

Dell computers on the global market

[Business](#), [Company](#)



Introduction To Dell's Computer

Michael Dell, the founder of Dell Computers, started his program by starting to transform the computer industry in 1980. In that year, Dell bought his first computer and took its pieces apart to understand how it was designed and made. Michael Dell's pastime was to take computers apart, rebuild them with different parts, and then sell them directly to consumers. Dell noticed that IBM sold their products via the distribution method, and in 1984, Mr. Dell went into business with his own plan under the name "PC's Limited." The computer company renamed the company to Dell Computer Corporation in 1988.

Swot Analysis Of Dell Computer

Strengths

Dell computer, ships worldwide, they ship around one hundred and forty thousand computers per day. Dell is known for being the biggest PC maker in the world. They offer their customers the ability to track their delivery. They have very good branding and are today's one of the most known computers in the world. Their products are sold at a fairly inexpensive cost. They deal directly with the customers with no use of an intermediary. They are currently the number one PC provider for medium and small businesses across the US for the last 10 years.

Weaknesses

They sadly have a poor business relationships with many others computer retailers. They are no differ, they do not have unique technologies to offer the market. Their supply orders are so large that they become limited when

it comes to deal with a small few supplies. Dealing with a large amount of supplies from many different countries can cause a large issue when products want to be refunded or exchanged.

Opportunities

Maintaining the excellent lead that was taken by the founder, Michael Dell will be challenging. The introduction of new and enticing products to the customers. Branding their lower cost, lower priced computers that are sold anonymously throughout the world to open other avenues of branding opportunities. Maintaining and expanding the one stop shopping abilities that are offered to the customers.

Threats

Since it's a popular brand name it has lots of competition (for example, Asus, Toshiba, Acer) Strong relationships that are held between competition and the retailers. Unfortunately, competition create the same computers since Dell builds computers, not designs them. More open to losses in certain areas of the supply chain since fluctuations in the currency markets can make global business operations. Tariff trade barriers are affecting their positions in lots of countries. Increasingly lower prices for products amount their competitors.

Dell's Pest Analysis

Political

Dell's worldwide operations is regulated by several legal environments. Regulations include environmental, employment and consumer protection laws, anti-trust, export / import, product safety regulations, investor

protection and capital market regulatory activities to name only a few.

Between 2003 and 2006 Intel paid Dell total of \$ 4.3 billion in an agreement not to use AMD chips. They have been operating income. Economic: As the electronics industry is growing tremendously, it is facing a growing number of demands focused on reducing the impact of environmental impacts on the environment, as it is designed, manufactured, used, and managed at end-of-life. The market place is growing demanding product environmental improvements, as well as increased access to environmental information. Dell's sales and marketing is targeting the evolving needs of their customers. Her direct business model gives Dell direct communication with their customers, which allows them to refine their products to specific customer groups

Socio-cultural

Segment is concerned with a society attitudes and cultural values. United States demand for computers is dependent on the educational level in a country. In the past for the businesspeople. Now, college students is a large percentage of the total demand for laptop computers. Also children are getting familiar with the use of computers at a very young age. To fulfil younger consumers are spending more time working away from the office. These executives are also responsible for the management of the environment. Besides, the brand image of a computer and the trends makes more and more decisive for the purchased. Dell adapts to this trend, offering a wide range of notebooks and a brand name.

Technological

Dell links to their technology to stay on top of sales; they constantly need to improve their technology, with the same or faster pace than they're competitors. Because Dell is a company that focuses on being "Green," they are developing new ways to stay that way.

Porter's Five Forces

According to Porter, the five competitive forces jointly determine the strength of industry competition and profitability. The strongest forces rules and should be the focal point of any industry analysis and resulting competitive strategy. Porter model based on the idea that an industry's attractiveness is determined by:

- The intensity of competitive rivalry in the industry;
- The threat of potential new entrants;
- The threat of substitute products;
- The bargaining power of suppliers;
- The bargaining power of buyers.

Rivalry among competitors – HIGH Strong competition with HP, Lenovo, Asus, ACER, Apple, Toshiba so the business is dealing with declining sales and market saturation is increasing There is little space in the market for differentiation Price is a high determining factor. Potential new competitors – LOW. High start-up costs lead to entry barriers As there is almost no brand loyalty anyone could enter the market with a convincing brand Economies of scale lead to continued advantages Substitute Products- MEDIUM The presence of tablets and smartphones reduce the customer's need for

desktops and laptops and even in certain businesses Cloud drives change the storage needs for the individual customer. Buyers-HIGH Customers prefer customizable PC options. Price competition is high on the market Consumers seek good value for less money and tend to buy cheaper products as lifecycles of gadgets' are getting shorter and shorter. Suppliers-HIGH 132 different suppliers Apple, Intel, Microsoft Toshiba, Samsung. By having close long-term relationships with multiple suppliers DELL is able to get lower prices for parts Supplier monopolies as Intel Inability to substitute necessary hardware.