

# Samsung – competitive analysis

Business



Discussion issue 2: Since the early part of 2001, it has been noticed that Samsung has been increasingly successful in repositioning the brand of its various products at a higher level competing with market leaders like Sony and Apple.

Research and find out how their advertising and promotion strategy was changed to achieve these objectives. Any comments and suggestions.

Answer: Samsung Group, belongs from South Korea, which is also the world's second largest conglomerate by revenue has different products such as: Semiconductors, Slimmer Panels, Televisions, 3D experience, Smart TVs and App, Mobile Phones, Home Appliances etc. Since, Samsung is gradually increasing its market by producing variety of products; it should compete in the market in such a way that, it stands at the top most position. In doing so, they have focused on many things since last many years so that; they are able to compete with market leaders like Sony and Apple.

The main reasons for the success of Samsung are:

- Product innovation The Apple is considered as an innovative in many ways in developing smart phones but also, Samsung does many innovations on many other electronic items including mobiles. The wide product range of Samsung was one of main reasons for its success in the market. Samsung positioned itself on the technology platform. Today Samsung's innovative and top quality products and processes are world recognized. To global business, and Samsung has responded with advanced technologies, competitive products, and constant innovation.
- Pricing Pricing also seemed to have played a significant role in Samsung's success.

Samsung sales similar product at lower price than that of apple and Sony for eg: price of 32 inch LCD produce by Sony Cost INR: 36, 000 whereas, Samsung cost only INR: 26, 000 for the same. Similarly, Apple I-phone 4 (32 GB) cost INR: 39, 000 whereas, Samsung Galaxy S II cost only 28, 900 so that consumer are encouraged to buy Samsung products. •Target Market The target market of Samsung is wide than Apple and Sony. Samsung has variety of products also, so that consumer have options to buy but Apple focuses only on expensive product for higher income class people and does not have variety of product. Samsung focuses on Asian Countries whereas Apple focuses on rich country like USA.

Design of product Samsung design their product in a unique and in a stylish form. Samsung overhauls its design in every two years. Since 2006, it has won as many as 210 awards from internationally prestigious design institutions. Samsung was the winner in eight categories in the 2009 IDEA awards, the company that received the most awards. In the 2010 iF Material Awards, Samsung won the Gold Award for five of its products including the external hard disk drive which is another reason for success.

Marketing Samsung adopts different marketing strategies according to time and situations. According to Jong Yong Yun, vice-chairman & CEO, Samsung Electronics We are investing aggressively in marketing to transform our company to be truly market driven and to establish our Samsung brand as the most trusted and preferred brand in the market. " Samsung hires celebrities as the brand ambassador yearly. They have contracted to hire David Beckham as a global brand ambassador for the year 2012. Global consumers' brand recognition of Samsung Electronics has increased steadily: <https://assignbuster.com/samsung-competitive-analysis/>

According to the top-100 brand list compiled by Millward Brown, the British brand consultancy, Samsung, ranked at 68th on its list, was one of the world's most valuable brands whose growth has been most pronounced during the 2009-2010 period. Its brand value, estimated at as much as US\$1.1 billion, grew by 80 percent. Meanwhile, Samsung took the 33rd place in the "World's Most Valuable Brands 2010" list made public by the Forbes magazine. Forbes said that Samsung's brand value was as much as \$12.8 billion with an average sale revenue growth rate of 17 percent for the past three years. •Sustaining Growth The continuous growths of Samsung lead success in the market in following ways: For four consecutive years from 2000 to 2003, it posted more than 5-percent net earnings. In 2005, Samsung surpassed rival Sony for the first time to become the world's largest and most popular consumer electronics brand as measured by Interbrand.

Similarly, In 2006, Business Week rated Samsung as 20th on its list of global brands, 2nd in the electronics industry. In January 2007, Brand Finance ranked the company as the number one global brand in electronics. In the same year, Samsung Electronics' handset division overtook American rival Motorola, making it the world's second-largest mobile phone maker. Likewise, in 2009, Samsung overtook Siemens of Germany and Hewlett Packard of the USA. In December 2010, The EU granted immunity to Samsung Electronics for its part in informing on other members (LG Display, AU Optronics, Chimei InnoLux, Chunghwa Picture Tubes and HannStar Display) of a price fixing scheme.

On April 2011, Samsung Electronics Co. have sold their HDD commercial operation to Seagate Technology for about \$1.4 billion •Distribution channel There are various distribution channels which are adopted by Samsung in different countries. Along with the launch of new products, Samsung also consolidated its distribution system. Samsung had 18 state-level distribution offices and a direct dealer interface in India.

The direct dealer interface helped the company get quick feedback from dealers, and enabled it to launch products according to consumer needs.

- Advertising and Sales Promotion The way they advertise and promote their product makes them success. There are various interesting advertisements of Samsung. They promote their product and brand in global sporting events such as: Olympics. David Beckham will be responsible for disseminating the news that Samsung is one of the major sponsors of the London 2012 Olympics. .

- Global CSR A company's success is measured not only by its business achievements, but also how well it serves its community, protects resources, and makes differences in people's lives. Samsung created an Eco design evaluation system, eco friendly and recyclable product. From aforementioned analysis we can understand that Samsung has been increasingly successful in repositioning the brand of its various products a higher level competing with market leaders like Sony and Apple.