

# 2019

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## STATE OF THE INDUSTRY HOUZZ INDIA

# Big Ideas

## HOME RENOVATION PROFESSIONALS ANTICIPATE BUSINESS GROWTH

The majority of firms across the industry are optimistic about business growth in 2019, with nearly nine in ten of the firms in the industry anticipating that gross revenue will increase in 2019 (87% percent). More than two in three firms expect that revenue will grow by more than 10 percent (71 percent). To support revenue growth, firms plan to improve customer experience and bring in larger budget projects (54 and 51 percent, respectively).

## CONFIDENCE DRIVEN BY 2018 RESULTS

Positive expectations for the year ahead follow a successful 2018 for firms across the industry, with nearly two in five of businesses reporting that gross revenue met or exceeded expectations (40 percent). In fact, actual gross revenue increased by 10 percent or more for over two in five businesses (42 percent). Architects saw the largest increase, with nearly a third of businesses reporting that gross revenues grew by 15 percent or more from the year prior (29 percent).

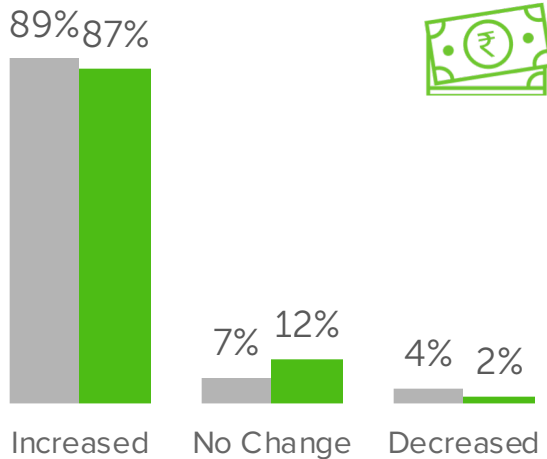
## ARCHITECTS LEAD IN BUSINESS EXPANSION

Nearly two in five businesses across the industry were able to expand by hiring new employees (38 percent). Architects were the most likely to increase headcount (50 percent), followed by Design and build firms and Interior designers (33 and 28 percent, respectively).

# Expected Revenues & Profits in 2019

Charts below show the percentage of surveyed businesses on Houzz india reporting expectations for 2019 (vs. 2018).

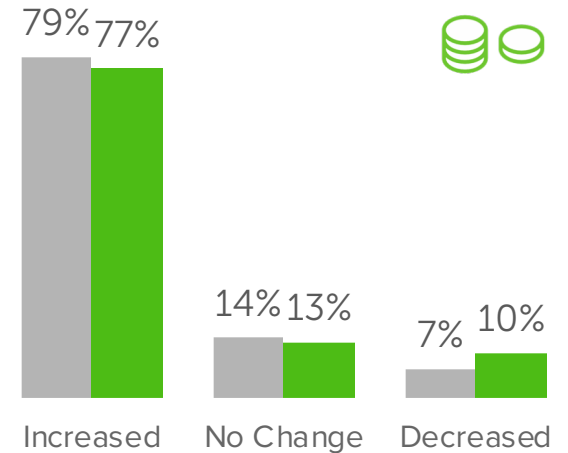
## EXPECTED GROSS REVENUES



■ Expected changes in 2019  
■ Expected changes in 2018

**10%+ Rev. Growth**  
 Expected by 71%  
 of Businesses in 2019  
 (vs. 76% in 2018)

## EXPECTED PROFITS



### INTERIOR DESIGNER

Expected Increases in 2019

Gross revenues 86%

Profit (net income) 80%

### ARCHITECT

Expected Increases in 2019

Gross revenues 83%

Profit (net income) 74%

### DESIGN AND BUILD FIRM

Expected Increases in 2019

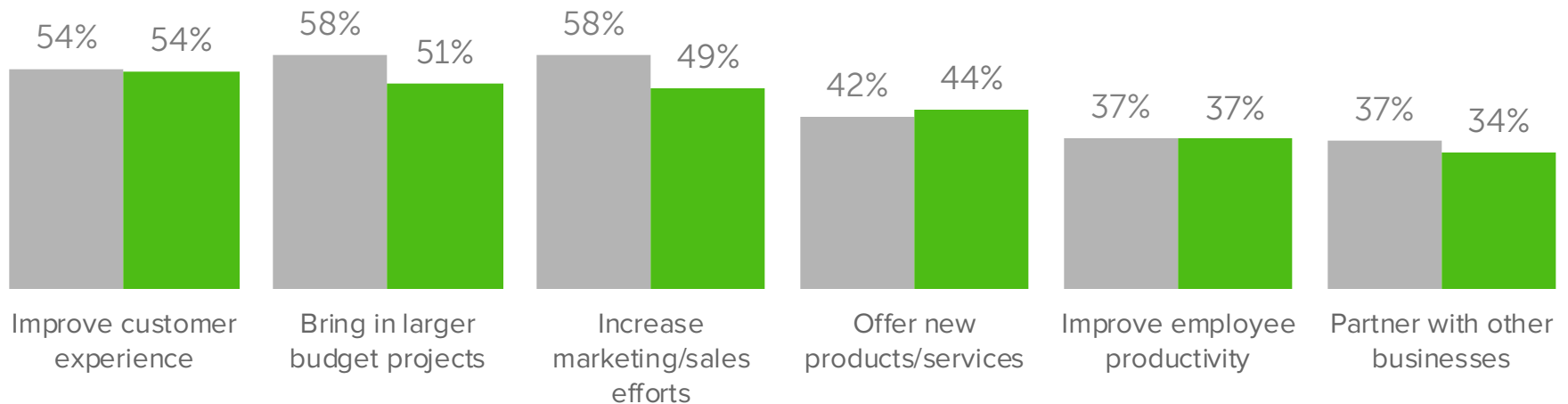
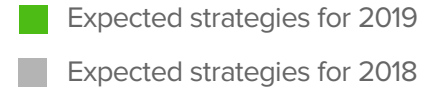
Gross revenues 89%

Profit (net income) 80%

# Top Growth Strategies in 2019

Charts below show the percentage of surveyed businesses on Houzz India expecting revenue growth in 2019 (vs. 2018).

## TOP EXPECTED STRATEGIES TO GROW REVENUES



### INTERIOR DESIGNER

#### Top Growth Strategies for 2019

- Bring in larger budget projects 57%
- Improve customer experience 49%

### ARCHITECT

#### Top Growth Strategies for 2019

- Improve employee productivity 68%
- Bring in larger budget projects 68%

### DESIGN AND BUILD FIRM

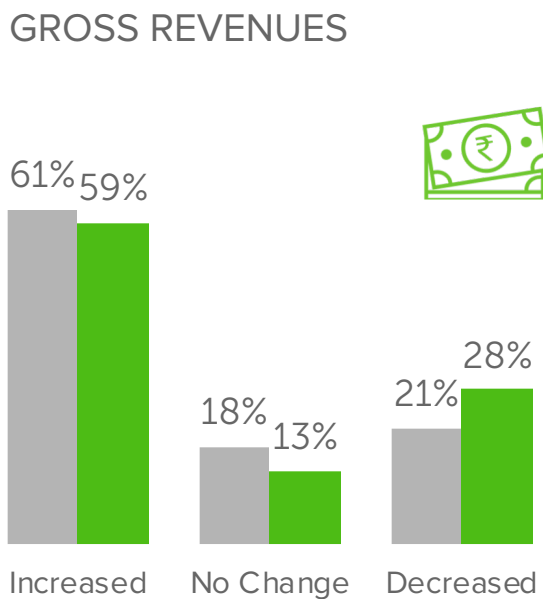
#### Top Growth Strategies for 2019

- Offer new products/services 75%
- Increase marketing/sales efforts 50%

# Revenues & Profits in 2018

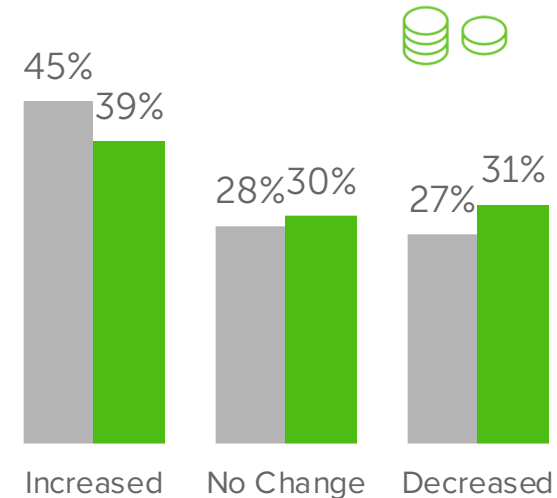
Charts below show the percentage of surveyed businesses on Houzz India reporting performance in 2018 (vs. 2017).

## GROSS REVENUES



**10%+ Rev. Growth**  
 Reported by 42% of Businesses in 2018 (vs. 48% in 2017)

## GROSS PROFITS



INTERIOR DESIGNER	
Reported Increases in 2018	
Gross revenues	67%
Profit (net income)	41%

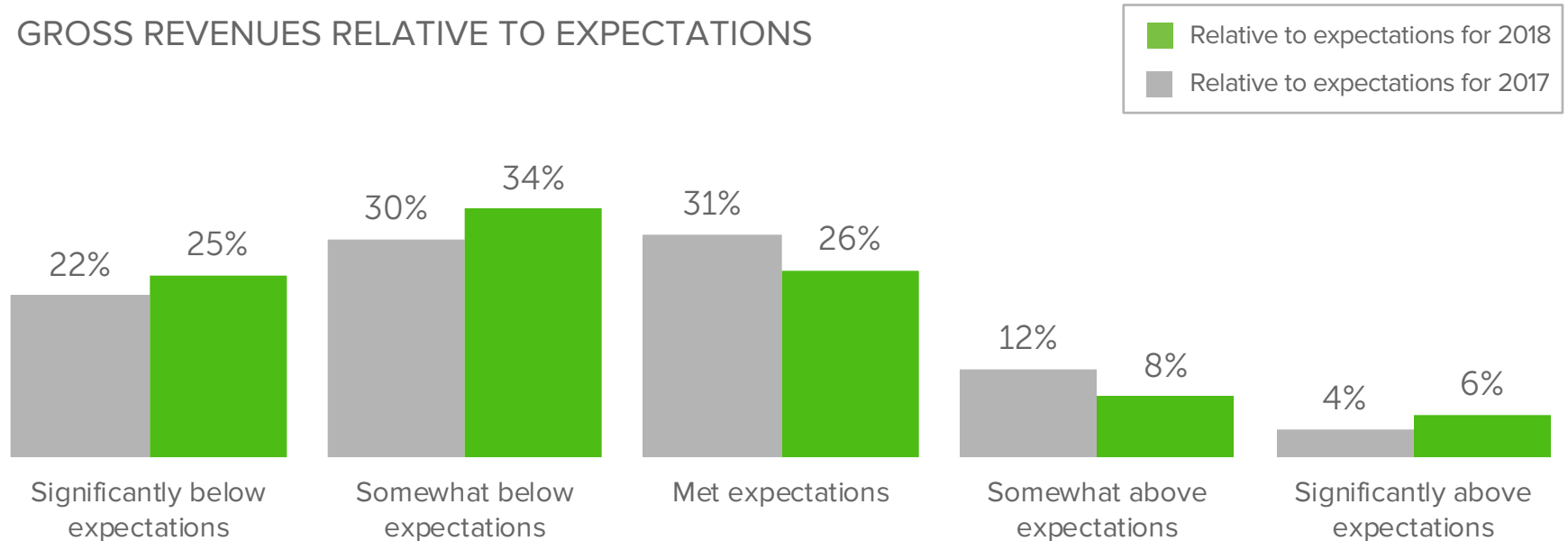
ARCHITECT	
Reported Increases in 2018	
Gross revenues	63%
Profit (net income)	46%

DESIGN AND BUILD FIRM	
Reported Increases in 2018	
Gross revenues	40%
Profit (net income)	27%

# 2018 Comparison to The Initial Expectations

Charts below show the percentage of surveyed businesses on Houzz India reporting how 2017 business performance compared to the initial expectations for 2018 (vs. 2017).

## GROSS REVENUES RELATIVE TO EXPECTATIONS

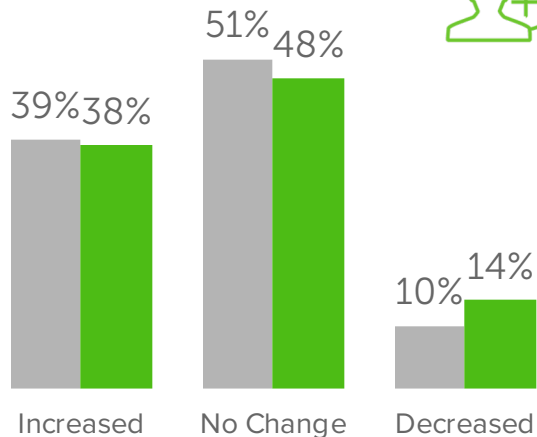
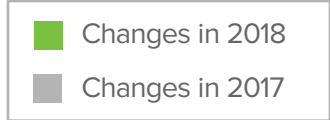


PROFESSION	2018 Comparison
INTERIOR DESIGNER	Met expectations 33%
	Above expectations 19%
ARCHITECT	Met expectations 25%
	Above expectations 17%
DESIGN AND BUILD FIRM	Met expectations 8%
	Above expectations 8%

# Staffing & Business Costs in 2018

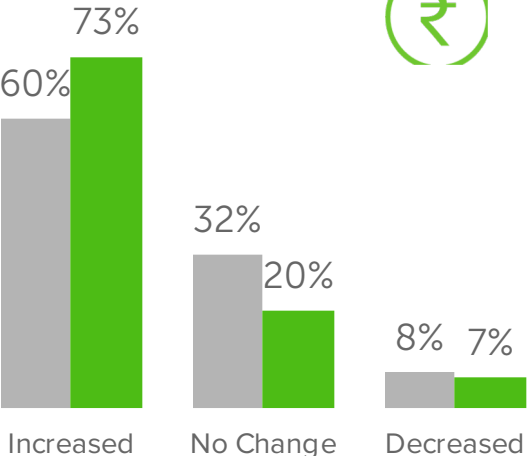
Charts below show the percentage of surveyed businesses on Houzz India reporting performance in 2018 (vs. 2017).

## NUMBER OF EMPLOYEES



**1-2 Employees**  
 Hired by 11%  
 of Businesses in 2018  
 (vs. 8% in 2017)

## COST OF DOING BUSINESS



### INTERIOR DESIGNER Reported Increases in 2018

Number of employees 28%  
 Costs of doing business 62%

### ARCHITECT Reported Increases in 2018

Number of employees 50%  
 Costs of doing business 71%

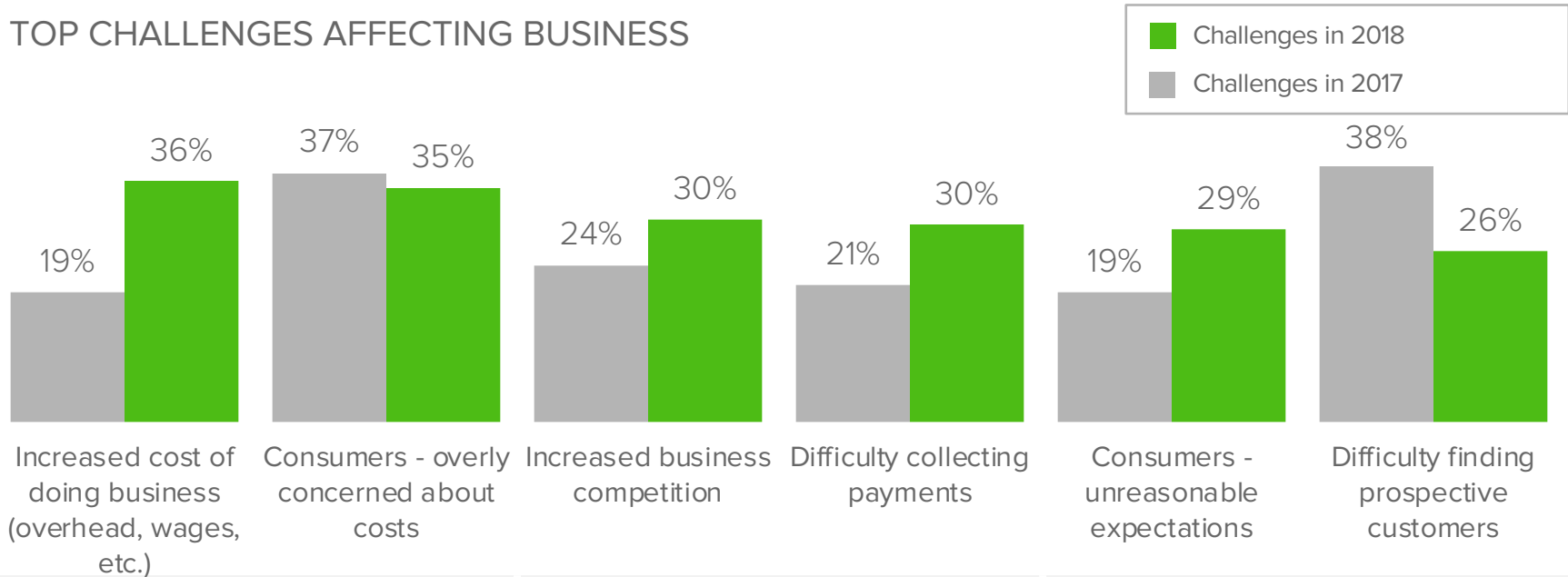
### DESIGN AND BUILD FIRM Reported Increases in 2018

Number of employees 33%  
 Costs of doing business 91%

# Top Business Challenges in 2018

Charts below show the percentage of surveyed businesses on Houzz India reporting challenges in 2018 (vs 2017).

## TOP CHALLENGES AFFECTING BUSINESS



### INTERIOR DESIGNER

#### Top Challenges in 2018

Difficulty finding prospective customers	36%
Difficulty collecting payments	33%

### ARCHITECT

#### Top Challenges in 2018

Consumers - overly concerned about costs	42%
Increased cost of doing business (overhead, wages, etc.)	38%

### DESIGN AND BUILD FIRM

#### Top Challenges in 2018

Consumers - overly concerned about costs	69%
Increased business competition	54%



# Description of Businesses

Charts below show the percentage of surveyed businesses on Houzz India with the specific characteristics in 2018.

MORE THAN ₹50'00'000 IN GROSS REVENUES\*



39% of Businesses

Up to ₹10'00'00'000 or more in revenues

ONE OR MORE EMPLOYEES\*



90% of Businesses

\*Up to 500 or more employees

TEN OR MORE YEARS IN BUSINESS\*



35% of Businesses

\*Up to 30 or more years in existence

SOLE OWNER RESPONDING TO SURVEY  
RESPONDING TO SURVEY



56% of Businesses

# Methodology

The survey was sent to businesses with profiles on Houzz India and fielded between December 7, 2018 – 22 January, 2019. N=126.

## Description of Business Groups by Core Services\*

### Pro Categories in Survey (Sample N)

Architect/Designer (N=73)  
Design and Build (N=16)  
Builder/Contractor/Installer (N=15)  
Civil Engineer (N=7)  
Speciality - Building & Renovation (N=6)  
Speciality - Decorating (N=6)

### Top Pro Types in Survey (Sample N)

Interior designer (N=46)  
Architect (N=24)  
Design and build firm (N=13)

\*Business groups were defined based on services that contributed to the largest share of business gross revenues in 2018, as identified by respondents in the survey.

# Links to Pros on Houzz

Houzz is the easiest way for people to find inspiration, get advice, buy products and hire the professionals they need to help turn their ideas into reality.

Design, Renovation & Building	Home Improvement Services	Other Professionals	
Architects & Building Designers	Furniture & Accessories	Photographers	
Interior Designers & Decorators	Flooring & Carpets		
Civil Engineers & Contractors	Bedding & Bath		
Design-Build Firms	Speciality Contractors		
Home Builders & Construction Companies			
Kitchen & Bath Designers			
Landscape Architects & Contractors			
Tile, Stone & Countertops			