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| **Subject Content** | **What students need to learn?** |
| 1.5.2  Technology and business | Different types of technology used by business:  ● e-commerce  ● social media  ● digital communication  ● payment systems.  How technology influences business activity in terms of:  ● sales  ● costs  ● marketing mix. |

**Online payment systems**

Methods of paying electronically such as PayPal.

Payment systems such as PayPal are at the heart of all e-commerce Before PayPal people were concerned about the online security of their money when using e-commerce.

* Electronic funds transfer – payments settled and bills paid online.

**Digital Communication**

Messages conducted via email, text or social media.

This may revolve around social media but it is important to remember **email**. This is a cheap method of communication and is effective with one to one communication.

**Social Media**

Interactive channels of communication via words, photos or videos such as blogs, Facebook and Instagram.

**E-commerce**

This means selling **online** rather than in a physical one to one transaction. This might be done through a PC/laptop via a website or more commonly through a smartphone via an app.

This mobile form of e-commerce is called **m-commerce.**

Technology affects every area of business management, but there are three areas of special focus: sales, costs and the marketing mix.

**Sales:**

Advances in technology allow a business to produce a more high tech product therefore demand is high and sales increase (e.g Games Consoles)

Ability for customers to order online e.g. Dominos therefore sales increase

**Costs:**

Impact on fixed costs such as advertising – able to be reduced as they can focus on target market more easily

Impact on variable costs – easier to research who is the cheapest supplier and thus get cheap raw materials

**Marketing Mix:**

* **Product** – improved technology can allow a product to gain high market share
* **Promotion** – improve effectiveness of marketing allowing costs to fall
* **Place** – Not only a physical shop but now online too
* **Price** – Now more competitive as customers more aware

