

# Samsung and apple : the tech battle

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Being ahead of the competition is the mantra of Samsung's success. In business, it always pays to reduce the lead-time, as being late in business means business is over, which happened in the case of many big brands and competitors. It does not require the genius of a rocket scientist to recognize that branding is the lifeblood of any corporation.

This was well recognized by Samsung Electronics Corporation (Samsung), way back in 1998, when the South Korea's leading consumer electronics giant entered into an agreement with the International Olympic Association (IOA) to sponsor the 1998 Seoul Olympics. The message was clear. Samsung wanted to sponsor Olympics to establish itself as a global brand. And it became successful to a great extent too. Samsung's association with the Olympics helped the company increase its brand visibility and brand recall among its consumers worldwide.

In the late 1990s, Samsung forged several marketing alliances with companies worldwide and sponsored events to enhance its brand awareness. Due to its marketing efforts, its brand value appreciated by more than 200 per cent from US\$5. 2 billion in 2001 to its current \$10. 8 billion. The company was ranked twenty-fifth in Interbrand's list of the world's top 100 brands. In 2002, Samsung emerged as the only non-Japanese brand from Asia to be listed in the global top 100 brands valued by Interbrand, the world's leading brand consultant.

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The company was ranked as the fastest-growing brand in the world by Interbrand. In spite of the worldwide slowdown, Samsung, whose sales are

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equivalent to some 20 per cent of South Korea's GDP, posted a net profit of 1.5 trillion Won for the third quarter of 2007-08. In late 2008, Samsung emerged as the number one player in the US cell phone market by snatching the crown from Motorola. It also emerged as the world leader in the memory chip market. In 2007, Samsung spent more on R&D than IBM.

The company has jumped to the second place in the number of patents granted by America's patent office (just behind IBM). As a result of its commitment to innovation and unique design, SEC was ranked #6 in the electronics industry segment in the Fortune magazine's "Most Admired Companies 2008", and named as one of Fast Company's "Fast 50 Most Innovative Companies of 2008". Among popular Business Week rankings, SEC ranked #26 in the publication's "Most Innovative Companies of 2008" and #21 in the "100 Best Global Brands" for 2007. SEC is also a top patent holder, ranking second overall in the U. S. in 2007.

According to industry experts, the reason for these earnings over the years is Samsung's holistic approach to develop several strategies for different regions, but guided by one unified Samsung brand image building strategy. Samsung's branding strategy was launched by its Chairman Kun Lee in 1996. It was a coordinated global programme to make Samsung an international brand. Over the last one decade, Samsung has executed its comprehensive brand building strategy. The company's annual investment in branding and marketing is about US\$3 billion, which has been spent to increase its brand awareness around the world.

For any new company, when it makes its entry into the market, there are two ways to stimulate growth: intensive advertising campaign, and product

offerings with unique functions. Samsung recognized the potential of both. “ In terms of products, Samsung introduced its leading-technology display products as well as printers in the Indian market and carried out SI meets all over the country to educate the channel community on its new products, “ says Ranjit Singh Yadav, Director - IT, Samsung India. However, the power of brand building exercise was not lost on the company.

In fact, Samsung tilted more towards advertising and brand-making strategy - creating awareness of its name by investing large amounts of money in million-dollar brand- making campaigns. In India, Samsung, in order to create its brand awareness, signed seven cricket celebrities and in doing this it aimed to cash in on the popularity of cricket in India which is considered a religion in India. Instead of just ads featuring cricketers, Samsung launched its “ Team Samsung India” campaign all over India. The focus of this concept was to create patriotism through cricketers, but under the Samsung brand name the banner reads “ With Team Samsung”.

The campaign was a huge success and it enabled Samsung to increase awareness of its brand. As a result, it began to make impressive growth in India. “ In India, Samsung’s investment on branding has paved our brand building and corporate initiatives, product investments and investments in the channel,” says Mr. Yadav. “ In the year 2008, Samsung supported the Olympics cause in India by way of sponsorship of the Indian team, the support for select members of the Indian team. The company also organized the biggest-ever national level school quiz on Olympics for school children.

Consequently, its Olympic-related advertising campaign brought the company’s brand closer to customers. “ We supported the Indian team to the

Beijing Olympic Games as well as providedscholarship support to six Indian athletes for their training expenses, including Abhinav Bindra whom we subsequently signed on as our Brand Ambassador for Consumer Electronics products, following his return from the Olympics,” adds Mr. Yadav. Samsung hugely invested in sports, as it knew that sports attract crowds. In the Athens 2004 Olympic games, it was named as Worldwide Wireless Communications Partner of the Olympic games, but not without a cost.

Samsung provided 14, 000 mobile phones and also supported equipment during the games. They also presented themselves in the Olympic Torch Relay, which took place in 27 countries. They also showcased their products for 17 days to the visitors at the Olympic event and also allowed 30, 000 minutes of free calling grabbing the audience to its brand. It has been noted that older companies often portray their products as commodities and generally sell their products only on the basis of brand without enhancing their quality and lowering their price. However, Samsung has proved to be an exception to this.

The company not only invested hugely in brand creation campaigns, it also remained a cut above the rest by introducing innovation. In order to create a somewhat different image, Samsung has positioned itself by developing innovative products, thus becoming a leader rather than a follower. “ Product innovation and channel expansion were the two key approaches that helped us grow our IT business in the year 2008 . We launched new categories like DigitalPhotoframes and entered the Notebook PC category with a comprehensive range of Notebooks and Netbooks.

We enhanced our in-shop visibility through Shop in Shops within the channel, Shop boards as well as by adding over 100 channel partners in the B&C class cities," says Mr. Yadav. " Our channel engagement policy in 2008 included training the sales force on our new products and technologies through the Samsung Marketing Academy; SI meets in smaller cities as well as educating the channel through our newsletters and other communication material. We also tapped the large format retail for our IT products," adds Mr. Yadav.

### **The Success Secret**

Being ahead of the competition is the mantra of Samsung's success. In business, it always pays to reduce the lead-time, as being late in business means business is over, which happened in the case of many big brands and competitors. For instance, the most advanced mobile phone has only two-mega pixel camera, but Samsung offered 5-mg phone in 2005. Samsung is offering new products lower than the market price. Yet, the company has been able to retain its standard and quality. However, part of this success was also Samsung's openness. The company opened p and recruited employees from a global pool of talent bringing in talent from various countries, making these people work together at one table designing the best product. This trend boosted the company's perception and made it a global brand among the consumers. The strategy paid off and in the past five years, it has achieved the biggest gain among major brands, even surpassing Sony. Samsung's approach is holistic reaching the world customer. It created its branding in multiple ways, ranging from traditional adds to billboards, racing, Olympic games, cricket matches, marathons.

In short, wherever it saw the crowd, it communicated Samsung message by presenting itself as a leader of innovation with affordable price. In the year 2009, Samsung India is looking at strengthening both the product portfolio and the channel. The company will be tapping our existing brand shops as well as Large Format retail stores for our IT products. " We have just launched our comprehensive range of Notebook PCs and the ' Live 360' campaign for Notebook PCs. In the year 2009, we will be expanding our portfolio in Notebook PCs, Display products as well as our Printer range," says Mr. Yadav. Samsung India will be continuing with its channel expansion in the year 2009 as well. " We will be strengthening the corporate sales business based on our enhanced lineup," adds Mr. Yadav. " Market will see the introduction of new technologies in the marketplace and some of the trends that we saw in the year 2008 will get more pronounced. Thus, I expect the LCD Monitor category to dominate the market completely, even as the transition from Desk Top PCs to Notebook PCs and Netbooks will continue. The Widescreen format will continue to dominate in LCD monitors. Similarly, the 17" and 19" monitors will continue to dominate in terms of screen sizes. With the introduction of new technology and convergence products, the Large Format Retail will continue to be a significant channel for selling IT products," says Mr. Yadav. Finally... Successful branding is all about establishing a long-term vision and crafting the company's operations to meet that objective. 'In 1993, as a first step in its globalization drive, Samsung acquired a new corporate identity. The company changed its logo and that of the group.

In the new logo, the words “ Samsung Electronics” were written in white color on a blue color background to represent stability, reliability and warmth. The words “ Samsung Electronics” were written in English so that it would be easy to read and remember worldwide. The logo was shaped elliptical representing a moving world”- symbolizing advancement and change. It was this sort of huge investment where millions saw the Samsung’s message. Their brand remained in the forefront of millions of people giving them an edge over its competitors.

It is no surprise that Samsung’s brand building strategy overtook its competitors in less than the expected time. In the fall of 2008, just a year after it released the iPhone, Apple became the most profitable phone maker in the world. The milestone wasn’t much remarked upon by the press.

At the time, Apple was still selling only a tiny number of phones compared to its rivals, and it wasn’t clear that it could ever become a global juggernaut in the phone business. Still, because rivals couldn’t match Apple’s average sales price and profit margins, they were falling behind. In the fourth quarter of 2008, Nokia, which had long been the phone industry’s profit leader, sold 113 million devices worldwide, about 15 million of them smartphones. It made about \$1. 2 billion in profit on all those phones. That same quarter, Apple sold just 4 million iPhones. But that single device earned Apple a profit of \$1. billion. These numbers—which Asymco’s Horace Dediu has helpfully archived here—provide the backstory to an industry in panic. If you were a phone maker watching the iPhone’s sudden rise in 2008, you had to make a quick decision. A storm was blasting through your business and your survival depended on how you reacted. One option was to do nothing. A lot of firms



opted for this path—Nokia and RIM, for instance, seem to have decided that the iPhone was a blip, a cultish device that would never reach mass appeal, so why bother taking it on? Another option was to try to leapfrog Apple.

You could spend many months, maybe even years, working on devices that aimed not just to match the iPhone's innovations, but to beat them. This was Palm's idea. Belatedly, it's what Microsoft began to do, too. Then there was a third choice. You could just copy Apple. You could borrow the iPhone's key ideas, make a half-hearted attempt to dress them up in your own brand, and bake them all into your product line-up. On Friday, a federal jury decided that Samsung was guilty of doing just that. But you don't need this decision, nor any of the damning internal documents uncovered during the patent case, to realize this.

Just look at the devices Samsung released in response to the iPhone—for instance, the 2010 Galaxy S, pictured above. If that's not copying, the term has no meaning. It's tempting, after such a sweeping verdict in Apple's favor, to conclude that Samsung's decision to mimic the iPhone was a terrible mistake. The firm will now be on the hook for at least \$1 billion in damages, and the judge could triple that amount. Samsung will likely face sales injunctions on many of its products, and will be forced to quickly design around Apple's patents in its current and upcoming devices, if not to pay a steep licensing fee.

Other companies that took inspiration from Apple—including Motorola, HTC and, at the top of the chain, Google—will also be stung by this decision. But if you study what's happened in the mobile industry since 2007, a different moral emerges. It goes like this: Copying works. Of the three paths open to <https://assignbuster.com/samsung-and-apple-the-tech-battle/>

tech companies in the wake of the iPhone—ignore Apple, out-innovate Apple, or copy Apple—Samsung’s decision has fared best. Yes, Samsung’s copying was amateurish and panicky, and now it will have to pay for its indiscretions. But the costs of patent infringement will fall far short of what Samsung gained by aping Apple.

Over the last few years, thanks to its brilliant mimicry, Samsung became a global force in the smartphone business. This verdict will do little to roll back that success. The other two strategies, meanwhile, haven’t panned out. Ignoring Apple ended in disaster for RIM and Nokia. Nobly attempting to beat Apple also didn’t work. Palm spent so much money and time coming up with an answer to the iPhone that, by the time it released the Pre in the summer of 2009, it needed the thing to be a mega-blockbuster. When that didn’t happen, it was curtains for Palm.

Now Microsoft is facing a similar problem with its completely different and really amazing Windows Phone. Why is Redmond having a hard time getting folks to look at its wonderful OS? I suspect it’s because while tech pundits like novelty, most consumers appreciate familiarity. When people around the world close their eyes and picture a “ smartphone,” the iPhone is what springs to mind. The iPhone’s interface and design have become embedded in the culture, as familiar, now, as the mouse pointer or the steering wheel. Departing from the iPhone’s template, even for something better, isn’t something many people want to do.

Perhaps that’s why, since 2007, only two handset makers have consistently booked strong, growing profits: Apple and its doppelganger Samsung. Apple’s profits have, of course, been historic—since the release of the <https://assignbuster.com/samsung-and-apple-the-tech-battle/>

iPhone, it has made at least \$70 billion from that device alone. But Samsung's numbers aren't anything to scoff at. Over the same period, Samsung has collected about \$25 billion in handset profits. If the patent trial ends up costing the company \$3 billion of that, it would certainly be a hit. But it wouldn't be catastrophic compared to the money Samsung did make from copying. And copying Apple didn't just result in monster profits.

It also helped Samsung earn a reputation, among consumers and tech reviewers, as a company that can make compelling devices. Yes, it was clear that many of Samsung's ideas weren't original. But customers don't care about originality—if they did, Windows wouldn't have won the PC world, and we'd all be using Friendster instead of Facebook. While Samsung's ideas weren't novel, its phones did work well enough for many people, and unlike some of its other competitors, Samsung was able to offer the kinds of technical upgrades—better screens; lighter, thinner devices; better batteries—that customers demanded every year.

It also got the basics of phone production and distribution. It produced the best alternatives to the iPhone at the lowest cost, and sold them in more markets, at better prices, than any other rivals. Now, this verdict notwithstanding, Samsung remains better positioned than any other company to make gains on Apple. Samsung's decision to copy Apple has also been inarguably good for consumers. If it weren't for Samsung and Google, Apple would have faced no meaningful competition in smartphones—which would have been great for Apple shareholders but terrible for everyone else, including for Apple's customers.

After all, if it weren't for fierce competition from Samsung, would Apple have decided, for instance, to make its year-old model available for \$100 off every year? Would it have added the costly Retina display without increasing the price of its phone? If it didn't see competition from Android, would it have turned MobileMe into iCloud? We can't know for sure, but the fact that Samsung and other Android makers were moving so fast had to have factored into Steve Jobs' and Tim Cook's decisions. Now, to its credit, Samsung is moving away from straight mimicry.

Its latest devices don't look like rip-offs, and the company seems genuinely interested in building legitimately innovative things. With the world's patent authorities watching, of course, Samsung has no choice but to do so—and in the long run, innovation, rather than Xeroxing, will pay off for the firm. But you can't get to the long run without paying attention to the short run. Samsung's decision to ape Apple wasn't the most graceful strategy in tech history. But faced with an emergency—a “ crisis of design”—copying was the best Samsung could do. And it paid off handsomely.

March 29, 2011 - 2: 03 pm Samsung has a very long history dating back to the 1940s. Firstly, Samsung Store was founded by Lee Byung Chull in 1938 as a small company. This is the beginning point of a world wide known brand, Samsung. Korean War is the turning point for this small company. After the war, Samsung Company was developed in many different fields and this brought prosperity. During its history, Samsung was supported by many people and associations and sometimes by government. The regime of the years between 1960 and 1970, it was one of the brightest periods of Samsung.

It was supported against foreign companies. After its foundation, Samsung worked in many fields related with electronics, mechanics and telecommunication. Different fields brought fame and success to Samsung. Global market is a place that Samsung has an important role. Since the very first days of Samsung, the company worked hard and it brought many innovations to our lives. Now it is not only a brand. It is brand of many different devices, machines, it is sponsor of many teams and it is a world wide known company. One of the most important fields that Samsung dominates is mobile world.

In every country, many Samsung mobile models are available. Samsung in the Mobile Market World Samsung Company works in different markets and mobile market is one of them. Telecommunication covers many working areas such as computer, MP3, laptop and mobile. The statics show that Samsung is the second biggest brand in the mobile market world. Samsung started to play an important role in the mobile market world in the late 1970s. However, Samsung developed its first mobile only in 1988. For some innovations, Samsung Group worked with Motorola and new models come one by one.

In the late 1990s, Samsung Group was a part of global market. The group exported mobile models to many countries. Since then, Samsung Group continues to develop itself for a better position in the mobile market world. Samsung Mobile Models Samsung produces so many models that the group categorizes mobile models: Essential and Business, Multimedia, Connected, Style and Infotainment. All these categories serve for different purposes of

mobile users. Just have a look at them and choose the most suitable one for you.

Touch Series is the latest product of Samsung and these Samsung mobile models are Star S5233, UltraTouch S8300, Pixon M8800, Omnia i900 and innov8 - i8510. If you are looking for a touchscreen mobile model, keep these options in mind. Samsung has many other models. Their features are various and you find something suitable for you for certain. Here some other Samsung mobile model options: Samsung C450, Samsung M620, Samsung M8800, Samsung C260, Samsung D900i, Samsung i780, Samsung i560, Samsung M620, Samsung M310, Samsung G980, Samsung J800, Samsung G400, Samsung M150, Samsung i550W, Samsung B220, Samsung B520, Samsung L700, SamsungF210, Samsung F250, Samsung B130, Samsung B530, Samsung B200, Samsung E250, Samsung U100, Samsung U800, SamsungE740, Samsung D880 and many others.

From that humble beginning Samsung has evolved into a brand that resonates with global leadership in various industries including IT, shipbuilding and engineering, just to name a few. Of numerous success stories, that of our Samsung Electronics affiliate is truly an amazing one. Samsung Electronics' English blog Samsung Tomorrow is running a series on the company's more than 40 years of history and we'd like to walk you through some of the highlights of the company's milestone achievements. The Birth of Samsung Electronics On Dec. 0, 1968, Samsung's founding Chairman Byung-chull Lee and other executives gathered for a meeting where a crucial decision to enter the electronics business was made. Thus on Jan. 13, 1969, Samsung Electronics was born. By November 1970, Samsung succeed in

producing 12-inch black-and-white TVs, and just two months after the production it exported the TV sets to Panama. Mass Production Begins In 1972, Samsung set up a Braun-tube bulb factory and after extensive investment and expansion of production lines, it also established two black-and-white TV lines with a capacity to produce 480 thousand TVs a year. Line of Products

As Samsung established its own production system and accumulated technology, it pushed to produce its own TV model. And in April 1973, the first Samsung-developed TV product was born: the 19-inch transistor black-and-white Maha 506. Following the success of the Maha 506 TV, Samsung expanded into other electronics categories such as refrigerators, air conditioners, washing machines, fans, electric stoves and more. Samsung reached the 5 million milestone in the number of TVs produced in December 1978. In May of the same year, Samsung had already expanded its black-and-white TV lines to become the world's No. 1 manufacturer. Also in December 1978, Samsung's overall exports reached 100 million dollars. Semiconductor Business Samsung Electronics merged Samsung Semiconductor in January 1980 in a combination that helped create synergies in production of both electronics and semiconductor parts. The merger set the foundation for Samsung to become a global leader that it is today in semiconductors. Global Expansion Samsung Electronics America was established in July 1978 as Samsung Electronics' wholly-owned subsidiary and set up its own service system in the country.

Samsung Electronics' first overseas manufacturing subsidiary was set up in Portugal in 1982. The global manufacturing network expanded to include the

U. S. in 1984, the U. K. in 1987 and Mexico in 1988. Semiconductor Breakthrough In October 1984, Samsung introduced the industry's first 256K DRAM, just three months after it successfully developed the 64K DRAM. Production of the 256K DRAM - a technological breakthrough only a handful of companies globally were able to muster - marked a defining moment for Samsung in its growth as a leading semiconductor manufacturer.

For many, the name Samsung is not synonymous with car making but the fact of the matter is that the South Koreans over at Samsung have been involved in the motoring business for a while now. Despite the fact they are not as well known as other Korean car brands (Kia, Hyundai and SsangYong), Samsung Motors has managed to make a name for itself. The brand was founded in 1994 but it wouldn't be until 1998 that the first car rolled out of the factory door. By that time, South Korea was deep in an economic crisis that took over the entire Asian continent.

In order to keep the company alive, Samsung was forced to seek a partner, so in 1998 it began negotiations with French car maker Renault. The take-over was finalized in 2000, when Renault bought 70% of the company stock for the sum of \$512 million. Kun Hee Lee, the founder of the Samsung empire decided to enter his company in the car-making business because he thought he would supply it with the help of his other subsidiaries, Samsung Electrics and Samsung Electronics. Not a bad idea on paper, but as soon as the crisis hit, he was forced to sell.

At that time, several Korean car companies seemed interested in the deal, including Daewoo and Hyundai, but it was Renault who won in the end, particularly because of the close tie between Samsung and Nissan, of which

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Renault was now a major stockholder. Nissan's partnership with Samsung included engines and technical support as well as valuable expertise. This means that today, most of the models that have appeared under the Samsung brand name are based on existing Nissan models. For example, the SM3 is based on Nissan Bluebird, the SM5 on the Nissan Cefiro and Nissan Maxima and the SM7 on the Nissan Teana.

Renault has made had little influence on the brand in general and analysts think that Samsung acts only as a way for the French to break onto the Asian car market. Regardless of the role it plays right now in car production, Renault will continue to keep the Samsung brand name until 2020 due to a license agreement. Leveraging the Brand from B2C to B2B :- Samsung is a Korean industrial group with a product portfolio ranging from electronics, finance and construction to other services. It successfully internationalized its business from local to global. Samsung is headquartered in Seoul, South Korea. It is ranked as number 20 of the 100 most valuable brands worldwide carried out by Interbrand in 2005. This is an increase of more than 100% since 2000 with brand value rising from US\$5.2 billion up to US\$12.5 billion. In 2005 the company had 175,000 employees and an annual turnover of US\$43.6 billion. Innovation and premium branding helped Samsung to achieve profits of US\$10.5 billion the same year. Exporting dried fish and vegetables Samsung was founded in 1938 and started large scale manufacturing in the late 1950s in various industries.

In 1978, Samsung Semiconductor became a separate entity producing for the domestic market. With the development of a 64K DRAM (Dynamic Random Access Memory) VLSI chip (Very Large Scale Integration electronics

chips ) it expanded globally. In the financial crisis in 1997, Samsung was facing US\$20 billion in debt and had to slim down the company by more than 100 non-essential businesses in a restructuring process. It kept only 47 affiliated companies and strategically re-focused on four technical components: displays, storage media, random access memory (RAM) and processors.

The restructuring process led Samsung also to focus on core businesses. It restructured its business into four strategic business areas - Home Network, Mobile Network, Office Network and Core components - that support network products. Samsung implemented a clear mission and vision across all core businesses: Vision : " Leading the Digital Convergence Revolution" Mission: " Digital e-Company" , i. e. a company that leads the digital Convergence Revolution through innovative Digital Products & e-Processes. Also, Samsung focused on developing pioneering products and technology in semiconductors, telecommunication devices and home appliances field, which on the long-term made Samsung a most competitive total solution provider in digital convergence. The strategy to develop new markets and new approaches has led Samsung to become a brand-led technology innovator. Its specialty is to focus on its customer needs and to adapt quickly to changes in consumer preferences. Simultaneously to the reorganization of its business units, Samsung established an intensive internal change management process - where marketing activities were bundled under one Corporate Center.

With more technology advancements than our market can handle at this point and time, Samsung has paved the way for the future in electronics. One

of the most popular new “toys” in the market today, is the unbelievable 3D TV. The first 3D TV was launched in March of 2010, and has already had a major impact on the market. With the release earlier this year, Samsung dominated the market, controlling nearly 90% of the total share. Samsung’s product, the 9000 series TV, is incomparable to competition with its ultra-thin screen, measuring only 0. inches in width. The 9000 series also comes with a full color spectrum that makes for an incredible viewing experience. Although Samsung is dominating the 3D market, we still have very detailed strategies and tactics that we believe will give us an increased competitive advantage over our competition. The company’s main emphasis the past couple years has been on integration, union, and encouraging innovation. Samsung is always preparing for the next big item to hit the market, which is why their technology is so far ahead of all leading competitors.

In the future, we plan to enter the 3D video gaming market with a partnership with Microsoft. This will give us access to all of Microsoft’s gaming technology, in which we will combine with our quality of sound and viewing stations to create the ultimate gaming experience. Of course, throughout our journey through this market, we will continue to provide the best ad campaigns for the public so that they will never forget our product. We will put as much prominence as possible in the sleek design and the one of a kind ultra-thin panel, only available in the Samsung 9000 series.

By having an effective ad campaign, we will be able to catch the eye of many different target groups. Our major target groups are men around the ages of mid twenties to late thirties, Caucasian males, with a new and growing family. Studies show that this category is more likely to buy the TV,

along with a gaming system, than other aged males. We are also targeting “CubeTubers”. This is a group that consists of young people who grasp onto new technology quickly. This group is a large part of the 3D TV market right now.

If the discussed strategies and tactics are successfully carried out, Samsung and the 9000 series 3D TV, will hold the top spot in the television market for years to come. When this market starts to decline, Samsung has the technology ready for the next big wave of televisions, 3D TV without glasses.

1 “ Inspire the world, Create the future. ” 2. 0 Situation Analysis 2. 1 Samsung Electronics’ Vision Statement: “ Inspire the world, Create the future. ” These six words coined the vision statement for Samsung Electronics (SE) in early 2010 in correspondence with the release of its first 3D television.

This vision statement is a part of SE’s “ Vision 2020” plan, and is considered the motto of the decade for the industry leading organization. This new vision captures Samsung’s dedication to inspiring its communities by leveraging Samsung’s three crucial strengths: “ New Technology,” “ Innovative Products,” and “ Creative Solutions. ” It also promotes new value for Samsung Electronics’ core networks: Industry, Partners, and Employees. Samsung’s commitment, set forth through their vision statement, is to contribute to a better world and a richer experience for all. 2. 2 Current Strategy:

Samsung’s current strategy in the 3D television market is to seize a dominant market share while the market is being pioneered and to maintain the majority market share throughout the stages of the 3D television life

cycle. With the recent release of 3DTVs into the market in early 2010, the product is still considered to be in the introduction stage of the product life cycle. While Samsung introduced its new slogan, "Inspire the world, Create the Future," the company's strongest emphasis in the last two years has been on convergence and integration. Samsung has re-organized their corporation to encourage cross-pollination and innovation.

This is demonstrated by the progressive approach to the market that Samsung has taken, acknowledging the lack of immediate growth in the market, and innovating to prepare for the potential growth in the market. The current strategy being implemented is merely preparation for the growth potential in the 3D television market. Samsung realizes that the growth of the 3D television market is dependent on the volume of 3D content available. Due to the market's dependence on other industries to produce 3D content, Samsung has incorporated an effective plan to accelerate the availability of the content.

This segment of the current strategy was addressed by Samsung's recent partnerships with, 3D content industry leading, partners Technicolor and DreamWorks Pictures. 2010 Marketing Plan "Inspire the world, Create the future." This current strategy has been effective, considering that, as of October 2010, the aggressive early launch plan has assisted Samsung in acquiring an 88% share of the 3D television market in the U. S. Samsung's current strategy also includes the expectation that their dominance and innovation in the High-Definition Television(HDTV) market will carry over as the 3D content availability increases.

This current strategy can also be seen in Samsung's advertising efforts, as they launched a 12.25 million dollar marketing campaign in February in the UK. Currently, the strategy is established as progressive, meaning that Samsung is withholding the latest innovations from the 3D-TV market. Samsung has entered into a transitional phase, as they introduce the newest segment in the television market, and await the arrival of appealing 3D content to compliment their technology.

Samsung's previous strategies have thrived in the constantly evolving television market, innovating and pioneering new markets while developing breakthrough products at competitive prices. Samsung has positioned themselves throughout the past five years to dominate the next generation of 3D-TV market. Samsung's dedication to innovation in the flat-panel TV market has resulted in their ability to deliver the breakthrough products and superior values that will keep them at the forefront of the global TV market.

Samsung began their dominance of the digital television market in 2005 and retained their top position until 2009 when, greenhorn to the market, Vizio took the top spot. In 2005, Samsung achieved their first No. 1 Market Share ranking in the High Definition television (HDTV) market. Although they lost the No. 1 market share of Liquid Crystal Display (LCD) televisions, 2005 proved Samsung to be a step ahead of the competition. They performed well enough that year to earn the 27th spot on the "World's Most Admired Company" list by Fortune Magazine. 2007 brought Samsung the sixth consecutive year with the No. 1 market share for LCD screens. Samsung pioneered advanced 3D technology, launching a 3D DLP TV in 2007, and a 3D Plasma-TV for 2008. In 2008, Samsung led the global TV market for the third

consecutive year as they continued to intrigue customers with outstanding picture quality, elegant liquid-crystal bezel styling, and advanced interactive and connectivity options that allow customers to enjoy pictures, movies, and music from the Internet, their own home network, or USB devices.

In 2009, Samsung introduced the newest line of HDTV that was certain to be a 3 " Inspire the world, Create the future. " global hit, the Light Emitting Diode Television (LED-TV). The LED-TV lineup Samsung offered was the next advancement in LCD technology, replacing the conventional cold-cathode fluorescent lamp backlighting with eco-friendly LED backlighting. The result of this new market segment Samsung created was a full-featured TV with superior picture quality, stylish ultra slim enclosures, and dramatically lower power consumption. 2009 also brought success for Samsung's brand-recognition campaign as the Samsung brand entered Fortune's Top Ten list of the World's Top Global Brands. Samsung forged a new market by launching their elegant and revolutionary, Light Emitting Diode (LED) television. Worldwide, Samsung sold 30 million flat-screen television sets, maintaining the No. 1 market share of Flat Panel TVs (FPTV) the fourth year running. Such achievements firmly establish Samsung's leadership both in popular demand and in producing top-quality products.

In March 2010, Samsung was the first company in the world to market a full HD-3D LED-TV, reinforcing the organization's leadership within the industry. Although Samsung is a world leader in the television market, the product mix has more depth than simply home entertainment accessories and cell phones. The TV business and the Mobile Phone business, are key components in the Samsung Business Portfolio. The TV business holds the

top position in the current market. LEDTVs, which has shown explosive growth in the latest market, is a flagship product within the TV business.

LCD TVs and Monitors have also maintained top positions in their respective categories. Samsung seeks to sustain leadership through constant innovation and development in new technology, such as 3D. Samsung also inherits a world leading Semiconductor business unit, from which they transferred 300 engineers to the TV business unit. This transfer relocated the top performing engineering team in the company, providing the employees with healthy performance bonuses every year, and keeping the TV business unit highly productive and competitive.

This in-house access to human capital has allowed Samsung to maintain the top position in the marketplace. 2010 has undoubtedly been the breakthrough year for the revolutionary 3D TV technology, assuring a very busy year for Samsung. With the release of Series 7000, Series 8000, and Series 9000 (LED-TV) televisions, Samsung has garnered high media and consumer praise for perfectly reproducing the range of full HD 3D images and delivering "true-to-life" and "easy-on-the-eyes" picture quality.

Samsung has been charting the future of television through their 3D TV releases, of which include LED-TV, LCD-TV and Plasma-TV as well as 3D Blu-ray players, 3D home-theater systems and total 3D solutions that combine 3D active glass with 3D content. Samsung's current strategy is to enrich the television experience and the power of the products by maintaining the superior picture quality. SE has also begun to enrich a deepened value to customers by continued communications and by differentiated products,

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such as expanded Internet-TV features and the launch of the Samsung application marketplace, “ Samsung Apps. These strategic efforts strengthen the premium brand image Samsung looks to uphold and assists them in seizing and maintaining the No. 1 market share ranking. With competitors simply following the trend of Samsung’s break through innovations in the market, saying that Samsung is a step above the competitors would be an understatement. With the 3D TV market segment being introduced, several companies have identified it as the next big trend in the home entertainment market and aim to capitalize on the potential growth by entering the market.

Some of the top competitors are Sony, LG Electronics (LG), Mitsubishi Electronics, Vizio, and Panasonic. Currently, none of Samsung’s competitors can offer a product to rival the picture quality of the Samsung. Companies like Vizio, however, look to undercut the quality aspect of Samsung’s product by offering a cheaper, lower quality, alternative product more accessible to mass market. Samsung will eventually see significant competition in the 3D TV market. Their greatest competition may come from their most recent prominent competitor, Vizio.

While Samsung maintains quality as a major selling point, Vizio’s focus is to appeal to the mass market by lowering their quality standards so they can sell the product for less. Vizio is a market share leader but an innovative follower, in a market where consumers will be forced to pay for the new technology and will appreciate the quality due provided by Samsung, which in turn will negatively impact Vizio. At Samsung, creativity, collaboration and excellence are the hallmarks of leadership. Samsung has attracted the world’s most talented managers as they work 5 “ Inspire the

world, Create the future. continuously evolving the company's culture to better support their employees. Samsung fosters innovative ideas that advance technology, creates new products, and improves the everyday life of their customers. The organizations leadership consists of veterans of the Samsung brand. Most individuals in top positions have spent well over thirty years with the organization. This employee retention indicates stability and accelerates growth within the organization. Samsung is a very customer oriented organization, offering product support online, by phone, or in stores.

Samsung's current strategy, taking a transitional approach to the 3D TV market, while launching several new advertising campaigns to increase awareness of the new technology, can be seen as very effective due to the role they play in the market. Understanding the potential growth the market will see, Samsung has taken innovation to the next level by developing several different 3D products, which could eventually lead to them attaining complete 3D TV market dominance. The environment of the Samsung organization needs innovation and creativity, allowing Samsung to develop products and that will move them a step closer to their goal of maintaining dominance of the 3D market.

2. 3 Consumer Profile: With the development of 3D TV technology, Samsung's target market is easily identified as the Early Adapter. An early adapter is a consumer who has a very quick rate of diffusion, the rate at which the market accepts a new product or product idea. One Strategy Analytics Survey identified "Cube Tubers" as the most likely consumers of products available in the 3D TV market.

These early adopters to new technology, are usually affluent young men who have redefined cool from having fast muscle cars, to being good at computer games. "Cube Tubers," are twice as likely to express interest in receiving 3D TV programming at home. These consumers represent a rather small eight-ten percent of the overall population. They are most likely young, mid-twenties to late thirties Caucasian males, educated and married. They seem to be the most likely candidates to show interest in buying the newest generation of the television market.

Along with the "Cube Tubers," the broader target market tends to be families with young children. Understanding that children are more likely to show interest in the 2010 Marketing Plan "Inspire the world, Create the future." development of 3D technology, Samsung and other companies will try to appeal to the children with the intention of captivating the market of families with children between ages two and fourteen. One common factor of all 3D product consumers is their likely geographic location. The target audience for 3D TVs will mostly be found in or near bigger cities.

These locations must be considered the prime market areas due to the likelihood of the availability of 3D content in urban areas rather than away from cities in the more technologically constrained rural areas. Most consumers of 3D TV products will buy them via e-commerce with fewer buys being made in retail stores. Most e-commerce suppliers offer free, or cheap installation and deliveries. Supplying more convenience to the consumer than the average retail store. With the majority of the sales in the 3D TV market e-commerce,

Samsung will still be selling a significant share in high-end electronics stores such as Best Buy (US) and HH Gregg (US). When defining the psychographic segmentation of the consumers of this market, Sue Shim, Chief Managing Officer, Samsung, defined the target consumer as someone “ immersed in the TV experience, an early adopter, and an individual who is a thought or opinion leader amongst peers. ” The individuals Samsung looks to target, value the home entertainment experience as prior generations would have valued an evening at the theater.

Samsung’s 3D TV product usage will increase as the content becomes more available, and Samsung has taken steps to accelerate the rate at which this 3D content arrives. In March 2010, Samsung announced partnerships with Technicolor and DreamWorks Pictures, two industry leading 3D content providers. With these partnerships, Samsung developed packages of products for the market incorporating 3D content from DreamWorks Pictures and Samsung’s 3D TV products, offering the consumers the full package for the ultimate at home entertainment experience.

This combination of content and product demonstrated the innovative practices at work within Samsung, and helped them achieve their goal of the No. 1 market share in the 3D TV market as it was pioneered. The only deterrents from the traditional patterns of purchase in the TV market are the decline in the current global economy and proximity of the latest transition in the television market to HDTV. The transition from standard definition to HDTV is still 7 “ Inspire the world, Create the future. ” growing and many questioned Samsung for the release of 3D TV while new market segments are still growing in the HDTV market.

The importance of customer service to encourage the growth of 3D TV industry is infinite. Samsung has established a plan to interact more with the target consumers and expose them to the products available. Market forecasts project sporting events in 3D will attract consumers, and with the release of content such as ESPN's new 3D channel, the potential growth for the market is opened to a new segment of 3D entertainment, the sports fan. Acknowledging that, Samsung took the initiative to begin demoing their available 3D TV products on site at sporting events at kiosks, offering fans the opportunity for exposure.

The seasonality of sales for Samsung is crucial, however they have identified the period between Thanksgiving and New Years, the fourth quarter, as their most prolific quarter of the year. Competitive Analysis Before comparing the products available from Samsung and its competitors, one must understand that many market forecasts have been done, predicting the potential room for growth in the 3D TV market share available. These forecasts also predict the total share of the market that the 3D industry will capture out of the entire television market.

Samsung has studied these numbers and implemented release plans and pricing strategies based on these market forecasts. The results of these forecasts are as follows: 6.2 million 3D TVs will be sold in 2010 (the launch of the market) representing three percent of the entire TV market. By 2014, forecasts project over 83 million 3D TV sets being in homes representing 31% of the entire TV market. Samsung has established 2014 as the next big year of releasing the next generation of 3D products such as 3D sets that do not

require the use of shutter glasses, eliminating another inconvenience factor the current market bears.

For comparative product analysis, we will use the most popular selling class of 3D television sets with the most beneficial and unique features. The 55" inch class is considered the most popular model of 3D TVs. For most competitors the model chosen is similar to that of Samsung, however the differences can be seen in the quality and the price. For Samsung the model was the 9000 Series LED 55" inch class 3D HDTV. This 82010 Marketing Plan 2010 Marketing Plan "Inspire the world, Create the future." model was released in 2010 at a Consumer Electronics Show and won the award for "Most Brilliant Innovation" for the industry that year. The 9000 series boasts an ultra slim. 31" design (the size of a pencil), it comes with a premium accessory package, cinema-quality 3D and groundbreaking picture quality for 2D content, and it is also a Smart TV with web-connected Samsung Apps. This product's slim design is accompanied by one of the most consumer conscious accessories introduced in the television market, the remote control.

The remote control for this set is a touch screen handheld panel that allows the consumer to stream live television to the remote even if you leave the room so you never miss a moment of your favorite entertainment. The quality and design of this product goes unmatched, as does its price, \$5,999. 3. 1 Sony Corporation Sony is a Japanese company that uses web advertising as a dominant feature. They offer different videos and PDF documents on their websites to help customers understand their business. Their videos offer different features about different products such as their TV's.

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When typing into Google, Sony does not come up first, however, Best Buy was one of the leaders, who sell Sony TV's. However their customer service falls short of SE according to consumer reports. The Sony product for the 3D TV market falls under its Bravia class, and sells for \$2, 999. Bravia boasts similar features, as most competitors have had no choice but to follow the trends of Samsung. Sony finds itself in the top five of the market share of the previous trends of the television market, usually in the top three until recently being bumped down to fifth recently in the FPTV market.

Sony seemingly finds itself in the television market as it finds itself in every other aspect of the entertainment market segments ranging from film production to MP3 players and gaming consoles. It is a large organization focused on improving current products and using other organization's innovations to take a share of the market. 9 " Inspire the world, Create the future. " 3. 2 Mitsubishi Inc. Mitsubishi Inc. is also a Japanese company with a Very broad product mix, and a marketing theory that anything is possible.

They Aim to release their 3D TVs mainly through private company sales rather than in nationally acclaimed retail stores like most brands. Mitsubishi has continued to use and perfect DLP technology, created by Texas Instruments, while Samsung has moved on from DLP and has released some beautiful Plasma, LCD and LED 3D TVs. Mitsubishi's difference is in its picture quality, although DLP offers great picture quality the technology has many drawbacks such as bulb placement and interior cleaning to maintain picture quality that hinder consumers from buying their product.

Mitsubishi is the most recent follower of trends by recently adopting the Smart TV idea and integrating Internet connectivity into the unit. This late

adaptation and constant need for upkeep to maintain picture quality and absence of variations in the products available in the 3D market limit Mitsubishi to a small marketshare. Concluding that Mitsubishi's broad range of products, and lack of resources available to consumers, equates to poor customer service practices. 3. 3 Panasonic Inc. Panasonic, another Japanese company, is another competitor finding its way to the top three market shares in the TV market.

Panasonic aims to be the No. 1 Green Innovation Company in the Electronics Industry by 2018, the 100th anniversary of their founding. After Samsung initiated an unexpected price war with Panasonic at the opening of the 3D market, they announced an expectancy to miss sales targets for the first year. Demonstrating Samsung's sound knowledge of good pricing strategies keeping competitors on edge. "No one can keep up" with price cuts by Samsung in the world's biggest TV market, Yoshiiku Miyata, a managing executive officer at Osaka-based Panasonic's, TV business, said in an August 30 interview with Bloomberg. "It's become unclear whether we can reach our target" of selling one million 3-D sets in the year to March 31," he said. Panasonic's product for the comparative analysis is the 55" inch class Viera, priced at \$3,350. Panasonic's premier 3D product differs in the backlight composition, opting to use plasma for the opening of the 3D market. With plasma however, comes the looming fear of having to replace the backlight in the 102010 Marketing Plan 2010 Marketing Plan "Inspire the world, Create the future." television as is necessary for plasma.

However, the LED backlight Samsung offers is far superior to the picture quality of a plasma television. The pricing strategy of Panasonic is in



question as well, considering the plasma technology is much cheaper to produce yet the price is similar to that of LED backlight set. 3. 4 LG Electronics Inc. LG Electronics is a Korean company. LG Electronics Inc. , ranking as the world's second-largest maker of flat-screen TVs, said it aims to strengthen its presence in the burgeoning 3D TV market, seeking to grab a share larger than its target for the liquid-crystal display (LCD) TV market.

LG is eyeing 25 percent of the global 3D TV market this year, which amounts to 950, 000 sales based on an annual market forecast of 3. 8 million units. That compares with LG's 15 percent market share target for LCD TVs, or 25 million units. " Considering the downward trend of (our) market share in the general TV market, it is our goal to lift our market share in 3D TV, which will lead the next TV market," Kwon Hee-won, executive vice president and head of LG's LCD TV business unit, told a press conference, declining to provide a specific sales target. LG had focused on the mass market.

Initially LG's objective was to create a footprint among the sizable middle class, and other than its aggressive pricing, there was little to distinguish it from other consumer durable companies. LG's premium product in the 3D lineup is the 55" inch class Infinia model, LED projection full 3D HDTV, priced at \$3, 970. One major drawback with this product is the label of being a 3D-Ready TV, in comparison to a 3D-Enabled TV like that of Samsung's 3D TV product line. This factor and the passive approach LG has in the television market will limit the shares they will get in this early phase of the 3D TV product life cycle. . 5 Vizio Inc. Vizio is a market share leader in the industry, but its claim to success is in its ability to follow technology and market trends. Vizio's vision is to be the industry leader in consumer electronics by

consistently delivering the latest technologies at the most affordable price. This mission allowed Vizio to take the No. 1 market share in LCD televisions in 2009, the first time in six years anyone but Samsung held the coveted ranking. Vizio also found itself in the 3D TV market soon after other brands such as Samsung pioneered the way.

Using the best of innovations other companies have had, 11 “Inspire the world, Create the future.” Vizio has developed cost efficient production methods that allow them to undermine the quality of the products slightly and the price for what they sell at significantly. Vizio’s product for comparison is the 55” inch class Full Array TruLED LCD 3D HDTV, this product sells for \$2,499. 4. 0 SWOT Analysis 4. 1 Strength A. High Quality Innovative Products - Brand Prestige Samsung’s 3D TV market products lead the industry as they have pioneered the launch of the new market segment in early 2010.

Samsung’s LED TV product line has earned the prestige of the best picture quality available in the market by Consumer Electronics Reports. Those very products are also leading the way in innovation in the way of style and appeal to consumers, as Samsung released the 9000 Series, which is the thinnest 3D TV available at .31 inches. Samsung is also working to lead the market by offering a range of top quality award winning products developed specifically for the 3D market. Samsung is a strong corporate brand known for its quality products and advanced technology use.

The brand prestige that Samsung looks to carry over from the LED, LCD and Plasma markets, hoping consumers will easily identify the brand and associate it with its high quality products from an organization dedicated to

providing market leading products. Samsung focuses more towards the innovations and tries to keep improving products to attract more consumers and capture more market share. Hoping to captivate the interests of more target consumers, SE demonstrates its aggressive approach to accelerating the diffusion rate of the 3Dmarket by offering over a third of their LED products as 3D enabled devices.

The robust market position coupled with strong brand equity imparts significant competitive edge to the company regarding scale and recognition, which in turn augers well for the company's expansion plans. B. Availability of Resources 122010 Marketing Plan 2010 Marketing Plan "Inspire the world, Create the future." Samsung recently transferred 300 engineers from their very prominent semiconductor business unit within the organization, and established a new television business unit. The relocation of these engineers has allowed SE to develop market products far beyond the technology and innovative capacity of competitors.

SE's semiconductor business unit from which they transferred those engineers, is successful enough for competitors in the television market to buy the technology from SE to use it in their own products. Companies like Sony and LG, SE's biggest competitors in the 3D market currently buy their semiconductors used for production of their 3D TVs from Samsung, giving SE the ability to dictate the technology used by its competitors. With control over competitors technology SE can assure their dominance of the 3D TV market share, by staying a step ahead of the competition selling their technology SE has been using for some time.

C. Constant Focus on R; D Samsung Electronic has been regularly strengthening its research and developments (R; D) function. The company devotes significant resources and attention to develop consumer-preferred products with innovative and distinctive features. It is evident from the fact that, the company invested approximately 5. 0% of its revenue in R; D activities over 2008 and 2009. The company plans to enhance the spending to nearly KRW9, 300 billion (\$7 billion) in 2010, up from KRW7, 600 billion (\$6billion) in 2009.

The company has deployed nearly 42, 000 people in the research activities across its 42 research facilities around the world. These efforts in R; D have allowed for SE to develop technologies for products such as a 3D TV that doesn't require glasses, which has been developed but Samsung is waiting to develop the market and for competitors to catch up. Further, the company owns several research centers across the world. Its R; D network ps six centers in Korea and 18 more in nine other countries, including the US, the UK, Russia, Israel, India, Japan and China.