

Dell

Business, Marketing



Dell Case Study Dell Strategy Since its launch in 1984, Dell company has been experiencing tremendous growth to become a leading producer and trader of computers especially laptops and desktops (President and Fellows of Harvard College, p. 3). However, the end of year 2001, the company had started experiencing decline in profit though sales were still soaring. The CEO of Dell Company was still hopeful that the company was able to increase their profitability from \$6 billion in the year 2002 to \$60 billion by the end of year 2007 (President and Fellows of Harvard College, p. 16). In President and Fellows of Harvard College (p. 22), for Dell Company to attain their target they should expand their market beyond US to cover the entire world. They should start offering other electronic gadgets and software which they can market online. This will help to increase sales and reduce expenditure on sales hence increase their earnings. They should provide online selling website where clients can acquire music and computer software online

Implications

Lowering the cost their company's products might make consumers to perceive those products as if they are of inferior quality (President and Fellows of Harvard College, p. 21). This may result to decline in sales as consumer loses confidence with the products. Also, by diversifying their products and services, Dell increase its cost of operation hence decline in profit. They will have to invest intensively in research and innovations to meet required standards resulting to further increase in operation cost. Finally the company may lose customer loyalty due decline in customer services as they embark online marketing services which results to decline in

customer services (President and Fellows of Harvard College, p. 22). The company may not be able to keep track of their clients if they sell their products online. This may result to decline in sales since not all customers will trust online services.

Work Cited

President and Fellows of Harvard College, Dell – New Horizons, (Harvard Business School, Boston, 2002), 1-23