Grade 13 A/L ICT

Lesson 12: ICT in Business

- 12.1 Digital Economy and ICT in Business
- 12.2 E-Commerce and E-Business
- 12.3 E-Marketing and Mobile Marketing

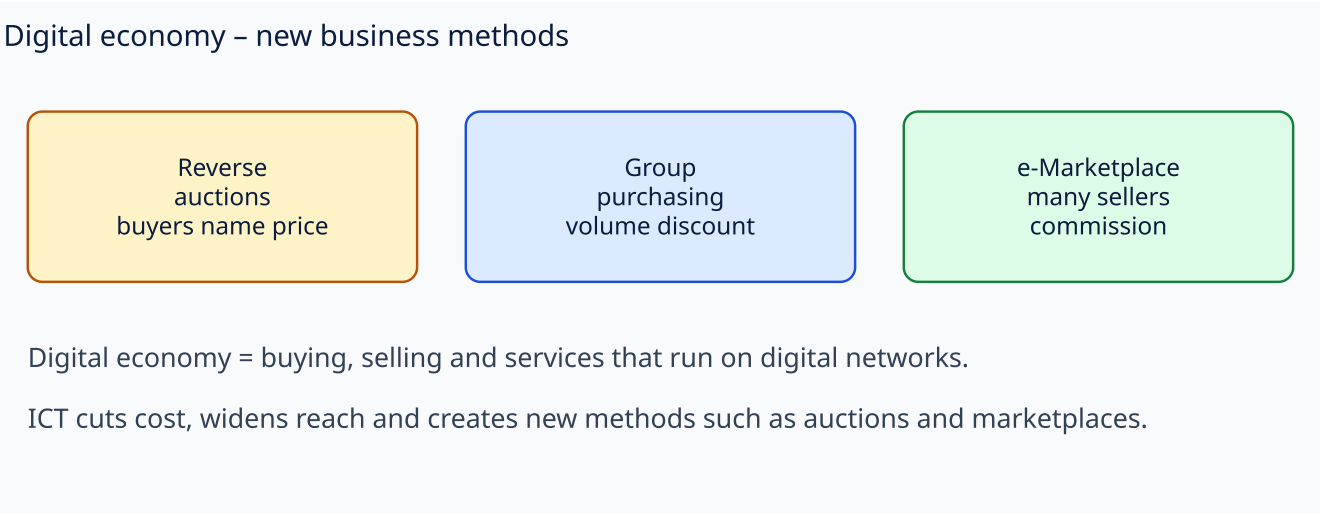
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Grade 13 A/L ICT · Lesson 12

12.1 Digital Economy and ICT in Business

Syllabus 12.1. The **digital economy** is the part of the economy that uses computers, the Internet and digital networks to create, buy and sell goods and services. New methods include **reverse auctions**, **group purchasing** and **e-marketplaces**. Organisations may be **pure brick**, **brick and click** or **pure click**. ICT supports **accounting**, **HR**, **production**, **marketing and sales**, **supply chain management (SCM)** and **business communication**. **Secure payment** uses gateways, encrypted card payments, third-party systems such as PayPal, and micro-payments. E-commerce also brings **threats** (privacy) and **opportunities** (product commercialisation).

1. Digital economy



Reverse auctions, group purchasing and e-marketplace

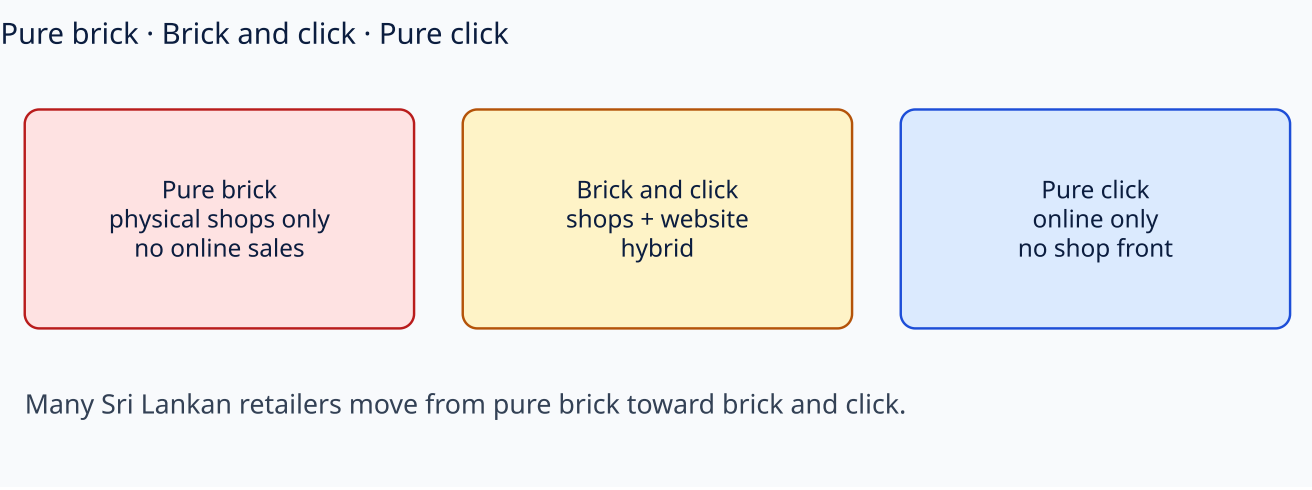
- **Digital economy** – economic activity that depends on digital networks and ICT.
- **Reverse auction** – buyers state what they want; sellers bid down the price.
- **Group purchasing** – many buyers join to get a volume discount.
- **e-Marketplace** – online place where many sellers and buyers meet; the platform often takes a **commission**.

🧱 **Worked example: A product lists at Rs. 12000. Group of 20 gets 15% off. What is the group price and saving?**
Group price = 12000 × (1 − 0.15) = **Rs. 10200**. Saving = **Rs. 1800**.

🧱 **Worked example: Reverse auction: starting bid Rs. 80000, winning bid Rs. 65500. Saving?**
Saving = 80000 − 65500 = **Rs. 14500**.

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2. Pure brick, brick and click, pure click



Three organisation types

- **Pure brick** – only physical shops; no online sales channel.
- **Brick and click** – physical shops plus a website or app (hybrid).
- **Pure click** – online only; no physical shop front.

> 🧱 **Worked example: Offline fulfilment costs Rs. 200 per unit; online Rs. 50. Margin Rs. 500, 100 units. Compare profits.**
> Offline profit = 100 × (500 − 200) = **Rs. 30000**. Online = 100 × (500 − 50) = **Rs. 45000**. Extra online = **Rs. 15000**.

🐍 Online vs offline profit

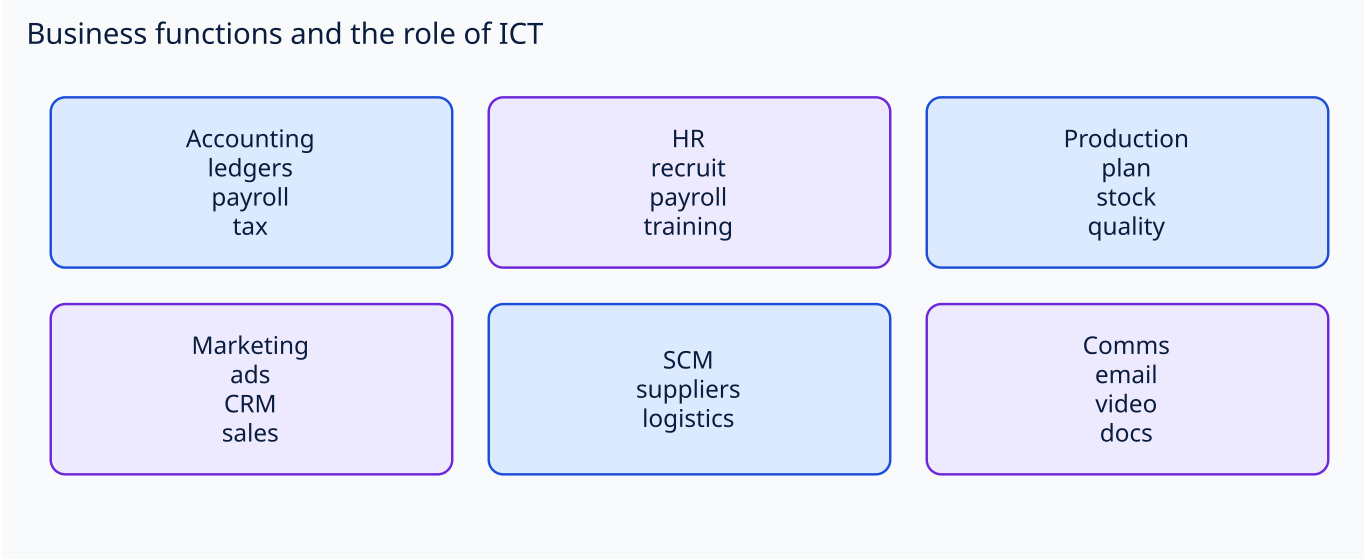
```
units, margin = 100, 500
off_cost, on_cost = 200, 50
off_profit = units * (margin - off_cost)
on_profit = units * (margin - on_cost)
print("Offline profit Rs.", off_profit)
print("Online profit Rs.", on_profit)
print("Extra online Rs.", on_profit - off_profit)
```

▶ Output

```
Offline profit Rs. 30000
Online profit Rs. 45000
Extra online Rs. 15000
```

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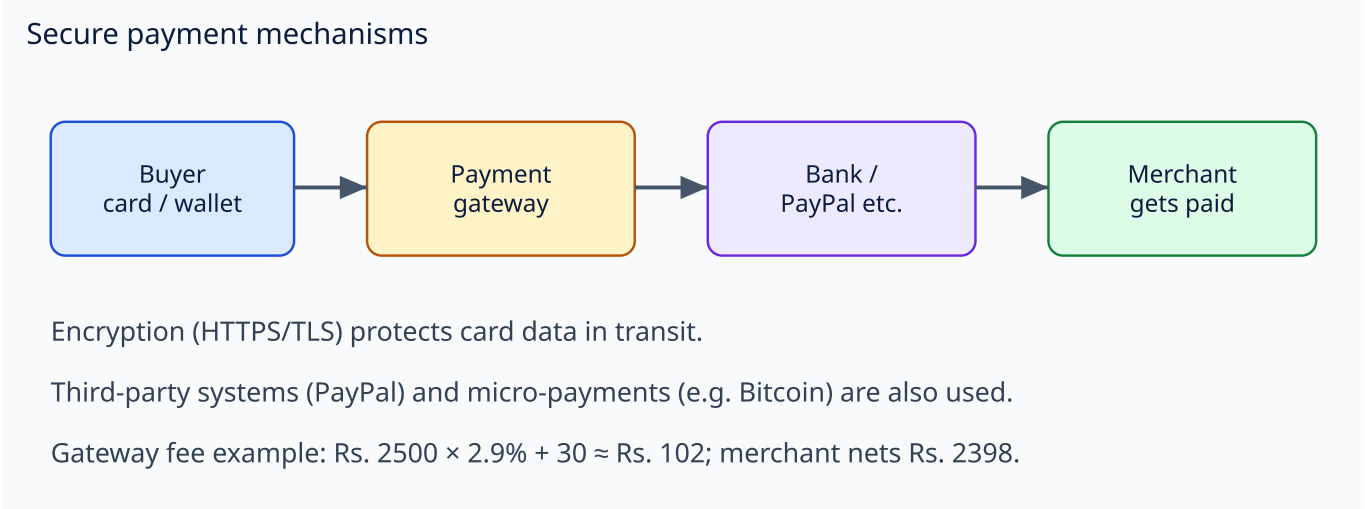
3. Business functions and ICT



ICT across accounting, HR, production, marketing, SCM and communication

- **Accounting and ICT** – ledgers, invoices, payroll and tax software.
- **Human resource and ICT** – recruitment portals, attendance, e-learning.
- **Production and ICT** – planning, stock control, quality monitoring.
- **Marketing & sales and ICT** – websites, CRM-style customer records, online ads.
- **Supply chain management (SCM) and ICT** – track suppliers, logistics and inventory.
- **Business communication and ICT** – email, video meetings, shared documents.

4. Secure payment mechanisms



From buyer through gateway to merchant

- **Payment gateway** – service that takes card/wallet data and talks to the bank.
- **Secure credit card payments** – card details travel over encrypted links (HTTPS/TLS).
- **Third-party systems** – e.g. **PayPal**; the buyer pays the third party, which pays the merchant.
- **Data encryption** – scrambles data so eavesdroppers cannot read it.

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- **Micro credit payments** – very small online payments; digital currencies such as **Bitcoin** are one example.

> 🧱 **Worked example: Sale Rs. 2500. Gateway charges 2.9% + Rs. 30. Fee and net amount?**
> Fee = round(2500 × 0.029 + 30) = **Rs. 102**. Merchant nets **Rs. 2398**.

🐍 Payment gateway fee

```
sale = 2500
fee = round(sale * 0.029 + 30)
print("Gateway fee Rs.", fee)
print("Merchant nets Rs.", sale - fee)
```

▶ Output

```
Gateway fee Rs. 102
Merchant nets Rs. 2398
```

> 🧱 **Worked example: Marketplace price Rs. 4500, commission 8%. Commission and seller amount?**
> Commission = 4500 × 0.08 = **Rs. 360**. Seller receives **Rs. 4140**.

🐍 Marketplace commission

```
price = 4500
rate = 0.08
commission = round(price * rate)
seller = price - commission
print("Commission Rs.", commission)
print("Seller receives Rs.", seller)
```

▶ Output

```
Commission Rs. 360
Seller receives Rs. 4140
```

5. Threats and opportunities

- **Privacy threat** – customer data can be stolen or misused if systems are weak.
- **Product commercialisation opportunity** – ICT lets firms reach new markets and sell digital products worldwide.

> 💡 Think of a payment gateway as the secure checkout clerk between your browser and the bank.

> 🚀 **Beyond the syllabus (2026 update)** *Not required for the exam – read for interest.* In 2026 many Sri Lankan shops take LankaQR and app wallets beside cards; open-banking APIs and tokenised cards further reduce the need to type a full card number. Interesting for news, not required for the exam.

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Key Words

Digital economy – Economy based on digital networks and ICT.

Reverse auction – Sellers compete by lowering the price for a buyer's request.

Group purchasing – Buyers join to get a volume discount.

e-Marketplace – Online place where many buyers and sellers meet.

Pure brick – Organisation with only physical shops.

Brick and click – Organisation with shops and an online channel.

Pure click – Organisation that sells only online.

SCM – Supply chain management – suppliers, logistics, inventory.

Payment gateway – Service that processes card or wallet payments securely.

Encryption – Scrambling data so only authorised parties can read it.

PayPal – Example of a third-party online payment system.

Privacy – Protecting personal data from misuse – a key e-commerce threat area.

Sample Q&A

1. Define digital economy.

> **Answer:** Economic activity that uses digital networks and ICT to create, buy and sell.

2. Name three new business methods in the digital economy.

> **Answer:** Reverse auctions; group purchasing; e-marketplace.

3. Difference between pure brick and pure click?

> **Answer:** Pure brick = shops only; pure click = online only.

4. List four business functions where ICT is used.

> **Answer:** Any four of: accounting, HR, production, marketing & sales, SCM, communication.

5. What does a payment gateway do?

> **Answer:** Securely takes payment data and connects buyer, merchant and bank.

6. One privacy threat and one commercialisation opportunity?

> **Answer:** Threat: stolen customer data. Opportunity: sell digital products to new markets.

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MCQ

1. The digital economy mainly depends on

A. steam engines
B. hand delivery only
C. digital networks and ICT
D. paper ledgers only
E. cash registers alone

2. In a reverse auction, sellers typically

A. close all shops
B. raise prices together
C. ban the Internet
D. ignore the buyer
E. bid the price down

3. Group purchasing of a Rs. 12000 item at 15% off costs

A. Rs. 10200
B. Rs. 12000
C. Rs. 15000
D. Rs. 6000
E. Rs. 9000

4. A firm with shops and a website is

A. offline only
B. pure click
C. cash-only
D. brick and click
E. pure brick

5. SCM with ICT mainly helps

A. write poems
B. paint walls
C. track suppliers, logistics and stock
D. ban email
E. ignore stock

6. A payment gateway sits between the buyer and the

A. CRT monitor
B. bank / card network
C. floppy disk
D. keyboard only
E. printer only

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7. Sale Rs. 2500 at 2.9% + Rs. 30 gateway fee is

A. Rs. 102
B. Rs. 500
C. Rs. 200
D. Rs. 50
E. Rs. 10

8. Marketplace commission on Rs. 4500 at 8% is

A. Rs. 450
B. Rs. 900
C. Rs. 360
D. Rs. 45
E. Rs. 100

9. Encrypting card data in transit mainly uses

A. CRT glow
B. loudspeakers
C. plain HTTP only
D. postcard mail
E. HTTPS / TLS

10. A privacy risk in e-commerce is

A. cheaper ads
B. misuse of customer personal data
C. faster delivery
D. more PDF manuals
E. wider stock

11. Which term means: “Economy based on digital networks and ICT”?

A. Group purchasing
B. Brick and click
C. SCM
D. PayPal
E. Digital economy

12. Which term means: “Sellers compete by lowering the price for a buyer’s request”?

A. Payment gateway
B. Pure click
C. Privacy
D. Reverse auction
E. e-Marketplace

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13. Which term means: “Buyers join to get a volume discount”?

A. Digital economy
B. Pure brick
C. Encryption
D. Group purchasing
E. SCM

14. Which term means: “Online place where many buyers and sellers meet”?

A. e-Marketplace
B. Payment gateway
C. Reverse auction
D. Brick and click
E. PayPal

15. Which term means: “Organisation with only physical shops”?

A. Pure brick
B. Privacy
C. Group purchasing
D. Encryption
E. Pure click

16. Which term means: “Organisation with shops and an online channel”?

A. e-Marketplace
B. PayPal
C. SCM
D. Digital economy
E. Brick and click

17. Which term means: “Organisation that sells only online”?

A. Privacy
B. Pure click
C. Pure brick
D. Payment gateway
E. Reverse auction

18. Which term means: “Supply chain management – suppliers, logistics, inventory”?

A. Group purchasing
B. Encryption
C. SCM
D. Digital economy
E. Brick and click

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19. Which term means: "Service that processes card or wallet payments securely"?

A. Reverse auction
B. Payment gateway
C. PayPal
D. Pure click
E. e-Marketplace

20. Which term means: "Scrambling data so only authorised parties can read it"?

A. Privacy
B. Pure brick
C. SCM
D. Encryption
E. Group purchasing

Structured Questions

1. Define the digital economy and describe reverse auctions, group purchasing and e-marketplaces. *(4 marks)*

> Definition; reverse auction; group purchasing; e-marketplace with commission.

2. Compare pure brick, brick and click and pure click organisations. *(3 marks)*

> Shops only; hybrid; online only – with one example each.

3. Explain the role of ICT in four business functions including SCM. *(2 marks)*

> Any four clear roles with SCM included.

4. Describe secure payment: gateway, encryption, third-party systems and micro-payments. *(4 marks)*

> Gateway; HTTPS/TLS; PayPal-style; Bitcoin/micro-payments.

5. Work out group price for Rs. 12000 at 15% off, marketplace commission on Rs. 4500 at 8%, and gateway fee on Rs. 2500. *(3 marks)*

> Group Rs. 10200; commission Rs. 360; fee Rs. 102.

Summary

- Digital economy uses ICT networks for trade.
- New methods: reverse auctions, group purchasing, e-marketplace.
- Orgs: pure brick, brick and click, pure click.
- ICT supports accounting, HR, production, marketing, SCM, communication.

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- Secure pay: gateway, encryption, PayPal, micro-payments.
- Threats: privacy. Opportunities: product commercialisation.

MCQ answer key – 12.1

1. **C** – Networks + ICT.
2. **E** – Price falls.
3. **A** – 12000×0.85.
4. **D** – Hybrid.
5. **C** – Supply chain.
6. **B** – Banks.
7. **A** – round(2500×0.029+30).
8. **C** – 4500×0.08.
9. **E** – TLS.
10. **B** – Data misuse.
11. **E** – Digital economy – Economy based on digital networks and ICT.
12. **D** – Reverse auction – Sellers compete by lowering the price for a buyer’s request.
13. **D** – Group purchasing – Buyers join to get a volume discount.
14. **A** – e-Marketplace – Online place where many buyers and sellers meet.
15. **A** – Pure brick – Organisation with only physical shops.
16. **E** – Brick and click – Organisation with shops and an online channel.
17. **B** – Pure click – Organisation that sells only online.
18. **C** – SCM – Supply chain management – suppliers, logistics, inventory.
19. **B** – Payment gateway – Service that processes card or wallet payments securely.
20. **D** – Encryption – Scrambling data so only authorised parties can read it.

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12.2 E-Commerce and E-Business

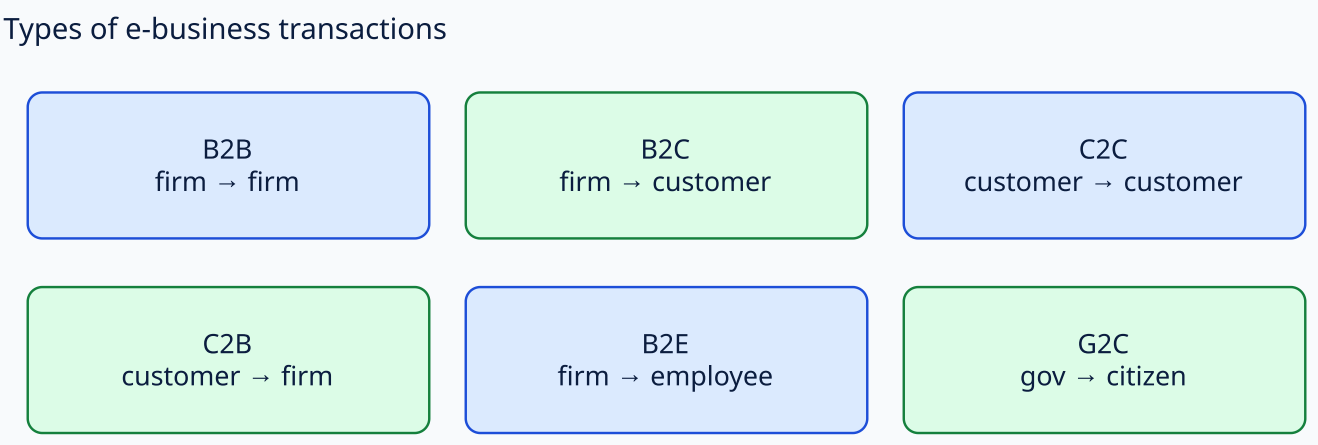
Syllabus 12.2. E-commerce focuses on buying and selling online; **e-business** is wider – it covers all electronic processes that support a firm (marketing, SCM, customer service, internal systems). Transaction types include **B2B, B2C, C2C, C2B, B2E and G2C**. E-business models include **virtual storefronts**, **information brokers**, **online marketplaces**, **content providers**, **online service providers**, **portals** and **virtual communities**. Each model has clear **advantages** and **disadvantages**.

1. E-commerce versus e-business

- **E-commerce** – electronic buying and selling of goods and services (orders, payments, delivery tracking).
- **E-business** – broader use of ICT across the firm: commerce plus marketing, SCM, HR, finance and collaboration.
- Scope: every e-commerce site is part of e-business, but e-business can exist even when the firm does not sell online (e.g. internal portals).

💡 E-commerce is the shop window; e-business is the whole electronic factory behind it.

2. Types of e-business transactions



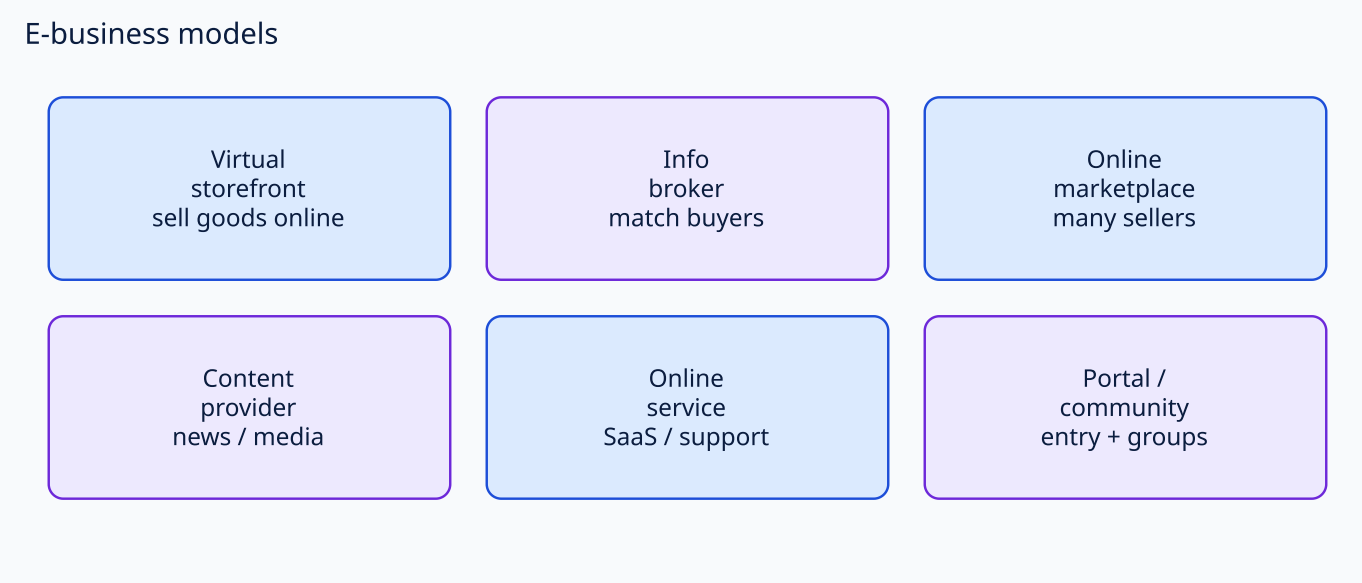
B2B, B2C, C2C, C2B, B2E, G2C

- **B2B** – business to business (supplier portals, wholesale).
- **B2C** – business to consumer (online retail shops).
- **C2C** – consumer to consumer (auction or classified sites).
- **C2B** – consumer to business (freelancer platforms; customers name a price).
- **B2E** – business to employee (intranet, self-service HR).

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- **G2C** – government to citizen (tax filing, e-services).

3. E-business models



Seven common e-business models

- **Virtual storefront** – online shop that displays and sells a firm's products.
- **Information broker** – gathers and sells or matches information (price comparison, directories).
- **Online marketplace** – platform hosting many independent sellers (commission model).
- **Content provider** – sells or funds news, music, video or learning content.
- **Online service provider** – delivers a service over the network (support, SaaS tools).
- **Portal** – entry site that organises links, search and news for many users.
- **Virtual community** – members share interests, posts and sometimes buy/sell among themselves.

> 🧱 **Worked example: An online marketplace lists an item at Rs. 4500 and takes 8% commission. What does the seller receive?**
> Commission = **Rs. 360**. Seller = 4500 − 360 = **Rs. 4140**.

🐍 Marketplace commission

```
price = 4500
rate = 0.08
commission = round(price * rate)
seller = price - commission
print("Commission Rs.", commission)
print("Seller receives Rs.", seller)
```

▶ Output

```
Commission Rs. 360
Seller receives Rs. 4140
```

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4. Advantages and disadvantages of e-business

- **Advantages** – 24/7 reach; lower shop rent; global customers; rich product info; easier price comparison; data for decisions.
- **Disadvantages** – delivery delays; need for trust and secure pay; competition is one click away; some customers prefer to touch goods; ICT and cyber risks.

Model	Main idea
Virtual storefront	Own online shop
Online marketplace	Many sellers + commission
Portal	Entry and organisation of links
Content provider	News / media / learning

🚀 **Beyond the syllabus (2026 update)** *Not required for the exam – read for interest.* In 2026 marketplace AI ranks products by delivery speed and return risk, and many B2B portals add live inventory APIs. Useful background; the exam asks only for the syllabus models and transaction types.

Key Words

E-commerce – Buying and selling online.

E-business – Wider electronic processes across the organisation.

B2B – Business-to-business transactions.

B2C – Business-to-consumer online retail.

C2C – Consumer-to-consumer trading.

C2B – Consumer offers services or prices to businesses.

B2E – Business-to-employee electronic services.

G2C – Government-to-citizen electronic services.

Virtual storefront – A firm's own online shop.

Online marketplace – Platform for many sellers, often with commission.

Portal – Entry site organising search, news and links.

Content provider – Business that supplies digital content.

Information broker – Matches or sells information between parties.

Virtual community – Online group sharing interests and interaction.

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Sample Q&A

1. Distinguish e-commerce and e-business.

> **Answer:** E-commerce = online buying/selling; e-business = wider ICT processes.

2. Give one example each of B2C and G2C.

> **Answer:** B2C: online fashion shop. G2C: online tax filing.

3. What is C2C?

> **Answer:** Consumers trade with each other on a platform.

4. Name four e-business models.

> **Answer:** Any four of: storefront, broker, marketplace, content, service, portal, community.

5. One advantage and one disadvantage of e-business?

> **Answer:** Advantage: 24/7 global reach. Disadvantage: trust/security or delivery issues.

6. How does an online marketplace usually earn money?

> **Answer:** Often by taking a commission or listing fee on each sale.

MCQ

1. E-commerce mainly means

A. buying and selling online
B. only offline shops
C. only radio ads
D. only writing letters
E. only printing invoices

2. E-business is best described as

A. one fax machine
B. wider electronic processes across the firm
C. paper files only
D. blackboard notices
E. cash only

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3. An online clothing shop selling to shoppers is

A. B2C
B. B2B only
C. G2C only
D. B2E only
E. C2B only

4. Citizens filing tax online is mainly

A. B2E
B. B2B
C. G2C
D. C2B
E. C2C

5. Consumers selling to each other on a classified site is

A. pure brick
B. C2C
C. B2B
D. B2E
E. G2C

6. A firm’s intranet leave system for staff is

A. C2C
B. B2C retail
C. G2C
D. B2E
E. pure click only

7. A virtual storefront is

A. a firm’s own online shop
B. a government tax form
C. a paper catalogue only
D. a CRT monitor
E. a floppy disk

8. An online marketplace with many sellers often uses

A. steam power
B. vinyl ads
C. punched cards
D. CRT printing
E. a commission model

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9. Seller receives Rs. 4140 when price is Rs. 4500 at 8% commission

A. Rs. 4140
B. Rs. 1000
C. Rs. 5000
D. Rs. 360
E. Rs. 4500

10. A portal mainly

A. prints newspapers only
B. organises search, news and links as an entry point
C. mines coal
D. builds cars
E. sells only one SKU forever

11. Which term means: “Buying and selling online”?

A. B2B
B. C2B
C. G2C
D. E-commerce
E. Portal

12. Which term means: “Wider electronic processes across the organisation”?

A. B2C
B. Content provider
C. Virtual storefront
D. B2E
E. E-business

13. Which term means: “Business-to-business transactions”?

A. G2C
B. C2C
C. Information broker
D. Online marketplace
E. B2B

14. Which term means: “Business-to-consumer online retail”?

A. Virtual storefront
B. B2C
C. C2B
D. Virtual community
E. Portal

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15. Which term means: “Consumer-to-consumer trading”?

A. E-commerce
B. Content provider
C. Online marketplace
D. C2C
E. B2E

16. Which term means: “Consumer offers services or prices to businesses”?

A. Portal
B. E-business
C. C2B
D. Information broker
E. G2C

17. Which term means: “Business-to-employee electronic services”?

A. Virtual community
B. Content provider
C. B2B
D. B2E
E. Virtual storefront

18. Which term means: “Government-to-citizen electronic services”?

A. E-commerce
B. Information broker
C. G2C
D. Online marketplace
E. B2C

19. Which term means: “A firm’s own online shop”?

A. E-business
B. C2C
C. Virtual storefront
D. Virtual community
E. Portal

20. Which term means: “Platform for many sellers, often with commission”?

A. B2B
B. E-commerce
C. C2B
D. Content provider
E. Online marketplace

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Structured Questions

1. Distinguish the scope of e-commerce and e-business with examples. *(3 marks)*

> Definitions; e-commerce subset; e-business without online sales possible.

2. List and briefly describe B2B, B2C, C2C, C2B, B2E and G2C. *(2 marks)*

> One clear sentence each.

3. Identify four e-business models and state what each does. *(2 marks)*

> Four models with roles.

4. Discuss advantages and disadvantages of e-business. *(2 marks)*

> At least three advantages and three disadvantages.

5. Calculate marketplace commission and seller amount for Rs. 4500 at 8%. *(2 marks)*

> Commission Rs. 360; seller Rs. 4140.

Summary

- E-commerce = online trade; e-business = wider ICT use.
- Transaction types: B2B, B2C, C2C, C2B, B2E, G2C.
- Models: storefront, broker, marketplace, content, service, portal, community.
- Advantages include reach and cost; disadvantages include trust and delivery.
- Marketplaces often earn a commission on each sale.

MCQ answer key – 12.2

1. **A** – Online trade.
2. **B** – Broader than commerce.
3. **A** – Business → consumer.
4. **C** – Government → citizen.
5. **B** – C2C.
6. **D** – Business → employee.
7. **A** – Own shop.
8. **E** – Commission.
9. **A** – 4500−360.
10. **B** – Entry site.
11. **D** – E-commerce – Buying and selling online.
12. **E** – E-business – Wider electronic processes across the organisation.
13. **E** – B2B – Business-to-business transactions.
14. **B** – B2C – Business-to-consumer online retail.
15. **D** – C2C – Consumer-to-consumer trading.

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16. **C** – C2B – Consumer offers services or prices to businesses.
17. **D** – B2E – Business-to-employee electronic services.
18. **C** – G2C – Government-to-citizen electronic services.
19. **C** – Virtual storefront – A firm’s own online shop.
20. **E** – Online marketplace – Platform for many sellers, often with commission.

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12.3 E-Marketing and Mobile Marketing

Syllabus 12.3. E-marketing applies marketing ideas with ICT: websites, **web advertising**, email, search and social channels. **Databases in marketing** store customer records so firms can study behaviour; **AI tools and techniques** help predict what customers may want next and personalise offers. ICT also helps firms gain **competitive advantage**. **Mobile marketing** reaches people on phones through SMS, apps, QR codes, social video and location offers – always with privacy in mind.

1. Concepts of marketing and ICT

- **Marketing** – understanding customer needs and delivering value through product, price, place and promotion.
- **E-marketing** – using digital channels (web, email, search, social, apps) to do that work.
- **Web advertising** – banners, search ads, video ads and sponsored posts that drive traffic to a site or offer.

E-marketing and databases



Conversion rate = orders ÷ visits × 100. Example: 175 / 5000 = 3.5%.

Mobile marketing reaches customers on phones with SMS, apps and location offers.

From ads through databases and AI to personalised offers

🧱 **Worked example: A site has 5000 visits and 175 orders. Conversion rate?**
Conversion = orders ÷ visits × 100 = 175 / 5000 × 100 = **3.50%**.

🧱 **Worked example: After a campaign: 8000 visits, 360 orders. New rate and improvement?**
New rate = **4.50%**. Improvement = 4.50 − 3.50 = **1.00 percentage points**.

🐍 Website conversion rate

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```
visits = 5000
orders = 175
rate = round(orders / visits * 100, 2)
print("Conversion rate:", rate, "%")

visits2, orders2 = 8000, 360
rate2 = round(orders2 / visits2 * 100, 2)
print("After campaign:", rate2, "%")
```

▶ Output

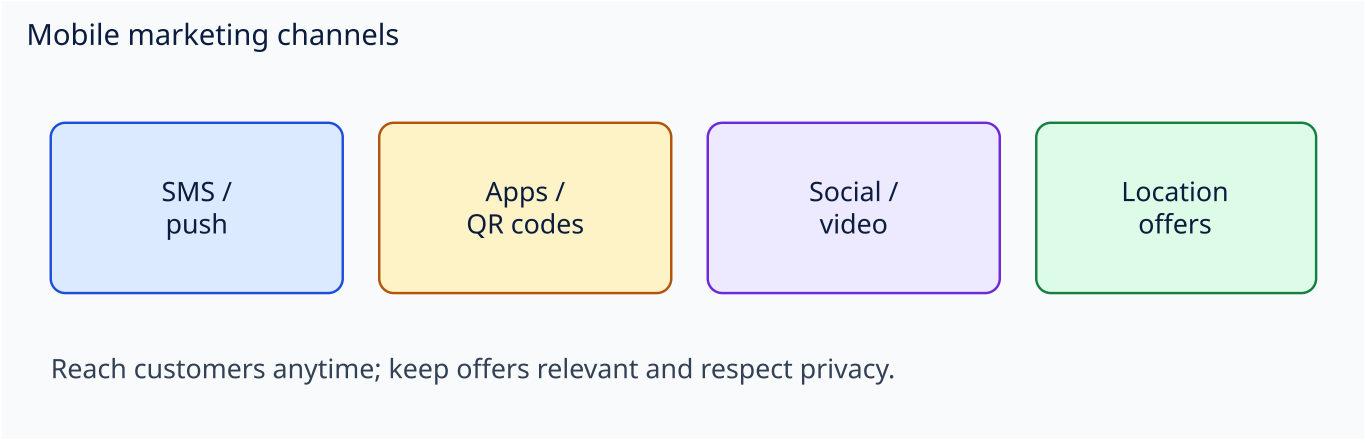
```
Conversion rate: 3.5 %
After campaign: 4.5 %
```

2. Databases in marketing

- Customer databases hold contacts, purchases, preferences and campaign responses.
- **Predicting customer behaviour with AI tools** – recommend products, score churn risk, choose next-best offer.
- **Competitive advantage through ICT** – faster insight, personalised service, lower cost to reach the right customer (CRM-style records help sales teams).

🧱 **Worked example: Repeat-purchase rate rises from 20% to 35% after better CRM-style follow-up. Lift?**
Lift = (0.35 − 0.20) × 100 = **15 percentage points**.

3. Mobile marketing



SMS, apps, social and location offers

- **SMS / push** – short timely messages (order updates, flash sales).
- **Apps and QR codes** – branded apps; QR links a poster to a mobile offer.
- **Social and video on mobile** – short clips and stories aimed at phone screens.
- **Location offers** – nearby discounts when the customer opts in.
- Respect **privacy** – consent, clear opt-out, no spam.

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💡 Conversion rate tells you how many visitors become buyers – improve the offer and the page, not only the ad spend.

🚀 **Beyond the syllabus (2026 update)** *Not required for the exam – read for interest.* In 2026 many campaigns use on-device AI to personalise creatives without sending raw profiles to every ad network, and interactive shoppable video is common on phones. Background only – exam needs e-marketing concepts, databases/AI for behaviour, competitive advantage and mobile marketing ideas from the syllabus.

Key Words

E-marketing – Marketing that uses digital / Internet channels.

Web advertising – Ads shown on websites, search or social platforms.

Conversion rate – Orders (or goals) divided by visits, as a percentage.

Customer database – Stored records of customers and their behaviour.

AI in marketing – Tools that predict behaviour and personalise offers.

Competitive advantage – Edge over rivals gained through better ICT use.

CRM – Customer relationship management – organised customer records and follow-up.

Mobile marketing – Marketing aimed at customers on mobile devices.

SMS marketing – Short text messages used for offers or updates.

QR code – Scannable code that opens a mobile link or offer.

Location offer – Discount or message based on the user's place (with consent).

Personalisation – Tailoring content or offers to an individual customer.

Sample Q&A

1. Define e-marketing.

> **Answer:** Using digital channels to understand needs and promote / sell value.

2. Give two examples of web advertising.

> **Answer:** Search ads; banner or social/video ads.

3. What is conversion rate?

> **Answer:** Orders ÷ visits × 100.

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4. How do databases help marketing?

> **Answer:** Store behaviour so firms can target, predict and personalise.

5. One way ICT gives competitive advantage?

> **Answer:** Faster insight or personalised service at lower cost.

6. Name three mobile marketing methods.

> **Answer:** Any three of: SMS/push, apps/QR, social video, location offers.

MCQ

1. E-marketing mainly uses

A. only fax blasts
B. digital / Internet channels
C. only printed posters
D. only radio jingles
E. only door-to-door visits

2. Web advertising includes

A. only CRT repair
B. only chalkboards
C. banners, search ads and social/video ads
D. only handwritten letters
E. only steam whistles

3. Conversion rate for 175 orders from 5000 visits is

A. 0.35%
B. 35%
C. 50%
D. 3.50%
E. 10%

4. After the campaign, 360 / 8000 equals

A. 45%
B. 4.50%
C. 3.5%
D. 1%
E. 8%

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5. AI tools in marketing are mainly used to

A. replace all shops overnight
B. ban databases
C. print punch cards
D. power steam engines
E. predict behaviour and personalise offers

6. A customer database typically stores

A. only OS kernels
B. only CPU temperatures
C. only printer ink levels
D. only cable TV guides
E. contacts, purchases and preferences

7. Competitive advantage through ICT means

A. an edge over rivals from better digital use
B. higher postage always
C. slower service on purpose
D. ignoring customers
E. banning websites

8. CRM-style records mainly help

A. mine coal
B. tune pianos
C. organise customer follow-up and sales history
D. bake bread
E. format floppies

9. Mobile marketing reaches customers on

A. phones and other mobile devices
B. only fax machines
C. only mainframes
D. only desktop CRTs
E. only typewriters

10. A QR code on a poster usually

A. boots Linux
B. opens a mobile link or offer when scanned
C. prints a newspaper
D. erases RAM
E. powers a router

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11. Which term means: “Marketing that uses digital / Internet channels”?

A. E-marketing
B. Mobile marketing
C. Conversion rate
D. Competitive advantage
E. Location offer

12. Which term means: “Ads shown on websites, search or social platforms”?

A. SMS marketing
B. Personalisation
C. CRM
D. Customer database
E. Web advertising

13. Which term means: “Orders (or goals) divided by visits, as a percentage”?

A. E-marketing
B. AI in marketing
C. QR code
D. Conversion rate
E. Mobile marketing

14. Which term means: “Stored records of customers and their behaviour”?

A. Web advertising
B. Location offer
C. Competitive advantage
D. Customer database
E. SMS marketing

15. Which term means: “Tools that predict behaviour and personalise offers”?

A. CRM
B. QR code
C. AI in marketing
D. Conversion rate
E. Personalisation

16. Which term means: “Edge over rivals gained through better ICT use”?

A. Competitive advantage
B. E-marketing
C. Customer database
D. Location offer
E. Mobile marketing

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17. Which term means: “Customer relationship management – organised customer records and follow-up”?

A. AI in marketing
B. SMS marketing
C. CRM
D. Personalisation
E. Web advertising

18. Which term means: “Marketing aimed at customers on mobile devices”?

A. Competitive advantage
B. QR code
C. Conversion rate
D. Mobile marketing
E. E-marketing

19. Which term means: “Short text messages used for offers or updates”?

A. CRM
B. SMS marketing
C. Web advertising
D. Location offer
E. Customer database

20. Which term means: “Scannable code that opens a mobile link or offer”?

A. Personalisation
B. AI in marketing
C. Mobile marketing
D. Conversion rate
E. QR code

Structured Questions

1. Define e-marketing and describe the role of ICT including web advertising. *(3 marks)*

> Definition; digital channels; web ads examples.

2. Explain how databases and AI tools support marketing decisions. *(4 marks)*

> Records; predict behaviour; personalise; example.

3. Describe ways of gaining competitive advantage using ICT. *(2 marks)*

> Speed, cost, personalisation, CRM-style follow-up.

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4. Outline mobile marketing methods and a privacy caution. *(2 marks)*

> SMS/apps/QR/social/location; consent and opt-out.

5. Calculate conversion for 175/5000 and for 360/8000; state the lift in repeat rate from 20% to 35%. *(3 marks)*

> 3.50%; 4.50%; lift 15 points.

Summary

- E-marketing uses digital channels and web ads.
- Conversion rate = orders ÷ visits × 100.
- Databases + AI predict behaviour and personalise.
- ICT can create competitive advantage (including CRM-style follow-up).
- Mobile marketing: SMS, apps, QR, social, location – with privacy.

MCQ answer key – 12.3

1. **B** – Digital channels.
2. **C** – Online ads.
3. **D** – 175/5000×100.
4. **B** – 360/8000.
5. **E** – Predict + personalise.
6. **E** – Customer records.
7. **A** – Edge via ICT.
8. **C** – Customer relationships.
9. **A** – Mobile devices.
10. **B** – Scan → link.
11. **A** – E-marketing – Marketing that uses digital / Internet channels.
12. **E** – Web advertising – Ads shown on websites, search or social platforms.
13. **D** – Conversion rate – Orders (or goals) divided by visits, as a percentage.
14. **D** – Customer database – Stored records of customers and their behaviour.
15. **C** – AI in marketing – Tools that predict behaviour and personalise offers.
16. **A** – Competitive advantage – Edge over rivals gained through better ICT use.
17. **C** – CRM – Customer relationship management – organised customer records and follow-up.
18. **D** – Mobile marketing – Marketing aimed at customers on mobile devices.
19. **B** – SMS marketing – Short text messages used for offers or updates.
20. **E** – QR code – Scannable code that opens a mobile link or offer.

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