

# Consumer durables sales see a pick-up on lucrative festival finance schemes

SHARLEEN D'SOUZA

Mumbai, 10 November

Consumer durables firms are seeing a pick-up in premium item sales and one of the main reasons driving this growth is better financing options available to the consumer this time.

Companies are offering longer-tenure loans, zero down payments and zero interest on a wider assortment of products than ever before, thus making a product more affordable. While 18 and 24 months equated monthly instalments (EMIs) were available earlier only on select products, it is now being offered on more products.

"Many people are now opting to buy on EMIs and not too many are buying in cash. Same is the case even with premium electronics and televisions as the amount is huge. Buying on EMIs is now a common scenario," said Avneet Singh Marwah, chief executive officer (CEO) of SSPL, the brand licensee of Kodak, Thomson, Blaupunkt and White-Westinghouse in India.

He said the adoption rate for financing options is 80-90 per cent. Also, the buy-now-pay-later option has gained traction.

"TV margins are huge and with this, the maker can absorb the interest rate and sell products. More products are offered on EMI and we have also increased the tenure (of loans) on some high-end television panels to make it more convenient for the consumer to buy," Marwah said.

Consumer durables retail chain Vijay Sales has seen the number of products offered on easier finance options double compared to last year. "Last year, we saw around 15 per cent of goods sold on longer tenures. Now, that has gone up to 30 per cent," said Nilesh Gupta, managing director (MD), Vijay Sales. He added that television panels have easier payment options compared to last year. Also, select laptop brands have offered zero down payment and the EMI is spread over 24 months.

Larger items like washing machines and refrigerators are now offered at convenient finance options compared to last year.

## OFFERS GALORE

■ Consumer durable firms offered **30 per cent of products on convenient payment plans** compared to 15 per cent last year

■ Some laptops were sold at better finance options like **zero down payment and EMIs spread over 24 months**

■ Earlier, either two or four month EMIs were **paid upfront**. And, the remaining over 8-10 months

■ Godrej Appliances now sees **40 per cent of its goods sold on EMIs** compared to 20 per cent 5 years ago

■ SSPL, the brand licensee of Kodak, Thomson, Blaupunkt and White-Westinghouse in India, is selling its **high-end TVs on longer-tenure loans**



"This definitely pushes the customer to opt for a more premium product," Gupta said.

Godrej Consumer Appliances also said it is offering better finance options for its customers compared to last year.