Home Furnishings 
a style statement?

There are experts who believe that growth in home furnishings market is linked to overall health of the economy. Higher disposable incomes will translate in much higher spend on this product category. Brands and retailers have a role in making furnishings a style statement, which can ensure consistency in demand.

Indian furnishing market and consumers’ buying habits are certainly undergoing a change. People are no more buying only during Diwali season. With thousands of new houses coming up across the country, demand is bound to become more uniform round the year. Besides, consumers are getting more aware today, even a common man will tell you what furnishing stands for.

However, there are differing estimates of growth in India's furnishing fabrics market. “Growth is good, next 2-3 years it should be around 15-20%,” says Suleman Hirani, owner of Hyderabad's Home Textile retail chain Darpan Furnishings.” For over a decade Suleman Hirani has been into home furnishing retail and today has 4 stores in Hyderabad where he offers complete home decor solutions.

Nimish Arora, Managing Director of Dicitex Furnishings, a leading producer in the segment, expects the Furnishing fabrics market in India to grow by around 18% per annum for the
really sluggish over the last six months,” says Gurvinder Singh, Managing Director, G M Fabrics, one of the country's leading manufacturers of home furnishings: “Irrespective of prices and designs simply there has been no take off from retail stores. I have no doubt that the consumption by Indian consumers in categories like home fashion and home décor is growing between 15-20%. The question is, how does the furnishing fabric producer take benefit of this growth?”

Rohit Khemka, Managing Director of RR Décor says his company's sales have grown 10-15% per annum since the past 4 years. “But growth could be lower this FY due to subdued markets in the Middle East and Europe. We will offset the losses by using more of Indian fabrics that will fetch us better margins,” he says. RR Décor is in the role of Editor of home furnishings, selling to several countries.

Nimesh Parikh, Managing Director of Dimora Furnishing, says this year he expects growth of 60-70%. As for the overall furnishing market in India, we expect the average annual growth to be around 20-25% for the next 5 years.

Dimora has been in the furnishing fabric business for a little over 3 years now.

Prior to 1998 the Indian furnishing fabrics industry was dominated by few big brands from the North. “One big change came about in 1998 when the Bombay producers also came into this segment,” says Mahendra Gupta of Goldtex Furnishings, a leading producer in this segment. “Soon after all major players in the North switched over to jacquards and the handloom work came to be dominated by the Mumbai industry thereafter. From earlier years to now width of the fabrics have increased nearly 5 times,” he explains.
Perception on the industry

“Much of the negative perceptions in Indian market are coming from some people in the trade who are trying to enter too many verticals”, feels Nimish Arora and adds, “If Dicitex is good in manufacturing home textiles, I must try and master that before even thinking of moving into retailing. The problem arises when everyone wants to do everything,” he says.

“Perception is now changing, people have come to realise that curtain is not just fabric to be hanged, it is now a style statement for the customer. We are doing things very differently, it is all value addition to the fabric to give special effects to home interiors. Even the colour we use are subtle, people will never get bored of it,” explains Nimesh Parikh.

The perception with regards to pricing is also changing, people are today willing to spend 10 times more than what they used to 5 years back.

Consumption trend

Indian consumers today are better aware of the various sub-segments within each furnishing and home textile product segment. Brands will have to keep innovating to attract and retain customers’ loyalty. People do want to spend more money on home interiors and home décor, if they are convinced, explains Nimish of Dicitex.

Home Fashion did a survey of retailers in Western suburbs of Mumbai and found that consumers are now buying as and when they have need rather than waiting for specific occasion or season. Also, consumers are not really looking for specific brands, but only those products which would go well with their interiors. While buying, they are also not much specific about the price. So, variety in offerings hold the key.

Discounting the common perception on e-commerce affecting retailer sales, Dilip Gandhi of Bharat Furnishings says “Luckily, home furnishings is not as much affected by online discounts as other product segments because in this category shopping is mainly done by ladies who prefer closer look and feel of the product before purchasing.”

Way forward

Nimish Arora of Dicitex believes furnishing demand was never negative in last one year. It is just a psychological factor. “The India consumption story is being studied by the world. A Chinese mill owner told me that Indian market is a gold mine of 1.2 billion young consumer base. A little bit of rational thinking will show up the potential this market has,” he argues. Manufacturers should refrain from over flooding the market as that will hurt prices and also retail margins.

“The only possible way of growth is to evolve your product and strategy according to emerging market scenario. Those who are able to do it can look forward to a good future,” - Gurvinder Singh

The industry will have to take in to account competition emerging from cheaper producers, design counterfeiters, and importers in order to remain healthy, even as it maintains the volumes, advises Gurvinder Singh. “The only possible way of growth is to evolve your product and strategy according to emerging market scenario. Those who are able to do it can look forward to a good future,” he concludes.