

Reading 1 **1** Read the article about eBay. Are the statements *true* or *false*?

- 1 eBay is regarded as the top online auction company. *true*
- 2 The company buys goods and holds them before reselling them.
- 3 It makes a large profit on every deal.
- 4 eBay has only just started to make a profit.
- 5 eBay has recently bought a payments business.
- 6 The US Department of Justice has tried to stop eBay trading.

The Economist

Business

## Breaking into new markets

### A business model for e-commerce?

E<sup>1</sup>Bay, the world's leading online auctioneer, has a business <sup>2</sup> *model* that definitely suits the internet. Thanks to many clever search features, it can match up sellers and <sup>3</sup> of even the most unfamiliar items. And because of its smart cost and revenue structure (it charges a modest commission on each <sup>4</sup> and does not store goods), eBay has been one of the most consistently profitable e-commerce businesses. In the first quarter, its net <sup>5</sup> more than doubled, to \$104.2m, on revenues of \$476m. This was partly due to eBay's <sup>6</sup> of PayPal, a payments business, last year.

Taking out the effects of that deal, <sup>7</sup> were up by 56% over the previous year. One of eBay's greatest strengths, however, is also one of the biggest <sup>8</sup> it faces. Its business, like any marketplace, 'is a natural <sup>9</sup>, and so once it is established, it is pretty hard for a newcomer to challenge it. This has already aroused the <sup>10</sup> of America's Department of Justice. It took no action after an <sup>11</sup> a couple of years ago, but some think it will be tempted to take another look as eBay expands.

**2** Now complete the article with the following words.

acquisition model transaction buyers sales income  
risks monopoly investigation interest

Language check **Underline the correct forms (gerund or infinitive) in italics.**

- 1 We need to be good at *innovating* / to *innovate* to retain customers.
- 2 They advised the company *setting* / to *set up* an online auction.
- 3 Can we meet in order *speaking* / to *speak* about distribution?
- 4 It's essential *investing* / to *invest* in new operations.
- 5 We can't risk *ignoring* / to *ignore* this share tip.
- 6 I suggest *evaluating* / to *evaluate* our website immediately.
- 7 *Building* / To *build up* long-term relationships isn't easy.
- 8 Have you decided *taking over* / to *take over* another business?
- 9 I've managed *negotiating* / to *negotiate* a better deal!
- 10 The product is so popular that it's difficult *meeting* / to *meet* demand.