

# Dell computers - supply and demand

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Dell Computers-Demand and Supply Task: Factors affecting demand in regards to Dell Computers The main factors affecting the demand of Dell computers include customer experience, preference, price of the product, customer service and consumers' income. Initially, customer experience affects the attitude of consumers towards the product. Customers who like the experience provided by the Dell products are likely to purchase from the company despite market forces (Mankiw, 2011). Customer experience influences consumers' preference because individuals who like features associated with Dell's products are likely to buy from the company. Furthermore, the price of the product has a substantial effect on the demand of the products. Consumers have an option of purchasing cheaper products because there are numerous suppliers in the market. Moreover, the monopoly force is low within the industry. Customer service affects demand especially within an industry that is experiencing stiff rivalries. This is because customers are likely to purchase from industries that offer satisfactory services. Consequently, elements such as online services and convenient procedures have the potential of affecting the demand of Dell's products. Lastly, an improved economy leading to increased consumer income would increase the demand of Dell's products (Mankiw, 2011).

Factors affecting supply in regards to Dell Computers

The main factors affecting the supply of Dell products include state of technology, political disturbance, the future price level, and the price of related products (Mankiw, 2011). Technological development is likely to reduce the cost of production as manufactures utilize economical and efficient procedures. This enhances production rates, which increases

supplies. Furthermore, political disturbances affect supplies because they affect the product's production and distribution. Political instabilities discourage the production and distribution of products causing a decrease in supplies (Frank & Bernanke, 2012). Future expectation of increase prices leads to shortages in supplies because distributors are likely to hold products. Lastly, changes in the prices of other related products may increase or decrease the supplies of Dell's products depending on the relationship (Mankiw, 2011).

#### References

Frank, R. H. & Bernanke, B. S. (2012). Principles of economics. (5th ed.). New York: McGraw-Hill/Irwin.

Mankiw, N. G. (2011). Principles of economics. Mason, Ohio: Thomson South-Western.