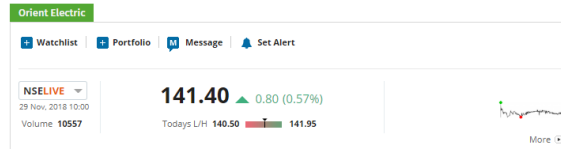


De'Longhi partnership to help serve mass premium segment: Orient Electric CEO

Orient Electric will initially sell the products in Delhi, Mumbai, Chennai and Bengaluru and later expand to other locations

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Consumer electronics maker Orient Electric, known for its ceiling fans, has entered into a partnership with Italian appliance maker De'Longhi Group to sell the latter's three brands in India. In an interaction with Moneycontrol, Rakesh Khanna, MD & CEO, Orient Electric talks about this tie-up and the way forward. Excerpts:

Q: What was the strategy behind this partnership?

A: We have been working towards catering to the emerging Indian consumer and wanted to offer a better value. We wanted to cater to their high-end needs of aspiring consumers. De'Longhi Group has been the market leader in several categories. In blenders, they are market leaders globally while in kitchen machines they are market leaders in Europe. Both the entities felt that they were a natural fit to both the organisations.

We will be able to get the De'Longhi, Kenwood and Braun brands to India through this tie-up and that itself is a huge task.

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Q: Will this start reflecting in your top-line from this quarter?

A: Yes, it will start reflecting in this quarter itself. This will be clubbed under the electrical consumer durables segment. Initially, it will be brought from the global manufacturing hubs.

Q: You have a larger presence in segments like fans. Will this help deepen your penetration into home appliances?

A: We are present across product segments and there are a series of channels that cater to these customers. Through these partnerships, customers will not be able to buy De'Longhi machines but will also have access and choice to buy our basket of products.

Q: What products will you be initially selling under this partnership?

A: We are beginning with a certain set of products. Here, coffee machines, blenders and kitchen machines from De'Longhi will be the initial focus. Later, the other set of products from Kenwood and Braun will follow. We will increase the range and focus will be on mass premium customers.

Q: What is the distribution strategy for these products?

A: The distribution will not be as extensive as the one for fans. But for these products, it will be more selective and with specific retailers who cater to customers buying high-value products. In the initial phase, we will target the top tier cities like Delhi, Mumbai, Chennai and Bengaluru. Once we stabilise there, we will percolate other places thereafter to other places. The sale will also be done through the online channel.