A Done Deal? Comment on Snapdeal v. Kaff

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E-tailers are more often than not unwilling to maintain resale price according to what the manufacturer expects. So much so that, along with the ease of 'cash on delivery', consumers in India have now come to expect lower prices for products they buy online. The Competition Commission of India (CCI) recently ordered an investigation against Kaff Appliances for alleged resale price maintenance based on information supplied by Snapdeal. The CCI expressed a view that Kaff had a share of 28% in the market of 'supply and distribution of kitchen appliances in India', and the condition to maintain a minimum resale price imposed by Kaff on its dealers is prima facie likely to have appreciable adverse effect on competition in the said market. This order could be a preliminary seal of approval of the e-tailing business model where players are unwilling to maintain resale price according to the manufacturer's expectations. But what does this mean for the manufacturers and brick and mortar stores? Increased sales of goods, even if some dealers undercut others, must mean good business for the manufacturer. Then why is Kaff insisting on maintaining a minimum resale price – Are the brick and mortar retailers behind this? *Authored by Abhilasha Nautiyal. This article was published on Legal 500.*