

# E-barometern

PostNord in cooperation with Svensk Digital Handel and HUI Research

## Q2

2022

**postnord**

## About E-barometern

**PostNord monitors** the Swedish retail industry's e-commerce development, in collaboration with Svensk Digital Handel and HUI Research. E-barometern is published once a quarter and is based on five consumer surveys and a survey of companies. E-commerce is defined in E-barometern as being the online sale of goods, with subsequent delivery to the home or a distribution point, or collection by the consumer at a store, warehouse or distribution center. The following are therefore not considered to be e-commerce in E-barometern:

- In-store purchases that were initially arranged via the internet
- The sale of services (for example, travel, hotel stays and concert tickets) arranged online
- Downloading of, for example, music files, movies and applications
- Business-to-business online sales
- Online sales between individuals

**E-barometern Q2 2022** is based on information collected from retail companies in August 2022. A total of 178 companies took part in the survey. The company survey was carried out between August 3 and August 31, 2022. Five consumer surveys have been carried out using KANTAR's web panel. All the surveys are conducted with a representative sample of Sweden's population between the ages of 18–79.

The first survey was conducted in May 2022 and had a total of 1,389 respondents. The second was conducted in June 2022 and had 1,400 respondents. The third, fourth and fifth surveys were conducted in July 2022 and had 1,411, 3,184 and 2,139 respondents respectively.

The online surveys are representative of the 95 percent of Sweden's population that has internet access. PostNord can be contacted for detailed information about each survey.

## Foreword

**Eventful. That's how** the last three years in the e-commerce world could be summed up. First, an extreme rise during the pandemic, when people needed to shop in contactless ways. Then a decline due to major challenges coming from the outside world and a return to visiting actual stores.

We saw already in the spring how the upswing in e-commerce was beginning to fade and the 8 percent decline reported in E-barometern for the first quarter is now followed by the same figure for the second quarter.

The extreme levels of e-commerce are behind us for the time being. Sweden is now entering a recession, which means less money in the wallets of consumers. Interest rates and electricity prices are increasing. Inflation is increasing the general price level, and Russia's war in Ukraine is forcing up fuel costs and disrupting production chains.

All in all, this is leading to consumers becoming more cautious in their spending, and investments in durable goods such as electronics, white goods and home furnishings having to wait.

The E-barometer figures reflect the impact of the outside world on e-commerce in general. E-commerce is changing from large quantities to specific qualities as the demands of consumers increase. This is also reflected in deliveries, with the consumer wanting to know at the check-out how and when an item will be delivered. The possibility of convenient returns, preferably with digital solutions, is also something that is becoming more important and influences the willingness of consumers to click the buy button. A challenge? Yes, but it is also positive because it leads to need-driven change in many areas. At PostNord, for example, our major investment in parcel lockers has come at exactly the right time,

as evidenced by the E-barometern surveys. Parcel lockers provide consumers with access to the flexible deliveries they demand.

We are seeing a world around us that is changing rapidly, sometimes in unpredictable ways, but by analyzing and being aware of what is happening, we can understand consumers and the market better. An area that definitely does not decline in more difficult times is the second-hand market.

The ever-increasing circular e-commerce – where products get not just one, but perhaps two or three new lives – gives hope for the future. On a number of levels.

**Mathias Krümmel**  
CEO PostNord  
Sweden



# Two experts on the current situation

## “A tough situation, as consumers are forced to change their habits”

**During the past** twenty years, there has been a boom in retail in Sweden. Growth has been steady even when the rest of the economy has been hit by crisis. The IT crisis, the financial crisis and the pandemic all failed to negatively affect commerce as a whole, even if individual market participants were affected.

The good years for retail throughout the 21st century so far were driven by growing physical retail that was expanded with new locations. During the same period, e-commerce took off, which led to the establishment of a long line of companies with new business models and an online presence. Demand rose in step with supply, rising real salaries and a growing population. Throughout the 2000s, households had to spend an ever smaller portion of their disposable income on paying for their accommodation. This money was instead spent on buying products and services. As interest rates and energy prices now rise, those conditions are being reversed. This risks plunging the retail trade into its first crisis in a very long time.

The forecasts certainly look bleak. HUI expects that a typical household will have around SEK 9,000 less to spend after paying for accommodation, food and fuel. How tough it will be for the retail industry depends on what consumers choose to do now. Will they cut down on the relatively new consumption of services? Is it travel, restaurant visits and home renovation

and other home-related services such as cleaning that will have to take a back seat when consumers need to save money? Or have new habits been created that will be difficult to break for people who have got used to the fact that such services provide added quality of life?

Retail has also changed since the last recession. A significant low-price segment has emerged, which is taking an increasingly large share of the market. It would seem logical that this segment will grow in periods of economic decline, but that is not a given. Many people don't shop in discount stores because they have to, but because they think it is enjoyable to spontaneously shop for cheap goods. The need to tighten their belts may very well lead to a more rational consumption pattern, with well-considered purchases for which they have made price comparisons.

Economic decline does not have to mean that sales of cheap falukorv sausages increase, or that glittering seasonal items in the low-price outlets sell like hot cakes. It could also mean that consumers cut back on personal savings, and don't travel abroad, but continue to treat themselves to fine dining at the weekend and fancy items from retailers.



**Emma Hernell**  
CEO, HUI Research

## “Creativity is now required to increase profitability”

**Despite another** quarter of negative development, E-barometern for Q2 reflects the calm before the storm. Almost all the e-retailers I have spoken with after the summer have said how business has become considerably tougher in a very short space of time.. E-commerce is now faced with quite stormy seas. Old facts and strategies don't seem to apply anymore. It is no longer sufficient to simply deliver strong growth, as good profitability is now also required. It is now no longer a given success to just have great products that fulfill new customer needs, only sell them directly to consumers in your own digital channels and invest massively in marketing via influencers in social media. And selling other people's brands online, competing with a large selection of products, low prices and massive marketing via mainly Google and email marketing is also not sustainable now when prices for SEO and “paid social” have skyrocketed.

You now have to be more creative than ever before. Creative in your business model, channel strategy, marketing and also leadership. At D-Congress, a conference for the Swedish e-commerce community held in April this year, we talked a lot about how you can attract interest among your customers and get them to be active in your community. That ap-

proach is even more relevant now.

You also have to be creative in your business strategy. As a DTC company, you could consider starting to sell through other parties' channels, as, for example, Chimi started doing a few months ago via hm.se. Or testing the waters out in the real world, as Aim'n is doing with its new pop-up store on Norrmalmstorg in Stockholm. One of the most interesting things that Pernilla Nyrensten said in interviews when she announced her resignation as CEO of RevolutionRace, was “if you want to reach 1 billion dollars in sales, you have to be present in both the physical channel and the digital channel”.

You quite simply have to be in the places and in the channels where your potential customers are – and attract their interest there. Running an e-commerce business is more complex than ever before. And that's before even mentioning circular business models and the Metaverse – perhaps the most important aspects for reaching and attracting the interest of the young people of today and tomorrow.



**Per Ljungberg**  
CEO, Svensk  
Digital Handel

## Table of contents

●	E-commerce development	5–8
●	Sector development	9–17
●	Deliveries, payments and channels	18–24
●	Interview Swish and Apoteket	25–28
●	Returns	29–33
●	Interview Nordic OSG	34–35
●	Second-hand shopping online	36–41
●	Consumer	42–47

# E-commerce growth declined during Q2

**T**he second quarter continued the trend from the first quarter, with a fall of 8 percent. As society opened up again, consumption patterns in Sweden began to return to what they looked like before the pandemic. One of the sectors where this is particularly evident is the grocery trade, which fell during the most recent quarter by 28 percent. This is because we are eating out more often and buying more of our groceries in actual stores again. Another sector that has been affected is sporting goods. The consumption of sporting goods has shifted from outdoor leisure products, which were popular last year, to equipment for team sports. Overall, however, sales decreased by 12 percent.

Other sectors are also starting to be more affected by the economic

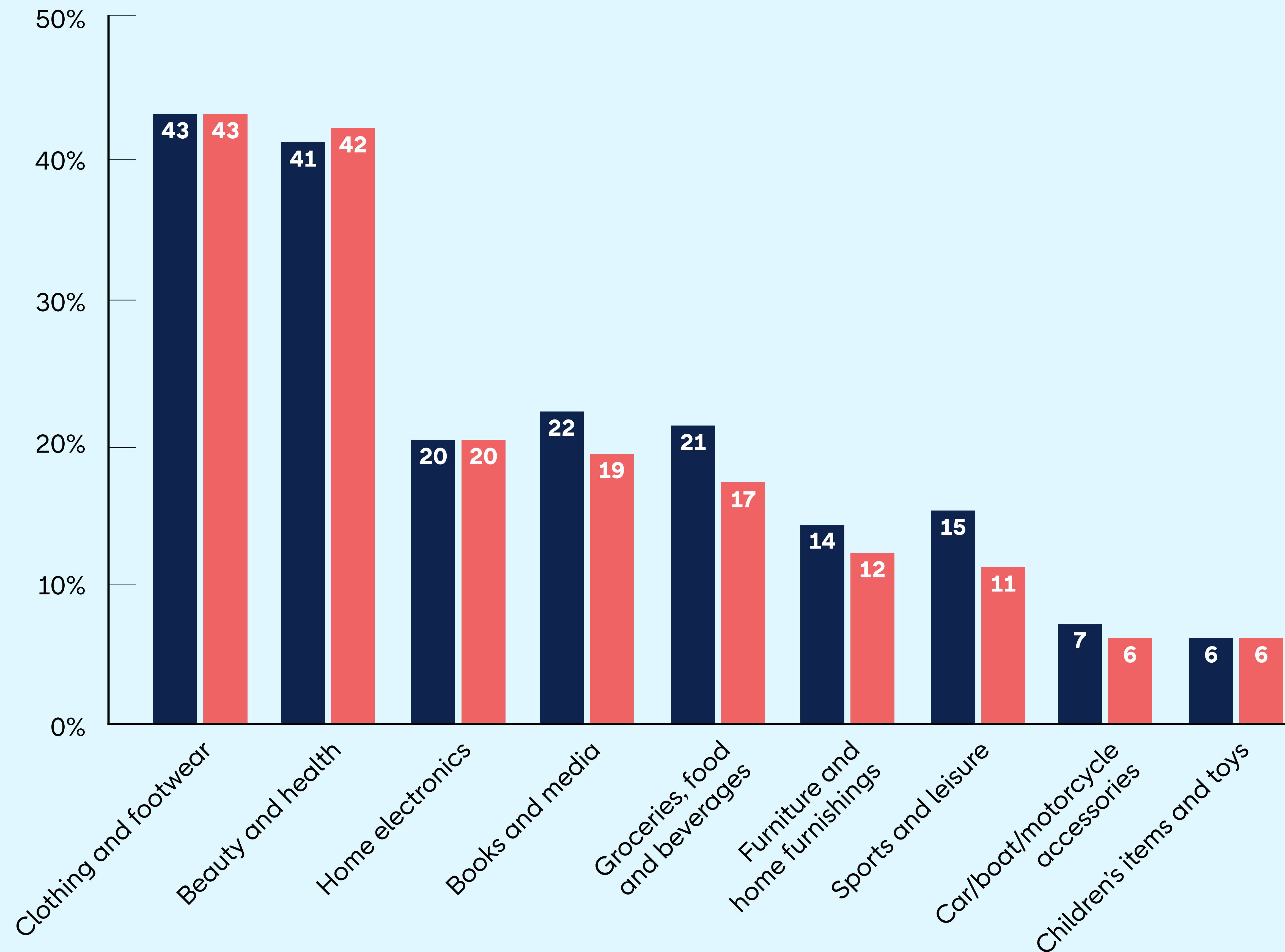
downturn. Both the furniture trade and the construction sector (building products) are connected to the shaky housing market and the credit terms for larger purchases that are linked to interest rate trends. Interest in the home has also cooled off somewhat as society has opened up, so it is natural that we are seeing a decline in the relevant sub-sectors.

On the other hand, pharmacy goods showed positive figures during Q1 and continued to be positive during Q2. It seems that the sector is retaining a lot of the customers it acquired during the pandemic and the market participants are doing a good job, with several pharmacies appearing on the list of consumers' favorite online retailers in the E-barometern Q4 surveys.

	<b>Total</b>	<b>-8%</b>
	Pharmacy goods	+4%
	Clothing and footwear	+1%
	Children's items and toys	-2%
	Building products	-7%
	Home electronics	-7%
	Furniture and home furnishings	-8%
	Books and media	-9%
	Sports and leisure	-12%
	Groceries	-28%

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

● Q2 2021 ● Q2 2022



Basis: Have shopped online

## Fewer consumers have bought groceries and sporting goods

**I**t was a tough spring for Swedish e-commerce. Basically all online shopping categories have had declining or negative growth measured in sales value. The fact that many consumers have returned to actual stores may be part of the explanation for this. Of the products consumers say they bought online, only beauty products have increased compared to last year.

The product groups that have grown the least include the grocery and sporting goods sectors. This illustrates not

only that grocery shopping has decreased in terms of purchasing frequency or purchase amount (decrease in value), but also that some consumers seem to have stopped shopping for groceries online. The same applies to sporting goods, but as these are bought less often than groceries, there may be other explanations as well. For example, it is conceivable that the outdoor segment is now somewhat saturated after last year's stay-cations.

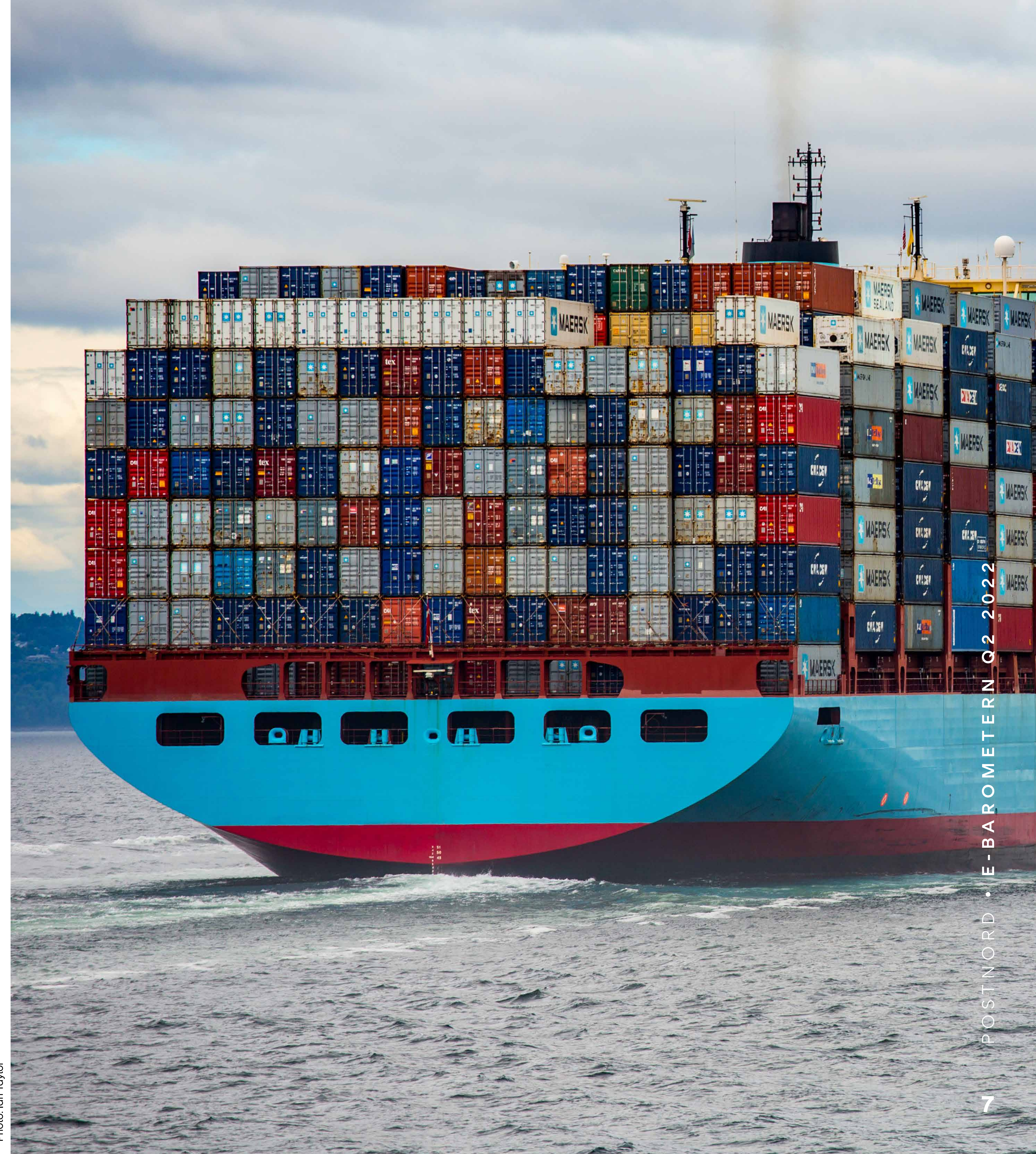
# Economic uncertainty affecting e-commerce

**T**he economic situation is uncertain and there are several clouds on the horizon. Inflation is currently running at 8 percent and interest rates will most certainly rise further. This will affect consumer spending, as purchasing power decreases when loan costs increase and the conditions for new credit consumption deteriorate.

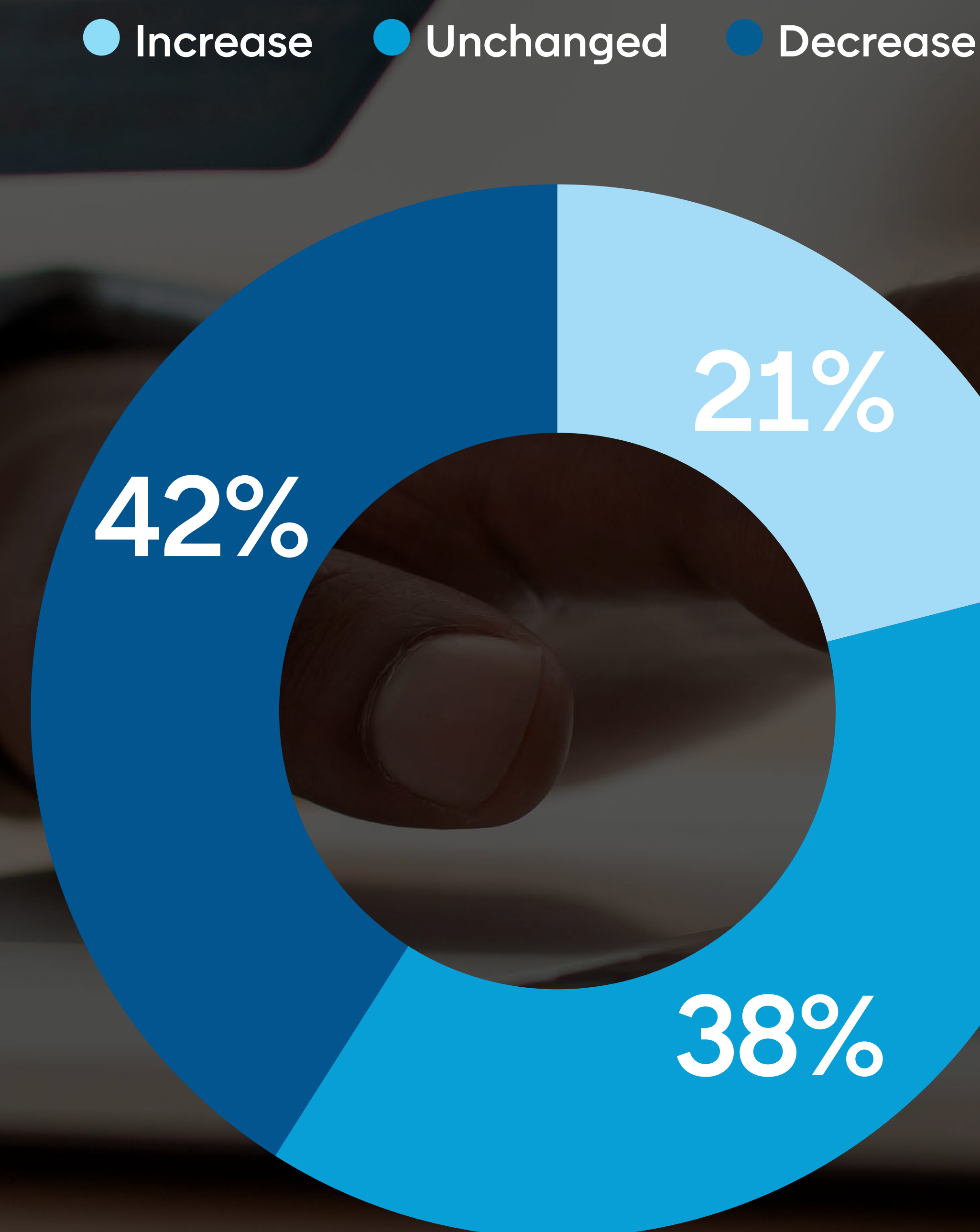
Another cloud on the horizon is the high energy prices, which have become even more of an issue in the wake of the crisis in Ukraine. These risk affecting both household purchasing power and retailer costs. There is also a risk that important export markets particularly dependent

on Russian gas supplies will be hard hit. Germany, a market to which many Swedish e-commerce operators are exposed, is perhaps the prime example in this regard.

On the plus side among the otherwise gloomy news, it can be noted that global container prices are falling. Many of the problems that arose during the pandemic still remain, but it is nevertheless positive that the work being done to remedy the situation is beginning to yield results. If we start to achieve more well-functioning global trade again after all the pandemic-related problems, this could help keep commodity prices down and benefit consumption.



How do you think e-commerce sales will develop during the remainder of 2022?



Basis: Companies with e-commerce sales

## Not many companies believe there will be an increase in e-commerce sales during the fall

**J**ust as in the first quarter, Q2 predominantly demonstrated negative development among the sub-sectors. A new question was introduced in E-barometern during the quarter. This concerned what e-retailers think about the sales trends for the remainder of 2022. 42 percent of retailers believed there would be a decrease in sales, 38 percent thought sales would remain unchanged and 21 percent expected an increase in sales. Concerns about the economy and consumption, inflation and energy and freight prices were cited as reasons for the expected decrease in sales.

This reflects the rather gloomy attitude that has characterized households so far this year in the Swedish National Institute of Economic Research's confidence indicator. In fact, the latest confidence indicator for Swedish households (as of July 2022) fell to a value of 56, which is the weakest figure ever in the Swedish National Institute of Economic Research's surveys (including during the financial crisis and the IT crash in the early 2000s). However, the business world is more hopeful, especially the manufacturing industry.



# Weakly positive e-commerce growth for fashion retail

**D**uring the pandemic, fashion was one of the industry sectors in which overall demand decreased the most. This year the wind has changed for the sector as a whole: there has been good growth for actual stores, but e-commerce has lost ground. During the second quarter, e-commerce growth amounted to 1 percent.

The fashion industry in general is facing a tough transition. Although total fashion demand has recovered, it is still below 2019 levels for the indus-

try as a whole. At the same time, the circular trade in clothing is increasing, and on June 1, a VAT change came into effect that lowers the amount of VAT from twelve to six percent on repairs to, among other things, clothing.

The industry has also been hit by a wave of redundancies, with giants such as Zalando, Boozt and Na-Kd all laying off staff in the past year. High inflation is putting pressure on companies that are in a growth or transition phase and need external capital.



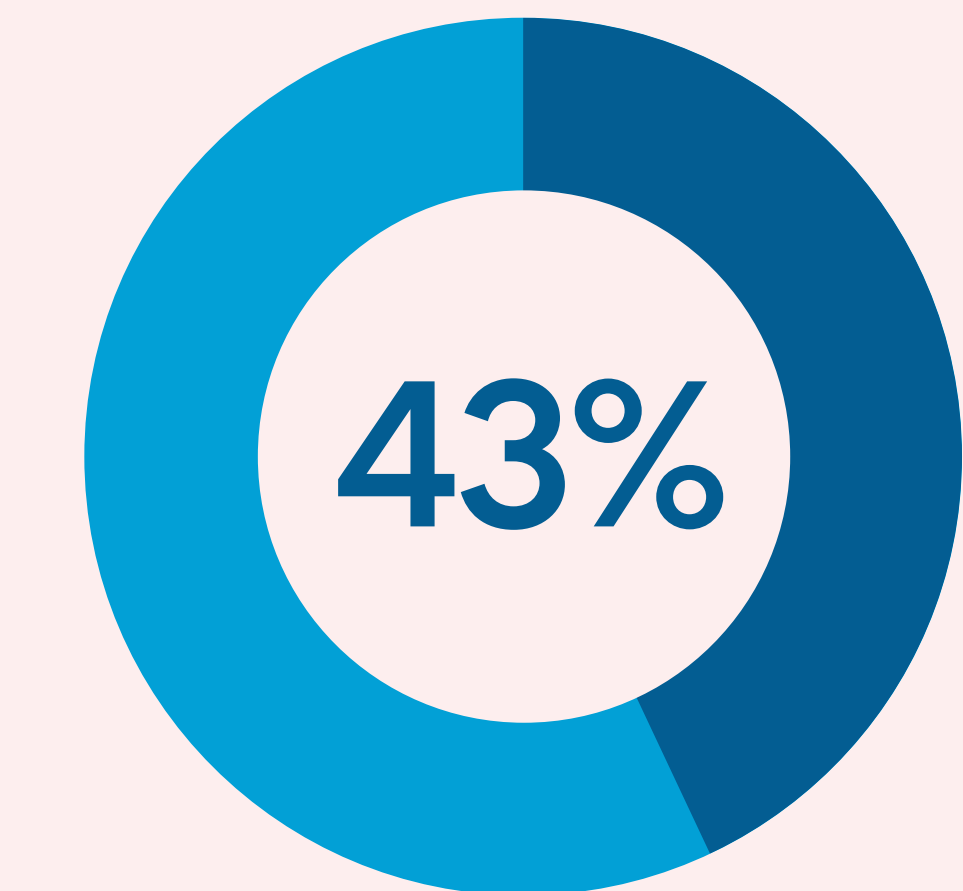
Photos: Charles Deluio



SEK 1,316

Average amount online over last 30 days

Basis: Refers to the last month (average April – June)



Share of e-commerce consumers who bought clothing and footwear

Basis: Have shopped online



Share of e-commerce consumers who had their last purchase delivered to a parcel locker

Basis: Have shopped online



Share of e-commerce consumers who had their last purchase delivered to their home

\* Home delivery does not include deliveries to (multi-occupancy) mailboxes

# Still a semiconductor shortage, but a solution is within reach

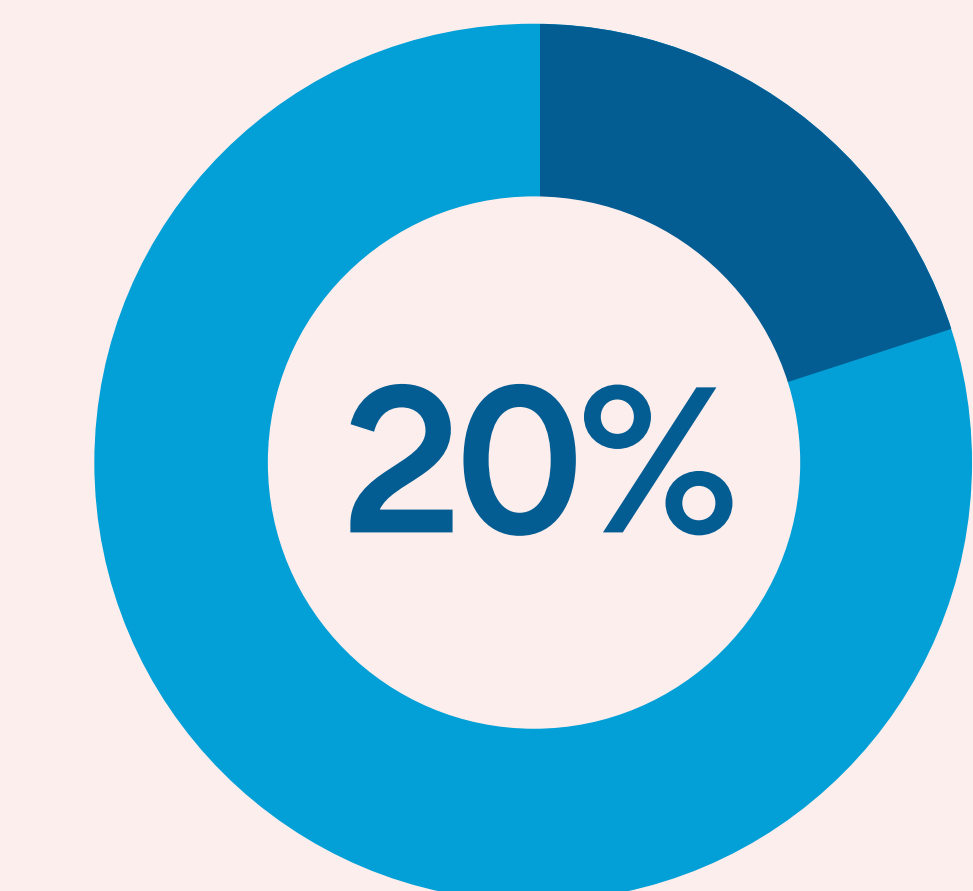
**P**eople in Sweden are interested in technology. Many of them keep a close eye on when new iPhone models are released, or queue outside home electronics stores for a chance to buy a new Playstation. Despite this, the most recent quarter was characterized by a negative growth figure of minus 7 percent for Q2. As has previously been reported in E-barometern, the industry has suffered from a shortage of semiconductors for quite some time. Semiconductors are used in basically all home electronics products and are a fundamental element of them. However, investments are now being made and initiatives started to strengthen production locally. Earlier this year, Intel

announced a huge investment in chip manufacturing in Europe, and in July the US Senate approved what is known as the “Chips and Science Act”, which will further support domestic investment.

During the summer, home electronics stores usually sell slightly different types of products than they do during the rest of the year, and this summer was no exception. Netonnet reports that its best-selling product was power banks. Fans also sold well.<sup>1)</sup> Sales of TVs are also usually affected by big sporting events. However, the men’s World Cup has been moved to November this year. The start of it will coincide with Black Friday, which should boost sales if retailers have good offers.



Average amount online over last 30 days  
Basis: Refers to the last month (average April – June)



Share of e-commerce consumers who bought home electronics

Basis: Have shopped online



Share of e-commerce consumers who had their last purchase delivered to a parcel locker

Basis: Have shopped online



Share of e-commerce consumers who had their last purchase delivered to their home

\* Home delivery does not include deliveries to (multi-occupancy) mailboxes

<sup>1)</sup> [https://www.mynewsdesk.com/se/netonnet\\_ab/pressreleases/svenskar-hamstrar-powerbanks-3194428](https://www.mynewsdesk.com/se/netonnet_ab/pressreleases/svenskar-hamstrar-powerbanks-3194428)

## Reduced online sales of books

**Online retailers are** facing increased competition. Partly from subscription services such as Storytel, Nextory and Bookbeat, and also from actual bookstores, which have become more popular again after the pandemic. In parallel with this, the production prices of books have also increased. All this taken together resulted in online sales of books decreasing by 9 percent during the second quarter.

High inflation is also affecting book prices. The newspaper Dagens Nyheter reports that the publishers Norstedts Förlagsgrupp and Bonnierförlagen have been forced to raise the prices of their books due to increased production costs. However, book sales have histor-

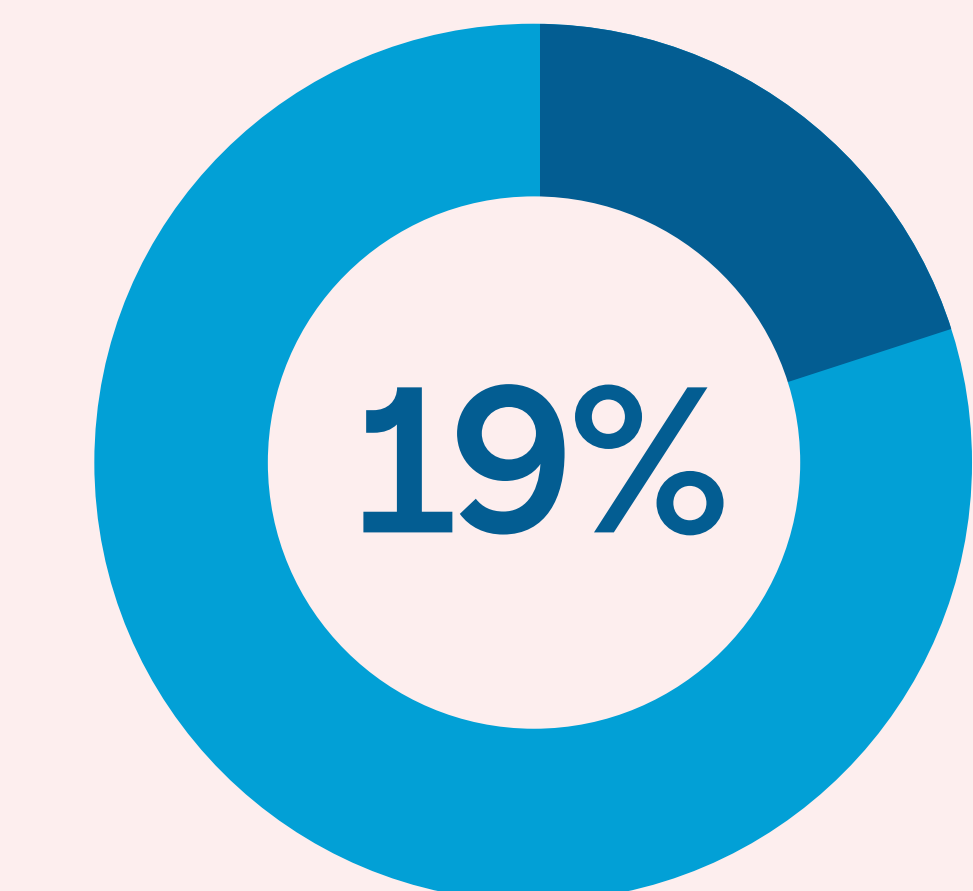
ically been more stable during a recession than is the case in many other industries.<sup>2)</sup>

One company that seems to be investing a lot in the audiobook industry is Spotify, which is therefore starting to compete with the established book streaming services. Spotify has been trying in recent years to broaden its business from focusing just on music, and established itself in the podcast market a number of years ago. Audiobooks would thereby become the company's third pillar, alongside music and podcasts.<sup>3)</sup> The audiobook market has already overtaken store sales of books in Sweden, and it is likely that Spotify's entry into the market will drive development even further.



Average amount online over last 30 days

Basis: Refers to the last month (average April – June)



Share of e-commerce consumers who bought books and media

Basis: Have shopped online



Share of e-commerce consumers who had their last purchase delivered to a parcel locker

Basis: Have shopped online



Share of e-commerce consumers who had their last purchase delivered to their home

\* Home delivery does not include deliveries to (multi-occupancy) mailboxes

<sup>2)</sup> <https://www.dn.se/kultur/dyrare-bocker-i-inflationens-spar/>

<sup>3)</sup> <https://newsroom.spotify.com/2022-06-08/spotify-founder-and-ceo-daniel-eks-investor-day-2022-remarks/>

# Negative growth but increased purchasing of team sports products

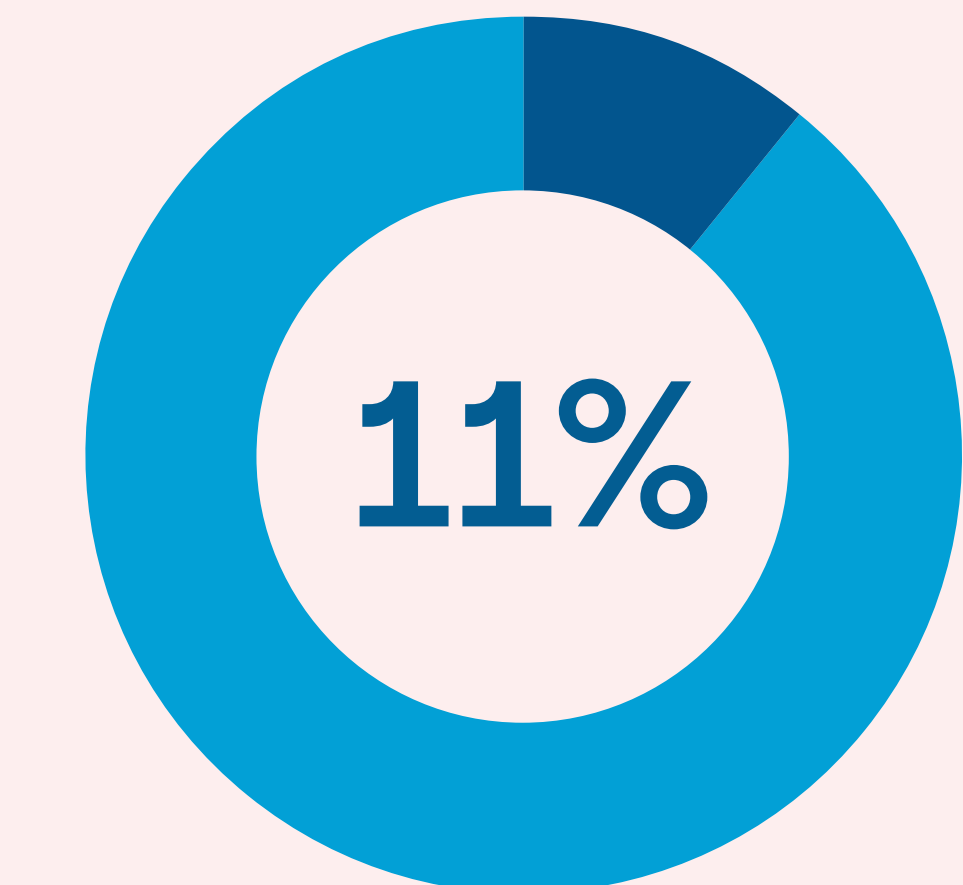
**S**ports and leisure sales showed weak figures in the second quarter of the year, with negative growth of 12 percent. During the last couple of summers, staycations have been popular, including hiking and other outdoor activities. However, the situation is different this year, and the outdoor segment is one of the product categories whose sales figures have fallen the most, at least regarding clothing and footwear. This is probably because that type of equipment is bought relatively infrequently and is expected to last for many years.

After an absence of almost two years, team sports are back again in earnest. For the first time in several years, girls and boys as well as adult

amateurs can play matches as usual again. This return can be seen in the sales figures, and the “team sports” category is the one that has increased the most during the spring, both online and in actual stores. Sales of soccer boots also increased during the spring. Despite the fact that sales within the segment have improved during the year, there are still pandemic-related effects that could impact team sports for a long time to come. Perhaps the most worrying of these is that the pandemic has affected young people’s sporting habits. The Swedish Sports Confederation states that many associations have lost members, mostly among teenagers.<sup>4)</sup> A lot of volunteer coaches and officials have also disappeared.



Average amount online over last 30 days  
Basis: Refers to the last month (average April – June)



Share of e-commerce consumers who bought sports and leisure items

Basis: Have shopped online



Share of e-commerce consumers who had their last purchase delivered to a parcel locker

Basis: Have shopped online



Share of e-commerce consumers who had their last purchase delivered to their home

\* Home delivery does not include deliveries to (multi-occupancy) mailboxes



Photos: Daniel McCullough

<sup>4)</sup> <https://www.rf.se/globalassets/riksidrottsforbundet/nya-dokument/nya-dokumentbanken/ovrigt/tva-ar-med-corona.pdf>

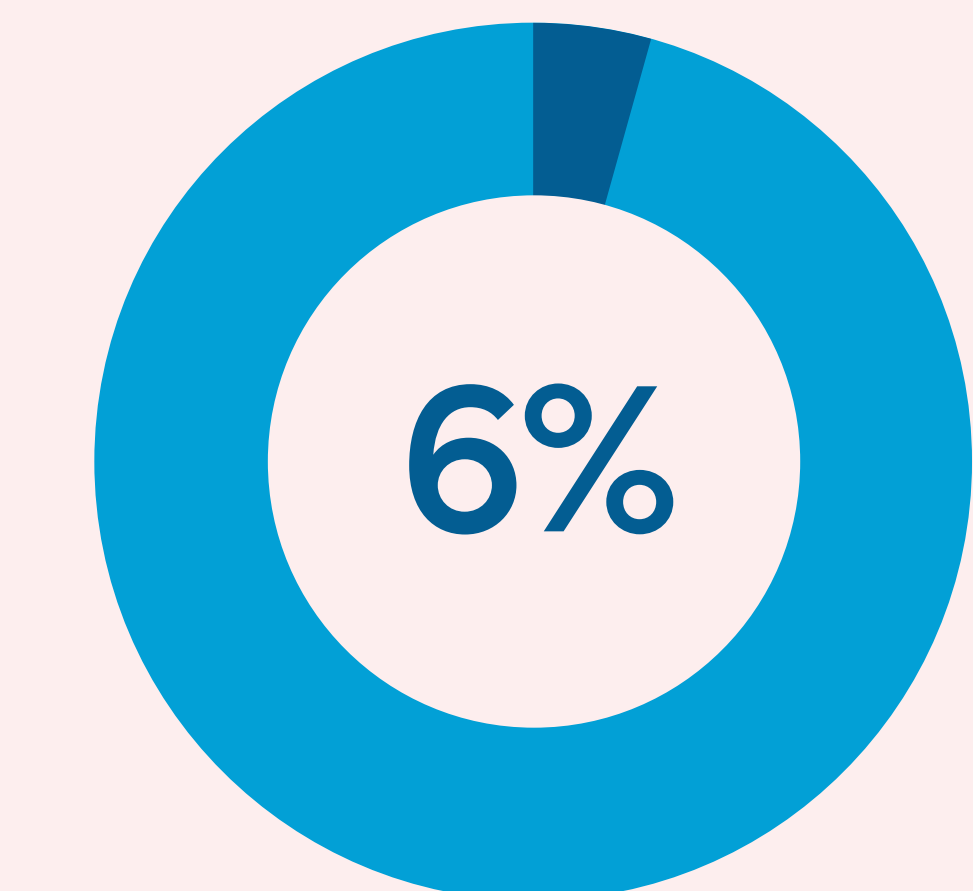
# Clouds are gathering around the building products sector

**D**uring the pandemic, building materials sold like hot cakes. But the industry is facing tougher times now. Sales during the second quarter were down by 7 percent. High inflation is resulting in interest rate increases, and this is affecting prices in the housing market and the interest in renovation. This is particularly because it has become more expensive to take out a loan to finance a renovation, while other costs are also increasing.

In June 2022, just under 9,000 homes were sold compared to just under 12,000 in the same period the year before.<sup>5)</sup> In parallel to this, the prices

of building materials have risen in Sweden. According to Statistics Sweden, the cost of the building materials required to build an apartment building has increased by 13.9 percent, which is the largest increase since 1980.<sup>6)</sup>

The second quarter of the year was also characterized by competition from alternative consumption. The chaos regarding passport application times and airport queues emphasizes the desire to travel that many Swedes felt after the staycation trend. Restaurant visits and other social activities have also increased, while interest in the home has fallen somewhat.



Share of e-commerce consumers who bought building products

Basis: Have shopped online



Photos: Matt W Newman

<sup>5)</sup> <https://www.maklarstatistik.se/omrade/riket/#/bostadsratter/36m-prisutveckling>

<sup>6)</sup> <https://www.scb.se/hitta-statistik/statistik-efter-amne/priser-och-konsumtion/byggnadsprisindex-samt-faktorprisindex-for-byggnader/byggkostnadsindex-bki/pong/statistiknyhet/byggkostnadsindex-for-byggnader-maj-2022/>

# Fall in e-commerce sales in the furniture sector

**F**urniture is not the easiest product sector to sell online, as it is often large and bulky. Consumers have to get an idea of both the function and material remotely. Despite this, online sales of furniture increased significantly during the pandemic years. During the second quarter of this year, however, sales decreased by 8 percent. This is probably a consequence of artificially high sales due to pandemic restrictions on department stores and a heavy focus on the home, but the weaker housing market is also a factor.

A few things have also happened in the interior design market. One

example of this is the fast-growing company Desenio, which sells posters and paintings. The company has received many awards and was highly valued on the stock market during the pandemic years, but experienced a greatly reduced valuation in 2022 and has now initiated a savings program.<sup>7)</sup> Another notable event was that Ikea launched its first city center store in Sweden, despite the success of the company's e-commerce activities. The store attracted 100,000 visitors in one week, indicating that the touch and feel factor is still alive and well for many.



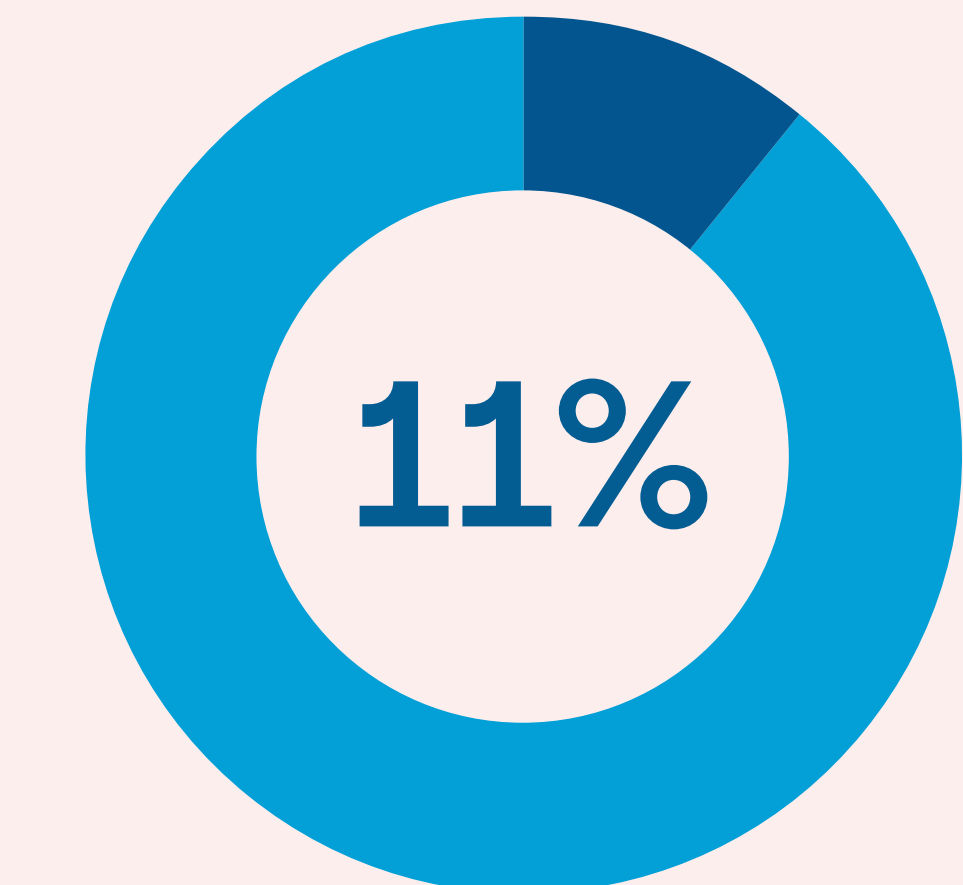
Photos: Toa Heftiba



SEK 2,174

Average amount online over last 30 days

Basis: Refers to the last month (average April – June)



Share of e-commerce consumers who bought furniture and home furnishings

Basis: Have shopped online



Share of e-commerce consumers who had their last purchase delivered to a parcel locker

Basis: Have shopped online



Share of e-commerce consumers who had their last purchase delivered to their home

\* Home delivery does not include deliveries to (multi-occupancy) mailboxes

<sup>7)</sup> <https://www.di.se/digital/desenio-vander-till-en-rorelseforlost/>

# Lower growth for children's items and toys online

**E**-commerce sales of children's items and toys were boosted during the pandemic. Growth last year was almost 20 percent but, as in many other sectors, 2022 is weaker. Q2 growth in 2022 was minus 2 percent.

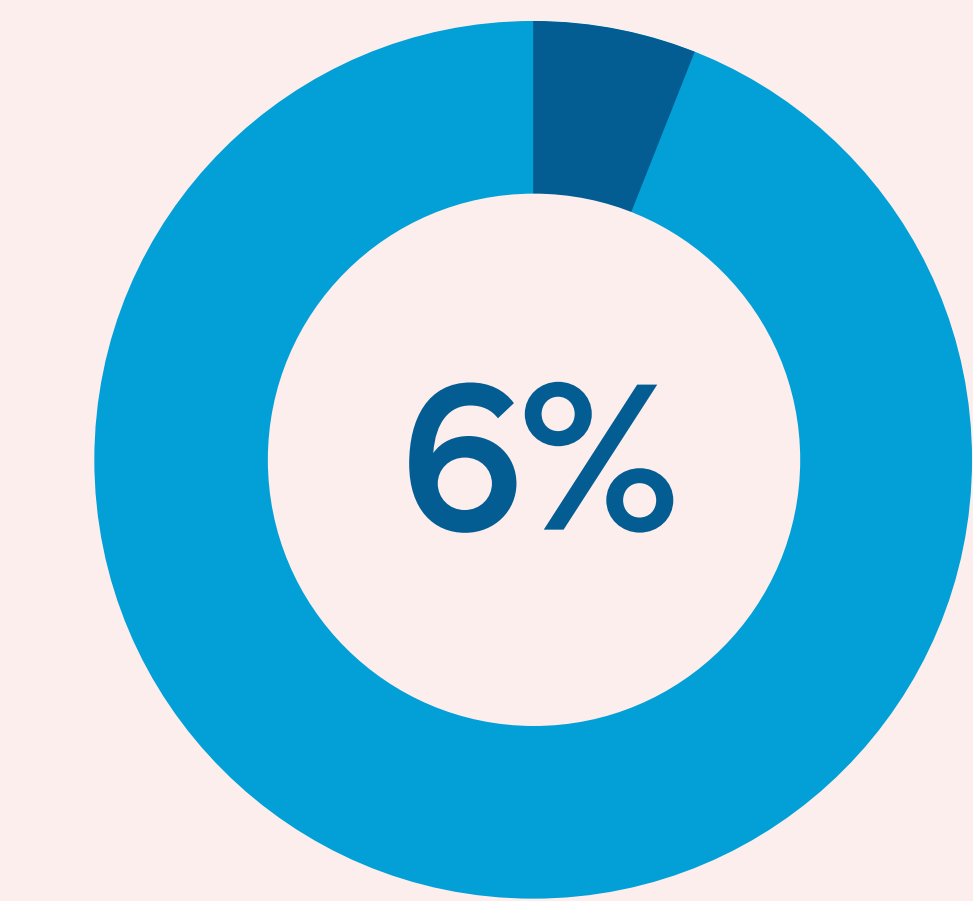
Something that affects the sale of children's items and toys is how many children are born. In Sweden, the birth rate rose slightly in 2021.<sup>8)</sup> This is positive news for the industry, as it can mean increased sales. However, it is possible that this will result in a fall in births in 2022, as the statistics so far look more gloomy.

As we head toward worse times economically, it is becoming increasingly common for parents to rent clothes, baby carriages and toys for their children. According to Swedbank, a child costs SEK 130,000 in the first year of its life,<sup>9)</sup> so it is no wonder that parents try to cut costs by renting or buying second-hand. It is likely that this behavior will become more widespread if the economy deteriorates and other cost items become more expensive.



Average amount online over last 30 days

Basis: Refers to the last month (average April – June) Figure adjusted to exclude extreme values



Share of e-commerce consumers who bought children's items and toys

Basis: Have shopped online



Share of e-commerce consumers who had their last purchase delivered to a parcel locker

Basis: Have shopped online



Share of e-commerce consumers who had their last purchase delivered to their home

\* Home delivery does not include deliveries to (multi-occupancy) mailboxes

<sup>8)</sup> [https://www.scb.se/contentassets/62782b31de3a4ae98c56fc47832b10a0/be0701\\_2022a01\\_br\\_be51br2203.pdf](https://www.scb.se/contentassets/62782b31de3a4ae98c56fc47832b10a0/be0701_2022a01_br_be51br2203.pdf)  
<sup>9)</sup> <https://www.swedbank.se/privat/en-battre-framtid/leva/ekonomens-tips-till-blivande-foraldrar.html>

# Major decline in online grocery shopping

**G**rocery retail was one of the industries that grew the most online during the pandemic. Many people were even told that they should shop online. Delivery slots were hard to get and vulnerable groups were given priority. At the same time, restaurant visits were associated with extensive restrictions, which resulted in a sharp drop in demand for them. All this contributed to exceptional e-commerce growth for grocery retail.

It is therefore not surprising that the growth rate for Q2 turned negative and ended up at minus 28 percent, as many people returned to their old habits. With regard to June, it is also conceiv-

able that increased travel could have had an impact on sales. More people have traveled this year than last year according to Swedavia, which means fewer consumers are at home during the summer months.

It is also likely that inflation is starting to affect sales. The low-price segment in grocery retail has been on the rise for a long time and will probably become even more attractive to many customers as prices increase. At the same time, it is possible that the deteriorating economic situation will once again shift consumption from restaurants to grocery stores if consumers have to become more frugal.



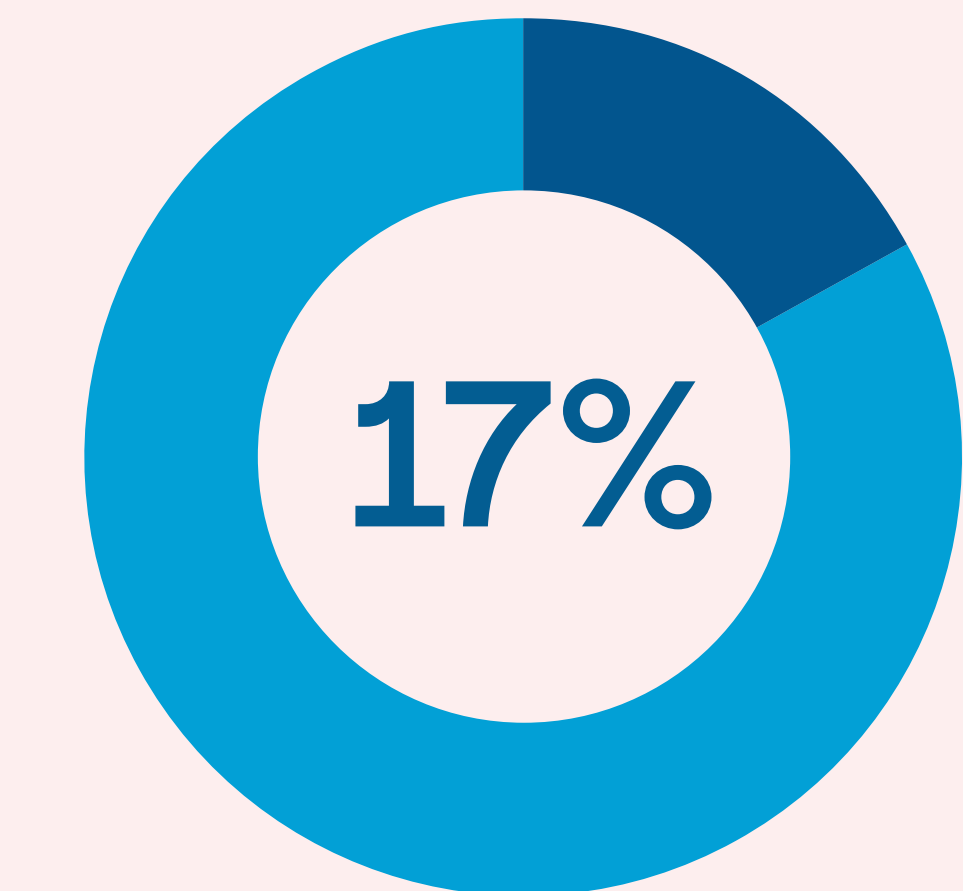
Photo: Nico Smit



**SEK 1,792**

Average amount online over last 30 days

Basis: Refers to the last month (average April – June)



Share of e-commerce consumers who bought groceries

Basis: Have shopped online



Share of e-commerce consumers who had their last purchase delivered to a parcel locker

Basis: Have shopped online



Share of e-commerce consumers who had their last purchase delivered to their home

\* Home delivery does not include deliveries to (multi-occupancy) mailboxes



# Continued positive growth figures for pharmacy retail

**Online pharmacies** are one of the sectors that developed the strongest during the pandemic, and pharmacy retail is still one of the few industries that has positive growth figures. Growth amounted to just under 4 percent during the second quarter of 2022. That may sound like a modest increase, but it must be remembered that the comparative figures from the previous year are high. One of the reasons is that members of the older generation who discovered online shopping for pharmacy goods during the pandemic have chosen to stay online.

Online pharmacies have, in a way, changed consumption patterns in the pharmacy industry. Today, more and more goods are sold that are not medicines but instead fall into categories

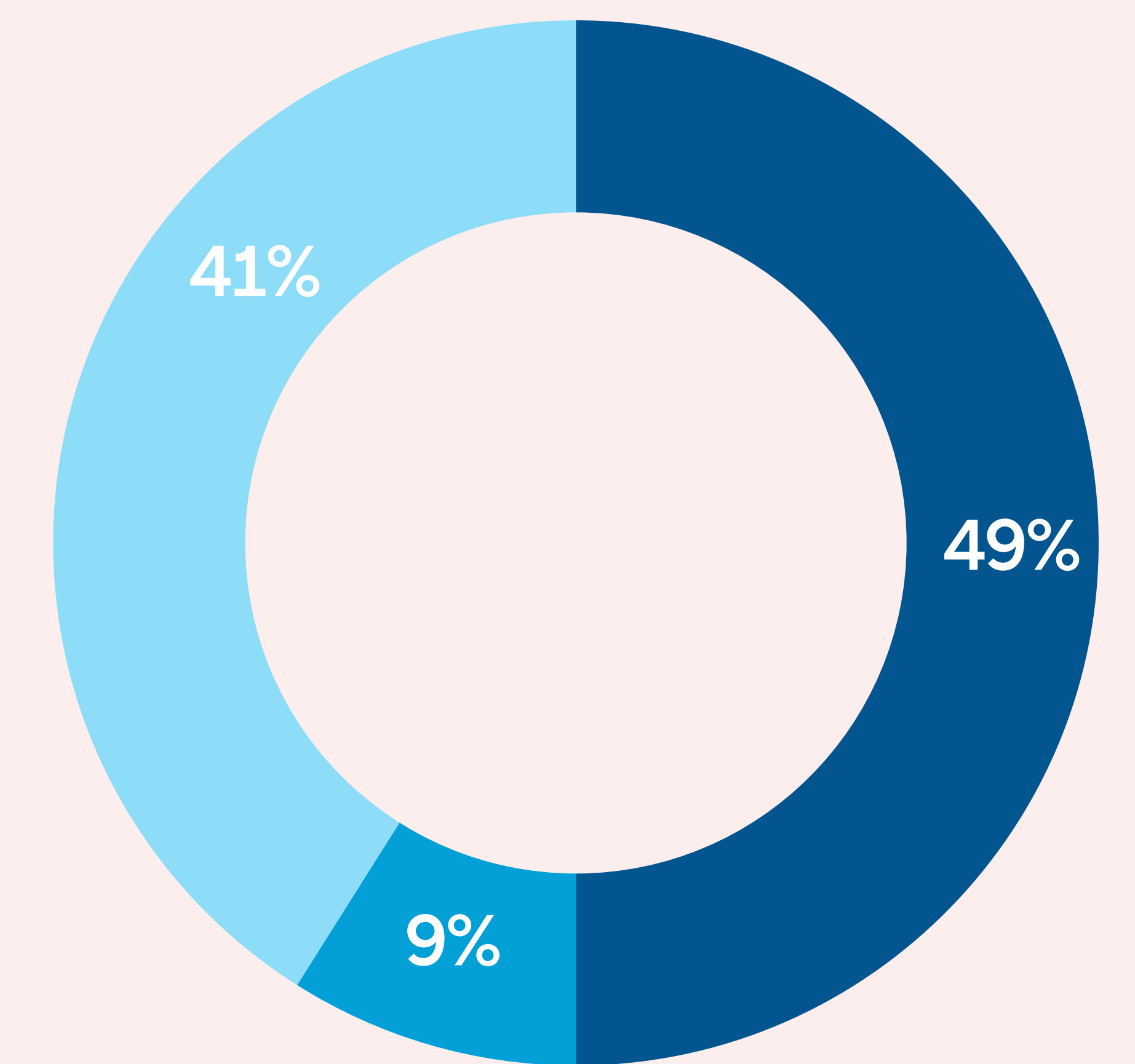
such as beauty or health. The retail goods and services category currently accounts for more than 41 percent of sales at online pharmacies. This means that online pharmacies are to some extent functioning more like marketplaces than traditional pharmacies.

Not everything is positive though. In the spring, Swedish public service radio news bulletin *Ekot* published an investigation that revealed that several online pharmacies had shared sensitive customer data. These have now reported themselves to the Swedish Authority for Privacy Protection. Adhering to the strict confidentiality requirements for patient data is a must for all digital healthcare companies, and security procedures must function properly.



Photo: Arpad Czapp

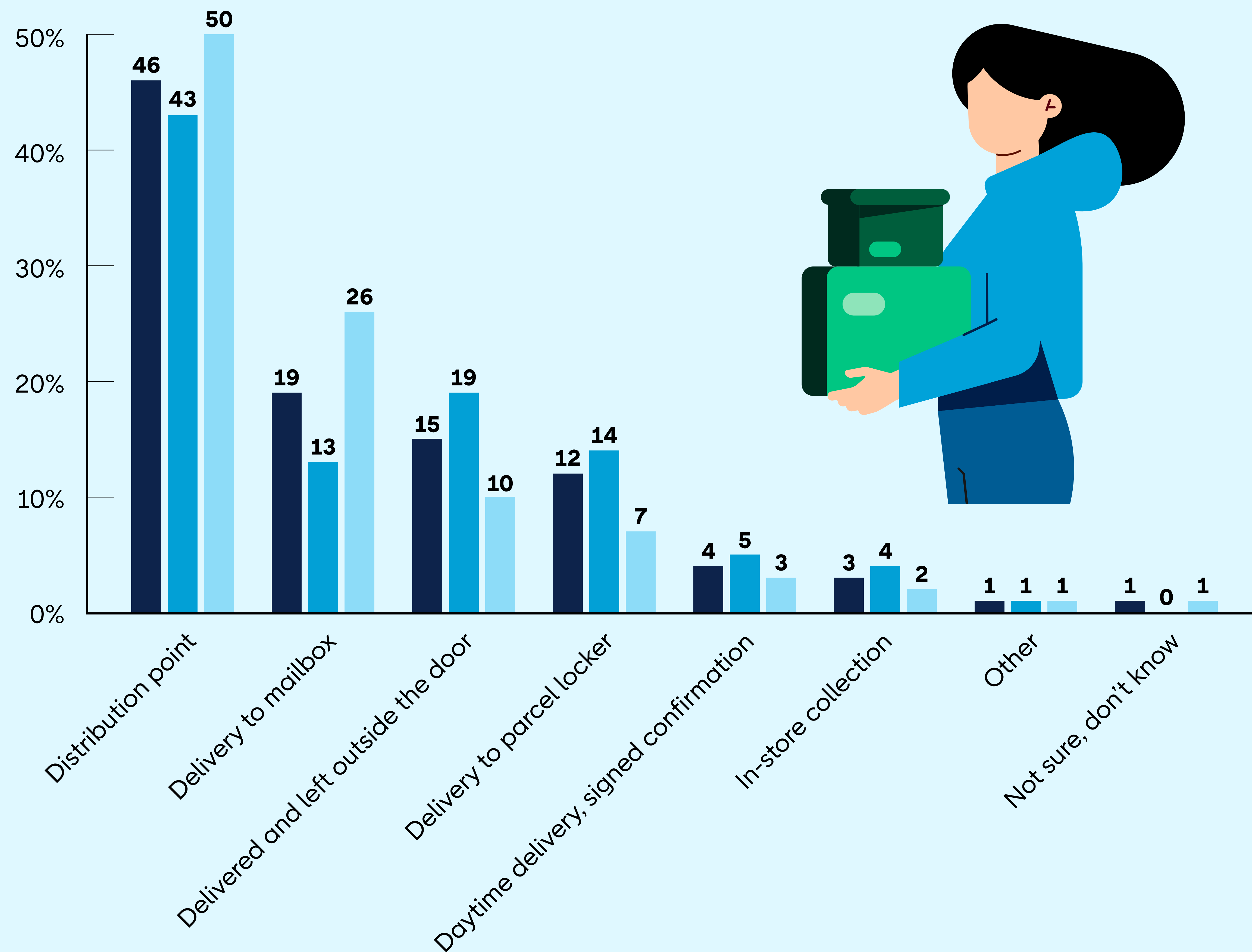
Pharmacy retail's online sales composition Q2 2022



- Goods for resale
- Over-the-counter (OTC) medicines
- Prescribed medicines

## Think back to your most recent online purchase of a physical product or products – how were the products delivered to you?

● Total ● Sthlm/Gbg/Malmö ● Communities with less than 5,000 inhabitants



Basis: Have shopped online

## Collection from a distribution point still the most common delivery method

**C**ollecting the parcel at a distribution point is by far the most common delivery option among people who make online purchases. Almost half state that they had their last parcel delivered via a distribution point. However, parcel lockers, where parcels can be left in locked cabinets that consumers open using a code or app, are becoming a more frequently used option. The proportion who had their latest purchase delivered via a parcel locker has increased by 4 percentage points since the second quarter of 2021, to 12 percent.

After collection from a distribution point, the most common delivery method for parcels is home delivery to consum-

ers. 19 percent stated that their most recent purchase was delivered to their (multi-occupancy) mailbox and 15 percent stated that they had it delivered directly to their door. Overall, these delivery options have increased by 3 percentage points compared to the same quarter last year.

In communities with fewer than 5,000 residents, there are fewer parcel lockers and only 7 percent of consumers' most recently purchased parcels were delivered in this way there, compared to 14 percent in large urban centers. In these smaller communities, the mailbox is an increasingly common delivery method, accounting for 26 percent of deliveries.

# The right delivery method is crucial for customers

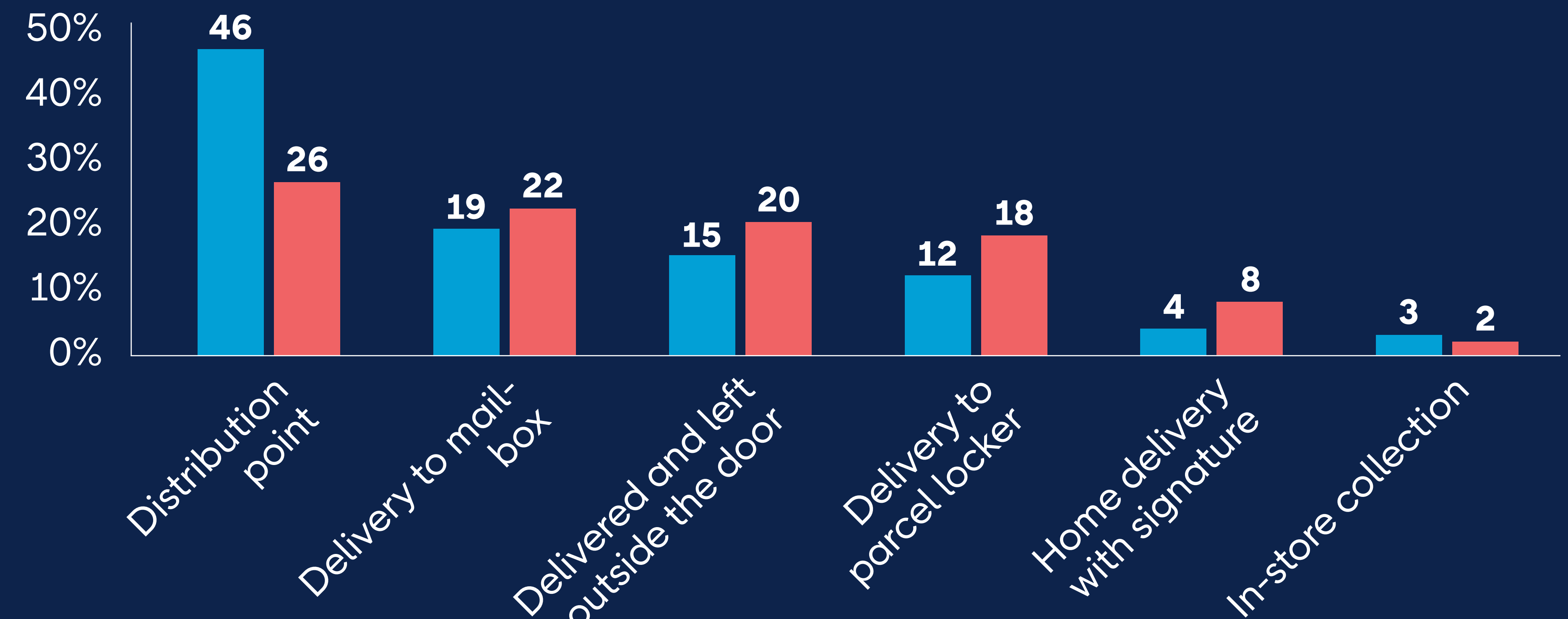
**H**aving the right selection of delivery options is important for consumers. 37 percent of consumers state that they have failed to complete a purchase because the desired delivery option was not available. This is a significant increase from the figure of 26 percent reported in 2019. The increase indicates that delivery flexibility is becoming increasingly important for customers. Four out of ten of those people who have chosen not to complete a purchase stopped because they could not choose a specific distribution point. The shipping cost is also important; 37 percent stated that a lack of cheaper delivery options was the

reason for not completing purchases. As previously mentioned, 46 percent of e-commerce consumers had their most recent parcel delivered to a distribution point, but only 26 percent state they would have chosen this option if given the choice. At the same time, the distribution points are a must for coping with the e-commerce volumes, which increased considerably during the pandemic years. To further complicate the picture, there have also been increased demands from the government on e-retailers with regard to highlighting certain types of delivery methods, such as sustainable deliveries, in various ways.<sup>10)</sup>

<sup>10)</sup> <https://www.ehandel.se/har-ar-regeringens-krav-pa-e-handeln-maste-bli-enklare>

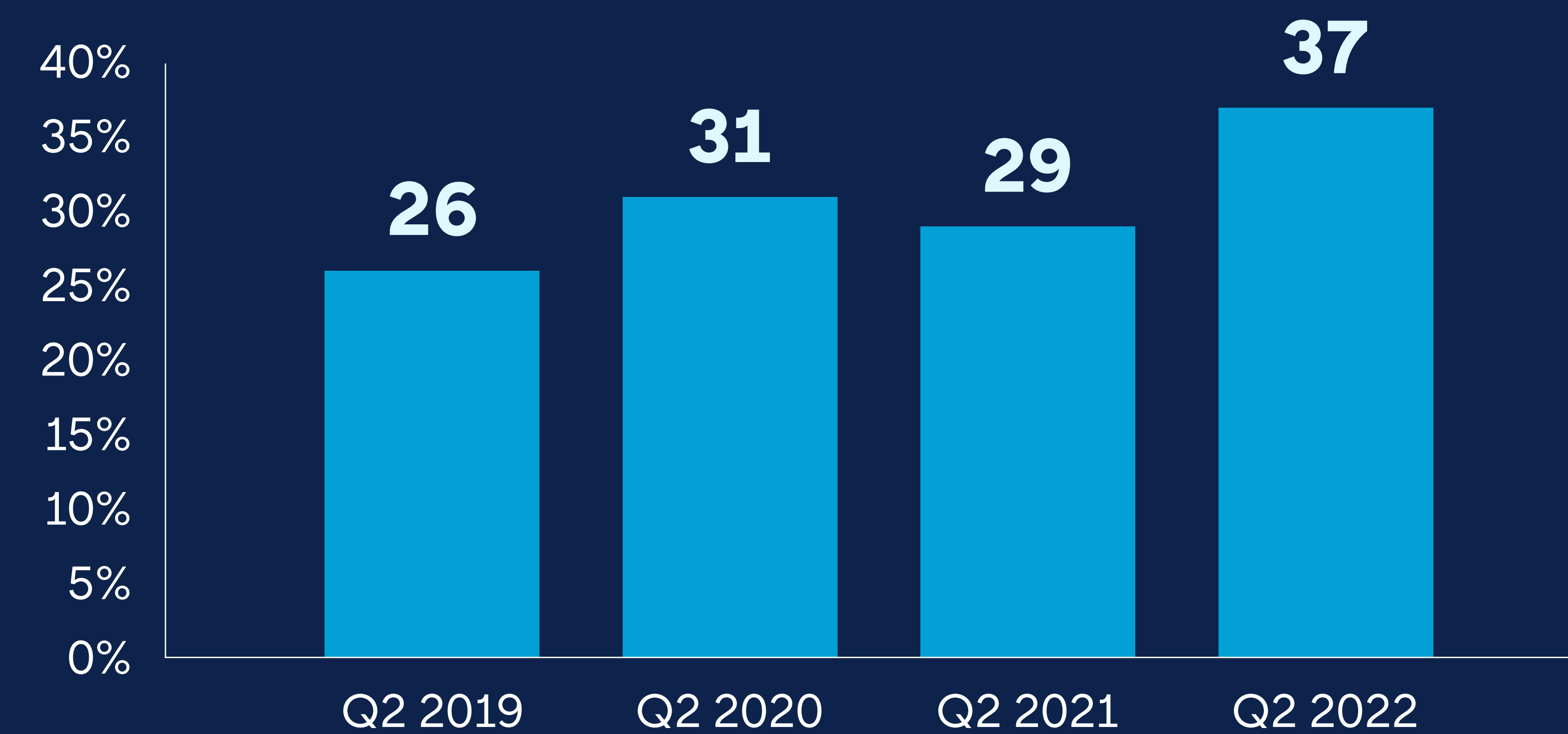
Think back to your most recent online purchase of a physical product or products. How was/were your product(s) delivered? What would your preferred delivery method have been if you had been able to choose one of the following options?

● How the item was delivered ● How recipients would prefer to have the item delivered



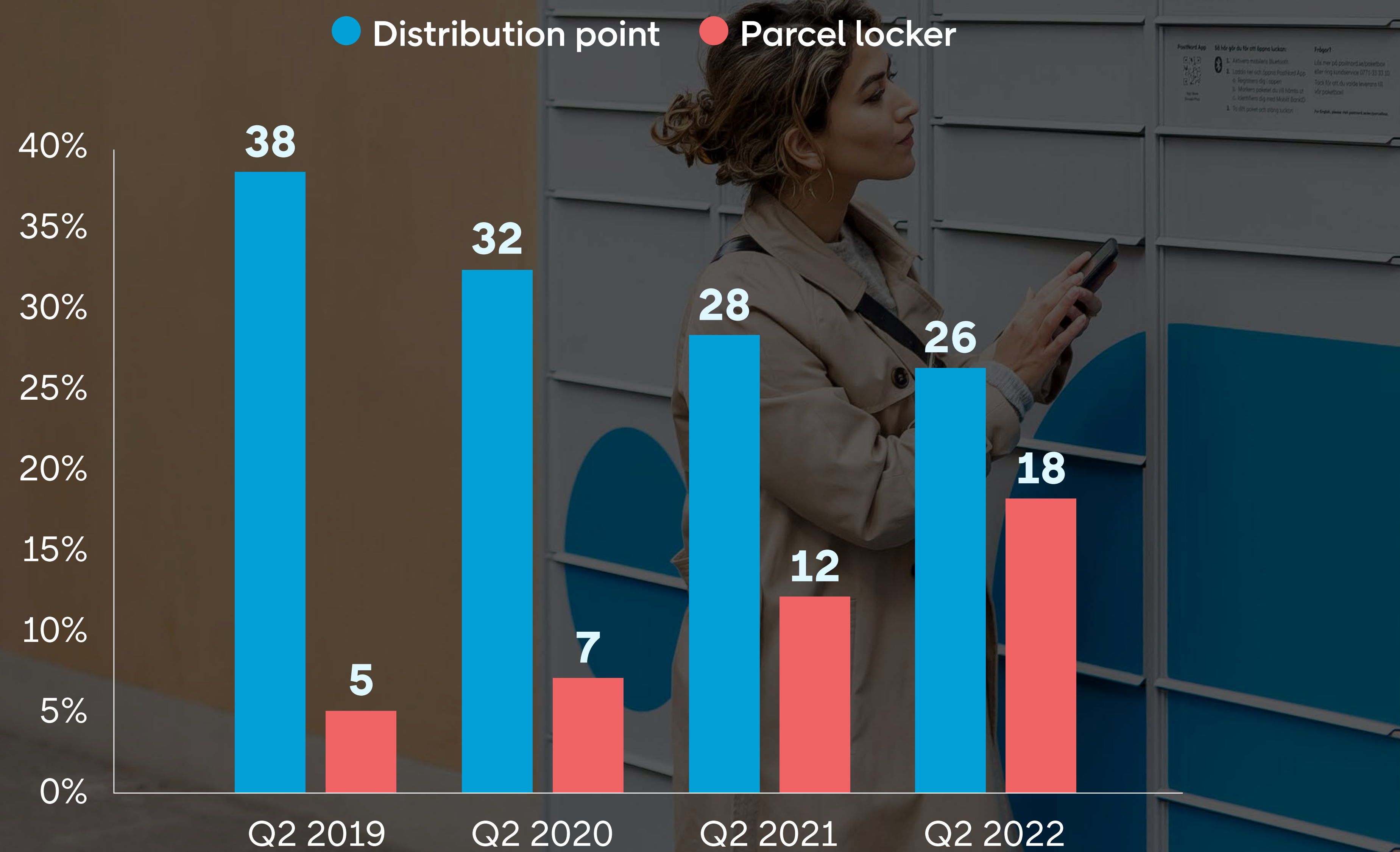
Basis: Have shopped online

Have you at some point in the past year refrained from buying a product from an e-retailer because your preferred delivery options were not available?



Basis: Have shopped online, only response "Yes"

Regarding your most recent purchase online – what would your preferred delivery method have been if you had been able to choose one of the following options?



## Interest in parcel lockers has increased rapidly over the last few years

**M**ore and more people are choosing to collect their parcels from parcel lockers. Compared to last year, we have seen an increase of 6 percentage points, from 12 to 18 percent. Many e-retailers and logistics operators who are expanding their delivery options are putting a lot of effort into this particular format.

E-commerce consumers' interest in parcel lockers has increased steadily in recent years, while interest in distribution points has decreased. In the

second quarter of 2019, 38 percent of respondents stated that distribution points were their preferred option. In Q2 2022, the corresponding figure was 26 percent. At the same time, parcel lockers as the preferred option increased from 5 to 18 percent during the same period. With generous opening hours and less risk of having to queue, it is likely that parcel lockers are considered to be a flexible delivery option, which more and more consumers want to use.

# Customers want flexible delivery times

**W**ith regard to the time of delivery to the multi-occupancy mailbox, the spread is relatively even. The majority receive deliveries during the day and also prefer this solution, since the parcel is in a safe place in the box and it does not matter if you are at home or not when the delivery arrives.

However, with regard to delivery to the door, the discrepancy between desired and actual delivery time is greater. Many people work outside the home during the day and therefore prefer home delivery during the evening, when they are at home and can be there to receive the item. Delivery early in the morning is also fairly popular, provided

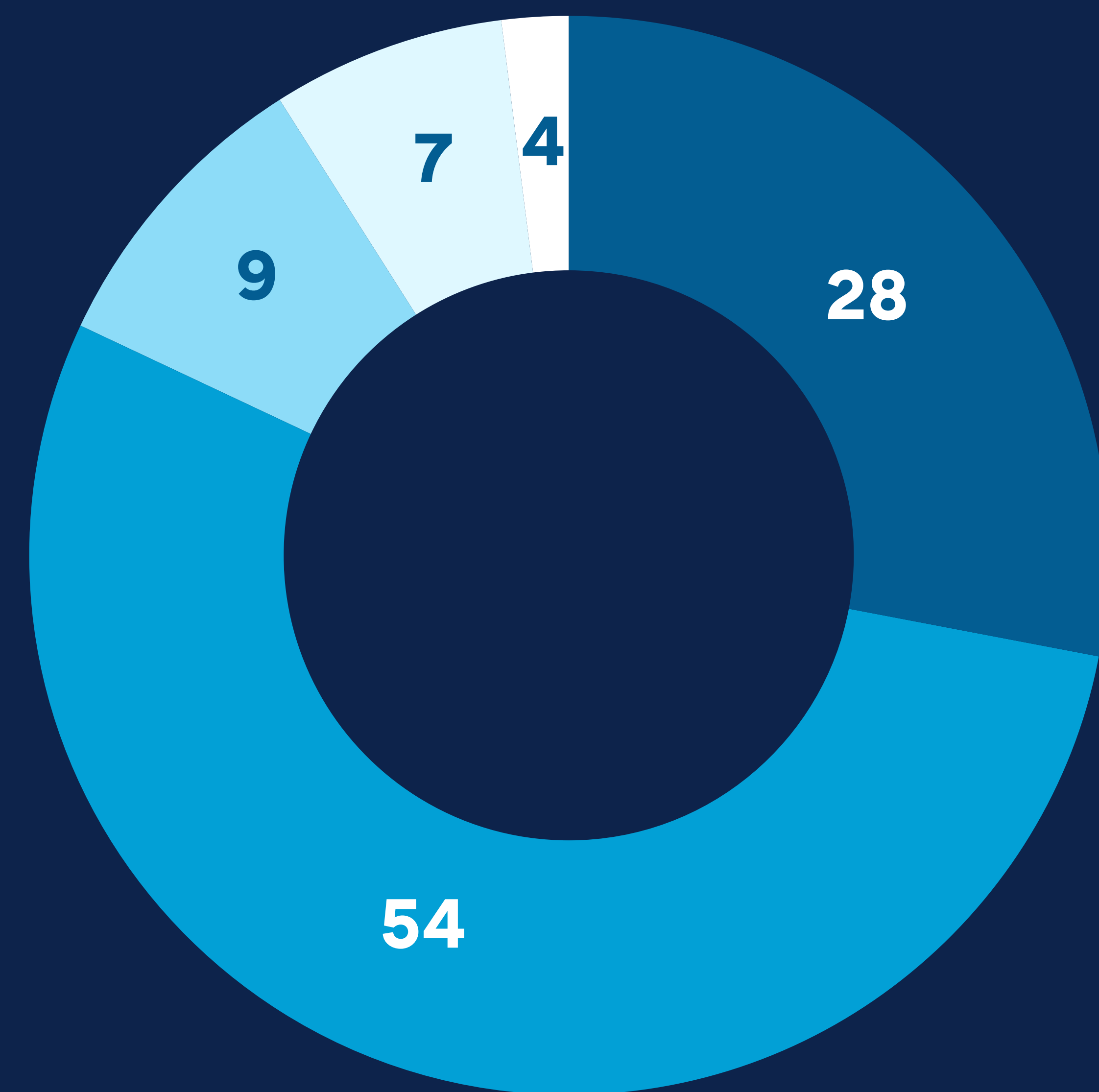
that you don't have to sign for the delivery. Not many people want to sign for a parcel in their pajamas, but if the parcel is left outside the door in the early hours of the morning, it is seen as a convenient way to complete the delivery.

Consumers thus prefer not to leave parcels unattended outside the door when they are not at home, because there is a risk of them going missing. And they also don't want to have to stay at home during the day to sign for them. The demand for convenient and flexible deliveries will probably continue to increase, as consumers want to be able to decide more and more details about deliveries so that they fit better into their everyday lives.



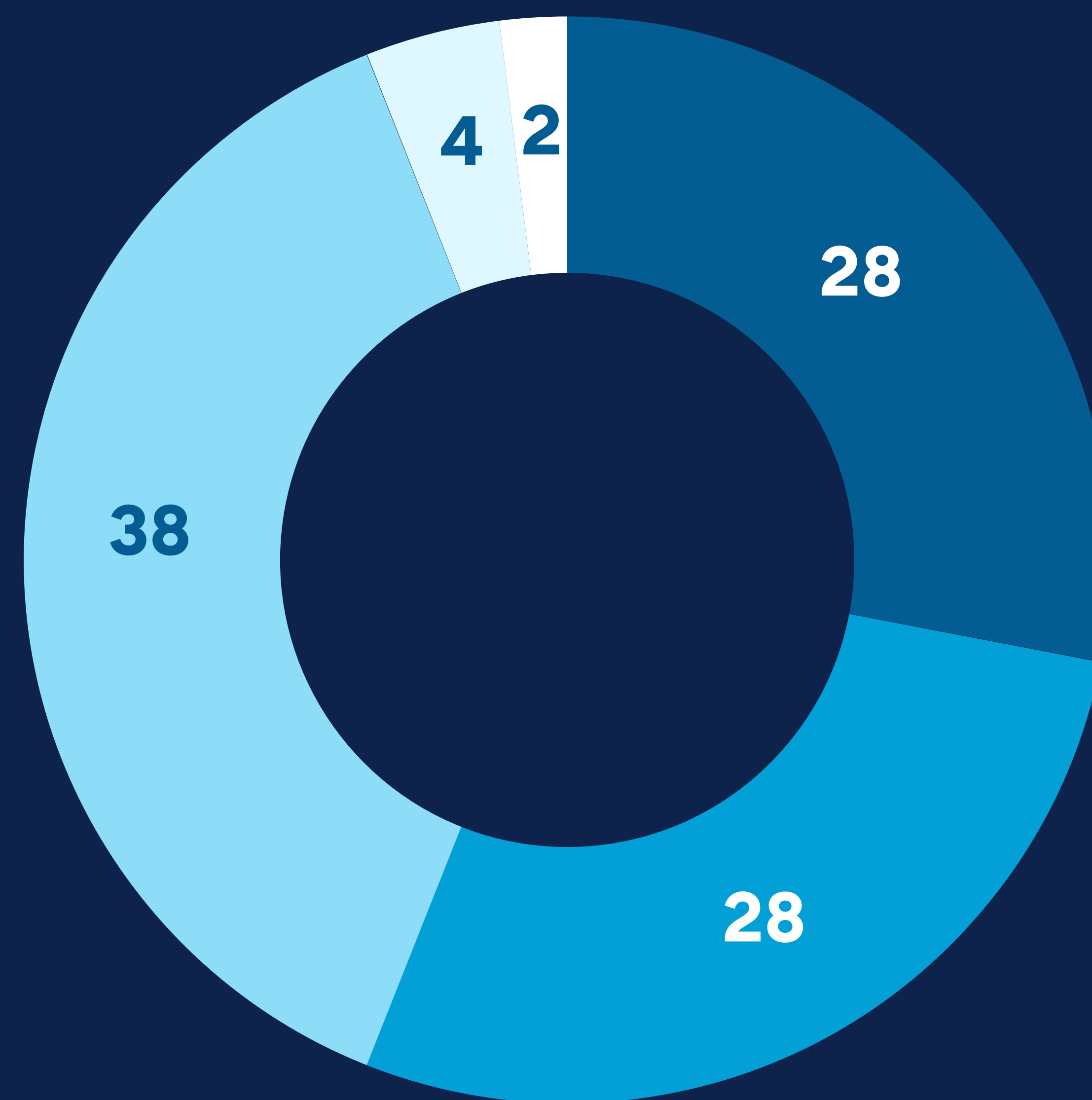
● Early morning ● Daytime ● Evening ● Not sure, don't know ● Other

When during the day would you like to have your purchase(s) delivered to your (multi-occupancy) mailbox?



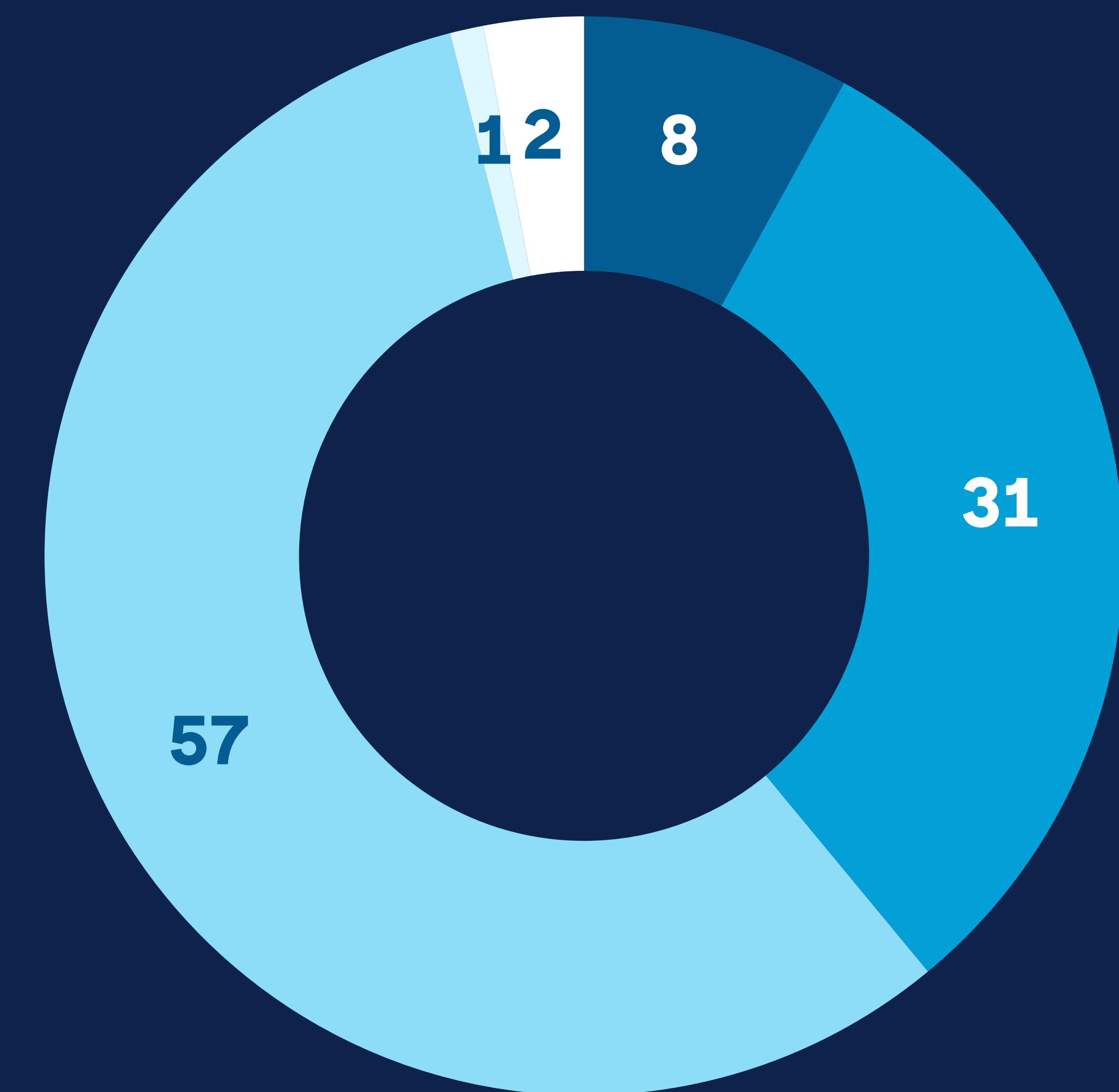
Basis: parcel delivered to (multi-occupancy) mailbox

When during the day would you like to have your purchase(s) delivered to your home, if you don't have to sign for the delivery?



Basis: parcel delivered to home and left outside the door

When during the day would you like to have home delivery of your purchase(s) if you have to sign for the delivery?



Basis: parcel delivered to home and left outside the door, with signature on receipt

# The available payment options are becoming more numerous and more advanced

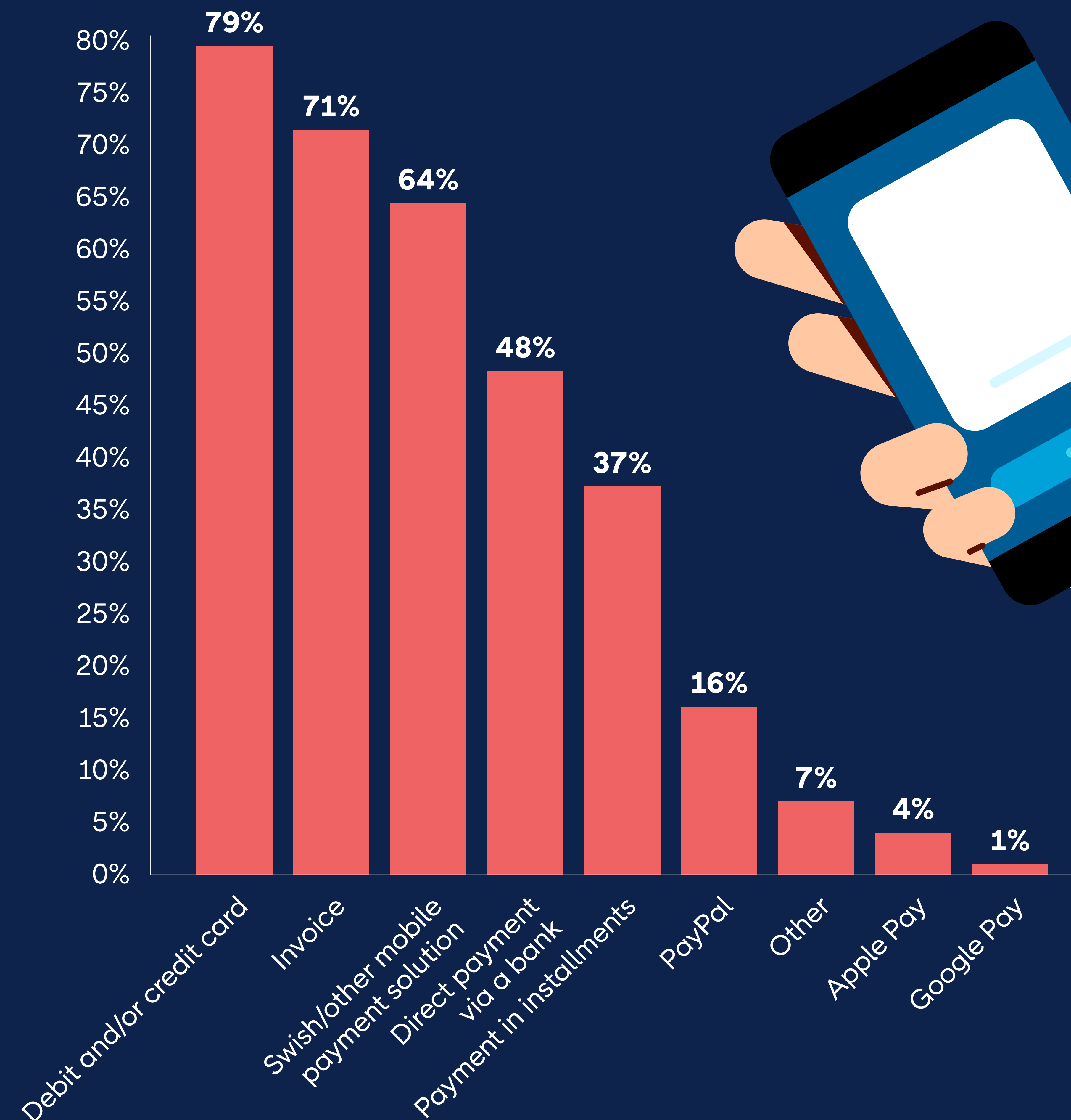
**F**or several hundred years, banknotes and coins were the only valid means of payment in Sweden. Over time, new means of payment such as checks, credit cards and debit cards were introduced. There are now a multitude of payment methods, and online retailers in particular are keen to offer their customers a range of payment options. The option most frequently offered is debit and credit cards, with 79 percent of the companies offering this on their website.

There is a lot happening in the payment industry at the moment, and several market participants are testing different types of biometric payment methods. For example, the bank Rocker has launched a service, authorized by Visa, via which the consumer

pays with the help of their fingerprint. An advantage with biometric means of payment is that they are difficult to hack or counterfeit, which means that we will probably see more such services in the future.

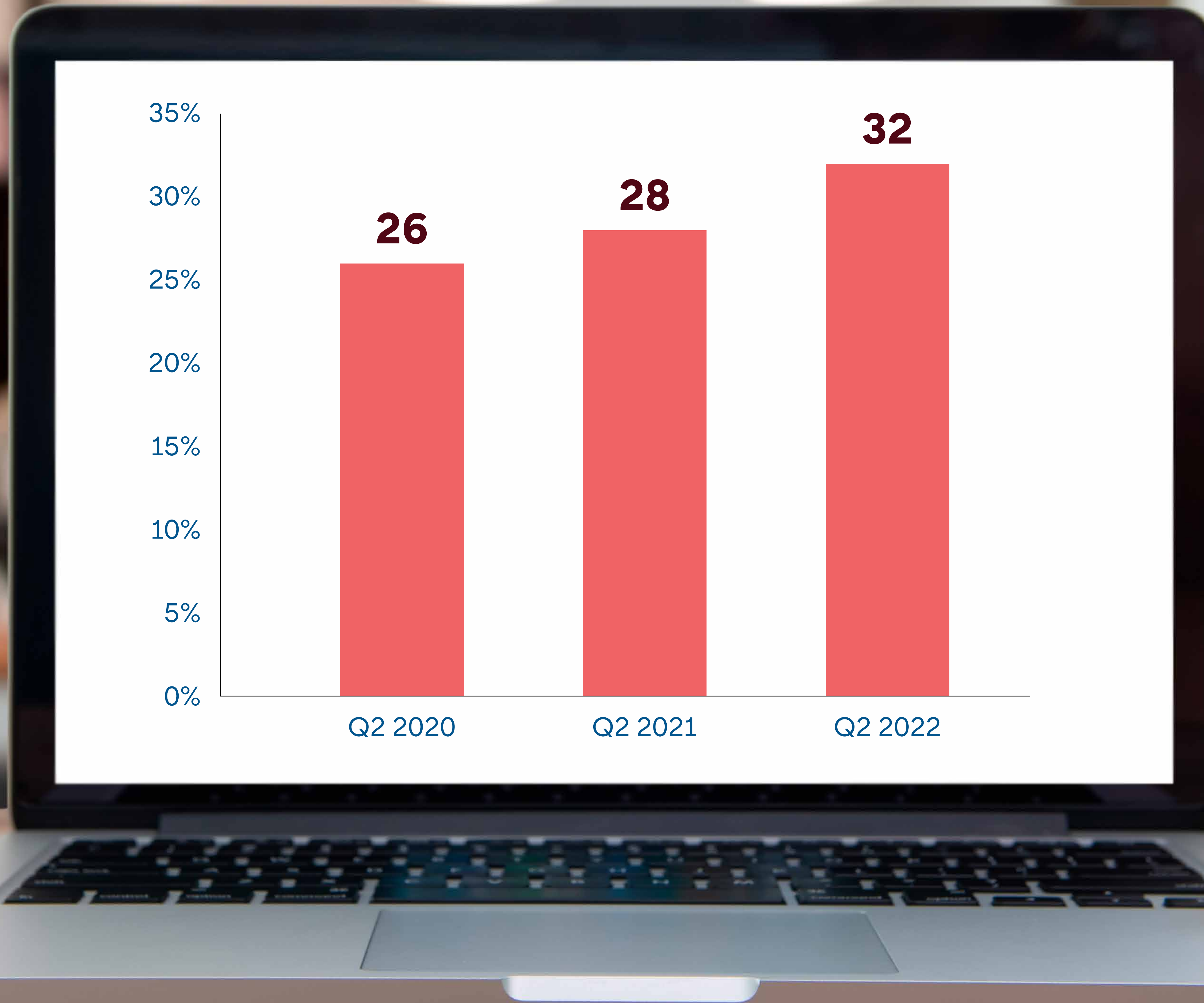
Two payment options that not so many online retailers offer are Apple Pay and Google Pay. One reason for this may be that, until recently, there were not many Swedish banks that supported the use of these payment methods. For example, SEB introduced an integration with Apple Pay only in May this year. As only a few banks have been connected to the services to date, the incentive for online retailers to use them has been weak. Only 4 percent and 1 percent of companies currently offer Apple Pay and Google Pay, respectively.

Which of the following payment options do you offer in your online store?



Basis: Companies with e-commerce sales

Over the past year, have you ever paid extra to be able to have an item delivered in a way that suited you better than the default option?



Basis: Have shopped online, only response "Yes"

## More people are willing to pay extra for deliveries

**A**s ever more people become used to online shopping, the demands and expectations of consumers are also increasing. Something that has become clear in recent years is that delivery choice is becoming increasingly important to customers. It is sometimes so important that they are willing to pay extra to have an item delivered in a different way than the default method. During the second quarter of the year, 32 percent stated that in the past year they had paid extra for a delivery to be made in a way that suited them best. This is an increase of 4 percentage points compared to the same quarter last year

and a further 2 percentage points compared to Q2 2020.

Among those who have chosen to pay extra for their delivery, the most common option is to pay more to have the delivery made to their door. Customer demand for home deliveries increased during the pandemic, and interest seems to have remained high. Home delivery is especially common for grocery retailers, and here the market participants have chosen to do it in slightly different ways. For example, home delivery is included with Mathem.se, whereas it is optional and subject to an additional fee at Ica and Willys.



# “Swish me!”

There are not many companies that have managed to create a completely new verb. But most people in Sweden have uttered those words at some point; in 2022, Swish passed the 8 million users milestone and has therefore become the most popular online payment method in Sweden. So, how does the future look? Swish CEO Urban Höglund gives an insight into one of Sweden’s key brands in digital services, according to consumers.

**W**e can see that Swish is growing as the preferred online payment method. When did you start to focus on e-commerce?

“All the services we have developed have arisen from focusing on user needs. In 2014, we launched the Swish Företag (Swish Business) service, which enabled payments from individuals to companies, but it could not be integrated into e-commerce or cash register systems. But we quite quickly noticed that several e-retailers started using it online anyway. That’s when it started, eventually leading to our second launch in 2017, of Swish Handel (Swish Retail), which enabled the integration of Swish into checkouts and online stores. That was when Swish really started to appear in e-commerce. Since that launch in 2017, we have seen solid annual growth figures and don’t see any signs of growth slowing down. For example, this year for Q2 we had an increase of over

150 percent compared to the previous year. For us, it has been very clear that the demand for Swish online has primarily been driven by consumers.”

**The pandemic has no doubt affected your business just as it has affected the whole of e-commerce. How have the two years of the pandemic been for you?**

“There are two perspectives in this context. One is that the pandemic encouraged innovation in retail, both in actual stores and online. Retailers had to switch to focusing more on e-commerce and new solutions in stores. In particular, we have seen great growth with regard to selfservice for in-person environments. Then, of course, there has been a huge boost for e-commerce in general and thus also for us. The other perspective is that older people were also encouraged to change their habits during the pandemic. They were isolated and were

helped with shopping, for example. It became necessary for them to learn how to use Swish, and they have continued to use the service since then. There are now more than one and a half million users aged over 65.”

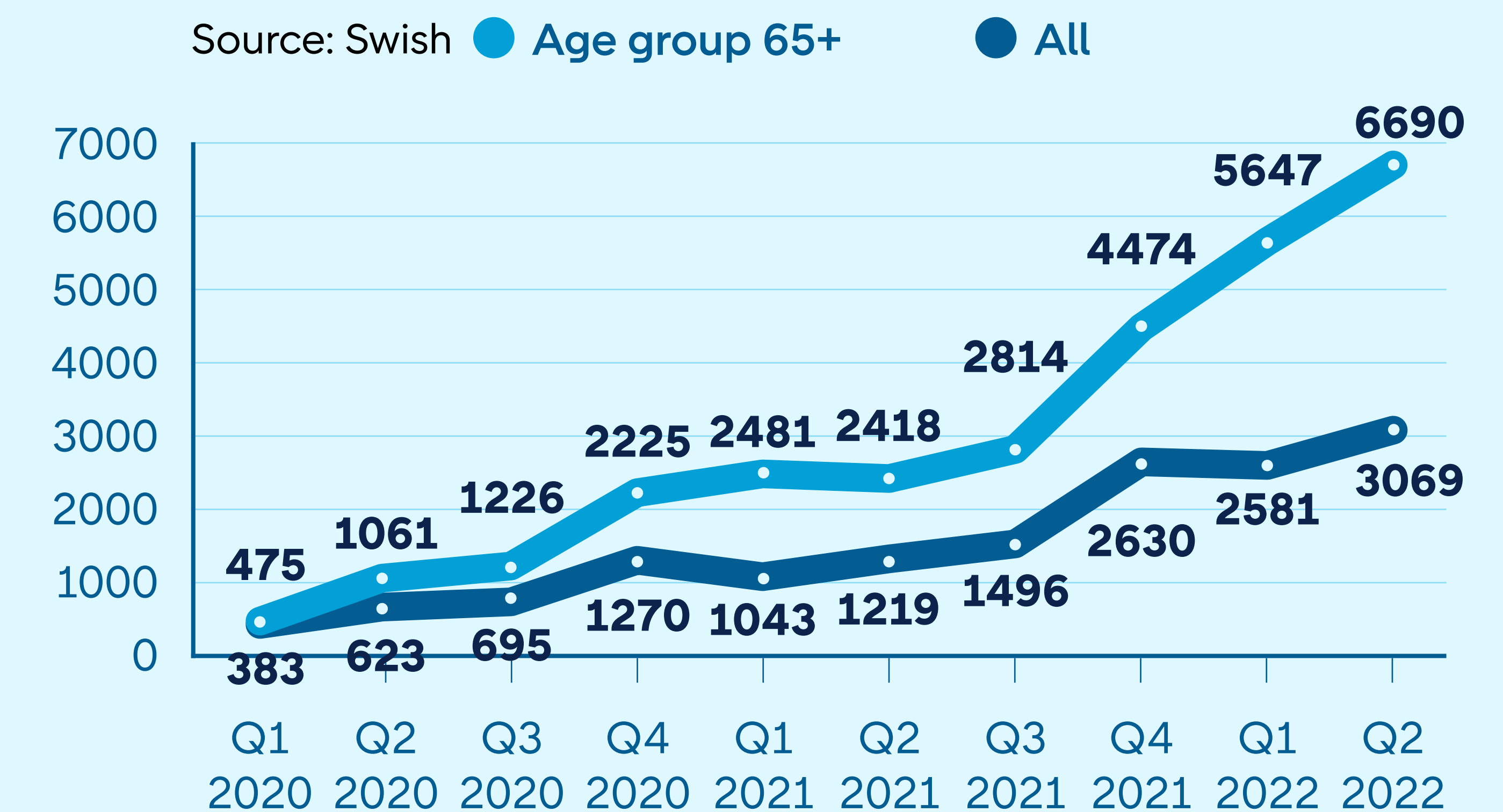
**Which types of retailers offer Swish as a payment method? Can you say something about how the distribution looks between actual stores and online stores?**

“We are maturing all the time, and Swish is becoming increasingly popular in all areas. If we look at the statistics per industry sector, we are following the trend in e-commerce to a large extent. With regard to the distribution between actual stores and online stores, we have some difficulty regarding the definition, as Swish is by its very nature an omni-channel payment method based on using a cell phone as a tool/medium. One such example could be the buying of tickets on

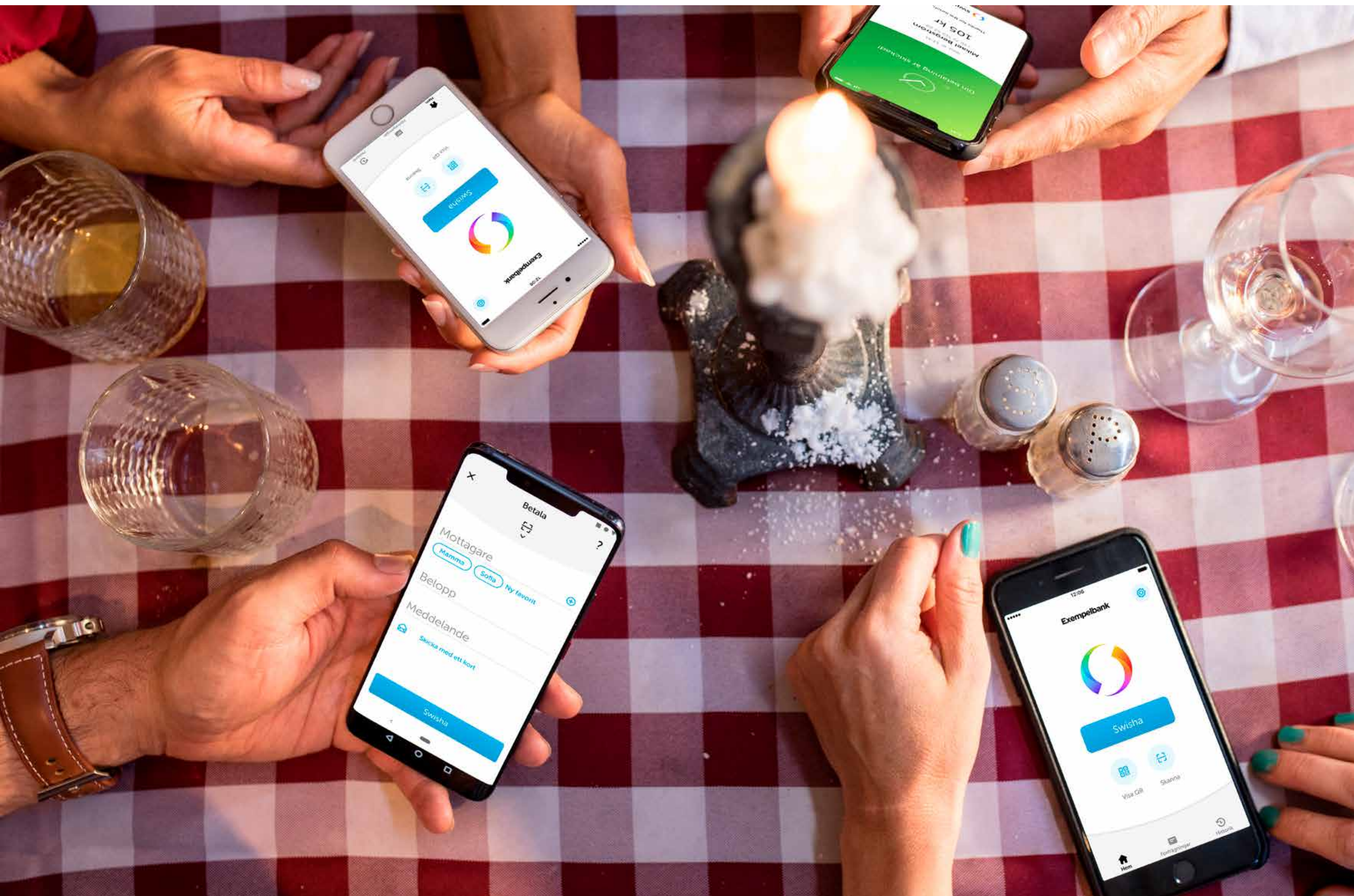
Urban Höglund is CEO of the Swish payment system.



## Swish growth in transaction value for e-commerce by age group

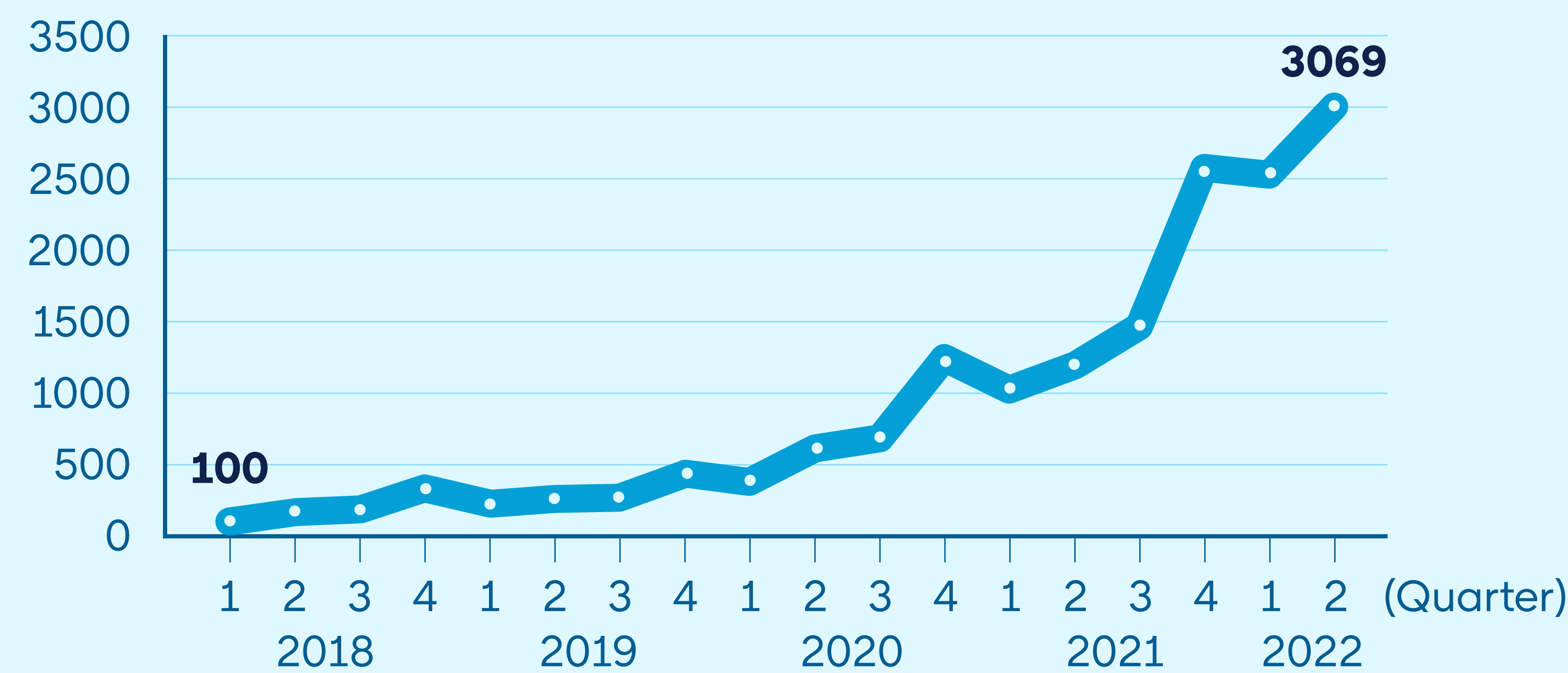


Indexed development, base quarter Q1 2018



## Swish transaction value for total e-commerce

Source: Swish



Indexed development, base quarter Q1 2018

→ public transport, which is done entirely via the phone – is that online or in-person? This makes it difficult to determine what is what in terms of statistics.”

### How do companies go about implementing Swish as a payment option?

“All companies that want to receive or accept Swish payments need a Swish agreement, which is with their bank. Then a technical integration is required, and how this is done depends a little on what sort of company you are. Large companies usually have their own resources and can do it themselves, but the vast majority make use of a technical partner who helps with the integration. We have almost 200 technical partners, which offer various services and integrations. Everything from payment service providers, to checkout systems, and e-commerce plugins.”

### How do you work with retailers that have actual stores and online stores?

“Swish is a fantastic omnichannel payment method. We have our APIs, and companies can do the integration differently depending on their specific environment – for example whether it is a QR code you scan on a computer with a phone, or directly through an e-commerce page on a phone that automatically opens the Swish app. Although the background approach to the integration may look different, it is

still the same experience for the consumer, regardless of whether it involves swishing SEK 100 to grandma or shopping online.”

### If I am an e-retailer and want to implement Swish on my website, what is the cost and what are the fees compared to other types of payment methods such as cards?

“Our participating banks are the parties that customers sign agreements with and that define prices and offers for the market. There’s free competition for customers, and Swish’s role is to act as a payment network that is responsible for the brand, regulations and technical platform. It’s a bit like Visa and Mastercard. You don’t actually apply to Visa or Mastercard to get such a payment card, but to your bank. It’s part of Swish’s success factor that all our banks offer it.”

### What benefits have you seen for e-commerce companies in terms of conversions after they introduced Swish at the checkout?

“Apoteket is one of many examples that have confirmed that their conversion rate has increased, and that there have been fewer “dropouts” at the checkout since they launched Swish. Ljustema, which sells lamps, has also stated that it has increased its conversion rate by five percentage points. Stadium, which also added the Swish

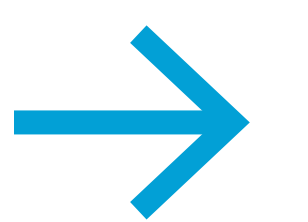
logo to the product page, not only saw conversions increase, but also its NPS. This is driven by the fact that more and more people are surfing and shopping via their phones. So it’s important to have a payment method tailored to cell phones.”

### Who are your partners? And how do you work together?

“We have a lot of different types of partners, including partners offering everything from cash register systems and payment services to more niche payment solutions relating to restaurants and stores. Our partners are very important to us. They are experts in their specific industries and niches, and are the ones who innovate and ensure that a good buying experience is provided, and that it is easy for businesses to get started with Swish. Last summer, we also recruited two more people to the partner team. We now have almost 200 different partners.”

### In 2022, you passed 8 million users and have thus become the most popular online payment method in Sweden. What is the advantage for end consumers of choosing Swish as a payment method?

“The reason why Swish is such a popular payment method that improves the shopping experience is that it is quicker and easier. It also adds a layer of security. The banks stand



→ behind Swish, and all payments are signed using a Mobile BankID digital signature. Another perspective is that you only use money you have in your bank account. It quite simply gives you better control over your finances.”

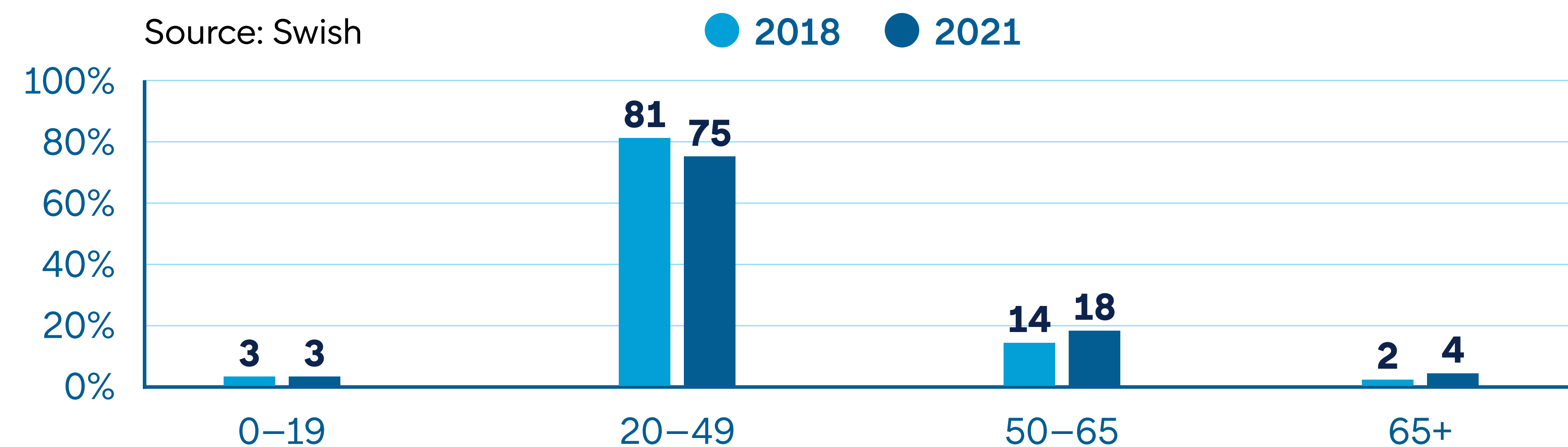
**Do you see differences in the various target groups that use Swish as a payment method?**

“In general, the use is quite similar, with slightly different nuances. If we look at young adults, aged 18–40, they are the ones who use Swish the most to buy goods in stores and online. They are used to using cell phones for everything. If we look at the youngest age group, under 18s, and the oldest age group, they use Swish mostly to send money to family and friends. But then people get used to it, and Swish is perceived as being more secure, so they also start shopping online with it.”

**What do you think the future will look like in terms of payments?**

“The big trend is when retail switches to digital shopping experiences, often with self-service. People use their phones for everything. There are big developments under way with regard to using different payment methods seamlessly. Swish has a fantastic starting point in this context, as it fits well in omnichannel thinking and digital customer journeys. One thing we see a lot of demand for is recurring payments – for example subscriptions that are easy to connect to Swish. That’s an exciting area, and we want to provide a Swish solution for this. We’re also looking at whether there are opportunities to add services before and after payment, to reduce retail friction.”

**Share of transaction value (SEK)  
E-commerce by age group and year**



**Top categories**

1. Clothing
2. Home electronics
3. Quick commerce
4. Sports and leisure
5. Body and health
6. Home furnishings
7. Building products

Source: Swish

**The most sustainable brand, thanks to second-hand sales**

**Sales between private** individuals is one of the most important areas for Swish. In the past, people had to depend on cash or waiting a few bank days for transfers, which made some transactions insecure and inconvenient.

“Basically ever since day one, Swish has made sales between private individuals easier and safer. We have also been named Sweden’s most sustainable brand, largely thanks to the strong use of Swish within C2C,” says Swish CEO Urban Höglund.

**What kind of behavior do you see with regard to payments in the second-hand market?**

“The number of payments between private individuals is still increasing steadily, not least as a result of the growth of the second-hand market. People are becoming increasingly aware of their consumption, and

ease of selling is a decisive factor in C2C, with Swish playing a natural part in this.”

**Do you see any consumption trends or special needs in the second-hand market when it comes to payments, or specifically for Swish?**

“We see that a number of exciting developments are starting to take place, via different types of platforms and partners, that focus on the circular economy and on acting as a protective layer regarding payments between private individuals. For example, delivery lockers and courier services where the payment is made by the buyer to a third party, which in turn pays the seller. This is particularly good because Swish now also offers the payout service, which is a service that enables payouts to be made by companies to private individuals.”

Mikael Meijer is  
Head of E-Commerce  
at Apoteket.



# Swishing is a success for Apoteket

As customers choose to shop from their cell phones more and more, pharmacy chain Apoteket is seeing continued success with the implementation of Swish, regardless of the age group of consumers.

**T**wo years ago, Apoteket launched Swish payments, a move that was greatly appreciated by customers. Swish has rapidly become the most used payment method at Apoteket. More than 75 percent of customers shop via their cell phone.

“Being able to complete payments with a few button presses, via a service that most people know about and use, is greatly appreciated. Having a popular and commonly used payment method improves conversion and reduces “dropouts” at the checkout,” explains Apoteket’s Head of E-commerce Mikael Meijer, who has been involved in implementing several improvements in Apoteket’s payment flows.

“Swish quickly became the preferred choice for around half of our online

customers. We offer several different payment methods, to ensure that all target groups can shop easily and conveniently. These range from payment by instalments for medicines, to card payments, direct bank payments and Swish.”

He relates that Apoteket implemented a payment platform that was adapted for Swish, which made it significantly easier. Young and old alike use Swish at the checkout, and it continues to be the preferred payment method.

“Digitization made great advances during the pandemic, and Swish is now a given for most people, regardless of age. With at least 80 percent of Sweden’s population having Swish, it’s not surprising that our customers, including older customers, choose it as their payment method,” says Mikael Meijer.

# 7 of 10 returns are made via partner outlets

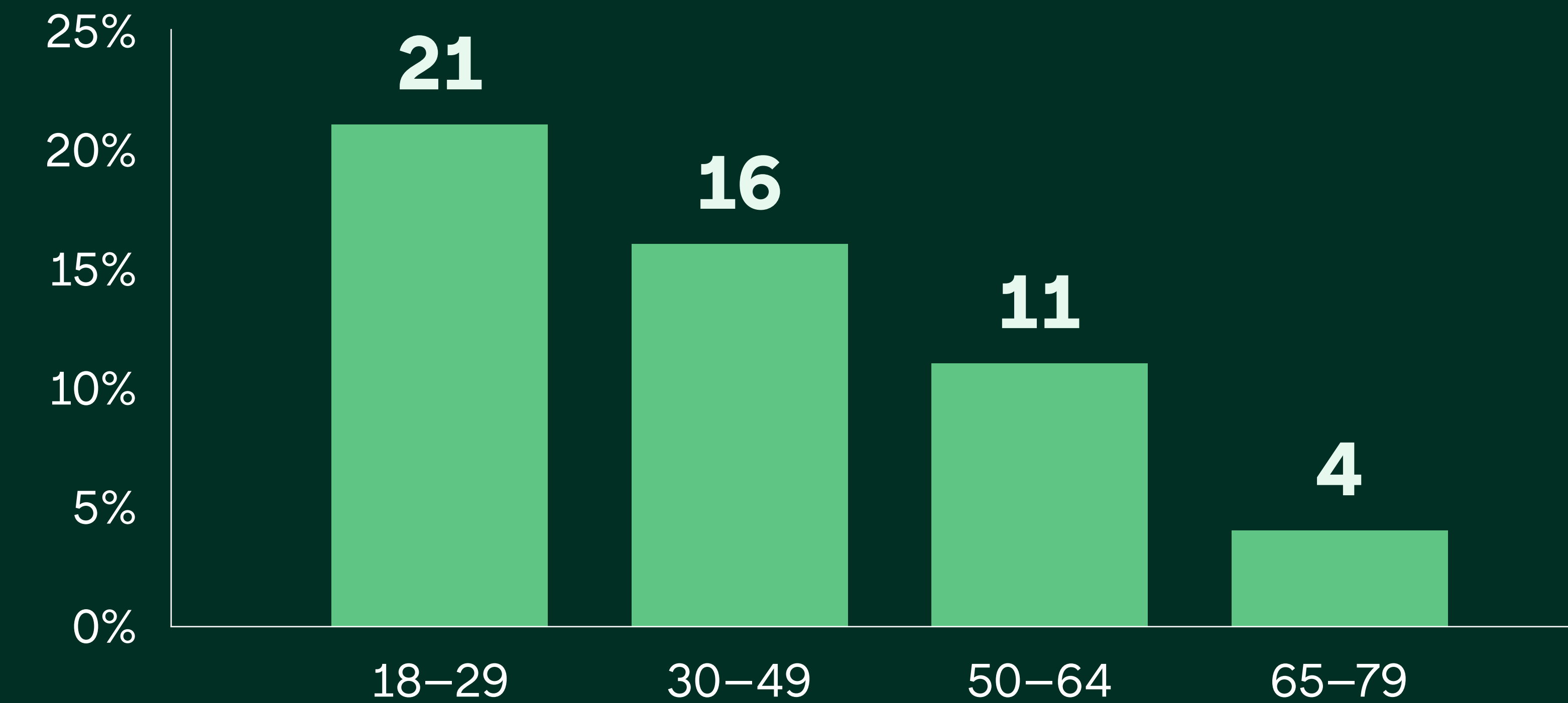
**W**hen we shop online, it is inevitable that some goods don't meet expectations. Clothes may be the wrong size, and furniture may not be the right fit after all for the intended room. It is now easier than ever to return goods, particularly online. Among all e-commerce consumers, 14 percent state that they have returned an item in the last month.

Younger consumers return goods purchased online to a greater extent than older consumers. The largest proportion of returns (21 percent) is among consumers in the age range 18 to 29 years old. After that, the proportion decreases with each generation. This is probably partly due to there being a greater number of e-commerce purchases made in this age group, and

a greater proportion of purchases in the fashion segment, which has easily the highest rate of returns.

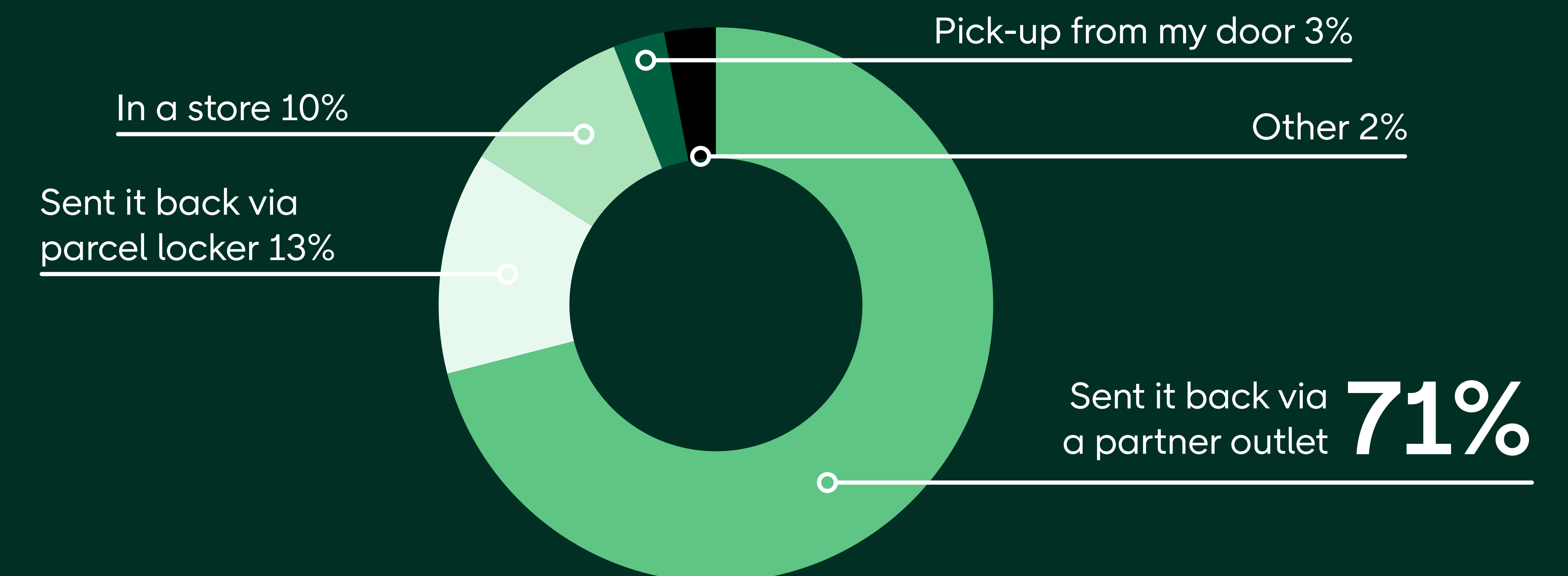
Of those who have returned an item purchased online in the last month, most of them sent the parcel back via a partner outlet. A total of 71 percent stated that this is how they made their last return. Given that partner outlets have decreased among consumers' delivery preferences, it is interesting to note that partner outlets play an important role in the context of returns. It is also possible that parcel lockers will become more popular in this context, as more market participants implement returns systems in their parcel lockers and as consumers become more accustomed to using that delivery method.

## Have you returned an online purchase in the past month?



Basis: If shop online, answer "Yes" only

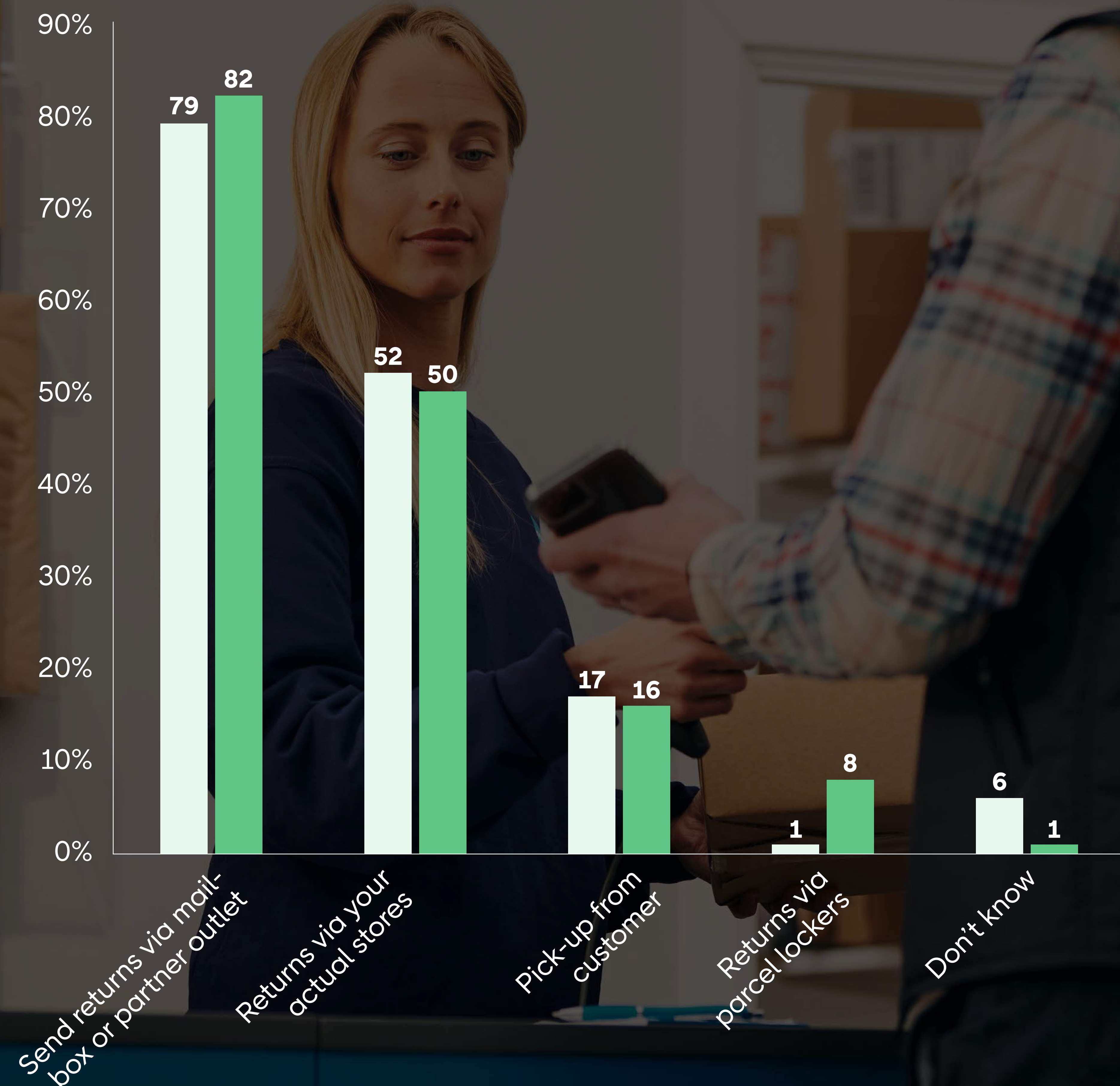
## How did you return the item you most recently purchased online?



Basis: Have returned an online purchase in the past month

## Which return options do you offer your customers?

● 2017 ● 2022



Basis: Companies that offer e-commerce sales

# More and more e-retailers are offering returns via parcel lockers

**I**t is clear that customers are placing higher demands on Swedish e-commerce today than before. As the demands increase, there is also a strong trend among online retailers to try to meet expectations. This is true not least for returns. 33 percent of e-commerce consumers think that the return conditions were not clear enough the last time they bought something online. This figure is practically unchanged since the same quarter last year.

An emerging trend is that ever more e-commerce companies have started offering returns via parcel lockers. This has increased from around 1 percent in 2017 to 8 percent in 2022. However, the most common return option that is offered is still mail return via mailbox or a partner outlet, which a large majority of e-commerce companies offer to their customers.

## What is it that is being returned?

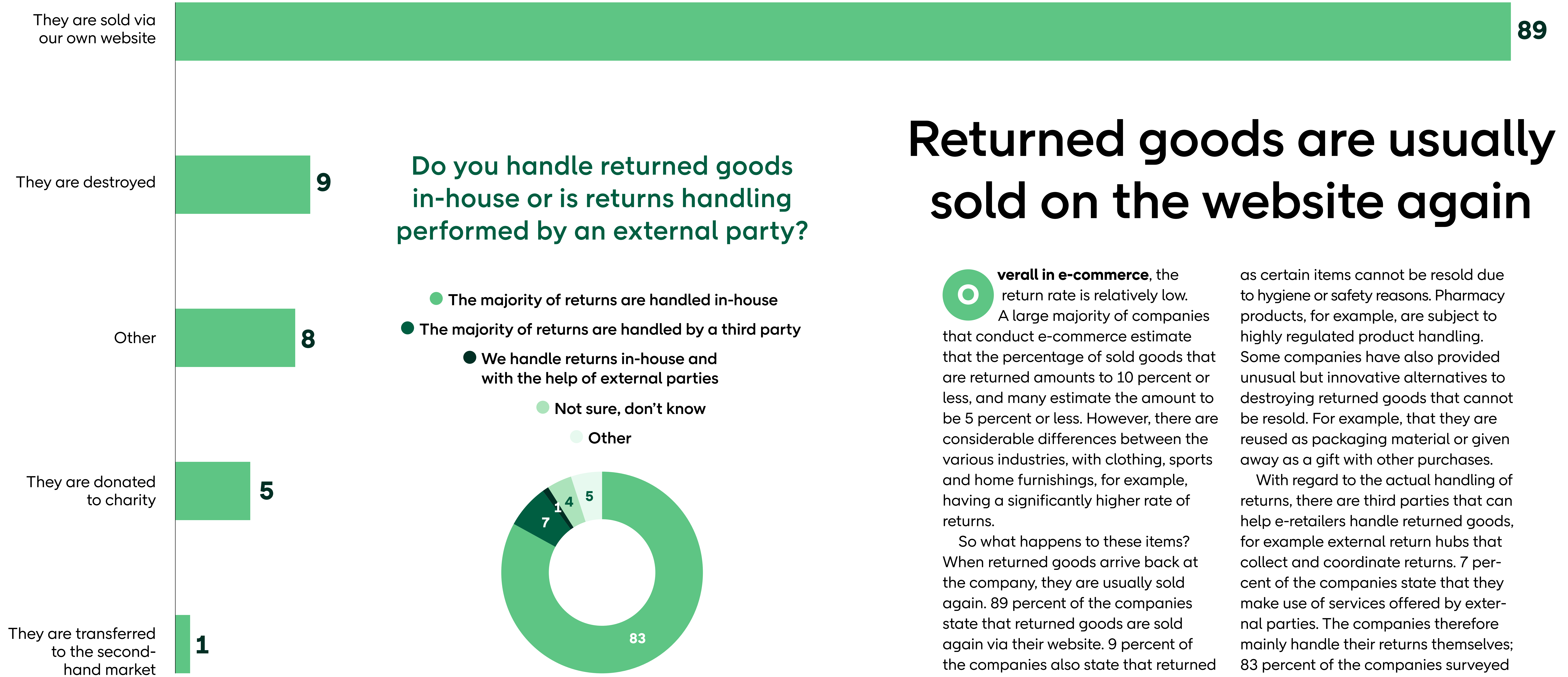
**A**s we have previously described in E-barometer, fashion items have a higher return rate than other products. The return rate for fashion items can sometimes be many times higher than for other product categories. This is mainly due to the fact that fashion goods are judged on the basis of a number of different parameters. In addition to appearance and color, the product must also have the right fit and size. And this is not helped by the fact that sizes vary between different manufacturers.

Consequently, consumer returns are dominated by fashion items. Consumers state that they have returned, for example, shoes, dresses, trousers, sweaters, blouses and shirts. Women also buy more fashion products than men, which also seems to reflect the return rate. In recent years, the fashion sector has also become more strict about the more extreme returns behavior, when some consumers bought dozens of garments so that they could try them on at home and then return most of them.



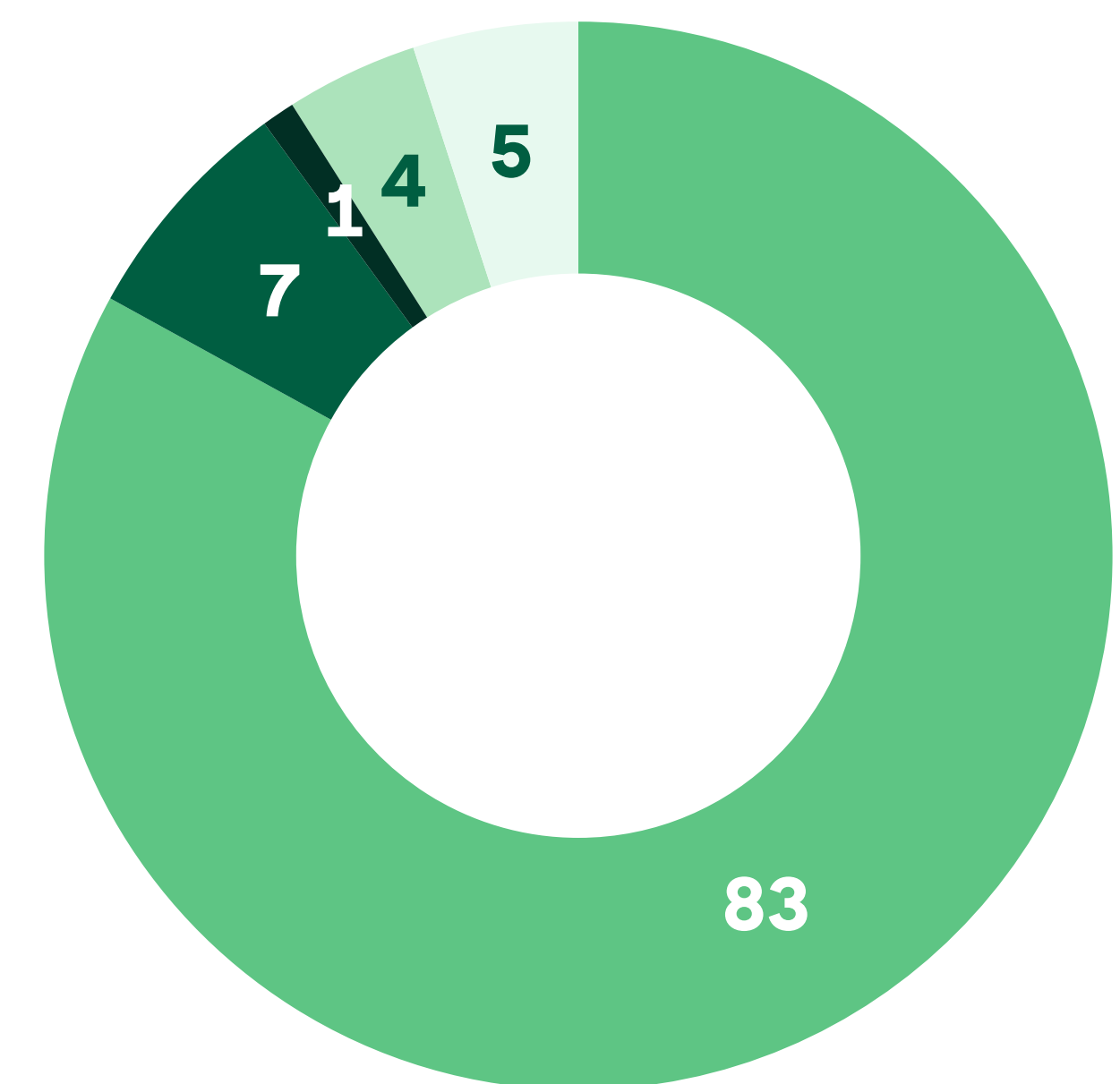
Basis: Have returned an item over the past month

## What happens to the items that are returned by consumers?



### Do you handle returned goods in-house or is returns handling performed by an external party?

- The majority of returns are handled in-house
- The majority of returns are handled by a third party
- We handle returns in-house and with the help of external parties
- Not sure, don't know
- Other



## Returned goods are usually sold on the website again

**Overall in e-commerce**, the return rate is relatively low. A large majority of companies that conduct e-commerce estimate that the percentage of sold goods that are returned amounts to 10 percent or less, and many estimate the amount to be 5 percent or less. However, there are considerable differences between the various industries, with clothing, sports and home furnishings, for example, having a significantly higher rate of returns.

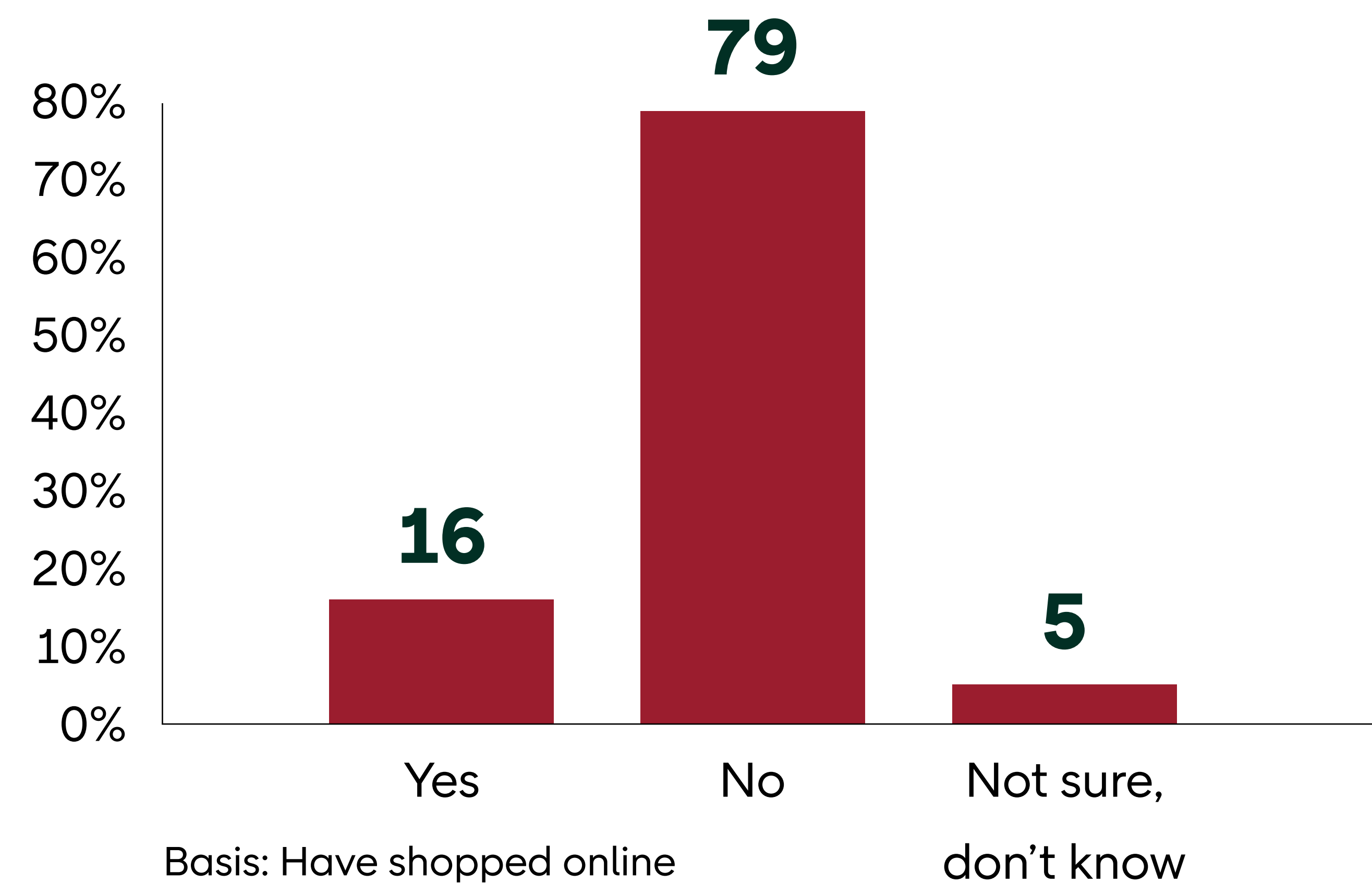
So what happens to these items? When returned goods arrive back at the company, they are usually sold again. 89 percent of the companies state that returned goods are sold again via their website. 9 percent of the companies also state that returned goods are destroyed. This is probably product specific to a certain extent,

as certain items cannot be resold due to hygiene or safety reasons. Pharmacy products, for example, are subject to highly regulated product handling. Some companies have also provided unusual but innovative alternatives to destroying returned goods that cannot be resold. For example, that they are reused as packaging material or given away as a gift with other purchases.

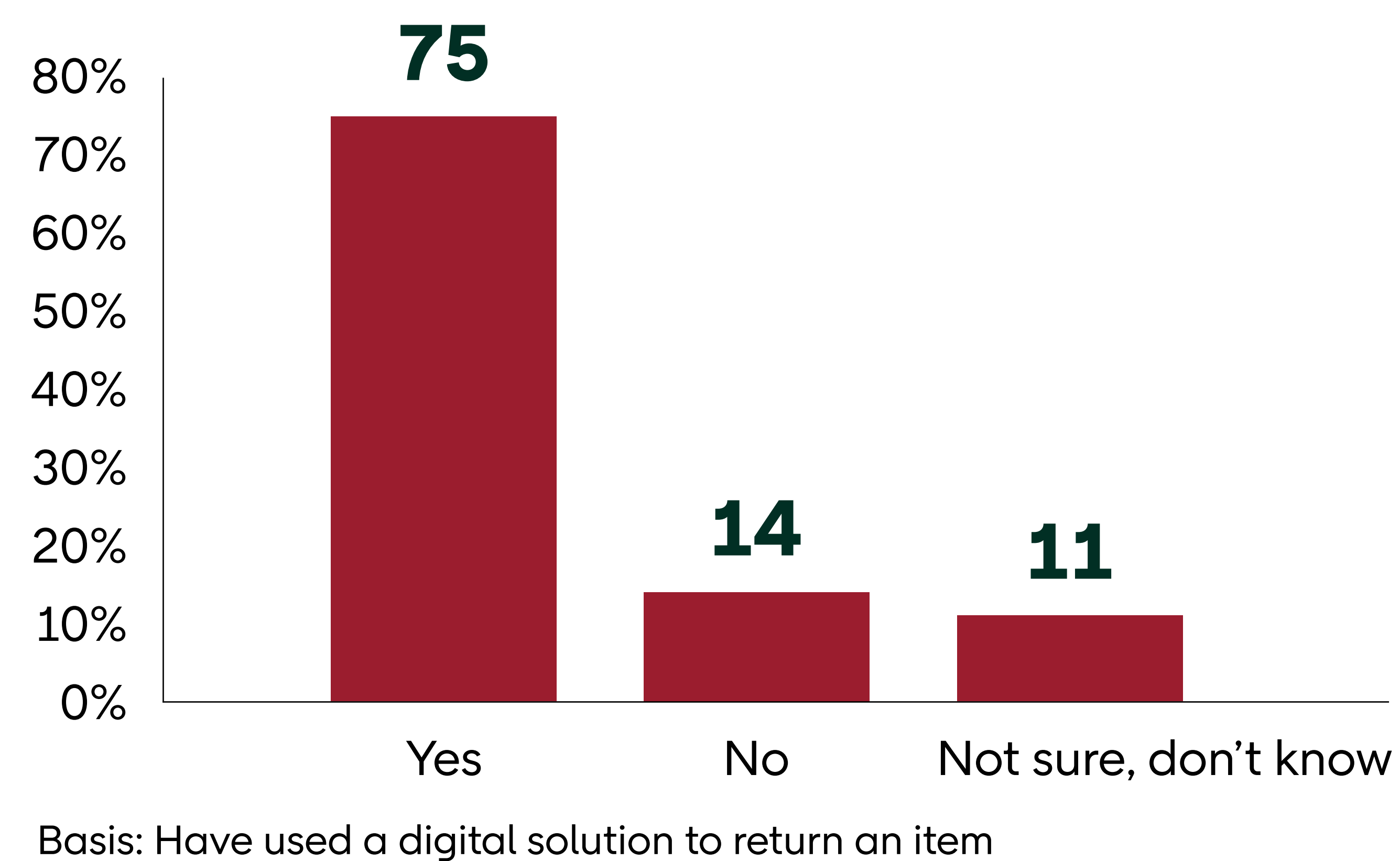
With regard to the actual handling of returns, there are third parties that can help e-retailers handle returned goods, for example external return hubs that collect and coordinate returns. 7 percent of the companies state that they make use of services offered by external parties. The companies therefore mainly handle their returns themselves; 83 percent of the companies surveyed state that they handle the majority of returns in-house.



### Have you ever used a digital solution to return an item?



### Did you think the digital returns solution was easier to use than a paper-based solution?



## Digital returns solutions are appreciated by those who have tried them

**E**ver since the beginning of e-commerce, returns handling has been a challenge for retailers – in both financial and environmental terms. In contrast to the digital online shopping experience, the returns processes at most e-retailers are still based on, for example, paper returns slips. Completely digital solutions for handling returns are still relatively uncommon, although initiatives to create smoother return solutions are starting to appear among some e-commerce operators.

Digital returns solutions can, for example, consist of the possibility of returning items using apps or QR codes. Although relatively few consumers report having used digital returns solutions, a total of 75 percent of those who have tried a digital solution found it more convenient than a paper solution. Digital returns solutions are therefore predicted to become an increasingly common sight in the future, as they seem to benefit both retailers and consumers.

# The hunt for the perfect return

Johan Rehnström started his first e-commerce website when he was at high school.

He is now working on entering new markets and reducing the number of returns.

“As a customer you’re a bit lazy. You don’t want to measure the size of your feet at work,” he says.

**N**ot that many people in the industry have heard of Nordic Outdoor & Sports Group, but many more know about OutdoorExperten and Skistart. Four years ago, they were competitors with somewhat similar ranges, but following a merger of OutdoorExperten and Globisen, which consisted of the websites Skistart, Climbing247 and MultiTriathlon, they are now in the same corporate group – Nordic Outdoor & Sports Group.

“We identified great opportunities for cooperation. OutdoorExperten was big during the summer season and Skistart was big during the winter season. We initially ran the company based on the idea that they had a lot in common, but more recently we’ve pulled them apart a little and positioned ourselves in niches in the different areas,” says Johan Rehnström,

Head of Sales and Development at Nordic Outdoor & Sports Group.

He was one of the founders of Globisen, his second e-commerce venture. As early as at high school, he started an e-commerce website for cell phones. He later sold that company.

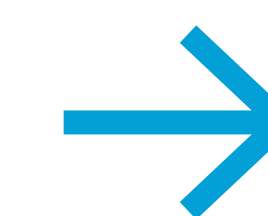
Three of the websites are focused on specific interests that include climbing, cross-country skiing and triathlon, while OutdoorExperten is for people interested in outdoor leisure in general. The websites are very popular in Sweden and Norway. They are now also establishing themselves in the Finnish market, and there are plans for other countries in Europe as well. Skistart can already claim to be the Nordic region’s largest e-commerce retailer for cross-country skiing, and it has a particular profile.

“We particularly target people who have a desire to be in the top

1,000 in the Vasaloppet cross country skiing race or who are inspired by such people. This e-commerce site is a little different from the others, because we sell cross-country skis in the way we think cross-country skis should be sold and not as they’re currently sold in physical stores. We have a unique way of digitizing all the skis we take in, as we measure more parameters than just how much weight they can handle.”

Skistart has its own ski workshop, which ensures skis have the right glide and grip for customers and that each customer receives suitable skis. All this is done to ensure that they get the very best cross-country skiing experience.

“We have a satisfied customer guarantee, so you never have to worry about getting skis that aren’t right for you. Occasionally a customer has submitted information and requests



Skistart has its own ski workshop, which ensures skis have the right glide and grip for customers and that each of them receives suitable skis.

“To reduce the number of returns, we must guide the customer to the right products and ensure information about the products is made available in an easily accessible way.”

Johan Rehnström,  
Nordic Outdoor & Sports Group

→ for skis that we haven't been able to find a good solution for. In such cases we recommend another model or discontinue the purchase. We don't want to give somebody something that we don't think is perfect for them.”

The accuracy and expertise that goes into each order has meant that very few skis are returned, but things are different with the rest of the range and the other stores. With regard to clothing and footwear, it is not possible to support the customer in the same way.

“The biggest return rate and most difficult part of our range is climbing shoes. They are a very special product. A climbing shoe should sit very tight on the foot and almost push the toes upwards. Many beginners think they should be more comfortable than they actually are. It's a very difficult product to sell online.”

**To support** customers and reduce the number of returns, all the stores work with a clear size guide and always have

EU sizes on all products. This has reduced the number of returns by around 20 percent. A return fee has also been introduced for orders under SEK 595, but otherwise returns are generally free of charge.

“In order to reduce the number of returns, we guide customers to their desired products and ensure that information about products is available in a quick and easily accessible way. We print whether, for example, shoes are at the small end of the range for the stated size or fit people with wide feet.”

No matter how good the information is, it can never be completely perfect in his opinion.

“Although we do our best to guide customers towards the right choice, we know that as a customer, you can be a bit lazy. We can write the foot length of the shoes, but customers might be ordering while at work. In such cases, they're not likely to get a ruler and measure their foot against a wall to get the correct information.”

With a background in the skiing industry, where alpine boots are measured using inside measurements and the actual size of the foot, he is somewhat frustrated with how clothing and footwear sizes work.

“A medium from one clothing brand might be a small from another, and with shoes it is even worse with the EU sizes, UK sizes and US sizes. It would be best if there was a common standard. If all shoes were defined using their inside measurements, consumers could just check the length of their feet.”

Returns will continue to be a challenge for e-commerce in the future, but Johan Rehnström is now looking at a way to get rid of the return slips that are currently sent with every parcel.

“In the future, we will switch to a digital solution from PostNord, in which you register your return and receive a QR code. Then the service point prints out a shipping document. In this way, we will save on all the return slips that are never used,” he says.

The solution means that e-retailers know in advance what is being returned to them in a customer-friendly way.

“For me, a smooth returns process involves being able to just put the goods back in the box and send them back. Filling out a physical return slip with codes and article numbers feels somewhat outdated,” says Johan Rehnström.

Johan Rehnström is Head of Sales and Development at Nordic Outdoor & Sports Group.



**3**  
shoe tips for reducing returns

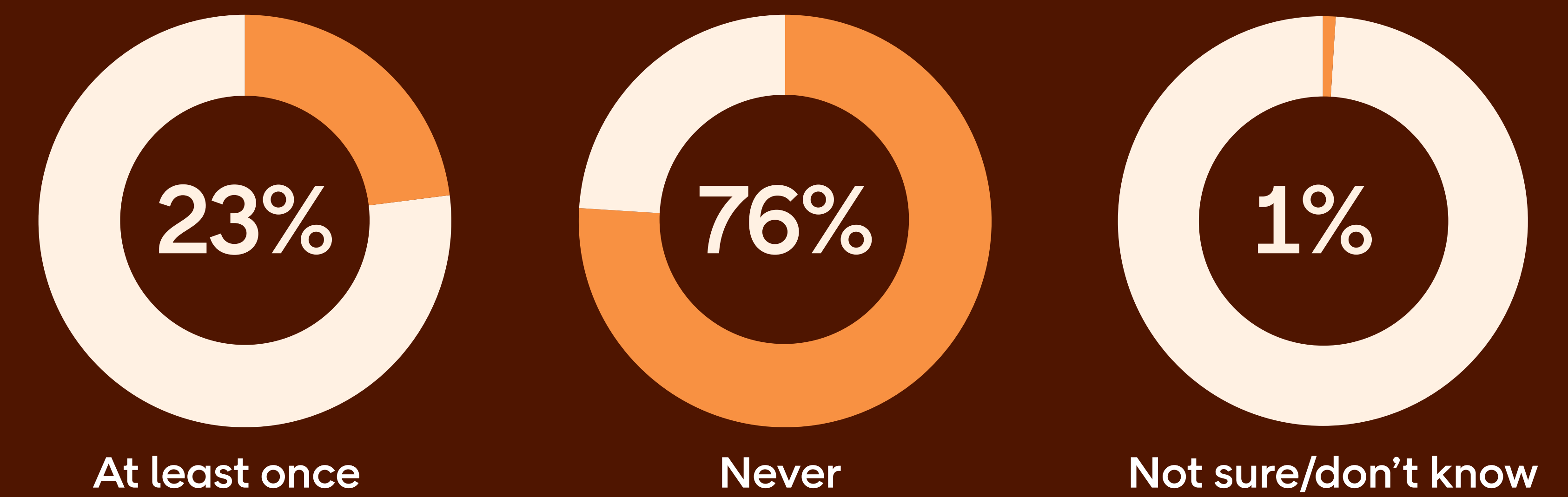
1. Always state European sizes for shoes.
2. If a model is at the small end of the range for the stated size, mention this.
3. Provide information about what sort of foot the shoes fit best.

# One in four e-commerce consumers have bought second-hand/used items in the last month

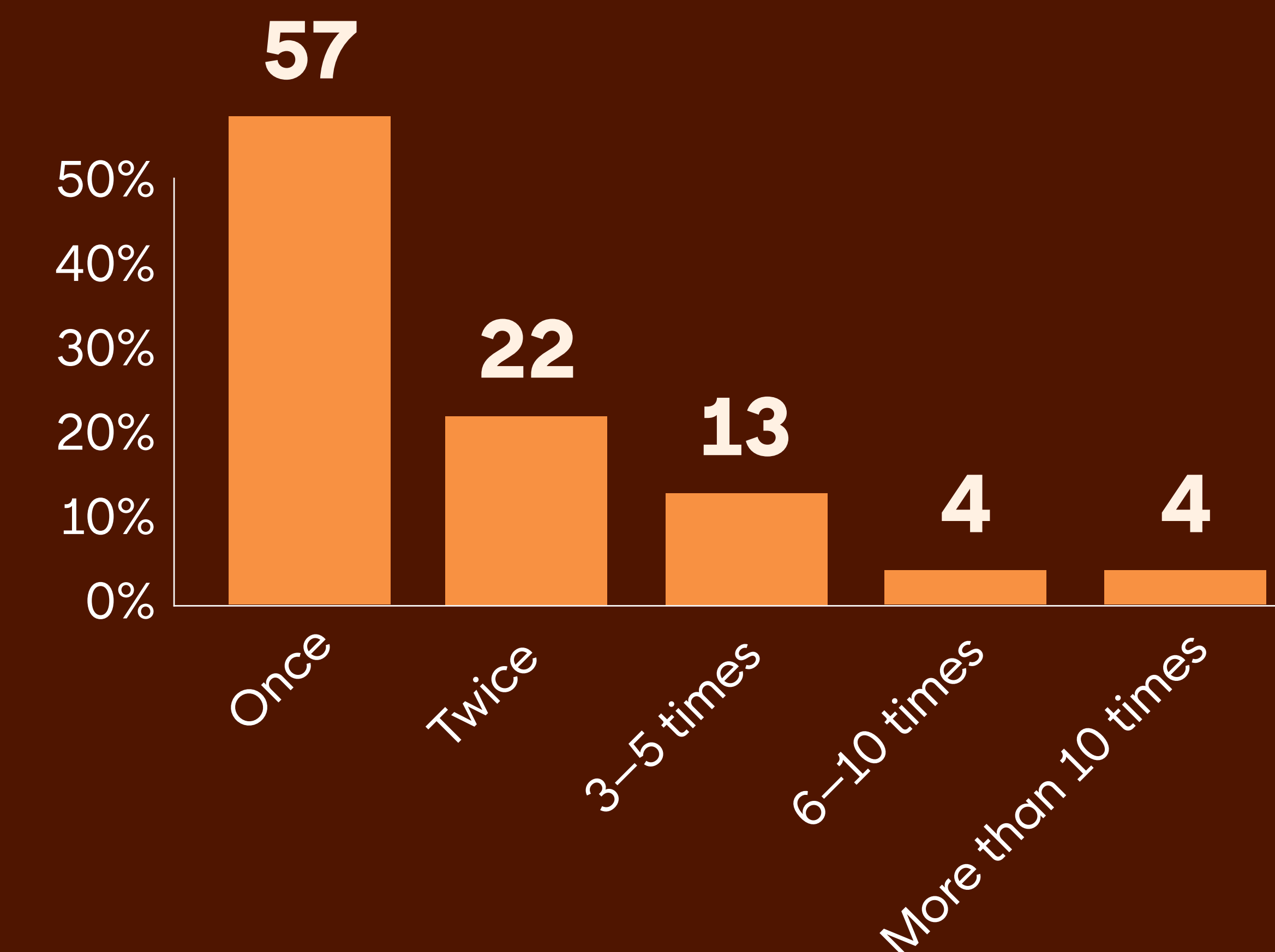
**B**uying second-hand is a trend that seems to be staying strong among Swedish consumers. Almost a quarter of e-commerce consumers have bought a used item online in the past month. Of the quarter who have shopped online for used goods in the past month, a clear majority – 79 percent – have made one or two purchases. 4 percent have made second-hand purchases online more than ten times in the past month.

It is possible that interest in buying used products may increase during the fall if consumers become more price conscious, as inflation increases and the cost situation becomes more challenging. A lower price is already one of the most common reasons for buying used products, and this may become an increasingly important factor in the future.

How many times in the last month did you buy a second-hand/used item online?



How many times in the last month did you buy a second-hand/used item online? Proportion of those who made a purchase at least once in the last month.



Basis: Have shopped online

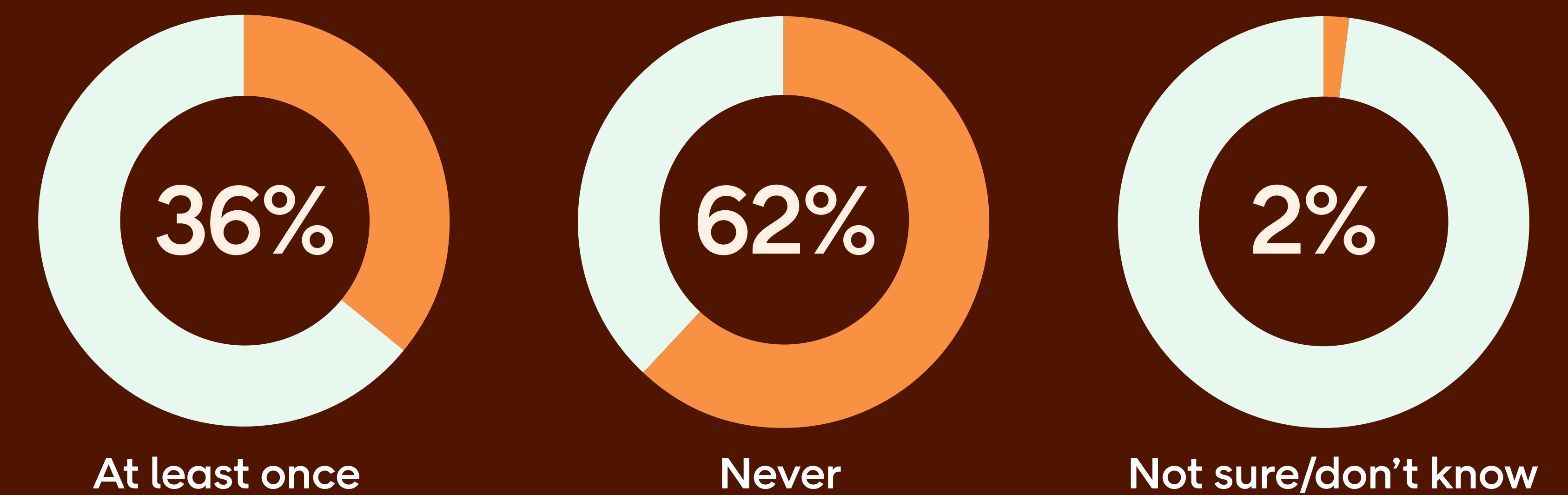
# Frequent e-commerce consumers sell second-hand/used items to a greater extent than infrequent e-commerce consumers

**N**o less than 36 percent of people in Sweden who shop online state that they sold at least one second-hand/used item online in the past 12 months. However, the majority made sales sporadically during the year, and only one in ten sold used goods on more than ten occasions. More women than men, 40 percent compared to 32 percent, state that they sold used goods at least once in the past year. Young people also sell used goods to a greater extent than older people.

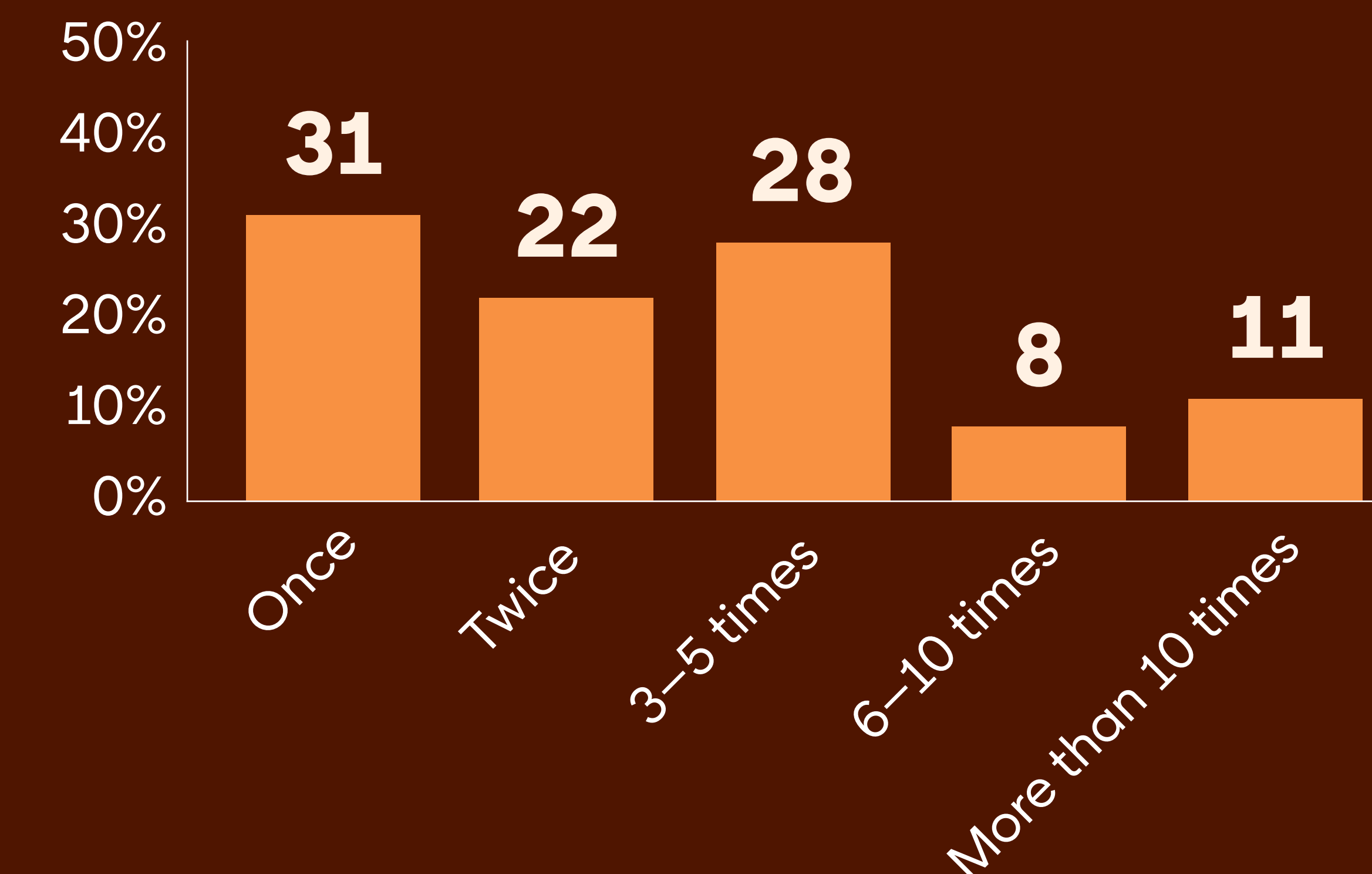
However, the biggest difference is between frequent and infrequent

e-commerce consumers. Of those who buy online at least once a month, 44 percent state that they have also sold a used item online, while the corresponding figure for those who are less frequent e-commerce consumers is 27 percent. This indicates that the sale of second-hand/used goods is related to the e-commerce maturity of the consumer. As more and more consumers adopt digital behavior, online sales of used goods can be expected to increase in the future, especially as many people have become aware of digital services and intermediaries that facilitate second-hand sales.

How many times in the last 12 months did you sell a second-hand/used item online?

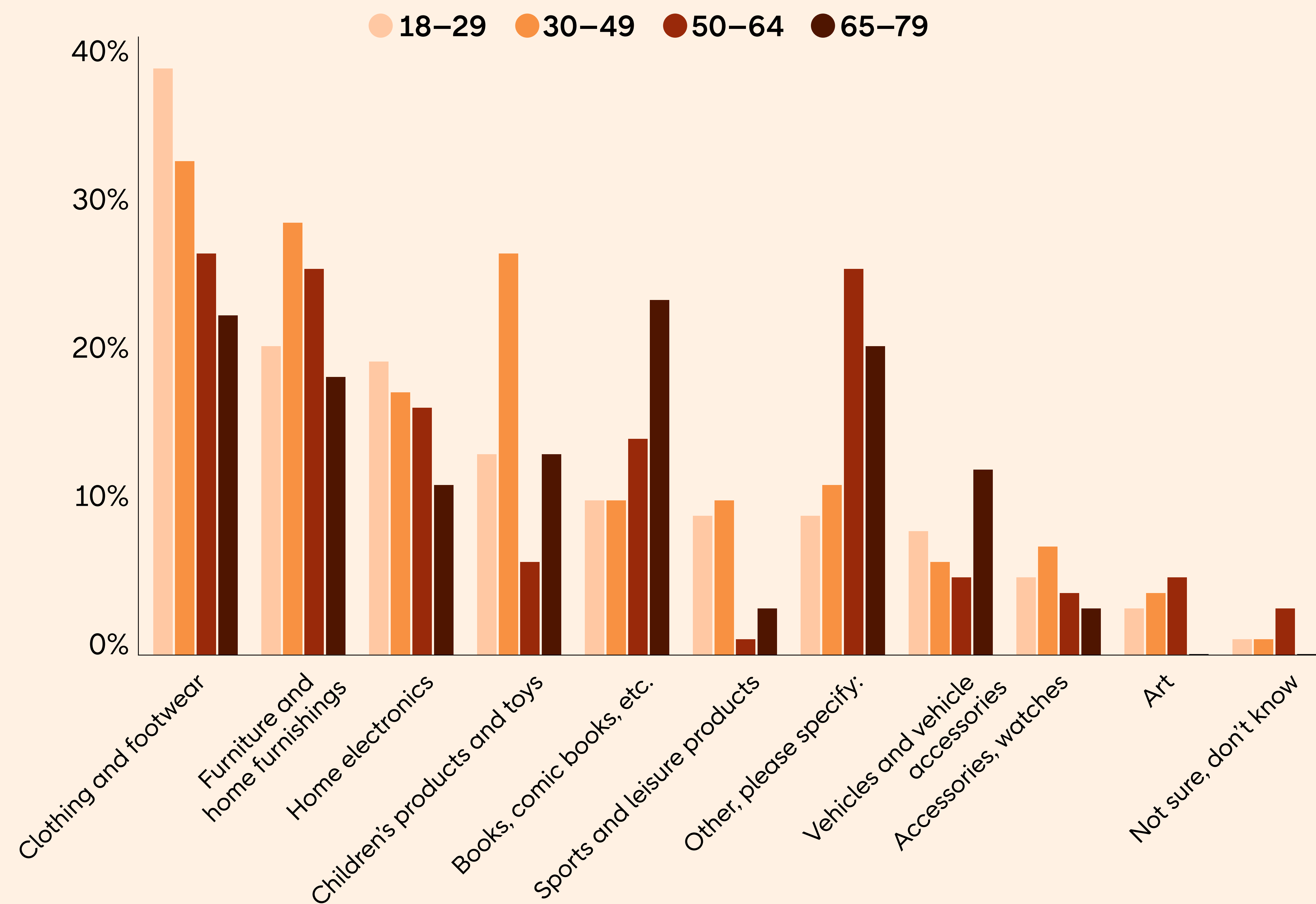


How many times in the last 12 months did you sell a second-hand/used item online? Proportion of those who sold at least one second-hand/used item in the last 12 months.



Basis: Have shopped online

## What type or types of goods did you buy second-hand online in the last month? Multiple responses possible.



Basis: Have bought a second-hand/used item online in the past month

## Many families with children use the second-hand market a lot

**T**he most common second-hand purchases made online involve clothing and footwear. Regardless of the age of the respondent, fashion is among the top categories. The popularity of this product category can also be expected to increase in the future, as more and more large clothing retailers are offering consumers the opportunity to buy second-hand items. For example, both H&M and Zalando already have platforms for second-hand clothes.

Many of those who make second-hand purchases online are in the 30–49-year-old family segment, where three product categories are very close to each other in terms of popularity, these being clothing and footwear, furniture and home furnishings, and children's

products and toys. Taking into account all respondents, children's products and toys come in joint fourth place, largely due to the high number among those aged 30–49.

Second-hand books are popular among older consumers (age group 65–79 years old). 23 percent of them state that in the last month they bought a second-hand book, comic book or similar, which means that the category surpasses clothing and footwear in this age group. One reason for this may be that the books of interest are not available on the regular market, as older people make second-hand purchases to a greater extent than younger people because they are looking for products that are no longer made or that have a collector's value.

# Price, sustainability and collector's value are reasons for making second-hand purchases

**T**he price is clearly the most important factor for consumers when choosing to buy second-hand/used items. Finding bargains and saving money are attractive in all age groups. Just over 40 percent of consumers who buy second-hand/used items online stated that price was the main reason. With an upcoming recession and skyrocketing prices for newly produced goods, we can probably expect that second-hand purchases will become increasingly popular in the future.

Sustainability remains the second most important reason for buying used products. One in four consumers who had made second-hand purchases stated that the sustainability aspect was the primary reason for making such a purchase. This is an aspect that mainly interests the younger age groups, i.e. those aged between 18 and 49. For individuals over the age of 50, it is instead the collector's value or the fact that the product is no longer made that, in addition to the price, drives second-hand purchases.

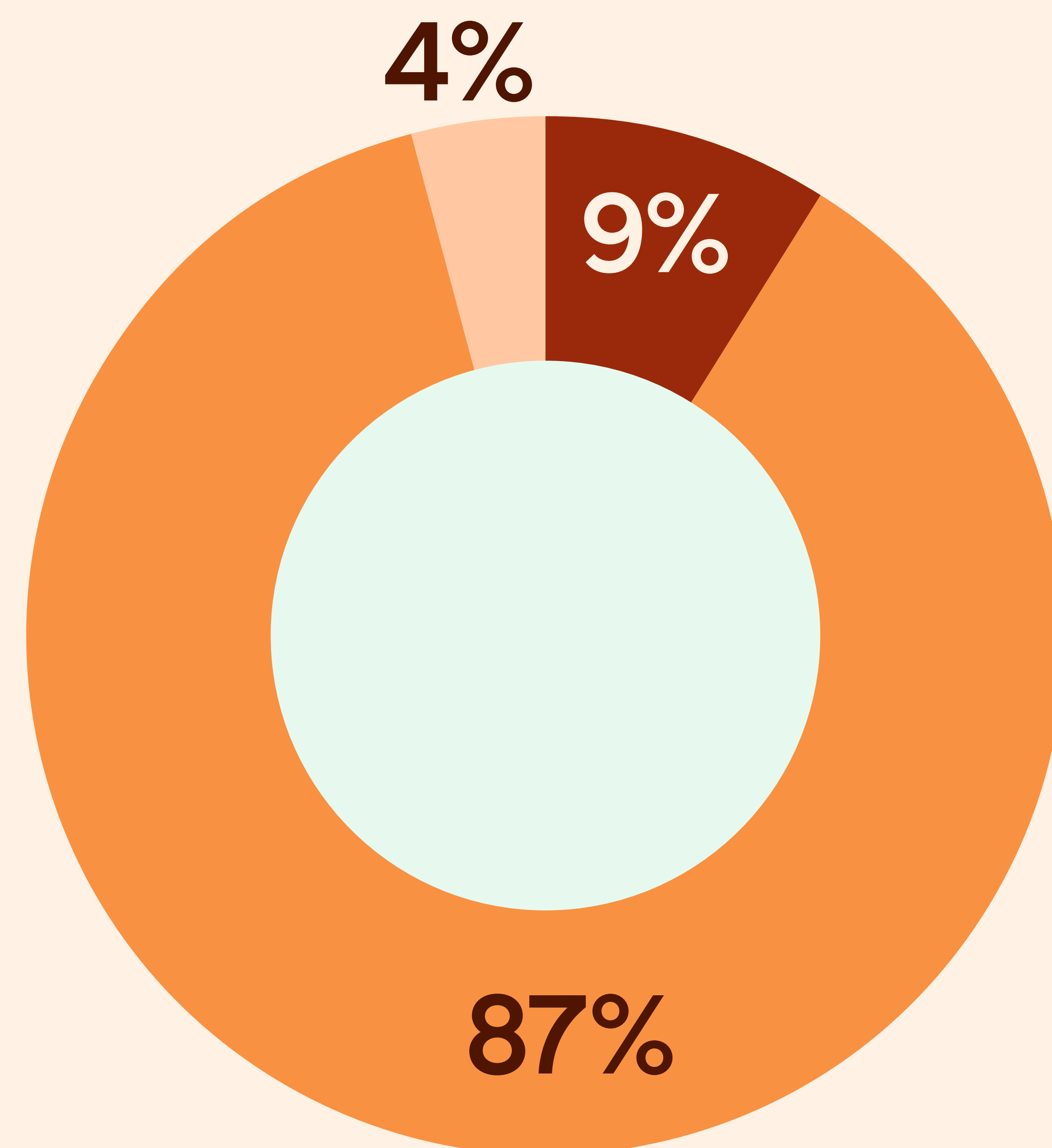
## What is the main reason you choose to buy second-hand/used items online instead of buying equivalent items new?



Basis: Have bought a second-hand/used item online in the past month

During the past year, have you bought a second-hand/used item that you then didn't want to keep?

● Yes ● No ● Not sure, don't know



Basis: Have shopped online

## E-commerce consumers satisfied with second-hand purchases despite higher risk

**M**ost e-commerce consumers are happy with their second-hand/used purchases. Only 9 percent of the consumers surveyed state that they purchased an item online in the past year that they then did not want to keep. However, in situations in which you are not satisfied with a second-hand/used item bought online, it can be difficult to rectify that and requires a discussion with the seller, who is hopefully understanding and accommodating.

There are, of course, different types

of online second-hand trading, which have varying risks in terms of the consumer not being satisfied.

E-commerce with used goods can take place locally via, for example, the Blooket platform or local groups on social media. This makes it possible for the buyer to see or try the item and meet the seller before making the purchase. The process can also be digital, but this makes it more difficult to inspect the product, which entails a greater risk of wrong decisions being made.



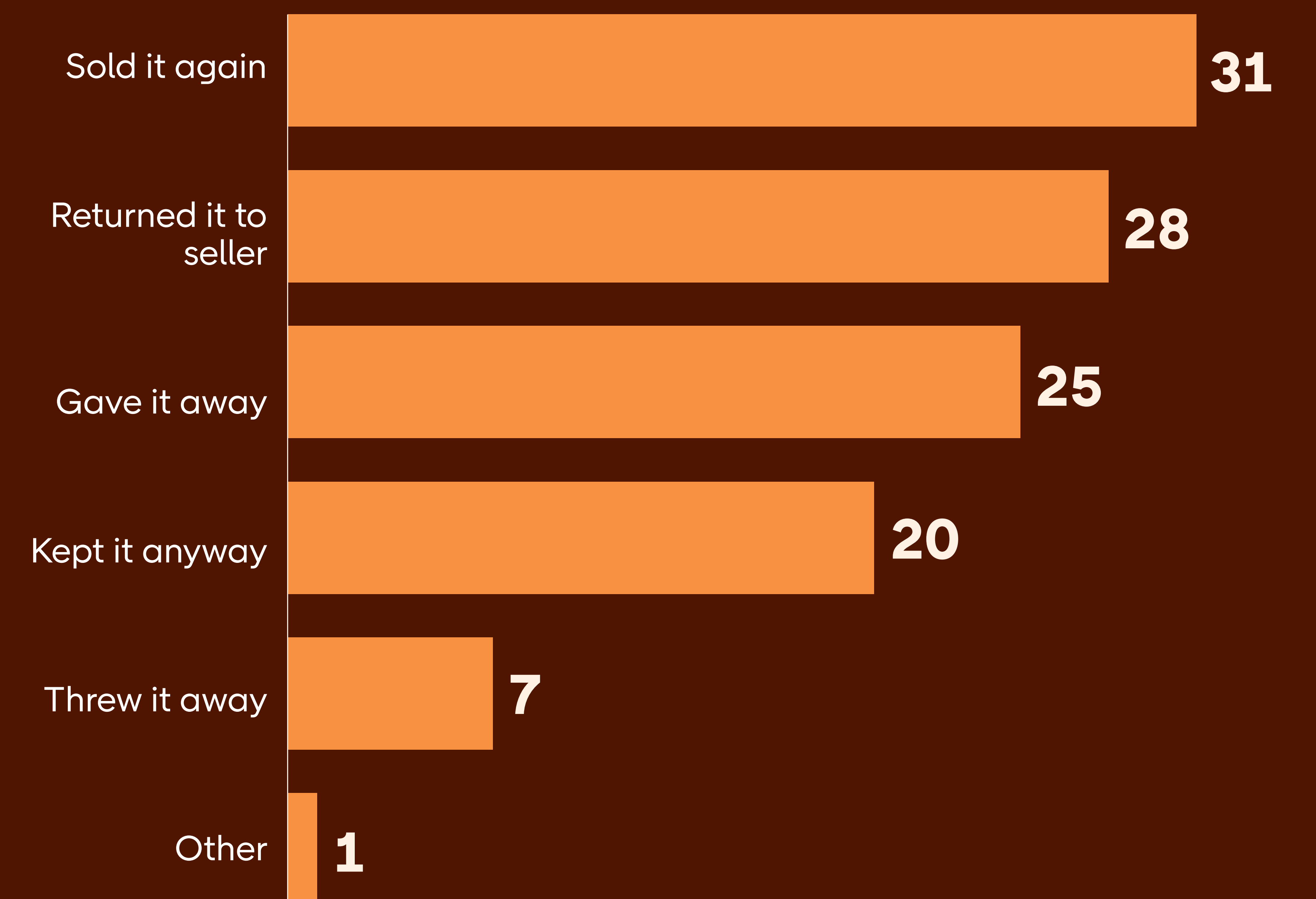
# Consumers think circularly with regard to their second-hand purchases

**A** large proportion of the consumers who bought a second-hand/used item that they then did not want to keep sold it again or gave it away. A majority (56 percent) of consumers think circularly with regard to their second-hand purchases and sold the item again (31 percent) or gave it away (25 percent). 28 percent returned the item to the seller, but as described earlier in the report, this is not always possible. 7 percent threw it away.

Consumers who make second-hand

purchases are thus already relatively circular in their approach. To raise the percentage further, companies and logistics operators could perhaps simplify the process even more. For example, there are companies that pick up and sell used goods so that consumers don't have to do it themselves. More solutions of that type would probably increase the proportion of goods sold on the second-hand market instead of being thrown away or just ending up on shelves in a store-room without being used.

## What did you do with the item(s) you bought second-hand and then didn't want to keep?



## The business person:

“I guess I’ve always thought that buying and selling are fun – I don’t see it as hard work.”



**Fredrik**  
**Age: 42**  
**Lives in:**  
**Gothenburg**

**W** hat sort of second-hand items do you purchase online?

“It has mostly been electronics, but it can also be furniture and things like that. It depends on what I need: a camera, a phone or whatever I require. If I want something, I always first look at what is available second-hand. I think it feels like quite a waste to buy something brand new when some things that are sold second-hand are almost like new.”

**Have you ever wanted to return a second-hand item? Was it possible?**

“Yes, I’ve been disappointed with the purchase once or twice. But that’s just how it is sometimes, unfortunately. The main examples are items of clothing that don’t fit, so it hasn’t been worth trying to return them. That’s basically the calculated risk you have to take when buying second-hand products online.”

**Do you also sell things online?**

“Yes. Quite often I sell things that I bought second-hand but then didn’t want to keep. So I sell them again. I guess I’ve always thought that buying and selling are fun –

I don’t see it as hard work, as others might. Both the hunt for bargains and then being able to sell stuff, and get money for it! If I don’t need something, I’ll sell it as soon as I can, if it has any value, of course.”

**What is the best bargain you have bought?**

“I bought a GoPro camera that I took with me on a trip to Mexico. When I got home, I sold it for more than I had bought it. So I made money on something that I used for a month.”

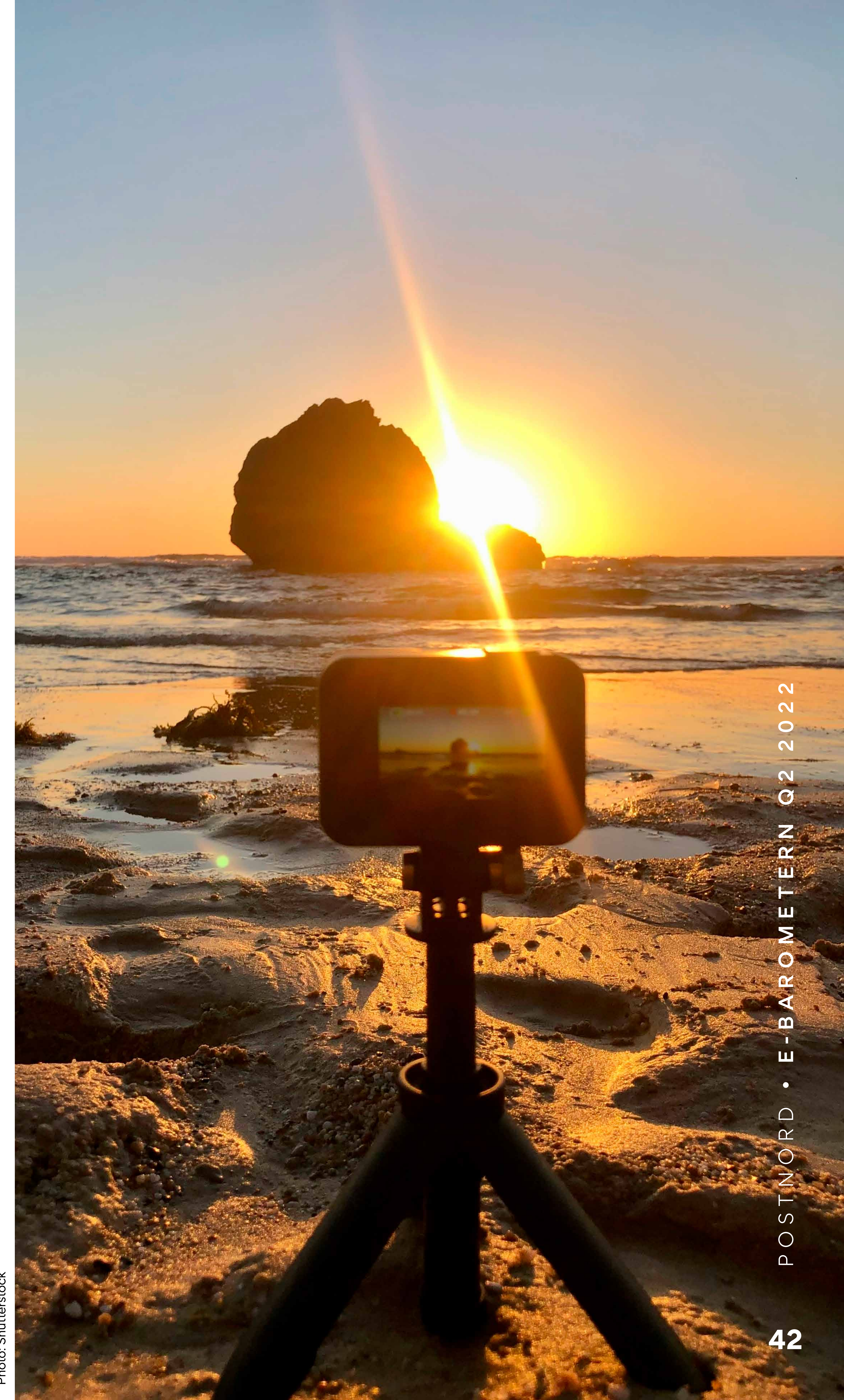




Photo: Shutterstock

## The auction connoisseur:

“I’m not actually a huge e-commerce fan, but consider it to be a good complement.”



**Per**  
**Age: 66**  
**Lives in:**  
**Stockholm**

### What is it you like about shopping at auctions online?

“I like that there are things in so many different categories. For example porcelain, jewelry, curiosities, chairs, all sorts of things. I’m not actually a huge e-commerce fan, but consider it to be a good complement. It all depends on where what you want is available; if it’s available online then that’s where I go to get it.”

“The potential search area becomes much bigger if you’re looking for something special, such as particular tableware. Online, you can search through every auction at the same time to find exactly what you are looking for, and you don’t have to look around all the actual auction houses in person. Otherwise, finding

a bargain at auction can depend to a large extent on luck and being in the right place at the right time.”

### If you buy things second hand, there is, for example, no legal right of return – how do you feel about that?

“There should be more procedures in place so people don’t try to abuse the system and deceive other people. The second-hand setup is something people take advantage of sometimes. But when you buy second-hand items, there’s always a certain element of risk, and it’s difficult to argue about the product and make demands, and you often have to look at and approve it yourself and that can sometimes be difficult.”

### How do you avoid being disappointed with the goods you buy?

“Different auction houses provide different levels of detail in their description of the goods, but often they make that little extra check for you so that you won’t be disappointed, for example they tell you clearly if there is a crack somewhere. Private sellers should perhaps also do that. All advertisements should have a description that includes a bit about “visible defects”, where the seller has to accurately state the condition of the item. That could be referred to in the case of a dispute. Or at least have a short “bear in mind” section for people who advertise goods online, as that makes it easier for both the buyer and the seller.”

## The bargain hunter:

“If it's something you use every day, I probably wouldn't buy it if it doesn't have a warranty.”



**Lukasz**  
Age: 34  
Lives in:  
Stockholm

**W** hat sort of second-hand items do you purchase online?

“Often video games or stereo stuff. Or basically anything electronic.”

**You defined yourself as a bargain hunter – could you tell us a bit more about that, please?**

“I naturally buy some things second-hand, as they are often at least as good as new products. I have a computer that cost 40,000 Swedish kronor but I wouldn't have to spend so much on it today; in just six months you can get the same computer for 20,000. And I bought a laptop that I had been trying to find for a long time for 6,000. The seller bought it for 18,000 originally!”

“But there are other things that are important to take into account as well, such as warranties. Sometimes you get a warranty, for example I bought my phone second-hand and it was sold in new condition with a receipt and had a six-month warranty. I paid 8,000 instead of 13,000 for it. If it's something you use every day, such as a computer, cell phone or TV, I probably wouldn't buy without a warranty, as it feels like there's too much that could go wrong.”

**Have you ever wanted to return a second-hand item? Was it possible?**

“Yes, a few times. It's usually gone OK. If I've bought something via the Blocket online marketplace using

PayPal, it's possible to return it based on the warranty. There's sometimes a dispute between the seller and the buyer, if the seller does not want to take the item back. I've ended up in a few such disputes and have won some of them and lost others. I think there should be a right of return for two or three days, so that you can look at the item and think about it a bit.”

“It's almost been a bit taboo to buy second-hand, and some people may be too proud to do so and think such items are poor quality. For example, my ex would never buy a TV that someone else had used. But old things have now become quite on trend; today it's a mega-industry!”



Photo: Shutterstock



Photo: Shutterstock

## The sustainability fanatic: “Online you can look at things and think about them in peace and quiet, it’s great.”



**Michaela**  
Age: 31  
Lives in:  
Kvissleby

### **W**hat sort of second-hand items do you purchase online?

“Quite a mix, but I probably mostly buy clothes. These can be whatever I need to renew my wardrobe. I’m not interested in buying shoes or underwear, but otherwise I like everything!”

### **What do you think about second-hand purchases from a sustainability perspective?**

“I think it is extremely good to buy used goods for that reason; you can get great clothes cheaply instead of buying new stuff. It doesn’t matter that the person doing the selling doesn’t like their clothes anymore, as long as I do! It’s good for the environment and financially, so it’s win-win.”

### **Which websites do you think are the best for finding what you are looking for and why?**

“I used to buy a lot on Tradera, but now I’m more on Sellpy, which I think is a great site. It’s smart, because it reaches many more people than would be the case if you gave your old clothes to a local second-hand store.”

### **What is the best thing about buying second-hand items online?**

“I like flea markets too, but it’s actually nicer to be able to look at the clothes without people treading on your toes and stressing around you. Online you can look at things and think about them at your own pace – it’s great and I really appreciate that aspect.”

### **What is the best bargain you have bought?**

“I can’t think of anything in particular off the top of my head – for me it’s more that I find little gems everywhere. Like stocking up on some summer clothes or cozy sweaters for fall – there are always good things available online. If you find things that are clean with no holes and they feel good, that’s a real bargain! Sellpy sends goods with PostNord, so they come straight to the local store. That works great, and it’s easy to collect what you bought.”

## The collector:

“The market for second-hand goods has really grown, and going to flea markets has become like a sport!”



**Christina**  
Age: 52  
Lives in:  
Hudiksvall

**I**n what way are you a collector?  
“It’s basically because I am a historical reenactor. So I often go to flea markets looking for wooden and tin items, materials that can be used for such reenactments. I go to the Medieval Week that’s held every year on the island of Gotland, and buying second-hand items online is a perfect way to collect things for that. Wooden dishes that you can eat from, for example, and if you’re lucky, you can find linen sheets that you can cut and make underwear from. I’ve found all sorts of things, such as wooden spoons, pewter cups – even a couple of cards for carding wool.

I haven’t used those yet, but they look cool when you hold them!”

**Which websites do you think are the best for finding what you are looking for and why?**

“Facebook I’m a member of various groups that sell historical items. I also dream of buying a used houseboat as well, but I can’t afford that.”

**Have you noticed greater competition for the things you want to buy?**

“The market for second-hand goods has really grown, and going to flea markets has become like a sport! Yes, the competition for reenactment stuff has increased a lot, but such

items have also become much easier to find. Those who want to sell can now easily show their things to everyone. Children’s shoes are a good example; children need new shoes every year, so you can easily swap or sell your old ones and buy new ones.”

**What is the best bargain you have bought?**

“I found an ornate frame that felt antique on Facebook. As soon as I saw it, I wanted to give it a make-over and have it as an icon, on the wall. I printed out an icon painting of the Madonna and Child from the internet and put it on the wall – it’s lovely!”



Photo: Shutterstock



**Fanny**  
**Age: 42**  
**Lives in:**  
**Stockholm**

Photo: Shutterstock

## The lover of vintage:

“Everyone else can see the ratings and that affects who you buy from – it’s very convenient.”

**W**hat sort of second-hand items do you purchase online?

“Children’s clothes in particular. I also sell various children’s items. People buy so many brand new things that they use for a short while and then throw away. It’s better if someone else can get some joy out of them, and you also make a bit of money. Things are rarely worn out, as generally kids just grow out of them rather than them tearing or breaking.”

**What is the charm of buying vintage items online?**

“I like nice old candlesticks and similar, and cloth tablecloths! They perhaps don’t sound super vintage,

but I’ve bought a lot of those nice, embroidered things via Tradera. I look for vintage jewelry and things like that too.”

**When you buy second-hand goods, there is no right of return, for example. Is that something you think about when shopping?**

“I don’t really buy expensive stuff. If I buy something that’s somewhat expensive, a designer bag or similar, I ask for a receipt. But I always try to check the pictures carefully, and if it’s an expensive item, I might ask the seller for a video. I also get questions like that when I’m selling things – people are a bit suspicious these days.”

“Then when you buy something,

you give a review of the seller. Everyone else can see the ratings and that affects who you buy from. So you’re penalized if you’re not honest when selling second-hand items online.”

**What is the best bargain you have bought?**

“I bought my daughter’s bed via Facebook. I saw a bed at Ikea that was lovely, but she wasn’t going to use it much so the price felt unnecessarily high. Then I found the same bed on Facebook Marketplace for SEK 500, together with completely unused mattresses. The seller even came and dropped it off. They were extremely kind, so I gave them a bag of home-baked buns as a thank you!”

# E-barometern is published by PostNord in cooperation with Svensk Digital Handel and HUI Research

**postnord**

## **About PostNord**

PostNord is a leader in parcels and logistics services to, from, and within the Nordic region. Our business and private customers must be able to reach their recipients at the right time, reliably and efficiently – whether the task involves a global logistics solution, an advertising campaign or a birthday greeting.

With around 28,000 employees, PostNord is one of the largest employers in the Nordic region and bears a considerable measure of social responsibility. PostNord aims to offer an attractive, stimulating workplace. Visit us at [www.postnord.com](http://www.postnord.com)

**SH** Svensk  
Handel  
Digital

## **About Svensk Digital Handel**

Svensk Digital Handel is an interest group for digital retail in Sweden and strives to ensure that its members' digital activities are adapted to future requirements. Together with our members, we make it easier to shop online. Svensk Digital Handel owns the Trygg e-handel (Safe e-commerce) certification and is part of Svensk Handel.

**hui.**

## **About HUI Research**

HUI Research AB provides, via its consultancy and research activities, professional decision-making material and advice to businesses and the public sector in the areas of retail, tourism, consumption and economics. The company was founded in 1968 and is an independent subsidiary of the trade association Svensk Handel.

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