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2014

India Handbag Industry Outlook to 2018

- Premium Segment and Online Retail to Lead the Growth

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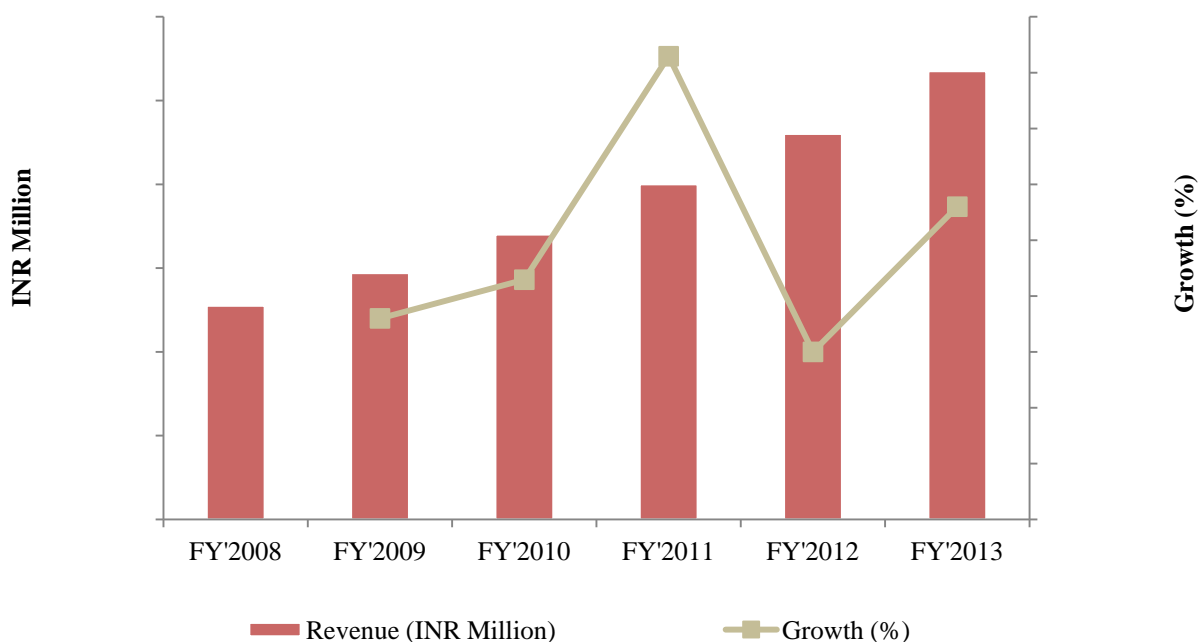
INDIA HANDBAG MARKET SIZE, FY'2008-FY'2013

BY VALUE, FY'2008 – FY'2013

The overall handbag industry in India has showcased an outstanding increase in terms of revenue since FY'2008. In FY'2008, the market was valued at INR 12,749.3 million, which surged to INR ~ million in subsequent year, thereby registering a growth of ~% in FY'2009. During this period, major brands in the handbag market such as Hidesign, Baggit, and DaMilano invested large amounts of money in the diversification of their product range and acquisition of new outlets which supported the revenue growth of the market...

...A gamut of factors has played a vital role in fueling the growth of this industry over the years. A continuous rise in the personal disposable income has led to an increase in the purchasing power of the individuals. This has resulted in growing expenditure of individuals upon the items such as accessories and handbags...

Figure: India Handbag Market Size on the Basis of Revenue in INR Million and Growth Rate in Percentage (%), FY'2008-FY'2013



INDIA HANDBAG MARKET SEGMENTATION

BY PRODUCT CATEGORIES, FY'2008- FY'2013

There are various types of handbags available in a wide range of styles and patterns in the country. The most common one is the shoulder bag...

...Another form of handbag is a clutch, which comes without handles and is carried in the hand or under the arms... The clutches and wallets together contributed ~% to the market revenue in FY'2013. Their demand has been stable and has not shown any considerable growth over the last few years owing to their limited usage along with small size and restricted space. Geographically, these are more purchased in North India, where women go out for evening parties, but are lesser demanded in south where majority population is of working women. The revenue generated by the wallets and clutches in the overall handbag market was INR 6,387.4 million in FY'2008 which increased to INR ~ million in FY'2013, marking a CAGR of ~% during the period...

Figure: India Handbag Market Segmentation by Types of Bags on the Basis of Revenue Contribution in Percentage (%), FY'2008-FY'2013

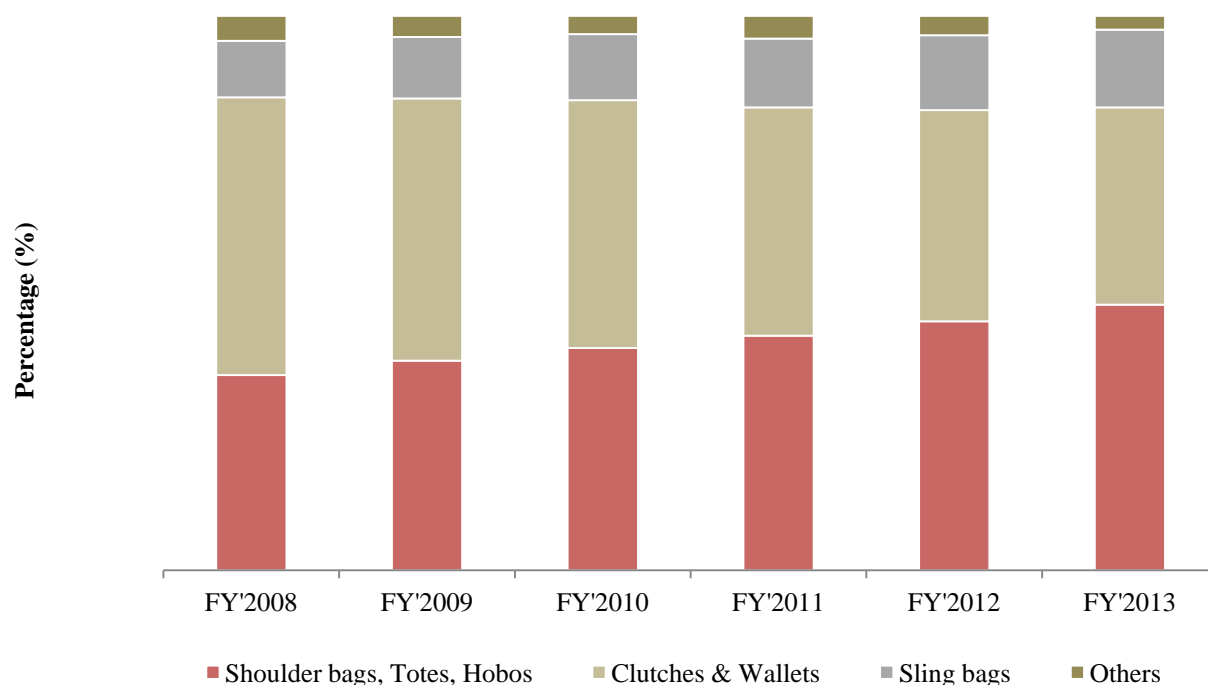


Table: India Handbag Market Segmentation by Types of Bags on the Basis of Revenue in INR Million, FY'2008-FY'2013

Particulars	FY'2008	FY'2009	FY'2010	FY'2011	FY'2012	FY'2013
Shoulder bags, Totes, Hobos						
Clutches & Wallets						
Sling bags						
Others						
Total						

BY ORGANIZATIONAL STRUCTURE, FY'2013

The Indian handbag industry has been largely dominated by the unorganized segment with a maximum contribution in terms of revenue. Contribution of organized segment to the handbag market was just ~% as in FY'2013. Majority of the market was constituted of the unorganized segment contributing ~% to the market revenues in FY'2013...

Reasons for Augmentation of the Handbag Industry in India

In the last few years, handbag market in India has witnessed increase in the share of the organized sector in the overall market revenue. This is primarily due to the companies such as Lavie, Caprese, which are in the process of penetrating the market in the near future. The pace of development has enhanced in the organized handbag market largely due to the opening up of new hypermarkets and departmental stores which led to an increase in brand visibility, thereby contributing immensely to the demand for branded bags among the people...

...Thus, overall though the contribution of unorganized segment in this industry is higher than the organized one, it is expected that in the next few years the handbag market in India market would be majorly led by the organized segment on account of the shifting preferences towards the branded bags amongst the customers.

Table: Indian Handbag Market Segmentation by Organized and Unorganized Market on the Basis of Revenue in INR Million, FY'2013

By Organizational Structure	Revenue (INR Million)	Percentage (%) Contribution to Market Revenue
Unorganized Market		
Organized Market		
Total		100%

MARKET SHARE OF MAJOR PLAYERS IN INDIA LUXURY HANDBAG MARKET




The luxury handbag market is concentrated among few players with Louis Vuitton, Burberry and Gucci as some of the international brands and Hidesign and Da Milano as major domestic brands in premium segment of handbags. Burberry contributes maximum to the luxury handbags market revenue in India. Currently, it has 9 stores across the country and on average; it sells ~ units of handbags in each of its store every month. It held a market share of ~% and its share was valued at INR ~ million in FY'2013...



Table: Market Share of Major Players in India Luxury Handbag Market, FY'2013

Major Brands	No. of Stores in India	No. of Handbags Sold in a Day	Average Selling Price of a Handbag (INR)	Revenue in INR Millions, FY'2013	Market share(%), FY'2013
Burberry					
Gucci					
Louis Vuitton					
Da Milano					
Hidesign					
Others					
Total					100.0%

COMPETITIVE LANDSCAPE OF MAJOR PLAYERS IN INDIA LUXURY HANDBAG MARKET

Table: Competitive Landscape of Major Players in India Luxury Handbag Market

Major Luxury Brands	Product Portfolio	Key Facts
Louis Vuitton 	For Women	<ul style="list-style-type: none"> ▪ Louis Vuitton opened its first Indian store in 2003 at New Delhi's Oberoi hotel. However, today the brand has five stores in the country. ▪ .
	Types of bags	
	Shoulder bags and Totes	
	Cross Body Bags	
	Sling Bags	
	Clutches	
	Louis Vuitton Parnassea	
	Pure Leather bags	
	For Men	
	Types of bags	
	Business Bags	
	Messenger Bags	
	Tote Bags	
	Bag Packs	
	Pochettes	
	Shoulder Straps	
Burberry 		
Hidesign 		

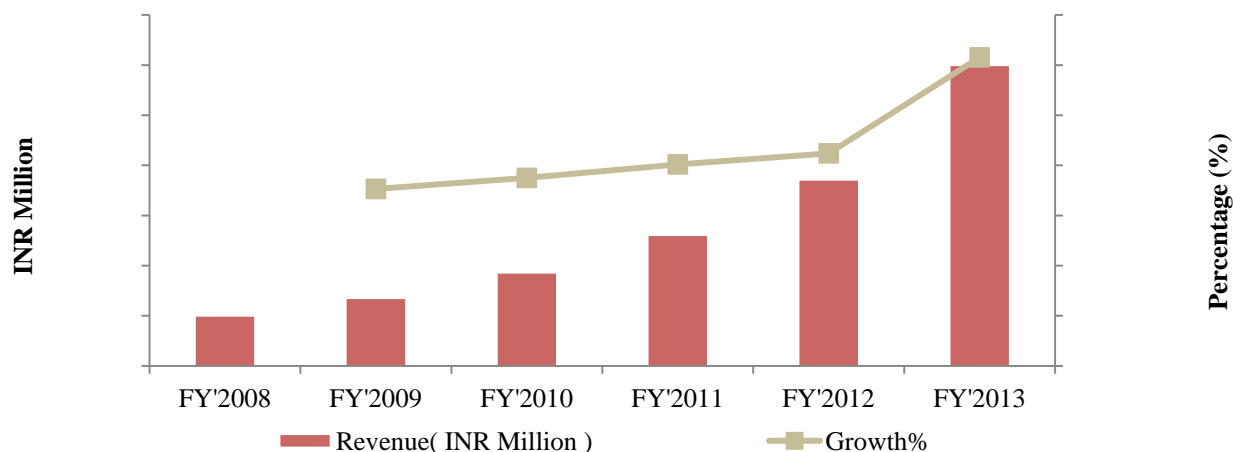
Da Milano 		
Gucci GUCCI 		

INDIA ONLINE HANDBAG MARKET INTRODUCTION AND SIZE, FY'2008-FY'2013

...Increasing penetration of internet in India has fuelled the growth of online shopping in the country over the last few years. It has been observed that E-commerce has brought a revolution in the shopping trend in India. With over 10 million Indian consumers shopping online for commodities other than electronics, this sector is growing at a rapid pace. In addition to this, various opportunities for web exclusive brands are coming up in apparel, accessories, backpacks, and also gathering momentum across all market segments every day. This is expected to further develop the apparel and accessories industry in India...

...Online handbag sales have showcased an increasing trend by growing at a CAGR of 43.1% from FY'2008-FY'2013. In FY'2013, the revenue inclined further to INR ~ million registering a growth of ~% from the previous year FY'2012. An increase in the online purchase of handbags and wallets has been largely due to easy accessibility and variety of products available to the customers online.

Figure: India Online Handbag Market Size on the Basis of Revenue in INR Million and Growth Rate in Percentage (%), FY'2008-FY'2013



INDIA ONLINE HANDBAG MARKET SEGMENTATION, FY'2013

BY PRICE RANGE, FY'2013

Indian online handbag market has been segmented on the basis of prices into 3 segments: value segment, popular segment and premium segment. The value segment consists of the handbags and wallets with the price range below INR 2,000, popular segment consists of handbags in the price range INR 2000-5000 and premium segment has the bags with price above INR 5000. It has been noticed that in FY'2013, value segment bags had the maximum share in the online Indian handbag market with a contribution of ~%, followed by popular segment handbags which contributed ~% to the online handbag market and least was contributed by premium segment with ~%...

Table: Indian Online Handbag Market Segmentation by Price Range on the Basis of Revenue in INR Million, FY'2013

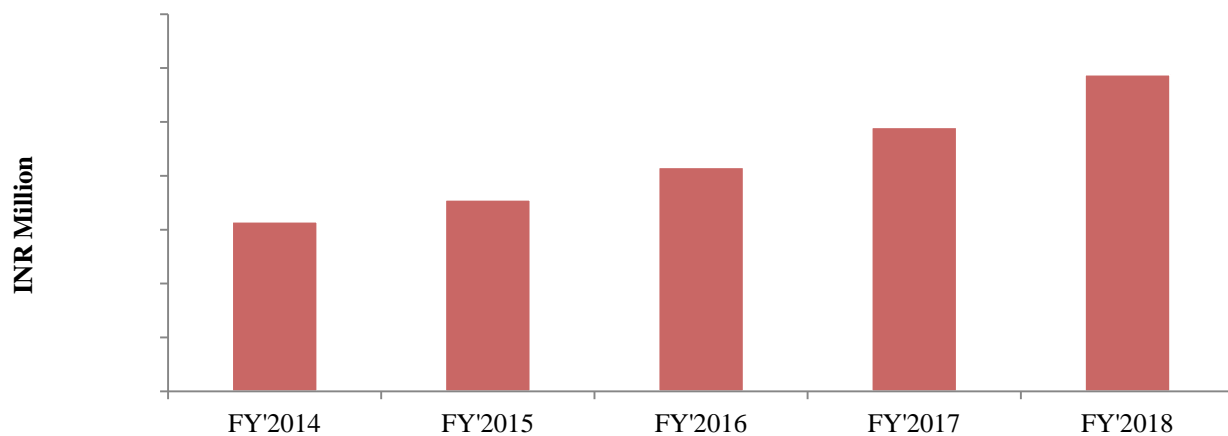
Category	Market Size (INR Million)	Percentage (%)Share in Revenue
Value Segment (INR 0-2000)		

Popular Segment (INR 2000-5000)		
Premium Segment (INR 5000-above)		
Total		100%

INDIA HANDBAG MARKET FUTURE OUTLOOK AND PROJECTIONS, FY'2014-FY'2018

Indian handbag industry has witnessed a noteworthy CAGR of 16.0% over the period FY'2008-FY'2013. In FY'2013, the handbag market in India was worth INR ~ million with a substantial portion of the market covered by the unorganized segment. The organized segment is dominated largely by the Hidesign and Da Milano, contributing 10.4% to the overall revenue of the handbag market in India. The other players which have contributed significantly to the organized handbags market are Baggit, Lavie, Lino Perros, Caprese and others...

Figure: Indian Handbag Market Future Projections on the Basis of Revenue in INR Million, FY'2014-FY'2018



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