

E-commerce firms woo physical stores to sell big brands online

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KOLKATA | MUMBAI: E-commerce companies are trying to persuade brick-and-mortar retail chains – bitter rivals in most product segments – to come on board their digital platforms to sell big consumer electronic brands. This follows companies such as Samsung, LG and Sony having successfully managed to squelch once-rampant online discounting. The idea is that offline retailers can showcase deals on large brands on sites such as Amazon, Flipkart and Snapdeal.

E-commerce companies are in advanced discussions with Croma, Reliance Digital, PlanetM Retail, Vijay Sales and others, four senior industry executives said. While online firms have assured the retailers they will fully honour pricing terms, in return they want exclusive deals on large brands. “Discounts are not permanent. Hence they (etailers) are experimenting with various models and until now they haven’t found the right model,” said Kishore Biyani, who heads Future Group, India’s largest listed retailer.

The chief executive of a leading consumer electronics chain said such an alliance would be a marriage of convenience, since online firms will get reputed sellers with the kind of consistency in inventory that small sellers can't match and access to deals on large brands.

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He said the electronics makers had pushed back against online discounts in order to safeguard the interests of offline retailers. “Big brands too are cautious about online discounts and have hence squeezed deals since they don’t want to upset the offline trade, which contributes 90% of their revenue,” Roy said. “Hence, e-commerce firms are now showing interest to partner with retail chains to access best of deals.” This latest initiative comes after several leading offline retail chains, including Croma and

Sangeetha Mobile, said they had to stop selling on marketplaces since they were not able to control pricing and discounting.