Organised retail accounts for only 9% of consumer electronics sales. While independent dealer outlets remain the mainstay, consumer electronics companies are setting up their exclusive stores to provide a better brand experience, and in the bargain ensure a better deal for themselves.
The signature store

Even as the retail chains are spreading their networks across the country, consumer electronics brands are taking steps to sell directly to the consumer by setting up their exclusive outlets. One big reason is that it is definitely cheaper to sell through exclusive outlets than selling through traditional retail outlets, which means huge money from brands.

One of the first consumer electronics players to set up exclusive outlets was Sony India. As Satish Mogra, executive director, TV and home appliances, Sony India, explains, exclusive outlets are a controlled form of retailing and can be organized and designed specifically for the company's guidelines and directives. "It is an extension of our brand image and hence it is important to build presence through Sony Centers. A consumer today looks at a complete shopping experience which includes a wide variety of product up-to-date information, sales staff, consumer servicing, warranty services, among other factors. An organized outlet promises all these services and automatically pulls consumers towards it," says Sony India today owns over 200 outlets across India.

For Shantanu Dasgupta, vice-president, corporate affairs and strategy, Whirlpool India, the reason for having exclusive outlets is to sell their brand. In the brand's product, second, to provide a holistic brand experience and third, to decide the location for a store thus building the brand's footprint. "For instance, Whirlpool is launching a number of kitchen appliances to warrant the range of cooking products, from hobs, hoods and ovens to dishwashers. Exclusive outlets allow one to design the layout of the shop-floor to deliver the best merchandising impact and thereby enhance shopper experience," he says.

Current Whirlpool has 9% exclusive outlets and plans to take this number to 125 by the end of the year. At the same time, its products are available in 50,000 outlets across the country and 500 modern retail outlets.

Korean consumer electronics giant Samsung runs 100 exclusive stores by the name Samsung Plaza across India and the company plans to increase this by 50% by year-end. According to Mahesh Khera, vice-president—home appliances, Samsung India, both the multi-brand outlets and their own exclusive outlets are equally relevant. "While the traditional mom-and-pop stores help us in terms of their reach, our own Samsung Plazas help us give our consumers a complete retail experience. We are using the Plazas to not only retail our products in an interactive environment with trained demonstrators to educate consumers on the products, but we are also using these stores to display our complete range of 2D and products," he adds.

The other Korean player, LG, too has massive expansion plans for its exclusive stores known as LG Shoppes. "Currently we have 180 exclusive outlets and we aim to take this number to 250 by year-end," says Y V Wermel, COO, LG India.

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