1.Q. A short case description:

Answer:

***The entrepreneurial enterprise:***

eBay establishes that it can be described as one of the greatest online marketplace .Its positioning statement is “The worlds online market place” .Its great online software enables individuals and small business’ to sell and buy on local ,national or international basis. Millions of items traded each day.

***Origin of eBay:***

Its founder is *Pierre Omidyar*. It was mid1995. After writing the code of the site, eBay’s share price was $18 in 1998. In 1999 the stock was trading $282 per share.

It is now “the world’s largest online mall”. eBay’s competitive advantage lies in its pure play, which leads to sustainable growth and a competitive edge over the retailers.

***eBay’s business model/process:***

This is a click and click business, whose competitive advantage lies in pure play strategy, a transfer from traditional brick and mortar model. This leads to sustainable growth and an edge over other retailers.

***Buy and sell mechanism:***

An estimated 430,000 people in United States make all or most of their living on eBay. Its payment service in called PayPal, which enable transactions nearly anywhere in the world. eBay creates “trust” among buyers and sellers, which is the key to their success as a market place.

2.Q. Analysis of the firm's current market position

***Introduction:***

The organization overwhelms all that the online payment business with PayPal has turned into an inside and out pioneer in e-following. President John Donahoe (above) has steadied eBay within a three-year range. PayPal head David Marcus is centered making the wallet in the cloud. Organizations that pioneer a progressive new business frequently experience considerable difficulties past it—and notwithstanding when they oversee such a turn, the world can be eased back to give them legitimate credit.

***Wall Street recognizing eBay:***

Finally, eBay is ended up being a special case. The tech bubble period of online closeouts among specialists and deal searchers has deftly rotated to end up noticeably a pioneer when all is said in done, settled value e-retailing and, particularly, electronic payments. Wall Street is perceiving that eBay at the focal point of two of the quickest developing, most astounding ranges in worldwide business.

***eBay's first-quarter:***

For the individuals who weren't devotees as of now, eBay's first-quarter comes about, gave a lot of motivation to become tied up with the story. Per-share income, barring stock-pay cost, came to 55 pennies, in front of gauges and up 18% from the level a year prior. EBay's Marketplace section (e-retailing) expanded gross exchange volume by 12% to $16 billion, barring vehicle deals, and the 64% of the aggregate volume that was executed in repaired value deals was 18%. PayPal's enrolled clients rose 12% to 110 million, income climbed 32%, and add up to payment volume rose 24% to $34 billion. Both organizations now earn the greater part of their income from outside North America.

***Growth rate:***

The shares flew by 13% to $40.62, and have since edged somewhat higher. Having propelled over 30% this year, eBay stays appealing, because of its undemanding valuation and the capable energy in the key organizations. The stock could surpass $50 inside the following couple of years, essentially by keeping pace with eBay's normal yearly benefit development of around 15%.

***Acquisition of Paypal and Skype:***

When John Donahoe progressed toward becoming CEO on March 31, 2008, eBay, established in 1995, was gotten in an ungainly youth, with the buzz from its business blurred and client disappointment overflowing. While its PayPal online-payment unit was developing quick, it was to drive the organization alone, and eBay had obtained the Skype Internet messaging organization, a clever business, but a terrible key fit. Under a very much enunciated three-year arrange, Donahoe steadied the Marketplace division by concentrating on settled value stock and resetting standards to support vast dealers. PayPal kept on commanding exchange stream on eBay while growing quickly into non-eBay channels. Furthermore, Skype was sold, in two phases, for a clean $4.2 billion in real money. At the same time, the obligation free organization, now with a market estimation of $53 billion, kept delivering more than $2 billion yearly in free income and amazing profits for contributed capital over 20%.

***PayPal- the payment system with eBay:***

Around two years back, Barron's contended in the main story that incredulous financial specialists and examiners were ignoring the advance being made on eBay and the gigantic estimation of PayPal, even as the market paid up liberally for other payment organize plays. Since then, the stock is up more than 90%, yet remains at 17.5 times anticipated 2012 earnings. That's about the same as Yahoo! (YHOO), a discount to payment network Visa (V), and a fraction of the towering multiple of Amazon.com . Deduct eBay's $7.8 billion in net cash from its market value, and the stock appears that much cheaper. By next year, PayPal should be generating half eBay's aggregate revenue.

3.Q: analysis of the role of corporate entrepreneurship.

***eBay is an online corporate property:***

It is the corporate home of some of the great internet brands. It has almost one hundred million active participants. In about 30 countries, retail and wholesale transactions are hosted. Understanding the inner structure helps us to complete the study.

***It’s core business:***

Its headquarters is in San Jose, California, eBay Corporation. The main businesses are (a)payments business – PayPal. (b) market- place business – eBay, (C) It’s another business is in communication area, is skype. Though, majority share were sold to a consortium of investors in late 2009.

***The founder and the recent bureaucracy:***

It was created by *Pierre Omidyar* at his 28 years of age. Now , headed by President and CEO, *Devin Wenig*. He took his responsibility from president and CEO *John Donhoe* in July 2015. Total employees are about 17,700 workers.

***EBay as public company and balance sheet:***

After eBay was taken by public in 1998, currently the value is about $40 billion. It’s payment processing value is amounted to $92 billion. EBay in 2010 amounted to $9 billion, with approximately $2 billion of operating income. In recent years, due to competitors mostly amazon.com and google, there are some decline and difficulty. Recent economic developments also, taken a toll to its decline of revenue, profit, listing volume, and share price. In John *Donahoe’*s tenure some policies alienated eBay’s traditional community.

***Integration of GSI commerce Inc. :***

After skype, it is a very big acquisition and movement to another business area. Prominent GSI clients are Levi Strauss, Adidas, ToysRUs, Hewlett Packard, Radio Shack, Bath and Body Works, Ace Hardware and GNC etc.

***Corporate giving or CSR activities:***

This program has become known for enabling “Socially Conscious Development and Philanthropy” in some local contexts throughout the world. They support market driven development and anti-poverty innovation. EBay has some other holdings also, which are not very big.

4.Q. Summary of lessons learned from the case and suggestions for future management action.

***Introduction:***

There are some lessons we can learn from case study of eBay, which we may use for management action:

***1. Trust required:***

When you are purchasing something from somebody you don't know then trust is vital. For eBay, trust is worked through the input, something which different organizations convey as a cumbersome bit of hindsight. Openness and the capacity to tune into and react to criticism are the key both inside and outside eBay's reality.

***2. The human touch is vital:***

On eBay, even in a place where nobody meets or talk or knows each other's names, merchants still answer addresses pleasantly, and encase little cards with the merchandise. They have found that great conduct for business.

***3. Do something you love:***

It's harder to offer something that you have no intrigue or are not vested in. "In the event that you adore what you are offering you comprehend it better, depict it better – and you wind up profiting. When you have confidence in your item, it's considerably less demanding to offer it. Your business or brand ought to be something that you're pleased to be a part of that.

***4. Jargon does not increase value:***

Fancy words and adjectives are pointless, as no one would ever use them as a search term.In order to rank for what you’re selling in search engines, you need to make sure your copy contains the keywords and terms that people will be searching for in order to find what you’re selling.

***5. Innovation is overrated:***

On eBay practically everything has an esteem. You can profit out of for all intents and purposes anything insofar as you offer it well.

***6. About warts:***

A long way from putting purchasers off, emphasizing warts fabricate trust. It is alluding to the route in which eBay vendors attract regard for the scratches, tears or imperfections on the things they're offering.

***7. Arbitrage opportunities are plentiful:***

Markets are not flawless, notwithstanding when there are a large number of exchanges occurring each day, somewhat in light of the fact that information is defective: numerous members don't comprehend what they are doing.

***8.Being sensible:***

That being stated, on the grounds that you can lead a steed to water, it doesn't mean you can make it drink. Individuals don't rate gimmicky deals procedures . Clear photos of things, direct item data and a straightforward purchasing process all guide the deal. It's about knowing your objective buyer and streamlining the purchasing channel to make changing over as consistent as could be expected under the circumstances.

***9. Study the data:***

Information is your companion with regards to making sense of customer conduct. EBay has an entire host of data to help you find what costs comparable things have sold for and to help you work out when's best to have your sale end. Using information isn't restricted to eBay. Devices like Google Analytics, the social examination accessible through most social channels.

***10. Irrationality among consumers:***

The human yearning for a deal is with the end goal that it twists reason. Nonsensical Consumers Arrow

***11. Spelling related issues:***

In eBay, on the off chance that you spell it wrong, individuals can't discove it. Regardless of locales like FatFingers existing exclusively to find eBay spelling missteps and grammatical mistakes to reveal hidden diamonds, it's still best practice to ensure that you've spelled accurately.

***Conclusion:***

Above mentioned information about ebay marketplace can help future management of it to make it more developed.