Layer 3 network addressing is one of the major tasks of Network Layer. Network Addresses are always logical i.e. these are software based addresses which can be changed by appropriate configurations.

A network address always points to host / node / server or it can represent a whole network. Network address is always configured on network interface card and is generally mapped by system with the MAC address hardwareaddress or layer-2 address of the machine for Layer-2 communication.

There are different kinds of network addresses in existence:

- IP
- IPX
- AppleTalk

We are discussing IP here as it is the only one we use in practice these days.

IP addressing provides mechanism to differentiate between hosts and network. Because IP addresses are assigned in hierarchical manner, a host always resides under a specific network. The host which needs to communicate outside its subnet, needs to know destination network address, where the packet/data is to be sent.

Hosts in different subnet need a mechanism to locate each other. This task can be done by DNS. DNS is a server which provides Layer-3 address of remote host mapped with its domain name or FQDN. When a host acquires the Layer-3 Address IPAddress of the remote host, it forwards all its packet to its gateway. A gateway is a router equipped with all the information which leads to route packets to the destination host.

Routers take help of routing tables, which has the following information:

- Method to reach the network
Routers upon receiving a forwarding request, forwards packet to its next hop adjacent router towards the destination.

The next router on the path follows the same thing and eventually the data packet reaches its destination.

Network address can be of one of the following:

- Unicast destinedtoonehost
- Multicast destinedtogroup
- Broadcast destinedtoall
- Anycast destinedtonearestone

A router never forwards broadcast traffic by default. Multicast traffic uses special treatment as it is most a video stream or audio with highest priority. Anycast is just similar to unicast, except that the packets are delivered to the nearest destination when multiple destinations are available.