ELECTRONIC MARKETING:

ADVANTAGES AND DISADVANTAGES

By

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Electronic Marketing: Advantages and Disadvantages

ABSTRACT

ELECTRONIC MARKETING, ADVANTAGES AND DISADVANTAGES

There is no doubt that the Electronic Marketing has contributed positively in the life of modern societies, mainly the consuming societies. It allowed purchasing of materials cheaply without any limit, and without any restrictions. It also gave the chance to make a free selection and comparison between the prices of goods at the electronic department stores throughout the Internet. All such facilities are given to the consumers in a very short time without causing them to leave their office or home. In addition, the Electronic Marketing has exterminated the monopoly of goods and materials, all such acts of course are for the consumer's benefit.

However, in addition to such advantages there are many disadvantages of such type of marketing, the Electronic Marketing has deleted the privacy of the consumer, because all of his movements through the Internet have been divulged and under control, in addition to lack of exclusive security through the Internet. Accordingly, many losses equally occurred to the customer and the merchant due to such acts of hackers who reveal the information and credit cards details.

As well as, the Electronic Marketing caused many merchants, agents and monopolists to be vanquished because it gave the chance for direct communications between the producer and the consumer without passing through them; as such, many of such merchants have been yielded away from the way of this new technology.

The Electronic Marketing was able to cause an upset down in many concepts and standards of economic science that have existed for so many years. Doors are still open for every new in this assumption and endless world as there are no limits that can stop such human ambition.

NAJIB C. FATAYRGI
Winter 2004

ACKNOWLEDGMENTS

I would like to extend my sincerest thanks and regards to all those who helped me to reach such a level. It was an unattainable dream to me to get such a degree, and I never thought before about it. The endless human ambition causes me not to stop at a certain limit.

In 1982, when I came from Lebanon to work in the UAE, I have completed my study and attained a Diploma in Accounting. At that time, Civil war in Lebanon was a major obstacle in the way of many students and caused a bad effect on the academic performance of so many students, I was one of such students. By the summer of 1982, the Israeli army occupied south Lebanon and reached to the capital Beirut, I was extremely busy in studying accounts; such invasion caused my institute to shorten the time of study from two years to one year. I accepted to have a diploma level as a minimum education without attaining any university degree, but even such degree I was not able to obtain it in full due to the acceleration of the events that summer. I was satisfied to have a diploma degree due to shortness of time and due to lack of enough funds to study abroad, as such a step was only limited to lucky rich people, and I couldn't obtain a scholarship to continue my study out of Lebanon. However, I was not able to complete the diploma course in full due to tragic events that happened during that summer.

At the end of 1982, I got an employment offer to work in the UAE; I left my home country in December of the same year. My qualification was only a Diploma of Accounts that I attained after completion of my secondary school certificate. It was natural to spend my first years in the UAE to cope with the new environment and the new job, while keeping in mind that I should continue my education. Years passed quickly and I have settled and enjoyed self-convenience rest when I got

married and my first baby daughter was born which gave me the chance to continue my university studies by correspondence where I attained my Bachelor Degree in Business Administration.

In 1998, after two years of graduation, and due to facilities of communication through the computer and the Internet, I decided to continue my higher education. By the help of God, and due to my vast experience that I gained in my practical life, and due to my reasonable knowledge in computer and communication through the Internet; I was able to attain my Master Degree in Business Administration. By attaining this degree, I achieved an old wish that I could not carry out before due unavoidable circumstances.

I do admit hereby, that after I have attained my Master Degree I did not think to study for attaining the Doctorate. The work pressure, family liabilities and work to fulfill the daily needs in life had contributed a lot to forbid me continuing my studies as higher studies need a lot of time to study and research. Once again, this giant invention, the Internet that put down the whole world in our hands caused me to change my mind; and I started talking to myself: Why not? Therefore, I made my mind up and started a quiet navigation through the universities websites, I received so many offers some of them was convenient to my circumstance, and once again, I became a student.

Now, while I am in the process of attaining my Doctorate degree in Business Administration, I would like to extend my sincerest thanks to all people who caused me reach such a level. I would like to thank my late dad, who sacrificed a lot for me and for my brother and deprived himself from so many things to support our education. I wish he was still alive among us in order to be proud of this result, but I am sure that his pure spirit always accompanies me and gives me more motivation.

I also extend my thanks to my great mom, whose distinctive attitude in upbringing and her follow up to the tiny particulars in my life gave a great influence on forming my character and love of work. Such attitude helped me a lot to succeed in my life to reach such distinctive level. Her main dream was to see me holding a high

scientific degree; that is why she was always serious to motivate me to continue my study. I hope I realized her dream even though it was late.

In addition, I thank my aunt Umm Saleh who supported me financially and morally to attain my first scientific degree , and her son Nasser Agha who brought me to the UAE and gave me employment opportunity in his company. He guided and supported me until I became self-independent, and gained a lot of experience.

Thanks to my beloved wife and children who secured the necessary convenient time for me to study, they all were great motivator for all that I have achieved. In fact, I am fully convinced that all of what I gain would be finally beneficial to them. My entire object in life is to offer the maximum I have for them.

Also thanks to my relative friend the teacher Mohammad Ali Mayassi, his valuable instructions and advices had a great effect on the production of this dissertation in its proper shape.

Finally, I thank the faculty members of **Saint Regis University**, Deans, Directors, Executives and Advisors for their endless support; they all gave me the honor of attaining the Doctorate degree. In addition, I will never forget my advisor Patrick who has received so many notices from me and answered so many of my questions patiently. He accompanied me, step-by-step from the first moment of my inquiry about the Doctorate degree program in Saint Regis University until the moment I attained it.

For all the above named persons and other nameless people who positively contributed in my life I extend my thanks and appreciation.

Najib C. Fatayrgi

Abu Dhabi

January 2004

DEDICATION

To my best beloved wife who illuminated
my way during my all times,
and extended all kinds of
moral and spiritual support.
To my twin spirit
who without her I'll never reach
to what I am now, if she was not beside me.
To my dearest wife Houda,
I present this work.

Your beloved Husband
Najib

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Introduction

During summer of 2002, I made a plan to travel to Denmark with my family to visit my wife's parents there, since there were no direct flights between Abu Dhabi and Copenhagen; we were supposed to pass by transit through another country. Being on my annual vacation, I decided to pass via Paris to spend two days in the capital of France. I started navigating through the Internet to choose the airline that is proper to my situation and the hotel that I can afford, I got so many offers thorough the Internet.

I booked a room in the hotel and arranged payment in advance by credit card through the Internet. Because I have never been in France before, I booked a car with a driver to drop my family and me to the hotel and return us back from the hotel to the airport; I have paid as well by credit card through the Internet. In addition, I also booked for a tour to view the great landmarks of the French capital, including a tourist guide to show us the city landmarks.

Since there were more than a party relating to my booking, I was afraid that this would corrupt my vacation and make it a source of worry in case of not following the strict arrangement in my trip exactly. Due to reason that I do not know the French language and I do not know the French capital and have never visited it before, I was afraid this might spoil my holiday and become a factor for the worry and disturbance if the arrangement did not take place in the order that held it. This is why I reconfirmed my reservations with the hotel, the airport shuttle, and the tourist tour before the traveling date.

The travel time has come, the airplane departed to Paris. In spite the fact that the flight arrived in due time, but unfortunately landed in another terminal and this might cause me to miss the taxi driver who was supposed to meet us in the certain terminal. Such action caused me to be more worried about interrupt of the other arranged bookings through the Internet. Being a new user of the Internet on such critical subjects increased my worries despite I am familiar with the electronic marketing where I purchased a lot of books and goods through the Internet, but it is the first time I deal with the electronic marketing related to travel and tourism.

While we were exiting from the arrival terminal in Charles de Gaulle Airport, we found the taxi driver waiting for us after inquiring about our arrival terminal. Upon our arrival to the hotel, the receptionist was waiting for us. We found every thing arranged as requested, and thus we went to sleep waiting for the next day program.

Next morning, the tourism guide arrived to the hotel on time in order to transport us for a tour in Paris; it was really an enjoying tour. At the end of our visit to Paris, the taxi driver collected and dropped us at the airport on the scheduled time, concluding a fantastic and unforgotten experience of a trip that been arranged and executed from A to Z through the Internet by the electronic marketing.

I narrated the above story for the purpose of showing the importance and ability of the electronic marketing, this modern type of marketing may save a lot of time and money on condition that to know how to benefit from it.

The electronic marketing has penetrated almost in all life aspects. I do not believe that any sales are not available on the Internet, needless to mention and limit such things because it is an endless list. I would like to refer to another important aspect that has been given by the electronic marketing, which is the Electronic learning. The electronic marketing now includes many universities and scientific institutes, it is possible to study and attain your scientific certificate from the Bachelor Degree up to the Master and Doctorate Degree while you are at home without leaving your country to study in outside areas.

I would like to recall that I am preparing to attain this Doctorate Degree fully through the Internet; I started my researches through the Internet until I got the university that offers the convenient Doctorate degree for me, a university that fits my work and family status. Such a subject would fulfill the wish and achieve the ambition of wide range of people.

The electronic universities -if possible to say- have become an existing fact, they have their own programs and systems. So many websites have classified such universities according to rank, importance, and type of academic studies. Nowadays, it is possible to attain the highest educational scientific grades from well known and

accredited universities which attempt to promote their capabilities and the experience of their faculty electronically throughout this giant magician "the Internet".

Before I go deeply to the details of my dissertation main subject, I would like to explain some basic points that I followed during my research. I found it convenient to highlight the main elements that are currently linked with the electronic marketing. Completion of the electronic marketing necessarily demands a computer and Internet subscription. Before explaining the advantages and disadvantages of the electronic marketing, it is necessary to talk about the elements that are related with the marketing. That is why I have defined the meaning of marketing itself in the first chapter. While I specified the second chapter to talk about the Computer; the machine that should be available in order to complete the electronic marketing transactions in its modern style. While the Internet is the most important tool that facilitates communication and connection among the computer machines and that was the main cause of the electronic marketing spread, I have specified the third chapter in order to explain its particulars. In addition, I have specified the fourth chapter in order to explain the electronic marketing itself from all sides. While in the fifth chapter, I concentrated on the security of the Internet, and the importance of processing the electronic marketing safely over the internet. Finally, in the sixth chapter I have explained the advantages and disadvantages of the electronic marketing.

Before concluding this introduction I find it necessary to explain many expressions related to this subject, this for the separation of such elements. The *Market* means the identified location in which sales and purchasing transactions take place. While the *Marketing* is the act or execution of sales and purchasing activities in a certain market, or widely is the development of strategy for the sales of certain product, *Shopping* means purchasing of goods and materials from departmental stores or from a specific shop, that is why such meaning is limited. While *Selling* and *Buying* have further and vaster meaning, both are parts of the *Commerce* and both are related to the marketing process it self.

CHAPTER ONE

THE MARKETING

First, it is necessary to talk about the marketing it self to give a full idea about its development and its importance in our lives, in order to know the Electronic Marketing from all its sides.

The Marketing Definition:
The marketing is the process that includes some elements apparently seem not to be linked to each other, while in fact they are related together and form a relation between the producers or manufacturers and the consumers.

Since the marketing has many meanings and definitions, such a subject seems to be unclear to a certain extent. In fact, such marketing meanings and expressions were intentionally made ambiguous; because the marketing is not only selling of yogurts or even automotives.

If we make a survey and ask a group of people to give a definition to the marketing, we will have different and various answers despite that the matter appears easy in the beginning. The marketing definition states that it is the procedure by which salespersons look for purchasers, and it is the process by which products and services are being exchanged between the producers and the individuals. In the economy science, the marketing indicates to the procedure by which the consumer's capability is evaluated and transformed to an actual order, and the procedure that services and products are delivered to the last consumer. Although I agree with these definitions, I would like to refer that the marketing is actually a wide world with various activities and undergoes so many stages where many individuals take a part in it. Sales and advertising are parts of the marketing procedure, but still there are many other elements of the marketing may not be as sales or advertising visible , such as insurance, bank financing, transportation and storing.

In addition to the fact that the marketing attitude moves in a way to discover the hidden motives of customers and to know the reasons that

caused them to purchase a thing or dislike it. In fact, the marketing is a particular attitude by which we should discover the customer's behavior for affecting a group of individuals in order to lead them if necessary. Such attitude is successfully employed by any human organization who wishes to deliver or transport any specific item to the public such as a candidate for elections, administration, city, syndicate, university, etc…

The attitude of successful marketing should not always rely on newly acquainted things, the market competition is high, and loss of customers is easier than gaining them. The market is full of humps that may foil the plan that have been made if no accurate consideration has been made.

The marketing is not confined to any particular type of economy, because goods must be exchanged and therefore marketed in all economies and societies except perhaps in the most primitive. Furthermore, the marketing is not a function that is limited to profit-oriented business; even such institutions as hospitals, schools, and museums engage in some forms of marketing.

Based on these criteria, marketing can take a variety of forms: it can be a set of functions, a department within an organization, a managerial process, a managerial philosophy, and a social process.

The marketing by its known form has been employed by organizations that aim for commercial projects for gaining profits. Such firms have developed the market techniques being the only beneficiary. Regardless of time and place, the advertising, which is extended throughout the industrial countries, embodies such marketing. The general concept of the marketing is comprehensive and not only limited to commercial materials, but includes most of all aspects in our lives, before reaching this stage the marketing had to cross many stages across many years.

The Marketing History:
The marketing as a general concept is an old social activity. Before using money for purchasing, people used to exchange their materials in small markets that were held on certain days and places for satisfying their needs, Example: Farmers used to exchange the products of their land or farms with other materials they need in their daily life. Such a

primitive dealing presents a kind of marketing that has been created by such societies in order to satisfy their modest needs at that time.

In a subsistence-level economy, there is little need for exchange of goods because the division of labor is at a rudimentary level; most people produce the same or similar goods. Interregional exchange between disparate geographic areas depends on adequate means of transportation. Thus, before the development of caravan travel and navigation, the exchange of the products of one region for those of another was limited. The village market or fair, the itinerant merchant or peddler, and the shop where customers could have such goods as shoes and furniture made to order were features of marketing in rural Europe.

In the United States in the 19th century the typical marketing setup was one in which wholesalers assembled the products of various manufacturers or producers and sold them to jobbers and retailers.

In the past century, that system met stiff competition from chain stores, which were organized for the mass distribution of goods and enjoyed the advantages of large-scale operation, today large chain stores dominate the field of retail trade. The concurrent advent of the motor truck and paved highway, making possible the prompt delivery of a variety of goods in large quantities, still further modified marketing arrangement, and the proliferation of the automobile has expanded the geographic area in which a consumer can make retail purchases.

Development of modern marketing:

At the beginning of last century, when minority of people controlled the economic conditions, any individual used to sell his products. Production was the first dominating function and it was not sufficient to satisfy people's demands. However, after fifties of last century, the conditions have completely changed; this was due to the development of education science progress and the rise up of the standards of living, as well as the increasing competition among the producers.

After that selling has occupied due first rank instead of production, the market began to lead the decision of the project, but not the contrary. I may conclude that the marketing has been developed due to the competition that was dominating the industrial countries.

The marketing continued increasing in development and became the corner stone for any productive project; no producer or manufacturer can promote his products if he does not employ active marketing devices. The most important evidence of the marketing in the industrial world is the indication that half of the material or product cost will result from the marketing procedure.

The Marketing Stages:
Any business that aims for development is linked to five main marketing stages or activities:

1- **Market Research.**
2- **Development of the product.**
3- **Distribution.**
4- **Pricing.**
5- **Promotion.**

Now I am going to talk about each of the above activities in some details:

1- <u>**Market Research**</u>:
Is the study of the supposed consumers of certain products or materials, such probable customers are called "The Market". The study also includes the competitor products and manners of their distribution and selling. The sources of information related to the market are numerous such governmental statistics about the number of population, and the income of the individual, that would indicate the market value and its purchasing force.

2- <u>**Development of the product**</u>:
This should include the identification of the various products that will be displayed. In addition to development of such products, the producers always satisfy the consumer's demands with new products and replace the old products as well as withdraw some of such products from the markets.

3- **Distribution**:

It is the movement of the products and services from the producer to the consumer. The manufacturer must provide an active system to maintain the flow of products from the factory to the consumer, such a system is called "marketing channel" or "channel of distribution ", during 20th century, the distribution system has witnessed so many various changes.

There are so many actors contribute with the distribution process; this includes the wholesalers who sell huge quantities of products to the retailers who in term sell fewer quantities to the consumers. There are also independent traders who purchase huge quantities of products from the manufacturers and resell them in small quantity to retailers, in addition to the presence of other companies that take part in distribution process by providing the merchants with various services such as financing, transportation and storing on warehousing.

It is important to understand the movement process of products in the marketing system and to know its main actors, as this understanding will help to get a clear picture of the electronic marketing elements, which I am going to explain in chapter six of this research.

4- **Pricing:**

Before determining the price of the goods, usually manufacturers start calculating the cost of such goods and in particular the cost of one piece, after that they increase a certain percentage as a profit. Each company or element of the market channels shall also increase the cost to cover its expenses to be able to get a profit. The added amounts on during each distribution stage is called "Mark up". Finally, the cost price of the commodity will be equal to the cost of the product plus all other "Mark Ups".

There is no doubt that some people do believe that part of financing in marketing process is a lost amount, but most of economists do believe that the marketing process will be actually advantageous to the consumers. If the market research would help

industry to know the consumers demands, the marketing will provide Information about shopping and make the products available in reasonable quantities.

5- **<u>Promotion of products</u>**:

It includes advertising, catalogues, coupons, direct mail, display in showrooms, direct sales from door to door. Companies will carry out promotional and various displaying activities in order to inform the customers about the products and services and motivate them for purchasing. In such cases, advertising has more influential effect. The main purpose of advertising is to inform the customers about the goods in the market and to convince them to purchase.

It is worth to state that the developments of modern advertising techniques have deleted the concept of consumer sovereignty, Nowadays, producers don't only produce as per order, but expecting to get orders that will be created through advertising.

The marketing of various products always had been varied, some products had been delivered directly from the producers to consumers, while other products used to be distributed through long series of agents, wholesalers and retailers. In so many cases, such brokers were criticized, according to economists; such brokers sometime perform basic economic functions.

Regardless of the reasons, the wholesalers role has been vanquished, and was replaced by the producers themselves or retailers, the development of telephone, telegram communication and invention of the Internet have encouraged such attitude. In addition to that, producers became ready to deliver the products directly to retailers. Nowadays, so many producers prefer to play the role of retailers and to deliver the products directly to the customers. This important issue will be discussed and analyzed in chapter six of this research, being one of the important advantages and disadvantages of the electronic marketing and the new concepts that have been devoted in the world of marketing in general.

Chapter Two

THE COMPUTER

The Computer Definition:

The simplified definition of the computer is that it is a machine, or an "Electronic mind" that automatically calculates mathematical problems; in fact such a definition is incomplete. The computer is more complicated than it is defined, this machine that is able to solve all kinds of problems, from the simple to the most complicated issues, is above such definition.

People who contributed in the computer invention did not initially recognize that such a work would exceed the case of inventing a new machine. Lately, they discovered that it is not necessary to have one computer for each new calculation process, and that, one computer will be able to solve so many problems, as they did not imagine such problems while manufacturing the computer. That is why they were supposed to learn how such a machine knows the problem that should be solved, by another definition they were supposed to invent the programming.

The computer that started as a big machine, and occupied large spaces of many rooms and consumed great consumptions of power, has been developed in a short time in respect of size and speed, and became an essential part in our daily life.

Today, the computer is available everywhere, at houses, companies, factories, banks, hospitals, government departments, airports, schools, universities, printing establishments … briefly, everywhere. A time ago, it was said that the illiterate person in this age is the one who does not know how to deal with the computer, is there an argument about this saying?

The Computer History:

The earliest known calculating device is probably the abacus; the history of this calculator goes back to the year 1100 B.C and is still in use today particularly in Asia. Throughout the ages, such calculator has been developed and took so many shapes.

The French mathematician – philosopher Blaise Pascal has created the first calculator in 1642 for his father the tax collector, so it was the first business machine. During the following ten years, Pascal had manufactured fifty machines of the same kind.

In 1930, an American engineer named Vannevar Bush was able to develop the first modern analog computer. The Differential Analyzer, as he called it, was an analog calculator that could be used to solve certain classes of differential equations, a type of problem common in physics and engineering applications that are often very tedious to solve. Variables were represented by shaft motion, and addition and multiplication were accomplished by feeding the values into a set of gears. Integration was carried out by means of a knife-edged wheel rotating at a variable radius on a circular table. The individual mechanical integrators were then interconnected to solve a set of differential equations.

During 1939 and 1944, the American Howard Aiken was able to develop the first fully functional computer. This computer was huge: more than 50 feet (15 meters) long, weighing five tons, and consisting of about 750,000 separate parts, it was mostly mechanical. For input and output, it used three paper tape readers, two card readers, a cardpunch, and two typewriters. It took between three and six seconds to add two numbers. Aiken developed three more such machines (Mark II–IV) over the next few years and is credited with developing the first fully automatic large – scale calculator.

It was generally believed that the first electronic digital computers were the Colossus, built in England in 1943, and the ENIAC, built in the United States in 1945. However, the first special-purpose electronic computer may actually have been invented by John Vincent Atanasoff, during 1937– 42. (Atanasoff also claimed to have invented the term

analog computer to describe machines such as Vannevar Bush's Differential Analyzer.) Together with his graduate assistant Clifford E. Berry, Atanasoff built a successful small prototype in 1939 for the purpose of testing two ideas central to his design: capacitors to store data in binary form and electronic logic circuits to perform addition and subtraction. They then began the design and construction of a larger, more general-purpose computer, known as the Atanasoff-Berry Computer, or ABC .

Between 1940 and 1946, George Stibitz and his team at Bell Laboratories built a series of machines with telephone technologies, i.e., employing electromechanical relays. These were the first machines to serve more than one user and the first to work remotely over telephone lines. However, because they were based on slow mechanical relays rather than electronic switches, they became obsolete almost as soon as they were constructed.

In the United States, government funding went to a project led by a group of Electrical Engineering at the University of Pennsylvania; their objective was an all-electronic computer. Under contract to the army, work began in early 1943 on the Electronic Numerical Integrator and Computer (ENIAC).

ENIAC was enormous. It occupied the 50-foot by 30-foot (15-metre by 9-metre) basement of the Moore School, where its 40 panels were arranged, U-shaped, along three walls. Each of the units was about 2 feet wide by 2 feet deep by 8 feet high (0.6 meter by 0.6 meter by 2.4 meters). With approximately 18,000 vacuum tubes, 70,000 resistors, 10,000 capacitors, 6,000 switches, and 1,500 relays, it was easily the most complex electronic system theretofore built. ENIAC ran continuously (in part to extend tube life), generating 150 kilowatts of heat, and could execute up to 5,000 additions per second, several orders of magnitude faster than its electromechanical predecessors. It and subsequent computers employing vacuum tubes are known as first-generation computers, (With 1,500 mechanical relays, ENIAC was still transitional to later, fully electronic computers).   At the following years the computer development continued, the new shapes were less weight and size.

During the middle of fifties of last century, many computer languages or Programming languages has been appeared like Fortran, Cobol and Algol.

In order to make the early computers truly useful and efficient, two major innovations in software were needed. One was high-level programming languages (like Fortran, Cobol, and Algol), the other was control. Today the system-wide control functions of a computer are generally subsumed under the term operating system, or OS.

An operating system handles the behind-the-scenes activities of a computer, such as orchestrating the transitions from one program to another and managing access to disk storage and peripheral devices.

The first practical and commercial operating system was invented by IBM Company, it was the IBM 360 operating system. IBM had been selling business machines since early in the century and had built Howard Aiken's computer to his architectural specifications.

Until 1970 the computer machines were still big in size and require thousands of separated transistors that were operated by specialized technicians who used to wear the white laboratory uniforms and were called "the computer priesthood", the computers were very expensive and difficult to operate; few of people were dealing directly with them and none of them their programmers.

The Personal Computer (PC):

The Personal Computer (PC) is a small digital but powerful computer that uses only one microprocessor and designed for use by only one person at a time. It is primarily used in an office or home without the need to be connected to a larger computer.

Computers small and inexpensive enough to be purchased by individuals for use in their homes first became feasible in the 1970s, when large-scale integration made it possible to construct a sufficiently powerful microprocessor on a single semiconductor chip. A small firm named MITS made the first personal computer, the Altair. This computer, which used the Intel Corporation's 8080 microprocessor, was developed in 1974.

During 1977, the actual manufacturing of PC started, it was smaller and cheaper than other computers. Due to cheap prices of PC in comparison with the basic computers, people, companies and schools

were able to purchase it where it was highly promoted during a very short period. In addition to various types of the computers that were invented, new programs also were invented and developed to serve the personal computer.

A typical personal computer assemblage consists of a Central Processing Unit (CPU), which includes the hard disk, Random Access Memory (RAM), motherboard, and processor. The personal computer also consists of a display screen, keyboard, mouse, input and output devices, secondary or external memory usually in the form of floppy disk or CD-ROM (Compact Disc – Read Only Memory). The personal computers generally are low-cost machines that can perform most of the functions of larger computers but use software oriented toward easy, single-user applications.

Most current PCs have more computing power, memory, and storage than the large mainframe computers of the 1950s and early 60s.

As the speed and power of the Complex Instruction Set Computer (CISC) processors used to power PCs have reached levels previously reserved for the reduced instruction set processors used in workstations, the distinction between PCs and workstations has blurred. PCs equipped with networking and communications hardware are often used as computer terminals.

By 1990 some personal computers had become small enough to be completely portable; they included laptop computers, which could rest in one's lap; notebook computers, which were about the size of a notebook; and pocket, or palm-sized, computers, which could be held in one's hand.

At the high end of the PC market, the personal computers equipped with CD-ROM players and digital sound systems allowed users to handle animated images and sound (in addition to text and still images) that were stored on high-capacity CD-ROMs. The personal computers were increasingly interconnected with each other and with larger computers in networks for gathering, sending, and sharing information electronically. The uses of personal computers continued to multiply as the machines became more powerful and their application software proliferated. By 1997, about 40 percent of all households in the United States owned a personal computer.

Chapter three

THE INTERNET

Preface:

It would not be convenient to talk about the electronic marketing without talking about the effective device that caused such wide spread of such type of marketing, I mean the Internet. This invention that has transformed the whole world into a small village and facilitated communications between the East and the West as a communication between two offices in the same floor of the same building.

The Internet Definition:

The Internet is a wide net of computers connected with each other, such a net is the largest in the whole world and it is open for every body. Any individual as soon as he gets the Internet service from the Internet service provider in his area upon paying the subscription fees can enjoy and join millions of Internet users worldwide.

Initially, the Internet started as one of the complicated American military devices, but nowadays, any individual without any exception can use it.

Each computer directly connected with the Internet is defined with a distinctive dual number known as IP Address. Due to difficulty in memorizing such number, a specific system of the Internet address has been developed in 1980 known as Domain.

The Internet has nearly become controlling all aspects in our contemporary life, this would lead to surprise how does such a technique is dominating our life as far as its secret has not been revealed. Even until beginning of nineties of the last century, most of people in America (which is the origin of Internet) do believe that the Internet is a kind of developing criminal conspiracy appeared due to the fall of Soviet Union.

In my opinion, the most important element that caused the wide spread of the Internet in such a quick time is because the Internet started operating in a completely different way from the way it was