



BRAND AWARENESS : A CASE STUDY OF LG ELECTRONICS

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Abstract: *LG Electronics is a Korean based global brand in the field of consumer electronics, home appliances and mobile communications. The critical analysis in identifying the steps taken by the LG Electronics in the light of the existing literature re-view helps us to correlate these steps with the enhanced brand image, brand value and brand positioning. Information is collected from various reports i.e., LG Annual reports; In-ternational Magazines from the world of Business and Tech-nology; research literatures and other reputable sources. Innovation & design and constant obsolescence of ICT and IT Products (i.e., mobiles in particular), LG have to stick on R&D, design strategies and innovation and creativity for competing in the global market. In this era of competitive world, the companies providing services & other tang able products to the customers has to become more customer attentive. For that companies has to maintain long & productive relation with the customers. Taking this into consideration LG Electronics has launched program to customers, i.e. Brand Awareness of LG Electronics. Now company wants to know awareness level & effectiveness of that program.*

Keywords: *LG Electronics, brand image, brand value, brand positioning.*

PURPOSE OF THE STUDY

- To determine the awareness of Brand Awareness of LG Electronics
- To get ideas for improvement from customers
- To know the attitude of the customers about Brand Awareness of LG Electronics
- To spares & services from authorized dealers

SCOPE OF THE STUDY

The main purpose of the study is to know the customer awareness, effectiveness, 7 response towards Brand Awareness of LG Electronics. The study is conducted in Pune city. This study help the company to know the effectiveness of this program in Pune city at TMC Agencies.

Research objectives:

- 1) To know the awareness level of customer about Brand Awareness of LG Electronics.
- 2) To know the effectiveness of Brand Awareness of LG Electronics.
- 3) To know the attitude of customers
- 4) To suggest the Ideas for improvement of Brand Awareness of LG Electronics

Electronics Industry in India

Historical Developments

The Indian electronics industry had its origins to the year 1965 with an orientation towards space and defence technologies. This was rigidly controlled and initiated by the government. This was followed by developments in Consumer electronics mainly with transistor radios,



black & white TVs, calculators, and other audio products. Colour televisions soon followed. 1982 was a significant year in the history of television in India when the government allowed thousands of color TV sets to be imported into the country to coincide with the broadcast of Asian Games in New Delhi. 1985 saw the advent of Computers and Telephone exchanges, which were succeeded by Digital Exchanges in 1988. The period between 1984 and 1990 was the golden period for electronics during which the industry witnessed continuous and rapid growth.

Current Scenario

The electronics market is one of the largest in the world and is anticipated to reach US\$ 400 billion in 2022 from US\$ 69.6 billion in 2012. The market is projected to grow at a compound annual growth rate (CAGR) of 24.4 per cent during 2012-2020.

COMPANY PROFILE

LG Electronics India Ltd (LGEIL), Consumer durables leader with 27% market share, is planning a brand new image. To attract inspirational and young Consumers across India, company will roll out a new marketing strategy. The exercise will cost the company Rs 360 cores. LG Electronics India is the fastest growing company in the Consumer electronics, home appliances, and computer peripherals industry today. LG Electronics is continually providing, superior technology products & value for money to more than 50 lakh households in India. LG EIL is celebrating the 11th anniversary this year.

LG Soft India the innovation wing of LG Electronics in Bangalore is LG Electronics' largest R&D centre outside Korea. We at LGSi focus on niche technology areas such as mobile application development, digital video broadcast and biometrics software and support LG Electronics with our expertise. Motivated by a passion for technology, a strong work culture and loyalty to the organization, we are determined to see LG become one of the top three brands globally.

Prominent Consumer electronic company, LG Electronics Inc. has said that it expects the sale of its products in India to up by 15 per cent in 2008. Moon Bum Shin, managing director of LG Electronics India has said that the company has earmarked 4.8 billion rupees for investment purpose in India this year. The said money will be used to market as well as manufacture new products.

LG Electronics, which is originally a South Korean Company with branch in India, informed that its sales of GSM mobile phones, color televisions, air conditioners and other household goods in the Indian market was to the tune of 95 billion rupees (\$2.4 billion) in 2011. As per Shin's estimate, the sales in 2008 would be around 110 billion rupees. In order to achieve its target, Shin said LG Electronics will concentrate on catering to the high-end Consumer market which will help boost sales this year. India churns out six (6) per cent of LG Electronics global revenues of \$42 billion. The Indian branch of LG exports to 40 countries.



"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.

Literature Survey

Janaki, P and Shanthi, P2 (2013) in their study entitled, "Marketing Stimuli in Purchase of Home Appliances From Customer Perspectives", explains that marketing strategy is the game plan which the firms must adhere to, in order to outdo the competitor or the plans to achieve the desired objective. Shahram Jenabi, Seyed Yahya Seyed Danesh and Minoos Yousefi3 (2013) made a study titled, "Examining the effect of Brand dimension (trademark) on home appliances consumers' behavior Case study: LG brand in Rasht city", tells that one of the most important and valuable assets of a company is its trademark. The more valuable is a trademark for consumers more profit the company achieves. Senthil Kumar, M.J and Sadeesh Kumar, K and Nagarajan, N.R4 (2013) in their study entitled, "A Study on Consumer's Attitudes towards Washing Machine", which explains that in the modern technological world many innovations and new apparatus are invented by the man for reducing the work burden of the layman. Rajarajan, M and Priyanga, T5 (2013) have written a paper on, "Consumer Behaviour Towards Selected Household Appliances in Ramanathapuram District", the study revealed that lifestyle characteristics have a great impact on the purchase behavior of the clusters. In a consumption environment, a person chooses a product or a brand, which seems to possess a maximum possibility of the definition or elaboration of his life style identity.

Vijayalakshmi, S and Mahalakshmi, V (2013) have made an attempt on, "An impact of consumer buying behavior in decision making process in purchase of electronic home appliances in Chennai (India): an empirical study", which presents consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. Srinivasa Rao Kasisomayajula (2013) have written an article entitled, "A Study on Customer Preference of LG Lap-Top", explains that the consumers' tastes change rapidly. They want new models with the latest features. It is a very hard fight. The competition is on features differentiation, time to market and promotion, basically on every front. Kalaiselvi, K.T and Muruganandam, D (2013) made a study on, "Consumer Attitude towards Promotional Schemes and Influence of Brand On Purchasing Home Appliances", points out that understanding the consumer attitude is an important part of the marketing process to realize the challenges faced by marketers in comprehending the consumers' mind.



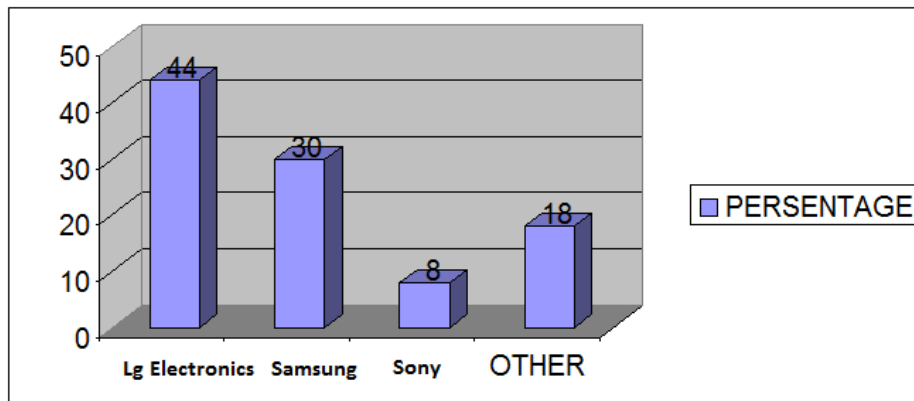
Qianyu Dong and Tohru Futawatari (2013) made a study entitled, “The Study of Low-Carbon Policy Influence on Consumers’ Energy Efficiency Household Appliance Purchase Behavior”, explains that sequences of low carbon policies are aimed at reducing greenhouse gases and increasing energy efficiency also in the household sector in China.

Paramanand Dasar, Hundekar, S.G. and Mallikarjun Maradi (2013) made a study entitled, “Consumer Behaviour on Consumer Durables With Reference To Bijapur District”, which explains that consumer is the nerve centre of the modern marketing, understanding his behaviour is quite essential for efficient and effective marketing management. Customers may state their needs and wants, but act otherwise. Selvakumar, M and Jegatheesan, K (2012) have written a paper on, “Brand Preference: A Study With Reference To Washing Machines”, explains that washing machine is one of the widely used home equipment which used to wash the cloths. India is one of the fast developing countries in the world. Azamat Maksudunov (2012) made a study entitled, “Family Influence on Consumer Home Appliances Purchasing Behavior: An Empirical Study In Kyrgyzstan”, which explains that the economic, social and political changes in Kyrgyzstan, after independence in 1991, have created new business opportunities and forces not only for local entrepreneurs, but also for international marketers of goods and services.

Lhotakova, M and Olsanova, K (2012) in their study entitled, “The Role of Positioning in Strategic Brand Management – Case of Home Appliance Market”, explained that with growing competitiveness in the national as well as international markets, brands have increased importance in consumer decision making process. Ratika Rastogia and Sonia Chaudhary (2012) made their study entitled, “Psychology and Buying Behaviour of Rural Consumers with Special Reference to Television, Washing Machine and Refrigerator in the Rural Areas of Meerut Region”, In this era of competition, understanding the consumer is a necessity for producers.

Q1:- Which LG Electronics Do you have?

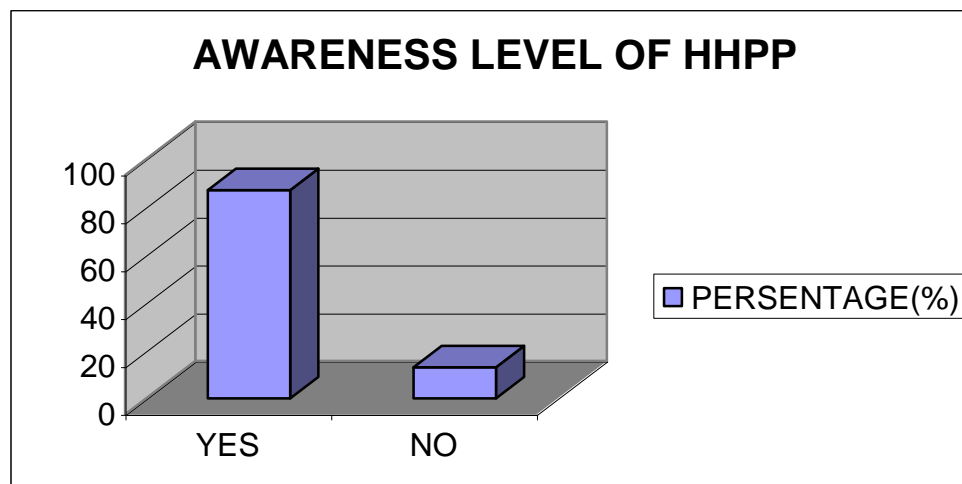
Models	Respondent	Percentage (%)
Lg Electronics	55	44%
Samsung	38	30%
Sony	10	8%
Other	22	18%
<u>TOTAL</u>	125	



Interpretation: From the above graph it reveals that 45% of the respondents are Lg Electronics Users ,30% are Samsung users ,8% are Sony users & 18% of respondents are users of other LG Electronics models.

Q2:-Are you aware of Brand Awareness of LG Electronics?

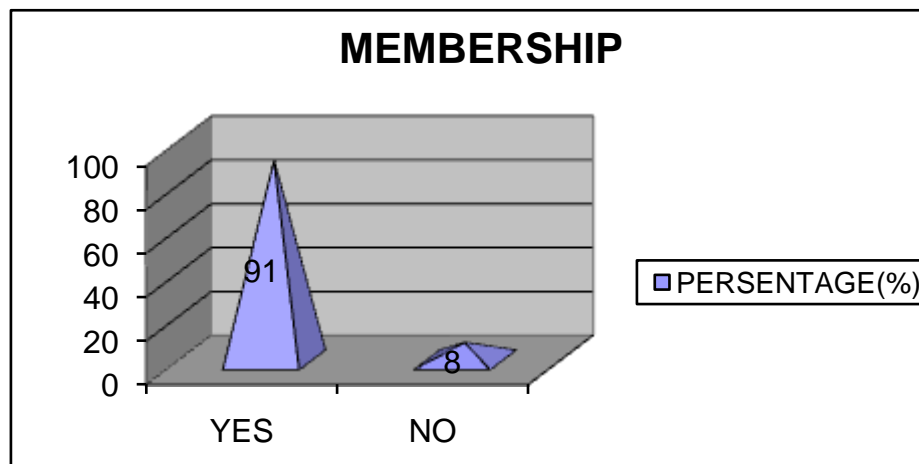
Option	Respondent	Percentage(%)
Yes	108	87
No	17	13
Total	125	



Interpretation: from the above graph it reveals that from 125 respondent 87% of the respondent were aware of the Brand Awareness of LG Electronics& 13% are not aware of Brand Awareness of LG Electronics.

Q3) Are you a member of Brand Awareness of LG Electronics?

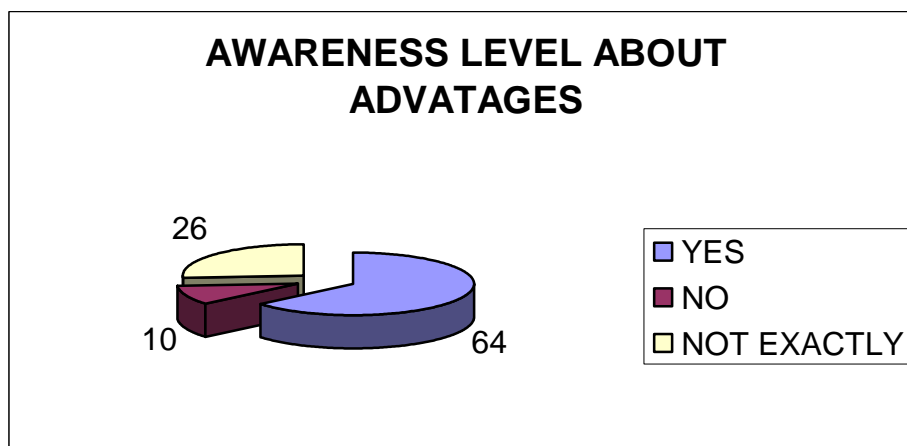
Option	Respondent	Percentage %
Yes	98	91
No	10	8
Total	108	



Interpretation : From the above graph it reveals that from 108 respondents 91% of the respondents were the members of Brand Awareness of LG Electronics & 8% of the respondents were not the member of Brand Awareness of LG Electronics.

Q4:-Are you aware of advantages of Brand Awareness of LG Electronics?

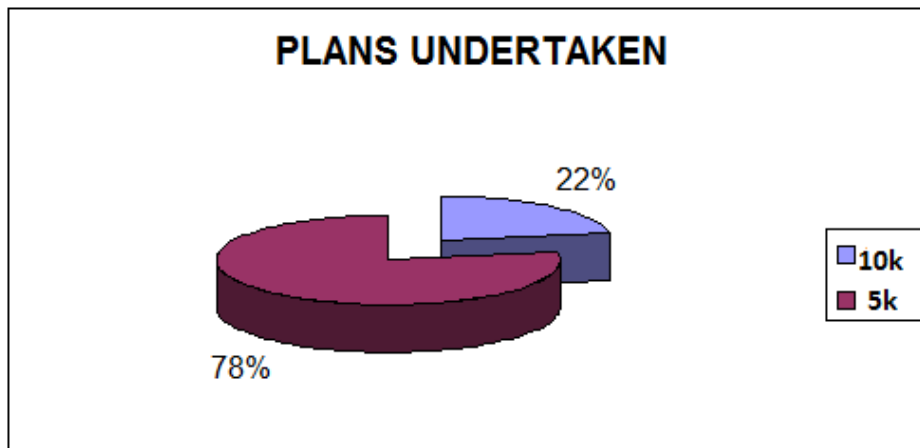
Option	Respondent	Percentage (%)
Yes	63	64
No	9	10
Not Exactly	26	26
Total	98	100



Interpretation: Form the above graph it reveals that from 98 respondent 64% of the respondents were aware of the advantages of Brand Awareness of LG Electronics, 10% were not aware of the Brand Awareness of LG Electronics & 26% were aware but not completely.

Q5:-Under which Brand Awareness of LG Electronics you have registered?

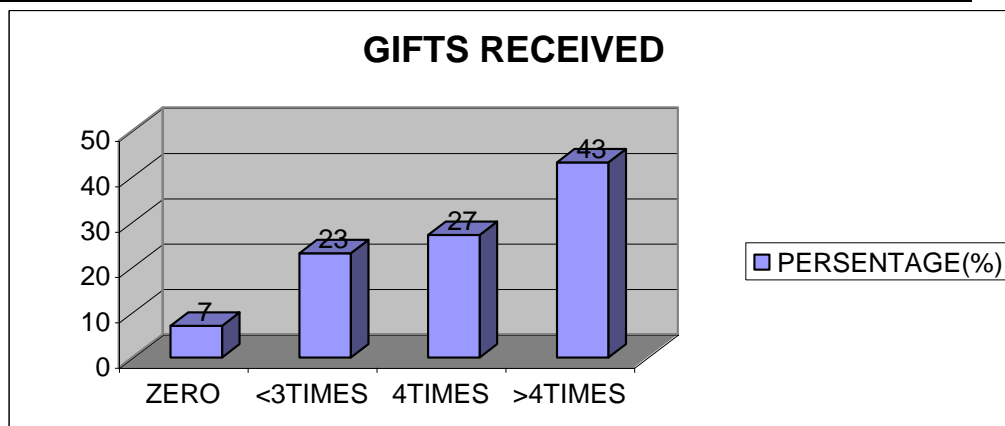
Plans	Respondent	Percentage (%)
10000	21	22
5000	77	78
TOTAL	98	100



Interpretation: From the above graph it reveals that out of 98 respondent 22% of the respondents had registered under Rs.10000 plan program & 78% of respondents had registered under Rs. 5000 plan program.

Q6:-How many times you received gifts from this program on your accumulated points?

gifts received	Respondent	Percentage(%)
Zero	7	7
< three times	22	23
four times	27	27
> four times	42	43

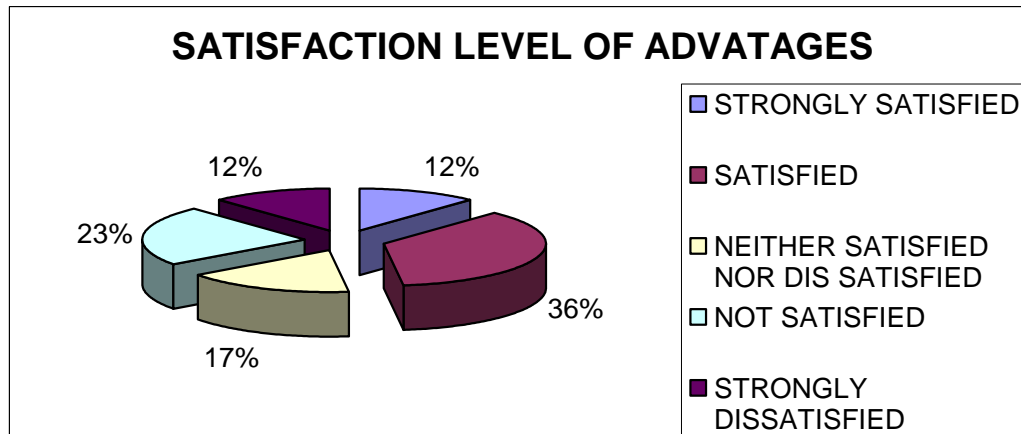


Interpretation: From the above graph it reveals that out of 98 respondent 07% of the respondents have not received the gifts, 23% have received the gifts for <3 times, 27% of the respondents have received the gift for 4 times & 43% of the respondents have received gifts for more then 4 times.

Q7:-Are you satisfied with advantages (gifts & benefits) for your purchase of spare parts or services under this program?

SATISFACTION LEVEL	SAMPLES	%
STRONGLY SATISFIED	11	12
SATISFIED	36	36

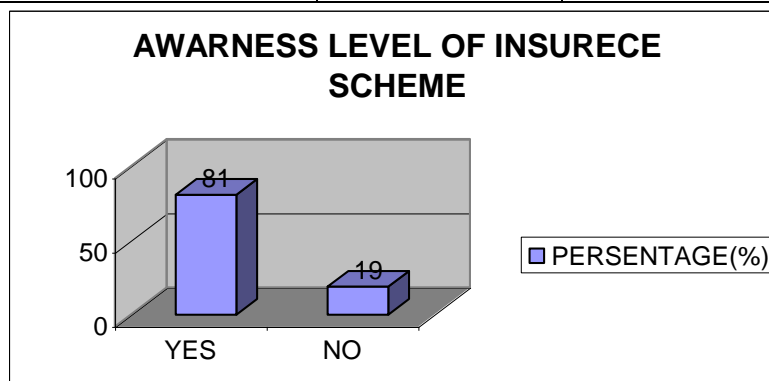
NETHER SATISFIED NOR DISSATISFIED	16	17
NOT SATISFIED	23	23
STRONGLY DISSATISFIED	12	12



Interpretation: From the above graph it reveals that out of 98 respondent 12% of the respondents were strongly satisfied with the advantages for the purchase of spare parts and services, 36% of the respondents were just satisfied with the advantages, 17% were neither satisfied nor dissatisfied, 23% were not satisfied with the advantages and 12% were strongly dissatisfied with the advantages of the program for their purchases of spare and services from authorized dealer.

Q8:-Are you aware of insurance scheme in Brand Awareness of LG Electronics?

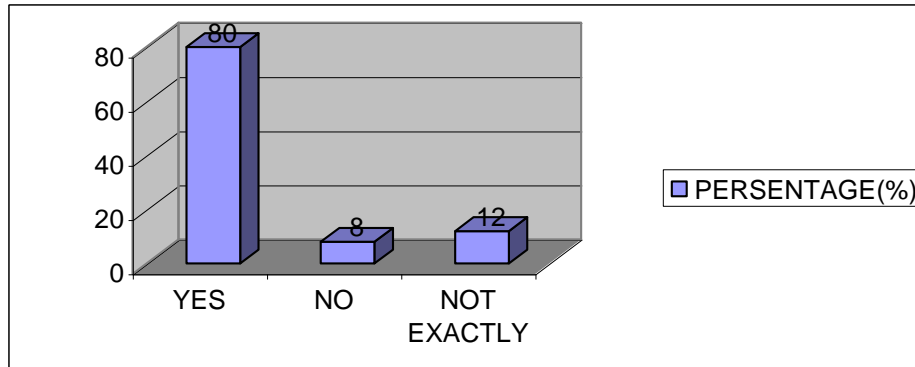
Option	Respondent	Percentage(%)
yes	80	81
no	18	19



Interpretation: From the above graph it reveals that out of 98 respondent 81% of the respondents were aware of the insurance scheme & 19% of the respondents were not aware of the insurance scheme in Brand Awareness of LG Electronics.

Q9:-Do you feel program works according to its promises?

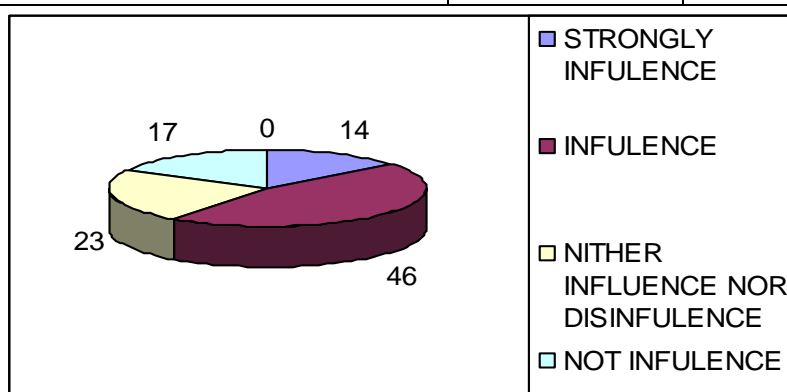
Option	Respondent	Percentage (%)
yes	79	80
no	8	8
Not exactly	11	12



Interpretation: From the above graph it reveals that out of 98 respondent 80% of the respondents feel program works according to its promises 8% of respondents program does not work according to its promises and 12% of respondent feel program works but not exactly according to its promises.

Q10: Does the program influence you to go for repeated purchase of spare parts & service from LG Electronics authorized dealers only?

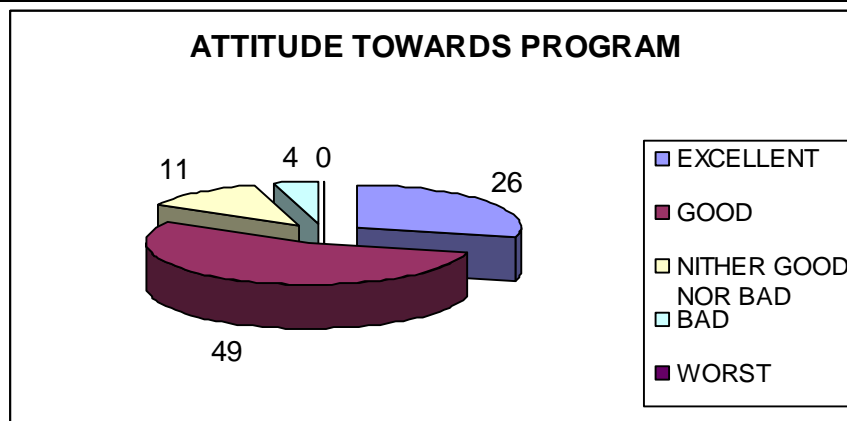
Influence level	Respondent	Percentage(%)
Strongly influence	13	14
Influence	46	46
Neither influence nor not influence	23	23
Not influence	16	17
Strongly not influence	0	0



Interpretation: From the above graph it reveals that out of 98 respondent 14% of the respondents are strongly influenced by this program in their purchase of spares and services, 46% of respondent are just influenced by this program, 23% of respondent are neither influenced nor not influenced and 17% of respondents are strongly not influenced by the program in their purchase of spare parts and services.

Q11:-What do you say about this program?

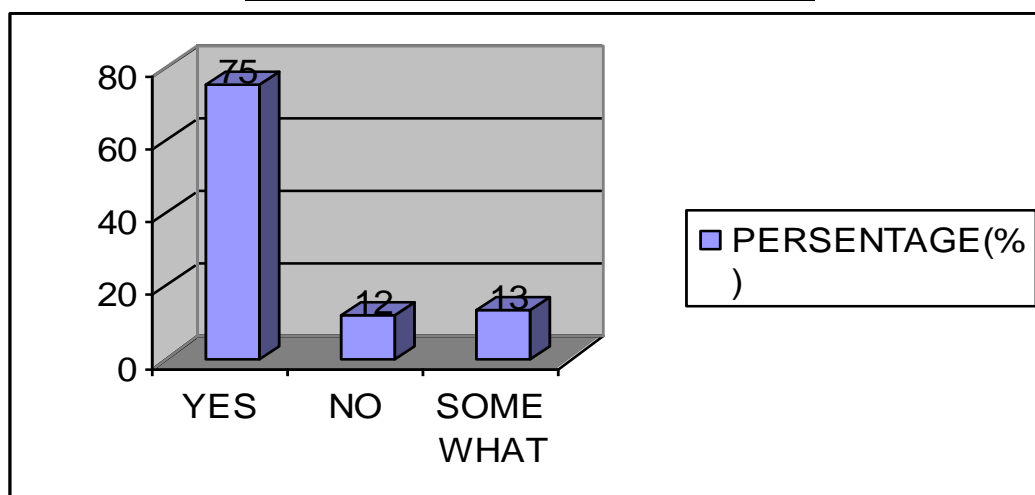
Attitude	Respondent	Percentage (%)
Excellent	26	26
Good	48	49
Neither good Nor Bad	10	11
Bad	4	4
Worst	0	0



Interpretation: From the above graph it reveals that out of 98 respondent 26% of the respondents said program is excellent, 49% of respondents said program is good, 11% of respondents said program is neither good nor bad and 4% of respondents said program is bad.

Q12:-Are you satisfied with the service provided by TMC Agencies in Brand Awareness of LG Electronics?

Option	Respondent	percentage %
Yes	74	75
No	11	12
Some what	13	13

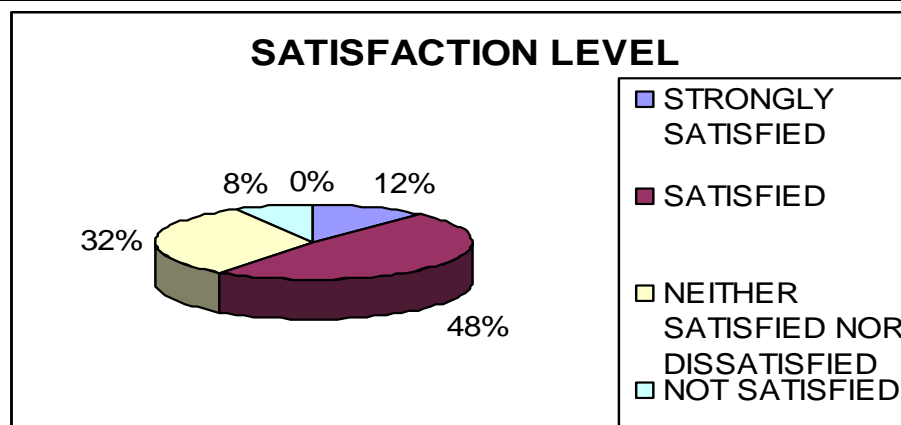


Interpretation: From the above graph it reveals that out of 98 respondent 74% of the respondents are satisfied with the TMC Agencies service provided in Brand Awareness of LG Electronics and 12% of respondents are not satisfied with the service proved by the TMC

Agencies and 13% of respondents are somewhat satisfied with the service provided by TMC Agencies in Brand Awareness of LG Electronics.

Q13:-Are you satisfied with of LG Electronics?

Satisfaction level	Respondent	Percentage (%)
Strongly satisfied	11	12
Satisfied	48	48
Neither Satisfied Nor Dissatisfied	31	32
Not satisfied	8	8
Strongly dissatisfied	0	0



Interpretation: From the above graph it reveals that out of 98 respondent 12% of the respondents are strongly satisfied with the Brand Awareness of LG Electronics, 48% just satisfied with the program, 32% of respondents are neither satisfied nor dissatisfied with the program and 8% of the respondents are not satisfied with the Brand Awareness of LG Electronics.

14: Reasons behind not being aware of the Brand Awareness of LG Electronics.

- Respondents were not interested in scheme and offers.
- Respondents did not came across any advertisement of Brand Awareness of LG Electronics.
- Brand Awareness of LG Electronics was not communicated to them by TMC Agencies.

15: Reasons behind aware but not being the member of the Brand Awareness of LG Electronics.

- Respondents were not interested in Brand Awareness of LG Electronics.
- Respondents Electronics were old so they were not interested in Brand Awareness of LG Electronics.

FINDINGS

Project Finding

- The customer awareness level towards Brand Awareness of LG Electronics is excellent because nearly 87% of the respondents were aware of this program.
- From the aware respondents 91% of respondents had taken the membership under this program. This shows program is effectively reaching the customers.



- The customer awareness level about the advantages of the program is good, but there is still scope for improvement.
- Major of the respondent have registered under Rs.1000 plan that is 78% of respondent have registered under 5000 plane. This shows that company will be contact with 78% customers for 3 years. This will help in building good relation with the customers.
- Major of the customers are using this program because 43% of respondents have received the gifts for more then 4 time, 27% of respondent have received the gift for 4 times on this collected pts this means every member has done the purchase of at list Rs.2000 from the authorized dealers. But this is still scope for improvement. This shows effectiveness of the program.
- 36% of the respondents are satisfied with the advantage (gift) on this purchase & 11% of respondent. This shows that improvement in gifts returns is required.
- Awareness level regarding Insurance schemes in Brand Awareness of LG Electronics is excellent because nearly 81% the respondents are aware of this scheme benefit.
- Brand Awareness of LG Electronics works according to its promises because 80% respondents said yes it works according to its promises this also shows the effectiveness of the program.
- Customers are influenced by this program to go for repeated purchase of spare parts & services from authorized dealers of LG Electronics because 46% respondent said is influence & 14% of respondent said it strongly influence them to go repeated purchase of spare parts & services from authorized dealers. This show program is effective in attracting the customers towards LG Electronics authorized dealers.
- The attitude towards Brand Awareness of LG Electronics is good. Because 49% of respondents program is good & 26% of said program is excellent.
- Customers are satisfied with the service provided by TMC Agencies in Brand Awareness of LG Electronics. Because 75% of respondent said they are satisfied with the services provided by TMC Agencies in Brand Awareness of LG Electronics.
- Just 48% of respondent are satisfied & 12% are strongly satisfied. This means there is still scope for improvement.

Recommendations

1. Companies should aggressively go for Internet marketing as there is a great scope for it because youngsters are in close contact round the clock with Internet
2. Companies should come up with new and affective advertisement companies.
3. Companies should focus on creative advertisements, because people want something different, something new that will attract their attention.
4. Companies should make use different mediums of Advertisements.
5. Advertisements should be made according to the taste of people.
6. Companies should go for Sponsorships of different events.
7. Companies should select the celebrities that has greater credibility and fan following.
8. Companies should promote their product of FM Radio stations in jalandar and



almost every body listen to FM radio Stations on their cell phones so there is a great scope for this.

SUGGESTION

- It is found that in this segment the important features considered by the customers while buying a Electronics are mileage, price & maintenance. So manufacturer has to consider these aspects to attract and retain customers thus making an effort to build a good brand image.
- Discount on accessories and spare parts also act as influencing factors for purchase decision. So dealer can give discounts on spare parts and accessories, after sales for a period of a year or two to stimulate the customers.
- Customers want service at their doorsteps but are unaware of the home delivery facility provided by the dealers. So a measure has to be taken to create awareness in this direction.
- Most of the customers buy Electronics from bank loan rather than financial companies. So the companies have to come up with attractive loan facilities to their customers.
- Word of mouth is effective media of communication. Hence the dealer should keep the existing customers happy by providing good service and make customers talk good about their service provided.

CONCLUSION

Pune although a small city, is well served by middle and higher-class people in majority. Thus the market for Electronics has never been a dearth here. But of all the varieties available in this segment, small Electronics are most preferred. Customers in this segment want to adopt change into their life style. This has fostered entry of varieties of small Electronics available nation-wide to flourish in this market. This has enhanced the competition in this Electronics segment. But LG Electronics withstood this competition by retaining its market share to be the highest. The results of the survey conducted showed that LG Electronics Alto Brand is the most preferred Electronics followed by Sony and it also showed the buying behaviour of customers that the most of the customer purchase Electronics based followed by price and maintenance.

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