

“We have always been planning for the longer term.”

Debra Net see their business strategy confirmed

Last year was a tremendous success for Debra Net, and only a few weeks ago, the Hungarian wholesaler got official confirmation of their creditworthiness and financial stability. In short, the company seems to be in for a rosy future. EAN interviewed Zoltan Body, the owner and CEO of Debra Net, asking him about the success of his company in this highly contested market.

exclusive

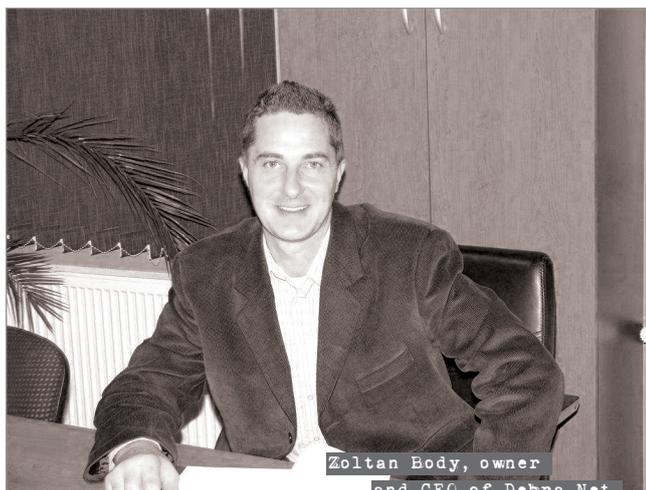
Zoltan, 2016 is already a few months old, but how would you rate last year for your company?

Zoltan Body: Debra Net Ltd. had its best business year ever in 2015. This outstanding result has even surprised us. I'd like to express our appreciation towards all Debra partners. Without their help, we would not have succeeded.

How do you explain the success of your business? What are the pillars of your success?

Zoltan: We have always been planning for the longer term. That way of thinking generally results in success sooner or later. This business policy has been proven right by now. We had a few tough years but it is worth it. The more you work on service, business processes, and technical background, the better the outcomes you get. We also take customer relationships very seriously. Our main ambition is to help them in reaching their goals because their success is the key of our accomplishments.

Debra Net has just received an award for its credit rating and has thus joined an exclusive circle that consists



Zoltan Body, owner and CEO of Debra Net

of very few Hungarian businesses. How important are awards like this for you?

Zoltan: The “AAA” rating is the highest rating of its kind, not just in Hungary but internationally as well. Debra Net has met the extremely strict requirements made by DUN & BRADSTREET, a well-known ratings service provider. The certification itself was

released by BISNODE, who have been rating companies in view of their reliability since 1908. If you look at the figures, you will find that Debra Net is the member of a select group of Hungarian companies representing only 0.63 % of the total number of businesses in our country. Another interesting number concerns the possibility of insolvency, and it is 0.07%. For me, it represents the highest level of trust. On the other hand, it definitely opens up new possibilities.

Due to the very competitive nature of the market and the disintegration of the traditional supply chain, distribution is considered a challenging field. Would you agree with this statement?

Zoltan: I partly agree with you. Of course, there are markets where you often see those things. Fortunately, our main

markets are not really affected. There were few attempts by a small number of brands who tried to organise distribution on their own. However, in the end, they realised that it did not work in Eastern Europe. In the East, the traditional supply chain still works and it is a well-functioning option. Operating within the traditional chain is a great advantage, and we are lucky that it still works in our market.

Full product range, selected brands, private brands... there are many different strategies in distribution. How would you position Debra on the market?

Zoltan: As we operate on a very special market that is in-between the real West and real East, it was necessary to modify nearly all strategies you mentioned. We do our best to offer a full product range but at the same time we pay much attention to a selected group of brands. Furthermore, we introduced 2-3 brands of our own, invested a lot of energy in these lines. If we look at our main market, Debra Net is nearly the only company that has had a stable background for a long time. Sometimes this becomes a reason for pressure from both suppliers and customers. That is a challenge we need to solve from time to time.

How hard is it to differentiate yourself from your competitors? What role does customer service play? Or is everything about product range and price in the end?

Zoltan: It is extremely difficult to make a difference on a market with strong price competition and loads of products. Internet and technology just intensify the race. So customer service plays a big role and it has to meet our partners' everyday needs. A quality product range

and good prices definitely mean a lot but it is only part of the big picture.

Which brands do you offer right now? And which private brands are doing well?

Zoltan: As we offer a special mix of full product range, selected brands and own brands, it takes a long time to list everything. Last year, we sold more than 11,000 different products from many producers. Our private brands like Devil Sticks, Angel Touch, and Debra Selection sell very well.

What are your bestsellers? What trends influence your product range the most?

Zoltan: It is wiser to describe which items can be best sellers. They have to offer value for money, include unique features, and they must have excellent online or offline support, value-added services, and represent good quality and design.

You are based in Hungary, which means that you are well connected to Eastern Europe. How is the erotic business doing there? How is the consumer climate?

Zoltan: As mentioned before, the Eastern and Central European markets are different, but generally, the erotic industry in the East of Europe is doing very well. It is well connected to the West through fruitful business relationships. Almost every country in this region has a solid economic growth so consumer climate has improved a lot.

What goals does Debra have for 2016?

Zoltan: To sum things up, we intend to take further steps in all fields of business, such as logistics, IT development, product range, and financial background.



Debra net Ltd.
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The financial risk of establishing business relationship with the above mentioned business association is extremely low. At the Hungarian market only 0.63 per cent of the companies are entitled to AAA credit rating which represents excellent financial standing.

Bisnode is one of Europe's leading providers of digital business information. The qualification system of Bisnode considers hundreds of variables when establishing – on a statistical and professional basis – which companies are the most dependable. The most dependable companies of Hungary with which the conclusion of businesses carries the lowest risk are selected through the inspection of all business undertakings on the basis of international standards and by applying the country-specific peculiarities as well.

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JÓZSEF KELETI, COUNTRY MANAGER
BISNODE GROUP

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Certified: The credit standing and financial stability of Debra Net are rock solid