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## **Part A**

# **Essay on Marketing Practices of Samsung Electronics**

## **Introduction**

Samsung Electronics, part of Samsung Group, is the largest smart electronic device manufacturer in the world. This giant corporation has reached the customers of all the seven continents with its superior groundbreaking marketing strategies. The marketing practices of Samsung electronics involve state-of-the-art technology and smart strategic measures taken by industry specialists. Chaffey and Ellis-Chadwick (2019) stated that this is how this blue-chip corporation has managed to keep steady sales of its products in almost all of the worlds with a loyal customer base. Samsung Electronics invest a huge amount of resources for R&D so that the demand of customers and the market is crucially analysed and proper marketing practices can be implemented. In this essay, marketing processes, marketing roles, marketing mix, PESTEL analysis, SWOT analysis, marketing for creating customer values, and stakeholders' management will be critically analysed.

## **Marketing process, roles, and mix for Samsung Electronics**

According to Chaffey and Ellis-Chadwick (2019), the marketing process dictates the marketing practices of a business organisation. Marketing opportunities, strategies, suitable target markets, the demography of the target markets, and value creation for the customers are the main concerns for the marketing process. Apart from these, De Mooij (2019) pointed out that strategical and tactical decision making are also two crucial parts of the marketing process carried out by a business organisation. Samsung Electronics has a customer base which includes customers from all the races, income level, societies, and all other demographics characteristics.

From the above discussion, it is evident that the marketing process of Samsung electronics is essentially sophisticated and complex. Therefore, the roles of marketing can be understood vividly. Proper practice of marketing helps function the marketing process. Deepak and Jeyakumar (2019) stated that there are five generalised yet distinguished stages concerning the marketing process of Samsung Electronics. These are planning and setting goals to achieve, critically analysing the market position, prudently establishing tactics for the market, deploying the marketing process in action, and carrying out the enhanced evaluation, monitoring, and controlling procedures. This way the cycle of marketing process takes place.

Societal values and other socio-economic factors can influence the business of this corporation significantly. Social status and income level of customers influence the sales of Samsung products. This corporation is the epitome of technological innovations.

The strengths, weaknesses, opportunities, and threats of Samsung Electronics have many scopes. De Mooij (2019) stated that this financially solvent and technologically advanced corporation has superiority over its competitors in multiple dimensions. Samsung makes smart devices for almost everyone with different income levels with competitive pricing strategies suitable for all the different markets around the world. The basic yet salient weakness of Samsung electronics is the marketing propagation and mediocrity in the software management of its smart devices. Zervas et al., (2019) pointed out that the hardware of Samsung devices is top-notch quality yet the software is not as clean and user friendly as the software environment of its biggest competitor Apple Inc. for its smart devices oriented for personal usage. Apart from this the software management of its other electrical products and durability of the products are unmatchedable.

The most fruitful opportunity of this corporation is to build a software eco-system as efficiently as the software ecosystem of Apple devices. Vendrell-Herrero et al. (2019) stated that the new devices from Samsung come with bloatware preloaded which is not user friendly at all. Samsung Electronics need to protect itself from high profile lawsuits from its competitors and drop of the quality of products as these are the prime threats for this giant corporation.

The marketing mix of Samsung Electronics is the most prudent marketing practice conducted by this corporation. Hollensen (2018) stated that the products manufactured by Samsung go through rigid quality checks at multiple levels for a specified time so that the customers are very satisfied. The pricing strategies of Samsung Electronics are quite tough to beat by its competitors. Vendrell-Herrero et al. (2019) stated that the huge financial investment and resources owned by this corporation have enabled Samsung to modify its pricing strategies which cannot be pulled off by most of its competitors while maintaining the qualities. The production facilities, corporate offices, and product display physical shops are equipped with expensive and technologically enhanced functionalities.

The employees and customers of this company are brought together in innovative ways. For promotional purposes, this corporation has penetrated every possible medium of marketing promotional channels to reach the maximum number of potential and prospective customers globally by spending millions of GBP every year.

## **The role of marketing in creating value for customers**

The marketing activities of Samsung electronics are tailor-made processes for creating optimum value for the customers. Hollensen (2018) stated that customer satisfaction is the ultimate goal of Samsung Electronics as satisfied customers will retain as loyal customers and help generate the desired revenue every year. For a business, marketing, and value creation for the customers are significantly important. Chari et al. (2019) pointed out that marketing is important because without marketing a giant corporation like Samsung cannot reach the maximum number of customers globally and the huge investments will go in vain. This statement signifies the importance of marketing for a business-like Samsung Electronics.

According to Stremersch et al. (2018), value creation for the customers should be considered as the most significant task as the customers are the ones who will help generate the most desired revenue creation for the company. Chari et al. (2019) mentioned that without a properly functioning and enthusiastic customer base, Samsung cannot proceed forward with its businesses. This is why value creation for the existing and future potential customers for Samsung is crucially important and good for the businesses. For building and retaining a satisfied customer base Samsung will go any lengths. This is the core reason behind the existence of a vibrant, enthusiastic, and loyal customer base of Samsung Electronics worldwide.

According to Hollensen (2018), providing proper education regarding the products marketed by Samsung Electronics is the most vital role played by the marketing practices of this corporation. Samsung investigates the demands and needs of the customers through thorough market researches and conducting diversified marketing analyses. Then this corporation integrates the projected needs and demands of the customers into the new features integrated into the smart devices which are newly launched in the market. Zhu and Gao (2018) pointed out that the ingenious marketing team of Samsung Electronics work the customers in such convincing ways that the customers are convinced that they truly require the new latest Samsung products for an updated and better lifestyle. This is how Samsung educates its massive customer base globally.

Creating a need for the products manufactured and marketed is the specialty of Samsung Electronics. According to Stremersch et al. (2018), the catchy and provoking promotional contents all over the marketing global marketing channels waken up the latent desire of the customers to embrace the most advanced and technologically innovative Samsung products. This is how Samsung creates the needs of the customers and sell its products successfully.

## Stakeholder engagement and their impact on the marketing activities of Samsung

Stremersch et al. (2018) pointed out that the presence and involvement of stakeholders are the most crucial for the existence of an organisation. This is the same for Samsung Electronics. The lack of proper management and valuation of the stakeholders will hamper the sustainability of Samsung and this corporation knows it very well. The stakeholders' management of Samsung Electronics has made this company sustainable and one of the most promising global business organisation globally. Mendelow's matrix will be utilised for the critical analysis of the most significant four types of stakeholders of Samsung Electronics.

Zhu and Gao (2018) stated that in 1991, Mendelow created a detailed process outlining the importance and significance of the stakeholders of an organisation based on their power and influence on the organisation. He created a matrix that represents the hierarchy of the stakeholders prudently. An organisation like Samsung requires to manage its stakeholders properly otherwise this giant corporation will fail to exist. The matrix introduced by Mendelow will vividly represent the four main types of stakeholders of Samsung with relevant evidence.

The most crucial four categories of stakeholders according to Mendelow's matrix are shown in the diagram below.

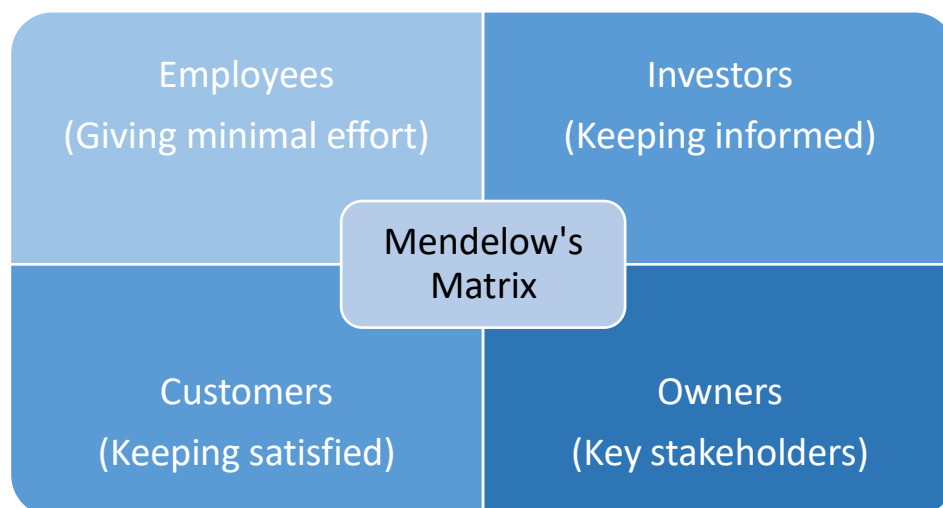


Figure 1: Mendelow's Matrix for Samsung Electronics

Source: Islam et al. (2019)

Category D stakeholders are the Owners, Category C stakeholders are the customers, category B stakeholders are the investors, and category A stakeholders are the employees. The most influential category of stakeholders is category D. and the least influential category of stakeholders is category A. All of these four categories of stakeholders are very important for the existence and survival of this corporation. The marketing activities of Samsung Electronics is highly influenced by these four types of Stakeholders of Samsung. The most influential category D stakeholders, the owners are in the business so that they can be benefitted.

After category D, the most influential category of stakeholders is Category C, the customers. The business operations of this company are devised and executed with the help of proper marketing practices so that the customers of this company are satisfied. This implies the importance and significance of the customers for this corporation. According to Zhu and Gao (2018), all the marketing tactics and promotional activities of this company are devised and propagated to attract potential customers so that the customers know about the new offerings. This crucially explains the influence of customers as a prime stakeholder group on Samsung Electronics.

After customers, investors are given the most importance. Rosenberger III et al. (2019) argued that without the investment of a huge amount of monetary and other types of resources the business of Samsung cannot be run properly. The investors have some customised preference regarding the market penetration and pricing of the products so that the maximum amount of revenue generation is possible. This type of stakeholders will try to commercialise the products to the maximum level for the maximum return on investment. This way their influence contributes to the marketing practices of Samsung Electronics.

The least influential stakeholder category on the matrix is the employees. The importance and significance of employees know no bound. According to Hollensen (2018), these people are the blood cells of the organisation. They are the least influential because of the organisational hierarchy but they are the ones who drive the innovation at Samsung and develop groundbreaking smart devices for everyone. The employees of Samsung conduct customer analysis researches and influence the marketing practices by involving the decision-making processes. The Matrix has differentiated these stakeholders according to their influence over Samsung but all four of these stakeholders are critical for the survival of Samsung.

## **Conclusion**

The marketing practices and stakeholder's management of this company is prudently executed and managed. The above discussion has proved that Samsung electronics has to go through multitudes sophisticated marketing processes to run its operations globally. The internal and external business environment of Samsung Electronics has been analysed with the help of SWOT and PESTEL analysis. Four of the most crucial stakeholder groups have been vividly represented in this essay with their relevance to the marketing practices of Samsung and their influence on this corporation. Samsung Electronics values its customers to a great extent and operates its business with the help of prudently devised marketing practices all over the world.

## **Part B**

### **Personal Reflection**

I have achieved a positive outlook to judge the business operations, customer value creation, stakeholder management, and overall marketing practices of Samsung electronics while researching for this essay. I have noticed that Samsung invests millions of GBP every year so that this company can bring positive changes to the products. These changes can be very trivial, dimensions of the smart devices, color, raw materials to massive changes, for example, the processing power of the smart devices, the power consumption of levels of these devices, and the price competitiveness of these devices. I was surprised to see how the trivial changes are made to differentiate the products from the products of competitors and previous generation products of Samsung. Though these changes are not groundbreaking, premium prices are being charged for these products. I have virtually experienced the groundbreaking marketing practices of Samsung Electronics and its promotional activities.

I have observed that marketing and promotional activities can be very astonishing. The prudent advertisement of the smart devices manufactured and marketed by Samsung are very interactive. I was surprised to see the number of expenses required every year to carry out such large scale promotional activities. This fact made me realise that the product cost could be more reasonable if such a huge amount of money is not spent for promotional purposes. Samsung is spending a huge amount of money to match the competition with its competitors. This rivalry is provoking Samsung to spend more to reach more customers to generate the highest amount of revenue and beat all the competitors. On the other hand, the customers are the ones who are paying the premium prices for the rivalry between Samsung and its competitors. I do believe that this is a serious drawback for the customers as a flagship smartphone cost a thousand GBP now and the other smart devices such as home appliances are also not cheap. I have got to know about the value creation and stakeholder management of this company. I do believe that Samsung is prudently managing its customers and other stakeholders successfully.

In assignment 1 regarding a blog post of Samsung concerning its marketing mix, I had experienced the influential marketing practices of Samsung and its pragmatic influence in the electronics market. Samsung is such a corporation that prefers quality over quantity. The products of Samsung are manufactured carefully by maintaining the highest level of health precautions. As the customer base of Samsung includes children, Samsung maintains the product quality to the highest level.

While researching for the marketing practice and the marketing mix used by Samsung, I realised that Samsung is very competitive in the market as its competitors are very aggressive, such as Apple Inc., Sharp electronics or Phillips. This is why its marketing mix is devised to compete with its competitors and satisfy customers to the highest level.

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