



<u>Press Release</u> Hamburg, August 7, 2019

Connected Commerce: ECE and OTTO form partnership to link offline and online shopping

The online retailer OTTO and ECE, the European market leader in the shopping center sector, are creating a one-of-a-kind, cross-channel link between brick-and-mortar retail and e-commerce. Effective immediately, the product ranges of local retailers and name-brand manufacturers can be added to the product offering on otto.de. The objective of this connected commerce concept is to boost offline sales at ECE shopping centers and beyond through greater reach and to expand OTTO's online selection by including local suppliers. The new services will initially be available to the entire store networks of retailers who operate shops in one of the approximately 90 ECE centers in Germany. The project is launching with selected retailers on board including Marc O'Polo, RENO, and Ulla Popken. Additional services such as nationwide same-day delivery are also planned.

Reserving the latest sneakers online before picking them up at the center? Purchasing a video game console online and having it delivered from the shopping center to your home on the very same day? Based on the cooperation of OTTO and ECE, both of these scenarios will soon be possible. To connect online and offline retail, the partners have founded a joint venture, Stocksquare GmbH & Co. KG, based in Hamburg. The company is integrating the store networks of brick-and-mortar retailers with the otto.de platform – createing a unique partnership between e-commerce and traditional retailers unlike any ever before seen in Germany.

Connected Commerce: The bridge between online and offline shopping

"The shopping experience of the future will take place both online and offline," says **Alexander Otto**, CEO of ECE. "In this joint project, we are combining our knowledge from both worlds and enhancing brick-and-mortar retail by expanding its reach online. This is truly a remarkable pioneering project. In the process, we can draw on our long-standing partnerships with major retailers and our dense network of shopping centers as well as the omnichannel approach of our Digital Mall project."

"With this ambitious connected commerce project, we are building a bridge between online and offline shopping for our customers. Together with ECE, we have the opportunity to partner with brick-and-mortar retailers and brands throughout Germany and integrate products from the single largest network of shopping centers in the country into the otto.de platform. In this context, the two companies already share common values through their shareholders in order to provide a genuine alternative for partners and customers," said **Alexander Birken**, CEO of the Otto Group.

New service launching with 20,000 products

At launch, the new connected commerce services will be available to retailers who operate a store in at least one of the 90 ECE shopping centers in Germany. Both consumers and retailers will benefit from ECE's extensive nationwide network of shopping centers, with almost 60 percent of the country's residents living less than 30 minutes away from an ECE center – a true USP. Technically, the connected commerce concept ties in with ECE's existing "Digital Mall" technology, which allows customers to check the availability of products on the centers' websites.

During the first stage of the project, customers will be able to see on otto.de whether an item is available at a nearby store, such as one located in an ECE shopping center. As of today, otto.de is showing local product availability for around 20,000 products from six selected retail partners: Marc O'Polo, myToys, RENO, SportScheck, Brax, and Ulla Popken. Additional items, stores, and partners will gradually be added over time. The service will not only be limited to stores in ECE shopping centers, but will also include products at other stores as well. In addition, the connected commerce concept has been designed to connect with other online platforms in the future as well.

Coming soon: nationwide same-day delivery service

In the future, the local services will be expanded to include additional elements. A reservation feature for products that are available at local stores as well as the ability to pay for products available in stores online via otto.de and then pick them up ("Click & Collect") are both planned. In addition, same-day delivery from a shopping center to a specified address in the vicinity will soon be possible making the shopping centers act as local warehouses and delivery hubs.

More information:

- Connected Commerce: "We're building a bridge":

 Interview with the Stocksquare management team Alexander Will and Sebastian
 Baumann
- "Multichannel from the perspective of e-commerce"

 Guest commentary on connected commerce by Martin Gross-Albenhausen, Assistant
 General Manager of the German E-Commerce and Mail Order Association

 (Bundesverband E-Commerce und Versandhandel e.V., abbreviated bevh)
- ECE's "Digital Mall":

 Background information on ECE's omnichannel approach, which can be used to check the availability of products at ECE shopping centers.

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