

# Marketing management and analysis of sony



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This assignment in brief is concerned about marketing management. It covers in details about the concepts and principles of marketing, SWOT and PEST analysis of the Sony Company. The main reasons for selecting Sony Corporation as a case study were following:

Sony being a multinational company has a universal presence

Diverse range of products

MNC with a financial strength to explore and implement all aspects of the Marketing Mix including high end spending on Promotions.

In this assignment the following points are going to be discussed:

Overview of Sony and its product line.

Target Market and Segmentation

Find out if the marketing mix used by organization is satisfactory.

## **Introduction**

Marketing Mix is a major concept in modern marketing and involves practically everything that a marketing company can use to influence consumer perception favorably towards its product or services so that consumer and organizational objectives are attained, i. e. marketing mix is a model of crafting and implementing marketing strategy.

In this assignment, we will discuss the major marketing mix variables which are:

Product

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Price

Place (Distribution)

Promotion.

Packaging

Throughout the assignment we will prefer to use our reference to Sony Corporation. We will refer to this company as to how it has diversified its market products, the price range, places for distribution, packaging and the promotional strategies they have used to promote their products.

We will also try to find out if the current marketing mixes used by the Sony corporation are satisfactory or not.

In the conclusion we will analyze the marketing mix, its successes and failures.

### **Sony Corporation... the beginning**

Sony Corporation is a multinational conglomerate corporation headquartered in Tokyo, Japan, and one of the world's largest media conglomerate with revenue of US\$88.7 billion (as of 2008) based in Minato, Tokyo. Sony is one of the leading manufacturers of electronics, video, communications, video game consoles and information technology products for the consumer and professional markets. Its name is derived from Sonus, the Greek goddess of sound.

Multinational conglomerate corporation headquartered in Minato (Japan);

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One of leading manufacturers of electronics, video, communications, video game consoles and information technology products for the consumer and professional markets

Sony is among the Worldwide Top 20 Semiconductor Sales Leaders;

The company's slogan is Sony. Like no other;

Sony is the electronics business unit and the parent company of the Sony Group which is engaged in business through its five operating segments, these make Sony one of the most comprehensive entertainment companies in the world;

Sony's principal business operations include:

Sony Corporation,

Sony Pictures Entertainment,

Sony Computer Entertainment,

Sony BMG Music Entertainment,

Sonny Ericsson,

Sony Financial Holdings.

In 1945, after World War II, Masaru Ibuka started a radio repair shop in Tokyo. The next year, he was joined by his colleague Akio Morita and they found a company which translates in English to Tokyo Telecommunications Engineering Corporation. The company built Japan's first tape recorder called

the Type-G. In the early 1960s, Ibuka traveled in the United States and heard about Bell Labs' invention of the transistor. He convinced Bell to license the transistor technology to his Japanese company. In August 1955, Tokyo Telecommunications Engineering released the Sony TR-55, Japan's first commercially produced transistor radio.

In May 1956, the company released the TR-6, which featured an innovative slim design and sound quality capable of rivaling portable tube radios. It was for the TR-6 that Sony first contracted "Atchan", a cartoon character created by Fuyuhiko Okabe, to become its advertising character. Now known as "Sony Boy", the character first appeared in a cartoon which is holding a TR-6 to his ear.

In 1957, Tokyo Telecommunications Engineering came out with the TR-63 model, the smallest (112 Å- 71 Å- 32 mm) transistor radio in commercial production. It was a worldwide commercial success.

The name "Sony" was chosen for the brand as a mix of two words. One was the Latin word Sonus which is the root of "sonic" and "sound" and the other was "sonny", a familiar term used in 1950s America to call a boy. Morita pushed for a word that does not exist in any language so that they could claim the word "Sony" as their own.

At the time of the change, it was extremely unusual for a Japanese company to use Roman letters instead of kanji to spell its name.

## **Sony Corporation**

### **Mission & Vision**

Mission – Sony is working to create value for our stake holders, and improve the quality of life for the next generation through our innovations.

Vision – we must seek new approaches to transform our ability to achieve both profitable and sustainable growth.

Sony Corporation is the electronics business unit and the parent company of the Sony Group, which is engaged in business through its five operating segments-electronics, games, entertainment (motion pictures and music), financial services and other. These make Sony one of the most comprehensive entertainment companies in the world. Sony's principal business operations include Sony Corporation (Sony Electronics in the U. S.), Sony Pictures Entertainment, Sony Computer Entertainment, Sony BMG Music Entertainment, Sony Ericsson and Sony Financial Holdings. As a semiconductor maker, Sony is among the Worldwide Top 20 Semiconductor Sales Leaders.

### **Sony Products**

The first market mix element is Product. A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a need or want.

Product decision is normally based on Brand Name, Functionality, Styling, Quality, Safety, Packaging, Repairs and Support, Warranty, accessories and Services. These product attributes can be manipulated depending on what the target market wants. Also, customers always look for new and improved

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things, which is why marketers should improve existing products, develop new ones, and discontinue old ones that are no longer needed or wanted by the customer.

Sony has a variety of products ranging from electronic devices, games and entertainment. So, briefly Sony products can be categorized in the following major product categories:

Television and Projectors

Home video

Home Audio

Home Theatre system

Digital Photography

Hand cam video camera

Computer Peripheral

Portable Audio

Game

In-Car entertainment

Mobile phones

Storage and Recording media

Batteries and Charger

Other Accessories

## **A. Television and Projectors**

In the category of television and projector, Sony has further subdivided its products in different models, style and performance. In this category we have several other sub categories and designs which are:

Bravia LCD TV

CRT TV

Home Theatre Projector

Business Projector

Public Display Panel

As it can be seen above, Sony has tried to cover many areas where the need of displaying devices is of great need. For example here we can see that Sony has tried to fulfill the demand of displaying devices from the home television sets, Office projectors and Public display panels to cover different needs and the size of the people in need of those displaying devices.

## **B. Home Video**

In this category, Sony has tried to bring in new format so as to dominate the market, for example the emerging data storage format called Blue-ray has been launched along with the devices which can be used to run such a latest storage technology. In these categories, Sony has included home video systems and accessories which can enable the user to record various favorite TV programs.

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These products include:

Blue-ray disc player

DVD player

DVD portable player

### **C. Home Audio**

Depending on the customer needs, usage and budgets, Sony has provided several home products ranging from small packages to big audio systems. They boast on their Hi-Fi which delivers rich music, made richer with preset equalizer settings. Among other features which Sony boast to offer are like, multiple disc changers which for putting many discs at a go. Also, some even house additional features such as the ability to handle multiple formats, track programming and repeat and random play.

The home audio products categorized by Sony are:

Hi-Fi Systems

Home audio accessories. E. g. Digital media port

### **D. Home Theatre System**

Sony has tried to combine the latest video and audio technologies. Sony has developed a series of Home Theatre Systems that provides customers with an enhanced home theatre experience, e. g. Surround sound environment and dedicated audio input for connecting portable digital music players.

In this category, Sony has categorized the products as:

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DVD Home Theatre System

Home Theatre Component System

Home Theatre System Accessories

## **E. Digital Photography**

In terms of digital photography, Sony has produced a variety of imaging devices depending on the users and their professions. For example for a casual user or girls there are slim cameras which can be easy to carry or put on the purse. For real photograph enthusiast and professionals there are more sophisticated cameras with advanced features like digital SLR camera. And also they have produced photo printers and frames.

The sub-categories in digital photography which Sony offers include:

Digital SLR

Cybershot Digital Camera

Digital Photo Printer

Digital Photo Frame

## **F. Handy Cam Video Camera**

Sony has produced a variety of video camera for home and office use. A variety of these handy cam video camera are easy to use as from producing family video, documentary filming and developing feature films.

The subcategories of these handy cam video cameras produced by Sony are as follows:

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Handycam high definition video Camera

Handycam Standard Definition Video Camera

Handycam Accessories

Digital Photo Printer

Digital Photo Frame

## **G. Computer and Peripherals**

Combining form, function and the latest in technology, Sony provides a range of IT and computing devices. In case of the computer devices Sony has produced a variety of laptops with different price ranges and performance to meet the demands of the users like home users, students and businessmen.

The sub-categories of these are:

VAIO laptops and computers

VAIO accessories

Business Projectors

Memory Stick

## **H. Portable Audio**

Sony has produced a lot of various varieties of portable audio whose main target are the youth of the new generation.

The sub-categories of these portable audio produced by Sony are:

Walkman mp3 series

CD Walkman series

CD/Radio/Cassette player

Radio

Voice recorder

Audio Accessories

## **I. Games**

Sony offers games of all genres to match customers gaming preference. Also, Sony has produced Powerful consoles which are accompanied with compelling games.

The games produced by Sony include:

Playstation 3

Playstation 2

PSP (Playstation Portable)

## **J. Mobile Phones**

With Sony Ericsson, Sony has produced a variety of mobile phones for different people, lifestyle, usage, budget and profession. Also a series of mobile phone accessories have been produced by Sony so that customer can spruce up their mobile phone's appearance, prevent them from damage, or enhance their usage.

Among the subcategories are:

Phones

Phone Accessories

## **K. In-Car Entertainment**

Different in-car entertainment products have been produced by Sony. Apart from the normal car radio and CD changer devices, Sony has produced more entertaining devices to view different media like video and television.

Among the products subcategorized in this category are as follows:

Xplod CD Receiver

Xplod in Car Visual

Xplod Cassette Receiver

Xplod Amplifier

Xplod Speaker/Subwoofer

## **L. Storage and Recording Media**

Sony has developed a range of reliable storage and recording media that customers can depend on for recording, transferring or storing their information. These products range from those devices which can be used to store small amount of data for transfer and those media to store a large amount of data permanently.

The sub- categories of these products include:

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Memory Stick

USB storage media

Data storage media

Video Storage media

Audio media

Storage media

Professional media

## **M. Battery and Charger**

Sony has a range of batteries that are long-lasting and offer maximum power for optimum performance, making sure that the customer will never be left hanging during the most crucial time.

## **Sample List of Products**

So as we can see, Sony has a wide range of digital products it offers to its customer. In this assignment, we will prefer to go in details about Laptops products offered by Sony.

In case of laptops, Sony has a variety of laptops it offers to its customers. These laptops come with different features, quality, designs, models and sizes.

The laptops sold by Sony come with brand name of Sony VAIO. In this there are different models which differ in different things as mentioned above.

Sony produces seven models of laptops. These are VAIO SR, VAIO FW, VAIO tokage, VAIO CR, VAIO NR, VAIO TZ and VAIO SZ.

## **VAIO SR**

This is a masterpiece of unique architecture with its two distinctive features – the cylindrical display hinge that adds a sleek silver accent complemented with isolated keyboard with its trim clean lines and full-pitch keys. Its outstanding mobility is complemented by the new “ switch” function- a none-touch solution. The excellence in mobility assures great performance in any scenario of business or pleasure with its leading edge Intel core 2 duo processor technology combined with the latest ATI Mobility Radion graphics Accelerator. In style it comes with color variants, like Black, Silver & Pink.

Its slogan is “ Excellence in Mobility, Perfect in performance”.

## **VAIO FW**

The main features that this model of laptop comes with it is its real wide screen of 16. 4(41. 6 cm) screen on which one can see a magnificent output of blue ray discs and other high definition sources. It boasts of giving cinematic experience.

Other performances is that it has clear bright LCD (rich color) that provides extremely accurate color reproduction.

In style, Sony VAIO FW has a distinct cylindrical design and isolated keyboard contribute to the overall reliability of the unit and stylish, signature look. In performance also, Sony VAIO FW maximizes audiovisual enjoyment with its Dolby Sound Room the visual pleasure is enhanced by bright and high

contrast image production, low reflection angle. Its powerful Intel core 2 duo processor P8400 (2. 26 GHz) contributes to the smooth delivery of total home theatre experience”.

Its slogan is “ Theatrical Experience, World-class Performance”

## **VAIO CR**

These laptops comes with different six enigmatic colors, these are Indigo, Blue, Beauty Pink, Blazing Red, Pure White, Premium Gold.

VAIO tokage which is under VAIO CR model has a new tactile texture for the extravagantly sophisticated. Tokage comes in 3 color variants; these are Chick Brown, Pink and Silver. It is also packed with advanced and easy to use technologies like powerful Intel core 2 duo processor T8100(2. 1 GHz), 1. 3 mega pixel built-in motion eye camera & microphone and a plenty of multimedia features.

Other features include its luminous trim and glowing LED enhance the superior design of the notebook.

Its slogan is “ New Texture”.

## **VAIO NR**

In performance VAIO NR comes with Intel Core 2 Duo technology with mobile Intel GM965 Express Chipset which simplifies all kinds of home computing and AV requirements. It also comes loaded with Windows Vista Business for more intuitive operations.



In style, VAIO NR38 has the royal touch with its enigmatic Navy blue color, while VAIO NR37 displays smooth design and chic Silver granite color.

Other features are that it comes with 15.4(39.1 cm) wide clear LCD lite for sharp color definition. Also it has in-built wireless capability, and four easily accessible USB ports for increased connectivity options along with new speech recognition capability.

Its slogan is: “Cool & Unmatched Performance”.

## **VAIO TZ**

Its major feature is its innovative built-in 48GB Flash Memory. This compact storage works at a monster speed making operation 6 times faster than an HDD. Flash memory also means lower power consumption and enhanced mobility.

Its sleek contour consists of premium carbon fiber in tune with the glossy black piano finish. In style, it comes with three different colors, which are Onyx Black, Ruby Red and Platinum Pearl. In performance it is the ultimate all in one mobile PC offering ultra light portability in a sleek and superior carbon fiber construction. Versatility for business and entertainment comes in array of features form Intel centrino processor technology advanced architecture and new Window Vista Business Operating System built in wireless communication. The bright vivid 11.1(28.2 cm) LCD TPM technology provides added security to the notebook.

Its slogan is: “Elite Lifestyle, High Class Performance”.

## **VAIO SZ**

In feature, it comes with the latest Hybrid Hard disk Drive, and a full – size keyboard. It also has Motion Eye camera and Bluetooth compatible headset. In addition VAIO HDD protection with integrated 3D acceleration sensor prevents important data loss.

## **Sony Promotion**

Promotion is a key element of marketing program and is concerned with effectively and efficiently communicating the decisions of marketing strategy, to favorably influence target customers' perceptions to facilitate exchange between the marketer and the customer that may satisfy the objective of both customer and the company.

A company's promotional efforts are the only controllable means to create awareness among publics about itself, the products and services it offers, their features and influence their attitudes favorably.

Sony has advertised its products through many different ways in media. Through TV we have seen different advertisements of its products such as Bravia Television or Sony Wega TV. Sony also advertises its products by targeting those favorable television programs, like sports, series and also it has its own channel called Sony channel TV. Sony uses some events to promote its products as well.

Also, Sony has advertised Playstation through English Premiere League. Through newspapers like Times, Sony has advertised a wide range of products it offers to its customers. And also through posters a message has been sent to lot of people to be aware of the products which Sony offers.

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## **Sony Marketing Mix**

Sony spends millions each financial year on advertising and promotion (Promotional Budget) of the entire range of consumer electronics.

The major elements of promotion mix include advertising, personal selling, sales promotion, direct marketing, and publicity. Sony Corporation has used all of these marketing communication mix elements.

## **Advertising**

Advertising is any paid form of non-personal mass communication through various media to present and promote product, services and ideas etc. by an identified sponsor.

So far, Sony has advertised its products through many different ways and media. Through TV we have seen different advertisements of its products such as Bravia televisions or Sony Wega TV. Sony uses some events like Miss India 2008 to promote its products.

Also, Sony has advertised its games like Playstation 3, Playstation 2 and PSP using sports like football in England premiere league.

Through newspapers like Gulf News & Khaleej Times, Sony has advertised a wide range of products it offers to its customers. And also through posters a message has been sent to a lot of people to be aware of the products which Sony offers.

Sony also uses direct – response advertising. This is type of advertising that encourages the consumer to respond either by providing feedback to the

advertiser or placing the order with the advertiser either by telephone, mail or the internet. Such advertising is done through direct mail or catalogues.

Sony incorporates co-operative advertising in its advertising process. Sony Corporation provides the dealers (e. g. Sony World) with the materials and guidelines to develop ads for print, television or radio commercials. This ensures that message is in line with, what the manufacture wants to communicate. The company and the dealers usually share the media costs and hence, the name ' co-operative advertising'.

## **Sales Promotion**

Sales promotion is a marketing discipline that utilizes a variety of incentives techniques to structure sales - related programs targeted to customers, trade, and/or sales levels that generate a specific, measurable action or response for a product or service.

Sales promotions for example includes free samples, discount, rebates, coupons, contents and sweepstakes, premiums, scratch cards, exchange offers, early bird prizes, etc.

Sony has promoted its products through different sales promotional strategies. For example after the release of the Sony BRAVIA television sets, Sony promoted them by early bird prizes by saying that all BRAVIA full HD LCD TVs purchased during July 2008 and registered within two weeks of purchase qualify for a Bonus Playstation 3 as long as the customer claims is one of the first 35, 000 received and validated by Sony.

Also Sony has promoted its Sony Ericsson P1i phones by including scratch cards which gives the customer the offer to download 10 free software applications for that mobile phone.

Sony Ericsson has also promoted its Sony Ericsson K550i Mid-Range Cyber-shot Phone that if you buy it you get a free Bluetooth headset with one year manufacturer's warranty.

### Public Relations and Publicity

Public relations is a broad set of communication activities employed to create and maintain favourable relationship with employees, shareholders, suppliers, media, educators, potential investors, financial institutions, government agencies and officials and society in general.

Through its website, Sony Corporation has provided contacts for those customers who will be in need of any information from the company. In this way Sony can create a mutual relationship with its customers and ensure that it serves the wishes and demands of its customers.

Unpleasant situations arising as a result of negative events may precipitate unfavorable public reactions for an organization. To minimize the negative effect of such situations leading to unfavorable coverage, the company has policies and procedures in place to manage help any such public relation problems.

For example, Sony released an ad depicting a man smiling towards the camera and wearing on his head a crown of thorns with button symbols (î", O, X, â-j). At the bottom, the copy read as " Ten Years of Passion". This

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supposedly took advantage of the publicity from the Mel Gibson film *The Passion of the Christ*. The advertisement outraged the Vatican as well as many local Catholics, prompting comments such as “ Sony went too far” and “ Vatican ex-communicates Sony”. After the incident, the campaign was quickly discontinued.

Another example is that, In July 2006, Sony released a Dutch advertising campaign featuring a white model dressed entirely in white and a black model garbed in black. The first ad featured the white model clutching the face of the black model. The words “ White is coming” headlined one of the ads. The ad has been viewed as racist by critics. A Sony spokesperson responded that the ad does not have a racist message, saying that it was only trying to depict the contrast between the black PSP model and the new ceramic white PSP. Other pictures of the ad campaign include the black model overpowering the white model. So it’s the duty of the public relation department of Sony to solve such issues as mentioned above so as to ensure that it maintains a good public relation with the public.

## **SONY Place (Distribution)**

**Decisions with respect to distribution channel focus on making the product available in adequate quantities at places where customers are normally expected to shop for them to satisfy their needs. Depending on the nature of the product, marketing management decides to put into place an exclusive, selective or intensive network of distribution, while selecting the appropriate dealers or wholesalers.**

Sony being the company which positions itself as a seller of durable and high-end products, it is practicing selective distribution of its products from

the selective dealers i. e. SONY World. Apart from this there are grey-markets in the UAE and other countries where a practice of intensive market coverage is practiced, and the products in these kind of markets normally do not possess all the features and benefits which Sony offers e. g. warranty and guarantee.

Sony being the company which positions itself as a seller of durable and high-end products, it is practicing selective distribution of its products from the selective dealers i. e. Sony World. Apart from this they are grey-markets where a practice of intensive market coverage is practiced, and the products in these kind of market normally do not possess all the features and benefits which Sony offers e. g. warranty and guarantee.

Through the Internet, Sony has helped its customers to find the nearest retailer shop where we can buy the Sony products. All you have to do is to enter their website and specify the product and the location.

Sony distributes its products in various channels. It uses Zero-level channel, one level channel and two-level channel. In the UAE, Sony has used the method of one-level distribution channel. This means that, customer buys their Sony product from the retailers recognized by Sony, and these retailers buy the products directly from the company itself.

Through the internet, Sony has helped its customers to find the nearest retail shop where they can buy the Sony products. All you have to do is to go to their website e. g. [www.sony-mea.com](http://www.sony-mea.com) and specify the product and just pop into the nearest Sony retail showrooms. Some of them are listed below:

## **JUMBO ELECTRONICS – THE BIGGEST SONY DISTRIBUTOR IN THE UAE**

### **SHARAF DG**

Store Locations

DEIRA CITY CENTRE

IBN BATTUTA MALL

TIMES SQUARE CENTRE

DUBAI MALL

SHARAFDG-AL WASL

SHARAFDG 4U-MANKHOOL

ABU DHABI DUTY FREE STORE

SHARAFDG – SAFEER MALL

## **PLUG-INS ELCTRONICS**

## **JACKYS ELECTRONICS**

### **Sony Price**

Pricing decisions are almost always made in consultation with marketing management. Price is the only marketing mix variable that can be altered quickly. Price variables such as dealer price, retail price, discounts, allowances, credit terms etc. influence the development of marketing strategy, as price is a major factor that influences the assessment of value obtained by customers.



Customers directly relate price to quality, particularly in case of products that are ego intensive or technology based. Sony being a company which emphasizes product quality tends to sell its products with price range from moderately-high to high-prices, depending on the use and the targeted customers.

### **SAMPLE LIST OF PRICES:**

Playstation Portable (also known as PSP) Price: AED 749

Playstation 2 Price: AED 439

Playstation 3 - 80GB Price: AED 1849

Z450 - 45 inch LCD TV Price: AED 7999

DCRDVD810 Compact movie camcorder with DVD Price: AED 1699

### **Sony Procurement**

Sony's procurement activities are based on two main principles. One is meeting the expectations of Sony customers worldwide. Customers expect Sony products and services to offer a high level of value. They also expect Sony to be a good corporate citizen through its operations. Sony's procurement activities are no exception in meeting these expectations.

The other is relationships with suppliers. Sony procures parts and materials for its products from numerous suppliers worldwide. Sony's worldwide procurement activities require smooth relationships with suppliers based on mutual trust and cooperation. Sony therefore places importance on creating such relationships with suppliers. Sony believes that both Sony and its

suppliers need to be good partners in order to provide highly appealing products that satisfy customers, and to be good corporate citizens through such activities as green procurement.

## **Manufacturing Base**

Slightly more than 50% of the electronics' segment's total annual production during the fiscal year 2005 took place in Japan, including the production of digital cameras, video cameras, flat panel televisions, personal computers, semiconductors and components such as batteries and Memory Stick.

Approximately 65% of the annual production in Japan was destined for other regions.

Asia, excluding Japan and China, accounted for slightly more than 10% of total annual production with approximately 60% destined for Japan, the US and the EU. The Americas and Europe together accounted for the remaining slightly less than 25% of total annual production, most of which was destined for local distribution and sale.

Global Slowdown affects retail market not only in U. S. but in all over the world at this year global giant in electronic and entertainment products Sony Corp suffered its first annual loss in 14 years and could be grimmer in upcoming years too.

## **Affiliated Companies (Japan)**

**Sony Bank Inc.**

**Sony Broadband Solutions Corporation**

**Sony Broadcast Media Co., Ltd**

**Sony Chemical & Information Device Corporation**

**Sony Computer Entertainment Inc.**

**Sony Computer Science Laboratories, Inc.,**

**Sony Digital Network Applications Inc.**

**Sony Disc & Digital Solutions Inc.**

**Sony EMCS Corporation.**

**Sonny Assurance**

**Sony Manufacturing Systems Corporation**

**Sony Marketing (Japan) Inc.**

**Sony Music Communications Inc.**

**Sony Music Distributi**