

Integrated Case Studies - I (MB3J1): January 2009

Case Study (100 Marks)

This section consists of questions with serial number 1 - 5.

Answer all questions.

Marks are indicated against each question.

Read the case carefully and answer the following questions:

1. Till 2005, eBay EachNet was the leader in the Chinese e-commerce market, controlling more than half of it. But eBay EachNet soon lost its market leadership position to Taobao .com (Taobao). In this context, analyze the reasons that can be attributed to Taobao 's edge over eBay.

(20marks)

2.a. To enable people to trade with each other, Pierre Omidyar created a marketplace in September 1995 which was later called eBay. By mid 1997, eBay received one million page hits per week with 15,000 listings on a day making it one of the most visited sites on the Internet in the US. Discuss the growth strategies adopted by eBay in US.

(15marks)

b. eBay initially had some success in China but failed to live up to the expectations. In this light, discuss how eBay entered China and the strategies it adopted to revive itself and its slowing growth rate.

(10marks)

3. A significant mistake made by the eBay team in China was its notion of applying its US business model in China. Discuss the business model of eBay in the US, its strengths and weaknesses. Also analyze how eBay tried to adapt its business model to increase its market share in China.

(20marks)

4. The entry of large Multi National Companies (MNCs) into emerging economies was considered to be the end of local players in markets. With the evolution of new markets and the change in the mindset of the customer, local companies are more successful than before in keeping the MNCs at bay. Critically analyze this statement giving reasons for success/failure using relevant examples from the world of business. (15marks)

5. The concept of e-commerce was introduced in China only in 1993 and it took some time for it to catch on. But once it did, e-commerce in China grew at a frantic pace. In this regard, discuss the opportunities and road blocks of Chinese e-commerce market. (20marks)