



[Which trends offer opportunities on the European home decoration and home textiles market?](#)

European consumers are in search of identity. To meet this need, you can add a local touch or story to your product. Their demand for sustainable and socially responsible products is also increasing. To benefit from this trend, promote your products' sustainable materials and socially responsible production processes. Chinese exporters shifting focus to their domestic market create space on the European market for you to fill. For volume players, Poland and the Czech Republic are interesting new target markets with impressive imports.

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1 . In Search of Identity

European consumers' search for identity leads them to prefer unique, design-led products that tell a story and that express the consumer's good taste and sense of style. You can benefit from this trend by adding a local touch or a story to your product. Offer choice and coordinated concepts so consumers can combine products to create their own collection.

Global Trends

Need for Individuality

Over the past 50 years, the growing wealth in industrial economies has caused a need for self-expression and self-development. People want to distinguish themselves from others, as they search for individuality and originality. To do so, people create their own "brand identity". These identities do not have to fit in with traditional demographical profiles. For instance, the wide range of choice in urban areas and on the internet gives people more freedom to express their taste. They can make an individual choice from items or activities to consume.

New demographics

Baby boomers (born between 1946 and 1964) are now officially entering their senior stage of life. At the same time, millennials (born between 1980 and 1999) are entering their prime spending years. These groups are sparking new discussions about demographics and consumerism.

The increased healthy life expectancy in European countries drives the creation of an additional life stage: the "young old". These modern seniors no longer fit the stereotype of being worn out, sick

and inactive. Instead, they are in relatively good health, often still working. As the wealthiest generation, they are also the generation that spends the most, not just on age-specific things. This factor makes them a new key segment in marketing.

Millennials, however, are more price-sensitive; especially the youngest millennials, who are at the start of their careers. Older millennials are reaching a phase where they have more disposable income. After having postponed moving out and/or buying a house, they are now becoming an interesting marketing segment for the home sector. They are predominantly online buyers, want on-demand shopping, and value authenticity and sustainability.

Sharing and Comparing Globally

In search of their identity, European consumers actively try to achieve a healthy body and mind. Their search can be experienced and enjoyed alone but also shared via social networks. Therein lies part of the meaning.

On social media, people can communicate with others who have similar consumption patterns but live far away. This method helps consumers to receive encouragement, praise and increased self-esteem. Sharing has become a new way of living. Social media are a source of consumer referral and reviews. This fact also makes it an increasingly important part of business marketing. In the home decoration sector, buying health-enhancing products (such as ergonomic chairs) shows that you lead a healthy lifestyle. This aspect, again, earns credits with real or virtual friends.

Consumer trends

Personalisation options in design

Companies have spotted this trend and are responding to it. Designs that can be adapted to individual needs and preferences are growing in importance. Consumers can personalise and customise products based on their own ideas and wishes. Owning and creating such personalised products is a new status symbol and makes consumers feel unique.

Emotional connection by storytelling

Companies create an emotional connection with their customers by telling the story behind a product. Consumers emotionally connect to the characters or “action” of the story. Millennial consumers especially respond to story-based marketing rather than straightforward advertisements. When combined with powerful imagery, storytelling engages an audience. Stories in our sector are about making (techniques, materials), makers (human interest, Corporate Social Responsibility) and meaning (cultural significance, performance).

Consumers are travelling further away than ever, which influences the storytelling trend. Consumers bring home new stories from far-away cultures, showing their broad-mindedness and exciting lifestyle. The internet has also made them more open to inspiring stories from the other side of the world. As a result, Asian and African styles are influencing existing European styles. This trend opens up the consumer’s mind to stories with an ethnic flavour, leading to new appreciation of ethnic patterns, styles and imagery restyled into current looks.

2 . Market Trends

New luxury products

The “new luxury” is all about having unique experiences, gaining new skills, being eco-friendly and showing generosity or connectivity. Consumers gain status and pleasure from mastering cooking skills, redecorating or enjoying a spa at home. They want products that add to their knowledge and sense of identity; products that give meaning and significance to their experiences.

Wellness and well-being

Physical and mental well-being is an important driver for European consumers. They enjoy beautiful, well-made products. They want to feel secure in their home, away from the pressures of

society and work. Comfortable textiles or well-designed home accessories pamper both body and soul, as does feeling close to nature, even in a cramped urban apartment; for instance, by using furniture with a functional, natural and pure design or organic bedding.

Live in style

Western European consumers live in a market with a lot of options for decorating the home. They are used to spending considerably on home decoration. As mature market consumers, they express their identity through home goods and their interior as a whole. For example, a vase must fit the consumer's style and communicate "good taste" to visitors. Part of this trend is an awareness and appreciation of the product's core values: design, materials and techniques.

Travel in style

Consumers are becoming increasingly urbanised, which means that they often have to travel to work (commuting). Travel ware is designed to make this daily commute as comfortable and stylish as possible. In line with the need for more stories, consumers also travel more remotely than ever. Here, too, consumers appreciate luxury. This product category has never been so open to premium offers; for instance, in body care products, bags, writing wares, and travel games and toys.

The European consumer also likes to "travel in the mind". Consumers can have an adventure of mental travel or exploration from home. They do so with faux travel items such as luggage, maps and even faux hunting trophies, often designed in a style of the past. This sense of nostalgia is very strong on the European mid-market.

Tips:

- Offer choice. Consumers want to develop their own, personal collections and need options to do so. However, it is better to have a smaller, well-developed collection than a wide product range of lower quality.
- Create coordinated concepts, which can be complete ranges (such as soaps combined with scented candles and perfumes with room fragrances) or products that consumers can match across different spaces.
- Add a touch of your local context or culture to your products in order to show their origin. However, be aware that products become "niche" when you add ethnicity.
- Add emotional value by developing a concept that tells a story or makes consumers part of an experience. This aspect appeals especially strongly to millennial consumers.
- For more information on personalisation, see our [study of Decorative objects](#).
- Our [special study of Alternative distribution channels](#) discusses the option of trading directly with smaller retailers, while our [special study of E-commerce](#) explains doing business via the internet.
- For more information on travel ware, see our study of [Textile travel accessories](#).

3 . Rebalancing of the Global Economy

Emerging economies such as eastern Europe and China are your competition. However, they are also becoming interesting target markets. Countries such as Poland and the Czech Republic are performing particularly well. In addition, more and more Chinese exporters are shifting focus to their domestic market. You can fill the space that this development creates on the European market.

Global Trends

Rise of Emerging Markets

Of the 30 largest economies in 2050, 19 are currently considered emerging markets. These markets will drive global growth and other trends such as business innovation. The population of emerging markets such as China and India is growing. At the same time, the population of developed economies is ageing and shrinking. This situation means that the emerging economies will become even more politically and economically important.

Growing Urban Segment

Not only will there be more people, they will also be moving to urban areas. Each year, 200 million people are expected to move and become urban residents.

Consumer Trends

Emerging Markets as Destinations

Western markets were traditionally the main target for exporters of home goods from developing countries. Recently, however, emerging markets have seen a strong economic growth. This trend also leads to a rapidly growing urban middle class with a higher disposable income. It makes emerging markets more interesting for your business. In the long run, western markets such as Europe will no longer be the obvious choice.

Eastern Europe as a Production Centre and a Destination Market

Eastern Europe provides relatively cheap production. It has a long tradition in handmade or industrial production, which makes eastern Europe an attractive sourcing area for European brands and importers as well as a relatively new competitor for exporters from developing countries.

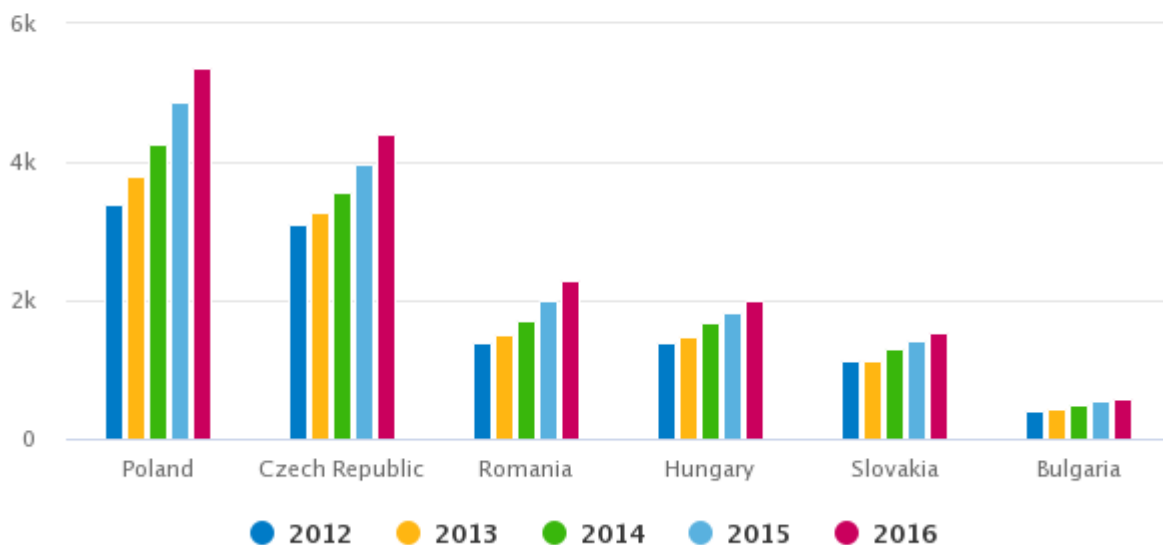
Eastern Europe also benefits from its location close to western Europe, which means lower transport costs, a greater possibility of just-in-time buying and greater management control. Countries specialise in products such as furniture, wood and metal accessories, candles and ceramics. For instance, Poland is Europe's leading chair supplier after China. You can read more about this segment in our study of [armchairs and easy chairs](#).

However, industry experts also expect the eastern European market for home goods to grow strongly. More disposable income is becoming available for home decoration. Eastern European GDP is expected to continue growing substantially at an average annual rate of 2.3–3.8% until 2021. In addition, the number of eastern European brands and buyers at the main European trade fairs is increasing. This development shows a greater openness to home products. These observations are clearly supported by statistical evidence.

For the middle term, however, it is noteworthy that the main target will be a price-sensitive consumer. As such, this market is mainly reserved for volume business.

Figure 1: Eastern European imports of home goods 2012–2016

in € million

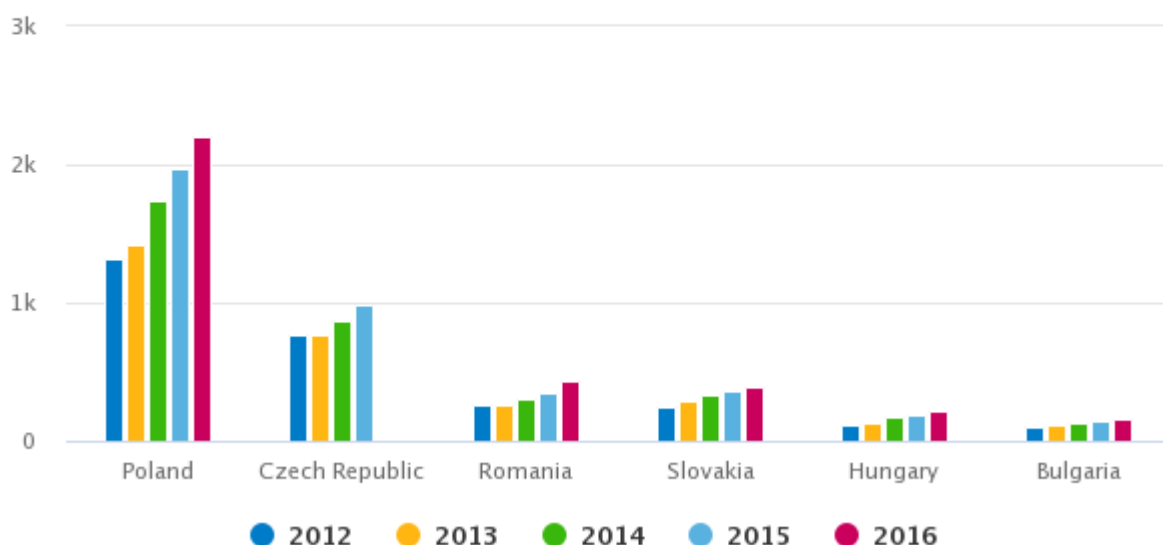


Source: Trademap

European imports of home goods increased from € 111 billion in 2012 to € 138 billion in 2016, representing an average annual growth rate of 5.7%. Although a relatively small market, eastern Europe performed much better than this European average. Eastern European imports increased from € 12 billion in 2012 to € 17 billion in 2016, amounting to a considerable average annual growth rate of 10%. The development of eastern European imports from developing countries is also promising.

Figure 2: Eastern European imports of home goods from developing countries 2012–2016

in € million



Source: Trademap

European imports of home goods from developing countries increased from € 45 billion in 2012 to € 55 billion in 2016, representing an average annual growth rate of 5.3%. Although imports from developing countries account for a smaller import share in eastern Europe (27%) than average

(40%), they show promising growth. They increased from € 3.0 billion in 2012 to € 4.7 billion in 2016, which is an impressive average annual growth rate of 12% – more than double the European average!

Poland and the Czech Republic are clearly eastern Europe's main markets for home goods. In 2016, they imported € 5.4 billion and € 4.4 billion respectively, with average annual growth rates of 12% and 9.2% since 2012. Total Polish imports of home goods from developing countries are also performing well. Poland imported € 2.2 billion from developing countries in 2016, showing an average annual increase of 14% since 2012. In the same period, Czech imports from developing countries grew by 7.9% per year, reaching € 1.0 billion in 2016.

These impressive developments make eastern Europe a promising target market for your products. Poland and the Czech Republic are especially interesting. For more information on eastern European performances, see our [studies of specific product groups](#).

China as a Producing and Destination Market

Chinese manufacturers can compete on a global level. They profit from their well-established infrastructure and low production costs. Chinese wholesalers often run their own exports to Europe, forming partnerships with other exporters from developing countries. This strategy results in increased competition with European importers/wholesalers for suppliers from developing countries.

However, in future, more and more Chinese manufacturers will shift their focus to the domestic Chinese market. They will no longer supply to every European importer. As a result, European importers will have to look for other suppliers, which represents a good opportunity for you.

China is also becoming a destination market for European importers/wholesalers of home products. Their main target group is the mid-high to high-end segment. You can profit from this trend by exporting to China indirectly via these European parties.

Market Trends

New Types of Households

In the new global economy, family structures and relationships are changing. New ways of sharing a home are emerging, especially in the urban centres. In European urban areas, households can range from one-person and single-sex to multi-generational households.

Tips:

- Actively search for markets within your country and region. Contact local business support organisations with up-to-date market information about trading opportunities. For more information on finding links to trade portals, see our [tips for finding buyers](#).
- You can use your regional market to create export volume in order to prepare for entry to the European market. Choose target groups that can be found on both the European and your regional market, such as urban middle classes. This group lacks space and natural surroundings. Offer products that save space or bring nature into the home.
- Visit and participate in eastern European trade fairs such as [FOR FURNITURE](#) and [MOBITEX](#) (the Czech Republic) and [arena DESIGN](#), [Home Decor](#) and [Meble Polska](#) (Poland).
- Contact your embassies in eastern Europe and organise a trade mission with colleagues.
- Your existing European buyers may be able to place your products on the Chinese market. Discuss possible strategies with them. Help them by being flexible in production and providing good quality and quick delivery.
- Meet European buyers at European and Asian trade fairs. Scout for buyers who may want

to move away from China to other regional suppliers.

- Focus on niche lifestyles such as new forms of partnership and cohabitation; for instance, single-person households, same-sex relationships and multi-generational households.
- To find interesting markets for your products, see our [studies of specific product groups](#).

4 . Sustainability

The demand for environmentally sustainable (“green”) and socially responsible products is increasing. You can play into this trend by using green and social responsibility concepts. Use eco-friendly materials and clearly promote your products’ sustainable and social aspects.

Global Trends

Growing Importance of Sustainability

The importance of sustainability continues to rise around the world and, with it, the demand for accountability increases. Sustainable purchasing is a growing trend, especially in industrialised countries. Businesses, governments and non-profit organisations increasingly integrate social and environmental objectives into purchasing processes. They want to reduce their environmental footprint, leverage social benefits and foster a sustainable economy.

Consumer trends

Sustainable business

Sustainability affects the world on a larger scale. As a result, companies face even greater public pressure for transparency and accountability of their sustainability policy. Moreover, they integrate sustainability in their business strategy as a core component, adopt sustainable business concepts, and add sustainably produced and designed products.

These concepts used to be dictated by public movements. Nowadays, stakeholders in the home sector require you to have them in place. All major European trade shows focus on green. Buyers also show more confidence in communicating their green values.

Reducing the ecological footprint

Stakeholders in the supply chain are lowering transport emissions. They use innovative methods in packing and packaging. In addition, “Made in Europe” is gaining popularity. Sourcing home goods locally makes their ecological footprint smaller. While eastern Europe might profit from this development, producers outside of Europe may face increasing competition from within Europe.

Key markets for Fairtrade

Social, environmental and Fairtrade initiatives are diverse, each with their own viewpoint on ethical trading. Markets of special interest for Fairtrade home products include the United Kingdom, Germany, Sweden, Switzerland, the Netherlands and Belgium.

Market trends

Striving for a better world

Consumer demand increasingly favours sustainability, especially among millennial consumers. Consumers buy products to support local communities. They also put pressure on businesses to treat their waste more responsibly. European consumers experience “being green” as something inspiring and pleasing. They increasingly expect their home products to be eco-friendly.

Better price for a better world

European consumers are also more aware of global social imbalances. They want to contribute to a better world, which leads to more Fairtrade product concepts within the home sector. Despite their price-sensitivity, millennials are the most willing to pay extra for products from companies committed to positive social and environmental impact. As a recent trend, we also see the luxury market increasingly offering concepts that allow the premium consumer to show their awareness of and care for People and Planet.

Green goes mass

The consumers that can be profiled as green consumers are generally the highly educated professionals, broad-minded and socially minded consumers. They represent about 25% of the consumers in western Europe. However, leading international brands will increasingly incorporate sustainability in their strategy, hence making sustainable products the standard for all segments and all consumer profiles.

Tips:

- Develop products using eco-friendly materials and designs (recycle, reuse, reduce).
- Clearly promote your products' green and social aspects to distinguish yourself from your competitors.
- You can ask an additional premium for a sustainably produced product. However, the attractiveness of the product comes first.
- Your buyers will increasingly demand proof of your products' sustainability. Consider obtaining social, environmental or Fairtrade certification. However, this process may involve significant costs.
- Do not make exaggerated or unrealistic claims about your product.
- Because of the "Made in Europe" trend, you must be distinctive. Show your product's origin, and use unique techniques or materials. Buyers need to know that only your company can make this product.
- For more information on sustainability, see our special study of [Sustainability](#).

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