

Name: Mussab Rehman

Section: A

Reg No:16352

Department: BBA

Subject: Principle of Marketing

Assignment: Swot Analysis

Submitted to: Mr. Shahzeb Anwar

➤ Swot stands for:



➤ What is SWOT ANALYSIS?

SwOT analysis is a strategic planning, technique used to help a person or organization identify the strengths, weakness, opportunities and threats related to business competition or project planning.

Internal

(Attributes of the organization)

Strengths, weakness

External

(Attributes of the Environment)

Opportunities, threats

Strengths:

Internal capabilities that may help a company reach its objectives.

Weakness:

Internal limitations that may interfere with a company reach its objectives.

Opportunities:

External factors that the company may be able to exploit to its advantage.

Threats:

Current and emerging external factors that may challenge the company's performance.

Strengths

Dell is the world largest PC maker. For last couple of years, it has held its position as market leader. Some of its qualities which differentiate it from other organizations are as follows.

- The dell brand is the one of the best known and renowned computer brands in the world.
- Dell has differentiated itself from competitors by providing potent systems to the customers at lower price.
- According to dell.com dell incorporation announces itself as the world leading computer company. Dell is the world largest PC maker. Started with the capital of \$ 1000 as in the current stage it has collected \$2.478billion net income in 2009. For the last couple of years, dell has taken its position as a market leader.
- Dell has already created long-term relationship with large companies, and this provides most of their business. These companies, in turn pass the relationship on through their employees, providing them with dell product
- The company is the leading IT provider to gene sequencing researchers and it has been acknowledged as the leading healthcare services provider in general 6 years in a row. Moreover, 7 out of 10 top pharmaceutical companies use Dell Specific Platform, more than 100 hospitals in the US rely on Dell services and more than 131 million clinical studies are stored in Dell.
- Biggest PC maker in the world.
- They deal directly with the customers with no use of a middle man.
- They design the computer to the customer's specifications.
- Their assembly is done at a fairly inexpensive cost.
- They offer their customers the ability to track their delivery.
- They are the number one PC provider for medium and small businesses across the US for 10 straight years.
- They ship around one hundred and forty thousand computers in a day.
- They have very good branding and are one of the most known computers in the world.

Weaknesses

Dell technologies don't spend much on the research and development of new products. Perhaps, given their position in the industry, they feel it's unnecessary. But that can't be, given they missed their chance to expand in to the smart phone in tablet industries competing in this space is now difficult, considering how many other companies are either at the top or trying for space in the market.

So dependability is the main weak point we find in a case study of Dell incorporation. Dell buys its component from the selected hi-tech component manufacturer. So sometimes the manufacturer or supplier who supplies for Dell stop manufacturing, Dell has to bear the huge loss on its overall sales.

Dell is a computer maker, not a computer manufacturer. It buys from a group of hi-tech component manufacturers and this allows Dell to focus on marketing, logistics and other business operations.

- Compared to its major competitors such as Apple, Samsung and Hewlett-Packard, Dell lacks patents for breakthrough innovations in its portfolio and this fact has negative implications on the level of revenues. As illustrated in Figure 2 below, as of March 2013, Dell's patent portfolio comprised only 21.6% of total patent portfolio in the US in hardware, despite the leadership position of the company in the US market and hardware being its core business. Similarly, technology patents in the US possessed by Dell related to displays and servers amount to 6.4% and 3.9% respectively, illustrating a clear weakness of the brand. It is strategically important for Dell to expand its patent portfolio to a significant extent in order to be able to sustain its leadership position in the long-term perspective
- Dealing with a large amount of supplies from many different countries can cause a large issue when products are recalled.
- They build computers, not develop them.
- Their supply orders are so large that they become limited to dealing with a small few suppliers that can handle the volume.
- They have weak business relationships with many computer retailers.
- They do not have unique technologies to offer the market.

Opportunities

Dell is a making and selling low cost, low price computers to PC retailers in the United States.

Tablet market is expected to grow in double digits for the next few years in the company has a great opportunity to release new tablet models in benefit from the market growth.

Besides, innovation makes dell to introduce many new products to its ranch which includes printers, toners, LCD TELEVISION AND other non-computing goods and order to respond to the rapid changing industry. Thus, dell is competing against iPod and other consumer electronics brands.

It also provides multiple facilities to its customers such as three in one, two in one, for example getting computers peripherals when buying a dell PC. It also produces non-computing goods such as iPod and other electronic brands. There for the non-computing goods of dell compete against other.

- Maintaining the excellent lead that was taken by the founder, Michael Dell will be challenging.
- The introduction of new and enticing products to the customers.
- Branding their lower cost, lower priced computers that are sold anonymously throughout the world to open other avenues of branding opportunities.
- Maintaining and expanding the one stop shopping abilities that are offered to their customers.
- Continuing to market on the internet to gain larger market bases.
- Broadening their scopes in Europe, India and China.
- Expand into government and education markets

Threats:

The tablet and smartphone industry is expanding. People use both for work, to watch videos, and keep in touch. They are also easy to transport. For those reasons, we have seen these industries expand over the last few years. And in some cases, people are using these two devices instead of laptops. Dell technologies are not in the market. Since more people are leaning towards these smart devices, Dell is likely to see a shift in profits.

Rising material cost. Not to mention the majority of Dell profits come from hardware purchases. The problem? Hardware prices. The cost of raw materials is rising. This makes it more expensive for Dell to obtain and manufacture, cutting further into their profits.

The company faces intense competition in all its business segments. It competes in terms of price, quality, brand, technology, reputation, distribution and range of products, with Acer, Apple, HP, IBM, Lenovo and Toshiba.

- Increasingly popular brand names in the competition.
- Strong relationships that are held between competition and the retailers.
- Competition can basically create the same computers since Dell builds computers, not designs them.
- Fluctuations in the currency markets can make global business operations more open to losses in certain areas of the supply chain.
- Tariff trade barriers affecting their positions in multiple countries.
- Increasingly lower prices for products amount their competitors.