



# How *explosive* should the launch of the new Samsung Galaxy Note8 be?

A crisis management case by  
Tuva Brännström and Lara Siebert

# Today's agenda

Background

Case presentation

Discussion

Management decision

Evaluation

Conclusion

# Value system

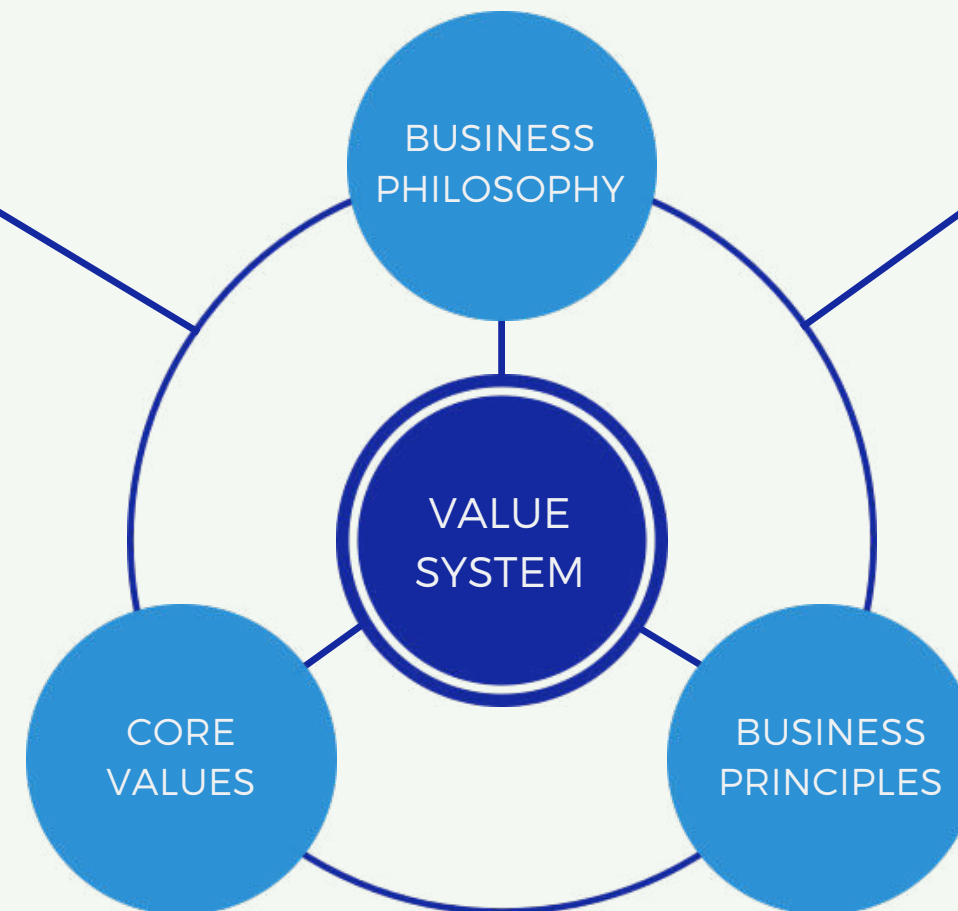
## BUSINESS PHILOSOPHY

We will devote our human resources and technology to creating superior products and services, thereby contributing to a better global society.



### CORE VALUES

People  
Excellence  
Change  
Integrity  
Co-prosperity

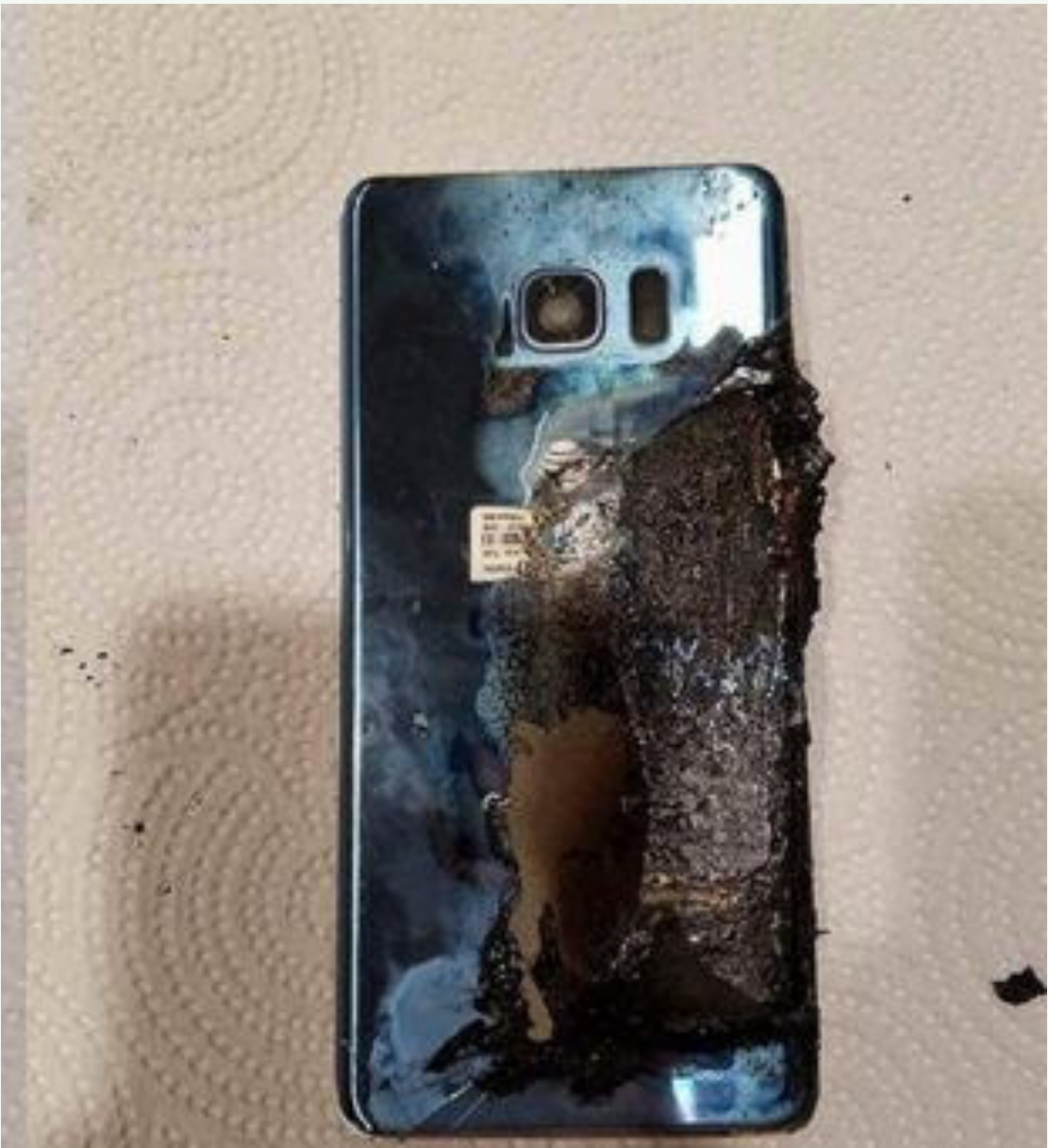
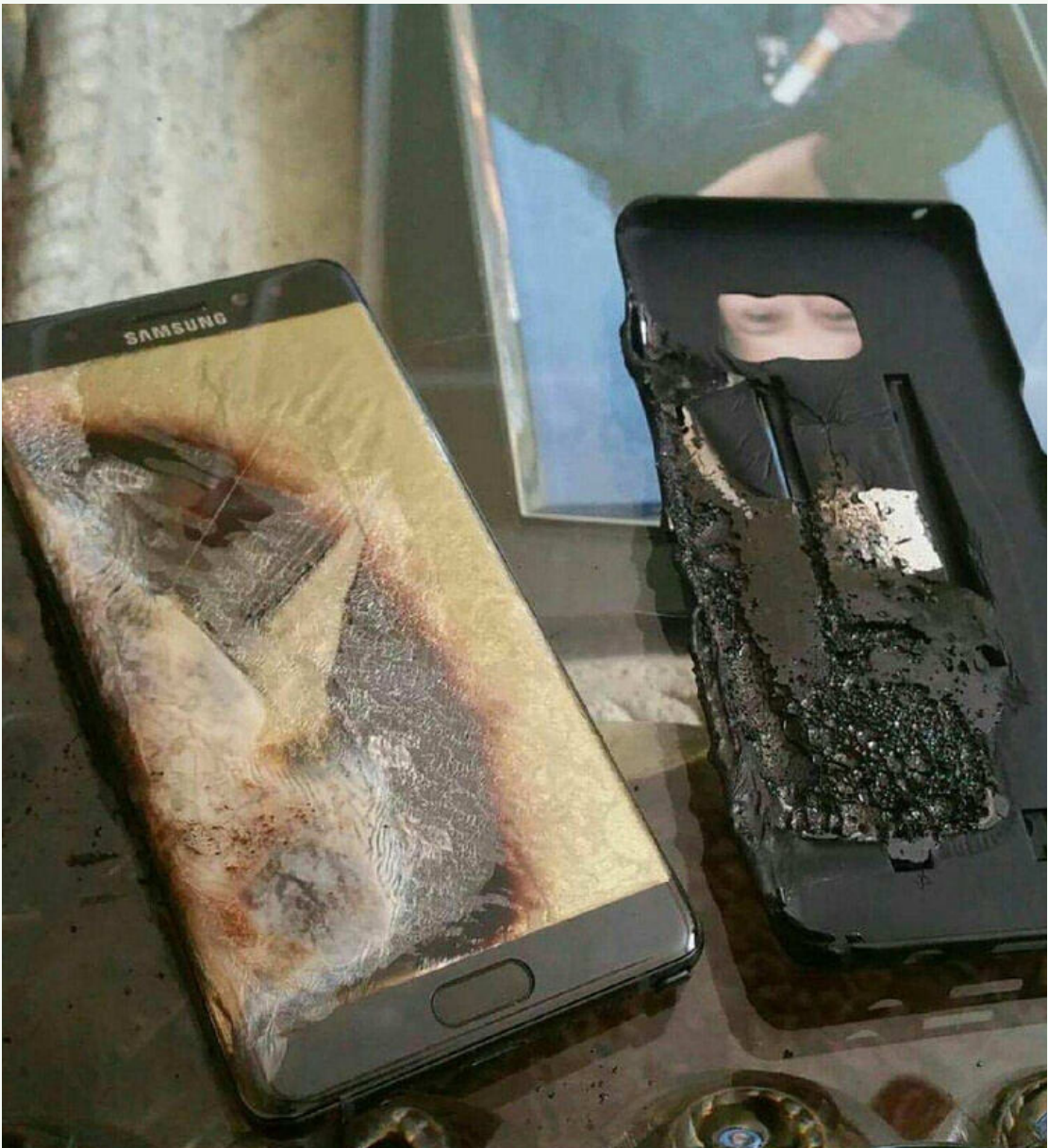


### BUSINESS PRINCIPLES

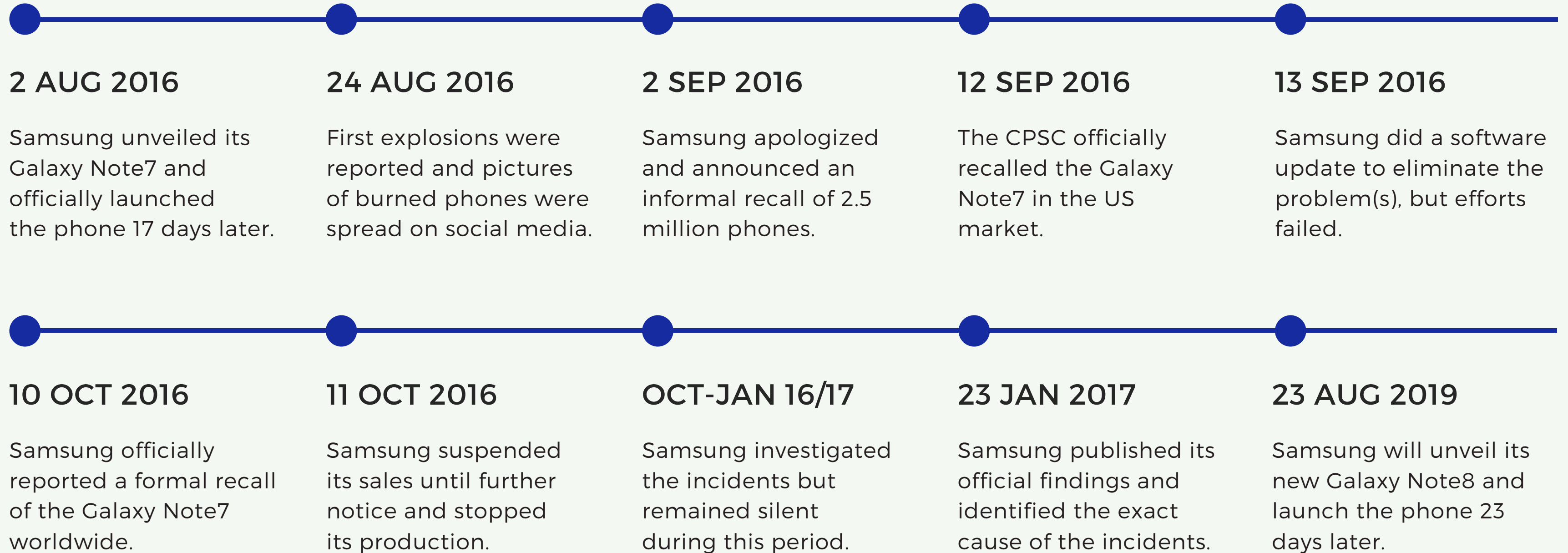
- Compliance with laws and ethical standards
- Maintenance of a dean organizational culture
- Respect for customers, shareholders and employees
- Care for the environment, health and safety
- Social responsibility

VALUE SYSTEM

# The incident



# Timeline



# Corporate Brand Identity Matrix

(Urde, 2016)



<b>VALUE PROPOSITION:</b> Provide human resources and technologies that change the world	<b>RELATIONSHIPS:</b> Immediate and open exchange with customers and partners	<b>POSITION:</b> Industry leader in a dynamic smartphone market environment
<b>EXPRESSION:</b> Distinctive logo and logotype in blue and white	<b>BRAND CORE:</b> People, excellence, change, integrity, security and co-prosperity	<b>PERSONALITY:</b> Professional, exciting, competent, progressive
<b>MISSION &amp; VISION:</b> Create superior products/services that contribute to a better society	<b>CULTURE:</b> Innovation-centered, focus on employees and their knowledge and skills	<b>COMPETENCES:</b> R&D and synergies across business segments

# How should Samsung communicate the launch of the new Samsung Galaxy Note8 and how should the company –if at all–refer to the previous crisis?

## Step 1

# Wrapping up the old chapter

Before the launch of the new Galaxy Note8, the Samsung executives communicated a sense of responsibility by going to the bottom of the crisis with a thorough and independent investigation to find the cause of the Galaxy Note7 incidents.

## Step 2

# Turning the page

With the launch of the new Galaxy Note8, Samsung centered its communication around the message to *#dobiggerthings* and positioned the phone as an upscaled device—with a full focus on new features and no reference to the previous crisis.



# Galaxy Note7 Press Conference

***DONGJIN KOH***

***CEO AT SAMSUNG ELECTRONICS***



**“We learned from the Galaxy Note7 issues and have made changes as a result. From re-assessing every step of our smartphone manufacturing process to redesigning our quality assurance program, we are committed to implementing every learning to ensure quality and safety going forward.”**

BACKGROUND | CASE PRESENTATION | DISCUSSION | MANAGEMENT DECISION | EVALUATION | CONCLUSION

# Samsung's investigation



**01**



## MASSIVE INTERNAL INVESTIGATION

Samsung assembled 700 engineers who completed months of testing on more than 200,000 devices and 30,000 batteries.

## THIRD PARTY ANALYSIS

Samsung asked three independent industry expert organizations to provide them with objective analyses.

**03**



## RE-ASSESSMENT OF ALL PROCESSES

Samsung reviewed every aspect of its processes in detail—from hardware, software, assembly and testing to logistics.

## THE FINDINGS

Finally, Samsung and its third party experts concluded that the batteries had been the cause of the issues.

**02**



**04**





# Why it won't happen again...



- ✓ Quality First
- ✓ 8-Point Battery Safety Check
- ✓ Multi-Layer Safety Measure
- ✓ Battery Advisory Group

## Step 1

# Wrapping up the old chapter

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## Step 2

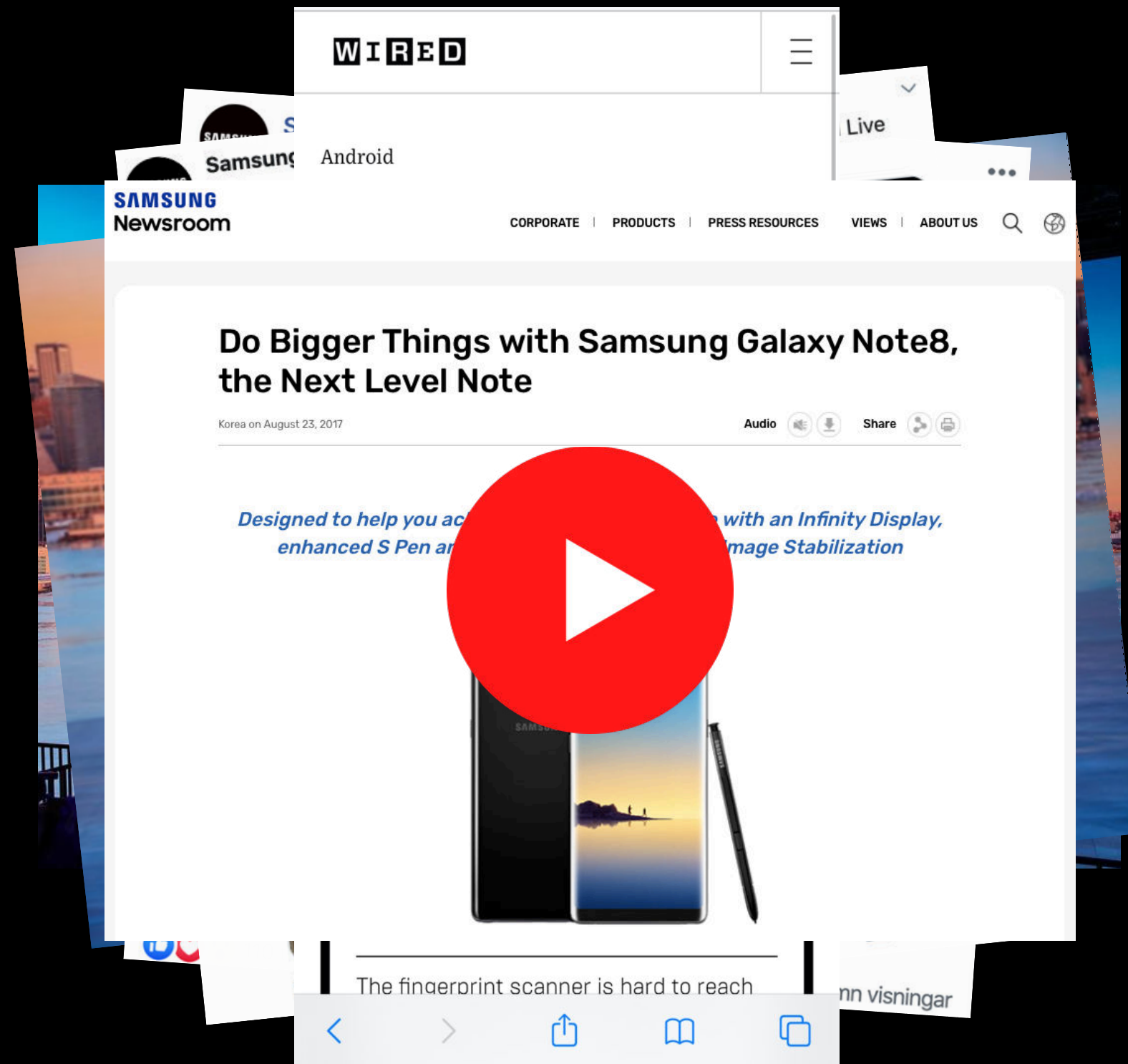
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# Galaxy Note8 “Unpacked” event



BACKGROUND | CASE PRESENTATION | DISCUSSION | MANAGEMENT DECISION | EVALUATION | CONCLUSION



- “Unpacked” event
- (Social) media advertising
- Earned media
- Press release

The Samsung logo, consisting of the word "SAMSUNG" in white capital letters inside a blue oval, is positioned in the top right corner of the image.

SAMSUNG

The background of the slide shows two women sitting at a table in what appears to be a meeting or office setting. The woman on the left has dark hair and is wearing a grey turtleneck sweater, holding a white coffee cup. The woman on the right has blonde hair and is wearing a white shirt and a dark blazer, gesturing with her hand while speaking. The overall lighting is bright and professional.

**What do you think about Samsung's actions? How would you evaluate the management decision?**

BACKGROUND | CASE PRESENTATION | DISCUSSION | MANAGEMENT DECISION | EVALUATION | CONCLUSION

# Impact

SAMSUNG

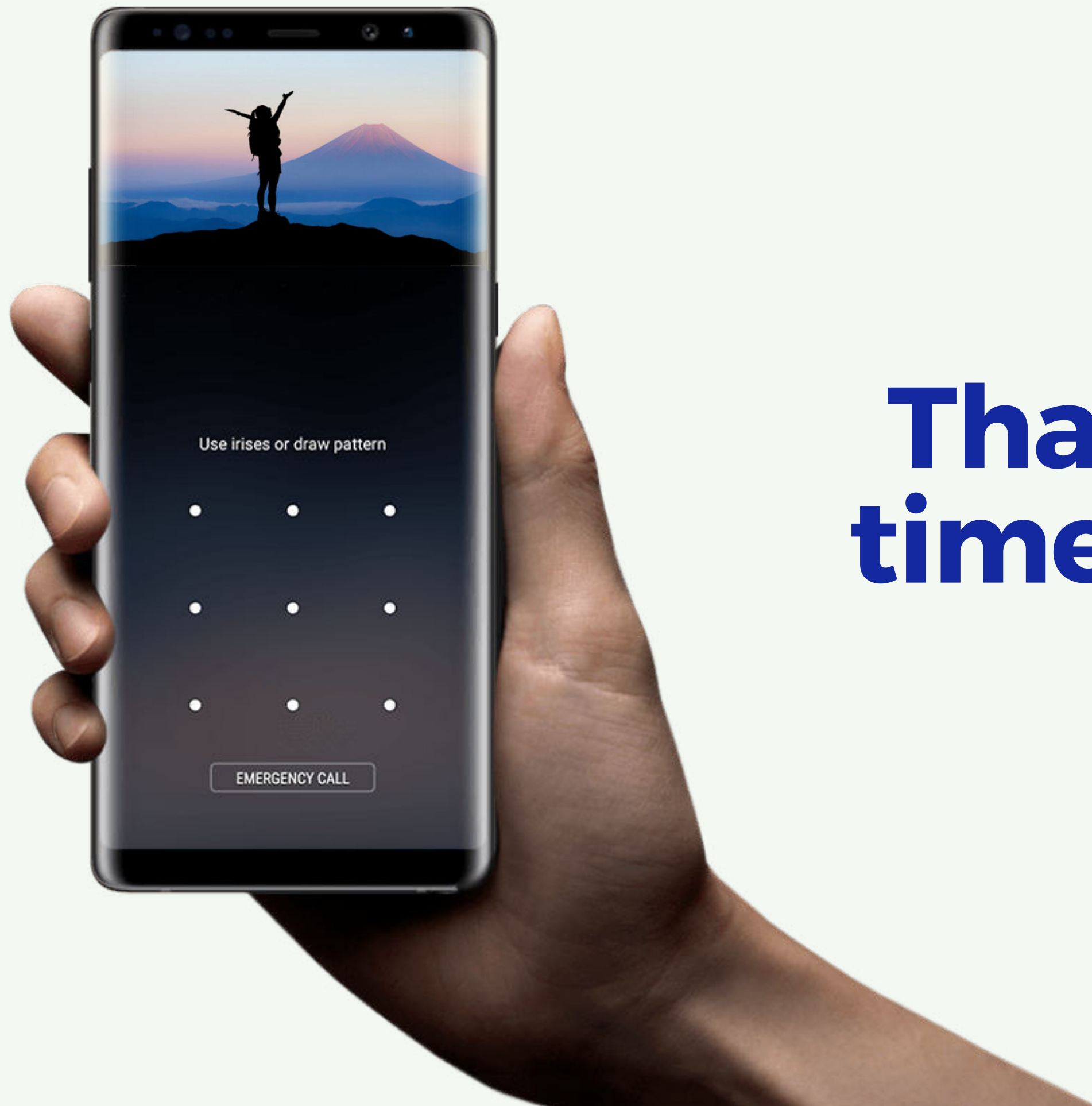
## BRAND & REPUTATION

- Re-established trustworthiness by dependable actions to solve the issues
- Increased credibility by transparent communication
- Proved responsibility by prioritizing safety to innovation
- Acted in line with its brand core

## FINANCIAL

- Highest-ever number of pre-orders for the Note series
- Highest quarterly profit ever in Q3 2017 (1/3 sourced from the mobile division, mainly from the new flagship product)
- Successfully competed with the latest iPhone and maintained its leading market position





**Thank you for your  
time and attention!**

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