

Large PR Agency of the Year 2007 – *The Holmes Report*  
 Large PR Agency of the Year 2007 – *PRWeek Awards*  
*PRWeek* Editors' Choice 2007



NEWSLETTER GOLINHARRIS FRANKFURT AM MAIN

MAY 2007 - ISSUE 23

GolinHarris Frankfurt is a communications agency with three main focal areas: corporate and financial communications and brand communications. We support our clients in these areas with PR as well as advertising from a single source: from strategic consulting and press work to targeted opinion polls; from annual reports to promotional videos for companies; from financial and corporate advertising to media training. The Frankfurt office, founded in 1969, is part of the international GolinHarris Group network, which has 520 employees and 31 offices worldwide.

**Dear Readers,**

*If market research proves to be right, then every day each German uses 540 minutes of various types of media such as television, radio, Internet, newspapers, books and magazines. The figure in itself implies that the word "usage" is also including the constant background stream, since no person is able to spare nine hours a day for the exclusive usage of media. The continuous increase of Internet time exposure to meanwhile 50 minutes per day is certainly worth mentioning. That is why we have covered the Web most intensively in this edition of trust.*



*Video-Podcasts are the first topic to kick off the new trust edition. In the current digital age Video-Podcasts are gaining further ground in corporate communications and are nearly impossible to assume away. Meanwhile studies have shown that CFO's of listed companies in Europe spend over 50% of their working time on road shows informing investors and financial analysts of their company. And this has become increasingly time-consuming due to legal guidelines.*

*We at GolinHarris have improved a communications tool, together with an IT-partner, which will allow C-Level executives to be significantly efficient in the organization of these road shows. We call it GH Web PR/IR and are presenting our new offer in this edition of trust.*

*Stock-market-bloggers are springing up on the Web like mushrooms and that has its reasons. It is always advisable to inquire after the originator, thereby many coherencies in stock-market-blogs automatically become intelligible. I do not want to go as far and even allude to purposeful manipulation of prices.*

*I hope you have a most informative and entertaining read!*

**Benedikt von Westphalen**  
[westphalen@golinharris.de](mailto:westphalen@golinharris.de)



**INSIDE**  
 Video-Podcasts gaining ground ..... 2  
 New service GH Web IR/PR ..... 3

**STRATEGY**  
 Brand Communication strengthens  
 Brand Value ..... 4  
 Locusts reloaded ..... 5

**AL'S QUATERLY**  
 The future of PR Part 2 ..... 6

**PROFILE**  
 Edith Decher/Robert Keinz ..... 8

**MIXED PICKLES**  
 When television is put on the internet ..... 9

## VIDEO-PODCASTS GAINING GROUND

### Corporate Communications in the digital age

Internet, e-Mail, Newsletter, Blog or Podcast – the Internet today defines the paths and rate of communication in and for a company.

PR has created its own expression for it: Online Relations. This does not only include traditional Internet public relations. The posting of press releases on company websites or the transmission of newsletters via e-Mail are just examples of online PR tools. New Internet technology and faster networks give ample scope and enables the communications industry to supply its target groups with the optimum information. Thus reacting to the increasing demands and needs the communication services of companies and organizations are facing today: the target-orientated propagation of relevant information to a large audience.

The respective tools have a name: whether it is Videocast, Live-Webcasting, Podcast or Video-on-demand – you are able to juggle with various terms in the world of digital corporate communications. What they actually mean is the broadcasting of events, speeches, and interviews, etc. on the Internet – live or on demand. Various possibilities are placed at the disposal of both originator and audience.

#### Watch press conferences at your desk

The time spent on traveling to press conferences or annual general meetings is not only a waste of time but also money. How much more efficient is it if the analyst, investor, shareholder or journalist would be able to follow the important event as a live Webcast at his/her own desk – in real time and with the possibility to actively participate in the Q&A sessions. It would also bring relief to internal communications: executives would have the ideal possibility to communicate to staff via Videocast.

The globalization and transition to a flexible work organization in companies has created the need. The live transmission of annual general meetings as well as press and analyst events or executive video broadcasts is today an integral part of the communication toolbox used by many large companies in Germany. The new PR tools are hugely satisfying for both sides: the originator reaches a larger audience at a reasonable price and the audience has fast access to information regardless of time and place.

One thing is for sure: Video-Podcasts are and continue gaining ground. And by the way: Great Britain already chose "Podcast" to its "Word of the Year" in 2005. According to the jury, the nomination was based on the "phenomenal spreading" of the word and that it had made a great leap "from being relatively anonymous to becoming one of the hottest media trends".



Anke Panzner  
[panzner@golinharris.de](mailto:panzner@golinharris.de)



Click on

[HTTP://STORAGE02.BRAINSONIC.COM/GH\\_WEB\\_PR/](http://storage02.brainsonic.com/GH_WEB_PR/)

**GolinHarris and Financial Times introduce a new proposal for investor information**

The current edition of our trust newsletter will be posted on the above mentioned web site in order to illustrate the new idea of GH Web IR by way of example. The advantages accrued through this new path of information to investors, financial analysts, and journalists are extremely well portrayed. For it is not only another way of Videocasting – even though it appears to be so at first glance. The idea of Videocasting has been significantly improved. GH Web IR consists of three parts:

- Live Webcasting i.e. live broadcast
- Enriched On-Demand Videos i.e. recorded video presentations that are ideally combinable – video, audio and text – for the demands set by different target audiences
- Web-TV Portal i.e. central platform for video publications on the Internet

**A hard to beat cost-effective way to support a road show**

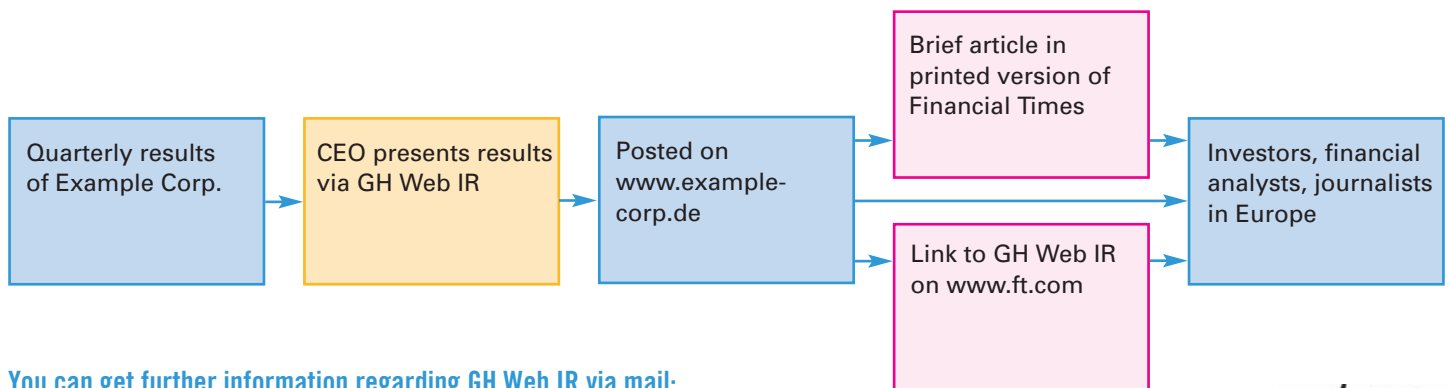
Besides notable improvements in technical access facilities to video and audio, it is necessary to point out the fast production time and low production costs of GH Web IR. These costs can be reduced to over 50% compared to similar offers.

**Europe-wide investor reach via Financial Times**

GH Web IR is an integral part of a proposal aimed at the Europe-wide reach of capital markets. For example, while a CEO is presenting the latest results via GH Web IR, a link to the presentation appears on the Internet page [www.ft.com](http://www.ft.com). A specific column with a brief article on the results is published in the printed version of the Financial Times. There are now three ways to establish an intensive investor reach in Europe.



Example for GH Web PR/IR:  
[http://storage02.brainsonic.com/GH\\_Web\\_PR/](http://storage02.brainsonic.com/GH_Web_PR/)



You can get further information regarding GH Web IR via mail:  
[westphalen@golinharris.de](mailto:westphalen@golinharris.de)



## BRAND COMMUNICATION STRENGTHENS BRAND VALUE

More and more companies want to distinguish themselves as a brand. But how do they communicate this general orientation? Many of these companies acknowledge, with a view to potential clients, the importance and necessity of appropriate usage of communication tools. They therefore specifically invest in Corporate Identity, PR and/or advertisement.

However, to what extent brand communication is able to influence the value of a company is often disregarded. At this, many other target audiences must be factored in – staff, media, opinion leaders, associations, action groups and all that make investment decisions.

Indeed, investors seldom reveal that not only do they orient by hard facts and profit forecasts, but they also take into account the image, which was created by the continuous and appropriate blend of brand communication tools. But surveys show the often-unforeseen high impact of brand value on a company's market value. According to PriceWaterhouseCoopers, the brand value/market value ratio for industrial goods is around 18%, while short-term consumer products hit an average 62%. Brands can account for up to two-thirds of market value, like Beiersdorf or BMW for example. The embodied brand value expresses the present value of prospective profits that are solely generated by means of brand presence. This means, the stronger brand presence is embedded in target audience, the more communication is able to strengthen the company's value.

### Brand value measurement pays off

Another aspect plays an important role in the accretion of company value: the measurable brand value, especially in comparison with other brands and during nondiscriminatory evaluations. In the last couple of years, many methods have been taken root that not only affect investor relations work, but also the planning of marketing budgets, mergers and acquisitions as well as leveraged buyouts. At the same time the demand's price elasticity can be ascertained.

The market value's intangible components are taken alongside its physical brand attributes into account. "Goodwill" (the difference between potential purchase price and book value of a company and its brand portfolio) thereby plays a crucial role. However, only few from over 20 different evaluation methods, like the cash-flow-method, are accepted even by international financial reporting standards (IAS/IFRS). In order to chose the right evaluation method, a company is well advised to define the purpose and value of an analysis before committing itself to a very time-consuming and costly measurement of its own brand value.



Christian Fuchs  
[fuchs@golinharris.de](mailto:fuchs@golinharris.de)



## LOCUSTS RELOADED

There aren't any good or bad locusts, just good or bad communication for private equity

"See no evil, hear no evil, and speak no evil": just like the three wise monkeys, private equity companies were predominately passive over a long period of time towards the growing public interest. And when Franz Münterfering unleashed the locust debate in April 2005, most of the private equity companies were completely unprepared to avert the blow. The major industry representatives as well as the associations were incapable of handling the issue and its communicative challenge with adequate care. Communication was mostly reactive and often deal/exit related and thus failed to meet up to public expectations or even fulfill the media's needs.

### Private equity companies today are comparable to public companies

Especially the major players in the business have at least realized since this year's Super Return Conference in Frankfurt, that it's now time to rethink their strategy. "After all, we act like public companies and therefore accordingly our communication should become more transparent," one participant said. The future will have to show if this was just a populist announcement or if the private equity industry is really willing to take the arduous path from the shady and conspirative side into the bright and critical light of the wider public. The top players on the private equity scene are now being called upon to build up credibility and trust by adopting transparency and continuity.

### More transparency – more background

The German and European industry associations have also come to realize the stringent necessity for more transparency and openness. The German BVK (German Private Equity and Venture Capital Association) in April appointed a second managing director to be solely responsible for public relations – the European association is currently working on an industry codex. With a turnover of 188 billion euros in 6000 companies with 1 million jobs in Germany, one cannot deny the economic impact private equity has on this country. This, of course, also connotes a corporate and sociopolitical responsibility. The industry must amplify its actions in a comprehensible manner and be more explicative regarding business models, strategy, financing and debt. The black box – the phase between entry and exit – must be revealed. For this purpose we must penetrate the portfolio companies and identify those positive developments a company could undertake through the financial investor's network and expertise. It is imperative to introduce the people behind the deals and actively integrate the portfolio's executive board members/managing directors into the communication steps. This is necessary in order to help the wider public understand the day-to-day business of private equity and also the strategies they pursue, in coordination with the portfolio company, to support further development. The private equity industry will be able to create trust if it is prepared to face up to public discussion, is open for debate and willing to provide factual and transparent information, and they can also expect more that just a fair treatment from the media in return. And that would at least be just as important as the financial return.



Jürgen Parr  
[parr@golinharris.de](mailto:parr@golinharris.de)



## THE FUTURE OF PR PART 2: ABOUT PERSONALIZATION, MOBILIZING EMPLOYEES, CORPORATE SOCIAL RESPONSIBLTIY AND AUTHENTICITY

The fundamental driver behind new media is personalization. The individual is king. She retrieves, creates and repurposes content in ways that fit only her. Call her 'channel me.' The fallout from digitization and personalization affects the mass media directly. They're rapidly being 'atomized' – moving from main-stream to multi-stream. Newspapers, television networks, radio conglomerates, the music business, and Hollywood are the 'humpty dumpty' media. They are large objects ... in the midst of great falls ... yet typically unable to fully comprehend the consequences of impact. Nowhere is atomization more apparent than in magazines. Not long ago, 30 percent of them targeted a mass audience. Now, less than 10 percent even try... and their circulations are declining. But the total number of magazines published in America now has exploded ... to more than six thousand. Does all this spell the immediate end of the media world as we know it? No ... nothing quite that dramatic. The big names will still be around in some form 50 years from now.

### Mobilize your workforce

Real innovation first has to occur within businesses – namely, in how companies interact with their own employees. If a company seriously expects to realize its vision of the future, it must mobilize its workforce behind it. CEOs can talk about innovation all day long, but if their employees don't buy it, it won't happen. Mobilization becomes even more daunting when you consider that according to the recently released study from our internal communications consultancy – Insidedge – that only 50 % of employees actually trust their employers.

### Digitization brings more often and more freely communication

Digitization is also having an impact in the workplace. Technologies like email, instant messaging and video conferencing have workers communicating with each other more often and more freely than ever before. Off the job, message boards on neutral websites become virtual communities for employees of a single company. Two thousand Microsoft employees publish their own blogs, many of which discuss company issues. Confidential information is freely shared – painfully beyond the reach of corporate control. Currently, up to 15 percent of all American workers are considered 'distributed' ... or working somewhere other than a common, central office. One study estimates that this number will grow to 40 percent in just six years. As a consequence, mobilizing people is becoming more complex.

### CSR for a transparent world with heightened expectations

There are no secrets in this brave new world. But it isn't big brother that is watching. It's the people. Every activist group, no matter how small, has the weapons in hand to attack a major corporation and sometimes bring it to its knees. Most companies have no idea how to deal with these kinds of attacks and that's where we come in. Activism is a double-edged opportunity. To get on the offense in this transparent world of heightened expectations, the business world is increasingly requesting another new specialty ... corporate social responsibility. In 1990, it was a 120-million dollar practice in the US. Today, it's almost 12 times that. And over the next half century CSR may become the staple of the p-r industry – because consumers and customers will demand it.



Al Golin  
 Founder and Chairman of  
 Chicago based GolinHarris.



## Doing good will be part of doing business

Doing good will be an indispensable part of doing business. Recently, a major retailer stated that philanthropy was key to its future business strategy. How can corporations get recognition for their good deeds if they are just part of the pack? Not too far into the next half century, I believe there is a very good chance we'll see that holy grail of shareholder value supplemented by the 'triple bottom line'. Sure, profits will still matter. But in addition, companies will be measured two other ways – their commitment to the environment – and to the communities in which they operate. It is no coincidence Bono and Bill and Melinda Gates were named Time Magazine's People of the Year for their commitments to society.

## People want authentic stories

The biggest trend, I feel is authenticity. A major study found a near-universal disgust with the quality of all types of leadership in America. People are fed up with politicians ... business, religious and charitable leaders ... and particularly, journalists. Sixty-four percent said our leaders have been corrupted – simply by being in power. Seventy-three percent said leaders are out of touch with the average person. In our time, the lapses in trust are all too apparent – the corruption in business, government, the Catholic Church, and other charities. The difference is, simply stated, in the future you won't get away with it. People are going to find out. Almost immediately. And they'll tell each other about it in very public forums. The institutions that anticipate this and proactively address it will be the ones that survive. I believe we're at the dawn of an era where people want authentic stories. It's our job to help find the authenticity at the core of our organizations ... and tell their stories to the world in a way that will really be heard.

## Understand the changes and embrace them

So, in 50 years, will there be a helicopter pad on every roof? Will there be a citizen journalist under every bed? I have no idea. But I do know there will still be winners and losers in the business world. The winners will be companies that have the insight to understand the changes that are taking place and the courage to embrace them.

### Imprint:

Jürgen Parr (V.i.s.d.P), Benedikt von Westphalen, Stefan Tomm, Anke Panzner, Robert Keinz, Christian Fuchs.

**trust** is the free, electronic newsletter of GolinHarris, Frankfurt.

You can request a PDF edition of trust quite simply via email.

It is also possible to receive a print edition of trust in the post. Let us know by email in what format you would like to read trust.

**Golin/Harris B&L GmbH, Redaktion trust, Opernplatz 2, D-60313 Frankfurt am Main, phone 0049-69-913043-39,**

**fax 0049-69-913043-33, E-Mail: [parr@golinharris.de](mailto:parr@golinharris.de) or [frankfurt@golinharris.de](mailto:frankfurt@golinharris.de)**



*GolinHarris is Listing Partner of the German stock exchange since the beginning of 2005. Companies planning an initial public offer require the know-how of competent advisors to professionally achieve their corporate goals. Even listed companies that have already made the leap to the stock exchange can seldom do without the expertise of specialist service providers in the face of the demanding requirements of the secondary market. With German Stock Exchange Listing Partners, stock-exchange aspirers and listed companies receive straightforward access to selected capital market specialists from all areas of Going & Being Public. Listing Partners of the German Stock Exchange are exclusive service providers with pertinent capital market experience and relevant references.*

## MEDIA, THE 1ST: 18 YEARS GOLINHARRIS

Edith Decher's well-deserved retirement begins May 1. For the past 18 years, the media specialist managed the agency's media department. During her tenure she was responsible for media planning, buying as well as accounting. She accomplished her work with enormous market knowledge and with great credibleness. In times of turmoil and stress she was always friendly and kind even though sometimes she had enough reasons to not. Many of our clients know her well and several of them will miss her just as much as we will.

Thank You, Edith Decher! It was great having you as a colleague.



Edith Decher

## MEDIA, THE 2ND: THE START AT GOLINHARRIS

Since February 2007 in the media and production service division – with energy and empathy

Born in the Austrian town Neunkirchen (close to Vienna), spending the first years in school in Las Palmas (Grand Canary, Spain), coming to Wiesbaden at the age of 10 and later moving on to Frankfurt/Main. My early adoption of multi-lingual and multi-cultural knowledge complicated my entry into the German school system, but later proved to be very useful in my choice of vocation.

The decision for my first apprenticeship was made without parental advice (if it was to them I would be a restaurateur, at best gourmet critic, cook or even stockbroker). My priorities were more visual and creative therefore photography and the related technical realization became my main apprenticeship goal. However, after my apprenticeship I found, by coincidence, my actual "vocation" and photography became merely a hobby.

I was instantly fascinated and interested in the printer's handicraft, especially newspaper publishing. The sophisticated development from an ad right up to publication, accompanied by overall hectic publishing of a newspaper is very exciting to me. Hence the many years I spent in different major publishing houses in Frankfurt/Main – mainly finance and business press – and therefore became familiar with GolinHarris. I was also in charge of a nationwide launch for a magazine, which was aimed at job newcomers.

I would now like to contribute my know how and professional expertise in the advising and handling of internal as well as external agency projects and support the team in the realization of different media strategies. Since the production and distribution of printed papers is also part of my organizational work, I would like to thank the people in the agency for their support so far, because this is the only way we can guarantee the perfect market image in clients' sense.



Robert Keinz  
keinz@golinharris.de



## WHEN TELEVISION IS PUT ON THE INTERNET... WEB-TV: FROM CLASSIC TO BIZARRE

New media – new possibilities: The Internet is an expansive field and time and time again it provides surprisingly new reach of play. Even for a rather antiquated medium like television. Corporations are increasingly using it for a more classic way of in-house statements and product presentations – recent example: BMW's BMW-TV. Users are able to watch TV spots on BMW's corporate website, produced in professional commercial style, and inform themselves of the company's new models or enjoy BMW's last trade fair appearance. It is informative and somewhat entertaining for automobile fans.

### Cult-show Wallstrip

For those who prefer more entertainment are certainly in better hands with independently created videoblogs. Like the US video show Wallstrip ([www.wallstrip.com](http://www.wallstrip.com)) – they produce Wallstreet reports in a bizarre and sometimes even Monty-Python-esque manner. In New York the daily 3-minute show has not only become must-see on the financial scene. Which is mainly down to the presenter's offbeat manner - Lindsay Campbell, who is a trained actress and actually has nothing to do with capital markets. That is probably what makes the difference and gives the show its special charm.

### The somewhat other market report

Wallstrip reports on newsworthy economic and financial data, and especially on current listed companies i.e. listed companies with a successful track record. But in a somewhat different way than the traditional press and that is why it is so successful. During a report on Starbucks' share performance, for example, Campbell legged it through New York to the next Starbucks café. The camera following every step while she talked about facts and figures and took coffee orders from colleagues over her mobile phone, and in the end she dropped all of the coffee cups on the floor right in front of the Wallstrip office. Or during the Discovery Channel Holding stock rally, she became her own rare species in the style of renowned wildlife documentaries and attacked shoe shops, plundered, hauled off a man and bolted down hotdogs in a matter of seconds.

Hedge-fund manager Howard Lindzon is the mastermind behind Wallstrip. He had the idea to create the video-blog and hired experienced web content producers to realize his concept. The professionalism of the shows is clearly evident despite the improvisation and joking in front of the camera. By the way, Lindzon is the only Wallstrip boss who actually owns shares. For purposes of credibility he discloses every item that could be associated/linked to the show's contents.

### The German version Ehrensef

The German videoblog Ehrensef ([www.ehrensef.de](http://www.ehrensef.de)), launched in November 2005, is most likely to be compared to Wallstrip. An extremely noticeable presenter called Katrin also characterizes the daily web reports. Ehrensef, an anagram of the word "Fernsehen" (German term for television), was recently ennobled when Spiegel-Online ([www.spiegel.de](http://www.spiegel.de)) integrated the blog on their website. However, Ehrensef claims to offer a broader range of topics contrary to their US counterpart Wallstrip. The most bizarre Internet spots, websites, news and reports are bundled up in short sequences, paired with a bizarre presentation and offers a high entertainment factor. Another way of television. One can be curious of what will happen next to the good old television.



Stefan Tomm  
[tomm@golinharris.de](mailto:tomm@golinharris.de)