

# [Samsung research paper sample](https://assignbuster.com/samsung-research-paper-sample/)

[](https://assignbuster.com/)[Business](https://assignbuster.com/essay-subjects/business/), [Company](https://assignbuster.com/essay-subjects/business/company/)

## Introduction

Samsung is a multinational company which was started in 1938 in Seoul in South Korea. Over the years the company has entered many industries in a view to diversify to reduce risk and also improve its profitability. These industries include construction industry, insurance industry, ship making, textile industry, motor industry, electronics and securities. However I will focus more on the electronic industry which Samsung is mostly recognized for worldwide.   
The company is driven by innovation and that is the reason why it has managed to stay ahead in the competition. It is the number one producer and seller of smartphones in the world and closely comes second in the U. S after Apple. In recent years Samsung has been producing a range of products in the U. S market which included the Samsung S III smartphone and the galaxy note which were received very well in the market. The smartphone Samsung galaxy S III sold more than 10 million units in less than a month.   
As a multinational company Samsung is ahead of the pack because of innovation, high quality products and has a sense of improving people’s lives. On top of that the company does not target a specific group of consumers. Its products and mainly the electronics target the entire consumer regardless of the age. It is safe to say that products by Samsung are more cost friendly compared to products by other electronic companies and as a result its products sell more in the world compared to other companies. For example in Asia where income is far less than Europe and America, Samsung products are well received than those of Apple and other electronic companies.   
There some legal, political, technological and accounting aspects in relation to Korea and U. S. There are some major differences between how the business is carried out in the U. S and in Korea. These differences in laws have in some instances led to Samsung Company facing challenges to penetrate the United States market. This laws place restrictions on products of companies that are dimmed to bring extreme competition to locally manufactured products. Though the United States is a very lucrative market because of high per capita income and fast moving products a company like Samsung may face many hurdles when trying to enter the market.   
There a quotas placed by the law to support local firms. Last year Samsung was sued by Apple for infringing on its patents. The court upheld that Samsung should pay US$1. 05 billion to Apple for the violation of the laws. There is no place in the world where copying of someone’s idea is considered lawful, but in this case I think Samsung had its own innovations that the company considered its own creation. However, the creation turned out to be similar to Apples. Such a lawsuit discourages Samsung to conduct business in the U. S.   
There is the political aspect in comparison of Samsung in the U. S and the Korea. I presume that there is a lot of support for a Home grown company. There is also opposition of a foreign company that would be seen to bring competition that would make growth of local companies to be difficult. Some people would term the court case between Samsung and Apple as political. In 2012 a court in Korea banned some sale of Apple products in the country because it was said that apple had infringed on patents of Samsung. This shows that there is a political twist in this court battles.   
Concerning accounting the principles used in Korea might not be similar to the ones used in United States. This makes it hard to prepare books of accounts of a company whose headquarters is Seoul to comply with the financial reporting laws in the U. S. Foreign companies from Korea tend to fill management positions with their own people from their country so it becomes difficult at first to understand the accounting policies of the foreign country.   
There is the issue of cultural factors between Samsung in the U. S and Korea. I presume that most of the employees in Samsung Korea are local people who are citizens of that country. It is well known that employees are happier working in their home country because they are used to that culture. On the other hand Samsung based in United States has a multicultural set up. This is because their company is a foreign company and its employees come from different countries and as a result there would be issues like language barrier and low output of foreign workers because of the new culture. Implication of this change of culture would definitely be on the output of worker trying to cope in the new country.   
In the U. S. A the law is adhered to, so a foreign company must ensure that ethics are looked into and that no workers’ rights are violated. Samsung based in U. S has to comply with all the laws regarding to ethics. On the other hand Samsung in Korea can choose not to adhere to ethics or laws’ regarding ethics since it is based in its home country where it will not be pressurized as compared to the U. S. A.   
International trade policies are set to regulate trade between two countries. These policies can either discourage or encourage trade depending on how they are applied by the two countries. Samsung that is based in the U. S. A must comply with trade policies as set by U. S. A. Some policies may include high quality and safe products, manufacture of environmentally safe products, companies are expected to hire technical experts to explain foreign regulations. Construction of industries or facilities that meet safety standards. All these increases cost of Samsung Korea are trying to set up in U. S. A and this discourages trade between the two countries. However Samsung based in Korea doesn’t face these challenges so it opts to export its products to the U. S. A.   
In comparing Samsung in USA and Korea, economic and financial issues that arise on currency exchange and also financing option includes the fluctuation of currency against the dollar makes it hard to estimate future earnings of the company . a company operating outside its home countries may find it hard to reconcile its financial reports of the fluctuations. In relation to financing option, Samsung may find it difficult to finance its projects when it is based in U. S. A. the reason being it’s hard to be listed in the stock exchange. It’s hence not easy to access capital for operating and expansion.   
Human resource is an important aspect to a company’s growth and achievement of its growth. A company like Samsung will need highly trained, innovative, efficient and hardworking personnel to compete favorably with other companies of its caliber such as Apple to maintain its competitive edge in the market in USA. Hiring highly trained and quality personnel comes at a cost that translates to high operating capital. In the U. S. A there are many electronic products manufacturing companies that compete for the same workforce and to attract the best of the lot it has to remunerate competitively. These results to increase in operating capital which reduces the profits. However, Samsung in Korea may not encounter this problem because it is the dominant electronic manufacturing company.   
The key decisions made in regarding the operations of Samsung in Korea and that of USA have had substantial implication on product marketing. The choice made by the management in Samsung has favored its appreciation in the local and foreign market. It choses strategic locations for its products like the U. S where there is high pa capita income this enables its products to move. Alternatively it’s able to produce high quality products.   
The products that are produced in Samsung Korea and US are almost the same because US Company is a subsidiary of Korea and all products that are produced in Korea are also exported to America. The price however differs because Samsung Korea has dominated the Korean market and operates in a monopolistic market while Samsung US operates in perfect competitive market and therefore charges low prices for its products as compared to Korea. The Samsung US also engages in heavy advertisement as compared to Korea because of the many competitors they compete with as compared to US Korea. Samsung Korea is located in Korea which is also headquarter of Samsung and where major decisions are made and Samsung US is just a subsidiary and receives orders from the senior management which is based in Korea.

## Works Cited

Chang, Sea Jin. Sony versus Samsung. Singapore: John Wiley and Sons, 2008.   
F. Bradley. Bussiness and Economics. New york: Financial Times, 2005.   
Giudice, Manillo del. Knowledge of the Family Bussiness: The Governance and Management of Family. London: Springer, 2011.   
Michell, Antony. Samsung Electronics and Struggle for Leadership of Electronics Industry. Singapore: John Wiley and Sons, 2010.   
Rivera-Batiz, Luis A, and Maria-A Oliva. International Trade: Theory, Strategies, and Evidence. Oxford [u. a.: Oxford Univ. Press, 2003. Print.