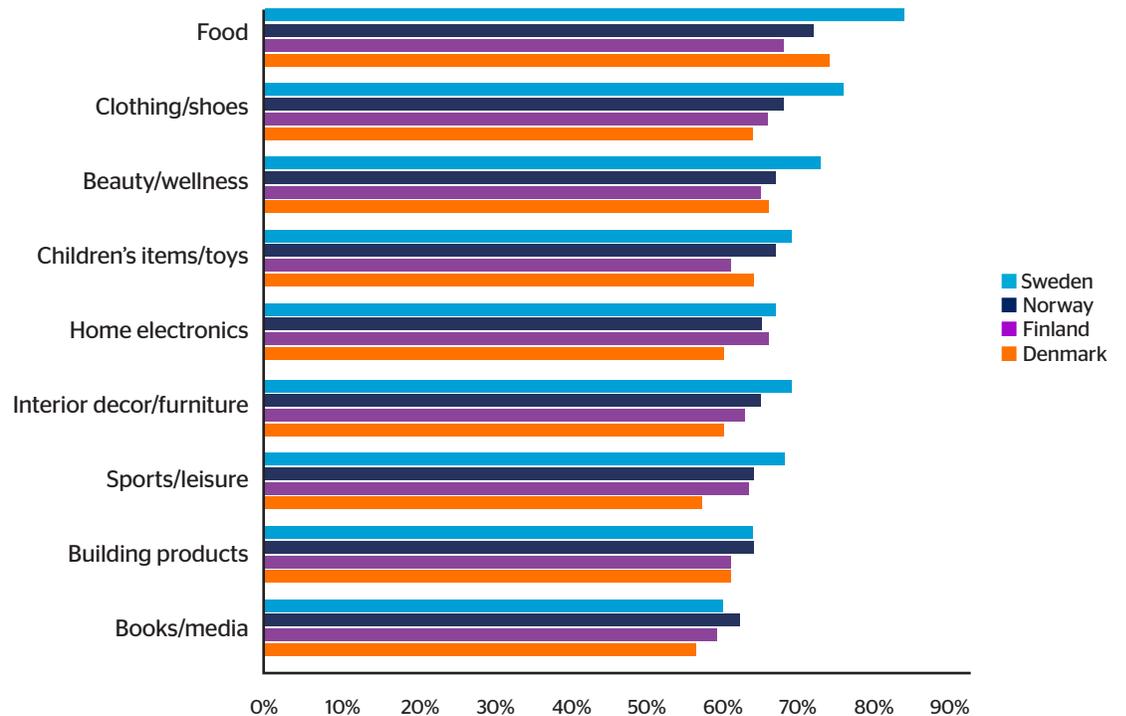
**When we think** about sustainability today, climate concerns often come up first for many consumers. But active work with sustainability is both broad and complex. Often, we talk about environmental, social and financial sustainability. Everything from climate issues, emissions and chemical usage to animal rights and labor conditions are all gathered under this heading.

**It is important** to consumers to shop sustainably in sectors that provide goods intended to be ingested or used on or near the body. Food, beauty and fashion products are also used frequently, which means that in many cases, consumers feel they have a crucial impact on their health and on the environment. The selection in these sectors is constantly expanding and webshops' search functions make it easy for consumers to find goods with environmentally friendly or ethical labels.

**In general**, women state more often than men that they consider it important for the products they buy online to be produced and delivered with the greatest possible consideration for sustainability. However, there are no significant age differences. It is interesting to note that Danish interest in organic food does not spill over into other sectors to the extent that one might assume. On the contrary, interest in sustainability is lower in Denmark than in the rest of the Nordic region in most sectors except food.

### How important is it to you that the products you buy online from the following sectors are produced and delivered with the greatest possible consideration for sustainability?

Basis: Shopped online in June 2019 (Denmark, Norway and Finland) and shopped online in March 2019 (Sweden)



# Sustainability

## Consumers uncertain about purchases from China

**The issue of shopping** online from abroad and sustainability is complex, but shopping from another country may entail heightened uncertainty for consumers about whether goods meet their own national rules regarding, for example, environmental consideration, labor conditions, safety and chemical use.

**Among the four countries** from which it is most popular to shop - China, the US, the UK and Germany - the latter two have a special position. A significant majority of Nordic consumers feel secure shopping from the UK and Germany. Many regulations in the area of sustainability are EU-wide, which is thought to generate trust among consumers.

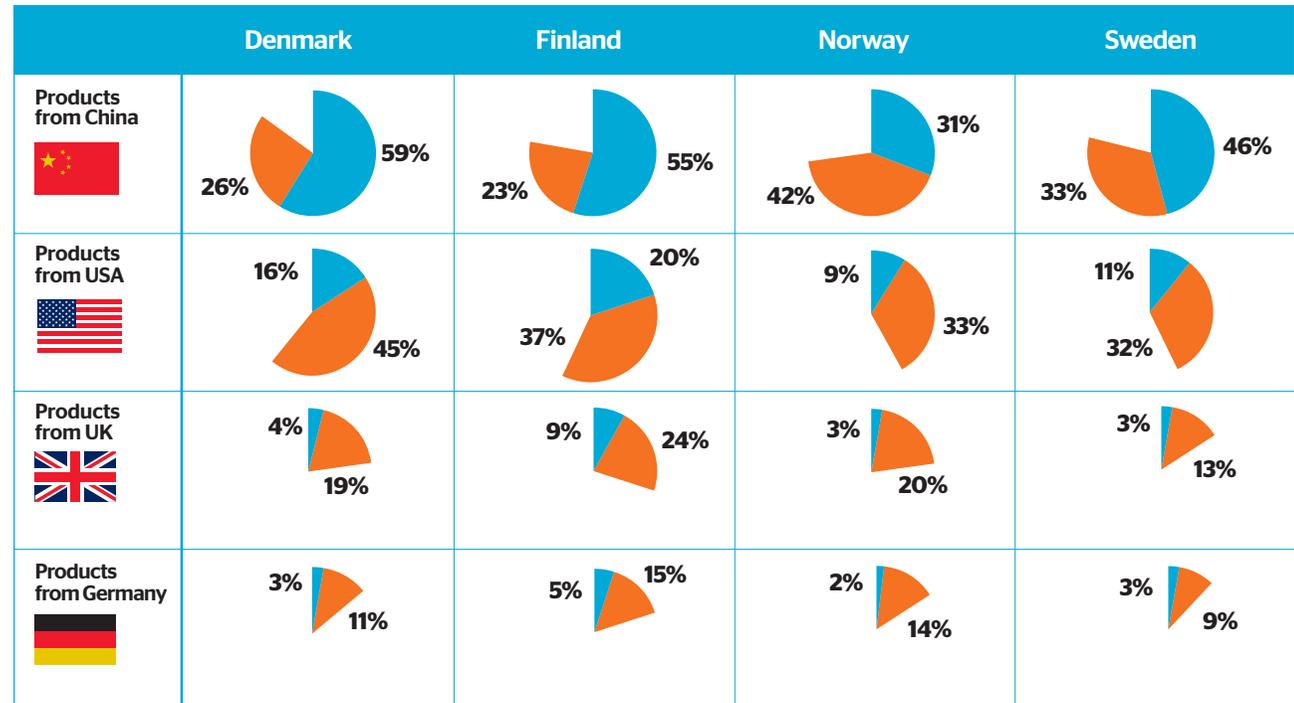
**Four out of five** Nordic consumers feel uncertain about goods from China with regard to environmental consideration, user safety and chemical content. However, the low prices lead consumers to continue ordering goods from China to a relatively high extent. The question is whether a greater focus on sustainability moving forward will reduce this consumption.

### Consumers that feel uncertain about purchases from each shopping destination

How secure do you feel that products bought online directly from the following countries live up to Nordic regulations regarding environmental consideration, safety, chemical use and similar?

Basis: Shopped online in June 2019 (Denmark, Norway and Finland) and shopped online in March 2019 (Sweden)

■ Not secure at all  
■ Not particularly secure



# Sustainability

## E-commerce presents major opportunities for transparency

**Work with sustainability** in e-commerce is really not so different from this work among traditional retail companies. However, e-commerce is different in several ways: how deliveries happen, how products are packaged and how digital tools like AI and blockchains can create more efficient transport solutions and more transparent delivery chains that make it easier for consumers to make conscientious choices. In addition, e-commerce offers unique opportunities for providing information about the actual product and its content as well as how the product can be reused or recycled.

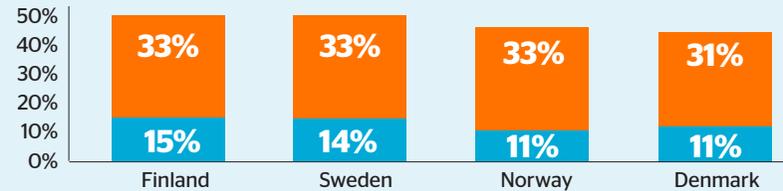
**Almost every** other Nordic consumer considers it important to be able to track the origins of a product and to see the environmental impact of production and deliveries. Because three out of four Nordic residents say they make conscientious choices when shopping, transparency entails a chance to get both new and return customers. Otherwise there is some risk that the consumer who does not trust a webshop will take their money and go to another retailer.

**In general, Swedes** and Finns are the most interested in having transparent information when shopping online. Multinational Swedish clothing giant H&M has seized upon trends in its home country and in the spring became entirely transparent about the factories in which a large part of its collections are manufactured. The same company has invested significantly in AI to become more accurate when it comes to sizes, fit and trends. As a result, returns and overproduction can be reduced and sales can be avoided - which is a win for the planet and an extra boost for the company's profitability.

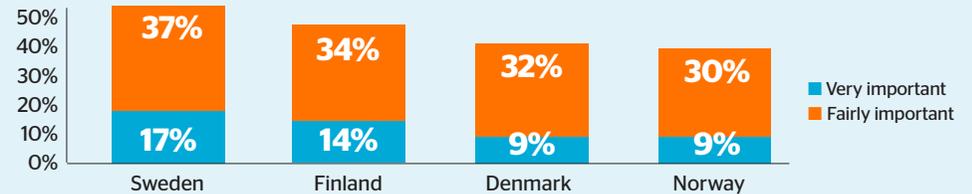
### How important are the following to you when shopping online?

Basis: Shopped online in June 2019 (Denmark, Norway and Finland) and shopped online in March 2019 (Sweden)

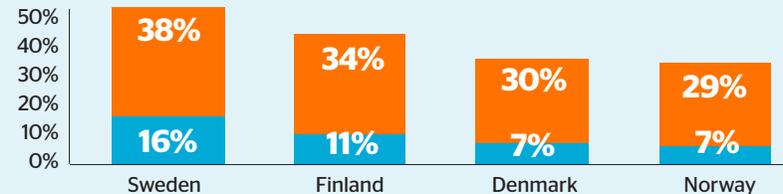
#### Being able to track a product's origins all the way from raw goods to finished product



#### Being able to see the impact of the product's production on the environment



#### Being able to see the impact of the product's delivery on the environment



## Sustainability

# Packaging a source of higher efficiency and a strong brand



**The packaging** in which goods purchased online are delivered is an important factor for the environmental impact of e-commerce. Many goods are sent in standard-sized boxes and also contain tons of filler materials like bubble wrap or paper to protect them. More efficient packaging that gives greater consideration to the size of the products would be more sustainable while making room for the sharply growing quantity of packages. Capacity would be freed up in trucks, terminals and at partner outlets, and delivery quality would be improved.

**In the past year**, many consumers have reacted to unnecessarily large packaging. On social media, consumers post about packages that transport a lot of air. Consumers feel e-retailers should be better about using packages that are properly sized in relation to the product, and about using packaging that can be recycled or reused.

**Webshops have long** concentrated on growth and the issue of packaging has been overshadowed. Moving forward, the two parameters need to go hand in hand. Managed properly, optimized packaging can contribute to growth-friend-

**Which of the following should webshops be able to do better when it comes to packaging their products?** Basis: Shopped online in June 2019 (Denmark, Norway and Finland) and shopped online in March 2019 (Sweden)

	Denmark	Finland	Norway	Sweden
Properly sized boxes in relation to the product	37%	46%	42%	53%
Recyclable packaging	31%	29%	31%	27%
Reusable packaging	35%	29%	24%	27%
Less polystyrene in the box	13%	22%	21%	19%
Plastic bag instead of cardboard box	6%	12%	9%	9%
More attractive packaging	1%	5%	2%	1%
Nothing, I am satisfied	28%	18%	25%	24%
Don't know	8%	8%	6%	7%

ly efficiency in the logistics chain, and a strong brand. For example, in summer 2019, Zalando decided to replace plastic bags for beauty products

with recycled paper bags. By 2020, all of the company's packaging will be made entirely of recycled materials.

## Sustainability

# One in three prepared to pay for carbon offsetting

**When consumers think** about sustainability and e-commerce, many are probably first struck by the environmental impact of deliveries. But assessing the environmental impact is very complex, because it depends on many different factors, such as goods transports, consumers' own transports, the fill rate of the vehicle and any returns. Quite simply, it is a question of defining where to begin and finish the calculation.

**By paying for** measures that reduce environmental impact elsewhere in the world, consumers can offset the emissions caused by their delivery. Just over one out of three Nordic consumers are prepared to pay extra to offset emissions from their delivery. Desire to pay among these consumers is relatively high; it is highest in Norway and lowest in Finland. It is also clear that 18 to 29-year-olds are more prepared to pay than other age groups.

**The countries** all have two things in common: people believe carbon offsetting costs much more than it actually does, and they are prepared to pay less than what they believe it costs. The cost of offsetting the emissions of a delivery would be less than SEK 1 in most cases. It is therefore highly likely that the share of consumers who are prepared to pay the actual cost is greater than the one third who indicated as much in the survey.

	Denmark	Finland	Norway	Sweden
Prepared to pay to carbon offset a delivery	34%	32%	35%	40%

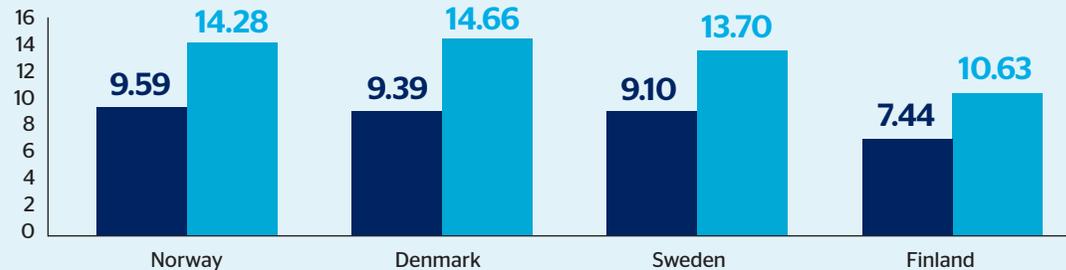
Basis: Shopped online in June 2019 (Denmark, Norway and Finland) and in March 2019 (Sweden)

### How much are you prepared to pay to carbon offset a delivery?

Basis: Shopped online in June 2019 (Denmark, Norway and Finland) and shopped online in March 2019 (Sweden)  
Average value in SEK, average exchange rate in June 2019.

### How much do you think it costs for logistics companies to carbon offset a delivery?

Basis: Shopped online in June 2019 (Denmark, Norway and Finland) and shopped online in March 2019 (Sweden)  
Average value in SEK, average exchange rate in June 2019.



# About E-commerce in the Nordics

**PostNord has been** monitoring e-commerce trends in the Nordics for the past ten years. As of January 2016, we began monitoring developments monthly. This provides a more precise overview, but also means that the results collected after that date are not directly comparable with those of previous years, when consumer habits were monitored quarterly. The part of the survey that puts a figure on the estimated total e-commerce consumption in the Nordics is based on consumers' estimates of how much they have purchased online, both in total and from abroad.

***E-commerce in the Nordics – six-month report 2019*** is based on consumer surveys conducted on a monthly basis in Sweden, Denmark, Norway and Finland from January through June 2019. The total number of respondents surveyed was 43,468.

**E-commerce is defined** in this report as the sale of products from companies to consumers. This means that the following are not considered to constitute e-commerce:

- In-store purchases that were initially booked online
- The sale of services (for example, travel, hotel accommodation and concert tickets) arranged online
- Business-to-business online sales
- Online sales between individuals

**The consumer surveys** were conducted with a representative national selection of the population aged 18-79 in each country. The surveys were carried out with the help of the TNS SIFO web panel. In all, 8,875 respondents took part in Sweden, 10,559 in Denmark, 10,498 in Norway and 13,536 in Finland.

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

**Some results in this report** are not directly comparable to results in the Swedish *E-barometer*, as the results are based on different methods.

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