

PART THREE

Questions 15 – 20

- Read this review of a book about the Internet giants of the 21st-century economy, and the following questions.
- For each question **15 – 20**, mark one letter (**A, B, C** or **D**) on your answer sheet for the answer you choose.

Move Fast and Break Things by Jonathan Taplin is a useful and objective commentary on the rise of Internet giants like Google, Amazon and Facebook. These three companies dominate the Internet sector, although interestingly only one of them, Amazon, has made it into the list of the top 50 richest companies in the world. How they got there, that is to say what business model they used, and how they fit into today's business environment and the wider global economy, is the subject of Taplin's book.

The book's title is taken from a quote by Mark Zuckerberg when addressing his employees on how to take Facebook forward. It embodies the original spirit of the Internet of the 1990s, which was all about feeling empowered and liberated from existing rules and regulations. The early Internet pioneers were not concerned with making money; their interest lay in creating non-commercial networks where people could share ideas and information, free from the controls of business or government.

Taplin describes how this vision was taken over in the 2000s by these three future Internet giants and turned into business models that were not only capitalistic, but also monopolistic. Facebook's model, known as 'surveillance capitalism', is based on the principle of gathering user data – both personal account information (name, address, job, etc.) and Internet behaviour data (where you shop online, what news media you read, what music you like, etc). It passes this data on to advertisers, who are then able to target their offers more accurately and successfully. The monopolistic aspect of the business comes from Facebook's constant drive to build its user base globally, if not through Facebook itself, then via one of the many other social networking platforms it has acquired, like Instagram™ or Whatsapp™.

Google's business model also relies on advertising revenue. In fact, 95 per cent of its income comes from advertisements on its search engine, which appear as a result of a specific search. These generate a payment to Google each time someone clicks on them. Again, the company has established, if not a complete monopoly, then an extremely dominant share of the market, handling around two-thirds of all Internet searches.

In this context of Internet giants appearing to offer a free service for all while working towards total market domination behind the scenes, Amazon's model seems refreshingly direct and open. It wants to be the world's biggest retailer and makes no secret of it. It is already the largest online retailer, and has expanded its product ranges from its original books, CDs and DVD offerings to almost anything you care to mention. In doing so, it has had to build huge computer server capacity and is now becoming a powerful force in web hosting services for other companies, such as Netflix™.

Taplin explodes the myth that these Internet giants are cool tech companies founded to make the world a better place, making it clear that they are really no different from industrial monopolies of the past. They use their size and influence to lobby governments and to pay less tax. What is more, they contribute little in the way of wealth creation. They employ relatively few permanent staff – in the USA, tech companies make up 21 per cent of the 500 leading companies, but form only 3 per cent of the workforce. Perhaps advances in digital technologies can be blamed for making it possible for companies to grow swiftly without needing a corresponding increase in staff population. But in today's world, moving fast, it seems, means moving even faster to avoid one's responsibilities to the wider community.

- 15 *Move Fast and Break Things* is a book about
- A how large Internet companies became so profitable in the modern age.
 - B why some large Internet companies succeed where others fail.
 - C how three of the world's largest Internet companies operate.
 - D how three large Internet companies changed the way we do business.
- 16 The author of the book suggests that Google, Amazon and Facebook
- A started out with the intention of creating a more sharing economy.
 - B exploited the original egalitarian principles of the Internet for profit.
 - C were originally non-profit organisations which became profitable later.
 - D were all companies founded on principles of rapid change and innovation.
- 17 Facebook is trying to gain a monopoly of its sector by
- A growing its own original platform and buying others.
 - B getting as much information about each user as possible.
 - C giving advertisers a very precise target for potential customers.
 - D focusing on international growth rather than domestic growth.
- 18 Google is similar to Facebook in that both companies
- A make money from targeted advertising.
 - B have a market share greater than 60 per cent.
 - C profit from using personal user data.
 - D exploit user searches to make money.
- 19 Amazon is different from Facebook and Google in that
- A it sells goods and not services.
 - B it doesn't want to dominate its sector.
 - C its approach is more honest.
 - D it has tried to diversify its offer.
- 20 We can conclude from the final paragraph that Taplin thinks these Internet giants
- A are not socially responsible companies.
 - B actually use traditional business models.
 - C are not interested in their employees' welfare.
 - D are too large and restrict healthy competition.