

Polska



Direct sales market expands in Poland

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According to the Polish Direct Selling Association (PSSB), the direct-sales sector in Poland generated zł.2.9 billion in net sales in 2014, 4 percent more than in 2013. The number of people working for direct-sales companies increased by 10,000 to 910,000. The total number of orders was around 35 million, of which 92 percent involved sales to individuals, and 8 percent to groups of customers during presentations held at the request of consumers in their homes.

“Statistics confirm that many sectors of the Polish economy are showing signs of economic recovery, and this also applies to the direct selling industry,” says Miroslaw Luboń, CEO of the Polish Direct Selling Association. “It’s a very positive trend that despite the political turmoil all around Poland and the stagnation in the eurozone the optimism of consumers in Poland has increased over the past year, resulting in increased consumption. Direct sales are increasingly standardized with each year, and the PSSB consistently combats dishonest practices in the sector. As a result, Association member companies are winning more customers and enlisting micro-entrepreneurs interested in

working with them.”

Cosmetics lead the way among products sold directly in Poland, with a 67 percent market share in 2014—although their sales have gradually decreased in the last few years. Dietary supplements are the runner-up with 10 percent, followed by household appliances (8 percent), clothing and accessories (6 percent), and services (5 percent). Household detergents, a new product category, accounted for 1 percent of the market last year. Overall, in five of nine product categories sales increased last year.

Experts say direct selling is a sector with considerable development potential and promising in terms of new jobs, especially in regions affected by high unemployment.

“It should also be remembered that the direct selling industry is investing in research and production,” said Igor Markowicz, CEO of the Vigget company, which offers health products including home healthcare devices. “We want to offer unique, competitive products, and this means that we must continually improve our product range. Without innovation and collaboration with research centers this would not be possible.”

Direct selling companies say they often play the role of pioneers who create innovative products and venture into new markets.

Many stereotypes have emerged around the direct selling industry, Markowicz says. Cases of unfair and unreliable business practices are highlighted in the media, he adds, while “it’s worth noting that the warranty terms and conditions and warranty service are very often more favorable to customers than the minimum required by law,” says Markowicz.

Proportionally, Poland’s direct-sales market is still relatively small compared with its counterparts in Western Europe and countries such as Japan or the United States. This means that this form of sales has considerable potential in Poland.

Source: The Warsaw Voice



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