BUS.IN7 E-commerce and Digital Marketing for Business

AQA 8132 · Calculators not allowed · about 40 minutes

Total Marks

Name: ________________________________ Date: ____ / ____ / ______

Answer ALL questions in the spaces provided. Show any working where asked. Olive & Oak Boutique, a small UK fashion and accessories retailer, is the fictional business used in several questions.

1 Olive & Oak Boutique sells handmade scarves in a small high-street shop in Leeds and is considering selling online through its own website. Which one of the following is a potential advantage of selling via the boutique's own website?

- ☐ A) The shop will automatically avoid all cyber-security risks
- ☐ B) The business can keep all customer data and personalise offers
- ☐ C) Customers without internet access can buy online easily
- ☐ D) The boutique will have no setup or maintenance costs

(Total for Question 1 is 1 mark)

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2 Olive & Oak Boutique wonders whether to use an online marketplace such as Etsy or sell via its own website. Which one of the following is a likely benefit of using a marketplace platform for a small UK retailer?

- ☐ A) Guaranteed lower fees than any other channel
- ☐ B) Immediate access to a larger pool of potential customers
- ☐ C) Complete exemption from payment processing charges
- ☐ D) No need to follow marketplace rules or policies

(Total for Question 2 is 1 mark)

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3 Name two digital marketing channels Olive & Oak Boutique could use to promote its online store, as mentioned in the AQA GCSE Business specification context for e-commerce and digital marketing.

(Total for Question 3 is 2 marks)

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4 Olive & Oak Boutique can accept payments online by card payments via a payment gateway. Identify one other common online payment method a UK ecommerce retailer might offer.

(Total for Question 4 is 1 mark)

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5 Olive & Oak Boutique is considering email marketing to remind previous customers about new scarf designs. Explain how email marketing could benefit Olive & Oak Boutique.

(Total for Question 5 is 4 marks)

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6 Olive & Oak Boutique is aware of possible disadvantages of e-commerce compared with its high-street shop. Identify two disadvantages of selling online that are relevant to a small UK retailer such as Olive & Oak.

(Total for Question 6 is 2 marks)

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7 Olive & Oak Boutique is deciding whether to list its scarves on an online marketplace like Etsy. Explain how selling through a marketplace could benefit Olive & Oak Boutique.

(Total for Question 7 is 4 marks)

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8 Olive & Oak Boutique currently operates only from its physical shop but is thinking about closing the shop and selling only online via its own website and marketplaces. Recommend whether Olive & Oak should move to selling only online, justifying your answer using points about costs, customer reach, ownership of customer data and risks such as cyber-security and excluding some customers.

(Total for Question 8 is 9 marks)

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Mark scheme · BUS.IN7 E-commerce and Digital Marketing for Business

Question 1

- **B1** B cao
- **Answer: B**

Question 2

- **B1** B cao
- **Answer: B**

Question 3

- **B1** social media advertising
- **B1** email marketing or search-engine marketing (any one)
- **Answer: Social media advertising; email marketing (or search-engine marketing).**

Question 4

- **B1** one correct method, e.g. PayPal, Apple Pay, Google Pay, or bank transfer
- **Answer: PayPal (or Apple Pay, Google Pay, bank transfer).**

Question 5

- **B1** identifies a benefit, e.g. email marketing can target previous customers with personalised offers
- **B1** develops the point, e.g. personalised emails can increase repeat purchases
- **B1** adds a second benefit or consequence, e.g. email is low cost compared with printed mail
- **B1** links to an outcome for the business, e.g. higher sales and lower marketing costs improving profit margins
- **Answer: Email marketing lets the boutique target previous customers with personalised offers, increasing the chance of repeat purchases; it is low cost compared with printed mail and so can raise sales while keeping marketing spend down, improving profit margins.**

Question 6

- **B1** intense price comparison with competitors or price competition
- **B1** cyber-security and fraud risk, or excluding customers without internet access
- **Answer: Any two, e.g. intense price comparison; cyber-security and fraud risk (or excluding customers without internet access).**

Question 7

- **B1** identifies a benefit, e.g. access to a larger pool of customers already shopping on the marketplace
- **B1** develops the point, e.g. greater customer reach can increase sales without Olive & Oak needing to invest heavily in driving traffic to its own website
- **B1** adds a second benefit, e.g. marketplaces often provide built-in payment processing and trust signals like reviews
- **B1** links to an outcome, e.g. faster initial sales growth and lower marketing setup costs for the boutique
- **Answer: Selling on a marketplace gives Olive & Oak access to a larger pool of shoppers, which can increase sales without heavy spending to attract visitors to its own site; marketplaces also supply payment processing and customer reviews that build trust, helping the boutique grow sales more quickly with lower initial marketing setup costs.**

Question 8

- **Level 1** (1-3): Provides isolated or simple points about online-only trading, for example naming a single advantage or disadvantage with little development and no clear recommendation.
- **Level 2** (4-6): Gives developed points about advantages and disadvantages, uses some relevant factors such as costs, customer reach or cyber risk, and makes a tentative recommendation but with limited justification.
- **Level 3** (7-9): Weighs the advantages and disadvantages in a balanced way, applies ideas about costs, customer reach, control of customer data and cyber-security to the boutique's situation, and reaches a clearly justified recommendation.
- **Indicative content:**
  - Advantages of online-only: lower ongoing high-street overheads such as rent and business rates, potential 24-hour trading and a wider national customer reach via the website and marketplaces, and owning customer data on its own site which allows personalised offers and repeat sales.
  - Disadvantages of online-only: loss of walk-in local customers who prefer to see products in person, risk of excluding customers without internet access, exposure to intense online price comparison and competitive pressure, and increased responsibilities and costs for cyber-security, fraud prevention and website maintenance.
  - Consider hybrid options: keeping a small shop plus online presence preserves a local showroom and face-to-face service while accessing wider markets online.
  - Consider scale and brand: if Olive & Oak has strong local loyalty or customers who value trying on scarves, staying physical or hybrid may be better; if the business aims to scale nationally and can invest in secure, user-friendly online systems, online-only could be appropriate.
  - Judgement: a justified recommendation should weigh likely cost savings against lost local trade and cyber-security costs, and might favour a gradual shift or hybrid model unless there is clear evidence that most customers would follow online and the owner is comfortable managing online risks.