NAME: THE INTERIOR LUX

-By   
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MARKET AND COMPETITIVE INTELLIGENCE

Defining Target Market-  
The market we are defining here is a product market. A product market includes the launch of a particular product into the market which brings change in a person’s lifestyle. Theproducts we are about to launch are for the consumers who expect ultra personalization and hyper-efficiency across the globe. To be at the forefront of change, we use visual search to deliver the products they wish and eventually stay ahead of an increasingly competitive market.

**Target people**- These days people with bit high income such as middle class people are most likely to tend towards interior décor.

**Are we solving the problem?**

People are kind of perplexed regarding the designs that suit their homes better.

Our product will help them in doing so. They just have to scan the room in order to find the best suitable ones and can later buy them from the collection.  
Calculation of TAM (Total Adressable Market):

* This is to put a monetary value to the opportunity.
* TAM is basically aimed to calculate a rough estimate of money we make while selling a product or simply its demand in the market.
* The approach we followed here is the most efficient approach

i.e Bottom-up approach.  
TAM=

(#Opportunities% of Tragetable Opportunities)\*(average   
selling price of the product)

* The targeted people are upper middle class, rich.  
  Therefore,  
  (upper middle class+ rich)\*(70%)\*(avg selling price of a product)
* The percentage considered is the approximate value of the people who would likely purchase.  
  According to 2019:  
  Upper middle class people across the world- 113 million  
  Rich people- 42 million
* #Opportunities = 155million
* % of Targetable Opportunities=70%
* Average selling price of product=50,000

=[155million]\*70%\*50,000  
 =5,425billion.  
Market Growth rates of our TAM:  
With the rising number of individuals owning homes, especially in developing countries, the home decor market is on a rise globally. The online selling of home decor products has gained momentum in recent years. Online vendors are able to offer a diverse range of products that can be used in indoor as well as outdoor spaces.  
Our TAM is expected to increase like no other businesses that we compete with. It is because of the fact that we are making use of the advancement of technology and can always offer better products with not so high prices.

Global home decor market was valued at $616.6 billion in 2019, and is estimated to reach $838.6billion by 2027, registering a CAGR of 3.9% from 2020 to 2027. -[www.alliedmarketresearch.com/home-decor-furnishing-market](https://www.alliedmarketresearch.com/home-decor-furnishing-market)

INDUSTRY ANALYSIS SCORE CARD

|  |  |  |  |
| --- | --- | --- | --- |
|  | | Facts/data about your target industry | Industry score(1-10) |
| Target Industry/segment niche size and growth rate | | 60 billion INR | 9 |
| Favorable customer trends sweeping across industry | | Cheaper,good quality,variety | 8 |
| Competitive intensity:fragmented competiton | | Likely to compete better than the rest because of its AI feature . | 8 |
| The opportunity to create competitive differentiation on performance and/or price. | | Variety, personalized design through AI | 8 |
| The presence of some real winners | | * There are no companies of this sort(AI feature). * But companies like IKEA, pepperfry are giving their best in terms of variety,price. | 8 |
| Significant level of startups and M&A activity | | Not much | 4 |
| Positive technology trends based on some significant breakthroughs and innovations | | Cheaper price,quality,Variety | 6 |
| Strong channels to reach customers | Online,Retail | | 9 |
|  | Total score | | 60 |

COMPETITIVE INTELLIGENCE TEMPLATE

|  |  |  |  |
| --- | --- | --- | --- |
|  | WayFair | CostPlusWorldMarket | Amazon |
| Revenue(approx annual sales) | 648 billion INR  Ref: <https://www.google.com/search?sxsrf=ALeKk020oScLzbxfFGJpuvOF33rC8pDkVw%3A1591884843295&source=hp&ei=KzziXuLPD-aV4-EP2puLqAs&q=wayfair+annual+revenue&oq=wayfai&gs_lcp=CgZwc3ktYWIQAxgAMgQIIxAnMgQIIxAnMgQIIxAnMgUIABCxAzICCAAyBQgAEIMBMgUIABCxAzIFCAAQgwEyAggAMgIIAFDQkg1Y96YNYLK1DWgAcAB4AIAB3guIAf8YkgENMi0xLjUtMS4xLjAuMZgBAKABAaoBB2d3cy13aXo&sclient=psy-ab> | 600 billion INR Ref:<https://www.google.com/search?sxsrf=ALeKk00OG_ddcZUvS5Ki2aWEUTLEY5nspA%3A1591885072444&ei=ED3iXrbgGrqG4-EP5NOM8AE&q=cost+plus+world+market+annual+revenue&oq=cost+plu+annual+revenue&gs_lcp=CgZwc3ktYWIQAxgAMgYIABAHEB46BAgAEEc6CAgAEAgQBxAeUJmyNViT3zVgres1aABwA3gAgAG0EogB_U-SAREyLTEuMC4xLjEuMy4yLjAuMpgBAKABAaoBB2d3cy13aXo&sclient=psy-ab> | 300 billi0on INR  Ref: <https://www.pymnts.com/news/retail/2018/amazon-online-home-furniture-sales/> |
| Market position(approximate) | Leader | Leader | Leader |
| Number of employees | 16,985 | 6,200 | 20,000 |
| Product/Tech announcements last year | Launched Hykkon, an EU flagship brand in 2019 to expand theircustomer offerings. | [Cost Plus World Market to Open in Chandler Pavilions in Chandler, Arizona](http://www.worldmarketcorp.com/media-relations/press-release/cost-plus-world-market-to-open-in-chandler-arizona/) | Furniture category grew by 4X vs led by brands like Sleepwell, Sleepyheads and Wakefit. |
| Growth strategy | Focusing on logistics to speed up delivery, reducing costs, lower the risk of damage | Developed a set of refocused management directives to deepen the brand's cultural and competitive positioning. | Amazon pursued a strategy of reinvesting most of its profits into the business. This strategy allowed the company to expand faster, and it also minimized taxes. |
| Quality senior management | People like Niraj Shah,Michael Fleisher plays major role in implementing the strategies. | Allyson,Julie Vanniniare the senior most people striving for the company’s welfare. | Thomas O.Ryder,Jamie are some people responsible in managing the company since years. |
| Quality financial position and investors | Wayfair's losses widened during the fourth quarter of 2019. The issue for Wayfair has long been, and continues to be, how to make money. | Has a best record of its financial postion. | From payments to lending to insurance to checking accounts, Amazon is attacking financial services from every angle without applying to be a conventional bank. |
| Overall assessment of strength and weaknesses | STRENGTHS:   * Highly skilled workforce, strong dealer community, strong free cash flow.   WEAKNESSES:   * Need more investment in new technologies. * Organization structure is only compatible with current business model thus limiting expansion. | STRENGTHS:   * Consistent Profitability,Shareholder Friendly   WEAKNESSES:   * Soft Comp Trends | STRENGTHS:   * Expanding business diversification and high capability for rapid technology innovation.   WEAKNESSES:   * Limited brick and mortar presence,imitable business model |

Key partnerships necessary to launch the product:  
Since people are more likely to buy the eco-friendly home décor products, partnership with the ones that manufacture these would be better for the business. Therefore major players like Shaw Industries, Kimball International, Duresta Upholstery, Mohawk Industries Inc., Herman Miller Inc, etc. are necessary   
to top the market.

Potential BLOCKERS:  
Though there is usage of visual technology, companies like IKEA producing the products at cheaper prices is making people extreme fond of them.   
Company like Modsy is offering people some amazing personalized products by asking some set of questions related to their interests. It is a kind of threat to a new business in the market place since it takes a lot of effort to attract them. However, the fluctuating prices of raw materials may also limit the success.  
• Furniture Stores: Ashley Furniture, Bob's Discount Furniture, Havertys, Raymour& Flanagan, Rooms To Go;  
 • Big Box Retailers: Bed Bath & Beyond, Home Depot, IKEA, Lowe's, Target and Walmart; Department Stores: JCPenney and Macy's;   
• Specialty Retailers: Crate and Barrel, Ethan Allen, TJX Companies, At Home, Williams Sonoma, Restoration Hardware, Arhaus, Design Within Reach, Horchow, Room & Board, Floor & Decor, Mitchell Gold + Bob Williams;  
 • Online Retailers and Online Marketplaces: Amazon, Build.com, Houzz and eBay  
 These are some major potential blockers.