



Dear Readers,

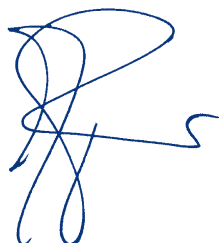
Communication within Web 2.0 means more than an up-to-date and informative web site. In addition to corporate design and high usability, a key focus is also on integration into the overall communicative concept. You can read about what has to be considered here on page two of the current edition of trust. The media environment has changed considerably, both online and offline. Further fragmentation with more and more titles and advertising vehicles and the weight of online advertising on the Internet – still awaiting conclusive appraisal – are offering new challenges. An article on page three examines the requirements that this imposes on the quality of media planning.



Other topics are communication in times of financial crisis, Al's Quarterly – the column by our founder and chairman Al Golin – on the subject of "Trust Bank" as well as world economic happenings in the daily comic strip.

I sincerely hope that you will find the odd article of interest and wish you a lot of pleasure in reading the newsletter.

With best wishes from Frankfurt



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Web 2.0: New Communication on the WWW?

An up-to-date and informative website has long been a standard feature of a company's external communications. What is often neglected, alongside optical aspects such as consistent implementation of the corporate design and high usability, is integration into the overall communicative concept. Yet on the Internet too, it is precisely the combination of wide-ranging services and a target-oriented preparation that is so crucial. Under the heading of Web 2.0, the demand for communication with Internet users is becoming more prominent. User-generated content, blogs or viral campaigns steer the users' gaze towards new opportunities on the WWW.

Innovative is Not Necessarily Useful

However, a large number of these "new" means of communication should be selected, developed and applied with great care and with a view to customer and user structure. Here it is of prime importance that customer affinity to such tools should either be present or capable of being stimulated.

Blogs as an example: disillusionment is setting in increasingly here. Companies do in fact have to carry out regular maintenance in order to establish a serious dialogue with users. As with many PR concepts, they only function via the factor of continuity and interest. Those who have nothing to report will gain little credit with their own blogs and are unlikely to establish a genuine dialogue with users.

Set up services according to target group

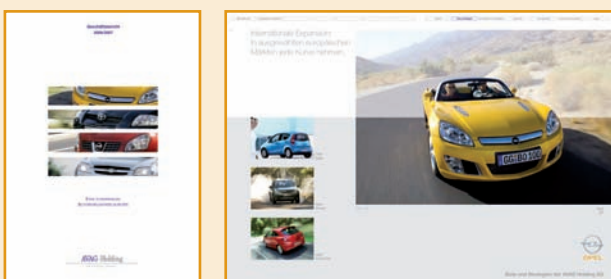
First of all, an Internet presence should mainly serve fundamental information requirements. Depending on customer and business structure, the services offered not only have to provide a gain in information, a precisely targeted range may also increase satisfaction with a site and the length of time spent there.

Page segmentation for example: information can be found more quickly if it is grouped into specific user groups. Many companies, for example, already make use of their own sub-offerings for customers, suppliers or journalists. An updated, targeted offering with rapid access to production information, contacts or download information also raises visitor satisfaction and is therefore the first indication that visitors to the site are taken seriously and provided with comprehensive information. Ideally, a carefully planned Web presence will fit into the overall communicative concept and offer a long-term basis for corporate communication – if required, additional building blocks can be evaluated and incorporated and offline communication can be continued on the Internet.



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GolinHarris Brings AVAG up to Speed with Annual Report



AVAG Holding is one of the leading independent automobile trading groups in Germany. GolinHarris has successfully been providing support for the customer in the field of IR. The sequence of images featured in the current annual report adopts a high-profile approach to link the automobile brands managed by the holding company with statements of strategic corporate strategy.

The Changing Media Landscape

The requirements on the quality of media planning are continuing to change and grow. Expectations for the medium and service advertised must be in a positive ratio to each other among the target group. Further fragmentation with more and more titles and advertising vehicles and the weight of online advertising on the Internet – still awaiting conclusive appraisal – are offering new challenges.

Online Advertising is Growing Unmistakeably

The increasing proportion of online advertising is not taking place exclusively at the cost of the existing budget. Online advertising is increasing. But not everywhere. And certainly not to the same extent everywhere. The worry that every additional hour of online media use was taking place at the expense of classical advertising is unfounded. Turnover for newspaper advertising in 2007 increased by a good 3% on 2006 (Basis: Nielsen Media Research). This figure should still exceed the average price increases. In this situation, the tariff change in 2007/2008 has led to stable insertion rates for many print titles despite rising costs, and in many cases this has even taken place against the backdrop of stagnating or slightly falling circulation.

Quantity and Structure of Online Users

The Internet is on the way to establishing itself as a further major media sector alongside print, TV, radio and outdoor advertising. According to the results of research by the AGOF (Study Group Online Research), the number of online users reached 39 million German speakers in the second quarter of 2007, which is equivalent to 59% of the total population over 14 years of age. It was made up of 56% men and 44% women. In a breakdown of age groups, Internet usage was disproportionately high among those aged between 14 and 19, while disproportionately low amongst the 60-plus group. Internet usage also increases with rising level of education and growing income.

Altered Perception and Use

Current observations and research reveal that online advertising is perceived less as "positive disturbance" in media use than has been reported for print, radio, television and outdoor advertising

but instead that it tends to enter unobtrusively. In return, there is more often a targeted and topic-related search for information. When looking at an advertisement, nobody consciously asks himself "What sort of an image does my bank have?" or "How do they want to be seen?". Instead, however, a user encountering online advertising is more likely to ask "What are the current conditions like for investment loans?" or "What interest are they paying on my savings?". And then the search takes place less on the homepages of popular magazines such as Stern, Bunte or Spiegel but in the range of financial media or on search engines that tend to register editorial information rather than advertising or PR work.

New Opportunities

New opportunities are resulting from the new media, for instance the opportunity to react extremely quickly to the contents offered. Outside of sales promotional campaigns, responding to advertising by letter, postcard, telephone or fax had previously been the absolute exception, whereas now an e-mail enquiry or response may only be a mouse click away. Those who use the fastest medium can (or have to) expect extremely rapid reactions, but can also update their message as well as adapt to the market and user expectations extremely swiftly

New Planning Tools

Newly developed planning functions facilitate targeted address on the Internet. Targeting makes it easier to appeal to precise groups of users. Regional targeting makes it possible to address users by state or Nielsen area. Demographic targeting offers the opportunity to address specific genders and ages. In behavioural targeting, the aim is to intelligently track user behaviour. Frequency cap can be used to control the frequency with which a certain advertisement is shown to an individual user.

The demand for cross-media communication, the simultaneous presence of the advertising message in both print and online media, is rising continuously. An intermedia file, which we are still waiting for, would be a meaningful way of improving the planning basis.



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Communicating in Times of Financial Crisis

Times are hard for shareholders. Barely a day passes without a new unpleasant surprise emerging from the banking and finance sector to send share prices on a roller coaster ride. It is therefore all the more important for companies to have a strict communication strategy and policy. More than ever these days, professional work in investor and public relations is a decisive factor in retaining share value.

Triggered by the turmoil on the US mortgage market, which is causing a financial and confidence crisis on stock exchanges around the world, many securities are becoming dramatically more volatile. Investors now have particularly gloomy expectations of bank shares. Considering the feared write-offs of more than US\$600 billion, this comes as no surprise and yet it is not necessarily a lack of money and liquidity that is forcing down stock prices. Instead, there is a lack of trust amongst investors and in the capital markets.

A Lack: Not of Liquidity but of Confidence

One of the key tasks of successful communications work – investor and public relations – is establishing trust. Actors on the capital market expect to be able to rely on company figures and data. On the one hand, this is a question of internal controlling and reporting, but even more important: a question of good and continuous investor relations work, which alone, however, is no guarantee of success. Skilful

and professional interplay between IR and PR is the basis: the messages must be the same even though the channels may differ.

Symbiosis: PR and IR

In the communication activities of listed companies, the borders between press and investor relations are fluid; capital market communication is where the two meet. Which of the two disciplines takes the lead is initially of no concern. Continuous and strict consultation and coordination is the important factor: of messages, of figures and of the targets. Neglect or even failure of this can result in a loss of trust.

Example: Directors' Dealings

Directors' dealings – purchases and sales of company shares by the management subject to compulsory disclosure – are a good gauge of the coordination between IR and PR. Directors' dealings, which have long been an instrument of share marketing, are now frequently communicated via press releases in addition to the ad hoc publicity. What happens when consultation fails can be seen in the case of Siemens. On 17 March, the Munich-based group announced that CEO Peter Löscher had acquired shares. The announcement via the stock exchange ticker did not come until two days later.



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GolinHarris Website www.golinharris.de Relaunched



As a communication agency with a special profile offering services in the fields of PR, advertising and IR/annual reports, we have further optimized the information content and user-friendliness of our web presence. The well-structured welcoming page, texts adapted to the web, compact contents, clear navigation and optimized technology enable you as visitors to find your way around quickly and to use the site efficiently. You will find current examples of our work in the References section. Download offers you the opportunity to save compact information on us directly onto your PC (References GolinHarris Frankfurt A-Z, industries, IPOs). Using the redesigned website, you will be able to find everything you ever wanted to know about GolinHarris quickly and conveniently.

Ten Steps to Trust Bank

Years ago, I coined a term called, "The Trust Bank" for McDonald's. Here are ten steps to take in creating a trust bank for your organization:

1. Focus

A good analogy is to preventive medicine. It's much easier (not to mention less costly) to take steps to prevent disease than it is to try to cure a disease once it surfaces. Continuing the metaphor, the trust bank concept is very similar to preventative medicine. The problem, of course, is that it's sometimes difficult to see the value of eating fruits and vegetables or of doing good things for internal and external stakeholders. The payoff isn't always immediate or obvious. What I hoped you learned, though, is to take in on faith there will be a payoff and it will be significant.

2. Hold Leadership Accountable for Trust-Building Efforts

One of the biggest mistakes companies can make is assigning responsibility for trust-related activities to middle-level human resources or communications department employee. It's great to get HR or communications people involved in the process, but it's too big a task for one person to handle, especially if that person isn't in a leadership position. Ideally, the CEO, the board of directors, the chief trust officer (CTO) will all work together to make a trust strategy happen. For the CEO, this means more than just devoting time to appearing at charity functions or making announcements about new employee benefit policies. The CEO must demonstrate that this is a top priority for him. When a CEO does this, others in the company automatically make it a top priority.

3. Make Trust Bank Deposits Even if You're the Most Ethical Company in the World

Making regular trust bank deposits is, in fact, great insurance. Unfortunately, some companies believe that they don't need insurance because they enjoy stellar reputations and relationships. What companies don't realize is that these reputations and relationship can be destroyed with frightening speed in volatile environments.

4. Do the Right Thing Because It's the Right Thing to Do

When your trust-related actions seem self-serving, a response to pressure, or superficial, then they won't do your company much good. People are amazingly perceptive about these sorts of things. They know when a leader really cares about his people versus when he's pretending to care. The commitment and honesty of both the individual and an organization are easy to read and difficult to fake.

5. Practice Humility Even When You Have Plenty to Brag About

When everyone is telling you that your company is great, and flattering profiles appear in big business publications, it takes a conscious effort to maintain a certain amount of humility. I'm not suggesting that leaders of these companies never take credit for accomplishments or become unnaturally meek and unassertive. Instead, they simply need to remind themselves that excessive pride goeth before a fall. As proud as they are of their company's accomplishments, the need to keep a tight rein on that pride.

6. Base Your Actions on Principles as Much as on Results

Admittedly, this can be a difficult balance. It tends to be easier to achieve for older generations with history and tradition to draw upon. It's not a coincidence that Johnson & Johnson, Gerber, Kellogg, and McDonald's are highly trusted companies that have consistently been market leaders. They have established values-based cultures to guide their decision making. It's not unusual for them to ask themselves: Is this action consistent with what we believe in as a company?

7. Avoid Shortcuts

Trust is lost when people think they can get away with cutting corners or treating people disrespectfully. It's great to be ambitious and push hard toward goals, but when individuals ignore moral boundaries, that's when they create problems for themselves and their organizations.



Al Golin
Founder and Chairman of
Chicago based
GolinHarris

Al Golin

A veteran for 50 years in the public relations industry, Al Golin is founder of Chicago-based GolinHarris. In addition to handling the McDonald's account for 50 years, GolinHarris represents such companies as Bayer Aspirin, DaimlerChrysler Corporation, The Walt Disney Co., Florida Department of Citrus, Gerber Products Company, Kellogg's, Levi Strauss & Co., Lowe's Companies, National Peanut Board, Nintendo of America, Owens Corning, Pharmacia Corp., Pfizer, Ralston Purina, Sprint, Texas Instruments, Toyota Motor Sales of America, Visa USA and Wm. Wrigley Jr. Co.

8. Be Patient

Speed kills, especially when it comes to building trust. Trust emerges from a series of actions over time; it's the cumulative power of these actions that helps change stakeholders' minds about a company or strengthens their faith and respect for a company. If you are persistent and consistent in your trust building efforts, it will pay off for the organization in significant ways.

9. Take Action as an Individual (Not Just as an Organization)

Though my recommendations are designed to be used by companies to restore and strengthen trust, they can also be used by individuals. It's great if you're a CEO or another organizational leader who

can implement trust strategies on a large scale, but even if you're a newly minted MBA starting out on your first job, you can put this information to use.

10. Be Willing to Give Rather Than Receive When Appropriate

Certainly companies can't give away the store and stay in business. They can, however, be alert for situations where it makes more sense to give than to receive. Some decisions can't be made by the numbers. Companies that show generosity benefit in ways that may be difficult to measure, but are as real as money in the bank. Someone once said that integrity could be defined as doing the right thing when no one is looking. From an organizational standpoint, it's doing the right thing even when it doesn't make perfect financial sense.

"best brands 2008" – Germany's most successful brands

With the "best brand Awards" now in their fifth year, Lufthansa managed to secure top position in the "Best Company Brand" category, with Aldi (2nd place) and adidas (3rd place) following; Canon won "Best Product Brand" ahead of adidas (2nd place) and Tchibo (3rd place). Sony Ericsson put in a convincing performance to secure "Best growth brand", with second and third places going to Panasonic and Brise.

In determining the winners, "best brands" does not rely on the subjective view of a jury. Instead, the short-listed candidates are judged by two essential criteria: their present economic market success, referred to as "Share of Market", and the attractiveness of the brand as perceived by consumers, its so-called "Share of Soul".

The "Best Company Brand" is determined on the basis of the "GfK Corporate Reputation" measuring method. This method examines the attitude of the general public towards a company, and includes their rational and emotional appraisal. The separate measurement also took place during the period of the survey from October to November 2007. In this survey, 2,000 representative consumers are selected from all over Germany and are interviewed by telephone about success factors such as international character, reputation as a top company, product quality, affection and uniqueness. A shortlist of 55 companies provides the basis for the survey, with the list being based on the three criteria of turnover volume, degree of familiarity and market capitalization.



GolinHarris questionnaire: Alexander Schmidt

What are you working on at present?

This questionnaire.

What drives you?

Curiosity: experiencing, learning and discovering something new every day.

You have 1,000 available – what would you spend this on in terms of media?

A poster with the skyline of Frankfurt.

With whom would you talk about money and why?

With Warren Buffett and Alan Greenspan: Warren Buffet has made it to the top position among the world's richest men with healthy commonsense and without following the herding instinct and yet has also kept his feet on the ground. For decades Alan Greenspan has been the "magician of the markets" and has been responsible for a pragmatic monetary policy.

Who in the communication business would you like to change places with for one month?

No one. However, I would like to have been there when Jean-Pierre Limosin made his documentary film "Young Yakuza". I find the film and the world he describes utterly fascinating.

What properties in today's media society are most important?

Of course the essentials are expertise, consistency and credibility. However, in my view qualities such as calm, composure, understanding and the ability to take the blows; these are indispensable in times of crisis. Yet all of this is not only important in our media society, these qualities also take on a key role in personal and daily dealings with one another.

What communication service do you most admire?

Every successful media contribution – print, TV or radio – which is soundly argued, informative, entertaining and unbiased. In the meantime this has a certain rarity value.

Which of your own communication achievements are you especially proud of?

Whenever I manage to shed the right and, above all, correct light on something.

Which communication dream do you still wish to fulfil?

It's not just one dream, but several dreams: a novel about Frankfurt, a guest editorial on the quality of life in Frankfurt for the Süddeutsche Zeitung – but mind you in the local Munich edition – and at some time my memoirs, if anyone then wants to read them.

How are you most often able to relax?

On a sunny day with friends in the beer garden, and when it's raining and grey, alone in the bath tub with a book.

What is your favourite song and why?

Queen: "We will rock you". Full of energy, everyone knows it; it drives you on and is therefore the fitting song for getting a job done.

Three books that have inspired you in terms of communication ...

"Fabian – the Story of a Moralist" by Erich Kästner, "War and Peace" by Leo Tolstoy all parts of the Neuromancer trilogy: "Neuromancer", "Count Zero" and "Mona Lisa Overdrive", the science fiction classics by William Gibson.

Who did you want to be like as a child ...

At the age of six, like the policeman on the street corner; he claimed he only went to school for eight years. That gave me hope for my school career. And later I wanted to be like Captain Future, travelling around in a space ship, having fantastic adventures and saving the Galaxy on the side.

Can you give us some wise advice/your motto?

Wise advice? Ask me again in thirty years. I won't have gained enough of it until then. But I can gladly reveal a motto or rather my motto: life is neither black nor white; it is the shades of grey that make it interesting.



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Why Strizz and Alex will Never Meet

Humble Office Employee versus Yuppie: A Brief Portrait of Two Popular Comic-Strip Characters

One comments on major and minor world happenings from the perspective of a typical office employee, the other gives expression to his yuppie affectations in the international finance sector. Both are in their own way unique with their traditional comic strips and each has his own fan community. Strizz by the Frankfurt-based comic writer Volker Reiche and Alex by the English cartoonist/author duo of Charles Peattie and Russell Taylor.

Strizz, the (Generally) Affable

As an employee of the fictitious firm of Leo & Co, Strizz has been experiencing the adventures of everyday life in a city, for which Frankfurt am Main served as the backdrop. The black and white, ink-drawn stories in the tradition of the great comic strips appear five times a week exclusively in the Frankfurter Allgemeine Zeitung. It is no surprise then that they are very wordy and often illustrate current major political and economic topics from the perspective of the small man. Readers will quickly become acquainted with Strizz and his accompanying staff, including a number of very distinguished speaking animals, because the stories impart a feeling of something that the readers have experienced themselves. Added to this is the instantly appealing

look, which – without seeming old-fashioned – is a little reminiscent of the period during the economic miracle of the 50s. The many details reveal that the author Volker Reiche has put a lot of himself into each of the figures.

Alex, the Self-obsessed Cynic

As can be seen instantly from his pinstriped suit, Alex Masterly is an investment banker in the City of London. Personal status is always his first priority, then his job and then his family. Since his first black and white appearance in 1987, readers have been able to remain at his side and follow the ups and downs of the international capital market, because the action in the comic strip that appears every working day takes place in real time. Using the classical 4-frame format, the individual stories are delivered quickly and with a surprising and usually wonderful touch of cynicism. Alex's conversations with his co-worker Clive and many other character stereotypes of the financial markets often of course centre on the next bonus or the approaching extended lunch. In Germany, the British humour of Alex can be enjoyed in the Financial Times Deutschland.

Strizz and Alex are two very different types and will probably never meet up. However, enlightened readers who need not necessarily be comic-strip fans will definitely benefit from a daily encounter.



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