

# Nordic Payment Report 2023



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## Nordic Payment Report 2023

### About the Report

Nets Nordic Payment Report is an annual report about payments and related topics for merchants with focus on physical sales locations. The content is based on a consumer survey conducted in all four Nordic countries, Nets' own data from card transactions and contributions from Nets' experts. The main focus is on payments in physical environments, as Nets publishes a separate comprehensive report on Nordic e-commerce.

### About Nets

Believing in simplicity and security as the foundation for growth and progress, Nets powers payment solutions for an easier tomorrow for banks, businesses and consumers across Europe. Nets is a part of Nexi Group - a leading European PayTech.

For more information, please visit [nexigroup.com](https://nexigroup.com)

### Data

#### Consumer survey

The consumer survey is conducted annually in all four Nordic countries as well as Germany by the market-research company Kantar Sifo on behalf of Nets. At least 1,000 consumers have responded in each country. This year's survey was carried out during May.

### Download the local Nordic Payment Reports here:

- SE** <https://insights.nets.eu/sv-SE/publication/nordic-payment-report-2023>
- DK** [insights.nets.eu/da-DK/publication/nordic-payment-report-2023](https://insights.nets.eu/da-DK/publication/nordic-payment-report-2023)
- FI** [insights.nets.eu/fi-FI/publication/nordic-payment-report-2023](https://insights.nets.eu/fi-FI/publication/nordic-payment-report-2023)
- NO** [insights.nets.eu/nb-NO/publication/nordic-payment-report-2023](https://insights.nets.eu/nb-NO/publication/nordic-payment-report-2023)
- EN** [insights.nets.eu/publication/nordic-payment-report-2023](https://insights.nets.eu/publication/nordic-payment-report-2023)

## Consumer buying habits have normalized, and mobile payments strongly increase. Lars Erik Tellmann, Chief Regional Officer for the Nordic region at Nets, summarizes this year's report.

**In 2023, we have finally left the COVID-19 pandemic and the associated restrictions behind us. Even though soaring inflation and interest rates have affected the economy in the post-pandemic period, we can see that consumers' buying habits have started to return to normal. Online shopping has become natural for many and is likely something most consumers will continue with. With that being said, it is clear that consumers want to shop in physical stores now that society is fully open again.**

### Payments in physical stores are changing

Consumer payment preferences in physical stores have changed in recent years. Comparing today's payment methods with those from just five years ago, the use of cash has dropped drastically and continues to decline. However, we expect that the level has soon reached its bottom and will not decrease further.

Payment cards still dominate as the Nordic region's preferred payment method, but we see a gradual decrease in usage. This decline is due to the significant increase in the use of mobile payments, which is now the second most popular payment method in almost all Nordic countries. This trend is expected to continue. Most mobile payments are card-based, but according to our consumer survey, mobile payments are seen as an independent payment method. In Norway, Vipps and Apple Pay dominate, Swish is mostly used in Sweden, and MobilePay is preferred by Danes. Even in Finland, where cash usage has significantly decreased and is getting closer to the levels in the other Nordic countries, mobile payments are nearly at the same level as cash. Regarding contactless payments, which include both card and card-based mobile payments, we still see an increase in usage.

### Omnichannel and Unified Commerce

The sales channels are blending more and more. Omnichannel has become a well-established approach in the Nordics, and the development is moving towards what's called Unified Commerce - an even more holistic approach to create increasingly seamless consumer experiences across sales channels.



Solutions such as click & collect and scan & pay combine the in-store and online shopping experience as they allow consumers to switch between different sales channels when making their purchase. These newer shopping methods are gaining popularity across the Nordics.

Customer recognition is at the core of the omnichannel and unified commerce strategies. The ability to recognize the customer across channels through the use of card tokenization for instance, can bring many benefits for merchants. The more information merchants have about their customers' shopping preferences, the better they can adapt their offering and personalize it.

### Authentication, digital receipts and loyalty solutions

We also see changes within the area of payment authentication, digital receipts and loyalty solutions. The demand for new solutions is increasing gradually, even though consumers and businesses don't always move at the same pace.

For instance, there is a growing demand for digital receipts, with a majority of Nordic consumers preferring digital receipts over paper ones. However, businesses are still behind in the implementation of digital receipts, and many still don't offer this solution to their customers. Regarding loyalty solutions, we have come a long way. Nine out of ten Nordic consumers are members of at least one loyalty program, such as customer clubs and bonus systems. Loyalty programs are becoming more convenient for customers, as many businesses now offer the option for customers to register bonus points directly in connection with a purchase, without having to present a separate membership card or similar.

### The payment landscape is complex, but navigating it can lead to growth

At Nets, we aim to help businesses navigate the relatively complex payment landscape to support their growth. In summary, it's about understanding the customers. Our insights into consumer payment preferences and the development of new solutions, as found in this report, can help in combination with businesses' own data. The key lies in offering customers the payment methods they prefer and having solutions that simplify the purchase experience.

Meeting the customer the right way is extremely important, as is simplification and automation. Finding the right balance is crucial; much can be automated, but sometimes customers desire personalized service. Businesses that succeed in meeting needs beyond the product or service itself have a good chance of winning in the competition.

**Lars Erik Tellmann**  
Chief Regional Officer, Nordic  
Nets - part of Nexi Group

**"The key is offering customers the payment method that they prefer, and simplify their purchase experience"**

# Stores

**This retail category includes physical stores that sell all types of products, except food. Consumers' habit of shopping in physical stores has quickly returned to normal. The proportion of those who never shop within the category is, just like the proportion of frequent customers, roughly the same this year as last year. Mobile payments increase significantly as a payment method, while the use of cash remains more or less unchanged in most Nordic countries.**

The retail category includes a wide range of physical stores that sell everything from clothing and shoes, household items, books, jewellery, and watches, and more. These types of stores make up a significant portion of commerce and employ many people. The pandemic had a significant negative impact on the retail, but consumers' habits have quickly returned to normal.

E-commerce saw a significant boost during the pandemic as many consumers learned to shop online. However, it is clear that the majority of Nordic consumers still prefer shopping in physical stores rather than online. Physical stores offer several advantages compared to e-commerce. Consumers have a greater experience when they go out to town or to malls where they can see, touch, and test products before purchase. The shopping experience in a physical store is – for many types of products – difficult for e-commerce to compete with.

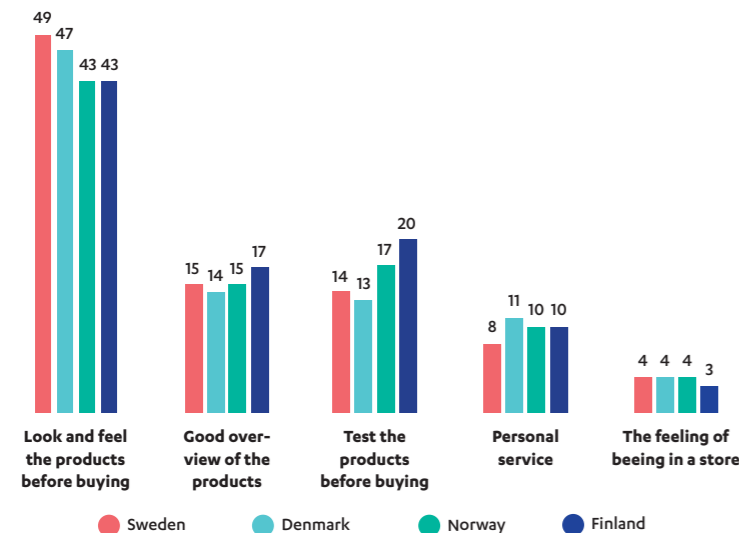
However, e-commerce often has advantages in terms of convenience, price, and selection. The majority of consumer purchases will continue to take place in physical stores, with the exception of certain categories. Repeat purchases,

such as contact lenses or pet food, may be easier to make online than to go to a store far from home. On the other hand, the ability to try on clothes or examine and compare products such as consumer electronics is something that strongly benefits the physical store. Geographical location, specialized stores with a wide range of products, and the overall shopping experience are some of the most important factors for consumers when it comes to choosing to shop in physical stores.

Trends in payments for the category continue to revolve around experiences of convenience combined with service. Being able to pay with your preferred card or with your mobile is a given. Fixed payment terminals at the cash register are increasingly being supplemented with mobile terminals in the store. With app solutions for mobile phones and tablets, so-called SoftPOS solutions, sales staff can be available for customer service and advice on the store floor. Omnichannel solutions further give consumers the flexibility to combine the advantages of e-commerce with those of physical stores, which is now often a given in many stores.



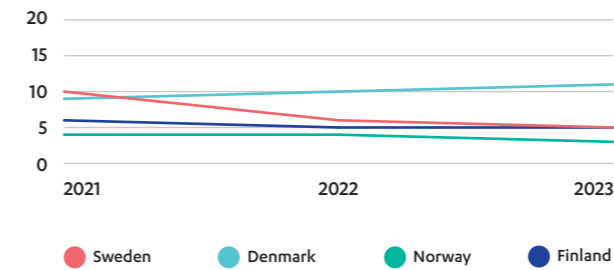
It is clear that the majority of Nordic consumers still prefer shopping in physical stores rather than online



## Reasons to shop in physical stores (%)

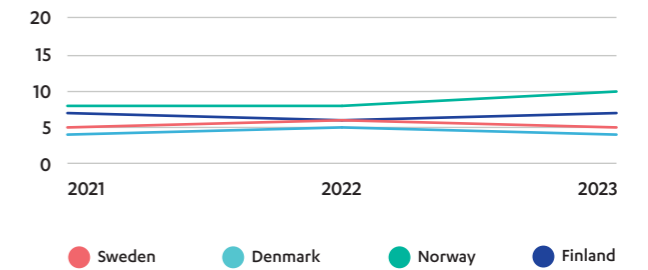
In all Nordic countries, about half of consumers that they mainly shop in physical stores because you can see and feel the product - which is a clear advantage for physical stores. Other important reasons are that it is possible to get one good overview of the range and that you can test the product before purchase. The personal service is for some consumers an important reason to shop in physical stores, and this reason seems become more important. The motives for shopping in physical stores however, has not changed significantly over the years, which confirms that the physical store benefits still appeals to consumers – and probably will they always do it.

## Never shop (%)



The proportion of consumers who never shop in physical stores is relatively unchanged compared to last year. The increase in consumers who never shop in physical stores is likely an effect of e-commerce, as many have learned to shop online in recent years. The question is how quickly consumers return to their old habits or if purchasing habits have changed in the long term. However, it is clear that the majority of consumers prefer to shop in physical stores.

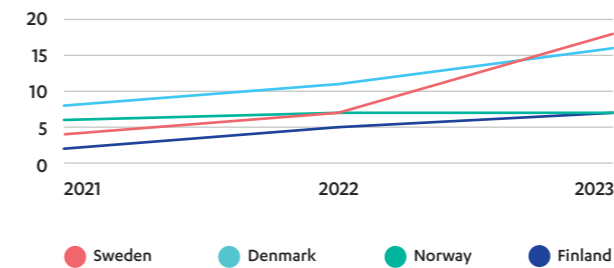
## Shop 7–10 times (%)



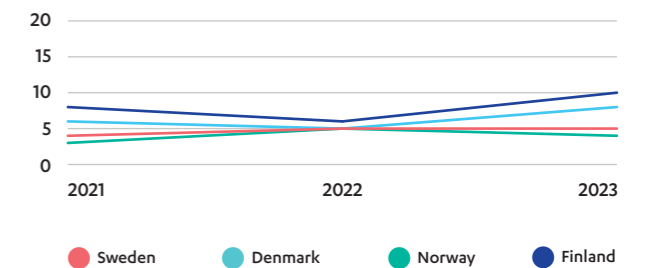
The proportion of frequent customers, that is, those who shop 7 to 10 times a month within this category, has not changed much. As noted, last year some consumers returned to the historically normal pattern. Norway is leading in terms of the proportion of frequent customers, followed by Finland. The proportion decreases slightly in both Sweden and Denmark, but these changes are minor.

## Preferred payment method (%)

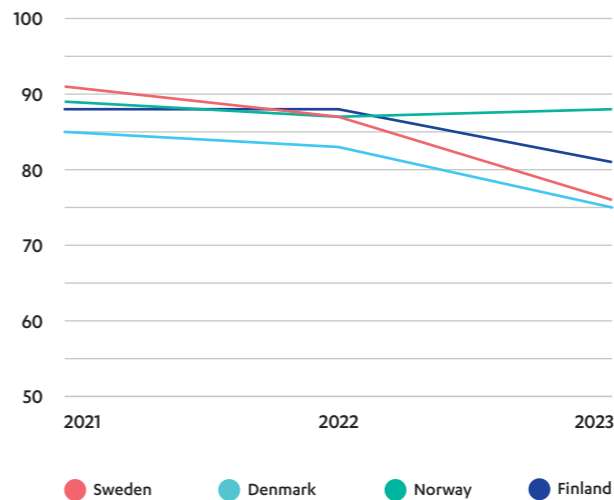
### Mobile



### Cash



### Card



In all Nordic countries, cards are again the consumers number one choice of payment method in physical stores. About eight out of ten consumers prefer cards when shopping within the category, although this preference continues to decrease in several countries. The reason is that mobile payments, that however most often are card based, are on the rise. Card as a payment method is most popular in Norway and least popular in Denmark.

Mobile payments are now established as the second most popular payment method in the category. Only in Finland consumers prefer cash more, but the difference is small. The use of this payment method is increasing in all countries, and the increase is significant in Sweden and Denmark where almost one in five consumers now prefer to pay with their mobile phones.

The proportion of consumers who prefer to pay with cash increased in both Denmark and Finland compared to last year. It remains to be seen if this trend is lasting, and it is worth following the developments in future surveys. In all countries, between four and ten percent of consumers now prefer cash as the payment method in within physical stores.

# Grocery stores

**This category includes supermarkets, food stores and other physical stores that sell convenience goods and food. Grocery stores account for a significant portion of total consumption in society. In this category, the popularity of mobile payments are increasing, while cash remains relatively constant compared to previous years. Scan & Pay is also becoming more common.**

Buying food that is prepared and eaten at home, whether it's for breakfast, lunch, dinner or evening snacks, is something that people always will do. The same goes for other products used at home, such as cleaning and hygiene products, and the like. Hence, the proportion of Nordic consumers who never shop in this category is almost non-existent.

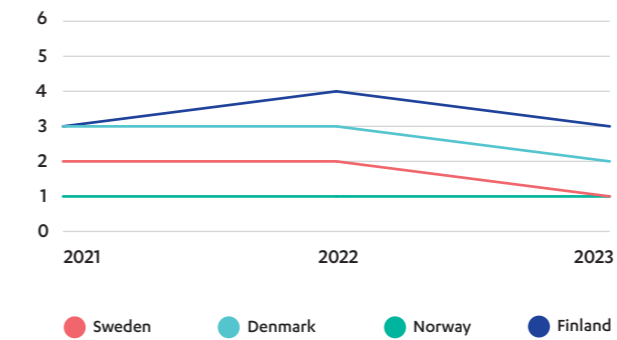
The competition from e-commerce that we began to see as consumers learned to shop for groceries online during the pandemic no longer appears to be very significant. The idea that e-commerce would replace physical grocery stores to a large extent remains unlikely. The need for spontaneous and supplementary shopping and the desire to go to a physical store to see and select the items one wants to buy is likely to persist. However, it should be noted that groceries have now become one of the major product categories online in terms of revenue.



On the payment front, the major trends are still Self-Service and Scan & Pay, which are becoming increasingly common in the category. These are solutions where consumers scan the items themselves in the store or at an unmanned checkout and then make the payment using their preferred payment method. These solutions have been around for a couple of years and continue to gain ground, even in smaller stores. Omnichannel solutions, such as Click & Collect, where items are ordered and paid for online and then picked up in a physical store, increased significantly in the category during the pandemic and are definitely here to stay.

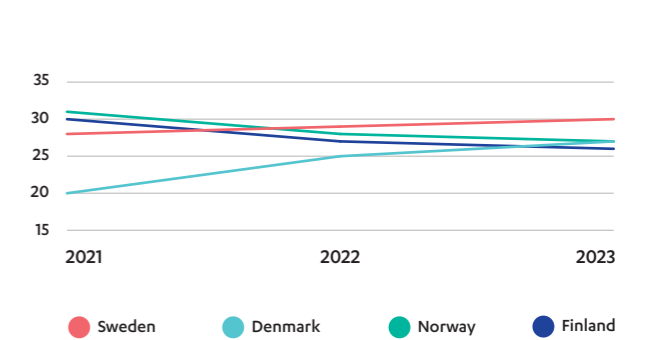


Never shop (%)



**The proportion of** Nordic consumers who never shop in physical grocery stores is decreasing in all countries except Norway. Only a few percent never shop in this category, which is at the same level as before the pandemic. This shows that consumers' purchasing habits in this category have not changed dramatically.

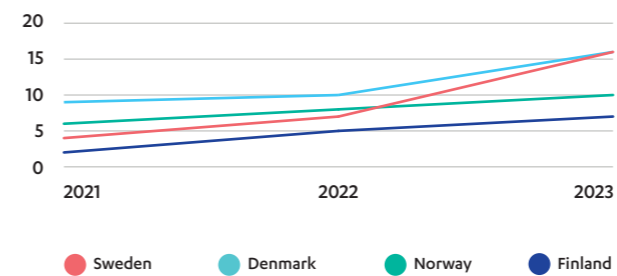
Shop 7–10 times (%)



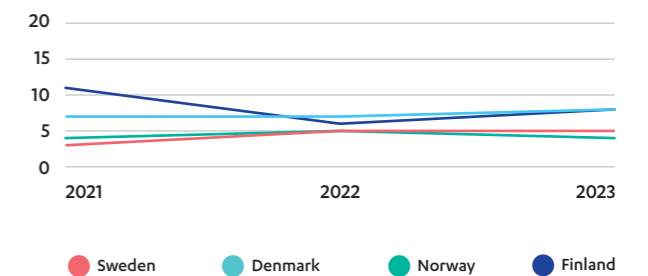
**The frequency of** customers, i.e., those who shop 7 to 10 times a month, has increased slightly in Sweden compared to last year, but the change is marginal. The shopping pattern appears to be back to a normal state. At the same time, we can see that the trend differs among the Nordic countries: in Denmark, the proportion of frequent customers is increasing, while it continues to decline in Finland and Norway. The latter may indicate a lingering e-commerce effect in consumer behaviour, where those who learned to shop for groceries online continue to do so.

Preferred payment method (%)

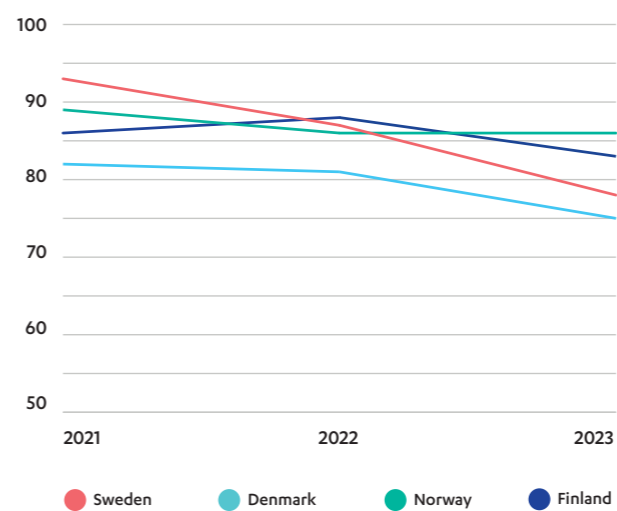
**Mobile**



**Cash**



**Card**



**In all Nordic** countries, about eight out of ten consumers still prefer to pay with cards in physical grocery stores. However, this preference continues to decrease in most Nordic countries. Once again, the reason is mobile payments. In Norway, consumers' preference for card payments remains unchanged from last year, while card payments have lost popularity as a payment method in Finland after a few years of stable growth.

Mobile payments are, also in this category, consumers second most preferred payment method. This is now a clear trend in all Nordic countries, but it is most pronounced in Sweden and Denmark, where mobile payments are preferred by 16 percent of consumers.

Cash payments as a preferred payment method have seen a significant decrease in the category in all Nordic countries the recent years. In all countries, fewer than one in ten consumers now prefer to pay with cash in physical grocery stores, which is a significant decrease from 2018. The trend, however, now seems to have levelled out, with only minor changes compared to last year. The future of cash usage in this type of stores in the coming years remains to be seen.

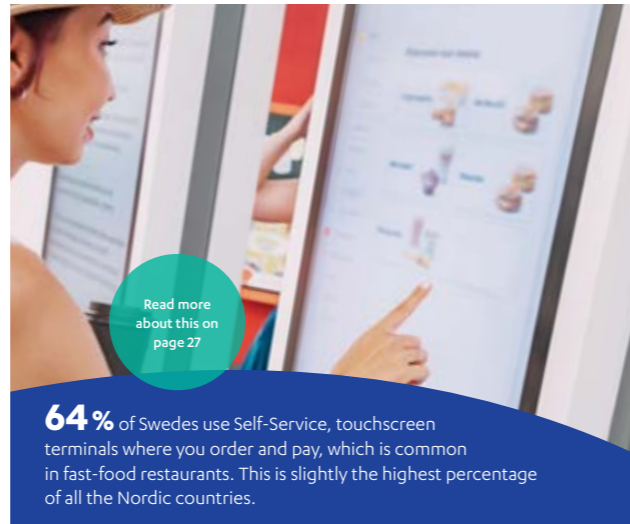
# Restaurants and cafés

**This category includes all types of restaurants, fast food outlets, bars and cafés. Eating, drinking, and dining out is a significant part of many people's lives, and this category accounts for a substantial portion of total consumption in society. Self-service, i.e. automated ordering and payment via touchscreen terminals, has become common within the category.**

The pandemic meant a severe blow to this category, but when the restrictions were lifted, restaurants and cafés emerged as winners. Meeting over a cup of coffee or having a meal outside the home are essential social activities that hold great significance in many people's daily lives. From an employment perspective, this category is particularly important for young people, as many of them work in the restaurant and café industry.

When the Nordic societies, to varying degrees, shut down during the pandemic, this had significant consequences for the category. Many restaurants had to adjust their business models, including shifting their sales online.

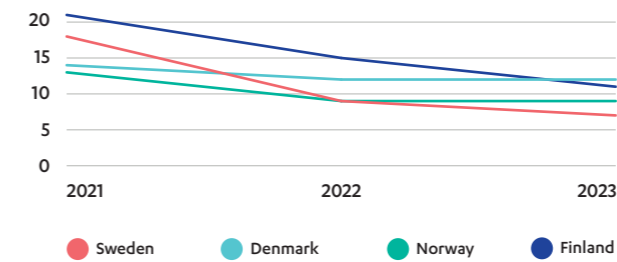
Players delivering prepared food from restaurants to consumers was quickly established, and food delivery services are now prominent features in most urban environments. Consumers ordering food from restaurants to be delivered to their homes is likely a phenomenon that's here to stay.



This is a good example of an omnichannel solution: the purchase is made online, the food is prepared at the restaurant, and then it's delivered to the customer's home. Services that utilize both physical and digital sales channels have contributed to the overall growth of the category but also means that more purchases are made through e-commerce at the expense of physical purchases.

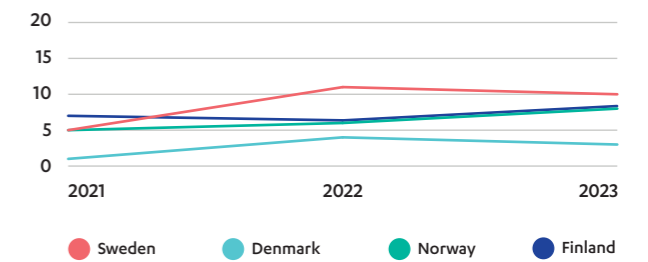


Never shop (%)



**The proportion of** Nordic consumers who never shop in this category continues to decrease overall. The decrease was significant in 2022, but it was from high pandemic levels. It seems that consumers are continuing to rediscover restaurants after a few years of a hiatus. The decrease is most pronounced in Sweden and Finland, while the trend has levelled off in Denmark and Norway.

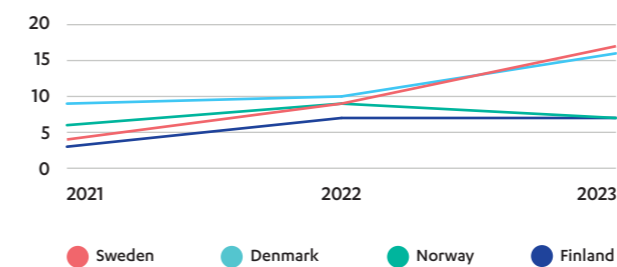
Shop 7–10 times (%)



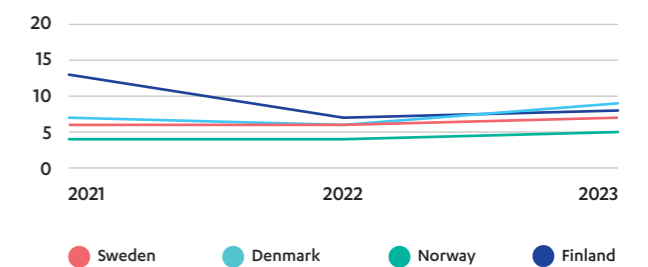
**The proportion of** frequent customers remains relatively constant compared to last year. In Sweden and Denmark, where the proportion increased significantly in 2022, we see a slight downward trend, while the proportion is increasing in both Norway and Finland.

Preferred payment method (%)

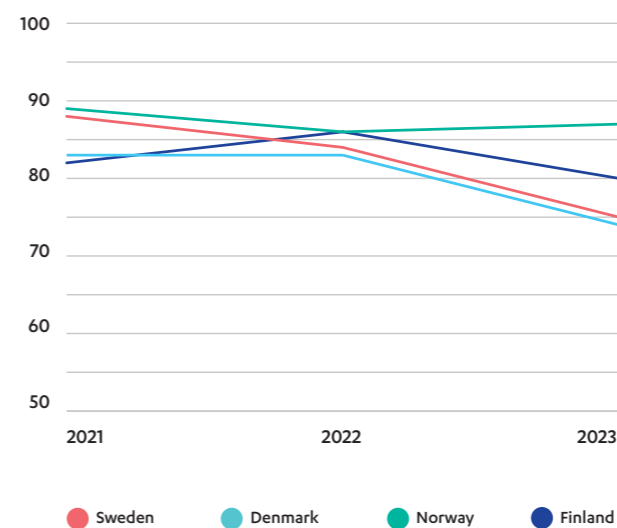
### Mobile



### Cash



### Card



**In all Nordic** countries, cards are the preferred payment method within restaurants and cafés. Like in other categories, consumers' preference for cards is decreasing in all countries except Norway. The reason is again that mobile payments are gaining ground. Overall, it's about eight out of ten Nordic consumers who prefer cards when shopping in this category. However, Norway stands out with 87 percent of consumers preferring cards.

Restaurants and cafés have long been a traditional cash environment, but other payment solutions have gained ground, and mobile payments are now the second most preferred payment method. Mobile payments are increasing significantly in Sweden and Denmark, approaching 20 percent. In Norway and Finland, the trend is more stable.

Consumers' preference for cash has decreased significantly in this previously cash-heavy environment over the past few years. However, a small increase in the proportion of consumers who prefer cash as a payment method in this category can be observed in all Nordic countries. In the long term, it seems that the trend for cash usage has bottomed out, at least based on what consumers state.

# Transport

**This category mainly includes public transport, taxis, bus operators and trains. Here, too, mobile payments are on the rise, although another payment method has a significant share of transactions.**

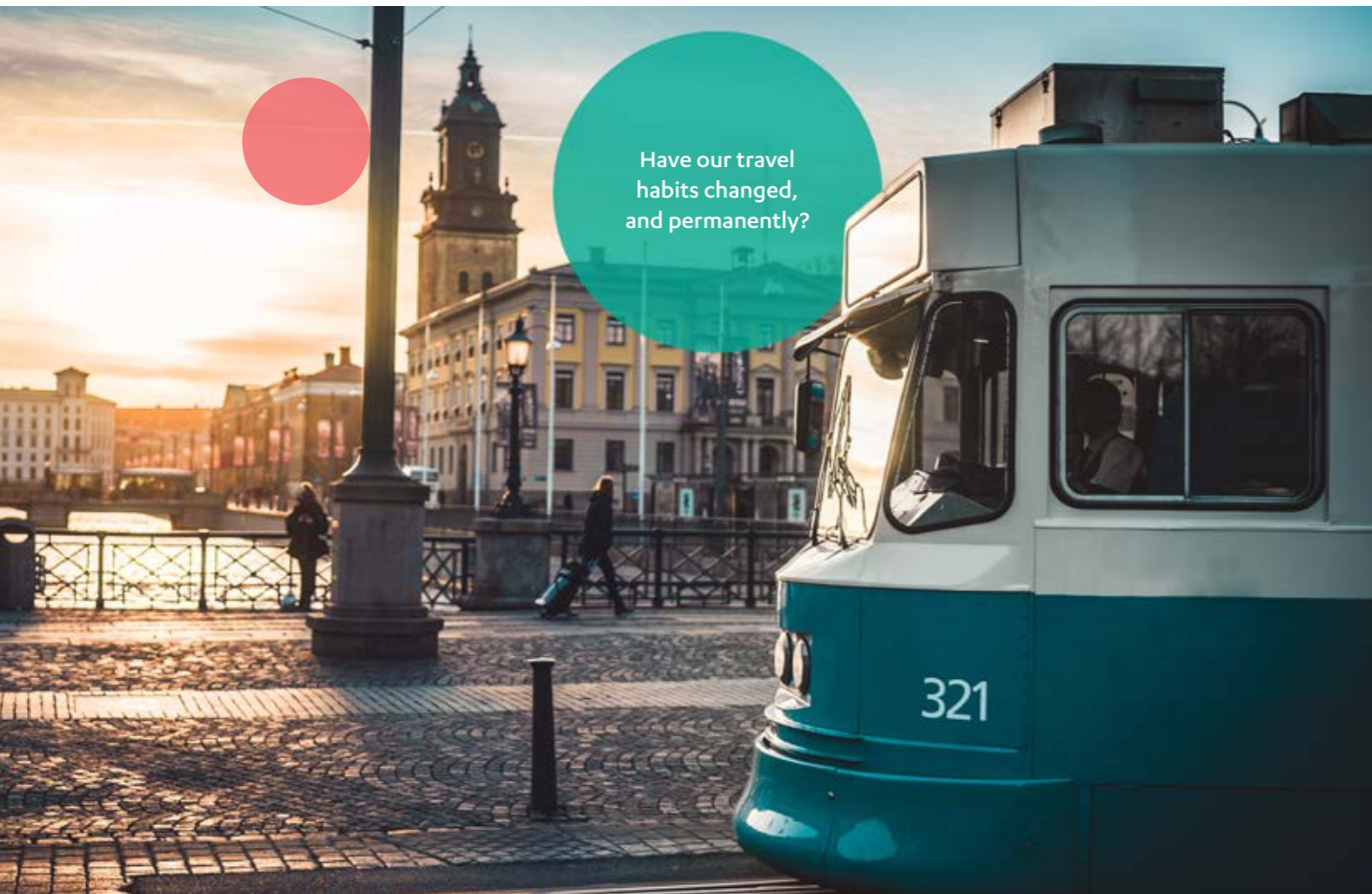
During the pandemic, travel and transportation experienced its worst time ever. We didn't travel abroad or within the country, and hardly even within our own city. The absence of tourists also had a significant impact on the category.

It's clear that we've started travelling again, although we've developed some new habits during the pandemic. A clear example is that we now work from home to a much greater extent than before, which has changed the way we travel. Whether this is a new normal or not remains to be seen.

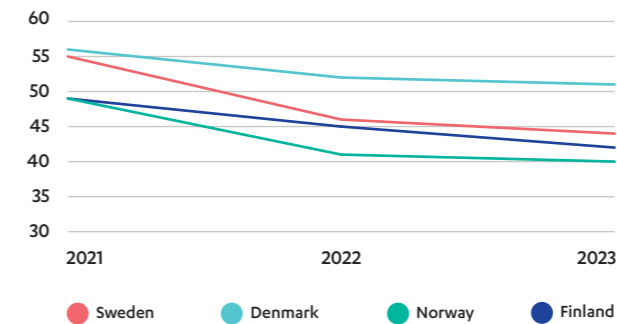
In terms of payments, travel apps and travel cards still dominate, and almost all consumers in the Nordic region use them in some form. It's now also possible to tap one's payment card or phone, for instance, to enter Stockholm's public transportation. Apps and specific travel cards have a strong position in the category. The trend towards apps can also be seen in taxi and train transportation.



**29%** of Danes prefer to pay with a travel app or travel card, which is most common nowadays within public transportation.

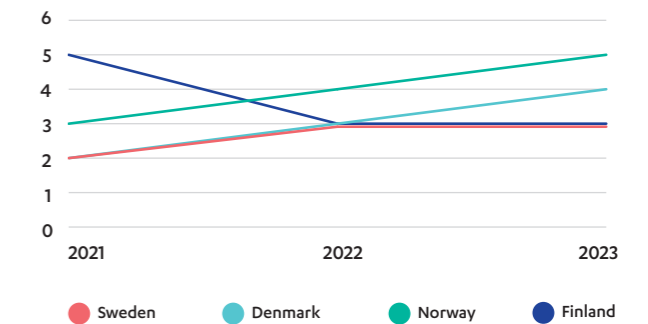


## Never shop (%)



**The proportion of** Nordic consumers who never shop in this category continues to decrease further. The decline continues from the highest levels ever in 2020 and 2021 but levels off compared to last year. There are strong indications that we are approaching a normal level for the proportion of consumers who never shop in this category. The proportion of non-shoppers remains highest in Denmark and lowest in Norway.

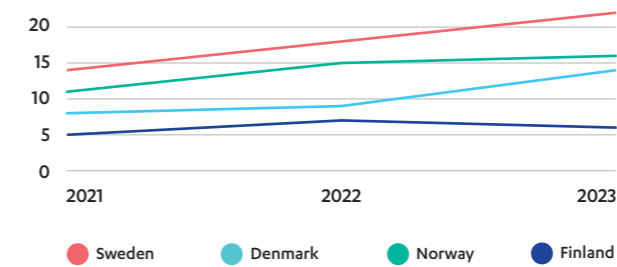
## Shop 7-10 times (%)



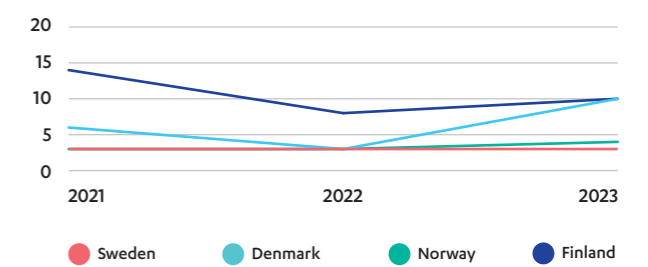
**Consumers who shop/travel** 7 to 10 times a month in this category are constant in Sweden and Finland but increase in Norway and Denmark compared to the previous year, although the proportion is small. Consumer habits do not appear to have returned to completely normal yet, and as previously noted, it remains to be seen if or when this will happen. Shopping patterns tend to change, and it will be interesting to follow the developments in this category in the coming years.

## Preferred payment method (%)

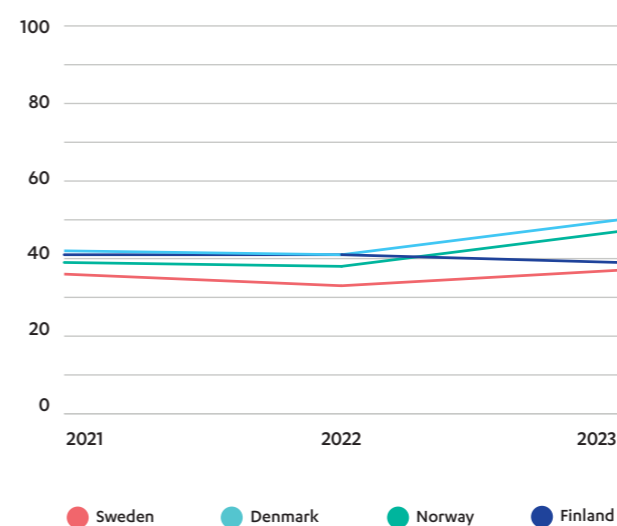
### Mobile



### Cash



### Card



**The preference for** cards as a payment method in transportation is considerably lower than in the other categories. The reason is that consumers primarily use travel apps or travel cards, such as monthly passes. The trend for mobile payments is strong within the transportation category. In three of the Nordic countries, the payment method is preferred by more than ten percent of consumers. In Sweden, it is as much as 22 percent who prefer to pay with their mobile phone.

However, it's not always clear for consumers how they actually pay in this category: is it with an app, a mobile phone, or a payment card since the travel card could be paid for in several ways. More on this in the section on mobile payments.

Transportation, which was previously a strong cash environment, has seen a significant decrease in cash as a payment method in recent years. In Norway and Sweden, only a few percent now prefer cash as a payment method. In Finland and Denmark, however, one in ten consumers prefers cash. This is the highest figure for cash in all the surveyed categories.

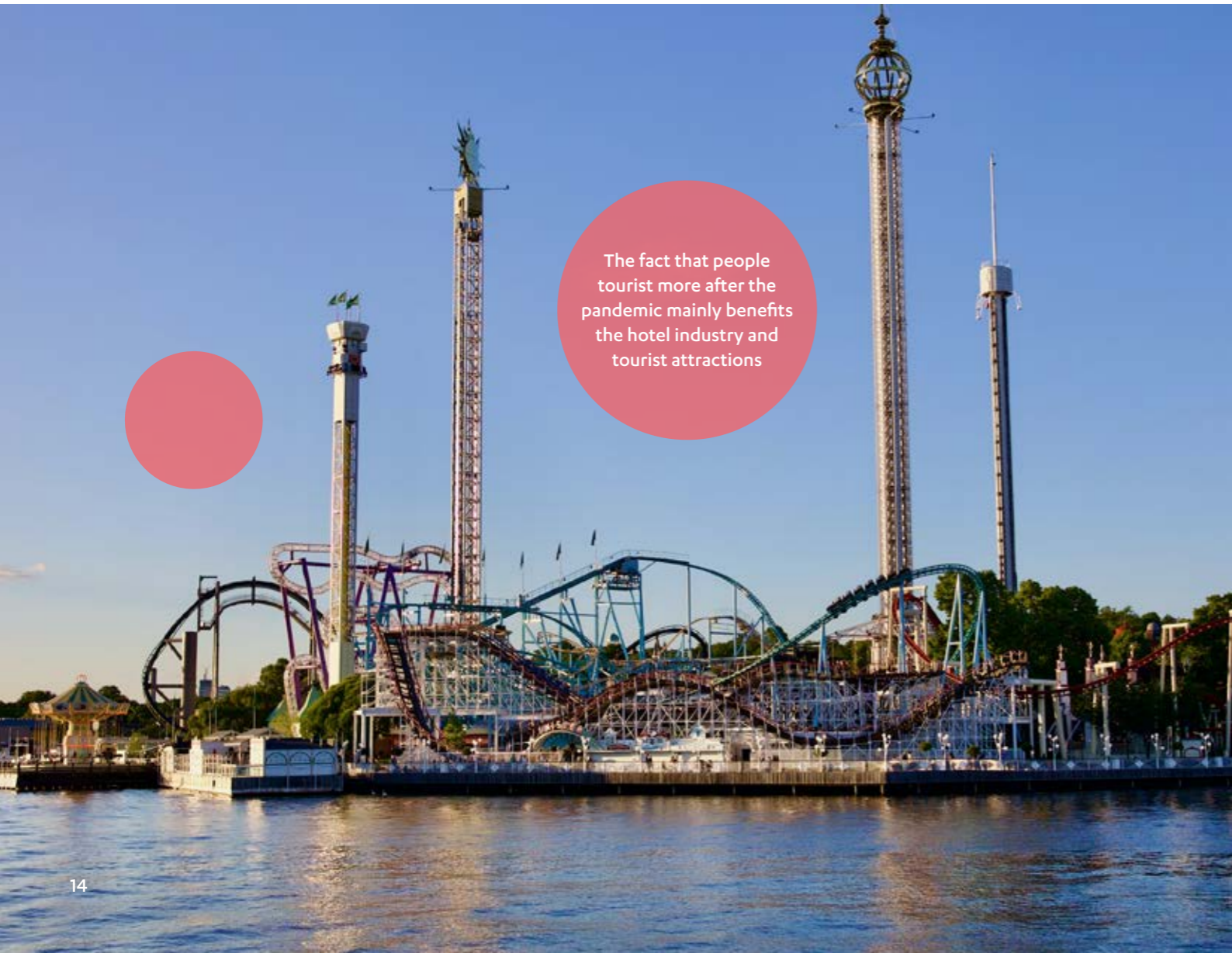
# Service establishments

**Service establishments are physical locations such as hotels, beauty salons, tourist attractions and dry cleaning providers and others, that provide various types of services to consumers.**

Almost all of these services are consumed in the physical world, and probably always will be. However, many services can now be purchased online. For example, cinema tickets are a service that can be ordered and paid for online, but the consumption takes place in the physical world. Another example is hotel stays, which are often booked and paid for online, but during the stay, things like dinner are ordered and paid for physically on-site in the hotel's restaurant or bar.

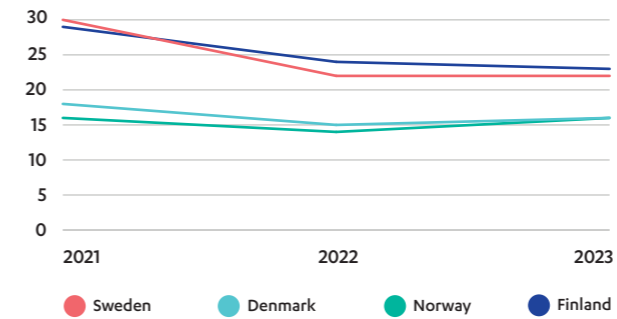
Within this category, payment solutions continue to evolve. Unmanned or at least partially automated solutions, such as self-check-in, are being used increasingly. Consumers can pre-order, modify orders, and pay from wherever they are, but ultimately, the services are often consumed in the physical world. The development of digital guest experiences and contactless technology was strong during the pandemic.

Furthermore, we are seeing an increasing trend of integrating payment solutions and loyalty programs at service establishments, providing seamless consumer experiences where, for example, loyalty points are automatically recorded after a completed payment. However, despite this development, physical on-site payment is likely to remain an important part of our service consumption in the future.



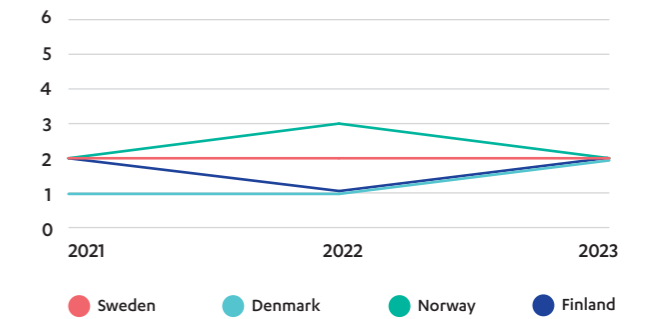
The fact that people tourist more after the pandemic mainly benefits the hotel industry and tourist attractions

**Never shop (%)**



**The proportion of** Nordic consumers who never shop within the category has remained largely unchanged since last year, when the percentage decreased significantly in all countries as a result of the pandemic being over. The category includes various service establishments, making it difficult to draw general conclusions about the development. However, it is clear that many more consumers are now purchasing various type of services than during the pandemic years.

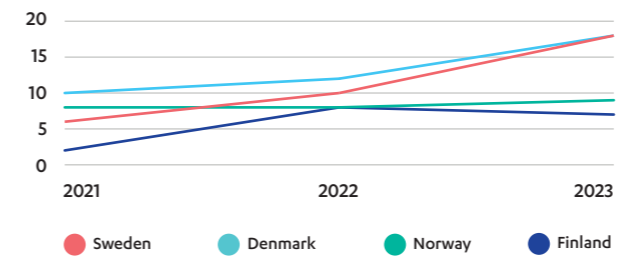
**Shop 7–10 times (%)**



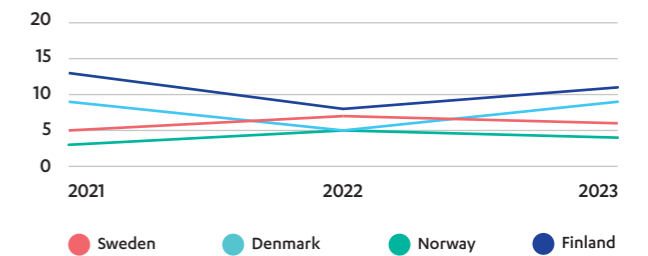
**However, the percentage** of frequent customers remains unchanged. Only a small percentage of In the Nordic countries, the percentage of frequent customers remains stable compared to the previous year. The relative changes are significant in Denmark, Norway, and Finland, but in practice, only a few percentage of consumers still shop frequently within the category.

**Preferred payment method (%)**

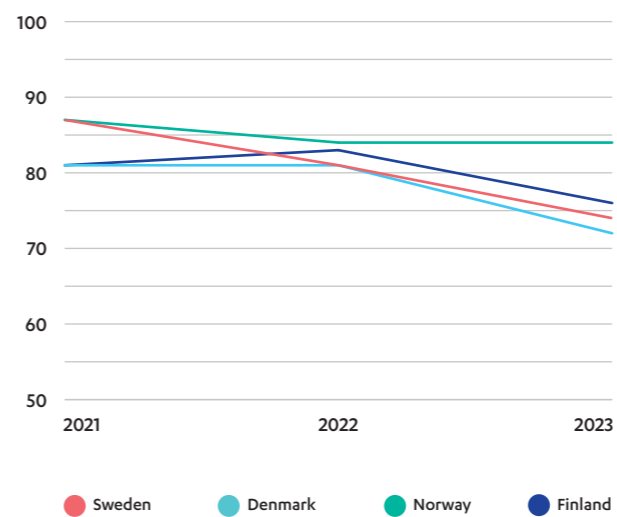
**Mobile**



**Cash**



**Card**



**Once again there** are no surprises when it comes to payments within service establishments, where cards are the most preferred payment method. In all countries except Norway, there is a declining trend in the popularity of card payments for the same reason as previously.

In this category, mobile payments note the same trend as in all other categories, with the proportion increasing significantly in both Denmark and Sweden, while the direction is less clear in Norway and Finland.

The declining trend in the popularity of cash seems to have bottomed out within service establishments, although some differences from the previous year can be observed. Only in Finland do more than ten percent of consumers prefer cash within the category.



# E-commerce

Nets publishes a separate report on e-commerce in each country. Just as in this report, the statistics is based on a large annual consumer survey about how consumers prefer to shop and pay online. The report is also published in a number of other countries in Europe.

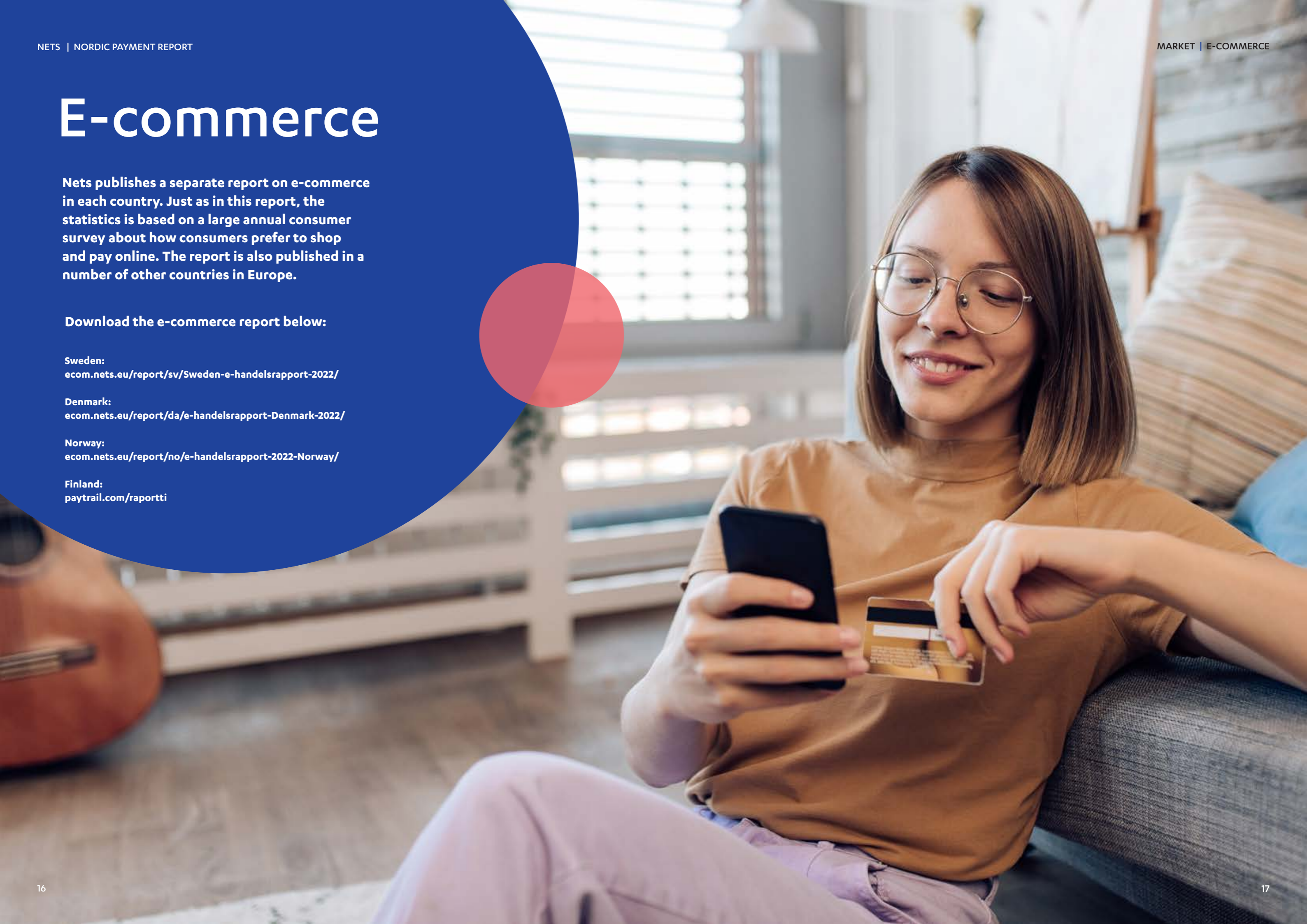
Download the e-commerce report below:

Sweden:  
[ecom.nets.eu/report/sv/Sweden-e-handelsrapport-2022/](https://ecom.nets.eu/report/sv/Sweden-e-handelsrapport-2022/)

Denmark:  
[ecom.nets.eu/report/da/e-handelsrapport-Denmark-2022/](https://ecom.nets.eu/report/da/e-handelsrapport-Denmark-2022/)

Norway:  
[ecom.nets.eu/report/no/e-handelsrapport-2022-Norway/](https://ecom.nets.eu/report/no/e-handelsrapport-2022-Norway/)

Finland:  
[paytrail.com/raportti](https://paytrail.com/raportti)



# Payments

**The Nordic Region is in many ways a world leader in digital payments. The way we pay at physical points of sale has changed dramatically in recent years, and the trends are constantly evolving. The historic paradigm shift over the last two years, with mobile payments becoming more popular than cash among Nordic consumers, is confirmed in this year's report. However, we should not write cash off completely.**

**At physical points** of sale, preferences for certain payment methods are primarily driven by habit, and payment habits are not easily changed. However, once consumers discover how easy it is to pay with new technologies, their behaviour changes. An individual who has always preferred to pay by cash may continue to do so, but will increasingly encounter points of sale where cash is not accepted. All of us use mobile phones and those who have discovered the simplicity with mobile payments, continue to pay primarily using this method. The digitalisation of payments is proceeding apace in Europe and especially in the Nordic region – we use less cash than ever before, and have a very strong infrastructure for card and mobile payments.

**Card payments are** still the most popular payment method, but mobile payments continue to gain ground. Most of these relatively new types of payments are still card-based, but some consumers view mobile payments as a separate payment category.

The convenience of contactless card payments has contributed to a marked increase in use in recent years, and the clear majority of all card payments are made contactless across the Nordic region. Loyalty schemes and other value-added services linked to payment cards are also gaining popularity. At physical points of sale, card payments are preferred by about 80 percent of Nordic consumers.

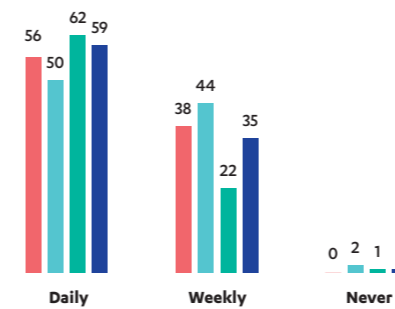
**Mobile payments now** take second place in terms of Nordic consumers' preferred payment methods. The growth of this payment method has been slow, but steady, with a clear upward trend. As said, most mobile payments are card-based, using the same wireless technology as contactless card payments. When it comes to different mobile payment brands, Apple Pay is increasing in popularity, while local brands remain strong in certain markets. Mobile payments are the favoured choice of just above 10 percent of Nordic consumers in the various retail categories, but more so Denmark and Sweden than in Norway and Finland.

**The use of cash** has declined significantly in recent years, and this trend was further accelerated by the pandemic. A substantial percentage of Nordic consumers no longer use cash at all, in particular Swedes and Norwegians. However, there is still clear support for cash among some consumers and a wish for cash to remain an available payment option within society. However, handling cash is becoming increasingly costly for merchants, as the costs associated with cash are fixed. When fewer customers use this payment method, the relative cost of each cash transaction increases.

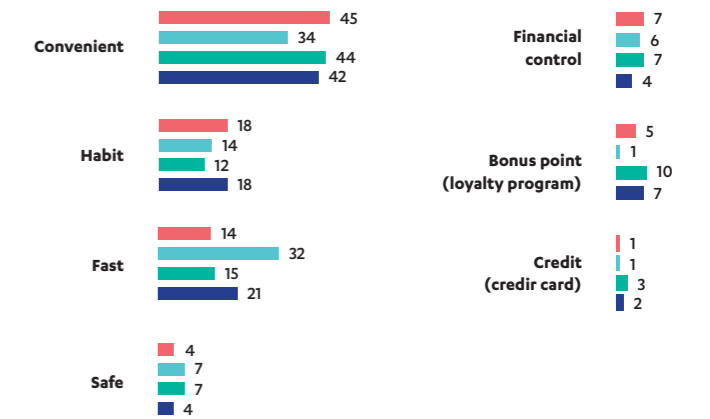
Card payment is by far the most popular payment method in the entire Nordic region

# Payment cards

Usage in physical stores daily/weekly (%)

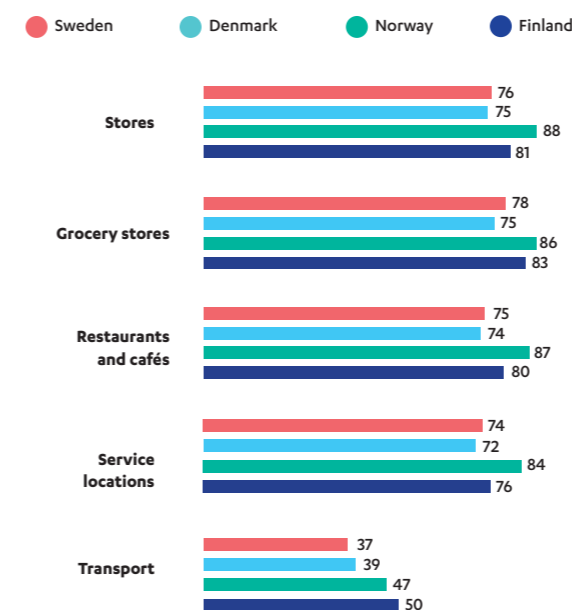


Reason to prefer card payments (%)



**The share of** consumers who pay by card every day or every week is nearly 100 percent. Across the Nordics, only a small share of consumers never pay with card. For comparison, the share of consumers who never pay with card in Germany is 10 percent.

Prefer card payments (%)



**Card payments are** still by far the most popular payment method among Nordic consumers. They dominate in almost all merchant categories and countries. However, the preferment for card payments has decreased somewhat as mobile payments have increased. About 80 percent of consumers prefer to pay with cards within physical points of sale, however significantly less in the transport category as travel apps and travel cards are most common there.

**Consumers still prefer** to pay by card, mainly because it is the easiest and fastest way of paying – and also out of habit. We see no changes here compared to last year.

Linked loyalty programs, where consumers automatically earn bonus points when paying, are another benefit of card payments. These programs have recently been introduced by major food stores in various Nordic countries, and they can now also be found in other retail categories. You can read more about this in the section on loyalty solutions.

Despite the popularity of cards, consumers do not always regard them as the most secure payment method. Still, few have actually been victims of card fraud and the consumer protection is high. Banks' and issuers' real-time fraud protection is also constantly improving.



# Contactless payments

The Nordic countries are likely world leaders in contactless payments

**Paying by card without making physical contact with the terminal is quick and easy. The percentage of contactless payments in the Nordic region is likely the highest in the world, as the infrastructure for card payments is so well-developed and highly used. At the same time, we use very little cash and this usage continues to decline. The share of contactless payments seemed to have saturated last year, but still continues to increase in all countries.**

**Contactless payment** – or tapping – can be used without entering a PIN code for transactions under approximately EUR 50. This limit is preventing much further growth of contactless payments. And once a number of contactless transactions have been made, the cardholder is asked to insert the card and enter their PIN. This is a security feature to prevent unauthorised use. As the wireless technology is now present in virtually all payment terminals and the payment limit was raised a couple of years ago, usage has increased markedly throughout the Nordic region. The pandemic also accelerated this trend, since people wanted to avoid all physical contact with the payment terminal.

The Nordic countries are likely world leaders in contactless payments. This is partly because card and mobile payments dominate and partly because the infrastructure for the technology is more or less in place everywhere. Around 90 percent of Nordic consumers use contactless payments. Usage is also increasing strongly in other European countries. In Germany, for instance, where card payments are gaining popularity, three-quarters of consumers now use this payment method. The usage frequency is still far behind the Nordic countries, where the share that use contactless payments often is high.

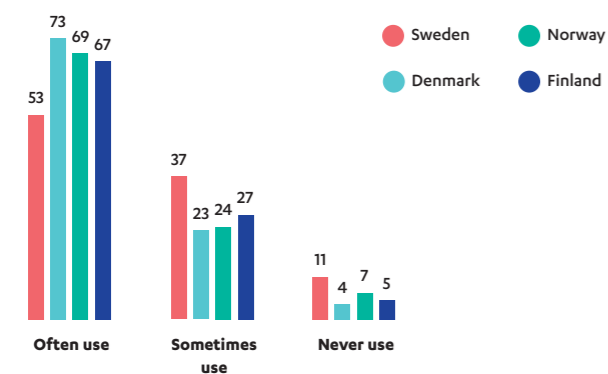
The share of contactless payments of all card payments seemed saturated last year but continues to increase across the region. In Finland, new regulations related to the contactless functionality will likely increase the share even further. However, until the contactless transaction limits are

It is since some years that the Nordic banks issue cards with contactless technology to consumers as standard. The technology is called NFC, which is the same technology used by international mobile payment brands.

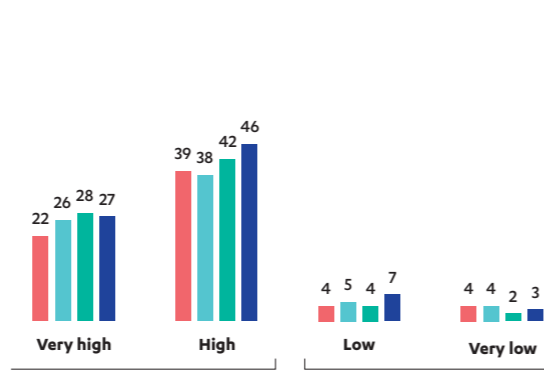


increased further and the rules regarding the number of consecutive contactless payments permitted are relaxed, the share will be relatively static.

Usage of contactless payments (%)



Values contactless payments (%)

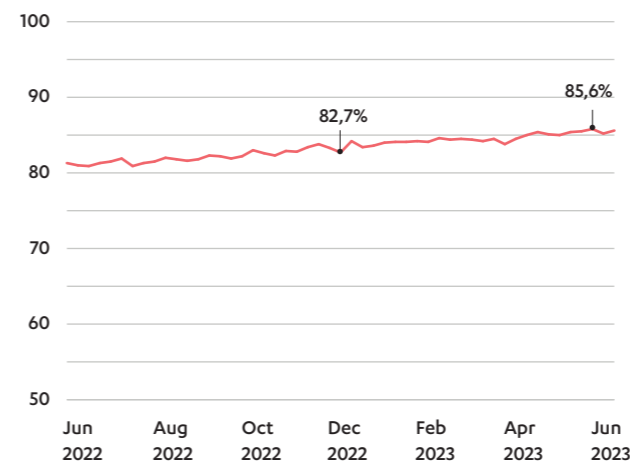


**The share of** Nordic consumers using contactless payments is very high indeed: about 95 percent. In Denmark, only 4 percent never use contactless. In Sweden, which was late introducing the technology and has lagged for some years, 10 percent of consumers still never use this payment method. At present, more than half of Swedes use contactless often, compared with around seven in ten in the other Nordic countries.

**Consumers' appreciation of** contactless payments has grown strongly in recent years and continues to increase. Around seven out of ten consumers across the Nordics now value this payment method highly or very highly. This compares to just under 20 percent in 2018.

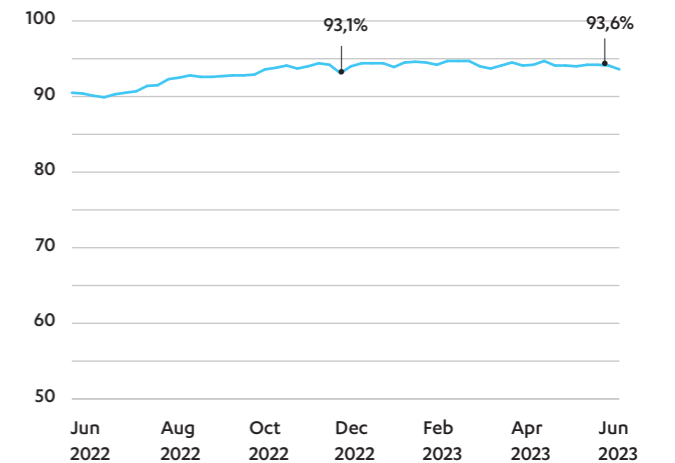
Share of contactless payments out of all card payments

Sweden



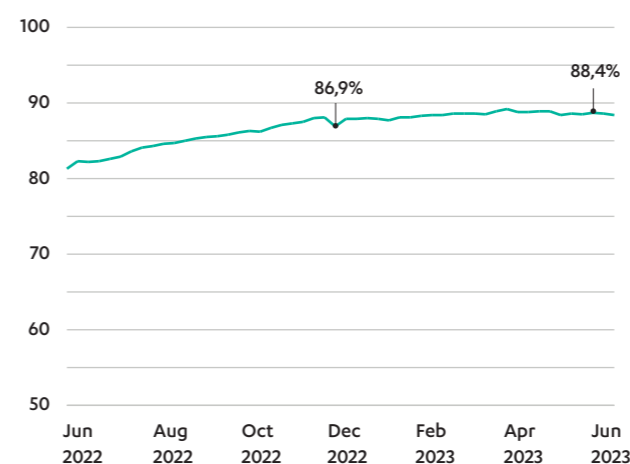
**Sweden, which was** slow to generally adopt contactless payments has now closed the gap on its neighbours, according to Nets card transaction statistics. During 2022, the share of contactless payments increased from 73 to 82 percent. During the first half of 2023 it increased further to almost 86 percent.

Denmark



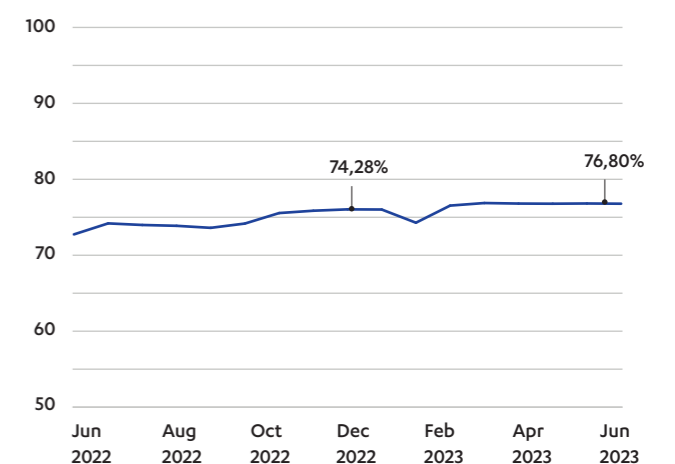
**Denmark is the** world champion in contactless payments. The country was the first Nordic nation with a broad adoption and at the end of 2022, the share of all card payments made contactless was 93 percent. For the first half of this year, the share increased a little bit to an astounding 94 percent.

Norway



**Norway was like** Sweden late to adopt contactless payments, but the share has increased dramatically during the past years. The share more than doubled and reached 86 percent at the end of 2022. The first half of 2023, the share of contactless payments increased somewhat to 88 percent.

Finland



**In Finland, the** share of contactless payments has been relatively high and stable for some time. Like Denmark, the country was early in adopting the payment method, but progress for the share has been slowed by the rule that one has to enter the card into the terminal for payments over EUR 50. But for the first half of this year, the share increased to almost 77 percent.

# Mobile payments

**This relatively new payment method is continuing to gain ground. In both Denmark and Sweden, Apple Pay represents a good share of all digital payments, which of course are still card-based. Last year, mobile payments became the second-most preferred payment method among Nordic consumers, and the trend has continued this year. Usage is greatest in Denmark and Sweden, but the share is increasing in all countries.**

At physical points of sale, mobile payments have been available for a number of years and are continuing to gain ground. Especially Apple Pay is increasing in popularity among consumers. In Denmark, Apple Pay is now linked to the Dankort national debit card scheme for Danske Bank customers.

The fact that there has been a breakthrough for mobile payments is confirmed in this year's report. Last year was the first time that mobile payments became the second-favorite payment method among Nordic consumers at physical points of sale.

Several factors continue to influence consumers' use of mobile payments within physical sales locations. Alongside positive factors, such as the consumers perceiving the payment method as simple and no longer needing to carry a wallet, there are some obstacles. Some are attributable to the use of two different technologies: standard contactless payments as used by the international mobile payment brands, and the national mobile payment schemes that either use a QR code, PIN code or Bluetooth. The battle continues between global giants such as Apple, Google and Samsung in partnership with Mastercard and Visa

on the one side (and now also Dankort in Denmark for Apple Pay), and bank-backed national players on the other. Both types will likely be around for the foreseeable future.

The banks that were initially slow to introduce international mobile payments have more recently revised their approach. In Sweden, almost all the banks now offer Apple Pay, and to their number we can add Denmark's Nordea. The fact that contactless card payments are hard to beat as a payment method is no doubt a hindrance to the success of mobile payments. On the other hand, there are now a number of consumers who no longer pay by card, but always with their mobile phone. But as we all know, mobile phones run low on battery, and can be broken – or lost, like conventional wallets. Merchants may struggle to keep up with the various types of mobile payments, and the two different technologies can be perceived as a complicating factor. However, since virtually all payment terminals now accept contactless payments, Apple Pay and other international players, have become a convenient choice since they use the same technology as contactless cards.



Mobile payments are increasing strongly in all Nordic countries - above all in Sweden and Denmark

National mobile payment providers such as MobilePay and Swish have created relatively flexible solutions such as QR codes that can be integrated without installing additional equipment at the terminals, meanwhile also increasing security.

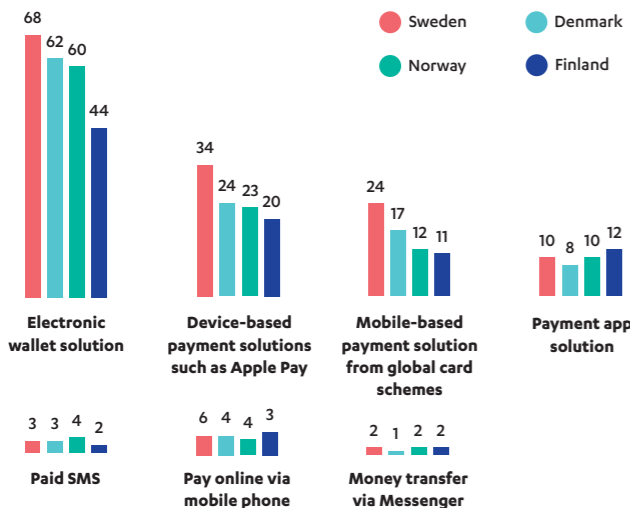
Mobile payments are definitely here to stay, and will continue to increase as a payment method within physical sales locations. Nonetheless, it remains unlikely that mobile payments will radically change the payment landscape, as card payments are so easy to use and well-established.

**How you define** "mobile payments" depends on who you are. Merchants may perceive these payment methods differently from consumers and payment providers. According to the survey, mobile payments can mean a number of different things for the consumer. It can be a payment to another person or a point of sale, purchasing something from a website using a mobile phone, or making payments through an app.

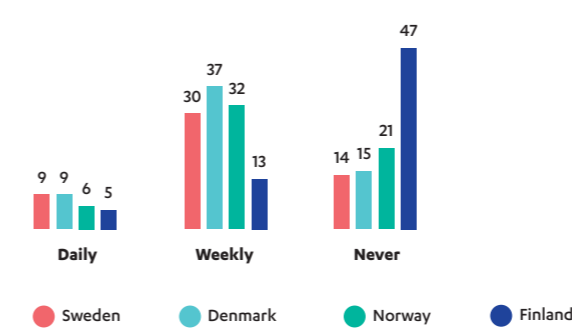
A clear majority of Nordic consumers still consider mobile payments to be an electronic wallet solution like the national brands in the Nordic region, such as MobilePay in Denmark, Swish in Sweden and Vipps in Norway. In Finland, the mobile payment landscape is more fragmented, and several mobile payment brands are competing for the consumers' attention.

The second largest share of consumers – just like last year – believe that the term refers to device-linked payment solutions such as Apple Pay, Samsung Pay or Google Pay. However, the differences compared to last year are small.

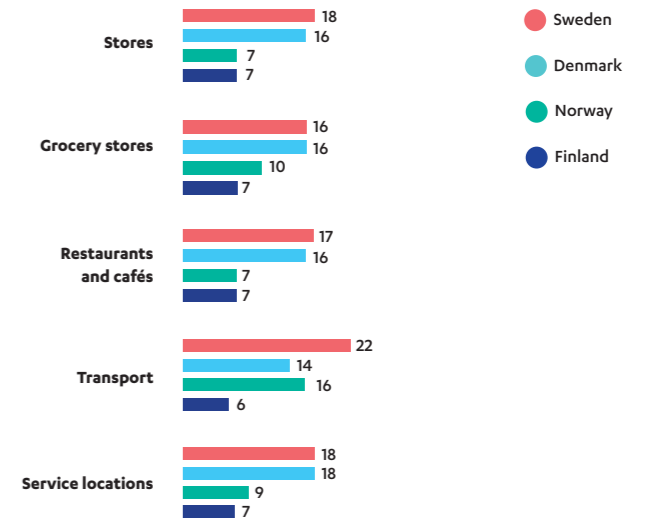
## What is considered a mobile payment? (%)



## Usage in physical stores daily/weekly (%)



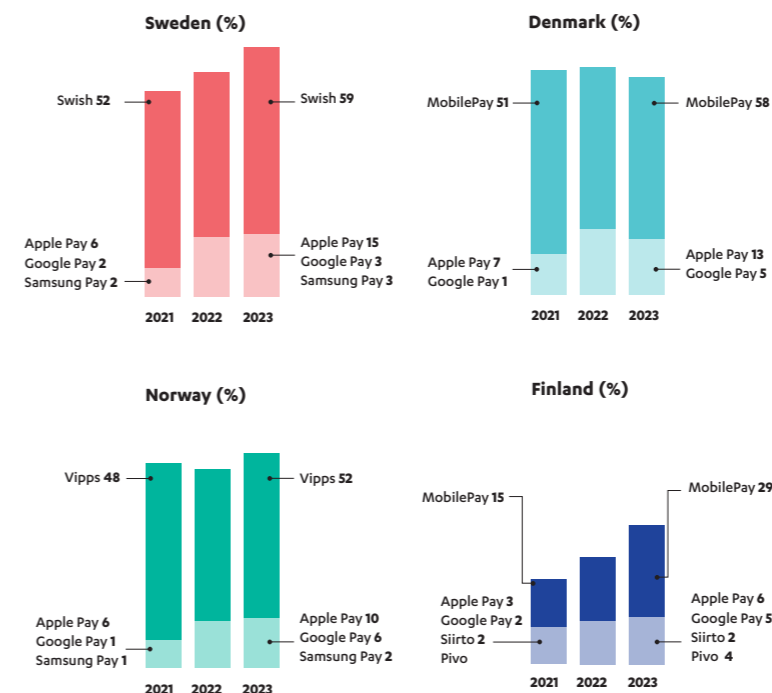
## Prefer mobile payments (%)



The proportion of Nordic consumers who use mobile payments at physical points of sale has increased steadily in recent years, and is now more than 50 percent in all the countries. Sweden and Denmark are clearly in the lead, with around eight out of ten using this payment method. The increasing popularity of Swish and Apple Pay is definitely a contributing factor, as is MobilePay's success in Finland.

The preference for mobile payments among Nordic consumers in the merchant categories has increased in all countries in recent years, and the proportion is now significant, especially in Sweden and Denmark, where almost one in five prefers this payment method. It is, as mentioned, historic that a payment method other than cash is the second largest in almost all retail categories and countries. In Finland, mobile payments are now favoured nearly as much as cash.

## Preferred payment brands



The national brands are still by far the most popular in Sweden, Denmark, and Norway, where more than half of the consumers prefer these national mobile payment methods. The exception is Finland, where MobilePay has the majority compared to the national mobile payment methods Siirto and Pivo. However, international brands are also on the rise, especially Apple Pay, which solidifies its position as the second most preferred mobile payment method in all Nordic countries.

In Finland, the situation is more fragmented as there hasn't been a similar agreement between the banks to invest in one brand, like we've seen in the neighboring countries. Danske Bank holds a strong position in Finland with MobilePay, which has led to the brand continuing to grow compared to the other players. However, both Apple Pay and Google Pay are also on the rise.

\*The share who answered "other" or "don't know" are not included in the overview.

# Cash

**Cash is not king. Across Europe, cash as a payment method is declining, and in the Nordic region it is now the third-most preferred payment method at physical points of sale. With the digitalisation, use of cash has declined sharply throughout the Nordic region in recent years, and in two of the countries about four in ten consumers no longer use cash at all.**

**How often do you pay with cash?** The data shows that almost half of consumers in Sweden and Norway never do so. The amount of cash in circulation in the Nordic societies has been decreasing for many years and is now lower than ever in all the Nordic countries. Something historic has also happened – cash has ceded its position as consumers’ second-most preferred payment method to mobile payments. Even in Finland, where cash has a considerably stronger position, one in ten no longer use cash.

As a consequence, more and more merchants are choosing not to accept cash. Though in countries such as Denmark and Norway, legislation requires merchants to accept cash. This choice of not accepting cash – if possible – is because the relative cost of handling cash is increasing due to the fixed costs involved. For many merchants, it is simply not profitable to accept cash.

Sweden is leading the way towards being a cashless society. Almost half of Swedes no longer use cash at all and Norway is close behind. However, it is a complex issue, and a number of individuals, organisations and authorities are resisting abolishing cash completely, citing in particular the central bank’s role, the risk to vulnerable groups

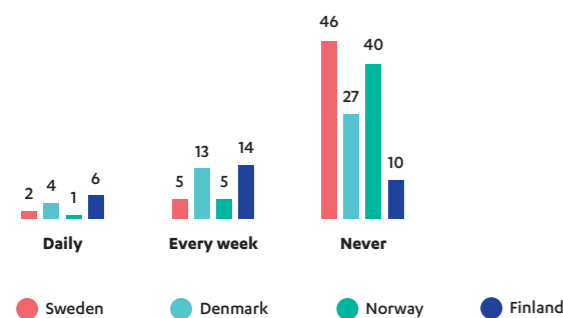
and the potential vulnerability of society as a whole as causes for concern. The situation is largely the same in all the Nordic countries. Future developments are unclear, but we will probably still have cash for the foreseeable future in all the Nordic countries. Digital replacements for cash are being developed by national banks in various countries to counter this trend, with potentially wide-ranging implications.

However, for merchants, the question is simpler – will we make any money by accepting cash? Accepting cash is a bit inconvenient, plus there is the risk of robbery. Legislation may as mentioned also impact the choice of accepting cash. Certain critical merchant categories in society, such as grocery stores and pharmacies, might also be more strictly tied to legislation. Whether you can continue to use cash in cafés or restaurants is perhaps less vital.

It is important to monitor consumers’ views on cash as a payment method. The share of consumers who think that cash is important has clearly decreased in recent years. However, this year the share who do not think that cash is important has fallen, except in Norway.



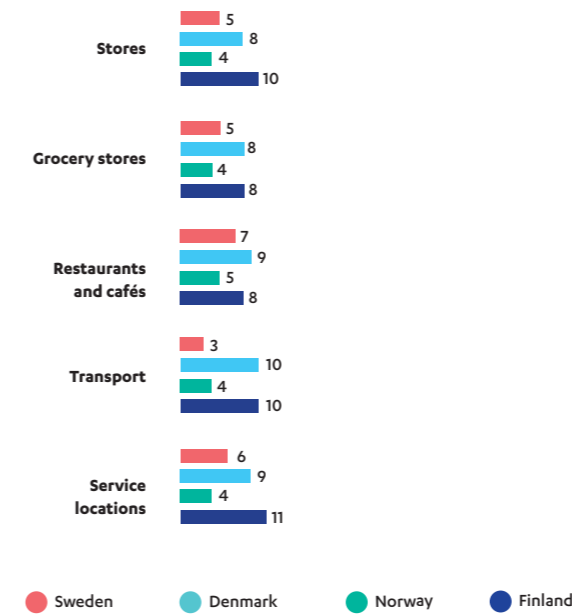
**Cash payments in stores daily/weekly (%)**



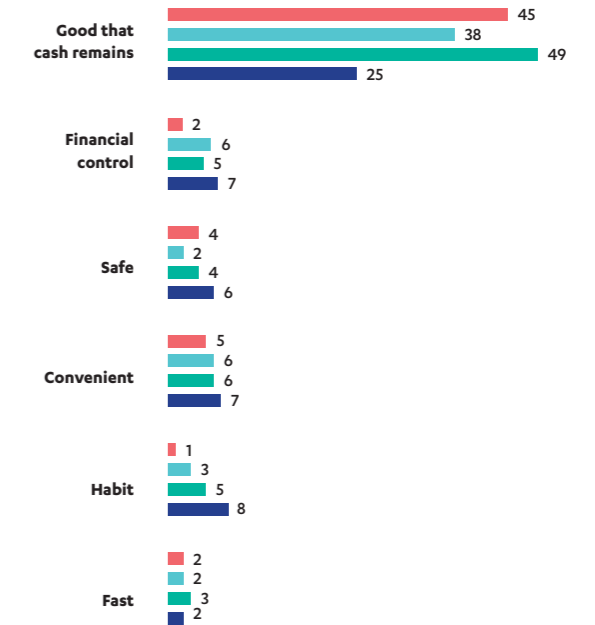
**The trend away** from cash is accelerating in all Nordic countries, with the biggest swing happening in Finland, which is beginning to catch up with its neighbours. The pandemic accelerated the trend, partly to mitigate the risk of spreading infection when handling cash, and partly due to increased digitalisation in the form of contactless card and mobile payments. The fact that more and more physical sales locations in some countries no longer accept cash has also contributed.

Once again, the share of consumers who never use cash is clearly the highest in Sweden at 46 percent, a considerable increase from last year’s 27 percent. Norway is following close behind at 40 percent. In Denmark, 27 percent of consumers now never use cash, and in Finland the figure is 10 percent.

**Prefer cash (%)**



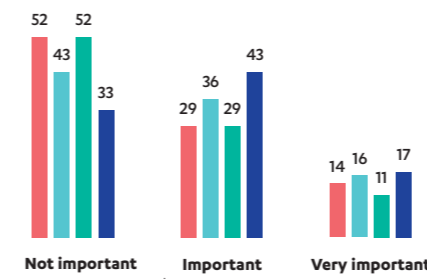
**Reasons to use cash (%)**



**Since last year,** cash is no longer consumers’ second most preferred payment method at physical points of sale, which is a historic shift. In Finland, the preference for cash has decreased significantly in recent years and is now at almost the same level as Denmark. In Sweden and Norway, only a few percent prefer to pay with cash. However, in all merchant categories, Nordic consumers now prefer mobile payments to a greater extent than cash. No category stands out, not even restaurants and cafés, which historically have been strongholds for cash payments.

**Consumers who still** prefer cash can be found in all countries and all age groups, although especially among the elderly. Among Nordic consumers, the most common reason stated for preferring cash is a desire to keep this payment method available. It is worth noting that even the youngest age groups state this. Other reasons include wanting to keep control over finances, considering cash to be the safest way to pay, and simple habit.

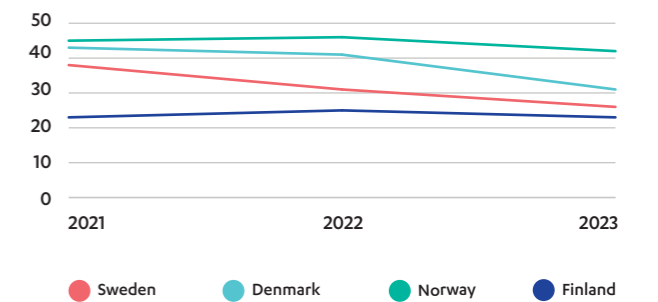
**Importance of cash (%)**



**The number of** Nordic consumers who do not think that cash is important has fallen – except in Norway. However, just a few years ago, the situation was the opposite: the majority of consumers then thought that cash was important. Sweden and Norway lead the way, with over half of consumers not regarding cash as important.

**Nordic consumers’ confidence** in a cashless society had increased for some years, but the trend has now come to an end.

**Believe in a cashless society (%)**



This year, the belief in a cashless society has once again declined in all Nordic countries, although barely noticeably in Norway and Finland. Finland is still in last place and Norway is first, in line with these countries’ general view of the importance of cash. It is somewhat paradoxical that many expect Sweden to be the first completely cashless country, when popular opinion there on the topic is much the same as in Finland. On paper, Norway is in the lead for such a transformation.

# Omnichannel/ Unified Commerce

**Integrating multiple sales channels and providing a seamless customer experience is often defined as an omnichannel approach, a concept that has been further developed into the even more integrated unified commerce approach. There have been many developments in this area in recent years, but implementation might still be easier said than done for merchants.**

Omnichannel, which is now being further developed into unified commerce to provide even more integrated solutions, involves taking a holistic approach to physical and digital sales. This includes offering a seamless purchasing experience to customers that blurs the boundaries between the different channels, or consumers managing the entire purchase and payment at the point of sale themselves. The advantages for merchants are more satisfied customers and more streamlined sales, but there is also potential to gather more and better customer data and to improve administration.

The area has seen plenty of development over the last few years, and there are few consumers in the Nordic region who have never used services such as click & collect, scan & pay or self-service touchscreen terminals. In the Nordic region, Norway clearly leads the way in introducing these new ways

of purchasing, but usage is increasing in the other countries. For example, as many as seven out of ten consumers in Norway use click & collect, where customers order a product online and simply pick it up or return it in the store. Scan & pay, where (as defined in the Nets survey) the customer scans the products themselves before paying, is also particularly popular in Norway. On the other hand, Sweden and Denmark are leaders in the use of self-service, such as when you order and pay with touchscreen terminals, which are common in fast-food restaurants. However, it is difficult to specifically define these new ways of purchasing and the differences between them, just as with the term "mobile payments", which can mean different things to consumers, merchants and payment service providers. Despite the different perceptions, it is clear that the lines between the various areas of commerce are blurring, and it is absolutely



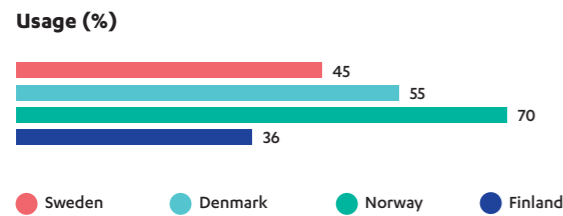
## New ways of shopping

**New digital ways of shopping are also increasingly being introduced at physical points of sale. Self-service terminals have been around for quite some time, such as in transport hubs and cinemas, but in recent years these solutions have been further developed and are now being rolled out in more and more sales locations, for instance in fast-food restaurants. Scan & pay has also become a standard in many grocery stores. These technologies provide multiple benefits for both consumers and merchants.**

Defining the difference between scan & pay and self-service is not so easy. Consumers may view selecting their products and scanning them, and then paying using their mobile or an automated checkout, as being either scan & pay or self-service, or both. In the survey, scan & pay was defined as "when you select products, scan them and pay via your mobile or a self-service terminal", and self-service as "when you order and pay at an on-site touchscreen terminal, such as in a fast-food restaurant or cinema".

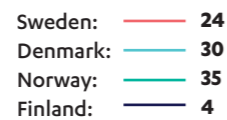
Regardless of the definition, the popularity of these new purchasing methods has increased sharply in the Nordic region in recent years. They benefit both customers and merchants: they are quick and convenient and involve less queuing for consumers, and provide a more efficient sales process for merchants.

### Click & Collect

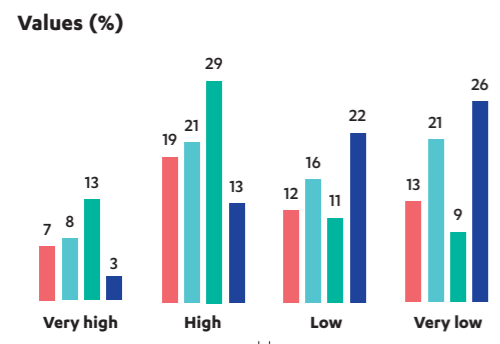
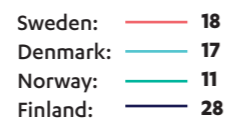


#### Reasons for using (%)

##### Convenient



##### No/less queuing



certain that this trend will continue. The most successful merchants will be those who succeed in bringing together their physical and digital sales channels to create a more flexible and integrated customer journey. While the implementation may be costly and time-consuming, if merchants can succeed with their strategy they will be well positioned to take the customer experience to the next level.

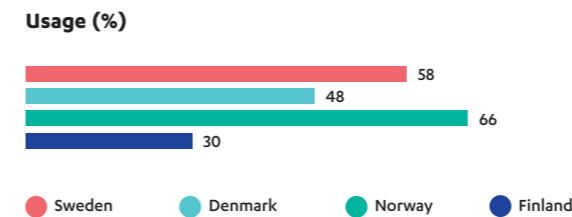
For merchants there are also additional advantages of an integrated solutions. In addition to concrete examples such as benefits for the consumers, The merchants can also gain benefits through integrated systems such as efficiency and more valuable data. This results in both more effective sales and creates more holistically valuable data about the customers' purchasing behaviour and preferences.

**The share of** consumers that use click & collect is still clearly the highest in Norway. Denmark is close behind, with Sweden catching up. The pandemic accelerated the trend, and now many consumers have become accustomed to this new and flexible purchasing method.

**Nordic consumers are** also starting to appreciate click & collect more and more, especially in Norway and Denmark. Once you've tried it and got used to it, the benefits become clear. Appreciation should increase as more consumers use the purchasing method.

**For consumers, the** main benefit of using click & collect is of course convenience. About a third of consumers cited this reason, apart from in Finland, which has historically lagged behind in this area. However, the Finnish consumers are more likely to cite reduced queuing as the most important reason for using the service. Both convenience in general and less queuing in particular are clear advantages.

### Scan & Pay

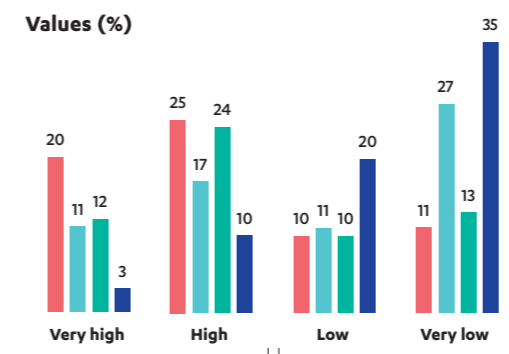


#### Reasons for using (%)

##### Fast



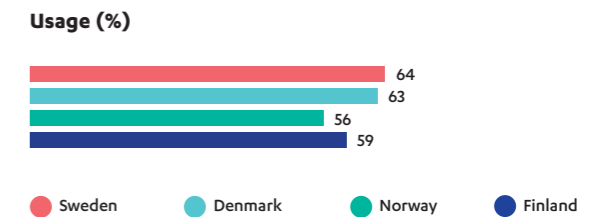
##### No/less queuing



**Scan & Pay** is clearly most used in Norway, followed by Sweden. A clear majority in these countries use this purchasing method, but Denmark is gaining ground as many grocery stores have recently rolled out the technology. Finland remains in last place, but usage is increasing. The trend looks set to continue in the coming years.

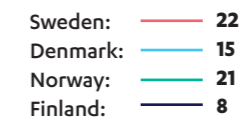
**Appreciation of this** payment method among consumers is higher this year compared with last year, but the changes are small. Around four out of ten consumers value scan & pay, although the figure is considerably lower in Finland, where the service is less used. Consumers' main motivation for using this purchase method remains that it is fast and reduces queuing.

### Self-Service

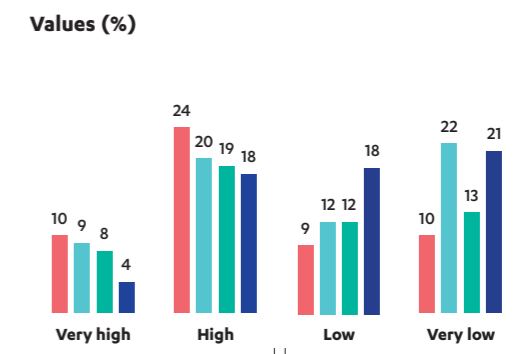
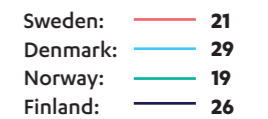


#### Reasons for using (%)

##### Convenient



##### No/less queuing



**Self-service, i.e. automated** ordering and payment via touchscreen terminals, is now used by a clear majority of consumers in all the Nordic countries. The share continues to rise, and virtually all fast-food chains and cinemas now employ these solutions.

**Consumers' appreciation of** this purchase method is increasing somewhat but is not yet particularly high. This may be because they find the purchasing experience more difficult – having to search for the products they want using an unfamiliar interface – or maybe they would rather talk to a person who can help them. For merchants, however, the benefits of such solutions are obvious, as they streamline the purchasing process. Consumers' main motivation for using this purchasing method is once again convenience and avoiding queuing.



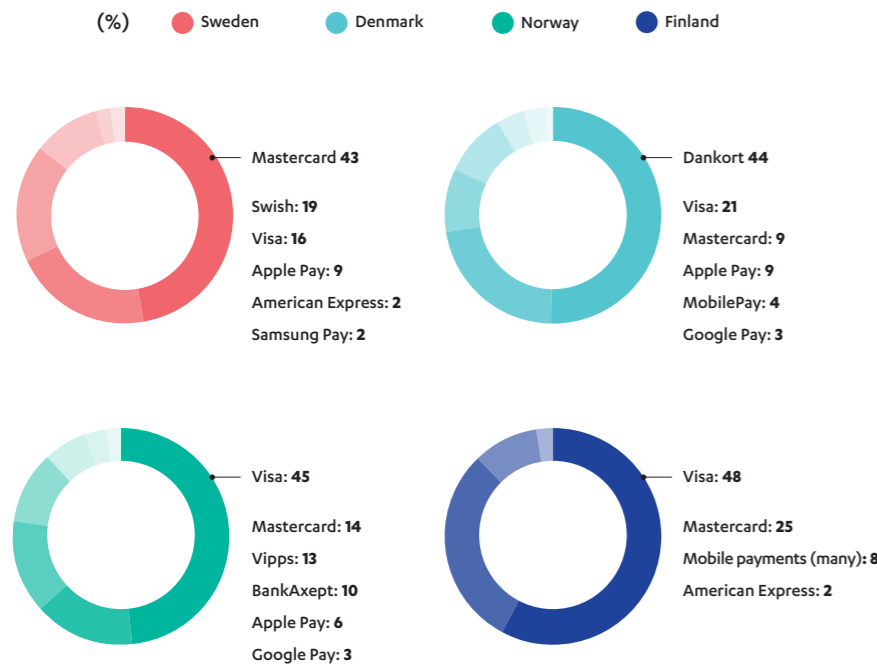
# Authentication

# Payment brands

The payment brands preferred by Nordic consumers at physical points of sale have changed in recent years. It has become more fragmented with more brands, although the global card brands still dominate like last year. However, some national brands are also performing well, while Apple Pay is continuing to gain ground.

We generally prefer to pay by card, and Visa and MasterCard are still the clear favourites among Nordic consumers at physical points of sale. In Denmark, on the other hand, the national card scheme Dankort dominates. The situation is similar in Norway, where the national card scheme Bankaxept remains popular.

However, brand preferences have become more splintered in recent years, especially as the global card brands are encountering increasing competition from mobile payment brands, both national and international. The latter are of course linked to a payment card and principally using the two largest global card schemes, although in Denmark consumers can now use Dankort with Apple Pay. National mobile payment brands have gained considerable ground in Sweden and Norway in recent years, and in Sweden, Swish is now more popular than Visa, making it the second-most preferred brand. Use of Apple Pay is increasing in all the countries.

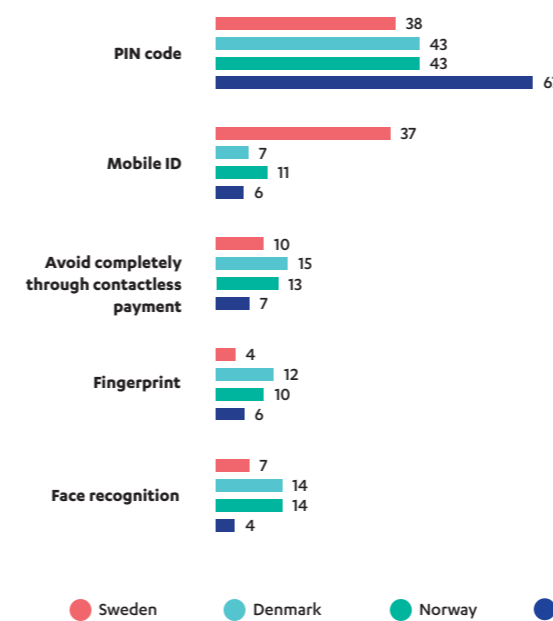


\*The share who answered "other" or "don't know" are not included in the overview.

Biometric authentication, that is used to verify a customer's identity, can already be seen within physical sales locations. This happens when consumers use mobile payments through their smartphone, for instance. Biometric technology is very secure and increasingly common, but it will take time for it to really break through. This is because of the hardware costs for the merchants, and to some extent consumer attitudes.

How purchases are authenticated, i.e. approved by the consumer, is an important part of the payment process. Back in the day, consumers had to sign a printed receipt, then came PIN codes, chip and now we also have mobile BankID and biometrics. This process has to be easy and fast, and of course secure. Biometric technology is developing fast and it's becoming better and cheaper. There are now even payment cards with built-in fingerprint readers for biometric authentication. However, incorporating this technology into payment terminals can be very expensive for retail chains with multiple stores, so biometrics' big breakthrough still looks some way off.

## Preferred authentication (%)



Being asked to verify a purchase through signature is a distant memory. Most consumers still prefer to use the trusty old PIN code, although the share in Sweden is declining, probably due to the increase in the use of mobile BankID. This is not the case in the other countries. Otherwise, no other substantial changes have been seen in any of the countries, apart from facial recognition, which is now more widely used in most countries due to Apple Pay, which now uses the technology for authentication on mobile phones.

There is no doubt that new biometric solutions represent the future when it comes to authentication. There is no PIN code to steal and the process is very secure. Facial recognition is now available through most mobile phones, and as mentioned smart payment cards with embedded fingerprint readers are already on the market in the Nordic region.

# Cancelled purchases

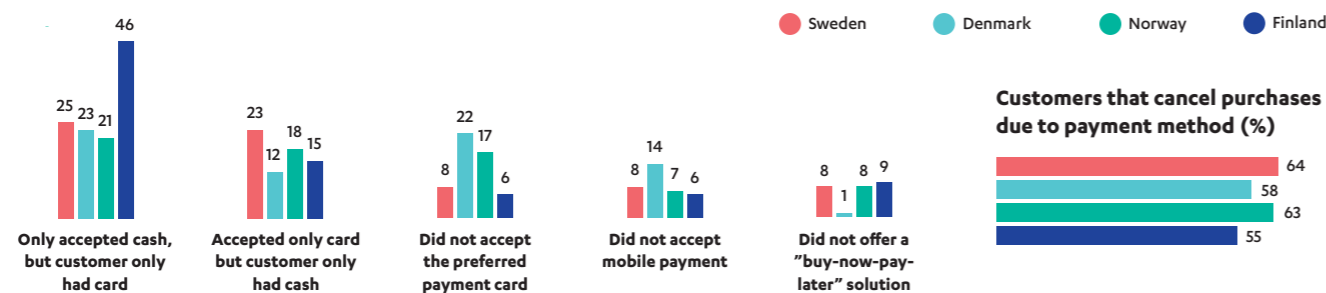
In an ideal world, no purchase would ever be cancelled in a physical store because of the payment method. But given the increasingly fragmented picture when it comes to payment methods, such a reality seems difficult to attain. Each cancelled purchase means lost business because the consumer simply goes elsewhere. And the percentage of consumers who have cancelled purchases has increased, which is not a good development.

increased slightly in Finland, which indicates that merchants are not entirely keeping pace with Finnish consumers' changing preferences in terms of cash usage.

The second main reason is that the merchant only accepted cards but the consumer only had cash – in other words, the opposite of the primary reason. This reason has increased somewhat in all countries, which indicates that more and more sales locations are going cash-free. A battle is still raging between cards and cash, with the latter losing out but still clinging on. Another reason is that the sales location did not accept the specific card that the consumer wanted to pay with, or did not support mobile payments. However, the difference are minor compared to last year. The best approach for merchants is to know what payment methods their customers prefer, and offer a wide range of options - as long as it is profitable of course.

More than half of consumers in each of the Nordic countries have cancelled purchases because of their chosen payment method, and this is slightly more than last year. The main reason for cancelled purchases is still that the physical sales location only accepted cash. The percentage of cancelled purchases for this reason has

## Reasons for cancelled purchases (%)



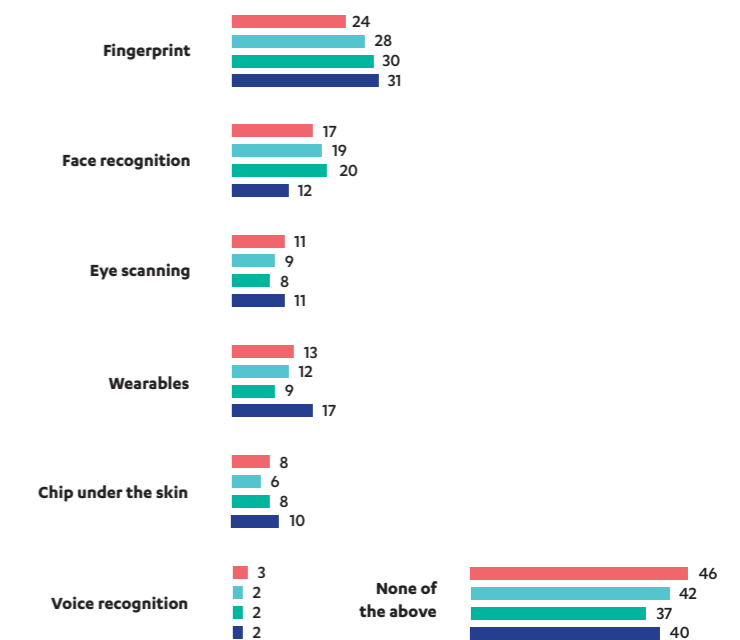
## Customers that cancel purchases due to payment method (%)



Consumers are generally becoming less sceptical about biometric authentication. However, roughly four out of ten consumers still prefer not to use these methods to authorise purchases – a substantial reduction from 2018. Unfamiliarity and privacy concerns are considered to be barriers, as is costly implementation at physical points of sale. When it comes to privacy, it is vital for the industry to be transparent and assure consumers that their biometric data is stored securely and is not shared or used for other purposes.

Fingerprint recognition is still the main biometric technology that consumers can consider using. Use of facial recognition has increased as more consumers are becoming accustomed to the technology. Roughly one in ten consumers would be happy using iris scanners and wearables, such as smart watches, with a similar share that could consider having a chip under their skin. Voice recognition comes in last; it seems unlikely that this technology will be used at physical points of sale, partly because consumers are presumably uncomfortable speaking loudly in unfamiliar places, and also because the technology is unreliable in noisy environments.

## Can consider using (%)



# Digital receipts

**Do you prefer a paper or digital receipt? More and more consumers are leaning towards the latter, but often this option is not available, and actual usage is lagging behind preference. Merchants have not yet gone out of their way to introduce this new technology, except in Norway where digital receipts are now relatively common. Nevertheless, the development is slowly moving forward.**

Receipts are an important part of the payment process, partly because they are legally required, and partly because it is important to have a receipt when exchanging or returning a purchased item. Consumers also increasingly prefer digital receipts to paper ones. However, the technology is not yet generally established within physical sales locations.

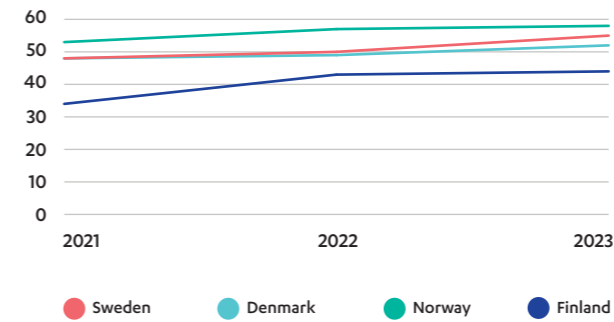
An enormous amount of paper receipts are printed in the Nordic countries each year. We're talking about several billion receipts a year. This could be seen as a waste of energy and paper, as most of the time consumers don't even want the receipt and it goes straight in the bin, thrown away by either the cashier or the customer a

moment later. It is also easy to lose paper receipts that might be needed when returning or exchanging an item.

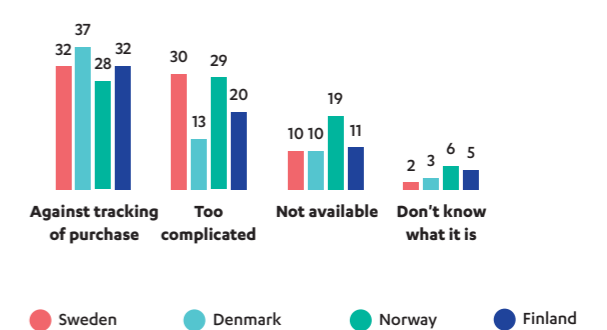
Clearly, digital receipts are the future, and they benefit customers, merchants and the environment. Digital receipts are the standard in e-commerce. They are always easily accessible, and cannot be lost in the same way as paper receipts. A lot of energy and trees could be saved if consumers used digital receipts for physical purchases instead of paper ones. They also facilitates better communication with customers – with each digital receipt, a relevant message can be sent to the customer, such as a members-only offer or other relevant information.

Although merchants in the Nordic region have not yet widely introduced digital receipts, usage will continue to rise. There are a few obstacles, such as standards, regulations and consumers' lack of familiarity with the technology. But consumer behaviour will change rapidly once people learn how well digital receipts work, as is normally the case with any new technology. In addition to the benefits for consumers and the environment, the changeover will also create new opportunities and benefits for merchants, such as reduced costs and improved communication with customers.

Prefer digital receipts (%)



Reasons for not preferring digital receipts (%)

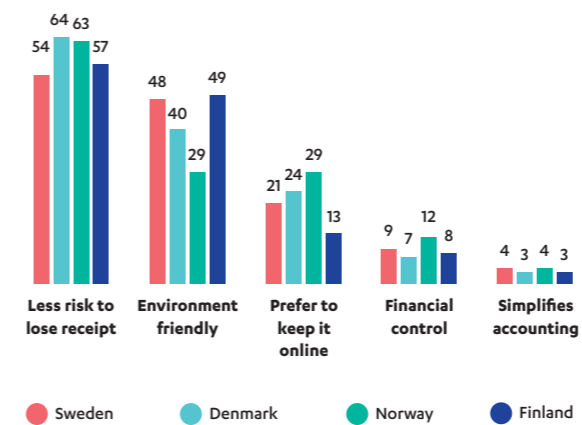


**Consumers' preference for digital receipts** has increased sharply in the Nordic region in recent years, and the trend is continuing. Just over half of all Nordic consumers (except in Finland, where it is just under half) now prefer digital receipts to paper ones. Norway still leads the way, with Sweden and Denmark not far behind.

**Nordic consumers' biggest reason for preferring digital receipts** continues to be that there is no risk of losing them. A clear majority of consumers in all countries think along the same lines. The second-biggest reason is the environmental aspect, which nearly half of consumers consider important. However, this figure has fallen in almost all the countries, possibly because environmental issues have been somewhat sidelined of late. In Finland, though, support for this reason has grown.

The other reasons for using digital receipts have not changed noticeably. These reasons include preferring to have everything stored online, having better control over personal finances, and simplifying business administration – digital receipts can simply be forwarded to the company's finance department.

Reasons to prefer digital receipts (%)



**There are, however,** reasons why some Nordic consumers still prefer paper receipts. The biggest reason by far is still that they don't want their purchases to be stored electronically – an important privacy issue. Suppliers must ensure that the digital receipt information is stored securely and is not used for other purposes. Customer trust is key.

Additional reasons are that consumers perceive digital receipts as cumbersome, which is only natural because they are still new and generally unfamiliar. This reason is now being mentioned less often, no doubt because usage is increasing. This is also supported by the fact that fewer consumers this year reported that digital receipts were not available at physical points of sale, in all countries. In turn, the share of consumers who don't know what digital receipts are is also decreasing.

The majority of Nordic consumers now prefer digital receipts, but the merchants are slow in the transition towards this change



# Loyalty solutions

**Loyalty solutions, i.e. memberships and customer clubs with bonus points and special offers, are extremely popular among Nordic consumers. Such solutions are of great strategic importance because both merchants and customers benefit – consumers receive discounts or offers, and thus are more likely to return.**

**At a time** when competition is increasingly fierce and commerce is more fragmented than ever before since we shop both in physical stores and online, loyal customers are worth their weight in gold. Loyalty programmes have become an important strategic issue for merchants. As more and more companies offer both physical and online shopping, a holistic view of loyalty programmes has also become vital; progress in this area is slow but steady.

Loyalty programmes no longer depend on old fashioned solutions, such as customers providing a long number to the cashier, handing over identification, physical stamp cards or other separate plastic cards – although those solutions still exist. Such schemes are neither convenient for customers nor cost-effective for retailers.

Modern solutions, such as where the customers can use an app or their primary payment card linked to the loyalty programme, makes the payment experience smoother as the bonus is registered directly when making the purchase.

It also reduces costs by avoiding the need for distribution and management of separate membership cards or other solutions.

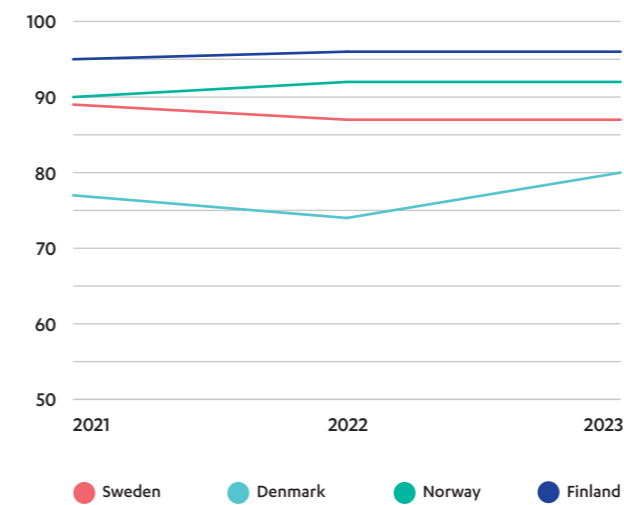
Most large food stores in the Nordic countries now have apps and solutions where the payment card is integrated in the loyalty programme, and other retail categories are also implementing this. Such modern approaches reduce costs in the long term and offer many advantages for customers.

Modern loyalty platforms, which can be integrated across multiple sales channels – a seamless loyalty solution – are much more beneficial for customers. However, due to technical challenges, most merchants selling through both channels are still lagging behind and have not yet introduced such systems. However, the benefits are clear – merchants can collect valuable customer data from multiple sales channels, enabling them to give their customers better offers that they actually want, as well as register bonus points for purchases both in physical stores and online. The customer data from the various sales channels can also be used to evaluate customer behaviour and analyse customer segments.

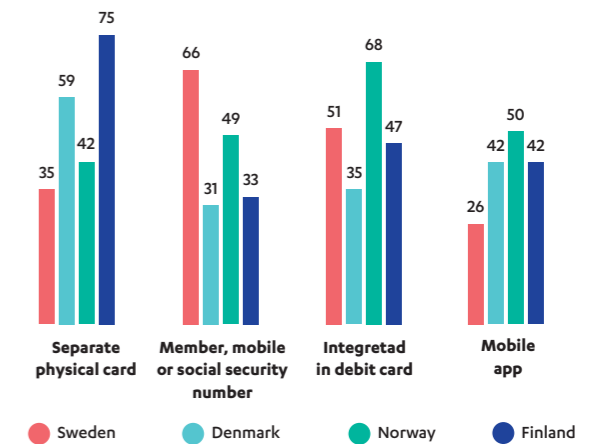
Merchants who offer a modern solution gain valuable opportunities to create even more loyal customers and save money with more cost-effective solutions.

In the increasingly fierce competition, loyal customers are worth their weight in gold.

Part of a loyalty program (%)



Type of loyalty solution (%)

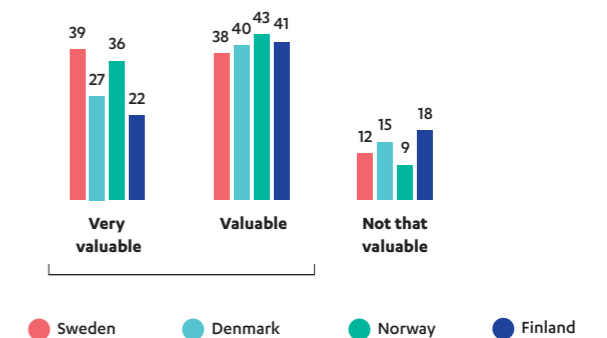


**Around nine in ten** Nordic consumers use loyalty solutions. Usage has increased in recent years and is now almost universal, with Denmark, which has long lagged behind, now catching up. Two-thirds of Nordic consumers use multiple loyalty solutions. Overall, this adds up to more than 10 million consumers in the Nordic region.

**Around seven out of ten** Nordic consumers value loyalty solutions where the bonus points are registered directly when making the payment, i.e. loyalty solutions that are fully integrated with the payment method. About a third of consumers value them very highly. This is a substantial increase from 2018, and there is no doubt that consumers appreciate these more modernised solutions.

**The modernisation of** loyalty solutions continues steadily in the Nordic region. These days, solutions that are integrated into payment cards are about as widely used as traditional solutions, i.e. separate physical cards or where you provide a membership number. The use of mobile apps is also increasing, even though developing an own app can be complex and costly for retailers. But it is clear that these modernised loyalty solutions create a significantly smoother payment experience for consumers and provide good benefits for merchants.

Values instant registration of bonus point regardless of payment method (%)



## Three tips for effective loyalty programmes

### 1. Make loyalty seamless

The first and most important step is tokenisation, which means linking the purchase to the customer – preferably via their primary payment method such as card. By implementing a platform that enables this, merchants can scrap separate loyalty cards or long membership numbers and create a truly unified solution with loyalty across all channels. This also provides retailers with valuable data about customers' shopping behaviour.

### 2. Create community

By uniting customers around common interests, a stronger and more engaging loyalty programme can be obtained. This requires a platform that enables customers to get involved, for instance by sharing their experiences and benefitting from other customers' tips, thoughts and reviews. Creating a sense of purpose in the loyalty programme can also deepen the feeling of belonging and increase members' emotional connection with the brand.

### 3. Use data better

Merchants can use data from both sales channels to personalise and customise the loyalty solution for their members, which in turn strengthens loyalty. This can include customised offers that make for satisfied customers – but with a sharp focus on data integrity, ensuring that customers only experience benefits from the data collected about their purchasing patterns.



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