

Media Markt



Content overview

- ▼ In figures
- ▼ The company
- ▼ The business concept



Media Markt is the German and European market leader in consumer electronics retailing.

With permanently low prices, an extensive network of consumer electronics centers and an assortment of the latest brand products that is unique in this sector, Media Markt succeeded in coming clear ahead of its competitors as the market leader. The Media Markt brand is a synonym for a comprehensive assortment in the fields of

telecommunications, computers, photographic equipment, hi-fi systems and electrical appliances. A wide range of services and a competent, individual customer advice characterize the service standard.

An important element of the company's management structure is the independence of the managing directors and employees at the stores. Lean hierarchies and a high level of self-responsibility are cultivated intentionally. Media Markt customers benefit from this policy: The employees' strong motivation results in a particularly high level of service and customer advice in the individual stores. The large autonomy of the stores in putting together their assortment, setting prices and advertising guarantee a service offer that is tailored to the specific needs of the local custom base.



In figures

Media Markt

Locations ²	525
Number of countries ²	15
Sales Media Markt and Saturn ¹	17.1 bn €
Total selling space Media Markt and Saturn ¹	2.2 mio sqm
Headcount Media Markt and Saturn (annual average of full-time equivalents) ¹	49,046
Articles, overall assortment ¹	ca. 45,000

¹ Status 31 December 2007

² Status 30 September 2008

The company



The first Media Markt opened in an industrial park in Munich in 1979. At that time, the concept of a large selling space consumer electronics center was a novelty. Before, only small specialty stores and department stores had offered a limited range of consumer electronics products. From razor to television the comprehensive offer at Media Markt now covered the complete range of consumer electronics. The central idea of the founders Helga and Erich Kellerhals, Leopold Stiefel and Walter Gunz was the following: A broad

selection of brand products at permanently low prices, professional customer advice, competent repair service and, moreover, every customer was entitled to return his purchase if he found a better offer with a competitor. This fundamental idea still applies today.

Founding of the Media-Saturn-Holding GmbH

In 1988 the successful specialty store concept caught the attention of Kaufhof Warenhaus AG, who acquired a 54 percent stake in the holding of the Media Markt stores, which in turn took over the Saturn chain two years later. Since this move Media Markt and Saturn have been managed as two independent brands under the umbrella of Media-Saturn-Holding GmbH. As part of Kaufhof Holding AG, Media-Saturn-Holding GmbH joined the METRO Group 1996. The affiliation to one of the largest retailing companies in the world opened the road to an accelerated expansion. 1989 marked the start for the rollout of the concept to other European countries.



Media Markt stores are characterized by a strong magnetic effect. They attract customers from large areas and thus a high purchasing power. Analyses have shown time and again that this also benefits other retailers. Retail sales in the vicinity of Media Markt stores usually increase after their opening.

Ownership structure allows quick response to market demands



Compared with other retailers Media Markt offers a particular ownership structure: The company's strategic activities are bundled at the Media-Saturn-Holding GmbH in Ingolstadt. Each managing director of a Media Markt store is at the same time also co-owner of his establishment. He takes the role of a managing partner and acts as an independent entrepreneur with co-responsibility for assortment, pricing and marketing. This structure allows a quick response to market demands and opportunities. At the same time the stores also benefit

from the advantage of the group structure when using the services offered by the Media Markt system headquarters. This results in cost savings, which can be passed directly to the customers.

Fast expansion at home and abroad

Within the METRO Group, Media Markt belongs to the Media Markt and Saturn sales division. Today, Media Markt stores with a selling space ranging between 2,500 and 8,000 m² are found in many European countries. The expansion advances quickly both in Germany and abroad. In Germany, Media Markt and Saturn offer their customers the densest sales network in the consumer electronics sector.



The business concept



Located close to the city but at a sufficient distance from downtown parking problems, Media Markt offers brand products with guaranteed low prices. Since the founding of the company the stores have been focusing on continued low prices instead of short-term special offers. This had a lasting positive effect with the customers.

Large and diverse offer

The company's claim to cover the broad spectrum of individual customer needs resulted in an extraordinarily wide offer of brand name products. Media Markt in Germany offers an extensive assortment of goods from the areas of consumer electronics, household appliances, new media, telecommunications, computers and photographic equipment, including all major new products in a market segment that is subject to rapid technological change. All products are readily available for demonstration at the stores. This way, the customers can test the equipment at the store and inform themselves about their use. The well-structured store layout helps to quickly find one's way through the multitude of products on offer.



Efficient advertising



The dynamic business development of Media Markt is linked to an efficient advertising. Surveys have shown that, with its attention-grabbing, emotional advertisements, Media Markt is by far making the best known advertisements in its market segment. The Media Markt slogans speak directly to the zeitgeist.

Wide range of services

Media Markt is not only a synonym for a broad product offer but also for a comprehensive service. From repair to delivery and installation through to financing Media Markt offers professional services. Lean hierarchies give the employees the largest possible leeway to be proactive and creative. The objective is to promptly provide qualified and individual advice. Special emphasis is placed on the continued education and training of the employees at Media Markt.

