Dell website case study

Business

Straightforward. Unique. Powerful. Dellhas based its success on a simple concept: maximizing their understanding of our customers' needs, and then fulfilling them with superb value; high-quality, relevant technology; customized systems; superior service and support; and products and services that are easy to buy and use. Their continuously evolving strategy combines a revolutionary direct customer model with new distribution channels to reach more consumers and small businesses. So that their technology reaches more people around the world via alternative sales channels, while their traditional, direct relationship with customers continue to flourish through their internet based model. Dell interacts with customers directly through the Web or phone — or, in the case of corporate customers, through a direct sales force. By cutting out retailers, Dell saves money and time They recognize that the real key to their success, however, lies in their talented team. So Dell aims to treat their employees with the respect they deserve.

The one thing Dell does better than anyone is efficiently make and deliver computers. It's Dell's foundation, much as Wal-Mart rests on its ability to manage and move inventory better than anyone. Dell has no warehouses to store parts and takes delivery of parts only when it has orders that need them. It holds, on average, seven hours of inventory, vs. weeks of inventory for most tech manufacturers. On the factory floor, parts and products whiz overhead on conveyors so the right items get to the right places at the right time.

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dell. com/content/topics/global. aspx/corp/careers/workingatdell/businessmodel? c= uk; amp; l= en 2. DELL'S USE OF INFORMATION SYSTEMS AND TECHNOLOGY Dell uses information systems to drive operating practices, all the way from customers and far-flung suppliers to the shop floor (Rollins, 1998). It has developed performance metrics to analyse production operations, balance inventory between suppliers and customers, manage cash collection, and monitor profitability, market share, and return on invested capital.

Dell also continually monitors margins, average selling price, and selling overhead by customer segment, product, and country. Dell also uses information systems to manage relationships with customers. It outsources customer service but operates as broker between the customer and the third-party maintainers (TPMs) that actually provide the service. Dell's call centre service people trouble-shoot the customer's problem and trigger one electronic message to ship the needed parts and another to dispatch a TPM to the customer. As a result, Dell knows the kinds of problems customers face, the parts causing the problems, and the performance of its TPMs.

Dell uses this information system to develop computerized sets of frequently asked questions (FAQs) and problem solutions, to train service representatives, to identify problematic suppliers, and to identify problematic TPMs. Advanced IT systems are in evidence throughout Dell's business processes. Orders are entered by sales representatives or directly by the customer online into the Dell Order Management System (DOMS). In the DOMS, the order is first routed to the finance department, where the customer's means of payment is checked. If approved, the order then goes

to engineering, which reviews it to be sure that the desired configuration is technically feasible.

Then it goes to the plant, where a worker receives a printout of the order, with complete information on hardware and software configuration and any special requirements. The order is then checked against inventory to ensure that the required parts are available in the build area. Information on the order is available on PCs to the two builders and one tester in each assembly team. The printout travels with the parts and the computer as it is assembled, tested, burned-in, downloaded with software, and packaged for shipping. After the PC is assembled and tested, an Ethernet cable is attached to download software from a bank of servers in a nearby room.

Corporate customers can have software preloaded, including their own proprietary software, and can have start up screens and various interfaces configured so that the machine is ready to use out of the box. Finally, the PC is ready to be shipped to the customer, complete with shipping label and bar code for the customer. As each build stage is completed, the original order is updated by bar-code scanning of information, which facilitates tracking the performance of components, suppliers, and manufacturing and test cells. Each PC is shipped with a service tag number on it. The customer can type that number into Dell's Web site and get a customized Web page that has all the support information for that PC.

While the use of IT systems greatly increases efficiency in production processes, it also is increasingly important in linking Dell to its broader network of suppliers, business partners, and customers, thereby enabling

Dell to achieve " virtual integration" throughout the entire value chain (Magretta, 1998). Suppliers now have real-time windows into Dell's information systems and can track sales of products or components they provide. This enables suppliers to build and ship inventory in response to changes in demand faster than if they had to wait to receive a purchase order from Dell. Access to Dell's order information helps the supplier to better manage its own inventory and helps both Dell and suppliers to avoid missing out on sales opportunities because of inventory limitations. Kenneth L.

Kraemer, Jason Dedrick, and Sandra Yamashiro, 2000 3. When entering the site one will see a clean and well-structured user interface. The first impression of the website underpins the fact that Dell is a mature company dedicated to their consumers. The customer is clearly priority, and as soon as you enter the website Dell begin to support and make decisions easy, so the customer is able to find what they want very quickly. Generally speaking, the website meets consumer needs in all price classes, from lower end to high end equipment. The mass customisation process that Dell's websites displays allows customers to choose each component of their PC or laptop.

From the colour to hardware and software specifics, Dell gives the customer control over what they want to purchase. This sense of empowerment is a very useful tool in building a strong customer relationship. The online purchasing process is a simple 3 stage process, build, accessorise and buy. The only criticism that can be said is that there is an unbelievable choice, for a non I. T expert this might appear to be slightly confusing, however Dell's

website provides details explanations of components and a fair unbiased view of strengths and weaknesses as well as value for money.

Another strategy being used by Dell's website also creates value for the customer. Since the company provides a limited variety of entertainment products it enlarged its portfolio with offers from leading firms of other business fields, like Sony, Kodakor Scan disk. Site visitors will also find a separate section for external on sale software). Dell probably receives a commission or another benefit from the item producer for selling a second party product.

Apart from that Dell also offers homepage guests the possibility to interact with the company and other customers e. g. by reading and writing customer ratings about products or writing in blogs. This marketing tool is further enhanced by even having the chance to inform other people via email about a product or service one found on Dell's homepage. You are also encouraged to create an account on the website for ' promotional' deals.

The benefit for the company will be obvious as loyalty increases and could lead to further sales. When looking at a recent study from Nielsen Media, a marketing research firm that found out that viral 6marketing or consumer recommendations in general are the most trustworthy form of advertising with 78% of all naming it in the study. 4. Use question 2 to make an ERD