

Essay on the role of marketing in creating value for customers in the Samsung Company

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The ultimate goal of the business is to create the consumer database and loyalty which could be done by using the positioning and differentiation strategy. Differentiation means the ability of the business to differentiate itself from the competitors in terms of products and values offered. The path to accomplish this is by building as well as maintaining a competitive advantage. The companies are only differentiated by the special benefits given to the consumers, which none of the other competitors in the same industry can give. If the consumers believe that a particular brand or product is offering value, then it leads to the purchasing of the product and vice-versa. On the other side, the value might also arise, if the customer is using the product from a long time and is satisfied enough. 21st-century customers are more educated & informed due to the advent of the internet. Customers tend to buy the products which they feel is worth purchasing against the price they are paying for it. They tend to know exactly what their requirement is and what they want to purchase, therefore they do not waste much time with unsuitable items. Companies in this scenario must sell something unique which is not available in the market. Marketing assists the company in promoting that uniqueness most effectively. This makes the product to be perceived as profitable in the eyes of the customers (Mcfarlane, 2013).

Stakeholders of the organisation also play a vital role in its success. They must be involved in the essential decision-making processes and their opinions and suggestions must be undertaken seriously. Good stakeholder engagement leads to business growth and better marketing activities. The purpose of this essay is to evaluate the role of marketing in creating value for customers and the role of stakeholder engagement in an organisation. The impact of stakeholder engagement is also analysed in the context of marketing activities. The practical implementation of theoretically evaluated concepts is demonstrated considering the case study of Samsung Company.

Researchers have proposed different meaning of customer value. Singh (2011) explained in her research that Customer value is nothing but the estimation of the product's overall extent to satisfy the needs of the customers (Singh, 2011). This implies low price, receiving adequate quality for what has been paid by the customer, receiving as per the need or it could be receiving something in return in response to what is provided (Zeithaml, 1988). According to Woodruff (1999), customer value has a broad meaning and it has two aspects 1) desired value 2) perceived value. Among these two aspects, desired value implies to what people desire in a product, whereas perceived value is what benefits customer believes to have from the usage of the product. Customer value could be analysed at various levels. To talk about the low level, it can be seen as the traits of an item that a customer perceives to get value from. At a more elevated level, customer value can be seen as the enthusiastic result and accomplishment of an objective or want. At the point when clients obtain value from an item, they get value from the properties of the item just as from the trait execution and the outcome of accomplishing wanted objectives from the utilisation of the item (Woodruff, 1997).

Mansfield (2018), stated in her article that marketing not only creates value, but it also communicates and delivers value to them (Mansfield, 2018). Marketing plays a crucial role in creating value for the customers. Marketing is important as it attracts the target audience, thereby creating interest in the product. Marketing is often perceived as the channel to satisfy the customer's requirements and demands. However, as per the critics, marketing is beyond this and it is believed to create requirements and demands. Marketers promote the product and make strategies in such a way that they influence customers to spend more money than even if they are not in need of purchasing any specific product. They are seen spending more on goods and services than they should actually spend. Marketing helps the company in making a profit by

creating value for the customers and it also builds strong customer relationships (Schofield, 2019).

The marketing process involves different components such as interpreting of the market and customer's requirements and demands; designing a customer-oriented marketing strategy; implementation of customer-driven strategies; development of the marketing plan that could deliver the superior value to the customers; customer satisfaction and building of profitable relationships. Now, after understanding the importance of marketing, it is essential to know how the marketing team creates value for its customers.

Creating value for a product is one of the primary functions performed by marketing. This target is achieved by providing the product-related information before the release or launch of the product or continuing the message even after the product is sold in the market. Several methods are followed by the marketers to achieve this; such as providing education, creating a need and reaching the target market. Marketing communication concentrates on explaining the qualities and features of the product to be launched and how it will be beneficial for the customers. This is nothing but the education provided to the customers regarding the new product. Then comes the next method that is creating a need in which customers are made to understand why they would need the new product. There is no point of reaching the mass market, instead, the company should reach the target market. Here comes the marketing into rescue as the marketers segment the market to identify the potential target market, customers who will most likely be ready to purchase the product. Numerous factors are taken into consideration while reaching the target market such as age, income level, professional domain, etc. Once the marketing team understands who is their most likely customers, they create messages which might appeal to those customers and showcase them on the most effective channel (Anderson & Narus, 1998).

Samsung is the world recognised South Korean company which is an expert in designing and manufacturing electronic devices. It is a multinational company which is known to be a leader in technology. Samsung is aware of the fact that interpreting the market and customer's requirements and demands could only be accomplished by detailed market research to identify the product and need gaps. All this procedure includes the market trends, ways to convert things much easier, seamless, comfortable, improved and customer friendly. The best example of all this could be understood by considering the case of Smartphone offered by Samsung. In the 80s, there were no mobile phones available. Detailed and comprehensive market research created the need for phones that could be carried from one place to another. This resulted in the launching of first-generation mobile phones in bulk. In improvement to this, compact and lighter phones were introduced in the market and followed by the Smartphones which are presently in use and have made everyone dependent on it. Gradually the Smartphones with advanced and technology-equipped features were brought into the market. There has been a significant evolution in the phones starting from basic telephones to advanced smartphones on which the users can also access movies, videos etc. using internet technology.

The marketing team of Samsung announces the launch of a new product, builds excitement about the unique benefits offered by it and it also makes the customer's aware of the advanced technology used by the company.

Suppose if Samsung is about to launch a new phone in the market, then the marketing team of the company focuses on educating people about the new phone by demonstrating the special features carried by it. The team will provide information to the consumers such as how the phone screen is scratch resistant & anti-reflective. The company educates people about the unique functions added in the new model of the phone. For creating the need for the product, the

marketing team of Samsung will have to make the audience believe that why the new model of mobile fits in their need. Customers these days have a lot of choices to purchase a smartphone in the market. It depends on the marketing team how they promote the unique features of the product resulting in arising need to purchase the Samsung product (Madani et al., 2014).

Samsung has won the Best Buy Award in the year 2017. This award contemplates the price-quality ratio as the main influencing factor in customer purchase decisions. Consumers in this modern era, check prices offered and then compare the benefits and features offered by a particular product or service in the context to the actual cost (Proecho Solutions, 2020). Moreover, customers are also aware that there is no guarantee of getting the same quality as claimed by the marketing of the companies, even if the purchase is being done from the popular brand or the product purchased is of higher cost in comparison to other products available in the market. Samsung is the first one who revolutionised the mobile phone industry by introducing an android phone with many hi-tech features similar to the one's provided by Apple at a high cost. Samsung offered technologically advanced features at a low price in comparison to another technology leader. The marketing team flaunted all such features creatively through various campaigns and TV commercials. This created customer value as the customers were very much satisfied with the price-quality ratio offered by the company. Customers of Samsung understood the value offered by the company against the price they spent in the purchasing.

To make sure the consistency in marketing communication equally across all markets, Samsung summarised its advertising agencies from 55 to one global group of advertisement named WPP. This global advertising launched the first campaign for Samsung. Utilising TV commercial the

marketers promoted the technical aspects of its products. WPP also utilised promotional aids like online advertising and sponsorships to improve its brand name.

Stakeholders are viewed as the pillars of the success of any organisation and their engagement is important to all types of businesses. Stakeholder engagement is specifically essential in context to responsibly operating a business and is also considered to be an integral part of CSR (Corporate Social responsibility). According to Jeffery (2009), Stakeholder engagement indicates the willingness of the company to listen and discuss the problems of stakeholder's interest. An organisation must be set up to consider changing what it means to accomplish and how it works, because of stakeholder engagement (Jeffery, 2009).

According to another piece of research, Stakeholder engagement is the phenomenon through which businesses communicate with their stakeholders to know them better in terms of their requirements, when they need it and how their goals could be impacted by the actions and strategic plans of the business. Stakeholder engagement is identified as one of the primary elements of the success of any project or programme in a business. Stakeholders are the ones who directly impact the business or are involved directly such as customers, contractors, suppliers, investors, media, community, etc. Different stakeholders bring different perspectives and expertise with them as they belong to different work, culture and working environment. Therefore, the company needs to keep them well engaged to make use of their expertise and expert knowledge for the growth and development of the firm (Barik & Panda, 2014).

Stakeholder engagement offers multiple benefits for marketing and its activities. It helps in building a cordial relationship with the marketing professionals who can help in mitigating the existing disputes or troubles. Well engaged stakeholders feel much secured and connected to the

organisation; therefore they can also contribute to spreading positive word-of-mouth in the market. This would directly impact the marketing of the organisation in a positive sense. Marketing activities could be conducted in a more stabilised environment where the decision-making process is well supported with all the essential information required. By engaging well with all the key stakeholders an organisation can improve its visibility, brand image and market reputation. Better internal engagement tends to identify the domains in which the organisation can turn out to be more proficient. Moreover, employees who are provided with the freedom to present their ideas in the workplace are seen to have great morale. Engaging with stakeholders assists an organisation to look out for new business opportunities & do the market segmentation.

The stakeholders of Samsung identified are suppliers, investors, media, creditors, directors, customers, employees, NGOs, government bodies and local communities. These stakeholders directly or indirectly impact the organisation and its concerning business activities. The strong communication medium is pursued to remain in touch with the stakeholders and collect their feedback. The diagram below depicts all the stakeholders of Samsung along with their communication channel followed.



Figure 1: Stakeholders of Samsung and the relevant communication channels (Samsung, 2013)

Samsung has developed a strong affinity with these stakeholders and it pursues them with distinct strategies. Samsung keeps the stakeholders engaged by direct and open communication especially, with its employees and consumers to maintain good customer service by improving customer satisfaction surveys. Samsung also participates in government policies and accordingly makes changes in its marketing activities. The stakeholders are engaged in one common platform, i.e. knowledge management. The strategic planning of marketing activities will enhance with the aid of knowledge management. When the employees of the company feel

motivated, satisfied and valued they become more dedicated and work enthusiastically to promote the services and products manufactured by the organisation.

Hoffmann and Lutz (2014), in their research, explained the role and impact of social media on the stakeholder engagement which further leads to strong corporate governance. Internet keeps the stakeholders well informed and updated. It also increases stakeholder engagement, thereby facilitating good governance (Hoffmann & Lutz, 2014). For instance, Samsung has 24*7 customer service through an online platform to address the complaints or queries of the customers. These make them satisfied and gather the necessary information required by the marketing team. Additionally, this electronics master is active on social media channels to gather the responses, feedbacks and ideas of the target markets. This further helps the marketing team of the company to modify the strategies and plan the activities according to the data gathered from this platform (Jonas et al., 2018). At times, the critics or feedback on social media channels posted by the stakeholders, especially the customers poses a negative impact on the marketing of the company. Therefore, Samsung has a separate dedicated team to handle the online platforms.

Customer value creation is the ultimate goal of an organisation and one of the primary functions performed by the marketing. Marketing helps the company in making a profit by creating value for the customers and it also builds strong customer relationships. Marketers create value for the customers by providing them with necessary information about the products and services offered by their respective brands before and after the launch of new products. They also educate customers about the special features and qualities offered in the upcoming product. Marketing team promotes the products or services in such a manner that they arouse the need to purchase the product. Samsung is the company which announces the launch of the next product, creates excitement and makes the audience aware of the additional benefits it will offer. The team

follows the differentiation strategy to promote the qualities of the product which are different from other leaders. Samsung is the technology-aided company which has adopted multiple marketing strategies to promote the products and create customer value. Stakeholder engagement provides numerous benefits to the organisation and well supports its marketing activities. Engagement of stakeholders in Samsung could be witnessed through the persuasion of different communication modes for different stakeholders. They are engaged through an online platform and regular communication. Well engaged employees feel motivated and work more sincerely to take the organisation on another level. Stakeholders come up with unique and innovative ideas to market their products and services if they feel that they are an important part of the business. Different stakeholders bring different perspectives and expertise with them as they belong to different work, culture and working environment. Therefore, the company needs to keep them well engaged to make use of their expertise and expert knowledge for the growth and development of the firm.

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