

# Push for electronics, smartphones: Pent-up demand flows in as Covid wave recedes

Source: Economics Times

Date:



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## Synopsis

Brands, retailers and online marketplaces said there has been a 10-15% spurt in sales from the year earlier as lockdowns started easing in the west, north and east, apart from online purchase of non-essentials resuming. Companies said demand is particularly robust for laptops, smartphones, washing machines, microwave ovens, kitchen appliances and small items of furniture as consumers continued to work from home during the second Covid wave.

Consumer electronics and smartphones have got a boost in the past 10 days or so, as states began easing pandemic-led curbs — similar to the bump from pent-up demand last year when the lockdown was lifted.

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Apparel brands said stores are yet to return to normal since malls have just begun opening, but ecommerce business has revived. Puma India managing director Abhishek Ganguly said online sales are back on track while stores are just about opening up, with reduced trading hours.

## 'Better Than Last Year'

Electronics and smartphone retailers and brands have recovered smartly, executives said. Markets resuming operations are reporting higher consumption and footfalls than last year, said Kamal Nandi, business head at Godrej Appliances and president of the Consumer Electronics and Appliances Manufacturers Association. "Around 60% of the markets are already open and we expect the rest will open up in the next 10 days," he said.

## Shopping List

**45%** households likely to spend on **WFH gadgets, appliances, home furnishings**

**51%** households likely to spend on **children's items** in next 3 months

Source:  
LocalCircles



Nilesh Gupta, director at electronics retailer Vijay Sales, said markets such as Gujarat — which opened up in May — Mumbai and Pune, where sales started last week, reported 10-15% growth from last year. "Initial pent-up demand after the second wave is actually better than last year. This is also due to online channels opening up at the same time," he said.

## Some Curbs Remain

Delhi opened up this week with some curbs still in place, while Haryana, **Rajasthan**, **Telangana**, Andhra Pradesh and West Bengal shops opened regularly for a longer duration this month. However, some like Haryana, **Karnataka**, **Tamil Nadu**, West Bengal and **Maharashtra** had allowed unrestricted ecommerce earlier. Some states, however, are still continuing with night curfews or weekend lockdowns.

Sales in the south are still muted. Karnataka and Tamil Nadu are yet to allow retail stores to open. However, ecommerce has surged in those markets as well. Online accounts for 10% of business now, up from 2%, said Chandu Reddy, director of Sangeetha Mobiles, the south's largest cellphone retailer.

Tata-owned electronics chain Croma is reporting pent-up demand for summer appliances and laptops, which continue to grow at a high rate. Demand is similar to last year after reopening, said Croma chief marketing officer Ritesh Ghosal.

Industry executives said brands are lining up smartphone and electronics launches this month after a gap of almost two months to further drive demand.

Realme expects June sales to rise 50% from the year earlier, with pent-up demand accounting for 30%, said Madhav Sheth, chief executive for India and Europe at the phone maker. The company also expects demand to be sustained by new products. "The market has been quite active after the second wave," he said.

Demand should improve gradually as people will work from home for a longer period after the second wave as they upgrade or buy new appliances, including televisions, said Deepak Bansal, vice-president, corporate planning, LG India.

Ecommerce companies confirmed a similar sales boost. A Flipkart spokesperson said overall demand for microwave ovens has almost doubled in the past month, with consumers preferring home-cooked meals to ordering out. Demand is also strong for laptops and smartphones, especially those with larger screens and greater storage capabilities, he said.

Consumers continue to upgrade their living spaces by buying small furniture, items related to cooking and home essentials, as well as items associated with weddings, such as lehengas, saris, beauty products and other ethnic wear.

### **Sustaining Demand**

Electronics chain Great Eastern Retail director Pulkit Baid said the real test for pent-up demand will be in July, since June will report good numbers as some markets such as Mumbai were closed for over 60 days.

Croma's Ghosal also said it has to be seen whether demand is sustained like last year. "The lockdown was not as complete this year for key categories such as smartphones and audio products, unlike last year," he said. "Customers requiring a smartphone or an earphone could call up a local shop (owner), who was able to take stock out of his store and fulfil."

The industry fears that consumers will probably be more careful about spending after facing steep medical bills due to the second wave.