

Media Today, 6th Edition

Chapter Recaps & Study Guide

Chapter 6: The Internet Industry

This chapter explores the Internet industry, which supports the explosive growth of convergence activities, and changes relationships among media, internet industries, and their audiences.

Chapter Objectives:

1. Discuss the history of the Internet and the devices that link to it.
2. Understand the Internet as a technology.
3. Describe the Internet industry, its relationship to convergence, and its impact on media organizations and their consumers.
4. Analyze concerns that observers hold about Internet privacy issues.

The Rise of the Internet

- The internet is a global system of interconnected computer networks that links billions of people worldwide. (169)
- Through the use of packets, or segments of messages that contain digital instructions for reassembly upon delivery, these systems can maintain multiple data conversations at one time. (169)
- Hyperlinks connect documents and files through special coding that makes them “clickable.” (170)
- HTML, or HyperText MarkUp Language, defines the structures of Web pages and allows their interconnection. (170)
- The internet started within military and academic institutions, and became more available for public use by the mid-1990s. (170)
- See Figure 6.1 for more history of the Internet’s development. (172-173)
- Internet use is very common among adults in general, though younger people are more typical users than older ones. (Table 6.1, p. 171; p. 171-172; Table 6.2 shows some of the activities that people engage in online)

Production, Distribution, and Exhibition on the Internet

- Unlike most other industries, the roles among production, distribution, and exhibition often blur online. Users and industries can take on multiple roles more easily than in other venues. (174-175)
- People often create content for places that they can't control, such as a video on a travels site. (174)
- User-generated content (UGC) is made by people who often use the same website, such as someone making a video and uploading it to YouTube. (175)
- The parent sites will format the content and determine how (and if) other users receive it, serving in the role of producer and distributor. (175)
- Internet service providers (ISPs) allow audiences to access the Internet. ISPs take on the role of exhibitor. (175)
- Wi-Fi, a radio technology, allows people to access the Internet without using a wire. Wi-Fi frequencies travel only about a few hundred yards (175; see Figure 6.2 on p. 176)
- Net neutrality refers to the idea that ISPs will treat all traffic on the internet – from web browsing to show streaming – equally. On presidential recommendation, The FCC ruled that broadband access is a telecommunications service in order to preserve that neutrality. (176-177)
- The net neutrality controversy comes up with ISPs claim that they want to charge some sites for exhibition due to their heavy bandwidth, but many argue that such a practice would impact society in negative ways. (177)

Social Media Sites and Search Engines

- Social media sites (also called social networking sites) allow people to interact with others around different types of content. Popular examples are Facebook, Google+, LinkedIn, and Twitter. (178)
- A search engine allows you to look for information on the Internet. Google is the most popular search engine. Web crawlers (also known as web spiders) create an index of sites and then algorithms, or mathematical rules, determine which search results get returned to you in what order. (178)

- Natural or organic search results come up without the influence of advertisers. (178)
- Social media sites and search engines are seeing ways to bring their services together through a social search, which allows people to search among their connections to find popular items. (179)

Funding Online Content

- Search engines and social media sites compete for advertising dollars, though there are other approaches to making money through websites. (180)
- Sites involved in image-making get people to interact with their products, such as Jell-O. (180)
- Other sites sell products or services. Companies that have both online and offline sales presences are called click-and-mortar companies. (180)
- Other companies sell subscriptions to content, such as magazines or media content. Some subscriptions are tiered and others are flat rate. Consumers are still resistant to subscriptions. Examples include Netflix and *Advertising Age*. (180-181)
- Advertising also generates revenues for sites, and some claim the advantage online is in reaching very specific audiences with customized messages. (181)
 - Keyword advertising and contextual advertising offer ways to customize those messages. (181-182)
 - Profiling refers to creating a description of an audience member in order to tailor specific messages to them. Information for these profiles comes from voluntary information you enter, including your e-mail address and your interest categories. It also comes from cookies, or small files that track your progress through a site. (182)
 - Clickstreams refer to your mouse clicks through a site. (182)
 - The companies then use this data to deliver specific messages to you; this is called behavioral targeting (182)
 - The process that brings millions of profiles together is called data mining. (182; see Figure 6.3, p. 183)

- An ad network connects different websites together in order to sell ads on them. Ad exchanges are electronic auctions that allow advertisers and ad networks to reach targeted people, often at the point these people enter certain sites. (183)

“Web-Centered” and “App-Centered” Businesses

- Applications, or apps, bring material to audiences through the Internet, but not through the Web. Users access the content through the app instead of through a website. (183)
- Mobile applications, or mobile apps, work specifically on feature phones or smartphones. (184)
- Some publishers view mobile users as separate from Web users, but some publishers do not and will create content for both computer-based and mobile-based systems. (185)

Media Ethics: Confronting Internet Privacy

- Media critics worry about the protection of people’s privacy online. Part of this concern rests on the two-way function of the Internet. We might not want to share everything that we enter into a website registration form or other ordering form. (186)
- While cookies don’t allow access to personally identifiable information (PII), such as a name or postal address, critics claim that companies still can get this information easily. (187)
- Media executives claim that they need this information in order to remain competitive for advertising, and that people often provide this information willingly. (188)
- The opt-in approach states that marketers cannot collect data without a person’s permission, while the opt-out approach states that marketers can collect data so long as they tell people what they are doing and offer them an opportunity to refuse. Privacy advocates suggest that an opt-in approach would work better, but marketers prefer the opt-out approach because of the difficulties in getting people to opt-in. (188)
- Privacy is not just Web-based but also on mobile phones and even television. (188)