**Samsung Business Plan**

1. **Business background (Company information)**

Samsung Group (SAMSUNG) is the largest multinational enterprise group in South Korea. Samsung Group includes many international subsidiaries. Its subsidiaries include Samsung Electronics, Samsung C&T, Samsung Life Insurance, etc., and its business involves electronics, finance, machinery, chemistry and many other fields. Samsung Group was founded in 1938 by Li Bingzhe. The Samsung Group is a family business, inherited by the Lee family, and each of its Samsung industries are family businesses and managed by other members of the family.

Samsung is best known as the world’s largest manufacturer of mobile phones and smart phones, including the highly popular and successful Galaxy. It is also the world’s largest manufacturer of televisions and LCD panels. Thanks to its manufacturing and marketing expertise, Samsung is regarded as the world’s second largest consumer electronics company.

1. **SWOT**

**Strengths of Samsung**

Innovative designs. Samsung offers a lot of handsets with different types of designs, unlike its nearest competitor Apple iPhone. Integration of open-source operating system, and software. The strongest strategy they took was an adaptation of open-source technology like Android Operating System. The world is moving with the Android operating system. Different companies are working with it. It offers a lot of features, options, and software. Taking this strategy into account, Samsung grabbed huge competitive advantages over other mobile manufacturers. Cost & Quality Focused. When it is about the production costs, Samsung reached the economies of scales. It outsourced its production to different countries that have a competitive advantage in producing quality products at small costs. Too large product diversity (stability on sale). Samsung has a huge number of products in its product portfolio, it offers different types of products to its customers. In return, the profit it makes is very stable. When the sales of one product goes down, other products may be experiencing an increase in sales. Low production cost. Low production costs allow Samsung to offer its products at a lower price than its competitors do.

Largest Market Share in Mobile Phone Market. By applying the above strategies, Samsung has been able to grab the largest market share in the market. Recognized Brand. Without any doubt, Samsung is one of the most recognized brands in the world. Strong Brand Reputation. Until now, it has achieved a strong reputation of offering quality products at a low price.

Environmental Focus. It has fulfilled its responsibilities towards the environment. They provide energy-efficient products. They ensure that the chemicals used in the products do not harm their users. And currently, Samsung is operating global recycling and take-back programs in 60 counties.

Very Strong R&D Department. Samsung has a strong R&D department which frequently helps to develop new innovative consumer products. Samsung has a large number of skilled employees all over the world (489,000). Samsung captures a greater than 40% smartphone market share in the Netherlands.

Samsung Malaysia Electronics won big at the Putra Brand Awards 2015. It will work as a positive reputation in Malaysia.

**Weaknesses of Samsung**

Low-Profit Margin. It always maintains a low profit market. There are lots of competitors in this industry. So, to keep the customers they must offer the products at a low price. Too Large Product Diversity (lack of focusing on specific one). It takes a lot of work if the product portfolio is large. It cannot be possible to give concentration to each product with the utmost importance.

Lacking Own Operating System. Like Apple iPhone, it does not have its operating system. Less Quality than Apple’s. When it comes to quality, Apple is doing better in the handset offers. Heavily Dependent on Consumer Electronics. Dependence on consumer electronics is higher than other manufacturers. Samsung’s Operating System Android has Many Lacking. Though they have been trying hard to make the Android more quality, still it lacks perfection. Large Dependence on Other Software. It cannot, solely, provide all the software needed to support its devices. It depends on third parties.

**Opportunities for Samsung**

The Indian smartphone market is growing. People are becoming more tech-dependent, and smartphones have become the most used communication tool in this era. As a result, the demand for smartphones is increasing. Most people use feature phones that make a switch to a smartphone. The demand for technologically advanced phones is growing. As smartphones are becoming the near alternative of computers, the demand for smartphones is increasing.

Strong financial position for the future. As Samsung has been doing business for a long period, it has been able to secure a strong financial position in the market. As a result, it will be able to make more investment in the future. The growth of the tablet market. The growth of the tablet market is in a negative phase for which these users will be switching to smartphones.

Acquisition of new companies. Samsung has been acquiring companies. It is ensuring its future growth. Recently, Samsung bought the audio giant Harman for $8 billion. Also, it acquired Viv, an AI platform from the makers of Siri and completed the acquisition of NewNet Communication Technologies (Canada), Inc. recently.

**Threats for Samsung**

A large number of competitors. The mobile market is saturated. Samsung has a lot of competitors in the market, and the number is also growing.

Strong Competitors like Apple, HTC etc. It has strong competitors like Apple, HTC, Lenovo, and Xiaomi Mobile. It is the biggest threat to Samsung.

Chinese Competitors are Gaining Competitive Advantages. As the Chinese companies can produce products at a low price and they can also give high quality, people are accepting those brands spontaneously. People are Looking for Better Quality Nowadays. So, if there is any question of quality, people will be switching to the companies who give better qualities.

A Large Number of Products, Failing One will Affect Another. As Samsung has a large portfolio, it has a high risk also. If any product does harm to the customers, it will affect the brand image and therefore, will have a negative effect on others.

Threats of Chinese, Taiwanese, and Indian Products in the Local Market.

1. **Marketing mix (4p)**
2. **Product**

Samsung places a lot of investment in research and development to deliver excellent products and services to its customers. The company offers a wide array of products in different categories. Its diverse offerings stem from the company’s marketing mix. Samsung’s products can be in five categories. Mobile devices: Smart phones such as Samsung Galaxy series, Tablets, Samsung Note series, accessories, and other types of phones. Home Appliances: Refrigerators, cooking appliances, Washing Machines, Vacuum cleaners, and Air conditioners

TV/AV: Samsung Television, Video, Audio and, other accessories

Information Technology: Monitors, Laptops, and Printers

Memory/Storage: Portable SSD, SSD, Flash drives, and Memory cards

Samsung’s brand image driver is the range of Samsung smartphones such as the Galaxy series, and the note series. In terms of product loyalty, Samsung has a benefit as a result of the trust that the company has created among its consumers. Samsung products have performed well in the past few years, and the quality of its products keeps getting better and better. Samsung has become a brand name that people associate with quality and class. This brand of quality and level is attractive to many. Similarly, customers recognize the company’s variety of services. Customers are aware that Samsung offers apt services for any of its products and customer service never disappoints the customers.

1. **Price**

Samsung is a market authority and leader in smartphones and other brand products. It is a dominant stakeholder in the market for home appliances and uses two pricing strategies to serve its customers.

***Skimming Price***

In this strategy, companies give products higher prices so that they need fewer sales to break even. It entails selling products at higher rates, sacrificing achieving high sales margins, and therefore skimming the market segment. Although the business world sees skimming as a strategy for early product adopters, Samsung has effectively managed to utilize this strategy. For instance, when the company rolls out a new product with varying capacities of storage, it puts a higher price tag on them. However, when other competitors roll out products with similar characteristics, Samsung lowers its product prices to easily prevent a reduction in its market share due to competition. The company tries to achieve high value at the start through skimming and then, later, drop the prices when new competitors try to enter the market.

***Competitive pricing***

Competitive pricing is a large part of Samsung’s marketing strategy. Samsung has not been successful in becoming a power brand in other product categories. Although it is a trustworthy brand, the home appliances category has not surpassed that of LG. Samsung, therefore, uses competitive pricing to prevent attacks from its competitors in the market. Additionally, Samsung is not fast paced in the home appliances category, and therefore it has to use competitive pricing to defend its market positions. Samsung, however, does not use penetrative pricing because it does not enter late into the market. The company is currently present in many durable consumer segments in the market.

1. **Place**

Samsung is active through different channels in the market. Samsung also works on the concept named channel marketing which has three segments. Sales and service dealers, Modern retail & Distributors. Sales and service dealers must handle key accounts for Samsung and to involve in corporate sales. They may open showrooms for Samsung as well. Modern retail includes large retailers who are active in the modern retail chain. Retailers are bound to keep Samsung because of being such a branded company. For Samsung, the most interesting segment is a distribution network. Samsung has a single distributor in several cities to distribute throughout a territory.

1. **Promotion**

Promotion is a critical element in the marketing strategy of any company. Samsung believes that product advertising strategies are the best forms of promotion to communicate and attract customers and improve the brand’s image. The company applies multiple promotional strategies to attract customers because it believes in enticing the customers not only through advertising but also through strong tactics. The main form of advertising for the company is the use of visuals. Samsung has invested heavily in the use of visual forms such as television advertising, billboards, posters, and social media advertising to promote its products. Similarly, the company takes advantage of the vast numbers of celebrity followers and therefore uses celebrities as brand ambassadors to attract their followers.

Besides advertising, Samsung also uses other promotional strategies to attract consumers. For example, the company is known for promoting events and engaging in charitable endeavors within its communities of operations. The company sponsors significant events and festivals such as the World Cup, Olympics, and others. The company also uses discounts and bonuses to attract customers. For example, during festive seasons such as Christmas and Easter, the company offers substantial discount margins to its customers or participates in entry promotions where it rewards winners with their home appliances. Lastly, Samsung uses incentives to attract customers and sales. For example, the company offers substantial discounts to its trading partners to motivate them to sell its products above those of competitors.

In conclusion, although Samsung may have started as a small enterprise, it has adopted an effective marketing strategy that has seen it evolve to become one of the largest brands in the world. Through its diverse range of products, pricing strategies, presence in the market, and promotional activities, the company has managed to attract many customers from all around the world and has continued to sustain its image as a superior brand. Samsung’s marketing mix is a lesson to all companies and marketers. Effective marketing strategies have long-term strong impacts on any business.

1. **Operation plan (****employee qualification)**

This is Samsung's views on employees on its official website. They said nurturing its talents with respect for everyone, future that is created by individuals and the company together.

**Organization**

Moving Forward Together with Open Employment

Samsung provides equal opportunities by removing discriminatory factors including academic background, race, religion, gender, age, disabilities, and nationality, regardless of individual capabilities to all job seekers. Samsung implements ‘going together with open employment’ for individuals to exert their capabilities to the fullest. This paves the way for anybody to grow as core talents driven by the principle of competency-based talent selection.

**Employment Process**

Samsung provides equal opportunities to all and supports them to exert their competencies to the fullest, by securing competent talents and conducting a fair recruitment process through diverse channels. They provide job opportunities to diverse social brackets by recruiting not only college graduates but also high school graduates as new employees and spreading an employment culture based on capabilities.

**Training**

**Vision for Talent Nurturing**

Samsung conducts specialized leadership, job and global training to develop globally competitive talents to prepare for the future under the motto of the CIC (Change, Innovation, Challenge). Leadership training takes place with a curriculum to impose commitment to performing current roles according to employment rank and preparing for roles for the future. A voluntary learning culture is formed to enhance job expertise by conducting customized training related to jobs in a systematic manner by department. Training takes place on global communication, values, and corporate culture for employees at home and abroad, which enables communication at home and abroad and improves their overall competency level.

**Customized Training on Competencies**

Samsung runs a leadership program, aiming to develop core competencies needed for each job rank. Therefore, we pave the way for continued growth and development of employees, reinforce a personnel network among trainees and form a culture of communication and collaboration.

**Industry Conciliation**

**Protection of Human Rights**

In accordance with the Labor Standards Act, Samsung has provided various devices to protect the human rights of its employees. The Employment Rules contain all kinds of discrimination prohibition and forced labor prohibition clauses, and they are written in languages that our employees can understand, including overseas corporations.

In addition, we strictly observe the human rights protection provisions stipulated in the domestic and overseas constitution and labor laws and observe them preemptively. Samsung complies with RBA (Responsible Business Alliance) regulations, and supports freedom of association and collective bargaining, prohibits forced labor, child labor, and reduces excessive working hours in accordance with labor laws in the country concerned.

**Cooperative Labor-Management Culture**

Samsung runs the Labor-Management Council pursuant to the Act for Workers’ Participation and Cooperation Enhancement. Believing that stronger competitiveness of employees through labor-management harmony equals corporate competitiveness, we constantly communicate with the Labor-Management Council, proactively gathering employees’ ideas. By the year 2020, we will process 950 complaints to improve labor-management relations.

Discussions which labor-management representatives participate in every month through board discussion councils and operations through plant councils contribute to improving the cooperative labor-management culture. Matters significantly impacting on employees are discussed regularly by organizing the monthly labor-management council meetings and are notified within 30 days.

Equality in Wage

Samsung institutionally guarantees that there is no gender-based wage discrimination, by offering equal wages for men and women working under equal working conditions.

Minimum Wage

Samsung not only guarantees the statutory minimum wage prescribed in Korea, China, and Vietnam, etc. but also pays a higher amount compared to the local minimum wage in order to guarantee secure lives for workers.

Safety & Health

Industrial Safety and Health Committee

The Industrial Safety and Health Committee is held every quarter with an equal number of labor-management representatives in accordance with the Industrial Safety and Health Act. The committee establishes plans to prevent industrial disasters and measures to prevent their recurrence, documents, and changes regulations on the management of safety and health, reviews and improves the working environment, manages the health of workers and selects protective equipment and safety protection gear, etc.

It has completely handled items, which were selected based on the deliberation and decision-making of the labor and the management on safety and health of employees. As such, we encourage employees to conduct their work in a pleasant and safe working environment.

Safety and Health Management System

Samsung established a safety and health management system for production subsidiaries, which acquired the OHSAS 18001 certification to enhance their safety level continuously based on the PDCA (Plan-Do-Check-Act) cycle. Samsung conducts safety, health, and chemical-related education every year for all employees.

Emergency Drills

Samsung devised its 13th scenario on the leakage of chemicals, fire, explosion, earthquake, and storm surge, and conducts emergency drills on a monthly basis. Company-wide building evacuation drills are conducted twice a year for employees to be gathered at designated evacuation outlets and assembly places. They are reminded of duties imposed on contingency units and trained to control evacuees in the assembly places, enhancing their capabilities to respond to crisis. In addition, we operate a response manual in preparation for various environmental and safety accidents and establish a system that can minimize the scale of damage in the event of an accident.

Medical Service

Samsung conducts a periodic health check-up to prevent all diseases including occupational ones. For employees aged 30 and above and their spouse, a complete periodic check-up is offered. Systematic health management services are provided through general and special check-ups.