Entering the European market for ceramic dinnerware

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The European market for ceramic dinnerware offers opportunities, but competition is strong. Mass-producing countries dominate the lower ends of the market, so the mid-end segment is your best option. In this segment, countries with a strong tradition in ceramic dinnerware are key players. To compete, you need to add value to your products. Entering the European market means you must comply with the European Union's mandatory legal (and other) requirements, as well as any additional or niche requirements your buyers may have.

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1. What requirements must ceramic dinnerware comply with to be allowed on the European market?

The following requirements apply to ceramic dinnerware in the European market. For a more detailed overview, see our study on buyer requirements for home decoration and home textiles (HDHT).

What are the mandatory requirements?

Food contact materials

Dinnerware for the European market must comply with the European legislation on Food Contact Materials. This contains Directive 84/500/EC (the Ceramic Articles Directive) and the amendment Directive 2005/31/EC for ceramic articles intended to come into contact with foodstuffs. This legislation states that the packaging of products that come into contact with food must be labelled with specific symbols, such as the food safe symbol. It also regulates lead and cadmium limits in ceramic food contact materials.

Lead is used in the glazes or decorations on the surface of dishes including earthenware, stoneware and porcelain. It makes dishes durable and makes coloured glazes bright and shiny. Cadmium is used to give dishes bright colours. These dishes can leach lead or cadmium when food is served in them, especially if they come into contact with acidic food. Microwaving food in dishes that contain lead will also accelerate lead leaching. Because food can absorb lead and cadmium, this can be harmful.

Therefore, the European Union (EU) has set the following limits:

Table 1: Limits for lead and cadmium in ceramic dinnerware

	Lead	Cadmium
Category 1: Articles which cannot be filled and articles which can be filled, the internal depth of which, measured from the lowest point to the horizontal plane passing through the upper rim, does not exceed 25 mm	0.8 mg/dm2	0.07 mg/dm2
Category 2: All other articles which can be filled	4.0 mg/l	0.3 mg/l
Category 3: Cooking ware; packaging and storage vessels having a capacity of more than three litres	1,5 mg/l	0,1 mg/l

Following increasing concerns about the health effects of heavy metals like lead and cadmium, plans have been proposed by the European Commission to lower the maximum limits. Stricter limits are expected to be announced in 2023.

Tips:

For more information, see the European Food Safety Authority's Frequently Asked Questions on the Food Contact Materials legislation.

Stay up to date on the potential new limits for lead and cadmium via the roadmap on the initiative to lower metal limits for ceramic food contact materials.

Note that there is currently no certification for lead-free and cadmium-free dinnerware in Europe. If your products are lead-free, promote this clearly. This is especially relevant when it comes to dinnerware for children.

General Product Safety Directive

Europe's General Product Safety Directive (2001/95/EC) is a framework legislation, stating that all products marketed in the EU must be safe to use. Unsafe products are rejected at the European border or withdrawn from the market. The EU uses the Safety Gate system to list and share information about such products.

In 2021, the European Commission adopted a proposal for a General Product Safety Regulation, to replace the current directive. When approved, this new regulation will apply across the EU.

Tips:

Read more about the General Product Safety Directive and stay up to date on the proposed rollout of a new General Product Safety Regulation.

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

Search the Safety Gate alerts for dinnerware for an idea of what issues may arise.

Restricted chemicals: REACH

The REACH regulation (EC 1907/2006) lists restricted chemicals in products that are marketed in Europe. For ceramic dinnerware, this applies to chemicals used in the production of ceramics and in dyes and enamel.

Besides lead and cadmium, restricted chemicals in the production of ceramic dinnerware include:

- Boric acid; and
- Arsenic acid.

Tips:

Make sure you comply with the restrictions for the use of chemicals as laid down in REACH.

Familiarise yourself with the full list of restricted substances in products marketed in Europe via the Access2Markets platform.

For information and tips from the European Chemical Agency (ECHA), see for instance REACH Annex XVII (a list of all restricted chemicals), information for non-EU companies and questions & answers.

Packaging legislation

The Packaging Directive (94/62/EC) aims to prevent or reduce the impact of packaging and packaging waste on the environment. Buyers may therefore ask you to minimise the use of packaging and/or to use sustainable recycled (and other) materials. The EU's new Circular Economy Action Plan identifies packaging as a sector that uses the most resources, with a high potential for circularity. By 2030 all packaging on the European market should be reusable or recyclable in an economically-viable way. To help achieve this, the Packaging Directive is under review.

Europe also has requirements for wood packaging materials (WPM) used for transport, such as packing cases and pallets. The goal is to prevent organisms that are harmful to plants or plant products from entering and spreading within the EU.

Tips:

For more information, see the EU's packaging and packaging waste legislation and wood packaging material factsheet.

Stay up to date on the review of the Packaging Directive.

What additional requirements do buyers often have?

Sustainability

Social and environmental sustainability are becoming more and more common requirements on the European market. Think of sustainable raw materials and production processes, as well as the impact your company has on the environment, the wellbeing of your workers and the community. You can use these topics in the “story” behind your product and company. Buyers appreciate good storytelling to create an emotional connection with their customers.

Consumers value sustainability

The increasing importance of sustainability is reflected in a recent Maison&Objet Barometer, where 62% of HDHT retailers have noticed growing interest in ethical products. They indicate that 92% of their customers think natural materials are important, 77% value socially responsible production methods and 71% care about recyclable/recycled materials.

A growing number of European buyers would like you to comply with the following schemes:

- Business Social Compliance Initiative (BSCI): An initiative of European retailers to improve social conditions in sourcing countries. They expect their suppliers to comply with the BSCI Code of Conduct.
- Ethical Trading Initiative (ETI): An alliance of companies, trade unions and voluntary organisations. ETI aims to improve the working conditions in global supply chains via their ETI Base Code of labour practice.
- Sedex: A membership organisation striving to improve working conditions in global sourcing chains. The Sedex Advance platform lets you share your sustainable performance, based on a self-assessment.

You can study sustainable options by reading about standards such as ISO 14001 and SA 8000. However, only niche market buyers demand compliance with such standards.

Greenwashing – be honest about your sustainability

Half of green claims lack evidence, according to a recent screening of websites by the European Commission and national consumer authorities. Via this so-called ‘greenwashing', companies pretend to be doing more for the environment than they really are. In 42% of cases the claims were believed to be exaggerated, false or deceptive and could potentially qualify as unfair commercial practices under EU rules. Unsurprisingly, many consumers (and importers) do not trust generic sustainability claims. In a 2021 study, just 20% of Western European respondents had a great deal/a lot of trust in claims about sustainable business practices.

Clearly, being honest yet effective is key. For help with communicating your sustainable performance, you can use the guidelines sustainability claims by the Netherlands Authority for Consumers and Markets. The British Competition and Markets Authority’s guidance for businesses on making environmental claims also lists six principles to follow.

Tips:

Optimise your sustainability performance. Study the issues included in initiatives such as BSCI and ETI to learn what to focus on.

If you can show your sustainability performance, this may give you a competitive advantage. You can use self-assessments like the BSCI Self-Assessment for Producers and Sedex’ Self-Assessment Questionnaire, or a code of conduct such as the ETI Base Code of labour practice.

For more information, see our special study on sustainability in HDHT.

See the ITC Standards Map for more information on BSCI, ETI, Sedex and SA8000.

For more information on European developments in the field of human rights and sustainability, see the proposal for a Directive on corporate sustainability due diligence. This Directive requires larger companies to identify and – where necessary – prevent, end or reduce, negative impacts of their activities on human rights and the environment.

Crystalline Silica

Respirable Crystalline Silica (RCS) can cause lung cancer through inhalation. The ceramics industry mostly uses crystalline silica in the form of quartz and cristobalite. European buyers care about worker safety and may demand good handling of crystalline silica in ceramics production.

Tip:

See the European Network on Silica for access to materials such as the Agreement on Workers Health Protection through the Good Handling and Use of Crystalline Silica and Products containing it, a Good Practice Guide and European national Occupational Exposure Limits.

Labelling

The information on the outer packaging should correspond to the packing list sent to the importer.

External packaging labels should include:

- Producer name;
- Consignee name;
- Quantity;
- Size;
- Volume; and
- Caution signs.

Your buyer will specify what information they need on the product labels or on the item itself, such as logos or 'made in...' information. This is part of the order specifications. In Europe it is common to use EAN or barcodes on the product label.

Packaging specifications

Importer specifications

You should pack dinnerware 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.

Damage prevention

Proper packaging minimises the risk of damage caused by shocks. How an item is packaged for export depends on how easily it can be damaged. 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. The inner boxes are filled with protective materials or protect the dinnerware by means of clever partitioning with corrugated cardboard.

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 and must be specified by the buyer.

Cost reduction

Boxes are usually palletised for air or sea transport, and you have to maximise pallet space. For dinnerware, stacking the items inside the container reduces costs. Consider this when designing your products.

Packaging has to provide maximum protection, but you must also avoid using excess materials or shipping ‘air’. Waste removal is a cost for buyers.

You can reduce the amount and diversity of packing materials by:

- Partitioning inside the cartons, using folded cardboard;
- Matching inner and outer boxes by using standard sizes;
- Considering packing and logistical requirements when designing your products; or
- Asking your buyer for alternatives.

Material

Importers are increasingly banning wooden crating and packaging. 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

Retailers often gift-pack dinnerware items. Such consumer packaging can be developed by the dinnerware brand and produced by the manufacturer or by the brand. Sometimes the retailer itself provides packaging or wrapping in their own brand identity. In those cases, this material is developed at the destination. You should make your importer aware of the consumer packaging options you offer and include the details in your terms of trading.

Tips:

Always ask for the importer’s order specifications, with their packaging and labelling requirements.

See Packaging Europe for more information on the latest packaging developments, including regular news articles about biodegradable packaging.

Payment and delivery terms

Payment terms are usually agreed upon with the buyer in the order contract. They 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.

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

Tips:

- See our tips on how to organise your export for more information on payment and delivery terms.
- Study the different types of Incoterms, including what your and your buyer's rights and obligations are.
- For a more elaborate overview of the various terms and conditions, how to work with them, and the benefits of having your own, see our study on terms & conditions.

What are the requirements for niche markets?

Fair trade

According to the World Economic Forum, 86% of people want significant change to make the world fairer and more sustainable after COVID-19. The concept of fair trade supports fair pricing and improved social conditions for producers and their communities. Especially in the event that the production of your items is labour intensive, fair-trade certification can give you a competitive advantage. For ceramic dinnerware, a lot of labour goes into decorating (by hand). This certification often includes aspects of environmental sustainability as well.

Common fair-trade certifications are issued by the World Fair Trade Organisation (WFTO) and Fair for Life. For most fair-trade oriented buyers in Europe however, simply complying with WFTO's fair trade principles is enough.

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.
- Determine which certification programme would be the best fit for you and apply for it if you can.
- If certification is not feasible, work according to fair-trade principles without being officially guaranteed or certified. Carefully document your company processes so you can support your story.
- Check the ITC Standards Map database for more information on Fair for Life.

2. Through what channels can you get ceramic dinnerware on the European market?

The dinnerware market is segmented into low-, mid- and high-end (premium) market segments. The products are put on the market through the traditional channels: importers/wholesalers that supply to retailers, as well as retailers that buy directly from suppliers.

How is the end-market segmented?

The European dinnerware market is mature and highly segmented. There are broad and deep low-, mid- and high-end market segments. These can be divided into even more sub-segments based on different propositions.

This may make dinnerware the most challenging home decoration category of all, as many propositions have already been tried. However – dinnerware is also the most inviting category because anything is possible, and the consumer is open to change.

Figure 1: Dinnerware market segmentation in Europe

Source: Globally Cool, GO! GoodOpportunity & Remco Kemper

Low-end market

These are the everyday basics in dinnerware. The low-end market consumer is not very focused on the design of the product and considers it a convenience good. Dinnerware for this segment should be functional, basic in its design, easy to replace, inexpensive, and quick and easy to buy. Typical retailers include hypermarkets such as Carrefour and general department stores like IKEA. An example is Action's ceramic dinnerware for the lower-end market.

Direct competition with these basic private-label products from mostly Chinese suppliers is not recommended, as they are based on high volumes at low prices. As a result, the mid- and higher-end markets offer the most opportunities to you, as a small or medium-sized enterprise (SME) from a developing country.

Mid-end market

Dinnerware in the mid-end market is still standardised, but trendier, with some interest in new innovative shapes or handmade effects. These products are reasonably priced. The endorsement of a celebrity (such as a TV cook) can stimulate sales in this segment. Sustainability and products with a story play a role in this segment. Especially in the upper end of the middle market where handmade (or semi-handmade) propositions are possible. Habitat is an example of a retailer in the mid-end, as well as specialty stores like Oldenhof's kookwinkel.

High-end/premium market

In the high-end/premium market, dinnerware is characterised by high-quality design, craftsmanship and brand names. Competing with the established brands in this segment is very hard. Effective branding for this market requires not only excellent quality, but also a big marketing budget. Luxury department stores such as Harrods play an important role in this segment. Many high-end brands also have their own webstores, such as Villeroy & Boch. Handmade dinnerware is highly appreciated, but volumes might be limited.

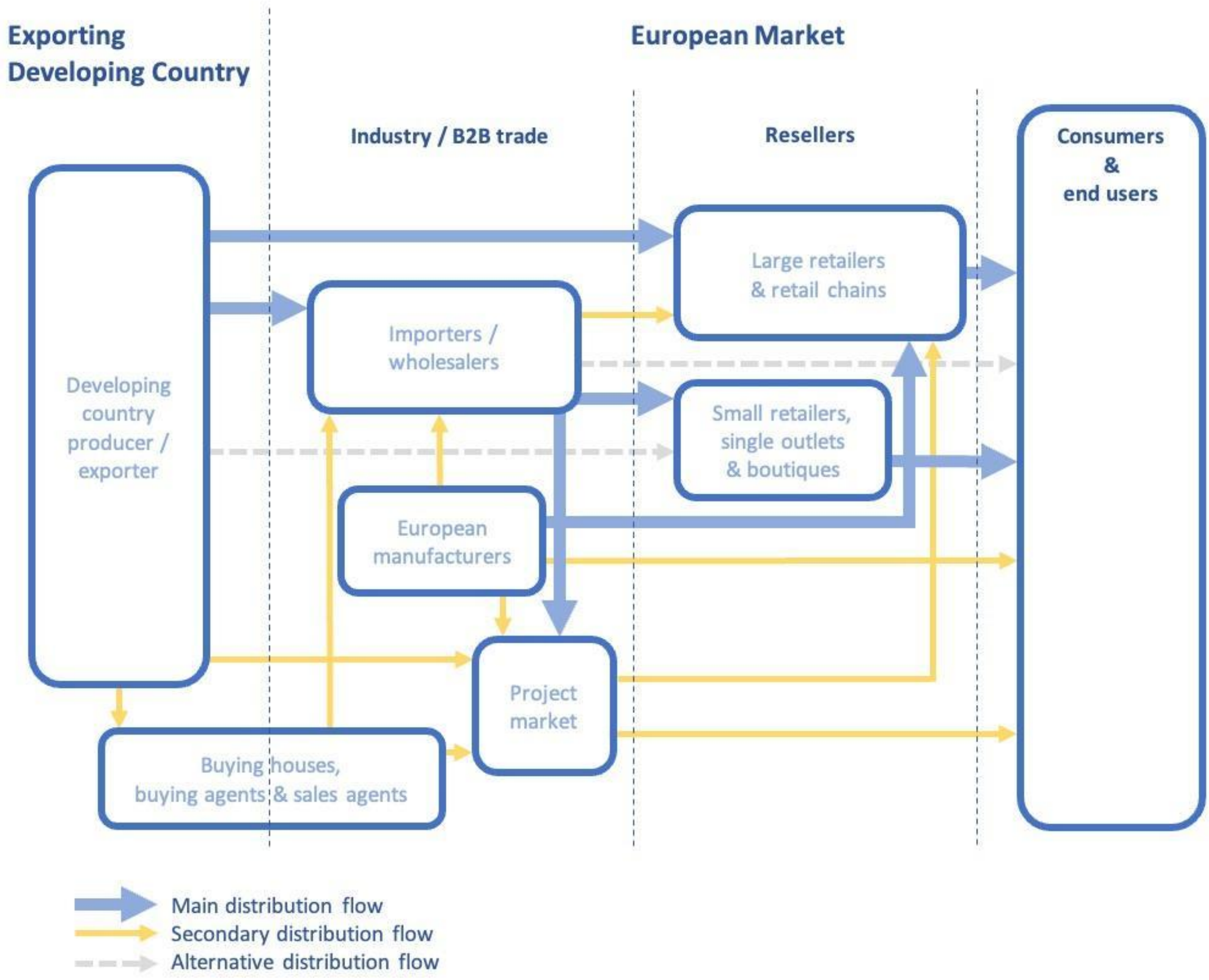
Hospitality market

Besides the consumer market, the hospitality market (hotels, restaurants and catering) represents a separate segment. Key features here include durability, functionality and price. Suppliers must offer the option to add branding to the product, according to the importer's or retailer's specifications. The dinnerware in this market is generally price sensitive and requires a fast turnaround and large volumes.

Through what channels does a product end up on the end-market?

The channels through which ceramic dinnerware is put on the 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, while more and more smaller retailers have also started buying directly from the supplier. In some cases, buying agents play a role.

Figure 2: Trade channels for dinnerware in Europe



Source: Globally Cool, GO! GoodOpportunity & Remco Kemper

Importers/wholesalers

Importers/wholesalers sell products to retailers in their own country or region, or re-export across Europe. Some European markets are therefore supplied by wholesalers/importers from other European countries (intra-European trade). Supplying to buyers in the project market (such as hotels and spas) can be considered as a secondary distribution flow for European importing wholesalers.

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

The hospitality industry is also fed by importer/wholesalers. Several wholesalers, such as Gastro-Inn in Germany, are specialised in supplying to hotels and restaurants.

Importing retailers

Retailers come in many sizes: large and part of a chain, or small and independent. Especially larger retail chains tend to import directly from their suppliers in developing countries. Many even have their own buying offices in developing countries. Others, mainly the smaller independent stores, order in Europe from wholesalers.

There is a tendency towards consolidation in European retail. Large retail brands are becoming more widespread and more 'lifestyle-centred', offering home decoration and textiles as well as fashion accessories and furniture.

Buying agents

Buying agents do not import, instead representing European buyers in the sourcing country. Sometimes agents have a more limited role, such as checking the quality of the shipments in your warehouse on behalf of a specific importer or checking the codes of conduct that exporters have agreed with the buyer. Agents can work individually or as part of purchasing companies. They mostly operate based on commission.

Buying agents, buying houses and sales agents

You can encounter several types of intermediaries when doing business with European buyers. In your own country there may be buying houses, and in Europe there are both buying agents and sales agents.

- European buying agents represent European buyers in sourcing countries. They act as intermediaries, meaning they do not import products themselves. Sometimes they have a more limited role, such as checking the quality of the products. They can work individually or as part of a purchasing company.
- Buying houses are comparable to buying agents, but they are based in your own country and usually offer more services. These can range from raw material sourcing to design and sampling services.
- European sales agents can help you find European buyers. However, you should be careful before entering into agreements with commercial agents, because European legislation protects their position.

Agents and buying houses mostly work on commission. They may approach you directly, or your buyer may indicate that they prefer to use an intermediary. However, you should always try to work directly with your buyer. This saves on commission and allows you to communicate with your buyer directly.

E-commerce

E-commerce is growing, especially since the COVID-19 pandemic. Your best way to benefit from this, is by supplying to a European wholesaler or retailer with a strong online presence. For most producers, this is not a separate channel. Catering to buyers that sell online does not differ from your regular business. Retailers often combine online and offline channels, but the way of supplying to them is the same. Companies that only sell online also need to take stock before they can sell.

Direct business-to-consumer (B2C) sales

Selling directly to European consumers via your own website can be complicated and costly. You are responsible for factors like aftersales obligations and payment systems for consumer use. For most exporters from developing countries this is not feasible. In addition, according to Dutch consumer association Consumentenbond Dutch consumers buy less from non-EU web shops since new EU VAT rules were rolled out in July 2021. This makes direct online sales even less attractive.

Tips:

- To find potential buyers, search the list of exhibitors or attend the main trade fairs in Europe: Ambiente (February) and Tendence (August) in Frankfurt, and Maison&Objet (January and September) in Paris.
- Search the member lists of relevant associations to find potential buyers, such as Cerame-Unie (European Ceramic Industry Association). This association also represents the European Federation of Ceramic Table- and Ornamentalware (FEPF).
- See our tips for finding buyers in the European HDHT market.
- For more information about trading directly with smaller retailers and e-commerce, see our study about alternative distribution channels.

What is the most interesting channel for you?

Importers/wholesalers are the main channel between exporters in developing countries and European retailers. They are interesting if you want to develop a long-term relationship. These importers usually know the European market well, so they can provide you with valuable information and guidance on market preferences.

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

Smaller, independent European retailers continue to buy mainly from domestic importers/wholesalers. As in other sectors, independent HDHT retailers struggle to compete with retail chains. They need to differentiate on value-added service, specialised offers and authenticity. These buyers 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 and may create more opportunities for you. The pool of buyers grows if more retailers become importers, which could improve your bargaining position. Importing retailers order for their own shops and can therefore place orders much more quickly than some importers/wholesalers, who may need to show samples to their retailers before ordering.

Tips:

- Consider targeting retailers directly to improve your bargaining position and potentially 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, the better you will be able to set prices.

Build a relationship based on mutual benefits by offering services such as fast delivery and after-sales support.

If you are interested in selling to small independent retailers, make sure to have a policy for them when you participate in international trade fairs. You must have appropriate terms of trading, such as low minimum order quantities or pre-stocking.

3. What competition do you face on the European ceramic dinnerware market?

China supplies about 40% of European ceramic dinnerware imports, consisting mainly of mass-produced low-cost items. As a result, your best opportunities are in the mid- to high-end market. There, you compete with manufacturers from countries such as Portugal and Thailand.

China is Europe's main ceramic dinnerware supplier with 40% of the imports, followed by Germany (11%). Portugal (6.2%), the Netherlands (4.1%), Poland (3.8%) and Thailand (3.8%) are next on the list.

Re-exporters or producers

Be aware that European countries have different roles in the HDHT market. Some are mainly importers and others are mainly manufacturers. Western European countries are mainly importers (and re-exporters). Most Western European importers do not just sell their products in their own country, but they distribute them across the continent.

European production mainly takes place in Eastern Europe, mostly because of relatively low transport and labour costs. This can make these countries a good alternative for European buyers to source low- to mid-end products. Western and Southern Europe also produce some high-end products from well-known premium brands with a long history.

Mass-produced dinnerware is segmented in the lower ends of the market and produced in the most cost-effective country. You do not compete with these countries, as your best chances are in the mid- to high-end market.

Which countries are you competing with?

Source: UN Comtrade

China dominates the low-end market

China has become the ceramic dinnerware 'factory of the world', handling the production of many of the old European brands. Nearly all Chinese production is low-cost contract manufacturing for private labels, meaning that these Chinese producers do not have their own brands. Chinese ceramic dinnerware supplies to Europe grew from €862 million in 2017 to €1.1 billion in 2021, at an average annual rate of 5.1%. Because they dropped back down to €795 million in 2020, it is likely that the 2021 exports include delayed shipments from 2020.

Its low-cost workforce, availability of raw materials and efficient shipping to Europe (compared to other Asian countries) make China the most competitive supplier. However, the country's rising labour costs in the last ten years have affected its price competitiveness. In the coming years, disruptions following China's trade war with the United States and the COVID-19 pandemic may negatively impact the country's trade performance. This could benefit companies from other developing countries.

Chinese producers mainly supply the lower ends of the market with low-priced products, as product development and creativity are not their core strengths. To avoid having to compete with Chinese suppliers on costs, you should stay away from mass-produced dinnerware. Focus more on design, craftsmanship, sustainability and the story behind your product. This allows you to enter the mid- to high-end market, where your best opportunities are.

Portugal is strong in design and quality

Portuguese ceramic dinnerware supplies to other European countries grew from €123 million in 2017 to €166 million in 2021, at an average annual rate of 7.7%. The decline in 2020 was limited to -4.5%.

Portugal's key strengths are stoneware and earthenware. The Portuguese supply is backed by hundreds of years of experience, innovative designs and quality styling. As such, Portuguese ceramic suppliers have become key players in the more rustic, 'country' styles for the mid- and high-end segments of the European market.

Portugal has created its own niche in the dinnerware category. Its pottery is traditionally a bit chunky and often quite colourful. This typically caters to so-called cottage style concepts in the mid-market. Portugal's strategy can serve as a good example of how to use specific elements of your original culture (in this case in the area of ceramics), such as colour, raw material or craftsmanship. You can highlight those in your export ranges and create a new niche segment, just like Portugal.

Figure 4: H&M Home – ceramic dinnerware production in Portugal

Source: H&M Home @ YouTube

Poland competes on convenience and cost

Polish supplies of ceramic dinnerware to other European countries grew from €82 million in 2017 to €100 million in 2021, at an average rate of 5.1% per year. Most of these exports are destined for Germany and Eastern European countries such as the Czech Republic. Traditional Polish pottery, or Polish stoneware, is mainly known in these countries.

Poland mainly supplies industrially produced mass-market items for the volume markets. As an Eastern-European country, Poland can offer short delivery times and relatively affordable labour costs compared to Western Europe. Polish suppliers are mainly private label suppliers, with an excellent reputation in service to their buyers. As such, they are becoming a major alternative to China. To avoid direct competition with Eastern European production, you should move into the more handmade segments in the mid-high and premium markets.

Thailand lets some of its market share slip

Thailand is another important supplier, more so of stoneware and earthenware than of porcelain. Before 2020, the country's exports of ceramic dinnerware to Europe were relatively stable at around €110 million. After a dip, they reached €100 million 2021. This caused a drop in Thailand's direct import market share, from 5.1% in 2017 to 3.8% in 2021.

Most Thai players on the market are small and medium-sized manufacturers, supplying medium-grade products for the mid-end market. They can produce ceramics with traditional Thai patterns as well as with modern designs, under their own brand or via contract manufacturing. Thailand has traditionally been mostly a private label supplier of stoneware. However, Thai manufacturers have struggled to innovate and have become quite expensive for the country's original customer base in Europe.

Turkey also benefits from its nearby location

Turkey is quite a newcomer in the dinnerware market. Its ceramic dinnerware supplies to Europe grew from €64 million in 2017 to €73 million in 2021. This represents a direct import market share of 2.7%. Because Turkey's ceramic dinnerware supplies dropped by -28% in 2020, 2021 probably includes some delayed shipments.

Like Poland, Turkey also has the advantage of being located close to the European market. The country still has to find its place in the dinnerware market; to discover whether its positioning should be on price/volume or more on design value. To compete with this relative newcomer, you should focus on your own unique strengths and occupy the right niches before others do.

Romania's supplies peaked in 2018

Romania is an upcoming Eastern-European destination for outsourced production. Like Poland, Romania benefits from its location close to the Western-European markets and its relatively low-cost production opportunities. The country's ceramic dinnerware exports to other European countries peaked at €82 million in 2018. After a dip in 2020 they reached €70 million in 2021, which is comparable to Romania's performance in 2017.

Which companies are you competing with?

Chrisko, Thailand

Chrisko combines Thailand's broad crafts culture and the existence of a more industrial manufacturing sector. As such, they can produce dinnerware both for middle and premium market segments. Chrisko produces dinnerware in a range of different materials, supplying both the consumer and the project market. The company presents a one-stop-shopping opportunity, covering a broad spectrum of dinner-, cook- and serveware. They offer a wide range of services, from product development and branding to full after-sales service for product issues.

Chabi Chic, Morocco

Chabi Chic is a women-led Moroccan lifestyle brand. Their main focus is on ceramic dinnerware, but they also produce other home products, accessories and cosmetics. Chabi Chic combines traditional Moroccan craftsmanship and designs with modern influences. This allows them to create “trendy, chic and uniquely handmade” items. The hand-decorated dinnerware is ideal for mixing and matching different compatible styles. For an extra luxurious touch, some of the items are decorated with 12-karat gold.

The company offers local artisans formal employment and better working conditions. They use “Made in Morocco” in their branding, proudly promoting Moroccan craftsmanship.

Dankutowa, Sri Lanka

Sri Lanka’s Dankutowa has found a structural niche as a private label supplier of porcelain dinnerware, especially to retail. To compete, they offer excellent business-to-business (B2B) values. Buyers can personalise and have exclusivity assurance. Dankutowa specialises in porcelain, with high-quality colours and decals. Small runs are a not a problem. Sometimes such values are enough to base a long-term relationship with buyers on.

Which products are you competing with?

Competition for dinnerware mostly comes from within the category and can be fierce. All materials have alternatives. Options in ceramics include porcelain, stoneware and earthenware. Beyond ceramics, consumers can choose glass or crystal, a variety of metals, plastics, and now also bamboo and woods.

Tips:

Compare your products and company to the competition. You can use ITC Trade Map to find exporters per country and compare on market segment, price, quality and target countries.

Focus on design, craftsmanship, quality and the story behind your products to stand out from your competitors.

4. What are the prices for ceramic dinnerware on the European market?

Prices for ceramic dinnerware vary across market segments, ranging from low-end to high-end. After adding logistics costs, wholesaler and retail margins, and Value Added Tax (VAT), European consumer prices amount to about 4-6.5 times your selling price.

Table 2 gives an overview of the indicative prices of ceramic dinnerware in the low-, mid- and high-end market segments. ‘Indicative’ is key here, since prices for dinnerware vary depending on technique, material, design, brand and other ways of value addition.

Table 2: Indicative consumer prices of ceramic dinnerware in Europe

	Low-end	Mid-end	High-end
12-piece set	up to €80	€80-150	€150 or more

Plates – set of four	up to €30	€30-80	€80 or more
Cereal/pasta bowl – set of four	up to €30	€30-80	€80 or more

Consumer prices depend on the value perception of your product in a particular segment. This is influenced by your marketing mix.

Figure 5: Marketing mix – the four Ps

Source: Globally Cool, GO! GoodOpportunity & Remco Kemper

The European consumer price of your dinnerware is about 4-6.5 times your selling price (Free on Board - FOB). Besides energy, labour and transport costs, FOB prices depend heavily on the availability and cost of raw materials. Occasional cost increases are not directly passed on to the consumer, so they put pressure on exporters', importers' and retailers' margins. Current pandemic-related disruptions have resulted in longer-term cost increases. Because of this continuing pressure, some European retailers have now decided to increase their consumer prices.

Consumer prices generally consist of:

- Your FOB price;
- Shipping, import, handling costs;
- Wholesaler margins;
- Retail margins; and
- VAT – varies per country, about 20% on average.

Figure 6: Price breakdown indication for dinnerware in the supply chain

Source: Globally Cool, GO! GoodOpportunity & Remco Kemper

For example, in Table 3 the FOB price is set at €10. Depending on the market segment your product is designed for, the consumer price ranges from €41 in the low-end market to €65.50 in the high-end market.

Table 3: 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

The FOB price of €10 includes your own margins as a producer. These margins depend on your efficiency and price setting. Generally, margins in the lower segment, that deals with high volumes for low prices, are smaller than those in the middle and higher segments.

Examples of ceramic dinnerware prices across Europe are:

- Hand-painted Thai ceramic bowl, Wanthai (Germany), €6.95;
- Set of two handmade stoneware dinnerplates, Mento (the Netherlands), €34 per two;
- 16-piece dinner set with embossed geometric pattern, Wedgwood (the United Kingdom), €368.90.

Tips:

Study consumer prices in your target segment to determine your price and adjust your cost accordingly. Your dinnerware’s quality and price must match what is expected in your chosen target segment.

Calculate your prices regularly and carefully, especially if prices of your raw materials fluctuate. When raw material prices pressure your margin for a longer period, consider increasing your price or finding an alternative.

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

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