



KYC – Must Do Or Maybe Have

This article stems out of my continuous learning around the category I deeply love. It is meant as a free flowing expression of thoughts - neither prescriptive nor descriptive, but hopefully helpful from a real-world perspective.

Whenever I have interacted with industry captains around business, whether during times of an upward trend or in more subdued times, a recurring theme in our conversation is

“What is our customer thinking?”

While this question is relevant for all categories and products alike, I will focus here on what I believe is especially true and relevant for the furniture and the home interior category at large.

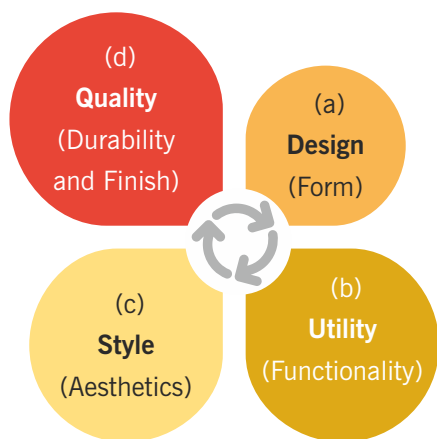
Let me begin with a very familiar acronym KYC, or 'know your customer'. What I am about to share may be neither new nor unknown, but my attempt is to structure our understanding around handling different customer segments. I am not taking specific names in the ensuing paragraphs, but am drawing from the wisdom of nearly all players within our industry, manufacturers, retailers, B2C, D2C and offline/online channels too.



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Furniture and home interior products are assessed instinctively and logically by customers across four specific dimensions:



Almost all furniture companies take up specific areas of their strength and amplify it for their customer benefits. We have seen many companies that focus on design and comfort, while there are also many others who emphasise on quality as their strength. How often have we found companies talk about all four

aspects as their strengths. Customers, on their part, evaluate value for money based on their personal priorities, and on what they believe to be true about the brand's promise in these areas. This 'value for money' assessment is ubiquitous across any purchase, more so for an involved category like furniture and home interiors. It will be interesting to note that customers also intuitively look at 'money for value'. I came across this concept many years ago, when a brand expert said that there is a 'subjective' assessment that intuitively happens by people on the worth that they get for the money they pay. Value for money is more about the objective assessment that is typically based on the product and its features, cost of material etc. Simply put, the Value perception by customers happens from the head and the heart, eventually leading to a decision.

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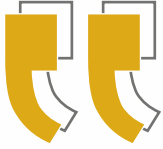
offer through their marketing and communication. There is enough and more fight for eyeballs and mind grab, there is storytelling that brands take up, there are need-gap solutions that companies talk about, there are customer testimonies to create compelling reasons to consider, and there are hard coded price offs screaming in bold red and yellow to evoke greed and urgency.

Now, amidst this noise made by competition, is it always the loudest and most visible brand that secures the largest share of the pie, Logically, one might rate that a 4 on a 5-point Disagree-to-Agree scale. Often, this is true because customers are constantly reminded about these brands and their promises in a surround manner, from print to OOH, to social media to television too. But the underlying question is whether everyone can afford to "make noise"? And even if they can, will customers truly listen — or will they get drowned out due to customers' already diminishing attention spans? When I say affordability, I am not talking about just availability of marketing monies in rupee terms, equally it is also about scale of business and therefore the A2S or advertising to sales money that the business can afford.

This leads us to two age-old challenges:
A. How can I be seen and heard in a crowded market?



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B. Will I get real value — the bang for my buck — from the money I spend to be seen and heard?

And both questions are in the context of largely small and medium sized enterprises.

These questions aren't new, They have been part of marketing meeting agendas for decades, budget discussions, and even at the most grassroots level - the shop owner asking for '*paisa vasool hai ki nahi*' is part of Indian adage. Return on marketing spends will never cease to be evaluated and reviewed. There is always the debate of how much is enough and how much isn't.

Take a pause and look at your own business, how many times have you thought for yourself that you should have spent less at some point in time, while at another point, you just felt that you should have spent a little more. These thoughts and feelings are also fuelled by

peer pressure apart from your own ambivalence.

Are you wondering what this article is about, why is this guy going all over the place, starts talking about form and function, style and design, then moves to perceived value, says there is evaluation from the head and the heart alike, after which there is a whole paragraph on marketing spends and bang for the buck. All of these are interconnected, my dear reader friends, because the next part of the article is going to give you some fundamental tips based on my learnings from both theory and practice

Over the last few years, I have been captivated or rather fascinated by this phrase 'marketing without money', sounds a bit like an oxymoron, nevertheless, worth decoding for this article. How can we market without money, where and how can we do this. While I am sure that I am not preaching to the choir, you

are all masters of your own game, my learnings around segmentation, targeting and positioning have been quite insightful, and so here I am , offering a certain structured view of customer segments for our category., based on continuous observation, interactions and analysis. In fact, this could arguably be the first of its kind 'simplified customer segment grid' that an industry insider is putting forth to the industry at large.

Let us bring back the four parameters, design, utility, style and quality to the centre of our conversation. And add the omnipresent aspect of price to the customer assessment grid. I am gently introducing four customer types for us to absorb, we can call them segments too, each of these segments has a certain order of their priorities while carrying out assessment of value. The ranking corresponds to their order of priorities and preferences attached to the guiding parameters.

	Frugal Finders	Prestige seekers	Design enthusiasts	Exclusivity explorers
Form	4	3	1	2
Function	1	2	2	3
Style	5	5	3	1
Quality	3	1	4	4
Price	2	4	5	5

The names coined for these personas are simply representative of their priorities. If one observes these four segments closely, while at first glance the differences may appear small — an unnis-bees ka farq — a deeper look reveals much more. The real distinctiveness lies in the first and second priority rankings for each segment. As the names reflect, therein lies that particular segment's priorities.

Take, for example, the Prestige Seeker and the Design Enthusiast. The prestige

seeker is someone who firmly believes: "Whatever I have must be of top quality" and "It should meet my functional expectations" — for example, a storage bed or a sectional sofa. For this customer, paying a higher price for quality and functionality is not a concern.

On the other hand, a design enthusiast is driven by Form as the first priority, followed by Function and Style. Here too, paying a premium for the right design and style is acceptable.



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When it comes to Design Enthusiasts and Exclusivity Explorers, price is generally not a deciding factor. Both must be satisfied on aspects of form and style, but the exclusivity explorer's priorities differ. Style comes first, followed by Design.

This distinction reflects a mindset where style is about the total aesthetic — the complete harmony between the product and the customer's lifestyle, their mood, and even curated "look books." Often, this segment works closely with professional designers or consultants. Here again, while the difference appears marginal, I am sure you will find that sharp clarity on their priorities, when you know what your offerings reflect, what your own strengths are.

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exist in almost every industry but what I am presenting here is guided by the Value parameters, while being conscious of the price parameter too. This value-oriented segmentation is far more representative of the

specific characteristics of the furniture category and the behaviour of its customers.

There are always going to be outliers, so too fence-sitters between segments, that is true for furniture and home interior customers as much as it is applicable for all other categories.

Let us roll this segmentation grid into the first section of this article, there is a certain clarity that emerges for companies on WHAT they need to communicate because they NOW know 'TO WHOM' they must communicate. Your product capabilities on form, function, style and quality are best known to you more than



anyone else, you therefore do a 'match maker to your customer segment' and then build your marketing strategy. If this matchmaking gives you crystal clarity on your KYC, you no longer need to spend large sums with a "spray and pray" approach. Instead, you can take

targeted strikes, delivering far better value per rupee spent. A razor-sharp focus on your customer segment, whether it is a frugal finder or an exclusivity explorer should guide you in your key messaging to that segment. Your media vehicles become far more evident once the customer segment is known well, your value proposition becomes more compelling and eventually your spends are likely to be more effective in terms of returns.

Doesn't this sound exciting?
Does this sound doable?
Is this not an actionable toolkit?

In summary, every company has a customer segment, and there is an addressable market out there for that company. The real work is in spending quality time and effort on research to know exactly who your customer is — and then shaping your marketing approach to align with that customer segment.

Think about it. Take some time with your core team, talk about the Value that you believe you bring to the table, then look closely at the Voice of your customer, you will know where their priorities lie, eventually you will realise who your customer segment is, after which ..you know what to do.

The WOFX exhibition works towards exactly this from a B2B perspective — making the match between exhibitors and prospective customers. I will be there, convening the Home & Home Plus Conclave along with the entire Creativity think tank, with WOFX as our host partner. Let's connect, exchange ideas, and engage further. There's a lot to talk about, and even more to do.

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