

# WHAT'S SHAPING INDIAN HOME AND INTERIORS MARKET

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# Foreword

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**Madhur Singhal**

Managing Partner - Consumer & Internet

The home and interior market in India is booming, with the sector reaching ~INR 2.4T (US\$ 29.5B) in 2023. Indoor living product segments dominate the market with ~41% of the total market share. This growth is underpinned by several key drivers, including rising disposable incomes and urbanization trends, which have fueled demand for premium home furnishing and improvement products. The real estate sector's expansion has further boosted this demand, with consumers increasingly prioritizing quality, aesthetics, and technological advancements in their home decor choices.

Consumer behavior has evolved significantly, with a notable shift towards minimalist and maximalist design preferences that emphasize self-expression and comfort. This trend is reflected in the increasing popularity of warm color schemes, indoor plants, and eco-friendly materials. The market landscape has responded with enhanced consumerization efforts, leveraging social media and e-commerce platforms to engage directly with consumers and create personalized brand experiences. Multiple participants in the market are now adopting omnichannel strategies.

Premiumization across sub-categories remains a dominant trend, characterized by innovative product offerings, smart home solutions, and sustainable materials. Regulatory changes, particularly in product quality and safety standards, are also shaping the market dynamics, prompting brands to innovate and comply with new requirements. India's home and interior exports expanded at a CAGR of 12% from 2017 to 2022, while the imports grew at a CAGR of 2% during the same period.

Looking forward, the Indian home and interiors market shows promising growth prospects, driven by continued urbanization, evolving consumer preferences, and technological advancements. Brands are increasingly focusing on omnichannel strategies and niche product segmentation to cater to diverse consumer needs and preferences.

This report analyses the current state of the home and interior market and the emerging key trends in the market. These include a) Maximizing living spaces, b) Changing consumers, c) Consumerization & brand creation, d) Premiumization across sub-categories, e) Innovation in materials, f) Tightening regulations, g) Make for self and the world

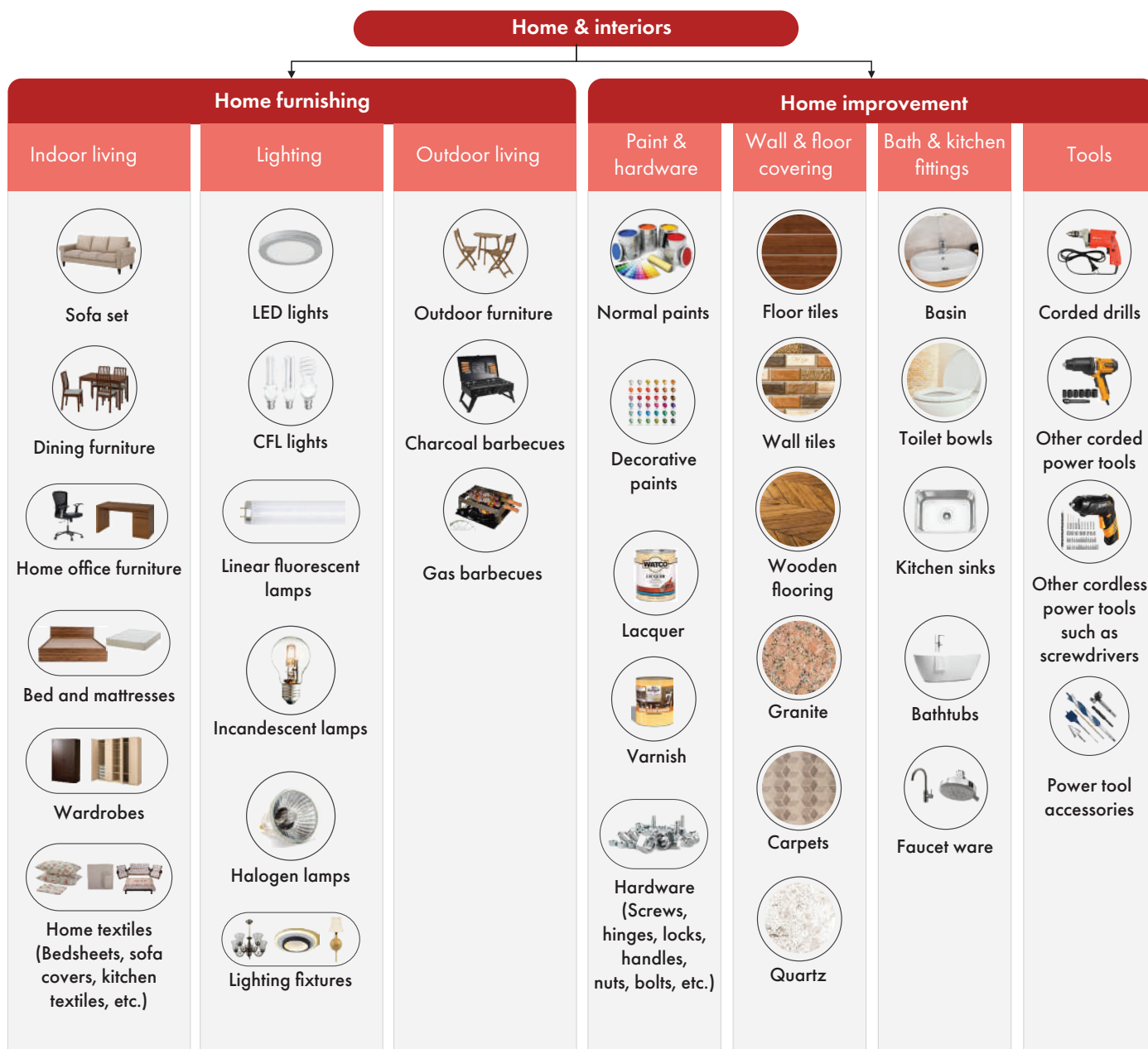
Our endeavour with this report is to understand, qualify, and quantify the impact that these trends will have on the Indian home and interior market in the short to medium term.

At Praxis Global Alliance, we trust that our report will offer valuable insights into the key success factors driving growth in the Indian home and interior market, empowering you to seize the opportunities within this thriving sector.

# Home & interiors market overview

The market can be broadly classified into two categories – home furnishing & home improvement.

Home furnishings include product segments like furniture, beds & mattresses, home textiles, lighting, etc., that add comfort and makes a living space hospitable. Home improvement includes product segments like wall tiles, wooden flooring, bath & kitchen fittings, bathtubs, tools, etc., that improves a home's look & feel.

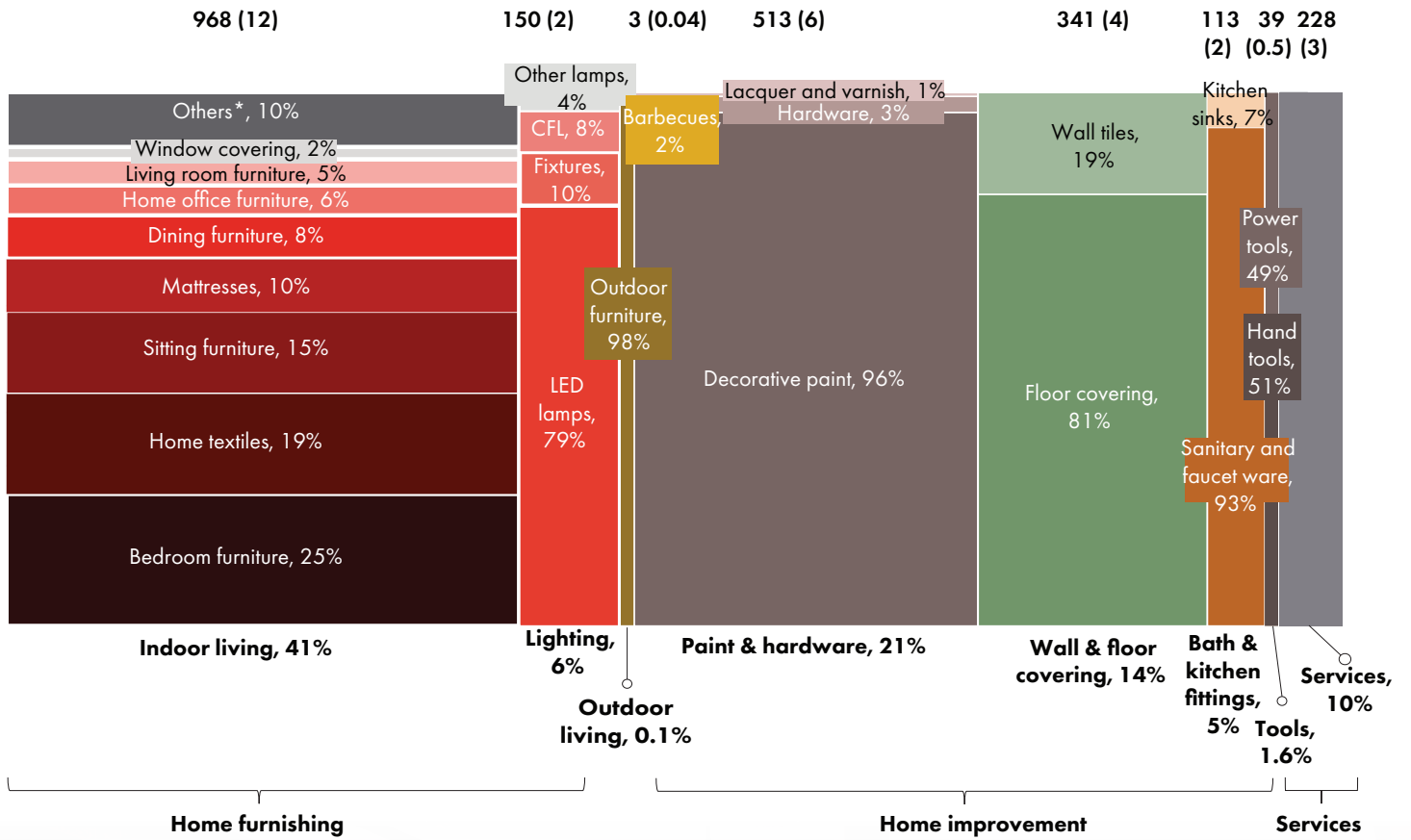


Source(s): Praxis analysis

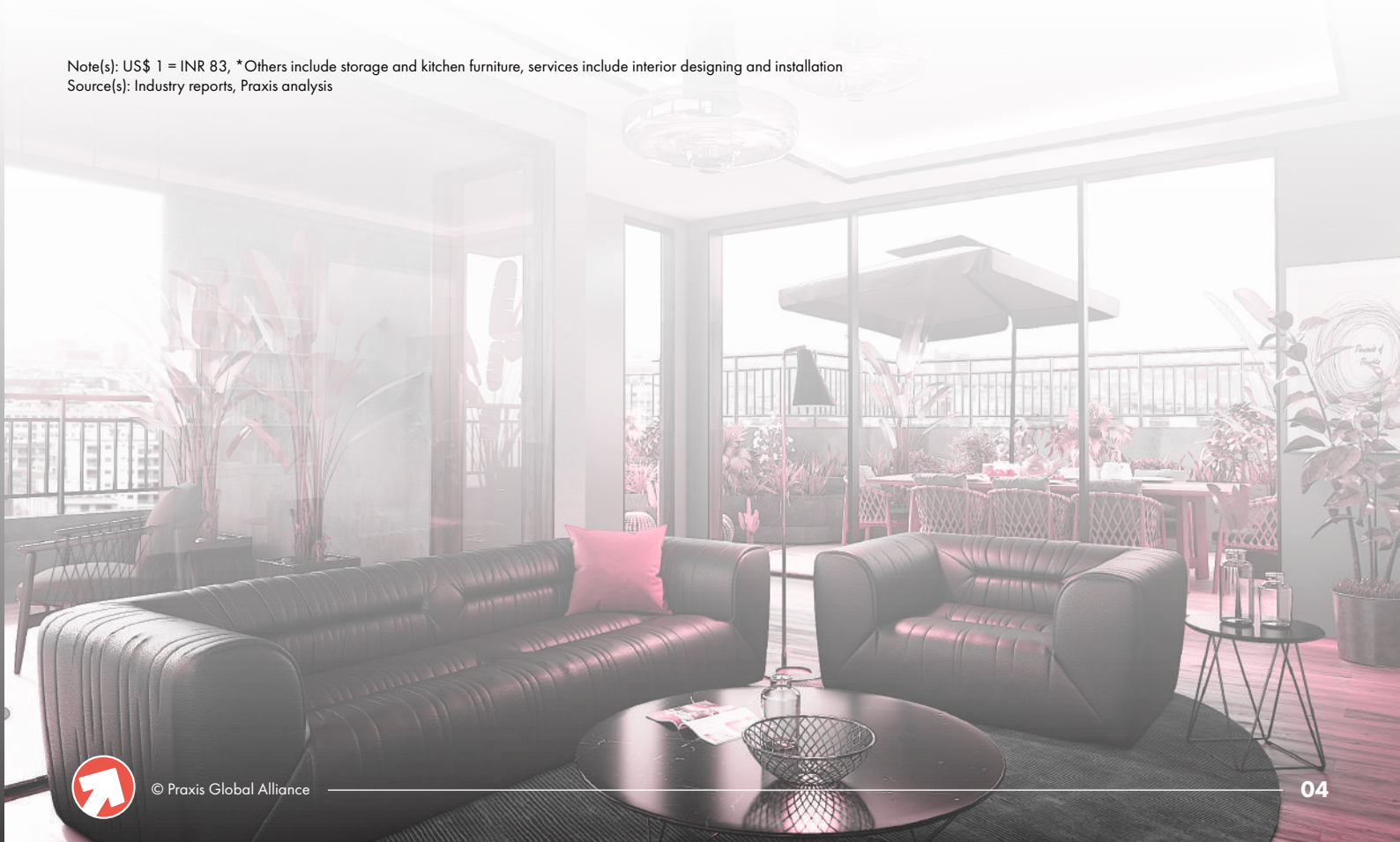
Home interiors is a huge market in India, with an estimated size of ~INR 2.4T (US\$ 29.5B) in 2023. Around 47% of India's home & interiors market is attributed to home furnishings, while home improvement has a share of 42%. Indoor living is the largest product segment in which bedroom furniture commands the largest share.

**Home & interiors market in India**  
(INR B (US\$ B), 2023)

**Total ~INR 2,360B (US\$ 29.5B)**

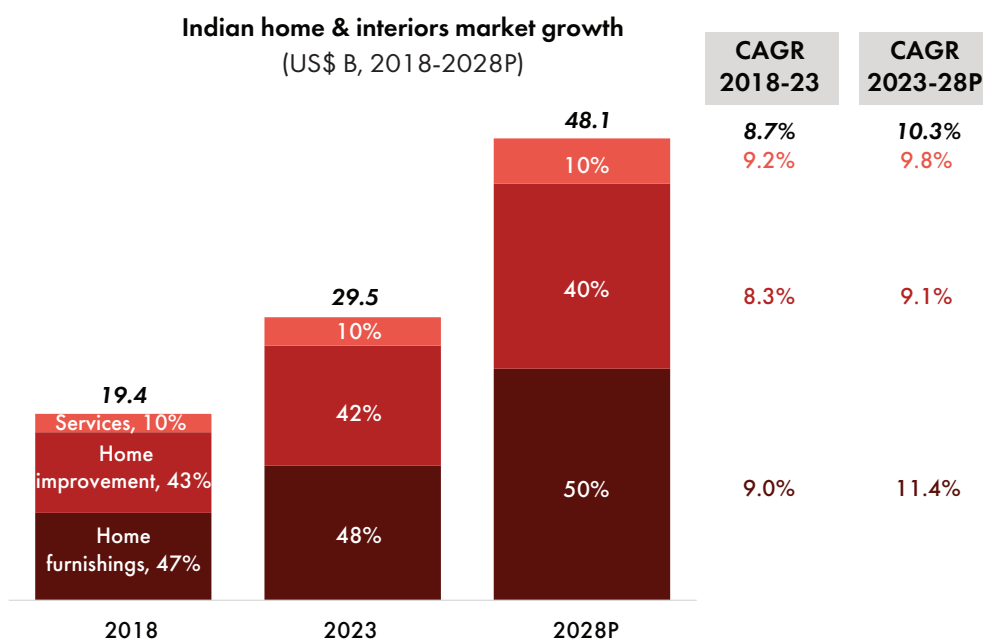


Note(s): US\$ 1 = INR 83, \*Others include storage and kitchen furniture, services include interior designing and installation  
Source(s): Industry reports, Praxis analysis



## Growth in Indian home & interiors market

Indian home and interior market is expanding and is projected to achieve a market size of ~US\$ 48.1B by 2028. Home furnishings constitute the largest segment, accounting for 50% of the market, followed by home improvement at 40%.



Home furnishing is projected to grow the fastest at a CAGR of 11.4% for 2023-28P, while services are anticipated to grow at a CAGR of 9.8% during the same period.

Note(s): US\$ 1 = INR 83

Source(s): Industry reports, Praxis analysis

### Growth drivers for the home & interiors market

#### Higher disposable income

- Rise in **GDP per capita** (from US\$ 1.3K in 2010 to US\$ 2.6K in 2023) has driven an increased demand for high-quality products

#### Growth in the real estate sector

- Real estate sector growth has fueled the demand for the industry; Metro cities have seen ~20% surge in project launches in 2023 compared to the previous year

#### Decrease in renovation cycle

- Average renovation cycle has reduced from 15 to 10-12 years with evolving family needs and a growing desire to incorporate new trends

#### Change in customer preferences

- Due to government incentives & urbanization, homeowners' age is reducing
- Young customers are shifting from product to **design mindset**, leading to higher spending on **premium products** as aesthetics are prioritized
- Surge in DIY trends has boosted the demand for unique products like decorative paints, DIY tools, etc.

#### Increasing trust in professionals

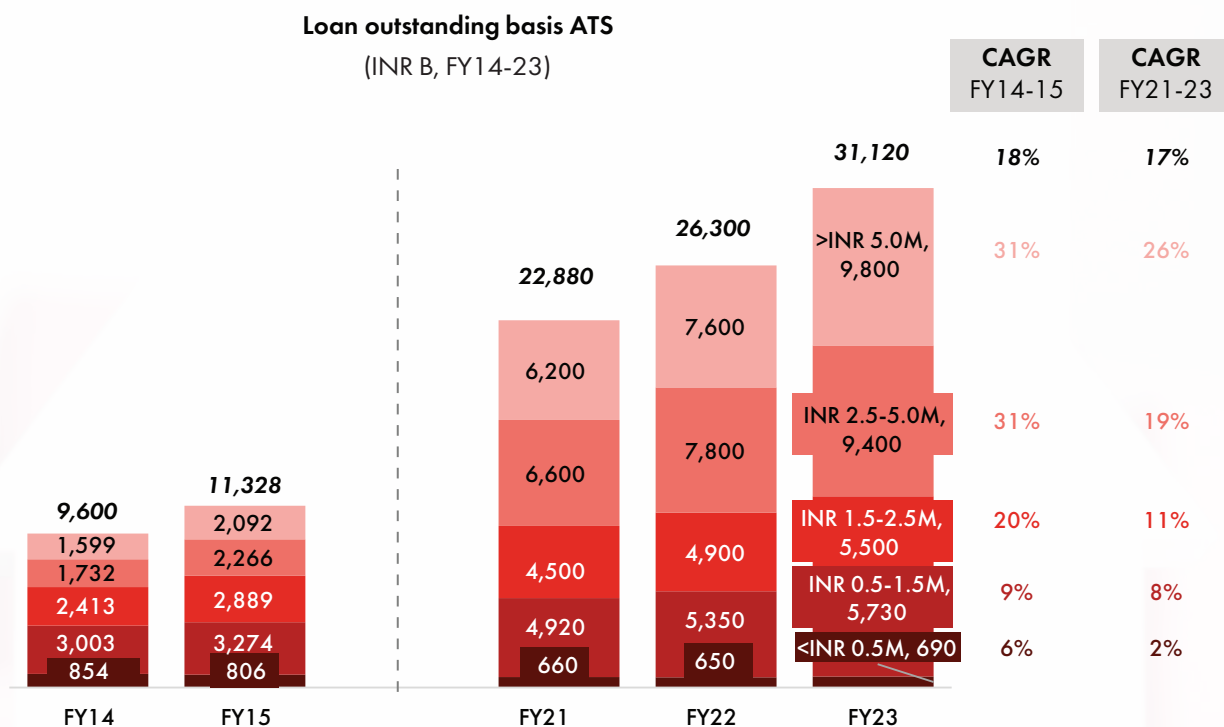
- Customers are opting for services such as **design consultants & 3-D design model visualization** which is increasing trust & dependence in professional services



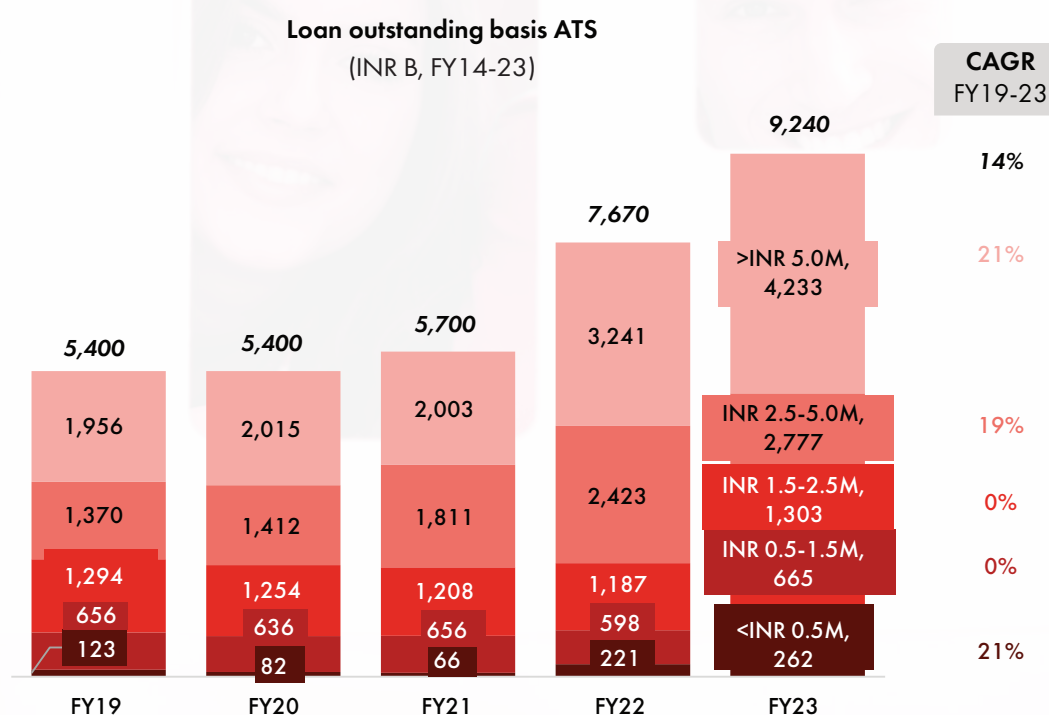
## Growth in the Indian real estate sector

As economies expand and urbanization accelerates, the demand for housing rises, increasing the need for housing finance solutions. The future of housing finance appears promising, characterized by continued innovation and regulatory scrutiny. Real estate sector growth, marked by new construction and housing projects, fuels the demand for home furnishings and improvement products. Housing finance analysis shows strong growth in mass housing as well as the luxury housing segments.

Housing loans >INR 5M saw the fastest growth at 26% CAGR for FY21-23, reaching an AUM of INR 9.8T.



Disbursement of housing loan with ATS >INR 5M experienced the most rapid growth, with a 21% CAGR.



Note(s): ATS- Average ticket size  
Source(s): NHB, RBI, CRIF, Praxis analysis



# Emerging trends in the home & interiors market

The home & interior market is experiencing a shift towards sustainable materials and eco-friendly designs, reflecting growing consumer consciousness. Additionally, smart home technologies and personalized home decor solutions are gaining traction, enhancing convenience and customization.



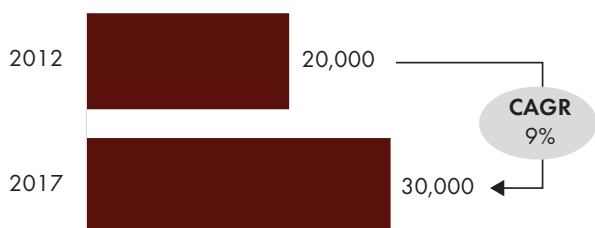
## 1 Maximizing living spaces

There is an increasing prevalence of solutions focusing on utility, ergonomics, convenience, and spaces that are being re-conceptualized. Implications of the retail box model include:

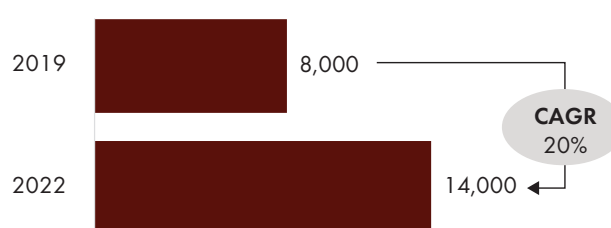
- **Bathroom:** Counter-top basins, sensor faucets, automatic closets, new bathroom themes, and WC fittings
- **Kitchen:** Cabinet modules, under-sink units, wall units, integrated lighting, pull-out units, and chimneys
- **Home office:** Ergonomic table and chair setup, multi-port hub, charging point and connectivity, lampshade and lighting
- **Kids room:** Inspiring study area, chalkboard or canvas, cushioned mats, soft rugs, and play zone



**Spend on mid-range bathroom in India**  
(INR, 2012-17)



**Spend on mattresses per household in India**  
(INR, 2019-22)



Note(s): Spends not adjusted to inflation

Source(s): Industry reports, Press reviews, Praxis repository, Praxis analysis

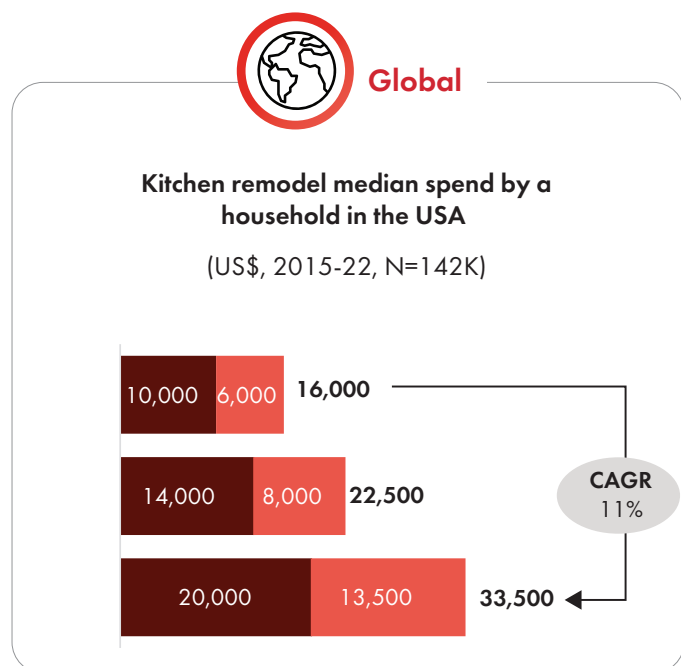




There has been a 9% increase in mid-range bathroom spending in India from 2012-17, whereas the spending on mattresses per household in India notably increased at a CAGR of 20% from 2019-22.

There has been a notable boost in spending on home & interior products even in India, with customers spending more across sub-categories

- **Normal faucet:** Earlier only basic enmities like normal faucets, closet were prominent
- **Sensor faucet:** Automatic closets, and sensor faucets are readily available now
- **Vinyl mattress:** Earlier mattresses were made of foam and vinyl
- **Memory foam mattress:** Now mattresses with functionalities like memory foam, inner spring are available



In the USA, kitchen remodel spending increased notably at a CAGR of 11% from 2015-22, consumers are now shifting from normal traditional style kitchens to new modular kitchens

- **Normal kitchen:** Earlier kitchens with fixed layouts were prominent
- **Modular kitchen:** Now modular kitchen with customizable, efficient designs are prominent

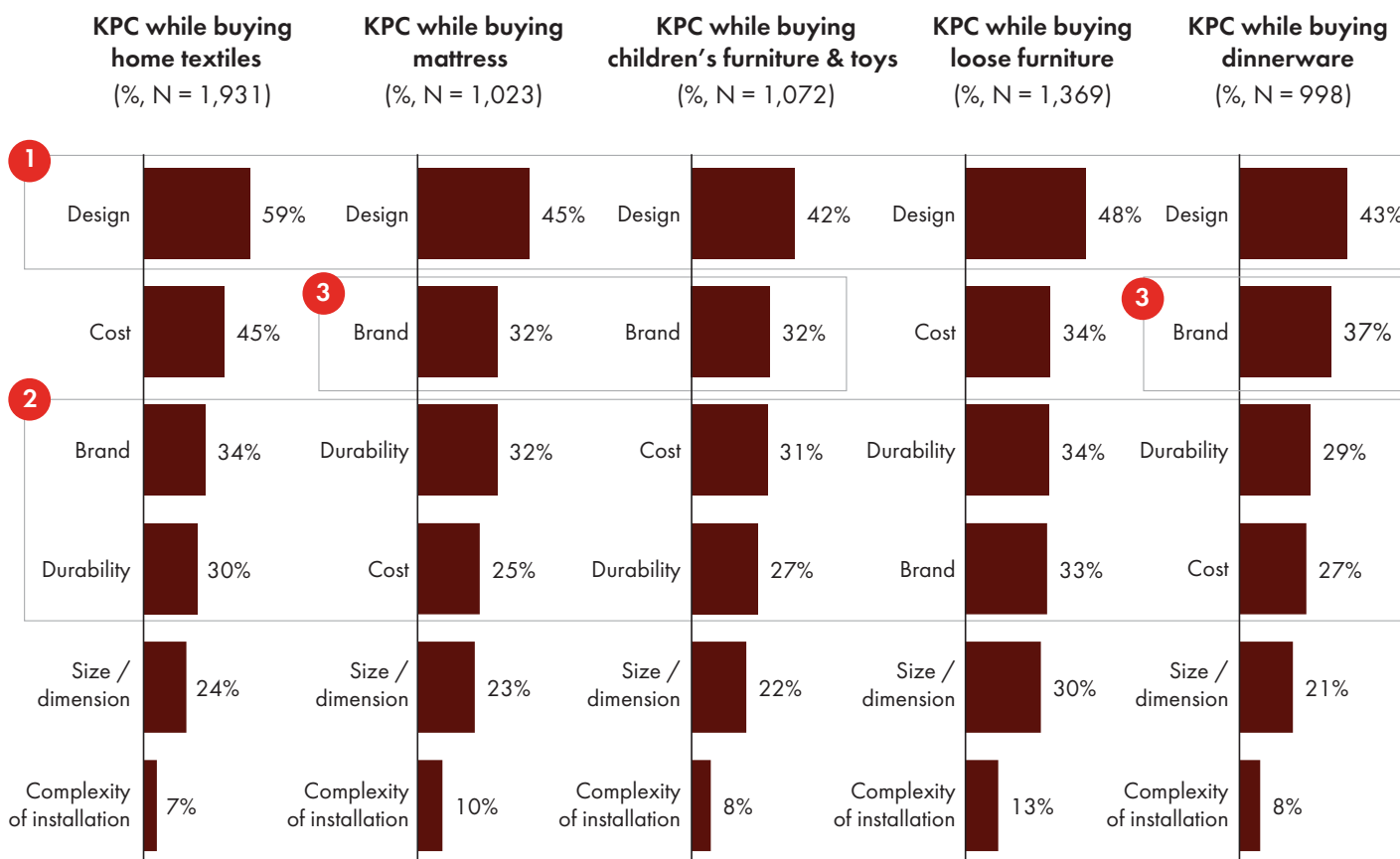
Note(s): Spends not adjusted to inflation

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## 2 Changing consumer

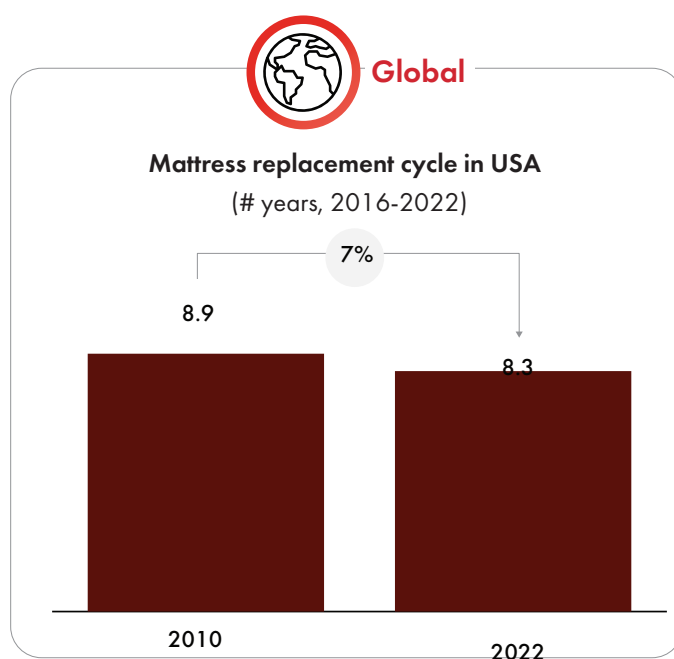
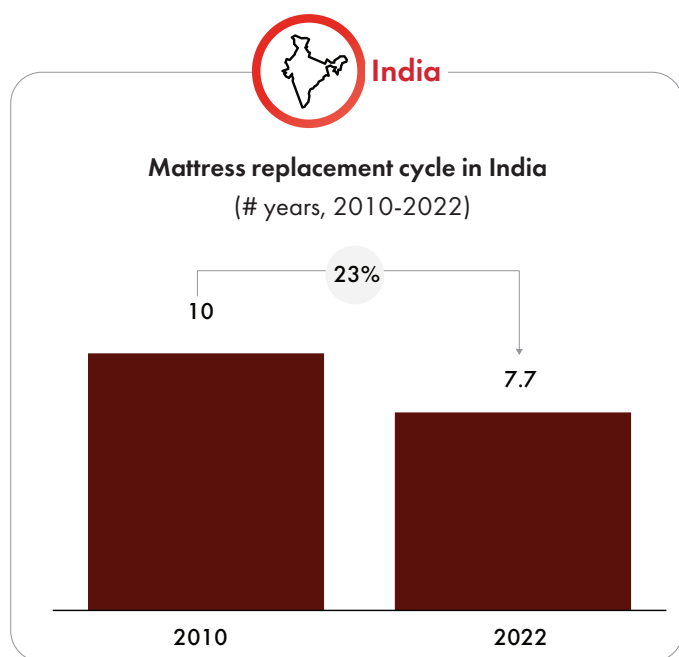
The design language is changing, minimal (simple) as well as maxi-minimal (rich and opulent). New consumer sees home interiors as an 'expression' and 'reflection of self'.

- Shift in consumer behavior towards using warm colors and blending indoor and outdoor spaces with indoor plants, earthy color schemes, etc. for calmer settings
  - Using lighter and creamier color tones
  - Attractive composition using fewer elements
  - Brown earthy toned flooring
- Consumers are opting for more uncluttered interiors and using fewer elements in curating a comfortable yet stylish home
  - Adding natural elements like plants to create a calmer environment
  - Installing decorative and energy-efficient lighting
  - Emphasis on quality over quantity while choosing décor items



Note(s): KPC stands for key purchase criteria  
Source(s): Consumer survey, Praxis analysis

- Design ranks as top priority in home and interiors
- Durability, that used to be top priority, now falls to the third or fourth position across different categories
- Brand preference is emerging across multiple categories



Source(s): Secondary research, Praxis analysis

## INDIA

- Consumers are indulging in their home makeovers faster than before, driving the home renovation market to an estimated US\$ 14.3B by 2027
- Purchase decisions are now more collective, nowadays, women are not exclusively involved in the home décor space
- Millennials believe home furnishing decision is a truly collective process, with each member of the family having a say
- Commitment to 'home furnishing democracy' appears to decline with age
- In India the mattress replacement cycle has reduced from 10 years (2010) to 7.7 years (2022)

## USA

- Large ticket items and purchases that all members of a household use show a higher percentage of joint-decision making
- In the USA mattress replacement cycle has reduced from 8.9 years (2016) to 8.3 years (2022)
  - Gen Z's replace mattresses every ~6 years, while millennials do so even more frequently at 5.7 years
  - By gender, men have shorter mattress replacement cycle (7.6 years) compared to women (9.2 years)

### 3 Consumerization & brand creation

There has been an evolution in category trends, with a notable shift towards sustainable materials, smart home technologies, and personalized design solutions, reflecting changing consumer preferences and lifestyle demand.

#### Evolution in category trends

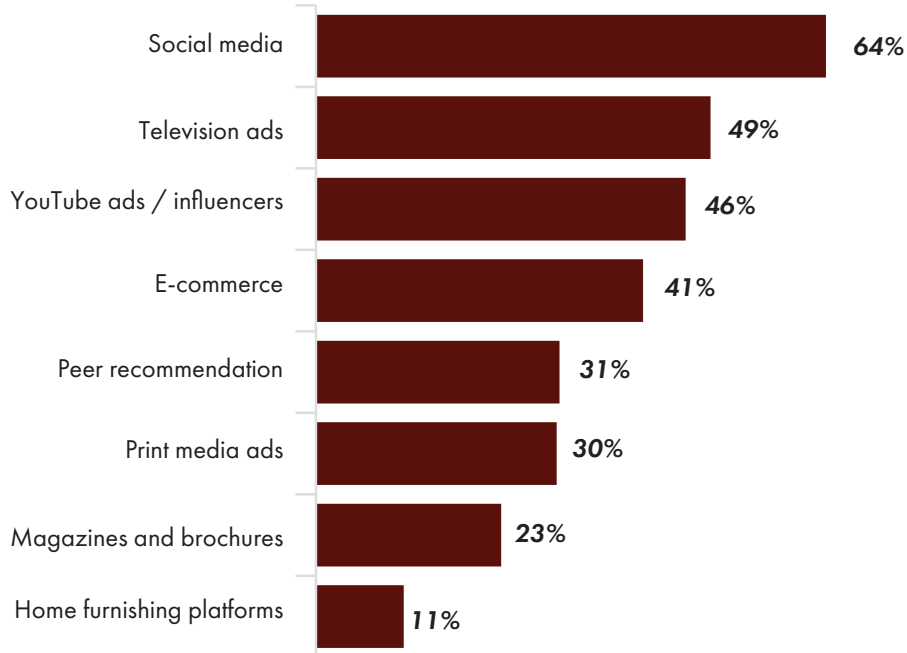
Selling communication	Commoditized product 1960-90	Durability 1990-2000	Design statement 2010-2020	Comfort and expression 2020 onwards
Communication				
Prominent brands from the period				
Communication objective	<ul style="list-style-type: none"> <li>• Functional benefit of furniture and mattress</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on quality and strength of the products to highlight durability</li> </ul>	<ul style="list-style-type: none"> <li>• Highlight design and aesthetic superiority</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing focus on comfort, expression of feelings and love</li> </ul>

Source(s): Secondary research, Praxis analysis

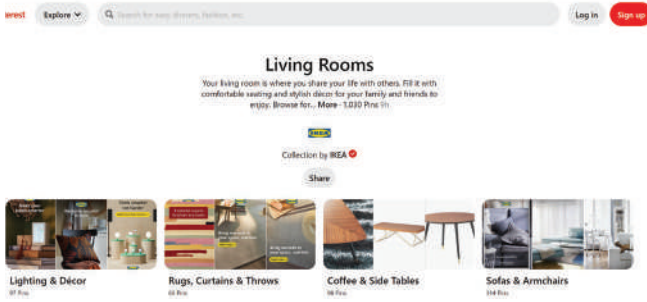
Social media and e-commerce platforms are increasingly replacing traditional discovery channels, offering consumers direct access to a wide array of home interior products and personalized shopping experiences.



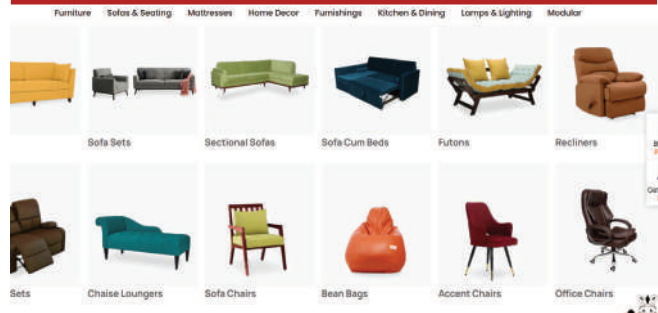
## Channel preference for discovery of home furnishing products (%, 2021, N=1,931)



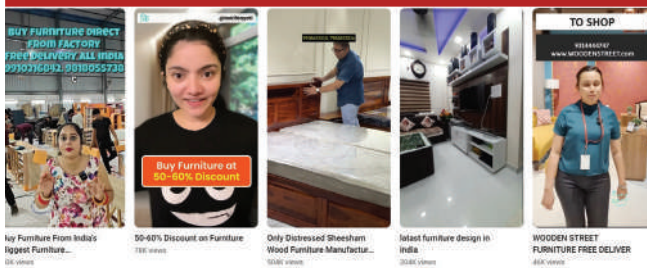
### Pinterest boards with description about different products



### Furniture-focused e-commerce platforms



### Influencers and social media content



### Interior design magazines and websites



Source(s): Industry reports, Press reviews, Praxis repository, Praxis analysis



Brands are now focusing on communicating experience, owing retail spaces offline as well as online:

**Indian Brands:**

- Hindware launched concept stores 'Lacasa' across Delhi, Kochi, and Chennai showcasing its premium brands
- Fabindia unveiled unique experience centres featuring a wellness center, design studio, and cafe all under one roof
- Merino Laminates inaugurated 10 experience centres across India, presenting all its brands under a single retail space

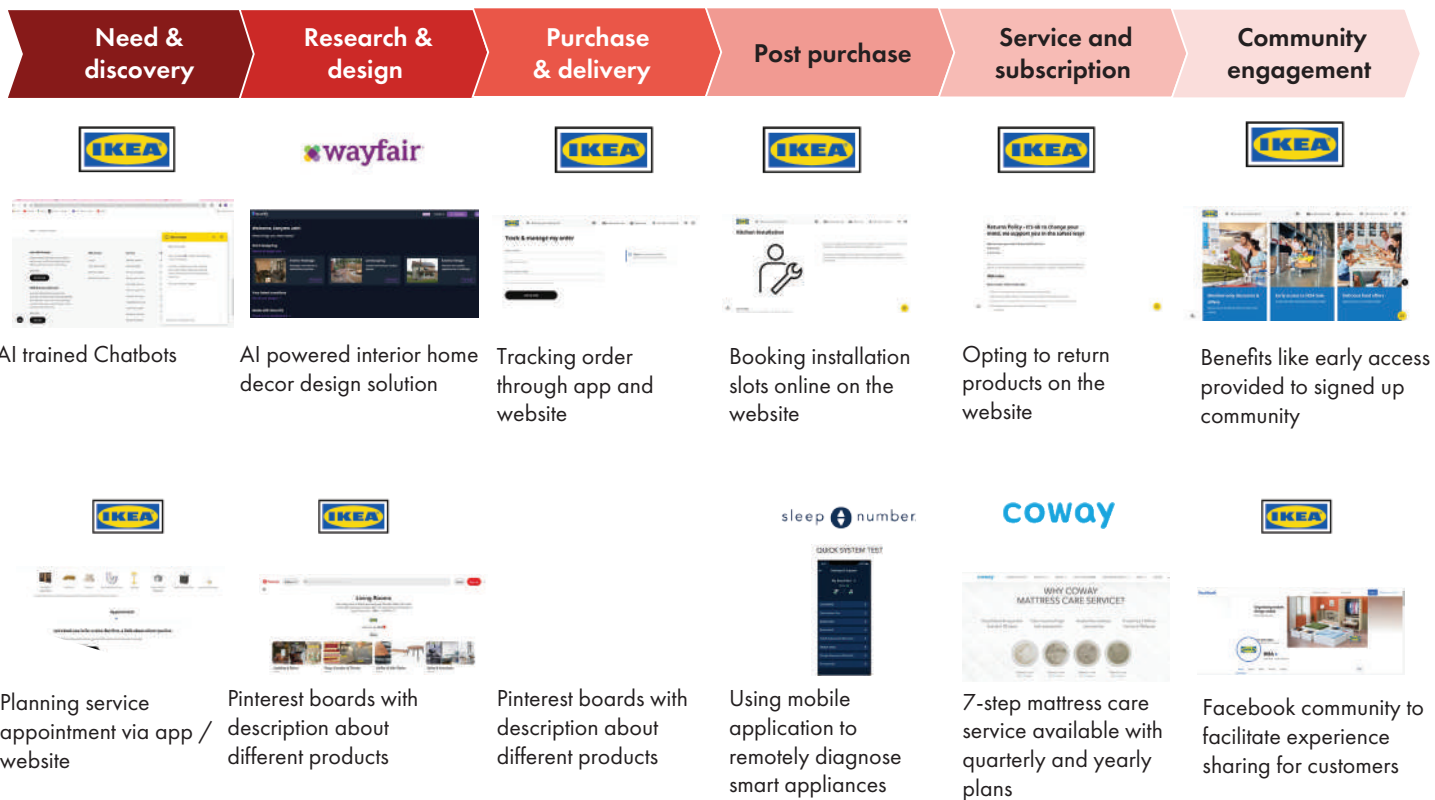
**Global Brands:**

- Pottery Barn opened its flagship stores in Delhi and Mumbai
- West Elm partnered with Reliance Brands Limited and launched two stores in Mumbai and Gurugram
- Kohler established three experience centres in Delhi, Mumbai, and Bangalore

**Brands are segmenting more finely and creating sub-brands:**

- Brands catering to kid's furniture segment like Pottery barn kids, Crate & kids, Gautier
- Brands dealing exclusively in outdoor furniture segment like Brown Jordan, Tropitone, and Summer Classics

Consumers are now increasingly involved in their home and interior requirements, showing a strong preference for customization solutions that cater to their lifestyle choices and enhance their living environments. This trend underscores a growing emphasis on aesthetic appeal in modern home design.

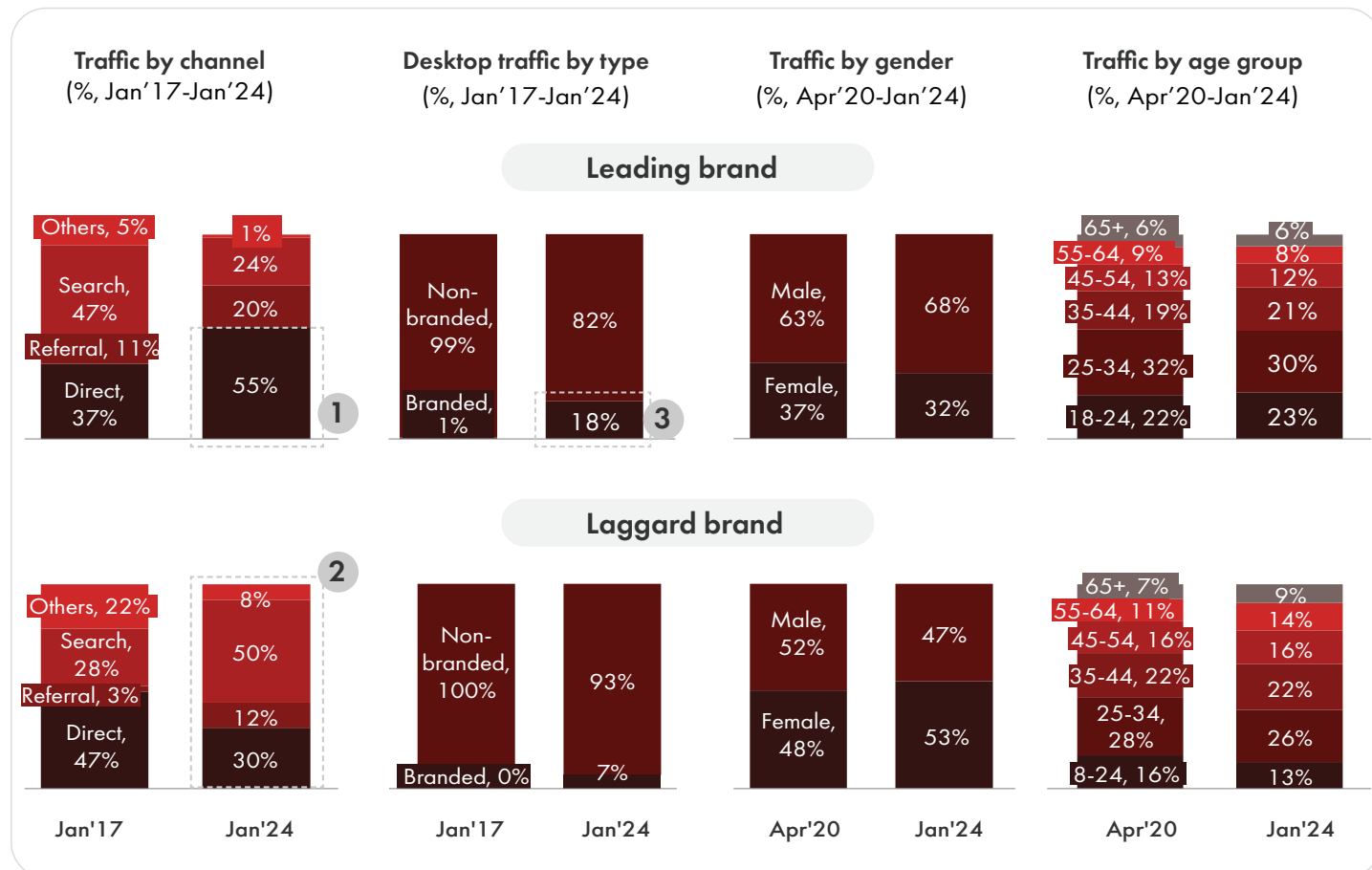


Source(s): Industry reports, Press reviews, Praxis repository, Praxis analysis

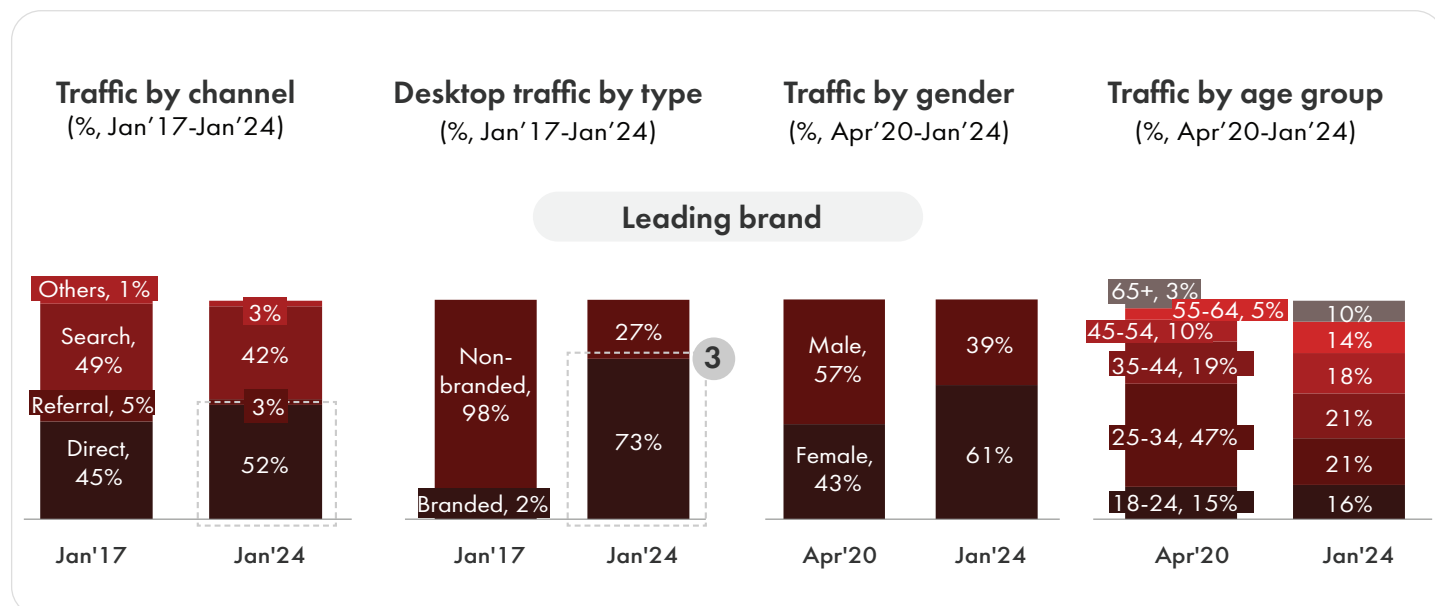


There is a shift towards high direct and branded search globally, due to the increasing importance of being among the repertoire of brands recognized by customers. Direct traffic is the top channel for leading brands in India & globally. Laggard Indian brands receive more search traffic than direct traffic, while global leaders get more branded traffic than Indian brands.

## India



## Global



Note(s): Others include social, email and display ads

Source(s): Praxis analysis



## 4 Premiumization across sub-categories

Brands are capitalizing on product & material innovation by offering unique premium materials, exclusive designs, and innovative features



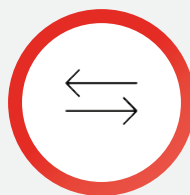
### Product innovation

- Hypoallergenic mattress and pillows
- Memory foam for stress reduction and posture
- Tech to avoid mattress sag and improved air-flow



### Material innovation

- Easy-clean, spill and stain resistant upholstery fabrics
- Recycled wood furniture
- Sustainable fabrics



### Material innovation

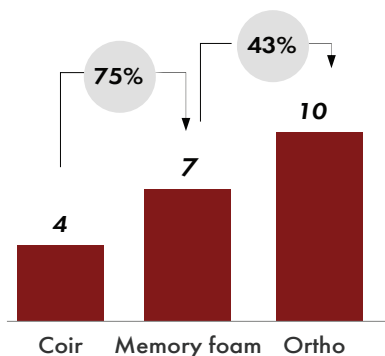
- Reclining beds with in-built massagers



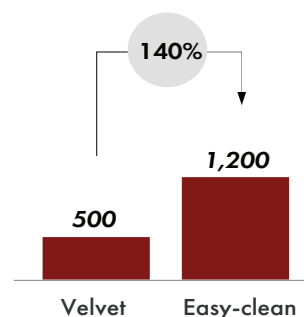
### Smartification and connectivity

- Remote-controlled voice-assisted chandeliers and switchboards
- Power recliners with USB ports

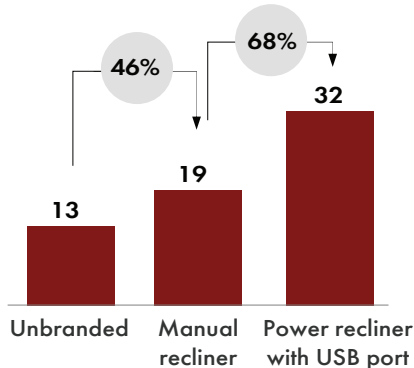
Price of single bed 6-inch mattress  
(INR K, 2024)



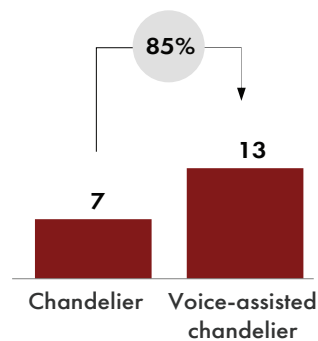
Price of upholstery fabric  
(INR / meter, 2024)



Price of 1-seater recliner  
(INR K, 2024)



Price of chandelier  
(INR K, 2024)



## India

- **Sirohi:** Textile waste and upcycled plastic to champion eco-friendly practices
  - Chair manufactured using textile waste
  - Jute & cotton light box
- **Fabuliv:** Sustainability using mango wood, jute, recycled glass, and terracotta
  - Lamp using recycled glass & mango wood
  - Vase using terracotta

## Global

- **Krill design:** 3D printed using 'Rekrill,' made from reclaimed orange peels, lemon peels, and coffee scraps
  - Lamp using Rekrill orange
  - Wall clock using Rekrill lemon
- **Serta:** Incorporates REPREEVE, a recycled fiber made from plastic bottles, into mattresses





## 5 Innovation in materials

Innovation in materials within India's home & interior market is driving significant advancements, with a focus on sustainable and eco-friendly options, including the development of new materials that enhance durability, and aesthetic appeal. Alternative materials are emerging in wall and floor coverings while the paints category is witnessing the launch of innovative products.

### Wall & floor covering

#### Coco tiles

- Made with reclaimed coconut shells
- Eco-friendly, non-toxic, and suitable for people with allergies



#### Strand woven bamboo flooring

- Made using bamboo fibers compressed under extreme pressures
- Sustainable and eco-friendly



#### Leather scrap tiles

- Sustainable as scrapped leather is used in manufacturing
- Add sound-dampening aspect



#### Cork flooring

- Comfortable underfoot
- Has thermal insulation qualities
- Eco-friendly and sustainable



### Paints

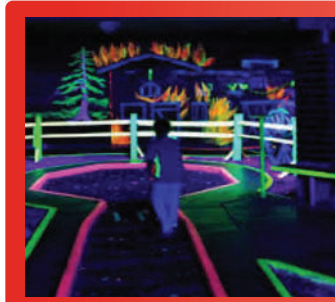
#### Self-cleaning paints

- Able to retain its original color for a long time
- Use of nano-technology to reduce friction



#### Glow in the dark paints

- Absorb light and emit a soft glow in the dark
- Comprise of phosphorescent pigments



#### Low VOC paints

- Emit fewer toxic fumes during application and drying
- Environmentally friendly



#### Anti-bacterial paints

- Formulated with antimicrobial additives that inhibit the growth of bacteria and fungi on painted surfaces



In other product categories, material innovations have largely focused on tech advancements and usage of sustainable materials.

## Other product categories



Lighting



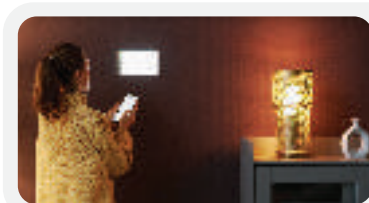
Indoor living



Bath & kitchen fittings

### Lighting: Tech advancements

### Lighting: Usage of sustainable materials



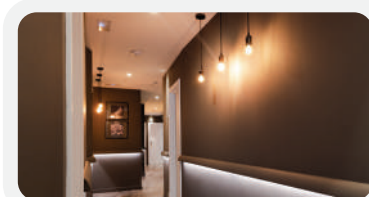
#### Smart lighting

- Can be controlled with a smartphone
- Energy efficient and enhanced security



#### LED strips

- Can be cut into any size and integrated into any part of home



#### Flush & semi flush lighting

- Flush lighting fixtures remain completely flush with the ceiling,
- Semi-flush fixtures suspend just below it



Terracotta pendant light



Bamboo ceiling lamp



Bamboo floor lamp

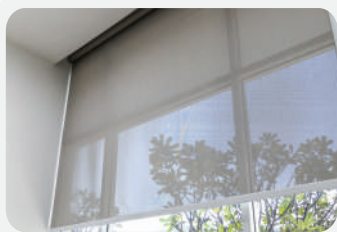


Jute hanging lamp

Source(s): Industry reports, Secondary research, Praxis analysis

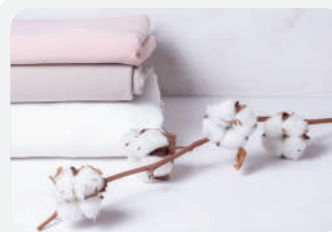
## Indoor living: Tech advancements

## Indoor living: Usage of alternative materials



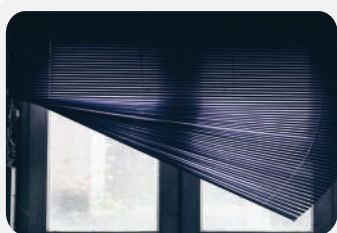
### Solar curtains

- Keep space cool in summer, without obstructing the outdoor view
- Have reflective coating on them, which reflects heat in the atmosphere



### RESTech cotton

- Upto 40% softer than untreated cotton sheets
- Naturally hypoallergenic
- Is eco-friendly



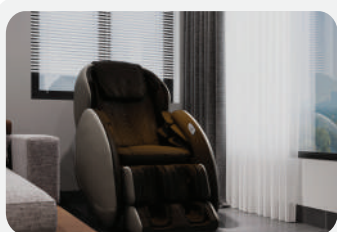
### Solar panel blind

- Window sunscreen blinds made from solar panels
- Convert solar energy into electricity



### Use of sustainable materials

- Organic cotton, recyclable plastics, bamboo are being used
- More sustainable & pocket-friendly alternatives



### Touch panel in recliners

- Allows to operate the chair with just a touch
- Provides comfort and convenience



### Gel mattress

- Have enhanced cooling properties
- Provide exceptional body support with cooling materials and a dual coil support system

## Bath & kitchen fittings: Tech advancements

## Bath & kitchen fittings: Usage of alternative materials



### Hands free cooking

- Instructs your kitchen for recipe details, conversion of measurements, or effortlessly set timers without lifting a finger



### Bamboo kitchen

- Versatile aesthetics
- Incredibly strong and stable
- Eco-friendly and sustainable



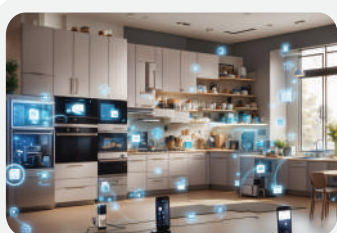
### Multifunction showers

- Offers spa-like experience, providing different waterflow patterns
- LED lighting creates a soothing ambience



### Quartz countertops

- Stylish, resilient, and eco-friendly option
- Sleek and resistant to stains



### Rise of smart solutions

- Refrigerators and other appliances equipped with AI algorithms
- Provides energy efficiency and flexibility



### Tempered glass wash basin

- Provides durability and uniqueness
- Enhances comfort and aesthetic feel

## 6 Tightening regulations

Recent regulations focusing on improving product quality and safety are expected to increase input costs and have already started impacting imports.

**Wooden furniture:** Load-bearing capacity for imported as well as domestically produced beds, tables, and chairs in India

### Regulation:

- Government proposes to bring wooden furniture under Quality Control Orders (QCO) from 2025 such that:
  - Beds to be able to take a load of 110 kgs
  - Tables to be able to take a load of 60 kgs
  - Furniture should pass the stability, strength, and durability tests

### Impact:

- Increase in material costs due to usage of materials offering better quality and strength
- Imports of furniture that does not comply with proposed standards may stop

**Upholstery fabric and composites:** Requirement of materials, with better fire resistance, used in non-domestic furniture

### Regulation:

- All upholstery components must comply with the Bureau of Indian Standards (BIS) norms for protected textiles, which fall under the category of technical textiles
- The materials used in upholstery should be fire-resistant to minimize the impact of fire

### Impact:

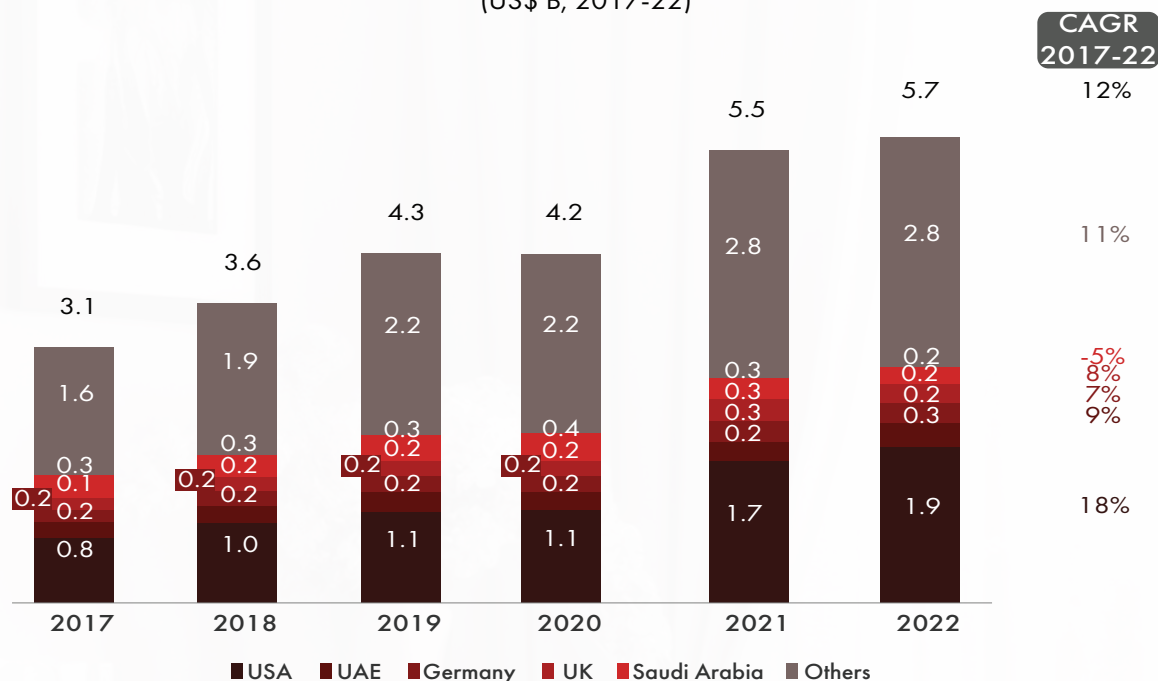
- Raw materials for making fire-retardant upholstery will not be allowed without mandatory BIS certification
- Increase in cost of upholstery work
- Reduction in imports of upholstered seats with wooden frames (~22% decrease in FY22-23)



## 7 Make for self and the world

In India's home & interior market, imports have shown a stagnant trend while exports are on the rise. This growth underscores a strategic focus on enhancing local manufacturing capabilities and meeting global standards. With a robust emphasis on quality and innovation, Indian brands are carving a niche in the global marketplace, positioning themselves as competitive players in the home decor and furnishing sectors.

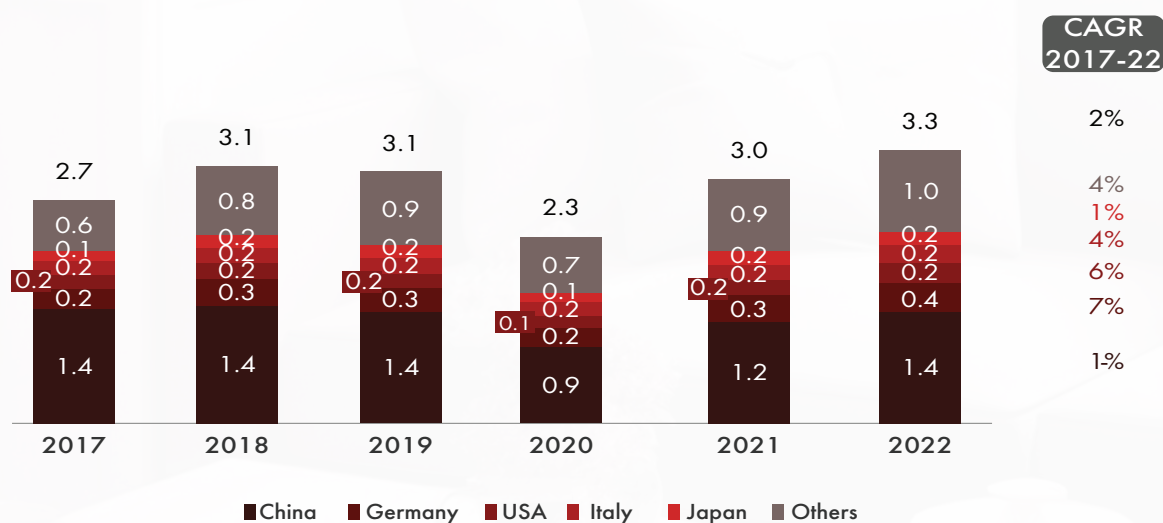
**India home & interiors exports to top countries**  
(US\$ B, 2017-22)



- India's home & interior exports has grown from US\$ 3.1B to US\$ 5.7B at a CAGR of 12% from 2017-22
- Exports to the USA have grown the maximum from US\$ 0.8B to US\$ 1.9B at a CAGR of 18%

Note(s): Exports include furniture, bath fittings, flooring, paint, mattress, luminaries, and tools

**India home & interiors imports from top countries**  
(US\$ B, 2017-22)



- India's home & interior imports has remained stagnant at US\$ 3.3B in 2022, with a modest at a CAGR of 2%
- China contributes to ~45% of India's home & interior imports

Note(s): Imports include furniture, bath fittings, flooring, paint, mattress, luminaries and tools

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**2,000+**  
engagements



**120+**  
team members



**800+**  
years domain  
expertise



**25+**  
practices areas



**30%**  
faster to outcomes

### ...with deep presence in APAC

- **Gurugram, India**  
(50+ consultants)
- **Mumbai, India**  
(40+ consultants)
- **Bengaluru, India**  
(20+ consultants)
- **Riyadh, Saudi Arabia**  
(5+ consultants)
- **Dubai, United Arab Emirates (UAE)**  
(5+ consultants)



### ...with experience across 40+ countries



**Americas**  
(30+ projects)

**SEA**  
(50+ projects)

**Rest of Asia**  
(30+ projects)

**Europe**  
(25+ projects)

**Australia**  
(10+ projects)

**MENA**  
(50+ projects)

### ...helping organizations to



Accelerate  
growth profitably



Execute better



Digitalize faster  
seamlessly



Unlock people  
productivity

# Connect with us

We will be happy to share perspectives

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## Madhur Singhal

Managing Partner - Consumer & Internet

E: madhur.singhal@praxisga.com

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## For media queries, please contact

## Vaishnav Kumar Rai

Manager - Marketing

E: communications@praxisga.com

M: +91 7827944925

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[www.praxisga.com](http://www.praxisga.com)



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**New Delhi | Gurugram | Mumbai | Bengaluru | Dubai | Riyadh**

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#BuildTogetherWinTogether



### New Delhi

Unit 5, Ground Floor,  
Uppal Plaza M6, District  
Centre, Jasola - 110 025  
New Delhi, India



### Gurugram

Tower A, 4th Floor,  
DLF Centre Court, DLF  
Phase 5, Sector 42,  
Gurugram-122 002  
Haryana, India



### Mumbai

112, First floor,  
Workafella, AK Estate,  
Goregaon West,  
Mumbai - 400 062  
Maharashtra, India



### Bengaluru

2734, Fourth floor,  
HSR Layout, Sector 1,  
27th Main, 16th Cross,  
Bengaluru - 560 102  
Karnataka, India



### UAE

Praxian MEA LLC FZ  
6<sup>th</sup> floor, The Meydan  
Hotel, Nad Al Sheba,  
Dubai, UAE

Registered address: Unit 5, Ground Floor, Uppal Plaza M6, District Centre, Jasola, New Delhi - 110025