

###Market Analysis

There's a saying that Dyson is a harvester for the middle class. In this section, I will explore the market strategy of Dyson to explain how it becomes so popular with the middle class.

Market Share

1. Dyson, a brand comes from British now is available in over 65 countries.
2. Dyson sold 13 million products worldwide during 2020, 3 million more than in 2019.
3. Asians were responsible for a big part of that increase. Three years after entering China, Dyson saw its sales there surge 244%. Making it the top vendor of house hold electrical appliances.

Market segmentation

We compared the prices of Dyson and other vacuum cleaner brands on the Taobao market and were able to roughly divide them into four categories from low-end, mid-range, medium-high and high-end, with prices ranging from a low of 300 yuan to 4,000 yuan. Dyson's v15 is ranked in the high-end category with a price of about 5000.

Vacuums

1. The company's share of the non-robot vacuum cleaner market is increasing. It increases 6.4% in 2020, up from 5.6% in 2019. In the UK, the market share reaches 21%.
2. We can also see the price of Dyson is much higher than its competitors. Despite Dyson's high prices, ranging from about 300 to 600 pounds. We can also see the price of Dyson is much higher than its competitors. Why would Dyson still be the best selling vacuums in the world?
3. One reason is that Dyson mainly aims at middle class homes with a baby. A research shows having Dyson is becoming a new symbol of a middle class home.

Conclusion

By applying the hedonic price model , we can see Dyson's success showing its pricing strategy and practice.

Firstly, The observable features, which are most related to prices, such as the blade-less design on the hairdryer, the transparent dust bin on the vacuum cleaner, play an important role in raising the price.

Secondly, Dyson focuses itself on high-end, middle class house appliance with great industrial quality and user friendliness. The heterogeneous market segments allow Dyson to set its price at a high level without worrying competition.

Lastly, Brand names have significant effects on price structure. Once people have the impression that Dyson represents good quality and high-end technology, they are willing to accept the high price for a long time.