

Marketing plans

[Business](#), [Marketing](#)



Table of contents 1. Introduction 2. Body 2 3. Conclusion 7 References 10 1. Introduction Samsung and Apple Corporations are two main popular mobile brands in the worldwide market nowadays. The essence of battles between Apple and Samsung is a battle of technologies. Both companies compete for technical innovation and aim at providing the most practical and convenient mobile software to entertain consumers around the world (Harriet, 2012).

Being two most popular mobile phone brands, both Apple and Samsung hold some competitive advantages over each other, which will be menstruate in this essay. First of all, competitive advantages held by Apple will be demonstrated. Secondly, competitive advantages held by Samsung will be illustrated. Afterwards, by comparing their competitive advantages, I can conclude what these two companies are lacking and how they should catch up with each other in order to achieve sustainable development in the future.

Finally, this essay will end with some suggestions for Apple and Samsung to become more competitive in the electronic industry. 2. Body According to David (201 1), one main competitive advantage held by Apple Corporation is that Apple manufactures multiple products and integrates all its products under one brand--Apple. In order to dominate the market more profoundly, Apple has provided phones, pads, Mac computers and other accessories (David, 2011). Currently, having an phone represents one's social status and consumers who purchase phone products mostly seek for satisfaction of their vanity.

People surrounding them are using Apple mobiles; therefore, they will try their best to get one too. However, it is argued that this competitive advantage may wane in the future with increasing emerging of various new smart phones manufactured by Blackberry, Samsung, and so on. Besides phones, Apple Corporation also maintains competitive advantage in relative with its personal computer sales. It is reported that in 2011, Apple's personal computer sales listed in the third place in American consumer market.

On the other hand, Apple is considered to be a leading seller of tablets because of increasing popularity of its pad. For example, during the first two quarters of 2011, Apple sold 9.52 million 'Pads, which were only released for about one year. Distribution of Apple's product line sales can be reflected in below figure 11. Figure 1. Total Apple's sales revenue by product lines The figure above shows that Apple's sales revenue comprises of four different product lines, including Mac personal computers, pods, phones and pads.

From 2004 to 2010, phone maintained the fastest growth among four different product lines. By the end of 2010, phone contributed over \$5 billion to overall sales revenue of Apple Corporation. The second largest percentage of sales revenue is occupied by Mac personal computers. The product line of pods ranks the third place in reporting total sales revenue of Apple. In recent years, Apple Corporation has been experiencing varying growth rate in its four product lines. Specific growth percentage is presented in below figure 22. Figure 2.

Growth rate of Apple's different product lines 2012 and 2013 Figure 2 also shows that phones contribute the most to Apple's overall sales revenue,

while pads maintain the highest growth rate in regard with its sales revenue. The above figure implies that Apple has built up a competitive advantage by promoting different product lines to attract consumers around the world. On the other hand, Samsung also conveys some competitive advantages that ensure its leading position in electronic product industry around international consumer market.

According to Gravity (2012), Samsung operating profits achieved at over \$4 billion in the first quarter of 2012, because of the releasing of its Smartened products. Samsung spent most of 2011 in competing with Apple in order to maintain more smart phones sales (Gravity, 2012). As reported by Each (2013), 63% of Samsung manufacturing cost can help develop its component business as well. In other words, by selling per Samsung mobile, 63% of its revenue can be reinvest into evolving its component business, maintaining a sustainable development in the long run(Each, 2013).

Another advantage held by Samsung is that it can release new products to consumers earlier and faster than Apple. This is due to the fact that Samsung takes control of its smart phones' manufacturing process (Tim, 2013). Samsung is a proprietary producer of its smart phones. Hence, it can always change designs and pump out new products as quickly as it wishes. As mentioned before, Samsung holds key technologies in itself and on the other side; Apple is a major consumer of Samsung processors and memory chips. However, these two mobile giants continuously sued each other over the look, feel and features of their products.

Although Apple has been trying to reduce its dependence on Samsung, concerning that over-dependence will limit Apple's ability to control its future development direction. If Apple continues to rely on Samsung in regard with key technologies, its negotiating power and ability to use different technologies will be restricted as well. Although Apple has cut back on some purchases from Samsung, including pad screen, phone screen and so on, Apple's microprocessor brains which are used to control 'Pods, phones and pads are still manufactured by Samsung Corporation. Moreover, even some new pads are still using Samsung screens.

It is estimated that Apple purchased a total value of \$10 billion components from Samsung in 2013 (Cassia's, 2013). Apart from holding key technologies, Samsung is actively carrying out its social responsibility. For instance, Samsung is currently shifting its focus from electronic products to solar panels, LED lights, biotech drugs and so on. In 2012, the company announced its strategic plans to provide medical equipment and drugs to poor countries. Besides, in order to promote common development of its key suppliers, Samsung also initiated a collaborative plan with them.

Samsung is carrying out seven major collaborative programs nowadays, including win-win fund for partner companies, support for indirect suppliers, Joint technology development center, and support for HARM activities in small and medium enterprises (Cavity, 2012). Based on the above illustration, it can be seen that compared with Apple, Samsung is more actively in developing key technologies in relative with electronic products,

while Apple is better at marketing. Currently, Apple is able to integrate its four product lines as one--under the brand " Apple".

Consumers who begin to purchase any specific type of Apple product are likely to purchase other products manufactured by Apple. That implies Apple Corporation has been successfully integrated its brand recognition into its marketing strategies. As a result, consumers who see any Apple's product, they will naturally think of other product types manufactured by Apple. On the other hand, collaborative programs and supply chain management approaches put forward by Samsung indicate that the company ancestress more on its manufacturing process, while Apple makes great effort in marketing.

From this point of view, these two companies need to explore more competitive advantages over each other so as to reduce potential negative impacts caused by unexpected conflicts between them. 3. Conclusion From the analysis of competitive advantages held by Samsung and Apple Corporation, it is obvious that both companies should occupy certain patent rights of key technologies so as to maintain control of their future development directions. Secondly, integrated product line is an effective marketing strategy that can help enhance brand value for an organization.

Apple Corporation has been promoting products under its brand name. However, consumers who are using Apple's products may find out that Apple does not provide a large amount of electronic products with different features. On the contrary, Samsung provides a wider range of phones, all of which present different features and sold at different prices. However, Apple

only provides unique style of phones despite of the fact that phones have been upgraded from 1st to 5th generation. If consumers dislike basic features of 'Phones, they don't have alternative choices if they insist on purchasing phones (investigated. Com, 2012).

Furthermore, Samsung offers mobiles for international consumers at different prices. In other words, Samsung is selling more friendly- priced products to consumers around the world, while Apple only targets at consumers receiving middle-to-high income (investigated. Com, 2012).

Based on the above, it can be concluded that integrated marketing strategy is effective. However, in order to penetrate emerging consumer markets more rapidly, it is necessary for both companies to expand their product lines. As for Apple, it needs to develop phones or other product lines with varying features so that they can suit the tastes of different consumers.

Besides, pricing strategies are largely determined by marketing strategies formulated by both companies. Apple has built up relatively strong brand reputation among the world in recent years. Samsung also has been able to penetrate into emerging consumer markets by offering mobile products at different prices. Both Apple and Samsung have made great achievement in realizing their strategic goals. Therefore, in the next step, it is suggested that Samsung should focus on building up brand loyalty and promoting its products by increasing consumers' brand recognition.

Apple needs to enlarge market share by providing consumers wider product selections. What's more, one main competitive and sustainable advantage held by Samsung is that it has established collaborative programs in order to

improve its supply chain links with suppliers, wholesalers, and individual consumers. From this, it can be seen that Samsung is conducting its social responsibility in order to build up positive brand images among consumers. Moreover, Samsung is planning to expand its business in medical industry and revived drugs and medical services for consumers in poor countries.

From this, it can be seen that brand reputation can be enhanced through conducting of social responsibility. Brand reputation can be promoted not only through implementation of marketing strategies, but also can be generated from engaging in social charity activities. Lastly, both companies need to focus on consumers' varying needs and provide the latest designed products for them. Only by satisfying consumers' need, can both companies maintain their competitive advantages and expand their market shares. To summarize, competitive advantages held by Apple include its beautiful product design, integrated brand marketing, and so on.

On the other hand, Samsung holds several competitive advantages over Apple Corporation, which are substantial product selections, ownership of key manufacturing technologies, conducting of comprehensive social responsibility and so on. The competitions between Apple and Samsung will stimulate both companies to explore more competitive advantages in order to compete for larger market shares in the worldwide market. As for future researches, researchers can laid their focus on investigating specific marketing tracteries implemented by Apple and Samsung and further explore effectiveness of their marketing strategies.