

A multinational
conglomerate
corporation



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Introduction

Sony Corporation is a multinational conglomerate corporation. Its headquarters are in Minato, Tokyo, Japan. It is one of the world's largest media conglomerates having revenues over \$78.88 billion U. S. (FY2008). Sony is among the leading manufacturers of electronics, video, communications, video game consoles, and information technology products in the consumer and professional markets.

Sony Corporation is the parent company of the Sony Group, has five operating segments—electronics, games, entertainment (motion pictures and music), financial services and others. Sony is among most inclusive entertainment companies of the world. Sony's chief business operations include Sony Corporation, Sony Pictures Entertainment, Sony Computer Entertainment, Sony Music Entertainment, Sony Ericsson, and Sony Financial. Now Sony is ready to step in the field of the household appliances.

The general reputation about company and its products is its high-technology electronic goods and innovation. Sony has utilized its innovation to build markets out of no where, and has created a multibillion, multinational electronic empire with its wide range of products.

History of SONY Company:

Sony was essentially established as a business venture created in association with a number of technology experts. This venture was led by Akio Morita and Masaru Ibuka. In the year 1979 great changes took place at Sony. Ibuka took over the position of chairman emeritus and Morita was

given a free hand to run things in his own manner as a result the company soon started to look like a founder enterprise.

Sony, which started with only twenty people in 1946, grew to 8, 000 people in twenty years. As the company started growing, its management began to feel pressure of the traditional Japanese influences. The Sony Corporation has a culture which is unique and is firmly rooted in its history. Both Masaru Ibuka, and Akio Morita. were geniuses in their business talents. Both provided insights and visions to company's operations and business strategies.

The research and development section of Sony is much different from other companies being much more flexible. Even then in many ways, Sony essentially remains a traditional Japanese company. The employment is permanent, and there are strong norms and values . superior achievement is rewarded by status (the crystal award) in lieu of bonuses. The company has also a strong seniority system like the mentor and apprentice relationship which is typical of a Japanese firm.

Mergers, acquisitions, and joint ventures

- 1987-Sony acquired CBS Records Group from CBS. It was renamed “ Sony Music Entertainment” in 1991.
- 1989- Acquired Columbia Pictures Entertainment from The Coca-Cola Company for US\$3. 4 billion, to be renamed “ Sony Pictures Entertainment” in 1991.
- 1989- acquired The Guber-Peters Entertainment Company for \$200 million.

- 1995- Sony/ATV Music Publishing, a joint venture of Sony Corporation of America and Michael Jackson.
- 1997- ST Liquid Crystal Display Corporation (STLCD), a joint venture of Sony Corporation and Toyota Industries.
- 2004-a 50-50 merger between Sony Music Entertainment and BMG. The new company was named Sony BMG Music Entertainment .
- 2005-The MGM Company (Metro-Goldwyn-Mayer and United Artists) was acquired by a Sony-led consortium (Providence Equity Partners 29%, TPG Capital 21%, Sony 20%, Comcast 20%, DLJ Merchant Banking Partners 7% and Quadrangle Group 3%) finalized the deal to purchase the film studio for about \$4. 8 billion, including \$2bn in debts from Armenian-American Kirk Kerkorian.
- 2006- Sony NEC Optiarc Inc, a joint venture of Sony Corporation and NEC Corporation, was established.
- 2006- acquired digital Single Lens Reflex (Digital SLR) cameras section from Konica Minolta including digital camera support and servicing.
- 2006- Acquired Grouper Networks (now Crackle, Inc.), for \$65M.
- 2007- Qreatic Design Inc, a joint venture of Sony Corporation and Qimonda AG.
- 2007- Moversa GmbH, a 50: 50 joint venture of Sony Corporation and NXP Semiconductors.
- 2008- acquired Grace note, Inc. for \$260M.

Microwave Ovens

Microwave ovens are kitchen appliances that uses dielectric heating to cook or heat food . This is achieved with the help of microwave radiation to heat water and other polarized molecules in the food. This fairly uniform

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excitation, results in thorough heating of food (except in thick objects), a feature unique to microwave heating technique.

Unlike conventional ovens basic microwave ovens do not brown or bake food. This renders them unsuitable for cooking certain foods. These additional effects can be added to microwave ovens, to achieve certain extra effects.

Microwaving food raises several safety issues, but also reduces certain risks, such as that of fire from high temperature heat sources.

Uses of Microwave

- Microwave ovens are generally used in both industrial applications such as restaurants and at homes for time efficiency
- it is preferred by, people who want fast cooking or to reheat stored food (including commercially available pre-cooked frozen dishes) in a short time
- Microwave Ovens can also be used to defrost food items that are then cooked by traditional methods, reducing the time to defrost foods naturally.
- Microwave ovens have the ease of performing some traditionally cumbersome kitchen tasks, for example softening butter or melting chocolate. Popcorn is also a very popular use of microwave oven.

Sony Microwave

Sony's principal business operations include Sony Corporation (Sony Electronics in the U. S.), Sony Pictures Entertainment, Sony Computer Entertainment, Sony Music Entertainment, Sony Ericsson, and Sony

Financial. Now Sony is all set to step in the field of the household appliances. Sony is going to launch its Microwave oven in the market which is designed in a manner to give a tough competition to all the existing Companies of microwave in the market with its latest and updated technology used in the product.

Sony Company is known for its upgraded and high technology products. So its microwave oven is also providing same technology features.

Features of Sony Microwave Oven:

- Rapidly cooks foods, heat liquids and defrost frozen foods.
- Some foods such as plain fish, soft fruit, peas, fat free cakes will be better cooked in the microwave oven, since they preserve flavor, texture and goodness.
- Sony Microwaves are safe and economical on electricity with power savings up to 50%.
- No oven preheating is needed and the kitchen remains cool.
- Cooking with Sony Microwaves is clean with little odors thus reducing washing up time..
- These ovens can be used with a conventional oven to speed up the cooking of food items such as bread.

Design of Sony Microwave Oven:

Sony microwave oven consists of:

- a high voltage power source, with a transformer, which passes energy to the magnetron

- a cavity magnetron, for converting high-voltage electric energy to microwave radiation
- a magnetron control circuit with a microcontroller
- a waveguide to control the direction of the microwave
- a cooking chamber

ISM band 2, 45 GHz frequency was selected for Sony microwave as it is available world wide and does not require very expensive equipment

Sony microwave ovens allow the user to select among several power levels, inclusive of one or more defrosting levels. In Sony Microwave ovens, there is no change in the intensity of the microwave radiation; it has inverter power supplies which provide continuous low-power microwave heating with the help of pulse width modulation. In many other ovens, the magnetron is driven by a linear transformer which can only be switched completely on or off.

The Sony oven's cooking chamber is a Faraday cage enclosure which prevents the microwaves from escaping into the environment. The oven door is a glass panel with a layer of conductive mesh this combines easy viewing, with shielding effect. The perforations in the mesh are of much smaller size than that of the microwaves' wavelength thus preventing the microwave radiation from passing through the door.

Sizes of Sony microwave ovens:

Sony proposes to launch 4 different sizes of Microwave ovens:

Compact:(Sony Mini)

Sony compact microwave, is a small, portable, or countertop, it is the smallest type

This model is 45centimeters (18in) wide, 30centimeters (12in) deep and 25centimeters (10in) tall. The power rating is 500 watts and measures 26liters in capacity. This oven is primarily meant for reheating food and making microwave meals and popcorn. This ovens are not meant to cook large quantities of food.

Medium-capacity (Sony Standard)

This microwave is larger than compact microwave. This model is 55centimeters (22in) wide, 38centimeters (15in) deep and 30centimeters (12in) tall the interior is 45 litres and power runs on 1000 watts. This is the standard “ family” sized microwave. It has a few more “ auto-cook” features, and has grills and conventional oven heating elements.

Large-capacity(Sony LC)

This is a big microwave model designed for cooking large meals. This oven can handle 25 by 35 centimetres (9. 8 by 14 in) casserole dishes, and cook tall items like roasts or turkey breast, it has a large number of “ auto-cook” and precise temperature control measures. Power use is 1500watts and has 60litres of capacity. Dimensions are: 50centimetres (20in) wide, 50centimeters (20in) deep, and 30centimeters (12in) high.

Built-in (Sony EL)

Built-in microwave model has a built into the cabinetry quite similar to a traditional oven. This microwave oven comes with an exhaust fan for

installation above a cook top. It includes additional features like “ top browning” elements that will brown food, and rotisserie. the interiors are made of stainless steel.

Efficiency

Sony microwave ovens are far superior to other microwave ovens in the market on power conservation. Most MW ovens convert only part of its electrical input into microwave energy. A typical consumer microwave oven consumes 1100 W of electricity for an output of 700 W of microwave power, an efficiency of 64%. Sony’s microwaves have a power efficiency of 70 to 75%.

Other Benefits and safety features

Sony commercial microwave ovens use a timer; when the timer runs out, the oven turns itself off. This prevents overheating and power loss.

Sony microwave ovens heat food without getting hot themselves. When removing a pot from a stove, except by an induction cook top, a dangerous heating element or trivet is left that will stay hot for some time. Similarly, when taking out a casserole from a conventional oven, one’s arms are exposed to the very hot walls of the oven. Sony’s microwave oven is free from such problem.

Food and cookware taken out of a microwave oven is rarely much hotter than 100°C (212°F). Cookware used in a microwave oven is often much cooler than the food because the cookware is transparent to microwaves; the microwaves heat the food directly and the cookware is indirectly heated by the food.

The lower cooking temperature gets rid of the formation of tars and char, which are carcinogenic. Microwave radiation pierces deeper than direct heat, with the result the food is heated by its own water content. Direct heat, in contrast can fry the surface even when the inside is still cold. Pre-heating the food in a microwave oven reduces the time needed to heat the food and decreases the formation of carcinogenic char.

Business Mission

Sony Microwave is committed to the Sony Company; which provides an unmatched level of product support. Sony targets to provide its products to all categories of people irrespective of their salary level or their living standard. Sony has made use of different technologies from NANO to hybrid technology in its products. Sony aims at providing all sorts of products to all its consumers.

The Sony Corporation has main focus on the Electronics for example IT products and components, Game like Play station, and Entertainment such as motion pictures and music and household appliances like microwaves. Sony Corporation not only represents a wide range of business, but also remains globally unique. The business thrust of Sony Corporation is to market and distribute innovative and high quality consumer electronic products.

Sony Corporation leads in manufacturing of audio, video, communications, and information technology products all over the world.. It has increased in the sales by introducing new innovative products that attracts many customers.

The marketing objective of the company is to establish itself as an expert in the intermediary marketplace. The Sony microwave has to establish itself in the new marketplace like its other products. The critical idea of marketing was to make the product available to all the consumers in need of the oven and to place the product within reach of all potential buyers. An aggressive marketing strategy was adopted by the company.

Marketing Strategy

1. Product and design innovation to make the microwave oven suited to India cooking
2. Local manufacturing facility to promote innovation
3. Continuing to import high-end models
4. Reducing import content to cut cost
5. Boosting volumes
6. lowering the prices

Situation Analysis

External Environment

Customers Situational Analysis

The major projected customers for Sony's microwave are households, restaurants, canteens and hotels. The places where fast cooking is preferable this product is made to use. The customer situational analysis studies were as follows:

Sony has set apart its microwave's preference according to the taste of the Indian consumers. Indian cuisine can be divided into two parts:

- North Indian Cuisine

- Wheat is a staple part of North Indian meal. A typical North Indian meal consists of Roti/Paratha/Naan (Indian breads) and sabji (gravy made with vegetables).

On special occasions a four-course meal is usually prepared which can readily be cooked in Sony's microwave in one go.

First Course: Appetizers and drinks.

Second Course: Salads, Any Indian bread and sabji.

Third Course: Spiced rice (pilaf or pulav).

Fourth Course: Dessert or sweets (or lassi).

- South Indian Cuisine
- Here rice is the staple food. A South Indian meal, typically consists of rice and sambar (curry).

On special occasions a four-course meal is the choice:

First Course: Appetizers and drinks.

Second Course: Mixed rice and vegetables cooked with spices.

Third Course: Plain rice, sambar, rasam and yogurt with pickles

Fourth Course: Sweets and paan.

- Geographical Segmentation:
 - Urban and suburban regions of India
- Demographic Segmentation:
 - The targeting people with a stable income of over Rs. 6000 pm
- Behavioral Segmentation:

- SONY MICO will be most useful for heavy users whereas the Micros 1000 for light users.
- Life-stage Segmentation:

The SONY COMPACT model is set to target young people single or newly married couples.

Micron 1100 is targeted towards Full Nest 1 (youngest child under 6) and Full Nest 2 (youngest child six or over)

While SONY EL is for hotels and restaurants

Competitors Situational Analysis

List of Sony's competitors is fairly long but the most important ones are: Samsung, whirlpool, Panasonic, LG, Videocon. due to the stiff competition, Sony must endeavor to provide the latest technology and updated products to its customers.

The major competitors are, in order:

- Samsung India is in the lead presently having a 240, 000-unit microwave oven market. Its share was 33. 6 percent over October-March 2003.
- LG was marginally behind Samsung having a 31. 3-percent share in market.
- Ken star brand of Videocon International's held number 3 spot with a 10. 6 percent share of the market
- Panasonic's brand is next in order having a 6. 1 percent share.

- Japanese major Sharp and Whirlpool are extremely close to each other with a 4.2 and 4.3 percent share in microwave oven market, respectively,
- BPL Appliances & Utilities Ltd is currently at the bottom of the list with only 1.6 percent market share
- LG has taken over as current market leader in microwave oven segment its share is 37.2% followed by Samsung with 23.4%.
- The performance of the market is forecast to accelerate, with a CAGR estimated at 5.4% for the period 2006-2011 and is expected to drive the market to a value of \$4.9 billion by the end of 2011.

India's estimated population is about 1.2 billion, being second only to China. India has a GDP of US\$1.237 trillion, and is the twelfth-largest economy or fourth largest in terms of purchasing power. India is ranked 128th on the basis of nominal per capita income which stands at US\$1,068. So Sony has priced its product according to the pocket of the Indians i. e its targeted market India.

Media Situational Analysis

The media has had their eyes on Sony long before they entered in the household appliance market. The media can help to promote Sony's microwave to a greater extent; however, it can also be the reason for sales decrease. It all depends on what the media happens to be focused on a particular time. Either way, the media is one big reason why people know about the work Sony is doing in the household products.

Suppliers Situational Analysis

Sony depends largely on its suppliers to get their raw materials and some pre-constructed parts so they can develop and produce their microwave. Sony has had a long relationship with most of its suppliers and knows the importance of those relationships.

Distributors Situational Analysis

Sony sells some of its products online. However, the major chunk of their sales is generated from distributors such as Wal-Mart, Amazon, kitchen keepers and others.

Internal Analysis

Sony Corporation is an international company that manufactures and markets appliances globally. They have a line of microwave ovens- manufactured in the U. S. and in Asia. For gratifying the needs of India market, the production cost has been cut down by off shoring in Asia. And featuring products that use less energy, save money and are environment friendly. The Sony Microwave Ovens which it is going to make available in the Indian market are as follows:

1. Compact Microwaves
2. Countertop Microwaves
3. Convection Microwaves
4. Over the Range Microwaves (OTR microwaves)

SWOT Analysis

Strengths

Sony's utmost strength lies in the ability to create innovative, quality products.. Utilization of high technology remains its biggest strength.

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Whichever product is manufactured and introduced into the market the consumer can use them easily. No complexity is added to the product. The products are used for a long time. The products last for long. Consumers face no problem of exchange or default in the product.

1. High technology
2. Product is simple to use
3. Sturdiness

Weakness

The high cost of production perhaps is a major weakness that the company is facing. Sony has to realize a huge capital for its product production.

The second weakness Sony is the high maintenance cost to be directed for the of the microwave to be launched in the coming days. As Sony is launching a wide variety of microwaves depending upon the requirement, which are less common in the targeted market. The targeted market is more versed with the available simple type of microwaves available in the market by other companies. So Sony is facing the problem of making the consumers versed with the utility of its appliances.

1. High cost expansion for production
2. High cost for maintaining the microwave(for user)
3. Not common in use in India (strange tools)

Opportunities

Sony seeks a lot of opportunities that utilize their strengths of innovation.

Changing customer's demands and flavors has helped Sony launch its product at a mass scale. Today most customers are looking for new and updated
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products that provide maximum benefits at the same time. So Sony sees an opportunity of its product's being accepted at a considerable pace. The second opportunity Sony is the huge population of the targeted country so the consumer base requiring such appliance is going to be large. Moreover the countries economic condition and the industrial atmosphere is quite healthy which also enhances the opportunity for the company.

1. Changing customer needs / tastes
2. Huge population (1.3 billion)
3. Economic condition and good industrial atmosphere

Threats

Sony has threat from its competitors. More and more companies entering into the microwave oven field is increasing the competition level. Sony is facing such competition which has added in its threat. Moreover one more threat Sony is facing is the Socio Cultural Trends in the society.

1. Competitor
2. Socio Cultural Trends

Target Market Strategy

Sony utilizes the latest high end technology to attract the customers. The women in the age group 22-45 who are looking for latest updated technology in kitchen appliances constitutes the main market target. To reach them feature are added that are catching to these group of people. Although women are the main target group, Sony does not underestimate men either in their importance as they can also influence the housewives decisions and can also have interest in cooking

MARKETING MIX

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, in other words marketing mix is a model of crafting and implementing marketing strategy.

- Product
- Price
- Place (Distribution)
- Promotion.

Products

The first element in the market mix is the Product. A product is any item that can be offered to a market for attention, acquisition, use or consumption that might satisfy a customer's needs or wants. Product decision normally base on brand name, Functionality, Styling, Quality, Safety, Packaging, Repairs and support, Warranty, accessories and Services. These product attributes can be manipulated depending upon the requirements of the target market. In addition, customers are always on the look out for new and improved things, this is the reason the marketers should improve the existing products and/or develop new ones. The old products not in demand have to be discontinued. Sony has a vast range of products and it now has entered into the market with its new innovation " Sony Microwaves". In short, Sony products can be classified into the following major product categories:

- Television and Projectors.

- Home videos.
- Home Audios.
- Home Theatre systems.
- Digital Photography.
- Hand cam video cameras.
- Computer Peripherals.
- Portable Audios.
- Games.
- In-Car entertainment.
- Mobile phones.
- Storage and Recording media.
- Batteries and Charger.

While taking microwaves into consideration Sony has thought of following points:

- Design product for suiting with India food cooking
- Stylish of product
- Convenient and efficient to cook

SONY Promotion

Brief Introduction

Promotion is a key element of any marketing program. The idea is to communicate the strategic decisions related to marketing in an effective and efficient manner so as to influence the target customers ultimately satisfying the objectives of both customer and the company. The promotional efforts are controllable means directed to create awareness among the public about

its product the microwave oven and what it offers which influence their attitudes favorably.

Sony Marketing Communication Mix: Sony India has laid down Rs200crore on advertising and promotion in the current financial year (Promotional Budget) for the entire range of consumer goods, out of which Rs 60 crore will be spent only on Sony latest innovation Sony Microwaves. The major elements of promotion mix will include advertising, personal selling, sales promotion, direct marketing, and publicity. Sony Corporation intends to use all of these marketing communication mix elements.

Advertising

Advertising can be defined as any paid form of non-personal mass communication through various available media sources so as to present and promote product, services and ideas etc. through a designated sponsor. To date, SONY has advertised its new product microwave ovens through many different ways. Sony uses some popular events like Miss India to promote its products. Through leading newspapers like Times of India, through Posters and direct - response advertising (where consumers are encouraged to give feedback to advertisers). Such advertising is done through direct mail or catalogues. Sony also includes co-operative advertising in its advertising process. It provides materials and guidelines to the dealers (e. g. Sony World) for developing ads for print, television or radio commercials regarding its microwaves.

Sales Promotion

Sales promotion is a marketing field that makes use of a variety of incentives that generate a specific, measurable action or response for a product or

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service. Sales promotions include free samples, discounts, rebates, exchange offers, coupons, premiums, scratch cards, early bird prizes, etc. Sony is promoting its microwaves through different sales promotional strategies. It is using Public Relations and Publicity Public relations for creating and maintaining positive relationship with employees, shareholders, suppliers, media, educators, potential investors, financial institutions, government agencies and society in general. The potential customers have been provided contacts through its website for availing any information regarding the company and its product. Following things has been taken into consideration while promoting the product in the market:

- Changing awareness about benefits of Oven (not only reheating but also cook well) by direct marketing:
- Organizing cookery classes : with famous chef
- Recipe contests, in-house demos
- Giving away freebies in the form of accessories such as glass bowls, aprons and gloves and hosting co – promotions

SONY Place (Distribution)

Distribution channels need to be decided so that the product is made available in adequate quantities at places where one normally expects customers to shop.

The marketing management has decided to establish an selective distribution of its products through its selective dealers. Sony distributes its products through various channels. It makes use of zero-level channel, one level channel and two-level channel. In India, Sony will use the method of one-level channel for launching its microwaves. In other words, customer will

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buy Sony microwave from the approved retailers who will in turn buy the product directly from the company. Sony will assist the potential buyers, through the internet to find the nearest retail shop where to buy the Sony products. For this, one has to go to its website e. g. [www. sony. co. in/section/shop](http://www.sony.co.in/section/shop) and specify the product and location. Then it will display all the nearest retail shop available. To start with, launching of microwave ovens will be in India's top seven cities (70% of market with Delhi and Mumbai) at the same time endeavoring to expand and explore in nonurban, semi- urban markets.

SONY Price

Price is the only marketing mix variable that can be modified quickly. Price variables that influence the marketing strategy include dealer price, retail price, discounts, allowances, credit terms etc. Price remains a crucial factor that can influence the evaluation of the product by customers. Customers tend to directly link price to quality, especially in case of products that are intensively technology based. Since Sony stresses on product quality its products sell with price ranges which are moderately to high price range, according to its utility and the targeted customers. So it has laid down various price categories of its microwaves depending upon the consumption capacity of the masses.

Steps in Launching Of Sony Microwave

Sony wanted to launch a new product of its company into the market. This time company is launching SONY Microwave ovens with different shapes, colors and features. They had done homework and decided exactly what to offer and how to generate the sales. It is very difficult to increase sales

because these days large number of products of same kind was launched in the market one or the other day and thus the company had to face a tough competition. Sony microwave is the brand extension and will provide the benefit in the success of the product. These are the following steps kept in mind.....

1. Identifying the competitors : - Before launching the product a proper market study must be done to know the competitors in the market and their strategies. There are various competitors of SONY in market offering large range of products like Panasonic, LG, Onida etc. So for this there is a need of market survey and have to take a serious look at competitors by doing the proper SWOT (strengths, weaknesses, opportunities and threats) analysis. With this strategies and target market of competitors will be known which will be of help in making the policies to compete with them. As Sony is launching microwave ovens under the brand name SONY it is important to know the products offered in the market by competitors. There are various products like Panasonic microwave type countertop, Onida microwave, LG double door microwave etc offered by competitors. If new product or service is entirely unique and without any competition, it's important to put product according to the customers prospective . Once it is decided there will be competitor's, review their marketing strategies, including their ads, brochures and websites and target mar