

Apple and samsung research paper example

[Business](#), [Company](#)



Apple Inc.,

The company was developed back in 1997 and it was co-founded by Steven Wozniak and Steven Jobs who did the marketing. The company introduced their first Apple 1 computer in 1976 but was unsuccessful but later launched Apple in 1980 which was successful (The Financial Times, 2012). The company has experienced ups and down within the competitive industry. Steve Jobs is credited for leading the company towards the global heights with increased annual sales and a very competitive and expensive global brand. The late Steve Jobs turned around Apple almost bankrupt back in 1996 hence named as world's most admired CEO for three consecutive years by Fortune (Interbrand, 2012). The company which was originally termed as Apple Computer enlarged its market when it started selling iPod, iPhone and iPad with the revenue and net income marginally increasing in the recent years.

Samsung

It is one of the leading industrial groups in South Korea (Samsung, 2013). The company operates via a network of subsidiaries worldwide. It has interests in over 20 affiliates and largely focuses on electronics, finance, and service activities. Samsung Electronic acts as the company's flagship hence one of the world's largest manufacturers of random access memory chips, its headquarters is in Seoul, South Korea (Samsung, 2013).

Analysis on strategies

The two companies have developed diverse strategies on domestic and global environments, industry and the internal capabilities hence enabling

them to achieve a competitive advantage within the market and respective industries. The two firms' uses varying strategies aimed at providing an alliance or networks that corresponds with their suppliers, R&D partners and sales channels. Samsung domestic and global markets strategies are reflected on its dominance and influence towards partners such as KT and DreamWorks hence gaining accessing on collaborative designs and systems (The Telegraph, 2012). Apple on the other hand, almost uses similar strategies where it has dominated the market since introducing iPod, iPhone, iPad, and macbook which are competitive products throughout the globe (The Financial Times, 2012). The two companies largely develops their international strategies on standardized products especially Apple. Throughout the international markets, Apple products are precisely standardized with engineering, manufacturing and design precisely controlled by one source. Samsung on the other hand, tends to embrace a similar approach although has sourced on some of their operations. Failure of Apple to embrace multidomestic strategy as Samsung has done, could have allowed the company to have excess overhead. However, such an environment allowed the company management not to loose on control and cutting edge image on advanced technology, products and the marketing which could have been largely damaged. The two company's global strategies is reflected on the strong brands image and reputation that the companies have made. Dominance on the domestic markets has been reflected on the global environments enabling the two companies achieve a competitive advantage within the market.

Mission and Vision

Every company has a guiding mission and a vision that propels and steers the company on its daily operation. Samsung and Apple have developed mission and visions that tends to align with the long term goals and strategic directions of each company. This is evident based on the fact that Apple mission and vision reflects the daily operations of the company. Apple vision statement is “ Man is the creator of change in this world. As such he should be above systems and structures, and not subordinate to them”. The company objective and long term goals reflect the vision through the company efforts to make its customers the king of their products while ensuring that the employees strive to reach the mission through the smooth customer interaction. The mission statement Apple is that it deigns Macs which is the best computer in the world along with OS X, iLife, iWork and personal software (The Telegraph, 2012). The mission indicates the company concern to their customers and the target products as their long term investment hence reflected on their goals. The brief history attached to the mission indicates the company’s tireless efforts to offer the best world class products and services to their customers. The company spreads its values as; innovation or vision, team spirit, good management, individual rewards, individual performance, empathy for customers or users, and good management.

On the hand, Samsung doesn’t have an official mission but instead expresses it via the company’s philosophy which is “ At Samsung, we follow a simple business philosophy: to develop our talent and technology to create superior products and service that contribute to a better global society” (Samsung,

2013). The statement depicts the company long term goals on using their talents and technology towards creating superior products and services hence creating a better global society. The mission however, fails to offer adequate information on what the company does and why it does it. The company vision which is “ Inspire the World, Create the Future” reflects on the company commitment towards inspiring its community through leveraging its key areas or strengths (Samsung, 2013).

SWOT Analysis

Apple SWOT Analysis

Strengths

- Has created customer loyalty which is combined with expanding closed ecosystem
- It is a leading innovator on mobile device technology being chosen thrice as the world's most innovative business in 2012
- Has a strong brand reputation credited by the competitive reputation on high innovation, effective designs, well functioning products plus sound business performance with the brand valued at \$76. 5 billion in 2012
- Created vast retail stores that ensures high quality experience to their customers, avails direct contacts with the highly knowledgeable staffs and increases the brand awareness
- The company has a very strong advertising and marketing teams. This has enabled the company to develop one of the strongest functional areas which is marketing

Weaknesses

- High price which is much more than the competitors prices on their similar devices
- Differences or incompatibility with differing operating systems (OS)
- Market share is decreasing
- Accusations on patent infringements hence damaging its brand and financial position
- Some of their new products have defects damaging reputation of some of the superior brands

Opportunities

- The company experiences high demand on iPhone 5 and iPad mini
- The launch on iTV can aid the company increase sales
- The emergence of new provider of application (Samsung) processors which is also main competitor provides an opportunity for the company
- Collecting the damages from patent infringements avails the company with opportunity to increase cash reserves
- The need to obtain patents through accusations can present the company with opportunities hence developing new skills and competences instead of changing collecting the patent companies
- The tablet and Smartphone markets are growing hence an opportunity for the company to expand market share
- The mobile advertising market is strongly growing which is an opportunity for the company
- The increasing demand for cloud based services presents the company with

an opportunity to expand their iCloud services and software reflecting on the expanding demand on the respective services

Threats

- There is a rapid technological change
- The 2013 tax incentives in USA affected the company
- The breaching of IP rights can weaken the company
- Foxconn which is the main supplier of Apple products made a move hence increasing the pay level of its workers 3 times since 2010 to 2012 which can affect Apple
- Samsung and other competitors are pressuring the company on prices
- Dollar appreciation in other countries poses a threat to the company which earns more than half of the recorded revenue outside US
- Threat from competitors venture into online music market such as Amazon and Walmart
- The growth of Android OS also poses a threat to the company

Samsung SWOT Analysis

Strengths

- The company move and focus on environmental conservation through an effective social corporate responsibility.
- The company enjoys low production costs
- The company has a strong reputation on hardware integration through vast open source OS and software
- Have excellent production and engineering hardware parts plus the consumer electronics

- One of the leading companies on innovation and design
- The company is ranked as the largest share on mobile phone market and second place in Smartphone sales

Weakness

- The company has infringement on Apple plus other patent companies hence demining the reputation
- The company has been recording very low profit margin although it is the largest technology business
- The major competitors happens to be also the largest buyers such as Sony, Dell, HP and Apple
- The company doesn't have its own Operating system and software
- The company focuses on vast products

Opportunities

- The growing Smartphone market especially in India and Pacific countries presents an opportunity for the company
- The growing advertising industry on mobile avails the company with an opportunity
- Quality application processors has been on high demand
- The tablet market is also on high growth providing an opportunity for the company
- The company has discovered the essence of indulging into acquisitions hence obtaining patents

Threats

- There is rapid change in technology
- Developed countries provides a saturated Smartphone markets
- The breached patents damages company reputation and reduces on sales
- The company's declining margins on hardware productions poses a threat on company's figures
- Apple big launch on iTV may damage Samsung's TV sales
- The constant price wars attributes to the company low gross margin

Fundamental Ways

Each sector is influenced by a fundamental approach towards the company's competitive position within the industry. Every company seeks to develop strategies aimed at ensuring that it positions itself within a competitive environment within the industry hence averting competition and increasing the brand image. The two companies have developed such strategies in relation to their current positions within the industry. For instance, Samsung is indulging on R&D and accusations on obtaining patents companies hence averting the cost attached thus creating a competitive advantage within the market (Pressman, 2011). On the other hand, Apple is maintaining the highly innovative environment which is a fundamental ways that enables the company to stay competitive within the market. This is evident based on the fact that the company is able to introduce new products into the markets such as iTV hence able to maintain competitiveness within the market.

Strategies on cultural differences adoption

The availed analysis depicts how the two companies have ventured into the global market. Venturing into the global market exposes the companies into differing cultural differences with the methods of operation, marketing and hiring employees varying to the home country based methods. Leaders within the organizations are required to develop strategies aimed at ensuring the organization adapts effectively in such environments. Apple and Samsung leaders have developed varying approaches aimed at addressing the sensitive and vital aspects attached to cultural differences. For instance, Apple leaders have developed strategic approaches where their products and services tend to blend with the culture of people under which the firm operates. Samsung which operates largely through vast subsidiaries ensures that the company operations reflect the organizational mission, vision and values (Interbrand, 2012; IDC 2012).

Organizational competencies

Every company operating in the global markets and indulging in the international operations is normally founded under a unique aspect hence superiority within the market. The superiority within the industry is geared by the competences emerging from the respective entities attached such as entrepreneurial capabilities within the organization, organizational design capabilities and strategic capabilities. This is aimed at gearing the organization towards increasing the performance and profitability. Apple Inc has been able to develop a leading global image hence one of the most expensive brands globally. The company uses such superiority to increase performance and profitability within the industry. The brand enables the

company's entrepreneurial capabilities to be marketed globally hence creating an organization design where innovation is the core capability with the designed capabilities embedded on every step that the company takes within the industry as they launch their competitive brands annually. On the other hand, Samsung superiority extends on the durable and reliable electronics that the company avails to the market. This has made the company create one of the worlds most trusted and reliable brands hence increasing consumer's loyalty within the market. The company embraces and uses the superiority attached to their brands to innovate new competitive products into the market, develop an organizational design where employees and the entire organizational operations are within the international standards with strategies developed by the company on the global and international operations reflecting their competitive brands (The Telegraph, 2012).

Although these companies have been able to develop a competitive advantage within the market, failure to fully venture more on the global markets have limited their success within the industry. For instance, Apple can develop a strategy where they can segment their markets and offer their products into emerging markets rather than largely depending on the local markets. Segmenting the markets and offering quality products to the customers can aid the company increase sales and dominance within the market hence averting the generalization approach on marketing and products innovations within the market. Apple can achieve such an environment through developing acquisitions and mergers like Google has done in the last few years. This can allow the company to venture into niche

markets in the international markets. On the other hand, Samsung although has been able to create a reputable image, the company has not indulged more on acquisitions and mergers like firms such as Goggle and Facebook have been indulging into within the market. The company can achieve a competitive advantage within the market while avoiding the stiff competition from existing and emerging electronics companies (Teece, 2010).

Corporate Level Strategies

This approach examines the two company's corporate level strategies in terms of horizontal integration, vertical integration, strategic outsourcing, or diversification. The preceding analysis integrated the entire concept on corporate level strategies and diversification offering a competitive insight on strategic management of the two companies. Apple uses close related diversification strategies which acts as their corporate strategy. The company integrates the respective level strategies through high degree of personal computing products and personal entertainment. The two companies ability to use diversification has enabled them learn from the consumers what they needs especially in the current evolving technology era. Whiles Samsung has indulged in acquisitions and mergers on corporate level strategies, Apple Inc, the company has no reputation on acquiring firms. However, Apple has been able to create strategic alliances such as the alliance with AT&T in producing and launching iPhone (CNN Money, 2012). Other alliances include; Microsoft and HP.

Diversification is the most effective type of strategy that can be credited on contributing to the two company's creation of a successful and profitable multibusiness model. This is based on the fact that through diversification

strategy, the companies have been able to venture into global markets offering products and services to a larger market, limiting competition and reducing on cost of operations where the firms have sourced on some of their production process (Lee, 2007).

Internal leadership on discouraging unethical behaviors

Unethical behaviors can largely damage the reputation of the company in the global or local markets. Companies such as Enron have collapsed due to such behaviors while companies such as Walmart are still building on unethical behaviors attached to their operations. Internal leadership has marginal impact in relation to defining the effectiveness on ethics within an organization (Weinstein, 2004). Apple Inc and Samsung internal leadership clearly defines the essence of ethical operations on the daily operations of the respective company. For example Apple Inc is developing strategies aimed at limiting breach on patent companies, addressing employee's issues and offering competitive prices. Apple leadership is addressing increasing concerns on employee's labor issues and supplier's problems. The leading ethical issue that Apple leadership has to address is on the notion on poisoning 49 employees through the use of n-hexane chemical plus dealing with issues on suppliers who uses child labor on making labor products. On the other hand, Samsung leadership has addressed the issue of ethics attached to patent infringement which damages the company image and reputation. This evident on the fact that the company is indulging in acquisitions and mergers hence averting such costs and damages. Labor issues are also ethical issues that the company leadership is addressing (Dess et al., 2007).

Recommendation on organizational change

Based on the current dynamic changes in the market, organizational leaders may be posed with a challenge to alter the current business strategies with an aim of aligning with market, and industrial changes such as technology.

Posed with such challenge as a leader of each of the two companies on need to alter the current strategies, changes on functional, business corporate strategies plus organizational structure and control towards improving business performance and competitiveness in respective industry could be ensured. The preceding recommendation avails specific ways under which the changes on respective company will be made (Lewis et al., 2007).

Apple Inc

- Developing a competitive pricing strategy to offer competitive prices in relation to the competitors
- Venturing or looking for more manufactures on their products
- Increasing compatibility with different operating systems (OS)
- Increasing market share is
- Minimizing accusations on patent infringements hence damaging its brand and financial position through encouraging acquisitions
- Ensuring new products have no defects which damaging reputation of some of the superior brands

Samsung

- Reducing on infringement on Apple plus other patent companies towards building on company's reputation and image
- Through more acquisitions and expanding to the growing Asian markets hence record high profits

- Developing its own Operating system and software
- Segmenting the market and focusing on specific products to avert dealing with massive competition from different companies

The indicated analysis stipulated the specific ways on changes that each company can make towards improving the business performance and increasing competitiveness within their industry. The strategies availed for Apple Inc depicts the essence of segmenting the markets, emphasizing more on transformational leadership, creating an innovative culture within the company and diversifying more on the markets while ensuring effectiveness on the corporate strategies (Weinstein, 2004). These strategies reflects potential for Apple Inc to dominate the market and reclaimed the first position on the most expensive brand in the world, a position that has been taken by Google through vast acquisitions that the company has been able to make. On the other hand, Samsung strategic changes on respective areas reflects the need for the company to explore more on the current opportunities that the company has failed to explore within the market. The competitive brand image and strong reputation created by the company has not been fully exploited with the need to diversify the market, segment and target consumers needed on the global environment (CNN Money 2012; Stonehouse and Campbell, 2004). The expounded recommendations on changes can aid the two companies increase business performance and competitiveness in their industry which is vital towards ensuring dominance within the industry and recording high revenues while offering quality products and services to their customers in the global market.

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