

# The European market potential for candles

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Europe accounts for about two-thirds of the total worldwide candle imports. This makes it a particularly interesting market for you. As European trade hubs are major players in this market, these could be your easiest way to enter the European candle market. By providing ambience, candles play a key role in the important sector trends of wellness and cocooning at home. You can further add value to your candles with sustainable elements, gift packaging and fun designs.

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## 1. Product description

A candle is a block of wax with an embedded wick. When lit, it provides light and heat and sometimes releases scent. In the Home Decoration and Home Textiles (HDHT) sector, candles are usually categorised as home accessories.

There are three types of candles:

- basic candles: functional candles, mostly tapers with a diameter of 2.2 cm that fit most standard candle holders, and pillars with a variety of widths
- fancy candles: decorative candles with a “fancy” shape or form
- scented candles: both basic and fancy candles with an added scent

Basic candles often come in sets, whereas fancy or scented candles are also sold in small units.

This study uses the following codes to indicate trade in candles:

Table 1: Product codes

Harmonised System (HS)	Prodcom	Description
3406	32 99 54 00	Candles, tapers and the like, including night lights fitted with a float (excluding anti-asthmatic candles, wax matches or vestas, sulphur-treated bands, wicks and candles)

## Functionality

Traditionally, a candle’s main function is to provide ambience, through its light, heat and scent.

According to the [European Candle Association](#), the characteristics of a good candle are:

- a bright, calm flame

- ideal wick curvature, which refers to the arch of the candle cord
- no carbon blackening in the home from candles burning
- no dripping
- burning for the amount of time indicated
- minimum wax remainder

## Material

Most candles are made of paraffin wax. Other raw materials include beeswax, soy and other plant waxes. Palm oil has become popular as a more sustainable, but not uncontroversial, raw material. Gel candles are made from a mixture of mineral oil and a polymer.

## Size

Candle sizes are not standardised, but most candlesticks have a diameter of 2.2 cm. Smaller candles (tapers) are around 25 cm long, with a base of around 1.27 cm. Thick and cylindrical candles (pillars) have diameters varying from 1.3 cm to 10.1 cm. Size and shape are important design elements in the decorative candle segment.

## Design

Candles for the mid-market should match colour trends in interior decoration. Fancy candles need to have imaginative shapes and decorations. Well-designed containers (for example ceramic, glass or metal jars and tins) can add value to candles, which are often scented. In the high-end market, these containers are generally what adds value to the candles.

## 2. What makes Europe an interesting market for candles?

The European candle market has grown in recent years, and represents around two-thirds of the global candle market. About a fifth of these imports are sourced from developing countries, a share that has been growing steadily. This makes Europe an interesting market for you.

The recent [outbreak of the coronavirus](#) and the measures taken against it worldwide have had a large impact on international trade and the European market for many products and services, including HDHT. Please note that the below analysis is based on the statistics that are currently available (2015-2019), so the expected impact of the coronavirus on the European market and global supply chains has not been taken into account in this report. For the latest news in your sector, please check [CBI News](#).

The pandemic is expected to affect demand for HDHT products. The current crisis has resulted in very low consumer confidence, globally. Besides a preoccupation with their health, consumers worry about whether they will have work, and to what extent their livelihood will be under pressure. This obviously does not stimulate the sales in HDHT. Lots of brick and mortar retail in HDHT has had to close (being 'non-essential'), and some may not survive the crisis, financially. As a result, the distribution chain in the HDHT sector is also severely affected.



Between 2015 and 2019, European candle imports increased from €1.5 billion to €1.6 billion, with an average annual growth of 1.6%. Similarly, worldwide candle imports increased from €2.5 billion to €1.8 billion. This means the European market accounts for about two-thirds of the total candle imports.

European candle imports from developing countries (mainly China) performed particularly well in this period, increasing from €257 million to €323 million. Thanks to this average annual growth of 5.9%, the market share of developing countries grew from 17% in 2015 to 20% in 2019. This makes Europe an interesting market for you, as an exporter from a developing country.

Market growth is driven by the rising popularity of candles providing dim light and fragrance to enhance the

ambience, as part of the “home sweet home” trend. The increasing use of scented candles in line with the “wellness” trend can further stimulate the market. For more drivers of demand, see ‘which trends offer opportunities?’ below.

### Tip:

For more information on the short- and long-term impact of the coronavirus, see our study on [how to respond to COVID-19 in the HDHT sector](#).

## 3. Which European countries offer most opportunities for candles?

The larger Western European economies are the main importers of candles. However, importers in these countries generally sell their products across Europe. Your best strategy therefore is to focus on a particular segment, rather than a specific country.



In 2019, Germany remained the main European market for candles, accounting for 23% of imports, followed by the United Kingdom (16%) and the Netherlands (11%). Together, they accounted for more than half of the total European candle imports. Smaller markets with a share of less than 10%, but still in the top six leading importing countries, are France (7%), Belgium (6%) and Austria (5%).

However, you should be aware that in the European market, countries have different roles. You can make a rough distinction between countries that are mainly importers and countries that are mainly manufacturers. Most Western European importers do not just sell their products in their own country, but across Europe. This explains why in HDHT, small countries like Denmark and the Netherlands often import much more than the demand in their own domestic market.

In terms of marketing, you need to realise that countries are not markets. In HDHT, there are different market segments, ranging from low to high (also see our study on [market entry](#) for candles). Every European country has these segments, although their size may vary per country. Therefore, it makes much more sense for you to identify a particular segment in your product group and connect to the importers and distributors in that segment, instead of a specific country. These distributors will then sell in that segment across Europe.

### Real private consumption expenditure

An important indicator for growth in demand is real private consumption expenditure. The HDHT sector, which includes the candle market, is sensitive to economic cycles. When economic circumstances and prospects are dim, consumers postpone buying non-essential items. On the other hand, when economic conditions are favourable, private consumption expenditure and purchases of non-essential HDHT products surge.

In recent years, the leading European markets showed an annual growth in real private consumption expenditure of around 1-3%. Forecasts for the coming year continued this positive trend, until the recent coronavirus outbreak. Now, predictions are uncertain. Because the HDHT market responds to economic cycles, demand is expected to reflect any potential economic fluctuations.

### Germany is the largest European importer

Between 2015 and 2019, German imports slightly fluctuated around €360 million. With €162 million, Poland supplies almost half of these imports. This illustrates how Polish candle exporters can benefit from being so close to the Western European market, especially to Germany.

About 13% of these imports come from developing countries such as China and Vietnam. Although this percentage is less than the European average, at €46 million the actual import value from developing countries is the second largest, after the United Kingdom's.

Germany is the largest economy in Europe, home to 19% of the European Union's population. The German economy is widely considered the stabilising force within the European Union, historically showing a higher growth rate than other member states. In fact, according to the Economist, [Germany will be the first major European economy to recover from the current crisis](#). This expectation is based on both the country's healthy finances before the crisis and its large industrial sector, the reboot of which also benefits suppliers abroad.

In addition to having a large domestic market, Germany is also a key trade hub within Europe. Combined with a good-sized market for developing countries and the forecast economic recovery, this makes Germany an interesting market for you.

## **Brexit may negatively impact the United Kingdom's demand**

In 2019, British candle imports somewhat recovered from a considerable drop in 2018. Thanks to an 11% increase, they bounced back from €225 million to €251 million. Although the average annual growth rate between 2015 and 2019 was negative at -3.7%, the increase in 2019 is encouraging.

Even more encouraging is the fact that the United Kingdom actually considerably increased its candle imports from developing countries, from €84 million in 2015 to €105 million in 2019. With this average yearly growth of 5.9%, developing countries increased their import market share from 29% to 42%, which is double (!) the European average. Most imports come from China (€79 million) and Poland (€32 million). A developing country with a particularly strong performance is Vietnam, which increased its supplies from €10 million to €16 million.

[The United Kingdom's withdrawal from the European Union](#) may have a major impact on consumer confidence. The uncertainties related to Brexit, the recent coronavirus outbreak and the resulting economic slowdown are expected to affect the consumption of HDHT products, including candles. As such, your prospects for the next few years may be modest, despite the high candle import share of developing countries.

## **The Netherlands is an important European trade hub**

Dutch candle imports increased from €151 million in 2015 to €179 million in 2019, at an average annual rate of 4.3%. This performance reflects a long period of consecutive economic growth for the Netherlands. Almost a third of these imports come from Poland, the leading supplier. Belgium follows with 20%.

Imports from developing countries increased at an even stronger rate of 7.9%, from €26 million in 2015 to €36 million in 2019. This represents a 20% share, which is comparable to the European average. Most of this is sourced from China, with an import share of 16%.

Besides Brexit and the coronavirus outbreak, the international trade disputes between the United States and China and between the United States and Europe may have a big impact on the Netherlands. Because the country heavily depends on international trade, negative developments in that area strongly affect its economic performance. This, in turn, would affect candle consumption.

Since the Netherlands is a big re-exporter of goods, the impact on the imports of HDHT products goes beyond the country itself. As such, developments in other European countries will also play a role. Given the economic slowdown in Europe as a whole, a significant increase in imports is not expected for the coming year. However, its strong performance as a trade hub does continue to make the Netherlands a relatively interesting market.

## **France increases its imports from developing countries**

French imports increased from €93 million in 2015 to €110 million in 2019, at an average annual rate of 4.4%. The imports from developing countries showed even stronger growth, increasing from €28 million in 2015 to

€37 million in 2019 at an average rate of 6.9% per year. This adds up to a 34% share in 2019, which is considerably above the European average.

France's leading candle suppliers are China (28%), the Netherlands (22%) and Belgium (10%). This indicates that France may import even more from developing countries, but does so via European trade hubs rather than directly.

The economic growth in France has slowed down after a gradual recovery. Global uncertainties and the effects of social unrest weighed on consumer confidence and the consumption of non-essential products. This is expected to be reflected in the country's candle imports in the coming years.

## **Belgium strengthens its position**

With some fluctuations, Belgian candle imports increased from €74 million in 2015 to €91 million in 2019 at an average annual rate of 5.2%. Belgium's leading candle supplier is Poland, with almost a third of the import market. This shows that Poland has become a strong partner for the key European trade hubs. About a quarter of Belgian candle imports are supplied by the Netherlands, suggesting this may be a good route to enter the market.

Belgium more than doubled (!) its candle imports from developing countries from €10 million to €22 million, adding up to a 23% import market share. As almost all developing country imports into Belgium come from China, direct opportunities for other developing countries may be limited.

Like the Netherlands, Belgium is an important trading centre in Europe. This means that again, given the economic slowdown in Europe as a whole, a considerable increase in imports is not expected for the coming year.

## **Austria mainly imports via European trade hubs**

Since 2016, Austrian candle imports have been relatively stable at around €80 million. However, imports from developing countries are negligible, with an import market share of a mere 1.7%. Almost all of this comes from China. Instead, Austria mainly imports from European trade hubs Germany (61%) and the Netherlands (17%). This suggests that indirect trade via those countries could be your best way onto the Austrian market.

### **Tip:**

Do not just focus on specific European countries. Instead, identify the appropriate segment and let your buyers distribute your products across Europe within this segment.

## **4. What trends offer opportunities on the European candle market?**

Candles play a prominent role in three dominant consumer trends in HDHT: Home Sweet Home, Wellness and Sustainability. For more information, see our study about [trends for HDHT](#). We will outline each trend below, starting with the potential effects of the recent coronavirus outbreak on the HDHT market.

### **The coronavirus and trends in HDHT and candles**

It is hard to predict what direction consumption will take in HDHT in the short and longer term. However, early trends that are visible to all, are:

- more consumers are ordering more online
- consumers are more acutely aware of the need to stay in good shape, both physically and mentally
- consumers have spent more time at home and are looking for entertainment and coziness
- consumers are renovating and redecorating the home, including the garden

These current trends can be considered a continuation of consumer trends that were already ongoing; some may be accelerated.

A major factor in consumer spending will be the disposable income consumers may or may not have after the pandemic, which is expected to result in an economic recession and a resulting loss of jobs. The worry about this is expressed by consumer confidence, which is almost historically low.

### **Tips:**

Follow the international news, for example in the [Economist](#), especially concerning how global consumers change their consumption, work and travel patterns. Reflect on the possible short- and long-term effects on HDHT and your business.

See how big global companies are responding to the pandemic, both to contribute positively to the damage that the crisis does to society, and to protect themselves from the loss of income they are also experiencing. What innovations can help you in your domestic and international marketing, post-crisis? For example, [Ikea responded to the crisis](#) by producing personal protective equipment and assisting suppliers with loans, swift invoice payments and help with accessing government support packages.

## **Home Sweet Home: Cocooning with candles**

In this trend, the home functions as a shelter for a (slightly older, [baby boomer](#)) consumer, for whom the political, social and economic uncertainties in the world are becoming a bit too much to deal with. This consumer makes the home a retreat with a comfortable, quite luxurious interior – a world in itself, as it were.

However, Home Sweet Home is also about families or groups of friends enjoying each other's company, entertaining each other, cooking and dining, or just relaxing. These two aspects of inside living have been strengthened by the COVID-19 pandemic.

Candles are vital components in making consumers feel at home, in the following ways:

### **Atmosphere and mood**

When the lights are dimmed and the music is on, candlelight can add to an atmosphere of togetherness, romance and warmth. Design features in candles that are particularly important in creating a specific mood and style in the interior are shape (taper, pillar or 'fancy'), finish ('rustic' or gloss), colour and scent.

### **All over the house**

Consumers now use candles to create ambience all over the living room: the dinner candle goes into the silver candleholder on the table, the tea light into small glass containers on the mantelpiece and a bulky pillar on its stand on the floor. And they can be found in other parts of the house too, from the bedroom to the bathroom.

### **Celebration**

The feeling of connectedness that is so much part of Home Sweet Home is particularly strengthened during

moments of celebration. Candles can brighten up special occasions, such as:

- Christmas, or other holidays
- personal celebrations, such as birthdays or weddings
- the tea-drinking ritual, which often includes tea lights (in attractive holders)

## The ideal gift

Gift-giving is connecting with a person that is near to you. Candles have become perfect gifts, especially when the giver can customise their candle according to the favourite colour or scent of the receiver. Consumer packaging can add value in adding a further message or story, which is also possible when candles are poured into a nice container.

Picture 1:



## Brand story

An older, slightly wealthier consumer may be quite open to the status associated with having a branded product. In candles, branding is an established form of marketing communicating. The original brand stories came from European manufacturer brands with a great heritage, such as [Cire Trudon](#). Now, newer, lifestyle brands such as Anthropologie also tell their brand story, not just in their lines of candles, but across their full collection of home items.

Home Sweet Home is an enduring trend, and the underlying need to connect to one's fellow human being is a deep-seated driver. As we have seen, the applications for candles are plenty, ranging from gifting to celebration. This makes the product group a solid but competitive market segment. New entrants will need to differentiate and there seems to be room to do so based on 'origin'.

### Tips:

Think of rituals and product ingredients (especially scents) that have their basis in your own culture and could be adapted to appeal to a more global consumer.

Emphasise the gift potential of your candles, for example by highlighting the origin, scents or accessories you pack with your candles. Think of items that are specific to your area, such as bark, seeds, shells or beads. A key aspect of this is to add containers, or actually produce your candle inside a container. Make sure your packaging matches the design value of your candles and actually adds value.

Offer a high level of craftsmanship in moulding and/or hand-finishing if you wish to enter the market for fancy candles. Since candles have moved away so much from purely functional items to desirable decorative accessories and gifts, fancy candles in particular have reached a high level of sophistication when it comes to decoration and surface techniques (such as embossing, bas relief



effects, accessorising), textures and colours.

Clearly communicate your values and stories, particularly on your website. As a developing country exporter, you are probably not or will likely not become an established brand in the competitive European market. However, your stories and identity elements are very welcome, even if you supply to an existing, established European brand name. They might not use your [visual brand identity](#), but your content will add value to their brand.

Make sure you offer a wide range of shapes, sizes and colour options, to appeal to both the older and younger customer bases that we find in Home Sweet Home.

## Wellness: candles and happiness

To boost mental and spiritual wellness, European consumers are increasingly including spa and yoga practices in their lifestyles. Candles contribute a lot to these rituals aimed at health and happiness. This is due to the calming, relaxing or invigorating effect of candles on the consumer, facilitated by scent and colour. Thanks to these properties, tea lights and small pillars in particular have found their way into the bathroom, bedroom and any other area used for contemplation and wellness.

Picture 2: Colourful and scented candles are a perfect fit with the wellness trend and spa practices



## In search of nature

A key part of this wellness trend involves urban consumers getting in touch with nature, both inside and outside the home. Closeness to nature makes them feel healthier, more relaxed and less concerned about the environment. One way this has been done is by breaking down the barriers between the indoors and outdoors and by using natural materials. Materials and shapes that are similar to those found in nature (biomimicry) are also being used.

Sparked by this trend, the garden has become an extension of the home. The lines between the indoor and outdoor areas of the home are blurring, so the garden looks like part of the living room. This has given sales of garden candles a considerable boost.

## Playful candles

Play is a deeply rooted human desire, bringing the consumer into a light-hearted, relaxed mood. Today's consumers, both young and old, play a lot. They do so in private as well as in public places, both online and offline, to acquire new insights at work and at school, in teams, alone or with friends in person or virtually.

Fancy candles occupy a firm place in the product group of candles, adding an element of playfulness. With fancy



candles, anything goes: bright colours, surprising shapes, or an unexpected smell. The buzz word is fun! Especially at Christmas time, candles are often symbolic. We see sets of wax angels, a complete Disney story in candles, or tiny wax houses that burn from the inside for a nice effect. These days, figurative or fancy candles are rapidly becoming a decorative accessory in their own right, competing with ceramic or wooden figurines, for instance.

Picture 3: Figurative candles



### Tips:

To cater to the wellness needs of consumers, style is extremely important. For a spa application, a neutral colour palette consisting of light tones often works best in support of basic cylindrical shapes. For the playful side, bright and expressive colours and shapes are needed.

To create a sense of closeness to nature, use natural tones, nude or earthy colours and, as an option, scents that reminds one of the forest, countryside or plants and flowers.

See our article on how [the COVID-19 crisis boosts the importance of the wellness trend in HDHT](#) for more information.

## Sustainability: People and planet

Social and environmental sustainability are rapidly becoming a more central consumer need in HDHT and in the product group of candles. The internet has not only made global consumers much more aware of production processes and working conditions, but also more vocal in their need for greater transparency. Millennials (born roughly between 1981 and 1996) will soon be the dominant consumer group. They are listing climate change as their main concern and are used to 'voting with their wallets', that is: expressing their preferences through their consumption. They buy products that contribute to a better world.

Sustainability relates to consideration for social and environmental issues in the value chain. This includes the use and sourcing of raw materials, the processing and manufacturing phase, transport, consumer usage, waste and disposal.

Candles are usually produced in a controlled, factory environment and a variety of SA- or BSCI-based forms of social compliance are generally becoming the norm. In the more hand-made segment, candles are traditionally a popular fairtrade product. WFTO is a major certification in this part of the industry.

## More eco-friendly materials

There has been much debate about replacing paraffin with renewable raw materials, as paraffin wax is derived from petroleum products. The rising prices of petroleum and the declining oil and gas industry due to concerns about non-renewable energy sources, are expected to negatively impact the candle market.

Palm wax is an option, but palm oil is not automatically sustainable. The [Roundtable on Sustainable Palm Oil \(RSPO\)](#) was created to develop and implement environmental and social standards for the industry. Although still under scrutiny for its effectiveness, its system of certification is acquiring many followers, not only in the candle industry but also in the food and cosmetics industries, for example.

Slowly but surely, claims related to plant-based ingredients and organic wax are coming in, in a bid to offer a more sustainable proposition in candles, a product group that, until now, has primarily focused on product quality. Beeswax candles have secured a niche position in the product group, and their proposition often consists of a mix of natural ingredients and handmade.

Picture 4: Beeswax candles with a glass container and paper packaging



### Tips:

Add some “eco-friendly” elements to your product range, related to social and/or environmental sustainability. Do make sure that any claims you make can be verified by showing your recipes and processes and/or certification. If you are also offering consumer packaging, make sure that it is environmentally sound, such as by using recycled paper or other re-used or biodegradable materials.

Clearly communicate your specific people or planet values and practices. These need not be perfect, but if you give your buyers specific information, you can help them greatly.


If your importer is interested, consider obtaining certification. For more information on this, see our studies on [market entry for candles](#) and [buyer requirements for HDHT](#).

[Wax Industri Nusantara](#) from Indonesia is an example of a company that has successfully tapped into these trends, both by producing candles with a high emotional value and by integrating sustainability into the core of its business principles.


This study was carried out on behalf of CBI by [Globally Cool B.V.](#) in collaboration with GO! GoodOpportunity.

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