M.Video-Eldorado’s private label range hits 300 SKUs in 2021, with up to 40% share in certain categories

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M.Video-Eldorado Group, Russia’s leading e-commerce and consumer electronics retailer (MOEX: MVID) has tripled the assortment of goods sold under its own Novex and Hi brands to almost 300 SKUs. Demand for large and small private label household appliances grew by 70% year-on-year, with the Group’s own brands accounting for up to 30-40% in certain categories.

M.Video offers high-quality, technologically advanced and reasonably-priced Novex products, while Eldorado sells more basic appliances in the low-price segment under the Hi brand. Combined, these labels cover around 300 SKUs across 33 main categories (TVs, large and small home and kitchen appliances, beauty and personal care products and accessories), complementing the branded offerings and providing customers with more affordable devices and solutions.

Maxim Gusev, M.Video-Eldorado Director for Household Appliances:

“Generally, retailers set the minimum price for their own label goods, making them the cheapest in the market. M.Video-Eldorado took a step further. Apart from selling the most affordable kettles or washing machines, i.e. basic appliances at the lowest price, it also offers more accessible premium products. For instance, nowadays many families tend to spend more time at home and buy more products, which calls for a bigger fridge. Side-by-side Novex and Hi refrigerators are 30–50% cheaper than the A-brand models. A RUB 10,000 robot vacuum with a wet cleaning option makes the lowest price market offer, while 65+ inch TVs cost almost two times lower than the average market ticket. As a result, we win new customers coming to us in search for new opportunities for comfortable life. We engage professional manufacturers in producing our private label goods with guaranteed quality. Moreover, direct communications and other factors enable us to offer appealing prices.“

Novex and Hi presence in categories nearly doubled to 33, driven by the expansion in MDA (fridges, dishwashers, washing machines, freezers and built-in appliances), beauty and personal care products (trimmers, shavers, hair dryers, multi-stylers and water picks), home appliances (water heaters, robot and upright vacuums, and air conditioners) and cooking devices (grills, blenders, mixers and electric kettles). Own brands also feature new TV models, including those connected to the Yandex and Sber platforms, which make them part of smart home and provide a wider access to video content. As customer needs tend to go

beyond the entry prices and the lower price range and the demand for more advanced appliances of the mid-price segment keeps rising, the Company will further expand its offering.In volume terms, the max share of private label appliances is seen in the following categories: top-freezer refrigerators (38%), 39-43 inch TVs (over 33%), single-door refrigerators (32%) and side-by-side models (20%). Around 7% of consumers who bought Novex and Hi goods previously returned for new items of the same brands this year, which is in line with the statistics among the leading manufacturers and reflects both high customer satisfaction and decent quality of the appliances.

M.Video-Eldorado private label goods are produced at the plants of the leading industry players such as Indesit, Midea and Vityas, with part of them manufactured locally (certain TV, refrigerator and washing machine models). Together with its partners, the Company develops product lines, monitors quality and manages logistics. The entire assortment comes with a two-year guarantee and post-sale maintenance service. In addition to having affordable prices, private label goods also regularly participate in promos, support payments with bonus points and have cashback options, helping customers save up to 50% of the purchase price. Furthermore, the loyalty program participants get personalized offers on them. Novex and Hi appliances are available in nearly 1,300 stores across more than 300 Russian cities.