

M.Video to Match Competitors Prices Online

By [The Moscow Times](#)

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Consumer electronics chain M.Video, wary of the impact of the Ukraine crisis on the Russian economy, is aiming to grab market share from online rivals by matching their prices.

Online sales at M.Video, Russia's largest and only publicly traded consumer electronics chain, soared 115 percent in 2013 to 9.7 billion rubles (\$272 million) as it expanded its online offering to more regions along with opening physical stores.

Now, in an effort to lure shoppers away from online competitors, M.Video plans to bring its prices into line with a pool of retailers, such as Ulmart, that account for 80 to 90 percent of the market.

M.Video is a major distribution channel for home electronics producers — it has a 13 percent share of the Russian market, leading rivals such as German retailer Metro AG's Media Markt and Czech investment firm PPF's Eldorado.

Revenue rose 11 percent last year to 175 billion rubles, with the share of online sales rising to 7 percent from 4.4 percent in 2012.

In the first quarter, M.Video grew sales by 8 percent, year-on-year. M.Video CEO Alexander Tynkovan said the Sochi Winter Olympics contributed to that increase as sales of television sets jumped. Consumers also brought forward purchases to hedge against a weakening ruble and uncertainty caused by the Ukraine crisis.

"The first quarter even exceeded our plan but we do not expect this effect to last through the second quarter, which will show how much the negative factors are impacting the market," he said.

More than \$50 billion has fled Russia over Moscow's annexation of Crimea and its backing of separatists in eastern Ukraine, as the U.S. and the European Union have imposed targeted sanctions and threatened to extend them.

The capital flight hit the ruble, raising prices for imported goods. Most types of white goods such as washing machines and televisions that are sold in Russia are produced locally although many components are still imported.

Tynkovan said M.Video did not raise prices in the first quarter as it sold off stock, but in time all suppliers and retailers would have to gradually increase prices because of the currency moves.

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