



## Mushrooming Growth of Chinese Electronic Goods in India: A Threat to the Indian Market

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**Abstract:** *This is a study undertaken with the objective to find out the extent of market penetration of Chinese electronic products in Indian market with special reference to Patna, Bihar. It is an attempt to understand customers' preferences, proportion of Chinese and Indian electronic products in the market under consideration and whether Chinese electronic products are a threat to the domestic electronic market.*

**Keywords:** *Chinese electronic products, Indian electronic products, Indian market, preference, satisfaction level.*

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### Introduction :

Be it anything from needle to toys, electronic gadgets, hot water bottles or Diwali crackers, one will find the Chinese version of everything in India very easily. The Dragon's products have had a rampant growth here. China is giving its Indian counterpart a run for its money.

Low price, bulk availability and variety are some of the favorable features of Chinese electronic products in India. Chinese products in huge quantity are put into Indian market and are adversely affecting the domestic business.

Amongst the various industries like fertilizers, plastics, toys, iron and steel products, chemicals, etc. which are hit badly by the Chinese intervention, indigenous electronic industry is hit the hardest.

This research is focused on electronic market in India, with special reference to Patna. The Indian electronic market is anticipated to reach US\$400 billion in 2022 from US\$69.6 billion in 2012, with a compound growth rate of 24.4% from 2012 to 2020. According to 2012-13 figures, India's imports were around \$235bn, with China contributing \$28bn, a major percentage of it (11.92%).

### Objectives :

The research was basically concerned about the market penetration of Chinese electronic products in Indian market with special reference to markets in

Patna. Our research study aimed at the following objectives:-

- To find out the market share of Chinese electronic goods in Patna.
- To know about the consumers' preferences with reference to Chinese electronic products.
- To identify the challenges before the domestic electronics market.
- To analyze the future trend of Chinese electronics market.

Hypothesis :

The hypothesis of the study reflects the basic assumptions or beliefs upon which the entire study is based. The basic assumptions of our survey were as follows:-

- Chinese electronic products have significant market share in Patna region.
- Consumers prefer Chinese electronic products over others.
- The low price of Chinese electronic products has proved to be the major challenge for the domestic electronic product.
- Chinese electronics market will flourish in the coming years.

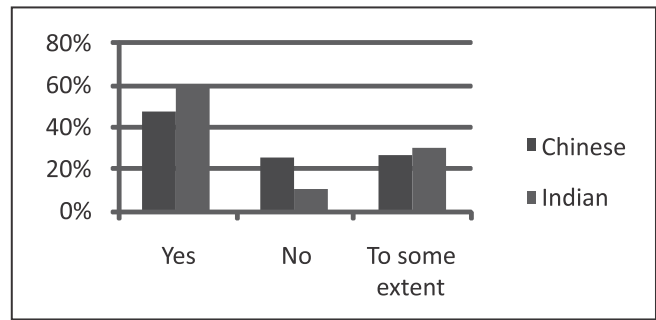
Research Methodology :

The research methodology used is explanatory and descriptive in nature. It is explanatory, because the study attempts to acquire information about the market penetration of Chinese electronic products into Indian market. It is descriptive as it explains the prevailing state of affairs as it is.

For the purpose of data collection, Primary as well as Secondary sources have been used. The research has been conducted using a set of questionnaire. A convenience sampling technique was adopted. The sample size was 200 i.e., 150 consumers and 50 retailers. The sampling unit was customers as well as retailers. The sampling areas were within the city of Patna (Bailey Road, Boring Road, Kankarbagh, Anisabad, and Frazer Road). It was predetermined before conducting the survey. The secondary data for the study were collected through journals, websites, books and e-magazines.

## Data Analysis and Interpretation :

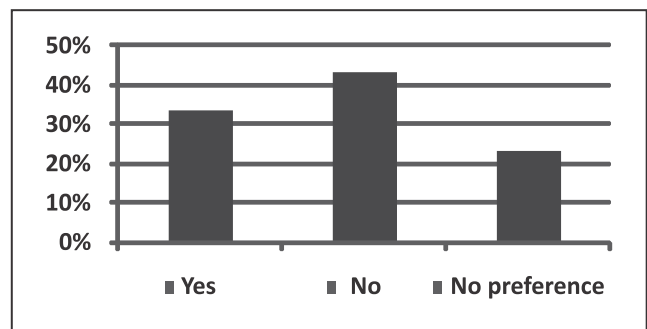
### 1. Awareness Level:



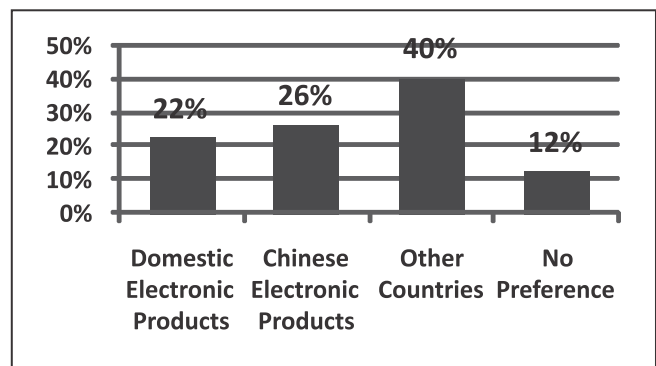
Interpretation: From the graph it is evident that most of the customers are aware about both the Chinese and Indian electronic products.

### 2. Preference of customers:

#### (a) As per customers(for Chinese electronic goods)



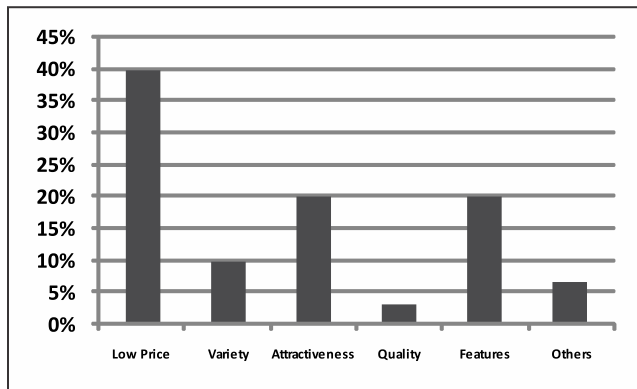
#### (b) As per retailers



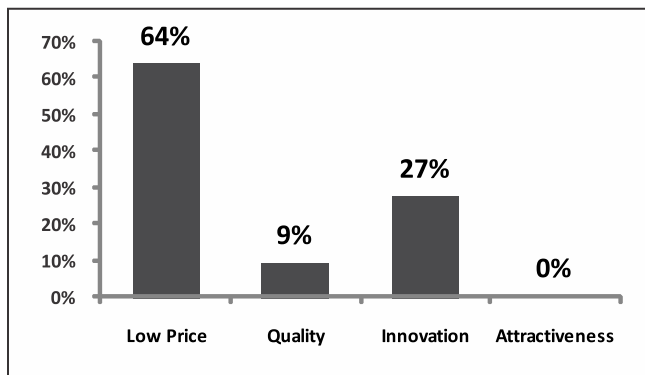
**Interpretation :** From our survey, we observed that Chinese products apart from Smartphone and Computer industries are not preferred by customers over Indian electronics products.

### 3. Reasons for preference:

#### (a) As per customers



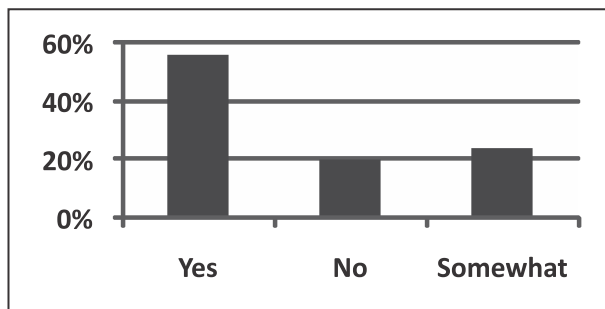
#### (b) As per retailers



Interpretation: From our survey of both customers and retailers, we found that the people who prefer Chinese electronic products because of its low price along with attractive features.

### 4. Easy availability of Chinese electronic products:

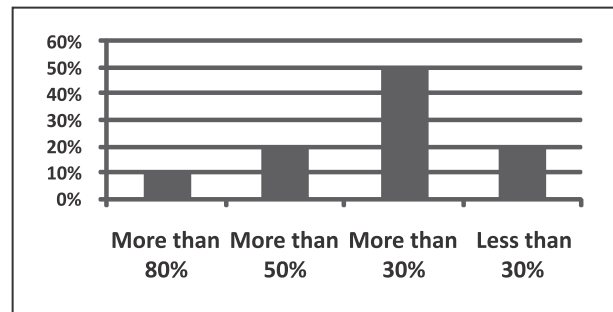
#### As per customers



Interpretation: Majority of respondents agree about the easy availability of Chinese electronic products. While according to 24% they are somewhat available. According to the remaining 20% they do not find Chinese electronic products easily available.

### 5. Contribution of Chinese electronic product to sales:

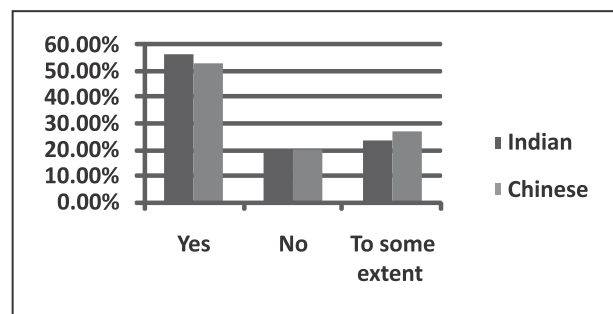
#### As per retailers



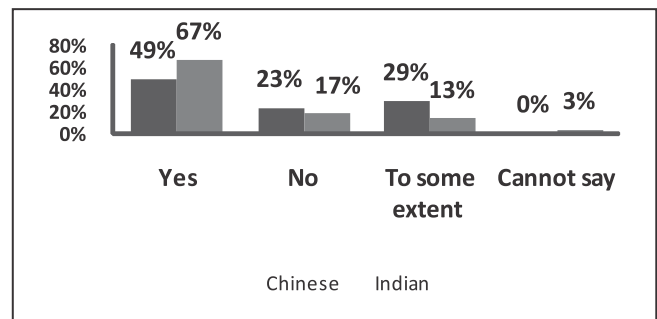
Interpretation: As per the data collected from the retailers, Chinese electronic products contribute nearly 50% to total sales of the retailers.

### 6. Satisfaction level:

#### (a) As per customers



#### (b) As per retailers



Interpretation: From our survey we found out that customers are more satisfied with the Indian electronic products.

#### Findings :

- China enjoys a significant market share in Smartphone, tablets and computer & computer peripheral accessories' industry.
- Apart from smart-phones and computer devices, consumers do not prefer Chinese products over Indian electronic products.

- Low price along with attractive features and the range of products available in Chinese electronic products under smart-phone and computer industries have emerged as major challenges for domestic units.
- Chinese electronic products have a prospective market. They are potential threat to the Indian Companies in the coming future as well.

#### **Suggestions :**

- Indian companies in smartphones and computer industry should be encouraged.
- Indian manufacturers should focus on new product development and innovation to increase their share of market.
- Indian companies should also put more effort in upgrading the quality of their products.
- Government should put more effort in encouraging startups and domestic production.
- The marketers should offer the dealers a trade margin that would lure them to push the Indian brands against Chinese.
- Indian electronic companies should also focus on aggressive marketing and promotion of their product.

#### **Limitations :**

- This study is limited to particular areas i.e. Boring Road, Bailey Road, Kankarbagh, Anishabad and Frazer Road.

- Respondents may be biased.
- Retailers were reluctant to share their private data.

#### **Conclusion :**

The Chinese products have made a dent in the electronic markets in a perceptible manner. Though the effect of this invasion has not affected the different product categories in the same quantum. With the economy being liberated the government cannot impose tariff barriers unilaterally. It is high time that the Indian companies put more effort in product innovation and aggressive marketing of their products to increase their market share.

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