Rewarding Learning

ADVANCED SUBSIDIARY (AS)
General Certificate of Education
January 2014

GCE Applied Business

Assessment Unit AS 4
assessing
E-Commerce

[A3B41]

MONDAY 13 JANUARY, AFTERNOON

MARK SCHEME

General Marking Instructions

Introduction

Mark schemes are published to assist teachers and students in their preparation for examinations. [Through] the mark schemes teachers and students will be able to see what examiners are looking for in response to questions and exactly where the marks have been awarded. The publishing of the mark schemes may [help] to show that examiners are not concerned about finding out what a student does not know but rather with rewarding students for what they do know.

The Purpose of Mark Schemes

Examination papers are set and revised by teams of examiners and revisers appointed by the Council. The teams of examiners and revisers include experienced teachers who are familiar with the level and standards expected of students in schools and colleges.

The job of the examiners is to set the questions and the mark schemes; and the job of the revisers is to review the questions and mark schemes commenting on a large range of issues about which they must be satisfied before the question papers and mark schemes are finalised.

The questions and the mark schemes are developed in association with each other so that the issues of differentiation and positive achievement can be addressed right from the start. Mark schemes, therefore, are regarded as part of an integral process which begins with the setting of questions and ends with the marking of the examination.

The main purpose of the mark scheme is to provide a uniform basis for the marking process so that all the markers are following exactly the same instructions and making the same judgements in so far as this is possible. Before marking begins a standardising meeting is held where all the markers are briefed using the mark scheme and samples of the students' work in the form of scripts. Consideration is also given at this stage to any comments on the operational papers received from teachers and their organisations. During this meeting, and up to and including the end of the marking, there is provision for amendments to be made to the mark scheme. What is published represents this final form of the mark scheme.

It is important to recognise that in some cases there may well be other correct responses which are equally acceptable to those published: the mark scheme can only cover those responses which emerged in the examination. There may also be instances where certain judgements may have to be left to the experience of the examiner, for example, where there is no absolute correct response – all teachers will be familiar with making such judgements.

1 Evaluate **two** reasons for the growth of E-Commerce with regard to easyJet.

- easyJet has a corporate image on the Internet.
- Building a website does not require big investments.
- The Internet has created a new economy for easyJet – it makes the business more profitable.
- easyJet makes information more easily available to customers.
- The Internet is a perfect venue for potential customers to visit the website as it is only a click away.
- easyJet can be operated from any location.
- easyJet has the ability to conduct business 24/7.
- Provide good support for potential customers, e.g. information.
- The Internet can cut costs for easyJet.

Marking: [1] for explanation; [1] for application [1] for evaluation
(2 × [3])   [6]   6

2 easyJet must comply with the Data Protection Act. Analyse **three** legal issues of this Act for easyJet when trading online.

The Issues of the Data Protection Act are:
- **Personal data shall be processed fairly and lawfully**; easyJet must adhere to this provision and ensure that any data gathered from customers shall be processed fairly and lawfully.
- **Personal data shall be obtained for only one or more specified purposes**; easyJet must specify the required personal information and use it in accordance with the purposes for which it was obtained, e.g. if easyJet gathers information such as date of birth, it cannot be used for another purpose.
- **Personal data shall be adequate, relevant and not excessive in relation to the purposes for which it is processed**; when customers of easyJet complete an online booking this must be adequate and relevant. All bookings must comply with the Data Protection Act and avoid gathering excessive and irrelevant information, e.g. if a customer makes an online booking it could be considered excessive if the airline were to gather information on the customer's education.
- **Personal data shall be accurate and, where necessary, kept up-to-date**; easyJet should make every effort to ensure the accuracy of personal data such as email address, home address and telephone number. The airline should devise a mechanism to update this information on an ongoing basis.
- **Personal data processed for a purpose or purposes shall not be kept for longer than is necessary**; there are time constraints in relation to the duration of data retention. easyJet should comply with this provision in order to avoid retaining information unnecessarily, e.g. the airline may not retain personal data for excessive periods and may not have a mechanism in place for deletion of the relevant data.
- **Personal data shall be processed in accordance with the rights of data subjects under this Act**;
- **Appropriate technical and organisational measures shall be taken against unauthorised or lawful processing of personal data, against accidental loss or destruction of, or damage to personal data**; easyJet customers may feel that larger organisations 'trade' information about their customers' habits. Customers may fear an invasion of their privacy. The Act provides that there should be some form of sanction for organisations that possesses information for purposes other than that required by business.

- **Personal data shall not be transferred to a country or territory outside the European Economic Area**; the increasing electronic globalisation of trade means that information can be passed with relative ease and speed between organisations. easyJet shall not transfer personal information about their customers to organisations outside the European Economic area. The importing country must have adequate Data Protection legislation before this can be printed. Adequacy may be established in several different ways, but careful consideration and expert advice should be sought in order to determine which route is the most appropriate for a particular transaction.

	AO1 Knowledge and Understanding	AO2 Application	AO3 Analysis
Level 3	**3 marks** Candidate demonstrates a competent understanding of the provisions of the Data Protection Act.	**3 marks** Candidate applies a competent level of knowledge effectively in the context of easyJet.	**3 marks** Candidate shows a competent level of analysis of the provisions of the Data Protection Act.
Level 2	**2 marks** Candidate demonstrates a satisfactory understanding of the provisions of the Data Protection Act.	**2 marks** Candidate applies a satisfactory level of knowledge effectively in the context of easyJet.	**2 marks** Candidate shows a satisfactory attempt to analyse the provisions of the Data Protection Act.
Level 1	**1 mark** Candidate demonstrates a limited understanding of the provisions of the Data Protection Act.	**1 mark** Candidate applies limited knowledge in the context of easyJet.	**1 mark** Candidate shows a limited attempt to analyse the provisions of the Data Protection Act.
Level 0	**0 marks** Candidate demonstrates no understanding of the provisions of the Data Protection Act.	**0 marks** Candidate does not attempt to apply knowledge to easyJet.	**0 marks** Candidate does not attempt to analyse the provisions of the Data Protection Act.

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3   Analyse **three** benefits to easyJet's customers of having fast access to its website.

- Online booking of easyJet's products and services will be quicker for the customers to process.
- easyJet provides a fast and reliable service to their customers examples: download information like travel insurance, baggage allowance.
- Hyperlinks within the easyJet website are all working and quick to process.
- Customers can browse the easyJet website to view all the products and services available to them without having to wait for an image to upload.
- Payments are processed quickly and securely for the customers of easyJet.
- Feedback is gathered quickly, e.g. questionnaires.

	AO1 Knowledge and Understanding	**AO2 Application**	**AO3 Analysis**
Level 3	**3 marks** Candidate demonstrates a competent understanding of the benefits to the users of having fast access to easyJet's website.	**3 marks** Candidate applies a competent level of knowledge effectively in the context of easyJet.	**3 marks** Candidate shows a competent level of analysis of the benefits to the users of having fast access to easyJet's website.
Level 2	**2 marks** Candidate demonstrates a satisfactory understanding of the benefits to the users of having fast access to easyJet's website.	**2 marks** Candidate applies a satisfactory level of knowledge effectively in the context of easyJet.	**2 marks** Candidate shows a satisfactory attempt to analyse the benefits to the users of having fast access to easyJet's website.
Level 1	**1 mark** Candidate demonstrates a limited understanding of the benefits to the users of having fast access to easyJet's website.	**1 mark** Candidate applies limited knowledge in the context of easyJet.	**1 mark** Candidate shows a limited attempt to analyse the benefits to the users of having fast access to easyJet's website.
Level 0	**0 marks** Candidate demonstrates no understanding of the benefits to the users of having fast access to easyJet's website.	**0 marks** Candidate does not attempt to apply knowledge to easyJet.	**0 marks** Candidate does not attempt to analyse the benefits to the users of having fast access to easyJet's website.

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4   Analyse **four** pieces of Internet, Business and E-Commerce software that easyJet would require in order to create its own website.

- **ISP (Internet Service Provider)** e.g. An **Internet Service Provider (ISP**, also called **Internet Access Provider** or **IAP**) is a company (AOL, BT) which primarily offers easyJet access to the Internet using broadband or other means of data telecommunication. ISPs may provide Internet e-mail accounts to users which allow them to communicate with one another by sending and receiving electronic messages through their ISPs' servers. ISPs may provide other services such as remotely storing data files on behalf of their customers like easyJet, as well as other services unique to each particular ISP.

- **Web Design Software, e.g**. sometimes referred to web authoring, web design is about creating web pages that make up a website for use on the Internet and also in company intranets like easyJet. Web design not only involves using standard design concepts but can often involve a substantial amount of technical and programming work. This means that a successful web designer needs to have good technical skills as well as good design skills.

- **Internet Explorer, e.g.** Internet Explorer (abbreviated IE) is the popular Web browser created and distributed by Microsoft. IE was first released in 1995, and IE has been the most popular Web browser since 1999. This is needed for easyJet to view and create web pages for the Internet.

- **Software for developing the web shop, e.g. Shopping cart software** is software used in e-commerce to assist people making purchases online. In easyJet it is generally known as a shopping basket, almost exclusively shortened on websites to 'basket'. This symbol helps customers of easyJet to book online. The software allows online booking customers of easyJet to place items in the cart. Upon checkout, the software typically calculates a total for the order, charges and the associated taxes, as applicable.

- **Database system, e.g.** A **database management system (DBMS)** is a computer software designed for the purpose of managing databases based on a variety of data models. easyJet customer's details that create an account will have their personal details stored on their database. The items that easyJet sells will also be in their database.

- **Invoicing/purchases order system, e.g.** An electronic purchase order system enables easyJet to create, approve and manage their purchase order and invoice processes. Web-based purchase order systems include important security, notification, SOX compliance, management and reporting features so the purchase requisition process is managed efficiently.

- **Customer registration system, e.g.** Customer registration enables customers of easyJet to view their account details online.

- **Visitor tracking, e.g.** A website tracking system is a tool suite that provides easyJet with a full set of statistics to help them monitor and track visitors/ customers to their website. A tracking system collects statistical data about easyJet visitor/customer traffic and aggregates the data into meaningful reports. The goal is to help make website management decisions on a daily basis, for example content updates.

	AO1 Knowledge and Understanding	**AO2 Application**	**AO3 Analysis**
Level 3	**5–8 marks** Candidate demonstrates a competent understanding of the pieces of Internet, Business and E-Commerce software that easyJet would require in order to create its own website.	**4 marks** Candidate applies a competent level of knowledge effectively in the context of easyJet.	**4 marks** Candidate shows a competent level of analysis of the pieces of Internet, Business and E-Commerce software that easyJet would require in order to create its own website.
Level 2	**3–4 marks** Candidate demonstrates a satisfactory understanding of the pieces of Internet, Business and E-Commerce software that easyJet would require in order to create its own website.	**2–3 marks** Candidate applies a satisfactory level of knowledge effectively in the context of easyJet.	**2–3 marks** Candidate shows a satisfactory attempt to analyse the pieces of Internet, Business and E-Commerce software that easyJet would require in order to create its own website.
Level 1	**1–2 marks** Candidate demonstrates a limited understanding of the pieces of Internet, Business and E-Commerce software that easyJet would require in order to create its own website.	**1 mark** Candidate applies limited knowledge in the context of easyJet.	**1 mark** Candidate shows a limited attempt to analyse the pieces of Internet, Business and E-Commerce software that easyJet would require in order to create its own website.
Level 0	**0 marks** Candidate demonstrates no understanding of the pieces of Internet, Business and E-Commerce software that easyJet would require in order to create its own website.	**0 marks** Candidate does not attempt to apply knowledge to easyJet.	**0 marks** Candidate does not attempt to analyse the pieces of Internet, Business and E-Commerce software that easyJet would require in order to create its own website.

[16]   16

5 E-Commerce has many benefits for easyJet. Evaluate **four** benefits with reference to the case study.
- Increased information about customers – build customer database;
  Examples: collect information on email address; customer preference/tastes; contact details; continues contact with current customers; assess demand via 'hits' on website.
- Lower transaction costs for easyJet.
- Increased profits for easyJet.
- Better and more customer interactions for easyJet.
  Examples: customers could book transport, accommodation and holidays.
- easyJet would have a worldwide market and 24/7 selling of flights to holiday destinations.
- easyJet can update its website regularly on special offers.
  Examples: for seats on flights.
- Increased revenue for easyJet.
- easyJet is trading in a global market.
- FJ: E-Commerce is beneficial to easyJet.

	AO1 Knowledge and Understanding	AO2 Application	AO3 Analysis	AO4 Evaluation
Level 3	**4 marks** Candidate demonstrates a competent understanding of how online trading has many benefits for easyJet. Candidate makes good use of specialist vocabulary when it is appropriate.	**4 marks** Candidate competently applies knowledge.	**4 marks** Candidate competently analyses how online trading has many benefits for easyJet.	**7–8 marks** Candidate gives a competent evaluation of how online trading has many benefits for easyJet, and comes to a final judgement. Candidate demonstrates good spelling, punctuation and grammar. The meaning of the text is clear. The candidate has consistently used a form and style of writing appropriate to the purpose of the question. Answer is organised in a clear and coherent manner.

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Level 2	2–3 marks	2–3 marks	2–3 marks	3–6 marks
	Candidate demonstrates a satisfactory understanding of how online trading has many benefits for easyJet. Candidate makes adequate use of specialist vocabulary when it is appropriate.	Candidate makes a satisfactory attempt to apply knowledge.	Candidate makes a satisfactory attempt to analyse how online trading has many benefits for easyJet.	Candidate gives a satisfactory evaluation of how online trading has many benefits for easyJet, and comes to a final judgement. Candidate demonstrates satisfactory spelling, punctuation and grammar. The meaning of the text is clear most of the time. The candidate demonstrates a satisfactory level of writing, form and style appropriate to the purpose of the question. Answer is organised in a satisfactory manner.

Level 1	**1 mark** Candidate demonstrates a limited understanding of how online trading has many benefits for easyJet. Candidate makes some use of specialist vocabulary when it is appropriate.	**1 mark** Candidate makes a limited attempt to apply knowledge.	**1 mark** Candidate makes a limited attempt to analyse how online trading has many benefits for easyJet.	**1–2 marks** Candidate attempts limited evaluation of how online trading has many benefits for easyJet. Candidate makes limited use of spelling, punctuation and grammar. The meaning of the text is not always clear. The candidate demonstrates a limited form and style appropriate to the purpose of the question. Organisation of the answer is limited.
Level 0	**0 marks** Candidate demonstrates no understanding of how online trading benefits easyJet. Candidate makes no use of specialist vocabulary when it is appropriate.	**0 marks** Candidate does not attempt to apply knowledge.	**0 marks** Candidate shows no attempt to analyse how online trading benefits easyJet.	**0 marks** Candidate makes no attempt to evaluate how online trading benefits easyJet.

[20]   20

6 Evaluate the extent to which each of the following could be used by the management team at easyJet in relation to its E-Commerce activities:

Product
- This encompasses the services provided by easyJet: flights, accommodation, transport and package holidays.
- This is an important issue which can be used to ensure success of E-Commerce activities undertaken by easyJet.

Place
- This encompasses the facility of a website to book flights, accommodation, transport and package holidays.
- You can book 24/7 from the comfort of your own home.
- This is an important issue which can be used to ensure success of E-Commerce activities undertaken by easyJet.

Price
- This refers to the prices charged at easyJet in relation to flights, accommodation, transport and package holidays.
- It could also refer to the taxes, etc from customers.
- This is an important issue which can be used to ensure success of E-Commerce activities undertaken by easyJet.

Promotion
- This refers to the activities undertaken by easyJet to promote the flights, accommodation, transport and package holidays in respect to special offers.
- Such activities include email, newsletter, contact us, etc.
- This is an important issue which can be used to ensure success of E-Commerce activities undertaken by easyJet.
- FJ: these issues are important to easyJet.

	AO1 **Knowledge and Understanding**	AO2 **Application**	AO3 **Analysis**	AO4 **Evaluation**
Level 3	**4 marks** Candidate demonstrates a competent understanding of the 4Ps. Candidate makes good use of specialist vocabulary when it is appropriate.	**4 marks** Candidate competently applies knowledge.	**4 marks** Candidate competently analyses the 4Ps.	**7–8 marks** Candidate gives a competent evaluation of the 4Ps and comes to a final judgement. Candidate demonstrates good spelling, punctuation and grammar. The meaning of the text is clear. The candidate has consistently used a form and style of writing appropriate to the purpose of the question. Answer is organised in a clear and coherent manner.

Level 2	**2–3 marks** Candidate demonstrates a satisfactory understanding of the 4Ps. Candidate makes adequate use of specialist vocabulary when it is appropriate.	**2–3 marks** Candidate makes a satisfactory attempt to apply knowledge.	**2–3 marks** Candidate makes a satisfactory attempt to analyse the 4Ps.	**3–6 marks** Candidate gives a satisfactory evaluation of the 4Ps and comes to a final judgement. Candidate demonstrates satisfactory spelling, punctuation and grammar. The meaning of the text is clear most of the time. The candidate demonstrates a satisfactory level of writing, form and style appropriate to the purpose of the question. Answer is organised in a satisfactory manner.

Level 1	**1 mark** Candidate demonstrates a limited understanding of the 4Ps. Candidate makes some use of specialist vocabulary when it is appropriate.	**1 mark** Candidate makes a limited attempt to apply knowledge.	**1 mark** Candidate makes a limited attempt to analyse the 4Ps.	**1–2 marks** Candidate attempts limited evaluation of the 4Ps. Candidate makes limited use of spelling, punctuation and grammar. The meaning of the text is not always clear. The candidate demonstrates a limited form and style appropriate to the purpose of the question. Organisation of the answer is limited.
Level 0	**0 marks** Candidate demonstrates no understanding of the 4Ps. Candidate makes no use of specialist vocabulary when it is appropriate.	**0 marks** Candidate does not attempt to apply knowledge.	**0 marks** Candidate shows no attempt to analyse the 4Ps.	**0 marks** Candidate makes no attempt to evaluate the 4Ps.

[20]   20

Total   **80**