



Michael Carney

On-line

New Zealand on-line advertising revenues have been steadily growing over the last decade, and the interactive medium rose to \$257 million in ad expenditure in 2010 (Source: Advertising Standards Authority), leapfrogging both radio and magazines to become New Zealand's third most popular medium last year (behind television and newspapers).

So, should you follow the urgings of your mate who owns a web design company – or the Chairwoman's husband – and divert a fair chunk of change to advertising online?

Whoah – not so fast. Before you start to raid the cash register for a trip into cyberspace, you need to consider three key factors which will determine if, where and how you go digital: your customers, your product/service category and what you plan to offer.

1. The customer

Are your customers on-line regularly? Internet access is nearly universal in New Zealand – 83% of us have regular access on-line, whether at home, work or school (World Internet Project NZ, August-September 2009). As you'd probably expect however, younger Kiwis participate more frequently in, rate their own

expertise more highly with, and have more positive attitudes towards the internet than our older citizens.

Age isn't the only factor which differentiates us on-line: occupation and life-stage play a significant role as well. For example, those who work mostly in offices can be expected to have more ready and frequent access to the internet whilst those privileged to work in the great outdoors (or, of course, in retail) are more restricted in terms of their ability to go on-line during the day. Similarly, busy mums may be able to snatch only brief bursts of on-line engagement before babies, toddlers, chores or taxi duties demand their attention.

Don't know your customers' internet habits?

Ask them – a two or three question survey at the cash register should do the trick: ("Do you mind if I ask

you a couple of questions? Are you a regular internet user? How often do you go on-line in a typical week? How long on average would you say you spend on-line each time?") On the form, for your sales staff to fill in (out of sight of the customer), should be some indicative data on gender, age range, whether or not they're a regular customer and the value of their purchase.

If you want more information than that, you'll need to provide a prize draw or some other incentive to thank customers for their time.

Then, even if your customers are reasonably frequent web users, where exactly do they go on-line? Eighty per cent of Kiwi internet time is spent on offshore websites; so we do need to understand exactly where customers can be found in sufficient numbers to make our efforts worthwhile? The table

below, from the *Hitwise Online Competitive Intelligence Service* (which bases its daily insights on the on-line usage and search behaviour of over 460,000 NZ internet users), identifies the Top 20 destinations for Kiwi web travellers for a recent week.

Unsurprisingly, Google is at the top of the list – but Facebook has been gaining on the mighty G for the last year or so, at least in terms of numbers of visits – and may well sneak past Google by the end of the year.

Before you immediately start thinking 'Facebook is where I have to be', perhaps we should let the facts get in the way of a good story. Facebook still appeals more to younger age groups (though the oldies are starting to wander over there as well). Here's a breakdown of New Zealand Facebook users by age group as at January 2011 (numbers shown are thousands).

Even if you pass that hurdle, however – if your prospective customers are young enough and access the internet frequently enough to be a good on-line target – there are a couple of other considerations.

2. Your Product or Service

The latest *Fly Buys Shopping Intentions Poll* (April 2011) reveals that half of us use the internet to do research before buying goods and 52% of those then go and

buy the item in-store.

The majority of Kiwis are inclined to shop around (especially for higher priced items), to benefit from sales advice and then buy the one that suits them. According to the Fly Buys poll, of those who prefer to buy in store: 30% say it's due to price, 23% say the top reason is due to a better customer experience, another 23% say the top reason is convenience.

Electronics is the category which New Zealanders are most likely to research on-line, with 70% of respondents using internet research for electronics before making a purchase. 64% research for vehicle info; 52% for furniture and homeware; 50% for books CDs/DVDs; 42% for sporting and outdoor equipment; and 33% for clothing, footwear and accessories.

If the products you sell are commodity items or don't require much explanation or advice, perhaps you're better off staying away from the internet, at least for now – you won't be adding much value to customers, so your messages will largely be in the manner of traditional advertising (which may be more cost-effectively housed in mass media).

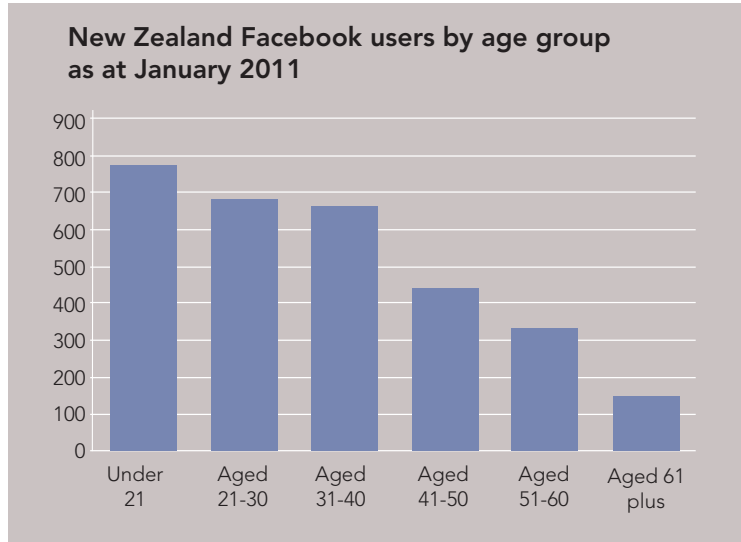
On the other hand, if you do find yourself offering products that require wisdom and expertise – wonderful! The internet rewards those who share their knowledge, with increased attention and greater visibility. Just get on-line and start sharing (and building your reputation) – it's even more important than advertising. Start a blog (free and technically pretty painless at Blogger.com or Wordpress.com), start talking on Facebook or Twitter, contribute articles to websites that cover your industry.

A word of advice on blogging and articles:

In all your messages, always aim to add value to readers, including outbound links to areas that could help them with their goals and purposes (even if the links are to competitors, whether within or outside your region). How will this help you? It's all about establishing you as 'The Authority' in your category. Folks will link to your blog and tag it as helpful or the 'ultimate' guide in that space. As this adds up, it will become more and more relevant in search engine results. And, as we've already seen, 23% of us are looking for a better customer experience when we purchase (not to mention a degree of comfort that the people we're buying from know what they're talking about).

3. The Offer

The customers are on-line, the product is ideal for the internet – what else do you need?



Top Websites – All Categories

The following report shows websites for the industry 'All Categories', ranked by Visits for the week ending 09/04/2011

Rank	Website	Visits	Share
1	Google New Zealand	8.57%	
2	Facebook	7.52%	
3	Trade Me	3.32%	
4	YouTube	2.85%	
5	Windows Live Mail	2.26%	
6	Yahoo!xtra	1.15%	
7	Stuff	1.12%	
8	MSN New Zealand	1.12%	
9	Google	1.09%	
10	The New Zealand Herald	1.05%	
11	Wikipedia	0.94%	
12	Yahoo!xtra – Mail	0.65%	
13	ASB Bank – Personal Banking	0.53%	
14	ASB FastNet Classic	0.48%	
15	Westpac New Zealand	0.42%	
16	Westpac New Zealand Online Banking	0.41%	
17	MetService	0.37%	
18	Apple Start Page	0.35%	
19	The National Bank of New Zealand	0.34%	
20	TVNZ	0.32%	

Well, there is the small matter of exactly what you're offering them. One thing that the internet does particularly well (if you're a buyer) or dangerously efficiently (if you're a seller), is make information readily available. Through local websites such as Trade Me, pricespy.co.nz and

That might include adding personalised extras, bundling items and accessories, offering your knowledge (e.g. in a personalised User Guide booklet) thus making your product something only YOU sell. Start brainstorming!

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pricespy.co.nz consumers can readily establish where the best deals are – and if price is the only difference between you and a bedroom trader who's happy with a 10% mark-up, you're going to be the loser.

So what should you offer? Whether you're selling through a website or simply promoting products that can be purchased in-store, you need to make your items unique. No, we're not advocating hand-painted washing machines (although, if you have the time and the skill ...). We recommend you offer unique personalised items with a higher perceived value than your vanilla-flavoured competitors.

Relationship building

More than anything else, the internet provides the opportunity to build relationships with your customers, one-to-one and many-to-many. Think of it, if you will, as the 21st Century equivalent of the local butcher, who knew your family's likes and dislikes well enough to let you know when he had a particularly choice cut of your favourite item.

Quaint but very profitable. We've come so far, only to head Back to the Future! ■

□ By **Michael Carney**, owner and operator of Netmarketing Services Limited. Go to: www.netmarketingservices.co.nz to find out more.



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