**Topic 16: Building an Online Business**

**Formative Assessment 16**

**Building an Online Business (115385)**

*Hello and welcome to the assessment. Here you’ll prove to the world just how much you know and understand about what you’ve just learnt in the learner guides. This is an important part of your time at Umuzi because once this is done, you’ll be certified! So please, take this time to learn everything you can! Take a look at some pointers below with regard to answering the questions…*

* *Be specific*
* *Write professionally - no shorthand!*
* *Your answers must be original and come from your brain and your brain only.*
* *No copy/paste tricks! Our markers have seen it all and will know if you’re taking shortcuts.*
* *Remember, sloppy or poor work will be sent back to you to do again, so do it properly the first time and you’ll be done in no time.*
* *Ask for help at any time. Ask your friends, a manager, anybody!!*
* *Don’t skip any questions! You must do them all!*
* *You’ll see two boxes after each question - one for your answer and one for the marker’s comments. DO NOT delete the marker’s comments if you are required to resubmit your work after the first attempt. Should you have to do it again you will see a new box* ***under*** *the marker’s comments, so fill that one out in* ***BLUE****. Remember!! It’s not the end of the world if you have to resubmit. You’re here to learn, so don’t beat yourself up if you don’t get it right on the first go. Obviously, try your best to get it right on the first attempt, but if not, you have another chance to do it properly!*

*Ok, and that’s that! Time to get to it! Good luck, have fun and enjoy! :)*

**Enter your name and surname below**

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| Luvo Spofana |

**1.** **Describe three methods to successfully market your online business [9 Marks](9 SO:1 AC:1-2)**

**Your answer below**

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| Search engine optimization – SEO is an important part of e-commerce marketing, it operates by using specialized algorithms that analyze the instances of specific keywords on the website, which help a website in organic search engine listings by making it rank higher on browser rankings, which results in customers easily finding your website when they search for keywords related to the purpose of or the content on your website. Its popularity is continuing to grow, and paid services are now being offered to help boost the website’s search rankings.  Pay-per-click advertising – Pay per click adverts are also based on keywords, they show up as ‘Ads’ on various search engines and marketing campaigns pay to have their adverts sponsored and for specific keywords to represent their adverts. So, every time a user clicks on one of the sponsored links, the marketing campaign owe money to a certain amount of money to the sponsoring search engine.  Social media marketing – The use of social media being so popular has made it crucial for businesses to occupy that space to reach more of their potential clients. Businesses having social media accounts, for instance, an Instagram or Twitter account, can help its clients to follow the business’s page to keep up with the business’ updates and special offers, and will also help the business build credibility, a good reputation, and will help the business further spread word about their goods and services that they offer. |

**Marker’s Comments**

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**2. Describe four legal issues you must consider when developing an online business [8 Marks](8 SO:2 AC:1-3)**

**Your answer below**

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| Data protection – This legal issue requires that the Information Commissioner be notified of what your business intends to do with the personal user data it collects. This requires the business to constantly reassure the visitors that their personal information they are going to provide will be used appropriately and kept confidential.  User agreements – Your website needs to prompt users to consent to understanding and agreeing to the business’ Privacy policy and user agreements before they proceed to do business with your store.  Disability access – It is illegal for a commercial website to discriminate against and be inaccessible to the disabled. The owner of the website, which is the business, could be sued if they don’t adjust the website so that it will accommodate and enable the disabled to use it.  Returned goods – The international regulations require buyers to be able to return goods they have bought from an online store and get a full refund within the first 2 weeks of them having purchased the product without any charges and penalties being imposed on the buyer. |

**Marker’s Comments**

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**3. What four factors will affect the hosting costs for a business website? [4 Marks](4 SO:3 AC:1-3)**

**Your answer below**

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| Security – Customers will be giving out their personal and confidential information that needs to be always protected. The cost will then be determined by the kind and quantity of the information that needs to be secured.  Uptime – The website needs to be always up and available for users, especially if the business depends on the website’s clients to generate income. If the website is at any point unavailable to clients, the clients who are unable to access it will go to other websites and purchase from other businesses.  Dedicated, Cloud and VPS – For e-commerce web hosting, shared hosting can work out perfectly and be sufficient for a small business, but as the business grows and the site attracts a lot more users, then another web hosting option might be preferable over shared hosting because a huge business in a shared server space is very likely to experience a degradation of services.  Payment systems – It is important to verify that the payment gateway the business is looking to make use of is compatible with the payment means the business is looking to work with and accept. |

**Marker’s Comments**

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**4. What are two things you should include on your business site to provide good customer support? [4 Marks](4 SO:4 AC:1-3)**

**Your answer below**

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| Provide a customer service phone number – A phone call is a one of the best ways for customers to contact your business and make enquiries. It is important that the business’ phone number is included on the website and is easy for customers to find to call and enquire. It is also important to have enough staff members assigned to answering phone calls and providing customer support services to your customers.  Provide a customer service email – Some customers just personally prefer sending emails for communicating with the business and making enquiries, so it is just as important to also have your business email address for customer support services visible and easy to find on your website, along with a separate department of staff that is assigned to respond to customers’ emails whether it’s general enquiries or issues faced with the site/product. |

**Marker’s Comments**

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