

## LGEEF) LG is tapping into a new market with its commercial washing machine reference store



LG Electronics' Kenyan subsidiary opened its **first LG commercial washing machine reference store in Nairobi** on September 9 with its vendor Hot Point.

LG's commercial washing machine reference store is a self-service laundry jointly built by LGEEF and Hot Point. LG will be involved in product and store design, while Hot Point will be responsible for the management and operation of the store.

The commercial washing machine reference store is the basic direction of the investment at the early stage of product launch. Potential investors can visit the store and experience how small startup businesses are operated, and see what these businesses can offer to customers. To this purpose, LG is establishing reference stores globally.

At the opening event in Kenya, about 40 participants including LG, business partners, media organizations, and customers interested in the new business attended the event to celebrate opening of the store.

The washing machine supply rate is less than 20% in Kenya which means that most households hand wash their laundry. However, as double-income and single-person households are on the rise recently in large cities, we have been developing the East African market since last year based on the assumption that laundromat could become a new business area for middle class (annual income of \$700 to \$1000) population.

To utilize the growing interest in personal **hygiene and sanitation due to the corona virus**, the **"Hygienic Laundromat" concept is applied to promote that users can wash and dry their laundry much cleaner than handwashing**. For store owners, the competitiveness and differentiation point of LG washing machine such as easy installation/product reliability and the ability of increasing customer inflow have been demonstrated.

Starting from the opening of the 1st store in Nairobi, the Reference Store will be expanded throughout all regions of Kenya and neighboring countries including Sudan, Ethiopia and Uganda. These stores are expected to serve as a bridge to new markets.

"In Kenya, laundromat can be a new venture business," said Kim San-young, president of LGEEF subsidiary. "To give more investors a chance to challenge and offer customers differentiated laundry benefits, we will continue to establish Washing Machine Reference Stores", said president Kim.

**"To overcome the crisis of COVID-19 pandemic, we will find new breakthroughs such as exploring new markets, and provide differentiated experiences to customers and business partners by strengthening our product power and marketing to encourage the hygienic laundromat business"**, said Lee Tae-jin, VP of Living Appliance Overseas Sales & Marketing Division.

