

While e-retailers plummeted in the wake of Boozts' Thursday profit warning, Haypp Group is breathing fresh air, writes Dagens industri

A slump in the e-commerce sector has marked the past week. Online fashion retailers Nelly and Boozt have lost a quarter of their market capitalization during the week. Nor is it isolated to Sweden, with fashion giant Zalando dropping more than 8 percent on Thursday and continuing down on Friday. The front page of one of Norway's leading business newspapers was dominated by the headline "Everyone in the industry suffers", according to Sweden's leading business newspaper Dagens industri, Di.

According to the companies, drivers behind the profit warnings are deteriorating purchasing power, continued supply chain disruptions, and rising inflation.

However, Haypp Group sees reasons for optimism, as it has successfully invested in a newly introduced low- and mid-price segment.

"We don't see the decline that the rest of the e-commerce industry is talking about. During the pandemic, we understood that it would come a time after it", says Markus Lindblad, Head of External Affairs at Haypp Group, to Di.

Haypp Group's experience is that consumers seek out low-price options during periods of lower purchasing power rather than stop shopping. And thanks to the low-price drive, Haypp Group expects increased volumes and customer numbers this year compared to last.

"What e-commerce generally lacks is the historical experience of how a market works. Many companies are run by young founders and have grown from one to a hundred inexperienced employees, believing that growth will be 50-100 percent per year forever – without listening to what consumers want", Lindblad tells Di.

Inflation is not expected to affect Haypp Group to any significant extent either, as the cost of production for manufacturers is a small part of the final price that meets the customer. This means less need for manufacturers to raise their prices towards Haypp Group as a retailer.

Haypp Group's next report will be released on August 12 and cover April to June 2022.

The article from Dagens industri can be found [here](#).

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About Us

The Haypp Group is spearheading the global transformation from smoking to healthier product alternatives. With origins in Scandinavia our extensive experience from pioneering markets in smoke free alternatives, as well as being a leader in the e-commerce sector, we now fully take our vision to a global scale. With ten e-commerce brands, the Haypp Group is present in seven countries where we served more than 680 000 active consumers during 2021.

Attachments

[While e-retailers plummeted in the wake of Boozts' Thursday profit warning, Haypp Group is breathing fresh air, writes Dagens industri](#)