

India Inc steps up discounts to beat slowdown

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Indian companies are stepping up discounts and offers as the impact of slowdown deepens. Fast moving consumer goods companies, retailers and auto makers are offering renewed offers to beat the slowdown blues even as commodity companies are slashing prices to clear inventories.

Home Town, a unit of Future group, is doling out 40 per cent discount on all sanitaryware, furniture and fittings as part of 'Home Makeover Offers' from December 6-12.

The group's Big Bazaar has come out with a Monthly Bazaar Scheme under which the customers can save at least Rs 500 a month by buying its private labels and economy brands and save Rs 50,000 a year. The offer is valid till December 8.

'The festive season was very bad for retailers. They are sitting on huge stocks and they have to clear the same before February. So, to cut inventories they are aggressively selling their goods to keep the topline moving,' said Susil Dugarwal, a Mumbai-based retail analyst.

Auto makers, whose sales have plunged as high interest rates forced customers to defer purchases, are also stepping up discounts including those on newer models.

'The credit crunch has severely impacted our business. Banks are unwilling to lend. The fall in demand is expected to be even worse in December when compared to the current month,' said Venu Srinivasan, CMD, TVS Motors.

Hyundai is offering the Santro model at a discount of Rs 34,000 and will now be sold for Rs 2.99 lakh as against Rs 3.33 lakh earlier.

US car maker General Motors is offering a saving value of upto Rs 58,000 on the Spark model. Savings scheme, which is a combination of cash discounts, finance payouts, free insurance and maintenance package are currently being offered on Aveo U-VA, Aveo and Optra Magnum models ranging from Rs 27,000-Rs 53,000.

Tata Motors is offering cash benefits of up to Rs 66,000, in addition to gifts and finance payouts. The offer is valid till December 20. Bajaj Auto, is offering a finance scheme on its range of bikes to boost sales. The finance company of the Bajaj Group, Bajaj Auto Finance is charging a flat 7.99 per cent interest rate on the Platina, Discover and Pulsar range of bikes.

The maximum effective saving for the customer amounts to Rs 8,244. The offer comes at a time when banks are reluctant to cut interest rate on consumer and vehicle financing loans.