

# Swot analyses on internet advertising

[Technology](#), [Internet](#)



Since its recent development in 1994, online advertising has become an important advertising media and a \$65 billion dollar industry worldwide (in 2009) with a double digit annual growth on average (Shanahan & Kurra, 2011). Examples of online advertising include contextual ads on search engine results pages, Rich Media Ads, banner ads, Interstitial ads, Social network advertising, online classified advertising, advertising networks and e-mail marketing, including e-mail spam. These mentioned media types such as TV, radio, press, outdoor etc. (Shanahan & Kurra, 2011).

## 2 SWOT - Analyses

The SWOT framework is a structured planning method that is used to evaluate the internal factors (Strengths, Weaknesses) on the one hand and the external factors (Opportunities and Threats) that are involved in a project or in a business venture or on the other hand. Such an analysis can help to gain information concerning the business environment and the capabilities of an organization in order to get an impression of their strategic position (Johnson & Scholes, 2002).

The strengths of an organization lie above all in the resources and competencies it possesses in order to gain an advantage over their competitors. The weaknesses represent a considerable business risk of an enterprise. Opportunities, however, are objects that the company can profit from and add to the strengths when dealing with them in the right way. On the other hand threats can cause trouble for an organization and develop into a weakness (Johnson, Whittington & Scholes, 2011). The following graphic shows some of the results of the SWOT-analyses: SWOT Analyses (own creation)

## 2. Strengths

Two major benefits of online advertising are the immediate publishing of information and content and the fact that this

published material is not limited by geography (coverage) or time (round-the-clock availability), because the Internet covers the hole world (Kreutzer, 2012). Another benefit is the efficiency of advertiser's investment, on the one hand, the effort of preparing an online advertisement is relatively low and, on the other hand, the placement of ads is relatively favourable (Kreutzer, 2012).

Furthermore, online advertising allows for the customization of advertisements, including content and posted websites. Finally, online advertising offers numerous of other advantages, like the chance to use visual, sound and special effects and the chance to show emotions (Meffert, Burmann & Kirchgeorg, 2012). The inal point concerns the measurability and the chance of collecting data on the ads' effectiveness, for example the size of the audience or actual audience response.

This data collection can help online advertisers to improve their ad campaigns over time. 2. 2 Weaknesses However, despite the fact that online advertisement is not limited by geography (global reach) or time, many components of the advertising content need to be adapted to local conditions (Kreutzer, 2012). The adjustment requirements show themselves especially in the language, religious views, and furthermore, the socio-economic situation of a region.

There are further disadvantages, for example, the possibility to skip advertising (Ad-blocking), audience fractionalization (erosion of viewing audience), fraud on the advertiser (to be overcharged for the advertising) and clutter of the advertisement (Meffert, Burmann & Kirchgeorg, 2012).

Many browsers block unsolicited pop-up ads by default, so that these potential customers are not. A clear opportunity for the online advertising market lies within the sustained growth of Internet users.

The number of Internet users worldwide was already 2.4 billion in the year 2012. In addition, further technical and technological developments in the information and communication industry will open up increased advertising opportunities for companies. A further possibility or opportunity lies in the demography of the world's population, because the internet users are getting younger on the one hand, and much older on the other hand. Due to this fact, the achievable target group is constantly growing, which speaks for itself. Threats Possible threats for the online advertising market are the various governments of all the countries around the globe, because they can have great influence on the regulation of the online market. Any government intervention, through legislative acts or decrees may limit the opportunities for the advertising industry to launch campaigns that really draw the eye of consumers (Siegert & Brecheis, 2010). There are already many laws that specifically regulate the ways or methods online ads are delivered to the customer.

These existing laws could be further increased by governmental authorities. In addition, restrictions could be placed on the measurement or data collection. The privacy regulation can require users' consent before an advertiser can track the user or communicate with the user (Meffert, Burmann & Kirchgeorg, 2012). 4 Conclusion Online Advertising has gained much importance over the past few years and this trend will continue in the

future and will also be supported by further technical and technological developments in the information and communication industry.

Therefore, the emerging area of interactive advertising presents fresh challenges for advertisers that prefer online advertising. Another important point is that the number of Internet users is growing year by year. In 2012, the total number of Internet users was 2.4 billion, worldwide. Furthermore, various studies since the year 1997 have highlighted that, for example, advertising banners on the internet are almost as effective as conventional advertising (Internet Advertising Bureau/IAB, 1997).