A
PROJECT REPORT
ON
CONSUMER PERCEPTION TOWARDS LG ELECTRONICS BRANDS

Submitted towards the partial fulfillment for the award of Degree in BACHELOR OF BUSINESS ADMINISTRATION of C.C.S UNIVERSITY, MEERUT

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DECLARATION

I, **SADDAM HUSEN** a student of **Shri Dronacharya Pg College, Dankour, Greater Noida,** hereby declare that this project is the record of authentic work carried out by me during the academic year **2012-15** and has not been submitted to any other university or Institute towards the award of any degree.

An attempt has been made by me to provide all relevant and important details regarding the topic to support the theoretical edifice with concrete research evidence. This will be helpful to clean the fog surrounding the various aspect of the topic.

I hope that this project will be beneficial for the Organization.

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ACKNOWLEDGEMENT

I am deeply thankful to my project guide **Mr. Bharat Bhushan Sharma** for his valuable guidance and support at all time.

Lastly, I am very thankful to all those people who has supported me directly or indirectly, and provided me all the necessary information throughout this project report comple

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PREFACE

To maintain and cope up with the growing competition where a customer perception towards LG Electronics today has an appetite for different needs. The consumer durable Industry today has to broaden the horizon of their products and services so that their comes a broad scope in front of a customer to choose their product on which they can relied upon. And it is the responsibility of the company to provide their customers with better quality of product and after sales service.

The Broad objective of the project is to know the consumer preference and its satisfaction and opinion and their attitudes towards buying consumer durable products in the present competitive scenario.

This project will accomplish to understand how the people are attract with factors like technology, price, after sales service and it will also help to understand the customers' perception about the different companies & their products.

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INTRODUCTION

LG Electronics India Pvt. Ltd. (LGEIL), a 100% subsidiary of LG Electronics Korea is the largest consumer durable company in terms of market share. Since commencement of operations in 1997, within a period of 10 years LGEIL has attained market leadership across all product categories in the consumer durable sector. The pace of growth is so phenomenal that to ensure smooth functioning of all the dealers and departments have to work at the best of their ability always. LG's quest for market leadership has been possible due to products portfolio, which caters to all segments and more importantly its brand loyal consumers. To ensure the growth, LGEIL has been implementing a number a programs like providing schemes, trips, gifts etc

To achieved these objectives, I had done a questionnaire survey of 300 random customers in different areas of Delhi and on the basis of study the findings is, LG product sale and after sale services are best as compare to other brands. The consumers are more willing to go for finance option as compared to cash down payment if they are provided an option. There is a less effect of brand ambassadors on the purchase of LG products. In conclusion Samsung is future threat to LG. About recommendation LG should adopt new promotional strategy (like assured gifts and concentrate on after sale services as a key success factor and LG must satisfy the needs (like margin, services, schemes).

OBJECTIVES OF THE STUDY

1) **To study about the consumer perception and fully satisfaction towards LG Electronics India Ltd.**
2) **To study about an identification of a companies which future threat to LGIL.**
3) **To study about effect of brand ambassadors on buying decision**
4) **To study about an effect of finance options on consumers purchase**

LITERATURE REVIEW

(A) *CONSUMER DURABLE INDUSTRY*

Consumer: Consumers refers to individuals or households that use goods and services generated within the economy.

Industry: An industry is the manufacturing of a good or service within a category.

Classification

Consumer durables Sector can be classified as follows:

1. Consumer Electronics includes VCD/DVD, home theatre, music players, colour televisions (CTVs), cameras, camcorders, portable audio, Hi-Fi, etc.

2. White Goods include dishwashers, air conditioners, water heaters, washing machines, refrigerators, vacuum cleaners, kitchen appliances, non-kitchen appliances, microwaves, built-in appliances, tumble dryer, personal care products, etc.
3. Moulded Luggage includes plastics.
4. Clocks and Watches
5. Mobile

INDUSTRY OVERVIEW

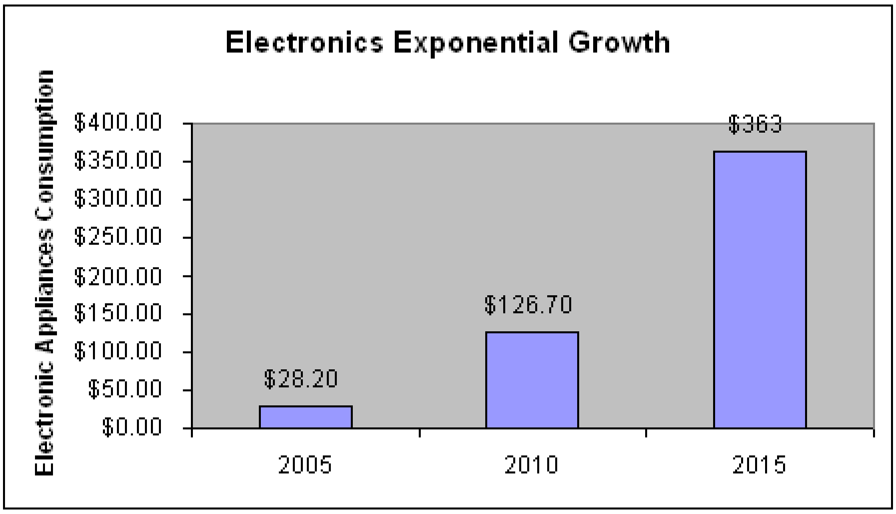
The consumer durables market in India is valued at US $ 4.5 billions currently. In 2006, microwave ovens and air conditioners registered a growth of about 25%. Frost-free refrigerators have registered significant growth as many urban families are replacing their old refrigerators. Refrigerator sales amounted to 4.2 millions in 2006, whereas the production of the refrigerators went up by 17% as compared to the preceding year. Washing machines, which have always seen poor growth, have seen reasonable growth in 2006. More and more Indians are now buying electrical appliances due to change in electricity scenario. The penetration level of colour televisions (CTVs) was expected to increase 3 times by 2007.

Demand and Penetration Level of White Goods in India

	1996-1997	**2006-2007**	**2011-2012**
Demand	3.43 million	8.72 million	13.14 million
Penetration level	149 per 1,000 households	319 per 1,000 households	451 per 1,000 households

In a study conducted by Frost & Sullivan and commissioned by India Semiconductor Association (ISA), the demand for Electronic Appliances is projected to grow exponentially at a compounded annual growth rate (CAGR) of 30%.

In billions



Source:-http://www.naukrihub.com/india/consumer-durables/scope/future

Rural sector offers huge scope for consumer durables industry, as it accounts for 70% of the Indian population. Rural areas have the penetration level of only 2% and 0.5% for refrigerators and washing machines respectively. The urban market and the rural market are growing at the annual rates of 7%-10%and 25% respectively. The rural market is growing faster than the urban market. The urban market has now largely become a product replacement market. The bottom line is that Indian market is changing rapidly and is showing unprecedented business opportunity.

INDUSTRY OUTLOOK:-

There has been strong competition between the major MNCs like Samsung, LG, and Sony.

LG Electronics India Ltd. has announced its extension plan in 2006. The company is going to invest $250 million in India by 2011.

TCL Corporation is also planning to establish a $22 million manufacturing facility in India.

The Indian companies like Videocon Industries and Onida are also planning to expand. Videocon has acquired Electrolux brand in India. Also, with the acquisition of Thomson Displays by Videocon in Poland, China, and Mexico, the company is marking its international presence.

According to isuppli Corporation (Applied Market Intelligence), country's fiscal policy has encouraged Indian consumer electronic industry. The reduction on import duty in the year 2005-06 has benefited many companies, such as Samsung, LG, and Sony. These companies import their premium end products from manufacturing facilities that are located outside India.

Indian consumers are now replacing their existing appliances with frost-free refrigerators, split air conditioners, fully automatic washing machines, and colour televisions (CTVs), which are boosting the sales in these categories.

Some companies like Samsung Electronics Co. Ltd. and LG Electronics India Ltd. are now focusing on rural areas also. These companies are introducing gift schemes and providing easy finance to capture the consumer base in rural areas.

INDUSTRY FINANCIALS

In Rs (million)

	31/03/2005	**31/03/2006**	**31/03/2007**
Sales	37,331m	30,100m	43,096m
Sales Growth	-	-19.4%	43.2%
Gross Profit Margin	10.7%	6.6%	4.3%
Profit After Tax (PAT)	1,019m	940m	-1,202m
PAT Growth	-	-4.3%	-209.5%
Market Capitalization	1,787m	2,392m	2,359m
P/E Ratio	7.0	7.6	-7.9
Return on Capital Employed (ROCE)	13.9%	23.1%	6.9%

Source:- NaukriHub, consumer-durables http://www.naukrihub.com/india/consumer-durables/overview/sector-outlook

Growth in 2008-09

Up-to-date data required

Consumer Durables	**Growth**
Air Conditioner	20-25%
Refrigerator	5-10%
Microwave Ovens	25%
Washing Machines	5-10%
Colour Televisions (CTVs)	15-20%
Black & White Televisions	-20%
Clock	10%
Watch	10%
VCDs	30%
Consumer Electronics (Overall)	9%

Source: - NaukriHub, consumer-durables http://www.naukrihub.com/india/consumer-durables/overview/sector-outlook

SCOPE

In terms of Purchasing Power Parity (PPP), India is the 4th largest economy in the world and is expected to overtake Japan in the near future to become the 3rd largest. Indian consumer goods market is expected to reach $400 billion by 2010. India has the youngest population amongst the major countries. There are a lot of young people in India in different income categories. Nearly two- thirds of its population is below the age of 35, and nearly 50 % is below 25. There are 56 million people in middle class, who are earning US$ 4,400- US$ 21,800 a year. And there are 6 million rich households in India. The upper-middle and high-income households in urban areas are expected to grow to 38.2 million in 2007 as against 14.6 million in 2000.

Information regarding socioeconomic growth should be latest

COMPANY PROFILE

Overview

LG- Life's Good, LG Electronics India (Pvt.) Ltd. is a wholly owned subsidiary of LG Electronics, South Korea. It was established in 1997. In India for a decade now, LG is the market leader in consumer electronics and is recognized as trendsetter in the industry. The company has an impressive portfolio of consumer electronics, home appliances, GSM/mobiles and IT products.

The MD of the company is **Mr. Moon B Shin**.

The company under the leadership of the MD has become a leading manufacturer of the consumer electronics and home appliances and aspires to become the true global digital leader and rank among top 3 consumer electronics and telecommunications companies in the world by 2010. The basic idea that the company follows is- "Great company, Great people", which says that only great people can create a great company.

It started as a big dream in small town of the north Indian state of Utter Pradesh -----a township by the name of Greater Noida.

Back in 1997, it was just a piece of wilderness. Nobody, least of all the owner of a fortune 500 company would have dared to choose it as a canvas to script a transnational corporation's success story in India, but, then, LG, if you go into the history of the seoul-based company that has footprints in nearly all parts of the glove, is a different kind of an entity altogether.

LGIL has competition yet it has managed to become one of the most admired companies in India though innovation.

(The economic times 12 Jan 2001)

LGEIL-THE NEXT INDUSTRIAL GIANT: LGIL is youngest and fastest growing consumer durable brand. LG at the no. one slot is targeted to end the year with a turnover of us$ 1.5 billion. After China, LG plans to make India its second largest manufacturing hub. Today, LGIL is an US$ 1456 million behemouth, with a sprawling product range, and market leadership in all product categories. The Indian operation of LG Electronics in fact rank among the best three in LG Electronics world-wide.

To be sure, life was not always this good for LGEIL. The mud trail that led us to plot no.51,Uydyog Vihar, Surajpur Kasna Road in Greater Noida was strewn with massive potholes and road blocks.

Before 1997, LG had made two concerted attempts at penetrating the Indian market. Unfortunately, both met with miserable failure. The first was in the form of a joint Venture with Best vision and second a JV with a Birla Group company. For several unaccountable reasons, both the attempts came to a naught and talks petered off as quickly as they had started.

They came a vital policy shift. The Government of India liberalized its economic policy and allowed transnational corporations to set up shop in India. One of the first to respond to this invitation was LG-Korea, a corporation that strait took the dive and this time made the strategic decision of setting up a 100 per cent subsidiary of the Korean company in India. This time, it did not need the support of any partners.

In March 1997, K R Kim who was the serving in panama was called to India to spearhead the Indian operations. However no sooner was the announcement made that the business magazine and newspapers in India started to write us off predicting a bleak future for the company. Some went started to write us off predicting a bleak future for the company. Some went so far as to forecast our premature demise mainly because of our earlier, failed attempts at breaching the Indian turf. A few industry watchers also felt that our timing was bad, as the consumer durable market in India was already saturated with indigenous and global players, leaving no room for another entity; worst a foreign one at that.

LGEIL-OF, BY AND FOR INDIANS: The unchallenged trend those days at most transnational corporations was that expatriates manned all crucial functions. All the policies were formulated at the headquarter and then unquestioningly executed at the various branch office. This left very little belbow room for local managers to manoeuvre things at their end In contrast, the LGIL story in India got scripted very differently from this, as it bore a strong local imprint. In retrospect, I think, it must have made for a bold, cultural strategy implemented with lot of internal conviction. The strategy got vested in three crucial decisions, which have now entered into the very fabric of our organizational cultural. Briefly, the three decision were:

1. Indian employees would be appointed as the key decision makers at LGEIL. The role of the Foreign Service Employees (FESs) would at best remain limited to that of facilitators, which implied that they would co-ordinate with LG korea and provide expertise, where needed.

2. The head of Human Resources division and the head of Sales & Marketing division would always be Indians.

3. The Head of Manufacturing and the Head of Finance and Accounts would be FSEs but even they would be assisted by Indian managers: who would provide key support to these functions.

These decision became the cornerstone of LG's operational strength in India the evident of which can be found in the following statistics :

- From a turnover of US$ 31 million in 1997, it went to US$ 583 million in 2002 and further to US$ 1456 million in the last financial year 2005
- Our headcount, meanwhile has grown from 402 in 1997 to 2900 in 2005

- In just over five-six years, we have shot to NO#1 in the refrigerators (29,4 per cent market share); and No#1 in washing machine (30% market share) No#1 in microwave oven(36.7%market share) products category and No#1 in the air conditioner (34% market share)

LGEIL POLICIES:

- **SETTING PRECISE TARGETS**: How a Korean company managed to outsmart its foreign and Indian rivals is a story about culture change. Like the other Korean companies that have been successful in India- Samsung and Hyundai, India's no -2 car producer. LG had good products and smart marketing. But LG went further by challenging Indian work habits…… negative management traits, such as ducking challenges and tolerating excuses, Indian work habits….. negative management traits such as duckling challenges and tolerating excuses, are overcome with bonus schemes that can add 80% to salaries Employee are assessed against precise targets.
- **BENCHMARKING AGAINST THE BEST:** Around this time, we had also begun to realize that any exercise at setting up a KPI system was incomplete without benchmarking our parameters against the best in the industry. We also discovered that most companies hired external(read foreign) consultant to handle this job that not just charged an exorbitant fee, but also took six-seven months' timeframe to accomplish y task, next year, use X/2 resources to accomplish y, or better still 2y tasks. Sounds impossible? But we know the system works.
- **THE "PUSH" AND THE "PULL" STRATEGY:** from the word go, LGIL has had a very strong customer and sales-driven ideology. Dub is as a strategic balance of the push and pull factors. The push came from the loyal customers. To reinforce this vision, we made it a customary practice that any LGEIL executive, visiting any city or branch had to first do field visit of the local market and experience the market first hand. There were no two ways about it. The feedback had to come straight, honest and delivered direct to each one of us. This requires that every LG brands ambassador had to meet a few local dealers/distributors and sell one or two products over a direct interface with the customers. Later at the corporate managers meeting, they had to make a presentation and be quizzed on what values customers looked for in LGEIL products could be sent back to the R&D.

- **POLICY ON PRICE CUT**: LG has also shaken things up on the marketing side. It has driven prices down by 18% to 20%. Over the past two years LG has steadily increased distribution outlets and the breadth of products ranges
- **STRONG AND SPEEDY EXECUTION:** Strategy planning, as reiterated above, has always been a dynamic process at LGEIL, and, Prompt execution our hallmark. This brings prompt execution our hallmark. At LGEIL,execution also became strong because we genuinely empowered our employees and held them accountable for their, as well as the company eventual progress. This also generated a strong sense of ownership in them. And secondly passion and positive energy kept their emotional involvement high at all times. They were experiencing a start-up environment, which always bring out the best in everybody while simultaneously honing their survival instincts.

PRODUCT DIVERSITY : LGEIL had a strong portfolio of products, viz CTV, air conditioners, washing machines, refrigerators and microwave ovens, to name just a few , from the very beginning, we were among the few , front- running consumer durable companies in India to command such a vast array of products. The benefits is that even if one or two are not performing very well in the market there are others to tide us through. In fact, there is always one product that remains on at any point of time in the year, so there was never a rainy season.

RURAL MARKETING: By the year 2000-2001, LGEIL had a strong presence through the length and breadth of the country. We were dong well in almost all metropolitan cities, especially in the northern and eastern belts of the country although we still had some catching up to do in the south and west

This was achieved in 2002-2003, when LGEIL emerged as the undisputed market leader. Yet, it was hardly the reason to sit on our laurels. The problem of further growth had to be addressed and there was this pressing need to explore and find new markets. In the metros, although we were doing pretty well the cost of selling was too steep to enable us to cut good profits as our competitors were also focused on developing just these markets.

DUAL MARKETING: As would be clear from the preceding discussion, so far, we had only incurred cost and made little profit in executing all these expansion plans so now was the time to reap the fruits of our earlier labour and the only acceptable way of doing that was without compromising on the quality factor. That left just one option nip corner at the cost end.

Since this was also the only route that would not have diluted the perception of the premium of the premium brand, the corporation started making serious efforts at cutting cost through product innovation. A portion of even these saving we intended to pass on to the Indian customer.

In short, our endeavour was to try and improve our market share without denting our profitability. We had already reduced our overheads by increase capacity. Now the next logical steps was to attack the cost end of our production.

This LGEIL concept that was later lauded by McKinsey as Premium marketing to the masses and was communicated to the customers in the form of a strong marketing campaign more value at much less than the price!

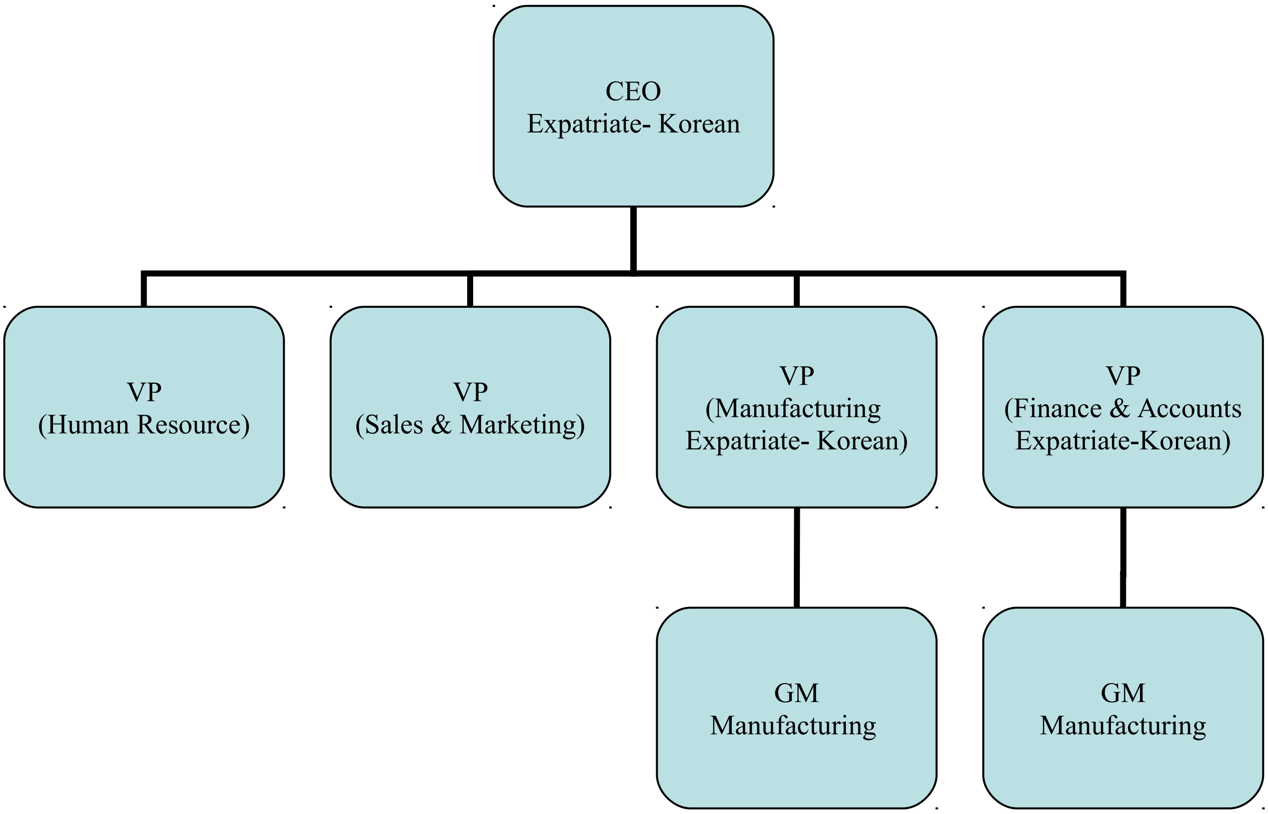
With this done, the affordability of our products became the bulwark of all our marketing campaigns. This strategy caught our competitors in the form of a strong marketing campaign. A few reacted by announcing price cuts of their own their own, not realizing that LGEIL was not just cutting prices we were also focusing strongly on cost innovation at our end. So while their price cuts led to more losses and pressures on cost, ours led us to more customers and increased profitability in the end, with this simple strategy, we managed to kill two birds with one stone.

Some of our competitors later saw through our game plan, but by then it was too late for them to follow suit and in any case, they still had not unravelled the full strategy, which was not to cut prices uniformly across the country, but stagger them across different segments

Very cleverly while we were launching premium products in different categories we were also varying our pricing strategy from state to state that kept competition guessing and on tenterhooks all the while. I remember how one MNC sought to hike its subsidy from the parent company simply to counter our prices strategy, at the core of which lay simple fiscal discipline measure that they too could have followed but probably could not because of lack of focus or strong execution.

Time and efforts were both in our favour. And the rest as they say is history.

LGEIL-ORGANISATIONAL STRUCTURE



As it is clear from the figure Except for the CEO, VP-Manufacturing and VP-finance & Accounts, all other position were held by the Indians.

This kind of people planning was deliberate and the result of a carefully 1thought-out strategic intent, initially, when we recruited people, we took them in their respective area of expertise, but onse the company stabilized, we started rotating them as per their request, inclination, acquired skills and expertise.

STRONG EMPLOYEE FOUNDATION : the enormous speed at which LGEIL grew in those days would possible without logical and rational system. The management knew they had to do something remarkable different from competition. So we set about recruiting people, who among other things, were perceived to be high on:

- Physical energy
- Emotional energy

Next, they were provided with:

1. a big vision
2. Melt-ins so that all decisions could be made by consensus and nothing got unilaterally imposed on any one
3. each was given absolute freedom within certain pre-defined parameters and held accountable for results.

Meanwhile, the tools that the employees were encouraged to use mainly comprised of;

1. creating total transparency relating to the company's performance including a discussion of sensitive issue , such as profitability
2. Sharing with them news and details of the future line-up of our products
3. Showing genuine respect and acceptance of everybody ideas and suggestions
4. Reposing total trust and faith in their intention endeavours and capabilities
5. Building strong communication links (these details are discussed in a later chapter)

Proactively sorting out employee grievances, even when immediate solutions were not within as issue went beyond the scope and policies of the originations

LGEIL: LOGO Any attempts at understanding LG would be incomplete ,without understanding LG Logo: Life is Good. Our vision, our corporate philosophy and our core values are all encapsulated in this simple logo. The circle in the logo represents the globe, i.e. the full reach or our aspiration to emerge as a global company. It also implies the face of a smiling customer, conveying that we are extremely customer-focused, or that we represent a world that is futuristic youthful and humane.

The bull's eye on the circle represent the organization's single minded focus on goals and determination to achieve results with a smile. The white space deliberately left at the upper right end stand for of creativity. The red colour conveys friendliness and LG's commitment to quality, while the gray stands for technology and reliability.

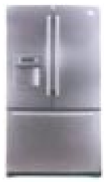
Products or other exterior manifestations of a company to my mind do not reveal its true character which is manifest in its value system, practiced philosophies and accepted norms. Products people system is all outcome of this core value system and this is what the LG logo conveys.

LGEIL is like a gushing, turbulent river, cascading at full length and speed from a rugged mountain. A powerhouse of raw energy, it resounds unilaterally but at times collide head on with each other but that is ok,so strong bulwarks on either direction to contain all the roaring action of mightly river.

LG ELECTRONICS: VISION

LG Electronics vision for the 21st century is to become a true global digital leader through fast growth and fast innovation and to be known as a company who can make its worldwide customers happy through its innovative digital products and services. LG Electronics has set its mid-term and long-term goal to rank among the top 3 electronics, information, and telecommunication firms in the world by 2010. We aim to utilize our core capabilities of product leadership, market leadership and people leadership and enhance our corporate culture of team work and fun workplace to achieve our mission of becoming "2 by 10", that is, double our sales volume and profit by year 2010.

LGEIL – Product Portfolio

					
Flat Panel Display	GSM	IT Products	Televisions	Refrigerators	Washing Machine
					
Air Conditioner	Microwave Ovens	Vacuum Cleaner	Digital Audio / Video		

INTERNAL CULTURE

As we all know requirement of trained and experienced Professional with the desired mindset is the need of the hour for any Organization to Survive and Grow in this competitive environment.

To cope with the growing expectations of business and in order to give the organization a competitive edge to the business we in LG have streamlined the whole system by integrating the HR fundamentals with Information Technology and have adopted some practices unique to LG.
LG as a brand and a market leader in India attracts candidates in hordes and its Industry leadership status serves as a major factor in attracting employees. Therefore LG has the ability to hire the best in the industry.

Once these candidates are hired, they undergo and exhaustive induction programmed for duration of 14 days under which the candidate is acquainted which each and every aspect of the organization. A thorough integration with HR & Business Processes takes place and the formulation of a KPI is done within three days of taking the candidate onboard. Customer Department/Vendor Department interaction also takes place.

LG as an organization takes pride in the fact that they have the highest manpower productivity and the lowest manpower cost in comparison to the industry. Infect LG is benchmarked in terms of manpower costing.

Employees are given a chance to visit Korea on completion of...years in LG. Apart from
this LG also has a family ambassador programme where a dedicated mentor goes to the workers house and talks to his family, their problems etc. and tries to make their

Situation better. All workers are served lunch along with the other senior employees so that no demarcation is made. Infect lunch is first served to workers and then to the white collar employees. On the first Monday of every month the workers meet the MD and 50 workers amongst of them get awards for outstanding performance.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

With the advent of globalization in India, the concept of Corporate Social Responsibility has emerged as one of the most important aspects of corporate behaviour. Acknowledging this responsibility is crucial for an organization's sustainable development and future access to the global market. A definite corporate social responsibility(CSR) plan has therefore not only become an integral part of an organization's brand building strategy, but has also emerged as an important tool to enhance the organization's credibility, attract potential investors and clients and employ the best of industry talent.

As a leading corporate in India, we at LG believe that corporate contribution to society when guided by self-interest results in long term goodwill building, and have therefore endeavoured to assume responsibility for the needs of its people, the environment and the society. We have consistently looked beyond its immediate business environment to address larger societal issues. This concern springs from the belief that a true corporate vision must embrace the wider community rather than just shareholders, customers and suppliers. At the same time, there is nothing idealistic about LG's CSR vision, nor is it in conflict with hard-headed business sense. It is purely an understanding on LG's part that the time, resources and in-house professional expertise invested in social development projects pay rich dividends to the company and the communities in which it operates. Therefore at LG the message is clear: creating profits can and should go hand-in-hand with generating goodwill.

A slew of numerous initiatives have been undertaken by LG ever since its inception in India. The company has been actively involved in providing social benefits to the disadvantaged sections of the society. We also have a focused plan for providing health services to the under privileged children, undertake animal health care and enhance professional skills of the unemployed youth.

LG India has worked jointly with Pray as, a Delhi-based NGO by undertaking campaigns / activities for the welfare and upliftment of Underprivileged Street and slum children and providing those services in the field of education, health care, shelter, vocational training and other rehabilitation programmes. The company also tied up with HELPAGE India, the country's largest voluntary organization working for the cause and care of disadvantaged older people.

LGEIL also takes care of 24 villages around Greater Noida out of which six have been adopted formally. The company has on its pay roll three doctors who visit these villages daily and offer Free Medical Care, which comprises of free check ups and a free distribution of medicines.

LG's commitment to contribute substantially to the community led to the formation of the 'Tinkha,' a community development club consisting of 10 people. It recently organized Blood Donation Camp where 172 employees donated blood in one day.

FUTURE CHALLENGES AND TRENDS

Companies like LG Electronics are exploring the online route to grow their business. It plans to connect around 1,700 direct dealers and distributors to its recently launched B2B portal, www.lgdealernet.com as part of its drive to become an integrated online business undertaking by the end of 2003.

In the CTV segment, a number of new and innovative products are being launched. Technological up gradation and pricing are the key drivers in this highly competitive market.

Even in the case of washing machines and refrigerators, new models are being developed. In refrigerators, companies like Electrolux (which has four established brands in Electrolux, Kelvinator, Voltas and Allwyn) are specially targeting high-end consumers. The demand for fully automatic washing machines is expected to increase over semi-automatic ones. Also, second-time buyers are likely to go in for larger machines.

Research and development is expected to be a key issue in future as players try to keep pace with changing consumer preferences and expectations as well as the ever-growing competition

AN OVERVIEW

A *comparative marketing study of LG Electronics vis-à-vis competitor's(Samsung, Haier, Videocon, Godrej) in the area of Noida and Delhi…………..*

"All progress is born of inquiry. Doubt is often better than overconfidence, for it leads to inquiry and inquiry leads to investigation" Research inculcates scientific and inductive thinking and it promotes the development of logical habits of thinking and organization.

Research is a common parlance refers to a search of knowledge. The advanced learner's Dictionary of current English lays down the meaning of research as a careful investigation or inquiry especially through search for new facts in any branch of Knowledge.

What is comparative Marketing study? In comparative marketing research we take our competitor's products and make comparison through consumer with our own products.

Why Comparative Marketing study? *C*omparative marketing study/research comprise one of the most important and fascinating task of marketing. It provides information for marketing decision making, any problem that are identified and investigated further by using problem solving techniques with the objective of arriving at solution. The most important innovation in the new approach is to study simultaneously different organizational forms of business interest representation. ***The aim of the study is to point out the best (in this respect) among the alternatives that are being studied. The final aim perhaps is not only to find the best, but also to improve it or similar objects later on.***

LG Electronics India Ltd. (LGEIL) is the youngest and fastest growing consumer durable brand. Today, LGEIL is an US$ 1456 million behemoth, with a sprawling product range, and market leadership in nearly all product categories.

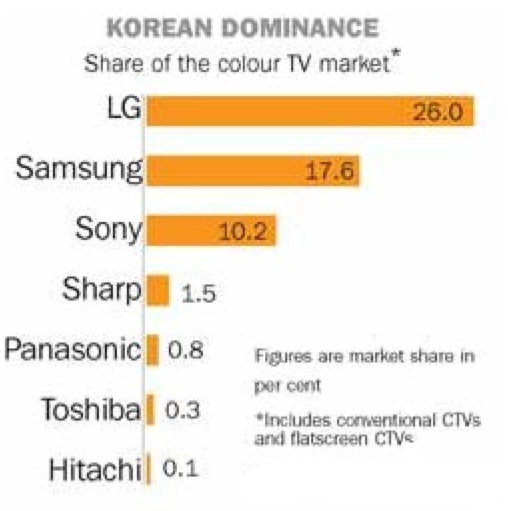
The study will also include the survey which will be targeting about 20 dealers and around 100 consumer in the NCR . The main emphasis in the survey will be given on the sales of LG in comparison to its competitors in **CTV, WASHING MACHINE, REFRIGRATOR & AC segment**, the consumer perception about the brand will also be taken into consideration while conducting this survey.

The analysis of the buying behavior in respect to CTV, WASHING MACHINE, REFRIGERATOR & AC will be another important component of my study. Buying behavior of the consumer is a study of how individuals make decisions to spend their available resources (time, money & effort) on consumption related items(what they buy, why they buy, where they buy , how often they buy and use a product or service). The heterogeneity among people across the world makes understanding consumer buying behavior an intricate and challenging task. The consumers' identity, his beliefs, specific needs, attitudes and the kind of product and brand available in that product category influence his buying behavior. The marketing efforts of a firm have a profound impact on the buying decisions of customers. Therefore the attempt of my survey will be to obtain an in- depth knowledge of the customers buying behavior.

OVERVIEW OF THE CONSUMER DURABLE SECTOR

Background: Prior to liberalisation, the Consumer Durables sector in India was restricted to a handful of domestic players like Godrej, Allwyn, Kelvinator and Voltas. Together, they controlled nearly 90% of the market. They were first superseded by players like BPL and Videocon in the early 1990s, who invested in brand-building and in enhancing distribution and service channels. Then, with liberalisation came a spate of foreign players from LG Electronics to Sony to Aiwa. The graph of top three consumer durable giant is shown blow,

Both rising living standards, especially in urban India, and easy access to consumer finance have fuelled the demand for consumer durables in the country. Also, the entry of a large number of foreign players means the consumer is no longer starved for choice. But this has also resulted in an over-supply situation in recent times as growth levels have tapered off.



Major Players: The major players in the consumer durables industry, operating in different sectors such as air conditioners, washing machines, refrigerators & television include:
Blue Star Ltd., Whirlpool of India Ltd., Philips (India) Ltd., BPL Ltd., Sony Corporation Ltd., Samsung India Ltd., LG Electronics India Ltd., Videocon International Ltd. & Thomson Ltd.
Demand/Supply: The colour television (CTV) segment of the consumer durables industry has been hit by stagnant demand in recent times. CTV manufacturers like BPL and Videocon have effected price cuts while others have lowered production levels in the face of rising inventories. They have also initiated drives to clear old stocks.

The results are mixed. For instance, demand for 14-inch CTVs was hit by the reduction in the prices of 20-inch CTVs. Demand for larger sets (25 & 29 inch) has also slowed because of the price factor. So companies like LG and Samsung are now expected to reduce prices in the premium categories.

As for the other segments, air conditioner demand was up in recent months. In the case of refrigerators, a chunk of the sales are still in the direct cool segment as against the frost-free one,

But replacement buyers tend to go for technologically improved models. Hence, sales of frost-free refrigerators have grown steadily over a period of time.

The washing machine market consists of two broad segments - semi-automatic and fully automatic. The first accounts for a chunk of the market. In terms of loading type, top loading machines sell in greater numbers than front-loading ones.

In a short span of time, LG has become most preferred brand in the segment mainly due to premium brand positioning strategies in the Indian market.
The trend of beating industry norms started with the fastest ever-nationwide launch by LG in a period of 4 and 1/2 months with the commencement of operations in May 1997. LG set up a state-of-the art manufacturing facility at Greater Noida, near Delhi, in 1998, with an investment of Rs.500 Cores. This facility manufactured Colour Televisions, Washing Machines, Air-Conditioners and Microwave Ovens. During the

year 2001, LG also commenced the home production for its eco-friendly Refrigerators and established its assembly line for its PC Monitors at its Greater Noida manufacturing unit. The beginning of 2003 saw the roll out of the first locally manufactured Direct Cool Refrigerator from the plant at Greater Noida. In 2004, LGEIL also set up its second Greenfield manufacturing unit in Pune, Maharashtra that commences operations in October 2004. Covering over 50 acres, the facility manufactures LCD TV, GSM Phones, Colour Televisions, Air Conditioners, Refrigerators, Microwave Ovens Colour Monitors

Both the Indian manufacturing units has been designed with the latest technologies at par with international standards at South Korea and are one of the most Eco-friendly units amongst all LG manufacturing plants in the world.

HISTORY

Beginning (1958-1965):

The new rising star of Korean Electronics was born with a strong commitment of promoting growth of electronics-one of the essential part of public life in guidance of first chairman Hwui-Koo. On 15th November 1959 the first Korean made radio was born, but the joy was short lived due to popularity of foreign goods forcing Gold star to pull out of market but thanks to govt. drive to send radios to village. While dramatically overcoming the initial challenges and difficulties Gold star was able to make great strides in revenue and technological growth. In 1962 they established Oncheong-dong plant, which provided Gold star momentum to grow.

Period of Growth (1966-1978)

In 1966, five years after T.V broadcasting services was introduced to Korea, Goldstar succeeded in introducing first Black & White T.V set To produce precision machines, which requires highly sophisticated and advance technology; Goldstar became the first company to establish a central R&D centre in January 1976. In 1977 Goldstar celebrated sales over 100 billion.

Period of Globalization (1979-1986)

By 1980 they advanced to hold a share in overseas market and established US manufacturing subsidiary in Huntsville. By 1990 due to strong R&D Gold star was able to develop many advanced products

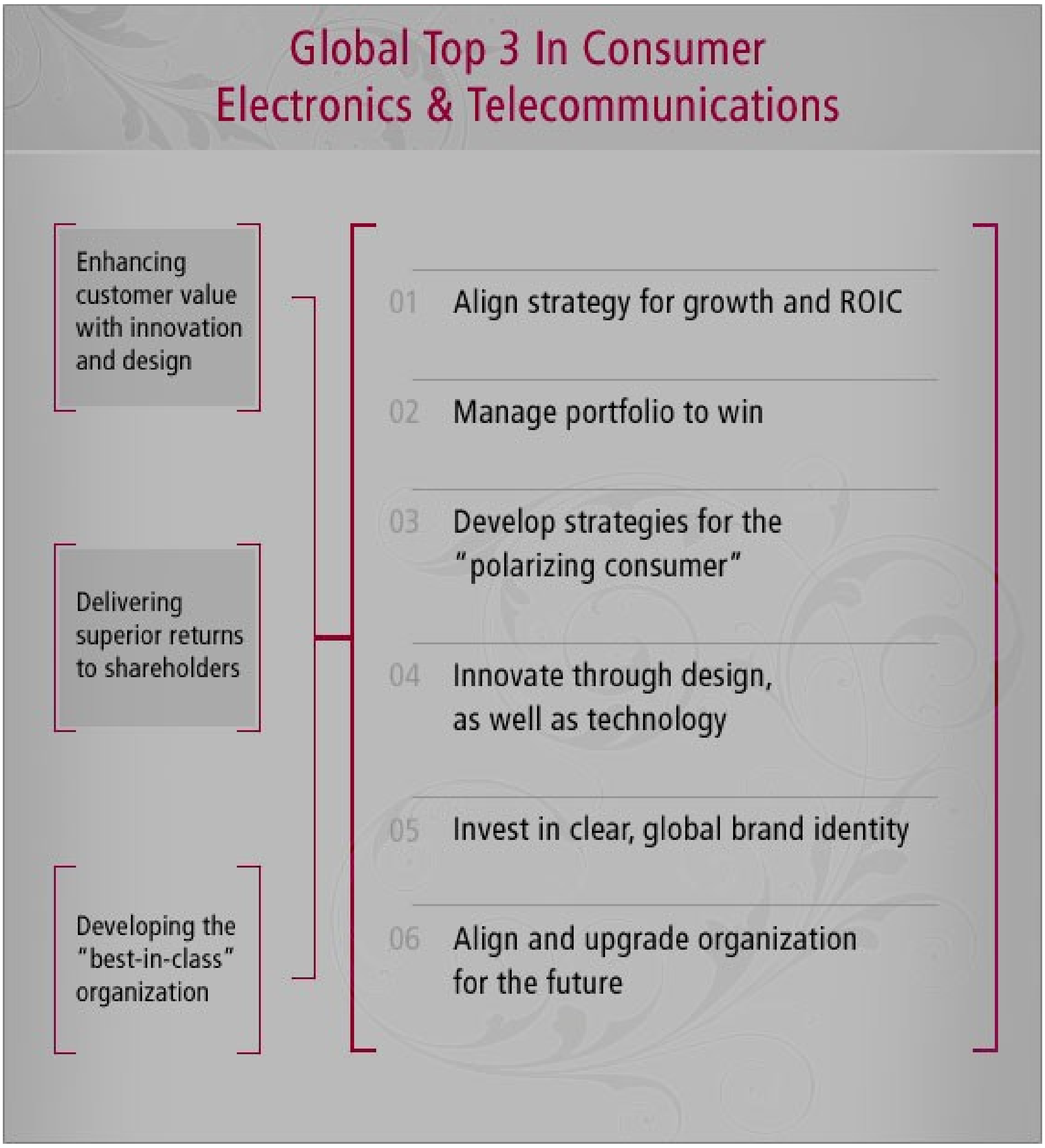
Period of first Innovation (1987-1993)

Using the full-fledged globalization strategy Gold star galloped forward reaching new Heights. It bolstered its move by obtaining ISO 9001 in 1994

Period OF Second Innovation (1994 – till date)

January 1, 1995 Gold star again transformed itself for a new leap into the future; the name of the company was changed from Gold star, which had been with it for 37 years, to LG Electronics as first step towards second innovation for 21st century. In 2004, LGEIL also set up its second Greenfield manufacturing unit in Pune, Maharashtra that commences operations in October 2004 “. At presently LG introduces new global brand identity: "Stylish design and smart technology, in products that fit our consumer's lives."

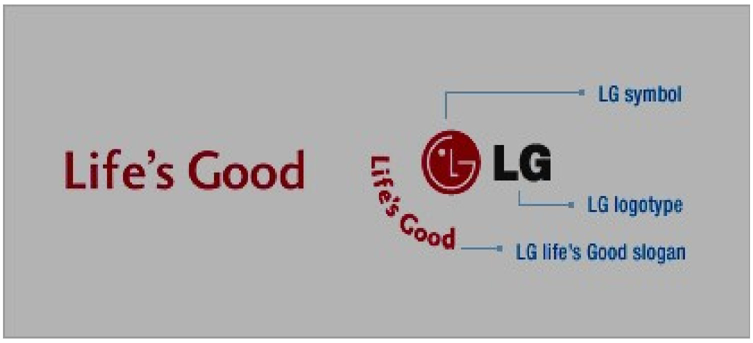
LG's VISION



Source:- http://www.in.lge.com/AboutUs/aboutus-companyProfile-vision.aspx

LG LOGO

The slogan, 'Life's Good' best expresses LG's brand's values, promises, benefits and personality. It is an ultimate expression for what brand stands for and what they strive to deliver continuously. LG's delightfully smart products will make your life good.



The LG Electronics Life's Good signature consists of the LG logo, seal, and the slogan, "Life's Good" set in Charlotte Sans typeface curved around the LG symbol. The curving of the slogan reinforces LG's personality and uniqueness. The consistent usage of this signature clearly establishes the unique identity of the company and unifies every division and product from LG Electronics across the globe.

QUALITY FOCUS

Delivering globally renowned products that are best in class and are of highest quality

The company works very hard to make products that are acceptable at the global level and people from every corner of the world are ready to buy. The quality of the products is of utmost important because it is the most important aspect of a product.

Quick and reliable response to the esteemed customers

Business today is customer oriented. Customer is the king. So it is very important for any company to place its customers above all. LG is sincerely dedicated to the customers. Here at LG, the employees work very hard to attract new customers and make them a part of LG family while retaining the old ones.

Being market driven with focus on the customers

Today is the era of hyper-competition. There are so many alternatives available for the same product. So in this face of competition it is important for any company to be market driven. LG quickly adapts itself to changing market conditions and keeps itself upbeat. But the beauty of the company is that even in this cut throat competition, customers are not neglected. After all they are the business.

Leader in implementing 6 sigma

LG is not only innovative but also technically forward. It is the leader in introducing technically upbeat products. It makes use of latest technology to create amazing products.

People at LG ensure that their products are whole heartedly accepted by the customers. The efforts are concentrated on creating and then maintaining the customers delight.

SERVICE FOCUS

 # To provide prompt and reliable service

LG ensures that it provides prompt and reliable service to its customers. Service is one of the aspects on which a company can lay stress on while promoting its products. Today if you are late then probably you are gone. So LG is always awake to the call of its customers.

 # Widespread network

LG is no small company. It's a multinational operating India. So living up to its name and status, LG has widespread network around the world. So wherever you are, you are never away from LG.

LG through its **consistent quality focus and service** focus has managed to gain the maximum market share today. In the past few years, it has emerged as a leader in the consumer electronics and home appliances market. It has not only managed to stay at top for years now but also managed to create and maintain customers delight.

Apart from maintaining the top position, LG has also managed to grab in few prestigious awards and honours.

LET US LOOK AT THE FEW OF THESE:

Avaya Global Connect Consumer Responsiveness Award, 2008

- ET Avaya Awards

Loyalty Awards: Customer and Brand Loyalty in Consumer Durable Sector

Indiatimes Mindscape with Savile Row, 2008

Business Leader Award in Consumer Durable Sector, 2007

- NDTV

India's Most Trusted Brands, 2007 **-** Brand Equity

Top Newsmaker, Consumer Durables, 2007

- Business Toady and Cirrus

Maximum Exports, 2006 **-** CONCOR

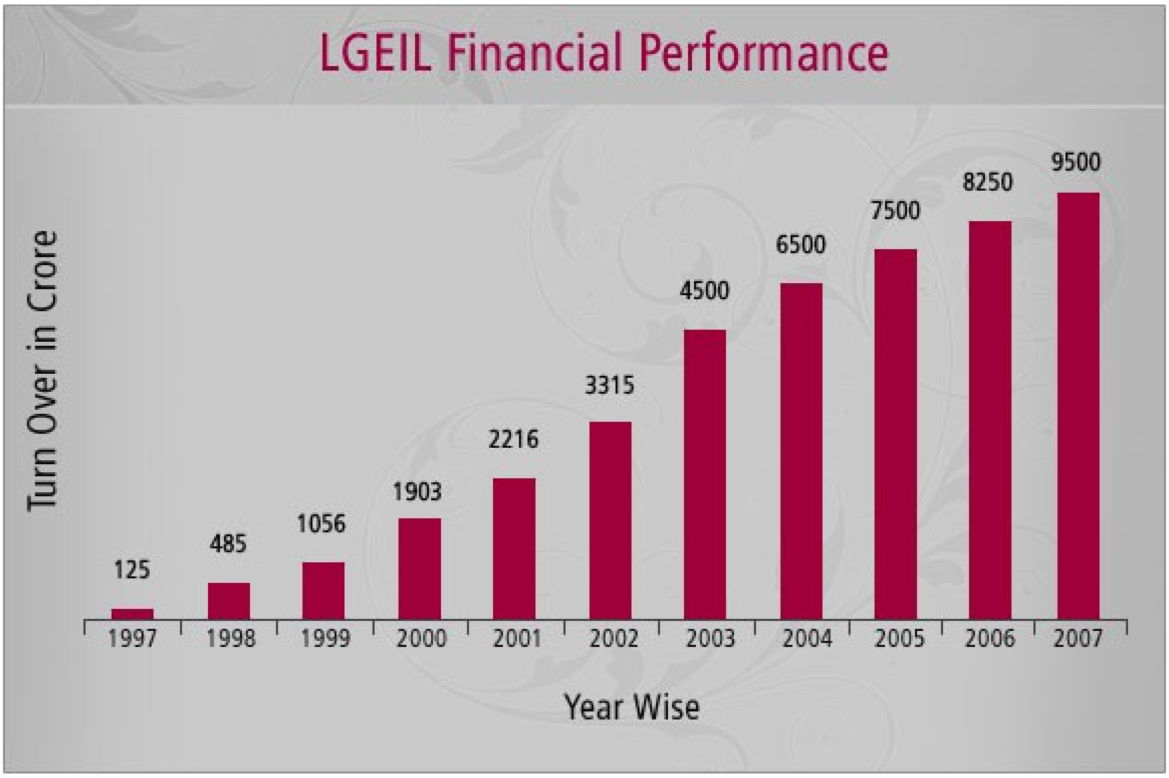
PRODUCT PORTFOLIO

LG has a market presence in diversified products of the consumer durable industry like consumer electronics, home appliances, mobile phones, computer products etc.

A detailed list of the product range of LG Electronics is as follows:

Business Areas & Main Products	
Category	**Main Products**
Consumer Electronics	LCD TV , Plasma Display , Display Panel, Colour Television, Home Theatre System, Music system, DVD Recorder/Player, MP3 & MP4 Player
Home Appliances	Room Air Conditioner, Commercial Air Conditioner , Refrigerator, Washing Machine, Dishwasher, Microwave, Vacuum Cleaner
Computer Products	Laptop, Personal Computer, LCD monitor, CRT monitor, Optical Storage Devices
Mobile Phone	Premium trend setter phone , Camera Phone , Music Phone , Colour Screen GSM Handset

LG's FINANCIAL PERFORMANCE



LG: THE TRUE LEADER

Souce:-*http://www.in.LGe.com/AboutUs/aboutus-companyProfile-factsnfig.aspx)*

SWOT ANALYSIS OF COMPANY

Strength:-

- Market leader in home appliances segment.
- Strong focus on technology and product quality
- Aggressive sales and marketing
- Board & contemporary product range to tap the consumer of middle class, upper middle class and high class.
- LG, has the extensive distribution network in the industry (47 branches, 175 area offices and over 10,000 trade partners)
- Product customization for rural market- sampoorna range

Weakness:-

- Perceived as a mass brand and as a premium brand by consumer
- Limit range in GSM phones and audios
- Consumer compares LG products with its competitor Samsung, not with another foreign brand.
- Similar product categories as compare to its close competitors Samsung.

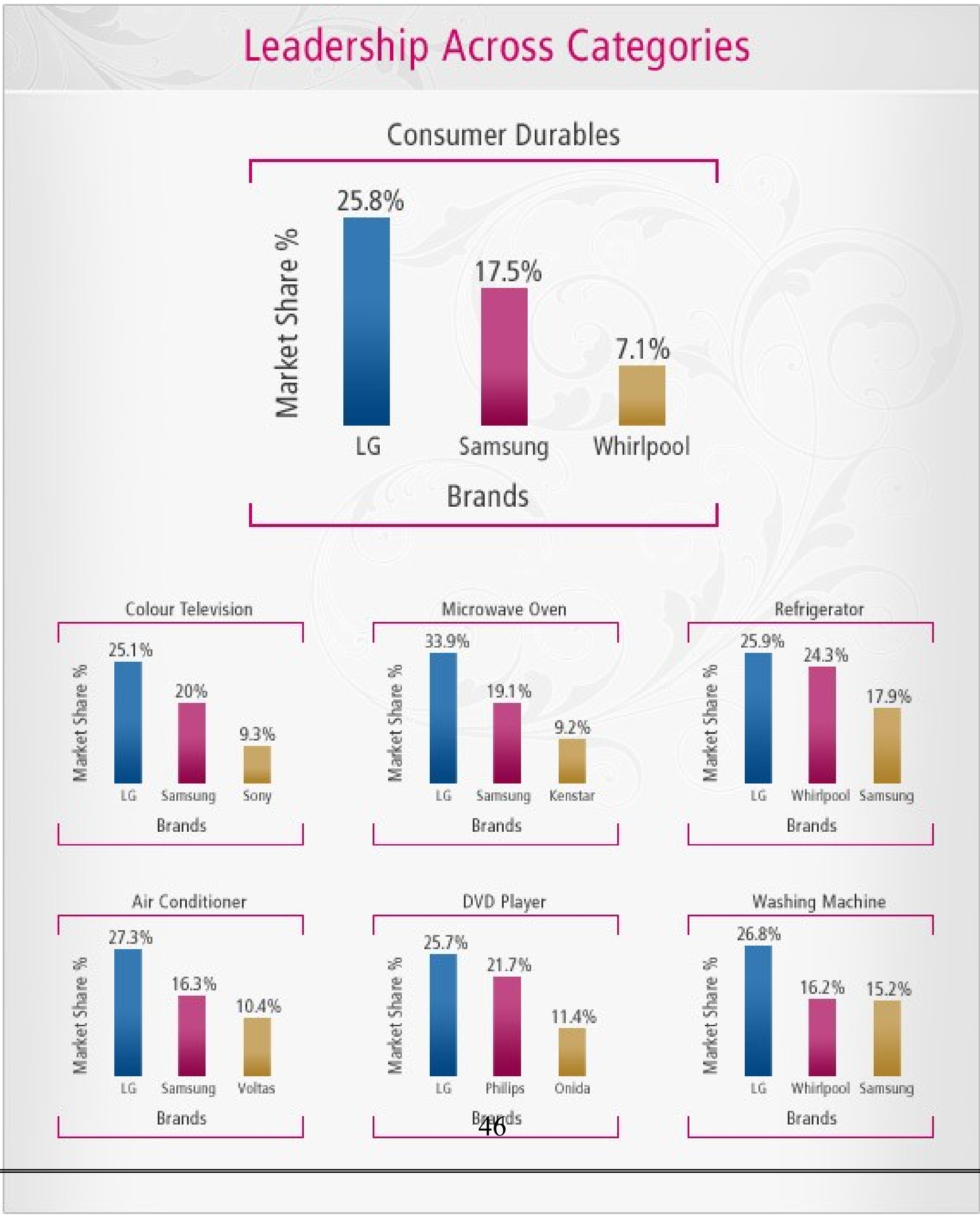
Opportunity:-

- Mobile phones segment gaining prominence
- Emerging India rural market.
- Positive growth trends in consumer durable segment
- Lowering of import duties
- Control over the white goods market, as we know highest market share in home appliance market.

Threat:-

- Price sensitive customer & fierce competition
- The closest competitors Samsung is also from South Korea and consumer compare LG products with Samsung product.
- Unpredictable elasticity of demand

MARKET SHARE COMPARISON


Leadership Across Categories
Consumer Durables
Market Share %
25.8%
17.5%
7.1%
LG
Samsung
Whirlpool
Brands
Colour Television
25.1%
20%
9.3%
LG
Samsung
Sony
Brands
Microwave Oven
33.9%
19.1%
9.2%
LG
Samsung
Kenstar
Brands
Refrigerator
25.9%
24.3%
17.9%
LG
Whirlpool
Samsung
Brands
Air Conditioner
27.3%
16.3%
10.4%
LG
Samsung
Voltas
Brands
DVD Player
25.7%
21.7%
11.4%
LG
Philips
Onida
Brands
Washing Machine
26.8%
16.2%
15.2%
LG
Whirlpool
Samsung
Brands

In the Consumer Durable Industry, LG holds the maximum market share of 25.7% followed by Samsung and Whirlpool.

THE DIGITAL FUTURE OF LG

Mobile communications, digital appliances, digital displays, and digital media - LG is paving the way for the future.

Mobile Communications

LG is a global leader in mobile communications, specializing in UMTS, CDMA, and GSM handsets. Thanks to its wide range of wired and wireless options, the company is becoming a force to be reckoned with on the international market.

In India LG is targeting GSM handset business in premium trend setter segment, Camera & music segment & colour screen segment.

- Digital Appliances

LG changing homes in many ways, offering customers exceptional value and convenience. Innovative digital appliances from 100% washer dryer with direct drive technology, built-in LCD TV refrigerator, Light wave cooking oven (Saleroom) to Art cool split air conditioner illustrate LG's commitment to digital convergence.

- Digital Display

LG offers a wide range of digital display products, equipped with customer-oriented designs and technologies. With its LCD TVs, Full HD Plasma TVs, Ultra-slim Colour TVs, LCD monitors LG is pulling out all the stops to remain the frontrunner in today's digital display industry.

- Digital Media

LG has a great interest in digital media and is continually developing and producing digital convergence products that promise to enrich the lives of its customers. Its main focus is on producing high-definition, quality products in a variety of areas.

RESEARCH METHODOLOGY

RESEARCH METHODOLOGY

The objective of the present study can be accomplished by conducting a systematic market research. Market research is the systematic design, collection, analysis and reporting of data and findings that are relevant to different marketing situations facing the company. The marketing research process that will be adopted in the present study will consist of the following stages:

Research Instruments:

The research instruments generally used to collect the primary data are Questionnaires.

Questionnaires:

Questionnaires are formal set of questions prepared to collect the required information. This is one of the most effective and popular techniques used in surveys. However, we had to be careful when drawing up questionnaires. Before deciding on the questions, it was important to understand the exact nature of information required and who should be interviewed. The knowledge level of target respondents was kept in mind, while drawing of questions. The major junk of the customer was basically from urban background. The questionnaires were designed in English.

Sampling:

The sample is a subset of a unit of a population, collected as a representation of it. The proper sample design is essential in marketing research. The sample has to be collected in such a way, that it represents the population. The sample was taken from all the segments of the customers. Convenience sampling technique was used in the survey conducted.

Sample Size:

The size of the sample is an important element in the research process as it has a direct affect on the result of the research. As a size of sample increases, accuracy and reliability of the research results also increases. However, the cost of the research also increases. Therefore, we need to make a tradeoff between the accuracy and cost of research. Type of project was another important aspect of deciding the sample size.

- ✓ During this project I touched 300 customers in Delhi region

The marketing research process that will be adopted in the present study will consist of following stages:

* **Defining the problem and the research objective:**

The research objective states what information is needed to solve the problem. The objective of the research is to derive the opinion of the users and opinion of the potential customers.

* **Developing the research plan:**

Once the problem is identified, the next step is to prepare a plan for getting the information needed for the research. The present study will adopt the exploratory approach wherein there is a need to gather large amount of information before making a conclusion. If required, the descriptive and casual approaches may also be used.

* **Analyze the collected information:**

Tables were used for the analysis of the collected data. The data is also neatly presented with the help of statistical tools such as graphs and pie charts.

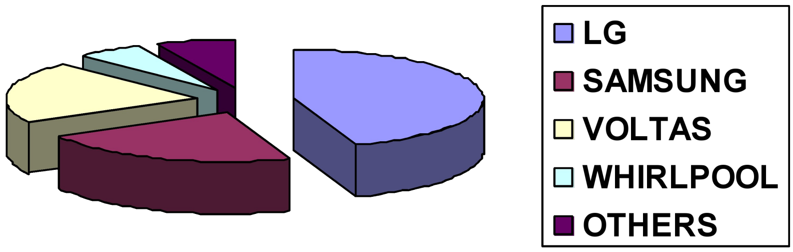
* **Report research findings:**

This phase will mark the culmination of the marketing research effort. The report with the research findings is a formal written document.

DATA ANALYSIS AND OBSERVATIONS

Q1 a) Which brand would you associate with Air Conditioner:-

		Frequency	Percent
Valid	L.G	134	44.7
	SAMSUNG	68	22.7
	Voltas	61	20.3
	Whirlpool	17	5.7
	Others	20	6.7
	Total	300	100.0

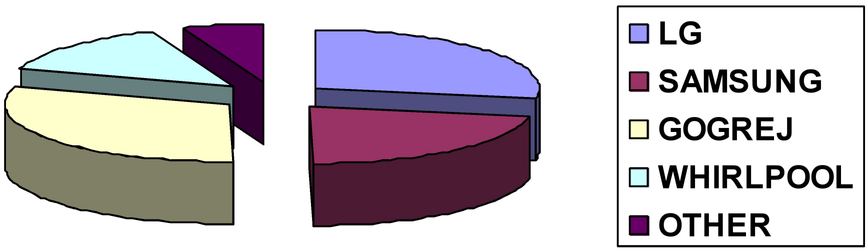


From the above we can see that from among the 300 respondents 44.67% prefer LG as a brand they look forward when they think of A.C. 22.67% looks towards Samsung, 20.33% towards Voltas, 5.67% towards whirlpool & around 7% towards others.

Recommendation is clashing with data.

Q1 b) which brand would you associate with Refrigerator:-

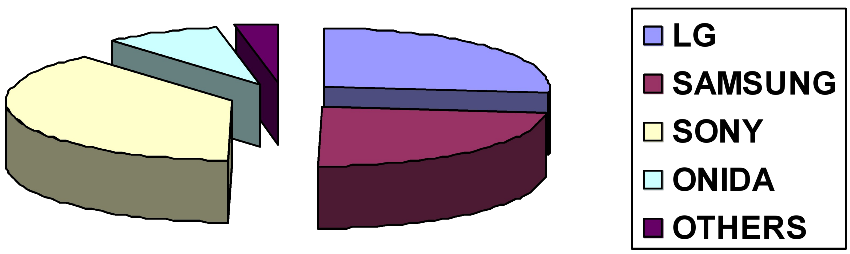
		Frequency	Percent
Valid	L.G	83	27.7
	Samsung	66	22.0
	Godrej	91	30.3
	Whirlpool	43	14.3
	Others	17	5.7
	Total	300	100.0



From the above we can see that from among the 300 respondents 27.67% prefer LG as a brand they look forward when they think of refrigerator, 22% looks towards Samsung, 30.33% towards Godrej, 14.33% towards whirlpool & around 5% towards others.

Q1 c) Which brand would you associate TV:-

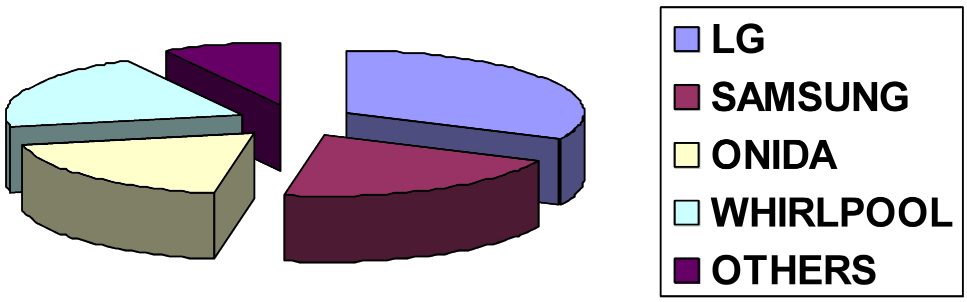
		Frequency	Percent
Valid	L.G	79	26.3
	Samsung	72	24.0
	Sony	115	38.3
	Onida	25	8.3
	Others	9	3.0
	Total	300	100.0



From the above we can see that from among the 300 respondents 26.33% prefer LG as a brand they look forward when they think of T.V, 24% looks towards Samsung, 38.33% towards Sony, 8.33% towards onida & around 3% towards others.

Q1 d) which brand would you associate Washing Machine:-

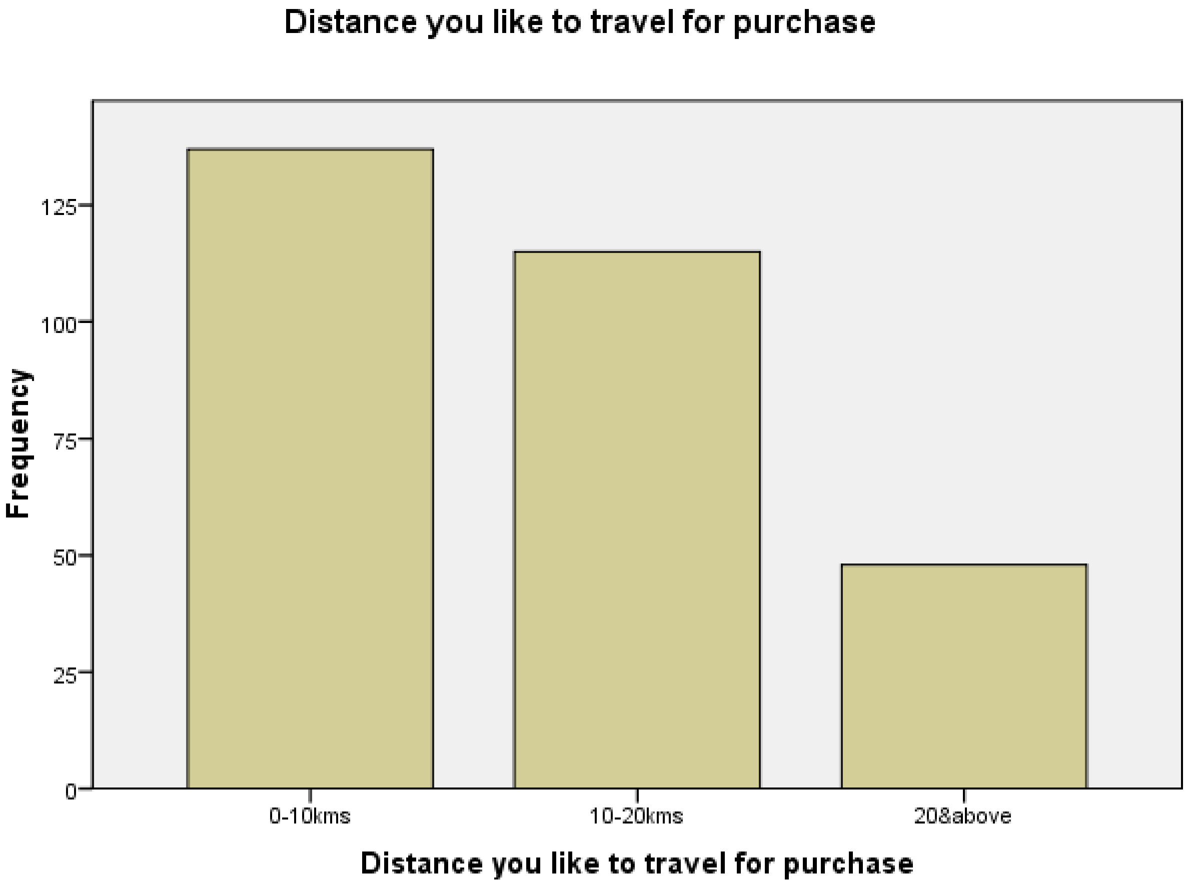
		Frequency	Percent
Valid	L.G	97	32.3
	Samsung	61	20.3
	Onida	57	19.0
	Whirpool	61	20.3
	Others	24	8.0
	Total	300	100.0



From the above we can see that from among the 300 respondents 32.33% prefer LG as a brand they look forward when they think of washing machine. 20.33% looks towards Samsung, 19% towards onida, 20.33% towards whirlpool & around 8% towards others.

Q2 How much would you like to travel for your purchase:-

		Frequency	Percent
Valid	0-10kms	137	45.7
	10-20kms	115	38.3
	20&above	48	16.0
	Total	300	100.0



Around 137 respondents in the survey said that they prefer below 10 kms for making their purchase decision where as 115 respondents said they can travel till 20kms and only 48 said that they can even go beyond 20kms for making their purchase.

Q3 For making your purchase decision you would like to go for:-

		Frequency	Percent
Valid	Exclusive Showrooms	146	48.7
	Dealer.Multi brand showroom	154	51.3
	Total	300	100.0

People have very less effect of Exclusive showroom or multi brand showroom. As we can see 146 respondents prefer Exclusive showroom and only 154 prefer multi brand showroom.

Q4 Whom do you find more explanatory to your sales related Queries?

		Frequency	Percent
Valid	sales man	67	22.3
	sales girl	134	44.7
	any one	99	33.0
	Total	300	100.0

Around 134 responded said that sales girls are able to explain their sales related quarries batter, where as 67 said men are able to explain then better and around 100 said any one could so the job for them, Q5 Rate these factors as they affect your purchase decision: - (on the scale of 1 to 5)

1) After sales service:-

		Frequency	Percent
Valid	1	45	15.0
	2	42	14.0
	3	60	20.0
	4	68	22.7
	5	85	28.3
	Total	300	100.0

From the above we can conclude that 85 respondents have service effect to maximum on their purchase decision, 68 have a bit less than that.

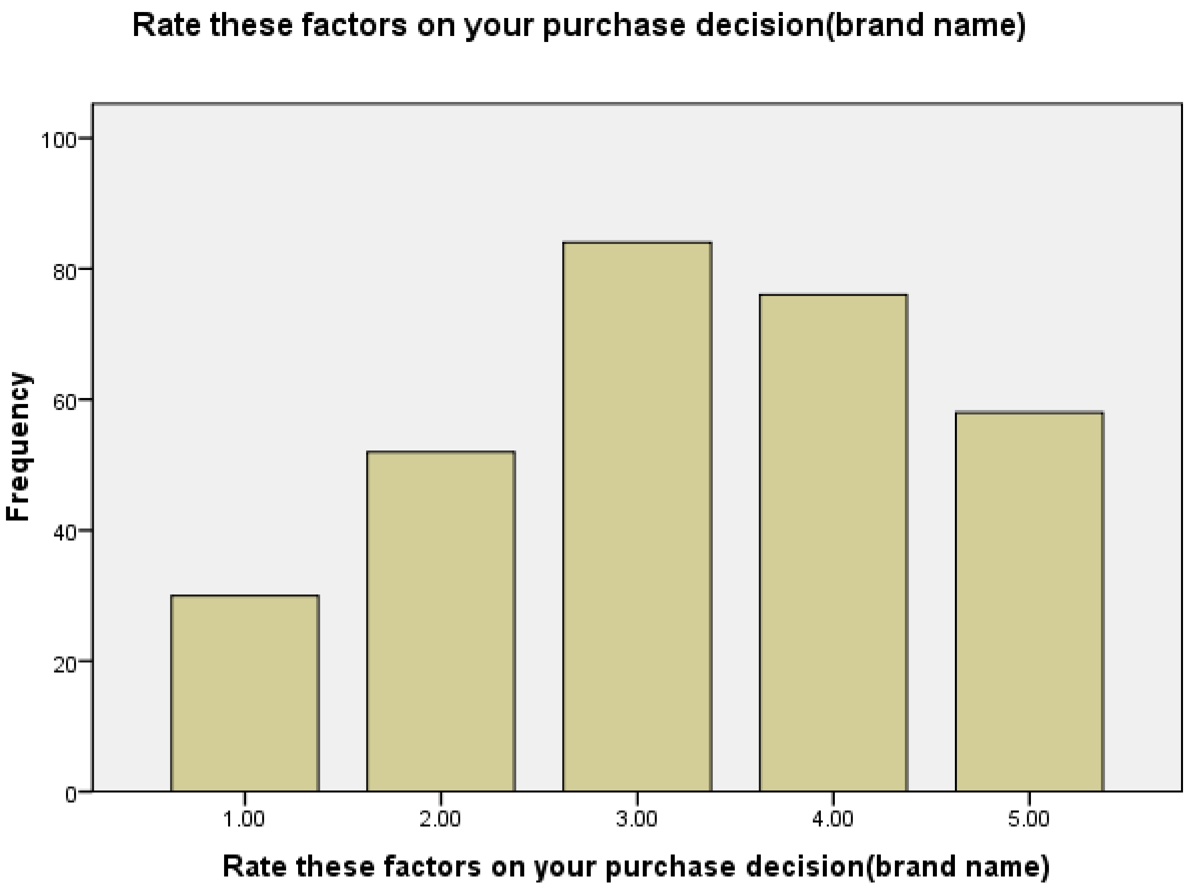
Q5 Rate these factors as they affect your purchase design:-
2) Price:-

		Frequency	Percent
Valid	1	30	10.0
	2	65	21.7
	3	64	21.3
	4	92	30.7
	5	49	16.3
	Total	300	100.0

From the above we can conclude that most people have a price effect on their purchase decision. In the survey around 92 respondents gave price a 4 grade among 1 to 5 as it effects their purchase decision.

Q5 Rate these factors as they affect your purchase design:-
3) Brand name:-

		Frequency	Percent
Valid	1	30	10.0
	2	52	17.3
	3	84	28.0
	4	76	25.3
	5	58	19.3
	Total	300	100.0



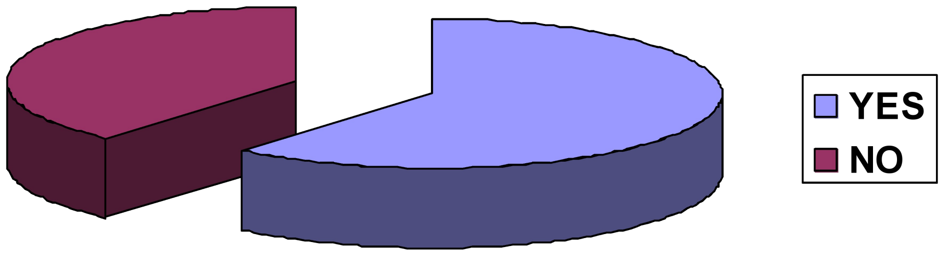
Brand name has also effect the purchase of a new product as from the 300 respondents 84 gave it 3 out of 5 and 76 gave 4 out of 5,

Q5 Rate these factors as they affect your purchase design: - (on the scale of 1 to 5)
4) Offers:-

		Frequency	Percent
Valid	1	47	15.7
	2	48	16.0
	3	59	19.7
	4	98	32.7
	5	48	16.0
	Total	300	100.0

Around 98 respondents gave offers 4 out of 5 as an affect on their purchase decision, Q6 Are you aware of Energy Efficiency Ratings?

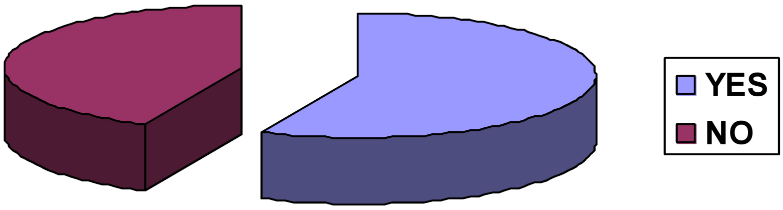
		Frequency	Percent
Valid	yes	184	61.3
	NO	116	38.7
	Total	300	100.0



From the survey it was also seen that around 61% people are aware Energy Efficiency Ratings where as around 38% are does not know what Energy efficiency Ratings is.

Q7 Does Energy Efficiency Ratings affects your purchase design?

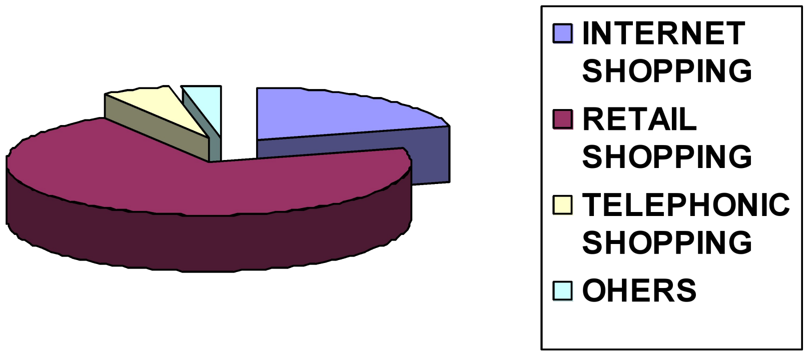
		Frequency	Percent
Valid	yes	170	56.7
	No	130	43.3
	Total	300	100.0



Around 56% people said that these ratings have an effect on their purchase decision. Where as 43% said that these does not have an effect on their purchase.

Q8 which mode of shopping does you prefer:-

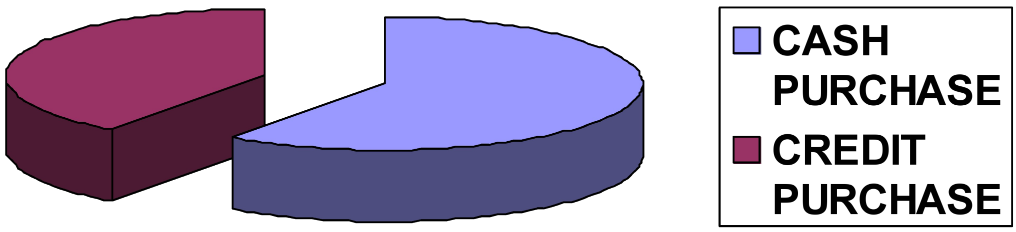
		Frequency	Percent
Valid	internet shopping	61	20.3
	retail shopping	213	71.0
	telephonic shopping	17	5.7
	Others	9	3.0
	Total	300	100.0



Around 71% people in the survey said that they go for retail shopping, 20% people go for internet shopping, and 6% go for telephonic shopping.

Q9 which mode of purchase you like more:-

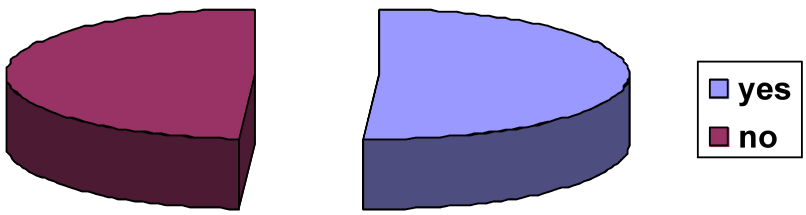
		Frequency	Percent
Valid	cash purchase	180	60.0
	credit purchase	120	40.0
	Total	300	100.0



Most of the people prefer cash purchase. Some of the people who said credit purchase said that not loan but credit card purchase is also good for making purchase.

Q10 Have you ever purchased a consumer good through finance;-

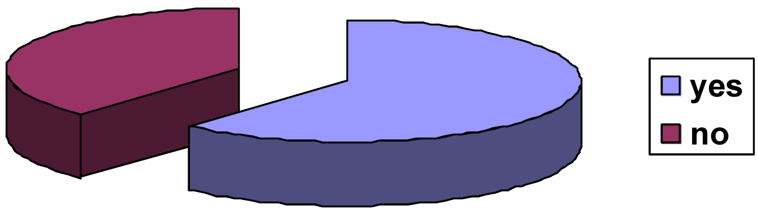
		Frequency	Percent
Valid	yes	153	51.0
	no	147	49.0
	Total	300	100.0



The response toward this question was equal as in hi income areas the people like to go for cash purchase were as middle income group people liked to go for credit purchase.

Q11 If given a option to have finance option would you like to avail it;-

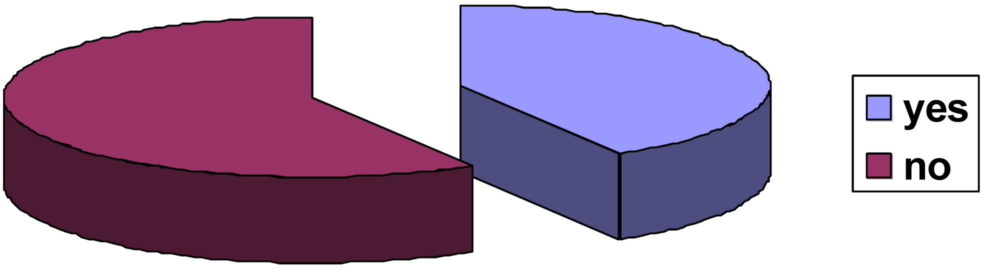
		Frequency	Percent
Valid	yes	186	62.0
	no	114	38.0
	Total	300	100.0



Most of the people said that they would not like to go for finance option .around 62% said that they will not go for finance and only 38% said that they can go for it if given the option.

Q12 Does Brand Ambassadors effect your buying decision;-

		Frequency	Percent
Valid	yes	124	41.3
	no	176	58.7
	Total	300	100.0

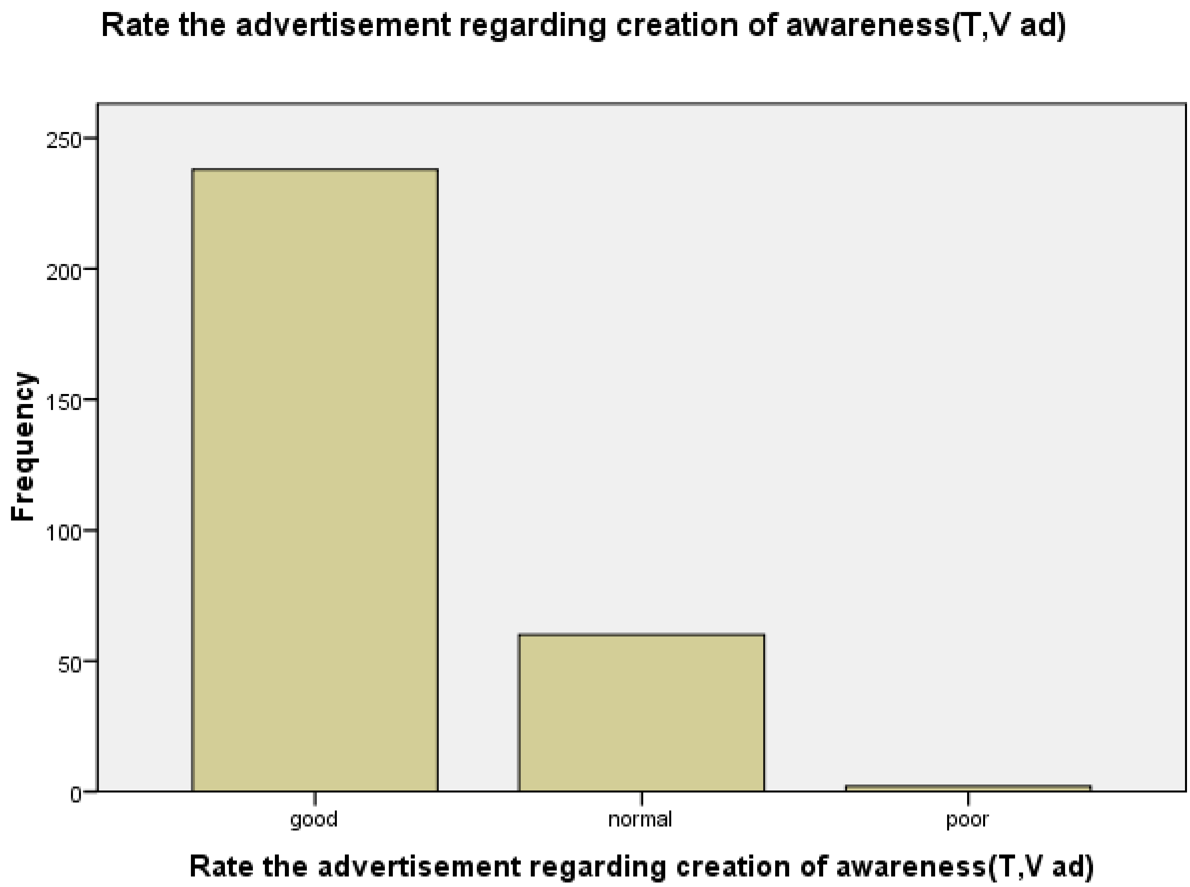


On the brand ambassador aspect 58.67% respondents replied that it does not affect their purchase but 41.33% said that brand ambassador has an effect on their decision.

Q13 Rate the advertisement medium regarding creation of awareness about home appliances-

a) Television advertisements

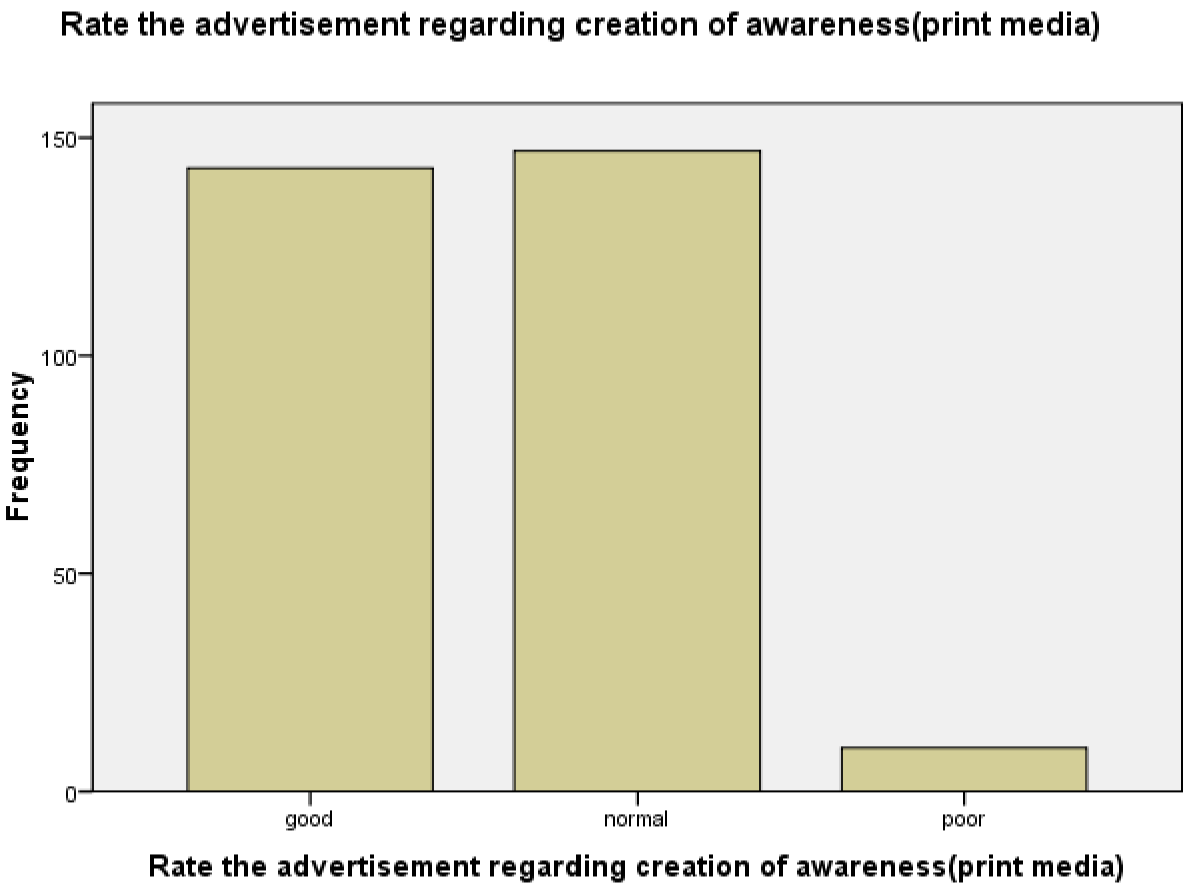
		Frequency	Percent
Valid	good	238	79.3
	normal	60	20.0
	poor	2	.7
	Total	300	100.0



The awareness of television as a medium for creation of awareness is very good according to 238 respondents

Q13 Rate the advertisement medium regarding creation of awareness about home appliances-
b) Print medium

		Frequency	Percent
Valid	Good	143	47.7
	Normal	147	49.0
	Poor	10	3.3
	Total	300	100.0

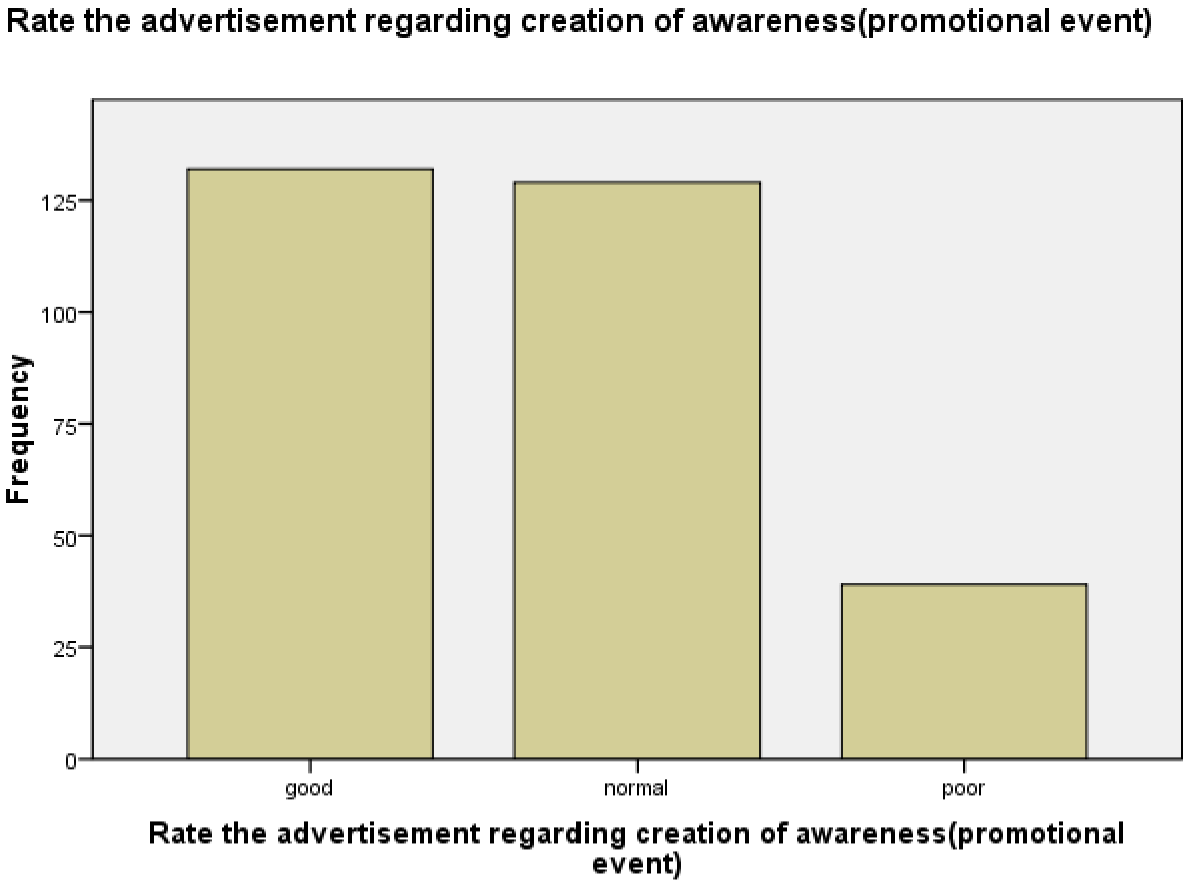


In the survey 143 respondents said that print media is good medium for advertisement were as 147 said it is a normal medium of advertising.

Q13 Rate the advertisement medium regarding creation of awareness about home appliances-

c) Promotional events

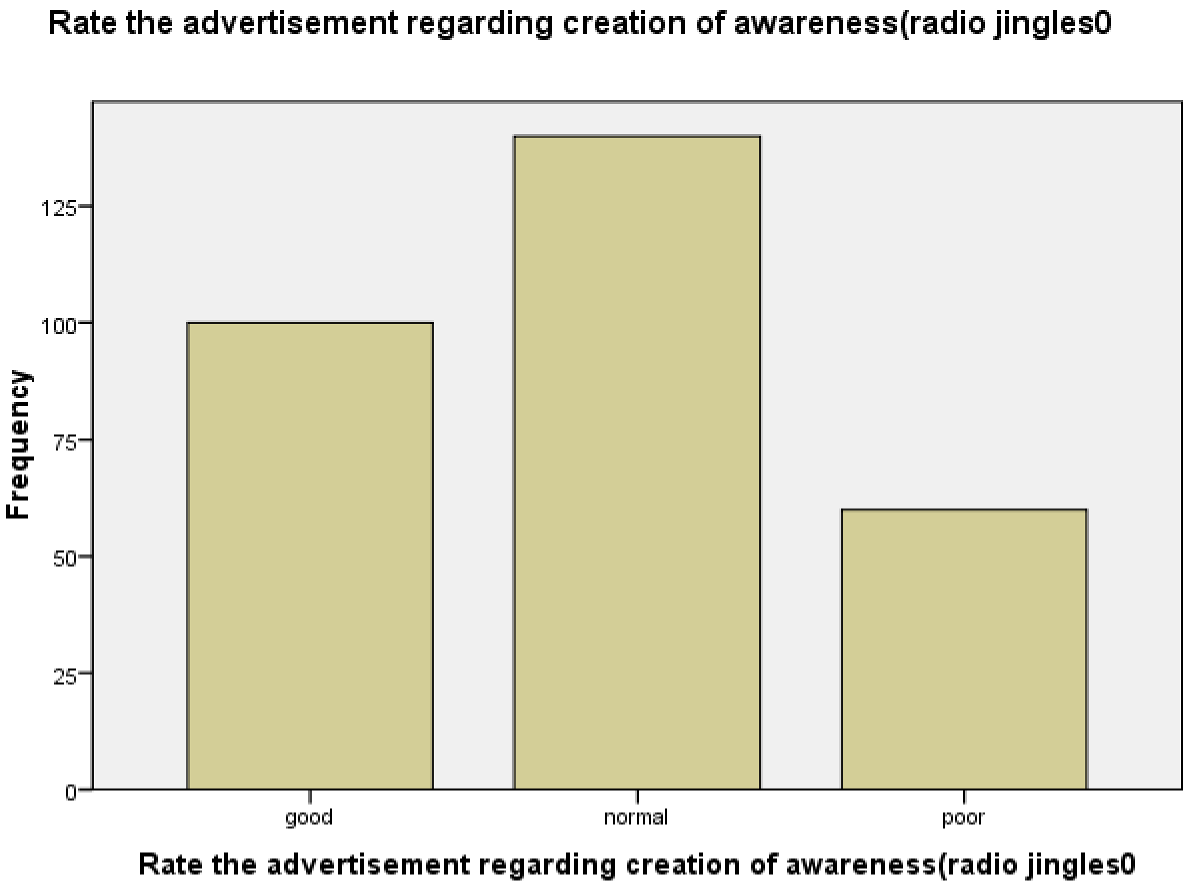
		Frequency	Percent
Valid	good	132	44.0
	normal	129	43.0
	poor	39	13.0
	Total	300	100.0



132 respondent among 300 said that promotional event is a good medium of advertisement and 129 feel it as a normal medium of advertisement.

Q13 Rate the advertisement medium regarding creation of awareness about home appliances-
d) Radio jingles

		Frequency	Percent
Valid	Good	100	33.3
	Normal	140	46.7
	Poor	60	20.0
	Total	300	100.0



140 people feel it as a normal medium of advertisement were as 100 people fell it as good medium for advertisement.

Q14 How satisfied are you with your last appliance purchased with reference to:-
Price

		Frequency	Percent
Valid	extremely satisfied	88	29.3
	satisfied	165	55.0
	neutral	44	14.7
	dissatisfied	2	.7
	extremely dissatisfied	1	.3
	Total	300	100.0

Among the sample 165 were satisfied with the price of the product which the purchase last, 88 are extremely satisfied, 44 fell neutral about the price.

Q14 How satisfied are you with your last appliance purchased with reference to:-
After sales service

		Frequency	Percent
Valid	extremely satisfied	73	24.3
	Satisfied	153	51.0
	Neutral	61	20.3
	Dissatisfied	12	4.0
	extremely dissatisfied	1	.3
	Total	300	100.0

Among the sample 153 were satisfied with the after sales service of the product which the purchased lastly, 73 are extremely satisfied, 61 fell neutral about the after sales service.

Q14 How satisfied are you with your last appliance purchased with reference to: - product design

		Frequency	Percent
Valid	extremely satisfied	110	36.7
	satisfied	132	44.0
	neutral	49	16.3
	dissatisfied	8	2.7
	extremely dissatisfied	1	.3
	Total	300	100.0

Among the sample 132 were satisfied with the product design of the product which the purchased last, 110 are extremely satisfied, 49 fell neutral.

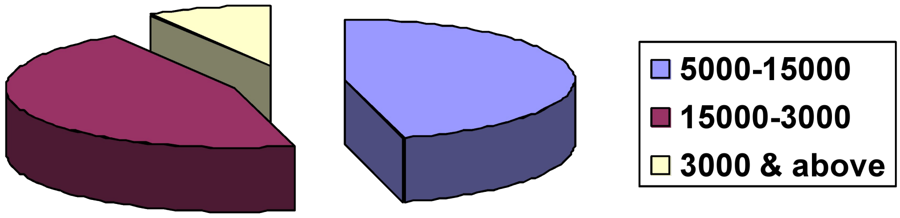
Q14 How satisfied are you with your last appliance purchased with reference to:- Product features

		Frequency	Percent
Valid	extremely satisfied	96	32.0
	Satisfied	143	47.7
	Neutral	45	15.0
	Dissatisfied	8	2.7
	extremely dissatisfied	8	2.7
	Total	300	100.0

Among the sample 143 were satisfied with the product features which the purchased lastly, 96 are extremely satisfied, 45 fell neutral.

Q15 How much would you like to spend on following home appliances:-

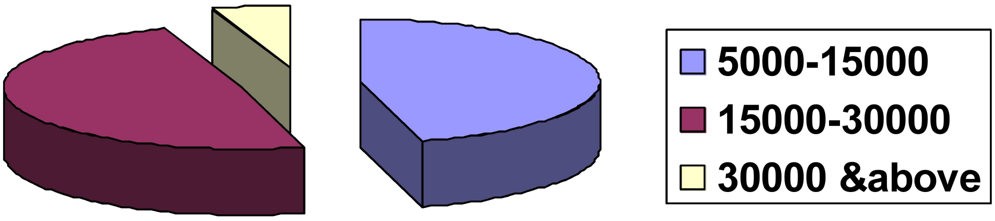
		Frequency	Percent
Valid	5000-15000	137	45.7
	15000-30000	136	45.3
	30000&above	27	9.0
	Total	300	100.0



Among the survey 45.67% were the people who like to spend 5000 to 15000 for their purchase of a new A.C, 45.33% were the people who like to spend 15000-30000 and 9% were those who like to spend more than 30000

Q15 How much would you like to spend on following home appliances:-

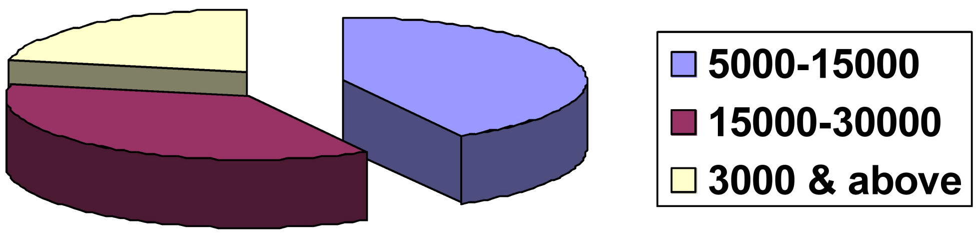
		Frequency	Percent
Valid	5000-15000	137	45.7
	15000-30000	147	49.0
	30000&above	16	5.3
	Total	300	100.0



Among the survey 45.67% were the people who like to spend 5000 to 15000 for their purchase of a new fridge, 49% were the people who like to spend 15000-30000 and 5.33% were those who like to spend more than 30000

Q15 How much would you like to spend on following home appliances:-

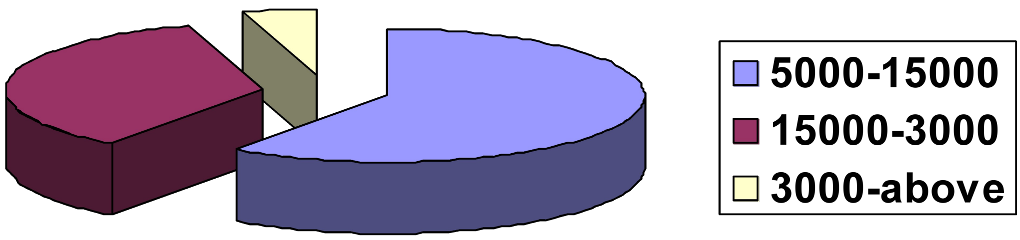
		Frequency	Percent
Valid	5000=15000	126	42.0
	15000-30000	109	36.3
	30000&above	65	21.7
	Total	300	100.0



Among the survey 42% were the people who like to spend 5000 to 15000 for their purchase of a new T.V, 36.33% were the people who like to spend 15000-30000 and 21.67 were those who like to spend more than 30000.

Q15 How much would you like to spend on following home appliances:-

		Frequency	Percent
Valid	5000-15000	180	60.0
	15000-30000	106	35.3
	30000&above	14	4.7
	Total	300	100.0



Among the survey 60% were the people who like to spend 5000 to 15000 for their purchase of a new washing machine, 35.33% were the people who like to spend 15000-30000 and 4.67% were those who like to spend more than 30000

Distance you like to travel for purchase * Shop you like to visit for purchase decision Cross tabulation

Count

		Shop you like to visit for purchase decision		Total
		Exclusive Showrooms	Delear.Multi brand showroom	
Distance you like to travel for purchase	0-10kms	68	69	137
	10-20kms	60	55	115
	20&above	18	30	48
Total		146	154	300

During the survey the only 16% respondent liked to visit shops which are more than 20kms away from there home. Where as 84% respondent told that they would like to travel within 20klm for there purchase.

How satisfied are you with your last purchase(price) * Company of which last appliance purchased Cross tabulation

Count

		Company of which last appliance purchased				Total
		L.G	Samsung	Sony	Others	
How satisfied are you with your last purchase(price)	extremely satisfied	35	25	14	14	88
	satisfied	58	42	24	41	165
	neutral	15	12	12	5	44
	dissatisfied	1	1	0	0	2
	extremely dissatisfied	1	0	0	0	1
Total		110	80	50	60	300

31% of the people who have purchased LG products recently were satisfied with price if the product which they have purchased which is maximum as compared to other companies.

How satisfied are you with your last purchase(after sales service) * Company of which last appliance purchased Cross tabulation

Count

		Company of which last appliance purchased				Total
		L.G	Samsung	Sony	Others	
How satisfied are you with your last purchase(after sales service)	extremely satisfied	33	19	9	12	73
	satisfied	56	41	24	32	153
	neutral	19	17	11	14	61
	dissatisfied	1	3	6	2	12
	extremely dissatisfied	1	0	0	0	1
Total		110	80	50	60	300

Around 30% people were satisfied with the after sales service which was provided by the company to them. Were as only 20% of the respondents who have gone for Samsung were satisfied with the after sales service provided to them by the company.

How satisfied are you with your last purchase(product design) * Company of which last appliance purchased Cross tabulation

Count

		Company of which last appliance purchased				Total
		L.G	Samsung	Sony	Others	
How satisfied are you with your last purchase(product design)	extremely satisfied	46	26	17	21	110
	satisfied	44	38	21	29	132
	neutral	18	14	10	7	49
	dissatisfied	1	2	2	3	8
	extremely dissatisfied	1	0	0	0	1
Total		110	80	50	60	300

30% of the LG consumers were also satisfied with the product design, were as only 12% consumers of Sony were satisfied with the product design

How satisfied are you with your last purchase(product features) * Company of which last appliance purchased Cross tabulation

Count

		Company of which last appliance purchased				
		L.G	Samsung	Sony	Others	Total
How satisfied are you with your last purchase(product features)	extremely satisfied	36	28	16	16	96
	satisfied	53	39	21	30	143
	neutral	12	10	11	12	45
	dissatisfied	4	3	0	1	8
	extremely dissatisfied	5	0	2	1	8
Total		110	80	50	60	300

From the sample of 300. 30% people who have purchased LG recently were satisfied from the product features which were maximum as compared to others.

(C) CONCLUSION

- LG electronics is having a good market in A.C segment but in other 3 segments it just has 25% market share
- The study shows that 44% of respondent's fells sales girls are able to explain/handle quarries of the consumer better than the sales man.
- 71% people prefer to go more for retail shopping than other modes of shopping.
- 60% People prefer cash purchase but 51% also said that they would like to avail finance option if given.
- Price of the product has a direct effect on the purchase decision of a consumer. People prefer to purchase product ranging between 5-15 thousands in case of T.V, A.C, washing machine, and fridge.
- Brand ambassador doesn't make much of difference in buying decision of consumers but television plays a vital role in creating awareness among people rather then other media.
- Most of the people are aware of EER and it does affect the purchase decision of consumers.
- After sales service is the most important criteria on the basis of which consumer take their decision of buying the particular product, then comes the price followed by brand name.

(D) RECOMMENDATIONS

- LG should put more focus on fridge, washing machine, T.V & microwave as compared to A.C.
- The company should employ more of sales girls as they are able to handle the quarries of consumer in a more polite manner than men.
- The company should come up with more to television advertisements as it is a good medium for promotions.
- More finance schemes can be provided to the consumer as it helps in increasing the sales of the company.
- LG should keep reasonable price so that consumers can afford it as consumers are price sensitive.
- L.G should work more on after sales service, as it is an important criteria on which consumer look upon before buying any new product.
- Brand ambassador doesn’t make much difference, so L.G can save money here by reducing the cost.

NEW PRODUCT LAUNCH IN MARKET
AND
CONSUMER TOWARDS LG BRANDS

RESEARCH DESIGN

The objective of the present study can be accomplished by conducting a systematic market research. Market research is the systematic design, collection, analysis and reporting of data and findings that are relevant to different marketing situations facing the company. The marketing research process that will be adopted in the present study will consist of the following stages:

RESEARCH

- To know the feedback of last promotion, from the consumers in the Delhi region.
- To view the readability of the new LCD brand launched by LG electronics.
- To enhance the promotion techniques.

SOURCES

The sources of the data collection include:-

- Consumers in Delhi region
- Prospect of new LCD buyers in the market.

METHODS

To consolidate the research, I have adopted the following data collection tools and methods. Are:-

- Questionnaire method

 # Sample Size:

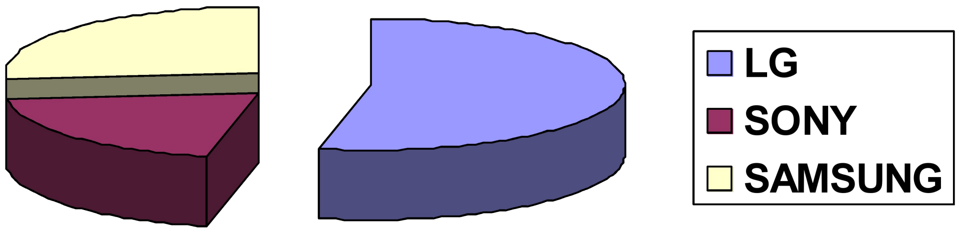
The size of the sample is an important element in the research process as it has a direct affect on the result of the research. However, the cost of the research also increases. Therefore, we need to make a trade off between the accuracy and cost of research. Type of project was another important aspect of deciding the sample size.

✓ During this project we touched 30 customers in Delhi region

DATA ANALYSIS AND OBSERVATIONS

Q1 Viewing the following LCD TV photograph, are you able to recognise the model:-

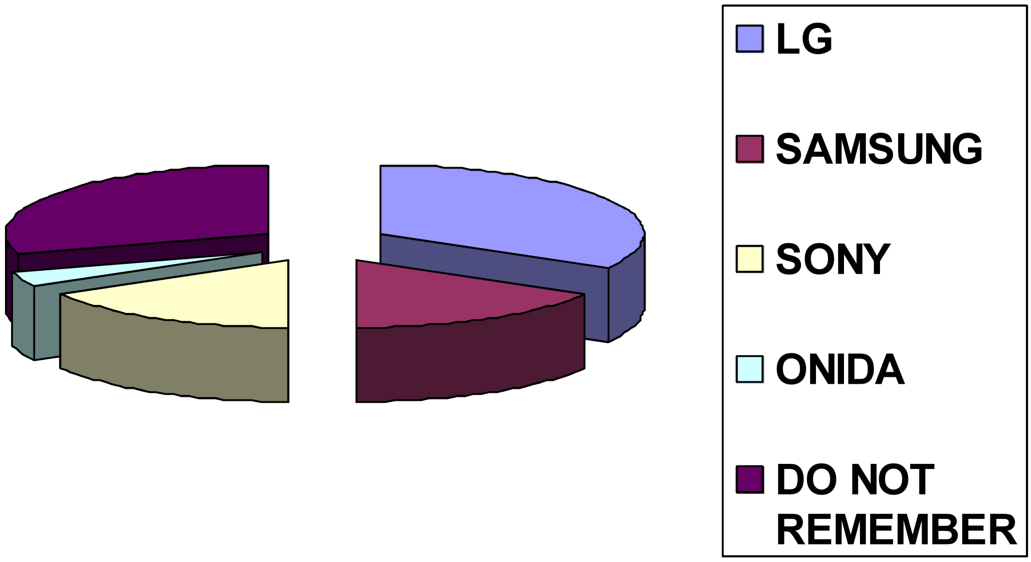
		Frequency	Percent
Valid	L.G	16	53.3
	SONY	6	20.0
	SAMSUNG	8	26.7
	Total	30	100.0



The survey showed that among the sample of 30 respondents 53.33% people were able to recognise the new LCD launched by L.G electronics, but the in this percentage more who were aware about the new LCD were the respondents of Lajpat Nagar and Malviya Nagar were as people of Sarita Vihar were less aware about the product.

Q2 If I say LCD TV, which advertisement comes first in your mind:-

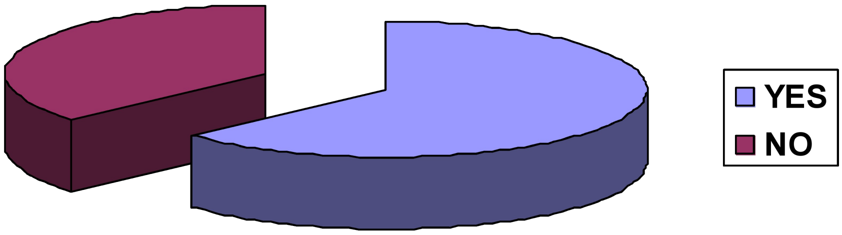
		Frequency	Percent
Valid	L.G	10	33.3
	SAMSUNG	5	16.7
	SONY	5	16.7
	ONIDA	1	3.3
	Do not remember	9	30.0
	Total	30	100.0



On this question around 10 respondents replied that they remember the new L.G LCD advertisement. Were as those saying Samsung or Sony were 5 each. Around 9 respondents were those who were not able to remember any advertisement of a LCD.

Q3 Are You planning to Buy a LCD in near future:-

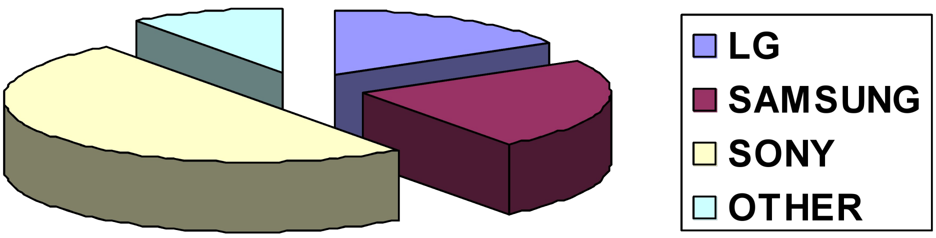
		Frequency	Percent
Valid	Yes	19	63.3
	No	11	36.7
	Total	30	100.0



Around 63% from the sample size said they are willing to but a new LCD in near future as it is the latest technology it takes less of space & it can be hanged on wall.
People also take LCD as status symbol which was one of the reasons for their purchase decision.

Q4 Please tells the brand you would like to buy:-

		Frequency	Percent
Valid	L.G	5	16.7
	SAMSUNG	7	23.3
	SONY	15	50.0
	OTHERS	3	10.0
	Total	30	100.0



The most of the respondents on brand they like to but opted for Sony with a maximum Of 15 respondents from among the 30 sample size said that they like to go for Sony.7 said that they will go for Samsung & 5 said that they will go for L.G.

CONCLUSION

From the survey it was found that the people are able to recognise the new LCD launch by L.G electronics but it higher segment of the society but the middle segment is still a bit unaware of the new LCD launch. The consumers are still preferring for Sony when the think of going for a new LCD.

RECOMMENDATIONS

The company should go for some more advertising and promotional events in which it can show case the product directly to the consumers.

The company should also come up with some promotional Schemes for consumers which are able to attract the consumers towards L.G products. The pricing should also be made in comparison to Sony & Samsung as these are the major two competitors.

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    - **Business Standard**
    - **The Times Of India**

3. **Books**

    - **Marketing Management By Philip Kotler**
    - **Marketing Research**

4. Product Manual, LG Electronics

<u>APPENDICES</u>

APPENDIX 1: Questionnaire for Project:-1

APPENDIX 2: Questionnaire for Project:-2

QUESTIONNAIRE

Q1 swhich brand would you associate with the following products:-

1) Air Conditioner:-

a) LG b) Samsung c) Voltas d) Whirlpool e) others (specify)

2) Refrigerator:-

a) LG b) Samsung c) Godrej d) Whirlpool e) others (specify)

3) TV:-

a) LG b) Samsung c) Sony d) Onida e) others (specify)

4) Washing Machine:-

a) LG b) Samsung c) Onida d) Whirlpool e) others (specify)

Q2 How much would you like to travel for your purchase:-

1) 0-10 kms 2) 10 – 20 kms 3) 20 kms & above

Q3 for making your purchase decision you would like to go for:-

1) Exclusive Showrooms 2) Dealer/Multi Brand Showrooms

Q4 Whom do you find more explanatory to your sales related Queries?

1) Sales man 2) Sales girl 3) Any one

Q5 Rate these factors as they affect your purchase design: - (on the scale of 1 to 5)

1) After sales service:-

2) Price:-

3) Brand name:-

4) Offers:-

Q6 Are you aware of Energy Efficiency Ratings?

1) Yes 2) NO

Q7 Does Energy Efficiency Ratings affects your purchase design?

1) Yes 2) NO

Q8 which mode of shopping do you prefer:-

1) Internet shopping 2) Retail Shopping 3) Telephonic shopping

4) Other (specify)

Q9 which mode of purchase you like more:-

1) Cash purchase 2) Credit Purchase

Q10 Have you ever purchased a consumer good through finance;-

1) Yes 2) No

Q11 If given a option to have finance option would you like to avail it;-

1) Yes 2) No

Q12 Does Brand Ambassadors effect your buying decision;-

1) Yes 2) No

Q13 Rate the following advertisement mediums regarding creation of awareness about home appliances-

	Good	Normal	Poor
a) Television advertisements			
b) Print medium			
c) Promotional events			
d) Radio jingles			

Q14 How satisfied are you with your last appliance purchased with reference to following:-

Appliance purchased:-

Company name:-

	EXTREMELY SATISFIED	SATISFIED	NEUTRAL	DISSATISFIED	EXTREMELY DISSATISFIED
PRICE					
After Sales service					
Product Design					
Product Features					

Q15 How much would you like to spend on following home appliances:-

	5000-15000	15000-30000	30000&above
AC			
Fridge			
T.V			
Washing Machine			

Name:-

Age:-

Gender:-

Place:-

--------------------------------------- Thanking you -----------------------------

QUESTIONNAIRE 2

Q1 Viewing the following LCD TV photograph, are you able to recognise the model:-

Q2 If I say LCD TV, which advertisement comes first in your mind.

If yes, pleases tell some thing about the advertisement, which you remember:-

Q3 Are You planning to Buy a LCD in near future:-

a) Yes b) no

Q4 Please tell the brand you would like to buy:-

a) LG b) Samsung c) Sony d) Onida e) Any other, ______________

Name:-
Gender:-
Place:-