

VARs unfazed by Dell store plans

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The channel was unperturbed by the news that PC giant Dell is considering opening stores in the UK, with most VARs dismissing the threat.

Following the success of its first experimental shop, which was opened in July in Texas, Dell is believed to be mulling over the launch of retail outlets in other countries, particularly where Dell has a large consumer base. The UK is reported to be a potential option for the direct vendor.

Dan May, director of VAR Ramsac, told CRN: "As a reseller it doesn't concern me as it's not too different from Dell's direct model – it is just another outlet for their products."

Ramsac has been selling Dell products for eight years. "We are a pre-

ferred account to Dell – it doesn't class us as a reseller," said May. "The reason people buy Dell from us rather than directly from the vendor is because we can add value and also manage the whole process."

Sue Richards, managing director of reseller EBM, said: "It isn't a threat at all – it's actually quite positive for VARs because it will enable people to see what they are buying from Dell, which should send the majority our way. I hope they open a store next to EBM."

Alastair Edwards, senior analyst at Canalys, said: It would be a radical approach for Dell in Europe, but would have to be done selectively by country because there are some countries in Europe where it wouldn't work. It would work in the UK as the brand is strong

and Dell wouldn't have any channel conflict, unlike other vendors.

"It could also help Dell build better relationships with its customers and would reiterate Dell's commitment to its direct model as there has been a lot of speculation that it is trying to build up an indirect model. On the downside, it would be a large capital outlay for very little return."

A representative for Dell in the UK told CRN: "If retail stores were to be introduced in the UK they would just be pilots and would complement our key methods of selling which are over the telephone and online. It would never become the main focus of the business." **CRN**

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