

# The personal network solutions division of sony

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Sony, " Manufactures, markets and sells consumer and professional audio and video equipment, telecommunication products, computer and peripheral products, recording media and energy products, semiconductors and other electronic components." (sony. com)

It is a very broad company that operates in many different business areas. The focus of this assessment is centered on the personal network solutions division of Sony.

Personal Network Solutions Co. (PNSC)

Handycam® and Digital Handycam Camcorders

Digital Mavica® and Cyber-shot cameras

Glasstron® audio/video eyeware

Onlinephotoservice " Image StationSM"

Memory Stick®digital media products

VAIO® (Video Audio Integrated Operation) personal computers

Trinitron® computer displays

CLIE® handheld device

Sony operates in five business units. The computer and digital media devices both fall under the same unit at Sony.

Sony does have the benefit of many business strengths. The most notable of which is its business name.

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Sony products have a reputation for being "before their time" as far as the features many of them have. Many Sony products demand a premium price for being such a technological masterpiece. Sony has continued to use this premium price scale in its computer line as well. By doing so it prices itself out of the value or budget line that many consumers seek.

Sony has a reputation for producing high quality electronic devices and has also developed a loyal customer base. Sony is able to gain customers from an early age with its video game systems PS One and PS 2. Sony could feed off of this and make these customers attracted for life.

Sony products are always on the cutting edge of technology. Sony has always pushed the envelope on design and cannot stop if it hopes to remain an electronic powerhouse. Sony hopes to expand its electronic market with the recent introduction of its CLIE" PDA or personal digital assistant. Competitors of Sony" s have dominated this area and now it should be able to compete.

As with most companies, where there is strength, there is also weakness. This is definitely true at Sony with its biggest weakness being its inability to distribute its high end products as quickly as the market is demanding them. This was very evident during this past Christmas when Sony released the before mentioned Playstation 2. Demand was so high for this product that it is just now available in the stores as production and distribution has met up with demand. It did not help that there was a defect in the first shipment of the machines to the US and many who had to wait in long lines ended up with useless devices and had to wait until more arrived to have theirs replaced.

Being on the cutting edge of the technology field makes opportunities always around the corner. However the work must be done to make it to the corner.

Sony puts the needed resources into its research and development of all of its products. Without a doubt, Sony produces some of the most high quality electronic devices in the world. Now it would like to do the same thing in the computer market. Sony first started producing consumer pc's in the mid 90's. Since then it has concentrated primarily on the consumer pc and especially the smaller format or laptop version of the pc. This represents a definite opportunity with which Sony could gain even more of the consumer electronic market.

As with all companies there are many threats, which must be considered when conducting business. Some of these threats come from outside the company as some of them come from within.

One such outside threat is that of the United States economy. Consumers are much less likely to make major purchases, such as a new computer, during times of economic trouble. While control of the entire economy is out of the hands of Sony, it can make some changes to assure that economic trouble does not completely cause the company to shut down.

Sony is also entering an area of electronic business that they are not as familiar with. All electronic products eventually become obsolete. The computer sales market is one electronic area that is very time volatile. Newer, faster computers are always being released. Sony has for a long time operated in electronic business that has not been as technology and time sensitive.

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Current market conditions for Sony are not where it would like for them to be and are not at levels seen in past years. Much like other technology companies, Sony is in a transition period in which it is trying to find its permanent location in all markets. Sony has a main goal of staying ahead of the competition as all electronic devices enter the digital age.

### Current Conditions and Alternatives

Sony's current market emphasis is based on offering a consumer driven product line with some business products available in various markets. Sony has not been able to keep up with other computer specific companies in the areas of business applications.

"I don't recommend any Sony products [to business users] since they don't have the infrastructure to match a Dell or a Toshiba or a Compaq," says Ken Dulaney, vice president mobile computing at Gartner Group. "Their products are more applicable for consumers; they don't work with businesses."

Sony may not be able to match the competing computer companies on the basis of size, however it is able to compete in terms of quality and technology. Many of the features available on a consumer pc's are not available on business pc's. Sony could remove some of the more 'neat' features that its pc's have and develop a line that would better suit a business application.

There is no way to gain a full understanding of how the Internet and access to it has changed the way computers are used and designed. Computers

today are much more advanced than those purchased only a few years ago. For those reasons, companies who had previously been involved in computer markets have had to change the way in which they manufactured machines.

Sony has the benefit of being fairly new to the computer business and an understanding of the need to adapt to changing broadband technology. CEO Nobuyuki Idei stated, "What we are and will be is a broadband entertainment company," in his 1999 vision of the company. Even though there have been some management changes the desire to stay on top of broadband entertainment is still present at Sony. (pcworld.com, surprises, 1)

"Every chance he gets, the 62-year-old Idei spreads the word about Sony's future as an Internet company: Everything from the venerable Walkman to the popular PlayStation game console will soon connect to the Web." (businessweek.com, Slump at Sony, 1)

With new technology always around the corner, Sony must continue its current plan of being a broadband company. Sony has many new products in use today that take advantage of technological advances that have previously been unseen. For Sony to remain a leading edge electronic company it must continue with current company plans.

There are many possible alternatives in which Sony can and should pursue. Many of the alternatives are time based and could not be made immediately. However, as Sony is well aware, to compete in an industry that is constantly changing, you, yourself have to be able to make changes as well.

Sony could focus the majority of its attention to the cash cow it current has in the video and electronic market. This of course would be its Playstation 2 video game system. This system has already sold over 10 million units and Sony currently expects to sell 20 million in the 01-02 fiscal year due to increase in the production speed of the system.

Sony will soon be seeing a new competitor enter the market of its video game system. Microsoft will be releasing it" s own version of a video game system that has many critics panting. Many believe that the new system by Microsoft will be the biggest direct competition in the video game field for Sony since it has entered the field.

There is a huge demand in the computer field for compatibility of products. Sony has made it possible for several of its computer products to use the same format of small removable memory. Better know as the Memory Stick, the chewing gum sized 'card" has ability to store bothmusicand video on a single card. Thus the card can be used in Sony" s video camera line; it" s VAIO line of personal pc" s as well as the long time favorite, Walkman music device.

It would also be possible for Sony to enter the business computer field of the market. Although there is definite competition in this market, Sony has the technology in its research and development department to make the business machines fly. The only downfall to this idea is the fact that Sony products are so highly sought after for the 'neat" features that it" s products posses. To remove features from its current line to make them affordable to

the business field would be an image-changing move. Sony products demand a premium price that business customers cannot afford to pay for.

Sony joined the major players in the computer business with the introduction of its VAIO Direct website where consumers can purchase computers directly from the company. Although not as fully customizable as other companies' computers, Sony still allows the user to make some changes that defiantly affect the performance and function of the machine.

Along with this Sony could expand its variety of computer uses to include specific areas or markets. The company has already shown its ability to manufacture a top level gaming system for the home. Why could it not take what it has learned from this development and manufacture a gaming specific line of computers that was easily upgradeable as new computer technology becomes available?

Along with the gaming pc, there are other areas that could benefit from specifically designed products. For a long time the Apple computer has been the choice for those interested in making movies on the computer. With Sony's ever increasing line of video cameras and accessories, it is only logical for it to create a movie specific line of pc. Computer design companies pay large prices for computers that are capable of running memory intensive design software. Sony could enter this market with a product designed specifically for the computer drafter.

Many believe the next explosion of use for the computer will come in the automobile industry. As time goes by more and more automobiles are incorporating a type of computer into the vehicle. This unit does basic

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functions such as check e-mail and assist with driving directions. Sony could join efforts with its audio development division to produce an affordable and effective automobile pc.

Sony is a world leader in the electronic business. It is new to the field of personal computers. Sony has used its past experience to set up a basis for operation in the computer business. There are some changes that it must make if it wants to remain in the computer business however.

Sony should continue with its current plan of producing consumer pc" s and try to avoid the general business market. Consumer pc" s vary from those of business pc" s in both features and price. Sony would have to remove features from its computers while at the same time dropping the price to make them an affordable business option. This decision would change the image of Sony computers from a feature packed, top of the line computer, to one resembling the mainstream computers.

Sony should also enter the market specific computer business with models available in three different fields: movie making, drafting, and gaming. With these market specific pc" s, Sony could still include all of the features that make its computers enjoyable to own while adding necessary hardware or software to enable them to meet the specific demands of each field.

Most specifically, Sony should definitely create a computer designed with the computer gamer in mind. Sony has reached millions of children with the production of the Playstation line of home video game systems. From here, it should continue with a computer for the children to use as they grow up. The unit should be easily upgradeable but feature all necessary parts from the <https://assignbuster.com/the-personal-network-solutions-division-of-sony/>

beginning. With its strong brand recognition, this would, in turn, help in the sales of all Sony electronic products.

Sony has made a major advance in its distribution methods of its computers. With the opening of the VAIO Direct website, Sony gave its consumers the ability to customize computers to some extent. The competition of Sony allows its customers to fully customize its computers.

If Sony wants to remain at the forefront of the computer business, it must allow the machine to be adapted to specific uses. Much like the customized computers for various markets, Sony must also make its normal computers customizable to the average consumer. This variety in design will help Sony receive the premium prices that it has demanded in the past for its top-notch products.