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ROLE OF ELECTRONIC GOODS IN SHAPING INDIA'S E-RETAIL SECTOR

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ABSTRACT

The e-retailing landscape in India has undergone a major transformation with the rapid proliferation of internet access, digital payment systems, and increased consumer trust. E-retailing has emerged as a significant player in the retail industry in India. The major cutthroat competition happens between Flipkart, Amazon, and Snap deal. Among various product categories, electronic goods have emerged as one of the most dominant segments. This paper explores the impact of electronic goods on the growth, consumer behaviour, operational strategies, and future potential of e-retailing in India. The study also highlights the role of platforms like Amazon, Flipkart, and Reliance Digital in reshaping purchasing patterns and discusses challenges like returns, logistics and competition. This paper explores the critical role electronic goods have played in accelerating the e-retail boom in India.

KEYWORDS: Electronic goods, E-Retail, Flipkart, Amazon, India, Electronic sales

1. INTRODUCTION

E-retailing, or electronic retailing, refers to the sale of goods and services through online platforms. In India, the e-retail sector has experienced exponential growth, primarily due to increased smartphone penetration, affordable internet services, and changing consumer preferences. One of the key drivers of this growth has been the sale of electronic goods such as smartphones, laptops, home appliances, and personal gadgets.

E-retailing, or electronic retailing, is defined as the selling of goods and services through the internet. India, the world's fastest-growing e-commerce market, has seen significant momentum since the 2010s, with a particularly explosive rise post-2016 after the introduction of affordable 4G services and digital payments.

Among all product categories, **electronic goods hold the lion's share** of the e-retail market,

contributing approximately **40% of total online sales** as per RedSeer Consulting (2023). The rapid adoption of digital tools and changing lifestyles have made electronics a necessity rather than a luxury. This paper examines how this segment contributes to the growth of e-retail and outlines its broader economic, logistical, and technological implications.

According to Statista, electronics accounted for nearly 40% of total e-commerce sales in India in 2023. This paper investigates the factors behind the success of electronic goods in e-retailing and their implications for the industry.

2. Growth of Electronic Goods in Indian E-Retailing

2.1 Market Trends

The electronics segment has seen consistent year-on-year growth in online sales. Key trends include:

- Increasing demand for smartphones and wearable devices.
- Frequent product launches by brands via online-first strategies.
- Rising popularity of smart home devices like smart TVs, AI-powered speakers, etc.

2.2 Role of Major Platforms

Platforms like Flipkart, Amazon, Croma, and Tata Neu have been instrumental in boosting electronic sales. Flash sales, exchange offers, no-cost EMIs, and cashback schemes are commonly used to attract customers. Exclusive tie-ups between platforms and brands have also played a significant role.

3. Impact on Consumer Behavior

3.1 Increased Accessibility

Online platforms have made premium electronic goods accessible to consumers in tier-2 and tier-3 cities. Logistics infrastructure and pan-India delivery have bridged geographical gaps.

3.2 Price Sensitivity and Comparison

Consumers can easily compare prices, specifications, and reviews online. This transparency has made consumers more informed and demanding. Price drops during festive sales (Big Billion Days, Great Indian Festival) significantly influence buying decisions.

3.3 Changing Purchase Cycle

With easy return policies and warranty support, consumers are more willing to try new brands or upgrade frequently, leading to a shorter lifecycle for devices like smartphones and tablets.

4. Operational and Strategic Impact on E-Retailers

4.1 Supply Chain Optimization

The surge in electronic goods sales has forced retailers to improve warehousing, packaging, and last-

mile delivery. Handling fragile and high-value goods requires more secure logistics infrastructure.

4.2 Partnerships with Manufacturers

E-retailers often collaborate with manufacturers to launch online-exclusive products. This helps in cost control, inventory management, and targeted marketing.

4.3 Return and Service Management

Electronic goods have higher return rates due to defects, delivery damage, or buyer dissatisfaction. Managing reverse logistics and after-sales service has become critical.

5. Challenges in Electronic Goods E-Retailing

5.1 Counterfeit Products

One of the major concerns in online electronic sales is the risk of counterfeit or refurbished products. Maintaining trust and authenticity is essential for platforms.

5.2 High Return and Replacement Rates

Electronics witness higher return rates due to:

- Damage in transit
- Technical issues
- Customer dissatisfaction

Reverse logistics add significant operational costs and reduce margins.

5.2 Risk of Counterfeiting and Authenticity Issues

Ensuring the authenticity of electronic goods is critical. Counterfeit products, fake accessories, and refurbished goods sold as new affect consumer trust and brand reputation.

5.3 E-Waste and Environmental Impact

India generated over 1.5 million tonnes of e-waste in 2023. Increased online sales of electronics lead to faster gadget replacements, contributing to the e-waste crisis. Proper disposal, recycling, and adherence to E-Waste Management Rules (2022) is still limited among e-retailers.

6. CASE STUDIES

6.1 Flipkart and Realme

Flipkart's collaboration with Realme for exclusive product launches has helped **Realme** become one of the top smartphone brands in India. Flash sales and aggressive pricing made the brand popular, especially among youth.

6.2 Amazon and Apple

Amazon's partnership with Apple allowed it to become an authorized online reseller in India. This ensured authenticity and enhanced customer trust in buying premium electronics online.

7. Technological Advancements

7.1 Augmented Reality (AR) & AI in Shopping

Retailers are leveraging AI to offer personalized recommendations and AR tools for virtual try-outs of devices (e.g., how a TV fits on your wall).

7.2 Predictive Inventory Management

AI-driven analytics help e-retailers predict demand spikes, especially during sales, and manage inventory to avoid overstock or stockouts.

7.3 Chatbots and Customer Support

AI-based chatbots assist in order tracking, FAQs, and troubleshooting, especially for electronics requiring installation or after-sales service.

8. Future Outlook

The future of electronic goods in Indian e-retailing is promising. Emerging trends include:

- Growth of refurbished electronics market.
- AI and AR technologies for virtual product demos.
- Expansion of quick commerce (1–2-day delivery for gadgets).

Integration of blockchain for product authentication and IoT-enabled inventory tracking will also enhance operational efficiency.

8.1 Growth of Refurbished Electronics

There is a growing market for certified refurbished gadgets, driven by price-conscious consumers and sustainability concerns.

8.2 Localization and Vernacular Integration

To reach deeper into the Indian market, platforms are investing in regional language interfaces, regional warehousing, and localized customer support.

8.3 Focus on Sustainability

Major e-retailers are beginning to integrate eco-friendly packaging, recycling options, and e-waste collection programs as part of CSR and compliance.

9. CONCLUSION

Electronic goods have played a transformative role in the evolution of e-retailing industry in India. They have not only driven revenue but also set new benchmarks in logistics, customer service, and digital engagement. However, to sustain this growth, retailers need to address challenges related to trust, returns, and sustainability. While challenges such as counterfeit products, high return rates, and environmental concerns persist, the future remains promising with the integration of AI, financial innovations, and sustainability practices. As technology evolves and consumer expectations rise, the electronic segment will continue to be at the forefront of India's digital retail revolution.

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