

EASTERN UNIVERSITY, SRI LANKA

FACULTY OF COMMERCE & MANAGEMENT

Final Year First Semester Examination in Bachelor of Business Administration

(Specialization in Marketing Management) -2018/2019 (Proper/Repeat)-August 2020

MKT 4043- e-Marketing

Answer all questions

Time: 03 Hours.

Q 1. Read the following case and answer the questions given below

The Amazon Story

After opening its virtual doors in 1995, Amazon.com was one of the first to prove that the online retailing business model can be profitable, reporting its first-ever net profit in the fourth quarter of 2001 (\$3.1 billion in net sales). Now, a Fortune 500 company, in 2011 Amazon.com announced \$48.1 billion net sales (41% growth from 2010) and \$631 million in net income—an impressive growth rate. Amazon's strong customer service strategy (focusing on consumers, companies, e-commerce sellers, and content creators) has paid off big time. Amazon, a dot-com survivor, is quite adept at leveraging its competencies into many different e-business models. It started as the world's biggest bookstore, but soon branched out into the "everything store." First is its core business—online retailing. Amazon sells merchandise and content purchased from manufacturers and resellers to consumer markets. Sales of paper books, electronic books through its Kindle platform, music, and DVDs account for the large proportion of Amazon's sales, but no media sales now comprise 60 percent of all sales (toys, tools, health and beauty aids, prescription drugs, home furnishing, electronics, apparel, and more). Amazon also began renting textbooks in 2012. A truly global organization, 44.5 percent of all its sales occur outside of North America.

Second are Amazon's e-commerce partnerships with many retailers. These partnerships bring revenue through differing commitments, but they typically involve Amazon earning fixed fees, sales commissions, or per-unit activity fees by offering third-party merchandise on the Amazon.com Web site. Customers can purchase items in dozens of product categories and complete the transaction in one checkout process. Amazon also offers to undertake marketing, customer service, and product fulfillment services (inventory storage and delivery) on behalf of its partners. This partnership business model can be more profitable

than the pure retailing model because Amazon earns a fee by leveraging its autoB. services, e-commerce experience, and huge customer base.

Amazon has evolved from online retailer, to e-commerce partner, and now to dev service provider. It sells many different Web services and space for computing, storing, retrieving data from anywhere on the Web through its Amazon Web Services (A business. Amazon offers 28 different Web services in 190 countries. Amazon is a content provider, offering authors and publishing companies an online platform for s digital content for the Kindle. Authors receive 70 percent royalties and some have re handsome revenues from this. Musicians and film makers also sell content through Ama Create Space. Amazon also uses another important e-business model. It created the affiliate program (called Amazon Associates), giving hundreds of thousands of Web A owners up to 15 percent commission for referring customers who purchase at Amazon. B partners integrate merchandise seamlessly into their Web sites via Amazon's Ass B program. It is like having lots of sales people all over the world, and in fact, Am C classifies this commission as a marketing expense in its annual reports.

According to founder and CEO Jeff Bezos, Amazon is not interested in expanding t physical world because the company cannot differentiate Amazon-branded brick-and-m stores from well-established physical bookstores in a meaningful way. Amazon's succe based on selection, lower prices, better availability, solid and innovative technology, better product information. Amazon's use of customer product reviews and pro suggestions based on collective purchasing behavior also places it a cut above other retail. It wins with low capital and high return business models. Amazon's future success s certain because it knows how to capitalize on its unique capabilities through stra planning and with careful management of its existing business models—and it rem customer-obsessed.

Required :

A. With a portfolio as diverse as Amazon, what are the company's core brand values?

B. Explain the main e-business model of Amazon at each level of commitment to e-business.
(07 Marks)

C. How Amazon can effectively use the online segmentation bases? List out possible segmentation variables for each in relation to its core business activity.
(07 Marks)

D. Justify how Amazon has shifted control from the company to the customer. Illustrate how the shift in power from seller to buyer affects e-marketing pricing strategies of Amazon.
(08 Marks)

(Total 28 Marks)

Q. 2

A. Explain the terms "e-business" and "e-marketing with suitable examples.
(05 Marks)

B. What is a diaspora community? Explain with an example how marketers target these communities.
(07 Marks)

C. What is SWOT? Explain it with respect to e-bay.com.
(6 Marks)

(6 Marks)

(Total 18 Marks)

Q. 3

A. Explain the two prime external market factors affecting pricing in the online environment.
(5 Marks)

B. With an example, explain the relationship between positioning and brand differentiation in e-marketing.
(7 Marks)

C. Internet technology allows a company to price the same product differently for different customers. What do you think would be the advantages and disadvantages of it, explain with an example?
(6 Marks)

(Total 18 Marks)

Q. 4

A. What is disintermediation, interpret with an example?

(05 M

B. What is MIS? Explain how organizations use MIS for effective research findings.

(07M

C. Why are e-marketers concerned with the last mile problem?, Explain how the e-mar solve the last mile problem.

(06 M

(Total 18 M

Q. 05

A. What is customer value? What are the components that define value in an online busi

(06 M

B. How can marketers use the data about smartphone use to build profitable target m segments?

(07 M

C. Explain why consumers have less trust in paid media than they do in earned media?

(5 M

(Total 18 M