Learning Objectives

Upon completion of this unit, students should be able to:

1. Discuss the fascination and functionality of the Web.
2. Describe the dramatic growth of the Web.
3. Illustrate an Internet marketing methodology.
4. Discuss the 20th century marketing and technology forces.
5. Explain the importance and potential of digital technology in marketing.
6. Master the economic concept of Moore’s Law and understand its relevance in business planning and strategy.
7. Compare how digital material is created and the key components of effective digital environments.
8. Recognize the fundamental principles of digital convergence and describe how industries can benefit from the merger of technologies and techniques.
9. Recognize the benefits and growth potential of interactive media and digital material in creating successful marketing strategies and improving basic business processes.

Unit Summary

The commercial Internet has exploded with activity. Chapter 1 highlights some of the main steps toward a commercial network, as well as various creative applications. Big technological changes alter marketing, and the Internet has further prompted that trend. This chapter looks at the original World Wide Web--its commercial beginnings, and its current impact on people, commerce, and organizations. There are also many surprises--things that work and those that do not. Therefore, flexibility is mandatory. This chapter also explores how to go about creating an Internet marketing methodology.

Chapter 2 examines the digital fundamentals. Three digital forces shape net marketing. The most important is Moore’s Law. The fuel driving much of the Net is the rapid decrease in the cost of computing. This eventually spills over into lower costs for all digital technologies. The second technology force is the convergence of digital technologies. According to the author, not only are digital technologies getting cheaper, they also increasingly share the same design. New versions of televisions, computers and telecommunication share the same core systems. The third and final force is the ability of digital technology to create entire environments. According to the author, this new world creates and allows increasingly sophisticated and complicated immersion.

The Internet is the main cause of the recent explosion of activity in optical fiber telecommunications. The high growth rates observed on the Internet, and the popular perception that growth rates were even higher, led to an upsurge in research, development, and investment in telecommunications. The telecom crash of 2000 occurred when investors realized that transmission capacity in
place and under construction greatly exceeded actual traffic demand. Internet traffic is growing, approximately doubling each year. There are reasonable arguments that it will continue to grow at this rate for the rest of this decade. If this happens, then in a few years, we may have a rough balance between supply and demand.

Optical fiber communications was initially developed for the voice phone system. The feverish level of activity that we have experienced since the late 1990s, though, was caused primarily by the rapidly rising demand for Internet connectivity. The Internet has been growing at unprecedented rates.

Moreover, because it is versatile and penetrates deeply into the economy, it is affecting all of society, and therefore has attracted inordinate amounts of public attention.

Additional Resources:

http://www.intel.com/technology/mooreslaw/