

A thorough pestle analysis of ebay

Business



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eBay appeared on the internet 23 years ago. It's one of those dot-com bubble success stories. It began as nothing but a side hobby and has developed into a multibillion-dollar business.

Everyone knows eBay. Sellers exist all over the world. Despite the profound brand recognition, the company's reputation isn't as squeaky clean as it once was.

Take a look at how the six outside factors of PESTLE affect this e-commerce business in this PESTLE analysis of eBay.

Political factors: No more firearms

eBay is storing a massive amount of information. Every signup and transaction is maintained on eBay's system. Although it's not supposed to use customer information, many e-commerce businesses are having an influx of privacy issues. eBay does supply a privacy policy on their site that all users can see. But it doesn't guarantee privacy.

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The government is slowly getting more involved in data breaches and privacy policy agreements. We've seen this happen with Mark Zuckerberg, the CEO of Facebook. He recently had to answer questions regarding his social platform and the use of data. Problem is, it proved little people in Congress know about the workings of the internet. Still, government interest from could the beginnings of changes in data protection for companies like eBay.

On another political front, eBay has ceased selling firearms through their platform. A market exists for these types of transactions. The problem lies with the customer. eBay has no idea whether they're allowing firearms to be sold to enthusiasts or someone with an agenda. Currently, the quickest way to prevent the selling of firearms to the wrong people is by stopping all transactions.

Economic factors: unending supply of unique products

eBay sellers are located all over the world. Their offerings span across the globe. If you can't find something at your local store, it's likely available on eBay. Everything from Korean beauty products to East Asian toys. By buying through the platform, you're likely to save on costs too.

Customers love the vast selection of products. And sellers like the ability to sell to anyone, worldwide. It means their consumer base isn't limited by location.

In the past, sellers have gone on to create their own businesses. Sophia Amoruso, the founder of women's fashion brand called Nasty Gal, and author of the book #GIRLBOSS, started on eBay. She found and sold vintage
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clothing. After losing her account, she turned this flip and sell hobby into a \$280 million company.

Although not everyone can become Amoruso, plenty of people turn a nice profit from selling products through eBay. Mass competition doesn't make it easy, but it's still possible.

Social factors: a stepping stone into entrepreneurship

Not everything you want is available at your fingertips. Whether it's a vintage dress for prom or 100 nose rings in a variety of colors, it's on eBay. Whatever your style or desire, you can find it there. If you want to be a seller, it's easier to get started now than ever before. Being successful, however, is another matter.

Although sellers are individual, many treat it as a small business. They may only sell jewelry or men's clothing. Instead of selling everything under the sun, they niche down. They build a brand and reputation. So long as you're of legal age, you can essentially start your own business with eBay as the middleman.

eBay may not be as popular as it once was ten years ago. We have Amazon now, which offers a variety of products similar to eBay. But it's not the same. On eBay, you can bid for items rather than buying it at a set cost. Prices are mostly uniform across Amazon but on eBay, you may find that specific item \$50 less. It could be because someone wants it gone immediately, or you were just at the right place at the right time.

Technological factors: the need to be online 24/7

eBay is an e-commerce business. It survives on technology. It requires servers, online payment systems, and storage for digital information. It's only possible to use their services with an internet connection. Which means, if the servers go down for even a second, they lose revenue. A lot of it.

Not only does it need to be up 24/7, it also has to be user-friendly.

Otherwise, people will leave the site. eBay needs to keep up with newly designed interfaces to keep their navigation easy to use.

Being a technological business has its downsides. For instance, it's easier to scam people online. Someone can offer to sell a pair of authentic brand name shoes. You buy them, receive a box, but it only has a brick inside. The worst part is, this scammer can just disappear. Close their account and vanish.

Legal factors: Scams everywhere

eBay has had a fair share of mishaps. At one time, people were finding crashed plane parts and putting them up for sale. Laws in the United States don't allow this. eBay could've experienced a heavy penalty per transaction. But it's easy to hide your identity online, so finding the culprits isn't easy.

Additionally, scammers often pretend to be an eBay representative to steal customer information and credit card info via email. On top of fake sellers who lie about what they're selling, this raises two problems. The first: it's too easy to scam people on such a largely unmoderated site. Second: who is the one at fault? Since most scammers can't be identified, should eBay face the consequences? Or should customers be at fault for being "gullible"?

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Environmental factors: Green shopping

Online shopping is better for the environment. You don't have to rev up your car and drive all over town for your products. Instead, they arrive safely to your door with a click of the mouse. You're also able to buy previously owned items. Originally, they may have just ended up in the trash or tossed on the side of the road. But on eBay, they're polished up and find new homes. eBay has allowed people to buy and supply green products to worldwide audiences. We need more of that.

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