

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
MBA Winter 2018 - 19 Examination

Semester: 3
Subject Code: 06205201
Subject Name: E- Commerce

Date: 27/10/2018
Time: 02:00pm to 04:30 pm
Total Marks: 60

Instructions

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as Directed.**A). Multiple choice type questions/Fill in the blanks. (Each of 1 mark) (05)**

1. Which segment do eBay, Amazon.com belong?

a) B2Bs	c) C2Bs
b) B2Cs	d) C2Cs
2. Which is a function of E-commerce

a) marketing	c) warehousing
b) advertising	d) all of the above
3. A combination of software and information designed to provide security and information for Payment is called a what?

a) digital wallet	c) shopping cart
b) pop up ad	d) encryption
4. Which will not harm computer resources

a) firewall	c) Trojan horse
b) Virus	d) None of the above
5. Which one is not an E-payment method used in India

a) Debit card	c) e-cheque
b) Credit card	d) none

B). Define the following. (Each of 1 mark) (05)

1. What do you mean by E-Commerce?
2. What is Firewall? State the function of Firewall in e-commerce.
3. What is the function of packet filter router?
4. Why to use E-cash?
5. What do you mean by E-retailing?

C). Direct questions. (Each of 1 mark) (05)

1. Affiliate marketing
2. SSL
3. Online sponsorship
4. E- Banking
5. Sniping Software

Q.2 Answer the following questions.

A). Who are the stakeholders in E-Commerce information system? Explain the benefits and limitations of E-commerce. (07)

B). What are the various categories of e- services? List out all and explain any two with example in detail. (08)

Q.3 Answer the following questions.

A). What kinds of products are most suited to being advertised online? Is offline advertising still important? (07)

B). Describe the major steps involved in an online credit card transaction. Give advantages and disadvantages of using cash as a form of payment. (08)

Q.4 Attempt any two questions. (Each of 7.5 mark) (15)

1. Identify and discuss the five steps in developing an e-commerce security plan.

2. Case Study:

This case explains the process of a reverse auction and the types of products suitable for purchase by this method. The benefits of reverse auctions are explored through many examples from different sectors including purchases by government departments. A dozen people sit in a room staring at the projection of a computer screen on the wall. For 20 minutes or so nothing much happens. 'It's a little like watching paint dry', says Steve Dempsey, government partner with the consulting firm Accenture. But suddenly someone miles away, linked via the internet, makes a bid. A pale blue dot registers at the top of the screen. Soon others follow, different colours representing different companies. An e-auction, aimed at cutting the price the public sector pays for anything from paper to computer equipment to air freight, is under way. Reverse auctions – where companies bid their way down to the lowest price at which they are prepared to supply – are a commonplace tool in parts of the private sector. Operating a little like eBay in reverse, they are a way for buyers to negotiate, online, with suppliers to source a range of goods – those whose quality and nature can be defined with absolute clarity. Accenture has run more than 1,500 such auctions in the private sector in businesses as diverse as the oil and chemical industries, industrial equipment, marketing and foodstuffs. More than 125 different commodities have been bought and sold this way, including fork lift trucks, coffee, foil, fuel, filters, pallets, pipes and structural steel. Auctions have also included services, such as temporary staff and contracts for earth removal. The approach has now come to the public sector and has been greeted with enthusiasm by the Office for Government Commerce, which is charged with lopping £1bn off the government's £13bn civil procurement bill over three years. 'E-auctions are not suitable for everything', Mr Dempsey says. The product has to be a commodity – one where the purchaser can specify precisely what standards the desired good or service has to meet. It could not, for example, be used to buy in the services of lawyers or consultants, or something where the purchaser has to design the service or innovate. But about a third of all commodities are suitable for auction, Mr Dempsey says. For the government, that may mean hundreds of millions of pounds' worth of goods a year. The auctions it has conducted in the private sector have produced average savings of 17 per cent on the historic price of previous contracts, Accenture claims. In the public sector, only the Driver and Vehicle Licensing Agency, Royal Mail and the Police Information Technology Organization have used the reverse auction approach – buying computer supplies and security watermarked paper, for example. The four auctions, however, have each produced savings of between 22 per cent and 25 per cent on the previous contract. The reason, Mr Dempsey argues, is twofold: the field of suppliers can be widened from those who traditionally do business with government; and the auction takes place in real time, increasing the competition on suppliers to find their lowest price. The process works by the purchaser spelling out precisely what is needed, advertising the requirement and then drawing up an approved list of those who can meet it. Potentially, Mr Dempsey says, that opens up the market to small and medium-sized companies that might not normally see the government as a customer. The parameters of the auction are then set, the suppliers trained – and battle commences. Usually auctions are set to last 30 minutes but are extended for 10 minutes each time a bid comes in during the last five minutes. An average auction runs for about 90 minutes, although some have lasted for several hours. 'You can really feel the tension and excitement', Mr Dempsey says. A company may, for example, have excess stocks of what the government needs. Or it may To conclude the chapter, we review how to evaluate the potential of new Internet start-ups. Many 'dot-coms' were launched in response to the opportunities of new business and revenue models opened up by the Internet in the mid-to-late 1990s. We also consider what lessons can be learnt from the dot-com failures. But Table 1.1 showed that innovation and the growth of Internet pureplays did not end in 2000, but rather many successful online companies such as digital publishers and social networks have developed since then. From 'bricks and mortar' to 'clicks and mortar' These expressions were introduced in 1999/2000 to refer to traditional 'bricks and mortar' enterprises with a physical presence, but limited Internet presence. In the UK, an example of a 'bricks and mortar' store would be the bookseller Waterstones (www.waterstones.co.uk), which when it ventured online would become 'clicks and mortar'. Significantly, in 2001 Waterstones decided it was most cost-effective to manage the Internet channel through a partnership with Amazon (www.amazon.co.uk). In 2006 it reversed this decision and set up its own independent site once more. As mentioned above, some virtual merchants such as Amazon that need to operate warehouses and shops to sustain growth have also become 'clicks and mortar' companies. An Internet 'pureplay' which only has an online representation is referred to as 'clicks only'. A pureplay typically has no retail distribution network. They may have phone-based customer service, as is the case with office supplier Eurooffice (www.eurooffice.co.uk), or not, as is the case with financial services provider Zopa (www.zopa.com), or may offer phone service for more valuable customers, as is the case with hardware provider dabs.com (www.dabs.com). Focus on Internet start-up companies 88 have a hole

Hardware provider dabs.com (www.dabs.com). Focus on Internet start-up companies 88 have a hole in its production run, or a sales target that the contract fills. 'It creates real time, dynamic competition between suppliers', he says. 'It's a real marketplace.' The DVLA, for example, saved more than £200,000 buying several tons of watermarked paper. It is now working on a similar e-auction for millions of the envelopes it uses every year. The Royal Mail, having saved £550,000 on its first two e-auctions, is in the process of buying more than £20m of air freight space to shift air mails. Paul Cattroll of the DVLA says the reaction of suppliers is mixed. Some feel that it has forced them to reduce their profit margins. 'But it is an opportunity for the government to get better value for money for the taxpayer', he says. Despite the need to prepare the auction carefully, Accenture argues that the process can prove quicker than traditional procurement, while cutting the administrative cost for both purchaser and provider. E-auctions have been slow to take off in the public sector because there was a question mark over whether they breached European Union procurement rules. Another barrier is that government contracts tend to run for many years. But over time e-auctions could become commonplace. The DVLA and Royal Mail, having tried them on a pilot basis, both plan to use them again. And the Office of Government Commerce, happy they now fit within EU procurement rules, is encouraging other government departments to use them.

Answer the following question regarding the above case study:

- a. Summarize the operation of a B2B reverse auction from both the buyer's and seller's Perspective.
 - b. Which types of products are suitable for purchase by reverse auction?
 - c. Explain the benefits of reverse auction to purchasers.
 - d. What are the implications to selling companies of the reverse auction?
3. What are some of the unique features of e-commerce technology?

4. Case Study

The article starts by discussing anti-globalization. It then explores the implications of variations in the characteristics of different cultures on businesses providing services to them. At the end of the article, research about attitudes to globalization is summarized, along with its implications for businesses trading internationally. Globalisation, or maybe more specifically, anti-globalisation issues, are never far from the headlines, whether it's coverage of the latest anti-WTO demonstration or news that McDonalds has replaced Ronald McDonald in France with Asterix – in a move to 'appease anti-globalisation protesters' (BBC News, 22 January 2002). But what does globalisation actually mean? Stemming from the application of free market principles it has manifested the belief that the world is small and that consumers are becoming more and more alike, thus allowing companies to use the same advertising and marketing across regions and countries. Such a doctrine has enabled companies to act global and think global, much to the distaste of the anti-globalisation lobbies. Indeed, in 1985 it was Friends of the Earth that coined the slogan 'think global, act local' in its desire to counter such global forces – particularly with regards to environmental issues. However, such 'glocalisation' [global localisation] makes a lot of sense for multinational companies operating today and planning new market entry, for a number of reasons. Firstly, the term globalisation for Case Study 4.1 The implications of globalization for consumer attitudes The implications of e-commerce for international B2B trading Hamill and Gregory (1997) highlight the strategic implications of e-commerce for international business-to-business trading. They note that there will be increasing standardization of prices across borders as businesses become more aware of price differentials. Secondly, they predict that the importance of traditional intermediaries such as agents and distributors will be reduced by Internet-enabled direct marketing and sales. many Europeans is virtually synonymous with that of 'Americanisation'. For some this has negative connotations of materialism, loss of native culture and the encroachment of the English language. At its extreme, it drives many of the anti-globalisation activists. Thus there is real risk that companies will damage their brand and reputation if they don't recognise the importance of localisation when considering market entry. Secondly, consumers are as different as they are similar – local and regional cultures have a profound effect in shaping consumer demand. These differences are potentially more interesting than the similarities, in that they can allow product and service differentiation as well as new approaches to segmentation and marketing communications. To take advantage of such opportunities, businesses have to have a clear insight into how and why consumers in one market may differ from ones in another. Feelings of anti-Americanisation are a strong undercurrent in Europe. Businesses have to plan how to counter such a groundswell of feeling if planning on entering new markets – given that some 50% of Europeans believe that 'our society is too Americanised' and such an attitude has increased over the past 10 years. While the degree of agreement varies within

Americanised' and such an attitude has increased over the past 10 years. While the degree of agreement varies within Europe (e.g. 67% of Spaniards agreeing with the statement, as compared with 44% of Brits) it is a significant influence of customer behaviour. To compound matters, multinational companies are the least trusted of 27 entities when European consumers have been asked to state which they trust to be honest and fair. As a result, not only have we seen an increase in consumer activism (such as anti-WTO protests, growth of the slow food movement in Europe etc.), but also we have seen global brands coming under threat from emergent local brands which are gaining in currency. We would expect this to continue. This is not to say that there is no room for global brands! Many global brands have successfully tapped into local culture and tastes and recognised the need to either modify the product/service completely or change different elements of the offer and how it is ultimately marketed. Thus companies expanding into new geographic markets have to ensure that their strategies are based on a real understanding of regional and local markets. Globalisation is not making the world a smaller, homogeneous place. While this presents many opportunities for businesses, it also implies a need for a clear understanding of what shapes consumer needs and desires in the different nations. Not surprising perhaps that many businesses found the notion of a 'globalised' world compelling given the significant implications for researching a multitude of different markets in terms of time and money budgets. Similarly, it is easy to understand the temptation of taking well-established national stereotypes and assuming that they are representative of the truth. Recent attitudinal studies in Europe and the US undertaken by The Henley Centre show the complexity of attempting to categorise consumers on a broad scale. Let's take an example. At one level, results show that all consumers take pride in their family, so a global advertising campaign using the 'family' as a theme may feel like safe territory. To some extent it is. Dig down a bit deeper, however, and you find that different people define 'family' in very different ways, so what people take pride in will be subtly different. At a country level, many more differences expose themselves. Businesses wanting to broaden their geographic reach have to consider at a strategic level what level of understanding of consumer needs they require. Generalisations are important and are a good place to start, but it is critical to then delve further – national stereotypes are too simplistic. Differences, rather than similarities, have to be considered, and interrogated in terms of how these will impact customer needs.

Answer the following question regarding the above case study:

- a. Based on this article and your experiences, Explain: 'Site localization is essential for each country for an e-commerce offering to be successful in that country.'