

An overview about the samsung tablets marketing essay



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This assignment is about the new launched Samsung tablets. The Samsung Galaxy Tab 2 is the newest launched tablets in the mobile industry. When Samsung launched the new tablet, their customers was very excited because of all the applications that the new tablet have and they were also excited because the tablet is a 2 in1 mobile device. The tablet can be used for a phone as well as in the form of a laptop. The new tablet are design to help people relax and to have fun in all possible ways.

Samsung is making use of the software called android 3. 01 also known as the honeycomb for their latest tablet. The android software has a lot of benefits in compare to the software that Apple is using. The android software is owned by Google the leader under the search engines. Apple on the other side makes use of their own software, software that belongs to Apple. One of the main differences between android and Apples software called iOS, is the fact that the android software have Bluetooth and the iOS do not have Bluetooth.

I only found one internal issue or problem for Samsung. The internal issue is the lawsuit that Apple had against Samsung. The case is about Samsung copying the patent of Apple. The outcomes of the lawsuit were that Samsung was founded guilty of copying Apple's patent and Samsung had to pay damages of \$1. 05 billion equivalent to R9. 65 billion.

In the external issues or problem section, there are discussions about the legislation and regulation, general economic conditions, technology, societal values and lifestyle and population demographics. In the legislation section, the discussion is about the lawsuit and the effect that it has on Samsung, like

on their employees and their customers. In the general economic condition section, the discussions are about the effects that the inflation rate, interest rate and unemployment may have on Samsung. In the technology section there are discussions about the rapid change in the mobile industry and the competitiveness of the industry. In the societal values and lifestyle sections there are discussions about ethics and how customers values products. Under the population demographics section there are discussions about the age groups and the fact that older people are more resistant them the younger generation.

In the assignment I also discussed the SWOT analysis and the five forces model for industry analysis. In the SWOT analysis section I touched on Samsung's strength, weaknesses, opportunities and threats. In the five forces model I touched on the power that supplier and buyers have on Samsung, the threats of new entrants, substitute products and most importantly the companies that Samsung has to compete with.

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1 An overview about the Samsung tablets

Samsung Galaxy Tab 2, the lasted version of the tablets are produced or manufactured to help people relax and to have fun. Samsung made the sharing of multimedia easier or enjoyable for their customers. Samsung Galaxy Tab 2 has the following applications;

1. 1 Platform

It has an “ 850 / 900 / 1, 800 / 1, 900MHz GSM&EDGE Band, 850 / 900 / 1, 900 / 2, 100MHz 3G Bands, HSPA+ 21Mbps / HSUPA 5. 76Mbps, Android 4. 0 (Ice Cream Sandwich), Android Browser, 1. 2 SAR Value, Learning Hub available” (samsung).

1. 2 Display or screen size

The Samsung Galaxy Tab 2 has a “ PLS TFT LCD, 1280 x 800 Internal Display Resolution and a 10. 1” Internal Display Size”. (samsung)

1. 3 Video

“ Video Player, HD (Recording), Video Messaging, Video Streaming Supported, Video Telephony, Video Wallpaper and an Input device”. (samsung)

1. 4 Connectivity

The Samsung Galaxy Tab 2 has Bluetooth 3. 0, 2. 0 High Speed, USB Mass Storage Supported, Wifi Supported, AGPS Supported, a battery of a standard capacity of 7 000Ah and many more functions. (samsung)

2 What is happening in the in the technology (IT) industry.

Samsung are making use of Google’s android which is giving them an advantage our one of the best mobile companies Apple. Samsung and other mobile companies like HTC are using rapid technology adoption; aggressive marketing and a variety of products to compete will the top company Apple. (android)

2. 1 Samsung's mobile operating system

Android was primarily designed for touchscreen devices like tablets and smartphones and it is a Linux based operating system. Android is the most popular mobile platform in the world. If you have android, you can use all the Google applications that you know, you can also play all the games that are available on Google Play, you can download thousands of music, videos and books. When you have the android application on your phone or tablet you feel that you are in control of your device. (android)

2. 2 Apple's operating system

The Apple devices like the iPhones, the iPad and the iPod touch are using the iOS as their mobile operating system. This operating system was first called iPhone OS and was developed by Apple specifically for the iPhone and the iPod touch. Apple extended their operating system to accommodate the iPad and Apple TV and they also changed the name of the operating system to iOS. (Apple)

2. 3 Comparisons between Android and iOS

Both these two operating systems are user friendly, but the iOS for Apple or the iPad have restrictions like Bluetooth transfer and a lack of file management. Android the operating system for Samsung is customized, widget, have the ability of Bluetooth transfer, animated wallpapers and good file management. Samsung are using android operating system for all their smartphones and their tablets, while Apple is using their iOS, which is their unique product. Each operating system has its own unique features. The

android operating system has advanced and additional features compare to iOS. (zdnet)

3 Difference between the iPad 2 and Samsung Galaxy Tab 10. 1

The latest Samsung Galaxy has a 10. 1 inch display and the Apple iPad 2 has a 9. 7 inch display. Therefore the difference between these two tablets are 0. 4 inch in the favour of the Samsung Galaxy Tab, because it means that the Galaxy Tab has more screen to display information or messages for example. Both the Samsung Galaxy and the Apple iPad are weighting the same weight. The Galaxy Tab 10. 1 has a screen resolution of 1280*800 and the iPad 2 has a screen resolution of 1024*768. Therefore Samsung have a better or greater resolution then Apple and that makes Samsung Galaxy more preferable than the iPad 2. The iPad 2 have a new dual-core 1GHz A5 processor, while the Galaxy Tab 10. 1 has a 1GHz A4. Therefore the iPad 2 is faster than the Galaxy Tab 2. On the memory side of these two tablets, Apple offers a choice of 1 out of 3 (16, 32, 64GB), while Samsung only have 1 out of 2 choices (16, 32GB). Therefore Apple is better when it comes to options for internal memory. The battery lifespan of both Apple and Samsung are the same, 10 hours.

(zdnet)

4 The strategic issues and problems

4.1 Internally

The two rivals Samsung and Apple had a court case undergoing. The court case is basically about infringement of a patent. Apple laid a claim against Samsung for copying their product. This case can have a major impact on Samsung's market share. Samsung can lose many customers because of the case; their customer can or may believe that the Samsung products are not original and that they stole Apple's invention. This case can also have a huge impact on Samsung's financials, Samsung lost the first case and had to pay \$1.05 billion and that can prevent Samsung from manufacturing new products and that can also be the downfall of Samsung.

The following was written by Rene Richie a journalist who interviewed one of the directors of Samsung on the 27 August 2012, "Certainly, we are very disappointed by the verdict at the US District Court for the Northern District of California, and it is regrettable that the verdict has caused concern amongst our employees, as well as our loyal customers. However, the judge's final ruling remains, along with a number of other procedures. We will continue to do our utmost until our arguments have been accepted."

(Richie, 2012)

The following was written by Don Reisinger a journalist who interviewed one of the directors of Apple on the 27 August 2012, "..... The jury also found that Apple had not violated any Samsung utility patents. Apple was awarded \$1.05 billion in damages, less than half the \$2.75 billion it was seeking in the case. However, it was a clear victory for Apple, and a blow to Samsung,

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which is trying to keep pace with the iPhone maker in the mobile market.....

The lawsuits between Apple and Samsung were about much more than patents or money, the company said in a statement on Friday. They were about values. At Apple, we value originality and innovation and pour our lives into making the best products on earth. We make these products to delight our customers, not for our competitors to flagrantly copy." (Reisinger, 2012)

The outcomes of this lawsuit, which is that Samsung was found guilty of copying Apples patent, can result in internal problems. In the statement above Samsung stated that are some concern amongst their employees, Samsung had to pay Apple \$1.05 billion which is a huge financial setback for Samsung. Samsung's employees may feel that this setback may result in litigation, like what happened with Enron. The concerns that Samsung's employees has can be litigation and the possibility of losing their job at Samsung. This lawsuit can also result in other internal factors like corporate culture and values. In the above statement Apple stated that the lawsuit was about more than money and that it was about values. Any employees believe in corporate culture, values and ethics. These employees may feel that Samsung behaved unethically and therefore Samsung is not the company that they want to invest their time and knowledge in. I think that these employees will be members that are part of the management and not the employees that are physically part of the operation or manufacturing of products. (Mullin, 2013)

4. 2 Externally

4. 2. 1 Legislation and regulation

The lawsuit can result in an external problem for Samsung, a problem that Samsung cannot have any control over. This problem is unhappy or unsatisfied customers and loyal customers that lose interest in Samsung's products. Many customers especially in the mobile industry are very brand loyal, for example you get people that are brand loyal to Nokia, Samsung, Apple and Sony. Those customers only make use of those specific products. Over years Samsung have gained their customers trust and their loyalty and they also attracted new customers through their new range of products. After the lawsuit Samsung's customers loosed trust and loyalty over Samsung as a company and that may result in a decrease in Samsung's market share. Samsung can lose customers as quickly as they gained them.

4. 2. 2 General economic conditions

Economic conditions such as the inflation rate, interest rate and unemployment can have a negative impact on Samsung. The increase in inflation rate has a negative impact on prices in general. Let's say the inflation rate increases by a 1 or 2%, the prices such as fuel (diesel and petrol), cost of living and manufacturing materials will automatically increase in the mobile or technology industry (Samsung). Therefore employees will demand more wages to keep up with the trend or increase and it can also have a direct impact on the unemployment rate, because employees will demand more wages and a company like Samsung cannot maybe award increases on wage unless the retrench a number of employees. An increase in the interest rate can have a direct impact on the contracts (phones,

tablets) that Samsung offers to their customers. A high interest rate means a high or more returns by customers. The above mentioned economic conditions can have a direct impact on the purchasing or buying power of customers; let's say a customer purchases a Samsung Galaxy Tab 10. 1 on contract and paid for it for 6 months about after the 6 months he or she get retrench and cannot pay the other instalments and Samsung or MTN have to take the tablet back because the customer cannot pay for it anymore. Samsung will then make a loss on the tablet because they will have to sell it as a second hand tablet.

4. 2. 3 Technology

Samsung is in a very shifting industry, called the mobile industry. In this industry things are changing rapidly and a company like Samsung have to stay in touch with all these changes. In the tablet industry Samsung have competitors like Apple and HTC how come with new products all the time. Software's are improving to be better and faster, like android the software that Samsung are currently using, Android now have a newer version the Android 3. 0 (honeycomb) and Samsung had included the newer version the stay competitive against companies like Apple.

4. 2. 4 Societal values and lifestyle

I have touched a bit on customer behaviour in the legislation and regulation section. A societal value is about the value that the society gets out of a product. In this case Samsung have to ask and answer the question, how will we contribute to society? What difference do we want to make in the society? If Samsung cannot answer those two questions, then they will fail.

The society wants products and services and can contribute towards society, which can make a difference in the society and a difference to once lifestyle.

4. 2. 5 Population demographics

The demographics of a population are also a very important factor in the external environment in the mobile industry. Especially the age factor, older people are more resistant to changes than the younger generation. Samsung has launched the new Samsung Galaxy Tab 10. 1 which has more functions and application than a normal phone, in fact the Samsung Tablet is more like a 2 in 1 product, and you can use it as a phone and also as a computer device. The questions are, how well educated are people to use these devices? After educating them, will they be able use it? Samsung has a project in Johannesburg to educate and to learn people about all the application on the Samsung Galaxy Tab 10. 1, but what about the other 10 provinces? How will they go about educating people in the Western Cape, Eastern Cape, Northwest province etc.? How will they educate the older generation? What strategy will they use to attract the older generation? Those are the questions that Samsung have to look at and try to formulate strategic objectives to get answers for such questions.

4. 3 Forces that can influence Samsung's buying and selling power

4. 3. 1 Trading power of suppliers

It is important for Samsung to have a good relationship with their suppliers. It is also important that Samsung choice the right suppliers in the context of prices, production standards, quality, how fast can they deliver, their reputation and the ability of improving or innovation of better products.
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Samsung's suppliers can also have a direct impact on their profitability. If their suppliers increase or reduce their prices or the quality of their products, the profitability of Samsung will also increase or reduce. (Lazenby, 2011)

4. 3. 2 Trading power of buyers

Samsung's customers can also have a direct impact or influence on Samsung's profitability. This will occur in situations where customers like MTN, Vodacom and Cell C purchases a large number of products like the Galaxy Tab 10. 1. When a customer purchases a large number of products, they want discounts and Samsung will less profits in compare to selling the products individually. (Lazenby, 2011)

4. 3. 3 Possibility of new entrants

The possibility of new entrants can also have an impact of Samsung's profitability. HTC for example, can be seen as possible new entrants in the mobile industry especially in the tablet industry. If HTC's prices are lower the Samsung's and it has similar applications than Samsung, then buyers will purchase HTC because it is affordable and similar. (Lazenby, 2011)

4. 3. 4 Threats of substitute products

It the case of the Samsung Galaxy Tab 10. 1 which can be seen as a 2 in 1 device, substitute products for the Tab 10. 1 can be smart phones, laptops and computers that have access to internet. Some people may just need a phone or computer instead of the 2 in 1 device. On a smart phone people can access the internet; they can Facebook, whatsapp, they can text and more importantly they can make calls. While on a computer or laptop they

can access the internet for social media purposes and they can formulate documents. (Lazenby, 2011)

4. 3. 5 Rivalry among competitors

A competing company for Samsung will be Apple. In the mobile industry under tablets, Apple is the only company that can be seen as a competing company with its iPad's. It is important for Samsung to know the future goals of Apple, with that I mean that Samsung must be aware when Apple will launch a new product. Samsung must understand Apple's strategies and what Apple is capable of. (Lazenby, 2011)

5 The SWOT analysis of Samsung

5. 1 Strength's

It that Samsung is known for its technological products and Samsung owns a lot of technological products.

Samsung has a strong corporate brand that everyone knows.

The new and innovative designs and Samsung provides customers will designs that are suitable for them.

Samsung's human resources, Samsung invest a lot in human resource because they believe that Samsung is nothing without their employees.

(studymode)

5. 2 Weakness

A weakness of is that they wait too long to introduce new products to the market.

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Samsung mostly waits for Apple to introduce new products to the market and then they will counter Apple.

Samsung also have a lack of differentiation.

Another weakness is the fact that Samsung target a mass market instead of a niche market.

When a company targets a mass market, their prices are low and people or customers perceive that it is also a low quality product.

(studymode)

5.3 Opportunities

Investment in Supply Chain, Samsung has spent a lot of money doing research and development about ways to get their products to the end customers.

Growing Indian market; because of growth in the Indian market for internet and the mobile industry. (2003)

5.4 Threats

“ The increase competition”

“ Risks of Samsung plants”

“ Health of Users”

“ Regulatory Issues and Safeguarding of Intellectual Property Rights”

(studymode)

6 Recommendations

They can try to minimise the weight of the Samsung Galaxy Tab 10. 1 so that it can be lighter than the iPad.

They can update their processor to the newer version 1Hz A5 that the iPad has so that they Tab 10. 1 can be as fast as the iPad.

They can increase their battery lifespan to more than 10 hours.

They can add another choice towards their internal memory option (16, 32, 64GB).

Is to invest in their supply chain so that they can get their products as fast as possible to their customers.

To target the growing market of India, to gain a greater market share globally.

Samsung must minimise the time waiting for their products.

Samsung must try to overpower Apple by invent new products before Apple do.

Samsung must increase their product range.

Samsung must target a niche market so that they can increase their prices.