Dell is known as a universal cooperation that provides electronic products and software to the public. Michael Dell founded it in 1984. He was known as “the computer industry's longest-tenured chief executive officer (referenceforbusiness.com).” His concept was: “by selling computer systems directly to customers, Dell could best understand their needs and efficiently provide the most effective computing solutions to meet those needs (referenceforbusiness.com).” And to think this all stared in Mr. Dell’s college dormitory where he sold personalized computers as a freshman.

As there are in other companies, Dell has strengths, weaknesses, opportunities, and threats that set them apart from others. To start off with positives, the cooperation has strengths that have kept them up in the lead with other competitors. Dell’s world-known logo and well maintained reputation has maintained a well set of loyal customers. Since Dell sells directly to the public without going through retailers, this lowers the operating cost, making it more affordable for people to purchase it. The products are affordable, but reliable. By making custom products, the company minimized the risk of having extra inventory, as well as their inventory cost. It is because the company works so direct with their customers that they are able to provide excellent customer service that is fast and efficient. Therefore, strong relationships are created and the customer loyalty is enhanced. “Dell is not a manufacturer; Components are made by the suppliers and Dell assembles the computers using relatively cheap labor. The finished goods are then dropped off with the customer by courier. Dell has total command of the supply chain (marketing91.com).”

On the other hand, there are some negatives that hold the company back from reaching their full potential. A major issue is that in the market, they mainly attract corporate and government institutions as customers. This leaves a small area (5%) for the company to focus on the college student proportion of the market. This limits their selling potential since colleges and their students are huge spenders on the latest computers. Since their products are custom made, buyers are not able to go to any retail store; making it inconvenient for customers because they would have to go to a DELL specialized store or order online (which some are not fond of). Since they do not work with a “middle man”, Dell’s relationship with other computer companies and retailers is limited. When the products are customized, the company collects parts from all over the world. This causes a problem when a product is recalled because then the company has to go back and fix the problem, sometimes with other parts from another country. Most importantly, they have no novelty; Dell has nothing different to offer the market other than what is already out there.

As for opportunities, the company always has the ability to live up to what Michael Dell started with and believed in. Technology is something that is always growing and changing. This lets Dell come up with new products to entice customers. The Internet has provided customers with another door into the market. Customers are no longer limited to using the phone or going to a store to get what they want. They can now search the web and do their orders there. This allows Dell to be more available to the public. With the more availability, they have the opportunity to expand over seas (Europe, China, India, etc…) and market their brand there.

Since technology has updated, so did other computer companies. This poses a threat to Dell when trying to expand their brand in other countries because of the competition. Especially when their competition has stronger ties with retailers in the market. Knowing how to building computers is now a basic need for any computer company. The treat is that dell only builds, not designs; unlike other companies. In addition, price difference is decreasing, making Dell’s computers even less different form others. “With almost identical prices, price difference is no longer an issue for a customer. They might choose other brands instead of waiting for Dell’s customized computers (suite101.com).”

Dell’s main competitors are any computer company that is known around the world with strong relationships with other competitors and retailers because their market range is more accessible and broad. Companies include: Apple, International Business Machines Corp, Hewlett-Packard Co, and Lenovo Group, Ltd. Apple is the biggest competitor because they are all over in the market. They are always updating and creating new products that are popular and affordable to the public.

When it comes to the environment, Dell knows how to keep it earth friendly. Besides the fact that they manufacture their products here (no sweat shops needed), they have created a program called “Design for Environment”. They “incorporate responsible ingredients selection, reduction of environmentally sensitive materials, increased energy efficiency, extension of product life span and design for disassembly (dell.com).” Dell states that they recycle the plastic they use and other shipping equipment and incorporated it into their products. “In 2009, we shipped approximately 7.2 million pounds of postconsumer recycled plastic in select monitors and systems, equivalent to recycling more than 263 million water bottles (dell.com).” Other things they use to help out the environment: use compostable and reusable material (bamboo), build computers that consume 25% less energy than before, and set the factories up with a system that saves power.

Dell’s main customer targets are large corporations, homes, small businesses, government and educational. “Dell segments its customers into Relationship, Transaction, and Public/International customers. Dell’s segmentation of customers helps it respond to changes in demand among different customers, to develop new customer segments (mbaknol.com).” When it comes to product positioning, Dell does not hesitate to emphasize that they are a computer company that have years of experience in building custom made products, who’s parts are recycled. In their marketing strategy, their main focus is to satisfy the customer. It is because of their direct relationship with the customers and their custom made products that Dell is able to provide services, and software solutions to help simplify the computer’s technology. As stated before, Dell has also become environmentally friendly. The way they make their brand known is by marketing on commercials shown on TV, create ads online, promote specials and create campaigns. The company created a campaign last year titled “ The Power to Do More”. Quintos stated, “We need to represent and talk about Dell in a consistent way and emotionally reconnect with these customers. The second thing is we said we've got to get them to understand the full capability of what Dell has to provide (dmnews.com).”

 The key success factors for Dell are: they make custom products, minimizing their inventory and inventory cost. One of the most important things a company can have from a customer is their loyalty. By canceling out the “middleman”, Dell is able to build a strong direct relationship with their buyers. Their marketing has allowed their brand to be known all around the world; and with their outstanding service and reputation, they are considered the number one PC Company in the market. Their Dell Direct service, reliable customized products and environment friendly computer parts is what makes Dell the company that it is today. My recommendations to make this company more successful would be to try to reach out to retailers so that they can expand their selling area and not limit the customers when it comes to purchasing their product. They should also try to appeal to college and their students more; that 5% can make a huge difference in their profit. Overall, Dell is an excellent company with many years of experience and excellence that has now made them a well respected Computer Company, which is known in many nations.

Works Cited

1. "Case Study of Dell: Primary Target Markets and Positioning Strategy | MBA Knowledge Base." *Business Management - Articles - Case Studies - Course Materials*. N.p., n.d. Web. 24 Apr. 2013. <http://www.mbaknol.com/management-case-studies/case-study-of-dell-primary-target-markets-and-positioning-strategy/>.
2. "Dell Inc." *Morning Star*. N.p., n.d. Web. 23 Apr. 2013. <financials.morningstar.com/competitors/industrypeer.action?t=DELL®ion=usa&culture=en-US>.
3. "Dell Inc. - Company Profile, Information, Business Description, History, Background Information on Dell Inc.." *Reference For Business - Encyclopedia of Small Business, Business Biographies, Business Plans, and Encyclopedia of American Industries*. N.p., n.d. Web. 24 Apr. 2013. <http://www.referenceforbusiness.com/history2/68/Dell-Inc.html>.
4. "Dell's transformation - Direct Marketing News." *Direct Marketing News*. N.p., n.d. Web. 24 Apr. 2013. <http://www.dmnews.com/dells-transformation/article/224956/#>.
5. "Design | Dell." *Dell Official Site - The Power To Do More | Dell*. N.p., n.d. Web. 24 Apr. 2013. <http://www.dell.com/Learn/us/en/uscorp1/corp-comm/cr-earth-environmental-faqs?c=us&l=en&s=corp>.
6. "SWOT Analysis of Dell Computers | Suite101." *Suite101*. N.p., n.d. Web. 24 Apr. 2013. <http://suite101.com/article/swot-analysis-of-dell-computers-a92597>.
7. "SWOT analysis of DELL." *Marketing Strategy, Marketing Management, Marketing News, Advertising reviews*. N.p., n.d. Web. 24 Apr. 2013. <http://www.marketing91.com/swot-analysis-of-dell/>.