Methodology of analysis

Non-Market Environment: The “Four I’s”

- Issues
- Interests
- Institutions
- Information

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Samsung as a Chaebol

- Family ties
- Government influence
- Confucian values
- Korean citizen emotional attachment to Samsung

Too big to fail?

Samsung built a large share of the country’s infrastructure, from bridges to apartment blocks.

The company accounts for 13% of the country’s entire exports and a fifth of its GDP.

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- A series of corruption scandals in the last decade
- Conviction of several Samsung executives for bribing politicians
- Lee Kun-Hee, the Chairman, was charged with fraud by the Supreme Court of India

Corruption

Potential impact on Samsung:
- Losses from fines
- Losing affection of Korean public
- Undermines the image of Korean government (pardoned despite of proved corruption)- therefore can lose favorable position

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Issue

- Tax evasion, bribery and price-fixing
- Corruption of companies officials
- Cover-ups by Korean government and courts

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Interests

- Korean Government
- Samsung
- Samsung subsidiaries
- Korean citizens
- Indian Government

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Institutions

- Transparency International
- Supreme Court of India
- Freedom House
- OECD

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Information

Media attention since 2004
Articles in Guardian, Financial Times and Bloomberg
Scandalous book by Kim Yong-chul about corruption of Samsung hurt feelings of Korean people