

Market Update Web Series by HGH India

(Synopsis of the panel discussion)

26th November, 2020

“How was Diwali sale for home retailers? What is the Outlook for near future?”

Panelists: Jagdish Khandelwal, Managing Director, Jagdish Stores, New Delhi; Mahaveer Samdariya, Managing Director, Petals, Bengaluru; Nirav Meswani, Director, Surprise Home Linen, Mumbai; Rajesh Mahajan, Managing Director, Maspar Industries Pvt. Ltd, India; Suleman Hirani, Founder & Partner, Darpan Furnishings, Hyderabad.

How did the Diwali season fair for markets in Delhi/ Bengaluru/ Mumbai/ Hyderabad/ All India and the sales comparison with last Diwali? Retailers and brands were not sure, but hoping and expecting the consumer buying to improve in this Diwali season. So what did finally happen? The country's leading retailers shared their business experience for this Diwali season.

The home retailer's sentiments were up and recorded better sales than expected during the festive retail season. Consumers were ready to spend. In **West India** specifically **Mumbai**, most retailers could achieve **90-100 percent** sales as compared to last year for Diwali season. In **Northern** part- **Delhi** the sale was **90 percent** as good as last year and maximum footfalls were witnessed 20 days prior to Diwali. **Carpet and Linen** sections worked specifically well as used for gifting. In **Southern** part for **Hyderabad** the sales though unexpected, went good in the months of **October and November** with good footfall and matched the sales result of last Diwali. Also from **South- Bengaluru** saw an upward sales trend **starting August** and registered a **better October sale than last year** and even after Diwali the sales were consistent. A home linen brand with **Pan India** presence has recorded **93 percent achievement** during this Diwali season. High street or stand-alone stores reasonably performed better than mall stores as malls opened up late.

As far as categories are considered, **Bed and Bath** were the strongest performers with even better sale than last year. The furnishing category along with décor and accessories performed the same.

Instead of considering online channels being a threat to offline retail, one has to take an **omni- channel** approach to convert a retail store into a brand with diversified channels, unique marketing strategy for each channel and a different product mix for an online market place and a multi brand outlet. Sales team needs to be updated and upgraded regularly to adapt to the new market conditions.

The Indian consumer is ready to buy, though with a **change in consumer buying pattern**, the color and pattern choices remains the same but demand is of quality products on attractive price points. The premium quality brands are more attractive to new consumers than just attractive price points or discounts. As number of shops to visit is restricted the **conversion ratio** is also as high as **80 percent**.

The future outlook of home retail industry is predicted to be bright as going forward consumers will spend more time indoor and would want a fresh look for their home more often. Also with extended WFH (Work From Home) and SFH (Study From Home) the demand for home office furniture will remain high. Therefore, small sized, **utility based** and **accent furniture** can be an immediate addition to the home furnishing retail stores.

In the near future home retailers can expect a **sustainable growth** however there may be challenges in distribution and supply. Going forward the confidence in the home retailers seems to be high as they have



learnt to work with less inventory. Using E- catalogues and centralized stocking can increase profitability for all stakeholders/ throughout the value chain. Incorporating **Indian art** from various regions into products and going **Vocal for Local** can also be beneficial.

The consumption in India is growing consistently at **15-20 percent YOY**. Growth oriented retailers will have to design their own store profile, be innovative, decide on a product mix based on their consumer demand and work on consumer relations as it is said ***Consumer is the best teacher.***