

Case study ebay

Business



Ebay had experienced substantial growth and rapid evolution since it was founded in 1995 up to the year 2001. In 1996 the number of registered users are 41,000 and it went up to 341,000 in 1997 with a registered growth of 832 percent.

In 1998 the registered users has increased by 640% from the previous year totaling at 2,181,000 number of users. In 1999 the growth registered at 459 percent compared to 1998 with a registered users of In the year 2000 the growth registered at 225 percent from the previous year and In 2001 the growth is 189 percent compared to year 2000.

eBay's gross merchandise sales in 1996 was seven million US dollars with increasing percent. In May 2001 eBay controlled 64.3% of the online auction revenue share far beyond its main competitor ibid.

Com, which, has emerged at that time gaining a market share of 14.7 percent. The three next largest competitors are, Egghead. Com with 4.0 percent, Yahoo Auctions with 2.4 percent and Amazon Auctions with only 2.0 percent online market share. Represented less than 10 percent of the revenue share in the online auction market in mid 2001.

Competitors of eBay are traditional and inefficient which resulted to three other deficiencies: 1. They tended to offer limited rarity and breadth of selection as compared to the millions of items available on eBay, 2. They often had high transactions costs, and 3.

They were "information inefficient" in the sense that buyers and sellers lacked a reliable and convenient means of setting prices for sales or

purchases. These deficiencies have made it possible for eBay's management to advance in the online auction competitively superior to its rivals because it 1 .

Acquisitions 2. Strategic Partnerships 3. Global Joint Ventures 4. Incorporate
Papal in scraggliest 5.

Incorporate more on site advertising and make eBay item postings free
Alternative solutions 5 and 3 are hereby recommended. Evil. . To sustain
eBay's phenomenal growth and changing size and composition of TTS user
base they need to take a proactive approach and allow users to post
products for little or no money.

These costs can be recouped through the use of site advertising.

Villa. ACTION PLAN Joint venture with Faceable. Com Student-to-student
transactions for used textbooks Expose college students to e Ebay auctions
Future options with Faceable. Com Joint venture with Become Online
(Internet provider in Taiwan Co-branded website featuring auction style
trading and fixed price sales Joint venture Walt MOM online ten leaning
wheelers Internet company In Create new e-commerce community in China