

CASE STUDY COMPETITION 2017

PODUZEĆE: Samsung Electronics Adriatic

KOORDINATOR: Ivana Cvitković, e mail: ivana.cvitkovic@estudent.hr

KATEGORIJA POSLOVNOG SLUČAJA:

Marketing

NAZIV POSLOVNOG SLUČAJA:

“Going live with Samsung Vacuum Cleaners”

OPIS TEME POSLOVNOG SLUČAJA

Samsung Electronics is one of the world's biggest producers of electronic appliances. Apart from more famous technological development of smart mobile phones, tablets, monitors and TVs Samsung Electronics is also producing home appliances like refrigerators, washing machines, vacuum cleaners and kitchen appliances. Being a true global company, Samsung Electronics produces products in various factories across the world. That is why for the company's success it is essential to have strong supply chain management based on advance planning and forecasting. With such advance management, raw materials purchase and production capacity can be accurately calculated and company is able to minimize the costs and maximize the production outputs.

On European markets Samsung Electronics is divided into subsidiaries which operate on single or multiple markets. For example Samsung Electronics Germany (SEG) is a single market subsidiary while Samsung Electronics Adriatic (SEAD) is multiple market subsidiary responsible for commercial operations in Slovenia, Croatia, Bosnia & Hercegovina, Serbia, Montenegro, Macedonia, Albania and Kosovo. Each subsidiary runs its own operation

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including sales and marketing, customer service, logistics and has complete financial P&L responsibility.

In SEAD company has launched vacuum cleaners in 2010 and since then has sold variety of vacuume cleaner models ranging from low market price to premium market price mostly in cylinder market segment. Market size is shown in table bellow:

Market value (mio. EUR)	
Cylinder vacuum cleaner	5,2
Handheld vacuum cleaner	0,2
Handstick vacuum cleaner	0,4
Others	0,5

Major competitors in vacuum cleaner market are Company 1, Company 2, Company 3, Company 4 and company 5

Brand	Market share (value)	Segment shares (value)		
		Cylinder	Handheld	Handstick
Company 1	24,30%	26,40%	25,30%	9,40%
Company 2	22,50%	22,60%	20,20%	47,30%
Company 3	10,80%	12,30%	2,40%	6,60%
Company 4	6,60%	7,50%	N/A	4,30%
Company 5	7,50%	7,10%	25,10%	12,50%
Samsung	6,70%	7,40%	0,00%	0,00%

Although competing in the same market, same retail outlets and with similar prices for their products, it is clear that top 3 brands have much higher market share then Samsung Electronics vacuum cleaners.

Distribution of all brands within electronic retail shops is similar in weight with slightly stronger skew on top 3 brands (weighted distribution around 80%) and slightly lower on bottom 3 brands (weighted distribution around 70%).

When looking at marketing and advertising, investments of Company 1 and Company 2 have higher share of voice in ATL (Digital & print campaigns) which is due to higher market yields while in BTL investments and promotions are similar across all brands.

Samsung Electronics is looking to launch models in Handstick segment which shows growth potential of around 8%-10% per year. Price range of handstick segment is between 145€ - 220€ depending on brand, model, and features which include suction power, battery

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endurance, possibility to transform from Handstick to Handheld (so called 2-in-1). Samsung Handstick model will be 2-in-1, with suction power of 20W (6W Handheld), maximal battery running time 40 minutes, variable power control button, and weight of 2,7kg. All mentioned features are among top of the class within the segment. Samsung is targeting market price at 170€-190€.

Questions & assignment:

Construct the positioning map for the vacuum cleaner market using the information presented in the case. Discuss the relative positioning of Samsung Handstick model and its major competitors by researching the market through electronic retail shops.

Do you think that Samsung Handstick is well positioned relative to its competitors available on the market?

Which competitors should Samsung be most concerned about?

Which marketing strategy should Samsung apply for launching its product? Which additional information should Samsung consider before launching its new model on the market in order to have a successful launch and market performance?

Consider available marketing budget 65.000 € and create target group: women 30-45 years old.

Create advertising strategy, and suggest communications channels to be used in order to get maximal brand awareness impact.

Outline potential marketing events (launching and product presentation) which would create maximal impact on consumer persuasion.

Suggest point of sale materials which would have maximal impact on purchase consideration.

Develop ideas for retail promotion in order to generate maximal sales opportunity.

DODATNE INFORMACIJE: (linkovi i literatura koji mogu pomoći u rješavanju slučaja)

<http://www.euromonitor.com/vacuum-cleaners>

<https://www.scribd.com/doc/45797485/Consumer-Behavior-Women-and-Shopping>

<http://adage.com/images/random/1109/aa-newfemale-whitepaper.pdf>

FORMAT RJEŠENJA:

PPT, Excel, Word, PDF, video

OBAVEZNE STAVKE RJEŠENJA:

Marketing plan

KRITERIJ BODOVANJA:

Kriterij	Ocjena	Doprinos ukupnoj ocjeni	Ukupno
Cjelovitost rješenja - posjeduje sve obvezne stavke rješenja	0-5	20 %	
Kreativnost i inovativnost rješenja	0-5	30 %	
Marketinška strategija	0-5	15%	
Izvedivost rješenja	0-5	10 %	
Kvaliteta predanog rješenja	0-5	15 %	
		UKUPNO:	

DODATNE POGODNOSTI:

Student work, Intro in working with CE team