



E-SHOPS AS A CONDITION FOR THE EVOLUTION OF THE TRADE

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ABSTRACT. Background: The paper discusses the dynamic development of a new form of sales, which is e-commerce. There are following sources of competitive advantages of a company: sales technology, methods of services and the logistics of goods.

Methods: The results of questionnaire researches conducted in 2012 based on the sample of 607 e-shops were used to present the development of the e-commerce in Poland in last years.

Results and conclusions: The e-commerce does not develop in Poland at present in a previous rate. The slower rate of the growth of the number of newly opened e-shops is the result of the economic crisis, weaker absorption capacity of the market and growing competition among e-retailers. The processes, which occur in the trade sector, are of evolutionary nature and are the results of adaptation activities to the turbulent market environment.

Key words: distribution, e-shops, e-trade, e-commerce, e-logistics.

INTRODUCTION

The aim of this paper was to analyze the influence of the Internet and other modern telecommunication technologies on the evolution of the trade, where the structural changes occur systematically. They are caused by the globalization processes as well as very rapid and dynamic development of new IT-technologies. The Internet changes the traditional balance of forces in distributional channels for the benefit of the customer due to the fact, that it provides quick access to information and enables to make optimal purchase decisions. After a period of the expansion of shopping malls and large stores (like hypermarkets, supermarkets and discounts), at present there is a time of e-commerce. However in last few years, the e-commerce does not develop as quickly as before. A slower rate of growth of the number of new e-shops is the consequence of the economic crisis, lower absorption capacity of

the market and the intensifying competition among e-retailers.

FACTORS DETERMINING THE COMPETITIVENESS OF TRADE ENTERPRISES

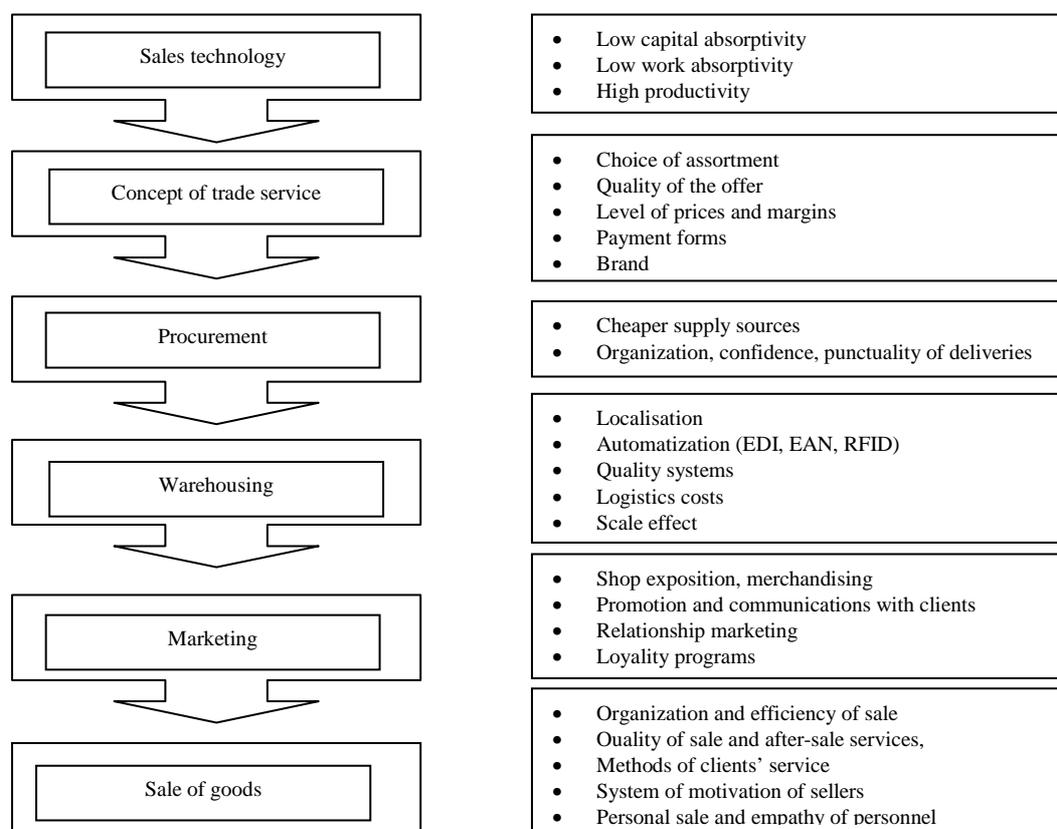
Taking into account the realities of today's market, the companies operating in the trade sector, try to obtain the privileged position on the market and to discount its effects on the relationships with suppliers, customers, competitors and other market participants. The competitive advantage is usually not very stable, due to the fact, that if such advantage is easy to obtain than other competitors will surely try to copy such success strategy for themselves. The following points influence and determine the attractiveness of the market offer of the company and its competitiveness:

- the potential of the company (tangible and intangible assets),

- competitive advantage (the ability to impose the conditions of the competition),
- instruments of the competitiveness (tools and methods to achieve objectives),
- the competitive position (the position gained during the fight with competitors).

The final result of such a competition (the ability of the company to maintain the advantage position for longer period) depends on many factors. The most important ones are: available resources, the height of entry barriers, motivation and the degree of the aggressiveness of the competition fight. Only

a comprehensive analysis and diagnosis of the sources of competitive advantage and taking into account this knowledge during the process of designing the sales strategy as well as its consistent implementation allows gaining the market success (the stable development of the company in a changing competitive environment can be considered to be such success). The potential sources of the competitive advantage of a retailer are presented at the Figure 1. These sources should be used during the process of the creation of the added value offered to clients.



Source: Ciechomski 2010

Fig. 1. Sources of the competitive advantage of the retailers in the sales process
 Rys. 1. Źródła przewagi konkurencyjnej detalisty w procesie sprzedaży

One of the conditions for the achievement of the market success by a company is to create and offer the appropriate added value to clients [Pisz, Sęk, Zielecki, 2013]. This value is cumulated in the supply chain and is expressed by the amount, which the buyers are willing to pay for a good or a service. The model created by M.Porter displays several

basic operations (input logistics, production, output logistics, marketing and sale, service) as well as auxiliary ones (personnel management, implementation of innovations, development of technical infrastructure of a company). The implementation of these operations enables cheaper and faster achieving of a privileged market position by a given company. The

important advantage of this model is a comprehensive look at the process of creating of a competitive advantage. It is essential to remember, that the weakest link of the entire chain determines its strength. Sometimes it is the logistics of goods movement, which is inadequate to the needs and requirements of the market.

The logistics covers the area of an economic knowledge, which investigates the processes of flow of goods and information both in micro- and macroeconomical scale. The logistics consists in the management of processes of physical flow of goods (raw materials, semi-finished goods, finished goods) within a company as well as between companies. Apart from the physical flow, the flow of information is also an essential part of the logistics. The area of the logistics covers the localization of points of sales, warehouses, logistics centers as well as stocks management, transport management, sales and client service. The main area of logistics management of the company covers the demand forecasting, processing of orders, warehouse management, inventory management, procurement, service of returns and packaging, handling, internal and external transport and the flow and storage of information [Wieczerzycki 2012]. The main feature of modern logistics is the system approach to the logistics of a company, which implies the need of the integration of material, financial and information flows as well as treating the logistics as an important tool of the competition fight on the market. There is no doubt, that the logistics of a company can decide or at least influence the success or failure on the market, where there is a permanent surplus of the supply over the demand.

In recent years, the systems of automatical identification, electronic data interchange, satellite communication and new methods of transport management develop in a very dynamic way. At present, RFID seems to be the most developing technique of the automatic identification [Długosz 2009]. It is used on large scale by the logistics centers of retail chains. The suppliers of goods to such chains as American Wal-Mart or German Metro Group are obliged to attach RFID codes to pallets, containers or other collective packaging.

The very important and still developing tool for improving of a competitive position of the company is the management of experiences of clients and relationships with them. It consists of all interactions between a client and a supplier [Brdulak 2012]. The management of client's experiences covers monitoring, measuring of the level of clients' satisfaction and the discrepancy between the obtained and expected quality. The interactive attitudes and a systematic collection of feedbacks are necessary to keep existing customers. Undoubtedly, Internet and other modern communication solutions facilitate these activities significantly. However, the technological applications do not prejudge the success of a company. The conditions, much more important in this area are: organizational culture of a company, management of the knowledge and the internal consistency of the implemented activities.

E-LOGISTICS AND E-COMMERCE AS MODERN DIRECTIONS OF THE DEVELOPMENT OF THE DISTRIBUTION OF GOODS

The phenomenon of Internet is unquestionable and unprecedented. The development of network applications is equally important to quantitative development of the network (measured by growing number of users and computers) [Ciesielski 2011]. Previously, Internet was regarded as a platform to exchange information between users, but currently it becomes to be a basic platform to support business processes of a company. This technology gives a lot of opportunities in such areas like: collection of data, communication and cooperation with clients.

It can be expected in near future, that:

- the reach of the network, the quality of the signal and the speed of the transfer will increase,
- higher number of mobile phones and other mobile devices will enable to use mobile Internet in efficient and convenient way,
- intelligent software will be used to detect the type of a device and to adapt the traditional or mobile version of website,
- screens of mobile phones and i-Pods, browsers, navigational systems, the content

of mobile websites (graphics and sound) will be adjusted technologically to the needs and preferences of users,

- promotional communication will be more and more personalized.

The further dynamic development of e-logistics can be expected. Its essence is the use of IT and telecommunication technology in the management of logistics processes in such areas as:

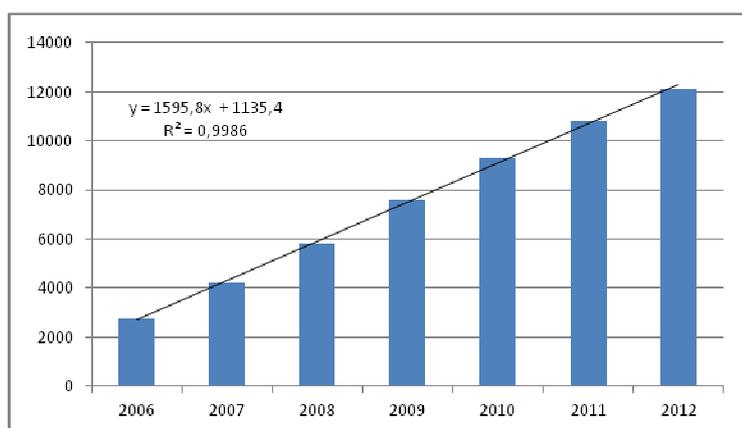
- marketing communication (information about company's offer or promotion),
- agreeing the terms of the cooperation and other negotiations with business partners,
- placing and executing of orders, payments,
- support for transport activities, ability of Internet verification of the progress of the order fulfillment,
- maintain the relationships with clients.

From technical point of view, e-logistics consists on the fulfillment most of orders by the use of computer network platforms:

- by Internet, e.g. to search for new suppliers or customers, promoted goods, etc,
- by Intranet, e.g., to manage the logistics of a company and to keep contact with its workers,
- by Extranet, e.g. for an automation and an effective cooperation with business partners within the supply chain [Skowron-Grabowska 2010].

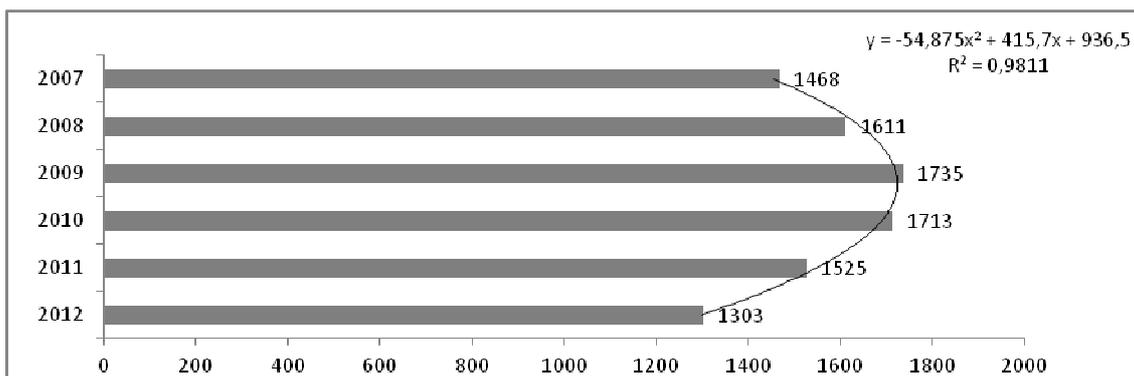
Internet revolutionizes many areas of the social and economic life. Besides the e-logistics, the dynamic development of e-commerce can be observed. One of used measure of the role of e-commerce is the share of electronic sales in the total turnover of companies. This rate in 2011 for Poland was only 11% and for entire European Union was equal to 14% [Feldy 2012]. These data confirm the relatively small delay of Polish electronic trade in the relation to European one. But the indicator showing the share of expenses in e-shops for Polish households is already much worse in such comparison. This indicator for Poland was only 3,1% in year 2011, while at the same time in other European countries was three times higher (United Kingdom 12,0%, Germany 9,0%, Switzerland 8,7%).

7% share of e-commerce in total retail trade in Poland is estimated to be reached only in 2015 [Cimochowski, Hutten-Czapski, Rał, Sass 2011]. Our country distinguishes only with regards to the dynamics of the increase of the value of the e-commerce market, which was equal to 33,5% during the period of 2010-11 and was the highest one in Central and Eastern Europe. The growth rate is estimated to be 20-25% in the coming years, which is one of many negative consequences of the economic slowdown. Figures 2 and 3 present the number of e-shops in Poland in years 2006-12 as well as date illustrating a decrease of the dynamic of this process after 2009 year.



Source: own work based on www.sklepy24.pl

Fig. 2. Number of e-shops in Poland in 2006-2012
Rys. 2. Liczba e-sklepów w Polsce w latach 2006-2012



Source: own work based on www.sklepy24.pl

Fig. 3. The number of e-shops opened in Poland in years 2007-2012

Rys. 3. Liczba e-sklepów otwieranych w Polsce w latach 2007-2012

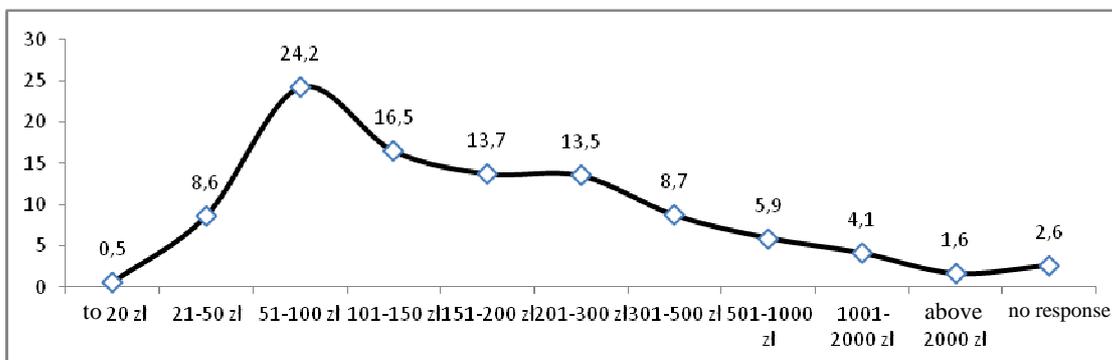
The growing atomization of the e-commerce results in the aggressive competition among companies, which use this type of trade channel. The decreasing (for last three years) number of new Internet shops shows the gradual saturation of the market. The most important reasons to start on-line sale are:

- growing interest of clients in this type of shopping,
- ability to gain new clients from remote localizations,
- the desire to create an alternative distribution channel,
- the need to keep up with the activities of competitors,
- reduction of sales costs comparing to the traditional trade,
- lack of the adequate rooms and infrastructure, necessary to run a traditional shop.

The majority of trade companies (84%) uses electronic sales to diversify distribution

channels and treats the e-commerce as an additional, even experimental, channel of the market. Only 16% of retailers, operating in Internet, sell their goods only via the Internet and does not possess a traditional shop. Some of owners of e-shops take part in Internet auctions (68%), conduct their activities in the form of wholesale (45%) and mail-order (12% sales [Szymański 2010].

Most of e-commerce companies are small ones (up to 5 workers), which in order to reduce their costs, have the storage area lower than 50 m² or even arrange the shipment of goods directly from the producer to an e-customer. Two-thirds of companies have only one website, 21% of them two electronic shops and 13% of them have three and more e-shops. The cart value in e-shops usually is a little more than 260 PLN, but only every second seller is able to go beyond the limit of 150 PLN.



Source: own work based on www.sklepy24.pl

Fig. 4. The percentage structure of e-shops in regard to the average cart value

Rys. 4. Struktura procentowa sklepów internetowych według przeciętnej wartości koszyka

More than half of the e-shops realizes less than 100 orders per months, which shows the fragmentation of the e-commerce market. The average margin for Polish e-shops is 21,7%, but most of small retailers do not execute margins higher than 20%. The highest margins are used by e-shops offer gifts (26%) and clothes (25,8%) and the lowest margins are used for computers (10,2%) and household and electronic devices (13,5%).

CONCLUSIONS

The dynamic development of the Internet changes the traditional role and the negotiation strength of individual participants of distribution channels. It has undoubtedly a positive influence on the clients' position in their relationships with suppliers of goods and services. It provides an express access to vast information resources and therefore enables to make rational purchasing decisions. The scale and the dynamics of the development of browsers and websites offering price comparison services proves the big and important role of the information function of Internet for creating behaviours patterns of customers. However in last three years, the e-commerce does not develop in Poland in similar previous very fast rate. The slower rate of the growth of the number of newly opened e-shops is the result of the economic crisis, weaker absorption capacity of the market and growing competition among e-retailers.

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E-SKLEPY JAKO PRZESŁANKA EWOLUCJI SEKTORA HANDLU

STRESZCZENIE. Wstęp: W artykule podjęto zagadnienie dynamicznego rozwoju nowej formy sprzedaży, jaką jest handel internetowy. Do potencjalnych źródeł przewagi konkurencyjnej przedsiębiorstw handlowych należą: technologia sprzedaży, metody obsługi klientów oraz logistyka towarów stanowiących przedmiot obrotu.

Metody: Dla przedstawienia rozwoju sprzedaży internetowej w Polsce w ostatnich latach wykorzystano wybrane wyniki obszernych badań ankietowych zrealizowanych w 2012 roku na próbie 607 e-sklepów.

Wyniki i wnioski: E-handel nie rozwija się obecnie w Polsce we wcześniejszym tempie. Wolniejsza dynamika przyrostu liczby nowo otwieranych e-sklepów jest pochodną kryzysu gospodarczego, słabszej chłonności rynku i zaostrzającej się rywalizacji pomiędzy e-detalistami. Procesy dokonujące się w handlu detalicznym i hurtowym mają charakter ewolucyjny i są rezultatem działań przystosowawczych przedsiębiorstw handlowych do turbulentnego otoczenia rynkowego.

Słowa kluczowe: dystrybucja, e-sklepy, e-handel, e-commerce, e-logistyka

E-LÄDEN ALS PRÄMISSE DER EVOLUTION DES HANDELS

ZUSAMMENFASSUNG. Einleitung: Im Beitrag wurde die Frage der dynamischen Entwicklung einer neuen Verkaufsform, nämlich des Internet-Handels, aufgegriffen. Zu den potenziellen Quellen der Wettbewerbsfähigkeit von Handelsunternehmen gehören: Verkaufstechnologie, Methoden des Kundenservices und Logistik der Waren, die Objekte des Warenumschlages sind.

Methoden: Für die Darstellung der Entwicklung des Internet-Handels in den letzten Jahren in Polen wurden ausgewählte Ergebnisse der umfangreichen, im Jahre 2012 in 607 E-Läden durchgeführten Umfrage-Untersuchungen in Anspruch genommen.

Ergebnisse und Fazit: Der E-Handel entwickelt sich gegenwärtig in Polen nicht im früher notierten Tempo. Die langsamere Entwicklungsdynamik bei der Anzahl von neu betätigten E-Läden ist auf die Wirtschaftskrise, schwächere Nachfrage des Marktes und den immer schärfer werdenden Konkurrenzkampf zwischen den E-Einzelhändlern zurückzuführen. Die sich innerhalb des Klein- und Großhandels vollziehenden Prozesse haben einen evolutionären Charakter und sind das Ergebnis der von Handelsunternehmen unternommenen Aktivitäten hinsichtlich der Anpassung an das turbulente Marktumfeld.

Codewörter: Distribution, E-Läden, E-Handel, E-Commerce, E-Logistik

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