

Entry strategy for dell computer

[Technology](#), [Computer](#)



Dell has a challenge unlike other companies because it has been in the Indian market for 10 years. It is the second most popular full line computer brand in the nation and has over 60 retail stores. The problem they face is that the need for laptops and desktops is giving way to portable tablets and phones. Dell has made its money for years on the backs of. To add to the challenge the Indian Rupees currency is in a downturn which is causing inflation and driving the cost of food and other necessities to rise. (Lashing, 2013) This inflation is affecting the purchases of computer and other goods.

People cannot afford essential goods such as food and medicine. Businesses are holding out in hopes the Rupee will make a comeback so they can retain some of their purchasing power. (Lashing, 2013) The market entry strategy that Dell should implement is a customized strategy that utilizes the resources of Dell USA while offering a country with a troubled economy the opportunity to have access to their products. (Limberly, 2008) Dell is a partner with Intel processors and Intel has launched a new series of processors that affect all levels of computers, these processors are known as Haskell. (Shall, 2013) Like most computer building companies Dell has a surplus of the older processors and pre-built computers, many consumers in America and Europe will not want to purchase these older units because the features of the Haskell chip is far more advanced and offers far better performance. (Sophia, 2013) Like most companies Dell is suffering a loss on the old inventory because it has been paid for but is not selling. The first step of the market entry strategy is to consolidate the 60 stores down to 50; this can be achieved through a market analysis.

This will consolidate Dell's resources while helping relieve losses of the crash of the Rupee. The next step in the strategy is to offer a low cost rent to own program that will allow people in a depressed economy the opportunity to get new computers while allowing Dell to move older units that they have already taken a loss on. When the Indian economy bounces back they can then allow those holding leases to return their computers and get a discount on newer computer or allow them to keep their current computers and pay the lease off. The old returns then can be donated or sold in third world countries.

The two areas that Dell is not losing money in is selling servers to business and schools. (spring, 2013) Allowing the government to rent its servers to fill the planned expansions in schools and their infrastructure will help to grow the ability for India to expand its economy while keeping Dell liquid in India during the downed Rupee crisis. If the governments should default on the leases Dell again can take back the equipment and sell it to other entities. The risk of government default is low so this is a viable option and it helps Dell not lose its most dominated and prosperous sector. Spring, 2013) Dell would be wise to work with a marketing firm that can help shape the image of this program in a manner that will get Business, Indians, and the Government behind it. You do not want to offend your customers and you must create a need in the market. The Rupee will come back but it could take some time companies I have chosen Data Televises, they are the 8th highest rated marketing company in India. (bureau, 2012) The reason for choosing Data is that they have been involved in the Tech industry in India since 1969, they currently partner with Dell already.

They are considered the Apple of marketing in India when it comes to technical devices. (bureau, 2012) This company can help reach the Indian market, has working relations with Indian business, and Indian government so they can advance Dells agenda of renting product while not offending the people who will be renting it. The relationship between Dell and Data Televises should be a working relationship where Data is hired to do a marketing Job. Create an entire marketing camping and engage it from design to completion.

This will be the most cost effective way for Dell to implement its market strategy, while utilizing regional talent to reach its customer base. Dell can afford to try this strategy because they are sitting on 12 billion dollars of cash according to their second quarter annual report. They currently have 2 billion dollars' worth of inventory that is one year older, and has been taken as a loss on their 2012 taxes. (brink, 2013) This allows Dell the flexibility and creative freedom to offer a lease program while not suffering further loses.

Dell is the second most popular company in India, they already have established retail outlets, and contracts with government agencies and it is these reasons that Dell needs to maintain its strong image in the Indian market. The fall of the Rupee has Indians worried at all levels of society. (lashing, 2013) By Dell showing the nation of India they understand this new hardship, by offering a new affordable way to acquire their product they will build brand loyalty. This will help Dell extend their market share in India, while building growing new customers.

When the Rupee returns to a stronger currency the participants of the rental program will be allowed to return to purchase better computers at a discount or continue to rent to own their current products. Dells ability to allow government agencies to rent to own their servers until they can pay them for in full will help Dell maintain their most prosperous segment in India. It will allow the Indian government the opportunity to spend money in other areas that are more important at this tough economic Juncture. The returned rented units then can be sold in other markets or to poor consumers.