EY has conducted a mystery shopping study of online retailers in the Nordics to investigate to what degree these meet the expectations of the ever changing and demanding consumer. Based on market information from external sources, 103 online retailers were chosen to be in scope for the study. With online retailers from Sweden, Norway, Denmark and Finland, covering the eight sub-sectors Books, Consumer electronics, Fashion, Groceries and Convenience, Home and Interior, Mixed Retail, Pharma, Health and Beauty, and Sports, we wanted to test two hypotheses regarding Nordic e-commerce.

Our first hypothesis was that there would be large improvement potential in the quality of most online retailer shops in the Nordic countries – for example that the consumer would be faced with unnecessary number of clicks during the order process, and long processing and delivery times. Our second hypothesis was that there would be large differences in quality from country to country and between the different sub-sectors.

Through this study we have found that the overall level of e-commerce in the Nordics is not perceived to be satisfactory, with an average overall score of 15 points out of a maximum total of 30 points (6 topics multiplied with the maximum score of 5). In some areas we see that the online retailers’ performance are similar, whilst in others, there is a significant difference between the highest and the poorest performers.

Overall, Finland seems to be the country online retailers in the Nordics should look to for best practice, as this country received the highest average score per topic. When it comes to the sub-sectors, Books, and Pharma, Health and Beauty are outperforming the other sub-sectors in the region. However, based on the findings from this study, none of the sub-sectors or countries are performing better than an average score per topic of 3.2 out of a maximum 5 points. In addition, the overall average score per topic in the Nordic region is 2.5.

This shows that our first hypothesis of the quality in Nordic e-commerce having large improvement potential is true. However, the study shows that there is a wide spread between all retailers where some are performing at a much higher level than others. The highest performing retailer has a total score of 23 out of a maximum of 30 points. The lowest performing retailer has a total score of 7 out of a maximum of 30 points. These results confirm that the quality of Nordic e-commerce companies differs greatly, which shows that our second hypothesis is true. Based on this there is room for improvements in all areas covered in this study in order for retailers to improve the customer’s experience.

Through this study we have found that the overall level of e-commerce in the Nordics is not perceived to be satisfactory.

Finland received the highest average score, and Books, together with Pharma, Health and Beauty, outperformed the other sub-sectors.
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In a report about the future of Nordic retail released by EY earlier this year, it is highlighted that the complementary channels offered by retailers has gone through large changes during the recent years, which has resulted in changes as to how, when and where customers shop. An increasing amount of shopping takes place online and industry experts predict that the e-commerce market will have a growth rate of around 15% in the coming years.

In 2016, as many as 49-67% of the population within the Nordic countries in the age of 18-79 engaged in online shopping during an average month and they estimate that they purchased goods online to a total value of US$26 billion during the year. With the emerging digitalization within retail and the seamless shopping experience becoming increasingly important, the consumers have high demands for convenience and availability.

Based on this, EY has questioned to what extent online retailers in the Nordics meet this ever-changing consumer behaviour and how they differentiate themselves in the ocean of both national and global online retailers to win the customers within their country. Our hypothesis was that there would be large improvement potential in the quality of most online retailer shops, and that the consumer would be faced with unnecessary number of clicks, and long processing and delivery times. Also, our hypothesis was that the online retailers would differ from country to country and in the different sub-sectors. In order to understand the quality of online retailers in the Nordics, we have conducted a study of 103 retailers, spread over eight sub-sectors and four countries.

We hope you find this report insightful, and that it gives you some interesting views of the Nordic e-commerce business. The company names are kept confidential throughout the evaluation section of the report, but we are happy to share the results with each individual company.

Please also see our Future of Nordic Retail report.

1 “Future of Nordic Retail 1st edition,” EY, 2017
2 “Future of Nordic Retail 1st edition,” EY, 2017
To investigate the quality of Nordic online retailers, EY has conducted a mystery shopping study where we tested the hypotheses previously stated. The study was built on an evaluation form covering six topics that were found appropriate to evaluate in order to provide an indication of the overall level of online retail in the Nordics. A number of EY employees, within the age range of 20 to 30 years old, have evaluated a selection of online retailers within their countries of residence. The EY employees conducting the study will hereafter be referred to as the respondents. The Nordic countries covered in this study are Sweden, Norway, Denmark and Finland. The scope of the study was a sample of 103 Nordic online retailers, chosen based on external market information in the Nordic region from Q4 2016 and Q1 2017. The criteria for each retailer was that it needed to have an online shop available, be able to ship goods within the country, and offer goods within the price range of approximately US$10 and US$30. The sample was also predefined by the need to cover all defined Nordic countries and selected sub-sectors.

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of retailers</th>
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<tbody>
<tr>
<td>Denmark</td>
<td>25</td>
</tr>
<tr>
<td>Finland</td>
<td>21</td>
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<tr>
<td>Norway</td>
<td>30</td>
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<tr>
<td>Sweden</td>
<td>27</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>103</strong></td>
</tr>
</tbody>
</table>

The retailers are grouped in eight sub-sectors. The sub-sectors that have been in focus for this study are Books, Consumer electronics, Fashion, Groceries and Convenience, Home and Interior, Mixed Retail, Pharma, Health and Beauty, and Sports. In addition to selecting the retailers based on the criteria outlined above, the aim has also been to distribute the retailers somewhat evenly between countries and sub-sectors.

<table>
<thead>
<tr>
<th>Sub-sector</th>
<th>Number of retailers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Books</td>
<td>6</td>
</tr>
<tr>
<td>Consumer electronics</td>
<td>14</td>
</tr>
<tr>
<td>Fashion</td>
<td>17</td>
</tr>
<tr>
<td>Groceries and Convenience</td>
<td>7</td>
</tr>
<tr>
<td>Home and Interior</td>
<td>18</td>
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<tr>
<td>Mixed Retail</td>
<td>13</td>
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<tr>
<td>Pharma, Health and Beauty</td>
<td>17</td>
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<tr>
<td>Sports</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>103</strong></td>
</tr>
</tbody>
</table>
The topics that have been evaluated, with both quantitative and qualitative evaluations, are User-friendliness and appearance, Order process, Shipping, Payment, Return policy and Customer relations. For each of these topics, the retailer has been given an overall score, between 1 and 5, where 1 = Very bad, 2 = Bad, 3 = Neither bad nor good, 4 = Good, and 5 = Very good.

The study was conducted during winter and spring 2017. The evaluations have not taken place on the same dates nor the same time during the day. Thus, the study might be subject to seasonal and/or daily demand, which might have influenced the shopping experience and, further, the evaluation. The evaluation is based on the experience of purchasing a small item from the retailer, with a price between US$10 and US$30 in order to make the purchases comparable. Throughout the purchasing process, the steps were documented and scored based on predefined questions within each evaluation topic. After the order had been placed, all order confirmations were documented and compared. Further, the respondents taking part in the study reported delivery date and condition of the good for all orders, in order to complete the evaluation form.

This study is a light version of a statistical one, and hence, is not a 100 percent statistically correct. As some of the evaluations within User-friendliness and appearance are based on subjective perceptions, those topics might be affected by respondent bias despite our efforts to maximize the occurrence of objectivity in the evaluation form. However, the purpose of this study is to provide an overview of the Nordic e-commerce market and insights about the overall level of the e-commerce platforms in the Nordics. Therefore, the reader should see the results as indicators of the performance level within the evaluated sub-sectors and countries and use them as guidance.

This report is twofold, outlining the findings from the study comparing the overall level of e-commerce between the Nordic countries, followed by a section covering the findings from each sub-sector.

### Evaluation topic

<table>
<thead>
<tr>
<th>Evaluation topic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>User-friendliness and appearance</td>
<td>Evaluation of the customer experience of the user-friendliness and appearance of a retailer’s online platform, including functionality and visibility of layout, originality of design, size of assortment, and user-friendliness. In addition, we have investigated the availability of mobile applications, both with and without purchasing functionality.</td>
</tr>
<tr>
<td>Order process</td>
<td>Evaluation of the customer experience of the order process at a retailer’s online platform, from locating a product with correct size/colour/functionality, adding the product to basket, and proceeding to check out.</td>
</tr>
<tr>
<td>Shipping</td>
<td>Evaluation of the number of shipping alternatives available for a customer at a retailer’s online platform, as well as customer experience of the shipping process, estimated delivery time, and actual delivery time.</td>
</tr>
<tr>
<td>Payment</td>
<td>Evaluation of the number of payment alternatives available for a customer at a retailer’s online platform, as well as customer experience of the payment process.</td>
</tr>
<tr>
<td>Return policy</td>
<td>Evaluation of a retailer’s terms related to the refund of a good purchased online; number of days and cost of returning goods, as well as ability to get a full refund.</td>
</tr>
<tr>
<td>Customer relations</td>
<td>Evaluation of how a retailer handles their customer relationships through customer service and support, through providing loyalty programs and the ability for customers to register a personal account online (“my site”).</td>
</tr>
</tbody>
</table>
Overall, Finland seems to be the country online retailers in the Nordics should look to for best practice. However, the study also shows that the overall level in the Nordics is by far not good enough to impress the consumers conducting this study. As a takeaway, the key areas of which the respondents seem dissatisfied, are originality, availability and convenience. In these areas, there is still room for improvement in order to create a more seamless shopping experience for consumers. In addition, the modern consumers are increasingly expecting products to be available nearly anywhere and anytime, without additional costs or hassles. The consumers are increasing their expectations in all parts of the shopping experience, from the research stage and all the way to goods receipt. Therefore, it is crucial for online retailers to capture the attention and meet the expectations of the consumers both before and after the actual purchase, as well as being proactive in meeting the continuously developing demands.

The overall level in the Nordics is by far **not good enough** to impress the consumers.
Overall scores

Finnish retailers receive the highest overall score of all retailers evaluated throughout the study. Six out of the top eight retailers are Finnish, equivalent to 75%. The retailers tested in Finland by Finnish consumers have a total score average of 15.9 points, which is almost 1 point more than the overall average of 15 points. In comparison, Danish retailers have received an average total score of 13.6 points. It is worth mentioning that the maximum total score possible is 30, meaning that even the country with the highest average score still scores rather low with 15.9 out of 30 points.

Even though Finland shows best overall performance, this country has the largest spread between the retailers’ performance. It is the home of the two retailers that received the highest overall score as well as one of the retailers in the bottom range. The top performing retailers are found in the sub-sectors Consumer electronics, and Pharma, Health and Beauty. The retailer that received the lowest score of all retailers is a retailer within Home and Interior.

The distribution in each country differs, and ranges between a total score of 7 and 23. Denmark has the lowest spread between the retailers, where the minimum score received is 8 and the highest score received is 19. Norway is the country with the most even distribution of total scores, where 13 out of 30 retailers received a total score of 16 points, equivalent to 43% of the Norwegian retailers.

User-friendliness and appearance

Denmark is the country that has the most retailers with a score of 4 in User-friendliness and appearance, where more than half of the retailers were perceived to perform at a high level. 16 out of the 25 retailers received a score of 4, equal to Good, in this country. The average is, however, greatly reduced by some retailers with low scores, which results in an average score of 2.6 points for the Danish retailers. Norway received an average score per topic of 2.8 points, highest within this topic, and Swedish and Finnish retailers scored an average of 2.6 and 2.5 points.

Within the topic User-friendliness and appearance, the respondents have evaluated how the retailers are perceived in regards to layout, originality, and assortment on their e-commerce platforms. Retailers in Denmark received high scores on layout and assortment but were perceived to be less original than the other countries. The Danish retailers are scored as the least original online shops, with an average of 1.4 points, equal to a rating between Very bad and Bad, followed by Sweden, with an average score of 1.9. The most original retailers were found in Norway, where the average score for originality was 2.4 points out of a maximum score of 5. As none of the countries received an average score close to the top score, it appears as if the retailers in the Nordic region could benefit from being even more innovative when designing and structuring their online shops.
In addition to scoring high on originality, Norway also received the highest average score on layout among the countries, with an average of 3.9 points out of a maximum of 5 points. Although these factors are subjective and depending on the respondent’s preferences, the retailers have been evaluated in comparison to each other as well as by respondents with previous experience within online retail. When considering making changes within this topic on their platforms, the retailers need to keep in mind that many customers use their smartphone or some other mobile device during the shopping process and, hence, the platform should be tailored to fit different screens and not only the conventional format of a computer screen. In addition, it could be beneficial for retailers to offer the consumers mobile applications.

Order process

In Denmark, none of the retailers received a score higher than 3 on Order process, out of a maximum of 5 points. In Finland and Sweden, the majority of retailers achieved a score of 3 or above, indicating that these two countries are better in regards to providing the customer with an easy, intuitive and functional process of finding the products of interest, adding these to basket, and proceeding to checkout. Finland displays the highest average score among the Nordic countries with 2.9 points, closely followed by Sweden and Norway with 2.8 and 2.7 points. The Danish retailers received an average of 2.4 points, making Denmark the country with the lowest average score. As the conversion rate in e-commerce tends to be rather low, it is crucial for online retailers to give the consumer a pleasant order process in order to avoid losing them on their way to checkout and order placement.

Shipping and payment

It is essential for the retailers to consider how they charge for and distribute the customers’ purchased goods to stay competitive, as delivery time and flexibility is likely to be of increasing importance during the coming years.

Shipping and payment alternatives

Online retailers in Sweden have the lowest number of shipping alternatives available for their customers, with an average of 2.74 shipping alternatives. In the top, with an average of 4.63 shipping alternatives available, are Norwegian retailers. Finnish and Danish online retailers are placed in-between, offering on average 3.62 and 3.32 shipping alternatives. One alternative for collecting goods purchased online is Click and collect, which can be an effective fulfilment method for strengthening the omni-channel experience. Click and collect is characterized by placing an order online and picking the product up at one of the retailer’s physical stores. The share of retailers offering Click and collect is largest in Denmark where 88% of the retailers that have physical stores offer this. Sweden is the country where least retailers offer Click and collect as it is only offered by 59% of the studied retailers that have physical stores.

Swedish retailers offer the most payment alternatives, with an average of 4.48 alternatives, closely followed by Norwegian retailers with an average of 4.27 alternatives. The Swedish average is nearly two alternatives more than what the average online retailer in Denmark offers, which is 2.64 alternatives and the lowest average number of payment alternatives offered among the four countries. Finland has an average number of 3.62 payment alternatives, placing them between Norway and Denmark.

Sweden is the country where most retailers offer a price match, with a share of almost half of the retailers offering this. Price match can be explained as a retailer matching their price of a good with that of another retailer, if the same good can be found at another retailer at a cheaper price. In Denmark, on the other hand, only one out of 25 retailers offers price match on its products.

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4 “Future of Nordic Retail 1st edition,” EY, 2017
5 “Future of Nordic Retail 1st edition,” EY, 2017
Shipping costs
Throughout the study, the respondents have purchased goods at a set price between US$10 and US$30, as well as chosen the shipping alternatives with the lowest cost. Some of the online retailers offer free shipping, meaning that the total cost of the shopping process never exceeded the maximum of US$30. However, some of the online retailers are charging the customers high fees for shipping the goods. The table shows the average purchasing price and shipping cost per country, including the retailers offering free delivery.

Norway has the highest average shipping cost per purchase, with an average of US$5.71. The country with the lowest, average shipping cost is Sweden, with an average of US$2.44 per purchase. This is probably because Sweden is the country where free delivery is most common.

In total, 16% of the retailers offer free delivery. Free delivery without constraints are by far most common in Sweden where 37% of the studied retailers offer free delivery. The corresponding share in Denmark, Norway and Finland is 12%, 7%, and 5%, respectively. However, it is more common to offer free delivery if certain conditions are met. Another 51% of the retailers offer free delivery if some requirements are fulfilled. Most common is a minimum spend but it can also be a minimum order quantity, or that free delivery is only applicable for certain products. Here, Denmark and Norway has a share of 64% and 63% of retailers offering free delivery under certain circumstances. The corresponding share in Sweden is 52% and Finland is again the country with the lowest share, 19%.

### Average US$ Purchasing price and Shipping cost

<table>
<thead>
<tr>
<th>Country</th>
<th>Average US$ Purchasing price</th>
<th>Average US$ Shipping cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>16.88</td>
<td>3.54</td>
</tr>
<tr>
<td>Finland</td>
<td>14.77</td>
<td>3.36</td>
</tr>
<tr>
<td>Norway</td>
<td>14.48</td>
<td>5.71</td>
</tr>
<tr>
<td>Sweden</td>
<td>17.42</td>
<td>2.44</td>
</tr>
<tr>
<td>Average</td>
<td>15.89</td>
<td>3.85</td>
</tr>
</tbody>
</table>

Delivery time
One important aspect for customers when purchasing goods online is delivery time. According to a study about Nordic e-commerce conducted by the Nordic distribution company PostNord, the average consumer in the Nordic countries has a tolerance of waiting maximum 3.6 business days to receive the goods. Danish customers are the least patient customers, tolerating only 3.1 business days and Norwegian customers have the highest tolerance level with 4.2 business days. 92% of all the online retailers included in this study have information about delivery time on their website and the average stated delivery time in the Nordic region is within 4.4 days with the least expensive shipping alternative. This means that the average online retailer in the Nordics has a longer delivery time than what is tolerated by the average customer. Swedish retailers state they will deliver within an average of 3.4 days. Finnish retailers, in comparison, are stating that the orders will be delivered within an average of 5.4 days. Norway and Denmark have averages of 4.8 and 4.2 days.

The actual delivery time, on the contrary, is much different from the delivery times stated by the retailers. On average, Swedish retailers delivered the orders within an average of 3.7 days, whilst the average were 3.1 days for Danish retailers, 3.7 days for Finnish retailers, and 3.8 days for Norwegian retailers. However, the order from one of the Norwegian retailers was never received by the customer and has not been included in the calculated average. Sweden is the only country of which the average actual delivery time is longer than the average promised delivery time. However, the Swedish retailers are still delivering the orders faster than the Norwegian retailers. The average, actual delivery time for the whole Nordic region is 3.6 days. It is crucial that retailers review their delivery time since, according to a study about the future of Nordic retail, 80% of industry experts believe that “[…] within ten years a majority of online purchases will be sold with an offer of delivery within two hours (perhaps with an additional cost)”.

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7 “Future of Nordic Retail 1st edition,” EY, 2017

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In total 16% of the retailers offer free delivery
“[…], within ten years a majority of online purchases will be sold with an offer of delivery within two hours”
Return policy
On the online retailers’ websites, the respondents have collected information about the retailers’ return policies. Approximately 41% of all retailers offer free return on the orders. Finnish retailers are the most likely to offer free return, as 67% of all the retailers evaluated from this country offer this to their customers. This means that only every third retailer will charge the customer for returning the orders in this country. Finland is followed by Sweden (52%) and Norway (33%). The country with the lowest share of retailers offering free return is Denmark, where only 16% has stated that the return is free of charge. It might be a good idea for the retailers in the other countries to follow the example of Finland and be more generous with offering free return as 4 out of 5 of the Nordic customers want free return.

Some retailers in this study go beyond the regulation and offers a more generous number of return days than the minimum of 14 days. The average number of return days in the Nordics are 31.2 days. This average excludes three online retailers of which the return days’ limitation is not given, and one of the Danish retailers that offer unlimited returns. The retailers that does not state their return days all belong to the sub-sector Groceries and Convenience, and as stated above, the law regulating the minimum days of return does not necessarily hold for many of the goods provided by these kind of retailers. Additionally, the EU directive also state that the days of return should be clearly communicated to the customer. Therefore, the policy should be stated on the website regardless of the nature of the goods.

As part of the retailers’ return policies, the returns are limited by a return deadline. The least number of days of which the customer can return purchased goods are restricted by regulations from the European Union (EU) and European Economic Area (EEA). The EU directive concerning consumer rights declares that products purchased through a distance agreement must have a return policy of at least 14 days after the customer has received the product. However, some products such as goods and drinks that are delivered to the customer through a subscription and products with a short shelf life are excluded from this policy. The same regulations applies in EEA and, hence, in Norway.

Swedish and Danish retailers have an average number of return days above the Nordic average, with 42.7 and 34.6 days. Norway and Finland follow with averages of 28.3 and 17.2 days. Due to the nature of the goods, the number of return days will not be comparable between the different sub-sectors as durable goods will have a longer lifetime than, for instance, groceries. However, the share of retailers within each sub-sector is balanced in each of the countries and the overall country averages will therefore show valuable insights in this area. From a consumer standpoint, the length of time for returning goods is of importance when purchasing online, and it seems as retailers in Norway and Finland could learn from retailers in Sweden and Denmark.

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Only 41% of all retailers offer free return on the orders.

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Customer relations
Just above half of all the Nordic retailers evaluated have stated that they have a customer loyalty program. The average is mostly driven by Finnish retailers, where 67% offer their customers membership in a loyalty program. The country with the lowest share is Sweden, where 44% of the retailers offer their customers the possibility of joining a loyalty program. In Denmark the corresponding share is 52% and in Norway it is 50%. It is safe to say that collecting customer data is increasingly important in today’s market and there might be an even larger potential in the Nordic region to further utilize the data available. One way for retailers to do this is to offer a membership to get to know their customers better.

Customer support service is also an important aspect of maintaining good customer relations. 82% of the Nordic customers state that having clear instructions on how to contact customer service is important. The most common support channel, where customers can contact the retailer for inquiries, is found to be through e-mail or online contact forms. A total of 90% of the retailers in the Nordic region have either an e-mail address or a contact form available on their website for the customer to get in touch with the retailer.

Sweden is the country with the highest share of retailers offering this contact channel, with a share of 96%. In Finland, however, one out of five retailers does not offer this. Finnish retailers also have a lower share of retailers offering phone support compared to the other countries, with a share of 62%. Phone support is the second most common support channel in the Nordic region, with a share of 86%, but it is the most common support channel in Denmark, where 96% of the retailers offer this. The least common channel in the Nordics is online chats, and only 26% of all retailers offer this functionality. However, 38% of the retailers in Finland provide this functionality online, which is well above Sweden and Denmark, where the shares are 19% and 20%. In Norway, 30% of the retailers offer online chats for customer support services. With the consumers increasingly expecting their shopping experience to be available anywhere and at any time, response time is expected to be shorter than before. It can therefore be questioned whether phone and e-mail support are still fit for purpose, as these are often associated with longer waiting time. Functionality such as chatbots and chat support are increasingly being offered to meet the customer needs straight away and could potentially have a positive effect on the customer experience and lead to higher conversion rates within online retail.

After having compared the overall performance of e-commerce in the four Nordic countries, the following section will outline the evaluation of retailers within the different sub-sectors and how these perform in relation to each other.

When looking at the scores for all sub-sectors, the Pharma, Health and Beauty and Books sub-sectors are in the top. Hence, other sub-sectors could benefit from looking to these sub-sectors when improving their e-commerce platforms and offerings. However, it appears as if the retailers in the analyzed sub-sectors have focused on developing different parts of the customer experience in the purchasing process as the sub-sectors that perform well differ between the evaluated topics. It can therefore be confirmed that the hypothesis stating that there would be differences between the sub-sectors is true.

Online purchasing of Groceries and Convenience and Books are in the forefront when it comes to User-friendliness and appearance. These sub-sectors also have the highest percentage of retailers offering mobile applications, hereafter referred to as apps, to their customers. In general, the percentage of retailers providing apps is low and especially with purchasing functionality. Consequently, all sub-sectors could therefore improve the usage of apps and especially include a purchasing functionality to increase the service level provided to their customers. This could also generate a higher conversion rate as 27% of the Nordic consumers used their mobile devices for online shopping in 2016\textsuperscript{13}. This channel opens up for other technology, such as beacon technology, and can increase the customer experience through customization and the creation of a seamless shopping experience.

For most retailers the processing time excluding shipping is two days or less. However, there is a large spread in most of the sub-sectors. The Groceries and Convenience sub-sector is in the forefront as all retailers only needed one day to process an order, not surprising given the nature of the products. The other sub-sectors could improve their lead times by looking at how the Groceries and Convenience sub-sector is processing and delivering their customers’ orders. Home and Interior has the highest visibility of order status before shipment with 89%. To improve the shopping experience further, retailers within all sub-sectors could make it easier for the customers to track and follow their order status.

Providing suitable shipping options is one of the key components of e-commerce and a trending delivery alternative provided by retailers is Click and collect. This emerging trend within retail will, according to industry experts, constitute 5% of total retail sales in 2019\textsuperscript{14}. However, only 77% of the retailers with physical stores in this study offer this feature. Books, Consumer electronics and Groceries and Convenience are the leading sub-sectors, as all retailers with physical stores within these sub-sectors provide Click and collect as a delivery option. Fashion is an outlier compared to the other sub-sectors with as few as 33% of the retailers with physical stores providing Click and collect, giving them strong potential in improving their shipping processes.

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\textsuperscript{13} “E-commerce in the Nordics 2017,” PostNord, 2017
\textsuperscript{14} “Future of Nordic Retail 1st edition,” EY, 2017
There are several shipping options available among the sub-sectors where Pharma, Health and Beauty, and Groceries and Convenience offer the most, with some retailers providing as many as seven delivery alternatives. A study shows that 80% of the Nordic online shoppers want to be able to choose where they pick up newly purchased goods. Therefore, it is important for retailers to make sure they can offer different shipping alternatives to be able to satisfy their customers.

When it comes to getting the purchased goods delivered without additional costs, only 16% of the retailers in this study offer free delivery. However, another 51% of the retailers will deliver the purchased goods free of charge if the customer spends a minimum amount or order a minimum quantity. Hence, it can be stated that the leading practice within retail e-commerce appears to be offering the customers free delivery but limit the offer to orders over a certain value or quantity. One reason for retailers offering free shipping can be to attract new customers and gain market shares, even though it might affect their profit negatively. Therefore, if the retailers limit free delivery to only apply to orders over a certain value, they can diminish the impact the loss of revenue attributable to shipping costs would have on their profit per order. However, offering free delivery regardless of order value might be a good strategy if the goal is to increase the number of customers and gain market shares, as the single most important factor for 98% of the Nordic customers that shop online is the total price.

The online shopper might risk that the purchased goods do not arrive within the promised delivery time. In our study, on average only 80% of the goods reach their buyer within the promised delivery time frame. This indicates that retailers, especially within the Books sub-sector who only managed to deliver 67% of the orders as promised, need to improve their distribution network.

In the next sections, we will outline the evaluations per sub-sector in more detail.

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Only 80% of the goods reach their buyer within the promised delivery time frame.
The Books sub-sector is one of the most developed and has the highest overall score together with the Pharma, Health and Beauty sub-sector.
Books

Within the sub-sector Books, six online retailers in the Nordics have been evaluated. Among the different sub-sectors, e-commerce of this sub-sector is one of the most developed and has the highest overall score together with the Pharma, Health and Beauty sub-sector. Books is in the forefront when it comes to User-friendliness and appearance and Shipping compared to the other sub-sectors. The only parameter where the Books sub-sector lag behind is in regards to payment alternatives. The retailer with the highest score within this sub-sector received a score of 21 out of the maximum 30 points, which is perceived as a score between Neither bad, nor good and Good. The poorest performing retailer received a score of 13 out of a maximum 30 points, giving an average score of 2.2 points per topic, which is closer to being perceived as Bad rather than Neither bad, nor good.

User-friendliness and appearance within the Books sub-sector is perceived as high and 67% of the studied retailers provide their customers with apps to showcase their products. However, none of these retailers offer their customers the possibility to purchase products through their app. In terms of layout and assortment, where the scores in general are high throughout all sub-sectors, the Books sub-sector is considered as one of the best. While the parameter originality scores higher compared to the general average (score 1.9), the score is still low (score 2.17).

It is possible to track an order before shipment in 83% of the e-commerce sites within the Books sub-sector, which is above the average of 78% for all sub-sectors in total. The whole Order process is perceived as being slightly better than average among the sub-sectors (score 2.8 compared to the overall average score of 2.7). All retailers except one used one day to process the order. The exception needed five days to process the order. Overall, the Shipping process within Books is perceived as leading among the sub-sectors. All of the retailers in the Books sub-sector that have physical stores (83%) provide the option of Click and collect. However, the Books retailers offer two to four shipping options and have an average delivery time of 4.3 days, which is longer than the overall average (3.6 days). Additionally, only 67% of the orders were delivered within promised delivery time, which indicates that the Books sub-sector has less dependability than the other sub-sectors, as the total average is 80%. In regards to free delivery, 17% of the retailers within the Books sub-sector offer free delivery regardless of order value. However, another 67% of the retailers offer free delivery if the customer fulfils the requirement of purchasing goods to a minimum value of between US$12 and US$79.

The Books sub-sector provides between two to six Payment options where credit card and invoice payments are the most common, with an average of 3.5 options.

Return policy within the Books sub-sector is considered slightly above the total average for the evaluated retailers. Similar to most sub-sectors, 50% of the retailers in the Books sub-sector offer free return within 14-30 days with an average of 19 days of refund offered to customers.

Customer relations within the Books sector is perceived in the middle range among all sub-sectors. All Books retailers provide phone and e-mail support, and offer personal sites (“my site”) on their e-commerce platforms for customers. Five out of six retailers offer their customers to be part of a loyalty program, which is among the highest of all the sub-sectors.

Five out of six retailers offer their customers to be part of a loyalty program, which is among the highest share of all sub-sectors.
Only 7% of the retailers within Consumer electronics have a mobile application available where the assortment can be viewed.
Consumer electronics

The Consumer electronics sub-sector consists of 14 online retailers. This sub-sector is scored below average, especially when it comes to User-friendliness and appearance. The only parameter where the sub-sector is scored above average is Payment process. The highest performing retailer within Consumer electronics has a total score of 23 out of a maximum score of 30 points, equal to an average score per topic of 3.8, which is close to being perceived as Good. The three poorest performing retailers have all received a total score of 12 out of a maximum 30 points, giving an average score per topic of 2 points, which is equivalent to being perceived as Bad.

Layout, assortment and originality on the Consumer electronics e-commerce platforms are perceived in the bottom range compared to the other sub-sectors. However, even though assortment is placed in the bottom range compared to the other sub-sectors, it is still considered Good, as is the case for all sub-sectors. Only 7% of the retailers within Consumer electronics have an app where the assortment can be viewed. This is the lowest percentage among the sub-sectors compared to the total average (36%). Furthermore, neither of the analyzed retailers in the Consumer electronics sub-sector offer purchasing functionality in their app.

The Order process of retailers within the Consumer electronics sub-sector is perceived slightly below average and has, with a processing time of between 1 to 12 days per order, the largest spread of processing time among the sub-sectors. However, 71% of the retailers have a processing time of two days or less, meaning that a few retailers within this sub-sector are performing significantly worse than their competitors. 79% of the retailers offer the possibility to track the order before shipment, which is in line with the total average of 78%.

In general, the Shipping process is scored lower than the total average for all analyzed retailers. 86% of the retailers in the Consumer electronics sub-sector have three or less shipping options. However, this sub-sector is among the top sub-sectors in regards to offering their customers a Click and collect delivery solution.

Furthermore, 79% of the retailers within this sub-sector delivered the product within the promised delivery time. The delivery time varied from one to ten days, with an average of 4.9 days, which is the slowest average delivery time compared to the total average of 3.6 days. Consumer electronics is also below average in regards to offering free delivery as only 14% of the retailers offer this without any constraints. However, if the customer purchases goods for a minimum value of between US$127 and US$309 the customer can get free delivery from 50% of the retailers in the sub-sector. The minimum order value is fairly high in relation to the price characteristics for the Consumer electronics sub-sector as the expected order values for the sub-sector differ a lot, both within product types and between brands. It can therefore be stated that in most cases, free delivery is not offered.

The Payment process is considered as being in the top range among all the sub-sectors. Retailers within Consumer electronics provide between one and six payment alternatives, with an average of 3.4.

The Return policy for the Consumer electronics sub-sector is perceived lower than average. 50% of the retailers offered free returns and have return policies between 14 and 60 days with an average of 22 days. As this sub-sector offers mainly durable goods, it could be questioned whether customers would expect this average to be longer.

Customer relations within Consumer electronics is perceived slightly below average among all sub-sectors. Most retailers provide e-mail or a contact form for customer support. However, in this sub-sector only 71% provide that to their customers, which is lower than the total average of 90%. Instead, the trend within Consumer electronics seems to be, which is in line with the total average, to provide phone support as it is provided by 86% of the retailers. All retailers provide a personal site for their customers (“my site”) but only 21% offer their customers to be part of a loyalty program, considerably lower than the total average of 52%.

71% of the retailers have a processing time of two days or less, meaning that a few retailers within this sub-sector are performing significantly worse than their competitors.
The Order process within Fashion is perceived easier than for the whole retail sector.
Fashion

The Fashion sub-sector consists of 17 retailers in the Nordics, and is scored slightly above average when it comes to the overall score. The sub-sector seems to have a better developed Order process, Return policy and Payment process than the retail sector in general. However, Customer relations is scored slightly below average and User-friendliness and appearance is perceived at the bottom scale. The retailer with the highest score within this sub-sector received a score of 20 out of the maximum 30 points, giving an average score per topic of 3.3 points, which is perceived as a score between Neither bad, nor good and Good. The poorest performing retailer received a score of 8 out of a maximum 30 points, giving an average score of 1.3 points per topic, which is closer to being perceived as Very bad rather than Bad.

Within User-friendliness and appearance, Fashion retailers are perceived below average of the retail sector in terms of assortment, originality and layout. However, there is a large spread between the Fashion retailers when it comes to how the layout is perceived. Only a third of the retailers offer an app where the assortment could be viewed. However, in 80% of these apps the customers can buy their goods directly, which is far above the total average of the studied retailers (27%), putting these Fashion retailers in the forefront when it comes to providing purchasing functionality for their customers. The remaining 20% of Fashion retailers, that do not offer apps where purchases can be made, could improve their competitive edge by implementing this.

The Order process within Fashion is perceived easier than for the whole retail sector. For 76% of the retailers within this sub-sector it is possible to track the order before shipment. The processing time from order to shipping varies between 0.5 to 2 days. Only 12% require the customer to create an account when placing an order, making the order process less complex and time consuming than for those retailers who require this.

The number of Payment alternatives varies between 2 and 7 within the Fashion sub-sector. However, 65% of the retailers offer three or less alternatives. The most common alternatives are direct card payment, invoice and down payment (payment account), which the respondents perceive as mandatory alternatives in order to satisfy most consumers.

There is no clear correlation between the retailers providing a large number of Payment alternatives and a large number of Shipping options. Shipping options varies from 1 to 5 alternatives with an average of 2. The most common alternatives are standard postal service and home delivery. 53% of the retailers studied within Fashion have physical stores, which is the lowest share among the sub-sectors. Only 33% of the retailers with physical stores provide store pick up, making the Fashion sub-sector lagging behind in terms of offering Click and collect as it is far below the total average of 77%. The promised delivery time varies between 2 to 7 days, and the majority of the retailers deliver in the lower range.

53%

of the retailers offer free return, in comparison to the total average of 41%

Free delivery is offered by 18% of the retailers within Fashion regardless of order value, which is just above the total average of 16%. However, additionally 59% of the studied Fashion retailers offer free delivery if the order value reaches a required minimum spend ranging between US$37 and US$86. If the minimum order values in the Fashion sub-sector are compared to those in the Consumer electronics sub-sector, the values in the Fashion sub-sector appear to be closer to what can be thought of as an expected order value, as an order of around the median minimum order value of USD$63 probably is fairly common. Therefore, even though only 18% of the retailers within the Fashion sub-sector offer free delivery regardless of order value, the customer will in most cases get free delivery from 76% of the retailers due to the expected order value within the sub-sector.

The Return policy varies between 14 to 100 days of return, where 53% of the retailers offer free return. This is better than the total average of 41%, where a majority of the analyzed retailers do not offer their customers free returns.

Only 35% of the Fashion retailers have a loyalty program for their customers compared to the total average of 52%. 71% of the retailers offer personal customer sites (“my site”) on their e-commerce platforms, which is also lower than the total average of 86%. Customer relations within the Fashion sub-sector is scored 2.1, which is corresponding to being evaluated as Bad and lower than the total average of 2.3. All retailers within the Fashion sub-sector provide e-mail or contact form support and most also offer phone support. However, only 6% provide a support chat function on the website, whereas the total average in the retail sector is 26%.
Groceries and Convenience has the shortest processing time, with only one day, compared to the total average of 1.6 days.
Groceries and Convenience

The sub-sector Groceries and Convenience consists of seven retailers and is overall perceived on average among the sub-sectors. The sub-sector is in the forefront when it comes to User-friendliness and appearance, and Customer relations. However, the sub-sector lags behind when it comes to Return policy and Payment process. The retailer with the highest score within this sub-sector received a score of 20 out of the maximum 30 points, giving an average score per topic of 3.3 points, which is perceived as a score between Neither bad, nor good and Good. The poorest performing retailer received a score of 9 out of a maximum 30 points, giving an average score of 1.5 points per topic, which is equal to being perceived as in between Very bad and Bad.

In terms of User-friendliness and appearance, both layout and assortment are perceived far above and originality slightly above the total average. However, none of the retailers within Groceries and Convenience received the highest score within any of the parameters. Groceries and Convenience is the sub-sector with the highest app availability as 86% of the retailers offer apps compared to the total average of 36%. In 50% of the available apps the customers have the possibility to purchase products directly.

The Order process for Groceries and Convenience retailers is perceived on average compared to the whole retail sector. It is only possible to track the order before shipment on 57% of the platforms. However, the sub-sector has the shortest processing time, with only one day, compared to the total average of 1.6 days.

All retailers offer one to three Shipping options except one retailer offering seven alternatives. 71% of the studied retailers have physical stores and all of them offer Click and collect as a delivery option. This makes Groceries and Convenience, together with Books and Consumer electronics, the sub-sector with the highest share of retailers with physical stores that provide this trending delivery option. In 86% of the cases the products were delivered within promised delivery time, which vary from one to three days, with an average of 1.9 days. This is the fastest delivery range among all sub-sectors, which might not be surprising given the nature of the products. None of the retailers evaluated offer free delivery to their customers, which puts Groceries and Convenience in the bottom in regards to providing shipping service without additional costs. However, 57% of the retailers offer free delivery for orders with a minimum quantity or value. The minimum value ranges between US$185 and US$191, which is among the highest order value required among all the sub-sectors.

The Groceries and Convenience sub-sector has the lowest range of Payment alternatives, with a variation from one to three options, where only a few offer as much as three alternatives.

Return free of charge is only offered by 14% of the retailers within the Groceries and Convenience sub-sector, whereas the total average is 41%. 60% of the retailers offer 14 days free return and 40% no return at all.

The Groceries and Convenience sub-sector is considered as having the best Customer relations among all sub-sectors, which could be explained by the fact that 86% of all retailers analyzed have established loyalty programs for their customers, the highest percentage of loyalty programs among the analyzed sub-sectors (total average is 52%). The Groceries and Convenience retailers also offer a spread of customer support options where a majority of them have phone, chat, and e-mail support.
94% of the retailers with physical stores offer Click and collect.

Retailer scores within Home and Interior

Each bar illustrates the total score for one of the retailers in the Home and Interior sub-sector, split on the scores given for each of the evaluation topics.
Home and Interior

The *Home and Interior* sub-sector consists of 18 retailers and is perceived as one of the least customer friendly sub-sectors. It performs below average on all parameters except in User-friendliness and appearance, where it performs on average. The sub-sector could seemingly improve its performance by learning from other sub-sectors within e-commerce, especially in terms of the Ordering process, Shipping, Return policy, and Payment process. The retailer with the highest score within this sub-sector received a score of 18 out of the maximum 30 points, giving an average score per topic of 3 points, which is perceived as a score of *Neither bad, nor good*. The poorest performing retailer received a score of 7 out of a maximum 30 points, giving an average score of 1.2 points per topic, which is closer to being perceived as *Very bad* rather than *Bad*.

One element within User-friendliness and appearance, layout, is perceived above average. In terms of the assortment and originality range, the sub-sector is scored below average. Only 22%, which is in the bottom range, provide an app to their customers and of those, only 25% have a purchasing functionality. The equivalent percentages for all analyzed retailers are that 36% provide an app and 27% include a purchasing functionality.

The Order process within *Home and Interior* has the lowest score of all the sub-sectors compared. The sub-sector does, however, have the highest percentage of retailers (89%) that offer their customers the possibility to track the order status before shipment, compared to the total average of 78%. The processing time had a spread between 0.5 to 6 days, but only 11% of the retailers had a lead time exceeding one day.

94% of the studied retailers have physical stores and 94% of them offer Click and collect, placing *Home and Interior* retailers in the forefront when it comes to offering store pick up as a delivery option. This might be explained by the size of the products within this sub-sector. Most of the retailers offer between two and four Shipping alternatives but the spread within the sub-sector varies between one to six options. The delivery time is in the higher range among the sub-sectors, with an average four days, and only 72% of the products are delivered within expected delivery time, lower than the total average of 80%. None of the retailers within *Home and Interior* offer free delivery. However, if the customer places an order of a value ranging between US$37 and US$95, 50% of the retailers will ship the order without additional costs.

The number of Payment options is ranging from one to six with an average of 2.5 options. This means that several of the retailers would not offer the three most common alternatives of direct card payment, invoice, and down payment.

All retailers have a Return policy of either 14 or 30 days except one retailer offering unlimited return. Only 2 out of 18 retailers, however, offer free return, which is the lowest percentage among the sub-sectors where the total average is 41%. Again, the physical characteristics of the items sold could be the reason for this.

With regards to Customer relations, 56% of *Home and Interior* retailers offer loyalty programs to their customers. This is close to the average for the whole retail sector (52%). Most of the retailers provide phone and e-mail support but 28% also offer chat support, which is slightly above the total average of 26%.
69% of the retailers have loyalty programs for their customers, which is in the top range among the sub-sectors.
Mixed Retail

Within the Mixed Retail sub-sector 13 retailers in the Nordics have been evaluated. The Mixed Retail sub-sector has a low total score but is scored slightly above average in terms of Payment process (2.6 points). The retailers, however, lag behind in regards to User-friendliness and appearance where the score is 2.4 compared to the total average of 2.6. The retailer with the highest score within this sub-sector received a score of 22 out of the maximum 30 points, giving an average score per topic of 3.7 points, which is perceived as a score closer to Good than Neither bad, nor good. The poorest performing retailer received a score of 8 out of a maximum 30 points, giving an average score of 1.3 points per topic, which is closer to being perceived as Very bad rather than Bad.

Within User-friendliness and appearance of the Mixed Retail sub-sector, both layout and originality are perceived below average while assortment performs slightly above. Apps are offered by 38% of the retailers within Mixed Retail. However, none of the retailers offer an app with purchasing functionality. With the ongoing digitalization and an increasing number of consumers using their mobile devices to make purchases, this could be seen as an area for the sub-sector to improve the perceived user-friendliness.

The score for the Order process, 2.7 points, is equal to the average for the whole retail sector. It is possible for the customers to track their orders before shipment with 85% of the retailers, which is slightly above the average of 78%. The processing time between order and shipment varies from one to five days, where 15% of the retailers had a longer lead-time than two days.

Due to the different nature of the products within the Mixed Retail sub-sector, the Shipping process could differ based on the items purchased. Most of the retailers offer between three to six Shipping options, but some retailers only provided one or two alternatives. Expected delivery time ranges between one to nine days. Only 77% of the retailers were able to deliver on time and one company never delivered the purchased product. The delivery option Click and collect is offered by 64% of the retailers in Mixed Retail with physical stores. In regards to offering free delivery, the Mixed Retail sub-sector is in the bottom range. Only 8% of the retailers offer free delivery. However, if the customers choose to spend a minimum of between US$32 and US$177 they will get their goods delivered without additional costs from 54% of the retailers.

The Payment process is considered as being in the top among the sub-sectors and the retailers provide the customers with one to five payment solutions, with an average score of 2.8 points.

Half of the retailers offer free return of the products and the Return policy varies between 14 to 365 days, where almost 40% of the retailers have a longer return time than 14 days.

Customer relations are perceived slightly above average for the Mixed Retail sub-sector. All of the retailers provide a personal site for their customers (“my site”) as well as support via e-mail or a contact form. Phone support is also offered by 77% and 46% provide a chat support function. 69% of the analyzed retailers have loyalty programs for their customers, which is in the top range among the sub-sectors where the average percentage of retailers offering loyalty programs is only 52%.

Only 77% of the retailers were able to deliver on time and one company never delivered the purchased product
Retailers in Pharma, Health and Beauty are considered to build strong relations with their customers.
In the Pharma, Health and Beauty sub-sector, 17 retailers in the Nordics have been evaluated. These retailers have e-commerce platforms that are in the forefront when it comes to the overall score, performing at the same level as the Books sub-sector. Generally, the Order process and Customer relations provided by these retailers are in the top of the retail sector in this study. The Pharma, Health and Beauty sub-sector only performs slightly below average when it comes to Return policy. The retailer with the highest score within this sub-sector received a score of 23 out of the maximum 30 points, giving an average score per topic of 3.8 points, which is perceived as a score close to Good. The poorest performing retailer received a score of 8 out of a maximum 30 points, giving an average score of 1.3 points per topic, which is closer to being perceived as Very bad rather than Bad.

Within User-friendliness and appearance, assortment, layout and originality are perceived slightly above the total average. 53% of retailers within Pharma, Health and Beauty offer an app to their customers, of which only 22% have a purchasing functionality. The total average of retailers offering an app is 36%, 27% of which include a purchasing functionality.

The sub-sector’s Order process is considered the best among the sub-sectors and has a processing time between 0.5 to 2 days. Meanwhile, only 76% of the e-commerce platforms within this sub-sector offer the possibility to track the order before shipment, which is just below the average of 78%. Hence, retailers in this sub-sector could benefit from improving and emphasizing the order visibility in their e-commerce platform.

The Pharma, Health and Beauty sub-sector is considered among the best in regards to the Shipping process. Most of the retailers offer three to six delivery options, where a few only offer two alternatives and one retailer offers as much as seven options. Average delivery time for the sub-sector is almost three days, which is the second shortest delivery time compared to all sub-sectors. The promised delivery time within the Pharma, Health and Beauty sub-sector varies between two to seven days and 82% of the orders were delivered on time, which is in line with total average of 80%. Click and collect is offered by 64% of the retailers with physical stores, which is below the total average of 77%. The retailers within Pharma, Health and Beauty are the ones most likely to offer free delivery without constraints to their customers. Free delivery is provided by 35% of the retailers and if the order value reaches a minimum of between US$25 and US$61, another 47% of the retailers offer free delivery. This could potentially be explained by the often small size and light weight of these products.

The sub-sector further performs in the top range in terms of the Payment process compared to the other sub-sectors. One reason could be the high average of payment options, which is above four.

The Return policy is considered slightly below average, 82% of the retailers within this sub-sector offer 14 days return and the remaining 18% offer 30 days. This is, after retailers within Groceries and Convenience, the shortest return deadline, which could be explained by the nature of the offered products. Only 29% of the retailers within the Pharma, Health and Beauty sub-sector offer their customers free return, which is below the total average of 41%.

The sub-sector is considered to build strong Customer relations and is, together with Groceries and Convenience, in the forefront of this parameter. Almost all retailers offer a personal site for their customers (“my site”) on their e-commerce platforms. The sub-sector is slightly above the average for the retail e-commerce market with 59% of the sub-sector offering loyalty programs to customers. Additionally, most of the retailers are supporting their customers by e-mail or phone but only 12% offer a chat function, which is lower than the total average of 26%.
Less than half of the retailers offer loyalty programs, which is below average.
Sports

The Sports sub-sector consists of 11 retailers from Sweden, Norway, Denmark and Finland. Together with the Fashion sub-sector, Sports have the highest score when it comes to Return policy. However, the sub-sector shows the lowest score in regards to Customer relations. The retailer with the highest score within this sub-sector received a score of 21 out of the maximum 30 points, giving an average score per topic of 3.5 points, which is perceived as a score between Neither bad, nor good and Good. The poorest performing retailer received a score of 11 out of a maximum 30 points, giving an average score of 1.8 points per topic, which is closer to being perceived as Bad rather than Very bad.

E-commerce retailers within the Sports sub-sector are perceived as being in the front when it comes to layout and originality, within the User-friendliness and appearance topic but they lag behind in regards to assortment. Only 27% of the retailers offer an app and none of the apps provide purchasing functionality. Among all the analyzed retailers, 36% offer an app, 27% of which have a purchasing functionality. Hence, this is an area that could be further developed for the retailers within Sports to facilitate customers’ shopping.

The Order process is perceived on average compared to all sub-sectors. It is only possible to track the order status before shipment on 64% of the e-commerce platforms, which is lower than the total average of 78%. The processing time differs between 0.5 to 3 days, where one retailer used three working days to process the order.

The retailers offer between two to five Shipping options and the shipping process for the sub-sector is considered slightly above average, with a score of 2.6 compared to the total average of 2.4. The spread in expected delivery time is large and varies between two to ten days where nine out of eleven retailers delivered within promised delivery time. Click and collect is offered by 75% of the retailers that have physical stores, which is just below the total average of 77%.

27% of the e-commerce retailers within Sports offer free delivery, which is the second highest percentage after Pharma, Health and Beauty. However, additionally 64% of the retailers offer free delivery with the requirement that the order must reach a minimum value of between US$37 and US$126. The minimum order value has a median of US$125, which can be considered as a fairly high expected order value, and thus, free delivery in the sub-sector Sports should be considered as beyond the usual offerings.

Payment process for the Sports sub-sector is considered above average and 73% of the retailers offer four to six payment alternatives, whereof card payment and invoice are the most common. Some of the retailers also offer postponed payment as an option.

The Sports sub-sector has a market leading Return policy compared to the other sub-sectors. Free return is offered by 73% of the retailers, which is the highest percentage and far above the other sub-sectors, where the average is only 41%. The spread of number of days for within which products can be returned is large and differs between 14 to 364 days where they either have 14, 30, 100 or 364 days.

The Sport sub-sector scores the lowest in Customer relations. Less than half (45%) of the retailers offer loyalty programs, which is below the total average among the sub-sectors where the average is 52%. All retailers except one offer support via e-mail or a contact form. The retailer not offering support via e-mail or a contact form, offers chat support instead. 82% of the retailers also offer phone support.

Free return is offered by

73%

of the retailers within the Sports sub-sector
General challenges in e-commerce is perceived to be meeting the customer needs in terms of functionality, convenience and availability. The conversion rate in e-commerce is low and the probability of losing customers along the online shopping journey is high if the experience is not perceived to be satisfying.

Based on this, it is crucial for online retailers to meet the ever-increasing expectations of the customer. The hygiene factors within the e-commerce channel are quickly rising and it is no longer enough to meet the minimum requirements that were relevant a couple of years ago. Today consumers prefer to do their shopping nearly anywhere and at any time, and want convenience, availability and customized offerings, as well as free shipping, free returns, and fast and flexible delivery. Thus, e-commerce actors need to continuously develop and be innovative in order to differentiate themselves and capture and retain market shares.

During this study, the evaluations performed show that the overall level of Nordic e-commerce is low, as the average total score is 15 out of the maximum 30 points. This score is equal to a perception between Bad and Neither bad, nor good, which is lower than what could be perceived as satisfactory for Nordic consumers. Our first hypothesis of the quality of Nordic retailers having large improvement potential, can be confirmed.

We have also found that the online retailers in the Nordic region are similar in some areas and in others the difference between the retailers performing well, sometimes exceeding the expectations, and the lowest performing retailers, is significant. Based on this, the second hypothesis of this study is true, as there is a wide spread in the quality of online retailers, both in the different sub-sectors and in the different countries.

Nordic retailers are not the only ones competing for the consumers in the Nordic region any longer. It is becoming more common to purchase goods from international online retailers, meaning that the retailers in scope for this study not only compete with domestic or Nordic competitors, but also with competitors all around the globe. This means that even the highest performing retailers of this study would benefit from looking beyond the Nordics for leading actors within e-commerce.
Glossary

**App**: an application for mobile devices provided by the retailer where the customer can view the retailer’s assortment, with or without purchasing functionality.

**Assortment**: the size of the retailer’s assortment, evaluated from small to large in this study.

**Chatbot**: Automated service enabling customers to interact with the retailer through a chat interface.

**Click and collect**: the possibility to place an order online and pick up the product at one of the retailer’s physical stores.

**Customer relations**: how retailers handle their relationships with customers through customer service and by providing customer loyalty programs.

**Delivery time**: time from order confirmation is received to the order is available to the customer in pick up point/post office/mailbox, etc.

**Dependability**: the due delivery time minus the actual delivery time.

**Layout**: the layout of the e-commerce platform, evaluated on a scale from not appealing to very appealing in this study.

**Loyalty program**: a member club or similar loyalty program provided by a retailer where customers can enjoy some benefits and the retailer can gather data about their customers.

**Order processing time**: time from order is placed until order is confirmed and/or shipped to the customer.

**Order process**: process from entering the online shop until order is placed by the customer.

**Order visibility**: the traceability of the order after it has been placed.

**Originality**: the originality of the retailer’s e-commerce platform, evaluated from standard to very original in this study.

**Payment alternatives**: the different ways in which the customer can pay for the order.

**Payment process**: the process that the customer goes through to make payment for the goods.

**Price match**: when a retailer matches their price of a good with that of another retailer if the same good can be found at a cheaper price at another retailer.

**Return deadline**: the days within which an order can be returned to the retailer after the customer has received it.

**Return handling**: how easy it is to return purchased goods.

**Return policy**: the regulations stated by the retailer regarding under what circumstances, how, where, how long after the customers have received the order, and to what cost, goods can be returned.

**Shipping**: the way the purchased goods are delivered to the customer.

**User-friendliness**: how easy and intuitive the customer’s experience of the website is.
Retailers included in this study

Addnature
Adlibris
Alepa
Alina
Antonsport
Apotea
Apotek Hjärtat
Apotek1
Apoteket
Apoteket AB
Ark
Arnold Busck
Asko
Bangerhead
Bestseller
Bokus
Boots
Brando
CDON.COM
Clas Ohlson
Computer City
Coop Obs
COOP-Danmark
Cubus
Dinsko
DNA

Dormy
Dustin
Eliganten
Elkjøp
Ellos
Enkleri liv
Eton
Expert (now Power)
Fixus
G-Sport
Gymgrossisten
H&M
Hemköp
Herrstil
Hong Kong
ICAs matkasse
IDE møbler
Inspiration
Intersport
Jernia
Jimm’s
Jysk Danmark
Jysk Norge
Kicks
Kid
Kitch’n
Kjell & Company
Kolonial
Komplett
Kookenkä
K-Rauta
Kremmerhuset
Lensstore
Lyko
Magasin
Matas
Mathem
Maxbo
Merlin
Miinto Norge
Miinto Sverige
Motonet
Nespresso
Nicehair
Pandora
Power
Prisma
Punkt1
Royal Design
Saxo
Seppälä
Silvan
SkinCity
Sokos
Sportamore
SportMaster
Stockmann
Stylepit
Sunkost
Suomalainen Kirjakauppa
Swix
THansen
Tokmanni
Ulvang
Verkkokauppa.com
VIPP
Vita
Vitusapotek
Webhallen
Wupti.com
Xl-Byg
X-life
XXL
Yliopiston Apteekki
Zara
Åhléns
How EY can help

Our Nordic Consumer Products & Retail (CPR) sector professionals operate under one highly integrated global organization. This allows us to offer a broader range of services, skills, and experiences to all our CPR clients. Besides your dedicated account team at EY, you are always welcome to reach out to our Nordic CPR contacts as well.

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Please also see our
Future of Nordic Retail report