



Furniture Market in India – an Overview

KEYWORDS

Furniture Industry, Growth, Size, GDP level.

M.Gomathi Imaya

Ph.D., Research Scholar in Commerce, Annamalai University, Annamalai Nagar – 608 002, Tamil Nadu, India.

Dr.K.Padhmanaban

Professor of Commerce, Annamalai University, Annamalai Nagar – 608 002, Tamil Nadu, India.

ABSTRACT Furniture industry in the nation and worldwide to be appreciated by people. India has a favourable outlook to sell furniture and one expects the furniture industry to grow further in the coming years. The entry of International brands and changing consumer preference has led to the emergence of furniture retailing in India. The author clearly stated that the growth, characteristics, size and employment opportunities of furniture industry in India. In this paper the researcher dealt with the Gross Domestic Product (GDP) level is very low in the Indian furniture market.

INTRODUCTION

India is the land of marvellous artistic works, and also named for its tradition, culture, heritage, and handicrafts. It has established its reputation in the field of wood crafts and furniture. The antique works and the keen designs and the sculpting works are the lead that has fast established its part in furniture and wood works. We have become an exporter in good quality of furniture with fine art, design, cuts, style, technology, and grace.

GROWTH OF INDIAN FURNITURE INDUSTRY

The furniture industry in India is generating a turnover of ₹3500C per annum. The market owns the share of Rs.60C and as per the recent survey; the industry grows by 20 per cent in coming times.

The furniture industry has become a great pride for the nation to hold a magnificent impact for its fine arts and marvellous works. The foreign market feels content and confident as the Indian furniture companies like Godrej & Boyce manufacturing Co. Ltd., Furniturewala, Zuari, Yantra, Renaissance, Jasani and Company, Furniture Concepts, Durian, Kian, Millennium Lifestyles and much more to add the growth of the industry.

On the whole, it is our pride to hold a magnificent place in the world market for Indian furniture in fine arts and superb works. In fact, global furniture industry research and consulting firm, CSIC Milano has classified India has the 14th largest furniture markets in the world.

CHARACTERISTICS OF FURNITURE INDUSTRY

The furniture industry is both an organized and non-organized sector. Furniture manufacturing worldwide forms a centralised competition in the clustering effect. Utilization of skilled, unskilled workers, handcrafted tools, machines, CAD/CAM for manufacturing and designing. Consumer expectations and purchasing behaviours have marked regional variations.

SIZE OF INDIAN FURNITURE

The un-organized sector for the furniture market is at 10 percent and growing at about 35 percent CAGR (Compound Annual Growth Rate). Furniture segment comprises of 65 percent of the home market and 35 percent of institutions. The entire home décor category spends furniture accounts about 68 percent of the share while remaining 32 percent comprises of furnishing and home investments. Imported furniture constitutes to 85 percent of the total organized furniture. India imports furniture from Italy, Germany, Spain, China, Korea, Malaysia, Indonesia, Philippines, etc.

FACTORS INFLUENCING GROWTH OF THE FUTURE INDUSTRY

Indian furniture industries are manufacturing and exporting high level quality furniture not only to the present days but also to the future and it has set a strong image all over the world. Globalisation has impacted a lot and this leads to the growth in demand of furniture. Media also plays a vital role in making people learn about good living. The concept of good living and better lifestyle is catching up in all levels of people, where middle class people has also started to invest their money in most decorated furniture and there is no surprise that foreign manufacturers are investing in Indian furniture. There are four main categories for the improvement in the furniture in India. They are;

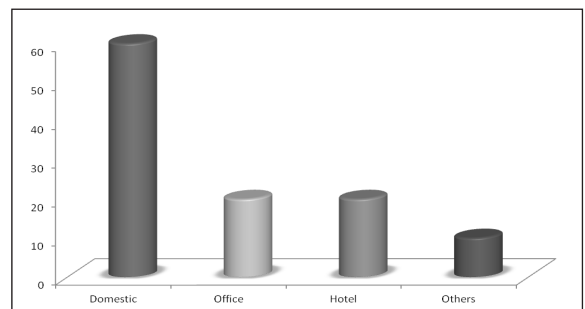
- Architects
- Builders
- Interior designers
- Trade fairs for increased exposure.

INDIAN FURNITURE INDUSTRY

Generally the need for furniture is mostly these four areas:

- Domestic
- Office
- Hotel
- Furniture parts

Fig.1 represents the needs for the furniture is given as follows:



Source: KPMG Analysis

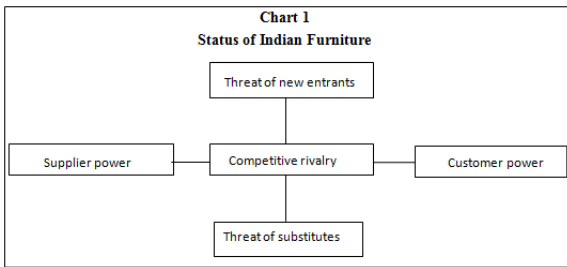
The furniture sector of India makes a marginal contribution to the Gross Domestic Product (GDP) representing about 0.5 per cent of the total GDP. According to the World Bank survey, 20 percent of the furniture industry grows per year and this growth is expected to come from the rapidly growing consumer markets of Asia, which signifies that

there is growth in Indian furniture sector. As of the statistics, in 2006 the Indian market is estimated to be worth US \$1, 358 million. About 11 percent of this wooden furniture is imported and are growing at 50 percent to 60 percent every year. India was the largest furniture importer in the world 2004-2005 with a 17 percent share in the furniture imports worldwide. A total of 10,476 importers shipped furniture to India during this period mainly from Italy, Germany, Spain, China, Korea, Malaysia, Indonesia, Philippines, and Japan.

SUCCESS FACTORS FOR FURNITURE MANUFACTURERS IN INDIA

The Indian furniture industry is gradually transforming into a more organised and competitive sector. The entry of global brands in the sector, emergence of large retail players and the resultant consolidation, are trends that highlight this transformation.

This flow chart 1 will tell clearly about the current status of the Indian furniture sector:



Source: KPMG analysis.

GOOD SUPPLY CHAIN MANAGEMENT

Supply Chain Management (SCM) is the most essential for furniture manufacturers for catering both home and commercial segments. For home the basic need will depend on the customer's need and satisfaction whereas in commercial segments the key requirements would be making timely deliveries, as per the required specifications to the builder and architect.

COST MINIMISATION

Furniture manufacturers in India need to diverse tastes and preferences across customer segments and deliveries. At the same time when the organisation getting increased and competitive, the margins are progressively under pressure. Improved manufacturing processes and minimising waste is the key role for players in the sector.

BRAND MANAGEMENT

Having a well-known brand is important for the office and hotel management. Buying the branded items has been a trend in these days and so people always opt for branded furniture, so the furniture sector is increasingly looking for branded products, as means to ensure good quality and value.

ROLE OF FURNITURE MARKET IN THE CONTRIBUTION OF THE GDP AT WORLD LEVEL

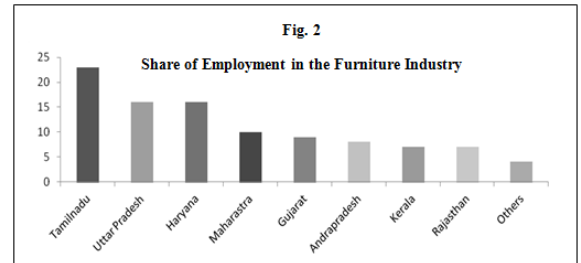
Table 1 Furniture Market GDP Level in World

S.No.	Countries	Total GDP (%)
1	China	20%
2	Europe	5%
3	Germany	5%
4	UD	3.5%
5	Indonesia	2.9%
6	Italy	2.4%
7	UK	2%
8	Philippines	0.15%
9	India	0.5%

Source: Computed Table

The furniture sector makes a marginal contribution of 0.5% to India's GDP. Moreover, even if the production is increasing every year, it is mainly in the un-organised sector. Table 1 describes that India is marketing the furniture at the GDP of 0.5% which is very minimum when compared to other countries in the world.

STATE WISE EMPLOYMENT IN THE FURNITURE INDUSTRY



The consumer in the state always needs good quality furniture. According to Fig 2, it is estimated that the higher percentage of employment is 23 percent in Tamil Nadu State. This confirms that involvement of the employees to exhibit their skills in carving, statue, birds, flowers and animals etc to produce good quality of furniture.

CONCLUSION

Local tradition and culture contributed to the furthest development of ornamental woodwork for palaces, temples, public houses, and work of arts. The tradition of using wooden furniture for home came into late existence. In India, offices and hotels had furniture from the beginning but the home furniture came gradually, where it started with a chair, sofa, bed and then the dining table. But now-a-days the usage of wooden goods in home also increased, as people started using wood for decorating, furnishing cupboards and so on. Thus the Indian furniture market grew from the ground level to now and which will further develop in future days.

REFERENCE

1. Size of Indian Furniture Market. <http://www.dalalstreet.biz/forum/India-retail/size-of-India-furniture-marketon>. 2010.
2. Growth of the furniture industry in India. www.growthofthegrowthindustryinindia.in
3. Factors influencing the growth of the furniture industry. www.furnitureglobal.com
4. Furniture Market and Opportunities. www.ibefreportforfurniture.com.