Examiners' commentaries 2016–17

CO3323 Electronic commerce – Zone A

General remarks

The Electronic commerce examination was divided into five questions. Candidates were required to answer three questions out of the five available. Each question carried a maximum of 25 marks. The majority of candidates passed the examination.

Overall, candidates did well and a normal distribution of marks was achieved. Candidates who provided good examples scored highly, as did candidates who referred to scenarios in their answers. Overall, the standard of written work has improved. Candidates are reminded to ensure their handwriting is legible and to provide examples where requested.

Comments on specific questions

Question 1a

This question asked candidates how Google's search engine differs from earlier search engines in term of its unique revenue model and design. It also asked candidates about the company's desire to continually reinvent itself. Although this question was not chosen by most candidates, those who answered it, did so well. Candidates understood Google's revenue model and although many did not clearly understand the reinvention process, some good points were made. Good answers were supported by detailed examples.

Question 1b

This question asked candidates to describe the three major phases of electronic commerce evolution: innovation, consolidation and reinvention. Candidates were also asked to provide a case study of a successful electronic commerce company, describing how it operates today in terms of the electronic commerce facilities provided and the factors that make them successful. All candidates who answered this question did so well. Good answers for the case study included details of the revenue model adopted.

Question 2a

In this question candidates were required to write a new strategy document addressing the six dimensions of e-commerce security in relation to a Government agency. Candidates were asked to provide **six** examples of security breaches and their effects. Although most candidates described the six dimensions of e-commerce security, many answers lacked examples and most candidates did not explain the effects of such breaches. Candidates are advised that answering only the basic bookwork component of a question will score only basic marks. The question as a whole was worth a significant 25 marks and candidates should ensure that they respond in appropriate detail.

Question 3a

Candidates were required to compare and contrast two approaches to implementing auctions and provide two real world examples of businesses that use each approach. The approaches were Dutch and English auctions. Nearly all candidates who attempted this question did so well. Answers given were clear and concise and candidates clearly understood the subject.

Question 3b

This question required candidates to describe three electronic commerce websites that implement recommender systems in an effective way and to detail how recommendations are made to users. Candidates who answered this question were able to describe three websites, but many did so very briefly. The majority of candidates failed to explain how recommendations were made on these sites and what benefits they gave to users. Good answers provided details of how the recommender systems help users in each case. Candidates are advised to ensure they read questions carefully and provide appropriate detail.

Question 4a

This question asked candidates to describe five transaction cost savings that could be made by Huld Records (described in the scenario) if they opt for an online shop rather than a traditional shop on a High Street. All candidates who answered this question did so well, providing details of transaction cost savings that reflected the business scenario. Candidates are reminded to refer to scenarios when giving examples.

Question 4b

This question asked candidates to describe how, through creating a virtual community, Huld Records could build long-term relationships with customers. Candidates were asked to describe five different ways in which they could use a virtual community to obtain valuable information about future products to sell. Many candidates did not address the question of how to use a virtual community to obtain valuable information about future products. Instead, they listed the advantages of virtual communities more generally. High marks were achieved when candidates concentrated on how virtual communities can be used to build long-term relationships and obtain valuable information on future products and services.

Question 5a

This question asked candidates to discuss three different forms of banner advertising. Answers needed to include an explanation of the process of constructing banners and banner intrusiveness. Of the candidates who answered this question, nearly all did so well. Pleasingly, candidates were familiar with the nature and scope of banner advertising and also gave good explanations of the process of constructing banners.

Question 5b

In this question, candidates were asked to provide a description of three approaches Antiques in Homes magazine (described in the scenario) could take to using online video to enhance potential sales. For each approach, candidates were asked to describe the potential benefits it offers and provide one real-world example. Many candidates seemed to lack knowledge on how video might be used in this way and were unable to relate their answers to the scenario. Most also failed to provide adequate examples.