

Chapter 1 Introduction to E-Commerce

ANSWER

I. Answer the following questions

1. business-to-consumer, business-to-business, business processes, consumer-to-consumer, and business-to-government
2. A business model is a set of processes that combine to achieve a company's goal, which is to yield a profit.
NO.
3. A revenue model is a specific collection of business processes used to identify customers, market to those customers, and generate sales to those customers.
4. books and CDs, etc.
5. Transaction costs are the total of all costs that a buyer and seller incur as they gather information and negotiate a purchase-and-sale transaction.
6. As more people or organizations participate in a network, the value of the network to each participant increases. This increase in value is called a network effect.
7. The key issues that any company faces when it conducts international commerce include trust and culture, language, infrastructure, international law and currency.
8. Localization means a translation that considers multiple elements of the local environment, such as business and cultural practices, in addition to local dialect variations in the language.

II. Fill in the blanks in each of the following

1. Internet
2. dot-com pure dot-com
3. international
4. commodity
5. electronic traditional
6. vertical integration.
7. information coordination
8. value chain

Chapter 3 E-Business Models

I. a) True b) False. This is the concept of a true auction. c) False. A reserve price is the lowest price a seller will accept in an auction. d) True e) False. The name-your price model allows customers to get

a lower price by clearing the price with a number of vendors. This does not involve an auction. f) False. Brick-and-mortar business are offline businesses. This term is often associated with companies who have both and online and offline presence. g) False. Web-based training is currently used by organizations around the world. h) True i) True j) True

II. a) Brick-and-mortar b) Demand sensitive pricing model c) shopping cart d) auction e) vertical, horizontal f) community g) reverse auctions h) B2B exchanges i) online trading j) comparison shopping

III. Categorize each of the following items as it best relates to the storefront model, the auction model or the dynamic pricing models:

- a) Auction model b) Auction model c) Storefront model
d) Storefront model e) Dynamic pricing. f) Dynamic pricing

Chapter 4 B2B E-Commerce

I. Write an Abstract of this paper in about 100 words.

Abstract- Just as the industrial revolution mechanized the manufacturing functions of firms, the information revolution is automating their merchant functions. Four types of potential productivity gains are expected from business-to-business (B2B) electronic commerce: cost efficiencies from automation of transactions, potential advantages of new market intermediaries, consolidation of demand and supply through organized exchanges, and changes in the extent of vertical integration of firms. The article examines the characteristics of B2B online intermediaries, including categories of goods traded, market mechanisms employed, and ownership arrangements, and considers the market structure of B2B e-commerce.

II. Answer the following questions

1. The popular phrase B2B e-commerce refers to the substitution of computer data processing and Internet communications for labor services in the production of economic transactions.
2. Expectations about productivity gains from B2B e-commerce can be usefully divided into four areas: possible efficiencies from automation of transactions, potential economic advantages of new market intermediaries, consolidation of demand and supply through organized exchanges, and changes in the extent of vertical integration of companies.
3. Intermediaries can reduce transaction costs relative to direct exchange, by reducing the costs of search, certifying product quality, mitigating communication costs, and providing guarantees for buyer or seller commitments.
4. E-commerce intermediaries can be classified into four main categories: brokers, auctioneers, dealers, and exchanges.

III. State whether the following are True or False?

- 1.T 2.T 3.F 4.T 5.T

Chapter 5 Electronic Payment Systems

ANSWER

I. Answer the following questions

1. List five parties may be involved in the e-payment method.

They are:

- a) Customer/payer/buyer. The party making the e-payment in exchange for goods or services
- b) Merchant/payee/seller. The party receiving the e-payment in exchange for goods and services
- c) Issuer. The banks or nonbanking institutions that issue the e-payment instrument used to make the purchase
- d) Regulator. Usually a government agency whose regulations control the e-payment process
- e) Automated Clearing House (ACH). An electronic network that transfers money between bank accounts

2. List Characteristics of Successful E-payment Methods

Interoperability and portability; security; anonymity; divisibility; easy of use; transaction fees; critical mass.

3. What are virtual credit cards?

This is an e-payment system in which a credit card issuer issues a special number that can be used in place of regular credit card numbers to make online purchases. This allows users to use a credit card online without having to disclose the actual credit card number.

4. Describe the difference between the contact card and contactless card.

A contact card is inserted in a smart card reader. These cards have a small gold plate about one-half inch in diameter on the front; when the card is inserted in the reader, the plate makes electronic contact and data are passed to and from the chip.

In addition to the chip, a contactless card has an embedded antenna. In this case, data (and applications) are passed to and from the card through the card's antenna to another antenna attached to a cardreader unit or other device.

5. List Advantages of E-billing

From the perspective of the billing firm, the most obvious benefit is the reduction in expenses related to billing and processing payments. E-billing also enables better customer service. Another advantage relates to advertising.

From the customer's perspective, E-billing reduces the customer's expenses by eliminating the cost of checks, postage, and envelopes. E-billing simplifies and centralizes payment processing and provides better record keeping.

II. Fill in the blanks in each of the following

1. Credit cards, Charge cards, Debit cards
2. e-wallet
3. smart card, microprocessor, memory, nonprogrammable
4. Stored-value
5. e-check
6. electronic bill presentment and payment (EBPP)

Chapter 6 E-Commerce Security

ANSWER

I. Answer the following questions

1. Describe the difference between a nontechnical and a technical cyber attack.

Nontechnical attacks are those in which a perpetrator uses chicanery or other forms of persuasion to trick people into revealing sensitive information or performing actions that can be used to compromise the security of a network.. These attacks are also called social engineering attacks.

In contrast to nontechnical attacks, software and systems knowledge are used to perpetrate technical attacks. In conducting a technical attack, an expert hacker often uses a methodical approach.

2. How are DDoS attacks perpetrated?

Once an attacker has access to a large number of computers, they load the specialized DDoS software onto these computers. The software lays in wait, listening for a command to begin the attack. When the command is given, the distributed network of computers begins sending out requests to the target computer. The requests can be legitimate queries for information or can be very specialized computer commands designed to overwhelm specific computer resources.

3. What are the major forms of malicious code?

Viruses, Worms, Macro viruses and macro worms, and Trojan Horses.

4. What are some common mistakes that EC sites make in managing their security?

- Undervalued information. Few organizations have a clear understanding of the value of specific information assets.
- Narrowly defined security boundaries. Most organizations focus on securing their internal networks and fail to understand the security practices of their supply chain partners.
- Reactive security management. Many organizations are reactive rather than proactive focusing on security after an incident or problem occurs.
- Dated security management processes. Organizations rarely update or change their security practice to meet changing needs. Similarly, they rarely update the knowledge and skills of their staff about best practices in information security.
- Lack of communication about security responsibilities. Security often is viewed as an IT problem, not an organizational one.

5. Describe the difference between physiological biometrics and behavioral biometrics.

Physiological biometrics are based on measurements derived directly from different parts of the body (e.g., scans of fingerprints, the iris, hand geometry, and facial characteristics). In contrast, behavioral biometrics are derived from various actions and indirectly from various body parts (e.g., voice scans or keystroke monitoring).

6. Describe the basic components of encryption.

All encryption has four basic parts: the plaintext, ciphertext, encryption algorithm, and the key.

7. What are the basic differences between symmetric and asymmetric encryption?

In a symmetric (private) key system the same key is used to encrypt and decrypt the plaintext. The sender and receiver of the text must share the same key without revealing it to anyone else—thus making it a so-called private system.

Public (**Asymmetric**) key encryption uses a pair of matched keys—a public key that is publicly available to anyone and a private key that is known only to its owner.

8. What is a personal firewall?

Personal firewalls are designed to protect desktop systems by monitoring all the traffic that passes through the computer's network interface card.

Chapter 7 Pricing

I. True or False

1. F 2. T 3. F 4. T 5. F

II. Fill the blanks

1. Target-return pricing
2. internet content is easy to package; of the low friction between buyers and sellers; the cost of adding new customers is low
3. frenzy pricing

III. Answer the following questions

1. Identify the six results of the interactivity force of the Internet on pricing.
 - (1) It is easier to reach wider audiences.
 - (2) It is easier and cheaper to implement dynamic pricing strategies.
 - (3) It is easier and cheaper to change prices.
 - (4) It is cheaper for consumers to investigate prices.

(5) It is easier to understand and measure consumers' reactions to price promotions.

(6) It is easier to receive customer feedback on price, understand customer willingness to pay for a product, and implement price-discrimination strategies.

2. In what ways has the individualization force of the Internet affected pricing?

(1) By informing companies of their pricing and product desires, consumers make it easier for firms to convey prices of products in which they have an interest.

(2) Customers can register their preferences with firms, making it easier for those firms to offer targeted, individualized pricing promotions.

(3) Customers can more easily participate in dynamic pricing processes. Sites that practice dynamic pricing can notify customers via e-mail when their bids are no longer the highest.

3. What is a loss leader? What types are most likely to be used?

A loss leader is an item offered at very low prices (below its total cost) in order to attract greater store traffic. Typically, such items are well-known brands, staples for price-sensitive consumers, and/or seasonal/holiday/special demand items.

4. Describe the two primary ways that the Internet has enhanced the attractiveness of dynamic pricing.

First are decreased menu costs. Menu costs are the costs associated with changing the price of a good. For goods advertised on the Web, it is easy and virtually costless to change product prices, making it very attractive for firms to change their prices based on demand and supply conditions. Second is interactivity. The Internet makes it easy for sellers and buyers around the world to interact and negotiate prices. The fact that buyers and sellers can easily interact from their homes or workplaces via the Internet makes it easy to conduct dynamic pricing structures.

Chapter 8 Internet Marketing

I. Answer the following questions

1. What is Internet marketing?

Internet marketing is the process of building and maintaining customer relationships through online activities to facilitate the exchange of ideas, products, and services that satisfy the goals of both parties.

2. What are the seven stages of Internet marketing?

The seven stages are (1) setting corporate and business-unit strategy, (2) framing the market opportunity, (3) formulating the marketing strategy, (4) designing the customer interface, (5) designing the marketing program, (6) crafting the customer interface, and (7) evaluating the results of the marketing program.

3. What are the four stages of the customer relationship?

The four stages are: (1) awareness (the degree to which the customer has some basic information, knowledge,

or attitudes about a firm or its offerings, but has not initiated any communications with the firm); (2) exploration (customer and firm begin to initiate communications and actions that enable an evaluation of whether or not to pursue a deeper connection); (3) commitment (customer and firm feel a sense of obligation or responsibility for each other); and (4) dissolution (isolation of the most valuable customer group and subsequent focus on this particular group).

4. What are the six classes of variables in the Internet marketing mix?

The six variables are product, pricing, communication, community, distribution, and branding.

5. What is the Marketspace Matrix?

The Marketspace Matrix is a framework illustrating the levers that the Internet marketer may choose to use at each stage of the customer relationship. These levers are the six classes of variables including product, pricing, communication, community, distribution and branding, and the stages of customer relationships are awareness, exploration, commitment and dissolution.

6. How do interactivity and individuality come into play in the design of the marketing program?

Interactivity is the extent to which two-way communication flow occurs between the firm and customers; individuality refers to a consumer's personal experience with the firm. Both impact the design of all of the levers of the Internet marketing mix—price, market communications, and products and services.

7. What are the critical success factors for the Internet marketing professional?

The critical success factors are (1) customer advocacy and insight (marketing professionals need to strategically collect information from many disparate sources, create insightful customer mosaics, and effectively translate them into marketing strategies and tactics); (2) integration (marketing professionals need to have an integrated or holistic view of the customer and the enterprise in order to create a uniquely advantaged strategic plan); (3) balanced thinking (marketing professionals need to be highly analytical and very creative in order to understand the strategic and tactical implications of the Internet); and (4) willingness to accept risk and ambiguity (marketing professionals need to retool themselves and their companies to enter into a whole new era of customer-centric marketing).

Chapter 9 Legal Issues of E-Commerce

I. True or False

- | | | | |
|------|------|------|------|
| 1. T | 3. T | 5. T | 7. T |
| 2. F | 4. F | 6. F | 8. F |

II. Answer the following questions

1. List some of the ways that the Internet can be used to collect information about individuals.

- (1) By reading an individual's newsgroup postings
- (2) By looking up an individual's name and identity in an Internet directory
- (3) By reading an individual's e-mail
- (4) By conducting surveillance on employees
- (5) By wiretapping wireline and wireless communication lines and listening to employees
- (6) By asking an individual to complete a Web site registration
- (7) By recording an individual's actions as they navigate the Web with a browser, usually using cookies

2. List four types of intellectual property.

There are four main types of intellectual property in EC: copyrights, trademarks, domain names, and patents.

3. List the legal rights covered by a copyright.

A copyright is an exclusive grant from the government that confers on its owner an essentially exclusive right to: (1) reproduce a work, in whole or in part, and (2) distribute, perform, or display it to the public in any form or manner, including the Internet. In general, the owner has an exclusive right to export the copyrighted work to another country.

4. List the legal rights of a trademark owner.

The owner of a registered trademark has exclusive rights to: (1) Use the trademark on goods and services for which the trademark is registered. (2) Take legal action to prevent anyone else from using the trademark without consent on goods and services (identical or similar) for which the trademark is registered.

Chapter 10 Logistics

- I. 1.B 2.A 3.A 4.B 5.C 6.A 7.A

II. Translations:

1. 物流是与时间有关的资源配置或是总供应链的战略管理。
2. 供应链是计划满足顾客的事件序列，它可以包括采购、制造、经销和废品处理，以及相关

的 运输、存储和信息技术。

3. 无论是在事件序列之间，还是在事情进展过程中，运输都是供应链的一个主要部分。

Chapter 12 Launching a Successful Online Business and EC Projects

I. True or False

1.T 2.T 3.F 4.F 5.T

II. Fill the blanks

- | | |
|-----------------------|-------------------------------------|
| 1. a business plan | 4. Search engine optimization (SEO) |
| 2. an EC architecture | 5. a reverse auction |
| 3. domain name | |

III. Answer the following questions

1. What is a business case?

A business case is a document that is used to justify the investment of internal, organizational resources in a specific application or project.

2. Which EC initiatives are brick-and-mortar organizations most likely to add?

The most common additions are:

(1) A storefront (2) A portal (3) E-procurement (4) Auctions and reverse auctions

3. List the major characteristics (key points) of organizational transformation.

The key points of organizational transformation are as follows:

(1) The organization's ways of thinking and vision will fundamentally change.

(2) There will be revolutionary changes to the process and context involved in creating a new organizational vision and rethinking business models and business strategy.

(3) The change must involve a substantial break from previous ways of acting. It will likely involve discovering and developing new opportunities and new ways of doing things.

(4) The change must permeate through and impact on the behavior of a majority of organizational members.

(5) The change will involve creating new systems, procedures, and structures that not only enable and dictate how new processes function, but that will also impact on the deeply embedded business models and understandings that drive the organization.

4. List eight criteria used to judge Web site design.

(1) Navigation (2) Consistency (3) Response time (4) Appearance (5) Quality assurance
(6) Availability (7) Interactivity (8) Content (9) Usability (10) Security (11) Scalability

Chapter 13 Building E-Commerce Applications and Infrastructure

I. Answer the following questions

1. List the five major steps needed to develop a typical e-commerce application.

STEP 1: IDENTIFYING, JUSTIFYING, AND PLANNING EC SYSTEMS

STEP 2: CREATING AN EC ARCHITECTURE

STEP 3: SELECTING A DEVELOPMENT OPTION

STEP 4: INSTALLING, TESTING, INTEGRATION, AND DEPLOYING EC APPLICATIONS

STEP 5: OPERATIONS, MAINTENANCE, AND UPDATING

2. List three basic options for developing an EC Web site

(1) develop the site in-house, either from scratch or with off-the-shelf components; (2) buy a packaged application designed for a particular type of EC site; or (3) lease the application from a third party.

3. If a company decides to buy or lease an EC application, what the representative selection criteria need to be considered?

- Flexibility.
- Information requirements.
- User friendliness.
- Hardware and software resources.
- Installation.
- Maintenance services.
- Vendor quality and track record.
- Estimating costs.
- Personnel.
- Technological evolution.
- Scaling.
- Sizing.
- Performance.
- Reliability.
- Security.

4. List six steps Martin et al. identified in selecting a software vendor and a package.

STEP 1: IDENTIFY POTENTIAL VENDORS

STEP 2: DETERMINE THE EVALUATION CRITERIA

STEP 3: EVALUATE VENDORS AND PACKAGES

STEP 4: CHOOSE THE VENDOR AND PACKAGE

STEP 5: NEGOTIATE A CONTRACT

STEP 6: ESTABLISH A SERVICE LEVEL AGREEMENT

II. Fill in the blanks in each of the following

1. programming in-house outsourced.
2. analysis physical design maintenance.
3. periodic evaluations
4. SMEs financial resources outside vendors.
5. weighted set of detailed criteria
6. discrepancies.
7. type amount
8. usage log files.
9. access log file.

Chapter 14 Case Study of E-commerce

IV. True or False

- | | | | |
|------|------|------|------|
| 1. T | 3. T | 5. T | 7. T |
| 2. F | 4. F | 6. F | 8. F |

V. Fill the blanks

1. one-click shopping system
2. wish list
3. business-to-business (B2B), Alibaba Group
4. Taobao (www.taobao.com)
5. third-party online payment platform

VI. Answer the following questions

1. Why did Bezos choose books as the entry point?
 - (1) Books had an ideal shipping profile for online sales.
 - (2) Many customers would be willing to buy books without inspecting them in person.
 - (3) Books could be impulse purchase items if properly promoted on a Web site.
 - (4) There were a large number of book publishers, none of which held a dominant position in the book-selling marketplace. Thus, it was unlikely that a single supplier could restrict Bezos' supply

of books or enter his market as a competitor.

2. What are the two trends in the early 1980s that allowed Michael Dell to radically reengineer the PC industry value chain?

Two trends in the early 1980s allowed Michael Dell to radically reengineer the PC industry value chain. First, corporate customers were becoming increasingly sophisticated and therefore did not require intense personal selling by salespeople. Second, the different components of a PC—the monitor, keyboard, memory, disk drive, software, and so on—became standard modules, permitting mass customization in PC system configuration.

3. List the six core values of Alibaba Group.

- (1) Customer First
- (2) Team work
- (3) Embrace Change
- (4) Integrity
- (5) Passion
- (6) Commitment