



Armchairs & Easy Chairs

European market receptive to natural materials and handmade techniques

The European market for easy chairs is growing. Although Chinese manufacturers dominate the market, there are also interesting opportunities for exporters from other developing countries, especially where natural materials and handmade techniques are combined. Catering to specific segments, such as sustainable or outdoor, can also give you a competitive edge. Easy chairs for the European market need a light and airy design. Promoting the story behind a design adds value.

Armchairs or “easy” chairs range under indoor furniture and are usually grouped with sofas, both offering informal and/or relaxed seating. They have frames of metal or wood and are usually wholly or partly upholstered for comfort. Seats of bamboo or rattan, Seats of cane, osier or similar materials, Seats with wooden frames, upholstered, not elsewhere specified and Seats with metal frames, upholstered, not elsewhere specified (excluding medical, surgical, dental or veterinary seats).

Easy chairs are for relaxing. This can be active (such as reading or watching television) or passive (dozing off). Comfort is therefore the number one value for this type of chair. A slightly reclining or curving back, upholstery, armrests and a comfortable width of the seat create optimal comfort. An adjustable back, a swivel leg and good suspension (usually coil, serpentine, pocket or zigzag springs) offer additional functionality. Typical dimensions for easy chairs are around 85 cm high x 75 cm wide x 90 cm deep, depending on the design. The seat is usually about 45 cm high, providing a comfortable sitting position for the average European consumer. “Snugglers” are wider (circa 115 cm) so they can be used as extra comfortable, oversized easy chairs (for one) or mini-sofas (for a couple). The frame of the easy chair can be metal or wood. The type and quality of the material depend on the market segment and on whether or not the frame is exposed. The upholstery can be partial or whole, in leather or leather look, or in various types of fabric. The type and quality again depend on the targeted market segment. Easy chairs for outdoor use require weatherproof construction and upholstery materials.

Design, Labelling & Packaging

Easy chairs are eye-catchers, placed centrally in the living room, study or TV room. They take up considerable space and budget. This makes the easy chair a statement piece, for which aesthetic quality is a key selling point besides comfort. The main style elements are shape and decoration. For the European market, your easy chairs should be light and airy. Use open structures and/or see-through constructions such as trelliswork or wirework. To avoid overly dark-brown surfaces, use blond wood. This prevents these big furniture pieces from dominating a room, making it seem full and cluttered.

For labelling information on the outer packaging of chairs should correspond to the packing list sent to the importer; external packaging labels for easy chairs should include the producer, consignee, material, quantity, size, volume, country of origin and caution signs; EAN or barcodes on the product label are common in Europe; the concerned buyer will specify what information they need on the product labels or on the item itself, such as logos or “made in...” information. This is part of the order specifications. English language is used for labelling, unless the buyer indicates otherwise. For packaging, the following must be adhered to:

Importer specification : pack chairs according to the importer’s instructions. They have their own specific requirements for the use of packaging materials, filling boxes, palletisation and stowing containers. Always ask for the importer’s order specifications. These are part of the purchase order.

Damage prevention : Properly packaging chairs minimises the risk of damage by shocks. How an item is packaged for export depends on how easily it can be damaged. Packaging should ensure the items inside a cardboard box cannot damage each other. It should also prevent damage to the boxes when they are stacked inside the container. Some buyers prefer chairs to be crated, others accept wrapping in corrugated cardboard without an outer carton.

Dimensions and weight : Packaging must be of easy-to-handle dimensions and weight. Standards are often related to labour regulations at the point of





destination, specified by the buyer. Boxes or crates are usually palletised for air or sea transport. Make maximum use of pallet space.

Cost reduction : Chairs can take up much container space. Nesting, stacking or flat-packing them inside the container reduces costs. While packing has to provide maximum protection, you must also avoid using excess materials or shipping “air”. Waste removal is a cost to buyers.

Material : Importers are increasingly banning wooden crating and packaging due to their unsustainability and high material and disposal costs. Economical and sustainable packaging materials are more popular. Using biodegradable packing materials can be a market opportunity. For some buyers, it can even be a demand.

Mould prevention : Wooden furniture can mould or crack, so you need to properly dry the wood after production. Condensation inside the container during transport can cause mould, due to humid air becoming colder at night and warmer during the day. You need proper air ventilation inside the container to prevent this. Before shipment, you must inspect containers for air holes. You can also place products to reduce humidity amongst the cargo. Make sure to follow the importer’s instructions.

Consumer packaging : Consumer packaging for easy chairs should facilitate transport home from the retailer. It usually comes in the form of a carton, which can be the original export packaging or a box provided by the retailer.

Opportunities

Europe’s chair imports are expected to continue increasing, with a substantial share sourced from developing countries. As Europe’s main importers of chairs, Germany, France, the United Kingdom and the Netherlands are interesting focus markets. While

China is Europe’s leading supplier, Eastern European countries like Poland are also becoming strong competition. Note that because no specific trade data are available for easy chairs, these statistics cover chairs in general.

European demand for chairs increased between 2012 and 2016. With an average annual growth rate of 1.9% it reached Euro12 billion in 2016. This demand is highest in the United Kingdom (Euro 2.9 billion), followed by Germany (Euro 2.1 billion) and France (Euro1.7 billion). Europe’s demand for chairs is slightly higher than its production. This drives imports, making Europe an interesting market. European production of chairs also increased between 2012 and 2016. With an average annual growth rate of 3.3%, it reached Euro11 billion in 2016. Italy and Poland are each responsible for 22% of European chair production. While Italian production slightly decreased between 2012 and 2016, Polish production increased at an impressive average annual rate of 12%. Because upholstering is traditionally a European speciality, upholstered easy chairs are still manufactured in Europe a lot.

***Tips:** Study your options in Germany, France, the United Kingdom and the Netherlands. The United Kingdom and the Netherlands are especially interesting markets due to their strong imports from developing countries. A considerable part of these imports are reexported to other European destinations, as this is where the major furniture traders are active. So while the Netherlands itself is a small market for furniture, Dutch traders sell their stock all over Europe. Their growing market for chairs from developing countries also makes Spain and Poland promising.*

Effect of real private consumption expenditure on European demand

Private consumption expenditure is an important indicator for the European home decoration market. The sector is closely linked to economic conditions. When money is tight, consumers postpone buying non-essential items until they have enough disposable income. Between 2017 and 2019, European private consumption expenditure is expected to increase, so consumption of decorative products is likely to rise. Especially in emerging markets, consumers will have more money available to spend on decorating the home. Consumers in mature markets already spend a fair amount of money on decoration, so growth in their consumption will be moderate.

Trends that offer opportunities

Sub-segmentation based on uses and consumer types : As in many home decoration product categories, new meanings and purposes are constantly formed for easy chairs. These represent new reasons for buying, and as such new segments with their own marketing mix (type of chair, price, distribution

and communication). For example, active and passive recreation require different types of easy chairs with varying degrees of comfort. Age also invites sub-segmentation. Senior consumers may prefer additional comfort in the form of an (electrical) adjustable back or seat, a swivel foot or a footstool. The latest trend in segmentation by age is the development of easy chairs for children.

Tip: Note who your end consumer is, how they will use your chair and what their reasons for buying are. Although you usually will not sell directly to end consumers, your importer is very aware of consumer needs and has a consumer profile in mind. Have a good marketing discussion with your buyers, especially when you meet them at fairs or on trips.

Merging indoor and outdoor : As a result of fading borders between indoor and outdoor space, consumers are increasingly decorating their garden and/or balcony. They may place easy chairs on the terrace, the balcony or in the actual garden space. The chairs match the style of decoration used inside the home. They can often be used both indoors and outdoors, thanks to the use of weather-resistant materials.

Tips: Consider the garden as a target market. Note that demands on the durability of your chairs are higher for outdoor use. Explore the possibility to cross over between indoor and outdoor furniture. A single product may have a dual purpose and appeal to both segments at once, either as is or with slight adaptations. Develop weather-resistant options, or use materials that can be used both inside and outside the home.

The flexible home : Spaces inside the home are no longer directly linked to a single specific activity. For instance, the kitchen is used for cooking, eating, working, socialising and watching television. This often leads to a more open-plan structure, with fewer walls and a less-defined character per space. The easy chair is ideal for this new flexible lifestyle. It can be moved around, have its own independent style and support almost any leisure time activity. As such, it is replacing the sofa or couch.

Tips: Make your chairs compact, easy to move and stylistically suitable for multiple spaces.

Consumer in control : Mature European consumers typically try to distinguish themselves from the mass public. They make individual choices and compose their own spaces as much as possible, in a diverse mix. This trend towards increased customisation and participation includes an interest in "Design Your Own" offers. These give consumers a sense of involvement in the design of their chair by allowing them to choose from various components.

Tips: Offer choice. For example different wood types for the legs and armrests, colour options for the upholstery, removable covers or

variable 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 different settings in the home. If you offer a wide range of seating, provide mix-and-match options. Consider ways to let your end consumer follow the production of their chair, for example online with visualised track-and-trace options, or by supplying your importer with pictures of the production process.

The easy chair as an eye-catcher : As the easy chair increasingly moves away from purely functional towards more decorative, it is also becoming a showpiece in the home. It serves as a focal point in the room, a source of pride for owners expressing their style. This opens the door for other values than ergonomics, such as supreme craftsmanship, brand story or green values. Prices in these more expressive segments may be less sensitive, but expectations are high, especially relating to aesthetic quality. Consumers pride themselves on being able to tell their visitors a good story about their chair. Luxury is becoming less about expensive items than about status-boosting storytelling. This also drives the trend of natural and handmade home decoration products.

Tips: Dig into the design history of the easy chair and understand how innovation has taken place and what directions are open to you. Mature European consumers will judge your new entry into the market by the easy chairs they already know.

Tell your story, even though your distributors may not market you as a brand. Your stories about manufacturing, materials, techniques, special meanings or sustainability add layers of meaning to the chair itself. Use the construction of your easy chair as a design feature, for example by showing amazing joinery.

Show "origin" by using special or rare materials, combining materials, and/or decorating (like hand-carving, embossing or printing).

Work from (and communicate!) a concept or underlying design starting point.

An industry under pressure : European consumers have been cautious of spending money on large furniture items due to the poor economic climate in recent years. Rather than investing large sums in new pieces, consumers delayed replacement, re-upholstered, or invested in smaller furniture that is less costly and more flexible. The industry has responded in two ways. Some introduced slower cycles of innovation and re-issue old models. Others distinguish themselves more sharply from competition through specialisation, becoming more "lifestyle"; and/or by adopting multi-channel strategies. European wholesalers and retailers have resorted to buying closer to home. This offers them greater control over production and design, lower logistical costs and smaller runs.

Tips: Offer operational excellence. Open your factory to your buyer, be flexible, take the initiative and offer high productivity levels and efficiency, as well as good prices. This approach may even include forms of formal collaboration such as joint ventures. Such a strategy could guarantee a relationship for the longer term.

Distinguish and position yourself on material or technical excellence. Develop your own design capability, combining your cultural context with market needs. Be a specialist: focus on a single product group and be the best in it. Be a good marketer: source new contacts, study your target market, work with your buyers and make trade fairs a structural part of your sales budget. Bring design, production and marketing staff together in the design process.

Legal and non-legal requirements

The European Union's General Product Safety Directive applies to all consumer products, including decorative wall plates. It states that all products marketed in Europe must be safe to use.

Tips: Read more about the General Product Safety Directive. Also use your common sense to ensure normal use of your product does not cause any danger. The RAPEX database lists products that the European Union has rejected at the border, or withdrawn from the market. Check the database for similar products for an idea of what issues may arise.

Europe has specific packaging and packaging waste legislation. It for instance restricts the use of certain heavy metals. Europe also has requirements for wood packaging materials (WPM) used for transport, such as packing cases, boxes, crates, drums, (box) pallets and dunnage.

The REACH regulation lists restricted chemicals in products that are marketed in Europe. For example, REACH restricts the use of lead in the paints and glazing of ceramics. The European Chemical Agency provides useful information and tips on REACH. See for instance REACH Annex XVII for a list of all restricted chemicals. Also check out the information on REACH for companies established outside Europe and the Questions & Answers on REACH. The Wildlife Trade Regulations restricts the international trade in specimens of wild animals, plants and derived wildlife products. This is the European Union's strict

implementation of the Convention on International Trade in Endangered Species (CITES). According to the Timber Regulation, you must prove any timber used was harvested legally, which also applies to wooden chairs. Products with a FLEGT or CITES licence comply with the Timber Regulation.

Additional requirements

Social and environmental sustainability make your products stand out on the European market. Think of sustainable raw materials and production processes. European buyers increasingly demand the following certification schemes: Business Social Compliance Initiative (BSCI): European retailers developed this initiative to improve social conditions in sourcing countries. They expect their suppliers to comply with the BSCI Code of Conduct. To prove compliance, the importer can request an audit of your production process. Once a company has been audited, it is included in a database for all BSCI participants.

Ethical Trading Initiative (ETI) : This initiative is an alliance of companies, trade unions and voluntary organisations. It aims to improve the working lives of people across the globe that make or grow consumer goods. You can use standards such as ISO 14001 and SA 8000 to read up on sustainable options. However, only niche market buyers demand compliance with such standards.

Tips: Optimise your sustainability performance. Reading up on the 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 value your company's environmental and/or social performance, this may be a competitive advantage. You can do this, for instance, with a self-assessment like the BSCI Self-Assessment for Producers, or a code of conduct such as the BSCI Code of Conduct and the ETI base code.

Requirements for niche markets

Fair trade - The concept of fair trade supports fair pricing and improved social conditions for producers and their communities. Especially when the production of your decorative wall plates is labourintensive, fair trade certification can give you a competitive advantage. Common certifications are from: World Fair Trade Organisation (WFTO); Fairtrade International; and Fair For Life.

Tips: Ask buyers what they are looking for. Especially in the fair trade sector, you can use the story behind your product for marketing purposes. Check the ITC Standards Map database for more information on voluntary standards and their requirements, including fair production.



FSC certification - FSC (Forest Stewardship Council) certification is the most common label for sustainable wooden products, including wooden chairs. The FSC label guarantees that a product's source material comes from responsibly managed forests. These products are especially popular in western European markets.

EPCH's VRIKSH (timber legality assessment and verification standard) for verification of legality and legal origin of wood and wooden and wooden products is intended for those entities who want to accurately track and make claims about the legal origin and transport of their products.

Market channels & segments

Easy chairs are now more broadly distributed in Europe than ever. Traditionally, specialist furniture retailers dominated the trade. This is changing because furniture is becoming more lifestyle. It is becoming part of a wider collection of (usually branded) home decoration in one style. This increases the significance of importer-wholesalers, who create coherent collections for retailers. Easy chairs fit this development, as these stand-alone items can play a role in any home collection. E-commerce in home decoration is increasing and can help you reach a broader range of customers. Retailers often combine online and offline channels. Consumers research and purchase products online, shopping around and comparing prices on home decoration items. Easy chairs form 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. However, thus far they usually do so from a national retail brand rather than from across the border. To supply e-commerce retailers you must be able to work with individual packing and labelling, as well as limited minimum orders.

The market for easy chairs is well segmented according to type of use (functional/decorative), consumer and space (indoor/outdoor). The lower end of the market for easy chairs focuses on extreme comfort at an affordable price. This is often achieved with upholstery, or with a simple, slightly reclining easy chair. This latter type often comes close to the dining chair. In the mid-market, style is the all-important factor. Easy chairs can have any popular home decoration style, such as colonial, baroque or retro-glam. In mid-high, there is more focus on the individual character of the chair. Natural and handmade designs play an increasing role. The premium end of the market is dominated by "design" and brand, and premium craftsmanship (either industrial or handmade). The high-end consumer expresses his or her identity by their choice of easy chair. This means styles can be either expressive or minimalist, but never muddled.

Your best chances are in the segments where natural materials and handmade are important values. This can be across the lower, middle and higher segments, depending on your product capacity and design skills.

Pricing

Prices of easy chairs depend on their functional and/or decorative value, the value of the materials and the degree of innovativeness. For example, a visible hard wood structure will be more expensive than a hidden MDF frame. Low end is priced at up to Euro 1000; Mid end is up to Euro 2000; and High end is over Euro 2000. Consumer prices depend on the value perception by the consumer in a particular segment. This is influenced by your marketing mix: product benefits, promotion (brand or not, communication of product benefits), points of sale (reseller positioning), and a matching price. Shipping, import and handling add 25% to the price of your chairs. Wholesalers account for a further 100% markup. Finally, retailers may add another 100–150% to the price.

Tips: *The value perception of your product in the chosen segment determines its price. The quality and price of your chairs must match what is expected in your chosen target segment. To determine your price, study consumer prices in your target segment and adjust your cost accordingly. Understand your segment. Offer a correct marketing mix to meet consumer expectations. Adapt your business model to your position in the market.* ■ Source: CBI, EU