SILESIAN UNIVERSITY OF TECHNOLOGY PUBLISHING HOUSE

SCIENTIFIC PAPERS OF SILESIAN UNIVERSITY OF TECHNOLOGY 2025
ORGANIZATION AND MANAGEMENT SERIES NO. 228

INSTITUTIONAL CHANGES IN POLAND'S RETAIL SECTOR OVER THE LAST DECADE (2015-24)

Mirosław PACUT

University of Economics in Katowice, miroslaw.pacut@ue.katowice.pl, ORCID: 0000-0001-6494-5167

Purpose: The aim of the paper is an attempt to analyse the institutional changes in retailing in Poland over the last decade, when the retail sector had to face adverse circumstances, including covid-19 pandemic and the outbreak of the first full-scale armed conflict in Europe for decades - and the consequences of these events in the form of an energy crisis, disruptions to supply chains as well as a significant inflationary surge.
Design/methodology/approach: The study is based on the analysis of scientific sources, and secondary data on the structural and economic indicators characterising retail sector in Poland over examined period, provided by Euromonitor International database.
Findings: Although the last decade has been a period in which Polish retail sector had got its most turbulent changes over with, the industry remained highly dynamic and undergoing significant transformations. Intensive development of e-retail, including the hybrid use of off- and online channels, has been observed, as well as significant re-evaluations of the market shares of individual sales formats. The role of discount shops, which also represent the market segment with the most intense competition, has increased significantly during the analysed period. An intensive development of the convenience format should also be noted, taking over the shares of small independent grocery shops, which have almost completely disappeared from the market. The growth in importance of discounters and convenience stores is accompanied by a relative weakening of the position of hypermarkets, currently entering a period of later market maturity and looking for innovations to restore their competitiveness. At the same time specialised shops - apart from the format of industrial supermarkets and drugstores and pharmacies - are encountering stagnation or regression, due to intensified competition from online channels in the non-food sector.
Research limitations/implications: Institutional transformations and the evolution of retailing is indubitably a field meriting further research, with efforts to scientifically describe and analyse the trends and revaluations observed in this domain.
Originality/value: (mandatory) The paper identifies and analyses the up-to-date indicators characterising the alterations in the institutional structure of Polish retail sector, giving better understanding of its evolution over the last decade.
Keywords: retailing, retail formats, e-retail, retail market, Poland.
Category of the paper: research paper.

1. Introduction

Contemporary retailing, which institutionally encompasses a wide variety of business forms and methods, has been and continues to be subject to processes of evolutionary improvement in the mechanisms of its operation. Originating as an economic activity responding to the need to streamline market exchange processes, it is subject to constant transformations generated both by changes in macro-environmental factors - in particular the economic and social situation and technological developments, as well as the need to face increasingly intense market competition and adapt to the dynamically changing needs, preferences and requirements of buyers. The result of this process is the emergence of new, innovative business models and sales formats in retailing, while forms of business that have already lost their potential to generate competitive advantage are being phased out.

The objective of the article is an attempt to analyse the institutional changes in retailing in Poland over the last decade (2015-2024). This is a period in which, on the one hand - the market was already characterised by relative stability in terms of the dynamics of competitive processes, and on the other hand - the entities operating in it had to face circumstances that were as unexpected as disruptive to the prevailing order, such as the covid-19 pandemic or the outbreak of the first full-scale military conflict in Europe for decades - and the consequences of these events in the form of an energy crisis, disruptions to supply chains as well as a significant inflationary surge (particularly felt in Central and Eastern European countries, including Poland).

In theoretical terms, institutional and structural changes in retailing are reflected in a number of model concepts (Brown, 1987), among which the most frequently cited are theories based on the assumption of cyclical evolutionary phases.

Historically, the first of these was P.M. McNair's (1931) wheel of retailing theory - assuming cyclical phases of development based successively on: low-cost innovation enabling low prices to be offered, followed by the development of the product range and the level of after-sales services - but causing an increase in costs and thus a loss of price advantage, leading, in effect, to the need to confront successive low-cost innovators entering the market. The theory, which has been subject to criticism over the years, seems to be completely out of step with contemporary realities, where market innovations are not necessarily based on a low-cost scheme and discount prices (e.g. convenience stores or concept stores; Borusiak, 2011).

A different approach, although also based on the assumption of cyclical change, is characterised by accordion theory - assuming that the axis of format evolution is not the cost position and the service range, but the level of specialisation/universalisation in the assortment offered (Hollander, 1966). According to this concept, development takes place through alternating phases of specialisation and universalization, ultimately leading to the predominance of large-scale trade - on the one hand in the form of large-scale specialists (category killers) and, on the other hand, through the repositioning of the offer within universal hypermarkets through the establishment of dedicated departments and specialist stands with a deep assortment within selected product categories (Sławińska, 2004).

Another theory is the concept of the retail life cycle, which assumes analogous to the marketing phases of the product life cycle the development phases of individual retail formats (innovation, development, maturity, decline). This concept, in contrast to previous theories, does not, however, explicitly identify the area of innovation, which is the impulse for the development of a new format. It is acknowledged that this can manifest itself in various aspects apart from pricing, assortment and service - also for example, in location or marketing communication (Davidson et al., 1976). The subsequent stages - analogous to the product life cycle - describe a gradual growth, stabilisation and then an inevitable decline in turnover and profitability as a consequence of the emergence of successive innovators taking over the market share of their predecessors. Currently, the convenience stores format is experiencing intensive growth on the Polish retail market, displacing small, individual grocery shops that are in a phase of deep decline. At the same time, the hypermarket format is entering late maturity, looking for its market opportunities in the development of medium-sized outlets.

Some synthesis of the aforementioned theories can be found in the concept of the 'big middle', which posits that innovators entering the market are based on price or non-price advantages. However, as they strengthen their position and reach the stage of market maturity, they evolve towards the 'big middle' –averaging price and quality, but providing economies of scale in return (Levy et al., 2005). A noticeable indication of such a mechanism within the domestic market is the gradual dissolution of the conventional boundaries between the supermarket format and discounters.

In addition to theories based on assumptions of the cyclical nature of change, mention should also be made of the conflict theory derived from the Hegelian dialectics - according to which evolution is the result of a conflict between a 'thesis' and its contradictory 'antithesis', resulting in the development of a 'synthesis' (e.g. the discount format is a synthesis of a self-service wholesaler and a supermarket) (McArthur et al., 2016).

Environmental theories posit slightly divergent assumptions, attributing fundamental importance to environmental factors. Institutional evolution is conceptualised as a consequence of trade's perpetual reaction and adaptation to evolving environmental conditions - where (as in Darwin's theory of evolution) competitive advantage is accrued by those who demonstrate the greatest capacity for adaptation (Kent, Omar, 2003).

A set of various factors have been of key importance in this context – particularly technological (e.g. computerisation of sales and logistics processes, as well as the development of means of transport and new channels of information flow), economic (e.g. increasing wealth of societies, internationalisation and globalisation, business cycles) and social (e.g. changes in consumption patterns and habits, including preferred methods and places of purchase), as well as legal and regulatory ones (Reinartz et al., 2011; Sławińska, 2010). They have also resulted in a dynamic increase in the intensity of competitive processes, leading to concentration phenomena, extensive expansion of retail chains into new markets and generating increased innovation in sales technologies and formats (Gauri et al., 2021; Reynolds et al., 2007). In this context, the gradual growth of online retailing (Ratchford et al., 2022) and, with regard to traditional channels, the growth of retail chains at the expense of independent retailers, as well as the expansion of large format stores and the rise of speciality and discount retail formats (Bonfrer et al., 2022) are particularly noteworthy.

The important contribution to understanding contemporary institutional transformations in retailing is also provided by theories describing the progressive digitalisation of processes in modern companies and the consequent significant modifications of their business models. The conceptual basis is constituted here by theories describing the mechanism by which digital transformation and technological change (Karas, 2025) impact the modifications of structures and processes belonging to different functional areas of enterprises (Kotarba, 2018). In the context of retail sector, it is particularly important to emphasize the re-evaluation of individual marketing channels, the alterations in customer service methods/forms and the creation of customer experience, and to an increasingly important extent, the outright redefinition of the scope of value provided to customers (Berman, 2012; Reinartz et al., 2019).

An observable manifestation of these trends is the progressive transformation of contemporary retail towards the e-retail model (and m-retail understood as its version dedicated to mobile channels). This is occurring both through the gradual hybridisation of traditional and digital channels with varying degrees of integration, from cross- and multi- to omni-channel (Beck, Rygl, 2015), as well as through the emergence of various forms of new businesses operating exclusively online (Tian et al., 2018). Of particular interest in this context is the emergence - as one of the key manifestations of platform capitalism (Langley, Leyshon, 2017) - of e-retail marketplaces (providing infrastructural digital space for business activities of many independent sellers) creating specific digital sub-markets with their own internal mechanisms of competition and shaping market processes.

In conclusion, it should be emphasised that the area of the theory of institutional transformations of retail - although scientifically explored for almost a century – certainly still does not constitute a theoretically closed whole. This is especially evident in view of the observed dynamic and multidirectional development of virtual forms of trade, which is not always obvious or predictable, and necessarily generates continuous emergence of further research gaps requiring exploration.

2. Institutional changes in Polish retail trade

In Poland - as in other Eastern Bloc countries - the course of institutional change in retailing was quite specific. In contrast to the developed markets where trade evolution has been in progress since the mid-20th century, Poland initiated this process only in the last decade of the century, coinciding with the transition of its economy to a free market model (Karasiewicz, Trojanowski, 2016). The rapid liberalisation of the market precipitated profound transformations, including those within trade activities, with the influx of foreign capital serving as the primary catalyst (Komor, Pacut, 2009). The advent of transnational retail concerns in the Polish market quickly changed its landscape, introducing innovative business models and modern sales formats that had already been successfully implemented in their respective home countries. The most significant qualitative changes in the retail infrastructure were observed in the second half of the 1990s, when more and more companies entered the market (Ahold/Allkauf in 1994, Casino Geant in 1995, Auchan and Metro Group in 1996, Jeronimo Martins, Carrefour and Tesco in 1997), while the most dynamic transformation took place in the first decade of the 21st century, when the companies already present on the market intensively expanded their chains (mainly medium and large formats: discounters, supermarkets and hypermarkets). The rapid expansion of the chains was accompanied by a significant intensification of the competitive processes, which led to the first exits of foreign players from the market (Casino in 2006, Ahold in 2007), but was also accompanied by the entry of new players (Schwarz Group in 2002).

Subsequent years are no longer characterised by such high dynamics of change, which does not imply that Polish retail is not subject to further evolution. The last decade was primarily characterised by the very dynamic development of e-commerce accompanied by modifications of business models within retail sector (with particular emphasis on the development of multi-channel strategies). It was also a period distinguished by two significant economic upheavals, the ramifications of which were both profound and unforeseen - - the covid-19 pandemic, forcing radical changes in the functioning of retail (constituting, inter alia, a strong impulse for the development of online channels), and the energy crisis triggered by the first war in Europe in decades. The consequence of these events was also a very intense and acute (especially in Eastern European countries, including Poland) inflationary surge, which had a significant impact on purchasing capacity and consumer sentiment, and consequently also on the sales performance of the retail sector. In the last decade, some significant changes in the competitive situation in this market can still be observed. The most significant events in this context include the withdrawal of Tesco from the Polish market (in 2021) and the takeover of its infrastructure by the Saling Group (Netto), the very dynamic development of the Polish Dino chain and the predominantly franchise-based convenience format of the Żabka chain, as well as the significant reassessment of the market shares of hypermarkets (decline) and discounters (growth), accompanied by an increase in the market shares of companies operating in online channels.

2.1. Retail sector in Poland – key indicators

For years, retail has been one of the most important sectors of the Polish economy, currently accounting for about 13% of GDP creation and a corresponding share of the total volume of employment (GUS, 2024) - putting Poland at the forefront in Europe in terms of the importance of this sector in the national economy. The retail segment accounts for about one-third of the revenue and almost two-thirds of the employment of the entire retail sector and 9% of the total turnover of the business sector (GUS, 2024; Pekao, 2024). The importance of the retail sector in the Polish economy stems from the relatively large domestic market and the characteristics of the consumption structure, in which a larger share is held by goods (compared to more 'service-oriented' structures in Western European countries), while the main growth factor is the dynamic growth of individual consumption, resulting from the observed significant increase in the average real income[1] of the population (by 37% in 2015-23) (Eurostat, 2024).

The total value of retail sales in Poland in 2024 amounted to almost PLN 800 billion (RSP net value, excluding VAT), and its volume (sales at constant prices) has increased by 21% over the past 10 years (Table 1) (Euromonitor, 2025)[2]. The compound annual growth rate (CAGR) over this period has been 2.2%, with some anomalies to be noted. The first is the 'pandemic' regression of traditional (brick-and-mortar) retail in 2020 (a decline in sales of PLN 26 billion and a reduction in the number of outlets by 9000) with the simultaneous development of e-commerce (an increase in sales of PLN 36 billion); the second is the decline in total retail sales in 2023 (a significant decline in offline sales and a stabilisation of online sales) - which appears to be the result of a decline in purchasing power and a deterioration in consumer sentiment caused by the increased level of inflation in 2022-23.

It is worth emphasizing that the overall growth rate of retail volume over the last decade is largely due to the very dynamic development of online channels - while traditional retail grew by 8.3% (CAGR of 0.9%), the e-retail segment increased its turnover (at constant prices) by almost two and a half times in this period (by 136%, at a CAGR of 14.4%). E-retail sales currently account for 15.5% of total retail sales, compared to less than 6% 10 years ago.

Apart from the significant alterations in the shares of traditional and online forms in the retail structure, it is also important to note the significant structural changes in traditional retail, reflected at the most general level in the changes of the basic parameters characterising the retail outlet network. Between 2015 and 2024, the Polish retail sector witnessed the closure of over 78,000 outlets, with a particularly rapid acceleration in this process occurring from 2016 to 2018, when the number of outlets decreased by 50,000. However, the decline in the number of retail outlets has not been accompanied by a decrease in the total sales area, which has remained relatively stable during the observed period (even exhibiting a modest increase by 5%). Thus, the market is experiencing a shift in which smaller shops are gradually being phased out and replaced by larger facilities - the average area of a shop in Poland in 2015 was less than 100 m^2, whereas the current average shop size is approximately one-third larger (128 m^2).

Table 1.
Retail sector in Poland in 2015-2024 – key indicators

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total retail sales (PLN billion, RSP constant prices)	651,5	695,4	715,3	734,3	757,4	767,6	791,5	793,2	778,8	789,1
of which: online retail	36,5	45,0	54,5	63,6	72,3	108,3	113,5	114,3	114,4	122,8
traditional retail	615,0	650,4	660,9	670,7	685,2	659,3	678,1	678,9	664,4	666,2
Total selling space (million m^2)	36,1	36,5	35,9	35,9	36,0	36,0	36,4	36,7	37,9	38,1
Number of outlets (thousands)	375,8	369,0	339,4	319,2	310,6	301,3	308,9	300,2	307,2	297,5
Average store area (m^2)	96,1	98,8	105,7	112,4	115,8	119,3	117,8	122,2	123,3	128,0

Source: based on data from Euromonitor International.

2.2. Retail formats in Poland

The changes in the institutional structure of retail in Poland can be seen more precisely by analysing the sector by individual shop formats. Several clear trends can be observed within this context - a very dynamic increase in the market share of discount shops and convenience stores, accompanied by a rapid and nearly complete marginalisation of small, local general shops (Table 2).

Discount stores currently represent the dominant outlet type in the Polish retail landscape, with a 20% share of total retail turnover (in 2015, this figure was less than 13%). The substantial development of the discount format, which over the decade doubled the volume of sales and, on a slightly smaller scale, expanded the network of outlets (an increase of 2000 shops), appears concomitantly to be a logical consequence of the purchasing preferences of Polish consumers, who invariably for years have been indicating price as one of the basic factors deciding where to buy FMCG products (Idzik, Stańko, 2006; Dawidziuk, 2022). The discount market is dominated by two chains: Biedronka and Lidl (engaging in intense competitive activities, particularly in the fields of pricing and promotional strategies), with the main competitors (Aldi and Netto) announcing ambitious market expansion plans in the forthcoming years.

The second retail format that has experienced significant development in the Polish market over the last decade is that of convenience stores. Currently, these outlets represent 13.3% of total retail turnover, with the number of outlets increasing by over 21,000 and total sales volume rising by 30% over the past decade. This is primarily attributable to the substantial expansion of the Żabka chain (currently with almost 11,000 outlets at its disposal, three times more than 10 years ago), which established itself as the market standard in this segment, in terms of sales technology standards and the broadth of its offer (expanded in recent years by small catering and postal/courier services).

The development of convenience stores is accompanied by an opposite trend in the format of small independent (non-network) grocery shops - currently accounting for only around 1% of retail turnover, in contrast to a 7% share that was recorded a decade ago. The aforementioned decrease in the total number of retail outlets in Poland is primarily the effect of the very rapid 'dying out' of small local grocery shops. Out of over 60,000 of them existing in 2015, only 3500 survived 10 years later, and their sales volume has decreased more than fivefold. The situation is similar (although not on such a drastic scale) in the segment of small specialised grocery shops (meat and sausage shops, vegetable shops, liquor shops, bakeries, etc.), which over the course of the decade have disappeared from the market by more than 10 thousand, and their total sales volume decreased by 1/3. This trend, however painful for many small entrepreneurs, seems inevitable as a consequence of the maturation of the domestic market, and thus the intensification of competitive activities and the growing importance of professionalisation of business activity and more significant translation of the economies of scale into the market position of individual entities. As part of this trend, some independent small retailers are merging with franchise chains (e.g. Lewiatan or Groszek chains owned by Eurocash), ensuring a common purchasing and promotional policy.

The supermarket format has been developing quite steadily, with both the volume of sales and the number of outlets increasing, although at a relatively slow pace (in comparison to the aforementioned formats). Over the past decade, supermarkets have maintained their share of the retail market at approximately 7-8%, while the number of outlets of this type has increased by half (from 3200 to 4900). The undisputed leader within this format is the rapidly expanding Dino chain, which currently operates 2500 outlets (a fivefold increase over the last decade, with a tenfold increase in sales volume). However, when analysing the market position of supermarkets and the discount shops, it is important to note that the classification criteria for these shop formats are not always strict. For example, the Dino chain has been classified as a supermarket due to its traditional service at delicatessen stands (meat, cold cuts, cheese) and a low share of private labels in its offer. But currently some of discount competitors are introducing traditional stands in their shops (Biedronka, Netto), while the Dino chain itself is reformulating its strategy and significantly increasing the share of private labels in its assortment.

Significantly different from the case of supermarkets is the situation of hypermarkets, which have undergone a substantial decline over the examined decade. As this format is virtually non-existent outside of large urbanized areas, it has never been a significant component of the overall retail market turnover. However, the magnitude of its market share contraction is evident (from 7% in 2015 to less than 3% in 2024), as is the decline in the number of shops by a quarter and turnover by almost half over the decade. The reasons for this trend are: the rapidly growing network of discount stores (offering price-competitive alternatives to hypermarkets), and shifts in consumer preferences (with a tendency to purchase FMCG items more frequently from conveniently located stores and price-competitive discounters, while durable goods are increasingly purchased through e-commerce) (Maciejewski, 2017; Cyrek, 2023).

In response, hypermarket operators are modifying their strategies, adapting them to current market conditions. They are developing networks of smaller outlets in the supermarket (Auchan Supermarket, Carrefour Market) and convenience stores formats (Easy Auchan, Carrefour Expres), as well as introducing large-scale online shopping with delivery and click&collect services. The Auchan chain has also decided to launch a completely new discount hypermarket format under the Atac Hiper Discount brand (currently with two outlets in Poland), intended as a response to the growing market advantage of discount stores.

The non-FMCG retail market is evidently more stable in comparison to the one of grocery and FMCG shops. This is understandable, as the classification of shop formats is predicated here on sector specialisation rather than on sales technology or selling space size - consequently, the shares of individual shop formats are largely reflective of the trend in demand for specific product categories and assortment types. The category of outlets classified as general merchandise stores is an exception here - it has a marginal share in total sales, but has nevertheless been developing very intensively over the last decade (a fourfold increase in the number of outlets and a fivefold increase in turnover volume). This development can be attributed to the substantial expansion of the chains of non-food supermarkets (Action, Dealz, Tedi, etc.) over recent years, and the market is still perceived as developing, as evidenced by e.g. the ambitious development plans of the Woolworth chain, which has recently entered the Polish market.

Among specialised non-grocery shops, the highest turnover has invariably been recorded for the last 10 years by those classified in the 'health and beauty' category, comprising above all drugstores, cosmetics shops and pharmacies (approx. 9% of the total turnover of retail in Poland; this share has remained stable over the analysed period - the volume has been growing at a rate analogous to that of total retail sales, as has the number of outlets). An increase in the sales volume over the decade (although on a smaller scale than in the previous category) with a stable number of outlets is also recorded in the segment of clothing and footwear shops.

In the other categories of specialist shops (consumer electronics, white goods and home products), the situation is different. Sales volumes are at a marginally lower level than was recorded 10 years ago, whilst the reduction of chains is very evident in these sectors. With stable turnover, this indicates that smaller shops are being displaced by larger ones, and the share of online sales is increasing. The downward trend in sales volumes in traditional outlets has been evident for several years in all non-food sectors, albeit most pronounced in the electronics shops and retailers in the 'home products' category and relatively least so in the 'health and beauty' segment.

All the non-food and consumer durables sectors are exposed to particularly intense competition from online channels, which is reflected in the performance of the brick-and-mortar chains offering such ranges. In response to this, various modifications of sales strategies have been developed, incorporating a hybrid use of off- and online channels ('cross channel', 'multichannel' and 'omnichannel'). with the widespread introduction of online offers and hybrid forms of ordering, delivery and returns by almost all major chains operating in the durable goods segments.

Table 2.
Brick-and-mortar retail formats in Poland (2015-2024)

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Grocery shops											
Supermarkets	sales (PLN bn*)	46,2	47,6	48,3	50,1	52,0	51,8	53,6	58,1	61,0	63,6
	no. of outlets	3198	3232	3390	3595	3717	3745	4060	4446	4667	4921
Hypermarkets	sales (PLN bn)	43,4	45,0	44,7	42,2	40,2	35,5	30,1	28,2	24,3	22,7
	no. of outlets	436	438	442	433	429	412	325	322	326	328
Discount stores	sales (PLN bn)	84,0	92,6	101,1	107,0	115,4	123,9	133,1	147,8	156,0	159,0
	no. of outlets	3 705	3 810	3 927	4 064	4 228	4 425	4 852	5 156	5 424	5 605
Convenience stores	sales (PLN bn)	78,0	85,5	90,1	93,3	99,4	102,0	107,3	110,8	104,5	104,9
	no. of outlets	36020	38786	40245	41937	45053	48845	51329	55456	56722	57686
Small local grocers	sales (PLN bn)	43,6	41,9	39,2	37,5	33,0	20,8	12,0	9,8	8,5	8,0
	no. of outlets	63140	52640	33239	19784	14198	8204	4523	4506	3725	3585
Small local specialized**	sales (PLN bn)	78,0	85,7	78,5	74,2	66,1	63,7	66,6	59,1	56,0	56,1
	no. of outlets	34 966	32 557	29 365	29 338	25 832	24 815	26 904	26 091	27 822	25 501
Non-grocery shops											
General merchandise	sales (PLN bn)	1,4	1,3	1,5	1,6	2,1	2,4	3,6	4,7	6,2	6,9
	no. of outlets	318	313	348	399	482	535	676	896	1 129	1 272
Clothing and footwear	sales (PLN bn)	31,5	32,2	34,9	36,7	39,2	31,8	37,5	38,3	36,6	35,7
	no. of outlets	39 642	38 540	37 514	38 325	37 430	37 852	39 184	36 503	37 922	36 781
Electronics, appliances, computers	sales (PLN bn)	27,8	28,2	27,7	29,0	28,8	32,2	34,5	31,5	28,1	27,4
	no. of outlets	5 767	5 713	5 035	4 630	4 635	4 570	4 227	4 127	3 621	3 385
Home products	sales (PLN bn)	46,5	49,4	51,2	52,8	53,3	54,0	54,5	52,7	47,7	46,0
	no. of outlets	22 608	22 723	21 820	21 112	20 292	18 907	18 218	17 471	17 375	16 808
Health and beauty	sales (PLN bn)	59,6	63,1	66,0	69,6	73,9	68,3	68,5	67,5	67,9	71,2
	no. of outlets	25 034	25 541	25 808	24 614	24 178	23 977	24 005	23 851	23 398	23 080

* RSP, constant prices,
**meat and sausage shops, fruit and vegetable stores, liquor stores, bakeries, confectioneries, etc.

Source: based on data from Euromonitor International.

As previously mentioned, the growth of retailing in online channels has been increasing at an average rate (CAGR) of 14.4% between 2015 and 2024, with particularly intense, leapfrogging growth (+50 per cent year-on-year) observed in 2020. Among the various online retailing formats, marketplace platforms have long dominated, maintaining a consistent share of approximately 50% of total online retail turnover (Table 3), while significantly increasing their share in total retail sales at a rate comparable to that of e-commerce as a whole. The position of marketplace platforms can be seen as a logical outcome of the convenience and benefits they offer consumers. By consolidating the offers of numerous sellers, these platforms effectively create a distinct sub-market characterised by its own internal competition, the ability to compare offers and, due to economies of scale, the ability to offer low transaction costs (including delivery).

All of the specialised online shop formats have recorded multiple sales volume growth over the decade - home products (sixfold growth) and clothing and footwear (more than fourfold growth) stand out here. When analysing the individual specialised formats, it is worth noting the significant role played by companies whose roots are in traditional retrail and which have been developing hybrid multi-channel strategies for some time (e.g. Media Expert, RTV Euro AGD, IKEA, Decathlon, Rossmann, Reserved). This does not alter the fact that among the largest online retailers, one can also find many companies that have specialised exclusively in this sales channel from the beginning (Morele, X-kom, Zalando, electro.pl, eobuwie), although it should be noted that some of them are also implementing multichannel solutions (eobuwie, X-kom).

Table 3.
E-commerce formats in 2015-2024 (sales in PLN billion)*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
E-commerce platforms (marketplace)	16,1	17,9	20,5	25,0	30,7	48,6	55,5	58,4	58,5	62,4
General merchandise	0,2	0,2	0,2	0,3	0,3	0,3	0,3	0,3	0,3	0,3
Clothing and footwear	3,6	4,7	5,8	7,2	9,7	14,0	15,2	15,5	15,1	15,8
Electronics, appliances, computers	6,6	7,8	9,1	10,0	9,9	15,7	16,0	14,2	14,5	15,6
Home products	0,9	1,4	1,9	2,9	3,3	4,9	5,4	5,5	5,4	5,7
Health and beauty	4,0	5,8	7,4	9,5	10,7	13,3	10,6	10,5	11,0	11,7
Groceries	1,0	1,1	1,1	1,1	1,3	1,9	2,2	2,4	2,4	2,7

* RSP excl. VAT, at constant prices.

Source: based on data from Euromonitor International.

2.3. The largest retail companies in Poland

The dominance of the discount format on the Polish retail market is also confirmed by the market share structure of individual companies, where the leaders in terms of turnover are the companies operating in this format of shops (Table 4). The Portuguese company Jerónimo Martins, operating the 'Biedronka' discount chain, has been the undisputed leader for many years and continues to increase its market share, which is currently over 13%. The company currently operates over 3500 outlets and generates an annual turnover in excess of PLN 100 billion. Simultaneously, the expansion of the chain has been substantial. Over the past decade, it has augmented its store count by over 1000 outlets, while its sales volume has escalated by more than a half.

The German Schwarz group's turnover (PLN 55 billion) and market share (7%) are almost twice as low as Jeronimo Martins', yet it generates them from three times fewer outlets (1.1 thousand). The vast majority of these outlets operate under the Lidl brand (a classic discount store), and around one-fifth in the slightly larger discount hypermarket format (Kaufland). The development of the company's network is slightly more dynamic than that of Jeronimo Martins (mainly concerning the Lidl brand), with a comparable scale of turnover volume growth.

Slightly lower turnover (less than PLN 50 billion) and retail market share (6.2%) than that of the Schwarz Group is demonstrated by the domestic Eurocash, which is also the undisputed market leader in terms of the number of outlets (over 16 thousand in total). However, this is not a coherent and uniform network - Eurocash portfolio encompasses a range of 12 brands (some of them are quite niche), operating outlets of varying surface areas, sales technology (both traditional and self-service) and equipment standards (sometimes even within a single brand). This is the effect of conducting business based largely on franchising with a fairly narrow scope of unification among outlets operating under the franchise. The company's most significant brands remain ABC and Lewiatan, while Groszek demonstrates the highest development dynamics.

A similar market position is held by the only representative of e-commerce among Poland's largest retailers. The Allegro platform currently achieves a 6% share of the retail market with a turnover of PLN 47 billion. Allegro's sales volume has exhibited a consistent and sustained growth over the last decade at a rate similar to that of the entire Polish e-retail market during this period.

The following positions in terms of domestic retail market shares are occupied by the leaders of supermarkets (Dino) and convenience stores (Żabka) formats. It is noteworthy that both of these chains have demonstrated remarkable growth over the analysed period – both in terms of turnover volume and the number of retail outlets.

Analysing the list of the largest retailers in Poland, it is also noteworthy the declining market share of hypermarket operators, which is linked to the aforementioned decline in popularity of this format among shoppers in recent years.

Table 4.
The largest retail companies in Poland

		Sales		Market share		Number of outlets	
		2024 (PLN bn)	2015-24 change (%)	2024 (%)	2015-24 change (p.p.)	2024	2015-24 change (%)
Jerónimo Martins SA	Biedronka	101,95	+159	13,2	+4	3675	+38
Schwarz Beteiligungs GmbH	total	55,2	+155	7,0	+2	1160	+49
	Lidl	*41,0*	*+227*	*5,2*	*+2,3*	*910*	*+57*
	Kaufland	*14,2*	*+55*	*1,8*	*-0,3*	*250*	*+24*
Eurocash SA	total*	48,9	+98	6,2	+0,4	16278	+13
	Lewiatan	*17,3*	*+85*	*2,2*	*0,0*	*3269*	*+10*
	ABC	*13,7*	*+76*	*1,7*	*-0,1*	*6975*	*-9*
	Delikatesy Centrum	*8,2*	*+89*	*1,0*	*0,0*	*1438*	*+34*
	Groszek	*5,6*	*+203*	*0,7*	*+0,3*	*2170*	*+56*
Allegro sp. z o.o.	Allegro	47,6	+256	6,0	+4,0	0	0
Dino Polska SA	Dino	29,5	+1036	3,7	+3,1	2594	+408
Żabka Polska sp. z o.o.	Żabka	20,9	+313	2,6	+1,3	10980	+204
Terg SA	Media Expert	15,7	+353	2,0	+1,2	580	+49
PPHU Specjal sp. z o.o.	Pabat, Livio, Nasz Sklep and others	15,7	+110	2,0	+0,3	14431	+191

Cont. table 4.

Dirk Rossmann KG	Rossmann	14,3	+129	1,8	+0,3	1905	+73
Salling Group A/S	Netto	12,2	n/a	1,5	n/a	664	n/a
Auchan Group SA	Auchan	10,5	+18	1,4	-0,8	220	+102
Euro-net sp. z o.o.	RTV Euro AGD	10,0	+127	1,3	+0,3	334	+44
Carrefour	Carrefour, Carrefour Express/Market	9,3	+32	1,2	-0,4	788	-3

*The total data for the Eurocash group are not the sum for the main brands of the network (the company also has other brands with relatively small market shares).

Source: based on data from Euromonitor International.

In the context of the dynamic development of online retail, it is also worth noting the competitive structure of the market in the area of e-tailing. As already mentioned, the Polish e-commerce sector has been dominated by a single entity, Allegro, which accounts for approximately 40% of the total turnover of online retail in Poland (Table 5). The company, whose history began as a garage start-up at the turn of the century, has evolved into a prominent entity within the Polish e-commerce sector - a player that has not succumbed even to the global giant (eBay) entering the Polish market, on whose success it was modelled.

Allegro operates within a marketplace-type platform format, which by virtue of its parameters (aggregated assortments from multiple sellers, economies of scale, as well as the comprehensive benefits and convenience it can provide to buyers) is essentially the dominant form in global online retail. Allegro's dominant position seems unlikely to be threatened in the near future, due to its clear scale advantage over potential challengers, as well as its proactive innovation efforts - in particular the development of its offering of services accompanying sales on the platform (Allegro Smart subscription, AllegroPay payment and credit services, expansion of the AllegroPoint pick-up point network and AllegroBox parcel machines) - in this respect Allegro is not a step behind the global players in this segment.

Table 5.
Largest online retailers

	Sales		**E-commerce market share**	
	2024 (PLN bn)	**2015-24 change (%)**	**2024 (%)**	**2015-24 change (p.p.)**
Allegro sp. z o.o. *(allegro.pl)*	47,6	+256	38,8	+2,2
Amazon.com Inc *(amazon.pl)*	4,8	+345	3,9	+1,0
Alibaba Group Holding ltd. *(aliexpress.pl)*	4,2	+1712	3,4	+3,0
Terg SA *(mediaexpert.pl)*	3,8	+518	3,1	+1,4
Euro-net sp. z o.o. *(euro.com.pl) RTV Euro AGD*	2,3	+893	1,9	-0,8
Zalando SE *(zalando.pl)*	2,2	+371	1,8	+0,5
Inter IKEA Systems BV *(ikea.pl)*	2,1	n/a	1,7	n/a
LPP SA *(various stores/brands)*	2.0	+1867	1,6	+1,3
X-kom sp. z o.o. *(x-kom.pl)*	2,0	+60	1,6	-1,8

Source: based on data from Euromonitor International.

Other contenders attempting to challenge the leader are also companies operating in the marketplace format - the global giants of this market: the American Amazon and the Chinese Alibaba group. Both of these entities are developing their operations on the Polish market at an accelerated rate (the 18-fold increase in Alibaba's sales over the last decade is particularly impressive), although their market shares are still very small. A very dynamic market entry of a rather specific player within this format, the PDD Holdings (operating Temu platform) is also noteworthy. Currently, 2 years after entering the market, the company records a 1.5% share in the Polish e-commerce market with a turnover of almost PLN 2 billion.

Against this background, relatively good (taking into account the disproportion in the size of the assortment) sales results are recorded by retailers specialising in white goods, household appliances and electronic devices. It is noteworthy, that the leaders in these categories of online sales are companies that grew out of traditional retail, currently implementing multi-channel strategies, substituting the decline in turnover in brick-and-mortar outlets with an increase in online sales (the only significant online-originated player here is Morele.pl with a market share of 1.1%). The situation is slightly different in the clothing and footwear market, where the leader is the purely online shop Zalando, and Roadget, which operates a shop under the Shein brand, is quite valiant. However, traditional retailers such as LPP and CCC are keeping pace with them. With the exception of IKEA (representing the home furnishings industry), no other online retailer from any other industry reaches even a 1 per cent share of the Polish e-commerce market.

3. Summary

Despite the fact that the last decade has been a period in which Polish retailing had got its most turbulent changes (rapid internationalisation and modernisation of sales technology at the turn of the century, followed by a very dynamic expansion of networks and intensification of competitive processes) over with, the industry remained highly dynamic and undergoing significant transformations. The observed very intensive development of e-retail, including the hybrid use of off- and online forms within the framework of multichannel strategies, has significantly accelerated with the restrictions on social and economic activity forced by the covid pandemic. In addition to the covid shock, the retail sector, much like the entire economy, encountered an unanticipated period of turbulence, characterised by energy crisis and precipitous escalation in inflation (particularly acute in Ukraine's neighbouring countries, including Poland) adversely affecting purchasing capacity and consumer sentiment.

In addition to the increase in the share of online trade in total retail sales over the last decade, significant re-evaluations of the market shares of individual sales formats can also be observed. The role of discount shops, which also represent the market segment with the most intense competition, has increased significantly during the analysed period. A very intensive development of the convenience format should also be noted - predominantly associated with the proliferation of franchise chains, taking over the shares of small independent grocery shops, which have almost completely disappeared from the market. The growth in importance of discounters and convenience stores is accompanied by a relative weakening of the position of hypermarkets, which - as they seem to be entering a period of later market maturity - are currently looking for innovations to restore competitiveness (primarily in the form of launching smaller formats - supermarkets and convenience stores). Brick-and-mortar specialised shops - apart from the format of industrial supermarkets and drugstores and pharmacies - are encountering stagnation or regression, due to intensified competition from online channels in the durable goods sector. In the domain of e-tailing, the marketplace format remains predominant, with the Allegro platform maintaining its undisputed leadership position. This is accompanied by the substantial expansion of global leaders in this sector, which is becoming increasingly intensive.

In the forthcoming years, further growth trend of online retail and development of multichannel strategies among retail companies should be expected. A deepening process of convergence between the discount format and supermarkets seems likely, which may lead to a strengthening of their market positions. It will certainly be interesting to see alterations in the non-food market, particularly in the context of the development plans of operators of non-food supermarkets. The institutional transformations and evolution of retailing is indubitably a field meriting further research, with efforts to scientifically describe and analyse the trends and revaluations observed in this domain. Particular attention should be paid to the e-retail market, where dynamic developments and changes are expected in the coming years.

References

1. Beck, N., Rygl, D. (2015). Categorization of multiple channel retailing in Multi-, Cross-, and Omni-Channel Retailing for retailers and retailing. *Journal of Retailing and Consumer Services, Vol. 27,* pp. 170-178. https://doi.org/10.1016/j.jretconser.2015.08.001.
2. Berman, S.J. (2012). Digital transformation: opportunities to create new business models. *Strategy & Leadership, Vol. 40, Iss. 2,* pp. 16-24. https://doi.org/10.1108/10878571211209314
3. Bonfrer, A., Chintagunta, P., Dhar, S. (2022). Retail store formats, competition and shopper behavior: A Systematic review. *Journal of Retailing, Vol. 98, Iss. 1,* pp. 71-91. https://doi.org/10.1016/j.jretai.2022.02.006.

4. Borusiak, B. (2011). Innowacyjne formaty handlu detalicznego. *Zeszyty Naukowe Uniwersytetu Ekonomicznego w Poznaniu, no. 184,* pp. 111-124. https://bazekon.uek.krakow.pl/zeszyty/171199753
5. Brown, S. (1987). Institutional Change in Retailing: A Review and Synthesis. *European Journal of Marketing, Vol. 21, Iss. 6,* pp. 5-36. https://doi.org/10.1108/EUM0000000004701
6. Cyrek, P. (2023). Zmiany w stylach zakupowych klientów handlu detalicznego w kontekście pandemii COVID-19. *Marketing i Rynek, Vol. 8,* pp. 45-53. doi: 10.33226/1231-7853.2023.8.5
7. Davidson, W.R., Bates, A.D., Bass, S.J. (1976). The Retail Life Cycle. *Harvard Business Review, Vol. 54, Iss. 6,* pp. 89-96. https://research.ebsco.com/c/aomofw/viewer/pdf/2ucddbav7j
8. Dawidziuk, M. (2022). Determinanty decyzji zakupowych konsumentów. *Przedsiębiortswo & Finanse, 32*, pp. 5-21.
9. *Euromonitor International*. https://www.euromonitor.com/
10. Gauri, D.K., Jindal, R., Ratchford, B., Fox, E., Bhatnagar, A., Pandey, A., Navallo, J., Fogarty, J., Carr, S., Howerton, E. (2021). Evolution of retail formats: Past, present, and future. *Journal of Retailing, Vol. 97, Iss. 1,* pp. 42-61. https://doi.org/10.1016/j.jretai.2020.11.002
11. GUS (2024). *Analizy statystyczne. Rynek wewnętrzny w 2023 r*. https://stat.gov.pl/obszary-tematyczne/ceny-handel/handel/rynek-wewnetrzny-w-2023-roku,7,30.html
12. Hollander, S.C. (1966). Notes on the retail accordion. *Journal of Retailing, Vol. 42,* pp. 29-40. https://research.ebsco.com/c/aomofw/viewer/pdf/uog77sfhqj
13. Idzik, M., Stańko, A. (2006). Ekonomiczne uwarunkowania oraz tendencje zachowań konsumentów na rynku dóbr FMCG. *Zeszyty Naukowe SGGW - Ekonomika i Organizacja Gospodarki Żywnościowej, 59,* pp. 101-112. https://doi.org/10.22630/EIOGZ.2006.59.19
14. Karaś J. (2025). *Transformacja cyfrowa w teorii i praktyce*. Łódź: Wydawnictwo Uniwersytetu Łódzkiego. https://repozytorium.uni.lodz.pl/bitstream/handle/11089/55774/Karas_Transformacja_cyfrowa_-oa.pdf
15. Karasiewicz, G., Trojanowski, M. (2016). Transformacja w polskim handlu detalicznym – identyfikacja i analiza faz transformacji. *Handel Wewnętrzny, no. 2(361),* pp. 216-227. https://bibliotekanauki.pl/articles/957069.pdf
16. Kent, T., Omar, O. (2003). *Retailing*. New York: Palgarve Macmillan. https://link.springer.com/content/pdf/10.1007/978-0-230-37410-2.pdf
17. Komor, M., Pacut, M. (2009). Internationalisation, concentration and structural changes of retail in new central and eastern european member states of the EU. *Journal of Economics and Management, Vol 6,* pp. 69-92. https://www.ue.katowice.pl/fileadmin/_migrated/content_uploads/4_Komor_Pacut_Internationalisation.pdf

18. Kotarba, M. (2018). Digital Transformation of Business Models. *Foundations of Management, vol. 10*, pp 123-142. https://doi.org/10.2478/fman-2018-0011
19. Langley, P., Leyshon, A. (2017). Platform capitalism: The intermediation and capitalisation of digital economic circulation. *Finance and Society. vol. 3, iss. 1*, pp 11-31. doi:10.2218/finsoc.v3i1.1936
20. Levy, M., Grewal, D., Peterson, R.A., Connolly, B. (2005). The concept of the Big Middle. *Journal of Retailing, Vol. 81, Iss. 2,* pp. 83-88. https://doi.org/10.1016/j.jretai.2005.04.001
21. Maciejewski, G. (2017). Formaty handlu detalicznego w Polsce w ocenie konsumentów. *Studia Ekonomiczne, Vol. 316,* pp. 136-146. http://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.cejsh-8bda1450-9eeb-4feb-9218-164d7ba87f66/c/12.pdf
22. McArthur, E., Weaven, S., Rant, R. (2016). The evolution of retailing: a meta review of the literature. *Journal of Macromarketing, Vol. 36, Iss. 3,* pp. 272-286. https://research-repository.griffith.edu.au/server/api/core/bitstreams/f2d0cb6d-d57c-537f-b522-dd026d8598cc/content https://doi.org/10.1177/0276146715602529
23. McNair, M. (1931). Trends in Large Scale Retailing. *Harvard Business Review, vol. 10,* pp. 30-39. https://research.ebsco.com/c/aomofw/viewer/pdf/2mji23i7iz
24. Pekao (2024). *Handel detaliczny w dobie odradzającej się konsumpcji. Sytuacja bieżąca i perspektywy na najbliższe kwartały.* https://www.pekao.com.pl/analizy-makroekonomiczne/raporty-sektorowe/budownictwo-handel-uslugi/publikacja.html?id=106b9248-33f4-4b46-aef9-8a9157420a67
25. Ratchford, B., Soysal, G., Zentner, A., Gauri, D.K. (2022). Online and offline retailing: What we know and directions for future research. *Journal of Retailing, Vol. 98, Iss. 1*, pp. 152-177. https://doi.org/10.1016/j.jretai.2022.02.007.
26. Reinartz, W., Wiegand, N., Imschloss, M. (2019). The impact of digital transformation on the retailing value chain. *International Journal of Research in Marketing, Vol. 36, Iss. 3,* pp. 350-366. https://doi.org/10.1016/j.ijresmar.2018.12.002
27. Reinartz, W., Dellaert, B., Krafft, M., Kumar, V., Varadarajan, R. (2011). Retailing innovations in a globalizing retail market environment. *Journal of Retailing, Suppl. Innovations in Retailing, 87,* pp. 53-66. https://doi.org/10.1016/j.jretai.2011.04.009
28. Reynolds, J., Howard, E., Cuthbertson, C., Hristov, L. (2007). Perspectives on retail format innovation: relating theory and practice. *International Journal of Retail & Distribution Management, Vol. 35, Iss. 8,* pp. 647-660. https://doi.org/10.1108/09590550710758630
29. Sławińska, M. (2004). Przemiany strukturalne handlu w warunkach globalizacji rynku. *Acta Universitatis Lodziensis. Folia Oeconomica, 179*, pp. 15-24. https://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.hdl_11089_7437
30. Sławińska, M. (ed.) (2010). *Modele biznesu w handlu detalicznym*. Poznań: Wydawnictwo Uniwersytetu Ekonomicznego w Poznaniu.

31. Tian, L., Vakharia, A.J., Tan, Y., Xu, Y. (2018). Marketplace, Reseller, or Hybrid: Strategic Analysis of an Emerging E-Commerce Model. *Production and Operations Management, vol. 27, no 8,* pp. 1595-1610. https://doi.org/10.1111/poms.12885

Footnotes

[1] HICP - adjusted equivalised earnings.
[2] Further analysis based on Euromonitor International data (unless otherwise stated).