Global marketing case study-samsung

Business

SamsungBackground Samsung started its business back in 1938, as an agricultural product producer.

In 1969, Samsung became a low cost black and white TV manufacturer, known as Samsung Electronics Company (SEC). To support for its growing business, Samsung acquired a semiconductor business, and was set for a future in electronics business. During this period, Samsung focused on R&D, and supply chain to improve the quality of its products. In 1997, during the Asian financial crisis, SEC had a negative net income forcing it to dismiss 29, 000 workers, and sell off $2 billion worth of assets.

SEC made a turnaround with its on-going business strategy.

In 2002, it had a net profit of $5. 9 billion. By 2003, the company managed to turn into a $41 billion company- a largest Asian electronics company. SEC took the opportunity during the financial crisis to re-define its key fundamental strategies, and to pursue a long-term innovative goal. 2.

Macro and Micro Factor Analysis Porter’s Five Forces Analysis Rivalry: Samsung was engaging in a highly competitive business environment. For electronic product, Samsung faced known rivalry in the Industry, such as Sony, LEG, Sharp, Hitachi.

In semiconductor segment (computer memory), Samsung had potential rivals from young Chinese manufacturers. Supplier Power: Semiconductor suppliers were mainly from China, and all the hardware manufacturers were able to access to these raw material resources so the power of supplier was low. Buyer Power: Semiconductor and electronic Industry was mainly competing on margin. The powerful buyers, who demanded lower prices, would hurt the company's profit.

For the semiconductor products, due to the nature of PC Industry, the price could decrease dramatically (up to 50%-75%) for every cycle (1-2