

# [Sony case analysis](https://assignbuster.com/sony-case-analysis/)

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Through years of innovation, Sony has developed high-quality products that consumers desire and established a number of cultural meanings for itself.

Consumers see Sony as a manufacturer that produces high-quality products that are innovative and push the marketplace forward. Motivated and creative, Sony brings cutting-edge technology from Japan to America. They are mostly responsible for Americans perceiving products made in Japan as high-quality (Peter, 2010, p. 307).

Sony is also perceived as insular for pushing proprietarily technologies instead of ndustry standards.

Even though this has caused turmoil in the marketplace, it has also led to further innovation (Eaton, 2009). With an innovative history, Sony is becoming a household name that is instantly recognizable. This has allowed Sony to focus on creating needs in consumers, as opposed to only filling existing ones. Sony has been successful at adapting new technologies and marketing them in a way that create needs in customers.

Sony’s marketing strategy has been to create attractive advertising that connects the consumers’ emotions and creates brand awareness. Some of the reason people buy their products is their reputation for being innovative, reliable, and of the highest quality and their advertising reflects this.

The most important reason people buy Sony products is the meaning of the products to the consumer. For example, the Walkman empowered consumers to listen to whatever they wanted wherever they were; it was not the device, but the social practices associated with it that made it so popular (Du Guy, 16).

By acting as a portal for people to gain enjoyment from possessions like music, movies and games, people uilt a relationship with Sony’s products (Peter, 2010, p. 307). Consumers extended the goodwill they had for the media onto the media player and developed rituals around the device.

2. As time changes, so does the culture shift. Sony’s marketing strategy has benefitted from the shrinking differences of the world. Culture is defined as the shared thoughts, perspectives, values and meanings in a society (Peter, 2010, p. 290).

From a global perspective, Sony consumers in America and Asia have similar cultural ideas.

Take for example both Asian and American cultures having a core value for achievement and success. They also value material comfort, indidivualism, youthfulness, fitness and health (Peter, 2010, p. 282). Both Asians and Americans value fast and efficient products that allow them to communicate with others quickly.

Many consumers utilize popular name-brand products for everyday use. Technology plays a big part in our culture. From a global macro-level perspective, internet use and products that link consumers to the internet are highly consumed in the United States and other countries.

With most countries consuming the same Internet and similar technological products and services, this gives proof hat most countries share the same cultural meanings (Peter, 2010, p. 290).

The similarities in cultural value support the argument that our society is becoming homogeneous. From a marketing perspective, this allows Sony the ability to implement the same marketing strategy. However, some challenges Sony might tace woul d be the tact that they are not equipped to meet the demands ot a changing cultural environment.

Sony has primarily marketed itself on a regional basis and has only made limited partnerships with companies on an international board (Peter, 2010, p. 319).

In addition, Sony has failed to build alliances with American-based cable networks, hindering the development of home Internet services (Peter, 2010, p. 318). 3. Sony is a company that produces and sells primarily electronic and digital entertainment products. Consumers in the age range of 15 to 40 years are the primary buyers of these products (Peter, 2010, p. 318-319).

As of July 2013, almost 48% of the Asian population represents this age group (“ Population”).

Acknowledging this statistic, it is not surprising that Sony has traditionally targeted their marketing specifically to this region. However, with the ever-increasing percentages in this particular age range, and in general population worldwide, Sony may be better served by working to create a more uniform global image. In order to develop an international marketing strategy, companies need to consider the implementation of one of three types of approach: adaptation to each culture; standardization across various cultures; or using a marketing strategy to change the culture (Peter, 2010, p. 12).

Sony clearly understands cross-cultural differences, as shown by there almost 50 country-specific websites (Peter, 2010, p. 319). Though consumers across the globe have cultural differences, they also share many of the same or similar characteristics (“ Developing”), thus making it possible for Sony to obtain further benefits if they were to standardize their marketing strategy. Sony could use the same marketing strategy for all cultures, instead of a different strategy for each country.

This would result in a massive savings in advertising and marketing costs (Peter, 2010, p. 313).

If Sony were to market their products globally, instead of by specific region or culture, it could improve their product effectiveness, s a larger, worldwide population would be introduced to all of Sony’s products. The competitive advantage for Sony could be stronger by establishing themselves as a market leader in the global economy, which, in turn, would allow them to bargain with suppliers and open the door to further global Joint ventures (“ Developing”).

Developing a globally-designed marketing mix would also allow for a standardized advertising campaign to be rolled out over all regions, markets and cultures (“ Developing”), resulting in improved product effectiveness, but also creating increased consumer awareness. Clearly, one cannot dispute that Sony has been very successful with their region-specific marketing strategies. However, Sony is making an effort to change their strategy to include a more unified global focus, as evidenced by establishing selective alliances, embarking on a worldwide ad campaign, and in launching the Sonystyle.

om website (Peter, 2010, p. 318-319). 4. “ Unlike many U. S.

– based multinationals, Tokyo-based Sony traditionally has marketed itself on a regional, rather than a global, basis. Take, for example, that “ Sony has almost 50 different country-specific Web sites from which consumers can order roducts” (Peter, 2010, p. 319). By what is explained in our text, it is believed that Sony marketed its products to 50 countries in different ways. Each country is different which could indicate that each country is attracted to different ways of using advertising.

Sony created an online website called www.

Sonystyle. com which is an online outlet for selling different Sony products such as electronic products, movies, music, etc. This helps give a chance tor Sony to nave their products accessible to anyone and everyone. In 2005, Sony’s sales were $67 billion dollars; out f those sales twenty-two percent of sales came from Europe and thirty percent of sales came from the United States (Peter, 2010, p. 306). When Sony introduced the Playstation2 in 2000, Japan sold 1 million units within the first week.

At this time the Playstation2 was unavailable in the United States, but Newsweek featured the Playstation2 on its cover in the United States advertising the Sony Playstation and informing the public that the Playstation2 was produced and would be available later on in the year. This strategy of teasing the public gets consumers hyped up and excited about the product that was presently unavailable Peter, 2010, p. 318). One can determine that Japan was the testing country to see how profitable and popular the Playstation2 would be, having it available immediately.

Testing the water in Japan allowed Sony to tease the United States consumers of what was to come. If Japan sold 1 million units within the first week in Japan, one could only imagine what would happen in the United States with the anticipation and patience of waiting for such a wanted product.

5. Over the years, Sony has made various international alliances. One such example is when developing the PlayStation2. Sony collaborated withToshibain designing the Emotion Engine. In addition, Sony teamed up with Palm, Intel, and Cablevision for other developments.

These strategic alliances benefit Sony in many ways. Each of these entities is well-known and has strong brands that enhance their reputation. Sony is able to capitalize on the knowledge, meanings and beliefs associated with the other companies. For example, Dryers Ice Cream enhanced their sales by forming an alliance withNestleToll House to make Dryers Nestle Toll House cookie dough ice cream. Dryers Ice Cream is now known for good their cookie dough because they used a trusted source. This happened because consumers have positive cognitive beliefs about Nestle Toll House (Dreyers).

These beliefs add to the brand equity, which translates into value and increased earnings. “ Brand equity concerns the value of the brand to the marketer and to the consumer” (Peter, 2010, p.

131). Sony’s alliances with recognizable names such as Toshiba, Intel and Cablevision add brand equity. Sony conducts business in six continents. In 2005, Sony had the strongest sales in Japan with 31%, the US following with 30%, and Europe coming in last with 22% (Peter, 2010, p. 306).

Though Sony is known worldwide, they could benefit from nternational alliances.

One benefit of international alliances is having the ability to fill technology gaps that other companies with strong reputations have perfected. In addition, international alliances provide strong insight on local markets because they have in-depth understanding of its own markets. Different countries have different rituals. “ Rituals are symbolic actions performed by consumers to create, affirm, evoke or revise certain cultural meanings” (Peter, 2010, p.

289). For example, the acquisition ritual for purchasing and consuming products varies in different countries.

It is acceptable in some countries to drink beer in the afternoon while at work, where in other countries it is not. These rituals are important to understand, and international alliances can aid in that. Sony is headquartered in Japan and Intel is headquartered in the United States. Though both countries have distinct differences, Sony can apply Intel’s local knowledge to their marketing strategy to promote products in U However, Sony should become more aggressive in establis ng additional partnerships.

Many argue that Sony should deliver live cable and satellite roviders via the PlayStation (Spangler, 2013).

Microsoft, their main competitor, is set to launch that experience with the newest Xbox later this year. While Sony feels that this service is not one that their consumers are asking for, it is believed that if Sony does not develop this service they will fall behind on technology. Utilizing strategic alliances is a great way to avoid that. Having the all-in-one feel is important to many people.

There have been reports that Sony is in talks with companies, such as Viacom, to deliver some live television stations, but that will not happen this year.

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