



OVK ONLINE- REPORT 2014/01

Overview of figures and trends



OVK Creation study
2013

ALMOST 12 MILLION INTERNET USERS LIKE TRYING OUT NEW TECHNOLOGY

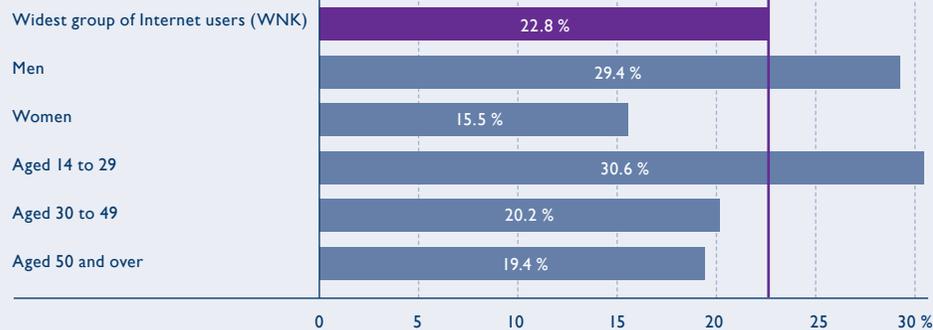
Roughly a quarter of Internet users from the age of 14 are what are called first movers when it comes to using new technology.

Another characteristic of Internet users from the age of 14 is their interest in new things – with 22.8 percent, almost a quarter of them are known amongst their acquaintances as being the first to try out new technology. This means that 11.91 million can be regarded as first movers when it comes to using new technological developments. This applies particularly to the 14 to 29-year olds and to men, who with 30.6 and 29.4 percent respectively are well above the general level for Internet users. The 30 to 49-year olds and the 50-year olds, with 20.2 and 19.4 percent respectively, are slightly below the level of all Internet users, while women with 15.1 percent turn out to be clearly below average as technical trailblazers.

The low level of anxiety regarding new technologies on the part of many Internet users makes them particularly open-minded to new products or unusual development – a factor that advertisers in completely disparate industries can turn to their advantage in their online communication.

Open-minded to new technologies

I am often one of the first in my circle of acquaintances to try out new technologies.



Example: 22.8% of all Internet users from the age of 14 (WNK) are often the first among their acquaintances to try out new technologies. / Based on: 101,343 cases (Internet users from the age of 14 over the last three months) / The top-two box is absolutely or predominantly correct. / Values in % / Source: AGOF e.V./ internet facts 2013-II / Data for the German market

THE POWER OF CREATION

How must online advertising be created to have the optimum effect? The OVK study “The Power of Creation” of the Circle of Online Marketers (OVK) addresses this central problem. This is currently the largest and most comprehensive study to examine the awareness and impact of online display creations in the German market.

The study shows the objective and numerical significance of creation of standard advertising material in the online field, and within the examined attributes provides a design “corridor” to effectively boost the potential of online marketing activities.

Creation here is defined as that aspect of an advertising medium that relates to the degree of freedom with respect to design and content that can be utilised regardless of technical or legal restrictions. In other words it deals with the design flexibility that exists regardless of the product, price and media plan. In concrete terms it comprises the layout, placement, size, colour and use of individual elements, as well as the length and prevailing mood applied to an advertising medium.

The study is divided into two parts methodologically: The first part consists of the results of a live study with 100 Internet users between 25 and 45 years old to measure the awareness components of four different standard display advertisements on nine premium websites by means of eye tracking. Eye contact with the advertising medium and its duration were recorded. This part of the study focussed on 1,850 live advertising contacts with 365 creations from 334 brands.

The data from the second part of the study came from a benchmark analysis of over 270 studies and 40,000 interviewees on the advertising impact of standard display advertising media as regards rating, creativity, memory, image, incentive to buy, message and attraction.

The OVK study “The Power of Creation” underlines the importance of creation for successful advertising and is currently the largest German study to examine awareness and the impact of creation in the online area.

THE QUALITY OF THE CREATION IS OFTEN CRITICAL FOR ITS SUCCESS

47.3 percent of the awareness of digital campaigns is due to the creation factor.

The central results of the study for the first time provide concrete figures showing the immense importance of creation for the success of online advertising. The study analysed the role of creation in standard advertising media with respect to two central elements of awareness – eye contact and length of viewing. In order to analyse the effect of attentiveness without the risk of confounding variables, formal conditions such as the form of advertising (standard display advertising medium) and environment (premium websites) were kept constant and statistically controlled.

Just under half (47.3 percent) of the likelihood of digital campaigns being perceived in premium advertising environments is due to the creation factor. Individual characteristics of the viewer play a subordinate role with only 10.7 percent. This means that the design of the advertising medium plays a critical part in determining whether eye contact is made with the advertising medium or not.

CREATION QUALITY HAS A POSITIVE IMPACT ON CENTRAL ADVERTISING IMPACT INDICATORS

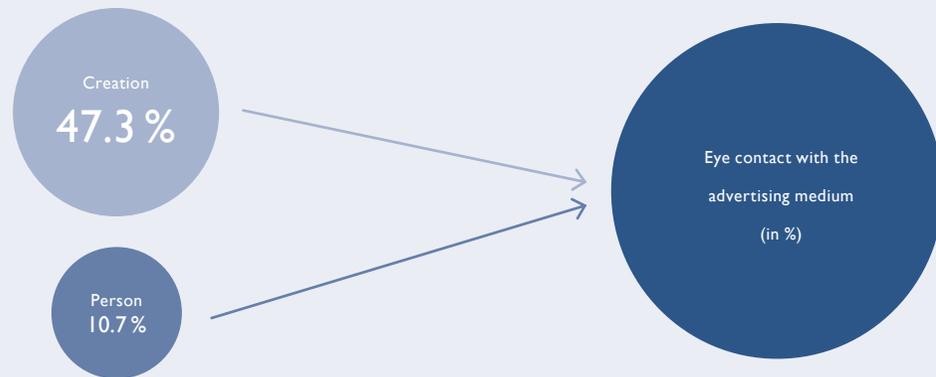
The length of time for which a standard display advertising medium is viewed is also almost one-third (30.1 percent) determined by the creation factor. The result of the study show that a high-quality creation can increase the duration of the user's eye contact by a factor of up to six (5.8 times). This extended viewing time is critical for awareness of online display format advertisements and therefore for campaign success, as the consumer spends significantly longer on the advertising medium and therefore absorbs the message for longer. As well as the quality of the creation of an advertising medium, individual personal characteristics of the viewer are also important during the viewing time, as the figure of 32.8 percent shows.

A well-made creation not only holds the user's attention on it for longer, but also has positive effects on the central advertising impact indicators. Overall, an increase in the total impact of 62 percent was found, which is reflected above all in the impact dimensions of rating (+54 percent), image (+56 percent) and incentive to buy (+93 percent).

The length of time a standard display advertising medium is viewed is 30-percent dependent on the quality of the creation and can be increased up to sixfold by the use of a high-quality approach, and a consumer's inclination to buy can be doubled by a high-quality creation.

Whether an advertising medium will be viewed at all depends very much on its creation.

Share of explanations in %

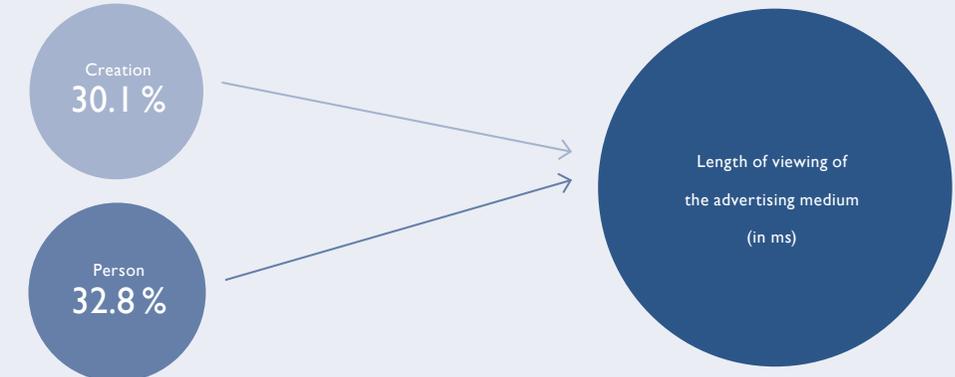


Basis for data: 1,850 advertising contacts, 365 creations, 9 domains, 4 formats; controlled for influence of format and environment

Source: Circle of Online Marketers (OVK) in the Bundesverband Digitale Wirtschaft (BVDW) e.V.: Power of Creation Study 2013

How long an advertising medium was viewed was one-third dependent on the creation itself.

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SUCCESS FACTORS FOR WELL-MADE CREATIONS

Clear tips for designing well-made creations can be drawn from these findings.

They cannot provide a 100-percent set of instructions for a perfect online creation, however, as this always involves the new, the unique and the surprising.

The second part of the study uses benchmark analysis to determine the most important creation elements for a positive overall impact of display advertising. The OVK study therefore provides important insights into the design “corridor” for a lasting creation optimisation in order to increase ad awareness and impact in online campaigns.

One central aspect for a positive impact is a clear storyline that quickly and succinctly conveys the advertising message with high-quality visuals. Other factors contributing to success are well-matched animation effects and a properly-explained product presentation with the right key visuals, including the use of surprise effects and actors. For example, drawn or animated figures increase the overall rating enormously. Showing friends leads to the best impact overall, while pictures of couples generate the strongest attraction and communicate the campaign message best.

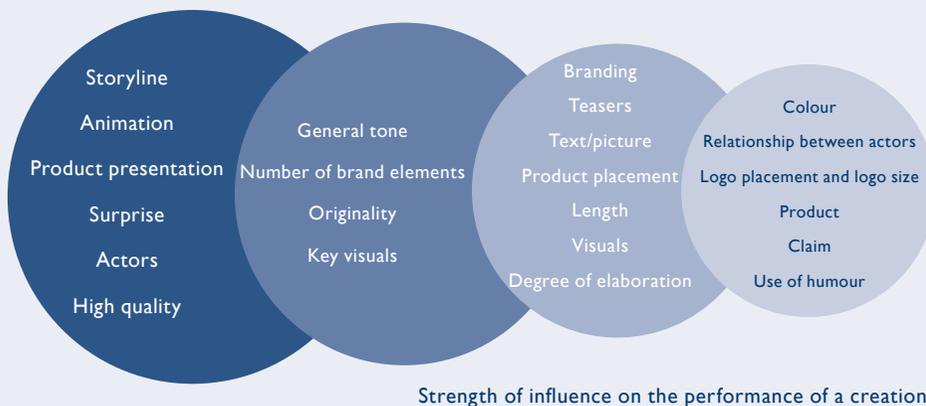
CREATIVITY IN DISPLAY ADVERTISING IS WORTH IT

The overall rating of an advertisement increases as the number of brand elements increases, with the impact dimensions of impact, rating and attention most strongly associated with the number of brand elements used. However, this does not mean simply displaying the logo frequently, but rather integrating the various brand elements into the story of the creation by means of products and good slogans.

However, stills used online in the same way as in print ads, the use of too many colours, long and elaborate rotations and a text information overload were all found to be counterproductive to the advertising impact. The use of teasers resulted in a poorer rating in most cases as well. Only the use of prizes had a positive effect at all levels. Deadlines also showed a positive effect sometimes – in particular, they increased attentiveness due to the underlying psychological principle of scarcity.

In order to make the greatest possible use of the potential impact of online advertising, greater emphasis must be placed in future on focusing on the creation quality of the advertising medium.

Which attributes have the most influence?



SUMMARY

The results of the OVK study “The Power of Creation” show that far too little attention is being paid at the moment to the design of the content and form of online advertising. The study shows unequivocally that creation is a key element for the success of online campaigns. However, it also shows that advertisers must focus far more on well-made digital creation in conjunction with other factors, such as the importance, form and environment of individual advertisements in order to achieve a high degree of attentiveness and impact with online advertising.

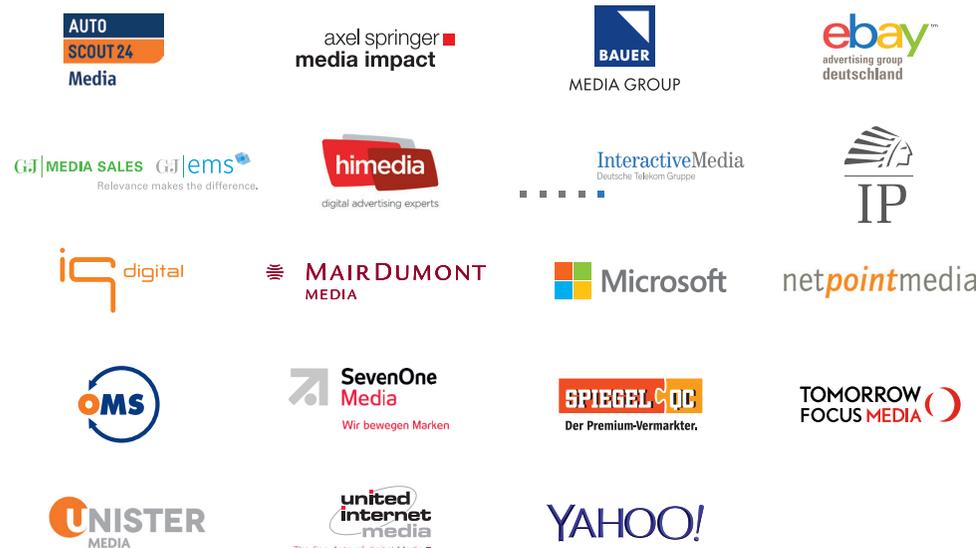
CIRCLE OF ONLINE MARKETERS (OVK)

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 BVDW (Bundesverband Digitale Wirtschaft e.V. or German Association for the Digital Economy) 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.



UNITS AND LABS IN THE OVK

Four units make up the OVK: the Ad Technology Standards unit, the Market Figures unit, the Mobile Advertising (MAC) Unit and the Advertising Impact and Market Research unit. The units have experts from the relevant specialist areas working with them.

The Ad Technology Standards unit is the main body for developing the standards for promotional products. These standards are to be enforced 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 process run smoothly. These standards are constantly being extended and adapted to the needs of the market. The Unit works on the best solution for the German market while working closely with international bodies and associations.

One of the main jobs of the Market Figures Unit is the collection and evaluation of market figures. The data can be used for orientation purposes and also indicates trends and areas with potential. This unit works very closely with companies and organisations such as Nielsen Media Research and the AGOF.

The Advertising Impact and 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.

The Mobile Advertising Unit (MAC) is the successor to the Mobile Advertising Circle (MAC). This project group was set up to take account of the specific interests of network operators, mobile marketers, operators of mobile platforms and online marketers with mobile units.



Continuous optimisation of market development

BUNDESVERBAND DIGITALE WIRTSCHAFT (BVDW) e.V.



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 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, thereby 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 Internet.

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 media offerings, remaining independent of the interests of individuals. It does this by compiling the requisite performance indicators in collaboration with the market and makes these indicators available in relevant studies – and it performs this role not only for the conventional Internet, but also for other digital media segments. 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 user (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 “agma” (Arbeitsgemeinschaft Media-Analyse e.V.). The study itself, of which the section on reach also appears as “ma Online” on agma, is published by the Internet section of AGOF. “internet facts” shows data on structure and reach for over 750 Internet media offerings 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. The study publishes planning data about mobile reach and the structure of mobile products, thereby supporting the further establishment of the mobile reach currency. In this way “mobile facts” has already reached the level of a standard for mobile reach comparable in significance and quality to “internet facts” in the online field.



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

THE AGOF BRAND FAMILY OFFERS A WIDE RANGE OF ONLINE MEDIA PLANNING AND ONLINE MARKETING SERVICES



As well as its market-media studies and the TOP planning tool, AGOF provides the “connect” Web service for the automation and standardisation of online booking processes in conjunction with the OVK.

The “connect” Web service is an IT solution suitable for industries and media and intended to simplify communication and data transfer between marketers and agencies. Information required for booking online advertising can be interrogated, exchanged and integrated directly in the agency systems over a central interface. The interdisciplinary Web service is complemented by a database which keeps price lists, discount modalities, bookable advertising media and advertising slots ready. “connect” was designed and developed by AGOF and the Circle of Online Marketers (OVK) in the BVDW.

Further information and a registration facility for marketers and agencies can be found at www.agof.de/connect/.

The AGOF Academy is a logical extension of AGOF's market-oriented activities. The aim is to provide the knowledge associated with the use of TOP, AGOF's market media studies and online media planning to all market partners.



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The continuous and further training programme was relaunched for 2014 and considerably expanded. The well-liked seminars on the use of the TOP evaluation and planning tool will now be offered at three different levels (basic, advanced, professional) with the emphasis on “Digital media planning” or “Marketing digital media services”, with immediate effect.

Completely new further training courses on the advertising market, media management and marketing will be offered. Other highlights are the training courses available for the first time this year on basic selling, self and stress management, and sales approaches to customers.

The complete seminar matrix can be found at www.agof.de/seminarinhalte/.

VALID REACH AND STRUCTURE DATA THANKS TO MULTI-METHOD APPROACH

AGOF supply data and performance indicators on various sectors within the digital economy as a basis for high-quality online media planning, e.g. for the (conventional) Internet and for mobiles.

The AGOF studies make a decisive contribution in establishing the respective digital advertising media in the media mix, as they make the performance figures of the online advertising media comparable and therefore provide a valid planning basis. All the performance indicators for the websites participating in the AGOF measurement and its subcategories, known as the advertising slots, are available and enable online advertising to be planned using comparable standards to conventional advertising.

The methodological basis of internet facts is a three-pillar model, with technical measurement of usage (grass-roots survey) at its centre supplemented by an on-site questionnaire and a telephone survey amongst a representative sample of the population – hence the term “three-pillar model”. Only when all three pillars interact is it possible to determine data on reach and structure of online advertisers. The three pillars are linked together in an innovative way for this. A detailed description of the method can be found at: www.agof.de/methode-internet/

The methodological basis of mobile facts for a measurement suitable for media combines three survey approaches: a technical measurement, a panel survey, and preset elements from AGOF internet facts representative of the population. This methodological model delivers – taking into account methodological requirements and economic restrictions – the greatest possible data depth at the present time and meets the high validity requirements of reliable mobile media planning. In so doing, it combines the advantages of (in corruptible) technical measurement and fruitful personal data collection (panel survey) with the modern analysis methods of market research. A detailed description of the method can be found at: www.agof.de/methode-mobile/

With its market media studies, internet facts and mobile facts, AGOF provides a comprehensive data base for all market partners in the digital advertising market.

The data records of internet facts and mobile facts are available within AGOF's TOP evaluation and planning tool.

PWC reports and Nielsen data as the data basis

CALCULATIONS OF NET AND GROSS ADVERTISING SPENDING

The advertising investment in digital display advertising will from 2014 be shown on an extrapolated PWC basis (as is the case for the MAC report as well). For this, the net figures reported via PWC for digital display advertising (online and mobile) are extrapolated for the overall German market (including commissions). The presentation of search and affiliate sales will be dropped for 2014.

Individual trends (ranking of advertising investment by format and industry) will continue to be covered in the OVK report by the existing Nielsen data, as such data of this granularity does not exist in the PWC report.

The calculation of gross advertising volume in conventional online advertising is based on the online advertising statistics from Nielsen. This in turn is currently based on reports from 23 marketers who every month register the gross advertising spending recorded in the accounting systems and ad servers – i.e. the data are not based on so-called crawler statistics, so that qualitative attributes in particular of online advertising campaigns such as targeting, CPC business or advertising in password-protected areas can be illustrated more accurately.

All the data is evaluated gross 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.

DEFINITION OF THE SEGMENTS

The OVK advertising revenues are based on an extrapolation of the net figures for digital display advertising (online and mobile) reported via PWC for the entire market (including commissions). The data do not contain any search results or technical sales (e.g. ad servers). The data only state the sales revenue generated in Germany.

Display advertising is a form on online advertising in which an advertiser's campaign is displayed on a website using graphical advertising formats (display ads). Display ads can contain text, graphics, video and audio information. All advertising revenues (by the definition given above) that are not allocated to the mobile category are counted as part of this category.

Advertising revenues are allocated to the mobile category if a provider recognition for mobile access is present (e.g. mobile-enabled websites, mobile apps). Recognition is effected by including a mobile tag, sensor or library. In addition, at least one of the following criteria must be met: potential mobile advertising media present according to the MMA and IAB definition, mobile domain, e.g. m, mobile, wap, and separate preparation of the content for display on mobile end devices.

Advertising revenues, online display advertising, mobile display advertising

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