

## **16 years of teleshopping in Germany – a success story On a growth course with a multi-channel strategy**

Fashion, jewellery, beauty, home & living, and much more besides - HSE24 stands for a varied shopping programme 24 hours a day, 365 days a year. In 1995 HSE24 laid the foundations for a new industry in the commercial and media sector. Since then, teleshopping has become a permanent fixture on the German TV market: in addition to public and private television, teleshopping represents the third pillar of the TV industry. HSE24 ranks top 7 among the largest and, thus, highest earning private TV stations.

### **Multichannel with HSE24 – Smartshopping on all relevant media platforms**

Today HSE24 as a modern mail-order company is involved in all the relevant media platforms – from TV and online to mobiles and tablets to video-on-demand and HbbTV. Our broad multi-channel service provides customers with maximum convenience while shopping. Based on the approach to add value to the customers by technology, the principle is simple: The customer decides where and how to watch HSE24. With this consumer-oriented, globally networked media diversity, HSE24 is a pioneer in smart shopping.

### **Teleshopping used by 1 in 10 persons to make purchases – quality and service important service criteria**

This shopping programme is convincing: 1 in 10 Germans now order products from traditional teleshopping channels, thus giving the industry a strong customer base. The quality of the goods and the extensive product demonstrations were specified as the main purchase reasons. Women represent by far the majority of purchasers (two thirds). Teleshopping is primarily used by people over the age of 50. The channels therefore reach, in particular, the trustworthy and affluent clientele in the best age group, who form an increasing part of the population as a whole.

HSE24 has been awarded several times for its excellent customer service and became member of "Club of the Best for Customer Services 2012". Additionally HSE24 has received best notes from Service Rating, "Service-Champions", as well as from TÜV Saarland. In 2009 HSE24 also received an award for Germany's most customer-oriented service.

### **Teleshopping as an economic factor**

Traditional teleshopping channels attained a net turnover of €1,36 billion in 2010 and therefore overtook the pay TV market. The teleshopping market is still expanding. The market research company *Goldmedia* is predicting a turnover of around €2 billion in 2016.

HSE24 is the success story: In the past year, Home Shopping Europe GmbH, which also airs in Italy since June 2011 and acquired 49% of the Russian shopping channel Shopping Live in March 2012, achieved another record sales and earnings. Net sales increased by 7 per cent to 470 million Euros (2010: 441 million Euros) and even the earnings before taxes increases significantly. Looking back at the past five years, the Munich Company can show for an average annual growth in sales of 10 per cent. This also benefits a large number of small and medium-sized enterprises which cooperate with the teleshopping stations as suppliers.

### **Success down to people**

With a workforce now numbering around 6,600 direct and indirect employees, the industry has become an important economic factor since its entry onto the market. The company's head office and studios near Munich contain state-of-the-art technology. However, the company regards its 2,600 employees as its largest capital. 620 people are employed directly at the company's head office in Ismaning near Munich, 34 in Rome, 60 in Russia; 1,910 in the call centres and in logistics departments of competent partners.