

# Digital promotions company

[Technology](#), [Development](#)



The following report shows how the newly established company - " Digital Blasphamy" has been operated, and the various internal and external factors that affect the operational aspects of the business. We have looked at the most important influences on the company, and how the members of the company should react to these conditions in order to allow their company to grow to its full potential. After studying all of these aspects we have come up with a set of recommendations for the company, which outline the strategic function of the business in the next five years, in order to help them grow into a prosperous and financially successful organisation.

Digital Blasphamy is a promotions company, operating in the city centre of Manchester. The business was established on the 10th January 2000 by Ross Billesland, James Harrow and Jay Puddy, all of which are second Year University students in Manchester. The company organises and promotes club nights to be held in already established venues which are hired out by the company. They organise every aspect of the promotion, from the advertising to the admission fees.

So far they have held two promotional nights, under the name of " Blessed", within the city centre of Manchester, succeeding to book a top class DJ to perform on both nights.

The last several years have been among the most extraordinary and exciting times many investors have ever seen. The advent of the Internet provided companies and entrepreneurs with an entirely new industry in which to capitalize. It is fascinating to observe how companies have performed during this period. By evaluating their past, one can try to gain insight into their future. Priceline and Inktomi Corporation are two companies that came into

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existence solely as a result of the Internet. Both took very different approaches to leveraging this technology when creating their business plans.

Priceline's business strategy is to sell various goods and services over the Internet by using a proprietary method whereby customers can "Name Your Own Price." Inktomi does not conduct business using the Internet; rather it's made the Internet its business. Inktomi develops software that assists companies in making their websites more efficient. It is also one of the first Internet companies to become profitable. After conducting a thorough analysis, I have a positive outlook for the future of Inktomi. Inktomi is focused on following its niche in making the Internet efficient, intelligent, and scalable. If Inktomi maintains its mission, it should be able to adapt to the demands of the marketplace no matter how the Internet is utilized in the future.

I think Priceline's future is not as promising, given its current plans for business operations. The challenges that Priceline faces are serious in that it is reliant upon others for its product and does not add any value other than providing a forum for business to take place. Priceline is very sensitive to market conditions and its financial position could be severely damaged if customers decide on a more preferable way to conduct their business. It is for these reasons that I think Priceline's long-term success is questionable.

It is unlikely that we will ever again see stock market performance like we have seen within the NASDAQ over the past 2 years or so. The NASDAQ soared over 100% from the beginning of 1999 to March of 2000, only to plummet over 65% to the lows of March 2001. With phrases like "irrational

exuberance" and " the Internet bubble" becoming infamous household terms, it was quite a wild ride. The story continues to play out even now, as the NASDAQ has gained over 33% between April 4th and April 20th.

One question that intrigues every investor as they try to evaluate their investment portfolio at the end of a painful 1st quarter of 2001 is whether the market is currently undervalued or overvalued. While this is an interesting question for the market overall, I find it an even more interesting question for some individual securities. Discussing what caused the boom and bust of the Internet bubble would be an entire research paper in itself. Rather than take an overall look at the market, I have chosen to research two companies that I feel best exemplified how the Internet has changed the stock market for the past 2 years.

These companies needed to be ones that benefited greatly from the promises and expectations of the Internet, while at the same time, were companies that ultimately were punished severely for having the Internet as the backbone for its business. I wanted these two companies to highlight the tremendous gains the Internet afforded new companies in their stock prices and also to illustrate how those tremendous gains were lost because ultimately, the companies were directly reliant on the Internet. The two companies that I feel were the most interesting to research and learn from are Priceline. com and Inktomi Corporation.

I researched both companies from the day they went public to current day. During my research, I reviewed every press release and read many news articles about each company. What I tried to accomplish was to create a

story about how these two companies came into existence and operated their businesses throughout a very exciting time. My goal was to focus on the companies themselves, examine how they decided to run their businesses, and evaluate the validity of those decisions. Both companies faced the same social, political, and economic issues that faced the entire market so I excluded discussing these trends, since both companies were effected the same.

What follows next is the chronological history for both companies, separately. I chose news articles and company events that I felt were the most important for telling the complete story for each company. After the chronological history, I will discuss some important issues regarding both companies and review how their businesses changed. In addition, I will discuss whether or not I find Inktomi or Priceline to be worthy investments for the long-term. Priceline's history will be reviewed first. As you can see from their charts on the following page, their stock prices experienced tremendous volatility as the market continued to evaluate the companies.