



Eobuwie.pl – the Polish champion of cross-border e-commerce

Cross-border e-commerce is a potential revenue stream that no online business should overlook. A well-prepared plan of entry into new markets can result in hundreds of thousands, or perhaps even millions, of new customers. The opportunities for sellers are huge, but for many, questions remain.

There are a number of potential difficulties that businesses can prepare for. From providing a shopping experience that inspires consumers' trust to ensuring the customer journey is unified for customers from different countries, there are many things to consider. On top of that, merchants need to logistics, payments and customer service, potentially serving millions of users.

Eobuwie.pl, the leader in the online sales of footwear and accessories in Central and Eastern Europe, is one merchant that has addressed all these challenges.

In 2012, eobuwie.pl sales reached the value of around 25 million zloty. Over the following eight years, despite large foreign competitors entering the market, the company increased its revenues to 2.2 billion zloty by 2020. Based in Zielona Góra, Poland, Eobuwie.pl expanded across Europe, entering on average two new markets every year. Today the company operates in 16 countries.



With its offering of more than 170,000 products from 580 brands – combined with the Modivo fashion store that offers over 100,000 products from 269 brands – Eobuwie.pl is the leader in online sales of footwear and accessories in Central and Eastern Europe. The company's mission is to share its passion for fashion and technology with its customers, in order to be the first and best choice for those who purchase shoes online. One third of eobuwie.pl's sales are generated in Poland, while the remaining revenues come from the other 15 markets it operates in, including France, Germany and Croatia.





Eobuwie.pl offers the highest standard of customer service by delivering localized solutions – from our website and help center, right through to the various delivery options and local payment methods. Thanks to this approach, the number of foreign orders has been growing consistently. I can proudly say that we are the segment leader in Central and Eastern Europe, with sales in foreign markets growing every year. 2020 turned out to be a record-breaking year for the company. With our year-on-year revenue increase reaching double digits year-on-year, eobuwie.pl also achieved high profitability in 2020. During the year, sales rose to 2.2 billion zloty (a year-on-year increase of 52%), and our EBITDA reached 9.0%. We are also very pleased with the result of Modivo – our premium fashion platform – as it generated a 10% share of our 2020 revenue.

Marcin Grzymkowski,
founder and CEO of eobuwie.pl



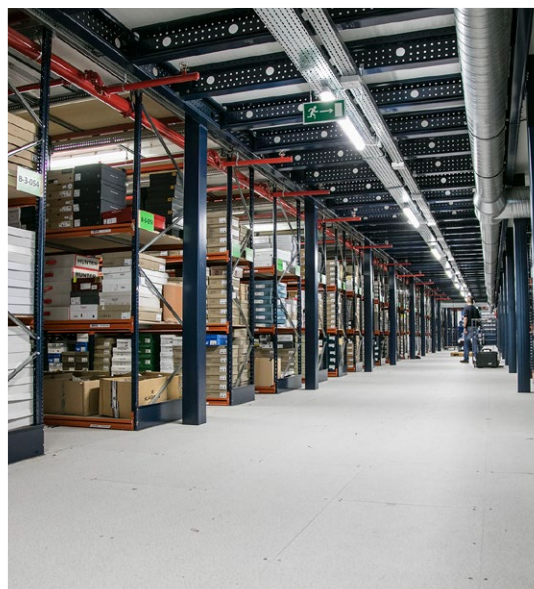
The eobuwie.pl team really focuses on the optimization of processes, and maximizing customer satisfaction at every step of the consumer journey. With regards to handling payments, we inspire each other to maintain continuous development and identify new solutions that put the needs of buyers first.

Joanna Pieńkowska-Olczak,
CEO of PayU S.A.

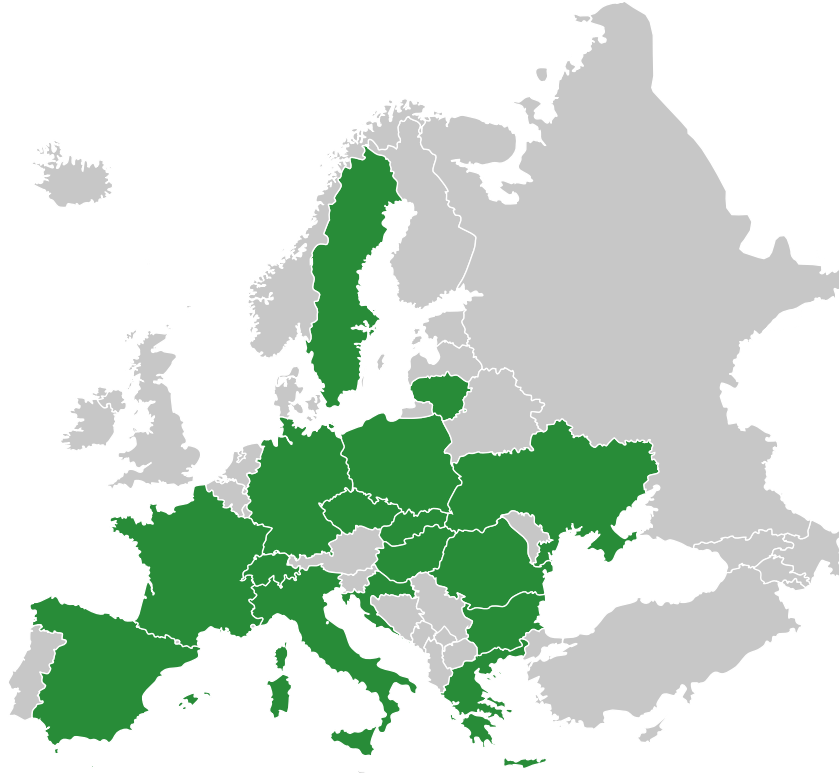
From the back office of a shoe shop to regional industry leader

The story of eobuwie.pl is one of transforming traditional business models and innovation in the consistent implementation of new technologies. Eobuwie.pl has traveled a long way, from a concept developed in the back office of a small, local shoe store to the segment leader in Central and Eastern Europe. Currently the company conducts online sales in 16 countries and sales through physical stores in Poland, with 25 stores located in the country's largest shopping malls.

The company was established in 2006. That year marked the beginning of online sales, building the team of specialists, and investing in the business' infrastructure. Online sales significantly exceeded sales via traditional channels, and the company made key investments into its systems and logistics. Soon the desire for international expansion was manifested. In 2013, eobuwie.pl launched online sales in the Czech Republic, thus commencing its expansion into Central Europe.



From then on, each year saw the company's entry into at least one new market (including Bulgaria, Romania and Hungary). In 2016, due to the development of business and growing sales, the company executed a breakthrough investment project – it established its own logistics center. Rapid growth continued and in the following years, eobuwie.pl expanded its geographic remit to serve customers in Sweden, Greece, Lithuania, France, Spain and Italy.



Throughout 2020, eobuwie.pl carried out more ambitious projects, including constructing a second logistics center, from which products are dispatched to consumers all over Europe. The center is fully automated, enabled by picking robots and self-packing machines, which can process up to a thousand orders in just an hour.

The company's portfolio includes exclusive brands – such as Eva Longoria and Rage Age – that supplement the existing catalog of eobuwie.pl's own brands, which includes Eva Minge, Creole, Sergio Bardi, Togoshi, and Quazi. Modivo is also growing, and is already present in 13 European markets. It defines new sector trends by organizing live shows, during which popular influencers present what is in vogue, as well as showcase the most current outfits.

There are also plans for further development of esize.me, an innovative technology offered in-store at no cost to consumers that, based on a scan of their feet, recommends properly matched shoes from all footwear available on eobuwie.pl. By saving their scans, consumers can re-use it to secure recommendations at anytime, both online and in-store. When shopping in-store customers can select products using a tablet, and within just three minutes their selections will be delivered from the back storeroom to try.

The basic functionalities of esize.me have already been implemented in eobuwie.pl's mobile application, and Polish customers can perform a 2D scan using their smartphones. In Q1 of 2021, esize.me will make its debut in the Czech Republic, Greece, Romania, Bulgaria and Hungary. Customers will also gain access to the esize.me service via a website.

The TGV of Polish e-commerce – 16 markets in 7 years

Entering a new market represents the culmination of a variety of strategic decisions that have been made in advance. Some companies know from the outset where they want to expand, while others are searching for the best new places to sell their products or services online, and need to analyze their chances of business success from many angles.

There are a number of key areas eobuwie.pl pays special attention to when choosing further regions for international expansion:



Geographical proximity – to guarantee rapid deliveries.



Cultural proximity – good knowledge of a given region means the company is aware of the types of goods that the customers seek, which allows it to prepare a more precise offering. For example, when entering Croatia, eobuwie.pl estimated the purchasing trends based on its earlier experience in Italy, which shares a climate, a border with the Adriatic Sea, and many cultural similarities.



Competition – it is always good to research beforehand which players from the same sector are already present in the market, what marketing communications channels they use, and how intensely they advertise. If possible, knowledge of competitor's plans regarding new market entry will also be helpful.



Purchasing habits – it is important to analyze whether customers in a given market trust digital channels and shop online regularly, or whether they opt for traditional retail; what delivery methods they prefer; and how they like to pay for their purchases.

Launching online sales in the first foreign markets required a significant involvement from eobuwie.pl. Creation of an offer matched to the market, management of logistics issues, implementation of payment methods – these processes all had to be designed and implemented from A to Z. As for payments, we were greatly supported by PayU and its local solutions and on-site specialists – from a dedicated account manager and engineer, to security, risk management and acquiring support and services.

Mikołaj Wezdecki,

e-Commerce Director at eobuwie.pl

When looking at broad international operations, such as those eobuwie.pl are engaged in, one of the key success factors is a **well located and efficiently managed logistics and warehouse center**, which allows the business to process a huge volume of orders. Eobuwie.pl has two such facilities at its headquarters in Zielona Góra. These are fully automated, with picking robots playing a very important role and a modern sorter (almost 400 meters long) that processes 10,000 orders per hour. This is combined with an efficient supply chain and convenient, localized payment forms for customers. For payment processing, eobuwie.pl uses PayU's services in most markets.

PayU has been the business partner of eobuwie.pl for many years. It has accompanied the company since the beginning of its international expansion, and cooperates with it in most of the business' foreign markets. PayU has offices in many locations, which enables eobuwie.pl's to frequently meet and work with PayU's local payment specialists.

As a leader in its sector, eobuwie.pl aims for the highest standards in all aspects of its cross-border sales. Each of the areas listed below requires careful preparation:



End-to-end international supply chain alignment;



Adaptation of online payment methods and forms of delivery to market expectations;



Formal and legal issues tied to registration of a local company in a given country (e.g. Germany and Switzerland);



Preparing warehouse facilities that allow for day-to-day storage of goods;



Recruitment and training of a team responsible for handling the given market.

Expansion beyond the European Union

In order to successfully engage in cross-border sales, eobuwie.pl made sure it fulfilled numerous legal and formal requirements that validated the legality of its operations. Meeting the required legal standards was relatively easy with respect to expansion within the European Union, where there are limited internal borders.

More work was required to commence operations in countries that are not members of the EU, such as Switzerland or Ukraine, but even there everything went smoothly. Formal and legal issues are handled together with dedicated teams of legal counsel and coordinators, established for each market. The launch of an e-store in every new market takes place according to a detailed plan.

With a view to further developing international sales, since May 2020 eobuwie.pl has held the AEO certificate, which guarantees a number of improvements in conducting cross-border business. This document is recognized throughout the European Union, as well as in Switzerland, Norway, the United States and China.

We speak the customers' language

In every country, eobuwie.pl runs a website and offers sales support in the local language. Telephone customer service and live chat are conducted from the company's HQ in Zielona Góra. For each market, a local coordinator is appointed, who knows the specific cultural and economic features of the location and monitors the market.



Eobuwie.pl in numbers



YOY growth in sales of at least

100%

each year since the company's launch



Active in

16

European markets



More than

90,000

packages dispatched daily across Europe



2/3

of sales generated by cross-border operations



95%

of orders placed by 6:00 PM are dispatched on the same day



Over

170,000

products



Up to

10,000
items per hour

sorted by the state-of-the-art sorter in the company's logistics center



Over

580

brands, available to customers in all 16 markets



7

exclusive brands: Quazi, Creole, Sergio Bardi, Eva Minge, Togoshi, Rage Age, and Eva Longoria



Premium fashion platform Modivo is active in

13

markets

Payment preferences

A very important aspect of providing customers with localized solutions is to offer them the most popular online payment methods in their region.

Credit and debit card payments are regarded as the international standard for e-commerce payments. In many countries, however, alternative solutions are much more popular among online shoppers, such as pay-by-link in the Czech Republic and Poland, or card payments automatically spread into installments in Romania.

In addition to offering shoppers convenient and familiar online payment methods, it is also crucial to allow payment in local currencies. This helps to increase trust, as the buyer knows exactly how much they will be charged without needing to check the exchange rate.

Cooperation with PayU allows us to offer our customers payment solutions which they use on a daily basis in their countries. PayU offers us ongoing support in increasing the conversion of our orders. The launch of new payments functionalities, and the development of existing ones, brings measurable benefits.

Agnieszka Urbańska,
project manager at eobuwie.pl

Installment solutions offered by online stores are gaining popularity. Consumers look for the best offers available, and are increasingly choosing to spread the payment into convenient installments. Eobuwie.pl offers installments, and other forms of deferred payments, to customers in Poland and the Czech Republic.



Other important aspects of consumers' payment-related behaviors:



Buyers <40 years old appreciate the option of instant (online) payments – for them, this is the natural completion of the purchase path, they finalize the purchase and just wait for the product to arrive.



Buyers >40 years old frequently prefer the cash on delivery method, only when they physically receive their goods.



In the case of larger purchases, and premium purchases, the buyers are glad to use the installment option.

PayU prides itself on being ahead of market trends, and as such is constantly expanding its catalog of payment methods. For example, by partnering with Czech BNPL provider Twisto, PayU was able to offer deferred payments solutions to its merchants. Eobuwie.pl was one of the first merchants that chose to implement this solution.



Consistent customer experience

Eobuwie.pl respects local consumers' habits and behaviors, and focuses on providing an exceptional customer experience in all markets. This means easy navigation through all webpages, which are translated into the local language by native speakers, active social media channels for each market, and clear product descriptions.

Different markets, even more opportunities

According to eobuwie.pl, the keys to success in cross-border e-commerce are:

- Awareness of market-specific challenges;
- Detailed, on-the-ground knowledge of each market;
- Well-developed and tested logistics and warehouse facilities;
- Listening to and understanding regional customer needs – from the product offering through to payments and delivery preferences;
- Continuous extension of the product offering and development of the brand – customers should be offered a range of products not available elsewhere;
- Comprehensive service in the local language – showing a commitment to customer service;
- Transparency and openness instead of anonymity – the key is to become renowned in the market for being a foreign business that respects local traditions and culture and sells high quality goods (i.e. only selling products from verified sources and tested suppliers).

The fact that eobuwie.pl has millions of satisfied customers in 16 countries is testament to its huge success. Thanks to the economies of scale enabled by its huge sales numbers, the company is able to respond to consumers' expectations better and faster. It's widely recognized that consumers are the ones who define the market reality.

Our international expansion has given us the opportunity to collaborate in new markets and experience new cultures and traditions, and always keeps us thinking about how we can grow and improve further. We recommend that every company starts its journey to international expansion – the opportunities are practically limitless.

Marcin Grzymkowski,
founder and CEO of eobuwie.pl