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RESEARCH PROPOSAL Prepared for: Marketing Manager Subject: Yermegiyayev Azat Samsung Galaxy Gear Technology Company : Fast & Furious Table of Contents INTRODUCTION Samsung is a multinational South Korean based conglomerate company that is best known for telecommunications and consumer electronics. It is headquartered in Samsung Town, Seoul. It is currently the largest Korean business conglomerate. Samsung is one of the leading smartphone manufacturers in the world, while also providing a long list of products and services including advertising, hospitality, construction entertainment, communications technology and much more.

The company is currently researching new technology that can help users make the most of their smartphones. The aim of the study is to increase productivity and seamlessly incorporate Samsung technology into the everyday lives of users. We are looking in to new technologies that can be used as an accessory to promote the advancement of our smartphones’ system. Along with this, we want to know and understand the needs of our clients and how they respond to this type of development. This proposal has been prepared as a response to the current “ smartphone battle”.

Samsung has released new technology that partners with their latest high- nd smartphone. The Galaxy Note Ill, a successor of the popular Samsung Galaxy Note and Saumsung Galaxy Note II, now comes with a revolutionary new smartwatch that increases the effectivity of the smartphone (Treacy, 2013). The tagline “ Design Your Life”, speaks to the users and potential users in saying that such a piece of technology can help them increase the productivity of their day with the Samsung effectiveness of the new Galaxy Gear Watch by looking into client attitude, awareness and use.

This paper will look into the details of the Samsung’s understanding of the esearch objectives, methodology, rational, and data processing, reporting as well as timeframe to achieve the results and to better improve the new technology in areas that it needs improvement. SITUATION ANALYSIS Samsung has recognized the new potential for major smartphone accessories as a new potential revenue scheme and understands the need for more research in terms of sales and customer response. This means that the company will have to find out how the public reacts to the release of such technology.

This research project will look into the effectiveness of the Galaxy Gear Watch and ee how users accept and utilize this type of technology. The approach of the project will be to approach users who currently own a Galaxy Gear Watch as well as potential users who would like to get their hands on one. This would give the researchers an idea of how users see the watch along with the current appeal of this new technology and how it can help Samsung market future smartphones. The results for this study will provide insight on future demands for like technology of The Galaxy Gear Watch as well as the effectiveness of the device.

SAMSUNG GALAXY GEAR WATCH The revolutionary new device called a smartwatch is on the list of things techie individuals are on the look-out for. These stylish and high-performance devices go beyond time keeping, and they have the functionality to help you get through your busy day. They can perform basic tasks that allow them to act as your personal assistant. Smartwatches are seen to take over the mobile world, allowing people to connect with their phone, check messages and so much more without having to take their smartphone out of their bag or their wallet.

Samsung announced the release of the Samsung Galaxy Note Ill, shortly after releasing the Galaxy Note II. This model was probably one of the most highly anticipated smartphones to come out of Korea this year. Despite the short nine month interval between releasing new phones, the Note Ill was received very well. It is probably one of the most advanced smartphones in the world as of the moment, with its high speed, amazing display, sleek lines and excellent camera. Many critics have received this particular model well and have praised Samsung for their timing.

However, the Samsung Galaxy Note Ill was released with a particular accessory also available. The Samsung Galaxy Gear Watch was marketed as an accessory for the Samsung Galaxy Note Ill. It has been said that the watch makes everyday tasks much easier. Although critics had mixed reviews before the actual release of the watch, no one quite new what to expect from the revolutionary device. Samsung claimed that the device was meant to make smartphone use easier. However, many users and potential users were still skeptical about this.

As soon as the Samsung Galaxy Note Ill and the Samsung Galaxy Gear Watch were released, it was only a matter of days, or even hours before tech experts and self-proclaimed critics voiced out their opinions. public. Although a number of buyers did choose to get both the smartphone and the atch, despite the hefty cost of the Galaxy Gear, the return rates were high. Samsung saw an embarrassing return rate of over thirty percent with one in every three customers returning the watch after a few days of use.

After short surveys on why they have returned the Galaxy Gear, only limited responses were gathered. Most claimed that it was Just not what they are looking for. Although the public did not like the new smartwatch released by Samsung, the media leaked that it is apparently one of Oprah’s favorite devices, as seen on her “ List of Favorites”. Along with a picture of the smartphone and the watch, Oprah says that he watch helps her check her phone discreetly during meetings, without seeming impolite. Very little was said about the watch and its functionality.

Looking into the comments made by Oprah can help the researchers safely assume that the functionality of the watch can work for some people who look for that type of feature. However, for the people who have returned the watch, what they are looking for in such a device needs to be determined. The researchers aim to know more about the public’s response to the Galaxy Gear watch in order to determine if it was a market failure or not. The results of this study ill help Samsung know if such a device can be a good stream of revenue.

Having a like device marketed with a major high-end phone that is highly anticipated is great in theory, however the question is if the product delivered is something that Samsung users and potential users are looking for. The Samsung Galaxy Gear Watch is meant to make the users’ lives easier by helping them multi-task and go about their day without having to constantly take their phone out. Unfortunately, it seems as if users who have purchased the watch either do not need this feature, or do not know how to fully utilize the device.

RESEARCH RATIONALE Along with the research objectives mentioned above, Samsung has also come up with a SWOT analysis for the Samsung Galaxy Gear Watch. This analysis will help researchers put the new type of technology in perspective and see where it is positioned in the market. This can also help researchers determine if such a device is important in developing a new revenue stream for the company. Samsung Galaxy Gear SWOT Analysts STRENGTHS WEAKNESSES Innovative technology Leading Smartphone brand Add on revenue stream Powerful marketing Product cost Small market Release is too soon for new version of Galaxy Note

OPPORTUNITIES THREATS Providing something new for users and potential users Basis for future like-products Marketing new smartphones with an added device Competition coming up with new technology Losing the market to different smartphone brand Unwanted/unneeded luxury technology Samsung Galaxy Gear PESTEL analysis Political Political situation is quit stable in US but unfortunately cant say about economical side of US now is at the edge of default, it has a huge threat for all businesses in this country. It is assumed that the credit limit will extended even more.

But for how long the government can continue doing this. This uncertainty may threat the businesses, Samsung is not an exception. Also international laws should be considered : INCOTERMS, as the US is in the International trading Convention. Samsung should consider different laws in different states in US. Economic environment The main factor to consider is an unemployment rate, in 2011 unemployment rate in US was 9. 1% in 2013 is 14% it is slightly better than in 2012 when the country was under recession. It is for about 34 million Americans out of work.

High unemployment rate definitely affects the consumers’ confidence which affected the consumer spending. Social-cultural Environment Technological boom has contributed to rise of telecommunication in both business and pleasure aspects. In order to determine primary target groups to sell device for, a company need to measure social aspects such as age, demographics, etc. It will be also helpful to improve or develop a new concept of device. Technological Environment The most important factor is that the cellular network in US.

Country sides has a poorer quality of the voice/data transfer but most of the population is concentrated in cities where the cellular networks has almost a 100% coverage and a high quality. Legal For the past few years there were numerous lawsuits: Apple vs Samsung A recent loss to Apple (24august 2012, Apple won wins lawsuit where was awarded for $1 billion). Had a negative effect on the sales of Samsung sales in US. Which affected the company’s reputation. Also this factor the sales of Galaxy Gear.

Even though that most of the case can be considered as “ SILLY the cost from those law suits are quit high which affects the speed of the release of new device. Also it makes harder for manufactures to be competitive (increased costs, damage of the brand image). Samsung makes a very broad environmental activities around the world. Has their strategy on following topics: Eco-product- design sustainable products Climate strategy- minimize effect on environment Recycling – Take phones for using old details in new phones Sustainable operation- substances BCG MATRIX Market growth Market share Smart watch 3% Sony 2. % 7% We can see that the Galaxy Gear has a very small market share and market growth rate. The same we can say about its closest competitor in smart watch sector (Sony). This can be explained that the product is very new and the product was advertised badly. So customers are not able to see the products all opportunities. By many experts it is estimated that the growth of this industry may increase to the rate as the smartphone industry. It is estimated that by 2018 the smart industry may rise to 9 billion but now it is only 800million-1. billion if the growth rate of the industry will be 9-10% per year. So this explains why Galaxy gear has a small market share and a small market growth. The market is only shaping there is a long way to its maturity. So this shows a high potential of Samsungs products. RESEARCH OBJECTIVES The objectives of this research is to establish the effectiveness and desirability of Samsungs Galaxy Gear towards users and potential users so that the business can: Understand how valuable these new major smartphone accessories are for the organization – In terms of sales and a potential revenue system.

Understand how valuable these new major smartphone accessories are for the users – this will help the researchers understand how the users respond to such technology and how it makes their lives easier. Understand what needs to be improved with the Samsung Galaxy Gear Watch – the technology of the Galaxy Gear Watch still has room for improvement. The response of current users in terms of what they wish to see in the atch will be gathered to help researchers understand what users are looking for in this type of technology.

Understand how to position and market future like- technologies when releasing a new smartphone – this insight will allow researchers to see how the market responds to this new technology and how Samsung can create a new revenue stream from a product like the Galaxy Gear Watch. See Table below for areas of research focus: Fig 1: Areas of focus for Questionnaire Understanding Awareness of the product Are they aware that Samsung has come up with a new smartwatch made exlusively for the Samsung Galaxy Note Ill Smartphone? Have they ever seen in any form of advertising? If so, how many times?

How did they hear about the new smartwatch? Will they recognize the device as a Samsung innovation when they see it? Attitude towards the new product Are they interested in owning such a device? Do they like the device in terms of aesthetics? What about the device is most intriguing? Do they believe that such a device can improve their productivity? How do they think this type of technology can improve their lives? Attitude to Samsung as a result of the new product Has the smartwatch device enabled them to know more about what Samsung is about? Do they see Samsung Smartphones differently after the release of the device?

Would they consider purchasing future Samsung products if they came with a like device? Attitude to purchasing decision as a result of the new product Are they happy with their purchase? Do they believe that the cost of the product is fair? Would they recommend this new technology to friends and loved ones? Do they feel as if they have fully utilized the technology? Has this smartwatch helped them better function in the day? Does this smartwatch help them increase the effectivity of their smartphone? Did they purchase the smartphone because of the smartwatch?

METHODOLOGY AND RATIONALE Samsung specializes in developing new innovative technologies and understands the key considerations to determine the most appropriate research methodology for this project: These include: The dispersed location of the audience Company policy towards engaging in market research such as this Sample set is small, therefore all users and potential users will be able answer all the research questions The users and potential users have a time restriction Therefore, this research will include three types of research: Very important to note that the region was take a US for the research.

Because most international IT ompanies demonstrate and realease their products first in US. A success in US market means a lot in general success of the company. Also Us is the one of the biggest consumers in the world. 1 . Secondary – Desk Research Once all the information is gathered, a secondary type of research will commence. Using the answers from the surveys, the researcher will look into areas that need awareness and how the users utilize such a product. The focus of the secondary research is also to explore new marketing strategies that can be used in order for people to know more about the new Galaxy Gear Watch.

Apart from this, the research ill be used to know more about what can be done in terms of future technology innovations and how well they can be marketed with a new smartphone. 2. Primary – Qualitative Research This stage will be seen as a basis for the research. Samsung will need to get initial feedback from users and potential users in order to develop the other areas of the study. This area will greatly improve the quality of the research conducted in terms of secondary and primary research. A small group of users and potential users from one area with different Job functions and occupations will be gathered to represent different groups.

This small focus group can provide more insight on the product and let researchers know what needs to be improved when it comes to the technology. The potential users along with the current users will be able to sit-through a short tutorial on how to use the product and fully utilize it so that their productivity throughout the day can be improved. The users will first be asked what they like about the product, and the potential users will be asked if they would want such a product and what they find intriguing about it. They will also be asked why they have yet to purchase the

Samsung Galaxy Gear Watch and what causes their reluctance in purchasing such a product. Samsung will have two moderators for this focus group, two members who have been selected for this specific role because of their interview and communication skills. They are most competent in reading into the attitudes of the users so that they can get the best, most accurate and most useful results for this study. 3. Primary – Quantitative and Qualitative Mixed Research The primary quantitative and qualitative mixed research approach will be done in the form of a survey.

The survey will ask relevant questions to people who are both ware of the new product and those who are not. This will be structured in a way to help us know where to focus on our secondary desk research portion for the study. Samsung has a good client base in the United States, and this particular study will focus on the clients of three different telecommunications stores in a specific area. The survey will only be about 10 – 15 minutes long where users and potential users will be answering mostly yes or no questions. A pilot testing phase for this will be done to see if the questionnaire is too long or too short.

Telephone-based interviews for this research will not be used. However, online urveys will be needed. This will be provided by Survey Monkey, one of the leading online survey providers online (Buchanan & Hvizdak, 2009). Samsung will create a short survey on their local website and email customers who are registered on their database. We will only collect the first set of surveys that are submitted and create a cut-off only for research purposes. This is a fast, effective and cost-friendly way to receive feedback from users and potential users.

SAMPLE clients, as mentioned above. This particular study will be conducted in one of Samsungs’ headquarters in the United States. There will be a total of 12 individuals or each focus group discussion and a total of 100 – 120 respondents for the survey. The researchers believe that this sample size will be broad enough to gather useful information about Samsung Galaxy Gear Watch. The respondents in the survey should represent a particular group which Samsung would like to market to or already is part of Samsungs target audience.

Before Samsung does come up with the focus group to identify the few respondents in the discussion, users and potential users will have to submit the following information in order for the researchers to determine if the individuals are a good fit for the study: First Name Last Name Occupation Job Title and Function Address Contact number Email address ONLINE SURVEY The online survey will be hosted by Survey Monkey, an online survey generator and provider (Buchanan & Hvizdak, 2009).

This will be emailed to Samsungs users and it can also be taken online in several Samsung retail stores. This method of gathering information is now very popular and it provides fast, easy and reliable results. The information from the surveys that are taken will simply be emailed to the researchers who can then compile the results. Before the survey questions will be finalized, a pilot will be done for one day, otaling of about ten surveys. Depending on the results of the survey, the researchers will then edit the questionnaire to better suit the study.

The researchers will observe this chance to contact those who have already answered the survey and ask them about what they thought of the current questions and how convenient it was to answer something online. QUESTIONNAIRE GUIDE The questionnaire will involve users and potential users of Samsung phones. Those who have availed of the Galaxy Gear Watch will be generalized as Samsungs current target market. Those who have yet to buy the device, yet are interested will e studied. The questions on the survey will have a mix of closed and open questions, since it is both qualitative and quantitative.

The questions will be short enough for the users to want to answer the survey. Also to make the questionnaire more effective, it should be designed in certain way: from general questions to open questions. QUESTIONNAIRE 1. Dou Yes No Maybe, I don’t know 2. Do you think this device will benefit your daily life? Yes, a lot No, I don’t think so 3. Do you have a Samsung phone? (if no next question) 4. Will you switch to Samsung because of the watches? 5. Do you like the design? . Will you manage to wear it every day? than 2 times Yes 7. Do regularly check recent IT news?

Yes, every day No, never 8. From whom did you here about the watch? Online advertisement in Youtube Samsung Website Advertisement in magazine TV ads Once a week/ weekends/ more Friend 9. Do you think this watch will be suitable for everyone? (Kids, adults, elderly people) 10. Which gender will be more interested in this watch? Male Female 11. Do you think it is suitable for any occasions? (Wedding, party in club, business meeting, etc) Yes 12. Will you recommend this watch to your mother? I don’t know 3. Will you give this watch as present to your friend? 4. Do you listen to music everyday? 15. Does this watch make music listening experience easier? 16. Will you wear it while doing sports? 17. Do you think Galaxy Gear innovative? 18. Will you wait for the next version? 19. How much are you willing to pay for Smart Watch? 50-150 1 50-250 250-350 20. What is your favorite color? White Black Red Yellow Green Blue 21 . In your opinion, what kind of functions Galaxy Gear should add? Video streaming Social media (Facebook, Twitter) Could be used as USB Other DATA HANDLING AND PROCESSING 1 .

Survey Money for data collection Samsung uses a reliable and ethical data collection online provider (Buchanan & Hvizdak, 2009). For a small fee each month, Samsung will have access to a customized survey created on this survey host. All information gathered from users and potential users will be collected through this host and emailed to the researchers. 3. Pilot Survey The pilot survey will be done to test the effectiveness of the questionnaires and to receive feedback from users and potential users. The researchers will see if the survey is too long / too short and if the questions are relevant to the study.