

Answer questions

[Business](#), [Marketing](#)



1. (i) Why have Japanese firms, once dominant in the electronics industry, fallen behind competitors such as Samsung, Apple, and Amazon? Japan, which once dominated the consumer electronics business, is now facing stiff competition from various other companies such as Apple, Google and Samsung. These companies have focused on easy-to-use software and integration with other online services, cashing on faster improvement and using smart marketing strategies in every country. The past fiscal year saw electronics giant Apple and Samsung take a 20% share in the Japanese market, the highest over the past years when there were no foreign products in market. Experts believe that Japanese manufactures failed to analyze the consumer requirements such as design and easy to use softwares. Another major reason for the Japanese market is the strong yen which has reduced the profit margins for the goods which are exported. This in turn has affected investments for the production of new products and technologies.

Companies like Sony which was the first to manufacture LCD televisions fitted with LEDs or light-emitting diodes was ousted by Samsung which manufactured similar televisions but named them LEDs in order to distinguish them from the Sony products. This marketing strategy boosted Samsung's sales in America while Sony did not even feature among the top five sellers. Thus despite being a forerunner in several technological breakthroughs Japanese companies have not been able to gain a sizable market share mainly owing to the marketing strategies employed by their competitive companies.

(ii) What is 'monozukuri'? How has this influenced Japanese firms?

Monozukuri refers to the traditional art form of making things which also

included producing technical breakthroughs in hardware and software manufacturing. Japanese electronics companies invested heavily in technical advancements by producing thinner and smaller devices but however, lost sight of the consumer requirements. A case in point being the Librie, which was the world's first e-book produced by Sony Corp. Despite its brilliant technical features. The e-book lost out in the market to Amazon's Kindle, as its software was in Japanese and required the assistance of a computer to download books and also had a limited selection range. Thus though Japanese electronics have been the forerunner in many technological advancements ranging from smartphones, televisions and other similar gadgets, they have lost out in the marketing strategy and in meeting the requirements of their local and international consumers.

(iii) Which environmental forces (micro and macro) have strongly influenced Japanese firms such as Sony, Panasonic, Sharp, and Toshiba, in the last few years?

In addition to facing stiff competition from world companies in marketing their products and the strong yen, Japanese technological firms are also facing competition from inside their country. With several companies cashing on the growing health care and energy device manufacturing, the rising competition has driven down prices, reduced profits and has not allowed any single company to be recognized in the global front. While companies such as Sharp and Panasonic are concentrating on producing energy efficient batteries and solar units, Sony has entered the healthcare sector with high-profile acquisitions of medical equipment manufactures. With a lesser market share in televisions, smartphones and other similar electrical goods,

Japanese electrical giants are forced to venture into other promising sectors in order to regain their profits.

2. Due to various environmental forces, several Japanese firms in the electronics industry have struggled recently and fallen victim to their competitors. What can these firms do to overcome these struggles and achieve success in the marketplace? What challenges will these firms face in the future? Please include your own ideas/suggestions beyond those in the assigned readings. Be specific.

With the Japanese firms losing out to market leaders in televisions, smartphones, e-books and other similar gadgets, a wiser move would be to invest in alternative technological devices such as solar panels, energy efficient batteries, medical equipments and other healthcare devices. As the companies view the demand in the domestic market to increase, investing in an expanding market would be more lucrative rather than putting their money on consumer electronics which are already dominated by other players. The Japanese firms have also reduced their investments in R&D, which in turn has allowed companies such as Samsung to invest more funds into research and dish out new technologies. While the Japanese may be lagging behind for the moment, they can eventually catch-up with these firms once their profit margins are high and then begin development of high-end consumer goods.