CHAPTER-I
Chapter 1. Introduction and design of the study

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Chapter 1. Introduction and design of the study

1. Introduction

This is the first chapter of this study. This chapter explains about computers, Internet, E-Marketing, statement of the problem, objectives of the study, hypothesis of the study, operational definitions, period of study, nature of data, framework of analysis of data, chapter scheme, limitations of the study and many more...

1.1 Computers.

1.1.1 Meaning:

We have two meanings for computers, one is "it is an electronic device which takes input from keyboard, process the data and produces output." and another one is "computer is made up of combinations of electronic and electromechanical components".

1.1.2 Generation of computers:
Computer industry took long years to get established. Though it had developed good technology and demonstrated it over few years; it had to wait for its acceptance by business and government. For simplifying and providing a framework for discussion of the growth of computer industry, it is customary to break it into generations of growth. Originally the term ‘generations’ was used to distinguish between using hardware technology. But since 1968, both hardware and software advantages are considered. These generations represent major advances in computing technology. The table has taken samples of the generations to understand:

<table>
<thead>
<tr>
<th>Generation</th>
<th>Period</th>
<th>Switching device</th>
<th>Storage device</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>1949 - 1955</td>
<td>vacuum tubes</td>
<td>Acoustic delay links and magnetic drum.</td>
</tr>
</tbody>
</table>
1.1.3 Computer applications:

Now a day's computer is an unavoidable part of human life. Its uses are expanding everyday. Below list will demonstrate some fields:

- Commercial offices and banks
- Scientific Research and laboratories
- Telecommunication
- Education and training
- Agriculture
- Medical
- Engineering and production
- Military and police
- Transportation
- Entertainment
- Railways and air-lines
- Printing

1.1.4 Types of computers:

Computer industry is changing day by day. Many advanced hardwares and softwares are introduced. But the basic structure is not changing. But its hardware and software configurations are changing. Next table explains the basic types of computers in a simple manner:
### Table - 1.2 Types of computers by size

<table>
<thead>
<tr>
<th>Specifications</th>
<th>Micro</th>
<th>Mini</th>
<th>Mainframe</th>
<th>Super</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word length</td>
<td>8-16 bits</td>
<td>16-32 bits</td>
<td>32-64 bits</td>
<td>64 and above</td>
</tr>
<tr>
<td>Internal Memory</td>
<td>32-640 KB</td>
<td>256-2000 KB</td>
<td>2000-16000 KB</td>
<td>8000-64000 KB</td>
</tr>
<tr>
<td>Speed</td>
<td>1-10 MIPS</td>
<td>10-30 MIPS</td>
<td>30-100 MIPS</td>
<td>400-1000 MIPS</td>
</tr>
<tr>
<td>Maximum no. of users</td>
<td>Single user</td>
<td>Multi user up to 256</td>
<td>Multi user above 256</td>
<td>No limit</td>
</tr>
<tr>
<td>Software supported</td>
<td>Limited</td>
<td>Large</td>
<td>Large</td>
<td>Almost all</td>
</tr>
<tr>
<td>Peripherals supported</td>
<td>Limited</td>
<td>Large</td>
<td>Large</td>
<td>Very large</td>
</tr>
</tbody>
</table>

#### 1.1.5 Advantages of Computers:

i. **Speed:**

Computers can process millions of instructions per second. They were designed basically as fast calculations devices and modern computers have incredible speed of processing.
ii. **Accuracy:**

Computers can ensure consistently very high degree of accuracy in computations.

iii. **Storage:**

The computers usually have enormous memory capacity. It depends upon their work. In ordinary data processing computers having low memory, and in multimedia computers are having large memory. Computers also have external memories in the form of floppy disks and Compaq disks.

iv. **Versality:**

Though computers are basically designed to carry out only arithmetic operations yet they are capable of performing almost any task which has a series of finite logical steps.

v. **Free from fatigue:**

The computer is free from fatigue. It does not get tired at work and never loses concentration. It can perform basic arithmetic operations with the same degree of speed and accuracy to any extent of time continuously with the same amount of efficiency as the first transaction.
vi. **Programmable:**

The computer can be programmed to function automatically and it differentiates it from any other calculating device. Its functions as programmed for any stretch of time until the condition to terminate is satisfied.

1.1.6 Limitations of Computers:

I. The computer can't think on its own. It has to be given instructions to perform any operation. Research is currently underway to impart artificial intelligence to the computer. Once this becomes possible, the computer will be thinking on its own, a replication of human mind.

II. It does not have intuition. It cannot draw a conclusion without going through all intermediate steps.

III. It can do a task only if it can be expressed in a series of finite steps leading to the completion of the tasks.

IV. Similarly it cannot handle a situation where a finite number of steps generate an impossibly large number of computational operations.

V. It cannot learn from experiences. It will commit the same error repeatedly and cannot learn from experiences. But changes are taking place in this area as research progresses on artificial intelligence.

1.2 Internet.
1.2.1 History of internet:

There are two theories surrounding the birth of Internet, the more popular being that it began as an experiment in interconnection of computers, stimulated by the need for fault tolerant, wartime communications systems by the US Department of Defence. In 1969, when the cold war was at its chilliest, the advanced Research Projects Agency [ARPA] developed the world's first decentralized computer network, the predecessor of Internet. This Military Research Network named as 'ARPANET' started in case a bombing attack by the Russians destroyed one of the computers on the network, as the others would take over and route information around the damaged node.

The other, in 1960's, when computers were regarded as mere giant calculators, JCR Licklider Admit saw them as the ultimate communication devices with Defence Department funds, and a band of visionaries began work on a nationwide, interlocking network of computers to enable scientists to share research and computing resources over network. The first computers to be connected were the US Campuses of Stanford Research Institute, UCLA, UC Santa Barbara, and the University UC Utah.

According to the Internet time lines from four computers in 1969, and a 1000 in 1984, the number of computers permanent on the Internet grows to over 6.6 million in 1995, and crossed 15 million in 1998.

In India as far as most of us are concerned, the Internet was publicly available in 1995. However way back in 1987, the Education and Research Network [ERNET] was formed a joint venture of the Department of Electronics [DOE], and the United Nations Development Programme [UNDP].
Finally in August 1995, Videsh Snchar Nigam Limited [VSNL] was open India's gateway to the world by becoming the sole Internet Service Provider [ISP] and offering access to the Internet for a price. VSNL's monopolistic statuses were sufficient because for lethargy, with users more often than not being offered poor services-take it (or) leave it. All that change on November 6th 1998, when ISP service was privatized.

1. 2.2 Merits of Internet:

I. Global reach:

Internet is global network of computers. So, any one can access any computer of the world. The Internet is the only medium with a global reach with minimum cost.

II. Convenience:

A website is in reality, another branch of a company. The difference is that this branch does not keep the usual business hours from 9 to 5. It is open 24 hours a day, 7 days a week and 365 days a year.

III. Level playing filed:

The Internet offers level playing filed start-up companies, established companies small or big companies all are treated equal on the Internet.

IV. Speed:
Information on the net is transferred very fast compared to the traditional methods of transmitting data.

V. Multimedia support:

Unlike any other media, the Internet supports audio, video, paint, graphics and all this in a format that allows the user to choose what he wants to see or hear.

VI. Interactivity

Traditional media forces information down the throat of the customer—a top down approach, often making the customer passive observer. A website being dynamic, offers two way communications.

VII. Customization:

The Internet can be used to personalize information presented to the customer.

VIII. Ownership:

Internet has no owner, no one can control Internet. It is not in a particular place. It was spread over the network.

1. 2. 3 Demerits of Internet:
i. Internet has all the things, including pornography pictures and videos. This will spoil the surfing children.

ii. Most of the net users are afraid about the viruses. Now a days most viruses spread by way of net.

iii. Internet browsing became a habit like liquor consumption.

iv. Internet is unsecured.

v. Internet offers malpractices in buying and selling.

vi. In country like India people are still fighting for food. So Internet is a dream for them.

vii. Internet is not productive. It just markets the product.

1.3 E-Marketing.

The governance of computing, broadcasting and telecom technologies was revolutionizing the way people did business, and companies today had to adapt to this new paradigm. One of its dimensions is E-Marketing.

E-Marketing is just like our marketing but it market on the Internet. Marketing on the Internet for a company is taken as the process of using the Internet to market themselves, their products and their services.
The Internet is a wonderful mirror reflection of the real world, and is often referred to as the virtual world. The most exciting part of this for business is the fact that they have an opportunity to open a new branch in this virtual world at a very low cost, which can be accessed by anyone, anywhere and anytime. This is the website-the foundation on which a business can start building a full blown, fully functional business unit. That's the power of the Internet — a very effective, unique medium, still at its infancy.

Internet is the new technology breakthrough which has invaded almost every aspect of communication, with users expanding at exponential growth rates. Practically it can replace or supplement everything from television to telephones. Marketing departments have a chance to take advantage of the capabilities of this strategic weapon in order to be more effective. Internet can assist companies in:

- Expanding in the new markets locally and globally, using collaborating schemes at every direction, namely suppliers and competitors.

- Maintains their most attractive customers, in terms of both actual and expected profitability, by creating new value for the customers.

- Integrating the functions of advertising, sales promotion, personal selling and distribution.

Although the potential for profitability is unquestionable, success on the internet can be measured by the number of site visits [hits], and they note
however that very few companies report significant sales. Most companies
generate very little business from web advertising at present and that is reality,
the main advantage of the web, at this early stage, is the experience that they
gain about the marketing strategies to be used when the network becomes a
major commercial tool for everyone.

2. Statement of the problem.

This study was conducted to explore the truth about e-market’s
share in Indian economic growth. This study also determines in what stage we
are in the world wide e-market revolution. Is India prepared for e-Market
revolution? This study also undertakes how to change human life through E-
Marketing.

3. Objectives of the study.

1. To study E-Marketing.

2. To study the influence of E-Marketing in day to day life.

3. To study E-Marketing in nations growth.

4. To differentiate E-Marketing from marketing.

5. To study Indian E-Market.

4. Operational definition of the concepts.
Computer:

Computer is an electronic data processing machine. It was operated by a pre-determined program.

Internet:

Internet is an inter networking of computer networks. It helps to connect the world in a single network.

E-Marketing:

E-Marketing is a market, which runs on the World Wide Web.

B2B:

Business to Business.

B2C:

Business to consumers.

5. Period of study.

Period of this study was taken from 1996 to 2000. Because internet was introduced in India by VSNL in August 1995, and it was privatized in November 1998. The starting year of the study was 1996. Now the data for the year 2001 is not available. So 2000 is the end of the study. The year starts in 1st April and ends in 31st March.

Data used for this study are absolutely secondary data published in internet. The data were gathered from various International and Indian Website’s various publications. The data are verified with other publications. Websites used for this data collection are mentioned in the bibliography. The amount in the data are taken form various currencies and converted into US Dollars.

7. Frame work of Analysis of data.

Data collected for this study are secondary. So analyzing work is very less. Some tools like, tabulation, conversion of data, editing, transcription, classification, interpretation and comparison were used. The data for this study are also in some format.

8. Chapter Scheme.

This publication contains five chapters

Chapter 1: This contains the introduction and design of the study.

Chapter 2: This chapter contains an overview of E-Marketing. E-Marketing concepts and tools are explained here.

Chapter 3: This chapter deals with E-Marketing’s worldwide growth.
Chapter 4: This chapter explores e-markets growth in India.

Chapter 5: This tells about the findings of the study and suggestions

9. Limitations of the study.

In this study data collection is very rare. E-Marketing is newly developed method of buying and selling. And it does not reach all areas and all people. So to study about E-Marketing is difficult. This study used secondary data collected from various international and Indian survey websites. And most of the data are projections from past records. E-Marketing is changing day by day. So accuracy and recentness of data are low.

What's next?

In the next [2nd] chapter meaning and functions of E-Marketing, comparing e-market to traditional market, e-market segmentation, consumer behavior in e-marketing, branding and packaging in E-Marketing, distribution in E-Marketing, price distribution in E-Marketing, payment of money and cryptography in E-Marketing, sales forecasting and sales promotion, and many more will be presented...