

Lesson 1: Technology: e-commerce and digital communication

3.2 journey

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Lesson 1 of 6

Learning goals

- ✓ Explain what e-commerce is and a benefit to business
- ✓ Explain what digital communication is and how it has changed business
- ✓ Give examples of digital communication and who it reaches
- ✓ Apply these ideas to a real retailer

Key words



E-commerce Selling goods and services online using the internet.



Digital communication Using digital technology — email, social media — to communicate.



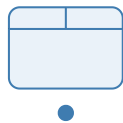
Market The customers a business can sell to.



Stakeholder Anyone affected by a business, such as customers, staff or suppliers.

What you need to know

High-street shop



local customers only

E-commerce



customers worldwide

A shop reaches local customers; e-commerce reaches the world.

1. E-commerce

E-commerce means selling goods and services online using the internet, rather than only from a shop. Its biggest benefit is **reach**: a business can sell to a **wider market** beyond its local area — across the country, or even worldwide — without paying for more shops. An online store is also open 24 hours a day, so customers can buy at any time.

“E-commerce lets a business sell to customers far beyond the local high street, day or night.”

E-commerce — benefits

- ✓ Access to a wider market, even worldwide.
- ✓ Open 24/7, with lower premises costs.
- ✓ Easy to show the full range of stock.

E-commerce — drawbacks

- ✗ Delivery and returns cost money.
- ✗ Much more online competition.
- ✗ Customers can't touch or try the product first.

Test yourself

Cover the answers below, answer Q1–Q6, then check.

Q1 What is e-commerce?

Q2 One benefit of e-commerce to businesses?

Q3 What is digital communication?

2. Digital communication

Digital communication is using digital technology to communicate — for example **email** and **social media**. Before the internet, businesses relied on letters, posters and phone calls, which were slower and dearer. Digital communication has made business communication **faster, cheaper and more direct**. Businesses use it to reach their main **stakeholders**:

- **customers** (advertises, offers and replies)
- **employees** (updates and rotas)
- **suppliers** (placing orders)

“Digital communication reaches customers, staff and suppliers faster and more cheaply than letters or phone calls.”

Q4 How has digital communication changed business communication?

Q5 Give two examples of digital communication.

Q6 Which stakeholders are commonly communicated with digitally?

ANSWERS

A1 Selling goods and services online using the internet.

A2 It allows access to wider markets beyond the local area.

A3 The use of digital technology to communicate, such as email or social media.

A4 It has made communication faster, cheaper and more direct.

A5 Email and social media.

A6 Customers, employees and suppliers.