

Module Title: Introduction to Business

Code: LCBB4014

Lecturer's Name: Muno Zuwiari

Muhammad Touseef: 2319373

Miruna Roberta Dumirtu: 2437534

Afsheen Asghar: 2315938

Adrian Merisan: 2226309

Mehnaz Salim: 2319371

INTRODUCTION

Samsung is a South Korean multinational conglomerate, known for its diverse business interests including electronics, construction, shipbuilding and finance. It is one of the largest companies in the world, with hundreds of thousands of employees and operations in over 80 countries.

The company operates under a divisional structure, where each major business area functions independently but is coordinated by central leadership under the Samsung Group.

Despite its global reach, Samsung remains family-influenced, with strong ties to its founding Lee family.

INSPIRE THE WORLD, CREATE THE FUTURE

SAMSUNG

SWOT ANALYSIS - SAMSUNG

STRENGTHS

Global market leadership – Samsung holds a leading position in multiple tech markets. Its diverse product portfolio and strong brand equity underpin a broad global reach (Bhasin,2024).

Research, development and innovation – as one of the top research and development spenders globally, Samsung drives rapid innovation. The company consistently allocates substantial resources to research and development, fostering innovation across its product lines.

Diversified product portfolio – Samsung's extensive range of products allows it to mitigate risks associated with market fluctuations.

Strong brand recognition – the Samsung brand is globally recognized and trusted, contributing to customer loyalty and competitive advantage.

WEAKNESSES

Overdependence On The Smartphone Market: The smartphone market accounts for more than 20% of Samsung's total revenue. Consumer demands and smartphone industry trends account for a sizable portion of Samsung's revenue. Given the products of competitors, the state of the market, and customer choices, it's a dangerous move that could quickly result in a decline in revenue. Depends on other companies for key software – Samsung lacks a proprietary mobile operating system. It remains dependent on Google's Android platform for smartphones, which limits control over software and services (Samsung electronics Co. 2023).

OPPORTUNITIES

Next-generation technologies – Samsung is well-positioned to capitalize on major tech shifts in the coming years. The company is investing in 5G/6G networks, artificial intelligence, and automotive Electronics (Bhasin,2024).

Emerging markets – Samsung can tap into emerging markets for its next phase of growth. Many developing economies in Asia, Africa, and Latin America have a growing middle class with rising purchasing power and appetite for technology.

Sustainability and differentiation – as environmental concerns rise, Samsung's scale gives it the opportunity to lead in sustainable technology and differentiate its brand. The company has announced commitments to carbon neutrality and eco-friendly product designs. By innovating in green technologies, Samsung can meet regulatory expectations and appeal to eco-conscious consumers (Business Strategy Hub, 2025).

SWOT

THREATS

Intense competition – Samsung faces fierce competitors on multiple fronts. In the premium smartphone and device segment, Apple remains a formidable rival with its loyal ecosystem (Haizar 2020).

Rapid technological changes – the fast pace of technological advancement requires continuous innovation.

Geopolitical and supply chain risks – as a global manufacturer, Samsung is highly exposed to geopolitical tensions and regulatory changes. Trade wars, tariffs, and export controls are significant threats. Any escalation in trade barriers can increase costs or block market access.

Political	Economic	Social	Technological	Environmental	Legal
PESTEL ANALYSIS					
Government Policies: In the countries in which Samsung conducts business, the policies of the governments can have a substantial impact on the company's activities. The business strategy of Samsung can be influenced by a variety of factors, including but not limited to tax policies, labour laws, environmental regulations, trade restrictions and tariffs, and political stability. Trade Agreements: As a South Korean business, Samsung gains a lot from South Korea's free trade agreements with other nations. These agreements have the potential to reduce tariffs and increase the global competitiveness of Samsung's products.	Global Economic Situation: Because Samsung is an international company, it is impacted by the state of the economies in the nations where it operates. For example, the demand for Samsung's products and customer purchasing power may be impacted by economic booms or recessions in certain nations. Inflation Rates: In some nations, high rates of inflation might reduce customers' purchasing power, which will impact demand for Samsung goods. Conversely, low inflation can boost demand for Samsung's products and enhance purchasing power.	Lifestyle patterns: Shifts in these patterns may influence Samsung's product demand. For instance, the demand for wearable technology, such as Samsung's smartwatches with health tracking capabilities, may rise as fitness and health become more important. Education Levels: Higher adoption rates of technology are frequently correlated with higher education levels, which may expand the market for Samsung's goods.	Digital Transformation: The way business's function is changing because of advancements in digital technologies. Samsung needs to adjust to these developments in digital services, remote work, e-commerce, and digital marketing. Cybersecurity: As connectivity and digitisation grow, cybersecurity risks are becoming a major worry. Samsung needs to make sure that its devices have strong security features and defend its information systems against online attacks.	Climate Change: Samsung's operations, particularly its manufacturing and supply chain, may be impacted by climate change. For example, supply chains may be disrupted by climate-related disasters, and operational costs may rise because of climate change regulations (such as carbon pricing). Green items: Demand for "green" items that have less of an impact on the environment is rising. Samsung can meet this need by using recycled materials and other environmentally friendly design elements in its products.	Product Safety Regulations: Samsung must ensure that all its products meet safety regulations in every market. Failure to comply could result in product recalls, fines, and brand reputation damage. Data Protection and Privacy rules: Samsung is required to abide by data protection and privacy rules, such as the General Data Protection Regulation (GDPR) in the European Union, because many of its device's store or process personal data.
https://thestrategystory.com/blog/samsung-pestel-analysis/					

THE IMPACT OF GLOBALIZATION ON SAMSUNG

Globalisation and the quest for technology have impacted Samsung Electronics' business choices in several ways. For Samsung Electronics and other significant firms in the electronics sector, globalisation has significantly boosted competition (Freund, Trahan, & Vasudevan 2007). To reduce production costs, Samsung Electronics has moved its operations outside South Korea because of globalisation. There have been significant changes in production throughout Asia. The company's operating expenses have decreased because of this circumstance.

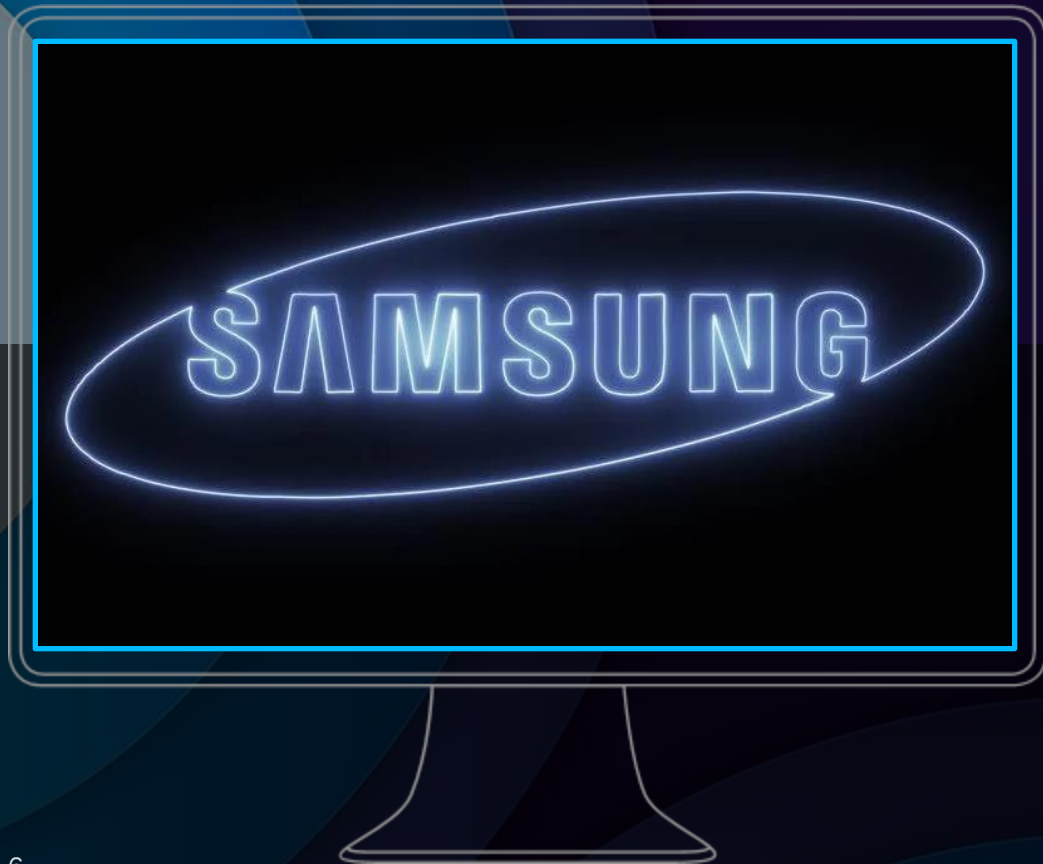
Chang (2012) asserts that globalisation is not a new phenomenon in the twenty-first century. However, technology and international trade have altered many facets of business operations, including communication, market trends, manufacturing, delivery, and monitoring. Business patterns have changed because of the integration of global economies, cultures, and ideologies brought about by the expansion of international trade, communication, and immigration.

. Freund, S, Trahan, E & Vasudevan, G 2007, 'Effects of Global and Industrial Diversification on Firm Value and Operating Performance', Financial Management (Wiley-Blackwell), vol. 36 no. 4, pp.143-61.

5. Chang, S 2012, 'Study on human resource management in Korea's chaebol enterprise: a case study of Samsung Electronics', International Journal of Human Resource Management, vol. 23 no. 7, pp. 1436-61.



RECOMMENDATIONS



- Increase the range of software and AI services.
- Make supply networks that are stronger and focus more on local areas.
- Start making products that are good for the environment.
- Focus on affordable technology for south Asia and Africa.
- Invest money into clean energy for factories.

THE INFLUNCE OF INOVATION ON SAMSUNG

By the first decade of the new century, Samsung had grown to become the largest technology manufacturer in the world by making strategic product investments and protecting itself from market entrance risk. It dominates several product sectors, including home entertainment, smart devices, and semiconductors. However, with a focus on future growth, Samsung executives aggressively looked for ways to foster breakthroughs like the data economy, IoT, and AI because of their immense potential and capacity to transcend conventional silos.

The ideas of SSI felt like a logical place to start when thinking about Samsung's future transformation, and the idea of using the company's growth into the valley as a catalyst for change was alluring. After realising they were on to something, Samsung's brain trust went on a manhunt to find the top industry leaders and valley veterans. Soon, they had the key players in place, including David Eun, president of Samsung Electronics and Samsung NEXT, and Young Sohn, who is currently president and chief strategy officer of Samsung Electronics.

<https://ivypana.com/essays/samsung-company-globalisation-effects-on-growth-and-performance/>



In conclusion, Samsung Electronics' development and performance have been greatly impacted by globalisation. But other electronics behemoths like Sony and LG are also keeping up with the pace of globalisation and technical advancements. Particularly in the market for mobile phones, this circumstance is narrowing the gap in competition. The market for consumer electronics is now oversaturated. Because of the abrupt appearance of new technologies in the electronics sector, it is diversifying at a comparatively rapid rate. As a result, Samsung Electronics is increasingly required to accelerate its product development in order to rethink its business model in terms of innovation.

One of the top businesses in the technology sector is the Samsung Group. Nonetheless, it expands into other industries, such as security and insurance. Samsung, a South Korean chaebol, has dominated the Korean and Asian markets with its innovative and state-of-the-art technologies. Samsung faces intense competition since it sets the pace in the technology industry. Samsung should make the most of its possibilities and assets in order to maintain its growth and brand image. To maintain its position as a global leader and legacy creator, the corporation should also address its shortcomings.

Conclusion



REFERENCES

1. <https://www.britannica.com/money/Samsung-Electronics>
2. <https://thestrategystory.com/blog/samsung-pestel-analysis/>
3. •Bhasin, H., 2024. SWOT Analysis of Samsung. (online) Marketing91. Available at: <https://www.marketing91.com/swot-analysis-samsung/>. (Accessed 31 May 2025)
 - Business Strategy Hub, 2025. Samsung SWOT Analysis. (online) Available at: <https://bstrategyhub.com/swot-analysus-of-samsung-2019-samsung-swot-analysis/> (Accessed 31 May 2025)
 - Haizar, N.F.M., Kee, D.M.H., Chong, L.M. & Chong, J.H. (2020), “The impact of innovation strategy on organizational success: a study of Samsung”. Asia Pacific Journal of Management and Education, pp. 93-103.
 - Jung, S.C. (2014), The analysis of strategic management of Samsung Electronics company through the generic value chain model”. International Journal of Software Engineering and its applications, pp.133-142.
 - Samsung electronics Co. (2023) 2023 Business report. Available at Samsung investor relations website.
4. Freund, S, Trahan, E & Vasudevan, G 2007, ‘Effects of Global and Industrial Diversification on Firm Value and Operating Performance’, Financial Management (Wiley-Blackwell), vol. 36 no. 4, pp.143-61.
5. Chang, S 2012, ‘Study on human resource management in Korea’s chaebol enterprise: a case study of Samsung Electronics’, International Journal of Human Resource Management, vol. 23 no. 7, pp. 1436-61.
6. <https://ivypanda.com/essays/samsung-company-globalisation-effects-on-growth-and-performance/>
7. <https://businessmodelanalyst.com/samsung-swot-analysis/>