

Samsung

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Samsung

### **Introduction**

Electronics define the world we live today. The gadgets include home appliances such as televisions, fridges, mobile phones, tablets, computers, and ovens, among others. According to Fifield (2011), performing certain operations, such as accessing the internet and communication was difficult a few decades back since the technology had not advanced to the level it is today. Electronics and home appliances make living worth because they perform certain operations with much ease (Kozubek, 2012). Samsung Electronics Co., Ltd is one of the major organizations that focus on the production of electronics and gadgets. The paper analyzes Samsung Company with the aim of understanding its performance in the global electronics market. Samsung Company is one of the most successful companies in the manufacture of electronics and home appliances.

Samsung Electronics Corporation is a South Korean multinational firm, headquartered in Suwon. It is the world's second largest information technology organization by revenue returns after Apple (Kozubek, 2012). The firm has an extremely complicated ownership structure that entails circular ownership, and it has not been publicly traded. The corporation is the flagship division of the Samsung Group that accounts for more than 70% of the group's income annually. Currently, the corporation has 370,000 employees working in its 80 assembly plants that are located in 80 different countries around the world. Besides, there are other employees who work in the retail outlets and shops operated by the firm around the world (Fifield, 2011). The company's CEO is Kwon Oh- Hyun who has served since 2012.

## **Main Products**

### **Phones and Tablets**

Due to the high expertise of the company, it is the world's largest producer of Smartphone and other forms of cell phones. Its high market share in the global market is largely contributed by the popularity of its Samsung Galaxy. The corporation is also a key vendor of tablet computers, particularly the Android-powered Samsung Galaxy Tab set, and is commonly known as a groundbreaker the tablet market using the Samsung Galaxy Note collection of gadgets. Its Galaxy collection of Smartphones is the greatest competitor of the iPhone collection (Yu, 2014). The latest production in the galaxy collection was the Samsung Galaxy Note 7, which was supposed to compete with the iPhone 7. While phone makers were focusing on specific operating systems, Samsung at one time used all them. These include Linux-based LiMo, Windows Phone, Symbian, and Samsung's own Bada. Apart from the production of Smartphones the company also produces regular phones which are cheap and convenient (Yu, 2014).

### **Television**

Samsung has been the world's main television producer for some time now. In 2009, Samsung is reported to have sold about thirty-one million flat-panel televisions. The achievement enabled the company to maintain the world's major market share for the fourth successive year (Kozubek, 2012). In 2010, the company launched its foremost complete HD 3D LED television. It showcased the product in the international electronic show that was held in Las Vegas. The success of the company was so large that it sold more than one million 3D televisions in just six months of its official launch. The company also introduced the 3D Home Theater that allows the consumer to enjoy the 3D image and powerful sound effects at the same

time. By the introduction of 3D Home Theater, Samsung became the pioneer company in the industry to contain the full collection of 3D glasses, 3D television, 3D content, 3D offerings, and 3D Blu-ray player (Lee & He, 2013).

### **Major customers**

Due to the competitive nature of the product the company produces, there are many customers who like its products. The products have proved to be a favorite amongst users all over the world. Moreover, the company has managed to win over the trust of consumers that use its products. For instance, as a show of good faith, the company decided to recall all the Samsung Galaxy 7 phones that had been sold. The faulty batteries that could blow were the cause of the recall. In return, the customers were either refunded their money or given other phones. Because of the worldwide approval and usage of the company's products, is very hard to determine who the major customers are. Corporate such as Apple Inc also form the large segment of Samsung's clients.

### **Suppliers**

The company has suppliers all over the world. These suppliers either work directly for the company or are private businessmen who buy the products from the company and sell them. Additionally, the company has major distribution centers mostly in major towns all over the world. Additionally, other Samsung products can be acquired from major electronic and household stores such as a supermarket (Yu, 2014).

### **Competitors**

Samsung competitors depend on the category of products. Each category has other players that produce items that match the effectiveness of Samsung. Firstly, in television, the company's products face stiff competition from companies such as Sony and JVC. These two

companies have been known to have much expertise in the television sector as much as Samsung. Secondly, in the mobile phone industry, the major competitor is Apple. Apple has been known to be a pioneer in cell phone and tablet technology. Moreover, the major competition of series of phones is between Samsung Galaxy series and iPhone series (Yu, 2014).

### **Environmental Factors Affecting Samsung**

There are many factors that affect the company either positively or negatively. According to Cheng, the major factor is the great urge for advanced, superior and complicated electronics (2016). For instance, mobile phone consumers need high-tech mobile phones. Luckily, Samsung has been able to meet this requirement because it produces quality phones. Another environmental factor that shapes the company is the steep competition it gets from other companies. The approach has seen the company work very hard to meet the standards required to compete (Cheng, 2016).

### **SWOT analysis**

#### **Strengths**

- Samsung is the world's major thriving electronics producer.
- Samsung is the world's number one marketer of mobile phones.
- Samsung has notable research and design capability.
- Samsung has high industrialized and marketing capabilities.
- Samsung has good relations with retailers in Europe the United States that give a stable sales channel for its items.

#### **Weakness**

- Samsung has been unable to equal Apple Inc.'s capability for marketing Smartphones.

- Chinese competitors such as Huawei are matching up with Samsung in the Smartphone market.
- Samsung is heavily dependent upon consumer electronics sales in markets with limited possible for expansion.
- Samsung's phones use the Android operating system which is also used by other companies.
- Some customers perceive Apple gadgets as more superior and reliable than Samsung products.

### **Opportunities**

- Rising market for tablets, Smartphones, and other mobile devices, mostly in developing areas such as India and Africa.
- Innovative technologies, for instance, wearable tech.
- Increasing middle class in developing worlds will add to market for user electronics.
- Increasing online market from sales channels like Amazon .com

### **Treats**

- Apple has become the prevailing tablet and Smartphone brand in some places like the United States
- Apple's status for excellence, reliability, and complexity seems to be rising.
- The Google Android operating system, which Galaxy devices depend on upon is not as popular with average people as iOS, is.
- Declining middle-class incomes in the United States and North America could decrease consumer purchasing capability in those important markets.

- Apple might penetrate into more consumer products such cameras and home appliances and compete directly with Samsung.

### **Strategic management**

Samsung Company has attained its success due to high utilization strategic management principle. The approach dates back in 1993 when the then Chairman Lee confirmed the start of the so called “New Management” in Frankfurt. Ever since, Samsung has changed itself from an average producer based on low cost returns to become a world class competitor with a strong brand worth and best products (Yu, 2014). The strategic plan is based on many ideologies that revolve around firm infrastructure, technology development, procurement and human resource management (Kozubek, 2012).

### **Personal Management System**

Samsung Company has embraced an open form of management in the age of human resources management. Open management means to value the independence and imagination of the workers and eliminating obstacles in systems and practices to improve competence and competitiveness. At the same time, this promotes apparent supervision to grow in accord with the clientele demands (Yu, 2014). The key to the company’s Open HR is management that encourages equal chances while putting skills and expertise first, and discovers human potential. It stipulates that resources should be accessible to all with no bias and limitations (Yu, 2014). Reimbursement and endorsement should be differentiated on one’s skills. Moreover, pay should be based on handwork, while promotions are based on input to the company. The most significant aspect is that employees are vital to Samsung’s achievement. By the introduction of a different management strategy, the company has moved further to its aim of a universal first-class company (Kozubek, 2012).

## **Marketing and Design**

Branding and marketing strategies of Samsung have played a vital task in its achievement. One method to know why Samsung is so flourishing is to assess the marketing strategies of the brand in provision of 6 marketing imperatives. According to me the six marketing imperatives are significant for marketing success in this century (Yu, 2014). Firstly, the company has a strong customer focus that majors on considering the needs and wants of clients, and also the future needs. Samsung has endorsed this with a universal outlook in mind. Secondly, Samsung acknowledges the authority of well-designed products. Through design, the company provides functional and moving products. Thirdly, the company has a functional design philosophy that is plain and instinctive, proficient and adaptive. Moreover, it intends to move towards eco-friendly designs and not just products that look good. Fourthly, Samsung tries to produce designs that can mirror the lifestyle of the users which can interact with them (Lee & He, 2013).

## **Samsung's Quality-Based Management**

Samsung management is based on quality and focuses on technology that is capable of producing large scale quality products. According to this philosophy, it is useless to have an electronic company that produces substandard products that will have a bad reputation amongst the users (Yu, 2014). According to Samsung founders, swift improvement in the design and quality is the cornerstone of successful brand building. It is very difficult to build a brand with poor products. Ever since, the company has grown into a market driven company that acknowledges the recommendations of the users. Opportune brand-building efforts are colluding with the digital age. Yu believes that the emergence of the digital cellular phone market and the flat screen television market gives Samsung Electronics an opportunity to battle against other

companies in the market such as Apple and Sony (2014). Additionally the invention of Smartphones offer Samsung an additional opportunity (Yu, 2014).

### **Samsung Hybrid Management System**

Samsung has been Marjory using the Japan style of management until 1980's. Nevertheless, in the 1900's the company adopted elements of the American style of management system due to the achievement in the semiconductor business. The company adopted the American style of human resource management while at the same time keeping the Japanese way of management of HR (Lee & He, 2013). Samsung acquired talented workers from both inside and outside the country as agents of change. The company's unexpected success in mixing Japanese's best practices with those from the west is a key lesson to other organizations and emerging giants. The hybrid system in Samsung has been the key source of success that has been recorded by the company in the recent past (Lee & He, 2013).

### **Mobile clinics**

As a show of commitment to its customers, Samsung do hold mobile clinics all over the world. These clinics are free and are meant for Samsung customers to bring their spoilt Samsung products for repair. The company does return some of these products to the main production centers if the nature of problem cannot be handled at the clinic. By doing so users are encouraged to buy more Samsung products just because they are guaranteed of their durability and free technical repair (Lee & He, 2013). The strategic plan has seen more and more people embrace a wide range of products from the customers. Samsung ensures that the relationship with its customers does not just end at the point of purchase of a company's product (Lee & He, 2013).

### **Conclusion**

Samsung Electronics Co., Ltd has grown rapidly over the recent years. The company is a known major producer of gadgets and home appliances that are highly recommended globally. Even though the company faces very stiff competition from other players in the electronic industry like Apple and Sony, it has managed to meet the challenge. The adoption of a strategic management by the company has seen it become a major world player. However, the company has more chances of becoming more complete if the strengths and opportunities it has are fully exploited.

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