Marketing and Strategy Assessment for Samsung

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# Introduction

# Samsung Electronics and mobile Company is a South Korean company that manufactures electronic components and mobile devices. Samsung was founded in the late 1960s with the main aim of producing electronic devices. The company produces semiconductors, batteries, image sensors, displays, and camera modules. Also, Samsung is the world's largest producer of smartphones, television sets, fridges, and mobile phones. The company has ample resources to produce or invent a new device. Notably, they have an intense Research and Development team that can help design a machine given an idea. Also, their technology enhances them to come up with new products. Samsung has established itself as a brand company for quality. Samsung has expended its business to produce modern devices, including electronics and mobile devices that can be used in every part of the world. Samsung has been ranked at the position one in the global TV market from 2005 to 2015, making it one of the most successful electronic companies across the world. This paper examines the marketing strengths, weaknesses, opportunities, and threats of the Samsung Company. It also analyzes consumer trends, ethics violations, and how the SWOT analysis affects the company's branding. The paper also examines the core competencies of Samsung that differentiate it from competitors.

# SWOT Analysis

Samsung Company has different strengths, weakness, opportunities and threats which can be summarized in the chart below:

|  |  |
| --- | --- |
| **Strengths**   * Strong global electronic brand. * The production of high performing mobile devices at average cost. * Increased focus on innovation. * Effective global supply chain. | **Weaknesses**   * Low PC production and marketing. * The use of Android operating system. * Limited investment in research. * High dependency on consumer electronics. |
| **Opportunities**   * Growing market for TVs and Smartphone in developing countries. * The growing online sales for electronic devices. * The investment in modern operating systems. * Acquisition of software companies to enhance innovation. | **Threats**   * Increased competition from other electronic device companies in Asia. * Policy changes by governments in the developed nations. * New companies venturing into home appliances market. * Imitation of electronic devices by competitors. |

## Strengths

The first strength that allows Samsung Company to reach its global market share is producing a unique electronic brand that has been widely accepted in different parts of the world. Samsung mobile devices, including Smartphones and tablets, are widely accepted due to its unique features. The company has invested in developing electronic devices such as smart TVs with high durability and better performances. Samsung was ranked at position one TV manufacture for ten years from 2005 to 2015 across the globe due to its high performing TV sets, which are created to include the latest screen modifications. Samsung TVs have been produced to include different sizes to allow consumers to choose based on the budgets. Samsung has produced TV sets that compete with Sony TV sets across the globe. The LED display technology used in Samsung TV sets has created a more reliable brand to reach the global market (Samsung, 2020).

The second strength is the production of android mobile devices that can easily be acquired at an average price. Samsung mobile devices with high levels of performances in speed, storage, and camera have different prices based on sizes with the lowest going for about $70, which accommodates the lower class, particularly in the developing nations such as in India. Samsung mobile devices effectively handle poor networks in low-income nations, where communication infrastructure is not fully implemented. Through its innovation, Samsung has realized the importance of accessing the low-income market where many people cannot afford mobile devices priced at over $100. As such, the low-income population is widely accepted as Samsung mobile devices compared to Apple devices (Samsung, 2020).

The third strength for Samsung is the increased focus on innovation to meet the electronic and mobile device market changes. Samsung developed the first 5g network in South Korea and the United States to support Samsung mobile devices through innovative strategies. The company has also introduced AI systems as part of electronic device innovation. Lastly, Samsung has an effective global supply for its products. Samsung has invested in partnerships with over 2,500 suppliers across the world. The company has also developed support centers in different parts of the world to facilitate its products to the global market (Samsung, 2020).

## Weaknesses

Samsung has been unable to increase its production of Samsung computers that can reach the global market with effective performances. Samsung computers have slower rates of uptake in the market due to poor marketing strategies. Apple Inc has increased its competition for the personal computer market through online marketing strategies, resulting in an increase in the company's number of customers. Samsung has been unable to match Apple and HP in the production and marketing of computer devices.

Secondly, Samsung mobile devices are supported by Android OS developed by Google, which has witnessed increased competition from the modern OS for mobile devices such as IOS developed by Apple (Samsung, 2020). The use of the Android operating system, which is considered inferior by the younger generation, reduces the global market reach for Samsung. The modern operating systems are gaining acceptance in the global market among the young generation due to high speed and additional properties to enhance its use.

Thirdly, Samsung has limited investment in research to develop new products for increased revenue and the global market. Samsung investment in research and development is about 14 billion U.S dollars, mainly in South Korea (Samsung, 2020. The investment has reduced Samsung's penetration to the emerging markets in Africa as the developments are not based on the needs of the target population. The Chinese company Huawei has invested in Africa's research development to enhance its competitiveness in the emerging mobile device markets. Lastly, Samsung has weaknesses due to its high dependency on consumer electronics. The company produces electronic devices as the main product in the market, which will likely result in reduced revenue due to market saturation with cheaper electronic devices. The competitors to Samsung have realized the importance of developing other products through diversification to prevent revenue loss due to competition.

## Opportunities

The first opportunity for Samsung is the growing market for electronic and mobile devices in Africa. The developing countries are increasingly incorporating mobile devices as part of the technological advancement to promote businesses through easy communication. Samsung has the opportunity to develop mobile devices that can fit the economic conditions in the developing countries, including India and African nations, where the use of Smartphones is lower (Tayal, 2016).

 Secondly, Samsung Company has an opportunity to invest in expanding online sales for electronic devices. The leading online retail stores such as Amazon have witnessed an increase in its acceptance across the globe resulting in an easy reach to the global market. The electronic devices are easily purchased through online retail, facilitating easy access to the target market (Tayal, 2016).

Thirdly, Samsung has the opportunity to partner with software developing companies to create modern operating systems. The Smartphone sector is increasingly changing into modern operating systems with effective performances and additional properties such as self-monitoring functions. As such, the leading Smartphone manufacturers should consider partnerships to develop effective operating systems for better competition in the global market. The company should also acquire software companies as part of expanding its innovation and global competitiveness. Samsung completed the acquisition of the American electronics company HARMAN to facilitate automated car systems (Samsung, 2020). Plans should include operating system ventures to enhance competition.

## Threats

The external factors that affect the global competitiveness of Samsung Company include increased competition from companies producing electronic and mobile devices in Asia. The Chinese smartphone manufacturer Huawei has expanded its production to reach the global market by developing cheaper mobile devices. Samsung also faces increased competition from Apple Inc in the production and marketing of mobile devices globally.

Secondly, Samsung is affected by restrictions and policy changes for the sale of electronic and mobile devices. The United States has introduced different policies to regulate mobile device companies from sharing personal data with other organizations. Companies with shared data management systems such as Samsung are likely to face litigations for personal data breaches by the population, which will result in a reduced market in the long-term (Samsung, 2020).

Thirdly, new companies are venturing into the electronic and mobile device market across the globe. Different companies are now producing TV sets at cheaper prices in Asia, such as HISENSE owned by the Chinese government, which will result in the loss of global market share by Samsung Company. The upcoming companies are also imitating the electronic devices developed by Samsung with similar shapes and properties, which will negatively affect the global market share.

# Strengths and Weaknesses Consumer Trends

The consumer electronic devices have witnessed different changes that affect products' branding by companies such as Samsung. The first trend affecting electronic device branding is the development of fifth-generation speed with better performances. The electronic device manufacturing companies are increasingly adopting the 5G speed network to operate the devices and to meet the needs of the population. The younger generation in the population is interested in high-speed data transmission and connection for effective interaction and business processes. Companies prefer electronic devices with the best speed in the market, influenced by the introduction of the 5G speed (Knowles, 2019). As such, Samsung has realized the importance of improving device speed to meet the market's needs, which affects the branding of its mobile devices. The production of Smartphones without 5G functions results in reduced acceptance in the global market, particularly in western countries where technology has become part of life in handling every activity. The branding of Samsung communication devices with increased speed and connectivity promotes its success in the global market.

The second trend that affects the branding and success of electronic consumables is the introduction of an artificial intelligence system to be included in mobile devices. The AI system has been accepted as the technological development for modernity. The leading electronic device manufacturing companies have realized the importance of including AI as part of the device properties to gain acceptance (Knowles, 2019). Samsung has invested in AI systems to be included in the Smartphones to form the next generation of mobile devices with additional functions to monitor the home environment, smell, and temperature detection. The AI system affects the success of electronic consumables as the population prefers modern devices with additional functions on top of the communication properties. The AI system has additional benefits to companies in terms of data collection and analysis, which affects the branding of electronic devices to be used by organizations. The AI system enables individuals to assess their data in the generation of online marketing and employment for easy decision-making and improvements in planning using electronic devices (Knowles, 2019). As such, electronic manufacturing companies are investing in AI systems to meet the global market's needs.

The third important trend that affects electronic device branding is the development of Virtual Reality (VR), which allows for the digital transformation of the surrounding. The VR is part of consumer trends with capabilities to create 3D images and simulations that an individual can interact with to enjoy the artificial world. Electronic devices are increasingly developed to include the simulation functions to enhance the mobile device's games. The mobile device's branding to reach the global market in the digital world requires the inclusion of VR properties. The production of Smartphones without the new simulation functions results in poor uptake by the young generation due to their affinity for technology. As such, the electronic device products' success is influenced by the VR properties as part of the consumer trend (Knowles, 2019).

# Strengths and Weaknesses: Ethics

Samsung Company has weaknesses in protecting people from the harmful chemicals in its LCD and semiconductor factories in South Korea. A 2016 employee health assessment found that about 76 employees in Samsung factories in South Korea suffered from exposure to chemicals in the factory. The company apologized to the employees and the population after it failed to protect employee exposure to cancer-causing chemicals. The LCD and semiconductor products are generated from harmful chemicals that require proper protection of employees. Based on the reports of employee harm, the company paid about one billion dollars for compensation. The company has failed to implement effective environmental protection measures to reduce the release of harmful materials into the environment, which increases the risk of cancer to the surrounding population (Chun, 2017). Samsung Company faces the risk of litigation and apathy towards its products due to failures to protect people in the company and those in the community. The company has violated the ethical principles of protecting people from harm, particularly the employees.

 Secondly, Samsung violated business ethics in 2014 by donating towards political parties and party committees. The political involvement by Samsung in the United States also included lobby group support, which results in the violation of corporate social responsibility. The company utilized information from its employees who previously worked in government offices to support parties in the United States with over $500 million in donations. The investment in politics can result in the company's protection when they fail to follow the required procedures and standards for products as the politicians can easily change policies that favor the company. Corporate social responsibility requires companies to initiate projects that benefit the community or protect the environment as opposed to supporting the politicians due to personal interests (Chun, 2017).

Thirdly, Samsung has better ratings in its electronic subsidiary for environmental protection after initiating a program to take back end-of-life products targeting its customers in 2009. The program resulted in over 220,000 tons of e-waste across 54 countries from 2009 to 2018. Through the program, Samsung has been able to promote environmental protection (Samsung, 2020).

# Strengths and Weaknesses: Affect

The company's strengths in the production of global brand electronic devices have influenced changes across all departments to increase production and innovation. The top management has realized the importance of investing in innovation, which has resulted in the adoption of in-house expertise to move the company forward in developing modern electronic devices. Samsung electronic devices are branded as innovation and modern technology that incorporates recent research findings to meet consumers' expectations across the globe (Samsung, 2020).

Secondly, Samsung created a global team to promote the marketing of its products through innovative identity. The marketing team must collect data on the expected qualities of the products and assign the most appropriate identity to the products. The identity is influenced by the company's strengths in creating electronic devices that are affordable and effective for the consumers to identify the products in the market. The market place success has been part of the marketing department's changes to create targeted advertisements through social media and sporting sponsorship (Samsung, 2020).

Thirdly, the production unit has been transformed to include AI systems that facilitate data assessment and the manufacturing workforce's assistance. Samsung has launched different AI research units in the United States and Canada to increase research on modern systems to enhance the production of electric devices based on population expectations (Samsung, 2020). The production facilities focus on diversification to produce different electronic devices based on market demands. The company's business plan has included market penetration as part of the operations to increase its success.

# Core Competencies

The first core competency that enhances the competitiveness of Samsung Company is creative employees across all the departments. Samsung has become one of the leading Smartphone manufacturers in the world due to its creative employees. Samsung has developed the most effective Android mobile devices with high performances in speed and storage capabilities. Samsung mobile devices are unique due to creativity (Samsung, 2020).

Secondly, Samsung has an effective technology leader that has been influenced by the increased demands for modern electronic devices. Samsung launched the first curved display mobile devices, the Galaxy S6, which has become part of its brand different from the devices created by its competitors. The company's technological leadership is also witnessed in the development of the first curved-screen TVs (Samsung, 2020).

Thirdly, Samsung has competencies in customer value creation through the design of products based on the customers' expectations. Samsung Company has invested in electronic devices and properties that are preferred by its customers, including speed, storage, and camera efficiencies for mobile devices, which increase customer satisfaction (Samsung, 2020).

The core competencies have influenced the company business plan, where production and product design is based on the population's needs and modern technology. Product development through innovation and proper technological systems is incorporated into the business plan. The marketing strategies provide adequate information about product properties for easy identification by the customers.

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