



KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2017/2018

FIRST SEMESTER EXAMINATION FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION

BMS 850: E-COMMERCE SYSTEMS MANAGEMENT

DATE: Thursday, 23rd November 2017

TIME: 5.30 p.m. - 8.30 p.m.

INSTRUCTIONS:

ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS

Question 1 (Compulsory)

Founded in 1985 by Michael Dell, Dell Computer Corporation (now Dell) was the first company to offer personal computers (PCs) via mail order. Dell designed its own PC systems and allowed customers to configure their own customized systems using build to order concept. This concept was and is still is, Dell's cornerstone business model. By 1993, Dell had become one of the top five computer makers worldwide, threatening Compaq, which started at a price war. At that time, Dell was making orders by fax and snail mail and losing money. Losses reached over \$100 million by 1994. The company was in trouble.

- a) Describe any six unique features of the E-Commerce Technology that enabled Dell to "become one of the top five computer makers worldwide" (6 marks)
- b) Discuss four revenue models that Dell could have used to increase its revenue (8 marks)
- c) "Dell designed its own PC systems and allowed customers to configure their own customized systems". Explain three benefits of customization (6 marks)
- d) Explain any three strategies that Dell can use to compile user profiles necessary for personalization and customization (6 marks)
- e) Briefly explain any three payment methods that Dell may use with both its suppliers and customers (6 marks)

INVOLVEMENT IN ANY EXAMINATION IRREGULARITY SHALL LEAD TO DISCONTINUATION

- f) Describe four factors that may have led to the decline in sales and eventually huge losses to Dell (8 marks)

Question 2

- a) Many experts believe that the next major step in the evolution of computing is pervasive computing where almost every object has processing power. Discuss four major principles underlying the embeddedness of pervasive computing (12 marks)
- b) The internet has revolutionized internet marketing, taking it greater heights. It is therefore important to have a good ad management software. Discuss four factors that a company should take into consideration when selecting ad management software (8 marks)

Question 3

- a) E- Commerce security is very important for the success of any online business. Describe five business consequences of poor security (10 marks)
- b) Bitswitch is a new online company that wants to introduce a new e- micropayment method on the web. Describe five factors that it should put into consideration to increase its chances of success (10 marks)

Question 4

- a) Localization is an important exercise in a business' quest to venture into markets that are linguistically and culturally acceptable in markets different from the original market. Describe the benefits of localization (10 marks)
- b) Mobile computing is becoming increasingly popular among many consumers. Several mobile computing services have been developed for mobile device users. Discuss five the technological, social, business and economic factors fueling its widespread (10 marks)

Question 5

- a) In strategy initiation, an online business needs to review its mission and vision; to analyze its industry, company and competitive position; and to consider various initiation issues. Discuss five major issues in strategy initiation (12 marks)
- b) When deciding to sell online, the potential for success can be evaluate by looking at major factors that determine the impact of ecommerce. Discuss four categories of e market success factors (8 Marks)