Learning Objectives

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

1. Describe the evolving and maturing nature of the Internet's content and its most widely-used tools, including email, instant messaging and blogs.
2. Recognize the implications and potential of networks for Internet marketing.
3. Explain the principles of Metcalfe's Law and how to calculate network value.
4. Discuss the social structure of networks, especially the role of clusters and the importance of dominant hubs.
5. Compare how Virtual Value Activities can turn vast quantities of online information into important marketing tools.
6. Comprehend the importance of individualization in marketing and its ability to profoundly change the way companies and consumers interact.
7. Recognize privacy concerns surrounding individualization in marketing efforts.
8. Evaluate emerging patterns of individual-level Internet use, and how those trend lines are affected by factors such as education, income, age, race and gender.
9. Analyze individual behavior patterns online both reflect and differ from real world behavior patterns and understand the marketing implications of both.

Unit Summary

The author in Chapter 3 examines this early evolution of the Internet, including the commercial web's rapid adoption in major industrialized countries and its increasing mobility due to cellular telephones and other wireless technology. The chapter explores in detail how social and business networks have developed through the maturing Internet. The principles of Metcalfe's Law for valuing such networks are introduced, and students are shown how networks operate as both social structures and important marketing tools.

Rounding out the textbook's introduction to the foundational elements of Internet marketing, Chapter 4 provides students with an overview of how individuals interact online and how individual usage has changed as Internet technologies have matured. The chapter explores how individual behaviors and biases that exist in the real world are in many instances duplicated online – and how, in some key ways, they differ – and why those distinctions are important for marketers to understand. Chapter 4 also examines the importance of individualization as an evolving General Purpose Technology, one that is expanding rapidly due to advances in online user authentication. The chapter highlights some of the ways that individualization can enhance marketing techniques while also highlighting potential privacy concerns.
If you’re thinking of starting a business—or already have one—Internet direct marketing can play an important role in making it grow. Whether your business is brick and mortar, click and mortar or pure e-commerce, you increasingly will be expected to build customer relationships by understanding, engaging and providing individualized service to every customer. And a powerful way for developing these relationships is personalized Internet direct marketing. Whether it’s a timely email reminder, a suggestion for a bottle of wine for a special occasion or a prompt update of a crucial software program, customers value personalized service because it can simplify their lives, save them time and acknowledge them as individuals. For your company, a communications program that engages your customers’ interest can help to differentiate your business from your competition so you can build long-term, profitable relationships.

Additional Resources:

http://www.allacademic.com/meta/p_mla_apa_research_citation/0/8/2/3/5/p8235_3_index.html