

BRIEF

CASE STUDY COMPETITION 2018

PODUZEĆE:

Samsung Electronics Austria GmbH
Podružnica Zagreb
Radnička cesta 37b
Zagreb

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KATEGORIJA POSLOVNOG SLUČAJA: Marketing

NAZIV POSLOVNOG SLUČAJA: „ Wind of change“

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 air conditioning, 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 success it is essential to have strong partnership, reliable and innovative products and give confidence to its buyers and users.

To be able to offer best possible services to our partners and users last year Samsung decided to open new entity Samsung Electronics Air Conditioner Europe (SEACE) situated in Netherlands which is dedicated only to air conditioning business.

SEACE is HQ and as such is present on different markets with its subsidiaries which are responsible for single or multiple markets. As example Samsung Electronics Italy (SEI) is subsidiary which is responsible only for Italy while Samsung Electronics Adriatic (SEAD) subsidiary responsible for multi markets commercial operations in Croatia, Slovenia, Bosnia & Hercegovina, Serbia, Montenegro, Macedonia, Albania and Kosovo. In SEAD air conditioning business was present before Samsung established new company however now all activities for B2B and B2C business is more focused.

From whole air conditioning (AC) portfolio subject of this case study will be residential AC units which consist of indoor and outdoor unit and remote controller. AC unit usually are divided in three different price oriented group: low segment, mid segment and high/premium segment.

Estimated market size for each segment is as follows:

Market size in mio €	
high/premium segment	1,75
mid segment	4,38
low segment	11,38

Estimated market size

As Croatia is price driven market it is realistic that most of the sales is dedicated to more affordable units as it is visible in market value table. Premium models are usually models which contain some special features and benefits. Market value of those modes, under-price influence is between 5% - 15% of total sales depending on a brand.

If we look at the competitors on AC market major competitors are Company 1, Company 2, Company 3, Company 4, Company 5 and Company 6 with following estimated market shares:

Brand	Market share (value)	Segment share (value)		
		high/premium segment	mid segment	low segment
Company 1	24%	15%	30%	55%
Company 2	21%	10%	25%	65%
Company 3	16%	5%	20%	75%
Samsung	11%	5%	15%	80%
Company 4	13%	5%	20%	75%
Company 5	8%	5%	15%	80%
Company 6	6%	10%	20%	70%

Estimated market size

AC market is specific and differs to other home appliance market as products are not “ready to use” once when they are bought. To make it “ready to use” product installation is required which is done by installer. Therefore preferred sales route for AC units is through certified companies who also offer installation however you can find AC units as part of product portfolio in all retail shops.

What we can see also in table above is that first two companies are leaders in market. Those companies are fully or mainly AC companies and all of their activities such as marketing, sales, presales and aftersales support is focused to keep and increase existing market share. With SEACE Samsung is focusing its activities to AC market to increase market share. In addition to new company in 2017 Samsung has launched unit with new technology on AC market which is spreading the air almost without feeling of draft. Technology is known as Wind Free.

In addition to Wind Free technology design of indoor Samsung units is different than all other indoor AC units on the market because of faster exchange of the air in the room, faster intake of the air and faster distribution of treated air.

In 2018 Samsung will uplift Wind Free units with new refrigerant R32 which will increase its technical specifications and competitiveness on the market. Units are considered as high/premium segment and recommended retail price is planned between 1.400€ - 1.600€ for Wind Free Ultra model and between 1.200€ - 1.400€ for Wind Free Optimum model.

Some of the characteristics of those models will be: Wind Free technology, design, noise level of indoor unit, smart connection, purification filter and compressor type, energy efficiency.

Questions and assignments:

Construct the positioning map for the Wind Free AC units on the market using the information presented in the case. Discuss positioning of Samsung AC Wind Free unit and its major competitors by researching the market through other brands representative offices, installer companies and retail.

- Do you think that positioning of Samsung AC Wind Free unit Ultra and Optimum in high/premium segment justified and why?
- What competitors should be focused ones for above mentioned units and why?
- What kind of marketing strategy should Samsung apply to increase sales of high/premium segment?

Consider available marketing budget 50.000€ for period from March to July.

Target groups for B2B marketing are installers.

Target groups for B2C marketing is population from 25 – 50 years, man and women.

- Develop ideas to focus marketing activities which can influence increase of sales of high/premium segment models.
- Create marketing strategy for both target groups to increase influence of sales and loyalty to the brand.
- Create advertising strategy, and suggest communications channels to be used in order to get emphasize benefits of Samsung AC products.
- Suggest point of sale materials which would have maximal impact on purchase consideration.

DODATNE INFORMACIJE:

<http://www.samsung.com/hr/business/residential-air-conditioners-rac/wind-free-indoor/>

<https://news.samsung.com/global/winds-of-change-samsungs-wind-free-technology-brings-new-levels-of-innovation-to-air-conditioning>

<https://news.samsung.com/global/from-palm-fronds-to-wind-free-technology>

FORMAT RJEŠENJA: Word, PPT, tablice i grafikoni u Excelu, PDF, video,...

OBAVEZNE STAVKE RJEŠENJA: Marketing plan

KRITERIJ BODOVANJA:

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

DODATNE POGODNOSTI: Student work, Day with SEACE team