



Online Shopping

ONLINE SHOPPING

PRE-READING QUESTIONS

1. Do you shop online? Why or why not?
2. What are your favorite online shopping websites?
3. What items or services do you purchase online?
4. How do you pay for the things you buy online?
5. Discuss pros and cons for the following:
 - a. shopping online
 - b. shopping at a store or mall





Online Shopping

Everyone has noticed the mammoth impact technology has had on business. Although all facets of the business world have been affected in some way, one seems especially supportive by the public—the shopping industry. Consumers are spending more of their time...and money...without ever leaving the comfort of their own homes. Although many people still like to spend a day at the mall and prefer to see items before they buy them, online shopping has become a major player in the retail world with more and more people joining the ranks as Internet shoppers.

Consumers can buy almost anything via the Internet and electronic sales appear unstoppable. According to the U.S. Census Bureau, American consumers spent 32.2 billion at online retailers in the third quarter of 2007. Amazingly, that jumped just over one percent from the second quarter of 2007 and increased a whopping 18.9 percent from the same time period in 2006. What a difference a year makes!

Clearly, electronic shopping is becoming more and more popular. However, it isn't just about buying from a retailer. Consumers can play the role of the seller as well. One of the more popular sites that allows the consumer to be the retailer is eBay.com. The online shopping website enables people to participate in auctions to sell items. The site was originally founded in 1995 and has become a major player in the world of online business. Although it started in San Jose, California, eBay now has localized websites around the world. Some countries with their own eBay sites are Canada, Malaysia, and Turkey. Consumers can buy and sell hundreds of different items like appliances, books, computers, clothing, cosmetics, and even cars.

The online auction business model is successful. Other sites that have adopted this business model include Amazon.com, Overstock.com, and uBid.com. Success could be attributed to a variety of factors. Consumers are not constrained by time or geography. The auction lasts for days and bidders can shop any time, day or night and they can shop from anywhere in the world as long as they have access to the web and a computer.

Online shopping in general has its advantages and disadvantages. Online stores, like the auctions, are available around the clock. People can shop from home or work whereas a visit to the mall requires consumers travel via some form of transportation and forces them to visit the stores during the stores' business hours. Physical stores aren't necessarily losing business. It's simply far more convenient to click on an item on the store's website. However, when shopping in person, the consumer can actually examine the item before they purchase. Shopping online forces the consumer to be dependent on pictures and text descriptions. Online shoppers have the advantage of comparing competing stores without driving to the actual stores, but visitors to a physical store don't face the same security and privacy concerns.

Whether it is an auction or a simple sale, whether it is an online click or a visit to a store, and whether it is full price or on sale, the online retail business world is very popular.

**VOCABULARY TASKS****A. Define these business terms based on what you read in the main reading.**

- a. business model _____
- b. sales _____
- c. factors _____
- d. consumer _____
- e. profits _____

B. Match the words in the left column with the best definition in the right column.

(If you don't know the answer, read the article again and try to guess the answer from context.)

- | | |
|---------------------|---|
| _____ 1. mammoth | a. have a specific place |
| _____ 2. facets | b. sales |
| _____ 3. retail | c. depending on summer, winter, autumn, or spring |
| _____ 4. whopping | d. giving a way to do something |
| _____ 5. seasonal | e. very big |
| _____ 6. variation | f. very big |
| _____ 7. enables | g. giving a cause |
| _____ 8. localized | h. an area |
| _____ 9. attributed | i. differences |
| _____ 10. geography | j. aspects |

C. Which of the above words are adjectives that mean “big” and explain why company executives would like those words to be used to describe their sales.

**READING JIGSAW - A****Reading A**

Directions: Read the short article below, but do not show it to your partner. Your partner will ask you questions about your article.

Traditional Forms of Payment

Once consumers make their purchases, they must then pay the retailers for whatever product was purchased or service rendered. While cash is accepted in stores, it isn't accepted for online sales. Paying with old-fashioned currency, bills and coins, is reserved for in-person sales made at a physical location. Some methods of payment are identical whether the items are being purchased online or in a store. For example, a credit card is a popular choice. Credit cards are essentially "loans" from the issuer so the merchant profits immediately and the buyer "pays back" the loan either in full or over time. Debit cards are also accepted for online or in-person sales. When a buyer uses a debit card, money is withdrawn from the user's bank account. Sometimes buyers will write a check for a purchase. A check tells the user's bank to pay the money from their account. It's similar to cash, but perhaps a bit safer because the user's name is printed on the check and he or she doesn't have to carry a large amount of currency. In lieu of a financial institution's checking account, people can get money orders. This, too, is similar, but safer than carrying cash. It's also safer for the seller because it means that the buyer had to prepay to get the amount shown on the money order. Whereas checks can bounce if there aren't enough funds, a money order cannot. Perhaps the most fun way to shop is with a gift card. A gift card often looks like a credit card and contains a pre-paid amount of money. Recipients of a gift card can take it to the merchant from which it was purchased and buy anything they want...at least until the prescribed amount is spent!

Reading B - Work with your partner. Ask the questions below about your partner's reading.

1. Who uses electronic payments? _____
2. What company is an e-commerce business? _____
3. Where is it located? _____
4. When was it founded? _____
5. Why are electronic payments needed? _____

**READING JIGSAW - B****Reading B**

Directions: Read the short article below, but do not show it to your partner. Your partner will ask you questions about your article.

Modern Forms of Online Payment

Nowadays, consumers have the opportunity to make a significant amount of purchases via the Internet. The e-shopping world doesn't lend itself to cash because consumers don't visit a store and might never meet the retailer in person. Therefore, more electronic forms of payment have been developed for the ever-growing world of online shoppers. One choice is a wire transfer which literally transfers money from one entity's bank account into another's. If someone were to sell something on eBay and another were to buy it, the buyer can transfer funds from a bank account. The seller can watch the money appear in his or her own account and neither party leaves home. Another popular way to pay for things online is via PayPal. PayPal is an e-commerce business that was founded in Palo Alto, California, in 1998. This booming business allows payments and transfers to be completed through the Internet. It's growing in popularity because buyers and sellers are not dependent on checks, money orders, or cash. Electronic money refers to scrip that is only electronic in format. Scrip is any currency substitute. Electronic Funds transfers (EFT) and direct deposits are versions of electronic money. With the advent of electronic forms of payment, paper money is becoming an antiquated form of payment.

Reading A - Work with your partner. Ask the questions below about your partner's reading.

1. Who can use currency? _____

2. What is a popular choice of payment? _____

3. Where can buyers use currency? _____

4. When can a check bounce? _____

5. Why would you want to be the recipient of a gift card? _____



VOCABULARY REVIEW

Directions: Work with a partner to fill in the table below.

Form of Payment	Definition	Example
credit card		
debit card		
check		
money order		
gift card		
electronic money		
scrip		
wire transfer		
PayPal		
currency		
cash		
bills		
coins		



GROUP WORK

Start Your Own Company!

Directions: Work with three classmates. Work together to develop your own company.

1. What is the name of your company?
2. What product or service do you sell?
3. Describe your product or service?
4. Is your item sold in a store, online, or both?
 - a. How do customers pay?
 - b. How do customers receive their item?
5. How is your product different from others?
6. Draw a logo for your store.
7. Who will buy your product?
 - a. Age?
 - b. Gender?
 - c. Ethnicity?
8. How much money do you need to start your store?
9. What do you expect your profits to be?

**ANSWER KEY****PRE-READING QUESTIONS**

1 - 5. Individual answers

VOCABULARY TASKS**A. Define the business terms**

a - e. Individual answers.

B. Match the words

1. e 2. j 3. b 4. f 5. c 6. i 7. d 8. a 9. g 10. h

C. Words that are adjectives to “Big”

mammoth, shopping

READING JIGSAW**Reading A**

1. online shoppers
2. PayPal
3. Palo Alto, California
4. In 1998
5. Because online buyers and sellers will not be dependent on checks, money orders or cash.

Reading B

1. consumers purchasing items in-store
2. credit card
3. in the store
4. when there aren't enough funds
5. because it has pre-paid amount of money, so you can use it to buy products

VOCABULARY REVIEW

Answers can be found in the Jigsaw readings and can vary slightly in the wording, description and examples used. Therefore, answers are individual.

GROUP WORK

Discussion - Individual answers