Chapter 22
Corporate Strategies in Media Convergence: A Comparative Study of Sony vs. Samsung as Transnational Cultural Industries

Dal Yong Jin
Korea Advanced Institute of Science and Technology, South Korea

ABSTRACT
This study is a historical documentation of the recent trends of Sony’s and Samsung’s engagement in the cultural industries mainly by examining convergence between their own hardware and software to ascertain whether this trend is confirmation that Sony and Samsung play pivotal roles in the cultural market. This chapter investigates the cause of the changes and growth of Sony and Samsung, and it discusses the similarities and differences between them, with a focus on corporate policies and business strategies in convergence. In particular, it articulates the ways in which changing corporate policies have played a critical role in the growth of local-based transnational cultural corporations, because what makes them different from other firms is their approach to corporate policies of convergence.

INTRODUCTION
Over the past ten years, media convergence has been a business mantra in the global cultural industries. The enthusiasm of these industries for converging their hardware with digitalized software has been popular due to synergy effects. The ubiquity of the term synergy during the 1990s and until recent years has resulted in it becoming a must-take-business model for the cultural industries with digitalization of signals, which make the signals themselves equal, regardless of what kind of information or communication they represent (Fagerjord and Storsul, 2007). Due to synergy effects and economics of scale, those involved in the production and distribution of diverse cultural industries—both traditional media such as network broadcasting, newspaper, and computer corporations, and the new media sector, including the Internet, mobile, and cable industries—have vehemently sought convergence (Chambers & Howard, 2005; Chan-Olmsted, 1998).

Although several important factors have driven media convergence, two major causes for the
The centrality of multi-platform content strategies to contemporary cultural conglomerates also resonates in the very architecture of non-Western based cultural industries. In particular, two Asian-based cultural conglomerates—Sony in Japan and Samsung in South Korea—have turned themselves into convergence cornucopia. While advancing digital technologies, they have developed software such as film and television programs and have pursued the integration of software with hardware, which would benefit from already established global corporate brands. Sony and Samsung’s recent growth as participants of the cultural industries is largely a result of both convergence and globalization, which have been key to both firms’ strategies through commercial and technological integrations (Chang, 2008).

Regardless of the rapid involvement of Sony and Samsung in the global cultural market, there is little consensus in views on their roles in the global cultural industries. Using the example of the Sony Walkman, Paul du Gay et al. (2001), which is almost only book, analyzed how and why cultural practices and institutions have come to play such a crucial part in our lives and indicated Sony as the global cultural firm. There is no single work dealing with Samsung as a cultural corporation. Indeed, as a reflection of the recent growth of Sony and Samsung as cultural industries, there is no significant literature on the story of Sony and Samsung, although several previous works mainly focus on them as electronics corporations only (Nathan, 1999; Lee, 2006; Chang 2006). This study is therefore a historical