

Problem definition reports example

[Business](#), [Marketing](#)



Problem Definition in New Zealand Retail Market Facing Traditional Businesses

Top shareholder in the New Zealand retail business argues that most traditional businesses in the New Zealand marketplace are bound to suffer reduced numbers if they do not embrace changes taking place in this sector. Specialists argue that New Zealand has depicted potential increased retail numbers and revenues for online retailers as they could sell goods from other parts of the world. Notably, Adams (2014) indicated that over \$ 2. 7 billion from the New Zealand retail market went to the overseas retailers. Notably, this contributed to close to 40% of the overall retail business in New Zealand. This could be attributed to certain retail trends that have recently emerged that contradict with the traditional aspect of the traditional retail business.

Adams (2014) argues that show rooming is among the trends that have taken root among today shoppers in New Zealand. In show rooming, shoppers examine products in a traditional physical store and then purchase the same good online often at a cheaper price instead of purchasing it at the physical store. Accessibility of internet infrastructure and the significant availability of smart phones have significantly increased these activities. In addition, since the internet gives the customers broader research ability, they often prefer shopping online instead of from a brick and mortar store. eCommerce (2014)

Secondly, click and collect has picked up from the more traditional aspects of retail (Adams 2014). Shoppers here purchase products online and then pick them up from one of the retail outlets. Shoppers who do not want to wait

long before the product is shipped and delivered prefer this method.

Secondly, they avoid the hustle of waiting at home for the courier delivery to deliver the product. They also prefer this platform because it suits to the new online research trend that has taken to the world of retail. In addition, it fits their preferences of using the internet.

The online retailers have single-handedly redefined the retail industry from what it was in the past. Not only does it offer better deals on a wide variety of products, but it also offers the convenience that traditional retail stores could never manage. Because it is at par with the technology, this trend is here to stay. Retailers and marketers should now seek strategies to adapt to these changes. Adams (2014) states that, in the past nine years, online purchasing of products has tripled in New Zealand.

Recent data released indicates that nearly 65% of people from New Zealand aged fourteen and above have engaged in online transactions in the last three months compared to only 56.3% of Australians (Roy Morgan Research 2013). The same release stated that over 46.8% of the New Zealand population used the internet to purchase products during the month of April last year.

Roy Morgan Research (2013)

Nevertheless, not all kinds of products posted commendable numbers.

Notably, Roy Morgan Research (2013) maintained that entertainment and leisure products continue to retain the top spots among the most purchased products by the kiwis. Numbers indicate that 41% of online shoppers purchased a product in this category every month. Fashion products and electronics also post impressive numbers with fashion posting 24.9%

average buyers a month and 17. 2% for electronic products (Roy Morgan Research 2013). These numbers indicate that the traditional brick and motor retailers need to employ strategies that increase their online presence if they deal with either of the category of goods posted above. Such a strategy will provide them with a competitive edge as well as increase their sales numbers.

Roy Morgan Research (2013)

Research presented by Roy Morgan Research (2013) also indicates that the New Zealand shoppers are embracing online shopping better compared to their Australian counterparts. This may be the reason why Australian traditional retailers may not have felt equal negative impact as the kiwis have. Not only do the New Zealand shoppers have higher online shopper's percentages, but also there still seems to be room for growth. Such significant appreciation to online shopping may have resulted from Trade Me. Besides, kiwis showed a higher percentage of early technology adapters and therefore a higher percentage of the population spends more time in the digital space compared to the Aussies. In addition, most kiwis love a good bargain, and that is exactly what internet shopping offers. Not only do Kiwis lead in online shopping, but also internet research, online business startups and also online reviews of goods and services. However, Australians buy more fashion and electronic devices and reading material online compared to kiwis.

Roy Morgan Research (2013)

Curious enough, kiwis show more confidence in regards to online security compared to the Australians. When only 33. 7% of Australians purchase

goods and services using their credit card numbers, over 37% of Kiwis use the same payment method. As a result, Roy Morgan Research (2013) says Kiwis have not adopted PayPal to the same extent as the Australians. It may be because Kiwis have better attitudes about online security and therefore engage more on online shopping.

Though shoppers from New Zealand have adopted to shop online and researching online, research indicates that they still prefer to leaf through a printed catalogue when planning to shop for smaller items like groceries and clothes. In this period of uncertainty where marketers having trouble deciding where to advertise, research indicates that shoppers still appreciate traditional media before making a decision (Roy Morgan Research 2013). It is very interesting to note that even though the internet is now considered the one stop shop for all kinds of products, this should not be mistaken for marketing all types of products. Some of the products that shoppers prefer to shop traditionally include groceries, toys, kid's clothing, and cosmetics among others. Remarkably, Roy Morgan Research (2013) notes that they also prefer using written catalogues for their research while purchasing clothes and alcohol. This means that the traditional business owners still have a place in the New Zealand marketplace and should adapt according to this. This will ensure that they will continue making profits and will not be completely sidelined as the economy of the country continues to grow. Marketers should also receive the message that printed advertisement and communication are still one of the most effective ways of reaching the customers (Roy Morgan Research 2013).

Moore (2013) describes Howard Sanders a very intelligent individual that

wants to help create a smooth transition for the old traditional businesses as the join internet retailing. Howard gave traditional retailers ideas that he had seen work for different people. The strategies included curating and displaying. These marketing ideas aims to exploit the personal relationship that is between shoppers and retailers while giving the business a wider national and international platform.

Moore (2013) notes that Howard strategies employ the winning qualities of catalogues integrated with the internet to create an unstoppable marketing strategy that could work in most sectors. He advised farmers, distillers, stores, and factories among other traditional businesses to create a website that displays their best and beautiful products to shoppers on the internet. Using high resolution and artistic pictures motivates the shoppers to buy the merchandise being advertised for sale. He also advised that a short captivating story attached to the photo would definitely help customers create a personal relationship with the products. This marketing strategy for new business owners curating and displaying their wares online would ensure that the shoppers could not help but order the displayed goods. Moore (2013) has written a very compelling and comprehensive research regarding other methods that traditional brick and mortar business owners would market their products in their physical stores and offer an online shopping option. These offers would ensure that shoppers who embrace show rooming would do so at their benefit. First, Moore (2013) states that the retailer should offer benefits like post purchase benefits. This includes lessons on how to use the product, set ups, and phone support. Secondly, retailers are encouraged to stock different merchandise because it offers

comprehensive show rooming. Specialize to create an edge in your business. In addition, retailers are encouraged to hold events as it creates a personal relationship between the owners and the shoppers (Moore 2013).

Membership programs also encourage customers to shop at a specific shop. In addition, retailers should engage their customers with the social media. Retailers should also upscale their staff in order to offer better customer service that could not be replicated online.

eCommerce (2014) also offers advice on how new retailers engaging the internet to increase their sales should follow. First, they should establish their web presence. This could be achieved by creating a website or creating a page on Facebook or other social media (eCommerce 2014). They should also make it easy for them to be found on search engines. Thirdly, retailers should engage mobile marketing strategies. This is because research indicates that over 36% of kiwis have shopped online via their smartphones (eCommerce 2014). Finally, storeowners should advertise online as this is likely to land on more consumers than using catalogues.

Overall, the introduction of online shopping may be a blessing or a curse depending on the adaptability of the retailers. Even with a web presence, retailers should not forget that the key is in marketing. Marketing strategies package an ordinary good into a desirable package. However, New Zealand retailers need to understand that even after creating an online footprint, there is more work to be done in terms of enhancing sales. This is because of data revealing that international retailers are receiving more sales from New Zealand than online New Zealand business owners. This means that both the traditional and the contemporary retailers need to join hands and create

strategies that will ensure that they reclaiming their rightful spot at the top of beneficiaries of online retail business. eCommerce (2014)

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