



CASE STUDY  
Dell: Use of Twitter

## Summary

Why would the world's largest PC manufacturer DELL use such a simple and unproven media like Twitter? This is a question that every top business person asked. Soon people found the answer when the fact that \$3 million of revenue came from Twitter hit the news. Dell leaves a proven example on how it used Twitter for its marketing strategy which has been a huge success for it. How?

It has been 2 years since Dell started using Twitter. It was in the June of 2007 when Dell was first connected into this social network as a project initiated by Richard Binhammer from Dell. Dell started more of a Twitter campaign through Dell outlet.

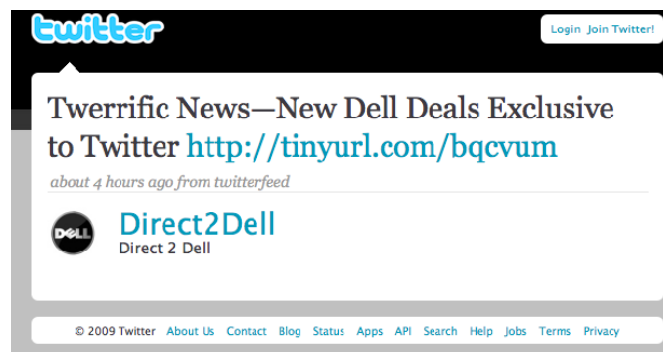
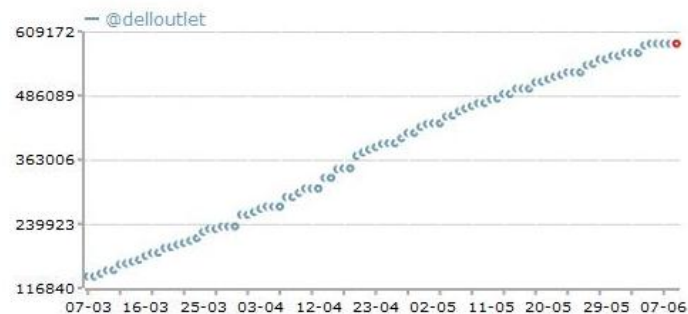
## The Strategy

Dell started using the service to inform its followers about the discounted rate and special offers from the Dell's showroom. Users could then click at the information to purchase the product or else pass the information to other users.

Further, Dell not only broadcasted its information but communicated with its followers about details of shipping and all the related issues with Dell's prices.

This added a value to all the Dell Consumers.

By 2008 December, there were already 65 Twitter groups and a total of 2,475 followers of Dell. As of Aug-10-2009, Dell has whopping 997,922 followers in Twitter. The above graph shows the increase in its followers.



As a result of this marketing strategy, Dell produced \$2 million revenue by the end of 2008. Though the overall revenue of the company in 2008 was 61.1 billion dollars, \$2 million coming alone from social media is again a considerable sum.

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***"A million dollars isn't a lot of money, but it shows that people want to sign up for feeds," says Bob Pearson, the head of communities and conversation for Dell, who not only uses but also admires Twitter.***

## **How did it start after all? - The ups and downs.**

Before the revenue making story of the Dell Company, there were many stories of the failovers as well. Various online customers were unsatisfied as they were ignored. Again in the year 2006, when Dell first launched its blog titled One2One, it realized immediately that another company with the same name had also been registered. This forced the company to change the name of the site from One2One to Direct2Dell.

The series of failover continued when the company responded to a post, from an entrepreneur, which was even more negatively labeled. After a successive failovers over a period of time, Dell finally managed to upgrade its tag after tying up with Twitter.

Currently, @DellOutlet has over 0.9 million followers to whom Dell offers exclusive discounts. From financial point of view, the company has earned revenue of \$3 million, \$2 million in referral sales and \$1 million from new purchasers at the store.

## **Speculation**

But some statements have also been suggested against what Dell has made out of Twitter. MG Siegler, a technology writer for VentureBeat puts it this way "Twitter may have made Dell a Million; it doesn't mean it can be (easily) monetized". "Of course behind the scene is a right team from Dell. At present, here are 33 corporate Twitter accounts, three Flickr photo streams, 433 YouTube videos, 22 Facebook Groups, 12 Blogs, eight Forums, 18 public wikis and all these have a community landing page featured prominently on the Dell site and accounts that are moderated by Dell employees on multiple social media platforms as well" quotes the SocialMediaToday.

## **The Key Reason for Success**

The key success factor in the project was the hook Twitter managed to bind with its users. Twitter was successful in building public relationship as well as providing customer satisfaction when it came to products. Besides these, there are 3 major facts on how Dell and Twitter tied up together to produce a significant affect.

The first one is through *personal connection*. Understanding the needs of the different customers, based on various factors, Dell created varied Twitter accounts so as to be approachable by the customers.

Secondly, Dell knew about the real time updates that Twitter could give to its customers and *give them a feel of knowing of the updates first* than others.

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Third and the last one is, Dell Outlet provided customers the *deals that are indisputably good*.

And of all, through Twitter, most importantly Dell learned to value its valued customers.

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