LG Electronics

Design has an important part to play in product innovation. It also allows products to be effectively differentiated. LG Electronics was set up in 1958 in Korea where it broke new ground in that country by hiring an industrial designer and one year later set up a product design department. It now has a turnover in excess of £19 billion and, in 2006, spent some £1.5 billion on R&D in its twenty-five R&D laboratories around the world. It’s strategy of ‘global localisation’ has lead it to become the world’s leading manufacturer of plasma TVs and number five for mobile phones.

LG has many technological ‘firsts’ to its credit. It developed the first ever disk player to support both Blu-ray disk and HD DVD content; the most energy efficient side-by-side refrigerator; the industry’s first ever steam washer; the ultra responsive LCD monitor as well as premium mobile phone hand sets the A Cappella Music Phone and the LG Shine phone.

LG aims to integrate technological developments with design and design is a key part of LG’s culture. In 1999 it defined design as one of its four key skills and in 2006 it announced its ‘design management’ strategy. Between 2005 and 2007 it won fifty prestigious Red Dot design awards. The company sees design as playing a crucial role in harmonising the very latest in technological developments with human needs. It strives for design that is at once ‘minimalist and seductive’. Designers are encouraged to ‘experiment in a playful manner with fresh ideas and unusual combinations….to predict emerging needs, design new worlds and lifestyle concepts, and hand over their inventions to the public.’ Researchers, designers and ‘trend scouts’ predict the future by examining and identifying consumer needs, observing the public’s interest in products, and finally developing design concepts and solutions. In this way LG try to keep ‘one step ahead of the game.’

Kim Jin is in charge of LG’s mobile phone design laboratory. She says that the company’s design philosophy is to ‘appeal to customers’ emotions’ a concept originally called ‘haptic’ meaning the feeling of touch but broadened to include all five senses – ‘touch, smell the glowing lights, all the emotional things’. LG’s products must be technologically advanced and functionally effective, but then most electronic products are. The reasons people buy one product rather than another are to do with the intangible elements - and design and brand image have a crucial part to play in this. And whilst the functional elements of any product are usually easy to copy, these less tangible elements are more difficult. LG believes that good design enhances its brand image and this allows it to position its products at the premium end of the market.

Kim Jin encourages designers to do ‘town-watching’ – visiting the chic streets of Hongdae or Cheongdam-dong to spot new design trends. It was on one of these trips that the trend towards more natural shapes was identified that eventually was incorporated into their KG800 mobile phone – the ‘Chocolate Phone’, which won a Red Dot award. The phone has nothing to do with chocolate, it was just thought that the name was memorable. This was the first mobile phone in the world to have a touch sensitive key pad. Seventeen months after its launch it had sold 10 million units and spawned a limited edition ‘White Chocolate’ phone with a lavender-scented keypad which was sold on Valentines Day 2006. The latest phone model for 2007 is the sophisticated Prada phone.
LG believes it has integrated design into its business thinking. Many innovations are design-led, but responsive to market needs. LG believes it must design its technologies for the way people actually behave, not the way you would like them to behave. That means designers have to meet people, hear what they have to say and see how they use electronic products. Usability tests are important, and should not be confused with market research or the inherent falsity of focus groups. This involves collecting conscious and subconscious feedback about design through simulated use of a product prototype. It tries to understand the way users think so as to drive the design process. And its not just to do with functionality, LG are keen to make their designs ’playful and fun-to-use’.

Up-to-date information on LG can be found on their web site: www.lge.com

Questions

1. What is the role of design in product innovation at LG? How important is it?
2. How does LG encourage designers to ‘think outside the square’?