

"WE HOPE TO BECOME THE NO. 1 CONSUMER ELECTRONICS AND HOME APPLIANCES COMPANY IN INDIA"

K.R. KIM, Sr MANAGING DIRECTOR, LG ELECTRONICS INDIA PVT LTD

K.R. Kim, Sr managing director, LG Electronics India Pvt Ltd (LGEIL), is a driving force behind the company's resounding success in the Indian consumer electronics market. Mr Kim, a mature, intelligent, and dedicated leader, outlines the various factors enabling LGEIL to emerge as a dominant force to reckon with in the Indian scenario. Interview:

■ How would you describe LG Electronics?

LG Electronics (LGE) is one of the leading companies in the field of electronics with a global presence in many countries. LGE, headquartered in Korea, has three divisions. These divisions deal with display, home appliances, and multimedia. Digital division is responsible for TVs (including digital TV), monitors, components, plasma display panels (PDP), etc.

Home appliance division offers a range of products that include air-conditioners, refrigerators, microwave ovens, washing machines, dish-washers, vacuum cleaners, compressors, etc. Multimedia division caters to DVD players, notebook PCs, PC cameras, audio and security systems, banking automation, and CD-ROM and DVD-ROM drives.

The Indian subsidiary LG Electronics India Pvt Ltd (LGEIL) has recorded a resounding success in the Indian consumer electronics and appliances market. It is the second largest brand and the fastest growing consumer electronics company in India.

We contemplate emerging as the top brand of the country by the year 2001. We have achieved a turnover of Rs 10,560 million in less than 32 months of operations in the country. For the year 2000,

the company has outlined an initial financial plan to achieve a turnover of Rs 15,000 million.

■ What is the significance of your logo 'Digitalez LG'?

Digitalez LG is pronounced 'digital easy LG'. This implies that digital range of LG's products is user-friendly and easy to use. They understand and fit in perfectly with



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people's lifestyle. We innovate products to bridge the gap between fantasy and reality.

It has been generally noticed that technology is complicated and difficult to use, though it is meant to simplify life. This defeats the very purpose of development. We combine state-of-the-art design, research, and innovation to develop products that are simple and easy to use. We have bestowed intelligence in our products to make consumers' life easy.

■ Can you please describe your R&D activities.

LG has established a worldwide network with facilities in 27 countries. We spend a reasonable share of our revenue in R&D and have 13 domestic laboratories including the LG production engineering research centre. In addition, we have ten overseas laboratories. R&D work is in progress in the areas of basic technology, manufacturing skills, performance, quality, design and standardisation.

LG's customer-oriented performance is backed by R&D activities. We have reinforced activities in advanced digital technology to deliver smart products which can simplify life. We will build ourselves up to become a formidable leader in the new millennium.

LG's R&D calendar for 1998 and 1999 shows an impressive record in digital products. IC set for digital TV and 153cm plasma display panel (PDP) are some of the 'world's first'. Other developments include PDP TV, set-top boxes (STB) for receiving digital TV signals, intello-wave oven, inverter refrigerator, optical-catalytic plasma air-cleaner, TFT-LCD monitor, etc.

LG digital TV reception chip, developed by LGE and LG CIT (LG Corporate Institute of Technology), is designed to combine AV signal reception in one chip. A digital tuner, developed by LG Precision, is a double conversion type with a mutual interception preventing function. It is used to prevent interference in receiving signals from nearby or multiple channels.

■ **What are the activities of your affiliate companies in India?**

Our confidence in the Indian market has been further bolstered by LG's successful operations here. We hope to take further advantage of the opportunities offered in the revitalised Indian telecommunications sector through the establishment of a local venture—LG Information and Communications India.

With a manufacturing facility planned in Noida, Uttar Pradesh, LG hopes to play a dominant role in India's CDMA wireless local loop sector. This proposed complex, which is currently in the process of governmental approval, will eventually produce a wide variety of telecommunications products. LGIC will manufacture wireless local loop, key telephone systems, GSM terminals, network products, access network systems, ATM switching systems, etc.

Meanwhile, in the software sector, LG Soft India (LGSi) has successfully taken root in the internationally accredited Indian software industry, and has emerged as a brand to reckon with. Although LGSi was initially established to enhance the IT and R&D capabilities of LG affiliated companies worldwide, it has been empowered to actively pursue businesses in global markets while developing a credible offshore engineering capability to support our companies worldwide.

■ **Kindly describe in brief the range of digital products launched by LG.**

The digital range comprises interactive TVs, 100Hz Flatron TV, digital projection TV, LCD TV, digital focus refrigerator, digital self-diagnostic washing machines, digital laser sensor air-conditioner, LG portable MP Free, DVD player, LG Internet station, digital PC video camera, CD rewritable drive, etc.

We have launched India's first digital focus refrigerator with a digital sensor. Digital inverter technology, being introduced in home appliances, applies the en-

ergy optimisation theory based on the usage behaviour, external temperature, load, etc, thereby increasing energy efficiency and reducing noise level.

LG digital infrared microwave oven has a digital sensor to detect the temperature of food being cooked. It automatically regulates the flow of microwaves for faster and uniform cooking. Digital plasma AC has a sensor that detects hot areas in the room being cooled. Air is focused on those areas, thereby providing uniform and efficient cooling.

LG's portable MP3-cassette player combo is Internet compatible. The user can store, edit, and reproduce audio files in the MP3 format from the Web. Digital PC camera, with an image sensor, can be used for videoconferencing to send personalised messages with edited snapshots, videos, etc.

■ **How do you view the Indian market?**

India has proved to be a market of tremendous potential. We are gearing to face the challenges of the new millennium with our commitment to the development of digital products in a continuous manner. The Indian subsidiary has earned the top priority in LG's global agenda due to its unprecedented success in the last two years of its operations in India. It hopes to play an enhanced role in terms of its contribution to LG globally and become the number one consumer electronics and home appliances company in India.

■ **What will be your future Internet-based products?**

LGEIL, based on a pioneering technology, will soon launch microwaves and refrigerators, with Internet access capabilities, in India. These will be intelligent products, with the ability to respond to human touch with a 'touch screen' mode. The Internet refrigerator will double up as a TV, and will be able to restore itself by analysing when fresh stock is needed. The Internet microwave will be capable of downloading new and contemporary recipes, to offer a fresh experience to the customer.

■ **How does LG propose to use its Website to promote business?**

LG is painting a vision of true business to business (B2B) and business to consumer (B2C) collaboration over the Internet with the launch of its Website lgindia.com. LG

Electronics would be the first company in the consumer electronics and home appliances industry to have online B2C facility in India. This site would be positioned to 'define business in the Internet economy'. Moreover, the company is coordinating with various consumer durable financing companies to provide attractive options for Internet purchase, such as online credit, approvals, etc. Additionally, the company has taken special interactive initiatives to enhance online sales.

LG Electronics has developed an aggressive communication strategy to promote the Website and maximise the scope of e-operations. With this vision, LG will now share information seamlessly and collaborate on business processes to deliver new levels of customer satisfaction. The development will enable the company to deliver on mass customisation while reducing inventory and decreasing fulfillment timeframes. The company hopes to build e-commerce partnerships with e-enabled dealers.

LG presents the Digitalez LG range of products of high-end and future-oriented products in India that will make life easy in the new millennium. It is referred to as the global leader with the Indian heart because it has always developed world-class technology keeping in mind the Indian customer requirements. Given its global pioneering efforts in developing digital technologies for both consumer electronics and home appliances, it is definite that LG Electronics will emerge as the digital leader of the Indian consumer electronics and home appliances industry in the new millennium.

■ **What are your plans for the new millennium?**

We have announced aggressive plans for the year 2000, spanning fresh investments, a new manufacturing plant, realignment to bring the high growth in PC monitor business under LGEIL's own wing, and launch of 16 new products with e-commerce drive.

The company will invest a sum of \$50 million into the Indian subsidiary to expand its operations in the country, \$20 million of which has been chalked out for the new production facility for refrigerators. Construction for this plant will be underway shortly and the plant will commence production by early 2001. We hope to become the No. 1 consumer electronics and home appliances company in India.