

# Samsung CE Strategy

SAMSUNG  
ANALYST DAY 2013

The logo for Samsung Analyst Day 2013 features the text "SAMSUNG ANALYST DAY 2013" in a white, sans-serif font. Below the text is a stylized graphic consisting of a white swoosh that curves upwards and then downwards, ending in a yellow swoosh that curves upwards.

- Sustainable Growth and Value Creation -



Nov 2013



## **DISCLAIMER**

The materials in this report include forward-looking statements which can generally be identified by phrases such as Samsung Electronics (SEC) or its management "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar implications. Similarly, such statements that describe the company's business strategy, outlook, objectives, plans, intentions or goals are also forward-looking statements. All such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in the presentation files above.

For us, particular uncertainties which could adversely or positively affect our future results include:

- The behavior of financial markets including fluctuations in exchange rates, interest rates and commodity prices
- Strategic actions including dispositions and acquisitions
- Unanticipated dramatic developments in our major businesses including CE (Consumer Electronics), IM (IT & Mobile communications), DS (Device Solutions)
- Numerous other matters at the national and international levels which could affect our future results

These uncertainties may cause our actual results to be materially different from those expressed in this report.

# Agenda

1. **Business Opportunity**
2. **CE Strategy**
3. **Samsung CE Vision**

# Closely Tied to People's Daily Lives



Doing laundry



Cooking



Watching TV



Listening to music



Cooling

Cleaning

# Imagine Your Home Without CE Products



Doing laundry

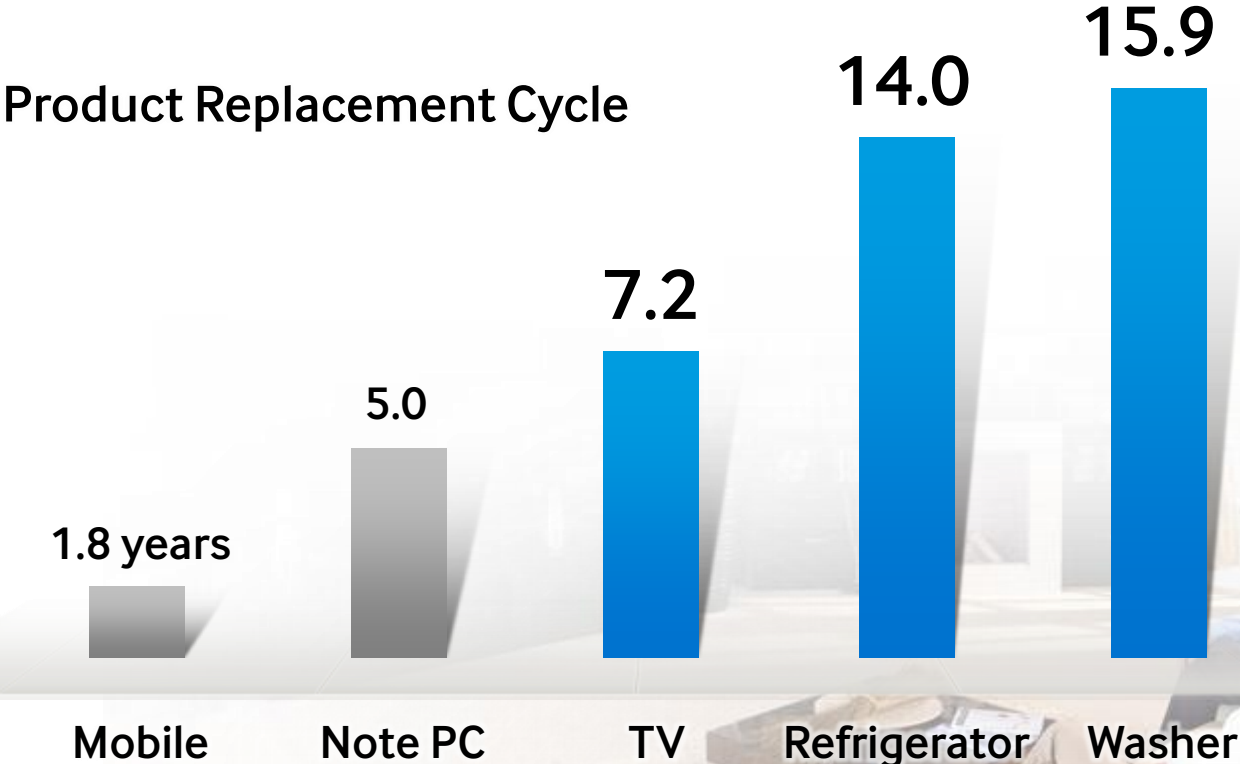
Cooking

ng to

Cooling

Cleaning

# Brand Reliability Comes First



※ Source : IMS Research(USA), Internal Analysis

# Potential to Lock-in Customers



**The First Purchase**

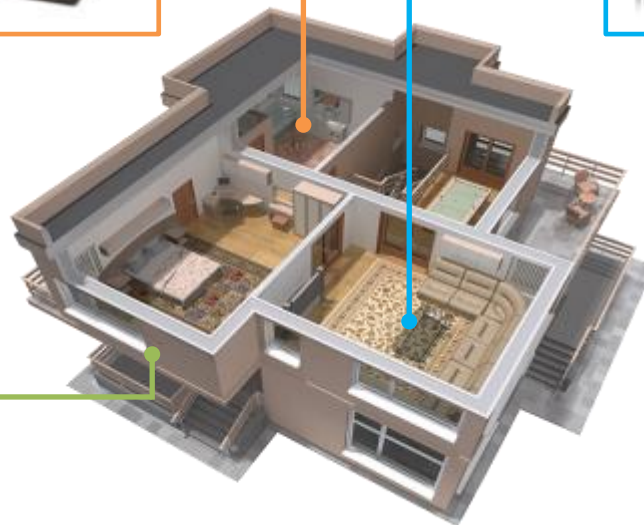


**Additional Purchase**



**Full Package**

# Experience Samsung Brand Everywhere!





# 1. Business Opportunity



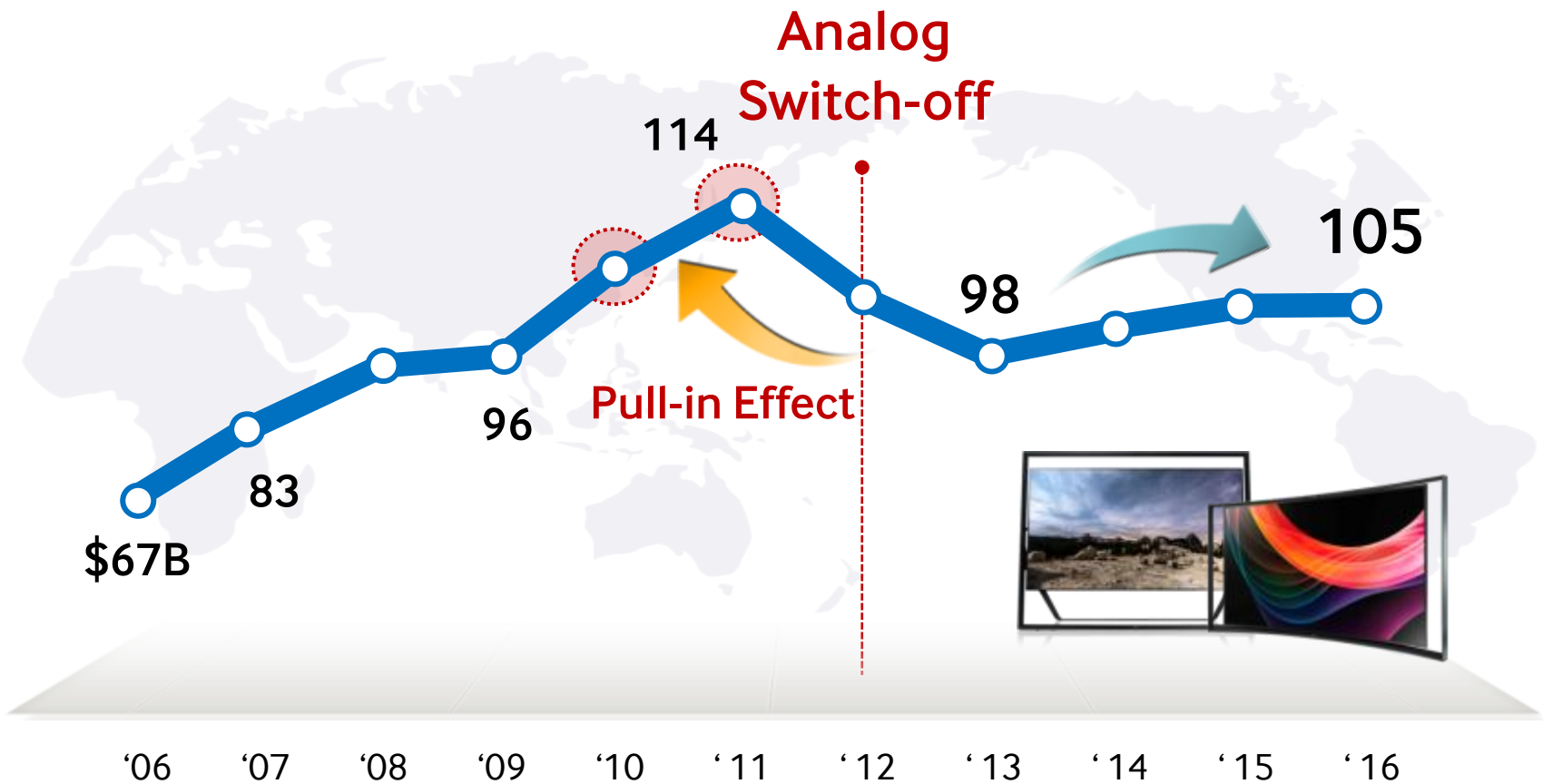
Is TV biz able to generate sustainable growth?

01

02

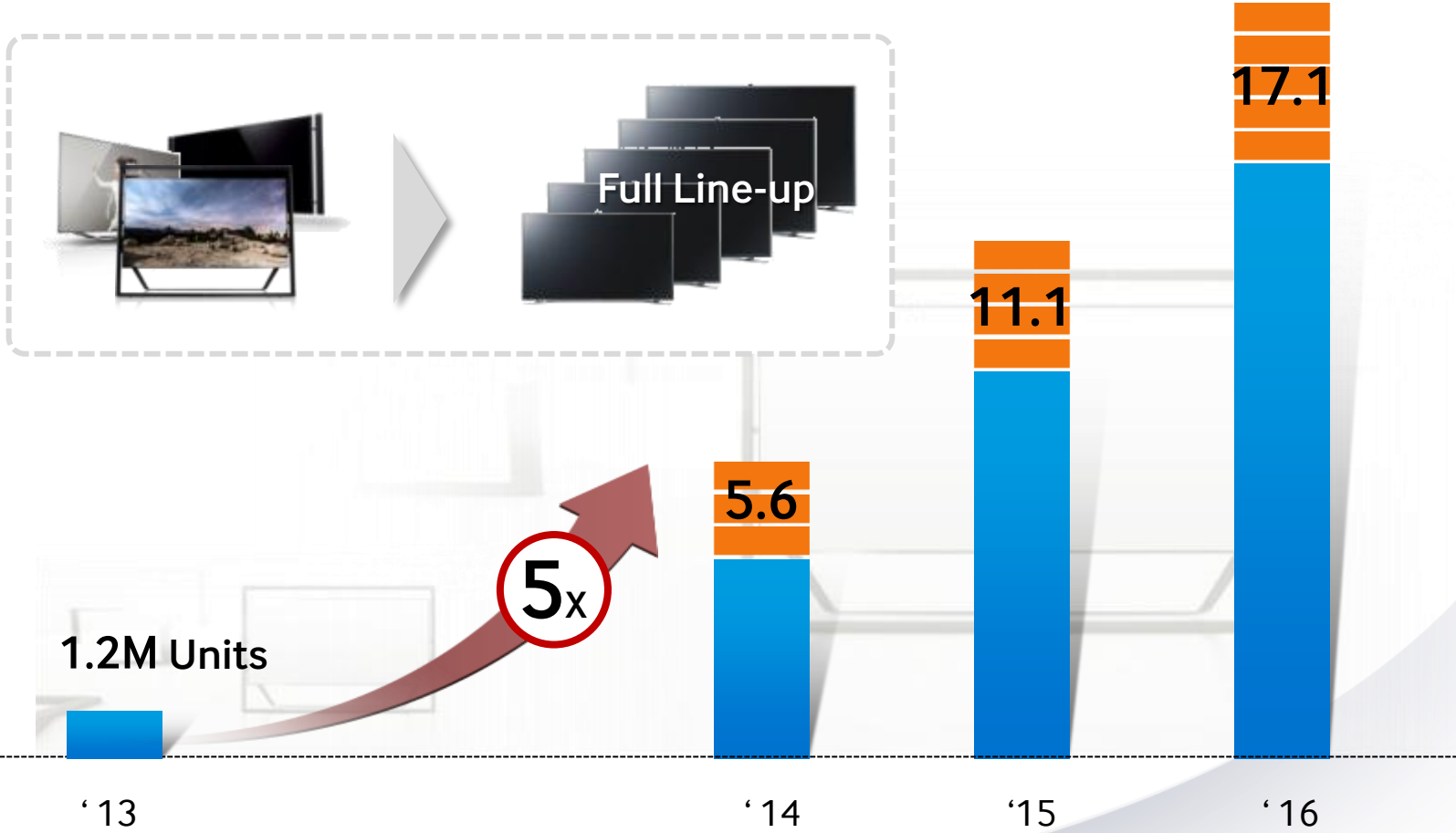
Can HA biz turn into the Samsung's next driver?

## TV Demand Growing Consistently



※ Source : Display Search FPTV (Revenue)

# UHD TV Market Ready to Explode



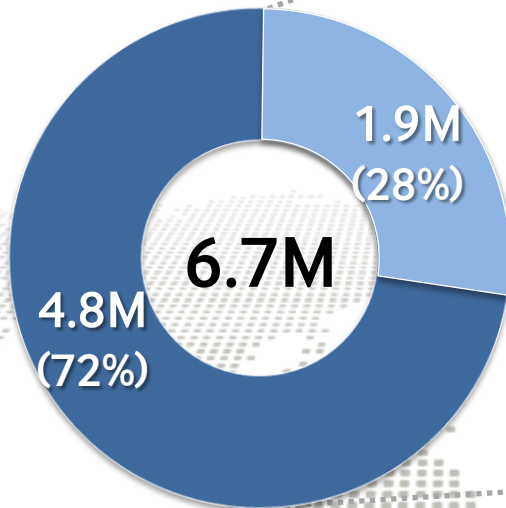
※ Source : Display Search

# Fast Growing Premium Segment

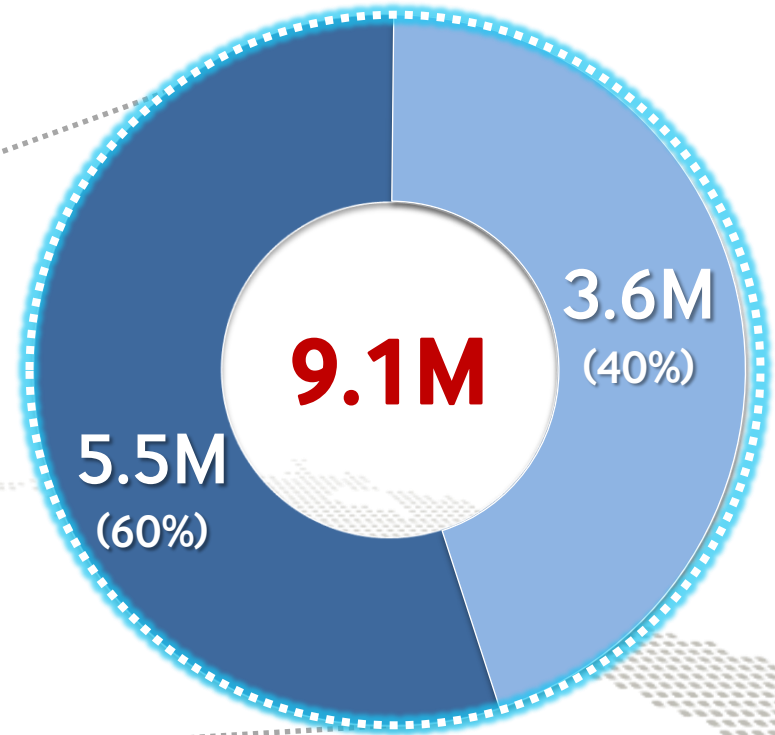


60" ↑ FPTV

■ Emerging  
■ Developed



'13



'16

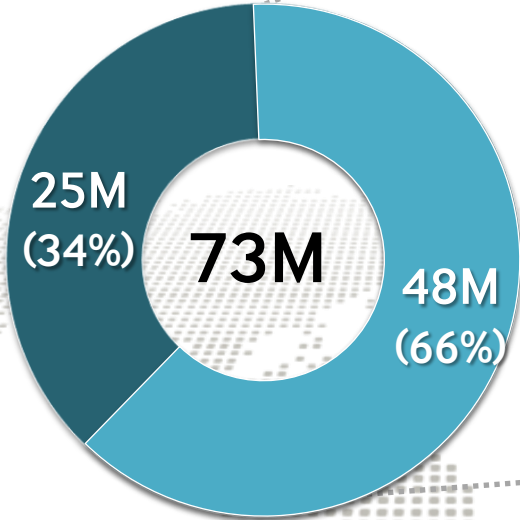
※ Source : Display Search (Unit)

# Fast Growing Premium Segment

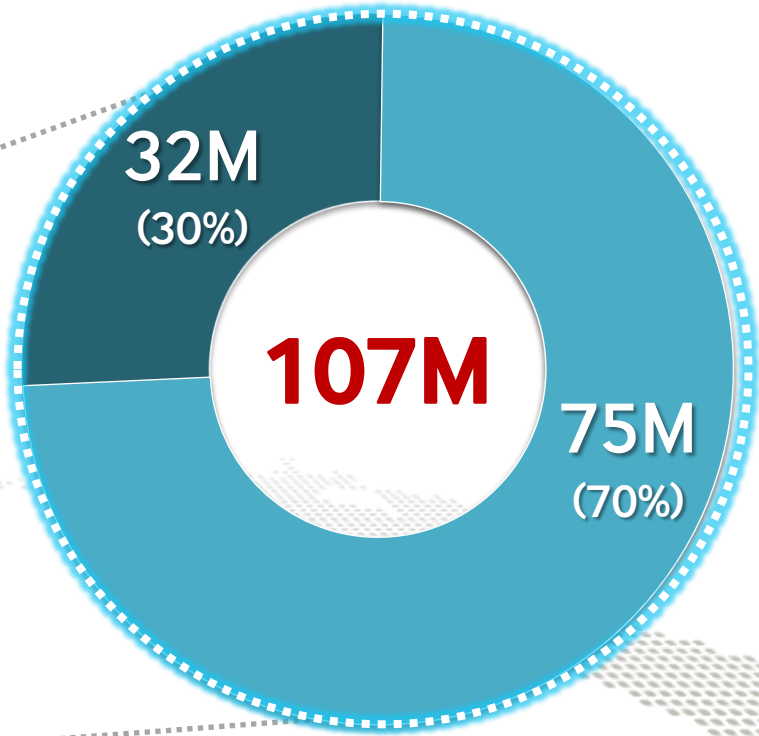


Smart TV

- Emerging
- Developed



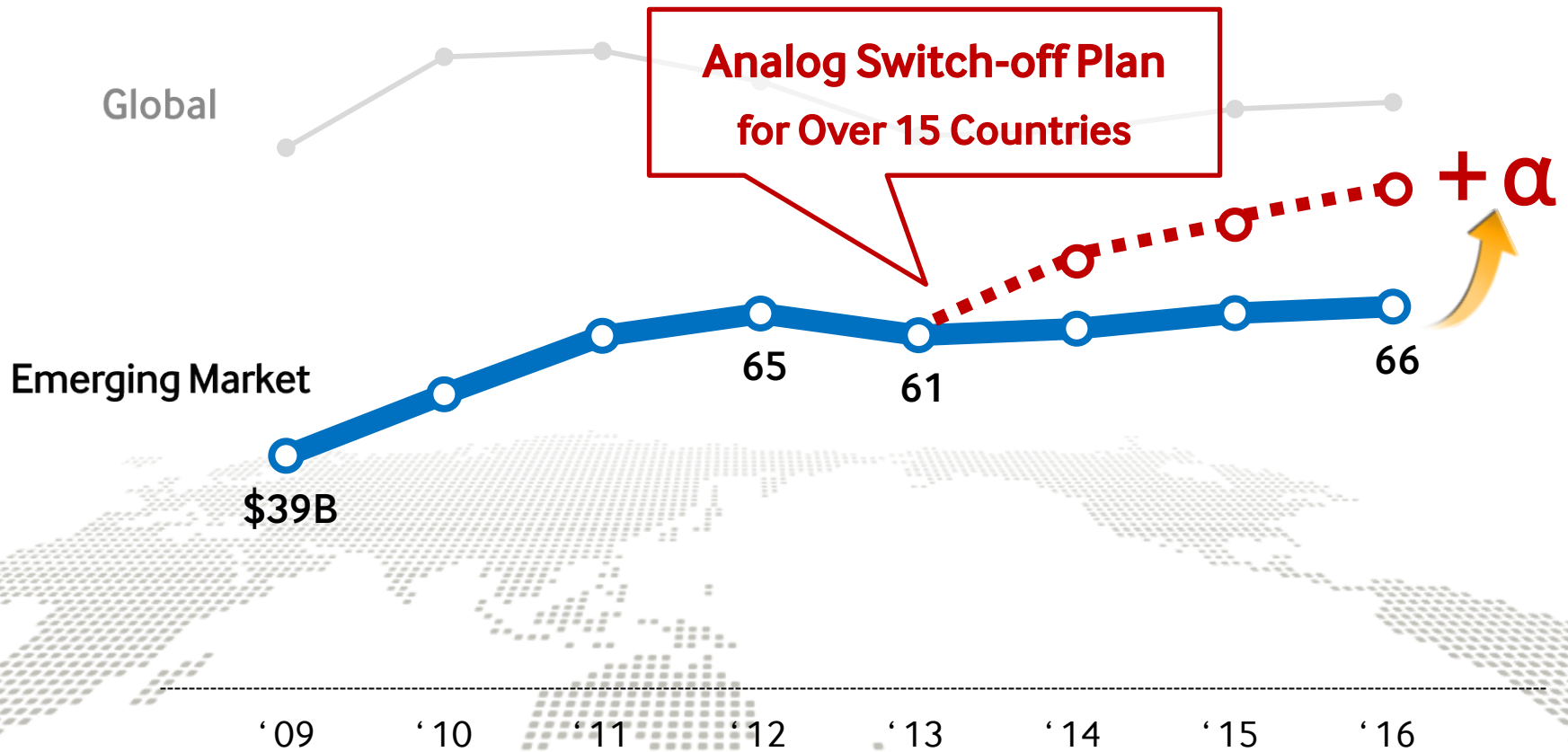
'13



'16

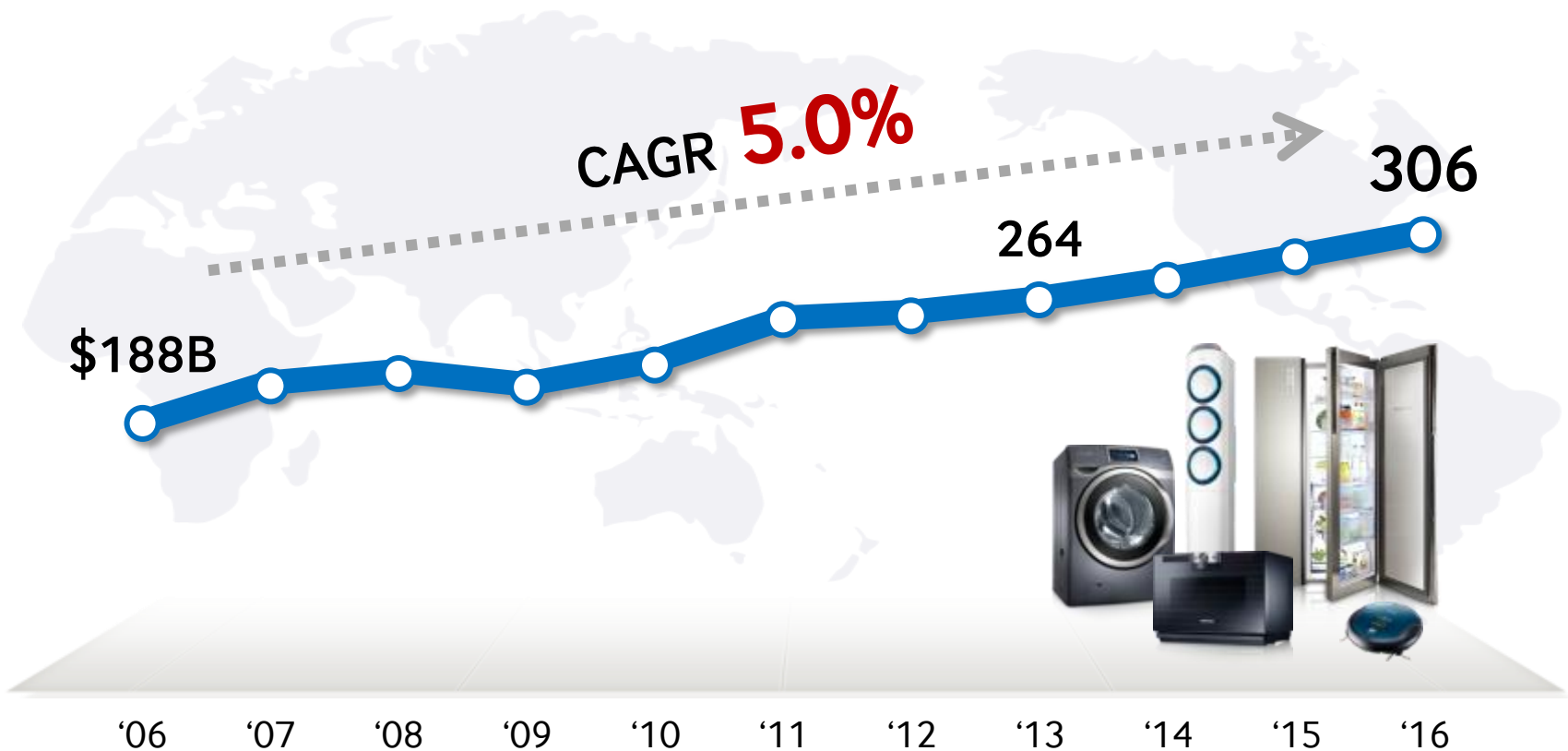
※ Source : Display Search (Unit)

# Emerging Market, Driving New Momentum



※ Source : Display Search FPTV (Revenue)

# Continuously Growing Market





# Increasing Appetite for Value-added Products



**Better  
Quality of Life**



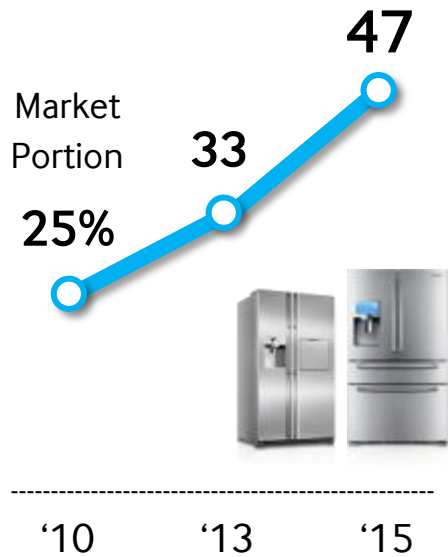
**Growing Desire for  
Premium Product**



**Increasing  
Average Price**

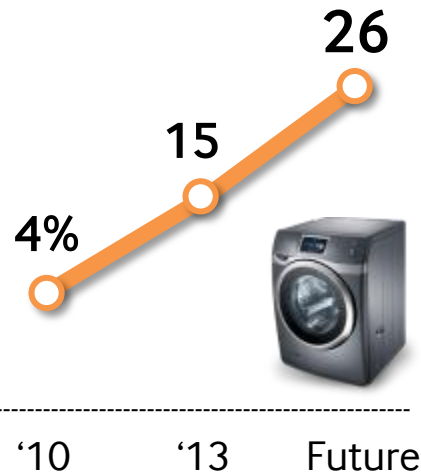
# Increasing Appetite for Value-added Products

## High End



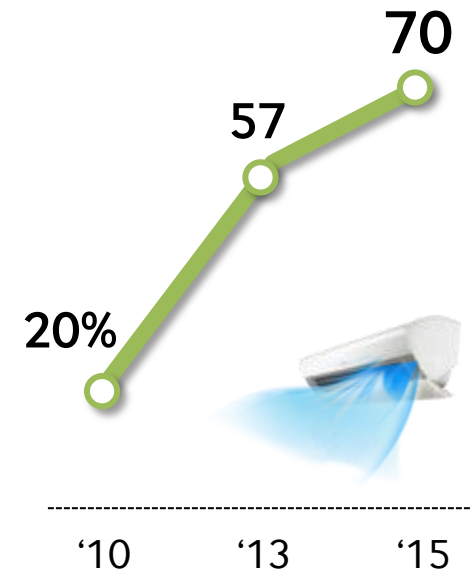
\* REF priced over \$2,000 (USA)

## Large Capacity



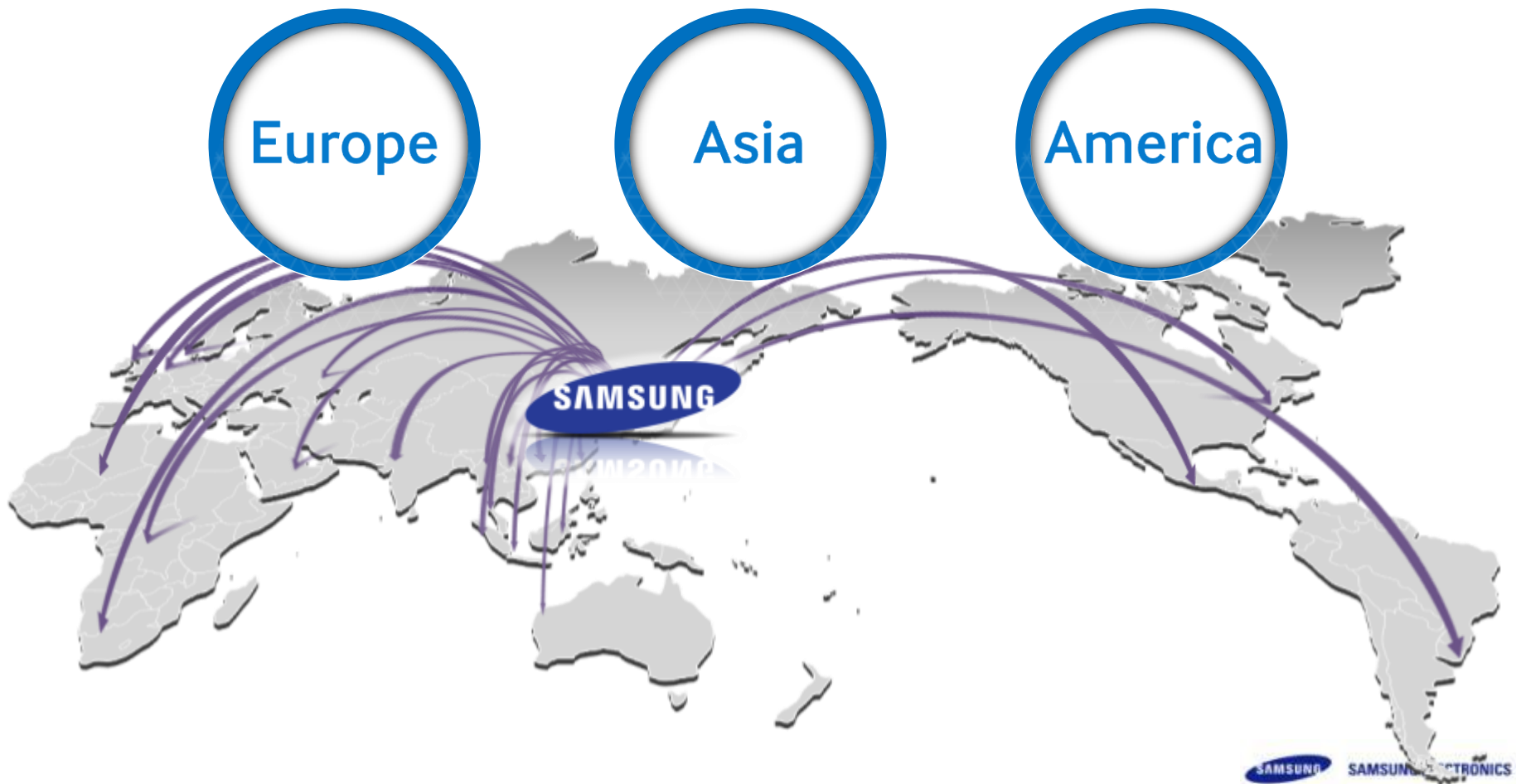
\* Washer over 8kg (Germany)

## Energy Efficiency



\* Inverter A/C (China)

# Fragmented Market with Regional Players



# Tremendous Addressable Opportunities



Addressable  
Market



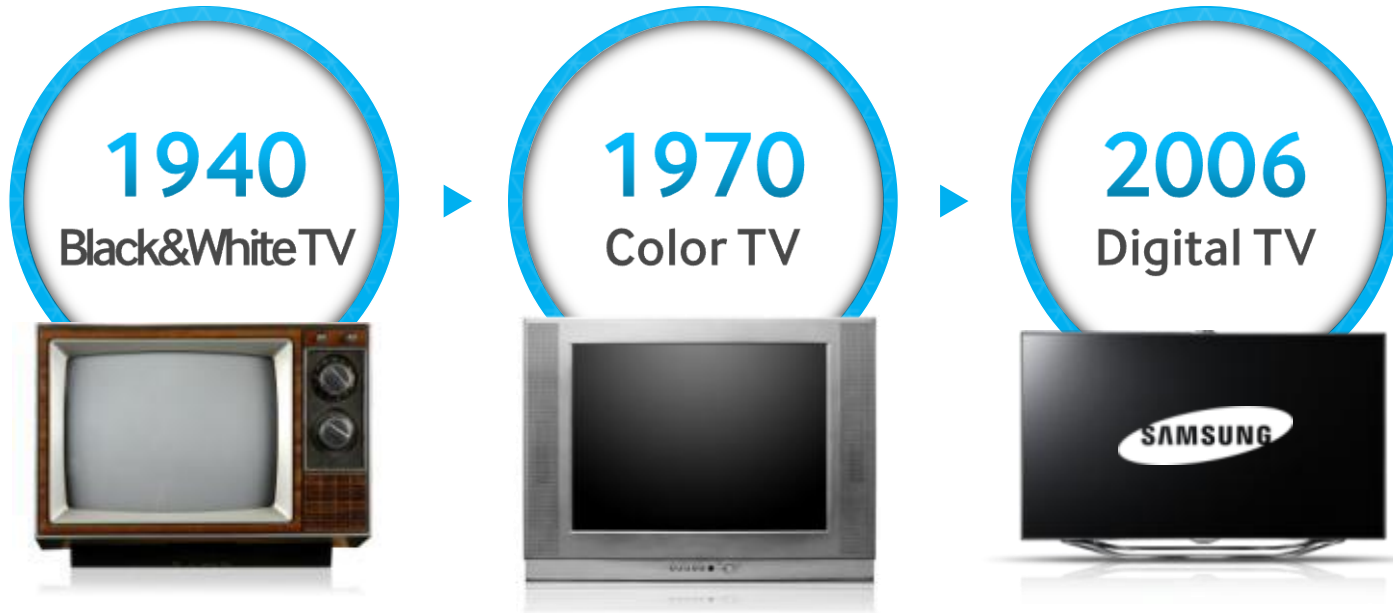
## 2. CE Strategy

The background features a dark blue gradient with abstract, flowing wavy lines in shades of teal and light blue, creating a sense of movement and depth.

TV



# Samsung TV Seized the Initiative



# Leading the Industry Trend

2006 Bordeaux



2009 LED TV



2011 Smart TV



2012 Smart Interaction





# UHD TV

World's Largest

Timeless Design



# Evolutionary TV

EVOLUTIONARY TV



Evolution Kit

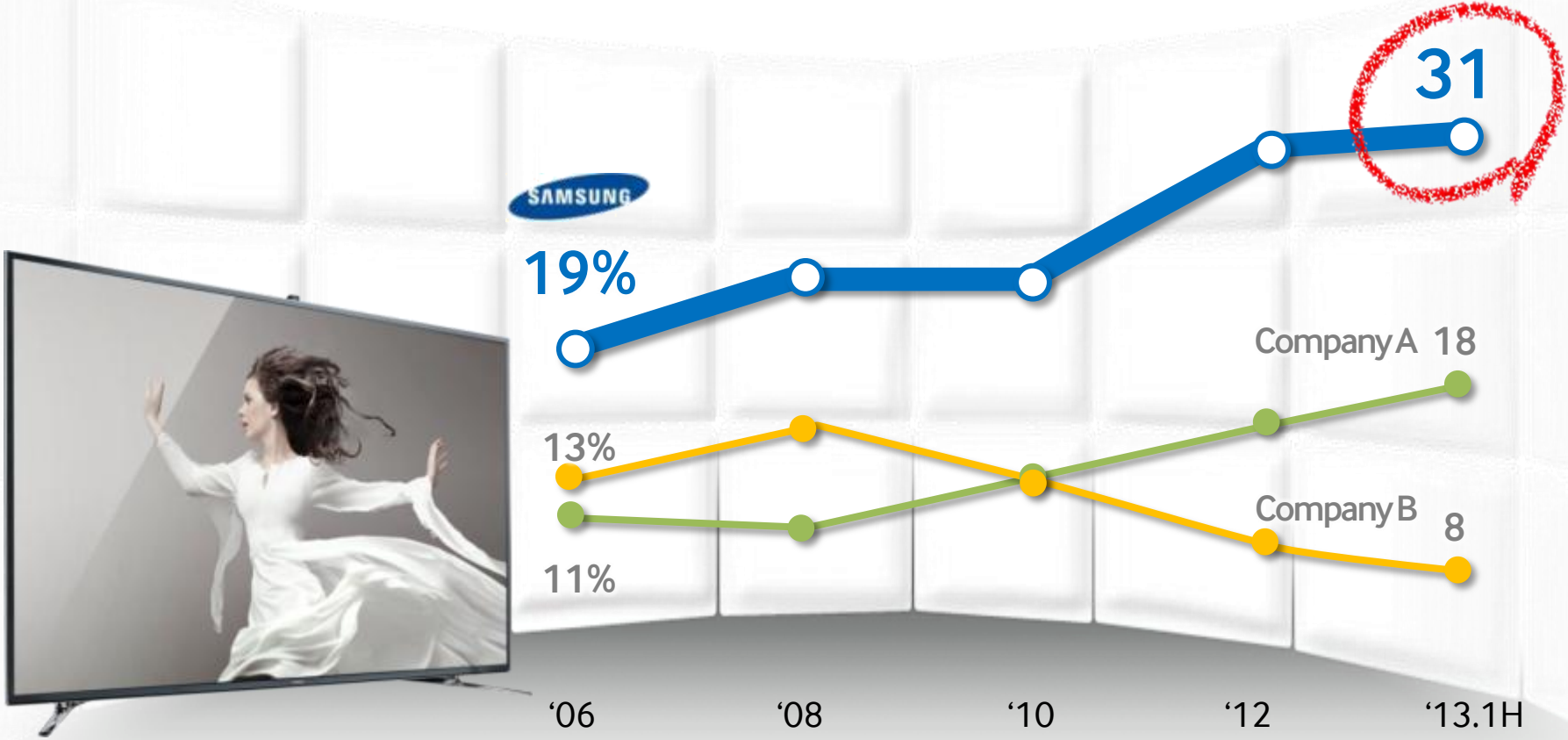
# OLED TV

Unparalleled  
Picture Quality



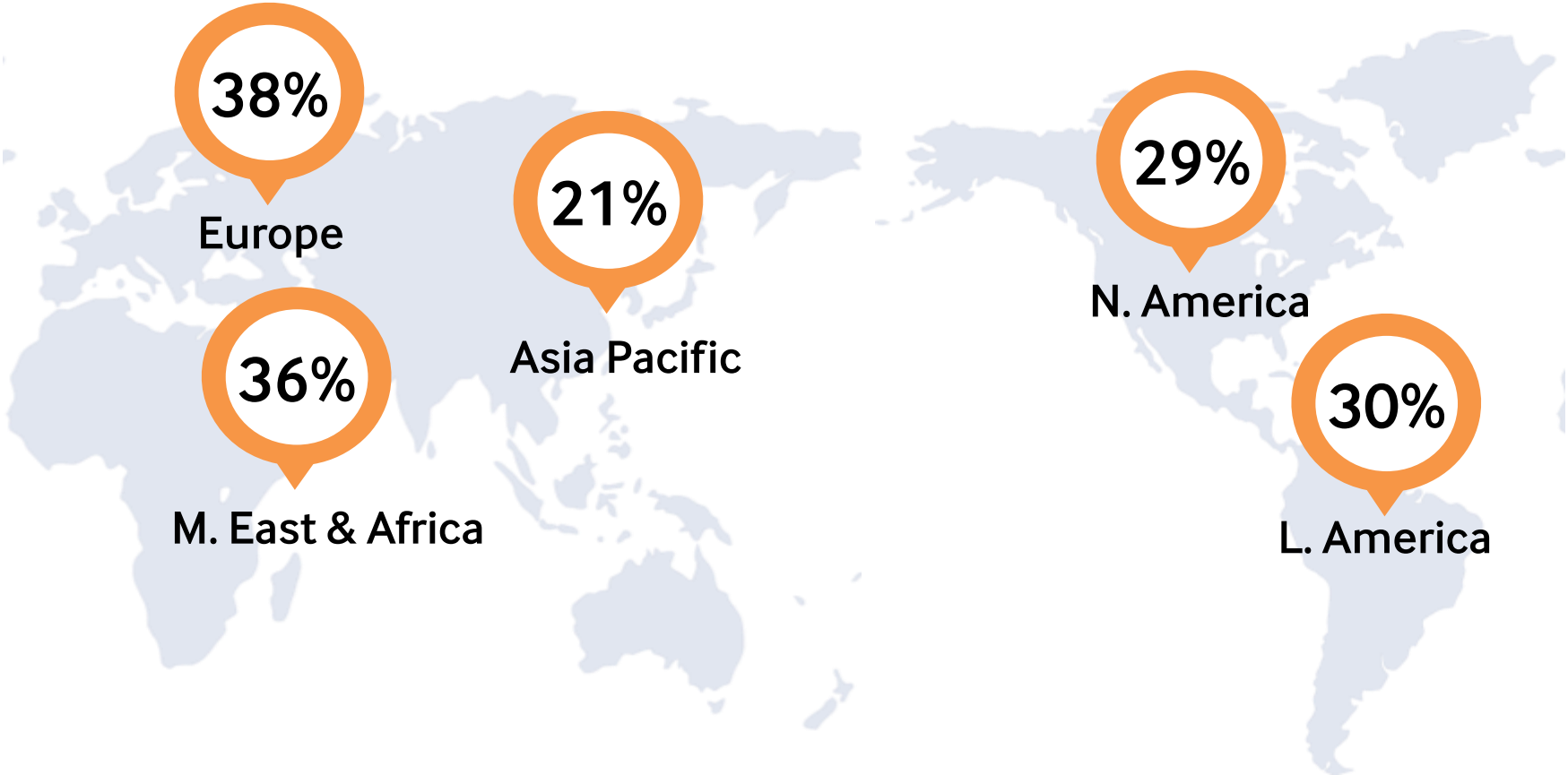
Curved Design

# Global No.1 for 8 Consecutive Years



※ Source : GfK, NPD (Revenue)

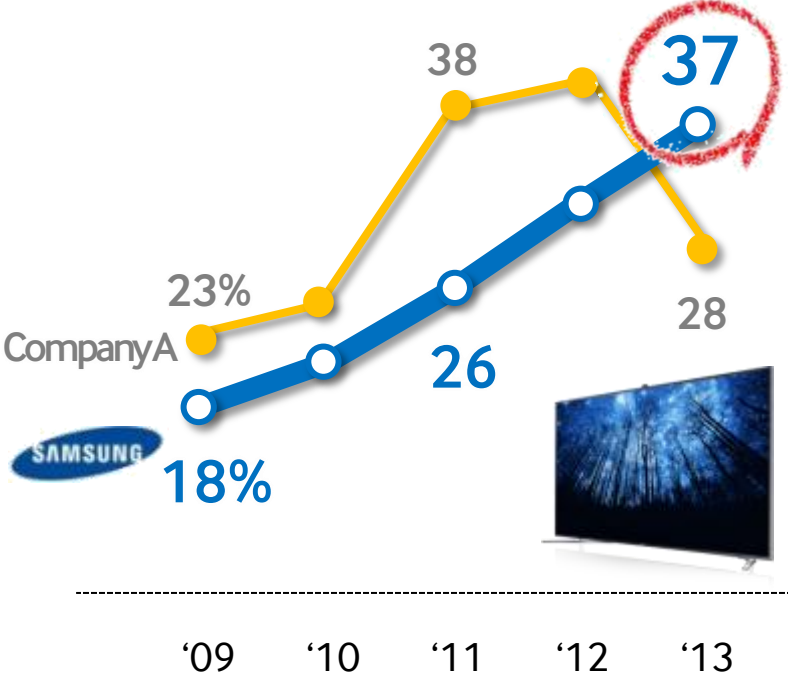
# No.1 Market Share on Key Regions



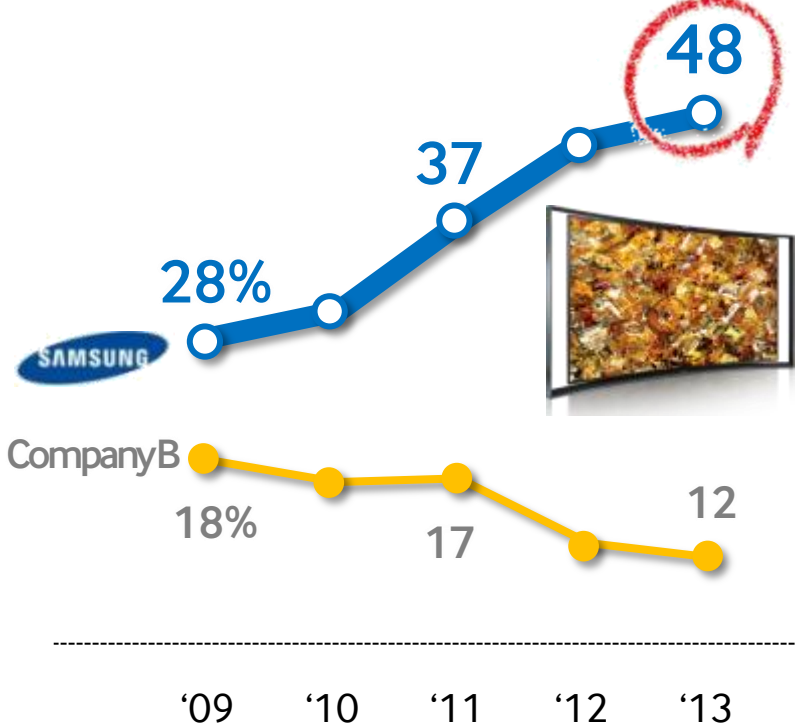
※ Source : GfK, NPD (Revenue) '13.1H

# Leading the Premium Market

Market Share of 60" ↑



Market Share of \$2,000 ↑



※ Source : GfK, NPD (Revenue) '13.3Q Cumulative

# The Most Preferred TV Brand

2006		
Rank	Company	Preference
1	Company A	41.4
2	B	11.8
3	C	9.6
4	Samsung	9.6
⋮	⋮	⋮

2008		
Rank	Company	Preference
1	Company A	30.9
2	Samsung	14.0
3	B	8.7
4	D	8.7
⋮	⋮	⋮

2013		
Rank	Company	Preference
1	Samsung	32.7
2	Company A	22.0
3	D	12.1
4	B	7.0
⋮	⋮	⋮

(Most Preferred Single Answer)

# Recent Challenges Surrounding TV Business



**Major TV  
Competitors**

**2<sup>nd</sup>-Tier  
TV Set Makers**

**IT Companies  
with New Devices**



# Lead the UHD Category

Highest **Picture Quality**

**Size** Leadership

Multiple **Form Factors**



# Reinforce Our Core Competencies



# Bring New Experience

**Easier & Faster** User Interface



**Differentiated** Content & Service

# Provide Best Shopper Experiences

**Story Zone**  
(In-store Display)



**Culture Marketing**  
(France Nuit Blanche Festival)



# Fully Prepared for Any Challenges

SAMSUNG

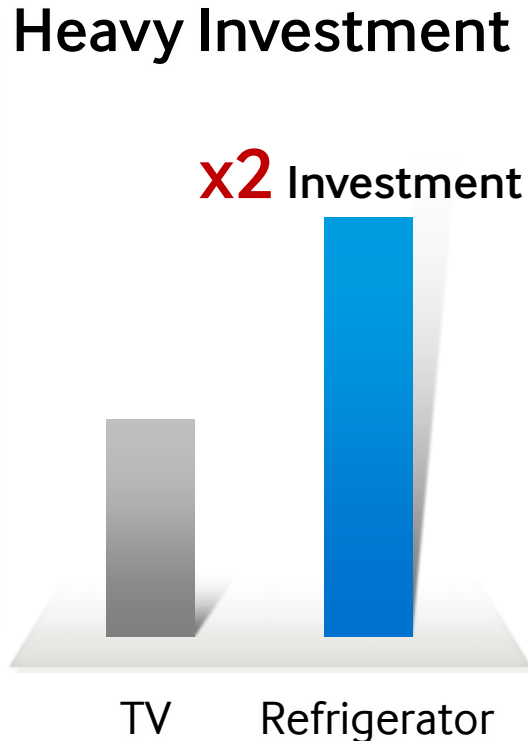
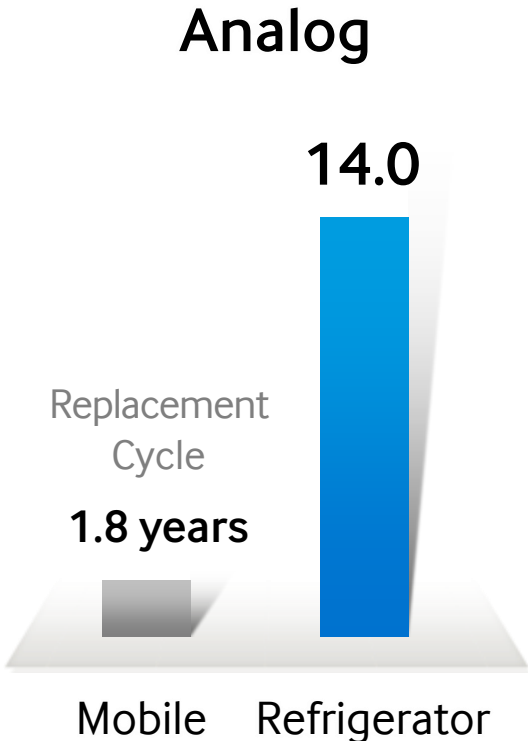
Future  
TV



# Home Appliances



# Home Appliances Industry is ...



# Slow Moving Industry

Few Technology Breakthrough in the past



Refrigerator



Washer



Air-conditioner

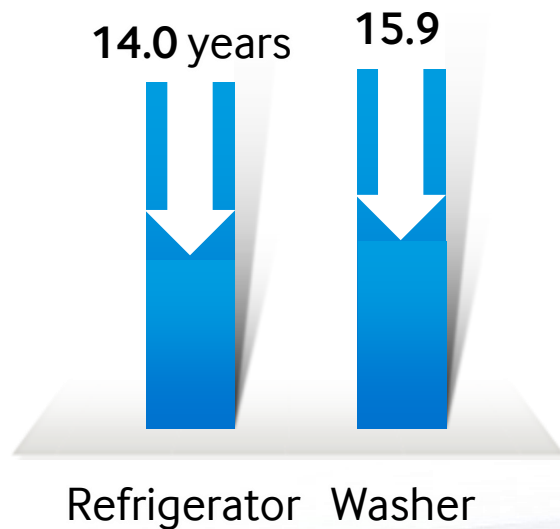




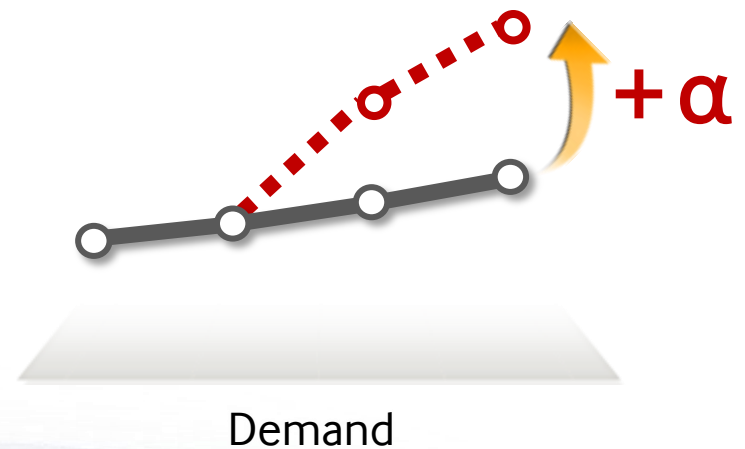
**Time to Change**  
**the Market Paradigm**

# Innovate the Marketplace

Boost up Customer Desire



Enlarge Market Size



Samsung's Innovative Products

# A Quantum Leap through Innovation





**Samsung's**

**Product Innovation**  
PRODUCT INNOVATION

## Refrigerator

# Create a New Premium Category

*New!*

1990



Side-by-side

2003



French-door

2012



T-type

2013



Food Showcase

2014~



Future REF

# Capacity Innovation



Bigger Capacity

T-type

T9000

Same Frame, More Space



# Smart Storage Solution



Unorganized



Food Showcase

# New Embedded Feature



soda**stream**



Sparkling  
Refrigerator



## Washing Machine

# Lead the Green Technology Paradigm

Performance



Energy



Water



# Washing Machine

## Lead the Green Technology Paradigm

**Eco Bubble**  
Up to 70% Less Energy

**Air Speed Dry**  
No Water Consumption  
(Conventional 52L)

**New Concept,  
New Design**

2014

W9000

# Air-conditioner

## Provide Total Air Solutions



# Design Innovation

**Turbo Jet Cooling**



Q9000

**Slim Design**

Spring  
**Air-purifier**

**55%** ↓  
Summer  
**Cooling**



Q9000  
Virus Destroyer

Winter  
**Humidifier**



# Unlimited Applications

Easy Installation

Largest Capacity

Energy Leadership  
with Inverter Technology

**Shopping Mall**  
(Hungary)

**Stadium**  
(Germany)

**Airport**  
(China)

**Resort**  
(Turkey)

**Office Building**  
(Qatar)

# Vacuum Cleaner

## Create Cutting-edge Products

Canister/Upright



Motion Sync Design

# Vacuum Cleaner

## Create Cutting-edge Products

Robot Cleaner



IT Technologies  
Remote Control

Sensors  
Visionary Mapping

Mechanics  
Pop-out Brush

## Kitchen Appliances

# Deliver the Premium Kitchen Package

### Large Market Potential

Total Market

**\$70B**

(Refrigerator \$80B)

### Core of a Premium Brand

**Built-in  
Package**

Premium  
Home  
Appliances



# Kitchen Appliances

## Deliver the Premium Kitchen Package

Oven

Hood

Microwave Oven

Cooktop

Dish Washer

**New Cooking Experience**

Dual Cook

Oil-free Fry

# Establishing a Global Business Foundation

7 manufacturing sites in 2008  $\blacktriangleright$  12 manufacturing sites in 2013



# Discovering Deep Local Insights

## 5 Lifestyle Research Lab



# Premium Marketing to Raise Value



# Premium Marketing to Raise Value

Opened **Samsung Home Innovation**  
space **at Harrods**,  
which is the Future of Retail (Sep '13)



Harrods



# Excellent Reviews across the World



“Best of the year 2013”

Side-by-side



**1 Samsung 76**  
2 Company A 75  
3 B 74

French Door



**1 Samsung 84**  
2 Company A 83  
2 B 83

Sparkling REF



Picked as  
**Spotlight**

Dryer  
(Electric/Gas)



**Excellent**  
Grade

※ Source : Consumer Report (Nov 2013)

# Excellent Reviews across the World



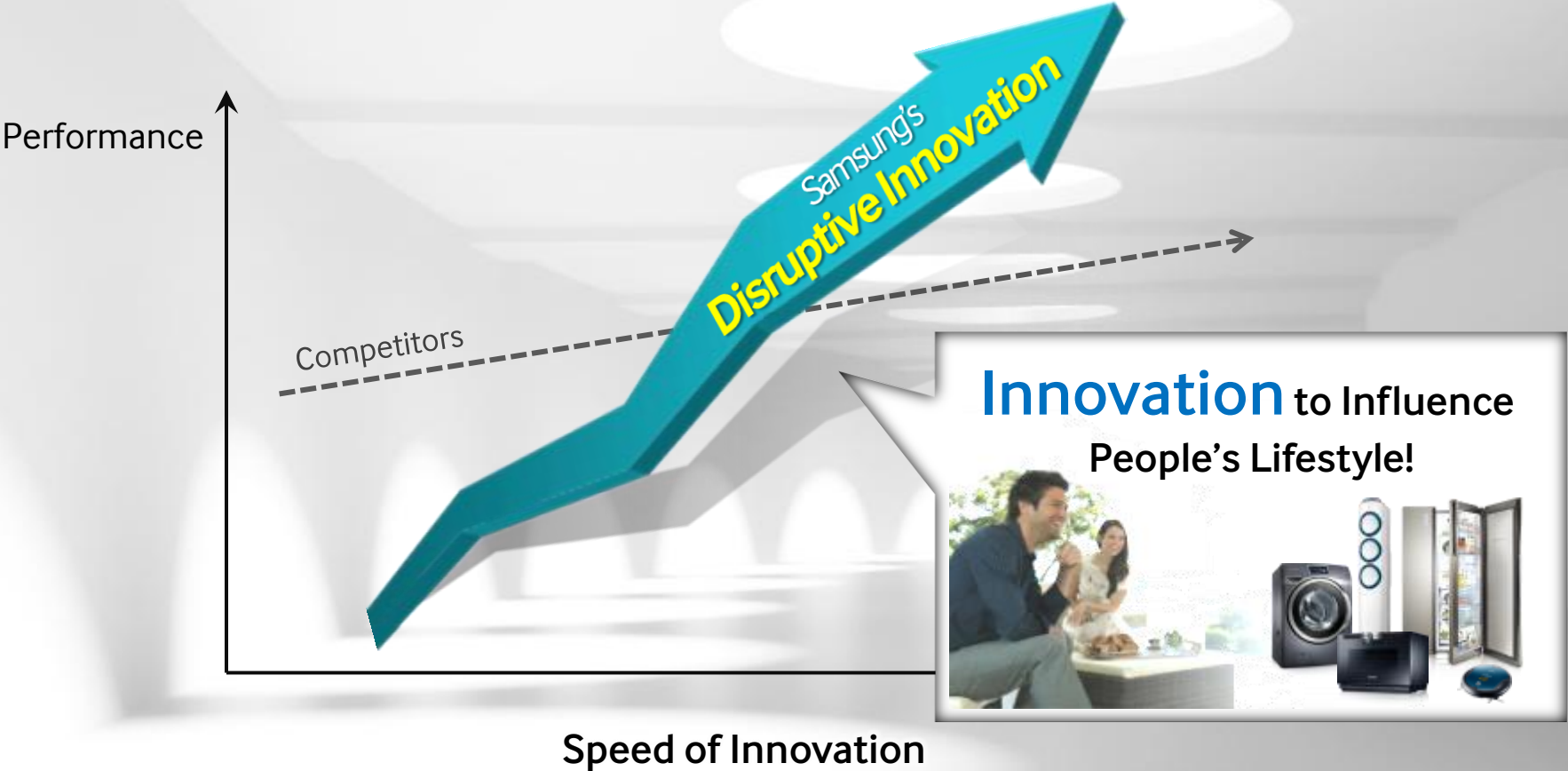
**Top Ranked**  
for 5-Consecutive Year

Washer



※ Source : J.D.Power 2013 Laundry Appliances Satisfaction Study (Aug 2013)

# HA Business will Jump Up to No.1





# 3. Samsung CE Vision

The bottom half of the slide features a decorative graphic consisting of multiple overlapping, wavy lines in shades of blue and green, creating a sense of motion and depth.

# Highlight of Samsung CE

Highlight of Samsung CE



**TV** Sustainable Growth



**HA** Global No.1

**Disruptive Innovator**

Product Leadership



Design Superiority



Marketing Excellence



**Thank you**

The bottom half of the slide features a decorative graphic consisting of multiple overlapping, wavy lines. These lines are rendered in various shades of blue and green, creating a sense of movement and depth. The lines are most prominent in the lower-left and lower-right areas, with some fading towards the center.