

M.Video-Eldorado Group's private label offering goes up to 100 models

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6 November 2020, Moscow, Russia. M.Video-Eldorado Group (PJSC M.Video, MOEX: MVID), Russia's largest consumer electronics retailer by revenue and part of SAFMAR Group owned by Mikhail Gutseriev, expanded the range of appliances marketed under its Novex and Hi brands, with over 100 models of major and small household appliances now available, including cooktops, kettles, blenders, trimmers, etc. More than 70 new models will enter the market by the end of the year. The first private label items offered by the two chains were TV sets. In 3Q 2020, Novex TVs accounted for 8% of sales in volume terms at M.Video, and Hi's share at Eldorado was 15%.

M.Video-Eldorado Group continues expanding its private label offering by launching popular categories of kitchen/home appliances and personal care products. Both brands have already launched sales of over 100 models of kitchen and small household appliances under private label. Through 2020 both brands will start sales of refrigerators, vacuum cleaners, washing machines – over 70 models in all. Novex is a high-quality brand of technologically advanced, reasonably-priced products, while Hi offers more basic appliances in the low price segment.

Maxim Gusev, M.Video-Eldorado Director for Strategic Development: 'Buyers of small and built-in appliances pay more attention to the functional characteristics and price of the equipment rather than its manufacturer. Developing private labels is of strategic importance to the Company. It will help us meet the consumer demand in popular product categories, offer quality goods to price-sensitive buyers and boost customer loyalty. We control the entire value chain, from product development and manufacturing to logistics and merchandising. Depending on their needs and financial capabilities, customers are able to buy appliances that will make their lives more comfortable. This is particularly important today, when people have to spend more time at home. Within our private label assortment we can offer customers side-by-side refrigerators that are 30-40% cheaper than on average. In future, our private label goods can take up to 15% in volume of respective categories'.

Among the small household appliances carried by M.Video and Eldorado are electric kettles, blenders and mixers under the brands of Novex and Hi, respectively. There are also plans for male and female personal care products, such as hair dryers, straighteners, multi-stylers, epilators, hair clippers, trimmers and electric shavers. Private label kitchen appliances at Eldorado include mixers and immersion blenders.

Both chains offer built-in appliances: electric and gas cooktops, ovens and kitchen hoods. Hi and Novex cooktops are equipped with residual heat sensors. Depending on the model, they come with a display and mechanical or touch controls. Ovens boast A class energy efficiency that ensures the lowest energy consumption and have an emergency shutdown feature. Some kitchen hoods carry a touch control system, while all gas cooktops feature automatic gas shut-off, electric ignition and a heat- and scratch-resistant covering.

In 9M 2020, total sales of built-in ovens in Russia increased by 19% and 21% in volume and value terms, respectively, and the average ticket amounted to RUB 24,500. Demand for cooktops rose by 14% and 17% in volume and value terms, respectively, with the average price at RUB 16,000. The number of kitchen hoods sold was up by 4%, while their aggregate value grew by 5% thanks to an average price of RUB 8,000. This year, the peak sales for these categories were registered in March and during the summer months. Every fourth oven, cooktop or kitchen hood was purchased at M.Video or Eldorado stores.