

PROJECT REPORT ON
A CASE STUDY ON THE OVERALL PERFORMANCE OF
LG SHOWROOM KOHIMA

*Project report submitted to Nagaland University in partial fulfilment
for the award of the degree of Bachelor of Commerce*

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DECLARATION

I declare that the project report entitled “A Case Study on the Overall Performance of LG Showroom Kohima” submitted by me for the award of the degree of **Bachelor of Commerce** of Nagaland University is my own work. The project report has not been submitted for any other degree of this University or any other university.

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CERTIFICATE

We recommend that this project report be placed before the examiners for evaluation.

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Chapter-1

1.1 Introduction

Before the liberalization of the Indian Economy, only a few companies like Kelvinator, Godrej, Allwyn, and Voltas were the major players in the consumer durables market, accounting for no less than 90% of the market. Then, after the liberalization, foreign players like LG, Sony, Samsung, Whirlpool, Daewoo and Aiwa came into existence. And today these players control the major share of the consumer durable market.

LG electronics, Inc. engages in the manufacturing of display devices, home appliances, multimedia goods, electronic parts and develops software. It operates through the following business area: Home Entertainment, Home Appliance, Air Conditioning and Independent business area. The home entertainment business area provides products such as televisions, monitors, personal computers for IT, Car infotainment etc. The home appliances business area provides products such as refrigerator, washing machine, cleaning and health care appliances. The air conditioning and energy solution business area manufacture products such as Light Emitting Diode (LED) lightings, residential and system air conditioners. The company was founded by In- Hwoi on October 1, 1958 and is headquartered in Seoul, South Korea. In 1958, LG Electronic was founded as Goldstar. The group was formed through the merger of two Korean Companies, Lak- Hui (pronounced 'Lucky') and Goldstar from which the abbreviation of LG was derived. The current ' Life's Good ' slogan is a backronym. Before the corporate name change to LG, household products were sold under the brand name of Lucky, while electronic were sold under the brand name of Goldstar (Hangul).

Here in the State of Nagaland it is industrially backward. The present study on ' LG Showroom Kohima' is among one of the electronic showroom found existing in Kohima. It is located at Old NST near Khedi Market Kohima. It was established in the year 1996 by Kekhrietoulie with an estimated capital of Rs. Seven (7) lakhs. It has been functioning successfully since it's establishment and at present there are three showroom owned by Kekhrietoulie with the total of 15 employees. The other two branches are – (1) Toudi Enterprise 'opposite to So Baptist Church', (2) Toudi Home Appliance High school Junction. The working hours are 10 hours i.e, 7:30 am to 5:30

pm and the busiest season is from October- November. The location of the showroom is good because it is in the center of the market where there are many people who passes by everyday and that makes people aware of the shop also it is very easy for the customer to go and buy the products from this showroom as they can easily get the vehicles or labour to be delivered it to their home.

All of us are consumers. We consume things of daily use; we also consume and buy these products according to our needs, preferences and buying power. These can be consumable goods, durable goods, specialty goods or industrial goods. What we buy, how we buy, where and when we buy, in how much quantity we buy depends on our perception, self concept, social and cultural background and our age and family cycle, our attitudes, beliefs, values motivation, personality, social class and many other factors that are both internal and external to us. In today's competitive scenario, Marketing Research plays a major role in the success of the business. Here in my study, it is mainly based on how they are promoting their business, how they deal with customers, employees relations with their colleagues and superior, how do they tackle the problem when they faced any kind of situation towards the customers complaints and damaged of goods etc. The enterprise being in the market for almost 20 years has achieved a good result whether it's in the market or dealing with the customers or at tackling the problems. Their vision is to see their business growing, expanding and capturing the whole of the market in Nagaland.

1.2 Review of Literature

Janaki and shanthi, (2013) in their study entitled, "Marketing Stimuli in Purchase of Home Appliances From Customer Perceptive", explains that marketing strategy is the game plan which the firms must adhere to, in order to outdo the competitor or the plans to achieve the desired objective. The people consume things of daily use, and buy these products according to their needs, preferences and buying power. The objectives of the study are to study the purchase decision behavior relating to home appliances and to analyze customer response to the marketing stimuli of home appliances. The data were collected with interview schedule. The findings of the study included that education and income respondents are the two socioeconomic variables

which have significant association in all the stages which the buyers undergo while purchasing home appliances.

ShahramJenabi, SeyedYahyaSeyedDanesh and MinooYousefi (2013) made a study titled, “Examining the effect of Brand dimension (trademark) on home appliances consumers’ behavior case study: LG brand in Rasht city”, tells that one of the most important and valuable assets of a company is its trademark. The valuable is a trademark for consumers more profit the company achieves..

HitendraBargal et. Al., (2005) in their study pointed out that taken the literacy scenario into consideration the promotion of brands in rural markets requires the special measures. Due to the social and backward condition the personal selling efforts have a challenging role to play. The word of mouth is an important message carrier in rural areas. In fact the opinion leaders are the most influencing part of the promotion strategy for rural promotion efforts. Relevance of mass media is also a very important factor. Now the cable and the other channels have also penetrated in rural households. The newspaper and other printed media is also gaining importance but their role is still secondary in this regard.

Amit Banerji (2005)in his article pointed out that rural markets have already overtaken urban markets in many categories of mass consumption branded goods in terms of both volume and growth. He observes that a rural business organization in India is expected to communicate with various cultural and language groups, multilingual abilities therefore become necessary. He adds that many business executive in India often fail to be successful because of the language barrier. He states that Haats provide a good opportunity for promotion after brand building has been done at melas.

Sushma (2005) in her article concluded that those market which are not able to face stiff competition posed by MNC’s can restore their profits in the rural sector. She also highlighted that if rural markets are brought into the limelight of development, they gave way to prosperity. Prosperity in India lies in the prosperity of every Indian, hence no rural segment should be left untapped.

Dalip Sehgal (2005) in his article expresses that rural marketing is not about reaching consumers. Corporate may be able to set up distribution outlets and be adept in managing the supply chain, but what is more crucial is to access and understand the

real rural consumer. It adds that medium to market the message is important but what is more important is to achieve interaction with the target segment. He pinpoints that achieving contact with the consumer may be important but what is more important is to impact the behavior of the end consumer in terms of getting the consumer to buy the products and services that the company is offering them.

Purba Basu (2005) explained the need of understanding the rural consumers among the marketers and fine tune of their strategy to reap benefits in the coming years. In fact, leadership in any product or service is linked to leadership in the rural India except a few life style-based Products which depend on urban India mainly. The greatest hindrance to reap the opportunities in rural India is an understanding of the consumer behavior.

Dilip Roy and Saikat Banerjee (2004) found the causes behind the purchase decision on consumer durables are price, guarantee, after sales services, color and design, previous experience of usage, recommendations by dealers, advertisement and sales promotion. The branded players are enjoying different brand equity under different parameters. Price-wise, non-branded or other small players are enjoying a competitive edge over branded players. Dealers are interested in pushing non-branded Products due to higher margins offered by them.

Pradeep Kashyap (2005) in his article presented 5 point mantra to crack rural markets (1) the buying pattern of the rural consumer is different from the urban consumer (2) in an effort to upgrade the quality of their life, the rural consumer generally goes for value for money products (3) rural consumers are cost conscious and frugal in their spending habits (4) the rural youth are a major influencing factor in purchase decisions, especially in consumer durables (5) it is important to undertake serious in-depth studies to understand rural consumers in each region before developing a communication strategy for any given product.

1.3 Research Method

1) Sample size:-

I have used sampling method for survey purpose. The sample size for Questionnaire is 20.

2) Period of study:-

This study is carried out for the period of around than 30 days. It commenced on 22nd March 2021 and completed 6th May 2021.

3) Field Area:-

The research study work is carried out in LG Showroom Kohima near Old NST opposite to Khedi Market Kohima.

4) Research Instrument:-

The research Instrument for the purpose was questionnaire and some Personal interviews from the owner, manager, the employees, and some Consumers.

5) Secondary Data:-

The secondary sources of data are collected from various books and net Sources on websites.

1.4 Objectives

- 1) To study the working conditions of the enterprise
- 2) To study the overall performance of the enterprise
- 3) To analyze marketing strategies of LG showroom
- 4) Find out the problem faced by the LG showroom in sales and the distribution
- 5) To enhance the knowledge of consumer durable market
- 6) To enhance the knowledge about the marketing and branding activity
- 7) To find out about the advantages and disadvantages of LG products
- 8) To find out the services provided by the LG is appropriate or not.

1.5 Needs and Scope

In this business era, business are mainly concerned with understanding the consumer taste and preferences and providing the customers with the right kind of products that they want. Therefore, the study is aimed at finding out the overall performance of the “LG Showroom Kohima”. The main aim is to examine the customer’s level of satisfaction on LG PRODUCTS. This study helps in understanding the needs and changes to be done in LG PRODUCTS. It will also help in finding out the customer’s opinion on the technical and services support rendered by the company. This study is mainly based on how they are operating the business, how they are dealing with the customers, and to study the problems faced by the enterprise and to enhance knowledge about marketing and sales and also to study the employees behavior towards the enterprise and the customers.

1.6 Limitations

Every study has certain limitations. In my study, also there were some certain limitations, which I could not able to solve:-

- The research was conducted in a very small area.
- It was very difficult to get suitable & accurate data and information.
- Time constraints was also there.
- Many people and their many thinking.

- The findings from one particular showroom may not necessarily reflect the happenings in other showroom too.
- Some employees were reluctant to answer because they thought that the question expressed by them may be misunderstood by the owner which may lead to affect their career.
- Long time required to complete this project.
- The conclusion of the study may not directly reflect the management policies and they are influenced by many other factors that are beyond the scope of the study.

Chapter-2

2.1. Company Profile

Year of Establishment : 1996

Set up by : Kekhrietoulie

Estimated Capital : Seven (7) lakhs

Working hours. : 10 hours (7:30 am – 5:30 pm)

Employees at present: 15 employees including both men and women

Products : LG, Whirlpool, Samsung, Panasonic etc.

Profit earned/ Net Income: Monthly; 16,00,000 – 18,00,000

Yearly; 4 – 6 crore

Accountsmaintained : Sales and profit and loss account

Duration of accounts : Daily, monthly and yearly accounts

Salary: Monthly basis

Quality check : Depending on brand

Products Import : Dimapur, Guwahati, Delhi etc.





2.1.1. Slogan

“Life’s Good” represents LG’s determination to provide delightfully smart products that will make your life good.

2.1.2. LG Brand Identity

The brand LG is delightfully smart. LG strives to enhance the customer’s life and lifestyle with intelligent features, instructive functionality and exceptional performance.

The brand platform:-

The LG brand is composed of four basic elements-

- 1) Value
- 2) Promise
- 3) Benefits
- 4) Personality

Brands core value that never changes:-

- 1) Trust
- 2) Innovation
- 3) People
- 4) Passion

The benefits that are consistently delivered to the customer includes;

- 1) Reliable products
- 2) Simple design
- 3) Ease of use
- 4) Extraordinary experience

Personality describes the human characteristics that are expressed to the customer through;

- 1) Trustworthy, considerate
- 2) Practical, friendly

LG ELECTRONICS

• HOME ENTERTAINMENT



• HOME APPLIANCES



• MOBILE COMMUNICATION



• AIR CONDITIONS & ENERGY SOLUTIONS



Product line

Overview

Home Entertainment



Mobile Communications



Home Appliances



Air Conditioning & Energy Solutions



Vehicle Components



Presented by:-

Pradnya Parodkar	12BSP
Jalishan Dhamani	12BSP0505
Amit Ranjan Jha	12BSP0129
Tejas Joshi	12BSP
Shalini Awasthi	12BSP
Sneha Agrawal	12BSP



2.1.3. The Internal Culture of LG

LG practices four cultures:-

- 1) Learning Culture
- 2) Boundary less Environment
- 3) A Carrier
- 4) Growth

2.1.4. Mission

It's mission is to open various branches in different places or parts in Kohima and Nagaland and to supply the products/goods according to the desired and needs of the customers with quality brand and also focuses on providing maximum customer satisfaction.

2.1.5. The Symbol



The symbol of LG is the face of future. The letter “L” and “G” in a circle symbolizes world, future, youth, humanity & technology. LG philosophy is based on humanity. It also represents LG’s efforts to keep close relationship with their customers.

The symbol consists of two elements:-

- 1) The logo in LG gray
- 2) The sterilized image of human face in the unique LG red color.

Red color represents their friendliness and gives a strong impression on LG’s commitment to deliver the best and the circle symbolizes the Globe. The sterilized image of a smiling face in the symbol conveys “Friendliness and Approachability”. The one eye on the symbol represents” Goal-oriented, Focused & Confident”.

2.1.6. Code of Conduct of LG

- 1) Responsibility and obligations to customers:
 - ❖ Respect for Customers
 - ❖ Creating Value
 - ❖ Providing Value

- 2) Fair Competition
 - ❖ Pursuit of Free Competition
 - ❖ Compliance with Laws and Regulations

- 3) Fair Transaction
 - ❖ Equal Opportunity
 - ❖ Fair Transaction procedure

- 4) Basic Ethics for Employees
 - ❖ Basic Ethics
 - ❖ Completion of Duty
 - ❖ Self Development
 - ❖ Fairness in Performance

- ❖ Avoidance of conflict with company interest

5) Corporate Responsibilities to Employees

- ❖ Respect for human dignity
- ❖ Fair Treatment
- ❖ Promoting Creativity

6) Responsibility to Society and Country

- ❖ Rational Business Development
- ❖ Contribution to social development
- ❖ Environmental Conservation

2.1.7. Vision

Their vision is to see their business growing, expanding and capturing the whole of the market in Kohima. LG Electronics continues to pursue its 21st century vision of becoming the leader in digital- ensuring customer satisfaction through innovative products and superior service. On their way they hold tight to a philosophy of “ Great Enterprise, Great People”, underscoring their belief only great people can create a great enterprise. LG strives for greatness in what they’ve identified as their three core capabilities: Product Leadership, Market Leadership and People Leadership- each strength a key part of realizing our growth strategies for “fast innovation” and “fast growth”.

2.2. Marketing and Sales Promotion

Here they bring the required foods from Dimapur, Guwahati, Delhi and other parts of the State too. The goods are ordered and are brought through train. When the goods are brought the customers come and by it themselves and sometimes they deliver it their respective place with the delivery charge of Rs. Seven hundred (700) as per KMC rate in town. They also supply the products outside Kohima i.e, Dimapur, Chozuba, Meluri etc.

2.3. Distribution of Products/Goods

After bringing the goods from Dimapur, Guwahati, Delhi, etc they distribute the products/goods to their three branches according to the shortage of particular goods or needs and wants of the customers.

2.4. Quality Innovation

The policy of quality assurance is to provide customers with utmost satisfaction by supplying zero defects.

2.5. Product Leadership

On being asked about the product leadership of LG brand, the manager said that the company is focusing on six development areas to become the product leader.

- 1) New machine
- 2) Reliability
- 3) Conventional installation
- 4) Environmental friendly Product
- 5) Low noise & vibration
- 6) Energy saving

2.6. Financial performance

Finance is the management of large amounts of money and it is the life blood of all business enterprise. Finance is the master key that provides access to all the sources of being employed in different activities. The success of an organization largely depend on efficient management of its finances. The growth and development of a firm or an enterprise depend upon financial policies and so it is mandatory to check whether the business is running efficiently and effectively.

Expenses in a month:-

Electricity: -Rs. 6000

Rent : - Rs. 13000

Employees Salary: - Rs. 10,000 to Rs. 12,000 per person, total employees (15)

Expenses like transportation, miscellaneous etc are also charged.

Tax are collected by the Naga Federals, of different ranks i.e. IM, K etc.

Income in a month: Income fluctuates with respects to sales. Income arises in a month approximately up to Rs. 16,00,000 to Rs. 18,00,000.

2.7. How does the employees feel towards the enterprise

- 1) **Relation with superior:-** while asking the employees about their relations with their superior they said that their superior's are friendly and that they are always ready
- 2) **Relation with colleagues:-** the employee's relation towards their colleagues are good and are highly satisfied as they are friendly in nature.
- 3) **Satisfaction with working conditions:-** when being asked to the employees they are satisfied with the working conditions so far.
- 4) **Satisfied with extra benefits of work:-** the employees are highly satisfied with the extra benefits that they get from work. When they make a huge sales they are given extra benefits which are highly satisfied.
- 5) **Satisfaction with present salaries:-** so far the employees are satisfied with their present salaries as they are paid according to their qualifications and also according to the way they work and communicates with the consumer.

2.8. Preparation of report

The report was based on the analysis and presented with the findings and suggestions.

The sample of the questionnaires is attached with the report itself.

Chapter-3

3.1 Findings

- 1) This study reveals that the enterprise has a good income.
- 2) By the actual monthly sale of particular store we came to know the capacity of the store and how much can they sale.
- 3) There is a job security.
- 4) We found that the demand for washing machine, fridge single door and television are the ones that sales the most.
- 5) The role of media is very effective in making people aware about the LG brand specially Television plays an important role to influence the people's.
- 6) We also get that customers get influenced by various factors and make their buying decision. The most influencing factor is brand image and advertising is the second influence factor in buying decision.
- 7) The enterprise sells most of the items/products during the month of October and November.
- 8) The owner is satisfied with the sales and is planning to promote different branches in different places.
- 9) Word of mouth plays a vital role in awareness among customer. This is one factor, which can play a good role in promotion of products as well as demonstration given by the shopkeeper also plays a vital role for customers.

3.2. Suggestions

- 1) LG needs to mend and maintain its service network and adopt a good pricing strategy.
- 2) By introducing new offers to reputed customers ,they can increase the sales level of business.
- 3) The owner should sometimes interact with the employees inorder to tackle their problems and also imply some of their suggestions for the betterment of the enterprise.
- 4) The product is well aware and it is on top of mind of customer. So the company/shopowner should always improve services and update their technology.
- 5) Customer considers quality as their first preference, so the enterprise should give more stress on this.

3.3. Conclusion

The study was to study the overall performance of the LG Showroom Kohima near Old Nst opp. Khedi Market.

My study found that the customers are somewhat satisfied with the LG Company but some customers are not that satisfied by the company neither in the way of credit facility nor by the distribution system of LG. About the LG company I found that LG having a good position in the market in terms of pricing but lacking badly in terms of its customersatisfaction. Customers gets to know more by the television and they are influenced to buy new products by the unique products that are newly come to the market. My study also found that there are various factor influencing customer in buying decision and the most influencing factor is brand image and advertisement and other factors play a secondary role in buying decision.

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Questionnaires

Dear Sir/Madam

I'm RūūtuonuoTerhase student of "Kohima College Kohima" conducting a survey for my Bachelor of Degree from Commerce Department on LG Products as a part of my curriculum. For which I will need your contribution and so I kindly request you to spare a few minutes of your precious time to fill up this questionnaire. I assure you that information given by you will be secret.

- 1) You are dealing with the LG brands from
 - (a) 10 years.
 - (b) 15-20 years.
 - (c) 10-15 years
 - (d) more than 20 years

- 2) Which Products of LG is most preferable by customers?
(Please specify

- 3) In which season the selling products are more?
 - (a) Jan – March
 - (b) July – Sept
 - (c) April – June
 - (d) Oct – Dec

- 4) Which factors influence the consumers to purchase the LG Products?
 - (a) Quality
 - (b) Sales promotion activities
 - (c) price
 - (d) Brand image
 - (e) services

- 5) Media plays an important role of making the awareness of the Product. What do you think?
 - (a) 20-30 %
 - (b) 50-70 %
 - (c) 30-50 %
 - (d) 70-90 %

- 6) What are the factors in media which makes the consumer more attentive towards the new, improved and innovative products and technology?
 - (a) Television
 - (b) Internet
 - (c) Newspaper
 - (d) magazines

Specify if any

7) What is the annual sale of LG Products?

- (a) Less than 8 Lac (c) 8 Lac to 15 Lac
(b) 15 Lac to 20 Lac (d) more than 20 Lac

8) Are you satisfied with the distribution system of LG?

- (a) Very satisfied (c) somewhat satisfied
(b) Somewhat dissatisfied (d) very dissatisfied

9) Do you have any job security in your enterprise?

- (a) Yes (b) No

10) What are the extra benefits provided by your enterprise?

Ans:-

11) How many products of LG you sale? Please mention their names also?

Ans:-

12) How many employees are there in your enterprise?

Ans:-

13) What do you do when things go wrong? How do you tackle it and who is responsible?

Ans:-

14) Are there any respective salaries with each designation?

- (a) Yes (b) No

15) Gender of the employees

- (a) Men (c) Women
(b) Both

16) How do you do quality check?

Ans:-

17) Age of the employees

- (a) Any age
- (b) 25-30 years
- (c) 18-25 years
- (d) more than 30 years

18) What was the previous experience or job of the manager?

Ans:-

19) Are the staff / operator paid by the_

- (a) Number of pieces sold
- (b) Monthly basis
- (c) hour

20) Apart from the above options if any other suggestions you have then please specify

.....
.....

Name:-

Age:-

Address:-

Contact No:-