

Press Release

Hamburg, 15 January 2018

Every third German buys furniture on the Internet

As early as the end of 2014, OTTO commissioned TNS with a study on furniture-buying behaviour. Back then, only 24 percent of Germans said they would "probably" buy furniture on the Internet; now it's every second German consumer, and one in three has already actually bought furniture via the Web. The Hamburg-based online retailer and market leader in online furniture retail intends to drive the digitalisation of the furniture sector forward and is opening up further to external brands and partners.

The <u>representative OTTO Living Study</u> shows that consumer acceptance for online furniture retail in Germany has climbed in recent years. OTTO recently presented the TNS study at imm cologne, the international interior furnishings trade fair – here's an overview of the key results:

- Around half of German consumers (48 percent) are willing to consider buying furniture on the Internet. This tendency is stronger with women than with men, and younger couples and families are the most willing to buy online.
- More than one in three German consumers (37 percent) have already bought furniture via the Web. Compared with the OTTO Living Study 2015 this figure has risen by 15 percentage points, with the increase attributable above all to younger couples and families – around half the consumers in this situation buy furniture online today.

Otto (GmbH & Co KG) • Corporate Communications • Werner-Otto-Straße 1-7 • D-22179 Hamburg Tel. +49 (0)40 64 61 8732 • Fax +49 (0)40 6464 8732

local court of Hamburg, HR A 62 024, General Partner: Verwaltungsgesellschaft Otto mbH, Hamburg, local court of Hamburg, HR B 13 762 represented by: Alexander Birken (Chairman) • Dr Rainer Hillebrand (Vice Chairman) • Dr Marcus Ackermann • Petra Scharner-Wolff • Hanjo Schneider

Members of the OTTO Management Board: Marc Opelt (Spokesman) • Dr Michael Heller (Deputy Spokesman) • Dr Michael Müller-Wünsch • Katy Roewer (special proxy holders)

- The Internet has clearly gained in relevance for the furniture retail sector: 54 percent of consumers surveyed use it as a source of inspiration, and 43 percent to find out the best price. While search engines are the most popular source of information in furniture shopping, the latest study places online mail-order generalists second as sources of pre-purchase information overtaking the specialist online furniture retailers, who are now placed third.
- At the same time, furniture-buyers' demands have risen, above all their pricesensitivity. Compared to men, women have higher demands regarding specific criteria when buying furniture, in particular concerning visual aspects, cleaning and sustainability.
- In step with the rise in online furniture-shopping interest, inhibitions regarding online purchasing have fallen, with German consumers now more willing to buy furniture on the Internet, above all younger consumers and families. Although women more frequently have reservations regarding the online purchase of furniture, these concerns are resolved through appropriate online services for example, highly precise product descriptions and zoomable product images, free material samples, customer ratings, and pick-up of the product by the seller if the purchase is returned.
- The OTTO Living Study 2018 shows that online mail-order generalists are rising in consumers' appreciation. While in 2014, 46 percent of consumers still preferred to buy from an online mail-order generalist rather than a specialist online retailer, the percentages are now even. In German consumers' view an online mail-order generalist offers advantages in terms of selection and value-for-money both strengths that have clearly risen in consumers' appreciation since 2015.

"We intend to digitalise furniture shopping in Germany further, and to expand the offer at otto.de for our customers. The Living Study shows that there is still huge potential in online furniture retail", says Dr Michael Heller, Member of the OTTO Management Board forCategories. "As the market leader in digital furniture retail in Germany we possess great depth of e-commerce expertise, and also offer a way for traditional furniture retailers to sell on the Internet. Today we are already working with over 40 brands in this area – and we look forward to welcoming further partners!"

Furthermore, OTTO is presenting new Augmented Reality applications at the international interior furnishings trade fair imm cologne (15 – 21.01.2018), and will also be demonstrating innovative technological solutions to its customers and partners that place virtual items of furniture live in their own rooms at home.

As the online market leader, alongside its impressive product selection and attractive prices OTTO is also a hit with its customers thanks to its comprehensive range of services such as 24/7 personal customer advice on the phone from product experts, free material samples, an installation service for furniture and kitchens, a set-up and connection service for ceiling and wall lights, the pick-up and disposal of upholstered furniture, slatted bed-bases and mattresses, and its range of rapid delivery services (some at a surcharge).

OTTO is Germany's largest online retailer for B2C fashion and lifestyle, as well as the country's largest online furniture retailer. The Hamburg-based company already offers over 200,00 Living articles from more than 140 different brands. OTTO's overall revenues in the 2016/17 financial year were € 2.72 billion. OTTO now generates over 90 percent of its revenues online, has an active customer base of around 6.5 million, offers some 2.4 million articles at otto.de from approximately 6,000 brands, and receives up to 10 orders a second.

For further information please visit <u>www.otto.de/unternehmen/en.</u>

Press Contact:

Nick Marten, +49 40 6461-4336, nick.marten@otto.de