



Transparency in Media Business

Advertisers and Agencies improve transparency in media business

Implementation of the 1997 joint recommendation

Frankfurt, 13 September 1999. The Organisation of Advertisers in Brand Management (OWM) and the German Association of Advertising Agencies (GWA) presented a joint three-point agreement on transparency in media business back in 1997. Both associations have now issued a recommendation for implementing these three points, and distributed it to the large popular magazine publishers and to TV marketing agencies.

"We felt it necessary to concretise the three points issued in 1997 and thus create the setting for these recommendations to apply to all media", says Werner Bitz from the GWA. Wolfgang Hainer of OWM adds, "that we can now really ensure, that, through the recommended control measures, transparency will be accessible for all stakeholders in the media market, particularly in terms of information on order confirmations and commissions, which, of course, must always be available to the advertisers they concern".

Joint recommendations GWA and OWM

- 1.**
Every order placed by an agency with one of the media relates to a specific advertiser, who receives a copy of the order.
- 2.**
Any free spots also relate to an advertiser, who also receives a copy of the relevant notification from the station, if desired.
- 3.**
The advertiser receives a copy of the station's order acknowledgement to the agency.

*Lothar S. Leonhard
President, GWA*

Dr Hartmut E. Reuff



*Chairman, OWM
July, 1997*

Recommendation for implementing

- 1.**
Each advertiser receives copies of all orders relating to it, unless it has explicitly notified agency and media that it is waiving this.
- 2.**
Order confirmations (annual basic statements/year- end billings) are generally done on gross, any other basis must be explicitly agreed.
- 3.**
The order confirmations in 2 above are sent at the time of order placement and at the close of the financial year. Any other procedure (e.g. confirming monthly volumes) must be separately agreed between medium, agency and advertiser.
- 4.**
The order confirmations in 2 and 3 above should generally be sent by the media not only to the party placing the order but also to the relevant advertiser, unless the advertiser has explicitly waived this.
- 5.**
The order confirmations in 2 - 4 above will show not only the gross amount to be paid for the media ad buys, but also - separately, as a secondary item of information - always indicate the amount of commission paid by the media on the order volume placed

*Lothar S. Leonhard
President, GWA*

*Dr Hartmut E. Reuff
Chairman, OWM*

Wiesbaden/Frankfurt, August 1999