

Ebay china case study examples

[Business](#), [Company](#)



EBay is an online organization that provides online services such as purchase of goods online, payment for goods and services online, and online communication services. The company established itself in China, but it failed because of certain factors; however, the company can utilize modern business models and establish itself in China successfully. The model will be discussed, and suggestions for re-establishment will be given below.

Situation analysis

The population of china was growing rapidly, and the demand for online services was increasing. The company could not meet the growing demand of the Chinese people because the online needs of the people were changing every day, and the company lacked enough resources. The communication between the company and customers was not efficient; therefore, people would fake the company's identity and sell fake products to customers. The failures that e-bay experienced in China require the company to formulate a new model that will correct the previous mistakes.

Designing the model

The new model consists of three parts, which are, positioning the value of customers, creating a profit formula, and determining resources required to carry out different activities.

Creating a customer value proposition

The company should explain to the customers the value of the products it sells; this makes people buy the products of the company because they can differentiate them from the products sold by other companies. E-bay deals with e-commerce, internet communication services, and e-payments; the

company should come up with statements to convince customers that their products are the best in the company. The statement should clarify the uniqueness of its products because it draws the difference between its products and products of other companies. E-bay should inform customers about the methods of electronic payments that they offer, and the advantage of each method; for example, the company can provide a feedback service through text or email. The company should also inform customers about VERO, which is software that they use to prevent fraud. This would win the trust of customers because it assures the customers that it is the company that they are dealing with and not fake people.

Designing a profit formula

The returns model shows the company the profitability level at which it is operating; total revenue that is expected from operations is compared to total expenses that the company expects to incur. Revenue should exceed expenses for the company to survive in the market. The model will help the company to monitor the level of expenses to avoid wastage of funds. E-bay should draw a model that shows expected income from the three main activities, and the costs it expects to incur on each. This will guide the company in knowing when to spend more or less, and what to expect. The company has to maintain financial records to help in analyzing the position of the company.

Identifying key resources and processes

Resources are the most fundamental factor for the success of businesses; e-bay should identify the available resources. This helps the company in identifying the required resources and the best supplier of those resources.

The company has to identify the activities of every worker to determine the skills required for each job. This also helps the company to organize trainings for employees to acquire the new skills in the market, and new technology. The company may decide to merge with other companies such as Eachnet and Google if it does not have enough resources to enter the market on its own. This would broaden the resource base of the company, and it would lead to efficient delivery of services.

EBay is an American online company that provides online services; the company failed to enter the Chinese economy due to certain mistakes such as lack of adequate resources. The company can correct its mistakes by using a management model that consists of three parts namely; customer proposition, profit model, and resource identification. A careful analysis of the three factors can lead to a successful restructuring of the company in China.