



Sciative

we price right

Electronics Ecommerce Pricing Trends

Dec 21 vs. Dec 22

Decoding changes in market level pricing – electronics ecommerce

- Has the focus on price competitiveness increased in the electronics ecommerce industry? By how much?
- Which product categories are experiencing greatest price competitiveness? Which brands?
- What is common between the fastest growing brands?

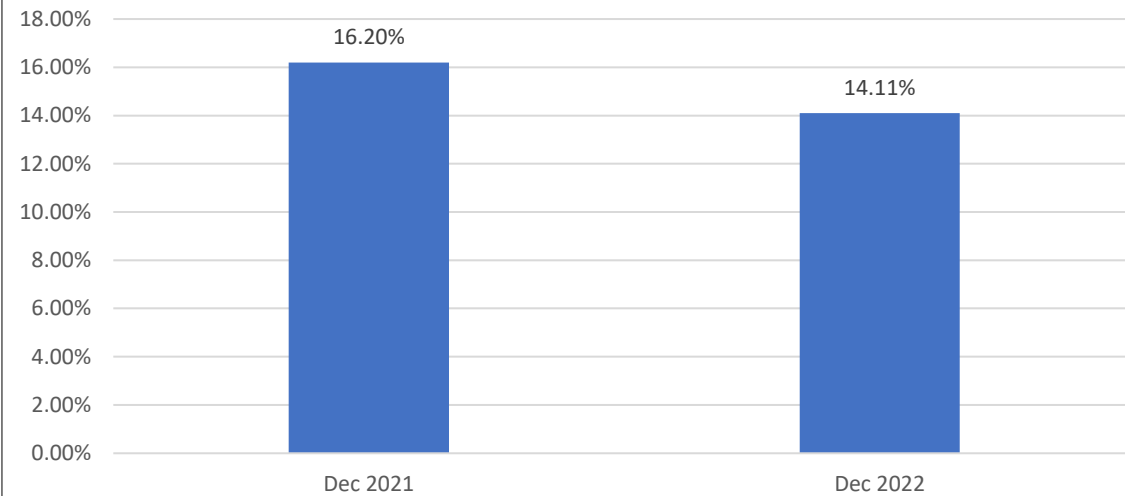
Price spread as a proxy for increased price competitiveness

- **Price Spread:** It indicates the range of price difference for the exact same product(s) across different retailers / points of sales (e.g. websites).
 - Price Spread = (Highest price – lowest price) / average price
 - For the purpose of this study, price spread has been computed by comparing price variations across all top electronics ecommerce websites
 - At a category or brand level, an average price spread is determined by averaging the price spreads over the underlying products or SKUs.
- What does low price spread indicate?
 - A low price spread indicates that prices across different platforms are very close to each other
 - Low price spread can be attributed to:
 - Either the underlying brand is strictly enforcing MOP guidelines
 - Or, the retailers are closely tracking and matching the prices offered by competition
- **Implication for electronics (e)-retailers** - Price spread helps retailers prioritize their competitive pricing efforts
 - Categories / Brands with low or decreasing price spreads require high frequency of competition price tracking and optimization (possibly every hour), and vice-versa



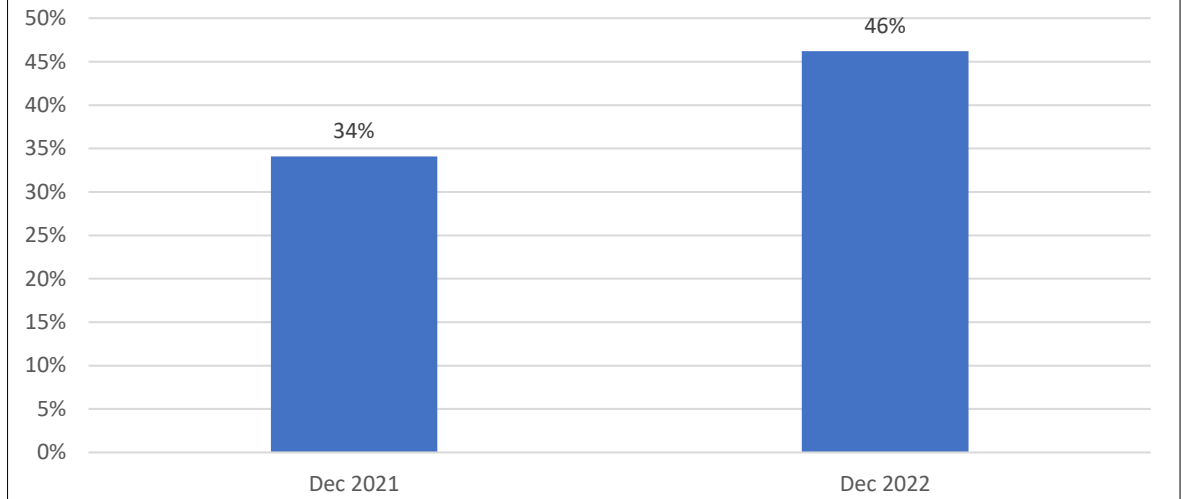
Overall market price competitiveness

Overall Price Spread



13% reduction in price spread (16.2% to 14.1%)

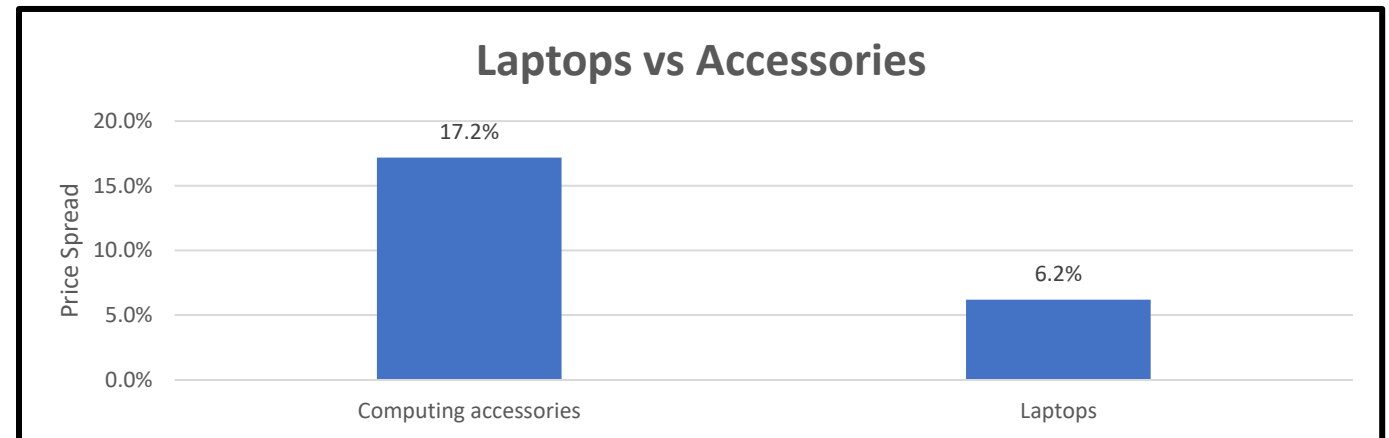
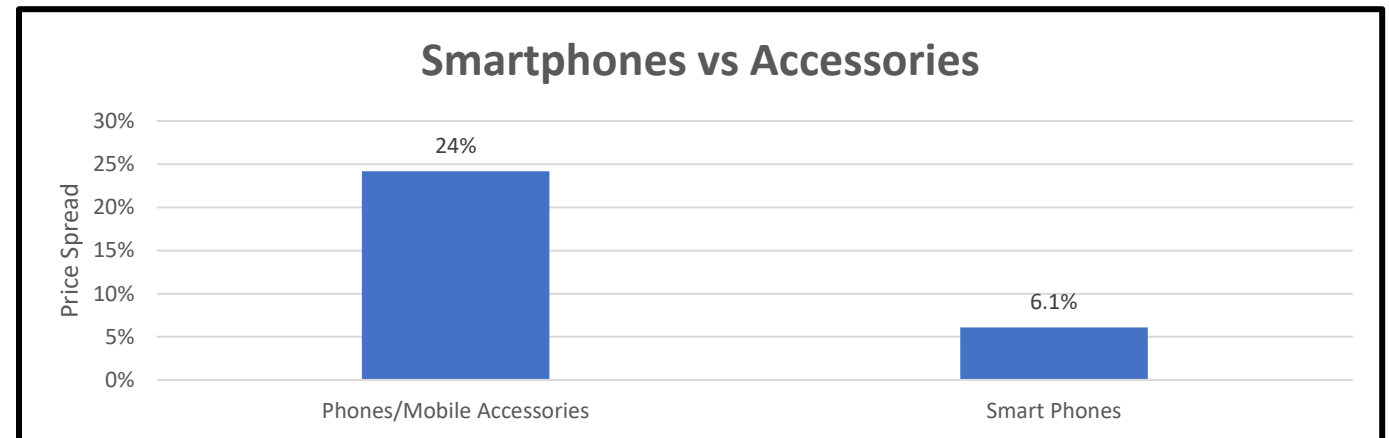
Instances of Matching Lowest Prices



33% increase in instance of prices matching the lowest price

While Diwali 2022 season was a record breaking season for online sales in electronics categories, there is a considerable increase in price competitiveness and instances where platforms are matching the lowest prices offered in the market

Anchor pricing



Narrow price spreads and higher price competitiveness with Anchor products, while greater price spreads with accessories (lesser focus on price competitiveness)

Increasing price competitiveness in high value products

| | Category | Avg Price | Price Spread | |
|---------------------|------------------------------|-----------|--------------|--------|
| | | | 2021 | 2022 |
| High Value Products | Smart Phones | 40,000 | 7.42% | 6.09% |
| | TV LCD | 85,000 | 7.75% | 6.64% |
| | Laptops | 90,000 | 6.51% | 6.19% |
| | Air Conditioners | 45,000 | 8.02% | 7.91% |
| | Washing Machines | 30,000 | 8.76% | 6.52% |
| | Refrigerators | 40,000 | 6.41% | 6.24% |
| Low Value Products | Health & Personal Care | 9,500 | 15.90% | 17.63% |
| | Connected Homes & Housewares | 4,000 | 26.13% | 15.60% |
| | Kitchen Appliances | 7,000 | 15.16% | 12.29% |
| | Home Appliances | 9,500 | 11.69% | 12.20% |
| | Cooling & Heating Appliances | 7,500 | 11.75% | 11.67% |
| | Fans | 7,000 | 12.33% | 10.00% |

- Greater price competitiveness with high value products;
- Price competitiveness with high value products has increased across categories vs last year

| Refrigerator Brands | Price Spread | |
|---------------------|--------------|-------|
| | 2021 | 2022 |
| SAMSUNG | 6.7% | 4.4% |
| LG | 6.8% | 5.5% |
| Haier | 9.8% | 8.2% |
| BOSCH | 8.5% | 6.8% |
| Blue Star | 28.5% | 5.9% |
| Hisense | 11.2% | 5.4% |
| Liebherr | 1.8% | 1.2% |
| Voltas Beko | 4.4% | 2.4% |
| WHIRLPOOL | 3.9% | 8.0% |
| Godrej | 4.7% | 12.1% |

| AC Brands | Price Spread | |
|-----------|--------------|-------|
| | 2021 | 2022 |
| DAIKIN | 9.7% | 5.6% |
| Lloyd | 7.4% | 4.0% |
| VOLTAS | 9.1% | 7.7% |
| SAMSUNG | 7.2% | 6.1% |
| Carrier | 8.4% | 8.0% |
| Blue Star | 6.6% | 6.3% |
| PANASONIC | 6.3% | 6.1% |
| Godrej | 13.3% | 3.2% |
| HITACHI | 6.4% | 7.1% |
| Haier | 7.5% | 11.6% |
| LG | 5.5% | 13.5% |

| Smartphone Brands | Price Spread | |
|-------------------|--------------|-------|
| | 2021 | 2022 |
| OnePlus | 4.0% | 2.0% |
| Apple | 5.0% | 3.5% |
| Xiaomi | 9.7% | 7.6% |
| Realme | 6.8% | 6.1% |
| VIVO | 2.5% | 5.8% |
| Oppo | 4.8% | 8.4% |
| SAMSUNG | 6.2% | 9.5% |
| I KALL | 5.6% | 10.7% |
| Nokia | 6.8% | 10.7% |
| Itel | 9.4% | 12.7% |
| Tecno | 18.1% | 17.0% |

| TV Brands | Price Spread 2022 |
|-----------|----------------------|
| OnePlus | 1.2% |
| Xiaomi | 3.9% |
| SONY | 4.8% |
| SAMSUNG | 5.1% |
| LG | 9.2% |
| PANASONIC | 7.7% |
| TCL | 10.2% |
| Toshiba | 8.6% |
| Haier | 10.5% |
| Hisense | 13.4% |

Top performing brands across categories are experiencing high and increasing price competitiveness and low price spreads



For more details and
insights, contact us at
Vijeta@sciative.com |
[+91-8452917108](tel:+91-8452917108)

About Us



Sciative enables companies price right

What are the current gaps?

- Manual processes limited to the capabilities of individuals
- Little to no application of artificial intelligence insights relating to customer, competition, own supply chain
- To keep matters manageable, scale and speed are compromised



How do we do it?

AI powered automated pricing products

- End-to-end fully integrated solution (market intelligence collection, AI modelling, Optimization, Change Execution)
- UI for data visualizations, and high level strategic inputs (example - upper / lower bounds, optimization focus, etc.)
- Continuous measurement and self-learning mechanisms
- Fastest possible speeds in every step of the way!