

**THE OPEN UNIVERSITY OF SRI LANKA**COMMENWEALTH EXECUTIVE MASTER OF BUSINESS/PUBLIC ADMINISTRATION
PROGRAMME

FINAL EXAMINATION 2016

E-COMMERCE MCP2601

DURATION THREE (03) HOURS

DATE: 10th July, 2016

TIME: 9.30am -12.30pm

INSTRUCTIONS

- Answer Four (04) questions including question (Q1) (compulsory question).
- Write legibly and be focused.
- Question No.1 carries 46 marks and questions in Part-B carries 18 marks each.

Part A – Compulsory question.**Q1.**

- (i) Read the following and answer questions a) to e) given below.

Zappos.com. Inc. is an online shoe and clothing shop based on Las Vegas, USA. Founded in 1999 by Nick Swinmurn, who says that his initial inspiration came when he failed to find a pair of brown Airwalks at his local mall. Initially it was named as ShoeSite but later changed to Zappos which is a variation of the Spanish word 'Zapatos' meaning shoes. It was ranked in the 38th position in fortune 100 companies in year 2015.

It has a work force of more than 1500 employees and a 24 million customer base. Zappos extensively use social media. They use two key terms in engaging social media *Service* and *Culture*. In services they use it to uncover service opportunities, initiate response, amplify praise and reinforce service reputation. All of their employees have twitter accounts and are so dedicated to developing a unique culture exposing themselves, exchanging ideas and attending to services needed. On average, Zappos employees answer 5,000 calls a month, and 1,200 e-mails a week

On January 16, 2012 the computer system of the Zappos was hacked and the data of all the customers became vulnerable. In response, the company requested all of its customers to change their passwords on the site. The company also shut down its customer service phone lines, requiring its customers to email questions instead. This incident led to a class action suit for Zappos.com, Inc., Customer Data Security Breach Litigation, with plaintiffs claiming that Zappos did not adequately protect their personal information.

- a) Carry out a SWOT analysis for online presence of the Zappos. (8 marks)
- b) Describe the anticipated impact on Zappos for becoming a social media dependent. (5 marks)
- c) At present customer privacy intrusion has become one of the major concerns in the digital world. Explain how the company can maintain the privacy of their customers. (5 marks)
- d) Assuming that Zappos wants to enter other markets outside USA. Describe key social and ethical measures that they have to adopt. (5 marks)
- e) At present, one of the major problem faced by Zappos is returning of the shoes by customers telling that they have bought the wrong size and asking for the next size. Here the company has to bear the shipping cost. Suggest an e solution to overcome this problem. (5 marks)

ii. Write short notes on the following

- a) Domain name of a website
- b) Reverse auction model
- c) Web portal
- d) M-commerce
- e) Encryption
- f) Disintermediation

(3 marks each × 6 = 18 marks)

Part B - Answer any Three (03) questions from the following

Q2.

- (i) Briefly explain five stages of consumer decision process in relation to online purchasing. (5 marks)
- (ii) A shopping tour in a real world gives a different experience to the consumer with smell and touch compared to an online shopping tour. Explain different approaches and techniques that can be adopted by an online shopping tour to make it more realistic experience. (6 marks)
- (iii) Distinguish between buy-side and sell-side e-commerce with respect to an organization and describe how this they are managed in an e-commerce site like Keellsuper.com. (7 marks)

Q3.

- (i) At present the Government of Sri Lanka is taking many initiatives to reduce the digital divide in the country. In line with this, Government is introducing low price scheme for buying laptops/computers for Sri Lankans and improving infrastructure facilities for providing Internet access. Critically analyze this initiative with respect to e-business. (6 marks)
- (ii) In Sri Lanka, there are only few successful e-business ventures at present. One of the key factors that they have to improve on is customer relationship management (CRM). With respect to a selected e-business in Sri Lanka, describe five methods that can be adopted to improve and maintain e-CRM. (8 marks)
- (iii) Compare and contrast advantages and disadvantages of being a first mover. (4 marks)

Q4.

- (i) 'A Business Model' is a description of how a company intends to create value in the market place. Explain four key elements of a Business Model. (5 marks)
- (ii) Explain the B2C e-business model and 3 derivations of it. Describe what sells best in B2C model. (6 marks)
- (iii) Assume that you want to start a homemade cake selling business. Initially you think of starting in a small scale without much expenditure. Having an e-business presence also is seen as a boost in marketing. Explain the advantages, disadvantages and limitations in moving to e-business for homemade cakes. (7 marks)

Q5.

- (i) With the busy life styles people prefer to do electronic fund transfers for most of their payments. Describe the advantages and disadvantages in electronic fund transfer. (5 marks)
- (ii) There are many online service providers. Among them **Google Maps** and **Gmail** are widely used online services. Describe their value propositions and how revenue is generated by these service providers. (7 marks)
- (iii) Describe three (03) techniques that can be used to maintain Intellectual Property Rights in e-commerce websites. (6 marks)

Q6.

- (i) Mobile apps are becoming very popular nowadays. Describe in what situations a merchant may prefer to develop a mobile app over a mobile Web site? Explain any specific features that he has to specially look into in developing mobile apps. (6 marks)
- (ii) Describe three (03) different methods of security breaches in an e-commerce site. (6 marks)
- (iii) Usually, hacking is considered as an unlawful act. Discuss whether there are any positive impact on social activities by hacking. (6 marks)

End of Paper