Assessment 2A + 2B
Project Report – Dell Technologies

Bachelor of International Marketing
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“This paper is done as a part of the undergraduate program at BI Norwegian Business School. This does not entail that BI Norwegian Business School has cleared the methods applied, the results presented, or the conclusions drawn.”
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1.0 Internal Analysis

1.1 Business model canvas

Dell currently has a direct business model, where they sell directly to the customers. However, they are starting to adapt towards a more indirect and traditional distribution method. Therefore, Dell’s business model will consist of aspects from both a direct and indirect perspective.

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1.1.1 Customer segment

Dell is currently trying to target two different segments.

**Large corporations - private and public**

Dell is mainly trying to target large corporations, with emphasis on government and educational sectors. These sectors provide large portions of profit and are supported by dedicated sales representatives and account managers.

**Small and medium-sized businesses**

The second segment is small and medium-sized businesses. The Latitude 2-in-1 convertible notebooks will not only make the communication between home and work easier within the business, it will also make them more flexible.

1.1.2 Value Proposition

In order to establish a long-term relationship with both segments, a clear valuable proposition is important for Dell. They focus on a premium value proposition with personalized service. Their value proposition for the Latitude 2-in-1 convertible notebooks has three main aspects.
The most important aspect of their value proposition is service. Providing excellent service has been a long-term goal for the company, as they want to be one of the best in the world on service. To accomplish this, they focus on reaching directly out to their customers within a short time and provides different support methods.

The second aspect focuses on the lifetime value. Dell’s Latitude series of convertible notebooks is at the high end of the price scale, however, Dell’s durable service gives customers value over time.

Lastly, customizing products on the premises of the customer is an important aspect. The Built-to-order approach makes it possible to customize the production of software to the materials used. This also makes the production more efficient and valuable (Dell US 2017).

1.1.3 Channels
Dell’s main distribution channel is their website, and this is where they want to achieve most sales. This channel is especially important with a direct distribution method, as this is where the newest products are being introduced first.

Through their indirect method Dell sells to wholesalers, which disclaims some of the tasks within the organisation and give the wholesalers the opportunity to create a long-term relationship with resellers and corporations.

The wholesalers do not sell to the public market; this is the task of the resellers, who present the products in a store at the price point they want.

1.1.4 Customer relationship
Build to order approach
Dell is using a “Just-In-Time” approach to make the customer a part of the production process. This allows Dell to customize their convertible notebooks to customer’s requirements and needs, and produce through request. This can also decrease the inventory level, hence, the costs.

Service
Service is one of Dell’s most important contributions to create and maintain a consistent relationship with their customers. Through Dell’s customer service, they offer back-end service and
support. This can also help ease the tension consumers might feel when evaluating different products. (Dell Technologies 2017)

**Long-term value**
Dell creates long-term value by utilizing their customized solutions to make technology more efficient, accessible and easier to implement. If the customers feel assisted in their choices it can create an enhanced customer relationship.

### 1.1.5 Revenue stream

**Asset sales**
Dell produces a physical product where the owner has full ownership. Dells convertible notebooks have increased from 37 million to 51 million USD in sum of value. Sum per units has increased by 33.8% over the fiscal year of 2016. This indicates a total increase in sale of 23,369 units. (Dell Technologies 2017)

**Leasing services**
To generate revenue streams, Dell's financial services help organizations with “capital expenditures, operating expenditures and cash flow” (Dell Australia 2017). The service consists of four stages; operating lease, finance lease, loans and end of lease options (Dell Australia 2017).

**Pricing mechanism**
Dell provides different build to order options of the Latitude convertible notebooks, where customers can choose different attributes to their notebooks. However, Dell has a fixed price mechanism, where the price for the different options is already set.

### 1.1.6 Key Resources

**Physical resources**
These resources are often capital intensive, and Dell’s physical resources consist of manufacturing facilities and distribution networks. Dell has a huge focus on manufacturing in order to make high quality products and adapt them quickly to the market (Dell Australia 2017). Their distribution networks include the transportation systems and storage facilities. Due to their Just-In-Time production, they have a low amount of storage facilities.
Intellectual Resources
Dell has numerous intellectual resources, where customer database, software and proprietary knowledge is important. R&D and innovation are necessary resources that need continuous focus to fuel Dell’s proprietary knowledge. Another major resource is Dell’s technology, where they provide business class security and reliability. Through Dell’s own Dual core and Quad core technology they are able to deliver processing performance, which makes the Latitudes their most secure and reliable convertible notebooks (Dell Australia 2017).

Human resources
Their team members are an important element of their human resources because they want to create a professional working environment where they can grow. They offer different assistant programs for mentoring, networking and growth opportunities. (Dell Australia 2017)

1.1.7 Key activities
Production activities
Dell depends on their supply chain management. The main objective is to add value to the products and services, in order to fulfil a customer demand by the Latitude products. Manufacturing is mainly done overseas. To ensure high quality production Dell has focus on overlooking their manufacturing (Dell US. 2017). Distribution is done through direct and indirect channels. The advantage of using both channels is that Dell is able to produce devices both towards customers’ preferences and general market need.

Problem solving activities
Dell continuously focuses on problem solving to improve their supply chain. They are active in taking actions in the environment to help improve compliance and accountability to identify risks. Knowledge management is an important factor in order to be aware of the risks and issues related to suppliers. In addition, they have a major focus on training employees and making sure that suppliers are not failing to take appropriate actions. (Dell Australia 2017)

Platform network activities
Dell focuses on being committed and delivering effective solutions with support to their customers. They provide back-end support, support plus and support pro, and acknowledge customer requests within 24 hours. (Dell Australia 2017)
1.1.8 Key Partners

Intel
Dell and Intel have a technology alliance partnership, which enables Intel to offer Dell their processor technology to make Dell’s products and especially Latitudes powerful (Dell US 2017). By combining the power of Dell and Intel, they offer extraordinary protection and new solutions that can further maximize capacity and performance for customers (Dell US 2017), (Dell Australia 2017).

Microsoft
Dell also has a technology alliance partnership with Microsoft, which enables Dell to utilize Windows 8.1 Pro and license Windows 10 as their operating system on the 2-in-1 convertible notebooks (Microsoft News Center 2015). This is an advantage for Dell as Microsoft is a worldwide leader in software (Microsoft Australia 2015).

Other partners
Dell also has alliances with Nutanix, Oracle, Red Hat, SAP and VMware. Where they focus on storage, integrate data, interactive business processes and cloud-based services. (Dell US 2017)

1.1.9 Cost Structure
Dell is a Value-driven business, not a cost-driven. Although there are multiple costs incurred to make Dell’s business model work.

Fixed costs
These are not directly related to the production of the Latitude convertible notebook, as the fixed cost remain the same regardless of production volume. This includes salaries, rents and production facilities etc.

Variable costs
Dell has multiple variable costs, and these cost vary in proportion to the volume. The demand of 2-in-1 notebooks controls how much costs that needs to be allocated to the production.

Marketing and advertising costs
This is not their main focus area, however, there are some marketing costs that needs to be in place in order for them to reach out to firms with their Latitude 2-in-1 notebooks.
**Investment costs**

Dell Technologies has a high focus on innovation and R&D, where they allocate $4.5 billion annually to expand knowledge within the firm and improve software and computer performance (Dell Technologies 2017).

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**2.0 External Analysis**

**2.1 Market Analysis**

**What to expect from the convertible notebook market**

IDC released a press release in the beginning of March 2017 stating that the PC market in Australia is stabilizing. Nevertheless, the convertible form factor continued to drive growth with an increase of 41.8% from the previous year (IDC 2017). HP continues to hold the top position with a market share of 27.4%, with growth coming from the education and public sector. Apple holds the second position with a share of 16.9% with majority of its growth coming from national retail. Lenovo maintained its third position with a share of 16.1%. Dell ended up on the fourth position with a share of 14.5% (Appendix A) (IDC 2017).

Furthermore, Telsyte indicates that Australians are moving away from low cost tablets. According to their ‘Australian Digital Consumer Study 2017’, approximately 40% of Australians are willing to pay more for ‘top quality electronics’ as digital devices is becoming more central in consumer lifestyles (Telsyte 2017). Telsyte definition of tablets includes 2-in-1 devices (Mumbella 2016). Additionally, Telsyte forecasted that the Australian sales would grow from more than 500,000 in 2015 to approximately 1.5 million in 2017 (Kovacs 2016). For Dell’s Latitude’s a move towards top quality devices and an increase in 2-in-1 is a positive market trend.

**Estimating market size**

To estimate the total market potential for Dell’s latitude, it is important to determine the target customers. Therefore, based on our market analysis and interviews, we define our target customers as “business-people on the go”, “small to medium-sized businesses” and “large corporations”.

In June 2016 the number of actively trading businesses in the market sector was 2.1 million and approximately 2 million small and medium sized businesses were members of the ‘The Small and Medium Enterprise Association of Australia’ (Australian Bureau of Statistics 2017) (SMEA 2017). This indicates that this is a highly attractive segment in the Australian market. However, it is necessary to differentiate the various industries by their attractiveness and profitability to gain
revenue. Based on our market research sectors with expected growth of 2-in-1 notebooks are: ‘Rental, Hiring and Real Estate Service’, ‘Administrative and Support Service’, ‘Public Administration and Safety’ and ‘Education and Training’. These industries make up around 360,000 small and medium-sized businesses, e.g. (Appendix B).

It is difficult to estimate how many business people there are in Australia, however, this is an important segment since several full-time employees also runs a sole proprietorship on the side. Dell should continue to focus on large corporations, due to high revenue streams. Since no exact numbers are available it is hard to estimate how many large corporations there is within relevant industries. However, large businesses are defined as those with turnover levels of $250 million (Australian Taxation Office 2016).

Penetration rate
The 2-in-1 convertible notebooks will drive the future growth in the computer market. However, Dell is not the market leader and due to a saturated market consisting of many strong competitors, we have estimated Dell’s Latitude series penetration rate to be a low 2%.

Market volume
To get an estimate of the overall market potential, the number of target customers is multiplied by Dell’s penetration rate. Since they consist of 360,000 small and medium-sized business and the penetration rate is 2%, Dell’s potential market volume is estimated to be 360,000 x 2% = 7200 business transactions.

Market value
The markets monetary value is calculated by multiplying the market volume with the average value, e.g. price expectations. Dell’s estimated market value is;
7200 x $4,310.90 (Dell Australia) = 31,038,480 AUD.
This estimate has excluded the extra costs of support services, since firms can choose between several back-end services and support from Dell’s IT Support Service (Dell Australia).

In the last quarter of 2016 Dell earned a total revenue of 95 million USD, which indicates that a lot of the existing revenue comes from large corporate companies (Dell Technologies 2017).

2.2 Competitor Analysis
The convertible notebook market can be characterized as being a saturated market with many big players and many differentiated models. However, Dell’s two main competitors in the B2B market
are Microsoft and HP (Dell Technologies 2017). Microsoft is recognized for creating the convertible notebook market and according to Dell’s estimates HP is recognized as being the second largest player in the market (Dell Technologies 2017).

2.2.1 Microsoft

Size
Microsoft Pty Ltd is based in North Ryde, New South Wales, with around 960 employees in Australia. The foreign-owned private company provides software, computer peripherals, software development tools and Internet access services to Australian consumers, enterprises and, education and government sectors. (IBIS World 2016)

Goals
Ever since Microsoft launched its Surface tablet in 2012, the company has wanted consumers and enterprises to switch from traditional notebooks to convertible notebooks. (CIO 2015)

Market share
In the last quarter of 2016, Microsoft’s market share was around 50.3% (Dell Technologies 2017).

Product quality
Microsoft Surface Pro offers the customers a light, flexible and powerful device without compromising quality. The Surface Pro comes with 1TB storage and a new PixelSense Display, which makes the pictures come to life through optimized contrast and colours. (Microsoft Australia 2017).

2.2.2 HP

Size
Hewlett-Packard Australia Pty Ltd is a wholly owned subsidiary of the US-based Hewlett Packard Enterprise Company. HP employees approximately 4.870 in Australia and New Zealand, and delivers computing, communication and management service as well as enterprise storage, servers and service of products. (IBIS World 2016)

Goals
HP’s goal is to be able ‘to create technology that makes life better for everyone’ (HP Australia 2017).
Market share
In the last quarter of 2016, HP has a market share of 16.8% (Dell Technologies 2017).

Product quality
To provide a rich audio that is optimised for use in any position HP has created dual speakers with state of the art technology through collaboration with BeatsAudio and Bang & Olufsen. Furthermore, HP has a USB-C port with thunderbolt technology that fast charge 50% of the device’s batteries in only 30 minutes. Additionally, HP has collaborated with Corning® Gorilla® Glass to provide protection against scratches (HP Official Store 2017), (Whigham 2017).

2.3 Customer Analysis
From the in-depth interviews, it is evident that in the B2B market, Lenovo is the first computer brand that comes to the customer’s mind followed by HP, Dell, Samsung and Microsoft. However, graphic and web design companies mainly associate with Mac, as this is their favourable device. According to the survey that was distributed, 48% of the people had experience with Microsoft’s convertible notebook, whereas only 24% had experience with Lenovo’s. Preferences in the B2B market is often based on previous experiences with a brand, therefore we can assumed that there is a relationship between the consumer market and business market.

Research process
The research process each company went through was highly dependent on the number of employees. The more employees a company had, the more extensive the research process was. The smaller companies consisting of 1-10 employees based their purchase on previous experience or had a quick research and decision process. This process consisted mostly of online research based on previous reviews and feedback. Medium sized companies had a more extensive research process. Decisions were based on market research from Gartner and meetings with several vendors to review the products and the different options available. Employees tested selected products, before the IT staff reviewed technical and non-technical requirements.

Buyer channel
Based on the conducted research it is evident that businesses buy their products through an indirect channel, mostly from retailers. Nevertheless, they would prefer to utilize direct vendor relationships when possible. This might indicate that it is easier for firms to go through an indirect channel, because they already know the retailers.
**Brand awareness**

From the conducted research, respondents consider brand awareness as the least important aspect when buying a convertible notebook, whereas quality, price and weight is the most important aspects. Brand awareness still plays a major role for Dell, and firms were only aware of competitor’s options. If Dell is not considered as an option for convertible notebooks they will lose potential profit. However, only 37.5% students knew Dell sold convertible computers. This might indicate that their branding has been directed towards young adults. Since, students are entering firms and becoming new future leaders, Dell can leverage their brand awareness into the companies. Furthermore, this implies that Dell need to increase their awareness to make them appear in the evoked set of customers. Consequently, firms would consider purchasing a convertible notebook from Dell in the future.

**Potential future “customers”**

None of the firms had adopted a 2-in-1 convertible notebook. However, the convertible notebooks were considered for those that spend more than 50% of their time out of the office, where they might add value. Dell should focus on the unique benefits they provide with their Latitude, to be the obvious choice for new customers when buying a 2-in-1 notebook.

**Perceptions**

The firms and respondents from the primary research had different perceptions of Dell. It was evident that Dell was a well-know brand and was associated with their direct business model and distribution channel. Some considered them a top quality brand, thus some associated them with a cheap brand. It can be assumed that respondents from the survey will bring this perception with them when entering the job market.

**Price**

In the small businesses, price was significant, yet not always the most relevant factor because it was rated low to medium on the importance scale. Having a budget was necessary, but if the computers could be tax deducted it was less important for the company. Most respondents and interview objectives had a unified opinion of spending $1,200-$2,000 on a 2-in-1 convertible notebook. For the medium to large business the price was very important because they already set budgets and they needed to ensure value for money while still meeting the requirements.

**Attributes**

Firms consider a solid keyboard as essential when spending long hours at the office. In addition, it is important to have a quality screen with good resolution for reading and uploading files. The
screen should have a docking option. Furthermore, the size of hard disk, durability, graphic card, weight, memory and battery time were important.

**Segments**

*People on the go*
Based on the primary research, Dell should focus on promoting their 2-in-1 convertible notebooks to the industries that are constantly on the move and in a hectic working environment. This could be people that work in small and medium sized businesses, for example within real estate and education.

*Future leaders*
Another segment to focus on is engineering, art and design students. According to the survey, many students are familiar with convertible notebooks, yet we can assume a lot of them lack knowledge about this device. This could be a great “tool” for students that they could introduce in future careers and later bring into firms.

The market analysis indicates that by focusing on these segments, the 2-in-1 convertible notebooks will have a greater chance at reaching markets that are more compatible. In addition, Dell should still maintain their successful focus on “large corporations and “small and medium sized businesses”.

**2.4 Macro-environmental Analysis**

A PESTEL analysis is conducted to further examine the macro environment, and discover potential opportunities and threats.

**Political factors**

*Climate change and energy policy*
A future threat for the 2-in-1 convertible notebook production is the Australian government’s climate change policies. There is expected a battle over the renewable energy and its impact on electricity bills in Australia (Curtis 2017).

*Political stability*
Australia has one of the highest rankings in the world for political stability. This indicates that doing business in Australia is easier, due to the low corruption and high level of government support (HABC 2013/2017).
**Economic**

*Increasing market growth*

Australians are starting to buy more expensive 2-in-1 convertible notebooks rather than cheaper tablets. The 2-in-1 convertible notebook market is one of the fastest growing markets and the revenue increased with 33% in the first quarter of 2015. (Gizmodo 2016), (Dell Technologies 2017)

*Manufacturing overseas*

Large portions of the 2-in-1 convertible notebooks are manufactured overseas, exports and imports of the convertible notebooks are accounted for at manufacturing level, which makes Dell exposed to international trade (Dell Australia 2017).

**Social**

*Change in trends*

The trend of using tablets and convertible notebooks has increased both in the consumer and business market. These two markets have replaced laptops with convertible notebooks and tablets, which could indicate a new social trend (Telsyte 2016).

*Convertible keyboards*

One in five tablet users have already tried using their tablet with a keyboard. This indicates that the users preferences and needs are changing, and there is possible market opportunities for Dell’s Latitude series (Gizmodo 2016).

**Technological**

*After sale service*

The ability of traditional retailers to provide after-sales support in their physical stores, and the option for customers to pick up online orders in-store are natural advantages for multi-channel operators (Dell Australia 2017).

*New technology*

The 2-in-1 convertible notebooks are equipped with the newest technology. The demand has been driven by their mobility, weight, size, wireless capabilities, touch pens and keyboards (Gizmodo 2016). Convertible notebooks are adapted to the changing technological environment by customization and innovation (Gizmodo 2014).
Environmental

Green production
With an increased focus on sustainability in the world, Dell need to efficiently focus on green production (Dell Australia). By creating smarter packaging designs, they can reduce overall package volume and waste. An environmental focus can be important for customers when evaluating products from different firms.

3.0 SWOT Analysis

3.1 Strengths

Service
Dell can leverage their strength of providing customer support and service to both attract new Latitude customers within the various segments, but also to maintain a long-term relationship with existing customers. Downtime is extremely costly for a firm, which is why Dell provides 24/7 access to technical engineers to help with both hardware and software challenges, repairs of accidental damage and replace hard drivers to ensure the data stays secure. (Dell Australia 2017)

Partnerships
Through strategic partnerships with top technology suppliers in the industry, Dell is able to cooperate instead of compete. Those partnerships allow Dell to highlight their opinions and leverage the power throughout the organization. Through their partnerships Dell have created a broad perspective on the computing landscape and a unique and diversified portfolio. This allows Dell to adapt their models to different businesses need. (Dell US 2017)

Innovation and R&D
Dell is utilizing their R&D and innovation to address customer business challenges (Dell 2017). Since Dell has a high focus on innovation and R&D, they are also able to leverage this strength to come up with new improved software performance, hardware performance, and “game changing” technology. A high focus on R&D is important because it enables Dell to stay and sustain a competitive position in the market.

3.2 Weaknesses

Indirect distribution method
Dell mainly sells their Latitude products through a direct channel. However, they recently started to sell through indirect as well, which is the preferred distribution channel amongst customers. Dell
has little experience with this method, and could face several problems towards selling their Latitude, compared to competitors.

**Limited marketing and advertising**
Dell has over the years put a lower priority towards advertising and is currently spending less than 3% on marketing communication (Dell Technologies 2017). Dell’s competitors have a strong focus on marketing and promotional activities, which enables them to capture larger shares in Dell’s potential market (Dell Technologies 2017).

### 3.3 Opportunities
**Changing customer preferences**
Dell can leverage the change in customer preferences to increase the sale of the Latitude. The market for convertible notebooks has increased, and is continuously growing. Furthermore, Australians are more interested in paying for top quality electronics, which is an advantage as Dell deliver unique and high quality products (Telsyte 2017), (Dell Technologies 2017).

**Technological advances**
Dell should utilize their technological advances to attract more businesses for their Latitudes, as well as to keep themselves competitive due to changes in the market. Protection and security is extremely important for businesses, which Dell can leverage because they provide the customers with a comprehensive encryption system, a leading authentication and a leading-edge malware prevention from a single source (Dell Australia 2017).

**Online Marketing**
The use of Internet and social media has increased, therefore online research is more important for customers when evaluating a product. Dell should take advantage of this opportunity and adapt to the changes and expand their use of social media and Internet. In order to do this, they could focus on several technology magazines where IT technicians and specialists give reviews of products.

### 3.4 Threats
**Increased competition**
Increased future competition opposes as a threat, since the PC market remains flat and the convertible notebook market continues to grow, this business sector will have an increased attractiveness. Hence, more competitors will try to leverage their technology towards this sector to capture a greater share of the market and increase their revenue.
**Price competition**
A major threat for Dell is price competition. With a saturated market and price sensitive consumers, competitors often start price wars. Since Dell’s Latitudes is priced on the high-end scale in the market this could affect their sales potential.

**Brand awareness**
Another threat is the lack of brand awareness towards Dell’s 2-in-1 convertible notebooks. None of the firms interviewed were aware that Dell sold 2-in-1 convertible notebooks, and though some students were aware, this could challenge the evoked set and make customers overlook Dell and their Latitude as a potential product to purchase.

**4.0 Strategic Factors**
After conducting a SWOT analysis, three key issues have been identified.

1. **Technological advances**
Technological advances are one of Dell’s key issues. Though, Dell has a strong focus on R&D and innovation, they are not capturing large enough shares in the potential market. They need to focus on their technology advancements to keep the Latitude convertible notebook attractive in a highly competitive environment.

2. **Brand awareness**
The second key issue is brand awareness, since Dell’s awareness in the business market is low. Based on the primary research, Dell had low awareness amongst firms and students in comparison to competitors. Dell has to focus on their technical advances in their marketing and advertising to strengthen their position in the market. This will hopefully increase awareness and lead to future growth in sales and revenue.

3. **Changing customer preferences**
The last key issue is the changes in customers’ need and preferences, which indicates more market opportunities. The market for convertible notebooks are increasing, and by focusing on R&D and innovation, Dell can utilize this opportunity and enable a rapid growth with their Latitude convertible notebooks.
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6.0 Appendix

6.1 Appendix A

Australia Top 5 PC Market Vendor Share (%) 4Q2016

Source: IDC Asia/Pacific Quarterly PC Tracker, March 2017
6.2 Appendix B

Note: A - Agriculture, Forestry and Fishing; B - Mining; C - Manufacturing; D - Electricity, Gas, Water and Waste Services; E - Construction; F - Wholesale Trade; G - Retail Trade; H - Accommodation and Food Services; I - Transport, Postal and Warehousing; J - Information Media and Telecommunications; K - Financial and Insurance Services; L - Rental, Hiring and Real Estate Services; M - Professional, Scientific and Technical Services; N - Administrative and Support Services; O - Public Administration and Safety; P - Education and Training; Q - Health Care and Social Assistance; R - Arts and Recreation Services; S - Other Services
Assessment 2 - Part B

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1.0 Executive Summary

1.1 Technological advances

The first identified issue is Dell’s usage of their technology advances. Since Dell has a strong focus on innovation and R&D, they should be able to update and develop their 2-in-1 convertible notebooks constantly. By having a technology advance, and a focus on innovation and R&D, Dell should use these focus to make the 2-in-1 convertible notebooks attractive in the market. The technology advances will also help the 2-in-1 convertible notebooks to remain competitive in the market, due to many players and changes in the market. This could also create a competitive advantage for the 2-in-1 convertible notebooks.

1.2 Brand awareness

The second identified issue is brand awareness. From the primary research, it's been indicated that Dell’s brand awareness is low compared to the competitors. The firms and the respondents point out that they have a limited knowledge towards Dell’s 2-in-1 convertible notebooks. When Dell has low brand awareness, it will experience that the customers may overlook their 2-in-1 convertible notebooks, even though it is a potential product to purchase. Dell has to increase their brand awareness towards the Latitude so that they can be able to achieve a stronger position in the market. As well as, experience growth in sales and revenues.

1.3 Changing customer preferences

The last and final identified issue is the changes in customer’s preferences and needs. This issue indicates that there is a market opportunity for Dell’s 2-in-1 convertible notebooks due to customers changing preferences. By having a focus on R&D and innovation, Dell can satisfy the customer’s preferences and needs towards the Latitude. This can create growth in sales and revenues of the 2-in-1 convertible notebooks.
2.0 Marketing Objectives

The market and sales objectives that have been developed are based on the three identified issues.

2.1 Technology Advances

Issue 1
Dell has to use their technology advances to make the 2-in-1 convertible notebooks more attractive and available to the students.

Objective
To make Dell as one of the top three companies for providing attractive convertible notebooks for students by the end of the year.

Statement
From the survey analysis, only 10% of the students have had experience with Dell’s 2-in-1 convertible notebooks. Most of the students have had experiences with Dell’s competitor – Microsoft, Lenovo, HP, and ASUS. This objective was created so that they will focus more on their technology advances to provide more attractive 2-in-1 convertible notebooks in the market. The measurement of this objective can be through survey and sales units.

2.2 Brand Awareness

Issue 2
Dell has low brand awareness among students compared to their competitors.

Objective
To achieve 10% brand awareness among students by the end of the year.

Statement
Dell has low brand awareness among students, where only 37.50% of students from the survey had hard about their 2-in-1 convertible notebooks. Since the percentage is low, there is an opportunity for improvement. Dell needs to achieve higher brand awareness among students to increases the sales and gain revenue.
2.3 Changing Customer Preferences

Issue 3

Leverage the change in customer preferences to increase their sales and growth of the Latitude among students.

Objectives

By the end of the year, increase the sales of the Latitude by 10% among student through an indirect channel.

Statement

Since the customer has a tendency to change their need and preferences; Dell’s can use this leverage to increase the sales of the 2-in-1 convertibles. By having an indirect channel, the student able to see how the Latitude is and how it works. They are also able to look at the different attributes and factors of a 2-in-1 convertible notebook before purchasing it.

3.0 Target Market

From the analysis conducted in part 2A, there was identified two different target market – the people on the go segment and the future leader's segment. Based on the analysis, Dell should have chosen to target the future leader's segment. The future leaders segment is based respondents from the survey. The respondents are students between the ages 17 to 27, which are studying engineering, art or design.

Dell should target this segment because they are familiar with the concept 2-in-1 convertible notebooks, and some of them also have experience with it. Based on the conducted analysis from the survey, 81.63% of the students have heard about a 2-in-1 convertible notebook. However, only 10% of the students have had experience with Dell’s 2-in-1 convertible notebooks. Even though the percentage that had experience with Dell’s 2-in-1 convertible notebooks is low, there are 37.50% of the students that have heard about the Latitude. This indicates that there is a market potential within this segment since the students have some knowledge about the 2-in-1 convertible notebooks. As well as experiences with several different 2-in-1 convertible notebooks.
4.0 Positioning

Before Dell positioning their 2-in-1 convertible notebooks, they need to think about what the brand stands for in a consumers mind. That is because the consumer's attitude is important since it summarizes how they evaluate a brand, which could have a negative or a positive effect on Dell (Belch & Belch 2015).

To positioning a product is all about what images that comes to mind and which attributes the consumers will relate to the product (Belch & Belch 2015). And based on the analysis of the survey, the first thought that comes to mind when the students hear Dell is their quality. Therefore Dell should position their 2-in-1 convertible notebooks by quality. The students associated Dell with products that have good quality, which is also the most important factor when selecting a 2-in-1 convertible notebook.

From the survey analysis, another important factor for the students when selecting 2-in-1 convertible notebooks is the price. Therefore, Dell can position their 2-in-1 convertible notebooks by price as well.

Dell should try to position their 2-in-1 convertible notebooks different from the competitors. As mentioned earlier, both Microsoft and HP has excellent product quality on their 2-in-1 convertible notebooks. So for Dell to position the Latitude by quality would not be a good idea, and it would not differentiate the product. Dell could try to position the Latitude by price. Which will make Dell’s 2-in-1 convertible notebooks differentiated from the competitors. By doing so, this could create a stronger position in the market as well as achieve a competitive advantage.

Dell should consider developing a strategic positioning as well, which indicates that Dell is performing their activities different from the competitors or presenting the similar activities differently way. Dell should have a needs-based positioning, where the come closer with the target segment. By tailoring their set of activities to the students in the way that makes them satisfy (Porter 1996).

5.0 Key Strategies

The different strategies option that has been developed is to address to the created objectives, which is based on the three issues. These strategies have been developed, so Dell can use their technology
advances to create more attractiveness among students for their Latitude. As well as achieve brand awareness and increase the sales of their 2-in-1 convertible notebooks.

Research has shown the consumer’s attractiveness of a product is easier to gain when the consumers are familiar with a product. The consumers can clarify and interpret the attractiveness of a known product, regardless of the context that the product has been presented. However, if the consumers come across a product they are not familiar with or have never seen before, they have none previously experience with the product. This means that the consumers lack the ability to judge the product’s attractiveness. If this is the situation, the consumers use the attractiveness of the visual context to form an impression of the product’s attractive that will most likely lead to an assimilation effect (Schnurr & Brunner-Sperdin & Stockburger-Sauer 2017).

Therefore, developing a strategy to achieve attractiveness for Dell’s 2-in-1 convertible notebooks should be easy, since Dell’s target segment “future leaders” is to some extent familiar with 2-in-1 convertible notebooks.

5.1 Strategy 1 - Content Marketing and Advertisement

Based on the analysis conducted from part 2A, it was identified that Dell’s primary focus was not marketing or advertisement. Dell has a low priority currently when it comes to advertisement, as well as Dell spends less than 3% on marketing (Dell Technologies 2017). By having a focus or spending more marketing and advertisement, they would be able to create attractiveness among the students as well as achieving high brand awareness.

5.2 Strategy 2 – Reviewing Price Strategy

From the survey analysis, the students indicated that they were willing to spend $1.200 – $2.000 on a 2-in-1 convertible notebook. The student also indicated that one of the most important factors when selecting a 2-in-1 convertible notebook is the price. Even though the 2-in-1 convertible notebooks is in a market with many substitutes and players, in addition to consumers that are pricing sensitive. Dell needs to review their prices on the 2-in-1 convertible notebooks so that it can increase its sales and create attractiveness among students.
5.3 Strategy 3 – Capture Customer Value And Build A Stronger Relationship

From the business model canvas in part 2A, the customer relationship was based on three different aspects – build to order approach, service and long-term value. Even though the customer relationships indicate to create value, there is still room for improvement. To make this improvement Dell would be able to use their technology advances to increase the value of the customer, which will make the 2-in-1 convertible notebooks more attractive as well as increase the sales of the Latitude.

6.0 Key Recommendation

The three different strategies that have been developed, should be implemented for Dell to reach the three identified issues.

6.1 Strategy 1 – Content Marketing and Advertisement

As mention earlier, Dell has a poor priority when it comes to marketing advertisement. Therefore, Dell needs to improve these two areas so that Dell can create attractiveness and achieve brand awareness among students. This strategy will be best done through a content marketing, with a focus on social media.

Based on the collected information from the survey, 79.59% of the students use their device for online surfing – which could be used to checking social media like Facebook. Research shows that college student spend 79% of their time on Facebook, and for the age of Dell’s target market the percentage is 88% (Greenwood, Perrin & Duggan 2016). Since the target segment spends a lot of their time on Facebook, it would be perfect for Dell to start their marketing there.

Through Facebook, Dell could launch giveaways and contests on their Facebook page. This contests and giveaways could be, as small or as big Dell wants. However, the most important part is to create attractiveness and brand awareness. The contests and giveaways could be based on 2-in-1 convertible notebooks questions, or make students invite most friends to like their Facebook page. By having a contests or giveaway Dell is interacting with students, and that will also build a strong relationship. The contests and giveaway will also create a positive word-of-out where the students will tell their friends about the contest or giveaway so that Dell’s brand's awareness will increase among the students.
Another thing Dell could do to create awareness is to develop slogans to their logo so that the students have something to associate Dell too.

When it comes to advertisement, Dell could pay for social advertising on social media like Facebook, Instagram, and Twitter. As well as remarking campaigns, so that the student will be exposed to the repetitive brand, which increases the brand awareness. Dell should also try to implement a pay-per-click advertising, which will make Dell the first brand that comes up on Google when someone searches for a 2-in-1 convertible notebook. An advertising campaign or PR campaign could also be created so that the target segment will experience the constant exposure of repetitive, that will create awareness and attractiveness.

6.2 Strategy 2 – Review Price Strategy

In this strategy Dell should review their prices on the 2-in-1 convertible notebooks. Dell must also figure out how their competitors are charging, and not charge the Latitude too high or too low compared to their prices. If Dell chooses to raise the prices, it will be associated with an increased quality product. By having a sale or discount, Dell would increase their 2-in-1 convertible notebooks. Which indicates that a lower price will most likely attract student to purchase the Latitude.

As mention earlier, the students are willing to pay $1,200 – $200 for a 2-in-1 convertible notebook. Therefore Dell should try to set the price around that amount so that students can purchase the Latitude. When Dell is adjusting the 2-in-1 convertible notebooks after the students, it will make the Latitude more attractive to them since they are price sensitive and also create attractiveness. It will also most likely increase the sales since the students are now able to purchase the product.

6.3 Strategy 3 – Capture Customer Value and Build A Stronger Relationship

This strategy is about how Dell can use their 2-in-1 convertible notebooks to create value for the students as well as building a stronger relationship. This could be done by focusing on their technology advances to improve the Latitude so that it is satisfying the student's needs and preferences. As the market can change, and the student’s preferences and requirements can change, Dell can leverage their technology advances to meet the requirements. By doing so, the 2-in-1 convertible notebook will become more attractive to the students as well the sales will increase. The increasing sales will happen when Dell’s 2-in-1 convertible notebooks are adapted to students and create value for them.
Another strategy to capture value and build a strong relationship creates a closed beta launch, where a great offer is only accessible to a few lucky students with a special code. This will make create more attractiveness and brand awareness. Dell could also have special offers on their website, where they would receive timely sales and limited offers. The advertisement for this could be on their Facebook page so that students can be able to access it. Dell could also offer free shipping on their website after a student has spent an amount of money on a product or give an additional offer when spending an amount of money. These different offers will make Dell different from the competitors, as well as create attractiveness for students to shop on their website. It will also increase sales, build relationships and create value for the students.
7.0 Reference


