

E-Commerce Growth in Poland

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down to the collection of orders and the forwarding of them to the supplier who is responsible for shipping the goods to the customer.

One-Stop E-Commerce - This is a service outsourcing model based on the idea that certain online sales processes are carried out by mandating one specialized operator with the execution of IT and logistics, as well as, finance and bookkeeping services.

IMPACT OF E-COMMERCE ON THE INDUSTRIAL PROPERTY SECTOR

The dynamic increase in the number of online shops and turnover generated by the e-commerce sector resulted in an interest displayed by other businesses that are part of the delivery chain.. The traditional TSL industry (transport, shipping, and logistics) and the CEP sector (courier services, express mail, and postal services) have to meet the ever growing requirements of online shops and shopping platforms.

The key challenge here is to remain flexible. An online shop should be prepared to swiftly change the selection of goods and services offered and react to changes in operating procedures.

IMPACT ON LOGISTICS AND COURIER COMPANIES

Due to e-commerce sector growth, new distribution models are evolving, the time of delivery is becoming shorter and the range of additional services is now expanding. Today many logistics and courier companies have dedicated teams in place and use unique applications that facilitate the processes relating to the servicing of online shop and platforms.

Packages dispatched and delivered as part of e-commerce operations have parameters different to the TSL model (transport, shipping, and logistics). According to a CEP market research report, the predominant weight for packages dispatched by online shops is between 1-5 kg (43 percent).

E-commerce is generating 10-15 percent of the total annual demand for modern industrial space in Poland. BNP Paribas Real Estate estimates that in a medium-term perspective the share of this sector will increase to 20 percent. Nonetheless, it has to be stressed that this share does not take into consideration space leased by companies from the 3PL sector, in particular, companies providing CEP services, which frequently provide their services to on-line shops.

Poland's online shopping market grew 15-30 percent per annum from 2009 to 2014. This trend is predicted to continue in the coming years which will significantly impact the retail and logistics property sector. Over the past several years, e-commerce has been one of the key economic growth factors within the European Union, generating an estimated two million jobs within businesses from the e-commerce sector.

However e-commerce turnover in Poland is estimated at only 2.5 - 4 percent of total sales. This remains far behind countries like the U.K. (13.2 percent), Germany (10 percent), and Norway (9 percent). The Ministry of Economy estimates that by 2018 this share for Poland will increase up to 9 percent.

In a sign of the rapid expansion of cross-border e-commerce, Amazon will soon have five centres in Poland and the Czech Republic opening throughout 2015 to link into the EUR 363 billion European e-commerce market, as estimated by E commerce Europe.

E-COMMERCE MANAGEMENT

There are several basic models of e-commerce management:

Dropshipping - This is a technique in which the goods shipment process is handed over to the supplier (manufacturer or wholesaler). The role played by the online shop in this logistics model boils

SURVEY OF LOGISTIC OPERATORS

It follows from a survey carried out amongst the largest logistics operators, courier companies, and online shops that the greatest role in terms of selection of a location for a warehouse providing services in respect of handling of goods purchased online is played by the road infrastructure, pricing terms, and workforce.

“The potential locations for erection of logistics centres include first and foremost: Strykow near Lodz, the immediate surroundings of Warsaw, as well as Silesia.” – independent e-commerce expert.

“The market with the most prospects is Central Poland, which due to its attractive location offers the best delivery times to all customers across the country.” – Doc Data.

In addition to the above, six logistics specialists name Szczecin, which, as a result of its efficient links with Germany and the Scandinavian countries, may become more attractive in the future in terms of shops providing their services in this region.

“Szczecin has been recently trying to catch up in this field and should in the coming years be able to significantly close the gap between itself and other locations.” – Fiege.

“I am certain that at the moment the area around Szczecin is now growing in popularity, as it provides the opportunity for cheaper domestic and international distribution. We are more and more frequently receiving queries where customers themselves are suggesting they would be quite happy to use our logistics services on the condition that the warehouse is located in this area.” – DTA.

CONCLUSION

In summary, e-commerce is fuelling a boom in logistics property investment in Europe, as retailers try to keep pace with changing consumer demands, and CEE will increasingly become a part of this. ■

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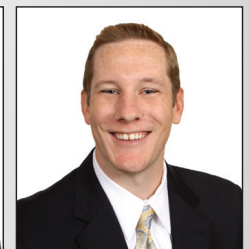
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