

**BUSINESS  
FINLAND**

# **E-commerce and Retail Technology Opportunities**

**FOCUS: SWEDEN**



# LIST OF CONTENT

- Introduction
- List of interviewees
- Value chain differences
  - Marketing
  - Payments
  - Logistics and Delivery
- Choosing your own channel or a marketplace
- Additional important factors
- Main success factors and final take-aways



# HOW TO READ THIS REPORT

This report is presented in the following format, distinguishing between quotes by interviewed experts, additional information and actionable insights for B2C and Retail Tech respectively:



Quotes from nine interviewed business leaders and experts with their professional perspective and valuable advice.



Additional information and general insights backed up by e-commerce reports, studies and research.



B2C

Actionable insights for Finnish small and mid-sized enterprises in the B2C segment, that can be used to plan a potential expansion into the Swedish e-commerce market.



RETAIL TECH

Actionable insights for Finnish Retail Tech companies that can be used to plan a potential expansion into the Swedish e-commerce market.

# BUSINESS LEADERS AND EXPERTS INTERVIEWED FOR THIS REPORT



## Apotea

Pär Svärdsson  
Founder & CEO

No. 1 e-commerce actor  
in logistics, selling  
non-prescription  
pharmaceuticals



## ASKET

Jakob Nilsson Dworsky  
Co-founder

Direct to consumer  
menswear brand on a  
mission to reduce the  
consumption of clothing



## eEquity

Jessica Mattsson  
Investment Director

Growth investor focused  
on digitally enabled  
business models



## NA-KD

Jarno Vanhatapio  
Founder & CEO

One of the fastest  
growing fashion brands  
and online actors on the  
Swedish market



## PostNord

Arne Andersson  
eCommerce advisor

Sweden's largest actor  
in communication and  
logistics solutions



## Skincity

Stefan Fragner  
CEO

Anna Olofsson  
CSMO  
Online skincare clinic  
offering both products  
and consultation



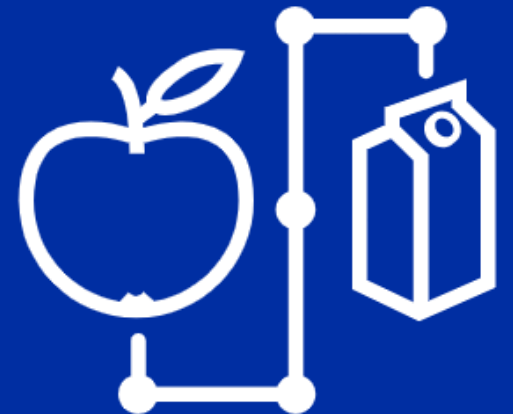
## Svensk Digital Handel

Per Ljungberg  
CEO

Anne Bardeman  
Head of Trygg e-handel cert.  
Sweden's E-commerce  
Association

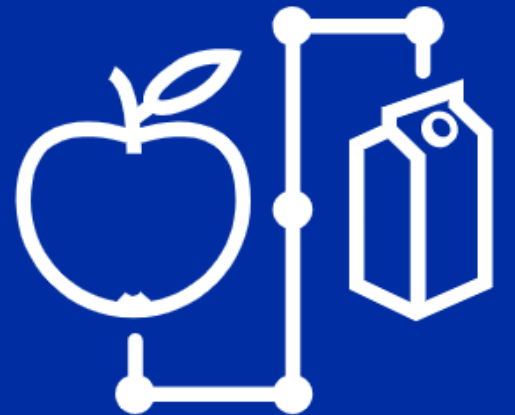
# MAIN VALUE CHAIN DIFFERENCES: **MARKETING, PAYMENTS & DELIVERY**

At a general level, some links in the value chain differ substantially between Swedish and Finnish e-commerce.



BUSINESS  
**FINLAND**

# MARKETING



# MARKETING

## INFLUENCING WITH AUTHENTICITY IS KEY



You need a portfolio that is large enough that it allows you to occasionally step on mines.

- Jarno Vanhatapio  
NA-KD

Influencers are no longer something new and exciting. You cannot count on quickly and cheaply building your entire business via influencers and social media, like 5-10 years ago.

- Jakob Nilsson Dworsky  
ASKET



### Authenticity

- Choosing influencers that are compatible with your product or service is essential - authenticity is vital for a brand and its identity. Consumers buy the brand meaning and the product is complementary.
- Influencers are bigger in Sweden than it is in Finland and may be a useful tool to gain awareness. However, it does not hold the same force as it used to have a few years ago.



### B2C

- If you chose to work with influencers, make sure they are a perfect fit with your brand, otherwise you risk coming across as unauthentic.
- Brand values is more important for Swedish consumers compared to Finnish consumers, hence consider this in your marketing.
- Consider more than one channel for your marketing.



### RETAIL TECH

Swedish market is small so your reputation is key. Securing your first (meaningful) client is critical to get you over that threshold – and then you'll get that Domino effect.



# MARKETING BE CONGRUENT

## Perseverance

- Perseverance is important for brand building and brand building costs a lot - but yields results over time.
- The actor who achieves the most loyalty will in the long term outperform their competitors.
- Investing a lot of advertising money in the short term with out congruency through out all steps of the customer journey will not yield long term success.



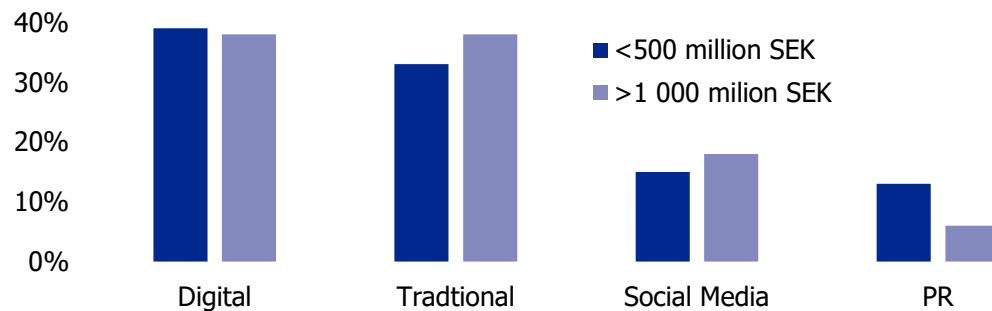
If customers are dissatisfied, advertising will only work in the short term.

- Pär Svärdsson  
Apotea



- Keep your customers satisfied by keeping your promise for every purchase.
- With a generation of more disloyal consumers, it is even more important to have a high level of trust since they will not keep shopping from you simply because they used to do so before.

Distribution of marketing spending in Sweden in 2019, by channel and companies' revenue



## RETAIL TECH

- A major target group should be well-established physical retailers that have been unable to keep up with the transitional shift from physical stores to e-commerce.
- Digital and traditional marketing is a dominant channel for companies and can be targeted with various products and services.



# MARKETING & ANALYTICS

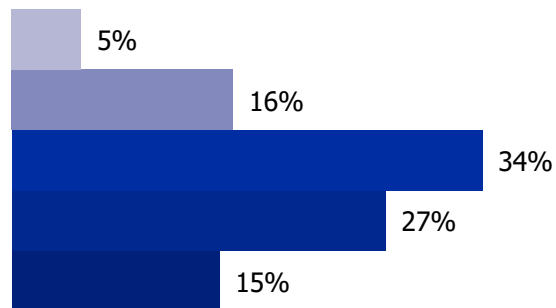
## FEW COMPANIES HAVE MARKETING CONTROL AND KNOWLEDGE



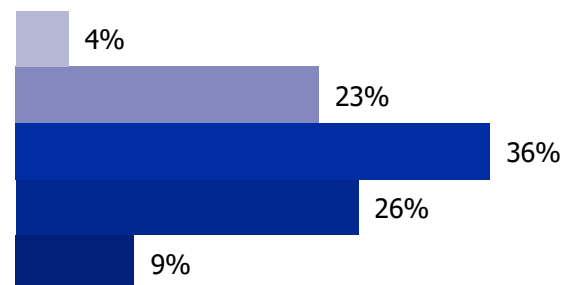
If you don't control your marketing data, you don't control your income statement.

- Jessica Mattsson  
eEquity

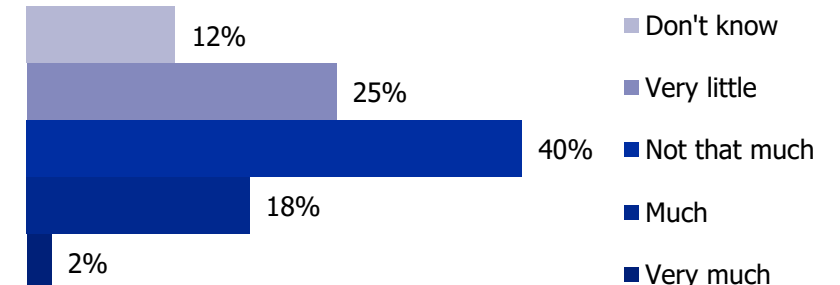
To what extent do you use tools to map visitors on your website?



To what extent do you use digital tools to analyse your own customer data?



To what extent can you track customers under their purchase and get an image of their purchase behaviour?



- Don't know
- Very little
- Not that much
- Much
- Very much

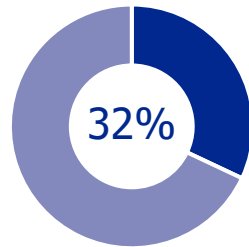
# SOCIAL COMMERCE HAVE MULTIPLE SALES CHANNELS



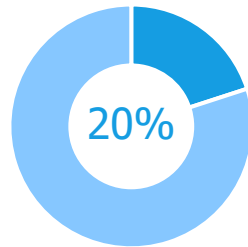
Do not rely solely on one channel as your silver bullet, everything is part of a marketing mix and has cross-synergy effects.

- Jarno Vanhatapio  
NA-KD

Have done research of an item on their phone while in a physical store

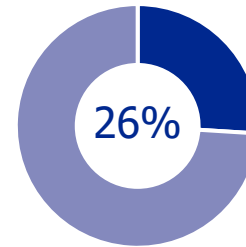


Sweden

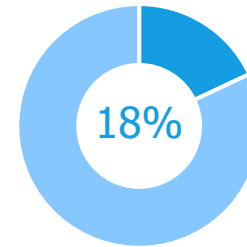


Finland

Customers who have taken a photo with their phone of an item in a physical store before a potential purchase later online



Sweden



Finland

# MARKETING

## KEEP TRACK OF YOUR DATA



### Data analysis

- Marketing is more important today than it has ever been in order to break through the noise.
- It is important to be persistent and have a carefully selected mix of channels.
- Most important is to follow up your data to see the results of your marketing efforts and the traction from consumers. Otherwise you risk spending a lot of money that yield little results.



### B2C

Make sure you have control over your marketing data and have proper tools to measure where your money is going and what the return of that investment is.



### RETAIL TECH

- Have a product compatible with frequently used programs or connect with suppliers and try to incorporate your product with them.
- Partner with platforms like Jet Shop or Bambora and incorporate your service with their platform.
- Due to long processes of shifting suppliers and IT systems: offer small and flexible solutions that may be easily integrated.

# SOCIAL COMMERCE HAVE MULTIPLE SALES CHANNELS



## Perpetual trial & occasional error

- Tracing attribution from where consumers decided to purchase a product is difficult: they might have decided on an Instagram live-shopping but then purchased it the next day online.
- Live shopping is growing in Sweden but is yet relatively undeveloped in terms of technological execution. This is a new trend that expands brands dialog with consumer and creates a two way conversation rather than a one-way communication. Consumers listen rather to an expert on a live stream than a salesperson in a store.



## B2C

Try different methods to see what delivers best results; have a selected mix of channels that jointly work as your way to reach your intended consumer.



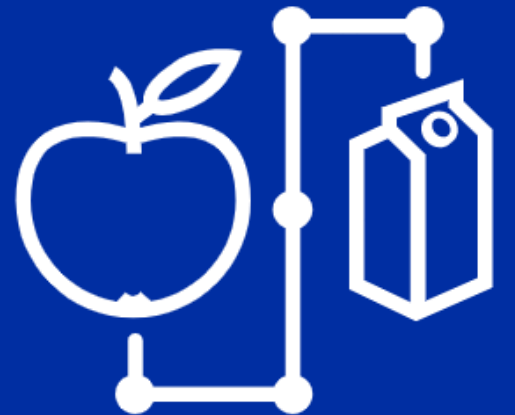
## RETAIL TECH

- A market gap for offering services tracing attribution of purchases through systematic behaviour.
- Enhance the live shopping experience digitally.



BUSINESS  
FINLAND

# PAYMENTS





As long as there are good shipping options and payment methods, the market is attractive to us.

- Jakob Nilsson Dworsky  
ASKET

# PAYMENT

## PROVIDE THE TOP PAYMENT ALTERNATIVES



### Many money

Providing the most relevant payment options grants flexible check out that suits customers best. Payment solutions is considered one of the top factors shaping both market landscape as well as actor attractiveness. Make sure you have the most desirable ones in place.



#### B2C

Make note of the different payment preferences in Sweden versus Finland and offer the top alternatives in Sweden. Klarna is a major actor on the Swedish payment scene, and Swish is growing.



#### RETAIL TECH

- Offer solutions for companies to track how purchases are being made and for what type of product categories.
- Explore the ways in which the connection between physical and digital purchases can be made more efficient.

Which of the following methods do you prefer to use when paying for a product you have bought online?

	Sweden	Finland
Invoice	30%	20%
Debit card or credit card	28%	29%
PayPal or similar	14%	23%
Direct payment through my bank	13%	22%
Mobile app (e.g. Swish, MobilePay, Vipps)	10%	2%
Cash on delivery	1%	1%
Payment by installments	0%	2%
Other/Don't know	4%	2%

# PAYMENT SWEDES SWISH AND SO SHOULD YOU



## Swish

Mobile payment is 5 times more preferred in Sweden compared to Finland. Swish is the dominant Swedish mobile payment actor and growing substantially every year. With that said, Swish is generally used for purchases in the lower price range, and therefore mostly used for certain product categories.



## B2C

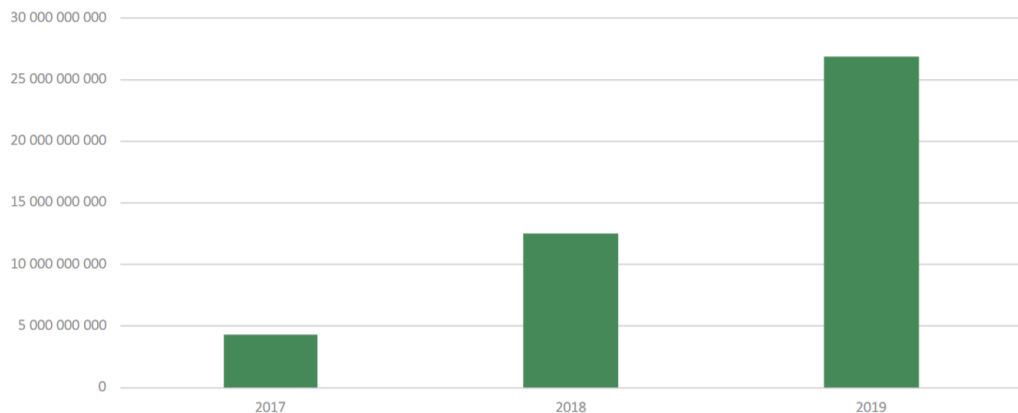
Make sure you have Swish as one of your payment options.



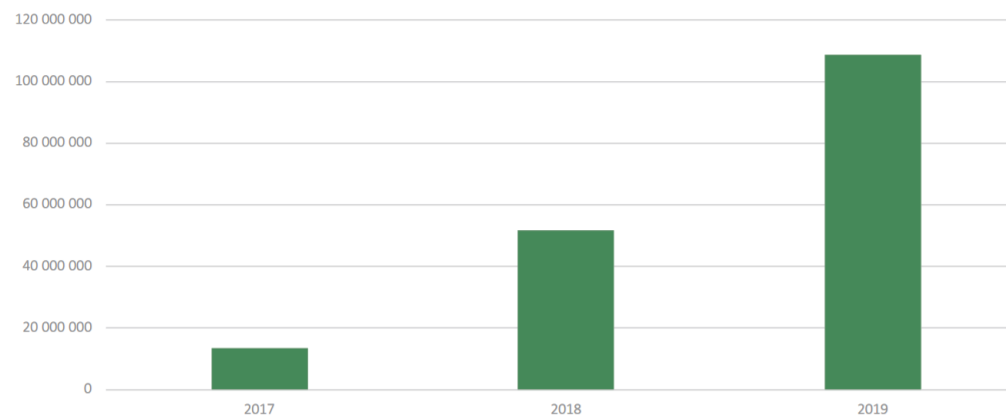
## RETAIL TECH

How is mobile payment integrated on platforms and how can it be made more efficient?

Number of Swish payments, all commerce 2017-2019

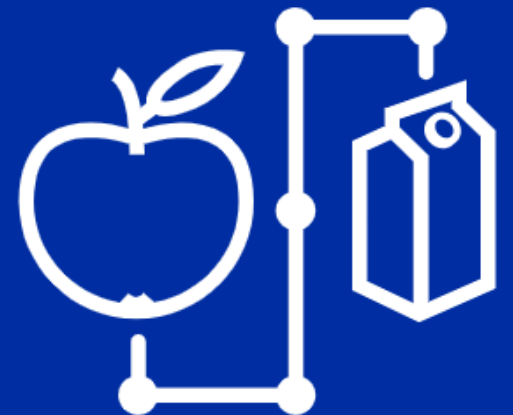


Swish volume in SEK, all commerce 2017-2019





# **LOGISTICS AND DELIVERY**



# LOGISTICS AND DELIVERY

## PROVIDE MULTIPLE DELIVERY OPTIONS

### List of delivery factors to achieve

- Swedes expect freedom of choice in delivery options, and they want it delivered quickly. Apotea sets the standard and pushes other players to step up their game.
- Swedish e-commerce is well-developed up until the last mile, after which they fall short. Finland is further ahead thanks to multi-occupancy boxes.



Shipping cost! Many firms do not check this carefully enough. Better dialogue with logistics companies is required.

- Jessica Mattsson  
eEquity

When you order a product online, how do you prefer to have it delivered?

	Sweden	Finland
Delivered to my mailbox/multi-occupancy mailbox by carrier	39%	14%
Collect the product myself from a distribution point	37%	33%
Home delivery in daytime	4%	7%
Home delivery in evening	4%	4%
Collect the product myself from a parcel machine	2%	35%
Pick up at the online store's physical store	2%	2%
Delivery to workplace	0%	1%

# LOGISTICS AND DELIVERY

## PROVIDE MULTIPLE DELIVERY OPTIONS



B2C

- Offer at least the top two delivery options: delivery to mailboxes & delivery to a distribution point.
- Make sure you have control of your shipping costs when entering a new market.



RETAIL TECH

Help coordinate so that packages from different retailers can be delivered together to the customer. If you order groceries online, you can also receive the new lamp you bought in the same delivery, for example like MatHem and Clas Ohlson.

# LOGISTICS AND DELIVERY

## FEW ACCEPT MORE THAN 5 DAY LONG DELIVERIES

### Speed, transparency and the pursuit of options

- Be clear and transparent about your lead times, as it will save your customer service from upset customers.
- 1-2 days delivery is difficult for Finnish companies shipping to Sweden (unless they partner with Apotea or similar marketplaces) while being costly and meeting the expectations of only 11 % of all customers.
- In general you need to be able to deliver within 3-5 days to maintain a sizeable portion of the populace. Note that these expectations vary between industries and product categories.



Delivery speed gains ground but it costs a lot – and it may sometimes cost more than it tastes.

- Arne Andersson  
PostNord

How long delivery time is acceptable?\*

	Sweden	Finland
1-2 days	11%	2%
3-5 days	68%	67%
6 days or more	16%	28%
Don't know	5%	3%

Bracket  
to target



B2C

- Aim for 3-5 days deliveries.
- Consider having a warehouse in Sweden if you need to be able to deliver faster.



RETAIL TECH

Offer programs for efficient shipping and developing the most efficient packaging sizes.



# APOTEA

## THE KING OF LOGISTICS AND DELIVERY

### How Apotea became everyone's benchmark

Apotea is the largest Swedish actor selling non-prescription pharmaceuticals. Apotea's logistics center is 38,000 square meters and located in Morgongåva business park, strategically close to a major trucking and postal terminal in Rosersberg.

Even though Apotea is number one in logistics in Sweden, they have a surprisingly low-tech system for collection of products: people manually collect products from pallets on the floor.

However, clever algorithms are used to direct the packers on the most optimal route, enabling them to pack 20 separate orders at a time.

Good forecasting tools are key. The entire supply chain needs to be jacked up a few notches to handle growing volumes.

- Arne Andersson  
PostNord



B2C

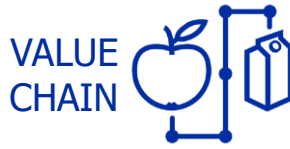
Do not over-complicate things. Develop a logistic system that is dependable and flexible so it may handle fluctuating volumes and still deliver products as promised.



RETAIL TECH

Develop forecasting tools and planning systems of delivery routes for SMEs.

# QUICK COMMERCE FROM THOUGHT TO DELIVERY IN 30 MINUTES



## Increasingly fast delivery

- The journey from the consumer's interest being stirred to the product being paid for and delivered outside the door is gaining speed, with in some instances even approaching the 30-minutes mark.
- The concept is called Q-Commerce, an e-commerce solution inspired by food home-delivery that has really taken off as a result of the Corona pandemic, especially among younger consumers.



B2C

- Create a non friction purchase experience from start to end with several payment and delivery options.
- Add Swish as payment option.
- Consider adding delivery information after check out.



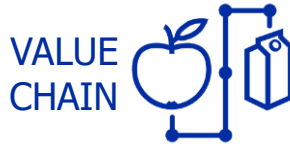
RETAIL TECH

Carve a friction-free UX.



# LOGISTICS AND DELIVERY

## REMEMBER TO DELIVER ON YOUR DELIVERY PROMISE



Don't be so certain that customers will forgive one case of bad shopping experience. You'll never keep 100 % of the customers, but you must strive for as high a share as possible.

- Pär Svärdsson  
Apotea



B2C

- Be congruent with your deliveries, your customers will turn to competitors if they don't trust when you will receive their package.
- Be clear and transparent about your lead times, as it will save your customer service from upset customers.



RETAIL TECH

Develop forecasting tools and planning systems of delivery routes for SMEs.

# TO BE ON YOUR OWN OR TO BE ON A MARKETPLACE

Choose your own adventure

## Sweden's favourite e-commerce actors

- 1  apotea-se
- 2  zalando
- 3  CDON.COM
- 4  Adlibris
- 5  H&M
- 6  TRADERA
- 7  WEBHALLEN.COM
- 8  amazon
- 9  Boozt
- 10  bokus



# SWEDISH CONSUMERS' FAVOURITES ONLINE

## APOTEA IS NOT ONLY TOP BUT BY FAR THE MOST FAVOURITE



Favourite e-commerce actor			Favourite actor per selected industry		Industry	No. of favourite actors within each industry on the top ten list	Share of e-commerce consumers that shop from the industry
Rank	Company	Voting share		Rank			
			Beauty and Health		Clothing and Shoes	6	38%
1	Apotea	15%	Apotea	1	Beauty and Health	2	34%
2	Zalando	6%	Lyko	18	Books and Media	2	23%
3	CDON	4%	Skincity	21	Home Electronics	2	22%
4	Adlibris	4%	Clothing and Shoes		Grocery Goods	1	12%
5	H&M	4%	Zalando	2	Sports and Leisure	1	11%
6	Tradera	2%	H&M	5	Furniture and Interior	0	11%
7	Webhallen	2%	Boozt	9	Childrens articles and Toys	0	6%
8	Amazon	2%	Sports and Leisure				
9	Boozt	2%	Sportamore	17			
10	Bokus	2%	XXL	37			
11	Wish	2%	Wiggle	42			
12	Asos	2%	Furniture and Interior				
13	Ebay	2%	IKEA	n/a			
14	Ellos	1%	Royal Design	n/a			
15	Netonnet	1%					
16	Matsmart	1%					
17	Sportamore	1%					
18	Lyko	1%					
19	Nelly	1%					
20	Åhléns	1%					

# YOUR OWN ONLINE STORE PUTS YOU IN CHARGE



## A matter of control vs reach

You only have one chance to make a first impression. If you launch on a marketplace it might be harder to control the perception of your brand.



B2C

Make your site idiosyncratic and connect your products to add-on services and values that are otherwise difficult to obtain on marketplaces. For example, Skincity offers dermatological consultation along with their skincare products.



RETAIL TECH

Retailers that choose to go on their own lack access to many of the tech tools available to those on marketplaces, such as customer experience and analytics, etc.



Other marketplaces are a potential risk, because you do not control your own brand. It's a quick way to sell volume and get reach but a short-term solution: it works as a first step, but difficult if you completely lack traction in a market.

- Jakob Nilsson Dworsky  
ASKET

For rapid growth, Amazon is certainly good. CDON or Zalando may be the equivalent in Sweden, but margins are declining. Your own site should however be the hub, while you maintain a presence on other marketplaces, where your consumers are.

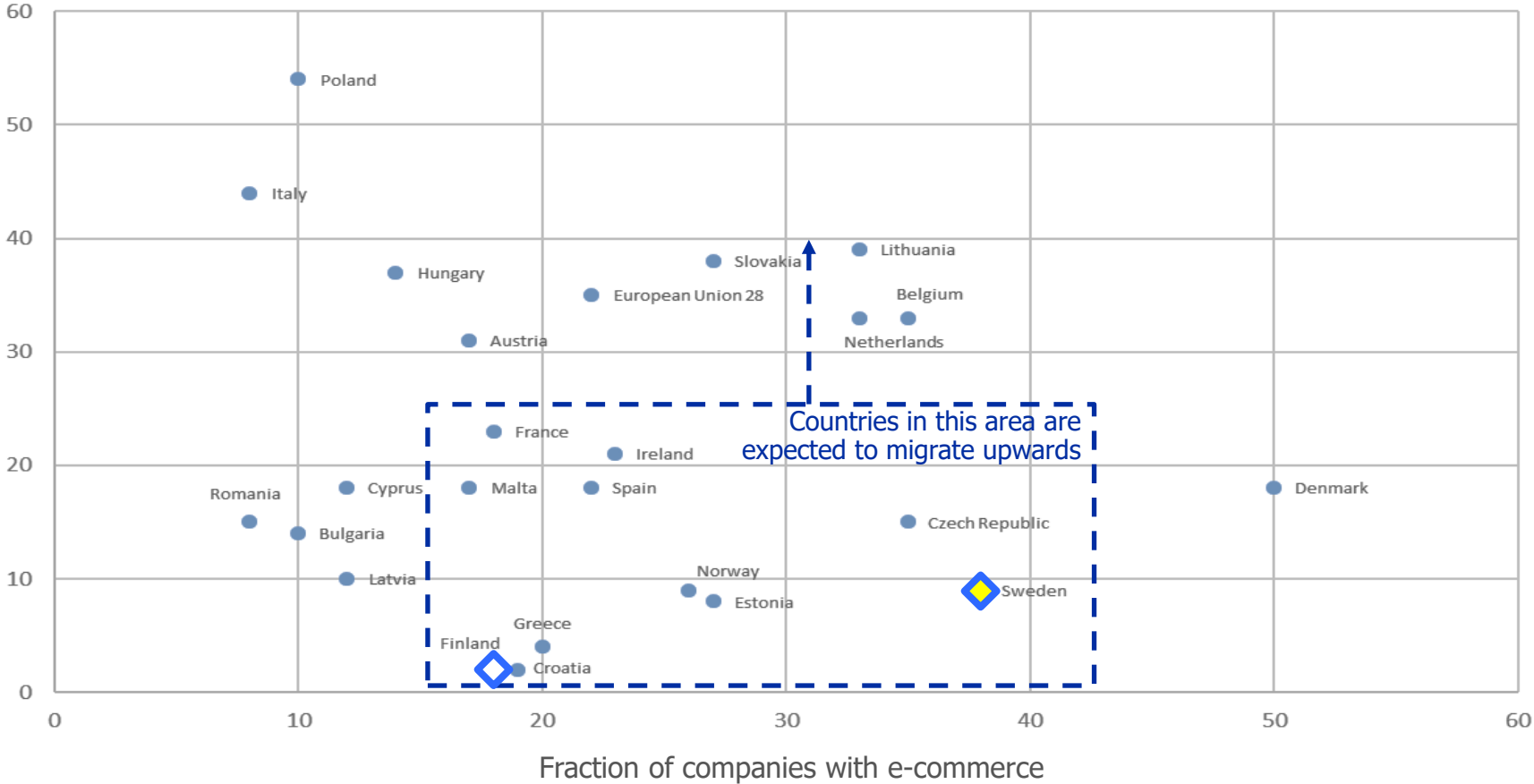
- Per Ljungberg  
Svensk Digital Handel

# MARKETPLACE'S SHARE OF SWEDISH E-COMMERCE: IMMATURE MARKET FOR MARKETPLACE CONSUMPTION



Though Sweden has a higher fraction of companies with e-commerce than Finland, both are relatively immature in terms of fraction of companies selling on marketplace.

Fraction of companies selling from e-commerce marketplace



Consider having a presence at marketplaces, as they are likely to carry a larger share of companies in the future.



# ON A MARKETPLACE YOUR CHOICE OF MARKETPLACE WILL REFLECT ON YOUR BRAND



## Being where your consumers are

- Online marketplaces could be used as a soft launch to test your marketability and unintended consequences.



How much cash do you have? A large marketplace can be a good way to test the waters with less capital to begin with, to gain knowledge on how the new market differs.

- Stefan Fragner  
Skincity

## Top three international marketplaces\*

	Sweden		Finland
Zalando	36%	Zalando	32%
Wish	20%	eBay	22%
Amazon	16%	Wish	17%



## B2C

- Despite a platform being big, it might not suit you. Analyze which marketplaces will be a good fit for you.
- Consider what companies are associated with the marketplace at hand, as it will reflect on your brand.



# ON A MARKETPLACE A GATEWAY TO EXPANSION FOR BRANDS IN SWEDEN



Pureplayers are not clear winners;  
combination is best.

- Jarno Vanhatapio  
NA-KD



## DNVB's are successful in Sweden

- There are a high number of digitally native vertical brands (DNVB) with a working formula in Sweden.
- They are mostly niche actors with strong brand identity, combining their presence both online and in physical stores.



RETAIL TECH

DNVB:s aim to create the in-store experience online,  
which requires a large amount of retail tech.

**Are these Swedish brands located in a physical and/or in an online stores?**

- 3 of 10 are pure players, i.e. only online
- 8 of 10 are also present on online marketplace

Orrefors



CAIA

Acne Studios



DW  
Daniel Wellington

LÖWENGRIP

AXEL ARIGATO

iDEAL  
OF SWEDEN

Ö  
Rörstrand

CHIMI

(Above is a selection of successful Swedish brands in the fashion, cosmetics and home interior segments)

# AMAZON

## THE GLOBAL GOLIATH IS STILL SMALL IN SWEDEN



### Not (necessarily) a threat

- Many e-tailers worried upon Amazon's entry in Sweden, but mostly other marketplaces and selling generic products have the most to fear.
- If you offer a niche product and tailor the shopping experience distinctly to a strong brand, then Amazon should not pose a threat to your business in Sweden.



Selling generic goods will not last against Amazon.

- Jarno Vanhatapio  
NA-KD



### Advice for competing with Amazon

- Expand your offering
- Add value to your goods and services
- Have a local presence, even if you only sell online
- Focus on quality
- Maintain a good appearance
- Strengthen your brand

Low

The effect of Amazon on segments

High

Food	Furniture	Fashion	Sports	DIY	Pharmacy	Toys	Books & E-books	Electronics
------	-----------	---------	--------	-----	----------	------	-----------------	-------------

ADDITIONAL IMPORTANT FACTORS:  
**WISDOM, MONEY, TECH  
& A PANDEMIC PLAN**

What you also need to have when going into  
Sweden



# ORGANIZATIONAL SUPPORT & CAPITAL

## YOUR TICKET TO NEW MARKET ENTRY



### More costly than you think

- Many firms often underestimate the cost and financing needs of entering a new market.



Finnish companies need to strengthen their self-confidence. Think bigger, and capitalize their companies. Only Verkkokauppa is doing it well. You don't really need a lot of creativity for e-commerce.

- Jarno Vanhatapio  
NA-KD



- If you already have a viable business in Finland, then capitalizing your expansion will give you the necessary muscles to take on Sweden – but whether you succeed will depend on other factors (mentioned in this report).
- When raising capital and pitching your ideas, remember that oftentimes your team is your most valuable asset (especially if you are an SME).

### Funding of your expansion into a new market

**Excess capital**  
(from your own organization)

**Bank financing**

**Owner capital or venture capital**  
(One focusing on e-commerce companies is eEquity\*)

**Crowdfunding**

**Public export financing**  
(Finnvera offers export credits, Business Finland offers various funding esp. for SME:s)

# CONSUMER REGULATIONS

## COMMON PITFALLS CAN BE EASILY AVOIDED



### Bridging the trust gap

- Relevant Swedish regulations to study are:
  - The Consumer Purchase Act
  - The Consumer Services Act
  - The Act on Distance Contracts and Off-Premises Contracts
- These regulations are well summarized on the Swedish Consumer Agency website.
- As an unknown actor in a new market, customer's trust might be in deficit. The e-commerce association Svensk Digital Handel offers the safety certificate Trygg E-handel which serves to bridge that trust gap.



Common regulatory mistakes e-retailers make is confusing the complaint with the warranty\*.

- Per Ljungberg  
Svensk Digital Handel

### **Complaint** (Reklamation)

Statutory, must be offered, 3 years in Sweden.

### **Warranty** (Garanti)

Voluntary, offered by the manufacturer, must be better than the complaint period.



A bad product and a good team  
is a thousand times better than  
a good product and a bad team.

- Jessica Mattsson  
eEquity





# RETAIL TECH: YET TO TRANSFORM THE SWEDISH RETAIL ARENA



## Low level of digitalization in general

- Companies often use basic tools to analyze their business data, especially the small- and mid-size companies. Those are the ones with the greatest needs, but also hardest to reach.



## RETAIL TECH

Some companies eagerly consume various retail tech solutions: keep an eye out for those at D-Congress, Sweden's largest e-commerce event (June 2021).



Companies are often good at some things and worse at others. A lot of companies measure most of their activity in just Excel.

- Jessica Mattsson  
eEquity

Tableau, Power BI, analytics department: one out of 100 companies have it. Usually only Google analytics is used.

- Jarno Vanhatapio  
NA-KD

We buy retail tech unless the skills needed are in-house.

- Jakob Nilsson Dworsky  
ASKET

We don't measure much data. Difficult to track the reasons behind purchases and it can provide misleading information.

- Pär Svärdsson  
Apotea

# RETAIL TECH: VARIOUS SOLUTIONS ARE IN DEMAND



## RETAIL TECH

If you already have meaningful Finnish clients, use their testimonials when pitching in Sweden, especially if they have a Swedish branch.

### Selection of tech solutions commonly needed by Swedish e-tailers\*

#### Customer analysis

- Tracking streams of customer journey
- Upsell purchase recommendations
- Size recommendations
- Customer segmentation
- Storing consumer data
- Data analytics for marketing

#### Logistics

- Forecasting systems for purchasing stock
- Returns automation
- Data warehouse

#### Organization

- Local customer service infrastructure
- Legal issues management



# THE CORONA PANDEMIC MAKING YEARS OF CHANGES IN A COUPLE OF MONTHS



## The Hammer and the Dance

- Corona hit, like in many countries, the Swedish segments unevenly: sales in fashion fell substantially while home interior boomed, as an example.
- E-commerce in Sweden rose nearly 40 % in 2020. New target groups entered and a higher frequency.
- Technical solutions are in higher demand now that Retail has been forced to an even higher shift towards e-commerce.
- A new pandemic law has been implemented in January, further restricting the number of people allowed to enter physical stores.



An unsolved problem, such as the Corona pandemic, is the dream of every entrepreneur.

- Stefan Fragner  
Skincity



- Target new customer groups who have entered the e-commerce market in Sweden.
- Handle larger purchase volumes, make sure your operations are smooth and try to reduce volume bottlenecks.
- Have contingency plans for uncertain times and unexpected scenarios – both negative and positive.



## RETAIL TECH

E-commerce has permanently moved forward its position in the retail arena, hence forcing many more businesses to adopt appropriate retail technology in order to survive in the long run.

# THE CORONA PANDEMIC MAKING YEARS OF CHANGES IN A COUPLE OF MONTHS



The pandemic also exposed many companies vulnerability of procurement partners regarding high volume purchasing which led to costly stock, and subsequent massive sales.

We had moved production from Asia closer to Sweden, which made us more flexible and not tied up in large orders. Without a large and costly inventory, we could more easily parry the effects of the pandemic.

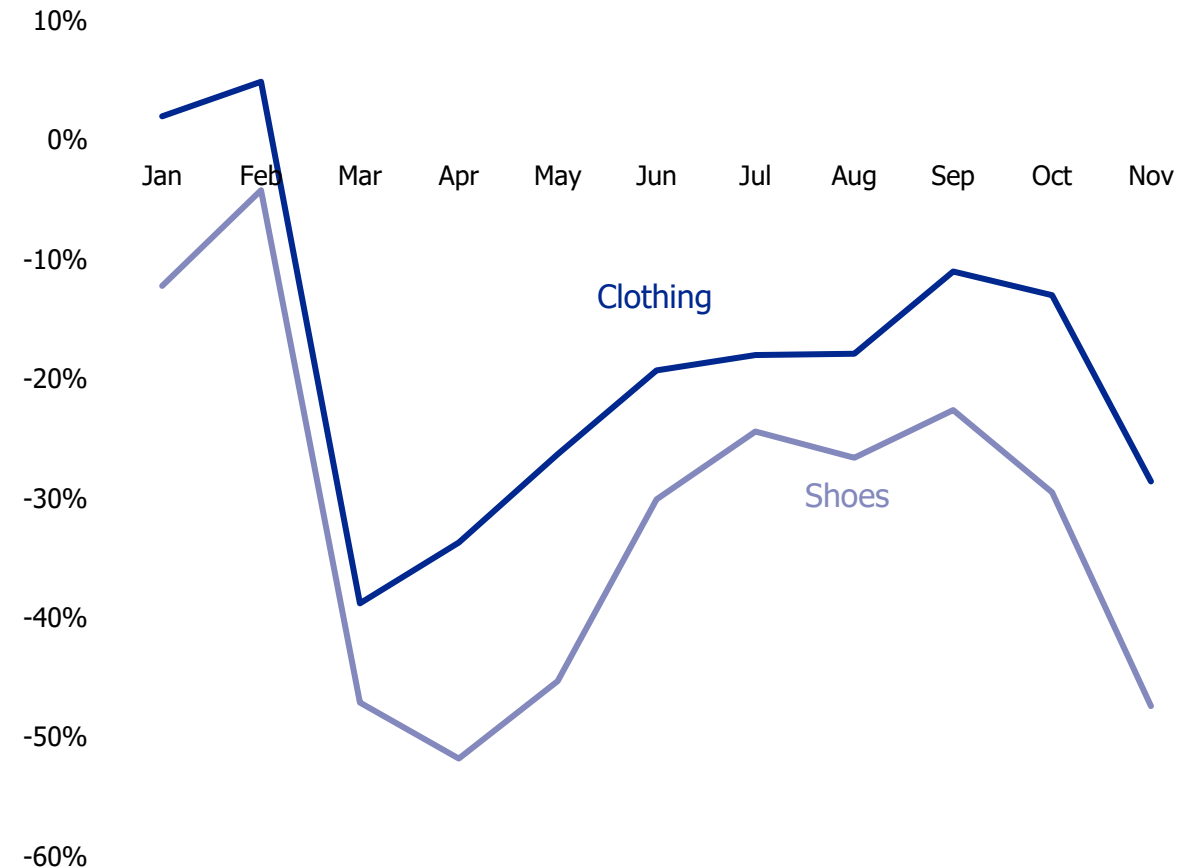
- Jarno Vanhatapio  
NA-KD



B2C

To hedge, companies should engage in fewer but deeper relationships in their supply chain. That will enhance bargaining power in terms of volumes and its agility the change depending on demand.

Fashion and shoe sales  
Sweden 2020



# MAIN SUCCESS FACTORS AND FINAL TAKE-AWAYS FOR **SWEDISH E-COMMERCE MARKET ENTRY**





# MAIN SUCCESS FACTOR: LOCALIZATION, LOCALIZATION, LOCALIZATION.



## **Know your market and your customers – act accordingly (i.e. locally)**

- Use a localized site with locally adapted promotions.
- Have a local customer service.
- Have operations in place so the shopping experience is customized.
- Offer different payment options.
- Delivery points are the most common form in Sweden – but last mile solutions differ geographically.
- Don't forget that your returns solutions should work as smoothly as your deliveries.

**Remember:** Sweden is geographically large with a mixed population density. Choose your primary regional/local market carefully.



We'd rather be very relevant to a few than less relevant to many. Trying to be everything to everyone gets you lost in the noise.

Stockholm is the natural starting point, but smaller cities have potential as well: it's worth looking where no one else is.

- Stefan Fragner  
Skincity

You want to reach a critical mass or awareness? Building awareness on a city rather than country level may spread your brand faster.

People are more loyal to local products.

- Jakob Nilsson Dworsky  
ASKET

Before, product relevance used to be most important. Now it's the entire customer journey – right up to the return stage.

- Arne Andersson  
PostNord





# MAIN SUCCESS FACTOR: THE IMPORTANCE OF DELIVERY



## **Fast and cheap delivery is, more or less, a requirement in Sweden**

- Swedes expect freedom of choice in delivery options, and a sizeable portion expect it to be delivered more quickly than in Finland.
- Delivery solutions differ between Sweden and Finland: Sweden has a larger selection of players for delivery and are 5-10 years ahead of Finland, in that regard.
- Provide delivery options that consumers expect and enjoy, whether it's 30-minute Q-Com delivery or bundled packages with your products along with groceries, to name a few examples.



Many focus on sales and marketing when they should instead be focusing on logistics and delivery.

- Pär Svärdsson  
Apotea

Swedes tend to be impatient as the customer experience standard is high; they want stuff to happen fast, in delivery as well as site loading time.

- Stefan Fragner  
Skincity

Make sure you have at least one of the top delivery options. Apotea has the best logistical operation in Sweden – watch, learn and be inspired.

- Jakob Nilsson Dworsky  
ASKET



# SEVEN STEPS TO SWEDISH E-COMMERCE MARKET ENTRY



1

Understand your market

- ✓ Niche
- ✓ Competitors
- ✓ Marketing
- ✓ Payments
- ✓ Deliveries

2

Where should you be?

- ✓ Marketplace or own channels
- ✓ Geographical scalability

3

Engage in partnerships with suppliers for:

- ✓ Deliveries
- ✓ Payments
- ✓ Platforms

4

Localize your offer

- ✓ Payments
- ✓ Deliveries
- ✓ Branding

5

Continuously develop and enhance your offer

6

Maintain a two-way dialogue with your customers

7

Enter the Swedish market with sufficient capital at your disposal

# **CONTACT INFORMATION**

Questions regarding the report can be answered by HUI Research

Emma Hernell, Vice President

[emma.hernell@hui.se](mailto:emma.hernell@hui.se) +46 73-058 72 95

Miko Roth, Project Manager

[miko.roth@hui.se](mailto:miko.roth@hui.se) +46 70-714 51 65