

Festive sale: Amazon to focus on high-value items after Flipkart's jibe on selling daily use products

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Amazon India's festive sale early next week will focus on deals on high-value items such as smartphones, televisions, home appliances and lifestyle products - an apparent rejoinder to rival Flipkart, which had scoffed at the Seattle-based ecommerce giant for selling churan, hing, detergents and other daily-need commodities.

Amazon's India country manager Amit Agarwal countered Flipkart's jibe by saying its first festive sale earlier this month marked an inflection point for ecommerce emerging as a sustainable buying channel because consumers bought items of daily consumption and didn't look only for bargains.

Deciding not to lay low, Amazon has informed some top brands and sellers that it expects a three-fold increase in consumer traffic from normal levels during the next sale scheduled from October 17 to 20, four senior industry executives said. This time, Amazon will have a solo run since Flipkart's next sale will be before Dhanteras.

"Despite smartphones and consumer electronics being a focussed category, Amazon did not fare as well as Flipkart in the last sale. While the second wave of sales tends to receive smaller focus, Amazon has said it will continue equal focus as the last one in both marketing and deals on these categories," said the CEO of a leading online electronics brand.

During the October 1 to 5 sale, Amazon had focussed on 32-inch and 50-inch televisions. This time, it plans to also highlight 60-inch models to drive higher average billing. In smartphones, there will be deals across price bands. Amazon will also offer exchange offers and zerocost EMI schemes.

An Amazon India spokesperson said the marketplace is looking at October as a month-long celebration as customers shop throughout the month for various festivals. "With customers shopping from 90% of India's serviceable pin-codes for everything from mobiles, TVs, appliances, furniture, sports equipment to fashion, home furnishings and everyday essentials in the first phase, we believe that they will

continue to trust us to shop for all their festive needs going forward too," the spokesperson said.

Amazon India's sale earlier this month competed with the Big Billion Days sale by Flipkart, which claimed record sales of smartphones, televisions and appliances. Flipkart declared victory in the sales sweepstakes with 15.5 million units sold against Amazon's 15 million. Flipkart said 2.5 million smartphones were sold on its platform during its October 2 to 5 sale, more than what the industry sells in the country in a week. LED televisions sold during the five-day period exceeded the usual 45-day volumes.

Amazon reported a five-time increase in sales of mobiles, seven times for large appliances and a 25-fold increase for televisions. Flipkart and industry experts claimed that Amazon still fell short of Flipkart in these categories. In refrigerators and washing machines for next week's sale, Amazon will push both entry-level and premium models priced up to Rs 40,000.

While discounts of as much as 40% could be offered by online brands, the rebate on products of mainstream brands such as LG, Whirlpool and Videocon may range from 10 to 15%, industry executives said. LG has agreed to launch exclusive products on Amazon during the sale.

There could be a greater emphasis on appliances by Amazon since that's a category that's growing upwards of 30% since September, according to Godrej Appliances vice president and business head Kamal Nandi. "Any channel would focus on a category where consumption is going up," he said. Online smartphone brands including LeEco and InFocus expect 2-3 times growth in sales from normal levels during Amazon's next sale.