



Country factsheet - May 2015

Poland

Located in the heart of central Europe, Poland's growing economic prosperity is in turn fueling the development of its e-commerce market. The figures below illustrate the country's appeal:

- 5.2 billion euros in e-commerce sales in 2013
- An estimated growth in e-commerce revenue of 19% for 2014
- Fourth top country in central Europe
- Almost 10 million e-shoppers in 2013
- An average annual shopping basket per e-shopper of €539
- An Internet penetration rate which has risen from 58% to 65% in four years
- A predicted growth in GDP of 2.5% for 2014

1. The consumer

The Polish population is mostly made up of working-age people. In fact **43.9% of the Polish is aged between 25 and 54 years old**. When they shop online, what are they looking for?

A broadly satisfactory search for practicality

Poland currently has **almost 10 million e-shoppers**, who are becoming experienced with regard to e-commerce as 38.2% of the online population has more than three years of experience in online shopping.

And why have they started to engage in online shopping? For most Polish e-shoppers, **practicality** and **time saving** are the main reasons.

Main motivations for shopping online

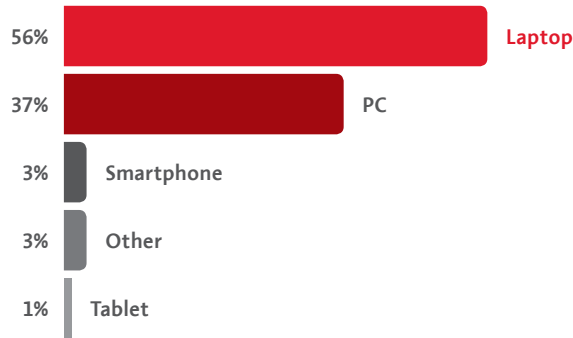
1. Practicality and time saving
2. More attractive prices than in traditional shops
3. Product comparison
4. Unique access to certain products
5. Impulse buying of a desired product

Satisfaction rate with e-commerce of
4.8/5

It seems that these motivations can be satisfied online, as Polish e-shoppers claim to be very happy with their online experience. Polish e-shoppers are also the most satisfied in Europe, as in a recent study of Trusted Shops, their satisfaction rate was 4.8 out of 5.

M-commerce has not convinced the Polish. It is mainly still PCs and laptops that are used to make online purchases.

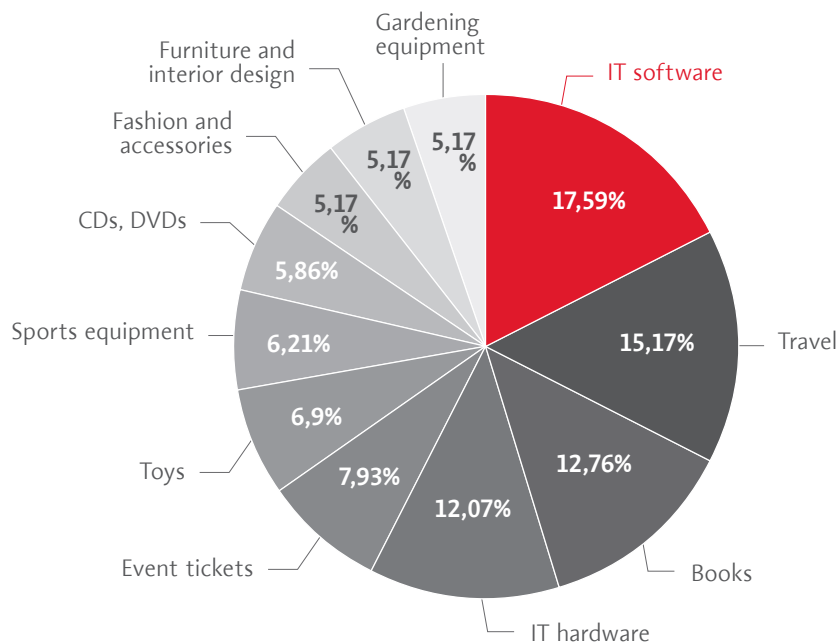
Devices used to make online purchases:



Focused on price and more interested in products

The services/products distribution clearly favors the latter with **60% of expenditure** on e-commerce being on products. The most frequently sold category of products is that of books, followed by IT hardware.

Distribution of e-commerce expenses in 2013:



However, purchases of these products and services still don't constitute a monthly activity in Poland. The majority of e-shoppers are active less than once a month, and only **30%** of them **shop online several times a month**. The **average shopping basket** per order is **€62**. What criteria should be used to increase this shopping basket and/or the frequency of purchase? **Price**. Price is the decisive factor that the Polish claim could encourage them to place larger orders or shop more frequently online.

2. The market

Pure player micro-enterprises

The Polish e-commerce market is made up of more than 12,000 webshops, **85%** of which **are micro-enterprises**. Only 3.3% of retailers are made up of companies of more than 50 people. It is not rare to see companies that are active in e-commerce made up of one (24.5%) or two (22.2%) people.

What do these micro-enterprises do to make themselves known to the target public? The online stores in Poland mainly use paid presence in **online catalogs and ads on search engines**.

Media used to promote online stores



It can be seen that the forms of advertising are purely digital, which is not surprising as Polish e-tailers are primarily pure players. **54% sell exclusively online** and have no offline point of sale.

From a quantitative point of view, it is the **home & garden design** sector that is proving to be most competitive with more than 2,500 webshops. The next top performers are the **presents & accessories** and **fashion** categories, which have the largest number of online brands with 1,312 and 1,278 sites respectively.

A very local offering

Even though, as we will see in the expected trends, foreign e-tailers are going to have an increasing presence, it is still local sites that have the most users. Allegro Group is the undefeated leader with 11 million active users, and benefits from a **brand awareness of 88%** among the Polish population.



This type of national monopoly is the result of a strong focus on the local offering to the detriment of international expansion. Scarcely 33% of Polish webshops sell outside of their own borders.

However, this situation will soon change. First sign is that methods of payment are already in the process of changing. Up until now, **bank transfers** and **payment upon delivery** were the most popular means of payment (combined, these account for 68.9% of all orders purchased). However, **digital payment** methods such as PayPal (or its local equivalents such as payU or Dotpay) and **credit cards** are starting to become widespread.

It should be noted that foreign e-tailers who exceed €38,588 in revenue per year have to register to obtain a Polish VAT number. The applicable VAT rate is 23%.

3. Trends

Sales in the food sector
are going to
double
in two years

The emergence of online groceries

With **35% growth**, online groceries are the sector that has made the most significant breakthrough in the Polish online economy in recent years and withing two years, predictions are that sales of consumer goods as a whole will double. This trend has evidently not escaped international food groups such as Auchan or Leclerc, which leads us to a second trend...

The massive arrival of foreign players

The Polish e-commerce market is in fact starting to attract the biggest international brands. **Tesco** is already offering delivery services in 19 metropolitan zones in Poland and is aiming to be able to cover 30% of the Polish population over the coming months. Alongside these European multinationals, U.S.-based companies have also succumbed to the charms of the Polish market and are also deploying their best assets to attract local demand. The toys giant, **Toys'R'Us**, launched its expansion in order to be ready for purchases at the end of 2014. And finally, **Amazon**, which is more in touch with emerging markets, seems to have made Poland its priority in central Europe, planning the opening of three logistics centers between 2014 and 2015. These warehouses are each expected to create 2,000 permanent jobs, and up to 3,000 jobs at peak periods.

These trends highlight perfectly the virtuous circle that is in the process of being created between the Polish economy and e-commerce.

Sources:

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