

Ebay's growth strategies: an analysis



To gain market in India, eBay has to change the way it operates. eBay. in has to develop and implement new strategies for the change management.

Using the following table the best theory to use is Lippitt's Phases of Change Theory. This theory consists of 7 steps and it mainly focuses on change agent's roles and responsibilities compared to evolution of change in the organization. Implementing Lippitt's phases of change theory on eBay. in

The problem: eBay failed to make its impression in India, one main reason is the country's internet and technology is still developing unlike in USA, where internet and technology growth reached its maturity level. People in India consider eBay as a virtual market, and so they don't believe in it, when compared to retail and wholesale markets. eBay is unable to adapt the different languages and cultures in the country so it is unknown to most of the people.

Motivation and capacity for change: eBay has enough capacity for the change, and to localize itself in various states/cultures it needs to appoint local business people/change agents, who are familiar with local markets and the technology. Increase in fuel price, inflation, and recession are forcing people to choose other methods to purchase products they need, so eBay is the choice people have, and the change agent if able to inspire them the organization will grow strong in the market within few months.

Change Agent and Resources: Recruiting those individuals who know the local market as well as have good knowledge about the internet and technology can be helpful. To check the motivation and commitment of the agent, he/she will be assessed through few interviews and other

psychological tests. As the organization depends mainly on internet and technology, the required resources are available in India, like manpower, transportation, etc.

Progressive change objects: Developing action plans and strategies with respect to different cultures and languages needs those language and culture experts, organization should employ those people before they build their strategies. The main goal here is to gain the customers belief and get close to them so they know the organization. Aims of this process are to decrease complexity and achieve operational excellence.

Role of Change Agent: organization should define what they are expecting from the change agent, and change should be clear about what his/her duties are and should make it clear for the organization and other employees, and customers, by which no one gets confused in the process of change.

Maintaining the Change: developing new strategies for marketing, like campaigns, advertisements about the organization and how the organization operates is very important for the organization. Taking feedbacks and review helps organization to understand how people are reacting and what are the other changes the organization needs to make, to increase belief on the organization?

Change Agent: once organization reached a stage where people are believing in the organization and are able to communicate properly without any problem, the role of change agent should be lessened and the change process should be terminated slowly.

What would you do differently if undertaking a project of this nature in the future?

Following above steps can increase the belief of the people on the organization, but I would like to concentrate on one specific point i. e. existence of the organization in the virtual environment. The main reason, why people don't believe the eBay. in is because of its virtual existence, and I would like to change that in to physical existence. Both buyers and sellers are customers of the organization and they can do it online, but I would like to provide a small place/ business centre where people can come and meet directly and exchange goods or products. By this process people will be more attracted towards the organization and customer's belief towards the organization increases.

However, this contradicts with the idea of online marketing but, this process should be and will be followed only for few days, until and up to the organization gains the belief of its customers. And we use this business centre only for those customers who are willing to come and for complex situations to reduce complexity.

Factors which can influence the change management process

Power: many organizations follow hierarchical power i. e. managers take decisions, sometimes with the support of employees and sometimes without the support of employees, about the process and strategies that organization is going to follow. Here management of eBay considers buyers and sellers are equally powerful to make their own decisions.

Culture: eBay is a massive community with unique culture. In the site individuals can find articles offering wider information than just auction listing or price lists or web site tools. eBay creates opportunities for people, it cares its customers, and making a difference in the world. It explains us the unique psychology, attitudes, and beliefs and values of the management and founders of eBay.

Communication: organizational communication and interpersonal communication plays a vital role in effective change management.

Organization communication is leader communicating with the employees through meeting, conferences, or electronic mails. This information in general is for everyone in the organization to explain new strategies or action plans to its employees. Interpersonal communication is communication between management and employees, in general to provide information on what they are expecting from the employees and what organization aim's at. It is also useful in taking feedbacks as not all the employees work and learns at same-pace. Interpersonal communication increases relationship between employees and management which is very important for an organization to sustaining change.

Conclusion: eBay was able to make a strong impact on the market in USA, UK, etc. because the growth of technology in these countries was too high. eBay inc primarily depend on the internet for its existence and without internet and technology it cannot exists. In countries like India, where internet and technology is still growing and didn't reach its maturity level, it is hard for the organization to grow and make an impact on the market. Education level of the customers also plays an important role in online

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business, developing new software to make selling and buying process simple also plays a role in the development of the organization. Technology is a macro environmental factor, meaning organizations like eBay cannot control or increase the growth of technology in markets like India. So, developing new strategies like building physical existence rather than virtual existence can make a difference, it is not necessary to start a retail market but proving a business centre, where people can come in case of necessary and delivery issues can increase belief of customers on the organization. Providing local language call centres and customers support centres also helps organization to grow in the developing markets.

Change is necessary in the present world, increase in globalization and internationalization is forcing organization to change and develop new strategies to gain the markets and customers. Because of increase in competition organizations are changing their products and markets to gain competitive advantage. In one way or another change is coming into the organizations, and managing change is very important as improper manage of change can destroy organization.