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Research Paper | Management

Customer Insights: A study on Samsung Smartphones

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ABSTRACT

We live in the age of Tech savvy populace, where in every individual irrespective of his financial position owns a mobile phone. Mobile phones have also developed a sharper and smarter sense of their own, ofcourse technology supported, hence the name "Smartphone". Smartphone Market is a highly competitive market, with many hardcore competitors in the field, fighting tooth and neck to earn a larger share in this potentially rich market, making it all the more difficult for the customer to make a feasible purchase from a varied amout of choices and brands. This study aims to give a detailed explanation about Samsungs growth and share in the market. Samsung Smartphones have been ruling the market for the past five years on a consistent basis. This paper aims to study the customer insights regarding Samsung smartphones. This study focusses on brand awareness, purchase considerations, post-purchase experience and buying decision Influences of the customers regarding various samsung smartphone models available in the market. The study was conducted on a sample drawn from Samsung smartphone users in Delhi, where in the respondents response was achieved by using a structured questionaire. The results and Implications have been discussed at length in the paper.

KEYWORDS: Samsung, Smartphone, Customer, Insight, Brand awareness

Introduction

Samsung Group is a South Korean multinational conglomerate company headquartered in Samsung Town, Seoul. It comprises numerous subsidiaries and affiliated businesses, most of them united under the Samsung brand. In a techno crazy world of ours the demand for mobile phones especially smartphones is on a an all time high. By smartphone we refer to as a mobile phone built on a mobile operating system, with more advanced computing capability connectivity than a feature phone. The mobile operating systems (OS) used by modern smartphones include Google's Android, Apple's iOS, Nokia's Symbian, RIM'sBlackBerry OS, Samsung's Bada, Microsoft's Windows Phone, Hewlett-Packard's webOS, and embedded Linux distributions such as Maemo and MeeGo. Samsung did not actually originate as an electronic company but as an export company started by its founder Byung Chull Lee in 1938, dealing with selling fish, veghetables, and fruits to china. The founder then divesified into flour mills & confectionery machines in the next ten years of its existence.

In 1958, the company began to venture in newer field of finance, chemicals, media, ship building etc. It was in 1969 that the Samsung company started manufacturing electronic items like, televisions, mobile phones, radio's, computers thus giving birth to Samsung Electronics. Since our study deals samartphones, the historyof smartphones in samsung startes around 1993 when samsung developed SCH-800 , the lightest mobile phone of its era and now in the 20th century samsung is the leading manufacturer of 3G smartphones. The first smartphone was an integration of personal digital assistant(PDA) and mobile phone and later on many features like portable media player, low end compact digital cameras, pocket video cameras, GPS navigation units etc. Many modern smartphones also include high-resolution touch screens and web browsers that display standard web pages as well as mobile-optimized sites. High-speed data access is provided by Wi-Fi and mobile broadband.Samsung is dealing with stiff competition in the smartphone market, Apple Inc being its main competitor followed by one time market leader in mobile phones i.e Nokia followed by spice, micromax, LG, Panasonic, sony, etc. The rest of the manufacturers, especially those from China cannot compete with the market leaders due to limited technology.

SWOT analysis of Samsung

Strength

- Samsung electronoics deals with varied range of products including Tv's, audio, video, camera, mobile phones, tablets, home appliance, peripherals, printers, memory cards, and other electronicv gadgets and accessories.
- Samsung enjoys greater market share in comparison to its competitors in the electronics market.
- Samsung is known for its design features and technology. It was the first to introduce dual sim mobiles, polyphonic ringtones, thinnest and lightest notepad.
- Samsung is known for its innovative trends of introducing LCD's, refrigerators, AC's etc, MP3 players etc.
- Brand Value of samsung has increaded by 80% in the last three years.

Weakness

- The latest range of smartphones launched by samsung have proven to be a threat to their own models of samsung. One model is eating up the share of the other model thus decresing the life of each model of smartphone.
- The LCD screens which were a major innovative development of samsung might not last long because of the entry of newer technology like LED, super amoled screens etc.
- Immense amount of competition in the smartphone market might be a reason for it getting tired at times.
- Chinese products although not durable for a longer time provide same features as that of samsung at a much lesser price thus posing a direct threat to the samsung.
- Samsung is too focussed on hardware creation and lags behind at the software front and that is the reason that it buys its software applications from other companies like google, etc.

Opportunities

- Samsung is in lieu of improving its AC market by introducing a newer technology called "Triple Protection Proposition".
- Being the official partners of many events like olympic 2012, and other sports activities boosts its sale to a larger extent and helps in enhancing brand awareness.
- Customization of products in the electronics market especially the smartphone market is the biggest opportunity that the company can cover.
- Growing youth population results in increased mobile phone sales for the company.
- The company can start thinking of diversifying keeping in mind its stronger financial position.

Threats

- Having many product lines has one disadvantage that if any product line fails it has an impact on other lines leading to brand dilution.
- Huge number of competitors.
- Threat of foreign entrants like Haier in electronics market.
- Threat from chinese products.
- Threat of big bazaar selling electronic items at low cost.

Key Success Factors of Samsung Smartphones

1. A bigger dislay screen

Samsung smartphone has surpassed the phase of 3 inch display screens. Now almost every new smartphone of samsung comes with a 4-inch display screen with a TFT/ amoled display. The bigger screen size

resulted in as one of the most important reasons for samsungs success in the smartphone market.

2. The Android Effect
The android operating system has been a major reason for samsungs success.The latest samsung smartphones are armed with latest versions of android which are very user friendly and provide a diverse range of applications for the users. The latest version being 4.2.2(Ice Cream Sandwich)

3. The Unique design
Samsung smartphones have a very delicate and sophisticated outlook and design which gives it an edge in comparison to its competitors. Design matters greatly in today's mobile marketplace. Its important for all the smartphones to look good as well as perform good to sell in the present market.

4. Marketing hype
As Apple has proved time and again in today's mobile market, hype matters. If a product excites customers before it launches, its chances of succeeding will be much greater than if the rumors surrounding it are being ignored by consumers.

5. Brand Effect
Its very important in todays smartphone markets to work on the brand first and then on individual products. This is the reason why mobile phones of samsung and nokia are selling more than that of sony. Brand carries weight and samsung has been successful in creating that for its products.

6. Price
Price can never be underestimated even in a techno- fashion environment like ours. This is the reason some smartphone models of samsung have been doing exceptionally well viz Samsung galaxy grand etc.

7. Ability to provide fast, convenient after the sale repairs and service.
Samsung has its service ceters distributed all over the country making its after sale service experience very pleasant for the users. This is also one of the reasons that the company has been doing well in the smartphone market.

8. Stronger Financial position
The samsung electronics group is doing exceptionally well as far its balance sheet position is concerned mainly due to the higher growth rate of samsung smartphones.

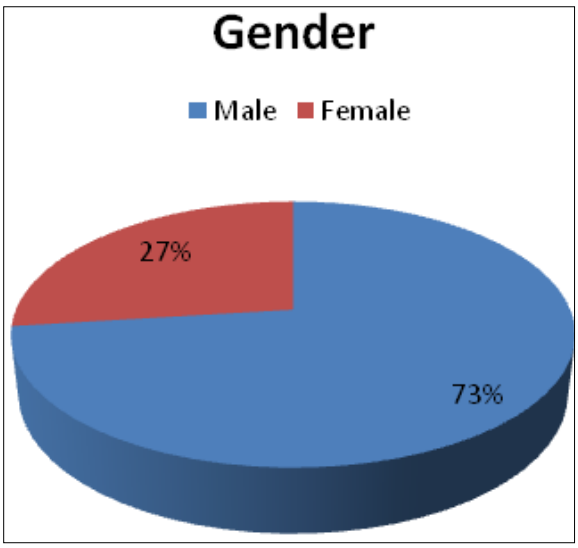
Research Methodology
Purpose of the Research:-
The purpose of the Research is three fold in nature:-

- To study the Customer Insights about Samsung smart phones and its features.
- To study the customers satisfaction regarding Samsung smart phones.
- To study the reasons for Samsungs success in the smart phone market.

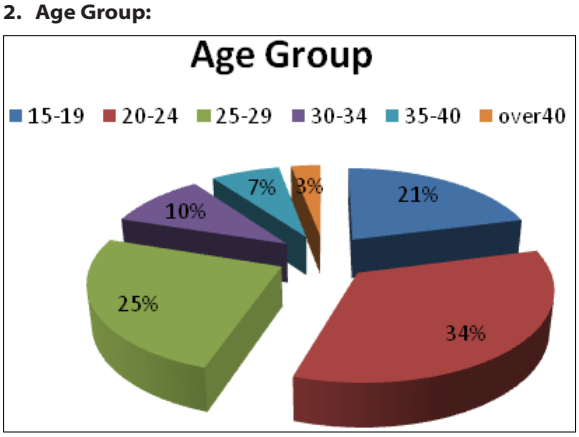
Data collection, Respondent group & sample size:-
For this study the researcher used primary data which was collected by conducting an exploratory study using a self formulated structured questionnaire. The respondents were selected by Simple random sampling from the available customer data with the Samsung office.The sample size has been randomly selected as 200 samsung smart phone users in Delhi.

DATA ANALYSIS

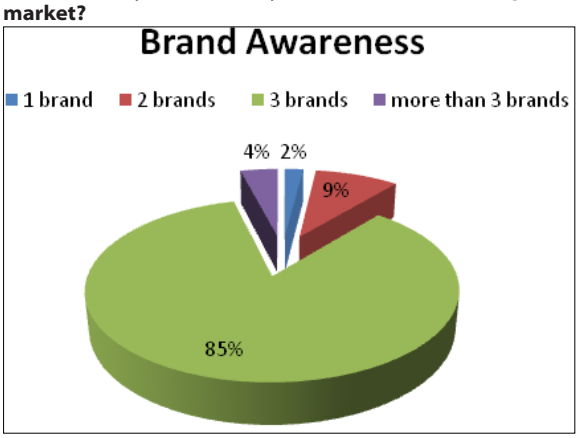
1. Gender:



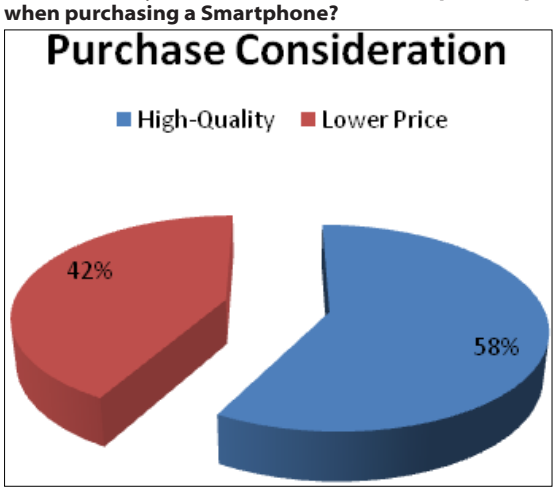
2. Age Group:



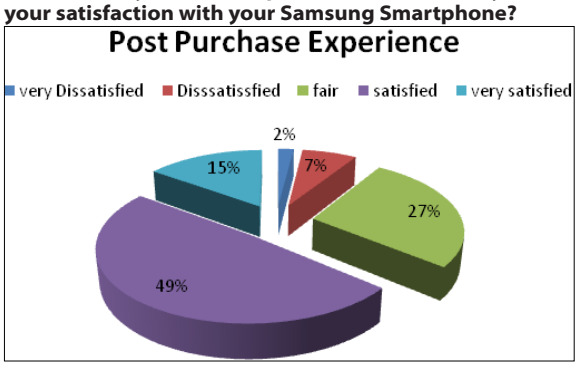
3. How many brands do you know in the Smartphone market?



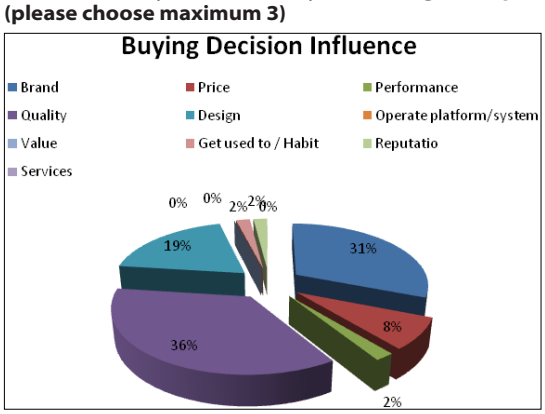
4. Which one you consider as the most important point when purchasing a Smartphone?



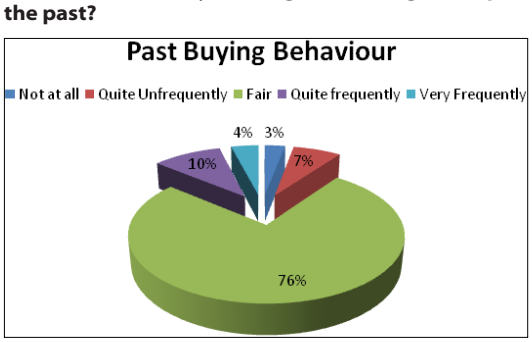
5. Based on your own experience, how would you rate your satisfaction with your Samsung Smartphone?



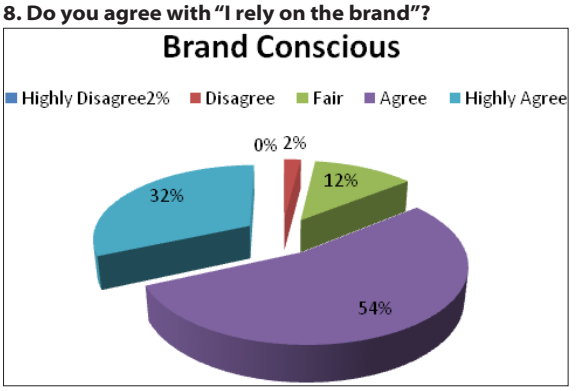
6. What makes you want to buy a Samsung Smartphone? (please choose maximum 3)



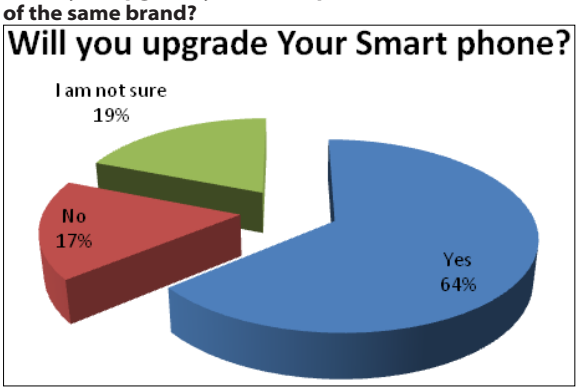
7. How often have you bought Samsung Smartphone in the past?



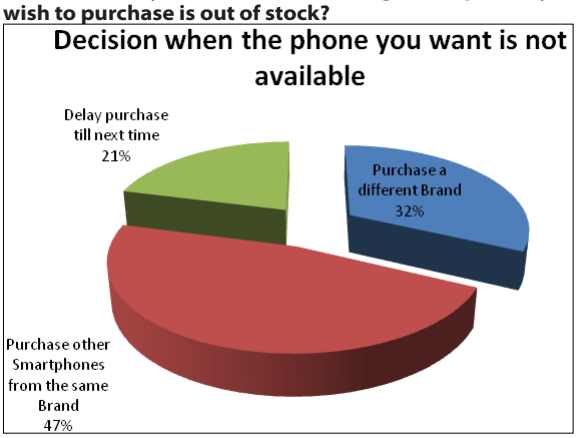
8. Do you agree with "I rely on the brand"?



9. Will you upgrade your Smartphone to the latest model of the same brand?



10. What will you do if the Samsung Smartphone you wish to purchase is out of stock?



Data Interpretation &Findings

1. The respondents in this project were randomly chosen irrespective of their gender. After analysing the data for the two genders, it was found that respondent group had 73% male respondents and 27% female respondents.
2. As far as the age group is considered 34% of the respondents belonged from 20-24 age group followed by 25-29 age group, with least number of respondents belonging from the age group of over 40.
3. The study revealed that brand awareness in the smartphone market was considerably high with 85% of the respondents being aware of atleast 3 brands in the smartphone market.
4. The study revealed that purchase consideration of Samsung smartphone owners had been influenced by High quality of Samsung smartphones rather than by lower price. This shows more of a quality oriented customer base than price oriented.
5. Post purchase experienced showed a good percentage of 49% being satisfied with their Samsung smartphones and 15% being very satisfied.

6. The study revealed that the buying decision of the Samsung smartphone owners was highly influenced by three main components,i.e quality(36%), design(31%) and brand(19%).
7. As far as the past buying behaviour of the customers is concerned 76% were fairly happy with the performance of their earlier Samsung phones.
8. A good percentage 64% of respondents were willing to upgrade their phone with high end phone of Samsung only, showing a brand consciousness and higher degree of brand loyality.

Conclusions

1. The study revealed that smartphone market has a few active competitors and the brand awareness is quite high among the users.
2. Smartphone users are more inclined towards buying a phone with higher quality giving lesser consideration to price in comparison, probably because of the snob appeal.
3. Samsung has been quite successful in satisfying the needs and requirements of its users as the post purchase experience has generally been on the positive side as has been revealed by the study.
4. Samsung smartphone users have been engrossed by the quality, designing and styling of the phones which have actually helped in broadening their market share.
5. Samsung has been able to successfully position its brand in the minds of the users as a quality and styled phone which has resulted in higher degree of brand loyality among its users.

Suggestions &Recommendations

1. Samsung has been enjoying its market share mainly because of quality and design, it also needs to focus on the customers who are price sensitive and need to develop a low range smartphone for price sensitive users.
2. The operating system android's upgradation needs to be dealt with more speedily before the smartphone user thinks of shifting to another brand.
3. Samsung smartphones need to work really hard on the battery back up of their smartphones. Majority of the users complained of low battery back up creating a bad name for the brand.
4. Some of the features need to be upgraded keeping in view the competition in the market viz front camera pixels, data transfer rates etc.

Limitations

1. The study was limited to only 200 respondents because of time and money constraints.
2. The study was restricted to only one city i.e Delhi.

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