



Rewarding Learning

ADVANCED SUBSIDIARY (AS)
General Certificate of Education
2011

Applied Business

Assessment Unit AS 4

assessing

E-Commerce

[A3B41]

TUESDAY 24 MAY, MORNING

**MARK
SCHEME**

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1 (a) Explain what is meant by the term ‘E-mail’. Name one way in which the Lough Erne Golf Resort might use e-mails.

- E-mail is taken to mean the transmission of messages/mail in an electronic format.
- With reference to Lough Erne Golf Resort, this could take the form of an e-mail address on the website for information regarding resort and making bookings for weddings, accommodation, spa, golf, conferences, special offers etc.

[2] Explanation; [1] Application

[3]

3

(b) Using examples from the case study and Fig. 1, analyse **two** different reasons for the growth of e-commerce.

- Internet usage: the website and use of the internet have made it more convenient for potential customers to make contact with Lough Erne Golf Resort, e.g. sports minded customers, corporate customers, investors interested in investing in property, and overseas/foreign customers etc. The global accessibility of the internet could lead to an increase in business and thus e-commerce activities for Lough Erne Golf Resort.
- Telephone connectivity: Telephone numbers are published on the website of Lough Erne Golf Resort, enabling all types of customers to make contact with the resort using landlines, mobiles and other mobile devices, e.g. sports minded customers, corporate customers, investors interested in investing in property, and overseas/foreign customers etc. The global accessibility of telephone contacts could lead to an increase in business and thus e-commerce activities for Lough Erne Golf Resort.
- Email popularity: An e-mail address is published on the website of Lough Erne Golf Resort, enabling all types of customers to make contact with the resort, e.g. sports minded customers, corporate customers, investors interested in investing in property, and overseas/foreign customers etc. The global accessibility of e-mail addresses could lead to an increase in business and thus e-commerce activities for Lough Erne Golf Resort.
- Word of Mouth/Publicity: Free publicity regarding Lough Erne Golf Resort highlights the success of the resort, for example within the local economy and sporting circles – enables all types of customers to make contact with the resort, e.g. sports minded customers, corporate customers, investors interested in investing in property, and overseas/foreign customers etc. Positive publicity could lead to an increase in business and thus e-commerce related activities for Lough Erne Golf Resort.

[2] Knowledge; [2] Application; [2] Analysis

[6]

6

2 Analyse **three** intellectual property rights which apply to the design of the Lough Erne Golf Resort's website.

- Copyright: the resort is likely to have copyright over the content and presentation of the information displayed on the website, including colour scheme, contact information, photographs, podcasts, event information. This is important as this will ensure the future success of the resort, in attracting high profile sports personalities and thus customers to the resort. The design/drawings/sketches of the golf course are also likely to be subject to copyright;
- Patent: the resort is likely to have some rights in terms of patent in relation to the design of the golf course, as advertised on the website as it is unique and secures its place in the 'Top 100 courses' as per various golf magazines. This is important as this will ensure the future success of the resort in attracting high profile sports personalities and thus customers to the resort;
- Trademark: the resort is likely to have trademark rights in relation to the logo displayed on the website and within various products available from the resort. This is important as this unique design/trademark will ensure the future success of the resort, in attracting high profile sports personalities and thus customers to the resort;
- Confidential Information Law: the resort is likely to have access to confidential information used in its planning, development and operation on a daily basis. Such information is protected in law, e.g. the unique design of the course by Sir Nick Faldo – unique to Ireland – as it will ensure the future success of the resort, in attracting high profile sports personalities and thus customers to the resort.

[3] Knowledge; [3] Application; [3] Analysis

[9]

9

3 Examine **four** different types of costs of 'going online' that the Lough Erne Golf Resort is likely to incur.

- Web Designer: this represents staff/personnel with the expertise to create/design/implement/maintain the website and ensure successful operation in terms of availability, bookings and provision of information to users – this is important as it would contribute to the long term success of the resort;
- Internet Connection: costs incurred in respect of web addresses, domain names, web space, internet service providers, which are important as such information is unique to the resort and could lead to the success of it in the long term;
- Hardware: this includes costs of acquisition of computers, modems, memory/servers, printers, web cameras, speakers, cables and telephone lines etc. – important as the hardware must be in place to ensure effective operation of IT systems (all examples of hardware treated as one cost);

- Software: this includes costs of acquisition of ISP, internet browser, web design package, database systems, payment systems, security systems, order processing, customer registrations and other related software to ensure continued success of the business in the long term (all examples of software treated as one cost);
- Other costs: line rental, broadband facilities, ISDN facilities etc. which secure the long term viability of the resort. (Search Engine Optimisation Costs)

[4] Knowledge; [4] Application; [4] Analysis [12] 12

4 Analyse **four** factors which are likely to contribute to the effectiveness of Lough Erne Golf Resort’s website.

- Presentation: Website well presented (colours; logo etc.);
- Harmony: it is important the website is in harmony with the corporate image;
- 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/ease of navigation (3-click rule));
- Demand: the website must be able to cope with demand. It is a new business, 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);
- Alternative points accepted;
 - user knowledge;
 - security;
 - ‘contact us’ facility;
 - up to date;
 - information availability.

[4] Knowledge; [4] Application; [4] Analysis [12] 12

5 Discuss six benefits for the Lough Erne Golf Resort of using e-commerce.

- Access to Global Market: Lough Erne Golf Resort trades in NI, UK and beyond, since the internet provides access to a global market, customers can book hotel accommodation, golf course reservations, weddings, conferences/events and other facilities from their individual locations including homes, offices and other venues. This is an important issue likely to ensure success of the resort in the long term;
- Reduced Costs: Lough Erne Golf Resort can limit its costs by reducing paper transactions and queuing times in the hotel lobby/golf course

reception/other venues where queues are like to form, enhancing its competitive edge over other resorts in the country. This is an important issue likely to ensure success of the resort in the long term;

- Increased sales/revenue: Lough Erne Golf Resort 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/introductory offers can be made in order to increase the profile of the resort globally. This is an important issue likely to ensure success of the resort in the long term;
- Customer Satisfaction: Lough Erne Golf Resort attracts a 5* status, 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 for all parties. This is an important issue likely to ensure the long term success of the resort (customer interaction better);
- Reduction in marketing/advertising costs: Lough Erne Golf Resort is likely to incur high levels of expenditure in this area initially, since it is a relatively new business. Once established however, it is likely that marketing/advertising costs will decline once customer awareness increases.
- 24/7 Access to Product Portfolio: The internet allows the resort management to introduce new products/services via advertising on their website and constant communication with customers (via e-mail/newsletters/FAQs etc.), accessible 24/7, 365 per year. This is an important issue likely to ensure the long term success of the resort.
- Other suitable points accepted if supported by relevant example, e.g. business travel, shorten supply chain; download (pdf) brochure/catalogue; bypassing intermediaries; increased information to customers.

Level 1 [1–6]

- Benefits of using e-commerce identified and discussed. Up to two points discussed. Some application evident.

Level 2 [7–12]

- Benefits of using e-commerce identified and discussed. Up to four points discussed. Good application evident.

Level 3 [13–18]

- Benefits of using e-commerce identified and discussed. Up to six points discussed. Excellent application evident. [18]

18

6 Evaluate four different methods by which the Lough Erne Golf Resort might effectively market itself as an ‘e-commerce business’.

- E-mail marketing: Lough Erne Golf Resort can market the business and various products/services using e-mail to keep in contact with customers and prospective 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 are 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 Lough Erne Golf Resort – the resort’s management team would be keen to obtain customer feedback and ensure that the business is promoted in a positive way to ensure survival. This is an important element in marketing an e-commerce business, 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 an e-commerce business in order to ensure long term success;
- Search engine Optimisation: this is an important aspect of marketing the e-commerce business, in that success can be measured by ensuring that the business 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 an e-commerce business, but costly but might be worthwhile in the long run hit counters;
- Banner advertising: banners are rectangular shaped advertisements on a website. This might be effective if the aim is to raise customer awareness/profile of the resort initially. This might be an effective method of marketing the e-commerce business, as Lough Erne Golf Resort can advertise in this way on other websites, 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 the e-commerce business, in that success can be measured by ensuring that the customer has direct contact with the resort and website. This is an important element of marketing an e-commerce business, but depends to some extent on customer awareness of the resort and/or luck;
- Other suitable points accepted if supported by relevant example, e.g. confirmation of orders/enquiries of bookings; linkage campaign; attach right people to internet marketing.

Level 1 [1–10]

- Methods of marketing the e-commerce business are identified and evaluated. Up to two points evaluated. Some application evident.

Level 2 [11–15]

- Methods of marketing the e-commerce business are identified and evaluated. Three points are evaluated. Good application evident.

Level 3 [16–20]

- Methods of marketing the e-commerce business are identified and evaluated. Four points are evaluated. Excellent application evident. [20]

Total

20

80