

Stakeholders			Advantages of e-commerce	Disadvantages of e-commerce
1	Key Idea	A stakeholder is any person, group of people or other organisation that has an interest in the activities of a business. Businesses need to be aware of their stakeholders, as many of them will be affected by its activities. Stakeholders can also influence the decisions that a business makes.	Attract customers across the globe	More competitors from across the globe, making it harder for the business to get noticed
2	Key Idea	Internal stakeholders work within a business, either making decisions or carrying them out. External stakeholders do not work within a business but are affected by its activities.	Sell at any time of the day or night	Employees may need new skills, eg website maintenance
3	Key Idea	Businesses need to be aware of their stakeholders. The activities of a business will affect many of their stakeholders. The stakeholders can also influence the decisions that a business makes. All <b>stakeholder</b> groups have an impact on a business, but some will have more impact than others, giving them more power and influence on the activities of the business.	Receive payments immediately	Procedures required for how products and services will be delivered and processing returns
4	Key Idea	Stakeholder Conflict. Different <b>stakeholders</b> will expect different things from a business. Given their different interests in the business, sometimes their expectations can cause <b>conflict</b> . The business has to balance these various interests.	Reduced overhead costs compared to running a physical shop	A need to maintain and update technologies, including security software, which may be expensive

## Technology & Business

1	Key Idea	The speed at which technology advances is getting faster. Businesses need to be aware of the technology that is available to them, and how it might influence their sales, costs and marketing.
2	E-commerce	<b>E-commerce</b> , or electronic commerce, refers to the buying and selling of products and services using devices connected to an electronic <b>network</b> , such as the internet. Three things are required for e-commerce to take place: <ul style="list-style-type: none"> <li>a seller who has products and services that are displayed electronically</li> <li>a buyer who has the equipment required to view the seller's products and services, and a means of paying for them</li> <li>a network that enables information and payment to be exchanged by the buyer and seller</li> </ul>
3	Social Media	<b>Social media</b> has grown to become an important part of business, particularly in relation to marketing activities. Any form of electronic communication that enables users to share ideas, content, information and messages can be described as social media. <b>How businesses use social media</b> Most business activity on social media involves: <ul style="list-style-type: none"> <li>sales and <b>marketing</b></li> <li>interacting with customers</li> <li>communicating with <b>stakeholders</b></li> </ul>
4	Digital Communication Tools	There are a number of digital tools that are commonly used in business to communicate, both internally and externally, including: <b>Email</b> – Electronic mail enables written messages to be sent instantly to others, and files can be shared as attachments. <b>Mobile phones</b> – Mobile phones enable verbal conversations to be conducted anywhere. They also allow short written messages to be sent (see instant messaging). <b>Mobile applications</b> – Applications (apps) are designed to run on smart phones and tablets. They can be used to create documents, capture images and enable banking transactions. <b>Websites</b> – A page or group of pages containing written and visual information using various media. <b>Social media</b> – A variety of web platforms that enable users to share ideas, content, information and messages. <b>Web conferencing</b> – A meeting that uses communications software to stream images and/or voices over the internet between participants in different locations. <b>Cloud services</b> – Software, such as online document editing and data storage, that is run from a remote location but that can be accessed from anywhere as long as a connection to the internet is maintained. <b>Instant messaging</b> – Software that enables users to send instant messages, usually in the form of text, to each other.
	Payment Method	Advances in payment technology have led to the introduction of new payment methods that are designed to make it easier to complete secure payments without using cash. Examples include: Chip & Pin and Contactless Payments
	Sales	Technology provides businesses with opportunities to attract new customers and increase their sales. However, with those opportunities come threats. A business may find itself struggling to maintain sales when technology means that it is competing against more businesses. The easier it is to contact a business – whether by phone, by email, through a website or using a mobile app – the more likely a customer is to trust that business and make a purchase. Using digital communication effectively can therefore help a business to increase its sales.
	Costs	Investing in new technology costs money, but businesses often undertake such <b>investment</b> because of the reduced costs that implementing new technology can bring in the long term. Selling online is a lot cheaper than having to open many traditional branches, such as high-street shops.

### Legislation & Business

1	<b>Key Idea</b>	The government uses legislation to regulate businesses' behaviour and prevent them from exploiting people. There are laws to protect consumers who buy from businesses and worker employed by businesses
2	<b>Key Idea</b>	<b>Principles of consumer law – quality and consumer rights</b> The term 'consumer law' refers to any piece of <b>government legislation</b> designed to protect consumers from poor-quality products and poor business practices. In the UK there are two pieces of legislation that form the basis of consumer rights: the Consumer Rights Act (2015) and the Consumer Protection Act (1987).
3	<b>The Consumer Rights Act (2015)</b>	It deals with <b>transactions</b> between a seller and a buyer, and is designed to protect consumers from unfair and dishonest business practices.
4	<b>The Consumer Protection Act (1987)</b>	This Act is designed to ensure that products are safe. It makes businesses that produce, rather than just sell, liable for any damage caused by poor quality or defective products.
7	<b>Principles of employment law</b>	In the UK, there are four areas of employment legislation that form the basis of employee rights in the workplace: <b>Recruitment, pay, discrimination and health and safety</b>
8	<b>Costs</b>	Businesses must <b>comply</b> with <b>government legislation</b> , but this means that they incur a range of additional costs in terms of time and money. Some of these costs are incurred because of the time required to produce documents, follow procedures and make sure legal obligations are met.
9	<b>Consequences of not meeting legal obligations</b>	Businesses that choose not to comply with the law are likely to face a number of issues, such as employers could find themselves in court or an <b>employment tribunal</b> .

#### SPICED

Strong

Pound

Imports

Cheaper

Exports

Dearer

#### WPIDEC

Weak

Pound

Imports

Dearer

Exports

Cheaper

### Key Vocabulary

1	Contactless Payment	A secure way for customers to purchase products or services using a debit, credit or smart card.
2	Network	<b>A</b> group of interconnected computers/devices
3	Social Network Sites	Internet websites that allow people to communicate, eg Facebook.
4	Social Media	an interactive computer based technology that allows the user to create and to share information and ideas through virtual communities and networks.
5	Stakeholder	Anyone who has an interest in a business or is affected by business activity.
6	Shareholder	Anyone who buys shares in the business, then owns a part of the business
7	<b>economic climate</b>	The general level of wealth, consumption and activity within a particular area or region.
8	Video Conference	live video is streamed over the internet so that people can communicate face-to-face without being in the same room.
9	Target Market	A group of consumers at which a product or service is aimed.
10	Employment Law	The term 'employment law' refers to any piece of <b>government legislation</b> designed to protect employees from <b>exploitation</b> .
11	<b>government legislation</b>	Laws made by the government.
12	<b>interest rate</b>	The price at which you can borrow money, or the return on how much money you can save.
13	<b>exchange rate</b>	The value of one currency against another.
14	<b>export</b>	Transportation and sale of goods or services to other countries.
15	<b>globalisation</b>	The way in which the world has become more interconnected. It refers to how people communicate as well as world trade, international investment and the sharing of ideas.

### The Economy & Business

1	<b>Key Idea</b>	The <b>economy</b> includes all activities in a country concerned with the manufacturing, distribution, and use of goods and services. The <b>economic climate</b> has a big impact on businesses. The level of <b>consumer</b> spending affects prices, investment decisions and the number of workers that businesses employ.
2	<b>Key Idea</b>	The economic climate affects businesses in six main ways: <ul style="list-style-type: none"> <li>• unemployment</li> <li>• changing levels of consumer income</li> <li>• changes in <b>interest rates</b></li> <li>• <b>inflation</b></li> <li>• government taxation including national insurance contributions (NICs) and value added tax (VAT)</li> <li>• changes in <b>exchange rates</b></li> </ul>
3	<b>Interest Rates</b>	Interest rates are the % return on money borrowed or investments made. If interest rates are high, people save not borrow. If interest rates are low, people borrow not save
4	<b>External Environment</b>	The world is an ever-changing place. While businesses may not be able to control changes in technology, laws or the economic climate, they do need to be aware that any such changes will affect them.

### The Economic Cycle

