

# A case study on dyson business essay



**ASSIGN  
BUSTER**

## **Introduction**

Dyson, a name that has become synonymous with vacuum cleaners, is a brand that demonstrates how apt management and marketing techniques can transform a brilliant engineering idea into a bright success. Today, Dyson machines enjoy the privilege of being placed in places like London's Victoria and Albert Museum, Museum of Modern Art (New York), Design Museum (Zurich), the Powerhouse Museum (Sydney) and the Georges Pompidou Centre (Paris). Continuous innovation at Dyson has made wonders possible in durable appliances industry and won many accolades for the founder and leader, James Dyson and his team including the Japan Industrial Designers' Association Award, The Queen's Award for Enterprise, America's Greenspec Award and the Industrial Design Prize of America. (WEBSITE) Pioneering the ball technology in vacuum industry, Dyson had to face imitators, complex legal procedures and huge costs on the road to success but eventually that paid off. (BBC) Another controversy that Dyson faced was relocation of its production to Malaysia and Singapore in 2002 and thus laying off employees in United Kingdom. However, it is held by the company that the cost saving was utilized in research and did not go in vain. Today Dyson products are sold in 45 countries of Europe, Middle East, Australia and United States. With 2008 sales revenue of £184m, and operating profit of £90 million which further reached record high of £190 million in 2009, Dyson Ltd. is undoubtedly a winning company so far in United Kingdom. With 350 engineers and scientists placed in Wiltshire research and development laboratory, the company embarks on an ambitious plan of never ending innovation in household appliances.

## Culture

Dyson's remarkable success can be attributed to the corporate culture that flows directly from the founder's personality: problem solving through creativity and innovation, research orientation, no complacency when it comes to product features and quality and an unremitting spirit of evolution and revolution. Dyson's ability to combine aesthetics with technology is reflected in his successful endeavors like ' Wrong Garden' that was not green and water flowing uphill, displayed in Chelsea Flower Show in 2003. The consistency in personality and the open culture embedded in the very fabric of organization where mistakes are not punished, rather valued because of a potential to be turned into success have made James Dyson a visionary and highly respected entrepreneur in business community worldwide.

Company Analysis:

## **7 Ps:**

### **Products:**

Dyson Ltd. today offers a wide range of appliances: vacuum cleaners that are all about innovation, hand dryers that are quick, energy efficient and certified hygienic by NSF International, and the technologically miraculous, safe and easy to clean fan without blades and grills that does not produce unpleasant sounds. Below we map out the marketing mix of Dyson for vacuum cleaners.

Core product: vacuum cleaner

Actual product: A comprehensive and interesting list of features added to the core product makes Dyson vacuum cleaners stand out in the industry. Use of Root cyclone and ball technology for high maneuverability leads to high performance on all floor types, certified Asthma friendly by British Allergy Foundation makes the vacuum cleaner usable by Asthma and allergy patients, lifetime HEPA filter and bag less technology means no extra costs over the life of machine. Further product enrichment is made through special accessories to be attached with vacuum cleaners including allergy kit, groom tool, mattress tool, up top tool, stubborn dirt brush etc.

Augmented product: Dyson vacuum cleaners not only provide value addition in terms of exciting features, but also provide customer with 5 years guarantee of parts and labor on upright and cylinder vacuum cleaners and 2 years guarantee on handheld vacuum cleaners. Customer service is available 7 days a week, where as full range of spares and accessories for vacuums comes with 12 months guarantee. An online expert service is a new feature that helps customers discuss their issues with Dyson experts with a few clicks. Moreover, the interesting and highly practical positioning of customer care number on the machine rather than on user manuals corroborates company's high customer orientation.

### **Price:**

Pricing strategy of Dyson vacuum cleaners can be categorized as 'product line' pricing because different machines in the extensive product with unique features are priced differently. Generally, Dyson vacuum cleaners are highly priced in the range of £ 99 – £ 340.

**Placement:**

Dyson machines can be shopped online from online merchants sites like Amazon and ebay, its own transaction site, specialty electrical retailers and supermarkets (Add data)

**Promotion:**

Besides having the maximum Advertisement budget in the vacuum cleaner industry and using the traditional medium of Television as a medium (in 2009, 92 percent of ad spend was on TV) (Intel), Dyson uses following promotional techniques to attract customers

Discount deals, online coupon codes, free shipping offers, some are particularly for first-time users.

[http://www.goodsavers.com/stores/dyson\\_uk\\_vouchers.cfm](http://www.goodsavers.com/stores/dyson_uk_vouchers.cfm)

Christmas coupons

Trade and sales promotion

Promotion through collaboration with ISSEY MIYAKE, in which set for the ISSEY MIYAKE fashion show was designed by James and the collection of ISSEY MIYAKE had a vacuum tinge – a wand handle became a sleeve, a cyclone assembly became a skirt. Later, a special handheld vacuum was developed to celebrate the collaboration.

**People:**

At Dyson, hiring of creative staff with a passion towards engineering and problem solving serves as the basis of a team that is all about customer

<https://assignbuster.com/a-case-study-on-dyson-business-essay/>

orientation. The customer care team is placed near the development arena, and all machines are lined up so that when customers call to interact with Dyson employees about the problems they are facing, the staff understands what they say. Mostly this approach works but if needed, Dyson engineers do not hesitate to visit the customer to fix their machines. SHOWs

### **Processes:**

At DYSON, all activities are perfectly aligned to live up to the Dyson formula. From Drawing of machine design, to rigorous testing and dropping at premises, to testing by employees at home, competitions of employees to give them a chance to invent, all have the same spirit of problem solving through continuous innovation and perfection.

Strategy and not just operational effectiveness

“ A company can outperform rivals if it can establish a difference it can preserve.”

The difference between operational effectiveness and strategy can best be seen in the case of Dyson. Since its birth, the company has successfully managed to innovate relentlessly in an industry which was previously characterized with discounting. (\_\_\_\_) Dyson perfectly fits in the definition of strategy - doing activities differently than competitors. (\_\_\_\_)

As for generic strategy framework, Dyson follows the strategy of ‘ Product Differentiation’.

Origin of strategic position can be categorized as ‘ needs based’ as Dyson vacuum cleaners are for a large group of customers with different needs and Dyson handles them all well by introducing add-ons to the core product.

### BCG Matrix

BCG Matrix gives a two-dimensional view of different products in portfolio and what strategies can be implemented to maximize profitability and liquidity.

Dyson’s high share in upright and cylinder vacuum cleaners but low growth in these products in the recent years shows they are cash cows. Whereas low share in handheld and high growth means handheld vacuum cleaners are question marks for Dyson Ltd. increasing market share in handheld through innovation and exciting features will transform it into a Star product.

### Dyson’s Flexibility and Focus

Dyson’s strategy comes under perennial renaissance as Dyson focus on consistent, enduring and constant change with creativity and new ideas.

### ANS-OFF Matrix

The ANS-OFF Matrix suggests that Dyson has decided its product strategy and market growth through:

Market development by entering into new markets (45 countries and are still expanding) with existing products.

Product development by introducing new features to the existing products into existing markets.

## **Industry Analysis:**

Porter 5 Forces Analysis:

Bargaining power of buyers: It will be low as Dyson's innovative technology provides something that none of the competitor provides so the customers would not be having any product to compare the Dyson products with. This will result in the low bargaining power of buyers.

Bargaining power of suppliers: Suppliers have low bargaining power as Dyson is the industry leader and is selling the maximum number of units so they have all rights to impose power on its suppliers.

## **Threat of substitutes:**

### **Threat of new entrants:**

Rivalry of competitors: Rivalry of competitors is not severe as the closest competitor in cylinder and upright vacuum cleaners is Vax, which is far behind Dyson.

## **Operating system focus:**

Dyson has ranked the operating system focus in the following manner:

Flexibility: As the products are innovative, so flexibility and customer focus are Dyson's primary ingredients.

Quality: Innovative products are backed by high quality of materials and processes.



Service: Superior customer service is the blood of Dyson's strategy.

Cost: Cost is the least preferred focus of Dyson as the products are aimed towards more quality, so the prices are resulted to be very high.