

# Competitive strategy

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Competitive Strategy College: Competitive Strategy Samsung Company is one of the multinational companies that have successfully managed to push its business operations in the international market. Recently, the company expanded its electronic business operations in Turkey and has since then engaged in an extraneous competition that has threatened to undermine its survival in this new business environment. Microsoft and Arcelik are among the companies that Samsung has to compete with in order to overcome business challenges that are severe in a new market. Samsung has capitalized its investment in electronic sales, particularly in rolling out its mobile, computer and tablet hardware. On the other hand, Microsoft and Arcelik engage in the sale of similar electronic products and consequently have posed a challenge in the growth and development of Samsung. The essence of this article is to define new investment strategies that Samsung can use to strategize on its way up to business success in Turkey. Arcelik is a company that has dominated the Turkey business industry and has majored on the sale of household products, electronic goods and kitchen accessories, which ultimately have developed a unique customer interest in this organization. In 2008, the company managed to collect revenue of about \$43 billion, which was the highest among business organizations that are regarded as members of the Turkey industrial and services group. The success of this company seems to originate from its dominance as one of the pioneer companies in the electronic industry. The company enjoys a good reputation in Turkey as the best household goods supplier that has remained reliable, efficient and productive over the years. As Boneglia and Goldstein (2007) points out, the organization has remained innovative and has won

numerous awards for its unique products that have been developed through research and customer value approach. In addition, the organization has employed a differentiation strategy by engaging in the sale of a wide range of products including refrigerators, cooking and plant equipment. On the other hand, Microsoft poses a direct competition to Samsung especially in the sale of computing hardware equipment in Turkey. Microsoft is primarily a software based company that has primarily blossomed and flourished in this industry. It still it dominance in its Turkey branch especially in the sale of computer and mobile software, whose demand has increased in this country over the last decade. Since Microsoft entered in Turkey in 1993, it has remained dominant and has garnered a wide range of customers. One of its recent projects that have boosted its revenue is the award of tender to provide tablets in schools that was part of the government's strategy to integrate information technology in education (Daily News, 2013). Another strategy of Microsoft that has become a challenge for Samsung is its merger and acquisition strategy that has seen it partner with Nokia. Nokia is the best mobile seller in turkey and the fact Microsoft provides a mobile software platform, it has reaped from the competitive advantage that Nokia enjoys in Turkey. However, Microsoft has been threatened by the entry of the Android software platform for mobile that has more unique and detailed features representing the modern demands of innovation. The two companies have posed a great threat to the survival of Samsung in Turkey and its success in this market relies on its dynamism and ability to strategize in this market environment. Apart from competition, the organization has been threatened by inflation of Smartphone market in this country that has seen the demand

of these products go down considerably. However, the organization has remained strong in the provision of technology driven products that match the demand of modern demands of innovation. For instance, integration of the Android software platform in its smart phones series has helped this organization to win more customers in this country (Strategic Management Insight, 2013). In addition, the organization has successfully deployed pricing strategies to ensure low production cost and high revenue returns. However, the organization has exhibited its weakness in its dependency on Microsoft software for its computer hardware, which fuelled its competition with Microsoft. According to business analysts, Samsung still has an opportunity to take advantage of the growing demand of Tablets in this country. To succeed in the competitive business market that exists in Turkey, the organization requires developing new strategies to help it to neutralize its weaknesses and threats and capitalize on its strengths to take advantage of the opportunities that are evident in this market. One strategy that this organization should adopt is the use of research based innovation. To understand customer demands in this new environment, the organization should launch a research project to enhance its differentiation strategy. In addition, the organization should optimize its tablet sale by using push strategies to roll out these products to the It driven institutions. Also, the organization should avoid buying from its competitors running independent from these organizations For instance, the organization should consider developing its own computer software to ease its dependence in Microsoft, one its competitors in Turkey. Lastly, the organization should consider the option of launching new products in this market that are unique and different

from those offered by other companies. For instance, the organization should start the sale of printing equipment, a product that would be supplementary to their computer sales (Walker, 2004). Through these strategies, Samsung will stand a higher chance of surviving in the competitive market that exists in Turkey. References Boneglia F., and Goldstein A. (2007). Strengthening Productive Capacities in Emerging Economies through Internationalisation: Evidence from the Appliance Industry. Retrieved from: < <http://www.oecd.org/dataoecd/24/3/39147683.pdf>> Daily News, (2013). Turkish government project lures tech giants Microsoft. Retrieved from: < <http://www.hurriyetdailynews.com/turkish-government-project-lures-tech-giants-microsoft.aspx?pageID=238&nID=41799&NewsCatID=344>> Strategic Management Insight, (2013). SWOT analysis of Samsung. Retrieved from: < <http://www.strategicmanagementinsight.com/swot-analyses/samsung-swot-analysis.html>> Walker, G., (2004). Modern Competitive strategy. New York: McGraw Hill.