

The Marketing Strategy of Samsung: Analysis Based on Consumer Behavior

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Abstract. Samsung is the second-largest mobile phone manufacturer in the world, and it has been a hot commodity in the global telecommunications market, with both GSM and CDMA having a high market share. Samsung's understanding of customer psychology and behavior, as well as its ability to manage emergencies quickly and effectively, provide it a competitive advantage in the market. Based on a study of Samsung's customers' buying patterns (emotion and cognition, advertising, brand perception, perceived pricing, and consumer decision) and the company's own products (product characteristics, design, style, and quality), we can see that, a high level of pricing may be appropriate for the market even though Samsung is already one of the well-known brands of smartphones and consistently produces high-quality smartphones., more research is still required, but following the discovery of COVID-19, Samsung changed its marketing strategy to concentrate on the online market, and Samsung's quick response to the outbreak minimized the damage. This article can offer some implications to corporate managers, consumers, and policy makers.

Keywords: Samsung; consumer behavior; Covid-19.

1. Introduction

The biggest multinational corporation in Korea is Samsung Group. Lee Byung-chul is the founder of Samsung Group, and it set up in 1938. The Lee family created their own family business, Samsung, other family members run the family business under Samsung.

Lee is connected to Samsung SDI, Samsung Air, Samsung Electro-Mechanics, Samsung SDS, Samsung Corning, Samsung Life Insurance, Samsung Heavy Industries, Samsung Networks, Samsung Fire & Marine Insurance, Samsung Electronics, Samsung C&T and Samsung Engineering. In 2009, the company's largest subsidiary called Samsung Electronics was ranked third among the top 500 companies. Star Electronics, one of the best-known world enterprises, 40th in the world, and Samsung's other major subsidiary, Samsung Life Insurance.

Samsung shipped 8 million smartphones to India in the second quarter of 2018, ranking second after Xiaomi with a 23% market share.

Prime Minister Lee Keqiang said, "Samsung Electronics' wholly-owned subsidiary in China invested 10.87 billion dollars, but the total investment is expected to reach 15 billion dollars." In April 2020, Samsung announced its withdrawal from the LCD panel market and by the end of 2020, Samsung had closed all LCD panel production lines in China and South Korea [1].

I aim to focus on Samsung, because Samsung has a huge market share, and I want to know how Samsung can raise its brand awareness and attract consumers.

2. Analysis about strategy on consumer behavior

2.1 Emotion and cognition

Operational Definition

The following are broad explanations for the variables that will be studied:

X1: brand image; X2: advertising; X3: perceived price

Y: Consumer Purchase Intention

$Y = \text{constant}(a) + b_1(\text{each variable's regression coefficient})x_1 + b_2(\text{same meaning as } b_1)x_2 + b_3(\text{same meaning as } b_1, b_2)x_3 + \text{error}(e)$

Validity and reliability testing of data analysis methods

Consistency shows how well the measurements of a notion fit together as a whole. According to Sekaran and Bougie, Kronbach's alpha is a reliable indicator of the inter-item consistency of the coefficients quantifying whether the items that include in the set are well and connected to each other. (2009:163). Since dependable scales may not always reflect reality, the need for using additional validity has emerged. will be examined are listed below.

Analysis of Multiple Regression

The technique analysis of Multiple regression is used to estimate or forecast the corresponding Y value for observed values of several X variables. The following is the formula for the multiple regression analysis approach.

The validity test is shown in table 1.

Table 1. The test of validity [2]

Index	Relativity
X _{1.1}	.753**
X _{1.2}	.835**
X _{1.3}	.711**
X _{1.4}	.663**
X _{1.5}	.755**
X _{2.1}	.858**
X _{2.2}	.877**
X _{2.3}	.890**
X _{2.4}	.720**
X _{2.5}	.850**
X _{3.1}	.571**
X _{3.2}	.828**
X _{3.3}	.880**
X _{3.4}	.728**
X _{3.5}	.677**
Y ₁	.800**
Y ₂	.923**
Y ₃	.790**
Y ₄	.791**
Y ₅	.799**

Reliability Test Table

Multicholine reality calculations are shown in table 2.

Table 2. The test of reliability[2]

Variable	Cronbach Alpha
X ₁	1.075
X ₂	1.476
X ₃	2.296

Heterosces monotone test

The Heteroces monotone test is shown in figure 1.

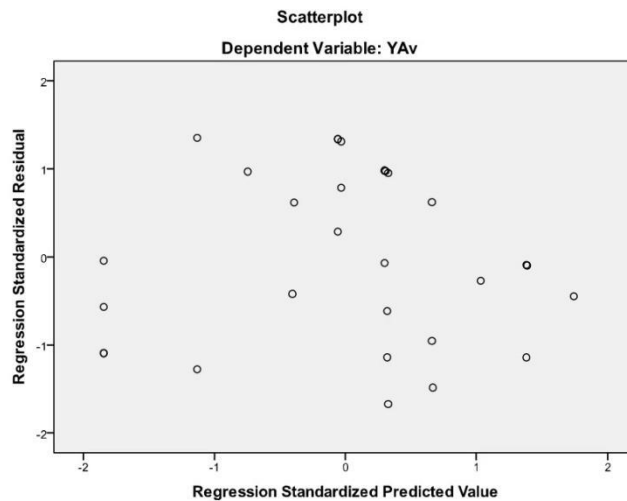


Figure 1. Heterosces monotone test [2]

Autocorrelation Test

The following criteria can be used to test autocorrelation regression models for free:

If D-W Value is less than or equal to dL (1.5922) , then it shows Positive Autocorrelation.

If Between dU (1.7582) and 4-dU, D-W value (2.2418), then it shows No Autocorrelation.

If D-W Value is more than or equal to 4-dL (2.4078), then it shows Negative Autocorrelation

The test of autocorrelation is shown in table 3

Table 3. Autocorrelation [2]

Model	Durbin-Waision
1	1.704

According to the appendix autocorrelation test that shows in the output table using the Durbin-Watson rate 1.704 in the free region, regression models Y (consumer purchase intention) X1 (brand image), X2 (advertisement), and X3 (perceptual price) have no autocorrelation.

The standard test is shown in figure 2.

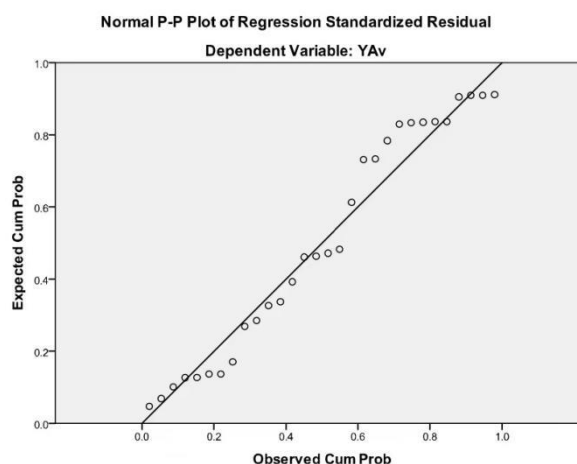


Figure 2.Standard Test [2]

Simultaneously Test

1.Ho is accepted and Ha is rejected if $F_{Count} (sig)$ is greater than 0.05.

2.Ho is rejected if $F_{Count} (sig)$ 0,05, while Ha is approved otherwise.

The simulatneous test is shown in table 4.

Table 4. Simultaneous Test [2]
ANOVA^b

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	4.141	2	2.069	14.270	.000 ^a
Residual	3.915	26	.145		
Total	8.056	28			

a. X3Av, X2Av, and X1Av are the predictors (constant).

b. Relying Variable: Yav

14.270 F_{Count} value, is especially noticeable at 0.010. Because the sig < 0.05 indicates that the forecast has a confidence level over 95% and a likelihood of error below 5%, the result is 0.000. H_0 is therefore turned down and accepted by H_a . Thus, the articulation of the accepted premise that X1, X2, and X3 have an impact on Y simultaneously.

2.1.1 Advertising

For effective communication, brands need to choose the channel where their target audience is present. Today's consumers spend the majority of their time on mobile devices, occasionally visiting their social media accounts. They don't watch much television at all. People utilize the digital online market to stay current, thus it has a sizable audience share today. Additionally, most communication is two-way. As a result, firms allocate about 10% of their advertising budget to online marketing. Samsung does the same. In this scenario, advertising is crucial since without it, the majority of consumers would not be aware of Samsung's smartphone offerings. According to deChernatony (2010) Nowadays, advertising is widely used and interacts directly with consumers. Therefore, making an investment in advertising is crucial because it will raise awareness and benefit the company later on. Advertising is characterized as not personal, one-way mass communication in which marketers get payment from the company or organization being advertised. This outcome demonstrates how well all of the previously described advertisement characteristics have performed in cultivating customers' purchasing intentions. From this perspective, advertising is the media used to inform the general public about a good or service. Information, persuasion, and retention are three advantages of advertising. A lot of people are informed about a product at once via an advertisement. People are persuaded to purchase a thing by advertisements. Advertisement keeps the product or service in the minds of consumers and raises their awareness of it. According to the results, just a small percentage of respondents said they had seen internet advertisements for the Samsung Galaxy Series. While others responded that they had only ever seen the ads on TV and in the papers. Samsung educates and acquaints consumers with its products on a global scale by leveraging the appeal of Korean dramas. Roll (2006) described brand assurance as a compelling communication strategy used by companies to ensure that spokespeople represent their products and services. This could be a compensated, value-in-kind, or uncompensated activity. The primary purpose of product approval is convincing consumers to buy a particular service or product, model it, and place it more a life service or product than is merely one that may be used in a particular situation. However, pricing has a greater impact on purchase intention than advertising since, even if they receive all the information, it will still be too expensive for them to make a purchase [2,3].

2.1.2 Perceived price

An important consideration is the perceived cost. Price should be the last consideration because users won't give the cost of a smartphone much weight. Price directly affects consumers because it is a product in which there is a lot of user involvement [2].

2.1.3 Brand image

Positive effects are experienced by brand image, which even has the greatest effects of all the changeable, that is because Samsung is already well-known, particularly in the smartphone their

original and cutting-edge work. There is more to brands than just names and logos. Additionally, the according to Kotler and Armstrong, a component of the relationship between a business and its customers Branding is a crucial tool because it serves as the company's persona and face (2012). Both the outcome and how it affects college students. But Brand cannot exist in isolation. Promotions from Samsung, product quality, pricing, how customers are treated, and many more factors are what constituted Brand. According to Solomon (2013), a brand is an idea or persona developed through branding, packaging, advertising, and other marketing techniques.

To maintain and safeguard Samsung's well-known brand, careful handling of everything it did is essential. Researchers came to the conclusion from this study that Samsung is the smartphone that has generated the greatest attention due to the perceived price, brand image and advertising influence. Samsung is a brand that has a lot of different sorts, colors, models, functions, and so forth. Advertising is done frequently and is quite fascinating, making Samsung handsets more well-known than other smartphones. The price offered by Samsung is also very affordable, making it accessible to all segments of society, including the upper, middle, and lower classes. This is influential after the brand. This study is helpful to consumers looking to purchase smartphones as well as Samsung, which may utilize the findings to boost creativity through brand, advertising, and perceived price [2].

2.2 Decision making

Kotler and Keller (2009, p. 166) claim that environmental elements, such as individual, culture, psychological characteristics and social class have an impact on consumer decision-making [4].

Theories

Consumer Buying Decision

Decision making of consumer, according to Peter & Olson (2005:165), is the cognitive process that customers use to analyze product information and integrate that knowledge to choose amongst options. Companies must have a thorough understanding of customer habits in order to satisfy consumers' demands and wishes. Consumer behavior discusses how people decide what to buy and how they use the good or service they acquire [5]. According to McDaniel, et al. (2011: 191), there are five steps in the consumer buying decision-making process: information research, post-purchase action required, purchase decision, alternative assessment and recognition [6].

Product Properties

It is essential that how consumers identify a product's key characteristics. Services and products can convey the benefits through its qualities. The product features are the benefits of the products that are communicated and supplied by. Such as style and design, functionality and quality. The value of a product is communicated to customers through its characteristic, which conveys not just the product itself but also the results that will be attained once the customer uses the product. Due to its ability to increase product identification and consumer awareness, the attribute benefits the company. Product concept is that consumers prefer products that can provide the highest levels of functionality, quality and performance. As a result, the organization's efforts on making ongoing improvements of products should be focused on. This idea puts the emphasis on the qualities of the advertised product. In this situation, the business needs to use creativity and innovation to produce processed products or even new products. A small number of people depend on a variety of sources of information that being regarded as assistance to assess the might function of the product and determine the brand that has the more advantageous features [7].

The influence of social

Social stratification can be found in almost all human societies. It typically takes the form of homogeneous social classes that are long-lasting divisions in a society, these kinds of divisions are hierarchically ordered the members of it share alike interests, behavior as well as values [8]. The reference group can be divided into indirect as well as direct group. Default member group for a user is a set of people with whom they regularly interact informally and in person, such as friends, coworkers, or family. A reference group is called a secondary member group where members engage formally on a regular basis, such as a professional association, a club, or a religious organization. To

get product knowledge and decision approval, consumers socially interact with members of their reference group, opinion leaders, and families. This interaction might affect how people behave up until they make a purchase decision. A person that consume a given product and get a positive experience will recommend his or her friend buy to it in light of the positive stuffs he received, as an example of how a society can influence and shape consumption patterns [5].

Consumers usually take their time making decisions while buying luxury goods. The characteristics of the product itself or social cues may have an impact on this process. Since they are more expensive than regular cellphones, smartphones are considered to be luxury goods. I'll use the Samsung Galaxy Series as an example. Marketers are expected to create enticing product attributes and then be able to convey those features to the target audience. Samsung bases their decision on this, then. In order to attract customers, the Samsung Galaxy series offers a range of the attributes of the products, like excellent product quality, a variety of price points, fashionable designs, compelling advertising, etc. Customers can pick from a variety of Samsung Galaxy series products to find something that will fit their needs and wants. According to Peter & Olson (2005:165), businesses must have a thorough understanding of consumer behaviors in order to satisfy customers' needs and wants. Businesses will take into account a number of factors when making decisions [9].

2.2.1 Product Attribute

Products are things with attributes and benefits that consumers may or may not take into account when making decisions. The design and style, quality, Characteristics are the product's intrinsic components.

2.2.2 Quality

The quality can draw a picture of it, including price suitability, battery, shape, service location, product design as well as indicators of operational simplicity, according to Jasfar (2009, pp. 57) [10]. With regard to the Samsung, product quality refers to how the product is dependable, long-lasting, and priceless. This fact might attribute to the Samsung's high quality electronic items, including the television, refrigerator, air conditioner, and laptop.

2.2.3 Design and Style

The Samsung Galaxy Series is a touch-screen device, therefore people usually consider the size of the products designing and style. The most important aspect in this case is often the screen size. The researcher discovered two characteristics that led people to buy Samsung products depending on the size of the device. So they enlarge the Galaxy Series slightly.

2.2.4 Feature

The Samsung Galaxy Series has a lot of features, but some of them, like the Android operating system, camera, connectivity, two SIM cards functionality, and screen quality, are particularly attractive to these spies. Google built Android, the most widely used operating system for smartphones. People can access a wide variety of applications using this Android system and an internet connection[3].

3. Marketing strategy during COVID-19

Like the COVID-19 pandemic, pandemics are permanent catastrophes of illness and death. Due to the pervasiveness of this threat and the accompanying fear of the COVID-19, new consumer trends and norms have emerged. People grow less susceptible and more dubious. But however the crisis also makes international business research more significant, because it was disregarded in the years preceding it. Economic effects from social and informational ambiguity are probable. The adoption and implementation of limits by society are crucial for the success of social isolation and other restrictions. Being on lockdown for months could cause social instability and consumer unhappiness, which could result in a massively repressed demand for the things they missed. An excellent case

study in this regard would be Samsung, a South Korean company that is a global leader in consumer electronics and home appliances. Over the years, Samsung built up a sizable production network with factories spread across numerous cities. This was carried out in order to meet high production demand, lessen reliance on China, and foresee the risk of single sourcing. In order to avoid a complete stoppage of manufacturing, Samsung was able to use this method to move its production during the ongoing COVID-19 problem from one place to another. Similar to this, Samsung uses some mobile phone retailers' and a payment and EMI technology firm called Benow's agreement with Samsung, in order to create an e-commerce platform so that the retail business can continue to sell and deliver products to customers in direct, in order to make up for the retail stores that are closed during COVID-19[11]. The test of top smartphone vendors in Q3 2019 is shown in table 5.

Table 5. Top Smartphone Vendors in Q3 2019[12]

No	Vendor	Q1 2020 Shipments Volume	Q1 2020 Market Share	Q1 2019 Shipments Volume	Q1 2019 Market Share
1	Samsung	58.3	21.1%	71.9	23.0%
2	Huawei	49.0	17.8%	59.1	18.9%
3	Apple	36.7	13.3%	36.8	11.8%
4	Xiaomi	29.5	10.7%	27.8	8.9%
5	Vivo	24.8	9.9%	23.2	7.4%
6	Others	77.5	28.1%	93.5	29.9%
	Total	275.8	100.0%	312.3	100.0%

According to the aforementioned information, Samsung smartphones held the majority of the market share in the nation for smartphones in 2019 and 2020, followed by Xiaomi, Vivo, Apple, Huawei as well as other companies. In terms of market share, Huawei leads on a worldwide scale, but on a national level, Samsung is more well-known among consumers and smartphone users. The pandemic of the new coronavirus infection has also affected smartphone market share. For example, Samsung's market share was 23% in 2019 but in 2020 it fell to 21.1%. Huawei also saw a decline in market share from 18.9 percent in 2019 to 17.8% in 2020. While brands that didn't mention also experienced this. This information suggests and demonstrates that the marketing approach of Samsung, which makes use of celebrity endorsing services at reasonable costs that have been shown to be successful in raising prices and consumer interest in purchasing, is more competitive than that of other smartphone manufacturers [12].

4. Conclusion

Using the tests for validity and reliability, multicollinearity, heteroskedasticity, autocorrelation, normality, and simultaneous testing as the basis for data analysis. Even though Samsung is already one of the well-known brands of smartphones and consistently produces high-quality smartphones, setting a high level of pricing may be appropriate for them. However, more research is still needed.

Product attributes have a greater impact on consumer purchasing decisions than does social influence. Advertisement, quality, Characteristics, price and appearance and style are some of the factors that affect consumer choice when purchasing a Samsung Galaxy Series device. Customers buy things on impulse because of the high quality of the Samsung Galaxy Series. Although few people rely their assessment of a product's quality on its price, consumers still have their own opinions on quality.

Samsung placed a greater emphasis than usual on the online services during COVID-19, and already employs a successful web marketing plan.

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