

## Orient Electric to launch its own e-commerce website

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Orient Electric CEO Rakesh Khanna

Orient Electric, a CK Birla group company that manufactures fans, lights, home appliances and switchgear, is planning to launch its own e-commerce portal for its products by the end of this year.

The company's CEO Rakesh Khanna told Business Today that the company was not comfortable with the current marketplace model of e-commerce companies.

"We don't want our products to be sold at below market price. All we are saying is that we would charge the right price (on our website) but offer better services. We would not only deliver the product at customers' doorstep but also install it," he said.

In the marketplace model, the e-commerce websites act as platform for retailers for which they charge a commission. "We have seen the way they (e-commerce websites) deliver products. We don't want our products to be packaged and delivered that way. Besides, the range of products that we have, I don't think any e-commerce website can give full display to all of them," Khanna added.

There have been instances in the past when retailers and manufacturers have lodged complaint against e-commerce websites for selling products at heavily discounted prices. Kaff Appliances, a manufacturer of kitchen appliances, had even issued a 'caution notice' saying that its products sold on e-commerce website, Snapdeal, were counterfeit and not authorised.

Kaff had also said that it would not honour warranty on products sold on Snapdeal's website. Snapdeal, in return, had gone to the Competition Commission of India against the 'caution notice'.

Rakesh Khanna, however, said that he cannot stop vendors from selling Orient products online and cannot refuse to honour warranties on products sold online.

The online store that Orient is planning would initially service customers in only select locations. Orient Electric, which earned 72% of Rs 1,200 crore revenue from fans and 20% from lightings (CFL and LED), has recently got into switchgear and home appliances manufacturing and trading business.