

**EASTERN UNIVERSITY, SRI LANKA**  
**FACULTY OF COMMERCE AND MANAGEMENT**  
**FINAL YEAR - FIRST SEMESTER EXAMINATION IN BACHELOR OF COMMERCE**  
**2016/ 2017 (JANUARY 2019)**  
**(PROPER/ REPEAT)**

**COM 4023 E-COMMERCE**

**Answer all questions**

**Time: 03 Hours**

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01. Read the case study and answer the questions given below.

**CAMPUSFOOD.COM — STUDENT ENTREPRENEURS**

Campusfood.com's recipe for success was a simple one: Provide interactive menus to college students, using the power of the Internet to replace and/or facilitate the traditional telephone ordering of meals. Launched at the University of Pennsylvania (Penn), the company takes thousands of orders each month for local restaurants - bringing pizzas, hoagies, and wings to the Penn community and to dozens of other universities.

Founder Michael Saunders began developing the site (campusfood.com) in 1997 while he was a junior at Penn. With the help of some classmates, Saunders launched the site in 1998. After graduation, he began building the company's customer base. This involved expanding to other universities, attracting students, and generating a list of restaurants from which students could order food for delivery. Currently, some of these activities are outsourced to a marketing firm, which enabled the site to add dozens of schools nationwide. In 2004, the company served 200 schools linked to over 1,000 restaurants.

Financed through private investors, friends, and family members, the site was built on an investment of less than \$1 million. Campusfood.com's revenue is generated through transaction fees - the site takes a 5 percent commission on each order from the sellers (the restaurants).

When you visit Campusfood.com, you can:

- Navigate through a list of local restaurants, their hours of operation, addresses, phone numbers, and other information.

- Browse an interactive menu. The company takes a restaurant's standard menu and converts it to an electronic menu that lists every topping, special, and every drink offered, along with the latest prices.
- Bypass "busy" telephone signals to place an order online, and in so doing avoid miscommunications.
- Get access to special foods, promotions, and restaurant giveaways. The company is working to set up meal deals that are available online exclusively for Campusfood.com customers.
- Arrange for electronic payment of an order.

University students who signed up at Titan Poker with a special bonus code provided by Campusfood.com were eligible to play in a series of exclusive online tournaments. Winners received special Campusfood Cash coupons valued at \$20,000, redeemable for food orders at participating restaurants.

### Case Study Questions

- I. Classify this application by E-Commerce transaction type. (05 M)
  - II. Explain the benefits of Campusfood.com for its student customers and the restaurants it represents. (05 M)
  - III. Determine the place of campusfood.com in an industry value chain. (05 M)
  - IV. How does the outsourcing of the marketing activities contribute to the business? (05 M)
- (Total 20 M)**
02. I. What are some of the unique features of e-commerce technology? (04 M)
  - II. What are the major limitations on the growth of e-commerce? Which one is potentially the toughest to overcome? (04 M)
  - III. What is a business model? How does it differ from a business plan? (04 M)

IV. What are some of the specific ways that a company can obtain a competitive advantage?

(04 Marks)

V. How have the unique features of e-commerce technology changed industry structure in the travel business?

(04 Marks)

(Total 20 Marks)

03. I. The optimization of Web site performance is more complicated than it seems and involves at least three factors: page content, page generation, and page delivery. Elaborate on this statement.

(03 Marks)

II. The following are descriptions of some E-Commerce marketing metrics. Match the marketing metric with respective description.

- |                             |                            |
|-----------------------------|----------------------------|
| A. Acquisition rate         | I. Retention rate          |
| B. Attrition rate           | J. Skip rate               |
| C. Bounce-back rate         | K. Stickiness              |
| D. Cart conversion rate     | L. Unsubscribe rate        |
| E. Checkout conversion rate | M. View time               |
| F. Click-through rate (CTR) | N. Viewability rate        |
| G. Completion rate          | O. View-through rate (VTR) |
| H. Conversion rate          |                            |

- i. Average length of stay at a Web site
- ii. How long does the ad actually stay in view while it plays
- iii. How many viewers skipped the video
- iv. Percentage of ads that are actually seen online
- v. Percentage of existing customers who continue to buy on a regular basis
- vi. Percentage of e-mails that could not be delivered
- vii. Percentage of times an ad is clicked
- viii. Percentage of visitors who become customers
- ix. Ratio of actual orders to "Add to cart" clicks
- x. Ratio of actual orders to checkouts started


(05 Marks)

III. What are the five common E-Commerce marketing types? Explain any two of those types with examples.

(06 Marks)

IV. Briefly explain the difference between the general model of consumer behaviour and the model of online consumer behaviour.

(06 Marks)

(Total 20 Marks)

04. I. Briefly explain three essential features that an online retailer should follow to make online shopping.

(03 Marks)

II. "Everybody involved in an online transaction has their share of responsibility in order to avoid ethical issues". Explain how the responsibility to avoid ethical issues is shared among different individuals involved in an online transaction.

(05 Marks)

III. Write short note on the below-mentioned three methods of protecting network servers and clients:

- a. Firewalls
- b. Intrusion Detection System (IDS)
- c. Intrusion Prevention System (IPS)

(06 Marks)

IV. "Traditional Social Network is better than the Online Social Network". Do you agree with this statement? Discuss.

(06 Marks)

(Total 20 Marks)

05. I. What are the three basic building blocks of the Internet?

(04 Marks)

II. Explain how packet switching works.

(04 Marks)

III. What function do the IXPs serve?

**(04 Marks)**

IV. State and explain five key challenges faced by content producers.

**(04 Marks)**

V. Write some major trends in the consumption of media and content. Explain how these trends affect the E-Commerce activities.

**(04 Marks)**

**(Total 20 Marks)**