

European Commission urged to maintain the current ban on dual pricing in the VBER revision to avoid harm to SMEs and consumers

Ecommerce Europe today launches a campaign to highlight the importance of **maintaining one wholesale price for online and offline sales**. During the pandemic, **omnichannel retail - selling both online and offline - has helped SMEs** to maintain sales when stores were forced to close. The proposed changes risk feeding through to higher online retail prices for European consumers, who would pay the price for the Commission's plans to protect offline retailers.

The current Vertical Block Exemption Regulation (VBER), which deals with vertical agreements that relate to the supply and distribution of goods and services, will expire this June. The European Commission's new VBER proposals would allow suppliers to sell their goods to retailers at different wholesale prices depending on the distribution channel – so-called 'dual pricing'. Different wholesale prices for online and offline sales will affect not only online sales margins, but also inventory controls, sales monitoring and stock predictions.

The Commission's intention is to help brick-and-mortar retail compete with the growing e-commerce sector. However, **dual pricing will backfire and not have the intended effect, harming the retail industry and European consumers instead**. In the retail sector, online and offline channels are not in competition, but instead complement each other, especially as businesses are increasingly adopting omnichannel business models.

Luca Casseti, Secretary General of Ecommerce Europe commented:

"With this campaign we aim to raise awareness among retailers about the negative impact the proposed revision would have on their innovative business models. At the same time, we call on these small firms to make their voice heard by national regulators and the European Commission. We hope that the Commission will understand that by allowing suppliers to implement dual pricing and determine different criteria for online and offline sales, this will most likely lead to discrimination against online sales. This will not only hurt SMEs and their omnichannel ambitions, but also retail in general and ultimately consumers."

*"In order to foster the European digital economy, **mixing offline and online channels is the future of retail, especially for SMEs**. The VBER revision therefore needs to maintain the current ban on dual pricing."*

Ecommerce Europe has launched a new website with materials and communication tools to raise awareness around the importance of keeping one wholesale price for all distribution channels. **Find out more and visit our new website: think-omnichannel.eu.**

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