



Marketing Strategies of Samsung in India

PRIYA OBHRAI

Assistant Professor, University of Delhi
D-220, Defence Colony, New Delhi-110024
(Delhi) India

Abstract:

This research paper covers the various marketing strategies of Samsung Electronics Co., Ltd in India. Primary research was been carried out to understand and identify the mindset of people towards the company. Various factors ranging from the availability of Samsung products, ownership trends, differentiating feature in Samsung products were identified and analysed. The perception of consumers and the effect of the endorser have also been studied. All these factors and many more have been considered for understanding the market share of Samsung Electronics Co., Ltd in India. The study gives important findings as to how the market standing of the Company has been consistently improving even though it has been involved in a few controversies.

Keywords: Advertising, Bbrand value, Market share, Marketing, Perception

1. Introduction

Samsung Electronics Co., Ltd. is a South Korean multinational electronics company headquartered in South Korea. It is the flagship subsidiary of the Samsung Group, amounting to 70% of the groups revenue in 2012, and has been the world's largest information technology company by revenues since 2009. Samsung Electronics has assembly plants and sales networks in 80 countries and employs around 370,000 people.

In recent years, the company has diversified into consumer electronics. It is the world's largest manufacturer of mobile phones and smart phones fueled by the popularity of its Samsung Galaxy line of devices. The company is also a major vendor of tablet computers, particularly its Android-powered Samsung Galaxy Tab collection, and is generally regarded as pioneering the tablet market through the Samsung Galaxy Note family of devices.

Samsung has been the world's largest maker of LCD panels since 2002, the world's largest television manufacturer since 2006, and world's largest manufacturer of mobile phones since 2011. Samsung Electronics displaced Apple Inc. as the world's largest technology company in 2011 and is a major part of the South Korean economy.

2. Products

1. LCD and LED panels

Samsung Galaxy S II

By 2004 Samsung was the world's-largest manufacturer of OLEDs, with a 40 percent market share worldwide, and as of 2010 has a 98% share of the global AMOLED market. As of 2006, it held more than 600 American patents and more than 2,800 international patents, making it the largest owner of AMOLED technology patents.

2. Mobile phones

Samsung Galaxy Note series

Samsung's flagship mobile handset line is the Samsung Galaxy S, which many consider a direct competitor of the Apple iPhone. It sold more than one million units within the first 45 days on sale in the United States.

The company's I9000 Galaxy S and S8500 Wave smart phones were the winners of the 2010 European EISA Awards in the smart phone and social media phone categories.

At the end of the third quarter of 2010, the company had surpassed the 70 million unit mark in shipped phones, giving it a global market share of 22 percent, trailing Nokia by 12 percent. Overall, the company sold 280 million mobile phones in 2010, corresponding to a market share of 20.2 percent. Partially owing to strong sales of the Samsung Galaxy range of smart phones, the company overtook Apple in worldwide Smart phone sales during the third quarter 2011, with a total market share of 23.8 percent, compared to Apple's 14.6-percent share. Samsung became the world's largest cell phone maker in 2012, with the sales of 95 million smart phones in the first quarter.

During the third quarter of 2013, Samsung's smart phone sales were boosted by a strong consumer reception in emerging markets such as India and the Middle East, where lower-priced handsets were popular. As of October 2013, the company offers 40 smart phone models on its US website.

3. Semiconductors

Samsung DDR-SDRAM

Samsung Electronics has been the world's-largest memory chip maker since 1993. In 2010, market researcher IC Insights predicted that Samsung would become the world's-biggest semiconductor chip supplier by 2014, surpassing Intel. For the ten-year period from 1999 to 2009, Samsung's compound annual growth rate in semiconductor revenues has been 13.5 percent, compared with 3.4 percent for Intel.

4. Televisions

In 2009, Samsung sold around 31 million flat-panel televisions, enabling to it to maintain the world's largest market share for a fourth consecutive year.

Samsung sold more than one million 3D televisions within six months of its launch. This is the figure close to what many market researchers forecast for the year's worldwide 3D television sales (1.23 million units).

In 2007, Samsung introduced the Internet TV, enabling the viewer to receive information from the Internet while at the same time watching conventional television programming. Samsung later developed "Smart LED TV" (now renamed to "Samsung Smart TV"), which additionally supports downloaded apps. In 2008, the company launched the Power Info link service, followed in 2009 by a whole new Internet@TV. In 2010, it started marketing the 3D television while unveiling the upgraded Internet@TV 2010, which offers free (or for-fee) download of applications from its Samsung Apps app store, in addition to existing services such as news, weather, stock market, YouTube videos, and movies.

Samsung Apps offers for-fee premium services in a few countries including Korea and the United States. The services will be custom-tailored for each region. Samsung plans to offer family-oriented applications such as health care programs and digital picture frames as well as games. Samsung's range of smart TVs includes the apps ITV Player and motion controlled Angry Birds.

5. Others

Samsung GX-10 digital SLR camera

Samsung produces printers for both consumers and business use, including mono-laser printers, color laser printers, multifunction printers, and enterprise-use high-speed digital multifunction printer models.

In the area of storage media, in 2009 Samsung achieved a ten percent world market share, driven by the introduction of a new hard disk drive capable of storing 250 Gb per 2.5-inch disk. In 2010, the company started marketing the 320Gb-per-disk HDD, the largest in the industry. In addition, it was focusing more on selling external hard disk drives. Following financial losses, the hard disk division was sold to Seagate in 2011.

3. Objective

The basic idea of taking up this research study is to analyze the market share of SAMSUNG consumer durables and mobile phones in Delhi. At the same time an attempt was made to understand the brand image of SAMSUNG in India.

- To analyze who are the major players of consumer durables and mobile phones in the market.
- To study the market share of Samsung electronics.
- To study the brand value of Samsung.

4. Literature review

Marketing comes in a wide variety of flavors based on audience, media platform and business in today's evolving and dynamic marketplace. Therefore, it's no surprise that marketers define what they do differently.

To start, here are explanations from the American Marketing Association (AMA), marketing's professional organization, and Dr. Philip Kotler, the author of business school marketing classics. They're followed by the other definitions in alphabetical order by author's last name.

Dr. Philip Kotler defines **marketing** as "the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services."

4.1 Marketing strategy

Marketing strategy is defined by David Aaker as a process that can allow an organization to concentrate its resources on the optimal opportunities with the goals of increasing sales and achieving a sustainable competitive advantage. Marketing strategy includes all basic and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies and therefore contributes to the goals of the company and its marketing objectives.

According to Shaw, Eric (2012). "Marketing Strategy: From the Origin of the Concept to the Development of a Conceptual Framework". Journal of Historical Research in Marketing., there is a framework for marketing strategies.

Samsung's Marketing Strategy in India

4.2 Product Innovation

Samsung's product range in India included CTVs, audio and video products, information technology products, mobile phones and home appliances. Its product range covered all the categories in the consumer electronics and home appliances. Analysts felt that the wide product range of Samsung was one of main reasons for its success in the Indian market. Samsung positioned itself on the technology platform.

1. Pricing

Pricing also seemed to have played a significant role in Samsung's success.

2. Distribution

Along with the launch of new products, Samsung also consolidated its distribution system. Samsung had 18 state-level distribution offices and a direct dealer interface. The direct dealer interface helped the company get quick feedback from dealers, and enabled it to launch products according to consumer needs.

3. Advertising and Sales Promotion

In 1995, when Samsung entered India, it realized that Indian consumers were not familiar with the company. So, in order to establish itself in the Indian consumers' mind, Samsung launched corporate advertisements highlighting its technologically superior goods.

4. Research Methodology

The researcher has followed descriptive research.

Descriptive research is used in this project report in order to identify the brand value of Samsung in India. This is the most popular type of research technique, generally used in survey research design and most useful in describing the characteristics of consumer behaviour. The method used was questionnaire and interview of the Samsung customers was taken.

The essential part of any report is research methodology. The field study was conducted to analyze the market share and understand the brand image of Samsung products. The sample size was 100. 60% males and 40% females was the ratio of the respondents in this survey. The age of the respondents was in the following proportion:

- Less than 18 years - 06.67%
- 18-22 years - 36.67%
- 22-2 years - 30.00%
- 26-30 years - 16.67%
- Greater than 30 years - 10%

These numbers show that most of the respondents are young

The occupation of the respondents was also kept in mind while conducting the survey to have a complete and comprehensive analysis. The occupation of the respondents was in the following proportion:

- College students - 46.67%
- Business man - 16.67%
- Working population - 20%
- Others - 16.67%

Data used in this report is mainly primary data, which is collected first hand by survey in the field. In some areas secondary data has also been used.

5. Method of data collection

5.1 Collection of primary data

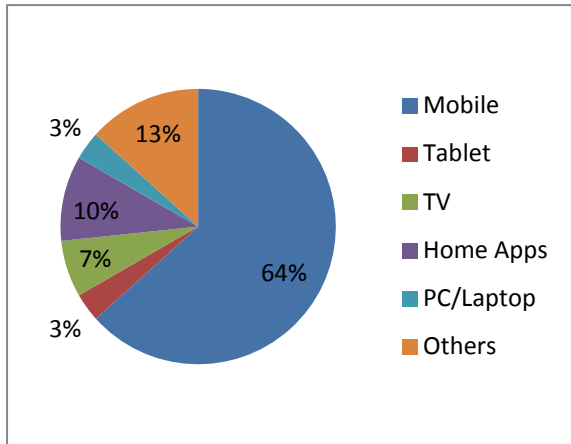
The source of the primary data is the population sample from which you collect the data. The data was collected through the primary source by survey method using questionnaire and taking respondent's personal interview.

5.2 Collection of secondary data

Secondary data analysis saves time that would otherwise be spent collecting data and, particularly in the case of quantitative data, provides larger and higher-quality databases that would be unfeasible for any individual researcher to collect on their own. In addition, analysts of social and economic change consider secondary data essential, since it is impossible to conduct a new survey that can adequately capture past change and/or developments. The data is collected from journals and trusted internet sources.

5.3 Data Analysis & Interpretation

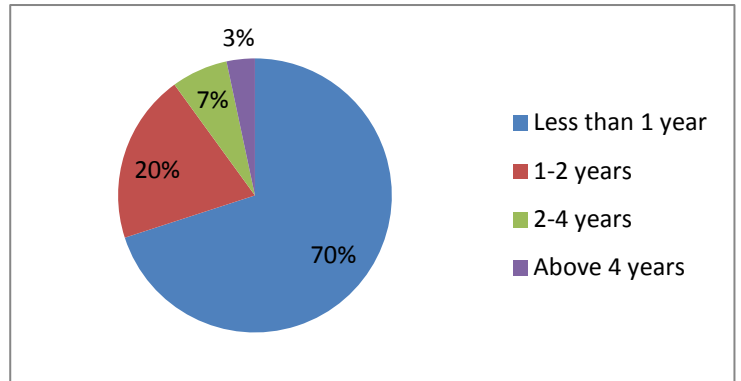
Ownership Trends of Samsung Products



From the above chart, it can be observed that the respondents use Samsung products- mobile (63.33%), Tablet (3.33%), TV (6.67%), Home apps (10%), PC/Laptop (3.33%) and others (13.33%). These numbers show that Samsung mobile are in the hands of most of the customers.

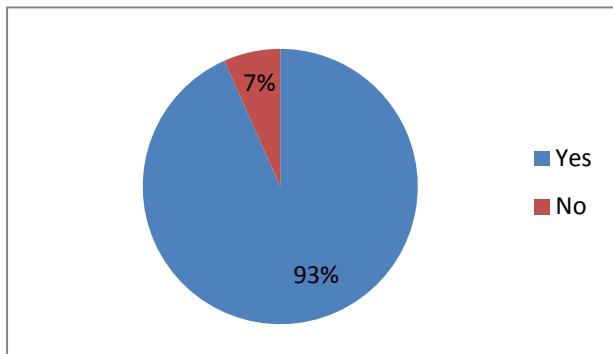
From the above chart, it can be observed that the respondents are using mobile phones less than 1 year. Less than 1 year (70%), 1-2 years(20%), 2-4 years(6.67%) and Above 4 years (3.33%).

5.4 Frequency of changing mobile phones



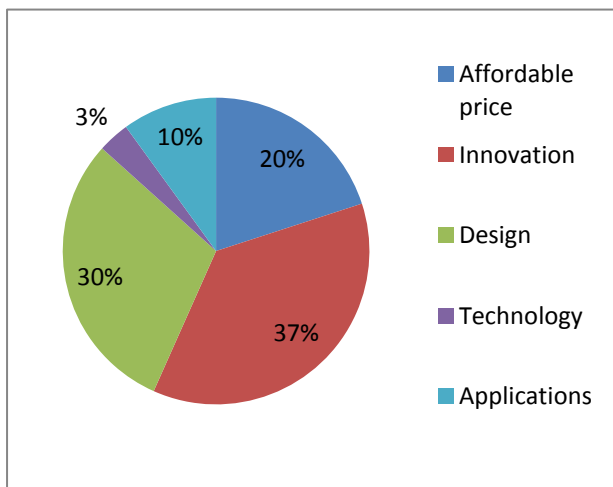
5.5 Level of satisfaction with the Samsung product

From the above chart, it can be observed that the respondents are satisfied with Samsung products, 93.33% respondents are satisfied and 3.33% respondents are not satisfied.

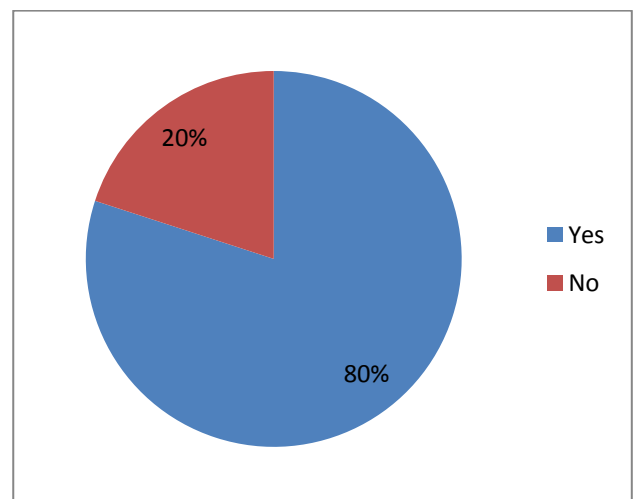


5.6 Differentiating factor of Samsung compared with its competitors

From the above chart, it can be observed that the respondents consider Samsung as an innovative product. Affordable price (20%), innovation (37%), design (30%), technology (3.33%) & application (10%).

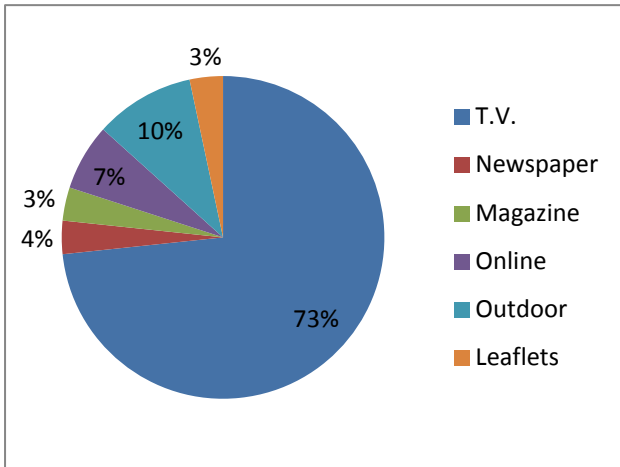


5.7 Is the brand name 'Samsung' sufficient to initiate a purchase?



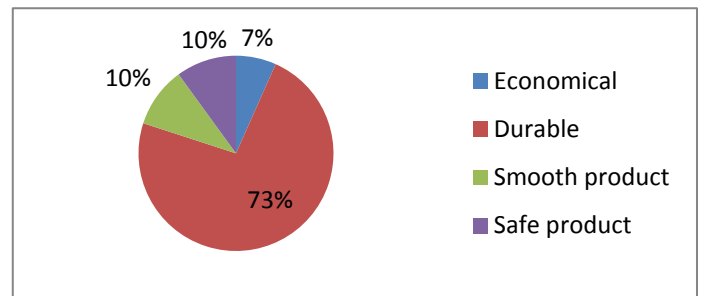
From the above chart, it can be observed that 80% respondents buy Samsung products because of its brand name and the rest 20% do not just go by the brand name.

6. Samsung advertising



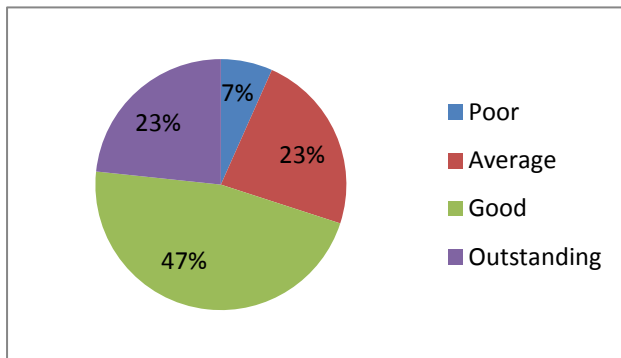
From the above chart, it can be observed that the Samsung TV advertisements affect the respondents more, TV(73.33%), Newspaper (4%), Magazine (3.33%), Online (6.67%), Outdoor (10%), Radio (0%) and Leaflets (3.33%).

6.1 Perception of Samsung

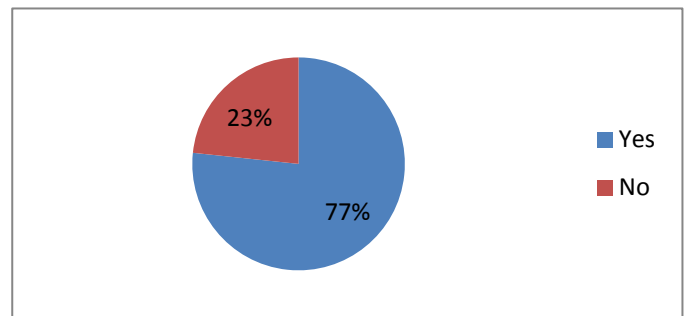


From the above chart, it can be observed that the respondents consider Samsung products as a durable. Economical (7%), Durable (73%), Smooth product (10%) and Safe product (10%).

6.2 Overall experience with Samsung



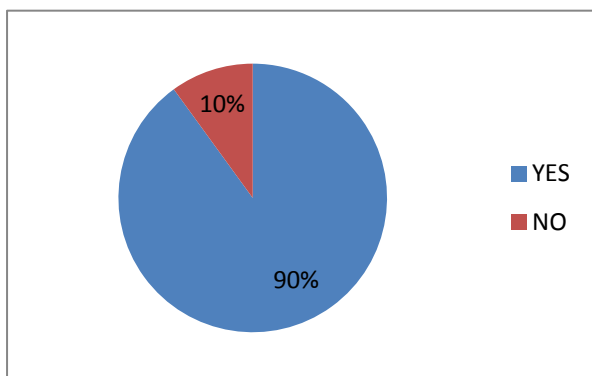
From the above chart, it can be observed that 47% of the respondents think that their overall experience with Samsung is good. Outstanding (23%), Poor (7%), Average (23%) and Good (47%).



6.3 Effect of endorser on the customer

From the above chart, it can be observed that 77% respondents buy Samsung products because their favourite celebrities endorse it. NO (23%), YES (77%)

6.4 Availability of Samsung products



From the above chart it can be observed that 90% respondents say that their Samsung product is available in the retail stores near them. YES (90%), NO(10%).

7. Findings and Conclusion

7.1 Findings

- Customers are loyal and appreciating the brand. Samsung is enjoying a very good position against its customers. It maintains a very good relationship with the suppliers.
- Samsung is financially strong and stable. The

production processes and procedures of inventory management are consistent with the industrial standards.

- Samsung enjoys the widest range of product portfolio which includes mobile phones, tablets, TV's, cameras, camcorders, home appliances, personal computers, printers and other accessories.
- Chinese products focus on economies of scale and dump into Indian market for lesser cost. This results in reduction of sales.
- Samsung is a hardware leader but it has too much of dependence for software from other parties.
- Online stores which sell a wide range of products are giving better deals as they don't incur cost in distribution.
- Samsung has wide variety of product lines; failure of one product line will have impact on the other and will result in brand dilution.
- Since India is a potential market, entry of foreign players is likely. Foreign players like Haier have already started gaining market share in India in home appliances.

8. Conclusion

Although Samsung has captured the highest share in Indian Market, but the company had to face many problems. For example- conflict with Apple. Apple blamed Samsung that it copied some of its features and designs. This blame damaged the reputation of Samsung all over the world but still Samsung is a favorite brand of Indian consumers whether we talk about consumer goods or smart phones. It means despite of problems and blames, Samsung has positioned itself well in the minds of its consumers as a quality brand.

9. Suggestions and Comments

After conducting the survey and knowing the market, I realize that:

- Samsung should focus on further increasing its market share of its various products.
- Samsung should work on constantly innovating its products in order to ensure that their sales don't fall.
- Samsung should work on maintaining and increasing international relationships with various countries.
- Samsung should get involved in more and more partnerships and events like it did in the 2012 London Olympics.

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5. Other data has been taken from the annual reports of Samsung of past few years.
6. The data for this project has been taken from the following websites
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8. www.marketingprofs.com/marketing/library/49/marketing-strategy
9. www.samsung.com/in- Samsung
10. www.samsung.com/in/aboutsamsung/samsungelectronics/india/index.html