



BUS.MK11 Technology, E-Commerce and Digital Marketing

AQA 8132 · Calculators not allowed · about 35 minutes

Total Marks

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Name: _____ Date: ____ / ____ / ____

Answer ALL questions in the spaces provided. Write full sentences for questions worth 4 marks and the 9-mark question. Show any short workings if required. Finn's Fabrics, used throughout this pack, is a fictional business.

- 1** Which one of the following is an example of e-commerce for Finn's Fabrics, a small UK sewing-shop business deciding how to sell online?

- ☐ A) Selling fabric and haberdashery through a shop website with a checkout
- ☐ B) Advertising on a local community noticeboard inside the shop
- ☐ C) A supplier delivering fabric rolls to the shop
- ☐ D) Offering a loyalty card only used in the physical shop

(Total for Question 1 is 1 mark)

- 2** Finn's Fabrics wants to use social-media advertising to reach more customers. Which one of the following best describes social-media advertising?

- ☐ A) A face-to-face sales pitch at a craft fair
- ☐ B) Paid promotional posts or adverts on platforms like Instagram or Facebook
- ☐ C) A printed leaflet placed through local doors
- ☐ D) A supplier catalogue delivered to the shop

(Total for Question 2 is 1 mark)

- 3** State one technological feature Finn's Fabrics should include on its website to make online buying easier for customers.

(Total for Question 3 is 1 mark)

- 4** State one way Finn's Fabrics could use digital marketing to tell customers about a new range of printed fabrics.

(Total for Question 4 is 1 mark)

- 5** Finn's Fabrics is considering taking payments online. Identify one cybersecurity measure the shop should use on its e-commerce site to protect customers.

(Total for Question 5 is 1 mark)

- 6** Finn's Fabrics plans to run a short paid social-media campaign. Identify one metric the shop should monitor to see if the campaign reaches potential customers.

(Total for Question 6 is 1 mark)

- 7** Identify one distribution benefit of Finn's Fabrics selling online rather than only from its physical shop in a UK market town.

(Total for Question 7 is 1 mark)

- 8** Identify one drawback specifically linked to online selling that Finn's Fabrics must manage to keep customers satisfied.

(Total for Question 8 is 1 mark)

- 9** Finn's Fabrics can show product photos online. State one limitation of product photos compared with customers touching fabric in the physical shop.

(Total for Question 9 is 1 mark)

- 10** Finn's Fabrics will choose between charging for delivery or offering free delivery at a spend threshold. Identify one reason to offer free delivery over a threshold to encourage online sales.

(Total for Question 10 is 2 marks)

- 11** Finn's Fabrics is weighing two digital promotion options: (A) a low-cost social-media ad campaign targeting nearby hobby sewers, or (B) hiring an external influencer to post about the shop at higher cost. Explain one benefit to Finn's Fabrics of using the low-cost social-media ad campaign instead of the influencer option.

(Total for Question 11 is 4 marks)

- 12** Finn's Fabrics could sell only through its own website or list items on a large online marketplace. Explain one drawback to Finn's Fabrics of selling via a large marketplace rather than only on its own website.

(Total for Question 12 is 4 marks)

- 13** Finn's Fabrics currently opens its physical shop 10:00 to 16:00 weekdays and is considering adding an online store that can take orders 24 hours a day. Identify one operational advantage and one potential operational challenge of adding the online store.

(Total for Question 13 is 2 marks)

- 14** Finn's Fabrics, a small independent fabric shop in a UK market town, must decide whether to move from selling mainly via its physical shop to focusing primarily on online sales via its own website. The owner is concerned about delivery costs, returns, and losing the ability for customers to touch fabric, but likes the idea of a wider reach, lower shop overheads and 24-hour sales. Discuss whether Finn's Fabrics should move from a physical shop to selling primarily online. Use the facts given and consider both sides. Give a justified recommendation.

(Total for Question 14 is 9 marks)

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Question 1

- **B1** A cao
- **Answer:** A

Question 2

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

Question 3

- **B1** an online shopping cart/checkout
- **Answer:** An online shopping cart and checkout system.

Question 4

- **B1** posting targeted ads or posts on social media platforms such as Instagram
- **Answer:** Post targeted social-media adverts or posts announcing the new range, for example on Instagram.

Question 5

- **B1** using SSL encryption/HTTPS for the website
- **Answer:** Implement SSL encryption so the site uses HTTPS.

Question 6

- **B1** reach or impressions as a metric
- **Answer:** Monitor reach or impressions of the campaign.

Question 7

- **B1** wider geographic reach to customers beyond the local area
- **Answer:** Selling online gives a wider geographic reach beyond the local area.

Question 8

- **B1** the cost and complexity of delivery and handling returns
- **Answer:** Managing delivery costs and handling returns is a key drawback to manage.

Question 9

- **B1** customers cannot feel texture or test colour and weight in person
- **Answer:** Customers cannot feel the fabric's texture or check true colour and weight from photos.

Question 10

- **B1** encourages customers to add more items to reach the free-delivery threshold
- **B1** increases average order value, improving revenue per customer
- **Answer:** Free delivery over a threshold encourages customers to add items to their basket and increases average order value.

Question 11

- **B1** identifies a benefit, e.g. lower cost for the business
- **B1** develops the point, e.g. less financial risk if the campaign does not produce immediate sales
- **B1** links to Finn's Fabrics context, e.g. suitable for a small shop with limited marketing budget
- **B1** gives an outcome, e.g. allows testing and refining of ads before spending more
- **Answer:** A low-cost social-media ad campaign is cheaper so it reduces financial risk if sales do not spike, making it appropriate for a small shop with a limited budget and allowing Finn's Fabrics to test and refine messaging before committing to higher-cost influencer work.

Question 12

- **B1** identifies a drawback, e.g. marketplace fees or commission
- **B1** develops the point, e.g. reduces the gross margin on each sale
- **B1** links to Finn's Fabrics context, e.g. may make niche fabric ranges less profitable
- **B1** gives an outcome, e.g. the shop might need higher prices or fewer promotions to maintain profit
- **Answer: Selling via a large marketplace often incurs fees or commission, which reduces the gross margin on each sale and can make niche or low-margin fabric ranges less profitable for Finn's Fabrics, so the shop may have to raise prices or reduce promotions to protect profit.**

Question 13

- **B1** advantage: ability to make sales outside shop opening hours, increasing sales opportunities
- **B1** challenge: need to manage stock levels and process orders outside normal hours, possibly requiring extra labour or automation
- **Answer: Advantage: can take orders outside shop hours, increasing sales opportunities. Challenge: must manage stock and fulfil orders outside normal hours, requiring extra staff or automated systems.**

Question 14

- **Level 1** (1-3): Makes simple, undeveloped statements about online selling and the physical shop with little reference to Finn's Fabrics' specific issues and no clear recommendation.
- **Level 2** (4-6): Provides a developed discussion of advantages and drawbacks using some points from the case, but the analysis may be one-sided or the final recommendation is not fully justified.
- **Level 3** (7-9): Balances relevant advantages and disadvantages with application to Finn's Fabrics, examines operational and financial implications, and gives a clear, justified recommendation supported by evidence.
- **Indicative content:**
 - Advantages of moving online: wider geographic reach beyond the town, potential to sell 24 hours increasing sales opportunities, lower fixed costs from reduced shop hours or smaller premises, easier use of targeted digital marketing to hobby sewers.
 - Drawbacks of moving online: delivery costs and handling returns reduce margins and add complexity; customers cannot touch fabric so more returns or cautious buying may result; reliance on a reliable website and secure payment system adds set-up and maintenance costs and cybersecurity responsibilities.
 - Operational considerations: need for stock management and packing for dispatch, possible extra staffing for fulfilment, and investment in clear product photos, detailed descriptions and possibly sample swatches to reduce returns.
 - Financial considerations: compare reduced rent and staffing costs with new costs such as delivery, packaging, payment processing fees and marketplace or platform fees if used; the business could offer click-and-collect to combine both channels.
 - Customer experience: offering fabric swatches, generous photo sets, video demonstrations or virtual consultations can mitigate lack of physical touch; strong returns policy and clear size/measurement info help build trust.
 - Recommendation idea: a gradual shift is sensible, for example keep a small shop presence while expanding online sales, test digital marketing and delivery pricing, offer click-and-collect and swatches to reduce returns, and only reduce shop hours or premises once online sales are proven to be reliable and profitable.