

Entering the European market for bed textiles

The European market for bed textiles offers good opportunities. As countries that produce in great volumes dominate the lower ends of the market, the middle-high segment is your best option. To target this segment, you can add value to your products through special techniques, craftsmanship and the type and quality of your raw materials. Entering the European market means you need to comply with the European Union's mandatory (legal) requirements, as well as any additional or niche requirements your buyers may have.

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1. What requirements must bed textiles comply with to be allowed on the European market?

What are mandatory requirements?

When exporting to Europe, you have to comply with the following legal requirements:

- General Product Safety Directive
- REACH
- Textile Regulation
- packaging and packaging waste legislation

General Product Safety Directive

Europe's [General Product Safety](#) Directive states that all products marketed in Europe must be safe to use. It provides a framework for all legislation regarding specific products and issues. If there are no specific legal requirements established for your product and its use, the General Product Safety Directive still applies. If specific requirements do apply, the Directive applies in addition to those; it covers other safety aspects which may not have been described specifically.

Unsafe products are rejected at the European border or withdrawn from the market. The European Union has introduced a rapid alert system ([RAPEX](#)) to list such products.

Tips:

Read more about the [General Product Safety Directive in the EU Trade Helpdesk](#).

Use your common sense to ensure normal use of your product does not cause any danger.

Check the [RAPEX database](#) for bed textiles for an idea of what issues may arise. Examples of these issues are the use of prohibited chemicals or products that have long functional or decorative cords, which could lead to strangulation.

Restricted chemicals: REACH

The [REACH regulation](#) (EC 1907/2006) lists restricted chemicals in products that are marketed in Europe. For example, REACH restricts the use of azo dyes in textile products. If you dye your bed textiles, make sure you do not use certain [azo dyes](#) that release any of the 22 aromatic amines that are prohibited. Be aware that the legislation lists the aromatic amines, not the azo dyes that release them.

In addition, REACH restricts the use of certain flame retardants in textiles. These include Tris (2,3 dibromopropyl) phosphate (TRIS), Tris (aziridiny) phosphineoxide (TEPA) and Polybromobiphenyles (PBB), and are prohibited in products intended to come into contact with the skin.

In October 2018, the European Commission announced new limits for 33 [CMR substances](#) (substances that are carcinogenic, mutagenic or toxic for reproduction). These limits will apply per 1 November 2020 and affect textiles such as bedspreads and duvets. They are listed in [entry 72 of Annex XVII](#) and include substances such as formaldehyde, heavy metals and benzenes. In general, the maximum concentration is 1 mg/kg, but there are exceptions.

Tips:

Make sure you comply with the restrictions for the use of chemicals as laid down in the [REACH regulation including the latest amendment EU 2018/1513](#) that will come into force by November 2020.

When dyeing your products, make sure they do not contain any of the azo dyes that release the forbidden aromatic amines. Do not forget to check this with your own suppliers; ask for certified azo-free dyes.

Follow developments in the field of flame-retardants, as new alternatives are being developed. You can do so through the [European Flame Retardants Association \(EFRA\)](#), for instance.

Familiarise yourself with the full list of restricted substances in products marketed in Europe by checking out [restricted chemicals in textile products in the EU Trade Helpdesk](#).

For useful information and tips on REACH check [REACH Annex XVII](#) (a list of all restricted chemicals), [Information on REACH for companies established outside Europe](#) and [Questions & Answers on REACH](#).

Textile Regulation

The European [Textile Regulation](#) states that textile products need to be labelled or marked. Its purpose is to make sure that consumers within the European Union know what they are buying. The regulation applies to all products that contain at least 80% (by weight) of textile fibres. It requires textile products to have a label that states the full fibre composition of the product and, if applicable, the presence of non-textile parts of animal origin. The label should be durable, easily legible, visible and accessible.

If you plan to sell your products in one or more European countries, you must translate the text into all the official national languages where the textile products are made available to the consumer.

There is no European Union-wide legislation on the use of symbols for washing instructions and other care aspects of textile articles. Because consumers do consider care instruction to be important information on a product label, you are advised to follow the [ISO 3758:2012](#) standards on the care labelling code using symbols for textiles.

Tips:

For more information, see the [Frequently Asked Questions](#) about the Textile Regulation.

Know your own product and study the European labelling rules to find out how it should be labelled in Europe. For example, if you use a cotton name, trademark, or other term that implies the presence of a type of cotton, the generic fibre name "cotton" must be used with it. Find out more about [textile labelling rules in the EU Trade Helpdesk](#).

Packaging

Europe has specific [packaging and packaging waste legislation](#). This EU Directive 2015/720 was adopted to harmonise measures concerning the management of packaging and packaging waste and to prevent or reduce its impact on the environment at European level. Buyers may therefore request that you minimise the use of packaging materials (paper, carton, plastic) or to use a different kind of (recycled) material.

Europe also has [requirements for wood packaging materials](#) (WPM) used for transport, such as:

- packing cases
- boxes
- crates
- drums
- pallets
- box pallets
- dunnage

All wood packaging material and dunnage from non-European Union countries must be:

- either heat-treated or fumigated in line with ISPM15 procedures
- officially marked with the ISPM15 stamp consisting of 3 codes (country, producer and measure applied) and the IPPC logo
- debarked

These requirements do not apply to:

- wood 6mm thick or less
- wood packaging material made entirely from processed wood produced using glue, heat and pressure such as plywood, oriented strand board and veneer
- wood packaging material used in trade within the European Union

The objective of this Directive is to prevent organisms that are harmful to plants or plant products from being introduced into and spreading within the European Union. It also regulates imports from third countries in line with international plant health standards. Keep this in mind when you decide on the packaging of your bed textiles.

Tip:

Read more in the [overview of EU rules on wood packaging material](#).

What additional requirements do buyers often have?

Sustainability

Social and environmental sustainability make your products stand out on the European market and buyers appreciate a good story. 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.

Nowadays, an increasing number of European buyers 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 is 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.

In the home textiles industry, organic cotton is becoming an increasingly popular sustainable option. You can obtain certification via [The Global Organic Textile Standard \(GOTS\)](#), although again, mostly niche market buyers demand this.

A recent study by the International Trade Centre concluded that [retailers in the major European markets are putting more environmentally and socially sustainable products on their shelves](#) in all product groups, simply because consumers ask for it. According to the survey, 98.5% of retailers consider sustainability as a factor in their product sourcing decisions.

Tips:

Optimise your sustainability performance. Reading up on the issues included in the initiatives, such as [BSCI](#) and [ETI](#), will give you an idea of what to focus on.

If you can show your sustainability performance, this may be a competitive advantage. For instance with a self-assessment like the [BSCI Self-Assessment for Producers](#), or a code of conduct such as the [ETI base code](#).

For more information, see our special study on [sustainability](#).

Refer to our study about [buyer requirements for Home Decoration & Home Textiles](#) for a general overview of European buyer requirements in the sector.

Labelling

Labels for transport should include information on the producer, consignee, composition and size of the product, as well as the number of pieces, box identification and total number of boxes, and the net and gross weight.

The most important information on the product or packing labels of bed textiles is composition, size, origin and care labelling. For more information and illustrations of product labelling, please refer to the labelling-specific rules for textiles under buyer requirements.

Packaging

Importer specifications

You should pack bed textiles 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. Packaging usually consists of plastic wrapping to protect the fabric from water, solar radiation and staining.

Damage prevention

Properly packaging bed textiles minimises the risk of damage by shocks, temperature or humidity. 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. Packaging therefore usually consists of outer and inner cardboard boxes filled with protective materials like bubble wrap or paper.

Dimensions and weight

Packaging must be easy-to-handle in terms of size 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

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 its 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.

Consumer packaging

Bedspreads and duvet covers are usually displayed in stores without any packaging. In general, consumer packaging can be simple in design, like a simple paper or plastic wrapping. However, especially in the high-end and middle-high segments, bed textiles often come with gift packing and/or in well-designed consumer packaging. For example, a luxurious box with a paper wrapping around the duvet cover inside. The consumer packaging also provides space to explain more about the product's qualities.

Tip:

Always ask the importer's order specifications, packaging and labelling requirements.

Payment terms

The payment term is usually agreed upon with the buyer in the order contract. Payment terms vary from buyer to buyer and are related to the volume and value of the order, the type of distribution partner, whether or not an agent is involved, and what delivery terms apply. In general, the payment term will be 30 or 60 days after receipt of the goods or date of invoice.

Occasionally a deposit or advance payment can be agreed upon. This happens for example in case of Fair-trade business relations. Certain sourcing countries have regulations stipulating 100% prepayment before delivery. This can hamper business, as buyers usually shy away from such costs or will negotiate a harder price deal.

A special form of financial security is offered by Letters of Credit. A so-called LC is often used in first transactions, but it is an expensive system and hence not preferred by European buyers.

The payment terms are the outcome of your negotiations about the risks involved in export trade, particularly the following:

- financial risk (who funds what part of the production and transport process?)
- transportation risk (if damage or loss occurs, who pays?)
- the transfer of ownership (when do the goods change hands?)

A balanced outcome of these negotiations is in the interest of both the seller and the buyer.

If the payment term is not covered in the contract, you can refer to [European Directive 2011/7/EU](#). This Directive protects SMEs against late payment. Although in principle it does not apply to companies outside the European Union, you can use these terms as covered in the Directive as a guideline:

- if no payment term is agreed to in the contract (or General Terms & Conditions), 30 calendar days after receipt of the invoice
- if date of receipt of invoice is not determined, then 30 calendar days after receipt of goods and/or services
- if the invoice is received before the goods and or services, then 30 calendar days after receipt of the goods and or services
- if a verification or acceptance procedure is agreed to with regard to conformity, then 30 calendar days after the date that procedure is completed
- a verification or acceptance procedure may not take longer than 30 calendar days
- payment terms in Europe that are set in a contract are not allowed to take any longer than 60 calendar days unless otherwise expressly agreed

Tips:

Carefully study the payment terms offered by your (potential) buyer, especially the number of days for delayed payment.

Always include the payment term in your negotiation in relation to the price, where an advance payment can justify a lower price. On the other hand, a long credit period can justify a higher price.

Study [Directive 2011/7/EU](#) regarding payment terms and late payments regulations in case payment terms are not covered in the contract.

Delivery terms

Delivery terms depend on the type of distribution partner and their preferences regarding physical distribution. Importers generally prefer FOB (Free On Board) or FCA (Free Carrier) arrangements.

FOB is restricted to goods transported by sea or inland waterway. It means that the seller pays for transportation of the goods to the port of shipment, plus loading costs. The buyer pays the cost of marine freight transport, insurance, unloading, and transportation from the arrival port to the final destination. FCA can be used for any transportation mode. In this type of arrangement, the seller fulfils his obligation to deliver when he has handed over the goods, cleared for export, into the charge of the carrier named by the buyer at the

named place or point.

Retail multiples can ask for CIF (Cost Insurance Freight). That means that they will ask you to include the shipping and insurance charges in your quotation. Small retailers may go a step further and ask you to arrange that the goods will be delivered to their doorstep via a DDP (Delivered Duty Paid) arrangement. For importers who are consolidating orders in your country, Ex Works terms are often best.

Details about the rights and obligations of the buyer and the seller under the respective terms can be found in the [Incoterms 2020](#).

Tips:

Study your and your buyer's rights and obligations for the different Incoterms and make this part of your negotiation.

For a more elaborate overview of the various terms and conditions, and how to work with these, also see our study on [terms and conditions](#).

What are the 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 bed textiles is labour intensive, fair trade certification can give you a competitive advantage.

Common fair-trade certification schemes are from:

- [World Fair Trade Organisation](#) (WFTO)
- [Fairtrade International](#)
- [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.

Sustainable textile certification

While sustainability is gaining ground, the actual use of certification is still not common in this sector, apart from organic certifications that are becoming widespread. As this is a means of demonstrating sustainability, there is an increasing interest from buyers.

There are several eco-labels used for textiles:

- [The Global Organic Textile Standard \(GOTS\)](#) is a textile-processing standard for organic fibres. It ensures

environmental and social responsibility throughout the production chain of textile products.

- [OEKO-TEX](#) Standard 100 certification guarantees that no hazardous chemicals are used in the production of textiles. It provides textile and clothing companies with more transparent supplier relationships and facilitates the flow of information regarding potential problematic substances.
- The European Union's [Ecolabel](#) seeks to minimise products' environmental impact by looking at the use of environmentally friendly chemical options. The label is awarded only to products with the lowest environmental impact in a product range.
- The voluntary [Nordic Swan eco-label](#) is used in Sweden, Norway, Finland, Denmark and Iceland for textile products.

Tips:

Check the possibility of sourcing organic cotton. Textile products that contain a minimum of 70% organic fibres can become [GOTS certified](#). The easiest way is to use certified organic cotton yarn if you are weaving the fabric yourself, or certified organic cotton fabric if you are into CMT (Cutting Making Trimming) only.

Read more about [GOTS](#), [OEKO-TEX](#) and the European Union's [Ecolabel](#) on the ITC Standards Map.

Determine which certification programme would be the best fit for you and apply if possible.

Woolmark

Woolmark certification provides consumers with guaranteed wool fibre content and an assurance of quality. It contains specific standards for several product groups, including bedspreads.

Tip:

If you supply woollen products, study [how to become a Woolmark licensee](#), as well as the Woolmark specifications for [woven](#) and [knitted](#) bedspreads.

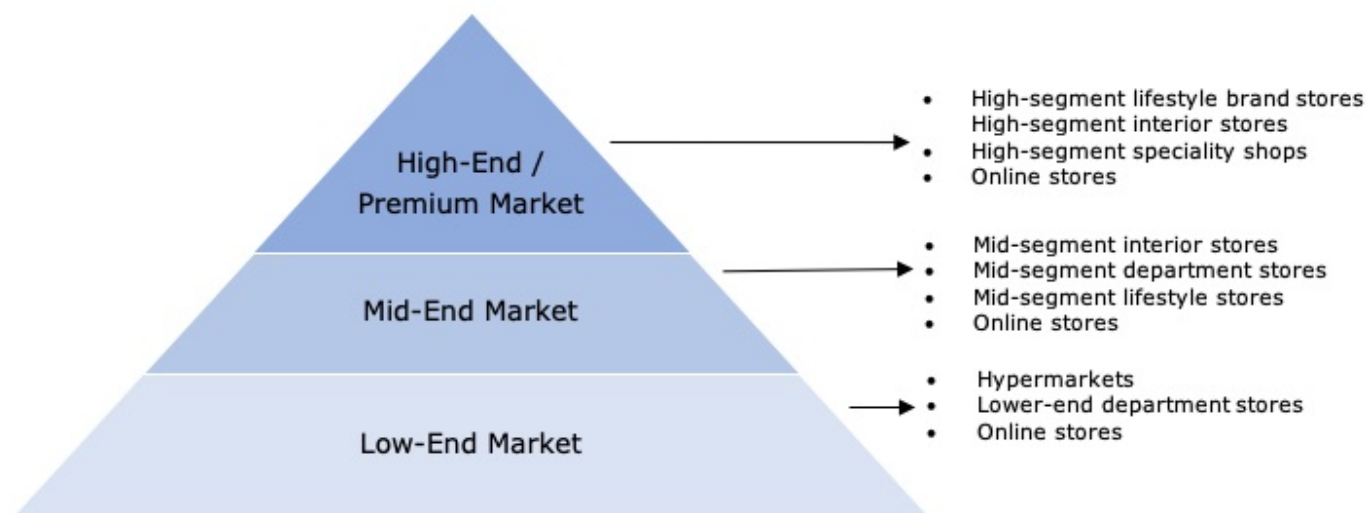
2. Through what channels can you get bed textiles on the European market?

The channels through which bed textiles are put on the European market follow the traditional patterns: import takes place via importers/wholesalers that supply to retailers. Larger retail chains often bypass the importers/wholesalers and import themselves. Nowadays, online platforms are also becoming increasingly prominent. The bed textiles market is segmented into low, mid and high-end segments. Below we will highlight both the channels and segmentation of the bed textiles market.

How is the end market segmented?

The bed textiles market is segmented into low, mid and high-end segments.

Figure 1: Bed textiles segmentation in Europe



Low-end market

In the low segment, simple designs and inexpensive bed textiles are common. This segment is dominated by products made of man-made fibres, such as polyester, or blends of these such as microfibre. Sometimes the man-made fibres are blended with cotton, but there are hardly any bed textiles available made of 100% natural fibres in the low-end segment.

Mid-end market

In the middle segment, bed textiles are more often manufactured with sustainable raw materials and are more fashionable than in the low-end segment. This segment follows trends, mainly through design and colour.

At the higher end of the mid-market segment, craftsmanship, natural or sustainable values and branding play a larger role. This mid-high segment offers you the most opportunities. To appeal to these consumers, you can add value to your bed textiles through handmade craftsmanship.

High-end / premium market

In the high-end (premium) segment, bed textiles offer a better raw material quality, while designer quality is common.

Through what channels do bed textiles end up on the end-market?

Importers and wholesalers are the main channels through which bed textiles end up on the end-market. Online platforms, such as online marketplaces, social media and price comparison websites are becoming increasingly important as well. In some cases, buying agents play a role. Below, we will highlight the main actors in the market for bed textiles.

Importers/wholesalers

Importers/wholesalers sell products to retailers in their own country or region, or re-export to the broader European continent. Some European markets are therefore supplied by wholesalers/importers from other European countries (internal European trade). Supply to hotels and spas is a secondary distribution flow for European importing wholesalers.

These importers/wholesalers take care of the import procedures. They take ownership of the goods when they buy from an exporter (as opposed to agents), taking on the risk of the onward sale of the products themselves. Developing a long-term relationship can lead to a high level of cooperation on appropriate designs for the market, new trends, use of materials, type of finishing and quality requirements.

Direct sales

Some retailers, especially the larger chains, are importing directly from their suppliers in developing countries. Many large retail chains even have their own buying offices in developing countries. Others, mainly the smaller independent stores, order in Europe from wholesalers.

Retailers come in many sizes: large and part of a chain, or small and independent. There is a tendency for consolidation in European retail, with large retail brands becoming more spread out over Europe and becoming more lifestyle-centred (offering home decoration and textiles as well as fashion accessories and furniture).

Buying agents

Buying agents do not import, but they represent European buyers in the sourcing country. Sometimes, agents have a more limited role; for instance, checking the quality of the shipments in your warehouse on behalf of a specific importer or checking the codes of conduct that exporters agreed with the buyer. Agents can work individually or as part of purchasing companies. They mostly act on the base of commission.

E-commerce

E-commerce in the HDHT sector 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 HDHT items. Relatively small and lightweight items such as bed textiles are especially suitable for this.

Tips:

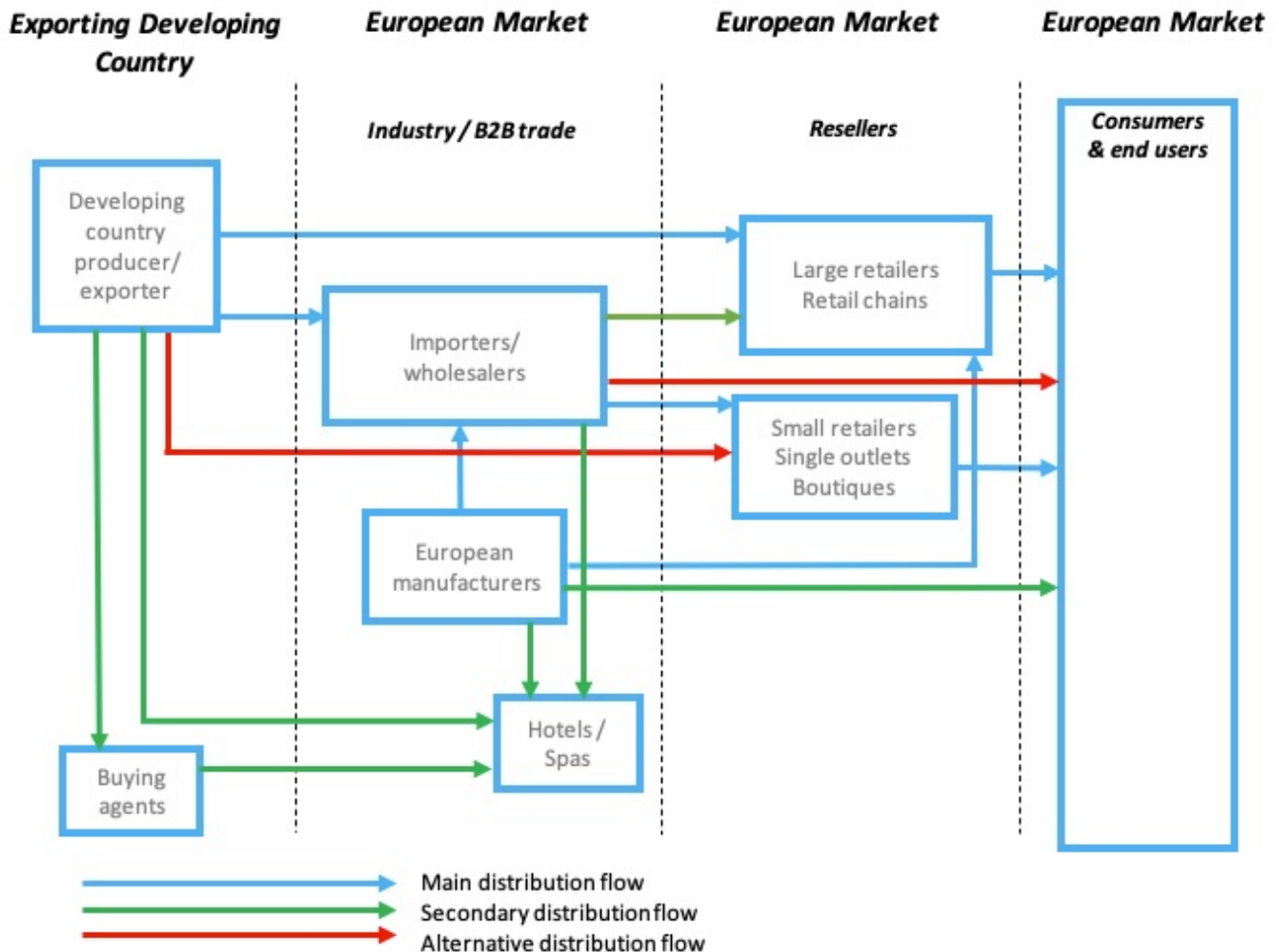
To find potential buyers of your bed textiles, search the list of exhibitors or visit the main trade fairs in Europe: [Ambiente](#) - Frankfurt (February), [Heimtextil](#) - Frankfurt (January), [IMM](#) - Cologne (January), [INNATEX](#) - Hofheim (January and August), [Maison et Objet](#) - Paris (January and September), [Nordstil](#) - Hamburg (January), [Springfair](#) / [Autumnfair](#) - Birmingham (February and September) and [Tendence](#) - Frankfurt (August).

Search the list of members of associations to find potential buyers, such as the [European Apparel and Textile Confederation](#) (EURATEX), with a [member directory](#).

See our [Tips for finding buyers](#) on the European HDHT market.

For more information about trading directly with smaller retailers, see our special study about [alternative distribution channels](#). See our special study about [E-commerce in Home Decoration & Home Textiles](#) for more information on online retail.

Figure 2: Trade channels for bed textiles in Europe



What is the most interesting channel for you?

Wholesale importers are the main channel between exporters in developing countries and European retailers. They are interesting if you want to develop a long-term relationship and they usually have good knowledge of the European market. They can provide you with valuable information and guidance on European market preferences.

However, as the market is becoming more and more competitive, large retailers are increasingly importing for themselves instead of through European wholesale importers. The obvious advantages are cutting out the margins of the wholesaler and reducing delivery time to the market. In the lower-end market segments, the self-importing retailers might want to drive a much harder bargain with you. However in the mid-high segment, which offers you the most opportunities, price is less of an issue.

Smaller, independent European retailers continue to purchase mainly from domestic wholesalers/importers. As in other European market sectors (such as food or clothing), independent HDHT retailers struggle to compete with retail chains. They need to differentiate on value-added service, as well as specialised offers and authenticity. They typically prefer small order quantities per item, small total order volumes and delivery to their doorstep, with a limited likelihood of repeat orders. You need to calculate if this is cost-effective for you.

The trend of direct sourcing is expected to continue in the future and may create more opportunities for you. The pool of buyers may increase if more retailers become importers, possibly resulting in an improvement of your bargaining position. Importing retailers order for their own shops and can therefore place orders much more quickly than importers/wholesalers, who first need to show samples to their retailers before exporters receive their orders.

Tips:

Consider targeting retailers directly to improve your bargaining position and increase your chance to close deals faster.

Relate your offer and terms to the targeted retailer (large/small). Ask your existing buyers how they operate if you are unsure. The better informed you are about this aspect, the better you will be able to set prices.

For more information on the pros and cons of dealing directly with smaller retailers, read our study on [alternative distribution channels](#).

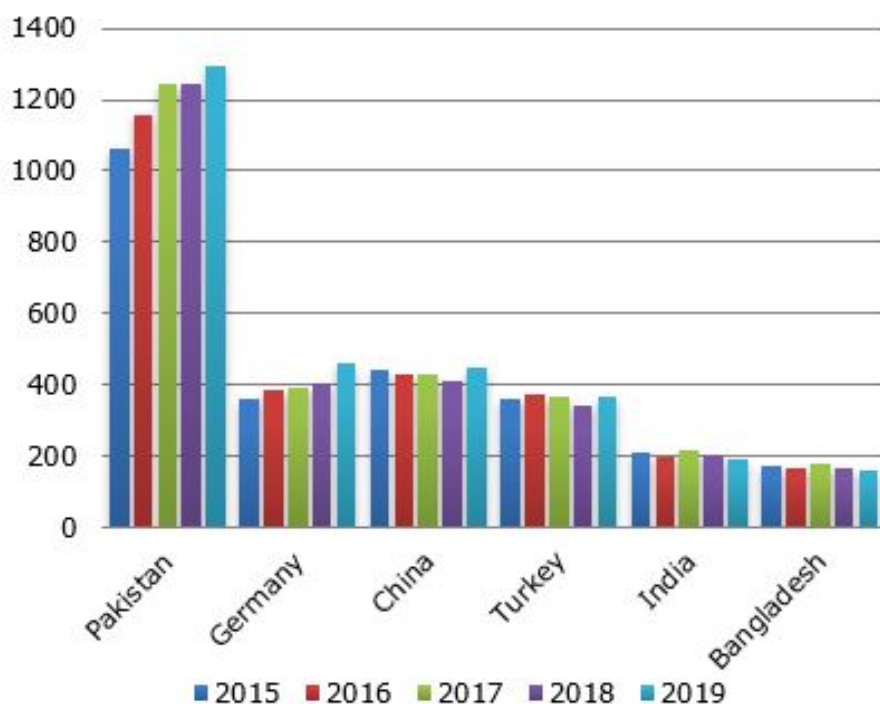
Offer suitable services such as fast delivery and after sales support to build a relationship based on mutual benefits.

When you are participating in international trade fairs, especially within Europe, make sure that you have a policy for small, independent retailers coming to your booth. If you choose to sell to them, you must have appropriate terms of trading (such as low minimum order quantities, delivery to the doorstep of the retailer or pre-stocking).

3. What competition do you face on the European bed textile market?

The recent [outbreak of the coronavirus](#) and the measures taken against it worldwide already have 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). Therefore, the expected impact of the coronavirus on the European market and global supply chains have not been taken into account in this report. For the latest news in your sector, please check [CBI News](#).

Figure 3: Main bed textile suppliers to Europe (in million €)



Source: Trademap (2020)

As seen in Figure 3, Pakistan is by far the biggest supplier of bed textiles to Europe. Germany and China are the second and third largest supplying countries and show somewhat similar values. Turkey, India and Bangladesh are next on the list.

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

The European producing countries are located for the biggest part in the Eastern part of Europe. This is mostly because of their closeness to the core European market and the favourable labour cost. This sometimes makes them a good alternative for sourcing from the Far East.

In general, the Western European countries are mainly re-exporters, the Far East countries are the manufactures and Eastern European countries are the new manufacturers. Mass-produced bed textiles are segmented in the lower end of the market and produced in the most cost-effective country. You, as an exporter from developing countries, are not competing with these countries, as your focus should be on the mid segment of the market. Western European countries could therefore be interesting trade partners for you.

Which countries are you competing with?

Pakistan is Europe's main supplier

In 2019, Pakistan's total supply of bed textiles to Europe was €1.3 billion. With 31% of the total supply to Europe, Pakistan is the main producer of bed textiles. The high share and the upward growth trend make Pakistan the largest competitor for exporters.

Pakistan has cheap and plentiful labour and is a high-volume, low-pricing sourcing hub in Asia. It traditionally is one of the leading producers of cotton in the world and has a large spinning capacity to produce textile products from cotton. As such, Pakistan has a competitive edge in the production of cotton. Also, Pakistani producers have the wider power looms that are required for efficiently manufacturing bigger width textiles for bedding. To compete with Pakistan suppliers, you can differentiate by moving away from the low-priced, mass-produced products and offering bed textiles in the mid-high segment instead. A good way to do this, is to focus on quality, design and sustainability.

Germany is an important European trade hub

Germany is the second largest supplier of bed textiles to other European countries. The total supply grew from €361 million in 2015 to €460 million in 2019; thereby reaching a share of 11% of the total supply to Europe.

Germany is the only European country in the top 6. The country benefits from its proximity to the market and is able to offer short delivery times. However, as in most Western European countries, its high-cost workforce makes production relatively expensive and mainly suitable for higher-end markets. This means that a lot of Germany's supplies to the European market are actually re-exports of products manufactured in other (developing) countries. This role as a European trade hub is further illustrated by the country's position as leading importer of bed textiles.

China offers bulk and low-cost production

China ranks third on the list of the largest suppliers of bed textiles to Europe. Between 2015 and 2019, its supplies to Europe fluctuated. With a value of €448 million, China accounted for almost 11% of the total European supply of bed textiles in 2019, showing similar figures to Germany.

China's strengths are its low-cost workforce and nearby raw materials, as well as lower-cost and more frequent

shipping to Europe than other Asian countries. As product development and creativity are not the core strengths of the Chinese manufacturers, the country mainly targets the low- to medium-end market.

Turkey benefits from its central location

Turkey is comparable to Germany and China in terms of value, reaching a total value of €363 million in 2019. This amounts to a European import share of 8.8%. The country's strengths are its low-cost workforce and central geographical location for Europe, which makes emerging manufacturing locations in Turkey more attractive primarily based on cost.

India is one of the largest cotton producers

India is a relatively small producer compared to the other leading suppliers. The country has skilled labour available at equal or lower cost compared to China. India is also one of the biggest cotton producers in the world which gives manufacturers direct access to high-quality cotton for relatively low prices.

Bangladesh faces strong competition

Like India, Bangladesh is a relatively small producer. The country is considered a low-cost producer, mainly due to the skilled labour available at lower cost. However, competition from neighbouring countries like India and Pakistan is strong. Unlike these countries, Bangladesh does not have local access to cotton. Bangladesh' exports to Europe were fairly stable in the last 5 years, giving the country a relatively small share of 3.8%.

Which products are you competing with?

Sarita Handa - India

[Sarita Handa](#) is an Indian company that targets the (lower) high segment. It capitalises on the quality of its materials and finish ("100% cotton, so your skin can breathe and you can be comfortable" / "smooth, yet sturdy craftsmanship"), as well as on the design content that derives a lot of its strength from the use of special techniques. In this sense it is a good example of a company that focuses on more long-term trends and quality on several levels. Sarita Handa sells both 'off the shelf' products, as well as bespoke textiles.

Linen Me - Lithuania

[LinenMe](#) from Lithuania focuses on linen as its main raw material, especially emphasising the quality and special characteristics of linen. The company's bed textiles are "crafted from prewashed 100% European linen. The deliciously soft fabric is not only a joy to touch but it's easy to care for too. It is machine washable and there's no need for ironing as its real beauty lies in its natural crumples".

Notably, the design content is low when it comes to pattern and the use of special techniques. The emphasis is on the characteristics of the raw material and the fact that a wide variety of colours (30!) is available. This makes LinenMe an example of a company that has a strong focus on a limited number of product aspects, as opposed to producers that have a wide range of different products, materials and techniques.

Which products are you competing with?

Bed textiles is a product group that comprises a lot of different products, combining both practical and decoration purposes. Since this is such a big group most competition comes from products within the same group of products. Some consumers may decide to go for a more simple and cheaper duvet cover and use a more expensive throw to add a decorative element to the bedroom. Other consumers, who like a simpler and more sophisticated look, could go for a high-end duvet cover of excellent material and finish. So, for decorative purposes there is competition from throws. From the practical side (bed textiles to keep warm) there is competition from blankets. For more information on these products, also see our study on 'Blankets and Throws of Natural Fibres' .

Tips:

Compare your products and company to the competition from Pakistan, China, Turkey, India and Bangladesh. You can use [ITC Trademap](#) to find exporters per country. You can compare market segment, price, quality and target countries.

To differentiate yourself from your main competitors, focus on design, craftsmanship, quality and the story behind your products.

Keep track of global trends in urbanisation and social design to anticipate future structural changes in your sector. An interesting resource to monitor is [Trendwatching.com](#).

4. What are the prices for bed textiles on the European market?

There is a very wide price range within the European market for bedspreads and duvet covers. The prices for bedspreads vary depending on the composition, manufacturing technique, size, style, design, brand and other ways of value addition. Table 1 gives an overview of the indicative prices of bed textiles in the low, middle and high market segments.

Table 1: Indicative average consumer prices in Europe of bedspreads and duvet covers

	Low-end	Mid-low	Mid-high	High-end
Bedspreads	€10-€20	€20-€40	€40-€125	€125 or more
Duvet covers	€10-€30	€30-€50	€50-€150	€150 or more

Consumer prices depend on the value perception of your product 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)
- price

Your products are sold to European consumers for a price that is significantly higher than your selling price. The consumer price is approximately 4 to 6.5 times the FOB price in the country of origin. Besides energy, labour and transport costs, FOB prices depend heavily on the availability and prices of the raw materials. For example, the average price of cotton fluctuated considerably in recent years. Occasional increases in the price of raw materials are not directly passed on to the consumer, but do put pressure on exporters, importers and retailers' margins.

The following percentages give an indication of a price breakdown for bed textiles (bedspreads and duvet covers) in the supply chain:

- shipping, import, handling costs: +15-20%
- wholesaler: +50-90%
- retail: +90-150%
- VAT*: +20%

*VAT percentages in Europe range from 18% in Malta to 27% in Sweden. On average, these percentages are around 20%.

For example, in Table 2 the FOB price is set at €10.00. Depending on the market segment your product is designed for, the consumer price ranges from €41.00 in the low-end market to €65.50 in the high-end market.

Table 2: Example of the price breakdown per market segment

	Low margin	Middle margin	High margin	
FOB price	€10.00	€10.00	€10.00	Your FOB price
Transport, handling charges, transport insurance, banking services (20/15/15%)	+2.00 €12.00	+1.50 €11.50	+1.50 €11.50	Landed price for the wholesale importer
Wholesalers' margins (50/75/90%)	+6.00 €18.00	+8.60 €20.10	+10.40 €21.90	Selling price from the wholesale importer to the retailer
Retailers' margins (90/110/150%)	+16.20 €34.20	+22.20 €42.30	+32.70 €54.60	Selling price excluding VAT from the retailer to the end consumer
Selling price incl. VAT (20%)	+6.80 €41.00	+8.50 €50.80	+10.90 €65.50	Selling price including VAT from the retailer to the end consumer

Some examples of prices of bed textiles across Europe are:

- Fleece bedspread, [Ikea](#) (Global), €14.95
- Bedspreads large, [Dunelm](#) (The United Kingdom), €86.00
- Luxury branded duvet cover, 200 x 220 cm [Essenza Home](#) (the Netherlands), €289.95
- Duvet cover, 200 x 200 cm, [Otto](#) (Germany), €34.95

Tips:

To determine your price, study consumer prices in your target segment and adjust your cost accordingly. The value perception of your product in the chosen segment determines its price. The quality and price of your bed textiles must match what is expected in your chosen target segment.

Calculate your prices regularly and carefully, especially when you know that prices of your raw materials are regularly fluctuating. When prices of your raw materials pressure your margin for a longer period, consider increasing your price or finding another suitable alternative.


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

Focus on the middle-high segment if you can add value through handmade craftsmanship and the quality of your raw materials. If you focus on the lower segments of the market, make sure you can provide high volumes and manage advanced logistics.


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

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