

News Release: IMMEDIATE RELEASE

Source: Lotte Shopping, 023530

Lotte Shopping Strengthens Omni-channel Strategy

Date: April 7, 2015

This year, Lotte Department Store is focusing on expanding the omni-channel service which is a combination of online and offline retail channels. 'Omni-Channel Shopper' who uses offline stores such as department stores and outlets as well as Internet malls and mobile stores is being accentuated as the core customer in the future and Lotte is providing various services including 'Smart coupon book', 'Beacon' and 'Pick-up desk' service in order to increase the satisfaction of customers.

Lotte Department Store created the Omni-Channel TF Team in August 2013. In April last year, 'Smart Coupon Book' application replaced the hard copy DM allowing customers to have an access to events and free gift information. This app has been downloaded by 1.55 million users since its launching and actual users overpass the 1.1 million. Through the 'Smart Coupon Book' 'Beacon' service is also being offered since November last year. With this service, various shopping information is provided based on the current location of the customer. Customers are able to search the way to over 1,000 stores within the main branch.

In November last year, a 'Pick-up desk' was introduced for the first time in Korea, on the first floor of the main branch and 'Smart Pick' service are continuously being improved so that customers would be able to pick up the goods that they have purchased online from the store. From this pick-up desk, the best online products are displayed in the 'Best Pick-up Product Zone' and the QR Code can be used to check what the hot items are. 'QR Store' allows customers to purchase the good immediately and 'iPad Zone' allows customers to search for products using iPad for purchase. Moreover, a 'Shopping Advisor' is always on standby at the pick-up desk, providing consultation services on mending and styling for products that have been purchased online. In the past, products were usually recommended based on the personal preference of the brand shop manager but through this 'Curation service', customers can receive more objective recommendations.

Emphasis has also been placed on improving the activation of the mobile sector. In November last year, Kakao Talk's 'Yellow ID' service, which enabled bilateral communication between the store and the customer was introduced in the main branch together and it is expected to be expanded to all branches by end of this year. Lee Wan Shin, the Head of the Marketing Division of Lotte Department Store stated that "By making use of IT, we established an environment that allows customers to shop in various ways according to their preferences" and that "In the future, we will endeavor to expand this system and by developing various contents, we will provide enjoyable shopping experience."

15F Avenuel BD, 130 Namdaemunno 2-ga, Jung-gu, Seoul, Republic of Korea, 100-092

KOSPI: 023530

<http://www.lotteshopping.com>

LOTTE SHOPPING

Through the ceaseless launches amidst the recession, Lotte is strengthening its position as Korea's No. 1 distribution company and in particular, it is also continuously expanding outlet businesses in order to provide shopping conditions in line with the trend of 'value consumption'. The prospect of the Korean outlet market is expected to be 13.2 trillion Korean Won which is an 18% increase compared to the previous year. Since Lotte opened the first outlet in 2008, Lotte Department Store increased the number of outlet to 14 in total.

Lotte premium outlets offer a sense of leisure for customers wishing to escape the city during the weekend. Premium outlets not only provide domestic and international brands at an affordable price but also allow customers to experience surrounding tourist infrastructure. Outlets in the city center may be small in size compared to the premium outlets but have outstanding brands of department stores. Three more city outlets are expected to open this year.

Lotte Shopping (KOSPI: 023530) is a leading global retail corporate with assets of KRW 38,973 billion and operations worldwide. Lotte Shopping operates a wide variety of businesses, ranging from department stores, hypermarkets, supermarkets, finance, consumer electronics, convenience stores and home shopping. Lotte Shopping was incorporated in Dow Jones Sustainability Index World Sector since 2009 and was named the Supersector Leader in the retail category. Information about Lotte Shopping is available at www.lotteshoppingir.com/eng/index.jsp