

STUDIO MODERNA

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CEO

The logo consists of a solid red square with the words "STUDIO MODERNA" in white, uppercase, sans-serif font positioned in the bottom right corner of the square.

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What is Multi-Channel

Some people define multichannel selling as a combination of brick-and mortar, catalog and Internet activity. Others say multichannel selling can be defined as sales within the various online channels: single website, public marketplaces and shopping-comparison sites.

Either way you define it, tapping into multiple sales channels can increase opportunities for additional sales as well as help expand your brand's recognition.

Multichannel marketing is [marketing](#) using many different [marketing channels](#) to reach a customer. In this sense, a channel might be a retail store, a web site, a mail order catalogue, or direct personal communications by [letter](#), [email](#) or [text message](#). The objective of the company doing the marketing is to make it easy for a consumer to buy from them in whatever way is most appropriate. To be effective multichannel marketing needs to be supported by good [supply chain management](#) systems, so that the details and prices of goods on offer are consistent across the different channels. It might also be supported by detailed analysis of the [return on investment](#) from each different channel, measured in terms of customer response and conversion of sales. Some companies target certain channels at different demographic segments of the market or at different [socio-economic groups](#) of consumers.

MultiChannel marketing allows the retail merchant to reach its prospective or current customer in a channel of his/ her liking.

Why Multi-Channel

Online retailing association Shop.org's recent research study showcases the opportunities of selling through multiple channels.

It found that multichannel shoppers are more valuable than customers who shop via a single sales channel. Those shoppers have a 12 percent greater buying frequency and a 32 percent higher annual spending history than customers who shop at brick-and-mortar only.

The research found that trichannel (retail, catalog, Internet) shoppers are more loyal than otherwise similar customers who purchase from only one or two channels. The study found that customers who purchased from all three channels had a 73 percent likelihood to make similar purchases from that retailer.

*“Multi-channel retailing **is growing at a rate of approximately 30%** a year in transaction value,” said Jill Glathar, Ph.D., Vice President and Director of the Market Planning and Development Practice at Opinion Research Corporation US”*

*“The ability to master multi-channel marketing is becoming increasingly vital for companies determined to be leading players in the new economy. In both B2C and B2B sectors, McKinsey research indicates that **within 2 to 3 years, over 50% of customers** – and typically the highest value customers – **will be using multiple channels for shopping and purchasing.** These channels include store, telephone, ATM/kiosk, catalogue and on-line”*

Multi-Channel challenges

VENDORS WILL ACQUIRE THEIR WAY TO CONVERGENCE

Although true cross-channel functionality is becoming a higher priority on retail channel managers' and CIOs' lists, few applications today are capable of supporting all cross-channel requirements, and the three most likely sources of cross-channel capabilities — POS, customer service, and eCommerce platform vendors — all lack critical capabilities for each other's channels. Acquisition is the most likely path to the future as:

CHANNEL CONFLICTS CAN DESTROY YOUR MULTICHANNEL OPPORTUNITIES

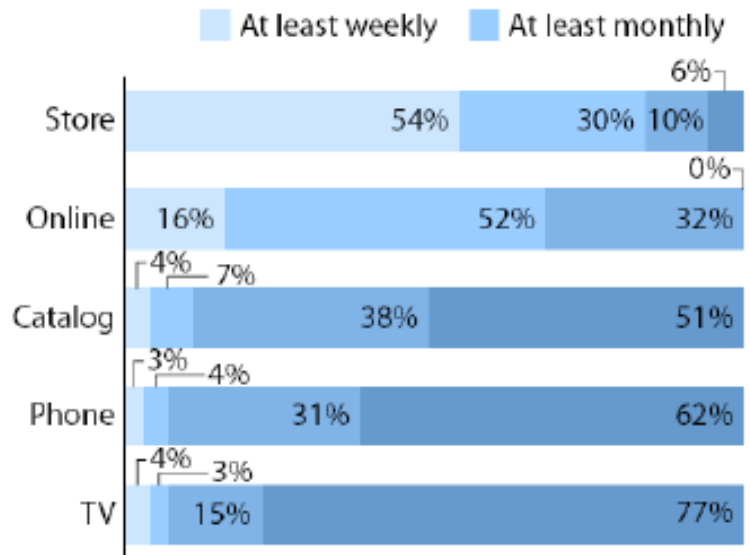
A limited amount of channel conflict is healthy. It indicates that you have adequate market coverage. However, once the balance between coverage and conflict is lost, destructive **channel conflict can quickly undermine your channel strategy**, market position and product line profitability.

Multi-channel – what does the customers say

Figure 5: More Than Three Quarters Of Consumers Said They Never Buy From TV

One in two online consumers make purchases on the Web at least monthly

“How often do you generally purchase products or services using each of the following channels?”



! Seventy-one percent of Web buyers with a broadband connection at home shop online at least monthly, compared with 61% of those without broadband.

Base: US Web buyers (numbers have been rounded)

Source: Forrester’s North American Technographics Retail And Customer Service Online Survey, Q2 2007

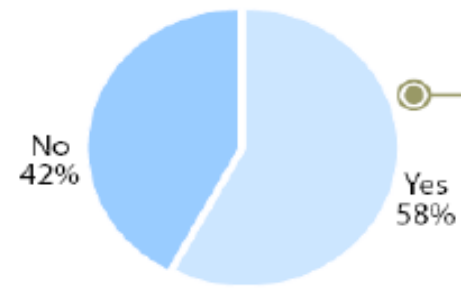
Multi-channel – what does the customers say

Figure 11: Many Are Influenced By TV To Search Online

Many are influenced by TV to search online

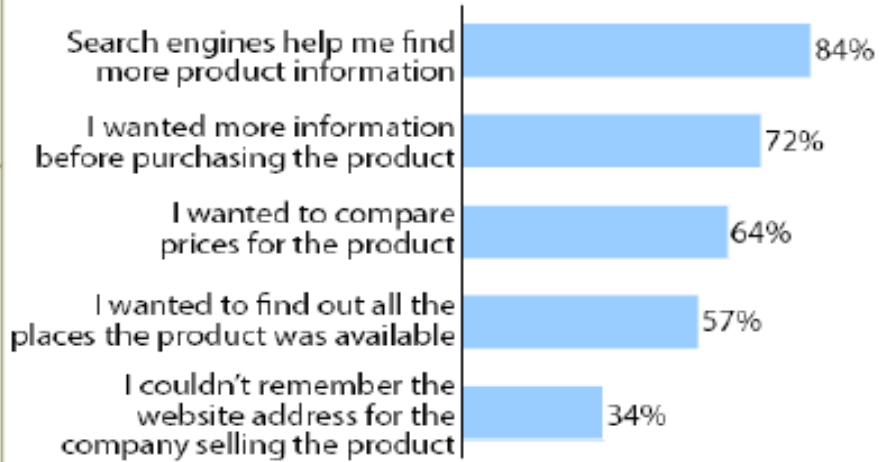
They go to learn more and comparison shop

“Have you gone online in the last year to research a product you saw for sale via TV (infomercial), or home shopping channel using a search engine such as Google or Yahoo?”



Base: All respondents

“Which of the following statements best describe your reason for going online using a search engine to research a product you saw advertised via infomercial.”



Base: 200 Respondents who have gone online in the last year to research a product seen for sale via TV, or home shopping channel using a search engine such as Google or Yahoo (multiple responses accepted)

Source: Online survey of 343 US Consumers. Conducted by Forrester Consulting on behalf of ERA

Multi-channel – what does the customers say

Figure 13-1: Forty-Four Percent Went To Retail To Look For A Product They Saw On TV

“Have you gone to a retail store to look at a product or service you saw advertised via infomercial or home shopping channel in the last year?”

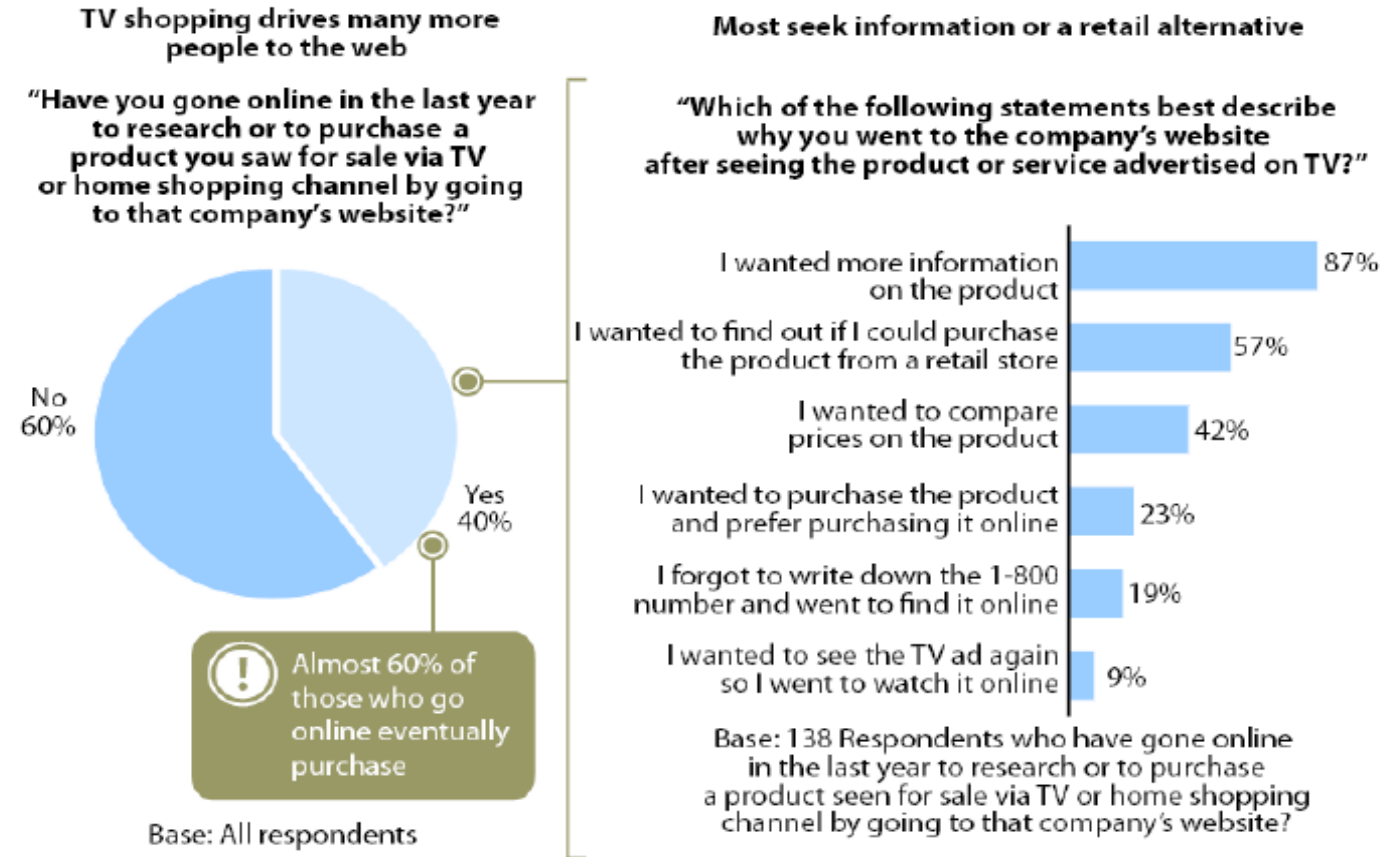


Base: All respondents

Source: Online survey of 343 US Consumers. Conducted by Forrester Consulting on behalf of ERA

Multi-channel – what does the customers say

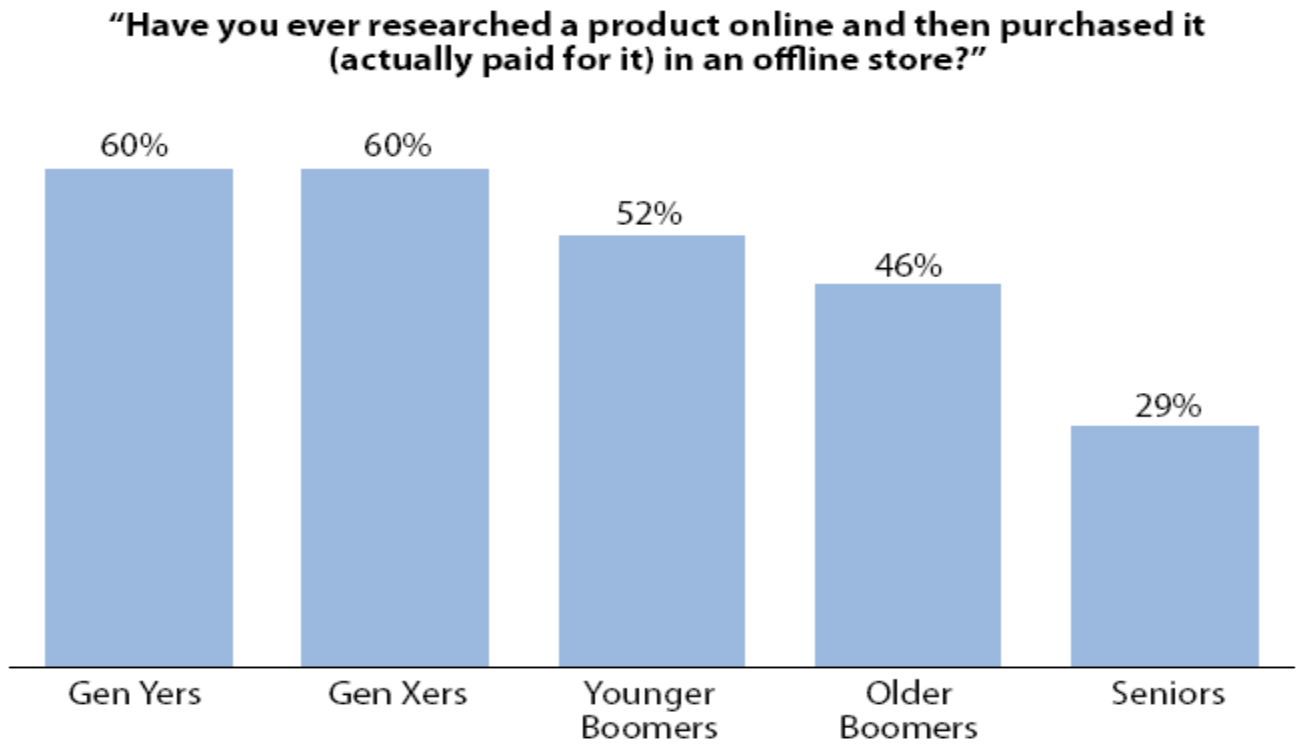
Figure 12: TV Shopping Drives Many More People To The Web



Source: Online survey of 343 US Consumers. Conducted by Forrester Consulting on behalf of ERA

Multi-channel – what does the customers say

Figure 1 Multichannel Consumers' Influence Increases As Their Numbers Grow



Base: US online consumers

Source: Forrester's NACTAS Q2 2006 Survey

STUDIO MODERNA

A Multi channel company

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Introduction – Studio Moderna today

- The **dominant electronic retailer** in Central and Eastern Europe
- Vertically integrated **multi-channel** sales, media, marketing and distribution platform
- Successfully operating across **20 CEE countries**, integrating its proven business model with local market specifics. Unique understanding of different markets, their buying habits, customs, and culture.
- Unique business model differentiating Studio Moderna from ‘classic’ DRTV companies encompassing the **entire value chain** including products, services, distribution and marketing
- In 2009 Studio Moderna reach 400 million people with more than 300 hours of programming per day with over 300 channels, more than 75 own retail shops, over 1500 wholesale points, more than 100 Internet sites and with 4 own 24/7 home shopping channels

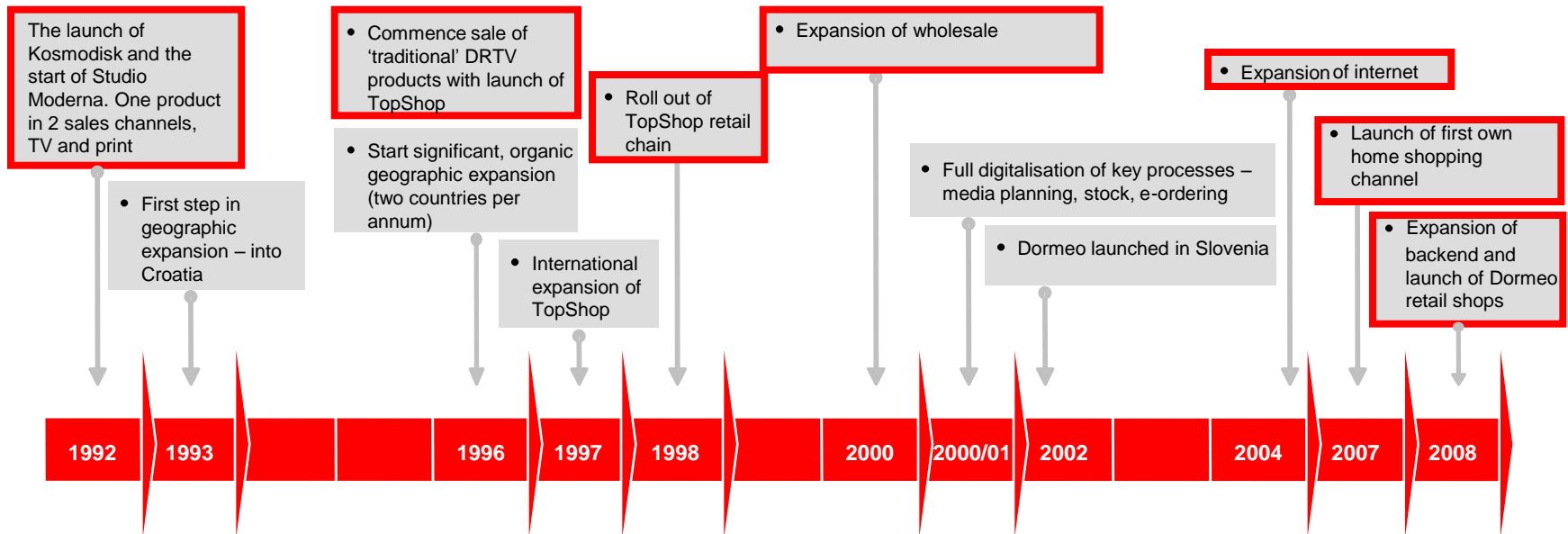
Studio Moderna Geography

Country	Date
Slovenia	1992
Croatia	1993
Macedonia	1995
Bulgaria	1996
Serbia & Montenegro	1996
Slovakia	1997
Poland	1997
Hungary	1998
Bosnia & Herzegovina	1999
The Czech Republic	2000
Russia	2002
Kosovo	2002
Lithuania	2003
Latvia	2003
Estonia	2003
Albania	2003
Romania	2003
Ukraine	2004
Azerbaijan	2005
Turkey	2005

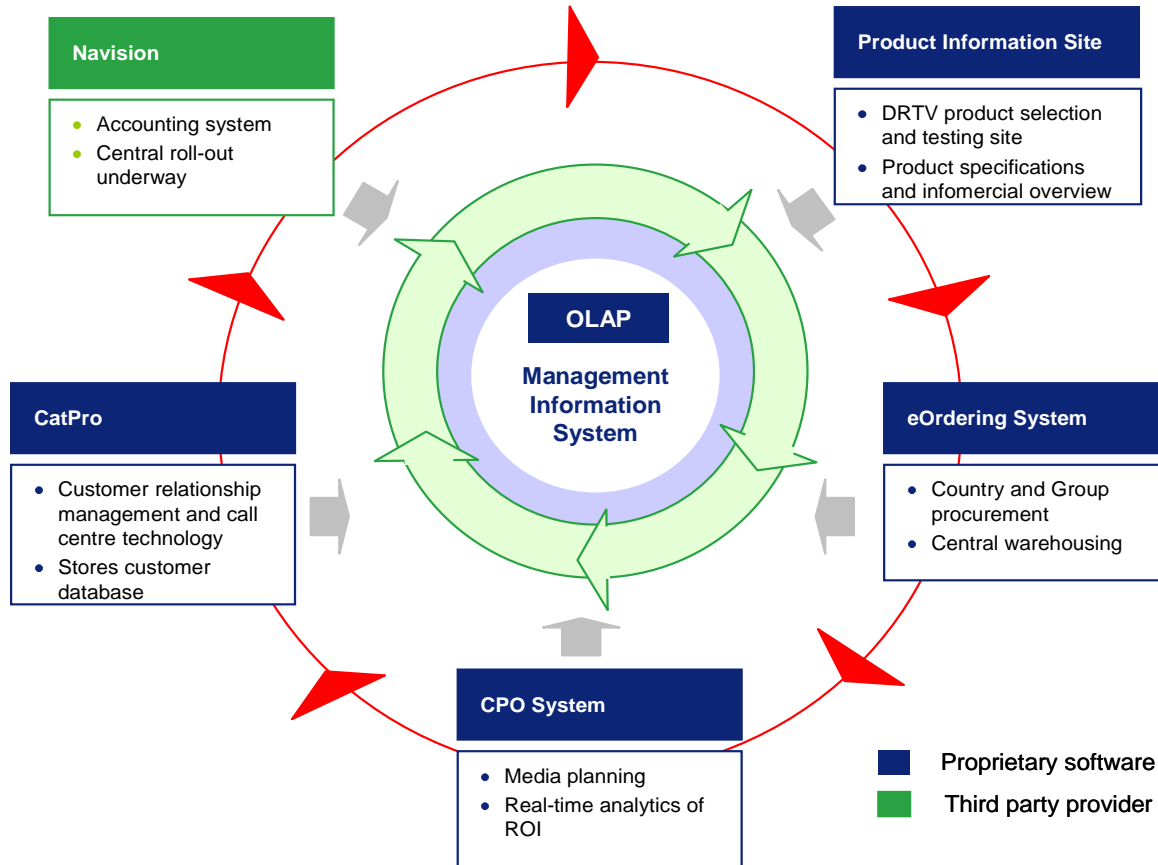


■ Existing Studio Moderna operations
 ■ Forecast to open in 2007

Studio Moderna, A multi-channel evolution



SM Information System – Key to success



Allows local Directors, Sales Channel Directors and Management to monitor, analyze and manage our multi-channel business

Thank you!