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A Study on Advertising Strategy of the Indian Corporate World LG Electronics

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ABSTRACT: This project is about the Electronic Appliance maker, One Plus. In this project, I analyze the company and its strategies from a variety of perspectives. The company's strategy, its competitors and its entry strategy into foreign markets is also analyzed. The focus throughout the project would be on understanding the company from various perspectives and suggested possible courses of action that the company might follow and the global market share of the company and that of its competitors in the various product categories that they operate in. One plus is an ideal company for analysis because of its unique and innovative approach to business. The business model of the company is indeed one of a kind in the consumer appliances segment and this project analyzes the company in detail using the frameworks described above. The project is divided into separate parts with the first two parts concerned with the introduction to the company and the next two parts concerned with the conclusion about the future outlook as well as data about the company.

I. INTRODUCTION OF THE STUDY

Advertisement, which is a crux of any market economy, plays a pivotal role in the economic progress of a nation. Advertising is indeed the only direct method, which helps to reach masses of potential buyers. Advertising, being dynamic, changes with changing methods of distribution and consumption. Advertisements have become the part of life for everyone as a listener through some media or other. In the present era of information explosion and media influence, these advertisements play a major role in changing the settled perception or thinking, which is otherwise called attitude, of the consumer and also the consumption pattern of the society in general. Thus, the impact lead to cultural and social changes to a great extent. Under this situation efficiency of the manufacturers, marketers and advertisers is tested in churning out advertisements, matching the expectation of the consumers, which may gradually bring about desired attitudinal changes in them.

II. NEED OF THE STUDY

- Advertisement plays a major role in every walk of life. The divergent sections of the society may need advertisement for a variety of reason from information sharing to consumer persuasion to decision making.
- The paramount reason which may necessitate the use of advertisements may be:
- Advertising is a way of communicating information to the consumer, which enables him or her to compare and choose from the products and services available. Advertisement enables consumer to exercise their right of free choice.
- Advertising is the most economical means by which a manufacturer or an institutional body can communicate to an audience whether to sell a product or promote a cause of social welfare such as a civic drive or an immunization programme.



- Advertising, being a necessary means of communication is an inseparable part of speech. Any restriction on the right to recommended legitimate goods, services or ideas in public will diminish the fundamental right of the freedom of speech.
- Advertising can help in improving the economies of developing countries. Advertising stimulates increases in production and consequently generates more employment.
- Advertising is an essential and integral to the marketing system. It is sometimes maintained that the marketing system is nothing but the consequent of a country's social and economic growth. The fact is that advertising is the main key tool used to a country's growth.
- The basic concept based on 'Telling and Selling'. One of the '5 M's of an advertising program is Measurement. It denotes how the results should be evaluated. Measurement can at best be done around an audience/ customer's ability to recognize and recall the advertisement and the total impact formed them by the overall image of the company that finally influence the purchase behavior of the customer.
- The present scenario of the FMCG has witnessed many a great advertisements in its field. The major players hire top advertising agencies to create memorable advertisements for their brands to enhance the sale.

III. OBJECTIVES OF THE STUDY

- The main objectives of conducting the project "Advertising Strategy of LG Electronics" are as following:
- To know impact or the effect of advertisement on consumer attitude.
- To know the perception of the consumer towards LG's advertising.
- To analyze the effectiveness of present advertising strategies and brand recall of LG.

IV. SCOPE OF THE STUDY

The project was undertaken to study the advertising strategies of LG Electronics. As per this study what could be analyzed was: Brand Recall of LG, Effect of Advertising on Consumer Attitude, Consumer Perception about LG, and Present Advertising Strategy of LG.

The study area was centered in West Delhi – Rajouri Garden, to be precise. The study is helpful for many players in Home Appliances to make following strategies related to advertising for any particular company: -

- Advertising strategy according to the age of final users.
- To analyze the brand recall of other products in the same segment.
- To analyze the perception of consumers related to ads of durables.

V. METHODOLOGY

MARKETING RESEARCH

Marketing research is the function, which links the consumer, customer and public to the marketer through information. Information used to identified and define marketing opportunities and problems: generate, refine and evaluate marketing action, monitor marketing performance, and improve understanding of market as a process.

Marketing research specifies the information required to address these issues, design the method for collecting information, manages and implements the data collection process, analyses the results, and communication the finding and their implications.

The marketing research process involves a number of interrelated activities, which overlap and do not rigidly follow a particular sequence—

RESEARCH DESIGN

A research design specifies the methods and procedures for conducting a particular study.



Research design is the plan, structure and strategy of investigation conceived so as to obtain answers to research questions and to control variance.

TYPES OF RESEARCH DESIGN:

Research design have been classified in different ways, such as~

- Exploratory Research Design
- Descriptive Research Design
- Casual research Design

Descriptive Research Design:

Descriptive research studies are those studies which are concerned with described the characteristics of particular individual. In descriptive as well as in diagnostic studies, the researcher must find be able to definite clearly, what he wants to measure and must find adequate methods for measuring it along with a clear cut definition of 'population' he wants to study. Since the aim is to obtain complete and accurate information in the said studies, the procedure to be used must be carefully planned. The research design must make enough provision for protection against bias and must maximize reliability, with due concern for the economical completion of the research study.

Descriptive research design is chosen as it is well structured. The objectives of such is to answer the "who, what, when and how" of the subject under investigation.

Descriptive studies can be divided in to two broad categories cross sectional and longitudinal.

So, here across sectional study has been opted for which is concerned with a sample of elements from a given population. Cross sectional studies are two types-

- Field Studies
- Survey

Survey Research has been taken because a major strength of survey research is its wide scope. Detailed information can be obtained from a sample of a large population. Besides, it is obvious that a sample survey needs less time than a census inquiry.

SAMPLE DESIGN

To carry out the study-

Market Area – Rajouri Garden, West Delhi Sample Size–200

Respondents

This is done so as to receive a fair response to achieve our objectives and also so that the research could be finished on time.

Type of Sample Design

The type of sampling that was carried out was probability (convenience) sampling due to limited resources available.

In non probability sampling, Random Sampling was chosen. This was the best sampling method to do market survey. On the other aspect, to cover all consumers in West Delhi was a comparatively easy task.

DATA COLLECTION

The study was conducted by the means of personal interview with respondents and the information given by them was directly recorded on questionnaires.

For the purpose of analysis, the data is necessary to collect the vital information. There are two types of data, these are-

- Primary Data
- Secondary data

Primary Data:-

Primary data can be collected through questionnaire. The questionnaire can be classified into four main types---



- (A) Structured non disguised questionnaire
- (B) Structured disguised questionnaire
- (C) Non-structured non disguised questionnaire
- (D) Non-structured disguised questionnaire

For the market study, structured non disguised questionnaire was selected as the questionnaire is well structured, listing of questions is in a prearranged order and the object of enquiry is revealed to the respondents.

To making a well structured questionnaire, adoption of three types of questions has taken place:

- (a) Open ended questions
- (b) Dichotomous questions
- (c) Multiple choice questions

Secondary data:-

Secondary data means data that are already available i.e. they refer the data which have already been collected and analyzed by someone else. When the researcher utilizes secondary data, than he has to look into various sources from where he can obtain them, in this case he is certainly not confronted with the problems that are usually associated with the collection of original data. Secondary data may either be published data or unpublished data. Usually published data are available in:(a) Various publications of the central, state and local government;(b)Various publications of foreign government or of international bodies and their subsidiary organization;(c)Technical and trade journals;(d)books, magazines and newspapers;(e) Reports and publications of various associations connected with business and industry, stock exchanges, etc.:(f) Reports prepared by research scholars, universities, economists etc.:(g)public records and statistics, historical documents and other source of published information.

The source of unpublished data are many; they may be found in diaries, letters, unpublished biographies and autobiographies and also may be available with scholars and research workers, trade associations, labor bureaus and other public/private individuals and organization.

MEASUREMENTTECHNIQUES

In the questionnaire most of the questions asked were based on attitude rating scale, which consisted of rating scales and composite scales.

Tools of Analysis

The role of statistics in research is to function as tool in designing research analyzing its date and drawing conclusions there from most research studies result in a large volume of raw data. Which must be suitable reduced so that the same can be read easily and can be used for further analysis.

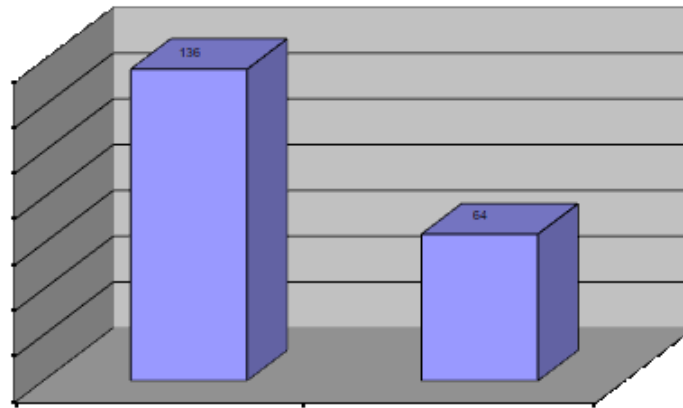
Descriptive statistics concern the development of certain indices from the raw data where as inferential statistics concern with the process of generalization.

DATA ANALYSIS AND INTERPRETATION

Table1:Gender Classification of Respondents

GENDER	RESPONDENTS	PERCENTAGE
Male	136	68%
Female	64	32%
TOTAL	200	100%

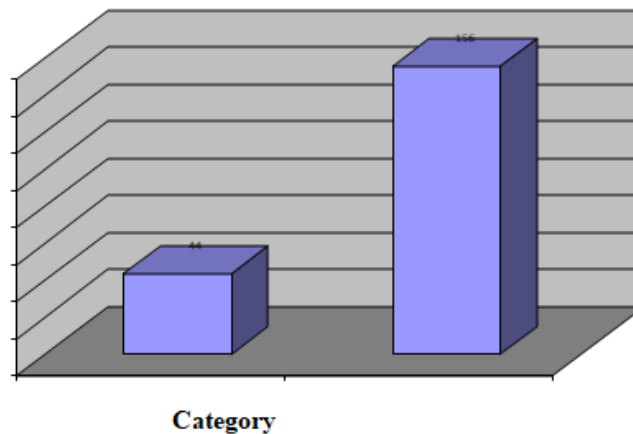
Gender Classification



ANALYSIS:

Out of 200 respondents, 64 are male and 136 are female.

Table2: Users/Non user Of LG' Products



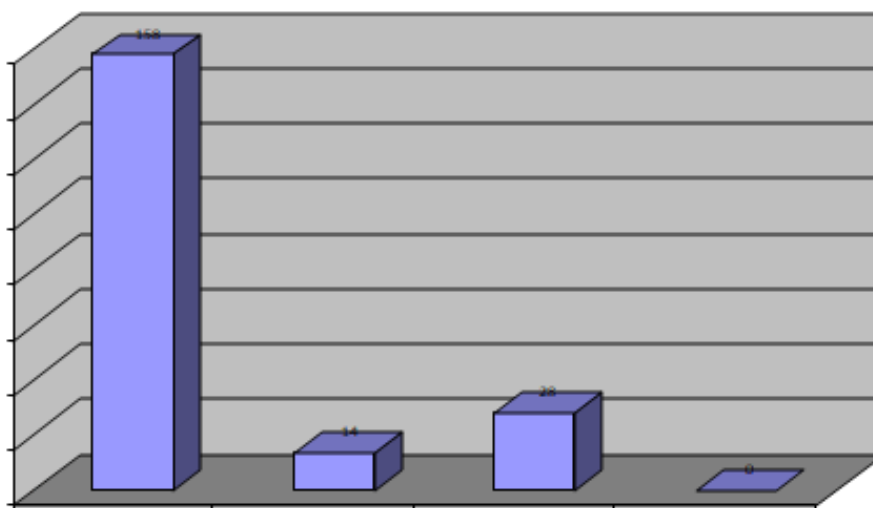
ANALYSIS:

- 22%(44respondents)are user of LG's products.
- Rest78%(156respondents) are non user of LG's products.

Table 3:Source of Information

SOURCES	RESPONDENTS	PERCENTAGE
Advertisement	158	79%
Family member	14	7%
Friend/relative/neighbor	28	14%
Other source	0	
TOTAL	200	100%

Sources of Information



Sources

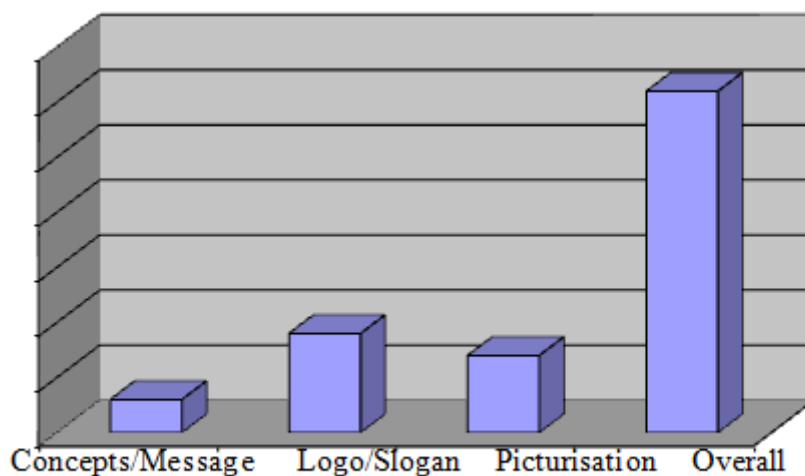
ANALYSIS:

- Most of the respondents (79%) come to know about LG by the Advertisement.
- Second largest source of information are relatives/friends/ neighbors.
- Third information source are family members.

Table4:Most Influencing Features of Ads

FEATURE	RESPONDENTS	PERCENTAGE
Message/concept	12	6%
Logo/slogan	36	18%
Picturisation	28	14%
Overall	124	62%
TOTAL	200	100%

Most Influencing Features of Ads



Features

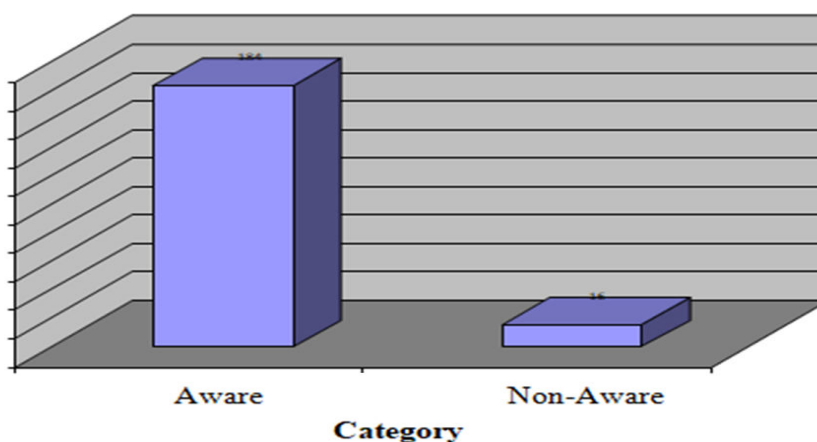
ANALYSIS:

- 124 respondents think overall Ad is influencing them.
- 36 respondents think, Logo/Slogan is the second largest influencing feature in the Ad.
- 28 respondents are influenced by Picturisation of the Ad and
- 12 respondents are influenced by the message of the Ad.

Table 5: Awareness of LG's Ads

CATEGORY	RESPONDENTS	PERCENTAGE
Aware Non	184	92%
Aware	16	8%
TOTAL	200	100%

Awareness of LG's Ads

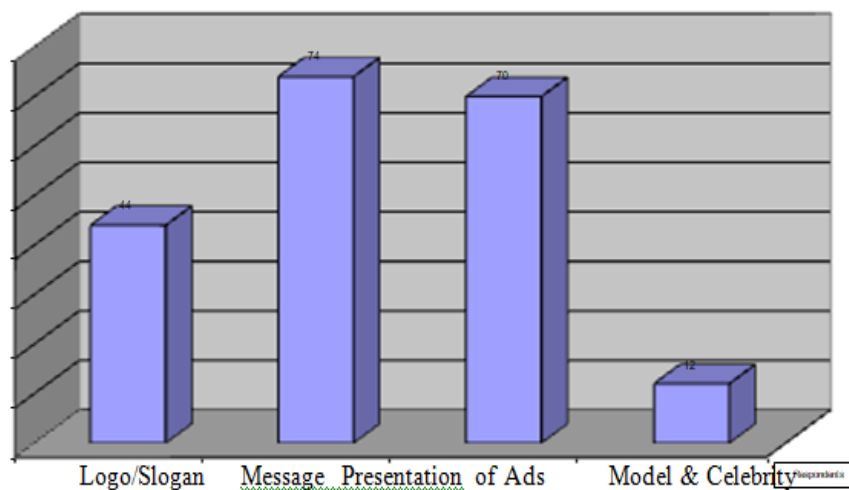


**ANALYSIS:**

- 184 respondents have seen the LG's Ad.
- While rest of the respondents have never seen/not remembered at the time of survey.

Table6: Recall of LG

RECALLFACTOR	RESPONDENTS	PERCENTAGE
Logo/slogan	44	22%
Message	74	37%
Presentation of Ad	70	35%
Model/celebrity	12	6%
TOTAL	200	100%

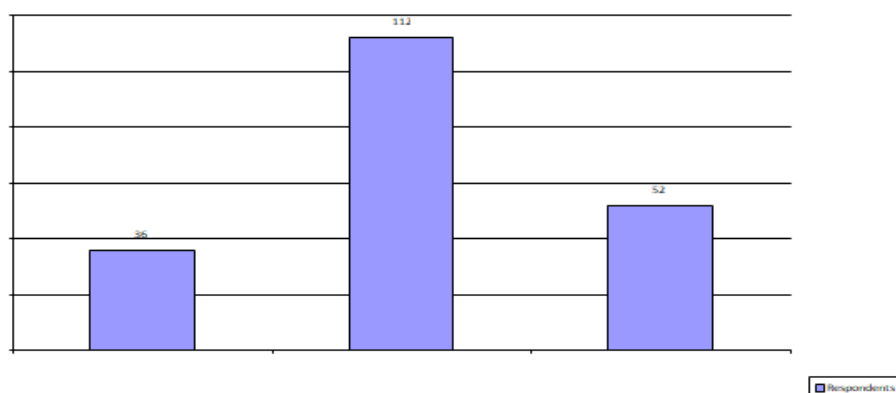
Recall of LG**Recall Factors****ANALYSIS:**

- 44respondentshaverepondthatItiseasytorememberLGlogo/Slogan.
- On the part of Message there are74 respondents in favoring.
- The presentation of Ad suits moreto70 respondents.
- While rest of the respondents remembered the Model/Celebrity.

Table7: Impact of LG's Ad

CATEGORY	RESPONDENTS	PERCENTAGE
Impressive	36	18%
Satisfaction	112	56%
Unsatisfactory	52	26%
TOTAL	200	100%

Impacts of LG's Ad

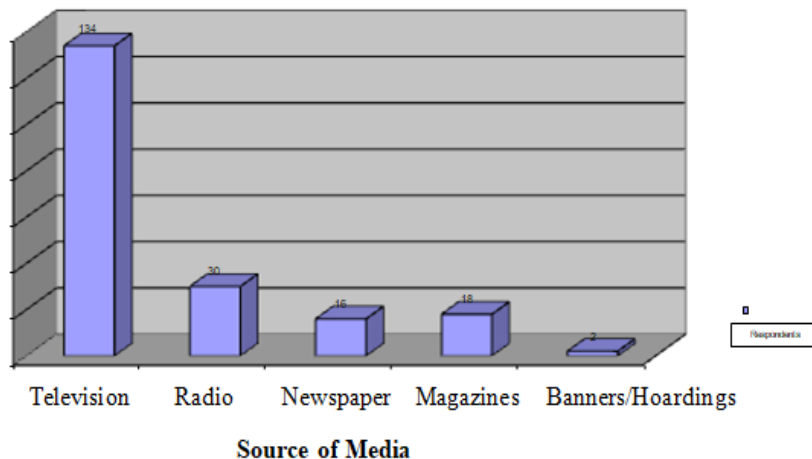
**ANALYSIS:**

- 36 respondents think that the LG's Ads are impressive.
- 112 respondents favorit as satisfactory.
- While rest of respondents(52) are unsatisfied with LG Ad strategy.

Table8: Effective Media to Giving an Ad

SOURCEOFMEDIA	RESPONDENTS	PERCENTAGE
Television	134	67%
Radio	30	15%
Newspaper	16	8%
magazine	18	9%
Banner/hoarding	2	1%
TOTAL	200	100%

Effective Media



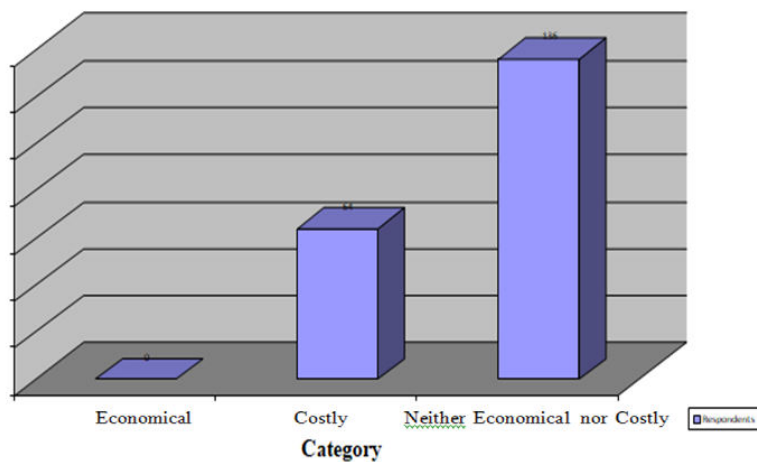
ANALYSIS:

- 134 respondents seek that TV is the best medium to go through Ad.
- While in against of it 30 are favoring Radio.
- Newspaper also has 16 respondents in their favor.
- Rest of the respondents favor to Magazine(18) and Banner/Hoarding(2).

Table9: Perception about LG

CATEGORY	RESPONDENTS	PERCENTAGE
Economical	0	-
Costly	64	32%
Neither economical nor costly	136	68%
TOTAL	200	100%

Perception about LG

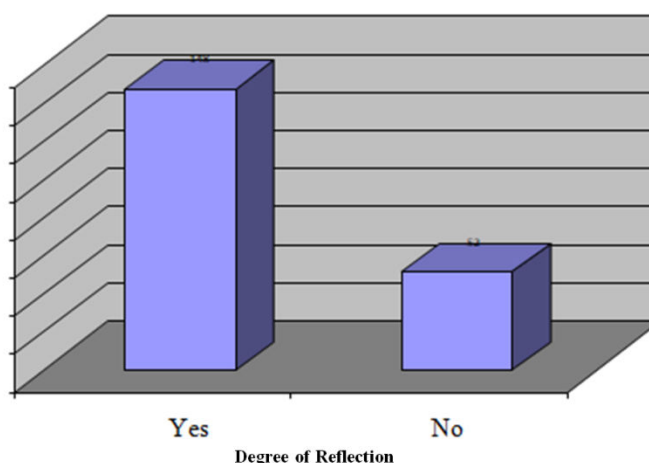


ANALYSIS:

- 64 of the respondents seek that the LG Product is Costly.
- While 136 of the respondents seek it as Mid ranged product.
- Most surprisingly, none of the respondents seek it as Economical product.

Table10:Reflection of Product Profile by The Ads

DEGREEOFREFLECTION	RESPONDENTS	PERCENTAGE
Yes	148	74%
No	52	26%
TOTAL	200	100%

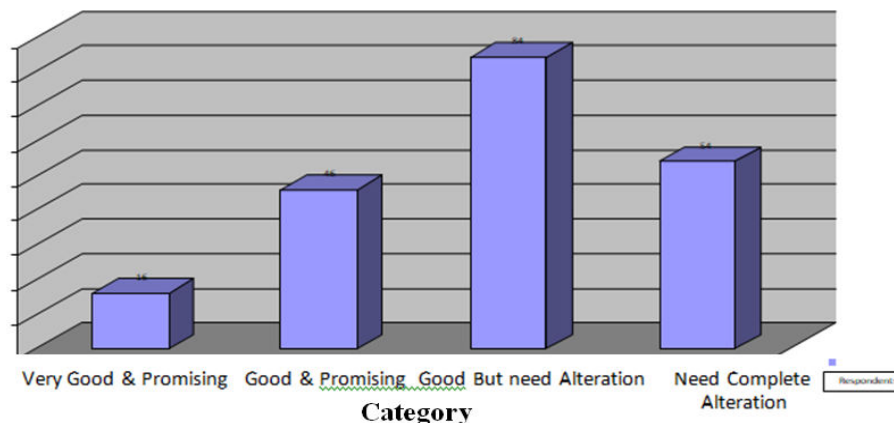
Reflection of Product Profile by threadsANALYSIS:

52 respondents are in favoring that the Ad doesn't reflect the true value or information. Rest of the 148 respondents deny the above respondents view.

Table11:Perception about LG's Ad Strategy

CATEGORY	RESPONDENTS	PERCENTAGE
Very good & promising	16	8%
Good & promising	46	23%
Good but need alteration	84	42%
Need complete alteration	54	27%
TOTAL	200	100%

Perception about LG's ad strategy



ANALYSIS:

- 84 respondents think there is some need to change LG's ad strategy.
- 54 seeks for a complete change in that.
- While 62(16+46) respondents say sit as very good/ good and promising.

FINDINGS

- On the basis of primary data, it can be said that 22% products of LG are being used in the houses.
- Most of the household are using the LG's color televisions.
- Television is the most striking media for Advertising.
- Logo/slogan is the main part, which makes an effective advertisement. The slogan of LG is not so remind able by the consumers.
- If we measure the awareness of LG' ad, it is 92% (according to survey).
- The advertisement of LG needs some modification in it.
- According to report 32% respondents think that LG's brands are costly.
- Samsung and Videocon are the best competitors in the same segment.

SUGGESTIONS

- LG's strategies are more interested in expanding the market than wresting share away from other players.
- LG decided to be a value driver, selling novel product benefits.
- LG applied unique insight across product markets, including consumer electronics, where people hadn't imagined that health had any relevance (like offering AC's with Health Air System with anti-fungs, electrostatic and deodorizing and anti-bacteria filters, so that AC which was previously just a cooling machine is now wanted by people to improve health).
- And this due to the accurate presentation by effective advertisements the Indian consumers is beginning to judge all sort of machines by what they mean for a health full lifestyle.
- LG is technological brand as compared to others which launched a whole range of household products simultaneously and because of the strategy the customers had been benefited with the consciousness of concept of health who receive it in the form of quality "Healthful" products also are new conscious enough to judge their machines vide this parameter.

VI. CONCLUSION

- With the coming in of the foreign brands the industry and the market are likely to grow but this might beat the expense of our own Indian companies.
- Competition is increasing day by day due to increase in new players in this field



- LG electronics today has more than survived in the market within these three years with its marketing strategy and technologically superior range of products.
- Substitute products are available in the market.
- Bargaining power of buyers: The consumer enjoys little buying power. Although the consumer is the most important entity for the organization, the bargaining power by them is looked down upon since prices etc are fixed by the companies which are not negotiable.
- Bargaining power of suppliers: At times these suppliers make profit through delaying the consignment or by increasing the rate of goods.
- Market shares have increased through lowering the profit & increasing the volume.

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