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Dell Corporation has experienced a significant decline in the sales of its personal computers. This has been caused by the considerable increase in demand for tablets as a perfect replacement for PCs. This has prompted Dell Corporation to enter into the competitive market of tablets. It has recently launched its two tablet models, which are latitude 10 and XPS 10.

## Description of Its Competitors

In the tablet market, Dell Corporation is facing intense competition from different companies. Its main competitors are HP and Lenovo. There are two tablet models that are being sold by Dell Corporation, which are XPS 10 and Latitude 10. Similarly, its two key competitors each offers two models of tablets. HP offers ENVY x2 and Elite Pat 900, whereas Lenovo offers Idea Tab Lynx and ThinkPad Tablet 2. This presents a great challenge to Dell Corporation, which has to enhance the value of it tablets in order to increase its competitive advantage. For example, it has preloaded its tablet model with Microsoft word apps. This gives Dell Corporation a competitive advantage over its competitors.

## Description of the Product

A tablet is regarded as a portable computing device that is easy to carry, and can be used at any location. Its portability, convenience and functionality, has driven many people to purchase different tablet models. As a result, there has been an increase in the demand for tablets in different regions of the world.
The tablet has several special features such as the touch screen and apps functionality. Most users of tablets regard touch screen as the most important special feature. When compared to other computing devices, it is regarded as the key distinguishing feature. The tablet user is only required to use his or her fingers. With a slight touch on the screen, the tablet is able to carry out the instructions given. For example, if the user wants to play music, he or she has to touch on the play button.
Another special feature is the availability of apps. Nearly all tablets come with already installed apps. There are many available apps that can be easily installed on a tablet; thus, a tablet user has varied options. Primarily, the usefulness of a tablet is based on its capability to allow use of different types of apps. For example, the tablets being introduced by Dell Corporation are able to allow the user to install all types of apps. Most of the apps available on the tablet platform are free, but there are also paid others, which can be purchased from a vendor.

## Demand for the Product

The demand for tablets is very high. Currently, it is the most sought after electronic device. Every individual is trying his best to get the latest tablet. For example, the demand for tablets in Asian markets has significantly increased for the past couple of months. Recent estimates indicate that shipments of tablets will increase by more than 50%. Notably, most consumers are seeing tablets as user friendly and affordable. Such characteristics of the tablet have led to the increase of its demand. Evidently, this provides a good business opportunity for many companies. Both Dell Corporation and its competitors acknowledge that the increased demand for tablets is a major strength to the market. They expect that this demand will result to greater profits for them. On the other hand, they see the increased demand for tablets as a threat to the survival of personal computers. This is primarily because tablets can be used as an alternative to PCS; thus, many people will opt for tablets rather than purchasing PCs.

## Description of the Business Location

Dell Corporation has its headquarters in the United States. However, the company primarily conducts all its business through the Internet. All customers who want to buy products from the company are required to purchase them through the company’s website. The main advantage of this form of business is that the company is able to collect vital customer data in an efficient way. On the other hand, the company is disadvantaged because it is unable to sell tablets to customers who do not have access to the Internet.

## Marketing Budget

The main objective of Dell’s promotional plan is to increase awareness of its two tablet models. The advertising and promotional plan of Dell Corporation is focused on creating awareness in its target markets. Its plan involves advertising in various channels such as television, newspapers and magazines. Unlike in the past, when the company only advertised its products online, the company has now opted to carry out offline marketing.
In addition, the company is intending to adopt different payment plans in order to increase its market share in the tablet market. Currently, it is planning to offer flexible payment plans for its tablet consumers. People interested in purchasing tablets will be able to settle payment in six instalments. Through its promotional plan, the company expects to reach a majority of computer users, and persuade them to purchase its tablets. As a result, the company will increase its market share.
However, the company does not have a fixed marketing budget. It has only indicated that it will use 10% of its operating budget for marketing purposes. Notably, the company’s management has already made it clear that expenditures incurred in marketing the tablets will be taken in account when calculating monthly sales. A significant amount of the marketing expenditures will be incurred through advertisements and payments to the marketing staff.

## Pricing Strategy

After entering into the tablet market, Dell Corporation reformulated its pricing strategy. Essentially, the company aligned its pricing strategy in order to match its key competitors. The main purpose of this approach was to ensure that the company is able to compete effectively in the tablet market. Fundamentally, Dell Corporation set prices for its tablets according to large business user, small business user and home user. All these users have their definite price structure. For example, the company offers great discounts to large business users so that they are able to purchase tablets in bulk. The pricing strategy of Dell Corporation has been considerably successful because of management’s determination to have a clear understanding of supply and demand in the tablet market.

## Market Segmentation

Primarily, Dell Corporation has segmented its tablet market according to age groups. It has two target markets, which are composed of people between the age groups of 18-24 and 25-50 years. The company perceives these two market segments as ideal due to various reasons. Essentially, the 18-24 age group is composed of students who are exploratory, and like to try new things; therefore, they are likely to purchase tablets.
The 25-50 age group is composed of employees and business owners. There is a significant shift towards the use of tablets in the workplace. For example, most companies are now encouraging their employees to purchase tablets in order to increase their productivity and efficiency at work. Primarily, people in this market segment are highly likely to be interested in quality and reliable products; thus, they are financially capable of purchasing expensive tablets.