



Poland Small Business Export Report

Promoting growth and resilience

September 2024

Introduction



Digital technology combined with ecommerce marketplace models are expanding economic opportunities available to independent small businesses and entrepreneurs in markets globally. This is especially true in Poland, which has Europe's sixth largest and increasingly digitally-connected population, a growing tech base of skilled firms and workers, vibrant small and medium-sized businesses (SMEs) that are proving receptive to online opportunities, and products that are proving valuable to consumers the world over.

eBay, a global commerce leader, is leveling the playing field and empowering small businesses across Poland to collectively reach consumers in over two hundred international export markets.¹ It is increasingly proving its worth for entrepreneurial SMEs in Poland, helping them export more, including to valuable consumer markets that are not normally prime territory for traditional Polish export businesses.

The cross-border trade analysis in this report is based on data covering transactions on the eBay marketplace in 2022 unless otherwise indicated. When analyzing the activities of small businesses on eBay, the data was limited to transactions by registered businesses in Poland with sales of EUR 9,510 (equivalent to \$10,000 USD) or more annually on the eBay marketplace.² In this report, these sellers are called "eBay small businesses".

Poland's growing digital economy



Poland has been undergoing rapid digitization for over a decade, seeing the number of households with Internet access increase from 60 percent to 93.3 percent between 2012 and 2022, as well as the share of Internet users engaging in online shopping growing from 45 percent to 90 percent over the same time period.³ Even with this impressive growth, the country remains below EU averages in a number of digitization metrics, such as the use of digital technologies by businesses, the share of households connected to high-speed Internet, and the level of 5G network rollout, indicating continued opportunity for digital growth.⁴ An especially large and educated tech talent pool, estimated to be the fourth largest in Europe, is another important forward looking asset.⁵ In fact, Poland enjoys the most gender-balanced tech adept workforce in Europe.⁶

As digitization in Poland has grown, so has ecommerce. Over 150,000 Polish companies sell online, with Business to Consumer (B2C) ecommerce increasing 5 times from 2012 to 2022, the share of retail sales occurring online growing 3 times, and registered online stores increasing 2.5 times.⁷ In terms of productivity, Poland's retail business sector is on par with Western Europe and can progress even further through increased digitization of end-to-end processes.⁸ Looking forward, ecommerce in Poland is expected to continue to grow, led by the retail categories of fashion, electronics, and health & beauty.⁹

Online marketplace platforms are a particularly prevalent and noteworthy part of ecommerce in Poland. Sales occurring over online marketplaces are expected to account for up to 60 percent of ecommerce by 2027¹⁰ and most of the growth.¹¹ Given the proven value of digital marketplace platforms enabling smaller firms to succeed online¹², and the fact that over 99 percent of firms in Poland are SMEs with a majority being micro firms with fewer than 10 employees¹³, this comfort level with digital marketplace platforms points toward continued online progress for Poland's SMEs.



Ecommerce driving small business exports

Not only is ecommerce growing in Poland, but cross-border ecommerce sales are also expanding, with small businesses as an important contributor. Not surprisingly, digital marketplace platforms, including eBay with its global reach, are central to this phenomenon. On eBay, entrepreneurial Polish small businesses are operating as “Micro Multinational Enterprises” that supply a diversified range of products to global buyers. The remainder of this section will present findings from the latest available eBay marketplace trade data to illustrate the level of export activity by eBay small businesses in Poland.

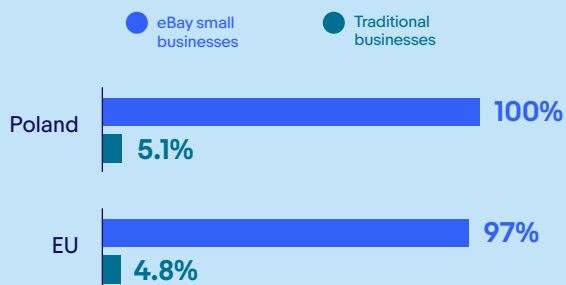
Share of eBay small businesses exporting

In Poland, every eBay small business was an exporter in 2022.¹⁴ This export rate exceeded that of eBay small businesses situated across the entire European Union (EU). Also noteworthy is how this extreme export success compares with firms in the traditional economy, where 5.1 percent of traditional Polish businesses and 4.8 percent of traditional EU businesses are exporters.¹⁵

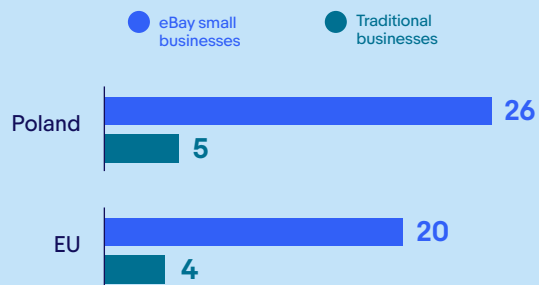
Average number of international destination markets

The average number of international markets reached by a single firm on an annual basis provides a key measurement of export activity and reach. Exporting to a new international market traditionally imposes new “costs of entry”, leading to smaller firms with smaller budgets exporting to fewer markets than larger firms with more financial resources.¹⁶ eBay largely breaks this long-held link between size and reach and dramatically opens more export markets to small businesses. eBay small businesses in Poland averaged 26 different export markets each in 2022¹⁷, drastically exceeding the average of 5 export markets for traditional Polish exporters and 4 export markets for traditional EU exporters.¹⁸ The Polish export performance on eBay again exceeded the overall EU average for eBay small businesses, which was 20 export markets.

Share of enterprises that export



Average number of international destination markets



Share of eBay small businesses that reach ten or more different international markets

As another measurement of the scale of eBay small business exporting activity, we calculated the share that exported to ten or more international markets. Similar to the previous data point, our findings show that small businesses on eBay defy the traditional export model, with 76 percent of eBay small businesses in Poland reaching the 10-export market threshold.¹⁹ Once again, the mark for Polish small businesses on eBay exceeded that for those in the EU overall (61 percent).

Poland's small business "Global Sellers" on eBay

Although a non-traditional measurement of scale and scope of exporting activity, we have calculated the continental reach of eBay small businesses.²⁰ We classify a business with sales to four or more continents in a year to be a "Global Seller". A striking 46 percent of eBay small businesses in Poland reached the Global Seller threshold in 2022.²¹ By comparison, 34 percent of eBay small businesses based across the EU as a whole reached the Global Seller threshold.

eBay's small business community is a virtual export giant

If one looks to the collective exporting of eBay small businesses in Poland, the total number of international markets reached is a staggering 207 markets.²² These numbers stand up favorably to the export reach of the world's largest consumer brands.²³ Together, the community of eBay small businesses in Poland exhibit the reach of a truly global export giant.

Top product categories exported by eBay small businesses in Poland

1. Auto Parts
2. Home & Garden
3. Business, Office and Industrial
4. Home Furnishings
5. Clothes, Shoes and Accessories



Jakub Tomczyk

Rally Shop
Toruń, Poland

"There is no greater feeling in the world, than to wake up doing what you love every single day. eBay allows me to share my passion with customers around the world and is a great partner in the success of my small business."

Jakub has had a lifelong passion for racecar driving and competed in the Polish racing championship and international events. When his driving career came to an end, he opened a store selling motorsport accessories. Jakub joined eBay in 2010 and within a few months, he was selling to customers worldwide. Today, he owns one of the biggest and most modern racing showrooms in the world and employs nearly 20 people. Although he doesn't plan on racing again, Jakub enjoys helping to make his customers' dreams come true.



Visit Jakub's store



More top markets promotes growth and resilience

Facilitating sales into non-traditional Polish export markets supports both greater economic growth as well as resilience in the event of regional economic downturns. Digital marketplace platforms, which already play an important role in Polish ecommerce, are a valuable tool to achieve those important goals. Even very small businesses are often adept at operating on multiple ecommerce platforms rather than limiting themselves to just one or two.²⁴

Operating on multiple platforms, especially when they provide improved access to new markets, brings clear diversification benefits. These include reducing the risk an individual business faces should a critical export market or region suffer an economic downturn,²⁵ as well as reducing a business's dependence on any single service provider.²⁶ Greater export diversity among private sector businesses overall benefits a national economy as well. Expanding exports to more markets reduces vulnerability to external economic downturns or adverse terms of trade shocks²⁷, and increased export diversification has been positively correlated to greater economic growth and reducing export volatility.²⁸

eBay export data shows how Polish small businesses are using the platform to grow sales beyond the top markets for the country's traditional exporters. Comparing Poland's Top 10 export markets for traditional businesses²⁹ and the Top 10 export markets for Poland's eBay small businesses³⁰ reveals that half of the top eBay export markets supplement the overall Top 10 markets. The ability of eBay's global level-playing field marketplace to grow exports outside of Poland's traditional base in Europe is highlighted by strong export growth to the United States, Mexico, Canada, and Lebanon.³¹

Poland's top traditional business export markets vs. top eBay export markets

Top 10 export markets for traditional businesses

- | | |
|-------------------|------------------|
| 1. Germany | 6. Netherlands |
| 2. Czech Republic | 7. Russia |
| 3. France | 8. Sweden |
| 4. United Kingdom | 9. United States |
| 5. Italy | 10. Slovakia |

Top 10 export markets for eBay small businesses

- | | |
|-------------------|-----------------------|
| 1. Germany | 6. Austria |
| 2. France | 7. Spain |
| 3. United Kingdom | 8. Switzerland |
| 4. United States | 9. Australia |
| 5. Italy | 10. Canada |

Note: The export markets for eBay small businesses in bold are those not in the Top 10 for traditional businesses.

Top extra-EU export growth markets for eBay small businesses in Poland

1. United States
2. Switzerland
3. Mexico
4. Canada
5. Lebanon

Robust newcomer growth supports economic vitality



The OECD has said that the “birth of new enterprises is a key indicator of business dynamism” and promotes the competitiveness of the overall enterprise population by stimulating efficiency and innovation.³² Further, new firms have been described as “agents of change in the economy” and that “even small innovations and small differences in growth amount to a lot when multiplied by the number of firms involved.”³³ An ecommerce marketplace that provides a level-playing field triggers such an effect by indiscriminately facilitating market entry and participation. We classify an eBay small business as a “Newcomer” in this report when the seller achieved small business status in 2022 and had sold on eBay for four years or fewer. A robust 37 percent of Polish eBay small businesses were newcomers.



Conclusion



eBay is leveling the playing field for export success and helping Poland's increasingly digitally proficient SMEs to succeed on a global stage. Platforms are central to Poland's ecommerce ecosystem, and even the smallest businesses are recognizing that operating on multiple platforms can expand growth opportunities and reduce risk through diversification. eBay's value as an export growth and diversification platform is clear. Every eBay small business in Poland is an exporter, many making sales to shoppers in dozens of valuable markets each year. Together, they exported to a remarkable 207 markets, a global reach exceeding most of the largest multinational corporations. Finally, a full half of the Top 10 exports markets on eBay add diversity to the list of Poland's traditional top export markets, highlighting how the eBay marketplace is enabling small and mid-sized opportunities and promoting export diversity and resilience for the Polish economy overall.

RESOURCES

- ¹ Includes countries and territories.
- ² 2022 exchange rate.
- ³ Polish Ministry of Economic Development and Technology (10/12/2023) "E-commerce in Poland." Available at: <https://www.trade.gov.pl/en/news/e-commerce-in-poland/>.
- ⁴ United States International Trade Administration (03/29/2023) "Poland ICT Country ranks far behind other EU States in digitization." Available at: <https://www.trade.gov/market-intelligence/poland-ict-country-ranks-far-behind-other-eu-states-digitization>.
- ⁵ McKinsey & Company in cooperation with Forbes Polska (2016) "Digital Poland - Capturing the opportunity to join leading global economies." Available at: <https://www.mckinsey.com/~/media/McKinsey/Business%20Functions/McKinsey%20Digital/Our%20Insights/Digital%20Poland/Digital%20Poland.ashx>.
- ⁶ Snazyk, Tomasz (2020) "Country Guide: Poland - Startup Ecosystem Summary." Startup Universal. Available at: <https://startupuniversal.com/country/poland/>.
- ⁷ Polish Ministry of Economic Development and Technology (10/12/2023) "E-commerce in Poland." Available at: <https://www.trade.gov.pl/en/news/e-commerce-in-poland/>.
- ⁸ McKinsey & Company in cooperation with Forbes Polska (2016) "Digital Poland - Capturing the opportunity to join leading global economies." Available at: <https://www.mckinsey.com/~/media/McKinsey/Business%20Functions/McKinsey%20Digital/Our%20Insights/Digital%20Poland/Digital%20Poland.ashx>.
- ⁹ Strategy& Part of the PWC Network (2022) "Development prospects for the e-commerce market in Poland in 2018–2027." Available at: <https://www.strategyand.pwc.com/pl/en/publications/2022/development-prospects-for-the-e-commerce-market-in-poland-in-2018-2027.html>.
- ¹⁰ Ibid.
- ¹¹ Ibid.
- ¹² Canadian SME (10/12/2023) "5 Reasons To Use An Online Marketplace For Small Business." Available at: <https://canadiansme.ca/5-reasons-to-use-an-online-marketplace-for-small-business/>.
- ¹³ OECD Library (2020) "Financing SMEs and Entrepreneurs 2020: An OECD Scoreboard. 36: Poland." Available at: https://www.oecd-ilibrary.org/finance-and-investment/financing-smes-and-entrepreneurs-2020_061fe03d-en.
- ¹⁴ The eBay data reflects the share of 2022 eBay small businesses (those with EUR 9,510 / USD 10 000 or more in sales on eBay) in Poland, who exported in that year.
- ¹⁵ Source for total number of enterprises that export: Eurostat Trade by number of partner countries and NACE Rev. 2 activity. Available at: https://ec.europa.eu/eurostat/databrowser/view/ext_tec04/default/table?lang=en; Source for total number of enterprises: Eurostat Business demography by legal form and NACE Rev. 2 activity (Includes zero employment enterprises) - Industry, construction and market services (except public administration and defence; compulsory social security; activities of membership organisations). Available at: https://ec.europa.eu/eurostat/databrowser/view/bd_1_form__custom_9861086/default/table. Share = (total number of enterprises that export) / (total number of enterprises).
- ¹⁶ For example, see Roberts, Mark J. and James R. Tybout. "Directions in Development: What Makes Exports Boom?" (Washington, D.C.: The World Bank, 1997a); Bernard, Andrew and Joachim Wagner. "Export entry and exit by German firms." Review of World Economics (Weltwirtschaftliches Archiv), 137 (2001), 105-123.; Bernard, Andrew and J. Bradford Jensen. "Entry, Expansion, and Intensity in the U.S. Export Boom, 1987-1992." Review of International Economics, 12 (2004b), 662-675.
- ¹⁷ The eBay data reflects the average number of international markets reached by 2022 eBay small businesses (those with EUR 9,510 / USD 10 000 or more in sales on eBay) in Poland, who exported in that year.
- ¹⁸ Average number of international destination markets reached by exporters = ((number of enterprises that trade with 1 country)*1 + (number of enterprises that trade with 2 countries)*2 + (number of enterprises that trade with 3 to 5 countries)*4 + (number of enterprises that trade with 6 to 9 countries)*7.5 + (number of enterprises that trade with 10 to 14 countries)*12 + (number of enterprises that trade with 15 to 19 countries)*17 + (number of enterprises that trade with 20 or more countries)*25) / ((number of enterprises that trade with 1 country) + (number of enterprises that trade with 2 countries) + (number of enterprises that trade with 3 to 5 countries) + (number of enterprises that trade with 6 to 9 countries) + (number of enterprises that trade with 10 to 14 countries) + (number of enterprises that trade with 15 to 19 countries) + (number of enterprises that trade with 20 or more countries)). Source for (i) Number of enterprises that trade with 1 country; (ii) Number of enterprises that trade with 2 countries; (iii) Number of enterprises that trade with 3 to 5 countries; (iv) Number of enterprises that trade with 6 to 9 countries; (v) Number of enterprises that trade with 10 to 14 countries; (vi) Number of enterprises that trade with 15 to 19 countries; (vii) Number of enterprises that trade with 20 or more countries, using most recent available country data: OECD Trade by enterprise characteristics (TEC) data: Dataset IV – TEC by number of partner countries. Available at: https://stats.oecd.org/Index.aspx?DataSetCode=TEC4_REV4.
- ¹⁹ The eBay data reflects the share of exporting 2022 eBay small businesses (those with EUR 9,510 / USD 10 000 or more in sales on eBay) in Poland, who exported to 10 or more international markets in that year.
- ²⁰ For the purposes of this analysis, sales were designated to buyers on one of six continents: North America, South America, Europe, Asia, Africa, and Australia. When an eBay small business exported to a buyer in a country on a continent, they were credited with an export to that continent. Additionally, when an export sale is made to a country on the same continent as the seller, that sale is counted as an export to that continent. (e.g., A sale from a Polish eBay seller to a buyer in Spain is an export to a European market).
- ²¹ The eBay data reflects the share of exporting 2022 eBay small businesses (those with EUR 9,510 / USD 10 000 or more in annual sales on eBay) in Poland, who exported to four or more continents in that year.
- ²² The eBay data reflects the total number of different international markets (countries and territories) collectively reached by 2022 eBay small businesses (those with EUR 9,510 / USD 10 000 or more in annual sales on eBay) in Poland, who exported in that year.
- ²³ See: Heineken (05/30/2024) "Our Global Presence." Available at: <https://www.theheinekencompany.com/our-global-presence>; Alonso, Tefi (11/25/2022) "How Diageo Became One Of The World's Largest Alcohol Producers." Strategy Factory by Cascade. Available at: <https://www.cascade.app/strategy-factory/studies/diageo-strategy-study>; Nike, Inc. (05/30/2024) "We are Global." Available at: https://media.corporate-ir.net/media_files/IROL/10/100529/nike-gs09/global.html; Volkswagen Group (October 2022) "Green Finance Framework." Available at: <https://www.volkswagen-group.com/en/publications/corporate/volkswagen-group-green-finance-framework-2022-2112>; and Interbrand (05/30/2024) "L'Oréal." Available at: <https://interbrand.com/best-global-brands/loreal/>.

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- ²⁴ Lim, Jamilah (12/15/2021) "Asia Pacific's Golden Age in Cross Border e-Commerce Has Begun: Here Are the Opportunities." Available at: <https://techwireasia.com/2021/12/asia-pacifics-reaching-the-pinnacle-in-cross-border-trade/>.
- ²⁵ Trade Commissioner Service, Government of Canada (11/17/2023) "Spotlight on Market Diversification." Available at: https://www.tradecommissioner.gc.ca/guides/spotlight-pleins_feux/spotlight-diversification-pleins-feux-diversification.aspx?lang=eng.
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- ²⁸ McIntyre, A.; Xin Li, M.; Wang, K. and H. Yun (04/11/2018) "Economic Benefits of Export Diversification in Small States." International Monetary Fund Working Paper No. 2018/086. Available at: <https://www.imf.org/en/Publications/WP/Issues/2018/04/11/Economic-Benefits-of-Export-Diversification-in-Small-States-45795>.
- ²⁹ GlobalEdge (2024) "Global Insights." Available at: <https://globaledge.msu.edu/>. Note: This is a portal created by the International Business Center and the Eli Broad College of Business at Michigan State University.
- ³⁰ The eBay data reflects the top 10 export market (countries and territories) destinations (based on sales) for 2022 eBay small businesses (those with EUR 9.510 / USD 10 000 or more in annual sales on eBay) in Poland, who exported in that year.
- ³¹ The eBay data reflects the top 5 extra-EU export growth market (countries and territories) destinations (based on the absolute growth in sales over the time period 2018-2022) for eBay small businesses (those with EUR 9.510 / USD 10 000 or more in sales annually on the eBay marketplace) in Poland, who exported during those years.
- ³² OECD (08/05/2015) "Entrepreneurship at a Glance 2015." OECD Publishing, Paris. Available at: http://dx.doi.org/10.1787/entrepreneur_aag-2015-en.
- ³³ OECD (05/20/2010) "SMEs, Entrepreneurship and Innovation." 2010. OECD Publishing, Paris. Available at: https://www.oecd.org/en/publications/smes-entrepreneurship-and-innovation_9789264080355-en.html.



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