Unit 51: E-Commerce & Strategy

Unit code	**K/618/7487**
Unit level	**5**
Credit value	**15**

Introduction

Electronic Commerce, known as E-Commerce, refers to any type of commercial/business transaction where information, data, products and services are exchanged across the internet. These transactions can cover a wide diversity of business types, including consumer-based retail sites, for example Amazon, sites that provide facilities such as auctions, for example eBay and business exchanges between different organisations. E-Commerce allows consumers to exchange goods and services electronically, 24/7 with no barriers in terms of time or geography.

This unit gives students an understanding of how and why businesses and organisations develop E-Commerce strategies to remain competitive in the global market. Students will gain appreciation of the elements and resources required to set up an E-Commerce site. They will engage in the design and implementation of strategies that would, in reality, form part of a secure E-Commerce site.

Students will examine the impact that E-Commerce has on society and the global market for consumers, buyers and sellers in terms of the benefits and drawbacks of online purchasing. Students will research the technologies involved in setting up a secure E-Commerce site in preparation for implementing their own E-Commerce strategy. Students will devise their strategy based on an element of E-Commerce, such as the design of a shopping cart, an ordering system, payment system or an online marketing system. Their design should be fully implemented and evaluated accordingly in terms of its success or failure. Students will explore standards and levels of support, marketing, CRM, promotion and supply chain management in the context of developing their implementation strategy.

On successful completion of this unit, students will have gained both a technical and practical insight into E-Commerce strategy, design and development. As a result, they will develop skills such as communication literacy, critical thinking, analysis, reasoning and interpretation, which are crucial for gaining employment and developing academic competence.

Learning Outcomes

By the end of this unit students will be able to:

LO1 Examine E-Commerce strategies and their impact on business organisations

LO2 Review the hardware, software, web-based and database technologies involved in setting up a secure E-commerce site

LO3 Design an E-Commerce strategy based on a given end-user requirement or specification

LO4 Implement an E-Commerce strategy based on a given end-user requirement or specification.

Essential Content

LO1 Examine E-Commerce strategies and their impact on business organisations

Customer expectations:

Raised expectations for a quick and efficient service, e.g. timely responses to customer communications, quick delivery of the product or service, accurate information, reduced pricing for the product/service, greater choice.

Benefits:

Wider market, niche target marketing, lower overheads and costs, greater flexibility and access to goods and services 24/7.

Drawbacks:

Visibility, security issues and threats, down-time, high se- up and maintenance costs, need to employ a technician or web-based administrator to manage the provision.

LO2 Review the hardware, software, web-based and database technologies involved in setting up a secure E-commerce site

Web architecture:

Components, e.g. server-side scripting, client/server/script interaction, operation of server-side web applications, accessing data on the web server, dynamic web pages, consistent navigational menu on all pages, browser cookies, embedding animation and video content in web pages, adding interactivity with plug-ins.

Hardware and software:

Web servers, browsers, server software, web authoring tools, database system, shopping cart software, scripting software, browser and platform compatibility. networking technology, e.g. TCP/IP, addresses, ports and protocols; domain names, multiple registration of domains (.com as well as .co.uk); setting up the server directory structure, deploying access configuration/security.

Database technology:

Uses and processes, e.g. database-driven web pages, opening a connection to a database, storing data captured from forms, performing dynamic queries on the database, generating a web page response displaying the results of a query.

Communication technology:

Uses, e.g. email support, forum; search engine optimisation; additional hardware and software components required to support communications.

Data transmission:

Features e.g. download speeds, transfer rates, bandwidth required for given applications, including text, graphics, video, speech.

LO3 Design an E-Commerce strategy based on a given end-user requirement or specification

Considerations:

Hardware and software, design and development, costs and resources, security, maintenance, customer online support and logistics.

Internet strategy:

Hosting, e.g. internal, sub-contracted; design of the website; maintaining 24/7 access.

Marketing strategy:

Methods, e.g. targeting market segments and interest groups, developing electronic 'web-communities', CRM, promotion strategies to target specific market segments, search engine optimisation, e-marketing software.

Supply chain strategy:

Methods, e.g. satisfying customer demand, responsive supply chain, managed in house or sub-contracted, developing 'partnership' relationships with suppliers.

Electronic payment:

Methods, e.g. online transaction processing, Commercial Off the Shelf Software (COTS), other payment systems, e.g. PayPal, WorldPay.

LO4 **Implement an E-Commerce strategy based on a given end-user requirement or specification**

Implementation:

Demonstration that the marketing, supply chain or payment-based E-Commerce strategy, e.g. designing an online ordering system or online payment system, devised has been implemented using suitable tools and applications.

Evaluation:

Evaluation of the success of the design and implementation of the E-Commerce strategy.

Technique:

SWOT analysis to evaluate the overall strengths, weaknesses, opportunities and threats of the implemented E-Commerce strategy.

Learning Outcomes and Assessment Criteria

Pass	Merit	Distinction
LO1 Examine E-Commerce strategies and their impact on business organisations		
P1 Discuss the importance of addressing and meeting customer expectations when employing an E-Commerce strategy.	**M1** Analyse organization case studies and examine how E-Commerce has been used to improve an element of business operations.	**D1** Critically review the benefits and drawbacks for an organisation that is utilising E-commerce.
LO2 Review the hardware, software, web-based and database technologies involved in setting up a secure E-commerce site		
P2 Discuss the technologies involved in setting up a secure E-Commerce site.	**M2** Justify the importance of communications technology in E-Commerce design.	**D2** Evaluate the role that database technology plays in the development and sustainability of E-Commerce.
LO3 Design an E-Commerce strategy based on a given end-user requirement or specification		
P3 Discuss the types of strategies that could be used to drive an E-Commerce solution. **P4** Design an E-Commerce solution based on a specified requirement or strategy.	**M3** Analyse the factors and resources that should be considered when designing an E-Commerce strategy. **M4** Differentiate between the types of payment systems that are integral to E-Commerce success.	**D3** Appraise the design and functionality of the E-Commerce solution.
LO4 Implement an E-Commerce strategy based on a given end-user requirement or specification		
P5 Implement a designed E-Commerce solution for an end-user based on a specified requirement or strategy.	**M5** Produce a detailed SWOT analysis to support the implemented E-Commerce design.	**D4** Evaluate how successful the E-Commerce implementation was and how it fulfils a specified requirement or strategy.

Recommended Resources

Textbooks

Bones, C. and Hammersley, J. (2015*) Leading Digital Strategy: Driving Business Growth Through Effective E-commerce*. 1st Ed. Kogan Page.

Chaffey, D. (2009) *E-Business and E-Commerce Management: Strategy, Implementation and Practice*. 4th Ed. Financial Times: Prentice Hall.

Laudon, K. and Traver, C. (2015) *E-Commerce*. 11th Ed. Pearson.

Phillips, J. (2016) *Ecommerce Analytics: Analyze and Improve the Impact of Your Digital Strategy.* 1st Ed. Pearson FT Press.

Journals

Journal of Electronic Commerce Research (Online)

Journal of Electronic Commerce in Organizations (JECO) (Online)

Websites

networksolutions.com	Network Solutions Education Centre *Developing an E-Commerce Strategy* (Articles)
ecommercefuel.com	E-Commerce Fuel (Discussion Forum)

Links

This unit links to the following related units:

Unit 4: Database Design & Development

Unit 17: Business Process Support

Unit 41: Database Management Systems.