OVK ONLINE-REPORT
2012/02
Overview of figures and trends

exclusive results of the Mediascope Europe 2012 study
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DEAR READERS,

The continuous digitalisation of the media landscape and with it the changing media use of consumers is also reflected in the development of digital advertising behaviour. From the online advertising investment in the first half of 2012, we can again see that the advertising industry’s willingness to invest in this segment continues unabated. The Internet’s share of the gross advertising pie is now at almost 22% and therefore confirms the position of the Internet as the second strongest advertising medium in the media mix.

The forecast gross growth rate for online advertising investment for this year can even be revised upwards by 1 percentage point due to the positive developments of the first six months, and now stands at 12%. This means that in 2012, the gross advertising volume will probably exceed the 6 billion euro mark for the first time. The largest share, as well as the highest growth rate, is taken up by conventional online advertising, followed by search engine marketing and affiliate networks.

Mobile Internet spending is also dynamically continuing the positive development seen last year. In the first six months of the year, the advertising companies have already invested 23 million euros in display advertising on mobile websites and apps. This value exceeds spending in the same period of the previous year by 10 million euros. The Mobile Advertising unit (MAC) within BVDW expects continued willingness to invest on the part of the advertising companies and forecasts cumulative market growth of at least 70% for 2012 as a whole.

The current results of the Mediascope Europe 2012 study for the German market show how important the digital communication channels are for branded companies when it comes to addressing customers. Use of the Internet and mobile devices plays a crucial role for more and more consumers and influences their orientation and decision-making processes, which in turn makes them increasingly important advertising platforms.

We hope you enjoy reading the OVK Online Report 2012/02.

Paul Mudter
Chairman of the Circle of Online Marketers (OVK)
At the start of 2012, the new evaluation conventions were adopted for a subsegment of the online display advertising market to bring the announcement of performance-based campaigns into line with the actual development and reality of the market and to guarantee a consistent gross report on all the online display advertising investment. This change was implemented with the annual financial statement in 2012 on a changed basis for the online advertising statistics that also has retrospective effect for 2011. Because of the method change, no direct retrospective comparison of figures for conventional advertising from 2011 with preceding years is possible. This is clearly shown in the graphics using appropriate labelling.

Following the introduction of the new evaluation conventions, the gross online advertising volume reached a new high of 5.73 billion euros in 2011. This volume is particularly noteworthy 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.

The positive development of gross online advertising investment also continues unchanged in the first half of 2012. Conventional online advertising is once again proving to be the strongest driver: spending in this area is expected to rise by as much as 14% this year – instead of the original 12% forecast in the last OVK Online Report – to 3.74 billion euros. This means that 58% of all gross online advertising investment in 2012 would be attributable to conventional online advertising. Search engine marketing is in second place, with a growth rate that has been revised upwards by 2 percentage points to 10%, representing a probable advertising investment volume totalling 2.28 billion euros. Affiliate networks are the third pillar of online communication and according to the forecast, could attract 411 million euros, which corresponds to growth that has been revised downwards by 1 percentage point to 10% as well.

In response to the slightly modified growth rates, the forecast total spending for conventional online advertising, affiliate networks and search engine marketing in 2012 has been revised upwards by 1 percentage point and now predicts a growth rate of 12%. This means that gross online advertising investment would this year exceed the 6 billion euro mark for the first time, reaching a total of 6.44 billion euros.

Overall, the continuous growth in gross advertising volume of online advertising in recent years can be seen as evidence of the importance of the Internet as a media channel for communicating with target audiences.
With a share of almost 22% of the gross advertising pie, the Internet will strengthen its position as the second strongest advertising medium.

Despite the method change in online advertising statistics, the Internet will once again assert itself as the second strongest advertising medium in the media mix in 2012, according to the current OVK forecast. With the forecast 21.8%, more than a fifth of the gross advertising pie will be taken up by the Internet – a clear indication of its increasingly dominant role in the mix of communication channels.

As a result of this consistently high online share, the trends for conventional types of media advertising are either stagnating or continuing downward. The gap between the Internet and TV, the medium which remains in first place with a share of 38.2%, will be just over 16 percentage points, according to the figures available. This also means that online advertising investment would be almost 60% of TV spending.

According to the forecast, although the media of newspapers and consumer publications, which occupy positions three and four respectively, will be able to claim double-digit shares of the gross advertising pie with 17.1 and 12.1%, they will still be 4.7 and 9.7 percentage points below the Internet. The forecast shares for radio, posters and trade publications are all in the single-digit percentage range.

The OVK forecast for the gross advertising pie once again shows the structural change in the composition of the media mix: in recent years, online advertising has become an indispensable component of an integrated communication strategy. What was originally a niche medium now plays a crucial role in brand communication – particularly because it has enhanced dialogue with the target audience due to its interactivity and transparency. Advertisers can communicate with their consumers on the Internet with no media discontinuity and at the same time benefit from continuously evolving technologies and exciting advertising formats.

This results in innovative multimedia campaign concepts for sustained brand communication. This can be further refined by using targeting or frequency capping to tailor the online campaigns individually. A wide range of options for analysis and control while the campaign is underway, something that cannot be achieved in any other type of media, also ensure market-oriented fine tuning of online communication.

In combination with research into advertising impact that accompanies a campaign and detailed planning data, the Internet has established itself as an efficient and transparent advertising medium. The continuous further development of all the measures referred to will help the Internet to consolidate still further its position as the second strongest advertising medium in Germany in the future and thereby increase its importance further still.

Forecast for how the gross advertising pie will divide up in 2012

- **Newspapers** 17.1%
- **Trade Publications** 1.4%
- **Radio** 5.0%
- **Posters** 4.4%
- **Consumer publications** 12.1%
- **Internet** 21.8%
- **TV** 38.2%

Sources: OVK (OVK forecast 2012 including search word advertising and affiliate networks segments) and Nielsen (media trends in the media types listed, data valid as of July 2012 with changed evaluation conventions retrospectively applying to 2011 for the performance segment of conventional online advertising. The trend in the first half of the year was taken as the basis for the whole of 2012 when extrapolating the above-the-line advertisers stated). /// Data for the German market...
The monthly investment in conventional online advertising in the first half of 2012 was predominantly around the 300 million euro mark. Cumulative market growth of at least 70% is expected for 2012 as a whole.

Irrespective of the new evaluation conventions, gross advertising investment in conventional online advertising in the first half of 2012 generally exceeded the already high level of the corresponding months in previous years. In each of the months of March, May and June, the 300 million euro mark was exceeded, and in April it was almost reached. This high monthly investment level provides impressive evidence of the increasing emphasis advertisers are placing on conventional online advertising.

Of the 3.74 billion euros of spending on conventional online advertising forecast for 2012, 1.77 billion euros, which corresponds to almost half the assumed gross advertising investment for this year, has already been realised in the first six months. Based on experience, it can be assumed that this positive spending behaviour will continue into the second half of the year, with the traditionally busy Christmas period providing additional stimulus.

In addition to online advertising, mobile advertising is enjoying increasing popularity among advertisers. For instance, advertising companies in Germany invested around 36 million euros in display advertising on mobile websites and apps in 2011. In the first half of 2012, willingness to invest increased further, resulting in 23 million euros already flowing into mobile display advertising in the first six months of the year. This means 10 million euros more were spent on mobile display advertising in the first half of 2012 than in the same period of the previous year – a clear indication of the momentum prevalent in this significant growth segment.

In view of this strong willingness to invest on the part of the advertising companies, the Mobile Advertising unit (MAC) within the Mobile specialist group at Bundesverband Digitale Wirtschaft (BVDW) e.V. expects cumulative market growth of at least 70% for 2012 as a whole.

Sources: OVK (extrapolation of figures from 75 to 100%) and Nielsen (data as of July 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
The willingness of online advertisers to spend, mentioned at the beginning, can be observed in all areas of business — and there is little wonder in view of the target audience potential available on the Internet for advertisers from very different sectors (see also Page 19 of this report). The importance of online advertising in the media mix of the sectors is also increasing accordingly: eight of the ten areas of business shown once again increased the share of conventional online advertising in their communication mix in the first half of 2012 compared with 2011. With a considerably increased share of online advertising in their media mix, the personal care and telecommunication sectors in particular demonstrate a commitment to online advertising in the first six months of 2012 that is more than double that seen in 2011.

In general, the share of online spending in the media mix provides information about the sectors in which online advertising has played a particularly large role in communication in the first half of 2012. The frontrunner here is other advertising — including charitable organisations, image and classified advertising, and corporate advertising. With 33.8%, spending on conventional online advertising already accounts for over a third of the media mix here. This is followed by the finance and telecommunications sector: with 19.6% and 18.2% respectively, each allocates around a fifth of its advertising investment to conventional online advertising. Also in the services sector, the tourism and catering segment, the automotive sector and the retailing and mail order business, the online shares of the media mix are in the double-digit range. In just three of the sectors shown, expenditure on online advertising is still in the single-digit percentage range, relative to the total media budget available. In other words, the largest growth potential still exists here, given the general market momentum.

If we take a look at absolute spending on conventional online advertising, we can see that the sector „Other advertising” is in first place again with 194.5 billion euros. In second and third place are the service sector with 183.9 million euros and the automotive sector with 151.7 million euros, which have made it into the top 3 of absolute online spenders for the first time. In the retailing and mail order business too, as well as the finance sector, investment in conventional online advertising is in the three-digit range with 134.2 million euros and 120.4 million euros.

Overall, the online advertising investment of the areas of business show that more and more sectors grant conventional online advertising an important role in their marketing strategies, which also highlights the target audience relevance of the Internet in all sectors.
IN GERMANY THERE ARE OVER 50 MILLION INTERNET USERS

According to „internet facts 2012-05“, 71.6% of the German-speaking population over the age of 14 living in Germany (70.33 million) belong to the widest group of users (WNK; people who used the Internet within the last three months). In addition to these 50.34 million people, there are another 1.06 million Internet users, who have been online within the last year. Therefore the Internet has a reach in Germany of 73.1%, i.e. 51.40 million people used the Net during the reporting period.

The Internet has established itself across all generations as a medium that is used as a matter of course. The online presence is particularly marked among 14 to 19-year olds, over 90% of whom are Internet users. The 40 to 49-year olds have also already reached a high level of utilisation at 87.2%, while almost three-quarters (73.7%) of 50 to 59-year olds are already online. Only among the over 60s is the online penetration still at a relatively moderate level – at 36.2% over a third of them are indeed online, but in comparison with the other age groups, this age bracket still contains the highest proportion of non-users.

A QUARTER OF THE GERMAN-SPEAKING POPULATION OVER THE AGE OF 14 LIVING IN GERMANY USES MOBILE INTERNET

According to „mobile facts 2011“, mobile Internet in Germany had a reach of 24.1% during the reporting period, which means 16.95 million of the German-speaking population over the age of 14 living in Germany (70.33 million) were using mobile Internet every month in 2011. In the previous year, the figure for unique mobile users still stood at 10.95 million people, which signifies growth in mobile Internet use since 2010 of 55% – an indication of the increasing establishment of the mobile medium Internet.

Just as in the early days of Internet, use of mobile Internet is still clearly dominated by men and the younger target groups: 60.2% of unique mobile users are men, and almost two-thirds belong to the under 40s age group. The most frequently used functions are making telephone calls (90.5%), sending text messages (79.4%) and reading the news (75.2%). These are followed by writing and reading e-mails, use of social networks and listening to music. As many as one in five mobile Internet users make at least one purchase via mobile Internet per week.

The AGOF mobile universe

Interpretation example: 16.95 million (2010: 10.95) adults over the age of 14 are unique mobile users (UMU), which means that 24.1% (2010: 15.5%) of the German-speaking resident population over the age of 14 has accessed a mobile-enabled website or a mobile app within the last 30 days. /// Based on: 23,515 cases, German-speaking population over the age of 14 living in Germany, figures in millions /// Source: AGOF e.V. / AGOF mobile facts 2011 or ** internet facts 2011-11 /// Data for the German market

Unique mobile users and app users in the last 30 days:

- Total population: 70.33 million**
- Mobile phone users: 60.59 million**
- 16,95 million*

Interpretation example: 16.95 million (2010: 10.95) adults over the age of 14 are unique mobile users (UMU), which means that 24.1% (2010: 15.5%) of the German-speaking resident population over the age of 14 has accessed a mobile-enabled website or a mobile app within the last 30 days. /// Based on: 23,515 cases, German-speaking population over the age of 14 living in Germany, figures in millions /// Source: AGOF e.V. / AGOF mobile facts 2011 or ** internet facts 2011-11 /// Data for the German market
The „internet facts 2012-05“ provides data on reach and structure for 765 online advertisers based on their websites and 3975 advertising slots.

In the league table of websites according to their reach in an average month, T-Online holds first place with 25.02 million unique users (49.7%), followed by eBay.de (23.40 million unique users or 46.5%) and gutefrage.net (15.99 million unique users or 31.8%). WEB.DE (15.51 million unique users or 30.8%) and Yahoo! Deutschland (13.66 million unique users or 27.1%) hold positions 4 and 5 respectively.

The „internet facts 2012-05“ reports the net reach of the marketers operating together in AGOF. The table below shows the net reach of the marketers organised in OVK based on the advertising media compiled in „internet facts 2012-05“. A marketer’s net reach does not always include their entire portfolio.
INTERNET USE IS PART OF ALL AREAS OF LIFE

These days, it is hard to imagine everyday life without the Internet: whether it be for communication, information or transactions – more and more activities are taking place online.

The spectrum of commonly performed online activities highlights the versatile integration of the Internet into people's everyday lives. The sending and receiving of private e-mails (85.8% or 43.19 million Internet users), and research using search engines or web catalogues (82.5% or 41.53 million) remain top of the list. Next comes accessing international news (69.8% or 35.16 million).

Around two-thirds of Internet users are online shoppers or use weather forecasting sites, and over 60% access regional or local news. More than half of Internet users do their banking online. Other key usage areas are communicative sites such as chatrooms and forums, instant messaging and weblogs/blogs, as well as access to test results and sports results, but also employment, property or dating websites.

The AGOF sector analyses illustrate potential customers to be found on the Internet for specific sectors.

### Key usage areas – top 10

<table>
<thead>
<tr>
<th>Activity</th>
<th>Values in %</th>
<th>Unique users in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sending and receiving private e-mails</td>
<td>85.8%</td>
<td>43.19</td>
</tr>
<tr>
<td>Research using search engines or web catalogues</td>
<td>82.5%</td>
<td>41.53</td>
</tr>
<tr>
<td>International news</td>
<td>69.8%</td>
<td>35.53</td>
</tr>
<tr>
<td>Online shopping</td>
<td>67.8%</td>
<td>32.83</td>
</tr>
<tr>
<td>Weather</td>
<td>65.5%</td>
<td>31.80</td>
</tr>
<tr>
<td>Regional or local news</td>
<td>62.5%</td>
<td>30.86</td>
</tr>
<tr>
<td>Online banking</td>
<td>55.7%</td>
<td>28.29</td>
</tr>
<tr>
<td>Test results</td>
<td>40.8%</td>
<td>20.47</td>
</tr>
<tr>
<td>Chatrooms and forums</td>
<td>40.0%</td>
<td>20.34</td>
</tr>
<tr>
<td>Sports results and reports</td>
<td>39.4%</td>
<td>19.96</td>
</tr>
</tbody>
</table>

Interpretation example: 69.8% of all Internet users (WNK) use international news services at least occasionally, // Basis: 101,306 cases (Internet users in the last three months) / "How often do you use the following sources of information or offers: frequently, occasionally, rarely or never?" / Top-two box shows: frequent or occasional usage / Values in % / the top-10 from a total of 22 subjects are shown /// Source: AGOF e.V. / internet facts 2012-05 /// Data for the German market

### LATEST POTENTIAL VIEWED BY SECTOR BASED ON „INTERNET FACTS 2012-05“

The AGOF sector analyses illustrate potential customers to be found on the Internet for specific sectors.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Internet users in %</th>
<th>Unique users in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel sector</td>
<td>81.1%</td>
<td>40.85</td>
</tr>
<tr>
<td>Entertainment sector</td>
<td>76.7%</td>
<td>38.61</td>
</tr>
<tr>
<td>Fashion sector</td>
<td>61.0%</td>
<td>30.73</td>
</tr>
<tr>
<td>Entertainment electronics</td>
<td>54.8%</td>
<td>27.58</td>
</tr>
<tr>
<td>Car sector</td>
<td>45.3%</td>
<td>22.78</td>
</tr>
<tr>
<td>Computer sector</td>
<td>42.0%</td>
<td>21.14</td>
</tr>
<tr>
<td>Cosmetics sector</td>
<td>40.7%</td>
<td>20.49</td>
</tr>
<tr>
<td>Insurance sector</td>
<td>40.7%</td>
<td>13.17</td>
</tr>
<tr>
<td>Food &amp; beverages sector</td>
<td>26.1%</td>
<td>13.12</td>
</tr>
<tr>
<td>Finance sector</td>
<td>21.5%</td>
<td>10.82</td>
</tr>
</tbody>
</table>

Interpretation example: 81.1% of Internet users, which equates to 40.85 million unique users, have gone online at least once in the past to find information on travel products, // Basis: 101,306 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? /// Values in % and in millions of unique users /// Source: AGOF e.V./ internet facts 2012-05 /// Data for the German market
BRANDED PRODUCTS PLAY A MAJOR ROLE FOR OVER 17 MILLION INTERNET USERS

Many Internet users are extremely brand-oriented. For example, 59.0% (29.72 million) agree with the assertion that branded products are generally of a higher quality and 42.3% (21.28 million) say that brands provide security when purchasing. It is therefore fitting that over three-quarters of users (76.6%) are also prepared to pay more for quality.

At 34.6%, more than a third of Internet users (17.42 million people) consider branded products important. A comparison between the sexes shows men at 38.5% to be significantly more brand-aware than women (30.3%).

A look at the different generations clearly shows that the over 50s at 37.2% demonstrate the strongest preference for branded products, followed by the 14 to 29-year olds at 35.7%, slightly above the level of the widest group of Internet users (WNK). The 30 to 49-year olds, at 31.9%, are slightly below average with regard to brand sensitivity.

This brand and quality orientation of many users makes the Internet an ideal communication channel for brand development and management, as branding campaigns reach high-affinity target audiences.
The temporally and geographically unlimited opportunities make the Internet a highly valued information and shopping platform.

86.8% of Internet users have been using the Internet for more than three years. In other words, almost nine in every ten Internet users can be considered adept medium users with substantial user experience. This widespread use of the Internet as a matter of course is also affecting the purchasing behaviour of many consumers: 96.4%, i.e. nearly all Internet users (48.55 million people), have looked for information on products or services on the Internet at least once. 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 is also used by the majority users for actual purchases: the proportion of Internet users who are online shoppers is around 86.1%, i.e. 43.33 million people have bought something online or made use of chargeable services in the last twelve months. Books have retained their leading position in e-commerce, followed by theatre and concert tickets and ladies’ clothing.

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 71.5%, i.e. almost three-quarters of the people who sought information about books online, also went on to buy these online.

For ladies’ clothing, toys, tickets, gents’ clothing and competitions, the conversion rate is also consistently over 60%. Of the remaining products ranked in the top 15, more than half the people looking for information online also went on to purchase online. The broad spectrum of products and services represented here underlines the growing importance of the Internet for consumers’ general patterns of behaviour.

### Conversion rates for the top-15 products

<table>
<thead>
<tr>
<th>Product</th>
<th>Conversion rates in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Books</td>
<td>59.3 71.5</td>
</tr>
<tr>
<td>Ladies’ clothing</td>
<td>26.1 38.6</td>
</tr>
<tr>
<td>Toys</td>
<td>22.7 34.8</td>
</tr>
<tr>
<td>Tickets for cinema, theatre, etc.</td>
<td>22.7 34.7</td>
</tr>
<tr>
<td>Gents’ clothing</td>
<td>23.3 37.6</td>
</tr>
<tr>
<td>Competitions</td>
<td>6.6 42.6</td>
</tr>
<tr>
<td>Music CDs</td>
<td>10.7 24.9</td>
</tr>
<tr>
<td>Babycare products</td>
<td>4.2 23.5</td>
</tr>
<tr>
<td>Music or films subject to charges</td>
<td>13.3 44.2</td>
</tr>
<tr>
<td>Footwear</td>
<td>24.2 38.1</td>
</tr>
<tr>
<td>Films on DVD, videos</td>
<td>20.8 33.8</td>
</tr>
<tr>
<td>Betting</td>
<td>4.3 18.8</td>
</tr>
<tr>
<td>Computer hardware or accessories</td>
<td>18.8 35.8</td>
</tr>
<tr>
<td>Computer and video games</td>
<td>12.8 24.4</td>
</tr>
<tr>
<td>Holiday or business hotels</td>
<td>14.1 38.6</td>
</tr>
</tbody>
</table>

Interpretation example: 59.3% of Internet users (WNK) have researched books on the Internet and 42.4% have researched books online AND bought them online, equating to a conversion rate for those seeking information into those seeking information AND purchasing of 71.5%.

Based on: 101,306 cases (Internet users in the last three months) / “Have you ever looked for information on the Internet about the following products?” / “Have you bought any of the following products over the Internet in the past 12 months?” Values in % / The top-15 from a total of 59 products are shown / Source: AGOF e.V. / internet facts 2012-05 / Data for the German market
ONLINE ADVERTISING MARKET IN EUROPE HAS EXCEEDED THE 20 BILLION EURO MARK

In 2011, the European online advertising market volume was 20.9 billion euros. From 2010 to 2011, the European online advertising market volume increased by 2.6 billion euros and, at 20.9 billion euros, has now slightly exceeded the previous year’s level of the US advertising market. This increased even more rapidly in the same period and recorded a volume of 24.5 billion euros in 2011. At the same time, this can be seen as an indication that growth potential still exists in Europe, as the European level traditionally matches the US level after a slight time delay.

Overall, the current online advertising market volume in Europe clearly shows that the Internet has established itself in all European countries as an important advertising channel alongside the conventional media – even if there is still some variation in its importance in the individual European countries. As forerunners, the largest online advertising markets Germany, the UK and France show here which online potential in Europe can still be tapped into in the coming years.

SEARCH ENGINE MARKETING AND DISPLAY ADVERTISING ARE DRIVING FORWARD DEVELOPMENT OF THE ONLINE ADVERTISING VOLUME IN EUROPE

A look at the advertising investment in the different online segments in Europe shows that in 2011 the areas of search engine marketing and online display advertising once again achieved growth in the double-digit percentage range. With an increase of 17.9% compared with the previous year, search engine marketing now has a volume of 9.7 billion euros and therefore remains the largest segment. This is followed by online display advertising with a growth rate of 15.4% and a volume of 7.0 billion euros in 2011. Classified advertising accounts for 4.0 billion euros, which corresponds to an increase in advertising investment of 5.7% compared with 2010.

Besides the refined targeting options and innovative advertising formats, the strongest driver of the continuous growth in online advertising is, above all, the growing evidence of the impact of advertising, from which branding campaigns on the Internet benefit in particular.

**Market development of online advertising in Europe**

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Search</td>
<td>18.300</td>
<td>20.900</td>
<td>+17.9%</td>
<td>9.7bn</td>
</tr>
<tr>
<td>Classified &amp; directories</td>
<td>20.100</td>
<td>24.300</td>
<td>+5.7%</td>
<td>4.0bn</td>
</tr>
<tr>
<td>Display</td>
<td>20.000</td>
<td>27.000</td>
<td>+15.4%</td>
<td>7.0bn</td>
</tr>
</tbody>
</table>

Source: IAB Europe/IHS Screen Digest: AdEx Benchmark 2011
MEDIA USAGE HABITS ARE BECOMING INCREASINGLY DIVERSIFIED

Internet usage in Germany is above the European average. In the current Mediascope study, the Interactive Advertising Bureau (IAB) Europe, surveyed European consumers in a total of 28 countries about their media usage habits. The results once again highlight the growing importance of the Internet as a medium – for instance, around two-thirds of all Europeans can now be reached online, which corresponds to 426.9 million people. In Germany alone this figure is 54.1 million people, spending an average of 11.4 hours a week online.

A look at media usage highlights the increasing digitalisation of society. In the rankings of media usage in a typical week for Germany, using the Internet via computer is in third place after watching television and listening to the radio, and has therefore overtaken reading newspapers and magazines. With a proportion of 75%, the Germans are around 11 percentage points above the European average in terms of their Internet use. In addition to this, 19% of Germans use the Internet via mobile phone, and 12% via tablets.

MEDIA USAGE VARIES DEPENDING ON DAILY ROUTINE

The usage rates of the media channels used on a typical working day in Germany vary significantly depending on the time of day: at the start of the day, it is above all radio and newspapers that are favoured, while during the evening, television is more popular.

Unlike other media, the Internet definitely has usage peaks, but thanks to the ability to access it via different terminal devices (computer, tablet and smartphone), it can adapt much better to people’s daily routine and the resulting usage situations. Smartphones and tablets also allow mobile Internet access when on the move during the day and therefore make the Internet a constant companion for consumers. 38% of German Internet users now access the Internet on more than one device, putting them 1 percentage point above the European level.

Typical media usage in the daily routine (working day) in Germany
INTERNET AND TELEVISION ARE OFTEN USED SIMULTANEOUSLY

The results of the study show that many consumers use the Internet and TV simultaneously to maximise their media use – this applies both to Europe in general and to Germany in particular. In Germany 41% – or four in every ten people – continue to watch television while accessing the Internet via their computer. Other options include accessing the Internet via smartphone or tablet during TV viewing; however, the user proportions for this are still in the single-digit percentage range.

This parallel use of media and devices also presents advertisers with new challenges: in order to accommodate the modified media usage habits of consumers, it is necessary to give campaigns a much stronger cross-media orientation than before and respond to the usage habits of consumers through intelligent interlinking of the different media channels.

SMARTPHONES ARE THE UBIQUITOUS MULTI-FUNCTIONAL DEVICE

With the advent of smartphones, the spectrum of functions offered by mobile phones has been greatly expanded. Besides making calls, it is now used for a whole series of other functions. The most popular of these for over two-thirds of smartphone users are taking photos and recording videos using the mobile phone. Over half use it for sending or receiving e-mails, downloading or using apps, downloading and listening to music, and for sending images or video messages. Almost half access websites or social networks via their smartphone and more than four in ten people use search engines via their mobile phone and use it to download and play games.

Due to the multi-faceted usage of smartphones, an increasing number of activities previously carried out offline or on the computer are now being performed via mobile Internet, which ultimately also has an effect on the consumption habits of consumers – a fact to which the advertising industry must respond with appropriate mobile-oriented campaigns.

Cross-media usage – parallel Internet and TV use in Germany according to end devices

SMARTPHONES ARE THE UBIQUITOUS MULTI-FUNCTIONAL DEVICE

Applications used by smartphone users in Germany

- Taking photos/recording videos: 47%
- Sending/receiving e-mails: 52%
- Downloading/using apps: 50%
- Downloading/listening to music: 50%
- Sending photo/video messages: 50%
- Accessing the Internet via mobile browsers: 48%
- Using personal social networks: 47%
- Using mobile search engines: 43%
- Downloading/playing games: 43%

Source: Mediascope Europe 2012 study/IAB Europe

The broad spectrum of smartphone applications used makes the mobile phone an indispensable companion in all situations.
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 sector 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 sector.

The OVK comprises four units: the Ad Technology Standards unit, the Market Statistics unit, the Targeting unit and the Market Research unit.

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 guidelines 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 process 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 concerned with optimising business processes relevant to booking, monitoring ad servers and assessing 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. The experts in this circle also work on models for qualitative performance indicators and on ideas for standards in cross-marketer studies.
BUNDESVERBAND DIGITALE WIRTSCHAFT (BVDW) e.V.

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

The BVDW has interdisciplinary roots, and therefore has a comprehensive 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 FOR THE GERMAN MARKET

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. The leading German marketers represented in AGOF are organised into sections for this purpose and together with their market partners, they forge ahead in their respective segments with 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, of which the section on reach also appears as ma Online on ag.ma, is published by the Internet section of AGOF. The „internet facts“ shows data on structure and reach for over 700 Internet advertising media used by participants in the „internet facts“ study.

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.

The AGOF market media studies enable market-oriented planning of digital media based on conventional standards.
In summer 2012, AGOF started the process of gradually shortening the processing period of study preparation for „internet facts“, to provide market partners with an even more up-to-date basis for planning. The „internet facts“ will therefore now be published closer to the investigated period or month. The gradual shortening process will be completed by the end of the year, after which each issue of „internet facts“ will be made available approx. six weeks after the end of data collection. This quicker reporting will be made possible due to appropriate optimisation of all existing work processes.

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. All of this is now available with a considerably increased training team and more locations: in addition to Frankfurt, seminars are now also run in Munich, Hamburg and Berlin. The seminars are subject to a charge and are open to anyone interested.

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 „mobile facts“. Different licensing variants are available to ensure that there are combinations to suit every individual, whatever the actual requirements for media planning. Two users can licence „internet facts“ and „mobile facts“ as a package, or alternatively, order the „internet facts“ or „mobile facts“ data exclusively. 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.

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 2010-1“ and later can only be compared with subsequent rounds, but not with preceding rounds of statistics.
NOTES ON THE METHODOLOGY OF THE OVK ADVERTISING STATISTICS

CALCULATING GROSS ADVERTISING EXPENDITURE

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 therefore based on the online advertising statistics from Nielsen. 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% 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, this data is extrapolated and the volume of advertising from other sectors is added in.

The BVDW calculates turnover figures for search engine marketing and affiliate networks in cooperation with leading providers. 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

Conventional online advertising includes what are referred to as display ads, which are made up of banner, skyscraper, rectangle or wallpaper ads. 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.
OVK ONLINE-REPORT 2012/02

Place and date of publication
Düsseldorf, 12 September 2012

Publisher
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Register of Associations Düsseldorf VR 8358

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ISBN number
ISBN 978-3-942262-47-7