COLLEGE OF LAW AND MANAGEMENT STUDIES
SCHOOL OF MANAGEMENT INFORMATION TECHNOLOGY & GOVERNANCE
SUPPLEMENTARY EXAMINATION: 2013

COURSE AND CODE: E-COMMERCE (ISTN31C)

INFORMATION & INSTRUCTIONS:

DURATION: 90 MINUTES
TOTAL MARKS: 60

INTERNAL EXAMINER: MS UG SINGH (WESTVILLE)
EXTERNAL EXAMINER: MR MC HUGHES (UNIVERSITY OF THE WITWATERSRAND)

NB: STUDENTS ARE REQUESTED, IN THEIR OWN INTERESTS, TO WRITE LEGIBLY AND IN INK.

THIS EXAMINATION PAPER CONSISTS OF 4 PAGES, INCLUDING THIS COVER SHEET. PLEASE ENSURE THAT YOU HAVE THEM ALL.
1. Eli Stores has asked you to design a website for them that attract the three (3) categories of users. List and describe these three (3) categories that users can be grouped into using customer behaviour as the segmentation technique. (9 marks)

2. Some online stores use auctions to trade with other businesses. Differentiate between an English online auction and a Dutch online auction. (3 marks)

3. Eli Stores has asked you to ensure that the website you design for them meets all the requirements for e-Commerce. Briefly describe the requirements for secure e-Commerce. (6 marks)

4. Many real estate agents have Web sites that list the properties they have for sale. These agents also advertise the properties on Web sites, and sometimes in television ads. However, most real estate agents indicate that personal contact provides their most important connections with clients, potential clients and client referral sources. Briefly describe the tasks that real estate agents can best accomplish through (1) their Web sites, (2) mass media advertising, and (3) personal contact. (6 marks)

5. If Eli stores decides to enter into a strategic alliance with one of its partners, explain why trust is an important element in supply chain alliances. (5 marks)

6. Google purchased YouTube in 2006 for $1.65 billion. In about 200 words, outline reasons that Google would have wanted to acquire a site such as YouTube and describe the benefits that the company obtained from its purchase. (6 marks)
Question 7: Case Study (25 marks)

Bigfam is an organisation that works with donors, staff, project partners and participants to overcome poverty and injustice worldwide. Many other similar organisations ceased to exist after a few years, however Bigfam expanded its operations to provide aid in Europe and the rest of the world. Bigfam’s growth was due to many dedicated volunteers and donors who continued and expanded their financial support of the organisation. In the 1960’s, Bigfam began to generate significant revenues from its retail stores in Britain. These stores accepted donations of goods and handcrafted items from overseas for resale. Today, they have 800 such stores with more than 20000 volunteers.

At times, Bigfam deals with humanitarian disasters beyond the scope of its resources, by mobilising infrastructure with key international aid agencies.

In 1996, Bigfam created a Web site to provide information about its efforts to supporters and donors. The Web site displays reports on Bigfam’s work, past and present, and allows visitors to make donations to the organisation. Although they accept any donations, Bigfam encourages supporters to commit to a continuing relationship by making regular donations. In return it provides regular updates of its activities, via the Web and through a monthly email newsletter.

The Web site includes a sign up page for the email newsletter, where supporters can choose to receive other emails from Bigfam. Those who opt-in constitute the opt-in email list.

One of the country’s Bigfam aids is Sudan and in recent times the relief needs in Sudan rapidly exceeded Bigfam’s capacity. Hence it decided to use email to mobilise support for the project.

The plan was that Bigfam would send three (3) emails in HTML format to supporters on its existing opt-in email list over a six week period. The first email included a photo of the children in one of the camps. The text in this mail described Bigfam’s efforts to provide clean water to the displaced people in these camps. The mail also included two (2) links that took recipients to a Web page created specifically to receive visitors responding to that email message. This page allowed visitors to make a donation and asked them to provide their email addresses for updates on the Sudanese project.
A second email was sent out two (2) weeks later to addresses on the original list that had not yet responded. This second mail also included a video that automatically played when the mail was opened. The video conveyed the message that Bigfam had delivered $50 000 in aid to the camps but that more help was urgently needed. This second email also included the links that led to the Web page created for the first email. Two weeks later, a final email was sent to addresses on the original list that had not responded to either of the first two emails. This email included an audio recording in which Bigfam’s executive director made a plea for the cause. The email also included text that provided examples of which aid items could be provided for specific donation amounts.

This three (3)-part email campaign was a successful direct marketing attempt with over $450 000 raised in its six week period.

Bigfam coordinated this email effort with other awareness activities – sending letters to supporters who had not provided their email addresses and running ads in two (2) newspapers that carried messages similar to those in the emails.

7.1 Bigfam used its existing opt-in-email list for this campaign. Evaluate the result of this decision, explaining the advantages and disadvantages of acquiring other email addresses for a campaign of this nature. (8 marks)

7.2 Bigfam used emails containing HTML, audio and video elements rather than plain text mails. Describe the advantages and disadvantages of this approach, specifically identifying trade-offs that Bigfam faced. (5 marks)

7.3 Some managers concluded that the sequence of formats used in the email messages was related to the increase in donations of over the six (6) week period. Present reasons why this would be an incorrect conclusion. (5 marks)

7.4 If Bigfam had to undertake a similar emergency fund-raising effort today, it might use social media. Identify three (3) possible media it could use in combination with its existing online resources to enhance or replace the email campaign it adopted. (7 marks)