

European Market for Arm & Easy Chairs

European consumers are opting for furniture that can be used in different places in and around the house, and that is expressive, functional and eye-catching. Easy chairs tick all those boxes, hence their popularity. After a period of fluctuation due to the economic crisis, the European market for easy chairs is experiencing a strong recovery. Although the market is dominated by Chinese exporters, this recovery is generating interesting opportunities for exporters from other developing countries as well. Focusing on specific market segments (e.g. the sustainable or outdoor segments) gives exporters an edge. Easy chairs for the European market should have a light and airy design. Promoting the story behind a design adds value to the product. Armchairs or 'easy' chairs are categorized as indoor furniture, and they are usually grouped with sofas, both of which offer informal or relaxed seating. They are usually wholly or partly upholstered for comfort, and they can have frames made of metal or wood.

Functionality & Material

Easy chairs are for relaxing, either actively (e.g. reading, watching television) or passively (e.g. napping). Comfort is therefore the most important value for this type of chair. This is created by a slightly reclining or curving, high or low back; through upholstery; through arm rests; and through a comfortable width of the seat. Typical dimensions for easy chairs are approx.: 85 cm



height x 75 cm width x 90 cm depth (this is obviously highly dependent upon the design of the chair). 'Snugglers' have additional width (ca. 115 cm), and they can be seen as particularly comfortable, over-sized easy chairs (for one) or as mini-sofas (for a couple). Additional functionality can be offered by a reclining back, a swivel leg or good suspension (usually coil, serpentine, pocket or zigzag springs). The height of the seat is usually around 45 cm, providing a comfortable sitting position for the average European. The frame of an easy chair can be either metal or wood, the type and quality of which depends on whether it is exposed, as well as on the market segment in which it is offered. Easy chairs have also moved outside (see 'Trends'), and this necessitates the use of weatherproof construction and upholstery materials. The upholstery can be partial or whole, in leather or leather look, or in various types of fabric, the quality of which again depends on the positioning in the market.



Easy chair as a statement piece

Design

Easy chairs are eye-catchers, placed centrally in the living room or the study/TV room. They take up quite some space and a considerable part of the budget. In addition to offering ergonomics to support relaxation, an easy chair is therefore a statement piece. As such, aesthetic quality is another relevant selling point. The primary elements of style – shape and decoration – can make a chair more or less ‘expressive’ and suitable to the consumer’s taste.

Labeling

The labeling on the export packing of the chairs facilitates the logistical process. Product labeling is a function of marketing communication. Information on the outer packing of easy chairs should correspond to the packing list sent to the importer. The labels for easy chairs on the outer carton or packaging should include:

- Producer
- Consignee
- Material used
- Quantity
- Size
- Volume and
- Caution signs

Within Europe, EAN or Barcodes are widely used on product labels. Use the English language for labelling, unless your buyer has indicated otherwise. Please note

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that buyers will specify the information that they need on the outer cartons, product labels and the actual items (e.g. logos, “made in” statements). This information forms part of the order specifications. Information on the product or product label usually helps the reseller to communicate with the end consumer. If the importer or reseller has a brand identity (e.g. logo, strap line), the importer is likely to prefer to have that information on the product label rather than the brand identity.

Packing and Packaging

Export packing serves to facilitate the logistical process; consumer packaging is a function of marketing communication (to the end consumer). European packaging and packaging-waste legislation restricts the use of certain heavy metals, among other requirements. Europe also has requirements for wood packaging materials used for transport (WPM) such as packing cases, boxes, crates, drums, pallets, box pallets and dunnage. Proper packing of easy chairs can minimize the risk of damage through shocks. The type and extent of packing required to prepare the products for shipment depend upon the fragility of the items to be shipped. Packing should prevent individual easy chairs inside a carton from damaging each other or the cartons themselves when they are stacked inside the container.



Example of packing without outer carton

Some buyers prefer the chairs to be crated, while others accept wrapping in corrugated cardboard without an outer carton. Packing should be of easy-to-handle dimensions and weight. Standards in this regard are often related to labour regulations at the point of destination and must be specified by the buyer. Cartons or crates are usually palletized for air or sea transport, and exporters are requested to maximize pallet space. In the use of packing materials, a balance must be found between using maximum protection and avoiding excess materials (waste disposal is a cost to the buyer) or shipping 'air'. Exporters can reduce the amount and diversity of packing materials by:

- improving the matching of inner boxes and outer cartons and by standardizing their respective sizes;
- considering packing and logistical requirements in the design stage of the products (e.g. flat-pack constructions or detachable components);
- asking buyers for alternatives.

Consumer packaging for easy chairs facilitates transport home from the retailer. It usually takes the form of a carton, which can be the original export carton or a box provided by the retailer.

Tips: Make sure your packing meets the requirements of European packaging legislation. To facilitate the logistical process, be aware of your buyer's position in the supply chain and the related needs (e.g. the needs of importer-exporters may differ from those of online retailers). Make sure that you receive and understand the entire set of specifications as related to



the product, its packing, packaging and labeling, all of which is part and parcel of the purchase order. Offer the buyer any alternatives that may be more effective. To facilitate marketing, be aware of the buyer's needs in terms of style. Assist your buyer in marketing communication by offering any background stories (branded or not). Offer a full set of dimensions, including the access dimensions of your chairs (i.e.: the diagonal

Europe's leading importers of chairs, the United Kingdom, Germany and France are interesting focus markets. While China is Europe's leading supplier, Poland and other Eastern European countries are becoming strong competitors to suppliers from developing countries.

measurement of the space needed to get the item into the consumer's home). Offer choice.

Demand Analysis

Europe's chair imports are expected to continue increasing, with a substantial share sourced from developing countries. As Europe's leading importers of chairs, the United Kingdom, Germany and France are interesting focus markets. While China is Europe's leading supplier, Poland and other Eastern European countries are becoming strong competitors to suppliers from developing countries. In 2014, European imports in the Home Decoration and Home Textiles sector amounted to Euro 120 billion. Since 2010, furniture has consistently accounted for about 21% of these imports. Between 2010 and 2014, European furniture imports exhibited an average annual growth rate of 0.9%. Although promising, this rate lags slightly behind the growth rate of 2.5% for the sector as a whole.

Between 2010 and 2014, European imports of chairs fluctuated slightly. With an annual growth rate of 0.3%, total European chair imports grew from £á 8.9 billion to £á 9.0 billion. This is primarily due to a strong performance in 2014. In the coming years, European imports are predicted to continue to show moderate growth. Although Europe's chair imports consist primarily of intra-European trade, developing countries

account for a large share (41%), amounting to £á 3.7 billion. This share is predicted to grow slightly in the coming years. With imports amounting to £á 2.3 billion, Germany is the leading importer of chairs in Europe, followed at quite some distance by France (£á 1.4 billion) and the United Kingdom (£á 1.2 billion). With regard to imports from developing countries, however, the UK is the leading European importer, with imports amounting to £á 831 million (2/3 of its total imports of chairs).

The strong performance of chair suppliers from developing countries in the United Kingdom is further evidenced by its growth of £á 16 million between 2010 and 2014. In Austria and France, chair imports from developing countries have also demonstrated growth (£á 14 million and £á 4.0 million, respectively). In the other leading importing countries, however, imports of chairs from developing countries have declined, particularly in the Netherlands, Italy, Belgium and Spain. It is interesting to note that, as in the United Kingdom, developing countries are performing well in Ireland, where they comprise a 36% share of all chair imports, amounting to £á 34 million in 2014, with a growth of £á 6.0 million. European chair imports are dominated by China, with £á 2.9 billion in 2014. Other leading suppliers from developing countries include Vietnam and Indonesia, amounting to £á 288 million and £á 136 million, respectively. It is interesting to note that Eastern European countries are also performing strongly as suppliers. Poland is Europe's second largest chair

supplier, following after China

(£á 1.4 billion), and

Romania and

Hungary supply

Europe with £á

372 million and £á

166 million worth

of chairs,

respectively. Due

to their

relatively

inexpensive

production

operations,



these countries can pose strong competition to chair producers in developing countries.

Tips: Germany, France and the United Kingdom are by far the largest importers of chairs in Europe. With its strong presence of suppliers from developing countries, the United Kingdom is an especially interesting focus market. With their growing market for chairs from developing countries, Austria and Ireland are also promising. Benchmark your products against the strong competition from China, as well as from Vietnam and Indonesia. Factors to be considered include the market segments served; perceived price and quality; and countries served. One source that could be used for finding exporters by country is ITC Trademap. European chair production has remained relatively stable at around £á 10 billion. In contrast, consumption declined from £á 12 billion in 2010 to £á 11 billion in 2013, such that European demand for chairs slightly exceeds European production. With production amounting to £á 2.7 billion, Italy is responsible for 26% of all European chair production, followed by Poland (£á 1.7 billion) and the United Kingdom (£á 1.2 billion). European consumption of chairs is highest in the United Kingdom (£á 2.2 billion), followed by Germany (£á 2.2 billion) and France (£á 1.5 billion). These countries are also the leading European importers of chairs.

Tip: Chairs produced in Poland and other Eastern European countries, where production is relatively inexpensive, constitute strong competition against



which you should benchmark your products. Predictions of GDP and private consumption expenditures are important indicators for the European home decoration market. The sector is closely linked to economic conditions. When money is tight, consumers postpone replacing non-essential items in the home until they once again have sufficient disposable income. Between 2014 and 2016, the European GDP and private consumption expenditures are expected to increase.

This implies that consumption of luxury and decorative products is likely to rise. Increases in GDP create room for this type of spending, especially in emerging markets. Due to saturation, growth in consumption will be moderate for mature markets. Developments on the housing market could affect the European home decoration market. Between 2014 and 2016, an increase in new-built housing is expected in

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Europe, especially in Germany, France, Poland, the United Kingdom and Italy. Given that these houses will need to be furnished and decorated, this increase could indicate a growth in consumption for the home decoration sector, especially in the aforementioned countries.

Trends that offer opportunities

From Functional to Decorative

From an historical perspective, easy chairs are located at the end of a long trend in seating, which ranges broadly from formal and functional to informal and decorative. In ancient times, chairs were a luxury with a ceremonial character, thus leaving them as the prerogative of secular and worldly leaders. In contemporary times, once a structural part of disposable income became allocated for home decoration, investment in chairs initially had a functional focus in the form of dining or desk chairs. As leisure time increased, modern consumers began to feel a need for chairs that could support relaxation, whether active (e.g. reading or watching TV) or passive (e.g. napping). With its high, reclining back, armrests and comfortable upholstery, the easy chair would eventually gain a structural place in the market for seating.

Tips: When positioning yourself in the market for easy chairs, consider the following grid, which juxtaposes 'functional' and 'decorative' with 'outdoor' and 'indoor'. It can be easily adapted by entering specific other segments (e.g. old and young, consumer or project market). Use it as a strategic guideline for range development. The ongoing history of chair design can be instructive and inspirational, and it may help you to find a place in today's market. It can teach you about designers' constant adaptation to consumer needs and manufacturing challenges.

Sub-segmentation: Uses and Consumer Types

In line with what we are observing in many product categories in the Home segment, new meanings and purposes are also constantly being formed for armchairs and easy chairs. Because these meanings represent new reasons for buying, new segments have emerged, each with its own marketing mix (type of chair, price,

distribution and communication). As we have seen, active and passive forms of recreation require different types of armchair, with a greater or lesser degree of comfort.

For cocooning couples, the 'snuggler' represents an easy chair with extra width, a hybrid form of an extra-wide easy chair and a mini-sofa. Age also invites sub-segmentation. For example, elderly people may prefer additional comfort in the form of an adjustable back or seat (either electric or manual), a swivel foot or a footstool. The latest trend in segmentation by age is easy chairs for children.

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Tips: Be aware of who your end consumers are, how they will use your easy chair and what their reasons for buying are. Even though you will not usually be selling directly to an end consumer, your importers are very aware of consumer needs, and they are likely to have specific consumer profiles in mind. Have a good marketing discussion with your buyers, particularly when meeting them at fairs or during



travels. Formulate a marketing mix (in 4Ps) for your target segment, based on your knowledge of consumer behaviour for your products.

New Territories: The Garden

As a result of softening borders between indoors and outdoors, the garden (balcony) has also become a major focal point for the decoration efforts of consumers. In addition to finding its way to the terrace, the balcony or the actual garden (or pool) space, the easy chair matches the style of decoration used inside the home. In many cases, easy chairs can be used both indoors and outdoors, due to the use of weather-resistant materials. In this case as well, easy chairs support a both active and passive leisure-time spending.

Tips: Consider the garden as a target market. Outdoor usage obviously demands greater durability. Explore the possibility of crossing over between indoor and outdoor furniture. A single product may have a dual purpose, thereby appealing to both segments at once, either as is or with slight adaptations.

The Flexible Home

Spaces inside the home are no longer linked directly to specific activities. For example, the kitchen is used for cooking, eating, working, socializing and watching television. The other spaces (bedroom, bathroom, living room) have acquired a similar multi-purpose character. In many cases, this has led to a more open-plan structure, with fewer walls and a less-defined character



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per space. The armchair or easy chair is proving ideal for this new flexible lifestyle: it can be moved around, has its own independent style, and supports almost any of the leisure time activities in any space. As such, it seems to be rapidly replacing the sofa or couch. This increasing demand for flexible furniture also explains the popularity of stools and side tables.

Tips: Study the changing living patterns of your target consumers with regard to active and passive recreation related to easy chairs. The changing use of living spaces inside and outside the home will offer opportunities. Make your chairs compact, easy to move, and stylistically suitable for multiple spaces. Due to their

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sheer size, easy chairs and other large furniture can dominate a room, making it seem full and cluttered. Keep your easy chairs for the European market light and airy: use open structures, see-through constructions (e.g. trellis work or wirework). Avoid overly dark-brown surfaces; use blond wood instead.

Consumers at the Helm

In a bid to differentiate themselves from 'the mass', mature European consumers are

not afraid to make individual choices, and they prefer to compose their spaces themselves as much as possible, in an eclectic mix. The "Design Your Own" trend forms part of this shift towards increased customization and participation. It reflects the consumer's need for participation (whether real or imagined) in the process of designing or making a chair by choosing from a variety of components.

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Tips: Offer choice. To suit the consumer's need for flexibility, consider offering different wood types for the legs and arm rests, variety in the colours for the upholstery, removable covers, or different dimensions. Rather than offering your easy chairs in an arrangement with a sofa and living room table, show them as stand-alone items. Photograph them in various settings in the home. If you are offering a wide spectrum of seating, including sofas, facilitate mix-and-match options. Consider ways to involve your end consumer in following the production of their one-off pieces online, using visualized track-and-trace options, or support your importers in doing so by supplying them with pictures of the production process.

The Easy Chair as an Eye-Catcher

As the easy chair increasingly shifts away from the purely functional towards the more decorative, it is also becoming a showpiece in the home, a focal point in the room and a source of pride for the owner, expressing the homeowner's well-developed style. This has opened the



door for values other than ergonomics, including supreme craftsmanship, brand story or green values. In the early 20th century, leading designers and architects occupied themselves with the chair, thereby creating a 'Design' segment for the easy chair.

Tips: In targeting the more expressive segments in easy chairs, be aware that consumers express their identities through the showpiece known as the easy chair. Prices in this segment may be less sensitive, although expectations are quite high (particularly with regard to aesthetic quality). Tell your story. Although you may not be marketed as a brand by your distributors, your stories about manufacturing, materials, techniques, special meanings, or sustainability help to add layers of meaning to the chair itself. Consumers will take pride in being able to tell their visitors a good story about the chair. Luxury is currently less about being able to afford expensive items than it is about status-boosting and story-telling.

Cash in on the trend of natural and handmade items. Show amazing joinery; show the construction of your easy chair as a design feature; show 'origin' by using special or rare materials; combine materials; decorate (e.g. hand-carve, emboss, print); work from (and communicate) a concept or underlying design starting point. It works!

An industry under pressure

Consumers have long been cautious of spending money on large furniture items for the home, due to the poor economic climate in Europe in recent years. Rather than investing large sums in sofas or sideboards, consumers delay replacing their sofas, re-upholster them or invest in smaller furniture that is less costly and more flexible. The industry has responded in two ways: 1) adhering to slower cycles of innovation and re-issuing

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old models, and 2) perhaps more bravely, differentiating more sharply from the competition by specialization, thereby

becoming more 'lifestyle' and/or adopting multi-channel strategies. Moreover, European wholesalers and retailers have resorted to buying closer to home, where there may be greater control over production and design, logistical costs are lower and smaller runs are possible.

Tips: Offer operational excellence. Be an excellent manufacturer: open your factory to your buyer; offer high productivity levels, efficiency, good prices; be flexible and take initiative. This approach may even include forms of formal collaboration, such as joint ventures. Such a strategy might cement a relationship for the longer term. Differentiate. Position your chair according to material or technical excellence; develop a unique design capability, combining the best in your own cultural context and market needs; be a specialist: dare to focus on a single product group and be the best in it; avoid doing everything-for-everybody; be a good marketer: source new contacts, study your target market, work with your buyers, make trade fairs a structural part of your sales budget; bring design, production and marketing staff together in the design process. It is sure to work.

Trade channels and interesting market segments in Europe

Market channels

In Europe, easy chairs are now being distributed more broadly than ever. In the past, the trade in easy chairs was dominated by specialist furniture retailers. This is changing, due to the fact that furniture is becoming more an element of lifestyle (i.e. part of a wider collection of home decoration - usually branded - under one overarching style). It has increased the

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significance of importer-wholesalers, who create coherent home collections, including furniture, for their network of retailers. The easy chair in particular underscores this development in distribution, due to its ability to stand alone and, as such, play a role in any type of collection of interior items. Because upholstery has traditionally been considered a European speciality, many upholstered easy chairs have been and continue to be manufactured in Europe. The market channels for easy chairs do not differ significantly from those in the Home Decoration & Home Textiles sector in general.

E-commerce in home decoration is increasing, often as a multi-channel approach that combines online and offline retail. Easy chairs are no exception, despite their bulky size. When product specifications are clear, visual information is attractive, and service levels are high enough, European consumers are not afraid to purchase their easy chair online. To date, however, they usually do so from a national retail brand rather than from across the border.

Tips: If you can offer the additional requirements relating to e-commerce (e.g. individual packing and labelling, or limited minimum order requirements), and if



your process is capable of accommodating such activities, targeting e-tailers could be a viable angle for your export marketing strategy.

Market segments

The lower end of the market for easy chairs focuses on extreme comfort at an affordable price. In many cases, this is achieved through upholstery, or by means of a simple, slightly reclining easy chair (the latter type often closely resembling the dining chair). In the mid-market segment, style is the most important factor: easy chairs can have a colonial style, baroque, retro-glam, or any of the prevailing styles in mid-market Home Decoration. In the mid-high segment, the focus is more on the individual character of the chair, with natural and handmade characteristics playing an increasing role. The premium end of the market for easy chairs is dominated by 'design' and brand names, or premium craftsmanship (by means of either industrial or handmade processes). Given that the high-end consumers express their identities through their choices of easy chairs, styles can be either expressive or minimalist, but never muddled.

Pricing

We can make a rough distinction in pricing between low (under Euro 1,000), medium (up to Euro 2,000) and premium (anything beyond the Euro 2,000 mark). Prices depend on functional and/or decorative value, the value of the materials (a visible hardwood structure will be more expensive than a hidden MDF frame) and the degree of innovativeness. Consumers have choice, but they want to understand what they are getting for their investment, at any level of the market.

Tip: Pricing is determined by the perceived value of your product in the chosen. Once you have chosen your target segment, you must offer what is expected in that segment in terms of functional/decorative value and the general price bandwidth in that segment. These factors should be in line with the distributors' expectations. Success depends upon studying your segment according to each of the 4 Ps. ■

Compiled from material sourced from CBI, EU and online European sources.