

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2018

Course: MBA International Business Management

Semester: III

Programme: E-Business & E-Commerce

Time: 03 hrs.

Max. Marks: 100

Instructions:

SECTION A

S. No.	Describe in Short	Marks	CO
Q 1	Firewall	5	1
Q 2	World Wide Web (WWW)	5	1
Q 3	Dynamic Web Page	5	1
Q 4	Bit Torrent	5	1
Q 5	VoIP	5	3
Q 6	Spiders	5	1
Q 7	Cold List	5	3
Q 8	IP Address	5	1
Q 9	URL	5	1
Q 10	HTML	5	1

SECTION B

S. No.	Answer Any 2 Questions:	Marks	CO
Q 1	Elaborate upon the main processes involved in Google Search Technology.	15	2
Q 2	Discuss the 'Long Tail' phenomenon. Suggest it's possible applications, especially in E-Commerce.	15	3
Q 3	Technology Analyst 'Gartner', developed a representation called 'Hype Cycle' for assessing the maturity, adoption and business application of specific technologies. Please indicate the various stages within this cycle. What are the risk and rewards of early adoption of new technologies?	15	2

SECTION-C

S. No.	Attempt Any 2 Questions	Marks	CO
Q 1	Based on your Case Study (Attached) analysis, answer the question (at the end of the Case).	15	4

Dell gets closer to its customers online

Dell is a technology company, offering a broad range of product categories, including desktop computer systems, storage, servers and networking products, mobility products, software and peripherals and services to manage IT

infrastructure for large organizations. Dell are the number one supplier of personal computer systems in the United States, and the number two supplier worldwide.

Dell proposition

The main Dell product offerings are:

- 1 **Desktop PCs.** Five lines of desktop computer systems are produced for different markets. For example, the OptiPlex line is designed to help business, government, and institutional customers manage their total cost of ownership by offering stability, security, and managed product transitions; the Dimension line is designed for small businesses and home users requiring the latest features for their productivity and entertainment needs. The XPS tm and Alienware lines are targeted at customers who require the highest-performance gaming or entertainment experience available. In July 2007, Dell introduced the Vostro tm line, which is designed to provide technology and services to suit the specific needs of small businesses.
- 2 **Servers and networking.** The PowerEdge tm line of servers is designed to offer customers affordable performance, reliability, and scalability. Again different options are available for different markets include high performance rack, blade, and tower servers for enterprise customers and lower priced tower servers for small organizations, networks, and remote offices.
- 3 **Storage.** For example, storage area networks, network-attached storage, direct-attached storage, disk and tape backup systems, and removable disk backup.
- 4 **Mobility.** Notebook computers are targeted at customers who require the highest performance gaming or entertainment experience available.
- 5 **Software and peripherals.** Office software and hardware including printers, televisions, notebook accessories, networking and wireless products, digital cameras, power adapters, scanners, and other products.
- 6 **Enhanced services.** Dell's global services business offers tailored solutions that help customers lower the cost of their services environment and maximize system performance, efficiency, and return on investment. These include: Infrastructure Consulting Services; Deployment Services to install and integrate new systems; Asset Recovery and Recycling Services. Training Services; Enterprise Support Services and Managed Lifecycle Services (outsourced IT management).
- 7 **Financial services** for business and consumer customers in the US through a joint venture between Dell and CIT Group, Inc.

Dell business strategy

Dell's vision is to:

'strive to provide the best possible customer experience by offering superior value; high-quality, relevant technology; customized systems; superior service and support; and differentiated products and services that are easy to buy and use'.

The core elements of the strategy which are evident in Dell's marketing communications are:

- *'We simplify information technology for customers.* Making quality personal computers, servers, storage, and services affordable is Dell's legacy. We are focused on making information technology affordable for millions of customers around the world. As a result of our direct relationships with customers, or "customer intimacy", we are best positioned to simplify how customers implement and maintain information technology and deliver hardware, services, and software solutions tailored for their businesses and homes.
- *We offer customers choice.* Customers can purchase systems and services from Dell via telephone, kiosks, and our website, www.dell.com, where they may review, configure, and price systems within our entire product line; order systems online; and track orders from manufacturing through shipping. We have recently launched a retail initiative and plan to expand that initiative by adding new distribution channels to reach additional consumers and small businesses through retail partners and value-added resellers globally.
- *Customers can purchase custom-built products and custom-tailored services.* Historically our flexible, build-to-order manufacturing process enabled us to turn over inventory every five days on average, thereby reducing inventory levels, and rapidly bring the latest technology to our customers. The market and our competition has evolved, and we are now exploring the utilization of original design manufacturers and new distribution strategies to better meet customer needs and reduce product cycle times. Our goal is to introduce the latest relevant technology more quickly and to rapidly pass on component cost savings to a broader set of our customers worldwide.
- *We are committed to being environmentally responsible in all areas of our business.* We have built environmental consideration into every stage of the Dell

product life cycle – from developing and designing energy-efficient products, to reducing the footprint of our manufacturing and operations, to customer use and product recovery.’

Dell's sales and marketing

Dell sell products and services directly to customers through dedicated sales representatives, telephone-based sales, and online at www.dell.com.

Customer segments include large corporate, government, healthcare, and education accounts, as well as small-to-medium businesses and individual consumers.

Dell stresses the importance of its direct business model in providing direct and continuous feedback from customers, thereby allowing them to develop and refine their products and marketing programs for specific customer groups.

In its SEC filing Dell emphasizes how it listens to customers to develop relevant innovative technology and services they trust and value. Evidence for using the participative nature of Web 2.0 is that customers can offer suggestions for current and future Dell products, services, and operations on an interactive portion of the Dell website called Dell IdeaStorm. It says: *‘This constant flow of communication, which is unique to our direct business model, also allows us to rapidly gauge customer satisfaction and target new or existing products.’*

For large business and institutional customers, Dell maintain a field sales force throughout the world. Dedicated account teams, which include field-based system engineers and consultants, form long-term relationships to provide their largest customers with a single source of assistance and develop specific tailored solutions for these customers. Dell also maintain specific sales and marketing programs targeted at federal, state, and local governmental agencies as well as specific healthcare and educational markets.

Dell Premier

For its large organizational customers, Dell offers Premier (<http://premier.dell.com>) which is a secure, customizable procurement and support site or extranet designed to save organizations time and money through all phases of IT product ownership. The main benefits of Dell Premier are described as:

- *Easy Ordering* – A custom online store ensures access to your products at your price.
- *Easy Tracking* – View real-time order status, online invoices and purchase history details.
- *Easy Control* – Custom access groups define what users can see and do within Premier.

Marketing communications

Dell markets its products and services to small-to-medium businesses and consumers primarily by advertising on television and the Internet, advertising in a variety of print media, and by mailing a broad range of direct marketing publications, such as promotional pieces, catalogs, and customer newsletters. In certain locations, they also operate Dell stores or kiosks, typically located within shopping centers, that allow customers to view their products in person and purchase online with the assistance of a Dell expert.

Dell online communications

The management of the consumer site was presented to E-consultancy (2008). Dell has a three stage order funnel:

- Marketing communications execution measured by site visits
- Site merchandising measured by *consideration* % (site visits to e-store visits)
- Store merchandising measured by *conversion* % (e-store visits to e-receipts).

The presenter explained how Dell aims to understand and act on customer behaviour based on identification of a series of consideration drivers, for example, the Quality of Online Advertising; Path quality through site; Merchandising / offers and conversion drivers, for example, configurator ‘ease of use’, Accessibility of decision support tools and consistency of message through entire path.

Dell will invest in strategic improvements to the site to improve these levers, examples mentioned included New merchandising approaches such as Customer Ratings & Reviews, Videos, Major ‘path’ or customer journey changes created through Decision support tools to ‘Help me choose’. There are also more tactical initiatives to help deliver the right message to each customer including Customization / personalization, Real estate optimization and Message Balancing.

More tactical persuasion of site visitors is based on Price moves / optimized price position to market and the mix of product features. A wide range of different offers need to be managed. Tactical promotions which are driven by promotional ‘end dates’ which are weekly or bi-weekly include varying:

- Free shipping
- Money off discounts
- Free upgrades (e.g. memory)
- Free accessories
- Finance offers
- Service upgrades.

The presenter also noted how across Europe, the promotional mix has to vary to reflect the differences in buying psychology. He summarizes the main differences between customers as follows:

- UK – all about price
- CH – add value over price
- DE – all about high-end products in mix
- IT – design is important (!)
- DK – cheap is good
- NO – added value is key
- FR – tailored for France.

Dell's use of digital media channels

The main digital media channels used by Dell.com in Europe are:

- Paid search through programmes such as Google AdWords is used to promote value through time limited offers related to the phrase searched upon. For example, a Google search for 'cheapest Dell' displays an ad: Discount Dell Laptops www.dell.co.uk/laptop, Save up to £300 on selected Dell Laptops from £329. Buy online now!
- Display advertising for example advertising on technology web sites is particularly important for the corporate market
- Affiliate marketing – used to protect the Dell brand by enabling affiliates to bid on terms such as 'Dell

laptops' and to target niche audiences such as owners of gaming machines.

- E-mail marketing – an e-newsletter is used to keep in touch with existing customers and deliver targeted offers when their hardware may be renewed.

Dell and indirect channels

Although the focus of Dell's business strategy has been selling directly to its customers, it also uses some indirect sales channels when there is a business need. In the US they sell products indirectly through third-party solution providers, system integrators, and third-party resellers. During financial year 2008, Dell began offering Dimension desktop computers and Inspiron notebook computers in retail stores in the Americas and announced partnerships with retailers in the UK, Japan, and China. Dell says: *'These actions represent the first steps in our retail strategy, which will allow us to extend our business model and reach customers that we have not been able to reach directly'*.

Source: Security Exchange Commission filing 10-K for Dell, 2007

Question

Describe approaches used by Dell within their site design and promotion to deliver relevant offers for different types of online customers.