**Chapter 09 :** e-Commerce Systems

**True / False Questions**

1. E-commerce does not include such things as extranet access of inventory databases by customers and suppliers.

True False

2. Wholesale (B2B) electronic commerce relies on many different information technologies, most of which can be implemented on the Internet, the World Wide Web, corporate intranets, or extranets.

True False

3. E-commerce portals can provide auction and exchange marketplaces for businesses as well as for individuals.

True False

4. Many of the components used for commercial e-commerce applications do not work with internal, noncommerce e-business applications.

True False

5. E-commerce processes must be in place to establish mutual trust and secure access between the parties in an e-commerce transaction.

True False

6. Technology has not yet developed the ability to track a single user's behavior and preferences on a particular Web site.

True False

7. Searching for a product by its description, such as "girls red gym shorts," is an example of a parameter-based search.

True False

8. E-commerce content frequently takes the form of multimedia catalogs of product information.

True False

9. Event notification software works with workflow management software to monitor all e-commerce processes and record all relevant events, including unexpected changes or problem situations.

True False

10. Payment processes are simple due to the near-anonymous electronic nature of the transactions taking place between the networked computer systems of buyers and sellers.

True False

11. Banking networks support teller terminals at all bank offices and automated teller machines (ATMs) at locations throughout the world.

True False

12. With a digital wallet payment system, security add-on modules are added to the Web browser.

True False

13. Due to federal law, radio spectrum cannot be resold on the secondary market.

True False

14. Some companies are attempting to copy the successful consumer-to-consumer market model in the business-to-business marketplace.

True False

15. The organization that controls spectrum is the FAA.

True False

16. In certain cases, it is possible to convert a physical good, such as a CD, software, or a newspaper, into a virtual good that can be downloaded upon purchase.

True False

17. Most business-to-consumer e-commerce ventures take the form of auction sites on the World Wide Web.

True False

18. Many companies use simple website design software tools and predesigned templates provided by their website hosting service to construct their Web retail store.

True False

19. According to the text, as more consumers shift their habits from traditional brick-and-mortar shopping to online shopping, the need for communication with the user decreases.

True False

20. Some e-commerce software includes links through which inventory and sales data can be downloaded into local accounting packages, such as QuickBooks.

True False

21. Most hosting companies provide simple site building tools and templates, but few provide the ability to protect Web store transactions and customer records with passwords and encryption.

True False

22. Business-to-business electronic commerce is the wholesale, supply side of the commercial process.

True False

23. According to the text, email promotion is one of the components of the Build function of developing a Web store.

True False

24. According to the text, discussion groups and chat rooms are one of the components of the Support function of Serving Your Customers.

True False

25. A many-to-one marketplace hosts one major supplier, who dictates product catalog offerings and prices. Examples include Cisco.com and Dell.com.

True False

26. Many B2B e-commerce portals are developed and hosted by third parties who serve as infomediaries that bring buyers and sellers together in catalog, exchange, and auction markets.

True False

27. In a B2B e-commerce Web portal configuration, a content manager server e-mails buyers 7 and sellers after a market closes to confirm transactions.

True False

28. Business buyers can get impartial advice from infomediaries that they can't get from the sites hosted by suppliers and distributors.

True False

29. Different companies follow very similar paths in deciding how closely, or loosely, to integrate their Internet initiatives with their traditional operations.

True False

30. Customers can shop at OfficeDepot.com at their homes, at their business, or at in-store kiosks.

True False

31. KBtoys.com is a commercial joint venture between two e-tailers of children's products.

True False

32. Barnesandnoble.com was created as an independent e-commerce company that was spun off by the Barnes & Noble book retail chain.

True False

33. There is no universal e-commerce strategy or e-commerce channel choice that works for every company, industry, or type of business.

True False

**Multiple Choice Questions**

34. According to the text, which of the following choices correctly describes e-commerce?

1. Buying and selling products online
2. Reliance on Internet-based technologies and e-commerce to accomplish marketing, discovery, transaction processing, and product and consumer service processes
3. Business-to-consumer online marketing, selling, and transaction processing
4. Business-to-business, business-to-consumer, and consumer-to-consumer online transactions

35. E-commerce includes all of the following except:

1. E-business processes, such as extranet access of inventory databases
2. Intranet access of customer relationship management systems by sales and customer service reps
3. Customer collaboration in product development via e-mail exchanges
4. Acceptance of payments through ATM networks

36. In a typical e-commerce process, \_\_\_\_\_\_\_\_\_\_\_\_\_\_ notify suppliers of a new Request For Quote (RFQ) via e-mail.

1. back-office application servers
2. storage-area networks
3. database servers
4. Web servers

37. Which of the following is not one of the three basic categories of electronic commerce?

1. Government-to-business
2. Business-to-consumer
3. Business-to-business
4. Consumer-to-consumer

38. Electronic personal advertising of products or services to consumers at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is an important form of C2C e-commerce.

1. electronic newspaper sites
2. consumer e-commerce portals
3. personal websites
4. All of the choices are correct.

39. Authenticating users, authorizing access, and enforcing security features is a component of the e-commerce process called:

1. Event notification
2. Profiling and personalization
3. Search management
4. Access control and security

40. The e-commerce component that deals with gathering data on customers and their website behavior and choices is:

1. Event notification
2. Profiling and personalizing
3. Search management
4. Access control and security

41. When a company addresses issues such as authenticating users of their website, authorizing access, and enforcing the security features that protect both consumers and their data, the company is addressing the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ component of the e-commerce process.

1. event notification
2. profiling and personalizing
3. search management
4. access control and security

42. The e-commerce component that deals with developing efficient and effective processes to help customers find the specific product or service they want to evaluate or buy is:

1. Event notification
2. Profiling and personalizing
3. Search management
4. Content management

43. When accessing an e-commerce site, you will generally be given access to all of the following except:

1. Webmaster administration areas
2. Product databases
3. Online ordering systems
4. Online customer support

44. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ software works with workflow management software to monitor all e-commerce processes and record all relevant events, including unexpected changes or problem situations.

1. Supply Chain Management (SCM)
2. Customer Relationship Management (CRM)
3. Enterprise Resource Planning (ERP)
4. Event notification

45. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ helps employees electronically collaborate to accomplish structured work tasks within knowledge-based business processes, using predefined sets of business rules, roles of stakeholders, authorization requirements, routing alternatives, databases, and the sequence of tasks required for each e-commerce process.

1. Groupware
2. Knowledge management software
3. Database software
4. Workflow management software

46. Most e-commerce systems on the Web involving business and consumers (B2C) depend on \_\_\_\_\_\_\_\_\_\_ payment processes.

1. cash-on-delivery
2. purchase order
3. electronic check
4. credit card

47. Event notification software works with workflow management software to do all the following, except:

1. Monitor all e-commerce processes
2. Record all relevant events
3. Record unexpected changes or problem situations
4. Provide catalog and content information to prospective customers.

48. Payment processes for e-commerce transaction are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ due to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ nature of the transactions taking place between the networked computer systems of buyers and sellers.

1. Complex; the near-anonymous electronic
2. Simple; the very specific manual
3. Complex; the very specific manual
4. Simple; the near-anonymous electronic

49. When customers can select products from website catalog displays and put them into a virtual holding bin for later checkout and processing, they are using a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. shopping cart
2. configuration queue
3. PayPal register
4. shopping queue

50. Banking networks support teller terminals at \_\_\_\_\_\_\_\_\_ and automated teller machines (ATMs) at \_\_\_\_\_\_\_\_\_\_.

1. all bank offices; locations throughout the world
2. any bank; local bank branches
3. all bank offices; local bank branches
4. any bank; locations throughout the world

51. Electronic funds transfer systems:

1. Handle most forms of electronic payment in the banking and retailing industries
2. Use a variety of information technologies to capture and process money and credit transfers between banks, business, and customers
3. Make it possible for consumers to use a credit or debit card to instantly pay for purchases at retail outlets
4. All of the choices are correct.

52. The text describes a number of measures that are being developed in order to solve security problems associated with online credit card purchases. Which of the following statements is not one of those measures?

1. Encryption of data passing between the customer and the merchant
2. Encryption of data passing between the customer and the company authorizing the credit card transaction
3. Delaying shipment of items purchased until the purchaser is authenticated
4. Taking sensitive data offline

53. Many companies use the SSL security method developed by Netscape Communication that automatically encrypts data passing between a Web browser and a merchant's server. SSL stands for:

1. Secure Socket Level
2. Secure Socket Layer
3. Security Safety Latching
4. Safe Server Listing

54. Firms such as VISA, MasterCard, IBM, Microsoft, and Netscape have agreed to SET which stands for:

1. Satellite Encrypted Transfer
2. Strongly Encrypted Telecommunications
3. Secure Electronic Transaction
4. Smooth eFunds Transaction

55. E-commerce is changing how companies do business both internally and externally with their \_\_\_\_\_\_\_.

1. customers
2. business partners
3. suppliers
4. All of the choices are correct.

56. E-commerce applications that focus on the consumer share all of the following goals except:

1. Attracting potential buyers
2. Handling goods and services transactions
3. Building customer loyalty
4. Duplicating successful website layouts and functions

57. Which of the following would generally take the longest time to implement?

1. Interactive marketing
2. Procurement automation
3. Web storefront and e-catalog
4. Self-service Web sales

58. Which of the following is considered a B2B project?

1. Interactive marketing
2. Self-service Web sales
3. Integrated Web store
4. Extranets and exchanges

59. A basic fact for Internet retailing is that all retail websites are created equal as far as the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ imperative of success in retailing is concerned.

1. advertising
2. integration
3. location
4. pricing

60. All the following factors are key to e-tailing, except:.

1. Selection and value
2. Security and reliability
3. Locating the business close to the customers
4. Look and feel of the Website

61. Which statement best addresses the e-commerce success factor of selection and value?

1. "I don't want to browse through a slow website or buy from a site where paying takes too long."
2. "Your prices don't have to be the lowest on the Web as long as you have a reputation for high quality, guaranteed satisfaction, and customer support."
3. "I want to know about sales when I log onto a site and get free shipping if the value of my order exceeds a certain amount."
4. "I want to receive the exact product that I ordered, within the timeframe promised."

62. Which of the following is an example of a traditional market communication?

1. Niche magazine ads
2. Buttons
3. Banners
4. Sponsorships

63. The statement "Most business-to-consumer sites offer consumers incentives to buy and return, such as coupons, discounts, special offers, and vouchers for other Web services" reflects the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ success factor for retailing on the Web.

1. Performance and service efficiency
2. Selection and value
3. Advertising and incentives
4. Look and feel

64. Easy-to-find contact information, online order status, and product support specialists are part of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ success factor for retailing on the Web.

1. Performance and service efficiency
2. Selection and value
3. Advertising and incentives
4. Great customer communication

65. Trustworthy product information and reliable order fulfillment are part of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ success factor for retailing on the Web.

1. Performance and service efficiency
2. Security and reliability
3. Advertising and incentives
4. Great customer communication

66. Attractive Web storefront, Web site shopping areas, multimedia product catalog pages, and shopping features are part of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ success factor for retailing on the Web.

1. Look and feel
2. Selection and value
3. Advertising and incentives
4. Great customer communication

67. Competitive prices, satisfaction guarantees, and customer support after the sale are part of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ success factor for retailing on the Web.

1. Performance and service efficiency
2. Selection and value
3. Advertising and incentives
4. Great customer communication

68. Fast and easy navigation, shopping, and purchasing, and prompt shipping and delivery are part of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ success factor for retailing on the Web.

1. Performance and service efficiency
2. Selection and value
3. Advertising and incentives
4. Great customer communication

69. Web advertising, e-mail notices, and interactive support for all customers are part of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ success factor for retailing on the Web.

1. Performance and service efficiency
2. Selection and value
3. Personal attention
4. Great customer communication

70. Linking of customers, suppliers, company representatives, and others via newsgroups, chat rooms, and links to related sites are part of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ success factor for retailing on the Web.

1. Performance and service efficiency
2. Selection and value
3. Personal attention
4. Community relationships

71. The statement "Give online customers with similar interests a feeling of belonging to a unique group of like-minded individuals" reflects the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ success factor for retailing on the Web.

1. performance and service efficiency
2. community relationships
3. personalization
4. look and feel

72. Which of the following statements reflects the e-commerce success factor of security and reliability?

1. "I want to be able to quickly find what I'm looking for."
2. "I want the lowest price on the Web, every time."
3. "I'm looking for a huge variety of goods and services."
4. "I want to receive my order in the timeframe promised."

73. The Amazon Giver application does which of the following?

1. Allows MySpace members the ability to buy gifts for each other.
2. Allows FaceBook members the ability to buy gifts for each other.
3. Allows MySpace members the ability to sell items to each other.
4. Allows FaceBook members the ability to sell items to each other.

74. The Amazon Grapevine application does which of the following?

1. Provides MySpace members with news feeds from the latest news sources.
2. Provides FaceBook members with news feeds from the latest news sources.
3. Provides MySpace members with news feeds of friends' activities on Amazon.
4. Provides FaceBook members with news feeds of friends' activities on Amazon.

75. Building an e-commerce website can be done in a number of ways. Which of the following would a small company with limited capital most likely choose as a cost-effective option?

1. Use the website design tools and predesigned templates provided by a website host
2. Use in-house personnel or outside website developers to build a custom-designed site
3. Share the cost of developing a website by partnering with companies that offer similar products and services
4. Buy an existing website

76. All of the following are examples of customer support except:

1. Online help
2. Links to related sites
3. Shipping and tax calculations
4. Discussion groups and chat rooms

77. All of the following are examples of the web store requirements that must be implemented in order to serve customers as they select an item and pay for it except:

1. E-mail order notifications
2. Shipping and tax calculations
3. Credit card processing
4. Gift wrapping and gift card options

78. According to the text, most business-to-consumer e-commerce ventures take the form of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ on the World Wide Web.

1. Auction sites
2. Retail business sites
3. Bricks-and-mortar sites
4. None of the above

79. Online user profiles are commonly developed through all of the following methods except:

1. User registration
2. Cookie files
3. User feedback
4. Telephone surveys

80. Wholesale (B2B) electronic commerce relies on different information technologies, most of which can be implemented on all the following, except:

1. The Internet
2. The World Wide Web
3. Corporate intranets or extranets
4. Stand-alone legacy systems

81. The latest e-commerce transaction systems are scaled and customized to allow buyers and sellers to meet in a variety of high-speed trading platforms, such as:

1. Auctions
2. Catalogs
3. Exchanges
4. All of the choices are correct.

82. A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ buy-side marketplace attracts many suppliers that flock to the exchange to bid for the business of a major buyer, such as GE or AT&T.

1. many-to-one
2. some-to-many
3. many-to-some
4. many-to-many

83. A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ procurement marketplace unites major buyers who combine their purchasing catalogs to attract more suppliers, and thus more competition and lower prices.

1. many-to-one
2. some-to-many
3. many-to-some
4. many-to-many

84. A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ auction marketplace can be used by many buyers and sellers, who can create a variety of auctions to dynamically optimize prices.

1. many-to-one
2. some-to-many
3. many-to-some
4. many-to-many

85. A \_\_\_\_\_\_\_\_\_\_ sell-side marketplace hosts one major supplier who dictates product catalog offerings and prices.

1. many-to-one
2. one-to-many
3. many-to-some
4. many-to-many

86. A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ distribution marketplace unites major suppliers who combine their product catalogs to attract a larger audience of buyers.

1. many-to-one
2. some-to-many
3. many-to-some
4. many-to-many

87. E-commerce portals provide all of the following types of marketplaces except:

1. Catalog
2. Community
3. Exchange
4. Auction

88. In a B2B e-commerce Web portal configuration, a \_\_\_\_\_\_\_\_\_\_ collects and tracks bids from buyers and sellers.

1. B2B web portal
2. market generator server
3. content manager server
4. post-trade market history server

89. In a B2B e-commerce Web portal configuration, aggregated product data is retrieved from a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and loaded into a live market server.

1. B2B web portal
2. market generator server
3. content manager server
4. post-trade market history server

90. Which of the following statements about how using a B2B e-commerce site impacts the purchasing decisions of a business is false?

1. Purchasing is more cost effective
2. Purchasing is faster
3. Purchasing is more simple
4. Purchasing transactions are easier to trace

91. The organization that controls spectrum is the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. FAA
2. FFA
3. CDC
4. FCC

92. When companies have both e-commerce virtual business operations and traditional physical business operations, they must decide whether to integrate the two or keep them separate. Office Depot was cited in the text as a company that:

1. Kept the .com sales channel separate from the traditional business operations
2. Fully integrated the .com sales channel into their traditional business operations
3. Partially integrated the .com sales channel into their traditional business operations
4. Dropped its .com sales channel due to a lack of profitability

93. After considering a broad spectrum of alternatives and benefits trade-offs, Barnes and Noble decided to:

1. Spin-off its e-commerce business
2. Engage in a joint venture with another book vendor
3. Move its e-commerce business to an in-house division
4. Integrate its physical and e-commerce businesses

94. Integration of a physical and e-commerce business results in all of the following except:

1. Brand establishment
2. Greater focus
3. Shared information
4. Purchasing leverage

95. Which of the following companies entered into a joint venture in order to handle the e-commerce side of its business?

1. Barnes and Noble
2. Rite Aid
3. KB Toys
4. Office Depot

96. All of the following are key questions for developing an e-commerce channel strategy except:

1. How many employees do we want to assign to the project?
2. What audiences are we trying to reach?
3. Who owns the e-commerce channel within the organization?
4. How well will our brands translate to the new channel?