



الجامعة السعودية الإلكترونية
Saudi Electronic University

E-Com-101:E-Commerce

ASSIGNMENT 5-QUESTIONS

1. Discuss EDI and its stages are being used to automate the complete e-com business environment.

Electronic data interchange (EDI) is the electronic exchange of business information—purchase orders, invoices, bills of lading, inventory data and various types of confirmations—between organizations or trading partners in standardized formats. EDI also is used within individual organizations to transfer data between different divisions or departments, including finance, purchasing and shipping. When the focus of EDI centers on payments, especially between banks and companies, the term financial EDI (FEDI) is sometimes used. Along with digital currency, electronic catalogs, intranets and extranets, EDI is a major cornerstone of e-commerce overall.

Two characteristics set EDI apart from other ways of exchanging information. First, EDI only involves business-to-business transactions; individual consumers do not directly use EDI to purchase goods or services. Secondly, EDI involves transactions between computers or databases, not individuals. Therefore, individuals sending e-mail messages or sharing files over a network does not constitute EDI.

2. Describe major types of auctions also discuss their benefits and costs.

1. Ascending-bid auctions, also called English auctions. These auctions are carried out interactively in real time, with bidders present either physically or electronically. The seller gradually raises the price, bidders drop out until finally only one bidder remains, and that bidder wins the object at this final price. Oral

auctions in which bidders shout out prices, or submit them electronically, are forms of ascending-bid auctions.

2. Descending-bid auctions, also called Dutch auctions. This is also an interactive auction format, in which the seller gradually lowers the price from some high initial value until the first moment when some bidder accepts and pays the current price. These auctions are called Dutch auctions because flowers have long been sold in the Netherlands using this procedure.

3. First-price sealed-bid auctions. In this kind of auction, bidders submit simultaneous “sealed bids” to the seller. The terminology comes from the original format for such auctions, in which bids were written down and provided in sealed envelopes to the seller, who would then open them all together. The highest bidder wins the object and pays the value of her bid.

4. Second-price sealed-bid auctions, also called Vickrey auctions. Bidders submit simultaneous sealed bids to the sellers; the highest bidder wins the object and pays the value of the second-highest bid. These auctions are called Vickrey auctions in honor of William Vickrey, who wrote the first game-theoretic analysis of auctions. Vickrey won the Nobel Memorial Prize in Economics in 1996 for this body of work.

3. Explain difference between traditional social network and an online social network.

Different factors between Traditional and Online social networking are:

Time : We all know time is precious. Traditional networking often requires attending events usually outside normal business hours. The trick is getting a balance so you do not end up spending all your personal time doing business networking – whether in person or online

Overcoming the shy factor:As a people person, I have few problems engaging in conversation. Even I can have trouble though initiating conversations with people I do not know. In fact it was something I struggled with a little when I first began going to traditional face to face networking events. Since then, my skills have improved but I certainly still find it quite uncomfortable.

Cost:Most social networking sites are free and the only costs involved are your time, equipment and an Internet connection. However some businesses may want to consider hiring designers to get logos and backgrounds that suit their brand and keep it consistent.

Reach:Because social networking is global it allows a much greater spread and reach than you would get with face to face networking. However, face to face networking often

promotes stronger relationships that turn into referrals because of the face to face contact in a more intimate setting. People really get to know you and your values when you meet face to face - these can more easily be distorted using social networking alone

4. Discuss the role of private industrial networks in supporting collaborative commerce.

Objectives of private industrial networks include:

- Developing efficient purchasing and selling business processes industry-wide
- Developing industry-wide resource planning to supplement enterprise-wide resource planning
- Creating increasing supply chain visibility
- Achieving closer buyer-supplier relationships Operating on a global scale
- Reducing industry risk by preventing imbalances of supply and demand
- Typically focus on a single sponsoring company that “owns” the network

5. Discuss Collaborative Commerce and its benefits.

Collaboration among businesses can take following forms:

- Collaborative resource planning, forecasting, and replenishment (CPFR): Involves working with network members to forecast demand, develop production plans, and coordinate shipping, warehousing and stocking activities to ensure that retail and wholesale shelf space is replenished with just the right amount of goods
- Demand chain visibility
- Marketing coordination and product design— closed loop marketing