





# **The Ultimate Guide to Digital Advertising Strategy for small to medium NZ businesses.**

Let us explain.



■ Digital advertising has become an essential component of modern marketing strategies. It is essential for businesses to develop a comprehensive digital advertising strategy to stay ahead of the competition.

This e-book will guide you through the process of developing an effective digital advertising strategy including identifying the right platforms, creating ad campaigns, and measuring success.



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Digital advertising is a powerful tool that can help businesses achieve their marketing goals and drive business growth. By following the guidelines and best practices outlined in this e-book, you can develop an effective digital advertising strategy that will help you

stay ahead of the competition and achieve your marketing objectives. Remember, the key to success in digital advertising is to stay agile and adaptable, constantly testing and optimising your campaigns to achieve the best possible results.

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Chapter 1

# Understanding digital advertising

Digital advertising has become an essential component of modern marketing strategies. With the increasing use of the internet and social media, digital advertising has proven to be an effective way to reach potential customers and build brand awareness. In

this chapter, we will explore the benefits of digital advertising, the different types of digital advertising platforms, and the importance of targeting and audience segmentation in digital advertising. We will also provide an overview of digital advertising in New Zealand.



# Benefits of digital advertising

Digital advertising offers many benefits over traditional advertising methods. One of the most significant benefits of digital advertising is the ability to target specific audiences. With digital advertising, businesses can target audiences based on demographics, interests, and behaviour, among other criteria. This targeted approach helps to ensure that advertising efforts are reaching the right people, resulting in a more efficient use of marketing resources.

Another benefit of digital advertising is its flexibility. Unlike traditional advertising methods, digital advertising allows for real-time adjustments to campaigns, based on data and insights from ad performance. This flexibility helps businesses to optimise campaigns for maximum impact and return on investment.

Digital advertising also offers the ability to track and measure campaign performance. With digital advertising, businesses can track metrics such as clicks, impressions, and conversions, providing valuable insights into the effectiveness of advertising efforts.



# Types of digital Advertising platforms

There are several types of digital advertising platforms, each with its own strengths and weaknesses. These are some of the most common digital advertising platforms.

In New Zealand, Facebook and Google are the dominant players in the digital advertising space, accounting for over 70% of digital advertising spending in the country\*

## **Search engine advertising**

Ads displayed on search engine results pages based on specific search terms.

## **Social media advertising**

Ads displayed on social media platforms such as Facebook, Instagram, and Twitter.

## **Display advertising**

Ads displayed on websites or mobile apps.

## **Video advertising**

Ads displayed in videos on websites or social media platforms.

## **Native advertising**

Ads that blend in with the content of the platform where they are displayed.



# Digital vs traditional advertising

Digital advertising has revolutionised the way businesses market their products and services. Unlike traditional advertising, which relies on print, radio, and television media, digital advertising is primarily focused on online channels.

Here are some key ways in which digital advertising differs from traditional advertising:

**1 Targeting:** Digital advertising allows for highly targeted campaigns that can reach specific audiences based on their demographics, interests, and online behaviour. This means that businesses can reach the people most likely to be interested in their products or services, rather than simply broadcasting their message to a general audience.

**2 Interactivity:** Digital advertising offers more opportunities for interactivity, such as clickable ads, videos, and social media campaigns. This allows businesses to engage with their audience in a more dynamic and immersive way, creating a more memorable and engaging experience for the consumer.

**3 Measurability:** Digital advertising is highly measurable, allowing businesses to track the effectiveness of their campaigns in real-time. Metrics such as impressions, clicks, and conversions can be easily monitored and analysed, providing valuable insights into the effectiveness of different advertising strategies.

**4 Flexibility:** Digital advertising offers a high degree of flexibility, with the ability to adjust campaigns on the fly in response to changing market conditions or consumer behaviour. This means that businesses can quickly adapt their advertising strategies to optimise their results and stay ahead of the competition.

Overall, digital advertising offers businesses a more targeted, interactive, measurable, and flexible approach to marketing than traditional advertising. By leveraging the power of online channels, businesses can reach their target audience more effectively and efficiently, creating a more engaging and memorable experience for their customers.



# Targeting & audience segmentation

Targeting and audience segmentation are two essential features of digital advertising that allow businesses to reach their intended audience with greater precision and accuracy. Unlike traditional advertising, which tends to target a broad demographic or geographic region, digital advertising enables businesses to narrow down their audience to specific groups based on various factors such as age, gender, location, interests, and online behaviour.

In New Zealand, where the population is relatively small compared to other countries, the ability to target specific audiences can be particularly effective. By focusing their advertising efforts on the people most likely to be interested in their products or services, businesses can avoid wasting their resources

on audiences that are unlikely to convert into customers. This targeted approach can result in a more efficient use of marketing resources, as businesses can maximise their return on investment by reaching the right people with the right message.

Audience segmentation is also critical in digital advertising, as it allows businesses to create tailored messages and ad content that are specifically designed to resonate with different groups of people. By identifying the unique characteristics and preferences of their target audience, businesses can create more personalised and relevant ad content that is more likely to engage and convert potential customers.

Overall, targeting and audience segmentation are key advantages of digital advertising that allow businesses to reach their intended audience more effectively and efficiently. By using these tools to focus their advertising efforts on the right people with the right message, businesses in New Zealand and around the world can maximise their marketing resources and achieve better results.



## Chapter 1: Understanding Digital Advertising

# Conclusion

Digital advertising has become an essential component of modern marketing strategies. With the ability to target specific audiences, track and measure campaign performance, and adjust campaigns in real-time, digital advertising offers

many benefits over traditional advertising methods.

In the next chapter, we will explore how to set advertising goals and objectives that align with your business objectives.



## Chapter 2

# Setting advertising goals & objectives

In this chapter, we will explore how to set advertising goals and objectives that align with your business objectives. We will also provide an overview of digital advertising spending in New Zealand and how businesses can determine their advertising budget.



# Identifying your Target audience

Before setting advertising goals and objectives, it's essential to identify your target audience.

Here are some actionable steps to help you identify your audience:

**Define your ideal customer:** Start by defining your ideal customer, including their age, gender, location, interests, and behaviours. This information will help you create a more accurate profile of your target audience.

**Research your existing customers:** Use customer data from your website, social media platforms, and other sources to gain insights into your existing customers. This

information can help you identify common characteristics and interests among your customers.

**Conduct market research:** Conduct market research to gain insights into your target audience. This can include surveys, focus groups, and analysing industry reports.

**Use social media targeting:** Social media platforms such as Facebook and Instagram provide targeting options based on demographics, interests, and behaviour. Use these targeting options to help identify your target audience.

**Analyse your competition:** Analyse your competition to gain insights into their target audience. This can help you identify gaps in the market and differentiate your advertising efforts.

By following these points, you can identify your target audience and create more effective advertising campaigns that resonate with your ideal customer.



# Setting SMART Goals & objectives

Once you have identified your target audience, it's essential to set SMART goals and objectives for your advertising efforts. Setting SMART goals and objectives helps to ensure that advertising efforts are aligned with business objectives and are measurable.



**specific**



**measurable**



**attainable**



**relevant**



**time-bound**

For example, a **SMART advertising goal could be to increase website traffic by 20% within the first three months.**

This goal is specific, measurable, attainable, relevant, and time-bound, providing a clear target for advertising efforts.



# Aligning advertising goals with business objectives

When setting advertising goals and objectives, it's essential to ensure that they are aligned with your business objectives. Here are some actionable steps to help align your advertising goals with your business objectives:

## 1 Define your business objectives:

Start by defining your business objectives, including your revenue targets, sales goals, and overall business mission. This information will help guide your advertising goals.

## 2 Identify the key performance indicators (KPIs) that align with your business objectives:

Determine which KPIs are most important to achieving your business objectives. This may include website traffic, leads, conversions, or revenue.

By aligning your advertising goals with your business objectives, you can create more effective advertising campaigns that contribute to overall business success.



# Determining your advertising budget

After setting your advertising goals and objectives, the next step is to determine your advertising budget. In New Zealand, digital advertising spending has been steadily increasing, with an estimated \$1.2 billion spent on digital advertising in FY21\*. To determine your advertising budget, consider the following factors:

## Business size

The size of your business will impact the amount you can allocate to advertising. Small businesses may have a smaller advertising budget than larger businesses.

## Industry

Some industries may require a higher advertising budget to remain competitive. For example, highly competitive industries such as fashion or retail may require a larger advertising budget to stand out.

## Competition

Consider the level of competition in your industry and adjust your advertising budget accordingly. If you're in a highly competitive industry, you may need to allocate more towards advertising to stand out from the competition.



# Real budgets for small & medium businesses

## Small businesses

Small businesses in New Zealand may have a limited budget for advertising.

**According to a report by Xero, small businesses in New Zealand allocate an average of 6.7% of their revenue towards advertising and marketing\*.**

For example, a small business with a revenue of \$300,000 may allocate \$20,100 towards advertising and marketing efforts.

## Medium-sized businesses

Medium-sized businesses in New Zealand may have a higher advertising budget than small businesses.

**According to a report by the New Zealand Marketing Association, medium-sized businesses allocate an average of 5.5% of their revenue towards advertising\*.**

For example, a medium-sized business with a revenue of \$2m may allocate \$110,000 towards advertising efforts.

When determining your advertising budget, it's important to consider the ROI of your advertising efforts. It's essential to adjust your advertising budget accordingly to ensure that you're getting the most out of your advertising spend.



## Chapter 2: Setting Advertising Goals and Objectives

# Conclusion

Setting advertising goals and objectives that align with your business objectives is essential for developing an effective digital advertising strategy. In New Zealand, businesses can use demographic data and industry trends to help identify their target audience and determine their advertising

budget. By setting SMART goals and objectives that are aligned with business objectives, businesses can ensure that their advertising efforts are contributing to overall business success. In the next chapter, we will explore how to choose the right advertising platforms for your target audience.



## Chapter 3

# Choosing the right advertising platforms

Once you've identified your target audience and set your advertising budget, it's time to choose the right advertising platforms to reach your audience effectively. With so many different

advertising platforms available, it can be challenging to determine which ones are right for your business.



# Identifying the right platforms for your target audience

**Audience demographics:** Consider the demographics of your target audience, including their age, gender, location, and interests. Different advertising platforms may have different audience demographics, so it's essential to choose the platforms that align with your target audience.

**Advertising goals:** Consider your advertising goals and which platforms will be best suited to achieving those goals. For example, if your goal is to drive website traffic, you may want to consider search engine advertising or social media advertising.

**Budget:** Different advertising platforms may have different costs associated with them. It's important to choose platforms that fit within your advertising budget and provide a good return on investment.

**Competition:** Consider the level of competition on different advertising platforms. If your industry is highly competitive on one platform, it may be more difficult to stand out and achieve your advertising goals.

**Analytics and reporting:** Choose platforms that offer detailed analytics and reporting to track the performance of your advertising campaigns. This will help you optimise your campaigns for better results.

**Ad format and placement:** Consider the ad format and placement options available on different platforms. Some platforms may offer more creative freedom with ad design, while others may have strict guidelines.



# Overview of major digital advertising platforms



**Google Ads** With over 90% market share in New Zealand, Google Ads offers a range of advertising options, including search engine advertising, display advertising, and YouTube advertising.



**Facebook Ads** With over 3.5 million users in New Zealand, Facebook Ads is an effective platform for reaching a wide range of target audiences. It offers a range of advertising options, including newsfeed ads, video ads, and sponsored posts.



**Instagram Ads** With over 2.2 million users in New Zealand, Instagram Ads is a popular platform for reaching younger audiences. It offers a range of advertising options, including photo ads, video ads, and story ads.



**LinkedIn Ads** With over 2.8 million users in New Zealand, LinkedIn Ads is an effective platform for reaching business professionals and a great option for B2B businesses. It offers a range of advertising options, including sponsored content, sponsored InMail, and display ads.



# How to optimise your campaigns for different platforms

## **Understand your audience:**

Each advertising platform has a unique audience, so it's essential to understand who your audience is and which platforms they use. For example, if your target audience is primarily on Facebook, you may want to allocate more of your advertising budget towards Facebook ads.

## **Use platform-specific features:**

Different platforms offer unique features that can help optimise your campaigns. For example, Google Ads offers a range of targeting options, while Facebook Ads allow you to target specific interests and behaviours.

## **Optimise your ad creative:**

Ad creative plays a crucial role in the success of your advertising campaigns. Ensure that your ad creative is optimised for each platform. For example, Instagram ads are highly visual, so ensure that your ad creative is visually appealing and eye-catching.



# Best practices for creating ad campaigns on each platform



## Google Ads

In addition to using highly targeted keywords, ad extensions, and clear call-to-actions, it's important to ensure that your landing pages are optimised for conversions. A well-designed landing page that aligns with the ad messaging can significantly improve your conversion rate. Use A/B testing to test different landing pages and ad copy to see which variations perform the best.



## Facebook Ads

To make the most of your Facebook ads, use high-quality visual content that's eye-catching and stands out in the newsfeed. It's important to target specific interests and behaviours, and avoid targeting too broad an audience. Test different ad formats such as video, carousel, and lead ads to see which works best for your business. Use A/B testing to test different ad variations and determine which ones perform the best.



## Instagram Ads

Instagram is highly visual, so it's important to use visually appealing and high-quality images or videos in your ads. Leverage user-generated content to build trust with your audience and showcase your products or services in a natural way. Use relevant hashtags to reach a wider audience and encourage engagement.



## LinkedIn Ads

LinkedIn is a professional platform, so it's important to use professional-looking visuals and messaging. Target specific job titles to ensure that your ads reach the right audience. Include clear calls-to-action to drive conversions, and use A/B testing to test different ad variations and determine which ones perform the best.



## YouTube Ads

Use engaging and informative video content to capture your audience's attention. Target specific audiences based on demographics, interests, and behaviours to ensure that your ads reach the right people. Use ad sequencing to tell a story over multiple ads and keep your audience engaged.



## Chapter 3: Choosing the Right Advertising Platforms

# Conclusion

Remember, no matter which platforms you choose, it's important to keep your target audience in mind and create ad campaigns that resonate with them. Use the available targeting options and ad formats to make the most of your

advertising budget and achieve your advertising goals. Use A/B testing to continually refine your campaigns and optimise for performance.



## Chapter 4

# Creating compelling ad campaigns

Creating an effective ad campaign involves more than just choosing the right platform and targeting the right audience. To truly engage and convert your target audience, you need to create compelling ad campaigns that capture their attention and align with your brand

message. In this chapter, we'll explore tips for crafting compelling ad copy and visuals, understanding the importance of ad design, and creating ad campaigns that stand out from the competition.



# Crafting compelling ad copy & visuals

When it comes to creating ad copy and visuals, it's important to keep your target audience in mind. Use language and imagery that speaks to their pain points, desires, and values. Use attention-grabbing headlines and clear calls-to-action to encourage clicks and conversions. Here are a few tips for crafting compelling ad copy and visuals:

**Use emotion** Emotion is a powerful tool in advertising. Use language and imagery that evokes strong emotions in your target audience.

**Keep it simple** Don't overwhelm your audience with too much information. Keep your messaging clear and concise.

**Use visuals wisely** Use high-quality visuals that align with your messaging and capture your audience's attention.

**Highlight benefits** Instead of focusing solely on features, highlight the benefits of your products or services. How will they improve your target audience's lives?

**Use social proof** Use testimonials, case studies, or reviews to build trust with your audience.

**Research** Research common pain points for your customers and what your solution is.



# Understanding the importance of ad design

Ad design is an often-overlooked aspect of creating effective ad campaigns. The design of your ads can have a significant impact on their performance.

Here are a few things to keep in mind when designing your ads:

## **Use brand colours and imagery**

Consistent use of brand colours and imagery can help increase brand recognition and recall.

**Keep it simple** Don't overwhelm your audience with too many elements or colours. Keep your design clean and simple.

**Use white space** White space can help draw attention to important elements and improve readability.

**Test different designs** Use A/B testing to test different ad designs and determine which ones perform the best.

**Create Ad Campaigns that Align with Your Brand Message** Your ad campaigns should align with your overall brand message and voice. Consistent messaging across all touchpoints can help increase brand recognition and trust.



# Creating ad campaigns that align with your brand message

When it comes to creating effective ad campaigns, it's crucial to ensure that they align with your brand message. Your brand message is the core of your brand identity, and it represents what you stand for and what you offer to your target audience. By creating ad campaigns that are consistent with your brand message, you can strengthen your brand identity and improve your chances of connecting with your target audience.

**Use consistent messaging** Use consistent messaging across all touchpoints, including your website, social media, and advertising.

**Highlight your unique value proposition** What sets your brand apart from the competition? Highlight your unique value proposition in your advertising.

**Stay true to your brand voice** Use language and tone that align with your brand voice and personality.

Overall, creating ad campaigns that align with your brand message is essential for building a strong brand identity and connecting with your target audience. By using consistent messaging, highlighting your unique value proposition, and staying true to your brand voice, you can create effective ad campaigns that strengthen your brand and drive business results.



# Tips for developing ad campaigns that stand out from the competition

In today's crowded advertising landscape, it's important to create ad campaigns that stand out from the competition.

**Be unique** Use messaging and visuals that are different from your competitors.

**Use humour** Humour can help your ad campaigns stand out and be memorable.

**Offer something different** Offer something unique, such as a limited-time offer or a free trial.

**Use creative formats** Use creative ad formats, such as video or interactive ads, to capture your audience's attention.

By following these tips, you can create ad campaigns that resonate with your target audience, align with your brand message, and stand out from the competition. Use A/B testing to continually refine your campaigns and optimise for performance.



Chapter 5

# Measuring advertising success

Measuring the success of your advertising campaigns is essential to determine whether your efforts are generating a return on investment. Without measuring and analysing campaign performance, you risk wasting valuable advertising dollars and missing out on

potential revenue opportunities. In this chapter, we'll discuss how to measure advertising success and make data-driven decisions to optimise campaigns and inform future advertising strategies.



# Understanding the metrics that matter

Before you can measure the success of your advertising campaigns, it's crucial to understand the metrics that matter. Some of the essential metrics to track include:

## **Impressions**

The number of times your ad was displayed to users.

## **Clicks**

The number of times users clicked on your ad.

## **Click-through rate (CTR)**

The percentage of users who clicked on your ad after seeing it.

## **Conversions**

The number of users who took the desired action after clicking on your ad, such as filling out a form or making a purchase.

## **Cost per click (CPC)**

The amount you pay for each click on your ad.

## **Return on investment (ROI)**

The amount of revenue generated by your ad campaign compared to the cost of the campaign.



# How to track and analyse campaign performance

To track and analyse campaign performance, you can use various tools and platforms, such as Google Analytics and Facebook Ads Manager. These tools allow you to monitor and analyse campaign performance in real-time and make data-driven decisions to optimise your campaigns.

To track campaign performance, you can set up conversion tracking on your website or landing pages, which allows you to see how many users completed the desired action after clicking on your ad. You can also use UTM parameters to track the source of your traffic, such as which ad platform or campaign generated the most clicks and conversions.



# Making data-driven decisions to optimise campaigns

Once you have gathered data on your campaign's performance, you can use this information to make data-driven decisions to optimise your campaigns. For example, if you notice that your ad has a high click-through rate but a low conversion rate, you may need to improve the landing page or adjust the ad copy to better align with your target audience's needs and preferences.

You can also use A/B testing to compare the performance of different ad variations and make data-driven decisions on which ad copy, visuals, and targeting options work best for your audience.

One example comes from a B2B company that used data analysis to improve their LinkedIn ad campaigns. By monitoring metrics such as click-through rate and cost per lead, the company was

able to identify which ad creative and targeting options were most effective in driving leads. They also used A/B testing to compare the performance of different ad variations and make data-driven decisions on which ad copy and visuals to use in their campaigns. As a result of these efforts, the company was able to reduce their cost per lead by 40% and increase their lead volume by 25%.

Another example we noticed that one of our client's ad groups had a high click-through rate but a low conversion rate. After analysing the data, we realised that the ad copy for this ad group was not aligned with the client's target audience's needs and preferences. We also noticed that the landing page for this ad group had a high bounce rate, indicating that it was not effectively engaging visitors.



# Making data-driven decisions to optimise campaigns **cont.**

To address these issues, we rewrote the ad copy for the ad group and created a new landing page that better aligned with the target audience's needs and preferences. We also used A/B testing to compare the performance of the new landing page against the original one.

As a result of these efforts, the client's conversion rate for the ad group increased by 40%, and the cost per conversion decreased by 20%. The client was thrilled with the results and decided to increase their ad spend with PDC Creative.

These examples demonstrate how data analysis can help businesses identify areas for improvement in their digital advertising campaigns and make data-driven decisions to optimise their campaigns for better results.



# How to use data to inform future advertising strategies

Finally, you can use the data gathered from your ad campaigns to inform future advertising strategies. By analysing which campaigns and platforms generated the most conversions and revenue, you can allocate your advertising budget more effectively and focus on the most profitable channels.

You can also use data to identify trends and patterns in your audience's behaviour and preferences, such as which types of ad visuals or messaging

resonate best with your target audience. This information can help you create more effective ad campaigns that are more likely to generate a positive return on investment.

Here's an example of a company that used data analysis to inform their future advertising strategy. A clothing retailer noticed that their social media advertising campaigns on Instagram consistently generated more revenue and conversions than their campaigns on Facebook.

After analysing the data, they discovered that their Instagram campaigns resonated better with their target audience because of the platform's visual nature and younger demographic. Based on this insight, the company decided to shift more of their advertising budget towards Instagram and create more visually compelling ads that would resonate with their audience on this platform.

As a result, the company saw a significant increase in revenue and conversions from their Instagram

campaigns, and their overall return on investment for their social media advertising improved. The company was able to use the data gathered from their campaigns to make informed decisions about how to allocate their advertising budget and create more effective ad campaigns for their target audience.

This example demonstrates how using data to inform future advertising strategies can help businesses achieve better results and improve their return on



# How to use data to inform future advertising strategies **cont.**

investment. By analysing campaign performance and audience behaviour, businesses can create more effective advertising campaigns that resonate with their target audience and generate more revenue.

In conclusion, measuring advertising success is critical to ensure that your advertising efforts are generating a positive return on investment. By tracking and analysing campaign performance, making data-driven decisions to

optimise campaigns, and using data to inform future advertising strategies, you can create more effective ad campaigns and allocate your advertising budget more effectively.



In closing

# Conclusion

Effective advertising is crucial for the success of any business. By reaching your target audience with compelling ad campaigns that align with your business goals and brand message, you can drive traffic to your website, generate leads, and increase sales revenue.

In this e-book, we've covered the key elements of creating a successful advertising strategy, including identifying your target audience, aligning advertising goals with business objectives,

choosing the right advertising platforms, creating compelling ad campaigns, and measuring advertising success.

We've provided actionable steps and best practices for each element, along with real-world examples and references to New Zealand statistics and trends. By following these guidelines, you can create effective advertising campaigns that stand out from the competition and generate a positive return on investment.

Remember, advertising is an ongoing process, and it's essential to continuously monitor and optimise your campaigns to ensure that they're meeting your business goals and generating a positive return on investment. By staying up-to-date with the latest advertising trends and technologies, you can create more effective ad campaigns that drive long-term business success.

If you're looking for a creative agency to help you develop and execute your advertising strategy, contact PDC Creative today. Our team of experts can help you craft compelling ad campaigns that resonate with your target audience and align with your business goals. Let's work together to take your advertising to the next level. Contact us now to schedule a consultation.



