

EASTERN UNIVERSITY, SRI LANKA  
FACULTY OF COMMERCE AND MANAGEMENT

FINAL YEAR - FIRST SEMESTER EXAMINATION IN BACHELOR OF COMMERCE 2017/ 2018

(JANUARY 2020)  
(PROPER/ REPEAT)

COM 4023 E-COMMERCE

Answer all questions

Time: 03 Hours

Case Study

**E-commerce: Edible Arrangements' countdown ad lifts same-day orders 8%**

Edible Arrangements has offered same-day delivery for its fruit baskets, fruit bouquets and other sweet gifts for more than a decade. It extended the deadline for same-day orders to 5 p.m. a few years ago, which helped the company stand out, but only to the people who knew about it.

"It's kind of our hidden gem", said Kaitlin Reiss, Vice President of E-commerce, Edible Arrangements International. "A lot of people don't realize that we have same-day delivery, even though it is not something new for us, so we realize that we still need to do even more to promote it."

Reiss' team has since launched a campaign to spread the word. The results have been sweet:

- 8% increase in same-day orders on its website since promoting the service
- Slightly higher open rate and average order value for emails with same-day messaging

Here's how the team raised awareness.

*Step 1: Extend same-day service*

Same-day service is not an option for every company or even every franchise location. Edible Arrangements has more than 1,100 storefronts worldwide, which makes it easier to expedite local deliveries. Most stores offer the 5 p.m. deadline for same-day orders. Some go even later, Reiss said, but the extension was impossible at some locations. The team chose to make 5 p.m. the standard to attract business from commuters who might want to pick up an order on the way home. "Our consumer is changing. There are a lot more last-minute orders, so we wanted to make sure that we are available when they forget a birthday, or an anniversary, or any other special occasion", Reiss said.

### *Step 2: Promote on website*

Before Edible Arrangements spread the word, it promoted the service on its website. To reinforce the message to visitors, this was done primarily on the homepage with a countdown timer. The timer ticks down the hours and minutes each visitor has left to place an order for same-day delivery. The counter adjusts for each visitor's time zone and is set to 5 p.m. as a universal deadline. The timer is expressed more in words than digits. Below the top portion of the homepage — which has a logo, navigation bar and search box — visitors are greeted with large text that clearly expresses the offer: "Want it in today? Order yours now. Next [X] hours and [X] minutes". Though short on detail, the headline conveys a clear deadline and message.

#### Instant Satisfaction

A display ad that hovers over the right portion of the homepage's "hero shot" shows a graphic of a speeding truck and the words "Instant Satisfaction" in large capital letters. Below in smaller text is this message: "Same-day delivery is our specialty". This message reinforces the service as a differentiator in the market for gifts and arrangements.

#### Testing the ads

The timer and the graphic have been tested to help optimize **click through rates**, as the company said.

### *Step 3: Promote via email*

Email is an important channel for the company and the team made sure to mention the same-day service in email campaigns. Doing so is especially important during the holiday season, Reiss said. "We don't rely on FedEx or UPS to make all of our deliveries. That is a distinct advantage that we have during a holiday period for those last-minute customers, and it is often the main message around the holidays."

#### Weave into everyday emails

When it's not the holiday season, the team is less likely to feature the same-day service as a main message of an email. Instead, it mentions the service with simple bold text in the header, such as: "Order by 5 p.m. for same-day delivery". Other times, the team uses the "instant satisfaction" message it tested on the homepage, but in a larger display ad.

### *Step 4: Raise awareness*

Promotion on the homepage and in emails helps Edible Arrangements connect with current customers and prospects. The team has also made steps to raise awareness of those

may not be shopping for a gift.

### Social media

The team has active profiles on Facebook, Twitter, Google+, YouTube and Pinterest. It occasionally mentions the same-day service in posts, hoping to catch the interest of someone who has put off gift shopping for too long.

### Ad networks

Edible Arrangements runs ads on search engines and websites. Soon, the team will test messaging to promote the same-day service in the **Pay per Click (PPC)** and display ad networks it uses. "We are definitely happy with the results and I think that they are only going to get better," Reiss said.

### Questions

- I. What was the main problem faced by Edible Arrangements as per the case study?  
(02 Marks)
  - II. Develop an E-commerce presence map for Edible Arrangements.  
(03 Marks)
  - III. Briefly explain the below-mentioned terms which were highlighted in the paragraphs of the case study.
    - a) Click through rate (CTR)
    - b) Pay per click (PPC)(04 Marks)
  - IV. State and explain **one** e-commerce marketing method that is currently applied by Edible Arrangements.  
(04 Marks)
  - V. Recommend and explain **three** more e-commerce marketing methods that can be adopted and applied by Edible Arrangements to increase the awareness about 'same-day delivery' service.  
(12 Marks)
- (Total: 25 Marks)

02. I. What is a marketplace?  
(04 Marks)
- II. Define disintermediation and explain the benefits to Internet users of such a phenomenon. How does disintermediation impact friction-free commerce?  
(04 Marks)



III. What are the eight key components of an effective business model?

(04 Marks)

IV. Describe the five primary revenue models used by e-commerce firms.

(04 Marks)

V. How are e-commerce technologies similar to or different from other technologies that have changed commerce in the past?

(04 Marks)

(Total 20 Marks)

03. I. What are the various components of a website budget?

(02 Marks)

II. Briefly describe the term 'Systems Development Life Cycle (SDLC)' and list out the five major steps involved in the systems development life cycle for an e-commerce site.

(03 Marks)

III. Content of the website plays a major role in deciding the effectiveness of a website. Explain about any five essential criteria that should be met when you design and maintain a website.

(05 Marks)

IV. Before you begin to build a website or app of your own, what are the important questions you will need to think about and find answer?

(05 Marks)

(Total: 15 Marks)

04. I. The following is the model of online consumer behavior which was modified from the basic model of consumer behavior.



Briefly explain the below-mentioned variables that can be identified in the model.

- a) Website and mobile platform features
- b) Consumer skills
- c) Product characteristics
- d) Clickstream behavior

(04 Marks)

II. The following are descriptions of some E-Commerce marketing-related terms. Match the description with respective marketing term.

A. Ad targeting	H. Panda	M. Search engine optimization (SEO)
B. Banner ad	I. Penguin	N. Social search
C. Content farms	J. Programmatic advertising	O. Video ad
D. E-mail Marketing	K. Rich media ad	
E. Interstitial ad	L. Search engine marketing (SEM)	
F. Link farms		
G. Online advertising		

- i. A paid message on a website, online service, or other interactive medium
- ii. A way of placing a full-page message between the current and destination pages of a user
- iii. Ad employing animation, sound, and interactivity, using Flash, HTML5, Java, and JavaScript
- iv. Automated, auction-based method for matching demand and supply for online display ads
- v. Change in the Google algorithm to eliminate sites with low-quality back links
- vi. Groups of Web sites that link to one another, thereby boosting their ranking in search engines
- vii. Techniques to improve the ranking of web pages generated by search engine algorithms
- viii. The sending of market messages to specific subgroups in the population
- ix. The use of search engines to build and sustain brands
- x. TV-like advertisement that appears as an in-page video commercial or before, during, or after content


(10 Marks)

III. What are the five common E-Commerce marketing types? Explain **any two** of the types with examples.

(06 Mar

(Total: 20 Mar

05. I. Explain why an e-commerce site might not want to report being the target of cybercriminals.

(04 Mar

II. Give an example of security breaches as they relate to each of the six dimensions of e-commerce security.

(04 Mar

III. What are some of the steps a company can take to curtail cybercriminal activity within a business?

(04 Mar

IV. Briefly explain how public key cryptography works.

(04 Mar

V. Identify and discuss the five steps in developing an e-commerce security plan.

(04 Mar

(Total 20 Mar