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Otto Group Cites Endeca Search Technology as Key Factor in Dramatic Sales Growth

*Conversion Rates on Popular Freemans and Kaleidoscope Sites Climb 130 Percent
Following Deployment of Next-gen E-Commerce Search Solution*

CAMBRIDGE, Mass. AND LONDON – March 7, 2006 – [Endeca](#), the leading provider of Guided Navigation®, Search and Analysis solutions, today announced that Otto Group, the world's largest home shopping company, has cited Endeca's e-commerce search, navigation and merchandising solution as a key factor in boosting online customer satisfaction, conversion rates and sales. Within a month of deploying the Endeca solution on the popular Freemans (www.freemans.com) and Kaleidoscope (www.kaleidoscope.co.uk) sites, Otto reported a 130 percent increase in overall browser-to-buyer conversion rates. Specific conversion rates for visitors originating from pay-per-click marketing programs – email campaigns, search engine marketing, banner ads, etc. – more than doubled after the deployment of Endeca. In addition, Otto reported a dramatic decrease in failed searches – searches that resulted in no results found – from over 33 percent to 0.5 percent following the Endeca launch. These benefits, according to Otto Group, played a significant role in the company's reported 50 percent increase in overall online sales.

Freemans and Kaleidoscope represent the first major European business-to-consumer catalogues to deploy Endeca's solution. UK High Street retailers Boots, Littlewoods and Tesco, high-tech online retail leader Dabs.com, travel specialist Lastminute.com, Dutch mass-merchants Bol.com and Wehkamp and North American retail giants Walmart.com and The Home Depot are among more than 150 leading merchants using Endeca to power their online storefronts.

Given the inherent absence of helpful store clerks and masterfully created aisles and displays, site search plays a critical role in the online shopping experience. According to a 2005 report entitled, "Site and Commerce Search," by independent research firm, JupiterResearch, "35 percent of users leverage search when available as their primary system for site navigation. Another 33 percent use search when traditional navigation elements fail them." In the case of Freemans and Kaleidoscope shoppers, Otto Group reports that 60 percent of these users rely on search to find desirable products.

"Improving site search has long been a proven tactic for boosting conversion rates, but simply tinkering with how items appear in a list does little to aid the overall shopping experience and encourage purchases," said John Veichmanis, Head of eCommerce Otto UK. "We selected Endeca because of the shopping experience it made possible – not just great search, but a whole new way to encourage exploration and discovery."

Endeca provides an e-commerce solution that integrates the two most common means of finding information – search and browsing – into a single process. Known as the

Guided Navigation experience, this integrated approach exposes relevant product attributes, like price range, size, brand, category, department, etc. as dynamic navigation options. These options can then be used to refine or browse long lists of search results by desirable criteria or to independently browse through a product catalogue. Using this technique, online retailers can offer literally thousands of possible paths to the same items, giving shoppers the ability to more easily describe desirable products. This eliminates the need for shoppers to guess the perfect search terms or choose the perfect navigation path – or for retailers to predict how different shoppers might seek similar products.

For example, a search for [“coats” on the Freemans site](#) returns 219 matching products – literally 19 pages of results. These product results are accompanied by a variety of options that the shopper can select to further refine or explore the results list, including department (mens, womens, kids, sports & outdoor), colour swatches, brand (Skopes, Joe Browns, Berghaus, Adidas, Slima, Ben Sherman, Apart, Helly Hansen, and more) and price range (from £0-£15, to £300-£400). When the customer selects “womens,” the list is trimmed to 150 products and new refinement options, unique to only these products, are presented to the customer. In this example, new category options include “coats & jackets,” “sportswear,” and “tailoring.” The customer now selects “sportswear” and the list is trimmed down to seven matching products. In addition, completely new refinement options are presented, including “In this section” (Gilets, Jackets, Parkas), “Closure” (Button, Popper, Zip), and “Length” (Mid Thigh, Regular, Short). The customer now selects “Mid Thigh” and is presented with the two products, an Adidas Hooded Parka and a Nike Polaris Jacket. In a matter of four simple clicks the customer has gone from 219 possible choices to two desirable options – matching their unique criteria – without ever having to page through a long list of results.

“We knew that the dynamically generated results pages would be far more helpful for shoppers searching and browsing on our sites. But we were genuinely surprised by the effect that these pages had on conversion rates for sessions originating from pay-per-click marketing programs,” added Veichmanis. “In essence, Endeca is allowing us to create thousands of effective landing pages – all generated dynamically and all giving our shoppers the products and related information they need to make key purchasing decisions.”

“An online retailer’s search strategy can have a tremendous impact on business results, when done correctly – delivering top and bottom line benefits and offering a superior customer experience,” said Mike Hartley, Managing Director, Endeca Europe. “Otto provides an example of a multichannel merchant on the cutting edge. One that is reaping the rewards of the smart technology and design investments required to deliver a compelling and satisfying search experience.”

About Endeca

Endeca’s award-winning Guided Navigation, Enterprise Search, and Analysis solutions help organizations integrate, discover, and navigate enterprise data to solve business problems associated with information overload. Endeca’s customers include a wide range of enterprises, including retailers (Tesco, The Home Depot, Wal-Mart); financial services (ABN AMRO, Bank of America, Putnam Investments); manufacturing and distribution (IBM, Boeing, and John Deere); media and publishing (Datamonitor, The

Guardian and Cox Newspapers) and government (the Library of Congress, NASA, and the National Cancer Institute). Endeca is a private company headquartered in Cambridge, MA. More information: www.endeca.com or info@endeca.com.

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