

MNM2612

(470234)

May/June 2016

E-COMMERCE IN BUSINESS

Duration 2 Hours

70 Marks

EXAMINERSFIRST
SECONDDR JAR BOTHA
MR CH BOTHMA**Closed book examination.****This examination question paper remains the property of the University of South Africa and may not be removed from the examination venue**

This paper consists of seven (7) pages plus instructions for the completion of a mark-reading sheet

This is a closed-book examination You may not consult notes of any kind, or any person except the invigilator, during the examination session

This paper consists of two (2) sections, SECTION A and SECTION B Section A is compulsory and should be answered on the mark-reading sheet provided Answer ANY TWO (2) of the questions in section B in the examination answer book provided

This paper counts a total of 70 marks The marks obtained (out of 70) will be converted to a percentage (100)

PLEASE NOTE: Write the numbers of the questions that you have answered on the cover page of the examination answer book, in the "Question no." column, in the order that you have answered them**HAND IN THE MARK-READING SHEET TOGETHER WITH YOUR EXAMINATION ANSWER BOOK.****INSTRUCTIONS TO CANDIDATES:**

- 1 Number your answers clearly
- 2 Read the questions carefully before answering
- 3 Answers must be set out in a systematic and logical way using appropriate headings and subheadings
- 4 Answer the questions in detail

[TURN OVER]

SECTION A (COMPULSORY QUESTIONS)

Answer all the questions in this section on the mark-reading sheet and write your answers down in your answer book.

In your answer book, write down the correct option number (1, 2, 3, or 4) next to the question number for each of the multiple-choice questions below.

For example:
question 11: 4
question 12: 3, etc.

Make sure that the options indicated on the mark-reading sheet correspond with those in your answer book. Each multiple-choice question is worth two marks. Section A counts 30 marks.

QUESTION 1

Which **ONE** of the following does **NOT** reflect the primary roles played by businesses and individuals within businesses regarding supply chain management?

- 1 Suppliers
- 2 Buyers
- 3 Competitors
- 4 Market makers

[2]

QUESTION 2

CRM technology solutions must be able to adapt on four different levels. Which **ONE** of the following is **NOT** one of these levels?

- 1 Transaction level
- 2 Data level
- 3 Business level
- 4 Customer level

[2]

QUESTION 3

Which **ONE** of the following is **NOT** true regarding the basic criteria for evaluating website performance?

- 1 Platform dependence
- 2 Speed and reliability
- 3 Interactivity
- 4 Appropriateness

[2]

[TURN OVER]

QUESTION 4

Which **ONE** of the following statements regarding online payments is **CORRECT**?

- 1 The processing of credit card payments involves authorisation and settlement
- 2 Credit cards cannot handle currency exchange for international purchases
- 3 If the merchant is using the SSL protocol it is not necessary that the customer's web browser must also support this protocol
- 4 For secure handling of credit cards online a merchant needs a digital certificate and this adds to the cost of the website [2]

QUESTION 5

A VPN is a

- 1 Virtual Personal Network
- 2 Virtual Private Neighbourhood
- 3 Virtual Protocol Name
- 4 Virtual Private Network [2]

QUESTION 6

Which one of the following statements is **INCORRECT**? The digital marketing cycle comprises the following

- 1 Attract visitors
- 2 Engage visitors
- 3 Register the visitors
- 4 Retain the visitors [2]

QUESTION 7

An online advertisement that appears underneath the current browser window and which can only be seen when the current browser window is closed or minimised, is known as a/ an

- 1 interstitial
- 2 pop-down
- 3 pop-up
- 4 pop-under [2]

QUESTION 8

There are basically five activities that should be executed to focus on the customer as part of a firm's eCRM efforts (the five I's) They are

- 1 identification, individualisation, interaction, integration, and integrity
- 2 information, individualisation, interaction, integration, and integrity
- 3 identification, inspection, interaction, integration, and insurance
- 4 involvement, ideal, integration, inspection, and instant [2]

[TURN OVER]

QUESTION 9

Which of the following is **NOT** a measurement metric used in online advertising?

- 1 Ad impressions
- 2 Clicks and click-throughs
- 3 Message associations
- 4 Unique visitors

[2]**QUESTION 10**

Which **ONE** of the following is **NOT** one of the criteria for measuring the performance of a website?

- 1 Look and feel
- 2 Speed
- 3 platform independence
- 4 interactivity

[2]**QUESTION 11**

Which of the following are characteristics of e-tailing?

- a Interactivity
- b Convenience
- c Limited facilities for product inspection
- d Prices are always lower
- e Direct human contact

- 1 a b c
- 2 b c e
- 3 a d e
- 4 c d e

[2]**QUESTION 12**

Which **ONE** of the following is **INCORRECT**?

- 1 Client software is located on the user's computer and requests information from server computers
- 2 A "sticky" website is one where the user stays for some time and/or returns regularly
- 3 The "usability" of a website is the ease with which a site can be used and navigated by users
- 4 HTML stands for 'Hyper Tags Markup Language'.

[2]**[TURN OVER]**

QUESTION 13

Which **ONE** of the following is **NOT** one of the “six Cs” which can be used to create an online value proposition?

- 1 Content
- 2 Customisation
- 3 Convenience
- 4 Creativity

[2]

QUESTION 14

Which **ONE** of the following is **NOT** a key success factor in B2B e-commerce?

- 1 Brand reputation
- 2 Customer service
- 3 Location
- 4 Price

[2]

QUESTION 15

Which **ONE** of the following is **NOT** one of the main types of e-procurement?

- 1 Web-based ERP
- 2 E-sourcing
- 3 E-auctioning
- 4 E-tendering

[2]

Total for Section A: [30]

[TURN OVER]

SECTION B

Read the short case study below and answer any TWO (2) of the following THREE (3) questions.

If you answer more than two questions, only the first two answers will be marked in the order in which they appear in the answer book. For example, if you answer all the questions in the order 1, 2 and 3, only the answers to questions 1 and 2 will be marked. If you answer all the questions in the order 3, 1 and 2, only the answers to questions 3 and 1 will be marked. Section B counts 30 marks. Structure your answers by using appropriate headings and subheadings.

FINGERTIP SHOPPING: MINI CASE STUDY

Fingertip Shopping is an online and internet shop selling an extensive variety of books, cell phones, tablets, laptops and other related necessities. It has won a prize of shop of the year from the South African Business Innovation Association. It is now eager to be just as successful with its online effort. Fingertip Shopping tries to keep its online prices the same as the shop price, but add some tariff for the delivery.

The most important products are well illustrated by pictures and the website is designed with a structure and links to enable the visitor to allocate any product and the minimum clicks. There is also a search function to find desired products. The visitor can then either put the item in a shopping cart or on a wish list. Registration is simplified and once the customer is registered online, the customer is able to track the delivery of the ordered items, but will also be greeted next time by name. The visitor can also choose to receive regular newsletters and notifications of special offers.

To start to make the website better known in the South African community it has advertised in local and national newspapers and magazines, but television has proved too expensive. Fingertip Shopping, however, soon realised that it can be very beneficial to advertise on internet.

Fingertip Shopping has a facility whereby the visitors to the website can contact them directly as well as email. Their website also includes a frequently asked question (FAQ) section for instant answering of frequently asked questions. The site is also constantly updated with the most recent products and helpful online information.

The website further includes free online advice and technical detail about computer equipment and cell phones and overviews of new books. Added to these is a chat room where visitors can discuss relevant items.

Fingertip Shopping is, however, still ignorant about how to let people find them easily on the internet in terms of search engine optimisation. They have only submitted the website to some search engines that they regard as the most important.

They also admit that they find it difficult to build relationships with online customers because they cannot personally see the customers and build a personal relationship with them. They therefore also find it difficult to persuade customers to take action to buy. Some of the encouragements they give the customers are the following:

- They emphasise that it is safe to buy online from Fingertip Shopping and indicate this by means of an emblem that the security of the site is guaranteed by ABC Safe Shopping.

[TURN OVER]

- They use special offers and gifts to lure customers to buy, such as special discounts for purchases over a certain amount and this may include a free article
- They accept all credit cards as valid form of payment

QUESTION 1 (20 marks: 15 for theory and 5 for practical application)

Discuss five types of customer services aimed at generating a purchase decision (15 marks for theory) and how Fingertip Shopping applied that or can apply that in their website (5 marks for practical)

(20)**QUESTION 2**

Discuss any four components of creating stickiness in creating a website (16 marks for theory) and indicate in a practical way how Fingertip Shopping succeeded in each of those (4 marks for practical)

(20)**QUESTION 3**

Discuss four stumbling blocks in the way of e-tailing and indicate how Fingertip Shopping made or could make provision to overcome them (theory 16 marks, practical 4 marks)

(20)**Total for Section B: [40]****Total for paper: [70]**

PART 1 (GENERAL/ALGEMEEN) DEEL 1

STUDY UNIT e.g. PSY100-X STUDIE-EENHEID by PSY100-X		INITIALS AND SURNAME VOORLETTERS EN VAN	
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For use by examination invigilator
Vir gebruik deur eksamenopsiener

IMPORTANT

- USE ONLY AN HB PENCIL TO COMPLETE THIS SHEET
- MARK LIKE THIS
- CHECK THAT YOUR INITIALS AND SURNAME HAS BEEN FILLED IN CORRECTLY
- ENTER YOUR STUDENT NUMBER FROM LEFT TO RIGHT
- CHECK THAT YOUR STUDENT NUMBER HAS BEEN FILLED IN CORRECTLY
- CHECK THAT THE UNIQUE NUMBER HAS BEEN FILLED IN CORRECTLY
- CHECK THAT ONLY ONE ANSWER PER QUESTION HAS BEEN MARKED
- DO NOT FOLD

BELANGRIK

- GEBRUIK SLEGS N HB POTLOOD OM HIERDIE BLAD TE VOLTOOI
- MERK AS VOLG
- KONTROLEER DAT U VOORLETTERS EN VAN REG INGEVUL IS
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PART 2 (ANSWERS/ANTWOORDE) DEEL 2

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Specimen only