

Unit 5 application assignment: business trends

[Business](#)



A Brief Analysis Of Samsung Group Samsung is a South Korean based conglomerate corporation with representatives in various parts of the world. Samsung has also ventured in other diversified industries such as the heavy industry that specializes in construction and engineering, chemicals and financial services sectors. The financial reports of Samsung are impressive, posting subsequent increments in sales and net profits. For the past two years, for example, the company has recorded a commendable trend in profit rise. Its net profit rose by close to 40% in 2012, despite a previous decline of over 10% in 2011 (as indicated in the graph below).

Curve 1. Samsung's net income curve. From Samsung. com. (2014). About Performance, Net Sales, Liabilities

Recently, however, the company has recorded a drop in net profit for three successive quarters since the last quarter of 2013. In the third quarter of 2014, for instance, the company has posted a 60% decline in profit from last year, recording its least quarterly profit for the past 3 years. The July-September quarter posted a \$3. 9billion profit, down from \$6. 1 billion in the second quarter.

I would invest with Samsung despite the downward trends in Samsung's financial performance; the company remains a steadfast market leader in the industry. Therefore, prospective investors like me should not be overwhelmed by the trend since it is the normal drift of a business. On analysis of the company, it emerges clearly that the company has a strong asset base and is, thus, able to withstand market forces such as competition.

In my future businesses, I would own a business such as Samsung. For the moment, I would work with Samsung as an employee. Samsung seems to be <https://assignbuster.com/unit-5-application-assignment-business-trends/>

losing its popularity in the mobile market, but what is the future of the company? The future is still bright, for example, Samsung TV may be the next market brand leader. Samsung will make more profits in the future with improved products. Samsung is a diverse company that can be able to overcome competition through its creativity and products differentiation. Further, it is recommendable that the company considers marketing its less prominent products and services such as the chemical industry, which can be as good as the electronic sector. I recommend that they invest on research and innovation so as to be able to provide unique and quality products. This is because Apple products are giving them a run for their money.

Reference

Samsung. com. (2014). About Performance, Net Sales, Liabilities, retrieved on December 3, 2014 <http://www.samsung.com/aboutsamsung/>