



# E-barometern

PostNord in association with HUI Research

Q1

2024

postnord

# About E-barometern

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

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

**E-barometern Q1 2024** is based on information collected from retail companies in April and May 2024. A total of 103 companies took part in the survey. Five consumer surveys have been carried out using KANTAR's web panel. All the surveys were conducted with a representative sample of Sweden's population between the ages of 18–79.

The first survey was conducted in February 2024, the second in March 2024 and the third in April 2024, with around 1,500 respondents per survey. The fourth survey was conducted in April 2024 with 3,252 respondents. The online surveys are representative of the 98 percent of Sweden's population that has internet access. PostNord can be contacted for detailed information about each survey.

## Foreword

**Lower consumption**, declining e-commerce in the wake of rising interest rates and inflation. 2023 was a year of great geopolitical and economic turbulence, which meant consumers closed their wallets and e-retailers held their breath. Inflation is now approaching the target defined by Riksbanken (Swedish Central Bank). The first interest rate cut has taken place, resulting in indebted Swedes and companies having more scope for consumption and investment. Could this be the moment we see a turnaround?

**In the first E-barometern** of the year, we dive into areas such as international trade, sustainability and circular commerce. It is clear that these areas are not only central to the e-commerce industry today, but also crucial to its future. E-barometern offers insights and analysis to help guide e-commerce market participants through the challenges and opportunities presented by these areas.

**Swedish e-retailers** are experiencing growing competition from foreign

market participants. Six out of ten e-retailers consider price to be the main competitive advantage for foreign market participants. If we ask consumers, it is mainly those who make purchases from China who state price as the main reason for buying from abroad.

**The report contains** several new features. The section on circular e-commerce has been broadened to now focus more sharply on B2C and highlight the importance of repairs, rentals and other forms of reuse. The sustainability chapter has been expanded to include information on packaging. Packaging plays a crucial role, not only in protecting items during transportation and handling, but also in minimizing environmental impact. We are exploring different strategies and innovative solutions that can help reduce the environmental footprint of the industry and promote more sustainable management of packaging materials.

**Speaking of news**, after a five-year hiatus, we are once again publishing

the report *E-commerce in the Nordics*, in which you can read more about how we in the Nordic region make purchases from each other and which other countries consumers mainly buy from, as well as how consumer behavior regarding e-commerce differs within the Nordic region.

Enjoy the read!

**Marie Rudolfsson**  
Business Area  
Manager Parcels,  
PostNord Sweden



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## Signs of spring in the Swedish economy

After a couple of years of successive crises, there are increasing signs that we are moving towards a more stable economic situation. In May, Riksbanken (Swedish Central Bank) chose to cut the interest rate by 25 points, which is the first rate cut in eight years. This creates a more predictable economy, which has a positive impact on both households and companies. A more predictable economy also increases the likelihood of more money being spent on consumption, which increases the potential for e-commerce to grow again in the long run.

However, not everything looks as rosy. While the Swedish economy is slowly starting to recover, the situation in world continues to cause concern in several respects. Inflation in the United States remains at a high level. This reduces the chances of rapid interest rate cuts by the US Federal Reserve, which ultimately also affects the Swedish economy. Meanwhile, the war in Ukraine shows no sign of ending any time soon, and the unstable situation in the Middle East is causing concern on many levels. On the one hand, it highlights humanitarian

issues that call into question company relationships and activities around the world, and on the other, it increases the risk of shipping problems and input shortages.

According to the Retail Outlook report from HUI Research, the economy is expected to gradually experience an upturn in the second half of 2024. Interest rate cuts, new business investment and a brighter economic outlook are giving rise to slightly positive forecasts for 2024 for both the economy and the retail sector. Household consumption is expected to start growing again but from low levels, which means that total retail sales are still predicted to be lower than 'normal' during the year. The fact that Riksbanken (Swedish Central Bank) has lowered its interest rate indicates that the rate has peaked, the consequence of which is a more positive view of the future. As mentioned, a more positive view of the economy increases the likelihood of money being spent on consumption, which gives greater potential for e-commerce to grow again in the long run.

<b>Total</b>	<b>1%</b>
Pharmacy	14%
Groceries	5%
Clothing & footwear	2%
Home electronics	0%
Furniture & home furnishings	0%
Books & media	-5%
Sports & leisure	-10%
Building products	-15%

Basis: Companies with e-commerce operations

## Modest growth in the first quarter of the year

While better times may be ahead, this is not yet fully reflected in e-commerce. Growth for the quarter is admittedly positive, but only amounts to a modest one percent. The trend visible in E-barometer for several quarters continues to be clear: sector development varies widely. While a certain amount of leveling is evident, it is still clear that the sectors are facing challenges of different magnitudes. This also affects the overall growth figure; for example, major sectors such as clothing and footwear and home electronics are pulling in partially different directions in this respect. Other sectors, such as groceries, fluctuate above and below zero from quarter to quarter.

The rising star, i.e. the pharmacy sector, is still witnessing impressive figures, but not as strong as in previous quarters, while the building products sector is continuing its strong downward trend. This

also generates a slightly poorer result for the quarter.

Compared with the same quarter last year, the trends are even clearer. Even then, several sectors were experiencing a strong negative trend, including furniture and home furnishings, which in Q1 2023 declined by 14 percent. This year, the sector is climbing and approaching positive figures, but zero growth this year indicates continued challenges. The same applies to home electronics, books and media, sports and leisure and, in particular, building products.

The groceries sector, which has long witnessed strongly negative figures, is now experiencing a positive trend for the first time in several quarters. The efforts of market participants to make a profit from selling food online have had an impact on growth for the quarter.

# Pharmacies are evolving – and changing?

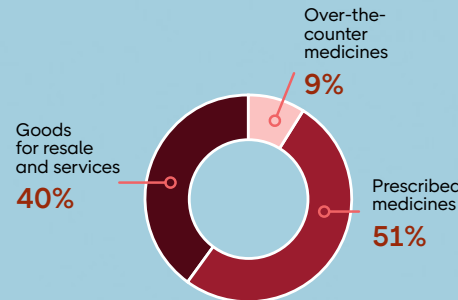
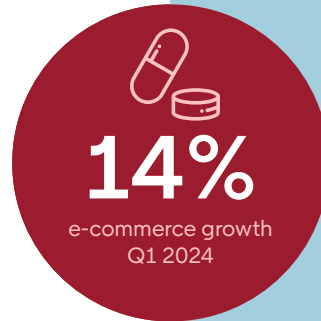
The online pharmacy sector is once again demonstrating high growth. Many e-pharmacies are continuing to expand, including by continuing to broaden their range to attract customers in new segments. Growth for Q1 was 14 percent. This remains a strong figure – albeit slightly lower than that of previous quarters.

Digital developments have naturally favored online pharmacies, but over the years, physical pharmacies have also tested different technological solutions for innovation purposes.

For example, several pharmacies have trialed picking robots<sup>1)</sup> and vending machines<sup>2)</sup>. However, none of the innovations have been particularly long-lasting. There have also been discussions about self-scanning in pharmacies, but no such solution is yet available in stores. Pharmacies have to deal with a large number of regulations, which means that introducing innovations to keep up with the online competition can take time.

The pharmacy sector is one of the sectors that has been quickest to transition to the e-commerce format. Increasing numbers of people are buying pharmacy goods online, and in the future, physical pharmacies may serve other functions as well. The Swedish Dental and Pharmaceutical Benefits Agency has proposed that the Swedish government designate 300 'standby pharmacies' around the country. The idea is for these pharmacies to be prepared to manage, for example, the supply of medicines in a crisis situation.<sup>3)</sup>

According to the Swedish Pharmacy Association, online sales of pharmacy goods are highest in rural areas and the commuter belt. Following the deregulation of pharmacies in Sweden in 2007, the number of physical pharmacies increased steadily, but during the pandemic, this trend reversed. Today, there are 13.1 physical pharmacies per 100,000 inhabitants<sup>4)</sup>; before the pandemic, the corresponding figure was 14 pharmacies.<sup>5)</sup>



Sales in the outpatient market, e-commerce Q1 2024

Source: Swedish Pharmacy Association/ SA Service AB Share of total sales, SEK.



start of survey

Average amount spent online over last 30 days

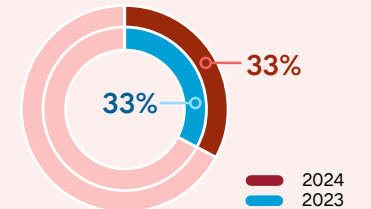
Basis: Consumer, has shopped online, average Jan – March



start of survey

Average amount of most recent purchase from abroad

Basis: Consumers who have shopped online



Percentage of e-commerce consumers who made a purchase in the category

Basis: Consumers, have shopped online



Percentage of e-commerce consumers who purchased the category from abroad

Basis: Consumers, have shopped online



Percentage who always or fairly often try to make conscious sustainability choices when shopping online

Basis: Consumers, have shopped online

<sup>1)</sup> Dagens Medicin, June 2015 <sup>2)</sup> HonestBox, 2023 <sup>3)</sup> Swedish Dental and Pharmaceutical Benefits Agency, Jan 2024 <sup>4)</sup> Swedish Pharmacy Association, 2023 <sup>5)</sup> Swedish Pharmacy Association, 2020

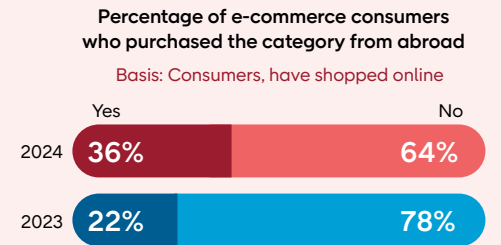
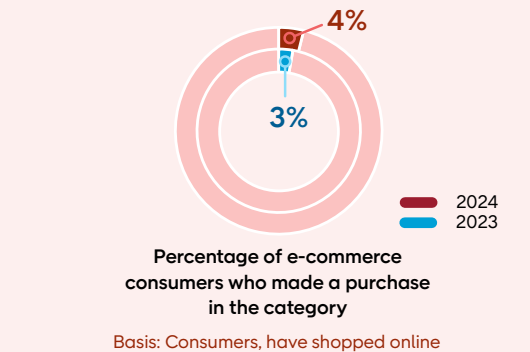
# Foundation remains shaky

The home-related sectors are continuing to struggle. Demand for building products is still very subdued due to the economic situation. However, the economy looks set to improve in 2024, and the sector is expected to brighten due to interest rates being cut in Q2. As consumers are seeing further interest rate cuts on the horizon, the housing market has started to move, which is good news for the building products sector. However, the turnaround for the sector is likely to take a while longer, with development in the first quarter of 2024 standing at -15 percent.

Building products can be roughly divided into two categories: tools and consumables. Tools are often seen as investments as they can be expensive but last a long time. Also, many tools are used sporadically, which means that the consumer may find it convenient to rent them rather than buy them. Currently, Bygghuset and Bauhaus, among other

builders' merchants, rent out machines and tools via their physical stores, but online rental activities are mainly the domain of C2C and B2B market participants. For example, the Hygglo platform offers a service that allows consumers to post ads regarding renting and renting out tools. Of all the products on the website, car accessories, machines and tools are among the most frequently rented.<sup>1)</sup> Clas Ohlson previously had rental operations but discontinued them in 2023.

After several years of challenges, the building products sector continues to be a sector in transition. According to a survey conducted by Sifo on behalf of Cramo, four out of ten consumers want to rent tools instead of buying them<sup>2)</sup>, indicating that there is a strong demand for new business models in the machines and tools segment, especially online. However, just like in other sectors, making a profit from rental activities seems to be difficult at present.



<sup>1)</sup> Hygglo, March 2024 <sup>2)</sup> Cramo, June 2023

# AI being explored and regulated

The online book sector has been struggling recently. Physical stores are continuing to grow, while other digital media are taking share. The change in the first quarter of 2024 was minus five percent for online book retail.

Books are well suited to being sold second hand online. Many of them are timeless, with often very little wear, and are easy to ship. Books are one of the largest product categories on the Tradera online marketplace, for example.<sup>1)</sup> Nonfiction is sold second hand to a large extent and is also the genre that shrunk most in 2023 where sales in traditional retail are concerned.<sup>2)</sup> A few years ago, Adlibris acquired Campusbokhandeln, which sells second-hand student literature. Adlibris' CEO Sakari Luovio says in a report from

the Swedish Publishers' Association that sales of second-hand course literature are increasing, but at the expense of new book sales.<sup>2)</sup>

AI is a hot topic in the book sector. At the end of March, an AI regulation was voted through in the European Parliament. This means that all trained AI must comply with copyright law. For example, an AI tool is not permitted to construct an entirely new book from previously written works. It also means that an audiobook company may not base the voice used for an AI audiobook on an audiobook reader's voice without their consent.<sup>3)</sup> Actor Stefan Sauk sold the rights to his voice to Storytel in the spring. At the present time, readers can choose Sauk's AI voice for 25 books.<sup>4)</sup>

Audiobooks and streaming media services are not included in E-barometern sales metrics.



**SEK 595**

SEK +93 since last year

Average amount spent online over last 30 days

Basis: Consumer, has shopped online, average Jan – March

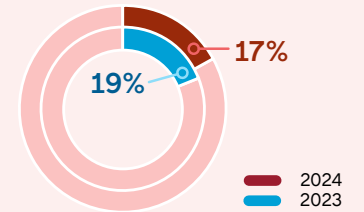


**SEK 637**

SEK -23 since last year

Average amount of most recent purchase from abroad

Basis: Consumers who have shopped online



Percentage of e-commerce consumers who made a purchase in the category

Basis: Consumers, have shopped online



Percentage of e-commerce consumers who purchased the category from abroad

Basis: Consumers, have shopped online



Percentage who always or fairly often try to make conscious sustainability choices when shopping online

Basis: Consumers, have shopped online

<sup>1)</sup> Tradera, January 2024 <sup>2)</sup> Swedish Publishers' Association, 2023 <sup>3)</sup> Swedish Publishers' Association, March 2024 <sup>4)</sup> Svenska Dagbladet, March 2024



# Home delivery or collection?

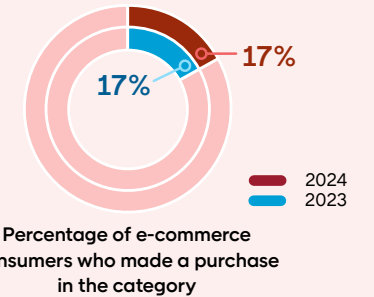
Online grocery shopping faced headwinds in 2023. The first quarter of last year was particularly challenging for the sector, but there were positive developments toward the end of the year. However, the sector has regained momentum, with quarterly growth of five percent.

In big news for the sector, international department store giant Costco will be launching its e-commerce offering, with groceries forming part of this. More details are not available at this stage, but the initiative may have an impact on the future online grocery landscape.<sup>1)</sup>

The feasibility of profitable online grocery sales has long been debated. The challenges have been particularly sizeable as many consumers have had to tighten their purse strings where their

personal finances are concerned. These challenges include achieving profitability in relation to deliveries. According to the grocery sector organization Svensk Dagligvaruhandel, online sales with home delivery fell by 10.3 percent in 2022, while in 2023 there was zero growth. This means that home deliveries have stabilized at a new, lower level after the pandemic. In-store collection decreased by over 10 percent in 2023.<sup>2)</sup>

Willys is one of the market participants that has focused on click & collect, achieving great success. Their e-commerce solution is based on the customer ordering items online, which are then picked and delivered to smart fridges and freezers. Willys has also opted out of the home delivery option in those locations in Sweden where it has not benefited business.<sup>3)</sup>



<sup>1)</sup> E-handel.se, March 2024 <sup>2)</sup> Svensk Dagligvaruhandel <sup>3)</sup> Fri Köpenskap, March 2024

# New standard for second-hand home electronics

Slowly but surely, the online home electronics sector is stabilizing in terms of growth, with minus three percent for 2023 and 0 percent for the first quarter of 2024.

Over the years, it has become increasingly common to buy and sell second-hand home electronics. The number of market participants has grown, and now some of them, including Refurbed and Returhuset, have joined forces to create a standard for assessing the condition of second-hand home electronics. The aim is to make it easier for customers to understand the condition of second-hand products, regardless of the website they are buying them from. Some of the companies that will start using the grading scale are Blocket, Elgiganten and Returhuset.<sup>1</sup> This type of standardization is very suitable for

the e-commerce format. On a website, it is easy to categorize and filter by, for example, condition and age.

However, some technologies can neither be sold nor repaired. For example, at the end of 2025, 2G and 3G networks will be shut down. This means that home electronics need to be compatible with 4G and 5G networks to work. A review by the Swedish Consumer Agency shows that many e-retailers sell home electronics that will soon cease to function.<sup>2</sup> This applies mainly to old cellphones, but also, for example, to certain home alarms and routers.<sup>3</sup> The technology sector is subject to rapid change, as exemplified by the shutdown of 2G and 3G networks. E-retailers need to keep track of their inventories to avoid being left with unsaleable products.



**SEK 2,114**

SEK +11 since last year

Average amount spent online over last 30 days

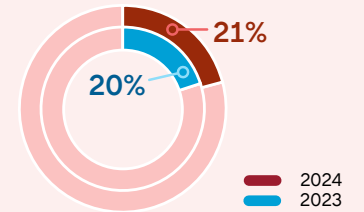
Basis: Consumer, has shopped online, average Jan – March

**SEK 1,160**

SEK -287 since last year

Average amount of most recent purchase from abroad

Basis: Consumers who have shopped online



Percentage of e-commerce consumers who made a purchase in the category

Basis: Consumers, have shopped online



Percentage of e-commerce consumers who purchased the category from abroad

Basis: Consumers, have shopped online



Percentage who always or fairly often try to make conscious sustainability choices when shopping online

Basis: Consumers, have shopped online

<sup>1</sup> Ehandel.se, March 2024 <sup>2</sup> Swedish Consumer Agency, March 2024 <sup>3</sup> Swedish Consumer Agency, June 2023

# Consumption patterns driving new business models

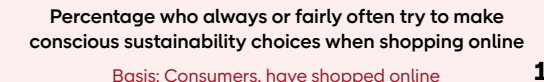
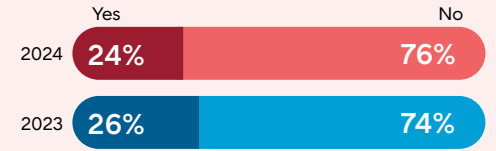
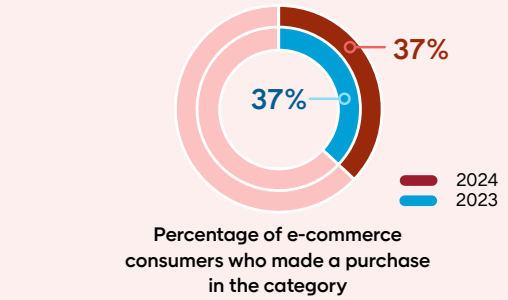
The clothing and footwear sector entered 2024 with positive growth figures in the rearview mirror. The sector fared relatively well in 2023, given the generally gloomy state of the e-commerce market. Nevertheless, price increases accounted for much of the sales growth last year, and the question is whether the sector can grow in volume in 2024. Growth in the first quarter of 2024 amounted to two percent.

Although the sector as a whole is moving in a positive direction, this is not the whole story, with major market participants showing sporadic development. Inditex, led by Zara, had one of its strongest years ever in 2023<sup>1)</sup> while other major market participants trended downwards. Together they balance each other out to give a positive result, but it is clear that the situation has not yet fully stabilized.

Price consciousness and sustainability are two parallel areas that continue to

influence the sector. This manifests itself in several ways. For example, several new initiatives have been launched in the children's clothing segment. Children outgrow their clothes quickly, which makes second hand particularly appropriate.

Polarn O. Pyret, which has previously only sold second-hand items in its physical stores, will soon also start selling them online.<sup>2)</sup> Mini Rodini has a second-hand offering whereby the consumer receives either 85 percent of the sale price or 100 percent of the sale in the form of a voucher.<sup>3)</sup> Another example is Kavat, where the consumer can return their shoes in store and receive a voucher. Kavat also collaborates with Tradera, where its second-hand shoes are put up for sale.<sup>4)</sup> What the different companies' models have in common is that they themselves retain control over second-hand sales, which ultimately builds their brand.



<sup>1)</sup> Inditex <sup>2)</sup> Market.se, March 2024 <sup>3)</sup> Mini Rodini <sup>4)</sup> Kavat

# Awaiting better times to buy furniture

The furniture and home furnishings sector is still in a clear slump. As in the building products sector, interest rates are key; when there is movement in the housing market, there is also more movement in the furniture and home furnishings sector. However, as previously noted in E-barometern, the sector is both broad and divided, as evidenced by the fact that home furnishing retailers had a relatively strong 2023 while furniture retailers struggled.

Price increases in the sector have slowed down. In March, furniture inflation was -2.0 percent, which is good news for consumer wallets.<sup>1)</sup> Growth in the first quarter of 2024 was zero percent.

Circular models have made their way into the furniture and home furnishings sector in several ways. Second hand is a way to both save money and make

money – by selling. According to the Swedish online marketplace Blocket, a house clearance can be worth as much as SEK 37,000.<sup>2)</sup>

The most common way to buy and sell second-hand items online is through various C2C channels, such as Facebook Marketplace and Blocket. According to Blocket, the most common products sold in the 'for the home' category are larger pieces of furniture such as sofas, armchairs and chests of drawers.<sup>3)</sup> There is an inherent convenience in selling directly to other consumers, as it is usually buyers themselves who collect the items. This allows the seller to have heavy and bulky furniture removed free of charge. To further increase the level of service, third-party services are woven in, including Blocket's collaboration with Tiptapp, which allows consumers to purchase shipping directly through the platform.<sup>4)</sup>



SEK 1,642

SEK +169 since last year

Average amount spent online over last 30 days

Basis: Consumer, has shopped online, average Jan – March

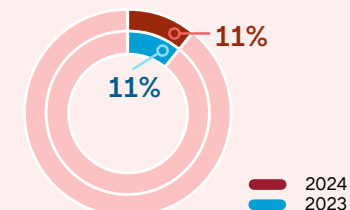


SEK 1,490

SEK +636 since last year

Average amount of most recent purchase from abroad

Basis: Consumers who have shopped online



Percentage of e-commerce consumers who made a purchase in the category

Basis: Consumers, have shopped online



Percentage of e-commerce consumers who purchased the category from abroad

Basis: Consumers, have shopped online



Percentage who always or fairly often try to make conscious sustainability choices when shopping online

Basis: Consumers, have shopped online

<sup>1)</sup> Market.se, April 2024 <sup>2)</sup> Blocket <sup>3)</sup> Blocket <sup>4)</sup> Tiptapp

# Figures present a challenge, but there is circular potential

The sports and leisure sector has been struggling since the pandemic, when many large investments were made and the demand for sports and leisure items was saturated. Demand in the sector has been low since then. Winter weather plays an important role in growth in the first quarter of the year, but despite good conditions for winter sports this year, the sector faced an uphill struggle. Development in the first quarter of 2024 was -10 percent.

The sports and leisure sector sells items in all price categories, from socks and sneakers to skis and bicycles. This also means that there are major opportunities for the sector to include circular models for the different product categories. As there is a lot of capital-intensive equipment in the sector, many items

are suitable for rental. Almost one in four consumers have rented sports and leisure products via an online service in the past month, according to the E-barometer consumer survey. Skistar, which owns the majority of the Swedish ski resorts' lift systems, has an online offering that makes it less expensive to rent equipment online than in their physical stores.<sup>1)</sup> Sports and leisure chain Stadium in the Åre ski resort also offers a lower price for its rental packages when they are booked online.<sup>2)</sup>

Many of the companies in the sector offer repairs to extend the life of capital-intensive products while boosting their brands. Examples include Patagonia<sup>3)</sup>, Haglöfs<sup>4)</sup> and Naturkompaniet<sup>5)</sup>.



SEK +8 since last year

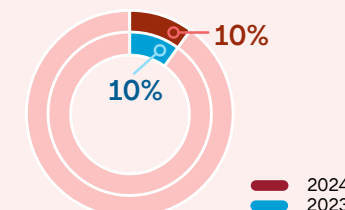
SEK -707 since last year

Average amount spent online over last 30 days

Average amount of most recent purchase from abroad

Basis: Consumer, has shopped online, average Jan – March

Basis: Consumers who have shopped online



Percentage of e-commerce consumers who made a purchase in the category

Basis: Consumers, have shopped online



Percentage of e-commerce consumers who purchased the category from abroad

Basis: Consumers, have shopped online



Percentage who always or fairly often try to make conscious sustainability choices when shopping online

Basis: Consumers, have shopped online

<sup>1)</sup> Skistar <sup>2)</sup> Stadium <sup>3)</sup> Patagonia <sup>4)</sup> Haglöfs <sup>5)</sup> Naturkompaniet

# Navigate Global Uncertainty: Google's 3-Step Plan for Retail Expansion

E-barometer is working with Google to provide more insights to e-retailers. In their report, Emma Hallerstedt, Industry Leader Retail at Google, and Jill Brazil, Head of International Growth Northern Europe, comment on how e-retailers can expand internationally.

2024 presents unique challenges, yet also opportunities for retailers, particularly those with an international presence. The world companies are operating in is characterized by a number of increasingly difficult to decipher trends including geopolitical uncertainty, economic volatility and redefined business models driven by the rapid acceleration of technology and AI. This is making it more difficult for retailers to plan and define strategies to grow.

An international presence is a huge benefit for any organization in uncertain climates, offering both a safety net and a path to explosive growth. At Google, our international growth team is working daily with customers to support them as they navigate this uncertain world and adapt their strategies to unlock these new opportunities. We have developed a framework to structure strategic international growth plans which consists of 3 pillars:

## 1. Geo Diversification: Where should you play?

Data is your compass – use insights and monitor trends to identify opportunities across international markets. For example, the furniture industry



Emma Hallerstedt



Jill Brazil

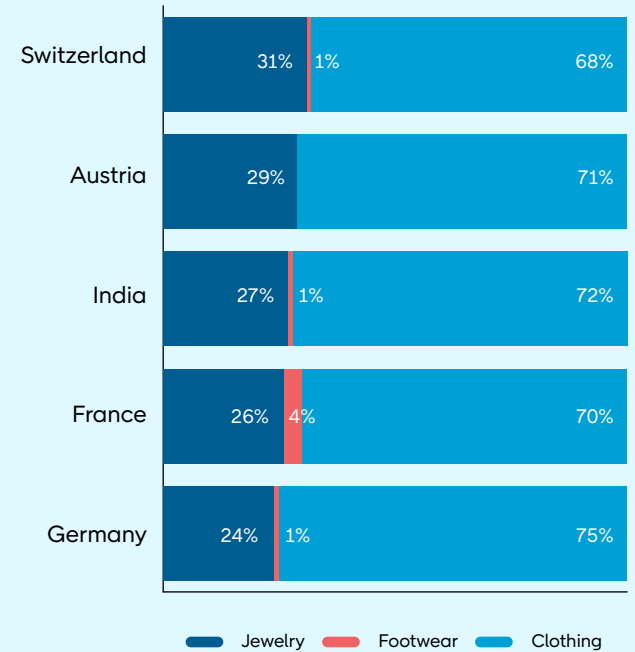
is growing by six percent in Sweden, however in the US it is eight percent (Statista, 2023). Similarly if we look at industry size, the apparel industry in Germany is 8x that of Sweden, and 4x the size of the Netherlands. Google Trends is a great publicly available tool that can support retailers in identifying opportunities for growth across international markets.

## 2. Localized Go to Market: How should you play?

Equally important is understanding how to reach consumers once you identify the opportunity. Global reach doesn't mean a one-size-fits-all message. Consumers crave personalization and expect seamless,



## Global search trends: jewelry, footwear and clothing



Source: Google Trends, web searches globally



## “AI can generate personalized product images that appeal to different markets.”

personalized, localized experiences through what has become a very complex purchase journey ... More than 50 percent of consumers use five or more channels to research products. Companies must apply localization and personalization at every stage of the journey, for each market where they play to reach consumers in a way that they will respond to. For example, did you know that bank transfer is the most popular payment method in Germany? And in the US, over 19 percent of the population is Spanish speaking (around 60 million people, larger than the population of the whole of England).

At Google, we have a number of automated resources to support you in localizing your content across markets e.g. our campaign & shopping ad translator tools which are free of charge to customers and our video dubbing solutions that leverage AI to scale video creatives across markets.

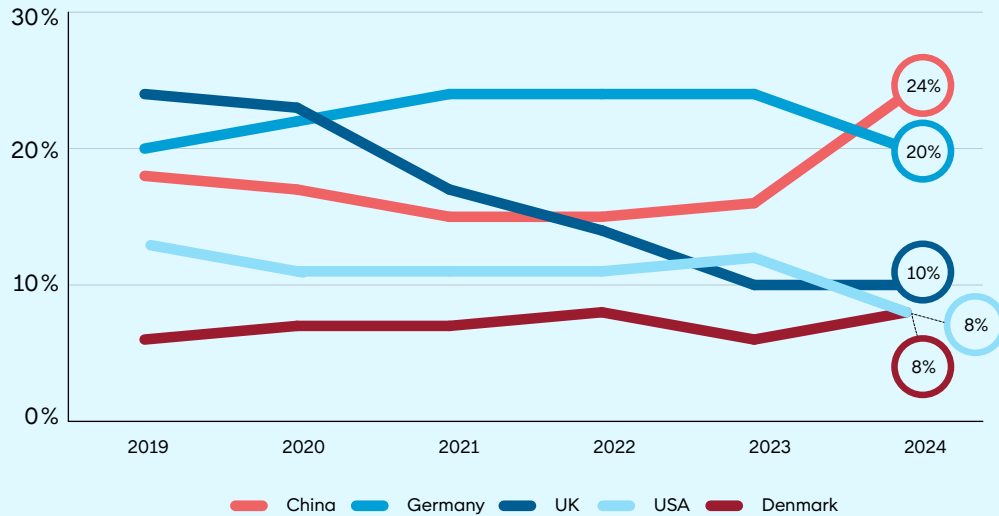
### 3. AI Fueled Efficiency: How do you win?

Winning international strategy goes beyond marketing – it requires






seamless operations and exceptional customer experience across borders. How can you achieve efficient, scalable cross-border operations? AI isn't just about flashy marketing, it's the key to cross-border efficiency. Leverage this technology to create smarter and more efficient operations across markets. For example, AI can generate personalized product images that click with different markets. Multilingual chatbots offer tireless customer support. Predictive demand models can let you align your supply chain with real-time needs in each region.

In a continuously uncertain world, taking a deliberate approach to defining your international strategy will be the key to success. International organizations are automatically at an advantage. Leverage this head start by defining what success looks like, being intentional about where to play, being diligent in developing a go-to-market strategy that is localized and personalized to stand out in each market and using AI to get you there in the most efficient way possible.

### Consumers' most recent online purchases from abroad



Basis: Consumers, have made online purchases from abroad

					
	China	Germany	UK	USA	Denmark
Share of most recent online purchase abroad	<b>24%</b>	<b>20%</b>	<b>10%</b>	<b>8%</b>	<b>8%</b>
Average receipt	<b>SEK 629</b>	<b>SEK 1,221</b>	<b>SEK 1,220</b>	<b>SEK 1,019</b>	<b>SEK 1,229</b>

Basis: Consumers, made their most recent online purchase from abroad from each country

## China now largest foreign market

Never in the last five years has a country outside Europe been the first choice of Swedish e-commerce consumers when making online purchases from abroad. This year saw a strong rise in online purchases from China, which now tops the list. The two Chinese low-cost giants Temu and Shein have exploded in popularity, and it is largely thanks to these companies that China has been able to achieve this. This year, both Germany and the United States each fell one place in the rankings.

E-commerce from the UK has been on a downward trend since the country left the EU in February 2020. This year, however, the decline in demand seems to have slowed, a sign that equilibrium has been achieved in terms of Swedes making online purchases from the UK.

Apart from the fact that Germany and China are the countries consumers

prefer to buy from, they also stand out in another way. Men and women generally shop to the same extent from each country, but Germany and China are two exceptions. Men are more likely to buy from Germany than women, and the reverse is true for China. One explanation is that men buy more from the automotive sector and women more from the clothing and footwear sector, and that each product category is close to the top of the lists of what is purchased from each country.

One consumer trend that remains in place from last year's E-barometer for Q1 is that it is difficult for consumers to know from which country they are actually making online purchases. Like last year, one in ten consumers say they are unsure or don't know whether they have made cross-border online purchases over the past year.



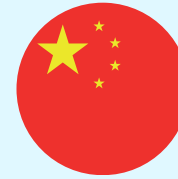
# China characterized by low prices

China has grown strongly as a market for Swedish e-commerce consumers over the past year, after a previous downward trend. The hit e-commerce websites Temu and Shein are a key reason for China's success. In 2023, Shein made a profit of just over SEK 21 billion<sup>1)</sup> and Temu's owners made a profit of around SEK 34 billion, although it is not clear how much of this comes from Temu.<sup>2)</sup> Shein is continuing to accelerate and, after experiencing difficulties in being listed on the New York stock exchange, has also launched a parallel process in London.<sup>3)</sup>

Low prices are the hallmark of e-commerce purchases from China and the main reason why consumers shop from there. The fact that prices are low is also reflected on average receipts in Sweden. The contents of a shopping cart cost on average about half as much when consumers shop online from China as when

they shop from the other top countries. An issue relating to Swedes' consumption of products from China that has received a lot of attention is that several popular Chinese companies have been the object of criticism regarding sustainability.<sup>4)</sup> Although low prices are often what consumers prioritize most, the sustainability issue may become an increasing challenge for Chinese e-retailers in the Swedish market as companies' sustainability efforts once again grow in importance for consumers.<sup>5)</sup>

Consumers have prioritized low prices during the recession in particular, but with brighter times on the horizon, China may become less appealing. On the other hand, a low price is always attractive, and low-cost market participants also try to retain consumers using strategies such as gamification and advantageous loyalty programs.



Average receipt:  
**SEK 629**

2023: SEK 609

Average cost over and above the price of the item (shipping, customs duty, etc.):

**SEK 37**

## Main reason for consumers to buy from China:

"Lower prices" **65 %**

## Consumers' favorite items to buy from China:

Clothing and footwear **26 %**

Home electronics **13 %**

Building products **9 %**

## The most common delivery problem for orders from China:

"The item was delivered too late" **66 %**

Basis: Consumers, had problems with delivery on most recent online purchase from abroad

**91%**  
of consumers had **no problem** with their most recent delivery from China

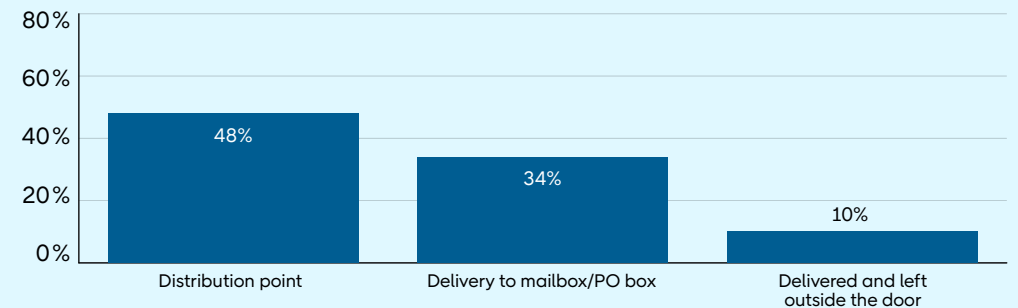


Average delivery time:

China:  
**16 days**

Sweden\*:  
**4 days**

## How consumers had their most recent online purchase from abroad delivered



Basis for all unless otherwise stated: Consumers, made their most recent online purchase from abroad from China

\*Data from E-barometern surveys, Q2 2023. Basis: Consumers, have shopped online

# Automotive industry high up in German e-commerce

As with most countries at the top of the list, clothing and footwear are the items most commonly purchased online from Germany, but uniquely, automotive items follow in second place. The average receipt also shows traces of this relatively capital-intensive sector. The amount is the highest in terms of the average receipt from the top five countries.

Before Amazon was launched in Sweden, it was not uncommon for Swedes to shop from German Amazon.<sup>1)</sup> According to E-barometern's annual surveys, Amazon's popularity has increased steadily since its launch in Sweden. Perhaps this is one of the reasons why Germany has not grown among Swedes as an e-retailer – consumers have simply gradually moved their online shopping from German to Swedish Amazon. A weak Swedish krona and a euro that continued to be strong also put Germany at a disadvantage in this context.

Germany's loss may also be partly due to the fact that it is increasingly difficult for consumers to determine from which country they are making online purchases. In 2019, Zalando opened a warehouse in Sweden, which has since been expanded.<sup>2)</sup> In 2020, the company began giving Swedish physical stores the opportunity to sell via their channels<sup>3)</sup>, an offer that is evolving as Zalando moves increasingly towards becoming a platform.<sup>4)</sup> Many Swedish retailers thus sell their items via Zalando, which also has operational activities in Sweden. So it is not surprising that consumers find it hard to keep track of which country they are actually buying from. Zalando's former head of the Nordic region even said that "I've succeeded when the customer thinks that Zalando is Swedish".<sup>5)</sup>



Average receipt:  
**SEK 1,221**  
2023: SEK 1,498

Average cost over and above the price of the item (shipping, customs duty, etc.):  
**SEK 50**

## Main reason for consumers to buy from Germany:

"The items were not available on Swedish sites" **56 %**

## Consumers' favorite items to buy from Germany:

Clothing and footwear **21 %**  
Vehicles **16 %**  
Home electronics **11 %**

## The most common delivery problem for orders from Germany:

"The item got lost" **44 %**

Basis: Consumers, had problems with delivery on most recent online purchase from abroad

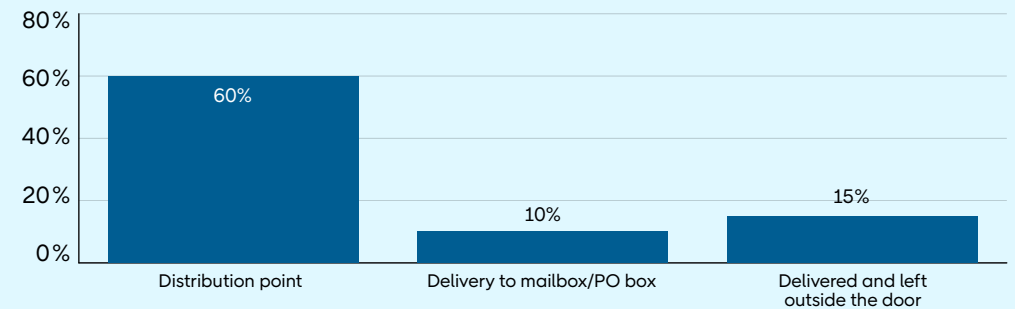
**97%**  
of consumers had **no problem** with their most recent delivery from Germany



Average delivery time:

Germany:  
**7 days**  
Sweden\*:  
**4 days**

## How consumers had their most recent online purchase from abroad delivered



Basis for all unless otherwise stated: Consumers, made their most recent online purchase from abroad from Germany

\*Data from E-barometern surveys, Q2 2023. Basis: Consumers, have shopped online

# Brexit making an impact on UK e-commerce

Despite it being more than four years since the UK left the EU, the most common delivery problem according to consumers is that customs duties were higher than they expected. Thus, the new duties do not seem to be something that consumers have become fully accustomed to. Delivery times have also been negatively affected. In 2019, i.e. the year before Brexit came into force, almost 16 percent of consumers received their parcels from the UK within three days; today, this is the case for only four percent of deliveries. Post-Brexit, all items purchased from the UK have had to be cleared through customs, significantly extending delivery times.<sup>1)</sup>

There has also been a major change in the reason why consumers buy from the

UK instead of Sweden. In 2019, 46 percent of consumers said it was because of lower prices; today, this has dropped to 15 percent. The price gap that existed in the past has probably been eaten up by the extra costs now incurred for online purchases from the UK.

The significant increase in these costs since Brexit, combined with a weak Swedish krona, makes it costly for consumers to shop from the UK. The percentage of consumers who paid more than SEK 150 over the price of the item when they last ordered from the UK increased from just under nine percent in 2019 to 21 percent in 2024.



Average receipt:  
**SEK 1,220**

2023: SEK 914

Average cost over and above the price of the item (shipping, customs duty, etc.):

**SEK 95**

## Main reason for consumers to buy from the UK:

"The items were not available on Swedish sites" **71 %**

## Consumers' favorite items to buy from the UK:

Clothing and footwear **38 %**

Media **15 %**

Children's products and toys **8 %**

## The most common delivery problem for orders from the UK:

"Higher duties at customs than I expected (customs/VAT/handling fees)" **48 %**

Basis: Consumers, had problems with delivery on most recent online purchase from abroad

**92%**

of consumers had **no problem** with their most recent delivery from the UK



Average delivery time:

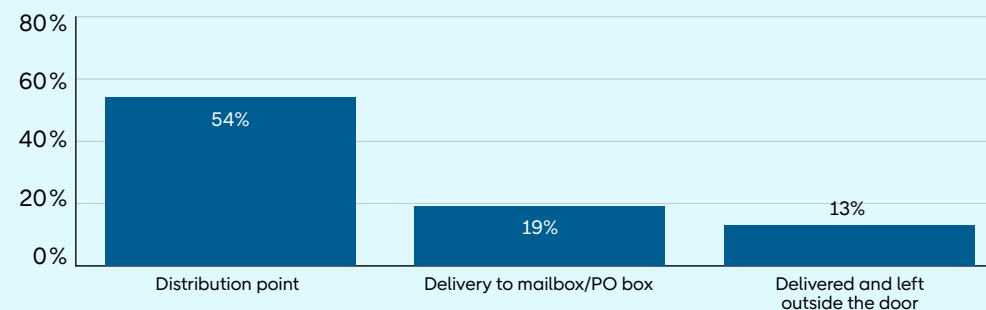
UK:

**11 days**

Sweden\*:

**4 days**

## How consumers had their most recent online purchase from abroad delivered



Basis for all unless otherwise stated: Consumers, made their most recent online purchase from abroad from the UK

\*Data from E-barometern surveys, Q2 2023. Basis: Consumers, have shopped online

<sup>1)</sup> Prisjakt, April 2021

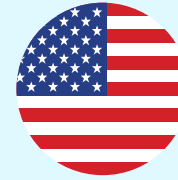
## American range of products attracts consumers

A range of products not available on Swedish websites is what mainly attracts consumers to the US market. One contributing factor may be social media, where international product trends not available on the Swedish market appear in rapid succession. To keep up, the consumer is simply forced to order from the US. Examples include Kim Kardashian's clothing brand Skims and Hailey Bieber's beauty brand Rhode, which have become popular on TikTok.

Although the United States is a popular country to shop from, it has fallen one place this year compared to 2023. One reason may be that the US dollar has been strong against the weak Swedish krona, further reducing consumer

purchasing power in an already challenging economy.

Another challenge with online purchases from the United States is that 16 percent of consumers, the largest percentage among the top countries, indicate that they had problems with their most recent delivery from there. The most common problem is that the items were delivered late. Parcels from the United States are transported over long distances, so it can be difficult to estimate delivery times accurately. There may also be an expectation that deliveries from the US should be relatively fast compared to deliveries from, for example, China, which may leave consumers dissatisfied if delivery is perceived as slow.



Average receipt:  
**SEK 1,019**  
2023: SEK 988

Average cost over  
and above the price  
of the item (shipping,  
customs duty, etc.):  
**SEK 111**

### Main reason for consumers to buy from the US:

"The items were not available on Swedish sites" **80 %**

### Consumers' favorite items to buy from the US:

Clothing and footwear **22 %**  
Media **15 %**  
Sports and leisure **8 %**

### The most common delivery problem for orders from the US:

"The item was delivered too late" **36 %**

Basis: Consumers, had problems with delivery on most recent online purchase from abroad

**84%**

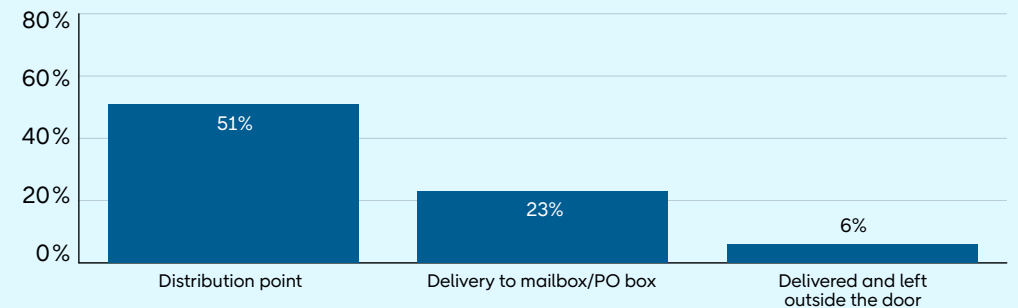
of consumers had **no problem** with their most recent delivery from the US



Average delivery time:

USA:  
**15 days**  
Sweden\*:  
**4 days**

## How consumers had their most recent online purchase from abroad delivered



Basis for all unless otherwise stated: Consumers, made their most recent online purchase from abroad from the US

\*Data from E-barometern surveys, Q2 2023. Basis: Consumers, have shopped online

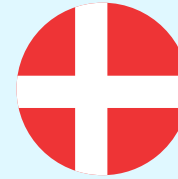
## Danish design attractive

Denmark stands out among the top countries as the only country from which consumers prefer to buy something other than clothing and footwear. Home electronics is instead the most popular product category. Home furnishings and furniture also stand out in that it is more popular to buy them from Denmark than from other countries.

Denmark offers home electronics and home furnishings, as well as furniture in popular designs. Bang & Olufsen, &tradition and HAY are examples of Danish brands in these sectors. Although some products from these brands are also available from Swedish retailers, the most common reason for buying

from Denmark is the interesting range of products. The market also benefits from stable connections and convenient deliveries to Sweden, which means that delivery times are shorter than from other countries.

Although only five percent of consumers say they had a problem with their most recent delivery, 67 percent of them received a damaged parcel. The delivery of capital-intensive items can make consumers more attentive to delivery condition, but it is also common for home furnishings and furniture to only be shipped in the original box, which is not always durable enough for cross-border shipping.



Average receipt:  
**SEK 1,129**

2023\*\*: SEK 1,334

Average cost over  
and above the price  
of the item (shipping,  
customs duty, etc.):

**SEK 37**

### Main reason for consumers to buy from Denmark:

"The items were not available on Swedish sites" **55 %**

### Consumers' favorite items to buy from Denmark:

Home electronics **18 %**

Clothing and footwear **15 %**

Home furnishings and furniture **12 %**

### The most common delivery problem for orders from Denmark:

"Damaged parcel" **67 %**

Basis: Consumers, had problems with delivery on most recent online purchase from abroad

**95%**  
of consumers  
had **no problem**  
with their most recent  
delivery from  
Denmark

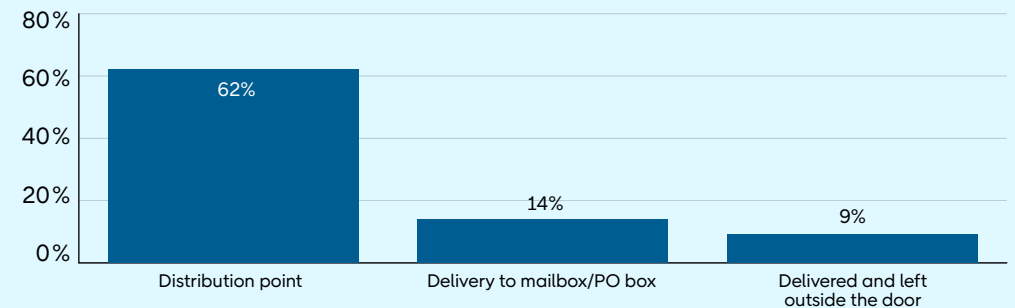


Average  
delivery time:

Denmark:  
**6 days**

Sweden\*:  
**4 days**

## How consumers had their most recent online purchase from abroad delivered

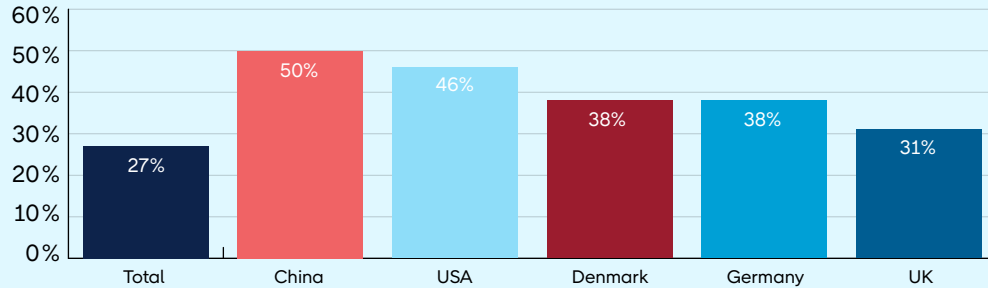


Basis for all unless otherwise stated: Consumers, made their most recent online purchase from abroad from Denmark

\*Data from E-barometern surveys, Q2 2023. Basis: Consumers, have shopped online

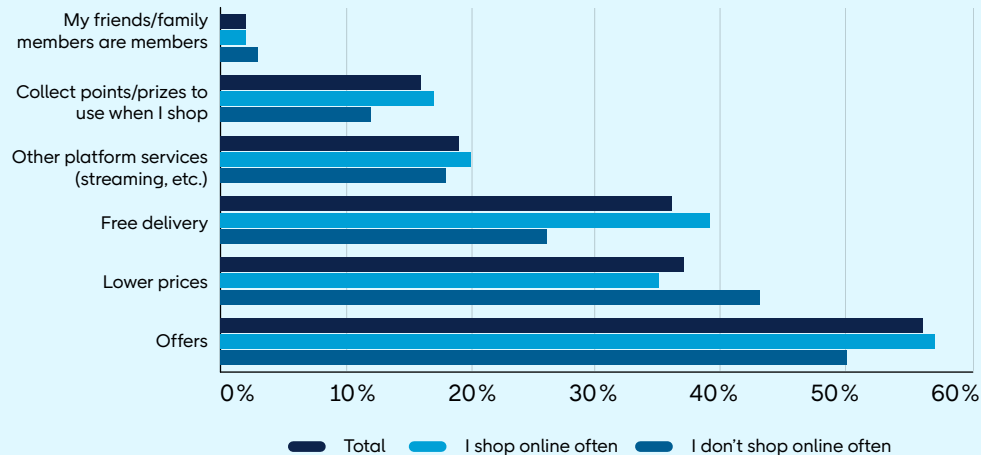
\*\*Own calculation due to change in data material. Amounts are not fully comparable

### Percentage of Swedish consumers who are members of an international loyalty club



Basis: Consumers, made their most recent online purchase from abroad from each country

### Why consumers are members of international loyalty clubs



Basis: Consumers, member of international loyalty club

## Savings opportunity drives membership of loyalty clubs

There are several benefits that attract consumers to international loyalty clubs, but what the most popular ones have in common is that they are all about saving money. Sixteen percent of Swedish e-commerce consumers are members of a foreign loyalty club to collect points or prizes that they can then use when shopping. These can include discounts, but also free items.

Among consumers who made their most recent purchase from abroad from China, one in two is a member of an international loyalty club. Different market participants vary in their ability

to attract consumers to their loyalty clubs. Chinese e-retailer Temu is successful in this area – you cannot shop there without being a member.

To ensure the satisfaction of both potential and loyal customers, it is important for e-retailers to work actively with the right types of benefits. Consumers who are frequent shoppers appreciate free delivery and other offers – added value in the purchase journey. Consumers who shop less frequently are less interested in such benefits and more likely to want to be offered lower prices – an effective way to attract new consumers.

# Perceived and actual strengths of foreign market participants differ

Many Swedish e-retailers have struggled in recent years, and in addition to stiff competition from Swedish market participants, 36 percent say that competition has also increased from foreign market participants.

E-retailers seem to agree that the main competitive advantage of foreign market participants is their ability to offer low prices. At a time when, for many consumers, every krona counts, it is not surprising that low prices in particular are seen as a key factor for gaining access to consumers' wallets. Swedish e-retailers can often find it difficult to match the low prices of Chinese market participants, for example.

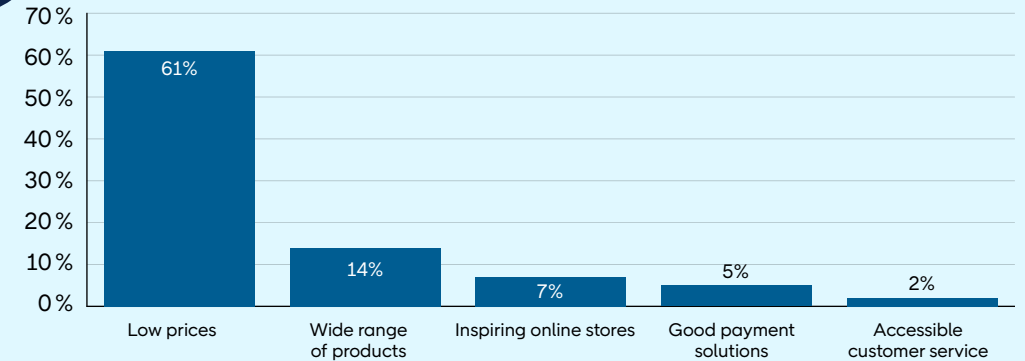
However, it is worth mentioning that it is only when consumers buy from China

that low prices are the main reason for their decision. This suggests that Swedish e-retailers may need to broaden their horizons and consider what really drives consumers to buy from abroad and how they can compete in these areas. Price does not have to be the most decisive factor, especially when buying from countries other than China, and in that case, there are greater opportunities for Swedish e-retailers to compete.

Swedish e-retailers' perceptions of their own competitive advantages are more varied. Most important, however, is the interpersonal aspect, with accessible customer service and a personal touch topping the list. Proximity, language and understanding of Swedish consumers are thus the most important things for Swedish e-retailers to take advantage of.

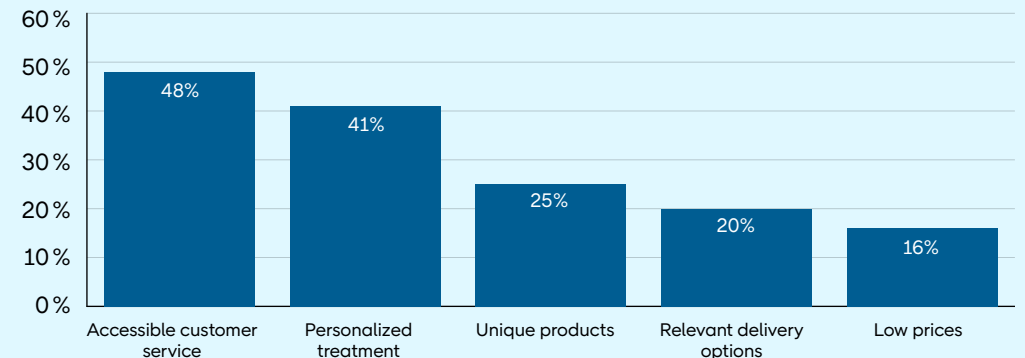
**35%**  
of e-retailers feel that **competition from foreign e-commerce sites** has increased\*

## Main competitive advantages of foreign market participants according to Swedish e-retailers



Basis: E-retailers

## Swedish e-retailers' perceived competitive advantages over foreign market participants



Basis: E-retailers

\* Basis: E-retailers

# PostNord's Sustainability Manager guides us through the new EU directives

From 2025–2030, several EU regulations will come into force and significantly impact the e-commerce industry, with some of them needing to be implemented rapidly.

These regulations include the consumer's right to repair, the reduction of packaging waste, and requirements for auditing value and supply chains.

**Naznoush Habashian**, Sustainability Manager at PostNord, provides her comments and insights on these new regulations and their impact on the e-commerce industry.

## 1. Which of these regulations will have the greatest impact on e-retailers?

It is difficult to rank the importance and impact of the new legislation – these new laws go hand in hand and basically give you no choice but to be sustainable. This will mean major changes for many e-retailers, who will need to adapt their products and business models to meet the new requirements. It is important to stay constantly up to date in this area so you can adapt your business.

One of the significant legislative proposals is the Ecodesign for Sustainable Products Regulation (ESPR), which aims to promote

sustainable and circular products. Through the use of digital product passports, the ESPR will provide clearer information about manufacturing and materials, for example.

The EU Green Claims Directive, adopted by the European Parliament on March 12, 2024, aims to protect consumers from misleading environmental marketing, also known as green-washing. The impact of the directive on e-commerce is significant. For e-retailers, it means that they need to take care to ensure that their environmental claims are accurate and well substantiated to avoid sanctions and maintain consumer trust. This can also lead to greater competitiveness and innovation in the industry, as companies seek to demonstrate that they are taking environmental responsibility.

The Packaging and Packaging Waste Regulation (PPWR) is a new EU regulation that aims to reduce



packaging waste and increase the reuse and recycling of packaging materials. For e-retailers, this means adapting their packaging strategies, which may involve investing in new packaging materials and technologies, as well as reviewing logistics and supply chains to integrate reusable and recyclable solutions.

## 2. What action should the industry take?

To start with, develop a more

comprehensive strategy that incorporates sustainability goals and clear action plans to meet the new sustainability requirements.

Companies in all sectors should familiarize themselves with the new sustainability reporting requirements under the Corporate Sustainability Reporting Directive (CSRD) and prepare their processes to report transparently on their environmental and social impacts. Examples:

- Adapt their business models to promote the reuse and recycling of products.
- Raise awareness and skills levels through training and communication.
- Educate and engage employees in sustainability issues, which is crucial to successfully implementing the new rules and creating a sustainable corporate culture.

By raising public awareness and promoting responsible behavior, together we can make a real difference to the environment and society as a whole.

Nobody can do everything but everyone can do something – collaboration and partnership to identify new sustainable solutions. By proactively adapting to the new rules, companies are not only able to avoid potential sanctions, strengthen their market position and increase their competitiveness, but also to benefit from a growing awareness among customers.

## 3. There is a lot going on in the packaging industry, which both DS Smith and Apotea will talk more about in the report. What do you think e-retailers and logistics partners should consider when it comes to packaging?

As you mention, there are many excellent initiatives underway to make packaging more sustainable and reduce resource consumption and waste.

First of all, suppliers can ask themselves whether the packaging is necessary. Then see whether there are any outdated regulations that impose unsustainable requirements on packaging, for example in medicine or the beauty industry. If so, they can work on these issues to bring about a change that reduces packaging volumes.

Then, of course, it is very important to optimize packaging design to fit the size and shape of the product, use sustainable packaging materials, optimize transportation processes, implement packaging return programs, use AI, 3D printing, etc. to reduce packaging waste.

By implementing these practices, e-retailers can not only reduce their environmental impact and unnecessary costs, but also strengthen their brand and customer loyalty by demonstrating their commitment to sustainability.



# Sustainable e-commerce under economic pressure

The fact that the economic situation has affected consumer purchasing behavior is nothing new, this being already evident in last year's survey. With less money left over after interest rate hikes and price increases, consumers are more cautious. Although the share is lower than last year, more than half are shopping less overall, and a significant proportion are buying more items on special offer or at a discount.

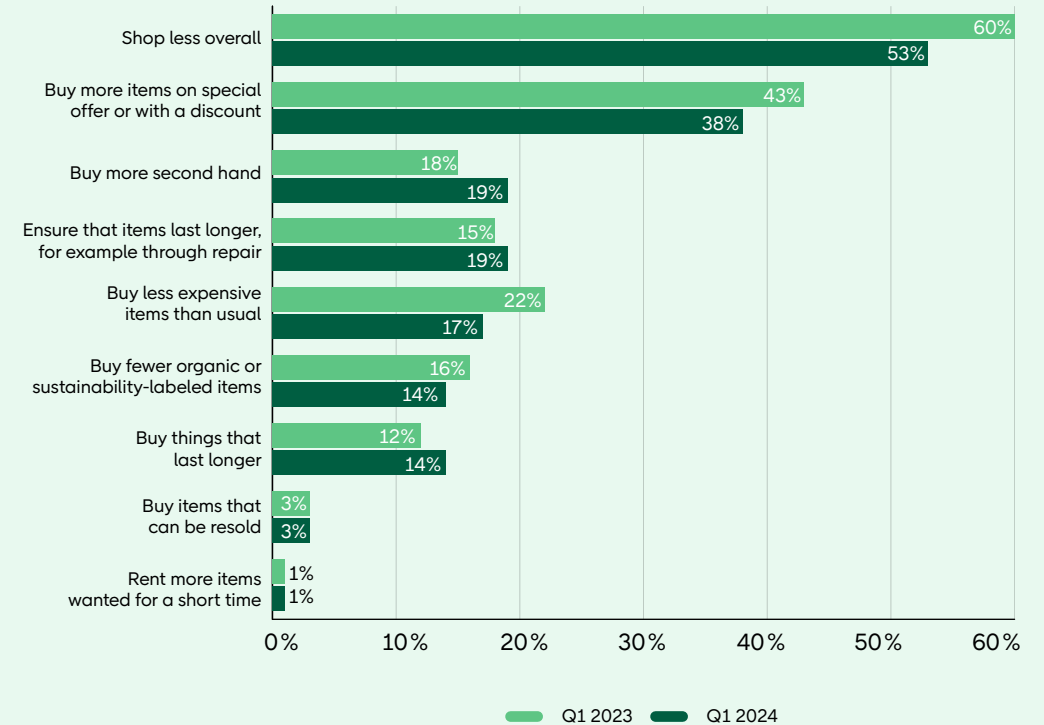
Some consumers are buying fewer organic or sustainable products as a result of the economic situation. The groceries sector saw a decrease in sales of organic products in 2023. According to Dagligvaruindex grocery sector statistics, the percentage of organic products in Swedes' shopping carts fell by 0.7 percentage points between 2022 and 2023.<sup>1)</sup>

At the same time, there are some positive changes in consumer behavior that can encourage sustainability in e-commerce. For example, the strained economic

situation is making consumers more resource-conscious, which also makes aspects such as extended product life and second-hand options increasingly relevant. Economic sustainability is thus an important factor for consumers. Although the economic situation was already challenging at the time of last year's survey, more consumers have now adapted and realized the value of extending the life of the items they buy.

According to the trade association Svensk Handel's sustainability survey, consumers value companies' sustainability efforts more highly than last year.<sup>2)</sup> Although sustainability is not valued as highly as before the pandemic and the period of economic uncertainty, interest in this issue is on the rise again. As the financial pressure eases, consumers are feeling confident enough to go back to making sustainable choices – but perhaps in a different way. This is something that e-retailers need to be aware of, especially when it comes to new business models that take time to implement.

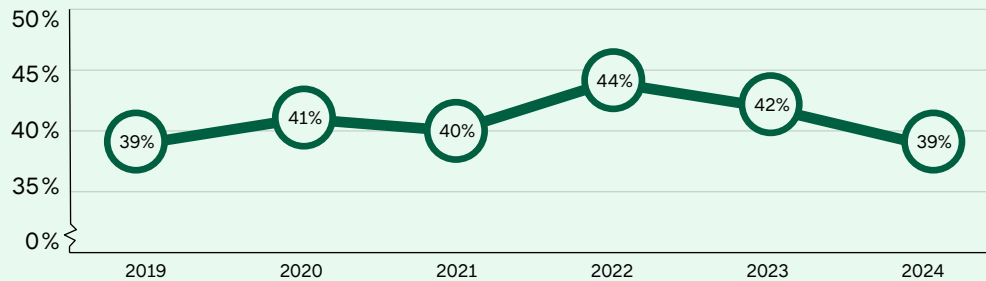
## Economic situation has affected consumer purchasing behavior



Basis: Consumers, have shopped online

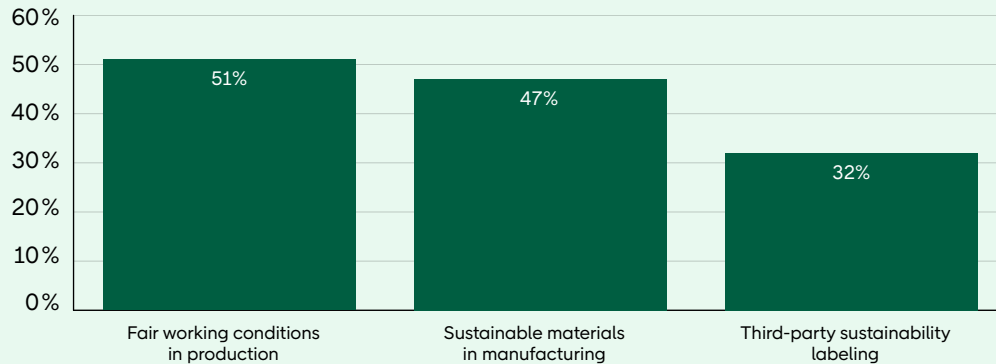
<sup>1)</sup> Dagligvaruindex <sup>2)</sup> Svensk Handel's sustainability survey

## Percentage who often or always make conscious choices when shopping online in terms of environmental impact, sustainability, working conditions, etc.



Basis: Consumers, have shopped online

## Top three factors carrying the most weight when people are making sustainable e-commerce choices



Basis: Consumers, often actively seek out their own sustainability information about the item

# Legal requirements and expectations driving development

There is a lot going on in the field of sustainable commerce, and the European Commission has unveiled a comprehensive legislative package that will affect e-retailers. These legislative proposals include the consumer's right to repair, a reduction in packaging waste, and requirements for auditing value and supply chains. The various sustainability regulations are expected to enter into force gradually from 2025 to 2030.

The requirements are not only being set by the EU – consumers are also expecting more of companies. Despite less scope for focusing on sustainability in times of economic uncertainty, 4 out of 10 people still often or always make conscious choices when shopping online – a significant proportion to consider. For the most conscious consumers, those who actively seek out sustainability information about the product they are planning to buy online, the social sustainability aspect carries the most weight. The

next priority is the sustainability of the item's materials, followed by third-party sustainability labels.

All these factors will also be affected by the new EU directives. This includes the proposed ESPR\*, which aims to promote sustainable and circular products, for example through digital product passports that provide clear information on manufacturing and materials. When it comes to ecolabels, the European Commission aims to reduce misleading information and confusion through the Green Claims legislative proposal, which will ensure that environmental claims are scrutinized by a third party.<sup>1)</sup>

It is clear that sustainability issues are becoming increasingly central to e-commerce. In order to meet legal requirements and live up to consumer expectations, e-retailers need to be aware of the changes taking place and adapt to them.

<sup>1)</sup> European Commission

\*Ecodesign for Sustainable Products Regulation, European Commission

## Older people more aware but younger people more circular

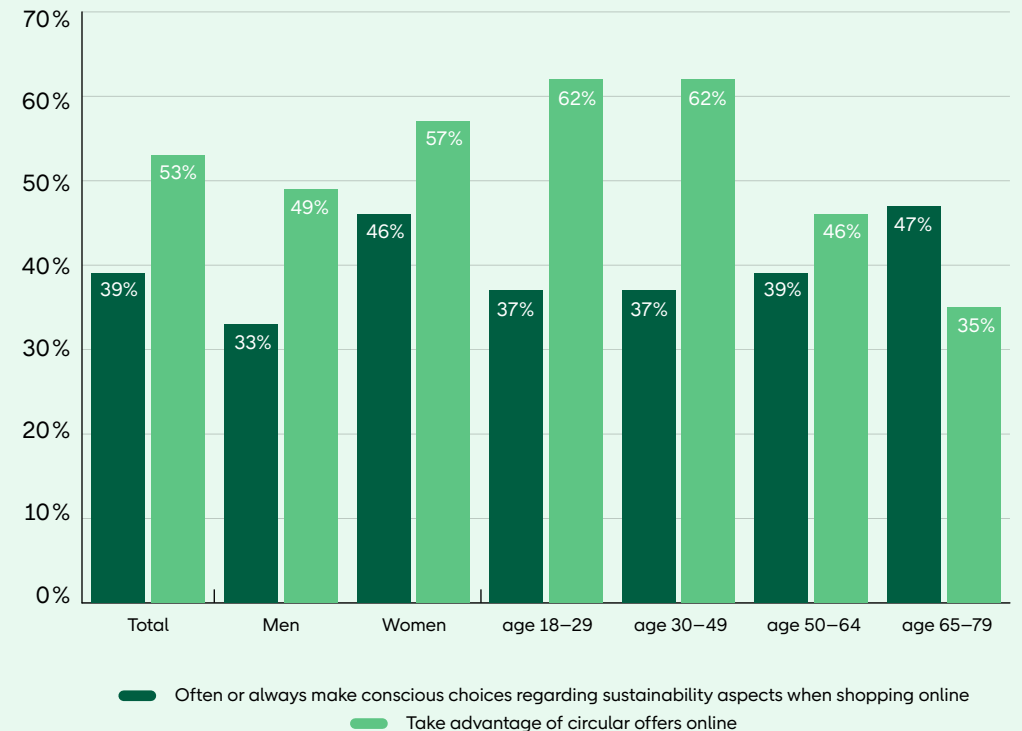
Women are more likely than men to make informed choices when shopping, with almost half of all women taking into account environmental impact, sustainability and working conditions when shopping online. Older consumers are also more likely to make conscious choices focused on sustainability than other age groups. This can be partly explained by the fact that older consumers usually shop less frequently, giving them more scope to consider and prioritize sustainable options. Among the oldest consumers, the proportion making sustainability-conscious choices when shopping online has increased by around ten percentage points.

Although older people make informed choices to a greater extent than younger people, younger people have made greater strides towards embracing circular offers online. Consumers aged 18–49 are significantly more likely to take

advantage of such offers than consumers aged 65–79. For younger people, it is not just a question of making conscious choices when buying newly manufactured items, but rather an integral part of a lifestyle that naturally promotes more sustainable commerce.

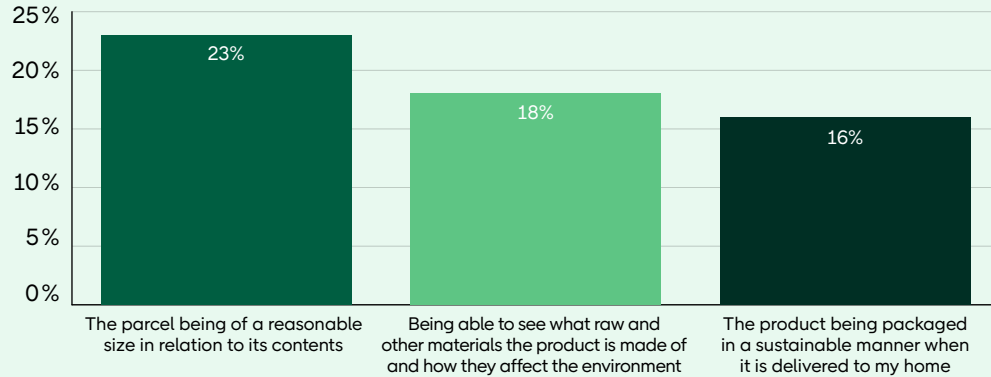
It is clear that sustainability remains an important issue for consumers, and with the new EU directives, sustainable commerce is coming into increasingly sharper focus. However, despite consumers increasingly considering sustainability, more and more people are buying online from foreign low-cost market participants, which are not exactly known for their sustainability. For e-retailers, balancing consumer demands for sustainability with the competitive pressures they face from these market participants is a complex challenge. At the same time, a greater amount of EU regulation is expected.

### Percentage making informed choices and percentage taking advantage of circular offers

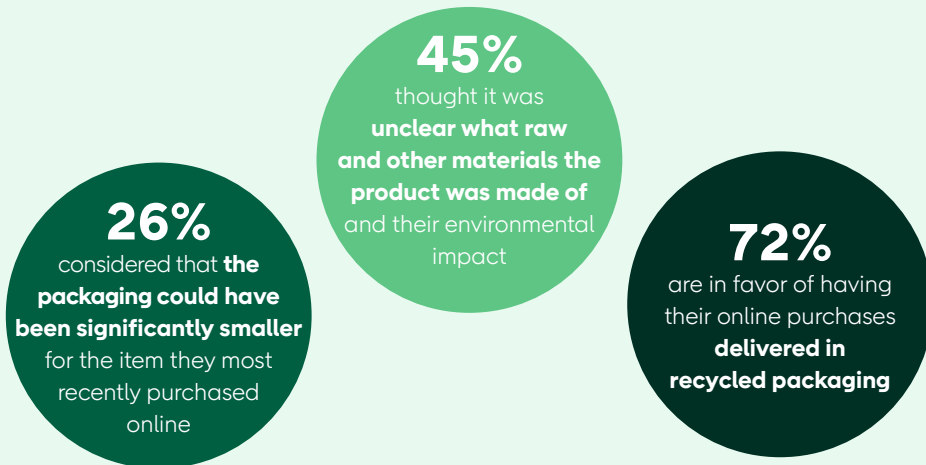


Basis: Consumers, have shopped online

## Top three most decisive factors for consumers when purchasing an item from an online store



Basis: Consumers, have shopped online



Basis: Consumers, have shopped online

# Sustainability expected throughout the purchase journey

Many e-commerce consumers think it is important that the parcel is of a reasonable size in relation to its contents. However, when consumers are asked to comment on the packaging of their latest online purchase, one in five think that it could have been significantly smaller. The new EU legislative proposal PPWR\* entails an even sharper focus on packaging and reducing air in parcels. Its requirements include that the weight and volume of the packaging be reduced to the minimum necessary to ensure quality.<sup>1)</sup>

There is also a need to improve product descriptions to include more detailed and easily accessible information on the origin and environmental impact of the product. Almost a fifth of consumers consider it crucial to be able to see what raw and other materials the product

is made of and their impact on the environment, but as much as 45 percent said that this information was unclear for their most recent online purchase. This aspect will also be affected by forthcoming EU regulations, in particular the Corporate Sustainability Due Diligence Directive, which expands the requirements for companies to carefully scrutinize their value and supply chains.<sup>2)</sup>

A third factor crucial to consumers when shopping online is that the product is packaged in a sustainable manner when delivered. One way for e-retailers to meet this need is by reusing the packaging that is returned. More than seven out of ten consumers are in favor of having their online purchases delivered in recycled packaging, indicating a strong interest in circular packaging solutions.

<sup>1)</sup> Ecosistant, March 2024 <sup>2)</sup> Svensk Handel

\*Packaging and Packaging Waste Regulation, European Commission

# Sustainable deliveries require sustainable materials

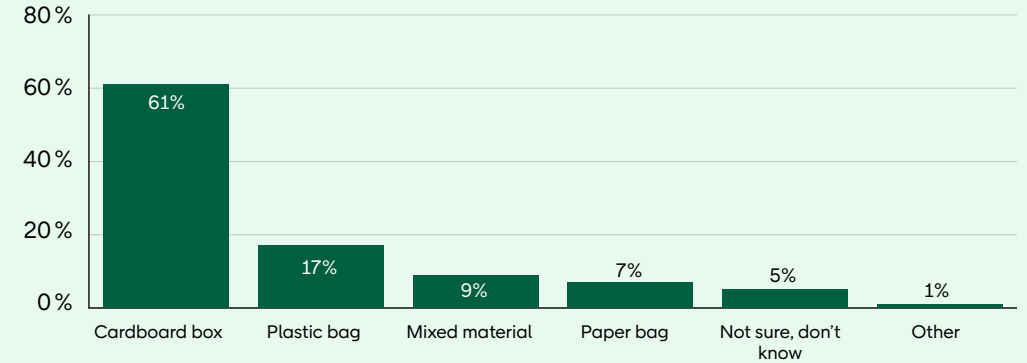
Packaging accounts for a significant share of the overall environmental impact of e-commerce. E-retailers are already well on their way to meeting consumer needs, largely delivering items in recyclable materials and in appropriately sized packaging. Cardboard and paper are the most common materials for e-commerce packaging and are recycled to a large extent. Although e-retailers already use recyclable materials extensively, the EU PPWR regulation will impose additional requirements for both recycling and reuse.<sup>1)</sup>

There is also great potential for sustainable packaging earlier on in the e-commerce chain. Although the EU regulations have not yet entered into force, there are already initiatives regarding packaging that make e-commerce more sustainable. One initiative is that being taken by the Hållbar E-handel (Sustainable E-commerce) working group E-com Ready, which includes Apotea and DS Smith. E-com Ready

brings together different e-commerce market participants to develop solutions for more sustainable deliveries.<sup>2)</sup> Many items coming from suppliers are tailored to physical commerce, being supplied in the form of small retail packs and components that fit on store shelves. Adapting deliveries to e-commerce makes the industry more efficient and more sustainable.

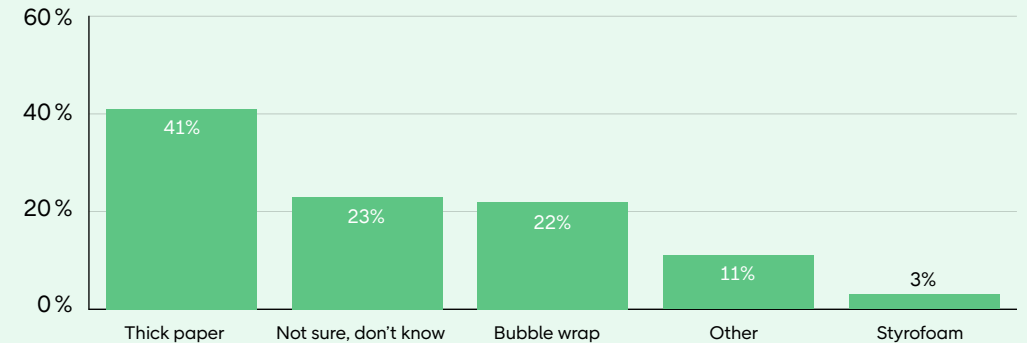
The aim of E-com Ready is to increase the efficiency of e-commerce, reduce overall resource consumption and contribute to more sustainable commerce. Apotea is one of the market participants involved in the project, and as they describe in more detail later, they have implemented changes in their transportation packaging to better adapt it to deliveries to their e-commerce warehouses. The result of these changes is a lower climate footprint, but also less expensive deliveries and lower costs for suppliers, more efficient working methods and a better work environment.

## Packaging materials for consumers' most recent online purchases



Basis: Consumers, have shopped online

## Packaging materials inside packaging for consumers' most recent online purchases

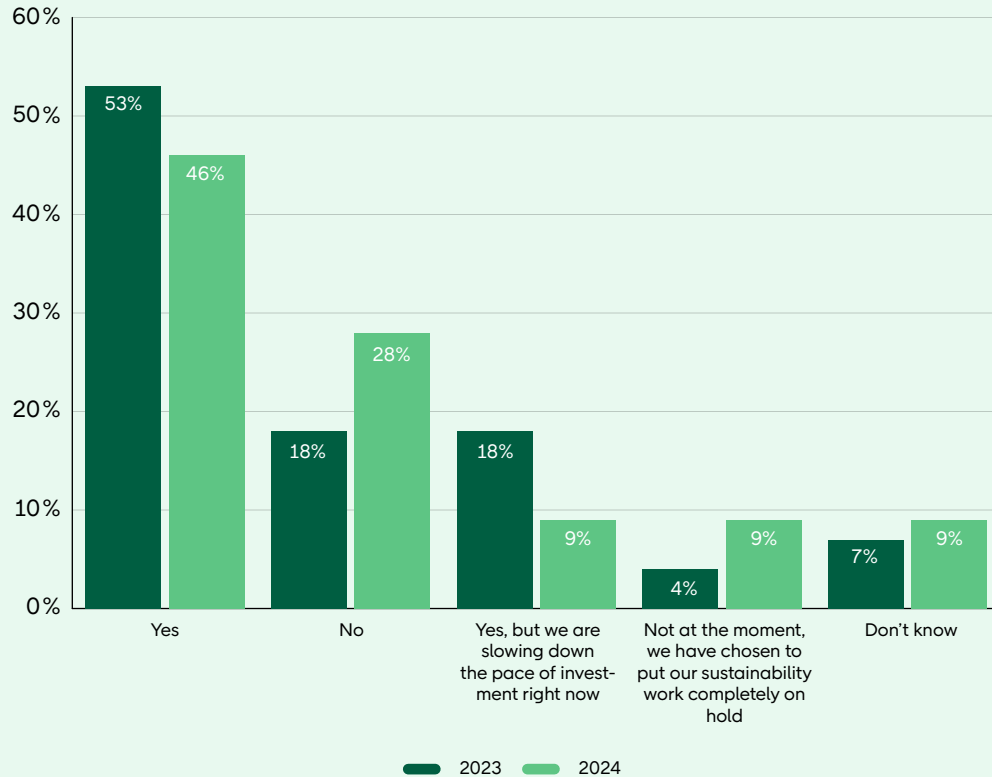


Basis: Consumers, have shopped online

<sup>1)</sup> Ecosistant, March 2024 <sup>2)</sup> Hållbar e-handel

**45%**  
of e-retailers are working to **provide better clarity on raw and other materials\***

### Percentage of companies actively working on sustainability



Basis: E-retailers

## Sustainability efforts subject to strict prioritization

Although a significant proportion of e-retailers are actively working on sustainability issues, this share has decreased since last year's survey. A growing proportion report that they have put their sustainability efforts on hold during the year. It is clear that increasing numbers of e-retailers have been concentrating their efforts elsewhere – with challenging years behind them, their focus has been on survival. Although brighter times are on the horizon, it may take time for companies to reprioritize. However, considering the host of new EU regulations expected in the coming years, it is important for companies to calibrate in time.

Despite this, there are signs that the sustainability efforts of e-retailers are evolving over time, which may also impact their responses. E-barometer's surveys show that the drivers for working with sustainability are increasing, distributing the work over several parts of the organization. Thus, instead of working 'actively' on sustainability as a side issue, it is increasingly being integrated in

regular operations, becoming part of the whole business.

In practical sustainability work, e-retailers mainly prioritize initiatives that concern sustainable raw and other materials. Items made from sustainable materials are also important to consumers, with over a fifth of them stating that this is of major importance when they shop online. Despite this, almost half of consumers felt that information on raw and other materials was not clear enough when they made their most recent online purchase. There is work to be done in this area to make things clearer to consumers.

But e-retailers have their ears to the ground: a large proportion of them are already working to improve clarity for consumers regarding raw and other materials. Corporate sustainability efforts are well aligned with consumer needs, a promising development from both a sustainability and a profitability perspective.

\* Basis: E-retailers

# “We are at the forefront of the paper industry”

Packaging manufacturer DS Smith is aiming to become fully climate neutral by 2030. The fact that 97 percent of all its corrugated board is already recycled is helping things along, but to achieve the goal, the company is looking at everything from new packaging solutions and optimized transportation to mixing the paper fibers with seaweed.

**Packaging manufacturer DS Smith** has the wind in its sails. Almost all factories and companies need to package their products in some way – now more than ever.

“Our customers range from medtech companies that ship their products all over the world to potato growers in Skåne,” says Thorbjörn Sagerström, CEO of DS Smith in the Nordic region.

“E-commerce exploded during the pandemic,” he says. “There was an incredible boom that has now receded slightly, but there are still far greater volumes than in 2019, and this will continue.”

“It isn’t our customers that drive the market – consumers are the ones setting the big trends,” he says. “We also

always try to look ahead and have a pretty good idea of how things will look six or seven years down the line.”

One of the things the company sees in the future is drone deliveries, but above all, he believes that a larger number of food deliveries will require insulated (hot or cold) packaging to an increasing extent.

**To cope with** what lies ahead, the company has developed a model: circular design metrics. This is a measurement tool aiming to help packaging buyers make more sustainable choices in terms of economics and climate impact.

“We’ve done this to help our customers see how much they can save,” he



says. “For example, it can be about optimizing the space in a truck, ensuring that the packaging can withstand external impact so that the item arrives in pristine condition, and instead of four packaging sizes, perhaps having eight to ensure a lower carbon footprint.”

A DS Smith service that ultimately results in savings for e-retailers.

**A further circular** measure is the company’s recycled paper-based packaging development.

“DS Smith is the largest player in Europe in the recycled paper trade, and here in the Nordic region, our origins are in an old Swedish company based around making use of everything that comes from the earth,” says Thorbjörn Sagerström.

In terms of paper raw materials, 97 percent of all corrugated board is recycled. A paper fiber can be reused between seven and eight times, and at DS Smith, only half of the new corrugated board contains new raw material.

“When we buy a toaster or a chainsaw, we almost always put the empty box in the recycling,” he explains. “That packaging then comes back to our paper mill, which makes rolls of paper that are sent on to my packaging factory, where we glue new packaging together. The circular process takes three weeks.”

DS Smith also has far-reaching plans to replace much of the packaging traditionally made of plastic with cardboard.

“Humanity would not be where we are today without plastic,” says Thorbjörn Sagerström. “It’s an excellent material, but the recycling rate is too low and a great deal is incinerated. We can replace a lot of it with simple and effective corrugated board solutions. A lot of research is taking place into increasing sustainability, and we’re looking at mixing seaweed into our paper blends, for example. We’re at the forefront in this area.”

**Plastic bags for** e-commerce are worth EUR 4 billion in Europe. Plastic is often used to ship textiles, and DS Smith sees an opportunity to switch to paper packaging, such as paper bags. Another example Thorbjörn Sagerström cites is plastic takeaway food trays, which are now banned in Germany. Instead, the solution there is now molded corrugated board with a thin, removable plastic barrier glued to it.

“Then there’s everything in the packaging, with what we call Styrofoam, but what is actually called EPS, often protecting the product,” he says. “We’re now starting to replace it with bent and folded corrugated board to keep the product in place inside the box.”

DS Smith also has a team that helps customers build production lines to improve their packaging process.

“Finally, we have the issue of how to get back all the packaging we

**“A lot of research is taking place into increasing sustainability, and we are, for example, looking at mixing seaweed into our paper blends. We’re at the forefront in this area.”**

Thorbjörn Sagerström, CEO, DS Smith



## About DS Smith

DS Smith is part of a UK listed group that acquired Swedish SCA Packaging twelve years ago. Globally, it employs 32,000 people, 1,600 of whom are in Finland, Sweden, Denmark and Norway. The company is dedicated to working with 12 different sectors. Much of this work concerns product packaging, and exposure to the growing e-commerce industry is high.







produce,” he says. “It’s in our interest to sell products, of course, and we’re coming up with ingenious solutions along the way, but we naturally still have a lot to do.”

The aim is for packaging to be recyclable, but also reusable in order to extend its life cycle.

“We have a tearable tape that can be used twice so that the box can be sent back and forth on a number of trips,” he says. “To make it easier for the consumer to store and recycle the packaging, it’s important that it’s collapsible.”

Thorbjörn Sagerström and DS Smith are also looking forward to the upcoming EU regulation, the

Packaging and Packaging Waste Regulation (PPWR), which will speed up development. The company is also involved in the E-com Ready project along with Vinnova and Aster, as well as e-commerce market participants such as Apotea, Blomsterlandet, Lyko and Amazon.

“We can check the amount of air in transportation using our measurement tool, but we’re not the driving force in this project,” he says. “But we do talk a lot with the Ellen MacArthur Foundation\*, where we’ve managed to go through the eye of the needle and proudly continue to be Cradle to Cradle-certified for circularity.”

Regarding sustainability, Thorbjörn

Sagerström says that they accommodate everything they can, and they also have diversity, inclusion and workplace well-being high up on their agenda.

“We need to be able to show different indices to the large market participants we supply,” he says. “We’re incredibly careful about what we talk about in terms of what we do and don’t do – otherwise that makes you a fraud. It’s also in our DNA – who do we want to be? And it can’t only be about putting solar panels on the roof – it also needs to be about how our employees feel at work.”

**DS Smith’s goal** is to become climate neutral by 2030. The company works with electric trucks and rail transportation. In partnership with the municipality of Värnamo, the company has built a biomass boiler, with the excess steam from residents’ food waste now being used for the corrugator.

“This allowed us to reduce our LPG consumption by 87 percent,” says Thorbjörn Sagerström. “We’re very proud of that. We’re also working closely with PostNord and other major market participants in Europe on the future. Because what will distribution look like in three, five, seven years? Whatever happens, we’re absolutely convinced that our corrugated packaging will have a major impact and be of significance in the transition.”

## DS Smith’s key sustainability goals

- **Ensure circularity through better design.** By 2023, we will produce only 100-percent recyclable packaging. The aim is for everything to be recycled or reused by 2030.
- **Reduce waste and pollution.** By 2025, we will have removed one billion unnecessary plastic packages from store shelves – and replaced them with new solutions that are easy to recycle. By 2030, the aim is for everything we produce to function in a circular economy in which everything is recycled.
- **Protect natural resources.** By 2025, we will have optimized the use of fiber in all our new packaging solutions. By 2030, every fiber will be optimized, in every packaging solution – throughout the distribution chain.
- **Reduce carbon emissions.** By 2030, we will have reduced our carbon emissions by 46 percent compared to 2019, with the aim of reaching net zero emissions by 2050.
- **Equip people to lead the transition to a circular economy** By 2025, all our employees will be engaged in the circular economy. By 2030, five million young people will be engaged in the circular economy.

## DS Smith’s other goals

- ... Produces about 246 million tonnes of corrugated board annually.
  - ... Everything produced has been 100-percent recyclable since 2023.
  - ... We aim for everything we produce to be recycled or reused by 2030.
  - ... The aim is to more than halve our carbon footprint by 2030 (2019 baseline) and be completely fossil-free by 2050.
  - ... In terms of volume, demand from e-commerce companies is greatest for packaging that is handled mechanically in an automated packaging solution, but boxes with what are known as quick bottoms are popular, as well as paper bags, which have experienced really strong growth recently.
- Source: Sustainability strategy

\*Non-profit charitable organization focused on creating a circular economy, without unnecessary emissions or residues/waste

# Circular models integral part of future e-commerce

Circular business models in e-commerce include all offers that extend the life of products by viewing the life of items as circular rather than linear. Renting, repairing or buying an item second hand ensures it has several lives. More e-commerce market participants are now adding circular services to their regular business concepts.

More than half of consumers currently use circular services online. Second hand is the most commonly used option, with the younger age group standing out in this regard. Seven out of ten consumers aged 18–29 shop second hand online.

Due to the situation in the economy, greater consumer willingness to act sustainably and a number of forthcoming EU regulations, circularity is becoming a significant part of e-commerce.

ThredUp's Resale Report 2024<sup>1)</sup>, focusing

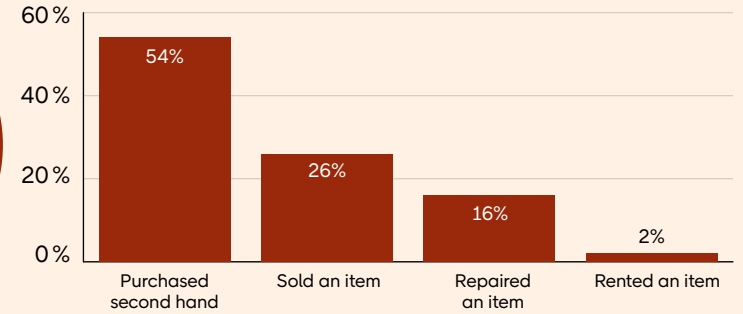
on the global and US markets, states that those brands that offer resale, i.e. the sale of second-hand garments, profit from the concept. Of the brands offering second-hand items as a complement to their regular concept, 67 percent state that this will generate more than 10 percent of their total income within the next five years. Also, resale attracts new customers and helps companies achieve their sustainability goals.

So there is much to suggest that circular e-commerce is the way of the future, but companies are offering it to varying degrees. Sales of spare parts and repairs are the most established, with over 80 percent of companies offering one of these options. Less than a third of e-retailers offer second-hand items of any kind – mainly market participants in the clothing and footwear and sports and leisure sectors.



Basis: Consumers, have shopped online

## Consumers' use of different circular offers in e-commerce

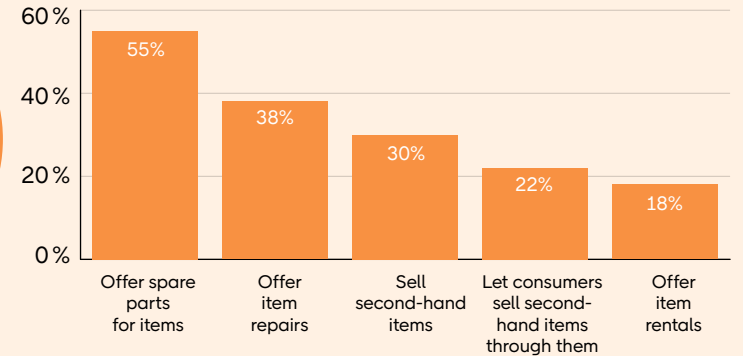


Basis: Consumers, have shopped online



Basis: E-retailers

## Extent to which companies offer circular services in e-commerce

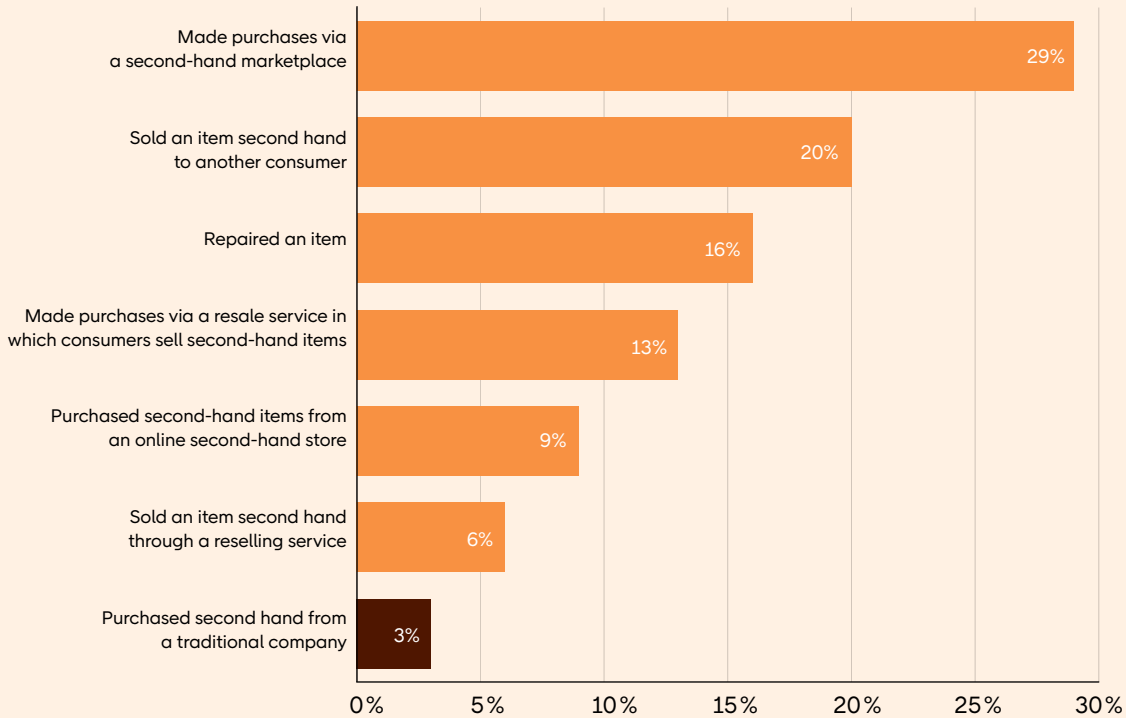


Basis: E-retailers

<sup>1)</sup> ThredUp Resale Report 2024

**53%**  
of consumers  
have **used circular  
e-commerce services**  
in the last quarter\*

### Consumers' use of circular offers online



Basis: Consumers, have shopped online (multiple choice)

## Second hand and repair currently most popular

The most popular circular model is second hand, particularly buying and selling C2C via websites like Blocket and Tradera. Selling old garments or products via resale has not yet become as popular as making purchases, but the Tradera platform has noticed an increasing trend in the number of ads – in January 2024, there were 3 million ads on the site.<sup>1)</sup>

Repairing items via an online service is the third most frequently used option among the circular online services, spanning several product categories. Online services such as Repamera<sup>2)</sup> and Elgiganten<sup>3)</sup> offer repairs of items already purchased, and this has gained traction among consumers.

Only three percent of consumers buy second-hand items from a traditional e-commerce company. This may be due,

at least in part, to the fact that e-retailers face many logistical challenges in implementing circular services, which means that they are not yet offered on such a large scale. One conclusion to be drawn from this is that consumers have not yet found their way to the circular options of traditional e-retailers, while the habit of buying and selling second-hand items via C2C services is deeply rooted.

Notably, 16 percent of consumers report using online repair services, which is more than the number who report shopping via a resale service such as Sellpy or Vinted. This shows that consumers are willing to take care of their possessions, reflecting the developments regarding sustainability issues described in the previous chapter.

<sup>1)</sup> Tradera, January 2024 <sup>2)</sup> Repamera, April 2024 <sup>3)</sup> Elgiganten, April 2024

\* Basis: Consumers, have shopped online

# Online repair – a future necessity

Sixteen percent of e-commerce consumers say they use online repair services, which may become much more common in the future. One influential factor is the Right to Repair Directive, an EU legislative proposal aimed at making it easier for consumers to repair products or exchange spare parts.<sup>1)</sup> The proposal imposes greater responsibility on e-retailers to offer repairs, or arrange to repair, their items.<sup>2)</sup>

Among consumers who have used online repair services, attitudes towards the experience are currently relatively lukewarm. Of those who used an online repair service, only 13 percent say they received their item back within a

reasonable timeframe. A majority report that the repair took more than a week to complete, and for 15 percent it took more than three weeks.

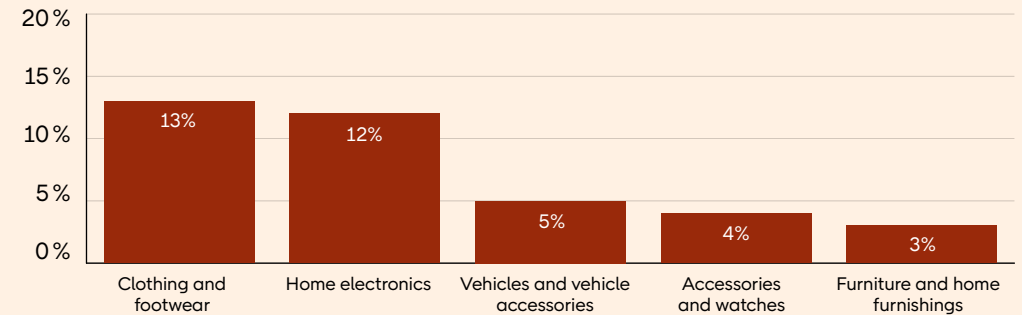
However, when the offer is perceived as seamless and works smoothly for the brand, there are major benefits. Sports and leisure retailer Patagonia is an example of a company that offers repairs, both in-store and online. As repairs contribute to the company's circular business model and its sustainability efforts, it can also strengthen brand loyalty. The option is popular among sustainability-conscious consumers, which Patagonia feels strengthens the connection with its customers.<sup>3)</sup>

**23%**  
repaired the item because it was **less expensive than buying a new one**

**22%**  
repaired the item because it was **more sustainable than buying a new one**

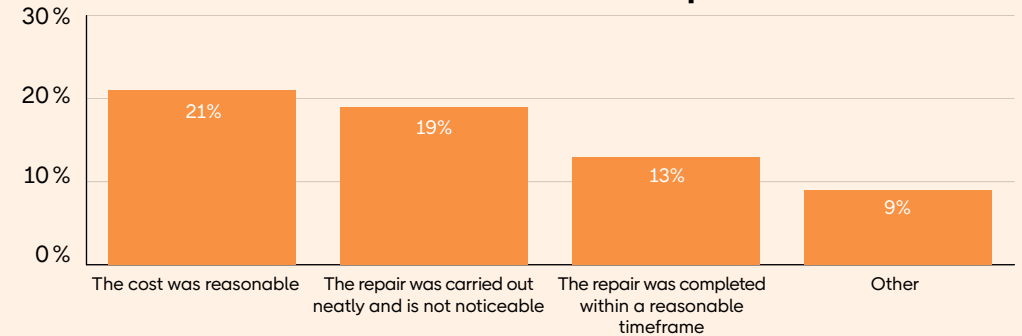
Basis: Consumers, have repaired an item through an online service

## Most repaired items among e-commerce consumers



Basis: Consumers, have repaired an item through an online service

## Consumers' experience of their most recent repair

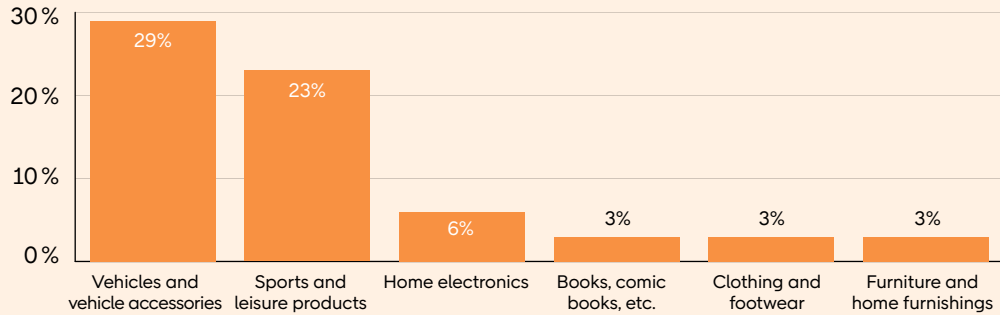


Basis: Consumers, have repaired an item through an online service

<sup>1)</sup> European Commission, March 2023 <sup>2)</sup> Svensk Handel 2024 <sup>3)</sup> Patagonia.com, 2024

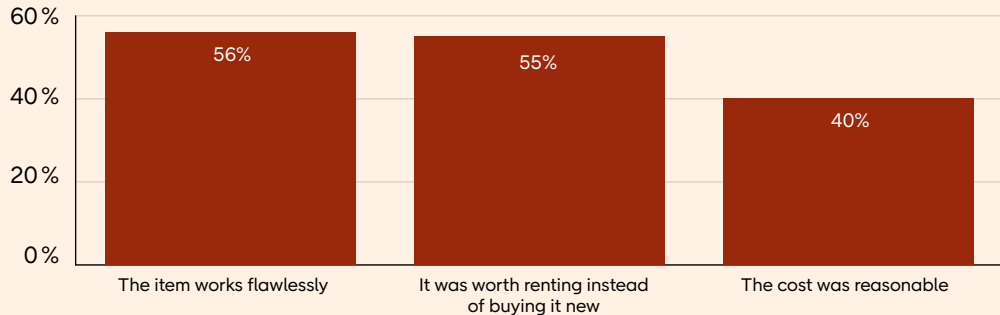
2%  
of consumers  
use **rental**  
as a circular  
service online\*

### Most frequently rented items among e-commerce consumers



Basis: Consumers, have rented an item online

### Consumer experience of their most recent rental



Basis: Consumers, have rented an item online

## Untapped potential for rental in e-commerce

Renting out products is not a new concept; in physical stores, renting out sports equipment, for example, is an old phenomenon. However, only two percent of consumers currently use online rental services.

For those already using such services, rental is considered to be both affordable and more sustainable than buying a new product. Vehicles and vehicle accessories and sports and leisure products dominate where online rentals by consumers are concerned.

One example of such a service is the car rental company Hyre. Hyre's CEO David Öberg believes that technological developments, which enable keyless rentals, among other things, are a contributing factor to many people renting. The current economic situation makes car rentals particularly suitable for many people in urban environments who only need to use a car occasionally.<sup>1)</sup>

Another company that offers online rental is Naturkompaniet, which provides leisure equipment to consumers wishing to get out into nature<sup>2)</sup> Customers can choose what they want to rent and when they want to rent it via their online service, and then pick up the item in a store that is convenient for them.

A third example of rentals being explored in a new way can be found at Refurbly, which sells second-hand cell phones online. The company now also wants to launch online rentals of second-hand cell phones, a venture that, according to them, is largely based on the market's interest in reuse and sustainability.<sup>3)</sup>

Despite only a small share of users currently taking advantage of online rental services, the potential for more people to rent looks promising – a majority of renters find it affordable to rent items, especially ones that are only used sporadically.

<sup>1)</sup> Teknikens Värld, September 2023 <sup>2)</sup> Naturkompaniet, April 2024 <sup>3)</sup> E-handel.se, April 2024

\* Basis: Consumers, have rented an item online

# Second hand most common circular service

The second-hand market is growing at the same rate as the awareness and desire to consume sustainably and at a good price. Almost half of consumers choose second hand because it is inexpensive, and just under a quarter because it is sustainable. C2C sales in particular are strong and may grow further, with just under one in five consumers considering the second-hand value of items when shopping online – increasing numbers are planning to resell their items even before they buy them.

Given the current economic situation, more people are looking to second-hand e-commerce for less expensive alternatives. Of those who have bought more second-hand items online in the last quarter specifically for financial reasons, more than half have bought more items in clothing and footwear, followed by children's items and furniture.

Children's products are a sector that is particularly compatible with second hand, as children's clothes and toys are rarely worn out before being resold. One Swedish e-retailer that has taken the lead regarding second-hand services online is Polarn O. Pyret, which offers the purchase and resale of second-hand items via its online service. PO.P's CEO Johan Munck sees that their second-hand offering has contributed positively to profitability and attracts new customers to the brand.<sup>1)</sup>

For traditional e-retailers, it may take a lot to be able to offer second-hand sales alongside their regular business. Tasks such as cleaning, photography, writing text descriptions and making price estimations for the products to be resold are resource- and time-consuming. Beyond that, one of the biggest challenges is logistics – how items are to be stored, shipped and received.

<sup>1)</sup> Dagens Industri, February 2024



Basis: Consumers, have purchased a second-hand item online

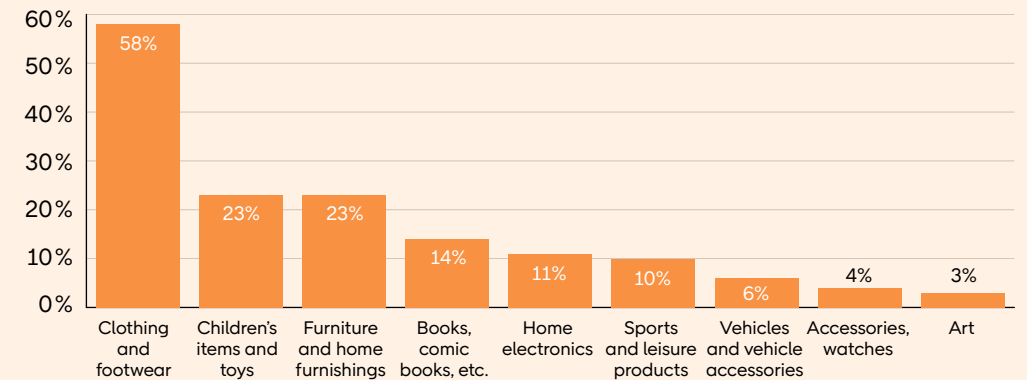


Basis: Consumers, have purchased a second-hand item online



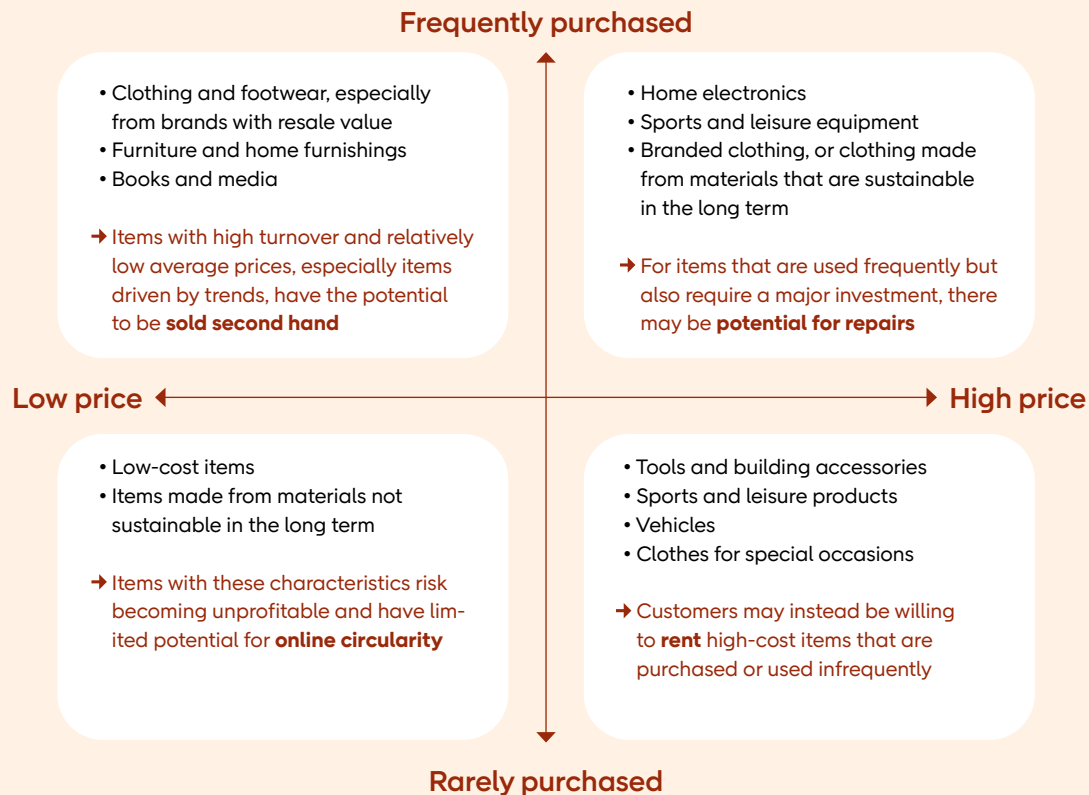
Basis: Consumers, very important and quite important

## Items that consumers have more frequently bought second hand due to the economic situation



Basis: Consumers, have shopped online

## Estimating potential for circular business models in e-commerce



Source: Frequency of consumer purchases and average price for product categories, qualitative summary

## Circular potential for e-retailers

The application of circular services by e-retailers, as mentioned earlier, comes with a number of challenges. Also, it can be difficult to know which circular services are worth investing in. Some of the product groups suitable for second hand are not necessarily equally suitable for rental or repair. Targeting the type of circular service that suits your sector is therefore important.

Based on product group and online purchasing behavior, purchasing frequency and price can provide a clue as to where and how an item fits among circular services. This is not the whole truth behind the recipe for circular success, but it can be a good indicator when it comes to exploring the direction you can take as an e-retailer.

**Second hand** has the broadest potential, with many items being sufficiently

affordable and trend-sensitive to be suitable for reselling. The most suitable items in this regard are clothes and accessories from popular brands.

**Repairs** are suitable for capital-intensive products where the consumer saves money by getting them repaired, such as home electronics. Items with a high risk of wear and tear, such as sports and leisure products, also fall into this category.

**Rentals** are suitable for expensive items used infrequently, such as tools, building accessories or seasonal sports and leisure products.

Products with particularly low prices or made from materials that are not worth repairing in the long run can be risky bets when it comes to circular offers. Also, many items cannot be rented or resold, such as medicines and cosmetics.

# Logistics a challenge for e-commerce circularity

A circular business model can be more than a sustainability solution for e-commerce companies. Offering circular services such as second hand, repairs and rentals can, in the right format, be sustainable and profitable for many companies. McKinsey & Co estimates that there could be several billion euros to be gained from the circular market in the future at European level.<sup>1)</sup> This business will be beneficial in several ways, both in terms of reducing resource and energy consumption and fulfilling consumers' desire to consume in a circular way.

While many companies in certain sectors have come a long way with repairs and second-hand items, many have yet to establish circular offerings. One possible reason why some Swedish companies have not yet come very far with circular offerings in e-commerce may be that the potential profitability is overshadowed by logistical difficulties.

When it comes to second-hand sales

online, a large and flexible warehousing system that can handle large flows of individual items is critical. Fourteen percent of e-retailers feel that they currently lack this kind of storage capacity. One in four companies also feel that they lack the resources required to review quality and restore items to saleable condition. Logistics and resources to implement circular services in e-commerce continue to present a challenge for companies. As there is no shortage of items with circular potential, it remains to be seen how logistics solutions for circular services can be introduced in a convenient manner that also benefits companies.

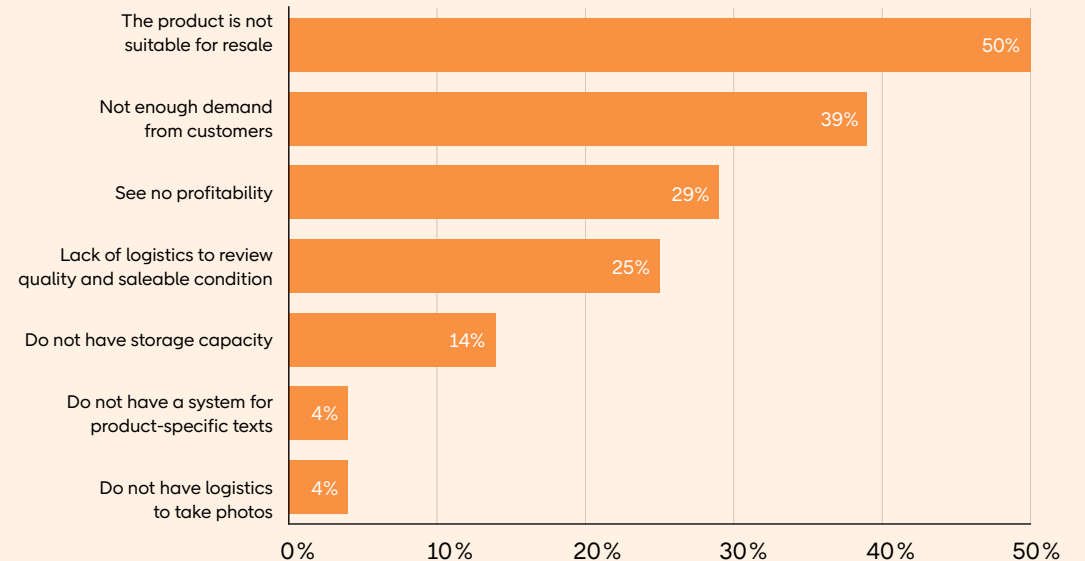
When it comes to repairs, 35 percent of companies estimate that more than half of their items could be repaired. At the same time, a majority neither offer nor plan to launch such a service in the future. Perhaps this too will change when EU regulations such as the Right to Repair Directive come into force.<sup>2)</sup>

<sup>1)</sup> McKinsey & Company, June 2022 <sup>2)</sup> Right to Repair aims to expand consumers' opportunities to have their items repaired or mended. European Commission, March 2023.



Basis: E-retailers

## Reasons why companies do not offer second-hand items in e-commerce



Basis: E-retailers





# “We have a hunger to drive developments”

Swedish e-commerce is working hard to create sustainable supply chains, and the list of things to focus on in the future includes emission-free transportation, less packaging and not shipping unnecessary air.

Apotea is at the forefront of innovative thinking in terms of changing what can be changed at the present time – and welcomes legislative changes for the aspects that require a systemic shift.

**The e-retailer Apotea** has been around since 2012 and, according to Erika Svensson, its Head of Sustainability, its sales figures have had a green light ever since then. Green also describes the company's sustainability focus, she says, with responsibly produced medicines being as important as intelligent packaging and deliveries.

“Typically, we don't wait around for regulations and legal requirements,” says Erika Svensson. “In this respect, I would say we're leading the way, while staying humble and knowing that there are improvements to be made. It's a never-ending task.”

When it comes to sustainability,

Apotea also likes to look at competitors that seem to be doing a good job.

“Few market participants are good at everything, but there are endless examples of what others are doing that can serve as inspiration,” she says.



**Erika Svensson**

The business also draws inspiration from its partners. Yasmina Djedou, Apotea's Head of Shipping and Last Mile, says that this interplay has a positive impact.

“Many of the people we work with are very much at the forefront of developments and, just like us, have a hunger to drive these,” she says. “You challenge your own business and the sector at large.”

But sustainability is also about



## About Apotea

Founded in 2012, Apotea is Sweden's largest online pharmacy. The company has around 800 employees and had sales of SEK 5.5 billion in 2023. Every year, 29,000 non-prescription products and almost 19,000 prescription products are sold.

## Did you know that Apotea ...

- ... sent 14 million parcels to three million customers in 2023.
- ... has an order processing capacity of 100,000 parcels per day.
- ... has raised over SEK 110 million for non-profit organizations.

## Apotea's most popular categories are:

- Non-prescription medicines
- Skin care
- Dietary supplements, vitamins and minerals

# “What we thought was good turned out to be very good. Material consumption was halved, resulting in a cost saving of 97 percent.”

Erika Svensson, Head of Sustainability, Apotea

taking social responsibility.

“We base our work throughout the value chain on a code of conduct, but this is a must and forthcoming legislation will help us in this area,” says Erika Svensson. “We will improve, and I think many other third-party suppliers will too.”

**To reduce its** climate footprint, Apotea is tackling the challenge from several different angles. Electric trucks are a key part of this, but a lot can also be done just by thinking outside the box. Erika Svensson says that innovations are not always necessary. “We’re trying to influence industry standards for transportation packaging, which is an easy thing to do – it’s really just a question of modifying sizes,” she says. “This has also improved things for us logistically.”

Where Apotea is concerned, boxes made from corrugated board have proved to work best, as plastic bags would mean delivering too many defective products to consumers.

“The packaging must protect the product and not be too thin,” she says. “We use FCS-labeled paper raw

materials and have various box sizes. The boxes are selected by a precision system that weighs and measures all products and thus knows which box size the order requires. Also, there’s a final step in which the height of the box is adjusted before the lid is put on to minimize the amount of unnecessary air.”

**The box sent** to the consumer is currently a disposable product.

“We can’t keep sending out single-use corrugated boxes – it’s not particularly resource-efficient,” says Erika Svensson. “We really need a system for reusable packaging, but this can’t be left up to the individual e-retailer. There’s also no indication that this is about to become a reality, so we’re waiting for the EU Packaging and Packaging Waste Regulation (PPWR) to come into force.”

“The EU’s entire legislative package regarding the Green Deal will increase workload significantly, but will also improve and drive the efforts of the entire business sector,” she says. “We welcome that.”

Not shipping air is part of all this.





Yasmina Djedou

## “Important to offer flexibility with several different delivery options.”

Yasmina Djedou, Head of Shipping, Apotea

But what happens in e-retailers’ logistics centers is also important.

“On many occasions, not even the most basic things have been done,” says Erika Svensson. “We’re drowning in unnecessary plastic and packaging in logistics and don’t want it to be like that. There’s a lot of room for improvement in this area – by reducing the packaging hierarchy, half of the material would disappear.”

This problem has arisen because the products are adapted for being on a store shelf. For example, shampoo often comes in packs of six to eight bottles, something e-commerce has no need for.

“We want a box big enough to hold

1,000 shampoo bottles,” she says. “As e-commerce grows and is set to grow even further, manufacturers need to start thinking about having one production process for stores and one for e-retailers.”

In light of this, Apotea launched the E-com Ready project with Aster and several other market participants such as Blomsterlandet.

“We started discussing with manufacturers whether they could deliver in larger packages,” she says. “This grew organically, and we then wanted to start obtaining metrics by carrying out some pilot projects.”

In the case of Apotea, a trial of reduced packaging material was

conducted for a popular foot cream that came in packs of eight made of corrugated board and covered in shrink wrap.

“What we thought was good turned out to be very good,” says Erika Svensson. “Material consumption was halved, resulting in a cost saving of 97 percent. As for climate footprint, there was a 70-percent saving in terms of packaging, but there were also time savings and qualitative improvements in the work environment, with less need to deploy different tools while unpacking. Now we can go to suppliers and show them this data and what savings there are to be made.”

**Regarding deliveries**, the company was an early adopter of replacing heavy vehicles with electric trucks from the logistics center in Morgongåva to achieve an emission-free line haul\*.

“We’re now interested in pushing the industry, our shipping companies and last-mile operators to take the next step in sustainable transportation by transitioning from fossil-free to emission-free, where we’re talking electric power and brawn,” says Yasmina Djedou. “We’re very excited about pushing and challenging people, as we can see that this is crucial for our long-term business and for sustainability in general.”

The industry agreement is welcomed as it makes it easier for the customer to understand whether or not delivery options at the checkout are fossil-free.

“This lays solid foundations for customers to make smart choices,” says Yasmina Djedou. “At the same time, we want to make it clear that it is also very important to offer flexibility and freedom of choice, with several different delivery options in form of channels and speed,” she says.

“The entire delivery platform from A to B that society has today is outdated and needs to be changed and optimized for sustainability,” adds Erika Svensson.

“One way to achieve this is to reduce the proportion of transportation in the last mile, for example, through better coordination and consolidation,” says Yasmina Djedou. “We would like to ensure a more collective process through better interaction between market participants.”

Apotea is looking forward to the large legislative package of sustainability requirements in connection with the Green Deal that is now about to be launched by the EU. It will improve sustainability in supplier companies, partner companies and at Apotea itself.

“I also think it will raise awareness among consumers, who will demand even more from us. We will see a new wave of increased consumer demands in a few years’ time,” says Erika Svensson, and goes on to talk about consumption, sustainability and Apotea’s role in that equation.

“What we can do is be transparent – that’s crucial,” she says.

\*Transportation distance between two destinations in a network

# E-barometern is published by PostNord in association with HUI Research

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PostNord is a leader in parcels and logistics services to, from and within the Nordics. Our business and private customers must be able to reach their recipients at the right time, reliably and efficiently – whether the task involves a global logistics solution, an advertising campaign or a birthday greeting. With around 24,000 employees, PostNord is one of the largest employers in the Nordic region and bears a considerable measure of social responsibility. PostNord aims to offer an attractive, stimulating workplace. Visit us at [www.postnord.com](https://www.postnord.com).

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## **About HUI Research**

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

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