

# Entering the European market for easy chairs

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The mid-end to high-end segments are most promising for you, although natural materials and handmade designs offer you opportunities in any segment. To appeal to consumers in these segments, style is key. Mid-market easy chairs reflect the well-known home decoration styles. By contrast, easy chairs in the high-end/premium market are generally eye-catching statement pieces. 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 easy chairs comply with to be allowed on the European market?

The following requirements apply to easy chairs on the European market. For a more detailed overview, see our study on [buyer requirements for Home Decoration and Home Textiles \(HDHT\)](#).

### What are mandatory requirements?

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

- General Product Safety Directive
- REACH
- Timber Regulation
- Packaging and packaging waste legislation

### General product safety

The EU's [General Product Safety Directive](#) is framework legislation that requires that all products marketed in the European Union must be safe to use. If no specific legal requirements have been laid down 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, and covers other safety aspects that may not have been specifically described elsewhere.

Unsafe products are rejected at the European border or withdrawn from the market.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:

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

Search the [RAPEX database](#) for easy chairs to get an idea of what issues may arise.

## Restricted chemicals: REACH

The [REACH](#) regulation (EC 1907/2006) aims to improve the protection of human health and the environment through the Registration, Evaluation, Authorisation and restriction of CHemicals. While REACH has various important roles in Europe, the most relevant to you is the restriction of chemicals in products that are marketed in Europe.

Restricted chemicals with regard to easy chairs include:

- cadmium compounds in various applications
- arsenic and creosotes as wood preservatives

### Tip:

For useful information and tips from the European Chemical Agency (ECHA), see [REACH Annex XVII](#) (a list of all restricted chemicals), [Information on REACH for companies established outside Europe](#) and [Questions & Answers on REACH](#).

## Timber Regulation

The European Union's [Timber Regulation](#) (EUTR) counters the trade in illegally harvested timber and products through three obligations.

When placing timber on the European market for the first time:

1. illegally harvested timber and products derived from such timber are prohibited
2. European traders must exercise 'due diligence'

Once on the market, the timber and timber products may be sold and/or transformed before they reach the final consumer. To facilitate the traceability of timber products, economic operators in this part of the supply chain (referred to as traders in the Regulation) have an obligation to:

3. keep records of their suppliers and customers

The Regulation covers a wide range of [timber products](#) listed in its Annex, using EU Customs code nomenclature. Products with a [FLEGT](#) or [CITES](#) licence comply with the EUTR, meaning they are exempt from the due diligence obligation.

### Tips:

For more information, see the [EUTR Guidance Document](#).

See the [FLEGT License Information Point](#) and the [EU FLEGT Facility](#) for more information about FLEGT.

For more information on CITES permits, you can contact your [National CITES Management Authority](#).

## Packaging

Europe has specific [packaging and packaging waste legislation](#). This EU Directive 2015/720 aims to prevent or reduce the impact of packaging and packaging waste on the environment at European level. Buyers may therefore ask you to minimise the use of packaging materials (paper, cartons, plastics) or to use recycled materials, for example.

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 easy chairs.

### 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. 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 society as a whole. Buyers appreciate a good story to create an emotional connection with their customers.

Nowadays, an increasing number of European buyers demand adherence to the following 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.
- **Sedex**: this membership organisation strives to improve working conditions in global sourcing chains. It offers a collaborative platform where you can share information on your ethical and labour standards with (potential) buyers, based on a Self-Assessment Questionnaire (SAQ).

You can refer to standards such as [ISO 14001](#) and [SA8000](#) to read up on sustainable options. However, only niche market buyers demand compliance with such standards.

A recent study by the International Trade Centre concluded that, irrespective of the product, [retailers in the major European markets are putting more environmentally and socially sustainable products on their shelves](#). 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 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 give you 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](#).

## Labelling

The information on the outer packaging of easy chairs should correspond to the packing list sent to the importer. The external packaging labels should include:

- producer name
- consignee name
- quantity
- size
- volume
- 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. It is common in Europe to use [EAN or barcodes](#) on the product label. Labelling should be in English, unless your buyer indicates otherwise.

## Packaging

### Importer specifications

You should pack easy chairs 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 packaging specifications. These are part of the purchase order.

## Damage prevention

Properly packaging easy chairs minimises the risk of damage caused by shocks. How an item is packed 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. Some buyers prefer chairs to be crated, others accept wrapping in corrugated cardboard without an outer carton.

Wooden furniture can mould or crack, so you need to properly dry the wood after production. Condensation inside the container during transport can cause mould. This is caused by humid air that becomes colder at night and warmer during the day. You need proper air ventilation inside the container to prevent this. Before shipment, you must inspect containers for air holes. You can also place products to reduce humidity amongst the cargo. Make sure to follow the importer's instructions.

## Dimensions and weight

Packaging must be easy to handle in terms of dimensions 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. As chairs can take up a lot of container space, nesting, stacking or flat-packing them inside the container reduces costs. Consider this when designing your products.

Packaging has to provide maximum protection, but you also have to avoid using excess materials or shipping 'air'. Waste removal is a cost to 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
- asking the buyer for alternatives

## Material

Importers are increasingly banning wooden crating and packaging due to their 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

Consumer packaging for easy chairs should make it relatively easy to transport the product home from the retailer. It usually comes in the form of a carton, which can be the original export packaging, or a box provided by the retailer.

### Tips:

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

See [Packaging Europe](#) for more information on the latest packaging developments, with 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, officially 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.

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 their obligation to deliver when they have handed over the goods, cleared for export, into the charge of the carrier named by the buyer at the specified place or point.

Retail multiples can ask for Cost Insurance Freight (CIF). 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 Delivered Duty Paid (DDP) arrangement. For importers who consolidate orders in your country, Ex Works (EXW) terms are often best.

### Tips:

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

Study the different types of [Incoterms](#), including what your and your buyer's rights and obligations are.

## 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 if the production of your easy chairs is labour intensive, fair-trade certification can give you a competitive advantage. Common fair-trade certifications are issued by the [World Fair Trade Organisation](#) (WFTO) and [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 [Sustainability Map](#) database for more information on voluntary standards and their requirements, including fair production.

**FSC** (Forest Stewardship Council) certification is the most common label for sustainable wooden products, including wooden furniture. The [FSC chain of custody certification](#) guarantees that a product's source material comes from responsibly managed forests. These products are especially popular in Western European markets.

**PEFC** (Programme for the Endorsement of Forest Certification) is another option. Like with FSC, the [PEFC chain of custody certification](#) verifies that the certified forest-based material contained in a product comes from sustainably managed forests.

Because these certification programmes are aligned with the EUTR, they also provide a means of showing legal compliance.

### Tips:

For more information, see the [five steps towards FSC certification](#) and/or [how to become PEFC Certified](#).

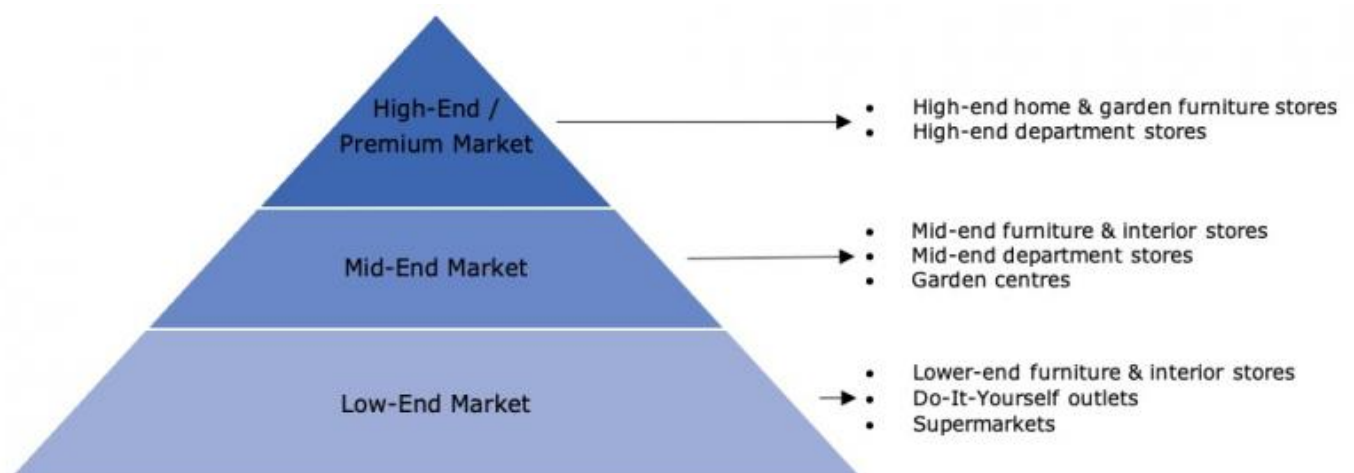
If you use recycled wood or paper, you can apply for the [FSC Recycled label](#).

## 2. Through what channels can you get easy chairs on the European market?

The market for easy chairs is segmented into low-end, mid-end and high-end (premium) market segments. The items 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?

Figure 1: Easy chairs market segmentation in Europe



### Low-end market

The low-end market segment for easy chairs focuses on high comfort at an affordable price. This is often achieved with upholstery, or with a simple, slightly reclining design that can come close to a dining chair.

Items for this market segment are generally functional basics without much visual impact. Quality in terms of construction and design is limited. [Ikea](#) and [Castorama](#) are examples of retailers in this segment. Because this market is dominated by low-cost, mass-produced items, your opportunities are limited. The mid-end and high-end segments are most promising for you.

## Mid-end market

In the mid-end market, style is the key factor. Items for this segment come at a reasonable price and should reflect the well-known styles. Easy chairs can have any popular home decoration style, such as colonial, baroque or retro glam. [John Lewis & Partners](#) and [Habitat](#) are important players on the mid-end market.

At the higher end of this segment (the mid-high market), there is more focus on the individual character of the chair. Natural materials and handmade designs increasingly play a role.

Figure 2: Mid-end market easy chair – accessible style and trendy colours



Source: [Unsplash](#)

## High-end/premium market

Easy chairs for the high-end/premium market are generally eye-catching ‘statement’ pieces. This segment is dominated by ‘design’ and brand, or premium craftsmanship (either industrial or handmade), such as the Italian brand Gervasoni. The high-end consumer expresses his or her identity by their choice of easy chair. This means styles can be either expressive or minimalist, but never muddled. Luxury department stores such as [Harrods](#) play an important role here.

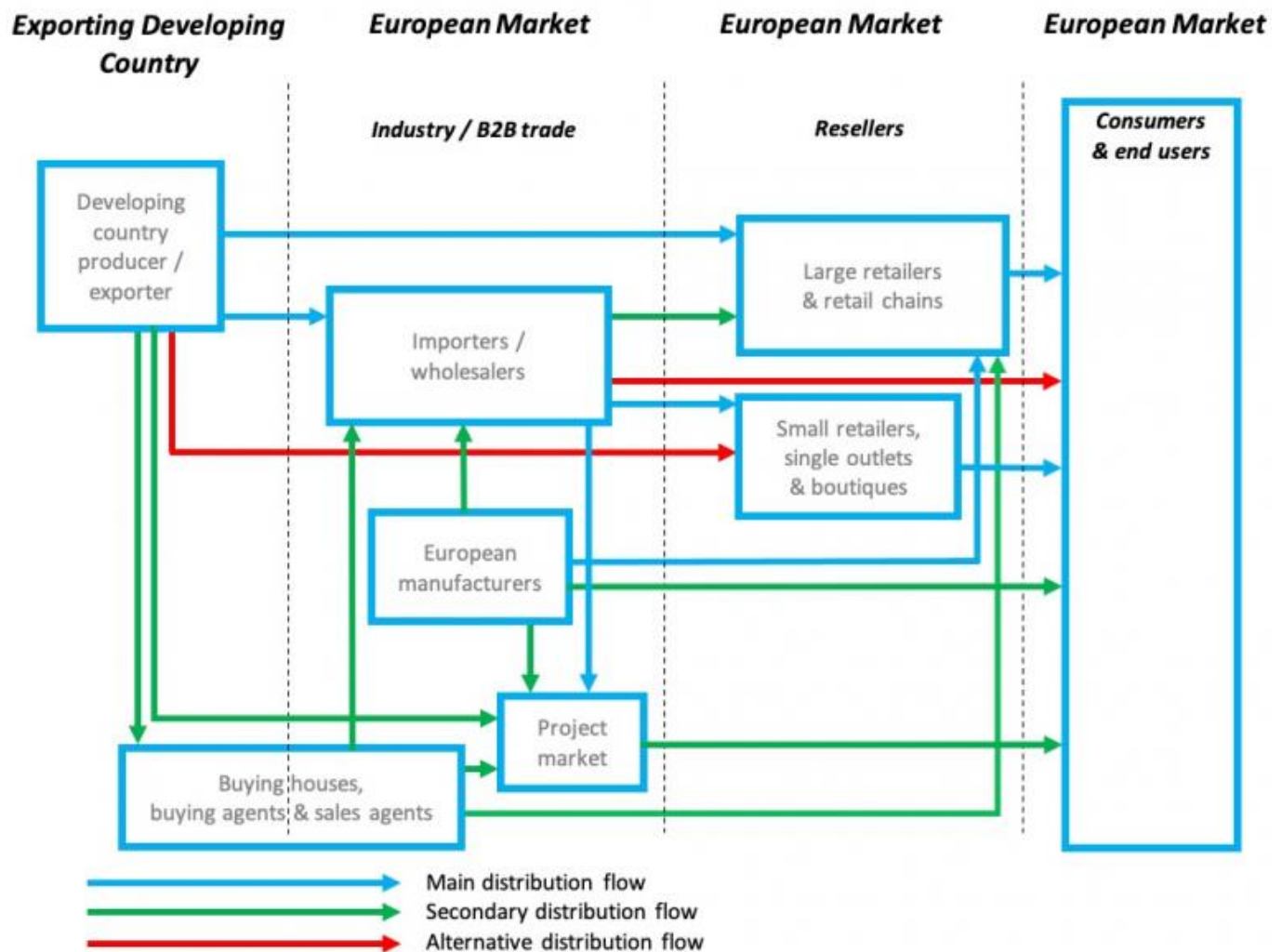
Natural materials and handmade designs offer you opportunities in any segment, depending on your production capacity and design skills.



## Through what channels do easy chairs end up on the end-market?

The channels through which easy chairs are 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 smaller retailers are also increasingly buying directly from the supplier. In some cases, buying agents play a role. Below, we will highlight the main actors in the market for easy chairs.

Figure 3: Trade channels for easy chairs in Europe



### Importers/wholesalers

Importers/wholesalers sell products to retailers in their own country or region, or re-export to the broader European market. Some European markets are therefore supplied by wholesalers/importers from other European countries (internal European trade). Supply 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 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. 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.

### Importing retailers

Some retailers, especially the larger chains, import directly from their suppliers in developing countries. Many large retail chains, such as Ikea, 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 widespread in Europe and more 'lifestyle-centred' (offering home decoration and textiles as well as fashion accessories and furniture).

## Buying agents, buying houses and sales agents

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

European buying agents represent European buyers in sourcing countries. They act as intermediaries, meaning that they do not import products themselves. Sometimes agents have a more limited role, such as checking the quality of the products in your warehouse on behalf of a specific importer or checking compliance with the codes of conduct that you have agreed on with your buyer. Buying agents can work individually or as part of purchasing companies.

Buying houses are similar to buying agents, but they are based in your country and usually offer a broader range of services, which can include material sourcing, design and sampling services.

European sales agents can represent you in helping to find buyers in the European market. However, you should be careful before entering into (exclusive) agreements with them, as [European legislation is quite protective when it comes to the position of commercial agents](#).

Agents and buying houses mostly operate based on commission. They may approach you directly, or your (potential) buyer could indicate they prefer working through an intermediary. However, if possible, working directly with a buyer is preferable. This saves on commission and allows you to communicate directly with the buyer.

## E-commerce

E-commerce in HDHT is increasing, particularly since the COVID-19 pandemic, and can help you reach a broader range of customers. However, the rise in e-commerce actually has fairly little effect on the way you should conduct your business as an exporter. Because European HDHT retailers often sell their products both in stores and online, the way you supply to them stays the same. Even online-only retailers need to take stock before they can sell to consumers. This means that supplying to online retail is not a separate market channel in itself.

Another way to tap into the trend of online sales is by opening your own web shop. However, this is not easy.

Selling directly to European consumers via your own website would mean:

- supplying small batches and/or individually packaged items
- being prepared to pre-stock and offer more just-in-time supply concepts
- arranging effective consumer payment systems
- competing with experienced and well-known European and producer-country wholesalers/retailers
- dealing with aftersales on a business-to-consumer (B2C) level, including returns and replacements

Because all this is rather complicated and can be costly, direct online sales to European consumers are not feasible for most exporters from developing countries.

### Tips:

To find potential buyers, search the list of exhibitors or attend the main (online) trade fairs in Europe: [Ambiente](#) - Frankfurt (February), [IMM Cologne](#) (January) [Maison et Objet](#) - Paris (January) and

September) and [Tendence](#) - Frankfurt (August)

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

For more information about trading directly with smaller retailers, see our special study on [alternative distribution channels](#).

## 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 and will normally provide you with design input.

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 higher middle 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 stand out 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 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 some of the 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 chances of closing 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 participate 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 easy chair market?**

Around a third of the seats supplied to the European market come from China. These Chinese exports mainly consist of mass-produced items for the lower-end segments. Instead of competing with Chinese manufacturers, your best opportunities are in the mid-end to high-end market, where you can add value through craftsmanship and your choice of (natural) materials. In these segments you compete with manufacturers from countries like Indonesia, but also with European furniture specialists, such as companies in Italy and Eastern Europe.

(!) Because no specific trade data are available for easy chairs, these statistics cover seats in general.

China is by far the biggest supplier of seats to the European market, accounting for 33% of imports, followed by Poland with 17%. Together, these countries account for around half of all direct seat imports. Italy (7.4%), Germany (7.0%), the Netherlands (4.3%) and Vietnam (3.3%) are next on the list.

However, you should be aware that in the European market, countries have different roles. A rough distinction can be made between countries that are mainly importers and countries that are mainly manufacturers. In general, Western European countries are mainly re-exporters. Most Western-European importers do not only sell their imported products in their own country, but also distribute them across Europe.

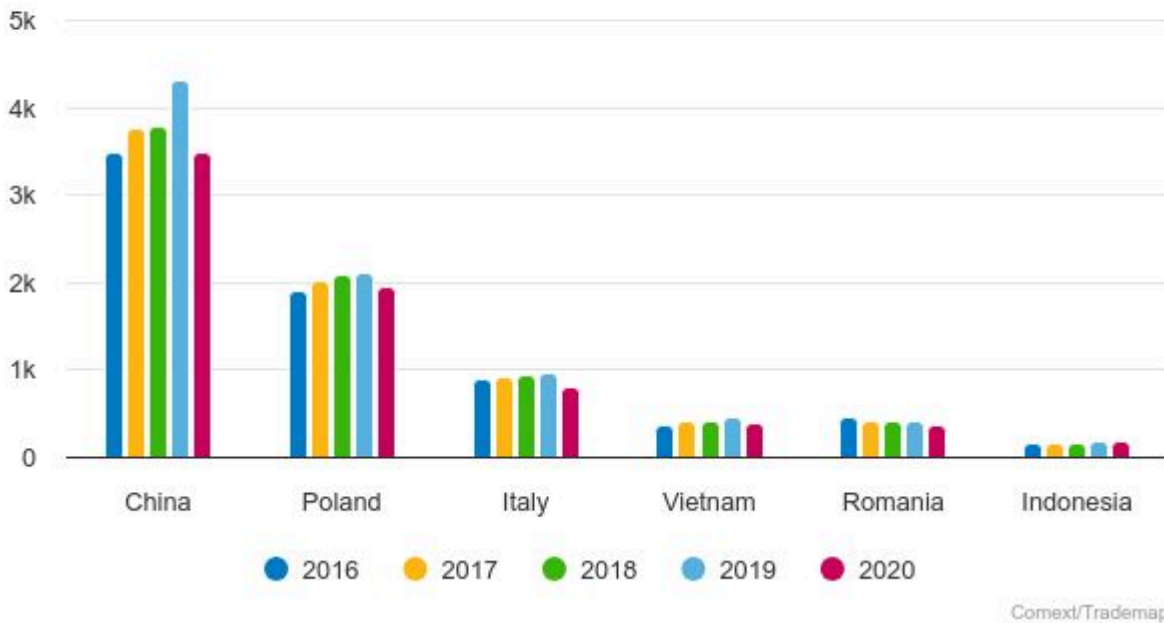
European production mainly takes place in Eastern European countries. This is mostly because of their closeness to the European market and their relatively low labour costs. This sometimes makes them a good alternative for sourcing from the Far East.

Mass-produced easy chairs are segmented in the lower ends of the market and produced in the most cost-effective country. We advise focusing on the mid-end to high-end market, where you will not face competition from these countries.

### **Which countries are you competing with?**

**Figure 4: Competing suppliers of seats to Europe**

in € million



### China dominates the lower-end market

Chinese seat exports to Europe stabilised at €4.5 billion in 2020, which added up to an average annual growth of 5.2% between 2016 and 2020. As such, China accounted for nearly a third of all direct European seat imports.

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 cost of labour in China has also steadily increased in the last 10 years, which has affected China's price competitiveness. In the coming years, disruptions following China's trade war with the United States and the outbreak of COVID-19 may also 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, benefitting from their strengths in productivity and production management. To avoid having to compete with Chinese suppliers on costs, you should make your product offering stand out and stay away from mass-produced easy chairs. Focus more on design, craftsmanship, sustainability and the story behind your product. This allows you to enter the mid-end and high-end market, where your best opportunities are.

### Poland strengthens its position as leading regional supplier

Poland is the second largest supplier of seats to the European market, accounting for 17% of total imports. Polish supplies consistently grew from €2.0 billion in 2016 to €2.2 billion in 2020, at an average rate of 2.6% per year.

The country's strength is its geographical proximity to the Western European market, allowing suppliers to offer short delivery times. Compared to Western Europe, labour in Poland is relatively affordable. Suppliers have a good understanding of the European consumer and have well-established and efficient production lines. In addition, products 'Made in Europe' are increasingly popular.

To compete with Poland, you should focus on design, craftsmanship, material use and the story behind your product. Make sure you offer a high level of service to build a strong relationship.

## Italy has a strong heritage in furniture production

Italy is a key local player on the European easy chair market. With a long tradition in furniture manufacturing, Italy is a strong competitor in the higher-end and luxury segments. Along with Fashion and Food, Furniture makes up the three 'Fs' of the renowned '[Made in Italy](#)' brand, recognised around the world for its quality and design. Being located inside the European market, Italian producers also benefit from relatively easy and affordable transport.

Between 2016 and 2019 Italy steadily increased its supplies of seats to the European market by 2.7% per year on average, reaching €1.1 billion in 2019. In 2020, however, supplies dropped by -11% as Italy was hit hard by the COVID-19 pandemic and the government responded with drastic restrictions.

Some of the country's [leading furniture manufacturers joined forces](#) to urge for a quick restart of production, despite lockdown measures. Concerned about Italy's competitiveness against countries with fewer restrictions, they suggested it may take the Italian furniture sector 20 to 30 years to recover.

## Vietnam is another low-cost producer

Vietnamese supplies to the European market also peaked in 2019, at €470 million, and then dropped by -6.5% in 2020, a far less steep decline than Italy's. Like suppliers from China, Vietnamese manufacturers are very productive and can produce at low cost. This puts them in a promising position to potentially benefit from the trade war between the United States and China.

Vietnamese suppliers often have a keen sense of what is commercial and trendy and prefer to produce in volume. They effectively combine handmade and mechanised production and can cater to a wide section of the low-end and mid-end markets. As such, they have provided an effective second sourcing alternative to China for a number of years now.

## Romania struggles to retain its position on the market

Romanian seat supplies to the European market show a slightly downward trend. The country's supplies steadily decreased from €462 million in 2016 to €379 million in 2020, at an average annual rate of -4.8%.

Romania has similar advantages in supplying to the European market as Poland, particularly in terms of affordable labour costs and being located close to Western Europe, which enables short delivery times. However, its overall business climate has recently been seen as less attractive and stable than Poland's.

## Indonesia leads in rattan seat supplies

Just behind the top 10 leading suppliers to the European market, Indonesia is performing well at number 11. Its seat supplies to Europe increased from €152 million in 2016 to €202 million in 2020, at an average annual rate of 7.4%. Even in 2020, the country realised a strong growth of 5.0%.

Indonesia is famous for its rattan products, as it produces 80% of the world's rattan. Therefore, it comes as no surprise that the country is the leading supplier of rattan seats to the European market. With exports totalling €24 million, Indonesia accounts for nearly half of all direct European imports of rattan seats.

Wages in Indonesia are relatively high for an Asian country. This means Indonesian suppliers have to target the mid-end to high-end markets to be able to compete. They need to do so by delivering high quality items that are often handmade. Indonesia has a good logistics infrastructure and business climate, making the country accessible to European importers, many of whom already have a long-term base there. Several European entrepreneurs are active in Indonesia as designers or (co-)owners of a production facility, such as [Danindo Jensen](#).

## Tips:

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

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

## Which companies are you competing with?

The following companies are examples of the type of competition you face on the European market for easy chairs.

### CV. XHAKA ART, Indonesia

Indonesian manufacturer [Xhaka Art](#) offers a broad range of furniture and decorative accessories, specialising in wood. The company works with a broad range of wood types, including well-known species such as teak and mahogany, but also lesser known, local species such as suar and mindi. Already distributing globally, they understand that service and quality is key. Xhaka Art is a private label manufacturer and targets importer wholesalers and retailers demanding high volumes.

Other than two minor certifications, the company does not communicate any sustainable values. Since sustainability is becoming increasingly important on the European market and the woods it offers are all hardwoods, this is definitely point of attention for the company.

### 366 Concept S.C., Poland

[366 Concept](#) is part of a new wave of Eastern European manufacturers that want to go their own way, leaving the anonymous existence of private label manufacturing behind to become a furniture brand. In a category where European furniture manufacturers are brands with considerable heritage, that is a brave approach. Uniquely, they focus on mid-century Polish design, which they reissue and revive. This coherent style is well suited to premium consumers that may have become tired of the well-known 'European' classics in easy chairs from that period.

As a young, modern furniture brand using wood and other natural materials, 366 Concept expresses a clear and convincing concern about the environment. This includes using natural finishes and recyclable packing materials. For every chair sold, a tree is replanted. This not only makes good environmental sense, but also works in marketing.

### Duc Thanh Wood Processing Joint Stock Company, Vietnam

[Duc Thanh](#) recently celebrated its thirtieth anniversary and is clearly successful, manufacturing in two very large locations. They offer chairs, other furniture, toys and kitchenware in rubberwood, MDF and plywood. Offering volume in a functional product at favourable prices, they are a good match to the more price-sensitive lower to lower-middle ends of the market.

Although Duc Thanh cites "contributing to environmental protection" as a "core value" and has an impressive list of certifications, it does not communicate any specifics about its values. However, the company does, rightly, pride itself on its strength: "delivering goods on time, being able to produce big quantities, especially meeting urgent orders".

## Which products are you competing with?

Easy chairs mainly compete with smaller seating like stools, poufs and beanbags, as well as informal seating like sofas and couches. Sofas and couches offer equal value in terms of relaxed seating. The main advantage of small seating is the flexibility and/or multifunctionality it offers to consumers. Small seating can be mixed and matched with the rest of the interior and is more affordable than larger pieces like easy chairs.

### Tip:

To compete with smaller seating, make your chairs compact, easy to move and stylistically suitable to multiple spaces. This also gives them a competitive advantage over larger items like sofas and couches.

## 4. What are the prices for easy chairs on the European market?

Prices for easy chairs 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 to 6.5 times your selling price.

Table 1 gives an overview of the prices for easy chairs in the low-end, mid-end and high-end market segments. 'Indicative' is key here, since prices for easy chairs vary depending on technique, size, material, design, brand and other ways of value addition, including a strong sustainable concept.

Table 1: Indicative consumer prices for easy chairs in Europe

	Low-end	Mid-end	High-end / premium
Easy chair	Up to €500	€500-1,500	€1,500 and over

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

- product benefits (design, material, techniques, brand value, dimensions)
- promotion (brand or not, sustainable values, designer names)
- points of sale (reseller positioning)
- price

The following percentages give an indication of a price breakdown for easy chairs in the supply chain:

- shipping, import, handling costs: +25%
- wholesaler: +100%
- retail: +100-150%
- VAT\*: +20%

\*Rates of VAT in Europe range from 18% in Malta to 27% in Sweden. On average, the rate of VAT is around 20%.

For example, in Table 2 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 2: Example of the price breakdown per market segment

	Low margin	Middle margin	High margin	
FOB price	€10	€10	€10	Your FOB price
Transport, handling charges, transport insurance, banking services (20/15/15%)	+2 €12	+1.5 €11.50	+1.5 €11.50	Landed price for the wholesale importer
Wholesalers' margins (50/75/90%)	+6 €18	+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	+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, which deals with high volumes for low prices, are smaller than those in the middle and higher segments.

Some examples of online easy chairs prices (excluding shipment) are:

- handmade rattan chair with detachable steel base, [Fair Furniture](#) (the Netherlands), €299
- armchair with hardwood frame, [Rose & Grey](#) (United Kingdom), >€1,200
- designer easy chair in wood, leather and aluminium, [Vitra](#) (Switzerland), >€5,405

### Tips:

Study consumer prices in your target segment to determine your price and adjust your cost accordingly. The quality and price of your easy chairs must match what is expected in your chosen target segment.

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

Please read our [market information disclaimer](#).

