

# Riding the Third-Party Wave - An Empirical Study on How Online Sellers Propel E- Retailers' Growth

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## Riding the Third-Party Wave - An Empirical Study on How Online Sellers Propel E-Retailers' Growth

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### ABSTRACT

**Purpose:** *The e-retail landscape, once dominated by monolithic brands, has undergone a vibrant transformation. At the heart of this shift lies a potent force: online sellers. These enterprising individuals and small businesses have become the lifeblood of online retail, injecting it with diversity, dynamism, and customer focus that traditional models often lack. This study aims to determine the importance of such online sellers concerning e-retailers in India.*

**Design/Methodology/Approach:** *The interpretivism approach is used to reach the research objective and derive conclusions without bias through content analysis.*

**Finding/Result:** *The significant growth of online sellers has contributed majority of sales for e-retailers. E-retailers have completely shifted over making their platform a marketplace with opportunities to grow wider.*

**Originality/Value:** *Various researchers trying to find out the changes in the retailing sector and the economic growth of e-retailers, this paper focuses on identifying whether online sellers are genuinely important to online retailers.*

**Paper Type:** *Content analysis.*

**Keywords:** E-retail, Online Sellers, Third-party brands, External brands; Content analysis

### 1. INTRODUCTION :

Online retailing has fundamentally transformed the retail landscape, forever altering how consumers shop and businesses operate. Strolling through a virtual mall, overflowing with endless aisles and curated storefronts, all accessible from the comfort of a customer's couch is the magic of e-retail, a phenomenon that has transformed the way we shop, blurring the lines between physical and digital spaces. For centuries, the physical store defined the shopping experience, but with the rise of e-retail, a digital revolution has swept through the retail landscape. Brick-and-mortar stores now face a formidable challenge: adapt or fade away. The rise of "clicks and bricks" strategies, where online and offline seamlessly blend to create a dynamic and personalized shopping experience for the modern consumer. In the blink of an eye, brick-and-mortar stores have morphed into digital storefronts and consumers who traded with cash switched over to checkout buttons. This is the story of e-retail, a revolution that transformed the way we shop, sell, and think about commerce. Today, we live with an evolving landscape, exploring its origins, drivers, and the challenges and opportunities it presents.

#### 1.1. Evolution of Online Retail:

The way we shop has undergone a revolution in the past few decades, moving from brick-and-mortar stores to the boundless horizons of the Internet. Online retail has transformed how businesses operate and consumers purchase goods, creating a dynamic and ever-evolving landscape.

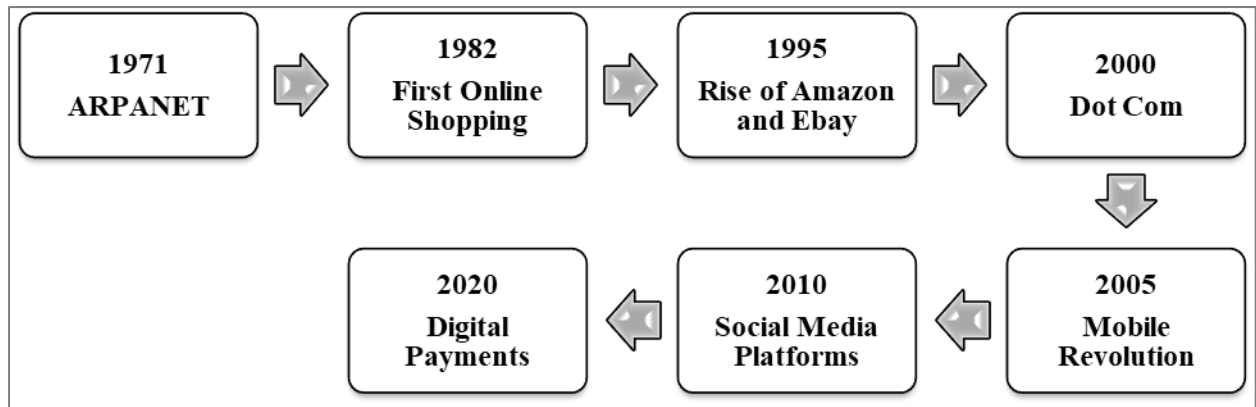


Fig. 1: Timeline of evolution for E-Retail (Source: Wikipedia [1])

- i. **1971: The Seeds are Sown**  
The very first seeds of online retail were sown in 1971, with the creation of ARPANET, the precursor to the modern internet. While not initially intended for commercial purposes, ARPANET laid the groundwork for the digital communication infrastructure that would one-day power e-commerce.
- ii. **1982: The Dawn of Online Transactions**  
Fast forward to 1982, and we witness the birth of the first online transaction. Michael Aldrich, a British inventor, used an adapted television and secure data transmission to place an order for pizza, marking a historic moment in the evolution of online shopping.
- iii. **1995: The Rise of E-Commerce Giants**  
The year 1995 saw the emergence of two e-commerce giants that would forever change the retail landscape: Amazon and eBay. Amazon started as an online bookseller, while eBay focused on online auctions, both pioneering new models for online commerce and paving the way for the proliferation of e-commerce businesses.
- iv. **2000: The Dot-Com Bubble Bursts**  
The late 1990s witnessed a surge in online businesses, many fueled by speculation and unrealistic expectations. The dot-com bubble burst in 2000, leading to the collapse of numerous e-commerce companies. However, it also served as a necessary correction, weeding out unsustainable businesses and strengthening the foundation for future growth.
- v. **2005: The Mobile Revolution**  
The introduction of the iPhone in 2007 marked a turning point in e-commerce. Mobile devices revolutionized the way we shop, making online experiences more accessible and convenient than ever before. M-commerce (mobile commerce) boomed, and businesses scrambled to adapt their websites and apps for smaller screens.
- vi. **2010s: The Age of Personalization and Social Commerce**  
The 2010s saw a focus on personalization and social commerce. E-commerce platforms leveraged big data and AI to provide tailored recommendations and product suggestions, while social media platforms like Facebook and Instagram became powerful tools for driving traffic and sales.
- vii. **2020s: The Future**  
As we navigate the 2020s, the digital era continues to evolve at a rapid pace with 2 billion digital payment transactions in India itself. Emerging technologies like augmented reality and virtual reality are reshaping the shopping experience for consumers. (Wikipedia [1]).

### 1.2. Online Sales and its Sellers:

Online sales have become an essential aspect of the modern retail landscape, offering a multitude of benefits for both businesses and consumers. Online marketplaces have become a platform for various sellers to carry out their business with ease. Online marketplaces thrive on a delicate balance between buyers and sellers. While buyers enjoy the convenience and vast selection, sellers are the crucial driving force that makes it all possible.

Types of sellers in online marketplace:

- a) First Party Sellers
- b) Second Party Sellers
- c) Third Party Sellers

If the products are directly sold from brands to e-marketplaces like Amazon, eBay, Walmart, etc., and stored in their warehouse for further resale is called first-party sales. The customers recognize the value of the product and buy it from e-marketplaces; thus, they keep restocking the products based on need. People buy the products from the highlighted information of the e-marketplace (Feed Visor [2]). To be a first-party seller an e-marketplace must send a purchase order and the seller has to accept the order by fulfilling the requirements. E-marketplace will hold the right to charge additional fees for advertising and other chargebacks. First-party sellers in Amazon will get their access as vendors and transact in the vendor central portal which facilitates business between Amazon and First Party Sellers. Every product sold through the first party will have a “Ships from and sold by Amazon.com” clause in the product description. The products sold under a second party would have an FBA (Fulfilled by Amazon) clause in the product description. There is full control towards branding but the marketplace would charge for their sales (Geek Seller [3]). The products sold from third parties (online sellers) would be FBM (Fulfilled by Merchant) and would have “ships and sold from” clause in their product description. The sellers here own their products and use e-marketplace as the platform to engage their business. Amazon provides a platform for creating and displaying product pages and monitoring inventory levels through the “Seller Central” platform (Feed visor [2]).

In a short period, the E-retail format in India reached around 3% of the overall Indian retail market (GHR, et al. (2020) [4]). The growth rate is more than double as compared to the brick-and-mortar stores. It has been noted that the majority of contributions from E-retailers are coming from online sellers and private labels in India. Continued internet and smartphone penetration, increasing disposable income, and evolving trends will fuel further growth of e-retail. Online sales and online sellers will continue with better strategies to fulfill the needs of their customers in the future. Online sellers are not just independent businesses on e-commerce platforms; they are the lifeblood of the industry. Their contributions will create a dynamic and diverse marketplace, drive innovation, and cater to the ever-evolving needs of consumers. As e-retail continues to flourish, the role of online sellers will only become more prominent and vital in shaping the future of retail.

As per Statista, Global retail sales see an up growth in the retail sector. With the global internet penetration rate surpassing 60% in 2023, more and more people have access to online shopping platforms than ever before. This wider reach has opened up vast new markets for e-retailers, particularly in developing countries where internet access is rapidly expanding. Data projection is seen to amount to around 32.8 trillion U.S. dollars by 2026, up from approximately 26.4 trillion U.S. dollars in 2021. The growth of retail at the global level is completely based on the product dimension and the customer's approach towards E-retail (Statista [5]).

## 2. LITERATURE REVIEW :

The evolution of retail has taken shape from Mom-and-Pop Stores 1700s-1800s, departmental stores in mid 1800s to 1900s, Cha Ching 1883 being the very first cash register machine and credit holds to customers in the 1920s and Big Box format like Walmart stores in the 1960s and E-commerce blooming in 1900s embarks the success of retail in its evolution. E-commerce became operational in B2B, B2C, B2G and C2C. The social-media has created more opportunities for sellers to reach out to customers. Facebook has more than 60 million active business pages operational (Big Commerce [6]). In the generation of touch and click, the internet has become a game changer to the present day. Searching for information, locating places, studying online, and shopping online has become one of the most common daily life patterns for an individual. Peter J. P., et al. (2002) [7] stated that what is the need of simply going and waiting in long queues when you can get your products delivered to your doorstep with a small touch and click shopping experience is the fundamental policy practiced by every working individual.

The busy work schedule has made the usage of the internet and technology to meet their daily needs in the simplest manner possible. Without the e-retailers who sold goods and services online, online

shopping and a comfortable lifestyle would not have been possible. The largest private sector and the final stage of economic activity is retailing. The latest and the most recent form of retailing i.e., online retailing has created a transition in the business model (Mishra, et al. (2014) [8]). The global economic scenario points that the main fuel for the growth of retailing in developing markets are countries like Brazil, Russia, India, and China and it is because of the rising household income and disposable income with the spending mentality of the consumers (Grewal, et al. (2014) [9]). The population of these countries is relatively large which helps in getting a larger customer base at the global level (Youarticle Library [10]).

Studies have proven that the customer preference of choosing a particular retail format would be subject to changes in economic condition, consumer demographics, physical effort to buy, and perceived total cost of buying (Mishra, et al. (2014) [8]). The pre-emergence of online retail End of Season Sales (EOSS) was the shopping spree time but with the post-emergence of online retail; discounting has become a major factor in converting walk-ins into bills in brick-and-mortar stores. Empirical Data shows that with the post-emergence of online retail stores consumers' perceptions towards discount retailers are making 4.249 times less profit than pre-online emergence (GHR, et al. (2020) [11]).

Understanding consumer behavior is a challenge to retailers as their expectations and buying patterns vary from one individual to another. However, consumers have exhibited a positive attitude towards online shopping irrespective of the various risks that have incurred in the shopping experience (Naiyi, et al. (2014) [12]). From the seven factors as the dimensions of consumer's perceived risk in China's Internet shopping context, factor one is e-store source risk, factor two is delivery risk; factor three is financial risk; factor four is a purchasing process and time loss risk; factor five is product performance risk; factor six is privacy risk; and the factor seven is asymmetric information risk. Irrespective of various risks the attitude of buying towards online sellers is growly daily (Md Ariff, et al. (2014) [13]).

In A.T. Kearney's 2012 E-Commerce Index examination of the top 30 countries, India ranked 5<sup>th</sup> in the 2012 Global Retail Development Index™ (GRDI). In 2021, India successfully moved to 2<sup>nd</sup> place which proves the growth of the Indian retail industry at the global level [14]. Technological advances play a huge role in the growth of online retail in India. Due to the increasing accessibility of smartphones and gadgets and with the good internet connection the shopping experience has become much smoother and easier for the customers. The Foreign Direct Investments and development of brands like IKEA, Liberty Shoes, Walmart Stores, Flipkart & Myntra, and Amazon have been strong pillars of growth for Indian Retail. Online Retailing in India has taken a wavelength due to the shopping experiences offered by Amazon, Flipkart, and Myntra. The ease of shopping, payment modes, and return facilities have become simpler thus creating a larger customer base in India (Nair., et al. (2019) [15-16]). Hari, et al. (2019) [17] in their study found that in a short period e-commerce retailing format in India has reached around 3 percent of the overall Indian retail market. The growth rate is more than double as compared to the brick-and-mortar stores. Online shopping has offered 365 days of discounts, deals, and low-price strategies which are attracting customers even more. As of the 2021 report, there are 1.2 million e-commerce transactions daily. The acceptance of online selling in India has increased with the emergence of new technologies that are facilitating operations and youths are one of the major driving forces for the sales of e-retailers [18]. Effective use of new marketing channels promotes as a determinant for the success of online retail. Digital media has helped the customer by providing product information relating to size, color, model, and price, and how to place an order via telephone and WhatsApp. Posts on social media also can get better customer attention as proved by Hamdan, Y., et al. (2019) [19]. Social media and digital marketing have created a huge influence on consumers in making their purchase decisions. Direct purchase links provided by social media marketing have enabled an easier shopping experience. The purchase reviews posted in the online selling portal have created a reliable source of product experience It has also proven a positive relationship between platform-based service usage volume and seller performance. The more heterogeneous label of platform-based services is undertaken; the better will be the performance of the seller.



Online sales have boosted over the years creating tough competition for Brick-and-Mortar retailers. Customers enjoy many privileges such as convenient shopping, discounts and flash sales, redemption of purchase points, easier returns, and quick customer support services leading them more towards online shopping behavior and thus creating value acts as an important part of the retail chain. India has witnessed two waves of evolution in e-commerce. The first wave had a roller coaster ride with problems like low internet penetration, and a menial online shopper base leading to more than 1,000 online sellers crumbling down. But during the second wave, online sales have dominated e-commerce catching up more customers online and nearly 50% share of business (Kaila, et al. (2017) [20]). After the advent Covid -19 it created a massive shock to all businesses. However online sales were encouraged and it led to a new e-commerce format D2C (Direct to customer). Online sellers increased as it reduced the risk of operations with less expenditures and increased opportunities with larger customer acceptance (Shetty, et al. (2020) [21]).

### **3. OBJECTIVE :**

Online sellers have become rising stars of e-retail. Online sellers are those who want to establish their business in a larger marketplace and reach maximum customers. Understanding the rise and impact of online sellers can help us to get insights crucial for both businesses and consumers navigating the ever-evolving e-retail landscape. Consumers, on the other hand, have found a new lens through which they view their online shopping experiences, recognizing the value and unique offerings brought by these passionate independent sellers. Ultimately, studying online sellers empowers both sides of the equation, and finding out whether online sellers are really important to online retailers.

### **4. METHODOLOGY :**

The Interpretivism Approach is more suitable for this research as it would provide rich, in-depth insights on the subject that can be used to develop better theories and enhance our understanding of complex human experiences and interactions. Interpretivism forces more on people's thoughts and ideas which will help in getting a better interpretation of the subject area. This approach will be able to give satisfactory answers to the research questions using observable and measurable facts. The importance of online sellers can be studied using the interpretivism approach as it will be focused on the thoughts and ideas of the other person which will give a new understanding (GHR, et al. (2020) [22]).

The inductive approach is chosen for the study as it is the most appropriate to construct a new theory while establishing the relationship between the dependent and independent variables of the study. The inductive approach will help to raise questions that need to be studied during the research process. The inductive approach would help to find the cause and effect of the variables in another dimension with reliable facts collected. From the collected data it helps to bring new findings and theories. The study can help us to understand the role of online sellers in the retail industry and make them important or non-important (GHR, et al. (2020) [23]).

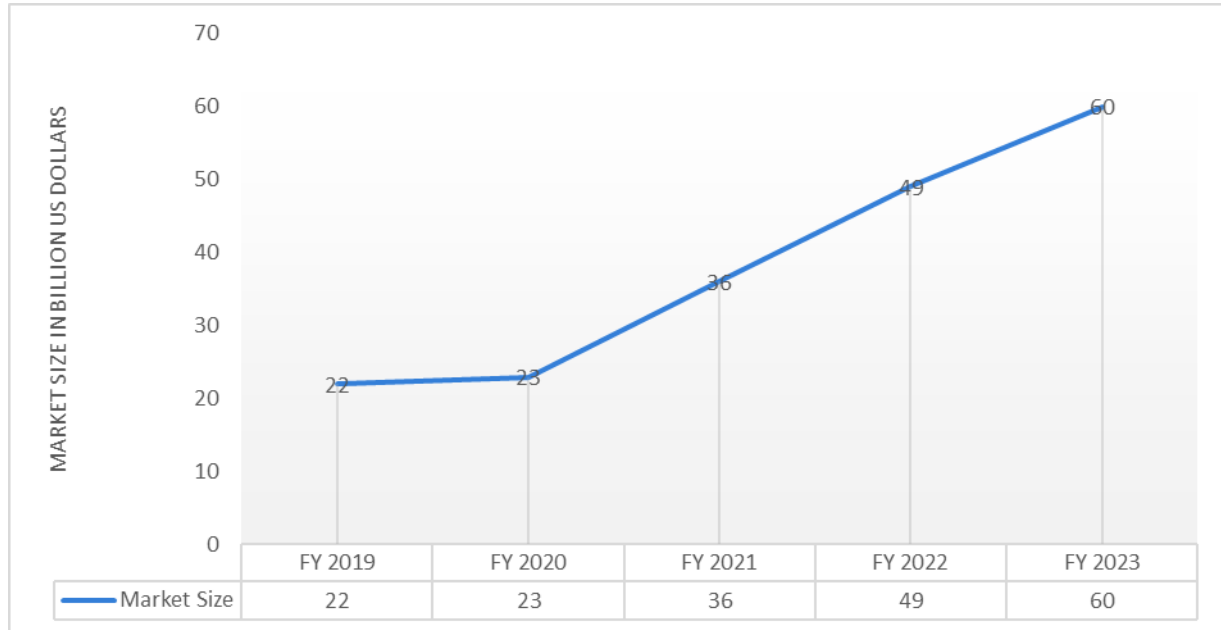
The Mono method is preferred to understand the need and level of importance of Online Sellers. The best way to find answers to the questions is by archival study. The archival method is based on the facts and data collected by the researchers over a while. The study aims to understand the level of importance of online sellers and the parameters associated with them. The major aim of the study is to explore and find out whether online sellers are genuinely important to consumers and the e-commerce platform. For such a descriptive study choosing the mono method will give better results with high reliability (GHR, et al. (2020) [24]).

The study prefers to choose a cross-sectional time frame as trying to understand the need of the object with the subject requires a minimal amount of time. Understanding the importance of online sellers with the interpretive approach requires studying and analyzing the responses of various participants within a given period. The choice and preference of consumers or any stakeholder with different demographical features in the given time will help to understand the variables and factors associated. Collecting responses from the same group of people or different groups at a given interval of time can help to obtain information on our research question with better clarity (GHR, et al. (2020) [25]).

Content Analysis is the statistical technique used for the analysis of the data collected. Content analysis helps categorize the given data in different observation and criteria matrices which can answer all possible questions. Content analysis also can give rise to new findings and reduce bias in the results. This study simply aims to understand what makes the online seller important. The data collected through various sources for a given timeframe will help to organize the importance level into various parameters with different criteria (GHR, et al. (2020) [26]).

## 5. FINDINGS, RESULTS, AND ANALYSIS :

### 5.1. Online Retail - Indian Scenario:



**Fig. 2:** Market size of the online retail industry across India from the financial year 2019 to 2023 (Statista 2023 [28])

The first wave of e-commerce hit India between 2000-2005 which was characterized by a small online shopping user base and with low internet penetration, slow internet speed, and a very small customer group. Retailing in developing countries like India started much later when the developed countries already reached their maturity stage (Mohanty, et al. (2015) [27]). Online retail is poised to become the dominant retail channel in India, potentially surpassing traditional stores. India has a vibrant startup ecosystem fueling innovation in e-commerce, with players like Nykaa in beauty and Amazon in general merchandise carving niches. Government initiatives like Digital India and Startup India aim to create a conducive environment for online businesses. The market size of e-commerce is estimated to reach 200 billion US Dollars by 2027 (Statista [28]).

The number of digital buyers in the country has been increasing ever since 2014. Affordable mobile internet by Reliance's Jio has contributed to the drastic growth of e-commerce since 2020. The Covid-19 pandemic also led to an increase in customers' perception of online shopping to follow social distancing increasing the online market size. (Statista [28]).

### 5.2. Top 10 e-Marketplaces of India:

In the last two decades, there has been widespread use of e-commerce platforms like Amazon and eBay which gave a substantial growth for online retail. According to the US Census Bureau, e-commerce accounted for 5% of total retail sales but after the Covid-19 pandemic, it had risen over to 16% of the total retail sales (Tech Target [29]). India is one of the fastest-growing and most popular e-commerce markets in the world which offers a diverse and dynamic landscape for online sellers, with many opportunities and challenges.

**Table 1:** Top 10 E-marketplaces of India (Tailize[30]).

e-Marketplaces	Type of products	Average Customer Visit per month	Features	Commission fee charged for online sellers
Amazon	Electronics Fashion Books Home & Kitchen Health & Beauty	295 million	Fulfillment by Amazon Amazon Prime Amazon Advertising Amazon Seller Central	Rs.499 + Referral Fees+ Closing fees based on product category
Flipkart	Electronics Fashion Books Home & Kitchen Health & Beauty	167 million	Flipkart Fulfilment Flipkart Smart buy Flipkart Ads Flipkart Seller Hub	5% -25% based on product category
Myntra	Fashion	40 million	Myntra Logistics Myntra Studio Myntra Insider Myntra Seller Portal	4% to 5% based on product category
Snapdeal	Electronics Fashion Home & Kitchen Health & Beauty Sports and Fitness	15 million	Snapdeal Fulfilment Snapdeal Gold Snapdeal Ads Snapdeal Seller Zone	3% to 25% based on product category
Shopclues	Electronics Fashion Home & Kitchen Health & Beauty	100 million	Shopclues Surety Shopclues VIP Club Shopclues Ads Shopclues Merchant	2% -20% based on product category
Pepperfry	Furniture	5 million	Pepperfry Studio Pepperfry Gift Registry Pepperfry Privilege Seller Dashboard	10% -25% based on product category
Facebook Marketplace	Electronics Fashion Books Home & Kitchen	800 million	Facebook Shops FB Live Shopping Facebook Pay Facebook Business Suite	Nil
Etsy	Handmade Vintage products	81 million	Etsy Ads Etsy Payments Etsy Teams Etsy Seller Handbook	Listing Fee- \$0.20 Transaction Fee-5% Payment processing fee of 3% + \$0.25 per order.
Meesho	Electronics Fashion Home & Kitchen Health & Beauty	120 million	Meesho Supply Meesho Academy Meesho Payments Meesho Community	5% -15% based on product category
Lime Road	Fashion Home Decor	25 million	Limeroad Scrapbook Limeroad Stories Limeroad Seller App Limeroad Seller Support	15% -25% based on product category

Worldwide, total retail e-commerce sales have increased gradually and are moving towards making online platforms as marketplace mode to make use of the incremental opportunity for income. Online retailers who initially operated as resellers are moving towards a ‘marketplace mode’ by allowing



third-party sellers to transact directly with customers. E-marketplaces have started offering various features to online sellers by charging a commission fee based on the product category which in turn is also a source of income for e-marketplaces.

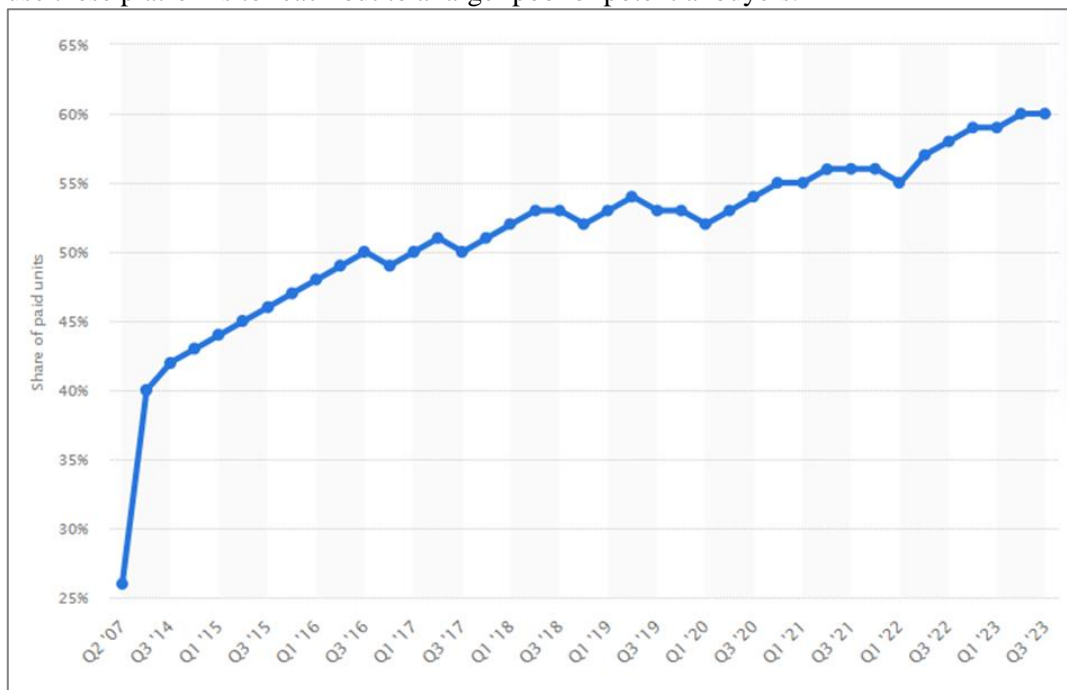
**5.3. Amazon India:**

**Table 2:** Amazon revenue breakdown by segment in billion USD (Amazon Company Data [31])

Year	Online Stores	Physical Stores	Third-party Retail	Subscription services	AWS	Advertising	Other
2014	68.50	-	11.70	2.70	4.60	-	1.30
2015	76.80	-	16.00	4.40	7.80	-	1.70
2016	91.40	-	22.90	6.30	12.20	-	2.90
2017	108.30	5.80	31.80	9.70	17.40	-	4.60
2018	122.90	17.20	42.70	14.10	25.60	-	10.10
2019	141.20	17.10	53.70	19.20	35.00	-	14.00
2020	197.20	16.20	80.40	25.20	45.30	15.50	5.90
2021	222.00	17.00	103.30	31.70	62.20	31.10	3.40
2022	220.00	18.90	117.70	35.20	80.00	37.70	4.20

Amazon is the first largest e-commerce operator in India and third largest by revenue in the world, behind Walmart and China’s State Grid. Amazon was launched in 2013 and has 295 million visits per month making it the most popular and trusted online platform for purchase by its customers. Amazon offers products from various categories and has features like Fulfillment by Amazon, Seller Central, Amazon advertising, and Amazon Prime. It charges subscription fees for its sellers based on the product category. Amazon’s revenue increased by 9.1% in 2022 to \$513 billion.

By charging a commission fee of an average of 10%-15% e-retailers are gaining economically and encouraging more third-party sales in their platform. This is evident from the fact increase in the share of paid units sold by the Amazon platform from the 2nd quarter of 2007 to the 3rd quarter of 2023 (Figure 3). The success of e-marketplaces grew to a higher extent due to the presence of online sellers who use these platforms to reach out to a larger pool of potential buyers.



**Fig. 3:** Share of paid units sold by third-party sellers on the Amazon platform from 2nd quarter 2007 to 3rd quarter 2023 (Statista [32]).

**Table 3:** Category-wise sales of Amazon in the year 2020 in India

Category	First party % of Total Sales	Private Brand % of First Party	Third party % of Total Sales
Consumer Electronics	43%	3%	57%
Beauty	35%	<1%	65%
Home and Kitchen	33%	4%	67%
Softlines	28%	9%	72%
Books	74%	<1%	26%
Consumables	41%	2%	59%
Toys	42%	<1%	58%

Amazon’s majority of revenue comes from e-commerce; Amazon is a first-party and third-party reseller, alongside providing subscription services and owning Whole Foods. The above table shows the growth of online stores on a large scale generating better revenue and improving the financial performance year by year. Third-party sales have been seen to spike up from 2017 to 2022 reaching out to 117.70 USD contributing to the majority of the financial performance of Amazon (Business of Apps: Amazon Statistics [31]).

Categories like consumer electronics, beauty, home and kitchen, soft lines, and toys have better sales contributions from third-party sellers when compared to first-party and private labels. Third-party (online sellers have) proved to be a significant contributor to e-retail (Table 3). Third-party sellers have a wide range of products with different specifications as required by customers. Technically they work on fulfilling the current demand and personalized choices of customers making them gain more popularity.

**5.4. Contribution of Online Sellers to various E-retail Marketplaces:**

Online Sellers in Myntra contribute 75% of the total revenue (Financial Express [33]), 74% by online sellers of Flipkart (Inc42 [34]), and 60% of Amazon (Pattern [35]).

**Table 4:** Contribution of Online sellers to various e-retailers

E-retail Marketplace (a)	Contribution to Sales by First Party & Private Labels (%) (b)	Contribution to sales by Online Sellers (%) (c) = 100 - (b)
Myntra	35%	75%
Amazon	40%	60%
Limeroad	10%	90%
Pepperfry	50%	50%
Nykaa	50%	50%
Zivame	60%	40%

The contributions of online sellers are contributing positively to the revenue of E-retailers. What attracts customers towards online shopping is discounts, which is the most efficient key factor utilized for generating higher sales by E-retailers in India it has created a strong impact on purchases and is one of the key consumers’ buying decision-making factors.

## **6. CONCLUSION :**

E-retail platforms are not just marketplaces; they are communities. Online sellers are the heart of these communities, building personal connections with consumers through their unique stories and brand values. They engage in direct conversations, offer personalized recommendations, and build loyal followings. This human touch fosters trust and loyalty, transforming faceless transactions into meaningful interactions.

Online sellers are not just merchants; they are value champions. Their entrepreneurial spirit fuels fierce competition, driving down prices and offering enticing deals. This price competitiveness benefits consumers directly, putting the power of affordability at their fingertips. Moreover, many of these sellers specialize in refurbished or pre-owned goods, breathing new life into products and making them accessible to budget-conscious shoppers. This focus on value creation fosters a sustainable ecosystem, reducing waste and promoting responsible consumption. Beyond the aisles of discounted products, online sellers are fertile ground for innovation. Unburdened by the constraints of large corporations, they are nimble and quick to adapt, experimenting with new products, testing unconventional marketing strategies, and pushing the boundaries of customer service. This constant churn of ideas of online sellers keeps the e-commerce landscape dynamic, infusing it with fresh energy and paving the way for the next big trend.

If an e-retail platform existed without online sellers, the store platform would be bare, echoing the monotony of a single brand's voice. Online sellers shatter this uniformity, bringing a symphony of selection from niche handcrafted goods and they introduce a kaleidoscope of options, catering to every consumer. This diversity not only keeps consumers engaged but also fosters a sense of discovery, transforming online shopping into a treasure hunt. Online sellers are like a constant stream of fresh ideas. They're not bound by the same rules as big companies, so they're always experimenting and pushing the boundaries. This means new products, new trends, and new ways to shop – keeping e-commerce fresh and exciting.

The study has shown significant contributions of online sellers to e-retailers marking them as strong pillars for their growth. The financial performance of online retailers has grown positively along with an increase in its market size which is beneficial to e-retailers. The majority of the e-retailers have turned themselves into marketplaces to allow the entry of online sellers which in turn benefits them economically by commission fees and large number of sales. Customers get more choices, platforms earn commission on sales, and small businesses get a boost. It's a healthy ecosystem that keeps everyone happy and the e-commerce world buzzing with excitement.

## **7. SUGGESTIONS :**

Despite the significant contributions of online sellers towards e-retailers they are forced with the burden of commission and other fees which is based on product category. The commission fees would be sometimes equal to the margin that they would have tried to achieve. When the seller is imposed with such a burden that would demotivate him shortly in achieving better sales. However, it cannot be avoided because e-retailers are providing a platform for business, and revenue in return is expected. Suggestions from the researcher are that there should be a better framework for charging commission fees to online sellers. This can create a win-win situation for both the online sellers and online retailers.

## **8. LIMITATIONS OF THE STUDY :**

The study has shown the significant contributions of online sellers to online retailers. However, the factors behind the sales and financial performance are still not known. Another limitation of the study is that it is content analysis based on the summaries published by the respective e-retailers. The third limitation of the study could be that it focused only on generalized data from other online retailers and the majority on Amazon.

## **9. SCOPE FOR FURTHER RESEARCH :**

It is recommended that this research can further be extended to understand the financial performance of online sellers. The study also can be broadened to understand which of the key factors is impacting better sales and optimizing the financial performance of online sellers in e-retailing.

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