

Nativity Sets

& promising European markets



Europe is an interesting market for exporters of Christmas decoration articles. Germany for example offers opportunities, as imports of Christmas articles are growing. Slovakia is also an interesting market to target. In this voluminous and growing category of Christmas decorations, Nativity sets forms a small but stable product group. In extended or compact form, as loose figures or displayed in a manger or grotto, the Nativity scene contributes to the spirit and atmosphere of Christmas. Growth can be expected from religiously-motivated consumers in Eastern Europe and from a gradual secularization of the style of the nativity set in the existing Western European market. Traditionally, nativity sets have been strongly represented in the fair trade segment. The Nativity set will remain firmly positioned in mid-market. A seasonal item, the Nativity set does not feature permanently in any retailer's collection except for the period before Christmas. It is then either ranged under seasonal items or Christmas, or under Decorative Home Accessories.

Functionality - Nativity sets have a decorative purpose only, and therefore the most important quality of these products is their appearance. Full sets will have all or most of the up-mentioned figures, but often, just the core group is seen. As opposed to Christmas decorations generally, nativity sets are used again during the next Christmas, rather than replaced. Of all Christmas decorations, the nativity set still has the most overt religious connotation and will therefore not easily feature in the homes of people with religions of other denominations than Catholic-Christian. For those not adhering to any religion, nativities can be used purely decoratively during the festive season.

Material - Wood is the most-used. Synthetic materials are also seen, but have a lower quality perception, with lower prices. Besides the natural feeling of wood, hand-made is appreciated. Other materials are more unusual and as such bring an element of novelty, with possible price differences. These include ceramic, enamel, polymer clay, resin, stone, glass, paper, crochet, plastic and metals. Ceramic is the most popular after wood. High density Plastic is preferable for outdoor nativity sets due to its weather resistant qualities.

Design - Christmas decorations, generally, lacking high design aspirations, nativity sets often seem more of a challenge, aesthetically. It often seems as if the professional buyer and the consumer alike are becoming much less discerning when it comes to nativity sets. Quite a difference with former times, when great care was taken to model the figures with great care to detail



and add a local stylistic flavor to the figures in terms of their dress or the surroundings.

Labelling - The labels for nativity sets on the outer carton or packing should include Producer, Consignee, Material used, Quantity, Size, Volume and Caution signs. On the product label, EAN or Barcodes and English is used for labelling of the outer packing to facilitate transportation handling. The buyer will specify what information they need.

Packing and Packaging - Export packing serves to facilitate the logistical process; consumer packaging is a function of marketing communication, particularly to the end consumer. Proper packing of nativity sets minimises the risk of breakage and scratches through shocks, as these can be fragile items, with irregular shapes (limbs sticking out and attributes such as a walking stick). The fragility of the item determines the type or extent of the packing of the products for shipment. Packing should prevent the individual figurines inside a carton from damaging each other and the cartons themselves when they are stacked inside the container. In the use of packing materials, the balance is between using maximum protection and avoiding excess materials. Exporters can reduce the amount and diversity of packing materials by partitioning inside the cartons using folded cardboard; wrapping corrugated cardboard or paper around the items; matching inner boxes and outer cartons better and standardizing the sizes of each; considering packing and logistical requirements already at the design stage of the products (e.g. keeping the objects as cylindrical as possible); and asking the buyer for alternatives. Consumer packaging for nativity sets adds value to the product in the form of branded gift wrapping. The gift box can be the original export one or a box provided by the retailer.

Demand for nativity sets in Europe

With more than 99% of its population identifying as Christian, Romania has the highest percentage of Christian inhabitants, followed by Malta, Portugal, Poland, Ireland and Croatia (more than 90% each). When it comes to concrete numbers of Christian citizens, Germany has

the largest population (about 58 million people), followed by Italy (51 million), the UK (45 million), France (39 million), Spain and Poland (36 million each). These countries also have the largest Catholic populations in Europe, ranging from 50 million people in Italy to 10 million in the United Kingdom. This makes them especially interesting markets for nativity sets.

For Christmas and New Year 2015, ING conducted an International Survey to provide insights into Christmas spending in Europe. Consumers from the UK were the top spenders, intending to spend an average of Euro 440 on Christmas presents, followed by France and Luxembourg (Euro 300 each) and Austria and Spain (Euro 250 each). With an average of Euro 250, European consumers aged 35 or older intended to spend most. In The Netherlands and Belgium, presents are given out in early December at the celebration of Sinterklaas, which could explain why most of their consumers did not intend to spend any money on Christmas presents. 15% of European consumers intended to increase their Christmas spending compared to the previous year, led by 26% of Romanians. Consumers from the UK, Poland, Spain and the Czech Republic also planned for an above average increase in Christmas spending.

Trends that offer opportunities

- Christmas as a period of Christian-religious introspection appears to change character, what with 51% of European citizens stating that they “believe there is a God”, 26% “believing there is some sort of spirit or life force”, while 20% “do not believe there is any sort of spirit, God or life force”. If this reflects what is often referred to as ‘Post-Christian Europe’, it may be assumed that Christmas becomes a more general spiritual or social event. The implication for the Nativity set may be that fewer consumers will embrace it and/or that it becomes a less overtly religious Christmas decoration).
- A main driver behind Christmas decoration is the consumer’s need to create an ambience, a feeling of coziness in the home, a warm and inviting atmosphere, with a touch of spirituality - in whatever form. This is underpinned by a number of psychological reasons.

- Religion or spirituality. Christmas decoration makes much use of religious imagery – we see angels, nativities, bells, etc. For the mainstream consumer, the religious element to the decoration contributes to the coziness of Christmas and as such is more emotional than spiritual. But individual consumers will place different accents here, with some going more towards the religious spectrum in their decoration. The Nativity scene, with its touching story of the child in the manger, fits this atmosphere perfectly.

- Nostalgia. During Christmas, the consumer is deeply influenced by as need to travel back to the innocence of one's childhood or to peace and tranquillity generally. To a large part of the European population, childhood Christmas did feature the manger and its figurines.

- Escapism. In a mild way, Christmas allows the consumer to retreat into the comfort of a good story, away from office stress and the rat race generally. The portfolio of available stories is quite filled. The Santa Clause/Father Christmas story being one. But also prominent are 'Winter's Tales'. Additionally, we envelop ourselves in Fairy Tale, nostalgic imagery (e.g.: from 1950s advertising, characters and scenes from Dickens novels or Disney). The story of the nativity of Jesus represents another such story, religious or secular.

- Sharing and socialising. During Christmas, consumers eat and cook together, make family calls, decorate the home together, huddle up closely. A spirit of goodwill, solidarity and gifting forms part of the Christmas sentiment. The Nativity set has traditionally been a great gift.

European consumers are generally getting more independent and less influenced by corporate marketing efforts in their purchases. Perhaps spurred on by increasing secularity, groups of consumers are increasingly open to staying away from the accepted Christmas imagery, rituals and expressions, and creating an own, individual iconology. For the nativity set this has resulted in abstractions (off-setting the abundant decoration during Christmas); spoofs (usually of the mass appeal and poor style of Christmas decoration);



examples of nativity sets in (extra) bad taste; essentially light-hearted and good-humoured in nature.

Importance of Fair Trade

Consumers who can take home a Christmas gift that is giving the producer a fair price and that has a good maker story gain much status amongst their peers. Also, due to the fact that fair trade products are sourced from small producers groups in underdeveloped countries means that often much cultural background and features are added to the nativities in the form of indigenous animals (from elephants to lama's) and exotic settings, as well as local decorations, shapes and patterns. Indeed, fair trade nativity sets often go all out on their ethnicity - something the European consumer normally avoids in their regular purchases for the home, but does not mind during Christmas.

Market Channels & Segments

As otherwise the market channels for nativity sets do not differ significantly from the Home Decoration & Home Textiles sector in general. E-commerce in home decoration is increasing, often as a multi-channel approach combining online and offline retail. Nativity sets are well suited to this due to their gift nature. Prices are accessible and related to the general norms for gifts. The marketing mix is mid-market and prices vary according to the completeness of the set (compact sets are in the lower price bracket), the materials used, and the availability of gift packaging. ■ *Source: cbi.eu*