

of Sony's, as shown in Figure 2.1. Samsung Electronics has had a much higher patent-to-investment ratio than Sony has precisely because it has focused its R&D efforts in technologies with clear trajectories. Its focus on general-purpose technology has let it concentrate on swift new product development and production efficiency, despite its deficiency in technological know-how. In contrast, Sony invested sizable sums in a wide range of technological areas in order to develop new products. Strategy is about focusing resources to generate competitive advantage. In this regard, Samsung Electronics is an exemplary strategic firm.

# Sea-Jin Chang (2008), Sony vs. Samsung

## 3

### Digital Dream Kids and the Digital Sashimi Shop

Sony adopted the concept of "Digital Dream Kids," which expresses Sony's desire to utilize digital technologies to create unique, fun products that fulfill the dreams of customers who have grown up in the digital age. Making the most of the seemingly limitless potential of digital technologies, Sony's staff will strive to become bright-eyed Digital Dream Kids themselves, drawing on the many audiovisual technologies that Sony has developed over the years to create new products and new markets for the digital age.

—Nobuyuki Idei, former CEO of Sony<sup>1</sup>

Speed is the key to all perishable commodities from sashimi to mobile phones. Even expensive fish becomes cheap in a day or two. For both the sashimi shop and the digital industry, inventory is detrimental and speed is everything.

—Jong-yong Yun, CEO of Samsung Electronics<sup>2</sup>

The sizable gap between Sony's and Samsung Electronics' technology level and new product development capabilities began to narrow as the industry moved from analog to digital technology. In the age of digital technologies, industry standards often exist, and all necessary technologies tend to be concentrated in one chip set. Therefore, as long

