HSE24 achieves record sales and results in 2014

Multichannel strategy generates high growth rates

HSE24 is continuing on its dynamic growth course: with a net sales volume of €587 million (Germany, Austria, Switzerland, unconsolidated including intra-Group transactions), the multichannel mail-order company has achieved a significant rise in sales in 2014, jumping some 7 percent from the previous year’s figure. All shopping channels continued to grow over the past year – the three TV channels, the online shop and the mobile shopping apps. The multichannel mail-order company also grew its operative result (EBITDA).

"2014 was another highly successful financial year, during which we managed to extend our market share significantly," says CEO Richard Reitzner. "Our systematic omnichannel strategy is a key driver of our sales growth. Networking our TV, online and mobile platforms has enabled us to position ourselves at the cutting edge in the smart shopping domain."

Above-par growth in e- and m-commerce

The e-commerce sector in particular saw above-par growth, contributing 22 percent (€126 million) to total sales. As many as 33 percent of all HSE24 customers now make their purchases online while almost 50 percent of new customers come from the Internet. "As an integrated home shopping company, we expect online channels to account for 30 percent of sales in the medium term," predicts Richard Reitzner. Mobile commerce also turned out to be a key growth factor for HSE24. As much as 23 percent of e-commerce sales were generated via mobile devices in 2014. That equates to almost double the previous year's figure. The number of visitors from mobile browsers is also rising steadily: in 2014, some 23 percent of shop hits came from mobile devices (up 10 percent). In 2014, 23 percent of new online customers made their first purchase on a mobile device. "The intuitive operability of mobile devices and their usage make them ideal for impulse-driven interactive home shopping. Having combined TV and mobile commerce, we are particularly skilled at inspiring customers during their virtual window shopping," says Reitzner. What is more, in late 2014 HSE24 went live with a website featuring responsive webdesign, which offers new possibilities for interacting with customers, creating further sales potential.

Strong foreign business

HSE24 is also on a clear growth course in foreign markets: the subsidiaries Shopping Live in Russia and HSE24 in Italy saw a further leap in sales in 2014, with a total figure that was almost two thirds higher than the previous year’s. "We are expecting to get into the black within two years at the most in these markets," says Reitzner. The two foreign companies should then generate around 20 percent of the Group’s total sales figure. The Group generated total net sales of €649 million in the past year.

Fashion drives growth / Tapping into new customer potentials

Over 9 million customers have already shopped with HSE24. This is equivalent to over 10 percent of Germany’s population. A successful product mix policy and customer-oriented service enabled the company to increase its number of existing customers by some 4 percent to 1.5 million buyers in 2014. The most dynamic drivers of the HSE24 range are Fashion, Jewelry and Beauty. The company is developing and producing its own exclusive brands, collections and products highly successfully in this domain. This sector is seeing above-average growth and making a key contribution to profitability. Fashion remains the strongest segment, generating €342 million (gross), more than a third of total sales. HSE24 has introduced a modern, more lifestyle-oriented presentation in order to tap into new target groups, as well as to acquire a more targeted appeal to existing customer groups. "Our market research findings indicate that 1.5 million existing customers watch our channel for up to three hours daily and make a purchase at least once a year. Another 1.2 million HSE24 viewers are potential customers. They would like to see HSE24 offering a more trendy range and would like to be entertained. We will harness this..."
additional market potential, too, offering the right mix of new products along with our exclusive and signature brands," explains Reitzner.