

# Case study Ig samsung refrigerator



**ASSIGN  
BUSTER**

Refrigerators are manufactured in India by predictability keeping in mind the tropical climate as more than 8 months in a year, 90% part of India faces hot humid weather. Now almost in all households refrigerators are used as they become necessity of daily life. It comes in the category of White goods. All the consumer electronic home appliances are known as White goods. For example- Washing machine, TV, Refrigerators etc.

## **HISTORY:**

The first refrigerator was introduced in 1927 was the Electric & "Monitor – Top" to see extensive used. Refrigerators in India have been manufactured since 1950s. Almost 90% of the markets have been controlled by the players like Godrej, Kelvinator, Allwyn, & Voltas till 1980s. After the Liberalization in 1990s number of foreign companies enters the market & diversification into refrigerator business was also their by domestic player. In all consumer durables refrigerator have 2nd highest aspiring value. This shows the growth rate for refrigerator market is high in India. Presently refrigerators are manufactured in two basic designs which are referred to as Direct Cool (DC) & Frost Free (FF) refrigerator.

There is large number of players in refrigerator industry & has become highly competitive as large number of brands has entered the market & now there is a wider choice in the hands of customers while purchasing. Some of the players are BPL, Videocon, Kelvinator, LG, Samsung, Whirlpool, & Godrej.

## **LG HISTORY:**

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Thy full form of LG is Life's good. LG is South Korean based company. In India it commenced business in 1997 through a wholly owned subsidiary named as LG electronics India Pvt. Ltd., manufacturing unit was set up by LG at Greater Noida.

Slogan: Fine art for your future

Brand Ambassador: Akshay kumar

CEO: Nam Yong

## **SAMSUNG HISTORY:**

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Samsung is also a South Korean based company. Samsung commenced its operation in India in December 1995, today it has 20 Branch Offices & 40 Area Sales Offices located in India. Samsung has been the fastest growing brand in the world with total US \$10. 8 billion brand value & enjoys total turnover of US\$ 1 Billion over a decade of its operation in the country.

Samsung introduces latest technology products than other competing brand to create its brand image.

Slogan: NEXT IS WHAT.....

Brand Ambassador: Priyanka Chopra

CEO: Jung Soo Shin

## **TARGET MARKET SEGMENT:**

Market segmentation is the process that companies use to divide large heterogeneous markets into small markets. Target market segment are the set of buyers who share common needs or characteristics that the company is willing to serves in a particular market. The goal is to achieve higher sales of the product & stronger positioning of their products. Here the market is divided into three segments as Economy, Standard & Premium segment. In all the above mentioned segments the companies target the market by providing specific range of the product so as to satisfy the needs of different customers.

## **ECONOMY SEGMENT-**

LG

SAMSUNG

Low-middle class

Low-middle class

D & E grade employee's

D & E grade employee's

## **STANDARD SEGMENT-**

LG

SAMSUNG

Upper-middle class

Joint families

Small businessman

Small businessman

Joint families

Executive level employee's

## **PREMIUM SEGMENT-**

LG

SAMSUNG

High class businessman

New married couple

High income earning public & private employee's

Nuclear family

## **COMPARISON OF TANGIBLE FEATURES:**

Comparison has been made between tangible features of LG & Samsung refrigerators. The market has been divided in three segments Economy, Standard & Premium. And further the Premium segment has been divided into three sub-segments they are; basic model, luxury model & premium model. All the features of these segments of refrigerator are compared below. The comparison has been made among tangible features, prices & capacity of LG & Samsung.

## **ECONOMY SEGMENT –**

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### **LG FEATURES**

### **SAMSUNG FEATURES**

Defrost system

5 star rated

Deodorizing ability

Clean back

Door lock

Fire retardant wires

Adjustable shelves

Stabilizer free operation

Price Range: Rs. 7400-23000

Price Range: Rs. 10000-20000

Capacity: 175-250 liters

Capacity: 190-230 liters

## **STANDARD SEGMENT –**

### **LG FEATURES**

<https://assignbuster.com/case-study-lg-samsung-refrigerator/>

## SAMSUNG FEATURES

Door lock

Ice beam door cooling technology

Adjustable shelves

Five digital sensors

Moisture & Humidity control

External Micom

Quick freezing component

Magic crisper

Magic crisper

Green lead display

Price Range: Rs. 25000-51000

Price Range: Rs. 20300-51000

Capacity: 280-430 liters

Capacity: 255-400 liters

## **PREMIUM SEGMENT –**

BASIC MODEL:

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## LG FEATURES

### SAMSUNG FEATURES

Ice beam door cooling technology

No frost technology

Five digital Sensors

Spill proof shelves

Green LED display

Deep bottle guard

External Micom

Digital display and control

Magic crisper

No frost with multiflow

Snack corner & wine rack

Twin cooling system

Price range: Rs. 53000-61000

Price range: Rs. 53000-61000

Capacity: 581 liters



Capacity: 550-600 liters

LUXURY MODEL:

LG FEATURES

SAMSUNG FEATURES

Taller water and water dispenser

No frost

seven digital Sensors

Spill proof shelves

Green LED display

Digital display & control

Green ion door cooling

Multi-flow

Clean line display

Consistent temperature

Bioshield

Twin cooling

Price range: Rs. 70000-80000

Price range : Rs. 65000- 80000

Capacity: 576 liters

Capacity: 531- 585 liters

PREMIUM MODEL:

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LG FEATURES

SAMSUNG FEATURES

Save cooling system

Stainless steel deep

Linear compressor

Twin cooling system

Vacuum fresh zone

Cool select zone

Exterior LCD touch panel

Multi flow

Eight digital sensor

Clear view ice maker

<https://assignbuster.com/case-study-lg-samsung-refrigerator/>

Miracle zone, wine rack

LED display & control

Express freezing, child lock & door alarm

Price range: Rs. 89000-117000

Eco friendly refrigerant

Price range: Rs. 90000-175000

Capacity: 585- 756 liters

Capacity: 576-721 liters

## **INTANGIBLE FEATURES:**

### **LG-**

**Reliability:** The products offered by LG are more reliable than any other brand as they perform their function more effectively & efficiently.

**Safety:** It provides safety to their customers by providing different intangible features like Fire retardant wires & Spill proof shelves.

**Service:** The LG provides after sales service to their customers so as to gain more & more customers & customer's loyalty.

**Simplicity:** LG products are easy to handle by all the people as they are simple to use & operate, this feature make this brand to be chosen by different people.

Installation: While the LG products are sold to different customers they also provide the installation free of cost facility to their customers.

Durability: The products offered by LG are more durable as compared to other brands as they can be used for long period of time.

Prestige: As the product earns a high prestige so while purchasing any product the customer first preferred to buy the products offered by LG.

## **SAMSUNG-**

Distinctiveness: As Samsung introduce new technology products regularly in the market so they declare them as distinct brand image for launching new products.

Safety: The product offered by Samsung also provides good services to their customers in order to grasp more & more market share.

Reliability: The products offered by Samsung are reliable to use in day-to-day life by the customers.

Service: The after sales services are also offered by Samsung as the other market player also offer it, so as to remain in the complete market.

## **BRAND IMAGE:**

### **LG-**

High Durability

Brand loyalty

High quality

Higher range of product

Higher price higher value

Having all white goods of one company

Large warranty period

High star rating product

Design of product

## **SAMSUNG-**

new and advance technology

comparatively low price than others

have more feature than other at the same cost

brand loyalty

provide more value in less price

good after sales service

having some perception

size and dimension

the number of doors

color

## **PERCEPTUAL MAPPING:**

Perceptual mapping is the graphics technique which is used by marketers to display the perceptions of customers for product, brand, product width, product line, product depth & company is displayed with comparison to their competitor. Perceptual maps have any number of magnitudes but mostly two are used to make it simpler.

Y-axis indicates price while X-axis denotes segment in the map. LG & Samsung are on the X-axis as their segment of comparison are; Basic, luxury & Premium. Both companies provide huge range of products to these three segments while there is gap between each segment which is not serving by companies. This shows that they are not targeting to the hyper market segments which they can increase the range of products to target huge markets. It also shows that the products in the three segments have huge variety & the prices are similar up to some extent in each segment.

The maps provide insights into:

Product development opportunities – It helps company to identify various areas where the product portfolio is well developed and areas where the portfolio is more sparse, so as to increase the product line, product depth, & product width.

Products that can be grouped together for marketing purposes- The range of products which can be grouped for marketing purpose in the market so large number can be targeted.

The product development opportunity is more in case of LG between Premium & standard segment as the price gap is from Rs. 20000 to Rs. 25000 i. e. 5000. So there are a large number of customers to be targeted by the company in case if they want to increase their market share.

## **RECOMMENDATION:**

**Price:** The prices of premium segment of LG are to higher as compared to Samsung in market. They can reduce their price up to some extent so that the standard segment can also afford the products & it would be helpful for the company to increase their margin of profit.

**Product development:** Between the three segments the company can improve their products offerings to cover huge market share.

**Expansion of market:** The Company can give more emphasis on the expansion of market in India as there is huge opportunity in the market available for them to grow.

**Advertisement:** They must emphasis on the advertisement of their products by choosing different modes of advertisement. Because other competitor gives more advertise from them. This will not harm them in the short run but this will affect them in the long run.

## **CONCLUSION:**

It is concluded that as Samsung is competitor of LG, the price range of their products are similar to each other of each segments in the market. But in economy segment LG has lower price range product than Samsung whereas in standard & premium segment Samsung has higher price than LG.

Samsung provides new innovated technology products to their customers in the market. The features provided are also same in both the cases but differ in some cases or the other from each other provided by them. Although LG commenced its business in India two years after than Samsung it has more market share in India. LG share 25% of Indian market whereas Samsung share 15% of market share.

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