

# The European Market for Wooden Trays

The European market for wooden tableware and kitchenware is growing considerably. This offers good opportunities, as more than half of European imports originate from Asian countries. The middle and higher-end segments are the most promising. To supply to these segments, your trays must be both functional and decorative. Craftsmanship, innovative design and use of materials, and added functionality offer value.



Trays are classified under kitchen accessories and/or tableware, depending on how retailers have structured their categories and products groups. This group further holds items such as salt and pepper sets, bowls and baskets for the kitchen. Most synthetic trays are machine-made and mass-produced in China or Europe. These producers are generally too difficult to compete with for you in terms of price and volume. Wooden cutting boards offer you the best opportunities, so this study focuses on wooden trays.

## Product Attributes

Functionality is a basic quality requirement for trays, as they are mainly used to carry and serve food and drinks around. This requires them to be sturdy but easy to carry, and to have an upright edge that prevents items from dropping. In addition, trays are increasingly used as a static platform for displaying home accessories. This type of tray can be larger and heavier and have detachable legs. A common size for serving trays is 27 cm wide x 31 cm deep x 3 cm high, or for a larger format 35x50x3 cm. They should not weigh over 2 kg. These limitations do not apply to trays used to decorate the home.

**Material** - wood, in different varieties and in diverse techniques such as laminated or veneered, is traditionally the preferred material for trays. This is often combined with metals such as aluminium as a style element. The choice of wood in cutting boards is almost endless, from European or American native species to exotics, from hardwood to softwood. The choice is determined by durability (hardwood deteriorates less quickly) and look (olive wood has an expressive grain).

**Design** - Especially for serving trays, a rectangular shape is the norm. Other shapes make the tray more expressive and add decorative value, even to the extent that the shape may compromise the functionality. Much design effort is devoted to handles or grips of the tray, both for functionality/ aesthetic value.

**Durability** - Wooden trays should generally be wiped clean with a dry or damp cloth. To prevent deterioration, the wood can be waxed, oiled or sealed with a varnish. Retailers greatly appreciate it when you provide detailed specifications about your trays, including type of wood, exact size, a logical description and whether the product is dishwasher-safe.

**Labelling** - Information on the outer packaging of wooden trays should correspond to the packing list sent to the importer. External packaging labels for wooden trays should include: producer, consignee, material, quantity, size, volume, country of origin, and caution signs. They should also show the number of



**Trays are increasingly being used as a static platform for displaying home accessories**

pieces, bale/box identification, total number of bales or boxes and net and gross weight. EAN or barcodes on the product label are common in Europe. Your 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. Use the English language for labelling, unless your buyer indicates otherwise.

**Packaging (Importer specification)** - You should pack wooden trays according to the importer's instructions. They have their own specific requirements for the use of packaging materials, filling boxes, palletisation and stowing containers.

**Damage prevention** - Properly packaging wooden trays minimises the risk of damage by shocks. How an item is packaged for export depends on how easily it can be damaged. Packaging should make sure 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. For this reason, packaging usually consists of outer and inner cardboard boxes filled with protective materials like bubble wrap or paper.

**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 are usually palletised for air or sea transport. You have to maximise pallet space.

**Cost reduction** - Trays are usually flat surfaces, which facilitates effective packing and as such reduces costs. If grips or loops are added, keep them in the horizontal plane to maximise

the space in your cartons and container. While packaging has to provide maximum protection, you must also avoid using excess materials or shipping 'air'. Waste removal is a cost to buyers.

Consumer packaging for trays adds value to the product in the form of branding. Instead of giftwrapping, a tag with some background information on the item or brand adds value.

## Market Opportunities

European imports of wooden tableware and kitchenware are steadily increasing, with the majority sourced from developing countries. Germany and the United Kingdom are Europe's main importers of wooden tableware and kitchenware, with a strong presence of developing country suppliers. The Netherlands is also an interesting target market. European demand for wooden tableware and kitchenware increased between 2012 and 2016. With an average annual growth rate of 10%, it reached Euro 323 million in 2016. Demand is highest in Italy at Euro 81 million. France and the United Kingdom follow with Euro 48 million each. However, **Europe's demand for wooden tableware and kitchenware is higher than its production.** This drives the need for imports, making Europe an interesting market. European production of wooden tableware and kitchenware also increased between 2012 and 2016. With an average annual growth rate of 15%, it reached Euro 144 million in 2016. Italy is responsible for 50% of European tableware and kitchenware production, followed by Poland and Romania with 15% and 9.4% respectively. This corresponds to an average annual growth rate of 11%. **In the coming years, European imports are expected to keep growing moderately.**

Developing countries are Europe's main source of wooden tableware and kitchenware. They supply 59% of European imports, amounting to Euro 235 million. This share is predicted to stay fairly stable in the coming years. In reality, many of the exports of wooden tableware and kitchenware from Western European

### TIPS:

**STUDY** your options in Germany, the United Kingdom and the Netherlands. Their strong imports of products from developing countries make them especially interesting markets.

**COMPARE** your products and company to the strong competition from China, as well as Vietnam, Thailand, India and Tunisia. You can use ITC Trademap to find exporters per country. You can compare on market segment, price, quality and target countries.

countries are re-exports of products manufactured in developing countries. Germany is Europe's leading importer of wooden tableware and kitchenware by far, with Euro 88 million in 2016. The United Kingdom follows with Euro 60 million. Germany and the United Kingdom are also leading when it comes to imports from developing countries. They source 67% (Germany) and 79% (the United Kingdom) of their wooden tableware and kitchenware from developing country suppliers. The Netherlands also has a particularly strong market for developing country imports, accounting for 74%. The strong performance of developing country suppliers in Germany and the United Kingdom is evidenced further by their increase between 2012 and 2016 by Euro 21 million and Euro 14 million respectively. In the Netherlands these imports also increased, by Euro 7.1 million. China dominates European wooden tableware and kitchenware imports, with 47% in 2016. Other leading developing country suppliers are Vietnam (3.1%), Thailand (2.9%), India (1.9%) and Tunisia (1.4%).

European exports of wooden tableware and kitchenware consist mainly of trade within Europe. Germany (Euro 54 million) is Europe's leading tableware and kitchenware exporter, followed by the Netherlands (Euro 22 million) and Poland (Euro 21 million).

Effect of real private consumption expenditure on European demand 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. European private consumption expenditure is expected to increase. This means that 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 & Opportunities

Increased interest in kitchenware Kitchenware is generally trendy and consumers are not holding back in spending on cookware and dinnerware. In mature markets, 'experience'



has become more important to consumers than luxury in itself. Cooking has become a social event with friends and family. Amateur cooks playing 'master chef' at home prefer tools that are more expressive and expensive. This trend has also upgraded and broadened the appeal of the tray, which has long been a purely functional item. Today, the wooden tray has acquired expressive qualities. Its added value is based on both additional functionality (supreme performance) and emotionality. This allows the tray to reach mid-high and premium segments and appeal to consumers with different buying motives, such as trendiness or premium craftsmanship.

Create additional functionality through, for example: greater ergonomics – better grip, good dimensions and weight; clever solutions for the edge of the tray, preventing items from dropping; solutions for cleansing – such as varnishing, waxing, oiling, anti-slip coating.

Greater emotionality can come from craftsmanship – techniques such as hand-carving, inlay, beautiful joinery; material – special wood types or other beautiful materials, such as marble, glass, metal or woven natural fibres, or combinations of materials; novelty shapes – any deviation away from the rectangular; decorative value (colour, patterns).

Functionality and aesthetic value are often combined. Adding emotional value sometimes reduces the purely functional quality, most often in premium segments where consumers typically worry more about the look of the item than about whether it can go into the dishwasher.

**Nature in the home** Another mature-market trend is the desire to be close to nature, even when living in cramped urban apartments. This has increasingly led European consumers to prefer natural materials in tableware and in kitchenware as well as in categories such as basketry and furniture. **Wood brings the look, feel and even smell of nature into the home.** An important selling point of a wooden tray is that it is a chunk of nature. In line with this, handmade techniques or finishes add extra value. This makes wood a popular material for trays, ranging from functional and inexpensive types in low-end segments to exclusive and expressive wood types (like olive wood) in high-end segments.

**Sustainability** is a continuing trend on the European home decoration market, including in kitchenware and tableware. Green values give the consumer status and may give you a competitive advantage. Wooden trays fit in well with this trend. Manufacturers can improve sustainability through the purchase and use of renewable raw materials, socially and environmentally friendly production, distribution that limits its footprint, and design that prolongs the durability of the item and allows sustainable



disposal. So far, sustainability in trays has been limited to offers with certified and recycled wood. Given the increasing interest in sustainability, 'green' and/or fair trade trays are just waiting to happen. This could be a good opportunity to become an early adopter and create an early-mover advantage.

**Solutions for small spaces** Another major trend is consumers' need to declutter their homes, save space and use accessories flexibly – for more purposes and in more spaces. This has had a great effect on the design of trays.

#### Examples:

- space saving – nesting trays
- multi-purpose – trays that can function as a place holder, organiser, or storage space clever storage solutions
- integrated furniture accessories – making tray into a side table
- eye-catcher – a beautiful home accessory in its own right that can be displayed permanently

**So, help the consumer keep the house tidy and save space.** Obtain inspiration from other categories such as storage, office items, or furniture. Cross-category combinations often lead to innovations. Also apply your space-saving ideas on the project market (catering, hospitality), which has similar needs and is booming. The marketing mix (product features, pricing, distribution and communication) for this is different from the one on the consumer market.

#### TIPS:

**FOLLOW** trends on the food market. How people cook and dine provides welcome clues for kitchenware and tableware. Major food trade fairs such as Anuga and Biofach usually communicate such food trends.

**TAP** into more than one buyer motive, but always be clear what 'story' you are telling. One motive, one product – never mix.

## Legal Requirements & Legislations

**General product safety** - All products marketed in Europe must be safe to use. 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.

**Packaging legislation** in Europe has specific packaging and packaging waste legislation. Among other things, it restricts the use of certain heavy metals. Europe also has requirements for wood packaging materials (WPM). The REACH regulation lists restricted chemicals in products that are marketed in Europe. Also check out the information on REACH for companies established outside Europe and European Union's strict implementation of the Convention on International Trade in Endangered Species (CITES). You must prove any timber used was harvested legally.

**Sustainability** (Social and environmental) make your products stand out on the European market. Think of sustainable raw materials and production processes.

**Ethical Trading Initiative (ETI)** - 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. 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.

**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 trays is labour-intensive, fair trade certification can give you a competitive advantage.

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

## Market Channels & Competition

The market channels and segments for wooden trays do not differ significantly from the sector in general. Wooden trays are sold both offline and online through the big supermarkets, garden centres and department stores, as well as kitchenware and general home decor retailers, besides e-Commerce.

## Market Segments

First and foremost, wooden trays are functional accessories. As such, they are popular in the lower segments of the market, where value for money counts. **Mid-market consumers generally prefer their kitchenware to be a bit more trendy.** Elements such as playfulness and the decorative aspect of the tray generally are key factors. Trays should be fun and add to the atmosphere of the home, but both design and price must remain accessible. Besides wood, common materials in this segment are melamine and other synthetics or composites. These trays are available from department stores and kitchen specialists.

**In the higher segments, craftsmanship (such as marquetry) and innovative design (shape, construction) are important.** Branding also adds value. These trays are status buys that show the owner's good taste, making them less price-sensitive. Wood competes with other premium materials, such as marble, copper, brass and leather. High-end department stores, brand and boutique shops, and online stores sell such trays.

**In the lower-end segments, distributors on the project market play a major role.** This market is dominated by industrialised producers, especially from China, making it a hard segment for you to compete in. However, the mid-market segments are quite accessible if you have sufficient design capability and production capacity. If you offer special materials and techniques and can work with medium-sized order volumes, higher segments are also suitable.

## Pricing

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 wooden trays. Wholesalers account for a further 100% mark-up. Finally, retailers may add another 100-150% to the price. The value perception of your product in the chosen segment determines its price. The quality and price of your wooden trays must match what is expected in your chosen target segment. To determine your price, study consumer prices in your target segment and adjust your price accordingly. Understand your segment. Offer a correct marketing mix to meet consumer expectations and adapt your business model to your position on the market. *Source: CBI*

