TEAM HUB!
Delivering sustainability to the e-commerce supply chain

Country Fiche POLAND

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Introduction

The *Team Hub!* project is a two-year project supported by the European Commission, Directorate-General for Employment, Social Affairs, and Inclusion, receiving funding under the call for proposals SOCPL-2021-IND-REL aimed at improving expertise in the field of industrial relations. Running for 24 months (August 2022 – July 2024), *Team Hub!* combines desk and empirical research, as well as mutual learning and networking activities, in order to analyse features and challenges of the e-commerce supply chain in a set of selected countries, namely Belgium, Estonia, France, Finland, Germany, Greece, Italy, Poland, Spain.

The *Team Hub!* project brings together a consortium of universities, research institutes and trade unions from nine EU countries to jointly address the complexities and challenges of e-commerce supply chains, especially with regard to storage and delivery activities. The aim of *Team Hub!* is to analyse the implications of the e-commerce boom, following the COVID-19 pandemic, and to equip trade unions with the knowledge and skills necessary to propose a sustainable reshaping of business models and work organization in the supply chain, also in view of the digital revolution and environmental sustainability objectives.

The first phase (Study) of the *Team Hub!* project consists of a preliminary literature review aimed at producing country-level analysis of the e-commerce and logistics national panorama. The goal is to identify and assess existing information and data about key trends and features in the e-commerce supply chains at national level, with a particular focus on key market players and dominant business models, working and employment conditions, social partners activities, and the geography of the supply chains in the covered countries.

The present Country Fiche, part of a series of nine similar papers, contains the results of the national-level analysis. The Country Fiches are aimed at feeding an EU-level comparative analysis to be included in the Background Report, which will equip the consortium with adequate background information for the following phases of the project.

Country Fiches are based on a common methodology agreed and shared in advance with the project's consortium. The research was realised by national experts appointed by the project partners. Experts developed their research on the basis of a common template, whose structure shapes the Country Fiche below. With a view to guaranteeing homogeneity and comparability of results, guidelines were shared with regard to sources and references to be used for the completion of the country fiches' template. In particular, the following categories were designated: scientific literature, administrative data, surveys, general press, interviews with relevant stakeholders.

Country Fiche

Macro-analysis on trends and developments in the e-commerce sector

Sales, use of online channels by consumers and shops, market shares and presence of dominant players, employment and wage trends in the supply chain

The market of courier, express and postal items (KEP) in Poland has been recording continuous double-digit growth for several years, and its value has already exceeded PLN 17 billion. E-commerce is becoming a key purchasing channel. Almost every fifth Pole buys all non-food products in online stores. Total retail sales through e-commerce channels in Poland in 2021 will exceed PLN 100 billion and will grow at an average annual rate of 28.1%[1]. The KEP market is dominated by seven players:

- Three global players: DHL, UPS and FedEx (TNT).
- Two companies belonging to European post offices: DPD (French Post) and GLS (UK Post).
- Domestic entity with foreign capital: InPost (Advent International).
- Postal operator: Poczta Polska.

However, these are not all entities providing express, distribution and postal services. There are more than a dozen companies that offer services similar to KEP. There are also many local couriers and service brokers.

The most popular online stores are intermediary platforms (marketplaces). Over the past year, Polish Internet users most often wrote about Vinted, a second-hand shop where anyone can list their unwanted clothes and accessories - over 1.6 million mentions. Allegro was ranked second with over 1.2 million mentions. In third place, but with much less popularity, was Amazon - almost 451,000. mentions. It was followed by OLX (384.5 thousand mentions) and AliExpress (304.5 thousand mentions). However, when it comes to accessibility, the undisputed leader is Allegro.

Among the D2C brands (i.e. direct-to-customer, selling without intermediaries) the most popular among Internet users is Ikea with 453.5 thousand. mentions and 808 million reach recipients. The second most popular is Zara, with 260,000. mentions and 515 million reach. The fashion brand H&M is also in third place with 106.3 thousand. mentions and 222 million reach. The next two places are occupied by drugstore chains - Rossmann and SuperPharm.

Pandemic time has proved to be a breakthrough for Polish e-commerce. According to the report "Online shopping in Poland 2020", compiled by ExpertSender, a Polish company that supports brands in data-driven marketing automation, 70% of Poles already shop online.

1 https://infowire.pl/generic/release/772257/wartosc-rynku-przesylek-kep-w-polsce-przekroczyla-17-miliardow-zlotych-a-eksperci-prognozuja-jego-dalszy-dwucyfrowy-wzrost

Half of them spend more than PLN 300 per month on them, and 8.2 percent even spend more than PLN 1,000 per month (https://www.logistyka.net.pl/aktualnosci/item/91926-gdzie-i-jak-polacy-robia-zakupy-ranking-e-commerce-ow)

At the same time, it is pointed out that black clouds have been gathering on e-commerce in recent months because of rising energy prices, lower consumer income and (to a lesser extent) the need to introduce greener but more costly product packaging methods. In general, the reduction in the 'appetite for consumption' due to the difficult macroeconomic situation applies to commerce as such.

Qualitative analysis on the different types of existing business models

Overview of the existing types, in particular concerning the relationships with workers and in the supply chain

Two types of business models in the sector can be quoted in Poland.

The first symbolizes Allegro Sp. z o. o. - a native company running the allegro.pl website. Allegro was founded on 10 December 1999. The model of functionality for the portal was the German portal www.olando.de. Allegro is an example of an extensive intermediary platform - connecting sellers and buyers. Allegro remains one of the global phenomena - a local player in the e-commerce sector that has not been dominated by global players such as AliExpress or Amazon. In the Polish market, Allegro remains "No. 1" with a base of 12.3 million active buyers and 117,000. sellers. The source of success is the provision of professional sales opportunities, especially to micro-entrepreneurs, who are the dominant group of employers in Poland. In addition, the platform filled the distribution gap in places where there were or still are no shopping centres or chain stores, i.e. in villages and smaller towns, such as in eastern Poland. Allegro does not have its own distribution channels. Deliveries are based on contracts with several leading courier companies. The reference to workers relations is dominated by civil law agreements.

The second model symbolizes the national postal operator - Poczta Polska, which from 2020 is expanding its own network of parcel lockers called Smartbox. Interestingly, parcels delivered by Poczta Polska can already be picked up in over 12,000 locations. collection points, such as Żabka stores, Ruch kiosks and PKN ORLEN stations. It is a model in which the development of e-commerce is based on own employees.

Labour market and working conditions

Emerging issues in terms of employment, working conditions, and health and safety of workers involved in storage and delivery activities for e-commerce major players

Storage and delivery are fundamentally different when it comes to employment relationships. In the first case, we are dealing with units in which many staff are concentrated in one place. Employment there is based on employment contracts, it is easier to organize in trade unions (although employers usually do not like it). There are social labour inspectors in unionized locations Despite the occasional appearance of collective disputes, one can speak of the existence of a kind of (conflictive) social dialogue. In the case of delivery, self-employment dominates (apart from Poczta Polska). Very rarely, couriers are a party to an employment contract. This area is completely unexplored, there is no data on the amount of remuneration or the actual working time of couriers (remember that the standards regarding maximum working time, breaks, etc. do not apply to self-employed). Despite the fact that Polish law allows self-employed people to organize themselves into trade unions, de facto self-employed people are completely unorganized (trade unions de facto do not exist in courier companies).

Geography of the e-commerce supply chain and presence of nodal points

Most of the large distribution centres and warehouses are concentrated in the south, west and centre of the country. They are usually located in the vicinity (up to 50 km) of large urban agglomerations, which is related to the accessibility to the motorway/expressway network. The largest warehouses are (for example): Prolongis Park Chorzów (Silesian region), 251,500 sq m; Tulipan Park Stryków (near Łódź), 188,000 sq m; Europolis Park Błonie (near Warsaw), 184,000 sq m[2].

Amazon has a comprehensive network of warehouses (10 logistics centers, 25,000 permanent jobs) in a similar location as indicated above[3].

It should be noted that in the case of e-commerce, direct delivery from the seller / producer to the customer (DSD) is becoming more and more important in Poland. In such case the basis is not large distributions centers, but an extensive network of parcel lockers across the whole country. InPost is aiming to have 20,000 parcel machines in Poland by the end of 2022. It currently has around 18,500 parcel machines.[4]

In 2022, Poland became the second country in the world (after Finland) with the largest number of parcel lockers per 100,000. residents.[5]

2 https://wareteka.pl/blog/top-najwiekszych-magazynow-w-polsce/

3 https://www.bankier.pl/wiadomosc/Amazon-rozwaza-w-Polsce-nowe-potencjalne-lokalizacje-centrow-dystrybucyjnych-8373784.html

4 https://www.bankier.pl/wiadomosc/InPost-celuje-w-20-tys-paczkomatow-w-Polsce-na-koniec-2022-roku-8398791.html

5 https://www.reddit.com/r/europe/comments/xk45v2/automated_parcel_machines_per_10000_inhabitants/

Social partners positions and main actions

Large e-commerce companies are not members of employers' organizations in Poland, which significantly hinders social dialogue in this industry. As for trade unions, they try to organize workers in large warehouses and distribution centres (with some success) but encounter difficulties from employers. There is no collective bargaining agreement anywhere, but at Amazon, for example, trade unions were able to run a successful campaign to elect a worker representative to the European Works Council.

It seems that the unions have not yet developed an effective strategy for organizing couriers. It should be recalled once again that supply entities rely on self-employed people. In December 2017, DHL in Warsaw and Radom went on a wild strike for several hours (refusal to deliver parcels). The reason was the growing frustration resulting from long working hours.

References

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