

Press release**eCommerceTV:
Video drives the eCommerce market**

- *Goldmedia forecasts: Within the next five years the integration of video could lead to a cumulative revenue growth of Euro 4.1 billion in the German eCommerce market*
- *Video enhanced eCommerce offers a better presentation of goods and improves the online shopping experience*
- *With video clips eCommerce platforms can take advantage of the TV shopping effect: Seeing goods in action is much more convincing than plain pictures*

Berlin, 19th June 2008: The extensive use of video will help eCommerce platforms to unleash untapped potential, winning more customers and convincing people to buy more goods online.

In the report *eCommerceTV*, the Berlin-based media consultancy Goldmedia (www.Goldmedia.com) has analysed the possibilities of using video and has quantified for the first time the potential revenue growth for the German eCommerce market. Goldmedia forecasts that the use of video in Germany will boost revenue in the total eCommerce market in 2012 by 5%. The overall revenue growth triggered by eCommerceTV could add up to Euro 4.1 billion within the next five years.

Germany is one of the European front-runners in eCommerce activities and thus a good example of growth potential in this market. 41% of Germans between 16 and 74 years old purchased online in 2007. This places Germany fourth in Europe behind the UK, Denmark and the Netherlands. The EU average is 23%.¹

The attractiveness of WebTV and online video has grown enormously

71% of all German, 75% of US and an astonishing 83% of British internet users watch video-streams online². Video features like web TV, trailers, rich media advertising, etc. have become a natural part of the internet and have developed into a more and more important eye-catcher. The infrastructural prerequisites and internet coverage are by now taken for granted and will only continue to improve.

The large catalogue companies and online shops have already reacted and are currently launching their own video formats. Examples are amongst others Amazon, Tchibo WebTV (Germany), Marks & Spencer (UK) or teleshopping channels such as QVC.

eCommerceTV can improve the "shopping experience"

In 2007, nearly 60% of all 14 – 64 year-old Germans purchased online, but only 27% want to buy online more often.³ Several different studies have shown that non-buyers avoid online shopping above all because of the lack of a "shopping experience".

¹Source: BITKOM, Eurostat 2007

² Source: BITKOM/Comscore Video Metrix 2007

³ Allensbach, ACTA 2000 to 2007; Source: German population 14 - 64 year-old

The presentation of goods and products can noticeably be optimized by using video sequences. This allows new target groups to be reached and additional goods to be sold. Using video content helps to awaken buying impulses. Moreover it reduces return rates due to better presentations of goods requiring intensive explanations, including jewelry, furniture and household wares.

Growing revenues through eCommerceTV

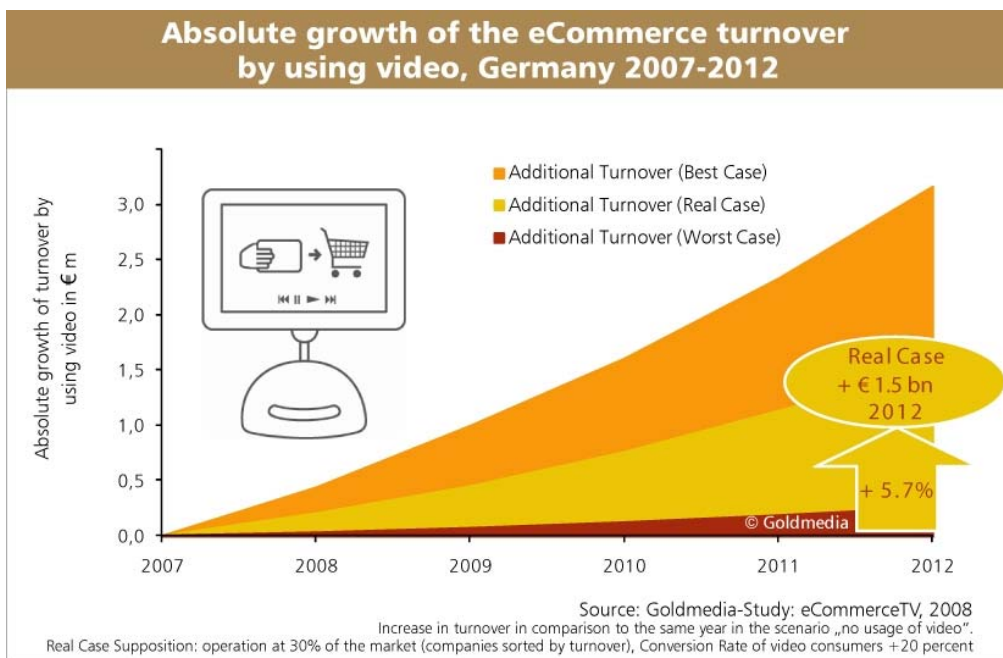
Integrating video is advantageous for all players in the eCommerce market – multi-channel and pure eCommerce operators or teleshoppers. Including video increases the chances for eCommerce platforms to distinguish themselves from their competitors and top additional potential.

“We see an enormous potential for increasing revenues by using video or eCommerceTV respectively”, comments Goldmedia consultant and author of the new report Mathias Birkel. “How much the German eCommerce market really can benefit from video mainly depends on how many companies and platforms will use video content and how fast they adapt. Therefore our report describes different scenarios. If only 10% of the eCommerce market players (companies by turnover) use video by 2012, this will lead to an increase in revenues of about Euro 250 million (US\$385m). But we expect a more evident growth. In a realistic scenario, 30% of eCommerce platforms will use video to present their goods. This could lead to additional revenues of about Euro 1.5 billion in 2012 (US\$2.3bn) which would represent 5.7% of the future eCommerce sales. (See Chart 1) The overall revenue growth in this scenario could add up to Euro 4.1 billion (US\$6.4bn) within the next five years.”

Ends

Chart 1:

Absolute growth of the eCommerce turnover by using video Germany 2007-2012



About this research:

The research in this press release is taken from Goldmedia's new report: *eCommerceTV: The market potential of the integration of video into online trading platforms*. Published in June 2008, it analyses the opportunities and possibilities of the use of video on online trading platforms (eCommerce TV). Goldmedia has for the first time quantified possible growth potential in Germany. The report shows comprehensively and in detail the untapped potential for eCommerce suppliers and includes different case studies.

The study was supported by targa.tv GmbH, Hamburg.
www.targa.tv

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 Please find more information and charts for downloading: www.Goldmedia.com

About Goldmedia:

Since 1998 Goldmedia has provided national and international clients with high quality consulting and research services in the fields of media, entertainment and telecommunications. Goldmedia offers: in-depth analyses of markets and competitors; forecasts and strategic consulting services; the implementation of new business models; and consulting for restructuring whole companies, including M&A processes in the field of corporate finance. Goldmedia-Group: Goldmedia GmbH Media Consulting & Research, Goldmedia Sales & Services GmbH and Goldmedia Custom Research GmbH. The Company's head office is in Berlin, Germany. www.goldmedia.com
 Goldmedia is a member of the international network European Media Consulting Association – EMCA. www.emca.tv

About targa.tv:

targa.tv is the first German production company focused on the production of transaction-oriented formats for digital media. targa.tv is dedicated to providing both manufacturers and distributors with the opportunity to use product video clips – with or without presenters - in their online product presentation. targa.tv, based in Hamburg, Germany, provides world-class production facilities to ensure products are demonstrated in the most compelling and professional way as possible to as many consumers as possible. Online video brings the persuasiveness of the television advert to a highly targeted audience at a fraction of the cost of standard TV ads – delivered for example through the network of targa.tv partner Cliplister. targa.tv works for leading German and international clients; please find more information at: www.targa.tv