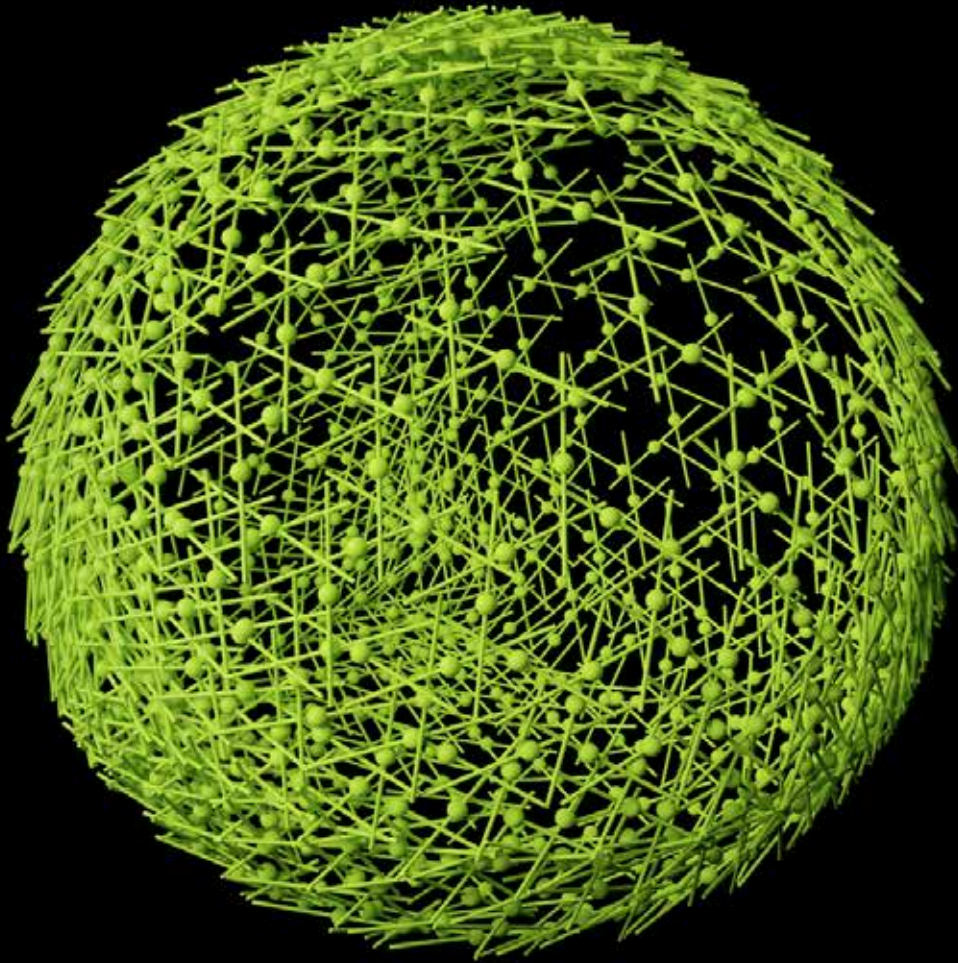


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Powering consumption growth - India's home and household market

September 2024

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Foreword

India's rapid economic growth, positioning it as the world's third-largest economy by 2027, has sparked consumerism and an organised retail surge. This transformation has reshaped consumer preferences and redefined spending patterns in the post-pandemic era, influenced by the ever-changing dynamics of the micro and macro environments.

One key sector that has emerged as a high-growth potential from this shift is home and household goods.

India is one of the world's largest developing economies. Urbanisation, a large share of the younger population, and rising middle-class aspirations have contributed to India's thriving home and household market. The sector is experiencing growth, shifting towards premium and branded products. This shift is driven by consumer centricity social media and companies using technology to target and serve their audience.

While traditional channels of sale dominated the home and household space for many years, the rise of omnichannel retailing and e-commerce has helped penetrate the country's geographic width beyond metros, capturing new-age

audiences and transforming the behaviour of high spenders. We believe other emerging channels such as quick commerce are expected to become more widespread requiring brands to relook at their business and operating models.

Most of the categories in the Home & Household sector are high-involvement categories requiring integrated play across products, services (including post sales) and solutions allowing companies to build innovation across the value chain.

Given the exponential growth expected in the underlying demand for new and replacement purchases, the sector is poised to become a significant contributor to overall GDP growth requiring skilled manpower across functions. Government support through various policies will boost innovation, manufacturing and domestic consumption and provide the market thrust for long term growth

The report captures the home and household market growth drivers across key categories. We hope this report serves as a valuable resource for the industry players to gain insights into new opportunities and shape their future strategies.



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Home and household market in India overview

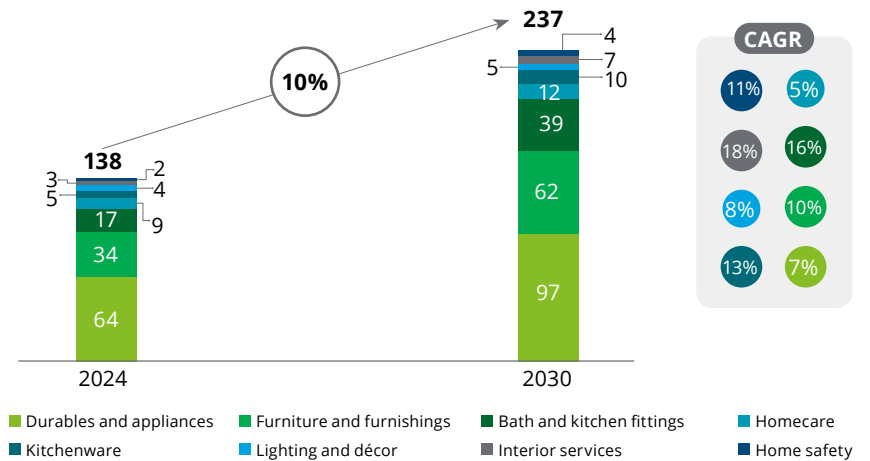
Introduction

India's economy, with a nominal GDP of US\$3.73 trillion¹ and a robust 7 percent growth rate in FY24, is one of the fastest growing in the world. A strong domestic market, a thriving service sector and rapid digital transformation support the growth. The home and household sector has emerged as a key contributor to India's economic trajectory. Increasing disposable incomes, shifting lifestyles and a greater focus on convenience and comfort have led to rising demand across categories.

The proliferation of products and services is reshaping consumer preferences, driving innovation and premiumisation in the sector. As technological advancements and new product innovations continue to emerge, India's home and household sector is well-positioned for sustainable growth in the coming years, transforming homes across the country.

Market overview and segmentation

Home and household market size, \$ billion



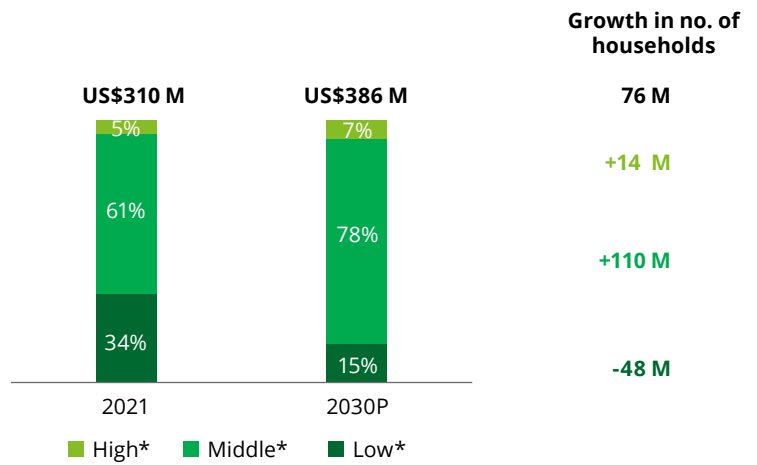
Source: Deloitte analysis, secondary research

The home and household sector in India is overgrowing and expected to reach ~ US\$237 billion by 2030, with a growth rate of over 10 percent CAGR over the next 6 years. Consumer durables and appliances account for more than 45 percent of the market, followed by furniture.²

Macro growth drivers

The rise in per capita income has led to a rising middle class, which is set to expand the most (110 million households between FY21 and FY30) in the coming years. As income levels rise, Indians increasingly seek convenience and value-added services and are ready to pay premiums for these services.³

Growing middle- and high-income class, percent



Source: Deloitte analysis, secondary research

Key factors driving growth within the home and household sector are:

- Rising disposable income:** India's per capita disposable income reached US\$2,500 in FY23, marking a 13 percent growth over last year, driving demand for premium products.⁴
- Increased private consumption:** With private consumption accounting for 63 percent of GDP in 2023), India is on track to become the 3rd largest consumer market globally by 2030.⁵
- Growth in real estate:** The real estate sector is expected to grow at a 25 percent CAGR, reaching ~US\$1 trillion by FY29, spurred by the demand for second homes, larger properties and boosting household product sales.⁶
- Reduced makeover cycle:** Consumers are indulging in home makeovers, driving the projected growth of the renovation market to US\$14.3 billion by 2027.⁷
- Rapid expansion of online channel:** With more than 50 percent of buyers considering online platforms, e-commerce, combined with the rise of quick commerce, is expected to be a transformative force in the sector, revolutionising how the Indian consumer shop.⁸
- Tier 2 and tier 3 demand:** Rising disposable income and evolving consumer preference for higher quality products fuel growth in these cities.⁹
- Premiumisation:** With the rise of the affluent class, the demand for high-margin premium products offering superior quality, durability and aesthetic appeal has significantly increased.¹⁰
- Role of influencers:** Interior designers and social media influencers shape consumer choices by sharing design trends and innovative materials, elevating potential buyers' aspirations.¹¹
- Favourable government policies:** The government has implemented various initiatives, such as the PLI scheme, (PMAY), SMC, UJALA and PM Mitra, which have significantly enhanced capacity, stimulated demand and attracted investments in the home and household sector.¹²
- Shifting consumer preferences:** Easier credit access enables younger buyers to invest in premium and niche home products, emphasizing quality and customisation.¹³

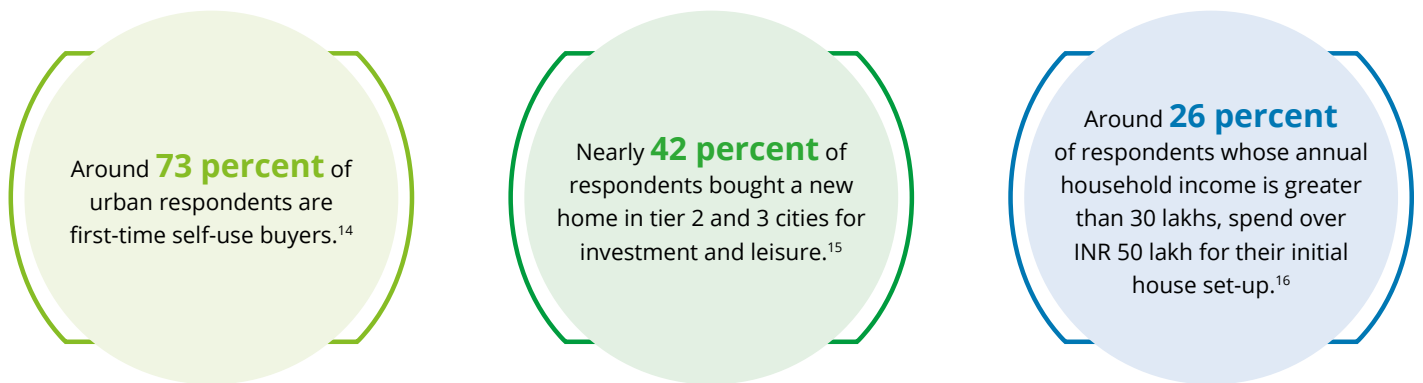
Decoding consumer dynamics

Higher disposable incomes, dual-income households and easier credit access have lowered the average age of first-time homeowners. Younger buyers who prefer modern design tend

to invest in distinct categories, including **new home setups**, **renovations** and **replacement** purchases. A recent Deloitte survey sheds light on these evolving consumer behaviours and spending patterns.

New home buying behaviour

The rise in new home buyers is driven by a mix of **self-use**, **investment** and lifestyle enhancement, with **~30 percent** of total spending on **consumer durables** and **furniture** for initial set-up.

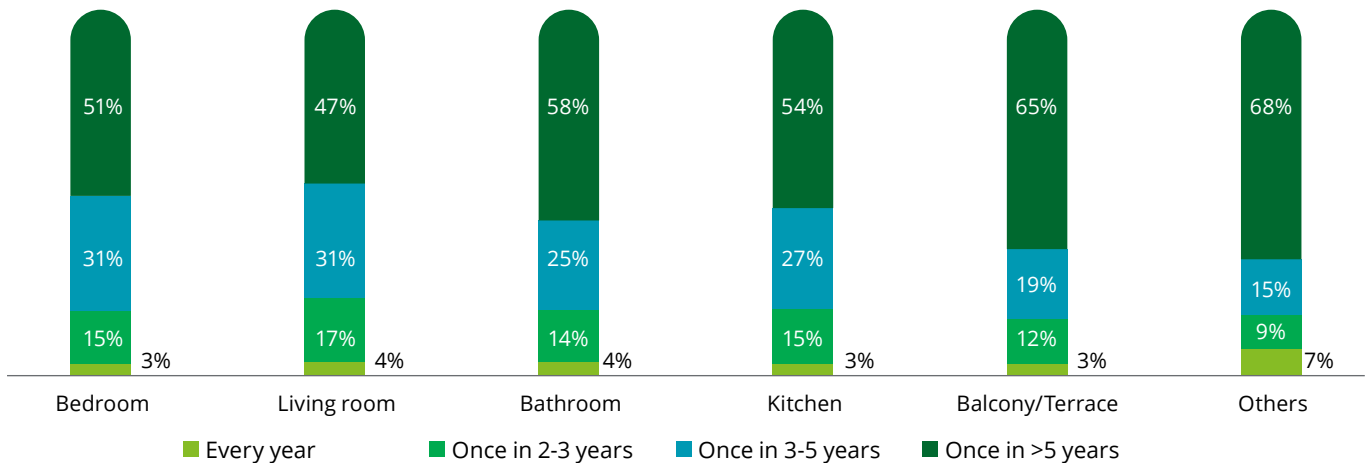


Renovation behaviour

Younger and elderly age groups show a higher frequency of renovation, primarily in **bedrooms** and **living rooms**. Most stick to a budget **under INR5 lakh**, while **middle-aged** homeowners are more **budget-conscious**.¹⁷

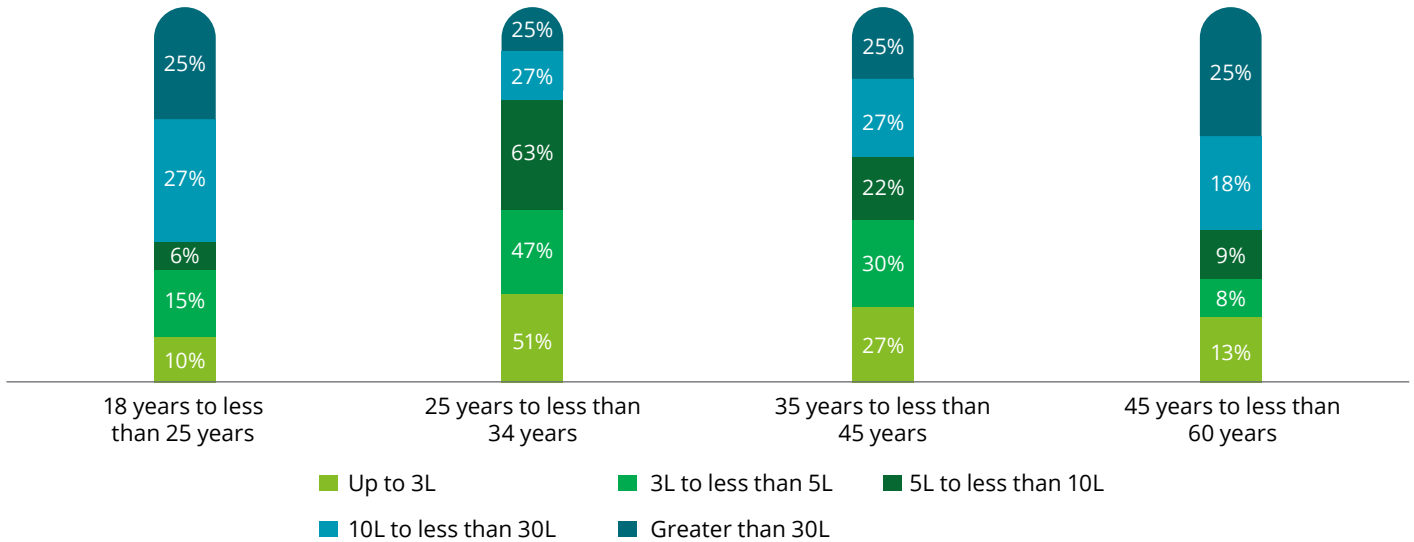
- Nearly 50 percent of respondents reported renovating their bedroom and living room more frequently (within 5 years) than other house parts.¹⁸

Frequency of renovation, percent



Source: Deloitte India home and household survey 2024

Spend on renovation percent

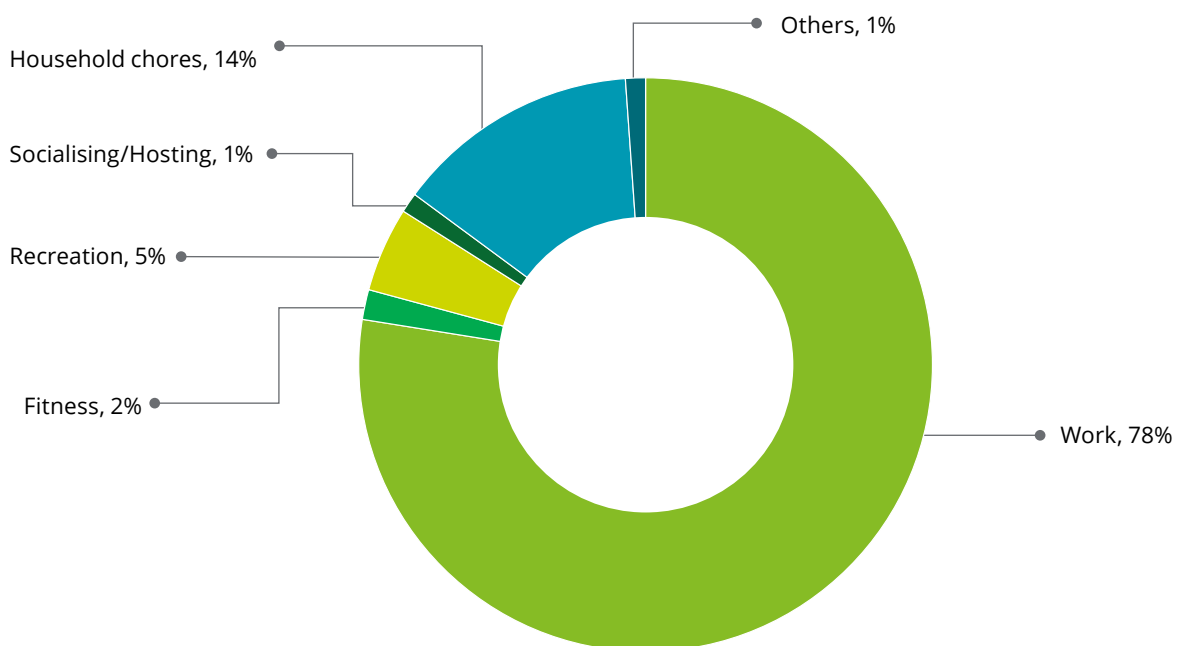


Source: Deloitte India home and household survey 2024

Time spent and key activities at home

The surge in hybrid work has led to nearly half of respondents spending over 12 hours at home, with a significant focus on “work from home,” driving demand for ergonomic workstation setups with comfortable furniture. Around 78 percent of respondents chose “work” as the primary activity done at home.¹⁹

Time spent at home (split by activities), percent

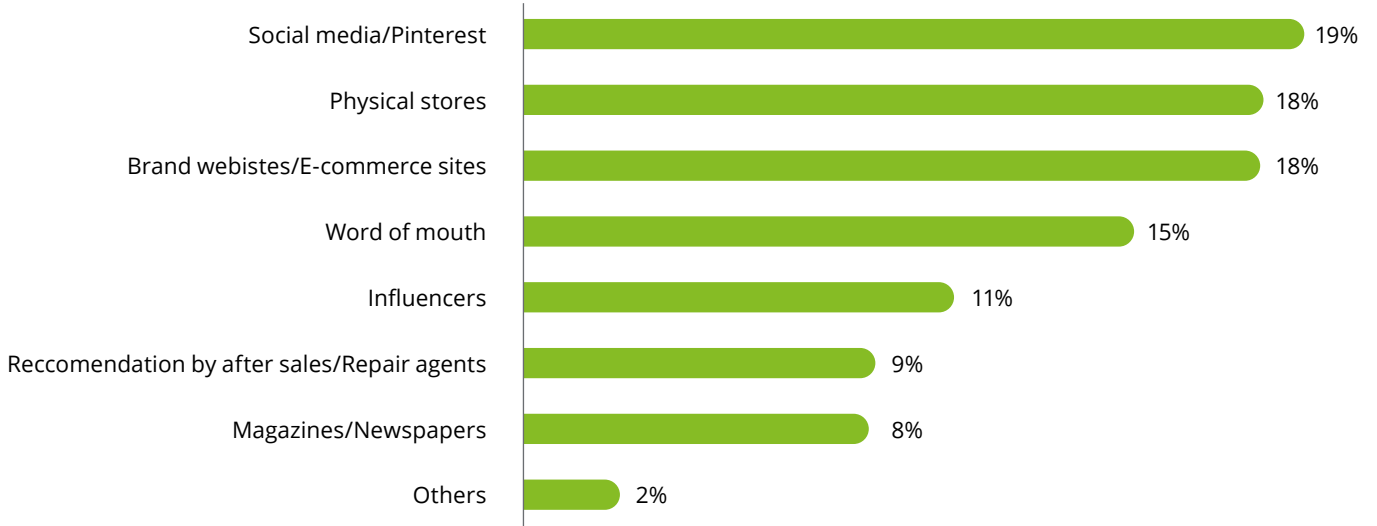


Source: Deloitte India home and household survey 2024

Product discovery: Both online and offline strongly drive discovery

Both **online platforms** and **physical stores** are key in product discovery for home categories, with social media influencers and on-line comparisons driving informed choices regarding the latest trends, prices and superior products.²⁰

Trend discovery by consumers, percent

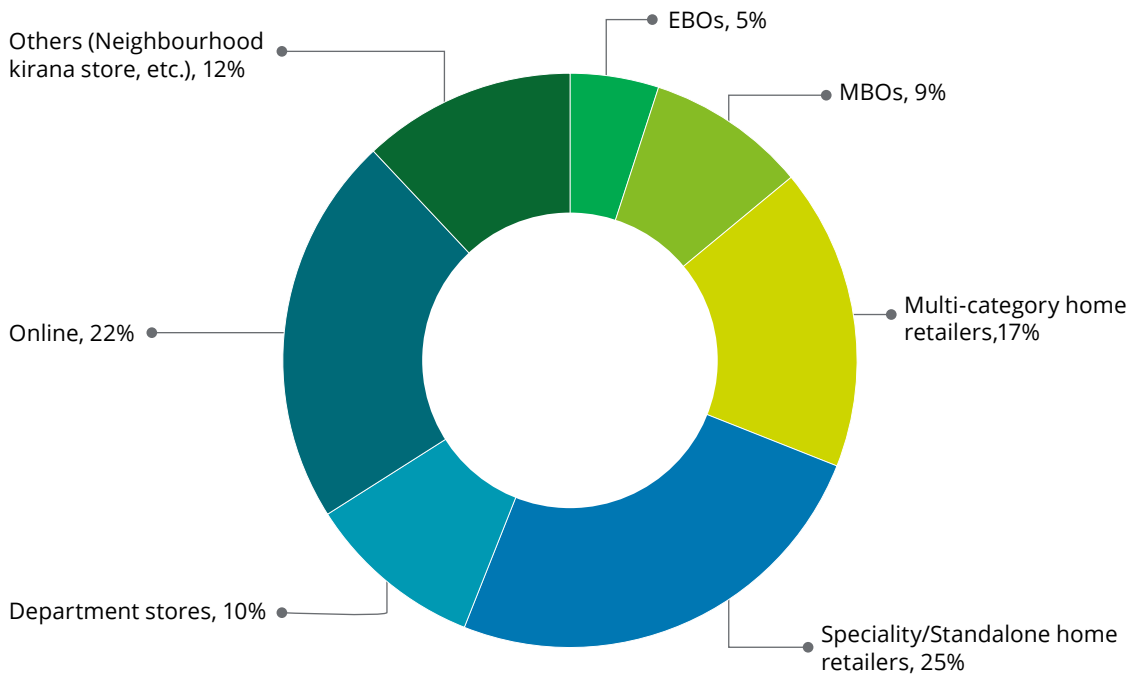


Source: Deloitte India home and household survey 2024

Channel preference

As 25 percent of respondents indicated, **speciality/standalone home retailers remain the dominant channel**, followed by **online** and multi-category home retailers.²¹

Overall channel preference, percent

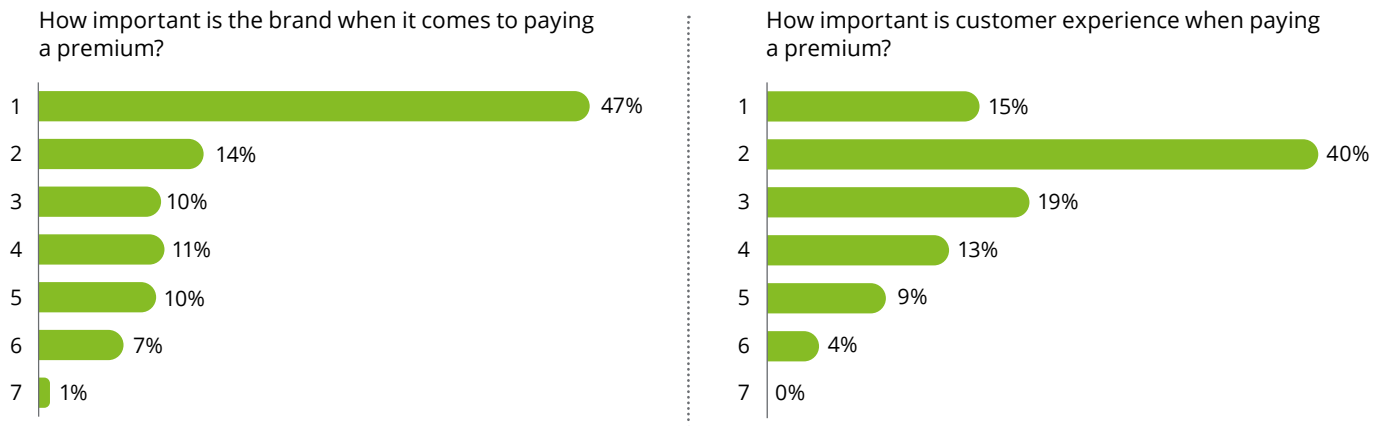


Source: Deloitte India home and household survey 2024

Premiumisation

More than 60 percent respondents indicated that 'brand' played the most important role in paying premium for a category. This was closely followed by "Customer Experience" as a critical attribute indicated by 55 percent respondents.²²

Brand and customer experience ranking, percent



Source: Deloitte India home and household survey 2024

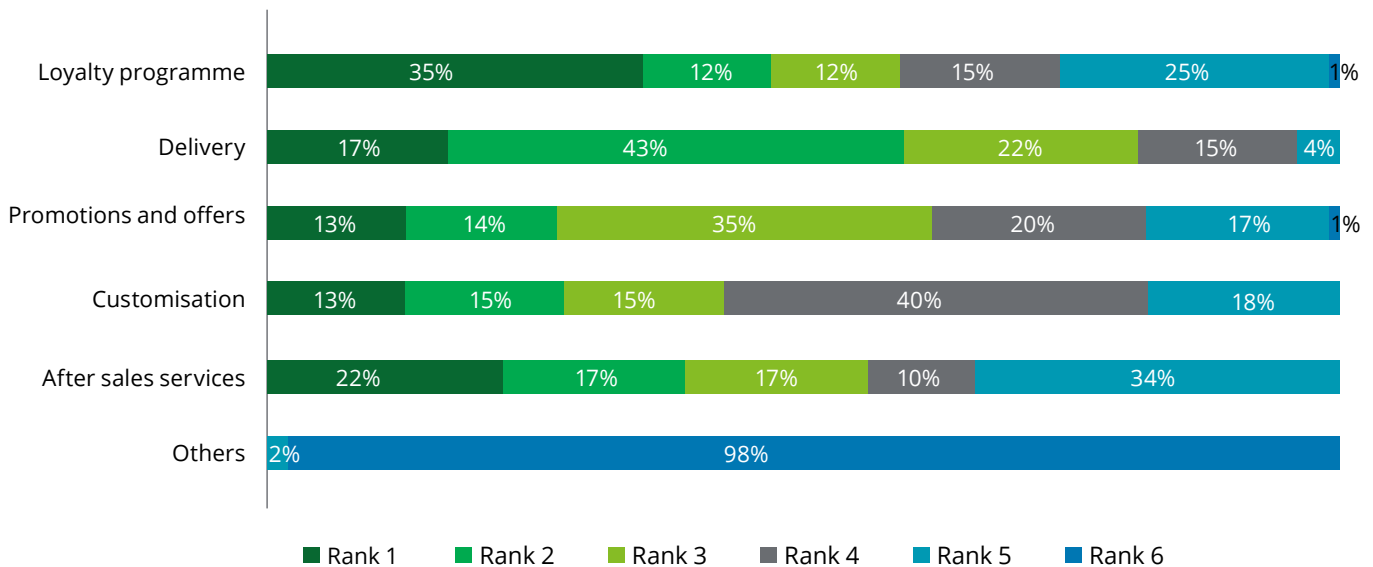
Key purchase and post-purchase factors

Seamless product delivery is the most important factor during **purchase**, while **product installation, repair** and maintenance matter most post-purchase.²³

Key services sought during purchase, percent

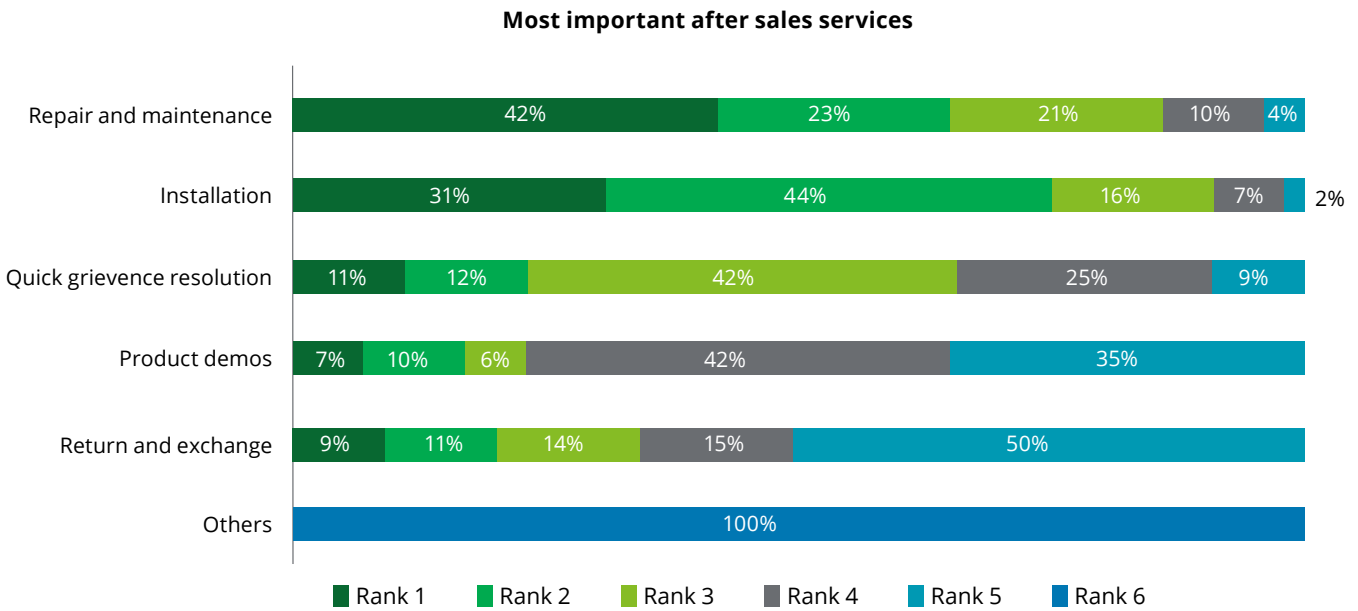
Around 60 percent of respondents indicated that **seamless product delivery** is the most important service sought during purchase, followed by **after-sales service** and **loyalty programmes**.²⁴

Key Services Sought - Purchase



Source: Deloitte India home and household survey 2024

Key services sought post purchase, percent



Source: Deloitte India home and household survey 2024

Around 75 percent of respondents preferred seamless “product installation” as the most important post-purchase service (ranking it 1st and 2nd). This is closely followed by “repair and maintenance, as indicated by 65 percent of respondents.²⁵





Trends and consumer insights by sector

Consumer durables and appliances: The smart home revolution

The **consumer durables and appliances sector** is expected to grow at a 7 percent CAGR and is projected to reach US\$97 billion²⁶ by FY30. The **organised sector** commands a larger share (**~70 percent**) and continues to grow. In contrast, the remaining **~30 percent** of the unorganised segment still holds a sizeable portion in semi-urban and rural areas.²⁷ The segment comprises large appliances (white goods), contributing close to 60–65 percent, followed by small appliances (35–40 percent).²⁸

Key trends and insights

Sl. No	Trends	
1	Smart appliances adoption	IoT-enabled devices such as smart fridges, ACs and washing machines dominate demand ²⁹
2	Energy-efficient drives	Respondents prioritise energy-saving devices, influenced by environmental focus and BEE star ratings ³⁰
3	Premium product demand	Urban buyers opt for high-tech and aesthetically appealing products ³¹
4	Sustainability on the rise	Interest in eco-friendly designs and sustainable products grows among environmentally-conscious respondents ³²
5	Channel preference	About 25 percent of respondents prefer purchasing consumer durables from online channels , closely followed by MBO ³³

Sl. No	Trends
6	<p>Replacement frequency and spend Around 32 percent of respondents replace this category at least once in 3 years, with ~45 percent of respondents choosing obsolescence as the primary reason</p> <p>Around 40 percent of respondents are willing to spend more than INR30 thousand on replacing durables and appliances³⁴</p>
7	<p>Pain points About 50 percent of respondents chose after-sale services and warranty/exchanges as the key pain point³⁵</p>

Implications for brands

Sl. No	Growth opportunities
1	<p>Personalised approach Use technology to provide real-time recommendations, enabling sales staff to offer tailored suggestions and increase conversion</p>
2	<p>Sustainability focus Promote energy-efficient and sustainable appliances to target eco-conscious consumers.</p>
3	<p>Responsive post-purchase services Offer extended warranties, maintenance services and responsive customer support to boost customer loyalty.</p>
4	<p>Omnichannel integration Integrate physical stores with online channels to create seamless shopping experiences and optimise operations</p>

Furniture and furnishings: Redesigning multifunctional spaces in the hybrid era

The furniture and furnishings sector is expected to grow at over 10 percent CAGR and is projected to reach US\$62 billion by FY30.³⁶ The sector is primarily unorganised, accounting for 80 percent share, dominated by local players and regional workshops.³⁷ Local players compete on customisation and affordability against branded, ready-made options. Among key segments, bedroom furniture has the largest share (~49 percent), followed by sitting furniture (23 percent) and dining (13 percent), and by material, wooden furniture dominates the market with **65 percent** (including engineered wood), followed by **metal (17 percent)** and **plastic (9 percent)**. For furnishings, bed linen and towels contribute to 64 percent of the total market.³⁸

The import of finished products is high. Around 48 percent of furniture imports comprise finished products, of which 28 percent are beds and 16 percent are sofas. The top countries in this domain are **China, Germany and Malaysia**.³⁹

Key trends and insights

Sl. No	Trends
1	<p>Increased time spent at home Due to hybrid work models, 47 percent of respondents spend more than 12+ hours at home, leading to a greater focus on personalised and comfortable living spaces⁴⁰</p>
2	<p>Replacement frequency and spend Furniture: Around 68 percent of respondents replace furniture at least once every 5 years, and ~34 percent were willing to spend more than INR50 thousand on furniture. This highlights that most consider furniture a long-term investment, prioritising quality and durability⁴¹</p> <p>Furnishings: About 50 percent of respondents spend less than INR10 thousand on furnishings, making it a low-spend category. The key reason for replacement is obsolescence, with 39 percent of respondents stating that the product or style became outdated⁴²</p>
3	<p>Channel preference Around 50 percent of respondents preferred standalone speciality and multi-category home retailers for furniture and furnishings. Online channels are least preferred, particularly for furniture, due to the high ticket size and product longevity requiring close checks on durability and aesthetic appeal⁴³</p>

Sl. No	Trends
4	<p>Product preference</p> <p>Design: Simple contemporary designs are preferred</p> <p>Features: Low maintenance; modular and quickly installable products with customisation options preferred</p> <p>Material: Niche but growing demand for sustainable and eco-friendly materials such as Rattan, Jute and Hemp⁴⁴</p> <p>Shift towards branded and designer retail chains, especially for high-end segments</p> <p>Emerging segments: Growing demand for home office and smart furniture that enhance comfort and functionality⁴⁵</p>
5	<p>Pain points</p> <p>For all respondents, warranty/exchange, customisation and after-sales service are the top 3 pain points⁴⁶</p>
6	<p>Emerging trend</p> <p>Demand for rented residential furniture is growing, particularly among professionals and expats who frequently change locations⁴⁷</p>

Implications for brands

Sl. No	Growth opportunities
1	<p>Focus on customisation</p> <p>Ergonomic, multi-functional, space-efficient, lightweight home office furniture with customisation options</p>
2	<p>Enhance after-sale service</p> <p>Streamline warranty/exchange and after-sale service to build trust with customers and enhance customer lifetime value</p>
3	<p>Introduce flexible ownership</p> <p>Flexible ownership options to offer furniture on subscription or rental</p>

Bath and kitchen fittings: Functionality meets aesthetics

The bath and kitchen fittings sector is expected to grow at 16 percent CAGR and is projected to reach US\$39 billion by FY30.⁴⁸ The Indian bath and kitchen fitting market is about 55 percent organised and 45 percent unorganised.⁴⁹ The organised segment is led by international brands on quality, aesthetics and innovation. The unorganised sector offers cheaper, local products, catering to price-sensitive buyers, especially in rural areas. While the organised sector is expanding due to demand for branded products, the unorganised market remains strong due to its affordability.

Key trends and insights

Sl. No	Trends
1	<p>Rise in e-commerce</p> <p>The increasing influence of digital platforms is reshaping respondents' behaviour, leading to greater online sales within this segment. Around 20 percent of respondents living in rented houses prefer online channels to purchase kitchen and bath fittings⁵⁰</p>
2	<p>Rise of DIY and modular solutions</p> <p>The increasing focus of respondents on convenience has led to an increasing demand for easy-to-install and customisable fittings⁵¹</p>
3	<p>Focus on sustainability</p> <p>Manufacturers are investing heavily in water-saving tech, such as low-flow showerheads and faucets, to meet the growing demand for eco-friendly bathroom solutions⁵²</p>
4	<p>Premium product demand</p> <p>The rising per capita income is driving demand for premium products such as smart and soft-touch fixtures among respondents⁵³</p>

Implications for brands

Sl. No.	Growth opportunities	
1	Personalisation	Offer customised solutions that fit individual preferences (modular kitchen, bespoke faucets, etc.). Around 20 percent of respondents ranked customisation as the top-ranked service for them ⁵⁴
3	Sustainability and eco-friendly solutions	Innovate on water-saving bathroom and energy-efficient kitchen fittings that promote sustainability without compromising style ⁵⁵
4	Replacement frequency and spend	Around 50 percent of respondents are willing to spend more than INR 30 thousand while purchasing bath and kitchen fittings ⁵⁶ Around 50 percent of respondents replace these products once every 5 years , with obsolescence being the primary reason. Respondents considered these products a long-term investment ⁵⁷
5	Pain points	Nearly 45 percent of respondents chose after-sales services and warranty/exchanges as the key pain points for this category ⁵⁸

Lighting and décor: Expressing personal style

The décor and lighting segment is expected to grow at 8 percent CAGR and is projected to reach US\$4 billion by FY30.⁵⁹ The LED segment dominates 80 percent of lighting, while decorative lighting accounts for 20 percent. The LED segment is quite organised, with several leading brands that account for 65 percent share. Energy efficiency and affordability concerns due to falling LED prices and government efforts to promote LEDs drive this segment's growth. The decorative lighting segment is highly unorganised and driven by **imports from China, which** account for 80 percent share.⁶⁰ Local artisans and unbranded items drive the décor segment, which is highly unorganised and strongly influenced by regional tastes in buying behaviour.

Key trends and insights

Sl. No	Trends	
1	Rise in the premium segment	Chandeliers, pendant lights and table/floor lamps are witnessing a 20 percent CAGR growth. Various premium organised retailers with a pan-India presence have forayed into this segment ⁶¹
2	Smart home solutions	Smart home solutions such as connected lighting are also gaining traction.
3	Replacement frequency and spend	Lighting: Around 55 percent of respondents replace lighting at least once every 5 years, with obsolescence being the key reason for replacement. ~. Around 60 percent of respondents spend less than INR10 thousand on lighting, indicating it to be a budget-conscious category ⁶² Decor:. More than 50 percent respondents replaced décor due to style changes with obsolescence (31 percent) and special/festive occasions (22 percent) indicating preference for frequent purchase within Décor ⁶³
4	Channel preference	20 percent of respondents prefer to purchase lighting online, including quick commerce, particularly for low-value (repeated) LED purchases. In contrast, over 26 percent of respondents prefer standalone speciality retailers for high-value decorative lighting ⁶⁴ Around 25 percent of respondents prefer to purchase low-value decorative items online, while 26 percent prefer standalone speciality retailers for high-value artwork, luxury accents and décor ⁶⁵
5	Pain points	Warranty and post-sale services are the main concerns for the lighting segment, while customisation is the major concern for the décor segment ⁶⁶

Implications for brands

Sl. No	Growth opportunities	
1	Domestic value addition	Opportunity to enhance domestic value addition to replace imports in the premium decorative lighting segment
2	Smart homes	With the integration of AI/ML technologies, wireless solutions, etc., the growth of the smart lighting segment will be driven beyond just urban cities
3	Demand for customisation	There is a small yet growing demand for customisable and personalised items, including monogrammed items, offering opportunities for niche brands

Kitchenware: Elevating the heart of Indian homes

The kitchenware sector is expected to grow at 13 percent CAGR, reaching US\$10 billion by FY30.⁶⁷ The sector is transitioning towards the **organised sector (40 percent)**; however, the unorganised sector still holds a significant share (**60 percent**), particularly in **rural and price-sensitive markets**.⁶⁸ **Key segments** by application type: **Cookware (non-electrical)** has the largest share (~40 percent), followed by **serveware and storage solutions** (~35 percent) and **remaining (cutlery, kitchen tools, bakeware)** contributes around (~25 percent).⁶⁹

Key trends and insights

Sl. No	Trends	
1	Multifunctional cookware	Respondents increasingly opt for multifunctional, high-quality kitchenware, valuing durability and design ⁷⁰
2	Aesthetics matter	Sleek and minimalist designs are gaining popularity as they appear as an extension of home décor ⁷¹
	Compact and durable kitchenware	Compact design and durability have become the key consideration for Indian consumers ⁷²
4	Health Consciousness	Growing demand for sustainable, eco-friendly kitchenware promoting healthy cooking practices ⁷³
4	Channel preference	High-income groups favour offline channels , while low-income groups lean towards online platforms ⁷⁴
5	Replacement and spend frequency	Kitchenware is seen as a long-lasting category, with 44 percent of respondents replacing items mainly due to obsolescence or the need for new product ⁷⁵ Around 50 percent of respondents are willing to spend over INR30 thousand on kitchenware products ⁷⁶
6	Pain points	Around 40 percent of respondents chose after-sales services and warranty/exchanges as the key pain points for this category ⁷⁷

Implications for brands

Sl. No	Growth opportunities	
1	Focus on a key assortment	Promote multifunctional, space-saving, eco-friendly, durable and ergonomic kitchenware by boosting its visibility
2	Instore experiences	Create an immersive retail experience by hosting cooking demonstrations and expert kitchen consultations
3	Customisation	Offer customisable products, catering to the consumer's unique product requirements
4	Localisation of products	Focus on localising product offerings to meet regional preferences and blend traditional tools with modern feature
5	Circular economy	Implement trade-in programmes or recycling initiatives for old kitchen products to drive loyalty

Home safety: Securing tomorrow's homes today

The **home safety sector** is expected to grow at 11 percent CAGR and is projected to reach US\$4 billion by FY30.⁷⁸ This segment is mostly unorganised and focuses on traditional solutions. Limited penetration of smart safety products presents growth potential, which has already started picking up in urban centres.

Key trends and insights

Sl. No	Trends	
1	Smart home security solutions	Growing adoption of smart security devices such as CCTV cameras, driven by increasing urbanisation and tech-savviness ⁷⁹
2	Premiumisation	High-income groups prefer high-quality premium home safety services with fewer concerns about discounts ⁸⁰
3	Integrated security solutions	Urban gated societies increasingly adopt systems linking alarms, cameras and sensors via mobile apps for real-time monitoring ⁸¹
4	Affordable surveillance	Rising demand for low-cost security devices in tier 2 and 3 markets with accessible solutions ⁸²
5	Channel preference	Nearly 54 percent of respondents living in townhouses prefer purchasing home safety products from standalone retailers ⁸³
6	Spend pattern	Around 43 percent of respondents spend up to INR10 thousand on basic security solutions ⁸⁴
7	Pain points	Nearly 45 percent of respondents chose after-sales services as the key dissatisfaction area ⁸⁵

Implications for brands

Sl. No	Growth opportunities	
1	Affordable security solutions	Tap into the demand for budget-friendly security solutions across markets
2	Partnerships with developers	Collaborate with real estate developers to incorporate home safety packages into new residential projects
3	Customisable security solutions	Offer customisable security options, such as biometric locks or tailored alarm systems, catering to individual safety needs
4	Strengthen after-sales support	Enhanced warranties, technical assistance and maintenance to build loyalty

Homecare: The hygiene-first mindset

The homecare sector is expected to grow at 5 percent CAGR and is projected to reach US\$12 billion by FY30.⁸⁶ The organised sector dominates the homecare market **with a 60 percent share**,⁸⁷ driven by rising demand for branded and high-quality hygiene products. **Key segments** by application type are **laundry care**, having the largest share (~55 percent) followed by **surface cleaners** (~12 percent), **toilet care** (~10 percent), **pest control** (~10 percent), **dishwashing** (8 percent) and **air care** (5 percent).⁸⁸

Key trends and insights

Sl. No	Trends	
1	Increased focus on hygiene and disinfection	Pandemic-induced consciousness around hygiene and cleanliness, leading to a rise in demand for homecare products Around 60 percent of respondents prioritise hygiene products that ensure protection from viruses, germs and bacteria ⁸⁹
2	Eco-friendly and sustainable products	There is a growing preference for environmentally friendly home care products such as plant-based disinfectants ⁹⁰

Sl. No	Trends	
3	Premiumisation	Respondents, especially in urban areas, are increasingly choosing premium home care products that offer advanced and safer formulations ⁹¹
4	Convenience-driven products	Products that offer convenience and quick action are gaining popularity due to busy lifestyles, especially in urban markets. Nearly 35 percent of the respondents are particularly interested in products that offer specific benefits such as long-lasting freshness or quick action ⁹²
5	Channel preference	About 26 percent of respondents , across all age and income groups, who live in rented accommodations prefer to buy home care products online ⁹³
6	Pain points	Nearly 40 percent of respondents chose after-sales services, delivery and sales support as the key pain points for this category ⁹⁴

Implications for brands

Sl. No	Growth opportunities	
1	Use quick commerce	Use quick commerce platforms with seamless, fast delivery, subscription services and incentives
2	Convenience-based products	Offer time-saving solutions such as multi-purpose cleaners and easy-to-use wipes
3	Subscription and loyalty plans	Encourage repeat purchases with subscription services and loyalty programmes
4	Refill and bulk options	Offer refillable products and bulk buying options for eco-conscious and budget-focused customers
5	Sustainable product lines	Introduce natural, biodegradable and chemical-free products to cater to eco-conscious consumers

Interior services: Revolutionising personal spaces

The **interior services sector** is expected to grow at an 18 percent CAGR and is projected to reach US\$7 billion⁹⁵ by FY30. The sector has few organised players across the mass to luxury segment and relies heavily on word-of-mouth and referrals. The organised sector holds a **15–20 percent** share of the interior services market, while the unorganised sector dominates with **80–85 percent**, driven by **price-sensitive** respondents in tier 2 and 3 cities.⁹⁶

Key trends and insights

Sl. No	Trends	
1	Bespoke living spaces	Shift towards fully customised interiors that reflect personal styles Around 44 percent of respondents are designing their interiors with an emphasis on personalised and functional spaces ⁹⁷
2	Emergence of organised play	The growth is driven by increasing demand for standardised design as a service, professionalism, modular and tech-driven solutions ⁹⁸
3	Premiumisation	Increasing demand for premium finishes and luxury materials in high-end real estate ⁹⁹
4	Channel preference	Nearly 26 percent of respondents living in rented houses prefer online channels while taking interiorservices ¹⁰⁰
5	Spend and upgrade pattern	Around 40 percent of respondents spend over INR50 thousand on interior services, highlighting the high demand for premium interior offerings ¹⁰¹ About 58 percent of respondents engage only once in 5+ years, a market driven by substantial, long-term home enhancements rather than regular, minor updates ¹⁰²
6	Pain point	Around 32 percent of respondents chose timely completion as the key pain point for this category ¹⁰³

Implications for brands

Sl. No	Growth opportunities	
1	Customisation and personalisation	Offering customised furniture, tailored decor solutions and specialised design services can meet this demand
2	Work-from-home space designs	Offering ergonomic workstations can enhance productivity in home environments
3	Sustainable and eco-friendly materials	Providing sourcing and promoting eco-friendly products
4	Smart home integration	Collaborating with tech companies or offering smart-enabled furnishings can add value to interior design projects
5	Affordable interior solutions for middle-class homeowners	Offering modular, space-saving furniture, cost-effective design packages and easy financing options can attract budget-conscious homeowners
6	E-commerce and digital platforms	Using e-commerce platforms to highlight offerings, providing virtual consultations and digital interior design services can enhance customer experience
7	Collaborations with real estate developers	Collaborating with real estate developers to offer complete interior design packages for new homeowners can present a significant growth opportunity
8	Luxury and premium interiors	Offering high-end interior finishes, bespoke furniture and premium materials such as marble, luxury fabrics and custom-designed fixtures can help attract homeowners





Re-imagining the role of technology in meeting the needs of the future consumer

The evolving landscape of consumer-facing technology is set to significantly reshape the home and household sector, driven by innovation in Gen AI, IoT, AR/VR, and the Metaverse. These technologies are converging to create more personalised,

immersive and human-centric products and experiences. Brands that offer disruptive technology to envisage their homes, will reshape how consumers make their everyday living efficient and convenient.

Illustrative technology led use cases in Home & Household sector

Category	Use case
Consumer durables and appliances	<ul style="list-style-type: none"> AI-enabled smart appliances with self-learning features for personalised energy efficiency, predictive maintenance and optimised performance¹⁰⁴ Connected appliances controlled via a central app for seamless home automation¹⁰⁵ Ensure transparency in raw material sourcing using blockchain technology¹⁰⁶
Furniture and furnishing	<ul style="list-style-type: none"> AR app allows customers to visualise how furniture would fit in their homes by placing 3D furniture models in real-world settings¹⁰⁷ Uses machine learning algorithms to offer personalised furniture recommendations¹⁰⁸ Use of digital catalogues to browse products, resulting in efficient space usage at stores¹⁰⁹

Category	Use case
Bath and kitchen fittings	<ul style="list-style-type: none"> AI-driven water management systems that monitor water consumption patterns, detect leaks and provide usage insights¹¹⁰ Virtual bathroom design tools allowing customers to visualise different bathroom fittings and layouts through VR experiences¹¹¹ IoT-enabled smart faucets and showers that can be voice-activated or controlled via mobile apps¹¹²
Lighting and décor	<ul style="list-style-type: none"> AI-driven smart lighting systems that learn user behaviours, adjusting light settings based on time of day, activity and personal preferences¹¹³ AR-based colour visualiser tools allow customers to experiment with different wall colours and décor¹¹⁴ IoT-enabled smart lighting solutions controllable through voice assistants or mobile apps¹¹⁵
Kitchenware	<ul style="list-style-type: none"> AI-powered kitchen appliances such as pressure cookers and air fryers that optimise cooking times and methods¹¹⁶ IoT-enabled coffee makers, toasters and blenders that can be controlled remotely¹¹⁷
Home safety	<ul style="list-style-type: none"> AI-powered digital locks with facial recognition and learning capabilities to enhance home security¹¹⁸ AI-driven video doorbells and security cameras with real-time video analytics and intrusion detection¹¹⁹ IoT-enabled smart security systems that integrate surveillance cameras, alarms and sensors for real-time monitoring of IOT¹²⁰
Interior services	<ul style="list-style-type: none"> AR-based design tools for customers to see virtual mockups of home interiors, allowing for real-time customisation and adjustments VR tech to offer customers a fully immersive design experience, enabling them to walk through virtual models of their interior design projects
Common use cases	<ul style="list-style-type: none"> Use of conversational AI and chatbots to simplify customer support AI-driven demand forecasting to adjust production schedules and reduce excess inventory





Way forward

The home and household sector in India is expected to reach approximately US\$237 billion¹²¹ by 2030, displaying steady growth and offering opportunities for brands to expand and attract early adopters in the evolving market. This is an open door for brands and retailers to invest in localised innovations that will enable them to provide value to an increasingly confident, affluent and aspirational consumer market in the country.

The primary themes that are expected to shape the future the home and household sector are:

- 1. Premiumisation and branded play:** An increasing investment in ultra-luxury homes and larger-sized apartments drives the demand for premium and innovative home products. Companies must invest in unique marketing efforts, enhance consumer engagement and strengthen their brand resonance.
- 2. Value segment:** While premiumisation is rising, the country's economic growth drives organised play in every segment. Catering to the middle class will remain the largest segment, allowing manufacturers and existing players to strengthen their branded play and focus on driving volumes.
- 3. Emerging channel play:** Many consumers prefer to physically inspect products after discovering them online, while others look for a near-physical experience online before purchasing. Brands need to be available in the consumer's preferred channel and offer connected experiences.

While e-commerce continues to grow, quick commerce has emerged as a channel of instant decision-making. It meets the unique needs of consumers and helps in various

ways, such as non-grocery shopping, and assists brands in reaching their target consumers. Categories such as home care, kitchenware, décor and furnishings are poised to resonate strongly with quick commerce platforms due to convenience and fast delivery. Meanwhile, the larger categories will continue to thrive through broader e-commerce space.

Categories such as Bath & Kitchen fittings and Lighting are also expected to see growth on quick commerce platforms driven by replacement demand

Omnichannel play requires building the right assortment mix, inventory, logistics and technology integration to cater to consumers in channels and capture the growing demand in tier 2 and 3 cities.

- 4. Enhancing consumer experience through technology:** As the market becomes more crowded with numerous players, customer experience is expected to be a key differentiator. Brands need to invest in technology that offers a seamless experience. This would involve technology adoption across the consumer journey, including post-sales, which is crucial in influencing brand advocacy. To envision their homes, consumers are guided through disruptive technologies such as VR and 3D modelling. Personalised queries are answered through GenAI and relevant content is pushed with brand product recommendations.

The Indian economy's recovery will be more extensive, reaching beyond major cities to include tier 2 and 3 cities. To thrive in the home and household space, businesses need to shift their focus towards a more consumer-centric approach that accurately targets emerging trends and preferences of modern-day consumers.

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