

01 INTRODUCTION

THE DEVELOPMENT and promotion of bamboo as a wood substitute is being addressed by the National Mission on Bamboo Applications (NMBA). The market for such applications includes items such as laminates, floorings, panels, particle board, roofing, ceiling and insulation material, chip board, wafer board, bamboo mat board, MDF, bamboo ply and veneer.

1.1 THE STUDY

A market opportunity assessment was necessary as the first step towards a positioning strategy. The products explored through this study were bamboo ply board, strip-based sections, airlock panels and mouldings. Samples of these four products were made available for the market study through a manufacturing facility supported by the NMBA.

1.1.1 Scope

The scope of the study was to assimilate information on the dynamics of the furniture components industry, the market outlook on wood substitutes, and the market reaction towards the products intended to be introduced. Applications for which the products would be suited, the prices at which the products could be offered, and concerns regarding workability were discussed with potential users.

The views and information gathered through market visits to two leading metros (Delhi and Mumbai) and two smaller cities (Indore and Ludhiana) were analysed, to arrive at an assessment of their market potential. A strategy to achieve the potential, and to identify target segments and product mix was devised as a result of this effort.

1.1.2 Methodology

Wood markets and plywood-making units were visited, and 65 one-to-one discussions were held with furniture manufacturing companies, architects,

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builders, furniture contractors, furniture component manufacturers, carpenters and dealers in the four cities.¹

The sample used was a fair representation of the early adopter metro market and the relatively slow starter small city market. Subsequently, preliminary hypotheses formulated were tested and validated through a quantitative market opportunity and potential for the country as a whole.

Subsequently, the preliminary hypotheses that were formulated were tested and validated through a quantitative survey conducted in the four cities. Interviews were also conducted with different constituents of the business chain, decision-makers and influencers. A sample size of 210 respondents each in Mumbai and Delhi, and 80 respondents each in Ludhiana and Indore was used.

Apart from primary information-gathering, secondary information was collated on the construction industry, the furniture industry, wood imports, the panel board industry and wood composites in the market. Information on property development and trends in the construction industry was gathered with the help of a leading property consulting and management firm, Knight Frank (I) Ltd.

1.2 ANALYTICAL FRAMEWORK

The information gathered was analysed to identify market drivers and arrive at a penetration rate for each application segment. The insights received from the qualitative phase were superimposed on the figures and estimates obtained from the quantitative phase, as a reality check, to arrive at an estimate of market size and price points.

1.3 FINDINGS

The report has been divided into four sections, each section addressing the four products separately, and in the following format:

- The product
- The market for the product
- Competing products
- The feedback from the market regarding the product
- Demand assessment
- Entry strategy for the product
- Recommendations. ■

¹ The cities covered were Delhi, Mumbai, Indore and Ludhiana.

Amongst the architect firms covered were Hafeez Contractor, Kanvinde and Associates, Stein Chowfla Mani, Ratan Batliboi, Kadri Consultants, C.P. Kukreja, Laroya (designer of Nirmaan Bhavan), G.K. Menon (Director, TVB School of Architecture), Abhimanyu Dalal, and T. Khareghat & Associates.

The leading builders who were met included Surendra Hiranandani of Hiranandani Constructions, Godrej Properties and Investments, the Runwal Group and Kailashnath and Associates.

Among the organised furniture manufacturing companies, Godrej, Usha Lexus and Gautier (now Style Spa) were met.