

Swot analysis of samsung

Business



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Samsung Electronics Co. Limited (OTC: SSNLF) is actually the consumer electronics subsidiary of the Samsung Group, a conglomerate based in Suwon, South Korea. Outside of Korea, Samsung is best known as the world's largest manufacturer of mobile phones and smartphones, including the highly popular and successful Galaxy.

It is also the world's largest manufacturer of televisions and LCD panels. Thanks to its manufacturing and marketing expertise, Samsung is regarded as the world's second largest consumer electronics company. Only its American rival, Apple Inc. (NASDAQ: AAPL), reported larger revenues.

Unfortunately, it is difficult to determine exactly what Samsung's are because it is based in Korea and not covered by U. S. corporate reporting laws. Samsung did report an estimated TTM revenue of \$42. 35 billion for the second quarter of 2015. That figure is based on sales of 48 trillion Korean won.[1]

Strengths

- Samsung is the world's most successful electronics manufacturer. It is the world's largest manufacturer of television sets, liquid crystal display (LCD) panels, mobile phones and smartphones.
- Samsung is the world's number one marketer of mobile phones with 21. 4% of the world's largest market share in the second quarter of 2015. Apple is number two with 13. 9%[2]
- Samsung has impressive research and design capabilities. It was able to create and roll out Samsung Pay, a payment app with similar

capabilities to Apple Pay, in less than a year. Samsung has been able to replicate many of the capabilities of both Apple Inc.'s phones and Google Inc.'s Android operating system for mobile devices.

- Samsung has strong manufacturing and marketing capabilities.
- Samsung has long-standing relationships with retailers in the United States and Europe that provide a steady sales channel for its products.

Weaknesses

- Samsung has not been able to match Apple Inc.'s marketing capabilities for smartphones. Its share of the U. S. smartphone market fell by 2. 3% between 2014 and 2015. In contrast, Apple's share price grew by 34. 9%.
- Some Chinese competitors are catching up to Samsung in the smartphone market. Between 2014 and 2015 Huawei's share grew by 48. 1%, and Xiaomi's share grew by 29. 4%.
- Samsung is heavily dependent upon consumer electronics sales in markets with limited potential for growth, such as the United States and Europe, for much of its revenue.
- Samsung's devices use the Google Android open source operating system. Many consumers seem to view Android as an inferior product to Apple's iOS. The public has not been as accepting of Android as the tech community has.
- Some consumers view Apple products as more advanced and dependable than Samsung products.

- Samsung's marketing efforts are not as sophisticated as Apple's.

Opportunities

- Growing market for smartphones, tablets and other mobile devices, especially in developing regions such as Africa and India, where consumers are unfamiliar with PCs. Sales of tablets finally overtook sales of traditional personal computers in 2015.[3]
- Increased demand for tablet and smartphone-based solutions such as Samsung Pay
- New technologies such as wearable tech
- Growing middle class in developing world will increase market for consumer electronics.
- Growing online market from sales channels such as Amazon. com

Threats:

- Apple has emerged as the dominant smartphone and tablet brand in some markets, such as the United States. Samsung has not been able to overcome Apple's reputation for reliability.
- Apple's reputation for quality, reliability and sophistication seems to be growing.
- The Google Android operating system, which Galaxy devices depend upon, is not as popular with average people as iOS is.

- Declining or stagnating middle-class incomes in North America and the United States could reduce consumer buying power in those key markets for Samsung.
- Chinese manufacturers such as Huawei and Xiaomi could emerge as serious rivals to Samsung. These companies' share of the critical mobile device market is growing while Samsung's is falling.
- Apple could enter more consumer products areas such as home appliances and cameras and directly compete with Samsung in those markets.

Samsung maintains impressive research, design and manufacturing capabilities, but it appears to have lost its edge in marketing. This company may need to revamp its smartphone marketing and perhaps design efforts in order to maintain market share in critical arenas like the U. S.

New capabilities like Samsung Pay will be critical if this company wants to maintain its position as an industry leader. Samsung will also need to learn to deal with aggressive Chinese competitors and Apple's reputation.

[1] <http://global.samsungtomorrow.com/samsung-electronics-announces-earnings-guidance-for-q2-2015/>

[2] <http://www.idc.com/prodserv/smartphone-market-share.jsp>

[3] <http://www.extremetech.com/computing/185937-in-2015-tablet-sales-will-finally-surpass-pcs-fulfilling-steve-jobs-post-pc-prophecy>

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