CBI Product Factsheet: Candles in Europe
‘Practical market insights into your product’

The European market for candles is an interesting market, in which consumption and imports are continuously increasing, offering opportunities to exporters from developing countries (DCs). The opportunities for DC exporters lie within the upper-mid market, with possible market channels being retailers of decorative and gift items. Therefore, DC exporters should focus on design, branding, material use and handmade candles, to differentiate their products from others on the European market.

**Product definition**

A candle is a block of wax with an embedded wick, which is ignited to provide light, heat and sometimes scent. The flame on the candle forms because wax vaporises on burning. Within home decoration, candles are usually categorised as home accessories. Candles can be placed in three product groups:

- Basic candles are functional candles with a diameter of 2.2 cm that fit most standard candle holders.
- Fancy candles are decorative candles with a ‘fancy’ shape or form.
- Scented candles are candles with an added scent.

Basic candles come in sets, whereas fancy or scented candles are usually sold individually.

**Classification of candles:**

- **Harmonised System (HS):** the following HS code is used within the EU / EFTA for trade in candles:
  - 3406.0000: Candles, Tapers and the Like

- **Prodcom:** the following Prodcom code is used to indicate European production of candles:
  - 3299.5400: 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)

**Product specification**

**Quality**

**Functionality:** The main function of a candle is to provide light and heat and, more recently, scent. Nevertheless, in the European market, candles are no
longer just a functional item but have become a decorative home accessory in their own right, influenced by trends in home decoration. Besides appearance, scent has also gained in importance. Candles can enhance the atmosphere of a room, changing both the decoration and the scent of the room. According to the European Candle Association, a good candle has impeccable burning characteristics:

- A bright, calm flame
- Ideal wick curvature
- No carbon blackening in the home from candles burning
- No dripping
- Adherence to the burning time
- Minimum wax remainder

**Material:** Most candles are made from paraffin wax. However, other raw materials can be used for manufacturing candles. Some of them include beeswax, soy and other plant waxes. Gel candles are made from a mixture of mineral oil and a polymer.

**Size:** Candle sizes have not been standardised; still, most candlesticks have a diameter of 2.2 cm. Smaller candles, often called tapers to distinguish them from dinner candles, are 25 cm long with a 1.27 cm base. Thick and cylindrical candles, called pillars, are also available with diameters varying from 1.3 cm to 10.1 cm.

**Product design:** Candles for the mid-market need to reflect colour trends in interior decoration. Fancy candles need to have imaginative shapes and decorations. Scented candles require added value through well-designed containers.

**Labelling**
- Information on the outer packaging of candles should correspond to the packing list sent to the importer. External packaging labels for candles should include the following information:
  - Producer
  - Consignee
  - Material used
  - Quantity
  - Size
  - Volume
  - Caution signs

EAN or Barcodes are widely used on the product label in Europe. Please note, your buyer will specify what information they need in terms of product labels or on the item itself (logos, ‘made in...’). This forms part of the order specifications. Use the English language for labelling unless your buyer has indicated otherwise.

**Packing and packaging**
- Candles should be packaged according to the importer’s instructions. Every importer will have its own specific requirements related to the use of packaging materials, filling boxes, palletisation, and the stowing of containers. Always ask for the importer’s order specifications, which are part of the purchase order.
- Properly packaging candles can minimise the risk of breakages caused by shocks. The product’s fragility determines the packaging of the products for export. Packaging should prevent individual items inside a box from damaging each other and the boxes themselves when they are stacked inside the container.
- Packaging must consist of easy-to-handle dimensions and weight. Standards here are often related to labour regulations at the point of destination and
must be specified by the buyer. Boxes are usually palletised for air or sea transport and exporters are requested to maximise pallet space.

- For candles, reducing transport and transportation emissions by flat-packing the items in the container is key. Such considerations need to be part of this product group’s design phase.
- With regard to packaging materials, there must be a balance between providing maximum protection and avoiding excess materials (waste removal is a cost to buyers) or shipping ‘air’. Exporters can reduce the amount and diversity of packaging materials by:
  - Partitioning inside the boxes using folded cardboard,
  - Matching inner boxes and outer boxes better and standardising each of the sizes,
  - By considering packing and logistical requirements already at the products’ design stage
  - Asking their buyer for alternatives.

As a suitable gift item, any of the non-basic candles will benefit from consumer packaging. This scented candle comes in a refillable cedar wood container and a gift box.

Requirements you must meet

**General product safety:** the General Product Safety Directive applies to all consumer products. It states that all products marketed in the EU should be safe to use and forms a framework for all specific legislation on specific products and issues.

- **CFA:** Study the specific legal requirements listed but also use your common sense to ensure the product does not cause any danger in its normal use. Most buyers will require the DC exporter to provide proof of compliance to legal requirements. You can read more about the General Product Safety Directive in the EU Export Helpdesk.

- **CFA:** For a full overview of legislative requirements for candles, please consult the EU Export Helpdesk.

- **CFA:** Check the rapid alert system for non-food dangerous products (RAPEX), a database that provides information about safety risks related to consumer products notified by European countries and the measures taken to alleviate these risks.

- **REACH:** The Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) lists restricted chemicals in products that are marketed in the EU. In order to market your candles on the EU market, you need to make sure that your products do not contain hazardous substances as defined by REACH.

- **CFA:** For more information on the use and restrictions of chemicals on the EU market, please refer to Annex XVII of the REACH legislation EC Regulation 1907/2006.

**Does it look like food?** When designing your product for the EU market, bear in mind that decorative items that look like food, to the extent that they could be confused with real food products, are not allowed in the EU market. There are a variety of products that falls into this category and candles are one of them. The risk identified with non-edible products that could be mistaken for food products is choking and the requirements are established in Directive 89/357/EEC.

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2 Considerations for action
CBI Product factsheet: Candles in Europe

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CFA: Nevertheless if you aim to place candles that look like food on the market, pay attention to the design process. Make sure that the product’s appearance, colour, size, form, labelling, scent, packaging and volume do not resemble the food product to the extent that it could be confused with food. To obtain an idea of when a product looks like food, you can check the RAPEX database where all EU products rejected at the border or withdrawn from the market are reported. Enter ‘Food-imitating products’ as the product category. For more information on the legislation, see the relevant EU website.

CFA: For more information on buyer requirements for candles, please refer to the CBI EU Buyer requirements for Home Decoration and Home Textiles.

Common requirements

Sustainability: Social and environmental sustainability offers ways for companies to differentiate their products on the European market. Opportunities range from sustainable raw materials, production, certification and the use of labels (see Niche requirements). Buyers are increasingly demanding the following certification schemes:

- The Business Social Compliance Initiative (BSCI) has been developed by European retailers to improve social conditions in sourcing countries. Suppliers of BSCI participants are expected to comply with the BSCI Code of conduct, which can be proved with an audit at the importer’s request.
- The Ethical Trading Initiative (ETI) is a code of conduct developed to improve the working lives of people across the globe that make or grow consumer goods. ETI is particularly common in the UK.
- Standards such as ISO 14001 and SA 8000 can be used to meet buyer demands for sustainability. However, compliance with these specific standards will only be demanded in niche markets.

CFA: You can expect compliance with the BSCI Code of Conduct to be considered as a basic requirement as an increasing number of European importers are participating in BSCI. You are advised to think ahead by performing a self-assessment, which is available at the BSCI website, because if you are far from complying with this initiative it can harm your position on the market.

CFA: Look into the possibilities for improving your sustainability performance. Even if immediate compliance with certification is beyond your scope, familiarising yourself with issues included in these certification schemes will give you an idea of what to focus on in terms of sustainability.

CFA: For more information on sustainable design, please refer to CBI’s Tailored Intelligence: the Sustainable Design market for Home Decoration and Home Textiles.

CFA: For more information on sustainability, please refer to CBI Trends Special Sustainability for Home Decoration and Textiles.

Niche requirements

Fairtrade products: Among the niche initiatives, the ‘fair trade’ concept, which supports fair pricing and improved social conditions for producers and their communities, is the best-known scheme, with a relatively large market presence (including several sectors). Often, producers are assessed by shops (e.g. so called ‘world shops’) or brands (e.g. FairForward), rather than by being certified by the Fairtrade Labelling association (which may be interesting for Fairtrade certified cotton). These ‘world shops’ or brands often label their products with fair trade, which is not the same as Fairtrade certification.
CFA: Ask buyers exactly what they are looking for and possibly try and establish collaboration with a company in the fair trade segment to use the story behind the product for marketing purposes. For more information on storytelling, refer to CBI Trends for Home Decoration and Textiles.

ECOCERT recommends its ‘Natural origin and organic candles and home fragrances’ standard. The aim is to promote the use of natural origin and/or organic ingredients. The standard also guarantees that producers implement environmentally friendly practices throughout the production process. Non-scented candles could also be controlled.

CFA: Consider applying the ECOCERT standard or its guidelines to your manufacturing process, especially if you are targeting the French market, where the standard is already popular. Even if you don’t pursue ECOCERT certification, it is useful to be informed about different sustainability standards.

CFA: Please refer to the ITC Standards map database for more information on different voluntary standards and their requirements, including fair production.

Figure 1: Buyer requirements for candles
Between 2009 and 2013, European production of candles increased significantly, amounting to €1.4 billion in 2013. Overall, production has been increasing every year since 2009. Poland has been the largest European producer of candles, followed by Germany and France. Poland has been the only country with a substantial increase in its candle production (74%) during the period 2009 and 2013, mainly due to lower production costs compared to Western European countries.

CFA: Be aware that you can expect competition from European suppliers of candles, which are mostly located in Eastern and Western Europe.

Total European consumption of candles increased by 28% during the period 2009 and 2013, amounting to €1.3 billion in 2013. European consumption has been slowly increasing since 2009 despite the effects of the economic crisis. People with less disposable income, without the option to go out very often, have been using scented candles indoors to create a party atmosphere in an inexpensive way. The largest consuming country of candles is Poland, followed by Germany and Italy.

CFA: GDP & consumer confidence are expected to increase in 2014, as mentioned in the CBI Trade Statistics for Home Decoration. As GDP and consumer confidence grows, consumers are more willing to spend money on decorative items or gifts. This will further affect the consumption of candles in a positive manner.

European imports of candles increased during the period between 2009 and 2013, amounting to €1.7 billion in 2013. 27% of total imports was sourced from
DCs. China has been the leading supplier for the last 4 years, accounting for more than 20% of total imports. Nevertheless, since 2010, the share of Chinese imports has decreased significantly due to export restrictions and insufficient quality, leading to an increase in imports from Eastern Europe and more specifically Poland.

**CFA:** Competition from developing countries has been significant for candle imports. The decrease in imports from China has already created opportunities for Eastern European countries and will create fierce competition for DC exporters. Make sure that you stand out from the crowd by offering added value, i.e. craftsmanship and handmade products.

Between 2009 and 2013, **European exports of candles** grew by 7% per year, amounting to € 1.4 billion in 2013. The main destinations were Western European markets.

**Market trends**

**From functional to emotional**

From being a functional commodity, bringing light and heat into the home, the candle has transformed into a home accessory with emotional appeal. Its main benefits now are threefold:

- *Atmosphere and mood:* through the use of colour, scent and shape, the candle can create about a romantic atmosphere or have a calming, relaxing or invigorating effect on the consumer.

- *Occasional use:* candles brighten up Christmas or other moments on the festive calendar, personal celebrations such as birthdays or weddings or help the consumer celebrate the new season (e.g. using candles in fresh green tones and a matching scent to reflect the coming spring). Tea lights (in attractive holders) are an indispensable aspect of the tea-drinking ritual.

- *All over the house:* candles can now convey the right atmosphere in all parts of the house, including the bathroom, garden and dining table.

**CFA:** Reflect on these various uses for the candle and effectively position yourself in one or more of these segments. Product (e.g. scented/non-scented, basic/fancy, shape and size, colour, packaging or not), price (price-sensitive or not, price bandwidths), place (target distributor), and promotion (what features to communicate) all need to be orchestrated properly to enter a segment successfully.

**CFA:** Study trends in general interior accessories, at Christmas or other festive occasions, to understand what the consumer values. Trends in decorative accessories for Christmas (see CBI product factsheet decorative objects) will also provide pointers for trends in fancy candles. Any similar product groups (e.g. garden accessories or vases) in home accessories will enlighten you further.

**CFA:** Home perfumes and soaps can pose a ‘threat’ to candles as they have also moved into a more emotional and gift-related value set, including wellness.

**The ideal gift**

Due to its meaningful contribution to rooms, moods and occasions, the candle has become a coveted gift, to family and friends, and oneself.

**CFA:** Endorse the gift character of your candles. Examples:

- **Origin:** scents or accessories (e.g. bark, seeds, shells, beads) specific to your area.
- **Choice:** e.g. enable consumers to choose their favourite colour or add...
In search of nature
To feel healthier, more relaxed and less concerned about environmental degradation, the urban consumer, in particular, is keen to live close to nature, also inside the home, by:
  - Breaking down the barriers between inside and outdoors (e.g. by converting the garden into a fully decorated living space, see CBI Trend Special 'Garden')
  - Applying natural materials in furniture or home accessories
  - By using materials and shapes that are reminiscent of nature (bio-mimicry).

CFA: Consider the options offered by candles that contribute to this desire to embrace nature inside the home. Scent, shape and colour, natural ingredients (beeswax, soy or palm wax) and natural accessories – are all potential relevant options.

ECO and Fairtrade
The trend related to social and environmental sustainability that is entering home decoration as a category is related to the previous desire to enhance one’s personal well-being, and that of the planet as a whole. For candles, these signs relate to recycling, re-use, certification of materials and processes (e.g. palm wax). Traditionally, Fairtrade importing wholesalers cite candles as being an ideal product for small-scale producers, allowing handmade production (see example WOO in section segments).

CFA: Incorporate some ‘green’ elements in your product range, related to social and/or environmental sustainability. Consider certification if it is met with a positive response from the importer. Communicate your values to allow the reseller to integrate them in their proposition.

A broader platform
As the gift aspect of candles has become widespread, the marketing platform for candles has expanded from the specialist in candles (often a European manufacturer) to the general wholesaler in home decoration and the lifestyle brands (importing rather than manufacturing). They offer a wide array of interior accessories with a specific identity or concept, with their own product development.

Related to this is the fact that the original brand stories came from manufacturer brands with great heritage, produced in Europe (e.g. the famous and oldest Cire Trudon, France). Now, the new lifestyle brands (e.g. Anthropologie, Bloomingville) tell their stories, and these no longer focus just on candles but also on the brand’s broader identity, linked to consumer needs.

CFA: Now that more importer-wholesalers are considering candles as a valuable contribution to their core collections, more opportunities for exports are opening up. The collections of these new lifestyle brands will be extensive (offering choice and variety) rather than depth, so order volumes will be lower than those from specialised importers. Adapt your minimum order requirements to your target importer; be ready to invest in design and sampling.
CFA: Being an exporter in a developing country, you may not be an accepted brand or easily become one in a competitive EU market. However, your stories and identity elements are extremely welcome, even if you supply to an existing, accepted European brand name. If your visual brand identity is invisible in the market, your content will add value to the importer brand. So clearly communicate your values.

Market Channels and Segments

Market channels
As market channels and segments for candles do not differ significantly from the home decoration sector, please refer to CBI Market Channels and Segments for Home Decoration for a general overview.

In Europe, all major retailers and department stores have online business-to-consumer platforms.

CFA: Consider targeting online retailers, in order to reach a broader range of customers. However, this means supplying small batches/individually packaged items, being prepared to pre-stock and offer more just-in-time supply concepts. Since e-commerce is expected to grow considerably over the next few years, this is a strategy for exporters that offers the possibility of scaling up in a short space of time. This is increasingly the case as brick-and-mortar retailers (companies that have a physical presence and offer face-to-face customer experiences) are rapidly adopting multi-channel marketing strategies, including e-commerce and m-commerce (for more information, refer to CBI Trend Special ‘E-commerce in the 21st Century’).

CFA: Candles are available at different levels in the market, from high to low (see ‘Market Segments’). Each position has its own marketing mix, a cocktail of product features, price elements, with a corresponding communication strategy and the right choice of distributors. If you have your own 4Ps in order (refer to section prices below), sourcing and connecting to distributors will be more effective.

Market segments
The candle market is segmented into low, mid and high segments. The characteristics of each segment are:

- **Low-end market**: Focus on functionality (burning hours, stable flame), often in sets (many for little) and low price, one-stop shopping through retailers such as supermarkets, lower-end department stores and online.

- **Mid-end market**: In line with current trends, mainly achieved through decoration and colour. Reasonable prices and often gift-packed. Fancy candles are part of this segment. They are mainly sold in general interior stores, mid-segment department stores and lifestyle brands’ online stores.

- **Mid-high-end/premium market**: Candles do not really exceed the mid-high level, where a certain level of craftsmanship (hand decorated), natural or sustainable values and some branding play a role. Prices remain affordable. Candles in containers/holders produced from precious materials, or with superb craftsmanship, occasionally move in the premium direction. In this case, the container is more often the element that adds the value rather than the candle inside.
Table 1: Market segments of candles

<table>
<thead>
<tr>
<th></th>
<th>Low-end: functionality and value for money</th>
<th>Mid-end: Trendy and cosy</th>
<th>Mid-High: special design</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic candles</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Source: Karstadt</td>
<td>Source: John Lewis</td>
<td>Source: Merci</td>
</tr>
<tr>
<td><strong>Fancy candles</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Source: Broste Copenhagen</td>
<td>Source: Orla Kiely</td>
<td>Source: Thorunn Arnadottir</td>
</tr>
<tr>
<td><strong>Scented candles</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Source: IKEA</td>
<td>Source: WOO (World of Opportunities)</td>
<td>Source: Tom Dixon</td>
</tr>
</tbody>
</table>

**Prices**

**Prices of candles** corresponding to the low, middle and high positions are given in Table 2. Please be aware that these prices are indicative.

Table 2: Indicative consumer prices of candles

<table>
<thead>
<tr>
<th>Candles</th>
<th>Low-end</th>
<th>Mid-end</th>
<th>High-end</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic candle</td>
<td>€ 0.20-0.65</td>
<td>€ 0.50-0.70</td>
<td>€ 0.80-2.30</td>
</tr>
<tr>
<td>Fancy candle</td>
<td>€ 1.00-4.00</td>
<td>€ 4.50-10.00</td>
<td>€ 11.00-30.00</td>
</tr>
<tr>
<td>Scented candle</td>
<td>€ 3.00-7.00</td>
<td>€ 6.00-10.00</td>
<td>€ 10.00-16.00</td>
</tr>
</tbody>
</table>

CFA: Pricing is determined by the value perception of your product in the chosen segment (see ‘Market Segments’). Once you have chosen your target segment, you must offer what is expected in the segment in terms of the quality of your...
candles, at a price that matches similar products. To determine your price, study the range of consumer prices in your target segment and adjust your cost accordingly.

**Consumer prices** depend on the consumer’s value perception in a particular segment. This is influenced by the marketing mix: product benefits, promotion (brand or not, communication of product benefits), points of sale (reseller positioning), and a corresponding price.

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

The following figure gives an indication of a price breakdown for candles in the supply chain.

**Figure 6:** Indicative price breakdown for candles, markups in %

![Price Breakdown Diagram](image)

- Shipping, import, handling: +25%
- Wholesaler: +100%
- Retail: +100-150%

*Source: ProFound, 2014*

**Agents**, if they are involved, typically receive a commission amounting to a few (2-5) percent. However, their actual profit margins highly depend on the volumes sold and gross margins. They will normally lower their gross margin for large volumes.

**CFA:** Agents are particularly interesting if you do not have a strong sales network. You can look for commercial agents on the [Internationally United Commercial Agents and Brokers (IUCAB) website](http://www.iucab.org).

**Field of Competition**

Please refer to [CBI Home Decoration Field of Competition](http://www.cbi.eu/disclaimer), as the competitive field for candles does not differ significantly from this general overview.

**Useful sources**

- [Aid to Artisans](http://www.aidtoartisans.org), International Non-profit Organisation for the craft sector
- [EFTA](http://www.efta.int), European Fair Trade Organisation
- [WFTO](http://www.wfto.org), World Fair Trade Organisation
- [ICC](http://www.iccc.org), chamber of commerce for international trade and business
- [ECA](http://www.euracandes.org), European Candles Association

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Trade fairs
Visiting and, more importantly, participating in trade fairs is highly recommended as one of the most efficient methods for testing market receptivity, obtaining market information and finding prospective business partners. The most relevant trade fairs in Europe for exporters of candles are:
- **Maison et Objet**, every January and September in Paris, France
- **Ambiente**, February in Frankfurt, Germany
- **Tendence**, August 2014 in Frankfurt, Germany
- **Spoga Gafa**, August-September in Cologne, Germany
- **Xmas world**, January-February in Frankfurt, Germany

This survey was compiled for CBI by ProFound – Advisers In Development, in collaboration with CBI sector expert Kees Bronk, GO! GoodOpportunity.

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