

Subject Content	What students need to learn?
1.5.2 Technology and business	Different types of technology used by business: <ul style="list-style-type: none"> ● e-commerce ● social media ● digital communication ● payment systems. How technology influences business activity in terms of: <ul style="list-style-type: none"> ● sales ● costs ● marketing mix.

Social Media

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

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.

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.

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



