Strategic Issues Paper

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Strategic Issues in technology industry of Apple and Samsung

**Strategic Issues in technology industry of Apple**

Strategic issues are identified as certain issues that can have a major impact on the services of a company. Usually, it refers to the selling baseline, customers and the competition analysis in which strategies are required to keep up with the mark. Apple is an integration company that is involved in supplying and manufacturing of all types of hardware and software along with a personal operating system. Apple was founded in 1976, and the company built its reputation on the basis of innovations that were customer friendly and it is a fact that there have always been high pricing in Apple's products. Apple Inc. is one of the most popular and widely held companies in both institutional and retail portfolios. (Chikhale, et, al. 2015). The annual Apple Worldwide Developers Conference was planned in which app makers and other coders could joint to make certain preparations for the better versions of Apple’s operating plans. (Betz, & F, 2016).  The history of events from the verge of bankruptcy to worlds’ most profitable company is termed as one of the most valuable companies in the world. There are several strategic issues in the company with different aspects.

**Managing Trends**

Taking into account the prevalent and overwhelming trend, Apple is investing a lot of money to revamp the Genius Bar.

**Strategy to make Siri Competitive**

Siri is about six years old concept that is identified as an intelligent assistant taking into account that it is more like smart support. In last year, a technology writer Walt Mossberg criticized that a Google Assistant answers question in a better way as compared to Apple. While Apple is trying to prepare a smart home speaker with Siri that would be debuted in the next week, Apple’s recent investments in automation is a strategy that is being opted to address the issue of user experience. The amendments in “Automation” has highlighted that Apple is trying to compete with others in terms of trends. It is important to note that there are several great voice apps that are brought into market in order to facilitate users and it has brought a huge question mark on the functionality of Siri because there is a pile of complaints regarding the adequate working of Siri. (Choudhary, et, al., 2018). The investment of Amazon in the creation of Alexa Ecosystem has brought a stance of competition. Today, Siri can accomplish limited number of functions, taking into account core tasks with default iOS apps such as making a phone call, turning on a light and connect WhatsApp to facilitate transmission of messages. This stance of competition has made Apple chalk out ways that can support Siri and induce automation efficient enough to address the needs of users as well as standardization of brand. (Betz, & F, 2016).

**Improvement in content including AR and VR**

Apple is trying to have a clear understanding of the Apple service and its strategy in order to analyze where and how strategies can be employed. In the previous time, Apple has been rumored to be engaged in the planning of virtual reality and augmentation that can allow users to take advantage of certain capabilities such as addressing augmentation. Such plans include surfacing the details of industry reports, managing patents and infer speculations based on technologies. (Chikhale, et, al. 2015). Apple is making efforts to announce certain plans that could work efficiently with the current technology and address trends with the best of certain abilities. Apple is planning to announce iOS 11 that can bring new capabilities to devices such as iPads and iPhones. Efforts are being made to address issues such as eGPU support in early 2017, resolving potential issues associated with potential users. Although there are few supporters of GPU, still there is a need to address the users by catering to the restrictions around. Loopbacks and clamshell are hampering the current implementations, highlighting that it is making services ideal. Apple has taken steps to opt for ways to improve VR content by empowering GPU process. Instructions are passed to enclose VR improvement, along with external GPU developer that includes Sonnet Closure and Sapphire Rx 580 reference to design GPU. As soon as these issues will be resolved, it is affirmed that VR will be more prevalent on Mac in the upcoming time. It is also highlighted that AR glasses are to be released that will address the hardware issues, clinging to “a particular and innovative” area of experimentation. (Dzamic, et, al., 2018). Continuous strategies are taken by Apple that seems to refer to HTC, Facebook's Oculus and Sony recession in the technological aspects. The report from Bloomberg has added fuel to the fire of fabled glasses, taking into account that it would be one of the best features that Apple would have incorporated in accordance with its competition with other companies. The report has confirmed that this hardware is more like a long way from public usage because the technology would be brought into practice by 2019, which is a much longer way but its feature can help to retain its abilities and customers.

**Technical strategic issues**

**Cloud Services**

Cloud service is another aspect of the technological issues that Apple was facing. The implication of iCloud has imparted a great strength to the facts and figures of innovation with better services. In the present time a debatable issue is, "Existence of cloud talent that can help to grow iCloud”. In order to address this issue, Apple is trying to buy Dropbox, taking into account that the deal is not just meant for tagging on the momentum of Dropbox; in fact, it is a step towards inferring domain-specific knowledge. As the initiation of iCloud relies on Amazon to deliver cloud functionality, this step was adopted by other apps as well, such as Facebook and Google, there is a great revolution in the in-house of knowledge that can speed up the scaling of Apple Inc. (Larkin, et, al. 2019)

**Internet Services**

In the last few years, certain efforts are made to address the battle between mobile iOS’s that is continuously increasing over time, taking into account that major stress is given to the provision of internet services. In the last few days, it has been inferred that MobileMe is not going good side by side; Apple Maps is also losing competencies. Apple is trying to address issues by adhering to incorporate ideal internet services by synchronizing Yahoo, Mail Flickr, and other Yahoo properties. (Dzamic, et, al., 2018)

**Addressing China**

The highlights of investment controversy have brought into limelight the plan of addressing China. It was estimated that the number of iPhones sold in China has fallen up to 14%. Apple is trying to compete for trends by making efforts that can compete with China in terms of iOS and the features of WeChat. It is important to note that Apple is at the edge of becoming a poster child for the worker abuse, more attention is drawn towards the contrast between Apple's quarterly billions and the plight of a desperate population. Apple is trying to make welfare contract with the manufacturing workers of company, side by side making efforts to bring the issue in shadow. As per information recorded from the company about 229 audits are made in the last years with an aim to address the problems and know the efforts of company in order to evaluate them. An official list of suppliers has been issued that has a particular aim to keep the upcoming products in secret. (Reed, et, al. 2018).Based on the models of iPhone offered in China today, efforts are made to send software update particularly to address the iPhone users. It is significant to note that although there is no such update available to address the concern, however, presuppositions infer that Apple will provide customers with a path to upgrade the version of iOS, taking into account that it would not incorporate the infringing technology.

**Financial Issues**

The present analysis of the company affirms that there is a downward trend in the economic spectrum, taking into account that the company's solvency is getting weak. It is obvious that weak solvency paves the way for high financial risks. It would not be wrong to say that the ratio of asset turnover has also decreased over years, bringing into insight that the utilization of asset has been reduced within the last few years. Although the market is increasing, expanding market asset is the backbone that is reducing with time. (Larkin, et, al. 2019). Analysis of VRINE highlights that there are certain advances in the company; side by side company is reducing low-income consumers that show that although there are high paying customers, still lack of low paying consumers can bring a threat to finances of company. This profitability analysis has made Apple Inc. a strong competitor in market highlighting that consumer ratio is a potent subject to consider. According to Interbrand and Forbes, Apple is worth US$ 184.154 billion and US$ 170 billion. In order to understand the financial issue, one cannot ignore the market share analysis; the analysis of Aopple Inc affirms that the ratio of the Andriod system is increasing in the market as compared to iOS. (Larkin, et, al. 2019).

**Positioning Issues**

Apple is facing a lot of positioning issues, taking into account that Anna Glenn affirmed Apple Inc as a brand strategy adhering to experience. There are several aspects that infer positioning such as brand name, suppliers and consumers. It would not be wrong to say that the strategies implemented by Apple have reduced the supplier’s bargaining power and limited the cost of product, paving the way for economic fall. Although there is a strong stress on the leadership and innovation attributes, still there is a failure to eliminate and mitigate the threats of new entries in industry. (Ansoff, et, al. 2019). In order to address this issue, Apple is trying to incorporate the strategies that are well suited to cater to the positioning issues such as innovation in training and supplier’s trends. Market segmentation is another framework that has initiated the process of dividing a business market into different subgroups, taking it as a major aspect in positioning. The inclusion of geography, behavior and demographics has inferred and affected the spectrum of assigning the position to Apple Inc in market. Following are the features to address while analyzing the stance of positioning. (Dzamic, et, al., 2018)

**Advertisement, "The Less, the better."**

Taking into account the complications and the features that have created problems in the passage of apple to address its consumers are catered by using mediums that can promote messages in an attractive and appealing way.

**Product Design and Quality**

In order to address the overwhelming issue associated with quality of Apple products and design that has paved the way for competition, efforts are made to roll out products in area with epitome of subjects respectively. The use of improved designs with innovative technology has made the company to chalk out a strong connection with consumers by adhering to markets and refer premiums for the products. (Larkin, et, al. 2019)

**Pricing Issues**

Different version of Apple products in terms of different models such as desktop, iPads, and iPods along with laptops is tiered that can appeal the customers with a wide variety of buyers. As per the information collected from CEO Apple, Inc. each model of the company has a reason to survive in market. A common example of this fact is a classic iPad appeals the hardcore music fans while iPod Mini target the fanatics who are crazy about having something that should not be heavy to carry. In a nutshell, each of the products is serving a goal in marketing tending to keep the customers in touch. The aspect of tiered pricing is much effective for Saas business because products of different levels are offered and it is an accommodation for customer segments, taking into accounts the low entry buyers and upsell of existing customers. (Ansoff, et, al. 2019). According to the New York Times, there are a lot of gaps in the enviable supply chain of Apple that is built by company in the past few years. In a simplified form, Apple has to push component prices below average to address the volumes of components. Apparently it seems a great initiative, but actually, it is an ironic aspect because it can hurt the brand in terms of its essence and trends. In the past few years, Apple was considered a synonym of high-end hardware that was more expensive than the major mainstream consumers would think. Ultimately, the stereotypical customers who belong to the upper strata and professionals would afford to look ahead to avoid the Wintel World in which prices of hardware are continuously falling. (Reed, et, al. 2018). Taking into account the stream where at one side, there is a platform capable of addressing the customers fanatic aspects of high pricing as a tribute to the quality and on the other side is the spectrum where low pricing is treated as a handout to an increase in consumer ratio.

In compliance with the ultrabook market, there would be a great competition for the MacBook AIR. Considering all the facts and figures, Apple is trying to adhere to the needs of customers by complying with, "Minimum Advertised Price." Side by side, Apple is coordinating with the high profile customers by addressing same prices at first end. Efforts are made to address the frequency of company and brand in terms of improving features and analysis of products that need molding with the passage of time. Vertical Integration is acting as a great tool that has given Apple an advantage towards its competitors. The control manufacturing and chip manufacturing is seen following software standards that can operate within a closed ecosystem of proprietary retail stores with an aim to address all the issues. (Ansoff, et, al. 2019).

**Samsung**

Samsung is a company that has proved to be bread and butter over the past few years, helping to maintain the offset of unfavorable business environment that is faced by other companies because of certain gaps in strategic plans. Taking into account the recent estimates, it has been affirmed that mobile division makes up about 40% of value. However, the division sales are left unbeaten; shipments are rising continuously within the time span of 20 years, inferring 85 million units during an assessment made in the year 2014. (Qin, et, al., 2019).

**Strategic Issues in technology industry of Samsung**

Despite the outstanding performance of the company and an assessment of facts and figures that are a signs that the company has the potential to face all hand-wings that are imposed by China and the other competitors in the market. There are several strategic issues in Samsung as well.

**Competition with other brands**

As Samsung is the largest smartphone vendor that holds a global market in the world of about 30.2% in the year 2014, the market share of brand has been shifted from decline in the last four years. As the market is growing, the sale of feature smartphone is attended with interest, taking into account that the competition is also increasing in accordance with the manufacturers such as Lenovo and China. Xiamoni is selling its products within cost price that is much low, and it is supplementing the earning through media stores and applications. The deals serve a vast addressable market, taking into account that Samsung has to make certain efforts in order to keep its value in the market. (Kwak, et, al., 2019). As Apple is rumored to be launching iPhone with a large screen, these screens have been a driver to the sale of smartphone that is late, but Samsung has been termed as biggest beneficiaries of the trend called “phablet." The high margin of Galaxy S and Note Phones that has remained as one of the dominant large screen devices has posed a threat from the large screen towards the software differentiation and experience of users. In a nutshell, the efforts of Samsung are acting as a tool or platform that can be used to adhere to the competition with other brands by improving its products and services.

**Artificial Intelligence**

Taking into account the stance of artificial intelligence, it has been brought into insight that Samsung is planning to offer artificial intelligence. The financial statement of company infers that the company will be paying a rolled out further to improve the aspects as well as features. In order to address the growing market of competition, efforts have been made to achieve market goals; Samsung has a joint partnership with the "Partnership on Artificial Intelligence to benefit Society and People." (Kwak, et, al., 2019). The aim of this partnership is to highlight and discuss the practice of Al technologies. Now, Samsung is highly dedicated to producing Al products and services that are much safe and reliable to use. The aim of this step is to benefit the society as per the executive of Samsung. Being a member of PAI, Samsung is striving hard to facilitate the ongoing process of artificial intelligence and develop AI technologies. The network of seven global AI center depicts that Samsung has made its best efforts to address the increasing competition of artificial intelligence. (Fabian, et, al., 2019)

**Cyber Security**

Cyber security is one of the emerging threats that have brought great destruction to the companies that were once treated as a hallmark of success and innovation. Any type of cyber attack or even a threat is so destructive that it can infer an everlasting loss. In the case of Samsung, cybersecurity is a threat that can add fuel to fire of financial crisis. A research was conducted on cybersecurity and IT professionals who were working in Samsung. It has been concluded that there are several tasks that are to be kept into consideration in order to approach the framework cybersecurity. In compliance with the emerging ratio of cyber attacks, especially the burn out scenarios has made Samsung to be aware of the happenings by keeping a solid check and balance on SDS. In order to decrease the threat of cyber attacks, Samsung electronics has its investment in UK based cyber security firm Darktrace. The firm is also investing in Korean blockchain that provides two basic services, “Leading Edge Technology" and "Drives Growth." (Qin, et, al., 2019). The investment brought into insight that it will work and 99% stake is with the Samsung Venture Investment Corporation. Darktrace security will be applied to the security business of Samsung, while bLocko’s will be consumed to manage the Internet of Things. Samsung SDS said the investment would be heed to analyze IOT and artificial intelligence. This step of Samsung will not only cater to its cyber threats and cyber attacks, but it will act as a prevention against machine based attacks and ransomware. (Dzamic, et, al., 2018)

**Number of models**

Samsung aims to provide a range of devices that can appeal to customers. As there is a greater approach in people to innovations and unique devices, the company is continuously trying to address the concerns of its customers. It is important to note that smartphones are using all types of prices and screen sizes that have made it a world largest vendor. Samsung not only offers Galaxy S5 but many other variants to address the uniqueness and varieties found in customers. Competing with iPhone, the Note Phablet or Galaxy Alpha Devices are launched. (Edmondson, et, al., 2018).

**Marketing Issues**

As Samsung got a quick hit in the market, in the second quarter, the position is ceded as first smartphone vendor in India and Chine to local handset makers. Side by side, the positioning of Xiaomi is also rising and in the third quarter, the Chinese Vendors have become the third largest smartphone produces after Apple and Samsung. (Ashta, et, al., 2018).The marketing strategies of Samsung can be analyzed by addressing that Samsung has reduced the steep Q3 profit decline, it shows an ongoing struggle in mobile. Side by Side, the launch of Mi4 smartphones, has positioned a high-end alternative to the status quo.Samsung is trying to build software prowess for years with a continuous struggle. There is an already leveraging in all Samsung local companies around the world to develop local content and services.

**Softwrae and Services**

When Samsung entered the market, there was a greater aspect of core strength, ie hardware. It has been affirmed that Samsung has a firefront market that is seen cramming technology in its devices. The cellular phones of the company use faster processors and high technology features to address the needs of customers. As long as Apple's iOS software and Google Andriod software have been evolved over last few years, the design of Samsung’s TouchWiz has not changed taking into account that the company is imparting equal steps to maintain its standards. In order to address the challenges of “burb out” and deficiency in processors, a lot of efforts have been made to provide seamless and smooth experience. (Ashta, et, al., 2018). The company has paired many of the home built services and applications taking into account that there is an overhauling Galaxy Apps store with an aim to address market competition. In the context of products and services, major heed is given to Samsung profit margin that has tumbled to 7 percent from 20 percent taking into account that the lowest beginning was of 2009. It has been highlighted that Samsung was unable to succeed in maintaining the actual margins. It is doubted that the ability of company to recapture a significant shift in the budgeting market has been a subject in compliance to the Chinese participants of market such as Lenovo and Xiano. It has increased dominance up to $300 segments by offering high-end specifications products at value prices. (Choi, et, al., 2016).

**Catching up with cameras**

Taking into account the aspects of innovation, accompanied by hardware packed phones; Huawei has also proved to be a hard competitor for Samsung. Many of the marketing efforts were focused on the Al assisted shootings and handheld night modes that are tangible parts of camera. Samsung took many steps to compete with S10, by trying to take technological initiatives. Samsung has certain additional plans that can address the telephoto and ultrawide angle efficient enough to cater to the needs of extra “rear” cameras. It is expected that Samsung will remove certain processing that mitigate the fisheye effect. This step will not only place Samsung a step ahead but also restore the natural geometry of objects that would be much innovative and novel for rivals. (Chang, et, al., 2019).

**Financial Issues**

Despite stable sales of Galaxy S7 and S7 edge, the failure of Note 7 has distorted the financial history of Samsung. The operating profits have highlighted that the business of Samsung galaxy has incorporated profit that fell across all of Samsung business offerings. The overall revenue of company has fallen form KRW 47.38 To KRW 3.87 trillion. Samsung has opted for normalization that has highlighted the stance of launching both Galaxy S8 and Note 8 phones in upcoming 12 months. As South Korea’s bank concede on Thursday, it would not be wrong to say that Samsung Electronics is facing certain smartphone crisis despite economic growth. (Dzamic, et, al., 2018). It has been affirmed that the strengths of company are still on track. After an analysis of interest rates that are left unchanged with a ratio of 1.25% in a unanimous vote, the growth is expected to reach 2.7%. The third quarter growth reflects that the expectations are met and it was assumed that the forecast growth would not be too difficult to obtain the growth forecast.

**Positioning Issues**

Taking into account the Samsung mobile business, it has been highlighted that a third-quarter income in the mobile business tumbled from 74% in the last year. It is said that conditions would remain the same or there would be a greater threat in upcoming time because of increasing competition. At the same time, strategy analytics and International Data Corporation has highlighted hat the overall ratio has dropped from third of all units. Samsung implies the plan of “fundamentally reform” and “enhanced product competitiveness” for each of the price tier. The plan of the company is to use new materials and technologies such as flexible displays and frames so as to set the devices apart from rivals. Samsung is working on differentiated designs and software in order to lower the costs. (Chang, et, al., 2019).

The positioning of Samsung can be understood by classifying it into targeting and segmentation condoned by a set of activities performed in sequence. Segmentation of Samsung refers to the division of population in groups based on characteristics, taking into account that it refers to target generations. In order to address the overcoming and increasing segmentation of iPhone such as classification of products with the target population, Samsung is adopting Multi-segment positioning that refers to targeting several populations in a single stance of action. Samsung is using SMART professional displays with varying functionalities, sizes and screen resolutions with different price ranges so that a variety of populations can be facilitated. (Fabian, et, al., 2019). In order to beat iPhone and other competitors in the context of imitative positioning, Apple is the greatest competitor of Samsung in terms of marketing strategy, functionality and designs. However, the context of anticipatory positioning has made Samsung products such as mobile image sensors that have a comparatively low turnover as an anticipation of the fact that turnover will increase in the future. (Kwak, et, al., 2019)

**Pricing Issues**

One of the trickiest task in the marketing industry is, it involves information related to product and understanding of market. In the market of smartphones, Samsung is facing many crises specifically in the case of prices by strong rivals, such as, Apple, HTC and others. Samsung has been working for long for curbing this issue of price and for being a competent competitor; it has formed a well-structured strategy that is actually winning. According to Sepherteladze, if looked into past it could be seen that Samsung was not as popular as it became now and it is focusing more for making strategies that would increase its popularity on the industry of smartphones. (Hanson, et, al., 2016). The result of these effective strategies is that, Samsung has emerged as one the strongest competitive for Apple Inc. On the list of leading smartphone brands, currently, Samsung is on number seven and the largest business holder when it comes to revenue.

In order to ensuring the competitive edge, it has sought impressive pricing strategies. (Chang, et, al., 2019). Palmer argues that optimal and unique marketing strategy and it analyzed closely it could be witnessed that Samsung took this advice seriously and worked hard for becoming a leader of the technology sector. Samsung is providing skimming price for heating up the competition in smartphone industry. With the launch of Galaxy S6 and S6 Edge, Samsung followed suit and started promoting these brands as the best smartphone in marketplace. (Chang, et, al., 2019). According to Stanley, skimming helps in adjusting and updating prices with increasing competition that as a result, decreases the price for grasping the attention of more consumers. So as a whole, it could be concluded that Samsung has a strategy of competitive pricing for achieving one of the top position in the market because Samsung has been regarded as a latecomer in major products market where there are already many established companies are working with diligence. (Hanson, et, al., 2016).

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