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CARVANA SWOT & PESTLE ANALYSIS

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Company Name : Carvana

Company Sector : Automotive Retail, E-commerce

Operating Geography : United States, North America, Global

About the Company :

Ryan Keeton, and Ben Huston launched this business. Headquartered in Tempe, Arizona, is a holding business and an eCommerce platform that specialises in the purchase of used cars as well as the supply of a variety of convenient car purchasing options. It is divided into three sections: Vehicle Sales; Wholesale Vehicle Sales; and Other Sales and Revenue. Consumers can use the Company's platform to research and locate a vehicle, inspect it using 360-degree vehicle image technology, apply for finance and warranty coverage, buy the vehicle, and schedule delivery or pick-up, all from their desktop or mobile devices. Customers can get financing, finalise a purchase, and schedule delivery or pick-up online using the Company's transaction tools and web platform. In some marketplaces, consumers can also get their automobiles from a vending machine. Over 266 metropolitan markets are served by the company's in-house distribution network as of early 2023. Carvana has also been listed in Forbes' 2022 Top 10 Best Large Employers list.

Carvana's USP lies in it being the fastest growing online used automobile dealer in the United States and it was recently added to the Fortune 500 List for 2021, making it one of the list's newest members. The mission statement of Carvana reads, "Our mission is founded in helping our clients improve the care that is delivered to patients by paving the way to value-based care models".

Revenue :

US\$ 12.81 billion - FY ending 31st December 2021 (y-o-y growth 129%)

US\$ 5.59 billion - FY ending 31st December 2020

SWOT Analysis :

The SWOT Analysis for Carvana is given below:

Strengths	Weaknesses
<ol style="list-style-type: none"> 1.The company has a pooled inventory system which provides a wider choice to customers. 2.It has a vertically integrated e-commerce platform 3.It is a leading e-commerce platform for buying and selling used cars and has sold more than 5,00,000 vehicles. 4.The company provides a no pressure, no-haggle experience with a 7-day return policy. 5.Optimized logistics network with strong fulfillment experience 	<ol style="list-style-type: none"> 1.Slow revenue growths and increase in net losses. 2.The company does business only in United States. 3.It only has an e-commerce platform unlike its competitors who have an omnichannel model 4.Dependence on third party information technology 5.Test drive before purchasing a vehicle is not available
Opportunities	Threats
<ol style="list-style-type: none"> 1.E-commerce spending on automotive car is increasing. 2.During the Covid era, the 100 percent online buying process and the touchless delivery process provides scope for increase in sales. 3.Restrictions on long distance flight travel have increased the need of road trips, providing scope for potential growth. 	<ol style="list-style-type: none"> 1.The company faces intense competition. 2.Sales is dependent upon the access to desirable vehicle inventory. 3.Carvana is already fairly saturated in the U.S., further expansion might not be fruitful.

PESTLE Analysis :

The PESTLE Analysis for Carvana is given below:

Political	Economical
1.As the Biden administration is in favour of increasing minimum wage rate it would lead to increase in costs.	1.The economic recession will cause a decline in purchase of used cars. 2.China-US trade war has adversely impacted the automobile industry.
Social	Technological
1. Buyers are eventually becoming more comfortable with the online car purchasing process. 2. Due to covid, people avoid mass transportation and has led to an increase in demand for used cars.	1. Technology used to provide a 360-degree view to customers of the actual vehicle. 2. Proprietary algorithms used to optimise inventory acquisition. 3. Leveraging technology to provide customers with an enhanced experience.
Legal	Environmental
1. Subject to regulations by the U.S. Department of Transportation.	1.To protect the environment, the industry is subjected to regulated use of various materials like gasoline storage tanks.

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