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## 1. INTRODUCTION

### 1.1 STUDY DELIVERABLES

- Country - level analysis along with forecasts of the study market
- Study of the effect of exogenous & endogenous factors, viz. demographic, economics, and political factors, among others, which affect the market.
- Segment and sub-segment level analysis of the market over the review and forecast period.
- Identification of key factors instrumental in changing the market scenario, exploiting new opportunities, and gaining competitive edge.
- The Indian furniture market report provides information on the market overview, market growth drivers, market challenges, the impact of COVID-19 on the market, and housing trends in India.
- The report also provides information on the segmentation by product (living room and dining room, bedroom, kitchen, and other furniture) by type of market (organized and unorganized).

## 1.2. STUDY ASSUMPTIONS

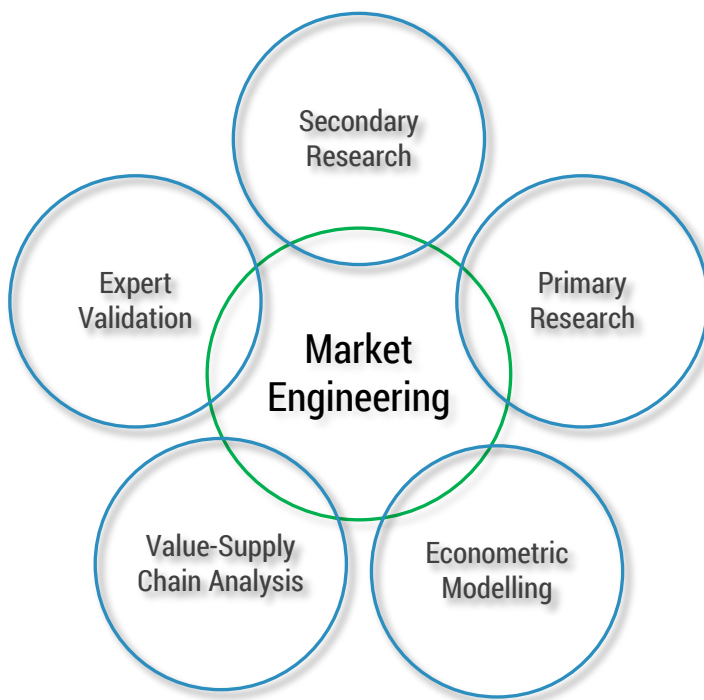
- The base currency considered was the US Dollar (USD). The conversion of other currencies to USD was considered based on the average exchange rate for the respective review period years. The exchange rate conversion for forecast period was determined according to the base year's conversion rates.
- The base year was identified based on the availability of annual reports and secondary information. The base year considered for this study is 2023.
- The review period considered for this study is from 2020 to 2023. The CAGR period is from 2023-2029.
- Market size estimations for the forecast years were in real terms. Inflation is not part of the pricing and the Average Selling Price (ASP) was kept constant through the forecast period for each country.
- The distribution of primary interviews conducted was based on the regional share of the market and the presence of key players in each region.
- As a result of data-triangulation through multiple methodologies and approaches, the weighted averages of resulting estimates were considered to be the final values.

## 2. RESEARCH METHODOLOGY

The research process adopted for this entire study is a highly structured, two-stage process: size estimation of the review period, and the market engineering for the forecast period of the global, country and segment-level data that leads to the Data Generation Process (DGP) for the studied variables. The size estimations are carried out through multiple bottom-up & top-down approaches. The bottom-up approach includes the examining of historical revenues of key players, studying the size of the applications, value and supply-chain analysis and end-user demand, which are then cross-validated by secondary and primary resources. The top-down approach is an astute research process where the global market sizing is carried out through the secondary research, validated by primary industry experts.

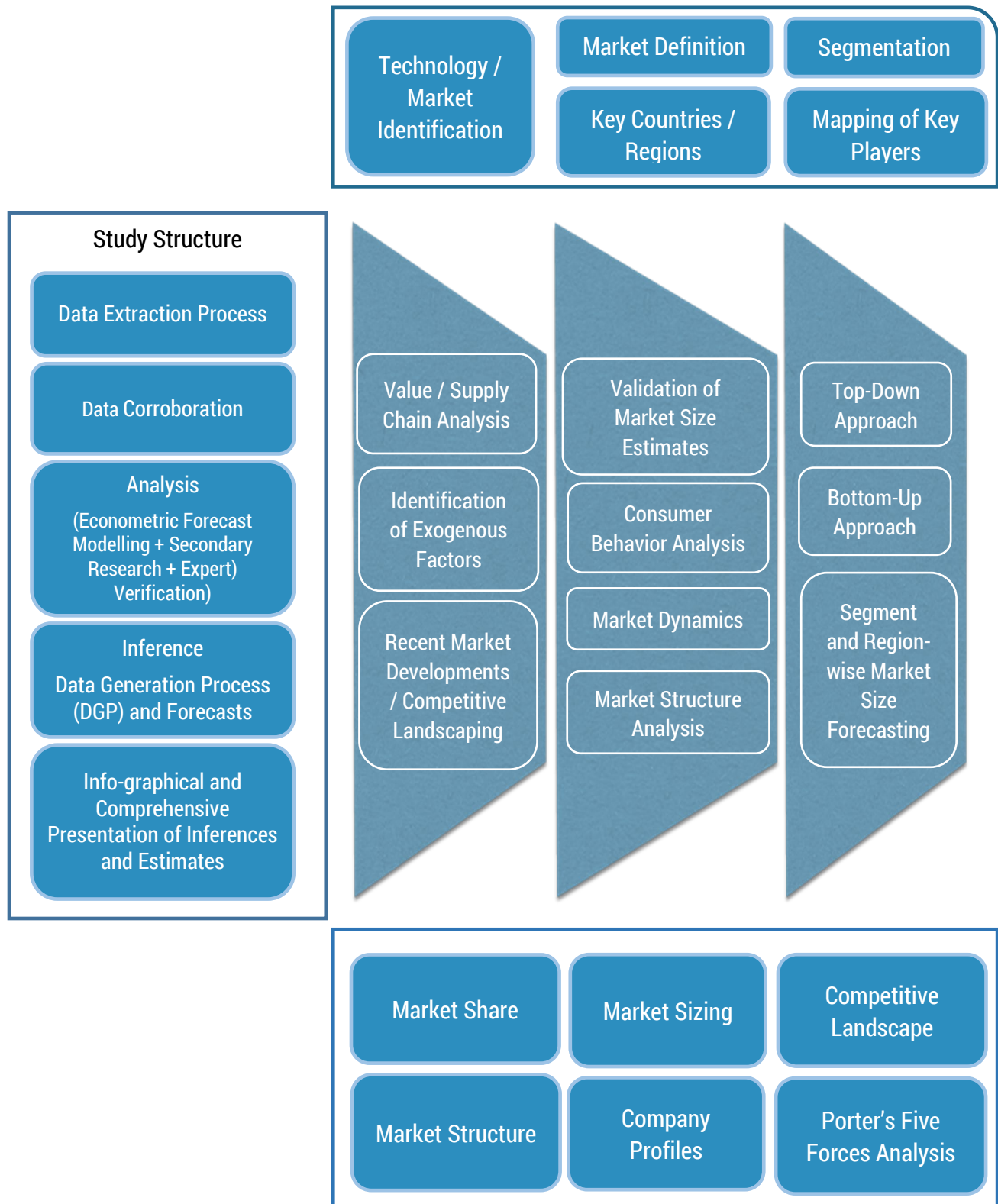
In this report, for analyzing the future trends for the studied market during the forecast period, we have

incorporated rigorous statistical and econometric methods, further scrutinized by secondary, primary sources and by our in-house experts, supported through our extensive data intelligence repository. The market is studied holistically from both demand and supply-side perspectives. This is carried out to analyze both end-user and producer behavior patterns, in the review period, which affect price, demand and consumption trends. As the study demands analyzing the long-term nature of the market, the identification of factors influencing the market is based on the

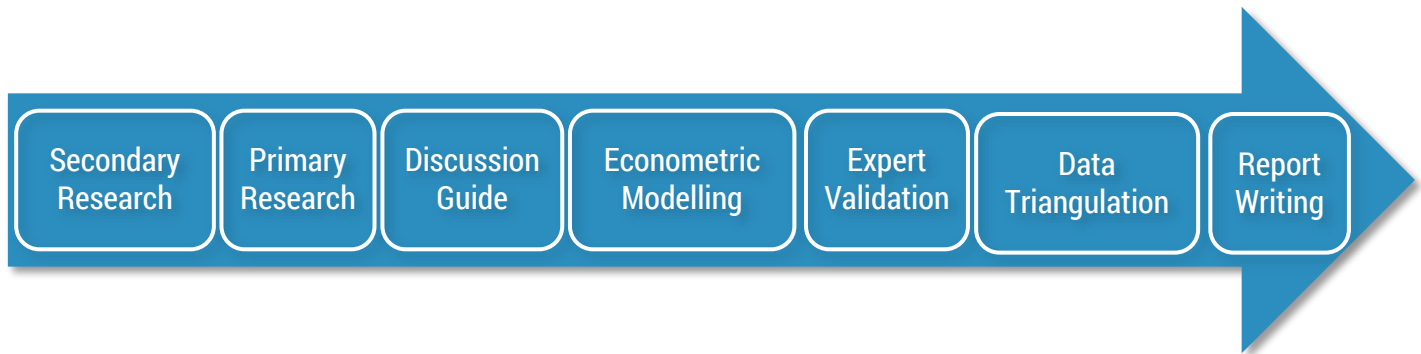


fundamentality of the study market. Through secondary and primary research, endogenous & exogenous factors are identified and are transformed to quantitative data through data extraction, and further applied for inferential purposes.

## Analysis Methodology



### Study Phases



### Secondary Research

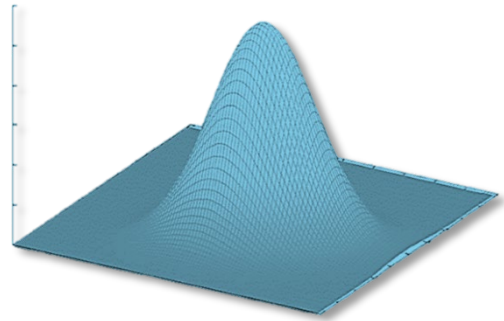
The first phase of the research process is extensive secondary research and identification of related intelligence from our data repository on the study market. Secondary data is compiled from various databases such as industry bodies, associations, journals, company annual reports, white papers and research publications by recognized industry experts, paid data sources and other published literature. Data regarding the business plans and strategies of companies are derived from recent annual/investor reports of key industry players for qualitative comparisons and analysis; financial data of these companies are sourced primarily from Industry Association & Stock Exchange Filings to maintain a standard benchmark.

### Discussion Guide

The next phase is preparing an exhaustive discussion guide. The primary purpose of this phase is to extract qualitative information regarding the market from the key industry leaders. The information collated information is further carried out for quantitative analysis. The document helps in identifying the major segments, market factors such as drivers, restraints, challenges, key economic factors, interaction between market players, supply-value chain structure, bottom-up and top-down nature of the market, competitive landscape, recent long-term and short-term strategic developments, and the market shares of key market players. The document helps in deciding the scope and deliverables of the study, in terms of the requirement of the market.

### Econometric Modelling

The next phase is market engineering, which involves analyzing the collected data, market breakdown and forecasting. Macro & micro economic indicators, which are exogenous & endogenous in nature, are identified through causal & correlation analysis, which are further analyzed with the study variables to derive statistical inferences on the study market. A structural forecast model is developed in the process, and the most statistically reliable model is considered for forecasting. Methods such as Markov Chain and Monte Carlo simulation are used to estimate the dynamics between the sub-segments. Such attained data points are verified by the process of data triangulation, which includes expert opinions and primary sources, to validate the numbers and arrive at close estimates. Following data validation, the analysts begin to write the report. They garner insights from data and forecasts, which are then drawn to visualize the entire ecosystem in a single report.



### Expert Validation

The final phase before the report writing is the expert validation, where the estimated and projected values through data triangulation are cross-validated through market experts or key people from the concerned industry. They can be senior researchers, Directors, CFOs or CEOs. The cross-validated estimates are finally approved by in-house experts.



### 3. EXECUTIVE SUMMARY

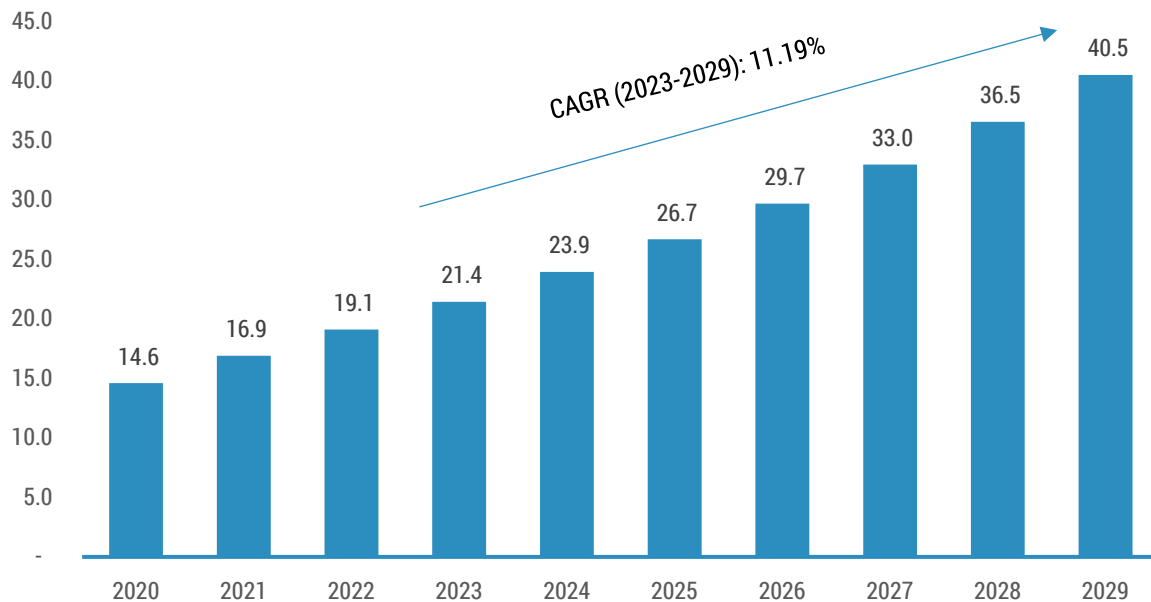
- The Indian home furniture market was valued at USD 21.4 billion in 2023. It is expected to reach USD 40.5 billion by 2029, registering a CAGR of 11.19% during the period of 2023-2029.
- India, as one of the world's largest developing economies, has seen its home-furniture market flourish, propelled by urbanization, a sizable youth demographic, and the aspirations of a burgeoning middle class.
- While the economy rebounds, factors like a notable urbanization surge, shifting consumer demographics, rising disposable incomes, and an uptick in home renovation spending are set to drive sustained demand for home furnishings in the medium to long term.
- Notably, as India's home furniture sector experiences robust growth, bolstered by increased investments in infrastructure and a growing preference for aesthetically pleasing furniture solutions, the industry outlook remains promising.
- Furthermore, as disposable incomes rise and living standards improve, consumers increasingly invest in household décor enhancements, further fueling the market's growth trajectory.
- India is ready to become a worldwide manufacturing center with a strategic emphasis on enhancing local production. Key government initiatives, such as the "Make in India" campaign and the Production-Linked Incentive (PLI) Scheme tailored for the furniture sector, aim to boost local production, bolster exports, and foster job creation.
- Recognizing this potential, the government is contemplating a production-linked incentive (PLI) program tailored to the furniture industry. This program will likely promote domestic manufacture, exports, and job opportunities.

## 4. MARKET INSIGHTS AND DYNAMICS OF INDIA HOME FURNITURE MARKET

### 4.1 MARKET OVERVIEW

- India is the world's fourth-largest furniture consumer and the fifth-largest exporter.
- In 2023, the living room furniture segment dominated the market, capturing 42.9% of the share. This was followed by the bedroom furniture segment, which captured 26.0%, and the kitchen furniture segment, which captured 15.3%.
- The demand for residential furniture is rising, driven by a surge in contract customer orders. Additionally, an uptick in single—and two-person households is fuelling a need for compact, portable furniture.
- The home furniture market in India is witnessing growth, buoyed by factors such as an expanding residential construction sector, increasing internet penetration, a growing preference for eco-friendly products, and evolving lifestyle choices.
- The arrival of global furniture giant IKEA in Mumbai, its second Indian city after Hyderabad, prompted established players like HomeTown, Homestop (a division of Shoppers Stop), and Home Centre (part of the Landmark Group) to enhance their offerings.
- Praxis Home Retail Pvt, a publicly listed company, Ltd operates retail outlets under the name "HomeTown." These stores are known for their diverse selection of furniture, home furnishings, and related products.

## India Home Furniture Market (USD billion), 2020–2029



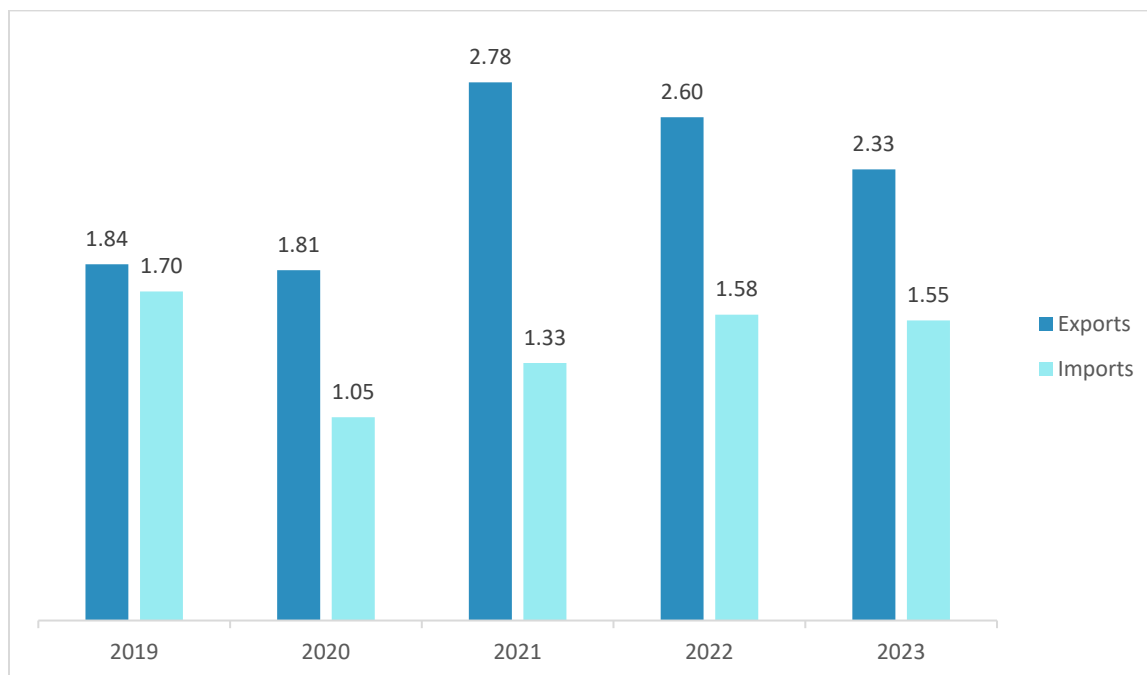
Source: Mordor Intelligence

- A surge in housing and commercial construction primarily fuels India's increasing demand for home furniture. Rising income levels prompt customers, particularly affluent urban Indians, to embrace global lifestyle choices.
- Preferences for furniture in India vary significantly across income brackets. High-income groups gravitate towards branded furniture crafted from premium woods like teak, Sheesham, and mango. They prioritize durability and often opt for fine finishes like veneer coatings.
- Conversely, the middle-income segment values moderate durability and eye-catching aesthetics, often opting for rubber, wood, and plywood materials. The lower-income demographic, constrained by budgets, tends to eschew branded options, often turning to local carpenters for their furniture needs.
- Within India's furniture market, retailers target the 25-35 age bracket as a prime target. Notably, tier-1 cities drive the lion's share of demand for organized furniture companies.
- Despite its growth, the furniture sector in India remains inward-focused and highly fragmented, with

unorganized players accounting for about 79% of the market.

- In India, prominent furniture brands encompass Godrej Interio, Hometown, Nilkamal, Durian, and Wipro.
- Given the rapid evolution of the retail landscape, major retailers are expected to further their reach through e-commerce. Companies like Pepperfry, Urban Ladder, and Hometown. are witnessing surging demand via online platforms.
- Imports and exports are pivotal in India's home furniture market. Notably, imports cater significantly to the upper-middle and higher-income segments of Indian society.
- In 2023, the United States was India's primary furniture export destination, accounting for 45.74% of its total sales. This was followed by Germany (5.87%), the Netherlands (5.83%), the United Kingdom (5.15%), and France (4.86%).
- China dominated India's furniture imports in 2023, capturing 49.38% of the total market shares. This was followed by Italy (6.8%), Germany (6.69%), the United States (6.58%), and Malaysia (3.53%).

#### Furniture and Other Related Categories (Product Code: 94), Import and Export Value in USD Billion, India, 2019-2023



Source: ITC Trade Map

**(Product code: 94)** - Furniture; bedding, mattresses, mattress supports, cushions, and similar stuffed furnishings; luminaires and lighting fittings, not elsewhere specified or included illuminated signs, illuminated nameplates, and the like; prefabricated buildings)

- Young consumers, drawn toward modern, practical, and adaptable modular designs, are propelling the demand in India's furniture sector. The fusion of traditional handicraft aesthetics with contemporary utility paves the way for a distinctive range of offerings, thereby maintaining the essence of Indian furniture.
- What began as a trend of online purchases for smaller items like bean bags and coffee tables has evolved into a notable surge in online sales for larger, heavier furniture pieces.
- The COVID-19 pandemic has been a catalyst, highlighting digitalization and e-commerce as the sector's primary future growth drivers.
- By the end of 2024, a quarter of IKEA's sales in India will likely be channeled through its online platforms, including its app and e-commerce portal. The company has also rolled out a 'Shop By Phone' service and expanded its doorstep delivery service to 62 new markets across India.
- The rise of the work-from-home culture, spurred by the pandemic, has significantly boosted the demand for home office furniture in India.
- International interest in the Indian furniture market is growing. This was already evident in the government's 2013 approval of IKEA's INR-10,500-crore FDI proposal. This investment aimed to establish ten stores over the next decade, with the help of associated infrastructure.
- IKEA initially announced to build 15 additional stores. Presently, the brand operates in Hyderabad, Mumbai, and Bengaluru. It is poised to invest approximately INR 7,000 crore to establish two stores in Gurugram and Noida, marking its entry into the National Capital Region.
- Looking ahead, IKEA is gearing up to unveil its next investment phase in India by the end of 2024.

## 4.2 MARKET DRIVERS

### DRIVERS

#### Growth in Residential Real Estate in India

- The Indian housing market is surging due to an increasing population and higher demand for affordable homes. Notably, major cities like Delhi, Mumbai, and Kolkata are witnessing a rise in demand for affordable housing and a heightened interest in luxury options like villas, penthouses, and upscale apartments.
- The rise in residential real estate sector has, in turn, bolstered the home furniture market.
- This surge in real estate has translated into an increased demand for home furniture, spanning from sofa sets and dining tables to beds and chairs. This trend is expected to continue in the coming years.
- Traditionally, Indian consumers focused on elaborate furniture mainly for their living rooms. However, with rising incomes and aspirations, this penchant for quality furnishings extends to other living spaces, including kitchens, dining areas, and bedrooms.
- The Indian real estate landscape is witnessing a resurgence, with transaction volumes in significant cities surging by 45-60% annually.
- In FY 2023, India's residential property market hit a milestone, with home sales touching a record high value of INR 3.47 lakh crore (USD 42 billion), marking an impressive 48% Y-o-Y increase. The sales volume also witnessed a robust uptick, with 379,095 units sold, reflecting a 36% rise.
- Indian real estate developers completed building around 558,000 houses by the end of 2023, particularly in the major urban hubs.
- Despite challenges like high mortgage rates and property prices, 2023 witnessed a surge in demand for residential properties across the top 8 Indian cities, driven by segments ranging from mid-income

to luxury.

- The housing sector's evolution and the rapid expansion of metro cities are reshaping living standards, fueling a growing appetite for new furniture.
- As living spaces shrink and urban populations swell, the demand for space-efficient goods is surging. Multi-functional furniture and homewares are gaining traction, offering enhanced convenience and maximizing household space.
- The market's upswing is underpinned by socio-economic shifts, a sizable young demographic with robust disposable incomes, and a penchant for enhancing their lifestyles.

### Rising Demand for Luxury Furniture

- An increasing focus on stylish home decor is nudging consumers towards unique, designer furniture. This trend is bolstered by economic growth and rising consumer incomes, especially in high-end households.
- The luxury furniture segment accounts for 15%-20% of India's furniture market value, with Stanley Lifestyles Ltd securing a 10% share. The Indian government's 'Make in India' initiative, aimed at safeguarding domestic players, further boosts the organized furniture market. Stanley, a luxury furniture retail brand, is experiencing an impressive 20% Y-o-Y growth.
- In June 2024, Stanley Lifestyles, a prominent luxury furniture manufacturer and retailer in India, inaugurated its flagship store in Ahmedabad. This store marked a significant milestone, being the first one since Stanley Lifestyles went public in June. This store collaborates with Shivalik Group, a renowned real estate developer. Currently, Stanley has 63 retail outlets spread over 24 cities. Going ahead, the company aims to bolster this number to 100 stores within the next two and a half years, a move that underlines the ambition to solidify its position in the luxury home solutions market.

## 4.3 MARKET RESTRAINTS

### Raw Material Challenges

- Raw material costs, notably for particle boards, are approximately 25% higher in India than in China. This cost disparity directly translates to a 27% higher production cost for Indian furniture. The elevated costs in India stem from challenges such as the limited availability of certified wood, insufficient commercial forestation practices, and higher import expenses.

### The Dominance of the Unorganized Sector:

- India's furniture market is predominantly led by its unorganized sector, which accounts for nearly 75% of the total sales. This unorganized segment, characterized by a lack of standardization, inconsistent pricing, and limited technological adoption, faces hurdles in growth and competitiveness. Additionally, the absence of industrial regulations and limited export potential compound these challenges.

### Logistics Cost Disparity:

- In India's furniture sector, transportation and logistical costs constitute about 6%-8% of the total manufacturing cost, which is notably higher than China's valuation of 4%. This disparity in logistical costs significantly impacts the industry's competitiveness.

### Business Environment:

- While India has made strides in creating a business-friendly environment to attract foreign investments, it still trails behind China in critical areas. India needs help in business initiation, contract enforcement, and property registration.

### Cost and Taxation Challenges:

- India's furniture sector grapples with high GST rates, ranging from 12% to 18%, elevating consumer prices, dampening demand, and incentivizing tax evasion methods. Moreover, the mandatory



phytosanitary certification and fumigation for processed wood products pose environmental risks and add to the regulatory complexities.

### 4.4 MARKET OPPORTUNITIES

#### Innovation and Aesthetics

- New-age startups and brands are revolutionizing the furniture value chain in the country. They are introducing technologies and process innovations, ranging from production to delivery and logistics. Simultaneously, they are rolling out product innovations, focusing on ready-made and low-maintenance furniture that is easily installable and increasingly customizable, thus catering to the preferences of today's users.
- The growing prominence of the middle and upper-middle classes has been pivotal in fueling the growth of this market sector. Due to increased affordability, people are now seeking better quality and more sophisticated furniture and home furnishings designs.
- India is witnessing the rise of a new aspirational class – the well-traveled, well-informed, and with deeper pockets compared to other segments. For people of this class, furniture is a utility item and a lifestyle statement. This shift in perspective is propelling the demand for 'subtle premium' furniture.
- Today's customers focus on aesthetics, quality, and comfort above price while selecting furniture. This shift has created many opportunities for design-led furniture firms, especially those that previously struggled due to the dominance of the local unorganized market.

### Growing Adoption of Local Furniture Products

- India's ambition to become a global manufacturing hub is evident in its policy initiatives like 'Make In India' and 'Vocal for Local.' These initiatives boost the manufacturing sector and explicitly bolster the furniture manufacturing segment.
- Aligned with the 'Make in India' vision, the government targets a 25% contribution from the manufacturing sector to the GDP by 2025.
- Driven by the 'Vocal for Local' sentiment, many Indians now favor Indian-made products over Chinese alternatives, a trend extending to furniture. Leveraging this growing preference, companies like Jaipur's Wooden Street offer locally sourced, customized furniture. They manage the production in-house and boast delivery centers in over 100 cities.

### Increasing Export Potential of India Furniture

- The furniture sector in India is a cornerstone of the economy, playing an important role in the 'Make in India' initiative.
- While the government actively promotes domestic furniture manufacturing, the country's exporters are capitalizing on disruptions in the China-centric supply chain, making significant inroads into multiple foreign markets.
- These dynamics are poised to catapult many mid-sized furniture firms into more prominent players. They also present a window of opportunities for new entrants who can align with and capitalize on the emerging market trends.

## 4.5 INSIGHTS INTO LATEST TRENDS AND INNOVATIONS IN THE MARKET

### DIGITALIZATION SHAPES FURNITURE PREFERENCES AND PURCHASES

- The surge in smart devices, internet connectivity, and voice assistants is reshaping households and directly influencing furniture choices. Today's tech-savvy buyers demand furniture that is seamlessly integrated into their digital lives, with USB charging ports, Bluetooth connectivity, cloud-linked controls, and voice assistant compatibility. In response, brands are introducing high-tech features like wireless phone chargers, app-controlled lighting, and storage beds with voice-activated mechanisms.
- IoT integration in furniture is an ongoing innovation. The sales process is increasingly digital, with furniture websites offering immersive experiences, including 3D renderings and augmented reality, for a more personalized shopping journey.
- Augmented Reality (AR) and Virtual Reality (VR) are revolutionizing the furniture industry. These configurators allow customers to virtually design their rooms, visualize furniture, and even scan their space in real time to preview purchases.
- AR empowers designers to overlay virtual objects in natural settings, providing insights into scale, design, and color and how the space will look post-furniture placement.
- Artificial Intelligence (AI) is harnessed in furniture design, employing generative concepts. This approach leverages algorithms to automate design iterations, tailoring solutions to consumers' preferences.

### EXPERIENCE CENTERS

- Bangalore, known as India's IT hub, is witnessing a surge in demand for finely crafted Italian-inspired home and kitchen furniture. Seizing this opportunity, in December 2023, Lecco Cucina, known for its

Italian-design modular kitchens and wardrobes, unveiled its latest experience center in Bangalore's style-conscious HSR Layout. Following the recent launch at Orion Uptown Mall, this marks the company's second center in the city, spanning a 1500-square-foot space showcasing bespoke designs.

- In June 2023, BOSKY Interior, a prominent interior design firm in East India, inaugurated its Axis Mall experience center in Newtown Rajarhat, a burgeoning smart city near Kolkata. Bolstered by rising incomes and a youthful demographic, BOSKY eyes further expansion, aiming to solidify its position as Kolkata's premier interior designer. With a reputation for quality bolstered by German automated manufacturing and top-notch customer service, BOSKY has garnered a loyal clientele, particularly among the middle and upper-middle classes in West Bengal. The opening of its third branch underscores the growing influence in India's interior design landscape.
- BOSKY's modern experience center showcases various products, ranging from modular kitchens to living room designs, catering to various tastes and budgets. The company's professional design consultants ensure that every customer feels valued and well-assisted, thereby reflecting the company's commitment to customer-centric service.

### MULTIFUNCTIONAL FURNITURE

- As living costs rise, the appeal of multifunctional furniture, which reduces the need for numerous items, grows.
- During the pandemic, there was a notable uptick in demand for furniture with multiple uses. For example, consumers opt for office chairs that double as recliners or work desks that transform into dinner tables, maximizing the value of their investments, especially with the rising trend of remote work.

- Responding to the demand for space-saving solutions, brands are introducing innovative products like Murphy beds, foldable workstations, and convertible coffee tables. These cater not only to compact urban homes but also to the growing trend of tiny homes, enabling the creation of versatile, multipurpose rooms.

#### 4.6 INSIGHTS ON RECENT DEVELOPMENTS (NEW ENTRANTS, PARTNERSHIPS, JVS, M&A, INVESTMENT, EXPANSION, ETC.) IN THE MARKET

Month	Recent Developments
<b>In July 2024</b>	Pepperfry's Woodsworth division introduced its latest furniture line, "Serengeti - The Spirit of Safari". Drawing inspiration from Africa's vibrant tribal motifs, this collection offers a glimpse of the continent's rich artistry. Crafted from premium mango wood, the "Serengeti" collection features digitally printed motifs and traditional symbols. It includes a range of furniture pieces like coffee tables, armchairs, and dining sets, each echoing the cultural heritage of African artisans.
<b>In May 2024</b>	HTL Group, a furniture manufacturer, announced its plans to manufacture global brands, like Domicil and Fabbrica from Germany and Corium Italia from Italy, in India by the end of 2024. Currently, Singapore-based companies import these brands to the Indian market. Domicil's sofas are set to be the first locally produced product.
<b>In March 2024</b>	Relso, India's leading furniture cloud factory, secured an investment worth USD 840,000, co-led by Ventures Catalysts and Inflection Point Ventures. The Bengaluru-based startup aims to expand globally, bolster its team, and drive innovation in line with its vision for a prominent global presence in furniture manufacturing.

Month	Recent Developments
<b>In February 2024</b>	iFUR announced a massive INR-100-crore investment over three years to establish 100 new stores across India. The first five stores are slated to be opened by the end of 2024, with locations in Gurgaon, Bangalore, Hyderabad, Mumbai, and Pune. Some of these stores will be operated by local partners.
<b>In January 2024</b>	IKEA expanded its e-commerce deliveries to new pin codes across 62 districts in Maharashtra, Karnataka, Telangana, and Andhra Pradesh.
<b>In September 2023</b>	BoConcept, a renowned Danish furniture chain, recognizes India as one of its fastest-growing markets. With eight stores in six locations, the brand now eyes tier-II cities to cater to the rising demand for its contemporary offerings.
<b>In March 2023</b>	Urban Ladder plans to increase its stores to 100 by March 2024.
<b>In December 2022</b>	Wriver, a luxury furniture brand, opened its second Mumbai store to bolster its presence across India. The brand's flagship store in Gurugram, launched in August 2022, showcased its commitment to material innovation and craftsmanship.
<b>In November 2022</b>	Pepperfry expanded its reach by opening two new Studios in Bengaluru, strategically targeting niche markets.
<b>In August 2022</b>	Ingka Group, IKEA's parent company, announced a Rs 7,000 crore investment to build two malls with IKEA anchor stores in Gurugram and Noida by 2025.
<b>In August 2022</b>	Wakefit inaugurated one of India's most significant furniture manufacturing operations, further solidifying its position as a leading D2C home and sleep solutions provider.

## 4.7 BRIEF INSIGHTS INTO THE HOUSING MARKET IN INDIA

- India's real estate market is pivotal in the nation's economy.
- As per India Brand Equity Foundation, India's real estate sector will grow to reach a value of USD 5.8 trillion by 2047, significantly up from its current (2023) 7.3% GDP contribution to an anticipated 15.5% in the coming years.
- Construction in India is the third-largest sector in terms of foreign direct investment (FDI). From April 2000 to March 2024, this sector, including construction development and activities, attracted a substantial value of USD 60.53 billion in FDI.
- The Indian government's 'Housing for All' initiative is expected to attract USD 1.3 trillion in investments by 2025.
- In FY 2023, India's residential property market hit a record high, with home sales reaching a value of INR 3.47 lakh crore (USD 42 billion), marking a robust 48% Y-o-Y increase. The sales volume also recorded a significant uptick, with a 36% rise to reach a volume of 379,095 units.
- Indian real estate developers, primarily in major urban centers, completed building approximately 558,000 homes in 2023.
- Despite challenges like high mortgage rates and property prices, the demand for residential properties surged in the top 8 Indian cities in 2023, driven by the mid-income, premium, and luxury segments.
- India's luxury real estate sector, especially in locations like Goa, is witnessing a boom. This growth is fueled by heightened demand from affluent millennials and non-resident Indians (NRIs) seeking spacious and amenity-rich properties that offer lifestyle enhancements and long-term investment potential.
- Goa is emerging as India's premier destination for luxury and ultra-luxury properties. Its appeal lies

in its scenic location, favorable climate, and harmonious blend of natural living and modern comforts. Residents increasingly value smart houses and healthy living, which enhance their lifestyles, reflect their social statuses, and boost their commitment to work-life balance. Second homes, with their safety and spacious living, have become a must-have for buyers.

- North Goa and Sindhudurg are already established hubs for luxury housing, plotted developments, farmhouse communities, grand villas, and second homes. With a robust demand for housing, increasing income stability, and ongoing infrastructural developments, these areas are set to remain attractive investment destinations.
- India's residential sector is poised to achieve a sales volume of 290,000 - 300,000 units by the end of 2024, driven by strong demand and quality launches. While the mid-segment category dominates sales, the premium segment has witnessed a 22% increase, and sales in the luxury segment have surged by 83%. Responding to this trend, developers are actively launching projects in the luxury segment. This heightened interest in luxury real estate is mainly due to the evolving preferences of consumers and technological advancements.
- Houses priced at INR 1 crore and above accounted for a significant 41% of the total sales in H1 2024, which was a notable increase from 30% in H1 2023, underlining the rising preference for luxurious living spaces.
- Mumbai retained its position as the leading residential market, recording a sales volume of 47,259 units. The city's housing market is experiencing a resurgence. The sales hit a 13-year high in H1 2024. This growth was driven by the rising demand for luxury properties, with the sales of houses priced over INR 10 million skyrocketing by 117% compared to the previous year. While overall sales grew by a healthy 16%, some concerns regarding luxury properties might overshadow the affordable housing segment in the coming years.



- Following Mumbai, the NCR and Bengaluru recorded sales of 28,998 and 27,404 units, respectively. Together, these three cities accounted for 59% of the total residential sales during the year.
- However, sales in the affordable housing segment (priced at INR 5 million and below) dipped from 32% in H1 2023 to 27% in H1 2024.
- India's millennials, constituting 36% of the population, represented 54% of homebuyers in 2023. With a combined spending power exceeding USD 330 billion, millennials increasingly opt for more extensive and high-end housing units. Luxury housing sales in India's top seven cities surged by five folds between 2018 and 2023.
- The share of residential properties priced at INR 50 lakh and below dropped to 27% in H1 2024 from 32% that was recorded in the previous year.
- Despite a robust market, the demand for affordable housing (priced under INR 5 million) has remained stagnant for the past five years. Mumbai, known for its high prices, witnessed an 11% annual growth in the sales of affordable housing.
- The uptick in luxury sales points toward a growing appetite for high-end properties, likely fueled by a strong economy and interest from affluent investors.

## Residential Property Sales in Units, by City, India, Q2 2023 – Q1 2024

Market	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Mumbai	20,498	22,308	23,765	23,743
NCR	14,722	13,981	15,907	15,527
Bengaluru	12,857	13,169	14,630	13,133
Pune	11,302	11,302	14,517	11,832
Hyderabad	7,055	8,325	9,200	9,550
Ahmedabad	3,757	4,108	4,023	4,673
Chennai	3,500	3,870	3,900	3,950
Kolkata	3,823	3,772	3,903	3,937
Total	77,514	82,612	89,845	86,345

Source: Knight Frank Research

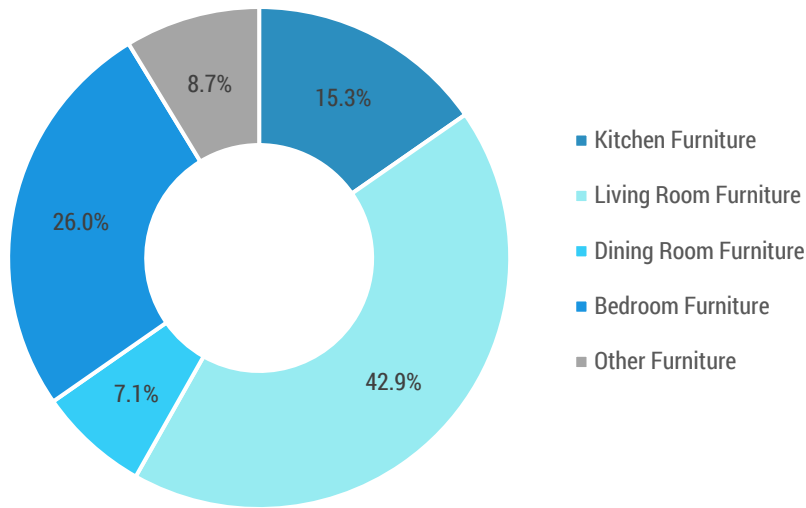
## 4.8 IMPACT OF COVID-19 ON THE MARKET

- The COVID-19 crisis underscored the imperative for digitalization and automation in the furniture industry; it reshaped consumer behaviors and manufacturing trends.
- The COVID-19 pandemic significantly impacted India's home furniture sector, disrupting production, sales, and consumer behaviors. However, the industry is responding by embracing technology, emphasizing e-commerce, and tailoring designs to meet the evolving preferences of consumers.
- The pandemic accelerated the shift to online retail, even among traditional shoppers. By November 2020, Pepperfry's online sales surged to reach nearly 120% of the pre-pandemic levels, underscoring the industry's pivot toward e-commerce.
- As India's corporate workforce largely transitioned to remote work and students embraced online learning, the demand for furniture, especially study tables, office chairs, and laptop tables, nearly tripled during the pandemic.
- Consumers are becoming increasingly tech-savvy. This situation is driving manufacturers to innovate further for personalized experiences and competitive pricing. Simultaneously, digital tools enable furniture executives to swiftly adapt to the evolving demands of customers, reduce costs, and enhance their operational efficiency.

## 5. INDIA HOME FURNITURE MARKET - MARKET SEGMENTATION (MARKET SIZE AND FORECAST) (2020- 2029), (VALUE IN USD BILLION)

### 5.1 BY PRODUCT

India Home Furniture Market Share (%) – By Product – 2023



Source – Mordor Intelligence

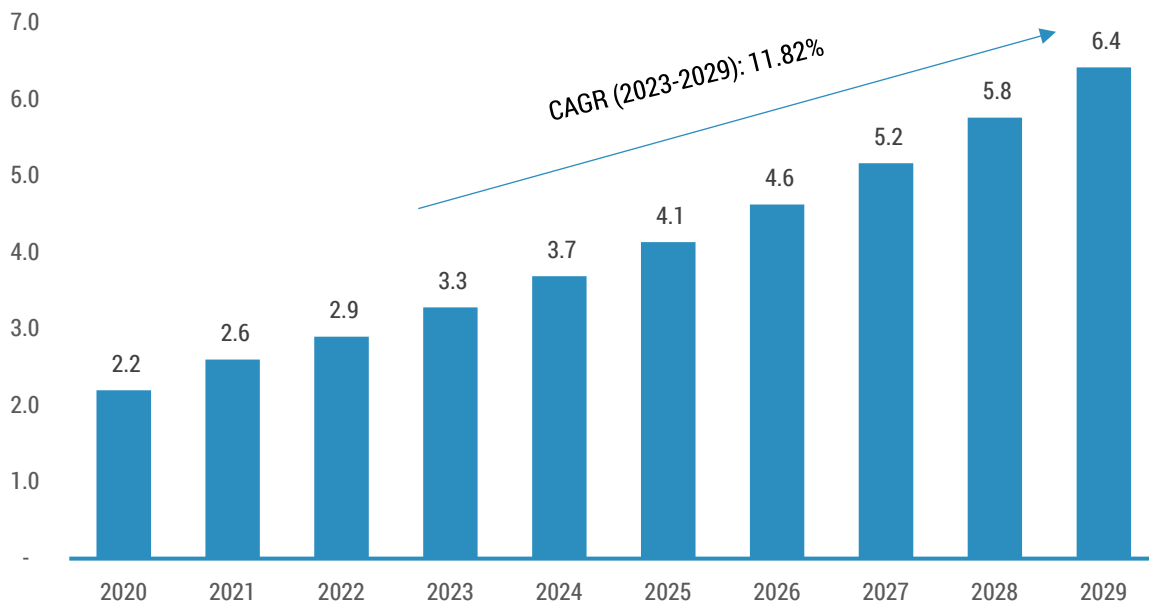
India Home Furniture Market by Product (USD billion) 2020 – 2029

PRODUCT	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	CAGR (%) (2023-2029)
Kitchen Furniture	2.2	2.6	2.9	3.3	3.7	4.1	4.6	5.2	5.8	6.4	11.82%
Living-room Furniture	6.5	7.4	8.3	9.2	10.2	11.4	12.6	14.0	15.5	17.1	10.95%
Dining-room Furniture	0.9	1.1	1.3	1.5	1.7	2.0	2.2	2.5	2.8	3.2	12.88%
Bedroom Furniture	3.9	4.5	5.0	5.6	6.1	6.8	7.5	8.2	9.0	9.8	9.98%
Other Furniture	1.1	1.3	1.6	1.9	2.1	2.4	2.7	3.1	3.5	3.9	13.23%

### 5.1.1 KITCHEN FURNITURE

- The kitchen furniture segment accounted for a value of USD 3.3 billion in 2023. It is estimated to reach USD 6.4 billion by 2029 with a CAGR of 11.82%

India Home Furniture Market – Kitchen Furniture (USD billion) 2020-2029



- Despite the rise of ready-to-live, fully and semi-furnished apartments, the demand for kitchen furniture in India remains robust. This resilience is mainly due to Indian customers' penchant for customizing their kitchens to their preferences. This trend sets kitchen furniture apart from other home furnishings that are frequently replaced.
- Traditionally, kitchens have been overlooked in the realm of furniture. However, Indian homeowners have increasingly turned to metal-based kitchen furniture, which boasts a longer life cycle and offers a premium aesthetic at a lower cost.
- Standard kitchen layouts in India predominantly feature L-shaped and U-shaped designs. Looking ahead, the trend leans towards greater flexibility in organizing kitchens, focusing on innovative,

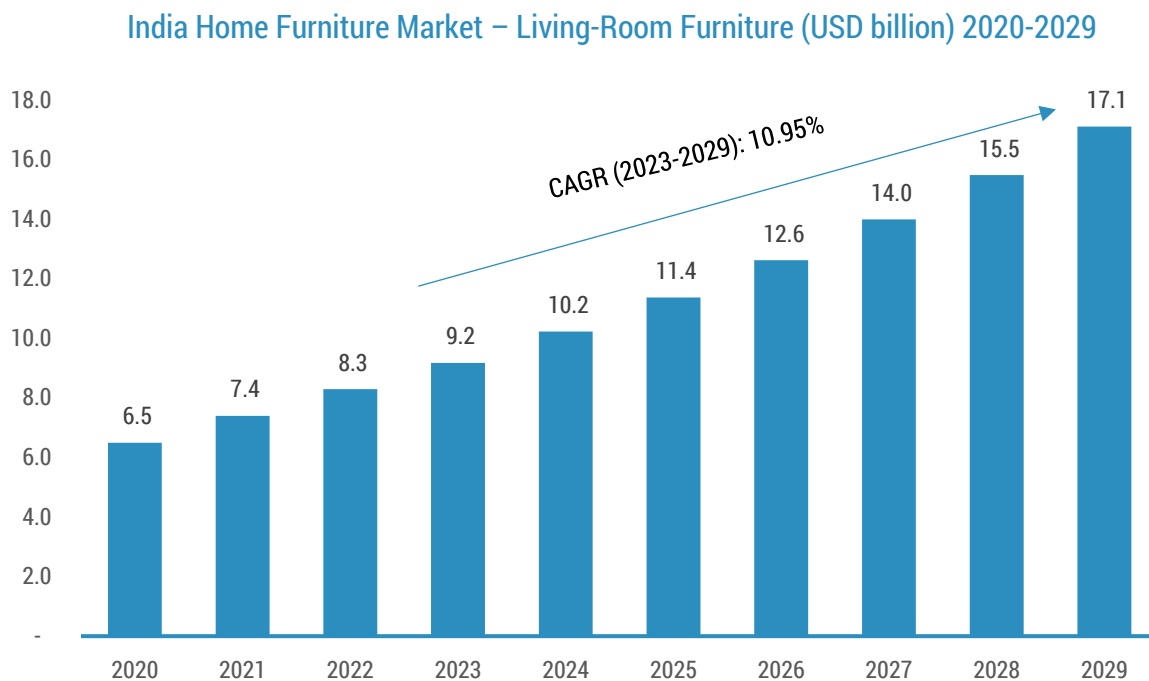
space-saving solutions that make the most of every nook and cranny.

- Modern modular kitchens are embracing stylish hardware, from vibrant-coloured doors to easy-to-disinfect stainless steel doorknobs. This evolution is further accentuated by the rising popularity of open-shelving options and globally inspired appliances, which add a multifunctional flair to Indian kitchens.
- The Indian modular kitchen market currently has monthly sales exceeding 10,000 units. If the current annual growth rate of 50% is sustained, projections indicate a tenfold increase in sales over the next four years.
- While the market is currently dominated by unorganized players, including local vendors and established brands, there's a notable shift. The rising aspiration for a contemporary lifestyle, not limited to any specific demographic, is driving more Indians to consider modular kitchens, even if they historically favored the services of local carpenters.
- Indian consumers are becoming increasingly aware of brands, with a growing appetite for European luxury kitchen designs that are now more accessible in the cities. Technological advancements are further facilitating the customization of kitchen layouts to cater to individual preferences.
- Global design trends are swiftly making their way into India, with new styles like those debuting in Milan and quickly gaining traction in the Indian market. These trends collectively signal a promising future for the kitchen industry in India.
- Design preferences in Indian kitchens are witnessing a flux. While designers maintain their unique styles, there is a rising interest in incorporating lacquered glass into kitchen units. This trend is set to persist as consumers increasingly prioritize design aesthetics. Additionally, handleless kitchens, mostly tailored for a sleek and minimalist look, are gaining popularity.

- Recognizing the diverse needs of Indian consumers, many players in the kitchen space are tailoring their product offerings accordingly.
- Key players in the Indian kitchen furniture market include Godrej, Style Spa, HomeTown, and IKEA.

### 5.1.2 LIVING-ROOM

The living-room furniture segment accounted for a value of USD 9.2 billion in 2023. It is estimated to reach USD 17.1 billion by 2029 with a CAGR of 10.95%.



Source: Mordor Intelligence

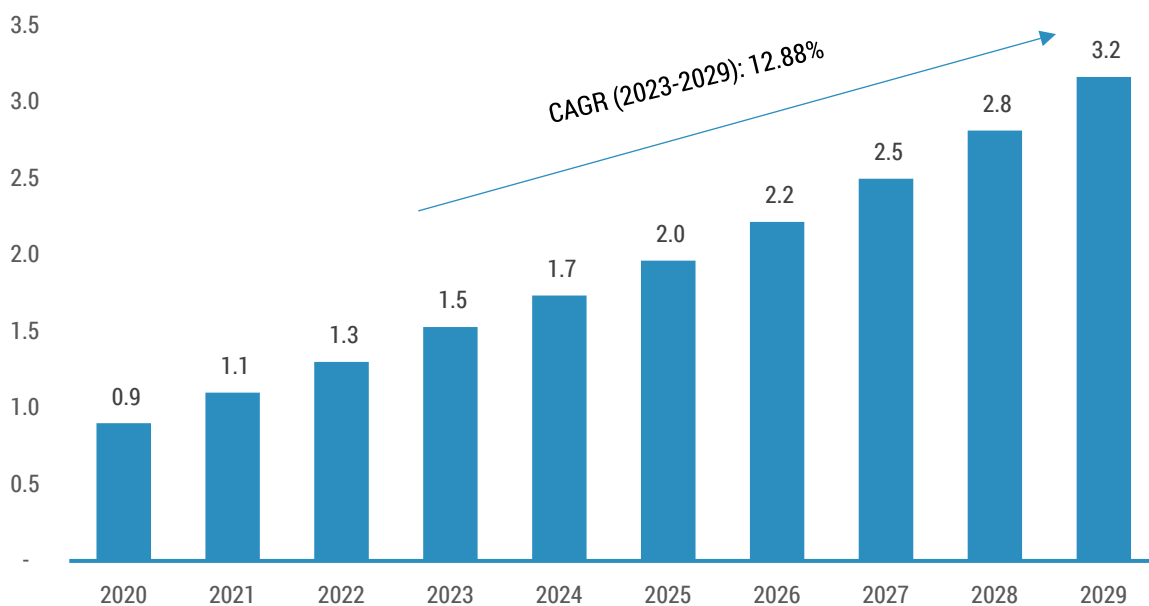
- Bedroom furniture dominates the Indian home furniture market, closely followed by living room furniture. This category includes diverse items like coffee tables, sofas, and TV stands. Notably, leading manufacturers are gravitating towards minimalist designs for chairs and tables.
- Key players in this market segment include Usha, Damro, Nilkamal, HomeTown, and Style Spa. Online platforms like Pepperfry and Urban Ladder are gaining momentum, leveraging the urban millennial trend and the broader shift toward digitization.

- While the manufacturing cost of a lounge chair in India can reach INR 9,000, it's capped at INR 6,500 in China. Given this cost disparity and the government's emphasis on self-reliance, Indian furniture firms advocate for increased protection against Chinese imports, predominantly finished products.

### 5.1.3 DINING-ROOM FURNITURE

The Dining-room Furniture segment accounted for a value of USD 1.5 billion in 2023. It is estimated to reach USD 3.2 billion by 2029 with a CAGR of 12.88%

India Home Furniture Market – Dining-room Furniture (USD billion) 2020-2029



- Dining room furniture commands a significant share of the home furniture market, underscoring its importance in households.
- Despite evolving lifestyles, family mealtime remains a cherished tradition, emphasizing the need for a welcoming dining space. Dining room tables are versatile and adaptable and suit any decor style.
- Consumers gravitate towards various dining table designs, from compact to grand, focusing on style and comfort.

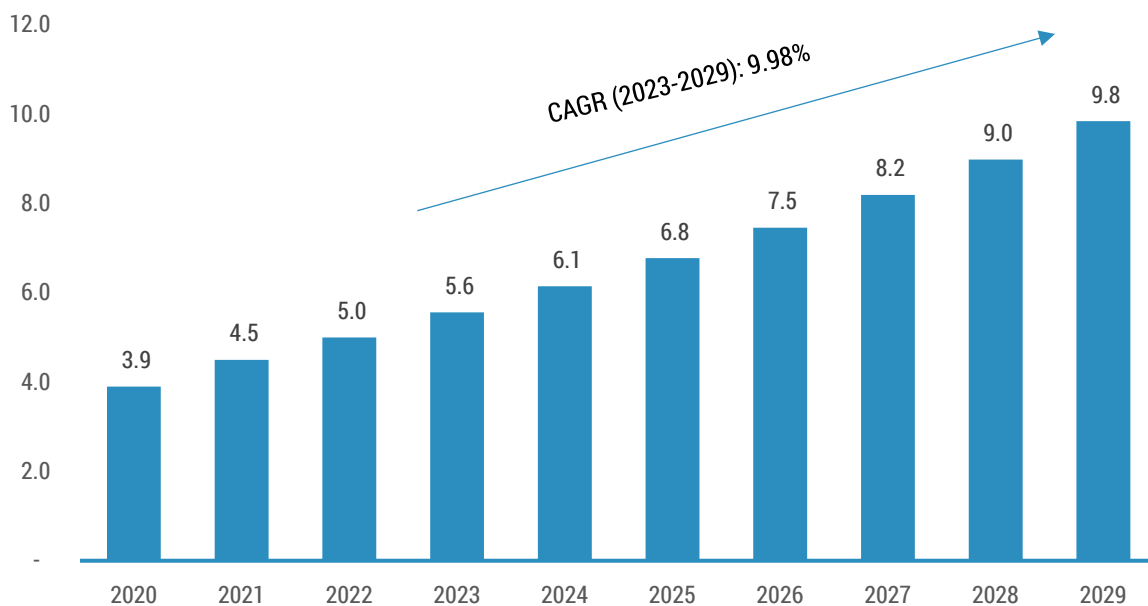


- Today's dining rooms serve multiple functions beyond dining, doubling as homework stations for children and playrooms for families. Consequently, the dining table stands as a cornerstone of dining room furnishing.
- Anticipated market growth stems from a confluence of factors: increasing household purchasing power, evolving lifestyles, and a notable shift towards online purchases of dining room furniture.

### 5.1.4 BEDROOM FURNITURE

The bedroom furniture segment accounted for a value of USD 5.6 billion in 2023. It is estimated to reach USD 9.8 billion by 2029 with a CAGR of 9.98%

India Home Furniture Market – Bedroom Furniture (USD billion) 2020-2029



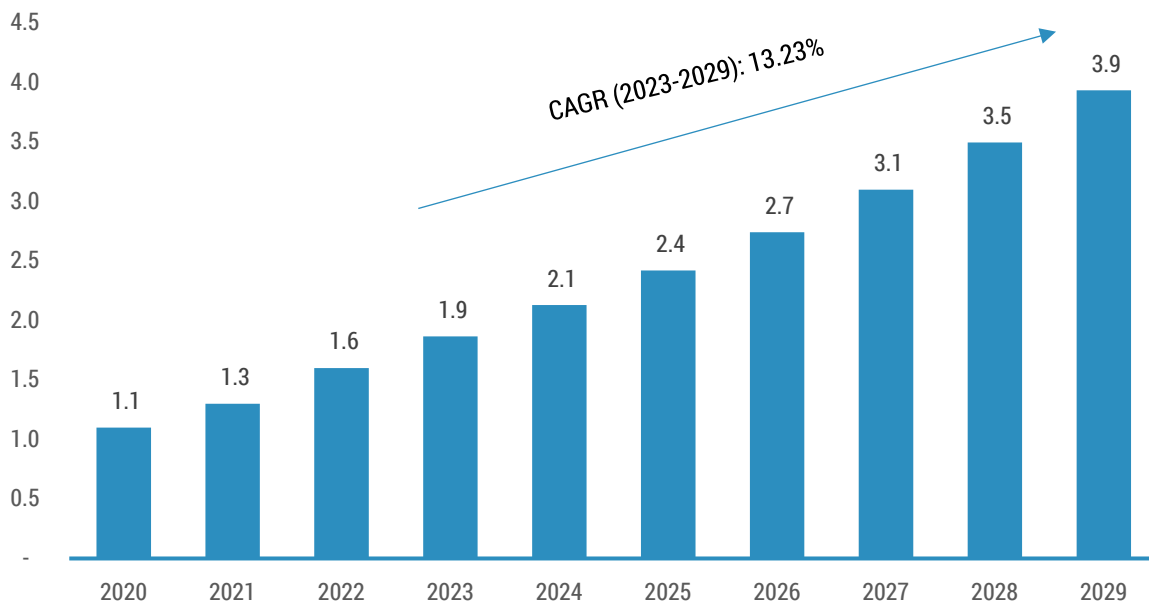
Source: Mordor Intelligence

- The growing popularity of smart homes is fuelling a consistent uptick in apartment demand.
- Bed units featuring built-in storage are seeing a surge in popularity. Additionally, bunk beds, traditionally for children, now often come with added storage, helping to declutter rooms.
- With rising living standards, parents are more inclined to invest in furniture that fosters their children's development, including trendy kid's beds.
- As modern life in India has accelerated, there's a growing emphasis on sleep quality and bedroom aesthetics.
- The headboard design has emerged as a focal point in Indian bedrooms, offering multifunctional features that cater to various sitting, leaning, and lying preferences.
- Wooden accents play a pivotal role in enhancing the allure of Indian bedroom designs, seamlessly blending traditional luxury with contemporary flair.
- For middle-class Indian bedrooms, simplicity reigns supreme. Embracing 'Space-Saving Innovations,' these designs maximize limited square footage. Features like beds with built-in storage and foldable wardrobe doors add functionality and elevate the room's style, transforming it into a cozy retreat.
- Grey tones and lighter hues dominate the current bed colour palette in the market.
- Key players in this sector include Usha, Damro, Style Spa, HomeTown, and the globally renowned IKEA.

### 5.1.5 OTHER FURNITURE

The other furniture segment accounted for USD 1.9 billion in 2023. It is estimated to reach USD 3.9 billion by 2029 with a CAGR of 13.23%

India Home Furniture Market – Other Furniture (USD Billion) 2020-2029



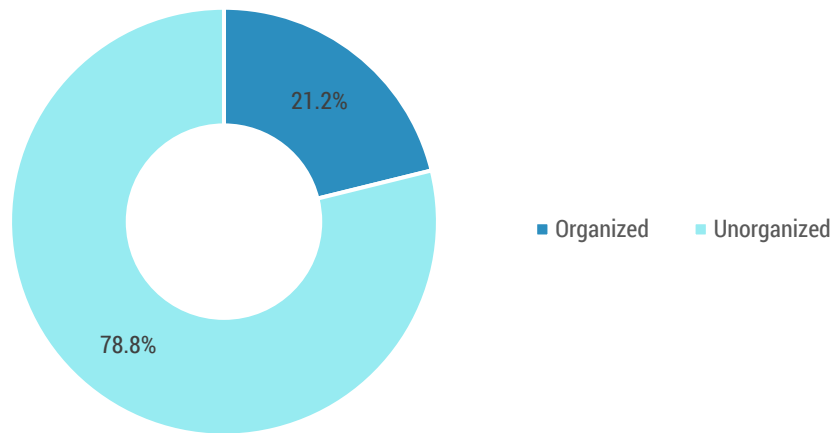
Source: Mordor Intelligence

- Outdoor furniture, including rattan chairs, leisure chairs, and bamboo chairs, plays a significant role in the Indian home furniture market.
- Outdoor furniture is gaining traction in India, with an expanding array of options. This includes rattan chairs, leisure chairs, and bamboo designs.
- Rattan and leisure chairs dominate the outdoor furniture segment. The demand for outdoor furniture is no longer limited to leisure spots and residential areas; it's now extending to private homes, especially those with gardens, rooftops, and terraces.
- Custom-made furniture is rising, aligning with the trend of maximizing home space. In major cities, consumers increasingly seek personalized home products, often opting for fashionable designs

featuring tooled leather, special fabrics, or unique patterns.

## 5.2 BY TYPE OF MARKET

India Home Furniture Market Share (%) – By Type of Market – 2023



Source – Mordor Intelligence

India Home Furniture Market by Type of Market (USD Billion) 2020 – 2029

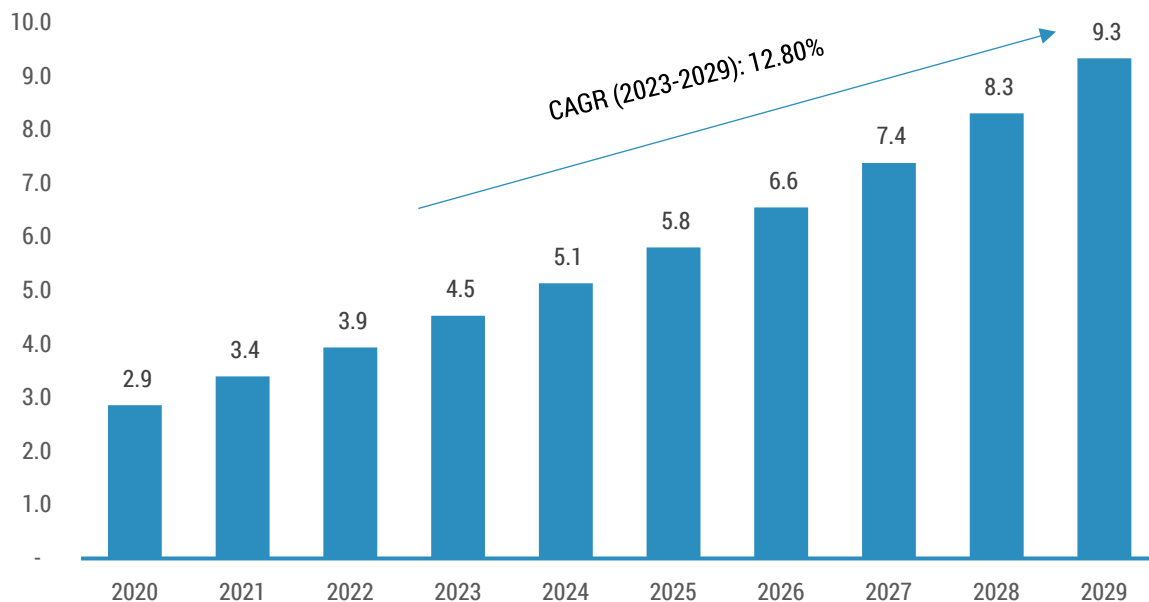
TYPE OF MARKET	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	CAGR (%) (2023-2029)
Organized	2.9	3.4	3.9	4.5	5.1	5.8	6.6	7.4	8.3	9.3	12.80%
Unorganized	11.7	13.5	15.2	16.9	18.8	20.9	23.1	25.6	28.2	31.1	10.74%

Source – Mordor Intelligence

### 5.2.1 ORGANIZED

The organized segment accounted for USD 4.5 billion in 2023. It is estimated to reach USD 9.3 billion by 2029 with a CAGR of 12.80%

India Home Furniture Market – Organized (USD Billion) 2020-2029

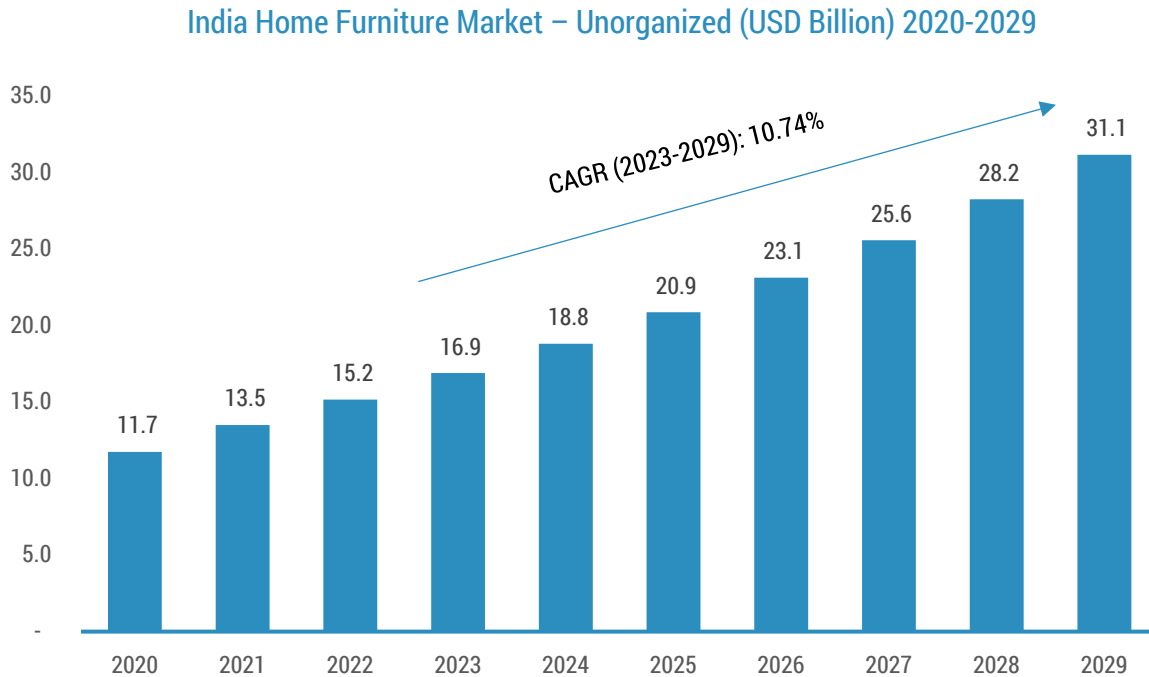


- The furniture sector in India, while making a modest contribution to the GDP at about 0.5%, could be more organized.
- Key players in the sector include Godrej & Boyce Manufacturing Co. Ltd, Style SpA, Praxis Home Retail, and others. Online retailers like Pepperfry and Urban Ladder are also gaining traction.
- While tables and chairs remain popular, consumers increasingly purchase dining tables and couches, with a rising trend of bulk online purchases.
- Compared to sectors like apparel, beauty, and FNB, which are seeing de-growth rates exceeding 70%, furniture retail has experienced a milder de-growth of 40%.

- Despite the dominance of the unorganized sector, the pandemic led to many carpenters going out of business. However, organized players like IKEA, Godrej Interio, and others are eyeing significant growth.
- The online furniture market, buoyed by players like Metro & Tier 1, has seen a robust CAGR of around 40% over the last five years. This growth is attributed to the ease of comparison and competitive pricing major online stores offer.
- Players like Pepperfry and Urban Ladder are leading the online furniture market, each with a distinct supply-side strategy. Pepperfry emphasizes a managed marketplace with private labels, while Urban Ladder focuses on premium, curated offerings.
- The online furniture market is categorized into horizontal and vertical platforms. Initially, verticals held sway, but increasingly, horizontals are taking the lead.
- While horizontals cater to the general online shopper, verticals target the 'solution seeker,' emphasizing comprehensive engagement and experiences. Livspace is a leader in offering solution-based services that bridge the online and offline worlds.
- Godrej Interio is innovating products, such as couches and beds with built-in platforms, to cater to the rising work-from-home trend.
- Smaller players like HomeLane and Foyr are carving a niche in the online home solutions market, focusing on design solutions. However, given the competitive landscape and challenges in aggregating demand, many may need to consider partnerships or mergers to scale up.

### 5.2.2 UNORGANIZED

The unorganized segment accounted for USD 16.9 billion in 2023. It is estimated to reach USD 31.1 billion by 2029 with a CAGR of 10.74%



Source: Mordor Intelligence

- Small local players dominate the Indian furniture market, which remains largely unorganized.
- Historically, India's furniture retail sector has grappled with fragmentation and disorganization, attributed to steep offline rentals and the difficulty of aligning national supply and demand. Consequently, the market needs prominent national brands.
- Domestic furniture manufacturing mirrors this fragmentation, especially in products like doors and windows, often crafted on-site by individual carpenters. While traditional designs dominate, contemporary styles represent a minority.
- Unorganized players in India, with their focus on low-cost offerings, not only erode revenues for significant market players but also undercut branded furniture prices through local shops. The

industry faces a significant hurdle in the form of high prices for quality, durable furniture exacerbated by the costs of materials like wood and leather.

- Kerala emerges as a critical hub for furniture manufacturing, boasting abundant raw materials and a skilled labour force. Recognizing this, the state government, as part of its industrial policy, has sanctioned five furniture clusters, aiming to bolster the sector by addressing challenges, implementing interventions, and charting a strategic path forward.
- International giants like H&M are intensifying the competition in India's furniture market, launching their home furnishing lines. This move, coupled with the persistent challenge from the unorganized sector, poses a significant threat to established players like IKEA.
- H&M's foray into the Indian market aims to challenge IKEA and aligns with India's 30% local sourcing mandate, a prerequisite for foreign single-brand retailers operating in the country.

**India Home Furniture Market by Distribution Channel (USD Billion) 2020 – 2029**

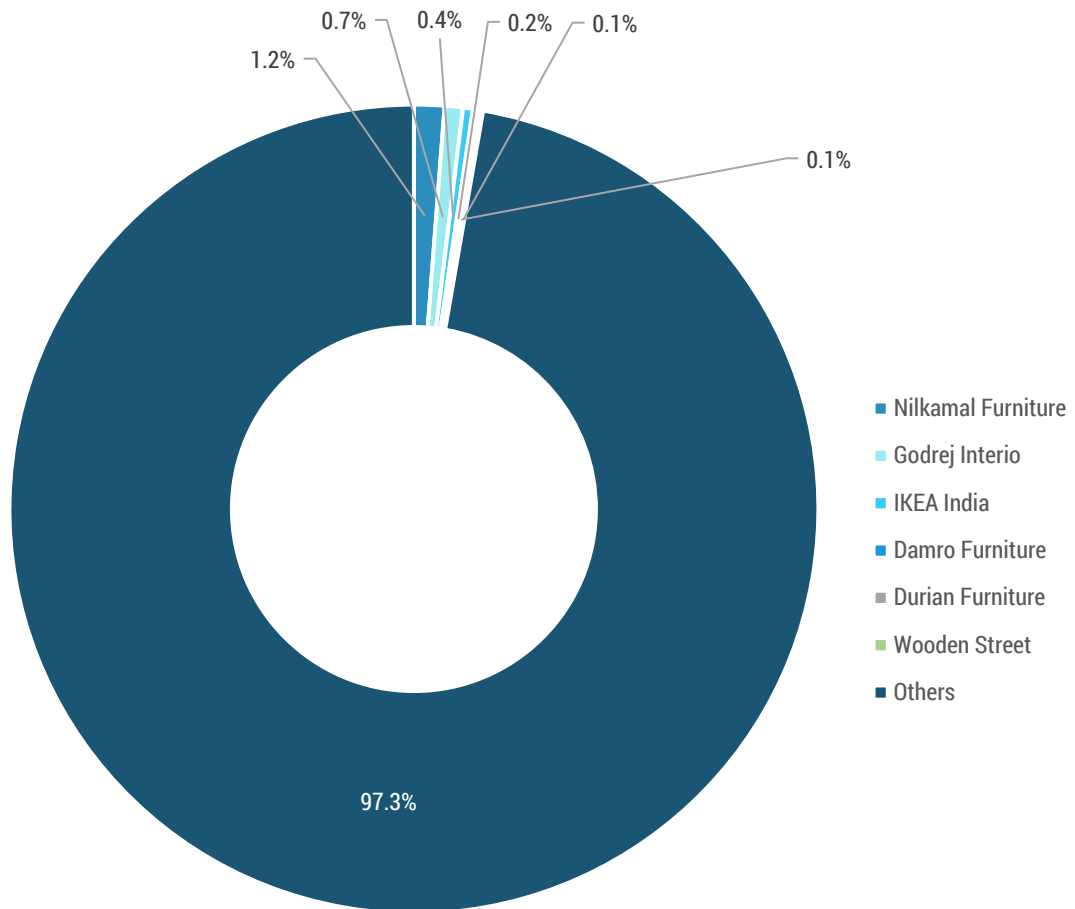
DISTRIBUTION CHANNEL	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	CAGR (%) (2023-2029)
Specialty Stores	11.6	13.2	14.8	16.4	18.2	20.2	22.3	24.6	27.1	29.8	<b>10.45%</b>
Home Centers	1.0	1.2	1.4	1.7	1.9	2.1	2.4	2.7	3.1	3.5	<b>13.06%</b>
Online	0.5	0.7	0.9	1.2	1.4	1.7	2.1	2.5	3.0	3.6	<b>20.15%</b>
Others	1.5	1.8	1.9	2.1	2.4	2.6	2.9	3.1	3.4	3.6	<b>8.99%</b>

Source – Mordor Intelligence



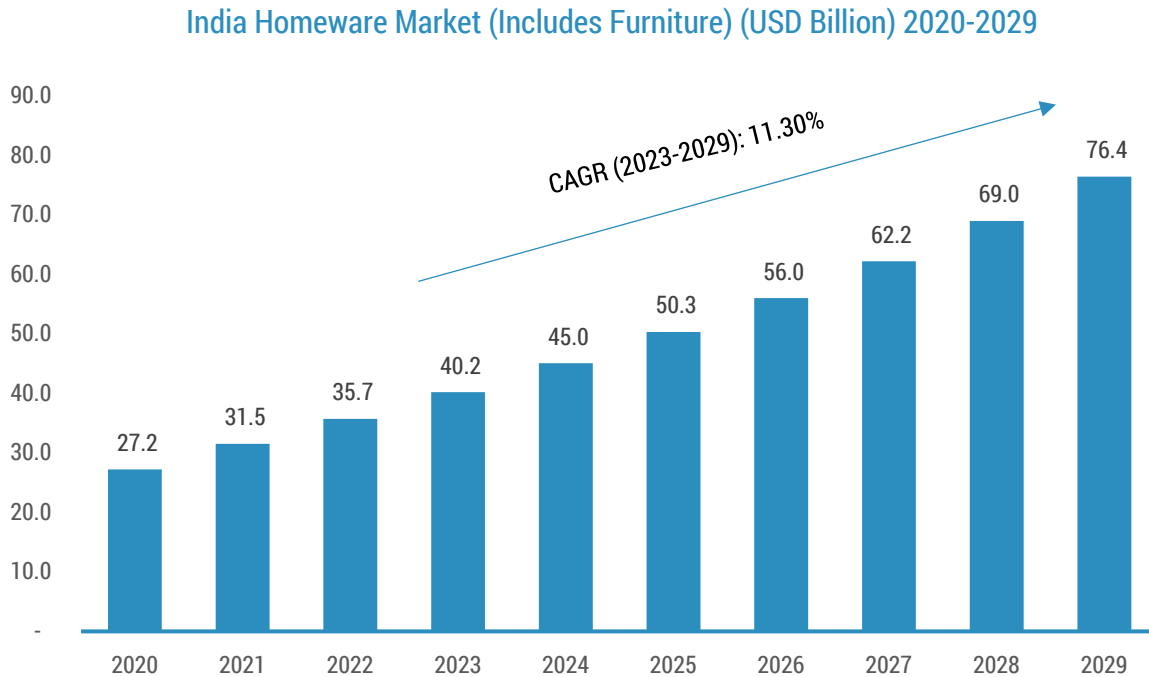
## 6. MARKET SHARE ANALYSIS OF INDIA HOME FURNITURE MARKET (2023)

Market Share Analysis of India Home Furniture Market



Source: Mordor Intelligence

## 7. INDIA HOMEWARE MARKET (INCLUDES FURNITURE) (MARKET SIZE, TRENDS AND FORECAST) (2020-2029), (VALUE IN USD BILLION)



Source: Mordor Intelligence

- Over the last few decades, the residential real estate industry's boom has propelled the homeware market. Fuelling this growth is a rising trend among homeowners for stylish interiors and aesthetically pleasing living spaces.
- Traditionally, Indian consumers focused on elaborate furniture and furnishings primarily in the living room – the space reserved for entertaining guests. However, as aspirations and incomes have grown, spending patterns have shifted. This change is evident in an increased focus on kitchens, dining rooms, and even bedrooms.
- India's homeware, decor, and furnishing market has seen remarkable growth, especially in the past decade. Despite this, the sector remains relatively nascent compared to developed nations.

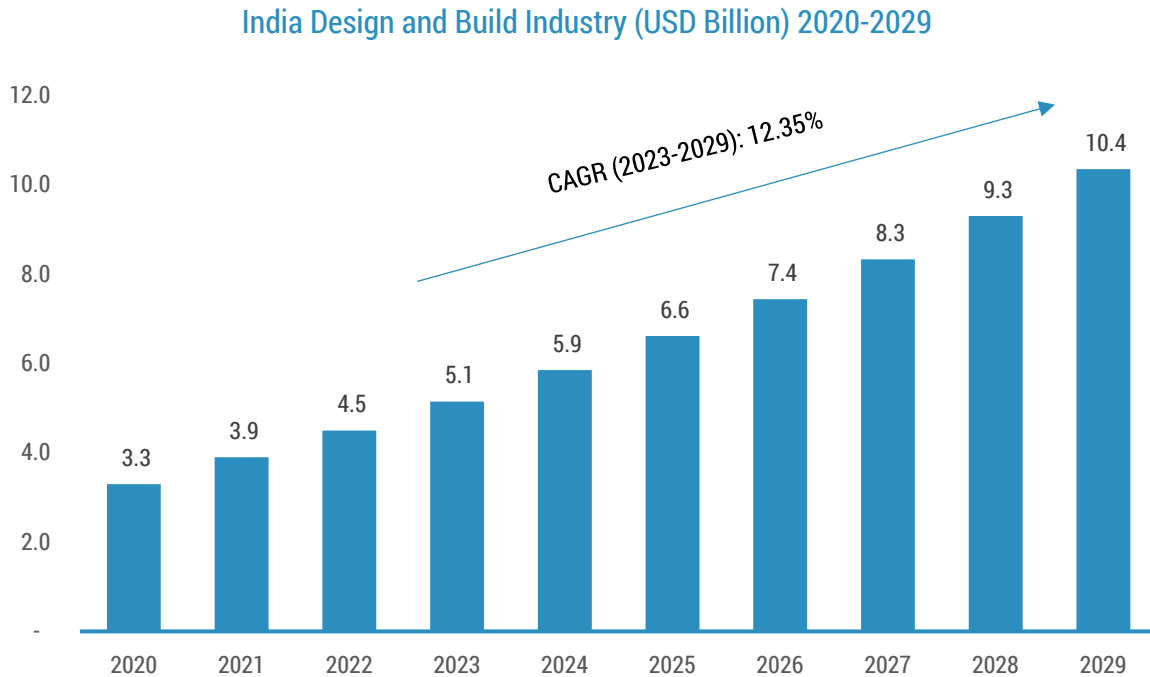
Homeware is a burgeoning category in India's retail landscape, boasting a 25-30% annual growth rate. Globally, from traditional to modern societies, homeware has always been a significant product category. India, too, has seen a notable shift in its consumer base, with men now equally engaged in homeware purchases.

- This sector's expansion is propelled by socio-economic shifts, a sizable young population with rising incomes, and a keenness to enhance their lifestyles. The recent real estate surge, coupled with accessible loan schemes from banks and the government, has empowered the younger demographic to become homeowners.
- Homeware and home furnishing stores, offering extensive variety, dominate the market. Many consumers prefer to physically inspect products before purchasing, favouring brick-and-mortar stores or direct sellers. This emphasis on quality has heightened the demand for branded homeware, known for its durability and convenience, especially in cooking.
- Multi-functional homewares are gaining traction, offering enhanced convenience and maximizing household space. Brands like Chumbak, Masper, and Tangerine, known for their contemporary appeal, are expanding their presence nationwide.
- India's growing economy has bolstered people's purchasing power, spurring sales of branded furniture. The infrastructure and real estate upsurge have further stoked demand for furniture. This, coupled with increasing brand awareness, has fuelled the rise of furniture retailing in India.
- With the widespread adoption of social media and smartphones, the visibility of brands like Chumbak, Masper, and Tangerine has significantly increased.
- As aspirations soar, furniture purchases have become more accessible and convenient. Styles and trends are evolving rapidly, with customization gaining prominence. Additionally, there is heightened demand for services, including robust after-sales support.

- Furniture and homeware manufacturers are eyeing significant growth opportunities in the market in the coming years.
- The Government of India's "Housing for all by 2022" initiative aims to construct over 30 million new homes by 2030. This will undoubtedly bolster the demand for home textiles, furnishings, decor, and houseware, which grow at 25% annually. Leading retailers, brands, and manufacturers corroborate these trends.
- The trend of online food ordering, spearheaded by platforms like Swiggy and Zomato, is gaining momentum. This convenience, especially valued by busy Indian consumers, poses a potential challenge to houseware sales.
- IKEA, which entered India in 2018, continued its success in 2023. Offering a wide range of products, including kitchenware and tableware, IKEA announced plans in 2022 to introduce multiple store formats in India by 2024.
- Following in IKEA's footsteps, Reliance Brands partnered with American retail giant Williams-Sonoma, planning to debut their first store in Mumbai. The collaboration will see the sale of Williams-Sonoma's renowned brands, such as Pottery Barn and West Elm, both online and offline.
- TTK Prestige, a key player in homewares, is renowned for its dominance in stove-top cookware. The brand's diverse cookware range caters adeptly to the varied needs of Indian kitchens.
- TTK Prestige, traditionally a kitchenware specialist, is now venturing into India's INR 1,000 crore organized dining tableware market.
- India is poised to become the world's 5th largest consumer market by 2025. The country is witnessing a 12% year-on-year growth in consumer spending, outpacing the global average of 5%. With over 100 million middle-class households, India's consumption patterns are set to surge, buoyed by rising incomes, propelling many into affluent segments.

- While India's production of various houseware products remains limited, leading to significant imports, the market is sustained by numerous importers and distributors. These entities either sell under their brands or represent international labels in India.
- Recognizing the immense potential of the homeware industry, prominent fashion names, from Zara and Primark to designers like Donna Karen and Armani, are increasingly venturing into this space.
- As China grapples with the effects of the coronavirus outbreak, global buyers are turning to India for sourcing a diverse range of products, including ceramics, homeware, textiles, and furniture.
- Walmart Inc. has ambitious plans to triple its exports from India to USD 10 billion by 2027, up from USD 3 billion in 2020. This commitment is not only expected to boost Indian micro, small, and medium-sized enterprises (MSMEs) but also underscores Walmart's intent to source from various categories, including homeware, apparel, and pharmaceuticals.
- India is already a significant sourcing market for Walmart, with exports totalling around USD 3 billion, covering items like apparel, homeware, and jewellery.

## 8. INDIA DESIGN AND BUILD INDUSTRY (MARKET SIZE, TRENDS AND FORECAST) (2020-2029), (VALUE IN USD BILLION)



Source: Mordor Intelligence

- Interior design includes applying creative and technical solutions to create a functional and aesthetically pleasing environment. The demand for trained interior designers for homes, offices, and other spaces is rising in India.
- Changing perceptions of homes, now seen as reflections of their owners' personalities, are fuelling the popularity of interior design in India. Additionally, workplaces embrace interior design as a science that can enhance productivity by reducing stress and fatigue.
- Interior decorators and designers in India offer a broad spectrum of services, including interior decoration, furniture and furnishings, mechanical design, and residential architecture.
- Furniture designers worldwide craft designs for both residential and commercial properties. While

some work for large manufacturers, others run their studios, creating custom-designed furniture. Many also collaborate with interior design teams on projects for various sectors.

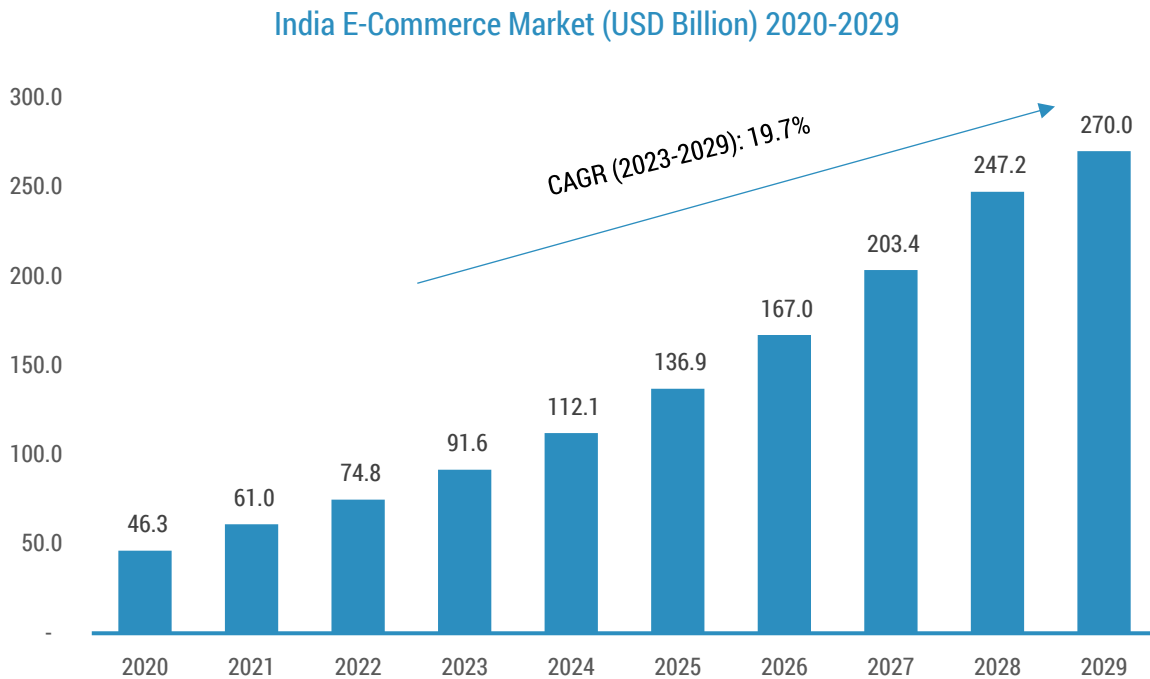
- 'Design and build' is a widely favoured approach globally, where a single agency handles both the design and execution of a project. While this model has long been prevalent in Western and Middle Eastern countries, it took time to gain traction in India.
- Although it took time to catch on in India, the 'design and build' model is now transforming the country's construction landscape. Notably, 85% of interior fit-out projects globally, valued under USD 57,00,000, follow this model.
- Indian construction firms are evolving by adopting the 'design and build' model. Project management consultancies (PMCs) are expanding into design and build services, and even established architectural firms and large interior vendors are embracing this trend.
- As design firms enhance their execution capabilities and interior contractors improve coordination with mechanical, electrical, and plumbing vendors, the corporate interior turnkey market is witnessing accelerated growth.
- By 2050, India is expected to accommodate a significant portion of the world's urban population, with its cities projected to add 416 million urban residents. Delhi, currently the world's second-largest city, with 29 million inhabitants, is on track to become the most populous by 2028.
- Architects and urban planners increasingly recognize the potential of repurposing underutilized urban spaces. This shift reflects a broader move towards socio-economic solutions rooted in circular economics to tackle 21st-century challenges.
- Technology, primarily virtual and augmented reality (VR and AR), plays an increasingly pivotal role in architecture. Many firms are leveraging VR to communicate design concepts effectively to clients.
- The market is witnessing a surge in demand for green buildings, driven by their benefits, including

improved ROI, increased occupancy rates, and reduced operating costs. This demand bolsters the growth of bioclimatic design and conceptual engineering in construction.

- 3D printing is gaining traction in architecture. It offers a cost-effective and time-efficient way to bring designs to life. With potential savings of up to 75% and rapid turnaround times, it's becoming a favoured medium for presenting projects.
- Professionals in the architecture industry are adapting to new technologies like Geographic Information Systems (GIS), Building Information Modelling (BIM), and Big Data solutions. However, the need for more resources to acquire these skills hinders the market's growth.
- Construction is a cornerstone of India's economy, second only to agriculture. It employs over 40 million people and is the country's second-largest employer. Factors like population increase, urbanization, and rising disposable incomes underpin the sector's growth.
- Notable Architects in India include Hafeez Contractor, DSP Design Associates, and Sanjay Puri Architects. Some prominent Builders are Brigade Group, Godrej Properties, and Salarpuria Sattva.



## 9. INDIA E-COMMERCE MARKET (MARKET SIZE, TRENDS, AND FORECAST) (2020-2029) (VALUE IN USD BILLION)



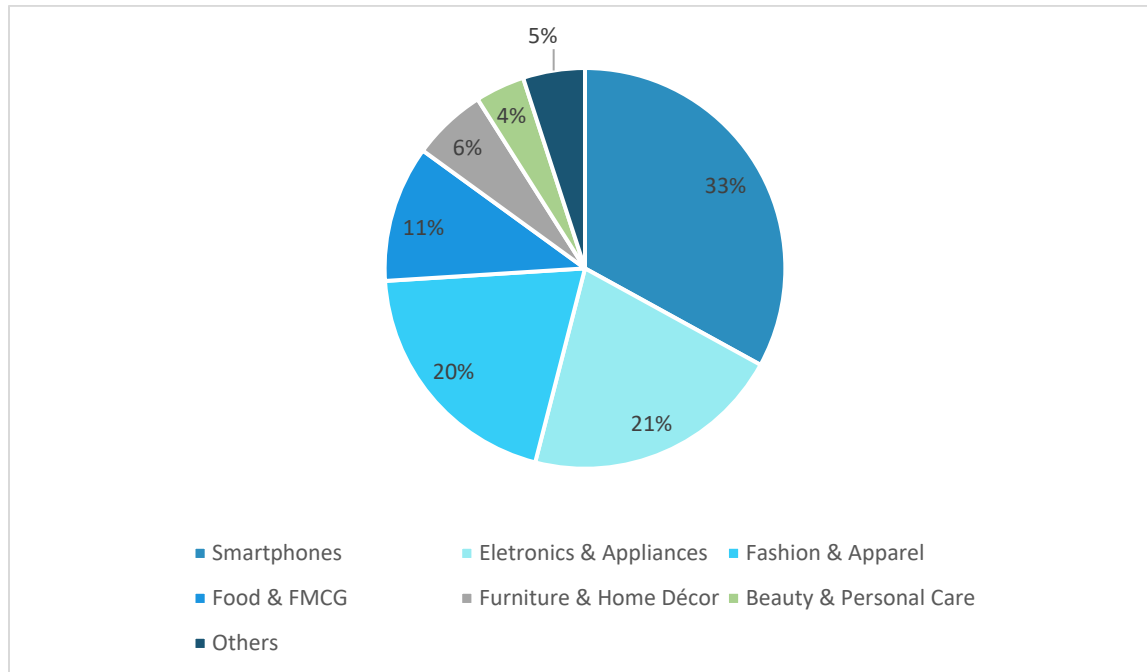
Source: Mordor Intelligence, IBEF, Statista E-commerce DB

- The Indian e-commerce sector is on a robust growth trajectory, with projections indicating that the number of internet users will exceed 1.6 billion by 2050.
- In 2022, India claimed the title of the world's second-largest online market, only after China. Key drivers of this growth included the increase in smartphone adoption, a rising affluent consumer base, and a heightened reliance on online platforms, especially accentuated by the pandemic.
- India is the world's second-largest market for active internet users, with over 820 million users as of March 2024. In 2023 alone, internet penetration in the country witnessed an 8% annual increase. Complementing this trend, the 'Digital India' initiative aims to turn the nation into a trillion-dollar

online economy by 2025.

- As of 2023, India welcomed 125 million online shoppers, with an additional 80 million projected to join the digital shopping landscape by 2025.
- While major metropolises like Bengaluru, Mumbai, and Delhi lead in absolute online shopping numbers, e-commerce is increasingly drawing patrons from tier II and tier III cities.
- By 2022, 55% of India's internet connections were concentrated in metropolitan regions, with a striking 97% being wireless. The nation's smartphone user base is set to hit the 1 billion mark by 2026, further bolstering the digital landscape. Projections indicate that India's digital sector could reach a valuation of USD 1 trillion by 2030.
- This surge in internet users, escalating smartphone adoption, and revenue growth have significantly propelled India's e-commerce landscape. The sector's evolution has not only reshaped the nation's business dynamics but has also paved the way for diverse transaction models, including business-to-business (B2B), direct-to-consumer (D2C), consumer-to-consumer (C2C), and consumer-to-business (C2B) interactions.

### Leading E-commerce Segments, Market Share (%), India, 2022



Source: IBEF (E-commerce Report 2024)

- By 2022, most e-commerce platforms had successfully expanded their reach, drawing in new customers from tier-II and tier-III cities in India.
- E-commerce platforms enable Indian businesses to establish and thrive online.
- **Amazon's Ambitious Investment:** USD 26 Billion Pledged for India by 2031.
- Amazon's latest commitment involves channeling about USD 15 billion into its Indian operations over the next seven years. This move will elevate Amazon's cumulative investment in India, spanning all its ventures, to a staggering USD 26 billion. Amazon has already infused a substantial USD 11 billion into the Indian market.
- **Amazon's Pledges:** Digitizing 10 million small businesses, aiming for USD 20 billion in exports, and creating 2 million jobs by 2025.
- Amazon has set ambitious goals for itself in India. By 2025, it aims to digitize 10 million small businesses, foster USD 20 billion in exports, and create two million job opportunities.

- **Flipkart's Financial Injection:** Flipkart Internet, a segment owned by Walmart, has bolstered its Indian marketplace division with a significant INR 722 crore (equivalent to USD 90 million).

#### RECENT DEVELOPMENTS IN THE INDIAN E-COMMERCE MARKET

Month	Recent Developments
In January 2024	Shiprocket and Truecaller joined forces to enhance e-commerce transactions for Shiprocket's 300,000 merchants. This collaboration simplified the journey from mobile onboarding to shopping, ultimately elevating the experience of end consumers.
In 2023	During Amazon India's Prime Day, the platform saw a 14% surge in Prime memberships, leading to a collective saving of approximately INR 300 crore (USD 36.8 million) among customers.
In June 2022	Amazon India solidified its commitment to local artisans by signing a Memorandum of Understanding (MOU) with Manipur Handloom & Handicrafts Development Corporation Limited (MHHDCL), a government entity. The MOU aims to foster the growth of artisans and weavers in Manipur.
In January 2022	Walmart is actively encouraging Indian merchants to tap into the American market. By 2027, Walmart aims to export USD 10 billion worth of goods annually from India.

