



UBIK BC

Business Consulting

Savings potential
enabled by eBay.pl
for polish consumers
– the results of the
comparative study

Executive Summary

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This study should help polish consumers – both the ones with substantial experience in Internet purchases and the ones still evaluating this option – to understand the savings potential which might be achieved through buying via the eBay online auction platform.

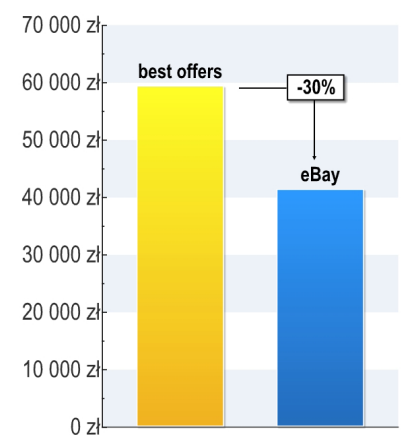
The data presented in this document is the result of UBIK BC research performed during a two week period during July 2008. The research compares average prices of identical, new, trademarked items in 6 product categories in 4 distribution channels: offline shops in Warsaw (Targówek Shopping Mall, Galeria Mokotów, Promenada Shopping Center, Factory Outlet Włochy), internet shops listed in price search engines, Allegro auction platform and eBay (only the offers from European Union). All prices compared, especially from remote sellers, include the delivery costs (the compared prices are therefore the total cost to the end-customer).

The selected basket of consumer goods includes 48 products of daily use, from recognized brands. The target group of selected products are mainly big city singles, young couples without children (DINK – Dual Income,

No Kids), young couples with children and empty nests (elderly couples with grown up children). Product availability was also an important factor in product selection. The six product categories were multimedia, products for children, cosmetics, home equipment, clothes and shoes/accessories.

The total cost of 48 comparable products on eBay was 41 400 PLN* versus 59 360 PLN obtained by selecting the lowest price for the given item in all other comparative channels. **The savings potential, which eBay provides polish consumers, is 30% on average.** 33 of 48 compared products (69%) had the lowest price on eBay (including delivery cost) and 15 products (31%) could be purchased more competively through other channels.

Table 1. eBay vs. best offers



The significant difference ascertained was between eBay and offline shops – for the 43 products available in both channels during the research period the total expense at eBay was 38 127 PLN while the traditional stores charged 68 854 PLN for the same goods. Buying through eBay could save approximately 45% for the polish consumer, who had heretofore shopped in traditional retail stores.

Table 2. eBay vs. retail stores



Buying products within the multimedia category at eBay is on

average 20% less expensive than at all other channels and 35% less expensive than retail stores.

Products for children at eBay are 25% less expensive than at all other channels and 35% less expensive than in traditional shops.

Home equipment is 30% less expensive at eBay compared to all other channels and 45% less expensive than at retail stores.

The category with most savings potential is clothes being 60% less expensive at eBay compared to all other channels and 70% less expensive than at retail stores.


Shoes and accessories are 40% less expensive at eBay than at all other channels and 50% less expensive than at retail stores.

The products which are more expensive on eBay than in other channels are cosmetics and single items of lower value (less than 100 PLN) from the above categories, as delivery cost exceeds the savings potential.

A disadvantage of eBay to an inexperienced online customer is the more complicated process of purchasing compared especially to retail stores and the sheer volume of products, from which to select from.

The table below presents average percentage savings achieved at eBay in comparison with other channels and the virtual “best offers” channel composed of the lower prices from other than eBay channels. Green indicates that eBay was more favorable option, the red the opposite.

The selected products basket shall vary from consumer to consumer. Consequently we recommend that in case of plans to buy a specific item from the retail stores (or other channels) each consumer will perform similar analysis with their specific needs in mind with the methodology described herein.

 Potential savings through shopping on eBay vs. other channels.

	Best offers*	Retail stores	Price search engines	Allegro
All products	30%	45%	25%	25%
Multimedia	20%	35%	25%	20%
For kids	25%	35%	30%	20%
Cosmetics	2%	45%	25%	8%
Home equipment	30%	45%	25%	30%
Clothes	60%	70%	N/A	5%
Shoes and accessories	40%	50%	60%	4%

* Best offers – the sum of best offers (in other than eBay channels) for the products in the given category

About UBIK Business Consulting

UBIK Business Consulting is the management consultancy boutique, advising its Clients on business strategy definition and execution (including IT strategy), technology law, Internet services and new media, cost analysis and reduction (with focus on IT and telecommunication costs) and application of open source software. Upon Clients' request we gather, analyze and present information about selected markets and companies.

Company employees gathered professional experience in the following companies: McKinsey & Company, PriceWaterhouse-Coopers Deutschland, IBM, Lycos International, Procter&Gamble, Elektrim, Telekomunikacja Polska, Orlen and NASK.

The company was established in 2004 and has been serving clients from the following industries:

- government administration,
- local municipal administration,
- media companies (AGORA, TVN),
- global software companies (Novell),
- pharmaceutical companies (Smith&Nephew)
- collecting societies.

Since 2007 UBIK BC is member of The Polish Chamber of Information Technology and Telecommunications and Polish Electronics and Telecommunications Chamber of Commerce. In 2008 the company also joined the Polish-Spanish Chamber of Commerce.

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