

Unit 3	Communication	Vocabulary	Grammar
E-commerce	Using the internet Online shopping Discussing Internet services	Terms related to e-commerce terms Different kinds of retailers Financial terms	Present perfect Past simple

Learning objectives:

- *Discussing different ways in which the Internet can be used*
- *Talking about Internet services*
- *Discussing the impact of the Internet on retailing*
- *Understanding and using terms related to e-commerce*
- *Understanding and using selected financial terms*
- *Classifying different types of retailers*
- *Understanding the differences between the past simple and the present perfect tenses*



Unit 3

E-commerce

I Warm-up

A Which of the following Internet services do you use?

Add at least two more ideas to the list.

Discuss the advantages and disadvantages of each.

- Booking airline/theatre tickets
- Job finding
- Food shopping
- Shopping for other items (what?)
- News and information services
- Chat rooms

B Discussion questions.

1. What is e-commerce?
2. What impact do you think the invention of the Internet and e-commerce have had on retail?
3. Have you ordered something on-line? Were you satisfied with the experience?
4. What are the advantages of buying over the Internet?



II Reading

Amazon

Pioneers in e-commerce

A Read quickly through the text about Amazon and underline three things about Amazon or Jeff Bezos that you didn't know before or that interest you.

B Read the text again and find the following information.

1. The rate at which Internet use was growing when Bezos decided to set up Amazon.
2. How probable Bezos thought it was that Amazon would succeed.
3. The number of books in the first Amazon catalogue.
4. Two reasons why 'one-click shopping' was successful.
5. The location of the warehouse which serviced Amazon customers in Asia.
6. Two things, apart from the actual books, that the early customer of Amazon could find on the website.
7. The two areas Bezos invested heavily in.
8. The reason why it was particularly essential for Amazon to grow fast and be on a large scale.
9. Two languages, other than English, in which Amazon customers can buy books.
10. Two products, other than books, that Amazon now sells.

HOW IT ALL STARTED

The founder and CEO of Amazon is a former Wall Street banker, Jeff Bezos. In the early 90s, he noticed that use of the Internet was growing by over 2000% per month. So, he borrowed his parents' retirement savings (around \$ 300,000, which he told them they had a 70% chance of losing) and set up a company to sell books online.

MILLION BOOKS

Bezos opened the virtual doors of Amazon.com's online bookstore in July 1995 with a catalogue of no less than 1.1 million books. 'We set out to offer customers something they simply could not get in any other way,' he says. 'We brought much more selection than was possible in a physical store (our store would now occupy six football fields) and presented it in a useful easy-to-search format in a store open 365 days a year, 24 hours a day.'

SELLING TO THE WORLD WITH ONE-CLICK SHOPPING

Amazon enjoyed great success almost from the start. The company had only two distribution centres but they shipped books across the whole world – the centre in Seattle serviced the West Coast of the United States and Asia, the one in Delaware serviced the East Coast and Europe. The user-friendliness and efficiency of Amazon's pioneering 'one-click shopping' technology meant that customers who tried buying books online for the first time often came back for more.

AN OBSESSION WITH CUSTOMERS

'Obsess about customers, not competitors' was Bezos's motto in the early days. 'Most of the customers out there haven't bought anything online', he said in an interview in 1998. 'We want to be the first purchase if we can. We want to have a very deep relationship with them.' Bezos made the Amazon website more than just a place to buy books. He created a community of and for book lovers - with book reviews from readers, news about the latest publications, even the first interactive novel (American novelist John Updike wrote the first chapters, and site visitors completed the story.)

GET BIG FAST

Apart from customers, Bezos's other obsession was growth. 'Our major strategic objective has always been GBF', he declared. 'It's a mantra inside the company and it means Get Big Fast.' Amazon invested heavily in advertising to attract new customers and in developing online software.

The company grew, but made greater losses every quarter. This didn't seem to worry Bezos. His idea was that the return for the huge 'fixed cost' investment in software would eventually come from Amazon's continually growing customer base.

STILL EXCITED

Many of the early dotcoms went bust, and the business world began to lose confidence in e-commerce. Amazon however, expanded into Europe and diversified into music and toys. By the last quarter of 2000 it did finally begin to make a profit. Bezos remains optimistic: 'We have made it possible for anyone in the world to buy a German language, or a Japanese language book', he says proudly.

He is still excited by the possibilities of selling on the Net. 'Because it's a scale business where costs are largely fixed, if we can have the largest scale, we can have the best prices and the best service', he explains, 'which in the physical world would be impossible.'

Words and phrases:

- **Pioneer** – a person who is the first to develop something.
- **Set up** – to begin or establish a business

- **Set out to** – to begin to do something with a particular aim/goal
- **Mantra** – a word/sound which you repeat again and again, like a prayer.
- **Go bust** – when a business loses all its money.

III Vocabulary

A Complete the sentences below with the correct form of the verbs in the box.

expand	invest	lose	borrow	diversify
	distribute	ship		grow

1. Bezos _____ money from his parents to set up Amazon.
2. The new company was very successful and _____ very rapidly, but _____ money.
3. Amazon _____ books to the whole world from two _____ centres in the United States.
4. Bezos has _____ lots of money in advertising and online software development.
5. Amazon has _____ into other products as well as books, including toys and music.
6. The company has _____ into Europe and Japan.



B Match the types of shop (words or phrases 1-7) with the definitions (a-h).

- | | |
|-----------------------|---|
| 1. chain stores | a) stores selling through the Internet |
| 2. convenience stores | b) independently owned shops licenced to trade under the same name |
| 3. franchises | c) shops located in the centre of town |
| 4. hypermarkets | d) shops run by a single company with multiple locations around the country |
| 5. high-street shops | e) very large stores that sell groceries, clothes, and many other products |
| 6. mail-order stores | f) stores selling through a catalogue posted to customers |
| 7. online stores | g) small, independently-owned stores selling essential products |

C Matching – Finances

Draw a line from words to their definitions.

A) Bank	1) An estimate, often itemized, of expected income and expense for a given period in the future
B) Income	2) Monetary gain resulting from the employment of capital in any transaction
C) Check	3) A card that identifies a person as entitled to have food, merchandise, services, etc., billed on a charge account
D) Loan	4) An institution for receiving, lending, exchanging, and safeguarding money and, in some cases, issuing notes and transacting other financial business
E) Debt	5) The financial gain (earned or unearned) accruing over a given period of time
F) Budget	6) To commit (money or capital) in order to gain a financial return
G) Diversify	7) A written order, usually on a standard printed form, directing a bank to pay money
H) Invest	8) Any of the equal parts into which the capital stock of a corporation or company is divided
I) Share	9) To increase in value
J) Interest	10) The variability of returns from an investment
K) Profit	11) The temporary provision of money (usually with interest)
L) Risk	12) Something that is owed or that one is bound to pay to or perform for another
M) Credit card	13) To acquire a variety of assets that do not tend to change in value at the same time
N) Appreciate	14) The annual rate that is charged for borrowing (or made by investing)

**O) Annual
Percentage Rate
(APR)**

15) A sum paid or charged for the use of money
or for borrowing money

