The European market potential for easy chairs

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The European market for easy chairs grew in recent years and declined only slightly in 2020. Around 40% of imports are directly sourced from developing countries, making Europe an interesting market for you. Easy chairs are eye-catchers, making design their most important property besides comfort. They play a key role in the ‘home sweet home’ trend, where consumers retreat into the comfort and cosiness of their home. You can add value to your easy chairs through design, craftsmanship, sustainability and materials, and the story behind your products.

Contents of this page

1. Product description

In Home Decoration and Home Textiles (HDHT), armchairs or ‘easy’ chairs belong to the product category of indoor furniture. These chairs are usually grouped with sofas, offering informal or relaxed seating. They have frames of metal, wood or other natural materials, such as bamboo or rattan, and are usually wholly or partly upholstered for comfort.

This study uses the following codes to indicate trade in easy chairs:

Table 1: Product codes for easy chairs

Harmonised System (HS)	Prodcom	Description
9401 52	31 00 12 30	Seats of bamboo
9401 53		Seats of rattan
9401 59		Seats of cane, osier or similar materials
9401 61	31 00 12 50	Seats with wooden frames, upholstered, not elsewhere specified

9401 69	31 00 12 90	Seats with wooden frames, not elsewhere specified
9401 71	31 00 11 70	Seats with metal frames, upholstered, not elsewhere specified (excluding medical, surgical, dental or veterinary seats)
9401 79	31 00 11 90	Seats with metal frames, not elsewhere specified (excluding medical, surgical, dental or veterinary seats)
9401 80	31 00 13 00	Seats not elsewhere specified (excluding medical, surgical, dental or veterinary seats)

Functionality

Easy chairs are for relaxing. This can be active (such as reading or watching television) or passive (dozing off). Comfort is therefore the main value for these chairs. A slightly reclining or curving back design, upholstering, armrests and a comfortable width of the seat create optimal comfort. An adjustable back, a swivel leg and good suspension (usually coil, serpentine, pocket or zigzag springs) offer additional functionality.

Size

Depending on the design, easy chairs are around 85cm high x 75cm wide x 90cm deep. The seat is usually about 45cm high, to provide a comfortable sitting position for the average European consumer. So-called ‘snugglers’ are wider (circa 115cm) so they can be used as extra comfortable, oversized easy chairs (for one) or mini sofas (for a couple).

Figure 1: Snuggler-sized easy chair with matching cushions

Source: Pixabay

Material

The frame of the easy chair can be made of metal, wood or other natural materials, such as bamboo or rattan. The type and quality of the material depend on the market segment and on whether or not the frame is exposed (visible). The upholstery can be partial or whole, in leather or leather look, or in various types of fabric. The type and quality again depend on the targeted market segment. Easy chairs for outdoor use must be made with weatherproof materials.

Figure 2: Wicker easy chair made of natural materials

Source: Pexels

Design

Easy chairs are eye-catchers, often placed centrally in the living room or the study/TV room. This makes the easy chair a statement piece. So, in addition to comfort, its look is a key selling point. Shape and decoration are the main style elements. Generally, padded easy chairs add to a more informal style: comfortable, patterned and colourful. Using metal or wooden structures allows for a more contemporary look, with an emphasis on the material (such as leather) and texture, with the possibility to use strong, contrasting colours.

2. What makes Europe an interesting market for easy chairs?

The European seats market has grown in recent years and declined only slightly in 2020. Around 40% of the import value is sourced directly from developing countries, making Europe an interesting market for you.

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

Between 2016 and 2020, European imports of seats increased from €12 billion to €13.5 billion, at an average annual rate of 2.9%. Although the outbreak of the coronavirus (COVID-19) pandemic and the measures taken against it worldwide continue to affect international trade, the effect on European seat imports appears limited. In 2020, they decreased by -2.0%, mainly due to a decline in intra-European trade. This limited impact was due to the fact that lockdowns have resulted in an increased focus on the home and garden, and a need for comfortable furniture.

Around 40% of the import value of seats imported into Europe is sourced directly from developing countries. These imports remained fairly stable in 2020, resulting in an average annual growth rate of 4.9% between 2016 and 2020. This makes Europe an interesting market for you, as an exporter from a developing country.

Market growth is driven by the ‘home sweet home’ trend, where consumers retreat into the comfort and cosiness of their home. For more drivers of demand, see ‘which trends offer opportunities?’ below.

Tip:

For more information on the short-term and long-term impact of coronavirus on the sector, see our study on how to respond to COVID-19 in the HDHT sector.

3. Which European countries offer most opportunities for easy chairs?

The larger Western European economies are the main importers of seats. However, importers in these countries generally sell their products across Europe. Your best strategy is therefore to focus on a particular segment, rather than a specific country.

In 2020, Germany remained Europe’s leading importer of seats with 22% of imports, followed by France with 13%, and the Netherlands and the United Kingdom with 11% each. Together, these countries accounted for more than half of the European total. Smaller markets with a share of less than 10%, but still in the top six of leading importing countries, are Switzerland (4.9%) and Belgium (4.4%).

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. Most Western European importers not only sell their imported products in their own country, but also distribute them across Europe. This explains why in HDHT, imports into small countries like Denmark and the Netherlands often far exceed the demand in their own domestic market.

In terms of marketing, you need to realise that countries are not markets. In HDHT there are different market segments, ranging from low to high (also see our study on market entry for easy chairs). Every European country has these segments, although their size may vary per country. Therefore, it makes much more sense for you to identify a particular segment in your product group and connect with the importers and distributors in that segment instead of a specific country. These distributors will then sell your products in that segment across Europe.

Real private consumption expenditure

Real private consumption expenditure is an important indicator for growth in demand. The HDHT sector, which includes the easy chair market, is sensitive to economic cycles. When economic circumstances and prospects are poor, consumers postpone buying non-essential items. Conversely, when economic conditions are favourable, private consumption expenditure and purchases of non-essential HDHT products tend to increase.

Until the outbreak of the COVID-19 pandemic, the leading European markets showed an annual growth in real private consumption expenditure of around 1-3%. Due to the pandemic, this trend was reversed in 2020. However, because lockdowns increased consumers' focus on their home, the effect on the HDHT sector may have been limited. For the coming years, growth is expected to bounce back into positive figures.

Germany continues to be the largest European importer

Germany is the largest economy in Europe, home to nearly a fifth of the European Union's population. It is widely considered the stabilising force within the European Union. The Economist forecast Germany to be the first major European economy to recover from the current crisis. This was based on both the country's healthy finances before the crisis and its large industrial sector, the reboot of which also benefits suppliers abroad. The European Commission indeed projects German GDP will return to pre-COVID-19 levels by the end of 2021 or early 2022.

Between 2016 and 2020, German seat imports increased from €2.7 billion to €3.0 billion. This added up to an average annual growth rate of 2.1%. Despite the global pandemic, imports grew by 2.0% in 2020.

Germany sources about a third of its import value directly from developing countries, which is slightly below the European average. However, this share is increasing, as these direct imports increased from €831 million in 2016 to €959 million in 2020, by 3.6% per year on average.

Poland and China are the leading suppliers of seats to Germany, accounting for 33% and 25% of German imports respectively. The strong performance of smaller suppliers from developing countries like Vietnam and Indonesia suggests that the German market offers good opportunities.

In addition to having a large domestic market, Germany is also a key trade hub within Europe. Combined with a growing market for developing countries and the forecast economic recovery, this makes Germany a promising market for you.

France's economy is set to recover in 2022

Between 2016 and 2019, French imports of seats increased at an average annual rate of 3.3%. In 2020 however, they declined by -4.6% to €1.7 billion, comparable to the level in 2017. This added up to an average annual growth rate of 1.3%.

Interestingly, France's direct imports of seats from developing countries actually continued to grow in 2020. They increased from €563 million in 2016 to €675 million in 2020, at an average annual rate of 4.6%. This has driven the market share of developing countries up from 35% to 40%, matching the European average. This is mainly due to an increase in imports from China, the leading supplier of seats to France with a 34% import market share. The performance of other developing countries varied. Indonesia jumps out, with an average annual growth of 5.9% (and 4.4% in 2020).

Economic growth in France had already slowed down before plummeting to -8.3% in 2020 due to the pandemic. Global uncertainties and the effects of social unrest weighed on consumer confidence and the consumption of non-essential products. However, French GDP is expected to return to its pre-pandemic level in the first half of 2022, slightly ahead of the European average. Combined with the continued growth in 2020, this could make France an interesting market for you.

The Netherlands is an important European trade hub

Dutch seat imports have shown an impressive and continuous growth since 2016. With an average annual increase of 9.0%, they reached €1.5 billion in 2020. 45% of these imports came directly from developing countries, which is slightly above the European average. This was due to a further increase of the annual growth rate to 12%, as a result of which direct imports came to €698 million in 2020.

China and Poland are the leading suppliers of seats to the Netherlands, with import market shares of 37% and 20% respectively. Suppliers from developing countries like Indonesia and Turkey also managed to increase their exports by 14-15% between 2016 and 2020, keeping up their growth during the pandemic. As with Germany, this implies that the Dutch market may well offer you opportunities.

Dutch GDP is projected to return to 2019 levels by the end of 2022, lagging slightly behind the European average. As well as the COVID-19 pandemic, Brexit (the United Kingdom's withdrawal from the European Union) and international trade disputes between the United States and China and between the United States and Europe may have a big impact on the Netherlands. Because the country heavily depends on international trade, negative developments in that area strongly affect its economic performance. This, in turn, affects consumption of seats.

Since the Netherlands is a big re-exporter of goods, the impact on the imports of HDHT products goes beyond the country itself. Developments in other European countries will also play a role, making total Dutch imports difficult to predict. However, its continued strong performance in 2020 and promising market for developing countries continue to make the Netherlands an interesting market for you.

Brexit may boost direct trade with the United Kingdom

British seat imports fluctuated between 2016 and 2020, resulting in an average annual decline of -1.1%. Although imports decreased by -9.3% in 2020, their value of €1.5 billion was comparable to 2017/2018 levels. Around two thirds (€1.0 billion) of these imports came directly from developing countries, which is the largest share in Northern and Western Europe. China continues to be the main supplier of seats to the UK, accounting for 60% of British imports in 2020, followed by Poland with 12%.

Brexit has led to relatively low consumer confidence levels since 2016. At the same time, Brexit may lead to British buyers importing more items directly from developing countries, rather than from European importers. This allows them to avoid additional fees now that they are no longer part of the European Union's single market. The devaluation of the British pound since the Brexit referendum has also made direct trade more attractive.

British GDP decreased by -9.9% in 2020, a record decline. At the start of 2021, a Financial Times survey among leading economists projected the British economy to be one of the last to recover. Since then, however, the Bank of England governor Andrew Bailey has indicated he expects the economy to return to pre-COVID levels by the end of 2021. Considering this positive development and the potentially increased interest in direct sourcing from developing countries, the United Kingdom could well offer you good opportunities.

Switzerland increases its direct imports from developing countries

Switzerland, the fifth largest European seat importer, realised modest but continuous growth between 2016 and 2020. Swiss imports increased from €646 million to €664 million, at an average annual rate of 0.7%. This growth was driven by a gradual shift towards direct imports from developing countries. These grew by 5.6% per year on average, while other imports decreased. This is a promising development, especially since the market share of developing countries is relatively small at 23%.

The leading exporters of seats to Switzerland are Germany (27%), Italy (18%), China (16%) and Poland (10%). Smaller suppliers from developing countries like Indonesia and Turkey have strongly increased their exports to Switzerland in recent years, even in 2020. This suggests there could be opportunities for you on the Swiss market.

The effects of COVID-19 on the Swiss economy are relatively limited. After declining by 3% in 2020, Swiss GDP is projected to return to pre-pandemic levels by late 2021 or early 2022. This would be a quicker recovery than in most other European economies. With this in mind, and given the gradual shift towards direct imports from developing countries, Switzerland could be an interesting market for you.

Belgium is another trade hub

Between 2016 and 2020 Belgian seat imports fluctuated around €585 million, with a peak at €609 million. In 2020, imports came to €592 million, resulting in an average annual growth rate of 0.9%. The decline in 2020 was purely due to a decrease in imports from within Europe, as direct imports from developing countries actually grew. They increased from €217 million in 2016 to €254 million in 2020, at an average rate of 3.9% per year. This added up to a market share of 43%.

The leading suppliers of seats to Belgium are China and the Netherlands, which account for 32% and 19% of Belgian imports respectively. Countries like Indonesia, Vietnam and Turkey have also increased their exports of seats to Belgium, which suggests that the market offers opportunities.

After a decline of -6.2% in 2020, Belgian GDP is expected to return to its pre-pandemic level in the second half of 2022. Like the Netherlands, Belgium is an important trading hub in Europe. Therefore, given the economic difficulties in Europe as a whole, total Belgian imports in the coming years will also be difficult to predict.

Tip:

Do not just focus on specific European countries. Instead, identify the appropriate segment and let your buyers distribute your products across Europe within this segment.

4. Which trends offer opportunities or pose threats on the European easy chair market?

The market for easy chairs is shaped by various trends, often related to the trends for HDHT on a sector level. We will outline the main developments below, starting with the potential effects of the COVID-19 pandemic on the HDHT market.

COVID-19 and trends in HDHT and easy chairs

An expected outcome after the COVID-19 crisis is that people will be more focused on the home, having been in lockdown. A major factor in consumer spending will be the disposable income consumers may or may not have after the pandemic. The level of concern about this is expressed by consumer confidence, which continues to be relatively low. This makes some consumer groups reluctant to spend on anything beyond food, cleaning products and other household essentials.

However, the pandemic has boosted consumer interest in some areas, such as:

- wellness/fitness at home
- working from home
- cooking

Spending a lot of time at home has also moved consumers towards:

- a reappreciation of their homes and the desire to make their home more pleasant, practical and comfortable overall
- bringing the outdoors inside and vice versa
- removing clutter

These trends are partly a continuation of consumer trends that were already ongoing, some of which have been accelerated as a direct consequence of COVID-19 and subsequent lockdowns. In addition, the pandemic has demonstrated the fragile balance on this planet. As such, it is another important demonstration of the fact that we need to produce more sustainably, taking care of our resources, our people and the planet in general. This underlines the importance of the existing trend of sustainability in the easy chairs market.

Customisation: Consumer in control

Mature European consumers (mainly those in in Northwest Europe) typically want to stand out from ‘the crowd’, are less influenced by traditional marketing by brands, and make an individual buying decision based on their personal needs. Younger consumers opt for more informal styles in easy chairs, whereas older consumers are more conservative in their buying decisions. Design quality and durability are more of a factor in the luxury segments, while price is more important to students and young families.

Especially in easy chairs, customisation can follow any of the following needs:

My style

Easy chairs are stand-alone pieces of furniture that do not have to follow the dominant style of a space. They can stand out in terms of style, going anywhere from minimalist and contemporary to cosy and comfy. Consumers often see the added value of an easy chair as a means to express their taste through a piece of furniture with eye-catching potential.

My space

As easy chairs are compact and versatile, they can be used for a wide range of activities in the home, from watching TV to reading work reports or studying. Due to rapid urbanisation and smaller households, living spaces are getting more expensive and smaller. Flexible furniture that suits one’s space is increasingly welcome.

My moment

Easy chairs are designed to stimulate active or more passive relaxation. As such, they are the main ‘competitor’ of the bulkier couch or sofa. Especially when well-upholstered, the easy chair allows for a brief snooze, reading a book or playing with an iPad.

Figure 6: Comfortable easy chair, ideal for ‘me time’

Source: Unsplash

Tips:

Take into account the various user needs outlined here by creating product lines in coherent styles (such as more contemporary or more comfortable). Style elements can include specific shapes, colours and patterns, textures, or types of material. Ergonomics, allowing for comfortable and 'easy' sitting, is a key underlying factor in all easy chairs.

Distinguish user types, such as younger or older consumers, students, and young families.

Home sweet home: easy does it

In this trend, the home offers the consumer shelter from the political, social and economic uncertainties of the outside world. This (slightly older, boomer) consumer turns their home into a refuge, creating a comfortable and quite luxurious interior – a world in itself, as it were.

However, 'home sweet home' is also about families or groups of friends enjoying each other's company, entertaining each other, cooking and dining, or just relaxing. These two aspects of indoor living have been boosted by the COVID-19 pandemic.

Easy chairs are vital components in creating a cosy home. As a form of informal seating, they allow consumers to assume a relaxed posture, especially through padding. They also add atmosphere to the living room through colour, patterns and texture.

Within the 'home sweet home' theme, the older consumer group goes for a more classic look, with higher-quality materials and a focus on craftsmanship and brand. The family group is more focused on colour and decoration trends, finding more meaning in nice colours and patterns. The latest sub-trend in segmentation by user type is the development of easy chairs for children.

These groups also differ in their communication channels. Older consumers generally prefer getting information on the product through labels and website stories. Younger consumers are likelier to use social media to find out more about the making and the makers of their easy chair.

Figure 7: Easy chair in a classic style

Source: Pexels

'Home sweet home' is an ongoing trend, and the underlying need to connect with other people is a deep-seated driver. As we have seen, the easy chair is a central product group within this theme. This makes the product group a lasting but competitive market segment.

Tips:

- Take the two, quite different target groups of the 'home sweet home' trend into account when designing your easy chairs. For example, older consumers may prefer additional comfort in the form of an (electrical) adjustable back or seat, a swivel foot or a footstool.
- Clearly communicate your product values and stories. Your stories and identity elements are very welcome, even if you supply to an existing, established European brand name. They might not use your visual brand identity (name or logo), but your content will certainly add value to their brand.
- Offer choice. For example, different wood types for the legs and armrests, colour options for the upholstery, removable covers, or variable dimensions. If you offer a wide range of seating, provide mix-and-match options.

Sustainability: people and planet

European consumers are increasingly adopting more sustainable lifestyles. Millennials are the largest adult age group worldwide, and soon they will be the dominant consumer group as well. Climate change and fairness are major concerns for this generation, which expresses its preferences through its consumption pattern. As such, social and environmental sustainability are rapidly becoming more central consumer needs, also in HDHT.

The COVID-19 pandemic has further emphasised the importance of this trend. For most consumers (particularly the younger generations), the COVID-19 crisis has made it more important that both consumers and companies improve their sustainability. In addition, most people want significant change to make the world fairer and more sustainable after COVID-19.

To minimise your chairs' effect on the environment, you can use sustainable materials, such as renewable fibres, textiles and wood species. Transport, energy consumption and use and waste/disposal practices also play a role. At the design stage, flat-pack solutions will reduce transport volume and cost. Designing chairs so they can easily be dismantled also creates a more sustainable end-of-life phase for your products.

In addition to environmental sustainability, there is also a strong focus on the wellbeing of workers in workshops and factories. ILO-based working conditions are a standard requirement for all major certifications in the textile and furniture industry.

Tips:

- Improve your chairs' sustainability by using materials that are local, renewable and/or recycled. Produce effectively and cleanly, pack well to reduce transport space, and help the consumer dispose of the chairs sustainably.
- If your importer is interested, consider sustainable certification options. For more information on this, see our study about buyer requirements.
- Tell your story. It is one thing to have values, but if you are not communicating your social and/or environmental impact stories, they will not add value in the market. Help your distributor to create meaning by developing a strong communication strategy.
- For more information, see our special study on sustainability.

Closer to home

Buying closer to home is a trend where European consumers prefer products that are made by national brands, in their own country, and prefer to buy from local retail outlets. This trend has particularly affected the furniture industry, for a number of reasons.

China is no longer necessarily the cheapest sourcing destination worldwide, and does not always offer the flexibility that importers need in terms of smaller runs and faster cycles. At the same time, the European internal market has made the traditional furniture manufacturing skills in Eastern Europe more accessible to the trade in Northwest Europe.

Countries like Poland, Romania and the Baltic states are now quite established sourcing destinations for furniture that combines traditional craftmanship with technology. European buyers and makers have found various ways to collaborate, ranging from trading to co-ownership models. Advantages include lower transport costs, easier communication (for example due to convenient time zones) and flexible order arrangements.

Buying local has also become a more dominant buying motive, especially at the consumer end, as people want to help local businesses recover from the impact of COVID-19’s on their income.

In general, this movement towards buying locally presents a growing and lasting challenge to exporters from developing countries. It requires a more effective strategy in creating a competitive edge.

Tips:

Stand out through design, using all available design elements. Show ‘origin’ by using special or rare materials, or by combining materials. As Europe has a long-standing reputation in upholstery, you are more likely to stand out in terms of construction and finishing. Focus on ‘handmade’ and craftsmanship, using the construction of your easy chair as a design feature, for example by showing amazing joinery.

Make a strategic decision about your offer: do you want to specialise in one product type (such as indoor easy chairs) or broaden your offer? Broadening your offer can include, for example, offering an arrangement with sofas or coffee tables, or expanding to garden or children’s furniture. You also have to decide if you want to offer a variety of styles or become known for one look.

Be a good marketer, and excel in service and convenience by offering short runs, flexibility in logistics, favourable payment terms and easy communication. Study what innovations there have been in easy chairs and what directions are open to you. Bring design, production and marketing staff together in the design process. Do you want to target older or younger customers, or perhaps the office market? And to what extent do you want to support your distributors in their e-commerce strategies?

Stand out on sustainability. Create a clear and measurable positive impact in as many areas of your process as possible, such as the choice and use of material, a clean manufacturing process, and reduced footprints in transport. Certify your values if this is possible and helpful.

Tell your making and maker stories and keep developing your storytelling. Communicate special techniques, materials, producers, processes or meanings. This will add value to your concept as well as that of your distributor.

Example of company:

More Than A Chair from the Philippines has a broad concept, catering to consumer as well as office markets in a wide array of styles – from contemporary and minimalist to more natural and warmer. The common thread is the local, natural materials and local craftsmanship, always with a touch of Philippine culture in the decoration. While craftsmanship will continue to be appreciated, the market will increasingly look for additional sustainable value. In that sense, there is still room for growth for More Than A Chair.

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