

# Intergrated marketing topics

[Business](#), [Marketing](#)



Latin America is a fast growing internet market. It has potential to be global e-commerce network. eBay needs to consider several questions, firstly, whether they want to growing iBazar organically? Secondly, should eBay consider to more acquisitions in Latin America? Third, should eBay sell iBazar for cash and hold off its pursuit of the Latin America market. Forth, should eBay sell iBazar in return for equity in competitor or should iBazar be shut down. In the report, the research has been conducted in order to assist eBay address above mentioned questions.

In order to assist decision making, eBay should understand the challenges and the attractiveness of the Latin American market. A research have been conducted to understand the viability of Brazil, Argentina, Mexico and Chile, which are major the most potential market in Latin America. The situation analysis illustrates Porter's 5 forces, core competence and the SWOT of eBay. The results from the financial analysis show that eBay has cash flow problems. The firms gain high debts as a result of business expansion and yield low profits.

eBay earns low profits and is unable to cover the debts if the company proceed with further acquisition of Latin American competitors. In the finding, we have developed strategies for exit strategy. Due to the uncertainty in the online auction business, it is recommended that eBay dispose iBazar, selling it for equity in MercadoLibre, while keeping a finger in the Latin American pie. The reasons are that eBay will face severe financial risks. In addition, during late 90s to 2001, dot com sector crashed leading to inflation in online business.

Lastly, eBay has lack of market knowledge. The selling iBazar to MercadoLibre for equity is that this competitor is the largest the online auction market leader in Latin America. Thus, eBay can better maximise its shareholder's equity. It is recommended that eBay offer discounted shipping costs in order to attract more transactions on its sites. Apart of the existing online advertisements, it is recommended that eBay should also advertise on TV commercials, billboards, word of mouth, and search engines in order to increase brand awareness.

Lastly, it is recommended that eBay should provide links between online or offline transactions. If customer desires to purchase a product in offline auction, eBay should facilitate these customers to purchase online through is auction sites. From the above mention the flexible entry modes to entry Latin America, there is a need to perform analysis of various forms. This process enables better decision makings. This report covers a resource report, accounting for the task of each members of our team.

The research methodology was based on the Internet. In addition, Methods comprise of qualitative and quantitative analysis. Situation analysis defined SWOT and financial analysis. The data has been useful for the firm as a guide for consideration. In the findings, market development strategy has been formulated. Basing on qualitative and quantitative analysis, we have identified the target market, marketing mix strategy and market penetration.

Appendix 5 to 10 show a large difference between investment and net profit from 1996 to 2000 in the graph. It means that eBay have a lot of investment in foreign countries but it just a little return. This results in cash flow

problems where the firm gains high debts as a result of business expansion and yields minimal profits. Through issuance of debentures the firm is indebted substantially. In other way, eBay may be high pay for acquisition or joint venture to other market then it just a little return so unable to balance the cost of profit.

Hence, eBay can earn profit but unable to cover the debts of the company. Considerations of various modes of entry Appendix 1 illustrates advantages and disadvantages various modes and trade off of entry. In this case study, it is recommend that eBay to consider choosing Joint Venture with MercadoLibre and sell the iBazar to MercadoLibre as well. In this way, the firm can consider future low cost manufacturing, low risk and exporting the products to other parts of the world thereby increasing profit margin.