



E-barometern

PostNord in association with HUI Research

Q3

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)
- Downloads, streaming and subscription services such as music, movies and applications
- Business-to-business online sales
- Consumer-to-consumer online sales

E-barometern Q3 2024 is based on information collected from retail companies in October and November 2024. A total of 94 companies took part in the survey. Four consumer surveys have been carried out using KANTAR's web panel. All the surveys are conducted with a representative sample of Sweden's population between the ages of 18–79.

The first survey was conducted in August 2024, the second in September 2024 and the third in October 2024, with around 1,000 respondents per survey.

The fourth survey was conducted in September and October 2024, with around 3,000 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.

E-retailers' expectations for the future are positive, with four in ten believing that sales will increase by the end of 2024.

Our rapidly changing world and the prolonged economic recovery are affecting both consumers and e-retailers ahead of this year's Christmas shopping period. This fall, we have seen positive changes in the form of cuts in interest rates and lower inflation. While these stimulate purchasing power, their effects will be delayed, affecting household spending power and thus this year's Christmas e-commerce.

This uncertainty is reflected in E-barometern's Christmas gift forecast:

- Only 54 percent of consumers are entirely sure that they will be purchasing Christmas gifts online this year, which is the lowest figure since 2017.
- Christmas e-commerce is expected to decrease by SEK 0.6 billion compared to 2023.

Foreword

- 21 percent of consumers are planning to purchase fewer Christmas gifts this year.

E-barometern's third quarterly report has chapters on the themes of Black Week, Christmas shopping and inventory, and campaigns. Black Week falls later than usual in 2024, presenting a challenge for e-retailers when it comes to campaigns for Black Week and the Christmas shopping period. Jenny Zeng, head of e-commerce at Åhléns, describes the situation as follows: "We don't want Christmas to be drowned out by all the Black Week campaigns".

Home electronics continues to be the most popular category during Black Week, with as many as seven in ten men aged 18–29 planning to make purchases. The report also provides insight into how NetOnNet is preparing and managing its inventory during this hectic period.

E-barometern's partnership with Google is now in its second year. In the report, Google provides e-retailers with tips on how to navigate both Black Week and the Christmas shopping period.

We hope that we can give you a picture of the current market situation and that you find this year's third E-barometer informative and insightful.

Enjoy the read!

Marie Rudolfsson
Business Area
Manager Parcels,
PostNord
Sweden



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E-commerce marked by uncertain times

Ahead of this year's Christmas shopping period, the picture is mixed. On the one hand, the situation in the economy has eased. Consumers are more optimistic about their own and Sweden's economy than they were a few months ago.¹⁾ Swedish central bank has cut the policy rate several times in the past six months, and the economic forecasts for 2025 are positive.²⁾ As the housing market starts to move, more consumers will be interested in purchasing capital-intensive items. This will boost e-commerce and the retail sector in general over the next year. On the other hand, recovery in 2024 has been modest thus far. Household purchasing power is increasing due to falling interest rates and rising real salaries, but the increase is from historically low levels – meaning that recovery will take time.

The uncertain situation globally is also continuing to impact the Swedish economy. The wars around the world, the US

presidential election and a persistent recession in Germany are just some of the uncertainties affecting it. The German recession in particular is being felt in Sweden, as Germany is one of the countries to which Sweden exports the most.³⁾

The situation in the economy has ultimately led to consumers becoming more uncertain than before. In the run-up to Black Week and Christmas, a large proportion of them have still not decided how they will make their purchases. In addition, the recession and situation in the economy in recent years have led to a change in household consumption patterns. The discount segment is now often perceived as the new normal.³⁾ Competition from e-commerce market participants abroad will not decline in the upcoming peak shopping seasons; consumers have become accustomed to a whole new type of discount segment, and expectations for campaigns and offers are higher than ever.⁴⁾

¹⁾ National Institute of Economic Research's Consumer Tendency Survey, September 2024 ²⁾ Retail Outlook report, HUI Research, September 2024

³⁾ Tidningen Näringslivet, September 2024 ⁴⁾ Prisjakt, Q4 2024

Business optimism on the rise

The improving economy can be seen among companies – e-retailers are generally more optimistic this year than last, with four in ten companies expecting e-commerce sales to increase during the final months of the year. This is significantly more than just two years ago, when one in five companies looked ahead with optimism. The positive developments in the Swedish economy in recent quarters have generated a positivity that is likely to increase as the situation in the economy improves.

E-barometern for Q3 focuses on two of the year's most important sales periods: Black Week and the Christmas shopping period. The final months of the year are associated with high sales volumes and generous offers, and there are several factors indicating that businesses are positively disposed towards these peak shopping seasons.

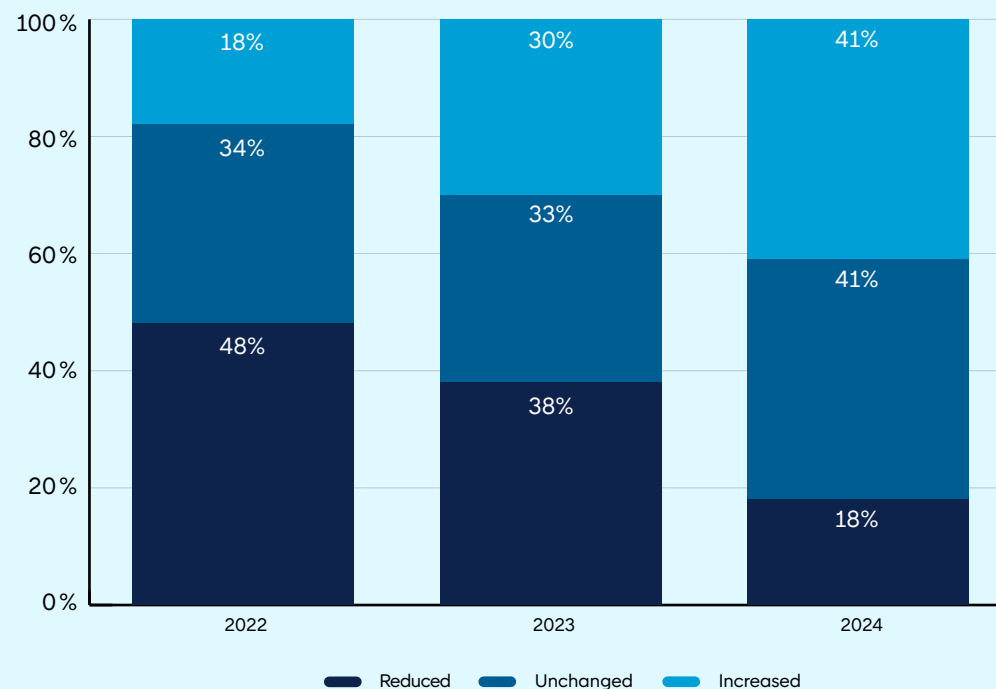
For example, nine in ten e-retailers believe they have a good balance between

inventory and demand this year, which is slightly more than last year. In addition, four in ten say that Black Week has a positive impact on their company's profitability – also an increase compared to last year.

In the run-up to Christmas, however, the picture is somewhat mixed. Roughly the same number of consumers believe that sales during the Christmas shopping period will increase as believe that they will decrease, which you can read more about in the Christmas chapter of the report. To sum up, the overall picture for sales in the final months of the year is optimistic, while expectations for Christmas are more neutral.

Balancing inventory levels while identifying ways to ensure profitability is a challenge, especially this year. A large share of consumers are unsure about how they will make their Christmas purchases, and the challenges this entails will be discussed in detail later in the report.

Companies' expectations of e-commerce sales in the final months of the year



Basis: E-retailers

Total	5%
Pharmacy	19%
Clothing & footwear	9%
Groceries	8%
Books & media	4%
Sports & leisure	4%
Furniture & home furnishings	2%
Home electronics	-2%
Building products	-5%

Positive signs from all sectors

For the third consecutive quarter this year, the e-commerce trend is looking positive. Growth in Q3 2024 amounted to five percent. All sectors are showing an improvement, but in slightly different ways. Some are showing positive growth rates, while in others the negative trend has abated. Both are signs that a brighter future is in sight.

The pharmacy sector continues to be the strongest performing sector, which has been a persistent trend since the pandemic. Fashion retail, which is also experiencing good growth, has at times seen more price-driven development. However, the last two quarters indicate long-awaited volume increases for the sector online. New for this quarter is a positive trend in the furniture and home

furnishings sectors. The last time these sectors saw positive growth was in 2021, so it is a clear indication that consumers have started to regain interest in capital-intensive items to some extent. Finally, there are also signs that the situation in the building products sector has started to improve. It is still in the midst of a negative trend, but there is significantly less of a decline than there has been in recent years.

The broader growth in e-commerce signals that consumers are starting to feel that the situation in the economy has improved compared to during the recent recession. Although the conditions for growth still vary across sectors, trends in recent quarters give hope for a more stable market going forward.

Price crucial for pharmacy consumers

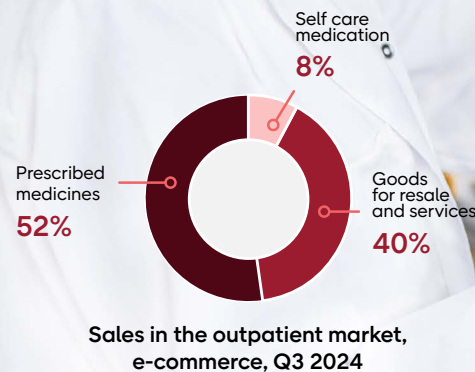
The success story of online pharmacies continues. In the third quarter of 2024, the sector's growth amounted to a full 19 percent. As early as last year, online pharmacy sales saw robust growth in Q3, and the sector continues to develop by leaps and bounds online.

When consumers choose where to purchase their pharmacy goods, price remains one of the strongest drivers. Comparisons between physical and online shopping have shown that prices are often significantly lower online¹⁾, contributing significantly to the success of online pharmacies. Another factor is that many pharmacy goods are also demand-driven and purchased regularly, making the online format attractive due to options such as home delivery or subscription services for medicines.

Ever since the deregulation of the Swedish pharmacy market in 2009, these price squeezes have been possible, but the influx of consumers looking for low prices for pharmacy goods has steadily increased in recent years. This drives

prices down further, and today some goods can be twice as expensive in store as online.²⁾

When it comes to Black Week and Christmas, these peak sales periods are nothing to write home about where online pharmacies are concerned. Pharmacy goods are not common Black Week purchases, nor are they popular Christmas gifts. On the one hand, this means that the sector does not see a particular peak in sales during the final months of the year, but on the other hand, the flow is more evenly distributed throughout the year, which can be positive from an inventory perspective. However, the pharmacy sector has clearly shifted towards other sectors that are considerably more popular during Black Week and Christmas, such as beauty. As yet, the category is unlikely to be large enough to make an impact, but as beauty products become a larger portion of the pharmacy offering, the sector will see more distinct seasonal differences, with peak shopping periods such as Black Week standing out.



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

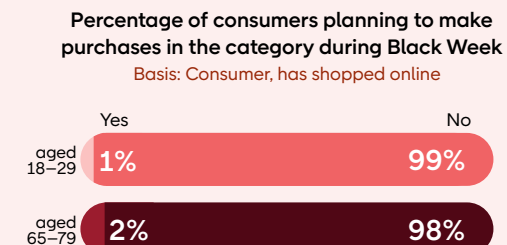
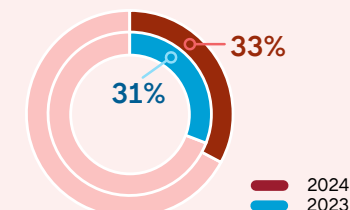


SEK 480

Start of survey

Average amount spent
online over last 30 days

Basis: Consumer, has shopped
online, average July – September



Building products sector seeks profitability through hybrid solutions

The outlook for the building products sector continues to brighten as the situation in the economy eases; for example, on average 12 percent more homes were sold in the third quarter of this year than in the corresponding quarter last year¹⁾. Greater movement in the housing market is a positive sign for the sector, but unfortunately this has not yet been reflected in online sales, which were down five percent during the quarter.

The challenge for the building products sector is that much of their product range is not compatible with e-commerce to the same extent as that of other sectors. Although the sector sells many items that are easy to transport, their range is largely made up of more bulky items, including larger building materials, such as timber. Instead, to identify their place in e-commerce, market participants are developing hybrid solutions, with the online format complementing the physical one.

Click and Collect is much more common in the sector than in other sectors precisely for this reason*. A unique example is Beijer Bygghandel in Stockholm, which has established a 24-hour service that allows consumers to order online and pick up their purchases in stores outside regular opening hours – i.e. at any time of day or night.²⁾ At night, the store functions as an e-commerce warehouse, with the daytime staff, which during opening hours is made up of store employees, being replaced by warehouse staff with e-commerce contracts.

During Black Week and the Christmas shopping period, building materials are not on the shopping list of most e-commerce consumers, so no sales boost is to be expected. However, as mentioned, several macroeconomic forecasts show an improvement in the Swedish economy in the coming quarters, which is likely to impact the building products sector next year.³⁾

*Note that sales via Click and Collect are not included in E-barometer sales metrics.


-5%

e-commerce growth
Q3 2024

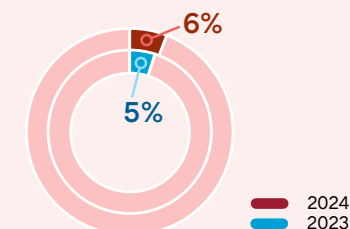


SEK 1,887

Start of survey

Average amount spent
online over last 30 days

Basis: Consumer, has shopped
online, average July – September



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

Basis: Consumer, has shopped online



Percentage of consumers planning to make
purchases in the category during Black Week

Basis: Consumer, has shopped online



Percentage of consumers planning to make
Christmas gift purchases in the category

Basis: Consumer, has shopped online

¹⁾ Måklartstatistik.se, retrieved October 2024 ²⁾ Bygghandel.se, October 2024 ³⁾ Retail Outlook report, HUI Research, September 2024

Wide range and unique products attract consumers to online bookstores

Online book sales are continuing to show positive but weak growth, reaching four percent in the third quarter of the year.

Detailed book sales statistics¹⁾ show to some extent a shift from e-commerce to physical stores, especially in the sector's core category: physical books. During the quarter, online sales of physical books declined, while sales in physical stores increased.²⁾ Physical store sales are also weak, largely due to the continued success of subscription services. This category has seen the biggest growth during the quarter.

Books and media are becoming an increasingly broader sector. Like other sectors, such as pharmacy, book retailers are expanding their range to include new product categories – today they sell everything from knitting needles, yarn and craft items to office supplies. A number of online bookstores are

focusing on developing these parts of their range to broaden their offering. For example, market participants such as Bokus are investing in design collaborations to broaden their range of own-brand products²⁾, thus creating a unique range that drives consumers to their store. Loyalty is otherwise a challenge for bookstores, as in many other online industries, as consumer choices are increasingly influenced by price comparisons and second-hand options.

Books and media are popular Christmas gifts but do not have the same foothold during Black Week – this year, significantly fewer consumers plan to make purchases in the category. However, a positive sign for online bookstores is that more consumers are planning to purchase their books to give as Christmas gifts online than in-store this year, which could lead to a significant boost in sales in the final quarter of the year.



4%

e-commerce growth
Q3 2024

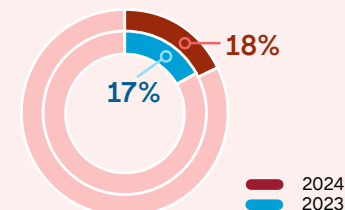


SEK 546

SEK -31 since last year

Average amount spent
online over last 30 days

Basis: Consumer, has shopped
online, average July – September



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

Basis: Consumer, has shopped online



Percentage of consumers planning to make
purchases in the category during Black Week

Basis: Consumer, has shopped online



Percentage of consumers planning to make
Christmas gift purchases in the category

Basis: Consumer, has shopped online

New collaborations aim to attract more customers

Things are looking up for online grocery retailers. After a long period of negative performance, the sector has now seen three positive quarters in a row. Growth for Q3 is eight percent.

Making online purchases from traditional supermarket chains is the most attractive option for consumers. For most consumers, this is likely to be a price issue, as chains are able to offer competitive prices by exploiting synergies between stores and e-commerce. This means using the stores' warehouses for both physical and online sales, for example, and several also offer a Click and Collect service as a cost-effective option for consumers wishing to bring home pre-packed meal kits.

Synergy opportunities for physical supermarket chains are putting pressure on the sector's pure players. Several of them are struggling to achieve profitability; for example online giant Mathem filed for reconstruction during the quarter¹⁾ and

Axfood is winding up the meal kit company Middagsfrid.²⁾ Middagsfrid had a strong upswing during the pandemic but has experienced tough times since then – like many other companies in the sector.

The situation in the economy also makes consumers more price sensitive and inclined to plan their purchases. Fewer spontaneous purchases pose a challenge to Q-commerce market participants*, who are now looking for new ways to broaden their offering in order to retain customers. For example, Foodora is scaling up its partnerships with physical grocery chains³⁾ to meet the growing demand for groceries rather than restaurant food. Wolt is also driving several initiatives to find new routes to customers and has started collaborating with the DOZ Apotek chain to offer rapid delivery of pharmacy goods to the door.⁴⁾ Wolt is also reaching beyond its own app to broaden its presence – during the quarter it launched a collaboration with Pizza Hut in the restaurant chain's own app.⁵⁾

*Quick Commerce, market participants offering delivery within a very short time frame using bicycle and moped couriers, for example.



8%

e-commerce growth
Q3 2024

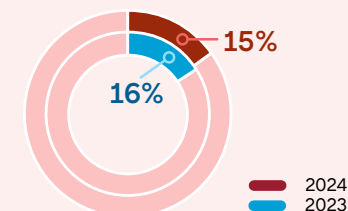


SEK 1,420

SEK -200 since last year

Average amount spent
online over last 30 days

Basis: Consumer, has shopped
online, average July – September



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

Basis: Consumer, has shopped online



Percentage of consumers planning to make
purchases in the category during Black Week

Basis: Consumer, has shopped online



Percentage of consumers planning to make
Christmas gift purchases in the category

Basis: Consumer, has shopped online

¹⁾ SVT Nyheter, September 2024 ²⁾ Press release Axfood, August 2024 ³⁾ Foodora press release, October 2024
⁴⁾ IT-hälsa.se, October 2024 ⁵⁾ Pizza Hut press release, September 2024

Home electronics retailers pinning their hopes on Black Week

The home electronics sector has had a tough year so far. The negative trend that has characterized 2024 continued in the third quarter of the year. Growth was minus two percent.

Home electronics retailers offer a wide range of items, which may be more or less capital intensive and purchased at more or less regular intervals. The situation in the economy has led many consumers to postpone major purchases and upgrades to products such as mobile phones and televisions. At the same time, a large part of the product range consists of consumables, such as product accessories and chargers, which fare better in difficult times. However, the need for consumables also decreases when the demand for capital-intensive items decreases.¹⁾

The final months of the year are usually characterized by major product releases of sought-after items in the home electronics sector. For example, Apple launched its iPhone 16 in September.²⁾ Such launches usually drive sales in the sector, but consumers need to invest in more capital-intensive items for things to turn around.

With Black Week just around the corner, the home electronics sector is in the spotlight. Some common consumer behaviors can be observed in the sector during the sales. These include many consumers being on the hunt for the capital-intensive televisions that are big sellers during the week. In addition, many e-retailers offer discounted prices on the previous year's models of many items, which means they can reduce their stocks of older items while enabling consumers to update their home electronics at bargain prices.³⁾

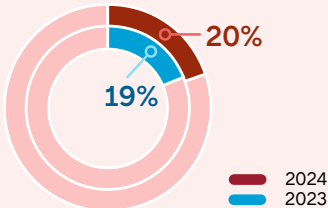


SEK 2,172

SEK +119 since last year

Average amount spent
online over last 30 days

Basis: Consumer, has shopped
online, average July – September



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

Basis: Consumer, has shopped online



Percentage of consumers planning to make
purchases in the category during Black Week

Basis: Consumer, has shopped online



Percentage of consumers planning to make
Christmas gift purchases in the category

Basis: Consumer, has shopped online

¹⁾ Market, October 2024 ²⁾ Techopedia, September 2024 ³⁾ M3, October 2024

Fashion retailers standing strong despite tough competition

The positive growth trend in fashion retail in 2024 is continuing. The trend in the third quarter was the same as in the previous quarter, amounting to nine percent.

Many retail sectors are being impacted by an industry shift, including clothing and footwear. In the last quarter, H&M focused on its beauty segment, both in physical stores and online. The chain had already relaunched its beauty brand in 2023, and in September 2024, two flagship stores were opened in Stockholm.¹⁾ Djerf Avenue, which was previously a pure e-retailer in the fashion sector, has, like H&M, focused on the beauty segment. Nowadays, they also sell shampoo and hair care products.²⁾ Capitalizing on the success story of the beauty sector is likely to be something further sectors will do in the future. The pharmacy sector has already done this very successfully, and the question is whether the fashion sector can follow suit.

As in previous quarters, the sector has experienced fierce competition from discount giants abroad. The entry of these market participants into the Swedish market has not gone unnoticed. In recent months, there has been a debate on what role the EU should assume in relation to global discount market participants. Some 60 organizations have joined forces to highlight the issue. They note that market participants abroad avoid requirements for producer responsibility, which ultimately creates unfair competition and exposes consumers to potential risks.³⁾

During Black Week, there are reasons to believe that the international discount giants will be popular with Swedish consumers. The companies are continuing to grow in the European market, but the question is whether the growth rate will slow over time. On the one hand, possible customs regulations from the EU may lead to higher prices for consumers, and on the other, there is continued dissatisfaction with product safety.⁴⁾



9%

e-commerce growth
Q3 2024

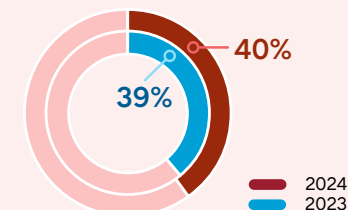


SEK 1,174

SEK -66 since last year

Average amount spent
online over last 30 days

Basis: Consumer, has shopped
online, average July – September



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

Basis: Consumer, has shopped online



Percentage of consumers planning to make
purchases in the category during Black Week

Basis: Consumer, has shopped online



Percentage of consumers planning to make
Christmas gift purchases in the category

Basis: Consumer, has shopped online

¹⁾ Elle, September 2024 ²⁾ Djerfavenue.com, retrieved November 2024 ³⁾ Svensk Handel, September 2024 ⁴⁾ E-commerce News, October 2024

Movements in the furniture sector

In the last quarter, the furniture sector experienced long-awaited growth. The lowering of the policy rate is benefiting the sector, and growth in the third quarter was two percent.

As in other sectors, some segments are performing better than others; for example, home furnishings are less cyclical than furniture. Between 2022 and 2023, furniture sales declined while home furnishings sales increased. As a result, some market participants in the sector are modifying their strategy to attract customers. For example, Lagerhaus removed parts of its range and limited its focus on campaigns.¹⁾ During the year, Hemtex focused on expanding its range of furniture. This included starting selling beds and sofas online as part of their long-term strategy.²⁾

During the quarter, there were consolidations in the sector. Egmont, the owner of Bagaren och Kocken, has brought

together all its kitchen and home furnishings brands under the umbrella of the Egmont LivingNordic Group. The new group encompasses the brands Royal Design, Rum21, Bagaren och Kocken and Andlight. The aim of the consolidation is to be able to increase the degree of customization and coordination following the decline in demand in the sector in recent years.³⁾

Furniture and home furnishings is a product group that consumers associate with Black Week and various types of campaigns. In recent years, IKEA has focused on circular offers during Black Week. In the UK market, the company has announced that their customers will get a better offer if they sell items back to IKEA during the week, and that they will offer discounted prices in their circular store.⁴⁾ Whether more participants in the furniture market will follow IKEA's lead remains to be seen.

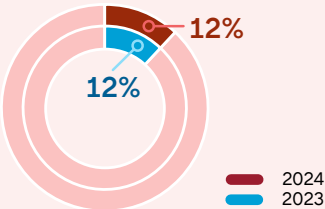


SEK 1,781

SEK -192 since last year

Average amount spent online over last 30 days

Basis: Consumer, has shopped online, average July – September



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

Basis: Consumer, has shopped online



Percentage of consumers planning to make purchases in the category during Black Week

Basis: Consumer, has shopped online



Percentage of consumers planning to make Christmas gift purchases in the category

Basis: Consumer, has shopped online

¹⁾ Market, October 2024 ²⁾ Market, March 2024 ³⁾ Egmont, September 2024 ⁴⁾ Ikea.se, retrieved October 2024

Racket sports – the sector’s major winner

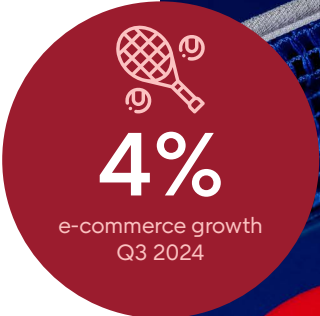
In the last quarter, the sports retail sector experienced long-awaited growth. Growth for the third quarter was four percent, breaking the sector trend and indicating that consumers have started purchasing sports and leisure items again.

A contributing factor to this growth is the fall weather. Last year, September broke records in terms of the warm temperatures, which delayed seasonal shopping until the fourth quarter. This year, the sector is thus facing slightly weaker comparative figures than last year.

According to the sports products trade association Svenskt Sportforum's Sport Index, some product categories have performed particularly well. The Paris Olympics gave racket sports a major boost, with racket sports sales increasing by as much as 51 percent in August.¹⁾ Bicycles also experienced a positive sales trend during the period, contributing to performance.

Online, it is most common to purchase the less capital-intensive items that sports retailers have to offer. Equipment such as bicycles often needs to be put through its paces by the consumer before a purchase is made. This means that categories that are demand-driven, i.e. items that need to be updated from time to time, are particularly suitable for e-commerce. One such product is footwear, which is also a product group that performed particularly well in Q3.²⁾

Looking to the last quarter of the year, weather conditions are crucial for the sports and leisure sector. The arrival of snow often leads to increased sales in the capital-intensive categories. Black Week, which is important for the sector, is also a magnet when it comes to major purchases. For example, XXL will offer special campaigns for its loyalty club members³⁾ and Intersport will give its members priority access to certain offers.³⁾ A common feature of the strategies of market participants is the key role that loyalty clubs play during Black Week.

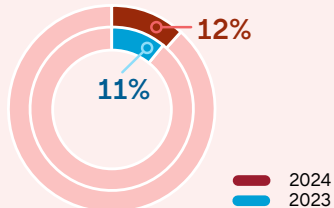


SEK 1,223

SEK -142 since last year

Average amount spent
online over last 30 days

Basis: Consumer, has shopped
online, average July – September



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

Basis: Consumer, has shopped online



Percentage of consumers planning to make
purchases in the category during Black Week

Basis: Consumer, has shopped online



Percentage of consumers planning to make
Christmas gift purchases in the category

Basis: Consumer, has shopped online

¹⁾ Svenskt Sportforum, October 2024 ²⁾ XXL.se, October 2024 ³⁾ Intersport.se, retrieved October 2024

The shopping holidays meet consumer uncertainty

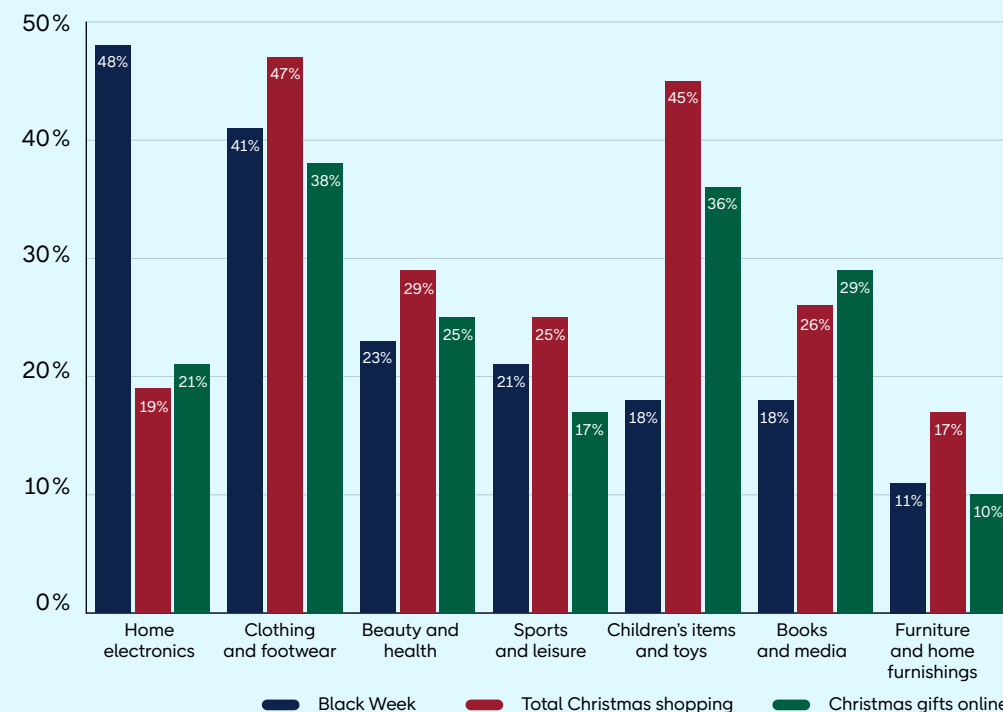
Black Week and the Christmas shopping period represent two of the most significant peak shopping periods for both consumers and e-retailers. During this intense period, many consumers find their best bargains, and some of the purchases made during Black Week eventually end up under the Christmas tree. For many Swedes, this is a time of anticipation and joy, with large-scale sales and smooth and seamless e-commerce enhancing the shopping experience. Although Black Week and the Christmas shopping period now go hand in hand, the different sectors have slightly different issues to deal with.

Home electronics is the most popular product category during Black Week. It is a capital-intensive sector in which many consumers see an opportunity to obtain good deals on everything from televisions to smartphones. This year, it is even clearer that the sector is being

assigned top priority during the period. Increasing numbers of consumers want to update their home electronics in a more affordable way – especially given the situation in the economy. When it comes to Christmas gifts, there are a lot of children's items, clothing and footwear under the tree. The most popular Christmas gifts to purchase online are found in these categories. Beauty and health products, as well as books and media, are also popular Christmas gift categories that top online shopping lists at the end of the year.

Both Black Week and the Christmas shopping period persist as stable shopping traditions, but it is clear that consumers are experiencing greater uncertainty. A prolonged period of economic turbulence is making consumers more cautious and frugal, affecting both Black Week and the Christmas shopping period.

Consumers' planned purchases during Black Week and during the Christmas shopping period (physical and online)



Basis: Consumer, planning to make purchases during Black Week, planning to purchase Christmas gifts this year, planning to purchase Christmas gifts online this year

The new era of e-commerce: Navigating Black Week and Christmas shopping in a changing market

Emma Hallerstedt, head of retail at Google, gives her insights on how e-retailers can adapt to Black Week and the Christmas shopping period.



Emma
Hallerstedt

The e-commerce landscape in Sweden is undergoing an exciting transformation. After years of robust growth, we are now seeing consumer behavior stabilize and shoppers become more conscious. In the run-up to the crucial Black Week and Christmas shopping periods, it is more important than ever for retailers to

understand these changes and adapt their strategies accordingly.

E-commerce has become an integral part of Swedes' shopping habits, but the rate of growth has slowed. At the same time, customers have greater expectations for a frictionless experience. It is no longer sufficient to simply offer competitive prices.

- **Prepare for Black Week and the Christmas shopping period:**

During these high-intensity shopping periods, it is crucial to minimize friction throughout the customer

journey. Make sure your website is fast, responsive and easy to navigate. Offer convenient payment options and clear information on delivery times and returns policies. Fixing common problems, such as not being able to proceed to checkout as a guest, can give you an advantage.

Another clear trend is the increase in brand loyalty. A study by Google and Cint shows that the share of Swedish consumers making purchases from new retailers has decreased from 34 percent in 2022 to 24 percent¹⁾ in 2024. This makes attracting new customers a challenge.



¹⁾ Source: Smart Shopper Research. Google, Cint (2024)/Savanta (2022), Online survey, Country: SE, NL. Nationally representative online population 18+Y.O. who conducted purchases in the past three months for Consumer Electronics/Home & Garden/Fashion/Toys/Jewellery and in the past month for Food & Groceries/Beauty. Basis: All product buyers of CE, Home, Fashion, Food, Beauty, Toys, Jewellery.





“Price is still a key factor, but it isn’t the only thing that matters.”

• **The strategy for Black Week and Christmas shopping:** During these periods, it is important to not only focus on attracting new customers, but also on nurturing relationships with existing ones. Offer exclusive discounts or early access to campaigns to reward loyalty. In addition, use personalization and targeted marketing to reach out to new customer segments. Use AI to ensure you automatically reach the right customers, at the right time, with the right message. In this regard, tools such as Performance Max, powered by Google’s Gemini AI models, can help advertisers design more effective campaigns and build creative assets with the volume, speed and variety needed to engage consumers in relevant ways.

Visual search is a growing trend that is changing the way consumers discover products. In Sweden, one in ten survey respondents has used visual search.

• **Optimize for Black Week and the Christmas shopping period:** Make sure your product images are of the highest quality and optimized for visual search. Use relevant tags and descriptions to increase visibility in tools such as Google Lens. Also consider implementing visual search directly on your website to ensure an even more convenient shopping experience.

Price is still a key factor, but not the only one that matters. Think about your last online purchase – we are all looking for the best offer, the most convenient options and a sense that we are making the right choice.

Focus on:

- **Product availability:** Be transparent about inventory levels, online and offline.
- **Product comparisons:** Offer the chance to compare products directly on your website.
- **Reviews:** Encourage customers to leave reviews and highlight positive testimonials

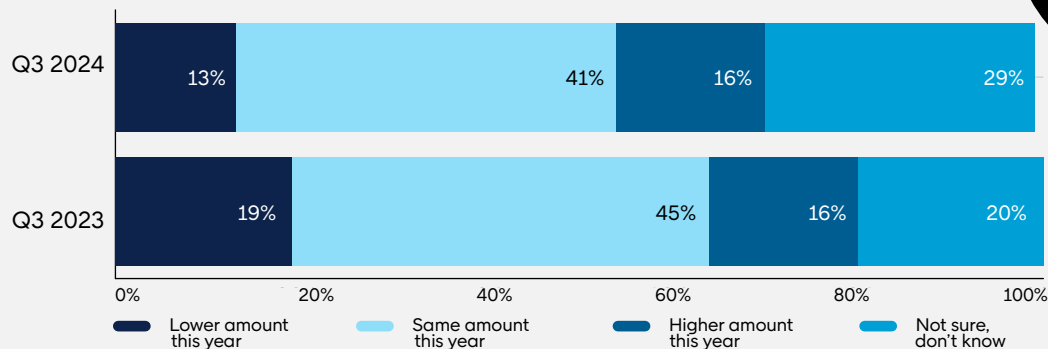
• **Flexibility:** Offer different payment and delivery options to meet varying needs.

E-commerce in Sweden is constantly changing. By understanding and adapting to the new trends, retailers can successfully navigate Black Week and the Christmas shopping period. It is also crucial to be visible, both during the more intense periods and during the rest of the year, when someone searches for the products you sell. When someone is actively looking for a product, this is a strong indication of a desire to make a purchase, and it is then important to show them that you are available.

Focus on creating a seamless customer experience, building strong relationships, leveraging visual search, daring to experiment with new technologies and offering detailed product information. By doing so, you can gain a competitive edge and continue to grow in the dynamic Swedish market.

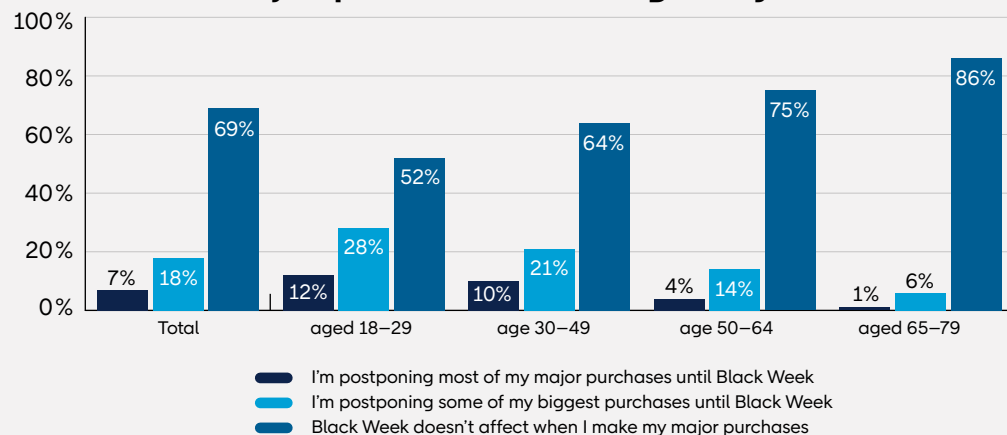


How much money consumers plan to spend during Black Week



Basis: Consumer, planning to make purchases during Black Week

Black Week's role in planning major purchases during the year



Basis: Consumer, knows about Black Week

40%

of consumers aged 18 to 29 **postpone most or some of their biggest purchases** until Black Week*

Black Week continues to be popular in uncertain times

In Sweden, Black Week has gained an increasingly strong foothold in recent years and is a crucial part of retail – especially online. Black Week now also marks the start of the Christmas gift shopping season, which is particularly evident this year as Black Week falls later than usual. This means that Black Week and Christmas sales are becoming increasingly interwoven, which can be challenging for e-retailers with different campaign strategies for the different periods.

This year, more consumers than ever are unsure about how much they want to spend during Black Week. Three in ten have not really decided how to spend their money during the campaign period. Factors contributing to this uncertainty are the price increases of recent years, the challenging situation in the economy and an uncertain future. These have shaped the behavior of consumers, who have become more price conscious and less certain about the state of their personal finances over the coming months. However, fewer consumers are planning to spend less money this year than

last, meaning that a significant proportion of e-commerce consumers are still open to campaigns and offers.

Although some are hesitant regarding how much they intend to spend this year, younger consumers are ready to take advantage of the campaign period. Young consumers are more likely than other consumers to postpone their major purchases during the year and make them during Black Week instead. They are also planning to take advantage of Black Week to an even greater extent this year than last year; one in five thinks they will spend a higher amount this year compared to last year.

Young consumers' purchasing behavior shows that those used to making purchases during Black Week increasingly want to take advantage of the week's campaigns and offers year on year. They are price conscious and used to making online purchases, behaviors that will stay with them throughout life. This will make an even bigger impact on Black Week in the future as consumers gain more purchasing power with age.

*Basis: Consumer, knows about Black Week

Home electronics still on top

As noted, some consumers have not yet decided how much they will be spending during Black Week. What is clear this year, however, is that consumers will be purchasing items in fewer product categories than last year, and that the money will largely be spent on items that they will use for a longer period of time – such as a new phone.

If we look at the last five years, it is clear that consumers focus in the long term on two product categories: home electronics and clothing and footwear. Since Black Week's inception, home electronics has been the most common category in which to make purchases and is also the one that stands firmest while other product categories fluctuate. Clothing and footwear is also relatively stable over time – largely because it is simply a popular product category to purchase all year round. Black Week is now a period in which consumers expect to find offers

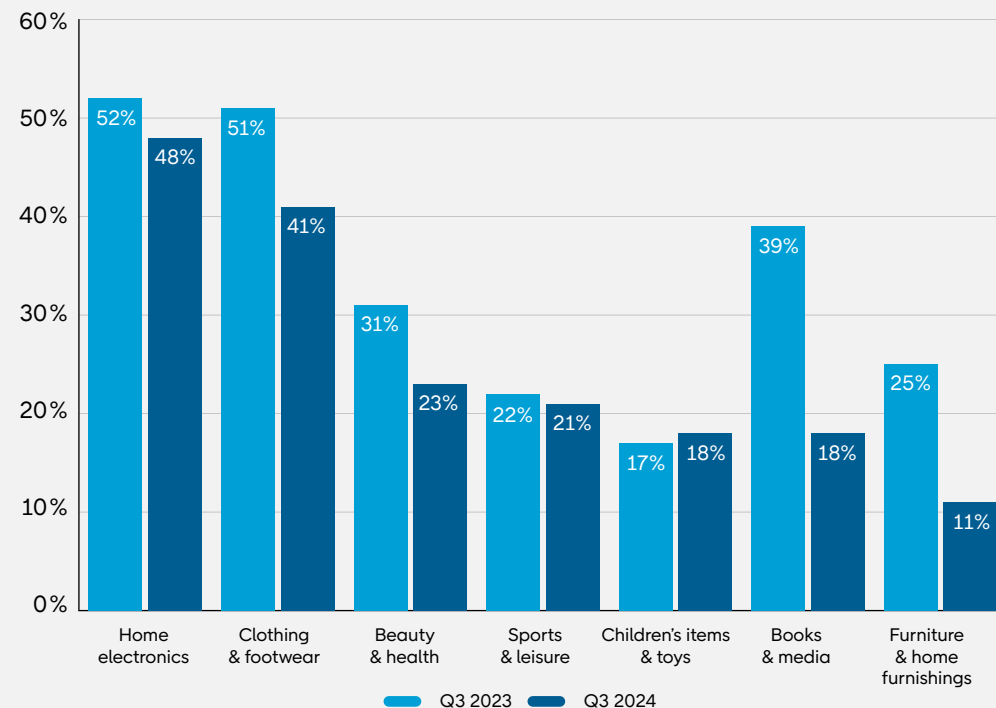
to take advantage of in these sectors. Three categories that stand out this year are furniture and home furnishings, health and beauty, and books and media. Significantly fewer consumers plan to make purchases from the former category this year compared to last year. This is remarkable, as capital-intensive items are usually popular purchases during the campaign period, but this year consumers are putting off making such purchases in favor of other things. The health and beauty category is also being assigned lower priority this year, which indicates that consumers are focusing more on needs than on pleasure.

Books and media are also a lower priority this year. Consumer interest in physical books has been declining for some time, which may be reflected in this year's Black Week. However, the category regains consumer interest as Christmas approaches.

69%

of men aged 18 to 29 **plan to purchase home electronics** during Black Week*

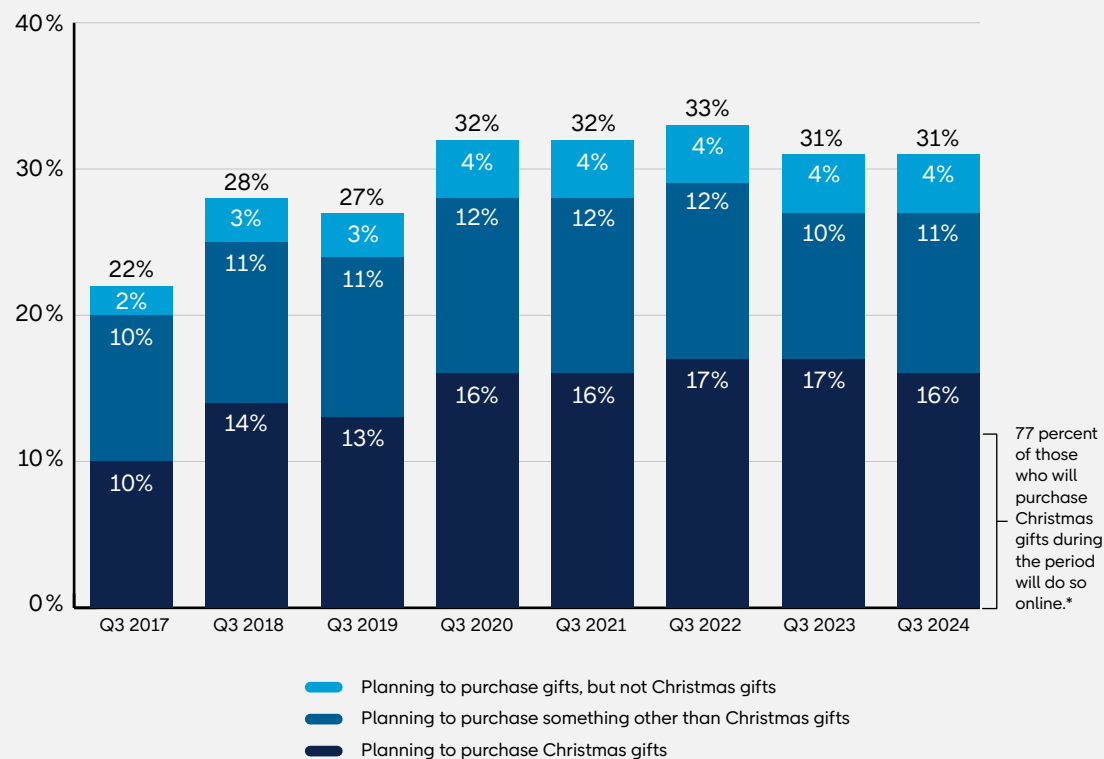
What consumers are planning to purchase during Black Week



Basis: Consumer, planning to make purchases during Black Week

*Basis: Consumer, planning to make purchases during Black Week

For what purposes e-commerce consumers plan to make purchases during Black Week



Basis: Consumer, has made online purchases* Basis: Consumer, planning to purchase Christmas gifts online this year in conjunction with Black Week

Black Week is a natural part of Christmas shopping

It is clear that Black Week is an important shopping tradition that has stabilized over time. This is particularly evident when it comes to shopping for Christmas gifts during the period.

Since 2018 an average of three in ten consumers have planned to make purchases during Black Week, and the trend has been cemented in recent years. It is clear that consumers have found their own way to make purchases during the campaign period. Their main focus is on Christmas gifts, with 16 percent of consumers planning to purchase these online during Black Week. The share that purchases Christmas gifts during Black Week has increased since 2019, with the levels achieved during the pandemic persisting. This is unique – many other consumer behaviors that emerged during the pandemic came to an end along with the restrictions, but this one remains. This in turn suggests that shopping for Christmas gifts during Black Week is a phenomenon that is here to stay.

The importance of Black Week for Christmas shopping is apparent in several ways. For example, more than half of those planning to purchase Christmas gifts during Black Week intend to purchase every other gift at that time, a full four weeks before Christmas.

The fact that Black Week has become such an important period for Christmas shopping online is largely explained by the fact that consumers can kill three birds with one stone: save money, plan their purchases well in advance and have their items delivered in good time before Christmas. Although consumers have been struggling financially in recent years, the habit of spending money during Black Week has become established. The pattern of postponing certain purchases until this week is expected to persist even as the economy improves.

Loyalty clubs – a factor for success in campaign periods

Competition for consumer attention will be particularly fierce this year, as more consumers are unsure of how much they intend to spend during Black Week. It will therefore be particularly important to be able to capture the attention of interested customers quickly and with the right products. One way to achieve this is by using loyalty clubs.

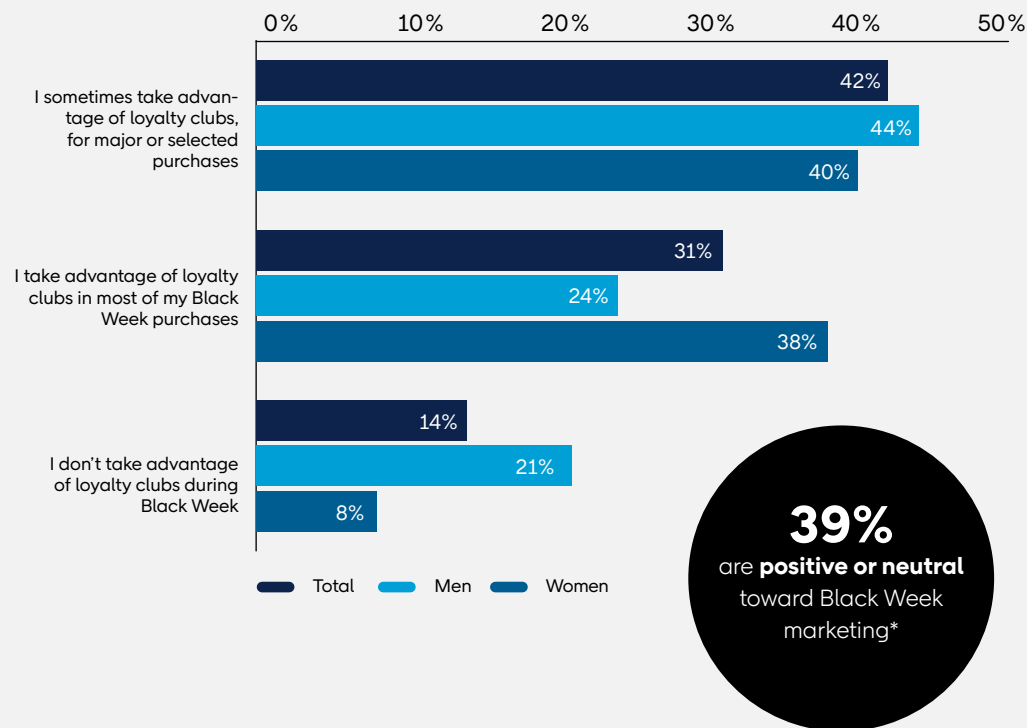
At present, a quarter of consumers are positive or neutral toward Black Week marketing – a share that has the potential to grow if marketing becomes more targeted and relevant to the individual. Personalized offers and campaigns increase the relevance of marketing, making it stand out from the crowd.

Many consumers, especially women, take advantage of loyalty clubs and programs where most of their Black Week purchases are concerned. In its global report on

Black Week and Christmas shopping, Salesforce predicts that two in five purchases during the period will be made by repeat customers.¹⁾ Taking into account the fact that consumers prioritize brands and retailers that offer loyalty programs, factors such as loyalty clubs may play an even bigger role in the future.

Loyalty programs generate long-term benefits for both consumers and e-retailers. Where consumers are concerned, they often offer a range of benefits, such as exclusive discounts and early access to campaigns, making their shopping experience more valuable. At the same time, e-retailers get the opportunity to gather insights on purchasing behavior, build stronger relationships with customers and increase the chances of repeat purchases, giving them a clear advantage during the competitive Black Week period.

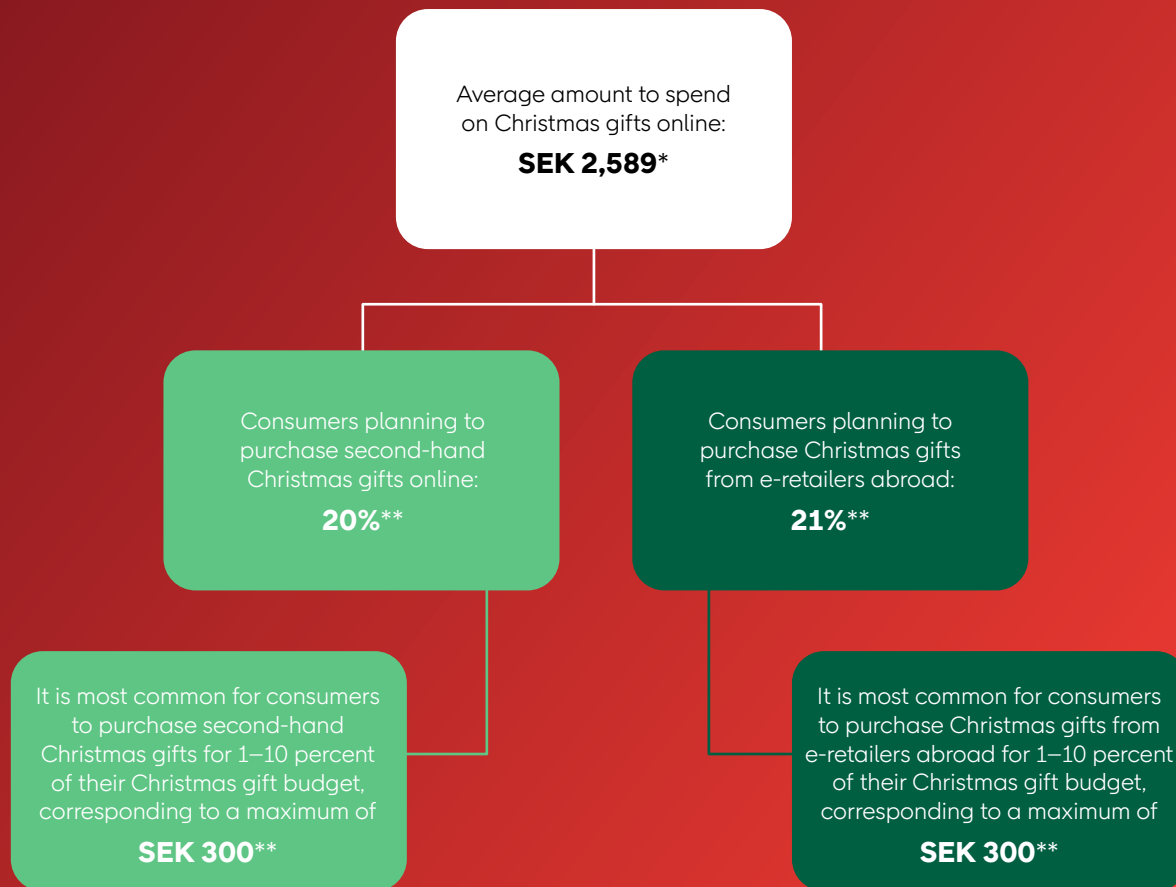
To what extent do you use loyalty clubs to find offers and get discounts during Black Week?



Basis: Consumer, planning to make purchases during Black Week

*Basis: Consumer, planning to make purchases during Black Week

Major consumer trends shine through in Christmas shopping



Over the past year, consumers have focused sharply on the discount segment. Both circular e-commerce and e-commerce from market participants abroad have been channels consumers have turned to to find low prices.

In [E-barometer](#) for the first quarter of the year, China was presented for the first time as the second most popular country from which to make online purchases, after Sweden. During the Christmas shopping period, a fifth of consumers plan to purchase Christmas gifts from e-retailers abroad, in most cases at low prices, indicating that many consumers will make purchases from China. The report also shows that some consumers do not know whether their items were

purchased from abroad or not. There is therefore reason to believe that the share of consumers making purchases from abroad at Christmas is somewhat higher than consumers themselves state.

The same report also shows that the share of consumers purchasing more second-hand items has increased due to the situation in the economy. This trend is also apparent when consumers plan their Christmas shopping. A fifth of consumers intending to purchase Christmas gifts plan to give at least one second-hand gift purchased online.



*Basis: Consumer, planning to purchase Christmas gifts online this year** Basis: Consumer, has made online purchases

Christmas gift shopping in brief

	Million aged 18–79 on the internet*		Percentage who make online purchases Christmas gifts**		Christmas gift amount per person (SEK)**		Approximate Christmas shopping online***
2024	7.4	X	54%	X	2,589	=	10.4
2023	7.5	X	60%	X	2,470	=	11.0
2022	7.3	X	61%	X	2,380	=	10.6
2021	7.3	X	63%	X	2,493	=	11.4
2020	7.3	X	62%	X	2,349	=	10.6
2019	7.2	X	56%	X	2,092	=	8.4

* Source: SCB and Eurostat – population multiplied by internet penetration (95 percent)

** According to consumers' own responses to the survey ***SEK billion

Uncertainty shaping this year's Christmas e-commerce

This year's forecast shows that Christmas gift shopping will be characterized by the uncertainty consumers feel about their financial situation. Although household finances are starting to improve and confidence in future finances is greater than it was a few months ago¹⁾, there is reason to believe that consumer purse strings will still be tight during this year's Christmas shopping period.

Fifty-four percent are completely sure that they will be purchasing Christmas gifts online this year, which is the lowest figure in several years. However, this does not mean that only 54 percent will actually purchase Christmas gifts online; the actual outcome is harder than ever to predict. The uncertain global situation and the protracted economic recovery are generating uncertainty among consumers. This uncertainty is also affecting the E-barometer sales forecast for 2024. Christmas e-commerce is expected to decrease by SEK 0.6 billion compared to 2023.

In practice, the forecast should be interpreted with caution. The actual outcome could be different, for example if future

interest rate cuts are bigger and more effective than expected. This in turn means that it is more important than ever for e-retailers to remain flexible and responsive, especially as many consumers are taking a more cautious approach to their Christmas shopping.

Fewer consumers are planning to purchase Christmas gifts this year, but those who do intend to are planning to spend more money this year than last. Inflation has started to ease in many sectors, but prices are still higher than in previous years, meaning that consumers are still getting slightly less value for their money than just a few years ago.

The chapter provides several examples of increasingly uncertain consumers prioritizing fewer, more needs-oriented Christmas gifts, for example by focusing on gifts for children, planning purchases more carefully, and making large purchases during the campaign period surrounding Black Week. The hunt for low prices also continues to be noticeable – consumers are turning to international discount market participants to find Christmas bargains.

¹⁾ National Institute of Economic Research's Consumer Tendency Survey, September 2024

Consumers are uncertain, but spend more online

There is a mixed picture of how consumers will purchase Christmas gifts this year. One in five consumers plans to purchase fewer Christmas gifts this year than last year, but on average, consumers who will be purchasing Christmas gifts plan to spend more money on these online. This suggests two things. On the one hand, online Christmas gift shopping continues to take a larger share of the total Christmas gift budget, and on the other, there is reason to believe that consumers are purchasing slightly fewer items at slightly higher prices than last year. However, this only applies to those consumers who know how much they intend to spend – which is far from everyone.

As previously mentioned, the share of consumers that does not know how much they will be spending on Christmas gifts is significantly higher than before.

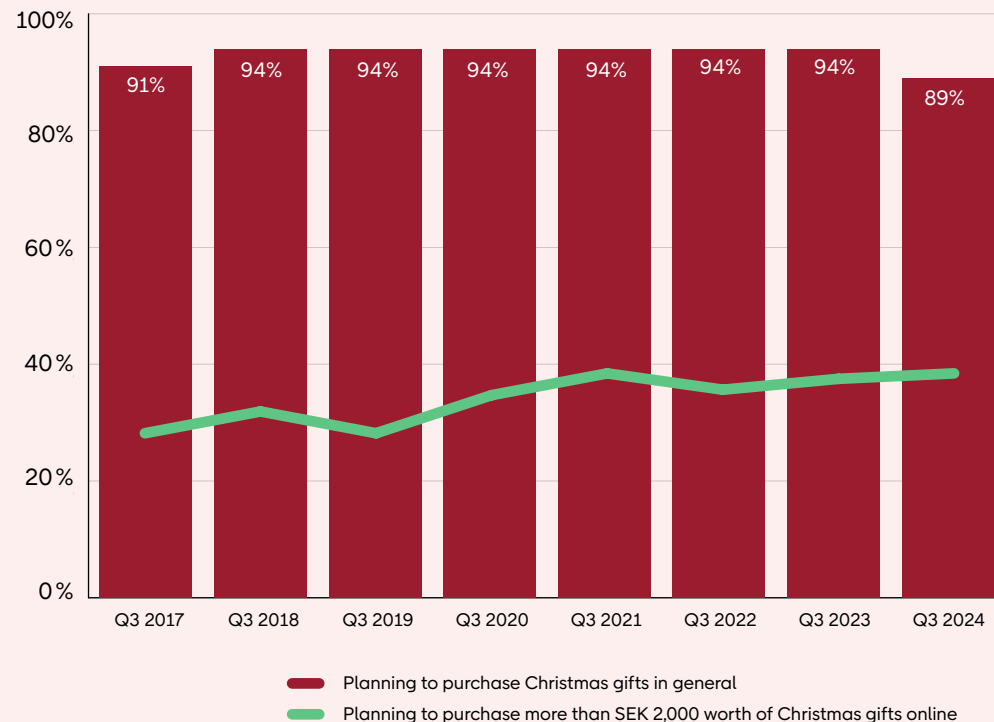
This year, more than a quarter of consumers are unsure about how much they intend to spend, compared to a peak of 15 percent in recent years. The prevailing economic uncertainty means that many consumers simply do not know how much money they will have left in their pockets when it is time to do their Christmas shopping.

The quarter of consumers who are unsure about how much they will be spending during the Christmas shopping period will be a particularly crucial consumer group to reach. As they are likely to purchase Christmas gifts but find it difficult to plan for this, it is particularly important to capture their interest. Clear campaigns, rapid deliveries and flexible terms and conditions are some ways to lay the foundations for these consumers to purchase items for Christmas online, too.

22%

of businesses think that their **sales during the Christmas shopping period will increase compared to the previous year***

Consumers increasingly spend more money on Christmas gifts online

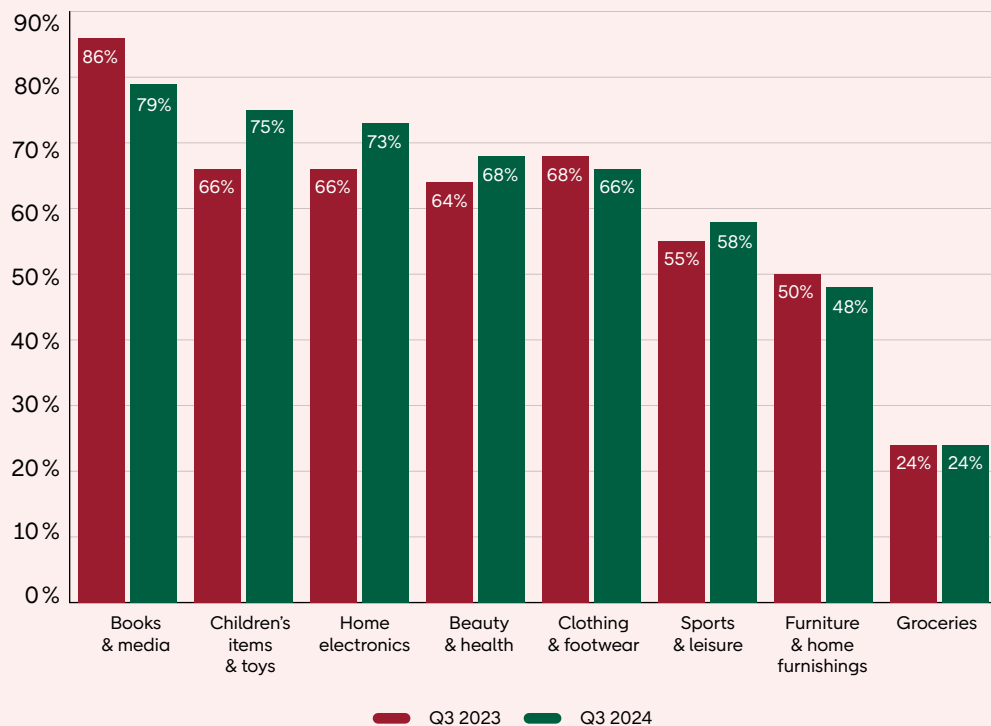


Basis: Consumer, planning to purchase Christmas gifts online this year

*Basis: E-retailers

21%
of consumers
are planning to **purchase**
fewer Christmas gifts
this year*

E-commerce share of Christmas shopping by product category



Basis: Consumer, planning to purchase Christmas gifts this year, planning to purchase Christmas gifts from each product group online this year

Fewer consumers planning to purchase Christmas gifts

Although things are looking up for Swedish household finances, the share of consumers planning to purchase Christmas gifts is lower than it has been in a long time; 89 percent of consumers plan to purchase Christmas gifts online or in stores this year. This figure has been above 90 percent for several years, with a whole 94 percent having planned to purchase Christmas gifts last year. The total amount of money consumers think they will spend online on Christmas gifts has decreased by more than five percent compared to last year.

Not only are fewer consumers than ever planning to purchase Christmas gifts, they are also planning to make purchases in fewer sectors this year than before. This year, consumers are more single-minded than before. As a result, fewer, but more

thoughtful, Christmas gifts will end up under the tree this year. However, in some sectors, it seems that e-retailers will be able to capture a larger share of consumers during the Christmas shopping period compared to last year. These include sectors that have been popular during the year, such as health and beauty, but also sectors in which a boost is long overdue, such as sports and leisure, and home electronics online.

Christmas is seen by many as a children's holiday, which is reflected in the fact that children's products and toys are the product category that most consumers plan to purchase more of this year than last year. So, not surprisingly, when there is insufficient purchasing power, consumers prioritize children and their Christmas gifts.

*Basis: Consumer, planning to purchase Christmas gifts this year

Advance purchases during Christmas shopping continue to gain momentum

In recent years, the point in time at which consumers purchase most of their Christmas gifts has shifted. Christmas gift sales are expected to peak earlier this year than they did eight years ago. So, consumers have changed their Christmas gift shopping behavior, with many planning their purchases better and avoiding last-minute shopping. Compared with 2016, fewer consumers plan to purchase Christmas gifts just before Christmas by eight percentage points. Christmas gift shopping in general, i.e. both in-store and e-commerce, has also become more evenly distributed, with a sales period of just over three weeks this year compared to one week in 2016.

Christmas gift sales peaks online have become more apparent, with many consumers planning to purchase the majority of their Christmas gifts between November 21 and 30 – i.e. during Black

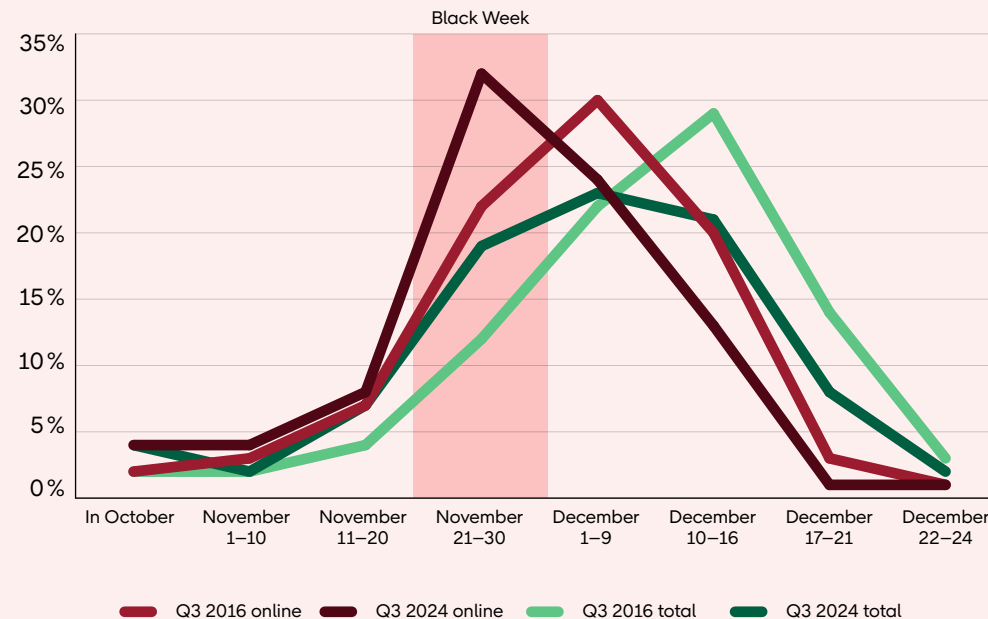
Week. Although not all consumers are planning to purchase Christmas gifts in conjunction with Black Week-related campaigns, many still find the week a good starting point for pre-Christmas e-commerce purchases.

Men are generally looking more prominent during the Christmas shopping period this year than last year. This is particularly true during Black Week. More male consumers say they will be purchasing most of their Christmas gifts during Black Week by almost six percentage points, while the share of women planning to do the same has decreased slightly. It is generally women who purchase the most Christmas gifts during Black Week. This year, however, more men are planning to do so and thus take advantage of the Christmas gift shopping period in good time and at favorable prices during the campaign period.

22%

of companies estimate that their **sales peak** will be November 21–30*

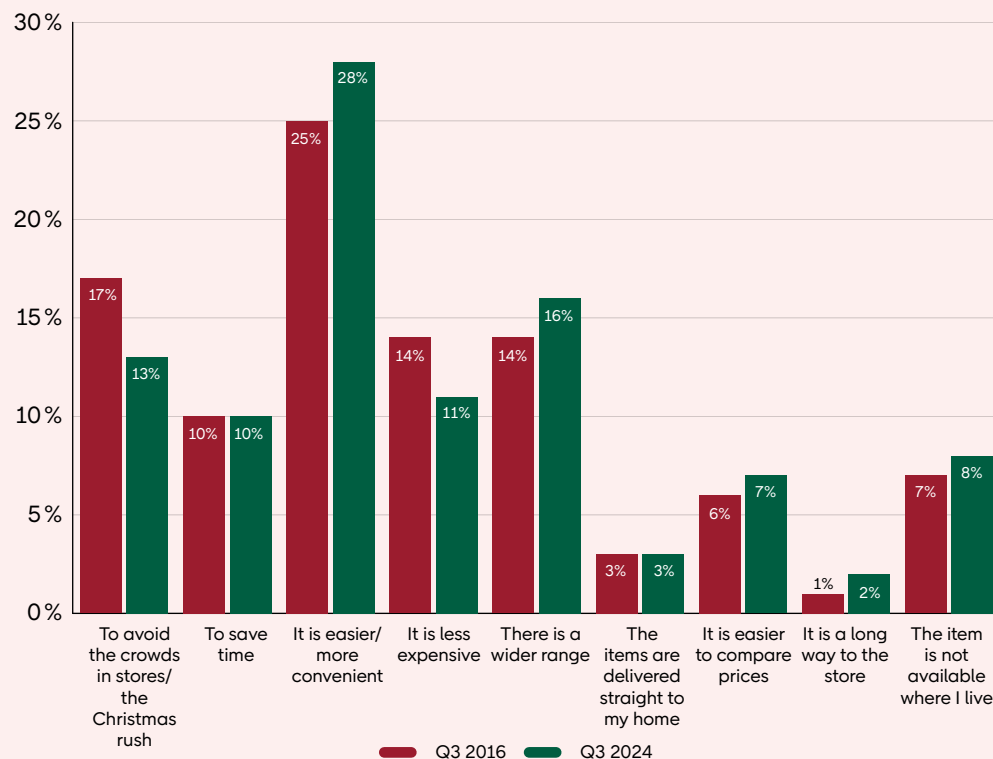
When consumers think they will purchase the majority of their Christmas gifts



Basis: Consumer, planning to purchase Christmas gifts online this year, if planning to purchase Christmas gifts this year

*Basis: E-retailers

Top reasons to purchase Christmas gifts online instead of in store



Basis: Consumer, planning to purchase Christmas gifts online this year

Simplicity and convenience – two timeless qualities

E-commerce has evolved a great deal over the past decade, but the reasons for making purchases online instead of in-store are largely the same now as they were less than a decade ago. Simplicity and convenience were key reasons back in 2016 and have become even more central in 2024. One reason for this is that more consumers each year are becoming accustomed to making purchases online. At the same time, e-commerce is evolving and becoming increasingly convenient. With better logistics solutions and an offering that is easier to navigate, e-commerce has made it easier for consumers to purchase their Christmas gifts online.

Although many consumers still appreciate the opportunity to avoid the Christmas rush, this is not as important as it was in 2016. As purchasing a large share of their Christmas gifts online is

part of their everyday life, consumers are happy to purchase a few gifts in stores to experience the enjoyable part of Christmas shopping. This gives consumers the best of both worlds: the convenience of e-commerce for most of their Christmas gift shopping, but also the atmosphere of a shopping trip.

One of the strengths of e-commerce is that it makes a wider range of products available to a larger number of consumers, which is particularly significant during the Christmas shopping period. According to consumers, this is one of the main reasons for purchasing Christmas gifts online, and a large and accessible range is also one of the aspects that has grown in importance most over time. As e-commerce expands, consumers are exposed to more items and feel confident in exploiting the full potential of e-commerce at Christmas.



Åhléns has made its way back to winning

This year Åhléns is celebrating 125 years as an icon of Swedish retail. After a period of losses, the department store chain has once again become profitable, partly thanks to e-commerce.

“We strive to serve all our customers throughout Sweden, and e-commerce serves as a showcase for the entirety of our broad range,” says Jenny Zeng, head of e-commerce at Åhléns.

Åhléns has always strived to be a department store for everyone – a place where customers can find products for all occasions and needs. With a wide range of beauty, home furnishings, children's and fashion products for both men and women, the company targets a wide audience.

“We usually say that we have something for everyone – whether it's a gift for your teenage daughter, something special for Father's Day, or just something to treat yourself with on occasion,” she says. “What makes us unique is that we are a house of brands with a wide range of leading brands, but we also have our own brands that are not available elsewhere.”

Jenny Zeng joined Åhléns as head

of e-commerce almost three years ago, after occupying a similar position at Webhallen. At the same time, entrepreneur Ayad Al-Saffar took over as new owner. With his history of turning struggling companies around, it was now time for Åhléns to undergo a similar journey. Thanks to strategic changes and a relentless focus on profitability, the department store chain is now reporting a profit after several years of substantial losses.

Part of the new focus is to grow Åhléns' physical presence in Sweden while strengthening its digital presence. Its website has been given a makeover in its design and interface, with an underlying change of content management system.





“When we open a new department store, we notice that e-commerce gets a boost in that location.”

“As we’ve focused more on profitability, we’ve wanted to ensure that e-commerce makes a contribution to the business overall,” says Jenny Zeng. “E-commerce now accounts for around 20 percent of the company’s sales, which is a share we want to maintain.”

Jenny Zeng also emphasizes the importance of the interplay between physical stores and e-commerce.

“When we open a new department store, we notice that e-commerce gets a boost in that location,” she says. “But if we close a department store, we see that it negatively impacts e-commerce sales there.”

Åhléns’ omnichannel strategy is a key part of the company’s long-term plan. By blurring the lines between online and offline, the company wants to offer a consistent customer experience, regardless of channel. This means actively working to synchronize product ranges and campaigns between channels.

“Omnichannel is important to us,” says Jenny Zeng. “We have some campaigns that are only available online to cope with the immense competition regarding

prices on the web. However, we try as much as possible to have the same pricing and offers online and in our physical stores, so that customers don’t get confused or disappointed if they see a lower price online but can’t get the same price when they come to the store.”

But this approach is not always easy to put into practice.

“If we reduce the price of an item online, it has the knock-on effect of requiring a lot of branding and signage in our stores,” she says. “So logistically, keeping the same pricing across all channels can be challenging. But we know that it’s crucial to maintaining customer trust.”

Another key aspect is optimizing logistics and enabling faster and more flexible deliveries.

“We’ve looked into shipping straight from our warehouses to customers, and this is something we think may be possible in the future,” she says. “But right now, all our deliveries are made from the central warehouse in Rosersberg.”

Balancing inventory levels is one of the biggest challenges in retail. Ensuring that you have neither too much nor too



About Åhléns

Åhléns was founded in 1899 in Insjön, Sweden, and is celebrating its 125th anniversary this year. The company offers over 1,000 own and external brands in the beauty, fashion and home sectors.

Åhléns has 50 department stores all over Sweden, making it one of the largest retail chains in the country. E-commerce currently accounts for 20 percent of the chain’s sales, and Åhléns has Sweden’s biggest loyalty club, with a total of 2.5 million members. During peak periods, such as Black Week and the Christmas shopping period, Åhléns sends out over 20,000 parcels a day. The return rate for e-commerce is often around 17 percent, which is common in retail.

www.ahlen.se

Top sellers at Åhléns

Black Week: Beauty, advent calendars, scents and perfumes.

Christmas: Items from Åhléns' own advent calendar, with a new window opened each day, and the fact that Åhléns is big in home furnishings over the Christmas period. They sell items for the kitchen, such as pots, pans and knives, as well as for the dinner table, such as glasses and crockery.

Singles Day

Where Åhléns is concerned, Singles Day on November 11 usually marks the start of Black Week, and this year the campaign period will continue until Sunday, December 1.

little stock requires close cooperation between purchasing, inventory management and marketing.

"In the past, we've had a high level of service, which meant that we also replenished slow-selling products," she says. "This naturally ties up a lot of capital. But today we're looking at how to work on eliminating slow movers."

Owner Ayad Al-Saffar has spoken about Åhléns' 'Zlatan products' in various contexts. Put simply, these are bestsellers and campaign products.

"One very positive change is that we work more at product level today," says Jenny Zeng. "Everyone in the company knows which products to highlight and prioritize. This means that we purchase them in larger quantities, but we know that they'll be given exposure and be prioritized in the warehouse and in the department stores."

With Black Week and the Christmas shopping period just around the corner, Åhléns is facing its busiest period of the year. Two crucial sales periods need to be coordinated, which requires thorough preparation. One challenge this year is that Black Week falls on

a later date than usual, meaning it is close to the start of the Christmas shopping period.

"This means we need to think even more carefully about how we communicate our campaigns," she says. "Traditionally, our Christmas campaigns are very important to us, and we don't want them to be drowned out by everything going on during Black Week."

Jenny says that Åhléns is seeing a trend in which consumers are increasingly already starting to purchase their Christmas gifts during Black Week, which E-barometern has also reported on in other contexts. When these two campaign periods overlap, it can be a challenge to coordinate them, even if the approaches to the two campaigns differ at Åhléns.

"During Black Week we focus more on digital marketing, with tactical campaigns, while during the Christmas shopping period, we instead establish Åhléns as a destination, with physical store experiences and a broader approach," she says. "Christmas is always one of our strongest periods, especially with our 'advent calendars' (where they offer discounts each day during

the run-up to Christmas) and other gift items that are highly sought after."

When it comes to managing the increased demand during Black Week and the Christmas shopping period, planning and logistics are key. Success is not just about how much you sell, but how you manage the high volumes.

"That's why we increase staffing in the warehouse to the max, running three shifts to ensure we're ready," she says. "We then communicate closely with our carriers so they are aware of the expected volumes and able to process deliveries as smoothly as possible."

After several years of Black Week and Christmas shopping in close succession, Åhléns has acquired crucial experience in how to best handle periods of intense activity.

"I love peak season!" she says. "It really is the ultimate test of how different departments work together in-house. We've learned that the earlier we plan, the fewer changes need to be made, which often leads to better results. Last year we faced challenges that we've had to address in preparation for this year."

"Success is not just about how much you sell, but how you manage the high volumes."



“In countries like China and the US, getting deliveries within a few hours is already standard, and I think we’ll be seeing more of that here in Sweden too.”



The problem last year was that Åhléns experienced challenges with its cut-off date – the deadline by which orders must be placed to guarantee delivery before Christmas Eve. Last year, the decision was made to bring the deadline for orders forward by a whole week.

“That wasn’t an easy decision to make,” she explains. “But we realized we needed more time to manage the volumes efficiently, so setting an earlier deadline was important in terms of keeping our promises to customers.”

“The advantage is that we have both physical department stores and e-commerce, meaning we can try to redirect the traffic we receive online to our stores,” she says. “This helps us ensure that customers get the chance to purchase our products straight from a department store.”

Åhléns attaches great importance to openness and transparency towards customers, particularly during busy campaign periods.

“It really is super important,” she says. “We’ve become much better at measuring our performance in-house, something we didn’t do as thoroughly in previous years. We now have a clear overview of how well we’re keeping our promise to customers, and our aim is to maintain a level above 90 percent.”

On-time delivery is a priority – better to have a realistic outcome than an overly optimistic estimate.



“Although it may affect conversion, we believe that being honest about time-frames increases customer satisfaction,” she says. “In the past, we’ve sometimes made mistakes by not communicating changes in delivery in time, which has meant we’ve disappointed customers.”

E-commerce is a dynamic process that never stands still, and Åhléns is dedicated to continuously improving the user experience. Google Pay and Apple Pay will soon be introduced as new payment options.

“Although we may be a bit late to the game, I’m convinced that these payment methods will continue to grow and ‘eat into’ card and invoice payment solutions,” she says. “We’re also seeing a high level of growth in payments made through the Swish payment solution”.

Looking ahead, Jenny Zeng can see



several exciting trends in e-commerce that will shape the future. One is what is known as ‘quick commerce’, where customers expect increasingly rapid deliveries.

“In countries like China and the US, getting deliveries within a few hours is already standard, and I think we’ll be seeing more of that here in Sweden too,” she says.

Another trend Jenny highlights is gamification and social shopping. Gaming mechanisms such as points, rewards or competitions engage customers, making the shopping experience more interactive and entertaining.

“We’ve experimented with live shopping and are doing some work on user-generated content, but we haven’t yet taken the plunge into gamification,” she says. “But I think it will become increasingly important. It’s crucial to



implement it in a way that feels authentic to our brand, though. If we started sending out ‘spin-the-wheel’ offers to our customers, they’d probably wonder what happened to Åhléns. We have to forge our own path.”

As for Black Week and its future significance, Jenny Zeng thinks it is a campaign that will endure, but perhaps in a different form.

“I don’t think Black Week can be much bigger than it is today, but we might see a more even distribution of purchases over the period instead of everything happening on a single day,” she says. “We also want to avoid being part of a race to the bottom. A lot of e-retailers take a very big hit where profitability is concerned, and so you have to ask yourself how low you’re actually willing to go,” concludes Jenny Zeng.

Autumn sales culminate during Black Week

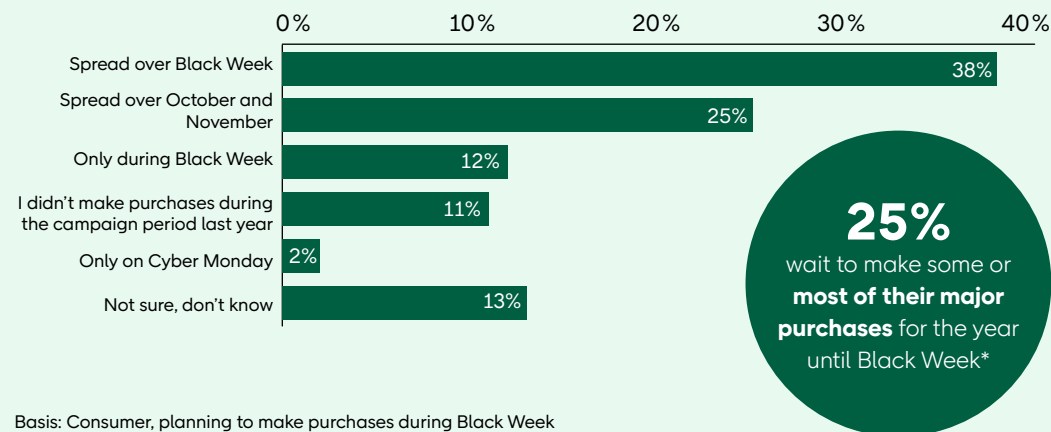
As Black Week becomes more established in the retail sector, the number of campaigns is increasing and the campaign periods are being extended. Many consumers are well aware of the long campaign period that now occupies much of October and November. As a result, around one in four consumers postpones their major purchases for the year until this period. The intense campaign periods make major demands of businesses in terms of planning and timing. The longer the campaign period, the more challenging the planning becomes – for consumers and e-retailers.

For example, it is important to keep warehouses well stocked throughout the campaign period to avoid running out of popular items. It is well known that out-of-stock items generate frustration among consumers. One example of this that takes place well before November is the CAIA Cosmetics advent calendar, which is one of the most popular

calendars on the market. Although the company increases its stock of calendars with each passing year, they run out in just a few days.¹⁾ This has even led to the calendars being resold on the second-hand market at a higher price.

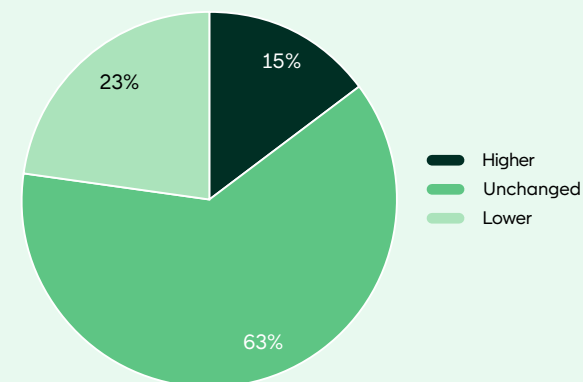
At the same time, it is important not to be left with costly surplus stock after a campaign. For many companies, the current strategy is to maintain the same inventory levels as in previous years. This suggests that the majority of companies expect the amount of items required during this year's campaigns to be similar to last year. However, there is a tendency for more companies to reduce their stock levels. One in five companies has reduced their purchases in the run-up to this year's campaigns, and the same trend was also evident last year. Market uncertainty is thus making both consumers and companies more cautious about the seasonal sales period.

When purchases are made during the campaign period



Basis: Consumer, planning to make purchases during Black Week

Company inventory levels for this year's Black Week and Christmas shopping periods compared to previous years



Basis: E-retailers

*Basis: Consumer, knows about Black Week

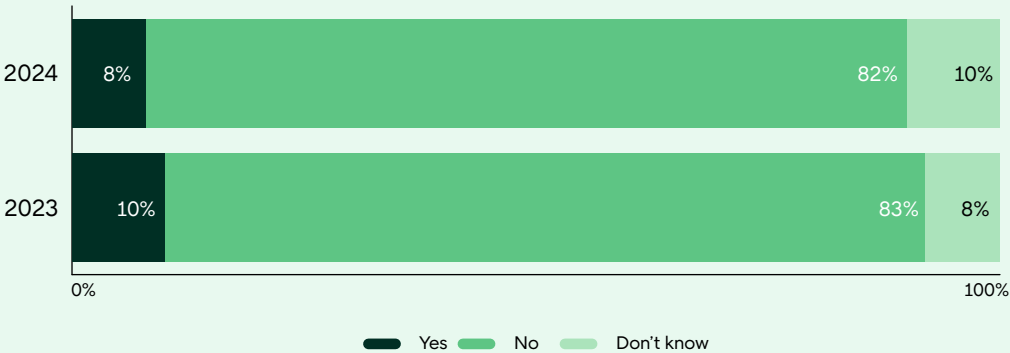
¹⁾ Ehandel.se, October 2024

Consumers’ main expectations during Black Week



Basis: Consumer, planning to make purchases during Black Week

Will you be selling more items at a discount or offering bigger discounts during Black Week this year than during Black Week last year?



Basis: E-retailers

Discounts on sought-after items most important

Consumer expectations serve as an important guide for e-retailers, and being responsive is an important piece of the puzzle in terms of planning for the right stock levels. A full 75 percent of consumers expect extra-large discounts on specific products, showing that many plan their purchases carefully during Black Week. This is particularly evident in capital-intensive sectors such as furniture and home electronics, where consumers expect to be able to get good deals on capital-intensive items.

At the same time, a significant proportion of consumers is interested in spontaneous and pleasure-driven shopping during Black Week, and therefore expects discounts on the entire range. The challenge is to offer attractive prices for the most popular items to attract the single-minded consumers, while at the same time having a broader offer without forfeiting profitability on the less popular products. A difficult balancing act, to say the least, when consumer

behavior is harder than ever to predict. It is not only customer expectations that are of concern; campaigns also need to be adapted to the nature of the items. In capital-intensive sectors, where consumers have their eyes on specific products, large discounts on well-chosen items can be crucial. In contrast, expectations regarding discounts across the entire range are linked to a greater extent to less costly and less planned purchases.

In recent years, many e-retailers have found a stable balance between attractive offers and profitability – and they do not want to risk rocking the boat this year. Like last year, eight in ten e-retailers plan to keep discounts at the same level as the previous year. However, just as for consumers, they are more uncertain; one in ten e-retailers is unsure whether they should offer larger or smaller discounts this year. In conclusion, the same signs can be seen as last year – Black Week offers may have reached their peak.

Black Week challenged by price consciousness

In times of economic uncertainty, consumers prioritize low prices and finding the best offers. The growth of international parcels in Sweden reached almost 30 percent during Black Week and Cyber Week last year, according to Paketindex¹⁾, and since then, interest in international market participants has continued to grow. Due to the rise of Chinese discount market participants, competition during Black Week is expected to be particularly stiff this year.

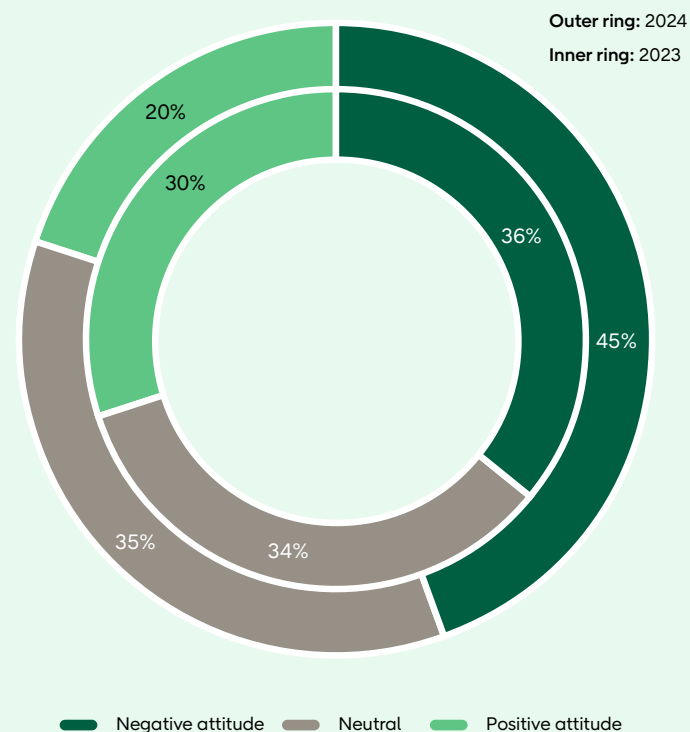
Consumer price consciousness is also reflected in greater skepticism about discounts. A significant proportion of consumers have a negative attitude toward Black Week discounts. Perhaps the discounts do not live up to their expectations, with Chinese market participants entering the market and establishing a new discount baseline that is difficult for Swedish e-retailers to match. At the same time, the skepticism may be due to suspicion of price increases just before the sales – something that has been discussed

after campaign periods in recent years.²⁾ Although discount retail from abroad continues to grow, different product categories are affected by the competition to different degrees. Categories with generally lower prices may face stiffer competition during Black Week. Where capital-intensive items such as televisions are concerned, however, campaigns and offers are often more favorable and feel more secure when purchases are made from Swedish market participants.

With fierce competition from Chinese discount market participants, it is more important than ever for Swedish e-retailers to play to their strengths. As E-barometern has previously shown, consumers mainly associate Swedish e-commerce companies with accessible customer service, convenient payment solutions and relevant delivery options. As consumers shop for increasing volumes of Christmas gifts during Black Week, the ease of exchanging and returning products becomes even more crucial.

16%
of deliveries made during
**Black Week and Cyber
Week** consisted of
international
parcels¹⁾

Consumer attitudes towards Black Week discounts



Basis: Consumer, knows about Black Week

¹⁾ Paketindex Q4 2023 ²⁾ Swedish Consumer Agency, 2024



How NetOnNet is taking e-commerce to the next level

NetOnNet makes rapid deliveries and manages large volume increases during campaign periods such as Black Week. With an e-commerce business that thrives on speed, precision and flexibility, NetOnNet has identified an unbeatable formula for smart inventory management.

“Last year we managed to keep to our regular lead times throughout the peak period, despite the sharp increase in volumes,” says René Ecke, head of logistics at NetOnNet.

While many companies are attracted by advanced and automated solutions, NetOnNet demonstrates that intelligent inventory strategies and a committed workforce can be just as powerful. NetOnNet, one of the leading market participants in Swedish e-commerce, continues to set itself apart by focusing on smooth deliveries, efficient inventory management and a customer-focused strategy.

“We stayed within our usual lead times throughout the last Black Week, even when volumes skyrocketed,” says René Ecke, head of logistics at NetOnNet, who doesn’t hesitate to add a human touch to warehouse operations.

With a central warehouse in Borås



and 31 warehouse stores across Sweden and Norway, NetOnNet has become a master at combining physical stores with online sales, creating a seamless omnichannel experience. Head of logistics René Ecke gives us a closer look at the company’s strategy to meet customer expectations during some of the busiest periods of the year.





“If a warehouse store can deliver quicker than the central warehouse, the delivery is sent from there. If we can be just as fast, it’s sent from the central warehouse.”

Over the years, NetOnNet has developed an advanced inventory strategy based on the central warehouse in Borås and the warehouse stores being flexible in relation to each other. This system enables the company to meet customer needs quickly and efficiently, regardless of whether the products are in a warehouse store or in the central warehouse.

“Our express deliveries are always sent from the warehouse location that can deliver the fastest,” explains René Ecke. “If a warehouse store can deliver quicker than the central warehouse, the delivery is sent from there. If we can be just as fast, it’s sent from the central warehouse.”

An important part of NetOnNet’s strategy is to ensure that customers always receive accurate information on delivery times at checkout. The system is updated in real time based on where the products are located, providing customers with a transparent experience. The focus has been on indicating the exact date and window for the delivery of the items.

“Customers like this,” he says. “We try to keep things as simple as possible, offering rapid delivery options, and if you purchase over a certain amount, we always offer a free shipping option if you can wait an extra day.”

At a time when many companies are putting automated inventory management systems in place, NetOnNet has opted for a different path. The company still operates a manual picking warehouse, which, according to René Ecke, gives them greater flexibility during production peaks.

They have also worked to streamline e-commerce picking in the warehouse stores. One example is price signs flashing when a product is to be picked from the shelf, saving time and making things easier for staff.

“We’ve taken a cursory look at automation, but we’re exceedingly efficient in our manual processes,” he says. “During the pandemic, when demand skyrocketed, we were able to quickly adapt by bringing in more staff and scaling up our operations.”

NetOnNet is proud of its same-day



About NetOnNet

NetOnNet opened on March 10, 1999 with the business concept of selling home electronics at lower prices than in regular stores.

The company started out as a pure e-commerce platform, selling products straight off the shelf without unnecessary hassle. In 2001 online sales were expanded to include warehouse stores, where customers could purchase items at the same low prices as online.

Today, NetOnNet has more than 800 employees and runs 28 warehouse stores in Sweden and three in Norway. The company also has a purchasing office in China with 23 employees. NetOnNet has annual sales of SEK 6 billion.



“We have a cut-off time of 10 pm for next-day deliveries. This means that customers can get their products delivered quickly and conveniently, no matter where they live in Sweden.”

Top 3 items in e-commerce and in-store sales

Online: TVs, phones, gaming
Warehouse stores: TVs, phones, gaming

delivery offering, which it can provide from both its central warehouse and many of its warehouse stores.

“For example, we can deliver a 65-inch TV to a customer in Umeå the same day if they place their order before 3:30 pm,” he says. “Of course, this also applies to the major cities, but I find it particularly gratifying that we can also offer this in northern Sweden, where we have that opportunity in Umeå.”

However, according to René Ecke, NetOnNet is even more outstanding in next-day deliveries. Customers can place their orders as late as 9:59 pm and have their parcel delivered the next day, in a geographical area covering postcodes all the way up to the north of Sweden.

“We have a cut-off time of 10 pm for next-day deliveries,” he says. “This means that customers can get their products delivered quickly and conveniently, no matter where they live in Sweden.”

Black Week and the Christmas shopping period are the busiest periods for NetOnNet, and careful preparation is needed to manage the increase in demand. To ensure everything runs smoothly, NetOnNet has devised an inventory strategy based on accurate forecasting and close collaboration between different departments, such as purchasing, marketing and warehousing.

“We have separate meetings ahead of the Black Week and Christmas shopping peak periods,” he says.

“Planning gets easier every year, but it’s important that everyone knows we’ve done our bit and that all parts of the chain are working as they should. There’s always a great sense of camaraderie throughout the company during peak seasons.”

The most important component of preparation is providing employees with the right conditions to pick, pack and ship products efficiently. This means ensuring the right equipment is available and machines, computers and other technical equipment have been thoroughly checked and are in optimal condition.

During Black Week, tensions are high in the home electronics sector. It is important to keep an eye on your competitors so that you do not end up making the wrong choices. René points out that one of the main lessons learned from previous years is the importance of believing in your plan, but also being prepared to adapt when it doesn’t work as intended.

“We know that things can fluctuate, so we have a high level of flexibility in our operations,” he says. “It’s a question of being able to adapt quickly and produce more if sales exceed expectations.”

Ahead of this year’s Black Week, NetOnNet has chosen to enter the





period with slightly lower stock levels than in previous years. This is to reduce the risk of surplus stock and to ensure they have the most relevant range possible.

“The aim is to increase our turnover rate and work more intelligently with each category and item, so that we don’t risk going into 2025 with irrelevant stock,” he says.

When it comes to Black Week campaigns, NetOnNet is known for offering attractive prices, but René Ecke emphasizes that the company works with consistently low prices rather than relying solely on large discounts during peak periods.

“We constantly work with low prices, and that’s more or less where we intend to stay,” he says. “Black Week is exciting for customers because they don’t know exactly what discounts will be available until the week arrives.”

One of the biggest challenges during peak periods is managing the increase in volumes while maintaining a positive customer experience. NetOnNet has managed to keep its delivery promises even during the most hectic periods, thanks to careful planning and flexibility in its inventory and staff management.

“Last year, we managed to stick to our regular lead times throughout the peak period, which was a resounding

success,” he says. “We didn’t need to extend our delivery times, despite the sharp increase in volumes. It was great that we managed to navigate this.”

NetOnNet also works closely with its carriers to ensure that deliveries take place on time, which is crucial to maintaining customer satisfaction.

“We almost double our workforce during the weeks around Black Week and Christmas, and we work with flexible solutions so we can adapt quickly to demand,” he explains. “It’s very much about having the right person in the right place and being able to move staff around quickly.”

Consumer behavior has changed over time, and René Ecke points out that today, customers are more price conscious than before. This has led to an increase in sales of NetOnNet’s own brands, as they offer products with good functionality at a lower price. He also sees a growing trend towards circular business models, where the company offers bargain or second-hand items to reduce its climate impact.

“Our circular offering, with bargain or second-hand items that have a lower price point while being good for the environment, has become increasingly important,” he says. “Customers appreciate being able to purchase quality products at a good price while

contributing to more sustainable consumption.”

As for competition from Asian e-commerce platforms, which often offer extremely low prices during Black Week, René Ecke thinks that NetOnNet has not been affected to any great extent.

“We find that customers want to feel secure about what they’re purchasing,” he says. “We haven’t seen much competition from Asia.”

In the future, NetOnNet will continue to focus on growth and profitability, especially in the Norwegian market – where the company sees major opportunities for growth. At the same time, the focus is on following developments in new technologies, such as AI and automation, to further streamline inventory management.

“We’ll need to keep up with developments in AI and automation to remain competitive,” he says.

A key challenge for NetOnNet going forward is to manage last-mile deliveries in a cost-effective and sustainable way.

“Last-mile deliveries are becoming increasingly important. We need to ensure that we can deliver at a low price for the customer, with a high level of service and a low carbon footprint,” concludes René Ecke.

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