



eCommerce across The Nordics

Sweden, Denmark, Norway & Finland
2022



The Nordic Region



The Nordic Region contains a multitude of natural resources, from the marine environments off the Icelandic and Norwegian coasts to the vast forests of Finland and Sweden and the fertile agricultural soils in Denmark. Each country has its own strengths and comparative advantages, and together they form one of the world's most prosperous regions.

It has repeatedly been shown that the Nordic countries are strongest when they stand together. For example, in terms of gender equality and welfare, the Nordic model has led to Europe's highest employment rates and stable economic growth. Similar cultures and languages support the development of a common Nordic identity with a unique trust in national, regional, and local politics.

Investment in education, innovation and research is generally considered to be very high. Mobility and integration are priorities, ensuring that people can study, travel, work and start innovative forward-thinking businesses wherever they want within the region.

At 3,425,804 square kilometres (km²), the total combined area of the Nordic region would form the seventh largest nation in the world. However, uninhabitable icecaps and glaciers comprise about half of this area, mostly in Greenland. More relevant is the fact that, together, the Nordic countries comprise the 12th largest economy in the world (World Bank, 2019). Even though the Nordic countries make up a very small proportion of the world's population (0.35%) when they act together, they provide the conditions for increased Nordic influence and economic output.

Full employment is one of the cornerstones of what is known as the Nordic model and, historically, the Nordic countries have enjoyed comparably high employment rates, particularly for women and older workers. The employment rate measures the number of people in work as a proportion of the working age population (aged 15-64) as a whole.

The average Nordic employment rate was 79.4% in 2018, considerably higher than the EU28 average of 67.7%. In recent years, and in line with a growing economy, the employment rate has increased throughout the Nordic Region. It is still lowest in Finland and Greenland, although the increase in Finland between 2016 and 2018 was faster than the Nordic average.



Nordic consumer behaviour

Nordic consumers are in general digitally mature.



According to a recent eCommerce report, **around 9 in 10 Nordic consumers regularly engage in eCommerce**. The pandemic significantly advanced the development towards online shopping, with up to a quarter of Nordics saying they used eCommerce more due to the pandemic, and a greater number of previously reluctant consumers, such as the older generations, also embraced the convenience of click and drop. The trend was, however, already well underway, with a big shift from physical stores to eCommerce well before 2020-2021, driven by changing Nordic consumer habits.

Nordic consumers are also happy to purchase from other countries. **80 to 90% of consumers across the Nordics engage in cross-border eCommerce**, and with Amazon now established in Sweden, in addition to already well-established players like Zalando, Wish, eBay and others, this trend is likely to progress.

Over one-third (36%) of online consumers in Scandinavia make monthly purchases from international eCommerce websites.

China was the country that most Danes shopped from online in January 2021. It accounted for almost a third (31%) of cross-border shopping from Denmark, followed by Germany and the United Kingdom, each with an 18% market share.

According to data from 2021, **The leading eCommerce product category in the Nordics was cosmetics**, skin and hair care, purchased online by seven million consumers. This was followed by sport and clothing products coming in second place with five million consumers, while the home furnishing category was preferred by four million consumers. The eCommerce opportunity in the Nordics is huge.

When shopping for goods online, it is common for Nordic consumers to pull out of a transaction, leaving the order incomplete: in the fourth quarter of 2021, **roughly 82% of orders on mobile devices in Nordic countries were not completed**.

During that same three-month period, just over seven in ten carts created were left abandoned due to delivery related issues such as delivery options being inconvenient.



eCommerce across the Nordics

eCommerce companies have been generating higher and higher revenues across Europe, with Norwegian, Swedish, and Danish companies' online sales accounting for roughly one-fourth of total revenues in 2020.

Within the Nordics, Sweden had the highest online shopping reach in 2020, whilst generating the highest turnover value. In 2020, the percentage of companies selling online in the B2C sector increased in Sweden and Denmark but with a modest contraction in Norway and Finland. The overall investment in further digital strategies proved to be more effective with the top-ranking eCommerce companies improving their digital output and offering.

eCommerce delivery

Most retail consumers prefer their online orders to be delivered to their home by the carrier, while an increasing percentage of them opted for delivery at pickup locations across the region. Consumers from Sweden and Norway often like external distribution points better, while parcel machines are seen as more popular in Finland and Denmark.

More than half of respondents in Finland and Denmark said that choosing the delivery location for their order was what mattered to them. While more than 60% of online consumers in the four Nordic countries surveyed said their expected delivery time for their online purchases would be three to five days for arrival.

In 2021, price and choice of delivery location were the most relevant delivery factors for consumers in the Nordics.



Nordic eCommerce

eCommerce in the Nordic region is rapidly evolving and opens opportunity for online sellers, especially those looking to expand into cross border activity. Nordics love to shop, and retail is shifting towards the online approach, quicker than ever before.

The bottom line is - to be able to successfully sell to Nordic consumers' you need to cover all your bases, analyse your target audience, the latest trends, while offering innovative delivery options such as Pick Up Drop Off (PUDO) solutions, research the top-selling products, the best platform, and only then will you be able to capitalise on the opportunity that the market offers.





eCommerce in Finland

Area 338,440 km²

Population 5.53 million

Capital Helsinki

Currency Euro (EUR)

€7.2 billion
eCommerce market revenue



4 million
eCommerce users

14%

of enterprises make
B2C eCommerce
sales via a website



Did you know?

The online shopping penetration is highest among individuals aged between 25 and 44 years old, reaching 96% of consumers in this age group



One of the leading eCommerce product categories is clothing and footwear

Preferred
delivery method
by customers
is self-pickup
from a parcel
machine



76%

of selected major
companies offer a click
and collect service

64%

of consumers expect
their delivery within
3-5 days

Most
Important
Factors

56%
place of delivery

53%
cost of delivery

23%
speed of delivery





eCommerce in

Sweden

Area

450,295 km²

Population

10.35 million

Capital

Stockholm

Currency

Krona (SEK)

146b SEK

eCommerce market revenue



8 million

eCommerce users



68%

of consumers expect their delivery within 3-5 days



1,000 - 2,999 SEK

(95-285 EUR)

Most common online order spending range

Delivery methods used by consumers

64%

Pickup location

19%

Post-box delivery

5%

Home delivery

Did you know?

Swedish consumers showed most interest in beauty and healthcare products in 2021, with 41% of respondents stating they brought them. However, clothing and footwear registered the same preference rate, leaving books and media in third with 24%.

Most Important Factors

47%

place of delivery

55%

cost of delivery

25%

speed of delivery





eCommerce in

Norway

Area

323,781 km²

Population

5.39 million

Capital

Oslo

Currency

Krona (NOK)

157b NOK

eCommerce market revenue



5% of GDP

is eCommerce spending

Industry
generating
highest revenue
online is fashion



Age group buying clothing
online the most is

25-35 year-olds

Did you know?

Debit and credit card as
well as buy now, pay
later payment options
have gained popularity
among Norwegian
consumers

44%

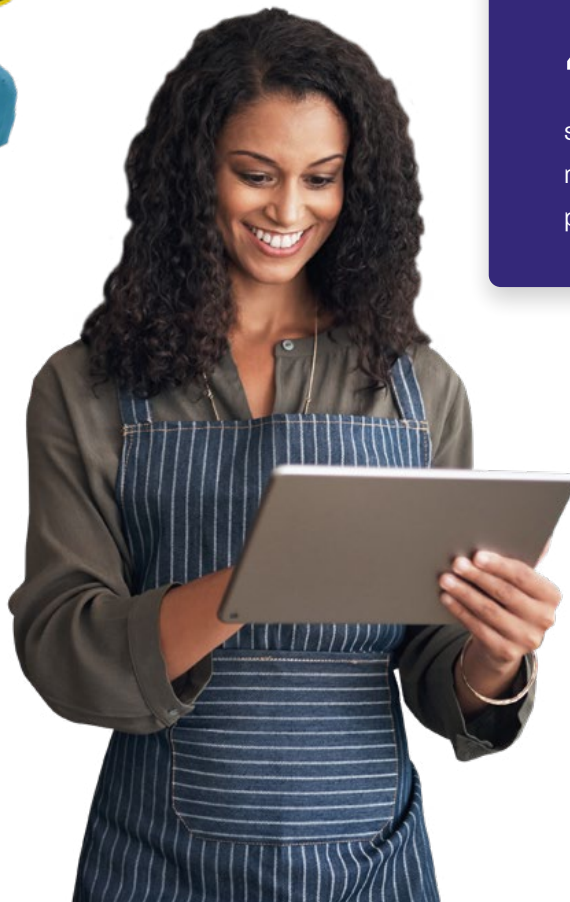
say favourite delivery
method for online
purchases is to mailbox

18%

prefer home delivery or
delivery outside the door
without signature

15%

collect their product from
a distribution point



Most
Important
Factors

41%

place of delivery

56%

cost of delivery

30%

speed of delivery





eCommerce in

Denmark

Area

42,933 km²

Population

5.83 million

Capital

Copenhagen

Currency

Krone (DKK)

€23 billion

eCommerce market revenue



7.8% of GDP

is eCommerce spending



18%

of consumers buy something every week

38%

of companies are selling online

68%

of consumers expect their delivery within 3-5 days

85%

of Danes aged 16 to 59 bought something online in 2021

Did you know?

The percentage of eCommerce users has rapidly risen, especially after the COVID out-break, there is now over 4 million consumers in Denmark.

Delivery methods used by consumers

18%

Pickup location

34%

Home delivery

Most Important Factors

52%

place of delivery

53%

cost of delivery

30%

speed of delivery



The eCommerce turnover in Sweden peaked in 2019, amounting to 87 billion Swedish kronor and was expected to increase up to nearly 116 billion kronor in 2020.

The store having the right product selection was the most common reason leading to repeat purchases online in Sweden in the first quarter of 2018. As of 2020, receiving their deliveries to their mailbox by the mail carrier was the most preferred delivery option for consumers in Norway (52%) and Sweden (39%), whereas collecting the delivery personally from a parcel machine was the most preferred method for consumers in Finland (35%).



Did you know?

In 2021, the preferred delivery method among consumers in Denmark was home delivery with signature, favored by over one-third (34%) of participants in a survey. Meanwhile, 21% liked getting their products delivered home with no signed confirmation.



In 2021, price and choice of delivery location were the most relevant delivery factors for consumers in the Nordics. More than half of respondents in Finland and Denmark said that choosing the delivery location for their order was what mattered to them.

China was the country that most Danes shopped from online in January 2021. It accounted for almost a third (31%) of cross-border shopping from Denmark. It was followed by Germany and the United Kingdom, each with an 18% market share.



More than 60% of consumers in the four Nordic countries surveyed said their expected delivery time for their online purchases would be three to five days for their delivery to arrive.





Final thoughts...

There's no doubt that Nordic eCommerce is rapidly evolving, and this evolution has opened ample opportunities for online sellers to take their business online & sell on Nordic marketplaces.

Both revenue and users are consistently increasing every year with 9 out of 10 customers now joining the eCommerce wave, in the region. As one of the world's largest economies and prosperous regions, the level of interest and appeal to try to capture and integrate into this market has skyrocketed, in part, because of the pandemic. Most importantly, the customers in this region love to shop, and the whole Nordic retail offering is shifting towards online.

Attaining Europe's highest employment rate, with a stable and vibrant economic growth year on year, has transformed the Nordic eCommerce market into an attractive investment opportunity for retailers.

The most successful trends within the Nordic market show that new and varying delivery options such as PUDO, customisable delivery options, choice of a wide product portfolio and categories are all favourable. Meeting these essential areas of eCommerce prove to be the most effective and

attractive to consumers with a higher probability of returning for future purchases. The eCommerce market has been known to fluctuate and can seem unpredictable. However, with the recent surge of interest throughout the pandemic, the market has been in a constant climb and the Nordics have played a major role, accounting for 31% of cross-border shopping in China 2021, from Denmark alone.

Navigating this market will require careful analysis of market trends, but the virtually unlimited opportunities of this huge and continuously growing industry will make it worth the effort, as things gradually return to normalcy and the market only continues to increase.

The bottom line is - to sell on Nordic marketplaces, you need to cover all your bases, analyse your target audience, the latest trends, search for the best marketplaces, the top-selling products, the best platform, and then you are all set to do wonders.





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