

Samsung seca: redefining a brand essay



**ASSIGN
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SAMSUNG SECA: REDEFINING A BRAND CASE STUDY 1. Problem

Identification Samsung SECA has successfully repositioned itself from an unremarkable producer of low-to-mid-market customer electronics and computer components into a provider of stylish, leading-edge consumer electronics due to its shift towards digital technology. Despite efforts to redefine the Samsung brand which included aggressive promotional spending and launching of a number of high-end, “marquee” products, the old brand perception of the Samsung brand is still there.

Hence Samsung was continuing to sell a number of lower-end products using the old brand positioning. J. S. Park, the president of SECA needed to develop a plan or branding strategy in order to reinforce the presence of ‘Samsung redefined brand’ into the upper group of customer electronics.

2. Situation Analysis The SWOT analysis as shown below captures the key strengths and weaknesses within the company, and describes the opportunities and threats facing Samsung.

STRENGTHS

1. Speed in decision making process
2. Product Innovation
3. Expertise in digital electronics
4. Wide range of products
5. High R&D investment
6. Good marketing strategies

WEAKNESSES

1. Impact on revenue from sales after giving retailers profit margin
2. Disregard certain product line due to heavy focus on successful product line

OPPORTUNITIES In the Canadian electronics market :

1. Less price sensitive
2. Demand for good customer service
3. Favourable return policies
4. Highly technically savvy
5. Quick to adopt new technologies
6. 3rd highest broadband usage

THREATS

1. Dominance from main competitor, Sony
- 2.

Acquisition of Future Shop by Best Buy 3. Competition from Korea, Chinese, Japanese and European electronics company 3. Customer Behaviour Analysis Canadian electronic markets are less price-sensitive. They perceive high-priced products as high quality products. They also demand for good customer service and favourable return policies. They are also quick to adapt to new technologies because they are technically savvy. Canada has the 3rd highest broadband users in the world. 4. Competitor Analysis Sony is the main competitor in the range of electronic appliances.

In terms of products, Sony is the pioneer in colour televisions and Walkman, the portable audiocassette. Sony is charging at a premium price to reflect their high value of brand in terms of quality. Sony has a reliable nationwide retail channel in Canada. However, Samsung may take advantage of the fact that Sony has design and manufacturing expertise in products that appear to be on the verge of extinction like conventional televisions and CRT displays, portable CD players and home stereo systems. ? 5. Marketing Strategies Strategic Planning

In terms of Strategic Planning, SECA should decide on the segmentation, target market and positioning of their products especially the digital electronics products which are related to Samsung redefined brand. a)By using the demographic and psychographic-based segmentation, SECA may divide the market into four types segmentation which are : •High-income families – less price-sensitive who seek for high quality products and favour new and innovative offerings in the market. •The Young Generation – technically savvy and favour new and innovative offerings in the market. Business users – less price-sensitive who seek for high quality products that

can facilitate and enhance speed in doing business. •Hobbyists – technically savvy and favour new and innovative offerings in the market. b)The Points of Parity (POP) of Samsung is technology driven products. Samsung offers the same range of products as other competitors such as Sony and Panasonic. c)Points of Difference (POD) of Samsung should be emphasized as Innovative and easy to use. POD is the features or attributes that differentiates Samsung products from other brands.)From POP and POD, SECA can position the value of Samsung as a provider of innovative digital consumer electronics that is user-friendly. 6. Tactical Planning Tactical planning is done by considering the marketing mix strategies which are the 4P's: a)Product Samsung should take advantage of their 'signature' offerings that highlight the brand's strengths. The most suitable products could be the large-screen digital light projection HDTVs and its feature-rich mobile phones. Other products like air-conditioners, refrigerators and conventional TV set seem ill-suited for the high-tech image the company seeks to project.)Place (Distribution) Samsung should stop selling their products via discount outlets. Since Samsung wants to focus on premium electronics and consumers shop for such products at specialty retailers, therefore Samsung needs to focus on high-end retailers such as Best Buy and Future Shop. Better yet, Samsung should open its own retail store. c)Price Samsung could use a pricing strategy to reinforce its new brand image. Currently, Samsung uses a premium pricing strategy for high-end products on which it built its reputation, and parity or discount pricing for its remaining offerings.

The high variance in pricing may send a mixed message that could confuse their consumers, especially those who relate the price with the quality. If

Samsung wants to be seen as a premium brand that offers unique value to customers, its pricing needs to be set accordingly in order to convey the right message. d) Promotion Advertising and promotions are core elements to be carefully considered in building a brand. Even though Samsung invested in advertising and promotion in Canada, it would be reasonable if Samsung increases its budget in promotions to further influence more consumers on its unique and specialty offering. . Alternatives and Implications of Alternatives SECA could position itself as a provider of user-friendly innovative digital consumer electronics. They should focus more on premium customers, who would normally seek for high quality products and respond well to the latest innovative products regardless of the price. Target customers would be high-income families, the young generation, business users and hobbyists. Brand perception is important as it stays in the minds of consumers for a long time. Samsung should take advantage of the Canadian customer by instilling a redefined Samsung brand into the minds of Canadians.

Brands are useful tools for reducing search cost by distinguishing one product from another more quickly with less effort, offering assurance of quality and consistency and providing customers with means of expressing their identity. Marketing Mixed Strategies Alternatives: 1. Eliminate low end product line in order to maintain the new Samsung brand image. Pros: Samsung should enhance new brand image, charging at premium price for signature products, and focus promotional efforts to uplift the products that carry the new brand image. Cons:

Eliminating appliances from the product line could lower sales volume and company's profits. 2. Samsung should build own retail store. Pros: Easier to engage the attention of premium electronics customers; The store itself can promote brand image. Cons: Lose the opportunity to gain profit from the discount retailer. 3. Increase the price of Samsung products to align to the repositioning of the new brand. Pros: High price may send a message to customers. It can convey the message that Samsung is offering something better with the unusual high price products. Cons: Samsung will have to bear with the adverse effect on sale volumes. 4. Increase promotional and advertising budgets Pros: Samsung could get better and quick attention from the customers by doing intensive promotions and advertisements. Cons: Samsung could alert competitors by inviting reactions to counter Samsung new efforts. 5. Recommendations To reinforce its new brand image, Samsung may have to shift from engineering and product-led organization to a consumer-focused, marketing-driven and brand-focused strategy. Samsung must instil its value proposition as a provider of innovative digital consumer electronics that is easy to use by anybody.

Recommendations for Samsung could be as follows:

- Samsung's brand image should be repositioned by introducing new digital electronics products while maintaining a profitable portfolio. The new product must deliver highest quality with added technology that is categorized as a lifestyle-oriented product. The current profitable portfolio could be enhanced by introducing extra features as added value.
- Open own life style store that not only adds more value to brand image but could also increase own promotional efforts. Increase prices in order to align to the " consumer

premier brand”. Samsung could also offer discounts on selected periods, but needs to determine the maximum allowable discount rate. •Increase advertisement budgets to accommodate marketing efforts and brand name such as intensive sponsorships and ambassador programs. Conclusion SECA should think outside the box in order to further understand the Canadian market as there are a lot of opportunities for an innovative company like Samsung. Other than that, SECA needs to educate customers on Samsung’s premium brand products.