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Samsung

South Korean company

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Samsung specializes in producing a range of consumer and industrial electronics, including appliances, televisions, smartphones, semiconductors, memory chips, and integrated systems. Based in Suwon, South Korea, Samsung has become one of the most recognizable names in technology and is a major contributor to the country's exports.

Televisions have long been a centerpiece of Samsung's consumer tech empire.
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Date: March 1, 1938 - present

Areas Of Involvement: textile • aerospace industry • electronics • home appliance • semiconductor

Related People: Lee Kun-Hee

Early years

Samsung was founded as a grocery trading store on March 1, 1938, by Lee Byung-Chull. He started his business in Taegu, Korea, trading noodles and other goods produced in and around the city and exporting them to China and its provinces. (The company name, Samsung, came from the Korean for "three stars.") After the Korean War, Lee expanded his business into textiles and opened the largest woolen mill in Korea.

Lee focused heavily on industrialization with the goal of helping his country redevelop itself after the war. During that period his business benefited from the new protectionist policies adopted by the Korean government, whose aim was to help large domestic conglomerates (*chaebol*) by shielding them from competition and providing them easy financing.

In the late 1950s the company acquired three of Korea's largest commercial banks as well as an insurance company and firms that made cement and fertilizer. Samsung in

Netlist EX2086
Samsung v. Netlist
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the 1960s acquired more insurance companies as well as an oil refinery, a nylon company, and a department store.

Expansion into manufacturing and heavy industry

During the 1970s the company expanded its textile-manufacturing processes to cover the full line of production—from raw materials all the way to the end product—to better compete in the textile industry. New subsidiaries such as Samsung Heavy Industries, Samsung Shipbuilding, and Samsung Precision Company (Samsung Techwin) were established. Also, during the same period, the company started to invest in the heavy, chemical, and petrochemical industries, providing the company a promising growth path.

Entry into electronics

Samsung first entered the electronics industry in 1969 with several electronics-focused divisions. Its first products were black-and-white televisions. During the 1970s the company began to export home electronics products overseas. At that time Samsung was already a major manufacturer in Korea, and it had acquired a 50% stake in Korea Semiconductor.

Technological growth and diversification

The late 1970s and early ’80s witnessed the rapid expansion of Samsung’s technology businesses. Separate semiconductor and electronics branches were established, and in 1978 an aerospace division was created. Samsung Data Systems (now Samsung SDS) was established in 1985 to serve businesses’ growing need for systems development, helping Samsung quickly become a leader in information technology services. Samsung also created two research and development institutes that broadened the company’s technology line into electronics, semiconductors, high-polymer chemicals, genetic engineering tools, telecommunications, aerospace, and nanotechnology.

Samsung as a global company

Lee Byung-Chull died in 1987 and was succeeded by his son Lee Kun-Hee. Samsung was split into five companies; electronics remained under Lee Kun-Hee’s leadership, and the other four companies were run by other sons and daughters of Lee Byung-Chull. Lee Kun-Hee felt that Samsung had become complacent because of its dominant position in the South Korean economy and was unprepared for global competition. He famously said to Samsung executives, “Change everything but your wife and kids.” Under what Lee termed a “new management” concept, Samsung insisted that subordinates point out errors to their bosses. It also stressed quality of products over quantity, promoted women to the ranks of senior executives, and discouraged bureaucratic practices.

Leadership and legal challenges

Driven by Lee Kun-Hee’s shakeup of Samsung’s culture, in the 1990s the company continued its expansion into the global electronics markets. Despite its success, those

years also brought about corporate scandals that afflicted the company, including multiple patent-infringement suits and bribery cases. (In one such case, Lee Kun-Hee was found guilty in 1996 of bribing former President Roh Tae-Woo. He was sentenced to two years in prison, a sentence that the judge commuted, and was pardoned in 1997.) Nevertheless, the company improved its technology and product quality, with products such as semiconductors, computer monitors, and LCD screens ranking among the top five in global market share in their categories.

Smartphones and consumer technology dominance

The 2000s witnessed the birth of Samsung's Galaxy smartphone series, which quickly not only became the company's most-praised products but also were among the best-selling smartphones in the world. Samsung also supplied the microprocessors for Apple's earliest iPhone models and was one of the largest microprocessor manufacturers in the world in the late 20th and early 21st centuries. Since 2006 the company has been the top-selling global manufacturer of televisions. Beginning in 2010, the Galaxy series expanded to tablet computers with the introduction of the Galaxy Tab and in 2013 to smartwatches with the introduction of the Galaxy Gear. Samsung introduced a foldable smartphone, the Galaxy Fold, in 2019.

In April 2008 Lee was indicted on charges of breach of trust and tax evasion as a part of a scheme, and shortly thereafter he resigned as chair of Samsung. In July he was convicted of tax evasion, and he was subsequently fined approximately $80 million and sentenced to three years suspended jail time. Lee was pardoned by the South Korean government in December 2009 so that he could remain on the International Olympic Committee and lead South Korea's successful bid for the 2018 Winter Olympics at P'yŏngch'ang.

In March 2010, Samsung Group executives made Lee Kun-Hee the head of Samsung Electronics, the conglomerate's largest division. Later that year he returned as chair of the Samsung Group. In 2014 he suffered a heart attack that left him incapacitated until his death in 2020. Although Lee retained his posts, his son, Lee Jae-Yong (Jay Y. Lee), became the de facto leader of the Samsung Group.

Lee Jae-Yong was sentenced to prison in 2017 for bribing former President Park Geun-Hye. He served one year before being released in 2018 after his sentence was suspended. That suspension was later overturned, and he returned to prison in January 2021. He was paroled seven months later.

During Lee's time in prison, Samsung was led by two, and later three, co-chief executive officers. Lee was also indicted in 2020 for financial crimes stemming from the 2015 merger of two Samsung subsidiaries. The government alleged that the values of the two subsidiaries had been manipulated to cement Lee's overall control of Samsung after he assumed leadership.

Developments since 2020

Following the death of Lee in 2020, his son Lee Jae-Yong formally assumed leadership of the Samsung Group and was appointed executive chair of Samsung Electronics in

2022. Under his direction, the company expanded its focus on advanced technologies, including artificial intelligence (AI) and next-generation semiconductor manufacturing.

Samsung's semiconductor division experienced a decline in global demand during the early 2020s. In response, the company reduced production and increased investment in high-end chip fabrication capabilities. In mobile devices, Samsung expanded its Galaxy series with additional foldable smartphones, such as the Galaxy Z Flip and Galaxy Z Fold, and introduced new wearable and smart home products. Its television business also remained a core area of strength.

In 2022, Samsung Electronics named Han Jong-Hee and Kyung Kye-Hyun as co-CEOs, reflecting the company's dual focus on consumer products and components. Han was responsible for the consumer electronics and mobile experience divisions and was also named vice chair. Kyung oversaw the semiconductor and display businesses.

Han, who joined Samsung in 1988, played a central role in establishing the company's global leadership in television manufacturing. He died in March 2025 at age 63 after a heart attack. Upon his death, Jun Young Hyun, head of the semiconductor division, was named Samsung Electronics' sole CEO.

Samsung continues to operate through two major business divisions: one focused on consumer electronics and mobile devices, and the other on semiconductors and displays. Both fall under Lee's oversight as chair.

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