

# Product analysis of dell essay



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It involves differentiating their products and services to be consistent with such markets as the home, and home office markets, small business, medium and large business, government, education and healthcare markets. In reference to the levels of a product, both firms market products and services with the same core benefit or service. However, the type of actual and augmented products provided by each firm are the factors that differentiate these two companies making one more profitable than the other.

The main products offered by Dell to consumers include printers, corporate desktops, notebook and workstation systems, software and peripheral products, and consumer desktop and notebook systems.

The company carries various types of printers ranging from all-in-one printers for consumers to multi-function and color lasers for corporate workgroups. Its printer product line comes with a number of features that focus on lowering the total cost of printing for customers. Some of these features include the Dell Ink Management System and Dell Toner Management System, which aids in simplifying ink and toner replacement.

Under the corporate desktop, notebook and workstation systems, Dell provides the OptiPlex desktop computers, Latitude mobile computers, and Dell Precision workstations.

The OptiPlex desktop computers provide “highly reliable, stable, manageable, and easily serviced systems with networked environments” for businesses and institutional customers. The Latitude notebooks are hardy

and dependable equipments that provide users, particularly professionals, the ability to work everywhere and anywhere.

Additionally, the Dell Precision workstations are capable of running highly complex applications such as digital content creation, and software development for growing businesses (Direct, 2006). Dell also has a long line of software and peripheral products. Not only does the company provide competitively priced consumer electronics such as Dell plasma, and LCD TVs, Dell music players, projectors and Axim handheld computers; they also carry software, monitors, networking and wireless products, memory, digital cameras and scanners and mobile computing accessories.

For consumers that want powerful systems at affordable prices Dell provides the Inspiron mobile computers, and its Dimension desktops with UltraSharp flat panel monitors meet the various productivity and entertainment needs of both small businesses and home users (Direct, 2006).

Finally, for gamers, Dell's XPS notebooks and desktops are tailor-made to provide users with a high-end multimedia and gaming environment.

In terms of the product mix decisions, DELL follow strategies consistent with their individual image and market position, particularly when it comes to the number of types of product categories that they offer to the marketplace, product-mix width. It carries a number of product categories which include desktop PCs, notebook systems, servers, printers, and a number of software and peripheral products. From a customer's perspective Dell appears to have a superior product depth and product line length when compared to its competitors.

Dell is quite effective in using multiple different brands to not only stay competitive in the market but also go after different target markets.

For business and institutional customers, they offer the OptiPlex brand of desktop computers. The Latitude brand mobile computers are available for professionals that prefer to work anywhere and the Dell Precision brand workstations run highly complex applications that are required for a successful business. For the everyday consumer, they provide the Inspiron brand mobile computers and Dimension brand desktops with Ultra Sharp flat panel monitors.

Additionally, they have recently introduced notebooks and desktops tailored for gaming enthusiasts, the XPS computer systems. In terms of services, Dell claims to provide services that are more repeatable, predictable and efficient in nature.

They have developed various suites to help consumers effectively choose the desired service needed. Dell's seven service suites include: Assessment Design and Implementation, Deployment Services, Asset Recovery and Recycling, Training, Enterprise Support, Client Support and Managed Lifecycle services.

With such service features the company not only wants to greatly differentiate itself from its competitors, but also increase customer satisfaction. The companies offer numerous services with their products, only one has effectively organized these services making it easier for consumers to identify what they need. Dell has not only successfully organized its

services into seven suites; it has also made it applicable to the company's different market segments.

Other important factors to consider when it comes to product analysis includes the position of their products and services on the product/service life-cycle, how advantageous these companies are to one another with respect to the products they offer, and the benefits provided by these products and services to the consumer and other parties in the decision process. An important characteristic about the PC industry is that products have short life cycles. This characteristic results in the products and services offered by the two firms going through the life cycle stages quickly, spending the most time in the declining stage.

With the rapid growth of IT industry and the continually release of new technologies into the market the company will continue to regularly lower prices of PC and Non-PC products due to the competitive nature of the industry. This is the main advantage provided by the companies to one another with respect to the products they offer. Moreover, these firms are greatly benefiting their consumers by providing them with fast, reliable, and useful products and services; in addition to providing other end users, such as the manufacturers of Non-PC products, an outlet for them to market their products to the consumers.

Pricing Strategies Dell made \$18. 2 billion in revenue with a net profit margin of 8%. In 2006 their revenue was almost tripled to \$55. 9 billion, but with a lower net profit margin of 6.

4%. Dell's net income has almost constantly risen throughout the years, due to their highly competitive cost structure. Their elimination of the middleman keeps their costs low and profits high. Dell has been able to keep their profit margin high, because of their unique selling strategy of eliminating the middleman.

Essentially, they have few costs, and more profit per unit sold.

Distribution Strategy Analysis As any marketer would know there are the four mains P's which help to secure the success of products and companies.

When it comes to companies like Dell, the importance of their placement strategy can gain or lose pieces of the market share. Dell has continually increased its market share through effectively streamlining of its distribution channel. DELL utilizes the simple concept of selling computer systems directly to customers; which greatly decrease the need of other distribution channels.

In other words, Dell has become its own manufacturer and retailer in simplest sense of the words.

Although, it practices this strategy, Dell's success in streamlining its distribution channel helped them overtake its competitors. Dell's main factory is located in Texas with its regional headquarters in Texas, Tennessee, and Brazil. Dell always tries to centralize its headquarters to where it can provide the service to its customers in timely and effective manner. Dell's location has helped the company organize its distribution model.

When Dell Americas operations were expanded, Dell chooses middle Tennessee because the transportation infrastructure allowed Dell to reach 70% of its customer base within twenty-four hours by ground. With the Internet and the phone as its biggest distribution channel, Dell is able to reach customers faster and with its distribution network streamlined it can meet each customer's demand successfully and speedily.

Its suppliers can attribute Dell's distribution strategy's success to Dell's emphasis on speed when it comes to performance.

One disadvantage of Dell's distribution strategy is that any problem in the supply chain or with the suppliers can shut down Dell's ability to meet customer's satisfaction. In other words Dell might rely too much in its supplier's ability to perform because Dell does not like to hold inventory. Dell main strategy is to integrate the manufacturing, supply and sales in one working system.

However, the risk of one component failing can deeply affect the whole system as each component is tied together.

The benefit of having one working system is that productivity will increase as communication and information will pass through the channels quicker. Dell's strategy is simply to cut out middleman by purchasing from suppliers and delivering final product directly to customers. Dell's eliminates retailers who add unnecessary time and cost or diminish Dell's understanding of customer expectations. Dell's mass customization method have helped widen its coverage area but also narrow it down to which each customer can order the exact computer under his specifications.

By utilizing the internet network channel Dell's have widen its coverage in which almost everyone have a chance in making an order and also because of its specialize; customized products (PC's) it also has a narrow coverage of the market.

Dell has always maintained its image and market position by continually gathers information and research on how to refine their strategy. Dell's approach in building to order greatly reduced the costs and risks associated with carrying large stocks of parts, components, and finished goods and by passing up on retailers greatly reduce the markup price of resellers.

While Dell Computer sometimes struggled during its early years in trying to refine its strategy, build an adequate infrastructure, and establish market credibility against better-known rivals, its build-to-order and sell-direct approach proved appealing to growing numbers of customers in the mid-1990s as global PC sales rose to record levels. And, just as important, the strategy gave the company the advantage on saving cost compared to traditional PC manufacturers that kept inventory.

Dell have practiced the distribution strategy, which give them huge savings in their inventory cost and savings on the markup price by either reducing or avoiding retailers that trickles down to the consumers helping both companies sell cheaper to their competitors.

However, Dell's ability to organize their distribution has given them an advantage when it comes to communication, information and supply chain management. Recently, Dell also forayed into retail selling of its product and has lost its value proposition. Conclusion

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The computer has revolutionized our way of life. From doing this project we learned that there is much more to each company than what we see when we go into their store or see the commercials on television. Each company has their own unique strategy for dealing with each aspect of their company and they do what is best for them not what is best for the other Scompanies around them.

Yes, they are in competition for business, but they are striving to do so by making their companies unique. That way they will make a profit and a name for their company to back it up.