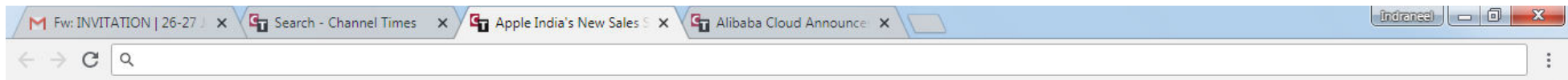


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Jul 16, 2018

Apple India's New Sales Strategy May Hurt Small Retailers

By Sohini Bagchi



Apple is revamping its sales strategies in India in a bid to stabilize pricing of its products. In a step to that direction, the iPhone maker has reportedly discontinued any discounts and offers that were earlier seen in the market. Apple's new move may come as a 'rude shock' to small retailers and channel partners, who were used to offering big discounts on Apple smartphones and laptops, since earlier to their customers.

Apple has been struggling to increase sales numbers in India in recent years, despite the company offering heavy discounts and offers to increase product adoption in India. These strategic changes were made under Apple India's new country head Michel Coulomb took charge in December. He believes the new strategy would retain the brand's image in the India market.

According to a recent [ET report](#), Apple's new strategy also coincides with the exit of three senior sales executives from Apple India's leadership team, including Rahul Puri, head of national sales, distribution and operator business; Jayant Gupta who was heading iPhone sales and Apple Premium Retail stores; and Manish Sharma, who was national sales head for telecom.

A Cisco advertisement featuring a blue background with a line graph and a smartphone icon. The Cisco logo is in the top right corner. The text reads: "Or businesses that constantly reimagine the way they work?"

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The iPhone maker has also created a new sales audit team under chief financial officer Gaurav Duggal to randomly pick up products from the market to ensure foolproof compliance of its sales processes, the report said.

Also, out of the five national distributors, Apple has now decided to retain only two, namely, Ingram Micro and Redington while the remaining three Brightstar, Rashi Peripherals and HCL Infosystems will be phased out by March 2019, it said in an earlier report.

Commenting on Apple's latest moves, Sanjiv Krishen - CMD Iris Computers explains that in these type of ecosystem the smaller distributors play a vital role - they are more agile and make quick decisions - they are by far more flexible in doing swift turn around businesses as compared to the bigger ones. It could have been nice to have a good combo of few smaller distributors along with the bigger larger national distributors.

"Nonetheless, price stability is the key," says Krishen. "Today apple Customers know their products very well and when they see constant price stability in the market, they feel more satisfied and genuine than to see variable or dynamic pricing.

According to Krishen, Apple's new move might not have any impact its India sales in the future. In fact for customers - they will feel better in a price stability scenario. However, he stated that partners might not be happy as they would not be having swift and agile smaller distributors to fend their small and immediate transaction. There should be more than two distributors and with a balanced combo of smaller ones as well.

Nonetheless, he believes partners might feel a slight pinch in their bottom lines but with the price stability in coming times customers shall feel good.

Analysts opine, Apple now wants its products to only be sold through larger stores and Apple Premium Resellers, since these stores are able to offer a more complete sales experience and properly cater to customers' requirements.

Going forward, Apple's smartphones and laptops are likely to be sold only at MRP, with limited

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Going forward, Apple's smartphones and laptops are likely to be sold only at MRP, with limited offers such as card cashbacks and no-cost EMI schemes being used to provide value to buyers.

Tags : Apple India, sales strategy, smartphone, distribution



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