

Samsung Bets on LCD TVs Despite Downturn

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Editor's Note: An LED-driven LCD is not only extremely flat due to its solid-state backlight, it can reproduce an image with a greater color gamut than the original NTSC TV spec. Not only that, but an LED-driven display's lifetime is significantly greater than any display using a CCFL-based backlight. (I am a big LED-driven DLP fan, but that alternative seems to be falling out of favor.)

SEOUL (Reuters) - Samsung Electronics, the world's top TV brand, aims to outperform the overall flat-panel television market's growth this year, thanks in part to its newly launched LED models, a senior official said. "2009 won't be an easy year but we plan to maintain market leadership with new products such as LED TV," said Sue Shim, senior vice president in charge of sales and marketing at Samsung's Visual Display division. "(Our market share) will go up."

Samsung, which is also the world's biggest maker of memory chips and No. 2 maker of mobile phones, had 19 percent of the global liquid crystal display (LCD) TV market in the first quarter. "The downturn in the market doesn't seem as severe as expected and we were able to outperform the market's growth (in the first quarter)," Shim told the Reuters Global Technology Summit in Seoul.

A spokeswoman for the company, which has been cautious about the outlook for all its businesses, said Samsung is maintaining its sales target for LCD TV sets set in 2009 at 22 million, up 10 percent from 2008. That target is below DisplaySearch's forecast of a 15 percent growth in the global LCD TV market, but Samsung will strive to post higher growth and expand market share, according to Shim. Shim said Samsung had several sets of targets, including a best-case scenario, but declined to give details.

Samsung competes with Japan's Sony, home rival LG Electronics and Amtran's Vizio brand. Thanks to bargain-basement prices and consumers eager to upgrade from clunky cathode-ray tube TV sets, the flat-screen TV segment has performed strongly despite the global economic downturn, which has sapped consumer demand for most other types of electronics. "People are giving up eating out and traveling in the midst of this downturn," Shim said. Instead, they are putting more emphasis on activities inside their homes. Shim is a marketing veteran who worked for Procter & Gamble for 17 years before joining Samsung in 2006.

NEW FOCUS ON LED

One key to future growth and market leadership for Samsung are the latest LCD televisions models using light-emitting diodes (LED) as light source, instead of bulkier and less energy-efficient cold cathode fluorescent lamps (CCFLs). "LED TV has a vivid picture quality, a slim design and is eco-friendly. It saves about 40

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percent of energy when compared to a traditional LCD TV of the same size," Shim said.

"After four years of using an LED television, the costs savings alone would be as much as the price of a 30-inch-grade LCD model." Shim declined to give sales targets for the LED TV segment, but said Samsung had shipped 200,000 units to retailers in the six weeks since the first models were launched in March.

DisplaySearch expects LED TV sales to reach 32.4 million units in 2015, up from estimates of 2 million in 2009 and 7.3 million in 2010, according to Samsung. A major obstacle for widespread adoption of LED sets is however the price premium, which can be as much as \$700 over a traditional LCD model of the same size.

"Going forward, the entire market will shift to LED. LED is the best television technology made available so far," Shim said.

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