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M.B.A.
III Semester
(Osmania University)

E-GLOBAL BUSINESS

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- by -

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E-GLOBAL BUSINESS

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LIST OF IMPORTANT DEFINITIONS

UNIT - I

1. E-Business (electronic business) is any process that a business organization conducts over a computer-mediated network. Business organizations include any for-profit, governmental, or nonprofit entity.

2. Electronic commerce, commonly known as E-commerce is trading in products or services using computer networks, such as the Internet.

3. **According to 'International Monetary Fund',** "Globalization is the growing economic interdependence of countries worldwide through increasing volume and variety of cross border transactions in goods and services and of international capital flows and also through the more rapid and widespread diffusion of technology".

4. The digital economy refers to the economic activities that emerge from connecting individuals, businesses, devices, data and operations through digital technology.

5. A Joint venture is formed when two or more companies integrate to form a single new business entity. Usually, the joint ventures are formed by sending an invitation to a company by a foreign company to share the ownership in its business unit.

6. Merger refers to a friendly joining together of two organizations as in a corporate marriage, usually with the sanction of both firm's top strategic decision makers. Mergers are usually based on the core competencies of firms.

7. Digital transformation is the integration of digital technology into all areas of a business, fundamentally changing how you operate and deliver value to customers. It's also a cultural change that requires organizations to continually challenge the status quo, experiment, and get comfortable with failure.

8. E-marketplace is a virtual online market platform where companies can register as buyers and sellers to conduct business to business (B2B) or Business to Consumers (B2C) transactions over the internet.

9. Artificial intelligence is the ability of computers and machines to mimic the functions of the human brain. Typically, AI refers to the process of developing systems with the capabilities of human intelligence, such as the ability to learn from past experiences, reason, discover meaning, and generalize.

10. Digital entrepreneurship is a term that describes how entrepreneurship will change, as business and society continue to be transformed by digital technology. Digital entrepreneurship highlights changes in entrepreneurial practice, theory, and education.

UNIT - II

1. Business-to-government (B2G) is an e-business model where a business sells and markets its products to government entities or public administrations whether local, county, state or federal.

2. C2C e-commerce businesses – sometimes referred to as online marketplaces – connect consumers to exchange goods and services and typically make their money by charging transaction or listing fees.

3. In a B2B business model, a business sells its product or service to another business. Sometimes the buyer is the end-user, but often the buyer resells to the consumer. B2B transactions generally have a longer sales cycle, but higher-order value and more recurring purchases.

4. B2C model is the second largest but earliest form of E-business which was originated back at a time of E-retailing (or) online retailing.

5. In simple terms, digital marketing is the promotion of products or brands via one or more forms of electronic media. Digital marketing is often referred to as online marketing, internet marketing or web marketing.

6. Online platform is any website that facilitates a service or interaction between itself and the visitor.

Online platforms include search engines, marketplaces, social media, online financial systems, informative websites, and more.

7. **According to Jackson,** "CRM is marketing oriented towards strong, lasting relationship with individual accounts".

8. Electronic payment (or E-payment) is a subset of an e-commerce which includes electronic payment for buying and selling goods or services offered through the Internet. E-payment refers to paperless monetary transactions.

9. The term security refers to a state of being protected from harm or from those that cause negative effects.

10. A subscription business model is a type of business model where a customer pays a regular fee, typically on a monthly or annual basis, in exchange for access to a product or service. The customer is typically charged automatically, for example through a credit card, and can cancel their subscription at any time.

11. Recurring revenue is a business model that generates consistent, predictable revenue streams by charging customers on a regular, ongoing basis for a product or service.

12. **According to Dhanesh and Duthler, 2019,** influencer marketing is defined as "the use of social media influencers to aid in the marketing activities of the brand".

13. Collaborative consumption is the shared use of a good or service by a group. Whereas with normal consumption an individual pays the full cost of a good and maintains exclusive access to it, with collaborative consumption multiple people have access to a good and bear its cost.

14. Social commerce refers to the use of social media to facilitate online buying and selling. It integrates e-commerce functionalities directly into social platforms.

UNIT - III

1. **According to Jones and Riley,** "Supply chain management deals with the total flow of material from supplier through end user".

2. **According to the Council of Logistics Management,** logistics refers to that part of supply chain process that plans, implements and controls the efficient, effective flow and storage of goods, services and related information from the point of origin to the point of consumption in order to meet customer requirements.

3. International trade is referred to as the exchange or trade of goods and services between different nations. This kind of trade contributes and increases the world economy. The most commonly traded commodities are television sets, clothes, machinery, capital goods, food, raw material, etc.

4. Warehouse automation and robotics are transforming e-commerce fulfilment by improving efficiency, accuracy, and scalability.

5. **According to Rogers and Tibben-lembke,** "reverse logistics is a process of planning, implementing and controlling the efficient cost effective flow of raw materials, in-process inventory, finished goods and related information from the point of consumption to the point of origin for the purpose of recapturing value or for proper disposal".

6. A patent is an exclusive right granted for an invention, which is a product or a process that provides a new way of doing something, or offers a new technical solution to a problem.

7. Cloud computing refers to the use of hosted services, such as data storage, servers, databases, networking, and software over the internet. The data is stored on physical servers, which are maintained by a cloud service provider.

8. **According to Themes Sustainable Development (2004),** "Sustainable development is the achievement of continued economic development without detriment to the environmental and natural resources".

UNIT - IV

1. **According to Arthur Sharplin**, "a plan or course of action which is of vital pervasive, or continuing importance to the organization as a whole."

2. Online advertising is a form of marketing that uses the internet to direct users to a brand's website or to suggest a product, service or associated task. The task may include making a purchase, booking a service or following the brand on its social media platforms.

3. Pull digital marketing technologies involve the user having to seek out and directly grab (or pull) the content via web searches. Web site/blogs and streaming media (audio and video) are good examples of this. In each of these examples, users have a specific link (URL) to view the content.

4. Data or information is in raw format. The increase in size of the data has led to a rise in need for carrying out inspection, data cleaning, transformation as well as data modeling to gain in sights from the data in order to derive conclusions for better decision making process.

5. Business intelligence (BI) is a set of theories, methodologies, architectures, and technologies that transform raw data into meaningful and useful information for business purposes. BI can handle enormous amounts of unstructured data to help identify, develop and otherwise create new opportunities.

6. Personalization refers to the modifications done according to the customer requirements on individual level. These modifications can be done on information, business model, web pages or any other business aspect.

UNIT - V

1. M-commerce (mobile commerce) is the buying and selling of goods and services through wireless handled devices such as smartphones and tablets. M-commerce is a form of e-commerce that enables users to access online shopping platforms without the use of a desktop computer.

2. A block chain is a chain of chronological blocks. It is not a company, nor is it an application, but rather an entirely new way of documenting data on the internet. It gives internet users the ability to create value and authenticates digital information.

3. Ethical standards are modified frequently due to various technological revolutions. These modifications can lead to variety of ethical issues in e-global business environment.

4. In simple terms, Cryptocurrency is a digitised asset spread through multiple computers in a shared network. The decentralised nature of this network shields them from any control from government regulatory bodies.

5. Voice commerce, also known as V-commerce, is a type of ecommerce that allows customers to make purchases using voice commands. This could be through a voice assistant such as Amazon's Alexa, Google Home, or a chatbot.

6. A technology that creates a simulated environment, allowing users to interact with a computer-generated world through sensory experiences, typically using a head-mounted display and input devices.

7. According to Olsson et al, AR can be defined as a technique which combines the real world and computer generated digital information to appear as a single environment to its users. It has the capacity of reshaping the world of retail.

Frequently Asked Questions & Important Questions

UNIT - I

1. **Define *e*-Global Business. Discuss the applications of *e*-Global Business.**

Ans : (Imp.)

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2. **Define E-Commerce. Explain the categories of E-Commerce.**

Ans : (July-24, Imp.)

Refer Unit-I, Page No. 2, Q.No. 2

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3. **Define Globalization and Digital Economy. Explain the impact of Digital Economy on globalization.**

Ans : (Imp.)

Refer Unit-I, Page No. 7, Q.No. 6

---

4. **Explain the Benefits and challenges of e-global business.**

Ans : (Imp.)

Refer Unit-I, Page No. 8, Q.No. 7

---

5. **What are the different Market Entry Strategies available in international business.**

Ans : (Imp.)

Refer Unit-I, Page No. 9, Q.No. 8

---

6. **Define Digital Transformation. Explain the impact on Digital Transformation.**

Ans : (July-24, Imp.)

Refer Unit-I, Page No. 14, Q.No. 15

---

7. **Define online market places. Explain the role of online market places in e-Global Business.**

Ans : (Feb.-24, Imp.)

Refer Unit-I, Page No. 14, Q.No. 16

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8. **Explain the Cybersecurity challenges in e-global business and methods for protection.**

Ans : (Imp.)

Refer Unit-I, Page No. 19, Q.No. 23

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9. **Define customer engagement. Discuss the impact of social media on customer engagement.**

Ans : (Feb.-24, Imp.)

Refer Unit-I, Page No. 20, Q.No. 25

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10.   State the Emerging technologies shaping e-global business?

Ans :   **(Imp.)**

Refer Unit-I, Page No. , Q.No. 26

<div align="center">

UNIT - II

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1.   Define e-Business. Explain in detail different types of e-Business.

Ans :   **(July-24, Feb.-24, Imp.)**

Refer Unit-II, Page No. 29, Q.No. 1

2.   Define E-marketplace. Explain different types of E-marketplaces.

Ans :   **(Imp.)**

Refer Unit-II, Page No. 29, Q.No. 2

3.   Explain the need and scope of digital marketing.

Ans :   **(Imp.)**

Refer Unit-II, Page No. 31, Q.No. 5

4.   Define online payment. Explain different types of online payment systems.

Ans :   **(Imp.)**

Refer Unit-II, Page No. 40, Q.No. 16

5.   What is security? Explain the need for information security.

Ans :   **(Imp.)**

Refer Unit-II, Page No. 41, Q.No. 17

6.   Define Subscription business model. Explain the need of subscription business model.

Ans :   **(Imp.)**

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7.   Discuss about Omni channel retailing and the integration of online and offline channels?

Ans :   **(Imp.)**

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8.   What do you mean by collaborative consumption? Discuss its impact on e-global business.

Ans :   **(July-24, Feb.-24, Imp.)**

Refer Unit-II, Page No. 47, Q.No. 25

9.   Define Influencer Selection. Discuss strategies for managing influencer for effective digital market.

Ans :   **(Imp.)**

Refer Unit-II, Page No. 48, Q.No. 27

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Ans :   **(Imp.)**

Refer Unit-III, Page No. 57, Q.No. 1

2.   **Define Digital Supply Chain Management. Explain the advantages and disadvantages of Digital Supply Chain Management.**

Ans :   **(Imp.)**

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Ans :   **(Imp.)**

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4.   **Explain Cross-Cultural Management in global e-business.**

Ans :   **(Feb.-24, Imp.)**

Refer Unit-III, Page No. 60, Q.No. 5

5.   **Define Intellectual Property Rights. Discuss the strategies and mechanism for producting intellectual property in digital transaction.**

Ans :   **(July-24, Imp.)**

Refer Unit-III, Page No. 65, Q.No. 12

6.   **What is Sustainability and Supply Chain Sustainability? How to improve Supply Chain Sustainability?**

Ans :   **(Feb.-24, Imp.)**

Refer Unit-III, Page No. 68, Q.No. 16

7.   **Discuss the Legal considerations for cross border e-commerce transactions and international expansion.**

Ans :   **(Imp.)**

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1.   **Define e-Marketing. What are the advantages and disadvantages of e-Marketing ?**

Ans :   **(Imp.)**

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2.   **What are the benefits of M-Commerce?**

Ans :   **(Imp.)**

    Refer Unit-V, Page No. 111, Q.No. 4

3.   **Explain the concept of Artificial intelligence and machine learning in e-commerce.**

Ans :   **(July-24, Feb.-24, Imp.)**

    Refer Unit-V, Page No. 114, Q.No. 7

4.   **Describe the challenges associated with artifical intelligence in E-commerce.**

Ans :   **(Imp.)**

    Refer Unit-V, Page No. 115, Q.No. 8

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Ans :   **(Imp.)**

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6.   **Elaborate the ethical and sustainability issues in e-commerce.**

Ans :   **(July-24, Imp.)**

    Refer Unit-V, Page No. 119, Q.No. 13

7.   **Define the voice commerce discuss the impact of smart speakers on e-commerce.**

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    Refer Unit-V, Page No. 120, Q.No. 14

8.   **Explain how Virtual Reality (VR) and Augmented Reality (AR) are used in online shopping.**

Ans :   **(Imp.)**

    Refer Unit-V, Page No. 122, Q.No. 19

9.   **Discuss the rise of smart cities and their impact on e-global business.**

Ans :   **(Imp.)**

    Refer Unit-V, Page No. 123, Q.No. 21

10.   **Define predictive analytics. State its applications?**

Ans :   **(Imp.)**

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Introduction to e-Global Business

Introduction to e-commerce and its evolution, Globalization and the digital economy, Benefits and challenges of e-global business, Global market entry strategies, Digital transformation and its impact on global business, Evolution of online marketplaces and their role in e-global business, The role of technology and innovation in driving e-commerce growth, Regulatory and legal frameworks governing e-global business, The role of artificial intelligence (AI) and automation in e-global business, Digital entrepreneurship and the emergence of start-ups in the digital space, Cyber security challenges in e-global business and methods for protection, The impact of social media on global business and customer engagement, Emerging technologies shaping e-global business (such as Internet of Things, edge computing, etc.)

1.1 INTRODUCTION TO e-GLOBAL BUSINESS

Q1. Define e-Global Business. Discuss the applications of e-Global Business.

Ans : **(Imp.)**

Meaning of e-Global Business

E-Business (electronic business) is any process that a business organization conducts over a computer-mediated network. Business organizations include any for-profit, governmental, or nonprofit entity. Their processes include production-, customer-, and internal- or management-focused business processes.

Global business activities performed over internet is called global e-business.

Applications

1. E-auctions

(i) In traditional auctions, buyers and sellers gather at an agreed place, often the auction house, at a pre- determined time. Bids are usually placed over and above the reserved price set by the seller until the biding stops at a higher offer rate and the final bidder makes claims to the goods.

(ii) Using a similar approach, electronic auction sites allow Internet users either to sell or bid for the products offered. Auction sites generally serve as a forum of buying and selling and charge a commission on sales made.

(iii) Sellers may post an item they wish to sell along with a minimum price and the deadline to close the auction. Moreover, some site also allows addition of conditions of sales and product photographs.

(iv) On the other hand, bidders may explore the site to check its availability and place a bid, usually in designated increments. EBay allows people to buy and sell almost anything.

(v) In some sites, such as liquid price (dot) com, the 'reverse-auction' model is used which allows buyers to set the price that sellers compete to match or even beat. A reverse price is the lowest price a seller is willing to accept.

2. E-banking

(i) The banking industry is a pioneer in using EDI for intra-bank transfer of funds using the SWIFT network.

(ii) E- banking allows its customers to access their accounts using the Internet and make online transactions with no extra charge.

(iii) Besides, banks compete with each other to offer a variety of value-added services to their customers, such as checking their balances, account statements, fund transfers, bill payment, transactions in the stock and commodity markets, customer service, etc.

(iv) As a result, customers have access to banking services 24 hours a day and seven days in a week.

(v) E-banking has transformed the business processes and its relationship with customers in the banking industry.

3.   E-directories

(i)   Telephone directories, the so-called 'white pages' containing private telephone numbers and the 'yellow pages' for businesses have widely been used to locate a person or a company.

(ii)   Conversion of traditional directories from paper to electronic form and integrating them with the Internet has facilitated their online access round the clock from any part of the world.

(iii)   Besides, a large number of online directories allow users to update their entries any time they wish, irrespective of their geographical locations.

(iv)   Thus the information which could earlier be updated only at the time of printing a new or revised directory has become dynamic in nature.

4.   E-manufacturing

(i)   Integration of technology has facilitated sharing real-time information with a firm's customers and trading partners, leading to the use of such information for making collaborative production decisions.

(ii)   As a result, businesses are increasingly adopting e-manufacturing using real-time information on customer needs and preferences and productive capacity across the entire supply-chain so as to speedily deliver customized products directly to the customers rather than huge volumes of mass production to fulfil anticipated demands.

(iii)   An automated manufacturing system integrated through computer technology is known as computer integrated manu- facturing (CIM). With globalization of markets and production and with the advent of the Internet, CIM has evolved into a web- centric collaborative venture, termed as e-manufacturing.

(iv)   E-manufacturing involves Computer-Added Designs (CAD), robots, automated guided vehicles. Computer Numerical Control (CNC) machines, Automated Storage and Retrieval Systems (ASRS), and Flexible Manufacturing Systems (FMS).

5.   E-business Research

(i)   The uses of electronic surveys for business research have increased tremendously in the last decade. Due to variation in the extent of availability of personal computers and Internet penetration, mass electronic surveys are possible only in a few developed countries while stratified sampling for select market segments can even be carried out in developing countries.

(ii)   With the intensification of cyber cafes in India and other emerging economies, the Internet has the reach of far greater population than that captured in most multilateral surveys and publications.

(ii)   Hence, business and institutional surveys are gaining popularity even in the developing countries.

6.   E-governance

(i)   Governments across the world are using the Internet to augment their communication systems with their citizens.

(ii)   Government websites often provide a wealth of information which is extensively used by various stakeholders, such as foreign and multilateral agencies, officials, researchers, and most importantly by their own citizens.

(iii)   In addition to information provided, governments across the world are evolving new systems to integrate technology for providing value-added services.

(iv)   Integration of technology with a system of governance has made it possible to make online queries, file complaints, make applications for various statutory approvals, receive approvals online, and track online interactions. E-governance has significantly contributed to transparency and efficiency in public administration.

| 1.2 | INTRODUCTION TO e-COMMERCE AND ITS EVOLUTION |

Q2.   Define E-Commerce. Explain the categories of E-Commerce.

Ans :   (July-24)

Meaning of e-commerce

(i) Electronic commerce, commonly known as E-commerce is trading in products or services using computer networks, such as the Internet.

(ii) Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems.

(iii) Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle, although it may also use other technologies such as e-mail.

Definition of e-commerce

Sharing business information, maintaining business relationships and conducting business transactions using computers connected to telecommunication network is called E-Commerce.

Categories

1.   Electronic Markets

Electronic Markets Present a range of offerings available in a market segment so that the purchaser can compare the prices of the offerings and make a purchase decision.

Example: Airline Booking System
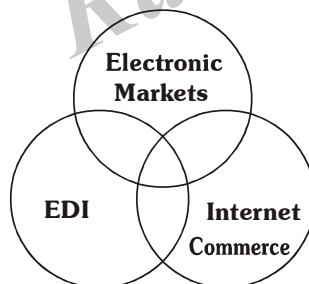
Fig. The three categories of e - commerce

2.   Electronic Data Interchange (EDI)

(i) It provides a standardized system

(ii) Coding trade transactions

(iii) Communicated from one computer to another without the need for printed orders and invoices & delays & errors in paper handling

(iv) It is used by organizations that a make a large no. of regular transactions

(v) **Example:** EDI is used in the large market chains for transactions with their suppliers

3.   Internet Commerce

(i) It is use to advertise & make sales of wide range of goods & services.

(ii) This application is for both business to business & business to consumer transactions.

(iii) **Example:** The purchase of goods that are then delivered by post or the booking of tickets that can be picked up by the clients when they arrive at the event.

Q3.   Explain the features of e-commerce.

Ans :   (Imp.)

Following are the features of e-commerce :

1.   Ubiquity

Internet/Web technology is the marketplace is extended beyond traditional available everywhere at work, at home, and boundaries and is removed from a temporal and elsewhere via mobile devices, anytime. geographic location.

Marketspace is created; shopping can take place anywhere. Customer convenience is enhanced, and shopping costs are reduced.

2.   Global reach

The technology reaches Commerce is enabled across cultural and across national boundaries, around the earth. national boundaries seamlessly and without modification.

Marketspace includes potentially billions of consumers and millions of businesses worldwide.

3.   Universal standards

There is one set of technical media standards technology standards, namely Internet across the globe.

4.   Interactivity

The technology works Consumers are engaged in a dialog that through interaction with the user. dynamically adjusts the experience to the individual, and makes the consumer a co-participant in the process of delivering goods to the market.

5. **Information density**

The technology Information processing, storage, and reduces information costs and raises quality. communication costs drop dramatically, while currency, accuracy, and timeliness improve greatly. Information becomes plentiful, cheap, and accurate.

6. **Personalization/Customization**

The Personalization of marketing messages and technology allows personalized messages to customization of products and services are be delivered to individuals as well as groups. based on individual characteristics.

Q4. **Explain the evolution of e-commerce.**

Ans :

1. **1969: CompuServe is founded**

CompuServe was founded in 1969 by electrical engineering students Dr. John R. Goltz and Jeffrey Wilkins as a computer time-sharing service (allowing many users to share the computer resources simultaneously).

In 1979, CompuServe became the first service to offer electronic mail capabilities and technical support to personal computer users. In 1980 CompuServe introduced the first online service to offer real-time chat online.

By 1982, the company had formed its Network Services Division to provide wide-area networking capabilities to corporate clients.

2. **1979: Michael Aldrich invents electronic shopping**

English inventor Michael Aldrich introduced and pioneered as e-Commerce by connecting television and telephone lines.

He invented a system that advertised goods and services on television, giving viewers the ability to call in to a processing center to place orders. Aldrich called his system "teleshopping."

3. **1982: Boston Computer Exchange launches**

Technically, the first e-Commerce company was Boston Computer Exchange, which launched all the way back in 1982.

It was primarily an online market that served people who wanted to sell their used computers.

4. **1992: Book Stacks Unlimited launches as first online book marketplace**

Charles M. Stack introduced Book Stacks Unlimited as an online bookstore. Originally, the company used the dial-up bulletin board format (Computerized system used to exchange public messages or files). However, in 1994 the site switched to the internet and operated from the Books.com domain.

5. **1994: Netscape Navigator launches as a web browser**

Marc Andreessen and Jim Clark co-created Netscape Navigator as a web browsing tool. During the 1990s, Netscape Navigator became the primary web browser on the Windows platform, before the rise of modern giants like Google.

6. **1995: Amazon and eBay launch**

Jeff Bezos introduced Amazon primarily as an e-commerce platform for books.

Meanwhile, eBay emerged as a successful online auction website, debuting in 1995.

7. **1998: PayPal launches as an e-commerce payment system**

Originally introduced as Confinity by founders Max Levhin, Peter Thiel, Like Nosek and Ken Howery.

PayPal launched in 1998 as a global eCommerce company that offered payment processing for online vendors and other commercial users. PayPal customers can hold, send, and receive funds in many different currencies.

8. **1999: Alibaba launches**

Alibaba Online launched as an online marketplace with more than $25 million in funding. By 2001, the company was profitable. It went on to turn into a major B2B, C2C, and B2C platform that's widely used today.

9. **2000: Google introduces Google AdWords as an online advertising tool**

Google Adwords was introduced as a way for e-commerce businesses to advertise to people using Google search.

With the help of short-text ad copy and display URLs, online retailers began using the tool in a pay-per-click (PPC) context. PPC advertising efforts are separate from search engine optimization (SEO).

10. 2004: Shopify launches

To bias Lütke and Scott Lake launched Shopify. Shopify is an ecommerce platform that allows anyone to set up an online store and sell their products. Merchants can also sell their products in person with Shopify POS.

11. 2005: Amazon introduces Amazon Prime membership

Amazon launched Amazon Prime as a way for customers to get free two-day shipping for a flat annual fee.

The membership also came to include other perks like discounted oneday shipping and access to streaming services like Amazon Video and members-only events like "Prime Day."

This strategic move helped boost customer loyalty and incentivize repeat purchases. Today, free shipping and speed of delivery are the most common requests from online consumers.

12. 2005: Etsy launches

In 2005, Etsy launched as a global marketplace where people could create shops to sell their unique and often handmade items. These items fall under a wide range of categories, including jewelry, bags, clothing, home décor and furniture, toys, art, as well as craft supplies and tools.

13. 2009: Big Commerce launches

Eddie Machaalani and Mitchell Harper co-founded Big Commerce as a 100% bootstrapped (a business without outside investment funds) ecommerce storefront platform. Since 2009, more than $25 billion merchant sales have been processed through the platform, and the company now has headquarters in Austin, San Francisco and Sydney.

14. 2011: Google Wallet introduced as a digital payment method

Google Wallet was introduced as a peer-to-peer payment service that enabled individuals to send and receive money from a mobile device or desktop computer. By linking the digital wallet to a debit card or bank account, users can pay for products or services via these devices. Today, Google Wallet has joined with Android Pay for what is now known as Google Pay.

15. 2011: Facebook rolls out sponsored stories as a form of early advertising.

Facebook's early advertising opportunities were offered to Business Page owners via sponsored stories. With these paid campaigns, e-commerce businesses could reach specific audiences and get in the news feeds of different target audiences.

16. 2011: Stripe launches

Stripe is a payment processing company. It was founded by John and Patrick Collison.

17. 2014: Apple Pay introduced as a mobile payment method.

As online shoppers began using their mobile devices more frequently, Apple introduced Apple Pay, which allowed users to pay for products or services with an Apple device.

18. 2014: Jet.com launches

Jet.com was founded by entrepreneur Marc Lore (who sold his previous company, Diapers.com, to Amazon.com) along with Mike Hanrahan and Nate Faust.

19. 2017: Shoppable Instagram is introduced

Instagram Shopping launched with e-commerce partner Big Commerce. Since then, the service has expanded to additional ecommerce platforms and allows Instagram users to immediately click an item, and go to that item's product page for purchase.

20. 2020: COVID-19 Drives Ecommerce Growth

COVID-19 outbreaks around the globe pushed consumers online to unprecedented levels. By May of 2020, ecommerce transactions reached $82.5 billion 77% increase from 2019. It would have taken four to six years to reach that number looking at traditional year-over-year increases.

Q5. State the Advantages & Limitations of e-Commerce.

Ans :

Advantages of E-commerce

E-Commerce advantages can be broadly classified in three major categories.

1. Advantages to Organizations
2. Advantages to Customers
3. Advantages to Society

1. Advantages to Organizations

(i) Using e-commerce, organizations can expand their market to national and international markets with minimum capital investment. An organization can easily locate more customers, best suppliers, and suitable business partners across the globe.

(ii) E-commerce helps organizations to reduce the cost to create process, distribute, retrieve and manage the paper based information by digitizing the information.

(iii) E-commerce improves the brand image of the company.

(iv) E-commerce helps organization to provide better customer services.

(v) E-commerce helps to simplify the business processes and makes them faster and efficient.

(vi) E-commerce reduces the paper work.

(vii) E-commerce increases the productivity of organizations. It supports "pull" type supply management. In "pull" type supply management, a business process starts when a request comes from a customer and it uses just-in-time manufacturing way.

2. Advantages to Customers

(i) It provides 24x7 support. Customers can enquire about a product or service and place orders anytime, anywhere from any location.

(ii) E-commerce application provides users with more options and quicker delivery of products.

(iii) E-commerce application provides users with more options to compare and select the cheaper and better options.

(iv) A customer can put review comments about a product and can see what others are buying, or see the review comments of other customers before making a final purchase.

(v) E-commerce provides options of virtual auctions.

(vi) It provides readily available information. A customer can see the relevant detailed information within seconds, rather than waiting for days or weeks.

(vii) E-Commerce increases the competition among organizations and as a result, organizations provides substantial discounts to customers.

3. Advantages to Society

(i) Customers need not travel to shop a product, thus less traffic on road and low air pollution.

(ii) E-commerce helps in reducing the cost of products, so less affluent people can also afford the products.

(iii) E-commerce has enabled rural areas to access services and products, which are otherwise not available to them.

(iv) E-commerce helps the government to deliver public services such as healthcare, education, social services at a reduced cost and in an improved manner.

Limitations of E-Commerce

1. Security

The biggest drawback of e-commerce is the issue of security. People fear to provide personal and financial information, even though several improvements have been made in relation to data encryption.

Certain websites do not have capabilities to conduct authentic transactions. Fear of providing credit card information and risk of identity limit the growth of e-commerce.

2. Lack of privacy

Many websites do not have high encryption for secure online transaction or to protect online identity. Some websites illegally collect statistics on consumers without their permission. Lack of privacy discourages people to use internet for conducting commercial transactions,

3.   Tax issue

Sales tax is another bigger issue when the buyer and seller are situated in different locations. Computation of sales tax poses problems when the buyer and seller are in different states. Another factor is that physical stores will lose business if web purchases are free from tax.

4.   Fear

People fear to operate in a paperless and faceless electronic world. Some of the business organizations do not have physical existence, People do not know with whom they are conducting commercial transactions. This aspect makes people to opt physical stores for purchases.

5.   Product suitability

People have to rely on electronic images to purchase products. Sometimes, when the products are delivered, the product may not match with electronic images. Finally, it may not suit the needs of the buyers. The lack of 'touch and feel' prevent people from online shopping.

6.   Cultural obstacles

E-commerce attracts customers from all over the world. Habits and culture of the people differ from nation to nation. They also pose linguistic problems. Thus, differences in culture create obstacles to both the business and the consumers.

7.   High Labour cost

Highly talented and technically qualified workforce are required to develop and manage the websites of the organization. Since internet provides a lot of job opportunities, business organizations have to incur a lot of expenses to retain a talented pool of employees,

8.   Legal issues

The cyber laws that govern the e-commerce transactions are not very clear and vary from country to country. These legal issues prevent people from entering into electronic contracts.

9.   Technical limitations

Some protocol is not standardized around the world. Certain software used by vendor to show electronic images may not be a common one. It may not be possible to browse through a particular page due to lack of standardized software. Insufficient telecommunication bandwidth may also pose technical problems.

9.   Huge technological cost

It is difficult to merge electronic business with traditional business. Technological infra-structure may be expensive and huge cost has to be incurred to keep pace with ever changing technology. It is necessary to allocate more funds for technological advancement to remain competitive in the electronic world.

| 1.3 | GLOBALIZATION AND THE DIGITAL ECONOMY |

Q6.   Define Globalization and Digital Economy. Explain the impact of Digital Economy on globalization.

Ans :   (Imp.)

I)   Definitions of Globalization

(i)   According to 'International Monetary Fund', "Globalization is the growing economic interdependence of countries worldwide through increasing volume and variety of cross border transactions in goods and services and of international capital flows and also through the more rapid and widespread diffusion of technology".

(ii)   According to 'Charles U.L. Hill', "Globalization is the shift towards a more integrated and independent world economy. Globalization has two main components the globalization of markets and the globalization of production.

II)   Definitions of Digital Economy

The digital economy refers to the economic activities that emerge from connecting individuals, businesses, devices, data and operations through digital technology.

It encompasses the online connections and transactions that take place across multiple sectors and technologies, such as the internet, mobile technology, big data and information and communications technology.

The digital economy differs from a traditional economy because of its reliance on digital technology, online transactions and its transformative effect on traditional industries.

Digital innovations such as the internet of things (IoT), artificial intelligence (AI), virtual reality, blockchain and autonomous vehicles all play a part in creating a digital economy.

Impact of Digital Economy on Globalization

1. Healthcare

Digital technology has the main impact on healthcare, an enormous sector globally has been to research and develop new and advanced medicines and treatments utilizing the data and increasing medical access for people and countries that may not have access or may not be able to afford care.

It also increases the world's knowledge and allows for collaboration across nations For example, it has made possible a better understanding of genetic disorders, new viruses, chronic ailments and resulting new medications.

2. Farming and agriculture sector

In the farming and agriculture sector, shrinking agricultural lands globally and scarcity of natural resources have led to the use of digital technology inputs far more than it was ever before.

Experiences of different countries with the use of digital technology have been useful in optimizing the processes to generate profitable crop yields, predictable analysis for farm inputs, sensing and misuse of agriculture inputs and timely intervention for prevention of crop diseases in different parts of the earth.

3. Education sector

Digital technology has great impacts on education, as it forms the very basis of the status of development of a nation. New technology improves the literacy level in a State and improves employment opportunities, consequently improving the country.

Digital libraries, cognitive learning, web services, multi-lingual translation and intelligent tutoring systems have been developed drawing from multiple experiences and provided from among developing and developed countries.

4. Banking and Finance

Banking and finance have tremendous advantages today digital technology has made it possible to virtually conduct all banking transactions online at a global scale, integrating all the financial institutions, various modes of currency transactions, investments, taxation and business globally 24x4 basis most reliably and speedily.

5. Supply - chain

The supply - chain is another sector that has seen a virtual integration of manufactured outputs, dispatch agencies, transportation and custom and border management agencies among the suppliers and customers of goods and services across the countries.

It is made possible through the use of digital communication and transportation channels and globally accepted standards of software applications.

6. Better data collection

Digital technology optimizes data collection and analytics across countries. You can store or process data on a bigger scale at a quicker pace. Faster data transmission speeds also mean faster analysis of data. You gain better customer insights for launching customer-centric strategies for the growth of countries.

7. Creates a Digital Culture

Digital technology creates a workplace and is influenced by digital tools and technologies. In companies across countries with advanced digital cultures, most employees use digital tech to collaborate, innovate and offer customers access to products, services and support.

1.4   **BENEFITS AND CHALLENGES OF e-GLOBAL BUSINESS**

Q7. Explain the Benefits and challenges of e-global business.

Ans :   **(Imp.)**

Benefits of e-Global Business

The various benefits of e-Global business can be categorized into two:

     1. Benefits to Organisations

     2. Benefits to Customers.

1. Benefits to Organizations

Some of the benefits of e-global business to organizations are,

(a) Expansion of Marketplace

The market place is expanded from a small region, town, city to national and international level. This makes the companies to quickly and easily locate, best suppliers, most suitable business partners and more customers, with a minimum investment.

(b) Reduction in Costs

The cost of creating, processing, distributing, storing and retrieving paper- based information can be reduced if global business is carried out globally.

2. Benefits to Customers

The benefits of e-Global business to customers are as follows,

(a) Easy Transactions

Shopping or exchanging over web can be done 24 hours a day and 7 days a week. Customers can shop or do other transactions from any location and at anytime.

(b) Wider Range

The range of products offered through e-global business is wider. Customers can choose from this wider range and do a satisfying e-shopping.

Challanges of e-Global Business

1. Free Speech

Every individual is given right for free speech over internet. It becomes difficult to control. This is one of the challenges in e-global business.

2. Language and Culture

In order to do business in different countries and cultures, companies need to adopt the local language and culture of the respective country.

Research has found that people often feel secure and comfortable if they use website that is in their native/local language. Adopting country specific language and culture is a challenging task.

3. Converting Currency

In e-Global business, business is carried out at global level using internet. The currency of countries differ from one another. The prices of products and services must be converted into local currency. This is one of the challenges in e-Global business.

| 1.5 | GLOBAL MARKET ENTRY STRATEGIES |

Q8. What are the different Market Entry Strategies available in international business.

(OR)

Discuss various Market Entry Strategies in international business.

(OR)

Discuss the salient features of various Global Market Entry Strategies.

Ans :   **(Imp.)**

The the salient features of various Global Market Entry Strategies are :

1. Exporting

The terms 'exports' refers to the process of producing goods in the home country or third country and transporting those produced goods to other country.

Exporting is a very popular mode used to enter into foreign markets because exporting is an easy, economical and less risky mode of entry. Apart from this, exports are used as strategic methods to overcome excess production.

2. Licensing

International licensing is one of the modes of entry used to enter into foreign/international business. In case of international licensing, the manufacturer in the domestic country gives right to the manufacturer in the foreign country to use its intellectual property by charging some amount as royalty.

It includes work methods and technology used in manufacturing, patents, brand names, copy rights, trade marks and so on. The manufacturer in the domestic country who is licensing the right is known as 'licensor' and the foreign manufacturer who is getting license from domestic manufacturer is known as 'licensee'.

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3. Franchising

The word "franchise" is derived from the french word "franchise" which means "to free". The word franchise signifies a special privilege or right, free from specific limitations, provided to an individual or group. It is a hybrid form of starting a business for oneself.

Franchising is a special type of licensing. In franchising, one independent company known as franchisee runs the business with the name of another company known as franchiser.

Franchising is an agreement or contract made on the terms of sale of products between two parties. Franchisee operates a retail outlet using the format and brand name of franchiser.

Franchiser provides training aids, advertising support and location to franchisee for successful operation of business. The franchisee pays a huge amount on all sales for the right to operate the retail store and this is done in accordance with prescribed procedures by the franchiser.

4. Contract Manufacturing

Few companies outsource some portion or completed manufacturing task to outsiders and focus on marketing activities.

This custom of outsourcing is known as 'contract manufacturing'. In other words, contract manufacturing refers to the practice of outsourcing some portion or complete manufacturing task to outsiders and focusing on marketing activities.

Outsourcing' is an another name for 'contract manufacturing'.

Examples

Some examples of contract manufacturing are,

(i) Bata outsourced its footwear manufacturing task to various cobblers in India and focused of marketing activities.

(ii) Nike contracted with many manufacturing units located in south-east Asia to manufacture its athletic footwear and it focused on marketing operations.

(iii) Mega Toys contracted with Chinese manufacturing units to manufacture toys and Mega focused on marketing operations.

Q9. Explain the advantages of Exporting.

Ans :

Exports offer strategic benefits, such as:

1. Source of Enhanced Sales Revenue

The first strategic advantage of exporting is the increase in sales revenue. This holds for both service companies as well as manufacturers. There are accountants, lawyers, advertisers and consultants who export their services to meet the needs of clients working abroad.

2. Economies of Scale in Production

The companies that are capital and research intensive, such as automobile or pharmaceutical companies, export to achieve economies of scale by spreading their research, product development and capacity expenditures over a large sales area.

As a result, they gain cost and advantage and may become market leaders and can solve their problem of excess capacity in the domestic market.

3. Less Risky exports than FDI

Another strategic advantage of exporting is that it is less risky than investing abroad. Some companies prefer exporting to investing abroad because of the perceived higher risk of operating in foreign environments.

The rules and regulations of the foreign government may change and the venture may become less profitable.

4. Diversified Sales Location

It is also seen that many companies export to a variety of markets as a diversification strategy. A company may change its concentration on doing sales efforts from one country to another because economic growth is not same in every market; export diversification allows a company to use strong growth in one market to offset weak growth in another.

Similarly, the company that develops more customers reduces its vulnerability to the loss of particular customers.

5. Potential of Greater Profitability

Lastly, a strategic advantage of exporting is the potential of greater profitability. For several reasons, companies can sell their products at a greater profit abroad than at home.

This often happens because the competitive environment in the foreign market is different, possibly because in that market, the product is in a different stage of its life cycle.

Q10. List out the advantages and disadvantages of Franchising.

Ans :

Advantages

The advantages of Franchising are:

1. The service providing firms can expand their business in the foreign country easily through franchising.

2. The costs involved in starting a business in the foreign country can be avoided through franchising.

3. Under franching, franchiser is free from risks associated with starting a business in a foreign country.

4. Franchising is like a good opportunity to franchisee to start a profitable business as soon as possible.

5. Franchiser can acquire information about the culture, traditions, markets and environment prevailing in the foreign country.

Disadvantages

Inspite of the above mentioned advantages, franchising is not free from the disadvantages. The disadvantages of franchising are,

1. Trade secrets of franchiser may get revealed to competitors.

2. The number of market opportunities for franchiser and franchisee may get reduced due to franchising agreements.

3. Misunderstandings may take place between franchiser and franchisee.

4. Putting control on the international franchisee becomes a difficult task.

5. Maintaining quality in the product and promoting the product are the responsibilities of both franchiser and franchisee.

Q11. What is Joint Venture? State the advantages and disadvantages of Joint Venture.

Ans :   (Imp.)

Meaning of Joint Venture

A Joint venture is formed when two or more companies integrate to form a single new business entity. Usually, the joint ventures are formed by sending an invitation to a company by a foreign company to share the ownership in its business unit.

These ventures are formed as corporation and are financed by the owners in the predecided proportions. The ownership in joint ventures is shared ownership and these ventures are commonly seen in the international business. Joint ventures are usually formed as a result of various technological, social, economic and political factors.

In a joint venture, operations are partly performed by the foreign company. Apart from this, some partners may demand for the majority of the possession, which most firms may not accept and lead to disputes among firms.

Advantages

1. Joint ventures are commonly used because ifiey offer important advantages to the foreign firm.

2. By bringing in a partner, the company can share the risk for a new venture.

3. Joint ventures partner may also have important skills or contracts of value to the international firm.

4. Sometimes, the partner may be an important customer who is willing to contract for a portion of the new units output in return for an equity participation.

5. The partner may also represent important local business interests with excellent contracts to the government.

6. A firm with advanced product technology may also gain market access thio. gb the joint venture route by teaming up with companies that are prepared to distribute its products.

Disadvantages

1. Joint ventures result in disputes between or among parties due to varied interests.

2. The partners delay the decision-making once the dispute arises. Then the operation becomes unresponsive and inefficient.

3. Decision-making is normally slowed down in Joint ventures due to the involvement of a number of parties.

4. Scope for collapse of a JV is more due to entry of competitors, changes in the business environment in the two countries, changes in the partners strength etc.

Q12. Define Mergers. Explain different types of mergers.

(OR)

Explain mergers as a strategy. Explain the types of mergers.

Ans :   (Imp)

Meaning of Merger

Merger refers to a friendly joining together of two organizations as in a corporate marriage, usually with the sanction of both firm's top strategic decision makers. Mergers are usually based on the core competencies of firms.

For example, two companies with similar core competencies (e.g., in marketing) in marketing may merge to strengthen their overall competitive position.

Alternative, two firms may merge to combine complementary core competencies.

For example, a firm possesses a competency in its marketing may merge with a firm that has good brand name.

Types

1. Horizontal Mergers

Horizontal mergers take place when there is a combination of two or more organizations in the same business, or of organizations engaged in certain aspects of the production or marketing processes.

Four instance a company making footwear combines with another footwear company, or a retailer of pharmaceuticals combines with another retailer in the same business.

2. Vertical Mergers

Vertical mergers take place when there is a combination of two or more organizations, not necessarily in the same business, which create

complementarily, either in terms of supply of materials (inputs) or marketing of goods and services (outputs).

For instance, a footwear company combines with a leather tannery or with a chain of shoe retail stores.

3. Concentric Mergers

Concentric mergers take place when there is a combination of two or more organizations unrelated to each other, either in terms of customer functions, customer groups, or alternative technologies used, for example, a footwear company combining with pharmaceutical firm.

4. Conglomerate Mergers

Conglomerate mergers take place when there is a combination of two or more organizations unrelated to each other, either in terms of customer functions, customer groups, or alternative technologies used, for example, a footwear company combining with pharmaceutical firm.

5. Reverse Mergers

Reverse merger, also known as back door listing, or a reverse merger, is a financial transaction that results in a privately-held company becoming a publicly-held company without going the traditional route of filing a prospectus and undertaking an initial public offering (IPO).

Q13. What are the advantages and disadvantages of mergers?

Ans :

Advantages

Following are the advantages of mergers :

1. Increases market share

When companies merge, the new company gains a larger market share and gets ahead in the competition.

2. Reduces the cost of operations

Companies can achieve economies of scale, such as bulk buying of raw materials, which can result in cost reductions. The investments on assets are now spread out over a larger output, which leads to technical economies.

3. Avoids replication

Some companies producing similar products may merge to avoid duplication and eliminate competition. It also results in reduced prices for the customers.

4. Expands business into new geographic areas

A company seeking to expand its business in a certain geographical area may merge with another similar company operating in the same area to get the business started.

5. Prevents closure of an unprofitable business

Mergers can save a company from going bankrupt and also save many jobs.

Disadvantages

Following are the disadvantages of mergers :

1. Raises prices of products or services

A merger results in reduced competition and a larger market share. Thus, the new company can gain a monopoly and increase the prices of its products or services.

2. Creates gaps in communication

The companies that have agreed to merge may have different cultures. It may result in a gap in communication and affect the performance of the employees.

3. Creates unemployment

In an aggressive merger, a company may opt to eliminate the underperforming assets of the other company. It may result in employees losing their jobs.

4. Prevents economies of scale

In cases where there is little in common between the companies, it may be difficult to gain synergies. Also, a bigger company may be unable to motivate employees and achieve the same degree of control. Thus, the new company may not be able to achieve economies of scale.

Q14. Define the term acquisition (or) takeover. What are the Advantages and Disadvantages of Takeover?

Ans :   (Imp.)

Meaning of Acquisition

Takeover is a process of acquiring a specific amount of equity capital of a company which helps the acquire to control the operations of the company. If an acquire purchases more than 50 percent of paid-up equity of acquired company, then he can exercise his control on all functions of the company.

Advantages

(i) Takeover helps the firm in utilizing economies of scale in different business operations, such as production, marketing information systems, financing, etc.

(ii) It also helps in replacing an inefficient management team with an effective team, efficient workers of both the companies are combined to form a new management team.

(iii) Some economists have proclaimed, that takeovers are effective measures to protect the interest of shareholders.

(iv) Takeovers also help in generating economies of operations, which ultimately leads to synergistic benefits by combining two different businesses which are efficient in specific operation.

(v) Takeovers save the companies which were managed inadequately by the incompetent managers.

Disadvantages

(i) Takeover is regarded by some economists and authors as a destructor of jobs and local communities.

(ii) Usually, the commitments in takeovers are not fulfilled.

(iii) Takeovers involve many costs in it, such as remuneration to lawyers, management officials and all other people who support in preparing and carrying out a bid.

(iv) Peter Drucker believes, that takeovers destroy the confidence of employees.

(v) Takeovers may also lead to redistribution of wealth which causes a reduction in efficiency.

(vi) Takeovers also involve agency costs which are related to agency conflicts that arise in the process of takeover.

(vii) As the size of the firm increases in takeover, the remuneration of executives increase rapidly, even though their efficiency does not improve.

(viii) If diseconomies of scale or scope related to takeover are not identified then it may have a great impact on value of the firm.

| 1.6 | DIGITAL TRANSFORMATION AND ITS IMPACT ON GLOBAL BUSINESS |

Q15. Define Digital Transformation. Explain the impact on Digital Transformation.

(OR)

Briefly explain the digital transformation and its impact on global business.

Ans :　　　　　　　　　　　　　　　　　**(July-24)**

Meaning of Digital Transformation

Digital transformation is the integration of digital technology into all areas of a business, fundamentally changing how you operate and deliver value to customers. It's also a cultural change that requires organizations to continually challenge the status quo, experiment, and get comfortable with failure.

Impact

1. Enhancing Operational Efficiency

Digital transformation have a significant impact on streamlining business processes, which leads to enhanced operational efficiency.

Automation, cloud computing and data-driven decision-making facilitates organisation, in optimizing their supply chains, reducing costs and increasing overall productivity. Beside this, digital tools promote collaboration among employees, irrespective of their geographical locations, which result in more agile and responsive business operations.

2. Driving Innovation and Revenue Growth

The impact of embracing digital transformation is to creat new routes for innovation and revenue generation. Emerging technologies like artificial intelligence and block chain empowers businesses to create innovative products and services that align with the demand of the market.

3. Embracing the Digital Future - A Necessity for Success

Digital transformation is no longer a choice but a fundamental requirement for organisations striving in today's business world. By leveraging digital technologies to improve customer engagement, streamline operations and encourage innovation, businesses position themselves for ongoing success in a globally interconnected environment.

| 1.7 | EVOLUTION OF ONLINE MARKETPLACES AND THEIR ROLE IN e-GLOBAL BUSINESS |

Q16. Define online market places. Explain the role of online market places in e-Global Business.

(OR)

Evolution of Online Marketplaces and their Role in e-Global Business.

Ans :　　　　　　　　　　　　　　**(Feb.-24, Imp.)**

Meaning of e-Marketplace

E-marketplace is a virtual online market platform where companies can register as buyers and sellers to conduct business to business (B2B) or Business to Consumers (B2C) transactions over the internet.

The use of the internet has helped remove intermediaries in a transaction. It is a web based information system which provides opportunities for both suppliers and buyers.

It enables the buyers to compare various products and services by different measures like performance, quality, price etc. Buyers get access to a broader range of products and services.

On the other hand the sellers can reach the customers more conveniently and affordably. Sellers gets to enter new markets, find new buyers and increase sales by generating more value for the buyers.

Role

(i) Reduced Investment Cost: Digital tools and technologies have already had an extreme impact on the global economy, especially after implementing Digital Transfor-mation in the Retail Industry.

(ii)   Improved Financial Performance: Companies implementing technology solutions have especially experienced 39% growth in revenues and have reduced their time for the market by 21%.

(iii)   Increased Employee Productivity: Employees become more efficient, take very little time to make decisions, and are more satisfied.

(iv)   Better Customer Experience: When Enterprises know the problems customers are facing, they plan customers' experiences better. It helps to convey a better experience for customers and improve long-term relationships.

(v)   Empowering Employees: As companies continue to adopt new technolo-gies, employees will be required to update their skills to meet the changing technological environment, empowering them in the market.

Following points highlight the role/significance of online marketplaces in e-global business,

1.   **Global Reach:** Online marketplaces provides an opportunity for businesses to expand their reach beyond geographical boundaries, enhance sales volume and reach new customers. The goods or services having more demand in other countries proves to be beneficial if sold globally.

2.   **Enhanced Traffic:** As online marketplaces receives more traffic, as people prefer marketplace to find products or services online. It enhance sales and visibility of business.

3.   **Boosts Visibility:** Businesses can take advantage of existing traffic by listing products on popular marketplaces which enhance brand recognition, visibility and exposure of products.

4.   **Reduced Costs:** Businesses can setup their market on various online platforms which require low costs when compared to traditional method, as there is no requirement for any physical location.

5.   **Minimizes Risk:** Online marketplaces carry out all the activities of inventory management, logistics, shipping, customer support, etc which minimizes the risk of business owner. It also enables business owner to manage and eliminate sellers which are riskier for them.

6.   **Scalability:** Online marketplaces are scalable in nature i.e., business can be easily expanded as demand increases. Online marketplace does not require any investment to hire additional staffs or infrastructure.

7.   **Attain Competitive Advantage:** Small business and individual sellers can enhance their brand visibility and gain market share by competing with popular brands. Thus, online marketplaces helps in attaining competitive advantage.

8.   **Boosts Sales Volume:** Online marketplaces provides various promotional and marketing tools for business to reach globally and attracting more customers, thereby boosting sales volume.

Q17. Explain different types of e-market places.

Ans :   **(Imp.)**

Types

Electronic marketplaces are generally classified into 4 types

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                          ┌──────────┐
                          │  Types   │
                          └──────────┘
                               │
    ┌──────────────┬───────────┴───────────┬──────────────┐
    ▼              ▼                       ▼              ▼
┌──────────┐  ┌──────────────┐  ┌──────────────┐  ┌──────────────┐
│Independent│  │Buyer-oriented│  │Supplier-     │  │Horizontal and│
│e-marketplace│ │Marketplace  │  │oriented      │  │Vertical      │
│          │  │              │  │Marketplace   │  │Marketplace   │
└──────────┘  └──────────────┘  └──────────────┘  └──────────────┘
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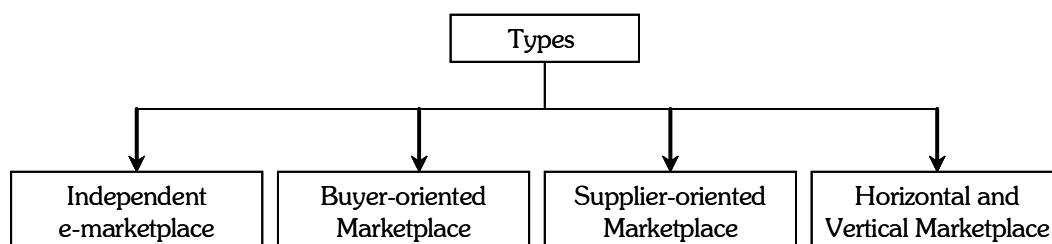
1. Independent E-marketplace

The basic motive of this model is to generate revenue. A B2B platform which is managed by a third party and is open to buyers and sellers from a particular industry. When a party registers on an independent e-marketplace it gets quotations or bids in a particular sector.

Example- Alibaba

2. Buyer-oriented marketplace

A bunch of people with similar business interests come together to create an efficient purchase environment. This helps a party get sufficient bargaining power to purchase at a desired price from the supplier.

A supplier can also benefit from this marketplace as it gives them a customer base with which they can share their catalogue.

Example - Amazon

3. Supplier-oriented marketplace

This type of marketplace is also known as supplier's directory. It provides a platform for the seller to improve their visibility through different mediums of communication.

The suppliers can target the large number of potential buyers.

Example - E-bay

4. Horizontal and vertical marketplace

Horizontal marketplace- The buyers and supplier from different industries or regions can come together to make a transaction.

Example-Amazon

Vertical marketplace- It provides access over the internet to various segments of a particular industry up and down the hierarchy.

Example-Airbnb

1.8 THE ROLE OF TECHNOLOGY AND INNOVATION IN DRIVING e-COMMERCE GROWTH

Q18. Discuss the role of Technology and Innovation in Driving e-Commerce Growth.

Ans :

The Role of Technology and Innovation in Driving e-Commerce Growth cannot be overstated. Let us explore some of these technologies and their contribution to the growth of e-commerce.

1. Cloud Technology
2. Chatbots
3. Artificial Intelligence

1. Cloud Technology

Cloud computing refers to the use of hosted services, such as data storage, servers, databases, networking, and software over the internet. The data is stored on physical servers, which are maintained by a cloud service provider.

Computer system resources, especially data storage and computing power, are available on-demand, without direct management by the user in cloud computing.

2. Chatbots

A chatbot is a computer program that simulates human conversation through voice commands or text chats or both. Chatbot, short for chatterbot, is an artificial intelligence (AI) feature that can be embedded and used through any major messaging application.

There are a number of synonyms for chatbot, including "talkbot," "bot," "IM bot," "interactive agent" or "artificial conversation entity."

3. Artificial Intelligence

Artificial intelligence is the simulation of human intelligence processes by machines, especially computer systems. Specific applications of AI include expert systems, natural language processing, speech recognition and machine vision.

1.9 REGULATORY AND LEGAL FRAMEWORKS GOVERNING e-GLOBAL BUSINESS

Q19. Explain the Regulatory and legal frameworks governing e-global business,

Ans :

Regulatory and Legal Frameworks Governing e-Global Business

Following are some of the regulatory and legal frameworks that govern e-global business,

1.   International Laws and Agreements

The World Trade Organizations Agreements are designed to uphold global trade rules including those related to e-commerce. They aim to maintain principles of nondiscrimination, predictability and transparency.

The United Nations Commission on International Trade Law has also developed a model law on e-commerce, which provides a blueprint for countries to develop their own laws and regulations governing e-commerce.

2.   Cyber Security Controls

The National organization of guidelines and innovation provides guidelines for cyber security practices. While these guidelines are not legally binding, but set a standard that many businesses choose to follow.

Within the European Union, the cyber security Act has established the European Union Agency for Cyber security products and services.

3.   Buyer Security Laws

Several countries have specific laws governing online transactions to ensure transporting, fair pricing and protection against fraud. Credit card networks like Visa and Master Card have implemented charge back systems to facilitates disputes over unauthorized transactions.

4.   Compliance and Enforcement

Countries designate regulatory authorities, similar to the Federal Trade Commission (FTC) in the USA, which is responsible for enforcing e-commerce laws and ensuring that businesses adhere to regulators.

Organisations like the Internet Corporation for Assigned Names and Numbers (ICANN) also offer dispute resolution services for domain names.

1.10 THE ROLE OF ARTIFICIAL INTELLIGENCE (AI) AND AUTOMATION IN e-GLOBAL BUSINESS

Q20. Define Artificial Intelligence. Discuss the Role of Artificial Intelligence (AI) and Automation in e-Global Business.

Ans :

Meaning of Artificial Intelligence

Artificial intelligence is the ability of computers and machines to mimic the functions of the human brain. Typically, AI refers to the process of developing systems with the capabilities of human intelligence, such as the ability to learn from past experiences, reason, discover meaning, and generalize.

The four main types of Artificial Intelligence include reactive machines, limited memory, theory of mind, and self-awareness. They together enable technologies such as Natural Language Processing (NLP), computer vision, facial recognition, machine learning, and deep learning.

Role

1.   Language Translation

Al-driven language translation and Natural Language Processing (NLP) technologies enable cross-cultural communication, which allow businesses to offer content, customer support and product information in multiple languages serving global audience!)

2.   Marketing and Advertising

Artificial intelligence play a crucial role in automating digital marketing campaigns, effectively managing advertising budgets and targeting specific global markets.

This technology aids businesses in recognizing emerging trends and tailoring their marketing strategies to align with the unique needs of diverse regions and cultures.

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3.   **Automation in e-Commerce**

Automation plays a crucial role in e-commerce which streamline processes such as order processing, inventory management and payment processing. This ensures efficiency and scalability for global e-businesses.

4.   **Logistics and Delivery**

The world of logistics and deliveries benefits greatly from automation, which include autonomous delivery vehicles and drones. These technologies improve the effectiveness of shipping on a global scale and make the last minute delivery services more efficient.

1.11   **DIGITAL ENTREPRENEURSHIP AND THE EMERGENCE OF STARTUPS IN THE DIGITAL SPACE**

Q21. Define Digital Entrepreneurship. Explain the role of Digital Entrepreneurship in 21st Century.

Ans :   **(Imp.)**

Meaning of Digital Entrepreneurship

Digital entrepreneurship is a term that describes how entrepreneurship will change, as business and society continue to be transformed by digital technology. Digital entrepreneurship highlights changes in entrepreneurial practice, theory, and education.

Digital entrepreneurship includes everything that is new and different about entrepreneurship in a digital world, including:

(i)   New ways of finding customers for entrepreneurial ventures.

(ii)   New ways of designing and offering products, and services.

(iii)   New ways of generating revenue, and reducing cost.

(iv)   New opportunities to collaborate with platforms and partners.

(v)   New sources of opportunity, risk, and competitive advantage.

Role

1.   Digital entrepreneurs enable opportunities for remote work, especially in sectors like ICT and entrepreneurship, which contributes to a more balanced playing field and flexible work arrangements.

2.   Digital entrepreneurship promotes gender equality, social and economic inclusion by leveraging technology to stimulate local development and support sustainable development goals.

3.   Digital entrepreneurs harness the open data and new technologies to develop solutions for local issues, such as optimization agricultural production, emergency response, road safety and economic opportunities for local suppliers.

4.   By matching supply and demand for labour, goods and services through digital technologies, digital entrepreneurs enhance economic efficiency, productivity and income opportunities in various sectors.

Q22. Define Digital Entrepreneur. Explain the characteristics of Digital Entrepreneur.

Ans :

Meaning of Digital Entrepreneur

Digital entrepreneurs are self employed with the addition of operating via digital platforms. They rely on Information Technology (IT) and digital media tools to find potential customers.

These tools have given digital entrepreneurs the opportunity to promote their business outside of their local community. It saves the money they would need to spend on a physical office space and replaces it with a more affordable online store front.

Characteristics

1.   **Communicator**

Effective communication skills are crucial for digital entrepreneurs to articulate their ideas clearly to colleagues and clients. This skill facilitates efficient collaboration and teamwork.

2.   **Opportunist**

Digital entrepreneurs are good at identifying business opportunities within their environment. They are capable of recognizing gaps in the market and creating their own opportunities for success.

3.   **Explorer**

Digital entrepreneurs embrace exploration and are open to new possibilities. They continuously seek out avenues for growth and expansion, which results in much wider and lucrative business concept.

4. Tenacity

Digital entrepreneurs exhibit persistence and determination during obstacles. They view challenges as opportunities for growth and are motivated to find innovative solutions rather than being discouraged by challenges.

5. Learn from Mistakes

Mistakes are part of the digital business journey. Digital entrepreneurs should utilize their energy in analyzing and learning from mistakes rather than dwelling on regret, and learn to differentiate between valuable mistakes and costly mistakes.

1.12   CYBERSECURITY CHALLENGES IN e-GLOBAL BUSINESS AND METHODS FOR PROTECTION

Q23. Explain the Cybersecurity challenges in e-global business and methods for protection.

Ans :   **(Imp.)**

Meaning

Cyber security challenges in e-global business are significant due to the interconnected and digital nature of global commerce. With the increasing reliance on the internet and technology, businesses face various threats, and it's crucial to address these challenges to protect sensitive data, maintain customer trust, and ensure the continuity of operations.

Here are some common challenges and methods for protection:

1. Data Breaches and Data Loss

(i) **Challenge:** Cybercriminals target businesses to steal sensitive information like customer data, financial records, and intellectual property.

(ii) **Protection:** Implement robust data encryption, access controls, and data loss prevention (DLP) tools. Regularly backup data to prevent permanent loss.

2. Phishing Attacks

(i) **Challenge:** Phishing emails and websites trick employees into revealing sensitive information or installing malware.

(ii) **Protection:** Educate employees about identifying phishing attempts and use email filtering solutions to block malicious emails.

3. Malware and Ransom ware

(i) **Challenge:** Malicious software can infiltrate systems, encrypt data, and demand a ransom for decryption.

(ii) **Protection:** Keep software and systems up to date, use antivirus software, and regularly back up data to recover from ransom ware attacks without paying.

4. Insider Threats

(i) **Challenge:** Employees or business partners with malicious intent can cause significant harm.

(ii) **Protection:** Implement user activity monitoring, access controls, and conduct regular security training for employees

5. Third-Party Risks

(i) **Challenge:** Businesses often rely on third-party vendors, which can expose them to their security vulnerabilities.

(ii) **Protection:** Assess the security measures of third-party vendors and require them to meet specific security standards in service level agreements (SLAs).

6. Compliance and Regulatory Challenges

(i) **Challenge:** Operating globally means adhering to various data protection and privacy regulations, which can be complex and costly.

(ii) **Protection:** Stay informed about global regulations, appoint a data protection officer if required, and ensure compliance through policies and procedures.

7. Advanced Persistent Threats (APTs)

(i) **Challenge:** APTs are long-term, targeted attacks that often bypass traditional security measures.

(ii) **Protection:** Deploy advanced threat detection and response solutions, and conduct regular security audits.

<table>
<tr><td>**1.13**</td><td>**THE IMPACT OF SOCIAL MEDIA ON GLOBAL BUSINESS AND CUSTOMER ENGAGEMENT**</td></tr>
</table>

Q24. Discuss the the Impact of Social Media on Global Business.

(OR)

Explain the impact of Social Media on Global Business and Customer Engagement.

Ans :   *(Feb.-24, Imp.)*

Impact of Social Media

Social media refers to a variety of technologies that facilitate the sharing of ideas and information among their users.

1.   It enables a firm to track product/brand and change the message or medium.

2.   It helps in conducting viral word of mouth campaign.

3.   It allows the company to identify and convert the leads.

4.   It helps in conducting loyalty or referral campaigns.

5.   It facilitates company in identification and implementation of trend ideas.

6.   It helps in conducting idea hunting or trend hunting campaigns.

7.   It helps in conducting cause or thought leadership campaign.

Q25. Define customer engagement. Discuss the impact of social media on customer engagement.

(OR)

Explain the impact of social media on customer engagement.

Ans :   *(Feb.-24, Imp.)*

Meaning of Customer Engagement

Customer engagement is the process by which a company builds a relationship with customers that results in brand awareness, product adoption, and overall loyalty. Customer engagement is done across channels and through methods like campaigns, events, content, email, loyalty programs, and in-person.

Impact of Social Media on Customer Engagement

1.   Increased brand awareness

Social media offers an excellent platform to engage with customers, build your brand's identity and increase its visibility.

2.   Improved customer satisfaction

Social media provides customers with a convenient way to get in touch with your business, ask questions and receive support.

3.   Cost-effective marketing

Social media is a cost-effective marketing channel compared to traditional marketing methods..

4.   Competitive advantage

By engaging with customers on social media, you can gain a competitive advantage over businesses that don't.

5.   Valuable feedback

Social media is an excellent tool for collecting feedback from customers..

6.   Increased website traffic

Social media can drive traffic to your website. By sharing links to your website or blog, you can attract new visitors and increase your online presence.

7.   Improved customer insights

Social media provides valuable insights into customer behavior, preferences and interests. This information can help you tailor your marketing efforts and improve your products or services.

8.   Enhanced brand reputation

Social media provides an opportunity to showcase your brand's values and personality.

9.   Opportunity for customer advocacy

By engaging with customers on social media, you can turn them into advocates for your brand. Satisfied customers are more likely to recommend your business to others, increasing your reach and potential customer base.

| 1.14 | EMERGING TECHNOLOGIES SHAPING e-GLOBAL BUSINESS (SUCH AS INTERNET OF THINGS, EDGE COMPUTING, etc.) |

Q26. State the Emerging technologies shaping e-global business?

Ans :

Emerging technologies are significantly shaping e-global business, creating new opportunities and transforming operations. Here are some key technologies influencing this landscape:

1. Internet of Things (IoT)

(i) Smart Devices: IoT connects devices to the internet, allowing for real-time data collection and analysis. Businesses can monitor supply chains, track inventory, and improve customer experiences through connected products.

(ii) Predictive Analytics: Companies can use data from IoT devices to predict customer needs and optimize operations, enhancing efficiency and responsiveness.

2. Edge Computing

(i) Data Processing: Edge computing allows data to be processed closer to the source (e.g., IoT devices), reducing latency and improving speed. This is crucial for applications requiring real-time responses, such as autonomous vehicles or smart manufacturing.

(ii) Scalability: Businesses can scale operations more effectively by distributing data processing, enhancing performance without significant infrastructure investment.

3. Artificial Intelligence (AI) and Machine Learning (ML)

(i) Personalization: AI algorithms analyse customer data to deliver personalized recommendations and targeted marketing campaigns.

(ii) Automation: Businesses can automate routine tasks, improving efficiency and reducing operational costs while enhancing customer service through chatbots and virtual assistants.

4. Blockchain Technology

(i) Transparency and Security: Blockchain provides a secure and transparent way to conduct transactions, making it valuable for supply chain management, financial transactions, and contract management.

(ii) Decentralized Finance (DeFi): Emerging financial services based on blockchain are reshaping how businesses manage funds and conduct transactions globally.

5. Augmented Reality (AR) and Virtual Reality (VR)

(i) Enhanced Shopping Experiences: AR allows customers to visualize products in their environment, while VR can create immersive shopping experiences, helping businesses stand out.

(ii) Training and Development: Businesses can use AR and VR for employee training, providing realistic scenarios without the risks associated with real-world training.

6. 5G Technology

(i) Faster Connectivity: 5G networks offer higher speeds and lower latency, enabling seamless communication and data transfer, crucial for IoT and other real-time applications.

(ii) Enhanced Mobile Experiences: Businesses can create more engaging mobile experiences, improving customer interaction and service delivery.

7. Robotic Process Automation (RPA)

(i) Efficiency Improvements: RPA automates repetitive tasks, allowing employees to focus on higher-value activities. This enhances operational efficiency and reduces errors.

(ii) Integration Across Systems: RPA can connect disparate systems, streamlining processes and improving data accuracy.

Case Studies

Case Study - 1. Global E-Commerce Expansion of XYZ Corp

XYZ Corp, a mid-sized retail company based in the U.S., has traditionally operated through brick-and-mortar stores. Recognizing the shift towards digital commerce, the company decided to expand its business into international markets through e-commerce.

Key Developments

1. **E-Commerce Evolution**: Over the past decade, XYZ Corp has seen an increase in online shopping among its customers. The company launched an e-commerce platform to enhance customer reach and streamline sales processes.

2. **Globalization and Digital Economy**: The company identified potential markets in Europe and Asia, where the digital economy is thriving, driven by increased internet penetration and smartphone usage.

3. **Benefits and Challenges**:

    ➢   **Benefits**: Increased market reach, lower overhead costs, and enhanced customer data analytics.

    ➢   **Challenges**: Navigating different regulatory environments, cultural differences, and logistics.

4. **Market Entry Strategies**: XYZ Corp opted for a combination of direct investment and partnerships with local e-commerce platforms to leverage existing customer bases.

5. **Digital Transformation**: The company underwent a significant digital transformation, integrating AI for personalized marketing and automation for inventory management.

6. **Role of Online Marketplaces**: Utilizing platforms like Amazon and Alibaba allowed XYZ Corp to gain traction in foreign markets without the need for extensive local infrastructure.

7. **Technological Innovation**: Investment in technology, including machine learning algorithms for customer recommendations, played a critical role in driving e-commerce growth.

8. **Regulatory Frameworks**: XYZ Corp worked closely with legal advisors to comply with GDPR in Europe and other local regulations to avoid penalties.

9. **AI and Automation**: The company implemented chatbots for customer service and automated logistics processes, enhancing operational efficiency.

10. **Cybersecurity**: With the expansion, cybersecurity became a top priority. XYZ Corp adopted multi-layered security measures, including encryption and regular audits, to protect customer data.

11. **Social Media Impact**: Social media campaigns targeting international audiences increased brand awareness and customer engagement.

12. **Emerging Technologies**: Exploring IoT for smart inventory management and edge computing for faster data processing helped optimize operations.

Questions and Answers

1. **What were the primary benefits of XYZ Corp's transition to e-commerce ?**

Ans :

The primary benefits included expanded market reach, reduced overhead costs, enhanced data analytics for customer insights, and improved customer engagement through personalized marketing.

2.   What challenges did XYZ Corp face in its international expansion ?

Ans :

The challenges included navigating diverse regulatory environments, addressing cultural differences in consumer behavior, and managing logistics and supply chain complexities.

3.   Why did XYZ Corp choose to partner with local e-commerce platforms ?

Ans :

Partnering with local platforms allowed XYZ Corp to leverage established customer bases, gain market insights, and reduce the risks associated with entering unfamiliar markets.

4.   How did technology impact XYZ Corp's e-commerce strategy ?

Ans :

Technology facilitated personalized customer experiences through AI, improved operational efficiency via automation, and enhanced security measures to protect customer data.

5.   What role did social media play in XYZ Corp's marketing strategy ?

Ans :

Social media was crucial for building brand awareness, engaging with customers, and driving traffic to the e-commerce site, particularly in new international markets.

Case Study - 2.

P&G is the largest manufacturer of consumer products in the world, and one of the top 10 largest companies in the world by market capitalization. The company is known for its successful brands, as well as its ability to develop new brands and maintain its brands' popularity with unique business innovations. Popular P&G brands include Pampers, Tide, Bounty, Folgers, Pringles, Charmin, Swiffer, Crest, and many more. The company has approximately 140,000 employees in more than 80 countries, and its leading competitor is Britain-based Unilever. Founded in 1837 and headquartered in Cincinnati, Ohio, P&G has been a mainstay in the American business landscape for well over 150 years. In 2009, it had $79 billion in revenue and earned a $13.2 billion profit

P&G's business operations are divided into three main units: Beauty Care, Household Care, and Health and Well-Being, each of which are further subdivided into more specific units. In each of these divisions, P&G has three main focuses as a business. It needs to maintain the popularity of its existing brands, via advertising and marketing; it must extend its brands to related products by developing new products under those brands; and it must innovate and create new brands entirely from scratch. Because so much of P&G's business is built around brand creation and management, it's critical that the company facilitate collaboration between researchers, marketers, and managers. And because P&G is such a big company, and makes such a wide array of products, achieving these goals is a daunting task

P&G spends 3.4 percent of revenue on innovation, which is more than twice the industry average of 1.6 percent. Its research and development teams consist of 8,000 scientists spread across 30 sites globally. Though the company has an 80 percent "hit" rate on ideas that lead to products, making truly innovative and groundbreaking new products is very difficult in an extremely competitive field like consumer products. What's more, the creativity of bigger companies like P&G has been on the decline, with the top consumer goods companies accounting for only 5 percent of patents filed on home care products in the early 2000s.

Finding better ways to innovate and develop new ideas is critical in a marketplace like consumer goods, and for any company as large as P&G, finding methods of collaboration that are effective across the enterprise can be difficult. That's why P&G has been active in implementing information systems that foster effective collaboration and innovation. The social networking and collaborative tools popularized by Web 2.0 have been especially attractive to P&G management, starting at the top with former CEO A.G. Lafley. Lafley was succeeded by Robert McDonald in 2010, but has been a major force in revitalizing the company.

When Lafley became P&G's CEO in 2000, he immediately asserted that by the end of the decade, the company would generate half of its new product ideas using sources from outside the company, both as a way to develop groundbreaking innovations more quickly and to reduce research and development costs. At the time, Lafley's proclamation was considered to be visionary, but in the past 10 years, P&G has made good on his promise.

The first order of business for P&G was to develop alternatives to business practices that were not sufficiently collaborative. The biggest culprit, says Joe Schueller, Innovation Manager for P&G's Global Business Services division, was perhaps an unlikely one: e-mail. Though it's ostensibly a tool for communication, e-mail is not a sufficiently collaborative way to share information; senders control the flow of information, but may fail to send mail to colleagues who most need to see it, and colleagues that don't need to see certain e-mails will receive mailings long after they've lost interest. Blogs and other collaborative tools, on the other hand, are open to anyone interested in their content, and attract comments from interested users.

However, getting P&G employees to actually use these newer products in place of e-mail has been a struggle for Schueller. Employees have resisted the changes, insisting that newer collaborative tools represent more work on top of e-mail, as opposed to a better alternative. People are accustomed to e-mail, and there's significant organizational inertia against switching to a new way of doing things. Some P&G processes for sharing knowledge were notoriously inefficient. For instance, some researchers used to write up their experiments using Microsoft Office applications, then print them out and glue them page by page into notebooks. P&G was determined to implement more efficient and collaborative methods of communication to supplant some of these outdated processes.

To that end, P&G launched a total overhaul of its collaboration systems, led by a suite of Microsoft products. The services provided include unified communications (which integrates services for voice transmission, data transmission, instant messaging, e-mail, and electronic conferencing), Microsoft Live Communications Server functionality, Web conferencing with Live Meeting, and content management with SharePoint. According to P&G, over 80,000 employees use instant messaging, and 20,000 use Microsoft Outlook, which provides tools for e-mail, calendaring, task management, contact management, note taking, and Web browsing. Outlook works with Microsoft Office SharePoint Server to support multiple users with shared mailboxes and calendars, SharePoint lists, and meeting schedules.

The presence of these tools suggests more collaborative approaches are taking hold. Researchers use the tools to share the data they've collected on various brands; marketers can more effectively access the data they need to create more highly targeted ad campaigns; and managers are more easily able to find the people and data they need to make critical business decisions.

Companies like P&G are finding that one vendor simply isn't enough to satisfy their diverse needs. That introduces a new challenges: managing information and applications across multiple platforms. For example, P&G found that Google search was inadequate because it doesn't always link information from within the company, and its reliance on keywords for its searches isn't ideal for all of the topics for which employees might search. P&G decided to implement a new search product from start-up Connect beam, which allows employees to share bookmarks and tag content with descriptive words that appear in future searches, and facilitates social networks of coworkers to help them find and share information more effectively.

The results of the initiative have been immediate. For example, when P&G executives traveled to meet with regional managers, there was no way to integrate all the reports and discussions into a single document. One executive glued the results of experiments into Word documents and passed them out at a conference. Another executive manually entered his data and speech into PowerPoint slides, and then e-mailed the file to his colleagues. One result was that the same file ended up in countless individual mailboxes. Now, P&G's IT department can create a Microsoft SharePoint page where that executive can post all of his presentations. Using SharePoint, the presentations are stored in a single location, but are still accessible to employees and colleagues in other parts of the company. Another collaborative tool, InnovationNet, contains over 5 million researchrelated documents in digital format accessible via a browser-based portal. That's a far cry from experiments glued in notebooks.

One concern P&G had when implementing these collaborative tools was that if enough employees didn't use them, the tools would be much less useful for those that did use them. Collaboration tools are like business and social networks–the more people connect to the network, the greater the value to all participants. Collaborative tools grow in usefulness as more and more workers contribute their information and insights. They also allow employees quicker access to the experts within the company that have needed information and knowledge. But these benefits are contingent on the lion's share of company employees using the tools.

P&G's biggest challenge in adopting the technology was to ensure that the studios were built to particular specifications in each of the geographically diverse locations where they were installed. Cisco accomplished this, and now P&G's estimates that 35 percent of its employees use telepresence regularly. In some locations, usage is as high as 70 percent. Benefits of telepresence include significant travel savings, more efficient flow of ideas, and quicker decision making. Decisions that once took days now take minutes.

Laurie Heltsley, P&G's director of global business services, noted that the company has saved $4 for every $1 invested in the 70 high-end telepresence systems it has installed over the past few years.

These high-definition systems are used four times as often as the company's earlier versions of videoconferencing systems.

Questions and Answers

1. What is Procter & Gamble's business strategy? What is the relationship of collaboration and innovation to that business strategy ?

Ans :

(i) Business Strategy

P&G's business strategy focuses on brand management and innovation across three main divisions: Beauty Care, Household Care, and Health and Well-Being. The company aims to maintain brand popularity, develop related products, and create new brands. This strategy allows P&G to stay competitive in the consumer goods market and respond effectively to consumer needs.

(ii) Relationship of Collaboration and Innovation

Collaboration and innovation are integral to P&G's strategy. By facilitating collaboration among researchers, marketers, and managers, P&G can harness diverse perspectives and expertise, which is crucial for generating new product ideas and enhancing existing brands. The company's commitment to innovation, evidenced by its significant investment in research and development, supports its goal of maintaining leadership in a highly competitive market.

2. How is P&G using collaboration systems to execute its business model and business strategy ? List and describe the collaboration systems and technologies it is using and the benefits of each.

Ans :

P&G employs several collaboration systems and technologies to support its business model and strategy:

(i) Unified Communications (Microsoft Suite)

➢ **Description:** Integrates voice, data, instant messaging, email, and electronic conferencing.

➢ **Benefits:** Streamlines communication, reduces reliance on email, and enhances collaboration across teams.

(ii) Microsoft SharePoint

➢ **Description:** A content management and collaboration platform.

➢ **Benefits:** Centralizes document storage and facilitates sharing, making it easier for employees to access and collaborate on projects.

(iii) Innovation Net

> **Description:** A portal containing over 5 million research documents.

> **Benefits:** Provides easy access to research data, fostering collaboration and innovation in product development.

(iv) Cisco Tele Presence

> **Description:** High-definition video conferencing technology.

> **Benefits:** Enables real-time, high-quality meetings across global locations, improving communication efficiency and reducing travel costs.

(v) Connect beam

> **Description:** A social networking tool for sharing bookmarks and tagging content.

> **Benefits:** Enhances internal knowledge sharing and improves the searchability of information within the company.

3. Why were some collaborative technologies slow to catch on at P&G ?

Ans :

Several factors contributed to the slow adoption of collaborative technologies at P&G:

(i) Familiarity with Email: Employees were accustomed to using email, making them resistant to transitioning to newer collaborative tools that they perceived as adding more work rather than simplifying processes.

(ii) Organizational Inertia: Change can be difficult in large organizations, leading to resistance based on established routines and habits.

(iii) Perceived Complexity: New collaborative tools were viewed as more complex and requiring additional effort to learn and implement compared to the familiar email system.

(iv) Insufficient Engagement: Some employees were hesitant to engage with collaborative tools if they felt that not enough colleagues were using them, reducing the perceived value of participation.

Short Question and Answers

1. Define e-Global Business.

Ans :

E-Business (electronic business) is any process that a business organization conducts over a computer-mediated network. Business organizations include any for-profit, governmental, or nonprofit entity. Their processes include production, customer, and internal or management focused business processes.

Global business activities performed over internet is called global e-business.

2. Define E-Commerce.

Ans :

(i) Electronic commerce, commonly known as E-commerce is trading in products or services using computer networks, such as the Internet.

(ii) Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems.

(iii) Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle, although it may also use other technologies such as e-mail.

3. Define Globalization and Digital Economy.

Ans :

I) Definitions of Globalization

(i) According to 'International Monetary Fund', "Globalization is the growing economic interdependence of countries worldwide through increasing volume and variety of cross border transactions in goods and services and of international capital flows and also through the more rapid and widespread diffusion of technology".

(ii) According to 'Charles U.L. Hill', "Globalization is the shift towards a more integrated and independent world economy. Globalization has two main components the globalization of markets and the globalization of production.

II) Definitions of Digital Economy

The digital economy refers to the economic activities that emerge from connecting individuals, businesses, devices, data and operations through digital technology.

It encompasses the online connections and transactions that take place across multiple sectors and technologies, such as the internet, mobile technology, big data and information and communications technology.

The digital economy differs from a traditional economy because of its reliance on digital technology, online transactions and its transformative effect on traditional industries.

4. Define Exporting

Ans :

The terms 'exports' refers to the process of producing goods in the home country or third country and transporting those produced goods to other country.

Exporting is a very popular mode used to enter into foreign markets because exporting is an easy, economical and less risky mode of entry. Apart from this, exports are used as strategic methods to overcome excess production.

5. Define Franchising

Ans :

The word "franchise" is derived from the french word "franchise" which means "to free". The word franchise signifies a special privilege or right, free from specific limitations, provided to an individual or group. It is a hybrid form of starting a business for oneself.

Franchising is a special type of licensing. In franchising, one independent company known as franchisee runs the business with the name of another company known as franchiser.

Franchising is an agreement or contract made on the terms of sale of products between two parties. Franchisee operates a retail outlet using the format and brand name of franchiser.

Franchiser provides training aids, advertising support and location to franchisee for successful operation of business. The franchisee pays a huge

amount on all sales for the right to operate the retail store and this is done in accordance with prescribed procedures by the franchiser.

6. Define Contract Manufacturing.

Ans :

Few companies outsource some portion or completed manufacturing task to outsiders and focus on marketing activities.

This custom of outsourcing is known as 'contract manufacturing'. In other words, contract manufacturing refers to the practice of outsourcing some portion or complete manufacturing task to outsiders and focusing on marketing activities.

Outsourcing' is an another name for 'contract manufacturing'.

7. State the Disadvantages of Franchising.

Ans :

The disadvantages of franchising are,

(i) Trade secrets of franchiser may get revealed to competitors.

(ii) The number of market opportunities for franchiser and franchisee may get reduced due to franchising agreements.

(iii) Misunderstandings may take place between franchiser and franchisee.

(iv) Putting control on the international franchisee becomes a difficult task.

(v) Maintaining quality in the product and promoting the product are the responsibilities of both franchiser and franchisee.

8. Define Digital Transformation.

Ans :

Digital transformation is the integration of digital technology into all areas of a business, fundamentally changing how you operate and deliver value to customers. It's also a cultural change that requires organizations to continually challenge the status quo, experiment, and get comfortable with failure.

9. Define online market places.

Ans :

E-marketplace is a virtual online market platform where companies can register as buyers and sellers to conduct business to business (B2B) or Business to Consumers (B2C) transactions over the internet. The use of the internet has helped remove intermediaries in a transaction. It is a web based information system which provides opportunities for both suppliers and buyers.

It enables the buyers to compare various products and services by different measures like performance, quality, price etc. Buyers get access to a broader range of products and services. On the other hand the sellers can reach the customers more conveniently and affordably. Sellers gets to enter new markets, find new buyers and increase sales by generating more value for the buyers.

10. Define Artificial Intelligence.

Ans :

Artificial intelligence is the ability of computers and machines to mimic the functions of the human brain. Typically, AI refers to the process of developing systems with the capabilities of human intelligence, such as the ability to learn from past experiences, reason, discover meaning, and generalize.

The four main types of Artificial Intelligence include reactive machines, limited memory, theory of mind, and self-awareness. They together enable technologies such as Natural Language Processing (NLP), computer vision, facial recognition, machine learning, and deep learning.

E-Global Business Models

Types of e-business models (B2C, B2B, C2C, etc.), E-marketplaces and online platforms, Digital marketing and customer relationship management, Payment systems and security in e-global business, Peer-to-peer (P2P) sharing economy and its implications for e-global business, Subscription-based business models and recurring revenue strategies, Omni channel retailing and the integration of online and offline channels, Influencer marketing and its effectiveness in e-commerce, Collaborative consumption and its impact on e-global business, Crowd funding platforms and their role in supporting e-commerce ventures, Influencer selection and management strategies for effective digital marketing, Strategies for building and managing online communities to drive customer loyalty, Social commerce and social selling strategies.

2.1 — TYPES OF e-BUSINESS MODELS (B2C, B2B, C2C, etc.)

Q1. Define e-Business. Explain in detail different types of e-Business.

Ans : (July-24, Feb.-24, Imp.)

Meaning of e-business

E-Business (electronic business) is any process that a business organization conducts over a computer-mediated network. Business organizations include any for-profit, governmental, or nonprofit entity. Their processes include production, customer, and internal- or management-focused business processes.

Types

1. B2B (Business-to-Business)

In a B2B business model, a business sells its product or service to another business. Sometimes the buyer is the end-user, but often the buyer resells to the consumer. B2B transactions generally have a longer sales cycle, but higher-order value and more recurring purchases.

Recent B2B innovators have made a place for themselves by replacing catalogs and order sheets with e-commerce storefronts and improved targeting in niche markets.

2. C2C (Consumer-to-Consumer)

C2C e-commerce businesses – sometimes referred to as online marketplaces – connect consumers to exchange goods and services and typically make their money by charging transaction or listing fees.

C2C businesses benefit from self-propelled growth by motivated buyers and sellers, but face a key challenge in quality control and technology maintenance.

Online businesses like Craigslist, Walmart, Alibaba and eBay pioneered this model in the early days of the internet.

3. B2G (Business-to-Government)

Business-to-government (B2G) is an e-business model where a business sells and markets its products to government entities or public administrations whether local, county, state or federal.

This model relies on the successful bidding of government contracts. A government agency will typically put up a request for proposal (RFP) and e-commerce businesses will have to bid on these projects.

While a more secure business model, B2G differs from other businesses or consumers. The bureaucratic nature of government agencies often leads to a much more glacial pace, which can limit potential revenue streams.

4. B2C (Business to Consumers)

B2C model is the second largest but earliest form of E-business which was originated back at a time of E-retailing (or) online retailing.

2.2 — E-MARKETPLACES AND ONLINE PLATFORMS

Q2. Define E-marketplace. Explain different types of E-marketplaces.

Ans :

Refer to Unit-I, Q.No. 16, 17

Q3. Define online platform. Discuss different types of online platform.

Ans :   **(Imp.)**

Meaning of online platform

Online platform is any website that facilitates a service or interaction between itself and the visitor.

Online platforms include search engines, marketplaces, social media, online financial systems, informative websites, and more.

Types

1. Social Media Platforms

These platforms provide a method of communication for people to connect with others and cultivate communities or share stories. Social media is one of the most popular online platforms, and it's the most accessible to people.

2. Online Marketplaces

Online marketplaces exist to provide more business opportunities for businesses and everyday people. Regardless of business affiliation, people can sell their products and services directly to other people or businesses.

3. Knowledge Platforms

These platforms exist to provide information to the public. Knowledge platforms allow users to learn about complex topics or stay updated with trends and news. Not all knowledge platforms are free, but most are free.

4, Streaming Platforms

Online streaming platforms are extremely popular. These platforms often provide media entertainment like movies and videos, but some are informative and useful for companies and general consumers.

5. Service Platforms

Service platforms provide users with paid services to deliver goods, information, or a unique service. Transportation and food delivery is the most widespread use of service platforms. Examples of this platform include DoorDash and Uber.

6. Search Engine Platform

For many, Google is the default search engine of choice, but other search engines lead you to the same websites but with a different algorithm.

Search engines are a gateway to websites and other platforms, so it's essentially the platform hub.

These platforms provide value to the visitor, whether they are dedicated to knowledge, profit, entertainment, or a service.

| **2.3** | **DIGITAL MARKETING AND CUSTOMER RELATIONSHIP MANAGEMENT** |

Q4. What is digital marketing? Explain the components of digital marketing.

(OR)

Briefly explain the digital marketing.

Ans :   **(July-24, Imp.)**

Meaning of digital marketing

In simple terms, digital marketing is the promotion of products or brands via one or more forms of electronic media. Digital marketing is often referred to as online marketing, internet marketing or web marketing.

"Digital marketing" is the process of building and maintaining customer relationships through online activities to facilitate the exchange of ideas, products, and services that satisfy the goals of both parties.

Definition

Digital marketing can be defined as the process of promoting of brands using digital distribution channels comprising internet, mobile and other interactive channels. The basic advantage in this form of advertising lies in its low cost model.

Components

Digital Marketing consists of multiple elements. Organizations utilize these components to achieve high productivity. The basic and crucial elements of Digital Marketing are discussed below:

1. Search Engine Optimization

SEO is the list of activities that are carried out to boost the volume of traffic on a website through search engines like Google, Yahoo, Bing, MSN etc.

Search Engine Optimization assures that a particular website can be found, for the keywords

or phrases that users are searching in the search engine and that are relevant to their products and services, they offer.

2.   Search Engine Marketing

Search Engine Marketing consists of paid methods that help in increasing visibility of a business or a brand. Paid approach indicates various methods like PPC (pay-per-click), in which search engines imposes cost to a company whenever their website is clicked by user.

3.   Social Media Marketing

Nowadays, social media is a good way to reach to the audience. Using social media networks like Facebook, Twitter, Google Plus, LinkedIn etc, companies can acquire one fourth of the internet users and can share their offerings with them.

Acquiring is not enough; Customer engagement is also very important to gain customer loyalty. So, engaging them with different offers can get more business for organizations.

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                    ┌─────────────────────────────────┐
                    │  Components of Digital Marketing │
                    └─────────────────────────────────┘
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Search Engine Optimization	Search Engine Marketing	Social Media Marketing	E-mail Marketing	Affiliate Marketing	Mobile Marketing	Web Analytics
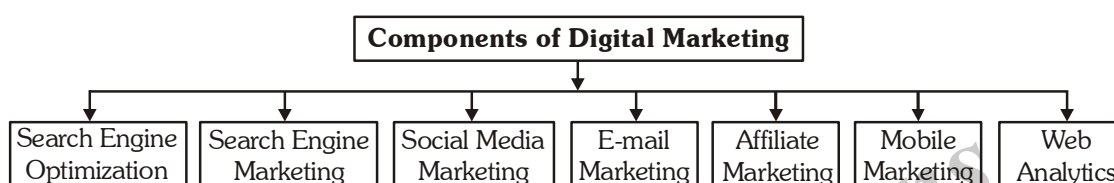
Fig.: Components of digital marketing

4.   E-mail Marketing

E-mail Marketing is an eminent way of targeting audience. Organizations can send newsletters, commercials and various offers related to their business, to their targeted audience as well as their old and existing customers.

5.   Affiliate Marketing

In this method, organizations pay one or multiple affiliates for each lead or conversion, depending on the model they prefer. Affiliate marketing basically involves two or more companies in which one is paying other for the lead generation or any conversation. This can be considered as CPA (Cost Per Action), that the affiliates get for each conversation.

6.   Mobile Marketing

Mobile marketing involves the process of promoting the products and services of an organization via mobile phones in the form of SMS, MMS, OR codes and VVR. It is a great approach because it can increase brand awareness easily.

7.   Web Analytics

Web Analytics is an approach for tracking the user activity and traffic on a website. Using this approach, companies can easily track their consumer behavior, their interests, their geographical locations, number of new as well as the returning visits on their website. ROI of other marketing strategies can be determined with the web analytics technique.

Q5. Explain the need and scope of digital marketing.

Ans :   **(Imp.)**

Need

Today, the Internet is a boon that provides endless opportunities for your small, medium or large business. Currently, more than half of the global population uses the Internet. Experts say that in coming years above 80% of the world population will be online.

Therefore, digital marketing has become an integral part of marketing. In this blog post, we will help you understand the importance of digital marketing for your business.

1. Cost Effective

Digital marketing is one of the most cost-effective mediums of marketing. Traditional marketing methods such as print, broadcast, etc. require a lot of money and provide limited output. On the other hand, Digital Marketing is cheap; it suits all types and sizes of business.

2. Reach Mobile Consumers

Mobile users are growing day by day. Currently, a large portion of adult population in UK uses smartphones. With digital marketing, you can easily target your mobile audience, and convert into your customers. Reaching mobile consumers is the key for business growth.

3. Content Connects Customers

Digital Marketing allows you to use content to get connected with customers. The advantage of content is that it allows you to speak more and express more. Hence it an effective medium to convey a clear message and attract huge website traffic for the purpose of increasing sales.

4. Get High ROI

Return On Investment (ROI) is an important factor in any marketing strategy. Traditional marketing methods have low return on investment and don't suit all types and sizes of business. Where as, Digital marketing is the best method to expand customer base and gain high return on investment.

5. Different Types of Digital Marketing

There are different types of digital marketing available such as Search Engine Optimization (SEO), Pay Per Click Advertising (PPC), Social Media Marketing (SMM), Content Marketing, Affiliate Marketing, etc. You can choose any type of marketing depending on your business type, business size and business goals.

6. Tap Social Media

Social media is on the rise. Right from teenagers to old aged people, everyone is on social media. You can improve the efficiency of your campaign by precisely targeting your potential customers based on their age, location and interests. Moreover, it is an effective method to improve brand visibility and brand awareness.

7. Build Credibility

Trust plays a vital role in converting a potential customer into customer. Digital Marketing strategies will help you to place your brand on first page of Search Engine Results Page (SERP).

Being in the first page of Google not only establishes trust, but also increases website traffic. As the result of which, you get new customers effortlessly.

8. Easy to Measure Outcomes

Results of traditional marketing strategies are difficult to measure. Without knowing detailed outcome, it is difficult to gauge the success of a campaign.

This is not the case with digital marketing. Every single digital marketing tactic you use is measurable. You can do an in-depth analysis of present results and fine tune to achieve another landmark.

Scope

1. New to digital era

Earlier people used to spend a lot of time on newspaper, television and radio to get the latest updates about what is happening around the world.

But nowadays the internet has completely changed the lifestyle of the human beings for each and everything we are depending on internet. Slowly, we are shifting from traditional to digital media.

2. Flexible

As the complete tasks are done using internet one can work from anywhere. But, most of the companies won't provide access to it because as digital marketing is in the booming stage. One has to have good laptop and internet connection to do the work. As we see most of the tasks are done in a digital way.

For example: to pay electricity bill; to book train or flight tickets; to order food; to book a cab; to book movie tickets; everything is done through online. So by this, we can say that we are entering into a digital world.

3.   Fast Reach

Earlier the only way to get latest news or updates which are happening around the world are radio, newspaper and television. Today's scenario is completely different when something is posted on social media it is going viral because most of the people got used to it.

4.   Job opportunities

As we observe the demand for digital marketing is increasing and at the same time even the job opportunities also increasing.

To promote any software product or a service these days even software companies are hiring a separate team for digital marketing. This shows that how much impact it is going to show in the market and to sustain from the competition.

5.   ROI

In olden days most of the companies used to spend a huge amount on traditional marketing i.e newspapers or TV ads. But when digital marketing came into play the companies are investing less amount on marketing and at the same time, the return is more when compared to traditional marketing. So, even top brands are switching from traditional to digital.

6.   Results are measured

In every platform (SEO, SEM, SMO, SMM and Email Marketing) of digital marketing the results are measured without waiting for a long time. With the help of a variety of tools the campaigns can be measured i.e from were the lead or conversions happened.

So, by considering the above eight parameters we can say that there is a lot of scope for digital marketing all over the world.

Q6.   What are the benefits/advantages of digital marketing ?

Ans :

I)   Advantages of digital marketing in B2B

1.   Multi-channel

By using multiple channels, digital marketing offers many opportunities (complementary to traditional marketing) and allows users / companies to act at all levels of the purchasing process.

2.   Cost-efficiency

Digital marketing is less costly than "traditional" marketing; indeed Even stalwart traditional marketers know that they cannot compete the Internet's potential to reach thousands with just a single post". Printing and shipment costs are not taken into account in digital, this is the advantage of CPC.

3.   Immediate and borderless

Information, communication and advertising are instant and have no borders. This is the most efficient way to reach any customer anywhere and anytime; the best and unique way to create traffic;

4.   Targeted

With digital marketing, it is very easy to target very precisely who you would like to reach; many criteria (demography, geography, function…) can be used to refine this reach. But do not to turn into a spammer.

5.   Inbound Marketing

By creating and sharing content specifically designed to appeal to your customers, inbound marketing attracts and retains qualified prospects to your business. This approach is very efficient and can help you reach customers at any stage of the B2B purchasing process.

6.   Data Collection and Analysis

With digital marketing, B2B companies can collect a lot of data (pages visited, products downloaded, basket average, time spent on which page, what keywords, what queries) about their customers.

They can track all their actions online – provided the right trackers are in place. The collection and analysis of these data represent a major asset for the sale forces and the marketing teams; especially in the perspective of very targeted marketing addressed to specific segments, and the improvement of customer experience and satisfaction.

II)   Benefits of Digital marketing over Traditional Marketing

1.   Enlarged engagement with stakeholders

A well- sought and publicized website would aid potential clients, prospects and followers in

viewing your website, looking at other available products and services, buying them, rating them as well as providing feedback.

All of this, while enhancing the prospects of the business. A good website, is the equivalent of a online visiting card, with much more print space.

2. Instantaneous publicity

Digital marketing allows businesses to instantaneously publicize online within a matter of few minutes as compared to the time-consuming traditional methods such as distributing sales flyers.

Usage of social media may be the most effective for sharing breaking news and enabling your messages to be communicated on a larger scale and quicker, through mere 'share options'.

3. Concurrent results and High measurability of efforts

It helps to track the traffic coming to the website, almost simultaneously, measuring important facets such as the conversions, demographics of the audience, their locations, peak trading times and much more, all offered by Google analytics.

4. Reduced costs

High advertising costs for both visual and print media can be replaced for more effective and marginal costs by using digital marketing by establishing successful online marketing strategies.

5. Brand development

Targeting the needs of the target audience becomes easier by maintaining a website which contains quality worthy content. This gives a boost to the value generation and leads to the generation of newer opportunities. The same can be achieved via email marketing and/or social media channels.

6. Leveled field for competing

Strong digital marketing strategy allows diverse businesses to compete with each other on similar lines irrespective of the size. A website with good repute, which entitles its customers to a smooth customer journey, is unparalleled. Also, in most cases , a small company can use the very same tools and techniques as a big company to play out in the same market.

7. Simple to measure

Google Analytics makes it easier to measure specific goals. It provides more in- depth reports of the data while making large chunks of consumer data comprehendible to all businesses. Google analytics has integrated with AdWords and launched real time analytics, all making the process even more manageable and aiding in value creation.

8. Non intrusive communication

Email marketing is a non – intrusive way of communicating commercial or fund raising messages to an audience, usually potential customers while giving them an option of opting out of the regular email alerts as per relevance, opposing the traditional marketing gimmicks such as calls and messages at inconvenient times.

9. Greater exposure

Digital marketing opens up doors to an international platform for businesses because even a single marketing campaign can be viewed worldwide. Costs of launching a campaign against traditional methods, is considerable. However, one should view it as a long- term investment and can also optimize the key word search content.

10. Scope for refinement of strategy

Whilst gathering and analyzing chunks of consumer data, strategies can be upgraded accordingly. This method allows businesses to refurbish their strategies at any point to maximize efficacy at the fraction of cost of traditional marketing.

Q7. Explain the characteristics of digital marketing.

Ans :   **(Imp.)**

Following are the characteristics of digital marketing,

1. Wide Reach and Accessibility

➢ **Global Reach:** Digital marketing allows businesses to reach a worldwide audience without geographical constraints.

➢ **Accessibility:** It provides 24/7 access to products or services, enabling customers to engage anytime.

2. **Cost-Effectiveness**

    ➤ **Affordable Options:** Digital marketing offers cost-effective alternatives to traditional advertising, like pay-per-click (PPC) and social media ads.

    ➤ **Budget Flexibility:** Campaigns can be scaled to fit small or large budgets.

3. **Targeted Audience Engagement**

    ➤ **Precision Targeting:** Tools like social media and search engine ads allow businesses to target specific demographics, locations, interests, and behaviors.

    ➤ **Personalization:** Campaigns can be tailored to individual preferences, creating more meaningful interactions.

4. **Interactivity**

    ➤ **Real-Time Engagement:** Customers can interact with brands directly through social media, chats, and comments.

    ➤ **Feedback and Reviews:** Platforms enable customers to provide feedback, enhancing trust and engagement.

5. **Measurability and Analytics**

    ➤ **Data-Driven Insights:** Digital marketing provides detailed analytics to measure the performance of campaigns.

    ➤ **Key Metrics:** Metrics like click-through rates (CTR), conversions, and ROI help refine strategies

Q8. Differentiate between traditional marketing and digital marketing.

(OR)

Distinguish between traditional marketing and digital marketing.

Ans :   (Imp.)

S.No.	Traditional Marketing	S.No.	Digital Marketing
1.	Communication is unidirectional in traditional marketing, which means, an organization communicates about its services with its audiences.	1.	Communication is bidirectional in Digital Marketing as businesses can communicate with customers and customers can ask queries or make suggestions to businesses as well.
2.	Medium of communication in traditional marketing is generally phone calls, emails, and letters.	2.	Medium of communication is more powerful and involves social media websites, chats, apps and Email.
3.	Campaign in Traditional marketing takes more time as designing, preparing, and launching are involved.	3.	Digital marketing campaigns can be developed quite rapidly and with digital tools, channelizing Digital Marketing campaigns is easier.
4.	It is best for reaching local audience.	4.	It is very effective for reaching global audiences.
5.	It is almost impossible to measure the effectiveness of a traditional marketing campaign.	5.	Digital Marketing lets you measure the effectiveness of a digital marketing campaign through analytics.

Q9. Define CRM. Explain the objectives and features of CRM.

(OR)

Briefly explain the customer relationship management.

Ans : (July-24, Imp.)

Definitions of CRM

(i) According to Jackson, "CRM is marketing oriented towards strong, lasting relationship with individual accounts".

(ii) According to 'Sheth and Parvatiyar', "Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and for the customers".

Objectives

The objectives of CRM are,

1. To increase customer satisfaction.

2. To enhance customer loyalty.

3. To enhance customer retention.

4. To increase sales to existing customers by cross-selling and up-selling.

5. To improve marketing productivity.

6. To focus on individual customers and the life-cycle-personalization.

Features

Customer Relationship Management is a strategy which is customized by an organization to manage and administrate its customers and vendors in an efficient manner for achieving excellence in business. It is primarily entangled with following features :

1. Customers Needs

An organization can never assume what actually a customer needs. Hence it is extremely important to interview a customer about all the likes and dislikes so that the actual needs can be ascertained and prioritized. Without modulating the actual needs it is arduous to serve the customer effectively and maintain a long-term deal.

2. Customers Response

Customer response is the reaction by the organization to the queries and activities of the customer. Dealing with these queries intelligently is very important as small misunderstandings could convey unalike perceptions.

Success totally depends on the understanding and interpreting these queries and then working out to provide the best solution. During this situation if the supplier wins to satisfy the customer by properly answering to his queries, he succeeds in explicating a professional and emotional relationship with him.

3. Customer Satisfaction

Customer satisfaction is the measure of how the needs and responses are collaborated and delivered to excel customer expectation. In today's competitive business marketplace, customer satisfaction is an important performance exponent and basic differentiator of business strategies. Hence, the more is customer satisfaction; more is the business and the bonding with customer.

4. Customer Loyalty

Customer loyalty is the tendency of the customer to remain in business with a particular supplier and buy the products regularly. This is usually seen when a customer is very much satisfied by the supplier and re-visits the organization for business deals, or when he is tended towards re-buying a particular product or brand over times by that supplier.

To continue the customer loyalty the most important aspect an organization should focus on is customer satisfaction. Hence, customer loyalty is an influencing aspect of CRM and is always crucial for business success.

5. Customer Retention

Customer retention is a strategic process to keep or retain the existing customers and not letting them to diverge or defect to other suppliers or organization for business. Usually a loyal customer is tended towards sticking to a particular brand or product as far as his basic needs continue to be properly fulfilled.

He does not opt for taking a risk in going for a new product. More is the possibility to retain customers the more is the probability of net growth of business.

6.   Customer Complaints

Normally raising a complaint indicates the act of dissatisfaction of the customer. There can be several reasons for a customer to launch a complaint.

A genuine reason can also exist due to which the customer is dissatisfied but sometimes complaints are launched due to some sort of misunderstanding in analyzing and interpreting the conditions of the deal provided by the supplier regarding any product or service.

Handling these complaints to ultimate satisfaction of the customer is substantial for any organization and hence it is essential for them to have predefined set of process in CRM to deal with these complaints and efficiently resolve it in no time.

7.   Customer Service

In an organization Customer Service is the process of delivering information and services regarding all the products and brands. Customer satisfaction depends on quality of service provided to him by the supplier.

The organization has not only to elaborate and clarify the details of the services to be provided to the customer but also to abide with the conditions as well.

If the quality and trend of service go beyond customer's expectation, the organization is supposed to have a good business with customers.

Q10. Explain the need for CRM.

Ans :

The following points highlight the need for CRM

1.   Turning Potential Customer into Profitable Customer

Data mining facilitates the CRM to study the customers from a past, present and future point of view. This helps the company to build the foundation for customer information in order to understand the customer's behaviour in detailed and comprehensive way.

After analysing the customers, company will be able to recognize the potential customers effectively and turn them into profitable customers.

2.   Acquiring New Customers is Costlier than Retention

As acquiring new customers is costlier than retaining existing customers, organizations usually focus on customer retention rather than customer acquisition. Effective implementation of CRM helps in customer retention.

3.   Improving Customer Value

CRM is needed to improve customer value. The company maintaining good relationship with customers can extract information about customers needs, preferences and requirements and provide products/services accordingly. This there by improves customer value.

4.   Encourage Customer Orientation

In 1960, Theodore Levitt introduced the marketing idea which states that "business will do better if they concentrate on meeting customers needs rather than on selling product.

CRM encourages the management in maintaining customer orientation. CRM provides valuable information to the organization with which they can provide customized products to customers.

5.   Increasing Revenue

In today's competitive scenario, companies are implementing CRM system in order to improve the customer experience by providing good customer service and by increasing customer retention rate. These customer centric objectives helps the companies in increasing their revenue.

Q11. Explain the benefits of CRM.

(OR)

Discuss the benefits of CRM.

Ans :

The successful implementation of CRM provides the following benefits/advantages,

1.   Perpetual Source of Income

Customer relationship management ensures customer satisfaction. A good service to customers, make customers satisfied and build customer loyalty. A loyal customer is a perpetual/ source of income for the business.

2. Premium on Products and Services

CRM results in customer satisfaction and a satisfied customer don't mind paying some amount of premium on products and services.

3. Reduction in Cost of Sale

One of the advantage of CRM is that it builds customer loyalty. A company need not have to spend money on promotions and advertisement to loyal customers as they are already attracted towards the company's products/services. Thus, CRM reduces cost of sale.

4. Chance to Up-Sell and Cross-Sell

CRM provides a chance to the company to up-sell and cross-sell. In cross selling and up selling, customers buy products from the same company. The company does not incur any additional cost in up-sell and cross-sell.

5. Cost and Profitability of Channel

CRM enables cost-benefit analysis of channels. Companies provide services to customers through those channels which involves less cost and more suitable to customers.

6. Positive-Word of Mouth

Customer satisfaction attained through CRM is beneficial to the company. A satisfied customer spread positive word of mouth about the company's product/service to other people which brings more new customers to the company. Compared to advertisements and promotion programmes, positive word of mouth bring more customers to the company.

Q12. What are the disadvantages of CRM?

Ans :

Implementation of CRM system has following limitations for an organization:

1. Investment

A firms has to invest capital in developing the CRM system and technology to gather information about the customer regularly. Small firms with the limited capital may find difficult to install the CRM system in their organization.

2. Technology

Collection of information regarding the customer's needs and its regular updating requires use of modern information technology. A firm must not only have adequate capital but needs necessary knowledge to install and implement the technology.

3. Liaison between Production Marketing and CRM Team

CRM is undertaken to understand to needs of customer and accordingly device product and its marketing. It needs cooperation between manufacturer, retailer and their infraction with the final customer to know customers' needs and accordingly market the product.

Lack of coordination between them will make the task of CRM unsuccessful. That is information collected must be communicated to manufacturer. Manufacturer must redesign product based on such communication. If the communication is not proper or manufacture does not respond to communication CRM will be in effective.

4. Regular Exercise

CRM is a regular activity it is not a one time affair. Firms have to regularly monitor to under and customer's needs. The CRM system has to work 24×7 to regularly get feedback from the customers. In such case use of technology like, Website, Toll free communication, email may be effective.

5. Wrong CRM Tool

A mistaken tool choice may make CRM more complicated. So the companies need to consider in advance what kind of tools would be appropriate in order to follow its relationship with its customers.

Q13. Define e-CRM. State the features of e-CRM.

Ans :   **(Imp.)**

Meaning of e-CRM

The development of the Internet and e-commerce has changed CRM to a new, more "trendy" term, e-CRM or Electronic Customer Relationship Management. Basically, this tool is the 4.0 technology adaptation of CRM to help companies approach and build customer relationships through online channels such as websites, email, etc.,

Accordingly, *e*-CRM provides all records and histories of interactions the organization has with its customers, payments, and information about products/ services that interest customers: it's an effective way to increase customer loyalty.

e-CRM application is becoming important for all companies in all fields. An effective *e*-CRM will help improve interaction with customers. At the same time, it allows businesses to choose products and services that satisfy customers' requirements.

Features

e-CRM has the following features:

1. **Customer management:** Grant access to all customer information, containing the request status and other similar information

2. **Account management:** Provide access to customer data and history, supporting the sales team to function in an effective way

3. **Administrative management:** A centralized database that manages and shares customer information

4. **Case management:** Notify inquiries, priority cases, and unresolved issues to the management department

5. **Back-end integration:** Integrate with other systems such as billing, inventory, and logistics through websites and call centers

6. **Reporting and analysis:** Create reports on customer behavior and business criteria.

Q14. Explain the benefits of e-CRM.

Ans :

Benefits

(i) Service level improvements

Using an integrated database to deliver consistent and improved customer responses.

(ii) Revenue growth

Decreasing costs by focusing on retaining customers and using interactive service tools to sell additional products.

(iii) Productivity

Consistent sales and service procedures to create efficient work processes.

(iv) Customer satisfaction

Automatic customer tracking and detection will ensure enquiries are met and issues are managed. This will improve the customer's overall experience in dealing with the organisation.

Q15. What are the functional components of e-CRM?

Ans :   **(Imp.)**

Following are the functional components of *e*-CRM:

1. **Vision**

The organization should effectively define actual needs and holistic plan for implementing *e*-CRM. Otherwise, it becomes very expensive for an organization to employ *e*-CRM and to get benefited from it.

The top management should support the vision so that all the operations are smoothly carried out and the system remains completely focussed on customer.

2. **Strategy**

In order to ensure customer satisfaction, *e*-CRM makes use of electronic processes to combine customer-related information gathered at each stage of customer contact point.

The strategies focus on how *e*-CRM will be able to attain its purpose of building customer relationship. *e*-CRM strategies should exist at all levels in an organization.

3. **Valued Customer Experience**

It is quite difficult for a company to build a life-long relationship with customer. The main objective of *e*-CRM is to build a strong bond of trust and reliability which cannot be broken by rival firms.

The company should offer products/services that meet the expectations of customers. The marketers should respect their experience with product claims they establish.

4. Organizational Collaboration

A firm must integrate its front-end system of sales operation with the back-end support system to develop a customers-centric organization. It is not possible for a company to achieve customer satisfaction if operations are not collaborative and all organizational employees are not involved in the process.

To achieve the objective of customer acquisition and retention, marketers rely on research and development departments, production departments and finance department.

5. Process

e-CRM focuses on continuous learning regarding the needs and requirements of customers. Accordingly, it provides customization to win customer's trust and to build a long-term relationship with them.

6. Information

e-CRM encourages a firm to collect customer-related information, store it and use it for making improvements in the products/services and to know customers effectively so that proper steps can be taken accordingly.

7. Technology

e-CRM enables the company to use more and more electronic technology at all the customer touch points.

The important components of e-CRM technology support system today include data mining, web log analysis, e-mail management, real-time proliferating, chat bulletin board, collaborative, filtering, extranet and intranet, web community, coockies etc.

2.4	PAYMENT SYSTEMS AND SECURITY IN e-GLOBAL BUSINESS

Q16. Define online payment. Explain different types of online payment systems.

Ans :   **(Imp.)**

Meaning of online payment

Electronic payment (or E-payment) is a subset of an e-commerce which includes electronic payment for buying and selling goods or services offered through the Internet. E-payment refers to paperless monetary transactions.

Types

Electronic payment media can be grouped into three types depending on information being transferred online,

    1. Banking and financial payment

    2. Retailing payment

    3. Online e-commerce payment.

1. Banking and Financial Payment

The banking and financial payment system is again classified into three types. They are,

(a) Large-scale payment

(b) Small-scale payment

(c) Home banking.

(a) Large-scale Payment : Bank-to-bank transfer is a good example for this kind of payment where the funds flow from one bank to another instanta-neously.

(b) Small-scale Payment : ATMs and cash dispensers are examples for this kind of payment using ATM. A customer can withdraw money from anywhere at anytime.

(c) Home Banking : Home banking service can be classified into three types,

    (i) Basic services include personal finance service

    (ii) Intermediate services include financial management

    (iii) Advanced services include trading service.

2. Retailing Payment

Retailing payment is classified into three types. They are,

(a) Credit payment

(b) Debit payment

(c) Charge-card payment.

(a) Credit Payment : If a customer purchases any product or service using credit card, then the card details can be transferred to the service provider and then the credit-card company processes the transaction.

(b) Debit Payment : In this type of retailing payment, the customer pays in advance for

enjoying the privileges of information to be retrieved. Examples for such prepaid payment system is the electronic purses.

(c) Charge-card Payment

Charge-card is a way of getting a short-term loan for a purchase. It is similar to credit card, except that the customer makes an agreement with the financial institution that he will pay some fixed charges to it each month. Example of charge-card payment include American Express.

3. Online E-commerce Payment

Online payment system is classified into two types. They are,

(a) Token-based payment system

(b) Credit-card based payment system.

(a) Token-based Payment System

Three different types of token-based payment systems are,

(i) E-cash: It is a form of digital cash which provides a high level of security. It also reduces the overhead of paper cash.

(ii) E-check: E-check is another form of electronic payment system. These checks are preferred when a customer is willing to make a payment without using paper currency.

Example: Net cheque, net bill.

(iii) Smart Cards: Smart cards are similar to debit/credit cards but with enhanced features such as micro processors that have the ability to store massive amount of information which is 80 times greater than conventional and magnetic strip cards.

Example: Mondex electronic currency card.

(b) Credit-card Based Payment System

The different types of credit-card based payment systems are,

(i) Plain Credit-card Payment System: In this type of payment system, the credit- card transaction is provided without using any encryption techniques. It is one of the simplest form of payment system.

(ii) Encrypted Credit-card Payment System: In this type of payment, credit-card is encrypted before performing any transaction using various encryption schemes like Privacy Enhanced Mai: (PEM) and Pretty Good Privacy (PGP).

(iii) Online Third-party Credit-card Payment System: Security and verification can be provided by using third-party, which is a company that gathers and verifies the payment of funds that flow from one party to another.

Q17. What is security? Explain the need for information security.

Ans :   (Imp.)

(i) Meaning of Security

The term security refers to a state of being protected from harm or from those that cause negative effects. Examples can be protecting banks from robbery, computers from viruses, data from unauthorized access etc.

(ii) Meaning of Information Security

Information security refers to the process of protecting data or information from unauthorized user, at the same time allowing legitimate users to access the data.

Hence, i7t prevents an unauthorized access, use, revelation, alteration or disruption of the data. It usually deals with the confidentiality, integrity and availability regardless of the existential form of the data.

Two major changes in the information security requirements occur before the advancement in the use of data processing equipment. Security to the valuable information in any organization was provided either by physical or by administrative means.

An example of physical security is the usage of rugged filling cabinets along with the proper locking facility for preserving sensitive documents. An example of the

administrative approach is personnel screening process employed during recruitment process.

Need

(i) To provide protection to the private information of one user from others users.

(ii) To provide protection against unauthorized access and modifications that are intentional or unintentional.

(iii) To prevent data loss while transferring data from source to destination.

(iv) To provide protection against the users that pretend to be authorized.

(v) To avoid packet transmission delays and loss of data packets.

(vi) To protect against denial by sender in certain circumstances.

2.5   **PEER-TO-PEER (P2P) SHARING ECONOMY AND ITS IMPLICATIONS FOR e-GLOBAL BUSINESS**

Q18. Discuss about Peer-to-peer (P2P) Sharing Economy and Its Implications for e-Global Business.

Ans :

The peer-to-peer (P2P) sharing economy is reshaping e-global business by fostering collaborative consumption and leveraging technology to facilitate direct exchanges between individuals. Here are some key implications for businesses in this evolving landscape:

1. Disintermediation

➤ **Direct Transactions:** P2P platforms eliminate intermediaries, allowing consumers to transact directly. This reduces costs and can lead to lower prices for consumers while increasing profits for providers.

➤ **New Business Models:** Companies can adopt P2P models, such as marketplaces for goods and services, changing traditional business dynamics.

2. Increased Accessibility

➤ **Wider Participation:** Individuals can monetize their assets (like cars or homes) and services, enabling more people to participate in the economy. This democratizes access to resources and opportunities.

➤ **Global Reach:** P2P platforms facilitate cross-border transactions, allowing users to access services and products from anywhere in the world.

3. Trust and Reputation Systems

➤ **Peer Reviews:** Trust is essential in P2P transactions. Platforms often implement reputation systems (like ratings and reviews) to build trust among users, which can influence business strategies.

➤ **Community Building:** Successful P2P businesses often foster communities that enhance user engagement and loyalty.

4. Sustainability and Resource Efficiency

➤ **Shared Resources:** The sharing economy promotes the efficient use of resources, reducing waste and environmental impact. This aligns with growing consumer preferences for sustainability.

➤ **Circular Economy:** P2P platforms contribute to a circular economy by enabling the sharing and reuse of products, extending their lifecycle.

5. Regulatory Challenges

➤ **Compliance Issues:** The rapid growth of the sharing economy raises regulatory challenges. Businesses must navigate different regulations across jurisdictions, including labor laws, taxation, and safety standards.

➤ **Consumer Protection:** Ensuring consumer safety and rights in P2P transactions can be complex, requiring businesses to implement robust measures to protect users.

6. Technological Innovation

➤ **Platform Development:** Advances in technology facilitate the development of P2P platforms, including mobile apps and payment systems, enabling seamless user experiences.

➤ **Data Utilization:** Businesses can leverage data from P2P transactions to gain insights into consumer behavior, enhancing marketing and operational strategies.

7. **Changing Consumer Preferences**

➤ **Shift in Mindset:** Consumers are increasingly valuing access over ownership, driving demand for P2P services (e.g., car-sharing, home-sharing). Businesses must adapt to these changing preferences to stay competitive.

➤ **Customization and Personalization:** P2P services often provide unique and personalized experiences, challenging traditional businesses to offer similar customization.

8. **Impact on Traditional Industries**

➤ **Disruption:** P2P platforms can disrupt traditional industries (like hotels and transportation), forcing established companies to innovate and adapt their business models to remain relevant.

➤ **Collaboration Opportunities:** Traditional businesses can collaborate with P2P platforms to enhance their service offerings and reach new customer segments.

| 2.6 | SUBSCRIPTION-BASED BUSINESS MODELS AND RECURRING REVENUE STRATEGIES |

Q19. Define Subscription business model. Explain the need of subscription business model.

Ans :   (Imp.)

Meaning of Subscription business model

A subscription business model is a type of business model where a customer pays a regular fee, typically on a monthly or annual basis, in exchange for access to a product or service. The customer is typically charged automatically, for example through a credit card, and can cancel their subscription at any time.

Examples of companies that use a subscription business model include streaming services like Netflix and Spotify, as well as magazines and newspapers that offer digital subscriptions.

Need

The subscription business model can be sustainable for a number of reasons:

1. **Recurring revenue**

Subscriptions provide a steady stream of recurring revenue for a business, which can help with forecasting and budgeting and make investing in growth and innovation easier.

2. **Customer retention**

Subscriptions create a sense of commitment for the customer, making them more likely to stick with the service over time. This can lead to higher customer lifetime value and lower customer acquisition costs.

3. **Predictive Analytics**

Subscription model allows businesses to predict the future revenue and adjust their business models accordingly.

4. **Upselling and cross-selling**

Subscription businesses often clearly understand their customers' needs and preferences, which can be used to offer additional products or services.

5. **Cost-effective**

Subscriptions can be more cost-effective for customers, as they can pay for access to a product or service over an extended period of time rather than a large upfront cost.

6. **Data-Driven**

Subscription businesses can collect data on their customer and use it to improve their service and target marketing.

Q20. Explain the advantages and popular Subscription business models.

Ans :

Advantages of Subscription Business Models

The subscription business model can offer a number of advantages for companies, such as:

1. **Data-Driven**

Subscription businesses can collect data on their customer and use it to improve their service and target marketing.

2.   Cost savings

The subscription business model can offer customer cost savings in the long run.

3.   Greater customer insights

It allows businesses to gain deeper insights into their customer's behavior and preferences, which can be used to improve the service and target marketing efforts more effectively.

4.   Increased customer engagement

Subscriptions can foster increased customer engagement by providing a sense of community, regular communication, and a sense of commitment.

5.   Flexibility

The subscription model allows businesses to change the product or service offerings and pricing per market demand.

Popular Subscription Business Models

There are several popular subscription business models that companies use, including:

1.   Software as a Service (SaaS)

This model involves offering software through a subscription, typically monthly or annual. This can include everything from enterprise software to productivity tools and mobile apps.

2.   Content as a Service (CaaS)

This model offers access to digital content, such as music, movies, and books, through a subscription. Companies like Spotify, Netflix, and Amazon Kindle Unlimited are examples of this model.

3.   Platform as a Service (PaaS)

This model offers access to a platform, such as a website or app, through a subscription. This can include everything from e-commerce platforms to social media and online marketplaces.

4.   Service as a Subscription (SaaS)

this model includes offering services, such as cleaning, tutoring, grooming, etc, to the customers on a subscription basis.

5.   Product as a Subscription (PaS)

This model includes offering physical products, such as clothes, cosmetics, toys, etc, on a subscription basis.

6.   Access as a Subscription

This model offers access to a product or service that is usually expensive, such as a car, on a subscription basis.

7.   Subscription box

This model includes delivering a box of curated products on a regular basis, such as Birchbox and Dollar Shave Club.

8.   Freemium Subscription Model

This model is a combination of free and paid service. Customers can use the basic service for free and they have to pay to access the premium features.

Q21. Define recurring revenue. Explain different types of recurring revenue.

Ans :

Meaning of recurring revenue

Recurring revenue is a business model that generates consistent, predictable revenue streams by charging customers on a regular, ongoing basis for a product or service.

Rather than focusing on one-off transactions, businesses using this model create ongoing, sustainable revenue by providing continual value, which customers pay for periodically – often through subscriptions or memberships.

Types

1.   Subscription model

In this model, customers pay a recurring fee to gain access to a product or service. The fee is typically fixed and charged on a regular basis, such as monthly or annually.

Examples of this model include Netflix, where users pay a monthly fee for access to a wide variety of shows and movies, or Adobe Creative Cloud, where customers pay for access to a suite of creative software tools.

2.   Usage-based or pay-as-you-go model

In this model, businesses charge customers based on how much they use a product or service. This can be beneficial for customers who don't use the service heavily.

An example would be cloud computing services like Amazon Web Services (AWS), where customers are billed based on the computing resources they consume.

3. Premium model

This model involves offering a product or service for free while charging for premium features or enhancements. The idea is to acquire a large user base with the free product and then convert a portion of those users to paying customers.

An example is Spotify, which offers free ad-supported music streaming but charges for an ad-free and feature-rich premium service.

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┌─────────────────────────────────┐
│     Types of Recurring Revenue   │
└─────────────────────────────────┘
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Subscription model	Usage-based or pay-as-you-go model	Premium model	Membership model	Retainer model	License model
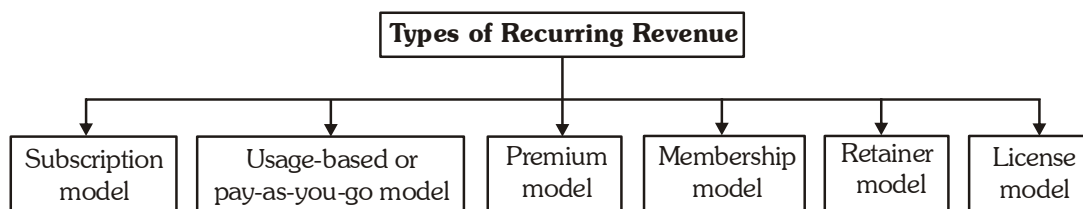
Fig.: Types of recurring revenue.

4. Membership model

Similar to the subscription model, the membership model involves customers paying a recurring fee for access to exclusive benefits, services, or products. It's often used where there's an exclusive community aspect.

An example would be Costco, where customers pay an annual membership fee to gain access to shop at their warehouse clubs.

5. Retainer model

In this model, customers pay a recurring fee for access to a service on an ongoing basis. This is commonly used in professional services such as legal or consultancy services.

For example, a company might retain a law firm for ongoing legal advice and pay them a set monthly retainer fee.

6. License model

Here, customers pay a recurring fee to license a product or service. It's particularly common in software, where customers pay for the right to use software during a certain time period.

For example, many businesses license Microsoft's suite of productivity software on a per-user, per-month basis.

Q22. Explain various strategies of recurring revenue.

Ans :

Some of the strategies to increase recurring

revenue are as follows,

1. Upselling and Cross-Selling

Upselling and cross-selling strategies provides opportunities for businesses to generate recurring revenue by way of engaging customers with products for a long duration which intum maximizes the total revenue for business.

2. Personalization

Personalization plays a pivotal role in generating recurring revenue. Recurring revenue out of personalized services is generated by understanding user experiences, communicating individually or by providing personalized offers, discounts and coupons.

Personalized offers built customer loyalty and helps in retention of customers for long period of time.

3. Use of Tired Pricing

Use *of tired* pricing increase recurring revenue of the business. In tired pricing, a product is priced at different levels based on attributes, benefits it provides to customers and its attractiveness to customers.

4. Customer Retention

Customer retention plays an important role not only in enhancing company's growth, but also in generating recurring revenue.

If company losses its potential customer then overall revenue is affected. So, company has to implement customer retention strategies like, loyalty program, CRM implementation program.

2.7	OMNI CHANNEL RETAILING AND THE INTEGRATION OF ONLINE AND OFFLINE CHANNELS

Q23. Discuss about Omni channel retailing and the integration of online and offline channels?

Ans :

Omni-channel retailing is a comprehensive approach that integrates online and offline channels to provide customers with a seamless shopping experience. This strategy recognizes that consumers interact with brands through various touchpoints and aims to create a unified experience regardless of the channel.

Here are some key aspects and implications of omni-channel retailing:

1. Seamless Customer Experience

(i) Unified Branding: Customers should have a consistent brand experience whether they shop online, in-store, or through mobile apps. This includes cohesive messaging, design, and customer service.

(ii) Cross-Channel Engagement: Customers can switch between channels (e.g., browsing online and purchasing in-store) without losing context, enhancing convenience and satisfaction.

2. Integrated Inventory Management

(i) Real-Time Inventory Visibility: Retailers can manage inventory across all channels, ensuring customers have access to accurate product availability whether they shop online or in physical stores.

(ii) Fulfillment Options: Consumers can choose from various fulfillment methods, such as buy online and pick up in-store (BOPIS) or same-day delivery, increasing flexibility.

3. Personalization

(i) Data-Driven Insights: By collecting and analyzing customer data from multiple channels, retailers can offer personalized recommendations and targeted promotions tailored to individual preferences.

(ii) Loyalty Programs: Integrating loyalty programs across channels encourages customer engagement and rewards, enhancing customer retention.

4. Enhanced Customer Support

(i) Multi-Channel Support: Customers can access support through various channels (chat, email, phone, in-store), providing convenience and ensuring their issues are addressed promptly.

(ii) Social Media Engagement: Brands can leverage social media for customer service, enhancing real-time interaction and addressing customer concerns quickly.

5. Technology Integration

(i) Unified Commerce Platforms: Implementing technology that integrates sales, inventory, and customer data across channels allows retailers to streamline operations and enhance decision-making.

(ii) Mobile Optimization: Ensuring mobile sites and apps are user-friendly is critical, as consumers increasingly use their smartphones for shopping and research.

2.8 INFLUENCER MARKETING AND ITS EFFECTIVENESS IN e-COMMERCE

Q24. Define Influencer Marketing. Explain the importance of Influencer Marketing.

Ans :

Definition of Influencer Marketing

According to Dhanesh and Duthler, 2019, influencer marketing is defined as "the use of social media influencers to aid in the marketing activities of the brand".

Importance

1. Build Trust and Credibility

Influencers plays a key role in building trust and credibility with customers. Their life time journey was spent on publicizing themselves on social media to build reputation.

Endorsing or branding products with the help of influencer may enhance brand loyalty. The product related recommendations given by influencers are considered as authentic by customers.

2. Enhance Brand Awareness

Brand awareness in creating awareness about the brand among customers. Brand awareness with the help of influencer marketing allow brand to reach large customers.

3. Reach to Target Customers

Marketers to reach target customers must join hands with influencers, as they have clear knowledge about customers needs preferences, attitudes etc. A clear understanding about customers helps marketer to deliver product efficiently.

4. Customers Engagement

Influencers attract high customers engagement this results into increased social medial followers, high traffic jam on websites, increases sales and revenues etc.

5. Cost Effective

Traditional methods of advertising involves more cost to marketer, while advertising through influencers (particularly micro and nano influences) is cost effective and attract large audience. Influencer advertising campaign is a budget friendly method to reach target audience.

6. Reliability

Influencer marketing creates reliable content through which influencers can deliver message to customers by combining their message with personal motives of audience. Reliable content helps in building trust and long term relationship with customers.

2.9 COLLABORATIVE CONSUMPTION AND ITS IMPACT ON e-GLOBAL BUSINESS

Q25. Define Collaborative Consumption. Discuss its impact on e-Global Business.

(OR)

Briefly explain the collaborative consumption and its impact on e-global business.

(OR)

What do you mean by collaborative consumption? Discuss its impact on e-global business.

Ans :   (July-24, Feb.-24, Imp.)

Meaning of Collaborative Consumption

Collaborative consumption is the shared use of a good or service by a group. Whereas with normal consumption an individual pays the full cost of a good and maintains exclusive access to it, with collaborative consumption multiple people have access to a good and bear its cost.

Impact

1. Global Reach

Collaborative consumption has significant impact on e-global business because it allowed people to import and export resources globally. It facilitates individuals to carryout transactions globally through online platform.

2. Complying with Regulations

E-global business requires complying with regulations of different countries. Dealing with rules and regulations is a challenging task for businesses entering into collaborative consumption.

3. Data Security and Trust

Data security and trust are two important factor for carrying out e-global business through collaborative consumption security measures and data protection systems need to be implemented to allow people to share valuable information and

transact globally without any threat for misuse of information.

4. Change in Consumer Attitude

Collaborative consumption involves sharing of resources rather than owning, so, e-global businesses to survive in the competitive environment must consider change in consumer attitude (i.e., consumer preference to sharing products, services and other resources, rather than owning them).

2.10   CROWD FUNDING PLATFORMS AND THEIR ROLE IN SUPPORTING e-COMMERCE VENTURES

Q26. Discuss about Crowd funding platforms and their role in supporting e-commerce ventures?

Ans :

Crowdfunding platforms play a significant role in supporting e-commerce ventures by providing a means to raise capital, validate business ideas, and build a community of supporters. Here's how they contribute:

1. Access to Capital

➤ Funding Opportunities: Entrepreneurs can raise funds from a large number of backers, allowing them to finance product development, marketing, and other startup costs without traditional loans.

➤ Flexible Models: Various crowdfunding models (donation-based, rewards-based, equity crowdfunding) cater to different business needs and investor preferences.

2. Market Validation

➤ Testing Ideas: Launching a crowdfunding campaign helps gauge consumer interest and validate product concepts before full-scale production.

➤ Feedback Mechanism: Early backers can provide valuable feedback, helping entrepreneurs refine their products.

3. Community Building

➤ Engagement: Crowdfunding creates a community of supporters who are invested in the venture's success, fostering brand loyalty and word-of-mouth marketing.

➤ Networking Opportunities: Campaigns can attract attention from industry influencers, potential partners, and media, enhancing visibility.

4. Marketing Launchpad

➤ Pre-Launch Buzz: A successful campaign can generate excitement and anticipation around a product, acting as a powerful marketing tool.

➤ Storytelling: Entrepreneurs can craft compelling narratives about their products, which resonate with potential backers and customers.

5. Data Insights

Understanding Customers: Crowdfunding provides insights into consumer preferences and buying behaviours, which can inform future marketing and product strategies.

6. Reduced Financial Risk

Lowering Barriers: Entrepreneurs can test the waters with minimal financial risk, as they only proceed with production once a funding goal is met.

7. Diverse Funding Sources

Global Reach: Crowdfunding platforms connect entrepreneurs with a global audience, broadening the potential investor base.

2.11   INFLUENCER SELECTION AND MANAGEMENT STRATEGIES FOR EFFECTIVE DIGITAL MARKETING

Q27. Define Influencer Selection. Discuss strategies for managing influencer for effective digital market.

Ans :

Meaning of Influencer Selection

Influencer selection is of the crucial step in planning influencer marketing campaign. Influencer is a person who enhances brand visibility and reach.

The selection of influencer highly depends upon the budget i.e., fees to be paid to influencer. Influencer fee vary depending upon platform (where influencer has to advertise the product) ans number of followers to influencer Based on number of followers, influencer.

Strategies

Following are the few strategies for managing influencer marketing for effective digital marketing,

1. Define Expectations Clearly

In order to manage influences, the company need to define clearly, what is expected from influencer. The expectations could be with respect to extent of work, time limit and deliverables.

2. Freedom to Influencer

Business should given freedom to influencer to use creative tactics in developing the content which is authentic, meet the customer value and efficiently engage audience.

3. Maintain Relationship with Influencer High quality content development requires engagement of business with influencer.

So, its important to maintain relationship with influencer for successfully implementing influencer marketing campaign.

4. Maintain Transparency Level

Effective management of influencer require transparency with respect to campaign goals. Such transparency would result into production of content which matches with goals of business.

5. Guide Influencer

Influencer need to be guided and supported in successful generation of content. Feedback must be provided to influencer for improvement in lacking areas.

2.12	STRATEGIES FOR BUILDING AND MANAGING ONLINE COMMUNITIES TO DRIVE CUSTOMER LOYALTY

Q28. Define Online Community. Discuss the Strategies for Building and Managing Online Communities to Drive Customer Loyalty.

(OR)

Explain the Strategies for building and managing online communities to drive customer loyality.

Ans :   *(Feb.-24, Imp.)*

Meaning of Online Communities

An online community is a group of people who interact online around a shared interest, challenge, or goal. People with a shared sense of belonging use these spaces to share knowledge, learn, build networks, or simply discuss their interests without meeting face-to-face.

Strategies

Strategies for Building and Managing Online Communities to Drive Customer Loyalty :

1. Understand Target Customers

Building and managing online communities require a clear understanding about target customers. Online communities can be successfully developed by understanding the needs, wants, desires and preferences of target customers.

2. Create a Platform

After understanding target customer, the marketer need to create a platform for interacting and integrating with customers. Platform can be any website or social media platform like Whatsapp, Linkedin, Twitter, Instagram etc. Platform selected must be appealing, user findly, continuous etc.

3. Establish Rules and Guidelines

Online communities consists of members with different attributes and mind sets. Managing such members is a crucial task. Its important two set rules and guidelines for community participation such rules and guidelines creates a peaceful environment and allows all members to participate in the discussion confortably. Community moderators are appointed to look after the community's activities, to resolve conflicts in the community and to maintain orders.

4. Create and Share Valuable Content

Creating and sharing valuable content is essential to encourage community participation and develop relationship. Valuable content acts as a lifeblood for online community. The content can be videos, audios, blog posts, infographics, etc. Such content helps community members gain knowledge by also provide entertainment.

5. Build Relationship

Online communities build strong relationship among members and encourage customer loyalty by initiating periodic events such as celebrating important social transitions, milestones achieved, personal transitions etc. Community members

engagement, their response their keen interest and care drives customer loyalty.

6. Acknowledge and Appreciate Members

Acknowledging and appreciating community members is crucial for fostering growth and achieving success in online communities. Members who have actively participated in community must be recognized and rewarded through monetary or non-monetary rewards, prizes, badges or providing other incentives. These recognition helps in gaining customer loyalty.

2.13   SOCIAL COMMERCE AND SOCIAL SELLING STRATEGIES

Q29. Define social commerce. Discuss the strategies of social commerce.

Ans :   **(Imp.)**

Definition of social commerce

Social commerce refers to the use of social media to facilitate online buying and selling. It integrates e-commerce functionalities directly into social platforms.

Strategies

1. Shoppable Posts

Utilize features like Instagram Shopping and Facebook Shop to create shoppable posts where users can buy products directly from images.

2. User-Generated Content (UGC)

Encourage customers to share their experiences and photos using your products. Showcase this UGC on your profiles to build authenticity and trust.

3. Influencer Collaborations

Partner with influencers to reach their audience. Authentic endorsements can drive traffic and sales through trusted voices.

4. Live Shopping Events

Host live streaming sessions where products are showcased in real-time. Viewers can ask questions and purchase items instantly.

5. Engaging Content

Create entertaining and informative content that resonates with your target audience. Use stories, reels, and short videos to capture attention.

6. Social Proof and Reviews

Display customer reviews, testimonials, and ratings prominently. This builds credibility and encourages potential buyers.

Q30. Define Social Selling. Discuss the strategies of Social Selling.

Ans :

Definition of Social Selling

Social selling involves using social media to build relationships and engage with potential customers, ultimately leading to sales.

Strategies

1. Profile Optimization

Ensure your social media profiles are professional and clearly communicate your brand. Include links to your website and relevant content.

2. Targeted Engagement

Identify and engage with your target audience through comments, direct messages, and group discussions. Personalize interactions to build rapport.

3. Content Sharing

Share valuable content, such as blog posts, articles, and industry insights, to position yourself as an expert in your field and build trust.

4. Networking

Join relevant groups and forums to connect with potential clients and industry peers. Actively participate in discussions to increase visibility.

5. Lead Generation

Use social listening tools to identify potential leads. Monitor conversations about your industry or products and engage proactively.

6. Follow-Up and Nurturing

Build relationships over time through regular follow-ups and personalized messages. Share updates and relevant content to keep prospects engaged.

Case Studies

Case Study - 1.

PayPal is a leading digital payment platform that facilitates online money transfers and serves as an electronic alternative to traditional paper methods like checks and money orders. Founded in December 1998 as Confinity, it merged with X.com, an online banking company founded by Elon Musk, in 2000. The company was renamed PayPal in 2001 and went public in 2002, later being acquired by eBay for $1.5 billion.

(i)   Business Model: PayPal operates primarily on a B2C (business to consumer) and C2C (consumer to consumer) model, allowing individuals and businesses to make and receive payments online. Key features include:

> **User Accounts:** Users can create personal or business accounts to send and receive payments.

> **Payment Processing:** PayPal processes payments for e-commerce sites, allowing customers to pay without sharing their credit card information.

> **Mobile Payments:** The platform supports payments via mobile devices, enhancing convenience.

> **International Transactions:** PayPal enables users to send money across borders, accommodating multiple currencies.

(ii)   Revenue Streams

> **Transaction Fees:** PayPal charges fees for processing payments, particularly for business accounts.

> **Currency Conversion Fees:** Fees are applied for currency conversion during international transactions.

> **Interest on Funds:** PayPal earns interest on funds held in user accounts before they are withdrawn.

Challenges

1.   **Competition:** PayPal faces intense competition from other payment services like Square, Stripe, and traditional banks, which are continually improving their offerings.

2.   **Security Concerns:** Cybersecurity threats and fraud pose significant risks, necessitating constant improvements in security measures.

3.   **Regulatory Issues:** Operating in multiple countries subjects PayPal to varying regulatory environments, which can complicate compliance.

Strategic Decisions

1.   **Acquisitions:** PayPal has expanded its services through acquisitions, including Braintree (which owns Venmo) and iZettle, broadening its payment solutions.

2.   **Mobile Wallets:** PayPal has invested in mobile payment solutions to compete with platforms like Apple Pay and Google Pay.

3.   **Enhancing User Experience:** Continuous improvements to the user interface and customer support have been key to retaining and attracting users.

Questions and Answers

1.   **What are the primary revenue streams for PayPal ?**

Ans :

PayPal generates revenue through transaction fees for payments processed, currency conversion fees, and interest earned on funds held in user accounts.

2.   **How does PayPal differentiate itself from competitors ?**

Ans :

      PayPal differentiates itself through its established brand reputation, extensive user base, user-friendly interface, and robust security measures. Additionally, it offers a wide range of services, including invoicing and subscriptions.

3.   **What challenges does PayPal face in the digital payments landscape ?**

Ans :

      PayPal faces challenges such as fierce competition from new payment startups, ongoing cyber security threats, and complex regulatory requirements across different markets.

Case Study - 2.

      Walmart Inc. is one of the largest retailers in the world, known for its vast selection of products at low prices. Founded by Sam Walton in 1962 in Rogers, Arkansas, Walmart has grown into a multinational corporation with thousands of stores across various formats, including Walmart Supercenters, discount stores, and warehouse clubs (Sam's Club). The company's mission is to help people save money and live better.

(i)   **Business Model:** Walmart operates primarily on a B2C (business to consumer) model, focusing on offering a wide range of products including groceries, apparel, electronics, and household goods at competitive prices. Key elements of its business model include:

     ➤   **Everyday Low Prices:** Walmart's strategy revolves around providing low prices consistently, rather than relying on sales or discounts.

     ➤   **Supply Chain Efficiency:** Walmart employs advanced supply chain management techniques, including just-in-time inventory systems and direct sourcing from manufacturers, to reduce costs and ensure product availability.

     ➤   **Omni-Channel Retailing:** The integration of online and off-line shopping experiences allows customers to shop through Walmart's website, mobile app, and physical stores.

(ii)   **Revenue Streams**

     ➤   **Retail Sales:** The majority of Walmart's revenue comes from the sale of goods in its stores and online.

     ➤   **Membership Fees:** Revenue is generated from Sam's Club membership fees.

     ➤   **Financial Services:** Walmart offers services like money transfers and check cashing, contributing to its revenue.

Challenges

1.   **Competition:** Intense competition from other retailers, both physical and online (e.g., Amazon), pressures Walmart to continuously innovate.

2.   **Supply Chain Disruptions:** Global events, such as pandemics or trade disputes, can impact the efficiency of Walmart's supply chain.

3.   **Sustainability and Labor Practices:** Increasing scrutiny over labor practices and environmental sustainability requires Walmart to adapt its policies and practices.

Strategic Decisions

1.   **E-Commerce Expansion:** Walmart has invested heavily in its e-commerce platform, including acquisitions like Jet.com and enhancing its online grocery delivery services.

2.   **Sustainability Initiatives:** Walmart has committed to reducing greenhouse gas emissions in its supply chain and increasing the sustainability of its products.

3.   **Technology Integration:** The company has adopted technologies such as AI and machine learning for inventory management and personalized customer experiences.

Questions and Answers

1.   **What is Walmart's core business strategy ?**

Ans :

Walmart's core business strategy is based on offering everyday low prices through operational efficiency, extensive supply chain management, and a wide selection of products.

2.   **How does Walmart maintain its competitive advantage ?**

Ans :

Walmart maintains its competitive advantage through its economies of scale, effective supply chain logistics, and a strong brand reputation. It continuously invests in technology and e-commerce to adapt to market trends.

3.   **What challenges does Walmart face in the retail industry ?**

Ans :

Walmart faces challenges such as fierce competition from e-commerce giants like Amazon, supply chain disruptions, and pressure to improve sustainability and labor practices.

4.   **Describe Walmart's approach to e-commerce.**

Ans :

Walmart has significantly expanded its e-commerce presence by enhancing its website and app, offering services like online grocery pickup and delivery, and acquiring companies that boost its online capabilities.

5.   **How does Walmart address sustainability issues ?**

Ans :

Walmart addresses sustainability through initiatives aimed at reducing waste, sourcing sustainable products, and committing to achieving zero emissions in its global operations by 2040.

6.   **In what ways does Walmart integrate technology into its operations ?**

Ans :

Walmart integrates technology through advanced inventory management systems.

Short Questions and Answers

1.   Define e-Business.

Ans :

Meaning

e-Business (electronic business) is any process that a business organization conducts over a computer-mediated network. Business organizations include any for-profit, governmental, or nonprofit entity. Their processes include production-, customer-, and internal- or management-focused business processes.

2.   State the advantages of digital marketing.

Ans :

(i)   Multi-channel

By using multiple channels, digital marketing offers many opportunities (complementary to traditional marketing) and allows users / companies to   act   at all levels of the purchasing process.

(ii)   Cost-efficiency

Digital marketing is less costly than "traditional" marketing; indeed Even stalwart traditional marketers know that they cannot compete the Internet's potential to reach thousands with just a single post". Printing and shipment costs are not taken into account in digital, this is the advantage of CPC.

(iii) Targeted

With digital marketing, it is very easy to target very precisely who you would like to reach; many criteria (demography, geography, function…) can be used to refine this reach. But do not to turn into a spammer.

3.   Define CRM.

Ans :

(i)   According to Jackson, "CRM is marketing oriented towards strong, lasting relationship with individual accounts".

(ii)   According to 'Sheth and Parvatiyar', "Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and for the customers".

4.   State the benefits of CRM.

Ans :

The successful implementation of CRM provides the following benefits / advantages,

(i)   Perpetual Source of Income

Customer relationship management ensures customer satisfaction. A good service to customers, make customers satisfied and build customer loyalty. A loyal customer is a perpetual/source of income for the business.

(ii)   Premium on Products and Services

CRM results in customer satisfaction and a satisfied customer don't mind paying some amount of premium on products and services.

(iii) Reduction in Cost of Sale

One of the advantage of CRM is that it builds customer loyalty. A company need not have to spend money on promotions and advertisement to loyal customers as they are already attracted towards the company's products/services. Thus, CRM reduces cost of sale.

(iv) Chance to Up-Sell and Cross-Sell

CRM provides a chance to the company to up-sell and cross-sell. In cross selling and up selling, customers buy products from the same company. The company does not incur any additional cost in up-sell and cross-sell.

5.   Define e-CRM.

Ans :

Meaning

The development of the Internet and e-commerce has changed CRM to a new, more "trendy" term, e-CRM or Electronic Customer Relationship Management. Basically, this tool is the 4.0 technology adaptation of CRM to help companies approach and build customer relationships through online channels such as websites, email, etc…

Accordingly, e-CRM provides all records and histories of interactions the organization has with its customers, payments, and information about products/services that interest customers: it's an effective way to increase customer loyalty.

e-CRM application is becoming important for all companies in all fields. An effective e-CRM will help improve interaction with customers. At the same time, it allows businesses to choose products and services that satisfy customers' requirements.

6.   State the benefits of e-CRM.

Ans :

(i) Service level improvements

Using an integrated database to deliver consistent and improved customer responses

(ii) Revenue growth

Decreasing costs by focusing on retaining customers and using interactive service tools to sell additional products

(iii) Productivity

Consistent sales and service procedures to create efficient work processes

(iv) Customer satisfaction

Automatic customer tracking and detection will ensure enquiries are met and issues are managed. This will improve the customer's overall experience in dealing with the organisation.

7.   Define online payment.

Ans :

Electronic payment (or E-payment) is a subset of an e-commerce which includes electronic payment for buying and selling goods or services offered through the Internet. E- payment refers to paperless monetary transactions.

8.   Define subscription business model.

Ans :

A subscription business model is a type of business model where a customer pays a regular fee, typically on

a monthly or annual basis, in exchange for access to a product or service. The customer is typically charged automatically, for example through a credit card, and can cancel their subscription at any time.

Examples of companies that use a subscription business model include streaming services like Netflix and Spotify, as well as magazines and newspapers that offer digital subscriptions.

9.   Define recurring revenue.

Ans :

Recurring revenue is a business model that generates consistent, predictable revenue streams by charging customers on a regular, ongoing basis for a product or service.

Rather than focusing on one-off transactions, businesses using this model create ongoing, sustainable revenue by providing continual value, which customers pay for periodically – often through subscriptions or memberships.

10.   Define influencer selection.

Ans :

Influencer selection is of the crucial step in planning influencer marketing campaign. Influencer is a person who enhances brand visibility and reach.

The selection of influencer highly depends upon the budget i.e., fees to be paid to influencer. Influencer fee vary depending upon platform (where influencer has to advertise the product) ans number of followers to influencer Based on number of followers, influencer.

11.   Define C2C.

Ans :

C2C ecommerce businesses – sometimes referred to as online marketplaces – connect consumers to exchange goods and services and typically make their money by charging transaction or listing fees.

C2C businesses benefit from self-propelled growth by motivated buyers and sellers, but face a key challenge in quality control and technology maintenance.

Online businesses like Craigslist, Walmart, Alibaba and eBay pioneered this model in the early days of the internet.

12.   Define B2C.

Ans :

B2C model is the second largest but earliest form of E-business which was originated back at a time of E-retailing (or) online retailing.

UNIT
III

Managing E-Global Business Operations

Supply chain management in a digital environment, Logistics and fulfilment in e-commerce, International trade and legal considerations, Cross-cultural management and customer service, Warehouse automation and robotics in e-commerce fulfilment, Reverse logistics and managing returns in e-global business, Intellectual property rights and protection in digital transactions, Customer data privacy and compliance with data protection regulations, Cloud computing and its role in supporting scalable and flexible e-commerce operations, Supply chain sustainability and responsible sourcing in e-global business, Innovations in last-mile delivery and the future of e-commerce logistics, Legal considerations for cross-border e-commerce transactions and international expansion, Risk management in e-global business operations.

3.1 | SUPPLY CHAIN MANAGEMENT IN A DIGITAL ENVIRONMENT

Q1. Define Supply chain management. What are the features of Supply chain management?

(OR)

Explain the features of SCM in digital environment.

Ans : (Imp.)

Meaning of Supply Chain Management

Supply Chain Management is the systematic, strategic co-ordination of the traditional business functions and the tactics across these business functions within a particular company and across business within the supply chain, for the purposes of improving the long-term performance of the individual companies and the supply chain as a whole.

Supply chain management is the management of a network of interconnected businesses involved in the ultimate provision of product and service packages required by end customers.

Definitions

(i) According to Jones and Riley, "Supply chain management deals with the total flow of material from supplier through end user".

(ii) According to Cooper and Ellram, "Supply chain management is an integrative philosophy to manage the total flow of distribution channel front the supplier to the ultimate user".

Features

Supply chain management has following features:

1. Integrated Behavior

SCM incorporates integration of stakeholders from suppliers to customers.

2. Mutually Sharing Information

For effective SCM mutually sharing information among channel members is required, especially for planning and monitoring processes.

3. Mutually Sharing Channel Risks and Rewards

Effective SCM also requires mutually sharing channel risks and rewards that yield a competitive advantage. Risk and reward sharing should happen over the long-term. Risk and reward sharing is important for long-term focus and cooperation among the supply chain members.

4. Co-operation

Co-operation among the channel members is required for effective SCM. Co-operation refers to similar or complementary coordinated activities performed by firms in a business relationship to produce superior mutual outcomes or singular outcomes that are mutually expected over time.

5. Focus on Serving Customers

Supply chain succeeds if all the members of the supply chain have the same goal and the same focus of serving customers. Establishing the same goal and the same focus among supply chain members is a form of policy integration.

6. Integration of Processes

The implementation of SCM needs the integration of processes from sourcing, to manufacturing and to distribution across the supply chain. The

integration can be accomplished through cross-functional teams, in-plant supplier personnel and third-party service providers.

7.   Partners to Build and Maintain Long-term Relationships

Successful relationships aim to integrate channel policy to avoid redundancy and overlap while seeking a level of co-operation that allows participants to be more effective at lower cost levels. Policy integration is possible if there are compatible cultures and management techniques among the chain members.

Q2.   Define Digital Supply Chain Management. Explain the advantages and disadvantages of Digital Supply Chain Management.

Ans :

Meaning of Digital Supply Chain Management

"Digital supply chain management" is really just supply chain management with an added layer of digital technologies. These technologies include:

(i)   Predictive analytics to optimize inventory allocation and forecast demand

(ii)   Automated replenishment solutions

(iii) Robotics to speed up assembly or picking

(iv)   IoT sensors to gather real-time feedback from manufacturing equipment and vehicles

Advantages

1.   Improves operational efficiency

A digital supply chain boosts operational efficiency. It streamlines processes, minimizes errors, and speeds up delivery times.

2.   Reduces costs and waste

It's a great way to cut costs and waste. By automating tasks, it reduces unnecessary expenses and minimizes resource wastage.

3.   Enhances customer service

Customer service gets a big lift as well. It allows for faster response times and personalized interactions, improving overall customer satisfaction.

4.   Enables real-time tracking

Real-time tracking is another perk. It offers up-to-the-minute insights into goods' whereabouts, reducing uncertainty and boosting transparency.

5.   Supports strategic decision making

It also aids in strategic decision making. By providing valuable data and trends, it helps businesses plan for the future more effectively.

Disadvantages

1.   Dependence on technology

Being heavily reliant on technology, any technical glitches or system failures can halt the entire supply chain, causing significant delays.

2.   Potential data privacy issues

There's always the risk of data privacy issues, as sensitive information about customers, suppliers, and business processes are stored and transferred digitally.

3.   High initial setup costs

Setting up a digital supply chain can be expensive initially, as it requires investment in advanced technology, infrastructure, and skilled personnel.

3.2	LOGISTICS AND FULFILMENT IN e-COMMERCE

Q3.   Define Logistics and Fulfilment in e-Commerce. State the options for handling Logistics and Fulfilment in e-Commerce.

Ans :   **(Imp.)**

I)   Definition of Logistics in e-commerce/e-Logistics

According to the Council of Logistics Management, logistics refers to that part of supply chain process that plans, implements and controls the efficient, effective flow and storage of goods, services and related information from the point of origin to the point of consumption in order to meet customer requirements.

Logistics in *e-commerce* or *e-logistics* refers to the application of concepts of logistics electronically to the specific aspects of business operations that take place online through the internet.

II) Definition of Fulfilment in e-commerce/e-Fulfilment

Fulfilment refers to the art of satisfying and surpassing customer expectations. It involves all the activities necessary to receive, process and produce products or services to the customer in a timely and satisfactory manner.

Fulfilment in e-commerce or e-Fulfilment can be defined as the combination of people, processes and technology to ensure customer satisfaction before, during and after the purchasing experience through the online.

1. Performing e-logistics and e-fulfilling In-house

Some companies take charge of their own e-logistics and e-Fulfilment. If a company already has infrastructures, warehouses and customer service, it might be possible to adjust them for in-house *e*-logistics.

However, it is important to bring in experts to assess the existing logistics system and figure out the challenges.

2. Outsourcing e-logistics and e-Fulfilment

Outsourcing *e*-logistics and e-Fulfilment comes with benefits. It saves company from hiring its own logistics staff and building expensive warehouses.

Third-party providers handle a large number of transactions, which provides valuable data for improving sales and customer service. Some specialize in collecting, verifying and analyzing logistics data to improve supply chain visibility.

However, there are downsides to outsourcing, mainly the loss of control. Regardless of who does the logistics, the *e*-business is still responsible for maintaining good customer relationships and is accountable if things of go wrong.

3. Drop-Shipping

Drop-shipping is an appealing option for companies seeking to streamline the delivery process. As more companies provide inventory and shipment information online, drop shipping becomes easier due to the availability of necessary data.

In drop shipping Fulfilment, a company sells a product, charges the customer and sends a purchase order to the manufacturer or supplier.

The manufacturer then ships the product directly to the customer, which eliminate the need for the company to handle or store the inventory. This reduces costs associated with inventory management.

3.3 | INTERNATIONAL TRADE AND LEGAL CONSIDERATIONS

Q4. Define International Trade. Explain legal considerations in e-global business.

(OR)

Explain the filfillment in e-commerce international trade and legal considerations.

Ans :

Meaning of International Trade

International trade is referred to as the exchange or trade of goods and services between different nations. This kind of trade contributes and increases the world economy. The most commonly traded commodities are television sets, clothes, machinery, capital goods, food, raw material, etc.

International trade has exceptionally increased, which includes services such as foreign transportation, travel and tourism, banking, warehousing, communication, distribution, and advertising. Other equally important developments are the increase in foreign investments and production of foreign goods and services in an international country.

Legal Considerations

1. Consumer Protection

Consumer protection laws can be different in each country. Businesses need to know and understand the specific rules and requirements in each place, where they sell their products or services. This is important because it helps business to follow the laws and regulations that are designed to protect consumers.

2. Taxation

Business must assess and understand the taxes they are required to pay when operating in different countries. Determining tax liability can be challenging due to the variations in tax taws across different countries.

It is crucial for businesses to navigate this Complex process and understand the specific tax regulation in each country where they operate. By doing so, businesses can fulfill their tax obligations, ensure compliance with local tax laws and effectively manage their international responsibilities.

3. Payment Methods

When conducting business with customers in foreign countries, it is important for businesses to select payment methods that are convenient and acceptable to those customers. This may require the use of international payment processes or opening of foreign bank accounts.

4. Shipping and Logistics

Companies need to stay informed about the shipping and logistics requirements in the nations to which they send their products. These requirements include tasks securing customs clearance and ensuring compliance with both export and imports regulations.

3.4	CROSS-CULTURAL MANAGEMENT AND CUSTOMER SERVICE

Q5. Explain Cross-Cultural Management in global e-business.

Ans :   (Feb.-24)

Meaning

Cross-cultural management and customer service are pivotal components of e-global business, encompassing global business operations facilitated by electronic technologies and the internet.

Achieving success in these domains necessitates a profound comprehension of cultural disparities, adept communication strategies, and a customer-centric approach tailored to varied global markets.

Cross Cultural Management in E-Global Business

Cross-cultural management revolves around comprehending, adapting to, and effectively leveraging cultural differences while operating in a global business sphere facilitated by electronic technologies.

In this context, it is imperative to grasp diverse cultural norms, values, beliefs, communication styles, and business practices prevalent across different regions.

1. Understanding Cultural Differences

(i) Recognizing diverse cultural dimensions, including power distance, individualism-collectivism, uncertainty avoidance, masculinity-femininity, and long-term orientation.

(ii) Discerning how these cultural differences influence decision-making, negotiation, and collaboration in a virtual environment.

2. Adapting to Cultural Diversity

(i) Formulating strategies to bridge cultural gaps and cultivate a collaborative working environment.

(ii) Providing training to employees to foster appreciation and respect for diverse perspectives, thereby encouraging open communication and cross-border teamwork.

(iii) Adapting business processes and practices to align with the cultural expectations of distinct markets.

3. Effective Communication

(i) Tailoring communication styles to resonate with the cultural preferences of the target audience.

(ii) Employing clear, concise, and culturally appropriate language in online interactions.

(iii) Exercising sensitivity to potential misunderstandings stemming from linguistic and cultural differences.

4. Conflict Resolution

(i) Devising conflict resolution strategies that consider cultural sensitivities and potential misinterpretations.

(ii) Advocating a proactive approach to conflict resolution that prioritizes understanding and compromise.

Q6. Explain customer service in global e-business.

Ans :

Customer service is fundamental in e-global business for fostering trust, ensuring customer satisfaction, and establishing a robust market presence. It involves providing a seamless and personalized customer experience across diverse cultures and geographical locations.

1. Personalization and Localization

(i) Tailoring products, services, and marketing strategies to cater to specific cultural preferences and expectations.

(ii) Utilizing data analytics to grasp customer behavior and preferences in different markets, thereby enabling personalized offerings.

2. Multi Channel Support

(i) Providing customer support through a myriad of channels, including email, live chat, social media, and phone, to accommodate diverse communication preferences.

(ii) Ensuring consistent and high-quality service across all channels to maintain a unified brand image.

3. Cultural Sensitivity

(i) Training customer service representatives to be culturally sensitive and responsive to diverse customer needs and expectations.

(ii) Equipping employees with cultural knowledge and communication skills to interact effectively with customers from various backgrounds.

4. Language Considerations

(i) Delivering customer support in multiple languages to cater to a global customer base.

(ii) Employing translation services or hiring multilingual staff to bridge language barriers and enhance communication.

5. Feedback and Continuous Improvement

(i) Gathering feedback from customers across various regions to comprehend their experiences and identify areas for improvement.

(ii) Utilizing customer feedback to drive continuous enhancements in products, services, and customer service strategies.

3.5   WAREHOUSE AUTOMATION AND ROBOTICS IN e-COMMERCE FULFILMENT

Q7. Define ware house automation? Explain the components of ware house automation?

Ans :

Meaning of Warehouse Automation

Warehouse automation and robotics are transforming e-commerce fulfilment by improving efficiency, accuracy, and scalability. Here's an overview of their roles and benefits in the e-commerce supply chain:

Components of Warehouse Automation

1. Automated Storage and Retrieval Systems (AS/RS)

These systems automatically store and retrieve products, minimizing human intervention. They optimize space and increase picking speed.

2. Robotic Picking Systems

Robots equipped with advanced sensors and AI can identify, pick, and sort items, enhancing order accuracy and reducing labour costs.

3. Conveyor Systems

Automated conveyor belts streamline the movement of goods throughout the warehouse, reducing the time needed for manual transport.

4. Mobile Robots

Autonomous mobile robots (AMRs) can navigate the warehouse, transporting products from one location to another, facilitating efficient workflows.

5. Inventory Management Software

Integrated systems provide real-time inventory tracking, helping manage stock levels and automate reordering processes.

Q8. Discuss the benefits and challenges of automation and robotics?

Ans :

Benefits of Automation and Robotics

1. Increased Efficiency

Automation speeds up order processing, enabling faster fulfilment and reducing lead times, which is crucial in the competitive e-commerce landscape.

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2.   Cost Reduction

While initial investments in technology can be high, automation often leads to long-term cost savings by reducing labour costs and minimizing errors.

3.   Improved Accuracy

Robots and automated systems reduce human error in picking and sorting, leading to higher order accuracy and fewer returns.

4.   Scalability

Automated systems can be easily scaled up or down to meet fluctuating demand, making them ideal for seasonal spikes in e-commerce.

5.   Enhanced Safety

Robotics can handle heavy lifting and repetitive tasks, reducing the risk of workplace injuries and allowing human workers to focus on more complex activities.

6.   Data Insights

Automation systems often come with data analytics capabilities, providing insights into inventory trends, fulfilment performance, and operational efficiencies.

Challenges of Automation and Robotics

1.   Initial Investment

The upfront cost of implementing automation and robotics can be significant, requiring careful financial planning.

2.   Integration Complexity

Integrating new technologies with existing systems can be complex and may require specialized expertise.

3.   Workforce Transition

As automation increases, companies must manage the transition for their workforce, including reskilling or reallocating employees.

4.   Maintenance and Support

Automated systems require regular maintenance and technical support to ensure smooth operations.

| 3.6 | REVERSE LOGISTICS AND MANAGING RETURNS IN e-GLOBAL BUSINESS |

Q9.   What do you mean by reverse logistics? State its need and benefits.

Ans :   (Imp.)

Definition

According to Rogers and Tibben-lembke, "reverse logistics is a process of planning, implementing and controlling the efficient cost effective flow of raw materials, in-process inventory, finished goods and related information from the point of consumption to the point of origin for the purpose of recapturing value or for proper disposal".

Reverse logistics is gaining a wide scope in a present scenario due to the endless generation of waste material, whose recycling and reproducing plays a major role in increasing the profitability of a firm. Today, most of the firms are engaging themselves in reverse logistics activities.

Example

Paper industry has established a well organized collection modes for collecting used paper whose recycling produces fresh paper which in turn reduces the additional usage of wood [which is acting as a raw material in paper industry].

Reverse logistics is a "green concept" where organizations are emphasizing more on improving the social and environmental conditions of customers rather than just striving for profits. Thus Environment Friendly Supply Chain (EFSC), which enables the firms to achieve the position of a "responsible corporate citizen" needs to be designed.

Need

As reverse logistics mainly deals with all the operations related with the recycling or remanufacturing of products and materials, it can also be termed as "Product Recovery Management" (PRM).

Reverse logistics considers the following aspects,

1.   Determination of alternatives for the recovery of products and component parts.

2.   Decisions related to the selection of persons who are responsible for performing all these reverse logistics activities.

3. Finds out the ways with which these activities can be performed.

4. Integrating the activities of reverse logistics with classical production and distribution systems.

Benefits

'Reverse logistics are not simply a matter of driving the truck on the opposite way". However, it is associated with both benefits as well as challenges. The following are the important benefits of reverse logistics,

(i) It helps in reducing the operating cost as the used/returned products become the input of production/remanufacturing process.

(ii) It increases the efficiency of operations.

(iii) Reverse logistics plays an important role in improving the environment and making it "clean and green" by efficiently utilizing the used/waste products.

Q10. Describe the process of Reverse logistics.

Ans :

Mainly the process of reverse logistics initiates at warehouses which includes the following activities,

1. Returns Management

This stage is mainly responsible for the effective management of used/waste products. It must ensure that a proper storage facility is provided for stocking used/waste products. It channelises the collection and storage of recalled products.

2. Remanufacturing Facility

At this stage, stocks of returned products are subjected to production processing which improves the performance of returned products. This remanufactured products increase corporate profitability by enhancing sales through price discount offerings.

3. Remarketing

In this stage, remarketers make use of coordination and reverse flow strategies for positioning and resale of these products when such products are not required by the original users.

The Defense Logistics Agency (DLA) has established a comprehensive remarketing process by which used equipments can be transferred to other military services.

4. Recycling

Recycling is associated with the disbursement of returned products into their component parts such that they can be reused in more efficient manner than they would have been used previously.

When they cannot be reused effectively, they need to get disposed off in the appropriate landfills (which also comes under reverse logistics).

5. Disposal

If the returned products cannot be recycled or remanufactured then they have to be disposed in the appropriate landfills depending on the nature of the products.

Q11. Explain the role played by reverse logistics in creating value in SCM.

Ans :   (Imp.)

Role of reverse logistics in SCM can be understood from the following points,

I) Managing Reverse Flows

Several key activities or issues need to be considered while managing reverse flows in an efficient and effective manner.

It has both pros and cons, as its proper management can improve firms financial position, while its mis-management brings heavy losses to a firm. Hence, proper care must be taken for its management which involves the following considerations,

1. Avoidance

Reverse flows can be avoided by delivering quality products at the initial stages of production by following efficient processes that minimizes returns.

2. Gatekeeping

By keenly checking and screening merchandise at each stage of reverse logistics enables the firm to eliminate unnecessary returns.

3. Minimizing Reverse Lead Times

Adoption of those processes which can reduce the cycle times for returns so that they can capture value at considerably low times.

4. Information Systems

Suitable and updated information systems play an important role in improving product feasibility, uncertainty and economies of scale.

5. Facility Layouts

Firms must ensure that return centres are located optimally at various locations so as to facilitate the smooth flow of reverse logistics operations.

6. Pricing

Fixing the best price to the returned or resold products help in generating huge revenues for the firm.

7. Outsourcing

By outsourcing various functions, firms can gain increased efficiency and can reduce operating cost which it has to incur while carrying out in-built activities.

8. Zero Returns

Firms can improve customer expectations either by providing returns allowance or by destroying them when they are unable to fulfill their expectations.

9. Recovery of Assets

Classifying the returned items such that surplus, scrap or obsolete items can be discarded while only recyclable products reach the reverse logistics process. Thus, by following the above prerequisites, reverse flows can be managed profitably and efficiently.

II) Achievement of Value Through Reverse Logistics

1. The most important challenge that every reverse logistics firm is facing is, to enhance profitability and to reduce cost by recapturing value by returned goods.

2. It is a fact that remanufacturing or refurbishing of products is much more costlier affair for a firm than to produce new products.

3. This increased cost is due to additional cost contributors, one such being a transportation cost which accounts for about 25% of the total cost or more than that.

4. The estimation of the total cost associated with the reverse flows is the most difficult task. Some firms depend on the historical averages while others make use of ABC (Activity Based Costing) method for the estimation of budgeted cost.

5. Firms should ensure that they have considered all costs associated with reverse flows irrespective of the method used for their estimation.

6. Various costs include inventory cost, storage cost, transportation cost, handling cost, labour cost, packaging cost and other overhead costs. After estimating the total cost, firm must evaluate economic value of products through trade-off analysis.

After the evaluation of economic benefits of products, next step is to identify various external and internal factors acting as obstacles in the implementation of reverse logistics programmes. Some of them might be,

➢ Less priority that has been given to the recycling process hinders its implementation.

➢ Lack of proper attention of top management.

➢ Absence of financial resources required for the operations.

➢ Lack of skilled personnel for the development of reverse logistics programs.

➢ Establishment of state, local or federal laws ascertaining to safeguard environment.

Hence, before initiating the reverse logistics process, every firm must give special emphasis to the above listed obstacles, so as to ensure the proper management of reverse logistics functions.

➢ By identifying the third party logistics company, various tactical and strategic issues can be resolved which helps in making reverse flows program a value stream rather than waste stream.

➢ Efficient management of reverse flows may not act as "core competency" of an organization but could be treated as a natural source for outsourcing. The following are the value added advantages provided by the 3PL provider.

(i) Application of IT for maintaining inventory of products specially in case of a time-sensitive products. (Example, computers, cell phones, EDAs etc.,) which have reduced life cycles and high risk of obsolescence.

'The value of time' is a crucial factor that needs to be considered in a return process as they are time- sensitive, even a small time delay could be disastrous for firms.

(ii) It reduces operating cost as it makes use of returned/ reused products.

(iii) Increases the value of products by subjecting them to recycling or remanufacturing.

3.7 | INTELLECTUAL PROPERTY RIGHTS AND PROTECTION IN DIGITAL TRANSACTIONS

Q12. Define Intellectual Property Rights. Discuss the strategies and mechanism for producing intellectual property in digital transaction.

(OR)

Briefly explain the intellectual property rights and protection in digital transactions.

Ans : *(July-24, Imp.)*

Meaning of Intellectual Property Rights

The concept of Intellectual Property is define in general is that the important feature of property is that the proprietor or owner may use his property as he wishes and that nobody else can lawfully use his property without his authorization. Of course there are certain recognized limits for the exercise of that right.

The term intellectual property includes, in the broadest sense, all rights resulting from intellectual activity in the industrial, scientifically, literary, or artistic fields. The conventions establishing the WIPO defines 'Intellectual Property' in a broad sense .But the term Intellectual Property is define first time in Paris Convention.

Types of Intellectual Property Rights
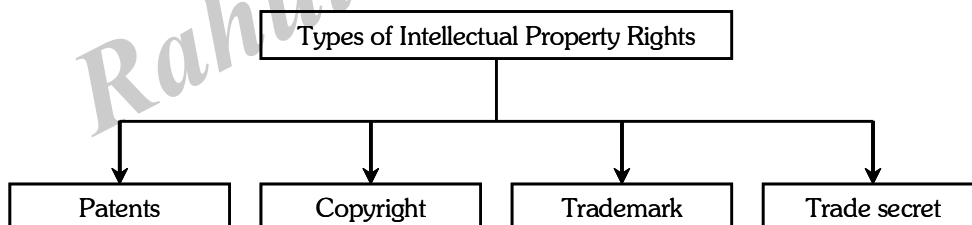
1. **Patents**

   A patent is an exclusive right granted for an invention, which is a product or a process that provides a new way of doing something, or offers a new technical solution to a problem.

   An invention may be defined as the idea of making a new and useful article, method or substance Patent protection means that the invention cannot be commercially made, used, distributed or sold without the patent owner's consent.

   A patent owner has the right to decide who may or may not use the patented invention for the period in which the invention is protected.

2. **Copyright**

   Copyright is a legal term describing the rights given to creators for their literary and artistic works. Copyright may apply to a wide range of creative, intellectual, or artistic forms, or works.

The works covered by copyright include literary works such as novels, poems, plays, reference works, newspapers and computer programs; databases; films, musical compositions, and choreography; artistic works such as paintings, drawings, photo-graphs and sculpture; architecture; and advertisements, maps and technical drawings.

The reproduction in various forms such as copying, printing, recording, public performance or adaptation are prohibited under these rights.

3. Trademark

A trademark refers to a recognizable sign, design or expression which identifies products or services of a particular source from those of others. It can be patented like invention and industrial designs.

4. Trade secret

A trade secret is a formula, practice, process, design, instrument, pattern or compilation of information which is not generally known or reasonably ascertainable by which a business can obtain an economic advantage over competitors or customers.

Strategies

1. Licensing Agreements

Creators by entering into licensing agreement allow others to use their intellectual property. These agreements outline the terms, conditions and limitations governing the usage rights granted.

2. Digital Rights Management (DRM)

DRM technologies are employed to monitor the access and usage of digital content. This can encompass encryption, access codes and restrictions on copying or sharing to prevent unauthorized use and distribution.

3. Block Chain and NFTs

Block chain technology can be employed to create non-fungible tokens (NFTs) that acts as proof of ownership for digital assets like art, music or collectibles. NFTs can also include smart contracts which automate royalty payments to the original creators.

4. Online Monitoring and Enforcement

Companies and creators can employ digital tools to monitor the internet for unauthorized use as infringement of their intellectual property. Upon detecting infringement, they can take legal action to enforce their rights and seek remedies.

5. International Agreements

There are several international agreements and treaties available like the Borne Convention and the TRIPs Agreements, which provide a legal framework for protecting intellectual property on a global scale.

3.8	CUSTOMER DATA PRIVACY AND COMPLIANCE WITH DATA PROTECTION REGULATIONS

Q13. What is Customer Data Privacy? Explain the Customer Data Privacy issues in global e-business.

Ans :   (Imp.)

Meaning of Customer Data Privacy

Consumer or customer data privacy refers to how companies and third-party data agencies collect, manage, use, and protect various data from transactions. This data includes but is not limited to:

➢ Contact information

➢ Passwords and usernames

➢ Web browsing cookies

➢ Purchase history

➢ Website behaviors

➢ Identifiable information

➢ App engagement

Issues

Following are the customer data privacy issues in e-global business,

1. Data Breaches

Data breaches pose a significant threat to data privacy. They occur when unauthorized individuals gain access to a company's computer system and extract sensitive data for theft, fraud or other criminal activities.

2. Phishing

Phishing is a form of social engineering attack where cyber criminals send deceptive e-mails or text messages that pretend to be from legitimate entities, such as banks or credit card companies.

These fraudulent communications often contain links that redirect victims to counterfeit websites resembling genuine platforms. Once victims unknowingly submit their personal information on these counterfeit websites, the attackers seize and exploit it.

3. Malware

Malware refers to harmful software designed to disrupt or compromise victims systems, it can affect a computer through various means, including clicking on malicious links, opening infected attachments or downloading files from untrustworthy sources once installed, malware can steal data, corrupt files or even take control of the affected computer.

3.9	CLOUD COMPUTING AND ITS ROLE IN SUPPORTING SCALABLE AND FLEXIBLE e-COMMERCE OPERATIONS

Q14. Define cloud computing. Explain benefits of cloud computing.

Ans :   (Imp.)

Meaning of Cloud Computing

Cloud computing refers to the use of hosted services, such as data storage, servers, databases, networking, and software over the internet. The data is stored on physical servers, which are maintained by a cloud service provider.

Computer system resources, especially data storage and computing power, are available on-demand, without direct management by the user in cloud computing.

Benefits of Cloud Computing

(i) Reduced costs

Maintaining IT systems requires big outlays of capital, something that cloud helps reduce. By using the resources provided by the cloud provider, businesses avoid the need to purchase expensive infrastructure, substantially reducing their expenditure.

Cloud providers work on the pay-as-you-go model, which means businesses only pay for the services they use, further reducing costs.

(ii) Scalability

Cloud allows organizations to grow their users from merely a few to thousands in a very short time. Depending on the need, a business can scale their storage needs up or down, allowing organizations to be flexible.

(iii) Flexibility and collaboration

Since the data on cloud can be accessed directly via the internet, it gives employees the ability to work from anywhere, anytime.

Cloud gives you the freedom to set up your virtual office anywhere you are. It also allows teams to work on a project across locations by giving them access to the same files as third-party vendors.

(iv) Business continuity

Cloud safely stores and protects your data in the event of an outage or crisis. This makes it easier to resume work once the systems are up and running again.

(v) Competitive edge

Cloud takes care of various business aspects, such as maintaining the IT infrastructure, licensing software, or training personnel to manage your data. It, therefore, gives you an edge over your competitors since the time and resources you invest are minimal.

Q15. Explain the role of cloud computing in e-commerce.

Ans :

The role of cloud computing in e-commerce can be understood with help of following points,

1. Easy Access

Cloud computing enable easy access to data and applications from anywhere though interest. Cloud computing also play an important role in improving productivity and efficiency by given access to employees and stoke holders to utilize critical information, manage inventory and process transactions smoothly.

It enable e-commerce business to operate remotely, collaborate with teams and serve global customers.

2. Highly Flexible

Cloud computing provide unparalleled scalability and flexibility. It facilitates e-commerce businesses to quickly scale their resources up or down depending on fluctuating demand, ensure optional performance and cost efficiency.

3. Improved Security

Cloud service provides invest in security measures to protect customer data and infrastructure. Cloud computing enable e-commerce to take advantage of fortified security means, mitigate risk related to data breaches and unauthorized access.

4. Technical Expertise

Cloud computing eliminates requirement of extensive technical expertise by offering user-friendly interfaces and tools which are easily accessible by non-technical users to manage and deploy applications in cloud environment.

3.10	SUPPLY CHAIN SUSTAINABILITY AND RESPONSIBLE SOURCING IN e-GLOBAL BUSINESS

Q16. What is Sustainability and Supply Chain Sustainability? How to improve Supply Chain Sustainability?

(OR)

Explain the supply chain sustainability and responsible sourcing in e-global business.

Ans :   **(Feb.-24, Imp.)**

I) Meaning of Sustainability

(i) According to Themes Sustainable Development (2004), "Sustainable development is the achievement of continued economic development without detriment to the environmental and natural resources".

(ii) According to Brudtland Commission (1987), SustainaBle development meets the needs of the present without compromising the ability of future generations to meet their own needs".

II) Meaning of Supply Chain Sustainability

(i) Supply Chain Sustainability (SCS) is a holistic view of supply chain processes, logistics and technologies that addresses the environ-mental, social, economic and legal aspects of a supply chain's components.

(ii) Factors that affect SCS include amount of waste, carbon footprint and emissions, air pollution, labor violations, deforestation and the health and safety of workers. SCS is based on the principle that socially responsible products and practices are not only good for the planet and the people who live here, they are also good for building positive brand awareness, minimizing environmental impact and improving long-term profitability.

(iii) An organization's supply chain connects inputs to outputs, outlining the process of producing and delivering consumer goods.

(iv) Focusing on the supply chain is one aspect of achieving business sustainability as it covers a range of areas for improvement. This could include identifying the source of raw materials or surveying the conditions of workers involved in every process.

Improvement of Supply Chain Sustainability

Companies should take the following measures in order to achieve a more sustainable supply chain:

1. Identify critical issues and areas of improvement within the entire supply chain. The environmental impact of a supply chain is a culmination of each step in the production and operation process.

    Therefore, companies should understand where the most emissions and risks are located in order to improve.

2. Use supply chain management and measurement tools to help track progress and find weaknesses. Organizations such as The Sustainability Consortium, World Wildlife Fund and The Sustainability Accounting Standards Board have created guidelines and key performance indicators (KPIs) that can help consumer businesses move towards their environmental goals.

3. Set supply chain sustainability goals that reflect global sustainability goals. Companies should

model efforts around scientific recommen- dations and government regulations to contribute the greatest impact to the global sustainability agenda and move towards being carbon neutral.

Q17. Discuss the benefits of supply chain sustainability?

Ans :

Benefits

1. Ensures Supply Chain Continuity

Supply chain continuity can be achieved by initiating and developing sustainability practices. These practices helps in assessing and mitigating risks associated with suppliers. Firms replying on a single supplier can limit operational diversification and affect the ability to meet customer demand.

Therefore, sustainable practices enable firms to engage with multiple suppliers, ensuring better continuity in their supply chain.

2. Increases Brand Reputation

Incorporating supply chain sustainability practices into a business's supply chain can enhance brand reputation.

For example, Tesla, an American multi-national automotive company has gained popularity for promoting sustainable trans-portation through electric cars with zero emissions. Tesla utilizes energy from solar and renewable sources and incorporates recycling materials in their manufacturing units.

3. Control Costs

Sustainable practices increase efficiency and reduce waste. The conversion, reuse and recycling of products minimize costs and carbon emissions are significantly reduced.

Costs can be controlled by process and effectively designing developing product styles, implementing efficient assembling and recycling marketing the product.

4. Partnering with Suppliers

Partnering with suppliers can lead to increased sales volume, improved reputation with customers and the development of long term relationships with customers. it also enables businesses to outsource materials in a way that reduces the hazardous effects of chemical or pollutant.

5. Employees Satisfaction and Retention

Employees are more inclined to work for companies that prioritize the production of eco-friendly and sustainable products. Implementing supply chain sustainability practices in the business can help to retain the workforce and minimize recruitment costs.

6. Compliance with Rules and Regulations

Businesses that conduct their supply chain activities in compliance with rules and regulations can safeguard their operations from legal issues in the future. Government regulations often include requirements for sustainable practices, waste disposal material reuse, energy conservation and non-compliance can result in fines.

Q18. Define Responsible Sourcing in e-Global Business. Discuss the key factors and benefits of Responsible Sourcing.

Ans :

Responsible Sourcing in e-Global Business

According to the International Chamber of Commerce (ICC), responsible sourcing is defined as voluntary commitment of companies to consider social and environmental aspects while managing thei relations with suppliers. Responsible sourcing is also referred as supply chain responsibility.

In supply chains, responsible sourcing implies that organization and its suppliers carry out their business without any adverse effect on environment and society.

Factors

Key Factors Involved in Responsible Sourcing

Responsible sourcing business must adopt the following factors to have a successful responsible source in program,

1. Intensive Dialogue and Collaboration

With available information, set a baseline for specific categories, so that target to be achieved by source in ecosystem can be planned.

It is preferable to have intensive engagement with Tier 1 supplier because involvement of all suppliers will be difficult and ineffective. One-to one collaboration with supplie will be more effective to have overall business growth.

2.   Robust Risk Management and Compliance Approach

Business need to plan sourcing policies in accordance with sustainable objectives for developing criteria and metric for selection of suppliers.

These measures help companies to evaluate supplier based oi sustainability performance and risks.

3.   Fair Business Practices

Fair business practices helps to develop fair treatment towards all internal and external stakeholder who are involved in extended value chain of enterprise. Fair trade practices also includes,

(a)   Adoption of ethical responsible way of operation.

(b)   Employee engagement, transparent work culture, etc'

(c)   Community engagement.

(d)   Supplier and partner engagement

Following are the benefits of responsible sourcing,

1.   Maintain competitive advantage and enhance market share.

2.   Encourage transparency and accountability.

3.   Facilitates long term profitability.

4.   Promotes brand image and shareholder value.

5.   Increases cost savings and overall efficiency.

6.   Builds better supplier relationships.

| 3.11 | INNOVATIONS IN LAST-MILE DELIVERY AND THE FUTURE OF e-COMMERCE LOGISTICS |

Q.19   Explain the Innovations in last-mile delivery and the future of e-commerce logistics.

Ans :

Last-mile delivery is a crucial component of e-commerce logistics, and recent innovations are transforming how goods reach consumers. Here are some key trends and future directions:

1.   Drones and Autonomous Vehicles

(i)   Drones: Companies are exploring drone technology for rapid delivery, particularly in urban areas. Drones can bypass traffic and reduce delivery times significantly.

(ii)   Autonomous vehicles: Self-driving vans and robots are being tested for deliveries, potentially lowering labour costs and increasing efficiency.

2.   Smart Lockers and Pickup Points

(i)   Smart lockers: Installed in convenient locations, these allow customers to pick up their packages at their convenience, reducing missed deliveries.

(ii)   Retail partnerships: Collaborations with local stores for package pickup can enhance last-mile solutions and reduce transportation costs.

3.   Data Analytics and Route Optimization

(i)   Advanced algorithms are used to analyse traffic patterns and optimize delivery routes in real-time, reducing fuel consumption and delivery times.

(ii)   Predictive analytics can help forecast demand, allowing for better resource allocation.

4.   Sustainability Initiatives

(i)   Electric vehicles (EVs) and bicycles are being adopted to reduce the carbon footprint of last-mile deliveries.

(ii)   Companies are exploring carbon offset programs and sustainable packaging options to appeal to environmentally conscious consumers.

5.   Crowdsourced Delivery Models

(i)   Platforms that utilize gig workers for deliveries can enhance flexibility and speed, allowing companies to scale operations quickly based on demand.

(ii)   These models often leverage local knowledge for faster and more efficient deliveries.

6.   Artificial Intelligence and Machine Learning

(i)   AI is being used to predict consumer behaviour, manage inventory, and enhance customer service through chatbots and personalized recommendations.

(ii) Machine learning algorithms help improve operational efficiency by analysing delivery performance and customer feedback.

3.12 LEGAL CONSIDERATIONS FOR CROSS BORDER e-COMMERCE TRANSACTIONS AND INTERNATIONAL EXPANSION

Q20. Discuss the Legal considerations for cross border e-commerce transactions and international expansion.

Ans :   **(Imp.)**

Cross-border e-commerce presents unique legal challenges and considerations that businesses must navigate for successful international expansion. Here are key legal aspects to consider:

1. Regulatory Compliance

➢ **Import/Export Regulations:** Familiarize yourself with the import and export laws of the countries involved, including tariffs, customs duties, and prohibited goods.

➢ **Product Standards:** Ensure products comply with local safety, labeling, and certification standards, which can vary significantly by country.

2. Taxation and VAT/GST

➢ **Sales Tax and VAT:** Understand the sales tax and value-added tax (VAT) implications in each country. Some regions require foreign sellers to register and collect VAT on sales.

➢ **Transfer Pricing:** If operating through subsidiaries, ensure compliance with transfer pricing rules to avoid tax evasion accusations.

3. Consumer Protection Laws

➢ **Return Policies:** Familiarize yourself with consumer rights regarding returns, refunds, and warranties, as they differ from country to country.

➢ **Advertising Standards:** Ensure that advertising complies with local laws, including truth-in-advertising regulations.

4. Data Protection and Privacy

➢ **GDPR and Other Regulations:** In the EU, businesses must comply with the General Data Protection Regulation (GDPR). Other countries have their own data protection laws, so ensure compliance with local regulations regarding data collection, storage, and processing.

➢ **Cross-Border Data Transfers:** Understand the legal framework for transferring personal data across borders and implement necessary safeguards.

5. Intellectual Property (IP)

➢ **Trademark and Patent Protection:** Register your trademarks and patents in target markets to protect your brand and innovations from infringement.

➢ **Copyright Compliance:** Ensure that all content, images, and materials used are compliant with local copyright laws.

6. Dispute Resolution and Jurisdiction

➢ **Governing Law:** Specify in contracts which country's laws will govern disputes and determine jurisdiction in case of legal issues.

➢ **Arbitration vs. Litigation:** Consider alternative dispute resolution methods, such as arbitration, to resolve cross-border disputes efficiently.

7. Payment Processing Regulations

➢ **Cross-Border Payments:** Understand regulations related to international payment processing, including anti-money laundering (AML) and know-your-customer (KYC) requirements.

➢ **Currency Exchange Risks:** Be aware of currency exchange regulations and the potential impact of currency fluctuations on pricing.

3.13 RISK MANAGEMENT IN e-GLOBAL BUSINESS OPERATIONS

Q21. Define Risk Management. Explain the process of Risk Management.

Ans :

Meaning of Risk Management

Risk management is a process through which an organization identifies, assesses and controls threats, if any, to its earnings and capitals. The source of threats could be due to a variety of causes like uncertainties in finances, legal liabilities, errors in strategy by the management, accident or a natural disaster.

Process

1. Identify the risks

This involves identifying all of the potential events that could have a negative impact on your organization, as well as the potential opportunities that could have a positive impact.

2. Assess the risks

In this step, outcome of each risk is analyzed and area which require more concentration is selected. There are many factors which influence accurate risk analysis, such as time wasted, magnitude of effects and revenue loss for business. Careful observation helps to identify risk which occur frequently in a project.

3. Prioritize the risks

Once you have assessed the risks, you need to prioritize them based on their likelihood and impact. This will help you to focus your resources on the most important risks. There are a variety of ways to prioritize risks, such as using a risk scoring system or a risk appetite matrix.

4. Treat the risks

Once you have prioritized the risks, you need to develop and implement risk treatment plans. There are a variety of risk treatment strategies that you can use, such as avoidance, mitigation, transference, and acceptance. The best risk treatment strategy will vary depending on the specific risk.

5. Monitor and review the risks

Risk management is an ongoing process, so it is important to monitor and review the risks on a regular basis. This will help you to identify new risks and to ensure that your risk treatment plans are effective.

Q22. Explain the importance of risk management.

Ans :

Importance

1. The firms prepare themselves for meeting the unforeseen losses must of the future in the most economical manner. This requires the effective management of risk which involves analyzing of the various safety programs such as, examining whether the insurance premium is being paid, cost of safety programs and so on.

2. The firms are basically emphasizing on the wealth maximization for shareholders which is consistent with their preferences. This requires the effectively managing the risks and ensuring adequate/ appropriated

3. The firms are benefitted by maximizing their wealth as the main objective of risk management is to acquire adequate profits.

4. The risk cannot be avoided in financial institutions because the business and risk are like two sides of a coin. Thus, it becomes very important to hold the business and risk together.

5. The complexity of products and the various number of transactions are increasing day by day. There also exists various firms which trades their entire capital daily. This involves greater risk to the firms in terms of its capital and also with respect to its survival.

6. The firms manages the risk effectively when the profit margins are low.

7. In-order to reduce the impact of risk, every firm is required to analyze the risk and follow certain policies and procedures so as to determine and control the risk.

Q23. Explain the objectives and levels of risk management.

Ans :

Objectives of Risk Management

Risk management should not be confused with insurance management. Risk management is broader concept and includes all techniques for treating loss exposures, in addition to insurance. Risk management has important objectives. These objectives can be classified follows:

(a) Preloss Objective

Following are the objectives before the loss.

(i) Reduction in worry and fear

The risk management should be able to reduce anxiety and fear in the mind of the likely exposed unit and should be able to enhance value without constraints on operating activities.

(ii) Economy

This means that the firm should prepare for potential losses in the most economical way. This preparation involves an analysis of the cost safety programs, insurance premium paid and the costs assonated with the deferent techniques for handling losses.

(iii) Meeting legal obligations

The next objective is to meet any legal obligations. Risk managers must see that all these obligations are met or not. For example, government regulation may require a firm to install safely devices to protect workers from harm, to dispose hazardous waste materials property act.

(b) Post Loss Objective

Following are the objective of risk management after a loss occurs.

(i) Survival

The most important post loss objective is survival of the firm. If a loss occurs, the firm can not be totally shut down. The firm should be able to resume the operations or at least partial operations within some reasonable time period so that the firm will survive in the market.

(ii) Continued operation

Even if a loss occurs, the firms mainly service provider should be able to continue their operations,. For example, public utility firms such as airlines, banks, bakeries and dories must continued to operate even after a loss. Otherwise business will be lost to competitors.

(iii) Stability of earning

The next post loss objective is stability in earning. If the firm continues to operate,

then there will be a stability in the earning of the firm. The firm will have to face substantial additional expenses to achieve this goal. The firm can shift their operation to another location.

(iv) Continued Growth

After the stability is earning the company can show a continuous growth. It can develop new products and enter into new markets. They can acquire or merge with another company. The risk manager must consider the effect that a loss will have on the firm's ability to grow.

(v) Optimizing Social Effects

The objective of social responsibility of risk management is to minimize the effects that a loss will have on other person and on socially. A severe loss can adversely affect employees, suppliers, creditors and the community in general. For example, a severe loss that shut down a plant in a small town for an extended period can cause considerable economic distress in the town.

Levels of Risk Management

The risk management process operates on three levels. Although it would be preferable to perform an in-depth application of risk management for every operation or task, the time and resources may not always be available.

The three levels are as follow:

1. Time-Critical

Time-critical risk management is an "on the run" mental or verbal review of the situation using the basic risk management process without necessarily recording the information. This time-critical process of risk management employed by personnel to consider risk while making decisions in a time-compressed situation. This level of risk management is used during the execution phase of training or operations as well as in planning and execution during crisis responses.

2. Deliberate

Deliberate Risk Management is the application of the complete process. It primarily uses experience and brainstorming to identify risks, hazards and develops controls and is therefore most effective when done in a group.

3.   Strategic

This is the deliberate process with more thorough hazard identification and risk assessment involving research of available data, use of diagram and analysis tools, formal testing, or long term tracking of the risks associated with the system or operation (normally with assistance from technical experts).

It is used to study the hazards and their associated risks in a complex operation or system, or one in which the hazards are not well understood.

Q24. Explain the Benefits of Risk Management.

Ans :   (Imp.)

Benefits

1.   Benefits of risk identification

Risk identification helps in fostering the vigilance in times of discipline and calm at the times of crisis. It implies all the risks in prior that are most likely to happen and are planned to execute without any assumptions that run.

These positive risks are often held upon most of the occurrences. It helps in opportunity risks so as to be aware of the forthcoming issues.

2.   Benefits of risk assessment

It focuses on the identified tasks on assisting the impact of business or projects. This phase focuses on the ideas that are discussed among the stakeholders. It has the greatest advantage of dealing with the points that are finalized with more possible solutions.

It has a sense of all views that turns into accountability of each and every social life. Participation in these kinds of assessments will help one to tackle his/her risks. It promotes organizational culture.

3.   Treatment of risks

It helps in treating one's own risks that are the subsets of implementing a plan. It has internal compliance that is brought and mitigated towards the forsaken actions.

Its opportunity falls in the lack of preparation and even more realized upon the profitable data that relieves through internal controls.

4.   Minimization of risks

The risks that are handled within the given assessments plans are foreseen within the business functions. It enables one to speed up the data to change policies and contingencies that are made successful within the mapped business functions.

Here the cost-beneficial analysis is to be revised within the ownership of risks. It focuses on the change of policies within the detailed structural behavior.

5.   Awareness about the risks

Here the terms that are noticed will create awareness among the scheduled terms of risks that are a successful analysis and evaluation of exercising the modules of risks.

It enables one to concentrate on the risk treatments within the lessons learned and are scheduled into lack of preparation. It has subsequent phases regarding each module within the identified data.

6.   Successful business strategies

Risk management strategy is not a one-time activity and the grade points are finalized within the recent status. It has different stages that modulate to lack of preparation, planning and successful implementations of all the plans.

It has the operational efficiency that is realized upon the mitigation of negative risks. It has contingent policies over the preparation of business in the measures of treatment.

7.   Saving cost and time

It threats to the task that is completed over the projects and the other business strategies.

It always results in saving the costs that are consolidated within the items that are practiced. It prevents wastage and makeup time for firefighting.

Case Studies

Case Study - 1.

Zappos, an online shoe and clothing retailer, is renowned for its exceptional customer service and strong company culture. Founded in 1999, Zappos was acquired by Amazon in 2009 but has maintained its distinct identity, focusing on providing a unique shopping experience. The company emphasizes a customer-centric approach, empowering employees to go above and beyond to satisfy customers.

Key Features of Zappos' Business Model

1. Customer Service Excellence

➢ Zappos offers free shipping on both orders and returns, which reduces the perceived risk of online shopping.

➢ Customer service representatives have the authority to make decisions that enhance the customer experience without needing managerial approval.

2. Company Culture

➢ Zappos promotes a fun and quirky company culture that encourages creativity and individuality.

➢ The company prioritizes employee happiness, believing that satisfied employees will lead to satisfied customers.

3. Extensive Product Selection

➢ Zappos carries a vast inventory of shoes, clothing, and accessories, catering to diverse customer preferences.

4. Innovative Use of Technology

➢ The company employs advanced technology to enhance its website and streamline operations.

Questions and Answers

1. What are the core elements of Zappos' business model?

Ans :

The core elements of Zappos' business model include:

(i) Customer-Centric Approach: Prioritizing customer satisfaction through policies like free shipping and an easy return process.

(ii) Empowered Employees: Allowing employees to make decisions that enhance the customer experience.

(ii) Strong Company Culture: Fostering a work environment that values creativity, fun, and employee well-being.

(ii) Wide Product Range: Offering a large variety of products to meet diverse consumer needs.

2. How does Zappos differentiate itself from its competitors ?

Ans :

Zappos differentiates itself through

(i) Exceptional Customer Service: They go above and beyond in customer interactions, often resolving issues in unique and memorable ways.

(ii)   **Free Shipping and Returns:** These policies reduce friction in the buying process and increase customer trust.

(iii)   **Unique Company Culture:** Their fun and inclusive work environment translates into passionate customer service.

(iv)   **Personalization:** Zappos uses customer data to provide personalized shopping experiences.

3.   **What challenges does Zappos face in maintaining its customer service standards ?**

Ans :

Challenges include:

(i)   **Scaling Customer Service:** As the company grows, maintaining the same level of personalized service can be difficult.

(ii)   **Employee Training:** Continuously training employees to uphold the company culture and customer service standards requires resources and time.

(iii)   **Market Competition:** Competing with larger e-commerce platforms like Amazon, which may have different service models.

(iv)   **Customer Expectations:** As customer expectations rise, Zappos must innovate to meet new demands for speed and convenience.

Case Study - 2: Netflix's Cloud Based Approach

Netflix was founded in 1997 as a DVD rental service, but it has since evolved into a major player in the entertainment industry. With over 208 million subscribers in more than 190 countries, Netflix is a global streaming service that offers a wide range of TV shows, movies, and original content to its subscribers.

The company's adoption of cloud services, particularly Amazon Web Services (AWS), was a game-changer in its transformation. Initially, Netflix relied on a traditional IT infrastructure, which was expensive and time-consuming to manage. However, as the company experienced rapid growth and increasing demands for content delivery, it recognized the need for a more scalable and flexible solution. By leveraging the scalability, security, and cost-effectiveness of AWS, Netflix has been able to support its rapidly growing business and deliver its content to subscribers around the world. Today, Netflix runs its entire video streaming infrastructure on AWS, with over 2,500 active micro-services and over 1000 AWS accounts. This cloud-based approach has allowed Netflix to reduce its IT costs, achieve high levels of reliability, and quickly launch new features and services, giving the company a competitive edge in the market.

Questions and Answers

1.   **How many active micro-services and AWS accounts does Netflix use ?**

Ans :

Netflix uses over 2,500 active micro-services and has over 1000 AWS accounts to manage its video streaming infrastructure.

2.   **What are the key benefits Netflix gained from using AWS ?**

Ans :

The key benefits include scalability, security, cost-effectiveness, high reliability and the ability to quickly launch new features and services, which gave Netflix a competitive edge in the market.

3.   **Which cloud platform did Netflix choose for its operations ?**

Ans :

Netflix chose Amazon Web Services (AWS) as its primary cloud platform.

4.   What role does cloud computing play in Netfiix's content delivery ?

Ans :

Cloud computing, through AWS, enables Netflix to deliver content efficiently to its subscribers worldwide by providing a scalable, reliable and cost-effective infrastructure that supports high levels of performance and rapid deployment of new features.

5.   What prompted Netflix to adopt cloud services ?

Ans :

Netflix's rapid growth and increasing demands for content delivery prompted the need for a more scalable and flexible solution, which lead to the adoption of cloud services.

Short Questions and Answers

1. Define Supply chain management.

Ans :

Supply Chain Management is the systematic, strategic co-ordination of the traditional business functions and the tactics across these business functions within a particular company and across business within the supply chain, for the purposes of improving the long-term performance of the individual companies and the supply chain as a whole.

Supply chain management is the management of a network of interconnected businesses involved in the ultimate provision of product and service packages required by end customers.

Definitions

(i) **According to Jones and Riley,** "Supply chain management deals with the total flow of material from supplier through end user".

(ii) **According to Cooper and Ellram,** "Supply chain management is an integrative philosophy to manage the total flow of distribution channel front the supplier to the ultimate user".

2. Define Digital Supply Chain Management.

Ans :

"Digital supply chain management" is really just supply chain management with an added layer of digital technologies. These technologies include:

(i) Predictive analytics to optimize inventory allocation and forecast demand

(ii) Automated replenishment solutions

(iii) Robotics to speed up assembly or picking

(iv) IoT sensors to gather real-time feedback from manufacturing equipment and vehicles

3. Define Logistics and Fulfilment in e-Commerce.

Ans :

According to the Council of Logistics Management, logistics refers to that part of supply chain process that plans, implements and controls the efficient, effective flow and storage of goods, services and related information from the point of origin to the point of consumption in order to meet customer requirements.

Logistics in e-commerce or e-logistics refers to the application of concepts of logistics electronically to the specific aspects of business operations that take place online through the internet.

4. Define International Trade.

Ans :

International trade is referred to as the exchange or trade of goods and services between different nations. This kind of trade contributes and increases the world economy. The most commonly traded commodities are television sets, clothes, machinery, capital goods, food, raw material, etc.

International trade has exceptionally increased, which includes services such as foreign transportation, travel and tourism, banking, warehousing, communi-cation, distribution, and advertising. Other equally important developments are the increase in foreign investments and production of foreign goods and services in an international country.

5. Define Reverse Logistics

Ans :

According to Rogers and Tibben-lembke, "reverse logistics is a process of planning, implementing and controlling the efficient cost effective flow of raw materials, in-process inventory, finished goods and related information from the point of consumption to the point of origin for the purpose of recapturing value or for proper disposal".

Reverse logistics is gaining a wide scope in a present scenario due to the endless generation of waste material, whose recycling and reproducing plays a major role in increasing the profitability of a firm. Today, most of the firms are engaging themselves in reverse logistics activities.

6. What is Customer Data Privacy?

Ans :

Consumer or customer data privacy refers to how companies and third-party data agencies collect, manage, use, and protect various data from transactions. This data includes but is not limited to:

➢ Contact information

➢ Passwords and usernames

➢ Web browsing cookies

➢ Purchase history

➢ Website behaviors

➢ Identifiable information

➢ App engagement

7. Define cloud computing.

Ans :

Cloud computing refers to the use of hosted services, such as data storage, servers, databases, networking, and software over the internet. The data is stored on physical servers, which are maintained by a cloud service provider.

Computer system resources, especially data storage and computing power, are available on-demand, without direct management by the user in cloud computing.

8. Define Supply Chain Sustainability

Ans :

(i) Supply Chain Sustainability (SCS) is a holistic view of supply chain processes, logistics and technologies that addresses the environ- mental, social, economic and legal aspects of a supply chain's components.

(ii) Factors that affect SCS include amount of waste, carbon footprint and emissions, air pollution, labor violations, deforestation and the health and safety of workers. SCS is based on the principle that socially responsible products and practices are not only good for the planet and the people who live here, they are also good for building positive brand awareness, minimizing environmental impact and improving long-term profitability.

(iii) An organization's supply chain connects inputs to outputs, outlining the process of producing and delivering consumer goods.

(iv) Focusing on the supply chain is one aspect of achieving business sustainability as it covers a range of areas for improvement. This could include identifying the source of raw materials or surveying the conditions of workers involved in every process.

9.   State the benefits of supply chain sustainability

Ans :

(i)   Ensures Supply Chain Continuity

Supply chain continuity can be achieved by initiating and developing sustainability practices. These practices helps in assessing and mitigating risks associated with suppliers. Firms replying on a single supplier can limit operational diversification and affect the ability to meet customer demand.

Therefore, sustainable practices enable firms to engage with multiple suppliers, ensuring better continuity in their supply chain.

(ii)   Increases Brand Reputation

Incorporating supply chain sustainability practices into a business's supply chain can enhance brand reputation.

For example, Tesla, an American multi-national automotive company has gained popularity for promoting sustainable trans-portation through electric cars with zero emissions. Tesla utilizes energy from solar and renewable sources and incorporates recycling materials in their manufacturing units.

(iii)   Control Costs

Sustainable practices increase efficiency and reduce waste. The conversion, reuse and recycling of products minimize costs and carbon emissions are significantly reduced.

10.   Define Risk Management.

Ans :

Risk management is a process through which an organization identifies, assesses and controls threats, if any, to its earnings and capitals. The source of threats could be due to a variety of causes like uncertainties in finances, legal liabilities, errors in strategy by the management, accident or a natural disaster.

11.   Define Cross-Cultural Management and Customer Service

Ans :

Cross-cultural management and customer service are pivotal components of e-global business, encompassing global business operations facilitated by electronic technologies and the internet.

Achieving success in these domains necessitates a profound comprehension of cultural disparities, adept communication strategies, and a customer-centric approach tailored to varied global markets.

UNIT IV

4.1 DEVELOPING AN e-GLOBAL BUSINESS STRATEGY

Q1. What is Strategy? Explain the need for strategy.

Ans :

Meaning of Strategy

In simple terms, strategy is a planned or emergent course of action that is expected to contribute to the achievement of organizational goals. Strategy can also be an idea or a thought.

Definitions of Strategy

(i) A strategy is defined as, "a unified, comprehensive, and integrated plan that relates to the strategic advantages of the firm and to the challenges of the environment. It is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization."

(ii) According to Arthur Sharplin, "a plan or course of action which is of vital pervasive, or continuing importance to the organization as a whole."

Need

It is beyond doubt to state that every organization necessarily formulate strategies. To state specifically, strategy is necessary in view of the following reasons:

(i) To have rules to guide the search for new opportunities both inside and outside the firm.

(ii) To take high quality project decisions.

(iii) To develop measures to judge whether a particular opportunity is a rare one or whether much better ones are likely to develop in the future.

(iv) To have an assurance that the firm's overall resource allocation pattern is efficient.

(v) To have and develop internal ability to anticipate change.

(vi) To save time, money and executive talent.

(vii) To identify, develop and exploit potential opportunities.

(viii) To utilize the delay principle, that is, delay the commitment until an opportunity is on hand.

Q2. Explain the criteria for effective strategy.

Ans :

Following are the criteria for effective strategy,

1. Clear, decisive objectives

All efforts should be directed towards clearly understood, decisive and attainable overall goals. All goals need not be written down or be chronologically precise but they must be understood and be decisive.

2. Maintaining the initiative

The strategy preserves freedom of action and enhances commitment. It sets the pace and determines the course of events rather than reacting to them.

3. Concentration

The strategy concentrates superior power at the place and time likely to be decisive. The strategy must define precisely what will make the enterprise

superior in power, best in critical dimensions in relation to its competitors. A distinctive competency yields greater success with fewer resources.

4.   Flexibility

The strategy must purposely have built in resources, buffers and dimensions for flexibility and maneuvers. Reserved capabilities, planned maneuverability and repositioning allows one to use minimum resource while keeping competitors at a relative disadvantage.

5.   Coordinated and committed leadership

The strategy should provide responsible, committed leadership for each of its major goals. Care should be taken in selecting the leaders in such a way that their own interests and values match with the requirements of their roles. Commitment and not mere acceptance is the basic requirement.

6.   Surprise

The strategy should make use of speed, secrecy and intelligence to attack exposed or unprepared competitors at an unexpected time. Thus, surprise and correct time are very important.

7.   Security

The organization should secure or develop resources required, securely maintain all vital operating points for the enterprise, an effective intelligence system to prevent the effects of surprises by the competitors.

Q3.   Define e-business strategy. What are the objectives of e-business strategy.

Ans :

Meaning of e-business strategy

E-business Strategy is the deployment of enterprise resources for capitalizing on technologies to reach specified objectives and ultimately improve performance and create sustainable competitive advantage.

In other words, an e-business plan is a comprehensive plan for applying effective digitization for a firm to conduct its computerized interactions with all stakeholders - both internally via the web and globally via clients, vendors, and other collaborators.

Objectives

An organization formulates its e-business strategies based on some objectives.

1.   To Add Value

An e-business organization adds value by providing better-quality products and services to customers. To do so, the organization arranges strategies to obtain information related to the market, customer orientation, and preferences. Some of the techniques used to implement these strategies are:

(i)   Data mining: It involves analyzing the existing large chunk of data to generate meaningful information.

(ii)   Trend analysis: It involves evaluating past data to predict future movements.

(iii)   Market survey: It involves collecting, storing, analyzing, and interpreting data on potential markets for a particular product/ service.

2.   To Reduce Cost

An e-business organization uses some strategies to reduce costs and increase revenue. For this purpose, it can increase the efficiency of business processes.

It can reduce production costs by creating, marketing, and delivering products or services with fewer resources than before. To do so, the organization can reduce paperwork, decrease the staff required to run electronic processes through automation, and improve internal and external communications.

3.   To Manage Risk

An e-business organization is vulnerable to risks and fraudulent practices caused due to exposure to the Internet.

These risks include information risks, technology risks, and other business risks. To prevent and avoid these risks, an e-business organization should create a secure system by:

(i)   Developing strategies to protect against data theft

(ii)   Preventing unauthorized use of data during transactions

(iii) Creating a strong telecommunications network

(iv) Integrating business processes for better monitoring

(v) Following policies and regulations as per the law

4. **To Innovate Products and Services**

Due to increasing competition, an e-business organization must innovate and offer new products or services. To remain competitive and innovative, the organization can build strategies to:

(i) Promote research and development (R&D)

(ii) Use data mining for collecting information about customer preferences

(iii) Adopt new technologies

(v) Create new ways to develop and offer products through the Internet.

5. **To Expand the Customer Base**

Just like any traditional organization, an e-business company should expand its customer base. For this purpose, the organization can focus on the following strategies:

(i) Using extensive advertising and promotion

(ii) Using social media marketing to attract customers

(iii) Using techniques such as Search Engine Optimisation (SEO) to increase Web traffic

(iv) Offering convenient modes of transactions and payment to customers

(v) Using efficient Customer Relationship Management (CRM) and reverse logistics

The aforementioned objectives drive e-business strategies and lead to the development of various other objectives.

Q4. **Define strategy process model. Explain the elements of strategy process model.**

Ans : (Imp.)

Meaning of strategy process model

Strategy process model is a framework used for strategizing the implementation of all the activities of e-global business strategy development. Using this model,

it can also be ensured that e-business strategy can be developed as part of a process of constant improvement.

Elements of Strategy Process Model

The following are the elements of strategy process model,

1. **Scanning or Analysis of Internal and External Environment**

This element is required to respond to competitors while developing strategy.

2. **Well-defined Vision and Objectives**

This element is required to clearly indicate the intention of strategy to both employees and the marketplace. However, to check whether the strategy is successful or not, objectives are essential.

3. **Division of Strategy Development**

This element divides the task of strategy development into strategy option generation, evaluation and selection. A strategy can be effective if a variety of choices are reviewed and the best one is selected based on its standards.

4. **Strategy Implementation**

When a strategy is developed, validation of the strategy is performed as strategy implementation.

5. **Control**

A level of control is needed top keep track of operational and strategy effectiveness problems and to modify the operations or strategy consequently.

4.2 e-MARKETING AND ONLINE ADVERTISING

Q5. **Define e-Marketing. What are the advantages and disadvantages of e-Marketing ?**

Ans : (Imp.)

Meaning of e-Marketing

E-marketing is referred to those strategies and techniques which utilized online ways to reach target customers.

There are millions of Internet users that daily access different websites using a variety of tools like computers, laptops, tablet and smart or android phone devices, and the number of internet users are increasing very rapidly.

So every business seems to be jumping on the internet marketing bandwagon. The internet is most powerful tool that can put any business on solid footing with market leaders companies.

E-marketing also known as online or internet advertising which uses the internet technology to promote online message to customer. E-marketing examples are e-mail or social media advertising, web banners and mobile advertising.

Advantages

1. Direct Advertising

Direct adverting helps an advertiser to create awareness about a product or brand. Recently every company can easily show their advertisements for products or services on different digital channels.

2. Easy Consumer Reach

The main advantage of digital marketing is – it can reach a wide range of audience as early as possible. Nowadays people spend a large portion of their time in searching the web. Using internet channels, a marketer can easily and quickly approach to target a number of consumers.

3. Easy Brand Promotion

As the technology and internet have developed a lot, the brand's may take a great advantage of customer's reach and co-operate its clients successfully. Development of a company depends on the existence of the internet. It can develop your company from any regional market to nationwide and worldwide marketplaces at the same time.

4. Reduced Cost

Digital marketing allows the marketers to save cash. Because digital marketing does not demands great amount of financial commitment.

It costs comparatively low than the so-called traditional marketing channels like television, newspapers, radio, banners, magazine etc. Some websites and business profiles generate huge traffic for absolutely free. It is a great option for marketers to spread their business throughout the world without any high cost.

5. Helping Marketers Career

It is a great opportunity for an individual who is making digital strategies and helping companies to expand their business. These strategy makers help to grow the business of a company and himself/herself makes their own career also. Digital marketing has spread huge career options for digital marketers.

6. Available 24/7

The World Wide Web never rests for any time. So, your advertisement will work for 24 hours. Using the electronic industry, your advertisement will physically present for 24 hours a day and 7 days a week and 365 days in a year. So, your advertisement will always be in front of your targeted customers.

7. Consumer's Convenience to Shop Online

Online shopping is a growing trend. For the popularity and capabilities of digital marketing, customers are more interested in online shopping. A customer can buy a thing whether it is in his/her country or in abroad. Today distance is not a matter to a customer.

8. Global Advertisement

This is one of the most important features of digital marketing. It enables the companies to advertise worldwide and there is no barrier, having so many geographical differences. So, a company can easily expand its business without any extra effort. Sitting in a remote place, a company can spread its business throughout the world.

9. Bulk E-mails and Messages

The Internet allows you to send so many e-mails and messages at a time. So, within a short span of time, you can connect with your customers. This paves a way to reach more customers.

10. Perpetually Displaying Ads

Due to digital marketing, it is now approachable to the target customers at any time of the day. There are no limitations in the place and time. These perpetually displaying ads attract the customers very much. But we have to manage these ads efficiently to see on the web page.

Disadvantages

1. Limitations of Internet Access

The digital marketing mostly depends on the internet. In this modern world, there are still some areas where the facility of the internet is not available or the internet connection is very poor.

So, in those remote areas, digital marketing has no function. It is very difficult to target those customers who live in those places.

2. High Competition of Brands

Talking about advantages and disadvantages of digital marketing, this is a great fault of digital marketing. A customer and consumer must know about the high competition of brands.

When a customer searches for a specific goods or products, then the services having the same marketing strategies, appear on the customer's home page.

3. Promotion Strategy Can Be Copied

One of the main drawbacks of digital marketing is piracy. It is often seen that any company copies your products and sell them as their products.

Copying of an image is not difficult. Not only this, even they can create an adverse effect on your products that will harm your online reputation.

4. Limited Consumer Link And Conversation

We all know that digital marketing is excessively dependent on internet. So, the marketers may found it very much difficult to access more consumers which they want. They can not start a conversation with their desired customers about the company products or brand image. But, the people who do not use internet, are unable to know about your product.

5. Advertisement for Limited Products

While we are discussing about advantages and disadvantages of digital marketing, there is a practical drawback of digital marketing. It is only profitable for consumer goods. We can not sell the industrial goods or pharmaceutical products through digital channels.

6. Less Interest On the Internet

There are some customers who are less interested in internet. They simply avoid Internet advertisement. Even they do not trust the internet advertisement.

7. Cash On Delivery

Cash on delivery is one of the disadvantages of digital marketing. Because it does not ensure you for 100% cash back. This may create a hazard in front of you.

8. Negative Feedback

In respect of social media, a single post, tweet or comment or any claim or any negative feedback about your services or products can destroy your online reputation for a long time.

Tomake reputation, it takes much time, but to break it does not take much time. Even some negative feedback may destroy the chance of growth of your business.

Q6. Define online advertising. Explain different types of online advertising.

Ans :   **(Imp.)**

Meaning

Online advertising is a form of marketing that uses the internet to direct users to a brand's website or to suggest a product, service or associated task. The task may include making a purchase, booking a service or following the brand on its social media platforms.

There are various online platforms that may suit the needs of a marketing strategy. Marketing teams might set the demographic filters for their advertisements and pay to feature their brand in online locations to increase brand visibility.

Types

1. Social Media Advertising

Any online advertising strategy is simply incomplete without social media advertising. Most of the social media platforms now allow users to maximize their reach organically. That said, brands can enhance their reach even without using paid tools. Social media platforms have so many options for users.

2. Display Advertising

Display advertising is a type of online advertising where you advertise your brand or products through videos, images, graphics, or rich media content but your ad is run/placed on a third-party website. Then, when a user clicks on the ad, he/she is directed back to your website.
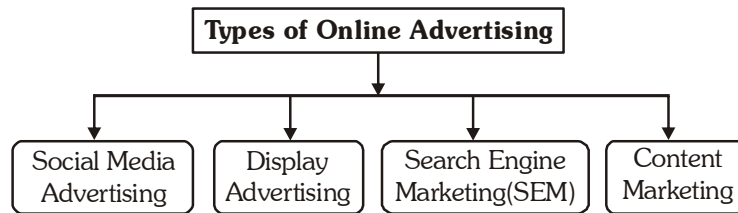
Fig.: Types of online advertising

3. Search Engine Marketing (SEM)

Search engine marketing advertises your brand, products, or services by enhancing your website's visibility on the search engine results pages (SERP). However, to run your ads and appear in search engines such as Bing, Google, you have to pay via CPC or CPI method. That is why SEM is also called PPC (pay per click).

4. Content Marketing

Content marketing is another very common but effective type of online advertising. It helps brands to convey their messages to the relevant audience. The main focus is to get organic traffic on a brand's website by improving its search engine visibility. Blogs are one of the most common examples of content marketing. Blogs help a brand to educate its target audience and bring them to the website.

Q7. Define digital marketing. Explain the objectives of digital marketing.

Ans :   **(Imp.)**

Meaning of digital marketing

Digital marketing refers to the management and execution of marketing activities by using digital electronic technologies and channels like digital TV, E-mails, web, wireless media and digital data concerning consumer behavior and its attributes.

Digital marketing helps in reaching the target customers on-time without consuming much resources and in an interactive manner. Internet marketing is one of the types of digital marketing.

Objectives

The following are the major objectives of digital marketing,

1. It aims to promote new products and services by acting as a platform for potential marketers to reach their target customers.

2. To create brand awareness for the product/service.

3. To help the marketer to understand the present and potential needs of the consumers.

4. Digital marketing also facilitates engagement among the audience in relation to the business.

5. It aims to create brand awareness for a given product or service.

6. It facilitates publicity and promotion of new products and services in the market.

7. It also aims to increase the level of customers satisfaction and generate brand loyalty.

8. Its aim also involves the transfer of goods and services from the marketers to the end users.

9. It aims to create demand for products through attractive advertisements.

10. It helps the marketers to reach the customer through a variety of digital marketing tools such as social media, videos, audio chats, web blogs, web apps etc.

11. It helps in market segmentation of the marketers products.

12. It aims to help the marketer reach their target audience.

Thus it may be concluded that digital marketing is a new and evolving field which possess potential for immense growth in future.

Q8. **Explain the various components of digital marketing.**

Ans :

Components

The various components of digital marketing,

1. **Online Internet/Web Marketing**

Online marketing is the achievement of marketing goals through the utilization of the internet and the web based technologies. Online marketing is also known as internet marketing or marketing on the web.

2. **Internet (or) Online Advertising**

Internet/web advertising is a form of advertising that uses internet and world wide web so as to deliver marketing information and also to gain customers attention. Banner ads, E-mail marketing, search engine result pages are some of we examples of web advertisement.

3. **Search Engine Marketing**

Search engine marketing is one of the types of internet advertising which attempts to enhance the accessibility of websites in Search Engine Results Pages (SERPs) by using Search Engine Marketing (SEM) activities and Search Engine optimization (SEO) strategies.

4. **Mobile Marketing**

Mobile marketing is one of the types of digital marketing which helps the organizations in communicating and interacting with target customers through mobile device or wireless network. For example, mobile phone/cell phone, MMS/ SMS, PDA etc.

5. **E-mail Marketing**

E-mail marketing refers to the marketing done through electronic mail. In E-mail marketing, E-mail/messages are sent only to those people who have agreed to receive messages. E-mail marketing is a highly economical digital marketing.

For digital marketers, E-mail marketing is considered as highly powerful and highly economical tool.

6. **Viral Marketing**

Viral marketing is also known as Electronic Word-of-Mouth (EWOM) or word-of-mouse. In viral marketing, word-of-mouth communication is done through e-mail or SMS and social networking technology is used to pass on the messages via self-replicating viral processes which affects marketing activities.

7. **Social Media Marketing**

Social media marketing is a type of internet marketing where social web channels and technologies or online collaborative media is used for carrying out marketing activities like sales, distribution, public relations and customer service.

8. **Blog Marketing**

A major component of digital marketing is blog marketing. Many companies host their own blogs wherein they promote their new products or services. Alternatively, the company may take the help of specialized bloggers to publicize and promote its products.

9. **Interactive Marketing**

This component/mode of digital marketing includes chat box and other types of interactive platforms wherein the customers interact with the marketers.

Q9. **Explain the Classification of digital marketing. State the benefits and Limitations of Digital Marketing.**

Ans :   (Imp.)

Classification

Digital Marketing can be classified into Pull and Push marketing.

1. **Pull Digital Marketing**

Pull digital marketing technologies involve the user having to seek out and directly grab (or pull) the content via web searches. Web site/blogs and streaming media (audio and video) are good examples of this. In each of these examples, users have a specific link (URL) to view the content.

2. **Push Digital Marketing**

Push digital marketing technologies involve both the marketer (creator of the message) as well as the recipients (the user).

E-mail, SMS, RSS are examples of push digital marketing. In each of these examples, the marketer has to send (push) the messages to the users (subscribers) in order for the message to be received.

Benefits of Digital Marketing

Following are the benefits of digital marketing,

1.   Easy Effective Marketing

Digital marketing is an easy and effective means for the organization to communicate its marketing message to a large number of present and potential customers. It has revolutionized marketing activities on popular social media platforms such as Facebook, Twitter, Linked In etc.

2.   Enables Direct Advertising

It acts as an effective platform for the organization to advertise about its product and create brand loyalty for its product.

3.   Permanent Ad Display

Unlike traditional ads, ads on digital platforms are more permanent and can be accessed by potential customers any time.

4.   International Advertisement

A major benefit of digital marketing is that it provides the company a good platform to advertise its offerings to the global customers very easily.

5.   Brand Promotion

It acts as an effective mode for brand promotion. Thus strengthening the organizations loyal customer base.

6.   Boosts Sales

Digital marketing has made it possible for a prospective customer to shop any time (24/7) across any geographic area. Thus it boosts the overall sales figure for the company.

7.   Cost Effective

It has been found that digital marketing tools are very cheap and cost effective, in comparison to traditional marketing modes such as TV, radio, magazines etc. Social media marketing platform such as Facebook, Linked In, Whatsapp, Instagram have become cost effective platform of digital marketing.

Limitations of Digital Marketing

Digital marketing suffers from the following limitations,

(a)   Highly dependent upon Internet

Most modes of digital marketing are dependent upon internet facility. Thus in areas where there is no internet facility digital marketing would not be effective.

(b)   Fierce Competition

A major limitation of digital marketing is the intense competition from local, national and international brands. The customer is provided with many alternative choice.

(c)   Limited to Consumer Products

A major limitation of digital marketing is that it is effective mode for marketing consumer products but is not impactful incase of industrial and pharmaceutical products.

(d)   Lack of Privacy

There is no privacy on the digital marketing platform, competitor may copy the firms product, pricing strategy or may even sell the product in their own name.

Q10. Distinguish between traditional marketing and digital marketing.

Ans :   (Imp.)

The following are the key differences between traditional marketing and digital marketing,

S.No.	Nature	Traditional Marketing	Digital Marketing
1.	Definition	The U.K Chartered Institute of Marketing defined marketing as "The management process responsible for identifying, anticipating and satisfying customer needs profitably".	Digital marketing refers to the management and execution of marketing activities by using digital electronic technologies.
2.	Scope	Its scope is limited and narrow.	Its scope is very wide.
3.	Flexibility	Not Flexible. The ad placed is static and not changeable.	It is highly flexible and the content of the ads can be tailormade as per the requirement.
4.	Target Audience	The ad message may or may not reach the target audience.	There is a very high probability that the message would reach the target audience.
5.	Capital Requirement	Generally requires huge capital investment for creating the desired impact.	Do not require huge capital.
6.	Option of Tracking	No option of tracking and analytics is available.	Detailed tracking and analytics of the ads are available on real time basis.
7.	Cost	Highly expensive.	Very cheap and cost effective.
8.	Ad Time Duration	The time duration of the ads is for a limited time period.	The time duration of the ad is for longer duration of time.

4.3   DATA ANALYTICS AND BUSINESS INTELLIGENCE

Q11. Define Data Analytics. Explain the importance of Data Analytics.

(OR)

Define Data Analytics and explain its importance in an organization?

(OR)

Enumerate in detail about Data analytics and the importance of data analytics in the current scenario.

Ans :   (Imp.)

Meaning of Data Analytics

Data or information is in raw format. The increase in size of the data has led to a rise in need for carrying out inspection, data cleaning, transformation as well as data modeling to gain in sights from the data in order to derive conclusions for better decision making process. This process known as data analysis.

Importance

The following points highlights the importance of data analytics,

1.   Business to Consumer Applications (B2C)

Organizations gather data which has been collected through various sources like customers, economy, businesses and practical experience. The collected data is then processed and categorized based on the requirement and the data is analyzed for studying the purchase patterns.

2.   Growth of the Business

Data analytics enables companies to find the insights of the value chains which can be done by a data analytics expert. It offers comprehensive knowledge of industry and economy.

It also helps in understanding the business aspects of the near future and obtain benefits before the competitors. Data analytics helps in seeing opportunities at the right time by providing analyzed data.

3.   Data Analytics for Students

Data analytics offers the students an immense collection of tech tools to study. These tech tools considered as the key to industrial growth. It also helps student to clearly understand the institutional data which enables further innovation.

The scope for institutional research and exploration led to the emergence of data analytics as a high class or fashion courses.

4.   Data Analytics in Educational Sector

In educational sector, new reforms are needed based on the necessities of the student and patterns of previous students Analysts are more helpful than researcher in this context as they have tools which help in analyzing the information in short period of time.

5.   Data Analytics for Professionals

Professionals use data analytics for understanding work patterns. They require analytical skills for prioritizing their work based upon the ongoing scenario. Analytical skills are required for various work process and organizations are recruiting several analysts to improve their workability.

6.   Importance of Data Analytics is truly changing the world

Whether it is the sports, the business field, or just the day-to-day activities of the human life, data analytics have changed the way people used to act.

It now, not plays a major role in business, but too, is used in developing artificial intelligence, track diseases, understand consumer behavior and mark the weaknesses of the opponent contenders in sports or politics. This is the new age of data and it has unlimited potential.

Q12. Explain different types of data analytics.

Ans :

Types

There are four main types of data analytics:

1.   Descriptive Analytics

Descriptive analytics answers the "what" questions in the data analytics process. It helps stakeholders understand large data sets by summarizing them. The descriptive analysis tracks the organization's past performance. It includes the following steps:

> Data collection

> Data processing

> Data analysis and

> Data visualization

2. Diagnostic Analytics

Diagnostic analytics answers the "why" questions in the data analytics process. It analyzes the results from the descriptive analysis and then further evaluates it to find the cause.

The diagnostic analysis process takes place in three steps:

> Identifying any unexpected changes in the data

> Data related to the changes is collected.

> Statistical techniques help find relationships and trends related to the changes.
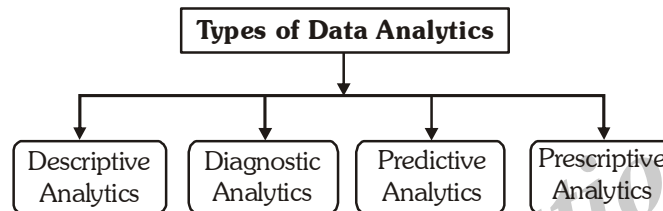
Fig.: Types of data analytics

3. Predictive Analytics

The purpose of predictive analytics is to answer questions about the future of the data analytics process. The past data identifies the trends. The techniques used in the process include statistical and machine learning techniques. A few of them are neural networks, decision trees, and regression.

4. Prescriptive Analytics

Prescriptive analysis helps businesses make well-informed decisions and predict the analytics. This type of data analytics uses machine learning strategies that are capable of finding patterns in large datasets.

Q13. Explain briefly about Business intelligence.

(OR)

Define Business intelligence. Explain the importance of Business intelligence.

(OR)

Write about Business Intelligence.

Ans :

Meaning of Business Intelligence

Business intelligence (BI) is a set of theories, methodologies, architectures, and technologies that transform raw data into meaningful and useful information for business purposes. BI can handle enormous amounts of unstructured data to help identify, develop and otherwise create new opportunities.

The purpose of the BI is to improve the quality of the input for decision making. It helps the managers to understand the internal capabilities of the organization. The trends and future directions in the markets. It also tells about the behaviour of the competition.

Importance

1.   Better Information Extract

As already discussed that there are lots of business transactions processed everyday and huge amount of data is generated. Manually tabulating and accessing is no longer feasible.

Therefore, business intelligence provide effective ways of monitoring and accessing relevant data whenever required.

2.   Decision Making

Most of the business projects fail due to the in appropriate decision making and lack of information availability. BI provides detailed past and present performance of all the operations related to the organization which helps in taking appropriate decision by considering the future predictions.

3.   Boost Productivity

With effective methods of BI, data gathering and creating reports can be done be done very easily and quickly. This makes the employees to be more productive on their own tasks.

With all these features (creating quick reports, decreased operating costs, improved quality and timeliness provides a good ROI (Return on Investment) to the company.

Q14. List out the various styles of Business Intelligence.

Ans :   (Imp.)

Styles

1.   Enterprise Reporting

Broadly deployed pixel-perfect report formats for operational reporting and score cards/dashboards targeted at information consumers and executives.

2.   Cube Analysis

OLAP slice-and-dice analysis of limited data sets, targeted at managers and others who need a safe and simple environment for basic data exploration within a limited range of data.

3.   Ad Hoc Query and Analysis

Full investigative query into all data, as well as automated slice and-dice OLAP analysis of the

entire database - down to the transaction level of detail if necessary. Targeted at information explorers and power users.

4.   Statistical Analysis and Data Mining

Full mathematical, financial, and statistical treatment of data for purposes of correlation analysis, trend analysis, financial analysis and projections. Targeted at the professional information analysts.

5.   Alerting and Report Delivery

Proactive report delivery and alerting to very large populations based on schedules or event triggers in the database. Targeted at very large user populations of information consumers, both internal and external to the enterprise.

Q15. Briefly explain the various benefits of Business Intelligence.

Ans :

Benefits of Business Intelligence

1.   Time Savings

One of the key advantages of Business Intelligence is that most business processes are automated, which generates important savings both in time and costs, and in turn contributes to increasing overall productivity levels.

2.   Easier and quicker access to information

It is clear that, over the last few years, the amount of business data has propelled. Therefore, it is important that companies focus their efforts on digitizing and collecting their data via document management software.

However, it is equally important that Business Intelligence tools offer easily accessible information that clearly shows the evolution of the data and, this way, allows companies to anticipate future events.

3.   Correct and relevant decisions

In order to stand apart from the competition, reduce costs, and increase profits, a company must make intelligent decisions. To do this, these decisions must logically be based on trustworthy and relevant data, and this is exactly where traditional methods begin to fail.

Q16. List out the various disadvantages of business intelligence.

Ans : (Imp.)

Some of the major Business Intelligence disadvantages are:

(i) Piling of Historical Data

The major objective of Business intelligence system is to stockpile past data about a firm's deals and reveal it in such a way that it permits professionals in decision making.

On the flip side, this information generally amounts to a small portion of what the firms actually require to function, besides its restrained worth. While in other situations, the user may not have interest in historical data as many markets that the company regulates are in frequent alteration.

(ii) Cost

Business intelligence at times can be a little too much for small as well as for medium sized enterprises. The use of such system can be expensive for basic business transactions.

(iii) Complexity

Another disadvantage of business intelligence could be its complexity in implementation of data. It can be so intricate that it can make business techniques rigid to deal with. In the view of such premise, many business experts have predicted that these intricacies can ultimately throttle any business.

(iv) Muddling of commercial settings

Business Intelligence can cause commercial settings to turn out to be much more muddled.

(v) Limited use

Like all improved technologies, business intelligence was first established keeping in consideration the buying competence of affluent firms.

Even today BI system cannot be afforded by most of the companies. Although, traders in the past few years have started modifying their services towards medium and small sized industries, but the fact is that many of such firms does not consider them to be highly essential, for its complexity.

(vi) Time Consuming Implementation

Many firms in today's fast paced industrial scenario are not patient enough to wait for the execution of Business intelligence in their organization. It takes around 18 months for data warehousing system to completely implement the system.

4.4 SOCIAL MEDIA AND ONLINE REPUTATION MANAGEMENT(ORM)

Q17. Define Social Media. Explain the benefits of Social Media.

Ans : (Imp.)

Meaning of Social Media

Social media is a collective term for websites and applications that focus on communication, community-based input, interaction, content-sharing and collaboration.

People use social media to stay in touch and interact with friends, family and various communities. Businesses use social applications to market and promote their products and track customer concerns.

Business-to-consumer websites include social components, such as comment fields for users. Various tools help businesses track, measure and analyze the attention the company gets from social media, including brand perception and customer insight.

Social media has enormous traction globally. Mobile applications make these platforms easily accessible. Some popular examples of general social media platforms include Twitter, Facebook and LinkedIn.

Benefits

Social media provides several benefits, including the following:

(i) User visibility. Social platforms let people easily communicate and exchange ideas or content.

(ii) Business and product marketing. These platforms enable businesses to quickly publicize their products and services to a broad audience. Businesses can also use social media to maintain a following and test new markets. In some cases, the content created on social media is the product.

(iii) Audience building. Social media helps entrepreneurs and artists build an audience for their work. In some cases, social media has

eliminated the need for a distributor, because anyone can upload their content and transact business online. For example, an amateur musician can post a song on Facebook, get instant visibility among their network of friends, who in turn share it on their networks.

Q18. Explain briefly about online reputation management.

Ans :

Meaning of Online Reputation Management

Online reputation management. is the process of monitoring, managing, and improving a brand's reputation on the Internet. This includes monitoring and controlling the spread of negative information as well as promoting positive information about the brand. Overall, the primary goal of ORM is to ensure that the public's perception of a brand should be positive, accurate, and in line with the brand's vision and culture.

Importance

(i) Monitoring the Brand Presence Online

With the rise of social media and online reviews, it's more important than ever for brands to be aware of what's being said about them in the digital space. Online reputation management allows brands to monitor their digital presence and brand mentions in online reviews, blog posts, and news articles. They should also respond to any negative reviews or comments.

(ii) Protecting the Brand Image

Misleading information can destroy a brand image in the blink of an eye, which often takes years to build. By adopting ORM, brands can address negative feedback on social media platforms directly. Brands can also review sites to mitigate potential damage to their reputation.

(iii) Building Trust and Credibility

Positive reviews and comments can help build trust and credibility among potential consumers. By maintaining a healthy online reputation, digital marketers ensure that social media and search engines are largely dominated by brand-empowering content. This helps portray a positive image that can help build consumer trust.

(iv) Improving Customer Service

Online reputation management can help brands identify and address key customer concerns as well as improve service or product quality for a better customer experience and higher retention rates.

(v) Identifying New Opportunities

By monitoring online conversations, brands can understand customer expectations and requirements more accurately and introduce new products and services into the marketplace.

4.5   PERSONALIZATION AND CUSTOMIZATION STRATEGIES IN e-COMMERCE

Q19. Discuss about Personalization and customization strategies in e-commerce.

(OR)

Explain the personalization and customization strategies in e-commerce.

Ans :   (Feb.-24, Imp.)

(i) Personalization refers to the modifications done according to the customer requirements on individual level. These modifications can be done on information, business model, web pages or any other business aspect.

(ii) Customization typically refers to the mass customization where modifications are done while considering the requirements of a group of users. In general, personalization and customization terms are used interchangeably.

(iii) The personalization and customization strategies can be associated with any business activity ranging from selecting product color to its functionality or features.

(iv) It improves the sense of ownership to the customers thereby benefitting both customers and the organization in e-business. The reason for such benefits is that the customer satisfaction and loyalty is boosted by adopting such strategies. Moreover, they help in gaining competitive advantage as customers will have positive impact on them with respect to the organization.

(v) Apart from these benefits, there are many drawbacks of implementing personalization and customization strategies in e-commerce.

(vi) The major one among these drawbacks is the need of data (collection and usage) which may lead to privacy issues of the customers. However, if organizations implement certain good policies and rules related to data usage and collection, such issues can be avoided.

Q20. Distinguish between personalization and customization.

Ans :

S.No.	Personalization	Customization
1.	It refers to tailoring an experience to an individual based on their unique characteristics and preferences	It refers to allowing an individual to choose or modify certain features of a product or service to fit their needs or preferences.
2.	Focuses on delivering a unique experience based on data and behavior of individual users.	Focuses on giving users control over certain aspects of a product or service.
3.	Aims to create a highly individualized, relevant and engaging experience.	Aims to provide flexibility and choice to the user.
4.	Relies heavily on user data, such as browsing history, purchase behavior, and demographic information.	May or may not involve data, depending on the level of customization allowed

4.6 USER EXPERIENCE (UX) DESIGN AND ITS ROLE IN ENHANCING ONLINE CONVERSIONS

Q21. State the User Experience (UX) design and its role in enhancing online conversions.

Ans :   **(Imp.)**

User Experience (UX) design plays a crucial role in enhancing online conversions by creating an engaging, intuitive, and satisfying interaction for users. Here are some key aspects of UX design and its impact on conversion rates:

1. **Understanding User Needs**

   ➢ **User Research:** Conducting surveys, interviews, and usability tests helps identify user pain points and preferences, enabling tailored experiences that resonate with the target audience.

   ➢ **Personas:** Developing user personas allows designers to anticipate user behavior and needs, ensuring that the website or application addresses specific motivations and challenges.

2. **Intuitive Navigation**

   ➢ **Clear Structure:** A well-organized layout with clear categories and labels helps users find what they're looking for quickly, reducing frustration and abandonment.

   ➢ **Breadcrumbs:** Implementing breadcrumb navigation allows users to track their path and easily return to previous pages, enhancing the overall experience.

3. **Responsive Design**

   ➢ **Mobile Optimization:** With the increasing use of mobile devices for shopping, a responsive design ensures that the site functions smoothly on various screen sizes, improving accessibility and usability.

   ➢ **Fast Loading Times:** Optimizing images and reducing unnecessary elements can significantly enhance loading speed, which is crucial for retaining users.

4. Visual Hierarchy

- ➤ **Effective Use of Space:** Utilizing whitespace, typography, and color contrast helps guide users' attention to key elements, such as calls to action (CTAs).

- ➤ **Prominent CTAs:** Designing clear and compelling CTAs encourages users to take desired actions, such as making a purchase or signing up for a newsletter.

5. Trust and Credibility

- ➤ **Professional Aesthetics:** A visually appealing design fosters trust. Consistent branding and high-quality images create a professional image that reassures users.

- ➤ **Social Proof:** Including reviews, testimonials, and trust badges can significantly boost credibility and influence purchasing decisions.

6. Streamlined Checkout Process

- ➤ **Minimized Steps:** Simplifying the checkout process by reducing the number of steps and eliminating unnecessary fields can decrease cart abandonment rates.

- ➤ **Guest Checkout Options:** Allowing users to check out without creating an account can improve conversion rates, as it reduces friction.

7. Personalization

- ➤ **Tailored Experiences:** Implementing personalized recommendations based on user behavior can enhance engagement and encourage additional purchases.

- ➤ **Dynamic Content:** Displaying relevant content or promotions based on user preferences can make the experience more relevant and compelling.

8. Feedback and Error Handling

- ➤ **Clear Feedback:** Providing immediate feedback for actions (e.g., form submissions) reassures users that their input has been received.

- ➤ **Error Messages:** Well-designed error messages that guide users on how to correct issues can reduce frustration and help maintain engagement.

9. A/B Testing

Data-Driven Decisions: Conducting A/B tests on different design elements (e.g., button colors, layouts, or CTAs) can provide insights into user preferences and behaviors, allowing for continuous optimization.

4.7	CONVERSION RATE OPTIMIZATION (CRO) TECHNIQUES FOR e-GLOBAL BUSINESS

Q22. Discuss about Conversion Rate Optimization (CRO) techniques for e-global business.

Ans :

Conversion Rate Optimization (CRO) is essential for e-global businesses aiming to maximize the effectiveness of their online presence. Here are several techniques to enhance CRO in a global context:

1. Localized Content

- ➤ **Language Adaptation:** Offer content in the local language, ensuring cultural nuances and context are respected.

- ➤ **Regional Relevance:** Tailor products, services, and marketing messages to reflect local preferences and trends.

2. User-Friendly Design

- ➤ **Responsive Design:** Ensure websites are optimized for various devices, especially mobile, as users in different regions may have varying access to technology.

- ➤ **Clear Navigation:** Create intuitive navigation with clear categories and a search function to help users find what they need quickly.

3. Streamlined Checkout Process

- ➤ **Minimize Steps:** Simplify the checkout process by reducing the number of steps and fields required for purchase.

- ➤ **Multiple Payment Options:** Offer a variety of payment methods that are popular in specific regions, such as local payment gateways or mobile wallets.

4.   Social Proof and Trust Signals

➤   **Customer Reviews and Testimonials:** Display reviews and ratings prominently to build trust among potential customers.

➤   **Trust Badges:** Use security badges and certifications to reassure users about the safety of their transactions.

5.   A/B Testing

➤   **Test Variations:** Regularly test different versions of landing pages, CTAs, and other key elements to identify what resonates best with your audience.

➤   **Regional Testing:** Conduct A/B tests in different markets to see which variations perform better in specific cultural contexts.

6.   Personalization

➤   **Tailored Recommendations:** Use algorithms to suggest products based on browsing behavior and past purchases, increasing the likelihood of conversion.

➤   **Dynamic Content:** Personalize website content to reflect user interests and demographics, enhancing relevance.

7.   Effective Calls to Action (CTAs)

➤   **Clear and Compelling CTAs:** Use action-oriented language and contrasting colors to make CTAs stand out.

➤   **Positioning:** Place CTAs strategically throughout the user journey, especially at decision points.

8.   Engaging Visuals

➤   **High-Quality Images:** Use professional, localized images that resonate with target audiences.

➤   **Videos and Demos:** Incorporate product videos or demonstrations to provide a better understanding of offerings.

9.   Enhanced User Support

➤   **Multichannel Support:** Provide support through various channels, including chatbots, e-mail, and social media, tailored to the preferences of different regions.

➤   **Knowledge Base:** Create a comprehensive FAQ and resource center to address common questions and concerns.

10.   Analytics and Feedback

➤   **Monitor User Behavior:** Utilize analytics tools to track user behavior and identify drop-off points in the conversion funnel.

➤   **Surveys and Feedback:** Collect user feedback through surveys to understand pain points and areas for improvement.

4.8	COMPETITIVE ANALYSIS AND BENCHMARKING IN THE DIGITAL MARKETPLACE

Q23. Explain briefly about Competitor Analysis and Benchmarking in the Digital Marketplace.

(OR)

Briefly explain the competitive analysis and benchmarking in the digital marketplace.

Ans :   (July-24, Imp.)

1.   Competitor Analysis

Competitor analysis is the study of identifying the competitors while collecting the information regarding their strengths, product prices, market shares, weaknesses and opportunities where the company can take advantage. After such study, approaches like patenting can be adopted to control copying of concepts and strategies.

2.   Competitor Benchmarking

The various ways in which benchmarking of services can serve different purposes are,

(i)   Internal Capabilities and External Customer Facing

Internal capabilities of benchmarking include processes, resourcing and structure while external customer facing include various aspects of the sites.

(ii)   Qualitative to Quantitative

Qualitative analysis is performed by the customers through surveys and focus groups while quantitative analysis is performed by individual auditors.

(iii) In-sector and Out-of-sector

Benchmarking the sites within particular sectors and examining the external sectors

which are more sophisticated, such as online publishers, brand sites and social networks.

(iv) Aspects of the Customer Lifecycle

Considering the activities in all the aspects of customer life cycle, capabilities are benchmarked including client acquisition and conversion to retention.

In digital environment, the competitors are less visible until they grow to a significant level unlike physical world where competitors are easily identified. Such cases typically occur in retail sales.

4.9 **PERSONALIZATION THROUGH MACHINE LEARNING AND RECOMMENDATION SYSTEMS**

Q24. Define artificial intelligence, machine learning and recommendation system.

Ans :   **(Imp.)**

1.   Artificial Intelligence

Artificial intelligence is a field, which combines computer science and robust datasets, to enable problem-solving. It also encompasses sub-fields of machine learning and deep learning, which are frequently mentioned in conjunction with artificial intelligence.

2.   Machine Learning

Machine Learning is a branch of artificial intelligence that develops algorithms by learning the hidden patterns of the datasets used it to make predictions on new similar type data, without being explicitly programmed for each task.

Traditional Machine Learning combines data with statistical tools to predict an output that can be used to make actionable insights.

Machine learning is used in many different applications, from image and speech recognition to natural language processing, recommendation systems, fraud detection, portfolio optimization, automated task, and so on. Machine learning models are also used to power autonomous vehicles, drones, and robots, making them more intelligent and adaptable to changing environments.

3.   Recommendation System

A recommendation system is an artificial intelligence or AI algorithm, usually associated with machine learning, that uses Big Data to suggest or recommend additional products to consumers. These can be based on various criteria, including past purchases, search history, demographic information, and other factors. Recommender systems are highly useful as they help users discover products and services they might otherwise have not found on their own.

Personalization through Machine Learning ^ and Recommendation Systems

Personalization through machine learning and recommendation systems can be done by arranging data in the form of a customer-product matrix. In this matrix, customer is represented by row and product is represented by attributes/columns. This matrix can be analyzed in the customer dimension and product dimension. The customer dimension analysis helps in determining the customer groups having similar purchase patterns and the product dimension analysis helps in determining the set of products that are similar in customer preferences.

In the customer-product matrix, a cluster with a set of customers having similar preferences of products is considered as a submatrix. This matrix consists of elements that have high value. By using clusters, the recommendations can be done as follows,

(i)   The products are recommended to new customers who are similar to the customers in the cluster.

(ii)   The customers are recommended to buy new products that are similar to the products present in the cluster.

4.10 **SOCIAL COMMERCE AND THE INTEGRATION OF e-COMMERCE WITH SOCIAL MEDIA PLATFORMS**

Q25. Define Social Commerce. Discuss the Integration of e-Commerce with Social Media Platforms.

(OR)

Explain the social commerce and the integration of e-commerce with social media platforms.

Ans :   (Feb.-24, Imp.)

Meaning of Social Commerce

(i) Social commerce is the use of social networking sites to sell products and services directly to consumers. It incorporates the entire shopping experience into interactive features available on various social media platforms.

(ii) Social commerce includes all processes in a sales transaction, from product promotion to after-sales service. Businesses use creative posts to promote their products and to provide consumers with more information about them. They offer expert advice and support to engage potential customers. They also encourage comments and discussions on forums and communities to enhance brand awareness and gain consumer insights.

Integration of E-commerce with Social Media Platforms

➢ Social media has become the strongest media platform which helps to manage the perception of consumers.

➢ Today, most of the companies promote and advertise their products through social media platforms like Whatsapp, Instagram, Facebook etc.

➢ This strategy helps them to build good perception about their products.

➢ However, wrongly advertised or disrespectful promotion or advertisement may create negative perception about the company's product and this may result in losses for the company. Because, on social media a good or bad message can get forwarded within seconds to lakhs of people.

➢ Social media platforms also allow customers to share their views, ratings and pictures related to a specific product. This information can help other customers interested in the same product.

| 4.11 | VOICE SEARCH OPTIMIZATION AND ITS IMPACT ON e-COMMERCE WEBSITES |

Q26. Define Voice search optimization. Explain its impact on e-commerce websites.

(OR)

Discuss the impact of voice search optimization on e-commerce web sites.

Ans :   (July-24, Imp.)

Meaning of voice search optimization

Voice search optimization is the process of optimizing websites and content for voice search queries in order to improve their visibility and ranking in voice search results. With the rise of voice-activated virtual assistants such as Amazon Alexa and Google Assistant, voice search has become increasingly popular, making voice search optimization an essential aspect of modern search engine optimization

Characteristics of Voice Search Optimization

1. Conversational Tone

Voice search queries tend to be more conversational and natural compared to traditional text-based search queries. This means that people tend to use more natural language when performing voice searches, such as asking questions in complete sentences.

2. Long Tail Keywords

Voice search queries tend to be longer and more specific compared to traditional text-based search queries. This is because people use voice search to ask specific questions and seek specific information.

3. Local Focus

Voice search queries tend to be focused on local information, such as the location of businesses, nearby services, and directions

Benefits of Voice Search Optimization

(i) Increased Visibility in Voice Search Results: Optimizing for voice search can improve a website's visibility in voice search results, increasing the chances of being found by people using voice search.

(ii) Improved Customer Satisfaction: By providing accurate and relevant answers to voice search queries, businesses can improve customer satisfaction and make it easier for people to find what they are looking for.

(iii) Increased Trust with Target Audience: Providing accurate and relevant answers to voice search queries can build trust with the target audience, as people are more likely to trust a business that provides them with the information they need.

Impact of Voice Search Optimization on E-commerce Websites.

Voice search optimization has a significant impact on e-commerce websites. The websites adopting voice search are considered more competitive to be successful. It offers the following benefits to its users.

1. Ease of use

2. Time saving

3. Improved customer experience

4. Increased sales and revenue

5. Customer engagement and loyalty

6. Improved way of data collection

However the website can face the following challenges:

(i) The content needs to be optimized with respect to voice search.

(ii) Natural languages need to be considered along with conversion.

4.12 **GAMIFICATION STRATEGIES FOR ENHANCING CUSTOMER ENGAGEMENT AND RETENTION**

Q27. Explain the Gamification strategies for enhancing customer engagement and retention?

Ans :

Gamification is a powerful strategy to enhance customer engagement and retention by integrating game-like elements into non-game contexts. Here are some effective strategies:

1. Point Systems

➢ **Reward Points:** Customers earn points for purchases, reviews, or referrals that can be redeemed for discounts or rewards.

➢ **Tiered Levels:** Create levels (e.g., Bronze, Silver, Gold) that customers can achieve based on their activity, encouraging more interaction.

2. Challenges and Competitions

➢ **Time-Limited Challenges:** Create short-term challenges that encourage users to engage with your product or service, rewarding those who complete them.

➢ **Leaderboards:** Introduce leaderboards to foster competition among customers, highlighting top users and incentivizing others to participate.

3. Badges and Achievements

➢ **Digital Badges:** Award badges for completing specific actions, such as making a purchase, sharing on social media, or writing reviews.

➢ **Achievement Unlocked:** Create milestones that customers can achieve, promoting a sense of accomplishment.

4. Interactive Content

➢ **Quizzes and Polls:** Engage customers with fun quizzes related to your brand, offering rewards for participation.

➢ **Augmented Reality Experiences:** Use AR to create interactive experiences that connect customers more deeply with your products.

5. Personalization and Customization

➢ **Tailored Experiences:** Offer personalized rewards based on customer preferences and behavior to increase relevance and engagement.

➢ **Customizable Avatars:** Allow customers to create and customize avatars that represent them in your community or app.

6. Social Sharing

➢ **Social Challenges:** Encourage customers to share their experiences or achievements on social media for additional rewards or recognition.

➢ **Referral Programs:** Reward customers for bringing in new users, enhancing community growth.

7. Feedback Loops

➢ **Regular Surveys:** Use gamified surveys to gather customer feedback, rewarding participants with points or discounts.

➢ **Progress Tracking:** Allow customers to track their progress toward rewards or goals, maintaining their interest over time.

8. **Storytelling Elements**

➢ **Narrative Engagement:** Create a storyline that unfolds with customer interactions, making them feel part of a larger narrative.

➢ **Character Development:** Introduce characters or mascots that evolve based on customer engagement, making the experience more immersive.

9. **Exclusive Access and Events**

➢ **VIP Programs:** Offer exclusive access to events, products, or services for engaged customers, reinforcing their loyalty.

➢ **Beta Testing Opportunities:** Invite loyal customers to test new products or features, making them feel valued and involved.

10. **Regular Updates and New Challenges**

➢ **Seasonal Events:** Create time-sensitive events or promotions that refresh interest and encourage participation.

➢ **Ongoing Rewards:** Regularly introduce new rewards or challenges to keep the experience exciting and engaging.

4.13 CHATBOT IMPLEMENTATION AND CUSTOMER SUPPORT AUTOMATION

Q28. Discuss the Chatbot implementation and customer support automation.

Ans :   (Imp.)

Implementing chatbots for customer support automation can greatly enhance efficiency, improve customer satisfaction, and reduce operational costs. Here's a comprehensive guide on how to successfully implement chatbots and leverage customer support automation:

1. **Define Objectives and Use Cases**

➢ **Identify Goals:** Determine what you want to achieve with the chatbot (e.g., 24/7 support, reducing response times, handling FAQs).

➢ **Use Cases:** Define specific scenarios where the chatbot can add value, such as answering common questions, processing orders, or providing product recommendations.

2. **Choose the Right Platform**

➢ **Chatbot Frameworks:** Select a platform or framework that suits your needs (e.g., Dialogflow, Microsoft Bot Framework, or Chatfuel). Consider factors like ease of integration, scalability, and support for multiple channels (web, mobile, social media).

➢ **Integration Capabilities:** Ensure the chosen platform can integrate with existing systems (e.g., CRM, helpdesk software) to streamline workflows.

3. **Design Conversational Flows**

➢ **Natural Language Processing (NLP):** Utilize NLP capabilities to help the chatbot understand and respond to user queries in a conversational manner.

➢ **Flow Design:** Create user-friendly conversation flows that guide users through their queries. Use decision trees, scripts, and branching logic to handle various scenarios effectively.

4. **Personalization and Context Awareness**

➢ **User Data:** Leverage customer data to personalize interactions, such as addressing users by name or recalling past interactions.

➢ **Context Maintenance:** Implement context-aware capabilities so the chatbot can maintain the context of conversations across multiple turns, providing a seamless experience.

5. **Implement AI and Machine Learning**

➢ **Self-Learning Capabilities:** Use machine learning algorithms to enable the chatbot to learn from interactions over time, improving its responses and handling more complex queries.

➢ **Intent Recognition:** Train the chatbot to recognize user intents accurately, ensuring it can provide relevant answers.

6. **Testing and Iteration**

➢ **User Testing:** Conduct thorough testing with real users to identify issues and areas for improvement. Gather feedback to refine conversational flows and responses.

➢ **Continuous Improvement:** Regularly analyze chatbot performance metrics (e.g., response accuracy, user satisfaction) and iterate on its design based on user feedback and analytics.

7.   Multi-Channel Deployment

➢ **Omni-Channel Support:** Deploy the chatbot across various channels (e.g., website, mobile app, social media) to ensure customers can access support where they prefer.

➢ **Consistent Experience:** Ensure the chatbot provides a consistent experience across all platforms, maintaining the same tone and capabilities.

8.   Human Handoff

➢ **Escalation Protocols:** Implement clear protocols for when the chatbot should escalate issues to human agents, ensuring users receive timely assistance for complex inquiries.

➢ **Seamless Transition:** Ensure that the transition from the chatbot to a human agent is smooth, with the chatbot providing relevant context to the agent.

9.   Monitoring and Analytics

➢ **Performance Metrics:** Track key performance indicators (KPIs) such as resolution rates, average response times, user satisfaction scores, and engagement levels.

➢ **User Feedback:** Gather feedback from users after interactions to assess their experience and identify areas for enhancement.

10.   Compliance and Security

➢ **Data Privacy:** Ensure the chatbot complies with relevant data protection regulations (e.g., GDPR) by implementing appropriate security measures for handling user data.

➢ **Secure Authentication:** Use secure authentication methods for sensitive transactions or inquiries to protect user information.

Case Studies

Case Study - 1.

Amazon is a leading global e-commerce platform that has successfully developed a comprehensive e-global business strategy. Its focus on customer obsession, vast product selection, and advanced technology has made it a formidable competitor in the digital marketplace.

Key Strategies

1. **E-Marketing and Online Advertising**

   ➤ Amazon uses targeted ads and personalized recommendations based on user behavior and preferences.

2. **Data Analytics and Business Intelligence**

   ➤ The company leverages big data to analyze purchasing patterns and optimize inventory management.

3. **Social Media and Online Reputation Management**

   ➤ Amazon actively engages with customers on social media platforms to address concerns and enhance its reputation.

4. **Personalization and Customization**

   ➤ The use of recommendation systems enhances the shopping experience, driving conversions and customer loyalty.

5. **User Experience (UX) Design**

   ➤ Amazon's website and mobile app are designed for seamless navigation, encouraging users to complete purchases.

Questions and Answers

1. **What role does data analytics play in Amazon's business strategy?**

Ans :

Data analytics allows Amazon to understand customer behavior, forecast demand, and optimize supply chain management, resulting in improved efficiency and customer satisfaction.

2. **How does Amazon utilize social media for reputation management ?**

Ans :

Amazon uses social media to engage with customers, respond to inquiries, and handle complaints, helping to build trust and maintain a positive brand image.

Case Study - 2.

Nike has effectively integrated e-commerce with its brand identity through innovative digital marketing strategies, personalization, and community engagement.

Key Strategies

1. **E-Marketing and Online Advertising**

   ➤ Nike uses influencer partnerships and social media advertising to reach target demographics effectively.

2. **Personalization and Customization**

   ➤ The Nike By You platform allows customers to design their own shoes, enhancing engagement and satisfaction.

3. **Social Commerce**

    ➢ Nike actively promotes products through social media platforms like Instagram, creating a direct shopping experience.

4. **Gamification**

    ➢ The Nike Run Club app gamifies fitness by offering challenges and rewards, fostering community and brand loyalty.

Questions and Answers

1. **How does Nike leverage personalization in its marketing ?**

Ans :

    Nike collects data on customer preferences and behaviors to offer tailored product recommendations and personalized marketing messages.

2. **What impact does gamification have on Nike's customer engagement ?**

Ans :

Ans :

    Gamification strategies enhance user interaction, motivate participation in fitness activities, and strengthen the connection between customers and the brand.

Short Questions and Answers

1.   Explain the need for strategy.

Ans :

It is beyond doubt to state that every organization necessarily formulate strategies. To state specifically, strategy is necessary in view of the following reasons:

(i)   To have rules to guide the search for new opportunities both inside and outside the firm.

(ii)   To take high quality project decisions.

(iii) To develop measures to judge whether a particular opportunity is a rare one or whether much better ones are likely to develop in the future.

(iv)   To have an assurance that the firm's overall resource allocation pattern is efficient.

(v)   To have and develop internal ability to anticipate change.

(vi)   To save time, money and executive talent.

(vii) To identify, develop and exploit potential opportunities.

2.   Define e-business strategy.

Ans :

E-business Strategy is the deployment of enterprise resources for capitalizing on technologies to reach specified objectives and ultimately improve performance and create sustainable competitive advantage.

In other words, an e-business plan is a comprehensive plan for applying effective digitization for a firm to conduct its computerized interactions with all stakeholders - both internally via the web and globally via clients, vendors, and other collaborators.

3.   State the elements of strategy process model.

Ans :

The following are the elements of strategy process model,

(i)   Scanning or Analysis of Internal and External Environment

This element is required to respond to competitors while developing strategy.

(ii)   Well-defined Vision and Objectives

This element is required to clearly indicate the intention of strategy to both employees and the marketplace. However, to check whether the strategy is successful or not, objectives are essential.

(iii) Division of Strategy Development

This element divides the task of strategy development into strategy option generation, evaluation and selection. A strategy can be effective if a variety of choices are reviewed and the best one is selected based on its standards.

(iv)   Strategy Implementation

When a strategy is developed, validation of the strategy is performed as strategy implementation.

4.   Define E-Marketing.

Ans :

E-marketing is referred to those strategies and techniques which utilized online ways to reach target customers.

There are millions of Internet users that daily access different websites using a variety of tools like computers, laptops, tablet and smart or android phone devices, and the number of internet users are increasing very rapidly. So every business seems to be jumping on the internet marketing bandwagon. The internet is most powerful tool that can put any business on solid footing with market leaders companies.

E marketing also known as online or internet advertising which uses the internet technology to promote online message to customer. E-marketing examples are e-mail or social media advertising, web banners and mobile advertising.

5.   Define online advertising.

Ans :

Online advertising is a form of marketing that uses the internet to direct users to a brand's website or to suggest a product, service or associated task. The task may include making a purchase, booking a service or following the brand on its social media platforms.

There are various online platforms that may suit the needs of a marketing strategy. Marketing teams might set the demographic filters for their advertisements and pay to feature their brand in online locations to increase brand visibility.

6.   Define digital marketing.

Ans :

Digital marketing refers to the management and execution of marketing activities by using digital electronic technologies and channels like digital TV, E-mails, web, wireless media and digital data concerning consumer behavior and its attributes.

Digital marketing helps in reaching the target customers on-time without consuming much resources and in an interactive manner. Internet marketing is one of the types of digital marketing.

7.   State the objectives of digital marketing.

Ans :

(i)   It aims to promote new products and services by acting as a platform for potential marketers to reach their target customers.

(ii)   To create brand awareness for the product/service.

(iii) To help the marketer to understand the present and potential needs of the consumers.

(iv)   Digital marketing also facilitates engagement among the audience in relation to the business.

(v)   It aims to create brand awareness for a given product or service.

(vi)   It facilitates publicity and promotion of new products and services in the market.

(vii) It also aims to increase the level of customers satisfaction and generate brand loyalty.

(viii) Its aim also involves the transfer of goods and services from the marketers to the end users.

(ix) It aims to create demand for products through attractive advertisements.

8.   State the benefits of digital marketing.

Ans :

Following are the benefits of digital marketing,

(i)   Easy Effective Marketing

Digital marketing is an easy and effective means for the organization to communicate its marketing message to a large number of present and potential customers. It has revolutionized marketing activities on popular social media platforms such as Facebook, Twitter, Linked In etc.

(ii)   Enables Direct Advertising

It acts as an effective platform for the organization to advertise about its product and create brand loyalty for its product.

(iii)   Permanent Ad Display

Unlike traditional ads, ads on digital platforms are more permanent and can be accessed by potential customers any time.

(iv)   International Advertisement

A major benefit of digital marketing is that it provides the company a good platform to advertise its offerings to the global customers very easily.

9.   State the limitations of digital marketing.

Ans :

Digital marketing suffers from the following limitations,

(a)   Highly dependent upon Internet

Most modes of digital marketing are dependent upon internet facility. Thus in areas where there is no internet facility digital marketing would not be effective.

(b)   Fierce Competition

A major limitation of digital marketing is the intense competition from local, national and international brands. The customer is provided with many alternative choice.

(c)   Limited to Consumer Products

A major limitation of digital marketing is that it is effective mode for marketing consumer products but is not impactful incase of industrial and pharmaceutical products.

(d)   Lack of Privacy

There is no privacy on the digital marketing platform, competitor may copy the firms product, pricing strategy or may even sell the product in their own name.

10.   Write about business intelligence.

Ans :

Business intelligence (BI) is a set of theories, methodologies, architectures, and technologies that transform raw data into meaningful and useful information for business purposes. BI can handle enormous amounts of unstructured data to help identify, develop and otherwise create new opportunities.

The purpose of the BI is to improve the quality of the input for decision making. It helps the managers to understand the internal capabilities of the organization. The trends and future directions in the markets. It also tells about the behaviour of the competition.

11.   Define competitor analysis.

Ans :

Competitor analysis is the study of identifying the competitors while collecting the information regarding their strengths, product prices, market shares, weaknesses and opportunities where the company can take advantage. After such study, approaches like patenting can be adopted to control copying of concepts and strategies.

12.   Define optimization.

Ans :

Optimization techniques in global business are strategies and methods used to enhance efficiency, reduce costs, maximize profits, and improve overall performance in a competitive international environment.

UNIT V

Emerging Trends in E-Global Business

Mobile commerce and the rise of m-commerce, Artificial intelligence and machine learning in e-commerce, Blockchain technology and its applications, Ethical and sustainability issues in e-global business, Voice commerce and the impact of smart speakers on e-commerce, Augmented reality (AR) and virtual reality (VR) in enhancing online shopping experiences, Crypto currencies and their potential for transforming global payments, Environmental sustainability practices in e-global business, The Internet of Things (IoT) and its applications in e-commerce, Virtual reality (VR) and augmented reality (AR) in transforming the online shopping experience, The rise of smart cities and their impact on e-global business, The ethical implications of AI and automation in e-commerce decision-making processes, Data-driven decision-making and predictive analytics in e-global business.

5.1 ◄ **MOBILE COMMERCE AND THE RISE OF M-COMMERCE**

Q1. Define M-Commerce. Explain the functions of M-Commerce.

Ans : (Imp.)

Meaning of M-Commerce

M-commerce (mobile commerce) is the buying and selling of goods and services through wireless handled devices such as smartphones and tablets. M-commerce is a form of e-commerce that enables users to access online shopping platforms without the use of a desktop computer.

Over time, content delivery through wireless devices has become faster, more secure and scalable. As a result, mobile commerce has grown rapidly.

Functions

(i) Mobile shopping

It enables customers to buy a product using a mobile device with an application such as Amazon or a web app. A subcategory of mobile shopping is app commerce, which is a transaction that takes place over a native app.

(ii) Mobile banking

It is online banking designed for handheld technology. It enables customers to access accounts and brokerage services, conduct financial transactions, pay bills and make stock trades.

This is typically done through a secure, dedicated app provided by the banking institution. Mobile banking services may use SMS or chatbots and other conversational app platforms to send out alerts and track account activities.

For example, the WhatsApp chatbot lets customers view their account balance, transfer funds, review loans and conduct other transactions in real time through WhatsApp.

(iii) Mobile payments

They are an alternative to traditional payment methods, such as cash, check, credit and debit cards. They enable users to buy products in person using a mobile device. Digital wallets, such as Apple Pay, let customers buy products without swiping a card or paying with cash.

Q2.   Describe the scope of Mobile Commerce.

Ans :

Scope

(i)   Mobile commerce provides instant connectivity between mobile users irrespective of their geographical location and time of the day.

(ii)   With enormous growth of wireless and mobile technology and rapid penetration of mobile phones in developing countries worldwide, the scope of m-commerce has increased manifold. With the advent of super fast 3G access technology that ensures high speed data transfer rates of the order of 20 Mbps, m-commerce is opening up new vistas of digital media applications.

(iii) 3G technology, equipped with WiMax and UMTS standards for high speed mobile broadband internet connectivity, supports mobile multimedia application delivery at far greater bandwidths.

(iv)   So, it is now possible for mobile users to watch their favourite TV programmes or download and view famous movies in their mobile devices while travelling.

Q3.   Discuss the frame work of M-Commerce.

Ans :   **(Imp.)**

The mobile commerce framework consists of the four basic building blocks as follow:

1.   Content Management

This component deals with the creation, distribution and management of diverse range of media rich digital contents that can be browsed through the small screens of the mobile devices. The digital contents are used in performing various business transactions such as buying and selling of goods, making online payments, product promos and providing on line customer support.

An important part of content management is the ability to track different content providers and maintain and manage the relationships among them. The security and authenticity of the contents must be guaranteed and the access control mechanism must be provided to prevent unwanted users from misusing the document. The content distribution, rights management and clearing financial settlements, all come under the purview of content management module.

2.   Technology Infrastructure

This component deals with the distribution of digital contents and transaction details over wireless communication networks to customer locations or other business installations. The wireless network infrastructure provides the very foundation of mobile commerce framework as it fulfils the basic requirements of data transmission between various business partners while performing any business transaction.

The technology infrastructure includes wireless communication technology, Wireless Application Protocol (WAP) and mobile security technology. These technologies need to support digital content distribution, mobile application development and distribution and also provide a secure technological platform for mobile billing and prepaid services through the use of mobile Virtual Private Networks (VPN).

3.   Application Development

The application development component of mobile commerce framework deals with the diverse range of mobile commerce applications. The main purpose of these mobile applications is to provide the product information to the end users, and also to enable them in performing the mobile business transactions.

There are four major categories of mobile applications namely the information applications, communication applications, entertainment applications and commerce applications. Several mobile applications, such as mobile ticketing, mobile banking, mobile advertising, mobile office applications, etc. fall under these categories.

These applications support key business functionalities in respective verticals and are meant to achieve higher revenue generation as well as cost reduction. Sometimes, more than one application are combined together to deliver an aggregated service, which leads to further cost reduction.

4.   Business Service Infrastructure

The business service infrastructure provides the backbone to the mobile commerce framework. It supports the back office functionalities, such as payment services, location and search facilities and security arrangements of the mobile commerce systems. Production and fulfillment of these services are beyond the scope of traditional telecom service providers.

These services are managed and delivered by some outside vendors, who have the ability and experience to provide such functionalities. They maintain the required infrastructure for supporting secured financial transactions in mobile commerce environ- ments and also provide back-end support for searching and other facilities. Such back office systems are meant to be flexible enough and also are capable of rapid deployment of new services.

Q4.   Explain the benefits of M-Commerce.

(OR)

Describe the benefits of M-Commerce.

(OR)

What are the benefits of M-Commerce?

Ans :   *(Imp.)*

Benefits

The main advantage of mobile commerce is that it provides instant connectivity to the Mobile user, irrespective of his/her geographical location and time of the day. The mobile user can stay connected with his/her business network and gather information even if he/she is in transit and remotely located away from the business installation.

The major benefits of mobile commerce are as follows:

1.   Anytime Anywhere

   (i)   Mobile commerce together with wireless communication technology and wireless broadband internet access, keeps the mobile user connected with the internet while travelling across the globe.

   (ii)   The business information is available to the mobile user any time of the day and anywhere around the globe.

   (iii) This anytime/anywhere internet access makes business transactions more flexible and customer communications more efficient, which in turn improves the productivity of the company and increases customer satisfaction.

   (iv)   The round the clock (24×7) internet availability benefits many users to conduct business transactions from their homes or from any other place while on the move and at any convenient time.

(v) Thus m-commerce offers greater mobility and flexibility to mobile users in performing business transactions using their handheld mobile devices.

2. Cost-effective

(i) The costs of transactions using mobile devices are relatively low. The time-critical business data, such as reports, photographs, etc. can be captured and transmitted easily from the mobile devices without involving any bulky expensive equipment.

(ii) The customer queries can be attended and support provided instantly from the mobile device, thus making customer support more comprehensive.

(iii) The SMS-based micro payments facilitate bank account transfer within a few seconds and at the cost of an SMS. Contact less smartcard- based mobile payments provide a low cost alternative for toll tax payments in mass transit systems.

3. Personalized Service

(i) Mobile commerce offers a number of personalized services to the mobile users depending on their various requirements and purposes.

(ii) The digital cellular technology can monitor the location of user performing mobile transactions. Knowledge of the user's location may be used to deliver timely and useful contents such as product availability and discount information to the potential customer.

(iii) Timely information, such as flight schedules and flight availability can be delivered to the user at the last minute.

(iv) Delivery of time critical as well as emergency information, SMS-based notifications and alerts can be easily made if the location of the user is tracked.

Q5. Explain the limitations of M-Commerce.

(OR)

What are the limitations of M-Commerce?

Ans :   **(Imp.)**

Limitations

Following are the Limitations of M-Commerce.

1. Mobile Device Limitations

(i) Small screen size

Mobile devices have smaller screen size (of the order of 2 by 3 inches) and poor resolution which makes them inconvenient for browsing applications.

➢ Data entry can be quite difficult using small combinational keypad that comes with most of the mobile handheld devices.

➢ The wide and high resolution screens in conventional desktops or laptops used in e-commerce applications offer ease of use in data entry operations as well as viewing web pages.

➢ These larger screens support 1920×1080 resolution and 3D graphics display. Although mobile devices offer greater mobility and flexibility in accessing information, the smaller screen size restricts the amount of information that could be presented and offers a less convenient user interface in the form of menu-based scroll-and-click mode of data entry.

(ii) Low speed processor

Most mobile devices come with low-powered processors with much lower processing speed compared to sophisticated processors used in desktops or laptops.

➤ Such low speed processors restrict the download speed in most mobile commerce applications. The applications requiring too much processing power should be avoided as they may become irritably slow due to low speed processors.

➤ Also, keeping the low processor speed in mind, the mobile websites must be optimized to ensure customer satisfaction. Unnecessary plug-ins, flash images and animations should be removed to ensure speed of delivery.

(iii) Small memory capacity

The mobile devices do not have large storage space. The memory capacity in mobile devices is in the order of 5 GB to 10 GB compared to 2 TB or higher used in desktops/laptops.

So, it is difficult to store large video files in mobile devices for future use. The mobile application developers must be concerned about the size of their applications during the development phase.

(iv) Low power backup

Mobile devices use batteries as their power supply. Normally, power for a mobile device lasts up to 2-3 days, depending on the size of the device.

After this period, the battery should be recharged again, and it adds an additional burden to the user who has to remember every now and then to recharge it.

2.   Wireless Network Limitations

Mobile commerce depends on wireless networks which are usually of lower speed compared to wired networks. In many cases, wireless networks offer one-fourth speed of standard wired network.

Also, most wireless networks are more common in urban areas and some of the rural areas might not have wireless communication facilities.

3.   Bandwidth Restrictions

A major disadvantage of mobile commerce is the bandwidth limitation, which imposes a limitation on speed of operation in various m-commerce applications.

Wireless networks use frequency spectrum to transmit information across the network. Regulatory bodies control the use of available frequency spectrum and allocate the spectrum to various mobile operators.

In India, the frequency spectrum were initially allocated and regulated by Department of Telecommunication (DoT). Later, the Telecom Regulatory Authority of India (TRAI) was set up to control the usage of frequency spectrum.

The limited availability of bandwidth to various mobile operators in turn restricts the data rate in mobile commerce applications. The GSM technology offers the data rate of the order of 10 Kbps and 3G technology can go up to 10 Mbps.

Q6.   Distinguish between E-Commerce and M-Commerce.

Ans :

S.No.	E-commerce	S.No	M-commerce
1.	Electronic Commerce in short it is called as e-commerce.	1.	Mobile Commerce in short it is called as m-commerce.
2.	In general, e-commerce activities are performed with the help of desktop computers and laptops.	2.	M-commerce activities are performed with the help of mobile devices like smartphones, tablets, PDA's (Personal Digital Assistant) etc.
3.	E-commerce is an older concept.	3.	M-commerce is an newer concept.
4.	It is broad term which refers doing shopping and making payments online with help of electronic devices like Laptop and computers.	4.	It is subcategory of ecommerce which does the same this via mobile devices.
5.	In e-commerce the use of internet is mandatory	5.	But in case of m-commerce some activities can be performed without internet also.
6.	E-commerce devices are not easy to carry and portability point of view it is not so good.	6.	M-commerce devices are easy to carry and portability point of view it is good.
7.	E-commerce developed in 1970's.	7.	M-commerce developed in 1990's.
8.	Its reachability is comparatively low than the m-commerce as it is not so good in portability.	8.	Its reachability is more than that of e-commerce only due to the use of mobile devices.
9.	In e-commerce location tracking capabilities are limited due to the non-portability of devices.	9.	In m-commerce location tracking capabilities is so good as mobile apps track and identify user locations with the help of GPS technology, Wi-Fi, and so on.
10.	E-commerce fails in push notification.	10.	In m-commerce push notification can be achieved.

5.2 ◀ **ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING IN e-COMMERCE**

Q7.   Explain the role of Artificial Intelligence and Machine Learning in e-Commerce.

(OR)

Explain the concept of Artificial intelligence and machine learning in e-commerce.

Ans :   **(July-24, Feb.-24, Imp.)**

At present, artificial intelligence is quite helpful for business organizations to sense, predict and perform the activities related to automation. The companies which are quite successful in implementing artificial intelligence are able to improve their eCommerce engine and their ability to earn a greater amount of revenue with the help of sales and marketing.

The *e*-commerce companies are using AI in the following manner

1.   Predictive Product Recommendations

With the help of AI, the companies are now collecting and processing petabytes of data and analyze the mass consumer buying behavior so that they can analyze the purchase history of the customer and provide them the recommendations for the other products

2.   Personalization

With the help of AI and machine learning, the eCommerce companies are providing their customers with the personalized ads, product suggestions so that the company can obtain improved engagement, conversions, and reduced time for the transaction

3.   Dynamic Pricing

The AI is also being used by the companies to predict when to provide the discounts, or to increase the price of the product.

4.   Artificial Agents

AI is also being used by the eCommerce companies to provide virtual assistance to the customers which are called chatbots however these are not totally self-reliant.

Role of Machine Learning in e-Commerce

Q8.   Describe the challenges associated with artifical intelligence in E-commerce.

Ans :   (Imp.)

Artificial Intelligence (AI) can be defined as intelligence being demonstrated by machines. It can be projected as something opposite to natural intelligence, which is possessed by animals as well as humans and which may involve emotions and consciousness. AI was established as an academic discipline in the year 1955 itself. It is used in *e*-commerce in various areas including developing cognitive abilities of applications and e-commerce platforms, visual search engines, lead generation, low-cost services, marketing, personalization, and other areas.

Challenges

However, AI still faces many challenges in its implementation in fields including *e*-commerce.

1.   Implementation-related risks

There are multiple steps related to the implementation of artificial intelligence in business scenarios including *e*-commerce. The goals and objectives of a company have to be identified. Implementation includes factoring-in variables like data infrastructure, data storage, data feeding methods, labeling, and other aspects, which should follow the goals and objectives of an electronic commerce business.

People need to be trained for using these models that can conduct the researches and undertake tasks like data sampling, testing, implementation, and implementation of feedback loops and model training. Trained people and experts are also needed for integrating the results and using the models. Companies can solve these challenges by reaching out to more reliable vendors of AI models and systems.

2.   Lack of experts

Artificial intelligence is a relatively new subject and it has seen its share of ups and downs towards arousing interest and gaining investments. Corporations including Apple and Facebook compete amongst themselves for hiring and retaining the best talent, but the management itself does not have enough technical know-how to accurately inspect the expertise of the recruits.

3. **Lack of data**

Not all businesses have access to sophisticated communication technologies and advanced computer systems that can generate good amounts of data to be analysed and used for business purposes. Small businesses usually have much less amount of available data and the inadequacy does not help them reap the benefits of artificial intelligence. AI systems can only work on large training data sets.

4. **Identifying the valid use cases**

The subject and discipline of artificial intelligence may have a wide scope. Businesses need to prioritize their goals and objectives and do investments in areas that can help them be more sustainable and successful.

5. **Cultural amalgamation**

Different people perceive AI in different ways and hence there may be differences in their expectations as well. Influencing all stakeholders and incorporating them into the strategy is a big challenge for the companies. Apart from customers, employees and suppliers also need to be convinced about aspects including privacy, safety, and security.

5.3	BLOCKCHAIN TECHNOLOGY AND ITS APPLICATIONS

**Q9. Define Block Chain. What are the properties of block chain?**

(OR)

Define block chain. State the properties of block chain?

Ans :

Meaning of Block Chain

A block chain is a chain of chronological blocks. It is not a company, nor is it an application, but rather an entirely new way of documenting data on the internet. It gives internet users the ability to create value and authenticates digital information.
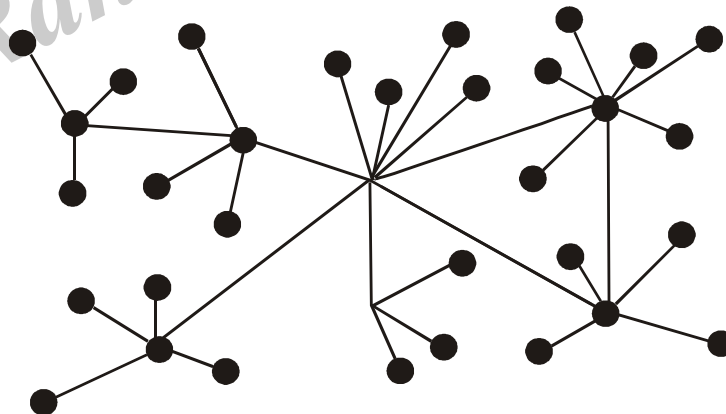
Technically, it is a decentralized, distributed and public digital ledger that is used to record transactions across many computers, so that any involved record cannot be altered retroactively, without the alteration of all subsequent blocks.

The very primitive form of the blockchain was the hash tree, also known as a Merkle tree. The blockchain is maintained by a peer-to-peer network. The network is a collection of nodes which are interconnected to one another. Nodes are individual computers which take in input and performs a function on them and gives an output.

A block in a blockchain is a collection of data. The first block in the Blockchain is called Genesis Block. Blocks hold batches of valid transactions that are hashed and encoded into a Merkle tree. Each block includes the cryptographic hash of the prior block in the blockchain, linking the two. The linked blocks form a chain. This iterative process confirms the integrity of the previous block, all the way back to the original genesis block.

Properties

Three main properties of Blockchain Technology which has helped it gain widespread acclaim are as follows:

1.   Decentralization

2.   Transparency

3.   Immutability

1.   Decentralization: No central authority to control or manipulate it. Blockchain creates a shared system of record among business network members, eliminating the need to reconcile disparate ledgers. All participant talks to each other directly.

2.   Transparency: Each member of the network must have access privileges. Information is shared only on a need-to-know basis. In doing so, their computer receives a copy of the blockchain that is updated automatically whenever a new block is added, sort of like a Facebook News Feed that live updates whenever a new status is posted.

3.   Immutability: Consensus is required from all members and all validated transactions are permanently recorded. Even a system administrator can't delete a transaction.

Q10. Explain the working mechanism of Block Chain.

Ans :   **(Imp.)**

Working Mechanism of Block Chain

1.   A node starts a transaction by first creating and then digitally signing it with its private key (created via cryptography). As each transaction occurs and the parties agree to its details then it's encoded into a block of digital data and uniquely signed or identified. Each block is identified via a cryptographic hash and timestamp.

2.   A transaction is propagated (flooded) by using a flooding protocol, called Gossip protocol, to peers that validate the transaction based on preset criteria. The newly created block is verified by thousands, perhaps millions of computers distributed around the net. Each block is connected to the one before and after it creating an irreversible, immutable blockchain. The verified block is added to a chain, which is stored across the net, creating not just a unique record, but a unique record with a unique history.
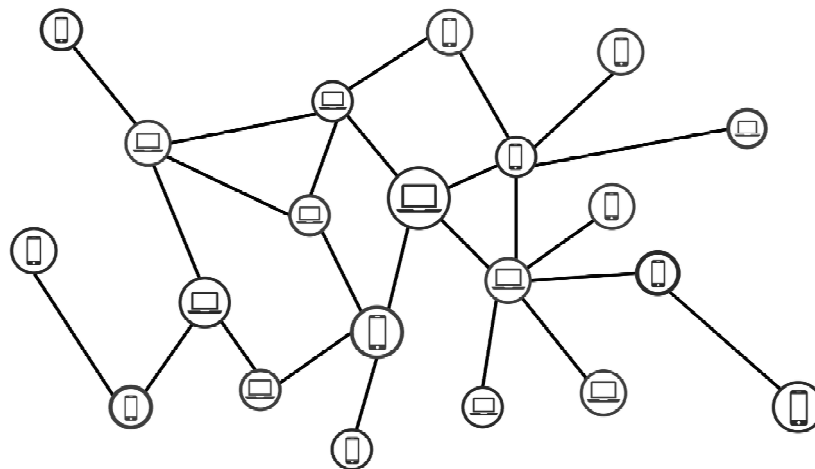
3. The newly created block now becomes part of the ledger, and the next block links itself cryptographically back to this block. Blocks are chained together, preventing any block from being altered or a block being inserted between two existing blocks. Falsifying a single record would mean falsifying the entire chain in millions of instances. That is virtually impossible.

4. Transactions are then reconfirmed every time a new block is created. Usually, six confirmations in the a network are required to consider the transaction final. The Bitcoin Network is the first successful implementation of blockchain technology.

Q11. Explain different types and limitations of block chains.

Ans :

Types of Block Chain

1. Public blockchain

It allow anyone to contribute data to the ledger with all participants possessing an identical copy of the ledger.

2. Private Blockchain

The only allow invited participants to join the network. These networks are controlled by either a single or series of designated network administrators.

3. Hybrid Blockchain

It considered to be semi-decentralized and employ characteristics of both public and private blockchains.

Limitations of Block Chain

1. Higher costs

Nodes seek higher rewards for completing Transactions in a business which work on the principle of Supply and Demand

2. Slower transactions

Nodes prioritize transactions with higher rewards, backlogs of transactions build up

3. Smaller ledger

It not possible to a full copy of the Block chain, potentially which can affect immutability, consensus, etc.

4. Transaction costs, network speed

The transactions cost of Bit coin is quite high after being touted as 'nearly free' for the first few years.

5. Risk of error

There is always a risk of error, as long as the human factor is involved. In case a block chain serves as a database, all the incoming data has to be of high quality. However, human involvement can quickly resolve the error.

6. Wasteful

Every node that runs the block chain has to maintain consensus across the block chain. This offers very low downtime and makes data stored on the block chain forever unchangeable. However, all this is wasteful, because each node repeats a task to reach consensus.

Q12. Explain the applications of block chain.

Ans :

Applications of Block Chain

1. Processing of Payments

The distributed ledger feature of blockchain technology assists in processing of payments to make the transaction records highly secured and traceable in public.

For this reason, it is highly getting adopted in payment processing for added features like transparency, cost efficiency and speed.

2. Peer-to-peer Transactions

When blockchain technology is integrated with smart contracts, it can allow peer-to-peer transactions without involving any intermediaries.

Such a feature can be utilized by companies to create a marketplace without involving any centralized server allowing buyers and sellers to communicate. Such direct interaction minimizes the cost and maximizes the efficiency.

3. **Customizing Products**

Blockchain technology can be used for customization of products by utilizing customer data as it ensures its accuracy and reliability. It also makes the products more transparent and traceable thereby making the environment trustworthy.

4. **Availability of Product Information**

The accuracy and reliability of data using blockchain technology allows the consumers to increase the availability of product information. The reason for such increase is the security and unchangeable nature of product information.

5.4	ETHICAL AND SUSTAINABILITY ISSUES IN e-GLOBAL BUSINESS

Q13. Explain the Ethical and sustainability issues in e-global business.

(OR)

Elaborate the ethical and sustainability issues in e-commerce.

Ans :   *(July-24, Imp.)*

Ethical standards are modified frequently due to various technological revolutions. These modifications can lead to variety of ethical issues in e-global business environment. The two basic ethical issues among these are privacy and job loss.

1. **Privacy**

The issues related to privacy arise while collecting, storing and transferring personal information. One of these is protecting or hiding buyer's identity. This is because, when electronic payment system is used, buyer's identity is recorded. Protection to these identities is ensured using encryption.

One other privacy issue is providing protection from tracking. Hackers can use cookies to track customer information. Such cookies are deleted periodically by antivirus software.

2. **Job Loss**

E-global business involves sophisticated technologies which may replace some of the employees, brokers and agents of an organisation. As a result, employees may face job loss.

These unemployed people can uplift some ethical issues like layoffs. If they are not terminated, companies may face issues in assigning tasks to them. Moreover, it will become difficult to train new employees.

Environmental Sustainability Issues

The devices involved in e-business are increasing globally. These devices include computers, laptops, monitors, tablets, mobile phones etc. It is expected that the carbon emissions from these devices will cover 14% of total electronic waste by 2040.

These figures will increase continuously and it is expected that around 120 million tonnes of e-waste will be generated in 2050. Considering the waste collected in 2018, only 20% is recycled while 80% is not recycled. Therefore, an effective approach is required to handle issues associated with e-waste.

Considering the carbon emissions, it is worth noting that there are hundreds of thousands of servers which are managing data centres. These data centres are still getting multiplied worldwide.

These data centres together can utilize energy that is around 20% of total cost. Moreover, it is expected that the energy consumption will get doubled every four years. Therefore, it is also necessary that energy consumption must be reduced to a greater extent.

| 5.5 | VOICE COMMERCE AND THE IMPACT OF SMART SPEAKERS ON e-COMMERCE- (VR) IN ENHANCING ONLINE SHOPPING EXPERIENCES |

Q14. Define the voice commerce discuss the impact of smart speakers on e-commerce.

Ans :   **(Imp.)**

Meaning of Voice Commerce

Voice commerce, also known as V-commerce, is a type of ecommerce that allows customers to make purchases using voice commands. This could be through a voice assistant such as Amazon's Alexa, Google Home, or a chatbot.

Impact of smart speakers on e-commerce

i) Srnart speaker refers to an electronic device integrated with virtual assistant. It has a Mic to accept input and loudspeaker to send voice messages or replies. It gets activated with a keyword called hot word.

ii) Advanced types of smart devices also offer features of a smart speaker while utilizing the technologies like Bluetooth, Wi-Fi and home automation. An example of such device is Smart Home.

iii) A smart home can be managed by the sensors and actuators through internet connection. The wired and wireless sensors are embedded into cameras, smart plugs, entertainment systems, lights, thermostats and security sensors.

iv) The actuators and Do-it-Yourself (DIY) sensors contain smoke detector, energy meter interface, remote control, surveillance camera, HUE LED lights, electric utility meter etc.

| 5.6 | CRYPTOCURRENCIES AND THEIR POTENTIAL FOR TRANSFORMING GLOBAL PAYMENTS |

Q15. Define cryptocurrency. Explain its potential in transforming global payments.

Ans :   **(Imp.)**

Meaning of Cryptocurrency

In simple terms, Cryptocurrency is a digitised asset spread through multiple computers in a shared network. The decentralised nature of this network shields them from any control from government regulatory bodies.

The term "cryptocurrency in itself is derived from the encryption techniques used to secure the network.

As per computer experts, any system that falls under the category of cryptocurrency must meet the following requirements.:

1. Absence of any centralised authority and is maintained through distributed networks

2. The system maintains records of cryptocurrency units and who owns them

3. The system decides whether new units can be created and in case it does, decided the origin and the ownership terms

4. Ownership of cryptocurrency units can be proved exclusively cryptographically.

5. The system allows transactions to be performed in which ownership of the cryptographic units is changed.

Potentiality of Cryptocurrencies in Transforming Global Payments

There were numerous types of digital currencies like virtual currencies and digital base money before introduction of cryptocurrencies. However, these digital currencies face many issues like they were not valid to be exchanged with actual money as they are created by some other organization.

Moreover, the e-data can be copied several times with a very little cost. Such duplication of currency is termed as "double spending problem". To overcome such problems, the e-payment systems are now operated under the governance of central authority.

These authorities manage the transactions, creation and verification of the digital currencies. However, the risk of having centralized authority is that they are less secure, with a lot of technical failures and mischievous. With such authorities, government can easily interfere and take away the funds.

Q16. Explain the advantages and disadvantages Cryptocurrencies.

Ans :

Advantages

Cryptocurrency has the following advantages

(i) Funds transfer between two parties will be easy without the need of third party like credit/debit cards or banks

(ii) It is a cheaper alternative compared to other online transactions

(iii) Payments are safe and secured and offer an unprecedented level of anonymity

(iv) Modern cryptocurrency systems come with a user "wallet" or account address which is accessible only by a public key and pirate key. The private key is only know to the owner of the wallet

(v) Funds transfer are completed with minimal processing fees.

Disadvantages

Cryptocurrencies have the following disadvantages.

(i) The almost hidden nature of cryptocurrency transactions makes them easy to be the focus of illegal activities such as money laundering, tax-evasion and possibly even terror-financing

(ii) Payments are not irreversible

(iii) Cryptocurrencies are not accepted everywhere and have limited value elsewhere

(iv) There is concern that cryptocurrencies like Bitcoin are not rooted in any material goods. Some research, however, has identified that the cost of producing a Bitcoin, which requires an increasingly large amount of energy, is directly related to its market price.

5.7 ENVIRONMENTAL SUSTAINABILITY PRACTICES IN e-GLOBAL BUSINESS

Q17. Explain the Environmental sustainability issues related to e-global business.

(OR)

Briefly explain the environmental sustainability practices in e-global business.

Ans :   (Feb.-24, Imp.)

For answer refer to Unit-V, Q.No. 13.

5.8 THE INTERNET OF THINGS (IoT) AND ITS APPLICATIONS IN e-COMMERCE

Q18. Discuss the Internet of Things (IoT) and its applications in e-commerce.

Ans :

Meaning of IoT

The Internet of Things (IoT) is transforming the e-commerce landscape by enhancing operational efficiency, improving customer experiences, and enabling innovative business models.

Applications

Here are key applications of IoT in e-commerce:

1. Smart Inventory Management

➢ **Real-Time Tracking:** IoT devices can monitor inventory levels in real-time, providing insights into stock availability and helping businesses manage inventory more efficiently.

➢ **Automated Reordering:** When stock levels fall below a certain threshold, IoT systems can automatically trigger reorder requests to suppliers, reducing the risk of stockouts.

2. Personalized Customer Experiences

➢ **Smart Devices:** IoT-enabled devices (like smart speakers) can gather data on user preferences, enabling personalized product recommendations and targeted marketing.

➢ **Contextual Promotions:** Retailers can send relevant offers to customers based on their location and shopping behavior, enhancing engagement.

3.   Enhanced Supply Chain Visibility

➢   **End-to-End Tracking:** IoT sensors can monitor products throughout the supply chain, providing real-time updates on location and condition, which improves transparency and reduces losses.

➢   **Predictive Analytics:** Analyzing data from IoT devices can help businesses forecast demand and optimize supply chain operations.

4.   Smart Payment Solutions

➢   **Connected Payment Devices:** IoT-enabled payment systems (e.g., mobile wallets, smart kiosks) allow for seamless transactions, reducing friction at checkout.

➢   **Automatic Billing:** Devices can facilitate automatic billing for subscriptions or recurring purchases, simplifying the purchasing process for customers.

5.   Customer Behavior Analysis

➢   **Footfall Monitoring:** Retailers can use IoT sensors to analyze in-store foot traffic and understand customer behavior patterns, enabling better layout and marketing strategies.

➢   **Usage Data:** Collecting data on how customers interact with products (e.g., smart appliances) can provide valuable insights for future product development.

6.   Improved Customer Support

➢   **Chatbots and Virtual Assistants:** IoT devices can integrate with AI-powered chatbots to provide immediate assistance and address customer queries based on real-time data.

➢   **Remote Troubleshooting:** For tech products, IoT can enable remote diagnostics, allowing customer support to resolve issues quickly without requiring physical intervention.

7.   Enhanced Security and Fraud Prevention

➢   **Smart Surveillance:** IoT cameras and sensors can enhance security in warehouses and retail locations, reducing theft and ensuring product safety.

➢   **Transaction Monitoring:** IoT systems can analyze transaction data in real-time to detect fraudulent activity and alert businesses promptly.

8.   Omni-Channel Retailing

➢   **Seamless Integration:** IoT allows for a unified shopping experience across online and offline channels, enabling customers to interact with brands through various touchpoints.

➢   **Click-and-Collect:** Customers can order online and pick up their purchases in-store, with IoT systems managing the fulfillment process efficiently.

9.   Smart Home Integration

➢   **IoT-Connected Products:** E-commerce platforms can offer smart home devices that integrate with existing ecosystems, enhancing convenience and driving additional sales.

➢   **Voice Commerce:** Consumers can use smart speakers to make purchases, creating new avenues for e-commerce transactions.

10.   Sustainability Initiatives

➢   **Energy Management:** IoT can help businesses monitor energy usage and reduce waste, contributing to sustainability goals and appealing to eco-conscious consumers.

➢   **Waste Reduction:** By optimizing supply chain processes and inventory management, IoT can help reduce overproduction and waste in e-commerce.

5.9	VIRTUAL REALITY (VR) AND AUGMENTED REALITY (AR) IN TRANSFORMING THE ONLINE SHOPPING EXPERIENCE

Q19. Explain how Virtual Reality (VR) and Augmented Reality (AR) are used in online shopping.

Ans :   **(Imp.)**

1.   Virtual Reality (VR)

A technology that creates a simulated environment, allowing users to interact with a computer-generated world through sensory experiences, typically using a head-mounted display and input devices.

Applications

(i) Gaming and Entertainment: Immersive gaming experiences and virtual entertainment platforms.

(ii) Education and Training: Simulated environments for learning and skill development.

(iii) Healthcare and Therapy: Virtual environments used for rehabilitation and mental health treatment.

(iv) Architecture and Design: Designers and architects use VR for virtual walkthroughs of projects.

(v) Military and Defense: Simulated training environments for military personnel.

(vi) Virtual Tourism and Exploration: Simulated tours of real-world or fictional locations.

(vii) Psychology and Mental Health Therapy: Exposure therapy and relaxation techniques in virtual environments.

(viii) Sports Training and Simulation: Athletes use VR for training and strategy development.

(ix) Social Virtual Reality: Immersive social platforms where users interact as avatars.

Code of Ethical Conduct for VR

(i) Informed Consent: Users must be fully aware of the nature and potential risks of the VR experience before participating.

(ii) Privacy Protection: Safeguarding user data and preventing unauthorized recording or sharing of experiences.

(iii) Content Guidelines: Ensuring all VR content is age-appropriate, non-offensive, and adheres to ethical standards.

(iv) User Well-being: Implementing features to prevent motion sickness and discomfort, and limiting exposure to avoid overuse.

(v) Diversity and Inclusion: Ensuring VR experiences are accessible and enjoyable for users from all backgrounds.

(vi) Safety Measures: Incorporating fail-safes and emergency exits in case of technical failures or user distress.

(vii) Accountability and Liability: Clearly defining responsibilities in case of accidents or legal issues arising from VR use.

(viii) Education and Training: Providing resources to educate users on responsible VR usage and potential risks.

2. Augmented Reality (AR)

According to Olsson et al, AR can be defined as a technique which combines the real world and computer generated digital information to appear as a single environment to its users. It has the capacity of reshaping the world of retail.

By allowing customer's interact with virtual products, it can offer a modified and unique way to grab user's attention. Customers can view and analyse the goods virtually through AR shopping experience which enhances the visualisation of products and consecutive brand image.

As customer's desire of buying goods increases, retailers are exploring the new ways to use AR to enhance shopping experiences.

| 5.10 | THE RISE OF SMART CITIES AND THEIR IMPACT ON e-GLOBAL BUSINESS |

Q20. Discuss the rise of smart cities and their impact on e-global business.

Ans :

The rise of smart cities is reshaping urban environments through the integration of technology and data-driven solutions. This transformation has significant implications for e-global business, influencing everything from logistics to customer engagement. Here are key impacts of smart cities on e-global business:

1. Improved Infrastructure

➢ **Enhanced Logistics:** Smart cities utilize IoT sensors and data analytics to optimize traffic flow and public transportation. This leads to faster delivery times and reduced costs for e-commerce companies.

➢ **Smart Warehousing:** Integrated logistics systems can streamline inventory management and distribution processes, making it easier for businesses to operate efficiently in urban settings.

2. Data-Driven Insights

> **Consumer Behavior Analysis:** Smart cities generate vast amounts of data that businesses can analyze to understand customer preferences and trends, allowing for more targeted marketing and personalized services.

> **Market Trends:** Real-time data on population density, traffic patterns, and local events can inform businesses about optimal times for promotions and sales strategies.

3. Sustainability and Efficiency

> **Eco-Friendly Practices:** Smart cities focus on sustainability, encouraging businesses to adopt greener practices. This could involve eco-friendly packaging, efficient delivery methods, and energy-efficient operations, appealing to environmentally conscious consumers.

> **Resource Optimization:** Businesses can benefit from shared resources and infrastructure, reducing costs associated with utilities and logistics.

4. Increased Connectivity

> **Enhanced Customer Engagement:** Ubiquitous connectivity allows businesses to interact with consumers through various digital platforms, fostering engagement and building loyalty.

> **Omni-Channel Experiences:** With advanced communication networks, businesses can offer seamless experiences across online and offline channels, enhancing customer satisfaction.

5. Urban Mobility Solutions

> **Integration with Transportation:** Smart cities promote alternative transportation methods (like ride-sharing and public transit), which can influence how consumers access physical stores and services.

> **Last-Mile Delivery Innovations:** Companies can leverage smart infrastructure to implement innovative last-mile delivery solutions, such as drone deliveries or autonomous vehicles.

6. Enhanced Customer Experience

> **Smart Retail Technologies:** Businesses can utilize augmented reality (AR) and virtual reality (VR) technologies in smart cities to enhance shopping experiences, allowing customers to visualize products in their own environment.

> **Personalized Services:** Data from smart city infrastructure can help businesses offer personalized recommendations and services based on real-time customer interactions.

7. Regulatory Considerations

> **Compliance with Smart City Policies:** Businesses may need to adapt to new regulations regarding data privacy, urban planning, and environmental standards in smart cities.

> **Collaboration with Local Governments:** Engaging with city planners and local authorities can help businesses align with smart city initiatives, opening new opportunities for partnerships.

8. Enhanced Security

> **Data Security Measures:** As smart cities collect and analyse vast amounts of data, businesses must prioritize cybersecurity to protect sensitive customer information and maintain trust.

> **Fraud Prevention:** Advanced surveillance and monitoring systems can enhance security for physical retail locations and logistics operations.

9. Global Market Expansion

> **Access to New Markets:** Smart city initiatives can facilitate entry into new markets by providing the necessary infrastructure and technological support for businesses.

> **Innovation Hubs:** Smart cities often serve as innovation hubs, fostering collaboration between tech companies, startups, and established businesses, driving growth and new opportunities.

| 5.11 | THE ETHICAL IMPLICATIONS OF **AI** AND AUTOMATION IN **e-**COMMERCE DECISION-MAKING PROCESSES |

Q21. Discuss the Ethical Implications of AI and Automation in e-Commerce Decision-Making Processes.

(OR)

Explain the ethical implications of AI and automation in e-commerce decision-making processes.

Ans :   (July-24, Imp.)

Ethical Implications of AI and Automation in e-Commerce Decision-Making Processes.

1.   Risk of Bias

Risk of bias or unfair treatment is one of the major ethical concerns related to e-commerce. This is because, algorithms associated with AI and automation work on training data. If this data is biased, the results generated by the algorithms cannot be considered as valid.

For instance, if an e-commerce website uses historical data for predicting results, then it may end up misinforming its user that a particular product is good or bad.

2.   Lack of Transparency

Lack of transparency and explainability is another ethical concern associated with AI and automation algorithms. It becomes impossible sometimes to understand the background working of an algorithm.

Such an issue makes it difficult for e-commerce based organizations to convey their decision making processes with their customers.

To avoid such issues, organizations need to implement AI techniques which are transparent or user-friendly. Moreover, they can also inform the customers regarding the AI and automation technique adopted by them.

4.   Autonomous

AI and automation techniques are widely getting adopted. Due to this widespread adoption, it is possible that these techniques may become highly autonomous that they do their tasks without human intervention. In this case, the system may face unintended consequences.

To avoid such concerns, it is necessary to make the systems human dependent. Moreover, organizations must address the clear lines between human related decisions and level of machine based decisions so that the e-commerce users can be satisfied with the results.

| 5.12 | DATA-DRIVEN DECISION-MAKING |

Q22. Define Data-driven decision-making. State the components of Data-driven decision-making.

Ans :

Meaning of data-driven decision-making

Data-driven decision-making (DDDM) is the process of making choices based on data analysis and interpretation rather than intuition or observation alone. This approach can significantly enhance business strategies, operations, and outcomes. Here's an overview of DDDM, its benefits, and best practices:

Key Components of Data-Driven Decision-Making

1.   Data Collection

➢   **Sources:** Gather data from various sources, including customer interactions, sales figures, market research, and operational metrics.

➢   **Quality Assurance:** Ensure that the data collected is accurate, relevant, and up-to-date to facilitate reliable decision-making.

2.   Data Analysis

➢   **Analytical Tools:** Utilize data analytics tools and software (e.g., Google Analytics, Tableau, or Excel) to process and analyze data.

➢   **Statistical Techniques:** Apply statistical methods to identify trends, patterns, and correlations within the data.

3.   Interpretation

➢   **Contextual Understanding:** Interpret the data in the context of business objectives and market conditions to derive actionable insights.

➢   **Visualization:** Use data visualization techniques (charts, graphs, dashboards) to make complex data more understandable and accessible.

4. Implementation

> **Action Plans:** Develop strategies and action plans based on insights gained from data analysis.

> **Cross-Functional Collaboration:** Involve relevant teams (marketing, sales, operations) to ensure alignment and comprehensive execution of decisions.

5. Monitoring and Adjustment

> **Performance Tracking:** Continuously monitor outcomes against key performance indicators (KPIs) to evaluate the effectiveness of decisions.

> **Iterative Process:** Be prepared to adjust strategies based on new data and insights, fostering a culture of ongoing improvement

Q23. State the Benefits of Data-Driven Decision-Making.

Ans :

Benefits

1. Improved Accuracy

Decisions based on data are often more accurate and reliable than those based solely on intuition, reducing the risk of errors.

2. Enhanced Efficiency

Data analysis can streamline processes, identify bottlenecks, and optimize resource allocation, leading to increased operational efficiency.

3. Better Customer Insights

Analyzing customer data helps businesses understand preferences and behaviors, enabling personalized marketing and improved customer experiences.

4. Informed Strategy Development

Data-driven insights can inform long-term strategic planning and help businesses adapt to market changes and emerging trends.

5. Risk Mitigation

Identifying potential risks through data analysis allows businesses to implement proactive measures, reducing the likelihood of negative outcomes.

Q24. Discuss the Best Practices for Implementing Data-Driven Decision-Making?

Ans :

Best Practices

1. Establish Clear Objectives

Define specific goals for data use and decision-making to guide data collection and analysis efforts.

2. Foster a Data-Driven Culture

Encourage a culture where data-driven insights are valued, and employees are trained to utilize data in their decision-making processes.

3. Invest in Tools and Technology

Equip teams with the right tools and technologies for data analysis, visualization, and reporting to facilitate effective decision-making.

4. Ensure Data Accessibility

Make data easily accessible across the organization while maintaining security and compliance standards.

5. Encourage Collaboration

Promote cross-departmental collaboration to gather diverse perspectives and insights, enriching the decision-making process.

6. Regularly Review and Update Data

Establish a routine for reviewing and updating data to ensure its relevance and accuracy.

5.13 PREDICTIVE ANALYTICS IN e-GLOBAL BUSINESS

Q25. Define predictive analytics. State its applications?

Ans :

Meaning of Predictives analytics

Predictive analytics is a powerful tool for e-global businesses, enabling them to forecast future trends, consumer behavior, and operational challenges based on historical data. By leveraging predictive analytics, companies can make informed decisions, optimize processes, and enhance customer experiences. Here's a comprehensive overview of its applications and benefits in e-global business:

Key Applications of Predictive Analytics

1. Customer Behavior Forecasting

➤ **Personalized Marketing:** Analyze past purchasing behaviors and preferences to tailor marketing campaigns and product recommendations to individual customers.

➤ **Churn Prediction:** Identify customers at risk of leaving and implement retention strategies, such as targeted offers or improved engagement initiatives.

2. Demand Forecasting

➤ **Inventory Management:** Predict future product demand to optimize inventory levels, reducing the risk of stockouts or overstock situations.

➤ **Supply Chain Optimization:** Anticipate fluctuations in demand to better manage supply chain logistics and improve efficiency.

3. Dynamic Pricing

➤ **Price Optimization:** Use predictive models to adjust pricing strategies based on factors like demand, competition, and consumer behavior, maximizing profitability.

➤ **Promotion Effectiveness:** Evaluate the impact of past promotions to predict future outcomes and determine the best pricing strategies.

4. Fraud Detection

➤ **Transaction Monitoring:** Analyze transaction patterns to identify anomalies that may indicate fraudulent activity, enabling timely intervention.

➤ **Risk Assessment:** Predict potential risks associated with new customers or transactions, improving the accuracy of credit scoring and approval processes.

5. Market Trend Analysis

➤ **Consumer Insights:** Utilize predictive analytics to identify emerging trends in consumer preferences, allowing businesses to adapt their offerings accordingly.

➤ **Competitor Analysis:** Forecast competitor behavior and market changes, enabling proactive strategic planning.

6. Operational Efficiency

➤ **Resource Allocation:** Predict staffing needs based on historical sales data, optimizing workforce management and reducing operational costs.

➤ **Maintenance Forecasting:** Use predictive maintenance analytics to anticipate equipment failures or necessary repairs, minimizing downtime and maintenance costs.

Q26. Explain the Benefits of Predictive Analytics in E-Global Business

Ans :

Benefits

1. Informed Decision-Making

Enables businesses to base decisions on data-driven insights rather than intuition, reducing uncertainty and increasing confidence in strategic choices.

2. Enhanced Customer Experience

By personalizing interactions and anticipating customer needs, businesses can improve satisfaction and loyalty, leading to higher retention rates.

3. Increased Efficiency and Cost Savings

Optimizing inventory, supply chain, and workforce management leads to significant cost reductions and improved operational efficiency.

4. Competitive Advantage

Businesses that effectively utilize predictive analytics can stay ahead of market trends and competitor actions, positioning themselves as leaders in their industry.

5. Scalability

As e-global businesses expand, predictive analytics can help manage growth by forecasting new market demands and customer needs.

Q27. Discuss the Implementation Strategies of Predictive Analytics in E-Global Business?

Ans :

Strategies

1. Data Collection and Integration

Gather data from various sources, including customer interactions, sales transactions, and market research, and integrate it into a central system for analysis.

2. Choosing the Right Tools

Invest in advanced analytics tools and software (e.g., SAS, IBM Watson, Google Cloud) that support predictive modeling and data visualization.

3. Building Predictive Models

Develop predictive models using historical data and machine learning algorithms to identify patterns and forecast future outcomes.

4. Testing and Validation

Continuously test and validate predictive models to ensure accuracy and reliability, refining them based on new data and feedback.

5. Cross-Department Collaboration

Encourage collaboration among marketing, sales, finance, and operations teams to ensure alignment and maximize the impact of predictive analytics.

Case Studies

Case Study - 1.

Domino's Pizza, founded in 1960, has evolved from a traditional pizza delivery business to a tech-savvy food service leader. This case study examines how Domino's has consistently transformed its business model, embraced technology, and adapted to changing consumer preferences.

Key Transformations

1. Embracing Technology

➢ **Online Ordering:** Domino's was one of the first pizza chains to implement online ordering in 2007. This shift not only streamlined the ordering process but also catered to the growing demand for digital convenience.

➢ **Mobile App Development:** The launch of the Domino's mobile app allowed customers to order with ease, track deliveries in real-time, and customize their pizzas. The app features voice ordering, enabling customers to place orders using natural language.

2. Data-Driven Decisions

➢ **Customer Insights:** Domino's leverages big data analytics to understand customer preferences and behaviors. This data informs menu innovations and marketing strategies, ensuring they meet evolving consumer tastes.

➢ **Predictive Analytics:** The company uses predictive analytics to optimize inventory and reduce waste, enhancing operational efficiency.

3. Menu Innovation

➢ **Expansion Beyond Pizza:** Recognizing changing consumer preferences, Domino's expanded its menu to include pasta, chicken, desserts, and salads, appealing to a broader audience.

➢ **Limited-Time Offers:** The introduction of limited-time menu items has created excitement and urgency, driving sales and attracting new customers.

4. Marketing Strategies

➢ **Digital Marketing:** Domino's has focused heavily on digital marketing campaigns, utilizing social media and targeted ads to engage customers and drive online orders.

➢ **Creative Campaigns:** The "Pizza Turnaround" campaign, launched in 2009, acknowledged past criticisms of pizza quality and highlighted improvements, leading to increased customer trust and brand loyalty.

5. Innovations in Delivery

➢ **Delivery Technology:** Domino's has invested in GPS tracking technology for deliveries, providing customers with real-time updates on their order status.

➢ **Drones and Autonomous Vehicles:** The company is exploring drone delivery and self-driving vehicles as potential solutions for faster and more efficient delivery.

6. Customer Engagement

➢ **Loyalty Programs:** Domino's has developed a rewards program to incentivize repeat purchases, fostering customer loyalty and encouraging larger orders.

➢ **Interactive Platforms:** The introduction of the "Domino's AnyWare" platform allows customers to order through various devices, including smartwatches, TVs, and social media.

Challenges Faced

1.   Intense Competition

The pizza delivery market is highly competitive, with numerous players like Papa John's, Pizza Hut, and local pizzerias. Domino's has had to consistently innovate to maintain its market position.

2.   Changing Consumer Preferences

As consumers increasingly seek healthier and more sustainable food options, Domino's has had to adapt its menu and sourcing practices to meet these demands.

3.   Technological Investments

While technology has driven growth, the continuous need for investment in tech solutions and digital marketing can strain resources.

Questions and Answers

1.   How has Domino's utilized technology to enhance its business operations ?

Ans :

Domino's embraced online ordering, developed a mobile app, utilized data analytics for customer insights, and invested in GPS delivery tracking, all of which have streamlined operations and improved customer experience.

2.   What strategies has Domino's employed to adapt to changing consumer preferences ?

Ans :

The company expanded its menu beyond pizza, introduced healthier options, and launched limited-time offers to keep the menu exciting and relevant.

3.   What challenges does Domino's face in maintaining its market position ?

Ans :

The company faces intense competition, shifting consumer preferences toward healthier foods, and the continuous need for investment in technology and innovation.

4.   How has Domino's marketing strategy evolved over the years ?

Ans :

Domino's shifted to a digital-focused marketing strategy, utilizing social media, creative campaigns, and customer engagement through loyalty programs to drive sales and brand loyalty.

Case Study - 2. Voice-Commerce: Domino's Pizza as a Constantly Transforming Business

On the face of it, Domino's Pizza could appear to be a relatively traditional fast-food franchise and chain business. It is based in real-world premises and relies on pick up of real product from its premises by customers or delivery to customers using delivery staff.

But Domino's has long had a digital culture of looking to where customers might be in terms of communication and delivery channel. There is a view that the younger audience that Domino's seeks to target could be more likely to inhabit newer channels of communication and retail opportunity. Moving away from the traditional channel of calling on the telephone for a pizza, Domino's was one of the first organisations that allowed takeaway food to be ordered from a website. Domino's Anyware platform approach is about enabling a customer to use any channel they desire to order pizza from their local store.

There are the inevitable mobile and tablet apps, but even these (at the time of writing), contain features that smooth and ease the ordering process. Domino's encourages the creation of 'Pizra Profiles' and 'easy Orders' - fundamentally, customer preferences that can be used for retained customers.

Dependent on location, voice commands in the Domino's app can create a swift purchase, Easy Orders can be ordered in 10 seconds using the Zero Click app, or through any one of the voice channels to which Domino's has adapted its ordering process - including Amazon Alexa and Google Home. There is even an integration via Ford's SYNC AppLink to allow in-car ordering.

These public-facing customer-driven channels dictate the strategy - go where they are, operate how they want to operate. This constant state of transformation means adapting to new processes, cultures and practices (consider how pizza might be ordered from Slack), and only then is the technology itself given the light of day.

Questions and Answers

1. How does the integration with Ford's SYNC AppLink enhance Domino's voice-commerce capabilities ?

Ans :

The integration with Ford's SYNC AppLink enhances Domino's voice-commerce capabilities by allowing customers to order pizza while driving. This in-car ordering option provides an additional layer of convenience, catering to the needs of busy customers who prefer to place orders on the go. This innovative approach aligns with Domino's commitment to leveraging new technologies to improve the customer experience.

2. How does Domino's ensure that its voice-commerce options cater to customer preferences ?

Ans :

Domino's ensures its voice-commerce options cater to customer preferences by encouraging the creation of "Pizza Profiles" and "Easy Orders." These profiles store customer preferences, making it easier to repeat orders and customize them according to individual tastes. This personalization helps retain customers and improves their overall ordering experience.

3. What specific feature does Domino's offer to make voice-command ordering faster and easier ?

Ans :

Domino's offers the "Easy Orders" feature, which allows customers to place orders quickly using voice commands. With the Zero Click app, customers can order in as little as 10 seconds. This feature is designed to simplify the ordering process and cater to the growing demand for quick and efficient service.

4. What is the broader strategy behind Domino's adoption of various digital and voice-commerce channels ?

Ans :

The broader strategy behind Domino's adoption of various digital and voice-commerce channels is to meet customers where they are and operate how they want to order. This customer-driven approach allows Domino's to adapt to new processes, technologies, and communication channels, ensuring they remain relevant and accessible to a diverse and technologically savvy customer base.

5. How has Domino's Pizza incorporated voice-commerce into its ordering process ?

Ans :

Domino's Pizza has integrated voice-commerce into its ordering process by adapting their system to work with various voice command platforms, such as Amazon Alexa and Google Home. Customers can place orders using voice commands, streamlining the process and enhancing convenience. This integration is part of their Domino's Anyware platform, which aims to allow customers to order pizza using any channel they prefer.

Short Question and Answers

1.   Define M-Commerce.

Ans :

M-commerce (mobile commerce) is the buying and selling of goods and services through wireless hand-held devices such as smartphones and tablets. M-commerce is a form of e-commerce that enables users to access online shopping platforms without the use of a desktop computer.

Over time, content delivery through wireless devices has become faster, more secure and scalable. As a result, mobile commerce has grown rapidly.

2.   State the Functions of M-Commerce.

Ans :

(i)   Mobile shopping

It enables customers to buy a product using a mobile device with an application such as Amazon or a web app. A subcategory of mobile shopping is app commerce, which is a transaction that takes place over a native app.

(ii)   Mobile banking

It is online banking designed for handheld technology. It enables customers to access accounts and brokerage services, conduct financial transactions, pay bills and make stock trades.

This is typically done through a secure, dedicated app provided by the banking institution. Mobile banking services may use SMS or chatbots and other conversational app platforms to send out alerts and track account activities.

For example, the WhatsApp chatbot lets customers view their account balance, transfer funds, review loans and conduct other transactions in real time through WhatsApp.

(iii) Mobile payments

They are an alternative to traditional payment methods, such as cash, check, credit and debit cards. They enable users to buy products in person using a mobile device. Digital wallets, such as Apple Pay, let customers buy products without swiping a card or paying with cash.

3.   State the Benefits of M-Commerce.

Ans :

The major benefits of mobile commerce are as follows:

1.   Anytime Anywhere

(i)   Mobile commerce together with wireless communication technology and wireless broadband internet access, keeps the mobile user connected with the internet while travelling across the globe.

(ii)   The business information is available to the mobile user any time of the day and anywhere around the globe.

(iii) This anytime/anywhere internet access makes business transactions more flexible and customer communications more efficient, which in turn improves the productivity of the company and increases customer satisfaction.

(iv)   The round the clock (24×7) internet availability benefits many users to conduct business transactions from their homes or from any other place while on the move and at any convenient time.

(v)   Thus m-commerce offers greater mobility and flexibility to mobile users in performing business transactions using their handheld mobile devices.

2.   Cost-effective

(i)   The costs of transactions using mobile devices are relatively low. The time-critical business data, such as reports, photographs, etc. can be captured and transmitted easily from the mobile devices without involving any bulky expensive equipment.

(ii)   The customer queries can be attended and support provided instantly from the mobile device, thus making customer support more comprehensive.

(iii) The SMS-based micro payments facilitate bank account transfer within a few seconds and at the cost of an SMS. Contact less smartcard- based mobile payments provide a low cost alternative for toll tax payments in mass transit systems.

4.   Distinguish between E-Commerce and M-Commerce.

Ans :

S.No.	E-commerce	S.No.	M-commerce
1.	Electronic Commerce in short it is called as e-commerce.	1.	Mobile Commerce in short it is called as m-commerce.
2.	In general, e-commerce activities are performed with the help of desktop computers and laptops.	2.	M-commerce activities are performed with the help of mobile devices like smartphones, tablets, PDA's (Personal Digital Assistant) etc.
3.	E-commerce is an older concept.	3.	M-commerce is an newer concept.
4.	It is broad term which refers doing shopping and making payments online with help of electronic devices like Laptop and computers.	4.	It is subcategory of ecommerce which does the same this via mobile devices.

5.   Define Block Chain.

Ans :

A block chain is a chain of chronological blocks. It is not a company, nor is it an application, but rather an entirely new way of documenting data on the internet. It gives internet users the ability to create value and authenticates digital information.

6.   State the Properties of Blockchain

Ans :

i)   Decentralization: No central authority to control or manipulate it. Blockchain creates a shared system of record among business network members, eliminating the need to reconcile disparate ledgers. All participant talks to each other directly.

ii)   Transparency: Each member of the network must have access privileges. Information is shared only on a need-to-know basis. In doing so, their computer receives a copy of the blockchain that is updated automatically whenever a new block is added, sort of like a Facebook News Feed that live updates whenever a new status is posted.

iii) Immutability: Consensus is required from all members and all validated transactions are permanently recorded. Even a system administrator can't delete a transaction.

7.   State the Limitations of block chains.

Ans :

i)   Higher costs

Nodes seek higher rewards for completing Transactions in a business which work on the principle of Supply and Demand

ii)   Slower transactions

Nodes prioritize transactions with higher rewards, backlogs of transactions build up

iii) Smaller ledger

It not possible to a full copy of the Block chain, potentially which can affect immutability, consensus, etc.

iv) Transaction costs, network speed

The transactions cost of Bit coin is quite high after being touted as 'nearly free' for the first few years.

v) Risk of error

There is always a risk of error, as long as the human factor is involved. In case a block chain serves as a database, all the incoming data has to be of high quality. However, human involvement can quickly resolve the error.

vi) Wasteful

Every node that runs the block chain has to maintain consensus across the block chain. This offers very low downtime and makes data stored on the block chain forever unchangeable. However, all this is wasteful, because each node repeats a task to reach consensus.

8. State the Applications of block chain.

Ans :

i) Processing of Payments

The distributed ledger feature of blockchain technology assists in processing of payments to make the transaction records highly secured and traceable in public.

For this reason, it is highly getting adopted in payment processing for added features like transparency, cost efficiency and speed.

ii) Peer-to-peer Transactions

When blockchain technology is integrated with smart contracts, it can allow peer-to-peer transactions without involving any intermediaries.

Such a feature can be utilized by companies to create a marketplace without involving any centralized server allowing buyers and sellers to communicate. Such direct interaction minimizes the cost and maximizes the efficiency.

iii) Customizing Products

Blockchain technology can be used for customization of products by utilizing customer data as it ensures its accuracy and reliability. It also makes the products more transparent and traceable thereby making the environment trustworthy.

9. Define cryptocurrency.

Ans :

In simple terms, Cryptocurrency is a digitised asset spread through multiple computers in a shared network. The decentralised nature of this network shields them from any control from government regulatory bodies.

The term "cryptocurrency in itself is derived from the encryption techniques used to secure the network.

10. Advantages of Cryptocurrency

Ans :

Cryptocurrency has the following advantages

(i) Funds transfer between two parties will be easy without the need of third party like credit/debit cards or banks

(ii) It is a cheaper alternative compared to other online transactions

(iii) Payments are safe and secured and offer an unprecedented level of anonymity

(iv) Modern cryptocurrency systems come with a user "wallet" or account address which is accessible only by a public key and pirate key. The private key is only know to the owner of the wallet

(v) Funds transfer are completed with minimal processing fees.

11. Virtual Reality (VR)

Ans :

A technology that creates a simulated environment, allowing users to interact with a computer-generated world through sensory experiences, typically using a head-mounted display and input devices.

12. Artificial Intelligence

Ans :

At present, artificial intelligence is quite helpful for business organizations to sense, predict and perform the activities related to automation. The companies which are quite successful in implementing artificial intelligence are able to improve their eCommerce engine and their ability to earn a greater amount of revenue with the help of sales and marketing.

Internal Assessments

Internal Assessment - I (10 Marks)

I) MULTIPLE CHOICE QUESTIONS (10 × ½ = 5)

1. E-Commerce stands for _____. [b]
   - (a) Electrical Commerce
   - (b) Electronic Commerce
   - (c) Entertainment Commerce
   - (d) Electrochemical Commerce

2. The World Wide Web (WWW) was introduced in the year _____. [a]
   - (a) 1994
   - (b) 1996
   - (c) 1992
   - (d) 1990

3. _____ is an early form of E-commerce. [b]
   - (a) SCM
   - (b) EDI
   - (c) Both of these
   - (d) Neither of these

4. _____ is concerned with the buying and selling information, products and services over computer communication networks. [b]
   - (a) Commerce
   - (b) E-Commerce
   - (c) E-Business
   - (d) None of these

5. Which among the following products is suitable for E-Commerce? [a]
   - (a) Books
   - (b) Vegetables
   - (c) All of these
   - (d) None of these

6. E-commerce has _____ scope than E-Business or Digital Business. [b]
   - (a) Higher
   - (b) Narrower
   - (c) Wider
   - (d) More

7. _____ is a system of interconnected electronic components or circuits. [a]
   - (a) Electronic Network
   - (b) Market places
   - (c) Electronic Markets
   - (b) Metamarkets

8. _____ are markets linked via modem communications networks and powered through high-speed computers. [d]
   - (a) Marketplaces
   - (b) Metamarkets
   - (c) Electronic Network
   - (d) Electronic Markets

9. _____ is a part of the 4 important types of E-commerce. [a]
   - (a) All of the above
   - (b) B2B
   - (c) P2P
   - (d) C2A

10. Customers pay a fixed amount, commonly month-to-month or quarterly or annually, to get few types of service referred to as _____ E-Commerce Business Model. [b]
    - (a) Licensing
    - (b) Subscription
    - (c) Transaction
    - (d) Affiliate

II)   FILL IN THE BLANKS (10 × ½ = 5)

1.   E-commerce refers to the buying and selling of goods and services through _____. **(Online Platforms)**

2.   One of the primary challenges of e-global business includes navigating diverse _____ and _____ frameworks.   **(Regulatory, Legal)**

3.   Online marketplaces, such as _____ and _____ play a critical role in connecting buyers and sellers worldwide.   **(Amazon, Alibaba)**

4.   Social media platforms like _____ and _____ enhance customer engagement by providing a platform for brand interaction.   **(Facebook, Instagram)**

5.   Advances in _____ and _____ are instrumental in accelerating the growth of e-commerce.
                                                                                                      (Technology, Innovation)

6.   _____ involves shared use of products or services and is popularized by companies like Airbnb and Uber.
                                                                                          (Collaborative Consumption)

7.   Subscription-based business models generate recurring revenue by charging customers a regular fee, as seen in platforms like _____ and _____.   **(Netflix, Spotify)**

8.   _____ models involve transactions between businesses and individual customers.
                                                                                          (Business-to-Consumer)

9.   _____ models cater to businesses selling products or services to other businesses. **(Business-to-Business)**

10.   _____ platforms allow individual consumers to sell directly to other consumers, commonly through platforms like eBay and Craigslist.   **(Consumer-to-Consumer)**

Internal Assessment - II   **(10 Marks)**

I)   ASSERTION & REASON (5 × 1 = 5)

1.   **Assertion (A):** E-commerce companies require personal data to serve the stakeholders better.

      Reason (R): In this process, privacy may get compromised.

      (a)   Both (A) and (R) are correct and (R) is the correct explanation of (A)

      (b)   Both (A) and (R) are correct but (R) is NOT the correct explanation of (A)

      (c)   (A) is correct but (R) is not correct

      (d)   (A) is not correct but (R) is correct

Ans : (b)

2.   **Assertion (A):** E-business includes e-commerce.

      Reason (R): E-commerce is a part of e-business that includes industries as well.

      (a)   (A) is correct, (R) is incorrect

      (b)   (A) is incorrect, (R) is correct

      (c)   (A) and (R) both are correct

      (d)   (A) and (R) both are incorrect

Ans : (c)

3.   **Assertion (A):** e-commerce covers a firm's interaction with its customers and suppliers over the internet.

      Reason (R): The scope of e-business is quite vast. Almost all types of business functions such as production, finance, marketing and personal administrations carried out over computer network.

      (a)   Both (A) and (R) correct

      (b)   Both (A) and (R) incorrect

      (c)   Both (A) and (R) correct and (R) is a correct explanation of (A)

      (d)   Both (A) and R correct but R is not a correct explanation of A

Ans : (c)

4. **Assertion (A):** E-commerce companies require personal data serve the stakeholders better.

    Reason (R): In this process, privacy may get compromised.

    (a)   Both (A) and (R) are correct and (R) is the correct explanation of (A)

    (b)   Both (A) and (R) are correct but (R) is NOT the correct explanation of (A)

    (c)   (A) is correct but (R) is not correct

    (d)   (A) is not correct but (R) is correct

Ans : (b)

5. **Assertion (A):** e-commerce in India is growing at a rapid pace.

    Reason (R): India has a large number of young entrepreneurs with education from premier educational institutes.

    (a)   Both (A) and (R) are true, and (R) is the correct explanation of (A)

    (b)   Both (A) and (R) are true, but (R) is not the correct explanation of (A)

    (c)   (A) is true, but (R) is false

    (d)   (A) is false, but (R) is true

Ans : (b)

II)   MATCH THE FOLLOWING (10 × ½ = 5)

1. 1. M-commerce   [ ]   (a) Coded form of data

    2. Cipher Text   [ ]   (b) B2B

    3. EDI   [ ]   (c) E-bill payment

    4. Wholesaler-to-Retailer   [ ]   (d) Paperless exchange of information

    5. License renewal services   [ ]   (e) G2G

    6. Online facility to employees like leave   [ ]   (f) G2C

    7. Government agencies share the same database   [ ]   (g) G2E

    8. Cross-Cultural Management   [ ]   (h) Youtube

    9. Cloud Computing   [ ]   (i) Managing differences in cultural norms and practices.

    10. Digital Platform   [ ]   (j) Using remote servers to store, manage and process data.

Answers :

    1.   c

    2.   a

    3.   d

    4.   b

    5.   f

    6.   g

    7.   e

    8.   i

    9.   j

    10. h

Internal Assessment - III   **(10 Marks)**

I)   SYLLOGISM (10 × ½ = 5)

1.   All virtual reality is augmented reality.

      All augmented reality is artificial reality.

      Conclusions :
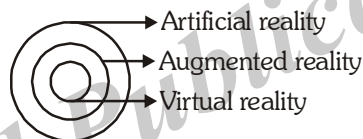
      I.   All artificial reality is augmented reality.

      II.   All virtual reality is artificial reality.

      Options :

      (a)   Only conclusion I follows

      (b)   Only conclusion II follows

      (c)   Either I or II follows

      (d)   Neither I nor II follows

Sol :

      The basic diagram for the given statements is,

      Only conclusion II follows.

      ∴   Option (b)

2.   Market share growth is one of the way for market penetration.

      Product development is separate from market penetration.

      Conclusions :

      I.   Market share growth is a part of product development.

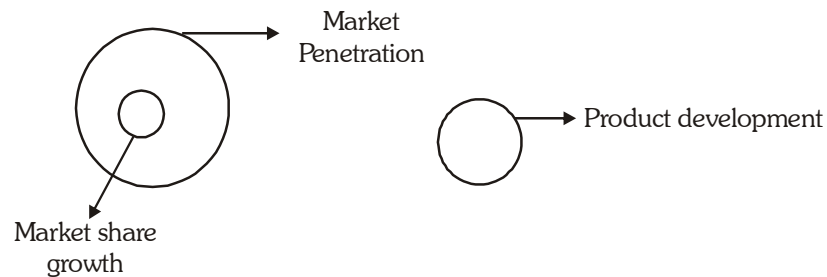   **II.   Product development is not a part of market penetration.**

      Options :

      (a)   Only conclusion I follows

      (b)   Only conclusion II follows

      (c)   Either I or II follows

      (d)   Neither I nor II follows

Sol :

      The basic diagram for the given statements is,

Only conclusion II follows.

∴　Option (b)

3. **Some strategic analysis leads to strategic choice.**

Some strategic choice leads to strategy implementation.

Conclusions :

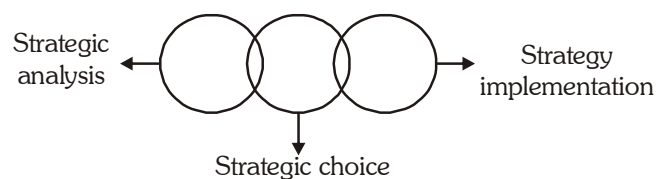**I.　Some strategic analysis leads to strategy implementation.**

II.　All strategic choices leads to strategy implementation.

Options :

(a)　Only conclusion I follows

(b)　Only conclusion II follows

(c)　Either I or II follows

(d)　Neither I nor II follows

Sol :

The basic diagram for the given statements is,

Neither I nor II follows.

∴　Option (d)

4. **Customer satisfaction include convenience.**

Profits include customer satisfaction.

Conclusions :

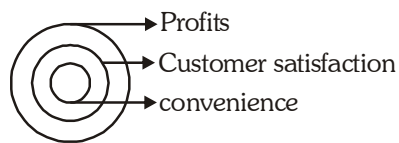**I.　Customer satisfaction is separate from profits.**

II.　Profits include convenience.

Options :

(a)   Only conclusion I follows

(b)   Only conclusion II follows

(c)   Either I or II follows

(d)   Neither I nor II follows

Sol :

The basic diagram for the given statements is,

Only conclusion II follows.

∴   Option (b)

5.   **Some mobile ticketing is mobile shopping.**

      All mobile shopping is mobile marketing.

      Conclusions :

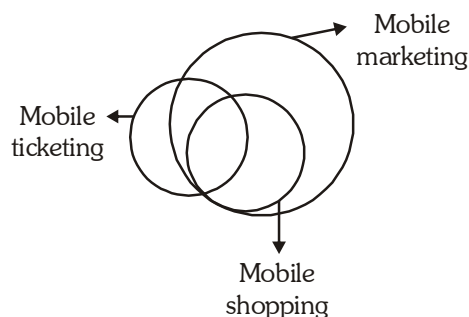   **I.   Some mobile marketing is mobile shopping.**

      II.   Some mobile marketing is mobile ticketing.

      Options :

      (a)   Only conclusion I follows

      (b)   Only conclusion II follows

      (c)   Either I or II follows

      (d)   Both I and II follows

Sol :

The basic diagram for the given statements is,

Both I and II follows.

∴   Option (d)

6.   **All voice commerce is E-commerce.**

     Some mobile commerce is E-commerce.

     Conclusions :

     I.   **All voice commerce is mobile commerce.**
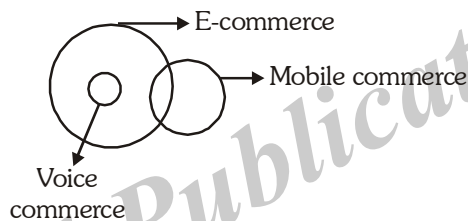
     II.   **Some mobile commerce is voice commerce.**

     Options :

     (a)   Only conclusion I follows

     (b)   Only conclusion II follows

     (c)   Either I or II follows

     (d)   Neither I nor II follows

Sol :

     The basic diagram for the given statements is,

     Neither I nor II follows.

     ∴   Option (d)

7.   **Some tactics are actions.**

     All actions are controls.

     Conclusions :

     I.   **Some tactics are controls**
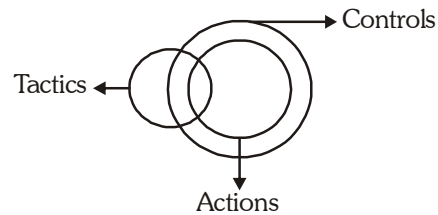
     II.   **No actions are controls**

     Options :

     (a)   Only conclusion I follows

     (b)   Only conclusion II follows

     (c)   Either I or II follows

     (d)   Neither I nor II follows

Sol :

     The basic diagram for the given statement is,

Only conclusion I follows.

∴   Option (a)

8.   **Some mobile customer services are mobile banking.**

     Some mobile payment are mobile customer service.

     Conclusions :

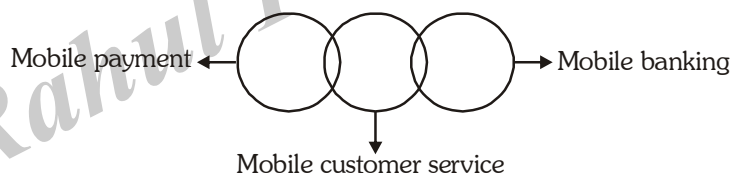   **I.**   **Some mobile customer service is mobile cloud.**

     II.   **Mobile payment is mobile banking.**

     Options :

     (a)   Only conclusion I follows

     (b)   Only conclusion II follows

     (c)   Either I or II follows

     (d)   Neither I nor II follows

Sol :

The basic diagram for the given statements is,

Neither I nor II follows.

∴   Option (d)

9.   **All TDM access are CDM access.**

     Some FDM access is CDM access.

     Conclusions :

     I.   **All TDM access are FDM access.**

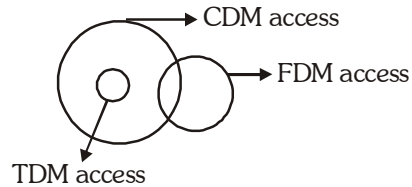   **II.**   **Some FDM access is TDM access.**

     Options :

     (a)   Only conclusion I follows

     (b)   Only conclusion II follows

     (c)   Either I or II follows

     (d)   Neither I nor II follows

Sol :

The basic diagram for the given statements is,

Neither I nor II follows.

∴   Option (d)

10.   **Vision include mission.**

Vision include objectives.

Conclusions :

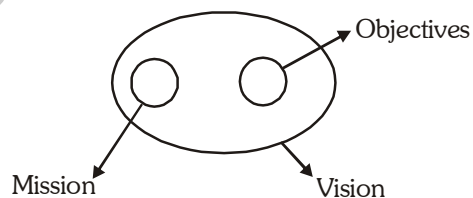**I.**   **Mission does not come under vision.**

II.   **Objectives does not come under vision.**

Options :

(a)   Only conclusion I follows

(b)   Only conclusion II follows

(c)   Either I or II follows

(d)   Neither I nor II follows

Sol :

The basic diagram for the given statements is,

Neither 1 nor II follows.

∴   Option (d)

II)   MANAGEMENT QUIZ QUESTIONS (10 × ½ = 5)

1.   **What is the primary difference between e-commerce and m-commerce ?**

Ans :

m-commerce uses mobile devices for transactions, while e-commerce involves any electronic platform.

2.   **Which factor is considered most crucial for the growth of m-commerce ?**

Ans :

Personalized user experiences.

3.   Which of the following is a benefit of using ML in e-commerce ?

Ans :

Predictive analytics for customer behavior.

4.   What is one major benefit of using blockchain in e-commerce transactions ?

Ans :

Enhanced data security and transparency.

5.   What is one major benefit of using blockchain in e-commerce transactions ?

Ans :

Enhanced data security and transparency.

6.   What is a common challenge when adopting cryptocurrency in e-commerce ?

Ans :

Regulatory uncertainty and volatility.

7.   Which is a commonly adopted sustainability practice in e-commerce ?

Ans :

Investing in eco-friendly packaging.

8.   What is an ethical concern of using AI in e-commerce ?

Ans :

Potential bias in automated decision-making.

9.   How does AR enhance the e-commerce experience for customers ?

Ans :

By allowing customers to try products virtually before buying.

10.   What is the term for conducting commerce through mobile devices.

Ans :

M-Commerce.

FACULTY OF MANAGEMENT

MBA (CBCS) III - Semester Examination

Model Paper - I

E-GLOBAL BUSINESS

Time : 2½ Hours]   **[Max. Marks : 60**

PART-A (5 × 2 = 10 Marks)
[Short Answer Type]

Note : Answer all the questions

                                                               ANSWERS

1. Define Globalization and Digital Economy.   **(Unit-I, SQA-3)**

2. State the benefits of CRM.   **(Unit-II, SQA-4)**

3. Define Digital Supply Chain Management.   **(Unit-III, SQA-2)**

4. Define E-Marketing.   **(Unit-IV, SQA-4)**

5. Define M-Commerce.   **(Unit-V, SQA-1)**

PART - B (5 × 8 = 40 Marks)
[Essay Answer type]

Note : Answer all the questions using the internal choice

6. (a) What are the different Market Entry Strategies available in international business.   **(Unit-I, Q.No. 8)**

                                                     OR

    (b) Define online market places. Explain the role of online market places in e-Global
Business.   **(Unit-I, Q.No. 16)**

7. (a) Define Online Community. Discuss the Strategies for Building and Managing
Online Communities to Drive Customer Loyalty.   **(Unit-II, Q.No. 28)**

                                                       OR

    (b) Define online payment. Explain different types of online payment systems.   **(Unit-II, Q.No. 16)**

8. (a) Define Intellectual Property Rights. Discuss the strategies and mechanism for
producing intellectual property in digital transaction.   **(Unit-III, Q.No. 12)**

                                                       OR

    (b) Discuss the Legal considerations for cross border e-commerce transactions and
international expansion.   **(Unit-III, Q.No. 20)**

9. (a) Enumerate in detail about Data analytics and the importance of data analytics
in the current scenario.   **(Unit-IV, Q.No. 11)**

                                                       OR

    (b) Explain briefly about Competitor Analysis and Benchmarking in the Digital
Marketplace.   **(Unit-IV, Q.No. 23)**

10. (a) Explain the Ethical and sustainability issues in *e*-global business.   **(Unit-V, Q.No. 13)**

OR

(b) Explain how Virtual Reality (VR) and Augmented Reality (AR) are used in online shopping.   **(Unit-V, Q.No. 19)**

PART - C

Case Study - 10 Marks

PayPal is a leading digital payment platform that facilitates online money transfers and serves as an electronic alternative to traditional paper methods like checks and money orders. Founded in December 1998 as Confinity, it merged with X.com, an online banking company founded by Elon Musk, in 2000. The company was renamed PayPal in 2001 and went public in 2002, later being acquired by eBay for $1.5 billion.

(i)   Business Model: PayPal operates primarily on a B2C (business to consumer) and C2C (consumer to consumer) model, allowing individuals and businesses to make and receive payments online. Key features include:

➤ **User Accounts:** Users can create personal or business accounts to send and receive payments.

➤ **Payment Processing:** PayPal processes payments for *e*-commerce sites, allowing customers to pay without sharing their credit card information.

➤ **Mobile Payments:** The platform supports payments via mobile devices, enhancing convenience.

➤ **International Transactions:** PayPal enables users to send money across borders, accommodating multiple currencies.

(ii) Revenue Streams

➤ **Transaction Fees:** PayPal charges fees for processing payments, particularly for business accounts.

➤ **Currency Conversion Fees:** Fees are applied for currency conversion during international transactions.

➤ **Interest on Funds:** PayPal earns interest on funds held in user accounts before they are withdrawn.

Challenges

1.   Competition: PayPal faces intense competition from other payment services like Square, Stripe, and traditional banks, which are continually improving their offerings.

2.   Security Concerns: Cybersecurity threats and fraud pose significant risks, necessitating constant improvements in security measures.

3.   Regulatory Issues: Operating in multiple countries subjects PayPal to varying regulatory environments, which can complicate compliance.

Strategic Decisions

1.   Acquisitions: PayPal has expanded its services through acquisitions, including Braintree (which owns Venmo) and iZettle, broadening its payment solutions.

2.   Mobile Wallets: PayPal has invested in mobile payment solutions to compete with platforms like Apple Pay and Google Pay.

3.   Enhancing User Experience: Continuous improvements to the user interface and customer support have been key to retaining and attracting users.

Questions:

1.   What are the primary revenue streams for PayPal ?

2.   How does PayPal differentiate itself from competitors ?

3.   What challenges does PayPal face in the digital payments landscape ?

(Unit-II, Case Study-1)

FACULTY OF MANAGEMENT

MBA (CBCS) III - Semester Examination

Model Paper - II

E-GLOBAL BUSINESS

Time : 2½ Hours]   **[Max. Marks : 60**

PART-A (5 × 2 = 10 Marks)
[Short Answer Type]

Note : Answer all the questions

ANSWERS

1. Define Contract Manufacturing.   **(Unit-I, SQA-6)**

2. Define subscription business model.   **(Unit-II, SQA-8)**

3. Define International Trade.   **(Unit-III, SQA-4)**

4. State the limitations of digital marketing.   **(Unit-IV, SQA-9)**

5. State the Benefits of M-Commerce.   **(Unit-V, SQA-3)**

PART - B (5 × 8 = 40 Marks)
[Essay Answer type]

Note : Answer all the questions using the internal choice

6. (a) Define Globalization and Digital Economy. Explain the impact of Digital Economy
on globalization.   **(Unit-I, Q.No. 6)**

OR

(b) Define Artificial Intelligence. Discuss the Role of Artificial Intelligence (AI) and
Automation in e-Global Business.   **(Unit-I, Q.No. 20)**

7. (a) Define Subscription business model. Explain the need of subscription business
model.   **(Unit-II, Q.No. 19)**

OR

(b) Define social commerce. Discuss the strategies of social commerce.   **(Unit-II, Q.No. 29)**

8. (a) Define Digital Supply Chain Management. Explain the advantages and dis-
advantages of Digital Supply Chain Management.   **(Unit-III, Q.No. 2)**

OR

(b) Explain the objectives and levels of risk management.   **(Unit-III, Q.No. 23)**

9. (a) Discuss about Personalization and customization strategies in e-commerce.   **(Unit-IV, Q.No. 19)**

OR

(b) Define Social Commerce. Discuss the Integration of e-Commerce with Social
Media Platforms.   **(Unit-IV, Q.No. 25)**

10. (a) Explain the concept of Artificial intelligence and machine learning in e-commerce. **(Unit-V, Q.No. 7)**

OR

(b) Discuss the Ethical Implications of AI and Automation in e-Commerce Decision-Making Processes.   **(Unit-V, Q.No. 21)**

PART - C

Case Study - 10 Marks

Netflix's Cloud Based Approach

Netflix was founded in 1997 as a DVD rental service, but it has since evolved into a major player in the entertainment industry. With over 208 million subscribers in more than 190 countries, Netflix is a global streaming service that offers a wide range of TV shows, movies, and original content to its subscribers.

The company's adoption of cloud services, particularly Amazon Web Services (AWS), was a game-changer in its transformation. Initially, Netflix relied on a traditional IT infrastructure, which was expensive and time-consuming to manage. However, as the company experienced rapid growth and increasing demands for content delivery, it recognized the need for a more scalable and flexible solution. By leveraging the scalability, security, and cost-effectiveness of AWS, Netflix has been able to support its rapidly growing business and deliver its content to subscribers around the world. Today, Netflix runs its entire video streaming infrastructure on AWS, with over 2,500 active micro-services and over 1000 AWS accounts. This cloud-based approach has allowed Netflix to reduce its IT costs, achieve high levels of reliability, and quickly launch new features and services, giving the company a competitive edge in the market.

Questions :

1. How many active micro-services and AWS accounts does Netflix use ?

2. What are the key benefits Netflix gained from using AWS ?

3. Which cloud platform did Netflix choose for its operations ?

4. What role does cloud computing play in Netfiix's content delivery ?

5. What prompted Netflix to adopt cloud services ?

(Unit-III, Case Study-2)

FACULTY OF MANAGEMENT

MBA (CBCS) III - Semester Examination

Model Paper - III

E-GLOBAL BUSINESS

Time : 2¹/₂ Hours]   **[Max. Marks : 60**

PART-A (5 × 2 = 10 Marks)
[Short Answer Type]

Note : Answer all the questions

ANSWERS

1.   Define Digital Transformation.   **(Unit-I, SQA-8)**

2.   Define influencer selection.   **(Unit-II, SQA-10)**

3.   State the benefits of supply chain sustainability   **(Unit-III, SQA-9)**

4.   Define optimization.   **(Unit-IV, SQA-12)**

5.   Define Block Chain.   **(Unit-V, SQA-5)**

PART - B (5 × 8 = 40 Marks)
[Essay Answer type]

Note : Answer all the questions using the internal choice

6.   (a)   Explain the Benefits and challenges of e-global business.   **(Unit-I, Q.No. 7)**

             OR

      (b)   State the Emerging technologies shaping e-global business?   **(Unit-I, Q.No. 26)**

7.   (a)   What do you mean by collaborative consumption? Discuss its impact on e-global
             business.   **(Unit-II, Q.No. 25)**

             OR

      (b)   What is digital marketing? Explain the components of digital marketing.   **(Unit-II, Q.No. 4)**

8.   (a)   What is Sustainability and Supply Chain Sustainability? How to improve Supply
             Chain Sustainability?   **(Unit-III, Q.No. 16)**

             OR

      (b)   Define ware house automation? Explain the components of ware house
             automation?   **(Unit-III, Q.No. 7)**

9.   (a)   State the User Experience (UX) design and its role in enhancing online
             conversions.   **(Unit-IV, Q.No. 21)**

             OR

      (b)   Define Voice search optimization. Explain its impact on e-commerce websites.   **(Unit-IV, Q.No. 26)**

10. (a) Define cryptocurrency. Explain its potential in transforming global payments.   **(Unit-V, Q.No. 15)**

<div align="center">OR</div>

(b) Define predictive analytics. State its applications?   **(Unit-V, Q.No. 25)**

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PART - C
Case Study - 10 Marks

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Voice-Commerce: Domino's Pizza as a Constantly Transforming Business

On the face of it, Domino's Pizza could appear to be a relatively traditional fast-food franchise and chain business. It is based in real-world premises and relies on pick up of real product from its premises by customers or delivery to customers using delivery staff.

But Domino's has long had a digital culture of looking to where customers might be in terms of communication and delivery channel. There is a view that the younger audience that Domino's seeks to target could be more likely to inhabit newer channels of communication and retail opportunity. Moving away from the traditional channel of calling on the telephone for a pizza, Domino's was one of the first organisations that allowed takeaway food to be ordered from a website. Domino's Anyware platform approach is about enabling a customer to use any channel they desire to order pizza from their local store.

There are the inevitable mobile and tablet apps, but even these (at the time of writing), contain features that smooth and ease the ordering process. Domino's encourages the creation of 'Pizra Profiles' and 'easy Orders' - fundamentally, customer preferences that can be used for retained customers.

Dependent on location, voice commands in the Domino's app can create a swift purchase, Easy Orders can be ordered in 10 seconds using the Zero Click app, or through any one of the voice channels to which Domino's has adapted its ordering process - including Amazon Alexa and Google Home. There is even an integration via Ford's SYNC AppLink to allow in-car ordering.

These public-facing customer-driven channels dictate the strategy - go where they are, operate how they want to operate. This constant state of transformation means adapting to new processes, cultures and practices (consider how pizza might be ordered from Slack), and only then is the technology itself given the light of day.

Questions :

1. How does the integration with Ford's SYNC AppLink enhance Domino's voice-commerce capabilities ?

2. How does Domino's ensure that its voice-commerce options cater to customer preferences ?

3. What specific feature does Domino's offer to make voice-command ordering faster and easier ?

4. What is the broader strategy behind Domino's adoption of various digital and voice- commerce channels ?

5. How has Domino's Pizza incorporated voice-commerce into its ordering process ?

<div align="right">

(Unit-V, Case Study-2)

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FACULTY OF MANAGEMENT

MBA III-Semester (CBCS) Examinations

February - 2024

E-GLOBAL BUSINESS

Time : 3 Hours | Max. Marks : 70

PART - A (5 × 4 = 20 Marks)

Note : Answer all the questions.

PART - B (5 × 10 = 50 Marks)

Note : Answer all the questions.

6. (a) Explain the impact of social media on global business and customer engagement.

    (OR)

    (b) Explain the evolution of online marketplaces and their role communities to drive customer

7. (a) Explain the Strategies for building and managing online communities to drive customer loyalty.

    (OR)

    (b) Briefly explain the collaborative consumption and its impact on e-global business.

8. (a) Explain the supply chain sustainability and responsible sourcing in e-global business.

    (OR)

    (b) Explain the filfillment in e-commerce international trade and legal considerations

9. (a) Explain the social commerce and the integration of e-commerce with social media platforms.

    (OR)

    (b) Explain the personalization and customization strategies in e-commerce.

10. (a) Briefly explain the environmental sustainability practices in e-global business.

    (OR)

    (b) Explain the concept of Artificial intelligence and machine learning in e-commerce.

FACULTY OF MANAGEMENT

MBA III-Semester (CBCS) Examinations

June / July - 2024

E-GLOBAL BUSINESS

Time : 3 Hours   Max. Marks : 70

PART - A (5 × 4 = 20 Marks)

Note : Answer all the questions.

		ANSWERS
1.	E-commerce	**(Unit-I, SQA-2)**
2.	B2C	**(Unit-II, SQA-12)**
3.	Supply Chain sustainability	**(Unit-III, SQA-8)**
4.	Optimization	**(Unit-IV, SQA-12)**
5.	Artificial intelligence.	**(Unit-V, SQA-12)**

PART - B (5 × 10 = 50 Marks)

Note : Answer all the questions.

6. (a) Briefly explain the digital transformation and its impact on global business.   **(Unit-I, Q.No. 15)**

(OR)

   (b) Discuss the benefits & challenges of e-global business.   **(Unit-I, Q.No. 7)**

7. (a) Briefly explain the digital marketing and customer relationship management.   **(Unit-II, Q.No. 4, 9)**

(OR)

   (b) What do you mean by collaborative consumption? Discuss its impact on e-global business.   **(Unit-II, Q.No. 25)**

8. (a) Explain the role of SCM in digital environment.   **(Unit-III, Q.No. 16)**

(OR)

   (b) Briefly explain the intellectual property rights and protection in digital transactions.   **(Unit-III, Q.No. 12)**

9. (a) Discuss the impact of voice search optimization on e-commerce web sites.   **(Unit-IV, Q.No. 26)**

(OR)

   (b) Briefly explain the competitive analysis and benchmarking in the digital marketplace.   **(Unit-IV, Q.No. 23)**

10. (a) Elaborate the ethical and sustainability issues in e-commerce.   **(Unit-V, Q.No. 13)**

(OR)

   (b) Explain the ethical implications of AI and automation in e-commerce decision-making processes.   **(Unit-V, Q.No. 21)**