

Tarek group assignment

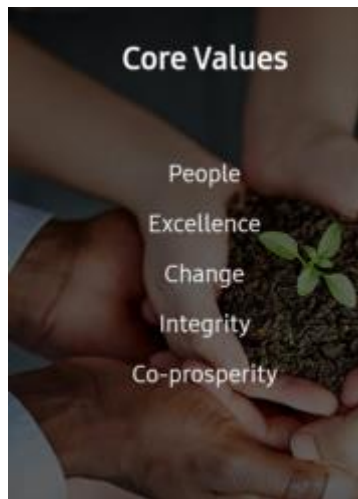
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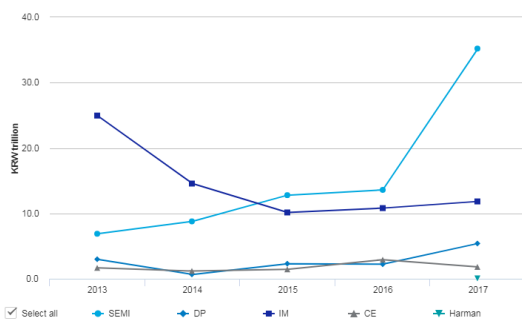
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1 Introduction

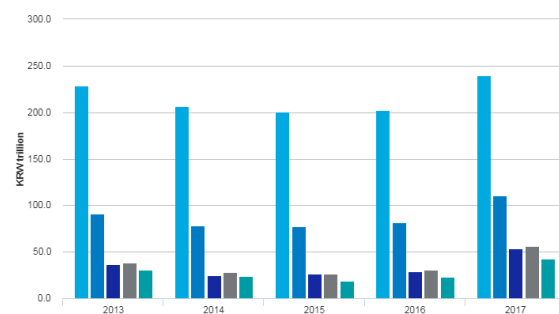
According to the De Massis et al. (2018) innovation is a profitable tool that a firm used for getting sustainability and Samsung has used this powerful instrument for entering in the global market. Samsung played on different aspects for getting huge market revenue and customer attraction as in UAE it entered with innovation and pricing strategy. In 2014 Samsung entered with innovative devices with the assumption that the local retail market cannot beat the competitor in the market (Annual Report, 2017).



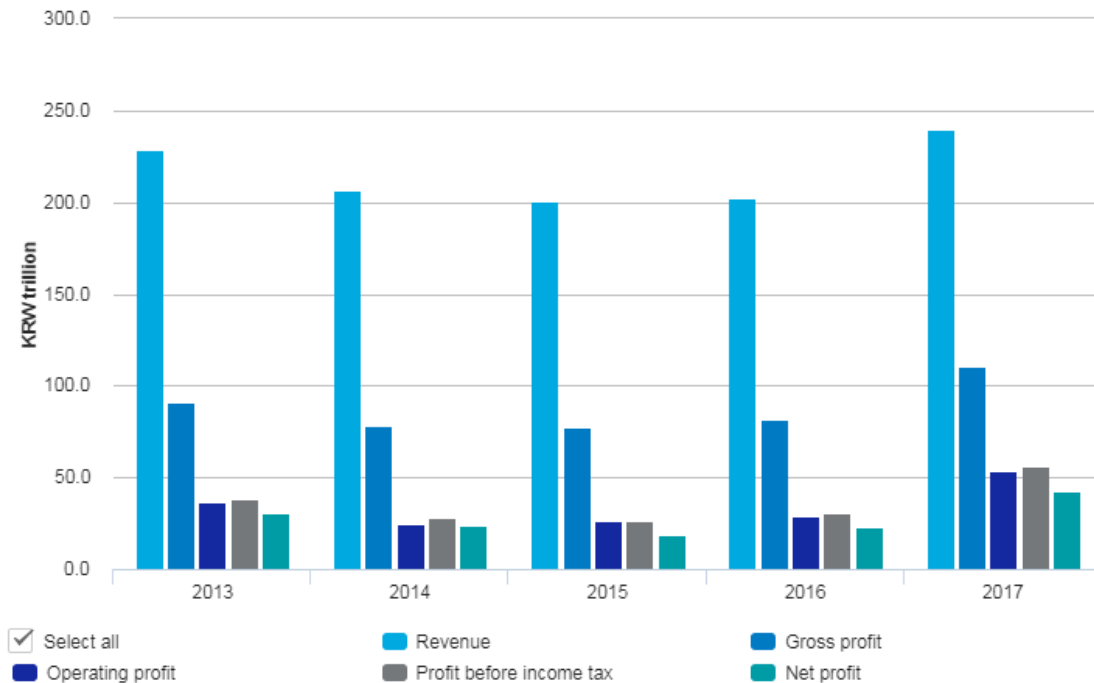
Operating profit by Segment



Income Statement



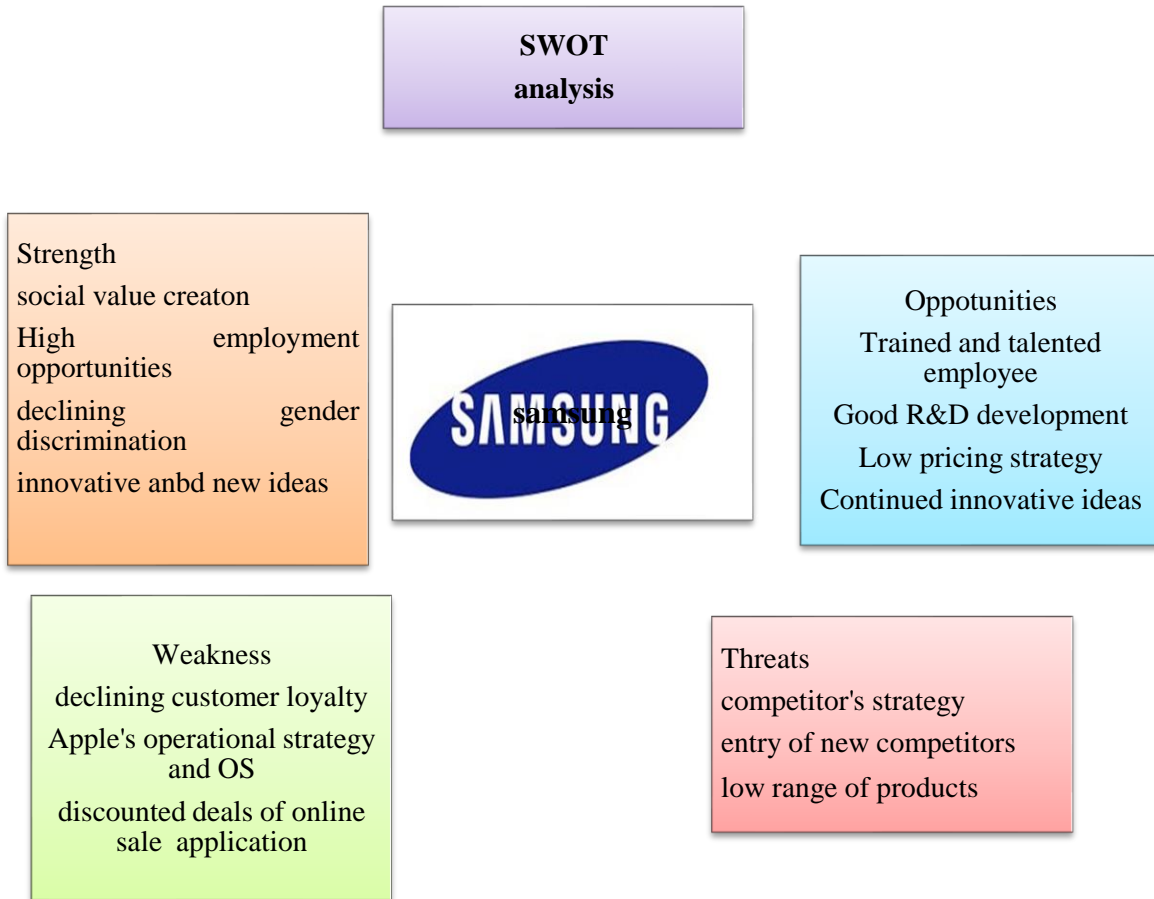
Income Statement



It has been analysed from the above financial highlights that firm is continually increasing its sustainability throughout last five years. The reason behind declining profitability in 2014 and 2015 is the competitors less price and customer loyalty for the Apple Smartphone (Gulf news, 2017). In the consecutive two years, the firm has beaten at both ends that include the price and consumer loyalty war and lost both pints for betterment and improvement. People need innovation, not hardware but software too and Samsung has failed in achieving success in software innovation (Kovach, 2017).

2 SWOT analysis

It has been analysed by Gardere et al. (2018) that various aspects affect company's position and it is evaluated from the different analysis as one of them is SWOT that helps firm for analysing the strength, weakness, opportunities and threat in any region. Samsung success or frailer in UAE has been done below



2.1 Strength

In the core competencies of the firm, social value is the most important facts and Samsung is gaining social attraction buy empowering people in the area. It is increasing its social development activities for educating and empowering women and in the Middle East, the gender discrimination is declining as compared to 2015 female employees have been increased (Samsung 2018). The firm has innovative and new ideas for facilitating the customer by diversifying in product range as 85 UHD has been introduced in the Middle East (Annual report, 2017).



2.2 Weakness

The firm is facing issues due to the declining customer loyalty and that graph has been shifted towards Apple Inc. the demand of product for Smartphone has been decreased in UAE as compared to other competitors (Eros group 2017).

2.3 Opportunities

In UAE the firm has the best call centre for having integrated communication. It has an opportunity for hiring female employees and provides best customer services to female customers who cannot feel comfortable in talking to male employees. The firm has the best service quality management and facilitates the customers with standard services (sustainability report, 2017).

2.4 Threats

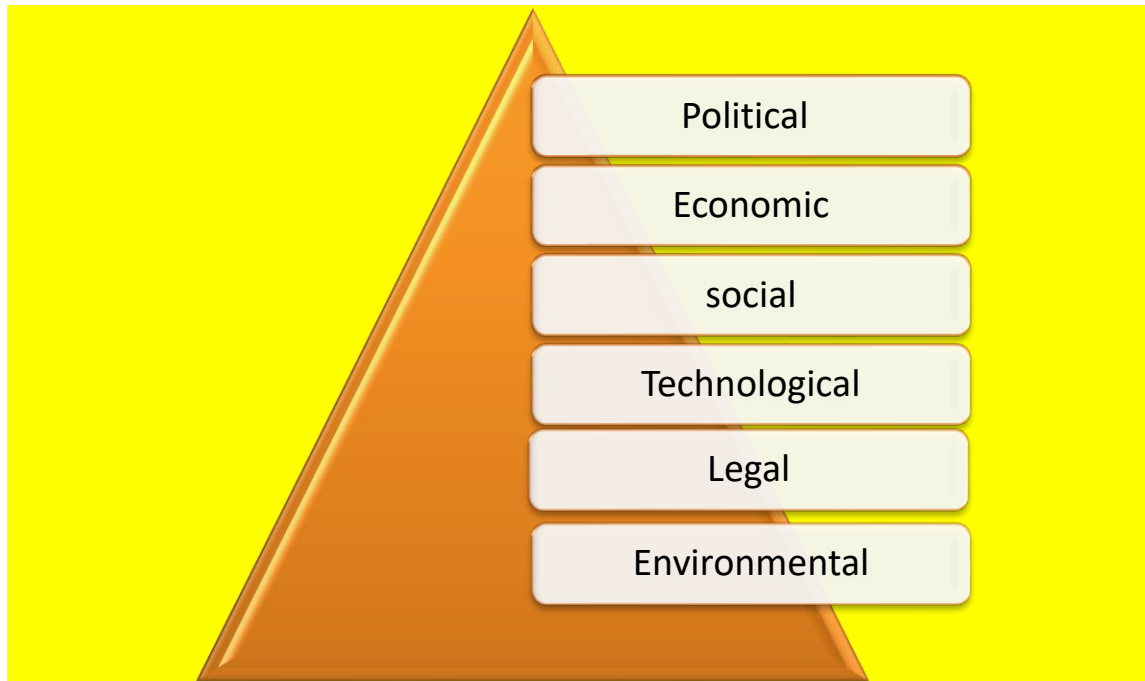
Its competitors in UAE are threatening for the firm as Oppo has covered most of its market brands suppressed the Samsung with high customer's attraction. Chinese manufacturer entering UAE with the unique feature of Smartphone and has declined the market for Samsung by giving the low price in the region (Gulf news, 2017).

3 VRIO analysis

<u>Resources/Capability</u>	<u>Valuable?</u>	<u>Rare?</u>	<u>Difficult of Imitate</u>	<u>Exploited by the Firm</u>	<u>Competitive Implications</u>
Tech & Prod. Line Capabilities	Y	Y	Y	Y	Sustained Comp. Advantage
Brand Value	Y	Y	Y	Y	Sustained Comp. Advantage
Quality	Y	Y	Y	Y	Sustained Comp. Advantage
Brand Value	Y	Y	Y	Y	Sustained Comp. Advantage
Product Mix & Customization	Y	Y	N	Y	Temporary Comp. Advantage
Fabrication Capacity	Y	Y	N	Y	Temporary Comp. Advantage
R & D Prod. Facility @ Same Loc.	Y	N	-	Y	Parity
Partners & Customers	Y	Y	Y	Y	Temporary Comp. Advantage

3.1 PESTLE analysis

According to the Almarri et al. (2017) the industrial attractiveness of any firm is analysed by assessing its position in the industry where it is providing services. PESTLE analysis is used for knowing the external analysis of any firm.



3.1.1 Political aspect

Samsung has to follow the rules and regulation of any country where it is going to start the business. Samsung is a global player so its experience is very good in UAE tax rates, political opportunities and the government support is very effective for the firm. Samsung has taken positive step for helping the state in vision 2030. Firm has to follows the employment rules and tax regulation that are strictly being focused in the UAE (Lasserre 2017).

3.1.2 Economic facts

Samsung is contributing for the economic stability and providing better opportunities to the state and government. The economic condition of UAE is in favour of Samsung because UAE is improving its digital accessibility that crated many opportunities for the Samsung. The stability of inflation rate is a favourable element for the Samsung. Mentioned below is the GDP of UAE as UAE is one region that is growing with every passage of time.

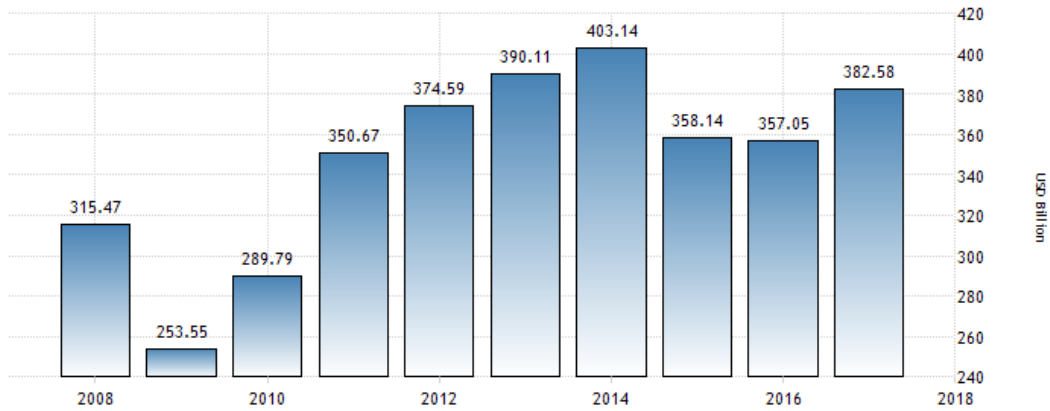


Figure 1: GDP- UAE

(Source: Trading Economics, 2018A)

3.1.3 Social aspect

The national (2015) reported that population of UAE is increasing day by day it means that in future Samsung would have good number of customers that are loyal towards it. The consumer spending trend has decreased in UAE that to some extent would affect the sale of products.

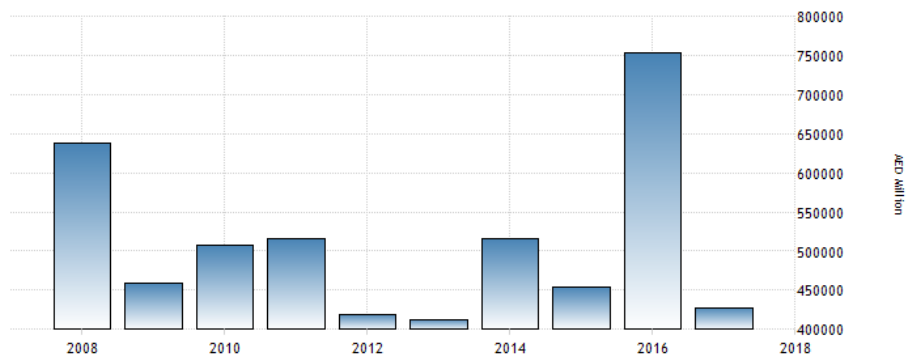


Figure 2: Consumer Spending

(Source: Trading Economics, 2018B)

3.1.4 Technological aspect

Samsung always focused on technical achievements and firm produce new things that attract the customers. Availability of technology in UAE is difficult but Samsung is focusing on the new trends that could increase its customers in UAE (Gulf news, 2015).

3.1.5 Legal

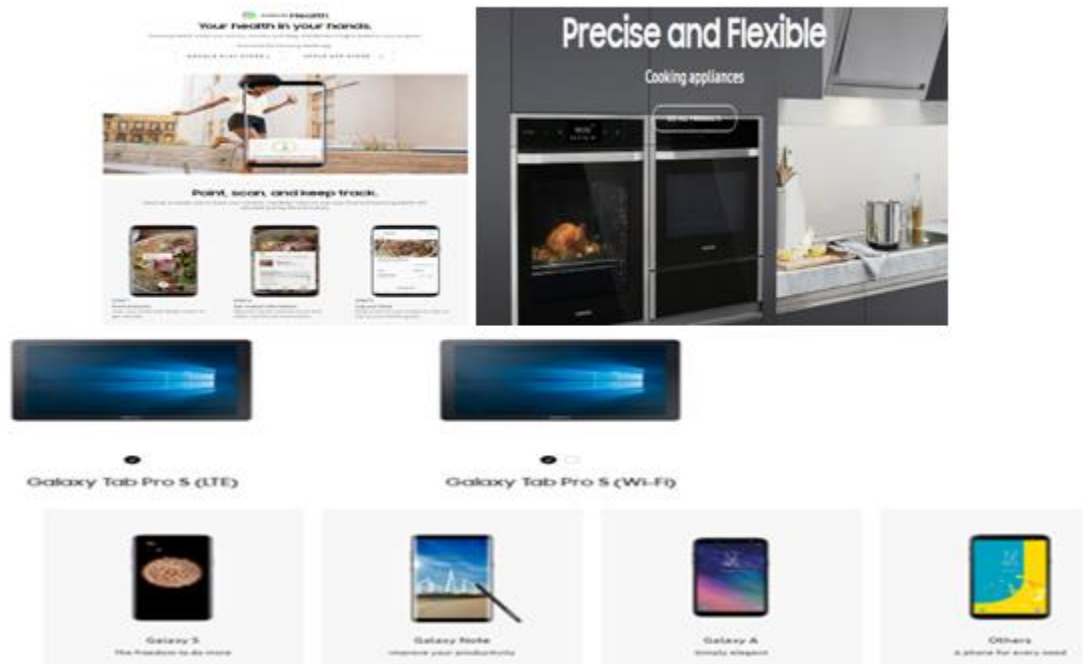
Legal risks for Samsung are very high in UAE due to its competitors. Firm has to follow all the rules and regulations that help it for avoiding the legal charges penalties in the high industry

3.1.6 Environmental

For being successive in any region the external and internal both factors are highly counted and firm has positive elements more in both cases instead of negative. They are creating employment opportunities, doing work for social welfare and have strong corporate strategy that kept it enlightened in the industry.

4 Product or services

In the UAE market, Samsung is facilitating the customers with different products and services. Three main categories are mobile, TV/AV and appliances. Other than this the firm facilitates the customer with different offers and has stated its physical existence in UAE by opening a store. In the mobile category the firm has introduced various smartphones, tablets and widow tabs have been given to customers. Various products such as refrigerators, washing machines and cooking range are also some of the best ranges given by the firm. Customers especially health conscious are using them by customers and it is very valuable and preferred (Annual report, 2017).



5 Hurdles

According to the sustainability report (2017) firm is facing many issues regarding operations in UAE and this is the major reason that firm has to call back its product from the regions. Other than this, Samsung Note 7 is banned in UAE by aviation and passengers are not allowed to carry this while journey (The national, 2016). Furthermore, the pricing is the most challenging aspect in UAE for the Samsung as there are many other companies who are selling their products at the low prices such as oppo as compared to the Samsung. An innovative strategy that has been used by the firm in UAE is also not successively working for increasing the customer graph. Apple Inc. is facilitating more software innovations to the customers (Gulf news, 2017).

6 Literature review

In the view of Kralisch et al. (2018) innovation is the strategy that most of technology and services facilitating firms used for increasing the customer attraction and for increasing their

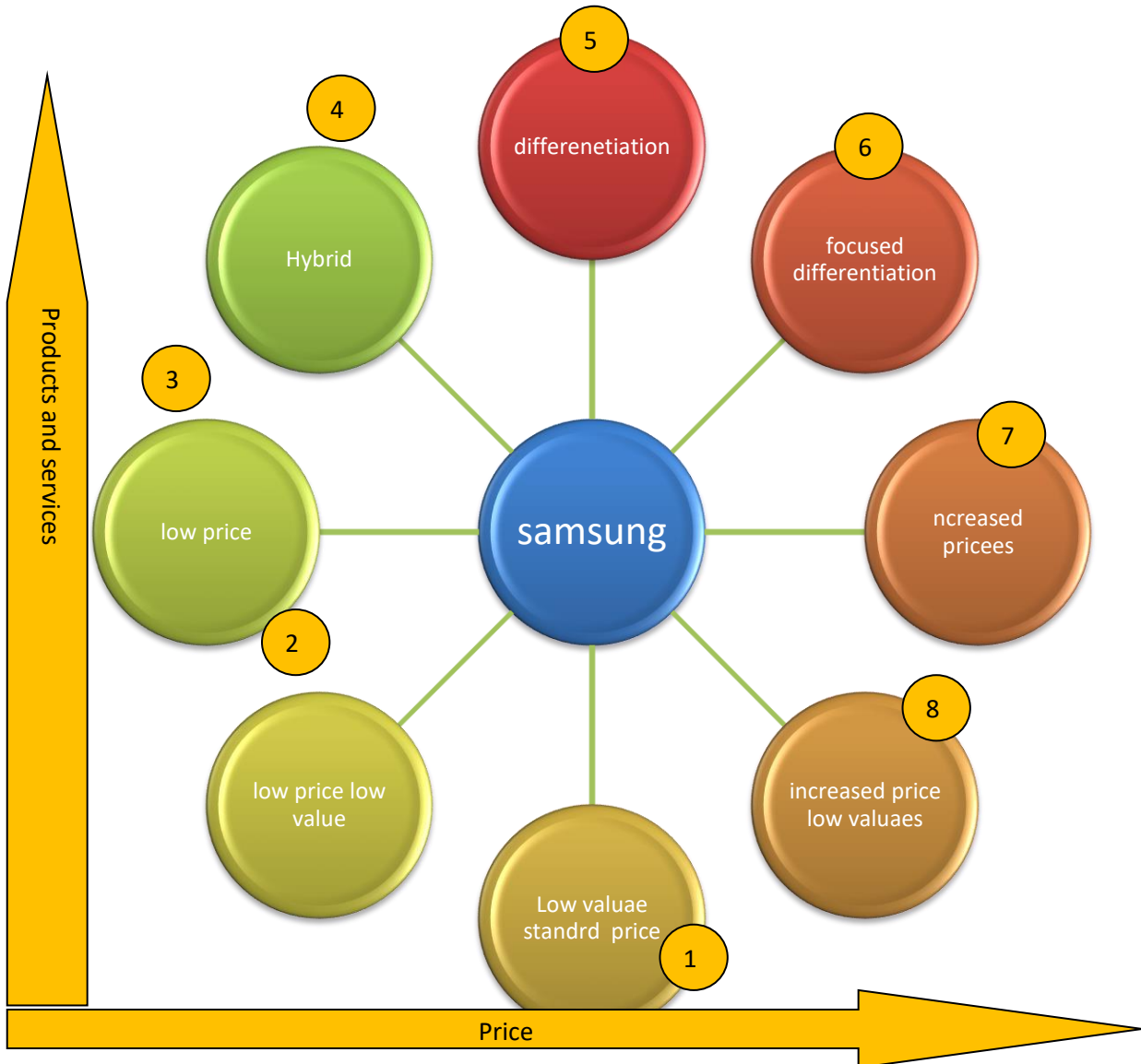
sustainability in the region. Firms increased the range of products and services by increasing their brand image. Innovative strategies are applied not only in product diversification it also in the form of customer innovation, environment and economic innovations. In case of Samsung firm has applied the open innovation strategy due to which it has focused on evaluation and monitoring the issues for mitigating hurdles in UAE (Arabian business, 2018). The firm based on the innovative ideas and products for the customers and they rely on different strategic approaches for a productive outcome that could make the customer loyalty for the firm. It has been analysed from the study Hollenbeck et al. (2018) that sustainability is another tool for the firms and them above to focus on the corporate strategies. Social values need to be fulfilled and other than this government rules and regulations are important to follow and the firms that have strong sustainability goals have higher chances to grow in the global market.



In case of Samsung firm is focusing on the operational activities that have created an issue in various regions. The firm has strong business stability but still has been faced declining position

in UAE in 2014 and 2015 (sustainability report, 2017). It has been evaluated that the firm has to focus on both innovative and sustainability modes for getting success in the highly competitive market of UAE. Samsung needs to analyse aspects that would help in making it more successive. It has been analysed that for the firm innovation and sustainability both go side by side.

6.1 Strategy clock

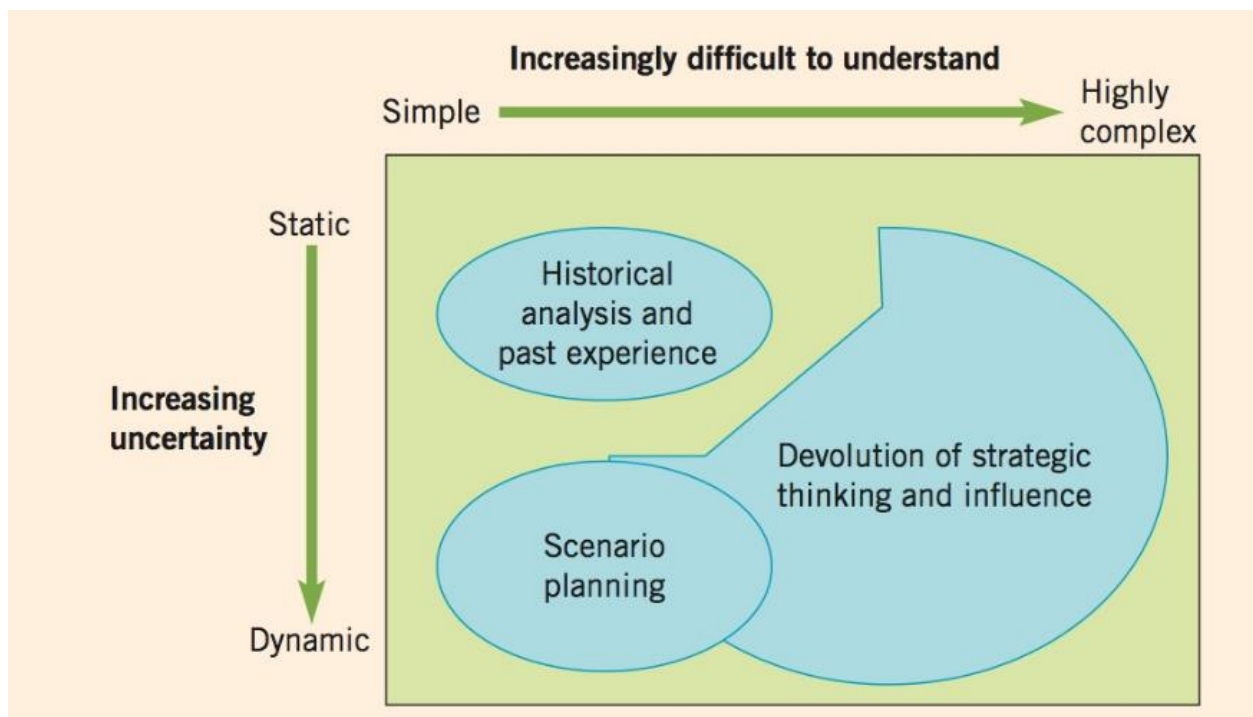


According to the strategic clock the Samsung has high points for the high price products and services. It has been analysed that the firm is facilitating the customers with the innovative

environment and products so they are taking high prices. Although they facilitate customers with discounts but still are charging high prices as compared to competitor. The Oppo and others are gathering market from Samsung due to the pricing strategy (Khaleej Times, 2016).

7 Company's strategy in action

According to the Hörisch et al. (2014), various strategies are introduced for the business development, innovations and sustainability of products and business in the competitive market. For competing effectively they have to maintain the records and analyse the past and present position.



From the company analysis, it is evaluated that the firm is based on achieving sustainability in UAE by using various tools and most of the important is social innovation. The firm has adopted the US market sustainability achievement strategist for fulfilling the corporate responsibility. The innovations strategy has been used and focused on three major areas. The firm's strategic approach is highly acceptable in the UAE market. As their sustainability achievement and quality

management techniques are facilitating the customers with different services and it is increasing customer's satisfaction. The innovative and sustainability both strategies are feasible in the UAE market because they social innovation will increase the living standards for the people. The firm is educating and empowering people in UAE and this is a positive side although the firm has some technical issues. The feasibility of successes is high because the UAE market has increased the range of electronic products and it is a good sign for the R&D department for UAE for productive and profitable goods like smartwatch with different features. The innovation and environmental strategies of Samsung are highly acceptable in UAE as based on this firm has won 3.1bn for refinery and crude oil flexibility.



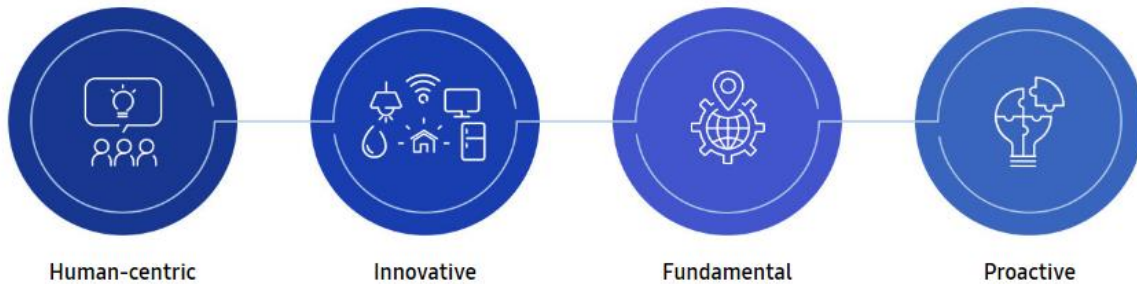
8 Company's approach

According to the Cramer (2017) for competing in the market firms have to invest in three different sections and firms use operational, transformational and business strategy for prevailing the business to the highest point in the industry.



Samsung is performing on the global heights and this is due to the combination of three strategies that management have applied. The firm is investing in people and training them for better performance in UAE. Customer’s satisfaction and fulfilment of demand is the first priority of Samsung and this is the reason that firm has hired female employees for meeting and listening to female customers issue regarding services (Annual report, 2017).

Our Approach



Our Approach to Product Innovation

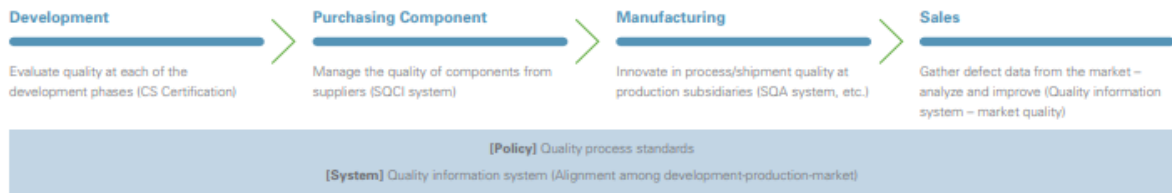


Samsung is investing in three core areas that are technology innovation, environmental innovation and social innovations. Samsung is trying to decline the illiteracy ratio and they further are increasing their technology as they have made a contract with ADNOC for refinery crude oil flexibility(Annual report, 2017).

Our 4C Principles for Accessibility Experience Design



Quality Assurance System



SQCI Evaluation Process

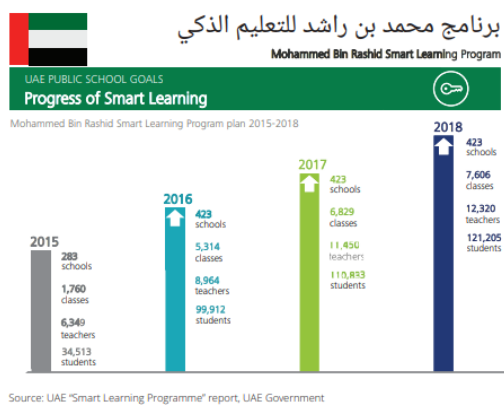


Management of Samsung is focusing on the different approaches such as they are maintaining the accessibility of their products by considering empathic designs that could meet the demand of

all users in UAE. Their strategy is highly focused on four principles of accessibility consideration, coherence, co-creation and comprehension (Annual report, 2017).

9 Samsung and vision 2030

Vision 2030 is the most focused points of UAE government and it is using it for the economic, social and technical growth in UAE by indulging the domestic workforce more than the foreigners and for this, they are educating people and creating different opportunities. Samsung is helping UAE in mitigating the current issues and the firm provide tablets for the Scholl students in getting ICT education and the demand is increasing with the years (Deloitte, 2017).



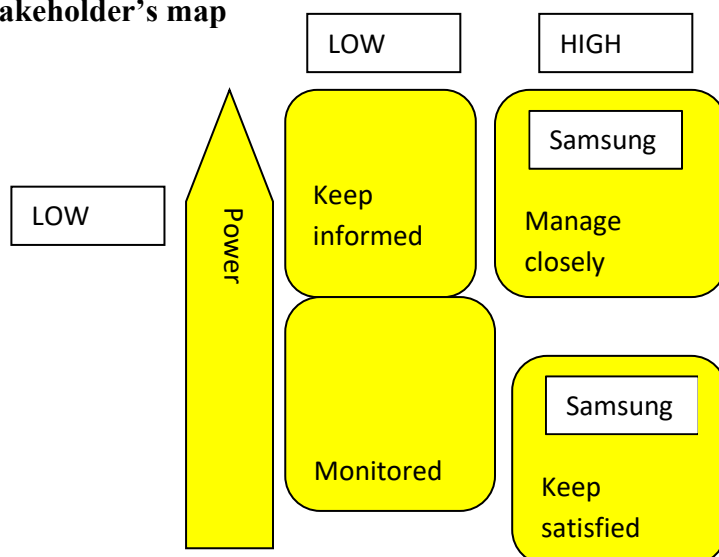
The chief executive of Samsung has shared innovation strategy for making UAE better in future and they are facilitating the government in three main areas as it has been announced that the three pillars approach would give a god turning to the business and government cooperation in UAE) (Arabian Gazzate, 2015). The firm would facilitate the government with the internet of things that would fasten the business activities and furthermore helps in urbanisation and mobility from rural to new streams. The firm has opened a smart school and tech institutes and more than 27000 young people for the training. Stakeholder (Samsung b, 2017)

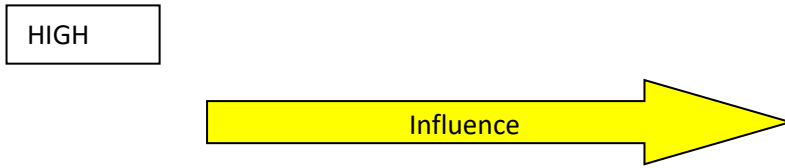
10 Stakeholder competitive advantage

Samsung has a competitive edge in the form of innovation and sustainability strategy. It is working in different aspects in UAE and this is the main reason that it is getting progress in the society. The firm has introduced smart school and health care centres that are providing different facilities to the rural localities (Samsung c, 2017). Its vision of making people strong by linking to the urban areas by giving smart touch and innovative products has made it different from the competitors. The firm is playing a good role in achieving sustainability in UAE by making people, business and government technology friendly. The firm is making effective social contributions in maintaining the local communities and have a strong relationship with the stakeholders (Samsung d, 2017).



10.1 Stakeholder's map

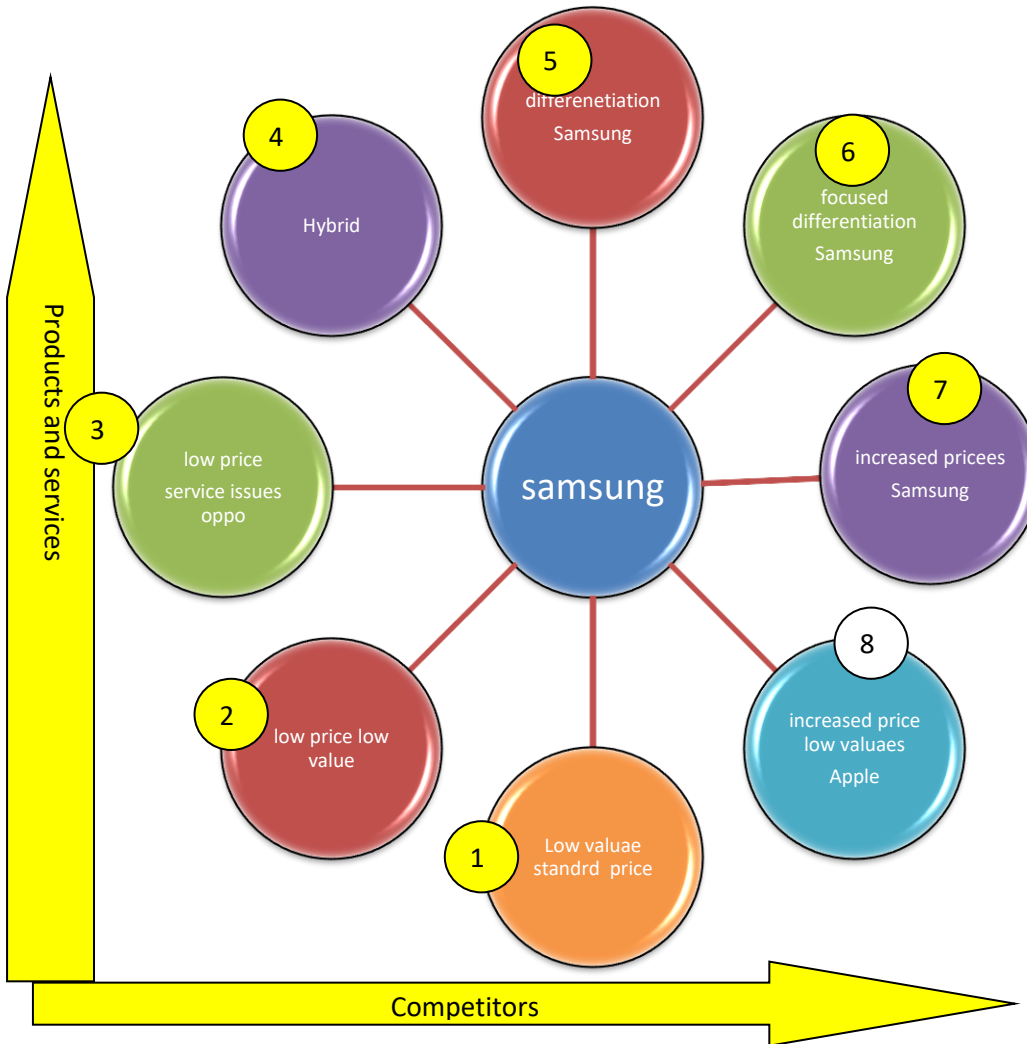




It has been analysed from stakeholder analysis that the firm's strategy is very effective and sound for sustainability.

10.2 Competitor's analysis

In UAE Apple is maintaining the issue by educating people in different areas and they have made different talks with the education officials for spreading education among the people. Other than this the technical issues are being repaired by providing the service quality as the firm has faced phone unlock issue in UAE (Gulf News, 2018).



11 SAFE analysis

11.1 Sustainability

The ratio of sustainability is very high as the UAE is looking towards a new product that could not be in mobiles but other such as appliances like tab. the firm strategy is highly sustainable in the region.

11.2 Acceptability

The ratio of acceptability is very high. The quality of services, social and environmental aspects that Samsung will cover made it more successive in UAE.

11.3 Feasibility

This will increase the revenues of the firm too much extent and will be positive aspects they have better R&D. the utilisation of asset resources will boost the company sale and income in the future years in UAE.

11.4 Expectation

The expectation of stakeholders attached to the company would be fulfilled.

12 Conclusion

It has been concluded from the entire report that although Samsung has declined its revenues in UAE it has a very effective and strong strategy that has kept it up in the region. UAE government is uplifting the economic, social and technical grounds for the betterment of the country and making it successive by focusing on another economic indicator except for oil. Samsung innovative and sustainability strategy of three pillars have made a competitive edge and it is collaborating with the state in meeting sustainability and fulfilling the requirements of society.

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