

Project Report

“A study to find out what marketing failures led to the closure of Mobile manufacturing units of LG mobiles in India”

**Submitted to
G.S. College of Commerce & Economics
Nagpur**

+

In partial fulfilment for the award of the degree of
Bachelor of Business Administration

**Submitted by
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**Under the Guidance of
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G.S. College Of Commerce & Economics, Nagpur



Academic Year 20 21- 22

G.S. College Of Commerce & Economics, Nagpur



Academic Year 2021-22

CERTIFICATE

This is to certify that "**Priyanshi Kaushik**" has submitted the project report titled "**A study to find out what marketing failures led to the closure of Mobile manufacturing units of LG mobiles in India**", towards partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate. It is further certified that she has ingeniously completed his/her project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

Dr. Pragati Richa Pandey

(Project Guide)

Dr Afsar Sheikh

(Co-ordinator)

Place: NAGPUR

Date:

G.S. College Of Commerce & Economics, Nagpur



Academic Year 2021-22

Declaration

I here-by declare that the project with title "A study to find out what marketing failures led to the closure of Mobile manufacturing units of LG mobiles in India" has been completed by me in partial fulfillment of BACHELOR OF BUSINESS ADMINISTRATION degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

Priyanshi Kaushik

Place: Nagpur

Date:

G.S. College Of Commerce & Economics, Nagpur



Academic Year 2021-22

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With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to Dr.N.Y.Khandait, Principal, G.S. College of Commerce & Economics, Nagpur.

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Priyanshi Kaushik

Place: Nagpur

Date:

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INTRODUCTION

INTRODUCTION-

LG Electronics Inc. is a South Korean multinational electronics company headquartered in Yeouido-dong, Seoul, South Korea. LG Electronics was established in 1958 and has since led the way into the advanced digital era thanks to the technological expertises acquired by manufacturing many home appliances Life's Good such as radios and TVs. LG Electronics has unveiled many new products, applied new technologies in the form of mobile devices and digital. TVs in the 21st century and continues to reinforce its status as a global company. In order to create a holding company, the former LG Electronics was split off in 2002, with the "new" LG Electronics being spun off and the "old" LG Electronics changing its name to LG El. It was then merged with and into LG Cl in 2003 (the legal successor of the former LG Chem), so the company that started as Gold Star does currently exist. LG Electronics plays a large role in the global consumer electronics industry; it was the second-largest LCD TV manufacturer worldwide as of 2013. By 2005, LG was a Top 100 global brand and recorded a brand growth of 14% in 2006. As of 2009, its display manufacturing affiliate, LG Display, was the world's largest LCD panel manufacturer. In 2010, LG Electronics entered the smartphone industry. LG Electronics has since continued to develop various electronic products, such as releasing the world's first 84-inch ultra-HD TV for retail sale. On 5 December 2012, the antitrust regulators of the European Union fined LG Electronics and five other major companies (Samsung, Thomson since 2010 known as Technicolor, Matsushita which today is Panasonic Corp, Philips and Toshiba) for fixing prices of TV cathode-ray tubes in two cartels lasting nearly a decade. On 11 June 2015, LG Electronics found itself in the midst of a human rights controversy when The Guardian published an article by Rosa Moreno, a former employee of an LG television assembly factory. At the end of 2016, LG Electronics merged its German branch (situated in Ratingen) and European headquarter (situated in London) together in Eschborn, a suburb of Frankfurt am Main.

In March 2017, LG Electronics was sued for its handling of hardware failures with recent smartphones such as the LG G4. Koo Bon-joon, who was the CEO and the current vice chairman of LG Electronics, was replaced by his nephew Koo Kwang-mo in July 2018 as CEO and vice chairman. The move came after the succession of Koo Kwang-mo as the chairman of the parent company LG Corporation who succeeded his adoptive father and uncle Koo Bon-moo after Bon-moo died of a brain tumor on 20 May 2018. LG announced in November 2018 that Hwang Jeong-hwan, who took the job as president of LGMobile

Communications in October 2017, will be replaced by Brian Kwon, who is head of LG's hugely profitable home entertainment business, from 1 December 2018. Also in 2018, LG decided to stop smartphone production in South Korea to move production to Vietnam, in order to stay competitive. LG said Vietnam provides an "abundant labour force" and that 750 workers at its South Korean handset factory would be relocated to its home appliance plant. On 5 April 2021, LG announced its withdrawal from the phone manufacturing industry after continuous loss in the market. In 2020, LG faced a loss of 5 trillion won (US\$4.4 billion).

PRODUCTS -

LG Electronics' products include televisions, home theatre systems, refrigerators, washing machines, computer monitors, wearable devices, solar modules, smart appliances and, formerly, smartphones.

1. Televisions-

The LG SL9000 was one of several new Borderless HDTV's advertised for release at IFA Berlin in 2009. LG Electronics launched an OLED TV in 2013 and 65-inch and 77-inch sizes in 2014. LG Electronics introduced its first Internet TV in 2007, originally branded as "Net Cast Entertainment Access" devices. They later renamed the 2011 Internet televisions to "LG Smart TV" when more interactive television features were added, that enable the audience to receive information from the Internet while watching conventional TV programming.

In November 2013, a blogger discovered that some of LG's smart TVs silently collect filenames from attached USB storage devices and program viewing data, and transmit the information to LG's servers and LG-affiliated servers. Shortly after this blog entry went live, LG disabled playback on its site of the video, explaining how its viewer analytics work, and closed the Brightcove account the video was hosted on. LG manufactures remote control models that use Hillcrest Labs' Free space technology to allow users to change channels using gestures and Dragon NaturallySpeaking technology for voice recognition

As of 2014, LG is using web OS with a ribbon interface with some of its smart TVs. LG reported that in the first eight months after release, it had sold over 5 million web OS TVs.

In 2016, exclusively to India, Indian arm of South Korea's LG Electronics Inc started selling a TV that would repel mosquitoes. It uses ultrasonic waves that are silent to humans but cause mosquitoes to fly away. It was released on 16 June 2016. The technology was also used in air conditioners and washing machines. The TV is aimed for lower income consumers living in conditions that would

make them susceptible to mosquitoes. In 2018, it was reported that LG was planning to sell big-screen televisions that could be rolled up and retract automatically with the push of a button come 2019.

LG OLED TV AI Thine

2. Mobile Devices -

LG Electronics used to manufacture smartphones and tablet devices. Other than the G3, LG officially unveiled the curved smartphone, G Flex, on 27 October 2013. LG released it in South Korea in November 2013 and later announced releases in Europe, the rest of Asia and North America. At Consumer Electronics Show in January 2014, LG announced a US release for the G2 across several major carriers. In 2015, LG released LG G4 globally in late May through early June. On 7 September 2016, LG unveiled the V20, and the V30 was announced on 31 August 2017. LG G6 was officially announced during MWC 2017 on 26 February 2017. The G7 ThinQ model was announced at a 2 May 2018 media briefing. LG officially launched the LG K42 on 21 September 2020, with great reviews. In April 2021, LG confirmed that the smartphone division will be officially shut down in July 2021 after months of speculation. The decision to shut down LG Mobile came about from poor sales caused by stiff competition from rival Samsung and Chinese budget brands such as Oppo and Xiaomi. LG became the first major smartphone brand to completely withdraw from the market. In April 2021, LG officially confirmed that it will shut down its mobile division. Earlier, there had been rumours that LG considered selling its mobile division with Ving and Volkswagen named as potential buyers.

LG Wing LG G8XThing LGG

3. Tablet & Laptop -

In 2014, LG announced three new additions to the G series of tablets, which have LG's Knock Code feature, allowing users to unlock devices with a series of taps. The tablets also

feature Q Pair which allows tablets to sync up with a smartphone, with phone calls and text messages passed on to the tablet in real time. LG gram Ultra-Lightweight LG G Pad.

4. Smart Watches -

LG and Google announced the Android Wear-based smartwatch, the LG G Watch, that was in June 2014. In August 2014, the LG G Watch R that has a circular face (similar to the Moto 360) was released. The LG Watch Urbane that LG's third Android Wear-based smart watch has released in April 2015. This was the first device to support newer smartwatch features such as Wi-Fi, and new parts of Android Wear's software interface, like the ability to draw emoji to friends.

LG Watch Urbane LTE LG G Watch R.

5. Home Appliances -

LG manufactures home appliances including refrigerators, washing machines, tumble dryers, vacuum cleaners, air conditioners and microwave ovens. In June 2014, LG Electronics announced the launch of its smart appliances with HomeChat messaging service in South Korea. HomeChat employs LINE, the mobile messenger app from Korean company 'Naver', to let homeowners communicate, control, monitor and share content with LG's smart appliances. Users can send simple messages, such as "start washing cycle," in order to control their washing machines.

Home Appliances

LG OLED

LG Electronics is one of the leading companies in the field of electronics with a global presence in

many countries. Before briefing, I have divided the introduction part into three main sub parts.

1. LG Global

2. LG India

3. LG Pune

Marketing Mix

LG has a high market share in India and to maintain that we will continue to invest there." LG India is targeting sales of Rs 9,600 crore in 2014, up from Rs 8,000 crore in 2013 from its home appliances. ... Currently, LG exports a range of products to 63 countries from India.

PRODUCT LG

Television - → 55-inch

OLED TV



> 65-inch and 77-inch OLED TV

LG Smart TV

► Plasma TV

Smart Devices and mobile phones – A varied range of tablet devices and smart phones like-

> G3,

>G Flex

> G2



LG HOME ENTERTAINMENT

- > Music systems
- > Home theatre systems
- > Blu ray players
- > DVD players

COMPUTER PRODUCTS like monitors

Home appliances

- > Refrigerators ▶

Dishwashers

Microwave ovens Vacuum cleaners

- ▶ Washing machines

Water purifiers

Air conditioners

PLACE

- LG product available in LG retail showroom, malls ,private retail shop.



- The services of LG are available in more than 110 countries of the world.

LG Electronics controls 114 local subsidiaries in India 6

SMART HOME PLACE

- LG product available in LG retail showroom, malls ,private retail shop.
- The services of LG are available in more than 110 countries of the world.

LG Electronics controls 114 local subsidiaries in India

6

Smart Home

PROMOTION

LG promote its products through Newspaper, T.V., Radio, hording and taking part in events etc. Global Newspaper

→ T.V

> Hording



Taking part in events like

ICC world cup, foot ball leagues.....etc.

COMPANY PROFILE

HISTORY OF THE COMPANY:

The company was originally established in 1958 as Gold Star, producing radios, TVs, refrigerators, washing machines, and air conditioners. The LG Group was a merger of two Korean companies, Lucky and Gold Star, from which the abbreviation of LG was derived. The current "Life's good" slogan is a backronym. Before the corporate Name change to LG, household products were sold under the brand name of Lucky, while electronic products were sold under the brand name of Gold Star. The Gold Star brand is still perceived as a discount brand.

1958–1960s

In 1958, LG Electronics was founded as Gold Star (Hangul: . It was established in the aftermath of the Korean War to provide the rebuilding nation with domestically-produced consumer electronics and home appliances. The start of the country's national broadcasting that created a booming electronics market and a close relationship it quickly forged with Hitachi helped Gold Star to produce South Korea's first radios, TVs, refrigerators, washing machines and air conditioners. Gold Star was one of the LG groups with a brethren company, Lak-Hui (pronounced "Lucky") Chemical Industrial Corp. which is now LG Cham and LG Households. Gold Star merged with Lucky Chemical and LS Cable on 28 February 1995, changing the corporate name to Lucky-Goldstar and then finally to LG Electronics.

► 1970s-1990s

LG Electronics earned US\$100 million in revenue from exports for the first time in its history. Rapid growth by globalization saw the company establish its first overseas production, based in the United States, in 1982. In 1994, Gold Star officially adopted the LG Electronics brand and a new corporate logo. In 1995, LG Electronics acquired the US-based TV manufacturer Zenith and absorbed it four years later. Also in that year, LG Electronics made the world's first CDMA digital mobile handsets and supplied Ameritech and GTE in the US, the LGC-330W digital cellular phone. The company was also awarded UL certification in the US. In 1998, LG developed the world's first 60-inch plasma TV and

established a joint venture in 1999 with Philips - LG Philips LCD – which now goes by the name LG Display. In 1999, LG Semiconductor merged with Hynix.

► **2000s-present**

In order to create a holding company, the former LG Electronics was split off in 2002, with the "new" LG Electronics being spun off and the "old" LG Electronics changing its name to LG El. It was then merged with and into LG CI in 2003 (the legal successor of the former LG), so the company that started as Gold Star does not currently exist.

LG BRAND IDENTITY:-

The brand of LG is delightfully smart. LG strives to enhance the customer's life and lifestyle with intelligent features, institutive functionality and exceptional performance.

The brand platform:-

The LG brand is composed of four basic elements

- 1.Value
- 2.Promise
- 3.Benifits
- 4.Personality

The Brands core Value that never changes.

- a. Trust, b
- Innovation, c
- People
- d. Passion

The benefits that are consistently delivered to the customer includes Reliable products Simple design Ease of use Extraordinary Experience Personality describes the human characteristic that are expressed to the customer through

Trustworthy, Considerate

Practical, Friendly Manufacturing units - A Currently, the facility has three different buildings dedicated to TVs, refrigerators, and air conditioners. The unit consists of three

assembly lines for television which are capable of handling 10.5K units per day. Following a strict 6 Sigma culture and 7 loss elimination procedure, the televisions are tested for discrepancies such as white balance, colour contrast, etc. before being sent out for final packaging. With a strong focus on manufacturing for a Indian consumers and the extreme weather conditions in the country, each display is further tested for temperature resistance for up to 40 degrees. Additionally, the televisions are put through 12 different drop tests and the production time for each television from beginning to the final packaging is 15 minutes.



The manufacturing unit in Pune was set up in 2004 and currently employs 1,689 workers. This unit is in addition the company's manufacturing plant in Greater Noida which was set up in 1998 and is touted as one of the most eco- friendly units amongst all LG manufacturing plants across the globe.

LG Vision Statement

LG Electronics constantly researches and introduces a full range of innovative, greener products and services, and continue to be a leader in developing green innovations. LG Electronics will realize Global Top Company in the EESH area through corporate level EESH management system operation, energy efficiency optimization, business site safety & health, and employee health improvement activities. By providing differentiated

customer value, LG Electronics will pursue earth environment preservation, sustainable social advancement, and improve the quality of life for stakeholders.

GROWTH STRATEGY

"Fast innovation, Fast growth"

CORE COMPETENCY

"Product leadership, Market leadership, People leadership"

CORPORATE CULTURE

No excuse, "we" not "I", Fun workplace

SLOGAN:

"Life's Good" represents LG's determination to provide delightfully smart products that 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.

THE SYMBOL:

The symbol of LG is the face of future. The letter "L" and "G" in a circle symbolizes world, future, youth, humanity & technology. LG philosophy is based on humanity. It also represents LG's efforts to keep close relationship with our customers around the world. The symbol consists of two elements.

1. The logo in LG grey
2. The stylized image of human face in the unique LG red colour. Red colour represents our friendliness and gives a strong impression of LG's commitment to deliver the best. The circle symbolizes The Globe. The stylized image of a smiling face in the symbol conveys "Friendliness and Approachability". The one eye on the symbol represents "Goal-oriented, Focused & Confident". The slogan of LG is "Life's Good". It expresses "Brand's Value, Promises, Benefits, Personality."

Awards & Recognition



AWARDS

New Delhi, October 24th October, 2007:

LG Electronics India Pvt.Ltd. today achieved another landmark by bagging the award for excellence in Exports of Electronic Hardware by the Electronics and Computer Software Export promotion Council of India (ESC) .This achievement is another feather in the cap for the company after achieving a milestone of USD 186 million in exports for calendar year 2006. This milestone has reiterated LG's

prime position not only in the domestic but the international markets as well. The award was received by

Mr. Ajay Sapra , DGM, Corporate Exim, LGEIL and Mr .Jatin Madan, AGM, Exports, LGEIL, on behalf of LG

on 24th October, 2007 at a function held at Hall Kamal Mahal, Hotel Maurya Sheraton, Sardar Patel Marg, New Delhi. Shri A. Raja, Union

Minister for IT and Communications presented the Awards. LG has emerged as top player in Consumer Electronics Exports and is exporting a range of products primarily to the highly competitive markets of Middle East, Asia and Africa. The award was given to LG for its excellent exports performance in Consumer Electronics (CTV, Monitors, GSM, Personal Computers and ODD) during the **financial year 2005-2006**.

During this period, LG achieved exports worth **USD 133 Million** defined product categories.

Exceptional design, enlightened technology

For over 60 years , LG has been a world leader in digital innovation, continuously going beyond the boundaries to make life good. But don't just take our word for it; find out how we compare across the global.

TV	Speaker	Appliance	Smartphone
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TV



LG OLED TV – E9 The E9 offers red carpet design, LG’s most advanced TV RT brain – the a9 processor – and front-firing speakers throwing 60w of power into your room thanks to Dolby Atmos.



Nano Cell 4K HDR TV

LG's most advanced LED TV, delivering superior picture quality with enhanced RGB colour purity thanks to LG's Nano Cell technology



LG SIGNATURE OLED 4K TV - W8

LG's ultimate 4K model gives ultra-slim TVs a new meaning – and its innovative features haven't gone unnoticed in the technology world, with numerous awards celebrating the W8's wow factor.



LG OLED TV - E8

A built-in speaker, OLED 4K quality and picture-on-glass design have made the E8 a favoured TV for many; and it's been rewarded as best in its class by numerous experts as well.



LG OLED TV - C8

As well as the OLED screen and $\alpha 9$ Processor, the C8 model features a curved stand that helps direct sound to the viewer. Such innovative design has naturally led to a star-studded endorsement.



LG Super UHD TV - SK9500

Super UHD has reached a new level of super, packing in excellent picture quality and an elegant design. And the SK9500 has fittingly been acknowledged on the international stage.

THE PARTNERSHIP

LG Electronics chooses to promote harmony and build constructively on a labour-management relationship rather than an employee-employer relationship. This illustrates that management and workers are not in a vertical relationship, but in a horizontal one. This culture is necessary for LG Electronics as it strives to become one of the world's top companies. Such a relationship is transformed into a value-creation relationship whereby both parties endeavour to address mutual problems and create new values together.

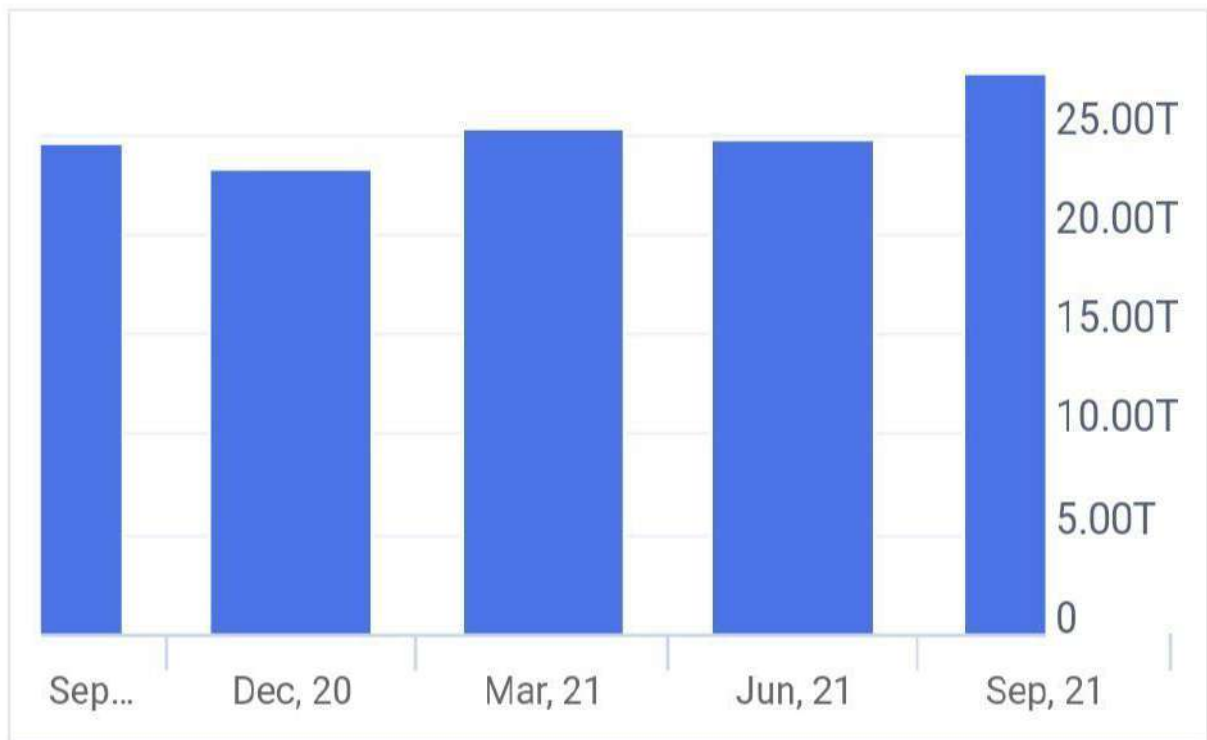
STRATEGIC ALLIANCE

LG Electronics is making technical advances and identifying business opportunities through various associative relationships with some of the world's leading companies. LG Electronics is striving to become number one in the world by mingling in various business and technological fields and making strategic alliances with world famous companies. "Strategic association between corporations," in which companies with different infrastructures cooperate in the fast-developing 21st century business field, is of key significance in terms of strengthening the existing industry and creating a new one.

STRENGTH	WEAKNESS
<p>Accessory to Necessary” Air-conditioners are no longer perceived to be a item of luxury.</p> <p>Advancement of technology which gives the companies ability to introduce new products and new product features.</p> <p>High Growth. Key drivers being Urban and Rural.</p> <p>Government Policies in favour of Industry includes infrastructure development, reduction in excise duty and so on.</p>	<p>Supply continues to outstrip Demand. Demand Cyclical and seasonal.</p> <p>Volatile performance of the agricultural sector have a negative impact on demand. The sector's performance is highly dependent on monsoon and reforms, which has failed often.</p>
OPPORTUNITY	THREAT
<p>Diversification. Developing new products for new markets. Easy availability of finance has stimulated consumers to buy durables.</p> <p>Changes in Consumer Outlook from spend now-save later mentality leading to high disposable income.</p>	<p>Dozen companies operating in the white goods segment. Prices would continue to remain depressed and margins will be under pressure.</p> <p>Threats of cheaper imports from China and other South East Asian countries</p>

BALANCE SHEET:

■ Total Current Assets



Total Current Assets	28,099,220
Cash and Short Term Investments	6,780,599
Cash	362
Cash & Equivalents	6,619,803
Short Term Investments	160,796
Total Receivables, Net	9,913,488
Accounts Receivables - Trade, Net	9,305,681
Total Inventory	9,958,141
Prepaid Expenses	1,038,976
Other Current Assets, Total	1,446,992
Total Assets	54,559,798
Property/Plant/Equipment, Total - Net	14,802,106
Property/Plant/Equipment, Total - Gross	27,733,642
Accumulated Depreciation, Total	-13,759,644
Goodwill, Net	487,404
Intangibles, Net	2,756,884
Long Term Investments	5,350,215
Note Receivable - Long Term	716,562
Other Long Term Assets, Total	2,834,811
Other Assets, Total -	
Total Current Liabilities	23,669,388
Accounts Payable	10,194,566
Payable/Accrued	3,260,187
Accrued Expenses	3,142,838

Notes Payable/Short Term Debt	431,335
Current Port. of LT Debt/Capital Leases	1,711,981
Other Current liabilities, Total	8,071,319
Total Liabilities	37,164,328
Total Long Term Debt	9,195,599
Long Term Debt	8,584,947
Capital Lease Obligations	610,652
Deferred Income Tax	124,843
Minority Interest	2,909,654
Other Liabilities, Total	1,264,844
Total Equity	17,395,470
Redeemable Preferred Stock, Total - Preferred Stock - Non Redeemable, Net -	
Common Stock, Total	904,169
Additional Paid-In Capital	3,098,070
Retained Earnings (Accumulated Deficit)	14,539,535
Treasury Stock - Common	-44,893
ESOP Debt Guarantee	-
Unrealized Gain (Loss)	62,044
Other Equity, Total	-1,163,455
Total Liabilities & Shareholders' Equity	54,559,798
Total Common Shares Outstanding	180.07
Total Preferred Shares Outstanding	-

LITERATURE REVIEW

According to “An impact of consumer buying behavior in decision making process in purchase of electronic home appliances in Chennai (India): an empirical study” S.Vijayalakshmi, V.Mahalakshmi, Mother Teresa Women’s University, Kodaikanal, Tamilnadu, India. This research contributes to the perceptiveness of consumer buying behavior in the electronic home appliances market. The key findings of the study designate that the overall set of independent variables was weakly associated with the dependent variable. On the other hand, the profound analysis found that social factors, physical factors, and marketing mix elements were strongly associated with the buying behaviors of Indian consumers. These analyses compose its potential to determine consumer decision-making rules. Furthermore, our analysis facilitated us to recognize numerous noteworthy directions for future research. The principal goal of this future research will be to expand methodological bases for consumer behavior analysis using MATLAB simulation tests using the developed methodology. As an outcome of our research, we

focus to build up a computer simulation model that will allow us to examine the consumer behavior process. The simulation model of the electronic home appliances market will be elaborated with a Data mining tool approach. According to “A STUDY ON CUSTOMER SATISFACTION TOWARDS SELECTIVE LG PRODUCTS”

Dr. A. Dharmaraj Assistant Professor, Department of Management Studies & Research, Karpagam University, Coimbatore, India Marketing starts before production and continues after sales. Marketing is the process of creating customers. LG products are liked by one and all. The study shows that most of the sale is done on basis of sales promotion activities and TV advertisement etc. The important attribute of the product is quality and prices should be taken care. Product attributes like permanence and after sales service has been appreciated. It is certified that the customer satisfaction concept is an unpredictable one in any kind of marketing but this study has attempted its best to reveal the same.

RESEARCH STUDY

OBJECTIVE OF THE STUDY:

PRIMARY OBJECTIVES:

To Find out the customer satisfaction level of LG mobile phone and to study the Market Potential of LG MOBILE phones

SECONDARY OBJECTIVES :

- Analysing the satisfaction level of customer towards LG mobile Phones Analysing the problem faced by LG mobile phones customers. Analysing which LG mobile products is more used by customers.
- Collecting the data bases of different age group of customers interested in different types of toppings offer. To make suggestions in the light of the findings of the study.
- To find out consumer preferences.
- Creating awareness to LG mobile phones customers about the advantages in using LG mobile.

NEED AND SCOPE OF THE STUDY:

- This project gives me great exposure to the consumer durable market because it includes product knowledge and the field job in which I have visited the store comes under the region of Pune.
- During this project I also took part in the exhibition of LG which held for the purpose branding and awareness of LG product. This project helps me to know the market practically.
- My job was during this project to see the market share and also the display share of the LG product in the store. LG always insist the 50% display share of LG product because LG believes that "JO DIKHTA HAI WO BIKTA
- This study focuses on how and why consumers make decisions to goods and services, consumer behaviours research goes beyond these facts of consumer behaviours and considers the use of consumer.
- Their subsequent evaluations. The dissatisfaction with a choice for an electronic product perhaps lead to many reason.
- The reason are continuous poor distribution problem poor influence of the existing consumer towards potential consumer and vintage products mix for prolong period, each of these possible consequence of convenience part purchase dissatisfaction. To give a solution for the above said problems of the

study is under taken

Collection Of Data

In the present study both primary and secondary data are made use o

HYPOTHESIS:

Hypothesis is referred as the presumptions made by an individual to study the research project. These presumptions are made in a way to satisfy the objectives framed for the project. Framing of hypothesis is an important part of the research as in this step the research problem or the problem statement is designed on which the entire research is based. The hypothesis or the research problem of the study is designed in such manner to find out the relationship between the variables, i.e. does the effect on has any impact on the other. We can also say that the following hypothesis will let us know how closely they are correlated with each other.

HYPOTHESIS 1:

HO - People do not prefer LG for electronic consumer products

H1 - People prefer LG for electronic consumer products

HYPOTHESIS 2:

HO - LG's quality of products does not influence people to buy its products

H1 - LG's quality of products influences people to buy its products

HYPOTHESIS 3:

HO - Family members do not influence buying decisions

H1 - Family members influence buying decisions

HYPOTHESIS 4:

HO - Buying branded refrigerators does not make a difference

H1 - Buying branded refrigerators makes a difference

HYPOTHESIS 5:

HO - Style and looks of the television do not matter to the customer

H1 - Style and looks of the television matter to the customer

Problem definition- What?

The company said its decision to exit the “incredibly competitive mobile phone sector” is to focus resources in growth areas such as electric vehicle components, connected devices, smart homes, robotics, artificial intelligence, business-to-business solutions, platforms and services.

- LG has confirmed it is closing down its mobile phone business.
- The company's mobile phone unit has been a loss-making affair for about six years.
- LG said it will continue to sell existing phones until their inventory runs out.

LG Monday announced it is quitting the smartphone business. In a prepared statement, the South Korean company said that the decision to shutter its loss-making mobile division will enable it to focus

“resources in growth areas.” These growth areas for LG include electric vehicle components, connected devices, smart home products, robotics, artificial intelligence, and business-to-business solutions among other products and services. This decision comes days after LG showcased its ambitious rollable phone at the CES

2021. LG said it will wind down the entire mobile phone business by July 31, but the inventory of some of its existing phones may still continue to be available after that. It is not certain how this will come into effect because technically if these phones will be on sale, LG will be providing support and service to these phones.

And that would not be called the closure. But it is good for people who are using LG's phones. You do not have to worry much right now because your phone will be supported officially for quite some time.

How?

LG announced its mobile division will be closed this year since it cannot turn profitable in the current market. However, the company's report confirms all other branches have posted a yearly increase in sales, bringing the total revenue to KRW18.8 trillion - the most LG has ever recorded between January and March.

Mobile division performance	Q1 2021	Q4 2020	QoQ change	Q1 2020	YoY change
Sales in KRW /USD	998.7B / 901M	1,385B / 1.24B	-27.9	998.6B/901M	0%
Profit in KRW / US	-280B / -252	-248B / -224	-12	-237B / -214	-18%

The biggest grower was the Home Entertainment division. People staying at home resulted in recovering demand in North America and Europe - traditionally profitable markets where LG managed to expand its sales of OLED and NanoCell TVs. The upward trend is expected to continue and will be centered around premium products. The mobile business is already performing its swan song - the final attempt to salvage what is left before operations are discontinued later this year. During Q1 2021, LG managed to sell phones worth KRW998.7 billion, which is exactly the same as Q1 2020 down to the decimal point. There were no new models launched and actions were aimed at existing models. LG will be redeploying all personnel within the corporation, going for a liquidation of assets, compensating partners and suppliers of service support. All sales activities of the Mobile Communications division will be terminated at the end of July, and that's when the Q2 report will be out, disclosing the final numbers, where LG will show a breakdown between continuing and discontinued operations.

Why?

The company has been struggling to compete with the global competitors such as Apple, Samsung, One Plus, and Xiaomi who dominates the mobile phone market. Apple and Samsung are the only brands that have maintained their sales over the years in this market.

Even the legacy phone brands such as Nokia and Blackberry have faced a lot of struggle and have lost their market domination. LG had failed to keep their products with the competitors and the new players are providing smartphones with better software and Operating systems at a reasonable price.

In 2007, LG was the fifth biggest smartphone maker globally. This was when the first iPhone was launched and went into sale. In the fourth quarter of 2020, LG couldn't get ranked in the list of top whereas [Huawei](#) which is struggling because of certain US sanctions has managed to be in the fifth position.

LG Failed to make its mark Over the past decade, it became harder to get consumer attention in mobile because of the growth of Android phones. LG had been experimenting with a lot of innovative designs in the last couple of years to attract the consumers.

LG continuously focused on two segments in the market which were high-end and mid-range smartphones. These two segments have become very competitive in the past decade because of the Chinese smartphone manufacturers such as Huawei, One Plus, Oppo, Xiaomi, and Vivo.

These companies have been releasing new models with software updates and the latest camera feature phones every often.

RESEARCH METHODOLOGY:

Data collection methods:

After the research problem, we have to identify and select which type of data is to research. At this stage; we have to organize a field survey to collect the data. One of the important tools for conducting market research is the availability of necessary and useful data.

Primary data: For primary data collection, we have to plan the following four important aspects.

Sampling

Research Instrument

Secondary Data - The Company's profile, journals and various literature studies are important sources of secondary data. Data analysis and interpretation 1.

Questionnaires

2. Pie chart and Bar chart Questionnaires:

This is the most popular tool for the data collection. A questionnaire contains question that the researcher wishes to ask his respondents which is always guided by the objective of the survey.

Pie chart:

This is very useful diagram to represent data , which are divided into a number of categories. This diagram consists of a circle of divided into a number of sectors, which are proportional to the values they represent. The total value is represented by the full circle.

Types of researches:

- Descriptive Research

The type of research adopted for study is descriptive studies are undertaken in many circumstances when the researcher is interested to know the characteristic of certain group such as age, sex, education level. occupation or income. A descriptive study may be necessary in cases when a researcher is interested in knowing the proportion of people in a given population who have in particular manner, making projections of a certain thing. or

determining the relationship between two or more variables. The objective of such study is to answer the "who, what, when, where and how" of the subject under investigation. There is a general feeling that descriptive studies are factual and very simple. This is not necessarily true. Descriptive study can be complex, demanding a high degree of scientific skill on part of the researcher.

Descriptive studies are well structured. An exploratory study needs to be flexible in its approach, but a descriptive study in contrast tends to be rigid and its approach cannot be changed every now and then. It is therefore necessary; the researcher give sufficient thought to framing research. Questions and deciding the types of data to be collected and the procedure to be used in this purpose. Descriptive studies can be divided into two broad categories: Cross Sectional and Longitudinal Sectional. A cross sectional study is concerned with a sample of elements from a given population. Thus, it may deal with household, dealers, retail stores, or other entities Data on a number of characteristics from sample elements are collected and analysed. Cross sectional studies are of two types: Field study and Survey. Although the distinction between them is not clear-cut, there are some practical differences, which need different techniques and skills. Field studies are ex-post-factor scientific inquiries that aim at finding the relations and interrelations among variables in a real setting. Such studies are done in live situations like communities, schools, factories, and organizations. Another type of cross sectional study is survey result which has been taken by me. A major strength of survey research is its wide scope. Detail information can be Good obtained from a sample of large population Besides, it is economical as more information can be collected per unit of cost. In addition, it is obvious that a sample survey needs less time than a census inquiry. Descriptive research includes survey and fact finding enquiries of different kinds of the major purpose. Descriptive research is description of the state of affairs, as it exists at present. The main characteristic of this method is that the researcher has no control over the variables: he can only report what has happened or what is happening. The methods of research utilized in descriptive research are survey methods of all kinds including comparative and co relational methods. The reason for using such needs to be flexile in its approach, but a descriptive study in contrast tends to be rigid and its approach cannot be changed ever now and then.

CUSTOMER SERVICE

CUSTOMER SERVICE:

The best and the biggest international brands are here in India-but the irony is that where is the after-sales-service? So integral to a brand, so critical for its success and so taken for granted in developed markets! In India, after sales service is, for want of a better description, the pits. So what's stopping the best companies from pulling out all the stops when it comes to providing the best service? Do customers expect for too much? Or is it that in India they don't really care. Brand Equity fanned out to MNC as well as Indian consumer durable companies, stockiest and dealers. analysts and market researchers to get a feel of what's really keeping after sales from being used as a cutting edge marketing tool in pushing products across categories. Customers support following the purchase of a product or service. In some cases, after-sales service can be almost as important as the initial purchase. The manufacturer, retailer or service provider determines what is included in any warranty (or guarantee) package. This will include the duration of the warranty traditionally one year from the date of purchase, but increasingly two or more year's maintenance and/or replacement policy. items included excluded, labour costs, and speed of response. In the case of a service provider, after-sales service might include additional training or helpdesk availability. Of equal importance is the customer's perception of the degree of willingness with which a supplier deals with a question or complaint, speed of response, and action taken. LG also had a big problem of after sale service in India. During my project I also came to know that after sale service becomes the big issue in Pune region. Customers as well as dealer were facing the problem of after sale service. Because of this problem many dealer in Pune region were not ready to sale LG product. So it becomes the big issue But LG has taken some solid steps towards improving customer's perception and experience of after sales service. Because it very important in competitive market to provide the best service.

LG Electronics has signed a memorandum of understanding with 23

Industrial Training Institutes to strengthen its after sales service in India. The company aims to recruit 10,000 people by the end of this year as a part of its branding strategy to focus on service and move away from discounting LG Electronics has identified eight states with high after sales service call mates to ink the deals with the ITI. Y V Verma, director HR and management system, LG Electronics said. "The Company was trying to find a solution for

effective after sales service since last two years. There is a huge need of trained manpower for the after sales service to align with the company's expansion and focus on the GSM mobiles and the personal computer segments."

1. In the initial phase the company has entered into agreements with ITIs in the states like Maharashtra, Gujarat, Delhi, Punjab, Assam, and Karnataka and is in the last leg of signing with Uttar Pradesh.
2. LG Electronics, with 1200 service centres, has already recruited 300 students and plans to beef up the number to 10,000 by the year-end.
3. "The company has offered a scholarship to the selected students for the last six months of their training programme."
4. The company will invest Rs 8 crore (Rs 80 million) in employee development programme this year with an aim to attain a 8 per cent attrition rate.
5. The company moved away from the discounting strategy since last year and is putting thrust on the quality and service in its brand communication to position LG as a premium consumer electronics brand.
6. At the top, the Service Division in Korea reports to the Global CMO. (as mentioned in Dermot's public interview in ET on Wednesday). This shows commitment that service must be made into a marketing differentiator, and leveraged thus
7. LG has the widest service network across the country: some estimates put it at a significant multiple of service-infrastructure from our nearest competitor. While the sale size may also be a nice multiple from nearest, it shows the company is ready to put our money where our mouth is
8. The company has introduced a 211 service - once you register you're a complaint, we will call you back in 2 hours (hence 2), set up an appointment for the next convenient day for you (hence the first 1), and show up in the promised 1-hour slot (hence the second t). Is the next convenient day for you is the next day, that's great too. It's a disruptive action in an industry (including LG) having traditionally slide away from its service responsibilities, and thus not revenging any mileage from it.
9. The company is promoting 211 through ATL, probably the first time after-sales service is being communicated in this fashion by any product company, You may have seen the TV

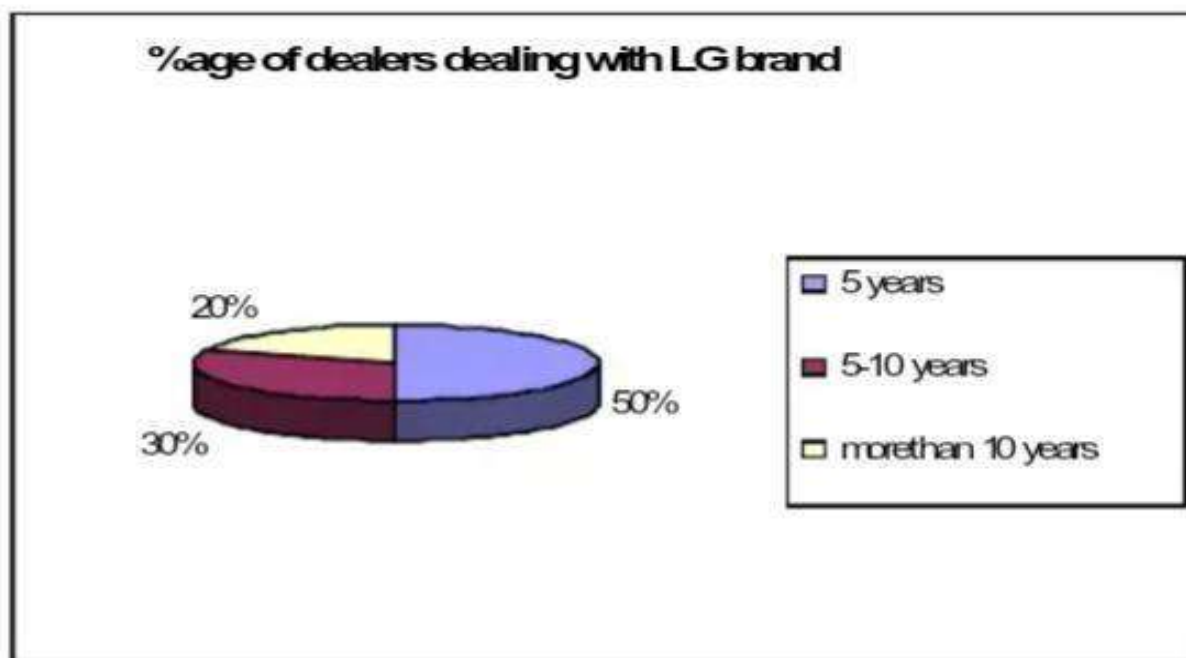
commercial or heard the radio advert or seen the newspaper ad or in-shop posters, both of which revolve around prompt response.

10. The first LG-owned service centre opened in Gurgaon. (Service in India generally works through authorized service centres, in LG's case they work exclusively for LG.) A company-owned service centre tries that much harder. knows things better, and can even contribute as a revenue centre.

DATA ANALYSIS AND INTERPRETATION

Q1-You are dealing with the LG brands from?

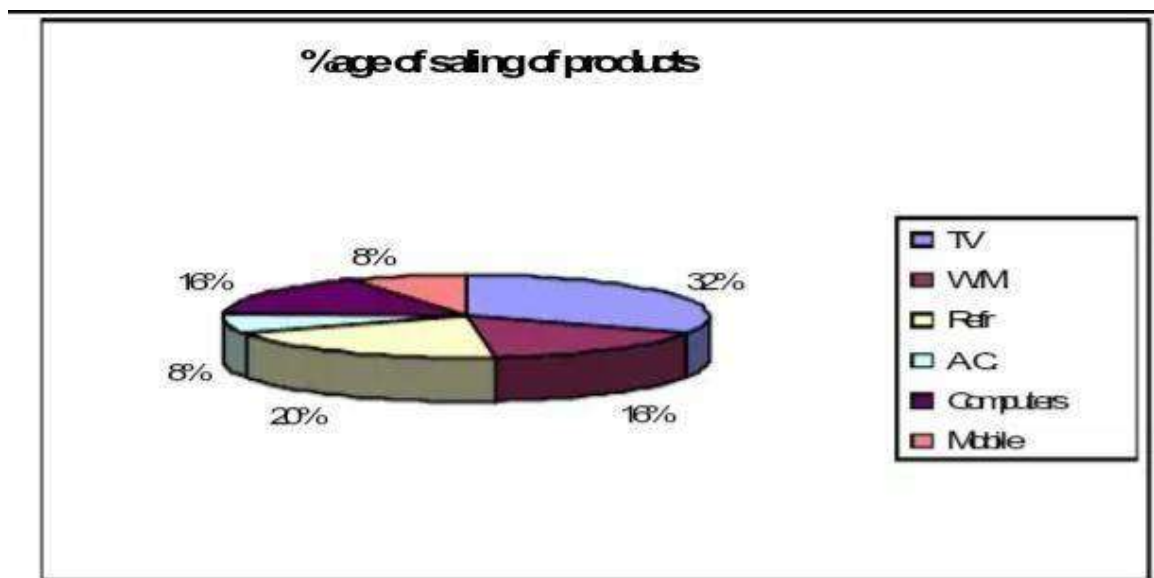
No. Of year	No. Of respondents	%age of respondents
5year	10	50%
5-10year	6	30%
More than 10 years	4	20%



Interpretation: - Above graph shows that half of the dealers selling from 5 years and rest of them more than 5 years that means they are satisfied with company. So they are doing regularly.

Q2-Which products of LG are most preferable by customers?

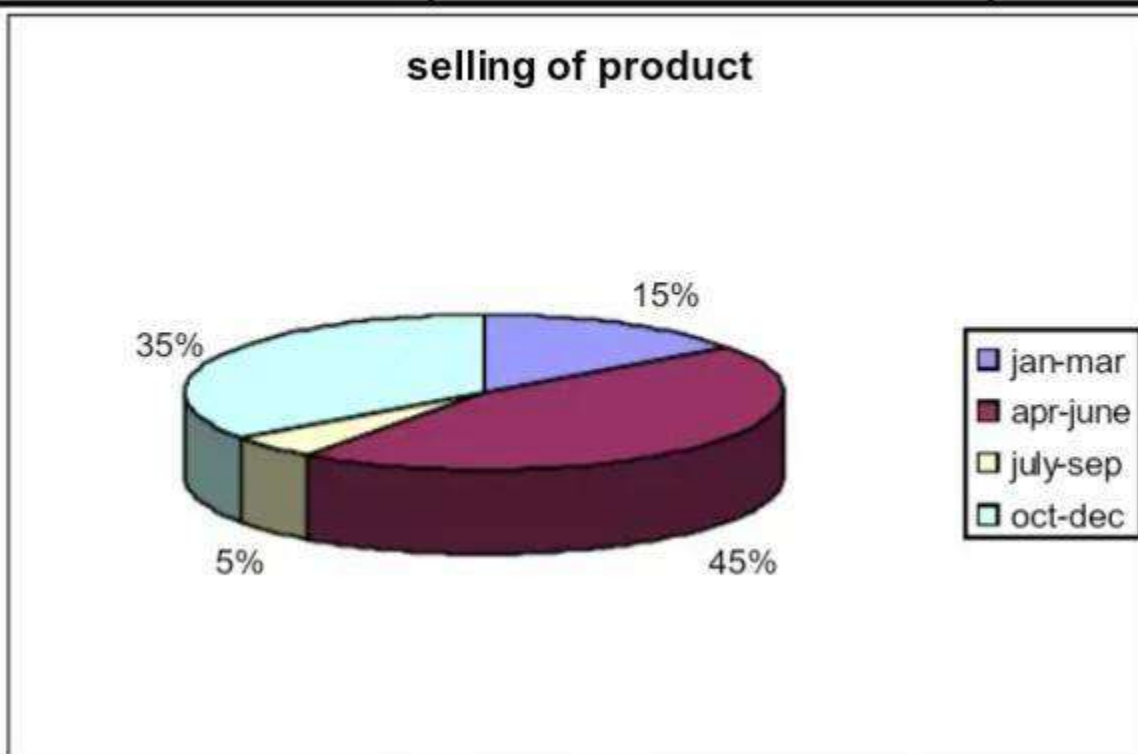
Product	No. Of respondents	<u>%ageof</u> respondents
TV	<u>8</u>	<u>32%</u>
Washing machine	<u>4</u>	<u>16%</u>
Refrigerator	<u>5</u>	<u>20%</u>
AC	<u>2</u>	<u>8%</u>
Computer	<u>4</u>	<u>16%</u>
Mobile	<u>2</u>	<u>8%</u>



Interpretation:-This chart is showing that %age of sales of TV is 32% which is more than that of others. It means the selling of TV is more than that of other LG products.

Q3. In which season the selling of products is more?

Months	<u>No. Of respondents</u>	%age of respondents
<u>Jan-march</u>		<u>15%</u>
<u>Apr-June</u>		<u>45%</u>
<u>July-sep</u>	<u>3</u> <u>9</u> <u>35</u> <u>7</u>	<u>5%</u>
<u>Oct-dec</u>		<u>35%</u>



Interpretation: This chart is showing that in the month of April to June the sales of LG products is very high than that of other which is 4%. It means that after that in the month of October to December the sales of LG product is also more.

Q4. Which factors influence the consumers to purchase the LG products?

<u>Factors</u>	<u>No. Of respondents</u>	<u>% age of respondents</u>
<u>Quality</u>	<u>4</u>	<u>18%</u>
<u>Price</u>	<u>3</u>	<u>14%</u>
<u>Sales promotion activities</u>	<u>2</u>	<u>9%</u>
<u>Brand image</u>	<u>12</u>	<u>54%</u>
<u>Service</u>	<u>1</u>	<u>5%</u>

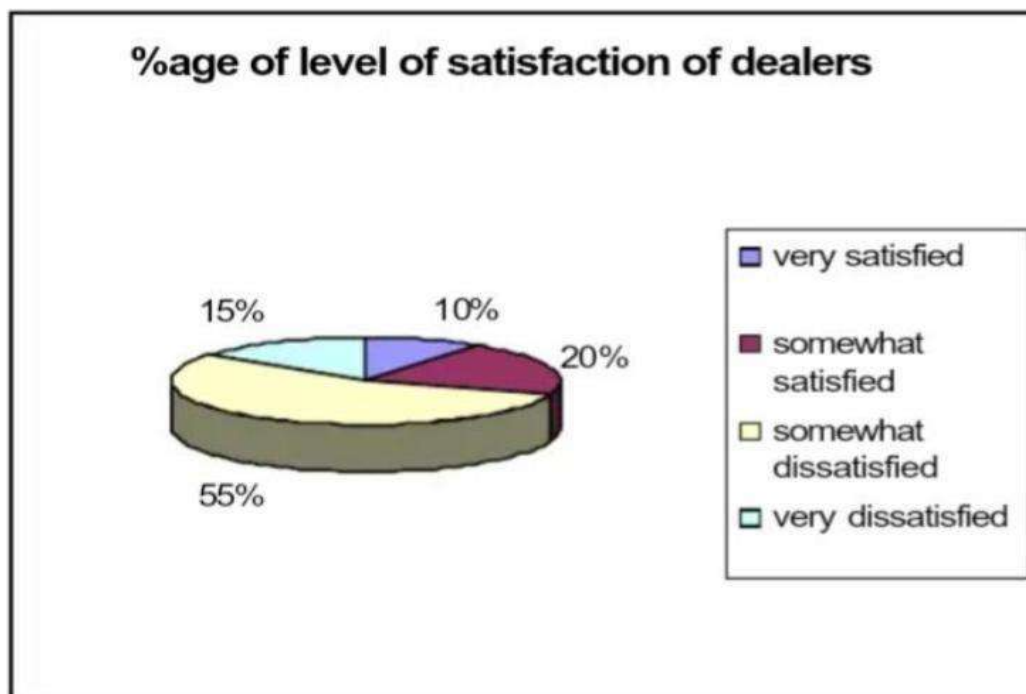


Interpretation:-Brand image is influenced most of the people to purchase the consumer durable.

Q5.Opinion of the credit facilities are provided by the company?

Interpretation: - the dealers are not getting the credit facility by the LG which make them more dissatisfied.

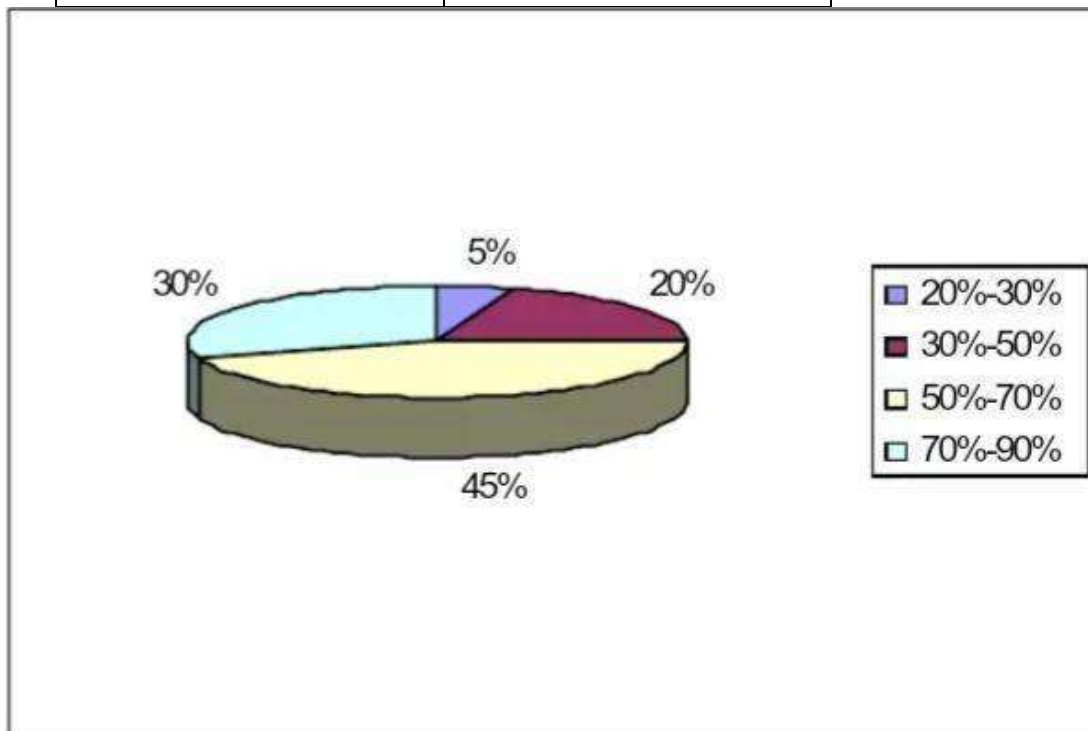
Level of satisfaction	No. of respondents	%age of respondents
Very satisfied	2	10%
Somewhat satisfied	4	20%
Somewhat dissatisfied	11	55%
Very dissatisfied	3	15%



Interpretation: - the dealers are not getting the credit facility by the LG which make them more dissatisfied.

Q6. Media plays an important role of making the awareness of the product. What do you think?

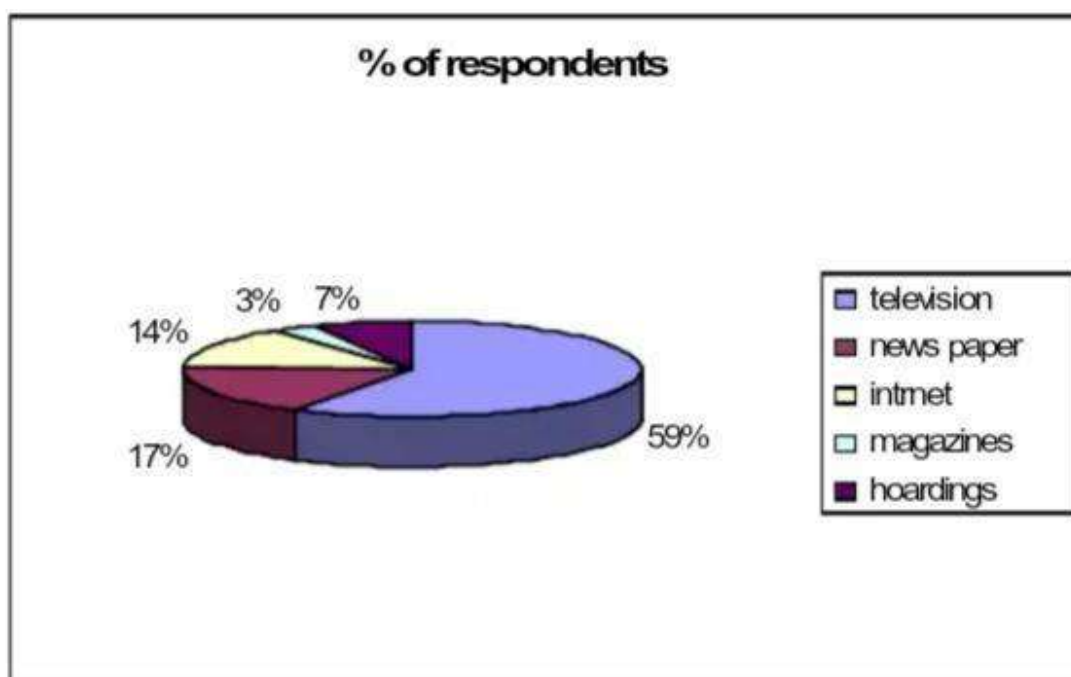
Percentage	No. Of respondents
20%-30%	1
30%-50%	4
50%-70%	9
70%-90%	6



Interpretation:-60% to 70% of the people get aware from media.

Q7. What are the factors in media which makes the consumer more attentive towards the new, improved and innovative products and technology?

Factors of media	No of respondents	% age of respondents
Television	17	59%
Newspaper	5	17%
Internet	2	14%
Magazine	1	3%
Hoardings	2	7%



Interpretation: - the factor in media which makes the consumer more attentive towards the new, improved and innovative products and technology is Television which plays important role in advertisement in comparison to others.

CONCLUSION

CONCLUSION:

Coming to home from a tiring job and then to open the wardrobe just to bad smelling dirty clothes waiting to receive the delicacies of your hand can easily draw tears from your eyes, but now an easy solution available in almost all households is the presence of LG refrigerator. My study found that, the dealers are somewhat satisfied with the LG Company but some retailers are not satisfied by the company neither in the way of credit facility nor by the distribution system of LG. *About* the LG company I found that LG having a good position in the market in terms of pricing but lacking badly in terms of its retailer satisfaction. Customer gets to know more by the television and they are influenced to buy new products by the unique products that are newly come to the market. My study also found that there are various factor influencing customer in buying decision and the most influencing factor is brand image and advertisement and other factors play a secondary role in buying decision.

Electronics pursues its 21st century vision of becoming a true global digital leader who can make its customers worldwide happy through its innovative digital products and services. LG Electronics sets its ultimate vision to rank among the top 3 global companies in electronics, information, and telecommunication firms in the world by 2010.

LG embraces the philosophy of “Great Company, Great People,” where as only great people can create a great company, and pursue two growth strategies involving “fast innovation” and “fast growth.” They seek to find their three core capabilities: product leadership, market leadership, and people-centered leadership. LG Electronics has essentially built their company into a battleship, conquering their business strategy and technological operations. They have built an exceptionally strong foundation for future growth and promise.

LIMITATIONS

LIMITATIONS:

- No of dealers were very less in Meerut so we had to reduce
- our sample size. Sample size could be more so that the better results could come.
- As Meerut is a big city so we faced so many problems during
- our survey. Sometimes respondents were no willing to fill the • questionnaire or we have to wait for long time to talk or we
- have to talk only with their helper boys.

RECOMMENDATIONS AND SUGGESTIONS

Suggestions and recommendations:

- Company should provide credit facility to the dealer in a better way by which they can increase their sale
- Dealers should consider the demand of people time to time so that they come to know what people want in a particular period of time.
- Company should make advertisement of LG products aggressively in the way of hoardings which increase the more visualizes customer.
- LG need to mend and maintain its service network and adopt a good pricing strategy.

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BIBLIOGRAPHY

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ANNEXURE:

Questionnaire

Q1-You are dealing with the LG brands from.

(1) 5 years

(2) 5-10 years

(3) More than 10 years

Q2-How many products of LG you sale? Please mention their names also.

(1).....

(2).....

(3).....

(4).....

Q 3-Which products of LG is most preferable by customers?

(please Specify).....

Q4 In which season the selling of products is more?

(1)Jan-march

(2) April-june

(3) July-sept

(4) Oct-Dec

Q5-Which factors influence the consumers to purchase the LG products?

(1). Quality

(2) Price

(3). Sales promotion activities

(4) Brand image

(5). Services

Q6-Opinion on the availability of credit facilities provided by the company?

(1) Very satisfied

(2) Somewhat satisfied

(3) Somewhat dissatisfied

(4) Very dissatisfied

Q7-Media plays an important role of making the awareness of the product.

What do you think?

(1) 20% to 30%

(3) 50% to 70%

(2) 30% to 50%

(4) 70% to 90%

Q8-What are the factors in media which makes the consumer more attentive

towards the new, improved and innovative products and technology?

(1) Television

(2) News paper

(3) Internet

(4) Magazines

(5) Hoardings

(6) specify if any.

Q9-Are you satisfied with the promotional activities of the company?

- (1) Very satisfied.
- (2) Somewhat satisfied.
- (3) Somewhat dissatisfied.
- (4) Very dissatisfied.

