



Episode 10 - What is a two-sided marketplace?

This is the worksheet for Episode 10 of the Smart Startup English Podcast.

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Warm-up questions

Can you think of a time when you bought something online from another person, and you did so using a platform? Maybe you bought something on Etsy from an artist, or you used ThemeForest.com to buy a Wordpress theme from a developer. Why did you choose to make a purchase from a two-sided marketplace?

Vocabulary 1

Match the words on the left (a-g) with the correct definition on the right (1-6).

- | | |
|----------------------------|--|
| a. customer acquisition | 1. rewards offered as motivation |
| b. a network effect | 2. a user who is getting something in return for participating |
| c. incentives | 3. bringing new customers to your business |
| d. subsidized participant | 4. to have a very large market share |
| e. to corner the market | 5. a platform that connects supply and demand |
| f. a two-sided marketplace | 6. when a product becomes more valuable as more people use it. |

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Vocabulary 2

Complete the sentences with the correct form of the words from the list.

**subsidized ground winner incentives network corner
acquisition sided seed**

1. Startups often need to offer _____, such as free shipping or discounts, to motivate people to join their platforms and make a purchase.
2. Social media platforms are the perfect example of how a _____ effect works. The more people join the platform, the more valuable it becomes.
3. A two-_____ marketplace is one of the hardest business models to get off the ground because you need to attract both *the supply* and *the demand*.
4. In the early days of a platform business, you have to _____ the marketplace. That means you have to reach out to users and convince them to join your platform.
5. The phrase “_____ takes most” refers to a situation when a business has a large market share, which makes it very hard to compete with.
6. Not making solid plans for customer _____ is one of the biggest mistakes startups make in the beginning.
7. In this business model, it's common for one side to be a _____ participant - to get something in exchange for participating, such as discounts, rewards or affiliate income.
8. It took a few years for Spotify to _____ the music streaming market, but now that they have, they made it very hard for other startups to compete.
9. The three co-founders managed to get the company off the _____ in just one year. It is now a thriving business in the financial sector.

Vocabulary 3

Choose the correct answer to fill in the blanks

1. For users, a two-sided marketplace is a great way to find and compare products before you _____ a purchase.

- A. do
- B. make
- C. have

2. What is the best strategy to use if you want to focus _____ customer acquisition.

- A. on
- B. in
- C. at

3. A lot of platform businesses follow this strategy: they reach _____ to the sellers first to convince them to join the platform.

- A. with
- B. in
- C. out

4. Facebook is the perfect example of a network effect. The _____ people use it, the _____ valuable the platform becomes. (The same word in both blank spaces)

- A. much
- B. many
- C. more

5. Etsy has _____ the handmade retail market. It's very difficult for other companies to enter the market and compete with Etsy.

- A. circles
- B. angled
- C. cornered

Speaking prompt

In this episode, we've mentioned a few big names such as Etsy, Airbnb and Spotify - as good examples of two-sided marketplaces. But these companies have crowded their markets and made it very difficult for new startups to enter these markets.

Can you think of other ideas for two-sided marketplaces in markets that aren't so crowded?

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Writing prompt

Your company's business model is B2B software sales. But your business partners are thinking of starting a B2C two-sided marketplace in your field. In an email, explain to them the difficulties they'll have to face while trying to get this type of business off the ground.

Do you want to get feedback on your email (maximum 300 words) directly from a Business English trainer? Email us at info@smartstartupenglish.com to learn more about what feedback packages we offer.

Answer key

Vocabulary 1

- a - 3
- b - 6
- c - 1
- d - 2
- e - 4
- f - 5

Vocabulary 2

- 1 - incentives
- 2 - network
- 3 - sided
- 4 - seed
- 5 - winner
- 6 - acquisition
- 7 - subsidized
- 8 - corner
- 9 - ground

Vocabulary 3

- 1 - B
- 2 - A
- 3 - C
- 4 - C
- 5 - C

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