

Press Release

Nets Group data shows European e-commerce surged by 2-3 times amidst pandemic

- 11,000 interviews across eight European countries reveals that e-commerce has accelerated exponentially during the Covid-19 pandemic, with consumers and merchants 2-3 years ahead – and as much as 5 years in some countries
- Convenience and pricing are two of biggest drivers in consumer purchasing behaviour with 51% of consumers shopping cross-border due to lower prices
- Retailers will continue to prioritise investing in their online platforms to enable truly omni-channel approach for customers

Nets, a leading provider of digital payment services and related technology solutions across Europe, today announces the publication of its annual E-commerce Report for 2020, which has found that the Covid-19 pandemic has led to a rapid evolution of consumer behaviour during the pandemic. The demand for frictionless and seamless transactions from online consumers has rapidly increased, as shopping has shifted online at a remarkable pace. The report spans findings from over 11,000 consumer interviews across eight European countries, representing over 150 million people and over €300 billion of e-commerce spending.

In all countries, buying goods and services online has grown in 2020 and it is clear the proliferation of the e-consumer is here to stay.

| Country | % of consumers shopping online more often today than pre-Covid-19 |
|-------------|---|
| Poland | 42% |
| Austria | 38% |
| Germany | 33% |
| Switzerland | 30% |
| Finland | 24% |
| Norway | 22% |
| Sweden | 22% |
| Denmark | 19% |

In Germany, consumers spent €162 billion online last year – 72% was on physical goods, largely clothes and groceries, which are areas Germans have traditionally been reluctant to buy online. Payment preference for them is local and personal, with the Nets survey showing this is one of the top three reasons for online purchase cancellations by consumers. For example, Danes prefer card payments, whilst Germans like to use open invoices and e-wallets, and Finns opt mainly for online banking. Merchants and SMEs have had to ensure their e-commerce platforms offer their customers the most convenient buying experience possible. Payment experts like Nets can empower their merchants to succeed online in this respect.

Notably, the report has identified a surprising level of commonality in the behaviours of online consumers across all countries. Convenience is the number one global driver behind customers choosing to shop online, with pricing also an important factor for consideration. Lower prices have encouraged 51% of consumers to shop cross-border despite shipping or language complexity. Simultaneously, high shopping costs are the primary reason for online purchase cancellations, demonstrating the need for transparent and upfront pricing from retailers.

The survey also offers insights for the future based on the e-commerce trends identified as emerging through the pandemic. Monumental changes witnessed can be expected to stay. The shift from the physical store to the online store is likely to continue thanks to shoppers of all ages and nationalities increasingly recognising the ease of deliveries to their front doors. Retailers will continue to accelerate their investments in e-commerce, but as part of an omnichannel solution for their customers. It is important to cater for enhanced online behaviour whilst preserving the role of the in-store experience as part of the shopper journey. The rise of Gen Z will also require merchants to prioritise social media shopping.

Given the many challenges e-commerce businesses are facing, Nets is proud to be a valued partner for its customers by making payments as easy and frictionless as possible for them and their consumers. Nets is sharing these e-commerce findings publicly to empower businesses globally to evolve and improve by better understanding consumer expectations. It has also applied these results to its own business, with new product developments including a new European checkout with 'remember-me' functionality, one-click checkout and seamless integration to a business' webshop. Nets is offering localised solutions mindful of the overlaps and differences between customer payment references regionally.

Omar Haque, Head of Nets Group e-commerce:

"I'm excited to share the findings of our report, stemming from an extremely in-depth and large-scale survey of consumer behaviour. It's fascinating to note hard data that demonstrates the Covid-19-driven acceleration to online shopping many of us have suspected, though perhaps not to the extent we have in fact found. We invested in the report to help our customers focus on their own business while we keep them up to date on the latest trends and innovations in payments. To keep our finger on the pulse of European e-commerce, we're moving to a continual, rolling survey to understand how preferences are changing in real-time. We look forward to applying all our findings to the shaping of our product roadmap, deciding where to bring state-of-the-art payment technology from the highly digitalised Nordic region to our other customers across Europe."

About Nets

At Nets, we see easier products and solutions as the foundation for growth and progress – both in commerce and society. With headquarters in Copenhagen, Denmark, and more than 4,000 employees located across Europe, we help financial institutions, businesses and merchants across Europe make tomorrow a little easier for their customers while delivering unrivalled security and stability. Powering payment solutions for an easier tomorrow. For more information please see: www.nets.eu