

# Swot and market analysis for acer and sony



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Support sales activities by the understanding of Acers and Sonys customers businesses better. Qualify the prospective of their partners and suppliers. Keep fully up to date on Acers and Sonys competitors business structure, strategy and prospects. Finally to obtain the most up to date on both Acers and Sonys company information available.

## **Scope**

The scope of the report is to provide all important information on Acer and Sony required for business and competitor intelligence needs. It contains a study of the factors affecting Acer and Sony in the form of a SWOT analysis as well as a breakdown examination of leading product revenue streams of Acer and Sony. The data is supplemented with Acer's and Sony's history, key executives, and business description from Acer and Sony.

## **1. 4 Background**

### **1. 4. 1 The background information of Sony Corporation**

The founder of the world famous Sony Corporation is by Akio Morita and Masaru Ibuka. The company was first established on 7 May 1946. The first name of the company was “ Tokyo Telecommunications Engineering Corporation”. Later, in 1958, the organisation's name was changed to Sony. Sony is an innovative company because it has brought many new products to the markets. It has introduced products such as the portable stereo or cassette player (the “ Walkman”) and the compact disc. In 1949, Tokyo Telecommunications Engineering Corporation completed the research on magnetic tape recorder. One year later, “ Sony Tape” (the first recording tape) and “ G-Type” (the first tape recorder) were introduced to play magnetic tapes. In the 1960's, Japan had a reputation for low quality goods.

To counter this, Morita moved to New York to learn the language and understand the consumers. He encouraged his executives to learn English to ensure that Sony was to be regarded as a global corporation. In its early years, Sony was licensing transistor technology from Bell Laboratories. Within 4 years of obtaining this license, Sony was manufacturing compact transistor radios and the company continue to be successful until today!

### **1. 4. 2 The background information of Acer Corporation**

Acer was founded in Taiwan by Stan Shih, his wife Carolyn Yeh, and with five other developers. The Microprocessor Training Centre was established by the company which was created in 1978. The purpose of this Microprocessor Training Centre was created is to train and prepare three thousand engineering to work in the Internet Technology field. Acer was the first transnational corporation manufacturer of electronics in Taiwan. They also happen to own the largest and the first computer retail franchise chain in Taipei, Taiwan. Finally in 1987, the company changed the name from Multitech to Acer. It has become the third largest PC technology brand names in the world behind Hewlett Packard and Dell incorporated. The Acer began with a small company which only consists of eleven employees at a small capital. Acer Company has become bigger and better. In year 2007, the sales of the Acer Company topped fourteen billion and the company has been ranked in the second place. However the company is not totally without any problems. The markets in North America have been slipping over the last few years.

The Acer Company also makes large variety of products such as desktops, notebooks, monitors, storage devices, digital camera and etc. The company

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will also continue to develop the newest technologies available today to improve computer products and services to bring benefits to the users.

## **Findings**

### **2. 1 Survey**

#### **2. 1. 1 Number of people who prefer Sony and Acer**

The bar chart shows the number of people who prefer Sony and Acer. As we can see from the research, there are many people prefer Sony and Acer.

More male like Sony brand compare to female.

#### **2. 1. 2 Quality of Sony and Acer**

This bar chart shows the response of the people about the quality of Sony and Acer. There are more people satisfied with quality of Sony compare to Acer. However, the numbers of people who are unsatisfied with the quality of both brands are less than 5 peoples.

#### **2. 1. 3 Customer Service**

This bar chart shows the response of Sony and Acer customer service. There are more than 40 peoples out of 50 are satisfied with Sony customer service. Besides, there are many people satisfied with Acer customer service too. As we can see, there are only a few people unsatisfied with Sony and Acer customer service.

#### **2. 1. 4 How do people first discover Sony's and Acer's products**

This bar chart shows that how do people first discover Sony's and Acer's products. According to the bar chart, many people first discover Sony's

products through advertisement compare to the others. However, much more people know about Acer's products are through promotion in the shop.

## **2. 1. 5 Improvement should be made to Sony and Acer shop**

This bar chart shows the response from the customer that improvement should be made to Sony and Acer shop. Both Sony and Acer customers would like the shop to improve the quality of the product. Customer service also needs to be improved to do better.

## **2. 2 Interviews**

### **2. 2. 1 Interview with Nelson Chai, Fuho Electrical Sdn. Bhd. Sales Manager**

#### 2. 2. 1. 1 Factors that make a successful business

Acer has a higher sales rate compare to its competitors such as Sony because its products have many variety of model to choose from compare to Sony's products. Besides that, Acer targeted smaller countries in South East Asia and distributing their goods there.

#### 2. 2. 1. 2 Marketing strategy

Promotions and discounts of the products are used by Acer Company.

#### 2. 2. 1. 3 Targeted customers

Seniors and businessmen were Acer targeted customers.

### **2. 2. 2 Interview with Dr. Yong Fung Lan, lecturer of Swinburne University of Technology (Sarawak Campus)**

#### 2. 2. 2. 1 Ways to attract customers

We should get a famous celebrity to do a promotion. Organizing of event, like the colouring or drawing competition, quiz and others can attract customers. We can also emphasize the latest product via video.

#### 2. 2. 2. 2 Factors that made a successful business

The inner networks must be cultivated by organizing proactive activities such as regular meetings with employees to discuss problems and solutions and seed grants (money) for employees to do their research. The employers could also organise some recreational activities that can foster the camaraderie among employees such as sports, board games, and social gatherings. The usage of intranet can encourage staffs to share ideas among each others. We have to know the needs of the customers because the information concerning customer's needs is crucial the business success. Good teamwork is also important to made a successful business.

#### 2. 2. 2. 3 Ways to sustain business for 10 years

A business can be successfully sustained for 10 years through proper management. The improving of the products and services to meet the changing needs of the customers. We should generate up to date and relevant information concerning different groups of customers as well as the latest products available.

## **2. 3 Secondary Sources**

### **2. 3. 1 SWOT Analysis of Sony**

Strength

Sony's greatest strength is its ability to produce good quality products to their customers. The first impression that people think of the company products is its good quality and high technology electronic goods. Besides that, Sony has the ability to be successful in several different markets such as in the field of PC market, television market and etc.

### Weakness

Sony's weakness is that its product, which is the PS3, is not successful because the engineers only focused on digital technology when creating PS3. It can only be viewed through high-definition television. The price is also expensive. Besides that, Sony's Company management is not well organised.

### Opportunities

When designing products, like Sony Ericsson, Sony ensure that their products are perfect and developed completely. Sony Corporation concentrates more on design section when it comes to mobile communications products. In addition to that, Sony Corporation has tried to use different marketing strategy to advertise and promote their products.

### Threats

Sony Corporation faces competition from other companies such as Samsung, Sharp, Panasonic, Dell and others. The imitation of technology and counterfeit products also affects the sales of the company. The lack of differentiation or switching costs from other competitors is also a threat to Sony.

## **2. 3. 2 SWOT Analysis of Acer**

### Strength

Acer's greatest strength is its ability to develop its own brand for international market. The company has strengthening the profits through lower materials cost and greater operational efficiency. Besides that, Acer also offers work opportunity to people.

### Weakness

The first impression that people thinks of the company products is its low quality and low prices products. Acer's Company does not have a strong brand name. In addition to that, Acer's Company also lacks of employees who are experienced and knowledgeable in handling the structure and organisation of the company.

### Opportunities

The cost of the labour in Taiwan was low. Hence, Acer is able to made greater profit than other company. Acer was good in distributing their goods in the markets. Smaller countries in South East Asia were their target as there were not many competitors.

### Threats

Acer Company faces competition from other companies such as Samsung, Sharp, Panasonic, Dell and others. Competition in IT industry is strong.



## **Analysis**

### **3. 1 Factor that make Sony Corporation Success**

#### **SONY Marketing Strategy**

Sony has a good marketing strategy to attract the customers to purchase their products. By using advertisements, SONY has advertised its products through television channels, newspapers, brochures, and magazines. Besides that, Sony has its own channel called the Sony TV channel. Sony also uses some events like Miss India 2008 to promote its products and direct-response advertising is done through direct mail or catalogues. In addition to that, Sony also gives free discount, rebates, coupons, and scratch cards to its customers.

#### **SONY Place (Distribution)**

Sony Company has many strategies to distribute their goods. Sony normally target developing countries to distribute their products as the customers have a higher income. Hence, this will increase the sales of Sony Corporation.

#### **SONY Price**

The price of Sony's products are always made in consultation with marketing management because the price is the only marketing mix variable that can be altered quickly. The pricing of Sony products is ranging from medium to high. For examples, VAIO SR, boast on the excellence in mobility and perfection in performance. This laptop was designed for businessmen and its price is around Rs. 75, 000.

## **3. 2 Factor that make Acer Corporation Success**

### **Product design and development**

A product with good design can attract many customers. Every new product and every new development process starts with an idea generation. To produce a large amount of new products, creative and innovative thinking is needed to generate new ideas.

### **Customer Service**

A company can differentiate itself from their competitors and also build their customer loyalty through an effective customer service. So, this is why customer service is crucial for a company. A good customer service can give a good experience to the customer in order to build a strong relationship between the company and the customers.

### **Sales and marketing**

One of the factors for a company to success is doing promotion such as get a famous celebrity to do promotion, giving free gifts to the customer and etc. Good promotion of the product can attract many peoples to buy it and increase the sales of the company. Advertising is also one of the factors too. There are many ways of advertising such as advertise through television, hanging banners, and etc. Meanwhile, Acer Company also expands their sales in the foreign market.

### **Location**

Acer Company has found many strategic places to start their business. The location they start their business has lots of parking. So, the people who visit their company will be easy to get a parking place without wasting their time

finding place to park. They start their franchise shop at the place where many people like to visits such as shopping mall or at a famous area.

### **3. 3 Hard work and planning**

#### **3. 3. 1 Hard work and planning of Sony Corporation**

The employees of Sony Corporation work hard to ensure that their company is successful. Besides that, Sony Corporation held regular meetings with employees to discuss their problems and solutions. The employers of Sony wanted their employees to be responsible and they encouraged independent decision-making. The principle of the company is that it expands its range of business in different field and at the same time expands its workforce. Sony wants the best out of everything (from planning until the design of the products). The usage of intranet encourages staffs to share ideas among each others.

#### **3. 3. 2 Hard work and planning of Acer Corporation**

The employees of Acer Corporation work hard to ensure that their company is successful. They always have a regular meeting to discuss the problem they faced and find a solution to change it. The employers of Acer want their employees to have more creative and innovative ideas to share among themselves to invent new products. The employees also had been encouraged doing more research to get information about others successful company.

### **3. 4 Ways for a business to success in the next ten years**

#### **3. 4. 1 Ways to ensure that Sony Corporation will be successful in the next ten years**

Sony Corporation has continually improved the products and services to meet the changing needs of the customers. Their engineers kept on improving their products quality to meet the expectation of their customers. In addition to that, Sony also generates up to date and relevant information concerning different groups of customers as well as the latest products available.

#### **3. 4. 2 Ways to ensure that Acer Corporation will be successful in the next ten years**

Acer Corporation has continually improved the products and services to meet the changing needs of the customers. Their engineers kept on improving their products quality to meet the expectation of their customers. In addition to that, Acer also generates up to date and relevant information concerning different groups of customers as well as the latest products available.

### **Conclusion**

The survey results have identified that more people prefer to choose Sony's products compare to Acer's products. The services provided to client at Sony's shops and Acer's shops in general are adequate. The products of both the company is doing well and the range is good. Based on the analysis of Sony Corporation and Acer Company, it can be shown that the marketing strategies of both companies are sufficient to customer needs. These two companies will continue to be successful in the next ten years as these were the result of hard work and planning of both the companies.

## **5.0 Recommendation**

To make a successful business, it is recommended that:

Regular meeting to discuss problems and solutions which need to change.

Use experience and skillful staffs.

Encourage all the staff to generate and share their ideas among others.