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OVK ONLINE-REPORT 2012/01

Overview of figures and trends

AGOF

OVK Online-Vermarkterkreis im BVDW

CONTENTS

DEAR READERS,

Paul Mudter,
Chairman of the OVK

In 2011 advertiser spending in the online sector steadily rose to above its already high level. As a result investment in online advertising last year was 5.73 billion euros, and the Internet is securing its position as the second-strongest advertising medium in the media mix. Online advertising has now become an all-encompassing channel of communication for companies in all sectors. The online advertising formats are becoming ever more large-scale and attention-grabbing, and the Internet is becoming more and more transparent as an advertising medium; these factors also support this trend.

The Nielsen online advertising statistics have also become even more transparent for 2011. Thus the significance of the data for online advertising in 2011 contained in this OVK online report has gained in validity as a result of the change to the evaluation conventions for the performance segment of the conventional online advertising market because a consistent gross report on all the online display advertising investments is guaranteed. By sidelining the grey areas that have sometimes arisen in the past between gross and net figures within the statistics we will live up better to our claim of reflecting the actual media and advertising market.

Because of the method change no direct retrospective comparison of absolute figures for conventional advertising in 2011 with preceding years is possible; we have taken account of this circumstance in the visual elements in this OVK online report by identifying elements accordingly. For subsequent years the annual figures can again be compared directly. The spending on advertising in the search word marketing and affiliate network segments is not affected by changes to the evaluation conventions because of a different data acquisition system, and can therefore continue to be compared in a time series analysis.

In view of the present problematical world economic situation and the Euro crisis, whose eventual outcome is still unclear, the Circle of Online Marketers (OVK) in the German Association for the Digital Economy (BVDW) is assuming a moderate level of growth for 2012. With the anticipated growth rate of 11 percent, the gross volume of advertising would rise to above the 6 billion euros mark for the first time in 2012 and would confirm the still growing relevance of online advertising.

We hope you enjoy reading the OVK Online Report 2012/01.

Paul Mudter
Chairman of the Circle of Online Marketers (OVK)

EXPLANATIONS OF THE NEW EVALUATION CONVENTIONS OF THE NIELSEN ONLINE ADVERTISING STATISTICS

Even greater transparency for Internet advertising

The OVK claims to reflect the current media and advertising market in the OVK online advertising statistics, which it publishes jointly with Nielsen. This can only be achieved by continuously adapting the statistics for changing circumstances in the market. Thus in the past there were sometimes blurred distinctions in the statistical analyses between the gross and net figures for the conventional online advertising market.

In order to address this discrepancy and thus invest the gross online advertising statistics with even greater validity and significance, the Market Statistics unit of OVK in BVDW worked in partnership with Nielsen, other bodies involved in online marketing and Nielsen's customers to adopt a new evaluation convention for a subsegment of the online display advertising market. As part of this new evaluation convention the announcement of performance-based campaigns is brought in line with the actual development and reality of the market. An additional advantage of the new evaluation convention is that a consistent gross report from all the online display advertising investments is guaranteed.

This change is implemented at the end of January 2012 on a basis that also has retrospective effect on 2011 and results in a reduction in Nielsen's online gross printed advertising – even if it still remains at a relatively high level.

This change had become necessary. A consequence of the change is that the new online advertising statistics can no longer be compared with earlier reports from before 2011, and even comparisons of different media are no longer possible. Connections and comparisons of any form – before/after presentations, presentations of gains or losses from gross printed advertising in a quarterly or annual comparison of 2010 and 2011 – are inaccurate in terms of content and therefore unreliable. The search word marketing and affiliate network segments are not affected by this because they are based on a different method of data acquisition. They can therefore continue to be compared with figures from the previous year.

The Nielsen online advertising statistics are based on the monthly reports on gross advertising expenditure, which are generated for the online advertising media (websites, newsletters, micropages) marketed by the 22 cooperation partners. Here, gross advertising expenditure is all the gross advertising investment achieved by advertising (excluding self advertising) that has resulted in an accounting transaction with the marketing companies. This covers around 75 percent of the conventional online advertising market (conventional online advertising with no search word marketing or affiliates).

ONLINE ADVERTISING INVESTMENT APPROACHES THE 6 BILLION EURO MARK IN 2011

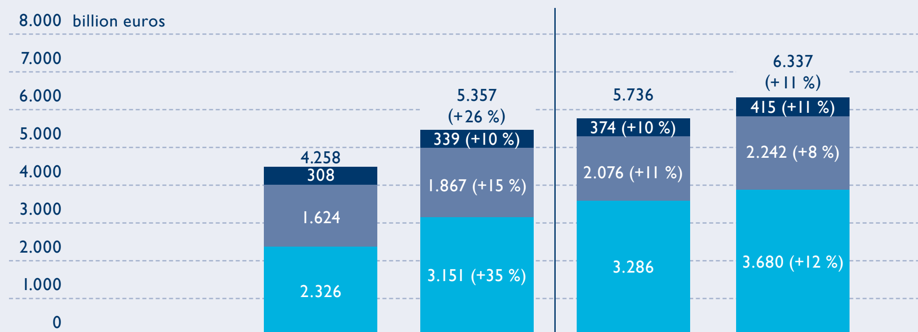
The online advertising market achieved the considerable volume of 5.73 billion euros in 2011 – testimony to the great relevance of online advertising for target group communication.

The gross advertising volume for conventional online advertising, search word marketing and affiliate networks reached 5.73 billion euros, its highest-ever level. The significance of this, in combination with the new evaluation conventions for the online medium, is even greater because the new calculation for the performance segment of conventional online advertising in advertising statistics reflects the actual media and advertising market even more accurately than the previous approach. Based on the new calculation model from Nielsen the absolute figures for the overall market and for the conventional online advertising segment for 2011 can no longer be compared directly with the preceding years; nonetheless the tendency of market development over the past year shows the consistently positive activities in the online advertising sector and its great relevance for advertisers.

A look at the individual segments clearly shows that conventional online advertising can still, as before, consolidate major gross investment. With a value of 3.28 billion euros it is the largest of the three segments in question. In second place is search word marketing which has passed the 2 billion euros mark for the first time with advertising investment of 2.07 billion euros and boasts a growth rate of 11 percent in comparison with 2010. This is followed by the affiliate networks, valued at 374 million euros, representing an increase of 10 percent.

For 2012, too, the Circle of Online Marketers (OVK) is starting from an assumption of consistently positive development of the online advertising market in which the growth rates will move at a moderate level because of the overall level, which has meanwhile become very high. The OVK is therefore forecasting 11 percent growth for the overall online advertising market in 2012, which would then make the gross advertising volume for Internet advertising more than 6 billion euros. Conventional online advertising, with a growth of 12 percent, would then account for 3.68 billion euros, search word marketing could increase by 8 percent to account for 2.24 billion euros and the affiliate networks, with a growth of 11 percent, would increase to 415 million euros.

OVK advertising statistics 2009 to 2011 with forecast for 2012 in million euros by segments (methodological breakdown 2011)



	OVK statistics 2009	OVK statistics 2010	OVK statistics 2011	OVK forecast 2012	
Affiliate networks	308	339	374	415	m
Search engine marketing	1.624	1.867	2.076	2.242	m
Conventional online advertising	2.326	3.151	3.286	3.680	m

Sources: OVK (extrapolation of figures for conventional online advertising from 75 to 100% and total market for online advertising, forecasts), Nielsen (data as of January 2012 with changed evaluation conventions retrospectively applying to 2011 for the performance segment of conventional online advertising, collection of data for conventional online advertising at advertising slot level, adjusted by a proportion from search word marketing; as of 2011 some changes to the methodology of how this proportion is allocated) /// Data for the German market

ONLINE GROWTH RATES CONSISTENTLY REACH DOUBLE FIGURES

The online advertising market has proved itself to be robust in recent years, and has succeeded in asserting itself successfully in a troubled overall economic environment.

Shown here are the trends in growth rates of online advertising based on the previous Nielsen methodology to enable 2011 to be compared directly with previous years.

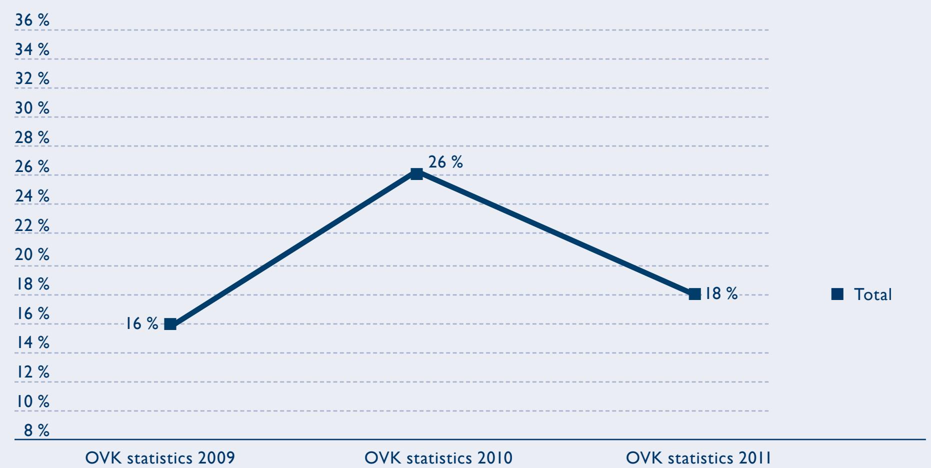
With growth rates consistently reaching two figures, the online advertising market has shown itself to be very robust in recent years. This applies even to 2009, the year of economic crisis, when many advertisers showed some caution in setting their marketing budgets. Nonetheless online advertising investment managed to maintain a stable level even in 2009 with a growth rate of 16 percent.

The caution in 2009 triggered by the global economic crisis was replaced in 2010 by intensive online advertising activities, whereby the online advertising market achieved an overall growth rate of 26 percent. This positive commitment to the online channels shown by advertisers in 2010 made itself felt to an above-average extent because of the somewhat more restrained advertising activities of the previous year, and can be seen as a corresponding peak on the graph.

Due to the extremely positive developments in 2010, growth rates in 2011 levelled off at a somewhat more moderate level, although still not falling below double figures. In total the gross advertising investment last year, according to the old Nielsen method, achieved an 18 percent increase.

The dynamic development of the market in recent years generally documents the fact that online advertising has now established itself as an indispensable component for addressing an entire target group, and enjoys a great deal of relevance amongst advertisers.

OVK developments in advertising statistics between 2009 and 2011 expressed as percentages (old Nielsen method)



Sources: OVK (extrapolation of figures for conventional online advertising from 75 to 100% and total market for online advertising, forecasts), Nielsen (data as of January 2012, analysis of the percentage increases based on the original Nielsen reporting conventions that were applicable until the end of 2011, collection of data for conventional online advertising at advertising slot level, adjusted by a proportion from search word marketing; as of 2011 some changes to the methodology of how this proportion is allocated) /// Data for the German market

ONLINE ADVERTISING ACCOUNTS FOR ONE FIFTH OF THE GROSS ADVERTISING PIE

In 2011 the Internet was second only to TV in importance as an advertising medium.

Irrespective of the new evaluation conventions for online advertising statistics, even in 2011 an analysis of the gross advertising pie shows the Internet to be the second most important advertising medium. Last year the online medium accounted for 19.6 percent, or almost one fifth of gross advertising investment.

The gap between the Internet and the leading advertising medium of TV (38.0 percent) was thus 18.4 percentage points in 2011, with online advertising investment already having reached more than half of the TV spending. The newspapers are ranked in third place, with a gap of 1.1 percentage points and thus a share of 18.5 percent. These are followed in fourth position by the general interest magazines at 12.8 percent, a difference of 6.8 percentage points from the Internet. Radio, billboard advertising and trade journals only record single figure shares of the gross advertising pie.

The healthy percentage for the Internet bears witness to the growing importance of online advertising in the context of integrated communication. Due to the increasing shift towards online channels the Internet is taking on an increasingly dominant role amongst the media channels used.

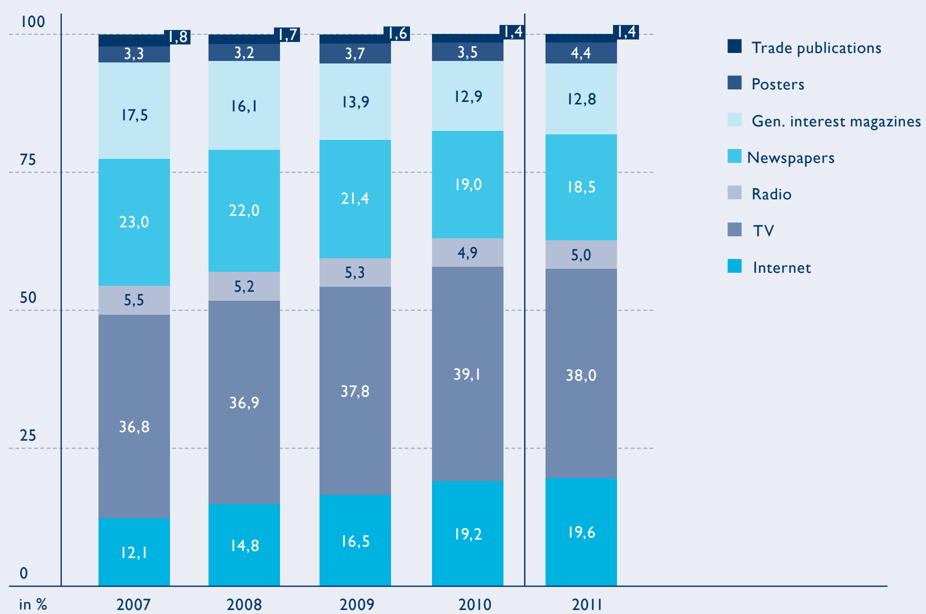
The relevance of the Internet as an advertising medium is being constantly driven forward by a variety of factors. On the one hand innovative technologies, increasing bandwidths and expansive advertising formats are widening the options for interactive dialogue with customers. More and more advertisers value this kind of direct dialogue with consumers, especially as complex information or even transactions can be handled with no media discontinuity.

Secondly, the real-time control possibilities of online campaigns, in tune with the requirements of Internet users, make this form of focused addressing of specific target groups extremely attractive.

What‘s more, the diverse initiatives in the area of research into the effects of advertising – for instance last year‘s OVK study of advertising effectiveness – ensure that the effectiveness of online advertising is plain to see, thus making possible a valid costs/benefits analysis of the applicable budgets.

The combination of all these factors makes the Internet an extremely transparent and efficient advertising medium and contributes towards further increasing its popularity relative to conventional media.

Development of the gross advertising pie as a time comparison (methodological breakdown 2011)



Sources: OVK (OVK advertising statistics including the search word marketing and affiliate network segments) Nielsen (media development of the specified media types, data valid as of January 2012 with altered evaluation conventions for the performance segment of conventional online advertising, with retroactive effect to 2011) /// Data for the German market

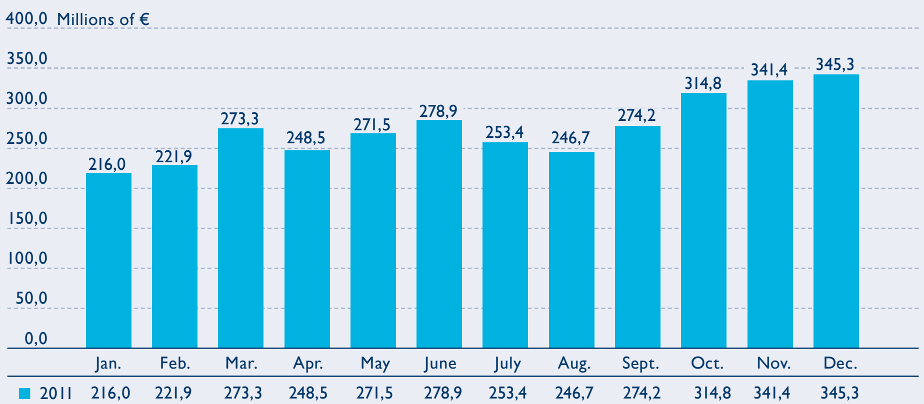
MONTHLY INVESTMENT IN CONVENTIONAL ONLINE ADVERTISING REMAINS STABLE

The fourth quarter of 2011 in particular, with monthly spending of above the 300 million euros mark, proves to be especially strong.

The gross advertising investment in conventional online advertising in 2011 was consistently above the 200 million euros mark – in March, May, June and September the total monthly spends even rose to over 270 million euros. In every month of the last quarter a figure of above 300 million euros was attained, renewed evidence of the online adver-tising campaigns for the Christmas period, which experience has shown to be particularly intensive.

Thus the monthly gross advertising investment has settled down at a stable level, even using the new evaluation conventions and the therefore more valid portrayal of market conditions; this shows that conventional online advertising has established itself as a permanent constituent part of advertising spending.

Monthly development of gross advertising investment in conventional online advertising in millions of euros through 2011



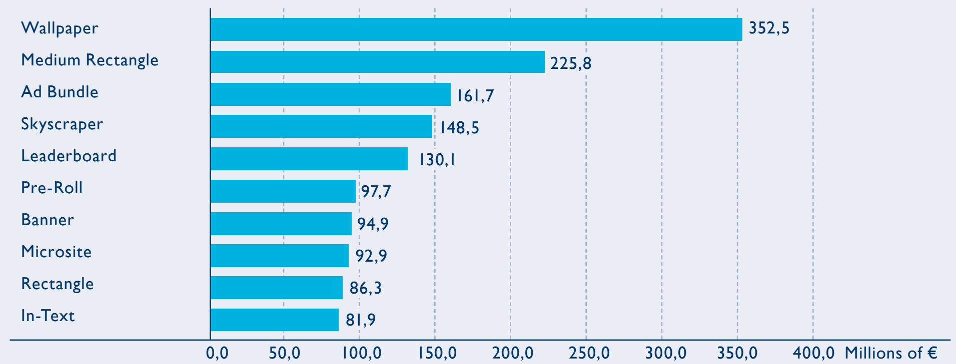
Sources: OVK (extrapolation of figures from 75 to 100%), Nielsen (data as of January 2012 with changed evaluation conventions retrospectively applying to 2011 for the performance segment of conventional online advertising, collection of data for conventional online advertising at advertising slot level, adjusted by a proportion from search word marketing; as of 2011 some changes to the methodology of how this proportion is allocated) /// Data for the German market

LARGE-SCALE ADVERTISING FORMATS ARE ESPECIALLY IN DEMAND

An analysis of the top-10 advertising formats last year shows advertisers' clear requirement for generously-sized presentation areas. In combination with the wide variety of multimedia options allowed by these advertisements, even complex advertising messages can be communicated concisely. Thus the Wallpaper format takes first place with 352.5 million euros spent on it, followed by Medium Rectangle with 225.8 million euros and the Ad Bundle with 161.7 million euros. The Skyscraper and the Leaderboard, too, with 148.5 and 130.1 million euros respectively spent on them, belong in the three-figure group (100 m € and above). Just slightly below this level is the moving image advert with investments of 97.7 million euros for the pre-roll. The Banner and the Microsite with 94.9 and 92.9 million euros respectively also come in above the 90 million euros mark. The top-10 online advertising formats ranking is rounded off by Rectangle and In-Text advertisements, for which a gross sum of over 80 million euros was invested in 2011.

Generously-sized presentation areas enable even complex advertising messages to be communicated effectively.

Top 10 advertising formats for the complete year of 2011 (in millions of €)



Source: Nielsen (data as of January 2012 with changed evaluation conventions retrospectively applying to 2011 for the performance segment of conventional online advertising) /// Not all marketers offer reports with a complete break-down of the information. Due to the occasionally incomplete information, the individual reports on groups have been summarised in order to allow an overview of percentile changes in the advertising formats ordered. /// Based on: online marketers including Autoscout24 Media, Axel Springer Media Impact, BAUER MEDIA GROUP, Conde Nast Verlag, FreeXmedia, G+J Electronic Media Sales, Interactive Media, Intermedia Advertising, IP Deutschland, iq digital media marketing: MAIRDUMONT, Microsoft Advertising, netpoint media, OMS, QC Quality Channel Online, SevenOne Media, TOMORROW FOCUS, Unister, United Internet Media and Yahoo! Germany /// Data for the German market

CONTINUING STRONG DEMAND FOR MOVING IMAGE FORMATS

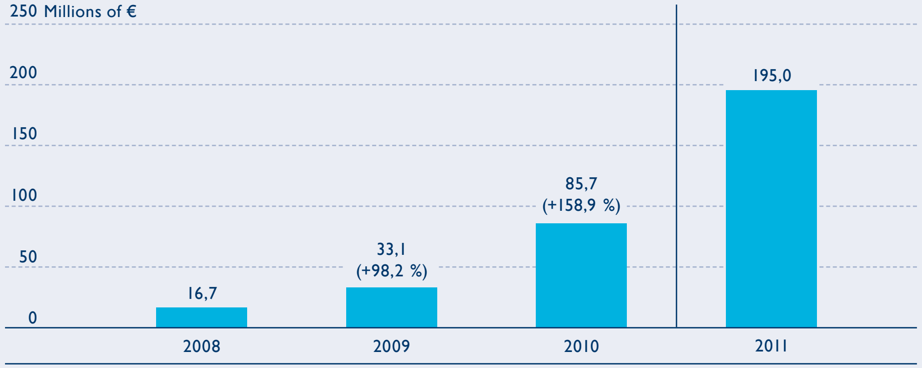
With gross advertising investment of almost 200 million euros, moving image advertising has established itself as an important advertising form in the market.

Advertisers have already shown interest in large-scale and attention-grabing advertising formats, and in recent years moving image advertising has benefited from this interest. A few years ago, between 2008 and 2010, the absolute gross advertising investment in these formats increased by more than a factor of five; significant growth in demand was therefore plain to see.

Because of the changed evaluation conventions in Nielsen online advertising statistics, 2011 cannot be compared directly with these figures, but as the gross volume achieved that year was 195.0 million euros, this shows the relevance attained by the moving image formats by that time.

In the course of the year the months of May and June in particular as well as the fourth quarter present peaks in the monthly amounts spent in this area. Overall last year demonstrated that multi-media communication in the form of moving image has established a firm footing for itself in the implementation of advertising campaigns.

Development of moving image advertising formats from 2008 to 2011 in millions of € (methodological breakdown 2011)



Source: Nielsen (75 percent of the conventional online advertising market, data as of January 2012 with changed evaluation conventions retrospectively applying to 2011 for the performance segment of conventional online advertising) /// The following advertising formats were included in the analysis: In-Stream Branded Player, In-Stream Video Ad, In-Stream Interactive Video Ad, In-Stream Overlay Ad, In-Stream Post-Roll, In-Stream Pre-Roll, In-Stream Mid-Roll, In-Page Video Ad, In-Page Medium Rectangle Video Ad, In-Page Superbanner Video Ad, In-Page Tandem Video Ad /// Data for the German market

CONVENTIONAL ONLINE ADVERTISING IS IN DEMAND IN ALL INDUSTRIES

More and more business areas use online advertising as a matter of course as a component of their marketing strategies in order to provide important motivation in the orientation phase that occurs with increasing frequency on the Internet and thus to root themselves in consumers' minds for later purchase.

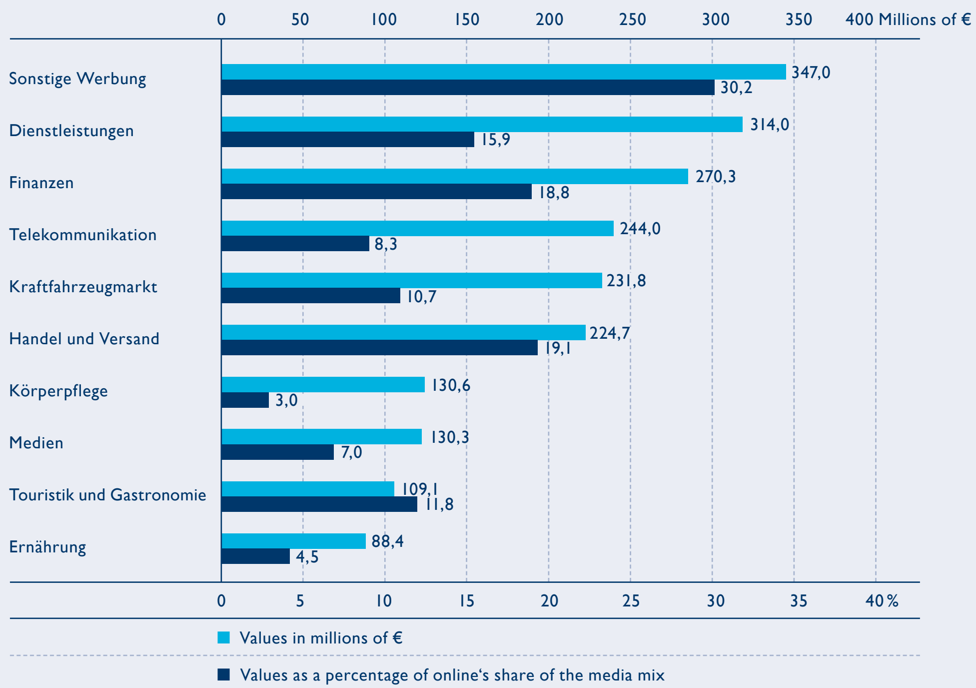
Meanwhile, advertisers from all sectors find related potential target groups on the Internet (see also Page 25 of this report). Accordingly online advertising can be seen to be establishing itself in the media mix across all sectors, with certain business areas having already invested a considerable proportion of their budgets in conventional online advertising last year and granting the Internet an ever-increasing role in their communication strategies.

At the forefront here is the miscellaneous advertising sector – including charitable organisations, image and classified advertising, and corporate advertising. The online proportion accounts for 30.2 percent or nearly a third of the media mix. For the retailing and mail order business and the finance sector, with 19.1 and 18.8 percent respectively, the figure is approaching one fifth. In the services sector (15.9%), the tourism and catering industry (11.8 %) and the automotive industry (10.7%) too, the proportion of online advertising in the media mix is already in the two-figure range as a percentage. Only in four of the top-10 sectors, namely telecommunications, media, personal care and food, does advertising investment in conventional online advertising still remain in the single-figure range as a percentage. In view of the stronger commitment to the online area that can be detected across all sectors it seems reasonable to assume that the online budget will increase significantly in future years.

Of the investment that was purely for online advertising last year, six out of the ten business areas shown spent more than 200 million euros, and two of these even spent over 300 million euros on online advertising in 2011. This high level of spending is a clear indication of the pivotal role of the Internet in brand communication. With 347.0 million euros the miscellaneous advertising sector is again the frontrunner here, followed by the services sector with 314.0 million euros.

The other top online spenders are the finance sector (270.3 m €), the telecommunications industry (244.0 m €), the automotive industry (231.8 m €) and the retailing and mail order sector (224.7 m €). Of the remaining four sectors only the food industry, with online investment of 88.4 m € in 2011, remains below the three-figure mark in millions of euros, whilst online spending in the personal care (130.6 m €), media (130.3 m €) and tourism and catering sectors (109.1 m €) is already in the three-figure range and thus demonstrates the Internet's target group relevance across all sectors.

Advertising investment in conventional online advertising analysed by area of business for the whole of 2011 in millions of €



Source: Nielsen (data valid as of January 2012 with altered evaluation conventions for the performance segment of conventional online advertising, with retroactive effect to 2011) /// Based on: Top 10 areas of business /// Data for the German market

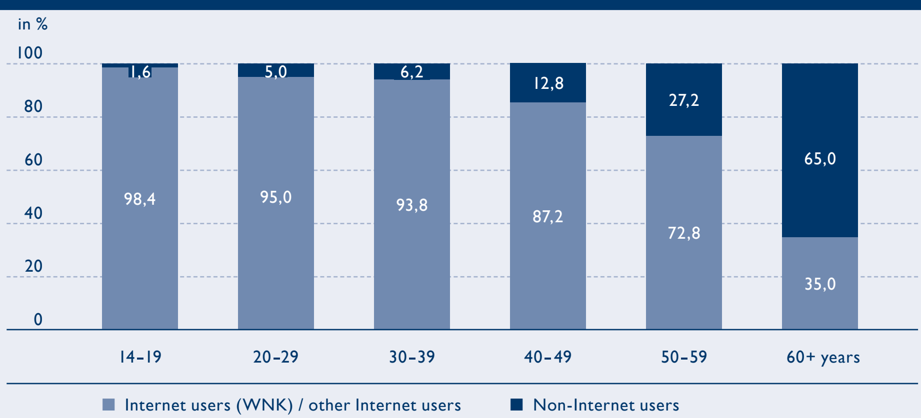
THE INTERNET HAS BECOME ESTABLISHED ACROSS ALL GENERATIONS

Over 70 percent of the German-speaking resident population over the age of 14 use the Internet. All ages are represented amongst these Internet users, who number more than 50 million.

According to internet facts 2011-10 the Internet has a reach in Germany of 72.8 percent, i.e. 51.23 million people used the Net during the reporting period. The basic population is the German-speaking resident population in Germany over 14 years of age; this equates to 70.33 million people. The widest group of users (WNK; people who used the Internet within the last three months) constituted 71.3 % of the population, equating to 50.15 million people.

Meanwhile all generations can be found using the Net – an indication that it has become established on a broad base. A comparison of different age groups amongst users and non-users of the Internet shows that, with figures considerably above the 90 percent mark, almost all 14 to 39-year-olds use the Internet, whilst amongst 40 to 49 year olds the figure is lower at 87.2 percent. Even in the higher age groups there is a strong Internet presence: 72.8 % or nearly three-quarters of all 50 to 59 year olds use the Internet, as do 35 % – more than a third – of the over 60s.

Online penetration by age group



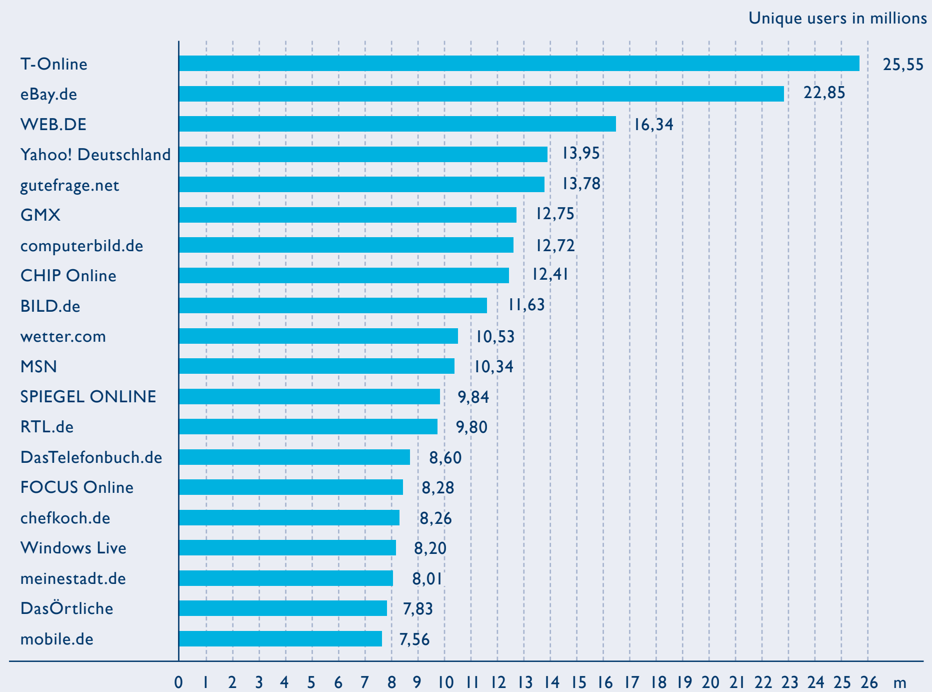
Legend: 98.4 % of 14- to 19-year olds are Internet users (WNK and other users) and 1.6 % of 14- to 19-year olds are non-Internet users. /// Based on: 101,235 cases (Internet users in the last three months) / 598 cases (other Internet users) / 10,638 cases (non-Internet users) / Data in % /// Source: AGOF e.V./ internet facts 2011-10 /// Data for the German market

AVERAGE MONTHLY REACH OF THE TOP 20 ONLINE ADVERTISERS

Based on an average month, internet facts 2011-10 identified planning data for 728 online advertising media based on their websites and 3828 advertising slots. In the league table of websites according to their reach in an average month, T-Online holds first place with 25.55 million unique users (50.9 %), followed by eBay.de (22.85 million / 45.6 %) and WEB.DE (16.34 million / 32.6 %). Yahoo! Deutschland (13.95 million / 27.8 %) and gutefrage.net (13.78 million / 27.5 %) hold positions 4 and 5 respectively.

internet facts 2011-10 provides information on ranges and structure for 728 websites.

AGOF ranking of the top-20 online advertising media in Germany in an average month



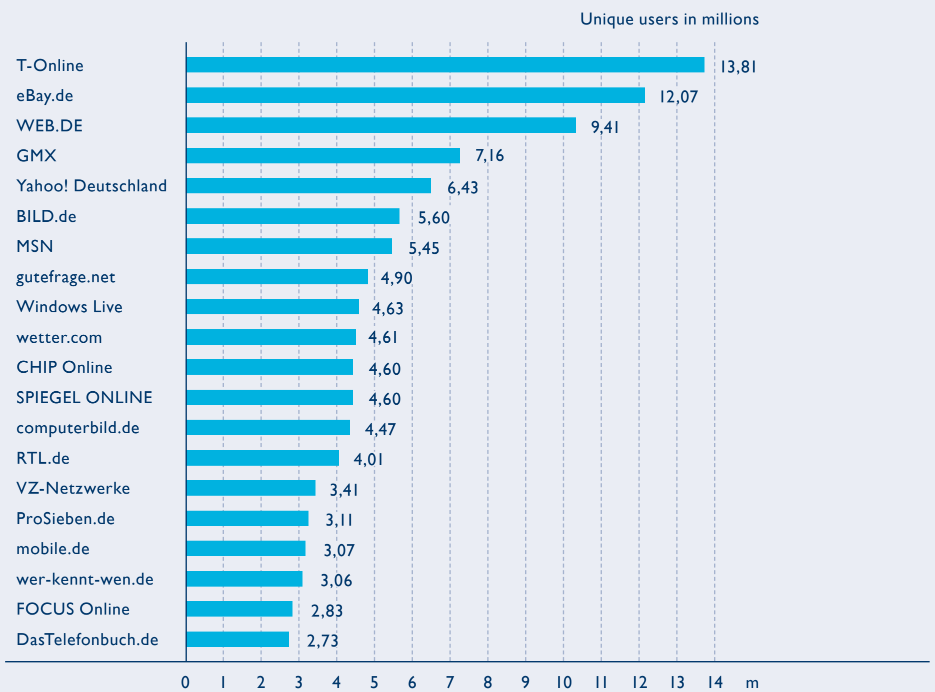
Number of unique users (in millions) for an average month in the period under investigation, August to October 2011 /// Based on: 101,235 cases (Internet users from the last three months) /// Source: AGOF e.V./ internet facts 2011-10 /// Data for the German market

AVERAGE WEEKLY REACH OF THE TOP-20 ONLINE ADVERTISING MEDIA

internet facts 2011-10 made 3828 advertising slots available for online media planning.

In the league table of websites according to their reach in an average week, T-Online holds first place with 13.81 million unique users (27.5 %), followed by eBay.de (12.07 million / 24.1 %) and WEB.DE (9.41 million / 18.8 %). Ranked fourth and fifth respectively are GMX (7.16 million / 14.3 %) and Yahoo! Deutschland (6.43 million / 12.8 %).

AGOF ranking of the top-20 online advertising media in Germany in an average week



Number of unique users (in millions) for an average week in the period under investigation, August to October 2011 /// Based on: 101,235 cases (Internet users in the last three months) /// Source: AGOF e.V./ internet facts 2011-10 /// Data for the German market

REACH OF THE OVK MARKETERS

internet facts reports the net reach of the marketers operating together in the AGOF. The table below shows the net reach of the marketers organised in OVK based on the advertising media compiled in internet facts 2011-10. A marketer‘s net reach does not always include their entire portfolio.

internet facts 2011-10 includes data from a total of 69 marketers.

Net reach of OVK online marketers

Average month

Marketer	Reach in % (based on Internet users from the last three months)	Net reach in millions of unique users
Axel Springer Media Impact	48,9	24,55
BAUER MEDIA	10,9	5,48
eBay Advertising Group	48,7	24,41
G+J Electronic Media Sales	38,7	19,41
Hi-media Deutschland	25,5	12,76
InteractiveMedia CCSP	60,5	30,33
IP Deutschland	52,5	26,32
iq digital	36,9	18,52
MAIRDUMONT MEDIA	14,2	7,12
Microsoft Advertising	32,3	16,19
netpoint media	7,3	3,68
OMS	39,3	19,68
SevenOne Media	48,7	24,41
SPIEGEL QC	27,5	13,78
TOMORROW FOCUS MEDIA	57,5	28,85
Unister Media	21,0	10,51
United Internet Media	54,3	27,23
Yahoo! Deutschland	41,0	20,58

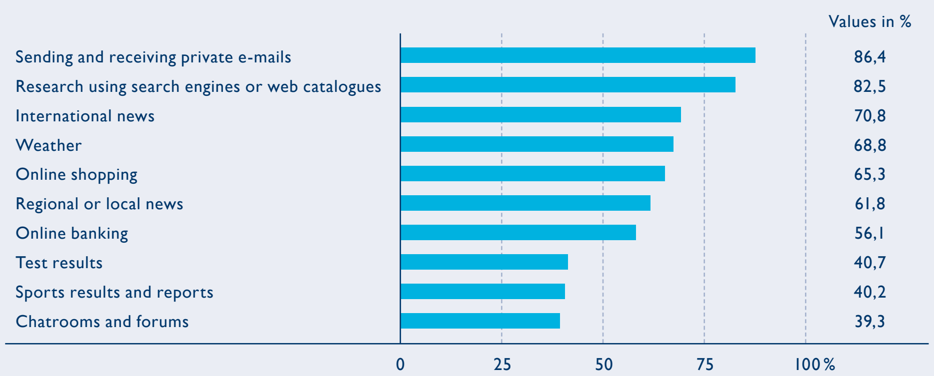
Number of unique users (in millions) and percentage for an average month in the period under investigation, August to October 2011 /// Based on: 101,235 cases (Internet users in the last three months) /// Source: AGOF e.V./ internet facts 2011-10 /// Data for the German market

THE INTERNET IS USED WIDELY FOR COMMUNICATION, INFORMATION RESEARCH AND SHOPPING PURPOSES

With its wide variety of facets, Internet usage has become an established component of daily life.

The self-evident integration of the Internet into people‘s everyday lives becomes clear if you take a look at the most common online activities. One of the main online activities is sending and receiving private e-mails (86.4 % / 43.35 m Internet users), and another is research using search engines or web catalogues (82.5 % / 41.35 million). Next comes accessing international news (70.8 % / 35.5 million). Around two-thirds of the online community use weather forecasting sites or are online shoppers, and over 60 % access regional or local news. More than half of Internet users do their banking online. Other key types of usage include looking up test results or sports results, checking cinema programmes, using chatrooms and forums. Using messaging services and accessing employment, property or dating websites rounds off the spectrum of key areas of usage.

Key usage areas – Top 10

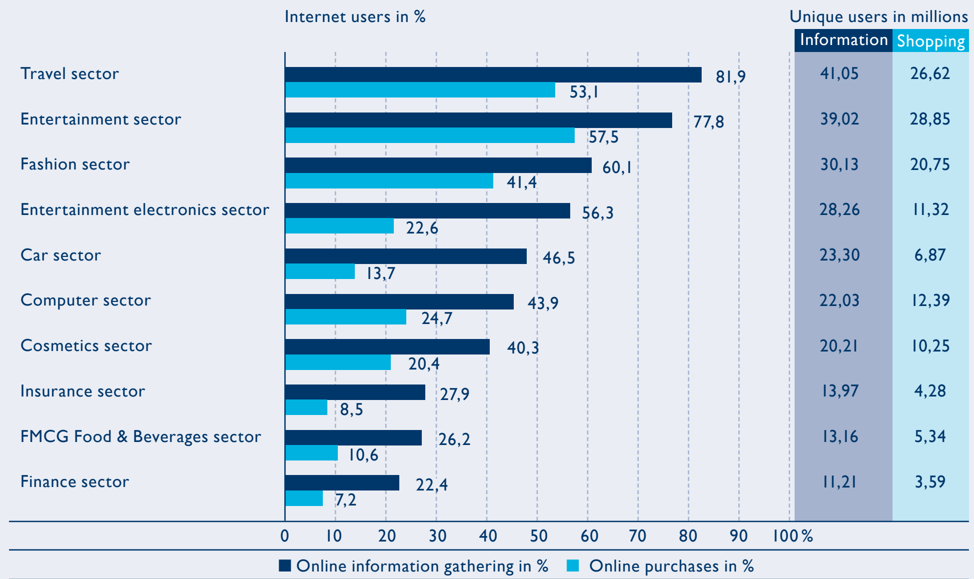


Legend: 70.8 % of all Internet users (WNK) access international news at least occasionally, /// Based on 101,235 cases (Internet users during the last three months) / „How often do you use the following information or websites – frequently, occasionally, rarely or never?“ / Top-two box is illustrated: frequent or occasional usage / values in % / the top-10 from a total of 22 subjects are shown /// Source: AGOF e.V./ internet facts 2011-10 /// Data for the German market

CURRENT POTENTIALS BY SECTOR BASED ON INTERNET FACTS 2011-10

The AGOF sector reports illustrate potential customers to be found on the internet for specific sectors.

Sector potentials for prospective customers looking for information online and for online purchasers; based on widest group of online users (WNK): 50.15 million unique users



Legend: 81.9% of Internet users, which equates to 41.05 million unique users, have gone online at least once in the past to find information on travel products, /// Based on: 101,235 cases (Internet users in the last three months) / „On which of the following products have you ever looked for information on the Internet?“ / „Have you bought any of the following products via the Internet in the past 12 months?“ /// Data expressed as a percentage and in millions of unique users /// Source: AGOF e.V. / internet facts 2011-10 /// Data for the German market

The products studied in the context of the relevant sector analysis can be subdivided as follows:

Travel	Rail tickets, flight tickets, hotels, hire cars, holidays/last-minute trips
Entertainment	Computer and video games, tickets, films on DVDs/videos, music CDs, music/films to down load from the Internet for a charge
Consumer electronics	Flat-screen TVs, DVD players/recorders, hard-disk recorders, home cinema/surround-sound systems, digital cameras, navigation systems
Fashion	Ladies' or gents' clothing, footwear
Automotive	Used cars, new cars, hire cars
Computers	Computer hardware or accessories, computer software excluding games
Cosmetics	Cosmetics for women/men, perfume for women/men, bodycare, haircare or dental care products
Insurance	Health insurance, life assurance and private pension schemes, other insurance such as motor, household or indemnity insurance
FMCG Food & Beverages	Non-alcoholic drinks, beer, other alcoholic drinks and spirits, frozen products and ready meals, dairy products, confectionery and savoury snacks
Finance	Investments, shares, securities, funds; credit

ONLINE ADVERTISING CREATES AWARENESS

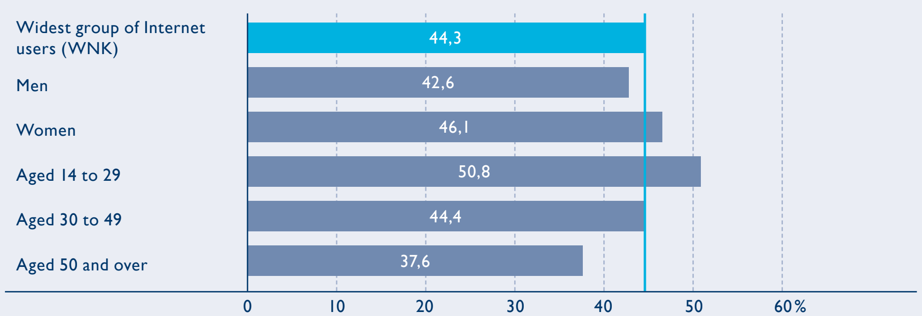
Almost one in every two internet users has frequently been made aware of interesting products or new ideas through online advertising.

Online advertising not only enables a very direct dialogue with customers with no media discontinuity, but Internet users also respond very positively to this form of communication. This is illustrated by the survey in internet facts on the perception of advertising: 44.3 percent or a little under a half of Internet users are open-minded about advertising and state that they have frequently been made aware of interesting products or new ideas through advertising.

This applies especially to women and young users between the ages of 14 and 29, who show themselves with 46.1 and 50.8 percent respectively to be more receptive than average to advertising messages on the Internet. People in the 30 to 49 age group account for 44.4 percent of Internet users, which puts them in the widest group of online users (WNK); men in general come in just below this level, with 42.6 percent of Internet users. Internet users in the over-50s age group account for 37.6 percent, and their interest in online advertising is somewhat more restrained.

Open-mindedness to online advertising

„Advertising has frequently drawn my attention to interesting products or new ideas.“



Legend: 44.3 % of all Internet users (WNK) have frequently become aware of interesting products or new ideas through advertising, /// Based on: 101,235 cases (Internet users over the last three months) / The top-two box shown is absolutely or predominantly correct, / Data expressed as a percentage /// Source: AGOF e.V./ internet facts 2011-10 /// Data for the German market

INTERNET USERS ARE BRAND-AWARE

A study of brand awareness amongst Internet users shows that many users are highly brand-oriented. 59.1 percent agree with the statement that branded products are generally of higher quality and 41.9 percent say that brands give them peace of mind when making a purchase.

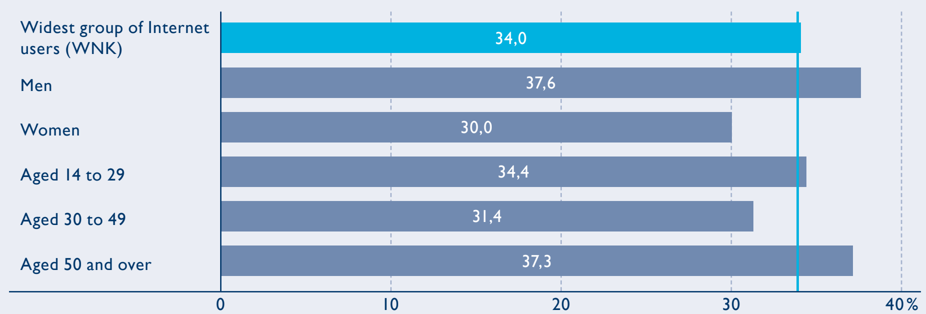
34.0 percent of Internet users also set great store by the brands of products; this equates to more than a third of users. A comparison between the sexes shows men at 37.6 % to be significantly more brand-aware than women (30.0 %). A comparison between age groups shows that the over 50s at 37.3 % demonstrate the strongest preference for branded products, followed by the 14 to 29-year olds at 34.4 %, slightly above level of the widest group of Internet users (WNK). The 30 to 49-year olds, at 31.4 %, are slightly below average with regard to brand sensitivity.

These results demonstrate that the Internet is an ideal channel for brand development and management because Internet users include extremely brand-aware target groups who can be addressed with focused branding campaigns.

Over a third of all Internet users set great store by branded products, with men and the over 50s age group being especially brand-oriented.

Brand awareness

„The brands of products are important to me.“



Legend: 34.0 % of all Internet users (WNK) set store by branded products. /// Based on: 101,235 cases (Internet users over the last three months) / The top-two box shown is absolutely or predominantly correct. / Values in % /// Source: AGOF e.V. / internet facts 2011-10 /// Data for the German market

PEOPLE GO ONLINE FOR RESEARCH AND SHOPPING AS A MATTER OF COURSE

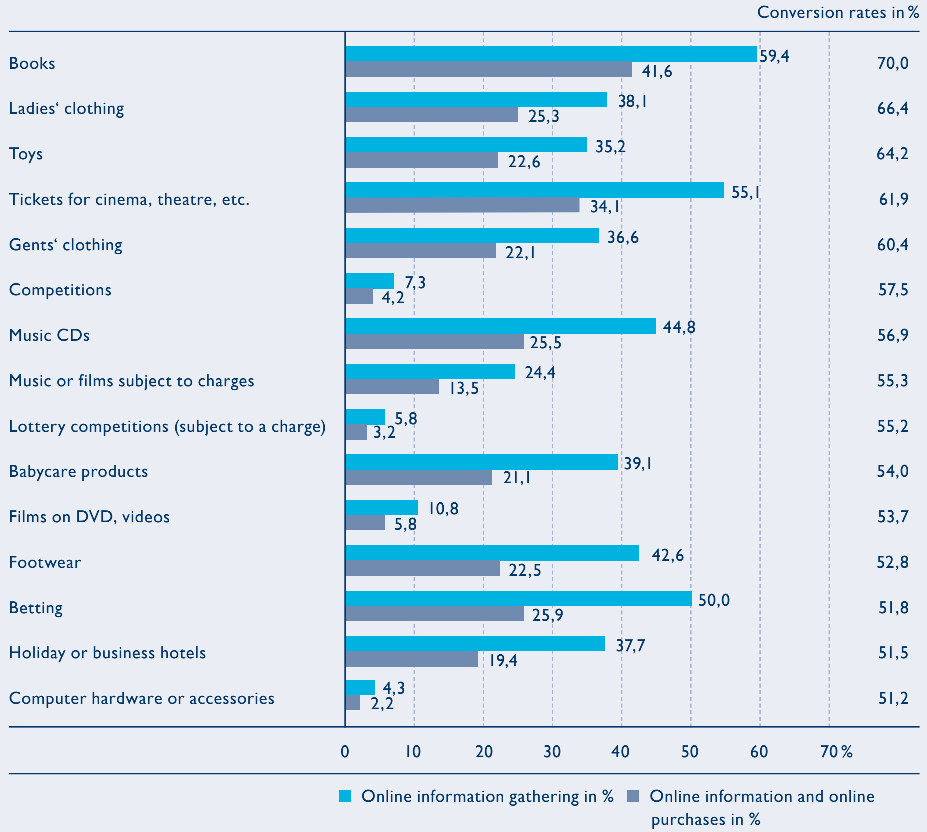
For consumers the Internet is a platform for acquiring information and performing transactions.

For many consumers the obvious uses of the Internet also include thorough online research into all manner of different products: virtually all Internet users – in fact 96.8 percent of them, which equates to 48.54m people – have used the Internet at least once to find out about products or services. This fact underlines the importance of the Internet as a research medium in the orientation and decision-making phase prior to a purchase, irrespective of whether the purchase itself is made online or offline.

The Internet also serves for many users as a reference channel for purchasing products and/or signing up for chargeable services. 42.93 million people (85.6 % of Internet users) have purchased products online during the past twelve months. Books have retained their leading position in e-commerce, followed by theatre and concert tickets and hotel reservations.

The activation potential of the Net for certain product categories can be revealed by the online conversion rate – the ratio between people seeking information online and those who seek information online AND buy online. In this context, books remain top of the list, with a conversion rate of 70.0 %, i.e. the number of people seeking information online who also buy books online amounts to over two-thirds of the people who sought information about books online. For women's clothing, toys, theatre & concert tickets and men's clothing the conversion rate is consistently above 60 percent. For the other products ranked in the top 15 – which include lottery competitions, music CDs, chargeable music or film downloads, chargeable lottery competitions, films on DVD/video, babycare products, footwear, hotel reservations, computer hardware or accessories and betting – over half of those seeking information online also go on to purchase the product online. This broad spectrum of products and services underlines the growing relevance of the Internet for consumers' general patterns of behaviour.

Conversion rates for the top-15 products



Legend: 59.4 % of Internet users (WNK) have researched books on the Internet and 41.6% have researched books online AND bought them online, equating to a conversion rate for those seeking information into those seeking information AND purchasing of 70.0 % /// Based on: 101,235 cases (Internet users in the last three months) / „On which of the following products have you ever looked for information on the Internet?" / „Have you bought any of the following products via the Internet in the past 12 months?" /// Data expressed as a percentage / The top-15 from a total of 59 products are shown /// Source: AGOF e.V./ internet facts 2011-10 /// Data for the German market

CIRCLE OF ONLINE MARKETERS (OVK)

The OVK creates standards and transparency.

The Circle of Online Marketers (OVK) is the central body of online marketers in Germany. Nineteen of the largest German online marketers have come together under the umbrella of the German Association for the Digital Economy (BVDW) to steadily raise the profile of online advertising. The Association's primary aims are to increase market transparency and planning reliability as well as to draw up standardisation and quality assurance measures for the online marketing industry as a whole.

To this end, the OVK works continuously to standardise advertising formats and the processes which can help to make the production, delivery and monitoring of online campaigns easier. These standards are constantly being extended in due consideration of changing market requirements.

The OVK also implements key projects such as conferences, studies and development measures. The organisation is involved with national and international bodies for the further development of the industry.

UNITS AND LABS IN THE OVK

The OVK comprises four units: the Ad Technology Standards unit, the Market Statistics unit, the Targeting unit and the Market Research unit. The units have experts from the relevant specialist areas working with them.

Continuous optimisation of market development

The Ad Technology Standards unit is the main body for developing the standards for promotional products. These standards are used by all members of the OVK and serve as a guide for the whole online advertising sector. The aim is to make the production and delivery of online campaigns easier and to make the going-live run smoothly. These standards are being continuously extended and adapted to market requirements; they are published on the website www.werbeformen.org. The Unit is also involved with optimising accounting-related business processes, the monitoring of ad servers and evaluation of new technologies.

The primary tasks of the Market Statistics unit include gathering and analysing market data. The data can be used for orientation purposes and also indicates trends and areas with potential. The OVK representatives also support the recording of advertising statistics by Nielsen in this unit.

The core aim of the Targeting unit is to work actively on awareness and transparency. As well as defining terms and models it also aims to inform users about methodology on the common platform „www meine-cookies.org" and to create potential choices for the user.

The Market Research unit was conceived in order to develop and jointly analyse wider studies relating to more than just an individual marketer. In this unit experts are also working on models for qualitative performance indicators and on ideas for standards in studies relating to more than just an individual marketer.

GERMAN ASSOCIATION FOR THE DIGITAL ECONOMY (BVDW)

BVDW
Wir sind das Netz

The BVDW is the organisation that represents the interests of companies in the field of interactive marketing, digital content and interactive added value.

The BVDW has interdisciplinary roots, and therefore has an excellent overview of the issues facing the digital industry.

It has taken on the task of making the efficiency and the benefits of digital media transparent, thus promoting their use in the economy as a whole, in society, and in government.

BVDW is engaged in continuous dialogue with politicians, the media and other interest groups, and supports the dynamic development of the sector in a results-oriented, practical and effective way.

The BVDW sees its role as being to bring together the skills of all its members, and combine them with the defined values and principles of the Association.

We are the net

WITH „INTERNET FACTS" AND „MOBILE FACTS", AGOF DELIVERS DIGITAL CURRENCY

AGOF

The role of the Working Group on Online Research (AGOF) is to ensure transparency and practical standards in the research of online advertising media, remaining independent of the interests of individuals. It does this by compiling the requisite performance indicators in a close interchange with the market and makes these indicators available in relevant studies; it performs this role not only for the conventional Internet, but also for other segments of digital media. For this purpose the leading German marketers who are represented in AGOF are organised in sections. Each works alongside their market partners to drive forward in their respective field the planning, provision and further development of market reach research and planning parameters.

With its market media study „internet facts" and the Unique Users (UU) performance indicator contained therein, AGOF has established the currency of consistent Internet reach as the basis for Internet media planning in the market by transferring the reach section and submitting it to the methodological authority of ag.ma. The study itself, whose section on reach also appears as ma Online on ag.ma, is published by the Internet section of AGOF. internet facts shows data on structure and reach for over 700 Internet advertising media used by participants in the study.

The AGOF market media studies enable market-oriented planning of digital media based on conventional standards.

The Mobile section of AGOF takes responsibility for the market media study mobile facts and publishes it. This study collects data on reach and structure for mobile advertising media in Germany in order to make it available for high-quality mobile media planning. The objective is to work with market partners to establish this study and the performance indicator for reach contained therein – Unique Mobile Users (UMU) – in the medium term as the reach currency in mobile media planning.

COMPREHENSIVE SERVICES FOR ONLINE MEDIA PLANNING AND ONLINE MARKETING

Practical support ensures your use of the Internet as an advertising platform is effective and successful.

The AGOF Academy offers all kinds of training opportunities with its wide range of courses. As well as the training courses on using the TOP tool for online media planning – at beginner, advanced and professional level – there are various seminars on handling the „internet facts" data in your daily work and on the basic principles for joining AGOF. The seminars, for which a fee is charged, are held at AGOF's premises in Frankfurt, but can be requested as in-house seminars if required.

On average eight seminars are held per month, and that number is set to increase. Due to the high level of demand from all corners of Germany there are also opportunities for training in different regions; thus open seminars can be booked not only at our headquarters in Frankfurt but also in Hamburg and Munich. Another important area is the promotion of young talent, and so the AGOF has continued to develop its involvement with vocational schools, colleges and universities. Meanwhile the AGOF Academy has formed collaborative working partnerships with seven different educational establishments. Lectures are offered, introducing the topics of online marketing, online commercialisation and online media planning.

The current programme of seminars can be downloaded from www.agof.de/akademie.

AGOF's analysis and planning program TOP allows market partners to access the different survey rounds in internet facts as well as AGOF's mobile facts. Different licensing variants are available to ensure that there are combinations to suit every individual, whatever the actual requirements for media planning. Users of both internet facts and mobile facts can acquire a licence for both in one package, or alternatively the internet facts or mobile facts data can be ordered separately. Smartphone users can also use the free AGOF app to access the AGOF data on the move.

Further details and ordering options can be found at www.agof.de/top.

DAS DREI-SÄULEN-MODELL DER AGOF

Data acquisition for internet facts is fundamentally based on three different acquisition methods: electronic measurement of usage, on-site surveys and population-representative telephone survey – hence the name three-column model. The three different acquisition methods ensure that the complexity of Internet usage is sufficiently taken into account and at the same time that all the necessary data for the subsequent planning data set is collected.

AGOF uses the three-pillar model to gather data on reach and structure for Internet advertising media. With its market media study internet facts and the performance indicator Unique Users identified therein, AGOF has established the de-facto currency for online reach as the basis for online planning in the market.

Using AGOF's three-column model the requisite information is gained bit by bit and then linked together. Electronic means are used to measure and study the usage of individual computers (unique clients). The second step is the on-site survey, which provides information on the users behind the computers. And the representative sample of the resident German population questioned in the telephone survey establishes the relationship between Internet users and the population as a whole. Only by combining all three pillars is it possible to determine data on reach and structure of online advertising media and their advertising slots reliably and in detail. Here the unique clients are converted to unique users, the data is then augmented with supplementary structural and market data before representative weighting is carried out.

AGOF's multi-method approach thus enables the reaches and structures of websites and their advertising slots to be demonstrated and, by linking electronically measured data with survey results and by adapting flexibly to dynamic changes in the online market, it fulfils all the criteria for a market standard.

The data from the three columns is eventually combined to form the internet facts data set known as the analysis data set. This can be counted and is available for online media planning under the auspices of the AGOF TOP evaluation and planning tool. Because of adjustments to the studies (including the extension of the basic population) the data from internet facts 2010-I and later can only be compared with subsequent rounds, but not with preceding rounds of statistics.

CALCULATION OF GROSS ADVERTISING EXPENDITURE

Qualitative features instead of crawler statistics

Unlike other data acquisition methods, the OVK's online advertising statistics do not rely on so-called ‚crawler statistics', so that the qualitative properties, in particular, of online advertising campaigns, such as targeting, CPC business or advertising in password-protected areas can be illustrated more accurately. The calculation of gross advertising volume in conventional online advertising is based on the online advertising statistics from Nielsen Media Research. These in turn are based on postings from a group of marketers (currently 24) who report on a monthly basis their gross advertising expenditure as recorded in accounts systems and ad servers.

All the data is evaluated with reference to the applicable price lists and the media performances achieved. This approach enables direct comparisons to be made with printed adverts in other types of media that are covered by the Nielsen advertising statistics; the printed adverts are likewise evaluated gross. Altogether, around 75 percent of the conventional online advertising market is covered by the Nielsen online advertising statistics. To enable a picture to be formed of the entire online advertising market, the data is extrapolated and the volume of advertising from other sectors is added in.

In cooperation with leading providers, BVDW determines the turnover figures in the areas of search word marketing and affiliate networks. Search engine marketing is viewed here in the simplified form of „net equals gross," since remuneration is calculated on an individual basis dependent on results, and no general gross price lists exist. For the affiliate networks, gross turnover is quoted and includes publisher commission, network charges and agency discounts.

DEFINITION OF THE SEGMENTS

Display ads, special advertising formats, search engine marketing and affiliate marketing

Conventional online advertising includes what are referred to as display ads, which are made up of banner, skyscraper, rectangle or wallpaper ads. On the other hand, it also includes all moving image advertising within conventional online advertising and the integration of advertisers' content on online advertising media. Sponsorship, microsites and multimedia content are all examples. Charges for advertising are generally based on the Cost Per Lead (CPL).

Search word marketing refers to search words to which a charge applies. Here, advertisers pay for a specified position to include their link in the display area of popular search engines. The advertiser decides on the search words and corresponding links. Charges apply based on the number of clicks (CPC).

There are many websites – numbers often run into the hundreds – with a less impressive reach (so-called affiliates) and on which advertising is included; these are known as affiliate networks. Unlike conventional online advertising, but in line with search engine marketing, charges are generally levied based on the number of clicks. Charges may also be based on the number of sales achieved as a result of (and definitively attributable to) online advertising.

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