



UNIVERSITY OF COLOMBO, SRI LANKA

UNIVERSITY OF COLOMBO SCHOOL OF COMPUTING

DEGREE OF BACHELOR OF INFORMATION TECHNOLOGY (EXTERNAL)

Academic Year 2019 – 3rd Year Examination – Semester 6

IT6305 : e-Business Applications

26th October, 2019

(TWO HOURS)

To be completed by the candidate

BIT Examination Index No:

Important Instructions:

- The duration of the paper is **2 (two) hours**.
- The medium of instruction and questions is English.
- This paper has **4 questions** and **16 pages**.
- **Answer all questions.** All questions **carry** equal marks.
- **Write your answers** in English using the space provided **in this question paper**.
- Do not tear off any part of this answer book.
- Under no circumstances may this book, used or unused, be removed from the Examination Hall by a candidate.
- Note that questions appear on both sides of the paper.
If a page is not printed, please inform the supervisor immediately.
- Calculators are **not** allowed.

Questions Answered

Indicate by a cross (x), (e.g. ☐) the numbers of the questions answered.

To be completed by the candidate by marking a cross (x).	Question numbers			
	1	2	3	4
To be completed by the examiners:				

- 1) Use the following case study to answer the questions given in Q1 and any other questions that refer to the case study.

‘TRAVELER’ is a travel company specialized in providing transport and accommodation to travelers in Sri Lanka. The company was incorporated by Two brothers Travis and Kosala Perera in the year 2017. They believed that travel trade business would pick up due to tourism being actively promoted after Sri Lanka was ranked the #1 Global Tourist destination by Lonely Planet in 2019.

Both brothers were members of a car pool in a leading hotel in Colombo prior to incorporating TRAVELER and got work 3-4 days a week on a rotation basis as there were 30 such other vehicles registered in this hotel. 10% of the earnings was to be given back to the hotel desk which coordinated the travel. Travis and Kosala, decided they can get-together and start their own travel company. They had cultivated many relationships with inbound travel companies and also had many friends and business associates who are in the travel business who had experience and expertise to join TRAVELER to provide services to business clients.

The year 2017 in general was a booming year for the tourism Market in Sri Lanka. There were many new locations, especially in the eastern province of the country which were newly opened for tourists. They were not accessible earlier due to security constraints. Many other small and medium scale businessmen like the Perera brothers started travel businesses in the same time period. Travis and Kosala had over 20 years of experience in the travel and tourism industry.

TRAVELER depended on business relationships to find accommodation from hotels for their customers while some large travel companies who owned hotels also offered similar services to tourists through online bookings. TRAVELER specialized in offering personalized services to long-duration & small travel groups (less than 20 in a group) offering many different route options to suit the individual preferences of such groups. TRAVELER currently uses emails, fax & phone calls as their main modes of communication.

Travis is also an IT literate person who had many contacts overseas who thought he could get business via online bookings if he used a web_based solution and social media effectively. They wanted to link up with all hotels, motels and tourist sites and other places that offered a different kind of exposure to all tourists via electronic media. They also needed to connect with transportation providers to cater to different kinds of demands coming from groups of tourists. TRAVELER consulted you to implement their eBusiness transformation and wanted you to help them understand and formulate strategies to expand their business.

- (a) State the facts in point form and carry out a SWOT analysis to understand the ground situation of the Company 'TRAVELER'.

(40 Marks)

ANSWER IN THIS BOX

Strengths

- Family bond (brothers)
- Over 20 years of experience
- Earlier experience in a car pool in a leading hotel in Colombo
- Many friends and business associates in travel industry
- Specialized in personalized services to long duration & small travel groups
- Offering many different routes
- Cultivated relationships with inbound travel companies

Weaknesses

- Depending on business relationships to find accommodations
- Using outdated communication mechanisms like emails, fax, calls
- No web presence
- No social media presence
- No e-business collaborations
- No online ordering

Opportunities

- SL in #1 global tourist destination by lonely planet
- Tourism being actively promoted in SL
- New tourist destinations in east
- Online booking
- Social media marketing
- Collaborations with hotels/motels/hostels
- Link with transportation providers
- Friends & business associates

Threats

- Other small & medium scale businesses (new companies)
- Large travel companies offering online booking
- Security threats
- (political instability, local taxi services and public transport – tourists preferring to do ticket booking, hiring vehicles, trip planning by their own)

10 for each section (10*4 = 40)

- (b) TRAVELER needs to identify the environmental forces working on the company. Illustrate and carry out a Michael Porters Forces Analysis and Justify your answer.

(30 Marks)

ANSWER IN THIS BOX

Threat of new entrants – **Very High**

Threat of suppliers – **High**

Threat of Buyers – **High**

Competitor rivalry – **Very High**

Threat of substitutes – **Low**

3*5 for illustration

3*5 for each justification

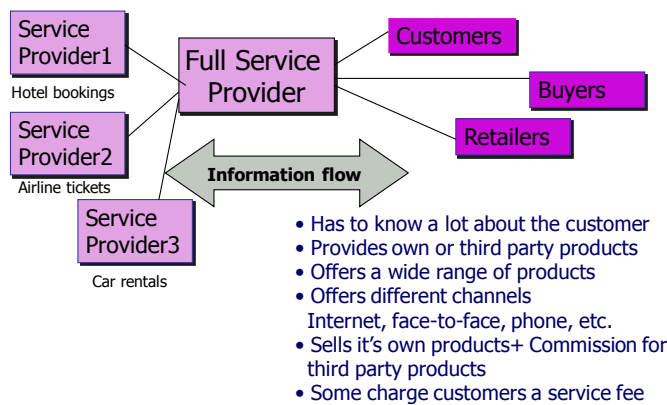
(6*5 = 30)

- (c) Propose (2) two most suitable eBusiness models for TRAVELER to go online and achieve all their goals of expanding and strengthening their business. Illustrate the models and write down the benefits of using them for TRAVELER.

(30 Marks)

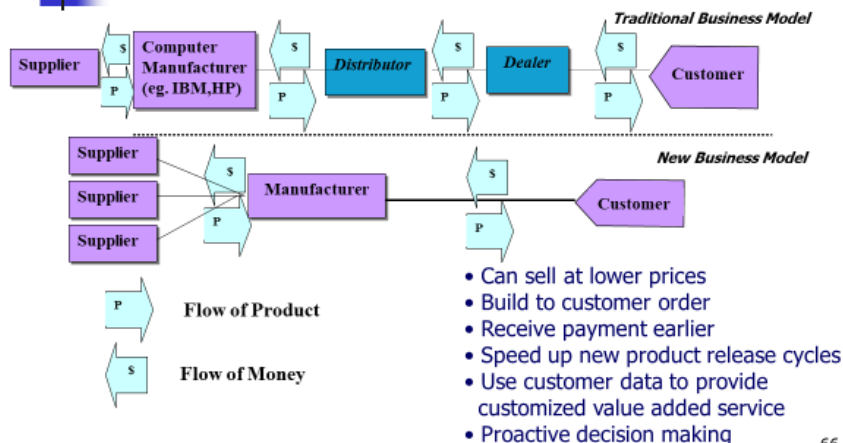
ANSWER IN THIS BOX

Full-Service Provider Model



68

Direct-to-Customer Model



66

15 (model name: 5, model illustration: 5, benefits: 5) * 2 = 30

- 2) a) Compare and Contrast Traditional Business Models and New Business Models explaining why it is easier to reach a wider global market with new business models in today's context.

(20 Marks)

Validity of the Traditional Business Models in today's Context

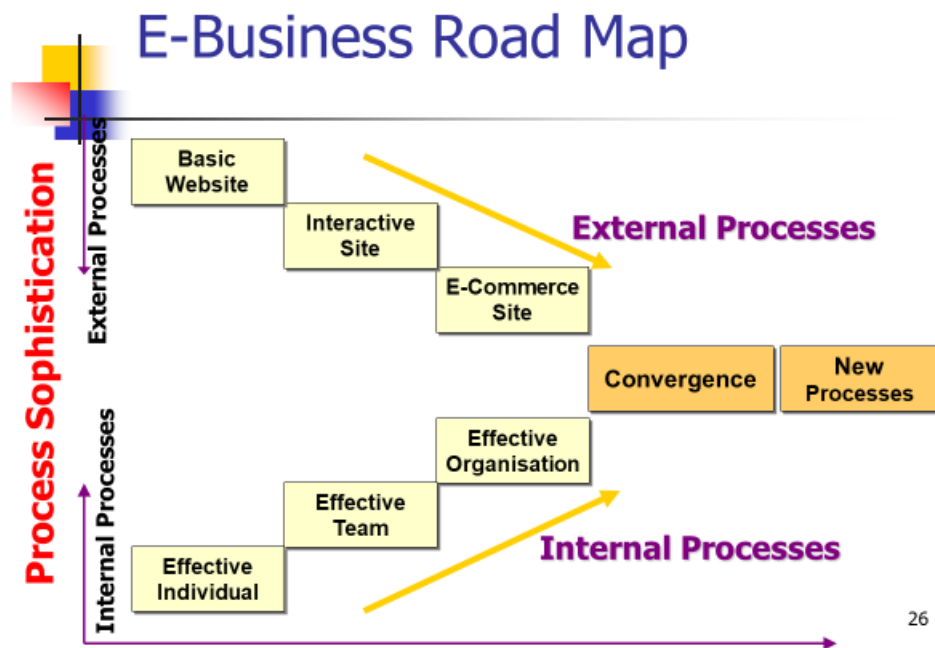
	Traditional Business Models	New Business Models
Production	Mass	Personalised (DELL)
Distribution	Middleman	Direct (DELL)
Communication	Chained / Closed	Networked / Open
Finance	Slow / Difficult	Faster / Easier (24/7)
Markets	Local / Geographical	Global / No boundaries
Assets	Tangible / Physical	Intangible / Virtual

60

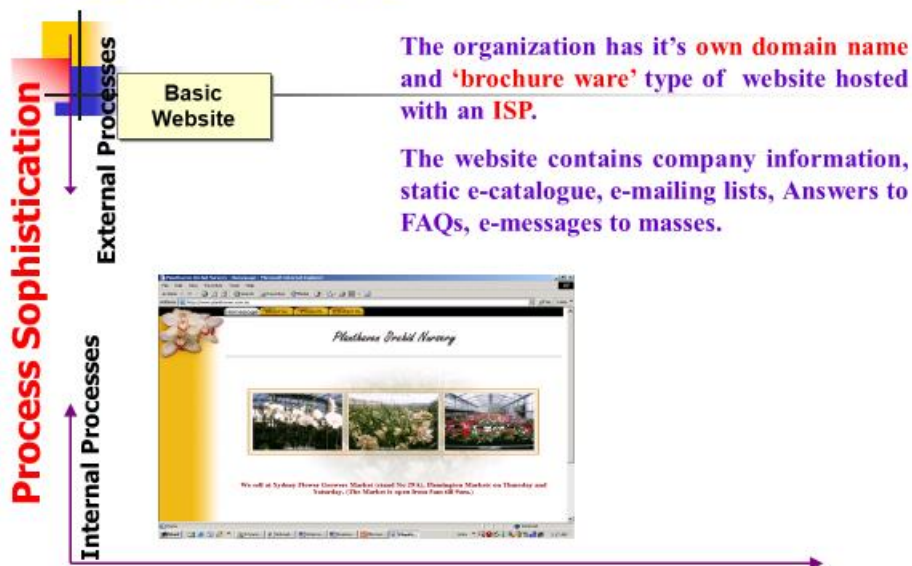
- b) Illustrate and briefly describe the stages of the eBusiness Roadmap. In the roadmap, point out where the company 'TRAVELER' (mentioned in the case study in Q1) is and the next step it should take. Justify your answer.

(50 Marks)

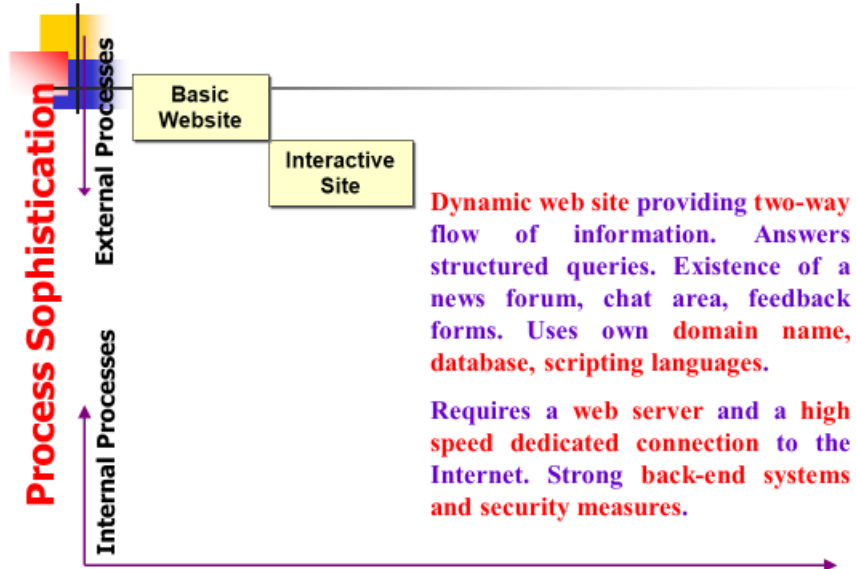
ANSWER IN THIS BOX



Basic Web Site

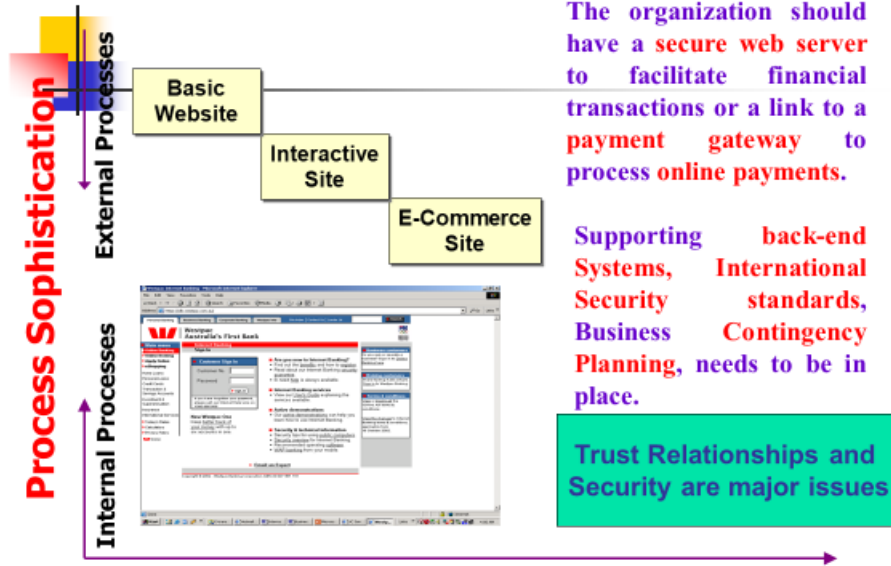


Interactive Site



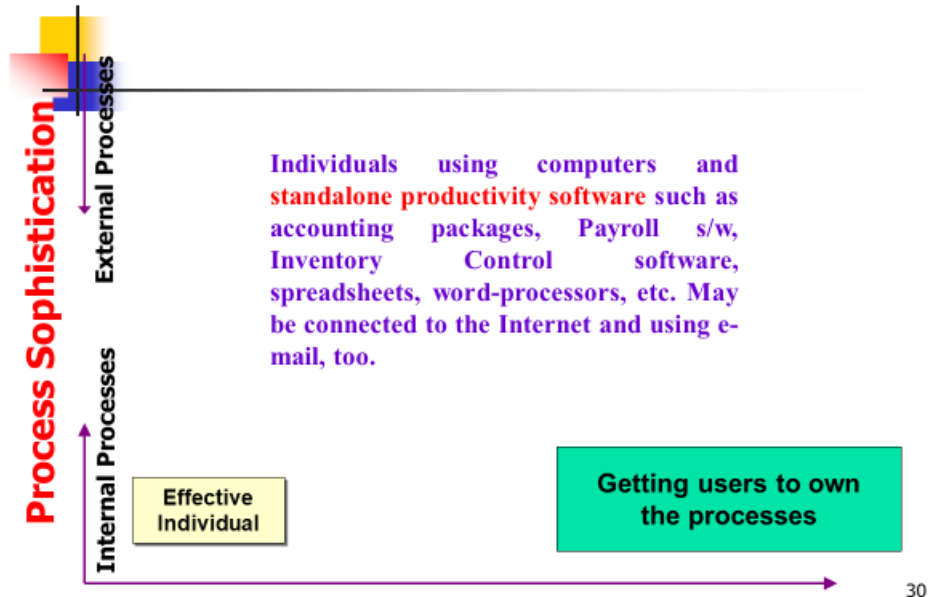
28

eCommerce Site

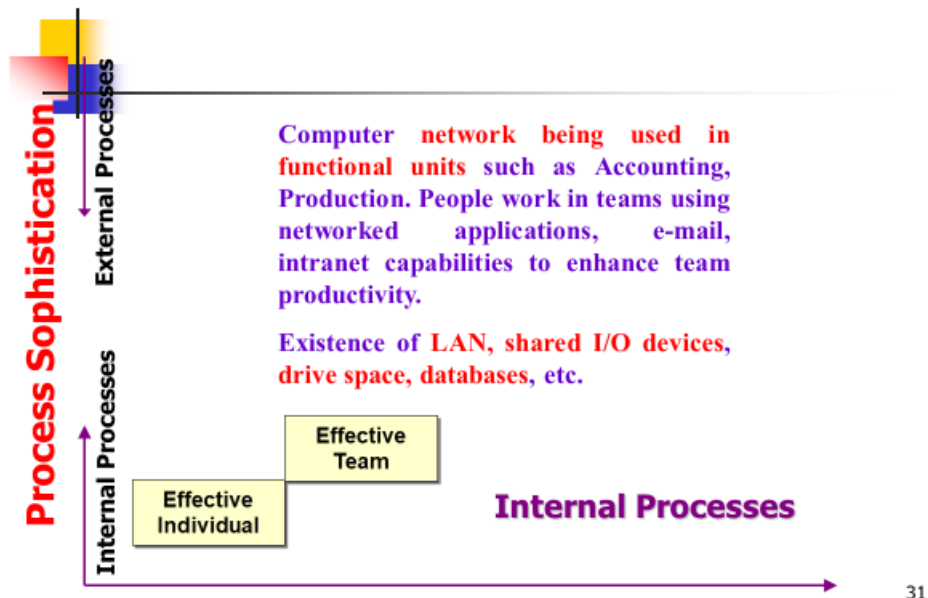


29

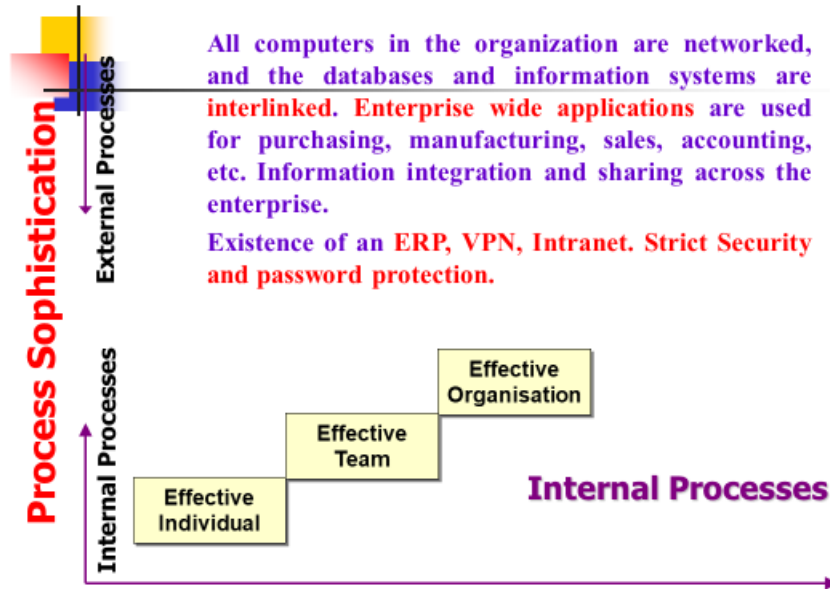
Effective Individual



Effective Team

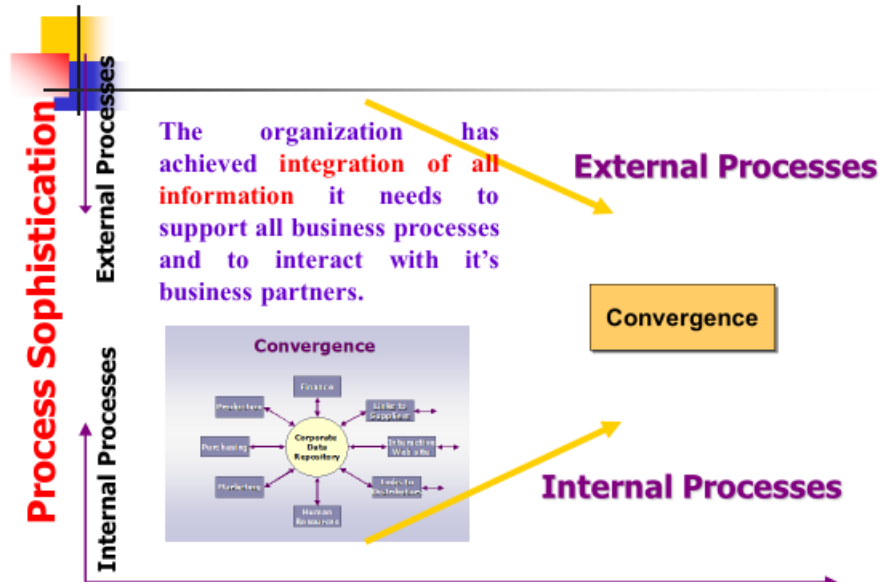


Effective Organisation



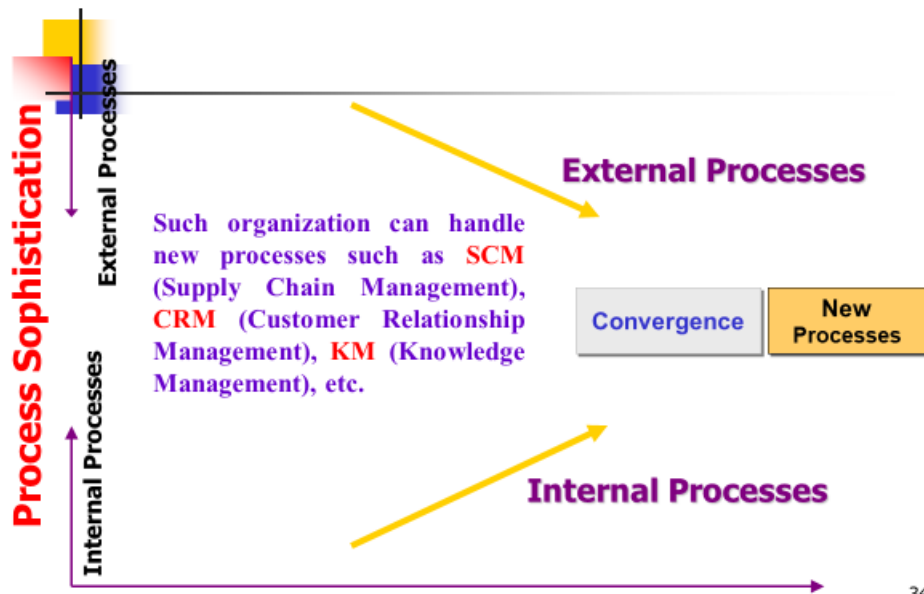
32

Convergence



33

New Processes



34

Currently TRAVELER has no web presence on the external side and on effective Team from the Internal side.

The next step would be Interactive site from External Side and Effective Organisation from Internal side

5 Marks * 8 Stages of the Roadmap

5 Marks for drawing it correctly.

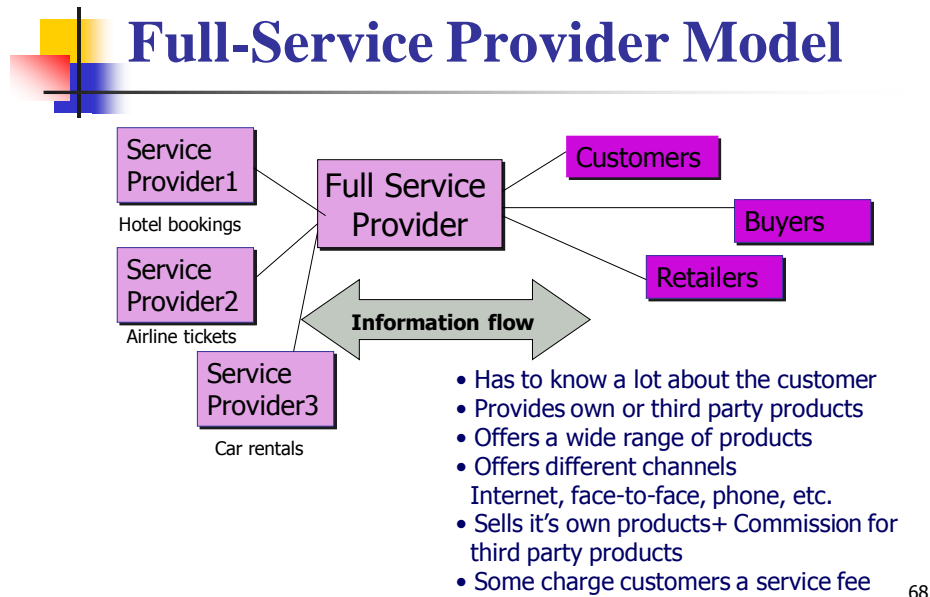
5 Marks for current stage and Next stage !!

- c) Product Digitisation has changed market places and how business is carried out. The Airline ticketing industry has been changed by way of eCollaborations. Illustrate and explain how Air Travel has changed with eBusiness.

(30 Marks)

ANSWER IN THIS BOX

Linking Ticketing service with other related services such as hotel bookings, car rentals, courier service, etc, etc,



- 3) a) Are the following statements TRUE or FALSE? Justify your answer giving an illustration of the model mentioned in each and discussing the Pros & Cons while highlighting the validity of the statement.
- “When there are many SMEs (Small and Medium Enterprises) in an industry and when Rivalry of Competitors are high among large companies, it is NOT advisable to go for a Global Trade Platform in order to be more competitive in the Global Market”
 - “When the Threat of New Entrants are high and Bargaining power of buyers is high, it is advisable to use the ‘Revenue sharing eBusiness Model’ to carry out value added product differentiation”

(40 Marks)

ANSWER IN THIS BOX**(i) FALSE**

When there are a large number of SMEs competing in an industry with large companies, it is better if their web presence and eBusiness is supported by the Government in a form of a Global Trade Platform as SMEs are financially not so stable to go in to eBusiness..

The following is the structure of the Global Trade Platform.

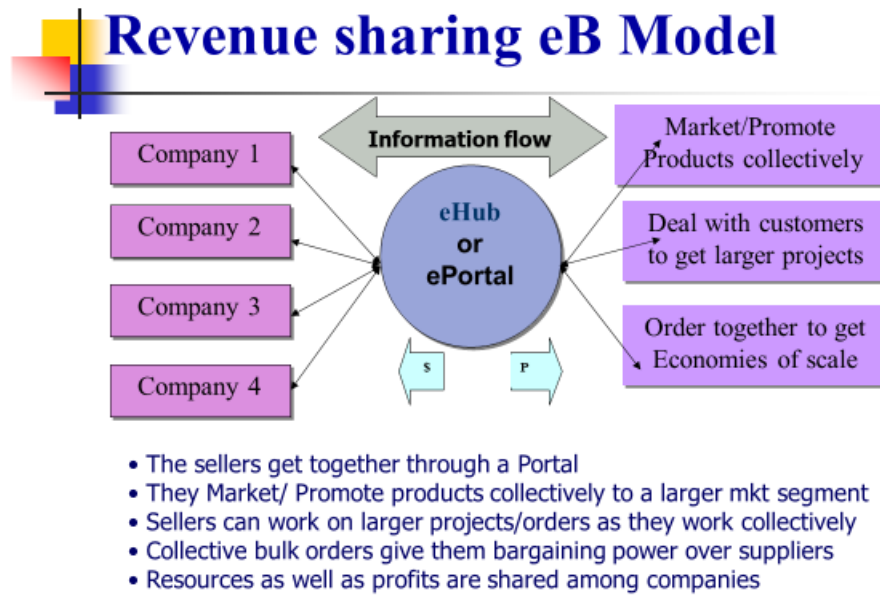


13

(ii) TRUE

When the Threat of New Entrants are high and Bargaining power of buyers is high, it is advisable to use the “Revenue Sharing EBusiness Model as the company can offer more services, and present themselves as a larger organisation with these eCollaborations.

The company can deal with the Threat of New entrants in a more stronger manner as the newcomers will not have the collaborative strength this company has.

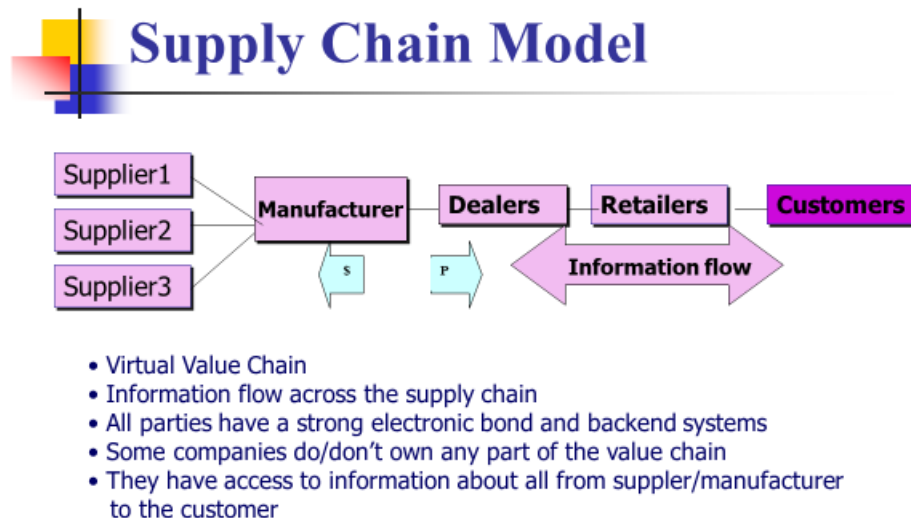


9

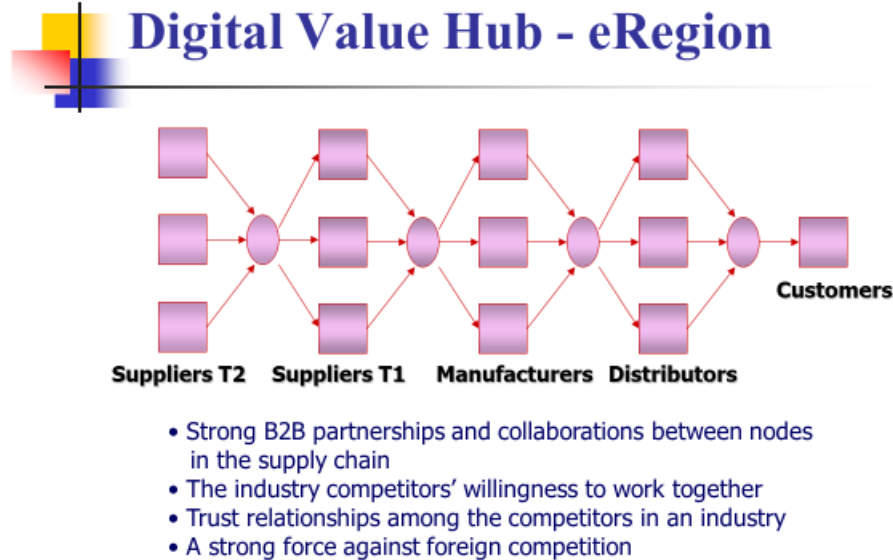
b) Illustrate and describe the benefits of using the following eBusiness Models for customers and companies using them. Also describe an example of an instance in the market where the following eBusiness Models are appropriately used.

- i. Supply Chain eBusiness Model
- ii. Digital Value Hub - eReigion

(40 Marks)

ANSWER IN THIS BOX

7



10

- c) Briefly discuss the ethical and unethical practices in using Social Networking extensively by political parties during election campaigns. Propose what actions need to be taken by the authorities to ensure the use of Social Media for a better society.

(20 Marks)**ANSWER IN THIS BOX****Ethical –**

To share information of actual constitution and other Goals and aims of politicians on how to develop Sri Lanka.

To use Social Media as a marketing tool to share the candidate's aims goals and strategies in order to create awareness.

To use social media instead of Plastic and paper cutouts and poster on all walls around the country.

Unethical –

To sling mud at the other candidates through Socialmedia

To used social media to create and share unethical content such as illegally or unethically recorded tapes and videos..

To spread harmful rumours.

To spread lies to gain the competitive edge for your candidate.

Actions -

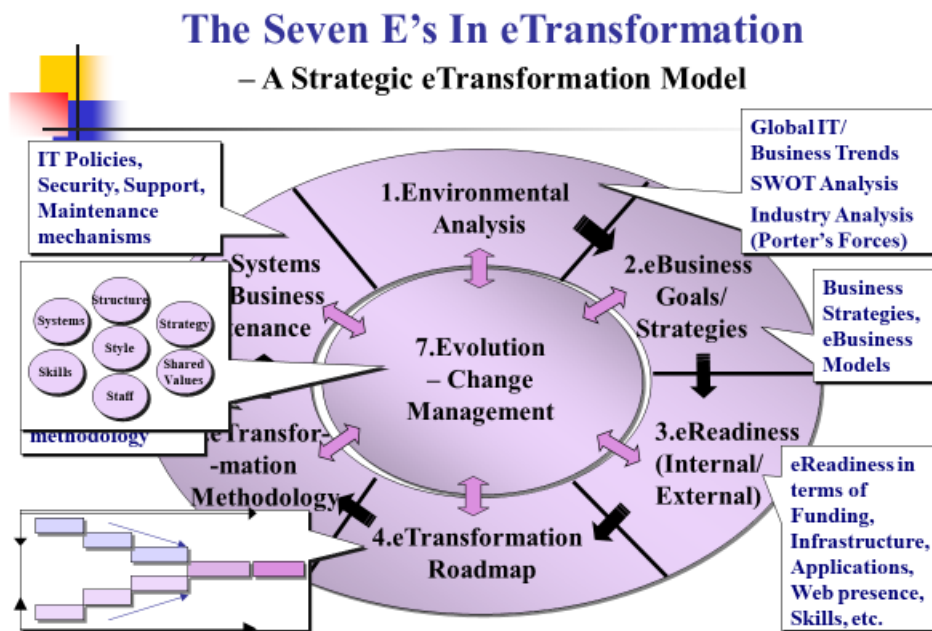
Take legal action against unethical practices.

Monitor and have a place to complain and inquire about such unethical practices

Block Gossip pages and Youtube channels who intentionally spread these harmful content to society.

- 4) a) The Seven (7) Es of eTransformation is a formal methodology used to take companies through the transformation process successfully. Illustrate the 7Es in eTransformation and discuss the following stages.
- eBusiness Strategy Development
 - eTransformation Methodology
 - eSystems

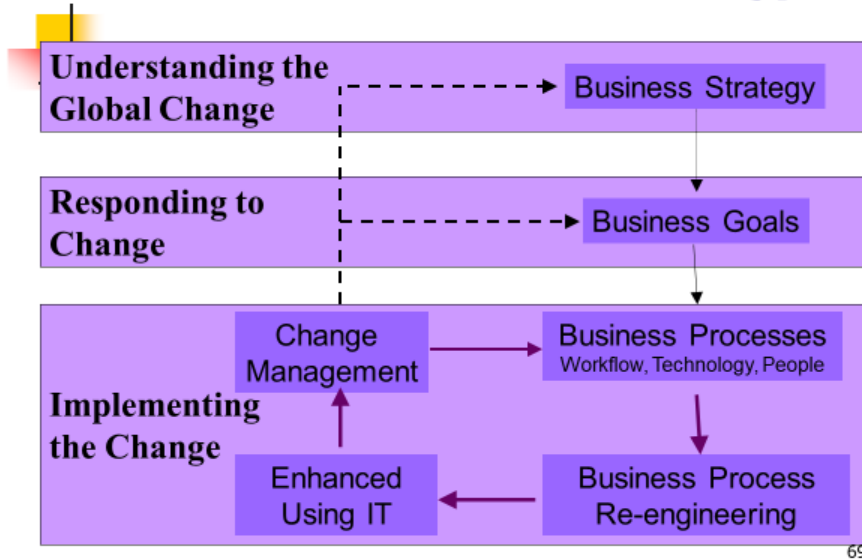
(40 Marks)

ANSWER IN THIS BOX

- (i) eBusiness Strategy Development

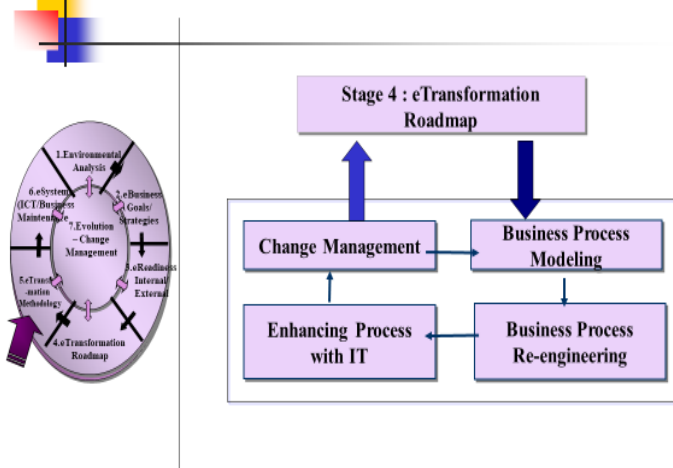


E Transformation Methodology



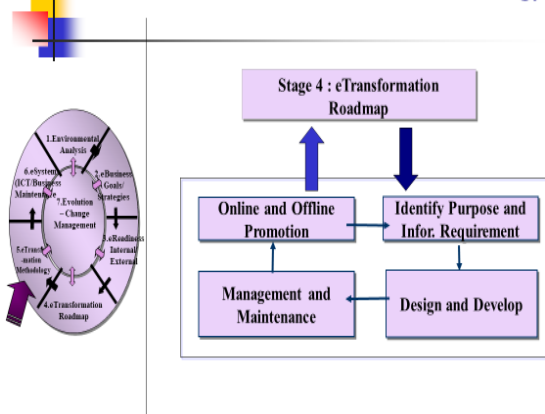
69

Internal eTransformation Methodology



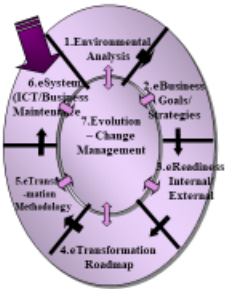
68

External eTransformation Methodology



71

eSystems (Policies, Support, Maintenance)



- **Management Controls** : Standards, guidelines to users, Procedures, Manuals
- **Security Measures** : To deal with common threats (sabotage, hacking, privacy, etc.) and contingency planning and disaster recovery
- **IT Maintenance and Support:** (Support for ICT infrastructure, upgrading, backing up, maintenance, troubleshooting, Support by the ISP and Vendors)

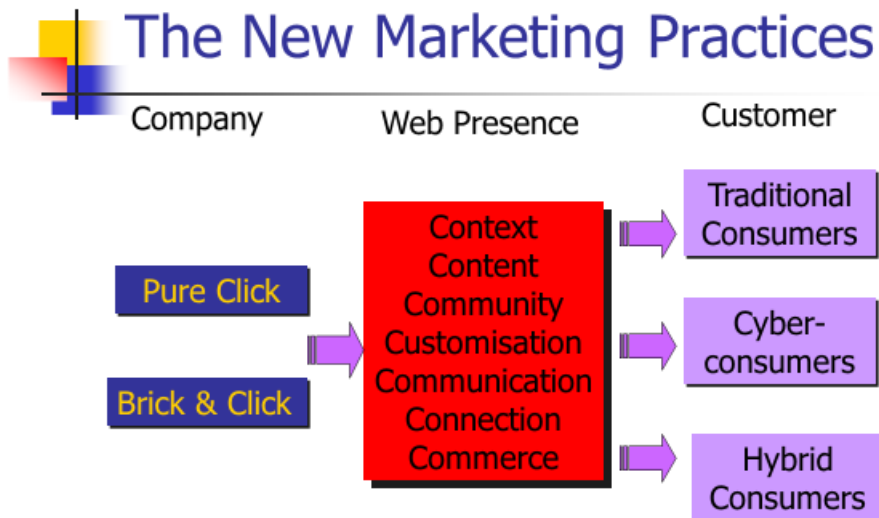
73

- d) Describe an application where ICT could be effectively used in the Education Sector in Developing countries. Briefly discuss the following:
- v. The problem being addressed - Inequality in Education in resources, teachers in schools in rural areas of Sri Lanka.
 - vi. The solution proposed - Distance Learning Solution + Teacher training programmes + Distribution of IT resources such as Computers and Internet connectivity to underprivileged schools in Sri Lanka.
 - vii. The challenges faced -Disparity of infrastructure in schools
 - viii. The sectors of society benefiting from the proposed solution. – all schools and teachers and children in Sri Lanka having equal resources to a certain extent.

(30 Marks)

- a) Briefly describe new marketing strategies comparing offline and online marketing.
Also explain how the seven Cs of web design can support online marketing.

(30 Marks)



82

New Advertising Strategies

Offline Promotion	Online Promotion
Business Cards Industry Magazines, Media Advertisements Newspapers, Newsletters, brochures, Banners, sponsorships, Etc., etc., etc.	Strategic Alliances, Email, Newsletters, Search engines, Banner Adverts, Viral Marketing, Analyse site traffic Database Marketing

92



Seven Cs in Web design

- **Context** – Layout and design (Downloads quickly, simple and easy to understand and use)
- **Content** – Information, pictures, sound, links, offers,
- **Community** – How the site enables user-to-user communication
- **Customisation** – Site's ability to tailor itself to different users or allow users to personalise the site
- **Communication** – How the site enables site-to-user user-to-site 2 way communication
- **Connection** – Degree of links with other sites
- **Commerce** – Site's Capabilities to enable commercial transactions

83