

LG beats rivals in race to sell new OLED TVs (Update)

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LG Electronics Inc. started taking pre-orders on Wednesday for the world's first big TVs that use an advanced display technology promising startlingly clear images on wafer-thin screens.

The South Korean company said the 55-inch TVs, which use a technology called "OLED" and have a price tag of 11 million won (\$10,335), will be delivered to buyers in its home market next month.

The new TVs will be available in North America, Europe and the rest of Asia before the end of March, LG said in a statement.

While LG becomes the world's first company to bring a big-screen next-generation TV to market, it's far from clear whether the bet will pay off because of the high cost and difficulties of manufacturing, cutthroat competition from rivals and diminishing returns from incremental increases in image quality.

TVs using OLEDs, or organic light-emitting diodes, feature images with enhanced clarity, deeper color saturation and sharper contrast than liquid crystal display TVs.

The advanced, energy-efficient display technology makes it possible to manufacture thinner televisions: LG's model is just 4 millimeters thick.

LG's announcement is the culmination of a race by electronics makers to be the first to deliver the next-generation sets that began in 2007 when Sony Corp. showed off the world's first OLED TV, which had an 11-inch screen. But the Japanese company failed to follow up with a bigger display.

While OLED panels are more widely used in mobile screens, mass producing large panels is still tough because of technological challenges. Jang Moon-ik, director of LG's TV business, said in an interview last year that only two companies in the world have a capacity to make large screen OLED TVs: LG and rival South Korean company Samsung Electronics.

Even though LG and Samsung touted OLEDs as the future of television, both failed to deliver them to the market in the fourth quarter of 2012 as promised due to manufacturing challenges.

Samsung declined to comment on the availability of its OLED TVs, saying making perfect products is more important than the launch schedule.

Grabbing the title of the first OLED TV maker is much more symbolic than practical because initial production numbers will likely be small.

Manufacturing big-screen new TVs requires billions in investments to upgrade factories. South Korean TV makers hope cutting-edge display technology can help offset falling TV prices and differentiate their products from fast-growing Chinese rivals.

Japanese companies, which dominated the global TV market before the ascent of Samsung and LG, are struggling to come up with their own next-generation TV sets to avoid falling further behind but don't have enough cash to invest in new technology. Last year, Sony and Panasonic announced a partnership to jointly produce large OLED panels but have not made any further announcements.

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