

Strategic Management LCMB7003

Assessment 1- Study Case *eBay*



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Introduction

The Internet's significance skyrocketed in the mid-1990s. Because of the Internet's predicted possibilities and expectations, it did not take long for a slew of businesses with Internet-focused business strategies to spring up. So yet, just a handful of these Internet business concepts have grown to worldwide proportions or proven to be successful. Global developments and significant technological advancements enable businesses to gather and analyse consumer data more efficiently than ever. These sophisticated technologies not only permit these studies but also provide concurrent contact with the client. As a result, these developments necessitate that businesses adjust their behaviour to the environment. This results in a shift in company strategy, defined as "a move from a product emphasis toward a customer-centric offer (Kumar, 2012). Customer relationship management aims to build long-term, mutually beneficial connections between customers and suppliers (Peelen, 2005).

E-bay, on the other hand, is one of the businesses that has achieved these goals. This strategy document identifies, analyses, and evaluates the enterprise's development and strategic figures.

Company Overview – E-bay

E-bay, founded in September 1995, is one of the world's biggest online trading marketplaces for individual and business customers. E-bay allows the purchase and sale of a broad range of goods and has a diverse set of target markets and consumers due to the diversity of products accessible on its website. Its customer value proposition includes trust, value, selection, and ease. E-bay's overarching goal is to provide customers with "the greatest choice, the most relevance, and the most powerful selling platform possible," as stated in the company's 10-K report for 2017 (Wikipedia, 2021). E-bay's goal is to recruit and maintain diverse sellers and brands to give consumers a wide range of options, which enables them to choose the most suitable merchandise based on price, quality, and service. Furthermore, E-bay constantly changes the buying experience to fit each customer's expectation best, improve user experience, and finally provide the greatest relevancy. Moreover, E-bay aspires to be the most powerful selling platform for both individual and company sellers by growing and introducing new services to generate more sales. E-bay's goal is to increase revenue and gross merchandise volume from its marketplaces via various strategic methods. To begin, E-bay wants to recruit new users to grow its client base. E-bay also wants to encourage more registered users to



become active buyers and sellers. Finally, E-bay intends to improve the value and number of transactions made by active users (Chaffey, 2019) .

Strategic Management

Strategic management is the process of evaluating both current and future settings, developing the organization's goals, and making, executing, and regulating choices aimed at attaining these objectives in both current and future environments (Smith, 1991).

The process of evaluating, creating, and executing strategies to maintain or improve competitive advantage is referred to as strategic management. The evaluation process is involved with evaluating both the external and internal surroundings. Business models, corporate direction, competitive tactics, worldwide strategy, acquisitions, and collaborative action are all part of the planning process.

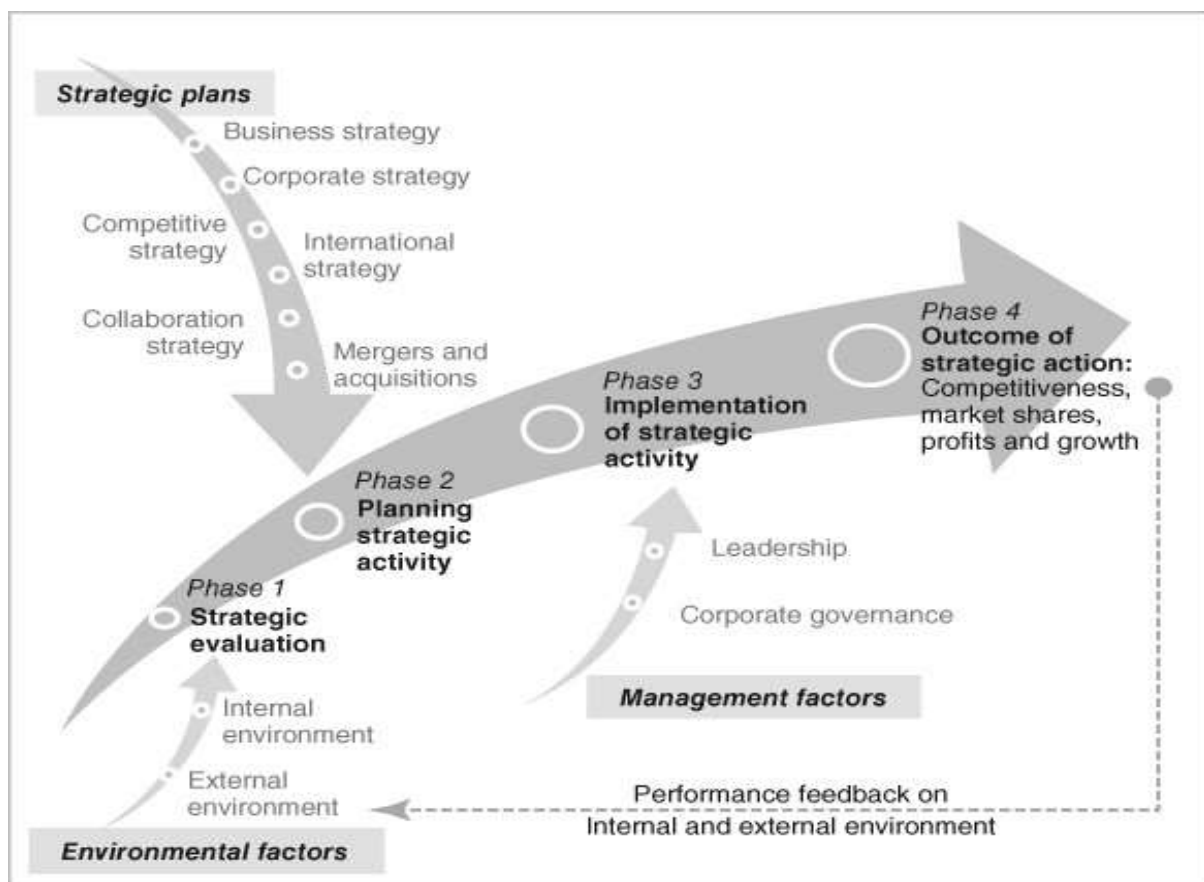


Figure 2 Component of strategic management (Adapted from McGee, 2010/2012)

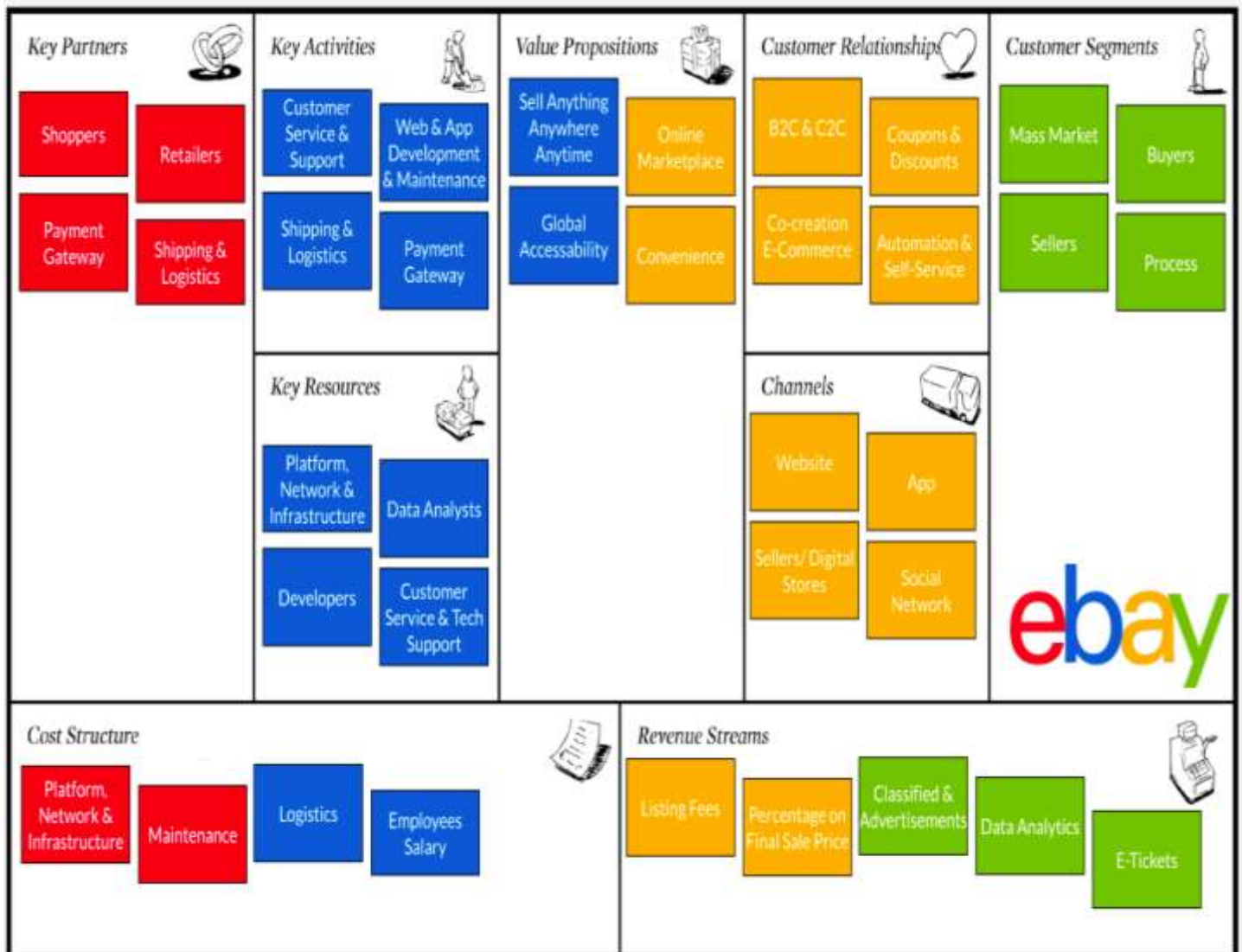


Figure 1 The Business Model - eBay (creating by author)

For example, dropshipping is one of eBay's business models, often utilized in conjunction with eBay shops to offer goods for direct sale. On the other hand, this business model does not need us to have goods on hand at our residence or place of work. As a substitute, we locate a dropshipping partner that stocks the goods we wish to sell and set up a business account with them to do business. Once an item is sold on eBay, we notify the drop shipper of the sale by sending them the order information. In exchange for paying a reduced wholesale price to the dropshipping business, we earn a profit on the difference between our cost and our client's price. This approach is popular since we can establish our profit margins without worrying about packing and delivery.



Effective leadership is needed throughout the implementation phase to establish a functional organization, build management culture, supervise strategic operations, and steer the business through the process of ethical corporate governance. Changes in revenues, market shares, profitability, and return on investment for stakeholders are all indicators of the success of a strategic action plan in action. When the findings are published, they trigger a feedback loop that affects both the organization's external and internal surroundings.

Pestle Analysis of eBay

The term PESTEL refers to political, economic, social, technical, environmental, and legal aspects. eBay PESTEL study entails determining the possible impact of the variables above on the company's revenue volume and growth prospects. It should be specified that the spectrum of variables included by the PESTEL framework represents external elements affecting the business, on which the firm has little or no influence.

Political and Economic Factors

The political policies of an area have had little impact on eBay's business. Globalization has had a beneficial effect on the ability of businesses to grow globally and access new prospective customers. The online purchasing security concerns are the subject of a regulatory proceeding at this time. There has been a Marketplace Fairness Act and other government actions that have gotten in the way of the process (Annual Report, 2020).

Economics Factors

As a result of instabilities and volatility in the market caused by currency rates and other problems, eBay has suffered significantly. If new tax rules are implemented, they may impact the business and the online sales trend (Annual Report, 2020).

Social Factors

eBay's rapid global growth has resulted in data security incidents. Millions of people have filed lawsuits against them, resulting in a deterioration of their social image and eBay. Has subsequently invested much in improving security measures and guaranteeing sufficient insurance coverage to avoid similar losses in the future (Goyenko, 2009).



Technological Factors

The rapid growth of high-speed internet services has increased public online consumption. The assistance provided by a third-party online payment system has made the process easy and quick (Annual Report, 2020).

Legal Factors

There are many laws in different jurisdictions, such as the European Sales of Goods Act, the Federal Trade Commission in the United States, and the Electronic Signature Law, among others, that help guarantee the security of e-commerce (Annual Report, 2020).

Environmental Factors

Large-scale internet commerce necessitated the packaging, distribution, and transportation of products from the warehouse to the customers. Thus, the extensive chain of logistical operations is expected to hurt the environment via plastic trash and pollution (Meier, 2009).

Porter's Five Forces Analysis

E-bay Porter's Five Factors is an analytic model that describes how five distinct forces shape the entire competitive landscape in the e-commerce sector. Figure 2 illustrates these forces:

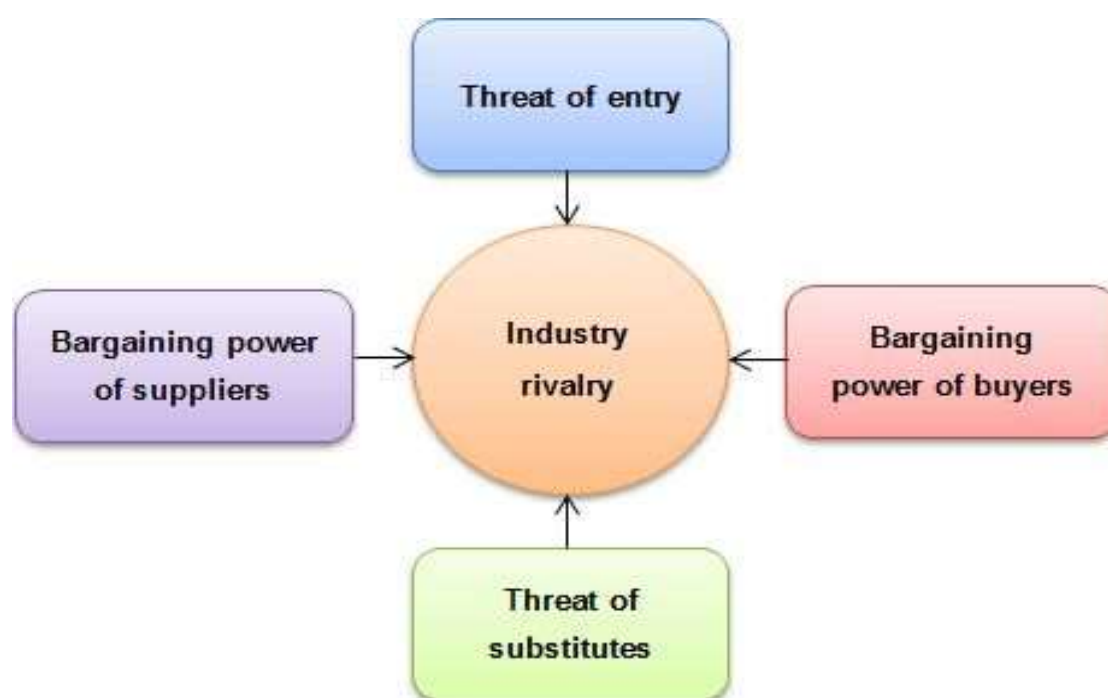


Figure 3 E-bay Porter's Five Forces



Threat of new entrants

The threat of new entrants into the e-commerce sector is critical. Building an e-commerce website and offering an online platform for merchants and customers may not need a significant investment of money or effort. However, unless new market entrants have a significant competitive advantage based on invention and creativity, this does not imply that new market entrants pose a danger to eBay's market share. This is due to eBay's first-mover advantage in the market and a variety of competitive advantages such as economies of scale and brand value that new rivals cannot readily match (Forbes, 2021).

Bargaining power of buyers

Bargaining power of eBay buyers is paramount. Customers have various online and physical alternatives to eBay, and switching to a direct or indirect rival costs little or nothing. Furthermore, since eBay sellers are price-sensitive, introducing a cost-effective rival may quickly challenge eBay's market share as a sign of consumers' enormous bargaining power (Forbes, 2021).

Threat of substitutes

For each kind of service provided by eBay, the threat of alternative goods or services is substantial. eBay services are classified into three types: Marketplace, StubHub, and Classified. A wide variety of grocery chains, including Wal-Mart, Tesco, Target, Sainsbury's, and others, serve as an adequate substitute for eBay Marketplace. Furthermore, the existence of e-commerce sites for all major grocery chains heightens the importance of this danger. StubHub on eBay is a website where consumers can buy and sell tickets for sporting events, concerts, plays, and other live entertainment events. StubHub substitute services include but are not limited to physical ticket offices, internet forums, and websites selling tickets, as well as other kinds of goods and services. Substitute services for eBay Classifieds include Yellow Pages and other comparable print advertising media. As alternatives to eBay Classifieds, media advertising and advertising on various media platforms may be suggested (Forbes, 2021).



Bargaining power of suppliers

eBay suppliers' bargaining strength varies depending on the kind of supplier. eBay offers various vendors, including storage warehouse providers, consulting service providers, technical product suppliers, and others. Because of eBay's supplier switching costs and a variety of other variables, some kinds of eBay suppliers, such as storage warehouse providers, have considerable negotiating leverage. However, the bulk of other suppliers, such as consultants and sellers of technical goods, do not have significant negotiating power and may be readily replaced by eBay (Forbes, 2021).

The strategic management framework

Corporate strategy

Strategic management has developed significantly during the past several decades. Strategic thought and action have become critical in ever-changing environments (Ahmadi, 2018). Individuals and businesses are continuously developing new and relevant methods to become more innovative, competitive, and thriving worldwide. This strategic process seeks to preserve or improve competitive advantage in the market, includes many elements, including thinking and planning about effectively spending resources, implementing actions to accomplish desired results, and realizing the organization's purpose and vision (Sammut-Bonnici, 2015). This article aims to investigate this process via a review of the literature, emphasizing the significance of strategic thinking in strategic planning. Corporate strategy is the most critical strategic plan of an organization, and it specifies the objectives of the business and the means of achieving those goals within the framework of strategic management. eBay is an affirmative action/affirmative action employer. The employer is committed to employment equity. Applicants meeting the requirements will be considered for employment regardless of race or color, religion or national origin, sexual orientation or gender identity, veteran status, or any other legally protected status. They aim to guarantee that employees feel comfortable and included at eBay, regardless of who they are (Dudovskiy, 2016).

When it comes to transactions, eBay's approach is to be as hands-off as possible, and the business must offer a dependable and straightforward method for customers to handle the process independently. eBay focused on domestic and international trade, with sites in 53 U.S.



markets. They provide unique regional tastes and allow consumers to buy locally for difficult-to-ship goods such as cars or antique furniture.

Key partners

Key Partners are connections that a firm has with other entities that aid in the operation of the business model (for instance, suppliers, manufacturers, or advisors). These collaborations provide the necessary assistance to flourish in areas where the business would be inefficient to handle independently (Cleverism, n.d.). eBay has two types of partnerships:

1. *Marketplace Sites*

- StubHub

	StubHub is an e-commerce website that sells tickets. Their online marketplace enables fans to purchase and sell tickets to sporting events, concerts, theatrical performances, and other ticketed events. StubHub is committed to providing a secure, convenient, and dependable service.
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- Classified Websites

	eBay classified webpages are available in over 1,000 locations globally. They are intended to facilitate local commerce. They earn money by selling advertisements.
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- [Shopping.com](#)



This is a comparative shopping service that displays goods from hundreds of different retailers simultaneously. It has a powerful search engine and user-generated product evaluations.

- [Half.com](#)



A fixed-price marketplace, Half.com, is operated.

New and old books, textbooks, music, movies, video games, and video game consoles are the main emphasis of the website.

- [Rent.com](#)



Located in the United States, Rent.com is a website that caters to the renting industry. Instead of buyers and sellers, apartment searchers and landlords meet on the internet. Fees paid by landlords when a tenant specifies that they discovered their property on Rent.com are the source of Rent.com's income.



2. *Payment Partnerships*

Online payment methods must be secure and effective for an online company. Those who use eBay have numerous payment choices, thanks to two distinct payment companies.

- *PayPal*

	PayPal enables people and companies to make and receive payments online in over 190 different marketplaces across the globe.
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- *Bill Me Later*

	Bill Me Later is a credit solution available only in the United States. It allows businesses and customers in the United States to offer and receive credit at the point of sale through a licensed financial institution.
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Value proposition of eBay

eBay has expanded and flourished by providing much value to both consumers and sellers. Some ideals are shared by both sides, while others appeal to one side more than the other (eBay, n.d.).

1. *Buyers*

Buyers have long recognized that eBay is a well-known brand in the internet marketplace. They have come to rely on the marketplace structure that eBay has established. eBay has also attempted to maintain high levels of customer satisfaction by developing and providing various community services such as customer help forums. Furthermore, most customers have learned



to appreciate the value they may discover on eBay thanks to the "Daily Deal" and "Fashion Vault" programs.

For many people, purchasing online is much more convenient than conventional methods of buying. With the ability to compare many different products from many different sellers without getting out of our chair, eBay's convenience and variety are impossible to match by a single website or brick-and-mortar store.

2. Sellers

Sellers understand that by selling their items on eBay, they will reach a large and worldwide online audience. eBay, for example, had about 94.5 million active user accounts by the end of 2010. If a user has bid on, purchased, or listed an item in the past 12 months, they are considered active.

Sellers may also utilize the marketplace to attract consumers interested in out-of-season, end-of-life, used, or antique goods. Indeed, the most significant growth rates in growth merchandise and sold goods have been in the fixed-price structure for out-of-season products.

eBay also takes pride in its capacity to handle customer payments in a fast and cost-effective manner. Buyers may take this functionality for granted, but every seller who has tried to operate their online shop sees it as a valuable asset.

Key activities

At its most basic, eBay's ongoing success is dependent on two main factors: marketing and platform.

1. Marketing

When someone mentions eBay in a conversation, the first thing that comes to mind is "online auctions." As a result, one of eBay's most valuable assets is its brand. However, eBay cannot rest on its laurels; it must work tirelessly to maintain its good image. This implies that, in addition to advertising, businesses must spend considerable resources on technical support, customer service, billing accuracy, and security concerns.



2. The Platform

The website eBay is critical since it serves as the platform for all auctions and transactions. Aside from marketing, one of the few ways for online auction companies to distinguish themselves is via the technology underlying their search and listing features. eBay has positioned itself advantageously in this respect by focusing on ongoing product development as one of its primary goals.

If both of these initiatives succeed, eBay will maintain and even grow its vast user base.

Customer segments

eBay's primary customer categories are buyer and seller. The fact that a seller may simultaneously be a buyer binds them. One of eBay's first online auction sites has a significant market share, essential for any multi-sided platform. The fact that the other sector already exists makes eBay appealing to any group. With 94.5 million registered users,

This requires eBay to balance the interests and desires of two groups. It took a long time to figure out what security and guarantees suppliers and buyers required. If the service offered to either side becomes antagonistic, neither will utilize eBay (ebay, n.d.).

Customer relationships

eBay's connection with its consumers is a mash-up of three distinct types of client relationships.

1. Automated Services

All eBay operations, including listing, bidding, winning auctions, and buying fixed-price items, are automated. There are other ways to alert an eBay agent if suspect fraud or an illegal auction.

2. Communities

eBay has welcomed communities. The firm has set up an answer center where customers may get assistance from other eBay users. They provide discussion forums for every eBay-related subject. There are both public and private forums where people may discuss their common



interests. These communities facilitate conversations about relevant goods and even recommend products linked to the interests of the community.

3. Co-creation

The business has no products listed on eBay. There would be nothing for sale in the marketplace if consumers did not offer their goods. eBay's "content" is entirely produced by others. Each side, sellers, and eBay need the other to establish a value offer. The artwork shown to the left is an excellent example of something produced by a client and then offered for sale on eBay.

Revenue

eBay's income is divided into two distinct sources.

1. Net Transaction Revenues

These include final value fees, feature fees (advertising listings), and listing fees from sellers on our platforms. Our net transaction revenues include store subscriptions and other payments from major business suppliers. Incentives, such as discounts, vouchers, and prizes, given to our consumers hurt our net transaction revenues. Net transaction revenues for the 2020 year are \$9,300 at the current exchange rate, a 23 percent increase over the previous year's figure of \$7,578 (Annual Report, 2020).

2. Marketing Services and Other

Marketing money comes from advertising sales, revenue-sharing agreements with suppliers, classified ad payments, and lead referral fees. The remainder comes from interest on PayPal account balances, fees for using the Bill Me Later option, and partnerships with third parties to provide new services to eBay consumers. These earnings make up a tiny but significant portion of eBay's total income. They account for around 12% (\$1,094,767,000) of the total net revenue of \$9,156,274,000 (Annual Report, 2020).

The revenue split is divided into two categories: transactions and marketing/other services (eBay, n.d.).



Value chain analysis

It identifies critical business operations that generate value and competitive advantage. The chart below summarises the whole eBay value chain research.

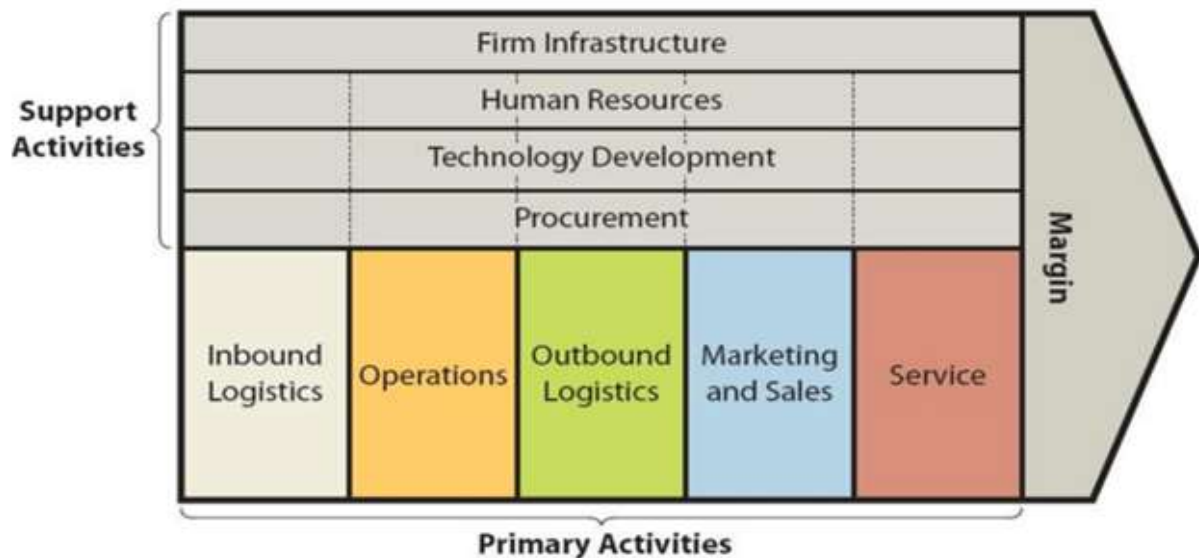


Figure 4 E-bay Value chain analysis

Primary activities

The delivered price is the margin in the illustration. Primary activities include incoming and outbound logistics, advertising and sales, operations, and transportation.

Inbound logistics

eBay's inbound logistics refers to the company's methods for acquiring and storing raw materials. Among them are servers, other hardware goods, and a wide variety of technical equipment, office supplies, and other things. Because eBay's operations are so large and complex, economies of scale are the primary source of value in inbound logistics. In addition, eBay's inbound logistics relies heavily on strategic partnerships with suppliers (Prince, 2007).

Outbound logistics

eBay outbound logistics refers to the ways of delivering products and services to end customers. Since its business strategy does not need wholesalers or retailers, eBay does not interact with them. The business must control and monitor the system regularly. eBay uses



third-party logistics firms to deliver goods from sellers to purchasers, unlike its main rival, Amazon. Uber Rush, an innovative and fast shipping service provider, and eBay established a tight collaboration early in 2016 (Prince, 2007).

Marketing and sales

In 2015, sales and marketing expenditures decreased by USD175 million, or 7%. Sales and marketing expenditures were 26% of net sales in 2015 and 28% in 2014. 36 Until 2015, PayPal, a powerful global payment method, gave eBay a substantial competitive edge in sales transactions. Currently, eBay's strong points include its use of social media and viral marketing, as well as its sophisticated online sales platform.(Prince, 2007).

After-sales service

he eBay US customer service hotline, is open 24/7. Improving customer service is also a priority for the brand's suppliers. eBay's competitive advantages do not include effective customer service. Particularly, eBay is frequently criticized for its lack of live chat and direct email and its lack of consistency among foreign sites (Hsiao, 2016).

Secondary activities

These actions support the major ones, maintaining the competitive edge(Stobierski, 2020).

Procurement

eBay's procurement activity relates to the company's resource acquisition techniques. As a global company, eBay conducts sophisticated global procurement activities while maintaining high ethical standards (Prince, 2007).

Technological development

eBay recognizes technology advancement as a critical element in surviving in today's competitive environment. The company's technical advancements helped it gain a competitive edge. For example, eBay's RedLaser comparison shopping software enables consumers to scan product bar codes in-store, online, or at another store nearby. The software helps businesses



combat "showrooming" by alerting them when a client enters one of their shops and letting them deliver tailored offers based on goods scanned.

eBay has also created "Connected Glass," a technology that enables "shoppable windows" or "digital storefronts." eBay's Connected Glass was most recently shown in the Westfield San Francisco Centre, powered by Sony, TOMS, and Rebecca Minkoff. The displays displayed items that passers-by may buy and pay for through PayPal mobile express checkout. The system was created to assist merchants in maximizing their physical space by displaying goods that may not fit in their shops and generating revenue after-hours (Prince, 2007).

Human resource management

Nearly 12,000 individuals work for the business globally. All workers must follow the company's Code of Business Conduct. The essential resource for eBay's success is the skilled and innovative staff. "Our performance is mainly dependent on important personnel," the business admits correctly. We may not recruit, retain, and develop highly qualified people to support our company due to intense competition for critical workers. Senior management or other significant staff departure may damage our business." Attractive employee pay packages with physical and intangible perks and a company culture that encourages innovation and experimentation all contribute to the generation of value for eBay (Prince, 2007).

Infrastructure

eBay's infrastructure includes finance, planning, quality control, and senior general management. Furthermore, being an e-commerce company, eBay places a premium on a server and network infrastructure.

"Service disruptions" harmed eBay's operations in 1999. Three days of server overload prevented users from monitoring auctions, bidding, or completing transactions. Buyers, sellers, and eBay were all dissatisfied, so eBay rebuilt its technology. eBay had one large database server and a few search servers in 1999. In 2005, eBay had 200 databases and 20 search servers (Layton, n.d.).



SWOT Analysis

The phrase SWOT analysis relates to an organization's strengths, weaknesses, opportunities, and threats. The following table depicts eBay's SWOT analysis:

Strengths 1. Value of a brand; 2. Experimentation and entrepreneurship are encouraged in the workplace;	Weaknesses 1. The business model's complexity; 2. Absence of a well-defined company plan and competitive edge; 3. Lack of a self-contained distribution network;
Opportunities 1. Creating a game-changing breakthrough in the online retail sector; 2. Diversifying your company; 3. Establishment of strategic partnerships; 4. Taking on acquisitions;	Threats 1. Breach of security ; 2. The website crashed;

Figure 5 eBay SWOT analysis

Strengths

1. The worth of the eBay brand is estimated to be around 11.2 billion by Forbes and 13.9 billion by Interbrand (eBay, 2016). The company's substantial brand value reflects consumer loyalty and its long-term growth potential, says Forbes' John Defterios.
2. eBay's founder Pierre Omidyar established a corporate culture of innovation, which has allowed the company to improve operational efficiency. The business will benefit from its experimental culture, which will benefit the bottom line, says John Donohue.

Weaknesses

1. eBay's President and CEO correctly recognize that "the genius of eBay's concept is its biggest obstacle" The company does not specialize in any one product category, which may cause issues for customers being overwhelmed by the number of offerings. It is a frictionless marketplace, which means vendors may sell anything.



2. eBay's main business used to be as an online auction house for hard-to-find goods and antiques, as well as second-hand clothes and automobiles. The company has placed a premium on selling new goods such as electronics and automobile components at a set price (Rao, 2016).
3. Unlike Amazon, eBay does not have its distribution network. The company uses third-party delivery providers such as DHL, TNT, UPS, Fed Ex, and Uber Rush in specific locations. Amazon has been attempting to lease about 20 Boeing 767 Freighters to launch its air delivery business (Forbes, 2015).

Opportunities

1. Disrupting the online retail sector is a potential that eBay may pursue via creativity and innovation. In other words, eBay can repeat its success in online auctions to achieve market leadership in online retail by recruiting top industry expertise and committing to significant and systematic research and development expenditures.
2. eBay has the potential to diversify its business. The company needs to explore possibilities to expand its position in the online search and price matching sectors, emphasizing product and service searches, using its existing competitive edge. It also has the capability of developing and manufacturing its brand of technical goods.
3. Strategic partnerships offer an appealing option for eBay's top management to explore. eBay should form strategic alliances with non-competing e-commerce companies to reduce overall operating expenses and supply chain management, distribution, and marketing costs.
4. eBay has the opportunity to expand its market share and improve its long-term growth prospects. The target business must successfully complement eBay's fundamental value proposition, according to the company. Its management must be proactive in dealing with cross-cultural differences between the two organizations.

Threats

1. A breach of security in general and a customer data breach is a significant potential danger to eBay. The occurrence of such events has the potential to undermine customer



confidence in eBay, resulting in long-term revenue losses for the business. Customers may use eBay for the theft of their personal information.

2. eBay's website has a history of being crushed with different degrees of regularity. The site collapsed at least ten times in 2014, preventing users from logging in and trading on the platform (Straus, 2014). There is a risk that website crashes may recur in the future.

Growth strategies

Product and service enhancements, increased trust and safety, improved customer service, product expansion into new categories and markets, creative pricing, and buyer retention tactics are all part of the company's growth plan.

eBay has acquired Half.com, a fixed-price selling business. Unlike Amazon, eBay has been primarily focused on providing services. The business recently purchased Paypal, a significant supplier of person-to-person payment services. In addition to selling old automobiles online, this website also sells motorbikes, auto parts, and other items.

Market development

Market expansion is a high-growth strategy for eBay's global marketplace business. Creating new companies in new markets or market categories is the goal of this strategy. In this case, launching a new website for niche classified advertising like sports products establishes eBay's presence in that market. In order to establish new online retail or auction operations in identifiable market groups, new trade websites are built. The company's management uses aggressive growth to attract new suppliers and consumers (Varadarajan, 1982).

Market Penetration

eBay's most crucial aggressive growth strategy is market penetration. Moreover, using this method, the business expands its worldwide e-commerce platform user base. For example, increasing the number of online shoppers helps the business grow in sales and operations. The company's operating size grows with this growth. As a result, the business enhances its online auction services and related operations, enhancing the SWOT Analysis of eBay Inc. Subsidiaries like Kijiji and StubHub have similar strategic objectives and management



techniques. eBay's strategic market penetration objective is to enhance technological efficiency to compete with Alibaba and Walmart (Walmart Marketplace). Due to the business's competitive edge, the firm may utilize the market penetration strategy to increase its customer base (Varadarajan, 1982).

Product development

eBay is not too reliant on product development, which is a necessary but not sufficient approach for the worldwide expansion of the online auction company. The business pursues this aggressive expansion plan by developing and introducing new goods to the e-commerce platform's target customers and merchants. Growth is accomplished via the development of new income streams based on the introduction of new goods. Adding additional items may require reorganizing eBay. For example, adding additional online retail services to the company's marketplace website may need a new organizational division. The PESTEL/PESTLE research conducted by eBay Inc. influences this aggressive expansion strategy. For example, mobile commerce requires constant innovation of mobile products/services. Thus, a product development-based strategic goal is to accelerate the pace of technical innovation inside the organization. New products/services must adhere to the generic strategy's cost reduction criterion to maintain eBay's competitive advantages (Varadarajan, 1982).

Diversification

Diversification is a critical component of eBay's worldwide marketplace business's aggressive growth strategy. To accomplish development via this aggressive approach, the e-commerce firm must diversify its operations or enter new sectors. For example, from 2002 to 2015, complete ownership of PayPal enabled eBay to diversify its business by adding activities in the online financial services sector. This aggressive growth strategy seeks to acquire comparable companies in other areas, such as a smaller company that operates a display advertising network. The acquired businesses must operate efficiently to meet eBay's cost leadership goal and maintain strategic management alignment (Varadarajan, 1982).

Green strategy

A green strategy for a company – public or private, government or commercial – supports the company's existing business, operations, and asset plans, which are typically clearly defined. A green strategy essentially aids a company in making environmentally friendly choices.

Figure 5 highlights some of the problems and offers a unique view of green strategy in its historical context. In essence, sustainability policies have the potential to bring forth new technologies and economic development (Lynch, 2018).

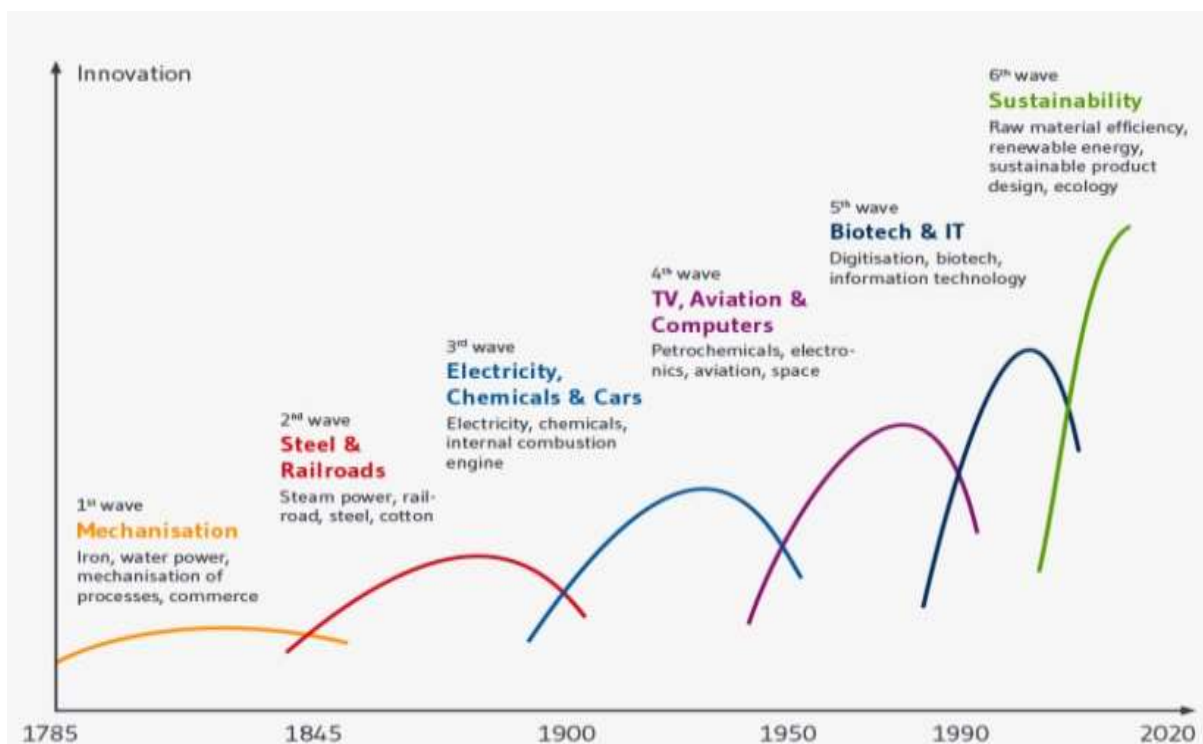


Figure 6 Sustainability as the sixth “long wave” of business opportunity (Hargroves, 2005)

eBay is the world's biggest recycler, allowing consumers to purchase and trade old items on an unparalleled scale. Every day, eBay's worldwide community of over 86 million active buyers and sellers contributes to more sustainable commerce. The greenest goods are often already on the market, and eBay provides a worldwide market for used, reconditioned, vintage, and even new products from surplus retail inventories. Every second, eBay buyers and sellers exchange \$2,000 worth of items, the vast majority of which are used, reconditioned, or antique. The eBay Green Team initiative, which was inspired by the achievements of our community and workers, will continue to support these habits and promote new ways of thinking about green purchasing (eBay, 2009).



Recommendations

eBay should build its transportation infrastructure to handle deliveries. eBay's shipments are susceptible to external occurrences as an external shipping provider. E-commerce firms must consider strategic partnerships.

For example, eBay must form strategic partnerships with non-competitive e-commerce companies to reduce marketing and supply chain expenses. eBay's management must diversify. While retaining its competitive advantage, eBay must explore and grasp possibilities in the internet search and price matching sector. The firm may also design and produce its goods. Finally, the Hispanic population in the US is expected to quadruple in the next 40 years. Not just eBay, but all businesses benefit from this. If eBay can quickly gain this market's confidence and loyalty, it may become a long-term service provider for Hispanics. The main disadvantage of more excellent advertising is the cost, but the expected return makes it worthwhile. It appears "vertical integration and flexibility" is the best strategic management choice.

As a result of the unknowns, eBay should look into strategic partnerships, especially non-equity ones, via licensing agreements with independent drop-off businesses. As previously stated, this approach would improve existing operations and open up a market sector of at least 70 million dormant registered customers. If eBay can effectively coordinate worker education and management across companies, one voice, one experience will be created. Service after the sale and price uniformity will be addressed.



Conclusion

This report set out to analyse the strategic management process of eBay, using a case study. eBay is a growing business that has grown at an exponential rate. The culture has been created, and their business model has grown thanks to many innovations. They have been working hard to be the best they can be, and they have certainly proven and differentiated themselves, particularly in the online auction industry. eBay plans ahead of time and considers ways to improve its business. To continue to expand the company, they must consider all of the various issues that arise from fraudulent exchanges and rivals. eBay has a fantastic chance to continue to develop and progress.

Furthermore, the expansion of foreign markets and internet connectivity has enabled eBay to maintain the standard for online auctions while expanding. Because there are few entry hurdles on a small scale, the high number of eBay transactions may allow for lower margins owing to economies of scale. The system must constantly adapt to increasing traffic, and the development of fraud and fraudulent transactions must be monitored.



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