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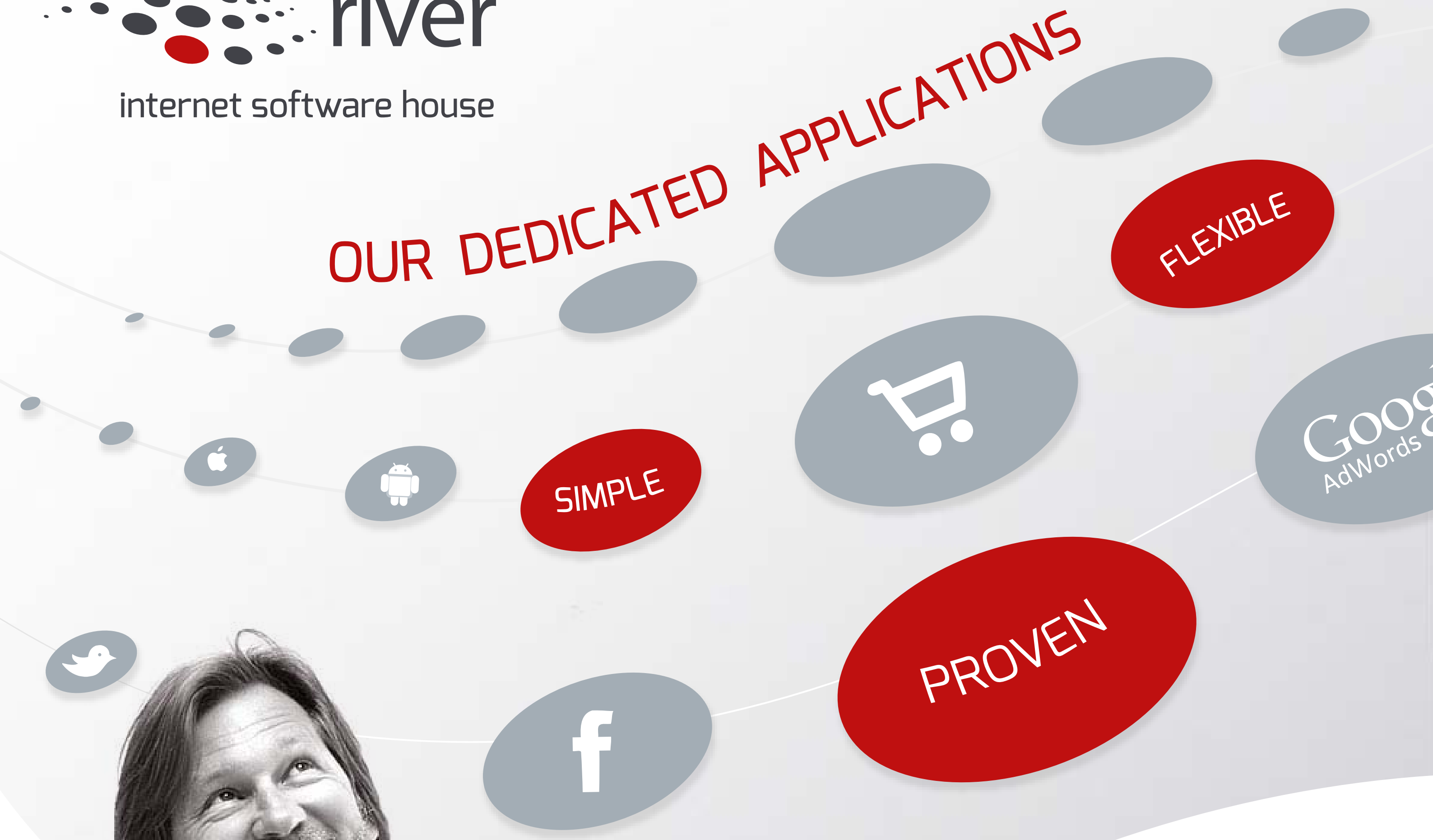

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Introduction

Poland is one of the fastest growing eCommerce markets in Europe, quoting approximately 25% growth year-on-year. The estimated eCommerce B2C value of goods trade, not including services, in 2013 was more than 6 bn euro. If the current growth rate maintains, the figure is predicted to rise in two years to nearly 11 bn euro.

According to the Eurostat reports, the eCommerce share in the entire Polish consumer trade is about 4%. Although it is less than in some other European countries, the observed market and economic trends are comparable to mature markets, such as British or German. At the same time, over 30% of the 38 million population of Poland declare to shop online. This rate is higher than for Spain or Italy.

Thanks to growing access to broadband Internet, the total number of e-consumers increases every year. According to the study of the Concise Statistical Yearbook of Poland in 2013, 70% of Polish households had Internet access. The number of credit card holders also increases and online payments successfully ousted the cash-on-delivery methods. Meanwhile, there is a gap in the Polish market to be fulfilled by the courier companies, for which the coming years are also predicted to generate double-figure increases.

At present, there are over 12 thousand online shops in Poland. The market continuously matures, as evidenced by the decreasing growth rate of e-shops. However, within many industries, we cannot conclude that the market is saturated. This fact is clearly visible in the food sector, which in recent years has been developing most rapidly. Since 2007, the number of online stores in this sector has been growing by approximately 35% each year. It is estimated that in two years, the e-FMCG will reach the value of more than 107 mln euro. This represents twice the level of current figures. These trends seem to have caught the attention of western giants, such as Tesco, Auchan or Leclerc, which have already enabled Poles to buy their products online.

The potential of the Polish market has also been recognized by the popular shops of other sectors, such as West Wing or Conrad as well as leaders of the clothing industry - Otto or Zalando. Another example of the successful business expansion to the Polish eCommerce market are companies providing services for online shops, such as Trusted Shops or Sofort Banking. Recently, Amazon, the biggest online shop in the world, has decided to build its logistic centres in Poland.

Apart from the huge potential gains emerging from the growing popularity of online shopping in Poland, there are many other important factors influencing overseas investors. They point to good office and communication infrastructure as well as to visible potential of the labor market and access to multilingual specialists. Despite the global crisis, the economic situation in Poland has been assessed as stable, while localization of the country opens the way for further expansion to the Eastern European markets and Russia.

I am convinced that all of the above mentioned factors create an ideal space for investment activities and encourage forward thinking companies to enter into the game right now because the biggest and brightest opportunities for prosperity in the Polish eCommerce market are just ahead of us. This report is an executive summary of our multi-year study and presents the key aspects of Polish eCommerce. I hope it will shed light on lucrative business opportunities and help you to asses your organizations potential for entering this market.

Piotr Jarosz, CEO of Dotcom River
Executive Editor
of the eCommerce Poland 2013 Report

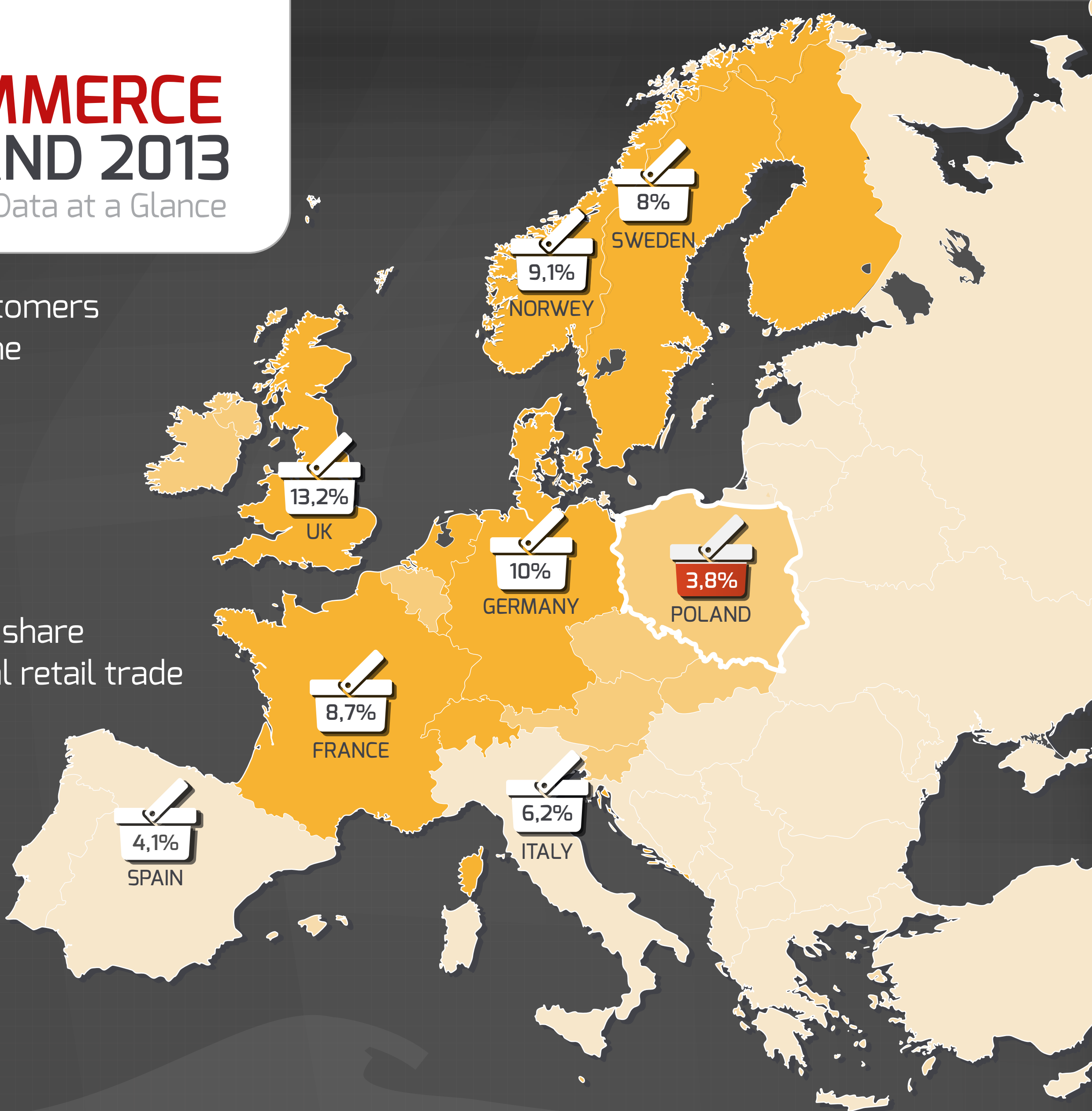
eCOMMERCE POLAND 2013

Key Data at a Glance

European customers shopping online

- > 50%
- 30 - 50%
- < 30%

% Online share of total retail trade



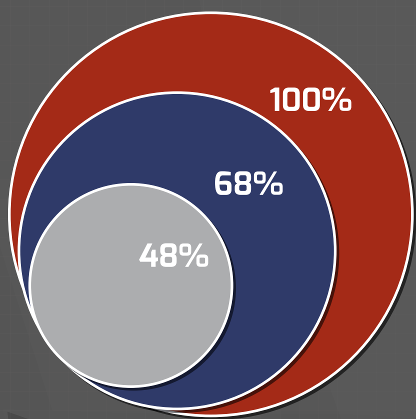
Total e-retail value **6 bn**

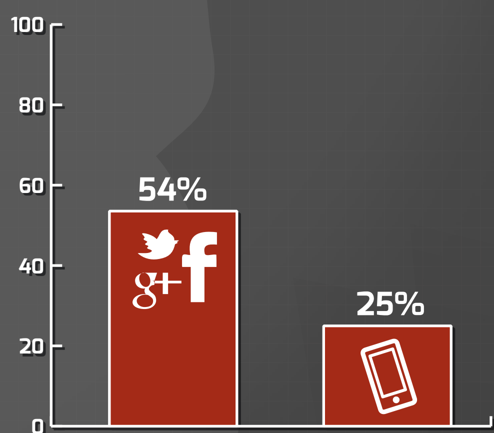
Online shops **12 000 +**

Population
38,5 mln

Internet users
26,2 mln

Online shoppers
12,6 mln





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Sources:
Eurostat, European Commission, http://epp.eurostat.ec.europa.eu;
Centre of Retail Research, http://retailresearch.org;
PMR Research, http://research-pmr.com;
Polish Ministry of Treasury, http://msp.gov.pl

Contents

1. Polish eCustomer

There are 38,5 mln people in Poland. In terms of population it places the country on the 6th position within the European Union. Among individuals ranging from 16-74 years old, as many as 62% are Internet users and nearly half of them (48%) surf the web in order to find information about products and services, while 21% shop online. According to the data published by the Concise Statistical Yearbook of Poland in 2013, about 70% of Polish households are equipped with computers and Internet access.

1.1. eCustomers experience

Online shopping in Poland is very common. Less than 16% of Internet users we surveyed declared not having bought on the web at all.

Most Polish eConsumers have more than 3 years of shopping experience.

Online consumers with the most extensive shopping experience belong to the highest populated age group of 31-50 years old. Older Internet users, who are over 65, represent the smallest group of online consumers, where 41% of them still have not purchased anything from the web. These encouraging statistics show that one in every 5 users over the age of 65 made an online purchase at least once during the last year.

1.2. Online shopping frequency

Almost every third Pole buys on the Internet several times a month, and more than half of them - a few times a year. Less than 4% of eConsumers did not buy anything via Internet in 2010. About 9% of Internet users buy very rarely - once a year.

Salaries of Polish internet users directly correlate with the respective frequency of online shopping. More than 38% of Internet shoppers, earning over EUR 1,185 (PLN 5,000) buy online at least a few times per month. Meanwhile, among those who earn less than EUR 474 (PLN 2,000), one in every 4 shoppers keep pace at the same frequency.

Figure 1.1. Experience in online shopping

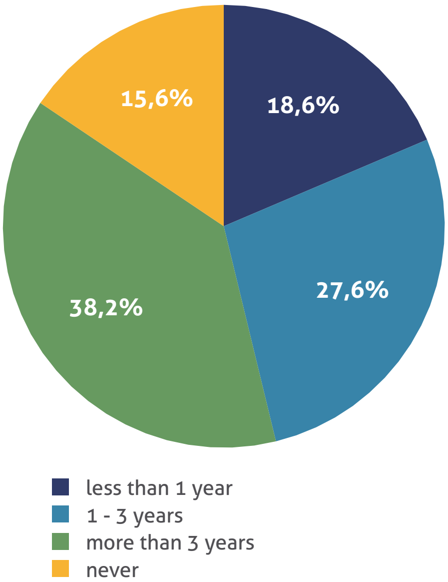


Figure 1.2. Frequency of online shopping

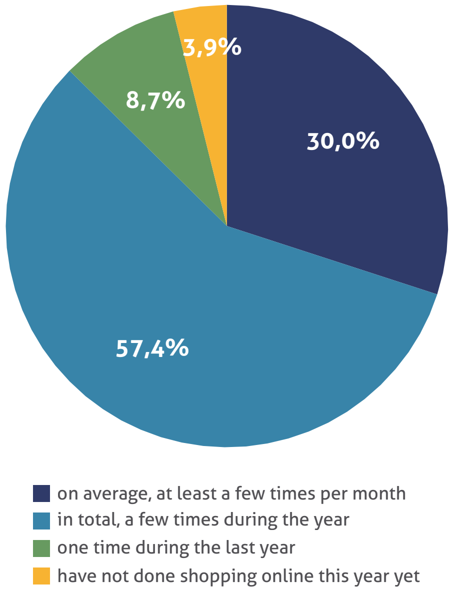


Figure 1.3. Experience in online shopping in different age groups

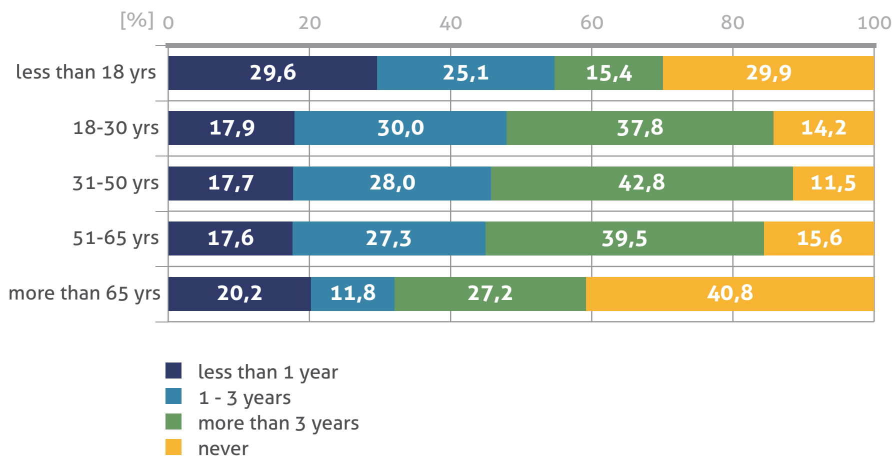


Figure 1.4. Frequency of online shopping with respect to the respondents monthly income

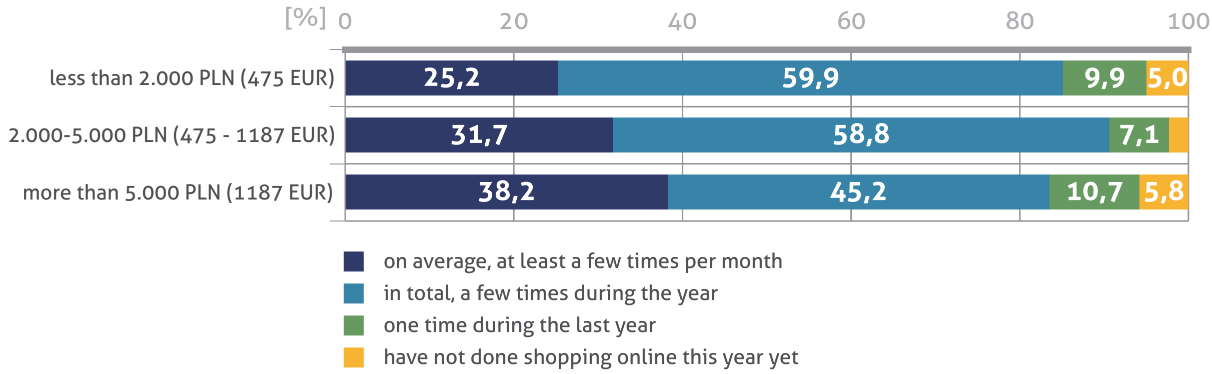


Figure 1.5. Motivations for buying online with regard to the gender of respondents

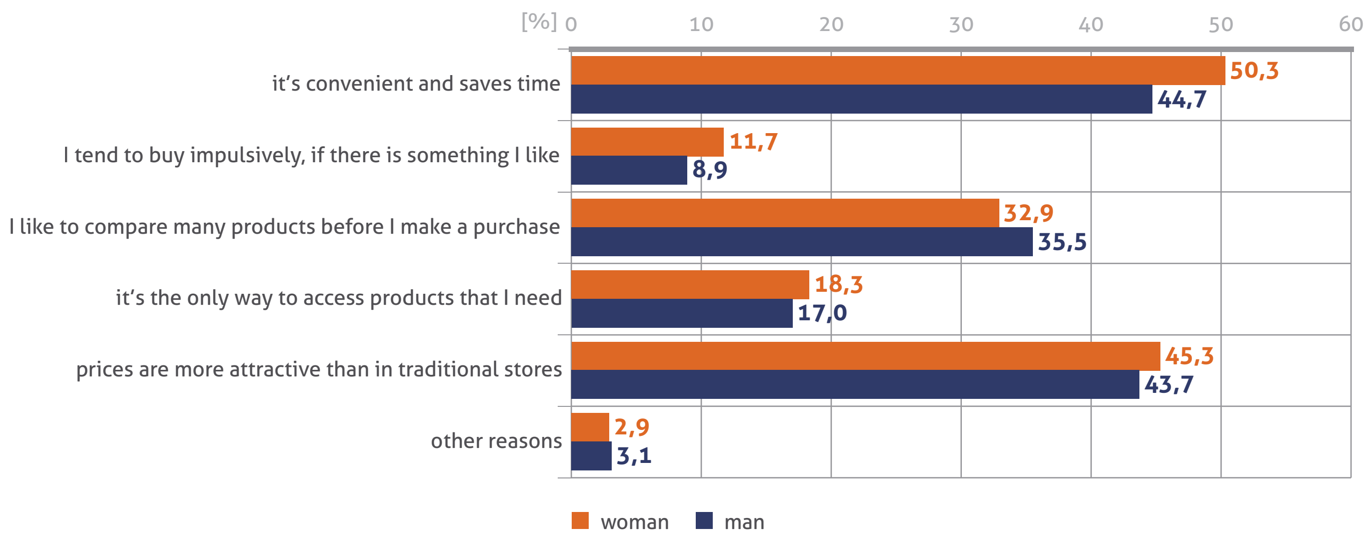
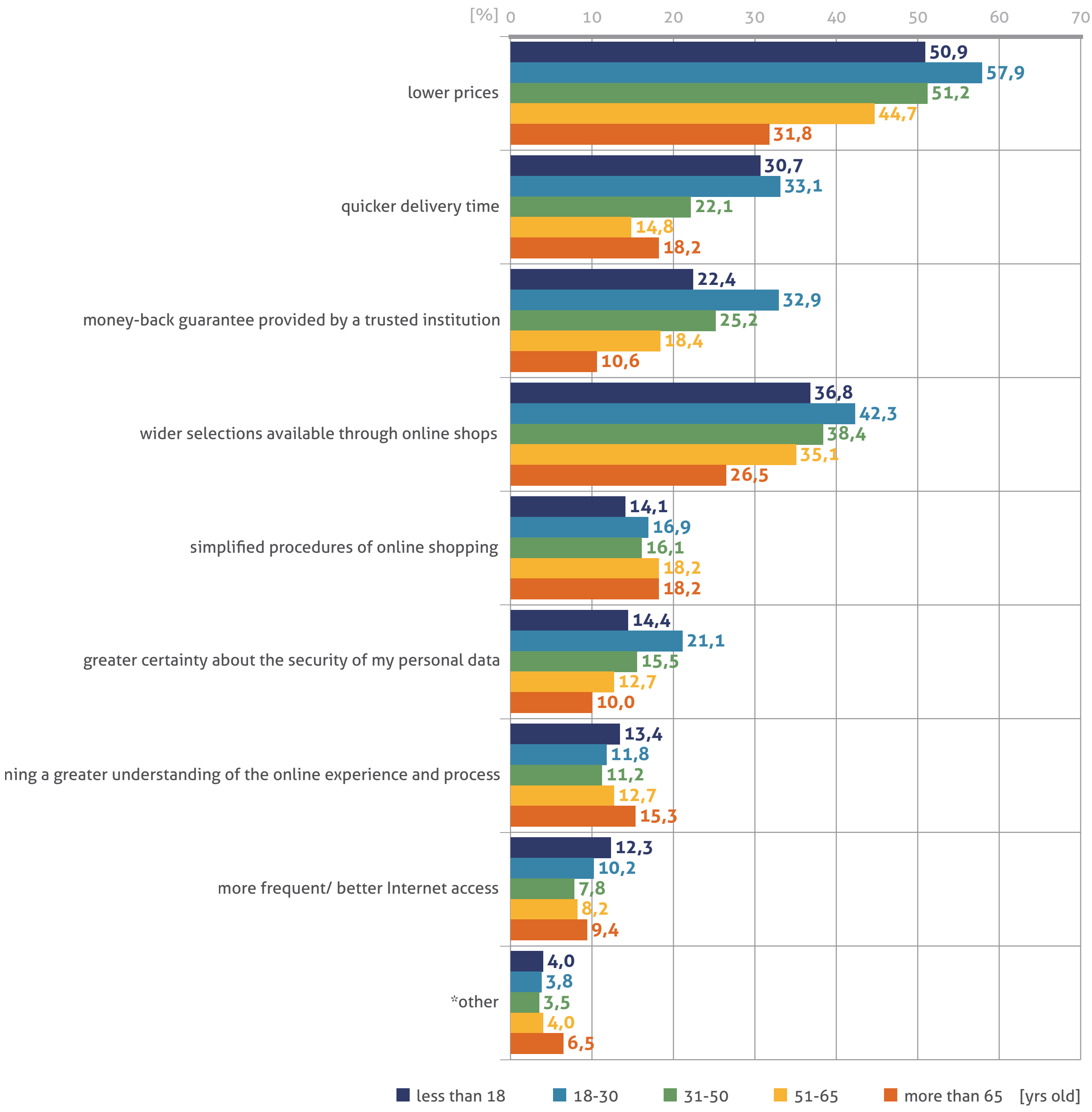


Figure 1.6. Arguments that could persuade Polish e-consumers of different age groups to buy online more often



*The most prevalent concerns voiced by respondents were: lower delivery costs or a lack of delivery fee, wider product range, a need for more specific information about products and an easier way of finding a desired product.

TRUSTED SHOPS IN POLAND - ENTERED THE MARKET AT THE RIGHT TIME

We talked with Anna Rak, the Country Manager of Trusted Shops in Poland, about the entry of the German established company into the Polish market in 2010.

Founded in 1999, the Cologne based company is Europe's market leader for the accreditation of online shops.
Since the company was founded, over 17 000 retailers have been accredited. At present, Trusted Shops has operated, inter alia, in Germany, Austria, Switzerland, France, Belgium, Spain, Italy, Great Britain and in Poland since 2010.

Why did Trusted Shops decide to enter the Polish eCommerce market?

With a population of over 38 mln and as many as 18 mln internet users, Poland is an attractive market with huge potential still to be unlocked. In fact, in recent years Poland has had one of the highest growth rates in the eCommerce sector among all EU countries. At the same time Poles demonstrate a very low level of trust, which makes them reluctant to do online shopping. We identified this challenge and have decided to address it by equipping shop owners with solutions that help to build consumer trust.

What were the main obstacles you had to face while entering the Polish market and how long did the preparation take?

At the initial stage, the biggest hurdle was to compile a knowledge base that would enable us to specify Polish criteria for the audit – our core product. The Trusted Shops quality criteria are based on national and European laws that are important for making purchases on the Internet. Our experts had to make sure they comply with Polish regulations. It took us almost one year to establish our operations in Poland, as we wanted to ensure the highest quality of service. We also prepared the ground for cooperation with organisations and associations in the Polish eCommerce sector.

What was the biggest surprise after launching your services in Poland, comparing to the native German market?

What struck us most when we launched in Poland was finding out how low the level of trust was. While signing contracts with us, Polish online retailers would engage their lawyers and carefully analyse every single page looking for fine print. This accurately illustrates the typical attitude towards people or business partners that Poles cooperate with for the first time. However, it's interesting to work with people who combine passion and diligence at the same time. Likewise, the eCommerce sector in Poland is still young and dynamic and it keeps surprising us even today.

What, in your opinion, is the key to success on the Polish market?

Our experience shows that an in-depth understanding of the Polish market is essential for foreign companies that plan to extend their operations to Poland. As a new player on the market you need to identify your target customers and challenges they face. This requires communication since it's important for both parties to speak the same language. Establishing a good rapport with customers is key to providing excellent service and helps turn them into brand evangelists. We should not underestimate the word-of-mouth, especially in some industries.

With hindsight, was it a good decision to enter the Polish market and was the decision made at the right time?

We believe that we launched our services in Poland just in time to gain momentum before the eCommerce boom started. We have been growing together with the online market. As the Polish eCommerce sector has yet to become fully mature, we observe a great demand for our comprehensive services that help retailers thrive in this favourable climate. One of our challenges now is to catch up with this dynamic growth.

Many investors, who enter the Polish market, indicate the strategic location of Poland in Europe as one of the main reasons behind their decision. Was the Trusted Shops' investment into the Polish branch also a case of taking the first step towards the further expansion into the Eastern European markets?

We are continuing expansion into Europe so that more retailers and customers can enjoy the benefits of safe and secure online shopping. This summer we launched Trusted Shops trustmark in the Netherlands, Belgium and Italy. Poland will serve as a hub when we further expand in the Eastern European region but more details will be announced at a later time.

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2. Market size and structure

2013 was a period of continuation in dynamic growth for Polish eCommerce turnover. Its value is estimated to be about EUR 6,2 bn, which is 21% more than in the previous year (EUR 5,1 bn). In 2012, the growth rate was also double-digits and was up 23% year after year. The scale of growth is made readily evident by referencing the value of Polish eCommerce just 10 years ago, when it amounted to EUR 78,6 mln, i. e. only 1,3% of the current value.

The fast pace of growth in the Polish online market is consistent with global trends within this sector. According to estimates of eMarketer, B2C Internet sales increased by 21,1% in 2012, exceeding the value of USD 1 trillion for the first time in history. Meanwhile, the growth potential of the Asian-Pacific region is projected to propel it into becoming the world's leading B2C online sales market, surpassing even North America.

2.1. Number and age of online shops

Polish eCommerce is constantly growing, although the growth rate has slowed down in the last years indicating that the process of market maturation has begun. Back in 2009, every other Polish online store had been operating for less than two years, while in 2012 the beginner shops represent slightly more than a quarter of the total number (29.2%).

The largest increase in the number of new online stores in Poland in recent years was reported in the food industry.

The largest decrease in the growth rate among web shops affected the electronics industry and book stores (9%), while the delicatessen (17%) and clothing (14%) are leaders of the relative increases. This is not surprising in the case of grocery stores. Given the structure of Polish consumer spending, market for these products has the greatest potential and the competition in this industry is relatively low.

2.2. Employment and market area

Almost half of all shops in Poland is staffed by one person (24.5%) or two people (22.2%), while companies employing more than 50 people represent a narrow margin of retailers (3.3%). Among online shops that have operated less than a year, only 32,5% of firms sell offline, while in the group of retailers having operated more than 10 years, 64,5% possess a land-based store.

85% of Polish online shops are micro-enterprises.

Figure 2.1. Number of online stores in 2006-2012

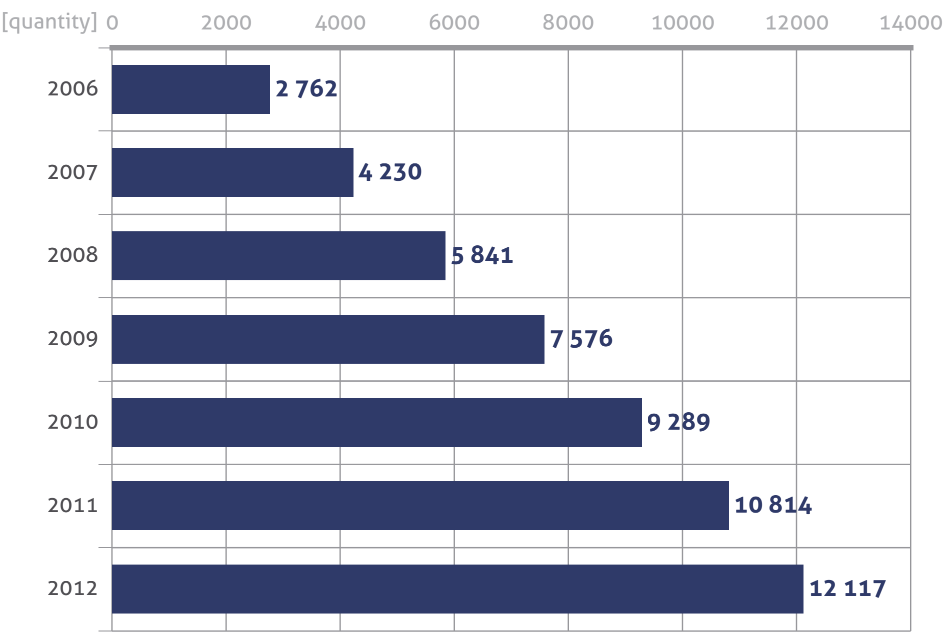


Figure 2.2. Age of online stores

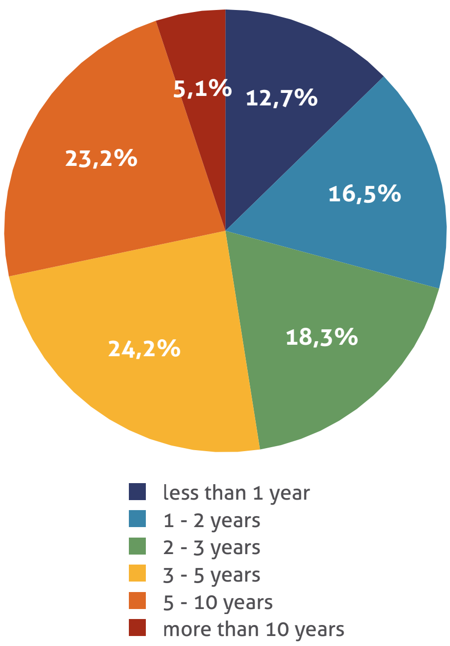


Figure 2.3. Number of shops in different retail sectors

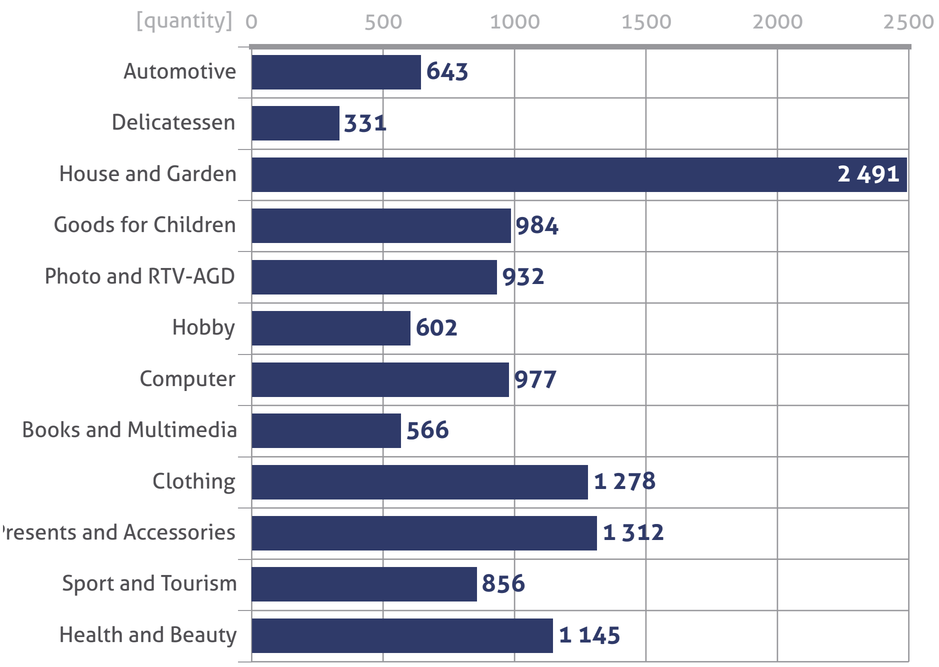


Figure 2.4. Does your company also sell offline?

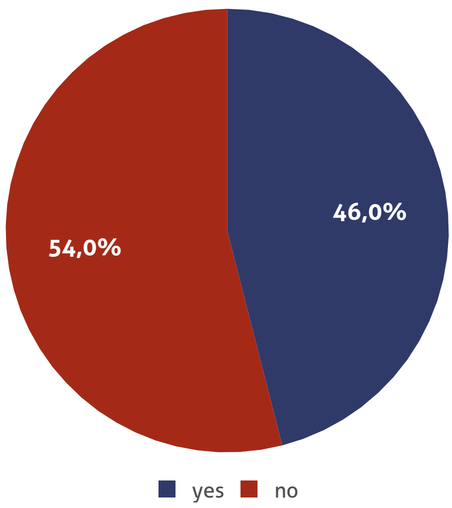


Figure 2.5. Number of employees in companies running online shops

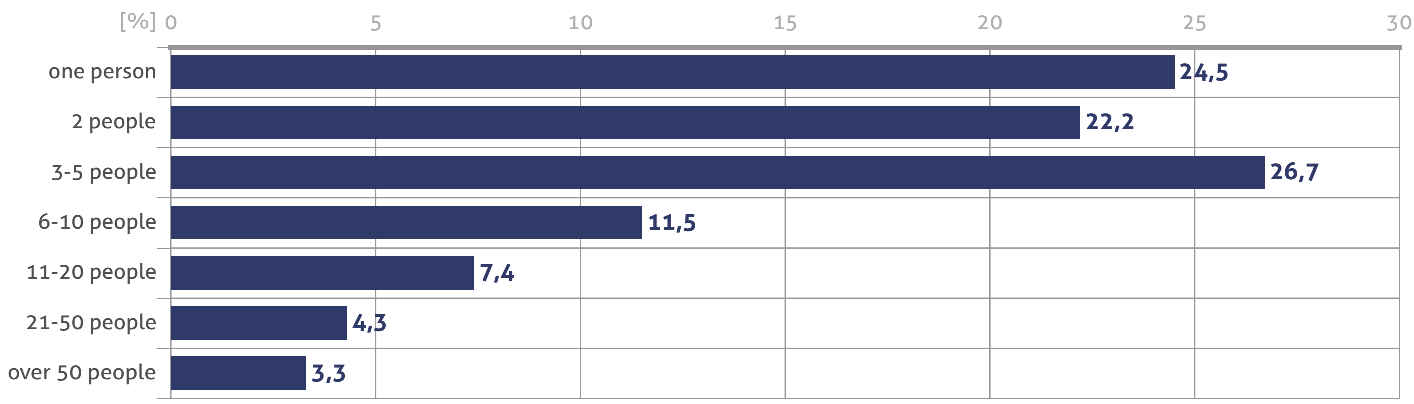
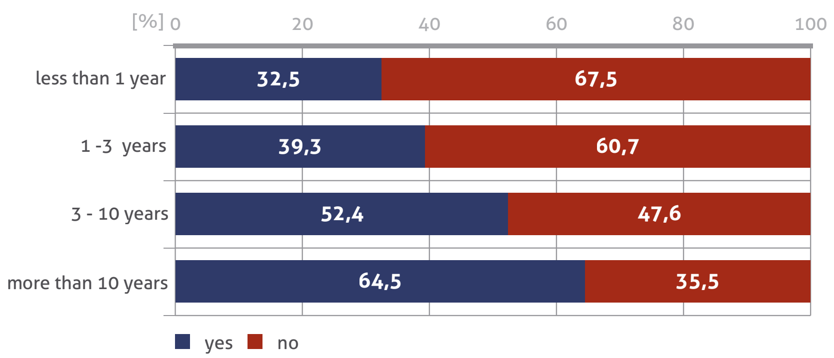


Figure 2.6. Having a brick and mortar shop, depending on the business age



2.3. Polish cross-border eCommerce

Only every third of Polish shops sells products in other EU countries.

Almost all Polish online stores (99,8%) operate within the national market. Every third Polish seller we surveyed (33,1%) is willing to accept orders from countries belonging to the European Union, while only every tenth (9,6%) would reach for clients from the rest of the European countries.

This is due to the fact that unfortunately, many companies are not able to overcome the major barriers of cross-border e-commerce, which are mainly time and cost of international transport. In addition to logistics, the other obstacles are language differences, different currencies, taxes, additional demands of search engine optimization and marketing, and last but not least, the challenge of gaining the trust of the foreign client.

2.4. Average basket value and gross margin

The average basket value in Poland is EUR 62 (PLN 260). Average basket values are reflected in the shop's total income, however, the profitability of the shops depends heavily on the trade margins that they negotiate.

Business sectors that reach the highest trade margins in Poland are gifts and accessories (26%) and clothing (25,8%), while the toughest competi-

Figure 2.7. Sales coverage of Polish online stores in EU and other countries

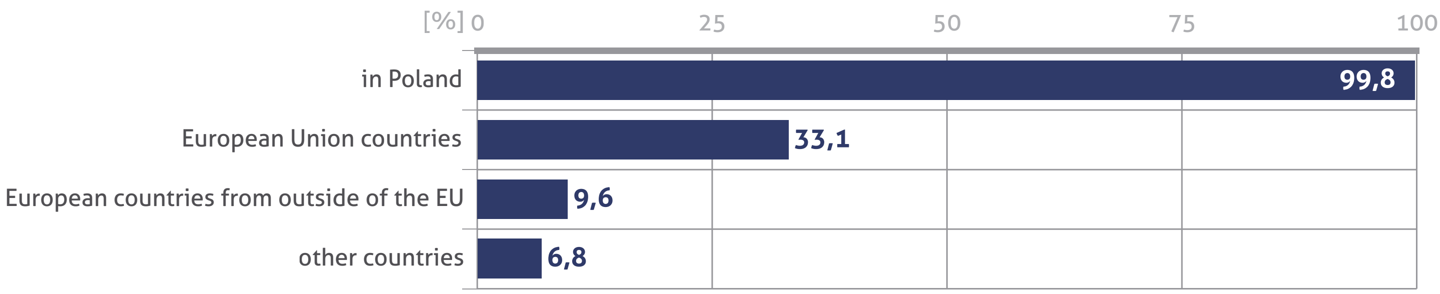
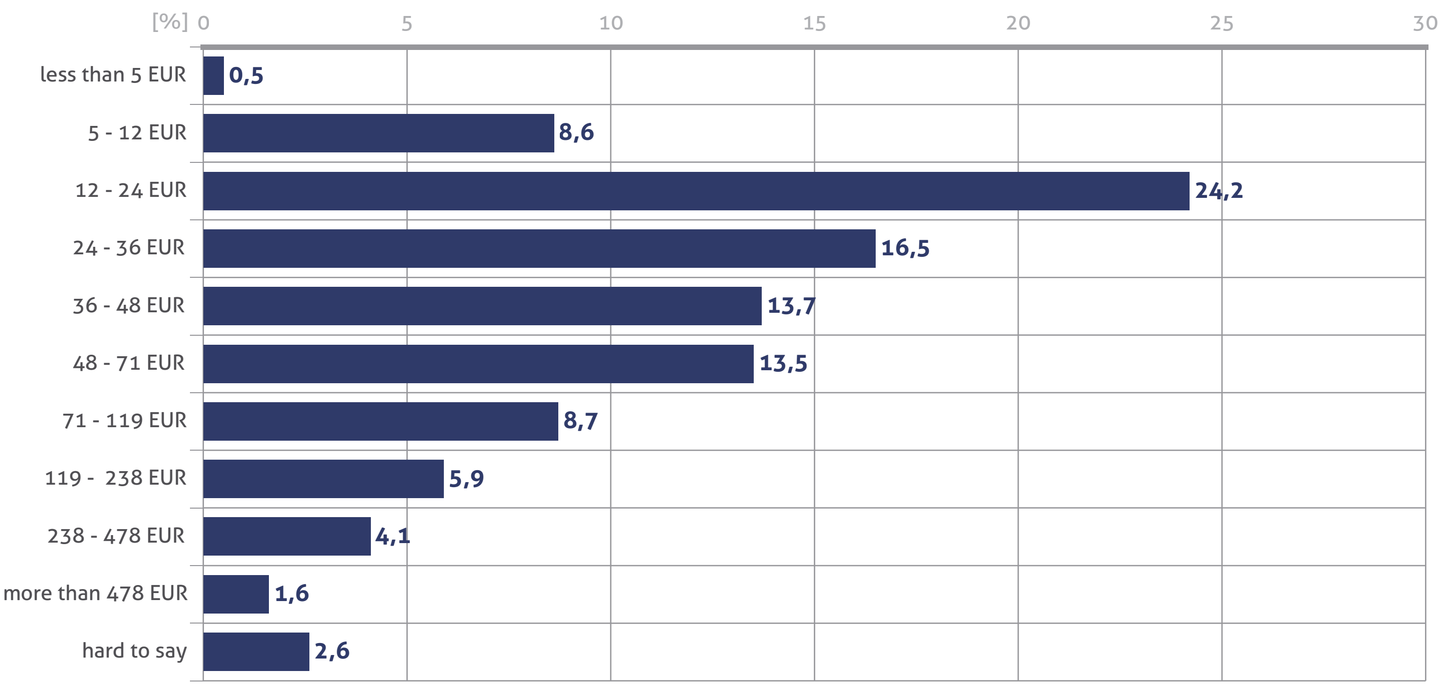


Figure 2.8. Average basket value of Polish e-stores



tion and the lowest margins are associated with computer shops (10,2%) and stores offering photography products and household appliances (13,5%). Obviously, we have to keep in mind that these are the average market values and many shops that offer niche products, thereby avoiding competition, achieve significantly higher profitability.

Average gross margin of Polish online stores is 21.7%.

2.5. The size and profitability of sales

Almost two-thirds of Polish retailers reported an increase in sales. Compared to 2010, our survey shows an increase in the number of stores with a turnover greater than EUR 11,850 (PLN 50,000) and over EUR 47,401 (PLN 200,000). However, these are relatively minor changes, indicating the structural stabilization of the Polish Market. The turnover of online stores has a direct correlation with the profitability of the businesses directly impacting margins for their respective owners. The absolute majority of the surveyed retailers (66.2%) achieved gains, while losses were recorded by 14.5% of respondents.

At least 2/3 of online shops in Poland are profitable.

As might be expected, mature stores (83.3%) make a profit more often than the small and beginner shops (49.1%), of which nearly one-third (29.1%) are not able to determine whether they will make a profit or a loss.

Figure 2.9. Margin trading of e-stores, depending on their product range

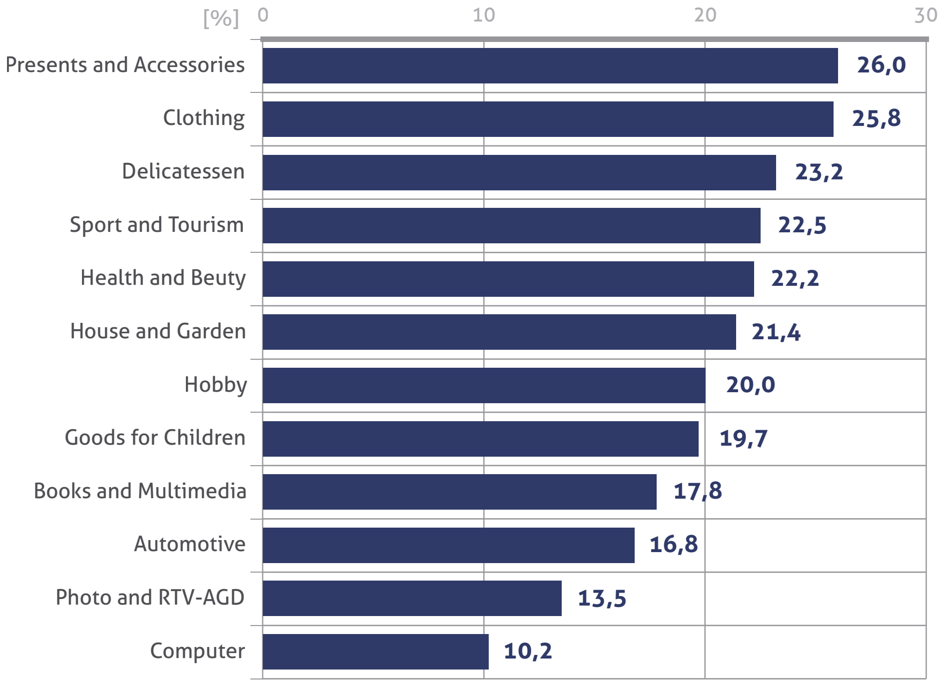


Figure 2.10. How the sales figures will change this year compared to the previous one

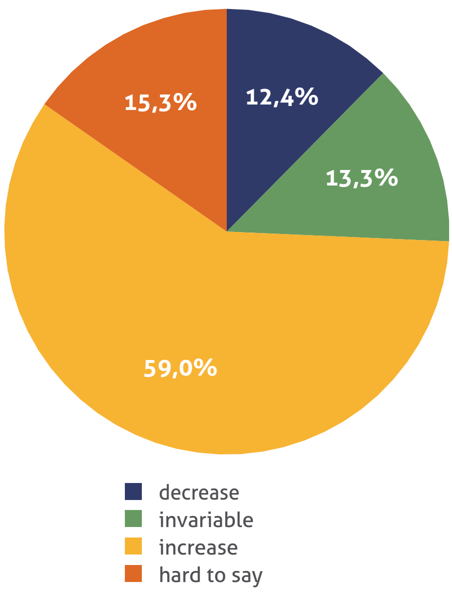


Figure 2.11. Market share of shops having various sales figures

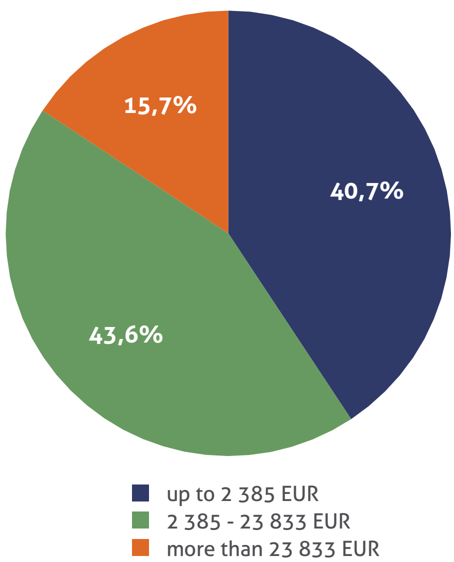


Figure 2.12. Are online retail sales profitable?

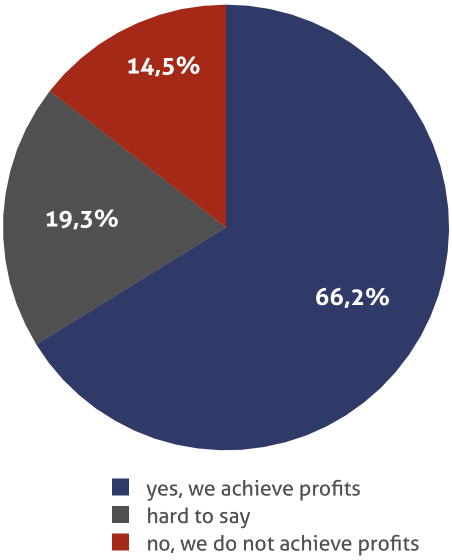


Figure 2.13. The probability of profits depending on age, number of employees and sales volume

Table 2.1. The biggest European and Polish eStores, eCommerce turnover in million Euros

Rank in Europe	Company Name	eCommerce Turnover 2012 [Europe only, Mio Euros]	Country of origin	Main Sector	% eCommerce
1	Amazon	16.710	USA	All sectors except food	100%
2	Otto	5.700	Germany	Fashion	48%
6	Tesco	2.466	UK	Food / all sectors	4%
10	Carrefour	1.500	France	Food / all sectors	3%
16	Zalando	1.150	Germany	Footwear, leather and fashion	100%
24	Dell Inc.	810	USA	Consumer electronics	n/a
25	Mark & Spencer	804	UK	Fashion	6%
43	Conrad	500	Germany	Consumer electronics	63%
50	H & M Henner & Mauritz AB	450	Sweden	Fashion	2%
55	Ozon	383	Russia	Books, Music, electronics	100%
57	Tchibo GmbH	360	Germany	All sectors except food	n/a
72	C and A	270	Luxembourg	Fashion	4%
87	DocMorris N.V.	178	Netherlands	Medicines	n/a
88	Redcoon GmbH	175	Germany	All sectors except food	n/a
94	Adidas	158	UK	Footwear, leather and fashion	9%
100	Walbusch Walter Busch GmbH & Co. KG	144	Germany	Footwear, leather and fashion	n/a
Rank in Poland	**Company Name**	**eCommerce Turnover 2011 [Europe only, Mio Euros]**	**Country of origin**	**Main Sector**	**% eCommerce**
1	NEO24.PL sp. z o o.	57	Poland	Photo	n/a
2	Oponeo.pl S.A.	40	Poland	Automotive	n/a
3	Komputronik S.A.	35	Poland	Computers and Electronics	n/a
4	Merlin.pl S.A.	35	Poland	Books, Music, Games	n/a
5	Empik Digital & Publishing	34	Poland	Music, Games, eBooks	n/a

used exchange rate: 1EUR=4,24 PLN; Source: iBusiness.de

3. Online shops marketing and advertising

Importance of service customisation grows in Polish eCommerce, focused on winning niche by delivering services of the highest possible quality, accompanied by wide product assortment. According to our research, established web stores have well-diversified marketing channels and use them efficiently. Sales value is strongly dependent on the intensity of marketing activities. The degree to which higher turnover is achieved by a shop is directly reflected in the intensity by which its products are advertised across marketing channels.

3.1. How do online shops advertise?

According to our research, the two most popular forms of advertising of eCommerce websites, are presence in online catalogs of shops (over 74% of our interviewees) and Search Engine Marketing (more than 71%). The next quite common marketing method is promotion on social networking sites (62% of stores declared as having ran profiles in social media) as well as having featured products on price comparison websites and auction platforms (56 and 52% respectively).

Only slightly more than 1% of online stores do not use any form of eMarketing.

It turns out that price comparison websites are almost twice as likely to be used by stores with revenue of over EUR 23,700 (PLN 100,000) than by the ones with a turnover of less than EUR 2,370 (PLN 10,000). It is similar in the case of SEM (Search Engine Marketing), whereas daily deals websites and e-mail marketing are three times more likely to be used by the sales leaders. Interestingly enough, the biggest difference concerns affiliate marketing. It is used as much as six times more frequently among well-prospering players (16%) than the new ones (only 3%). The only things that the "newbies" do more than the mature vendors are buzz marketing and promotion in online directories.

Featuring in online directories and SEO are the most popular marketing forms.

Figure 3.1. Marketing activities of online stores

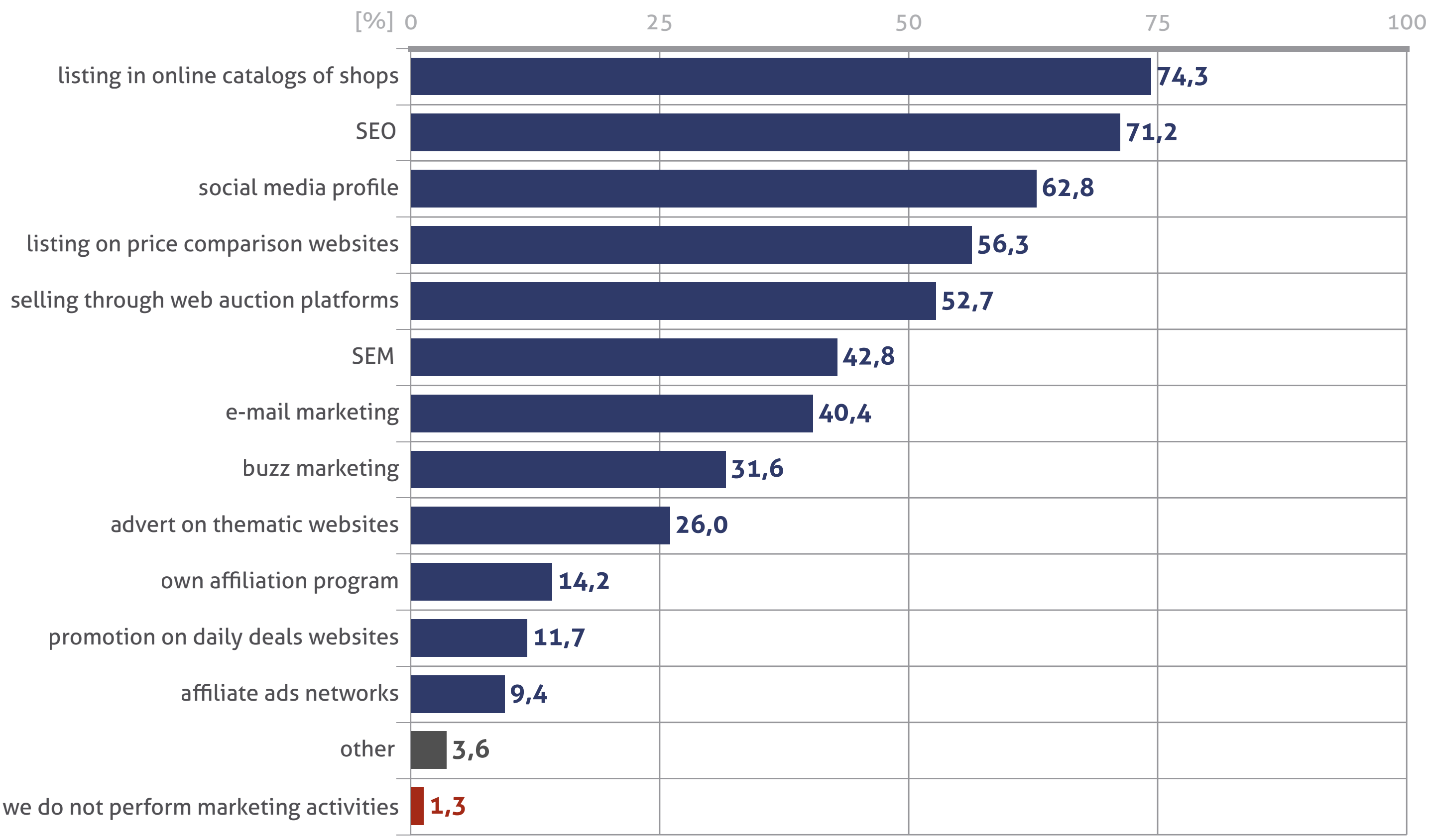


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Figure 3.2. Forms of marketing used by shops with respect to their sales value

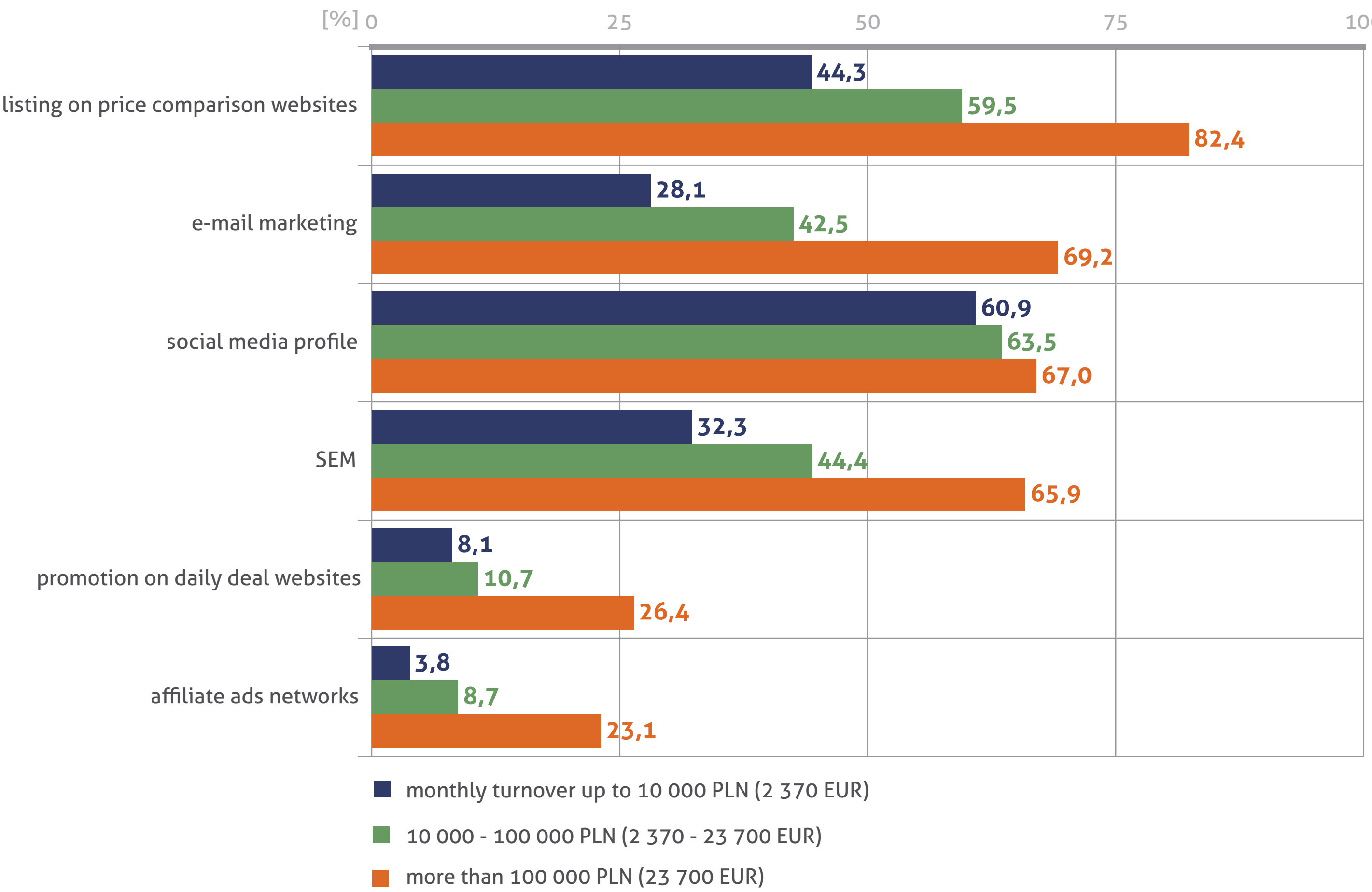


Figure 3.3. Profitability of online sales, by the use of marketing

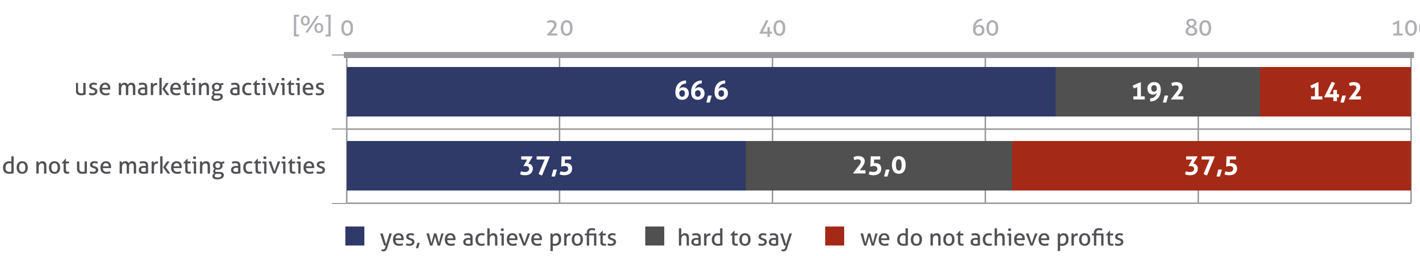
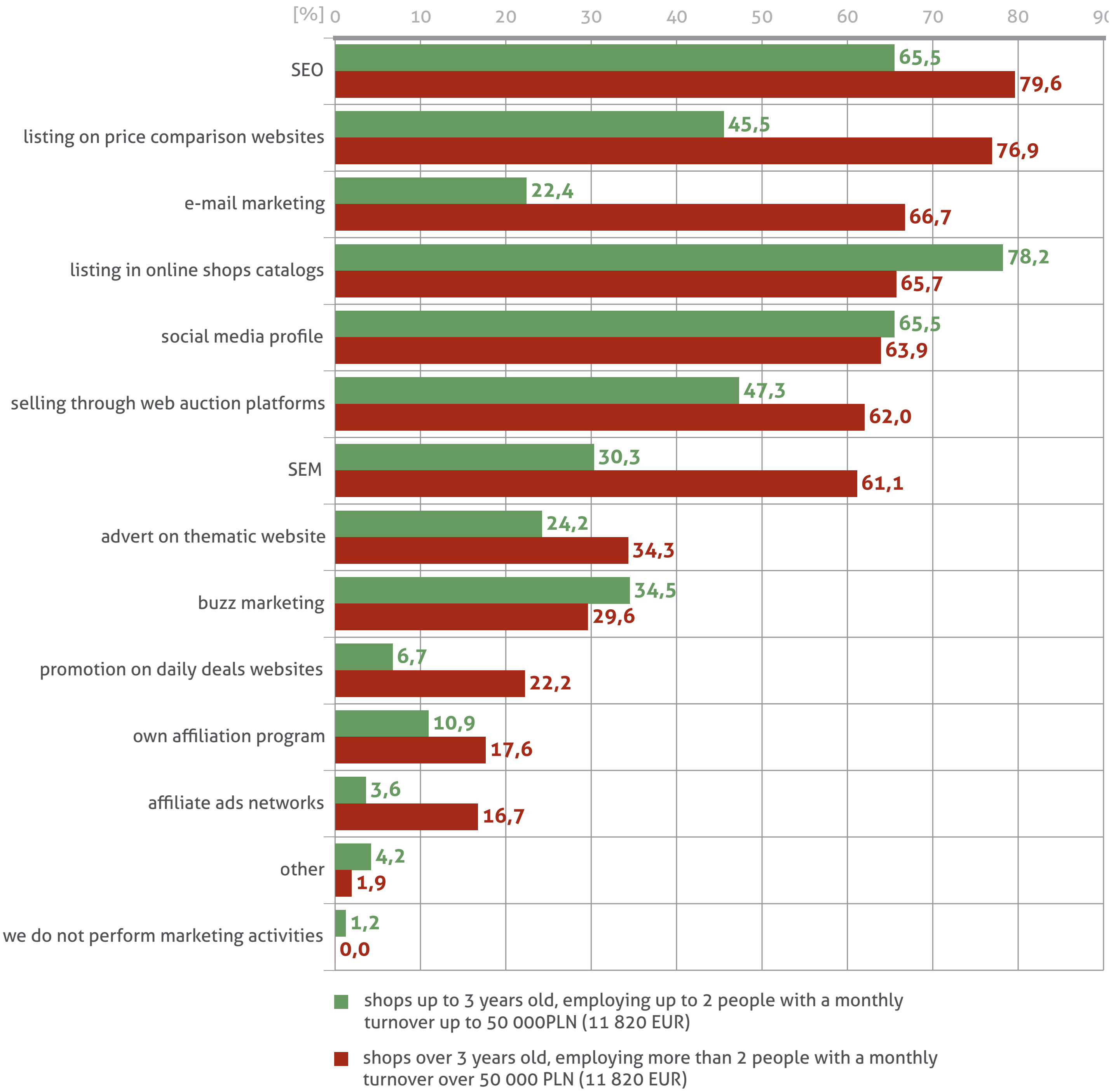


Figure 3.4. Forms of marketing used by online shops with respect to their age, employees number and sales volume



Among stores that claim not to perform any kind of marketing activities, only 37% said their stores were profitable. The rest of the shops report losses, or their owners do not know if the stores are profitable (25% of cases).

3.2. Social Media marketing

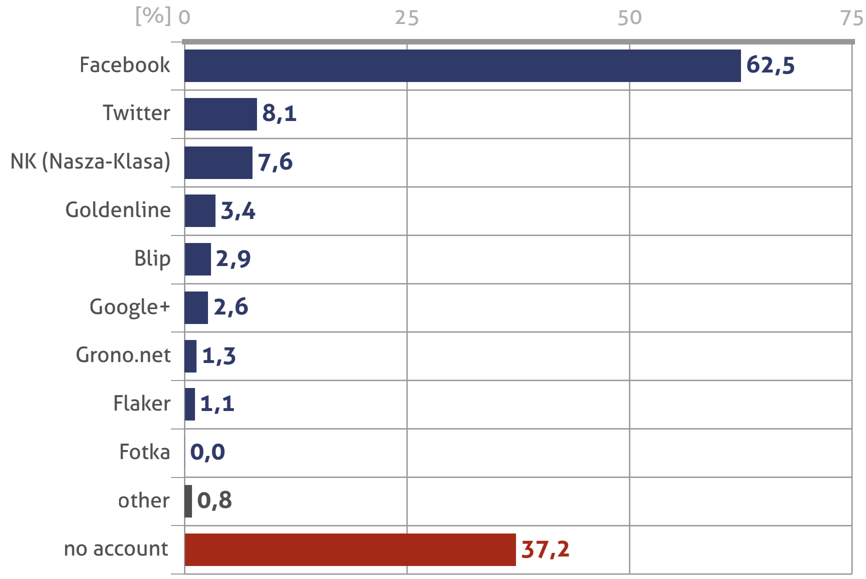
Most of the Polish online shops use social media to share the news.

Polish owners of online shops say that social media does not sell. Only 10% of our responders said direct sale was the main purpose of their social media activity and they represent mostly the smallest firms. The biggest shops, much more often use social networking sites to share information about new offers, competitions or to interact with clients and get to know their opinions.

3.3. Daily deals websites

Nearly 12% of online shops declared promoting their products on daily deals websites. This form of advertising is mostly used by the clothing industry.

Figure 3.5. Social networking sites popular among online shops



Shops offering books, computers or hobby accessories advertise this way very rarely.

Among retailers, who cooperate with daily deals website, 46% choose Groupon. The second most favored daily deals portals are Allegro Citeam.pl (chosen by 31% of online shops) and Gruper (listed by 24% of answerers).

Price comparison websites are a source of customers for 56% of online stores.

They are also one of the first choices when it comes to eCommerce marketing strategy, regardless of the store age. Given the popularity of various comparison sites, Ceneo.pl is leading the Polish market (cooperating with 37.7% of our responders), Nokoaut.pl ranks second (35.9%), followed by Okazje.info (29.8%).

Figure 3.6. Main goals of social media marketing for online shops

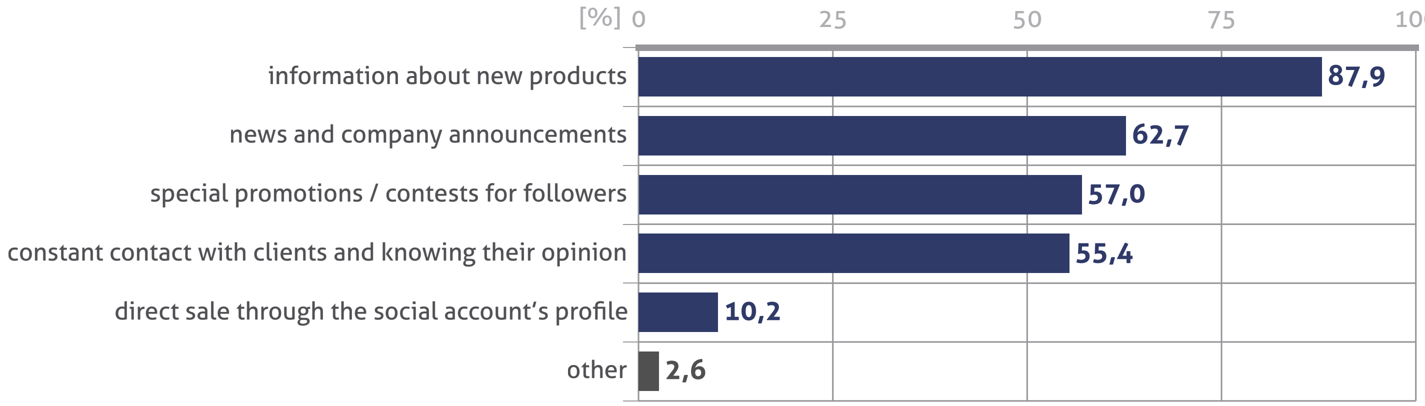


Figure 3.7. Popular daily deals websites

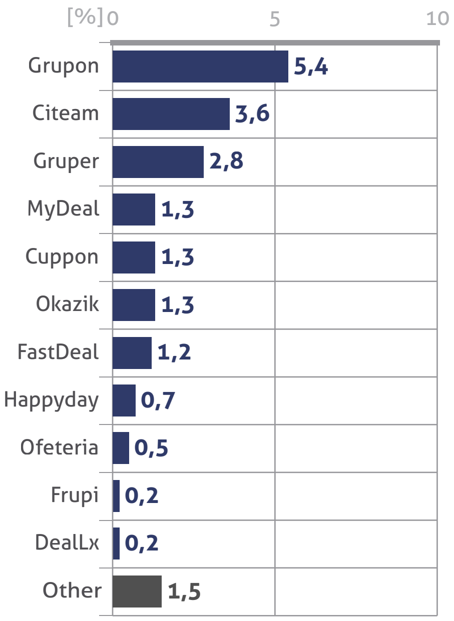


Figure 3.8. Usage of price comparison sites in e-retail sectors

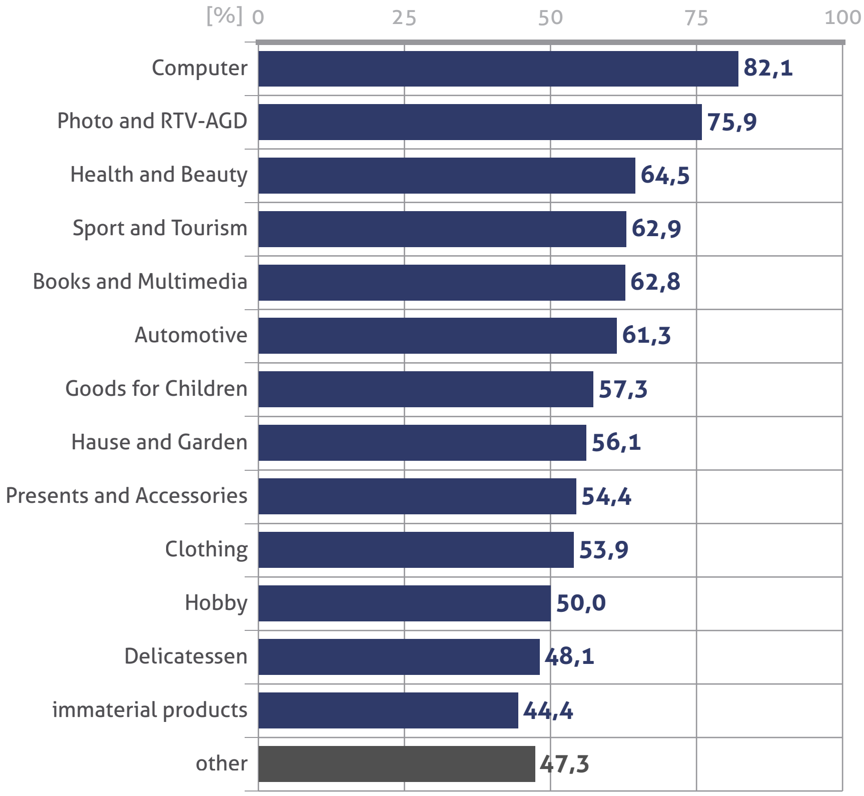
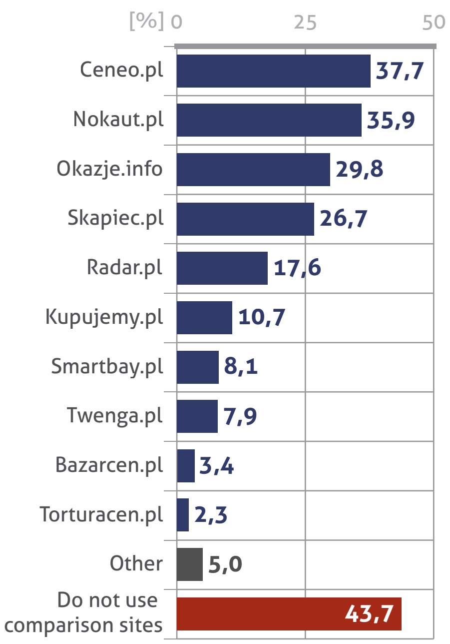


Figure 3.9. Price comparison websites popular among online shops



4. Transactions and payments

The recent results of our study showed that, for the first time in years, the Polish payment market of online trading has begun to follow European trends. The visible success of online transfers suggests that currently our market is evolving in the direction of the Dutch model, in which solutions like Pay-By-Link (PBL) are commonly used. At the same time, 67.6% of online transfers are operated by payment service providers, reflecting the large success of these entities on the Polish market.

It should be noted at this point that a separate trend in the field of Internet payments may soon become the solution based on mobile payments, with the use of smartphones. Especially, if they are integrated with sale and distribution of products through applications installed on these devices. Observation of unusual development dynamics of mobile solutions in different usage areas in Poland suggests that in the coming years they will likely be able to challenge other services of online payment.

3.4. Popular payment methods

The current trend for accepted payment methods in Poland indicates the dominant coverage of COD payments and bank transfers. Noteworthy in recent years is a significant expansion of the scope of the acceptance of a few important methods: payment service providers from 46.29% to 78.42%, online transfers from 51.19% to 63.59% and payment cards from 54,97% to almost 60%. The popularity of virtual payment services is gradually growing and amounts to about 20% at present.

3.5. Cross-border sales and evolution of online payments

A significant increase in availability of credit card payment in Polish online stores is related to the fact that they are the most important instrument of payment in foreign markets. In the UK, where the market trends are a common indicator of changes expected in Poland, 40% of online transactions are carried out using a credit card, and 35% - a debit card. In Poland, the cards are usually widely accepted for cross-border payments, but currently operating e-transfers, in principle, allow for payments exclusively with Polish online stores. This is due to various organizational reasons and because they use national bank transfers.

Figure 4.1. Are you satisfied with payment methods available in Poland?

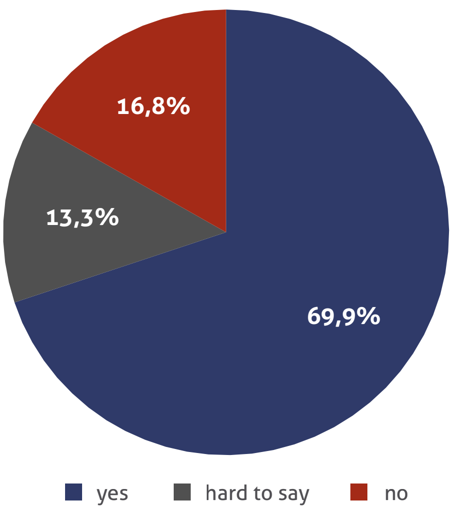


Figure 4.2. Percentage of sales served by the certain payment method in 2010 and 2012

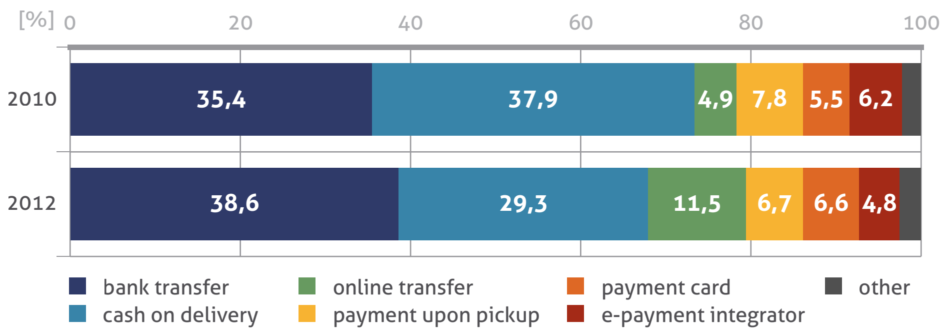


Figure 4.3. Payment methods accepted by online stores in Poland in 2010 and 2012

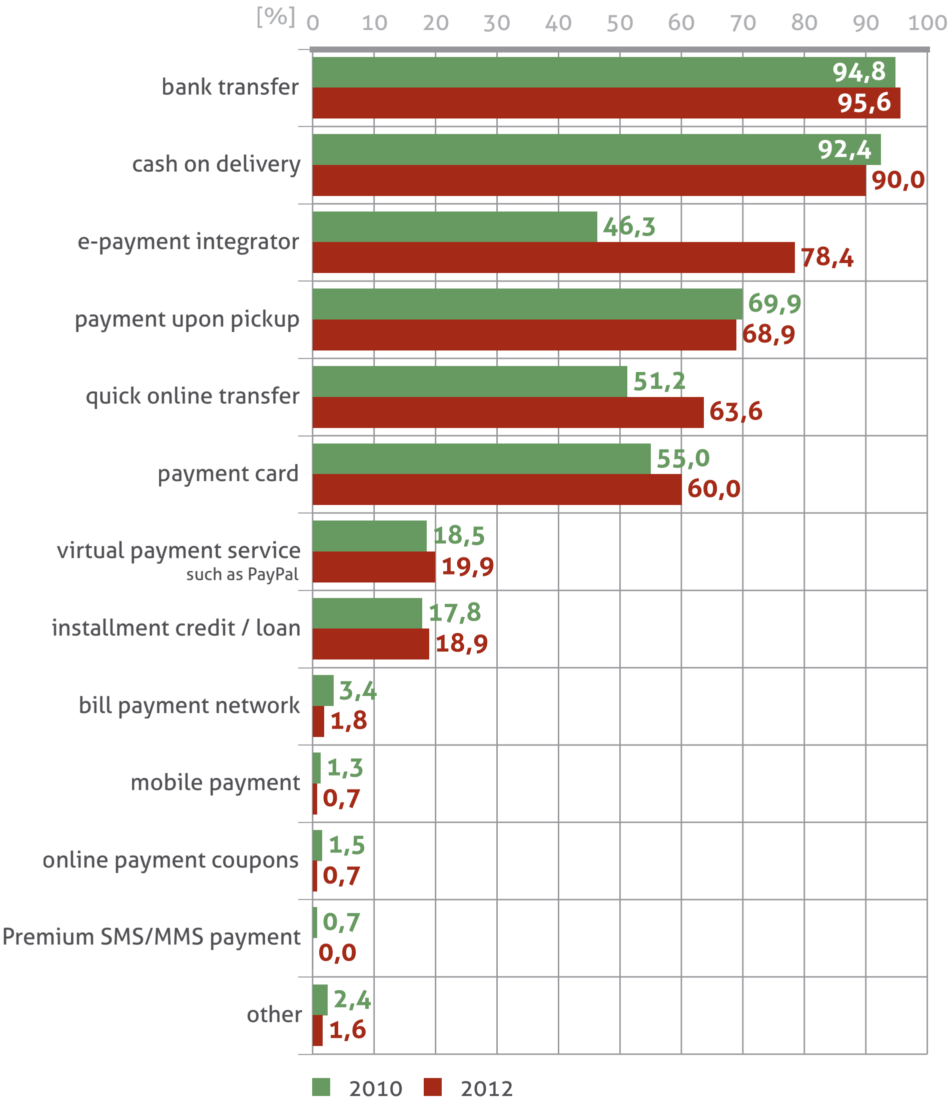


Figure 4.4. Payment methods accepted by online stores in Poland, with respect to their attitude towards international trade

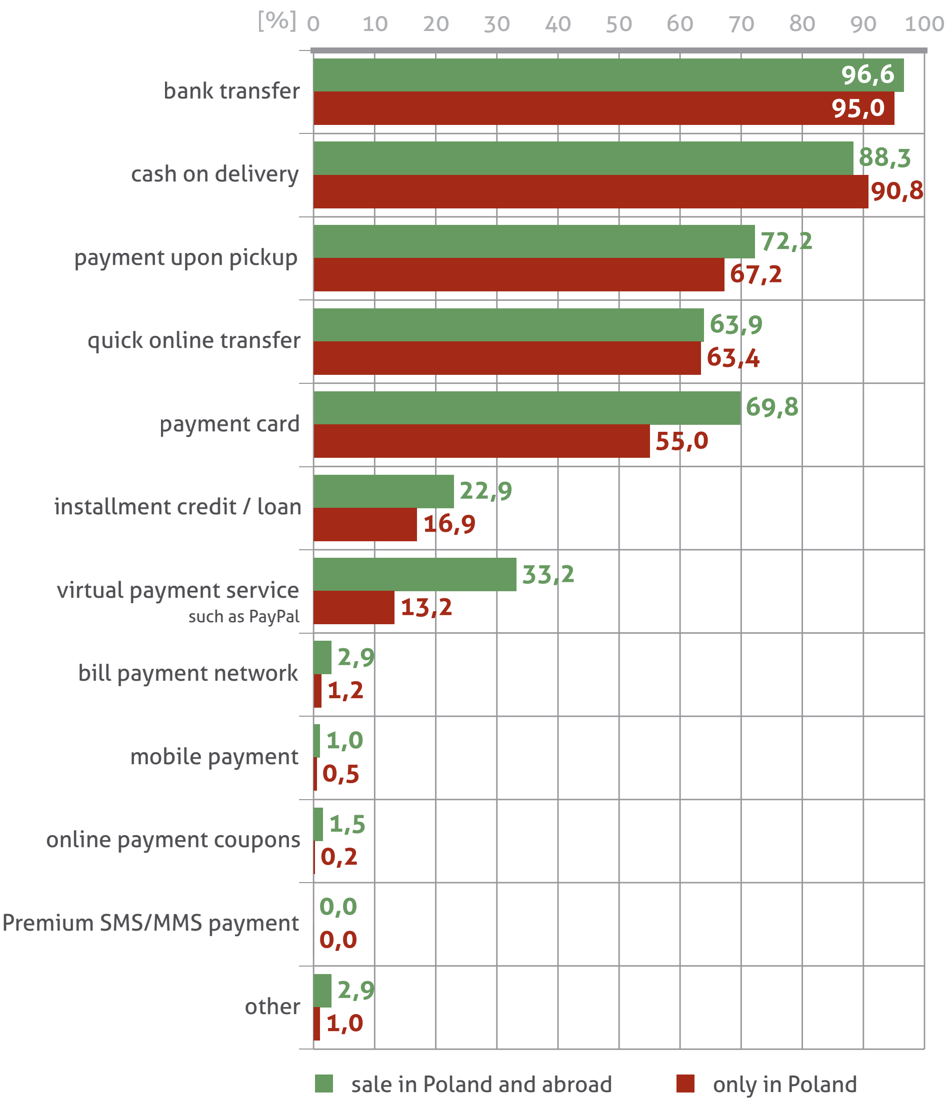


Figure 4.5. Payment methods accepted by online stores that receive over 500 and less than 50 orders per month

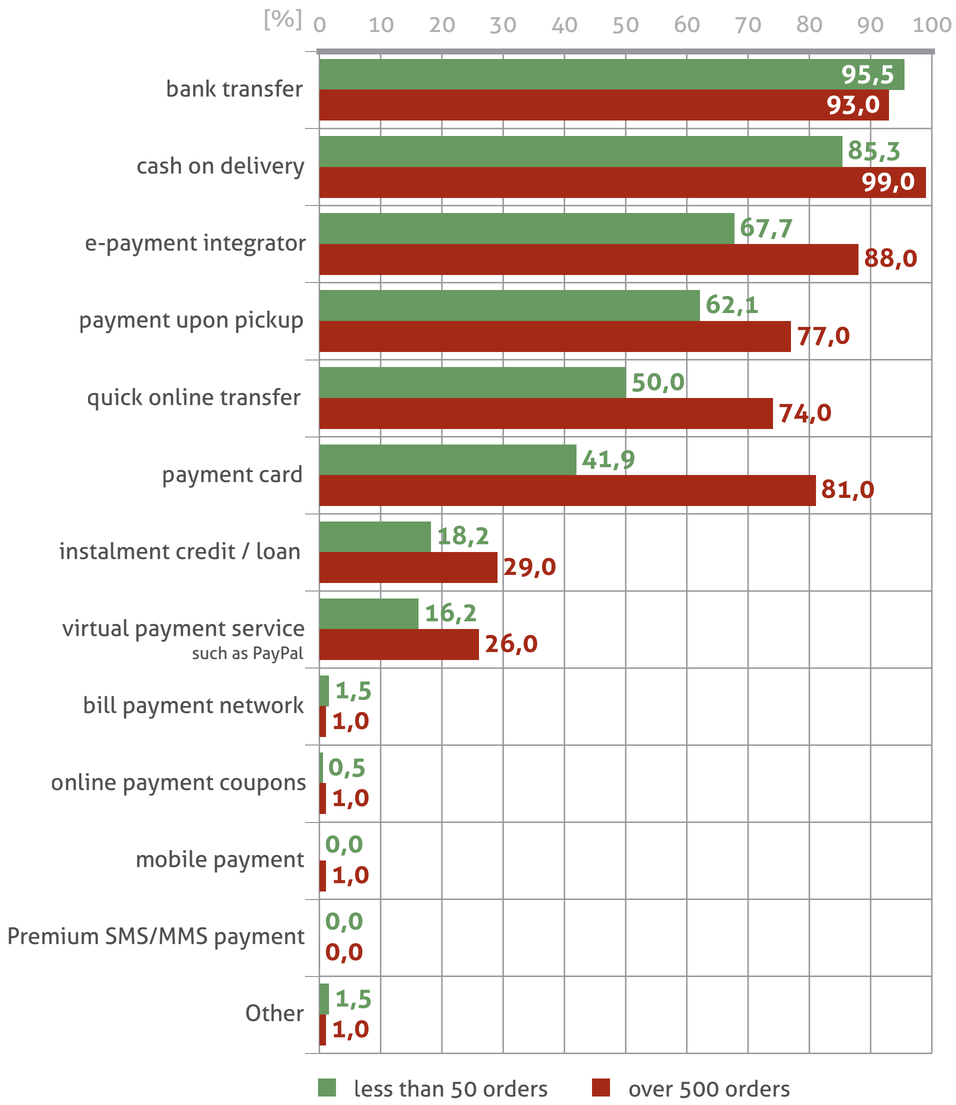
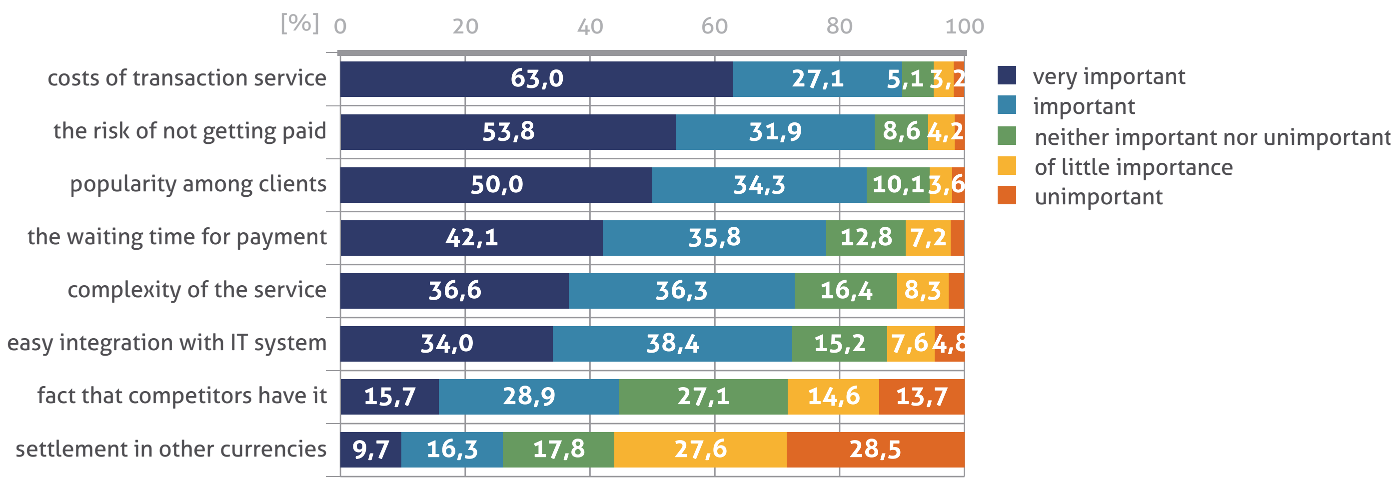


Figure 4.6. Factors influencing the shop owners' decisions on the provision of certain payment methods



SOFORT AG IN POLAND - ANOTHER STEP TOWARDS EUROPEAN EXPANSION

We talked with Dagmara Kruszewska, the Country Manager of SOFORT AG in Poland, about the entry of the German payment company into the Polish market in 2012.

Why did SOFORT AG decide to enter the Polish eCommerce market?

E-commerce is booming in Europe and the trend is only going one way: upwards. Very good news for all market participants in general, but there are some areas in the European Internet and e-commerce landscape which in the past have been identified by the SOFORT AG, a European company, as less positive. These are first of all, the lack of cross border transactions taking place in Europe via the Internet and secondly the domination of American business models and corporation's such as Amazon, Google, EBAY, Facebook etc. in the e-commerce business. Despite the power of these companies, we believe that there is still a chance for European companies to defy the dominance of American companies in the online payment services sector. Therefore, SOFORT AG follows the strategy of establishing a successful pan-European e-commerce payment service as soon as possible. Due to this fact we want to ensure that all Europeans have access to SOFORT Banking and are able to easily pay for their purchases – nationally and internationally – with direct bank transfers based on the online banking structures.

Logically, the expansion plan of SOFORT Banking Poland was one of the highest priorities - due to the size of the market with the highest growth rates in Europe, a high internet penetration and the popularity of online banking. In addition, we have had a lot of requests by existing business partners and customers to offer a solution for cross border transactions to and from Poland. Following this strategy, SOFORT Banking is expanding continuously and is currently available in 11 countries. By the end of 2014 we want to have added two more countries.

What were the main obstacles you had to face while entering the Polish market and how long did the preparation take?

Beside the development of the technical solution for the Polish market, the challenge was the localization of our service in all areas. We have had to adapt our website, payment pages, administration area, user and merchant communication and ensure a high usability factor for the user's journey. Of course, this is an ongoing process. In February 2014 we will have a re-launch of our Polish website with a brand new look.

What was the biggest surprise after launching your services in Poland, comparing to the native German market?

Right from the start we were very impressed by the high conversion rate of SOFORT Banking in the checkout process. We believe we have done a good job, but additionally the high acceptance and commonness of online banking in Poland was definitely a significant factor for the positive results and this was a big difference to some other markets such as e.g. in South Europe.

What, in your opinion, is the key to success on the Polish market?

We will keep working at ongoing improvements e.g. in areas like localization, product and usability improvements and the better understanding of the country, mentality, business behavior and cultural differences. We have already built interfaces to the major shop systems in Poland and we will continue adding new partners. Market players gave us the feedback that we have stimulated the competition in the Polish payment market and that we will help lower their costs and get better solutions or innovative products. In addition, the low cost for international transactions attracts merchants for SOFORT Banking. In comparison to most of other solutions, SOFORT Banking does not offer higher rates for international transactions such as for domestic ones.

With the payment system SOFORT Banking, SOFORT Überweisung Paycode and the online verification system SOFORT Ident, SOFORT AG offers innovative products for a secure payment of merchandise and digital goods on the Internet. With its product SOFORT Banking, the company based in Gauting near Munich is the market leader amongst the direct transfer procedures in Germany. Over 25,000 E-commerce shops process more than two million transactions with SOFORT Banking per month. Apart from Germany, the service can also be used in Austria, Switzerland, Belgium, France, the Netherlands and the United Kingdom, Italy, Spain and Poland.

In hindsight, was it a good decision to enter the Polish market and was the decision made at the right time?

Yes, we are sure it was the right decision. At the moment, Poland is the market with our highest growth rate and taking this into account we would be happy to have entered earlier. Poland has a really high potential for our product and we are looking forward to make our contribution in the fast developing of the e-commerce market in Poland.

Taking into account the strategic location of Poland in Europe, was SOFORT AG's investment into the Polish branch the first step made towards the further expansion into the Eastern European markets?

As explained, we want to establish a successful pan-European e-commerce payment service, therefore we will continue adding more countries. Planned are two more countries by the end of 2014. We have two strategic hubs for the future expansion to Eastern Europe: Poznan in Poland and Vienna in Austria.

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SOFORT BANKING

5. Inventory management and logistics

5.1. Number of eCommerce orders

More than 50% of the entities in Poland receive on average 100 orders per month, and only 7.8% carry out more than 1,000 orders. The share of stores filling less than 100 orders per month has declined in recent years from 54.9% to 50.6%, and the share of stores carrying more than 1,000 orders has risen by just 1.1%. The obtained data justifies the low number of people working in Polish online stores - 73.4% of them employ only 1 to 5 people.

5.2. Popular courier services

In Poland, as many as 86.4% of online retailers are satisfied with the courier services and only 3.9% are dissatisfied. This result proves the competitiveness of the market and the high level of customer service provided by the courier companies.

The largest increase in the Polish market share among the courier services was gained by DHL.

According to our study, UPS is the leader (41.60%) of courier companies in Poland. DPD ranks second (29.80%), followed by DHL (19.60%), which gained the largest increase in the Polish market share among the courier services in the last 3 years. Such classification may suggest that e-stores pay significant attention to the quality of service, because the three courier companies are far from the cheapest ones on the market.

Figure 5.1. Are you satisfied with the courier services?

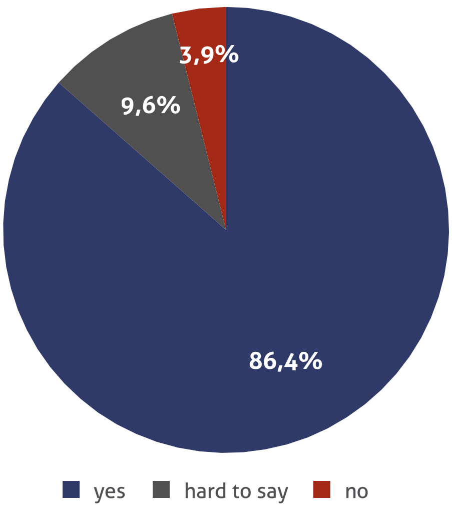
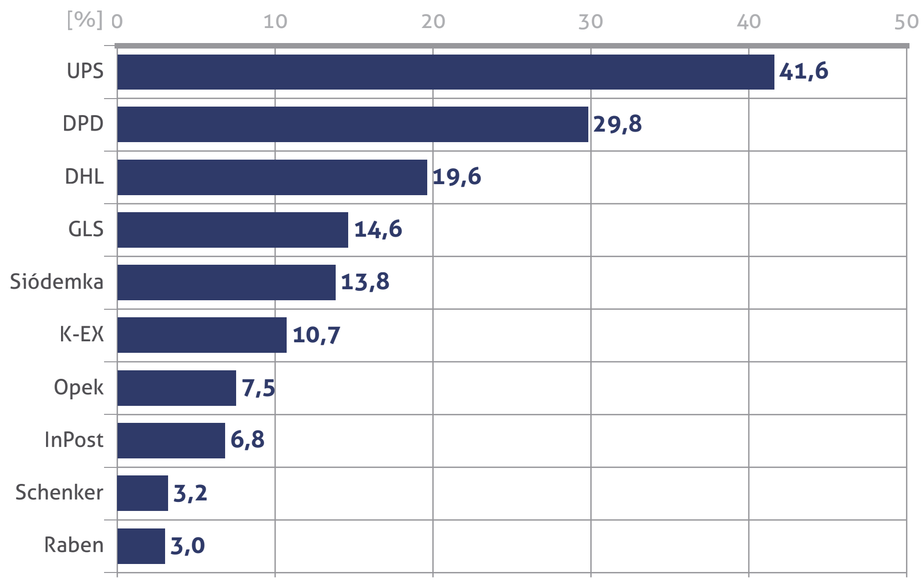


Figure 5.2. Popularity of courier services in Poland



6. Shopping cart software

From 2009 to 2012, we have observed within the Polish eCommerce arena a very dynamic shift in the market share for SaaS platforms. Since 2009 their popularity has basically doubled from 14.4% to 29.1%. SaaS solutions have enjoyed a great boon to their popularity catapulting them into the leading position ahead of licensed solutions with a score of 26.8% at that time. In recent years popularity of licenced software with self hosting has dropped by more than 10%. This process is consistent with global trends visible in developed markets.

In terms of the IT solutions popularity, the Polish eCommerce follows global trends.

6.1. Technological solutions in the Polish eCommerce

The leader of SaaS platforms in Poland is the fast growing Shoper, which was identified by more than 9.1% of respondents. The second most popular option in terms of building online shops appeared to be using a free open source license (28.1%). The clear leader in open source software is, as every year, osCommerce (12.0%), although its position may soon be threatened by the more mature Presta Shop (9.1%). The third most popular option for running a web store is developing a custom solution (14,5%).

Only 15.9% of store owners decided to purchase a licence to build their businesses. The leaders of the licenced software category are SOTE (6.1%), KQS. Store (4.4%) and i-shop (1.6%).

Buying licensed software has become a less popular option for running an online store.

Figure 6.1. eCommerce solutions used in Poland in 2009 and 2012

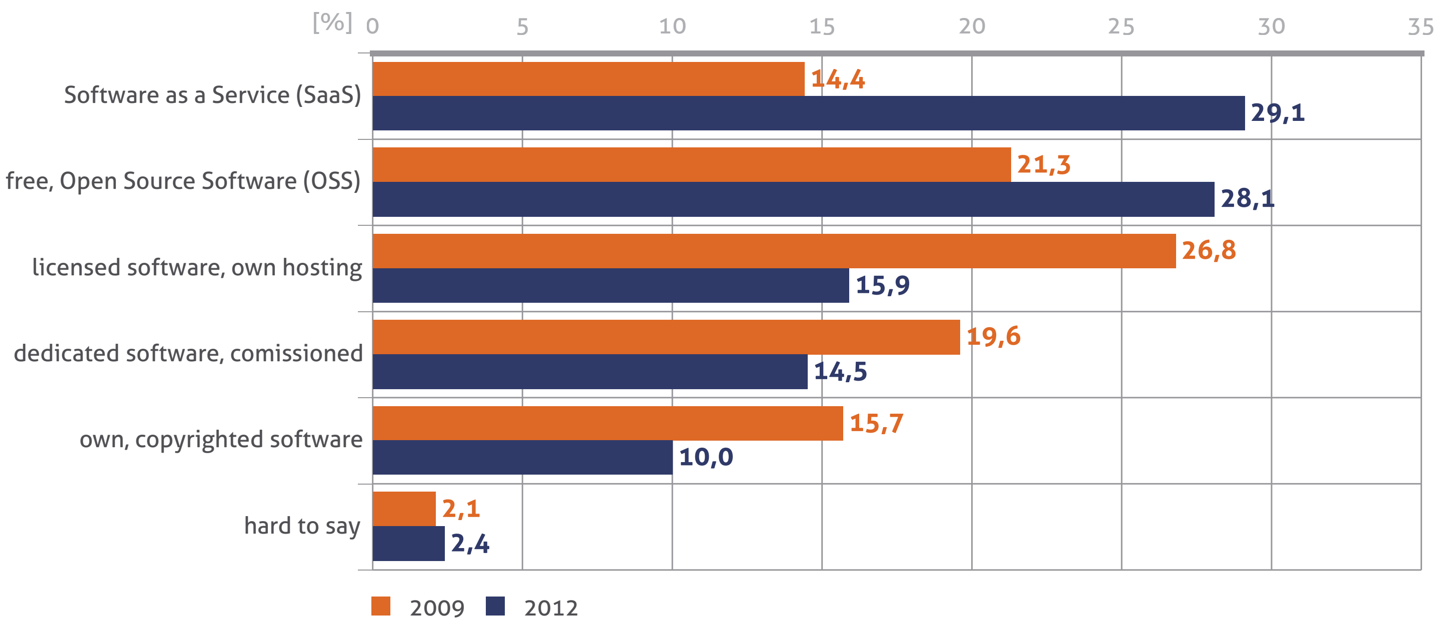


Figure 6.2. Type of software that is going to be used by Polish online retailers in the future

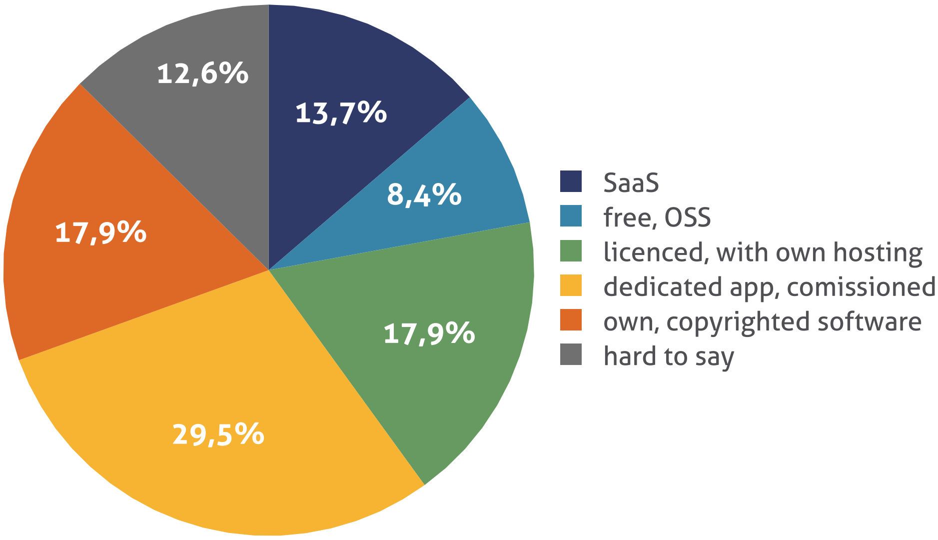
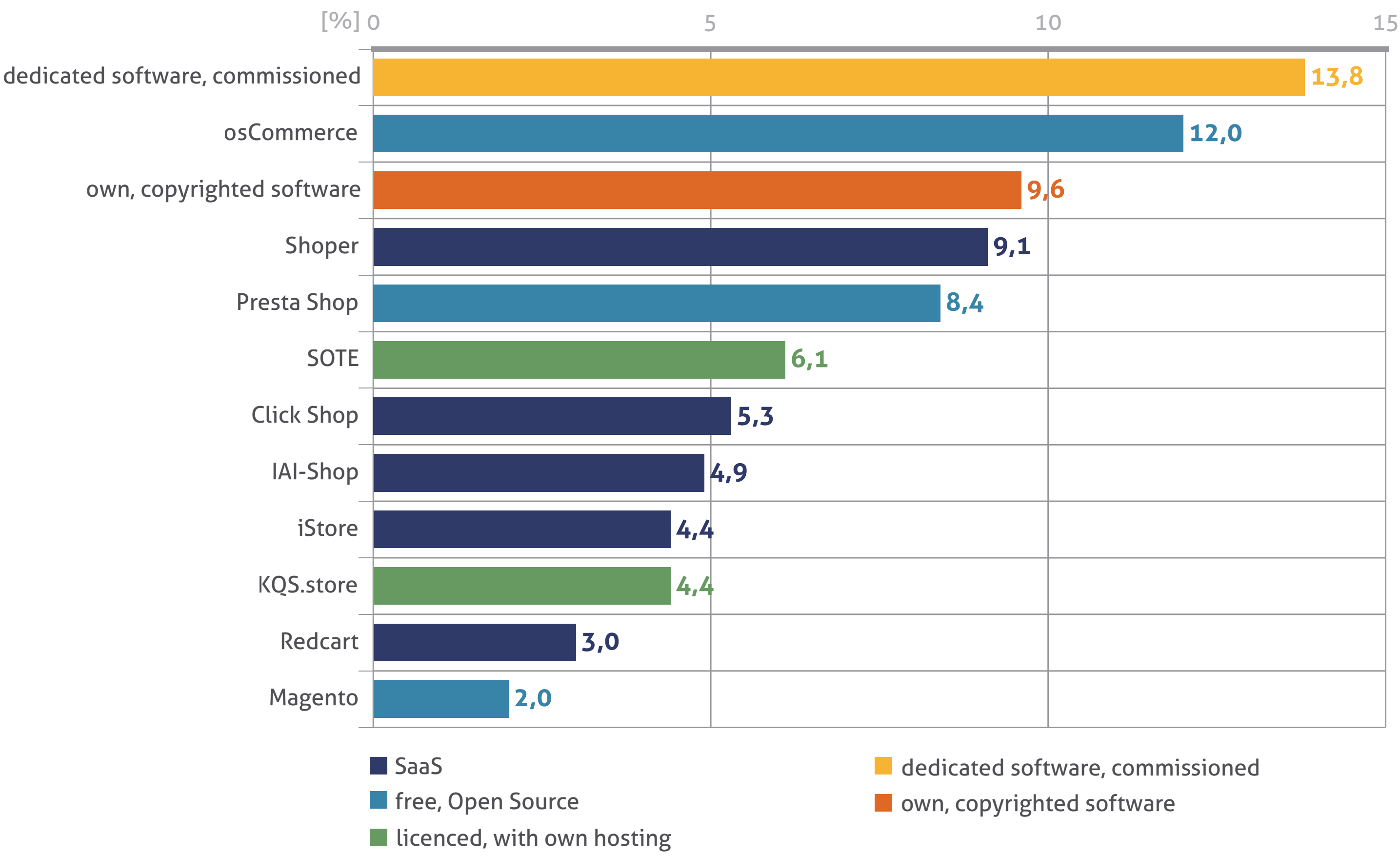


Figure 6.3. The most popular eCommerce solutions in Poland



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Dotcom River Sp. z o.o.

Dotcom River is a software developer, providing customized, web and mobile applications for clients from around the world. Dotcom River's solutions streamline daily operations of Polish and German online shops, financial and postal services, certification authorities and interactive agencies.

Dotcom River also executes market research and economic analysis. The company supports scientific activities and organizes trainings and industry conferences, such as DobryKupiec.pl. Leveraging comprehensive knowledge about Polish eCommerce, the company provides consultation and helps to facilitate and coordinate entry of foreign businesses into the Polish market.

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Published: October 21, 2012
ISBN: 978-83-930264-3-2

eHandel Polska 2010
Published: October 30, 2011
ISBN: 978-83-930264-2-5

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