Chapter IX
Internet, Reengineering and Technology Applications in Retailing

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International electronic network began in 1968 by the Advanced Research Projects Agency of Department of Defense known as ARPAnet in view to connect different university networks for wider exchange of academic information world over. The ARPAnet is first step in setting up global information network through intermediate networks compatible to the personal computers. The ARPAnet, in 80's was divided into two networks called Millet and NSFnet. The former network was used for the government information purposes while the latter network was intended for information sharing in research and education. The rapid growth in computer technology and commercial needs have allowed significant changes in the information management systems. There emerged in early nineties many commercial network backbones to link with the NSFnet to provide market information to the business firms. The Internet today is a combination of NSFnet and commercially available backbone services disseminating information on the decentralized networks all over the world. It is estimated that there are over 30,000 computer networks connecting over 2 million computers with each other on the Web. In view of the increasing use of electronic information sources through the networks the Transmission Control Protocol/Internet Protocol (TCP/IP) has been designed and made essential for each user networks to abide with the protocol standards which enables the data transfer and retrieval at source. It has been estimated that about

21.92 percent of total world population is using Internet in 2008 and the usage rate has grown by 305.5 percent during 2000-2008 (Internet World Statistics, 2008). Internet usage has been extended from fixed lines to broad band, and further to mobile Internet surfing. Large number of mobile phone users have adopted mobile Internet. Interestingly, the demographics and usage patterns of consumers showed that users perceived higher importance of having mobile Internet capabilities for services marketing including retail banking (Jiang, 2008).

THE MARKET SIZE

It is estimated that over 120 million companies and households are benefited to share information through Internet as a major communication link through inter-active advertisement, bulletin boards and on-line discussions on the research and educational issues. Commercially Internet has been used by the business houses as a media for advertisements and indenting goods and services by the individuals. Internet has become the place for Direct Marketing. The net represents a market of approximately $1200 billion as estimated in 2004. The Internet serves as a catalogue shop for the business houses and it has been proved beneficial to small companies which desire to expand their market but have limited financial resources. Internet provides opportunities for inputting advertisements, contests for consumer products, marketing research results and fashion news world wide for befitting the international marketing research.

Goods sold over the Internet during 1993 were worth $100 million which tripled in 1995 endorsing the effective use of net for business to business transactions and household (Boisseau , 1995). The growth rate of users of Internet is found to be 10 percent and the projections for the year 2007 reveal that the users' number will reach 1400 million. Currently the composition of Internet users shows 75 percent business houses and 25 percent academic institutions engaged in research and development. Smaller business houses have discovered Internet cost-effective for marketing com-munications. Advertising on Internet is less expensive as compared to any other electronic or print media. It is projected that by the year 2000 Internet will be used by 60 percent of the large companies and 30 percent of medium and small size companies out of the total users of the business community. The increasing shares belong to business promoters who want to drive in occasionally in the international market. As regards the household users, there were 31 percent of households owning personal computers and using the Internet facilities. The communications experts have predicted that by the year 2000 about 85 percent of the household will be able to use the on-line services. Demographically Internet has attracted about 50 percent of the users of young age falling within 25 years (Paul, 1996).

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