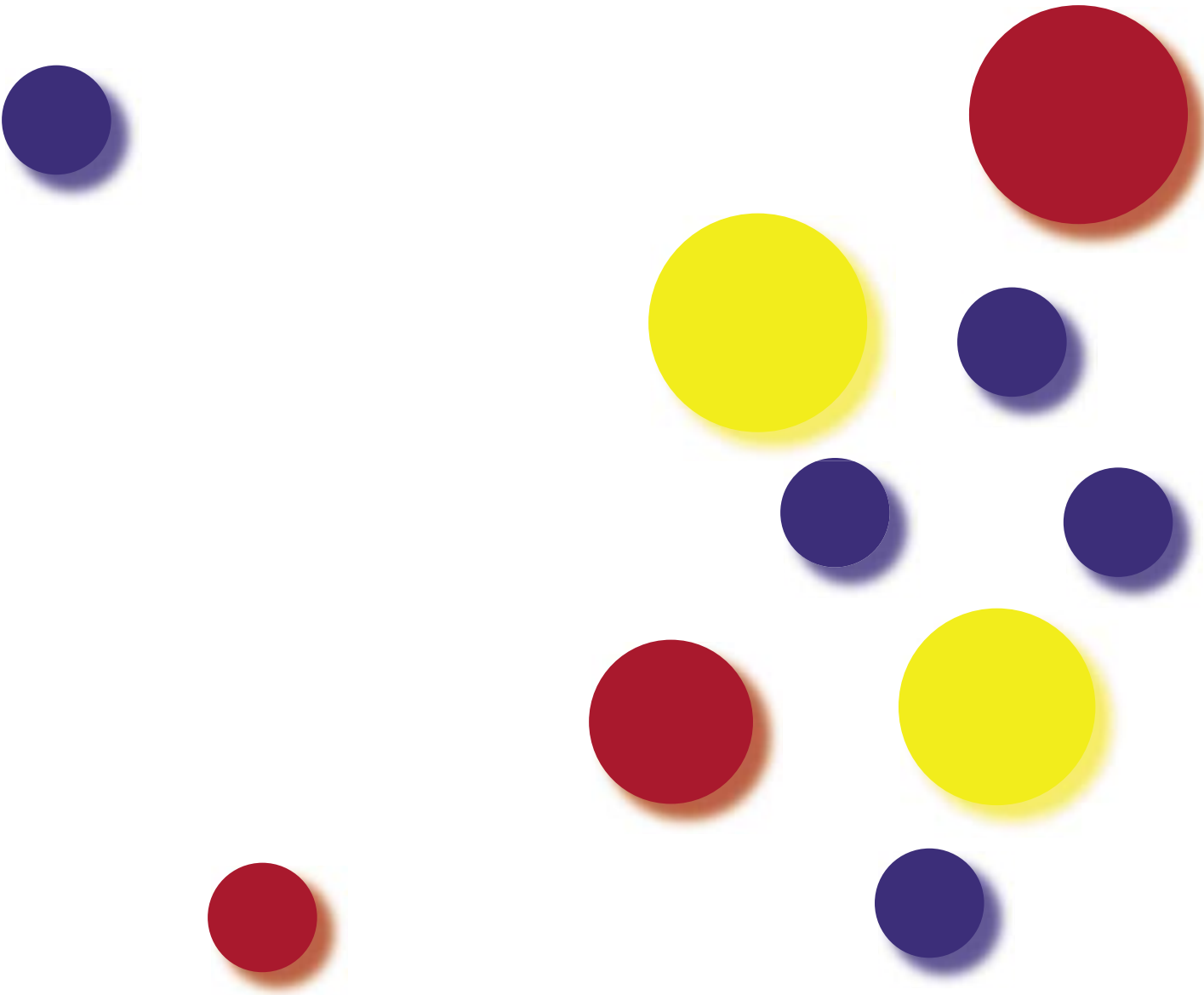


A decorative graphic consisting of several colored circles (yellow, red, and dark blue) of varying sizes, some with soft shadows, arranged in a scattered pattern across the upper half of the page.

# Strategy to promote electronic commerce within the Nordic countries

The consumer and trade and industry sector ad hoc working group for  
electronic commerce and other IT issues, Nordic Council of Ministers



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# Summary

In April 2002, the Nordic Ministers for Consumer and Trade/Industry Affairs assigned the task of preparing a Nordic e-commerce strategy to the Nordic ad hoc working group for electronic commerce and other IT-related issues. As the working group is joint for the Councils of Ministers for Consumer and Trade/Industry Policy, the strategy includes both these aspects.<sup>1</sup>

From the international perspective, the Nordic countries are well advanced as regards access to and the use of IT, and the preconditions for the efficient use of e-commerce are good. More than 70 per cent of the inhabitants of the Nordic countries have access to a computer, and approximately 60 per cent have access to the Internet at home. Nearly all Nordic businesses use computers, and over 90 per cent have access to the Internet. Approximately half of Nordic businesses purchase goods and services over the Internet, but only approximately 10 per cent sell via the Internet. Total Nordic Internet sales for 2001 are estimated to amount to 15 billion euro, while EDI trade represented 69 billion euro. There is thus great unutilised potential for increased Nordic e-commerce, particularly via the Internet.

The most pertinent issues identified by the working group for the promotion of e-commerce within the consumer area are making the consumer aware of the benefits of e-commerce together with consumer confidence in e-commerce. Within the area of trade and industry policy, the working group considers that e-commerce should be viewed as a step in the development towards e-business, i.e. efficient utilisation of IT within an operation's business processes in a wider sense rather than merely buying and selling. In the opinion of the working group, the most important issues for the promotion of e-business from a business perspective are IT skills, standardisation and interoperability, together with demand and role of the State. This strategy describes each of the above-mentioned areas individually, and also provides recommendations within the respective area to the Nordic Council of Ministers. E-commerce may have many advantages for the consumer. It may be simpler, quicker and less expensive to trade by e-commerce than by traditional methods. However, a prerequisite is that the e-commerce business should provide reliable and easily accessible information that is easy to understand. Adequate information should be made available to the consumer about the goods or services, as well as the

terms of sale, price, carriage, etc. Web site user-friendliness is of great importance for the customer's choice of sales point. It is therefore important that the development of e-commerce solutions is orientated towards the user to a greater extent.

Consumer confidence in e-commerce is vital for its development. Confidence in the business operator behind a web site is extremely important, particularly as regards payment and terms of supply, and the routines for complaints and returns, although the technical security must also be sufficient.

The working group's recommendations for the consumer area are primarily aimed at providing information for consumers and business operators about their rights and obligations, and also encouraging the creation of collaborative projects in this area between the various interested parties in the Nordic countries. In particular, the status of children and young people in the e-commerce market needs to be improved, and there is also a need to improve their education towards becoming critical Internet users, as they are at a greater risk than adults of being misled.

Increased skills in IT and e-business are necessary to ensure that more businesses, in particular smaller businesses, will succeed with e-business. It is important that business managers appreciate and are capable of utilising IT as an efficient business tool, as it is managers that make investment decisions. It is also business managers who initiate organisational changes, something that is often a precondition for successful e-business investment. Committing resources to continuously developing skills within the business is necessary to be able to exploit the potential of e-business.

Inadequacies of standardisation and interoperability between various systems and programs for e-business are a particular problem for the small businesses. They run the risk of being compelled to invest in several different solutions to satisfy the different demands of their various customers, and this can prove to be very expensive. Furthermore, systems may prove to be less suitable for these small businesses. The State has an important role as a model for the use of IT and e-commerce. The public sector is a large and important customer within the Nordic markets and should therefore endeavour to implement increased electronic procurement.

<sup>1</sup> The Nordic e-commerce strategy will be completed during the spring of 2004 and will be made available on the Nordic Council of Ministers' web site [www.norden.org](http://www.norden.org), under the areas of cooperation Consumer and Trade/Industry respectively. The web site also contains the working group's reports on self-regulation, state electronic services to businesses, factors for successful e-commerce, electronic payment solutions and also the situation of small and medium-sized businesses (SMEs) in connection with e-commerce.

The recommendations of the working group, from a business perspective and similarly from a consumer perspective, focus on information and education work to enhance awareness about e-business benefits and the skills necessary to utilise its potential.

Monitoring the development of these areas, encouraging exchange of experiences, and providing good examples are also important areas of work that it may be appropriate to implement at the Nordic level within both the areas of consumer and trade/industry.

# Recommendations

The recommendations of the working group are addressed to the Nordic Council of Ministers. The Nordic Council of Ministers and the individual Nordic Governments, in consultation with the appropriate authorities and organisations, should determine which actors should implement the recommendations.

## 4.1 General recommendations

- Monitor developments within e-commerce and e-business regarding:
  - Consumer benefits.
  - Consumer confidence.
  - IT and e-business skills of businesses.
  - Standardisation and interoperability.
  - Electronic public procurement.

Particular attention should be paid to the situation of children and young people, and also small and medium-sized businesses (SMEs).

- Continue the Nordic cooperation, with regards to the production of relevant statistics, analysis and benchmarking within the IT and e-commerce area, with the aim of being better able to monitor developments (see above), and encouraging businesses to participate in benchmarking activities.<sup>1</sup>
- Enhance awareness of the positive effects of e-commerce and e-business for both the consumer and businesses.
- That the Nordic Council of Ministers and the Nordic States constitute a model in their capacity as good users of IT, e-commerce and e-business.
- Encourage Nordic exchange of experiences and good examples, in addition to joint projects.

## 4.2 Specific recommendations

### Make the consumer aware of the benefits of e-commerce

- Make the consumer aware of what information requirements can be imposed in connection with e-commerce.

Activity:

- Produce a checklist highlighting the essential information issues.
- Encourage consumer and trade/industry representatives to cooperate in projects to enhance user-friendliness.

Activity:

- Produce guidelines or recommendations for user-friendliness.
- Initiate and utilise user tests concerning e-commerce to a greater extent.
- Continue to develop and offer user-friendly e-services and information on public web sites.

### Enhance consumer confidence

- Inform consumers of their rights and obligations in connection with e-commerce, including e-payments, and also encourage them to be critical in their assessment of e-commerce sites.

Activity:

- Produce checklists highlighting the essential issues.
  - Inform business operators about the applicable consumer law rules.
- Activity:
- Organise information seminars in cooperation with sector organisations, including the exchange of good and bad examples.
  - Include this information in State IT skills initiatives, orientated towards businesses.
  - Encourage joint Nordic projects, relating to:
    - Impartial dispute resolution systems.
    - Market supervision.

<sup>1</sup> For example, the Danish initiative for a Nordic e-barometer, [www.ebarometer.dk](http://www.ebarometer.dk).

### **Enhance the skills of businesses within IT and e-business**

- Continue to implement Nordic and national IT skills enhancement activities, particularly for SMEs.

#### Activities:

- Arrange skills enhancement seminars, focussing on the important role of business managers in the development and the introduction of e-business, make the potential for profits with e-business more visible, and also stimulate increased cooperation between the various actors.
- Include IT and e-business skills and information security aspects in other skills enhancement initiatives for SMEs.
- Exchange experiences of initiatives concerning support for the concrete implementation of e-commerce work in SMEs.
- Encourage the development of simple tools to calculate the potential gains of e-business for businesses.
- Disseminate information about existing international recommendations and guidelines<sup>2</sup> within the information security area, and also provide advice on how businesses can protect themselves against the most common security problems.
- Encourage dialogue between the education services, including colleges and universities, and trade/industry about the possibilities and needs to include IT and e-business skills in education.

cooperation, particularly within public electronic procurement. Such cooperation should include discussion concerning possible use and adaptation of existing international standards for Nordic languages and circumstances.

### **The State should provide a good example**

- Enhance public use and range of e-services, particularly within the areas of e-procurement and e-invoicing, both with the aim of improving the efficiency of their own operations and of promoting the development of e-commerce in the rest of society.
- Encourage Nordic exchange of experiences of e-procurement and initiatives within the area, including public purchasing portals, particularly bearing in mind the EC Public Procurement Directive.

### **Promote enhanced standardisation and interoperability**

- Carefully monitor the development of standardisation-related impediments for e-commerce.

#### Activity:

- Produce a report on standardisation problems with e-commerce in the Nordic countries.
- Produce a Nordic dialogue concerning experiences with various standardisation initiatives, and deliberate on the opportunities for in-depth Nordic standardisation

<sup>2</sup> OECD *Guidelines for the Security of Information Systems and Networks: Towards a Culture of Security* July 2002.

