

QUESTIONS ABOUT ADVERTISING ON TV?

You haven't advertised on TV yet, but are interested in presenting your brand on this media platform? Advertising on TV can be worthwhile, especially for medium-sized companies. Even on a small budget, there are attractive options for sustainable branding and opportunities for selling your products. We hope this information will provide you with the answers to all your questions. If any questions remain unanswered, please do not hesitate to contact us. You will find your contact partner in the "Kontakt" service box.

HOW MUCH DOES A TV ADVERT COST ON ZDF?

The cost for your own TV commercial depends primarily on the length of the spot as well as the time of year and time of day the spot is aired. For example, there are many more TV viewers in the winter than in the summer, and many less in the morning than in the evening.

Spot length:

The longer the spot, the higher the costs. To calculate the cost, ZDF uses its one-second price, which is multiplied by the spot length.

Example: 1 sec. = €500 x 20 sec. spot length = €10,000 (gross) for a 20-second spot

Unlike many other TV marketing services, ZDF does not apply surcharges for short spot lengths. We have a linear pricing structure based on the formula above. Our competitors, however, impose a surcharge of up to 30 % on the one-second price for short TV spots (< 20 seconds). Therefore, ZDF Werbefernsehen is an attractive partner, especially for TV newcomers who prefer to advertise with short, less expensive spots.

Programme environment/ratings figures:

The costs for a TV spot are determined by the programme environment and the number of viewers that are likely to see this spot (ratings). Generally, the more popular the programme environment is with viewers, the higher the ratings and level of exposure for your TV spot. Because costs are based on the expected reach, the attractiveness of the programme environment has a strong influence on the costs. ZDF airs high-quality programming. Both the Editorial department and the Production department set very high standards for their programmes. In this regard, ZDF clearly distinguishes itself from the commercial competition.

Time of day:

Our commercial competitors like to designate the so-called "prime time" (between 8 pm and 11 pm) as the best time to advertise. In the past, the greatest reach was achieved in this time slot, but this hasn't been the case for some time now. For many years, ZDF has reached more

viewers with its main commercial programming (between 5 pm and 8 pm) than its commercial competitors (see also "The new prime time"). But the reach is also growing within our main commercial programming. Therefore, ad placements between 7 pm and 8 pm are normally more cost intensive than in the early afternoon.

Seasonality/time of year:

There are reach fluctuations throughout the broadcasting day, just as there are over the entire year. TV usage increases overall in the winter months. Due to the weather, people spend more time at home and TV consumption rises. Other rules apply in the summer months. Recreational habits change and people spend more time outside. TV usage drops and advertising costs are reduced, especially during holiday periods. For cost reasons, test campaigns are suitable for enhancing the initial effects of TV commercials, but mainly in the summer months.

Advertising format type:

In a classic TV commercial break, several TV spots are broadcast. Ad placement during a commercial break is generally less expensive than placement in special advertising formats that provide a higher degree of exclusivity. With "heute-Uhr", ZDF offers the oldest special advertising format in the German TV landscape. Here we place your spot right before the "heute" news show at 7 pm. ZDF also offers single spots, split-screen advertising and closing-credit splits. During classic commercial breaks, ZDF airs the Mainzelmännchen between the individual spots as a so-called advert separator. Due to the popularity of the Mainzelmännchen, your spot will automatically find itself in a positive advertising environment. In addition, each spot is "individually packaged", ensuring that it draws more attention. In that sense, every classic commercial break is a special advertising format on ZDF Werbefernsehen.

OTC products:

Products that can be purchased in chemists without a prescription must include a statutory notice. This notice is free for you on ZDF, while commercial competitors generally charge you for this.

Discounts:

ZDF Werbefernsehen grants discounts on your ad placements. These depend on the booking volume. The current discount scale is in our <u>price list</u>. If your spots with us are booked through an agency, we can grant an additional discount of 15 % (agency commission). If you still do not have an agency, you can find information about this on the <u>website of the OMG</u> (Organisation of Media Agencies in Germany; in German).

FIRST STEPS

Our <u>price list</u> provides you with an initial overview of the advertising rates on ZDF. Comprehensive information about our programme (content, videos etc.) is available to you on our website. You will also find our service/cost calculator here. In just a few clicks, you can use this tool to put together a campaign for selected environments and target groups. In the result, the costs and other performance indicators are shown to you.

If you are interested and would like more detailed information, please contact <u>Michael Käfer</u> or <u>Heike Fisseler</u>.

As well as this, our Media Service will also be happy to evaluate campaigns for you. The colleagues here support you with selecting the target group for your product and develop

rankings and hit lists of the programme environments and commercial breaks that are possible for you.

Once the media plan is finalised, our Scheduling department will happily reserve specific dates for you, while the Media Service evaluates the campaign and identifies its CPMs and GRPs. When you reserve the dates, you will receive an order confirmation.

The TV spot should be made available to us no later than 5 business days before the first broadcast on ZDF Werbefernsehen. These documents are checked by ZDF for their technical and legal applicability.

As a new customer, you will receive an advance invoice before the first broadcast date; this must be settled no later than three business days before the first broadcast.

After conclusion of the broadcast month, we will provide you with a broadcast confirmation with details on the actual broadcast time, the respective commercial break and the broadcast theme.

ADVERTISING OPTIONS FOR "LITTLE MONEY"

Companies can also implement TV campaigns on ZDF on a small budget. Before the first ad placement, you should be clear about the objectives you want to achieve.

Is selling your products your main priority, do you want to advertise to increase brand awareness, or should your brand be perceived differently in the future? How long should your TV spot be – 10, 20 or 30 seconds? Depending on the amount of information or the level of emotion to be conveyed, a spot needs time to leave an impact on viewers. The average spot length on German television is 19 seconds.

Once these questions have been clarified and a target group has been defined, we must find suitable programme environments and corresponding advertising opportunities. Your spot is then aired 15 to 20 times in a suitable environment – the costs for this of course depend on the environment, season, spot length and time of day. With the support of our Media Service, we can then determine what financial resources are necessary to achieve your campaign objectives. Following this we will be happy to create a concrete offer for you. We have already implemented successful campaigns for under €100,000.

HOW MANY CONTACTS CAN I REACH WITH A TV ADVERTISEMENT?

Our Media Service develops media plans for your planned campaigns, creates target audience analyses and advises you on all matters related to conceiving perfect campaigns.

You have a specific target audience, such as "cat owners" or "milk product consumers"? Thanks to an analysis and the support of our Media Service, you learn everything about the social demographics, attitudes, consumer habits and leisure activities of your target audience.

But ultimately the question of all questions is: How many people in my target audience will I even reach with my advertising campaign? Our Media Service provides you with concrete target figures for your TV campaign that estimate this in advance. As a result, you will already have a real result before the campaign begins. These figures are determined on the basis of the analysis from the previous year's numbers in the same time period and may therefore be subject to minor fluctuations.

We can carry out plan comparisons and plan optimisations for you with specialised software tools. By doing so, we can optimally manage your campaigns with respect to the reach, cost effectiveness or the ideal contact rate.

Planning example:

Campaign period June to August 2024 Budget: €125,000 Spot length: 15 seconds Target audience: Viewers aged 14 and over Spot placements: Monday to Friday between 5 pm and 8 pm

Performance indicator	Result	Explanation
Net ratings	11.86 million	Approx. 12 million people aged 14 and over saw the spot
Contact sum	41 million	41 million contacts were reached with this campaign
Average contacts (OTS)	3.5	The spot was seen an average of 3.5 times by those approx. 12 million people
Cost per Mille (CPM)	€3.11	Reaching a thousand people aged 14 and over costs €3.11

WHO HELPS CREATE THE TV SPOT?

There are no upper limits here. But for TV newcomers a convincing TV spot can also be produced for approx. €5,000. The environment in which the TV spot is produced is an essential cost factor. Outdoor recordings are generally more expensive than a production in a studio. The use of well-known product ambassadors can result in additional costs. Useful information can also be found here: <u>Allianz Deutscher Produzenten – Film & Fernsehen e.V.</u> (in German).

TV PLANNING TERMS AND PERFORMANCE INDICATORS

Which indicators do you need to be familiar with to understand the TV media plan? We provide you with an overview of the essential TV planning terms and performance indicators. Click <u>here</u> for the download (in German).

CONTACT ZDF WERBEFERNSEHEN GMBH

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