



Country factsheet - January 2015

# Norway

The Kingdom of Norway reigns supreme over the Scandinavian e-commerce landscape. And the figures below entirely justify the country's presence in Forrester's top 10 e-commerce opportunity countries.

- Internet penetration rate of 95%
- No. 1 Nordic country in terms of e-commerce revenue with 8.9 billion euros in 2013
- Expected growth of 14% in 2014
- 3.73 million e-shoppers, 46% of whom shop on foreign sites
- An average annual shopping €2.688 (only the United Kingdom does better)
- An unemployment rate of only 3.5% in 2013

## 1. The consumer

The Norwegians engage in e-commerce mainly because they find it practical. Practicality is, in fact, their number-one motivator, ahead of price and choice. But what do they buy? And how can their requirements be satisfied?

**36%**  
of Norwegians  
order online at least  
once a month

### Need for reassurance despite common practice

61% of Norwegians make purchases online at least once a quarter. For 36% of them, this figure rises to once a month. And when looking at just the under 50s, almost half (47%) of them engage in e-commerce monthly.

However, **40% of Norwegian e-shoppers abandon their shopping basket**. Why? It is basically a **lack of clear, reassuring information in relation to payment, delivery and returns** that is the cause of these abandoned shopping baskets.

Consumers expect the total cost of their order and the conditions to be communicated clearly and relatively early on in the purchasing process.

This need for reassurance is also satisfied by **checking consumer opinions, reviews and ratings**, which almost **50% of Norwegians** pay attention to.

### A patient e-shopper who purchases all kinds of products

Norwegians have realistic expectations in terms of shipping times. In general, they expect to receive their orders within 3–5 working days.

Their shopping basket is relatively varied as the three most purchased categories of product have very similar proportions. Of these, electronic devices have a slight advantage.

Top 3 most purchased categories of product:



**26%**  
check e-tailers' paper catalogues before browsing a webshop

It should be noted that while they purchase all kinds of products, the Norwegian consumer likes to be able to count on a catalogue of paper products. Just over a quarter of them check these catalogues that the e-tailers send out via post, prior to going online and browsing their webshop. This is a significant practice that foreign e-tailers harboring ambitions for this market should take into account.

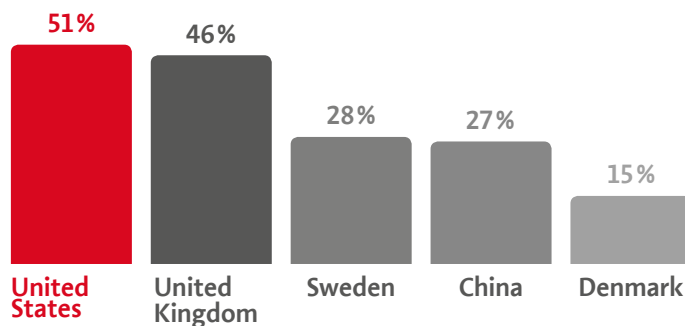
### Cross-border very popular

Despite the previously mentioned need for reassurance, Norwegian e-shoppers don't shy away from placing orders on foreign sites. In 2013, **1.7 million Norwegians made cross-border purchases**. Proportionally speaking, they are **the European champions of cross-border** with **46%** of them making purchases that amount to **over half a billion euros**.

The categories of products purchased beyond Norwegian borders are similar to those purchased domestically. The same three categories head up the list—the only difference is that Clothing & Accessories have the advantage.

And Norwegians cross-border e-shoppers don't just limit themselves to neighboring countries. In fact, these cross-border purchases are made mainly on American and British sites, and Sweden is practically on a par with China, which itself comes far ahead of Denmark.

Most popular countries for cross-border purchases:



## 2. The market

The market, although already very attractive, is still far from having reached its peak as e-commerce only represents 2% of Norway's GDP. This low percentage should soon increase dramatically as the rate of growth in online commerce is four times faster than that of traditional commerce.

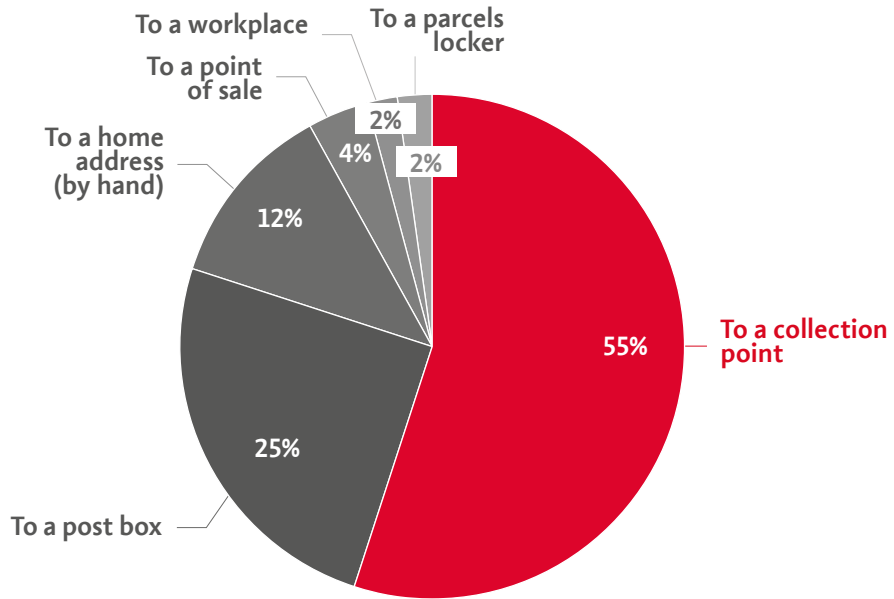
### Great diversity in the market

The Norwegian e-commerce market demonstrates interesting diversity in several regards. Firstly, in terms of the companies that appear on the online economy stage. These include the **inevitable big international brands**, such as Zalando, Zara and H&M (the latter actually makes 5.6% of its sales in the Norwegian market), as well as **local companies born out of distance selling**, such as literary clubs or even true **online pharmacies** (a phenomenon which has existed since 2011). **Scandinavian success stories** also have their place, along with **local retailers that have successfully converted themselves into an omnichannel environment**.

However, Norway can also boast **its own pure players** such as the Komplett Group and Netthandelen.no. The former holds a precious 7% share of the market in this extremely fragmented landscape.

Diversity is also prevalent when it comes to shipping options, which are a deciding factor for seven out of 10 e-shoppers in their choice of webshop.

**Chosen method of shipping:**



This range of possibilities is not surprising in a country that ranks itself as 16th among the 150 countries rated by the World Bank’s Logistics Performance Index.

**Features to be considered**

It should be remembered that Norway is **neither in the eurozone** (the Norwegian Crown is the currency there) **nor the European Union**. This therefore implies some special considerations.

Any webshop that exceeds €6.700 in annual revenue generated by sales in Norway has to register to obtain a Norwegian VAT number. **VAT is 25%** but reduced rates are applicable for food (15%) as well as transport and hotels (8%).

**Online groceries are already well developed** and this success is probably down to the special history of the food market. In fact, this market was relatively costly, in comparison to other countries in Europe, and was not very competitive. That’s why, since 2011, the Norwegian consumer council has been very enthusiastic about the practice of online grocery shopping, seeing a great opportunity for a more democratic offering.

**50%**  
of webshops are already  
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using mobiles

### 3. Trends

#### Growth surfs the mobile wave

In Norway, like many other markets, the growth of e-commerce will be closely linked to the aptitude to surf and hold the mobile wave. Currently, **50% of webshops are already adapted for browsing using mobiles and tablets** and have a **penetration rate of 70%**, but they are used above all to search for products rather than to make actual purchases.

However, Norwegians are known to be big fans of mobile technologies and Norway has already been used for pilot tests when it comes to payment via mobile. Among these has been the testing of a system that enables payment using a fingerprint to replace the traditional PIN code.

#### The end of outbound

Whilst inbound cross-border is already well adopted, outbound cross-border has seen much more limited development. Indeed, Norwegian e-tailers all too often still tend not to translate their site into other languages, a problem that seems to affect all of the Nordic countries. **Of the top 15 domestic webshops in the different Nordic countries, 40% of them still do not offer multiple language versions.** And where they do offer them, one in four have no more than three different languages, and these are mainly Scandinavian. Meanwhile, international online searches favoring Nordic webshops have increased by 30% in recent years and, in the specific case of Italy, this figure has risen by 66%.

An awakening in this respect is therefore essential to capture a growing foreign demand that only expects to be satisfied, at the risk of seeing their e-commerce equilibrium become too greatly imbalanced.

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