

Smartphone Re-commerce; A Big Opportunity for India: ICEA & IDC

- ❖ India is the fastest-growing market for second-hand smartphones
- ❖ The introduction of organized players in the second-hand market will boost the growth in this sector
- ❖ The second hand smartphone market will now be more cost-effective for both the consumer as well as traders.
- ❖ The secondhand market in India has evolved over the last couple of years and multiple large and small players have made their way into the market

New Delhi, 28th January 2022: India's premier electronics association ICEA, in collaboration with IDC, today released a detailed comparative study titled **"Smartphone Re-commerce: India Market Opportunity"**. In 2021 consumers it is estimated will trade 25 million smartphones in the secondhand market generating a revenue of more than \$2.3 billion, at an average of \$94 or INR 6900 per device. This is an increase of 14% from 2019 and is expected to rise to 51 million or \$4.6 billion by 2025 as stated in the report.

Key Findings:

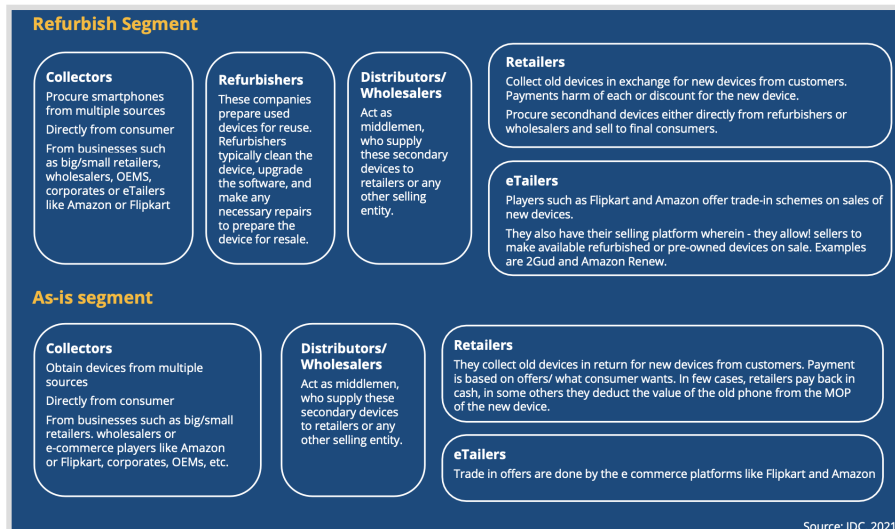
- More than 95% of all the secondhand phones are sold "As-it is" and the remaining 5% go through some kind of repair or refurbishment in India
- Amongst the consumer electronics devices, smartphones are the largest volume driver (90%+) in the secondhand market currently, and others such as laptops, smartwatches, gaming consoles, and cameras are picking up gradually
- The global smartphone shipments of 1.37 billion growing by 7.4% in 2021 is expected to reach 1.54 billion units in 2025 with a compound annual growth rate (CAGR) of 3.9% from 2020 to 2025
- 78% of the users buying a secondhand smartphone have a monthly income of less than INR30,000, and 18% have a monthly income of INR30,000<INR50,000 thus making the affordable price range a key factor in driving the demand for the second-hand smartphones

Mr. Pankaj Mohindroo, Chairman, ICEA (India Cellular & Electronics Association) said, "India should be the global hub of remanufacturing and recommerce by leveraging its delta of labour cost. Re-commerce's profound growth will effectively reduce the digital divide by enabling migration from feature phones to smart phones. The growth of this market will also ensure that there will be a significant drop in e-waste as recycling will become the new norm."

At the launch of the report, Ms. Kiranjeet Kaur, stated, “India is the second-largest smartphone market globally, but also one with very low smartphone penetration, despite millions of smartphones sitting idle in people’s homes. There is a massive opportunity in this untapped segment to not only reduce the digital divide by making smartphones more affordable and accessible but also to lower the negative environmental impact caused by electronics waste.”

Before the secondary devices re-enter the market, there are multiple checkpoints/processes/platforms through which they pass by.

As the secondhand market in India has evolved over the last couple of years, multiple large and small players have made their way into the market. The larger players such as Cashify and Yaantra have a presence across different stages in the secondhand market. The smaller players have their niche in specific areas of the value chain.



The report highlights that the Ecosystem players in the secondhand smartphone market should work closely for better circulation of the used devices, by repairing the devices effectively, recycling /extracting precious metals from devices and reusing those and researching ways and means to streamline these processes.



Also, the Channel players, including the OEMs and those in the secondhand market, should play an active part in educating the consumer on the benefits of reselling their devices, the awareness of schemes and incentives involved, as well as making it more convenient for them to go through the process. For example, they could launch phone collection drives. This could be extended to parts collection such as batteries to ensure proper disposal of these components.

Various players enabling the secondhand smartphone market can come together to drive the growth of this segment. ICEA & IDC suggests the market players along with the government and the consumers can take various steps to drive the growth of the secondhand smartphone market.

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About ICEA:

ICEA, with its motto - INSPIRE, ENABLE, and LEAD is the apex industry body for the mobile and electronics industry comprising manufacturers, brand owners, technology providers, VAS application & solution providers, distributors, and retail chains of mobile handsets and electronics. ICEA is committed to carrying forward its vision of building a strong “self-reliant and export-focused” Indian electronics manufacturing and design ecosystem while consolidating the gains made in the mobile handset and components industry. ICEA is entirely devoted to improving the competitiveness and growth of the industry by closely working with the Government's ministries to create a robust, legal and ethical electronics industry, thereby creating an innovative market environment in the country.

About IDC:

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals,

business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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