

Steeple analysis of samsung

Business



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The STEEPLE analysis of the business environment of Samsung is part of the company's strategic analysis for the medium and long term. The goal of this study is to assess the prospects of Samsung.

Samsung is a global company in the consumer appliances and gadgets market. It started as a South Korean family-owned business but has earned acceptance around the globe now. Samsung is not happy with operating in the leading markets only. The recent expansion into new markets shows that it wants to cover as many countries as possible.

STEEP analysis provides concentrated information which covers various aspects of the external environment. Like PEST and STEEP, it creates a snapshot of current socio-political reality. It also gives a better idea of the existing trends.

The analysis below will give you an outline of Samsung's overall situation. Samsung would consider all of these factors before taking a decision.

The key focus of this article is on the external environmental drivers. The STEEPLE analysis will focus on the following 7 factors: Social, Technological, Economic, Environmental, Political, Legal, and Ethical. The initials for these make up the acronym STEEPLE.

S for Social

As I mentioned already, Samsung is a South Korean Chaebol. This means it is a family-owned multinational. Despite its global image, the firm still operates as a Korean company from within. For this reason, they change many aspects of global operations according to the local conditions. In simpler

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words, global company Samsung has had to act locally in many emerging markets.

Moreover, Samsung had to change its products to match the rapidly changing consumer preferences in certain markets. Samsung operates in a market niche influenced by the consumers' lifestyle preferences. Socio-cultural factors vary in each country. So, it has to reorient itself accordingly.

T for Technological

Samsung is among the world's leading innovative companies. The company has an advantage in using the power of technology. It can drive innovation for sustainable business advantage. They have made this an obsessive mission to maintain leading position. The aim is to always stay ahead of the technological and innovation curve. They aim to dominate competitors by being the first to offer latest products to the market.

Yet, this has led the company to some problems. Legal and regulatory scrutiny hovered over the company when Apple accused it of imitation of product design. The incident taught Samsung that doing the basics right is still the key to success.

E for Economic

This factor is very critical for Samsung. The opening up of some developing markets meant it had to re-think the economic factor. While the company could expand its global footprint, it also had to worry about the ongoing global economic crisis. The reduced purchasing power of buyers in many markets forced to find a profitable solution.

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The macroeconomic environment in which Samsung globally operates is beset with uncertainty and volatility. The company has to reorient its strategies.

It seems that the saving grace for the company is that adjusted well to the lowering the consumer disposable incomes in developed countries. Samsung did this by expanding to the emerging and to the developing markets. This is perhaps the reason Samsung started an aggressive push into the new markets. It hopes to make up for the lost business from the developed world.

E for Environmental

All businesses impact its environment. Some have a positive impact while others have a negative effect. The degree of impact varies too. Samsung must keep pollution or waste in mind. It can also have a positive impact on the environment by processing and cleaning waste. These factors will affect the company, but they will not have an immense toll on its trade and profit generation. This is because environmental factors have a direct effect on agricultural businesses only.

P for Political

In most markets, the political environment is favorable to Samsung's operations. Still, there are minor problems in some of the foreign markets. India is an example. Overall, Samsung operates in markets with benign political factors. Recently, it faced weighty political headwinds South Korea. The reason behind this problem is tensions with North Korea.

Samsung had to consider not only political instability. It worried that war would break out in the Korean Peninsula. Samsung also faces political pressures in many Latin American and African countries. The political environment is unstable in these locations. They are prone to frequent changes in governing structures.

This is such a serious issue yet as Samsung has factored the political instability into its strategic calculations.

L for Legal

Like I mentioned earlier, Samsung had to pay heavy penalties for charges that it imitated the Apple's iPad and iPhone. This accusation led public perceptions of the company to worsen. The consumer approval of its strategies was also hampered.

Everyone waited how the start-up would squeeze out of the legal maze. There were concerns that the event hampered Samsung's reputation permanently. Many even concluded that the team expanded to new markets because of the range of lawsuits.

E for Ethical

The number of ethical consumers who want brands to make products in a responsible manner, both socially and environmentally, has increased. In such a situation, Samsung must be aware of the need to make products in a way which satiates the ethical consumer.

This means it has to make sure it does not compromise on the employees' working conditions or on their wages. It must take good care of the labors that make the final product. It should also give importance to other ethical factors.

In conclusion from the above analysis, I can say that Samsung has all its tasks aligned. The company has prepared well to navigate the global consumer market. It is true that as the company prepares for expansion, the stakes are higher in a recessionary era. The extremely competitive technological market landscape adds to the difficulty.

To be in a better position than competitors like Apple, Samsung needs to consider these factors.

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