



**Life's Good**

#### THE MARKET

The Australian electronics market is a complex array of manufacturers, importers and distributors. In this market LG Electronics stands out with its dedication to becoming the best and most innovative across all the fields in which it operates. The company prides itself on its concern for the customer and has enshrined this belief in its corporate motto - 'We Put People First'. This customer focus has made LG Electronics a leader today and an innovator for the future.

Though Australia is only a relatively small market in comparison to the world, sales of television sets will pass one million in 1999. This number will grow as an estimated 11 million analogue sets need to be replaced with digital services increasing. As a leader in the advanced features of digital television LG Electronics is well prepared for the technology change.

#### ACHIEVEMENTS

LG has always been a pioneer in consumer electronics: it was the first company to release television sets in Korea.

As technology advanced LG Electronics maintained its innovative approach. In 1993 it was the first company to license from Qualcomm the rights to use their CDMA, code division multiple access, mobile telephone technology. It became the first provider of CDMA mobile phone service to Korea and in 1997 introduced its own CDMA network, LG Telecom, which today has over 1.8 million subscribers. In 1999 LG Electronics Australia will participate in the CDMA mobile telephone system for the Australian market as the outdated analogue system is progressively shut down.

In the consumer electronics fields LG has also excelled with its brand Zenith. It introduced the latest in HDTV in the USA.

Initially it was the success of digital television that led to LG



Electronics' supply of sets to the English market in 1998. These sets have gained recognition as technology leaders and will serve as a stepping stone for the Australian market. LG will develop models for Australia as it rolls out the new digital system from 2002.

#### HISTORY

LG Electronics is a global manufacturer of electric and electronic products with 52 branches, 25 sales subsidiaries and 23 manufacturing subsidiaries in 171 countries. It was founded in 1958 and since that time has led the Korean electronics industry, largely as a result of the company's understand-

ing and anticipation of consumer needs and the ability to answer those needs via relevant and unique innovations.

Recently, in line with the change in the LG Group branding, LG Electronics changed its brand from Goldstar. With the successful inception of the LG brand, the company maintained momentum to achieve US\$9.7 billion in sales worldwide. LG Electronics consistently exceeds international benchmarks used by leading multinational corporations.

Because of its commitment to pioneering the products and technology of the 21st century, LG Electronics has shifted its manufacturing focus to the development and manufacture of products in the areas of multimedia living systems, computers and communications, display, information technology and components.

LG Electronics Australia (then Goldstar) launched the LG brand in Australia in June 1997. LG Electronics Australia operates a head office in New South Wales and branch offices







throughout Australia and manages the marketing and distribution efforts for Australia, New Zealand and other Oceanian countries.

#### THE PRODUCT

LG Electronics products are as diverse as the company itself. The company was instrumental in supplying some of the first television sets, radios and refrigerators to the Korean market. The Australian market is now supplied with a complete range of colour television sets, VCR and DVD players, air conditioners, washing machines, microwave ovens, refrigerators and vacuum cleaners by the Consumer Products Division. The Information Technology Division supplies computer monitors and CD Rom / DVD drives. 1999 sees the introduction of CDMA (Code Division Multiple Access) mobile phones.

1999 will also see the first of a range of perfectly flat television sets, products for the digital age. The set has been designed to offer lowered eye strain with low reflection from the screen surface, clearer edge images and no distortion like current curved screen sets.

The range of air conditioners also saw its share of advances in technology. The 1998 season saw the introduction of the Plasma Air Filtration system. This system, patented by LG Electronics, cleans the air being expelled from the unit through a unique filter. The system filters odours and dust to levels not achieved by standard systems, which is of particular advantage to the 2.8 million allergy and asthma sufferers in Australia. This filtration system will be introduced progressively over the coming years.

To protect the environment, LG Electronics intends to equip all of its air conditioning systems with zero ozone depleting gas. The first split system with the new gas was introduced in November 1998 and it is envisaged that all



systems will have the new coolant in the future.

#### RECENT DEVELOPMENTS

LG's involvement in digital technology is reflected in the adoption of the motto 'Digitally Yours!' As

a leader in the electronics field, LG Electronics is also continually developing cutting edge products like the portable MP3 player that plays music file downloaded from the Internet. MP3 is sweeping the IT industry as the latest and greatest development for the music industry. The player stores the files in a flash 32 meg memory and additional memory cards can be added if the file is to be kept.

A new LCD projector is to be added to the line up of television systems, and not surprisingly advances have been made here as well. Previously these projectors have suffered from the disadvantages of noisy cooling fans and the quality of the image in rooms with high light levels.

LG has addressed these problems and the new projector boast a noise level of only 36dB when in operation. This compares to a desktop computer at 45.5dB and an air conditioner at 60dB and will allow undisturbed viewing even in low noise rooms. The projection output has also been raised to 1,400 ANSI lumens, the highest level possible for this type of projector.

As with all LG products, R&D development and improvement are a constant consideration so the product will be the very best on offer.

#### PROMOTION

Following the launch of LG brand in June 1997, the Alien theme that showed the range and technology was introduced in a new campaign beginning in September 1998.

In order to demystify technology and showcase the products, a campaign was created to show that what is heaven for one user is different for another, and that the consumer has the choice. The campaign 'Life's Good' was backed by the Louis Armstrong theme song 'Heaven'. The total campaign was so successful that it was voted by the consumer electronics industry as the Best Television Campaign at the Mingay Industry Awards.

At a shop floor level, LG Electronics is continually training resellers not only on a call by call basis but at organised

trade days and road shows where the latest products are displayed and training is given in their use. These are always popular and maintain the knowledge base of the sales people at retailers throughout the country.

Sports sponsorship has played a major role for LG Electronics. The company was the Major Appliance Sponsor of the 1998 France World Cup Soccer and the 1999 World Cup Cricket in England. In the Australian market LG Electronics Australia has been the major naming rights sponsor of the Melbourne Football Club the "Demons", and has seen this sponsorship broaden the brand image.

#### BRAND VALUES

LG Group Chairman, Mr B. M. Koo has expressed his belief in the brand as follows: "Creating value for customers through management based on esteem for human dignity and providing the positive and nurturing environment needed to create a global brand that delivers maximum satisfaction."



This attitude pervades the entire company as it strives to reach the goals set out in the company's LEAP 2005 Statement - To Be The Best Global Company by 2005.

The effect of this commitment is seen constantly in the efforts by all of the many factories and R & D facilities to bring more and more advanced products to the market. The dedication of these teams to serve the customer results in products such as a microwave oven designed for the visually impaired, equipped with a voice prompt system and Braille keypad.



#### THINGS YOU DIDN'T KNOW ABOUT LG ELECTRONICS

- LG Group was founded in 1948 and now employs around 126,000 people.
- LG produces 11 million colour television picture tubes per year.
- LG produces five million VCRs, 18 million CD ROM drives and 11 million computer monitors per year.
- LG (then Goldstar) was the first company to release consumer radios in Korea, followed by television sets.