CHAPTER - 3
ORGANISATIONAL PROFILE

A detailed profile of organizations covered under the study has been discussed in the following paragraphs:-

3.1 VIDEOCON

The Videocon group emerges as a USD 2.5 Billion global conglomerate continuing to set trends in every sphere of its activities from a conference room sized assembly line in 1979. Videocon enjoys a pre-eminent position in terms of sales and customer satisfaction in many of our consumer products like Colour Televisions, Washing Machines, Air Conditioners, Refrigerators, Microwave ovens and many other home appliances as shown in figure 3.1, selling them through a Multi-Brand strategy with the largest sales and service network in India. Refrigerator manufacturing is further supported by their in house compressor manufacturing technology in Bangalore. With the Thomson acquisition Videocon has emerged as one of the largest Colour Picture tube manufacturers in the world operating in Mexico, Italy, Poland and China, continuing to lead through new innovative technologies like slim CPT, extra slim CPT and High Definition 16:9 formats CPT. Videocon is also one of the largest CPT Glass manufacturers in the world having a high level of experience and technical expertise are operating in Poland and India. Videocon depends on this synergy after the Thomson acquisition to internally provide glass for its CPT manufacturing increasing the efficiency and lowering the cost. An important asset for the group is its Ravva oil field with one of the lowest operating costs in the world producing 50,000 barrels of oil per day. The group has ambitious plans for expansion in this sector globally.
Videocon has emerged as a company dedicated to the goal of maintaining the highest international standards of excellence through quality, technology and innovation. For over a decade now, Videocon has been bringing the latest and very best in Consumer Electronics and Home Appliances. Successfully adapting the best of the international technology to suit Indian needs, and crafting it to improve the quality of life. The stage wise growth of the company has been depicted in the diagram given below (Fig 3.2).

3.1.1 History

The vision of the company has been **“To delight and deliver beyond expectation through ingenious strategy, intrepid entrepreneurship, improved technology, innovative products, insightful marketing and inspired thinking about the future.”** A breakdown of the statement above reveals a ‘means and end’ approach, where the end is articulated at the beginning with the means linked to it. The statement **“To delight and deliver beyond expectation...”** means that the company not only underlines the importance of the ultimate goal - customer satisfaction (‘delight’) and ultimate target - the customer, but also of intermediate processes and principals, which have contributed to building a robust, dependable Videocon value chain (‘deliver’). As a result of its focus on developing loyal customers and reliable associates, Videocon is able to exceed expectations. **“...through ingenious strategy...”** which means that in the very competitive world of today, it is only by taking recourse to advance planning and strategy that a business can hope to survive. There is a need for a bounded rationality, spontaneity and improvisation that is flexible enough for scenarios both imaginable and unimaginable. Videocon’s ingenious maneuvers are actually flexi-strategy that abstracts from
Figure 3.1 : Various Range of Products
shifting ground conditions and decides game-plans, or sometimes changes the rules of the
game. "...intrepid entrepreneurship...": means an enterprise with the odds stacked against it
makes great business sense. This is because higher the obstacles, lower the number of players
likely to be active in that field - thus, fetching extraordinary returns. The only requirement is a
bold and confident attitude willing to brave the odds. Videocon’s foray into oil and gas is a
bold and intrepid endeavour that arises from immense faith on the surefooted competence of
the company’s in-house managerial talent.

"...improved technology...": means technology is no more a premium input; it has become
the bare minimum requirement in recent years. Rapid advances have only fuelled this
phenomenon. Videocon is extremely vigilant in discarding the out dated technology and
replacing it with the best-in-class offers of the times.

"...innovative products...": means product development, innovation and customization are the
tools Videocon uses to stay ahead of the competition. This is because a continuous stream of
innovative products excites the market and enhances brand recall. A strategy that Videocon
banks on a lot, especially on the domestic front.

"...insightful marketing...": means The market share battle scene has long shifted from
technology and processes to the psyche of the customer. This means that those with deeper
insights into the elusive mind of the buyer are likely to dominate. Videocon is reinforcing
marketing strengths to read better the pulse of the market and to create products that map
perfectly into customer preferences.
“...inspired thinking about the future.”: means the future is unpredictable, but not doing anything about it is fraught with grave risk. Videocon extrapolates future trends on the basis of current changes in the technology and preferences as well as sheer gut feel. Fine-tuned business instincts are worth their weight in gold, lots of it. The company has perfected its practice almost into an art form with some calculated gambles like oil and gas proving to be absolute money-spinners.

3.1.2 Plant Locations

Following are the different locations of the plants of Videocon


2. Videocon Communications Limited, Bhalgaon, Aurangabad.

3. Applicomp (India) Limited, Hosur Road, Bangalore.

4. Indian Refrigerator Co. Ltd, Sipcot Industrial Complex, Hosur.

5. Kitchen Appliances India Ltd, Salt Lake City, Kolkata.

6. Videocon Narmada Glass, Bharuch

3.1.3 Office Locations (International)

1. Videocon International Ltd., Shenzhen, China;

2. Thomson, Boulogne Cedex – France;
Fig 3.2: Year Wise Growth of the Company

(Source: www.videoconworld.com)
3. Thomson Displays Polska Sp. Z O O, Piaseczno Poland; and

4. Thomson Displays Italy, Anagni France, Italy.

3.1.4 Company’s Philosophy and Values

Business can not function in isolation as there is a society at large with which it engages in innumerable transactions; the more involved the engagement, the better is its qualitative and quantitative effects on the business. Aware of this debt to society, a successful corporate like Videocon is committed to fulfill its obligations; both as providers of outstanding products as well as starting community initiatives. Which include, among others, a first-rate academic haven for the high-school education for underprivileged girls and a 100% world-class, charitable hospital specializing in cancer and heart surgery for the benefit of society’s marginalized sections. Videocon’s deep-rooted commitment to environment conservation translates into the process of improvement that helps in recycling CRT glass, and to curb carbon emission and other pollutants. Among others, the group’s glass plant in India has supported a large-scale initiative like the plantation of over 2, 00,000 teak trees.

Apart from material support, society needs spirit; that is a vital ingredient in making a difference between living life and merely existing. Videocon is inspired heavily by the uplifting nature of sports; its power to generate mass passion, where innumerable hearts throb as in unison; its ability to draw people together irrespective of differences in race, religion, gender or caste. Unity of spirit and purpose is ultimately what builds bridges between diverse cultures. This is the core belief of a group that has operations spread over a cross-cultural
milieu worldwide. Videocon supports mass sports for another reason; at the heart of sports is fair play, a virtue that enjoys exalted status among values cherished by Videocon.

The group’s sponsorship of cricketing events across the globe underlies its commitment and passion for sports as well as its goal to uplift the spirit of global audience. Videocon focuses on the grassroot; the Videocon School of Cricket launched in Kolkata under the guidance of former India captain, Saurav Ganguly, aims to inspire budding cricketers in the age group of 10 to 17 years to greater heights.

3.1.5 Research and Development

The company gives utmost importance to the R & D activities, which are carried out, at in-house R&D center. The company carries on new innovations in product development, cost reduction, quality improvement, process implementations and process controls.

1) Specific areas in which Research and Development has been carried out by the company

During the year, the company has carried out Research and Development in the following areas:-

i) Home theaters - High-end models and HTIB Models.;

ii) Larger Screen Television i.e. 32 inch and 38 inch.;

iii) True Flat Televisions;

iv) Plasma Televisions;
v) Cosmetic design and new outlook to the TVs;

vi) Manufacturing of components for CTV, Refrigerators and Air conditioners; and

vii) Efforts to reduce power consumption of all its final products.

2) **Benefits derived as a result of the above Research and Development.**

The company has derived the following benefits as a result of the Research and Development:-

i) Development of new designs in products and launch of various new models.;

ii) Able to compete with the foreign players in the Indian Markets by cost reductions and offering innovative features and to maintain market leadership in Television under Videocon umbrella;

iii) Increase in Productivity; and

iv) Reduction in power consumption by some by the products.

3) **Future Plans**

In the coming days company is aiming to achieve results in the following areas through Research & Development:-

i) Manufacturing of components for consumer Electronics Products.;

ii) Multimedia TV.;
iii) Plasma Televisions;

iv) Launching of New Brands & Sub-brands under Videocon umbrella;

v) Composite Home Entertainment system with internet adaptability; and

vi) To work on better features, better quality & improved reliability with reduced/low prices.

The company always attempts to use the latest and advance technology in production process. Keeping pace with the technological developments, the company keeps on adding sophisticated equipments with focus on automation to minimize manual intervention in the manufacturing process thereby ensuring quality of the final products.

3.2 Samsung Electronics Co., Ltd.

The Samsung Group (Korean: Samsung Group) is one of the world's largest conglomerate. It is South Korea's largest chaebol and is composed of numerous international businesses, all united under the Samsung brand, including Samsung Electronics (the world's largest electronics company), Samsung Heavy Industries (one of the world's largest ship builders) and Samsung Engineering & Construction (a major global construction company). These three multinationals form the core of Samsung Group and reflect its name - the meaning of the Korean word Samsung is "tristar" or "three stars".

The Samsung brand is the best known South Korean brand in the world and in 2005, Samsung overtook Japanese rival Sony as the world's leading consumer electronics brand and became
part of the top twenty global brands overall. It is also the leader in many domestic industries, such as the financial, chemical, retail and entertainment industries. Samsung's strong influence in South Korea is visible throughout the nation, and is sometimes called the “Republic of Samsung”.

Samsung Electronics is one of the world's largest semiconductor manufacturers; Samsung Electronics is also South Korea's top electronics company. It makes many kinds of consumer devices, including DVD players, big-screen TV sets, and digital still cameras; computers, color monitors, LCD panels, and printers, semiconductors such as DRAMs, static RAMs, and flash memory, and communication devices ranging from wireless phones to networking switches. The company, which is the flagship member of Samsung Group, also makes microwave ovens, refrigerators, air conditioners, and washing machines.

### 3.2.1 Background of Samsung

Currently helmed by Lee Soo-bin, CEO of Samsung Life Insurance, it has been run by generations of one of the world's wealthiest families, formerly by chairman Lee Kun-Hee, the third son of the founder, Lee Byung-Chull. Samsung Group also owns the Sungkyunkwan University, a major private university in South Korea, with many of its graduates being employed by Samsung Group affiliates.

Many major South Korean corporations such as CJ Corporation, Hansol Group, Shinsegae Group and Joong-Ang Ilbo daily newspaper were previously part of the Samsung Group, split apart by the government in order to prevent Samsung from becoming too powerful. Many leading companies in South Korea, notably MP3 player manufacturers and search engine
portals were established by ex-Samsung employees. A large number of South Korean firms, particularly those in the electronics industry, are dependent on Samsung for the supply of vital components or raw material such as semiconductor chips or LCD panels. This has led to continued allegations of price fixing and monopolistic practices.

Samsung Group accounts for more than 20% of South Korea's total exports, with strong government support, including the ability to access unlimited amount of funds from major banks in South Korea. In many domestic industries, Samsung Group is the sole monopoly dominating a single market, its revenue as large as some countries' total GDP. In 2006, Samsung Group would have been the 34th largest economy in the world if ranked, larger than that of Argentina. The company owns or has taken over so many mid to small sized businesses that it is often called a 'colonial empire' or 'hungry dinosaur'. The company has a powerful influence on the country's economic development, politics, media and culture, being a major driving force behind the Miracle on the Han River; many businesses today use its international success as a role model.

3.2.2 History of Samsung

1938-1969 Samsung beginnings

1938: Lee Byung-Chull founded his small business as Samsung Store at Daegu

1950: Lee Byung-Chull founded Samsung trading company in Seoul (YPM)

1951: Samsung Moolsan established (now Samsung Corporation)
1953: Samsung starts sugar production, which has since been spun off into the CJ Corporation


1963: The first Shinsegae department store opens in Seoul


1964: Samsung starts Tongyang Broadcasting Company (TBC), which later merged with KBS

1965: Samsung starts the Joong-Ang Ilbo daily newspaper, which is no longer affiliated with the company

1966: Joong-Ang Development established (known today as Samsung Everland)

1969: Samsung Electronics was founded


In 1938, Lee Byung-Chull founded Samsung, a small trading company with forty employees located in Seoul. The company prospered until the Communist invasion in 1950 when he was forced to leave Seoul and start over in Suwon. During the war, Samsung's businesses flourished and its assets grew twenty-fold. In 1953, Lee started a sugar refinery—South Korea's first manufacturing facility after the Korean War. The company diversified into many areas and Lee sought to establish Samsung as an industry leader in a wide range of enterprises (Samsung Electronics). The company started moving into businesses such as insurance,
security, and retail. In the early 1970’s, Lee borrowed heavily from foreign interests and launched a radio and television station (Samsung Electronics).

South Korean President Park Chung-hee’s regime during the 1960’s and 1970’s proved a boon for Samsung. Park placed great importance on industrialization, and focused his economic development strategy on a handful of large domestic conglomerates, protecting them from competition and assisting them financially. Samsung was one of these companies. Park banned several foreign companies from selling consumer electronics in South Korea in order to protect Samsung from foreign competition and nurture an electronics manufacturing sector that was in its infancy. “To make up for a lack of technological expertise in South Korea, the South Korean government effectively required foreign telecommunications equipment manufacturers to hand over advanced semiconductor technology in return for access to the Korean market” (Samsung Electronics). Such policies eventually lead to Samsung manufacturing the first Korean dynamic random access memory chips.

Samsung Group later formed several electronics-related divisions, such as Samsung Electronics Devices Co., Samsung Electro-Mechanics Co., Samsung Corning Co., and Samsung Semiconductor & Telecommunications Co., and grouped them together under Samsung Electronics Co., Ltd. in 1980’s. Its first product was a black-and-white television set (Samsung Electronics).

In the late 1980’s and early 1990’s, Samsung Electronics invested heavily in research and development, investments that were pivotal in pushing the company to the forefront of the global electronics industry. “By the 1980’s Samsung was manufacturing, shipping, and selling
a wide range of appliances and electronic products throughout the world” (Samsung Electronics). In 1982, it built a television assembly plant in Portugal; in 1984, it built a $25 million plant in New York; and in 1987, it built another $25 million facility in England (Samsung Electronics).

1970-1979: diversifying in industries and electronics

1970: Black-and-white TV (model: P-3202) production started by Samsung-Sanyo

1972: Began production of black-and-white televisions for domestic sale

1974: Samsung Heavy Industries incorporated Samsung Petrochemical established Began washing machine and refrigerator production

1976: 1 millionth black-and-white TV produced

1976: The company was awarded an export prize by the government as a part of the country's development program

1977: Samsung Precision Co. established (now Samsung Techwin) Started export of colour televisions Samsung Fine Chemicals established Samsung Construction established

1977: As a result of this export prize, Samsung Construction emerged. In addition, Samsung Shipbuilding is formed

1978: 4 millionth black-and-white TV (most in the world) produced
1979: Began mass production of microwave ovens

1980-1989: entering the global marketplace

1980: Began producing air conditioners

1981: First microwave ovens (model: RE-705D) exported (to Canada)

1 millionth colour TV produced

1982: Samsung establishes a professional baseball team

1982: Name changed from Korea Telecommunications Corp. to Samsungconductor & Telecommunications Co. Sales subsidiary (SEG) established in Germany 10 millionth black-and-white TV produced

1983: Began production of personal computers (PCs)

1983: Samsung produces its first computer chip: a 64k DRAM chip

1984: SAMSUNG Data Systems established (Renamed Samsung SDS)

First VCRs exported to the US

1986: Developed the world's smallest, lightest 4mm video tape recorder

1987: Samsung Advanced Institute of Technology opened for R&D purposes

1989: Samsung BP Chemicals founded 20 millionth colour TV produced

The 1990s and the present

1996: Commercialization of CDMA Handset/System

1997: Commercialization of GSM Handset

2000: Commercialization of World’s first Handset/System - CDMA2000 1X

2002: Commercialization of World’s first Handset/System - CDMA2000 1X EV-DO

2003: Commercialization of World's first Silver Nano washing machine using antibacterial silver nanoparticles

The 1990’s saw Samsung rise as an international corporation. Not only did it acquire a number of businesses abroad, but also began leading the way in certain electronic components. Samsung's construction branch was awarded a contract to build one of the two Petronas Towers in Malaysia, Taipei 101 in Taiwan and the Burj Dubai in United Arab Emirates (founded by Callum Cuirtis), which is the tallest structure ever constructed. In 1996, the Samsung Group reacquired the Sungkyunkwan University foundation. In 1993 and in order to change the strategy from the imitating cost-leader to the role of a differentiator, Lee Kun-hee, Lee Byung-chull's successor, sold off ten of the Samsung Group's subsidiaries,
downsized the company, and merged other operations to concentrate on three industries: electronics, engineering, and chemicals (Samsung Electronics).

Samsung is the world's largest manufacturer of Televisions and various other consumer electronics. Samsung is the world's second largest mobile phone maker. Compared to other major Korean companies, Samsung survived the Asian financial crisis of 1997-98 relatively unharmed. However, Samsung Motor Co, a $5 billion venture was sold to Renault at a significant loss. Most importantly, Samsung Electronics (SEC) was officially spun-off from the Samsung Group and has since come to dominate the group and the worldwide semiconductor business, even surpassing worldwide leader Intel in investments for the 2005 fiscal year. Samsung's brand strength has greatly increased in the last few years.

Samsung became the largest producer of memory chips in the world in 1992, and is the world's second-largest chipmaker after Intel. In 1995, it built its first liquid-crystal display screen. Ten years later, Samsung grew to be the world's largest manufacturer of liquid-crystal display panels. Sony, which had not invested in LCDs, contacted Samsung to cooperate. In 2006, S-LCD was established as a joint venture between Samsung and Sony in order to provide a stable supply of LCD panels for both manufacturers. S-LCD is owned by Samsung and Sony 51% to 49% respectively and operates its factories and facilities in Tangjung, South Korea.

In 2008, Samsung became the largest mobile phone maker in the United States and 2nd largest mobile phone maker in the World. Considered a strong competitor by its rivals, Samsung Electronics expanded its production dramatically to become the world's largest manufacturer
of DRAM chips, flash memory, optical storage drives and it aims to double its sales and become the top manufacturer of the 20 products globally by 2010. It is now one of the world's leading manufacturers of liquid crystal displays and next generation mobile phones.

Currently, Samsung has sixteen products that have dominated the world’s market share, including: DRAM, color cathode-ray tube TVs (CPT, CDT), SRAM, TFT-LCD glass substrates, TFT-LCD, STN-LCD, tuner, CDMA handset, color television (CTV), monitor, flash memory, LCD Driver IC (LDI), PDP module, PCB for handheld (mobile phone plates), Flame Retardant ABS, and Dimethyl Formamide (DMF). Plus in the Television market, Samsung and LG make the only screens for LCD TFT televisions and then later sell them on to the other companies.

Samsung Electronics, which saw record profits and revenue in 2004 and 2005, overtook Sony as one of the world's most popular consumer electronics brands, and is now ranked 20th in the world overall. By late 2005, Samsung had a net worth of US$77.6 billion. According to Interbrand and BusinessWeek, Samsung’s brand value ranked 43rd (USD 5.2 billion) in 2000, 42nd (USD 6.4 billion) in 2001, 34th (USD 8.3 billion) in 2002, 25th (USD 10.8 billion) in 2003, 21st (USD 12.5 billion) in 2004, and 20th (14.9 billion) in 2005 among the top global companies.

In terms of export that directly contributes to the Korean economy, Samsung took up 18.1% of the all exports with USD 31.2 billion in 2000 and 20.7% with USD 52.7 billion in 2004. In addition, Samsung's tax payment to the Korean government in 2003 was KRW 6.5 trillion, which is about 6.3% of total tax revenue. The market value of Samsung in 1997 reached KRW
7.3 trillion in 1997, which amounted to 10.3% of the Korean market but this figure increased to KRW 90.8 trillion taking up 22.4% in 2004.

Moreover, the annual net profit of Samsung marked KRW 5.8 trillion in 2001, KRW 11.7 trillion in 2002, KRW 7.4 trillion in 2003, and KRW 15.7 trillion in 2004, are showing forth a steady increase. In order to improve the working environment and to built a strong and trustworthy foundation, the semiconductor sector of Samsung Electronics has been conducting a ‘Great Workplace Program’ called GWP since 1998. Then, in 2003, GWP has spread throughout the entire Samsung Group such as Samsung Fire and Marine Insurance, Samsung SDI, Samsung Everland, Samsung Corporation, Cheil Industries, Samsung Networks, and others started to apply it to their core principles. In 2006, 9 subsidiary companies of Samsung Electronics, 80 overseas branches, and 130 overseas business sectors have reported that they are actively applying the GWP.

The relations among the Samsung companies are very complicated. According to the Financial Supervisory Service of South Korea, Samsung Everland owns 13.3% of Samsung Life Insurance; Samsung Life Insurance holds 34.5% of Samsung Card and 7.2% of Samsung Electronics, as well as more of other Samsung companies; Samsung Electronics in turns keeps 46.0% of Samsung Card and stocks of other Samsung companies; and finally, Samsung Card holds 25.6% of Samsung Everland.

The family of Lee Kun-hee owns 40% of Samsung Everland, whilst Samsung Card holds 25.6%, and related people have another 30%. Thus it is thought that Lee controls 95% of Samsung Everland. Control of one company, through the circular investment, enables the Lee family to control other Samsung companies despite having only relatively minor holdings.

3.2.3 Consumer Products of Samsung

1) Mobile phones - CDMA, GSM

2) Televisions - LED TV, LCD TV, Plasma TV, DLP TV

3) Audio / Video - Blu-ray, Home theater, Home theater projectors, MP3 players, DVD players, Digital set top box

4) Cameras & Camcorders - Digital cameras, Camcorders

5) Computers & Peripherals - Mobile computing, Desktop monitors, Data projectors, Digital photo frame, Hard disk drive, Optical disc drive
6) Printers & Multifunction - Monochrome laser printers, Color laser printers, Monochrome laser multifunction printers & faxes, Color laser multifunction printers & faxes, Supplies & Accessories

7) Home appliances-Refrigerators, Washers & Dryers, Ranges, Dishwashers, Microwaves, Air conditioners, Vacuum cleaner

8) CCTV - Camera, Monitor, DVR, Network, Controller, EZ View, Housing & Mount

9) Business Products - Mobile computing, LCD monitors, Data projector

10) Telecommunication- Business telephone systems

11) Set Top Box- Digital video recorder, Digital satellite receiver, Digital terrestrial receiver, Digital cable receiver

3.3 LG Electronics

Established in 1997, LG Electronics India Pvt. Ltd., is a wholly owned subsidiary of LG Electronics, South Korea. In India for over a decade now, LG is the market leader in consumer durables and is recognized as a leading technology innovator in the information technology and mobile communication business. LG is the acknowledged trendsetter of the consumer durable industry in India with the fastest ever nationwide reach, latest global technology and product innovation.

One of the most formidable brands, LGEIL has an impressive portfolio of Consumer Electronics, Home Appliances, GSM mobile phones and IT products. LG Electronics India
Pvt. Ltd., a wholly owned subsidiary of LG Electronics, South Korea was established in January, 1997 after the clearance from the Foreign Investment Promotion Board (FIPB). The trend of beating industry norms started with the fastest ever-nationwide launch by LG in a period of 4 and 1/2 months with the commencement of operations in May 1997. LG set up a state-of-the-art manufacturing facility at Greater Noida, near Delhi, in 1998, with an investment of Rs 500 Crores. This facility manufactured Colour Televisions, Washing Machines, Air-Conditioners and Microwave Ovens. During the year 2001, LG also commenced the home production for its eco-friendly Refrigerators and established its assembly line for its PC Monitors at its Greater Noida manufacturing unit. The beginning of 2003 saw the roll out of the first locally manufactured Direct Cool Refrigerator from the plant at Greater Noida.

In 2004, LGEIL also set up its second Greenfield manufacturing unit in Pune, Maharashtra that commence it operations in October 2004. Covering over 50 acres, the facility manufactures LCD TV, GSM Phones, Color Televisions, Air Conditioners, Refrigerators, Microwave Ovens and Color Monitors. Both the Indian manufacturing units have been designed with the latest technologies at par with international standards at South Korea and are one of the most Eco-friendly units amongst all LG manufacturing plants in the world. LG has been able to craft out in ten years, a premium brand positioning in the Indian market and is today the most preferred brand in the segment.
Table 3.1 Business Areas & Main Products

<table>
<thead>
<tr>
<th>Category</th>
<th>Main Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Electronics</td>
<td>LCD TV, Plasma Display, Display Panel, Color Television, Home Theatre System, Music system, DVD Recorder/Player, MP3 &amp; MP4 Player</td>
</tr>
<tr>
<td>Home Appliances</td>
<td>Room Air Conditioner, Commercial Air Conditioner, Refrigerator, Washing Machine, Dishwasher, Microwave, Vacuum Cleaner</td>
</tr>
<tr>
<td>Computer Products</td>
<td>Laptop, Personal Computer, LCD monitor, CRT monitor, Optical Storage Devices</td>
</tr>
<tr>
<td>Mobile Phone</td>
<td>Premium trend setter phone, Camera Phone, Music Phone, Color Screen GSM Handset</td>
</tr>
</tbody>
</table>

3.3.1 History: the year wise growth of company has been explained as under

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1958</td>
<td>GoldStar (today’s LG Electronics) established</td>
</tr>
<tr>
<td>1959</td>
<td>Korea’s first radio produced</td>
</tr>
<tr>
<td>1962</td>
<td>Radio exported to the US and Hong Kong as Korea’s first</td>
</tr>
<tr>
<td>1965</td>
<td>Korea’s first refrigerator produced</td>
</tr>
</tbody>
</table>
1966  Korea’s first black & white TV produced
1968  Korea’s first air conditioner produced
1969  Korea’s first washing machine produced
1974  GoldStar Communications went public
1977  Color TV produced
1978  Exports surpassed US$100 million, a first for Korea’s electronics industry
1980  First EU sales subsidiary in Germany (LGEWG) established
1982  Color TV plant established in the US in Huntsville, Alabama
1984  Sales surpassed 1 trillion Won.
1986  European-standard VCR plant established in Germany.
1989  Sales subsidiary and a joint production subsidiary established in Thailand.
1990  Ireland-based design technology center established.
1993  With the establishment of Huizhou subsidiary in China (LGEHZ), marketing in China took full swing.
1997  40-inch Plasma TV and the world’s first IC set for DTVs developed India
production subsidiary (LGEIL) established

1998  World’s first 60-inch Plasma TV developed

1999  LG. Philips LCD established

2000  LG Information & Communications merged The world’s first Internet-enabled refrigerator launched Global sales of refrigerators reached the number one position.

2001  Asynchronous IMT-2000 equipment commercialized The world’s first Internet enabled washing machine, air conditioner, and microwave oven launched LG.Philips Displays, a joint venture with Philips established.

2002  Under the LG Holding Company system, the Company spun off to LG Electronics (LGE)& LG Electronics Investment (LGEI) The first home network system commercialized in the global market.

World’s first synchronous-asynchronous IMT-2000 mobile phone developed The world’s first 76-inch Plasma TV developed CDMA mobile handsets took the largest share in the US and world CDMA market

Launched the world’s first Super Multi DVD Rewriter.

EVSB, the next-generation DTV transmission technology, chosen to be the US/Canada DTV transmission standard by the US ATSC All-in-one

2003  LG 55-inch LCD TV, the world’s first and largest among LCD
TVs’ commercialized. The world’s largest and first 71-inch Plasma TV commercialized. The world’s first terrestrial DMB phone developed Wireless Speaker Home Cinema System.

The world’s first DMB notebook commercialized The world’s slimmest TV commercialized. The world’s largest 102-inch Plasma TV developed LG and Nortel Networks agreed to establish a joint venture for telecommunication network equipment Satellite-based DMB phone commercialized. The largest share seized in the global CDMA market.

Launched the LG Shine, the second handset in the Black Label Series

2005

2006

Globally launched the steam washing machine and interactive TV refrigerator Developed the world's first 100-inch LCD TV Launched the world's largest Full HD 102-inch Plasma TV (1080p) Developed the world's first dual-format high-definition Disc Player& Drive.

Launches the industry's first dual-format, high-definition disc player and drive Launches 120Hz Full HD LCD TV. Demonstrated the world-first MIMO 4G-Enabled technologies with 3G LTE Won contract for GSMA's 3G campaign.

2007

2008

Introduces new global brand identity: "Stylish design and smart technology, in products that fit our consumer's lives."
LG Electronics is pursuing the vision of becoming a true global digital leader, attracting customers worldwide through its innovative products and design. The company’s goal is to rank among the top three consumer electronics and telecommunications companies in the world by 2010. To achieve this, company have embraced the idea of “Great Company, Great People,” recognizing that only great people can create a great company.

i) To enhancing customer value with innovation and design;

ii) Delivering superior returns to shareholders;

iii) Developing the “best-in-class” organization;

iv) Align strategy for growth and ROIC;

v) Manage portfolio to win;

vi) Develop strategies for the “polarizing consumer”;

vii) Innovate through design, as well as technology;

viii) Invest in clear, global brand identity; and

ix) Align and upgrade organization for the future.
3.3.2 Financial Performance:

The year wise financial performance of the LG Electronics India Limited is shown as under:-

![Figure 3.3: LGEIL Financial Performance](www.lg.com/in/index.jsp)

In bar diagram (figure 3.3) elaborates in detail the financial performance of LG Electronics India Ltd for the year 1997 and subsequent years. We can see that there has been a steady raise in the financial profits of LG since the year 1997, with year 2008 showing maximum profit of 10700 crores.
3.4 Onida (MIRC Electronics Ltd)

*To think of the future, you need to think of your past.* It all began with just a vision. In the year 1981, Onida started as a company with just a goal of manufacturing television sets and going beyond convention. By the end of that year, it started assembling television sets at its factory in Andheri, Mumbai. With the passage of time, superior products and the combination of a distinctive voice, a cutting-edge advertising strategy, and purposeful marketing ensured that Onida becomes a household name.

3.4.1 History of Onida

*It wasn’t about consumer electronics. It was always about the consumer.* What really sets Onida distinct from others is that the company has always tried to prove its own road and create a niche by understanding what does the consumer exactly needs. What is it that others are not offering, in terms of:-

1. Is there an inherent consumer need that is not being met by the current products in the market?

2. Is there anything Onida can significantly add, upon entering the category?

3. Is there something that the other product players have overlooked, which Onida can address?
Only when Onida has an affirmative answer to any of the above questions, does it can work on the offerings. Thus, only then a company says its products are different; Onida Company caters to something that others do not.

After having established a reputation for being an intelligent and pioneering innovator in the application of technology: Onida was first to launch the Web cruiser TV, the world’s first built-in Internet TV which offers the benefits of a personal computer and a TV, and that too, equipped with a modem, printer port and a cordless keyboard with it; the first to launch the ultimate in Flat TV technology, with Onida Black with a high picture clarity, with DVMC which ensures uniform scanning at the centre and corners of the TV screen.

Again, the Onida Twister was the first TV that turned to face the viewer; Onida was the first to introduce SRS technology for surrounding sounds in Audio port. In 1999, Onida was first to introduce the pure flat TV in the country. The Candy was the first instance of any brand providing a multi-coloured cabinet option to its customers.

*It still wasn’t enough.* The common perception was that Onida focused on TV manufacturing. But then with a knack for spotting a gap in the market, Onida realised that there were undiscovered needs and wants in other categories of consumer durables as well. So the company recognised latent synergies, which enabled it to provide the customers with a wider range of products under the ONIDA brand.
3.4.2 Vision and Mission

To build a brand around substance. To communicate simple truths that customers understand. To become a leader in its chosen field and become a globally recognized, prestigious company through the synergistic business investments, differentiation through innovation, passion through empowerment, cost through economies of scale and world class system and procedures that bring in a sense of delight to its stakeholders.

To benefit society at large through Innovation, Quality, Productivity, Human Development and Growth, and to generate sustained surpluses, the company is always striving for excellence, within the framework of law and believing in nothing but the truth on which the company basis its action.

3.4.3 Corporate Philosophy of Onida

To think about you, Onida first think about everything.

Commitment to society/nation: Onida respect the society and the environment to which Onida belong and will contribute to its progress and welfare.

Passion for quality: Strive to create products with substance that are the best in class. Never compromises on quality. Give its customer better value-for-money, always.

Fairness: Onida stand for truth, fairness and justice in its our business and individual dealings without this spirit, no man can win respect no matter how capable he may be.
**People - its greatest assets:** Company values good people. It is its responsibility to create actively and constantly an environment that supports them to grow and flourish.

**Harmony and co-operation:** Alone a company stands weak and together the companies stand strong. The motto is to work together as a family in mutual trust and responsibility.

**Courtesy and Humility:** Respect the right of others. Be cordial, modest and humble. Praise and encourage freely.

**Strive for continuous improvement ( KAIZEN ):** Seek and find in every action a way to do things better, always better.

**Growth:** Growth is vital. Onida Increasingly seeks its way and acquire means to constantly move forward.

**Innovation:** Progress by adjusting to ever-changing environment around it. As the world moves forward, the company must keep-in-step.

**Gratitude:** Always repay the kindness of our customers, associates, community, nation and friends worldwide with gratitude.

**Milestones**

1981: MIRC Electronics Pvt. Ltd. was established

1982: CTV production started at Nand Bhavan, Mumbai

1983: Technical collaboration with JVC, Japan for CTV
1985: Established in-house R&D wing

1986: Production expanded and moved to a new factory at Kalina

1987: Moved to our own factory building "ONIDA HOUSE" : Iwai, Speaker plant commences its operation

1990: Tuner plant commences operation

1991: Akasaka, PCB plant commences its operation : New CTV manufacturing plant at Vasai commences operations

1992: Crossed 1 million CTV sales

1994: Moved to a fully automated Plant of 600K CTV per year at Wada

1994: Moved to a fully automated Plant of 600K CTV per year at Wada

1995: ISO 9001 certification obtained from BVQI

1998: Award for excellence in electronics by ministry of IT

1999: First in India to develop Internet enabled CTV

2000: Launched the KY Thunder, Profile Series

2001: AV Max award for best CTV

: Launched Onida Black, flat CTV range
Multimedia projectors launched

Commenced project to expand CTV capacity to 1 million

2002: Completed plant expansion project to increase capacity from 600K CTVs to 1.2 million CTV’s per year.

Launched 'KY Theatre' with circle surround sound, the first complete Home Theatre package

Launch of 'Igo'- the economy brand

Launched VCD player

2003: Launched world's first LCD remote 'i-Control'

Launched Air-conditioners

Launched Rear Projection TV, Plasma TV & DVD Players

Launched Fully Automatic front loading Washing Machines

A MIRC product is getting sold every 27 seconds

Operations started in Russia

2004: Launch of the 'Oxygen Series' CTV

Crossed Sale of 250,000 CTV's in October month
: Launch of Microwave Owens

: Mr. Gulu Mirchandani, CMD awarded 'Man of Electronics for the year' by CETMA

2004-05: Achieved 1.20 million CTV sales

2005: Launch of 'POISON' range of CTV’s

2009: ONIDA's Brand relaunch campaign 'Tumko Dekha Toh Yeh Design Aaya' to communicate its philosophy of thoughtful product features that are designed keeping customers in mind.

3.4.4 Research and Development

All the above said organizations believes that in order to redefine technology they need to relook as to how the departments conduct their research in technology

Organizations believe in redefining technology, companies should relook the way the department researches technology.

The firms also believe that only with a strong backing, an organization can give a solid shape to their dreams. Organizations believe that Research and Development isn’t about technology but a lot more than that; it’s about gaining experience. For there’s no use of complicated and microbial technology, if it’s not simple or easy to use; for there’s no use of superb design, if the quality inside isn’t as promising. And that’s what their R&D department attempts to do every single day.
Their R&D department works towards giving a better and a more useful product. The entire organization believes that it is just the tip of the iceberg.

3.4.5 Chapter Summery

This Chapter has described the profiles of the company’s understudy which are: Videocon, Samsung Electronics Co., Ltd., LG Electronics, and Onda (MIRC Electronics Ltd.). The chapter has focused on the background, the market value, major achievements of the companies, their philosophies and their contribution to consumer market in detail.
References:

www.videoconworld.com

www.onida.com

www.samsung.com/in

www.samsung.com/jp

www.lg.com/in/index.jsp