

April 2009

Overview of Advertising Spends in Europe Sector: High Tech Year 2008

**Nielsen ad Relevance Report
By Katia Risse**

30th of April 2009,

This report is an example of what Eficiens can do with Nielsen's tools. Most interesting results concern advertising activity in countries you are targeting in your campaigns, advertising spending estimated figures of your main competitors or of top advertisers in your sector and the presentation of your competitor's campaign visuals and online placement strategies.

If you are interested in receiving regular Nielsen reports including our own analysis of the sector, please contact Mr. Francis Mahut for more information about personalized reports' contents and prices.

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Aim & methodology

This report aims at showing main advertising trends in Europe in 2008 for the High Tech sector. This includes: repartition of advertising spends between European countries, advertising activity across the year, segmentation of the high tech sector and analysis of advertising activity of key advertisers per segments.

This report is based on Nielsen Ad Relevance figures and includes data processing as well as Eficiens analysis. Please note that only display campaigns are taken into account, which means that search campaigns are ignored. The proportion of search marketing in brand's online marketing strategies depends on the activity sector, country and the advertiser's objectives and strategy. For instance, in 2007, Search Engine Marketing represented 57% of the total online marketing budgets in the UK, 45% in Germany and 40% in France. This ratio reached an average of 46% for all European countries in 2008 and SEM rose faster than display marketing in most countries.

Executive Summary

Altogether, 2008 has been more active online for the High Tech sector than previously. Through a few major evolutions have to be highlighted:

- Lower budget spent overall for more campaigns
- Pure or recent players sometimes replace historical/institutional advertisers.

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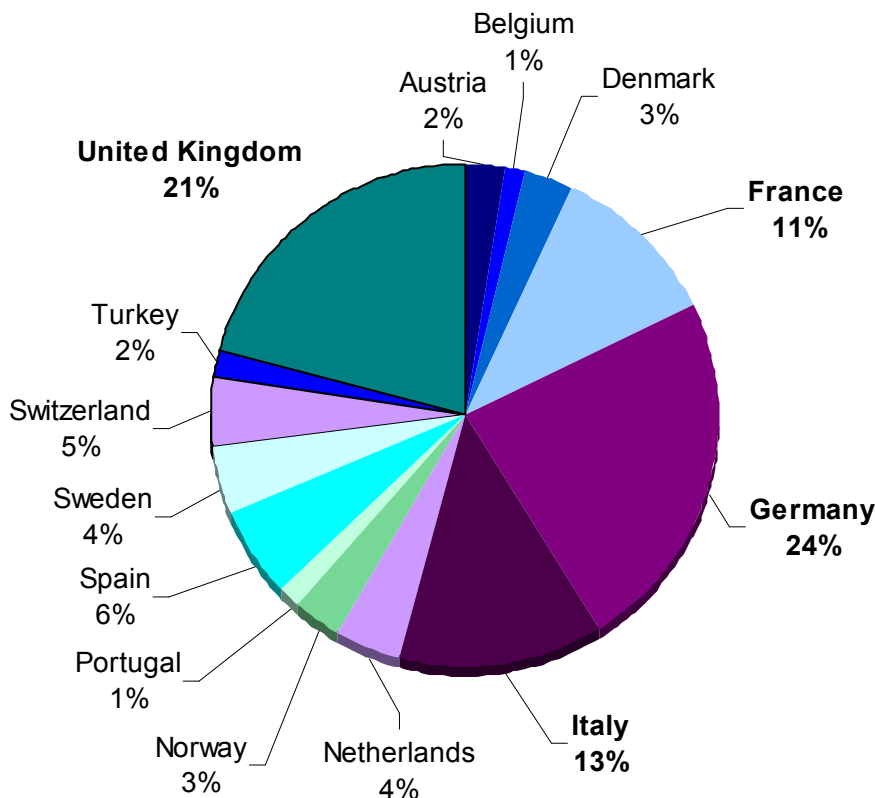
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I. Executive summary of the year 2008: key facts, comments & analysis

The advertising activity of High Tech sector in Europe in 2008

Country	Campaigns	Budgets € (000)	Impressions (000)
Austria	488	1 137	284 207
Belgium	300	560	111 903
Denmark	655	4 122	824 463
France	2 214	22 680	4 535 902
Germany	4 853	39 185	7 837 049
Italy	2 664	8 154	2 038 616
Luxembourg	31	na	na
Netherlands	865	2 297	459 383
Norway	613	6 904	1 725 976
Portugal	267	na	na
Spain	1 202	2 604	520 823
Sweden	903	5 264	1 316 053
Switzerland	929	2 518	359 687
Turkey	358	na	4 438 585
United Kingdom	4 302	33 303	1 739 653
Total	20 644	128 728	26 192 300

In 2008, more than 20 000 campaigns were launched online by the High Tech sector advertisers. This represented a total budget of almost 130 million € and more than 26 billion impressions. If the number of campaigns was higher in 2008 than in 2007, budgets dropped by 41% (equivalent to 100 million € less) and impressions dropped by 30.5%.



The advertisers' preferred countries in Europe were Germany (which totalised 23% of European campaigns), followed by the United Kingdom (21% of European campaigns), Italy (13%), France (11%), Spain (6%) and Switzerland (5%). Other countries represented less than 5% of the total number of campaigns.

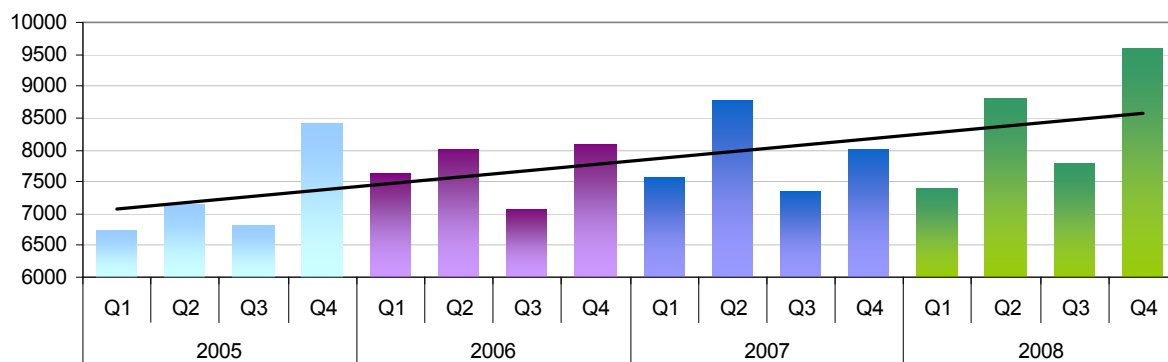
In terms of budgets spent, Germany reached the top position with 30.5% of ad spends in Europe, followed by the UK with 25.9% and France with 17.6%. Other countries represented less than 7% of total spends.

These trends show the influence of population, internet penetration rates and media purchase pricing practices between countries on advertising spends. Indeed, Germany, the UK, Italy and France are countries which count the highest numbers of internet users in Europe. Other less populated countries such as Norway, Denmark or Sweden count fewer internet users but register a higher internet penetration rate. Moreover, in countries of "the old Europe" and especially the UK, France and Germany, media purchase costs more than in others, which also explains the importance of ad spends in the former.

Evolutions of the advertising activity of High Tech sector

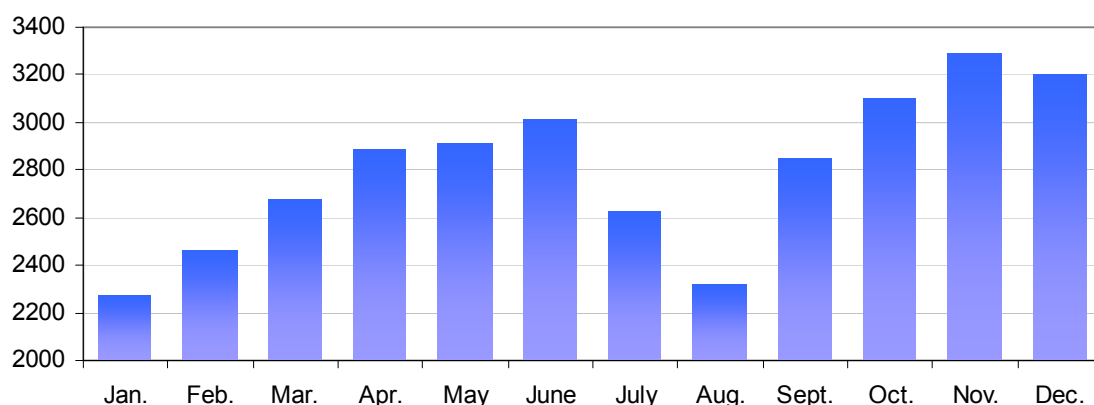
The short term trend in High Tech advertising is the increasing number of campaigns, as illustrated by graphics below.

Evolution of advertising activity by number of campaigns between 2005 and 2008



If we compare 2008 figures with 2007 ones, the number of campaigns in Europe increased by 13.6%. However, budgets spent dropped by 41%. Investments particularly decreased in Austria (-76%), the Netherlands (-65%), the UK (-61%), Switzerland (-54%), Norway (-52%), Italy (-43.4%), Spain (-31.7%), France (-28.4%), Sweden (-12%) and Germany (-6.7%). Budgets increased in only 2 countries: Belgium (+0.9%) and Denmark (+49.5%).

Repartition of 2008 advertising activity by number of campaigns by month



As for previous years, High Tech advertisers invested mostly during the 2nd and 4th quarter. Contrary to last year the 4th quarter was the most active period for advertising (instead of the 2nd one last year). But this trend is in accordance with 2005 and 2006 trends.

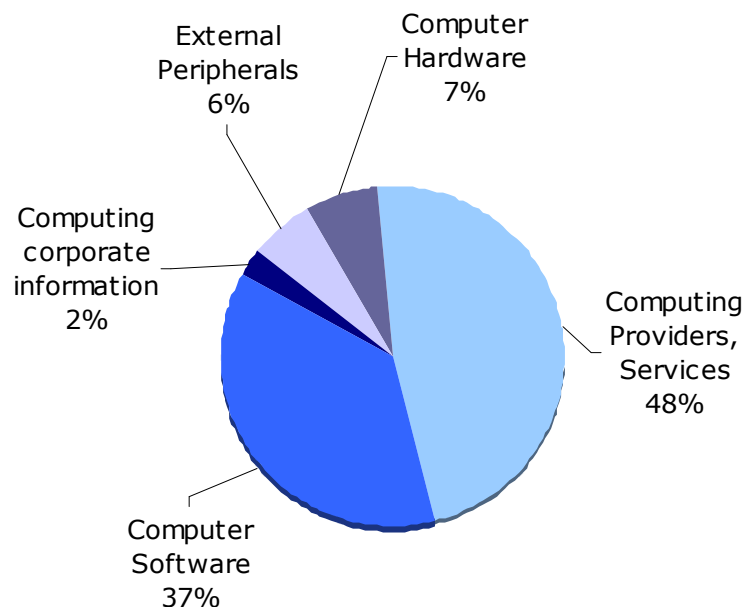
Next part of the report explains the segmentation of the High Tech sector by Nielsen and goes deeper into the advertising activity of main advertisers.

II. Segmentation of the Advertising High Tech sector in Europe

In total, the High Tech sector in Europe gathers 841 active advertisers (instead of 816 last year thus 3% more than last year). However a large part of them only spent small amounts online.

The High Tech sector is segmented by Nielsen in 5 categories: **Computer Software, Computing corporate information, External peripherals, Computer Hardware and Computing Providers Services.**

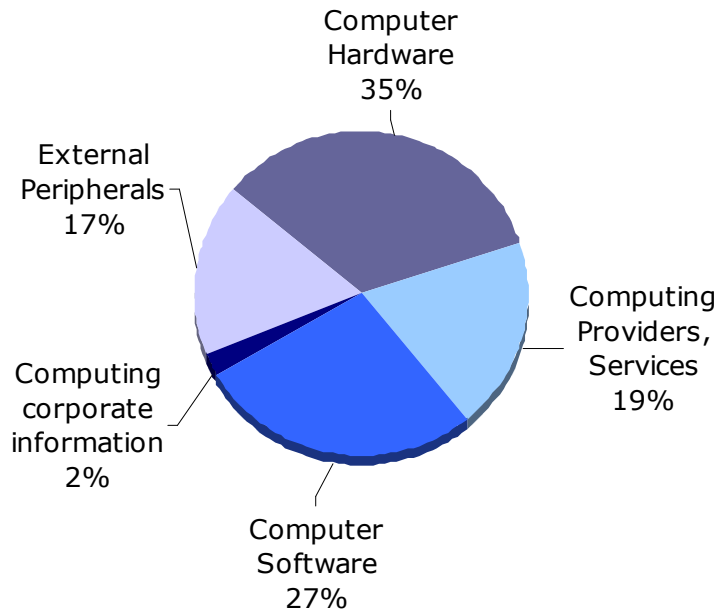
Segmentation of the High Tech sector by numbers of advertisers in 2008



- ◆ The category "Computer Software" gathers 274¹ software providers of all sectors (security, data processing, education, planning...). They were 288 last year.
- ◆ The category "Computing Corporate information" regroups 32 companies (38 in 2007) active in the IT sector in general. This category accounts for corporate and generic ads (and not a product or a range of products in particular), corporate events...
- ◆ The category "External Peripherals" contains 91 external peripherals producers/vendors (84 in 2007). This goes from well known international firms to national ones. Products concerned are printers, copiers, security solutions, monitors, scanners, joysticks, remotes...
- ◆ The category "Computer Hardware" regroups all computers manufacturers and hardware components manufacturers (servers, internal and external hardware). The category totalises 77 active advertisers instead of 63 last year.
- ◆ The category "Computing Providers Services" gathers 367 services providers in domains such as ISP domains, web hosting....They were 343 in 2007.

¹ This part of the report gives you the number of active advertisers per sub sector. Nielsen Ad Relevance track a lot more advertisers which are not counted here as they didn't advertise online in 2008.

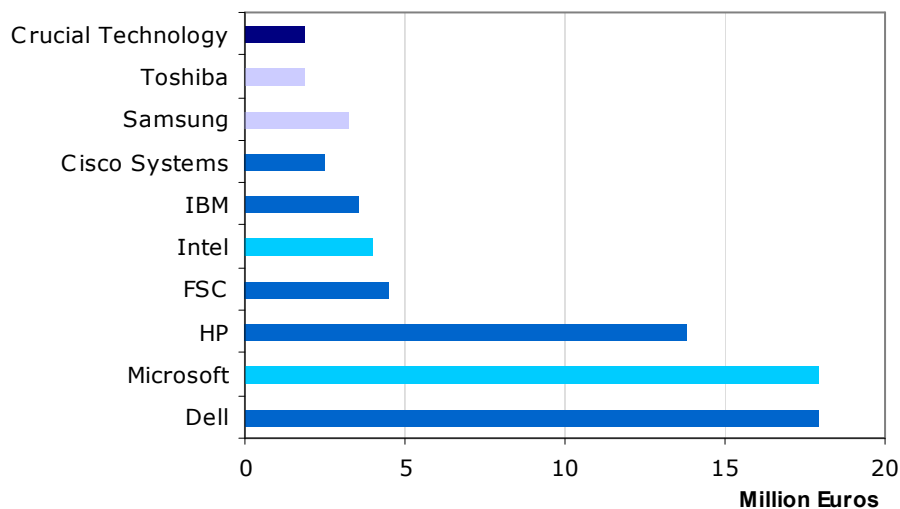
Segmentation of the High Tech sector by online marketing spending in 2008



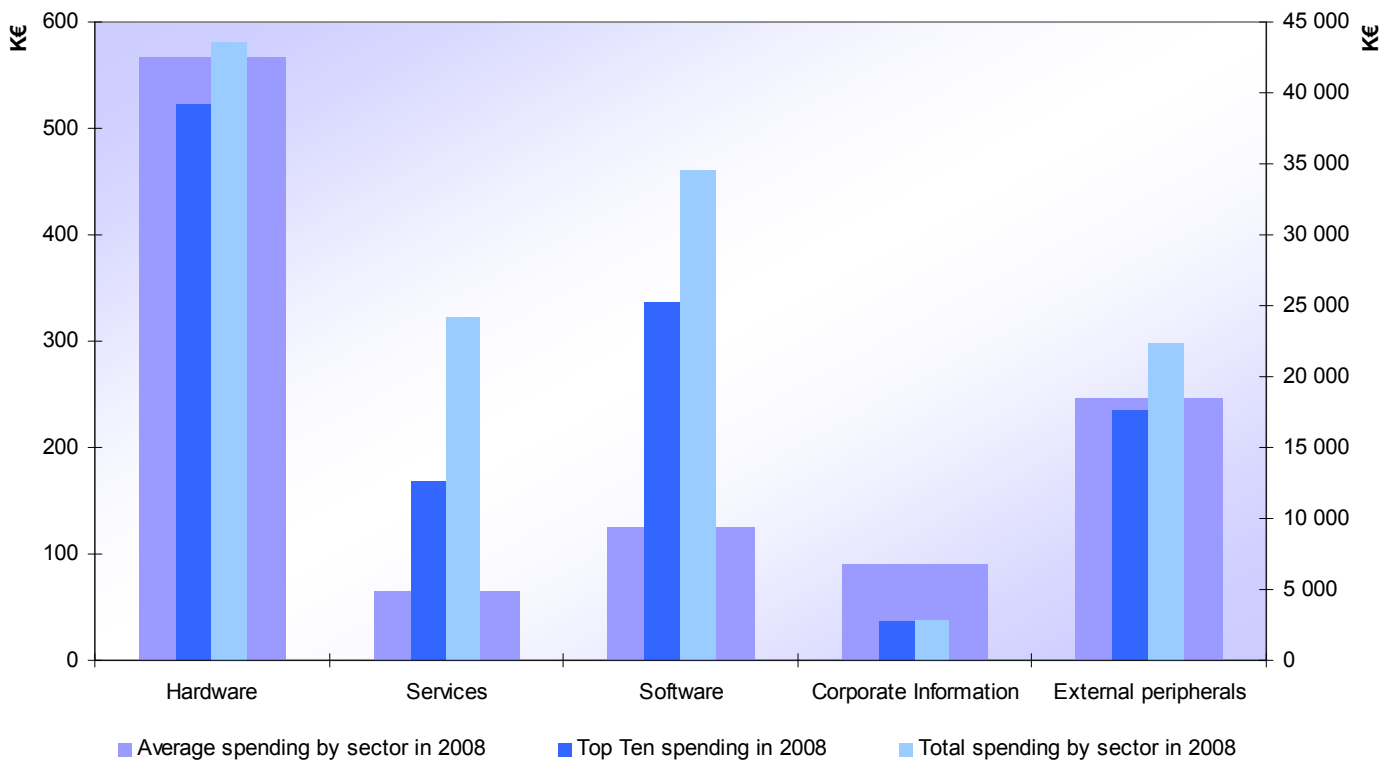
Concerning budgets spent, 2008 online High Tech European advertisement was dominated by "Computer Hardware" ads (35% of total budget), while they represented only 7% of the High Tech advertisers. Another important sub-sector was "Computer Software" which accounted for 27% of the total budget. The category "Computing providers/Services", which represented 48% of the total amount of advertisers gathered in the High Tech sector, represented only 19 % of the sector spends.

Advertisers, which spent the most in 2008 were from all sub-sectors, contrary to last year, where Hardware and Software sub sectors were leaders.

European Top 10 advertisers for the High Tech sector

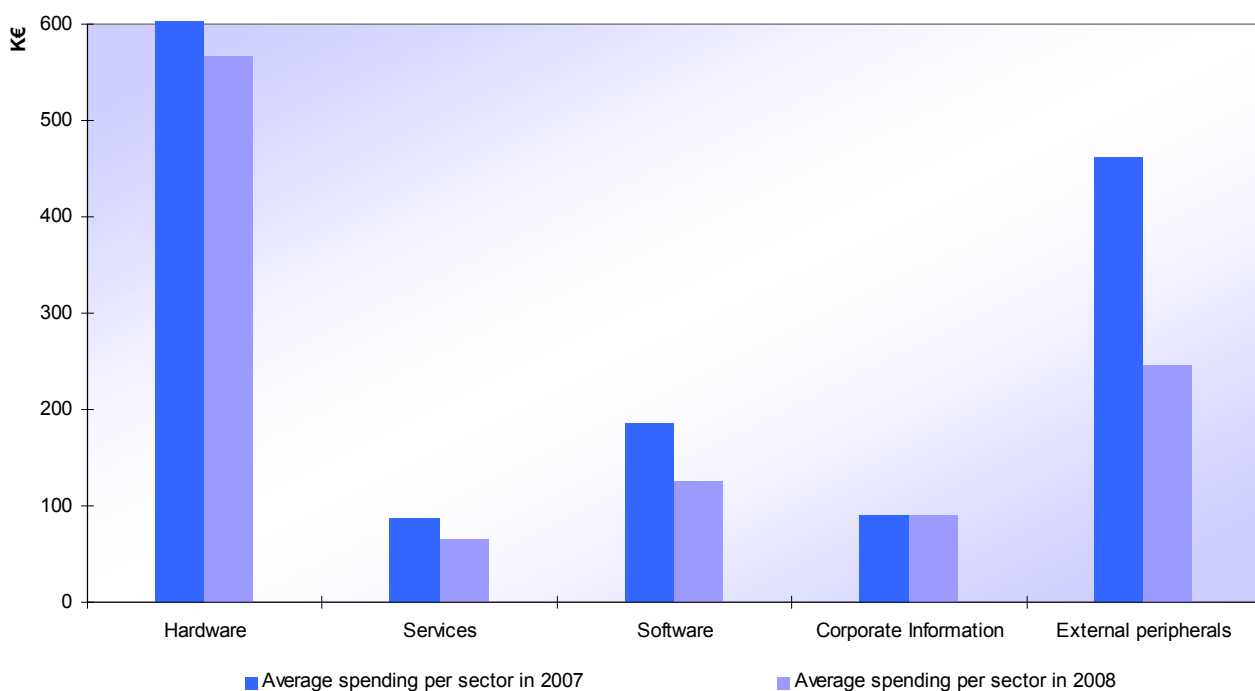


Average spending per sector in 2008 compared with Tops Ten spending and total sectors spending



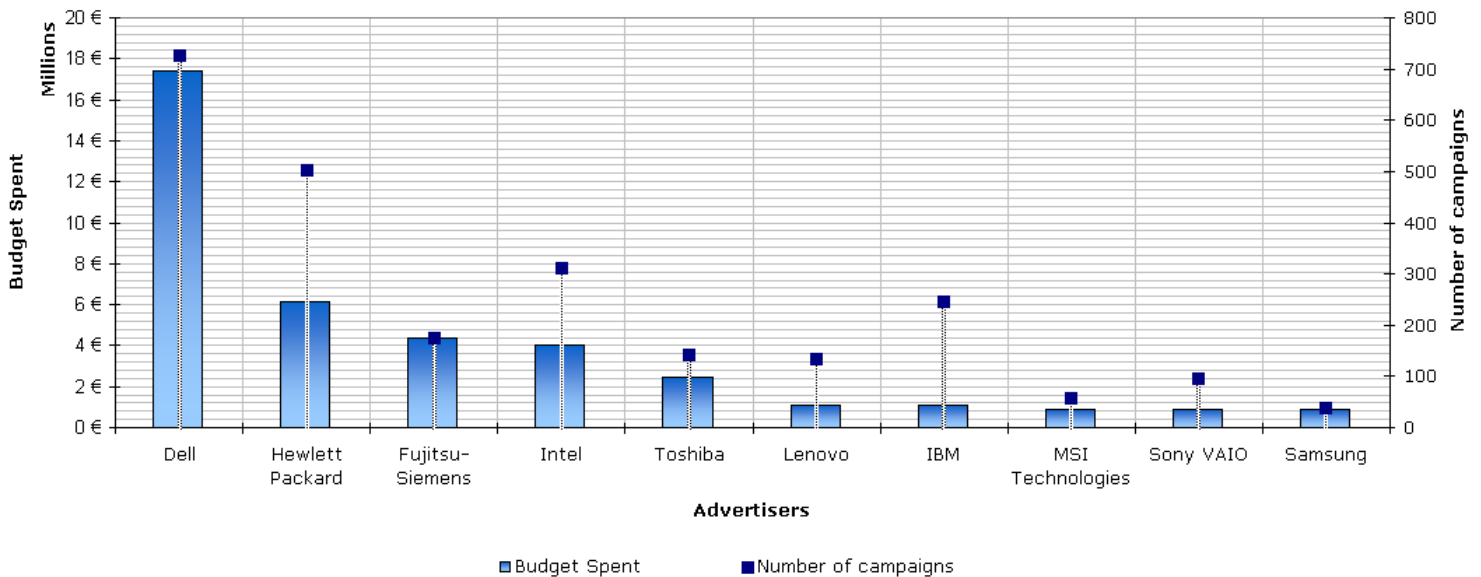
This graph shows the average spending by sub sector and compares it to the Top Ten advertisers spending and the total sub sector spending. The category "Hardware" completely dominates the IT sector as it was the one which spent the most and for which the average spending was the most important. In terms of total spending, the category "Software" follows but isn't the 2nd in terms of average spending. The 2nd for average spending is "External Peripherals". Thus the ratio of average spending per sub sector can completely change our view of the IT sector.

It is also interesting to compare the average spending by sector of 2008 with 2007:



III. Activity and budgets estimates for Top Key players by sub sector

Sub-sector "Computer Hardware"



This sub sector is the one which spent the most in the whole High Tech sector in 2008 (as for 2007). It gathers main international computers manufacturers.

Those ten advertisers ran more than 2400 campaigns (which is 5.2% less than in 2007). They spent 39.2 million € instead of 91.4 million last year. Still their spending represented 89.55% of the sub sector.

Compared to 2007 top ten advertisers, Apple and Packard Bell quit the ranking replaced by MSI Technologies and Samsung, respectively 8th and 10th positions.

Dell was again the main investor of this sub sector followed by Hewlett Packard. The 3rd investor (Intel in 2007) was Fujitsu Siemens, Intel being at 4th position. Toshiba kept the 5th position of the ranking followed by Lenovo (only 9th position in 2007). IBM, at the 7th position, lost one. At the 9th position was Sony Vaio which was 8th in 2007. Obviously this top ten gathered the top hardware vendors worldwide but Acer, Asus and Apple did not enter this ranking.

Concerning their geographical targets, Germany, the UK, and France concentrated 80% of European investments.

Dell advertised mainly in those 3 countries (39% in the UK, 34% in Germany and 10% in France), followed by Switzerland (6%), Denmark (4%) and Norway (3%). Other European countries represented less than 1.5% of Dell's budget.

HP spent a lot in France (42% of its European budget), then in Germany (20%) and in the UK (15%). Italy, Switzerland and Norway represented each between 5 and 6% of HP's budget whereas other European countries represented less than 3%.

Fujitsu shared its budget differently. First was Germany with 51% of its budget, then France (19%), Italy (7,2%), the UK (6.6%) and Spain (5.7%). FSC ran campaigns in other European countries but budgets were low.

Intel mostly advertised in France (34%), the UK (27%), Germany (25%) and Italy (12%). The brand didn't advertise in Belgium and invested small amounts in other European countries.

Toshiba mainly spent in Germany (55%), the UK (24%) and France (17%). Other countries represented less than 3% of its investments and Toshiba didn't advertise in Denmark, Norway and Sweden.

Lenovo shared its budget across all European countries: Germany: 26%, France: 21%, the UK: 12%, Spain: 11%, Switzerland: 9%, Denmark: 6%, Norway: 6%, the Netherlands: 3.5%, Italy: 2.7% and other countries: less than 1%.

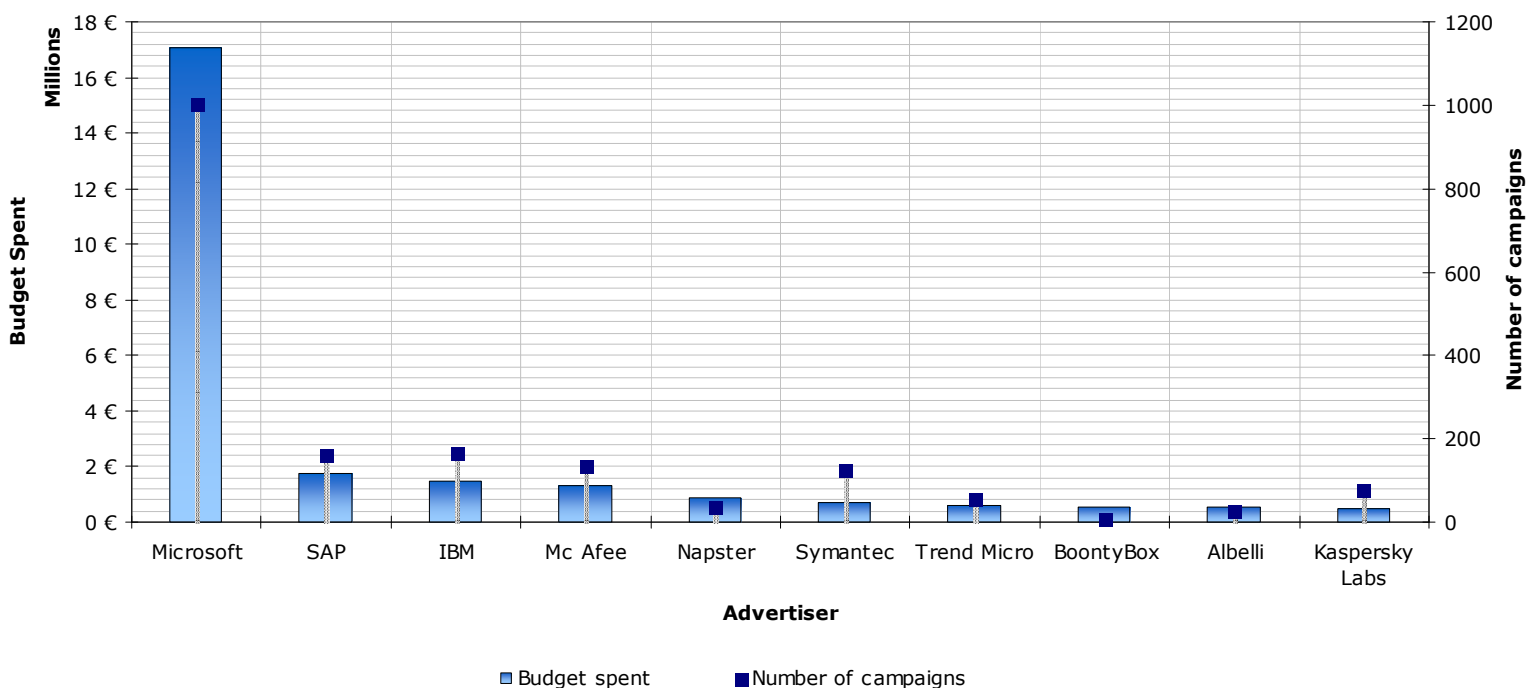
IBM overall attended to the French and the British market (respectively 41% and 32% of its budget) but also advertised in Italy (10.4%) and Germany (9.7%). Other countries represented less than 1% of its budget and Austria was not part of its strategy.

MSI Technologies mainly invested in Germany (46%), France (32%) and the UK (15%). Other countries represented less than 3% of its budget and MSI didn't advertise in Austria, Belgium, Denmark, Spain and Switzerland.

Sony mostly advertised in the UK (32%), Italy (23%), France (14%), Spain (12%), Germany (11%) and Austria (4%). Other countries shares were less than 2% and Norway and Switzerland had no budget.

Finally, **Samsung** overall invested in France (43%), Italy (23%), the UK (18%), Sweden (10%) and Germany (5%). Other countries were less than 1% of its budget and there were no investments in Austria, Belgium and Switzerland.

Sub-sector "Computer Software"



Those ten advertisers ran almost 1800 campaigns for a total budget of 25.5 million Euros. Overall budget is 42% lower than previous year. The top ten represents 72.6% of its sub sector total spending. This sub sector still gathers very different types of software providers: music, pictures and videos software, security software, businesses management and intelligence software.... Concerning the geographic targets of those advertisers, 87% of their spending were concentrated on Germany (51%), the UK (26%) and France (10.3%).

There were lots of changes compared to 2007 ranking. The firms Magix, TuneUp Software, Sage and Seagate disappeared from this top ten to be replaced by Trend Micro, Boonty Box, Albelli and Kaspersky Labs.

Microsoft still was the leading actor of this sub sector, both for campaigns and spending. The brand advertised in almost every European countries except Sweden but its investments were overall important in Germany (53.5% of its total budget), in the UK (27.7%), in France (6.75%) and in Italy (4.12%), other countries representing less than 2% of Microsoft European budget.

2nd in ranking is **SAP**, which is very far below the dominating Microsoft. The brand didn't advertise in Austria but did in other European countries. Main investments were in Germany (48.5%), France (24.5%), Italy (12.5%) and Spain (7.2%). Other countries each represented less than 3% of SAP total budget.

The 3rd, **IBM**, did a few more campaigns than SAP but for lower budgets. Its geographic scope was also slightly different. Germany was its first target with 35.8% of its budget towards it. Then the UK represented 33.4% of its budget, followed by France (18.5%) and Italy (9.7%). Other countries represented less than 1% of IBM total budget.

McAfee, in 4th position, didn't advertise in every European country as Austria, Belgium, Denmark, Norway and Switzerland were not part of its online marketing plan. Geographic scope was different than other top ten advertisers of this sub sector. Its targets were: the UK (69.5%), Sweden (8.9%), Germany (8.7%), France (7.6%) and Spain (3.5%). Other countries counted for less than 2% of McAfee budget.

Napster mainly advertised in Germany (84.7%) and the UK (15.07%). It spent small budgets in Austria and Switzerland but didn't advertise on other European countries.

Symantec spent 74% of its budget in Germany, 13.6% in France and 8% in the UK. Less than 2 % of its budget was for each other countries except Austria and Spain which weren't in Symantec focus.

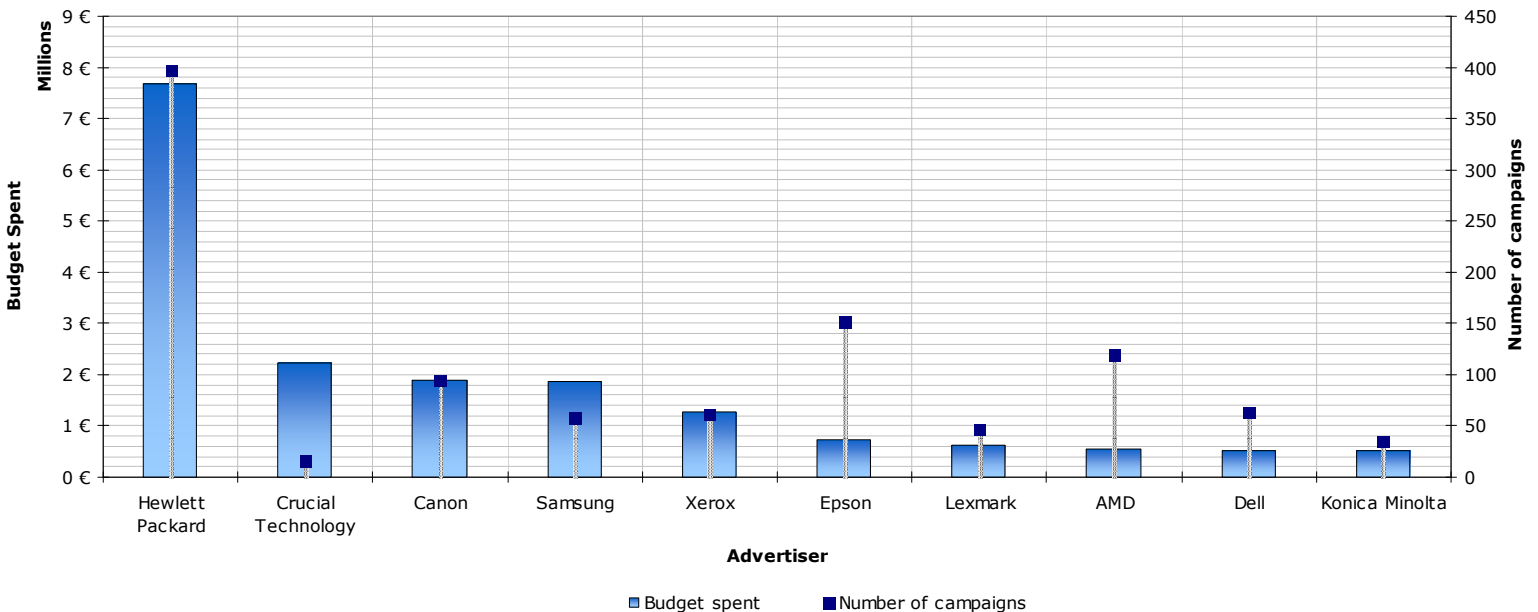
Trend Micro advertised in only a few European countries, excluding Austria, Spain, Belgium, Denmark, the Netherlands and Switzerland. It shared its budget between Sweden (50.5%), Germany (33.7%), the UK (13.2%) and France, Italy and Norway which each represented less than 3% of its budget.

Boonty Box, which is active in the video game field, focused only on the French market.

Albelli only advertised in 3 countries: Germany (99.62%), then small budgets in Austria and Switzerland.

Finally, **Kaspersky Labs** shared its budget between Germany (63.8%), the UK (22.6%), Italy (6%), Denmark (3.3%) and Austria (1.9%), other countries shares being at less than 1%.The security specialist didn't invest in the Netherlands and Norway.

Sub-sector "External Peripherals"



Those ten advertisers ran almost 1050 campaigns and spent more than 17.8 million € in online advertising in 2008. This represents 13.6% fewer campaigns and a 44.3% decrease in advertising spending compared to 2007. The top ten's spending represented 78.51% of the total sub sector's.

Compared to the 2007 top ten, Inkmann, Logitech, Palm Inc and Toshiba are no longer in the top ten. They are replaced by Xerox, Lexmark, AMD and Konica Minolta.

Geographic targets are mainly the UK, Germany and France representing 82.6% of these sub sector investments.

Hewlett Packard split its budget between Germany (35.8%), France (26.6%), the UK (23.5%) and Italy (4.8%). Other countries represented less than 3% of HP investments.

Crucial Technologies spent almost its whole budget in the UK (99.8%), and invested small amounts in France, Germany and Sweden. It didn't advertise in other European countries.

Canon shared its European budget between the UK (45.3%), Norway (12.9%), France (12.6%), Sweden (8.9%), Spain (8.3%), Italy (5%) and Denmark (2.76%). The rest was split in other European countries except Belgium.

Samsung mainly advertised in 4 countries: Germany (55.8%), France (18.6%), Italy (15.8%) and the UK (4%). The brand also invested small amounts on every other European country.

Xerox mainly advertised in France (74%), the UK (18.6%), Italy (15.8%), and the other countries which each represented less than 1 % of its budget. Xerox didn't advertise in Austria, Sweden and Norway.

Epson shared its budget between the UK (48.3%), Germany (21.9%), France (14.1%), Spain (4.7%), Sweden (3.5%) and Italy (3.2%). Other countries' investment was not significant.

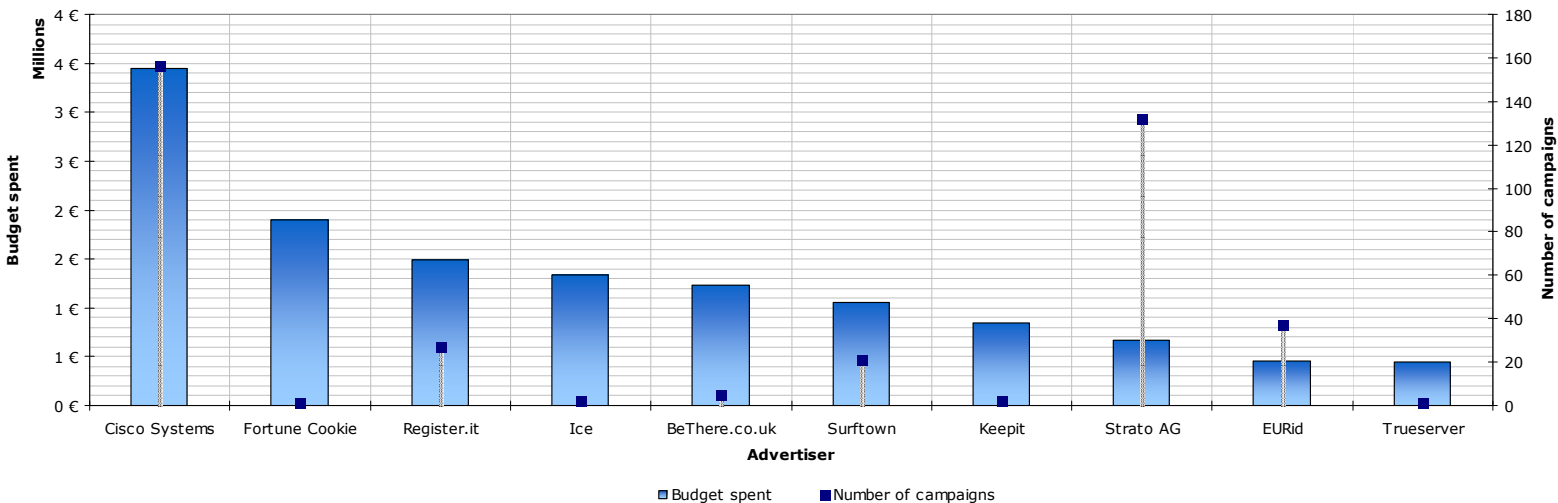
Lexmark advertised in Germany (41.6%), the UK (38.7%), Italy (10.5%), France (4.1%) and Switzerland (3.8%). Other countries shares were less than 1%. Lexmark didn't advertise in Norway and Spain.

AMD overall invested in France (54.8%), the UK (23.3%), Germany (17.7%) and Italy (3.3%). Others were less than 1%, and the brand didn't advertise in Belgium, Denmark and Spain.

Dell concentrated its investments on Norway (64.3%), Spain (17.5%), Sweden (5.3%), France (5.1%), Italy (3%) and the UK (2.8%). The brand advertised in all european countries.

Konica Minolta split its budget between the UK (61.9%), France (28.3%), Norway (6.8%) and other European countries representing less than 2% of its budget. Konica didn't advertise in Belgium, Switzerland and Sweden.

Sub-sector "Computing Providers, Services"



Those ten advertisers ran 384 campaigns instead of 216 last year. This represented more than 12.8 million Euros. However, budgets were lower than in 2007, as total spending decreased by 21.8%. This top ten only represented 52.9% of this sub sector total spending.

Compared to 2007 ranking, the firms Kontent, Navigon, Ballou, Aruba and Rogator AG let their places to Fortune Cookie, BeThere.co.uk, Keepit, Strato AG and Eurid.

This sub sector contains computing services providers, which, most of the time, are delivering their services locally. Consequently a lot of them almost only advertised in their own country. To give an overview, the total budget of this sub sector has been split as followed: the UK: 35.3%, Germany: 13.9%, Italy: 12.6%, Denmark: 11.5%, Norway: 11.1%. These 5 countries represent 84.5% of investments.

Cisco mainly advertised in the UK (36.5%), Germany (30.2%) and France (26.7%), the rest being split between all other European countries.

Fortune Cookie advertised only in the UK, **Register IT** only in Italy, **Ice** in Norway and **BeThere.co.uk** in the UK.

Surftown shared its budget between nordic countries only: Denmark (56.5%) and Sweden (41.8%). A small budget was allocated to Norway (1.61%).

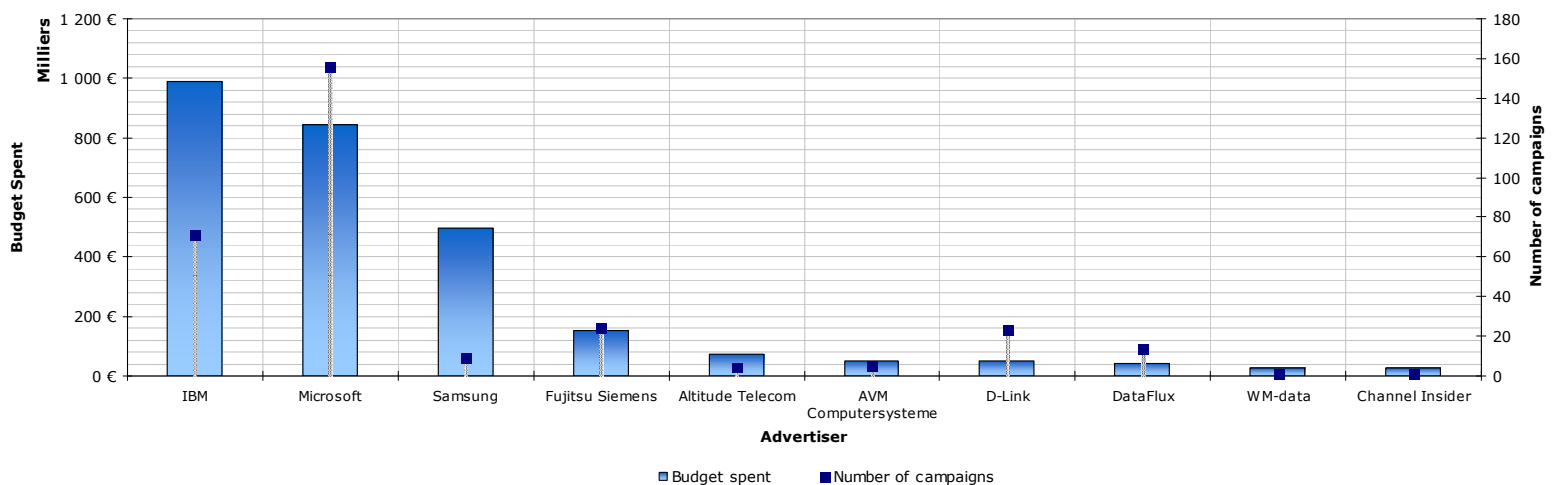
Keepit only advertised in Denmark.

Strato AG mainly advertised in Germany (94.9%). The Netherlands represented 3.7% of its budget. Austria, Spain and Switzerland each accounted for less than 1%.

Eurid shared its budget between the UK (37%), Germany (24%), France (12%), the Netherlands (8.3%), Denmark (8.1%), Italy (7%) and other European countries (each less than 1%) except Norway.

Finally **True Server** only invested in the Netherlands.

Sub-sector "Corporate Information"



Those ten advertisers ran 308 campaigns instead of 359 last year. Budgets were cut by 11.9%, going from 3.118 million Euros in 2007 to 2.748 million Euros this year. This top ten represented 95.3% of the total budget of this sub sector. France and Sweden represented 75.1% of their investments.

In 2008, Bullguard, Serveur Blade, Intel Arena, Verizon, Euriware and SpamFighter quit the top 10 to let IBM, Altitude Telecom, AVM, Dataflux, WM Data and Channel Insider in.

IBM shared its budget between France (57.2%), Sweden (29.6%), Italy (6.4%), Spain (3%) and Germany (2.4%), the rest (>1%) between other countries except Austria and Switzerland.

Microsoft spent 48.6% of its budget in France, 10.8% in the UK, 10.2% in Italy, 8.9% in Germany, 7.5% in Spain, 5% in Sweden and 5% in Denmark and 2.1% in Norway. The brand did not advertise in Austria but small budgets were also allocated to Belgium and Switzerland.

Samsung mainly advertised in France (99.6%) plus limited budgets in Germany and the Netherlands.

Fujitsu Siemens concentrated its investments in Sweden (33.8%), France (26.6%), Denmark (11.7%), the UK (9.7%), Germany (9.1%), Spain (5.2%) and other European countries (except Belgium and Switzerland) representing each less than 1% of its budget.

Altitude Telecom only advertised in France.

AVM shared its budget between 2 countries: Germany (97.92%) and Italy (2.08%).

D-Link split its budget between France (58.3%), Germany (27.1%), the UK and Switzerland (4.2% each) and Austria, Spain and Italy (2.1% each). The brand didn't advertise in Belgium, Denmark, the Netherlands, Norway and Sweden.

Dataflux only advertised in France (88.4%) and the UK (11.6%).

VM-data invested 100% of its budget in Sweden.

Finally **Channel Insider** spent 100% of its budget in Spain.

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