## Reading

**1** Read the introduction to the article. Then with your partner, discuss how we use the Internet in business.

EXAMPLES *emails* *booking flights* *advertising*

# E-commerce

**You probably use the Internet to send emails, download music and films, or look for information. But did you know that the Internet is transforming the business world?**

Electronic commerce (e-commerce) is the buying and selling of products and services on the Internet instead of using shops, phones, faxes, and letters. It creates opportunities for companies to sell more and to improve customer service. It also gives customers greater choice.

There are three main types of e-commerce. The first is **Business to Consumer (B2C)** – the consumer buys goods or services from a company on the Internet. Many consumers now buy books, music, or tickets on the Internet. The second type of e-commerce is **Consumer to Consumer (C2C)** – people sell and buy directly on sites such as eBay. The third type is **Business to Business (B2B)** – commerce between companies. They use the Internet to order goods, get services, and manage their business. It is fast and efficient.

In the past, the car manufacturers Ford ordered thousands of parts from hundreds of different companies. They told the suppliers which parts they wanted and the supplier sent a proposal to supply them. It was a long and expensive process. These days, Ford uses special B2B electronic exchanges to order their parts and then the suppliers put in electronic bids for the job. This process is much quicker and cuts costs. Companies don't need large Purchasing departments and suppliers have to cut their prices to be competitive.

So which parts of the world are most 'e-active'? Europe is number one, the US comes second, while Hong Kong is the biggest in Asia-Pacific, particularly in e-business services. In fact, in 2006, Europe's three major markets – the UK, Germany, and France – carried out around 25% of their sales online. This figure is increasing from year to year.

**2** Read the article and match the definitions to the terms.

| | |
|---|---|
| 1 order | a buying |
| 2 supplier | b a price that a company offers to do work or supply parts for if it wins the order |
| 3 bid | c to request goods from a company |
| 4 costs | d a person or organization that provides goods or services |
| 5 purchasing | e the amount of money spent on running a business |

**3** Read the article again and decide if the sentences are true (T) or false (F).

1 Electronic commerce uses phones and faxes to do business. ____

2 B2C is when a consumer and a company do business together. ____

3 B2B is when private individuals sell or buy things on the Internet. ____

4 Ford used B2B in the past but didn't get good results. ____

5 When a company uses B2B they save money and time. ____

6 A quarter of all European business is done online. ____

LIVEWORKSHEETS