

# Ebay blackthorns case study

Business



The owner would place the item or service online while buyers who were interested on acquiring the reduce would bid on it till the highest bidder got the product.

Then, the owner Mould be informed throughEbayand the trade would take place online. In addition to setting the online platform, eBay also provided personal customer support through ‘ arioso channels (including email, online text chat and phone) and value-added tools directed by third parties. These value-added tools included Personal Shopper (email notifications), Turbo Leister, eBay Blackthorns, Prestos, Selling Manager, Picture Services and many others. ) Profit Formula eBay’s revenue model worked differently than a simple auction house.

The company Mould charge the seller an Insertion Fee at the moment they listed the product. The Insertion Fee could vary from IIS\$0. 30 to IIS\$3. 30 depending on the opening bid of the product. The select could also “ opt for additional features, such as highlight or bold font, to promote their items for which an Optional Features Fee was added” I . Once the service or item was sold to the highest bidder, eBay would charge a percentage on the final sales price that varied from 1.

25% to 5%. EBay’s cost structure is similar to any online website store.

The main areas where the money goes are: sales and marketing, product development and general and administrative costs. The costs aren’t so high compared to a physical store like an auction house because eBay “ operate[s] with practically no cost of goods sold since the listings are put up

by customers. Transactions are paperless and listing fees are collected regardless of sale and therefore regardless of any completed sale costs” 2.

‘ Percentage breakdown between eBay’s different expense groups” 3) Key Resources rhea key resources that eBay needs to achieve its value proposition are the following:

People - Employees operating within the country to provide support to customers and the company directly. Technology and Equipment- Heavy investment on steward, programs and computers to support the online platform on C Information - Fresh information of competition, customers and market will be needed to have the ability to adapt to future changes.

Channels - Channels of communication will have to be opened between the company and the customers. Partnerships - Joint venture with TOM Online in China is a key factor to make the customer value proposition a success.

Brand - TOM Online and eBay’s brand would e a boost on sales in the Chinese market if implemented properly.

4) Key Processes Processes: The design and the development of the eBay site in Chinese was an important factor to the Chinese online market. Other processes that are Join together to achieve the customer value proposition is the marketing strategy, which has to be tailored to the Chinese market, and the training of IT personnel to keep the site up and running. Rules and Metrics: Credit terms, lead terms and supplier terms would have to be explained to the customers and sellers to deliver a good usage of eBay’s service.

Norms: The norms of selling and buying are important for each and every customer to know and follow to ensure the mechanism of the selling and bidding process work correctly. Recommendations Some recommendations for the expansion of eBay in the Chinese market would be the following: 1) Re-branding the company name to a more local and reliable company, in this case TOM Accent, to increase the customer loyalty and reliability. 2) eBay should improve their customer service as much as possible to have the power to solve all of the customer's problems as soon as possible.

With a good customer Irvine team and with a good response, any problem can be turned into a positive promotion of the company. 3) Integrate more payment methods to the website, such as Taboos different payment options. 4) Integrate an escrow service to the website ' where payments will be held until buyers are satisfied with their purchases" and " to assure the reliability of those holding the auctions and will institute restrictions on the number of luxury goods any individual can sell" 3. 5) Create a tailored marketing strategy with TOM for the online Chinese market to create customer loyalty and trust to the company.