



CBI
Ministry of Foreign Affairs

Exporting home decoration and home textiles to Europe

Exporting home decoration and home textiles to Europe

Contents:

Sector information

- *Which trends offer opportunities?*
- *What is the demand?*
- *What requirements should your product comply with?*
- *What competition do you face?*
- *Through what channels can I get my product onto the market?*

Exporting home decoration and home textiles to Europe

Europe is an interesting market for exporters of home decoration and home textile products. Here you'll find information that can help you get your home products on the market in Europe..

Sector information

- [Which trends offer opportunities?](#)
- [What is the demand?](#)
- [What requirements should your product comply with?](#)
- [What competition do you face?](#)
- [Through what channels can I get my product onto the market?](#)

Which trends offer opportunities on the European home decoration and home textiles market?

European consumers are in search of identity. To meet this need, you can add a local touch or story to your product. Their demand for sustainable and socially responsible products is also increasing. To benefit from this trend, promote your products' sustainable materials and socially responsible production processes. On the European market, Chinese exporters who are shifting focus to their domestic market are creating space for you to fill. Poland and the Czech Republic are interesting new target markets, with impressive imports.

Contents of this trend

1- DIRECTION I: In Search of Identity

2- Market Trends – Personalisation Options in Design

3- DIRECTION II: Rebalancing of the Global Economy

4- DIRECTION III: Sustainability

1 . DIRECTION I: In Search of Identity

European consumers' search for identity leads them to prefer unique, well-made products. Products that tell a story and express the consumer's good taste and sense of style. You can benefit from this trend by adding a local touch or a story to your product. Offer choices and coordinated concepts, so consumers can combine products to show their own style.

Global Trends – Need for Individuality

Over the past 50 years, growing wealth in industrial economies has caused a desire for self-expression and self-development. People want to distinguish themselves from others as they search for individuality and originality. To do this, people create their own 'brand identity'. These identities don't have to fit in with traditional demographics. For instance, the wide range of choices in urban areas and on the internet gives people more freedom. They can make an individual choice from items or activities to consume.

Sharing and Comparing Globally

In this search for identity, Western European consumers actively try to achieve a healthy body and mind. Their search can be experienced and enjoyed alone, but also shared through social networks. Therein lies part of the meaning. On social media, people can communicate with others who have similar consumption patterns but live far away. This helps consumers to get encouragement, praise and increased self-esteem. Sharing has become a new way of living. Social media are a source of consumer referral and reviews. This also makes it an increasingly important part of business marketing. In the home decoration sector, buying health-enhancing products (such as ergonomic chairs) shows you lead a healthy lifestyle. This, again, gains credit with real or virtual friends.

2 . Market Trends – Personalisation Options in Design

Companies have spotted this trend and are tapping into it. Designs that can be adapted to individual needs and preferences are growing in importance. Consumers can personalise and customise products based on their own ideas and wishes. Owning and creating such personalised products is a new status symbol and makes consumers feel unique.

Emotional Connection by Storytelling

Companies create an emotional connection with their customers by telling the story behind a product. Consumers emotionally connect to the characters or ‘action’ of the story. The new generations of consumers are highly responsive to interactive advertisements and marketing efforts. When combined with powerful imagery, storytelling engages an audience.

Stories in our sector are about:

- making (techniques, materials)
- makers (human interest, Corporate Social Responsibility)
- meaning (cultural significance, performance).

Consumers are travelling further distances than ever. This also influences the storytelling trend. Consumers bring home new stories from far-away cultures. This shows their broad-mindedness and exciting lifestyle. In addition, the internet has made consumers more open to inspiring stories from the other side of the world. As a result, Asian and African styles are influencing existing European styles. This trend has opened up the consumer’s mind to stories with an ethnic flavour, leading to a new appreciation of patterns, styles and imagery of ethnic origin.

Consumer Trends – New Luxury Products

The ‘new luxury’ is all about:

- unique experiences
- gaining new skills
- being eco-friendly
- showing generosity or connectivity.

Consumers gain status and pleasure from mastering cooking skills, redecorating or enjoying a spa experience at home. They want products that add to their knowledge and sense of identity, products that give meaning and significance to their experiences.

Wellness and Wellbeing

Physical and mental wellbeing is an important driver for European consumers. They enjoy beautiful, well-made products. They want to feel secure in their homes, away from the pressures of society and work. Comfortable textiles and well-designed home accessories pamper both body and soul. So does feeling close to nature, even in a cramped urban apartment. For instance by having furniture with a functional, natural, clean design or organic bedding.

Living in Style

Western European consumers live in a market with a lot of options for decorating the home. They are used to spending a considerable amount on home decoration. As mature market consumers, they express their identity through home goods and their interior as a whole. For example, a vase must fit in with the consumer's taste and communicate 'good taste' to visitors. Part of this trend is awareness and appreciation of the product's core values:

- design
- materials
- techniques

Travelling in Style

Consumers are becoming increasingly urbanised. Often, this means they have to travel to work (commute). Travel accessories are designed to make this daily commute as comfortable and stylish as possible. In line with the need for more stories, consumers are also travelling farther distances than ever. Here, too, consumers appreciate luxury. This product category has never been more open to premium offers. For instance in:

- body care products
- bags and pouches
- communication and writing accessories
- travel games and toys.

The European consumer also likes to ‘travel in the mind’. Consumers can enjoy the adventure of mental travel or exploration at home. They do so with travel items (real or faux) such as:

- luggage
- maps
- even faux hunting trophies.

Often designed in a style of the past. This sense of nostalgia is very strong in the European middle market.

Tips:

- Offer choice. Consumers want to develop their own personal collections and need options to do so. However, it is better to have a smaller, well-developed collection than a wide product range of lower quality.
- Create coordinated concepts. This could be complete ranges (like soaps combined with scented candles, perfumes with room fragrances), or products that consumers can match across different spaces.
- Add a touch of your local context or culture to your products to show their origin. However, be aware that products become ‘niche’ when you add ethnicity.
- Add emotional value by developing a concept that tells a story or makes consumers part of an experience.
- For more information about personalisation, see our [study about decorative objects](#).
- Our [special study about alternative distribution channels](#) discusses the option of trading directly with smaller retailers. Our [special study on e-commerce](#) explains doing business on the internet.
- For more information on travel accessories, see [our study about textile travel accessories](#).
- Our [special study about the garden](#) shows how the search for identity affects the garden.

3 . DIRECTION II: Rebalancing of the Global Economy

Emerging economies like Eastern Europe and China are your competition. However, they are also becoming interesting target markets. Countries like Poland and the Czech Republic are performing particularly well. In addition, Chinese exporters are shifting focus to their domestic market. You can fill the space this has created on the European market.

Global Trends – Rise of Emerging Markets

19 of what will be the 30 largest economies in 2050 are currently considered emerging markets. These markets will drive global growth and other trends, like business innovation. The population of emerging markets like China and India is growing. At the same time, the population of developed economies is ageing and shrinking. This means the emerging economies will become even more politically and economically important.

Growing Urban Segment

Not only will there be more people, they will also be moving to urban areas. Each year, 200 million people are expected to move and become urban residents.

Market Trends – Emerging Markets as Destinations

Western markets were traditionally the main target for developing country exporters of home goods. Recently, however, emerging markets have seen strong economic growth. This is also leading to a rapidly growing urban middle class with a higher disposable income. It makes emerging markets more interesting for your business. In the long run, Western markets like Europe will no longer be the obvious choice.

Eastern Europe as a Production Centre and a Destination Market

Eastern Europe provides relatively cheap production. It has a long tradition in handmade and industrial production. This makes Eastern Europe an attractive sourcing area for European brands and importers. And, as such, a relatively new competitor for exporters in developing countries.

Eastern Europe also benefits from its location close to Western Europe. This means:

- lower transport cost
- greater possibility of just-in-time buying
- greater management control.

They specialise in, among other things:

- furniture
- wood and metal accessories
- candles
- ceramics

For instance, Poland is Europe's leading chair supplier after China. You can read more about this in our [study about armchairs and easy chairs](#).

Strong Market Growth

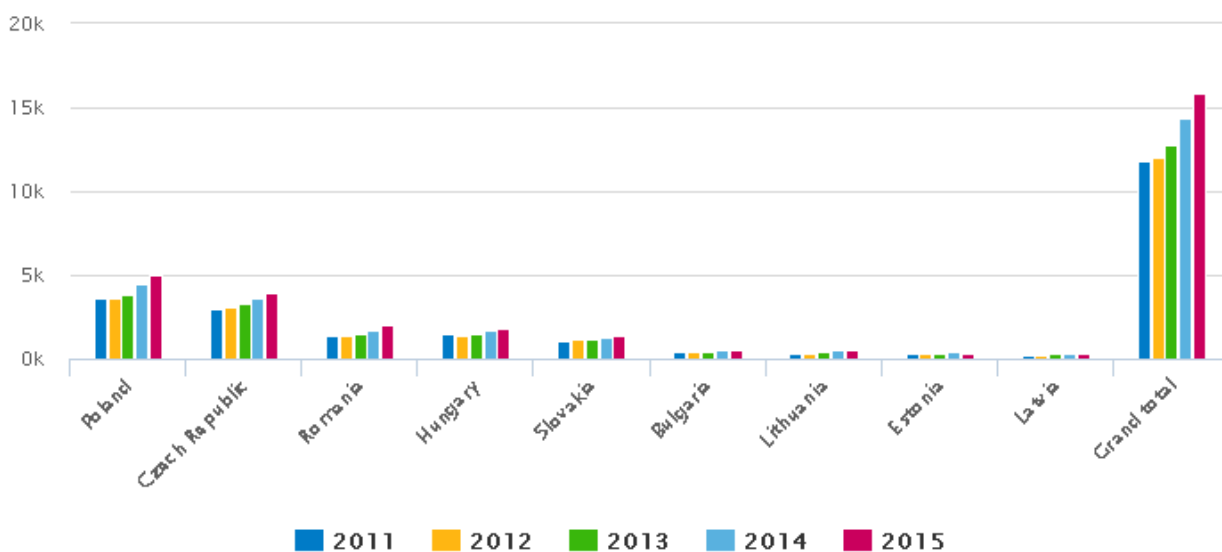
However, industry experts also expect the Eastern European home goods market to grow strongly. More disposable income is becoming available for home decoration. Eastern European GDP is expected to continue growing substantially, at an average annual rate of 2.3-3.8% until 2021. Also, the number of Eastern European brands and buyers at the main European trade fairs is increasing. This indicates a greater openness to home products. These observations are clearly supported by statistical evidence.

Outperforming the European Average

European consumption of home goods is recovering from the recent financial crisis, increasing from €171 billion in 2010 to €186 billion in 2014. The average annual growth rate during this period was 2.2%. Eastern European performance was even stronger in this period. Its consumption increased from €18 billion to €24 billion. This is an average annual growth rate of 7.6%. More than triple the European average!

This consumption pattern is reflected in imports of home goods.

Eastern European imports of home goods, 2011-2015, € million

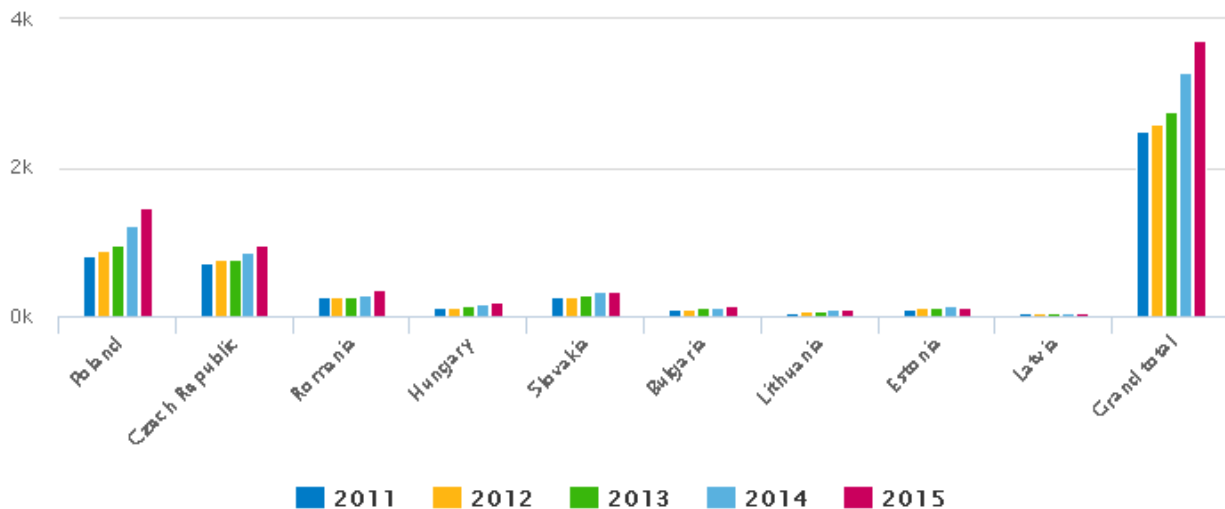


European imports of home goods increased from €112 billion in 2011 to €133 billion in 2015. This is an average annual growth rate of 4.3%. Although a relatively small market, Eastern Europe performed much better than this European average. Eastern European imports increased from €12 billion in 2011 to €16 billion in 2015. This is also an average annual growth rate of 7.6%.

Developing Countries do Particularly Well

The development of Eastern European imports from developing countries is also promising

Eastern European imports of home goods from Developing Countries, 2011-2015, € million



European imports of home goods from developing countries increased from €44 billion in 2011 to €53 billion in 2015. This is an average annual increase of 5.0%. Eastern European imports from developing countries increased from €2.5 billion in 2011 to €3.7 billion in 2015. This is an impressive average annual growth rate of more than 10%. More than double the European average!

Most Important Markets

Poland and the Czech Republic are clearly Eastern Europe's main markets for home goods. In 2015, their imports totalled €5.0 billion and € 3.9 billion, respectively. Between 2011 and 2015, their respective average annual growth rates were 8.5% and 6.9%.

Imports of home goods from developing countries are also performing well.

Table 1: Imports of home goods from developing countries, 2015

	Imports from developing countries	Average annual growth rate '11-'15	% of total imports
Poland	€1.5 billion	15%	29%
Czech Republic	€967 million	7.3%	25%

These impressive developments make Eastern Europe a promising target market for your products. Poland and the Czech Republic are especially interesting. For more information on Eastern European performance, see our [studies about specific product groups](#).

China as a Producing and Destination Market

Chinese manufacturers can compete on a global level. They profit from their well-established infrastructure and low production costs. Chinese wholesalers often run their own exports to Europe. They form partnerships with other developing country exporters. This results in increased competition with European importers/wholesalers for developing country suppliers.

Shift to Domestic Market Brings Opportunities

In the future, however, Chinese manufacturers will shift focus to their domestic Chinese market. They will no longer supply to every European importer. Therefore, European importers will have to look for other suppliers. This is a good opportunity for you.

China is also becoming a destination market for European importers/wholesalers of home products. Their main target group is the middle-high to high-end segment. You can profit from this by exporting to China indirectly, through these European parties.

Consumer Trends – New Types of Households

In this new global economy, family structures and relationships are changing. New ways of sharing a home are emerging, especially in urban centres. In European urban areas, households can range from one-person, to single-sex, to multi-generational households.

Tips:

- Actively search for markets within your country and region. Contact local business support organisations with up-to-date market information about trading opportunities. For more information on finding buyers, including links to trade portals, see our [tips for finding buyers](#).
- You can use your regional market to create export volume to prepare for entry into the European market. Choose target groups that can be found in both the European and

your regional market, such as urban middle classes. This group lacks space and natural surroundings. Offer products that save space or bring nature into the home.

- Visit and participate in Eastern European trade fairs, like:
 - FOR FURNITURE (Prague, Czech Republic)
 - arena DESIGN, Home Decor and Meble Polska (Poznań, Poland)
 - MOBITEX (Brno, Czech Republic).
- Contact your embassies in Eastern Europe. Organise a trade mission with colleagues.
- Your existing European buyers may be able to place your products on the Chinese market. Discuss possible strategies with them. Help them by being flexible in production and providing good quality and delivery.
- Meet European buyers at European and Asian trade fairs. Scout for buyers who may want to move away from China to other regional suppliers.
- Focus on niche lifestyles, like new forms of partnership and cohabitation. For instance, single-person households, same-sex relationships and multi-generational households.
- For interesting markets for your products, see our studies about specific product groups.

4 . DIRECTION III: Sustainability

Demand for environmentally sustainable and socially responsible products is increasing. You can tap into this trend by using sustainability and social responsibility concepts. Use environmentally sustainable materials and clearly promote your products' sustainable and social aspects.

Global Trends – Growing Importance of Sustainability

The importance of sustainability is continuing to grow around the world. With it, demand for accountability is increasing. Sustainable purchasing is a growing trend, especially in industrialised countries. More and more businesses, governments and organisations (both non-profit and for-profit) are integrating social and environmental objectives into their purchasing processes. They want to:

- reduce their environmental footprint
- leverage social benefits
- foster a sustainable economy.

Market Trends – Sustainable Business

Sustainability affects the world on a larger scale. Companies are therefore facing ever greater public pressure to ensure the transparency and accountability of their sustainability policies. Moreover, they are integrating sustainability as a core component of business strategy. They are adopting sustainable business concepts and adding sustainably produced and designed products. These concepts used to be dictated by demand from the public. Nowadays, stakeholders in the home sector require you to have sustainable concepts in place. All major European trade shows are focused on 'green'. Buyers are also showing more confidence in communicating their green values.

Reducing Ecological Footprint

Stakeholders across the supply chain are lowering transport emissions. They are using innovative packing and packaging methods. Also, 'Made in Europe' is gaining popularity. Sourcing home goods locally makes their ecological footprint smaller. Eastern Europe may profit from this development. However, producers outside Europe may face increasing competition from within Europe.

Key Markets for Fair Trade

Social, environmental and fair trade initiatives are diverse. They each have their own viewpoint on ethical trading. Markets of special interest for fair trade home products include:

- United Kingdom
- Germany
- Sweden
- Switzerland
- Netherlands
- Belgium

Consumer Trends – Striving for a Better World

Consumer is demand increasingly favouring sustainability. Consumers are buying products to support local communities. They are also putting pressure on businesses to treat their waste more responsibly. European consumers experience

'being green' as something inspiring and pleasing. Increasingly, they expect their home products to be sustainable.

Better Price for a Better World

European consumers are also becoming more aware of global social imbalances and want to contribute to a better world. This has led to more fair trade product concepts in the home sector. This trend was also evident in a Nielsen study among European consumers in 2014. 40% of these consumers would pay more for products from companies committed to positive social and environmental impact.

Green Goes Global

Consumers that can be characterised as green consumers are generally university educated professionals, broad-minded and socially-minded. They represent about 25% of consumers in Western Europe. However, as leading international brands increasingly incorporate sustainability into their strategies, sustainable products will become the norm for all segments and all consumer profiles.

Tips:

- Develop products using sustainable materials and designs (reduce, re-use, recycle).
- Clearly promote your products' sustainable and social features. This distinguishes you from your competitors.
- You can ask an additional premium for a sustainably produced product. However, attractiveness of the product comes first.
- Your buyers will increasingly demand proof of your products' sustainability. Consider getting social, environmental or Fairtrade certification. Note, however, that this process may involve significant costs.
- Don't make exaggerated or unrealistic claims about your product.
- Because of the 'Made in Europe' trend, you must be distinctive. Show your product's origin and use unique techniques and materials. Buyers need to know that only your company can make this product.
- For more information on sustainability, see our special studies about sustainability and marketing your sustainable raw materials.

What is the demand?

Find out in the studies below what the demand is for home decoration and home textiles products in Europe.

What is the demand for home textiles in Europe?

What is the demand for home decoration products in Europe?

What is the demand for home textiles in Europe?

The European market for home decoration and home textiles is steadily recovering from the economic crisis. This market suffers in times of economic adversity because consumers cut back their spending on non-essential items for the home. Based on economic indicators, the outlook is positive, as GDP and private consumption expenditure continue to increase. Opportunities can be found both in Western Europe, where leading importers are located, as well as in the emerging markets of Eastern Europe, where the largest growth of the market for home decoration and home textiles is expected. Although it dominates the imports of Home Decoration & Home Textiles from Developing Countries, China is expected to leave market share open to other Developing Country suppliers.

What is the demand for home decoration products in Europe?

The European market for Home Decoration products is slowly recovering from the economic crisis. Consumers are still cautious about spending money on products for the home and this has an effect on consumption. However, growing consumer confidence holds promise for the future and offers opportunities for producers, including those in developing countries (DCs). Both production and imports are stabilising after the economic crisis, with exports showing an increase.

What requirements should home decoration products and home textiles comply with to be allowed on the European market?

For this varied sector with different materials, products and uses, legal requirements cover a broad range of issues, the basis being the general product safety to guarantee consumer safety. Click on 'Musts' to find out whether particular chemicals that have been restricted are relevant for your products, and make sure CITES,

protecting endangered species, is not applicable. Also discover labelling rules if you intend to market textiles or electronic products in the EU – for the latter group CE-marking may also be applicable, as is the case for toys. And finally: make sure your product design doesn't mean your product looks too much like food to actually mistake it for something edible. Sustainability will get the interest of many buyers as an added value to the product, offering an opportunity to differentiate in the market. A number of relatively small initiatives have developed their own fairtrade standards with a clear focus on the aware consumers. These ethical go further than the sustainability requirements found under 'common' requirements and clearly target a niche market. FSC-certified wood and organic textiles are examples of sustainable certification currently only found in niche markets.

Contents of this trend

1- What requirements must my product comply with?

2- What additional requirements do buyers often have?

3- What are the requirements for niche markets?

1 . What requirements must my product comply with?

Here you can find requirements you must meet when marketing your products in the EU. Pay attention to the indications of which materials / products are concerned per requirement described.

The following 'musts' apply to the products and uses listed here:

- **General product safety** – applicable to all products
- **Chemicals** – specific for textiles, wood, decorative oil lamps and materials that come into contact with food.
- **CITES** – applicable to products made from wild plants and animals
- **CE-marking** – applicable to toys and electronic products
- **Labelling** – specific rules for textiles and electronics
- **Looks like food?** – applicable to products designed to look like food

General product safety:

The General Product Safety Directive basically states that all products marketed in the EU must be safe to use and forms a framework for all specific legislation established for specific products and issues. If no specific legal requirements have been established for your product and its uses, the General Product Safety Directive still applies. If there are specific requirements applicable to you, the General Product

Safety Directive applies in addition, covering all other safety aspects which may not have been described specifically.

Tips:

- Study the specific legal requirements listed here, but also use your common sense to ensure the product does not break, collapse or cause any other danger in its normal use as this may not be outlined in specific legislation, but is covered in the General Product Safety Directive. You can read more about the General Product Safety Directive in the EU Export Helpdesk.
- Check the RAPEX database used by EU Member States to exchange information on unsafe products, to get an idea of possible incompliances.

Chemicals – restricted substances:

The EU has restricted a great number of chemicals in products that are marketed in the EU. These are listed in the so called REACH regulation (Regulation (EC) 1907/2006). Which chemicals are of relevance for you will depend on your specific product and material used. Here, you can find a summary with some practical market information for the most common materials and products within the sector home decoration and home textiles:

Textiles:

If you dye your products, make sure you don't use any of the azo dyes that release any of the 22 aromatic amines which are prohibited. The EU legislation lists the aromatic amines, not the azo dyes which release them. The vast majority of azo dyes are therefore legally acceptable. Moreover, most reputable dye manufacturers only produce legally accepted dyes. However, border rejections and market withdrawals do show that azo dyes still is an issue that causes problems on the EU market, as a number of tested products still show the prohibited aromatic amines and are consequently withdrawn from the market (mainly clothes and toys).

Furthermore, the *flame retardants* which can be used have been restricted, where Tris (2,3 dibromopropyl) phosphate (TRIS); Tris(aziridinyl)phosphineoxide (TEPA) and; Polybromobiphenyles (PBB) have been prohibited in products intended to come into contact with the skin (e.g bed linen).

Finally, if you use PVC in your products, know that organostannic compounds are also restricted.

Tips:

- For a full list of legal requirements applicable to your product see the EU Export Helpdesk where you can identify your product code to get a list of requirements applicable.
- Check this document to determine in which way you are affected by REACH
- Familiarize yourself with the full list of restricted substances in products marketed in the EU by checking out restricted chemicals in textile products in the EU Export Helpdesk.
- Check with your buyer which specific information regarding requirements on he provides to his suppliers. Some will just ask for compliance with EU legislation (and let you find out for yourself what these requirements exactly are) while others provide information which specific substances are not allowed.
- In case of dyeing: Make sure your products do not contain any of the azo dyes which release the forbidden aromatic amines. This includes checking your suppliers. To test your products, use the official tests. You can find the tests on the CEN website:
 - CEN Leather – Chemical tests – determination of certain azocolourants in dyed leathers. Reference: EN ISO 17234-1 :2010 and 17234-2:2011.
 - CEN Textiles – Methods for the determination of certain aromatic amines derived from azocolourants – Part 1: Detection of the use of certain azocolourants accessible without extraction. Reference: EN 14362-1/3:2012.
- Follow new developments in the field of flame retardants, as new alternatives are being developed. You can do so for instance through the European Flame Retardants Association (EFRA).

Wood:

If your wood products are impregnated, know that the EU prohibits creosote substances and arsenic in wood products.

Tip:

- If you use impregnated wood, find out (perhaps through your supplier) which substances are used and make sure this are not in conflict with the EU restrictions. Read more in Regulation (EC) 1907/2006 (REACH), Annex XVII (scroll down to page 225(arsenic) or 237 (creosote) or search “creosote” and “arsenic” respectively).

Decorative oil lamps:

Decorative oils lamps may only be placed on the market if they conform to the European Standards on Decorative oils lamps: EN 14059. This is a compulsory standards, as established in Regulation (EC) 1907/2006 (REACH), Annex XVII (scroll down to page 218). The requirements include the prohibition of chemicals classified as 'dangerous' and hazardous colouring agents and perfumes. You can find the standard EN 14059 on the CEN website.

Tips:

- Find out which substances are used in your decorative oil lamps and compare them with the EU list of prohibited substances. If necessary, change the substances used to meet the EU requirements.

Any products that come into contact with food in their use (bowls, pans, cutlery...):

Food safety is of major concern in the EU, and safety measures reach further than the food itself to cover dishes and packaging that come into direct contact with food. Chemicals in *ceramics* and *plastics*, for instance, have been restricted. As products not fulfilling these requirements are regularly withdrawn from the market, you need to make sure your products meet the requirements if they come into contact with food in their use.

Tip:

- If your product could come into contact with food in its normal use, check out the requirements set for the materials you use in your products and make sure you comply. Read more on health control of articles coming into contact with foodstuffs in the EU Export Helpdesk.

CITES- products from wild plants and animals:

If you produce products made from wild plants or animals, you need to make sure that these do not fall under the restrictions of the Convention on International Trade in Endangered Species (CITES). The EU has implemented the requirements in Regulation 338/97 and lists restricted species (including products thereof) and special procedures where applicable.

Tip:

- If you are not certain whether your products fall within CITES or not, you need to find out. You can read more about the legislation in CITES in the EU Export Helpdesk and check out the links to find out whether or not CITES is relevant to you. The EU Export Helpdesk also provides information on the different procedures applicable to the different categories within CITES.

CE-marking toys & electronic products:

If you produce toys or electronic products (such as decorative lighting), your products will need to be affixed with the CE-marking in order to be marketed in the EU. CE-marking shows that a product is assessed before being placed on the market and that it meets EU safety, health and environmental protection requirements. The requirements have been set for a variety of categories, including toys (Toys Safety Directive 2009/48/EC) and low voltage products (Low Voltage Directive 2006/95/EC). The safety requirements are set out in the directives, and standards have been developed to show compliance with them.

Tips:

- If CE-marking is relevant to your products, you can follow the steps as outlined *here* in order to prepare for CE-marking. You can also use this link to find out whether your product falls within the definition of CE-marking.
- You can identify the directives *here*, where you can also link to the underlying standards.

Chemicals in electronic products

For electrical and electronic equipment the so called RoHS directive (2011/65/EU) is relevant, which restricts the use of certain hazardous substances and also introduces CE-marking.

Tip:

- You can read more about RoHS in the EU Export Helpdesk.

Labelling- specific rules for textiles and electronics:

For certain product types, specific labelling rules have been established at EU level:

Tip:

- Know your own product and study the EU labelling rules to find out how it should be labelled in the EU by using the links provided below.

Textile:

your textile products must be labelled with the fibre composition and using the fibre names in accordance with EU rules. The aim of this common set of labelling rules, is to ensure that the consumer knows what he is buying.

Tip:

- Find out more about textile labeling rules in the EU Export Helpdesk.

Electronics:

Energy-related products must be labeled in view of their energy efficiency when marketed in the EU. The most energy efficient products may be marked 'A+++', and the least efficient class of products is 'G'.

Tip:

- Find out more about the labeling of energy-related products in the EU Export Helpdesk.

Looks like food?

When designing your products for the EU market, bear in mind that decorative items that look like food to the extent that they could be confused with real food products are not allowed on the EU market. There are a variety of products that fall within this category, think for instance about candles that look like biscuits or candy, or erasers in the shape of berries. The risk identified with non-edible products that could be mistaken for food products, is choking and the requirements are established in Directive 89/357/EEC.

For a full overview of all legal requirements set for your product, see the [EU Export Helpdesk](#) where you can identify your product code to get a list of requirements applicable.

Tip:

- Should you want to place a decorative item that looks like food on the market, pay attention in the design process to appearance, colour, size, form, labelling, odour, packaging and volume to make sure it does not resemble the food product to the extent that it can be confused as food. When does a product look too much like food? To get an idea, you can check the RAPEX database. Fill in “Food-imitating products” in the product category. For more information on the legislation, see the relevant EU website.

General requirements on packaging and liability

Note that there is also non product specific legislation on packaging and liability that apply to all goods marketed in the EU.

2 . What additional requirements do buyers often have?

Sustainable performance:

Sustainability is one of the ways for companies to differentiate themselves, and the means of offering sustainable products are numerous, ranging from recycling to choice of sustainable materials, sustainable design, improved social (working conditions) to certification and use of labels (see ‘Niche’). Two retail initiatives have gained quite some ground in (particularly) western European countries: BSCI and ETI. Retailers/importers participate in the Business Social Compliance Initiative (BSCI). The Ethical Trading Initiative, ETI, is a global standard, with a strong presence in the UK market.

Tips:

- If you haven’t done so already, you may want to look into the possibilities of improving your sustainability performance. This may not always include immediate certification or application of a label (read the information in ‘Niche’), but familiarizing yourself with issues included in the initiatives will give you an idea of what to focus on.
- Buyers appreciate a good story. If you can show that you considered your own company’s performance, (e.g. by a self assessment or a code of conduct), this may be a competitive advantage.
- In case you are targeting the UK market familiarise yourself with the ETI base code to check what ETI members require from their suppliers.

- When targeting other EU markets it might be interesting to assess your company's current performance by doing a self-assessment, which you can find on the BSCI website.
- Also see CBI's publication "CBI Tailored Intelligence: the Sustainable Design market for Home Decoration and Home Textiles".

Standards Map

Check the International Trade Centre's [Standards Map](#), an online tool which provides comprehensive information on over 130 voluntary sustainability standards and other similar initiatives covering issues such as food quality and safety. In Standards Map you can identify standards or codes of conduct relevant to your product, review the main features of the selected standards and codes and compare standards' requirements side-by-side. Furthermore you can assess your company's performance against standards requirements in a self-assessment module, and generate your own company's "sustainability diagnostic report" which you can then share with the business community. Check the [Standards Map videos](#)

3 . What are the requirements for niche markets?

While sustainability is gaining ground, the actual use of certification is still a niche in this sector.

Fairtrade products:

Among the niche initiatives, the 'fair trade' concept, which supports fair pricing and improved social conditions for producers and their communities, is the best known, with a relatively large market presence (including several sectors). Often producers are assessed by shops (e.g. so called 'world shops') or brands (e.g. [FairForward](#)), rather than certified by the [Fairtrade](#) Labelling association (which may be interesting fair-trade certified cotton).

Tip:

- Use the links provided in the text to access information on the specific standards in ITC's Standards Map. For a more complete list of standards, please turn to the ITC's Standards Map where you can search e.g. "handicrafts", "woodcrafts" or "textiles", depending on your product (you must register but the service is free for developing country users).

Ethical carpets:

There are a few ethical initiatives focusing specifically on the carpet industry: GoodWeave (formerly known as Rugmark) works to end child labour in the carpet industry in South Asia. You can search retailers per country for an indication of the relevance in your target country.

Label STEP is present in the Swiss, Austrian, French and German markets. Working and living conditions of carpet weavers and the fight against abusive child labour are key issues.

Care & Fair is an initiative from European carpet importers to combat the excesses of illegal child labour in the carpet knotting countries and to bring improvements to the situation of carpet knitters and their families in the knitting regions. Care & Fair has approximately 400 members in 21 consumer countries and 3 countries of origin.

Tips:

- If you are looking to focus on the ethical niche market, you need to find business partners in this niche. Familiarizing yourself with the initiatives and how they work is an initial step in finding out whether or not your company would be a good match.
- Use the story of your exceptional social and environmental performances as a marketing tool. Consumers show more and more interest in the origin of the products they are buying and the story behind products.

Wood: FSC-certification:

When it comes to sustainable wooden products, the use of FSC-certified timber is the most common label. FSC is based on sustainable forest management, and wood from certified forest is labelled throughout the chain and as final products by means of Chain of custody certification. FSC-certified products have gained wide market recognition, especially in western European markets such as The Netherlands, Germany and the UK.

Eco-labelled textiles:

There are several different eco-labels used for textiles (including carpets and rugs), and as this is a means of showing sustainability, there is an interest from buyers. The Global Organic Textile Standard (GOTS) is a textile processing standard

for organic fibres; OEKO-TEX stands for no use of hazardous chemicals; and the EU Ecolabel also looks to chemicals environmentally-friendly options.

Tips:

- Read more about FSC in ITC's Standards Map.
- For more alternatives, see ITC's Standards Map

What competition do you face?

The most important forces that determine competition in the home decoration market are the powerful buyers and the high level of competition between companies. The European home textiles market is highly competitive and characterised by strong buyer power and a high degree of rivalry among suppliers.

Find out in the studies below what competition you face on the European home decoration and home textiles market.

What competition do you face on the European home decoration market?

What competition do you face on the European home textiles market?

What competition do you face on the European home decoration market?

The most important forces that determine competition in the home decoration market are the powerful buyers and the high level of competition between companies. Buyers are expected to remain strong in the coming years, while competition between companies is increasing due to changes in the supply bases in Europe and Asia. By targeting the high-end market with a unique product you can differentiate yourself from competitors, while making your product less open to substitution. Flexibility in your core materials is another means of preventing substitution and that makes you more powerful as a supplier. Making sustainability a core value of your company could give you a head start over competitors, since buyer demands in this area are expected to rise.

Contents of this trend

1- Market entry

2- Product Competition

3- Company Competition

1 . Market entry

Increasing barriers to entering the EU market

In order to protect consumers, EU legislative and buyer requirements are becoming increasingly strict. Implementation can be costly and time-consuming, which makes access to the European market more difficult for DC exporters.

Upcoming environmental concerns are expected to lead to stricter environmental requirements in the coming years. This forms a barrier, but can also be an opportunity for DC exporters to differentiate themselves on the market. Green marketing increasingly strikes a positive chord amongst consumers and, consequently, European buyers. As such, DC exporters with green concepts can ease market entry.

An ongoing development is that European consumers are expecting more for less. They want more service, quality, design and speed of delivery, at a lower price. This places pressure on DC exporters to increase the performance of their company and products, at a competitive price.

Tips:

- Be informed about developments in European legal and non-legal requirements. Do not bring concepts to the market without having investigated and tested possible health and safety hazards.
- Please refer to the CBI EU Buyer Requirements for more information on market access requirements.
- Buyers may have specific norms and requirements, laid down in codes of conduct or certifications, which are tested in your warehouse and/or on arrival in Europe. Make sure you know and understand your buyer's specific requirements. Make these part of your order specification sheets to avoid any misunderstandings between you, your suppliers and your buyer. Liability issues can seriously hurt your business.
- Use sustainability as a core element of your identity and have a head start over competitors who do not have this in place yet.
- Be ready to prove your claims about sustainability. Use certification and labelling when required and viable.
- Please refer to CBI Trends "Sustainability for Home Decoration and Textiles".
- Increase your service levels, also to prevent losing your current buyers who are pressured to respond to consumer demand for higher performance of products at a lower price.

- Provide your buyer with sufficient information on the added value your product offers, so that they can better communicate the benefits to European consumers.

2 . Product Competition

Standing out or following trends

Substitution of home decoration products is strong and will remain so in the coming years. An ongoing threat to DC producers is the substitution of products with a similar function, but made of different materials.

In middle and lower segments, consumers are particularly influenced by trends, ignoring existing products in favour of new products that are more 'now'. In supplying these segments, DC exporters need to be flexible in following current trends. Trends are a less crucial buying motive in premium segments, offering opportunities for DC exporters.

Convenience is an important consumer need in home decoration products. As such, products that are functional, washable, disposable and lightweight might sometimes replace others that are not (e.g. outdoor use). This could result in a preference for synthetic, machine-made, or even non-eco-friendly materials as opposed to natural, green or hand-made materials.

Financially-constrained consumers will delay replacing larger, more costly items in the home, such as large items of furniture. Products that relate to 'giving' (to oneself, relatives or friends) and 'cooking and dining' or 'seasonality' (e.g. Christmas) are usually less affected by dips in consumer confidence.

Tip:

- In order to prevent substitution, especially in the trend-sensitive middle and lower segments, you should be prepared to work flexibly with your core materials. This can take the form of creating new looks or finishes and re-styling items to suit a new trend. It can also involve more fundamental material innovation and experimentation, applying core materials to a wide range of product categories or concepts and combining materials with other natural or synthetic materials to create exciting new design directions.
- Consider whether your design and quality capabilities allow you to target the higher market segments, where products are more exclusive or unique. These are, therefore, less easily substituted. If your core strength is manufacturing, fine-tune the process to become a key player in the price segments.

- Follow market trends, especially related to consumer needs. If you are in the mid and lower ends of the market, convenience may require you to work with synthetic materials and industrial processes. However, in high-end segments, the need for authenticity may demand natural materials and ‘handmade’ products. In all segments, eco-friendliness will enrich your product offer, as the demand for environmentally-sound products is constantly growing.
- Furniture makers will do well to also offer smaller, occasional furniture and home accessories to differentiate product offerings. Products with emotional extras (gifts, seasonal products, products with a story) are less easily replaced than functional basics.

3 . Company Competition

Position in the market

Increased competition from DC and EU sources

The high-volume market is dominated by suppliers from China, Vietnam and India. Rivalry in this segment will increase due to a greater need for more value for money (‘more for less’). If labour costs in China increase, volume players from the Far Eastern region may take market share away from China.

The middle market segment is under pressure from consumers that want more for lower prices. As a result, importers in this segment are consolidating, leaving room for fewer, but larger, exporters.

Segments based on added value require exporters who are capable of outstanding performance. Competition in these segments is less fierce, as suppliers are able to differentiate themselves by using special techniques and interesting stories.

DC exporters face competition from European producers due to their proximity to the market. This is becoming more important as demand cycles are shortening and as ‘Made in Europe’ is becoming a selling point. Emerging East-European suppliers could pose an increasing threat.

Tip:

- Keep an eye on developments in the European mid-market, which may offer fewer opportunities for suppliers in the coming years. Put effort into retaining your customers as well as sourcing new ones by understanding their needs and servicing them well.

- Add value to your offers by focusing on special techniques, materials, values, and target mid-high to higher-end markets. Increasingly, added value in terms of green or sustainable aspects will help you differentiate your products.
- Create a structural place in your business for acquisition and sales so that you can be the first to contact buyers. This can give you a head-start over emerging European suppliers. Please refer also to CBI's Buyer's Black Box.
- Raise your level of service to create a more evenly balanced relationship with your buyer, which might prevent them switching to a competitor.

Position in the supply chain

Opportunities in an established EU market

The European home decoration market is mature and consists of well-established importing organisations. Their knowledge of, and access to, European consumers will continue to make them gatekeepers to the market.

In the high-volume, low-end segment, buyers are powerful because they can choose from a large pool of suppliers and thereby determine prices. However, in the high-end segments, value-added plays a strong role, leading to greater interdependence between exporters and buyers. As such, buyers are less inclined to switch suppliers.

Consumers prefer a clear offer from brands with an attractive personality. As such, importers are used to building a strong and attractive identity in the market, whereas exporters have found it hard to develop a distinctive point of differentiation. However, a wider call for new and authentic concepts provides an opportunity for a new balance of power between exporters (offering new concepts) and importers (requiring new concepts).

The growth of consumer markets in emerging countries opens up new options for exporters in home decoration, resulting in their increased bargaining power towards European buyers.

For some products, proximity to raw materials or the availability of unique materials can create a competitive advantage over European producers. For instance, if certain types of stone, shells or wood are typical or unique to a particular region or country, local suppliers may use this to their advantage.

Thus far, E-Commerce has been a marketing tool mainly for end-of-chain players in Western markets, who adopt a multi-channel approach in their marketing with online selling. With the increased spread of technology, know-how, logistical options and a

greater acceptance of consumers to buy online, this option may also become more widely available to DC exporters.

Tip:

- Give market research a structural place in your business; invest time and money in scouting your target market (on- and offline); learn to understand your buyer and his market. Please also refer to CBI's Buyer's Black Box.
- Target the high-end market, where buyer and seller are more interdependent. Dare to be different; build a distinctive identity based on your own unique history, skills, inspiration and values.
- Consider niche markets, such as hand-made, green and Fair Trade, with smaller volumes but a greater need by importers to tell your story and establish a longer-term relationship.
- In targeting the high-volume, low-end segment, you need to make your business lean, set competitive prices and increase your productivity and flexibility.
- Have a degree of authenticity in your concept and product offer. The more you can differentiate, the more attractive you will be for buyers looking for differentiation themselves. When identities match, the relation will be stronger and less likely to be disrupted by newcomers.
- Keep track of emerging (regional) markets, which may increase your sales opportunities and bargaining power with your European buyer.
- Greater flexibility in materials and techniques improves your position towards your overseas customer, allowing the latter to market your products more widely and so creating greater mutual dependence.
- Please refer to the CBI Market Channels & Segments for more information.
- Consider and study the options brought about by E-Commerce as a marketing strategy to gain access to national, regional or even global markets for your home decoration products.

What competition do you face on the European home textiles market?

The European home textiles market is highly competitive and characterised by strong buyer power and a high degree of rivalry among suppliers. To increase your opportunities in the European market, you must offer a unique product and focus on the higher market segments and niche markets. Your future power as a supplier to the EU market also depends on the increase in disposable income in the upcoming markets and developments in the supply of raw materials

Contents of this trend

1- Market entry

2- Product Competition

3- Company Competition

1 . Market Entry

Exporters from developing countries (DCs) increasingly face entry barriers

New entrants to the European home textile market are increasingly faced with barriers posed by legislative requirements. European regulations for home textiles are put in place to protect European consumers, creating a *de facto* trade barrier. Information about requirements is usually very technical and difficult to understand. Implementation can be costly and time-consuming. For more information on legal and non-legal requirements, refer to the CBI EU Buyer Requirements for Home Textiles module.

There is an increasing trend for consumers to trade up or down, resulting in increased fragmentation of the European home textiles market. This continuing fragmentation can make it more difficult for you to access the market as you either compete in the lower-end segment (high volumes, low margins) or in the higher segment (high quality requirements, branding).

Avoid the middle-low market, which is under pressure. Instead, focus on high-quality products or else target niche markets. Brands are stronger in the middle-high and high-end segments, where you can differentiate yourself.

Tip:

- With European regulations becoming increasingly complex, make sure to be familiar with these laws. For example, by embarking on training programmes or self-study courses. In addition to the CBI website, a good starting-point can be your local business support organisation (e.g. chamber of commerce, trade associations or export promotion associations).
- Avoid the middle-low market, which is under pressure. Instead, focus on high-quality products or else target niche markets. Brands are stronger in the middle-high and high-end segments. These segments also provide more opportunities to differentiate your product.

2 . Product Competition

Stay up-to-date about the latest developments

Low-cost products and substitute products (i.e. products that perform the same function as your product) pose a substantial threat. In the case of home textiles, convenience and fashion are important considerations to substitute products. Examples of product substitutes within the home textile sector include: blinds instead of curtains, blankets instead of duvet covers and wooden flooring instead of carpets. Some developments can even totally change demand for a certain product: e.g. the dishwasher replacing cheaper kitchen linen, and the trend to move away from formal dining, resulting in a fall in table linen sales.

Tips:

- Home textiles can be easily imitated by others. To prevent substitution of your product, it is important to combine your production techniques and designs with a unique context (i.e. story or branding).
- Be prepared to work flexibly with your core materials and designs, applying them to a wider range of product categories.

3 . Company Competition

Expect increasing rivalry in the market

The high-volume market is dominated by suppliers from China, Turkey, India and Pakistan. These suppliers are challenged by increasing supplies from Egypt and Bangladesh. If labour costs in the major supplying countries continue to rise, volume players may be able to gain market share from them. These companies can be located in developing countries, but reshoring the production to European countries (e.g. Portugal and Poland) is also a trend.

Competition among suppliers has increased, especially in the lower market segments. This trend is expected to continue in the coming years. The low-end market competes on price and logistics while the middle-low segment competes on logistics, prices and standardisation. Product branding is weak in these segments . In the higher market segment, competition is on quality, reflected in high quality raw materials, skilful handmade elements, execution of techniques and perfect finishing. Branding of the product plays a more important role in competition.

The entry of large apparel retailers (e.g. Zara and H&M) within the home textile sector has had a major impact on shortening demand cycles and marketing techniques. These retailers use the apparel sector as a blueprint for their approach to the home textile sector, resulting in several “seasons” throughout the year and a greater focus on promoting home textile products. These large apparel retailers mostly, but not exclusively, position themselves in the middle segment.

The future home textiles market will be characterised by increased concentration of buyers, leaving fewer selling options for many suppliers. Demand cycles are shortening. Shorter production lead times, smaller volumes and supply reliability are increasingly important.

Tip:

- Upcoming exporters can fill these gaps by, for example, offering superior service, logistical and cost benefits or offering higher design quality for less.
- Small and medium-sized exporters should target the middle-high and high-end market segments, which offer most opportunities to add value to the product. Because buyer concentration is increasing in this segment, you should differentiate your product.

Ensure your product is of high quality and tells a unique and personal story, suitable for the middle-high or high-end market.

- Your buyers are likely to be affected by the new competitors in the sector, resulting in new needs by your buyers. Respond to your buyer's needs by offering, short lead times, supply in smaller volumes and supply reliability.
- Supplying home textiles to 'apparel' retailers is hard for small and medium-sized DC exporters, but can be of interest if you can meet chain retailers' quality requirements, produce several collections per year and ensure short lead times.

Growing price-sensitivity increases pressure on suppliers

Pressure from buyers is increasing due to increased price-sensitivity, buyer concentration and frequent changing of suppliers. Although sustainability is an increasingly important driver, price remains the main driver in negotiations with buyers.

The consumer of the future desires more transparency in your supply chain. Consequently, buyers will be increasingly looking for suppliers that comply with social and environmental responsibility criteria. Buyers continue to engage in product innovation. Examples include new materials with anti-allergic properties or fibres with coatings that enable digital printing.

In the future, the European home textiles market will remain a buyer's market. European buyers know the most about consumer demands in their market. They can match suppliers' capabilities and skills with consumer demand. For more information on the position in the supply chain, go to the module CBI Market Channels & Segments.

The position of the DC exporters is improving through the emergence of upcoming markets, where demand for home textiles is predicted to grow. Nevertheless, your own suppliers could also affect your power. Scarcity of resources could pose a threat, making your suppliers of, say, organic cotton more powerful when there is a sizeable shortfall of supply. Volatility in the regular cotton supply also poses a threat, which has resulted recently in peak prices for cotton.

Tips:

- As a response to growing price-sensitivity, consider selling directly to retailers, which is a cost-saving strategy to them. Although retailers will capture most of the extra margin, this strategy will increase your market opportunities.
- Ensure you showcase your added value and skills to potential buyers. Buyers can assist you in improving your product's suitability for the market because they are closer to European consumers.
- Keep track of upcoming regional markets, which increase your sales opportunities and negotiation power.
- Keep track of developments in your raw material supply. Alternative materials or sources should be considered should your suppliers become too powerful.

Through what channels can I get my product onto the market?

Find out in the studies below through what channels you can get home decoration and home textiles products onto the European market.

Through what channels can you get home decoration products onto the European market?

Through what channels can you get home textile products onto the European market?

Through what channels can you get home decoration products onto the European market?

The European market for home decoration is fairly stable in its distribution structure, with wholesale importers and, increasingly, self-importing retailers as the main channels between exporters and the market.

Real changes can be seen in the increasing segmentation, especially in the upper-middle and higher markets, as well as in the increasingly diversified market for sustainable products and in the continued rise of online retail. Find out how these developments offer market opportunities to you as a developing country exporter.

Through what channels can you get home textile products onto the European market?

The nature of trade in home textiles remains volatile. Continuing globalisation is resulting in players having to reposition themselves within the trade channel. This implies instability in the traditional trade channels. Players will have to adapt according to the new reality of the sector.

Through what channels can you get home decoration products onto the European market?

Through what channels can you get home textile products onto the European market?

Through what channels can you get home decoration products onto the European market?

The European market for home decoration is fairly stable in its distribution structure, with wholesale importers and, increasingly, self-importing retailers as the main channels between exporters and the market.

Real changes can be seen in the increasing segmentation, especially in the upper-middle and higher markets, as well as in the increasingly diversified market for sustainable products and in the continued rise of online retail. Find out how these developments offer market opportunities to you as a developing country exporter.

Through what channels can you get home textile products onto the European market?

The nature of trade in home textiles remains volatile. Continuing globalisation is resulting in players having to reposition themselves within the trade channel. This implies instability in the traditional trade channels. Players will have to adapt according to the new reality of the sector.