
UNIT 5 E-COMMERCE



Learning Outcomes:

By the end of the lesson, the students are expected to be able to use appropriate English to:

- explain the definition of E-commerce.
- tell their experiences related to online shopping.
- explain types of online shopping.
- explain about online transaction.
- identify adverbs of quantity and differentiate their uses.
- understand and make sentences using *adverbs of quantity*.
- understand and make sentences using connector *and, but, or, and so*.
- read and understand about online banking and security.
- identify and explain safety issues on online transaction.

5.1. Online Shopping and Transactions

Exercise 1: Work in pairs. Explain about the definition of e-commerce. Is it the same as online shopping? Share it with the class.

Exercise 2: Tell about your experience while doing online shopping. What product or services do you usually buy online? What product do you not buy online? What are considerations you have before deciding to buy an item in a online shopping? Do you have any bad experience in buying an item online? What happened?



Exercise 3: Listen to this interview with David Aston. He works for a company that sells home cleaning products. Mark the statement True (T) or False (F).

1. David's company sells mainly online. T / F
2. 70% of their business is online. T / F
3. People buy their cleaning products when they buy their food. T / F
4. People buy their cleaning product in supermarkets. T / F
5. Online sales are growing. T / F

Exercise 4: Read the following text about Elements of E-commerce and How to buy on the Internet and do the exercise.

Elements of e-commerce

E-commerce or online shopping is the process of buying and selling products and services using the internet. It has similarities with traditional commercial activity.

A product or service, from plane tickets to books, is offered in an online shop, the seller's website. Customers select and order products, which are then paid for and delivered. The main difference is that most of the processes take place on the web.

E-commerce websites use the following components:

- A shopping cart program, a web-based software application to keep a record of the products chosen by the customer.
- A secure socket layer (SSL) certificate, to verify that the credit card information has been securely transmitted; this is usually shown by a small padlock on the web page.
- A payment gateway, an interface between the website and the bank that accepts the electronic payment.

Taken from English Professional in Use ICT, pp. 64.

How to Buy on the Internet

The first thing to do is to look for the product in a search engine, or even better, in a comparison engine or bargain finder, to find the lowest price.

Most online shop websites are designed so that customers follow these steps to do their **virtual shopping**.

You start by adding the items you want to buy to the **shopping basket**, or **virtual shopping trolley**. When you have selected the items that you want to buy, you proceed to the payment section by clicking on the **checkout button**.

You may have to **log in**, provide your username and password, or **sign up**, by providing your personal data, billing and shipping address, etc., if this is the first time you have accessed the site. You will be given an account, so you are recognized as a customer. You will be asked to enter payment details, e.g. credit card numbers, etc. Before the transaction is completed you will be asked to confirm the order and check all the information is correct.

Finally, you **log out** and leave the website.

There are different types of electronic payment: credit cards or debit cards. A **digital wallet**, the electronic equivalent of a wallet for online shopping, hold credit card data, and passwords for logging into websites. PayPal, Microsoft's Passport, and Yahoo! Wallet are examples of **digital wallets**.

Taken from English Professional in Use ICT, pp. 64.

What are the steps in buying products online? Number these sentences in the correct order.

- a. The costumer opens an account.
- b. The customer goes to the check-out.
- c. The customer puts the item(s) in a shopping cart.
- d. The customer pays for the product (s) with a credit or debit card.
- e. The customer goes to the website.
- f. The customer searches and/or browses the website.
- g. The customer chooses the item(s) to buy.
- h. The customer checks the order.

Exercise 5: Read about the information about types of e-commerce and do the exercise.

Types of E-commerce

Companies whose activity is centered on the internet are called dotcoms, after their web addresses. However, most e-commerce business are bricks and clicks, as they have both physical and online presence.

Although there are some examples of **B2B commerce**, business to business, e-commerce is mainly used for **B2C, business to customer**, or even for **C2C, consumer to consumer**. Internet auctions websites like e-Bay where people offer products and sell them to the highest bidder, are an example of C2C e-commerce.

Taken from English Professional in Use ICT, pp. 64.

Match the type of business in the box to the correct column 1-4. Add another example of each type.

B2C Business-to-Customer

C2C Customer-to-Customer

B2B Business-to-Business

M-commerce

Types of Business	1.	2.	3.	4.
Explanation	Companies exchange information and make wholesale transaction.	Companies sell products or services to customers over the Internet.	People sell or exchange second-hand, used items or collectibles.	Customers purchase products and services via mobile devices.

Examples	Coffee supplier to Nestlé	Amazon	eBay	News, sport results
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Exercise 6: Shayan is telling Monika how customers will pay for something online on a new website. Complete this dialogue with the words in the box.

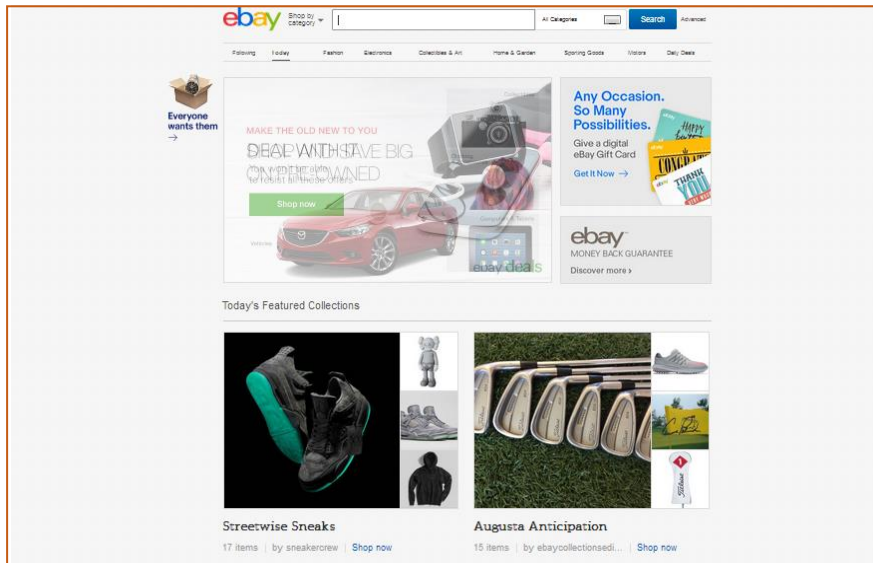
account first	bank gateway	completes payment	confirmation rejection	customer web
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- Monika : Shayan, can you explain how a customer (1) _____ an online transaction?
- Shayan : OK, it's very easy. (2) _____ the customer will place an order. The seller's (3) _____ server will confirm availability of the product and send a response. After that, the customer checks out and completes the (4) _____ instructions. Then the server will send a payment request to a payment (5) _____. The payment gateway will check the buyer's ability to pay with the (6) _____. OK?
- Monika : Fine. Go on.
- Shayan : The bank will respond and send payment acceptance or (7) _____ to the seller's web server through the payment gateway. Finally, the customer will receive the server response with the order (8) _____ or rejection.
- Monika : Will the (9) _____ have to register?
- Shayan : Yes, all buyers must have their (10) _____ before they complete the transaction.
- Monika : Thank you. Now I understand.

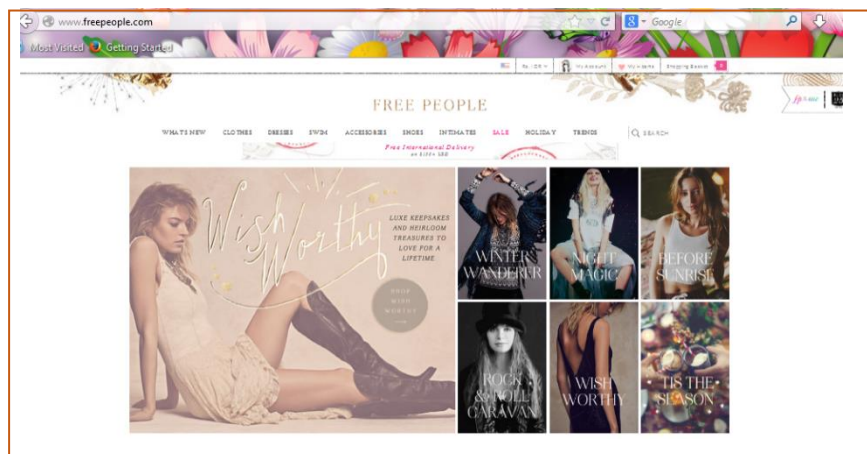
Exercise 7: Listen the recording about the above dialog. Check your answer.

5.2. Online Shop Features

Exercise 8: Work with your group. Examine the picture. Identify features of the website (<http://www.ebay.com/>). Do you think it is a good e-commerce website? Why? Give your reasons.



Exercise 9: Still work with the same group. Discuss an e-commerce website you know and like. Give reasons why you like it (its design, features, safety, etc).



5.3. Grammar Study

Exercise 10: Pay attention to the following explanation of *Adverbs of Quantity*.
Then, do the exercise following.

Talking about quantity	
We use many and a few with countable plural nouns.	We need a few users to test this. They don't have many customers.
We use much and a little with uncountable nouns	We have a little money for online shopping each week. I don't have much knowledge on that subject.
We use a lot of and some with countable and uncountable nouns.	A lot of business need E-commerce upgrades. Some money has been kept aside for this

Choose the correct words to complete these sentences.

1. A lot of/Much shops have online presence. They offer many/much products online.
2. Some /A little companies offer customer services an advice on their E-commerce websites.
3. I don't have much/many knowledge of computers, but I can still shop online.
4. Companies spend a lot of/many money on E-commerce security.
5. Even when companies only have a little/a few money online marketing, they should spend it.

Exercise 11: Work in pairs. Use the words on the box (Exercise 13) to talk about your own online shopping habit.

For example: *I buy a lot of clothes online rather than go to the local mall.*

Exercise 12: Study the explanation in the box about how to *link ideas*. Then, do the exercise following.

Linking ideas	
We use and to link sentences that describe similar actions or situations.	<i>I have a PC and a laptop at home.</i>
We use but to link sentences that describe different ideas/actions or situations.	<i>I use Amazon but I don't use iTunes.</i>
We use so to say that something has happened as a result of something.	<i>She's got a Kindle, so she doesn't buy many books now.</i>
We use or to link sentences that describe two possible actions or situations.	<i>Would you like tea or coffee?</i>

Complete this text with the words in the box.

and but or so

Companies want to reach more customers, (1) _____ they go online. It is easy to set up online business (2) _____ it is difficult to design and develop a website that attracts a lot of customers. Hardware (3) _____ software provide basic infrastructure for E-commerce.

Networking, customer interface and payment solutions are very important parts of a company's E-commerce solution. Customers expect a fast and reliable service (4) _____ they will go somewhere else to buy things.

Taken from English for Information Technology 1, pp.39

Exercise 13: Match the first half of the sentences (1-6) to the second half (a-f)

- | | |
|--|---|
| 1. Effective product information and | a. I'll check online tutorials |
| 2. Customers can use their credit cards, PayPal, or | b. electronic cheques to pay for transactions |
| 3. We used a lot of promotions, so | c. you can't touch it. |
| 4. I don't know how to buy online but, | d. our sales improved a lot. |
| 5. They want to buy a Cat 5e cable, so | e. they search the internet. |
| 6. In e-commerce you can look at a picture of a product, but | f. promotions attract customers |

5.4. Online Transaction and Security

Exercise 14: Read this text and do the exercise.

Online Banking Basics

Electronic banking is the general term given to the possibility of performing banking transactions through electronic communications, mainly the Internet. That's why many people prefer to use the terms **online banking** or **internet banking**.

Online services can be provided by traditional banks, **brick-and-mortar-banks**, which through the use of these new technologies become **brick-and-click banks**. Banks that don't have physical branches or ATMs are called **virtual or internet banks**.

To use these services you need a computer with internet access. Customers can also log in with a mobile phone or a PDA. The use of wireless networks to access financial institutions is known as **wireless banking**.

Taken from English Professional in Use ICT, pp. 66.

Find phrase/sentence which have the same meanings.

1. Banks that offer physical locations and online services.
2. The type of banking where you can use mobile phone networks to perform transactions.
3. Banks that only do business over the internet.
4. Banking services (transactions, payments, etc.) offered on the internet.
5. Banks that don't have a web presence.
6. The general term that includes all sorts of banking that make use of ICT technologies.

Exercise 15: Read the text about Online Security and do the exercises.

Online Security

Most online banks have introduced the concept of two-factor **authentication**, the simultaneous use of at least two different devices or layers of security to prevent fraud.

When you open an Internet account, you are given a confidential **PIN, Personal Identification Number**, and a password and username.

For some transactions, customers are required to use a **TAN, Transaction Authorization Number**, from a list provided by the bank. It can only be used once, and it acts as a second password.

Security tokens are microchip-based devices that generate a number that has to be typed by the user or read like a credit card. They are becoming a common form of two-factor authentication. One of the best methods of identifying the user a bank account is **biometric authentication**, the use of physical trait, such as a fingerprint, to allow a person to log in. Some laptops have built in fingerprint readers, which makes online banking easier and more secure.

Taken from English Professional in Use ICT, pp. 64.

Complete this text with words from the text above.

Most financial institutions offering Internet-based products should use _____ (1) authentication to reduce the risks of account fraud and identity theft.

At present, most authentication methodologies involve three basic factors:

- Something the user knows, for example a _____ (2), the confidential number given by the institution.
- Something the user has, for example a _____ (3), the keyring-like identification number generator.
- Something that shows who the user is, that is _____ (4), for example a fingerprint.

Authentication methods that depend on more than one factor are more reliable; for example, the use of a _____ (5), a TAN (something the user knows) to log in, and then a token (something that user has) to transfer funds.

Adapted from Federal Institutions Examination Council.