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# Examiners' commentary

## 2017–2018

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### CO3323 Electronic commerce – Zone A

#### General remarks

The performance in this examination was satisfactory. Candidates who read the scenarios carefully and wrote their answers to address the issues raised in these scenarios directly did well on this examination. This highlights the importance of reading the question very carefully. It is important to focus on the question being asked and adapt answers accordingly.

Candidates are also reminded that the presentation of their work is important. Please pay particular attention to your handwriting, ensuring that your answers are legible. Further, candidates should ensure that they start each question or part of a question on a new page.

Candidates were required to answer **THREE** questions on this paper. Where a candidate answered more than three questions, only the first three questions addressed were marked, and the remainder were ignored.

#### Comments on specific questions

##### Question 1

- a. This was a straightforward question and candidates answered it competently. There was a wide range of characteristics of the new Suzie Kendell Designers e-commerce presence that could be mentioned, and nearly all of these were acceptable. Many candidates discussed characteristics such as the importance of stickiness in designing the site and the ability to provide on-line payment systems.
- b. The question required candidates to provide both a description of a typical value chain as well as a drawing of it. Good answers realised that the value chain consisted not only of the manufacturing process for the new dresses but also needed to take into account the receiving and handling of the raw materials which were needed to undertake the manufacturing process. Many candidates appropriately described Michael Porter's Value Chain process.

##### Question 2

- a. This question consisted of five sub-parts, taking into consideration the scenario of K loves Kats. Good answers to this question therefore addressed all five of these sub-parts.
  - i. Generally, descriptions of the app were good, but why it was needed could have been given more attention.
  - ii. Many students did not provide a clear diagram of the business process.
  - iii. This was well done with clear indications and, in many instances, drawings of what the interface might look like.
  - iv. Candidates could choose from a wide range of revenue models – there was not just one model that was acceptable for this application.
  - v. Many candidates chose to use some form of online marketing strategy for the scenario, which was appropriate.

- b. A wide range of techniques for creating stickiness for the virtual community in this scenario were identified. Nearly all of these were appropriate. These included suggestions for online chat rooms, customer loyalty programmes, online information and advice, and so on. Candidates lost marks on this question where they did not provide **FIVE** examples as requested on the examination paper.

### Question 3

- a. There were some very good answers to this part of the question. The question asked candidates to compare and contrast the ways in which Spice could use video to increase its subscriber base. Where candidates highlighted both the advantages and limitations of each of the **THREE** ways in order to compare and contrast them, they scored well on this question. By identifying both advantages and limitations they were able to compare the various methods effectively.
- b. Good answers provided a definition at the outset of what is meant by banner advertising and AdWords. Once candidates had demonstrated that they understood these two methods of advertising, they were then able to provide clear examples of how these methods might be used.

### Question 4

There was only one part to this question and it therefore required a good understanding of what is meant by market segmentation. The question asked candidates to consider an app for health care and wellbeing. Most candidates chose to segment the market on the basis of age. This was an acceptable strategy in answering this question. However, there were other potential ways of segmenting the market on different lines. It was important in answering this question that candidates stated the assumptions they made on the basis of each of the segments they had identified, e.g. that the elderly were more likely to have need of such an app and that they might be less computer literate. This could only be stated as an assumption rather than a statement of fact.

### Question 5

- a. Candidates had some choice in answering this question as to which **FIVE** dimensions of e-commerce security they chose to address. This was a straightforward question and candidates who could describe what is meant by the terms of integrity, nonrepudiation, authenticity, confidentiality, privacy and availability scored well. Where clear examples of each were given, candidates scored additional marks.
- b. Some good answers to this question provided a table at the outset which provided headings for digital certificates and encryption technologies and then compared the advantages and disadvantages of each of these. They also paid particular attention to describing the advantages and limitations of how each approach protects the client computer and the potential results of omitting to do so.