

Principles of marketing assignment

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**ASSIGN
BUSTER**

From Gallop to Run In the world of consumer electronics, copycat brands are a dime a dozen. These are the brands consumers turn to if they don't want to pay the price for the high-end market leaders. So if consumers want a top-tier television, they'll probably look at one from Sony or LEG. If they want something cheaper that's probably not quite as good, they'll look at brands such as Insignia, Dyne, or Vision. But what about Samsung?

Believe it or not, Samsung Electronics was a maker of cheap consumer electronic knock-offs from the time it started making calculators and black-and-white TV's in 1969 through the mid-90s. Today, however, Samsung is the world's largest television manufacturer and offers the most cutting-edge models around. Putting the brand in context, Samsung Electronics is part of the world's largest conglomerate, South Korea's Samsung Group. Founded in 1938, the huge Samsung Group also owns the world's second largest shipbuilder, a major global construction company, and the largest life insurance company in Korea.

The conglomerate is so big that it accounts for 25 percent of all reported profits in South Korea, well ahead of the number two Hyundai-AKKA Automotive Group at 6.4 percent. Under the direction of Lee Jung-yeol, CEO and chairman, the third son of founder Lee Byung-chill, Samsung Electronics has made major strides. THE NEW MANAGEMENT STRATEGY In 1993, Lee unveiled what he called "new management," a top-to-bottom strategy for the entire company. As part of Lee's new management, he took Samsung Electronics in a very ambitious new direction.

The goal: He wanted Samsung to become a premier brand that would throne Sony as the biggest consumer electronics firm in the world. Instead of being a copycat, Samsung was to become a cutting-edge product leader. The company hired a new crop of fresh, young designers who unleashed a torrent of new products-?? not humdrum, me-too products, but sleek, bold, and beautiful products targeting high-end users. Samsung called them “lifestyle works of art.” Every new product had to pass the “Wow!” test: If it didn’t get a “Wow!” reaction during market testing, it went straight back to the design studio