

Case 2 : Furniture and fashion e-tailing due diligence for a PE Fund (1/2)

Objective	Region	Sector
To help the fund understand the furniture market competition landscaping, consumer preferences and target positioning vs. competition/ alternatives	India	Furniture e-tailing

Key points	Description
<p>KEY ISSUES</p>	<ul style="list-style-type: none"> ▪ What is the current opportunity sizing and the growth drivers? ▪ What is consumer psyche towards furniture e-tailers? ▪ What is the current brand image and positioning category-wise? ▪ How does the competitive landscape look like and where is the target brand positioned here?
<p>APPROACH</p>	<ul style="list-style-type: none"> ▪ Primary trade research across retail formats to understand the strength and disposition of category ▪ Primary consumer research to understand the consumer disposition towards category and map the buying cycle ▪ Discussion with industry experts to understand the market and trade dynamics. ▪ Secondary Research from various resources, RedSeer Knowledgebase, etc..
<p>RESULT</p>	<ul style="list-style-type: none"> ▪ Helped the fund understand market dynamics and identify brand positioning vs competitive landscaping ▪ Guide on consumer preferences and suggesting the focus areas based on a long term market assessment

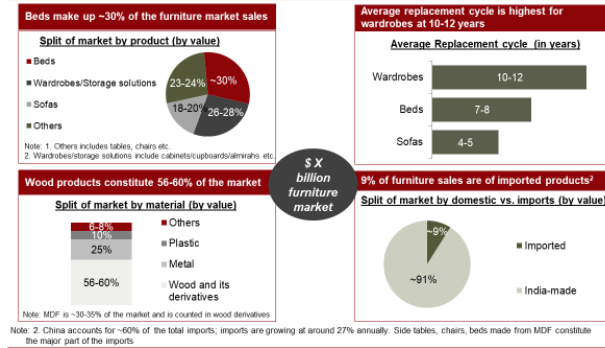
Case 2 : Furniture and fashion e-tailing due diligence for a PE Fund (2/2)

1 Market Landscape – Furniture market segments

Furniture Market Segmentation

The Indian furniture market can be segmented in multiple ways

Market Segmentation and trends
FY 15 data. All data is in value terms



2 Customer satisfaction metrics for brand and competitors

Price benchmarking

Fewer number of A1 customers are highly satisfied with the price they paid for their furniture purchase

Customer satisfaction with pricing
N= **1 Online furniture buyer interviews



3 Understanding brand recall - fashion

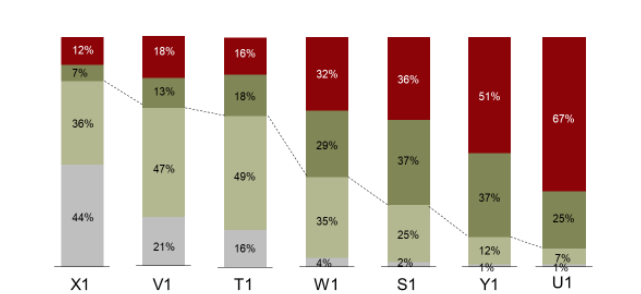
Brand Awareness

Only 12% of offline apparel shoppers had unaided brand awareness for Y1...

Brand Recall by respondents who have not purchased Apparels online

N = **8

Legend: CL (80%), EM (6%), Not Aware (14%), Aided (80%), Unaided (14%), Top of mind (12%)



1. Top of the mind is the first brand which comes to the customers mind after asking the question
2. Unaided is the brands after the top of the mind brand without any help from surveyor
3. In Aided, surveyor would ask whether the customer is aware of the rest of the brands or not

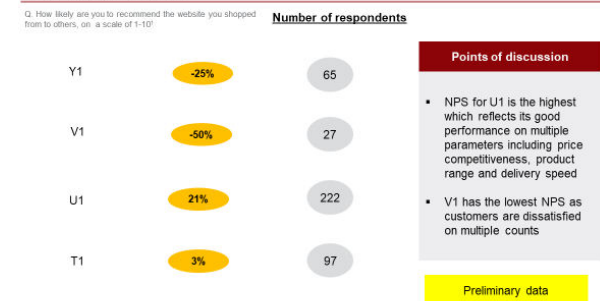
4 Gauging the Net Promoter scores for the fashion brand and its competitors

NPS

Net promoter score is the highest for U1 followed by T1

NPS Score benchmarking

Online apparel buyer interviews



Note: 1. NPS is calculated by % of promoters (those who rated 9 or 10) - % of detractors (those who rated less than 5)