2) E-commerce can be defined as: \*

1. A) the use of the Internet, the Web, and mobile apps to transact business.

2. B) the use of any Internet technologies in a firm's daily activities.

3. C) the digital enablement of transactions and processes within an organization.

4. D) any digitally enabled transactions among individuals and organizations.

3) \_\_\_\_\_\_\_\_ is an example of e-business. \*

1. A) Amazon's inventory control system

2. B) The Amazon.com website

3. C) An Amazon mobile app

4. D) Amazon's Pinterest page

4) Which of the following terms is synonymous with e-commerce? \*

1. A) e-business

2. B) digital commerce

3. C) the Internet

4. D) the Web

5) Which of the following is not true about the use of apps? \*

1. A) The average U.S. consumer spends over three hours a day using apps.

2. B) Users still spend less time using apps than they do using desktops or mobile websites.

3. C) Apps are easier to control and monetize than websites.

4. D) Around 280 million people worldwide launch a smartphone app more than 60 times a

6) Which of the following statements about e-commerce in the United States in 2016 is not true? \*

1. A) Social e-commerce generates more revenue than mobile e-commerce.

2. B) Over 210 million U.S. consumers use mobile apps.

3. C) On-demand service firms are fueling the growth of local e-commerce.

4. D) Growth rates for retail e-commerce are higher in Europe than in the United States.

7) In 2016, almost \_\_\_\_\_\_\_\_ of Americans who access the Internet use a mobile device at least some of the time. \*

1. A) 63%

2. B) 73%

3. C) 83%

4. D) 93%

8) Which of the following is not a major business trend in e-commerce in 2016-2017? \*

1. A) Mobile e-commerce continues to grow.

2. B) Small businesses and entrepreneurs are hampered by the rising cost of market entry caused by increased presence of industry giants.

3. C) On-demand service companies garner multi-billion dollar valuations.

4. D) Mobile advertising continues to grow at astronomical rates.

9) Which of the following is not a major technology trend in e-commerce in 2016-2017? \*

1. A) Mobile messaging services become popular with smartphone users.

2. B) Firms are turning to business analytics to make sense out of big data.

3. C) The mobile computing and communications platform creates an alternative platform

for online transactions, marketing, advertising, and media viewing.

4. D) Computing and networking component prices increase dramatically.

10) All of the following are major social trends in e-commerce in 2016-2017 except for: \*

1. A) concerns about the flood of temporary, low paying jobs without benefits being generated by on-demand service companies.

2. B) the continuing conflict over copyright management and control.

3. C) the refusal of online retailers to accept taxation of Internet sales.

4. D) the growth of government surveillance of Internet communications.

11) Which of the following is not a major business trend in e-commerce in 2016-2017? \*

1. A) the growth of a mobile app ecosystem

2. B) the weakening revenues of B2B e-commerce

3. C) the emergence of social e-commerce

4. D) the growth of the on-demand service firms

12) Which of the following statements about the Web is not true? \*

1. A) The Web is the technology upon which the Internet is based.

2. B) The Web was the original "killer app."

3. C) The Web provides access to pages written in HyperText Markup Language.

4. D) The Web is both a communications infrastructure and an information storage system.

13) In 2016, there were more than \_\_\_\_\_\_\_\_ Internet hosts. \*

1. A) 1 million

2. B) 10 million

3. C) 100 million

4. D) 1 billion

14) Which of the following was the original "killer app" that made the Internet commercially interesting and extraordinarily popular? \*

1. A) e-commerce

2. B) The Web

3. C) social networks

4. D) mobile apps

15) Which of the following features of e-commerce technology enables merchants to market and sell "complex" goods and services to consumers via marketing messages that can integrate video, audio, and text? \*

1. A) richness

2. B) ubiquity

3. C) information density

4. D) personalization

16) Which of the following features of e-commerce technology allows users to participate in the creation of online content? \*

1. A) ubiquity

2. B) global reach

3. C) information density

4. D) social technology

17) Which of the following is the best definition of transaction cost? \*

1. A) the expense of changing national or regional prices

2. B) the cost of participating in a market

3. C) the cost of finding suitable products in the market

4. D) the cost merchants pay to bring their goods to market

18) In 2016, the world's online population was estimated to be around: \*

1. A) 330 million.

2. B) 3.3 billion.

3. C) 33 billion.

4. D) 330 billion.

19) Which of the following features of e-commerce technology is related to the concept of network externalities? \*

1. A) richness

2. B) interactivity

3. C) universal standards

4. D) information density

20) Which of the following statements is true about the traditional tradeoff between the richness and reach of a marketing message prior to the development of the Web? \*

1. A) Marketing messages had little richness.

2. B) The smaller the audience reached, the less rich the message.

3. C) The larger the audience reached, the less rich the message.

4. D) Richness was unrelated to reach.

21) Interactivity in the context of e-commerce provides which of the following functionalities? \*

1. A) the ability to physically touch and manipulate a product

2. B) complexity and content of a message

3. C) the ability of consumers to create and distribute content

4. D) the enabling of two-way communication between consumer and merchant

22) The costs incurred by merchants changing product prices (such as the costs of reentering prices into computer systems) are referred to as: \*

1. A) subscription costs.

2. B) fixed costs.

3. C) menu costs.

4. D) variable costs.

23) Which of the following refers to any disparity in relevant market information among parties in a transaction? \*

1. A) information asymmetry

2. B) unfair competitive advantage

3. C) imperfect competition

4. D) dynamic pricing

24) Which of the following is a physical place you visit to conduct business? \*

1. A) marketspace

2. B) marketplace

3. C) social network

4. D) the Internet

25) The total number of users or customers an e-commerce business can obtain is called: \*

1. A) ubiquity.

2. B) interactivity.

3. C) reach.

4. D) information density.

26) Which of the following refers to the complexity and content of a message? \*

1. A) richness

2. B) reach

3. C) information density

4. D) interactivity

27) E-commerce is available just about everywhere and anytime. This is known as \_\_\_\_\_\_\_\_. \*

1. A) richness

2. B) information density

3. C) ubiquity

4. D) reach

28) Which type of e-commerce is distinguished by the type of technology used in the transaction rather than by the nature of the market relationship? \*

1. A) consumer-to-consumer (C2C)

2. B) social e-commerce

3. C) mobile e-commerce

4. D) business-to-business (B2B)

29) Which of the following is an example of social e-commerce? \*

1. A) Amazon

2. B) eBay

3. C) Wikipedia

4. D) Facebook

30) Business-to-consumer (B2C) e-commerce in the United States: \*

2016. A) has grown at double-digit rates between 2010 and 2016.

2017. B) has less revenue than C2C e-commerce.

2018. C) now constitutes over 50% of the overall U.S. retail market.

2019. D) is growing more slowly as it confronts its own fundamental limitations.

31) Which of the following is an example of an on-demand service company? \*

1. A) YouTube

2. B) Airbnb

3. C) Tumblr

4. D) Facebook

32) Which of the following is an example of B2B e-commerce?

1. A) Airbnb

2. B) Facebook

3. C) Groupon

4. D) Go2Paper

33) Which of the following is an example of C2C e-commerce?

1. A) Amazon

2. B) Groupon

3. C) Craigslist

4. D) Go2Paper

34) All of the following are examples of social networks except:

1. A) Instagram.

2. B) Twitter.

3. C) Y Combinator.

4. D) Pinterest.

35) The size of the B2B market in 2017 was estimated at:

1. A) $670 million.

2. B) $6.7 billion.

3. C) $670 billion.

4. D) $6.7 trillion.

36) Which of the following describes the basic web policy of large firms during the Invention period?

Option 1

1. A) Integrate social networks and the mobile platform with website marketing.

2. B) Emphasize the necessity of the Web to generate profits.

3. C) Use the Web to sell complex goods and services online.

4. D) Maintain a basic, static website depicting the firm's brand.

37) All of the following are considered a precursor to e-commerce except:

1. A) the development of the smartphone.

2. B) Baxter Healthcare's PC-based remote order entry system.

3. C) the French Minitel.

4. D) the development of Electronic Data Interchange (EDI) standards.

38) Which of the following was the first large-scale digitally enabled transaction system in the B2C arena?

1. A) Telex

2. B) the Baxter Healthcare system

3. C) the French Minitel

4. D) EDI

39) In which year was e-commerce said to have begun?

1. A) 1983

2. B) 1985

3. C) 1995

4. D) 2001

40) Which of the following is a characteristic of e-commerce during the Invention period?

1. A) mobile technology

2. B) earnings and profit emphasis

3. C) disintermediation

4. D) extensive government surveillance

41) All of the following are examples of Web 2.0 sites and applications except:

1. A) photo-sharing sites.

2. B) blogs.

3. C) wikis.

4. D) auction sites.

42) Which of the following is not a characteristic of a perfect competitive market?

1. A) Price, cost, and quality information are equally distributed.

2. B) A nearly infinite set of suppliers compete against one another.

3. C) Customers have access to all relevant information worldwide.

4. D) It is highly regulated.

43) All of the following were visions expressed during the early years of e-commerce except:

1. A) a nearly perfect information marketspace.

2. B) friction-free commerce.

3. C) disintermediation.

4. D) fast follower advantage.

44) Unfair competitive advantages occur when:

1. A) one competitor has an advantage others cannot purchase.

2. B) market middlemen are displaced.

3. C) information is equally distributed and transaction costs are low.

4. D) firms are able to gather monopoly profits.

45) The early years of e-commerce were driven by all of the following factors except:

1. A) an emphasis on exploiting traditional distribution channels.

2. B) a huge infusion of venture capital funds.

3. C) an emphasis on quickly achieving very high market visibility.

4. D) visions of profiting from new technology.

46) The early years of e-commerce are considered:

1. A) the most promising time in history for the successful implementation of first mover advantages.

2. B) an economist's dream come true, where for a brief time consumers had access to all relevant market information and transaction costs plummeted.

3. C) a stunning technological success as the Internet and the Web increased from a few thousand to billions of e-commerce transactions per year.

4. D) a dramatic business success as 85% of dot-coms formed since 1995 became flourishing businesses.

47) Which of the following best describes the early years of e-commerce?

1. A) They were a technological success but a mixed business success.

2. B) They were a technological success but a business failure.

3. C) They were a technological failure but a business success.

4. D) They were a mixed technological and business success.

48) Which of the following is a characteristic of the Reinvention phase of e-commerce?

1. A) massive proliferation of dot-com start-ups

2. B) widespread adoption of broadband networks

3. C) rapid growth of search engine advertising

4. D) expansion of e-commerce to include services as well as goods

49) Which of the following is a characteristic of the Consolidation phase of e-commerce?

1. A) predominance of pure online strategies

2. B) emphasis on revenue growth versus profits

3. C) brand extension and strengthening becomes more important than creating new brands

4. D) shift to a technology-driven approach

50) Which of the following is not true regarding e-commerce today?

1. A) Economists' visions of a friction-free market have not been realized.

2. B) Consumers are less price-sensitive than expected.

3. C) There remains considerable persistent price dispersion.

4. D) The market middlemen disappeared.

51) Which of the following statements is not true?

1. A) Information asymmetries are continually being introduced by merchants and marketers.

2. B) Intermediaries have not disappeared.

3. C) Overall transaction costs have dropped dramatically.

4. D) Brands remain very important in e-commerce.

52) Which of the following is an example of an e-commerce first mover that failed?

1. A) Etsy

2. B) eToys

3. C) eBay

4. D) E\*Trade

53) Which of the following refers to the practice of researching a product online before purchasing it at a physical store?

1. A) zooming

2. B) grazing

3. C) showrooming

4. D) webrooming

54) Which of the following refers to the displacement of market middlemen and the creation of a new direct relationship between producers and consumers?

1. A) network effect

2. B) disintermediation

3. C) friction-free commerce

4. D) first mover advantage

55) Which of the following is not an element of friction-free commerce?

1. A) Information is equally distributed.

2. B) Transaction costs are high.

3. C) Prices can be dynamically adjusted to reflect actual demand.

4. D) Unfair competitive advantages are eliminated.

56) All of the following are issues facing Pinterest except:

1. A) copyright infringement.

2. B) inability to retain users.

3. C) spam.

4. D) scams.

57) Above all, e-commerce is a \_\_\_\_\_\_\_\_ phenomenon.

1. A) technology driven

2. B) finance-driven

3. C) sociological

4. D) government-driven

58) Which business application is associated with the technological development of local area networks and client/server computing?

1. A) transaction automation (e.g., payroll)

2. B) desktop automation (e.g., word processing)

3. C) industrial system automation (e.g., supply chain management)

4. D) workgroup automation (e.g., document sharing)

59) Which of the following is one of the three primary societal issues related to e-commerce?

1. A) liability

2. B) anonymity

3. C) equity

4. D) intellectual property

60) Which of the following statements is not true?

1. A) No one academic perspective dominates research about e-commerce.

2. B) Economists take a purely technical approach to e-commerce.

3. C) There are two primary approaches to e-commerce: behavioral and technical.

4. D) Management scientists are interested in e-commerce as an opportunity to study how business firms can exploit the Internet to achieve more efficient business operations.

61) \_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_ are typically the most easily identifiable aspects of a company's business model.

1. A) Market strategy; market opportunity

2. B) Value proposition; revenue model

3. C) Competitive advantage; competitive environment

4. D) Revenue model; market opportunity

62) All of the following use a subscription revenue model for music except:

1. A) Spotify.

2. B) eHarmony.

3. C) Rhapsody.

4. D) Pandora.

63) Which element of the business model addresses what a firm provides that other firms cannot?

1. A) competitive environment

2. B) competitive advantage

3. C) market strategy

4. D) value proposition

64) Which element of the business model refers to the presence of substitute products in the market?

1. A) value proposition

2. B) competitive environment

3. C) competitive advantage

4. D) market opportunity

65) Which of the following represent Amazon's primary value proposition(s)?

1. A) personalization and customization

2. B) selection and convenience

3. C) reduction of price discovery cost

4. D) management of product delivery

66) A firm's \_\_\_\_\_\_\_\_ describes how a firm will produce a return on invested capital.

1. A) value proposition

2. B) revenue model

3. C) market strategy

4. D) competitive advantage

67) Which of the following is an example of the subscription revenue model?

1. A) Scribd

2. B) eBay

3. C) E\*Trade

4. D) Twitter

68) Stickiness is an important attribute for which of the following revenue models?

1. A) advertising revenue model

2. B) subscription revenue model

3. C) transaction fee revenue model

4. D) affiliate revenue model

69) Which of the following companies use a transaction fee revenue model?

1. A) Yahoo

2. B) E\*Trade

3. C) Twitter

4. D) Birchbox

70) Which of the following is an example of the affiliate revenue model?

1. A) Scribd

2. B) eBay

3. C) L.L. Bean

4. D) MyPoints

71) Which of the following involves a company giving away a certain level of product or services without charge, but then charging a fee for premium levels of the product or service?

1. A) advertising revenue model

2. B) subscription revenue model

3. C) freemium strategy

4. D) transaction fee revenue model

72) Which of the following is not a significant influence on a company's competitive environment?

1. A) how many competitors are active

2. B) the market share of each competitor

3. C) the availability of supportive organizational structures

4. D) how competitors price their products

73) All of the following would be considered a direct competitor of Priceline except:

1. A) Travelocity.

2. B) Expedia.

3. C) Orbitz.

4. D) ESPN.

74) The existence of many competitors in any one market segment may indicate:

1. A) an untapped market niche.

2. B) the market is saturated.

3. C) no one firm has differentiated itself within that market.

4. D) a market that has already been tried without success.

75) All of the following can be considered a direct or indirect competitor of Amazon except:

1. A) eBay.

2. B) Apple's iTunes Store.

3. C) Walmart.

4. D) Priceline.

76) A perfect market is one in which:

1. A) there are no competitive advantages or asymmetries because all firms have equal access to all the factors to production.

2. B) one firm develops an advantage based on a factor of production that other firms cannot purchase.

3. C) one participant in the market has more resources than the others.

4. D) competition is at a minimum, as each niche market within an industry is served by the company with the greatest competitive advantage.

77) Organizations that typically provide an array of services to start-up companies along with a small amount of funding are referred to as:

1. A) angel investors.

2. B) crowdfunders.

3. C) incubators.

4. D) venture capital investors.

78) A \_\_\_\_\_\_\_\_ specifically details how you plan to find customers and sell your product.

1. A) sales analysis

2. B) business plan

3. C) competitive strategy

4. D) market strategy

79) Which of the following was not able to successfully implement a freemium business model?

1. A) Pandora

2. B) Dropbox

3. C) LinkedIn

4. D) Baremetrics

80) All of the following may lead to a competitive advantage except:

1. A) less expensive suppliers.

2. B) better employees.

3. C) fewer products.

4. D) superior products.

81) Which of the following is an unfair competitive advantage?

1. A) brand name

2. B) access to global markets

3. C) lower product prices

4. D) superior technology

82) Which of the following gives a business model the most credibility with outside investors?

1. A) the firm's management team

2. B) the firm's value proposition

3. C) the firm's market opportunity

4. D) the firm's market strategy

83) Which of the following statements about Foursquare is not true?

1. A) Foursquare combines a social network business model with location-based technology.

2. B) Foursquare has struggled to find profitability.

3. C) Foursquare's business model raises significant privacy concerns.

4. D) In 2016, Foursquare decided to refocus its effort on developing a subscription-based revenue model.

84) Which type of investor typically becomes interested in a start-up company after it has begun generating revenue?

1. A) incubators

2. B) angel investors

3. C) crowdfunders

4. D) venture capital investors

85) Which of the following is another name for a revenue model?

1. A) business model

2. B) business strategy

3. C) financial model

4. D) financial statements

86) All of the following use a social network marketing strategy except:

1. A) Twitter.

2. B) YouTube.

3. C) Pinterest.

4. D) Amazon.

87) The use of a company's competitive advantage to penetrate surrounding markets is known as \_\_\_\_\_\_\_\_.

1. A) market strategy

2. B) differentiation

3. C) leverage

4. D) focus

88) A wealthy individual who invests personal funds in a start-up in exchange for an equity share in the business is referred to as a(n) \_\_\_\_\_\_\_\_.

1. A) incubator

2. B) angel investor

3. C) venture capital investor

4. D) crowdfunder

89) Which of the following is not a key element of an elevator pitch?

1. A) exit strategy

2. B) growth metrics

3. C) legal structure

4. D) market opportunity

90) Which of the following is not a community provider?

1. A) LinkedIn

2. B) Facebook

3. C) Blue Nile

4. D) Pinterest

91) Which of the following is not a variation of the e-tailer business model?

1. A) bricks-and-clicks

2. B) virtual merchant

3. C) market creator

4. D) manufacturer-direct

92) An example of a company using the content provider model is:

1. A) Priceline.

2. B) Rhapsody.

3. C) Dell.

4. D) eBay.

93) Which of the following is not an example of the bricks-and-clicks e-tailing business model?

1. A) Walmart

2. B) Sears

3. C) Bluefly

4. D) Staples

94) The overall retail market in the United States in 2016 was estimated at about:

1. A) $48 trillion.

2. B) $4.8 trillion.

3. C) $480 billion.

4. D) $48 billion.

95) In general, the key to becoming a successful content provider is to:

1. A) own the content being provided.

2. B) own the technology by which content is created, presented, and distributed.

3. C) provide online content for free.

4. D) provide other services as well as online content.

96) The business model of e-tailers is similar to that of:

1. A) e-distributors.

2. B) transaction brokers.

3. C) exchanges.

4. D) service providers.

97) All of the following use an advertising revenue model except:

1. A) Twitter.

2. B) Yahoo.

3. C) Google.

4. D) Amazon.

98) Which of the following is not considered a portal?

1. A) Yahoo

2. B) MSN

3. C) Amazon

4. D) AOL

99) Portals primarily generate revenue in all of the following ways except:

1. A) charging advertisers for ad placement.

2. B) collecting transaction fees.

3. C) sales of goods.

4. D) charging subscription fees.

100) The basic value proposition of community providers is:

1. A) they offer a fast, convenient one-stop site where users can focus on their most important concerns and interests.

2. B) they offer consumers valuable, convenient, time-saving, and low cost alternatives to traditional service providers.

3. C) they create a digital electronic environment for buyers and sellers to meet, agree on a price, and transact.

4. D) they increase customers' productivity by helping them get things done faster and with less expense.

101) eBay uses all of the following business models except:

1. A) B2C market creator.

2. B) C2C market creator.

3. C) content provider.

4. D) e-commerce infrastructure provider.

* Fill in gap

1) E-commerce is available just about everywhere and anytime. This is known as \_\_\_\_.

A) richness

B) information density

C) ubiquity

D) reach

2) Above all, e-commerce is a \_\_\_\_ phenomenon.

A) technology driven

B) finance-driven

C) sociological

D) government-driven

3) \_\_\_ and \_\_\_ are typically the most easily identifiable aspects of a company's business model.

A) Market strategy; market opportunity

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4) A firm's \_\_\_\_ describes how a firm will produce a return on invested capital.

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B) revenue model

C) market strategy

D) competitive advantage

5 A \_\_\_\_ specifically details how you plan to find customers and sell your product.

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6) The use of a company's competitive advantage to penetrate surrounding markets is known as \_\_\_\_.

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B) differentiation

C) leverage

D) focus

7) A wealthy individual who invests personal funds in a start-up in exchange for an equity share in the business is referred to as a(n) \_\_\_\_.

A) incubator

B) angel investor

C) venture capital investor

D) crowdfunder

* Q & A

1. List and briefly explain the main types of e-commerce.

Answer: The main types of e-commerce are business-to-consumer (B2C), in which online businesses attempt to reach individual consumers; business-to-business (B2B), in which businesses focus on selling to other businesses; consumer-to-consumer (C2C), which provides a market in which consumers can sell goods to each other; mobile e-commerce (m-commerce), which refers to the use of wireless digital devices to enable online transactions; social e-commerce, which is commerce enabled by social networks and online social relationships; and local e-commerce, which is e-commerce that is focused on engaging the customer based on his or her geographical location.

ii) What is a first mover? Why was being a first mover considered to be important during the early years of e-commerce?

Answer: First movers are firms who are first to market in a particular area and who move quickly to gather market share. First movers hoped to establish a large customer base quickly, build brand name recognition early, and inhibit competitors by building in switching costs for their customers through proprietary interface designs and features. The thinking was that once customers became accustomed to using a company's unique web interface and feature set, they could not easily be switched to competitors. In the best case, the entrepreneurial firm would invent proprietary technologies and techniques that almost everyone adopted, creating a network effect, which occurs where all participants receive value from the fact that everyone else uses the same tool or product.

iii) Which academic disciplines have a technical approach to e-commerce? What is each discipline interested in to contribute to the overall success of e-commerce?

Answer: Computer scientists, operations management scientists, and certain technical groups within the information systems discipline all take a technical approach to e-commerce. Computer scientists are interested in e-commerce as an exemplary application of Internet technology. They are concerned with the development of computer hardware, software, and telecommunications systems, as well as standards, encryption, and database design and operation. Operations management scientists are primarily interested in building mathematical models of business processes and optimizing these processes. They are interested in e-commerce as an opportunity to study how business firms can exploit the Internet to achieve more efficient business operations. Technical groups within the information systems specialty focus on data mining, search engine design, and artificial intelligence.

iv) Define organizational development and describe its importance in relation to the implementation of a business plan and strategy.

Answer: Organizational development is a plan that describes how the company will organize the work that needs to be accomplished in the business plan or strategy. Typically, work is divided into functional departments, such as production, shipping, marketing, customer support, and finance. Jobs within these functional areas are defined, and then recruitment begins for specific job titles and responsibilities. Typically, in the beginning, generalists who can perform multiple tasks are hired. As the company grows, recruiting becomes more specialized. For instance, at the outset, a business may have one marketing manager. But after two or three years of steady growth, that one marketing position may be broken down into seven separate jobs done by seven individuals.

All firms—new ones in particular—need an organization to efficiently implement their business plans and strategies. Many e-commerce firms and many traditional firms that attempt an e-commerce strategy have failed because they lacked the organizational structures and supportive cultural values required to support new forms of commerce.