UNIVERSITY OF SWAZILAND

DEPARTMENT OF BUSINESS ADMINISTRATION

MAIN EXAMINATION PAPER

MAY , 2018

TITLE OF PAPER	:	E-COMMERCE
COURSE CODE	:	BA 431 FULL TIME / IDE
TIME ALLOWED	:	THREE (3) HOURS

INSTRUCTIONS: 1.   THE NUMBER OF QUESTIONS IN THIS PAPER FIVE (5)

2.   SECTION A IS COMPULSORY.

3.   ANSWER ANY THREE (3) QUESTIONS IN SECTION B

4.   THE MARKS TO BE AWARDED FOR EACH QUESTION ARE INDICATED ALONGSIDE THE QUESTION.

NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH, AS WELL AS FOR ORDERLY AND NEAT PRESENTATION OF WORK. FURTHER MARKS WILL BE AWARDED FOR USE OF RELEVANT EXAMPLES.

SPECIAL REQUIREMENTS: NONE

THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

SECTION A

WAL-MART LEADS RFID ADOPTION

In the first week of April 2017, Wal-Mart (walmart.com) launched its first live test of RFID tracing technology. Using one distribution centre and seven stores, 21 products from participating vendors were used in the pilot test. In the pilot application, passive RFID chips with small antennae were attached to cases and pallets. When passed near an RFID "reader," the chip activated, and its unique product identifier code was transmitted back to an inventory control system. Cases and pallets containing the 21 products featuring RFID tags were delivered to the distribution centre in Pretoria, Gauteng, where RFID readers installed at the dock doors notified both shippers and Wal-Mart what products had entered the Wal-Mart distribution centre and where the product were stored. RFID readers were also installed in other places, such as conveyor belts, so that each marked case could be tracked.

The readers used by Mal-Wart have an average range of 15M. Wal-Mart has set a January 2018 target for its top 100 suppliers to place RFID tags on cases and pallets destined for Wal-Mart stores. Wal-Mart believes that the implementation of the pilot scheme will pave the way for achieving this goal. The system is expected to improve flows along the supply chain, reduce theft, increase sales, reduce inventory costs (by eliminating bot over-stocking and under stocking), and provide visibility and accuracy throughout Wal-Mart's supply Chain.

Although some of Wal-Marts's suppliers are late in implementing the system, it is clear that if the pilot is successful (and so far it is), RFID will become an industry standard. After all, nearly $70 billion is lost in the retail sector in the Republic of South Africa every year due to product getting lost in the supply chain or being stored in wrong places.

The next step in Wal-Mart's pilot is to mark each individual item with a tag. This plan raises a possible privacy issues: what if the tags are not removed from the products? People fear that they will be tracked after leaving the store. Wal-Mart also can use RFIDs for many other applications. For example, it could attach tags to shoppers' children, so if they are lost in the megastore, they could be tracked in seconds.

Retailers such as Wal-Mart believe that the wide spread implementations of RFID technology marks a revolutionary change in supply chain management, much as the introduction of bar codes was as seen as revolutionary two decades ago.

Questions

1. Assuming the cost of RFID is low (less than $0.05 per item), what advantages can you see for tagging individual's items in each store? Why is it necessary to do so?　　　　　10 marks

2. What are some of the business pressures driving the use of RFID in retailing?　　　15 marks

SECTION B

Question 1

Why is data mining becoming an important element in EC? How is it used to learn about consumer behaviour? How can it be used to facilitate customer service?   25 marks

Question 2

(a) It is said that collaborative commerce signifies a move from a transaction focus to a relationship focus among supply chain members. In detail discuss this scenario.   20 marks

(b) What are the advantages of EDI to a customer? Mention 5 and give reasons   5 marks

Question 3

(a) Suppose a company wanted to introduce a new e-micropayment method on the Web. What factors should it consider to increase the chance of success?   15 marks

(b) Recently, a merchant who accepts online credit card payments has experienced a wave of fraudulent orders. What steps should the merchant take to combat the fraud?   10 marks

Question 4

How has ECommerce been able to cut cost in the primary activities of value chain?   25 marks