

Pestal analysis for samsung electronics assignment



PESTLE analysts Political/Legal Environment Over the past several years, there has seen a plethora of patent lawsuits within the smartened industry. In the highly competitive environment, manufacturers of handsets have been aggressive in protecting their intellectual properties by suing competitors by claiming infringements on patents. For example, in March 2010, Apple sued ETC for allegedly infringing on 20 Apple patents (Well, 2010). Apple also sued Monika in 2010 for similar patent infringements (“ Patent wars”, 2011). However, in April 2011 the International Trade Commission recommended that neither ETC or Monika would be found liable for any infringements. Further Microsoft reached a licensing agreement in April 2010 with ETC to pay royalties on Android based handsets (“ Patent wars”, 2011). More recently, Apple launched a lawsuit against Samsung in April 2011 claiming Samsung copied design features of the phone in its Galaxy line of Android phones (Squiggle, 2011). These are just a few examples of legal challenges faced by smartened manufacturers.

Mentioning all lawsuits in the past several years is beyond the scope of this analysis, but it is important to recognize that manufacturers are using their patent portfolio's to make it more difficult for their competitors to gain larger market shares. Even if the majority of cases are found to be 'dubious', the costs associated with legal battles can hamper or slow down the release of new handsets and hence making it more difficult for the manufacturer to stay competitive. Economic Environment The North American economy is still recovering from the financial crisis of 2008.

Major factors to consider are the unemployment rates, consumer spending. In September 2011 the unemployment rate in the US was 9.1% which is well above the sectional average of 5.7% between 1948 and 2010 ("United States Unemployment"). The current high unemployment rate in the US is likely having an impact on reducing smartened sales. A 9.1% unemployment rate represents approximately 28 million Americans out of work. In Canada, the unemployment rate in September 2011 was 7.1% which represents its lowest point since December 2008 ("Canada Unemployment").

Since January 2010, Canada has been experiencing a downward trend in unemployment ("Canada Unemployment"). The high unemployment rate in the US has been negatively impacting consumer inference and has resulted in a decrease in consumer spending. Bloomberg reports consumer spending dropped 0.2% in June 2011 which provides evidence the Pestal Analysis for Samsung Electronics By Cannelloni decrease in hiring and wage increases below the intonation rate are attesting consumer spending (Chancre, 2011).

Consumer spending accounts for 70% of the US economy (Chancre, 2011); any fluctuation in this area will have a significant impact on the overall economy. In Canada, the opposite is true. Consumer spending increased by 3.8% from 1st quarter 2010 to the end of 1st quarter 2011 ("Canadian Consumer Spending"). Consumer confidence in Canada seems to be higher than the US likely resulting from lower unemployment rates and Canada's faster paced recovery from the global financial crisis. Ref 1 : <http://www.Tragicomedies.Com/united-states/unemployment-rate>

Ref 2: <http://www.Tragicomedies.Com/Canada/unemployment-rate> Ref 3: <http://www.Longer.Com/news/2011-08-02/consumer-spending-in-u-s-unexpectedly-falls-for-https://assignbuster.com/pestal-analysis-for-samsung-electronics-assignment/>

first-time-in-two-years. HTML Ref 4: [http://www.Moonrise.Com/About/Intermediate/Newsagents/2011 /Month/July 14. asAspsocial-cultural](http://www.Moonrise.Com/About/Intermediate/Newsagents/2011/Month/July%2014.asAspsocial-cultural)

Environment The rise of the information age has made telecommunication more important for both business and pleasure. It is important to determine how receptive a society is to new advancements in technology, particularly smsmarteneddoption in this case. By measuring smsmarteneddoption by age demographics, a better understanding of who the primary target groups can be gained.