

Competitive analysis for dell corporation



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Michael Dell established Dell Corporation in 1984 in Austin, Texas, with an exceptional idea of selling computers having direct linkage to consumers; Dell is able to meet the computing needs of their customers effectively and efficiently.

Now every day Dell connects with more than 5. 4 million customers, through several ways like phone, in person, on Dell. com and most importantly through social networking websites,

All over the world Dell's almost 96, 000 workers are dedicated to making technological work effective for communities and customers.

It is one of the motive of Dell is make available the technology more easy to get to people and other organizations all over the world. Dell's every day shipment is more than 110, 000 computer systems to customers in almost 180 countries.

Dell's Customers to achieve the more

Dell is united, to meet the needs of big corporations, public oriented institutions (healthcare centres, educational institution and government ets), SME's, and the most important Dell's customers.

Dell have almost 41, 000 Services group members in 90 countries, 60 centres of technical support, and seven centres of global command committed to helping their customers to use the up-to-date technology to meets their business's needs and goals.

There is no doubt that Dell is on the top in the satisfaction of customers by providing the extraordinary services like on site response, on site expertise and phone supports, said the Corporate IT users.

From the Classrooms to Virtual Labs, primary schools to universities are arranging Dell's specifically educational technological solutions, making Dell the number one source of providing laptops, notebooks and desktops computers to education in quite a lot of countries all over the world.

As being a top rated IT Services provider of the world, Dell helps in the medical profession to set free the strength of technology to help for the better improvement regarding patients.

Dell is the top rated supplier of Personal computers to ISE all over the world and the top rated supplier to public customers in the U. S. Dell deals with 98% of Fortune 500 corporations.

As being on the 2nd in the rating of supplying computer to customers of education sector Dell is devoted to help teachers, admin, students connects the streangth of IT to broad learning.

Dell is covering the SME as approx. 10 million small units deals with Dell through which It got high rank in U. S. No doubt that Dell is trusted greatly by customers regarding their corporation's IT needs.

Dell is on the top in providing the SCSI (ISCSI) solution of storage around the world and also number 1 in providing X86 server in U. S.

Dell's customers are able to deal with more than 60, 000 registered partners of Dell and are certified to function as their Agents.

Connecting with the Customers through internet

Dell started online selling in 1996 on Dell. com and now they have smore than 4million website visitors daily, which results in an order got online in almost every 2 seconds. In this era Dell. com is dealing in 166 countries and in 34 languages all over the world, dell is on the no. 3 of the top five search engines and it is second most reputed brand in social media activities for depth and breadth.

Dell social Web community have more than 3. 5 million members, the community includes Dell outlets on twitter Dell. com, Face book, Orkut (brazil) SINA and other websites.

Dell introduced idea Storm™ in 2007, a place where people can share their thoughts, ideas and can also vote for the one they like Dell got ideas and those ideas also implemented about 400 ideas executed by Dell.

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Visitors of Dell are allowed to read and participate to more than 100, 000 reviews of products.

Financial Information

For FY 2011, in third quarter finished 29, Oct, 2010

Dell's Revenue was approx. \$15. 4 billion and the operating income was about \$1. 02 billion.

Dell's Net income in 3rd quarter of fiscal year 2010 was \$822 million and retribution per share was \$0. 42.

(<http://content.dell.com/uk/en/corp/d/corp-comm/our-story-facts-about-dell.aspx>).

Competition

Dell is no doubt is operating in an industry where there is a rapid change in technology and innovations in hardware and software, services and the competition among products and prices and all the related areas of business from our standard competitors. Dell compete with its competitors with its competitive ability of giving profitable and good solutions to their customers that provide the new and required product features with customer services, a standard quality and reliability. All this is only possible due our direct linkage with our customers, which proves the best way of getting the information about the changing needs and wants of customers more efficiently than any other company. No doubt that this strong and healthy connection between Dell and its customers and the understanding of customer's needs offers Dell a competitive advantage. By IDC, Dell grew 0. 2

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points of share by calendar 2008 as Dell's 11.1% increase in units outpaced the company's general growth of computer system which is 9.7%. In the share was due to a well overall performance in half FY 2009 followed by a decrease in units shipments in Dell's business in last 6 months of FY 2009. Which was somewhat equalized by the potency in our globalized business. Dell's growth of commercial business's units was slow which shows their decision in an erode demand atmosphere to enable the growth in units while saving the profitability. For the duration of the second half of FY 2009, the intact business faces a difficult IT end-user demand situation as present economic situation impacted on global customer ways of spending. The companies like technology grow by increasing their offerings and piercing new natural features. For achieving this level of growth, companies will bring innovation and will also lesser price. Dell's capability to sustain or increase market share is predicated on our capability to be competitive on product functionality, quality and geographic saturation, and pricing. Furthermore, The efforts of Dell to equalize its mixes of services and variety of products to optimize profitability, elasticity, and chances of growth may affect the position of Dell's market share in short term. In the last of the FY 2009, Dell by sustaining its position in the market remained the top rated supplier in personal computers in U. S and worldwide was at 2nd position.

(http://i.dell.com/sites/content/corporate/secure/en/Documents/FY09_SECForm10K.pdf).

Competitors

When we talk about the competitors, comparatively Dell's growth in Q4 of FY2009 was low which 11.5% is and growth of its competitors like HP grew

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19. 8% market growth and Acer was at 13. 5%. Dell's growth compared to its 13. 35 in the 4th quarter in 2008 was also short. This is the main feature of the high growth rate in the last 7 years in the personal computer selling market, even though the last quarter of 2008 was not so good because of economic critical situation. Whereas some other competitors like Lenovo and Toshiba is concerned comparatively to Dell they were at low point of growth rate which was like Lenovo 8. 7% and Toshiba 5. 3%.

The growth of mobile PCs like net books and notebooks was low in the personal computers selling market. Dell's main strength is that it deals in commercial and communal sector so with the intension of preserving its profit Dell refuse to become a part of price war in the personal computer market.

Prelim worldwide PC vendor unit ships for Q4 2009 (thousands of units)

Company

Q4 09

Mkt Share

Q4 08

Mkt Share

HP

17, 792. 2

19. 8%

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14, 239. 9

19. 3%

Acer

12, 188. 2

13. 5%

8, 612. 7

11. 7%

Dell

10, 397. 1

11. 5%

9, 839. 3

13. 3%

Lenovo

7, 836. 5

8. 7%

5, 509. 3

7. 5%

Toshiba

4, 811. 9

5. 3%

3, 668. 1

5%

Others

37, 008. 5

41. 1%

31, 855. 4

43. 2%

Total

90, 034. 5

100%

73, 724. 7

100%

HP became a top rated compute seller in US, defeating Dell. Dell struggle to sustain it's in the market.

By this the US 5 top rated vendors were HP, Acer, Dell, Lenovo and Toshiba.

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(<http://www.techeye.net/hardware/dell-continues-to-bleed-market-share>).

Conclusion

The World largest PC manufacturer HP is using the retail channel strategy through which HP hit dell's Sales and its profit, And showed the first-quarter profit of fiscal year 2008. The results estimated on orders for PCs, servers and storage by topped analysts shows that HP's strategy (to depend on the network of retailers) is working very well. They gave a wonderful option to touch the machines before purchasing and this option is helping HP to win customers . To add more HP's PCs and notebook are sold more than 110, 000 stores. This is 10 times greater than Dell. Dell has its PCs selling not more than 10, 000 stores. Even in terms of notebook and desktop models offered through retailers, HP offers them twice as many as Dell does. To Shoppers, therefore have more choice.

Recommendation

Dell uses direct sale strategy which is very good but not able to give the competitive edge to HP so I believe that Dell should also follow the same strategy as HP to win the customer back and to get success.