

8 tips for doing business with European home decoration and home textile buyers

The European market for home decoration and home textiles is very competitive and diverse. If you want to succeed on this market as a supplier from a developing country, there are many aspects to take into consideration. In this study we have collected some key tips on how to deal with the business culture, selling points to include in sales pitches and tips on quotes and pricing strategies.

Contents of this page

1. [Communicate clearly and honestly with your buyers](#)
2. [Engage in personal contact](#)
3. [Show buyers you are committed to their business](#)
4. [Write a professional quotation](#)
5. [Include unique selling points in sales-pitches and marketing materials](#)
6. [Comply with the requirements of buyers](#)
7. [Look for government agencies and non-governmental organisations that are active in supporting export growth](#)
8. [Read our additional studies regarding exporting your HDHT products to Europe](#)

1. Communicate clearly and honestly with your buyers

Successfully doing business on the European home decoration and home textile (HDHT) relies heavily on successful communication. Communicating clearly and honestly allows you to manage expectations and avoid misunderstandings between you and your buyers.

Language

Doing business with European buyers in the HDHT industry requires good knowledge of the English language. If you share a language with your European target market (such as France or Spain), this may give you a competitive advantage. Often however, English is a second language for both you and your European buyer. This makes a good communication style extra important.

Communication style

Clear and honest communication is key to a good business relationship. It can be fun and refreshing when you and your buyer have different backgrounds, as long as your business communication is clear. European home decoration buyers usually communicate quite directly, and they expect the same kind of clarity from you, especially when things are not going as expected. For example, if you encounter delays in production or quality issues, you have to make sure to inform your buyer as soon as possible. Let them know reason for the delay and when they can expect your delivery instead. You can also offer alternatives.

European buyers generally expect you to respond to emails within a day. If a buyer emails you a complicated request, you should acknowledge that you have received it and ask for time to sort it out.

Tips:

- Communicate in proper English.
- Be to the point, realistic and honest in your communication.
- Be clear about what you have to offer.
- Reply to messages from your buyers as quickly as possible.

2. Engage in personal contact

Digital communication has become very important in communicating with one another from across the globe. They are a particularly good tool to use once you have a well-established business relationship with your buyer. However, do not underestimate the importance of face-to-face contact. Especially when you are communicating with new and/or potential buyers, engaging in personal contact can help you to gain trust and build a long-lasting relationship.

Meet your potential buyers in person so you can share ideas and backgrounds, talk through challenging issues and build a basis of trust. While mailings and emails may seem quick and effective, personal meetings will yield far better business results. A good starting point is to make an appointment with buyers at a trade fair. Buyers often use trade fairs to meet with potential or existing suppliers.

You can also suggest a visit to your buyer's office. The advantage of this approach is that you can meet multiple prospects during one trip. This will reduce travel cost and allows you to combine meetings with catching up on the latest trends at the trade fair. Another option is to invite prospects to visit your country and company. This gives your buyers a good idea of your company, your products and the way you work.

Tips:

When visiting a trade fair, make sure to schedule appointments with potential buyers. Do not plan this too far in advance. You can call several weeks before your visit and mention you will be at the fair.

When inviting potential buyers to your country, make sure you take time for them, give them excellent treatment and provide them with a realistic understanding of what you have to offer.

Find other ways of making your contact as personal as possible if you cannot immediately meet in person. Consider telephone calls, Skype or other VOIP methods.

When communicating with buyers always make sure to exchange precise and correct information and make sure to have a consistent tone of voice.

3. Show buyers you are committed to their business

Buyers find it important that you show interest in their business. They appreciate producers who think along with them, rather than purely focusing on selling products. Hence, find out how you can be of more service to your buyer. This will help you be a better partner and sell more products. Focus on long-term relationships, be proactive, show that you are willing to make an actual commitment and stay involved with the business. Buyers will value this and it will grow your business over time.

Tips:

Show your buyer that you want to make a commitment. This can be done by, for example, pre-stocking part of his basics collection, investing in product development, or tendering with transport agents to get a better deal.

Think along with your buyer. Is there a way that you can take cost-reducing measures, are there alternative raw materials that can be used to reduce cost or increase design flexibility, can you consolidate orders on behalf of your buyer?

Share risks and responsibilities. This can be working capital, testing procedures, cost of certification, exclusivity deals for a specific buyer.

4. Write a professional quotation

Quotation

When you want to offer your goods to a potential buyer, make sure to make a suitable quotation. There are several elements that are important to include in a quotation:

- **Product description:** give a short and precise description of the product that you offer. You do not have to include the complete product specification in your quotation, but you can send it as an attachment to your quotation.
- **Price:** although European buyers prefer to get a quote in euro, the price should be stated in the currency that is most favourable to you.
- **Payment terms:** you can indicate payment terms, but you can also negotiate payment terms later. For example, if your buyer asks for a deferred payment you can negotiate a higher price because you would need to use the service of an export insurance agency.
- **Delivery terms:** indicate the delivery terms in your quotation according to [Incoterms 2020](#). These are internationally recognised terms that define what you and your buyer are obliged to do, and where responsibility lies with regards to the transportation costs, insurance and in event of loss, damage or other situations.
- **Packaging and transport:** indicating type of packaging, size, weight and number of packs in the container. Indicate how many cargo units (such as pallets) are placed into the container.
- **Expiry date:** Date of the expiry of your quote, indicating that the offer is valid until a certain date.

Price list

Your price list should include all product specifications. The product description should be extensive enough to clearly differentiate product a from product b. It should give the buyer a good understanding of the material, dimensions, techniques, colours and other relevant details of your product, illustrated with a picture of the product.

The prices offered in your pricelist should clearly indicate which costs are included. This depends on the incoterms offered. The price can be ExWorks supplier factory, it can be Free on Board (FOB), Delivery Duty Paid (DDP) or Cost, Insurance, Freight (CIF). You can read more on the different incoterms [here](#). The currency should also be specified.

Margins

In the HDHT sector, margins depend on the length of the distribution chain, the market segment and the type of product. In general, the consumer price is approximately 5-7 times the FOB price in the country of origin.

Discounts

You can offer buyers a discount on higher order volumes. This means that the higher the quantity they purchase, the lower the price will be. However, volume discounts are less relevant for companies that make and sell hand-crafted HDHT products.

Prepare your own terms and conditions

When a buyer places an order with you, you enter into an agreement. This agreement includes all kinds of general and special arrangements, as well as provisions, requirements, rules, specifications and standards.

Before starting your negotiations on the agreement with buyers, you should have prepared your own terms and conditions. It is a good starting point for meetings with your buyers. In this way it is clear for your buyer on what terms you would like to do business. It saves you time on basic discussions and avoids misunderstandings. Hence, you will come across as a professional business partner.

Tips:

See our product factsheets to check for indicative consumer prices and price margins in your product category.

Pricing is determined by the value perception of your product in the chosen segment. Once you have chosen your target segment, you must offer what is expected in the segment in terms of the quality of your product, at a price that matches similar products. To determine your price, study the range of consumer prices offered online in your target segment and adjust your price accordingly.

Understand your segment and offer a correct marketing mix to meet consumer expectations. Adapt your business model to your position in the market.

Include your terms and conditions from the very start, when you send your first quotation to a potential buyer. In this way you will already answer questions a buyer may have, and it creates a solid basis for your negotiations.

5. Include unique selling points in sales-pitches and marketing materials

A sales pitch is a talk about the product you are trying to sell. The intention of a sales pitch is to persuade companies to buy your product; it is the starting point to create a professional relationship with your prospect. Your sales pitch should be short and clearly state what you do best, how it can add value for your buyer and what their success will look like as a result of buying your product. You should have it prepared before meeting your potential buyer. A good starting point is defining your Unique Selling Point (USP).

A USP describes the essence of what makes your product better than your competitors. Try to define what distinguishes you from a competitor. You can create your USP around different aspects. There are general USPs. If, for example, your country is known for a specific product you can make use of it and link your brand with the brand of your country. In addition, make sure to highlight a specific area, such as product characteristics, production methods, marketing or a combination of several factors.

Offer a unique product

You can create USPs around the characteristics of your product. For the HDHT market it is important to show that you are authentic. Instead of offering general products similar to others, offer something that is special, unique, distinct. In this way you can get the attention of European buyers. Look for trends in the European HDHT market and see if your product is unique on this point. USPs on product characteristics that buyers might find interesting are:

- Social and environmental-friendly products. More and more consumers opt for products that avoid wasteful consumerism, excess and wasteful materials, and that are fair to the makers. Consumers today are more aware than ever. Professional buyers are quite inclined to give preference to concepts that are sustainable and an increasing number of European buyers demand additional certification schemes such as the [Business Social Compliance Initiative](#) (BSCI).
- Products related to the wellness trend. Consumers search for nature, both in- and outside the home. Closeness to nature makes them feel healthier, more relaxed and less concerned about the environment.

They do this for instance by breaking down the barriers between indoor and outdoor and applying natural materials in furniture or home accessories. They also use materials and shapes that are similar to nature (biomimicry).

- Home Sweet Home is a trend among older consumers that look for safety and security in their own home and making that a perfect, luxurious oasis. Home is also the place where genuine connection takes place with close friends and relatives. This is done by eating and cooking together and by entertainment.

Be transparent

Transparency and the story of your value chain has become very important to consumers. Having a fair trade or other social and environmental certification can be of great value. Also, if you make effort to care for your staff, their families and have created positive spirit inside your company, this can be important to point out at a sales-pitch.

Because of internet and the social media, today's consumer is more aware of production processes and working circumstances. And the youngest consumer group, the Millennials (born between the 1980s and the early 2000s), are particularly used to 'voting with their wallets', meaning they show that they care about social and environmental sustainability by buying from a brand that has superior people-and-planet values.

A good way to promote your product is by using your origin story; it is what you tell people about where your product is made and why you make it. Companies build trust through transparency. As such, adding a marketing story might give you a competitive advantage.

An example of a successful marketing story can be found on www.waxindustri.com. It always is important to show the product first; further clicks go deeper in the product offer. Other pages outline the candle company's techniques and colours and further clicks give further details. The company also shows fair trade values accompanied with a short video. They use professional photos and a simple format throughout the website. This is in line with the DNA of the company and its owners.

Provide excellent service

European buyers and large retailers very much appreciate a reliable supplier that is steady with its delivery. Time to market is also more and more important; customers often expect products to be delivered quickly and as such importers appreciate short lead times. Therefore, if you provide excellent service, quick delivery times and great customer service, you are responsible and you can solve problems quickly, this is a good USP.

European buyers also change their collections increasingly often. As a result, they are looking for shorter lead times and lower minimum orders. This is an advantage for small to medium sized producers, since they are generally more flexible and able to supply smaller quantities in comparison to larger suppliers.

Price

You can also compete on price. If you offer your product at a better price than competitors, it is important to mention that price does not mean that your product is of lower quality. As the HDHT industry is quite broad, look at your niche market and find out whether price is an important factor in your product category. If so, you can mention this as an USP in your sales pitch to European buyers.

Tips:

Before starting with a sales pitch, read about how you can best [create a sales pitch](#) and look for best practices.

Never create your USP alone. Involve all employees of the company to define your USPs. It must be accepted as shared value throughout the whole company.

Make sure to communicate your brand and its USPs consistently on all media used to promote your

product. This includes websites, newsletters and social media platforms.

To find USPs look if you excel at aspects that comply with trends; this can give you an advantage in sales-pitches. Check the our studies on [trends that offer opportunities in the European home decoration and textile market](#) and trends on promising export products specifically.

If you are flexible in production and can supply smaller quantities, emphasise this in your promotion.

6. Comply with the requirements of buyers

A product entering the European market has to comply with mandatory legal requirements. These requirements are mostly related to consumer health and safety. In the HDHT industry they involve anything from making sure no illegally harvested timber products enter the European market to the safe use of electrical fittings for lighting. Some requirements involve the protection of endangered plants and animals.

In addition to the mandatory legal requirements, European buyers often have extra requirements or there are even niche specific requirements like fair trade. Before entering in business with European buyers, spend some time looking at the additional requirements buyers have. This will make it easier doing business with buyers as you are already up to date with their needs and requests; it will give you an advantage.

On the European HDHT market, social and environmental sustainability will make your products stand out. Think of sustainable raw materials and production processes and the impact your company has on the environment, the wellbeing of your workers and society as a whole. An increasing number of European buyers demand the following certification schemes: [Business Social Compliance Initiative](#) (BSCI), [Ethical Trading Initiative](#) (ETI) and Fair Trade.

Tips:

Read our product factsheets for information about requirements for specific promising export products.

Check the European Union's [Trade Helpdesk](#) for information about, for instance, import procedures and customs clearance.

Consult your buyers and prospects for their specific requirements such that you can prepare. They will see your inquiries as a sign of professionalism and commitment.

Make sure to comply with mandatory requirements and, if possible, try to comply with the additional requirements of buyers. It will give you an advantage.

7. Look for government agencies and non-governmental organisations that are active in supporting export growth

In your country or your target market there are often (non-) governmental organisations that support international business activities and can help you with your export. Get into contact with embassies of your country in the target market, chambers of commerce or export promotion agencies to get started with your export activities.

In addition, Business Support Organisations (BSO's) fund export-related activities such as market research,

matchmaking and trade fairs. Look for BSO's that can provide you with the information on the specific market you are looking for. Important BSOs that provide support to export are:

- [Centre for the Promotion of Imports from developing countries](#) (CBI) supports companies from developing countries in exporting to the European market. They offer export coaching projects and publish approximately 300 markets studies every year on the most important market sectors. In addition, they assist European importers that want to find opportunities in developing countries.
- [Swiss Import Promotion Programme](#) (SIPPO) supports BSOs to increase their export-related promotion and services to exporting companies in the area of market intelligence, matchmaking, and networking.
- [Import Promotion Desk](#) (IPD) is a German government funded organisation and seeks to offer sustained and structured promotion of the import of certain products from specific partner countries. It brings together the interests of German importers with exporters in emerging growth markets.
- [International Trade Centre](#) (ITC) is an agency of the World Trade Organisation and the United Nations. It is dedicated to improving the international competitiveness of small and medium-sized enterprises (SMEs) and has the goal to strengthen the integration of businesses from developing countries in transition into the global economy.
- [Enterprise Europe Network](#) (EUN), initiated by the European Commission, helps companies to innovate and grow internationally. Focus areas are creating international partnerships, giving advice for growth and expansion into international markets and providing support for bringing innovative ideas into international success.
- [Open Trade Gate Sweden](#) facilitates trade and aims to increase exports from developing countries to Sweden.
- [World Trade Centers](#) seek to stimulate trade and investment opportunities for international businesses and economic development agencies looking to connect globally and prosper locally. It is represented in 89 countries and therefore has a global network.

Tips:

Check the [export promotion projects and programmes](#) of CBI related to the HDHT sector.

Visit the website or contact the BSO's mentioned above to see if they have interesting export related projects for your target market.

8. Read our additional studies regarding exporting your HDHT products to Europe

- [Tips for Organising your Exports to Europe](#) - this study gives tips on exporting HDHT products to Europe and gives insight in payment terms, export insurance, customs, international transport and packaging.
- [Tips for Finding Buyers](#) - this study gives key tips on what steps to take when searching for buyers on the European HDHT market.

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

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