

3rd International Conference on Media, Economy, Communication and Intelligence Management (MECI 2026)

Article

Analysis of Sony's Success Factors

Yihan Bi^{1,*}

¹ College of International Education, Shandong Agricultural University, Shandong, China

* Correspondence: Yihan Bi, College of International Education, Shandong Agricultural University, Shandong, China

Abstract: Sony has maintained long-term success and global brand influence since its official establishment in 1955, making it a typical case for studying the success factors of international technology enterprises. This seminar paper aims to clarify and analyze the core factors driving Sony's success, and explores three key research questions: how Sony succeeded in a highly competitive market, how it can maintain success, and what the main reason for its success is. The study adopts SWOT and PEST analysis methods as the core research tools. First, it combs the theoretical foundation of enterprise success factors, including the definition, classification and analysis advantages of success factors. Then, it takes Apple as a reference to verify the feasibility of SWOT and PEST analysis methods. On this basis, the paper systematically analyzes Sony's background, internal strengths and weaknesses, as well as external opportunities and threats through SWOT analysis. Meanwhile, PEST analysis is used to explore the impact of macro-environmental factors on Sony's development. The research results show that Sony's success is mainly attributed to customer-centered technological innovation, professional product layout, and the support of a stable external macro-environment; while high prices and intense market competition are important challenges restricting its development. This paper provides a reference for understanding the development logic of international technology enterprises and analyzing their success factors. Furthermore, the findings offer practical implications for managers and policymakers seeking to enhance the competitiveness of technology firms operating in dynamic global markets.

Keywords: sony; success factors; swot analysis; pest analysis; technological innovation; international enterprises

Received: 23 April 2026

Revised: 13 June 2026

Accepted: 27 June 2026

Published: 30 June 2026



Copyright: © 2026 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).

1. Introduction

1.1. Problem

Sony Corporation traces its origins to the establishment of its predecessor in 1946, with formal incorporation occurring in 1955. Over subsequent decades, the company achieved sustained global recognition and commercial success. Its consistent sales performance from 1955 to the present warrants systematic examination of the underlying drivers. A key area of inquiry concerns how multinational enterprises navigate strategic risk while pursuing long-term growth [1]. Three interrelated factors underpin this trajectory: technological capability, adaptive marketing strategy, and broad-based market penetration. Central to Sony's development has been a leadership commitment to technological foresight and innovation. The company maintains an integrated research and development function dedicated to advancing proprietary technologies.

Product development has consistently emphasized responsiveness to evolving user requirements. Between 1950 and 1982, Sony pursued a mission of enhancing daily life through novel consumer electronics, resulting in twelve major technological innovations.

In 1957, the company introduced the world's first commercially viable semiconductor radio, enabling widespread personal ownership beyond household-level access. In 1962, Sony developed the first fully transistorized desktop computer. In 1979, the portable cassette radio entered the market, gaining rapid adoption among youth demographics. By 1980, the company had reached a significant inflection point in its growth curve. Complementing technological advancement, strategic marketing has reinforced customer centricity—evident in service quality, localized production partnerships abroad, and vertically integrated manufacturing. Collaborative product development initiatives coexist with independent core technology investment. Portfolio diversification includes both flagship offerings and complementary auxiliary products designed to mitigate sectoral competitive pressures [2]. The SRG-A12 audiovisual system, for instance, supports pedagogical delivery in higher education settings, facilitating student comprehension of instructional content.

PlayStation gaming platforms enjoy widespread engagement among younger demographics, often serving as social interaction tools [3]. Television units are frequently selected during residential setup or renovation. Sony imaging equipment commands international reputation, particularly among photography practitioners seeking high-performance optical and sensor systems. Beyond operational factors, the organization's foundational purpose—'To move the world with the power of creativity and technology'—and its guiding principles—including curiosity-driven exploration, inclusive practice, ethical conduct, and environmental stewardship—have collectively shaped institutional identity and strategic coherence. These elements constitute mutually reinforcing dimensions of sustained organizational achievement.

1.2. Objectives

This seminar paper aims to clarify the key drivers underlying Sony's success and assess its current strategic position. The analysis focuses on three interrelated dimensions: technological innovation, marketing strategy alignment, and customer engagement. It addresses three central questions: what enabled Sony to achieve competitive advantage in a highly dynamic global market; how it can sustain long-term viability amid evolving industry conditions; and which factor constitutes the primary foundation of its enduring performance [4].

1.3. Structure of the Work

The first chapter of this seminar paper comprises three subsections. The problem statement introduces the context, outlining Sony's corporate background and the core topics and analytical scope of the study. The objectives section specifies the research aims and key questions guiding the inquiry [1]. The 'Structure of the Work' subsection provides an overview of the paper's organizational framework and summarizes the content and purpose of each subsequent chapter.

The second chapter presents the theoretical foundation, structured into three subsections. Section 2.1 defines business success factors, clarifying their conceptual meaning and methodological application in strategic analysis [2, 5]. Section 2.2 elaborates on typologies and classifications of success factors, offering a systematic conceptual framework. Section 2.3 discusses the strategic value and practical significance of identifying and leveraging such factors in organizational assessment.

The third chapter conducts comparative industry analysis [5, 6]. Sections 3.1 and 3.2 apply SWOT and PEST frameworks respectively to examine Apple, a peer firm operating in the same sector as Sony. Section 3.3 integrates both firms into a unified analytical space, demonstrating the methodological coherence and applicability of the chosen analytical approaches.

The fourth chapter focuses exclusively on Sony. Section 4.1 outlines the company's historical and operational background. Section 4.2 applies the SWOT framework to identify and interpret Sony's internal strengths and weaknesses, as well as external opportunities and threats [7, 8]. Section 4.3 employs the PEST framework to assess Sony's

macro-environmental context, including political, economic, social, and technological dimensions.

The final chapter synthesizes the findings, concisely summarizing the key insights from each preceding chapter and directly addressing the research questions originally formulated in Chapter 1.

2. Theoretical Foundations

2.1. Success Factors

Success factors refer to circumstances or characteristics that significantly contribute to the success of a company, project, or undertaking. The term is used variably across scholarly literature, with related expressions including critical factors, strategic success positions, key factors, critical success factors, and success components. These factors can be further classified into distinct categories.

Success factors constitute fundamental elements influencing organizational performance. Each factor represents a variable exerting measurable influence on outcomes. Within this framework, success factors are broadly distinguished as internal or external. Internal factors encompass management practices, corporate mission, organizational culture, innovation capacity, and technological capability. External factors include market dynamics, competitive environment, customer expectations, and broader technological trends [9]. Internal factors originate from within the organization and are subject to direct managerial influence.

2.1.1. Factors for Business Success

Success factors are decisive criteria and influences critical to a company's sustainable development and goal attainment [10]. To enhance competitiveness, organizations must first identify these factors through a comprehensive situational analysis that examines both internal capabilities and external environmental conditions. The relative impact of each factor on organizational performance should then be systematically assessed and prioritized. Emphasis should be placed on those factors exerting the strongest influence on outcomes. Subsequently, targeted optimization measures—aligned with both short-term operational needs and long-term strategic objectives—should be formulated and executed. Continuous monitoring and periodic evaluation of implemented measures are essential to ensure effectiveness. Moreover, success factors must be dynamically updated in response to evolving market conditions or internal organizational changes.

2.1.2. Advantages of Success Factor Analysis

Success factor analysis offers several advantages: broad applicability, operational simplicity, minimal time investment, responsiveness to both current and emerging conditions, and integrated participation of employees and management. These factors constitute foundational elements for organizational success [11, 12]. By systematically identifying and prioritizing them, organizations enhance their capacity for sustained performance. Internal success factors support the development of effective marketing strategies and clarify strategic direction, enabling focused attention on customer requirements and improved service delivery. External success factors encompass environmental influences that shape organizational outcomes; they facilitate adaptive responses to market dynamics and strengthen resilience against challenges, thereby contributing to enduring success.

2.2. Methods for Analyzing Success Factors

This seminar paper employs SWOT and PEST analyses to examine organizational success factors, as these frameworks provide a structured approach for evaluating internal and external determinants of performance. Chapter 3 elaborates on the distinctive characteristics and applications of both methods.

2.3. State of Research

2.3.1. SWOT

SWOT analysis—evaluating Strengths, Weaknesses, Opportunities, and Threats—is a widely adopted strategic framework for assessing an organization’s competitive position and informing decision-making. It integrates internal assessment with external environmental scanning. Internal factors encompass strengths and weaknesses, reflecting organizational capabilities and limitations; these are often derived from operational performance, resource endowments, technological assets, customer relationships, and marketing effectiveness. External factors comprise opportunities and threats, arising from market dynamics, regulatory shifts, technological developments, and competitive pressures. Strengths represent distinctive competencies that confer advantage over peers, while weaknesses indicate areas requiring improvement to enhance operational efficiency or strategic alignment. Opportunities denote favorable external conditions that may be leveraged for growth or innovation; threats refer to adverse external forces that could undermine stability or performance [13]. By systematically organizing these elements, SWOT analysis yields a concise, structured overview of the organization’s current strategic posture.

2.3.2. PEST

PEST analysis is a strategic framework used by organizations to systematically assess external macro-environmental factors—political, economic, social, and technological—that influence operational effectiveness and strategic positioning. This analysis supports decision-makers in evaluating how such factors may shape long-term organizational performance and strategic direction.

Government-related factors encompass regulatory frameworks, fiscal policies—including taxation and incentives—as well as trade-related measures such as import regulations. Shifts in national governance and global developments may significantly affect organizational planning and execution. Economic factors include interest rates, exchange rate fluctuations, macroeconomic growth trends, market supply-demand dynamics, inflationary pressures, and cyclical economic conditions. Social factors reflect demographic characteristics—such as population size, age structure, and mobility—as well as prevailing cultural norms, values, and societal expectations within target markets. Technological factors consider the pace and direction of innovation across sectors, including advancements in artificial intelligence, automation, robotics, cybersecurity, data management practices, and broader digital transformation trends.

2.4. SWOT Analysis and PEST Analysis in the Technology Industry

Sony and Apple operate within the same global technology industry. Apple is a multinational technology enterprise headquartered in the United States, with core product lines including the iPhone, iPad, Mac, Apple Watch, and AirPods. Its strong technological capabilities constitute a key competitive advantage, contributing significantly to brand recognition and consumer loyalty. Technology companies in this sector consistently prioritize user-centered design and strive to enhance overall user experience. Apple maintains a high level of innovation, having introduced several influential products in recent years—including the iPad, Apple Watch, and Vision Pro—that have meaningfully impacted daily life and professional workflows. A defining feature of Apple’s strategy is the tightly integrated ecosystem across its hardware and software platforms, which enhances convenience and productivity for users. Product aesthetics—characterized by simplicity and refined design—resonate particularly with younger demographics. The Mac platform is widely adopted among digital content creators, especially for video editing tasks, owing to its performance and software compatibility. Customer support services are systematically delivered across official and authorized retail channels. Accessibility features, such as VoiceOver on iOS devices, support independent usage by individuals with visual impairments; Apple also incorporates inclusive employment practices, including hiring individuals with disabilities in direct retail operations. Nevertheless, certain structural limitations persist. Premium pricing—especially for newly launched devices like the Vision Pro—positions Apple products at a higher cost point relative to many competitors. Furthermore, Apple’s

exclusive reliance on proprietary operating systems (iOS, macOS) limits cross-platform interoperability. While offering streamlined functionality, these systems lack native compatibility with Windows-based applications and ecosystems, potentially restricting adoption among users dependent on Windows-specific software. Supply chain resilience is constrained by concentrated supplier relationships, and distribution remains limited to company-operated and authorized retail outlets—making production and market availability vulnerable to supply chain disruptions. Full realization of the ecosystem's benefits typically requires ownership of an iPhone as the central hub; users without an iPhone may experience diminished integration across other Apple devices. Globally, growth opportunities remain substantial, particularly through deeper penetration into emerging markets. Rapid advancements in artificial intelligence present avenues for next-generation product development and service enhancement. Strengthening ecosystem coherence—through improved cross-device continuity, cloud synchronization, and third-party developer engagement—could further elevate user retention and satisfaction. However, significant external challenges exist. Intensifying competition from globally active firms—including Samsung and Huawei—exerts continuous pressure on market share and innovation timelines. Regulatory divergence across jurisdictions affects importation, distribution, marketing, and post-purchase functionality of Apple products. Moreover, the accelerated pace of technological obsolescence necessitates sustained R&D investment to maintain relevance and competitiveness.

Apple's recent expansion has been shaped by prevailing macroeconomic conditions. Political factors include generally supportive industrial policies and tax frameworks for foreign enterprises in many jurisdictions, alongside stable governance environments that foster long-term business planning. International commitments to scientific advancement—such as national strategies promoting research and development—and robust legal frameworks for intellectual property protection have facilitated Apple's capacity for sustained innovation and global commercialization. Economic factors reflect the deepening effects of globalization, which has intensified interconnectivity among markets, societies, and infrastructures. Within the highly competitive electronics and technology sector, multinational corporations benefit from scale advantages, established distribution networks, and diversified revenue streams, enabling them to maintain substantial market presence. Social factors underscore the pervasive integration of digital technologies into everyday life: internet connectivity has transformed communication, commerce, education, and entertainment, rendering personal electronic devices essential tools for both private and professional domains. Apple's ecosystem exemplifies this trend, reinforcing device indispensability through seamless interaction between mobile, desktop, and wearable platforms. Technological factors highlight science and innovation as fundamental drivers of industrial progress. Apple's persistent emphasis on user needs and experiential quality underpins customer satisfaction and brand loyalty. Concurrently, product life cycles continue to shorten as companies accelerate new product introductions. In the consumer electronics industry, technological advancement is not merely advantageous but existential—determining viability, differentiation, and long-term sustainability. Continuous consumption renewal, driven by evolving user expectations and functional enhancements, remains the principal catalyst for industry evolution [14].

3. Analysis of Success Factors

3.1. Analysis by Sony

This chapter applies SWOT and PEST analytical frameworks to examine the key drivers underlying Sony's sustained success [15].

Sony, established in 1946, is a Japanese multinational technology enterprise and one of the world's leading manufacturers of consumer and professional electronics. It also holds a dominant position in the global video game console market as both manufacturer and publisher [16]. Between 1950 and 1982, the company introduced twelve foundational

technological innovations that significantly contributed to its international reputation. Core product lines include digital cameras, televisions, audio systems, and headphones.

3.2. Analysis of Sony's Success Factors

3.2.1. SWOT Analysis

As a globally recognized brand, Sony possesses multiple competitive advantages. First, it maintains an in-house research and development capability, consistently aligning innovation with user-centered design principles; for instance, its headphones combine high-fidelity audio performance, effective noise cancellation, and minimalist aesthetics—attributes particularly resonant with younger demographics. Second, Sony's product portfolio emphasizes technical sophistication and functional precision, making its imaging equipment a preferred choice among professional photographers. Third, the company operates an integrated manufacturing model, with production facilities strategically located across multiple countries, thereby ensuring consistent quality control and enhancing end-user experience [17]. Complemented by a vertically coordinated supply chain and comprehensive after-sales support infrastructure, Sony has cultivated a substantial and highly engaged customer base. However, certain limitations persist: many of its core product categories—such as dedicated digital cameras—exhibit relatively low frequency of use in everyday consumer contexts. Furthermore, premium pricing strategies may constrain market penetration, especially among price-sensitive segments. Marketing communications have demonstrated limited differentiation compared to industry peers, with advertising initiatives often lacking distinctive creative appeal or strategic resonance. Technological evolution continues to generate new growth avenues, including expansion into high-potential emerging markets characterized by accelerating economic development and rising disposable income. Diversification efforts—such as broadening product functionality to better serve mainstream usage patterns—could strengthen relevance across broader demographic groups. Adjacent application domains, including medical-grade display technologies currently explored by other electronics firms, represent plausible areas for strategic R&D extension. Concurrently, the sector faces significant external challenges: macroeconomic headwinds, including global economic slowdowns, tend to disproportionately affect discretionary purchases of premium-tier electronics. Intense competitive pressure arises from established multinational corporations—including Samsung, Apple, and Nintendo—as well as an increasingly crowded marketplace, contributing to demand saturation and margin compression across key product lines.

3.2.2. Analysis by PEST

External influences from the macro environment significantly shape Sony's strategic positioning. Political factors: Government policies and regulatory frameworks in each operating jurisdiction directly affect Sony's business operations. As a multinational enterprise, Sony must align its practices with local governance structures, which determine the scope and conditions under which commercial activities are permitted. A predictable and consistent political climate supports long-term planning and operational continuity. Given Sony's presence across diverse geopolitical contexts, variations in policy stability—such as changes in trade regulations, data localization requirements, or foreign investment rules—can influence market access, supply chain resilience, and brand reputation. Economic factors: Emerging markets present growth opportunities driven by rising consumer demand and infrastructure development. Concurrently, economic stability in mature economies enables sustained investment in research, distribution networks, and customer engagement initiatives [5]. Increasing global disposable income enhances purchasing power for premium entertainment and electronics products. However, because Sony's offerings fall within the discretionary consumption category, demand elasticity rises during economic contractions; sales performance therefore correlates closely with macroeconomic health. Periods of steady economic expansion typically coincide with heightened consumer spending on audiovisual equipment, gaming hardware, and digital content services. Social factors: In stable socioeconomic

conditions, demand for experiential and recreational products increases. Sony's portfolio—including film, music, and interactive entertainment—aligns with evolving lifestyle preferences centered on digital leisure and personal enrichment. The growing popularity of online gaming has reinforced the strategic importance of the PlayStation platform, while broader societal openness toward immersive media experiences expands potential user bases. These trends highlight how demographic shifts, generational values, and cultural attitudes toward technology-mediated recreation collectively support Sony's market relevance. Technological factors: Continuous innovation remains central to Sony's product lifecycle management and competitive differentiation. Historically, breakthroughs in miniaturization, imaging, and audio fidelity contributed to its global recognition. Current developments in artificial intelligence, cloud computing, and connectivity standards offer avenues for enhancing device interoperability, content delivery, and personalized user experiences. Integration of advanced technologies into smart home ecosystems and mobile platforms presents opportunities to strengthen ecosystem coherence and deepen customer engagement—provided such innovations meet rigorous standards for security, usability, and regulatory compliance.

4. Summary

4.1. Conclusion

The third part of the analysis confirms that Sony's success factors align with the SWOT and PEST frameworks. Key strengths include product innovation grounded in customer needs and continuous product enhancement. Major weaknesses encompass premium pricing and limited essentiality for broad consumer segments. Competitive intensity and market saturation constitute significant threats, while emerging markets present notable growth opportunities. External macro-environmental conditions—particularly political stability and a supportive economic climate—underpin Sony's sustained development. Collectively, these factors have substantially shaped Sony's marketing strategy, product development trajectory, and long-term growth.

4.2. Limitations of the Work

This analysis relies on currently available information and therefore reflects conditions and knowledge as of the present time. Future technological advances, shifts in consumer behavior, evolving global dynamics, and unforeseen strategic developments—such as breakthrough product innovations or adjustments to marketing approaches—lie beyond the scope of prediction. As scientific understanding and technological capabilities continue to progress, market landscapes and societal practices will likewise evolve. These potential trajectories, including opportunities Sony may pursue and broader human development pathways, remain inherently uncertain and cannot be anticipated with confidence.

4.3. Future Research Opportunities

Sony has consistently introduced technological innovations rooted in the advances of the third industrial revolution, developing numerous groundbreaking products aligned with evolving consumer demands. Sustained innovation, technical excellence, service quality, political stability, supportive national policies, and a conducive macroeconomic environment have collectively underpinned Sony's success. In light of recent global economic challenges and shifting geopolitical dynamics, further research is warranted to examine how multinational enterprises like Sony can sustain long-term competitiveness and resilience.

References

1. N. Amjady, "Short-term hourly load forecasting using time-series modeling with peak load estimation capability," *IEEE Trans. Power Syst.*, vol. 16, no. 3, pp. 498–505, 2001.
2. M. Hachiya, *Historical Review of Sony's Innovations and Future Steps*, Ph.D. dissertation, Massachusetts Inst. Technol., Cambridge, MA, 2010.

3. S. J. Chang, *Sony vs Samsung: The Inside Story of the Electronics Giants' Battle for Global Supremacy*. Hoboken, NJ: John Wiley & Sons, 2011.
4. A. Arshad and R. Yazdanifard, "Investigative synopsis of Sony Inc.'s strategic management issues/failures and how to overcome them," *Int. J. Manage., Account. Econ.*, vol. 4, no. 9, 2017.
5. S. Velez-Castrillon and C. Angert, "How Sony got its groove back: A case study in turnaround management," *Bus. Educ. Innov. J.*, vol. 7, no. 2, 2015.
6. R. A. Gershon, "The Sony Corporation: Market leadership, innovation failure and the challenges of business reinvention," in *Handbook of East Asian Entrepreneurship*, London, U.K.: Routledge, 2014, pp. 225–239.
7. S. Sanderson and M. Uzumeri, "Managing product families: The case of the Sony Walkman," *Res. Policy*, vol. 24, no. 5, pp. 761–782, 1995.
8. P. Aggarwal, "An analytical study on inter-organizational sales dynamics within Sony Group Corporation."
9. H. Munir, J. Linåker, K. Wnuk, P. Runeson, and B. Regnell, "Open innovation using open source tools: A case study at Sony Mobile," *Empir. Softw. Eng.*, vol. 23, no. 1, pp. 186–223, 2018.
10. R. A. Gershon and T. Kanayama, "The Sony Corporation: A case study in transnational media management," *Int. J. Media Manage.*, vol. 4, no. 2, pp. 105–117, 2002.
11. R. Dwivedi, F. Jaffar Karim, and B. Starešinić, "Critical success factors of new product development: Evidence from select cases," *Bus. Syst. Res.: Int. J. Soc. Adv. Innov. Res. Econ.*, vol. 12, no. 1, pp. 34–44, 2021.
12. A. Erguner, "Sony Computer Entertainment, case study," *J. Int. Bus. Law*, vol. 1, no. 1, p. 8, 2002.
13. K. Hedin and H. Pettersson, "Taking innovative products to the market: Development of a working model for adoption in collaboration with Sony Mobile Communications," 2017.
14. Y.-H. Lin, "The key success factors of integrated marketing communication strategy — A case study of Sony Ericsson Taiwan," M.S. thesis, Nat. Chengchi Univ., Taipei, Taiwan, 2009.
15. M. Sony, J. Antony, O. McDermott, and J. A. Garza-Reyes, "An empirical examination of benefits, challenges, and critical success factors of Industry 4.0 in manufacturing and service sector," *Technol. Soc.*, vol. 67, p. 101754, 2021.
16. J. Antony, M. Sony, O. McDermott, R. Jayaraman, and D. Flynn, "An exploration of organizational readiness factors for Quality 4.0: An intercontinental study and future research directions," *Int. J. Qual. Reliab. Manage.*, vol. 40, no. 2, pp. 582–606, 2023.
17. M. Sony and K. T. B. Karingada, "Education 4.0 unravelled: Deciphering critical success factors for successful implementation," *J. Appl. Res. Higher Educ.*, vol. 17, no. 3, pp. 880–903, 2025.

Disclaimer/Publisher's Note: The statements, opinions and data contained in all publications are solely those of the individual author(s) and contributor(s) and not of Publisher and/or the editor(s). Publisher and/or the editor(s) disclaim responsibility for any injury to people or property resulting from any ideas, methods, instructions or products referred to in the content.