

Global Marketing Strategy.docx

by Valerie Albury

FILE	GLOBAL_MARKETING_STRATEGY.DOCX (29.62K)		
TIME SUBMITTED	22-JUN-2020 05:08PM (UTC-0700)	WORD COUNT	3045
SUBMISSION ID	1348290802	CHARACTER COUNT	17047

Global Marketing Strategy

Author

Institutional Affiliation

Instructor

Course code

Date of Submission

Homburg *et al.* (2013) contend that for any organization to thrive in the contemporary competitive business environment, there is a need to develop an internal and external marketing plan after having understood the prevailing market conditions. This current paper will provide an evaluation of the steps taken by the Samsung company in the development of a global marketing strategy. Just like the other organizations, Samsung company also has issues as far as economic perspectives are concerned. The analysis of the micro and macro environment reveals the organization's challenges. Sheth & Sisodia (2015) observe that a ¹⁴ marketing plan involves the ²² planning of the expenditures of the company required for promoting the company.

²² Samsung is a South Korean multinational company that ²⁴ has grown to become one of the world's largest trading corporations. ¹⁷ The company originally founded in Suwon South Korea in ²³ 1969 as a small trading company is ¹ now globally known for its electronic products (Kelly, 2011). Currently, the company manufactures several latest technologies and electronic appliances, running its operations in close to 70 countries ¹ all over the world (SAMSUNG, 2014). Additionally, the company has also become a leading IT maker after successfully beating HP who previously held the position.

Considering the fact, ¹ the company is now manufacturing world-class latest technology and holds the continued desire ¹ to compete with its biggest competitors such as Nokia, Apple, and Blackberry, there is need to develop a highly competitive global marketing plan with the ability to ¹⁹ fulfill the current market requirement and demand of the customers (Chang, 2011). In sense, Samsung needs to develop a highly innovative plan that would ensure the production of ¹ high-quality world-class products to help propel the company to become a leader in these segments and mark its position in the global market.

SWOT analysis

Strengths

The company represents one of the biggest companies in the world, enjoying a very good brand image. According to a business review of companies, the company was rated among the top 20 companies in brand loyalties. The company's electronic segment is the largest manufacturer of chips and semiconductors. Additionally, the company is ranked top ¹ in the cell phone segment worldwide and is similarly developing its position in the computer industry (Mitchell, 2010). The company has over the past achieved ¹ more technology patents and has accrued more talented staff overtime helping it to maintain its position in the international market.

Weaknesses

One of the weaknesses associated with the company is the lack of differentiation and segmentation of products. Samsung company does not differentiate its products and segments impacting the growth and success of the other segments. Moreover, the company has mainly focused on technology leaving out other aspects of development such as ¹⁶ plant construction, fashion, medicine, and finance. Butow & Watson observed that the company is producing new products and new models which usually match the market requirements however their prices are always way above the other regional and international competitors. Besides, some of the company's products are less attractive compared to other companies. These among other factors act as the company's weak points in international and regional competition.

¹ Opportunities

The main opportunities of the company are its entry into the other markets and countries in regions of Asia, Africa, and America. In sense, acquiring new markets in other countries and

regions has helped the company to significantly enhance its revenues. Currently, the company is still on course to find new untapped markets for its products to enhance its sales. Moreover, a lot of opportunities in electronic and software segments through innovative technology and introduce the latest technological phones, tablets, and laptops (Krishnamacharyulu, 2011). Through providing the latest technologies, latest hardware and software phones, laptops, and tablets the company will improve its position in the global competitive market.

Threats

The industry witnesses a lot of competition. There is high competition in smartphones, tablets, laptops segments. As indicated above, Nokia, Blackberry, and Apple are the main competitors of Samsung in the smartphone segment. Similarly, HP, Dell, and Panasonic are the company's main competitors in the laptop and the computer segment (SAMSUNG, 2014). Also, other companies leading in the patent of new technology and innovation in software or hardware such as Apple are impacting on its position in the global market.

Objectives

The marketing objective of Samsung that the future of electronics is inspiring the world and create the future. The objective of the company is to lead innovations in technology, solution, and product that inspire communities all over the world to create a better world (SAMSUNG, 2014). The company is dedicated to offering new values and standards in the industry and people as well as fulfill the values of its employees, partners, and clients. Samsung Electronics wants to produce a future that is promising and join the different countries people together through technology. Moreover, the Samsung objective of 2020 is to achieve annual sales of USD 400

billion and develop the brand value of Samsung Electronics among the top five in the world. Samsung's main pillars of organizational culture are creativity, partnership, and great people.

The company mainly focused on delivering the world's best quality products and services through an innovative process and operational excellence (Mitchell, 2010). Moreover, Samsung looks forward to healthcare and biotechnology areas to exploring its business in these segments. The company will look for continuously improve its capacity, competitiveness, and innovation. Although, Secondary market research is the re-use of the second party of any data collected by a first-party or parties. So the above discussion explains a manner of secondary market research.

Goal: Samsung has decided its quantitative and qualitative goals for futures. The company's quantitative goal is to attain the USD 400 billion figure of sales and become No.1 in the IT industry at a global level (Butow & Watson, 2013). Also, Samsung's qualitative goals are known as a creative leader in the world and becoming a position in the top 10 world's best workplaces that attracts the world's best-talented people. Further marketing mix like –price, promotion, product, the place have a good way to reach the target market by the selection of the above marketing goals.

The Key method of the Company for implementing the marketing mix: Product, price, promotion, and place are four elements of the marketing mix. So that customers always demand the products and services that are attracting them. The demand of the customers is changed regularly due to new products available in the market. The customers decide on purchasing a product or brand based on post-purchase evaluations. Samsung research team has estimated the factors that influence the buying behavior of the customers. Samsung made attractive and careful design, electronic products, and gadgets as well as different features to attract more customers in international markets (Chang, 2011). Further, it provides a cheap price for a product to influence

the buying behavior of the customers. Moreover, it adopts different kinds of marketing tactics and strategies for influencing customers buying decisions and it does advertisements for increased sales and provides labor & an employee-friendly environment where they can work in a team.

General Strategy

I chose Mexico, a Latin American country, to describe Samsung's general strategy. Samsung has operated in Mexico for a significant period but experienced stiff competition from other firms in the industry, such as Lenovo, Intel, LG, Sony, Google, and Apple. This section will discuss how Samsung can reorient its strategies and use its strength to assert dominance in Mexico.

Demographic

According to the Worldometer, the population of Mexico in 2020 is 128, 932, 753, which ranks it as the 10th populated country in the globe (Worldometer, 2020). The young population accounts for the largest proportion of the entire Mexican population. Total people in the age bracket between 25-54 years account for over 48% of the population (Worldometer, 2020). The country has a vast population, which is a great consumer base for different products. Therefore, if Samsung restructures its marketing model to assert dominance in Mexico, it would considerably boost their sales and, hence, profit margins.

Economic

Mexico is sharply divided into economic classes that are stratified by income and education levels. The middle class dominates as it accounts for approximately 47% of the nation (Worldometer, 2020). The remaining population is divided between wealth, educated elites, and rural and urban poor. With a higher population percentage of the middle class, Samsung has a competitive edge over its competitors if it can diversify its product portfolio to suit the income

classes in the country. According to the International Monetary fund, Mexico is 11th in the world concerning purchasing power parity. Therefore, Mexico is an essential country with adequate buying power and Samsung should strive to be flexible in its diversification strategy to provide products that suit the Mexican population.

Trade

Samsung faces stiff competition from companies based in the U.S and Japan, where Mexico imports most of its products. In this case, the most significant competitor is Apple, which has dominated most parts of the American borders. The free trade agreement between the U.S and Mexico had a significant impact on Mexico's imports (Filatotchev *et al.*, 2017). However, there have been tensions between the U.S and Mexico, which Samsung can utilize to create a strong reputation in the nation. Comparing Japan's Sony, which is also a force to reckon with, Samsung's products are far better technologically advanced. The fact that Samsung has already established itself as an international brand can give it an edge if it provides compelling products to the citizens.

Social Factors Cultural Factors

The social factors in Mexico are based on wealth distribution. There are wide disparities in terms of wealth distribution, with some people overly rich and others in poverty. However, the middle class continues to expand (Komninos, 2016). For this reason, Samsung should strive to provide products that suit the group of people in this part of the world, to ensure it claims a large proportion of the consumer base, which would ensure an increase in profit margins. Another way that Samsung can help uplift the status of people in Mexico is by creating employment for the millions of people who are in low social stratification.

The political and legal environment

The political and legal environment are crucial dimensions that impact on how a business operates. Taking into consideration that Samsung had in the past been sued by Apple with alleged imitation of its products like the iPhone, Samsung should be careful not to breach the legal regulations in Mexico. In terms of the political climate, the Mexican government appears to be stable. Moreover, the firm has already established itself in the country for some years, with no political backlash.

In conclusion, an analysis of the Mexico external environment reveals that Samsung faces competition from other leading firms. For this reason, it has to reorient its strategies to claim the huge customer base in the country. Samsung has a lot of effective strategies that might help it assert its dominance in Mexico. The primary strategy that it should use is diversification, to have a broad product portfolio that a majority of Mexican can afford. Therefore, Samsung should focus on targeting the middle class, who unlike the affluent class, prefer austerity over extravagance.

² The marketing mix

Product

The variety of smartphones produced by Samsung ensures that the company keeps with the competition in the market. The company produces smartphones with basic features through to large display smartphones with interactive features for potential clients who may be interested in the latest technology (Katzmaier, 2011).

Price

Ba & Pavlou (2002) argue that ³pricing strategies are usually dependent on a variety of influencing factors. It is noted that despite the popular belief, the lowest price is not usually ³attractive to all customers as the demands of the market generally have become sophisticated with

consumers becoming aware of the value of their money. Against this background, consumers are willing to pay premium prices especially if they believe that they would be obtaining a high-quality product. Samsung uses the competitive advantage of their products for their smartphones, devoting their time to compare their prices with that of their main competitors such as LG and SONY. Ideally, the prices charged by Samsung reflect the quality of the product that is expected by the consumers.

Placement

Samsung conducts thorough market research; the company can place its products in some of the best retailer locations for resale. For instance, in the UK, the company's products can be found in Tesco stores and John Lewis stores. Similarly, Samsung has partnered with several other companies that display their products to increase the company's market presence of its products (Kershaw, 2012). Generally, the company's placement of its products in the leading marketing stores ensures that the company maintains its leading position in the market.

Promotion

To maintain its competitive edge, the company usually uses promotional pricing techniques. Samsung understands promotional factors such as guarantees, price reductions, free deliveries, which are aimed at attracting and maintaining customers. In essence, some of the stores that offer these promotions include the John Lewis store which mainly offers them during the Christmas holidays, a period when the disposable income used to make more generous purchases is slightly enhanced.

Environmental Analysis

There is a myriad of environmental factors that impacts how Samsung operates. The significant external environmental forces include: social, economic, technological, political, legal, and ethical. First, concerning social factors, Samsung is a family-owned multinational company. While the firm has created a reputable international image, it ³operates as a South-Korean company from within; this ²⁰has caused the marketing strategists in the firm to change many aspects of the global operations to suit the local aspects. However, the firm is very swift in changing their products ²¹to suit the changing consumer preferences in different parts of the global market. In the present era of the digital age, consumers' lifestyle and choices are fast-changing, prompting Samsung to adapt to the changes to drive more sales. Also, it is noteworthy that social, cultural factors differ in a different part of the world; thus, as much as the company wants to operate based on local values, it has to reorient itself for healthy competition with other giants in the industry like Apple, which has asserted dominance in the globe (Keegan & Green, 2020).

About economic factor, Samsung is beset on uncertainty and volatility, since it has to rely on customers' purchasing power and the volume of sales. In the developing world, it is experiencing stiff competition from Apple, which is the industry's leading company. However, the firm has adjusted to the loss of developed world markets, by adopting robust strategies that involved aggressive push and expansion of their operations to the developing countries.

About technology, Samsung is a leading global innovation firm. One of Samsung's goals ¹³is to stay ahead of the technological and innovative curve; a vital step, which ensures the firm attracts customers and dominates ¹³competitors by being the first to offer the latest products in the market (Rani *et al.*, 2016). Thus, in terms of technology, it is only second to Apple and is a crucial factor that provides it with a competitive edge over its rivals.

Regarding political factors, Samsung has a good history of dealing with governments in the areas of expansions. However, it has experienced minor issues with some countries, like the political tensions between South Korea and North Korea, which harmed the company. The fear of a war emergence in the Korean Peninsula had profound negative implications for the company to produce many products (Rani *et al.*, 2016).

Concerning legal factors, Apple sued Samsung over alleged imitation of Apple's iPhone and iPad, where they paid hefty fines (Rani *et al.*, 2016). The legal dispute between the two countries dented the public perceptions of the company; as a result, hampering consumers' approval of its products.

Concerning the ethical factor, consumers look for firms that develop products in a responsible way that considers both the social well-being of people and environmental health. Samsung has a reputable name in taking care of its laborers and ensuring that it does not pollute the environment in the process of production.

Conclusion

Marketing strategies and mechanisms play a crucial role in impacting the perception of consumers. This paper has in entirety outlined ² how the external environment can influence the marketing strategy and plans of a company. Samsung company strives to align its marketing strategies ² with the demands and realities of the consumer electronics market globally.

References

- Ba, S., & Pavlou, P. A. (2002). Evidence of the effect of trust-building technology in electronic markets: Price premiums and buyer behavior. *MIS quarterly*, 243-268.
- ¹ Butow, E. & Watson, L. (2013). *My Samsung Galaxy Tab 3*. Que Publishing.
- Chang, S. (2011). *Sony vs Samsung: The Inside Story of the Electronics Giants' Battle For Global Supremacy*. USA: John Wiley & Sons.
- ⁶ Doyle, C. (2014). Samsung Electronics to get aggressive and acquire more global firms? report. [online] in Silicon Republic. Available at: <http://www.siliconrepublic.com/business/item/34742-Samsung-electronics-to-get> {accessed 22/06/20}
- ⁸ Filatotchev, I., Su, Z., & Bruton, D. (2017). Market Orientation, Growth Strategy, and Firm Performance: The Moderating Effects of External Connections. *Management and Organization Review*, 13(3), 575-601.
- ⁴ Homburg, C., Stierl, M., & Bornemann, T. (2013). Corporate social responsibility in business-to-business markets: How organizational customers account for supplier corporate social responsibility engagement. *Journal of Marketing*, 77(6), 54-72.
- Katzmaier, D. (2011). HDTV resolution explained.

Keegan, W., & Green, M. (2020). *Global Marketing* (10th ed.). Harlow: Pearson Education Limited. Retrieved May 24, 2020, from <https://www.vitalsource.com>

Kelly, J.F. (2011). *Sams Teach Yourself Samsung GALAXY Tab in 10 Minutes*. USA: Pearson Education.

Michell, T. (2010). *Samsung Electronics: And The Struggle For Leadership of the Electronics Industry*. Singapore: John Wiley & Sons.

Rani, H., Zuber, F., & Saifulbakri, M. (2016). Managing Cross-Cultural Environment in Samsung Company: Strategy in Global Business. *International Journal of Academic Research in Business and Social Sciences*, 6(11), 605-613

Rentschler, R., Jogulu, U., Kershaw, A., & Osborne, A. (2012). Extending the theory of metaphor in marketing: The case of the art gallery. *Journal of marketing management*, 28(11-12), 1464-1485.

SAMSUNG. (2014). *About Samsung*. Retrieved from: <http://www.samsung.com/in/aboutsamsung/>

Sheth, J. N., & Sisodia, R. S. (2015). Introduction: Does Marketing Need Reform?. In *Does Marketing Need Reform?: Fresh Perspectives on the Future* (pp. 11-20). Routledge.

Worldometer. (2020). *Mexico Population*. Retrieved from Worldometer: <https://www.worldometers.info/world-population/mexico-population>.

Global Marketing Strategy.docx

ORIGINALITY REPORT

%**40**

SIMILARITY INDEX

%**30**

INTERNET SOURCES

%**4**

PUBLICATIONS

%**39**

STUDENT PAPERS

PRIMARY SOURCES

1

www.grin.com

Internet Source

%**23**

2

Submitted to University of Bridgeport

Student Paper

%**3**

3

Submitted to University of East London

Student Paper

%**2**

4

myassignmenthelp.com

Internet Source

%**1**

5

www.tandfonline.com

Internet Source

%**1**

6

www.researchgate.net

Internet Source

%**1**

7

Submitted to University of Northumbria at
Newcastle

Student Paper

%**1**

8

web.usm.my

Internet Source

%**1**

9

Submitted to University of Brighton

%1

10

link.springer.com

Internet Source

%1

11

Submitted to Billy Blue Group

Student Paper

%1

12

Submitted to Bridgepoint Education

Student Paper

%1

13

Submitted to Kingston University

Student Paper

%1

14

Submitted to RMIT University

Student Paper

<%1

15

Submitted to London School of Commerce -
Dhaka

Student Paper

<%1

16

Submitted to New Mexico Highlands University

Student Paper

<%1

17

Submitted to University of Greenwich

Student Paper

<%1

18

Submitted to University of Sunderland

Student Paper

<%1

19

Submitted to The University of the West of
Scotland

Student Paper

<%1

20

Submitted to Australian Institute of Business

Student Paper

<% 1

21

Submitted to Myanmar Noble College

Student Paper

<% 1

22

www.slideshare.net

Internet Source

<% 1

23

Submitted to OLC (Europe) Ltd

Student Paper

<% 1

24

Submitted to International College of
Management

Student Paper

<% 1

EXCLUDE QUOTES ON

EXCLUDE
BIBLIOGRAPHY OFF

EXCLUDE MATCHES OFF