

# Sony electronics essay



**ASSIGN  
BUSTER**

The name Sony came into being by the combination of two words, SONUS with SONNY.

SONUS was the original Latin word for SONIC representing sound whereas SONNY reflects the small size or youthfulness. It was established in May 1946 by Tokyo Telecommunications Engineering Corporation with a simple purpose of researching and manufacturing of equipments of Telecommunications and measuring. And from then on the company has been a resounding success as it continued to invest in new and better businesses and expanding in a very profitable way. In current year it has reported revenue of 6.9%, an operating income of 5.2 times; whereas it's net income was 2.

9 times as the last year. Sony electronics, a brand well known and trusted across the globe, is basically dealing in manufacturing, designing and redesigning and selling various kinds of electronic products. Their products are not only used by consumers but by various industries as well, the main product line consisting of electronics, video games or online games, movies, robots, internet service application, television and other such business solutions. The electronic segments include all kinds of electronic products like computer mobile phones, cassette players, DVD players, recording instruments and other such gadgets. The company joined Ericsson mobile company to launch mobile phones under the name of Sony Ericson Mobiles.

The video and the online games department include all kind of entertaining games like play stations, Sony's video game console. The success of such games can be seen by the playstation2 remarkable controlling of the 70% of

the global sales. Its online games are also a resounding success increasing company's credibility and profit ratio. In the field of entertainment nobody can deny the mark Sony has left on the market with its music division called Sony Music's on one side and Sony pictures, in movies and television department, on its other side. In the field of internet its World Event Village and Sony Broad Band solutions provide internet users with the best quality and fast serving internet. In the field of robotics at present two robots are there, one is called QRIO and the other is called AIBO whereas the business solution department includes all sorts of services in broadcasting and professional services, computers, semiconductors, etc.

his field is basically present to provide almost all kinds of solutions to the businesses. This company operates on a worldwide basis and has many subsidiaries like Sony chemicals and Sony life insurance, Sonny finance International and Sony Marketing and Manufacturing systems. Sony is one of the market leaders where most of its products are among the top line. But some products are lagging as well which would need greater market segmentation. These products include Sony Ericson which is standing at the fifth position, for the improvement of this situation the organization is going to need a stronger focus on these few lagging products. But overall the company is going strong, with its having a big product line, massive number of customers and a strong and reliable brand image.

**Weakness and threats** The global market has slowed down considerably in the face of intense competition and uncertainty and Sony has also been facing a drop in its sales especially during the vacuum period. Also the company irrespective of having a strong brand name is expensive and many

consumers are unable to pay the price. The competitors, upon seeing this have taken advantage by copying Sony's product design and providing it in more competitive price. Due to automation of plants the company also faces heavy capital expenditure whereas the investment ratio has decreased. The company also faces a serious lack of communication among the upper level and lower level management.

The employees have been given such a free reign that even the upper management has no idea what they are working on until the report is handed over. Also now the latest technologies are coming up with software's whereas Sony product fails to acknowledge that. The last thing is that the organization has to come up with a new or more creative image as even its mission statement is very old. Strengths and opportunities The greatest strength of the organization is its strong human force especially those engineers which are working in the R&D department. With their constant innovation the company has been able to keep up with its success rates even in the face of stiff competition.

The subsidiaries are also well established which shows the amount of research the organization puts in before investing in another business. The employees of the organization are also satisfied because of job rotation and self promoting behavior. Sony has also been benefiting from the use of cheap labor from Asian countries. Recommendations The company has been following an umbrella strategy from the beginning but now its two founders aren't alive and so it would be very difficult for the organization to find a person to meet their vision and goals. The organization also has to change

its strategy because now it is dealing in the international market and it should increase its emphasis on gaining more profit and its market share.

The company also needs to diversify itself more in an area which is profiting a lot as it would decrease the level of dependency on short life span products.

The company should also coordinate with other companies in order to manufacture products which come with software's in them. The company should also focus highly on the integration of the products and think of ways to cut the cost of manufacturing and marketing. The organization has two main competitors Philips electronics and Sanyo electronic limited. The three strategies the company should focus on is to keep renewing the corporate goals and integrate them, set up relations with manufacturers to gain more mutual benefit and to lastly cut down its production cost.