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Executive Summary

Any company thrives or perishes based on the strength of their brand strategy. Depending on the dynamics of the industry or the innovations in the company the strategies keep changing. While for Consumer Electronics companies the changes could be frequent, heavy industries and government organizations usually make strategies for longer durations.

Consumer Electronics industry has historically been one of the fastest to change, both in terms of their range and strategies for their brands. Panasonic Corporation has been always recognized as the giant of the Industry. In their history of 100 years, there have been major shifts in their brand positioning. One when the company started producing the television sets for US markets under the name of Panasonic brand name and also expanded the use of brand name in Europe in 1979, In August 2018, the company announced, in order to avoid potential tax issues Panasonic will move its European headquarters from the UK to Amsterdam in October as Brexit approaches. In year 2019 Panasonic sold its image sensor and security systems businesses and remain continuing the four major business segment of Home Appliances Eco Solutions, Automotive Industry, & Connected Solutions Company.

Panasonic Corporation is comprised of various business domain companies, from AV to home appliances, to industrial solutions and other consumer electronic products. Each company has its distinct R&D, production, and sales functions that satisfy specific consumer needs worldwide. A company with a yearly net sales turnover of 8.0 billion yen with Operating profit of 411.5 billion yen and showing net profit of 284.10 billion yen, with the support of their new R&D innovation team and the business strategies implemented by them to achieve their yearly goals globally.

VISION

**Expand “A Better Life “to Home, community and Society
Life Solutions Company**

GROWTH STRATEGY

“Core Growth Business”

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2.1 Introduction

Panasonic Corporation formerly known as "*Matsushita Electric Industrial Co., Ltd.*" founded in year **1981**, the largest Japanese multinational consumer electronics corporation headquartered in **Kadoma, Osaka, Japan** alongside **Sony, Hitachi, Toshiba, Pioneer and Canon Inc.** In addition to the electronics products the organization use to produce non-electronic products such as services. By **2012** market share Panasonic was the world's fourth-largest television manufacturer, electronics products like plasma and **LCD** televisions, **DVD** and Blu-ray Disc recorders and players, camcorders, telephones, vacuum cleaners, microwave ovens, shavers, projectors, digital cameras, batteries, laptop computers (under the sub-brand Toughbook), **CD** players and home stereo equipment, fax machines, scanners, printers, electronic whiteboards, electronic components and semiconductors were also sold globally thru their distribution and costumer channels.

2.2 History of Panasonic

The Brand name **Panasonic** is the principal of the Japanese consumer electronics manufacturer **Panasonic Corporation** and which has been created by the President Matsushita in the year **1955**, this name was created especially for the America's region as the **National** brand name was its principal in Japan market and been registered by the other manufacturers. *The Panasonic brand was created from the elements "pan" - meaning "all" - and "sonic" - meaning "sound"* - because it was first used for audio equipment. The first bread machine was also sold by Panasonic. Later in year 2008, the President of the company annunciated to change the company name to Panasonic Corporation from Matsushita Electric Industrial Co., Ltd and the proposal of changing the brand name was also accepted by the company's shareholders during their annual meeting and on **1st October, 2008** the new brand name was implemented, simultaneously their in-house brand "**National**" for non-audio/visual products mainly the home appliances also got replaced in year **2010, March**.

2.3 Personality of the Brand

Panasonic brand inherent the **five principles** to be successful in the business by using the **brand name** as follows.

- ✓ **Symbols of Responsibility**, It assures the consumers that the product what the brand is producing and selling is guaranteed with a good quality.
- ✓ **Image of Corporation and Products**, the manufacturing activities and marketing of high-quality products is always symbolized by the brand name philosophy of the basic management. The corporation and the consumer are vitally interlinked in the business.
- ✓ **Proof of Customer Trust and Satisfaction**, the brand image and the intensity of the brand names well indicates how all the company activities and accepted by the consumer and the benefit of our product to our society, this also evident the customer trust and the satisfaction.
- ✓ **Priceless Cooperate Assets**, the key to increase the value of the brand asset was the regular effort put by each and every department of the organization, since the brand name has been established the brand name the corporate asset has been grown in value.
- ✓ **Indicators of Employee Pride**, the name should be used with the greatest care and highest respect by all the employees as they should be aware with the value of the brand name. As the brand name helps to be determined in future supplying the high quality products constantly and it also indicates our pride.

The brand uses the marketing slogan "A Better Life, A Better World".

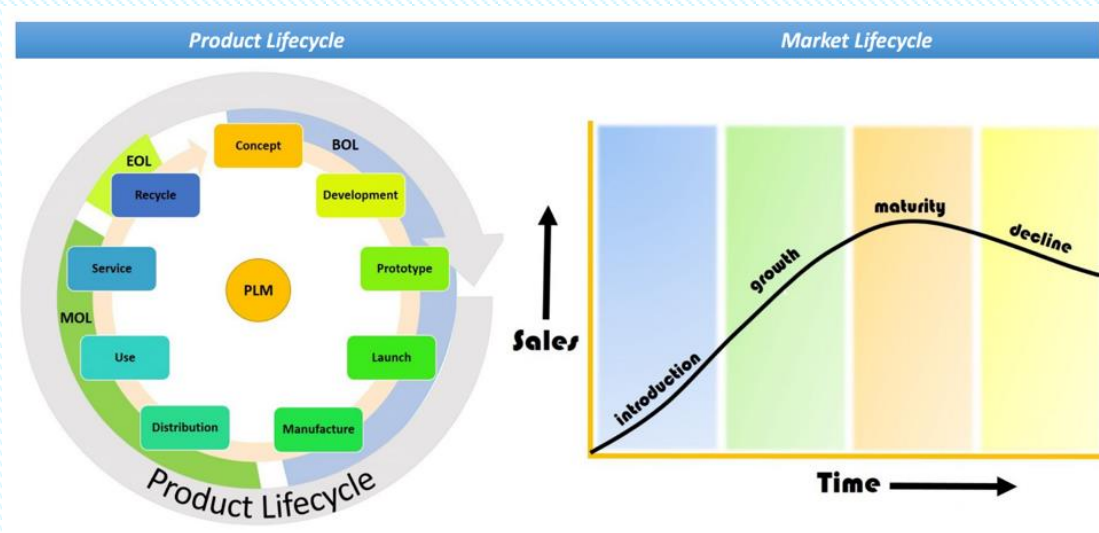
2.4 The Brand Identity

Marketers of successful 21st- century brands must surpass at the strategic brand management process, Brand is one of the major worthful intangible asset of the firm which force the marketing to follow and properly manage the brand value. Constructing a strong brand is the sum of an art and science, which needs perfect planning, a deep long term commitment and creatively designed and executed marketing. An acute consumer loyalty has been required by a strong brand - at its heart is a great product or service. Thus the **brand identity** of **Panasonic** is determined by the **Brand Promise, Brand Slogan and the Brand Value**. Panasonic believes they can contribute to a **better life**, the **development of society** and the **future of our planet** by following these **principles**.

Panasonic develops and promotes the products with reduced environmental impact, based upon the comprehensive assessment of their entire life cycle their products are eco designed. In the stage product life cycle the role of competition has been examined by the marketers and can manage their brands depending on their market position. In today's date the competition has been growing globally between the multiple brands due to the change in modern technology and the needs and wants of the end consumer. Brand is not competitive, a Consumer is the one who creates the competition as he is the king of the market. Thus, all the competitors along the globe are attempting to grow sales in new markets, to expand distribution the companies are seeking effective ways.

The Product life cycle (PLC) is defined by four stages: Introduction, growth, maturity and decline. To generate the new customer values in 4 business areas (Consumer electronics, Housing, Automotive, B2B) Panasonic group promotes a growth strategy and R&D (**Research & Development**) activities, the organization of R&D (**Research & Development**) look ahead to the future, keep taking on challenges. When the product, market and competitors change over the product life cycle then a company's positioning and specialized market strategies has to be changed, the product has a life cycle to assert four things for every brand.

- The life of the product is limited.
- To get the sales revenue the product has to pass through trenchant levels, each poise different challenges, opportunities and problems to the seller.
- During the PLC Company profit fluctuates at the distinct stages.
- In each life-cycle stage the products command variable type of marketing, financial, manufacturing, and purchasing and human resources strategies.



3.0 Competition Overview

Competition is one of the important factor of marketing management, without the competition no brands can stand and making any strategic plan or there will be no identity of marketing management. rivalry between the companies selling similar goods and services with the goal of **achieving revenue, profit, market share growth**, by utilizing the four components of **marketing mix (4P's)** the companies are motivated to increase the sales volume and be competitive in the market. In marketing language these 4P's are known as **product, place, promotion and price**. To design a successful marketing strategy it is very important a company should have the knowledge and understanding of the competitor in the market, if you skip to know the strength and weakness of your competitor then your competitor will win the race in the market by delivering good products at the lower price or value added benefits. The key factor of being aware of your rivalry's details will allow you to remain in the market and be competitive and is crucial to the survival of any business.

Consumer Electronics Market size valued at **USD 1,100 billion** and is expected to register over **3%** growth between **2017 and 2024**. Enhancing incursion of **smartphones** across the globe is expected to drive the market growth, as mentioned in the report provided by **Global Market Insights**.

It is been analyzed and seen the demand for the televisions with the larger screen size incorporated with new technologies such as **4K and OLED** is on the rise. The top manufacturers and the key players from **USA, Japan, China, Korea etc.** in the world who sells consumer electronics goods around the globe and capture the global markets are **Haier, Whirlpool, Hitachi, Panasonic, General Electric, SAMSUNG, SONY, LG, BSH, Hisence, JVCKenwood, Philips, Gree, TCL, Toshiba, SKYWORTH, Meling**, in this report we will be highlighting the marketing strategy and the competition of **home appliances** consumer electronics. Consumer Electronics is a huge and growing market contains exception enclosures opportunities, one of the fastest moving business segments and consequentially development times are the shortest. Aesthetics are paramount considerations in addition to safety, efficiency, and excellent heat management aspects according to **Chandler et al. (2009)**.

According to the research major **household appliances segment** in the consumer electronics market have been growing rapidly due to rising disposable income of individuals across various regions. Improving living standards and proliferating number of **households** followed by the rising requirements for the replacement of older electric household appliances is fueling the growth of major household appliances. The growing demand for energy efficiency contributes to the growth of advanced refrigerators.

Panasonic Corporation as spectacular player in various lines of business and being the worldwide leader in the development and manufacture of electronic products for a wide range of consumer, business and industrial needs, The stock exchange Tokyo, Osaka, Nagoya and New York (**NYSE:MC**) also have listed the shares of the company. The below image shows the SIX business segments of the corporation.

- ✚ AVC Networks
- ✚ Home Appliances
- ✚ Components & Devices
- ✚ MEW and PanaHome
- ✚ JVC and the Other segment which includes factory automation and industrial equipment

AVC Networks

Business Domains	Business Domain Companies and Group Companies
AVC	• Panasonic AVC Networks Company
Fixed-line Communications	• Panasonic Communications Co., Ltd.
Mobile Communications	• Panasonic Mobile Communications Co., Ltd.
Automotive Electronics	• Panasonic Automotive Systems Company
System Solutions	• Panasonic System Solutions Company
	• Panasonic Shikoku Electronics Co., Ltd.

Home Appliances

Business Domains	Business Domain Companies and Group Companies
Home Appliances, Household Equipment	• Home Appliances Group • Matsushita Home Appliances Company • Matsushita Refrigeration Company
Lighting	• Healthcare Business Company
Environmental Systems	• Lighting Company • Matsushita Ecology Systems Co., Ltd.

*The Company transferred its healthcare business to its consolidated subsidiary Panasonic Shikoku Electronics Co., Ltd. at April 1, 2007.

Components and Devices

Business Domains	Business Domain Companies and Group Companies
Semiconductors	• Semiconductor Company
Display Devices	• Matsushita Battery Industrial Co., Ltd.
Batteries	• Panasonic Electronic Devices Co., Ltd.
Electronic Components	• Motor Company
Electric Motors	• Others

MEW and PanaHome

Business Domains	Business Domain Companies and Group Companies
	• Matsushita Electric Works, Ltd. • PanaHome Corporation

JVC

Business Domains	Business Domain Companies and Group Companies
	• Victor Company of Japan, Ltd.

Other

Business Domains	Business Domain Companies and Group Companies
FA	• Panasonic Factory Solutions Co., Ltd. • Matsushita Welding Systems Co., Ltd. • Others

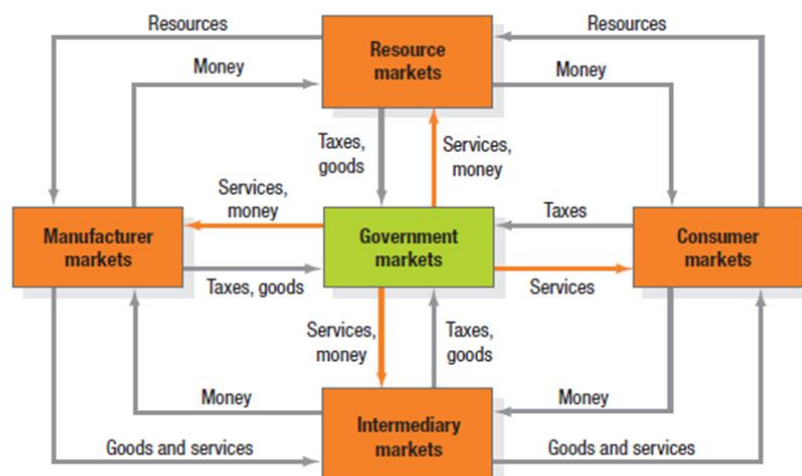
4.0 Target Markets

A physical place where the sellers and buyers comes together to buy or sell the goods is known as “Market” traditionally, symmetrically Economist had defined market as a collection of buyers and sellers who transact over a particular product or product class (such as housing market or the gain market). Generally manufacturers buy resources such as raw material, labor and money from the markets called as resources market and **transforms** it in the form of goods and services and sell the finished goods to the intercessor and finally who sells them to consumers. Consumers will pay for the goods and services by paying money received by them after selling their labor.

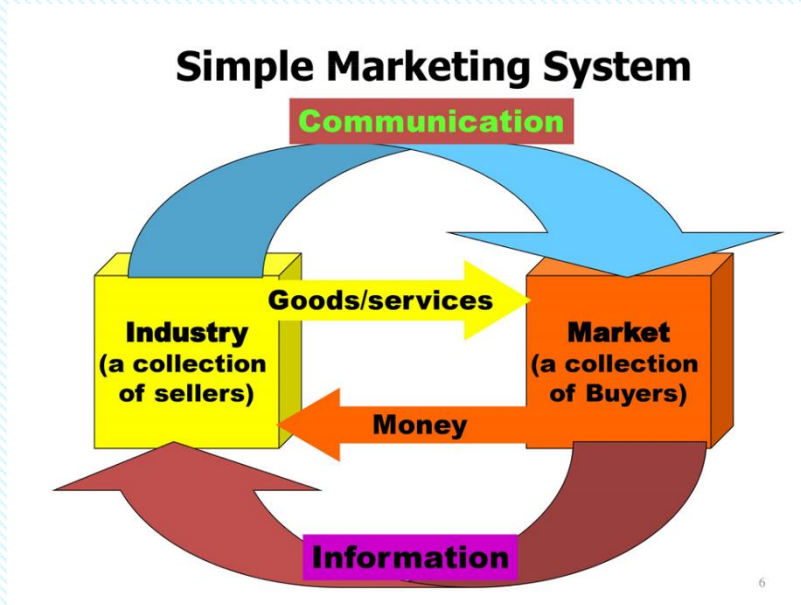
The term market used by the marketers is to cover various grouping of the customers, according the marketers sellers are establishing the buyers and the buyers are establishing the market and such markets are referred as need markets (diet-seeking market), product markets (the shoe market), demographic markets (the youth market), and geographic markets (Chines market), It also expand the thought to cover voter markets labor markets and donor markets. For reference below | Fig. 1.1 |

[Fig. 1.1] ▲

Structure of Flows in a Modern Exchange Economy



A simple marketing system [Fig. 1.2] reflects the business relationship between the industry and the market, in this segment we understand the buyer and sellers in the market are connected by four flows. Market receives the direct mail or ads as communicated by the sellers by sending goods and services, in return market provides money and information such as customer attitudes and sales data. The inner loop shows an exchange of money for goods and services; the outer loop shows an exchange of information.



For the manufacturer and the industrialist the Key Customer Markets are consumer, business, global and nonprofit, as explained below.

- ❖ **Consumer Markets:** The market comprised of people who are the end-users and they don't sell product or service any further is named as consumer market, a place where we see products and consumers in the market. A buyer of the product becomes the part of the consumer market and such markets are considered as wholesale consumer market and further classified into four types retail, transportation, food and beverages. Buyer is in his own and can decide what to buy and what he should not. Consumer market is completely different than the business market. Companies such as mass consumer goods, such as juices, cosmetics, athletic shoes, and air travel spend a great deal of time establishing a strong brand image by developing a superior product and packaging, ensuring its availability, and backing it with engaging communications and reliable service.
- ❖ **Business Markets:** A market expanded and people investing more money and resources in the business market than the consumer markets. A process of selling and buying the product from one business to another business. In business market the products and services will either be used as a raw material for the manufacturing of other products, here the businesses buy the products or services to resell them. Business marketers must demonstrate how their products will help achieve higher revenue or lower costs. Advertising can play a role, but the sales force, the price, and the company's reputation may play a greater one. For example, **Tesla** is planning to invest **US\$ 5 billion** in new electric car and battery, "**Gigafactory**" in Europe. After that various suppliers will engage to provide parts and accessories, and then Tesla will be able to offer the finished product to consumers.
- ❖ **Global Markets:** Companies such as an exporter, licensor, joint venture partner, contract manufacturer or solo manufacturer located around the globe and captured the marketplace

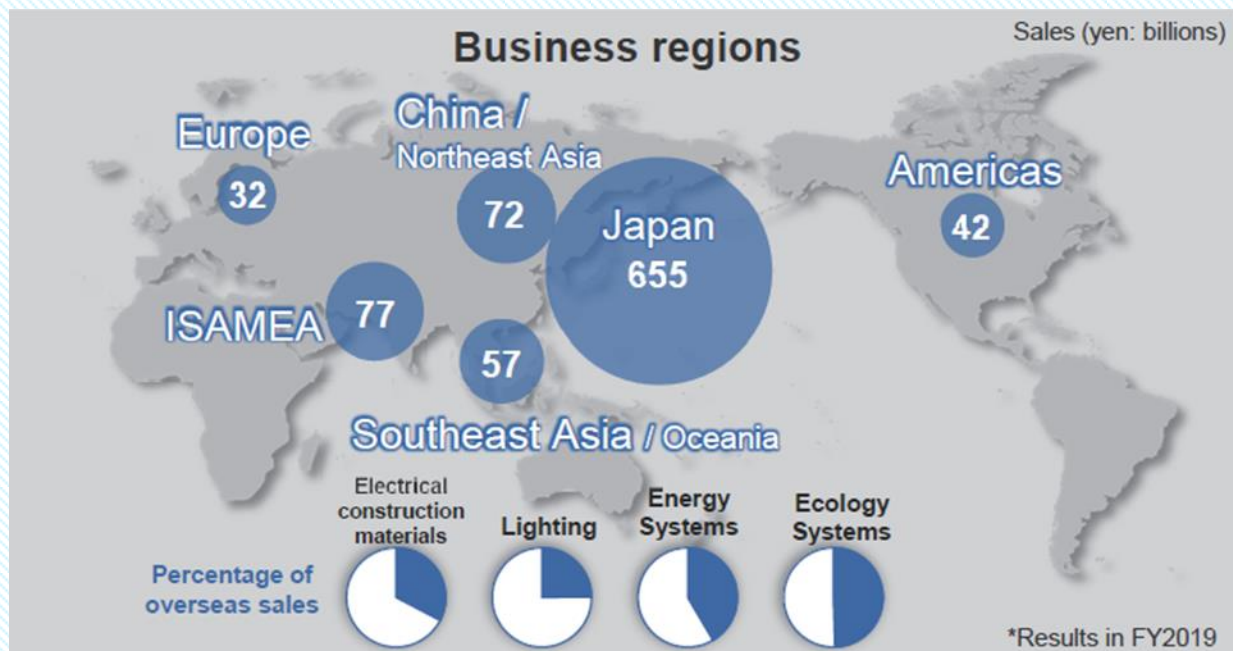
worldwide has to decide which countries to be targeted and how to enter each of them, they have to face challenge of adapting the features of the product for each country, set the target price for different countries, how to design communication for different cultures. They face different requirements for buying and disposing of property; cultural, language, legal and political differences; and currency fluctuations.

MARKETPLACES, MARKETSPACES, AND METAMARKETS

- ✓ Marketplaces is a physical shop or store to buy in.
- ✓ Marketspaces is digital which we can buy online thru internet example like amazon.com, noon.com, Alibaba.com.
- ✓ Meta-markets is the composed proposed by Northwestern University's Mohan Sawhney to define the cluster of complementary products and services closely related in the minds of consumers, but spread across a diverse set of industries. Metamarkets are the result of marketers packaging a system that simplifies carrying out these related product/service activities. The automobile metamarket consists of automobile manufacturers, new and used car dealers, financing companies, insurance companies, mechanics, spare parts dealers, service shops, auto magazines, classified auto ads in newspapers, and auto sites on the Internet.

Panasonic Corporation presence in meta-market helping the company in exploring and using the capabilities of each other to build competencies in the business. Due to the global presence across the world, Panasonic is able to access such a diverse market and the customer group which helps the business in developing the product meant for those areas and makes the brand to plan more competitive/innovative offers for the market.

Patents & trademark: Panasonic has more than 100000 patents and trademarks as an intellectual property which is in itself is a symbol of being an innovative company.



5.0 Segmentation

Marketers divide the market into segments, by analyzing demographic, psychographic and behavioral difference among the buyers they identify and profile distinct groups of buyers who might prefer or require varying product mix and services. For a marketer to decide which market are his target markets he will be able to decide the presence of opportunities after identifying the market segments. An organization who provides the market offering which is positioning in the minds of the target buyers after providing some benefits. In general we see a group of customers who share the similar needs and wants under the market segment.

These customer segments are further examined to exhibit different needs or product responses. For example, they might examine the differing attitudes of “professionals,” “blue collars,” and other groups toward, say, “safety” as a product benefit. Regardless of which type of segmentation scheme we use, the key is adjusting the marketing program to recognize customer differences. The major segmentation variables—geographic, demographic, psychographic, and behavioral segmentation.

(A) Demographic segmentation is a market segmentation method which is based on variables such as age, gender, income etc., with the existence of such segmentation organizations are able to understand the consumer behavior accurately and which will help them to perform better and satisfy the customer needs and wants by manufacturing more goods and services with the improved quality and advanced features of the products in such competitive world. In market research it defines demographic people who form the specific market for the product and the services demographics and which is very important to understand that this market segmentation comprise the market space.

Further in market research demographic imputes like age, gender, sex, religion and educational qualification, Whether it's with a purpose of launching a new product or introducing changes or implementing new services, businesses need to stay on board and up to date with this ever-changing market. Therefore, the study of how population based on demographic segmentation behave towards changes in products or services is essential to know. This one aspect helps businesses stay ahead of their competitors and perform better, lets understand the variables of the demographic segmentation as follows.

- **Demographic segmentation based on age** is a market segmentation generally used by the Consumer Durable Industries, The target market for some products may be the psychologically young. for e.g. Panasonic **personal-care products like shavers, trimmer, curlers, hair dryers used by the people aged between 14 and 50's**, such products are generally used by the youths, Being the giant of the consumer electronics industry **Panasonic** has captured the major market shares around the globe in the category of home appliances and sales turnover of **2,800 billions of yen for FY19 (Fiscal Year)** remains the same as 2018 by pursuing the profitability in areas like CHINA and rest other parts of the Asia.
- **Demographic segmentation based on gender** another market segmentation which divides the market equally in the gender MEN and WOMEN who carries the different behavior and the attitude, there is the identical difference in their outlook and how they perceive the ways in which the market functions. As per the market research Women are more communal-minded whereas the Men's are proven to be more self-expressive and goal oriented, according to some studies 80% of consumer goods and services are influenced or controlled by women in countries like United States and United Kingdom. Even the market researchers are very clear about the difference in the thought process of both genders and so, they manufacture products that are gender specific. Business segment of Panasonic Home Appliances & Automotive Industry target

the demographic market segment, the consumer electronics (home appliances) products such Flat panel TVs, refrigerators, washing machines, personal-care products, microwave ovens, home audio equipment, video equipment, vacuum cleaners, rice cookers), air-conditioners (such as room air-conditioners, large-sized air-conditioners), cold chain (such as showcases), and devices (such as nanoe, metering device, fuel cells),

Automotive Industry products of Panasonic **Next-generation cockpit systems, Navigation systems, ETC onboard units, Camera modules, On board charging systems, and Inverter-integrated compressors.**

Women are keener on using the products like Flat panel TVs, refrigerators, washing machines, personal-care products, microwave ovens, home audio equipment vacuum cleaners, rice cookers.

Men will be using the products like (such as room air-conditioners, large-sized air-conditioners), cold chain (such as showcases), and devices (such as nanoe, metering device, fuel cells) & automotive industry products Navigation systems, ETC onboard units, Camera modules, On board charging systems, and Inverter-integrated compressors.

Thus, the 2019 total sales turnover of the business segments (Home appliance & Automotive Industry) remain same as previous year 2018.

- **Demographic segmentation based on Life Stages** one of the emotional market segment, people's life cycle always different then their life stages, stages in life comes when you are getting married, buying a new house, getting into divorce and a remarriage plan, and taking care of the dependents like kids or their elder parents. These life stages present opportunities for marketers who can help people cope with their major concerns, Again this segment also justifies for Panasonic Home Appliance market.
- Last and the most important **demographic segmentation based on Income** is a long-standing practice in such categories as automobiles, clothing, cosmetics, financial services, and travel. However, income does not always predict the best customers for a given product. Blue-collar workers were among the first purchasers of color television sets; it was cheaper for them to buy these sets than to go to movies and restaurants. Many marketers are deliberately going after lower-income groups, in some cases discovering fewer competitive pressures or greater consumer loyalty.

(B) Behavioral segmentation is the process of dividing the total markets into smaller homogenous groups based on the buying behavior of the customer. The organization use this segmentation to measure the buying patterns of the consumers like usage frequency, benefits needed, during any occasion etc. It is done keeping in mind the needs and wants of a customer based on the behavior that they show. People to show similar buying behavior to be clubbed together in a single group and can be targeted. Thus, the behavioral segmentation has been performed. It influence the companies to promote and market their product in a very aerodynamic manner as the customer needs can be captured based on their needs and wants, As people are getting more brand conscious about what they are buying with the amount of competition present, customization of products and services can also be done based on this type of market segmentation.

Let's follow the parameter of behavioral segmentation.

On the basis of behavioral characteristics the targeted consumers for a product or a campaign can be grouped.

- a. **Occasion oriented** is a market segmentation where consumer can buy a product only on certain or particular occasion, the occasion can be repetitive and can be done once in a life time. For example events like concert, vacation, birthdays and holidays. This market segmentation will be measured under the **airlines industry, travel industry and event organizations**.
- b. **Usage oriented** is the market segment where the grouping can be on the basis of how much a product is being used/consumed by the customer. Accordingly, we call them heavy user or light user groups. Hence the usage frequency is considered as a part of behavioral segmentation, under this segmentation Industries like **Alcohol, Tobacco, and FMCG & Beverages**.
- c. **Loyalty oriented** market segments based on the holding rates of the consumer which is a fair indication of brand loyalty among them, for acquiring new costumers a brand which demands a high degree loyalty again at a high retention rates shouldn't be worried, simultaneously the brand with low loyalty require continuous recruitment of the new buyers to its basket, This segment will be measured for the **Consumer Durables includes electronics, FMCG, Clothing, Accessories**.
- d. **Benefits sought** is one of the consumer segmentation done on the basis of the different benefits perceived by different consumers, a normal customer always seeks more benefits from a product certainly there are such products available in market with different variety, price to satisfy the customer needs. Ultimately the brands which provides the more benefits will be a customer's choice. This segment will be measured for the Premium **Brands, Quality Services, Branded products, Convenience & Lower price**.

(C) Psychographic segmentation in this market segmentation the buyers are divided into the different groups based on the personality traits, lifestyle and the values of the costumer, different psychographic profiles can be demonstrated among the same group of demographic. One of the most popular commercially available classification systems based on psychographic measurements is Strategic Business Insight's (SBI) **VALS™ (Values, Attitudes, Lifestyles) framework**. Lifestyle, values and classification of US adults into eight primary groups based on responses to a questionnaire featuring 4 demographic and 35 attitudinal questions were signified by **VALS**.

Consumer motivation (the horizontal dimension) and Consumer resources (the vertical dimensions) are the two main dimensions of the VALS segmentation framework. Three primary motivations ideals, achievements and self – expression inspires the customers, the customers motivated by the ideals are also guided by the knowledge and the principles. Demonstrate the success to their peers are those we are motivated by the achievement look for product and services. Self-expression the motivation for the consumers who desire social or physical activity, variety and risk. An individual resources has been determined by the personality traits such as energy, self-confidence, intellectualism, novelty seeking, innovativeness, impulsiveness, leadership, and vanity in conjunction with key demographics.

A person's expression of their primary motivation has been constraint or enhanced by the different levels of the resources as follow the first group of the higher resources.

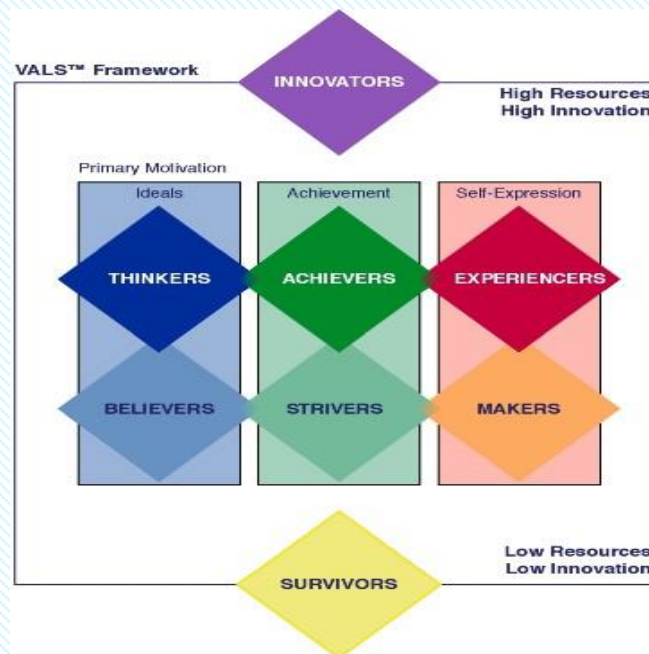
1. **Innovators** – People with high self-esteem, successful, sophisticated and active are the buyers with the taste of relatively upscale, niche-oriented products and services.
2. **Thinkers** – Customers motivated by ideals and those who knows how to value the order, knowledge and responsibility, who are more matured and satisfied, such buyers always look for more durability, functionality and value in products.
3. **Achievers** - People who are focused on their career and family, **successful and goal oriented** usually favor the premium products that demonstrate success to their peers.

4. **Experiences** – People who are capable of spending high proportion of their income on entertainment, fashion and socializing are the very impulsive, enthusiastic, impulsive youth who always look for a variety and excitement.

The first group of low resources as follows.

1. **Believers** – People who cover beliefs in conservative, traditional and conventional manner & those who are loyal and familiar to the established brand products made from US.
2. **Strivers** - People who trendy and fun-loving with the constrained resources, who favor the stylish products that emulate the purchases of those with greater material wealth.
3. **Makers** – Self-sufficient people, Practical, down-to-earth always love to work on their own, products from US made they usually prefer for practical or functional purpose only.
4. **Survivors** - People who are loyal to their favorite brands, elderly people who are passive about the change in the product.

VALS framework can be exhibited by the marketers for their market planning.



Panasonic Corporation being a Japanese company and which always follow the company traditional culture to grow their business and aim their objectives to achieve, psychographic segmentation schemes is the choice of the company to target markets as its customized by culture, Japanese divides the VLS frame work into 10 customer segments on the basis of two key concepts like life orientation (traditional ways, occupations, innovation, and self-expression) and attitudes to social change (sustaining, pragmatic, adapting, and innovating).

Due to the various social changes which are expected to occur from the view of the level of certainty, the social impact, and the effects on the Panasonic business, the company management had decided concentrating on the three megatrends of demographics, urbanization and consumption change.

Panasonic Demographic Megatrends: Especially in the newly emerging markets like China and India the global population is steadily increasing with their monolithic national demand which simultaneously drive

consumption. However, the current advanced nations will all progressively face declining in the birth rates, aging populations including China. During the potential growth of housing, consumer electronics. Such social changes are also formed due to the technology innovation as well. To meet the demand of the target markets and target customers Panasonic has to implement different strategies, the ideas were to boost the sales in home appliance business segments, the company started bringing ideas like bring ecology to all its products and manufacturing activities **“Green Transformation” (GT12)**. Panasonic also aims to boost both company sustainability growth and the commitment to the Green Innovation, It also aimed at global-oriented by focusing on the potential emerging countries such as Asia, China, Japan and Europe by promoting the company CE business, B2B Air condition business of Panasonic holds major shares in Asia, China after getting celebrated with EC company in year 2018.



Countries like BRIC (Brazil, Russia, India & China) holds the population of people demographic segmentation and middle class crowd, people who holds brand loyalty, the core markets of Panasonic is Japan, China and Asia which takes 77% to 75% of its total sales. These are 2 main and potential markets for Panasonic as they are the target market in many years ago. Particularly China where the huge of population and the increasing of urbanization of the second and third-tier cities is expected for higher demands. Expanding market in China is also a wise strategy as it is able to expand to other nearby developing countries such as Vietnam, Indonesia. Meanwhile, at other markets such as the Americas and Europe, Panasonic has different strategy to enhance region sales of all follow the demand of each region.

6.0 SWOT Analysis of Panasonic:

Panasonic Corporations' global footprint is one of the strength of the organization, it endeavors to build better live for people around the world and very much customer focus company who values their customers, we have seen the brand growing consistently and getting aggressive in one its key regions around the globe including Asia and Europe. The brand had registered profit despite of a small revenue fall in year 2016. There is always a rise after a fall, this has been proven by this brand in way of showing growth to the next stage and restructured the business.

Larger organizations always have a hug business risk including economic, political and structural, as the business is happening globally, SWOT analysis that highlights how the brand is doing in its respective areas and the key pillars driving performance for Panasonic around the globe, SWOT analysis will help you

understand the key strengths and weaknesses before the brand as well as its opportunities and challenges in the short and the long run.



Strategic analysis of Internal of Internal factors (Strengths & Weakness) of the Organizations.

STRENGTHS:

Brand Name: The major strength of the Panasonic is its brand name and strong brand image, with the help of the innovative technologies the business of the company has grown stronger. Being the one of the leading brand of the consumer electronics it is also operating in the other business areas including automotive and B2B.

Rich and huge Product portfolio: Panasonic carries a rich portfolio of the products and the brand name is quite famous and visible in the global market and it thou had the brand range too, it manufactures and sell multiple products in both the business segment of goods and services for all the four business categories. From Air conditioning and housekeeping equipment to Housing equipment, remodeling, infotainment systems, automotive electronics, aviation solutions, factory solutions, food distribution solutions and many more, the brand provides a very large line of products and services.

Substantial Financial Position: The position of the company is financially strong due to strong sales of its products and services in the various markets. After following the below growth in the company's operating and net income, it is quite obvious the management strategies behind achieving the goals and targets of the company is quite ethical and the behavior of the leaders are the commendable.

FY16 Financial Result

	FY16 (US GAAP)	FY15 (US GAAP)	vs. FY15 %/amount		(yen: billions) FY16 Forecast (as of Feb. 3, 2016)
Sales	7,553.7	7,715.0	-2% (-4%)*	-161.3	7,550.0
Operating profit	415.7 (5.5%)	381.9 (5.0%)	+9%	+33.8	410.0 (5.4%)
Non-operating income/loss	-198.7	-199.4	-	+0.7	-130.0
Pre-tax income	217.0	182.5	+19%	+34.5	280.0
Net income**	193.3	179.5	+8%	+13.8	180.0
ROE	11.0%	10.6%	-	+0.4%	

Exchange rate	1 USD	120 yen	110 yen
	1 EUR	133 yen	139 yen
	1 Renminbi	18.9 yen	17.7 yen

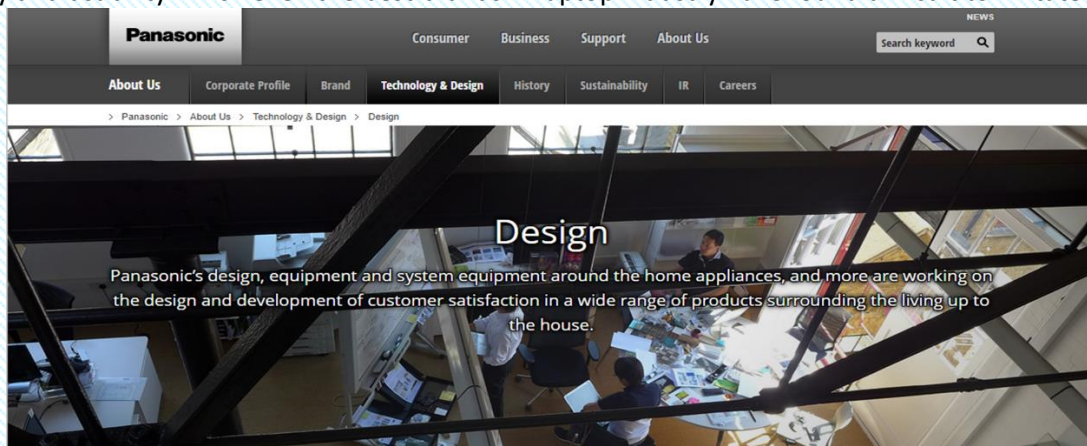
* Real terms excluding exchange rate effect (unaudited)
** Net income attributable to Panasonic Corporation

4 | Fiscal 2016 Financial Result/Fiscal 2017 Financial Forecast

Panasonic

Net sales of the brand reached 7.7 trillion Yen in 2015 and fell to 7.6 trillion yens in 2016. However, the profit margins grew stronger in 2016 and from 381.9 Billion Yen in 2015, it reached 415.7 Billion Yen in 2016. The net income attributable to Panasonic Corporation also rose from 179.5 Billion yen to 193.3 Billion Yen in 2016.

Innovative Technology: By investing in the innovative technology the brand is achieving the faster growth in the sales. To make the policing effective Panasonic has an innovative security solutions which were combined with the ruggedized PCs and the security cameras, the investment level was also increased in IoT in the service industry. These innovative solutions were also used in avionic field which were used for in-flight communication and entertainment, it is the reason why the partnership between Car and Flight manufacturers was increased, with the help and support of these technologies Panasonic was able to achieve their sales target globally on monthly basis. Panasonic's 'Tough Book' has a distinct image for its quality and usability which even the best brands in laptop industry have found difficult to imitate.



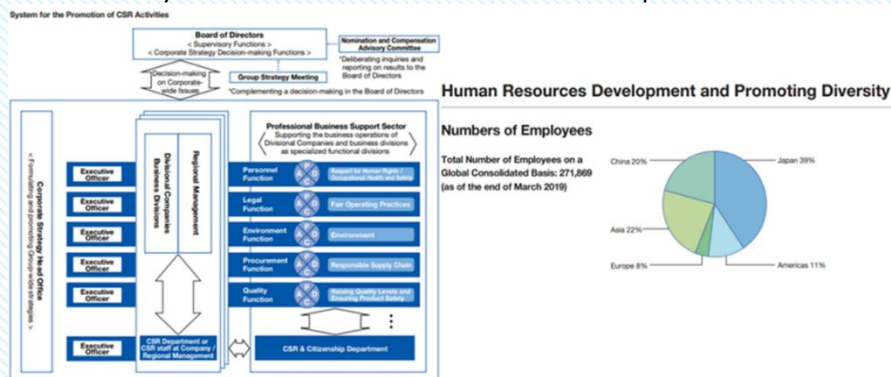
Growing Brand Positioning in Asian Markets: Panasonic is the leader of the one more leading industry globally automotive industry dealing in the business of automotive batteries and consistently investing in quality and price controlling to retain the leadership position in the business. In this area no other Asian company can defeat and catch up the leadership position of the Panasonic as it will be the highly

challengeable based on the level of the quality provided by them. Its washing machines and vacuum cleaners have also achieved very high level of sales in the Asian countries. Sales of the LED lighting fixtures and lamps in the Asian markets has also grown. All of these things indicate that to challenge Panasonic's position in the short term would remain difficult for the other brands in the Asian markets.

Research & Development (R&D): In the automotive segment, it has focused its resources on strengthening its existing Advanced Driver Assistance System (ADAS) and Battery Business. The Advanced Research Division of Panasonic is involved in innovative research so as to promote faster growth of Nex-Gen Technology solutions. The R&D division of Panasonic is a very well managed aspect and also one of the most critical strengths of its business.



HR Diversity & CSR Focus: Being the leader in all the business areas, Panasonic had not remained behind in the other areas either similar to the other international brands. They have invested in social and environmental responsibility as well as innovative HR management. CSR at Panasonic is an inherent part of its management philosophy. It has invested in CSR initiatives in a variety of areas that include environment, human and labor rights, safety and health and has maintained a special focus on ethics. These initiatives extend to its supply chain as well where the brand has maintained strong relationships with its partners. Companies Green Plan 2018. Is an environment action plan that designates its key targets and includes the "Key Performance Indicators" which will help it measure its achievements.



WEAKNESSES:

Marketing Strategy: In 21st century one the fast moving with high technology generation period and the changes in the business world is the brand's marketing capabilities to test which is why it has been feeling

challenged by the aggressive marketing strategies of the other consumer electronics brands. Panasonic marketing capabilities are not up to the mark as sharp as its nearest competitors. However, the marketing strategy of **Panasonic** is quite effective in Japan for their global markets where the brand has to emphasize the marketing strategies designed locally for the various global markets. Brands like LG and Samsung have left Panasonic way beyond in terms of the marketing strategies planned by them globally. The Organization has to work a lot on their marketing strategies to stand in par with the other competitor brands in the market.

Management Issues: A large company always deals with a complicated management structure, As Multinational Company running business around the globe the management structure must be simplified for a better communication on a global scale. Once the company tried to simplify the structure again which was not sufficient to deal on a global scale in the current environment. In coming years Panasonic will be planning restructuring and reorganization. However, it should note that a complex structure gives rise to issues that affect sales and growth and it needs to bring more synergy in its Manufacturing and sales to win in a highly competitive and highly volatile market. Geopolitical challenges are also a hindrance to growth. Faster growth can be achieved only through a simpler and better managed structure.

Slow growth compared to competitors: The growth rate of the company is lower than its competitors like Philips, Samsung, Haier etc., due to lack of business strategies. Other brands have been able to make deeper forays into local markets based on their sharper and more aggressive business strategies.

Opportunities:

Rising middle class income: In today's time we have been noticing the incomes of the middle class people have been grown worldwide, Panasonic opportunities are also growing in this fast changing world. It has become the most important segment of consumers for the brands. Electronics brands like Panasonic will be highly benefited by the rise in the new consumption trends due to the rising income of the middle class buyers. An income rise is significant for the middle class since it will have more disposable income and several of Panasonic's products target the middle class consumers. So, this is a profitable trend.

Changing Consumer Demographics: The global population is growing and the percentage of the young consumers have been increased and which again goes in the favor of the Panasonic brand. The generation born during 1980's & 1990's are more familiar with technology and more convenient doing online shopping. They were born with technology and use it with more convenience than previous generations. This means higher sales for technology brands.

Lifestyle changes: There have been significant change in the peoples lifestyle and which had a huge impact on the consumer electronics brands, across the world people are getting more familiar with the technology and their products, generally 80% of the population of the world is using social media and find multiple brands and the products on everyday basis. They were born with technology and use it with more convenience than previous generations. This means higher sales for technology brands.

Asian Markets: Asian markets have grown more open in the recent years and that brings a bigger opportunity before the innovative consumer electronics brands like Panasonic. India has also risen on this scale and China was faster to make its environment favorable for the foreign brands. Several global brands are already enjoying profitable partnerships with the local brands in the Asian countries. The rising income in these two economies is a good sign for consumer electronics businesses. India and China both are tough economies that survived some of the bitterest economic fluctuations.

THREATS:

Rising Competitive Pressure: In the 21st century the major threat before the consume electronics brand is competitive pressure, Panasonic holds several competitors with a good brand image in the market. Competitive brands like Samsung to LG and Philips have become more aggressive in their business strategy. As a result pressure on Panasonic remains high and therefore its focus on R&D as well. Innovation has become the key to success in this era and brands have to invest more in quality because of consumers' rising awareness.

Regulatory Pressure: Government and Regulatory bodies are always being threat for any type of businesses of brands, they enforce the relevant laws and oversight of businesses. For example the electronic industry was drastically effect when the UAE government imposed the 5% VAT in the country, however still the brands never stopped doing business and operating profit by giving the certain competition to competitors in the market. Panasonic has maintained a string brand image and good financial position which helps it overcome the pressure to a large extent and still fast expansion becomes challenging if governments continue to remain aggressive in their attitude towards business.

Fluctuations in the economic environment: While the recession has passed, the global economy is still seeing some turbulences here and there. In some areas, local economies are still experiencing small and big jolts that can affect sales and revenue. China and India, which are important markets have been through small and big economic jolts and had to fight hard to bring things back on track. Demonetization in India and jolts in the Chinese stock market caused fluctuations that had made the economic and business environment unfavorable.

Conclusion: Panasonic is poised for further growth based on its smarter technology and focus on research and development with great Business strategies to fight against the competitors in the market and grab more or sustain the existing market shares with products in their lineup.



7.0 Panasonic Business Strategy: Panasonic's consumer electronics and housing business are positioned within the Co-reaction business, which aims to enhance competitiveness through regional and business collaboration. The organization anticipates the major growth over the medium term to long term is the Chinese market in the consumer electronics business. In April 2019, to step up next the company will focus and established their new China & Northeast Asia company. To enhance the competitiveness the speed

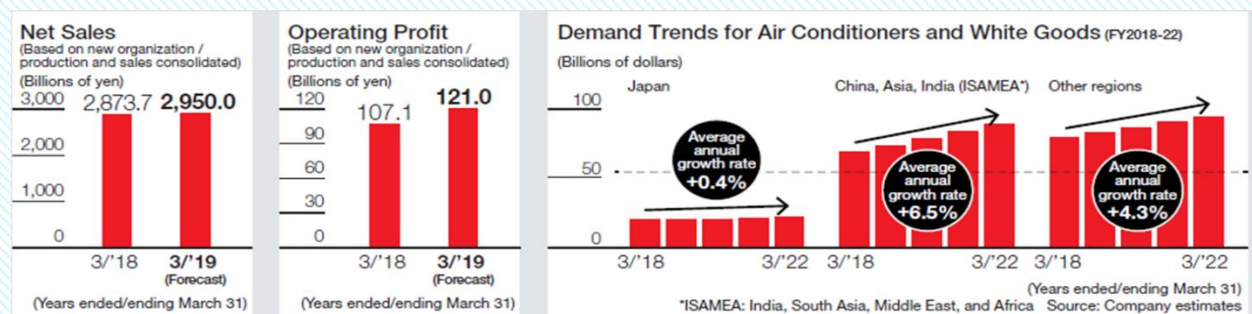
and cost derived from the operation of the China will be combined with their trust worthiness and high technologies developed in Japan, In future the strength refined from the China and Japan businesses can be leveraged in other Asian businesses.

As per the BCG Matrix the Panasonic Company has been considered as DOGS because the companies have subordinate share of the market and low prospects for growth, such products are often found in the establishes markets. White goods and Personal care products can be considered as the DOGS with the increasing popularity and affordability of Refrigerators, Washing Machines, Vacuum Cleaners Shavers, Trimmers, NANOE has resulted in plummeting profits and market share for the Home Appliances products.

Marketing activities are further classified into marketing-mix tools of four broad kinds which are called as THE FOUR Ps of marketing Product, Price, Place and Promotion.

7.1 Product: **Panasonic** has variety of the products like **Air Conditioners** categorized in Room and commercial following with the hot water supply systems. **Small/Built In** (SDA Small Domestic Appliances) which includes Microwave, Ovens, Rice Cookers, IH cooking equipment, Personal care products. As Panasonic carries multiple range of the products, they also manufacture white goods such as Refrigerators, Washing Machines, Panasonic sells products that are highly differentiated, with various features offered to customers that competitors don't offer. Its products are therefore considered to be unique. Its products are perceived to be of higher quality than that of competitors. Therefore, customers are willing to pay a higher price for these. Panasonic sells products that are highly differentiated, with various features offered to customers that competitors don't offer. Its products are therefore considered to be unique. Its products are perceived to be of higher quality than that of competitors. Therefore, customers are willing to pay a higher price for these.

Recommended Product Strategy: Additional benefits of buying Panasonic products the company should include warranties, delivery and credit, after-sales and helpline services etc. It should follow the market trend and as per the customer needs and wants to introduce the new product. Market opportunities should be found and followed by the company to capture more market shares, consumer trust and value their needs. Panasonic should improve its product packaging such that it is more convenient to transport and use. Its packaging should also be visually appealing so that customers are attracted to it.



Below image for your reference shows the complete list of the Products

Reference: Businesses Whose Sales Are Disclosed		
Businesses whose sales are disclosed	Major products	
Air conditioner		• Room air conditioners, commercial air-conditioners, and hot water supply systems
Small/built-in		• Microwave ovens, rice cookers, IH cooking equipment, dishwashers, beauty, healthcare, and cooking equipment, electric irons, and nanoe devices
Major		• Refrigerators, washing machines, vacuum cleaners, and hygiene toilet seats
AVC		• TVs, recorders, audio equipment, digital cameras, and intercoms
Food retail & comm. equipment		• Display cases, kitchen equipment, vending machines, and dispensers
Devices, etc.		• Compressors, vacuum insulation materials, fuel cells, and metering devices
Panasonic Appliance Company's Business Policy		
		23

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7.2 Price: Existing Brand Competitors in consumer electronic industry are in huge numbers in the market, the pricing strategy of Panasonic is the competitive based pricing and the current prices are set based on it. Panasonic product price is higher than the competitors reason it provide the good quality and high feature products and it carries the list of high portfolio products. The company raw material cost is higher due to which the Product price remains at the higher side. It currently uses product bundle pricing as well, where products are bundled together and sold at prices lower than the total of individual items. When a Company enters in the market with the new product there are several marketing strategies has to be followed by the management such as **Market Skimming Prices** - Setting a high price for a new product to skim maximum revenues layer by layer from segments willing to pay the high price; the price set is set at its highest possible level that the most interested will pay for the new product, such strategy will benefit the company by making minimal profit margin over the sales. Such strategies have been used by the companies to recover the cost of R&D by making the healthy profits. Due to the restricted demand at the certain level the firm's production capacity cannot be stopped. It provides flexibility because it is much easier to lower an initial price that meets consumer resistance than it is to raise an initial price that has proven to be too low to cover costs, If the new product has the classifiable features and strongly desired by the customers and the demand is fairly inelastic, under such conditions Market Skimming will be recommended. Product mix pricing strategies includes multiple pricing strategies follow as.

- ✚ **Product Line Pricing** – Pricing set for entire product lineup.
- ✚ **Optional Product Pricing** – Discounted price set for the product or the accessory sold FOC basis along with main product.
- ✚ **Captive Product Pricing** – Accessories sold with the Actual product such as batteries, Ink Tonners, Cartridges etc.
- ✚ **By-Product – Pricing** - Setting a price for by products in order to make the main product's price more competitive e.g. cream and butter from skimmed milk.

- ✚ **Product Bundle Pricing** - Combining several products and offering the bundle at a price like deals from Mr. Burger. This helps promote sales of products consumers might not otherwise buy.

7.3 Place: The movement process of the products from the producer to the designated user is called as a “PLACE” in the marketing mix, with combination of mediators such as distributors, wholesalers and retailers, In today’s era e-commerce is the online retail shop to buy multiple kinds of products from the multiple brands with reliable quality, price, delivery services on doorsteps. There are multiple distribution channels Direct, Indirect, Dual and non-traditional channel.

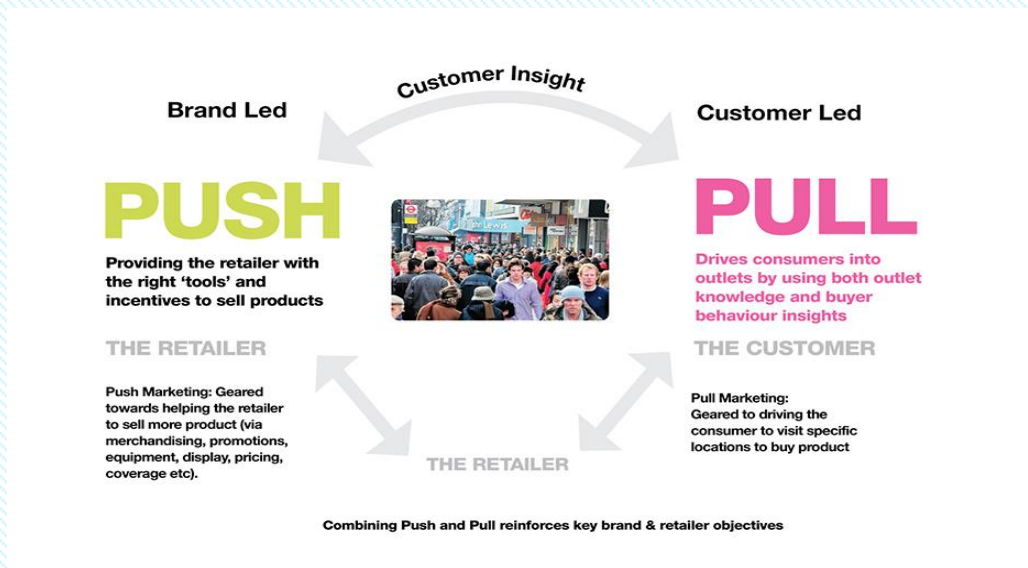
- ✓ **Direct Distribution Channel:** The product will be sold directly from the manufacturer to the end consumer and the benefit is the manufacturer will hold the complete control over the product. In case of Panasonic they supply direct to the Global markets (Bulk Buyers) who will sell directly to the end consumers.
- ✓ **Indirect Distribution Channel:** In this channel, a company will use an intermediary to sell a product to the consumer. The company may sell to a wholesaler who further distributes to retail outlets. This may raise **product** costs since each intermediary will get their percentage of the profits. This channel may become necessary for large producers who sell through hundreds of small retailers.
- ✓ **Dual Distribution Channel:** Under this Channel the company will use the combination of direct and indirect selling, it will be easy to reach out the consumer but there will be a danger of channel conflict. The user experience may vary and an inconsistent image for the product and a related service may begin to take hold.
- ✓ **Non – Tradition Channel:** The last, most non-tradition channel allows for the consumer to send a product to the producer. This reverse flow is what distinguishes this method from the others. An example of this is when a consumer recycles and makes money from this activity.

Panasonic has its products present on over 500 retailers throughout the country. It follows an intensive marketing strategy where it tries to include its products on as many retailers as possible. This ensures that its products are available to customers easily in different parts of the country.

Below Picture of the Carrefour Retail outlet displaying Panasonic Products in UAE.



7.4 Promotion: One of the important element of the marketing mix is promotion, the most important are those forms of promotion, which provide direct or indirect contact with the specific clients. Connection between promotion and product also apply to its component parts, mainly: name, quality, packaging, shape, color and logo. Objectives of the Promotion Strategy is to build the brand awareness, creating interest, providing information, stimulate demand, differentiate product & reinforce the brand. There are two types of promotional strategies Pull & Push promotional strategy and a company may use categorized as push and pull strategies to promote their products. Both strategies differ in how the customer is approached.



Push Promotional Strategy: As the name indicates, this is when the product is taken to the customer by the company. This is mostly used when the product is an impulse purchase or if the company has an established relationship with the customer base. Companies may sell directly from their showrooms or at tradeshows etc. Essentially, there is less need to create an advertising buzz and more to make the product readily available at retail outlets and showrooms. Push marketing may focus primarily on short term sales.

Pull Promotional Strategy: In the opposite approach, there is an attempt to pull customers towards the brand or product. Through mass media campaigns to sales promotions and personal references, a company attempts to create brand loyalty and attractiveness. Pull strategies may attempt to focus primarily on long term brand loyalty then high sales in the short term. A lot of media hype and mass campaigns are required to create sufficient interest and encourage customers to seek out the product on their own. Most companies will use a mix of these two strategies at different points in time.



8.0 Conclusion: Considering the current Panasonic brand situation and the business strategies, we understand the company is growing profit with the support of their Innovative R&D but simultaneously the company is also losing the market share in their AV Products due to multiple and major brand players in the market and with more ideas of implementing marketing strategies to grab the market and the individual attention towards the Brand, As it is mentioned earlier that Panasonic has to work on their Company restructuring and reorganization including the change in price strategy, Advertising campaigns.

The more technology in the world definitely there will be more challenges and the obstacles for growing business globally.