Problem definition report examples

Business, Marketing

Problem Definition in New Zealand Online Advertising

Online advertising is the most sought after form of marketing in today's business world. In New Zealand alone, over 65% of the population has used the internet research for products on the internet (Roy Morgan 2013). Such a fantastic growth percentage may have been recorded because a very influential number of people in New Zealand have acquired smart phones, which enable them to access the internet whenever they wish. In addition, the internet infrastructure in New Zealand is also very admirable compared to other parts of the country. Despite the success recorded for those who have engaged in internet advertising, many other argue that internet advertising poses as an issue in itself. Overall, several problems are facing the internet advertisement agencies hindering online businesses as well as traditional ' brick and mortar' businesses from achieving their potential. Mitchel (2014) states that an ad blocking has become a serious problem in the advertising community. Software developers identified a problem from the constant pop up messages and flashy pictures from adverts that constantly interrupted page viewing of internet users and affected their quality of service researched. As a result, the internet developers developed a strategy to create ad-blocking software that improved the quality and satisfaction of viewing the internet. When people would view this as a very intelligent counteract of poor services, it actually affects the revenues generated from internet users clicking or just viewing the adverts. In addition, Mitchel (2014) argues that the ad blocking affects the contract that dictates the web page is under obligation to provide viewarage of this adverts by the company advertising merchandise. What is worse is that the

ad blockers usually do not intend to pay a small fee in exchange of an ad free site. Research indicates that only 1000 out of 35000 visitors in the web page were interested in paying $25 for an ad free site.

While others agree that, some of these adverts are excessively obnoxious to be viewed, major stakeholders in the advertising world argue that these adverts stopped being obnoxious some years ago (Mitchel 2014). In addition, even if a specific advert is annoying this does not mean that the ad blocker should block all ads. Notably, the ad blocker always block tracking scripts, which affect the third party ad networks from delivering other ads to the publishers' site.

While most web site owners who depend on this adverts to earn an income argue that the ad blocker are unfair and illegal, certain publishers agree that this ads are quite annoying and are the sole driving factors for consumers to look for ad blockers. They argue that these advertisements are obnoxious, annoying, and frustrating. Web owners have dealt with this problem by paying the ad blockers a certain fee for them to return the web pages into their original state (Mitchel 2014). Nevertheless, only a very small portion of web owners uses this method to address the ad blockers problem. Notably, though this problem is most rampant in the computer savvy users and not much of the New Zealand population, effective measures should be taken to prevent this problem from spreading into the rest of internet users as this might cripple the advertising industry.

Notably, there are several methods that businesses advertising on the internet are charged by web owners. While some of these methods implicate a justifiable way to determine the amount that they should be charged, for

advertising on the websites, others argue that strategies employed are a poor way of determining the charges that the business owners should be charged for the services (Effective Measures 2014). First, the pay per impression, which is a model that ensures the advertisers are charged every time the advert is served up on the web page, is considered quite expensive and assuming. They consider this because it is very hard to determine how many people click on the advert of even purchase the products advertised on the web page (Effective Measures 2014).

Another issue that web advertisers have identified that cause problems in the online advertising industry is the impression received by the customers when businesses owners use social media to advertise their wares. Researchers have noted that social media reduces the level of the business seriousness. Liew (2014) approaches this issue from the angle of brand alignment. Since most of the products advertised on social media like Facebook are usually gimmicks seeking attention while the rest are gossip spam, a serious company might be associated with the rest of the group. Marketers should, therefore, understand that therein is a problem of tainted by association (Liew 2014). While some may argue that it so long as the method is effective the goals have been achieved, business owners will have to determine if this kind of marketing will be damaging to the company image in the end.

Ray Morgan (2013) did a research determining whether the people of New Zealand viewed different kind of adverts in the social media and if they did what generation, they belonged to. This research unearthed very important information that response and viewing of adverts of social media largely

depended on their age since different generations responded differently. Notably, the generations that engaged with advertising were Generations X and Y. Ray Morgan (2013) argued that was because they were the generation that spent most time surfing on their net and their smart phones. In an average month, 34% of all people who clicked on to adverts were from generations X while Generation Y attributed to 30% of the clicks. Unfortunately, only 20% of all clicks were from baby boomers.

Similar results were noted regarding the percentage of Kiwis that watched advertisement videos online or in the television. The largest group was Generation Y boasting an impressive 37%, followed closely by Generation X with 27%, and finally Generation Z with 22% (Roy Morgan 2013). While data also revealed that Generation y also comprised of the largest percentage of New Zealand people who clicked on sponsored links on search engines, Generation X with 38% led in the age group that clicked to company websites from online directory listings. This further confirms that baby boomers hardly used the internet and therefore could not post good numbers like the rest of the generations. Roy Morgan (2013)

The generation gap was even more significant among smartphone users throughout the generations. In all matters involving online advertisement including e-newsletters or looking at websites to stream television, Gen Y accounted for most of the traffic that called for the use of smart phones. Roy Morgan (2013) states that Gen Y was the best consumers of online advertising because they had come of age at the prime of the digital era. Unlike the Gen Y, the baby boomers were only exposed to traditional methods of advertising, and that is why they can only appreciate print

media. Roy Morgan (2013)

In another separate research, Roy Morgan (2013) noted that despite the notion that people responded well to online advertising, New Zealand people still appreciated print catalogues while researching for certain products. This included children clothes, children's toys, food related products, clothes, and cosmetics among others.

In a period where marketers are flooding product information and all types of adverts online, such research will help them prioritize resources that will provide a comprehensive advertising plan for the business owners. Roy Morgan (2013) states that this research also helps them identify the type of goods that should be advertised online depending on the age of the customer they are trying to attract.

This reveals that, despite the digital movement and rage that has taken over the world, there is still a place for print media, which marketers should embrace. First, print media is very effective as it can be measured through drive store visitations, brand recognition, and consumer action (Roy Morgan 2013). Secondly, it allows advertisers a broader range of creative options, which translates to customers giving a better response. Choosing print media as a form of advertising ensures that readers will have complete concentration while reading the advert instead of online methods where most people are preoccupied doing various activities at the same time. Finally, consumers find print media as a reliable source of information compared to the television or online adverts.

Effective Measures (2014) says that marketers need to employ effective campaign tools that are gaining a following in the progressive New Zealand

market. The New Zealand market is presenting positive demand for positive measurement solutions that provide a meaningful image to the brand. They market in New Zealand insists on adverts that will take make a huge impact for the brand at the present and in the future. In addition, the Interactive Advertising Bureau revealed numbers that showed the New Zealand online advertising revealed a growth of 31% in the past quarterly release this year. In addition Effective Measures (2014) states that due to the 73% growth in smart phone ownership growth, it is clear that the online marketing strategies will need adaptive strategies in a very dynamic market. Overall, the information presented in this paper will go a long way in providing effective marketing strategies for businesses in New Zealand if employed correctly. Marketers should also challenge themselves in targeting and providing effective marketing strategies that will propel the advertising arena in New Zealand to the next level.

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