

DIRK

Deutscher
Investor Relations
Verband e.V.



DIRK Trend Indicator, Spring 2011

“The role and importance of social media in corporate communications”

June 2011

Bernhard Wolf
Global Head of Corporate Communications, GfK SE

Survey details



DIRK

Deutscher
Investor Relations
Verband e.V.



- Half-yearly survey of IR professionals (DIRK members)
- Internet-based written survey from 04.04.2011 to 26.04.2011
- Basis: 283 DIRK members (2-2010: 354)
- Responses: 101 = 36% (2-2010: 38%)
- Broken down by indices, the responses came from:
 - 17 DAX companies (= 57% of all DAX-listed companies)
 - 25 MDAX companies (= 50% of all MDAX-listed companies)
 - 12 TecDAX companies (= 40% of all TecDAX-listed companies)
 - 17 SDAX companies (= 34% of all SDAX-listed companies)
 - 30 companies that are not part of a selection index
- 88% of all the companies to have responded belong to the Prime Standard segment

Survey details



DIRK

Deutscher
Investor Relations
Verband e.V.



- Half-yearly survey of IR professionals (CIRA members)
- Internet-based written survey from 04.04.2011 to 26.04.2011
- Basis: 60 CIRA members Responses: 21 = 35% (2-2010: 57%)



- Half-yearly survey of IR professionals (IR Club members)
- Internet-based written survey from 04.04.2011 to 26.04.2011
- Basis: 54 SIRV members Responses: 21 = 38% (2-2010: 45%)

IR club



- First survey of IR professionals (IRS members)
- Internet-based written survey from 04.04.2011 to 26.04.2011
- Basis: 338 IRS members Responses: 38 = 11% (2-2010: 9%)



Agenda



DIRK

Deutscher
Investor Relations
Verband e.V.

- Situation of companies in Germany, Austria, Switzerland and the UK
- IR environment: employees, analysts and investor appointments
- Special topic: “The role and importance of social media in corporate communications”

Agenda



DIRK

Deutscher
Investor Relations
Verband e.V.

- Situation of companies in Germany, Austria, Switzerland and the UK
- IR environment: employees, analysts and investor appointments
- Special topic: “The role and importance of social media in corporate communications”

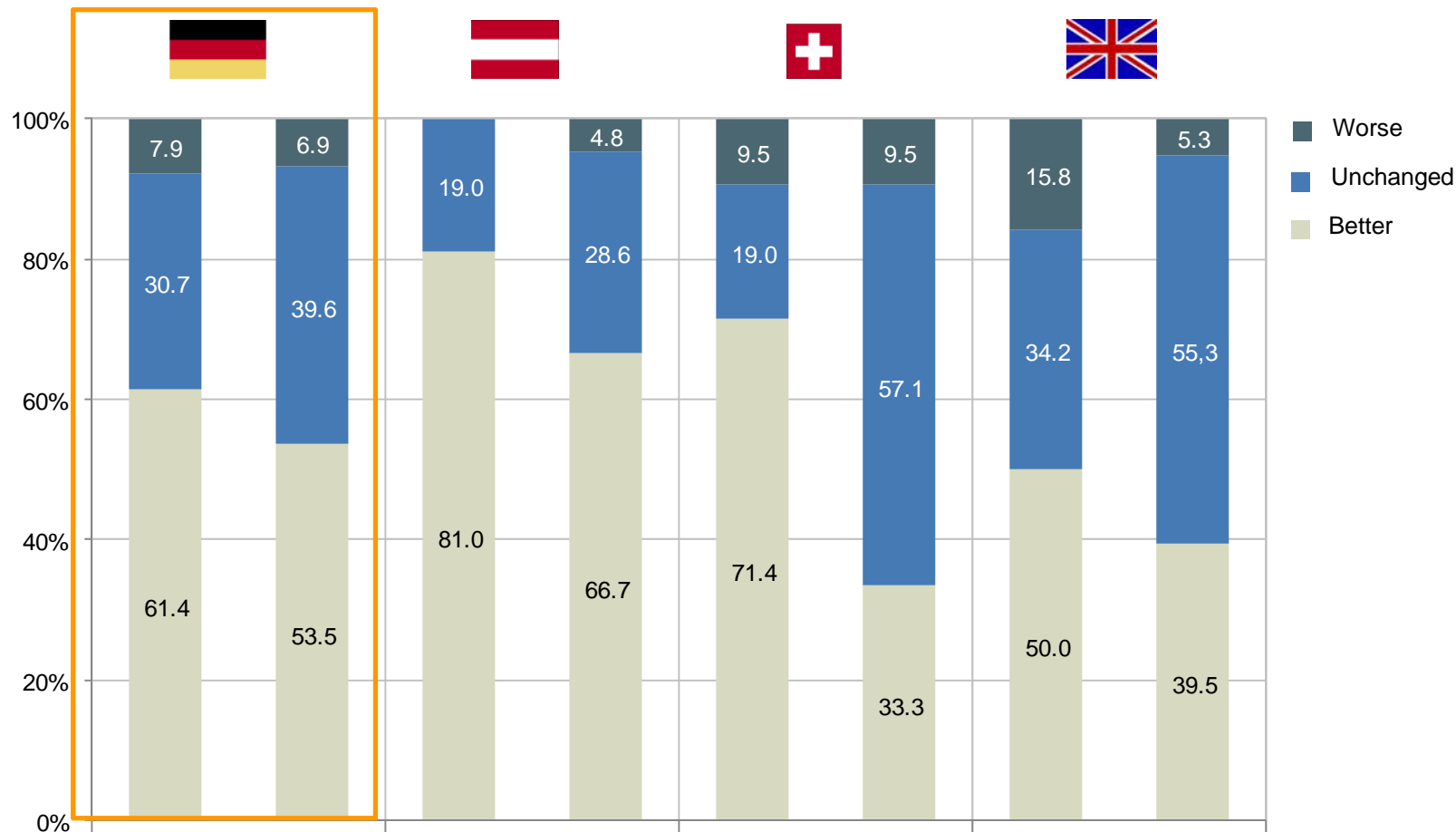
The companies' economic situation is better or is unchanged – outlook is positive, but more cautious



DIRK

Deutscher
Investor Relations
Verband e.V.

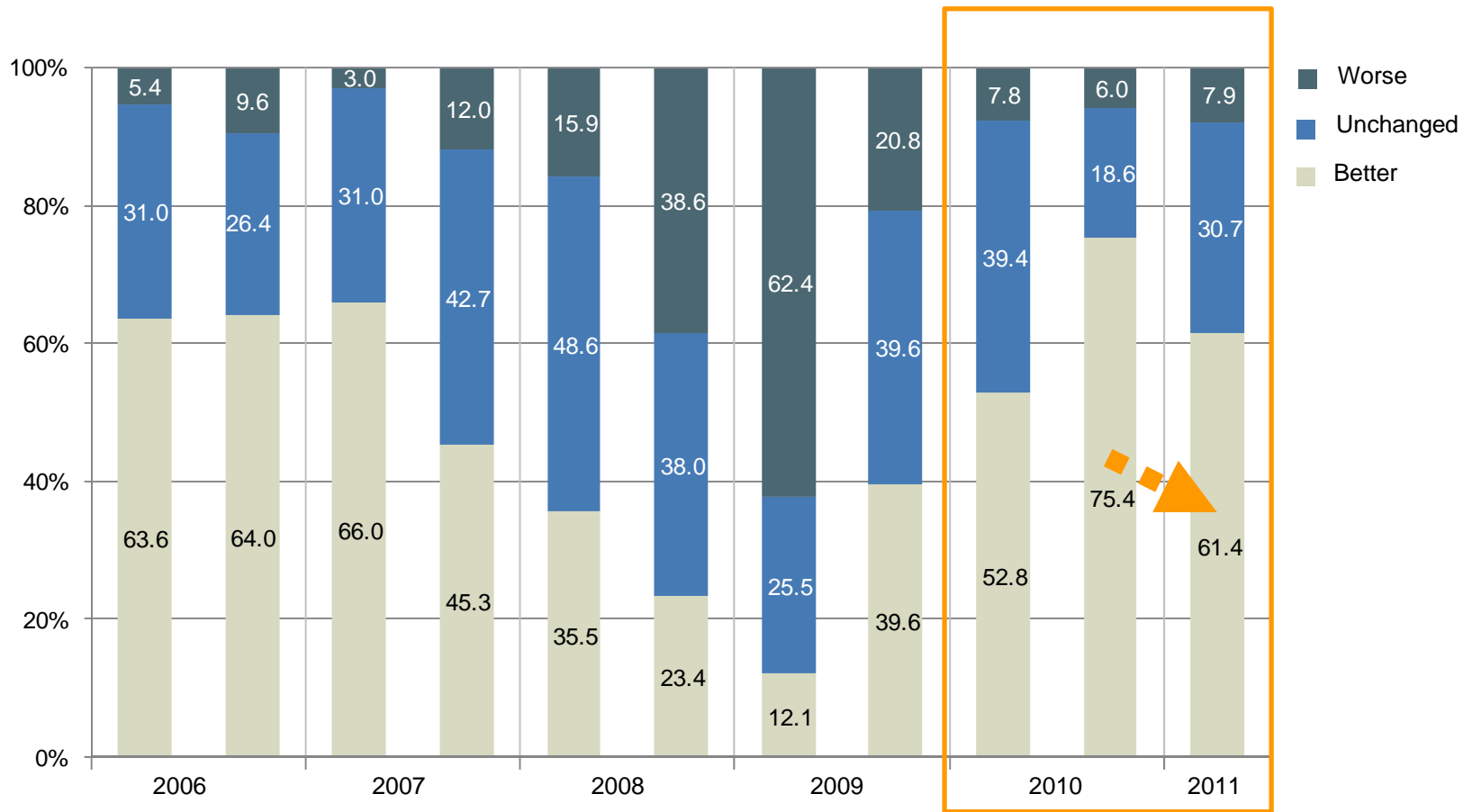
By country – left-hand bar: assessment of current situation; right-hand bar: assessment of situation in the future



Assessment of the situation of companies in Germany from year to year



Assessment of current situation
(two survey periods per year)



Economic high interrupted – figures still high after recovery, but in decline

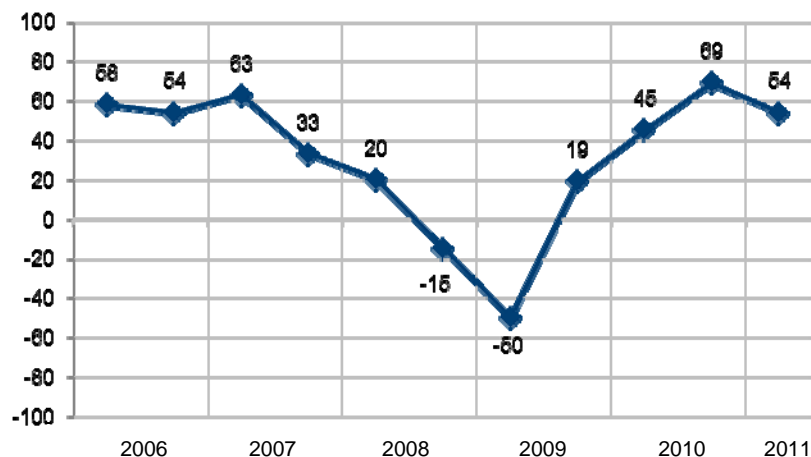


DIRK

Deutscher
Investor Relations
Verband e.V.

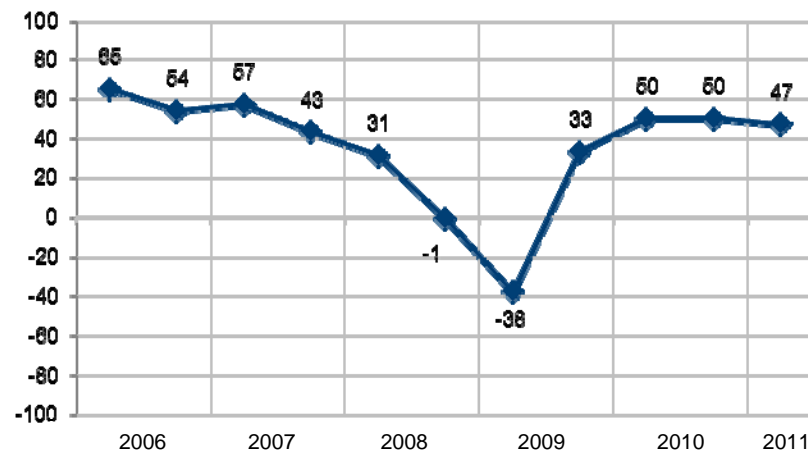


Assessment of current prospect
(two survey periods per year)



The indicator currently stands at 54 points in Germany, which represents a decline of 15 points. This negative development is due to the fact that in the latest survey more companies said that their economic position was unchanged on six months earlier. On a positive note, this is the fourth time in a row that the indicator has been in positive figures.

Assessment of future prospects
(two survey periods per year)



The indicator for future prospects fell too, albeit only marginally to 47 points. Nevertheless, half of the German companies still expect to see a continuation of the economic upswing. A better appraisal of the current situation than of the future situation corresponds with the May 2011 results of the ifo Business Climate Index for Germany.

Agenda



DIRK

Deutscher
Investor Relations
Verband e.V.

- Situation of companies in Germany, Austria, Switzerland and the UK
- IR environment: employees, analysts and investor appointments
- Special topic: “The role and importance of social media in corporate communications”

Current number of IR employees (full-time)



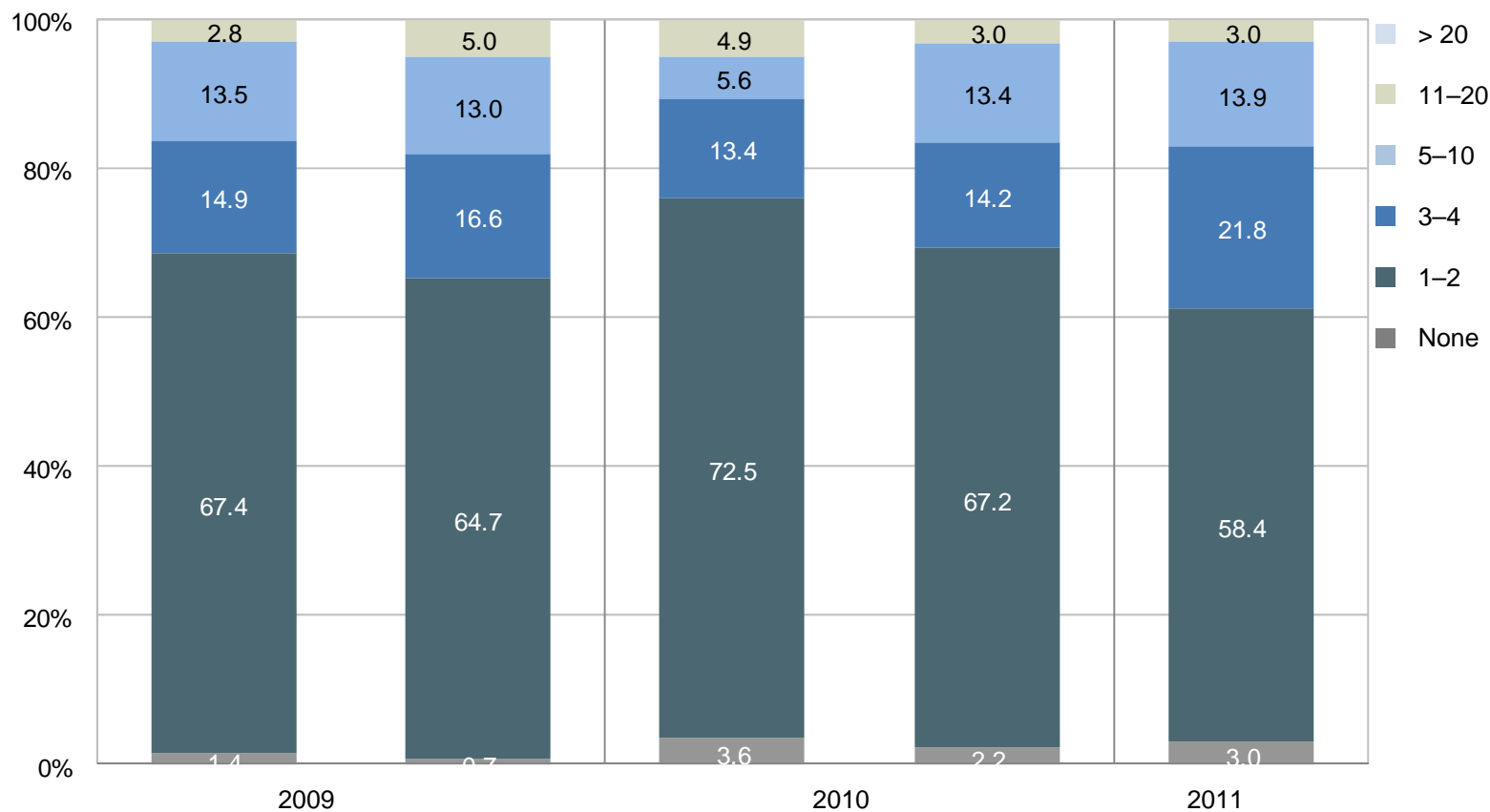
DIRK

Deutscher
Investor Relations
Verband e.V.

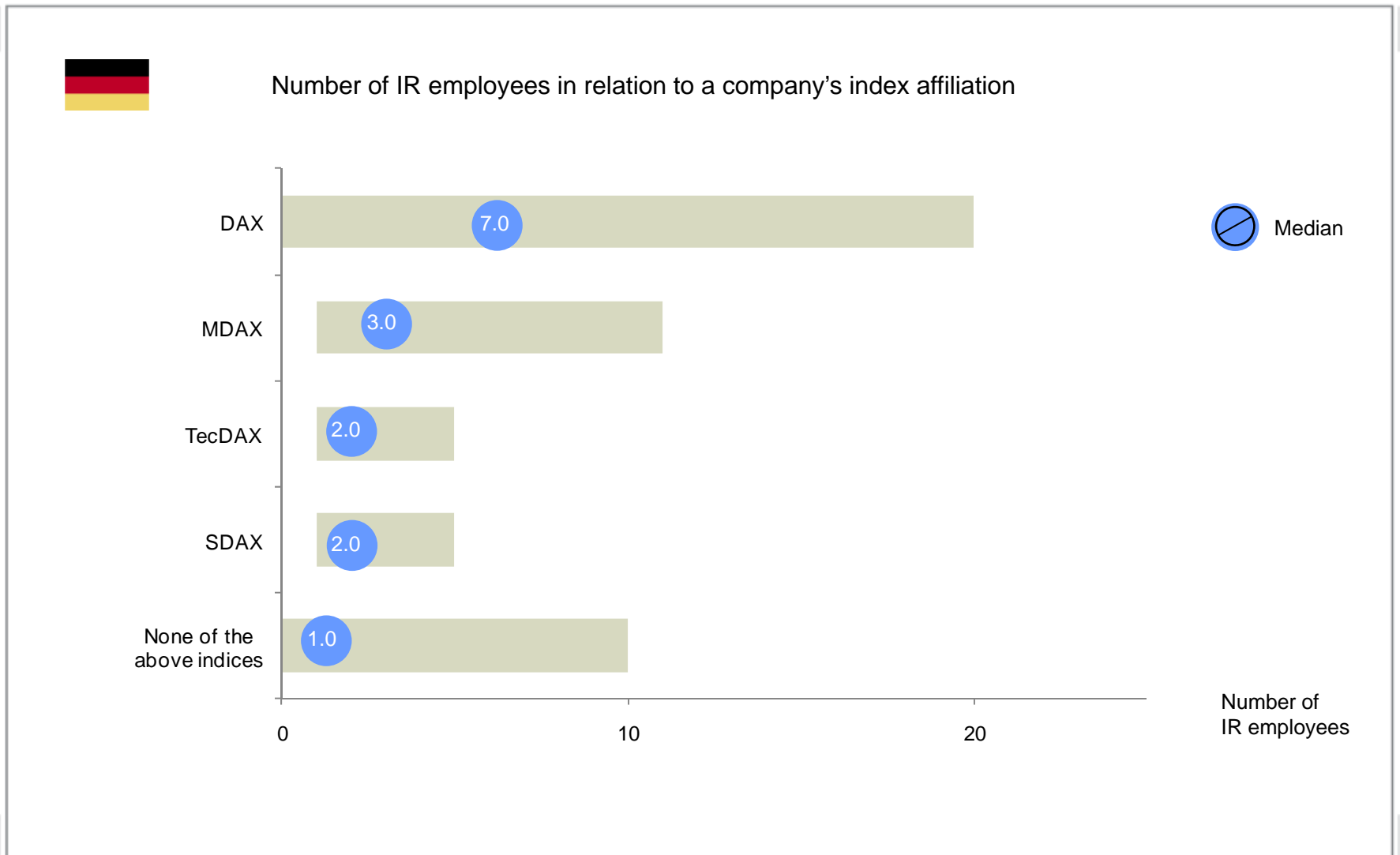


Comparison of surveys from 2009 to 2011

(two survey periods per year)



The number of IR employees increases according to index affiliation



In the next six months, the number of IR employees (full-time) will ...

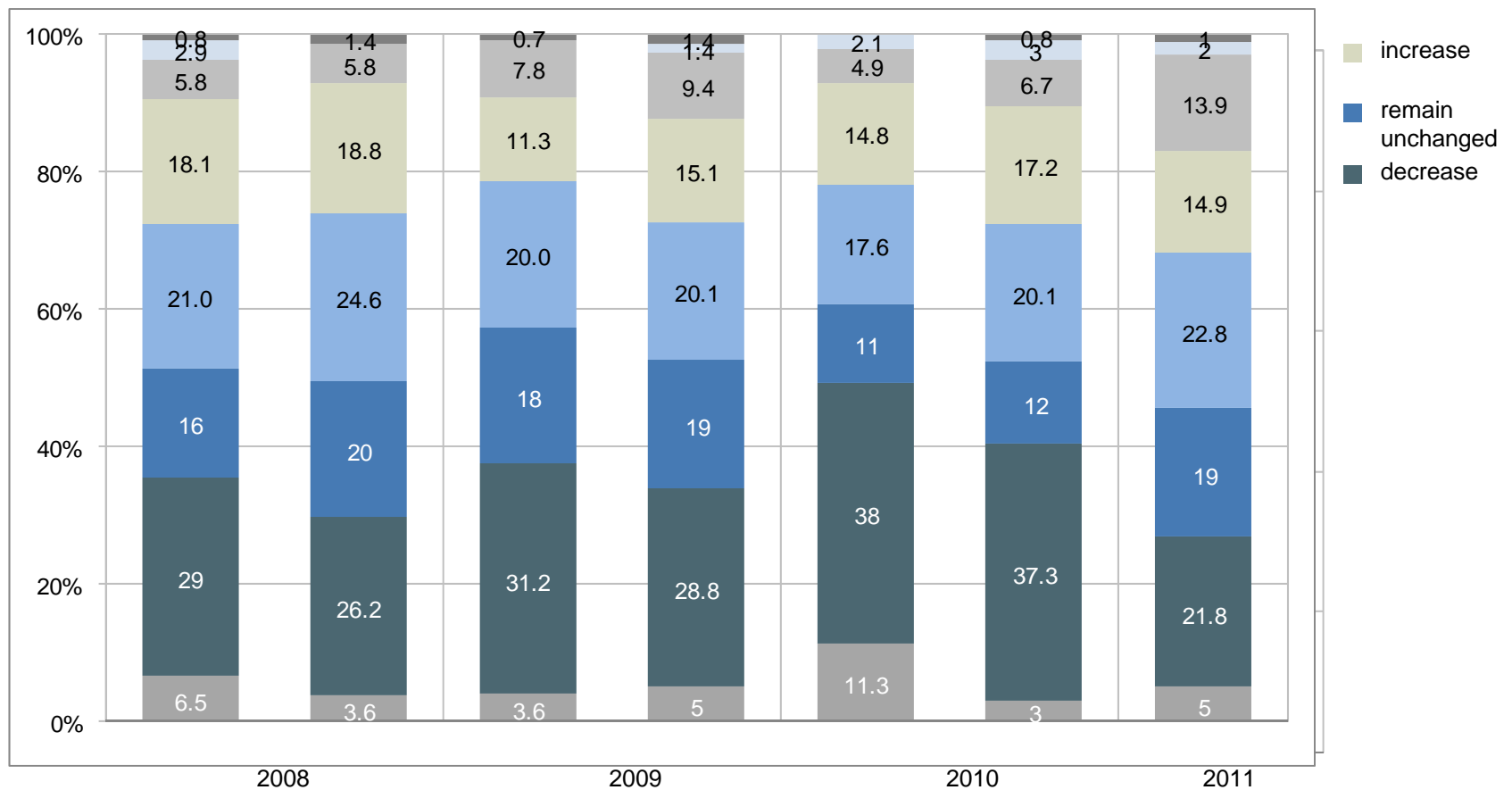


DIRK

Deutscher
Investor Relations
Verband e.V.



Comparison of surveys from 2008 to 2011
(two survey periods per year)



Current sell-side analyst coverage



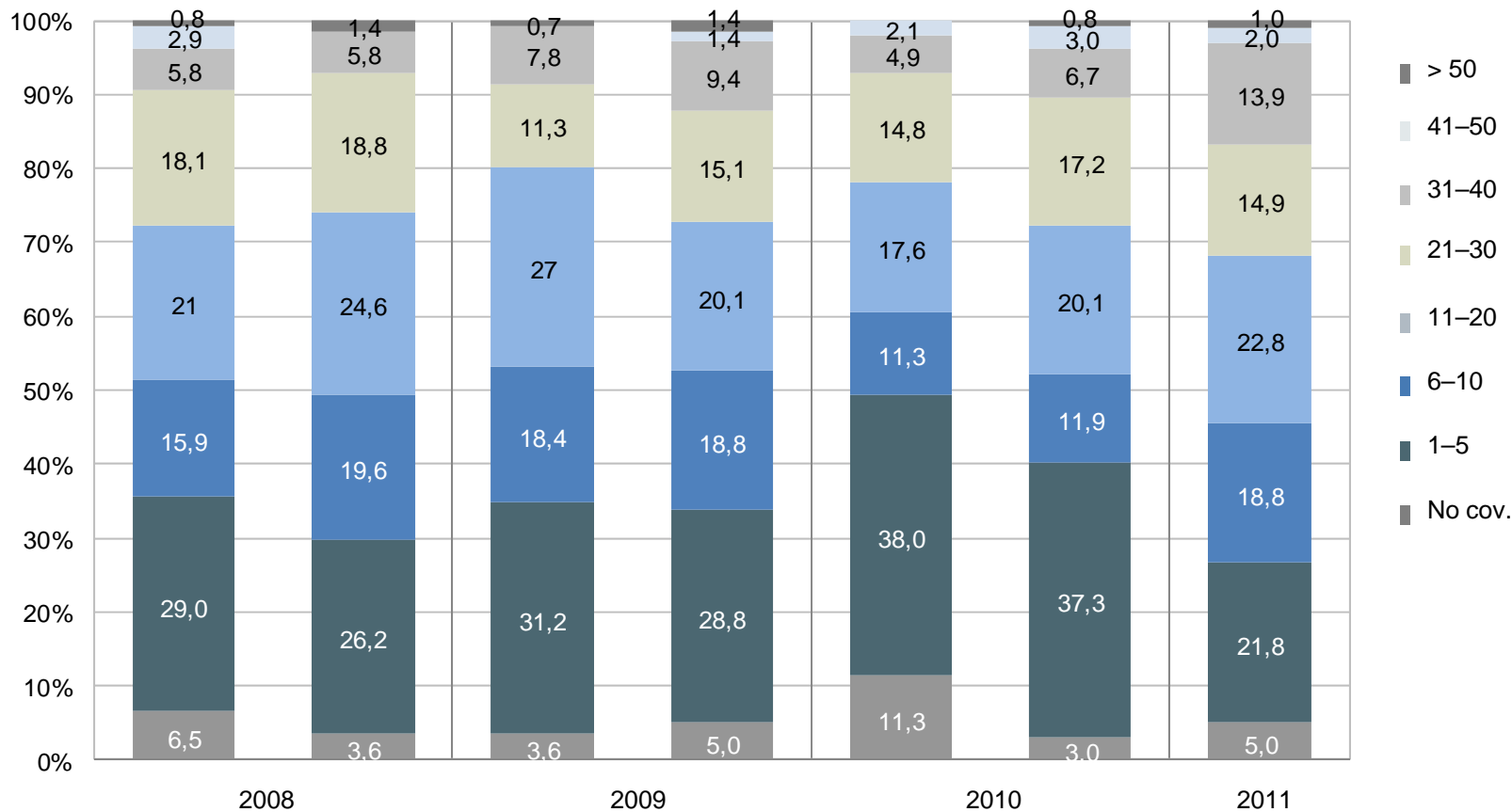
DIRK

Deutscher
Investor Relations
Verband e.V.



Comparison of surveys from 2008 to 2011

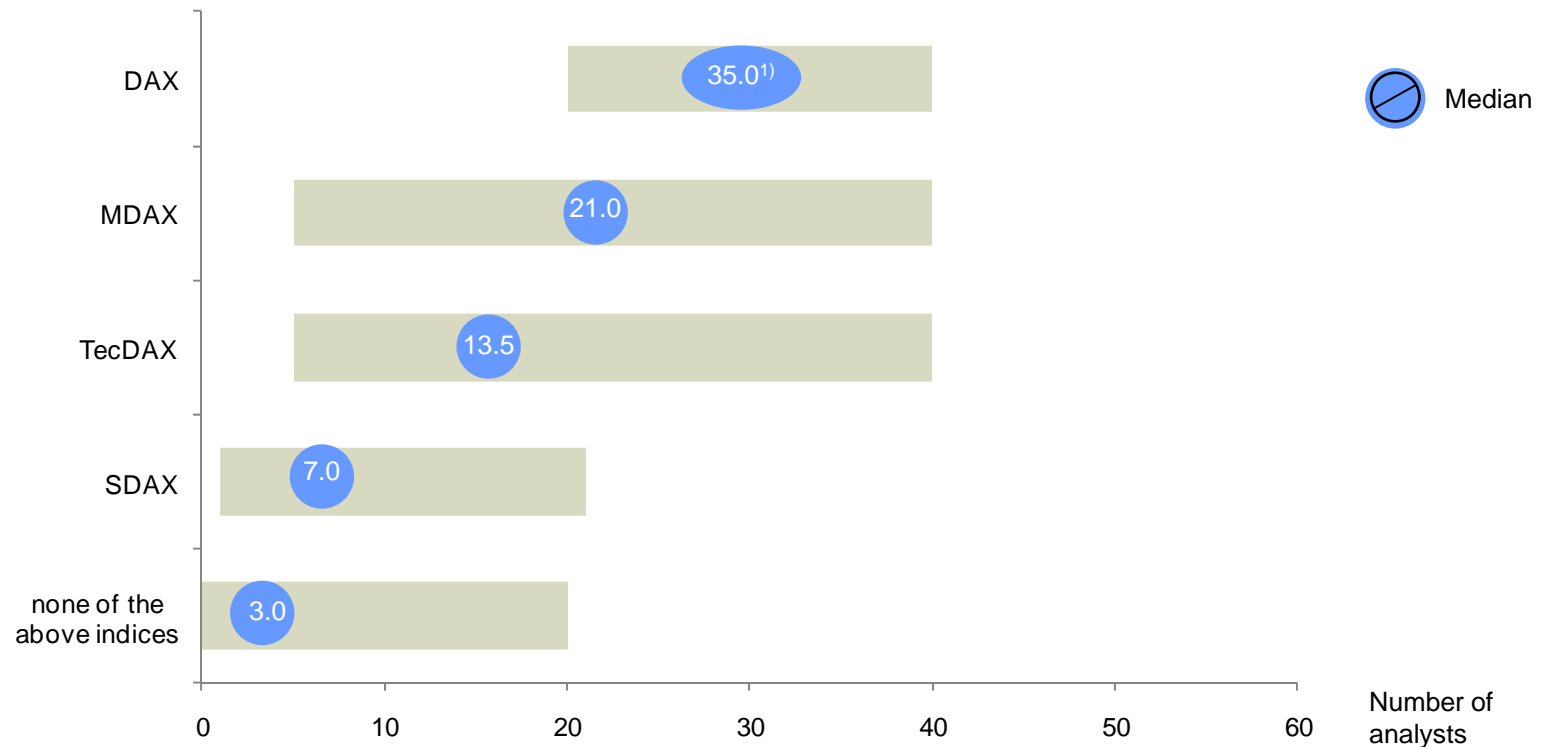
(two survey periods per year)



Sell-side analyst coverage increases according to index affiliation



Sell-side analyst coverage in relation to a company's index affiliation



1) Omitted from the chart: 1 company with 0 analysts; 1 company with 51+ analysts

In the next six months, sell-side analyst coverage will ...

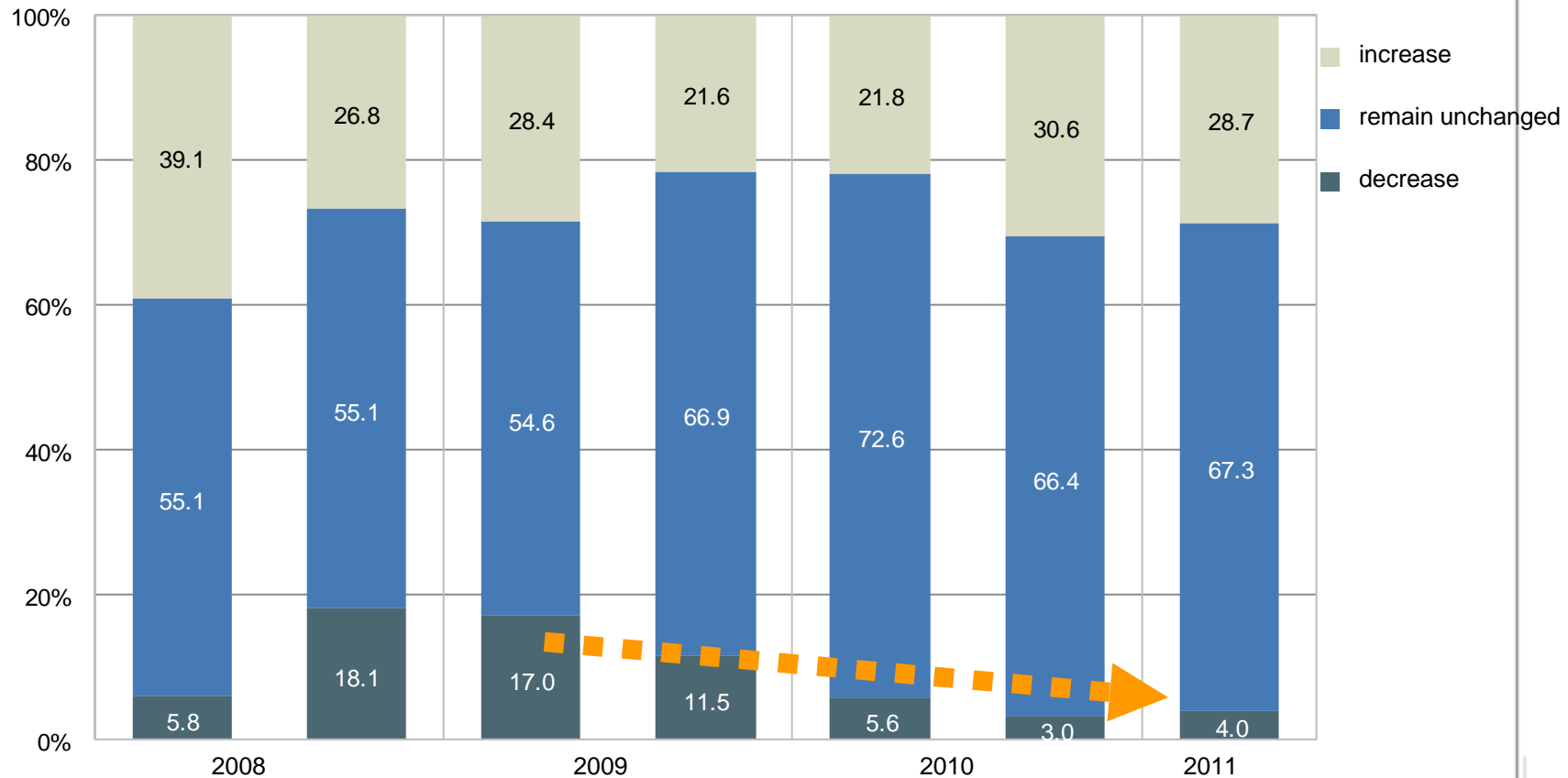


DIRK

Deutscher
Investor Relations
Verband e.V.



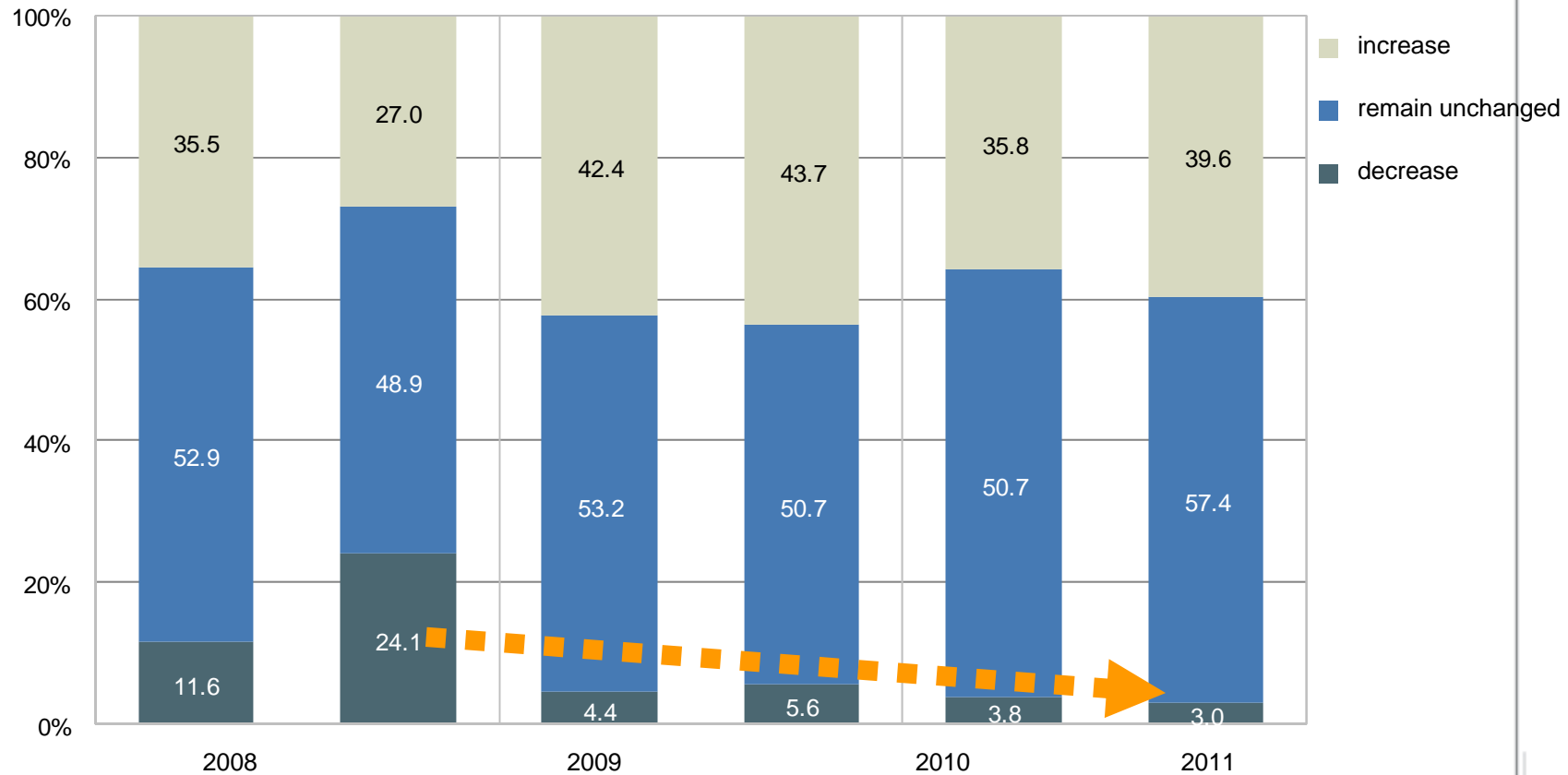
Comparison of surveys from 2008 to 2011
(two survey periods per year)



In the next six months, the number of investor appointments will ...



Comparison of surveys from 2008 to 2011
(two survey periods per year)



“The role and importance of social media in corporate communications”



Key points



DIRK

Deutscher
Investor Relations
Verband e.V.



- What purpose do social media serve and what are their benefits?
- For which target groups are social media important?
- Are social media established within the company in terms of strategy?
- What role do social media play in IR?
- And which social media applications are given preference in the field of IR?

Key points



DIRK

Deutscher
Investor Relations
Verband e.V.



- What purpose do social media serve and what are their benefits?
- For which target groups are social media important?
- Are social media established within the company in terms of strategy?
- What role do social media play in IR?
- And which social media applications are given preference in the field of IR?

Divided opinions: social media as a component of corporate communications

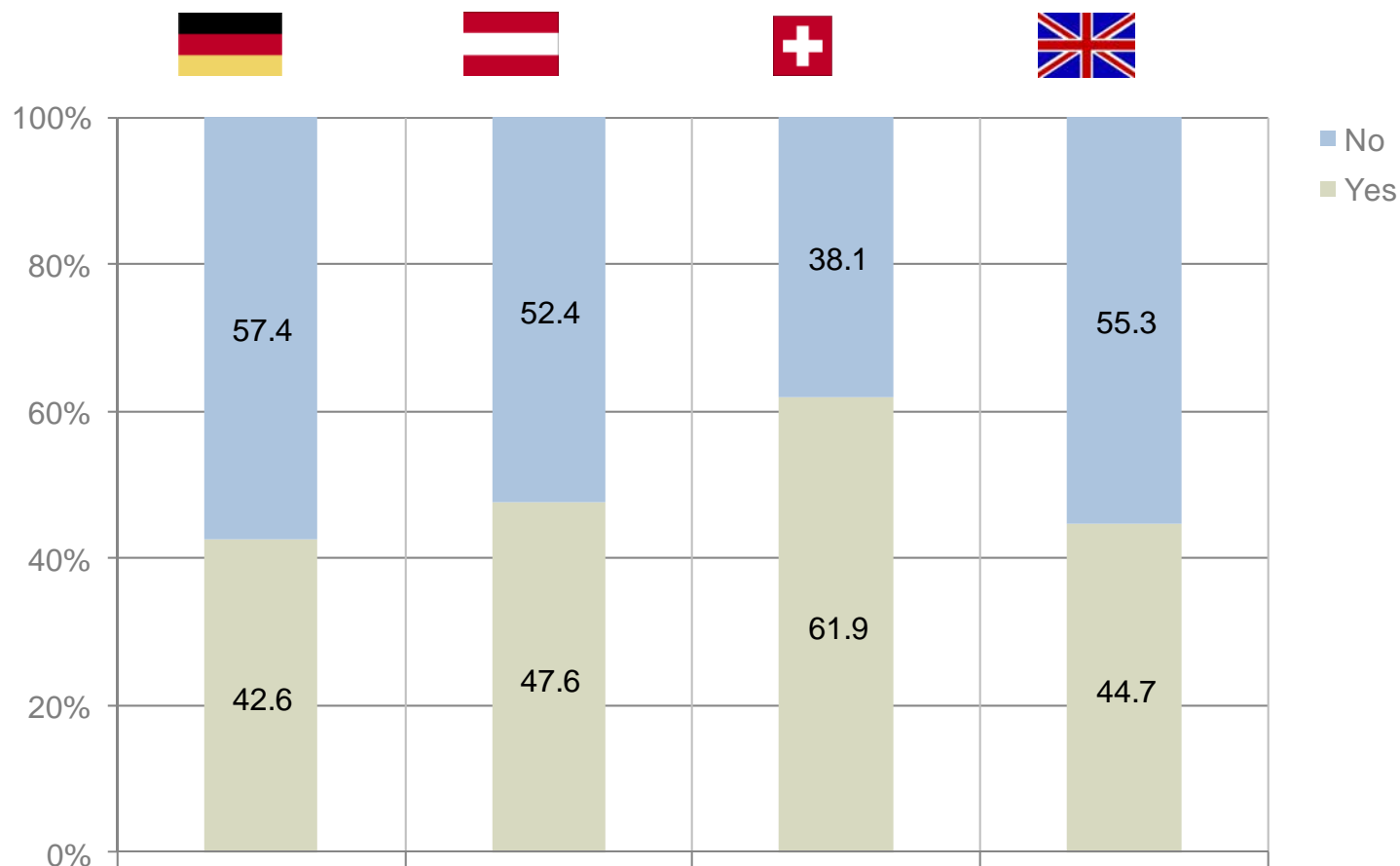


DIRK

Deutscher
Investor Relations
Verband e.V.



Do you use social media in your corporate communications?



Germany: DAX companies in particular use social media

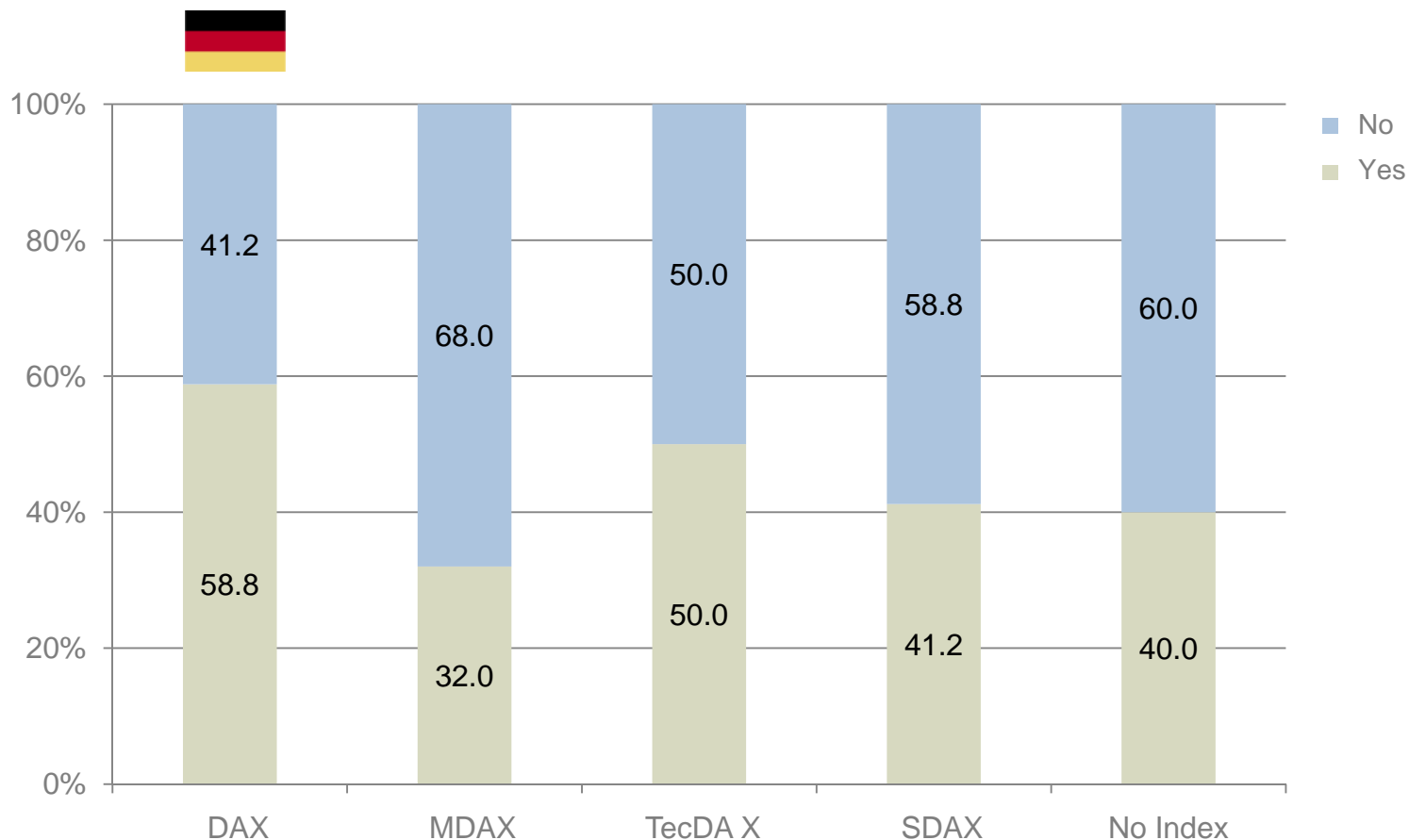


DIRK

Deutscher
Investor Relations
Verband e.V.



Do you use social media in your corporate communications?



Social media serve to disseminate information and generate communicative exchange

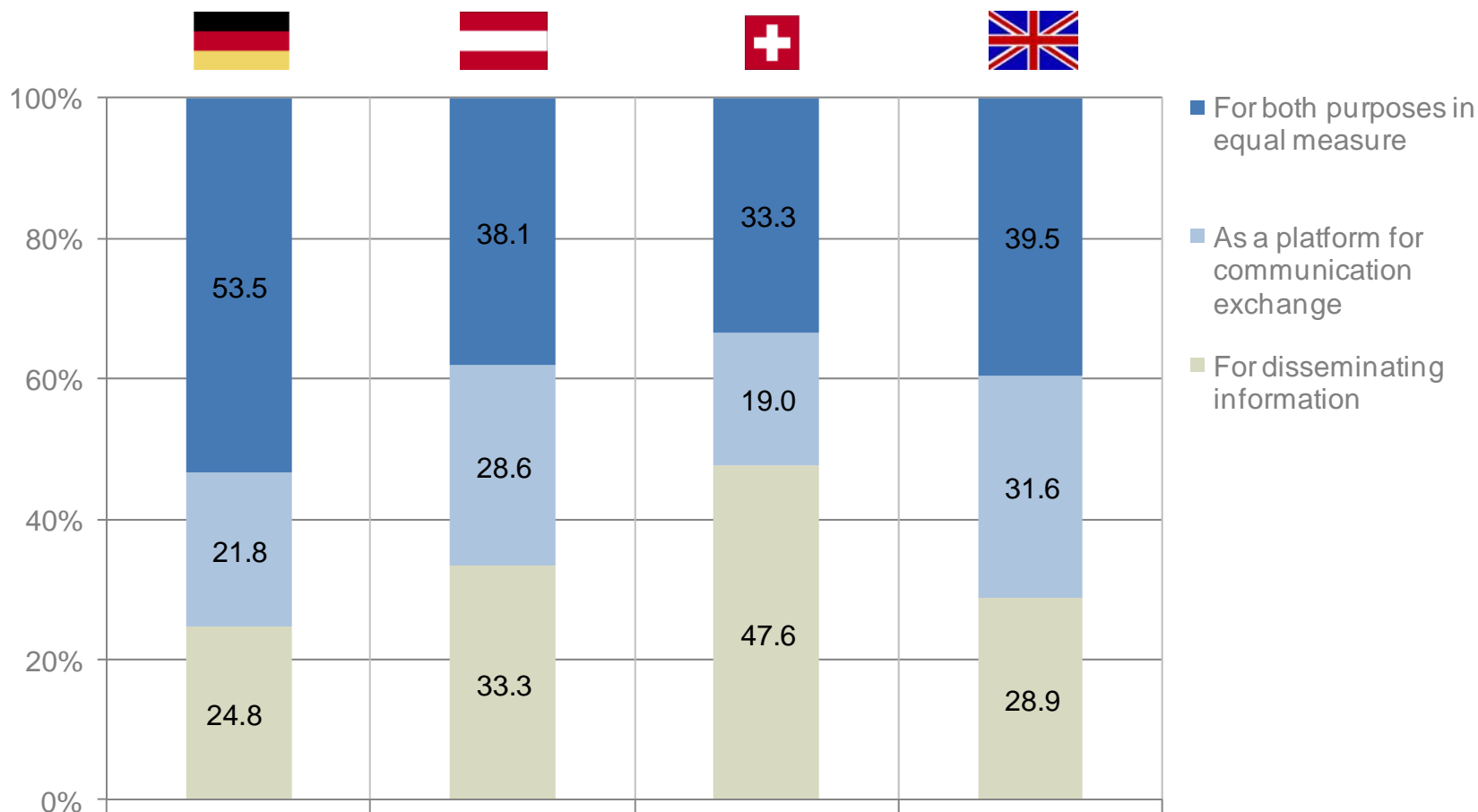


DIRK

Deutscher
Investor Relations
Verband e.V.



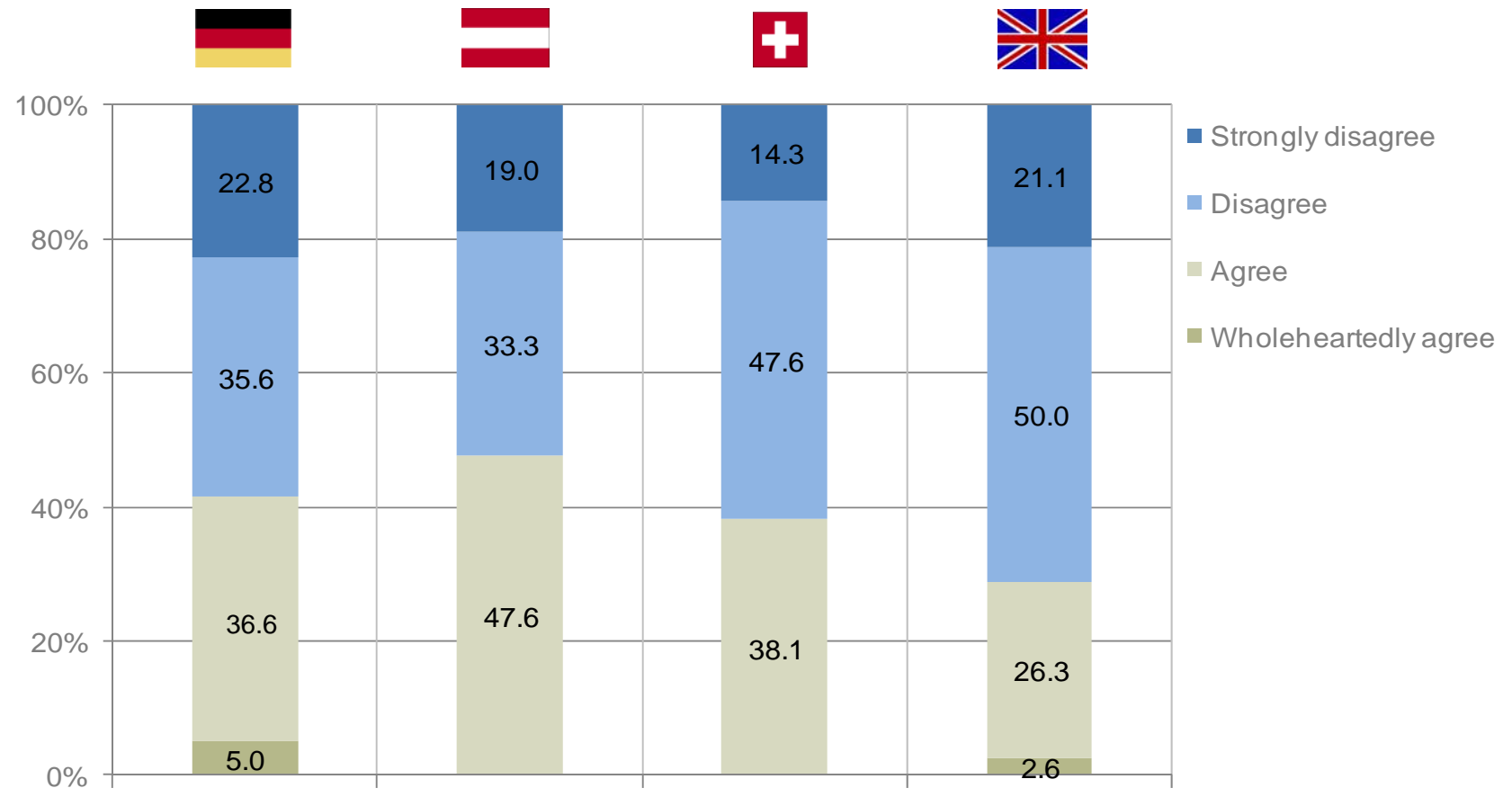
What do you mainly use social media for in your company?



Reasons for using social media (I)



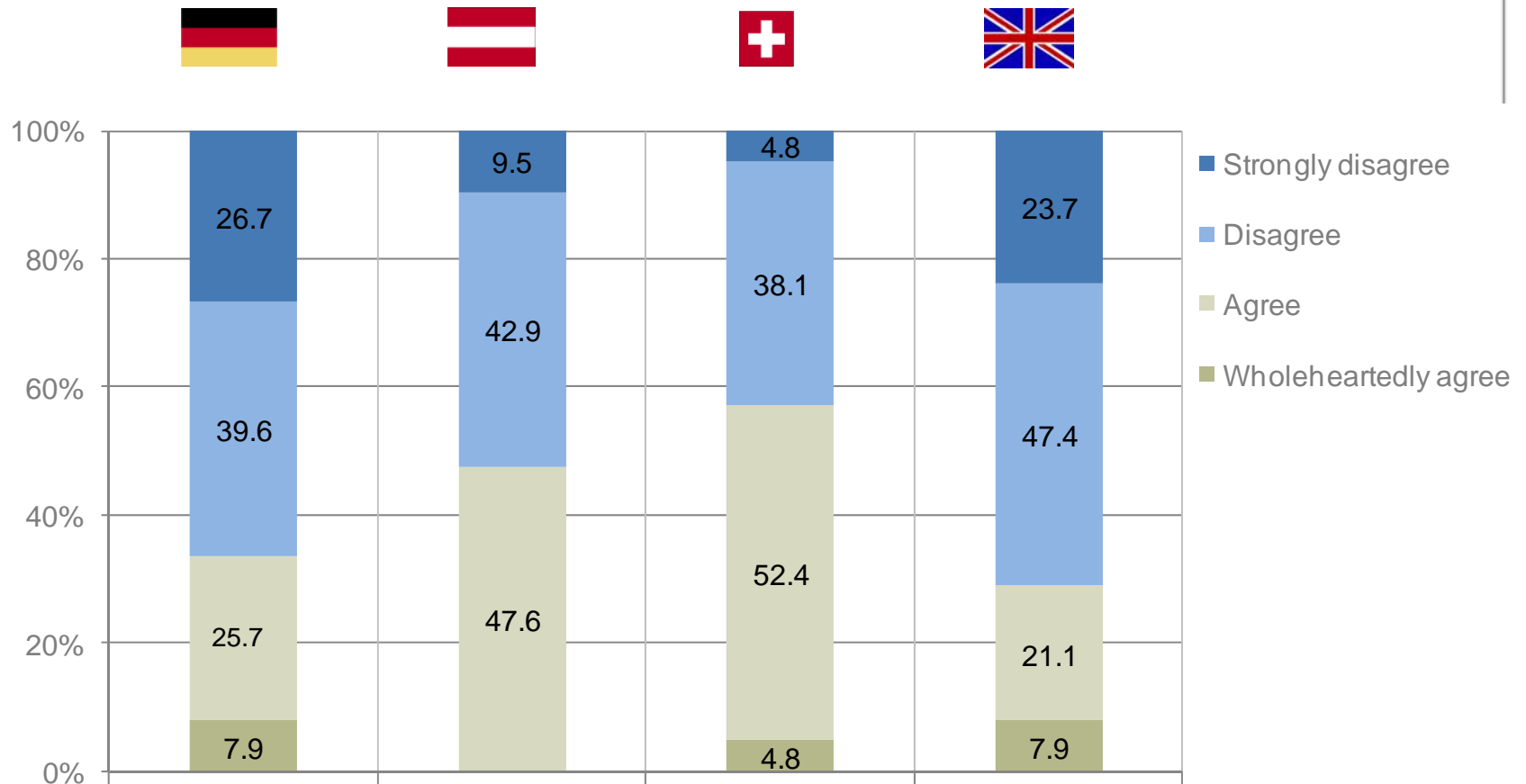
The information that we disseminate via social media reaches new target groups.



Reasons for using social media (II)



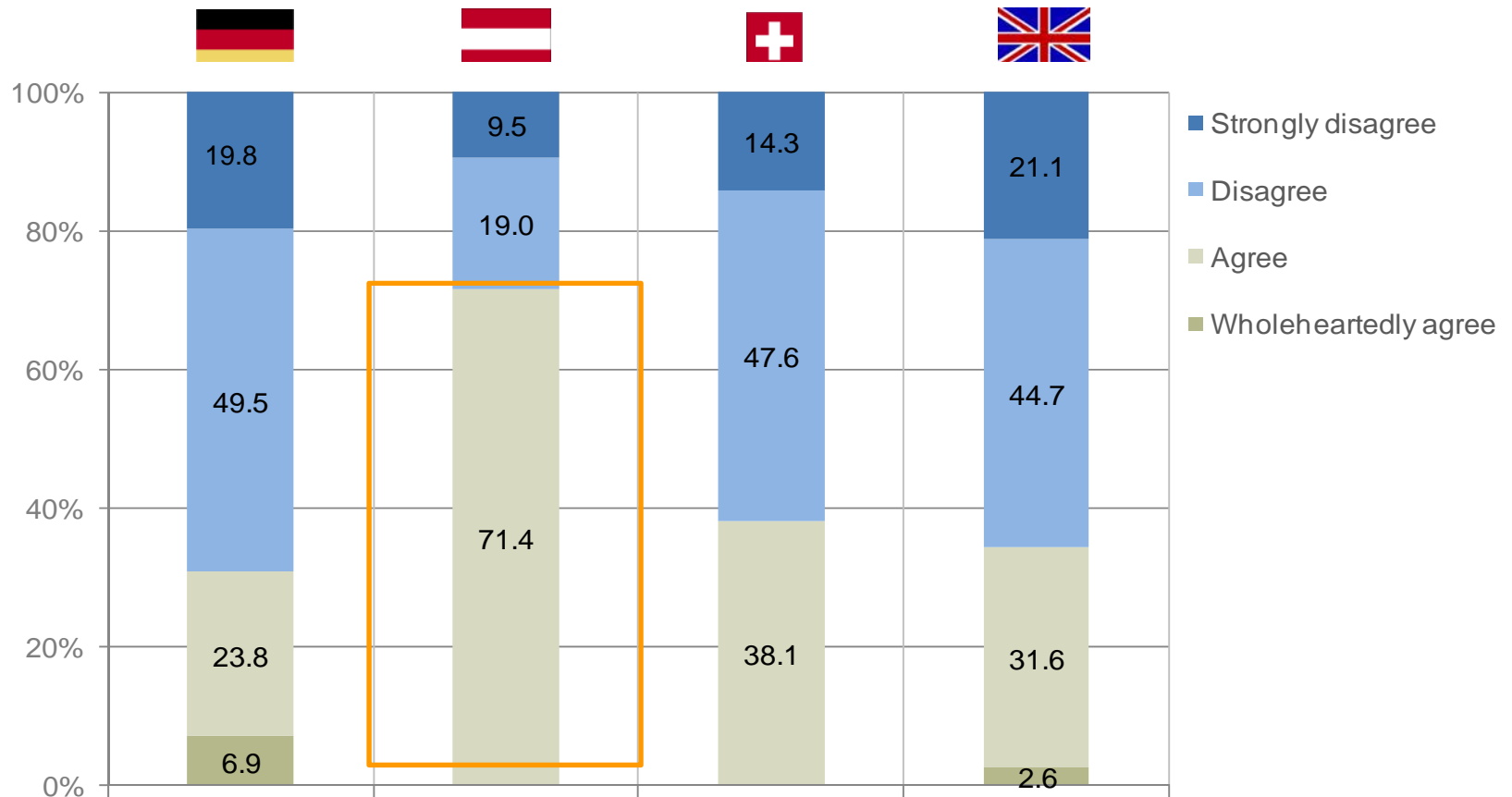
The interactivity of our company's communications is increased by social media.



Reasons for using social media (III)



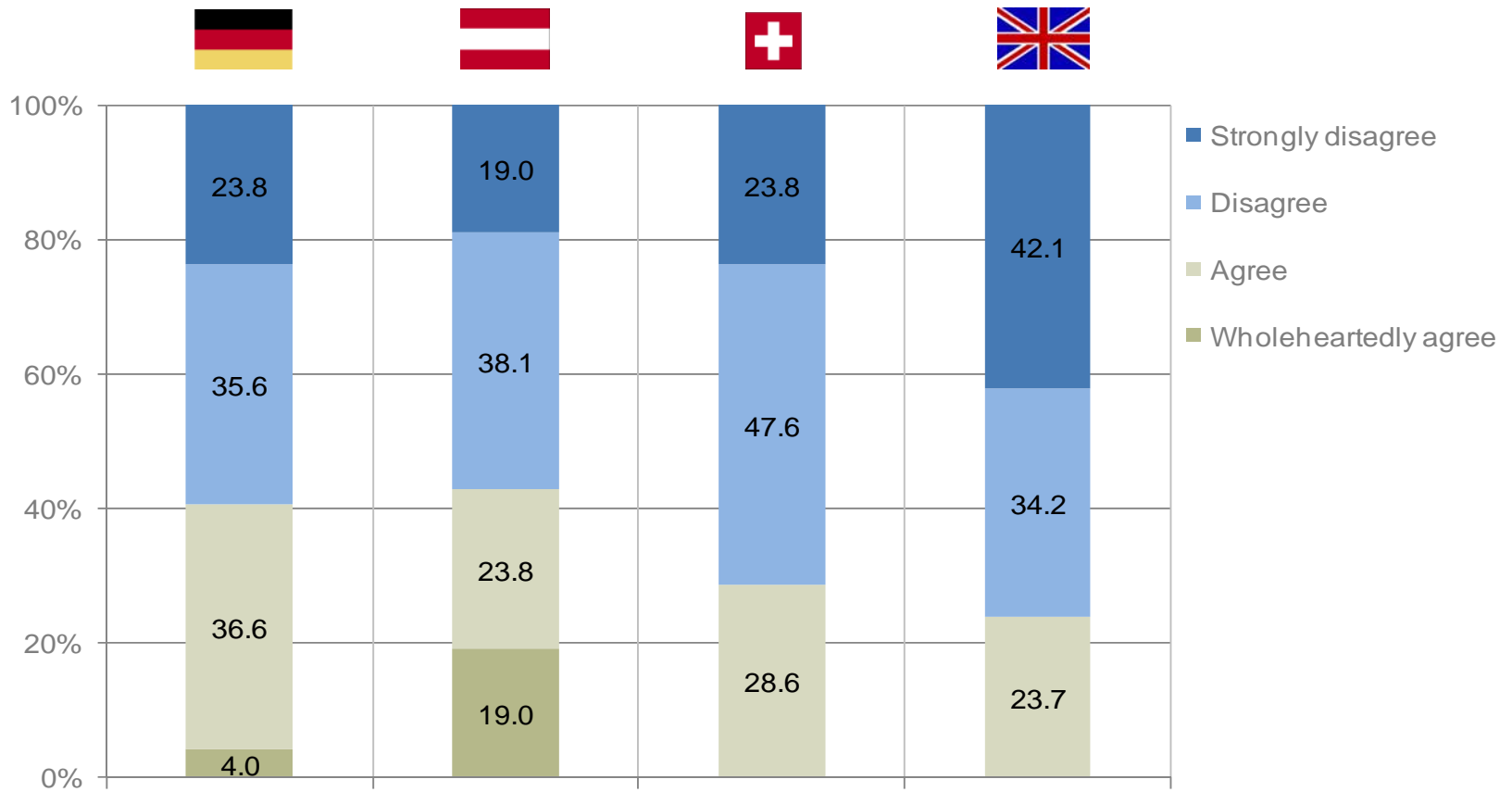
Social media increase brand awareness of our company.



Reasons for using social media (IV)



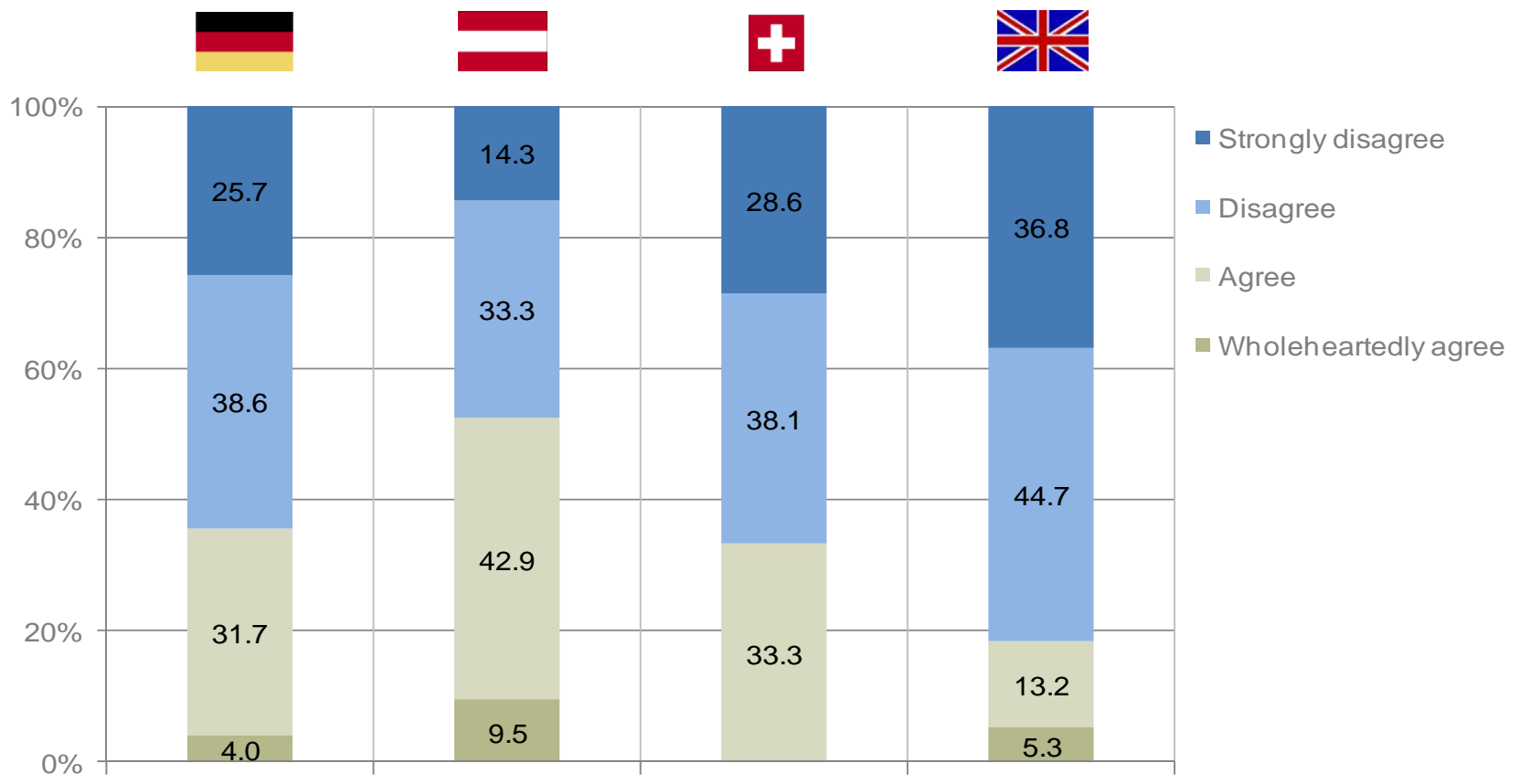
They allow us to take in opinions and sentiments about our company.



Reasons for using social media (V)



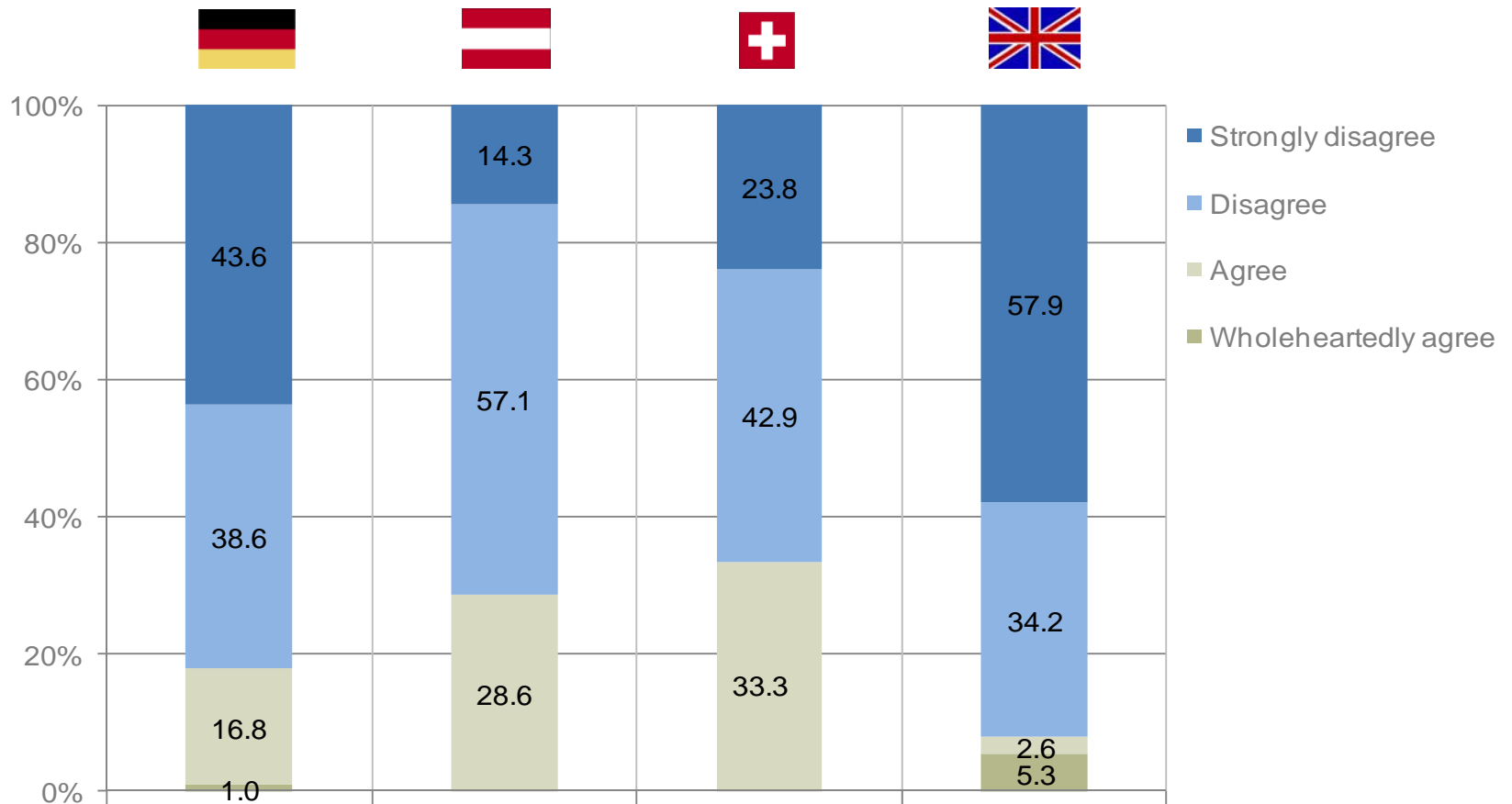
We can position ourselves as an innovative company in the capital market.



Reasons for using social media (VI)



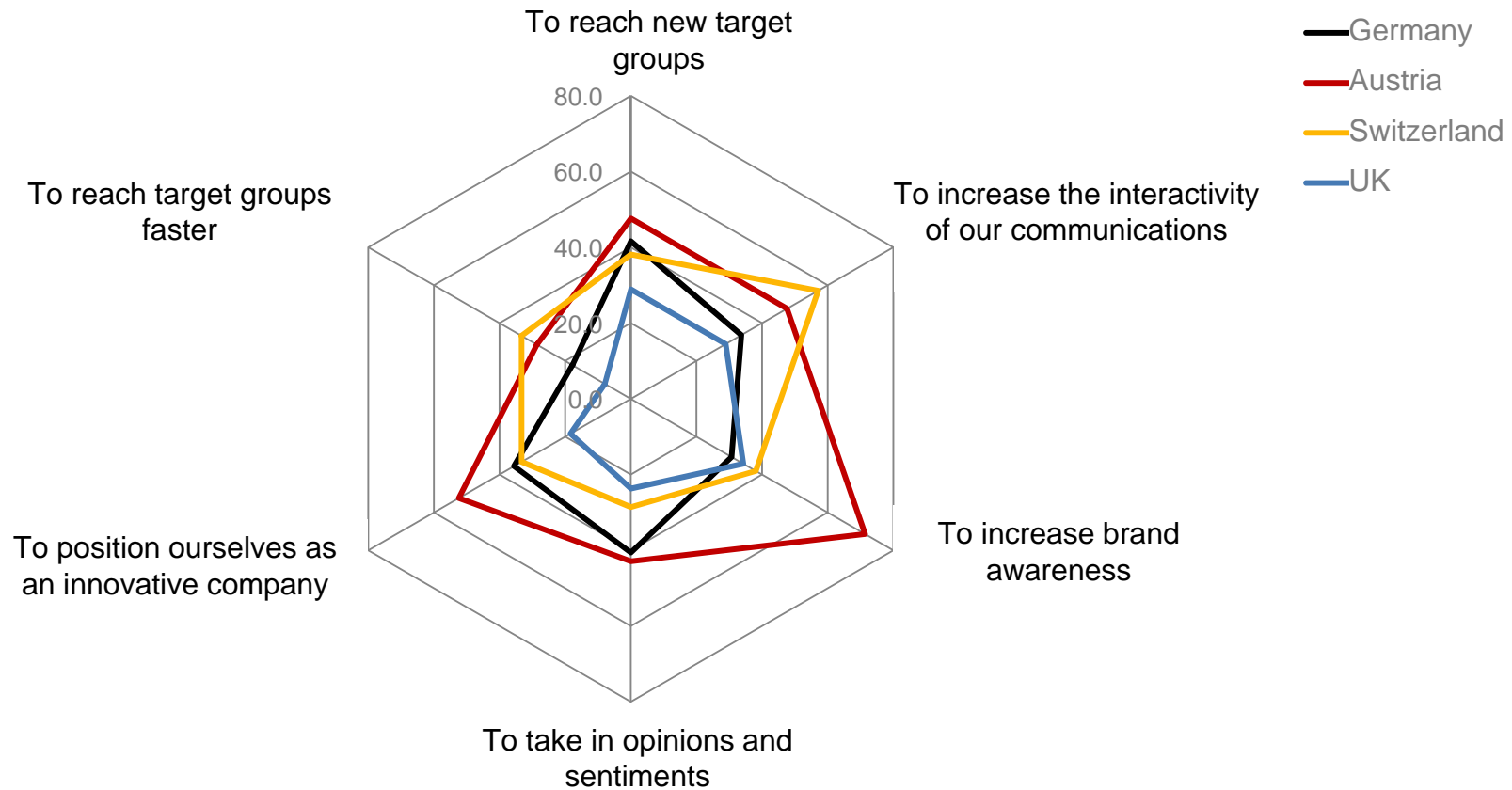
The information that we disseminate via social media reaches our defined target groups faster.



Awareness factor is top in Austria, while Switzerland favours interactivity



Reasons why companies use social media; in %, top two boxes ("Wholeheartedly agree", "Agree")



Main reasons for using social media: new target groups, interactivity and brand awareness



DIRK

Deutscher
Investor Relations
Verband e.V.



Top two boxes (“Wholeheartedly agree”, “Agree”). The absolute number of mentions for all the countries was used as the basis for this ranking.



Values in %	Germany	Austria	Switzerland	UK
The information that we disseminate via social media reaches new target groups.	42	48	38	29
The interactivity of our company’s communications is increased by social media.	34	48	57	29
Social media increase the brand recognition of our company.	31	71	38	34
They allow us to take in opinions and sentiments about our company.	41	43	29	24
We can position ourselves as an innovative company in the capital market.	36	52	34	18
The information that we disseminate via social media reaches our defined target groups faster.	18	29	33	8

Main reasons for using social media: new target groups, interactivity and awareness



DIRK

Deutscher
Investor Relations
Verband e.V.



Top two boxes (“Wholeheartedly agree”, “Agree”). The absolute number of mentions for all the countries was used as the basis for this ranking.



Pos.	Reasons why companies use social media
1	The information we disseminate via social media reaches new target groups.
2	The interactivity of our company’s communications is increased by social media. Social media increase the brand recognition of our company.
4	They allow us to take in opinions and sentiments about our company.
5	We can position ourselves as an innovative company in the capital market.
6	The information that we disseminate via social media reaches our defined target groups faster.

Main reasons for using social media broken down by sectors



DIRK

Deutscher
Investor Relations
Verband e.V.



Reasons why companies use social media
Classification according to Deutsche Börse standards



Interactivity
Above all of interest to wholesalers and retailers, and the financial services, technology and transport sectors



New target groups
Reaching new target groups is mainly the objective of software companies



Brand recognition
It is primarily insurance companies and companies in the financial services and transport sectors who want to increase brand recognition



- What purpose do social media serve and what are their benefits?
- For which target groups are social media important?
- Are social media established within the company in terms of strategy?
- What role do social media play in IR?
- And which social media applications are given preference in the field of IR?

Germany: journalists and private investors are the main target groups for social media activities

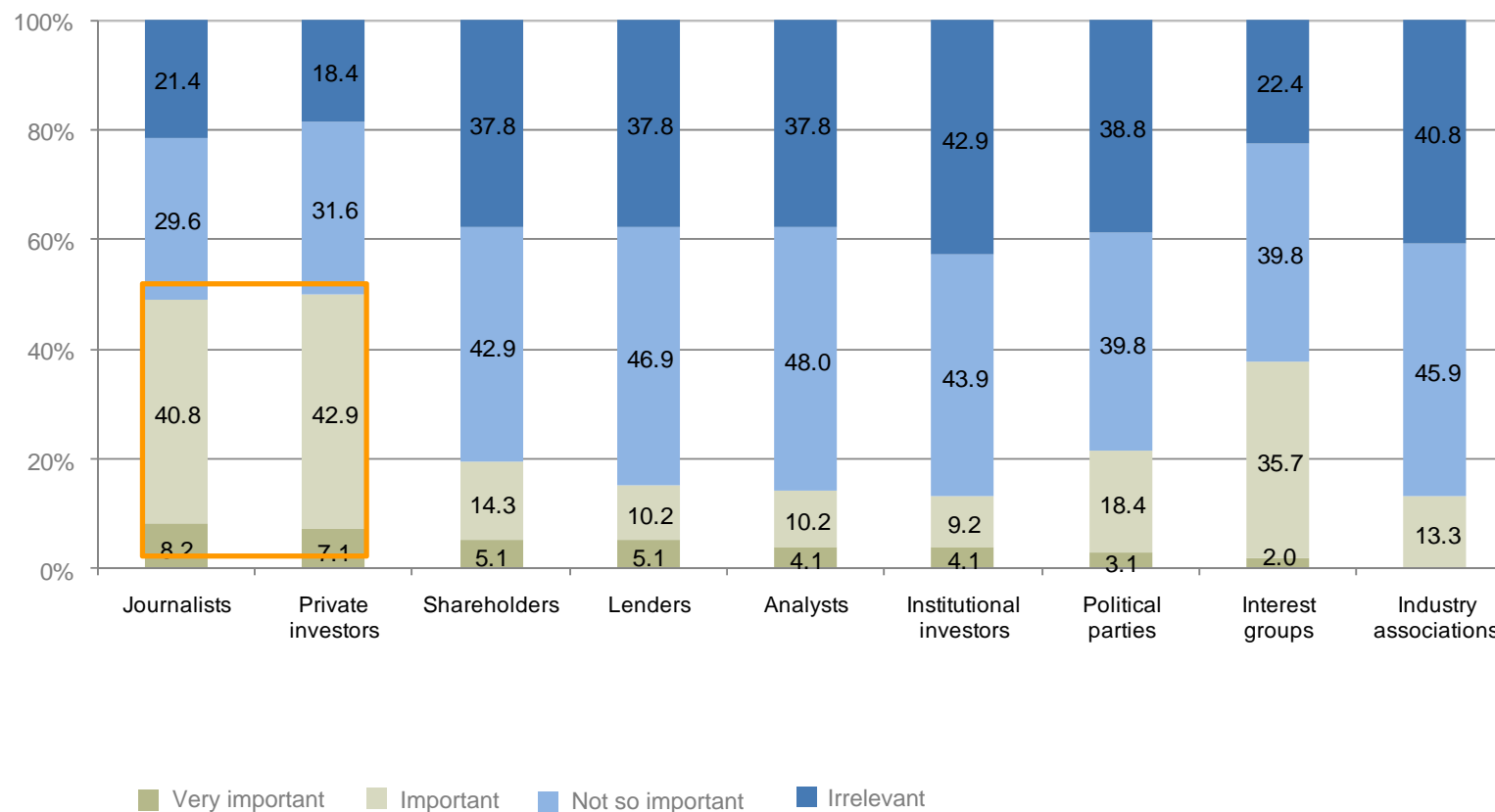


DIRK

Deutscher Investor Relations Verband e.V.



How important would you say your social media activities were to the following target groups at the moment?



Germany: social media activities will increase in importance for all the target groups mentioned

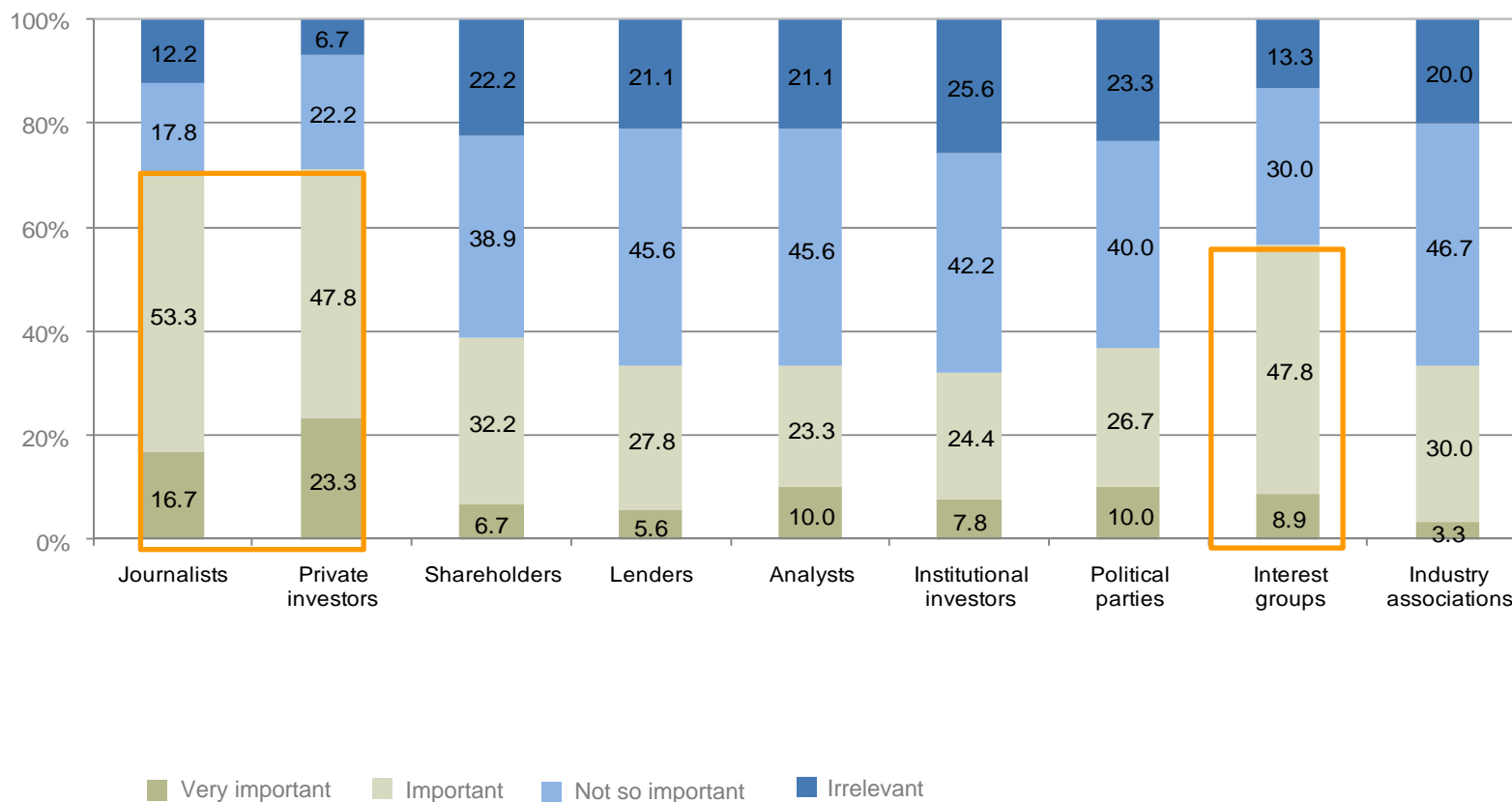


DIRK

Deutscher Investor Relations Verband e.V.



How important would you say your social media activities will be to the following target groups in two years' time?



Austria: journalists, interest groups and private investors are the main target groups

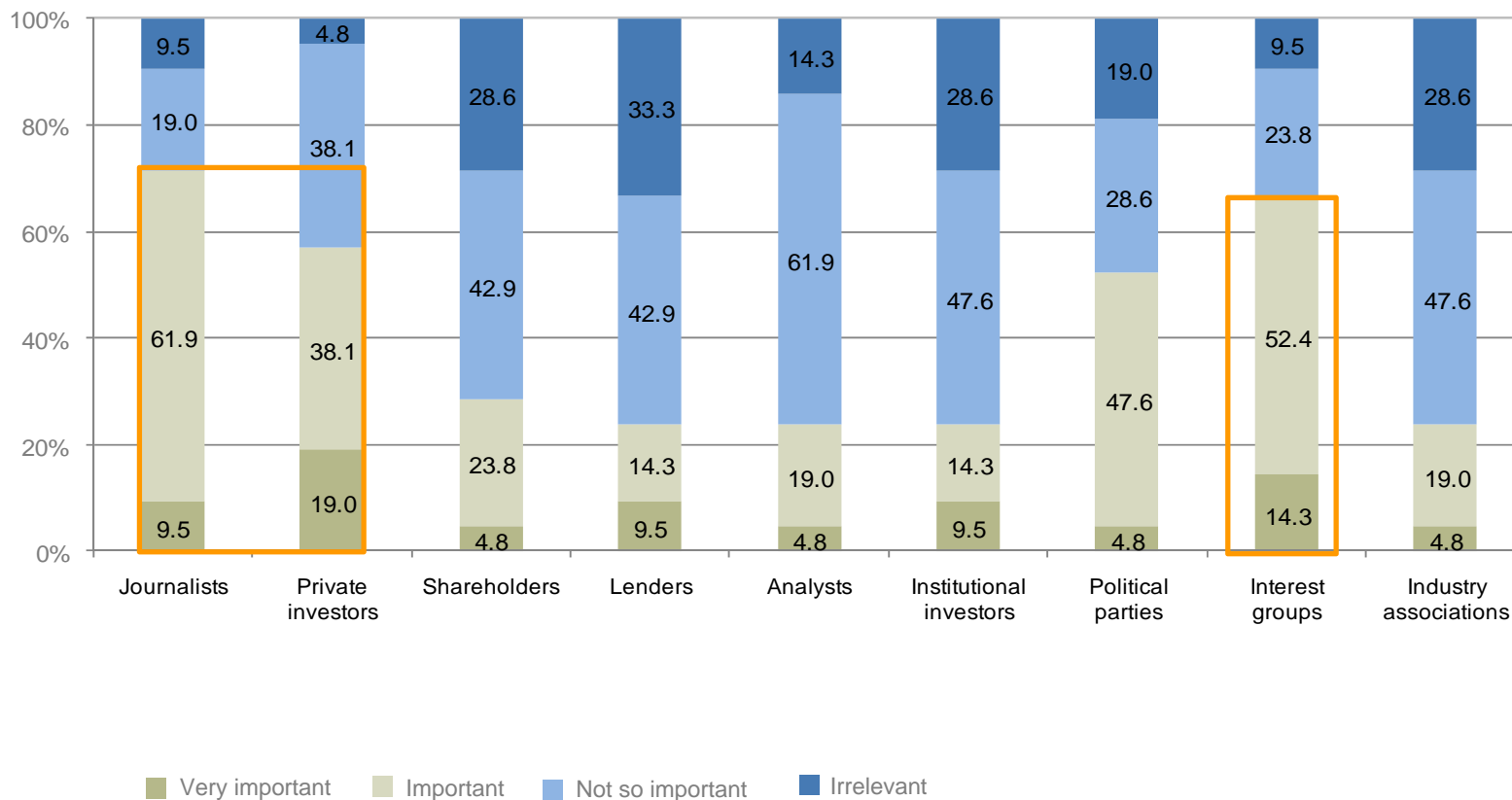


DIRK

Deutscher Investor Relations Verband e.V.



How important would you say your social media activities were to the following target groups at the moment?



Austria: journalists, interest groups and private investors will be main target groups in the future too

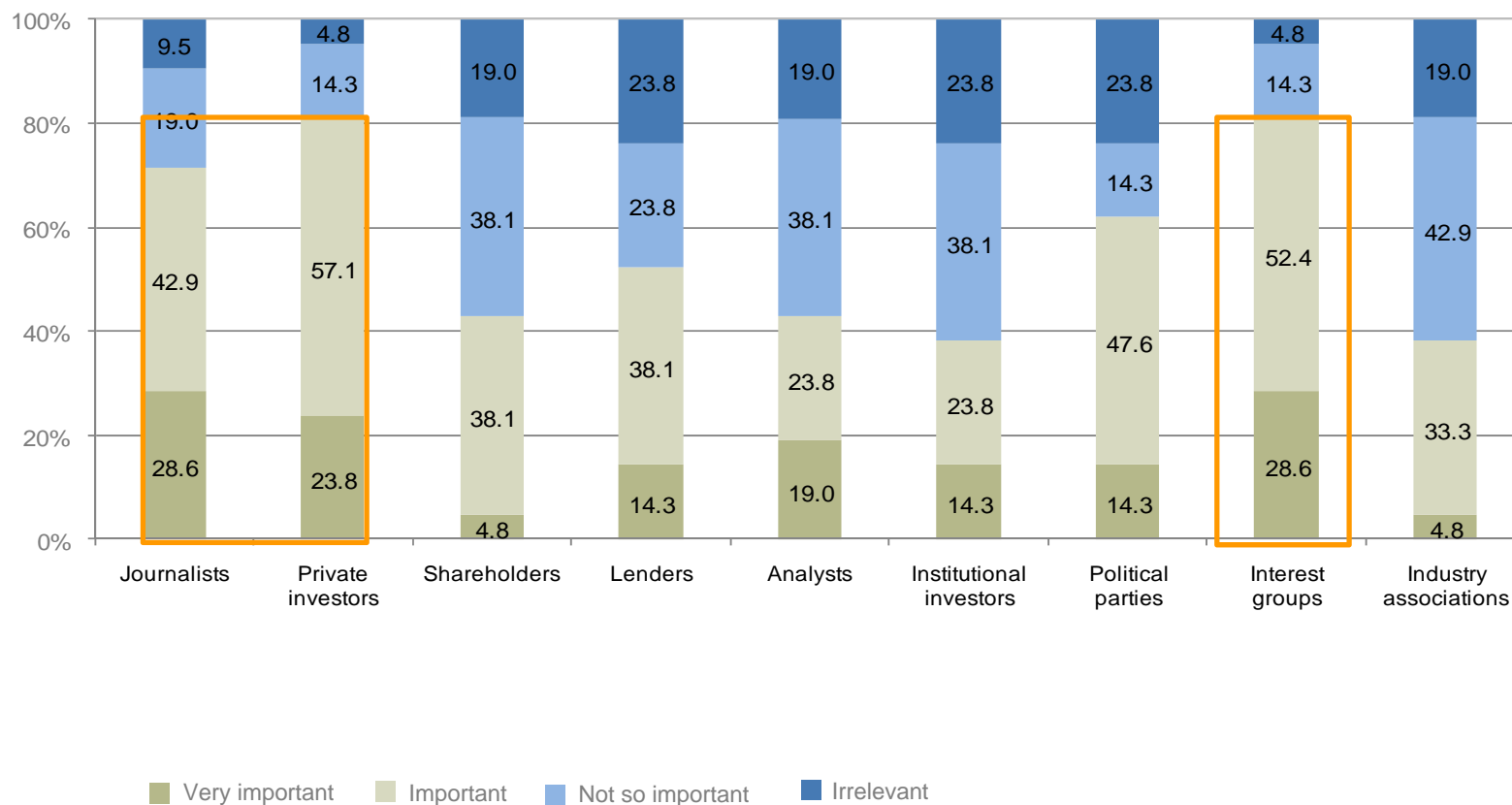


DIRK

Deutscher Investor Relations Verband e.V.



How important would you say your social media activities will be to the following target groups in two years' time?



Switzerland: interest groups and journalists are the main target groups

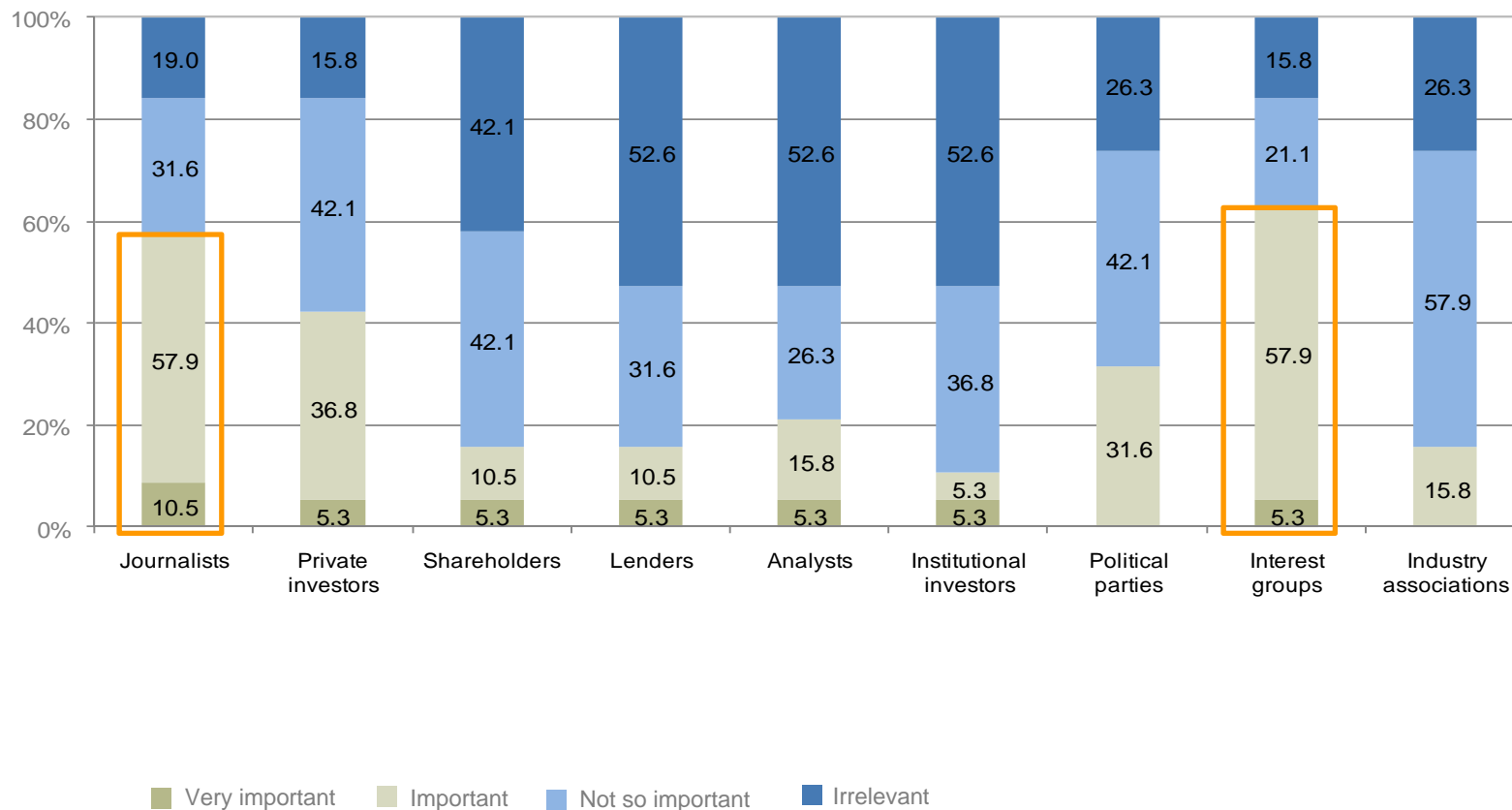


DIRK

Deutscher Investor Relations Verband e.V.



How important would you say your social media activities were to the following target groups at the moment?



Switzerland: social media activities will increase in importance for all the target groups mentioned

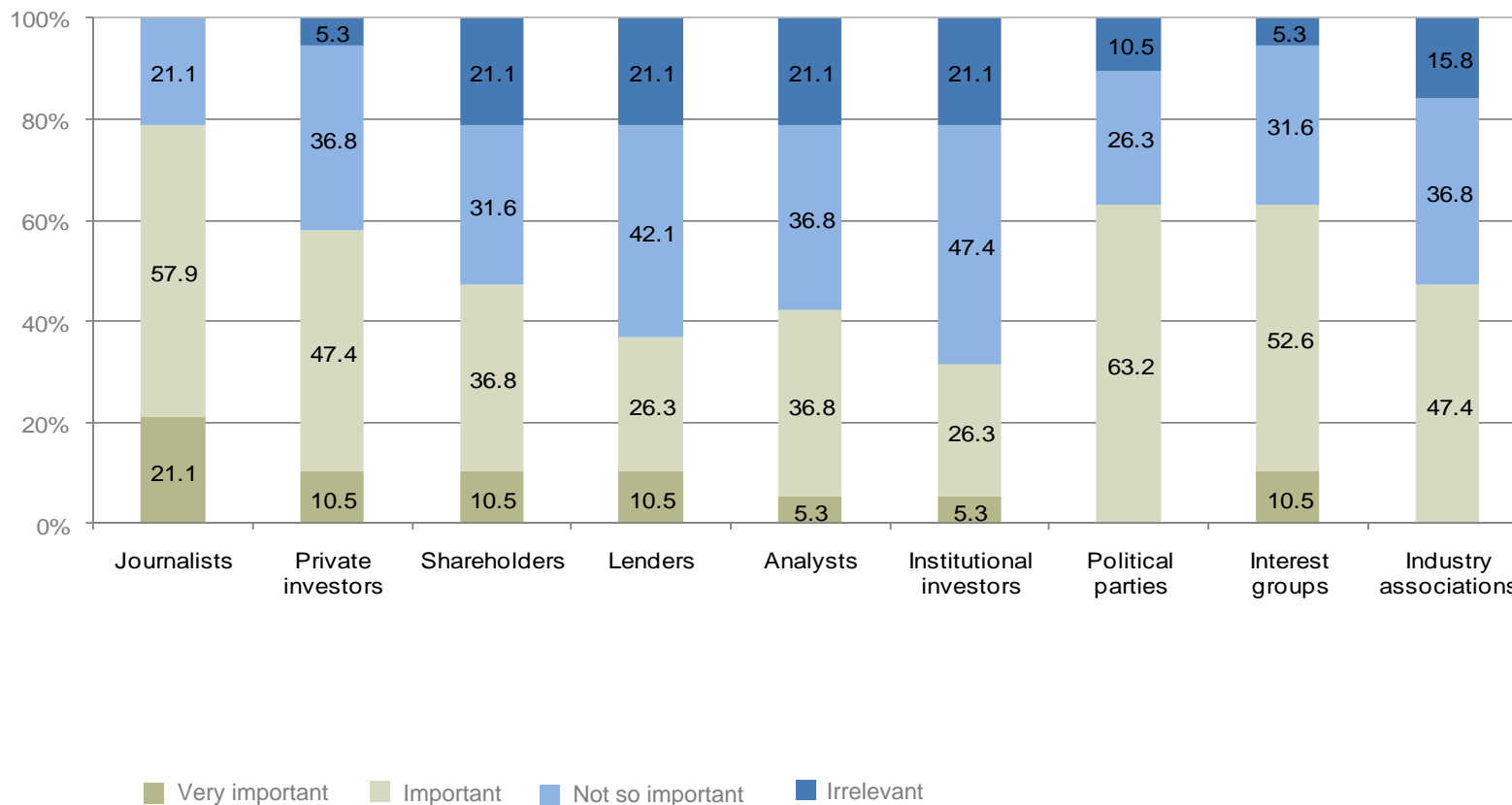


DIRK

Deutscher
Investor Relations
Verband e.V.



How important would you say your social media activities will be to the following target groups in two years' time?



UK: interest groups and journalists are the main target groups

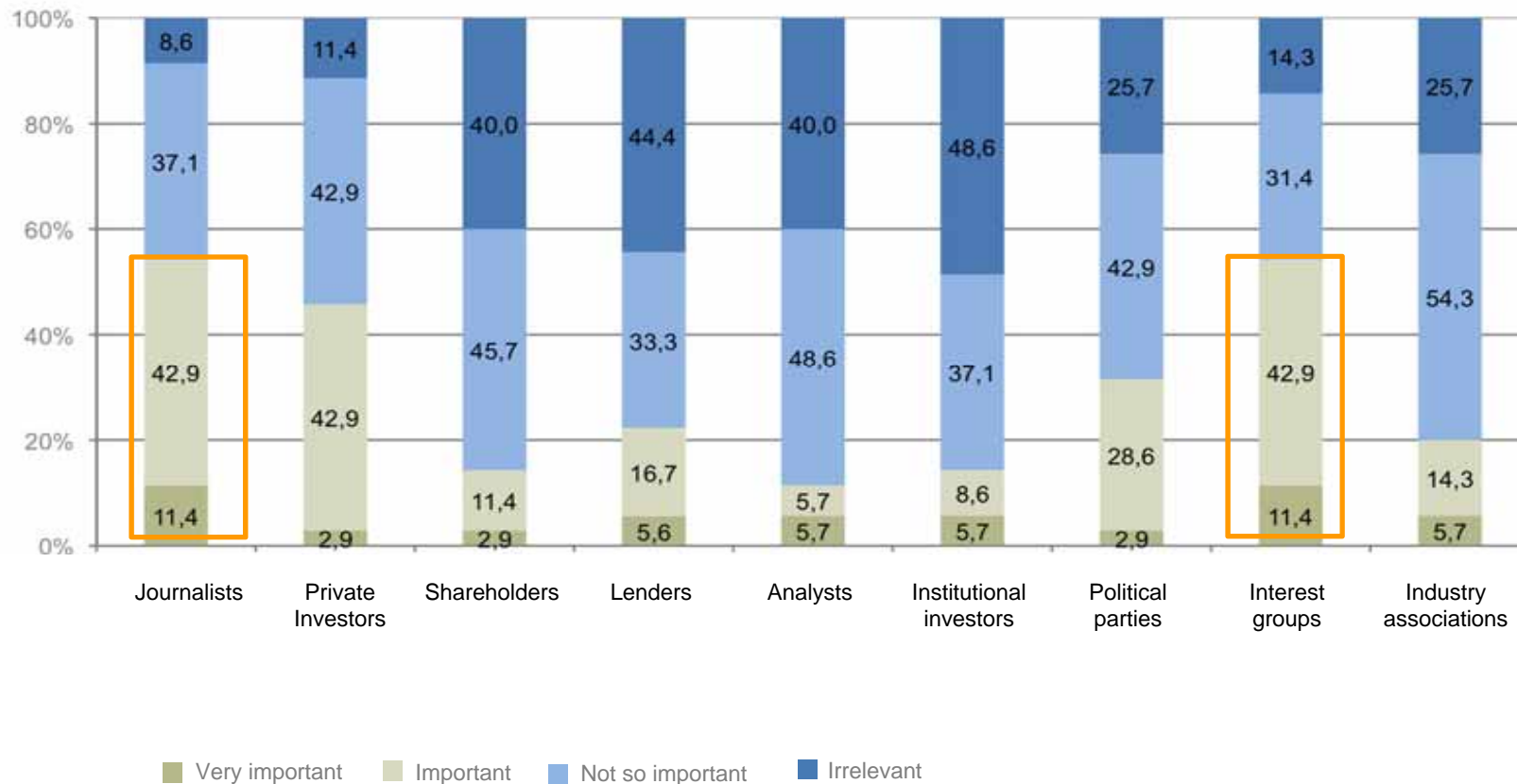


DIRK

Deutscher Investor Relations Verband e.V.



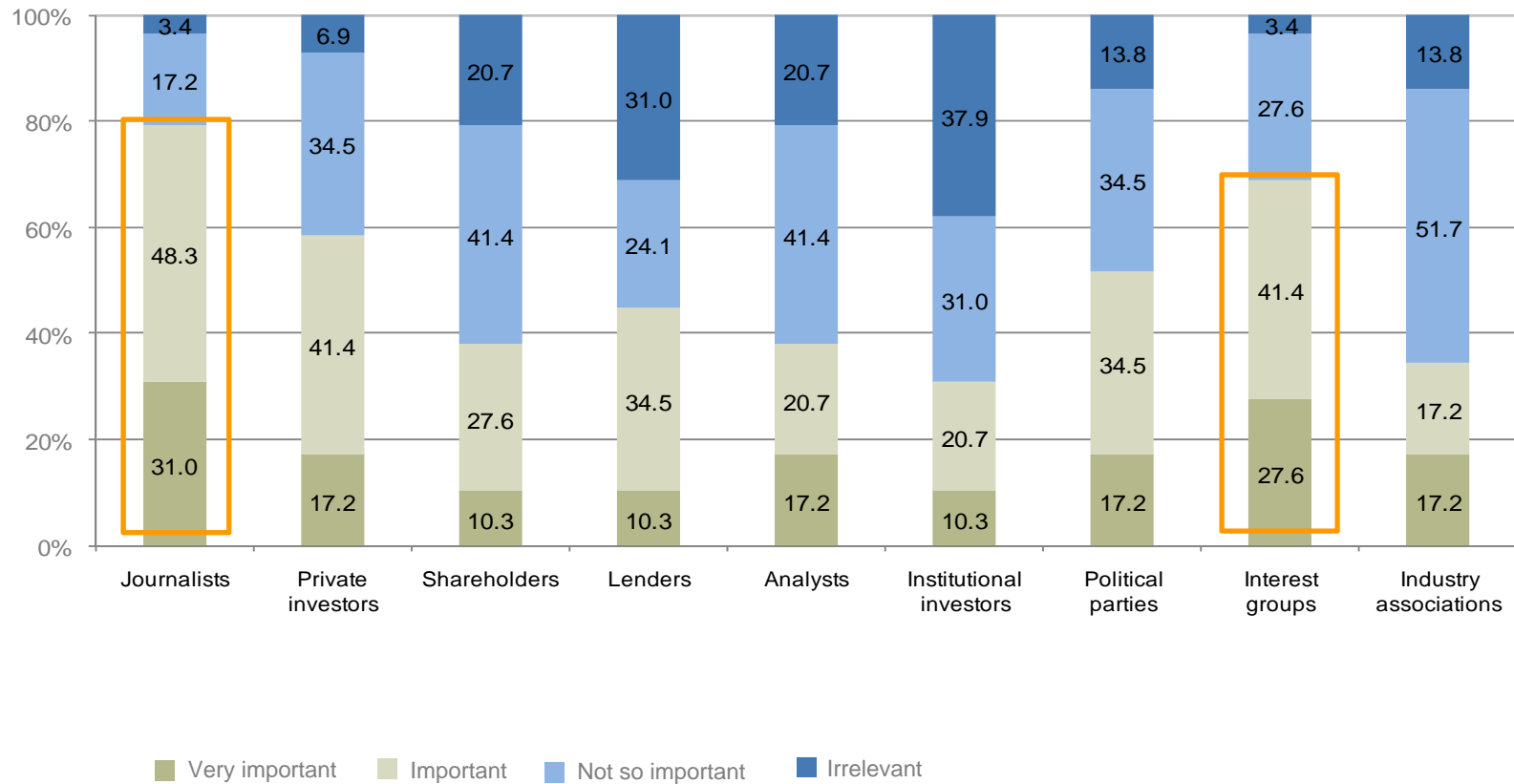
How important would you say your social media activities were to the following target groups at the moment?



UK: importance of journalists and interest groups will increase the most



How important would you say your social media activities will be to the following target groups in two years' time?



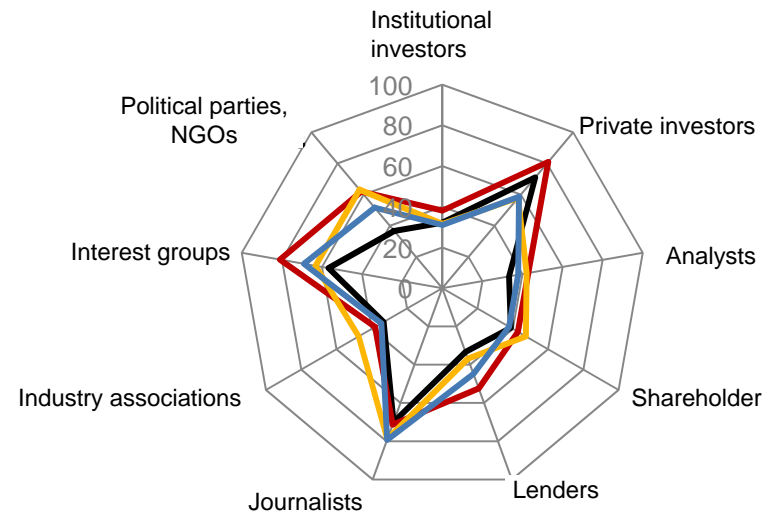
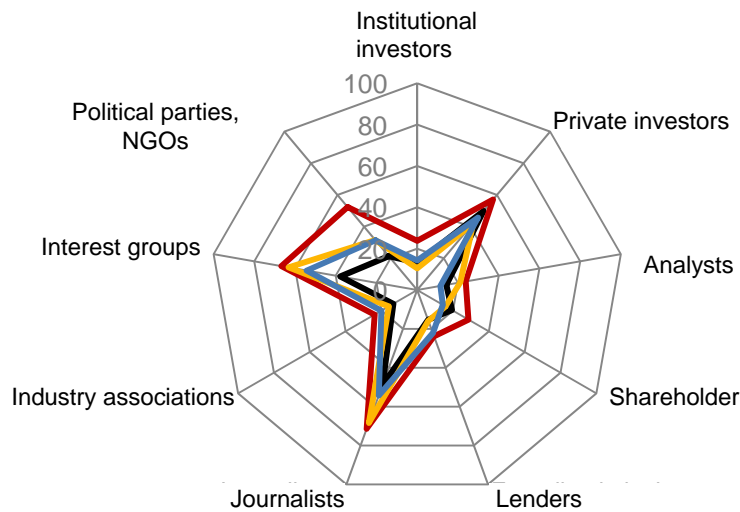
Social media activities will increase in importance for all the corporate target groups



How important would you say your social media activities were at the moment or will be in two years' time to the following target groups? In %, top two boxes ("Very important", "Important")

At the moment

In two years' time



— Germany
 — Austria
 — Switzerland
 — United Kingdom

Journalists are and will remain the top target group for social media activities

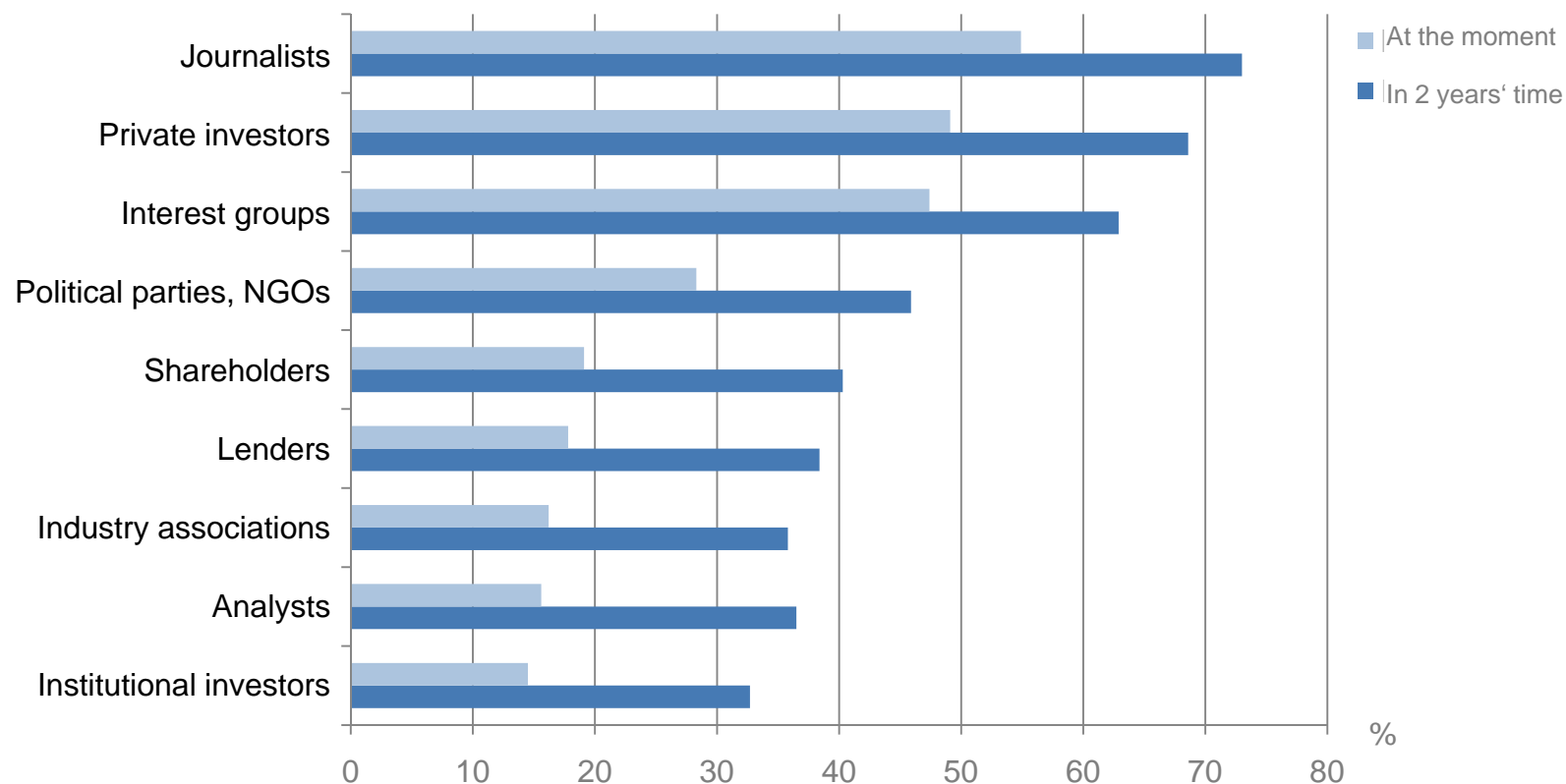


DIRK

Deutscher
Investor Relations
Verband e.V.



How important would you say your social media activities were at the moment or will be in two year's time to the following target groups? All countries, in %, top two boxes ("Very important", "Important")



Key points



DIRK

Deutscher
Investor Relations
Verband e.V.



- What purpose do social media serve and what are their benefits?
- For which target groups are social media important?
- Are social media established within the company in terms of strategy?
- What role do social media play in IR?
- And which social media applications are given preference in the field of IR?

At least every third company has a social media strategy

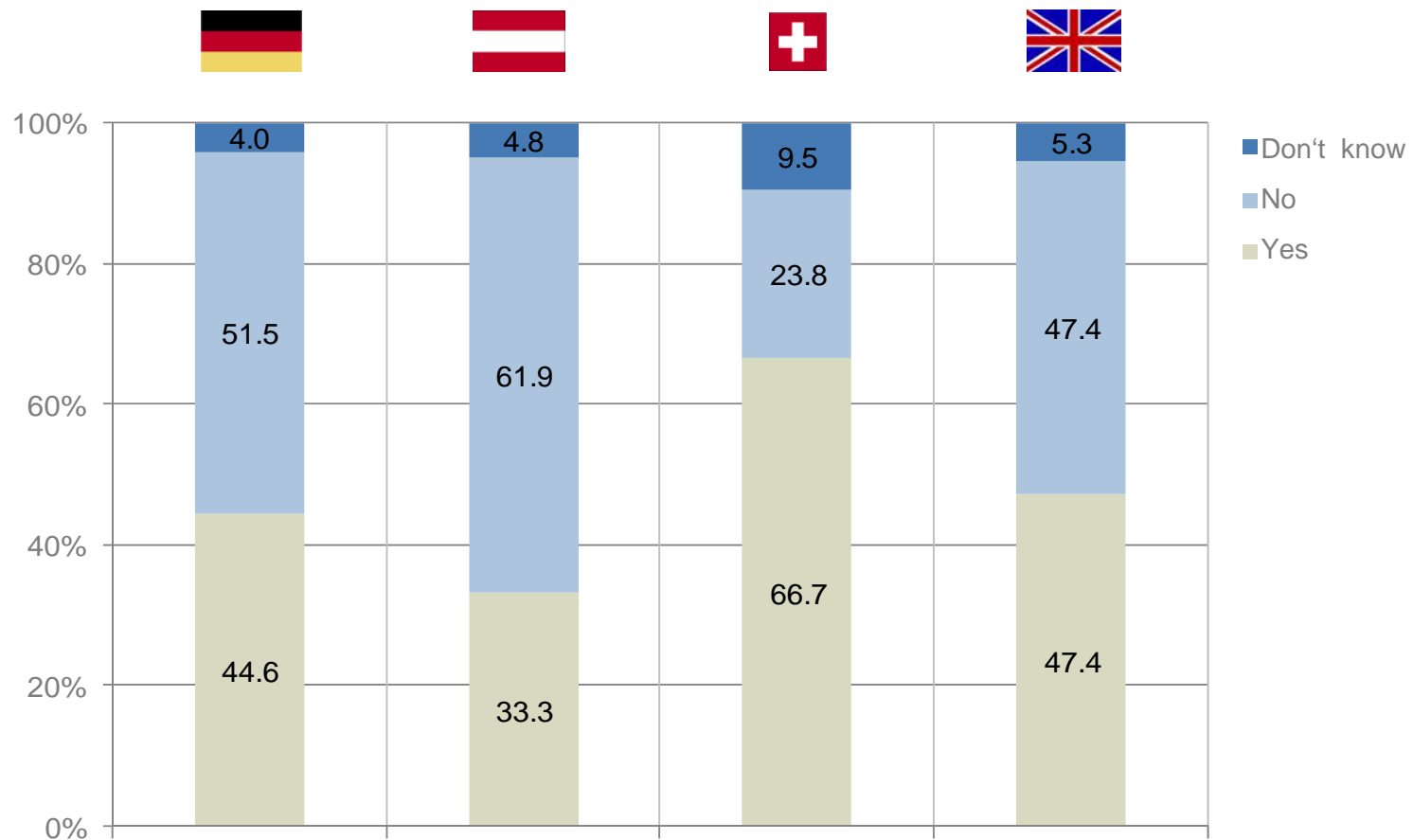


DIRK

Deutscher
Investor Relations
Verband e.V.



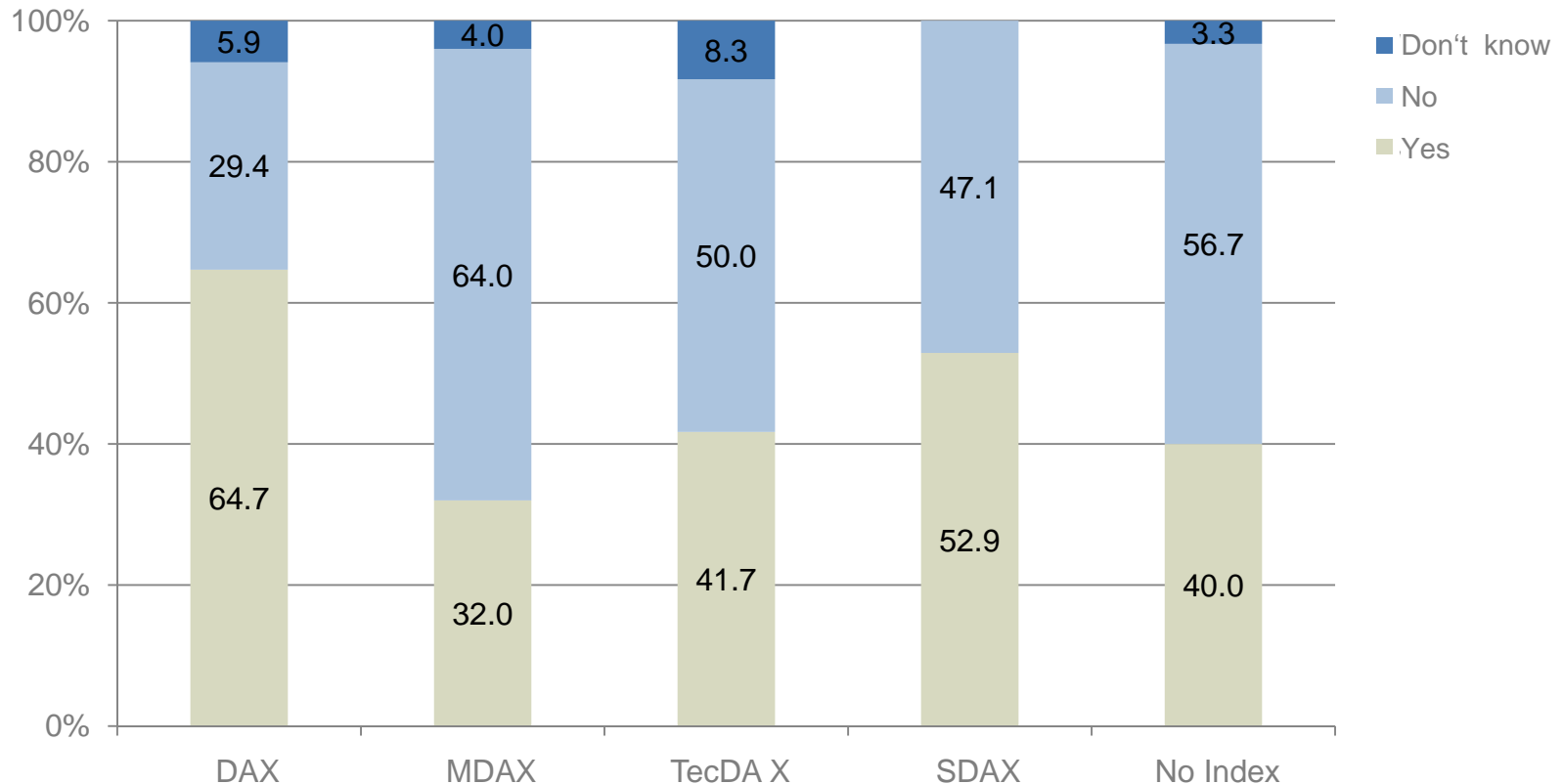
Does your company have a social media strategy?



Germany: DAX companies lead the way in terms of social media strategies



Does your company have a social media strategy?



Four out of ten companies have plans for a strategy, but in Switzerland this is only one in five

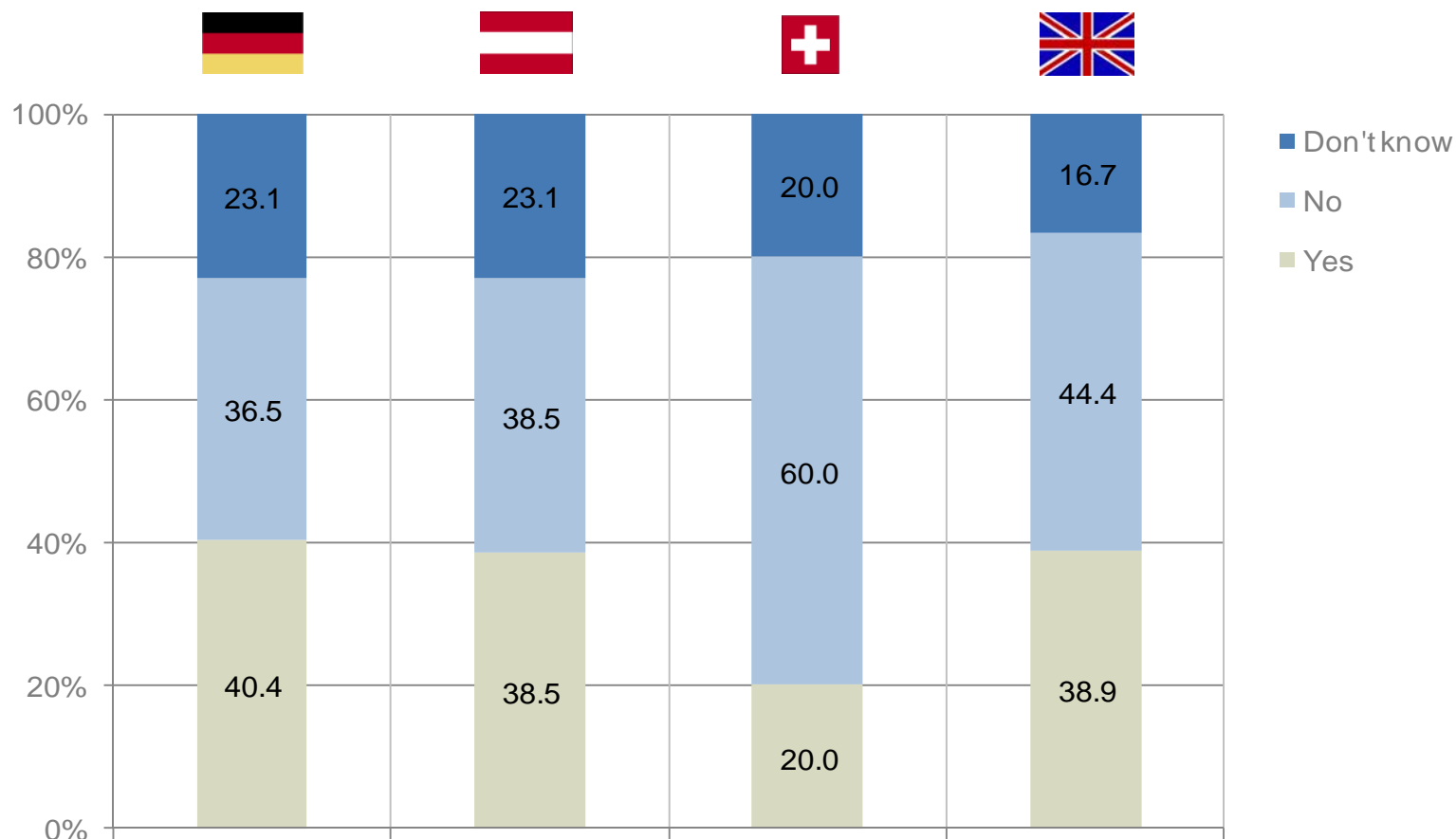


DIRK

Deutscher
Investor Relations
Verband e.V.



Does your company plan to develop a social media strategy within the next 12 months?
(subgroup: Company has no social media strategy)

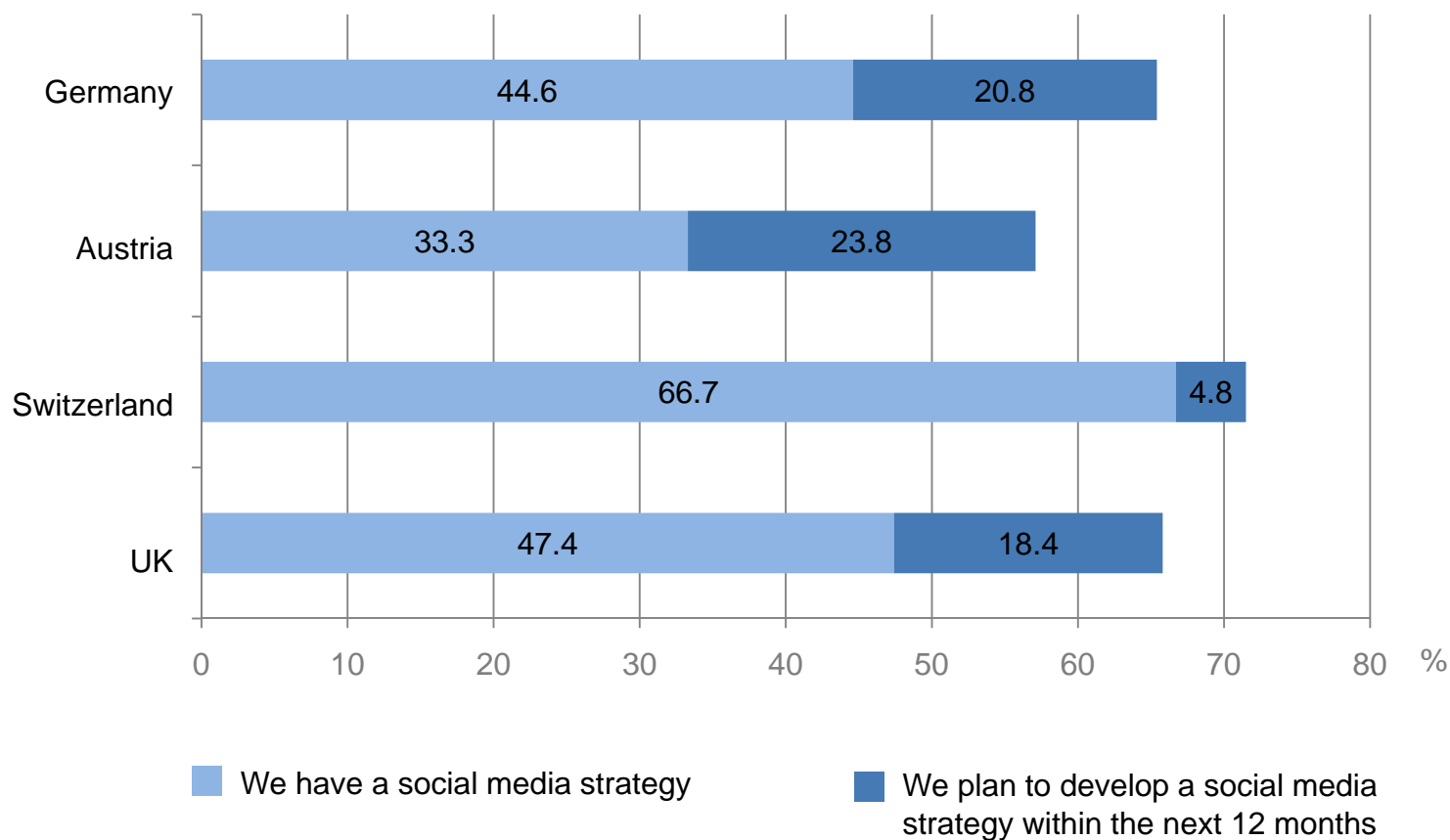


Most companies have or plan to develop a social media strategy



DIRK

Deutscher
Investor Relations
Verband e.V.

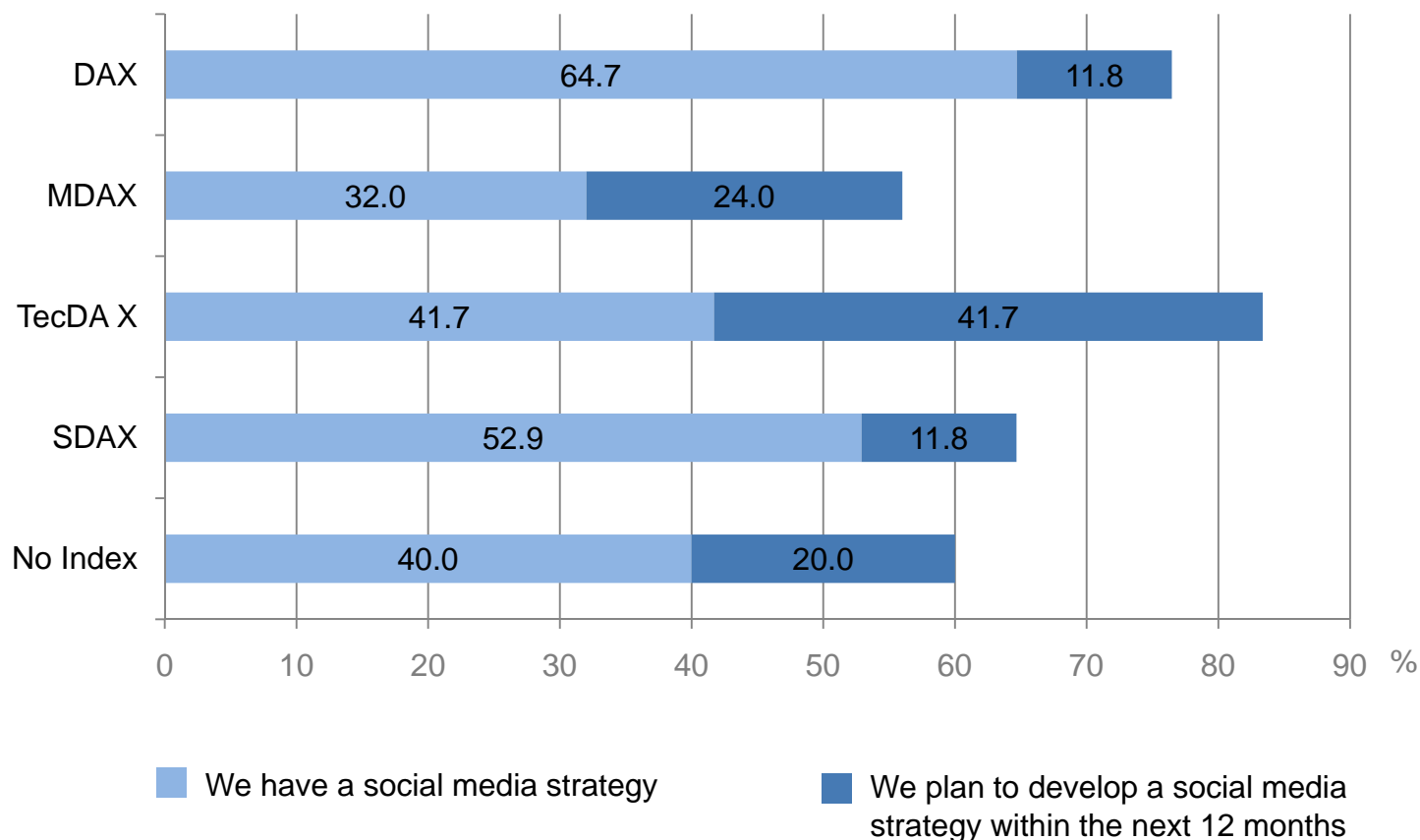


Germany: DAX companies lead the way, other indices are following suit



DIRK

Deutscher
Investor Relations
Verband e.V.



Social media strategy: overview by sector



DIRK

Deutscher
Investor Relations
Verband e.V.



Classification according to Deutsche Börse standards across all countries



It is primarily companies from the following sectors that have a social media strategy:

Telecommunications

Transport

Software

Retail

Financial services

A social media strategy is an internal issue – Public Relations departments are usually in charge

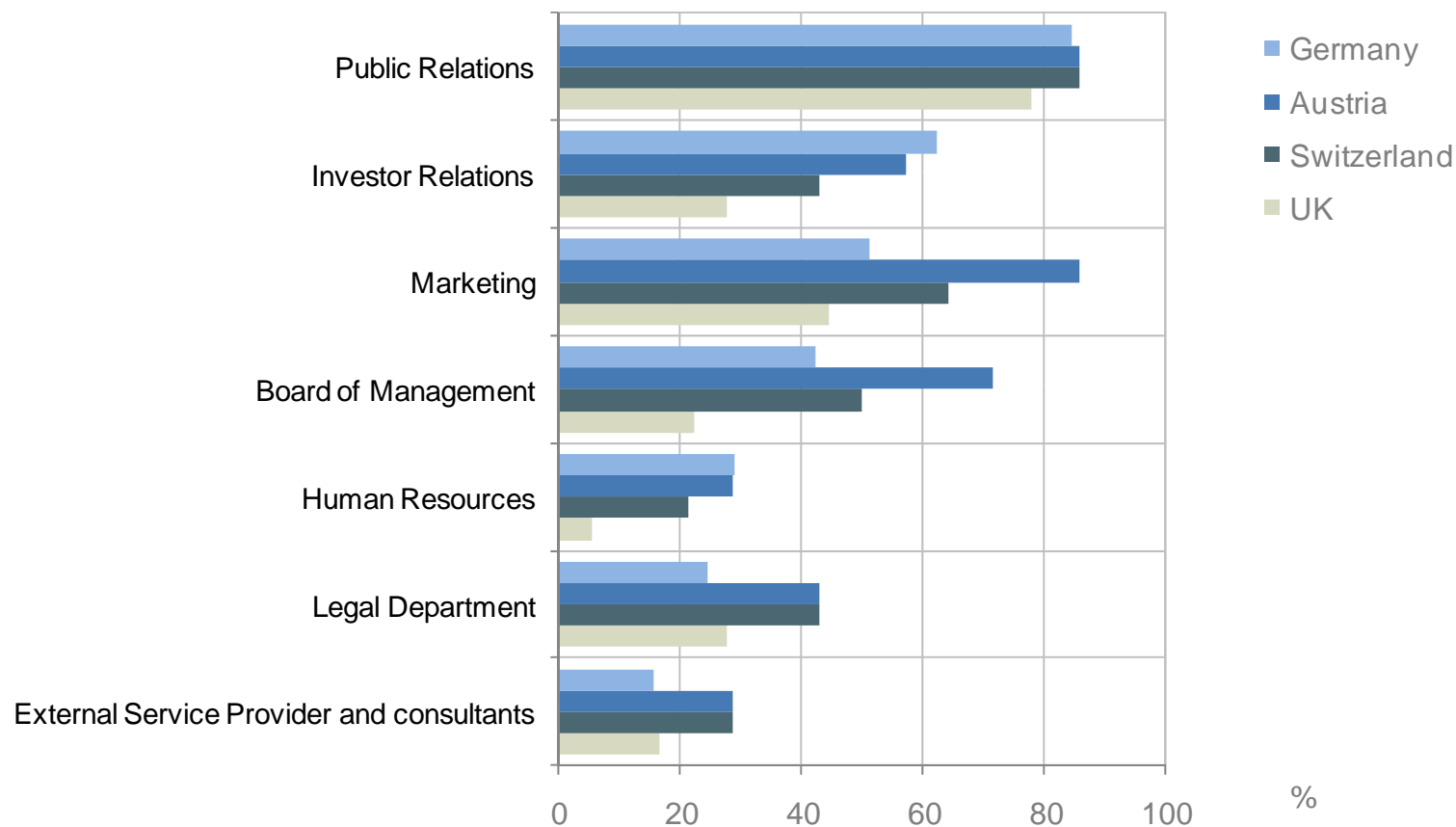


DIRK

Deutscher
Investor Relations
Verband e.V.



Which departments within your company were involved in developing your social media strategy?
(Subgroup: Company has a social media strategy)



At least a third of companies have social media guidelines

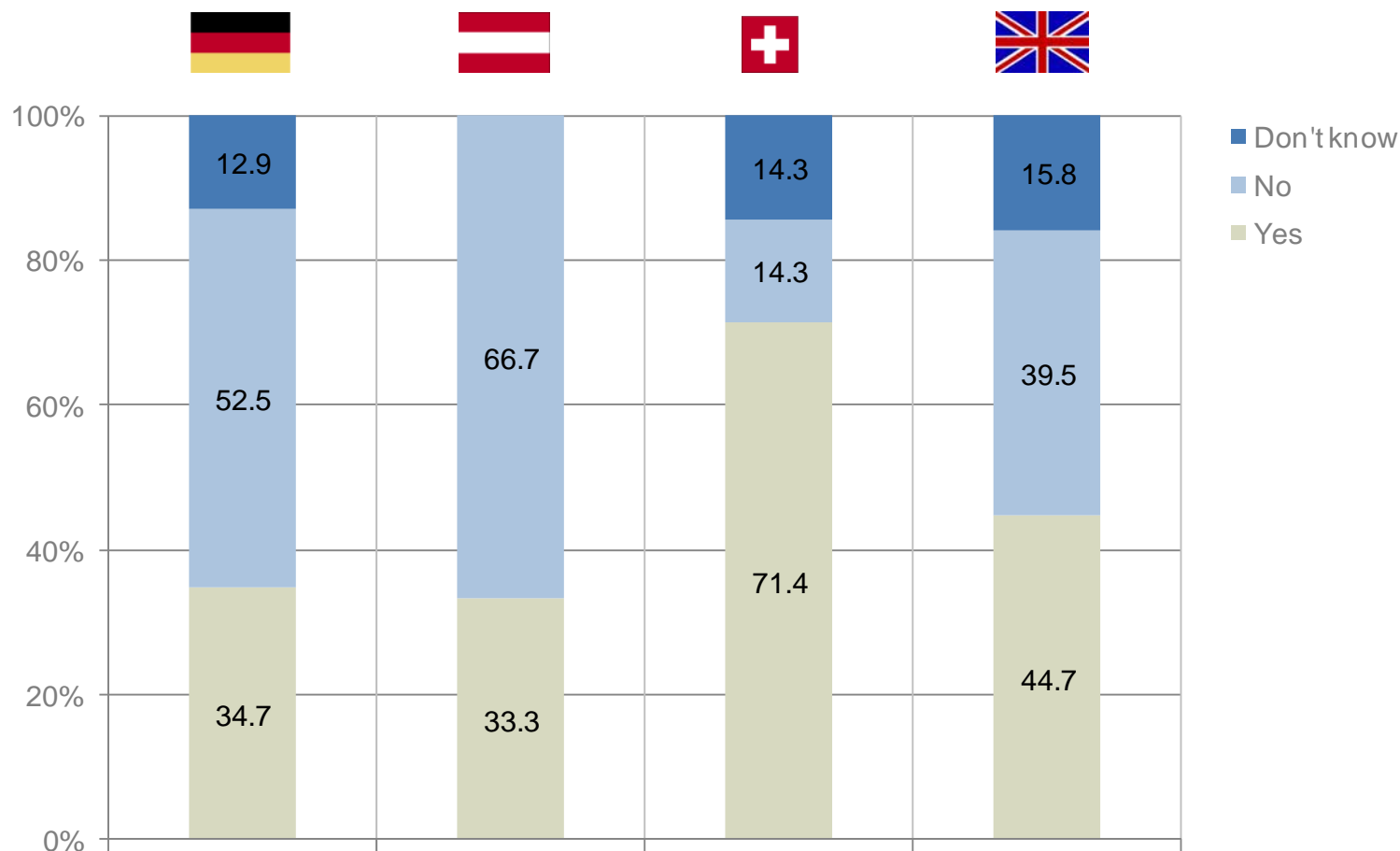


DIRK

Deutscher
Investor Relations
Verband e.V.



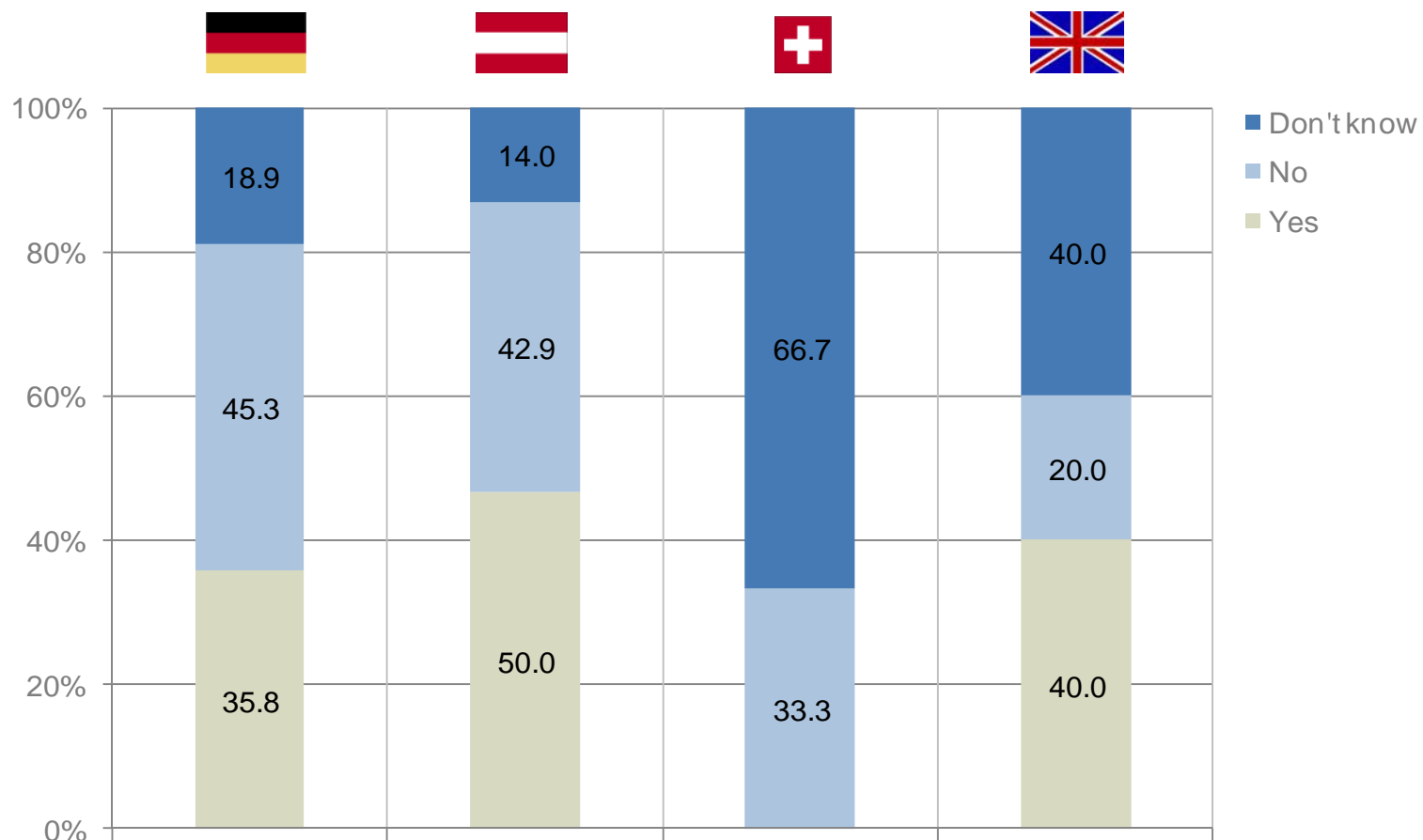
Does your company have social media guidelines?



Companies with no social media guidelines tend to be undecided about developing any



Does your company plan to develop social media guidelines within the next 12 months?
(Subgroup: Company does not have any social media guidelines)

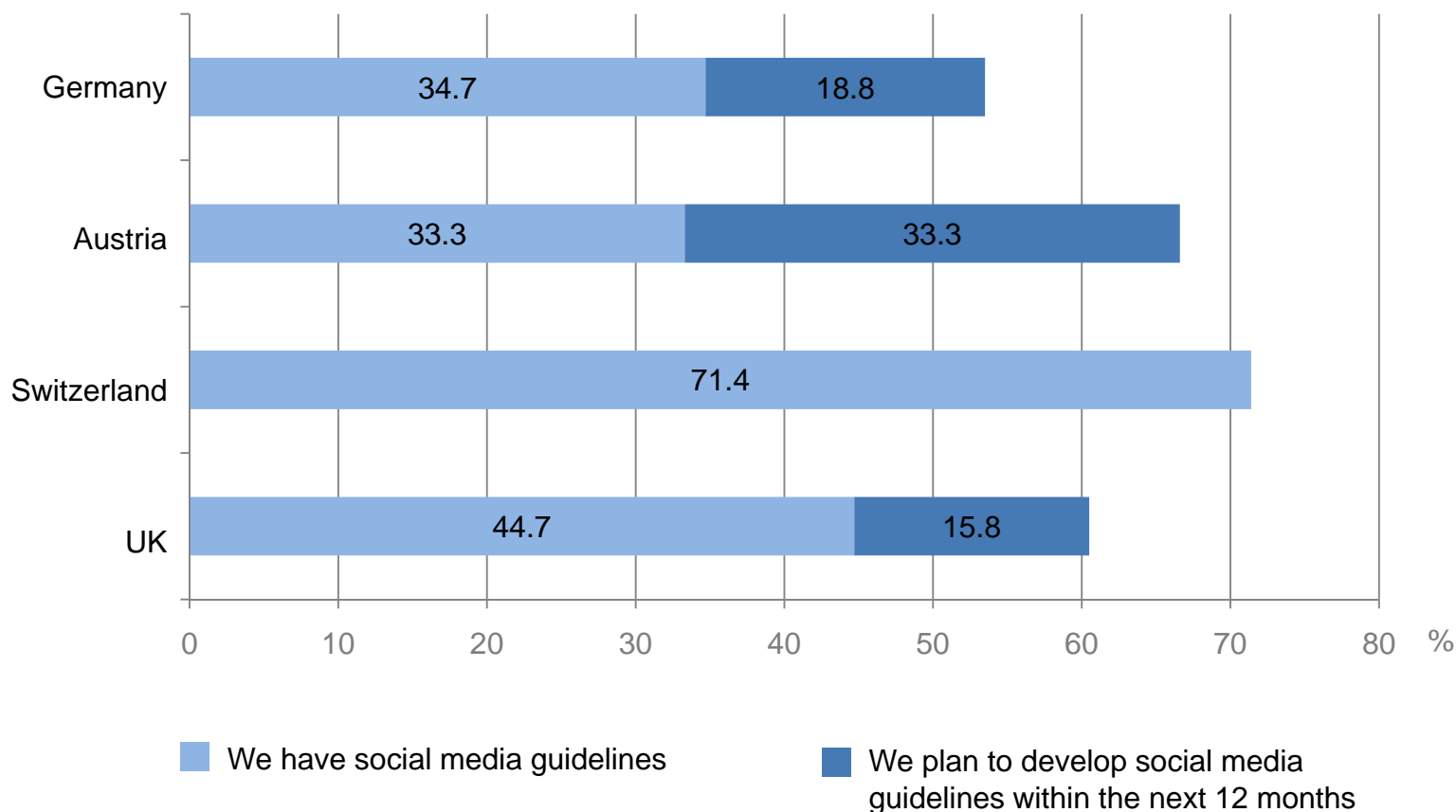


Most companies have or plan to develop social media guidelines



DIRK

Deutscher
Investor Relations
Verband e.V.

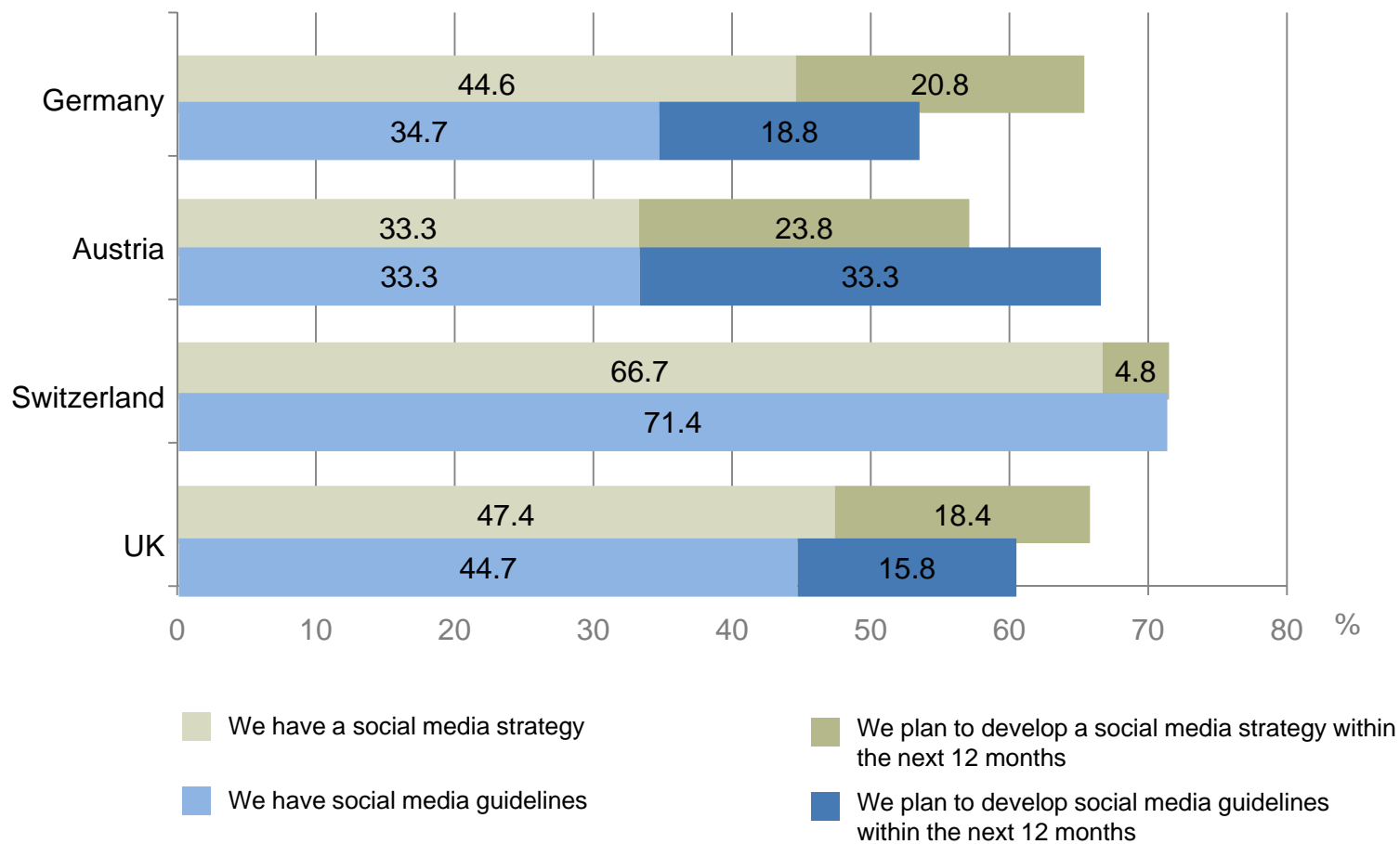


Most companies have or plan to develop a social media strategy and social media guidelines



DIRK

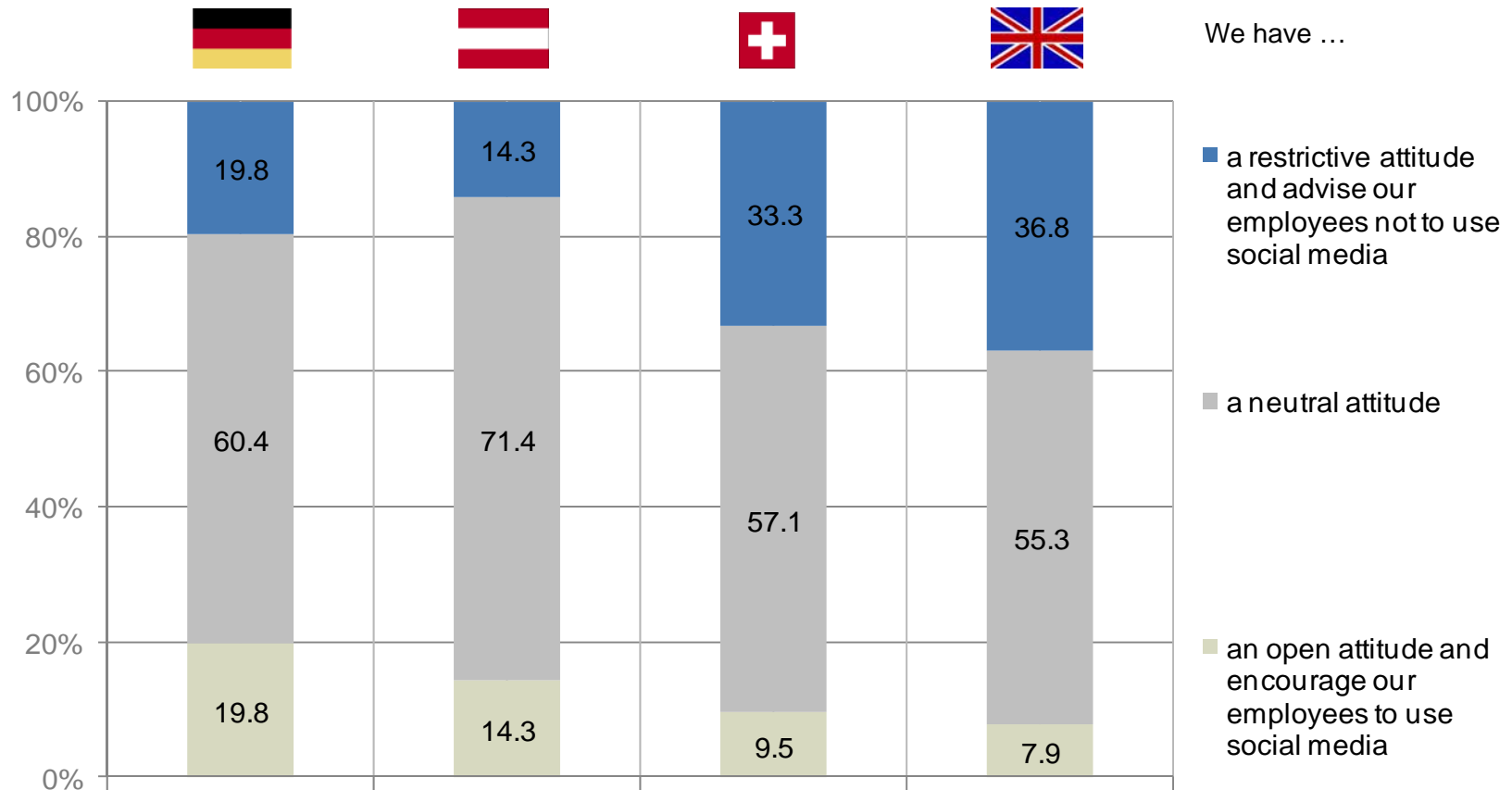
Deutscher
Investor Relations
Verband e.V.



Companies mainly have a neutral attitude towards the use of social media by their employees



Which of the following best describes your company's attitude towards the use of social media by its employees?



Germany: DAX companies are the least restrictive

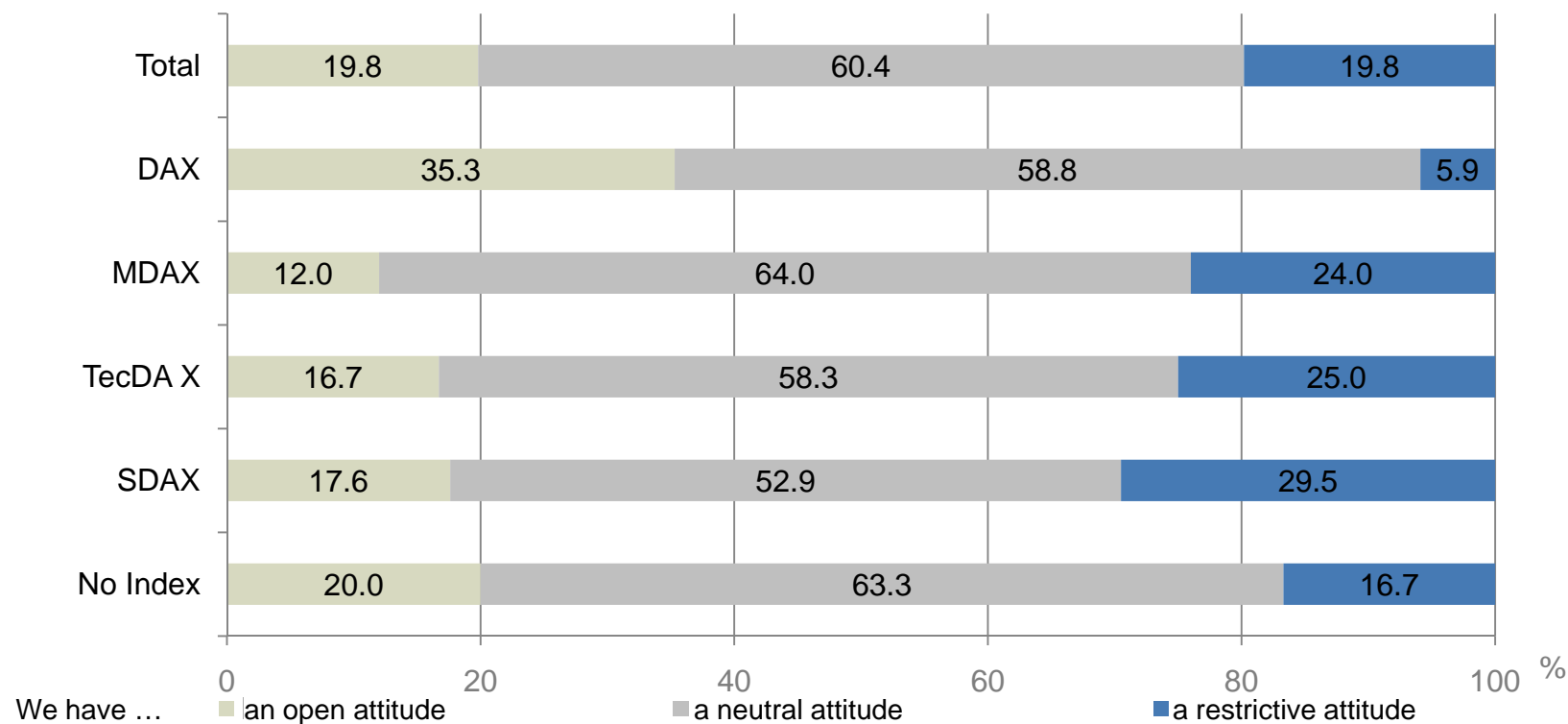


DIRK

Deutscher
Investor Relations
Verband e.V.



Which of the following best describes your company's attitude towards the use of social media by its employees?



Companies' attitudes towards the use of social media by their employees, broken down by sector



Which of the following best describes your company's attitude towards the use of social media by its employees? (Classification according to Deutsche Börse standards)



An open to neutral attitude

Companies from the following sectors: automotive, financial services, software, technology, telecommunications, media, retail and the food industry



A neutral to restrictive attitude

Companies in manufacturing and processing industries, from the pharmaceutical, healthcare and chemicals sectors, in construction and transport, and banks and insurance companies



Most companies allow their employees to use social media during working hours (I)



DIRK

Deutscher
Investor Relations
Verband e.V.



What approach does your company take to employees using social media during working hours?



55.4% Yes, we allow the use of social media if it's in relation to our company

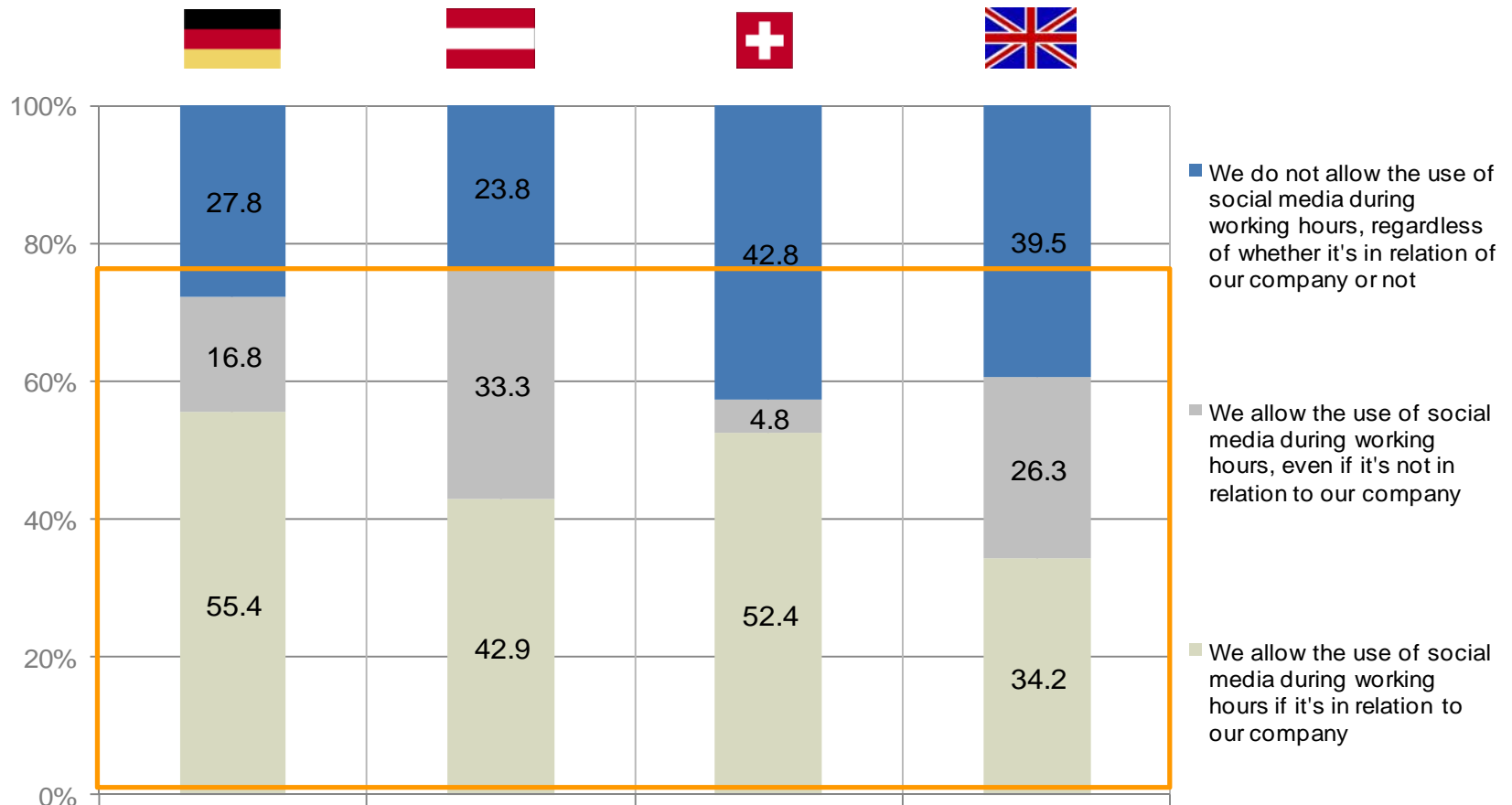
27.8% No, we do not allow the use of social media, regardless of whether it's in relation to our company or not

16.8% Yes, we allow the use of social media, even if it's not in relation to our company

Most companies allow their employees to use social media during working hours (II)



What approach does your company take to employees using social media during working hours?



Key points



DIRK

Deutscher
Investor Relations
Verband e.V.



- What purpose do social media serve and what are their benefits?
- For which target groups are social media important?
- Are social media established within the company in terms of strategy?
- **What role do social media play in IR?**
- And which social media applications are given preference in the field of IR?

Social media are not that important or not important to IR – but their significance will increase dramatically

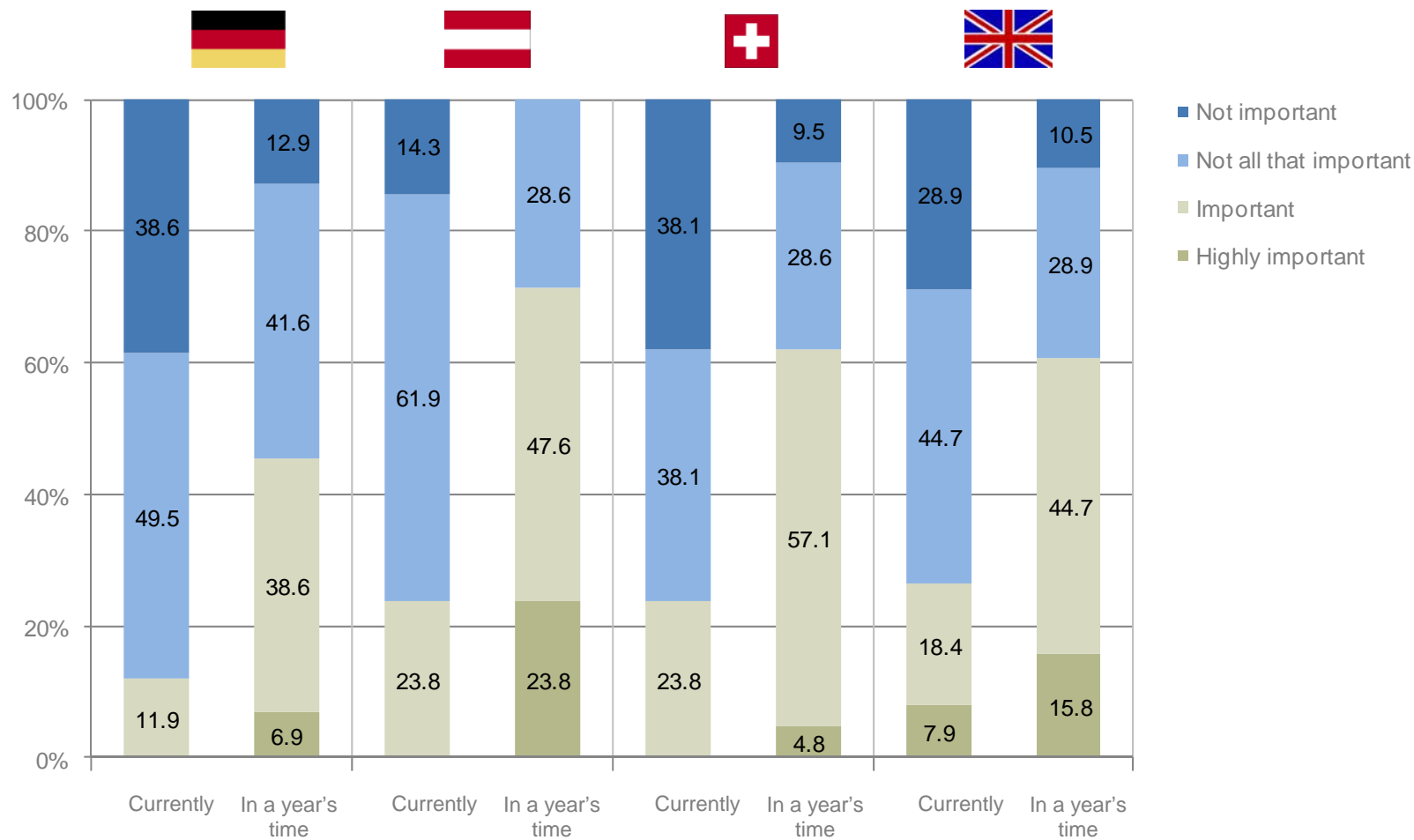


DIRK

Deutscher
Investor Relations
Verband e.V.



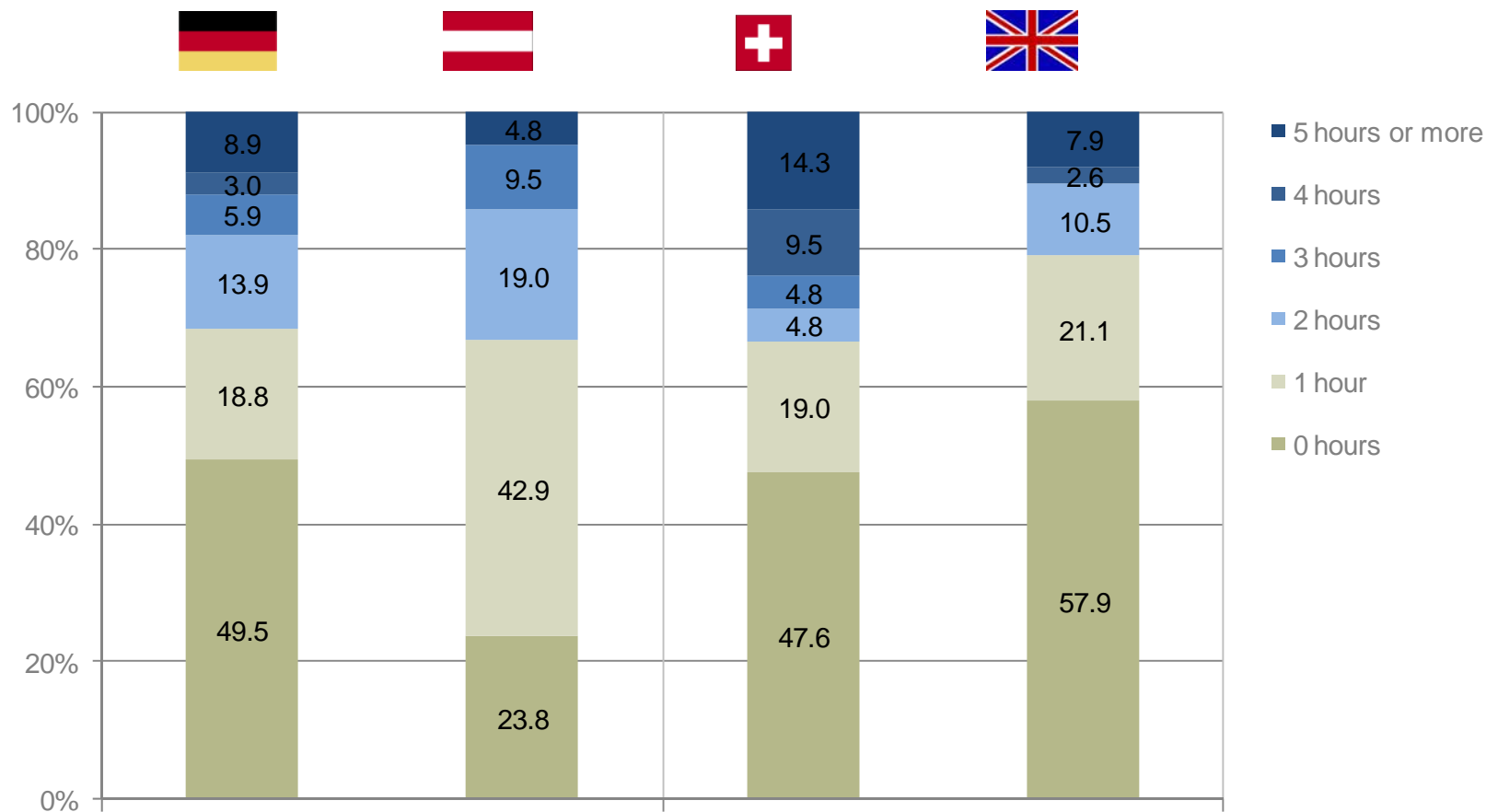
How important would you say social media were as a component of your company's investor relations activities?



Most IR departments currently do not spend any of their time working with social media



Time currently spent by the investor relations department working with social media (hours per week)



Key points



DIRK

Deutscher
Investor Relations
Verband e.V.



- What purpose do social media serve and what are their benefits?
- For which target groups are social media important?
- Are social media established within the company in terms of strategy?
- What role do social media play in IR?
- And which social media applications are given preference in the field of IR?

Germany: One in five IR departments uses applications such as Wikipedia, Twitter, Facebook, etc.

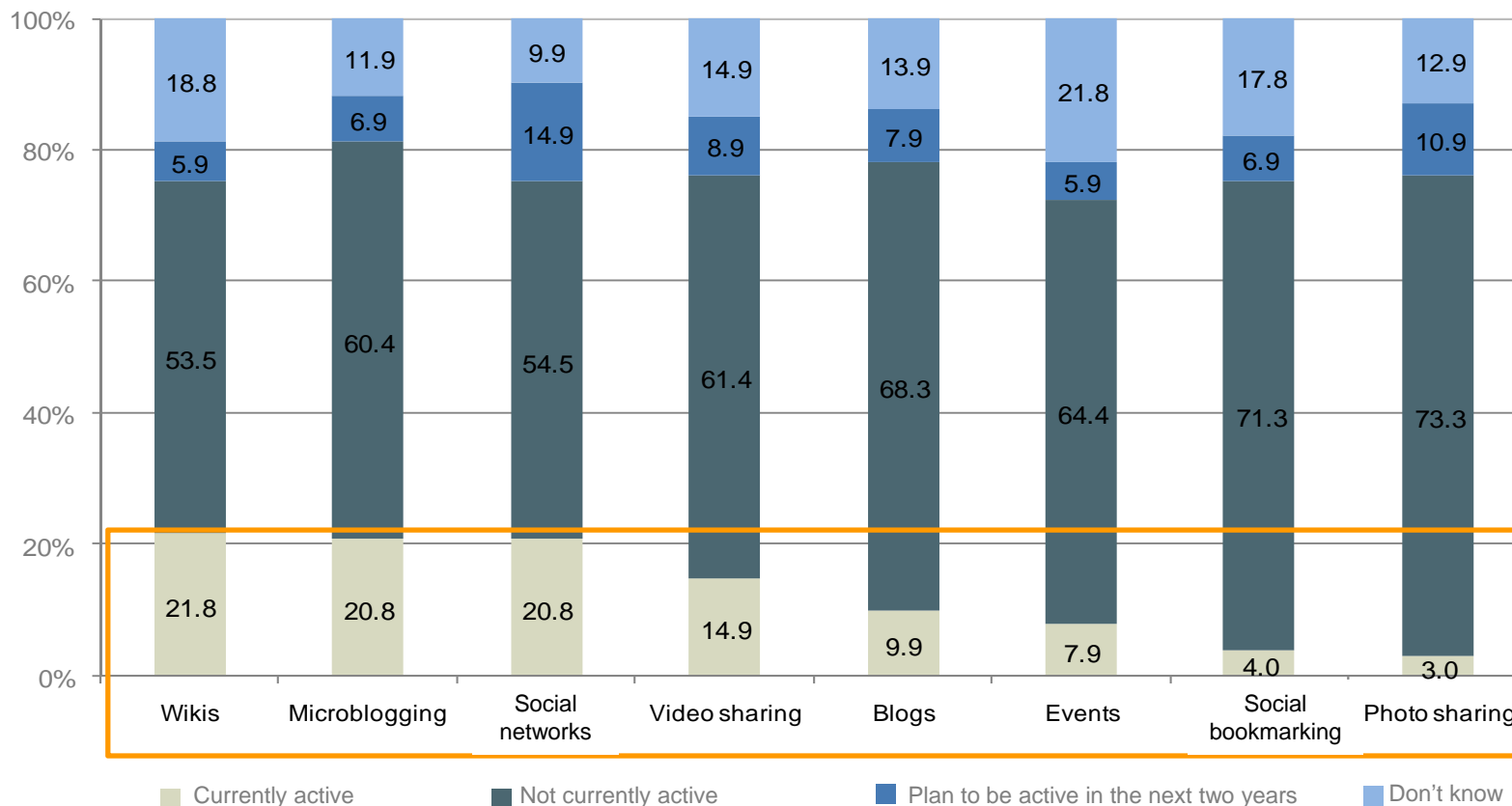


DIRK

Deutscher
Investor Relations
Verband e.V.



In which applications does your investor relations department currently have its own presence or engage in targeted measures? And in the next two years?



Austria: Three in ten IR departments use applications such as Wikipedia, Twitter, Facebook, etc.

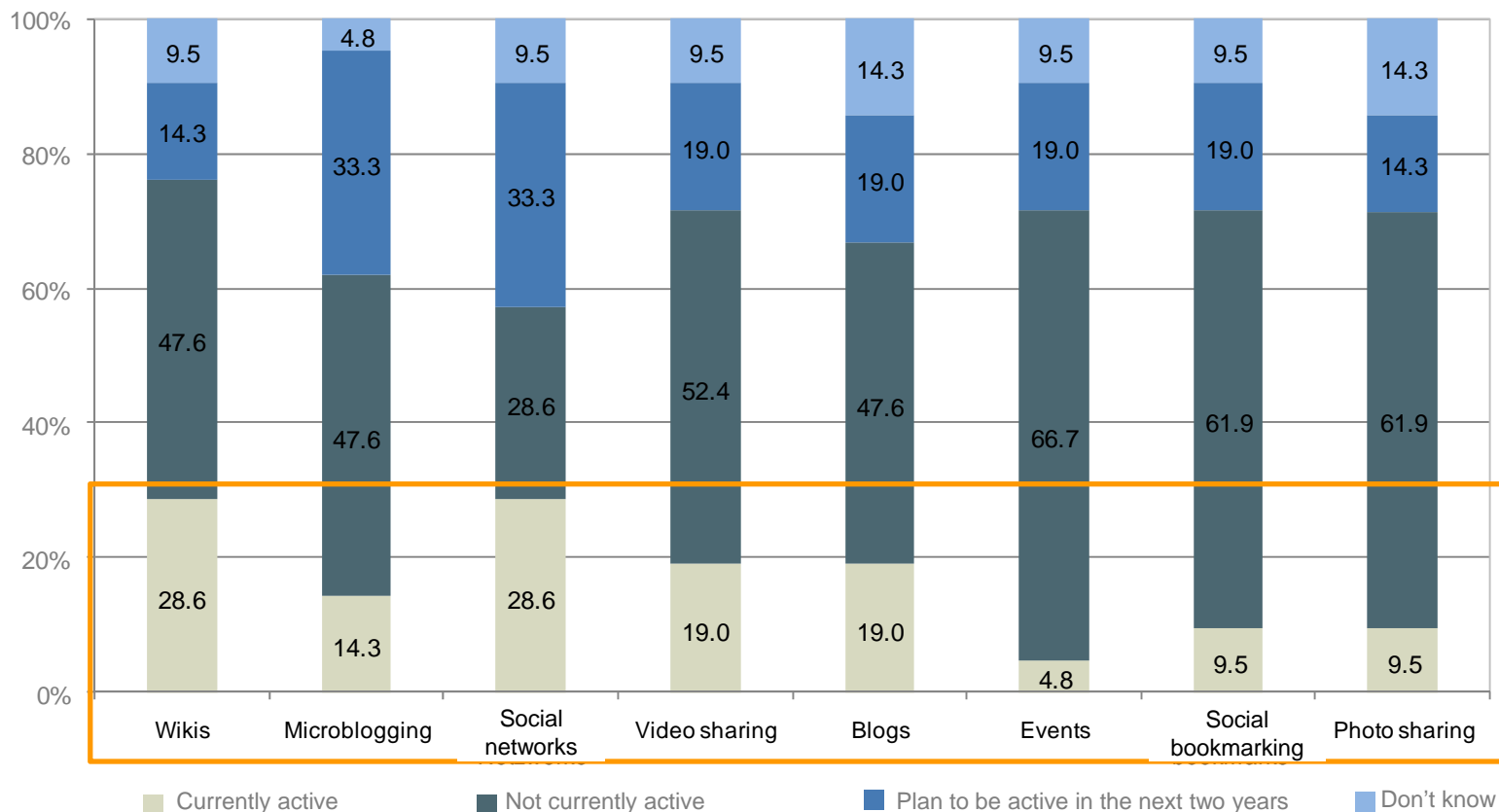


DIRK

Deutscher Investor Relations Verband e.V.



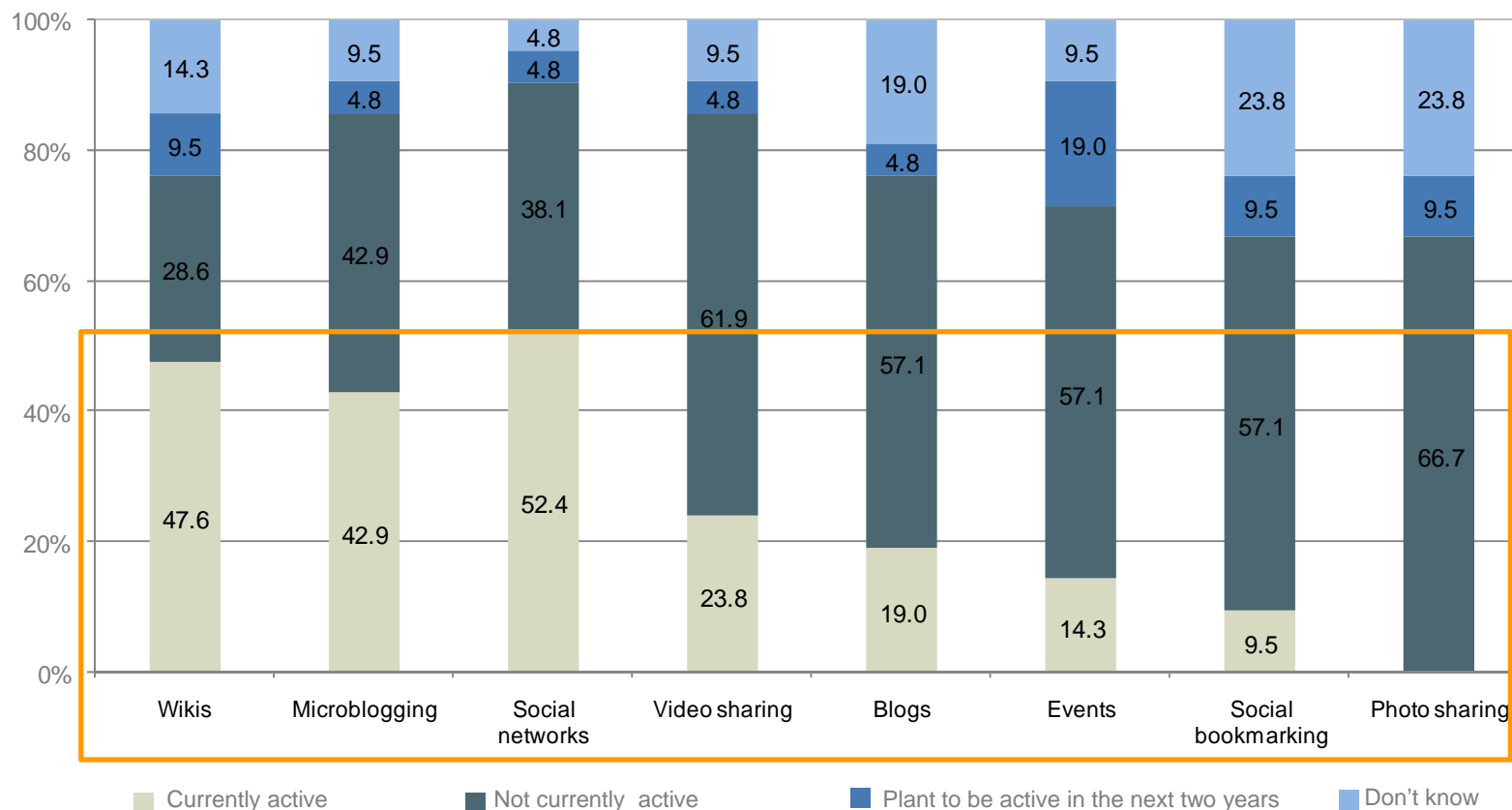
In which applications does your investor relations department currently have its own presence or engage in targeted measures? And in the next two years?



Switzerland: One in two IR departments uses applications such as Wikipedia, Twitter, Facebook, etc.



In which applications does your investor relations department currently have its own presence or engage in targeted measures? And in the next two years?



UK: Three in ten IR departments use applications such as Wikipedia, Twitter, Facebook, etc.

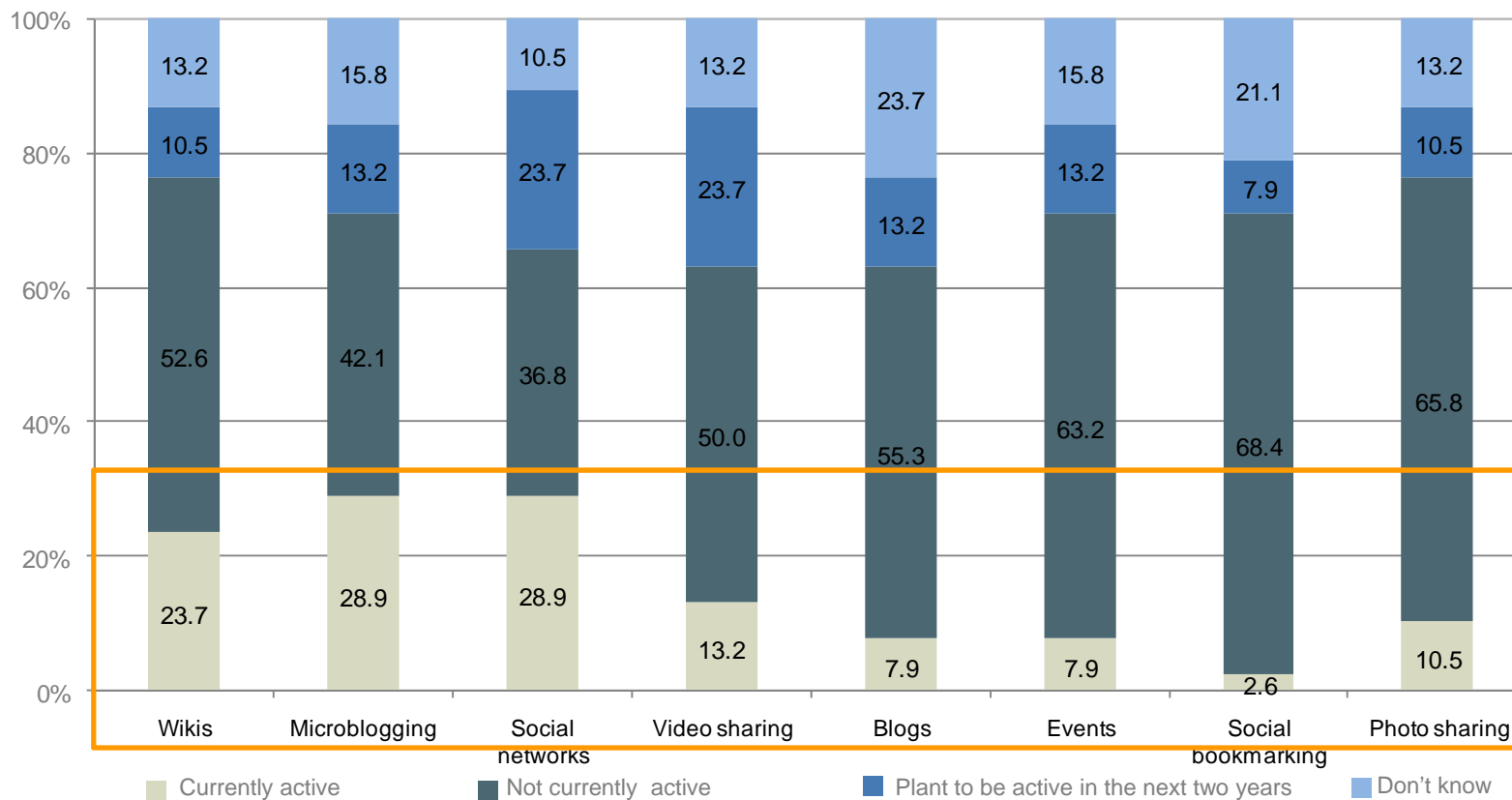


DIRK

Deutscher Investor Relations Verband e.V.



In which applications does your investor relations department currently have its own presence or engage in targeted measures? And in the next two years?



The top 3 social media applications for IR: social networks, Wikis and microblogging

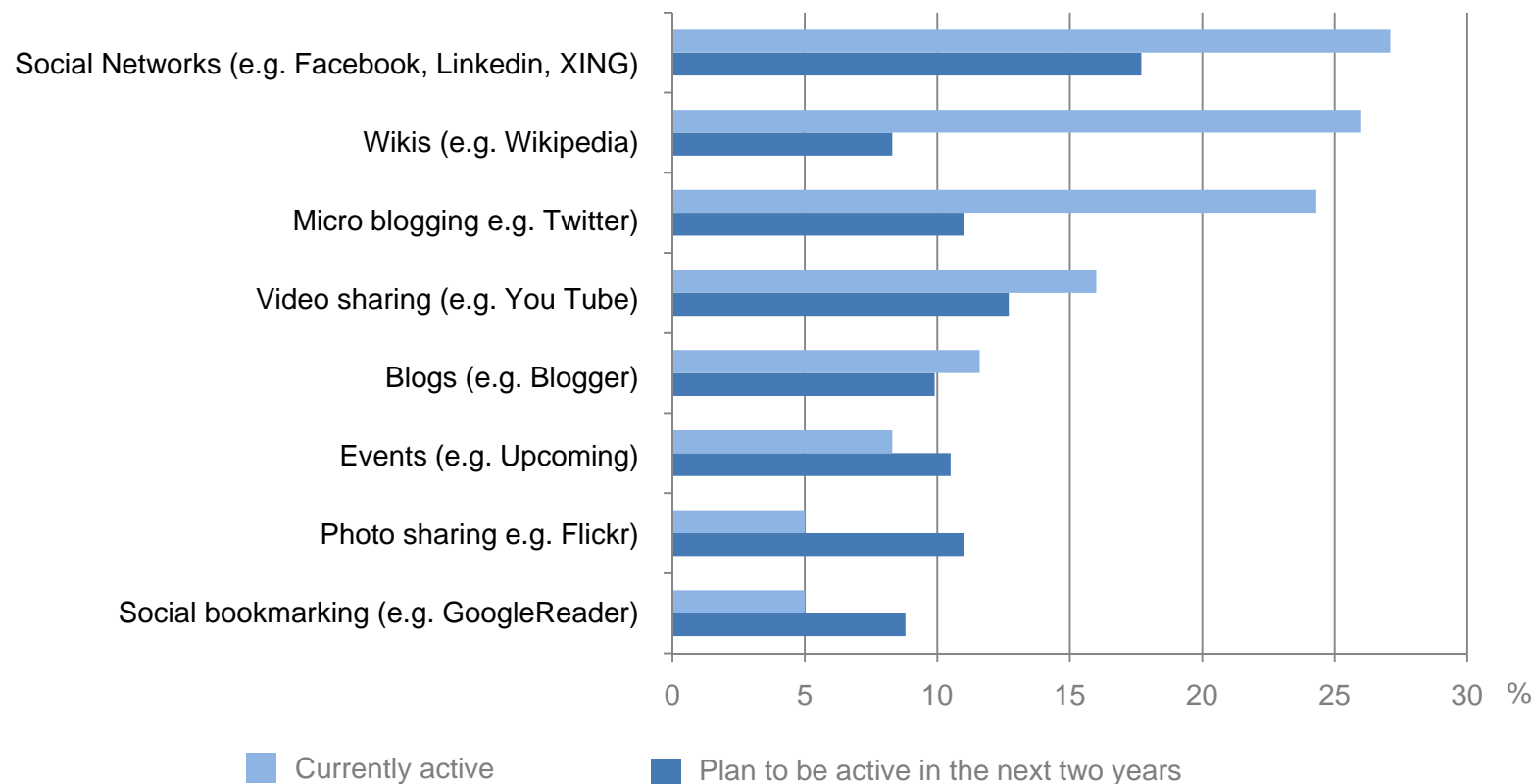


DIRK

Deutscher Investor Relations Verband e.V.



In which applications does your investor relations department currently have its own presence or engage in targeted measures? And in the next two years?



The top 3 social media applications for IR, by sector

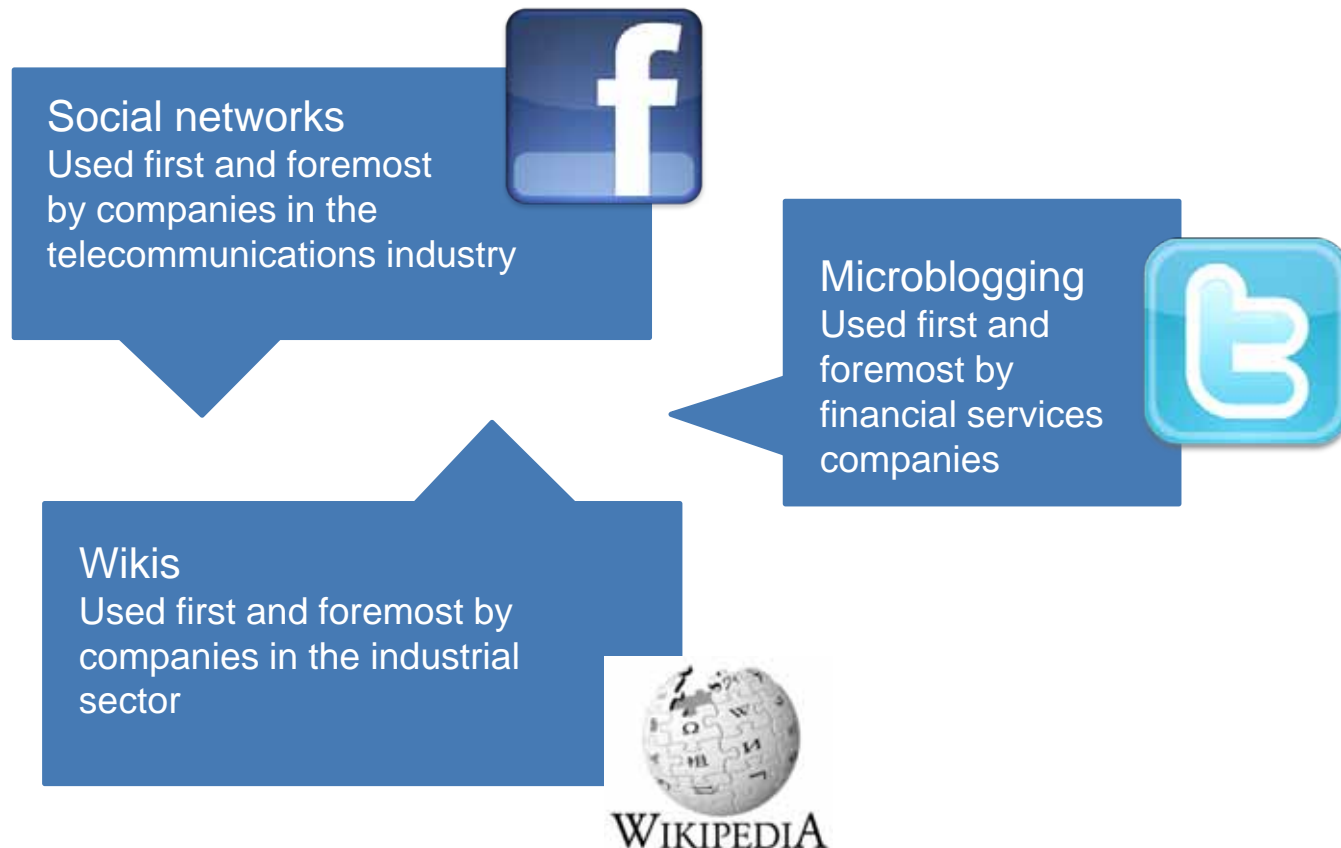


DIRK

Deutscher
Investor Relations
Verband e.V.



In which applications does your investor relations department currently have its own presence or engage in targeted measures? And in the next two years?
(Classification according to Deutsche Börse standards)



Summary



DIRK

Deutscher
Investor Relations
Verband e.V.

- Social media are well established in companies in terms of strategy: most companies already have or plan to develop a social media strategy and social media guidelines soon
- A social media strategy is an internal issue, with external service providers and consultants playing only a minor role; PR departments are in charge of developing such strategies
- Social media are primarily used to reach new target groups and to boost the interactivity of communications and increase brand recognition of the company
- Journalists, private investors and interest groups are the companies' main target groups in terms of their social media activities
- Employees as a target group: companies have a neutral to open attitude towards employees using social media, including during working hours
- Social media as a component of IR activities are currently not all that important or not important at all, but their significance will increase dramatically
- IR departments mainly use wikis, microblogging and social networks for their communications

Contacts regarding the study



DIRK

Deutscher
Investor Relations
Verband e.V.

Bernhard Wolf
Global Head of Corporate
Communications, GfK SE

Nordwestring 101
90419 Nürnberg

Tel. +49 911 395-2012
Fax +49 911 395-4075
bernhard.wolf@gfk.com
www.gfk.com

Peter List
Managing Director,
DIRK e.V.

Baumwall 7 (Überseehaus)
20459 Hamburg

Tel. +49 40 4136-3960
Fax +49 40 4136-3969
info@dirk.org
www.dirk.org

DIRK

Deutscher
Investor Relations
Verband e.V.



DIRK Trend Indicator, Spring 2011

“The role and importance of social media in corporate communications”

June 2011

Bernhard Wolf
Global Head of Corporate Communications, GfK SE