

‘ MARKETING STRATEGY OF SAMSUNG FOR INCREASING THE SALES OF SAMSUNG PRODUCTS’

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Abstract

Mobile phones enhance people’ s mobility, as we have entered in the 21st Century the importance of information changes rapidly. It is an era of media, news and all about information. The information plays a very important role in the decision-making, policy making and all about evaluation of services provided by an organization, which is the future of the nation.

The SAMSUNG is a leading name in the field of medium of communication. It provides the latest technology, the finest Features & the greatest hardware devices that connect people to each other. Samsung is basically a manufacturing industry and based on consumer satisfaction. A satisfied consumer promotes few more consumers while a furious consumer detaches many more consumers. So we can say that satisfaction level is lingered on between the commitment and fulfillment of an industry. We are fortunate enough that satisfaction of Samsung is much better than other competitors.

It is also the time of competition; means if you want to survive you should beat your competitor through your policy, act and market strategy. The NOKIA cellular phones and LG mobile phones along with SONY ERICSSON are few market competitors of SAMSUNG mobile phones today. We proud that we beat all other competitors except NOKIA through our features, service, attraction, rates and technical point of view.

It was with this aim that I decided to study the current scenario at one of the most important industry i.e. SAMSUNG INDIA ELECTRONICS (P) Ltd. And find out the extent of customer satisfaction and competitive style and how it could improve its service better.

If we can compare marketing to a long train with a multiple compartments, then marketing research would justify claim the dual of the engines that powers the train and the links that connects the individual compartments to form a cohesive functional units. In others words, marketing research is pervasive- the brain and the brawn of any marketing organization.

The Telecommunication industry is at the center of India' s new global dynamics. Samsung Group having a product range covers Medium and heavy, Range of Mobile phones, TV, Refrigerators, Air condition, Washing machine, Micro Web. As the project title “ Marketing Strategy for Increasing the Sale of Samsung’ s Product.” Suggests about the market viability of TV LED, Washing Machine, Refrigerator, Micro web, Air Condition.

The body of the project report takes a micro level approach, using each step of the marketing strategy process. The main source of analyzing the data is through past Experience questionnaires. A complete analysis has been done in methodology part to find the market potential of Light for Samsung’ s product at west Delhi. The

best part of this report is the operating economics of customers based on the customer Purchasing Behavior. This part directly shows the market leader in Delhi.

INTRODUCTION

As markets change, so does marketing. Marketing is no longer a company department charged with a limited number of tasks managing, advertising, finding sales leads, providing customer etc. Marketing must be a company wide undertaking. It deals with the whole process of entering markets, establishing profitable positions and building loyal customer relationship.

Management has two important components theory and practice. During the two year management course, I have to understand, feel and experience both the components. As a part of practical exposure, I took Samsung a leading name in the area of Telecommunication and home Appliances to be the center of my study.

To get their feedback and recommendations about the improvement in the product and services in relation to the different research objectives. I came to know about many things about the after sales services, customer relationship, and above all the importance of customer for the company.

Samsung Electronics is very much responsive to customer' s needs. It provides the maintenance facility to the customer in reasonable price. But we all know that there is always a scope for improvement so after the studying the market we had

made certain recommendation to improve the performance and the satisfaction level of the customers.

All these recommendation, which I have made, are on the basis of my knowledge, field study and learning I have imbibed by the faculty of Galgotias University, Greater Noida. Knowledge Park 111.

RESEARCH METHODOLOGY AND SOURCES OF INFORMATION

Marketing starts with consume needs and ends with consumer' s satisfaction.

Marketing is set of all actual and potential buyers of products .To manage a business will is to manage its future and to manage the future is to manage information. In the field of marketing the main objective is to decide about the certain tomorrow. Uncertainly cannot be removed completely but it can only be minimized through an effective marketing situation better.

Thus marketing research is the systematic design collection analysis and reporting of data and finding elements to a specific marketing situation facing the company.

OBJECTIVE

1. To assess the sentiments and nature of buyers and ultimate consumers of various products of mobile phone.
2. Marketing culture in the past events.
3. Marketing culture in present.
4. Marketing strategy in competitive market.

5. Behavior of consumer in the seller market.
6. Behavior of consumer in buyer market.

RESEARCH DESIGN

The design of project report comes under the following methodology:-

TOOLS OF STUDY

The study based on information given by different consumers. This is done with the interviewing different personnel' s discussion & the primary preparation from different books.

- **Personal interview**

Personal interview are conducted so that an individual can come out with his original thought on subject. The intention is to make this entire exercise a two-way traffic so that the person feels like a contributor in the present study. Personal interview also helps in getting some of the record observations, which help in understanding the overall pictures better.

- **Discussion**

This helps as stimulus to bring out certain observation, which could otherwise be left out. A healthy group discussion is extremely useful in forming strategies for improvement and also locating many bottlenecks.

- **Documents**

This will give information on declared policies of the organization. Documents provide clear cut and standardize boundary of any research object. The dimensions in which research study is to under gone is predefined and clearly understood.

- **Observations**

Observation tool is one of the most important and efficient instrument to study the research factors. The reason behind this is that no document or any other

instrument is compatible with the environmental factor; this is only the researcher who compares and makes balance between the existing records and environmental factors. The environmental difference between two territories may vary; he has to collect records after the environmental scanning of concerned area.

Source of Information

- Primary sources:-
 1. Personal interview
 2. Personal discussion & interaction.
 3. Observation.
- Secondary sources:-
 1. Document
 2. Internet.
- Territory sources:- It is from the outside sources under this come
 1. Books.
 2. Journals.
 3. Project reports.
- Area of survey:- The survey was conducted at Noida, Greater Noida & associated areas.

SAMSUNG MARKETING MIX

PRODUCTS

1. Tablets
2. Mobile phones – Smart phones, normal phones,
3. Televisions – LEDs, LCDs. Plasma TV, SMART TV, HDTV etc.
4. Cameras and Camcorders
5. Refrigerators
6. Air conditioners
7. Washing machine
8. Microwave ovens
9. IT – Laptops, printers and accessories

The benefit of Samsung in terms of its product is that there is a trust on all Samsung products because of the way Samsung products have performed in the last few years. Problems with the products has been negligible.

PRICE

Because of its presence in different product categories, Samsung uses various pricing strategies. We can divide the pricing strategies and match it with the products that it is used for.

Skimming price – Samsung’ s smart phones are one of the best in the market and are the market leader in terms of the features and USP’ s that they provide. The recent Samsung Note 3 + Gear is another entrant in the market which is catching people’ s eyes. Thus Samsung uses Skimming price for these products wherein it tries to get a high value in the start before competitors catch up. Once the model is old or any competitor has launched a similar product, Samsung immediately drops the price.

Competitive pricing ☐ For products other than smart phones, Samsung uses competitive pricing. Televisions, air conditioners, refrigerators and other products have competition in the form of Panasonic or LG. Samsung is known to be a great brand but it is not greater than LG for home appliances.

In fact LG beats Samsung where home appliances are concerned. Similarly in Washing machines ☐ Whirlpool, and in Cameras ☐ Cannon, are the brands which are to be beaten. You can view this article on top Samsung competitors in each segment. Thus in various categories, Samsung keeps competitive pricing so as to beat the competitor. Samsung as a brand hardly uses penetrative pricing because it doesn’t enter late in the market. In fact, it is present in most durable segments in the market.

PLACE

Samsung is present through various channels in the market. It works on the marketing concept wherein there are three segments. Sales and service dealers, Modern retail and Distributors. The sales and service dealers handle key accounts for Samsung and are involved in corporate sales. These dealers may also open exclusive Samsung showrooms.

The Modern retail segment includes large retailers like Croma, Hyper city, Vijay sales, Vivek's and any others who are present in the modern electronic retail chain. Samsung being such a branded product, the retailers are bound to keep Samsung as an alternative or as the primary product for their customers.

The distribution network is the most interesting in the case of Samsung. In several cities, Samsung has a single distributor through whom they distribute throughout a territory. For example ☐ In Mumbai, Samsung has SSK distributors who are distributors for all Samsung products.

This distributor has a huge investment in Samsung and both, the distributor and the company, go hand in hand for the sale of Samsung's products. Thus all material of Samsung will be sold to a single distributor who in turn will sell it forward to retailers.

PROMOTION

Samsung uses multiple forms of promotions. Samsung as a company believes in pulling the customer to themselves through advertising but at the same time uses strong tactics to push the product to the customer through sales promotions.

Thus on one hand, Samsung uses various marketing vehicles across the year covering festive season as well as non-festive time. On the other hand, it gives many offers and discounts to its trade partners to motivate them to sell Samsung above competition. With such a strategy, Samsung's brand is on the rise so that both, the pull as well as push strategy is working simultaneously in Samsung.

The marketing mix of Samsung is a lesson to marketers in several points. First, Business will grow if you have multiple products at once as all of these products can become revenue drivers for your company. Second, Pull strategy, though expensive, is far more beneficial in the long time.

SOCIAL RESPONSIBILITY

The SAMSUNG Welfare Foundation and Samsung's affiliates are actively involved in the sound upbringing of children who are the future of our society, and in helping people in need become self-sufficient. We do all we can to enhance the quality of life for all our neighbors.

SAMSUNG endeavors to enhance the quality of life for all its neighbors - particularly children, young adults and low-income families - by funding community programs that address economic, social and cultural needs. These programs are aimed at promoting self-sufficiency rather than simply donating cash.

SAMSUNG Welfare Foundation and SAMSUNG affiliates are actively involved in nurturing children - the future of society and the seed of self-sufficiency when it comes to helping people in need.

SAMSUNG operates the Mukunghwa Electronics facility, an entire assembly plant constructed specifically for wheelchair-bound employees. Other social welfare programs promote the rehabilitation of the physically disabled: guide dogs for the visually impaired; eyesight recovery operations; even a "Pets as Therapy" program. Additionally, SAMSUNG Childcare Centers offer quality education to children from low-income families from all over Korea.

Since 1999, for four consecutive years, SAMSUNG has donated one 10 billion won each year to help and care for the needy people in our society. Recently, SAMSUNG Life Insurance announced the donation of 10 billion won to fight against cancer, cerebral apoplexy and myocardial infarction.

SAMSUNG MARKETING STRATEGY

Not too far ago, Samsung wasn't as popular as now. They struggled to keep up with the smartphone market, but now Samsung has progressed so much that they are the main competitor of the Apple Inc. Furthermore, Samsung is the largest tech business by revenue and seventh most valuable brand today. What helped Samsung to become an industry leading Technology Company, was the marketing strategy they applied.

The Samsung marketing strategy was one of the most effective strategies ever created because it helped a cost-driven company to change its structure and become an authority manufacturer. Due to the ever-changing tastes of consumers in the technology industry, companies had to follow the pace and offer progressive and evolving gadgets to their customers. So, Samsung also had to change in order to gain the upper hand on the market and the new Samsung marketing strategy was the key to evolution.

Growth and development are essential parts of the technology. Consumers were never attached with certain technology products, they always strive to have the best. Such situation has obliged technology manufacturers to rapidly create new gadgets that would satisfy the needs of customers, and for several years, Samsung has never failed in this component.

Society has always loved when the gadget maximizes their life comfort and decreases the time spent on unwanted/simple tasks. Today, Samsung has sparked in terms of innovation and instead of satisfying the needs of the society, they have literally started to create the need for people.

Besides, Samsung has an interesting and vast product portfolio. Their product range includes laptops, tablets, smartphones, TVs, cameras, Refrigerators, etc.

By this, I mean that the Samsung marketing strategy has helped the firm to build trust on every product they manufacture. Now, let's start discussing and analyzing parts of the well-praised marketing strategy of Samsung.

Marketing Mix of Samsung Samsung has reached unbelievable heights with its smartphones, which helped the brand to become a symbol of quality and reliability for its consumers. Besides the product, Samsung is famous for its customer service (Samsung has one of the fastest product services). Though, product variation is the most powerful aspect of the marketing mix of Samsung.

Samsung Marketing Mix Pricing Strategy Samsung marketing strategy involves two pricing strategies and let's see for what goals they are used.

- **Skimming Price** – Smartphones of Samsung are leading the market with Apple's iPhone. As Apple, Samsung also uses skimming price to gain the upper hand over their competitors. For instance, Galaxy S6 and S6 Edge are the brand's new products of Samsung carrying the slogan "Next is now" and claiming that they are the most beautiful smartphones ever created. Without a doubt, S6 Edge (64 GB) that costs 1 180\$ will brilliantly/smoothly sell around the globe. But, what will happen when other competitors will launch a smartphone with identical features? Simple. Samsung will lower the price and easily steal customers from the competitor.
- **Competitive Pricing** – One of my favorite parts of Samsung marketing strategy. Due to the fact, that unlike smartphones, Samsung has difficulties in gaining an edge over its competitors with other products (for example, Samsung has trouble keeping up with robotic vacuums like the Roomba 650 and 880). Surely, Samsung is an authentic brand, but in terms of home appliance, it can't possibly surpass LG. Furthermore, in Cameras Canon and Nikon are leading the market. So, for Samsung to withstand this fierce competition, it's vital to use competitive pricing. Also, Samsung never is a late comer in production and non-innovative, but they are mostly the first ones to introduce a change.

- **Placing in Samsung Marketing Strategy** ❑ Samsung uses channel marketing in its industry. And from this strategy, only service dealers are taken into account for corporate sales.
- Retailers who present the technology chain are bound to include Samsung in their list, because of the firm being a world-famous brand and Samsung can also serve as an alternative for the consumers.
- The distribution is a compelling part of the Samsung marketing strategy.
- In certain cities, Samsung has a contract with a single distribution company that distributes the product throughout the city.
- For instance, Mumbai is a great example of a city, where Samsung distributes its product through a single company.
- These reasons may vary, but some of them might be like less concentration required for monitoring distribution channels or paying less to distribution companies because while placing a large order, discounts are always present.
- **Promotion in the 4Ps of Samsung** ❑ Samsung marketing strategy uses diverse forms of promotion. As Coca-Cola and Nike, Samsung is convinced that advertising is one of the best forms of promotion to engage potential consumers.
- Besides advertising, Samsung approaches different promotional tactics to make customers buy the product.
- For instance, quite often, Samsung introduces discounts, sponsors events, engages with national and worldwide festivals, etc.

SWOT ANALYSIS OF SAMSUNG

Samsung Electronics Co. Limited (OTC: SSNLF) is actually the consumer electronics subsidiary of the Samsung Group, a conglomerate based in Suwon, South Korea. Outside of Korea, Samsung is best known as the world's largest manufacturer of mobile phones and smartphones, 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. Only its American rival, Apple Inc. (NASDAQ: AAPL), reported larger revenues.

Unfortunately, it is difficult to determine exactly what Samsung's are because it is based in Korea and not covered by U.S. corporate reporting laws. Samsung did report an estimated TTM revenue of \$42.35 billion for the second quarter of 2015. That figure is based on sales of 48 trillion Korean won.

Strengths

- Samsung is the world's most successful electronics manufacturer. It is the world's largest manufacturer of television sets, liquid crystal display (LCD) panels, mobile phones and smartphones.
- Samsung is the world's number one marketer of mobile phones with 21.4% of the world's largest market share in the second quarter of 2015. Apple is number two with 13.9%.
- Samsung has impressive research and design capabilities. It was able to create and roll out Samsung Pay, a payment app with similar capabilities to Apple Pay, in less than a year. Samsung has been able to replicate many of the capabilities of both Apple Inc.'s phones and Google Inc.'s Android operating system for mobile devices.
- Samsung has strong manufacturing and marketing capabilities.
- Samsung has long-standing relationships with retailers in the United States and Europe that provide a steady sales channel for its products.

Weaknesses

- Samsung has not been able to match Apple Inc.' s marketing capabilities for smartphones. Its share of the U.S. smartphone market fell by 2.3% between 2014 and 2015. In contrast, Apple' s share price grew by 34.9%.
- Some Chinese competitors are catching up to Samsung in the smartphone market. Between 2014 and 2015 Huawei' s share grew by 48.1%, and Xiaomi' s share grew by 29.4%.
- Samsung is heavily dependent upon consumer electronics sales in markets with limited potential for growth, such as the United States and Europe, for much of its revenue.
- Samsung' s devices use the Google Android open source operating system. Many consumers seem to view Android as an inferior product to Apple' s iOS. The public has not been as accepting of Android as the tech community has.
- Some consumers view Apple products as more advanced and dependable than Samsung products.
- Samsung' s marketing efforts are not as sophisticated as Apple' s.

Opportunities

- Growing market for smartphones, tablets and other mobile devices, especially in developing regions such as Africa and India, where consumers are unfamiliar with PCs. Sales of tablets finally overtook sales of traditional personal computers in 2015.
- Increased demand for tablet and smartphone-based solutions such as Samsung Pay
- New technologies such as wearable tech
- Growing middle class in developing world will increase market for consumer electronics.
- Growing online market from sales channels such as Amazon.com.

Threats

- Apple has emerged as the dominant smartphone and tablet brand in some markets, such as the United States. Samsung has not been able to overcome Apple' s reputation for reliability.
- Apple' s reputation for quality, reliability and sophistication seems to be growing.

- The Google Android operating system, which Galaxy devices depend upon, is not as popular with average people as iOS is.
- Declining or stagnating middle-class incomes in North America and the United States could reduce consumer buying power in those key markets for Samsung.
- Chinese manufacturers such as Huawei and Xiaomi could emerge as serious rivals to Samsung. These companies' share of the critical mobile device market is growing while Samsung's is falling.
- Apple could enter more consumer products areas such as home appliances and cameras and directly compete with Samsung in those markets.

Samsung maintains impressive research, design and manufacturing capabilities, but it appears to have lost its edge in marketing. This company may need to revamp its smartphone marketing and perhaps design efforts in order to maintain market share in critical arenas like the U.S.

New capabilities like Samsung Pay will be critical if this company wants to maintain its position as an industry leader. Samsung will also need to learn to deal with aggressive Chinese competitors and Apple's reputation.

Conclusion and Suggestion

After the discussion of customer satisfaction and competitive study of the various cell phone providers some important points of general interest emerge:-

1. Cellular industry is very fast growing industry in future.
2. Generally people are fully or partially aware with the cellular manufacturer.
3. Most of the people are familiar with name SAMSUNG.
4. The most demerits concerned with SAMSUNG mobile phone is price factor.
5. The impression of mobile in mass is that it is costly and expensive and features are available in comparatively lesser price in other mobiles.

6. Advertisement is the backbone of the new plans processes, so SAMSUNG has to pay more attention to it.
7. The names of models are not familiar to come to the Indian people. The company should avoid the difficult name of models.
8. Company should introduce more models with latest features in the range of 3000-5000.
9. Business diversification is although good for overall company, but sometimes not healthy to its subsidiary and this is exactly happening with SAMSUNG`S telecom division. This division really needs some boost from its mother company.
10. It should learn the marketing strategy of existing competitors that how fast they reach to the customers; the Samsung should run with that speed.
11. It should redesign its promotional strategy & advertisement campaign accustomed to the environment

Thus we can see that SAMSUNG is enjoying a good taste of reputation in the market but it is not so much palatable to be tasted by customers in mass. The reason behind this is that competitive market of cellular phones has fully changed and companies are coming to cope up with full forces. The need of time is that SAMSUNG has to redesign its marketing strategy and competitive intellect. The company should invite young, fresh and new ideas to construct its telecom empire once again and with an objective to be no. 1 and to touch the stratospheric highs to its field, of course.

To achieve the set goals Samsung should formulate new marketing strategy backed by the analytical study of contents pertained with the environmental scanning of the country & competitive evaluation. Although there are certain fields where SAMSUNG has to be improved but we cannot forget & avoid the

caliber that SAMSUNG shown in the Telecom field. SAMSUNG has the opportunities and capability to hurl the javelin right to target market with its own leaders' style.

FINAL CONCLOUTION

Samsung is always searching for new ways to develop their marketing strategy, and that' s what makes this company remain in the competition, and what makes it one of the greatest marketing strategies developers in our modern age of business, and I took this opportunity to study and analyses their marketing strategy and know its pros and cons, and how can a person implement those strategy by describing them in details in this research,

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FUNDAMENTAL OF MANAGEMENT.