

# Dell case study

Business



What is happening in the World Today? There are various significant trends that affect business that are taking shape across the world. One of these trends is the increasingly important role of internet in business and industry. Internet has made it easy for corporations all over the world to link their operations and consumers can purchase from any corner of the world.

For example, a person in Detroit can purchase goods from shanghai without having to fly there. Internet has exposed even rural areas to Global brands such as it is easy to find villagers in India using global brands such as Dell and levy's. The second trend that is affecting business globally is the economic rise of emerging economies like India, China, Brazil and many more. These emerging economies present promising avenues for global businesses and many multinationals are competing to have their presence felt in these economies.

However, there is a lot of political pressure unto the governments of these economies to protect domestic industries and businesses from these multinationals meaning that participation by foreign companies in these multinationals may not be a foregone conclusion. For example, the weight of this political pressure was felt when the Indian Parliament blocked the plans of the Indian government to divest a portion of its stake in Bharat heavy industries. What does this mean for Dell Competitors and Partners? The role of internet in the world has become increasingly important and it is important to note that internet uses computerised gadgets. This means that the Market for Dell and its competitors is growing due to the internet revolution. People are using a wide range of gadgets to access the internet meaning that computer manufacturers must remain innovative for them to

be able to keep up with the fast changing technological world. Dell is the third largest manufacturer in the world, lying behind HP and Toshiba with Acer hot on its heels. Dell must therefore ensure that it comes up with unique products for it to capture the market that its main competitors are holding and benefit from the internet revolution that is taking shape around the world. Dell and its partners has to worry about market leader, HP which targets the same market as Dell. In the recent past, Dell has been more successful than HP in the PC market and for Dell to keep up with the pace at which HP is moving, it must start to improve its HP strategy. The emergence of new economies also means a lot for Dell, its partners and its competitors. These new economies present new battlegrounds meaning that Dell and its competitors must come up with fresh strategies that will enable them to conquer this market.

Dell and its partners should really work on how they position their products because this will determine their ability to penetrate into these emerging markets. Proper brand positioning is an element that will give Dell a competitive advantage over its rivals in the PC market. Development of unique products is another strategy that can help the company to create a niche in the emerging economies especially because the technological world is highly fast paced and unique products in the technological world have proven to give companies a competitive edge. This has been the case with Apple which has taken the world by storm with its unique products. Market segmentation is another strategy that Dell needs to think about.

This will enable the company to target a larger market by creating products for different economic segments. The company will have to differentiate its

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products so that it can have both premium products for the high end clientele and cheap products for the low end consumers. This will enable the company to reach a wider market, giving it a competitive advantage over its competitors. What does this mean for Dell? The things that are happening in the world mean a lot for Dell a company. To start with, Dell must assume a new strategic direction for it to reflect the changes that are taking place in the world. For it to capitalise on the avenues that have opened globally as a result of the internet revolution and the emergence of new economies, Dell must move into the future as a market leader.

Dell at the moment seems to value the business models of both HP and Apple and this are a strategy that can be injurious in the present moment. At one hand, Dell seems to be inclining towards apple innovations because it sees Apple innovating and delivering new and unique products that it admires and wants to capitalise on. On the other hand Dell still sees the practicality of using the HP strategy of business meaning that Dell is currently unsure of what it really is. This is something that Dell must put to a stop as it marches into the future because this ambivalence cannot help it to secure a competitive advantage especially in the modern times of internet revolution and emerging technologies. This means that Dell must go back and adopt a definite strategic direction that will help it to march into the future. It must determine whether to concentrate of hardware provision to continue as a PC maker.

In fact for the company to be more competitive in the modern computer market, it must try to venture into unknown territories and come up with unique products that will give it a competitive edge in the computer market.

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Past strategies have not produced excellent results and that is why Dell is almost being overtaken by Acer in the PC market meaning that the company needs to go back to the drawing board and create strategic plans that will help it to capitalise on the business avenues that have been created by contemporary dynamics such as the increasing importance of the internet and the emergence of new and strong economies like India, China and Brazil. What Would have to Happen first? The first thing to happen would be the incorporation of the missing ingredients in the Dell's business strategy. To start with Dell can partner with a company that creates supplementary products that have the potential to attract a mass market, the way Apple aroused the market with its iTunes music store. Secondly, it must make sure it knows what the people want and avail whatever they want en masse and at a very affordable price to ensure that it captures the widest markets possible.

There are some missing ingredients that the company can control and others that it cannot control because they are within the jurisdiction of the governments meaning that Dell has to be aware of what it can control and capitalise on it, and what it cannot control and mitigate the effects. What Does Dell have to do to play a Role? For Dell to have a competitive advantage in the emerging markets, it must realise that the strategy it uses in America and other developed countries cannot be used successfully in these emerging economies because the IT infrastructures are different. Secondly, government policies have different impacts on business in different countries. This means that for Dell to play a role according to what is happening in the business world today, it must create a mindset,

organisational form and set of competencies that are different from what it had been using in the past. In fact it should approach each of the emerging economies differently meaning that it has to undertake intense feasibility studies so that it can create products that are specific to each economy.

What should Dell do next? The process of executing a new direction should begin with allocation of resources. This means that Dell must be prepared to make huge investments for it to be able to capture the emerging markets and keep up with the emerging trends. For the company to venture into the unknown territories, it must be prepared to make massive investments in research and infrastructure development so as to create control and influence with the new customers. It must also ensure that it does not neglect its old markets which also need to be supplied with emerging technology.