Samsung vs sony

Trying to break out onto the Asian economy sounds like its all sunshine and rainbows, with the high GDP growth, the booming economy and high young population numbers. But with all the different nationalities, societies, cultures and ethnic groups it may be one of the most complicated economies to tap into. With such diversity all around Asia, it is very difficult to find/create a niche market that would be suitable to sell your product to. Sony broke out onto the scene in 1979 providing an innovation that could apply to all demographics, not only in Asia, but also to the whole world.

It was the invention of the Walkman (Walters, 2011). The Walkman was the first mobilemusicdevice, it was the iPod of its time that had completely revolutionised how music was listened to during the late 70's. It was the ' wanted' product of the decade, cementing the Sony brand in the mind of consumers as the name in electronics. Like everything, what starts must have an end. And the Walkman's lifep was 1979-2001, this was the date that Steve Jobs took the stage in his mock-turtle necked glory and announced the next revolution in music, the iPod (Walters, 2011).

It's hard to believe that Sony was once a visionary, innovating and brand focusing powerhouse of the world. Sony was far from a one trick pony, but it was the one move Apple made that saw the stumble of Sony. Samsung on the other hand are a prime example of continuity. They set the benchmark it every single home appliance there is to offer i. e. phones, tablets, television, computers, dishwashers and laundry appliances. Considering Samsung chooses not to have ' the one' area of expertise to strictly focus on, all of Samsung products are considered world class.

While companies like Sony use a somewhat narrow focus to their advantage, Samsung takes a different approach: Sell everything (Zach Epstein, 2012). Since Samsung has never had a product revolutionary movement quite like Sony creating the Walkman or Apple creating the iPod, this has allowed Samsung not to have tunnel vision. Instead, they have found themselves opening their minds to revolutionising already established products. In doing so, Samsung has the potential to lock users in and foster consumerloyaltythat its rivals can only dream of for the time being (Zach Epstein, 2012).

Saquatronics should take these notions from both parties, in order to get a better understanding of the rise and fall of thetechnologyindustry that want to make a name for themselves in the fertile Asian economy. Political The politicalenvironmentconsists of laws, regulations, government agencies and pressure groups that have had a direct impact on organisations or individuals in a given society. When Sony decides to mass-produce a product for a certain country, they must take permission from other governments and authorities (Waqas Asif, 2009).

Sony was directly impacted from Apple's decision to release the iPod as it hurt Sony financially. Sony was also directly hurt when sources were saying that the top of the line PlayStation 3 customer credit card details were being " hacked" (Paul Ducklin, 2012). This event not only damaged them financially, but it also destroyed the brand name, which was once considered a safe buy for an online gaming experience. Of all the data breaches in 2011, the string of data breaches that plagued Sony Corporation were arguably the most high profile (Journal of Law and Policy, pp. 257).

Sony had to contact around 70 million customers warning that details including their names, addresses, dates of birth, passwords and security questions have been stolen (Shane Richmond, 2011). Sony worked with law enforcements on this matter as well as a recognised technology security firm to under go a complete investigation (Patrick Seybold, 2011). In order for Sony to clean up the mess, they had to inevitably freeze the online gaming system for 23 days (Owen Good, 2009).

Sony had to admit that it violated its customers' trust and start from the ground up (PSN Hack: What does Sony own consumers, pg. 8). When over 12, 000 credit card accounts from non-U. S. nations and additional information from 24. 7 million SOE accounts have been stolen, you could only imagine the amount of information that the governments from across globe were wanting from Sony (2011). Governments needed to make sure that Sony did everything in their power to provide adequate precautions to protect customer details (Wesley Yin – Poole, 2011). Many customers were after Sony's necks, wanting to sue Sony for ' identity theft insurance' of up to $1 billion CAN (Mike Rose, 2011).

Another lawsuit came up in Alabama on April 27, 2011. The lawsuit was on the lack of awareness to its customers of a possible security breach, which is a violation of the PCI Compliance – the digital security standard for the Payment Card Industry (Matthew Schwartz, 2011). In October 2012, Justice was on Sony side, as the Californian judge ruling that Sony had not violated any consumer – protection laws, citing that " there is no such thing as a perfect security" (Dara Kerr, 2012).

While Sony have been involved in government agencies for the wrong reasons, Samsung has been committed to helping government agencies procure products, education, nursingand provide innovative IT solutions (Samsung, 2013). The Korean government has actively committed itself to developing and investing a lot of time andmoneyinto the IT technologies of Seoul (Bourzac, K, pg. 301) Samsung have created a Human Resource Development Centre. The complex's formal name is Changjo Kwan, which translates as Creativity Institute.

More than 50, 000 employees from around the world go and visit the resource centre in a given year. The time spent at the facility can vary from a few days to multiple months. The employees are taught everything about Samsung from global management, Koreancultureto the three P's (products, process and people). The staff will stay in dorms, similarly to students living on campus. In the hallways, there's a recorded voice of the chairman of Samsung Electronics speaking Korean over the loudspeakers. Not only have Samsung created their own institution, but also they have recently opened their very own hospital in Seoul.

Samsung has built such a good relationship with the South Korean government over its years, that in 2008 the chairman of Samsung Electronics Lee Kun Hee was convicted of tax evasion, but was later pardoned by the South Korean president (Sam Grobart, 2013). Samsung's GDP contribution of over 17% is a key factor in why Lee Kun Hee wasn't prosecuted. Samsung employ over 370, 000 people in more than 80 countries, but South Korea remains the face of Samsung, where it's so

powerful it might as well be the second government of South Korea (Sam Grobart, 2013).

Cultural The Koreans are taught from a young age to accept the world the way it is (instead of changing it), they contemplate more (instead of act), are passive (instead of active) and are taught that self-denial is the key to success. What happens when a large amount of the population doesn't take on an entrepreneurial risk? It limits your potential of economic growth. It's no coincidence that in 2012, Thailand and China both saw an increase of 7-8% GDP, while Korea only saw a little growth of 2. % GDP. This is why Samsung is such an interesting concept, because although Samsung are one of the most successful companies in the world from innovation, many critics state that Samsung's success has come from copying and tweaking already made products. There is a good deal of truth to this, especially around the early Galaxy designs (Haydn Shaughnessy, 2013). So is this innovation? Have Samsung actually gone against their cultural values or have they also tweaked their own cultural values as well?

Many people argue that Apple andGooglehave a better innovation process, but you can't argue that Samsung aren't innovative (Haydn Shaughnessy, 2013). Grabbing an idea and making it better is essentially what innovation is all about. So yes, Samsung has gone against their cultural values in order to become the electronic giant they are now. They now see themselves in the perfect position, because while Koreans ' accept the world the way it is', Samsung will be using this to their advantage in having less competitors (in Korea) and broader range of staff to choose from.

The Japanese man and hisfamilyput a lot of focus on social ranks within a company. The reputation of the family is judged by the social ranking they hold at the company they currently work at (2009, The Japanese Company in Japan's Culture). It isn't uncommon for graduates at the age of 22 coming straight out of university, to go straight into the workforce with the mindset that he or she will be at the same company until they're 65 (2009, The Japanese Company in Japan's Culture). The Japanese put so much emphasis on respecting an employee who serves a long period of time to a company.

Past CEO, Nobuyuki Idei decided to have staff cuts within Sony and " strongly encouraged" (Jake Adelstein, 2012) staff to use his early retirement plan which didn't settle well with a lot of people (Jake Adelstein, 2012). Mr. Idei's vision was to get rid of the old faces and bring in the new generation of fresh ideas, but the middle- aged engineers and technicians that left were the ones that brought Sony to its pinnacle. " The affect was more like shooting yourself in the foot" (Jake Adelstein, 2012). The worst part was that Sony's competitors i. e.

Samsung and Apple saw this as a golden opportunity to recycle these middle-aged yet extremely knowledgeable people, and have them work for them. Samsung could openly " buy" the technology Sony had developed, simply by rehiring their elite employees (Jake Adelstein, 2012). Even though Japan is a nation with rich cultural history, it was one of Japan's richest companies that rebelled against their cultural values. Global Business Sony was once the benchmark for so many different categories of technology that people felt as though It was only a matter of time before Sony would rule the technological world.

As time has shown over the years, Sony has found intense competition from all over the globe. Companies have definitely beaten Sony in terms of innovation and profit margins over the last decade, but Sony still believes they compete successfully and that they have a major position in all of the principal product lines in which they are involved with (2008, United States Securities and Exchange Commission). Sony's direct competition i. e. Apple and Samsung may be seen as a long-term rivalry, but are Apple and Samsung really worried about Sony?

With Samsung and Apple's net income reaching an outstanding $18 billion (Samsung profile 2012) and $40 billion (2008, United States Securities and Exchange Commission) US respectively, while Sony's falls to an astonishing $ -5. 5 billion US (Konan, Minato-ku, 2012), it's safe to say that these two powerhouses have bullied Sony out of the picture. Samsung are currently dominating the high-end television market, while Apple's iPhone series of devices have hampered sales of Sony's new tablets and high-end Xperia series of smartphones (Alastair Stevenson, 2011). It's hard to believe that Sony was once the Apple of the 80's to early 90's.

Maybe Sony is a distant memory in the high tech world? Maybe Sony only fitted a certain demographic that no longer is the majority of the population? The situation only gets harder when Japan has a high median age of 44. 8 years old, which is the oldest in the world (Michael Pascoe, 2012). Things are going tough when the once monopoly of music products have switched their focus towards selling life insurance (Ray Walters, 2011). Samsung have had an amazing run with success recently, and 2012 was nothing short of astonishing for the consumer electronics industry. Samsung's sales hit $42.

billion in the second quarter of last year, which surpassed their rival (Apple) by a large amount, as Apple managed to reach a healthy figure of $4. 6 billion. Even though Apple has become the face of mobile products, how has Samsung almost managed to get 10 times the amount of Apple in sales? It's simple, while companies such as Apple and Sony have tunnel vision towards their advantage products, Samsung's ' Sell everything' has proven to be a success (Zach Epstein, 2012). In the early 80's to the mid 90's Sony was able to find a niche market and exploit that market.

Much like Sony in the 80's and 90's, Apple were able to find their niche market in early 2000's and to be completely dominant in the market they were targeting. While Samsung has never really had the break out season quite like Sony, they have managed to take a leaf out of their competitor's book and apply them to everyday home appliances. Samsung has found a niche in attacking every niche it can (Zach Epstein, 2012). By the end of 2011, Samsung was the world's most successful TV manufacturer, earning 22. 5% of the market share. Samsung also owns 13. % of the refrigerator market, Samsung washing machine market share has grown from 7% in 2009 to 9. 2% in 2012 (Zach Epstein, 2012) and 23. 3% of the mobile-display market (Yoshimatsu, H, pg. 439) . Although Samsung may have the same or a little less of the market share than its competitors in some fields, you can bet overall Samsung has the highest overall market share against all of its competitors across the board. Strategic Decisions Sony was so far ahead in the music industry that it continues to baffle so many people because of how Sony allowed their music influence on people to slip through their hands.

No one had an idea like the Walkman (Michael Pascoe, 2012). Sony created their very own consumer fans. Creating brand loyalty is the biggest asset marketers like to pursue (Choe, Sang T. , and Hyun Jeong Cho, pg. 81) With its catalog of music and foundation in electronics, Sony had the tools to create a version of the iPod long before Apple introduced it in 2001. Did Sony become too comfortable with the idea that companies wouldn't invent a better music device than the Walkman? Various people have stated the reasons behind Sony's big miss. Some have brought it down to timing. Sony tried it's first attempt at an mp3 device wo years before the iPod was invented, but didn't have the advantage of a small inexpensive hard drive and didn't hold enough tunes (Michael Pascoe, 2012). Originally, Sony engineers battled the power of the company's media divisions. Then Sony struggled with the idea of how to build devices that let buyers download and copy music without damaging music sales or contracts with its artists (Michael Pascoe, 2012). Sony decided to go its own way: its early digital music players, for instance, used branded files and were mismatched with the fast-growing MP3 format (Michael Pascoe, 2012).

By the time the different divisions had finally put aside their egos and finally decided to cooperate, Sony had lost its chance to become pioneers in the new aged portable music devices. This goes to show the culture of co-operation is needed while doing business in an extremely harsh and competitive environment, in order to have sustainable success. Samsung is the world's biggest smartphone and overall phone manufacturer. It is a hugely profitable company, driven by booming sales of its Galaxy S and Note flagship line-ups.

Since Samsung cover almost every home appliance on a global scale, this sees Samsung to be the top brands to beat in multiple fields. According to a nationwide survey conducted by the Internet Home Alliance, homeowners continue to show strong interest in residential technology ranging from appliances to entertainment systems (Day, R, pg. 82) But it wasn't Samsung's actual product innovation that made 2012 such a successful year. It was Samsung's investment in marketing that made their figures grow remarkably. Samsung spent a staggering $11 billion on marketing (Victor H, 2013). Samsung's focus on marketing was the main reason the company was so successful last year," an anonymous source inside Samsung said (Victor H, 2013). Samsung have no intentions to stop this marketing warfare, as the Galaxy and smartphone devices continue to sell tens of millions around the world. Why fix something that isn't broken? Conclusion Considering Saquatronics is still an up and coming business still trying to find it's identity, it is a must that they understand andrespectthe laws and regulations of any nation they step foot in.

If Saquatronics approach the Asian market being naive to the rules and regulations, this could forever have a bad name over their products in Asia and most importantly back in Australia. Saquatronics should study and breakdown the nations policies before making the decision to move into a specific sovereignty. Despite Saquatronics coming from a country with faint cultural values, they must understand how much emphasis Asian countries put towards their cultural values.

Asian cultural values are so powerful, that any western cultured businesses are expected to adjust their normal ways to help please their Asian partners.

If Saquatronics are expected to have significant growth in the fertile Asian economy, it must be inevitable for them to learn the behaviours of their local partners quickly. Saquantronics must never settle on an idea, because you never know when that once new idea becomes out of date. The technology industry is the fastest changing industry in the world, and it is up to Saquantronics to make sure that they are the ' actors' and not the ' reactors'.