

# Online Buying

**SUBMITTED BY:** WGYP Summer 2011 Instructor

**SUBJECT(S):** Personal Finance

**GRADE LEVEL(S):** 9, 10, 11, 12

## ≡ OVERVIEW:

In this lesson, students think about how online retailers (large and small) are becoming dominant players in e-commerce. They go on to analyze the five stages of consumer behavior for online shopping and modify the stages as they see fit. They will then plan the process of making an online purchase in a group, applying the modified stages.

## ≡ NBEA STANDARD(S):

- Personal Finance, V. Buying Goods and Services

## ≡ RELATED ARTICLES:

- [“March Toy Story: Bankruptcy, Barbies and Brand Narrative”](#)
- [“Fashionista Environmentalists Shop ‘Recommerce’ Instead of the Mall”](#)
- [“Beware of Scammers Lurking Online”](#)
- [“A Look at Amazon, Walmart and How Your Shopping Experience Is Changing”](#)

## Common Core Standard(s):

- Reading Informational Text — RI.9 -10.1.; RI.9 -10.2.
- Speaking and Listening — SL.9 -10.1.

**Purpose:**

- In this lesson, students will learn how to understand the five stages of consumer behavior related to online shopping.

**Knowledge@Wharton Article:**

“Many-stop Shopping? How Niche Retailers Are Thriving on Internet 2.0”

**Other Resources/Materials**

Wharton Global Youth Program term: [E-commerce](#)

**Activity:***Introduction (5 mins)*

Ask students how many of them use Amazon.com or other online shopping sites to buy goods. What kinds of goods do they buy? Go through their last few online purchases. Ask them to think about how these are different from what they buy in stores? Is the process for buying different in any way? Show students the Wharton Global Youth Program video on E-commerce.

*Reading (10 mins)*

Ask students to read the first page of the Knowledge@Wharton article about online shopping. It is a very detailed article so depending on the students' reading level, the teacher can adjust how much of the article they should read.

*Group discussion (10 mins)*

In groups of 3-4, ask students to go over the article. What does it say about how E-commerce is growing? Ask the students write down 2 of the main arguments posed by the authors. Give them 5 minutes to do this and then ask them to share their points with the class.

**Possible answers:**

- E-commerce is on the rise.
- Small retailers should not try to compete with big retailers like Amazon and Wal-mart.
- Smaller retailers offer lavish customer service.

### *Class Discussion (10 mins)*

Go over the five stages of consumer behavior as a class and relate it to how sites like Amazon.com work. Are there different considerations for this kind of buying? For example, during the second stage, of gathering information, Amazon consumers can read reviews by others who have bought the item and find out whether they enjoyed it or not. Another example is of stage 4, where customers can click on buying an item and then change their mind before the item is shipped off.

There are five stages of consumer behavior:

1. Problem recognition — A perceived difference between a person's ideal and actual situations that is big enough to trigger a decision.
2. Information search — Includes internal and external search. The internal search involves delving into one's memory and/or knowledge. The external search includes things like consumer reports.
3. Alternative evaluation — The consumer's evaluative criteria includes the objective attributes of a brand and the subjective attributes.
4. Purchase decision — Three things must be decided: from whom to buy, when to buy, and whether to buy or not to buy.
5. Post-purchase decision — The consumer compares his or her expectations with the product and is either satisfied or dissatisfied. This can impact a consumer's perceptions or even his or her relationship to the product/service and its producer.

### **Tying It All Together:**

Ask students to go back to their groups and imagine they are going online to buy a product of their choice. Have them write down the steps they take to buy the product online based on the five stages of consumer behavior. When they finish, ask some of them to share their notes with the rest of the class.