



Rewarding Learning

**ADVANCED SUBSIDIARY (AS)
General Certificate of Education
January 2012**

Applied Business
Assessment Unit AS 4
assessing
E-Commerce

[A3B41]

WEDNESDAY 18 JANUARY, MORNING

**MARK
SCHEME**

1 Explain what is meant by the term ‘E-Commerce’, and discuss one way in which patrons of Newry Drama Festival might use it.

- E-Commerce is the use of the Internet to connect with partners, suppliers and customers. It implies the transformation of current business processes to make them more efficient.
- With reference to Newry Drama Festival, this could take the form of (i) the website: setting up a website to enable customers to access an email address on the website for information regarding performances, dates, times, venues; (ii) automated payment/ticketing system might be incorporated into the website; or Newry Drama Festival could link with established ticket operators, e.g. Ticketmaster.

Marking: [2] for explanation; [2] for application; [4] 4

2 Explain what is meant by the following terms, and discuss how they might apply to Newry Drama Festival:

- i. Business-to-Business
- ii. Business-to-Portal

Business-to-Business (B2B):

- A business model which implies the conduct of transactions between 2 or more businesses, featuring large volumes, competitive pricing, or supply of goods to a final consumer;

NDF use B2B to

- 1) contact drama groups;
- 2) contact other theatres;
- 3) contact suppliers, e.g. printers/caterers/cleaners

Business-to-Portal (B2P):

- A business model which promotes a business to a portal site – a gateway that connects buyers and suppliers together in one marketplace;
- With respect to Newry Drama Festival – the use of an Internet website might enable Association of Ulster Drama Festivals, Amateur Drama Council of Ireland and Arts Council for Northern Ireland (AUDF/ADCI/ACNI) to promote NDF within the cultural sector and provide information about the festival/ticketing arrangements for the benefit of customers;

Marking [2] for explanation; [2] for application; (2 × [4]) [8] 8

3 Analyse the importance of the following issues when developing a website for Newry Drama Festival:

- i. Website Harmony
- ii. Fast Access
- iii. Ability to cope with demand

- Harmony: it is important the website is in harmony with the corporate image and is well presented (e.g. appropriate colour scheme, logo, evidence that security of online users is considered);
- Fast Access: it is important that the site enables fast access by users (e.g. hyperlinks to other pages/sites operate quickly, images/photographs/podcasts load quickly, order forms are available, registration/bookings can be accommodated and payments processed securely/quickly, browser compatibility);
- Demand: the website must be able to cope with demand. It will be new and must ensure efficient operation in order to ensure success (e.g. amount of travel coming to the website, ensuring availability of website, ensuring that website does not crash for whatever reason, i.e. hacking, security, demand).

Marking: [2] for explanation; [1] for application; [1] for analysis; (3 × [4]) [12]

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4 Discuss **four** benefits which Newry Drama Festival might gain from the use of E-Commerce.

- Access to Global Market: Newry Drama Festival is held in Newry (Northern Ireland), since the Internet provides access to a global market, customers will be able to book tickets for shows/plays and other facilities from their individual locations including homes, offices and other venues. This is an important issue likely to ensure success of the festival in the long term;
- Reduced Costs: Newry Drama Festival can limit their costs by reducing paper transactions and queueing times at ticket kiosks/office, enhancing the customer experience and perhaps attract greater numbers. This is an important issue likely to ensure success of the festival in the long term;
- Increased sales/revenue: Newry Drama Festival can increase sales revenues/market share using e-commerce facilities as this increases the methods by which customer contact can be made in global terms, special offers or events to celebrate the 60th season can be made available in order to increase the profile of the festival globally. This is an important issue likely to ensure success in the long term;
- Customer Satisfaction: Newry Drama Festival is linked with key sponsors, including ACNI/NMDC/season ticket-holders, which implies that all aspects of service/product delivery is of the highest order. Consistent with this, e-commerce facilities must be perceived as efficient, secure and an easy method of conducting transactions on the part of customers, making it more convenient. This is an important issue likely to ensure the long term success of the festival;
- Reduction in marketing/advertising costs: Newry Drama Festival is likely to incur high levels of expenditure in this area initially, since it only runs once a year. Once established however, it is likely that marketing/advertising costs will decline once customer awareness increases – the website would help reduce this expense;

- 24/7 Access: The Internet allows the festival organising committee to introduce new shows/services via advertising on their website and constant communication with customers (via email/newsletters/FAQs etc), accessible 24/7, 365 days per year. This is an important issue likely to ensure the long term success of the festival.
- Other suitable points accepted if supported by relevant example, e.g. increased revenue/profit, shorten supply chain with links to drama/theatre groups internationally e.g. (ADCT).
- Increased information on customers.

Level 1 ([1]–[8])

Some knowledge and understanding of the benefits of E-Commerce within the context of the case study is demonstrated. Up to two points discussed. Application of this knowledge to the question context, if present, is very limited. Quality of written communication is limited.

Level 2 ([9]–[12])

Adequate knowledge and understanding of the benefits of E-Commerce within the context of the case study is demonstrated. Up to three points discussed. There is some application of this knowledge to the question context. Quality of written communication is satisfactory.

Level 3 ([13]–[16])

Thorough knowledge and understanding of the benefits of E-Commerce within the context of the case study is demonstrated. Four points are discussed. There is good application of knowledge to the question context. Quality of written communication is of a high standard. [16]

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5 Analyse **five** potential barriers to E-Commerce which consumers of an organisation such as Newry Drama Festival might experience.

- Cost of technology: E-Commerce facilities cannot operate without the required backup systems/technology in place. High connectivity costs minimises the use of the Internet by the population, thus they will be excluded and this may present a barrier to users of any future website of Newry Drama Festival;
- Fear of technology: some people and thus potential users of Newry Drama Festival website might fear the use of technology and referred to as “technophobes”; such a phobia will act as a barrier to the use of any future website of Newry Drama Festival;
- Security: trust/reliability and security of financial transactions are important elements in an E-Commerce transaction involving the use of the Internet; security measures that could be taken to improve security include use of passwords, on-screen indicators (e.g. padlock) and ‘secure’ websites; lax security arrangements related to any future website of Newry Drama Festival may act as a barrier to E-commerce;
- Speed of Connection: analogue connections are slow/unreliable; thus may act as a deterrent to the use of E-Commerce; this might be less of an issue in the modern age, as digital technology becomes available, nonetheless, slow Internet connection speeds related to any future website of Newry Drama Festival might well act as a barrier;

- Complexity of technology: some people can find the technology complicated to use; which might apply to the design of publicly available websites; it is publicly important that any future website of Newry Drama Festival is relatively simple/easy to use, and does not act as a barrier in this respect.
- Inability to access Internet, geographical reasons.

Level 1 ([1]–[8])

Some knowledge and understanding of the barriers to E-Commerce within the context of the case study is demonstrated. Up to two points analysed. Application of this knowledge to the question context, if present, is very limited. Quality of written communication is limited.

Level 2 ([9]–[16])

Adequate knowledge and understanding of the barriers to E-Commerce within the context of the case study is demonstrated. Up to four points analysed. There is some application of this knowledge to the question context. Quality of written communication is satisfactory.

Level 3 ([17]–[20])

Thorough knowledge and understanding of the barriers to E-Commerce within the context of the case study is demonstrated. Five points are analysed. There is good application of knowledge to the question context. Quality of written communication is of a high standard.

[20]

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- 6 Evaluate **five** methods that the Organising Committee might use in order to market the on-line activities of Newry Drama Festival.
- E-mail marketing: Newry Drama Festival can market the festival and various performances/services using email to keep in contact with customers and prospect for new business. Feedback can be obtained from current customers. This is an important aspect of marketing an e-commerce business in order to ensure long term success;
 - E-Customers as the Sales Team: as stated, customers are likely to be the best ambassadors of the products/services of a business, equally so in the case of Newry Drama Festival – the organising committee would be keen to obtain customer feedback and ensure that the festival is promoted in a positive way to ensure survival. This is an important element in marketing Newry Drama Festival, in order to ensure long term success;
 - Measure Success: this can be achieved in various ways including hit counters, advertising revenues etc. and is important as a method of doing so. This is an important element of marketing the Newry Drama Festival in order to ensure long term success;
 - Search engine Optimisation: this is an important aspect of marketing Newry Drama Festival, in that success can be measured by ensuring that the festival has ‘key words’ which are selected from the key internet search engines such as Google, MSN and others. This is an important element of marketing Newry Drama Festival – costly but might be worthwhile in the long run;
 - Banner advertising: banners are rectangular shaped advertisements on a website. This might be effective if the aim is to raise customer awareness/profile of Newry Drama Festival initially. This might be an effective method of marketing the festival, as Newry Drama Festival can advertise in this way on other websites say within the sports/tourism industries. This is an important aspect of marketing and ensuring the success in the long term;

- Direct Navigation: this is an important aspect of marketing Newry Drama Festival, in that success can be measured by ensuring that the customer has direct contact with festival organisers. This is an important element of marketing Newry Drama Festival, but depends to some extent on customer awareness of the resort and/or luck.

Final Judgement: it is possible to conclude that marketing Newry Drama Festival is important for the reasons stated above, to ensure long term success.

Level 1 ([1]–[8])

Some knowledge and understanding of methods of marketing the on-line activities of Newry Drama Festival is demonstrated. Up to two points evaluated. Application of this knowledge to the question context, if present, is very limited. Quality of written communication is limited.

Level 2 ([9]–[16])

Adequate knowledge and understanding of methods of marketing the on-line activities of Newry Drama Festival is demonstrated. Up to four points evaluated. There is some application of this knowledge to the question context. Quality of written communication is satisfactory.

Level 3 ([17]–[20])

Thorough knowledge and understanding of methods of marketing the on-line activities of Newry Drama Festival is demonstrated. Five points are evaluated. There is good application of knowledge to the question context. A well reasoned evaluation and final judgement is presented. Quality of written communication is of a high standard.

[20]

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Total

80