

LG Electronics eyeing 'OLED' TV

July 8 2012, by Jung Ha-Won



Ro Seog-Ho, executive vice president of LG's TV business, pictured during an interview with AFP in Seoul, on June 27. S.Korea's LG Electronics, long overshadowed by Samsung Electronics, is confident it can outpace its bigger rival in the race to dominate the world's next-generation TV market.

South Korea's LG Electronics, long overshadowed by Samsung Electronics, is confident it can outpace its bigger rival in the race to dominate the world's next-generation TV market.

LG, the world's second-largest [TV maker](#) after Samsung, believes its technology will give it the edge in organic light-emitting diode (OLED) sets, which are expected to drive the industry in the future.

"We have been relatively slower in introducing new devices (than Samsung). But when it comes to OLED TV... we can run far faster than the rival," said Ro Seog-Ho, executive vice president of LG's TV

business.

"I think there's a very high chance that we can win this game," he told AFP in a recent interview.

OLED TVs don't require separate backlights and thus are thinner, consume about 20 percent less power and offer a sharper picture than conventional flat-panel sets.

An LG OLED model, 55 inches (140 cm) wide but just 0.16 inches (four mm) thick, was crowned best gadget of the [Consumer Electronics Show in Las Vegas](#) in January, trumping a similar-size Samsung set.

But manufacturers are still struggling to cut the cost of making the delicate panels in large quantities.

LG and Samsung are set to begin sales of the OLED TVs in the latter half of this year but with [price tags](#) over \$10,000.

[Market researcher iSuppli](#) estimates just 34,000 [global sales](#) of OLED sets this year, possibly growing to 2.1 million sets in 2015.

Ro said LG's version of the technology -- called white OLED -- would allow cheaper and faster mass-production of panels with more vivid images than Samsung, which uses a technology called red, green and blue.



LG Electronics' OLED 55-inch-wide and just 0.16 inches (4mm) thick television sets are displayed during an technology show in Seoul. S.Korea's LG Electronics, long overshadowed by Samsung Electronics, is confident it can outpace its bigger rival in the race to dominate the world's next-generation TV market.

"It means we can increase panel yield rate faster than them and eventually cut prices faster," he said.

Struggling Japanese TV giants Sony and Panasonic teamed up in June to jointly develop OLED panels. But Ro said it would take them one or two [years](#) to roll out a new panel.

"You can't introduce a new technology too early for consumers to accept. But at the same time, you can't introduce it too late when there's no room left for you to squeeze in," he said.

[LG Electronics](#) expects to sell 30 million TV sets of all types worldwide this year, up nearly 20 percent from 2011. 3D sets are expected to make up more than 10 percent of the total.

LG scored a rare turnaround in the first quarter of this year, after mostly bleeding for two years due to its loss-making mobile phone unit.

Its home entertainment division, driven by sales of 3D TVs, reported an operating profit of 217.1 billion won (\$191.4 million) out of 448.2 billion won in overall profit.

The unit would post a similar profit range for the second quarter on growing demand in emerging markets, Ro said.

"The situation in Europe has worsened far faster than we had expected... but at the same time, these emerging markets have grown far faster than we thought," he said.

Latin America and the Middle East helped drive growth, and sales in former Soviet states had risen 50 to 60 percent from a year earlier.

Ro said LG is on track to claim a quarter of the world's 3D [TV market](#) this year to beat current leader Samsung, as companies try to boost sagging margins in the industry with a range of premium-priced products.

Global TV shipments shrank in 2011 after growing for six straight years and are expected to remain flat this year. But 3D TV shipments in 2012 are forecast to jump 90 percent, said industry tracker Display Search.

Ro said 3D TVs that do not require viewers to wear special glasses will be an industry standard in about four to five years.

In China, the world's largest and fastest-growing TV market, LG has less than five percent of the market due to strong local players like TCL and Skyworth.

Ro said Chinese makers, previously focused largely on domestic sales, are starting to make inroads in LG's turf in Africa and other emerging markets.

"Their portion will likely continue to grow there... now there is little technological gap with them in mid and low-end TVs," he said.

"But there is still a huge gap in premium models like 3D or smart TVs... these gaps are not something they can catch up in a year or two."

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