

SHOTS MEDIA HAS BIG PLANS FOR 2011

“We will follow the road that we are running on.”

EXCLUSIVE Over the course of the past few years, Shots Media has launched many, many interesting products on the market, and the tradition of creativity and ingenuity will also be continued in 2011. EAN talked with Oscar Heijnen about the company's plans for the new year and the products that consumers and retailers can look forward to. And, without giving too much of the interview away, it is safe to say that Shots Media will get into the fast lane this year.



Oscar Heijnen is very optimistic about the future

2011 has only just begun which makes this a perfect opportunity to look back at 2010. How would you sum up the past year a) for your company and b) for the erotic industry as a whole?

Oscar Heijnen: For my company, 2010 was a very turbulent year. Our goal was to increase our market share in the sex toy market and to stabilise our turnover and profits so we can develop even more successful products for many years to come. Like any other company, we had our ups and downs during the last 12 months, but looking back, I'm very proud of Shots Media and happy about where we are now. As far as the European industry is concerned - I think it's in a transition phase, changing from older classical stores to open and couple-friendly boutiques, and on top of that, mainstream stores are slowly opening up to high quality brands like Touché.

What were the highlights for your company in 2010?

Oscar Heijnen: Launching our new line-up on eroFame, because our new products are so different from what the

industry is accustomed to that it was a very important sensational moment for me and my team. That makes the success even sweeter.

What are the goals Shots Media has set for itself in 2011? What do you expect from the new year, and how, do you think, will the erotic market develop over the course of the next twelve months?

Oscar Heijnen: I'm very happy about the way the company is going. Don't forget, three or four years ago, we only distributed DVDs. I think the appearance of Shots Media is completely different now from what it was back then. Some people are asking me questions like "Why there is it Shots Media?"

That's a big compliment for our toy department! 2011 looks very promising, we will stay on the course that we've decided on. We are going to develop new projects, work closer with or old and new partners, expand our existing lines and departments, and start new segments. In 2011 we will make bigger steps than in 2010.

Can you tell us something about your plans for the market segment you have your focus on, i.e. the sex toy segment?

Oscar Heijnen: Yes, but we never forget where we come from. The DVD market is not dead, it still makes up about 37% of our turnover, and I think with all new developments like 3D and labels like Seventeen/Sweethearts, it will be getting bigger this year, so at the risk of sounding overly optimistic, I have a very good feeling about the DVD market, it's very stable at the moment. In the toy industry, we will continue what we have been doing thus far and we will release many new products. We have more experience and our releases will get bigger. We will also start to slowly tap into new segments.

Could you already make a statement about the novelties, changes, or improvements for your main brands (Touché, Shots Toys, and Ouch!)?

Oscar: You know, there are so many toys on the market, it's unbelievable, everybody has the impression that everything is done and that it is very hard to grow or come up with something completely new in this market. However, the truth is quite different! You have to look closer, because there are so many toys and segments that can be improved with just a little bite of energy; there are many things and concepts that are yet to be brought back in this century. Touché was one of the first steps, a high-end brand that has proven an international top-seller. Shots Toys is a

The elaborate packaging with the magnet clasp has certainly played a part in the success of Touché



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our middle range, with very new, yet affordable quality toys, and Ouch! is meant for the soft fetish market, and the releases in this line are also very high-end, with 18 carat gold, or with very soft cotton. All of these products are 100% new to the market. Behind the scenes, we are already very busy working on a new novelty line that will be introduced around September this year. Said line will also have brand new ideas and products that will be very exiting. And of course mainstream is very important; the toy market is getting bigger than ever, and mainstream is slowly opening up to mass sales, and that is giving a big impulse for companies like us.

In October 2010, at eroFame, Shots Media presented the prototype of the first product of the new S-Line. What can you tell us about that line and about this new product, the Sausage? What can the market expect from this line in terms of products and innovation?

Oscar: The S-Line was born because we designed toys that didn't fit in the other three lines. Ouch! is soft fetish, Touché is very stylish and became famous because of the beautiful black box with the magnet clasp and the spot vanish and silver foil on the box. The Touché toys are only made in the two best selling colours purple and pink. All Shots Toys also have their own type of packaging, all of them very recognizable due to the white colour and that certain type of "Levi tack" at the side of the box.

So what are you going to do if you want to design a sausage masturbator or a yellow bear cock ring including eyes that can light up via led? The answer to that question is the S-Line. It is made for "free style" designs and they are really different and very exciting, if I may say so. You will hear a lot more of this line over the course of the next years.

You also hinted at the launch of an all-new product line in September 2011, called Fun-Line. What products will be part of that line?

Oscar: This will be a line with funny products that are meant for the classical retailers but are also suitable for the mainstream market. The goal of these products is to combine fun with new design. There are many funny products on

the market that are too simple, most of the time the packing is more important than the quality of the product. We think that there's a lot of room for improvement, and we plan to make these improvements. A product will only have the maximum success when the packing and product are 100000%. We are creating a Fun Line where the product itself is not secondary, and design will be something that has never been done before. Of course, the prices will not be any bigger than those of other comparable products on the market. I can't not wait for the launch.

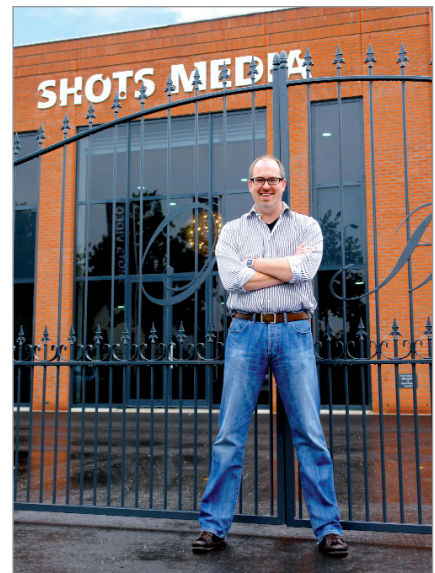
Looking at all of these novelties and new product lines, one is inclined to believe that the creativity of Shots Media knows no boundaries. Is innovation a prerequisite to flourish on the erotic market these days?

Oscar: For us it is, because we want to sell our products the world over, and if you want to be successful in your own territories and overseas, the products need to be new and different. That may not make our work easy, but it certainly makes it challenging and interesting. The only way to achieve the goals we have set for ourselves is to create your own ideas, and I'm very proud of my people, they are really doing a wonderful job! Have a look at what we have already achieved, or better yet: Wait until the end of the year and take a look back then.

Shots Media once had a focus on the DVD business. The reasons why this segment of the market is in a great crisis today are common knowledge. Do you believe that that the same development that ravaged the DVD market might also occur in the sex toy segment?

Oscar: In one word : Impossible. The success of a DVD hinges on the content. Years ago you could buy it on VHS later on DVD, but now it's for free on the Internet! Do you think toys will ever be available for free? Besides, that there are too many different segments.

Ouch! Is Shots Media's line for luxurious "soft" fetish products



"If you want to be successful in your own territories and overseas, the products need to be new and different." Oscar Heijnen

Since we're already on the subject of DVDs: Do you see any chance of new technologies such as blu-ray or 3D breathing new life into the video market?

Oscar: Blu-ray, no. 3D yes, maybe. This is a completely different type of content, so it may work, but it's too early to tell. Ask me this question at the end of the year again and I can give a more precise answer.

Good products and fair prices are important, but they're no good without a working distribution network. Is the combination of modern communication media, personal contact, and efficient, quick logistics the key to success?

Do you see any major changes or new possibilities in the future?

Oscar: Yes, very important! The world is getting smaller and the Internet and business to business websites – while already being of great importance – will become even more important. New technology can be the wind in the sails of a company such as Shots. Every month, we improve our website, and our

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A global top-seller: Shots' Touché line



Touché kicked open the door to the mainstream market for Shots Media

sales team doesn't walk around anymore with sales books that are as big as a phonebook, it's all in an iPad now. So no, there are not really big changes, this part of the company will be a never-ending job, but a very important one.

It is no secret that the market for sex toys has changed quite a bit during these last years. Are there still markets and countries whose potential has not yet been tapped into?

Oscar: Oh yes, and don't forget we are not a market leader or a really huge company, there are still markets where we are not strong enough, where our relationship with the local major players has yet to grow and flourish. We have merely been in this market for four years, and we are already active in the most important territories. But there are still a few markets on my wish list. One of the things it takes to get a bigger foothold in markets where you are not yet very present, is time. It is a natural process.

Your b2b web site boasts many helpful features. Have you already reached the maximum in this respect, or is there still room for improvements? Do you still have a few surprises in store for the users?

Oscar: Well a lot has already been done, but even a lot more still needs to be done. The technology is developing very quickly.

We have changed our website recently from Flash to the latest html version, so it works much better on iPhones and iPads. We have invested in new hardware, to be ready to put any new ideas into action. Our customers find it very easy to order online.

They see their order history and discounts, and we added a very special feature : stock levels. Customers can see

exactly what we have in stock, and if we haven't, they can see the lead times. We are going to add many other improvements in the upcoming months, for instance we will improve our mailings and we will optimize our site for search engines. We also just released a brand new image bank : www.shotsmedia.nl/image-bank where customers can download pictures.

The website is set up in 20 different languages. It contains many different pictures from the toys, apart from the usual images of the toy in the packing and without the packing.

It has close-ups, and detailed pictures. Customers can download these pictures in 4 different formats from low res pictures to extremely high res and everything that is in-between.

It contains the explanation text and explanation drawings of every product.

Customers can also down-

load marketing materials, like advertisements and e-flyers. This website has been the biggest improvement of our online presence in many years. We are still filling it, but customers can already ask for a login.

For the Touché line, you decided to increase the communication with the consumers and therefore launched a beautiful web site for this product line, www.touchyourpassion.com. Are similar projects planned for 2011? After all, social media such as Facebook or Twitter are ubiquitous today.

Oscar: Shots Media just started with Facebook and Twitter. Admittedly, we are a bit late, but better late than never. At any rate, these two social media forms will be connected with the main website shotsmedia.com very soon.

Apart from touchyourpassion.com, we are launching shotstoys.com. Those two websites are meant for consumer information which means that there, consumers can find information and a place to give us feedback.

Business aside, what do you personally wish for in 2011?

Oscar: My personal life and my professional are very close to each other. This became very apparent when one of our best selling toys was copied last year, which really upset me. So when you ask what my personal wish is, the first thing on my mind is:

a bigger business, but of course, health and happiness are also very important as they are the foundation necessary for being successful at work.

So I hope to stay healthy and happy for a very long time together with my lovely family, friends and colleagues who always support me, no matter how crazy the ideas are that I come up with.



The Shots Media S-Line, which stands for more exotic designs, will be launched in 2011