

Samsung mobile: 5 forces analysis report samples

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Competitors

Industry landscape of global mobile phone sector is characterized by presence of a large number of existing players. The two largest ones, however, are Apple and Samsung. Apple's model is focused on capturing the largest share of profits the industry is making, while Samsung appears determined to be the market leader in terms of share.

A number of players with rather localized (but robust nonetheless) focus such as Xiaomi and Huawei are also beginning to have their presence felt. On the other hand, existing players that used to have significant market share (Nokia, Motorola, etc.) are losing out. These trends make for a highly competitive environment.

Buyers

Buyers of smart-phones tend to belong to younger demographics - a trend that holds true across international borders. Due to plethora of different options that are available to the end consumers, the buyers yield significant power, as there is virtually no switching cost for them.

Suppliers

Smartphone suppliers can be divided into software and hardware categories. As far as the software supplies are concerned, these are primarily controlled from three sources: iOS by Apple, Windows by Microsoft-Nokia, and Android by Google. (Although Android is technically open-source, it is held up as Google's thing). Given that smartphone companies have included operating systems development into their core operations (or have formed strategic

alliances to achieve this end), there is evidence of backward integration and loss of control that suppliers might have exerted.

On the hardware side, however, suppliers wield significant clout. Due to technology-intensive nature of the components, most of these are designed by Japanese companies with whom smartphone companies have strategic relationships.

4. New Entrants

As existing players have consolidated their grip on the market, entry barriers are quite high both in terms of huge capital expenditure needed to enter the market and strong technical expertise needed to respond effectively to the rapidly-changing consumer demands. The threat posed by new entrants, therefore, is weak.

5. Substitutes

It is not conceivable at the moment of that any gadget can fully substitute functions that smartphones offer. Smartphones, by their very nature, are highly scalable and ‘future-proof’ products. If there is a functionality that is not offered by existing breed of smartphones, chances are that instead of paddling it through a new product, the marketers will identify smartphone as the most effective vehicle to introduce it. Threats by substitutes is weak.