The of samsung

Business

The Case of Samsung

The top three issues that Samsung faces include competition, price fluctuation, and unproductive marketing strategies. In reference to competition, Samsung faces stiff competition from other brand makers such as Nokia, LG, Huawei, Motorola and Sony among other brands. This competition has made Samsung incapable of penetrating some markets where other brands have taken over (Farhoomand, 2015). Based on unproductive marketing strategies, Samsung has also had to incur very high marketing costs to ensure they penetrate and gain control of new markets. It is a challenge that requires great risk taking. In reference to price fluctuation, the main challenge has been fluctuation exchange rates in the countries that Samsung operates. According to the company, these rates have intensified the gross margin (Farhoomand, 2015).

Solutions to the three issues require the inclusion of decision-making, strategic planning, and goal setting. The problem of competition can be solved by acquiring competitive advantage (Mars, 2009). Samsung can acquire this advantage by focusing on creating more appealing features to their products so as to attract more customers and establish customer loyalty. The problem of unproductive marketing strategies can be solved through market specialization in specific expertise for specific markets. Price fluctuation can be solved by developing a plan that helps to determine foreign countries exchange rates (Lindros, 2014). With this knowledge, a company can take financial actions in a more systematic manner.

What the case of Samsung tells about strategic management is that it is a comprehensive process that involves a systematic set of activities that rely on resources and clearly defined actions. In terms of resource, the company relies on human and material resources as well as raw materials to be able to deliver. Strategic management also relies on teamwork specifically through a product marketing team that ensures the handset division controls risks and competition from other handset providers such as Nokia.

The Case of Zespri

As a large exporter of kiwifruit, Zespri experiences three main issues that include; competition, market instability and fluctuating foreign exchange rates. Zespri faces great competition from other producers of kiwifruit in China and Italy as well as competition from other alternative crops. Regarding market instability, sometimes market prices fluctuate forcing the company to sell the fruits at prices that were not anticipated (Alvarez & Shelman, 2012). Competition from other kiwifruit producers is also a factor that sometimes forces the company to lower its prices. Zespri also faces competition from other producers such as Del Monte. Fluctuating foreign exchange rates affect the company because products are priced differently depending on the market (Alvarez & Shelman, 2012).

Zespri can solve the problem of competition through investing in advertising and creating awareness about the nutritional benefits of kiwifruit. By so doing, the company will be selling the benefit rather than the product itself hence luring customers to be more interested (Mars, 2009). This can also be made possible through writing articles. The problem of fluctuating foreign exchange rates can be solved through opening accounts in the countries they operate so as to eases transaction costs. The use of online cash transfers also makes transactions more cost effective. To solve the problem of market instability, Zespri can narrow down their markets and establish experts for every market rather than using a generalized strategy (Nielsen, 2014). This is because every market has unique dynamics.

In reference to strategic management, the case of Zespri indicates that strategic management is a continuous process that involves the implementation of various actions such as assessment of global market demand and quality control. Demand dictates production while quality dictates standard that are to be adhered to. Zespri, for instance, encourages strict quality control systems and growing standards. Strategic management is an organizational activity that requires effective strategic planning (Nielsen, 2014). Zespri focuses on collaborative marketing plans through Kiwifruit New Zealand Board.

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