

# Dell signals a bigger move to retail sales

## Its PCs will be for sale at Wal-Mart starting Sunday, and CEO says more deals are possible.

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Wal-Mart Stores Inc. will start selling Dell Inc. personal computers Sunday, and CEO Michael Dell says more retail deals are in the works.

In Paris on Thursday, Dell said the company over the next year wants to develop plans to sell a new line of computers at 10 to 20 major retailers worldwide.

Dell's comments, reported on [businessweek.com](http://businessweek.com), were the first sign that he plans to expand retail sales beyond Wal-Mart, a deal that Dell Inc. announced May 24.

He said the company will develop a new line of consumer-friendly computers for sale on the Web and through certain stores.

The announcement hastens Dell's shift away from the direct sales model that fueled its enormous growth in the 1990s.

Dell has been hurt by a lack of retail presence at a time when consumer sales are the strongest part of the computer market.

Sunday is phase one of the retail launch: More than 4,000 Wal-Mart and Sam's Club stores will start selling Dells. Most of the 3,300 Wal-Mart stores will offer two Dimension desktop models, one for \$698 and another for \$498.

The higher-priced model, available at all Wal-Marts, includes a 19-inch flat-panel monitor, 1 gigabyte of memory, an Advanced Micro Devices Athlon chip and the Windows Vista Home Premium operating system.

Three thousand Wal-Marts will sell the less expensive version, which does not include a monitor or speakers.

By the end of next week, Wal-Mart said Friday, its Sam's Club stores will offer an Inspiron notebook computer for \$899 and a Dimension desktop model for \$827.

The notebook will include an AMD Dual-Core mobile chip, 2 gigabytes of memory and a 15.4-inch widescreen display.

The desktop will include a 19-inch flat-screen monitor, 2 gigabytes of memory, AMD Athlon chips and an Nvidia GeForce graphics chipset.

Computer industry analysts have said Dell needs to expand beyond direct sales to break out of an extended run of lagging sales and falling profits.

The retail effort is part of Dell's strategy to reinvent itself in the face of increasing competition from rivals, including Hewlett-Packard Co. and Acer Inc., a Taiwanese company that has forged a strong retail presence.

Michael Dell also told reporters in Paris that the company is investing more money in design to keep up with consumer demands, especially in mobile computing.

"The notebook is becoming a fashion accessory, and individual users are deciding what kind of fashion they want," he said.

**Courtesy of JB Goodwin**