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A Comparative Study on Marketing Strategy of LG and Samsung

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ABSTRACT

This paper presents a comparative analysis of the marketing strategies employed by two leading consumer electronics giants, LG and Samsung. In today's highly competitive market, effective marketing strategies are crucial for maintaining and enhancing market share, brand image, and profitability. The study aims to identify and evaluate the key marketing strategies adopted by LG and Samsung in various global markets.

The findings of the study provide valuable insights into the similarities and differences in the marketing strategies of LG and Samsung. Moreover, the study highlights emerging trends and best practices in the consumer electronics industry, which can inform strategic decision-making for companies operating in similar markets.

KEYWORD – LG, Samsung, Marketing, comparative study, Global market

INTRODCUTION

In the competitive landscape of consumer electronics and home appliances, LG and Samsung stand out as two major players with global recognition and market dominance. Both companies have established themselves as household names, offering a wide range of products across various categories, from smart phones and televisions to refrigerators and washing machines. However, behind their success lies a strategic marketing approach that shapes their brand identity, influences consumer perceptions, and drives market penetration.

The purpose of this comparative study is to analyze and contrast the marketing strategies employed by LG and Samsung. By delving into their respective approaches to branding, product positioning, distribution, advertising, and customer engagement, we aim to uncover insights into how these industry giants differentiate themselves in the marketplace and maintain their competitive edge.

The significance of this study lies in its potential to offer valuable insights for marketers, industry analysts, and business strategists alike. Understanding the nuances of LG and Samsung's marketing strategies can provide actionable intelligence for companies seeking to enhance their own marketing efforts, capitalize on emerging trends, and navigate the ever-evolving landscape of consumer preferences and technological advancements.

OBJECTIVE OF STUDY

- **Comparative Analysis:** Conduct a detailed comparison of the marketing strategies employed by LG and Samsung across various dimensions such as branding, product portfolio, distribution channels, advertising, and customer engagement.
- **Identify Strengths and Weaknesses:** Identify the strengths and weaknesses of each company's marketing strategies, highlighting areas where they excel and areas that may require improvement or adjustment.
- **Assess Effectiveness:** Evaluate the effectiveness of different marketing tactics and initiatives implemented by LG and Samsung in achieving their business objectives, such as increasing market share, enhancing brand perception, and driving sales.
- **Understand Market Positioning:** Analyze how LG and Samsung position themselves in the market relative to each other and to other competitors. Assess their brand image, perceived value proposition, and target customer segments.
- **Explore Innovation Strategies:** Investigate how LG and Samsung innovate in their marketing efforts, whether through product innovation, technological advancements, or novel marketing campaigns. Assess the impact of innovation on their market competitiveness and brand equity.
- **Evaluate Adaptability:** Assess how effectively LG and Samsung adapt their marketing strategies to changing market conditions, technological advancements, and shifts in consumer preferences.

- Draw Insights for Industry: Draw insights and lessons learned from the comparative analysis of LG and Samsung's marketing strategies that can be applied more broadly to the consumer electronics and home appliances industry.

NEED FOR STUDY

A comparative study between 2 companies on marketing basis is very important in order to provide financial performance of the companies for investors and even understand where the companies stand in the market. Liquidity analysis is important because it provides us with current ratio and quick ratio of the company which tell the liquidity position of the company. Similarly, profitability ratios is also important is order to ascertain the profitability of the company.

RESEARCH METHODOLOGY

Objective Definition:

The primary objective is to analyze and compare the marketing strategies of LG and Samsung, focusing on the ur core elements of the marketing mix: product, price, promotion, and place.

Data Collection:

Primary Data: Conduct surveys or interviews with consumers to gather insights on their perceptions and preferences regarding the products, pricing, promotional activities, and distribution channels of LG and Samsung.

Secondary Data: Gather data from company reports, industry publications, and market research reports to supplement primary data and provide additional context.

Analysis of Marketing Mix Elements:

Product Analysis:

Evaluate the features, design, and functionality of LG's and Samsung's fitness monitors (Gear Fit and Lifeband) to identify strengths, weaknesses, and unique selling points.

Price Comparison:

Compare the pricing strategies of LG and Samsung for their fitness monitors and assess their competitive positioning in the market.

Promotion Strategies:

Analyze the promotional tactics employed by both companies, including celebrity endorsements, event sponsorships, and digital marketing campaigns, to evaluate their effectiveness in reaching target consumers.

Place Evaluation:

Examine the distribution channels utilized by LG and Samsung for their fitness monitors and assess the accessibility and reach of their products in the market.

Comparison and Findings:

Compare the findings from the analysis of each marketing mix element between LG and Samsung to identify similarities, differences, and areas of competitive advantage.

Explore how each company's marketing mix strategies contribute to their overall brand positioning and market performance.

Implications and Recommendations:

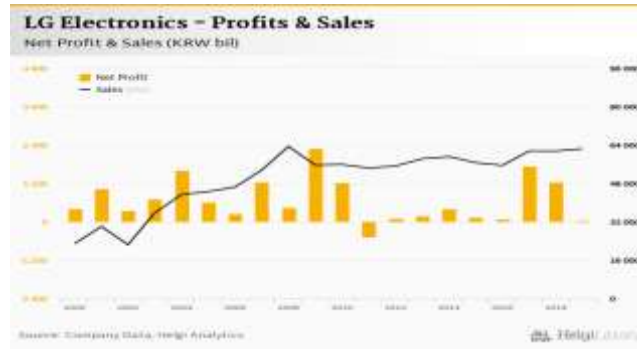
Based on the findings, draw implications for marketing strategy and future prospects for both LG and Samsung.

Provide recommendations for each company to capitalize on strengths, address weaknesses, and enhance their marketing mix strategies to achieve strategic objectives.

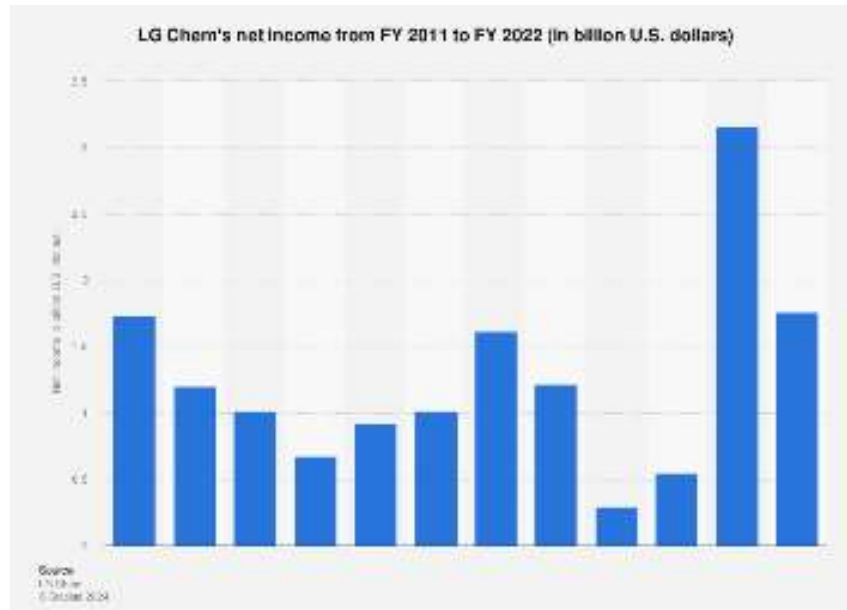
DATA ANALYSIS OF LG AND SAMSUNG

LG

LG ELECTRONICS

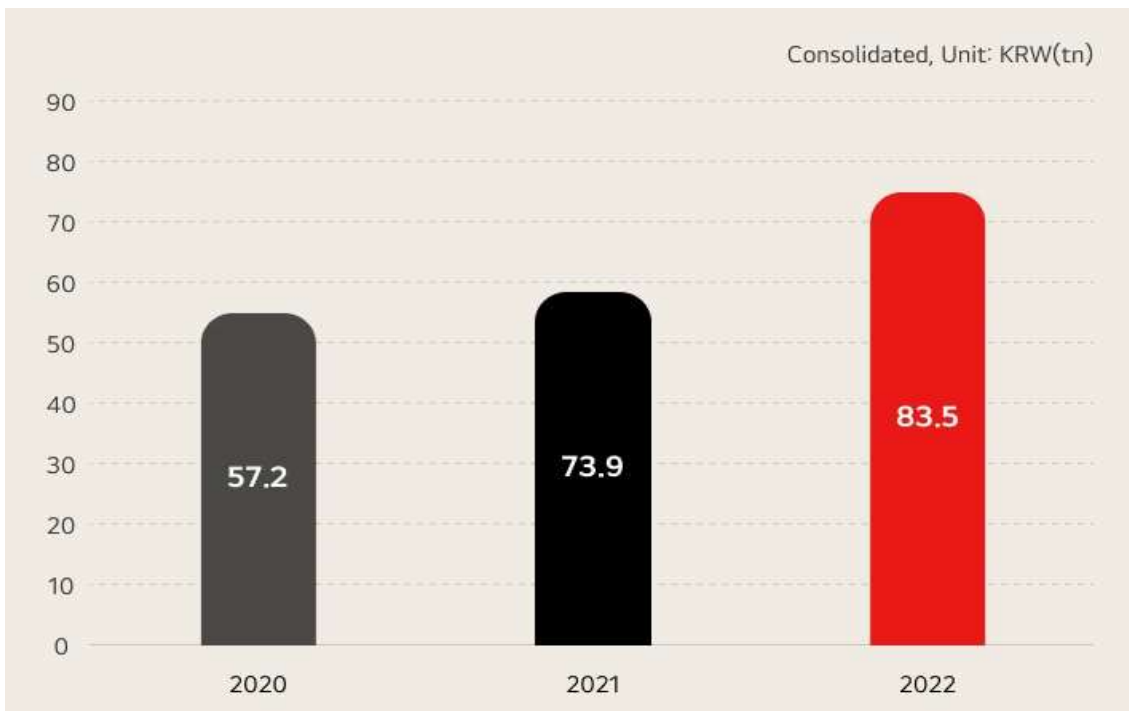


LG CHEMICALS

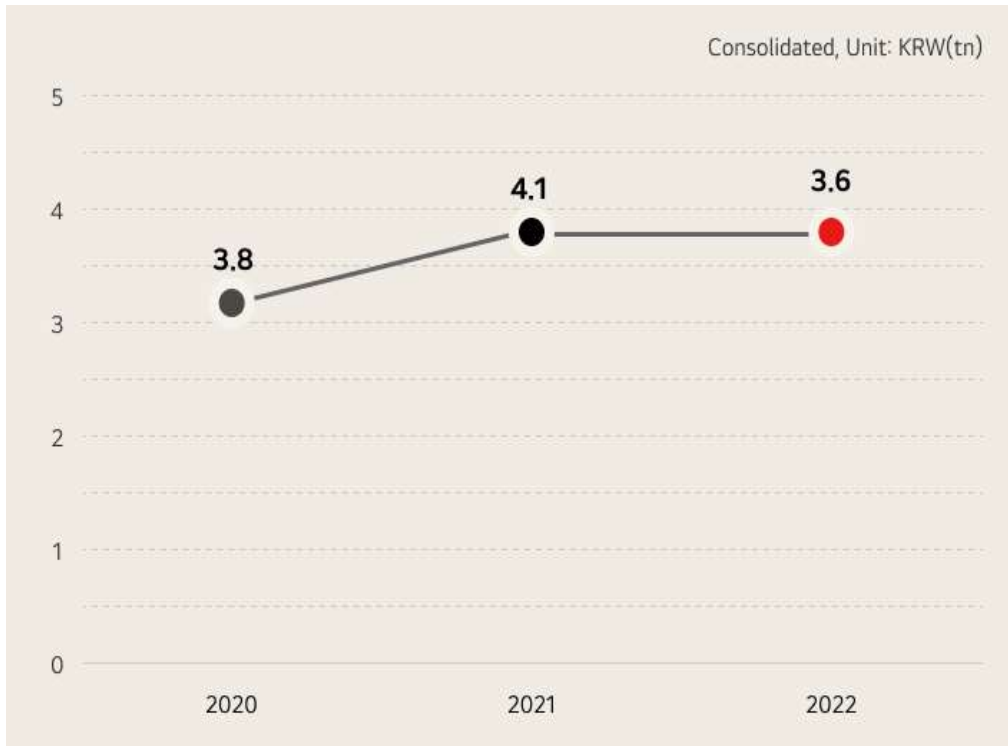


Financial highlights

Sales



Operating profit



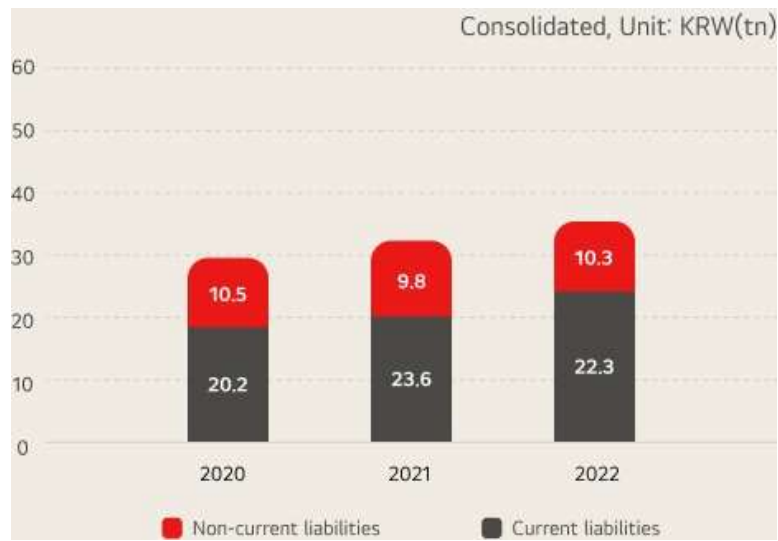
Financial highlights	2020	2021	2022
Sales	57,176	73,908	83,467
Operating profit(loss)	3,843	4,058	3,551
Net profit(loss)	2,064	1,415	1,863
Total assets	48,204	53,482	55,156
Total liabilities	30,662	33,338	32,664
Total shareholder equity	17,542	20,098	22,492

Statement of financial position

Current/Non-current assets



Current/Non-current liabilities

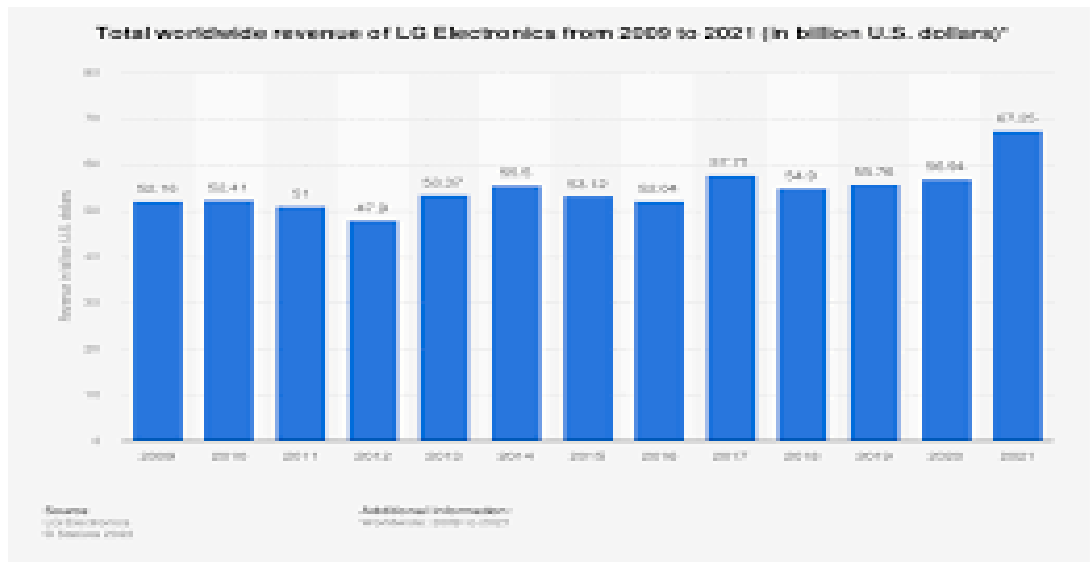


Liabilities/Equity

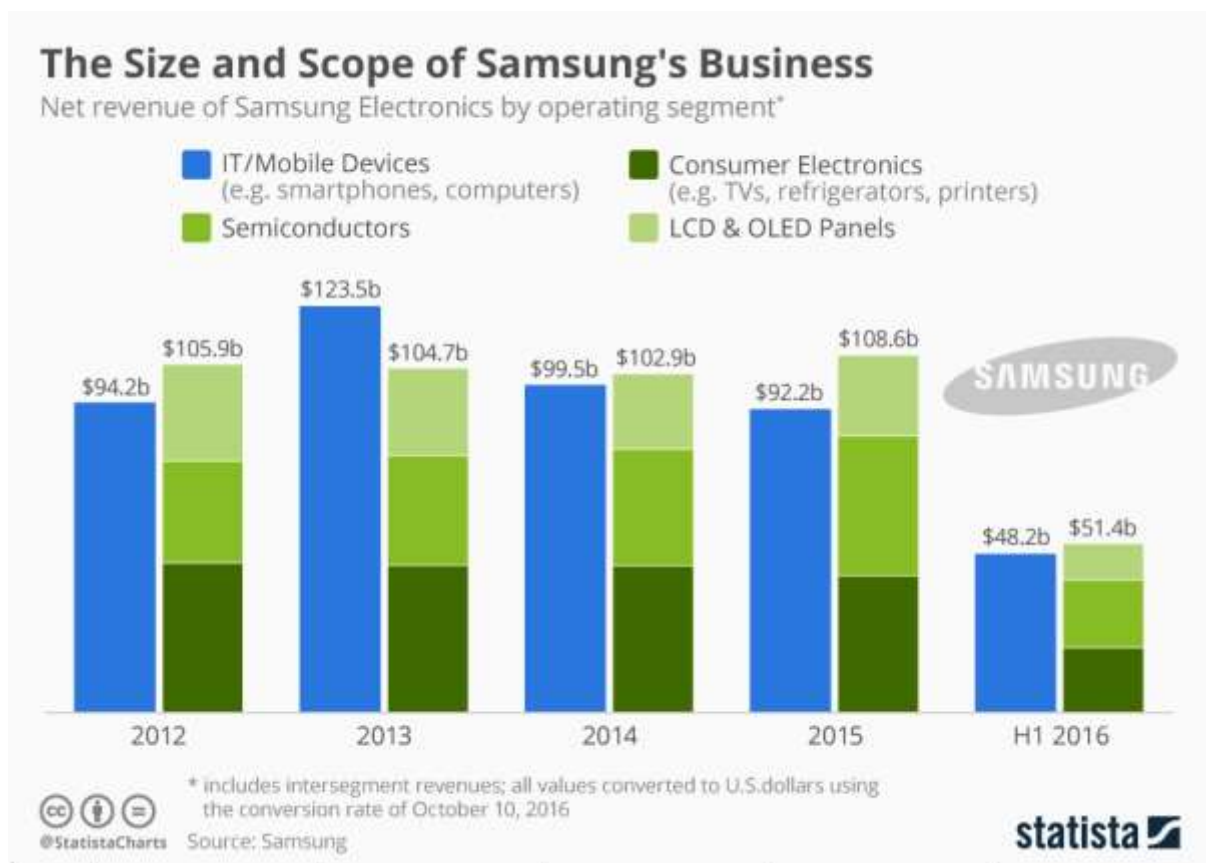


Statement of financial position	2020	2021	2022
Sales	48,204	53,481	55,156
- Current assets	23,239	27,488	27,488
- Non-current assets	24,965	25,994	27,668
Liabilities	30,662	33,383	32,664
- Current liabilities	20,207	23,620	22,333
- Non-current liabilities	10,455	9,764	10,332
Equity	17,542	20,098	22,49

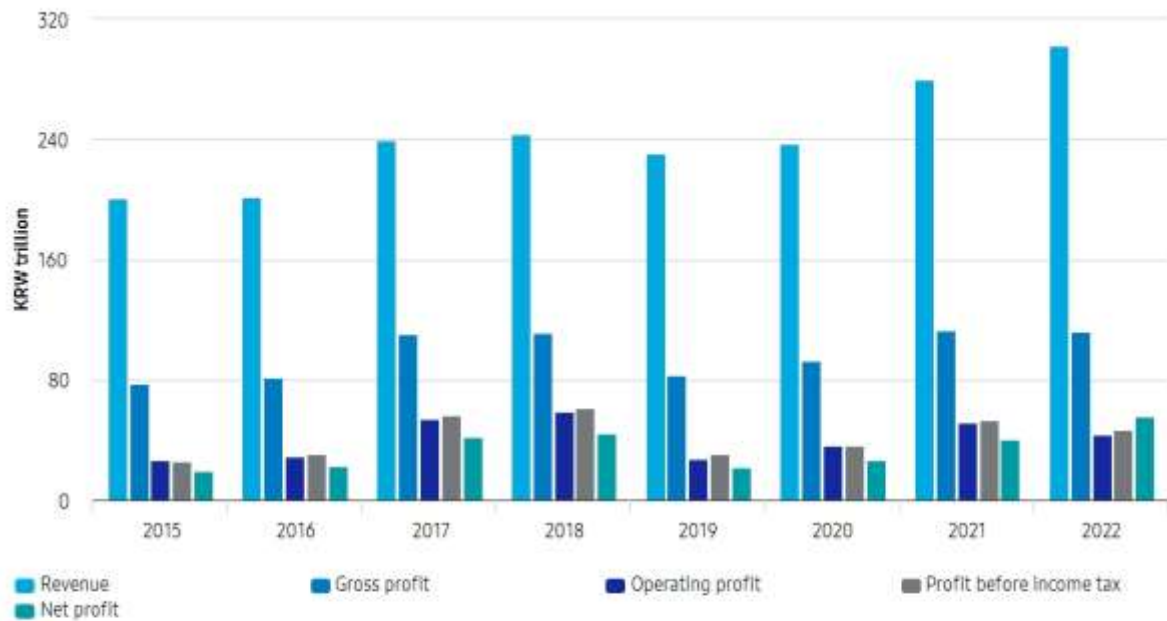
The global revenue of LG Electronics amounted to around 63.3 billion U.S. dollars in 2023. In the last decade, LG’s net sales remained relatively stable, staying almost consistently above 50 billion U.S. dollars.



SAMSUNG



Income Statement



		2015	2016	2017	2018	2019	2020	2021	2022
Revenue	KRW trillion	200.7	201.9	239.6	243.8	230.4	236.8	279.6	302.2
Gross profit	KRW trillion	77.2	81.6	110.3	111.4	83.2	92.3	113.2	112.2
Operating profit	KRW trillion	26.4	29.2	53.6	58.9	27.8	36.0	51.6	43.4
Profit before income tax	KRW trillion	26.0	30.7	56.2	61.2	30.4	36.3	53.4	46.4
Net profit	KRW trillion	19.1	22.7	42.2	44.3	21.7	26.4	39.9	55.7

Notes

1. Information is on a consolidated basis in accordance with K-IFRS.

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CONCLUSION

According to a 2023 article, Samsung has a nearly 30% share of the global TV market. However, LG has led the global OLED TV market for 11 years, selling 2.03 million units from January to September 2023.

FINDINGS

- The Korea Herald Samsung retains No. 1 spot in TV sales; LG tops OLED market on 21 Nov 2023
- In 2023, LG's earnings surpassed Samsung's for the first time in 14 years. LG's automotive business and cost-cutting efforts helped offset weakness in its home appliance business.
- In India, LG's sales crossed the \$2 billion mark in 2022, while Samsung's rose 8.6% to \$10 billion. In 2023, LG's revenue crossed the Rs 20,000 crore mark, while Samsung's home appliance business sales were Rs 11,844 crore.
- Both brands offer comparable features, but LG sells its products slightly lower. However, Samsung may have the upper hand when it comes to kitchen appliances, while LG may have the upper hand in the laundry

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SAMSUNG

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