

“The Internet will disappoint its wilder advocates”

INTRODUCTION

The internet brought huge expectations and radical ideas when it was introduced. In this report there are balanced arguments for and against the motion. Furthermore there are a range of different viewpoints, the users and the organization, which will identify different positive and negative angles to this debate. Finally a conclusion will address the different views and will finalize the perspective we choose to adopt.

The most useful definition we have come across for what we call the Internet is that it is a) “Worldwide metanetwork of connected computer networks and conferencing systems “ (Quarterman ,1990). If one were to suggest one single occurrence which led to the creation of the internet, it would be the soviet union's launch of the Sputnik satellite in 1957 with the implementation of the Advanced Research Project Agency Network (ARPAnet). The internet was then an experimental wide area network connected major host's terminal servers. These were primarily universities and think tanks that were on contract to the Defense Advanced Research Projects Agencies. (DARPA), the Civilian arm of the Department Of Defence in the USA. As the number of area networks became more pervasive, many sites (Hosts) became gateways to local networks and the internet began to grow into what it is today.

A connection to ARPAnet was not open to everyone and the costs to connect were considerable, thus other universities and Research Communities developed less costly alternatives such as the familiar BITNET (NETNORTH-EARN). Currently it is difficult, if not impossible to determine exactly how large the internet is, an article written by John Quarterman in matrix news (feb, 1992 Volume 2) estimated the number of hosts on the internet at 727,000 with a range of 3, 635,000 to 7,270,000 users. This figure has doubled over the years and showing no signs of slowing down. It was originally designed as a way for military institutions to communicate, even in the event of nuclear attack. It “languished” for many years as a haven for academics and scientists and government agencies, educational and large corporate institutions. The internet has become a part of the business landscape just as pagers, mobile phones and fax machine, the internet has become a persuasive business communication tool. The internet has created the capability to interact with each other to gather relevant information, solve problems, anticipate data requirements, communicate effectively across distances, present information visually, and do all this automatically.

The advantages that the Internet offers are broken up into two parts firstly the advantages on the corporate world, which has already been covered. The second part of the advantages are based on the perspective of the customers these are some of the advantages.

- No Geographical barriers

This is an area that has benefited greatly from the introduction and steady increase of the Internet. Customers do not need to make journeys to stores that are located in areas of London that are not easily accessible examples of stores that are based in these areas are Furniture companies or designer discount stores which are usually based in more rural areas of London.

But increasingly more stores are turning to the Internet to trade, breaking a lot of the geographical barriers that may exist. This not only applies to companies in the U.K but to overseas companies such as Amazon who have recently set up a U.K warehouse to deal with some of its distribution issues.

- Provides another option for customers

Customers now have a second option apart from high street stores and catalogue shopping. There are more alternatives, so it is up to the individual to decide which form of purchasing they wish to use.

- Convenient, quick and easy

One of the most important advantages of the Internet is that it is really convenient. In an increasingly lazy world where customers want things immediately and do not wish to wait in long queues just to make a simple purchase the Internet is a welcome bonus.

Many shoppers can make bulk purchases in the comfort of their own homes at the click of a few buttons without the added stress of carrying heavy shopping bags down the road there isn't even the need to get dressed it is completely easy.

The falling price of PC's also add to the rise of Internet purchases many homes now own at least one PC.

The internet will NOT disappoint its wilder advocates

- **Email**

E-mail campaigns are not only less costly and more effective than paper mailings, but also bring you instantaneous results as they help one make lasting links with customers in a way that's impossible to do using "bricks-and-mortar" techniques.

Email's popularity as a marketing tool is growing. Leading marketers such as Macy's, Blockbuster Video, Charles Schwab & Co. and J Crew have enthusiastically embraced direct marketing. The fact that it can be used in every step of the marketing process has made it the Internet's Killer application.

- **They are cost effective**

It is known that there is more than enough email boxes in the world for every person to own individually. Internet direct marketing is estimated to be 60-65% cheaper than traditional direct marketing. –Yankee Group

- Direct marketing cost-per-piece comparison: \$0.01-0.25 for email, \$1-2 per piece of snail mail. –Jupiter Communications.

- **High response rate vehicle**

When owners of the mailboxes are sent a message, it appears right there instantly in front of them.- the message comes to them. It is easier and faster than regular mail-

the material arrives at the customer's email box at the top of their mind. Quick turnaround equals quick results. It acquires and retain consumers, sell and promote products, drive loyalty and reinforce branding efforts.

- **E-mail drives sales**

Harris Interactive found out in a survey done in 2002, that 86% of Digital Impact Inc customers have requested to receive legitimate email direct marketing messages. Out of these total, 71% of them have made purchases based on this. The customers feel that the emails provide them with a quick lead when they need information on the products. (*DGT Internet Marketing, Accessed 28.03.2003*)

- **Easy for customers to request sales follow-up**

The direct marketing email messages can include live links back to the organization's website where the customer can easily find the information they need as well just a click of a button to request for sales follow-up.

- **Sales website force is on-call screening, selling 24-7.**

Customers can now find out information they need on the products without the constant harassment of pesky salesmen. They can visit the organization's website, and go through new services and products using virtual tours. Only when customers really need answers for their queries, they can send an email to the organization's tech staff. For some companies with on-call staff, there is a service whereby the customer could send an email that triggers their beepers. For example, if one really needs their account representative urgently.

- **Online advertising has the ability to accurately target customers.**

In this new millennium, an organization's computer machines are learning to interact individually with people. This makes it possible to personalize the Web experience for a one-to-one basis.

- **Prediction by Jupiter Communications**

There is a strong Return on Investment (ROI) of using email direct marketing methods. They estimate that by 2005, commercial email spending will grow from \$164 million in 99 to \$7.3 billion. It is visible in this era now that business organizations are shifting their communications strategies to take advantage of the efficiencies of email marketing. Thus, Jupiter Communications predict 13% of direct mail revenues will be obtained by emails by 2005. (*Pastore, M. 2002*)

- **Future antidote for customer's fatigue with online advertising**

It is said that it won't be same in the coming age as now organizations are seeking to pursue permission-based online marketing with a philosophy of interactive technology. Thus, the customer will feel that the experience is relevant and rewarding. Direct marketers then will be able to deliver the right offer to the right person at the right time. Then, the organization can enjoy tremendous growth.

Bibliography

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Disadvantages of Internet

Organization approach

- **Security/ Fraud**

Security and fraud are the major concerns for any organizations when they sell their products on – line, because they need to convince their customers the details provided to companies are safe and not copied by anyone, i.e. credit or debit card number. And through internet people can now transfer and download software, i.e. Microsoft's windows media player can be downloaded for free but some people try to take benefit from it by burning it into CD for sale, then some of the software such as Microsoft office tools are rights reserved, but people usually transfer the file out through internet for massive user which is against the law of intellectual property right protection. And that can also affect the normal retailers.

- **Different culture and preferences**

Different people will have different cultures and preferences, therefore organizations need to fix the needs of different customers such as; language, attitude, preference, culture differences, i.e. Microsoft' MSN has got feature for language options for different users.

- **Power of sense is low**

It is low because when people buy on – line they can not feel, touch, test and even smell the products while it is possible if they go directly to the shop, i.e. Supermarket. If people go to supermarket they can see, touch the product in more details and they might have more ideas in what to because once they get there they can see a lot of products lining in the store

- **Costly and time consuming**

It is expensive to hire programmer to create and update the website because it will need to be updated very often in order to keep it up to date , that is why it might also consume time to do it.

CUSTOMERS DISADVANTAGES

- **Lost in Hyperspace**

This issues can be applied to the internet in two ways; Information searching and web site navigating.

When users are accessing the internet for information there are several problems that unfold. Search engines produce thousands upon thousands of results to simple keyword searches. Within these results there are often companies using this opportunity to sell products and services online. Therefore the internet can prove to be a very powerful information source however due to the enormouse size can have a detrimental effect because it can take a great deal of time and patience to find relevent and quality data through the masses.

The other way that the internet can become a maze is from navigation problems. Some internet sites are so huge that some other companies create banner adverts which appear once certain icons are clicked, sending users through to other places which they do not recognise. The onlines Mens Health magazine is a very large site which offers a wide range of producyts and online services in the fields of mens health and fitness sector. I was navigating throgh the site and became lost after entering link after link and ending up in a site offering me steroids for muscel development.

- **Never Complete**

This problem is rated at different levels of importance with different web sites. The need to update the information on a website is crucial for an achademic online system like guardian.co.uk. Users specifically access this site for up to date developments on all types of news and therefore their *must* be an effiecient method for the news to be uploaded to the net. Another grey area is the validity of online shopping prices. Some companies have incurred huge losses in profit due to simple mistakes relating to poor updating of correct prices, and unfortunately have had to sell certain products at a loss due to regulatory retailing laws.

- **Invasion of Privacy**

Privacy is another very huge disadvantage. International terrorism has had a huge impact on the whole world in many different ways. Although the capability of the internet is to connect people all over the world, in terms of terrorism it has proven to be a dangerous tool. The American government now has the right to investigate any persons email in detail for any reason in association with security or terrorism reasons. This has been welcomed very grugingly by citizens who perceive this as an invasion on human right, not even companies have this kind of regulations under the data protection act. This can have huge effects on the privacy of peoples emails and therefore force people to switch to other methods of sending information.

- **Cultural Preferences**

Cultural differences and preferences can influence users greatly. As a nation we may interpret things in certain ways, or expect text/ articles to follow in an up to down manner and certain colours may be very appealing. However in other countries or areas some of our preferences may not be easy to follow and even colours may signify different meanings. Whilst globalization theory explains how the world is converging together, on the internet people still will have localized preferences in terms of navigational aspects. The more diverse a site is to an international person, the more time and effort is needed to become accustomed to alternative layouts. For some users this can be a very slow process and can discourage some users from international sites. -----

- **Lack of senses**

Although online retailing may become very popular, it is not applicable to all products or industries. With online purchasing there are a lack of senses. Products cannot be smelled, touched, heard or physically seen. With certain products these forms of information are vital in determining purchasing decisions. In high risk products, either expensive or unreturnable, the internet is very poor because higher levels of information are needed and sometimes backed up by personal one to one human advise. Therefore the future of online retailing may only prosper with certain industries and products, and all the traditional high street shopping will continue to be a popular form of purchasing.

- **Direct Mail**

Certain sites have detailed criteria which must be supplied for users to become members. It could be argued to be easier to gain higher levels of information over the net from users. However some companies forward such material to other companies or departments. This enables businesses and organizations the ability to send huge amounts of direct messages through e-mails. The average inbox receives 2.3 irrelevant or junk mail a day. This discourages people from supplying certain details to avoid junk mail which gets the same treatment as direct mail through the post.