

# Entering the European market for pet furniture

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The European market for pet furniture offers opportunities, but there is a lot of competition. The mid to high-end segments are your best options. To compete, you need to add value to your products through craftsmanship, design, functionality and sustainability. You must comply with mandatory requirements, as well as any additional requirements your buyers might have.

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## 1. What requirements must pet furniture meet to be allowed on the European market?

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

### What are mandatory requirements?

When exporting to Europe, you have to comply with the following legal requirements, depending on your materials:

- General Product Safety Directive/Regulation
- Restricted chemicals: REACH
- Intellectual property rights
- Textile Regulation
- Timber/Deforestation Regulation
- Packaging legislation
- Upcoming sustainability legislation

### General Product Safety Directive/Regulation

The [General Product Safety Directive](#) (GPSD, 2001/95/EC) states all non-food products marketed in the European Union (EU) must be safe to use. In 2023, the [European Council adopted a new regulation](#) to replace the GPSD. This [General Product Safety Regulation](#) (GPSR, EU 2023/988) ensures that products in the EU comply with the highest safety requirements, whether sold online or in traditional shops. It came into force in June 2023 and will apply from December 2024 onwards.

Unsafe products are rejected at the European border or withdrawn from the market. [Safety Gate](#) lists and provides information about such products.

Tips:

Study the new [GPSR](#) and make sure you comply by December 2024.

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

Search the [Safety Gate alerts](#) for pet furniture so you know about potential issues.

## Restricted chemicals: REACH

The [REACH](#) regulation (EC 1907/2006) lists restricted chemicals in products marketed in Europe.

Restricted chemicals in the production of pet furniture include:

- Arsenic and creosotes as wood preservatives
- [Azo dyes](#) and certain flame retardants for textiles

Tips:

Comply with the restrictions laid down in [REACH](#).

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

## Intellectual property rights

When you develop products, you have to make sure you do not copy existing designs. [Intellectual property \(IP\) is protected in Europe](#), and products that violate IP rights are banned from the market. The European Commission's [IP action plan](#) gives European companies easier access to fast, effective and affordable protection tools.

Tips:

For more information, see the [European Union Intellectual Property Office](#) (EUIPO) and the [World Intellectual Property Office](#) (WIPO).

Keep track of developments via the [state-of-play of the implementation of the key actions](#) in the IP action plan.

## European Green Deal

The [European Green Deal](#) provides a legal aspect to social and environmental sustainability. Its [Circular Economy Action Plan](#) includes initiatives throughout products' entire life cycles.

In this context, many European laws are currently under revision, and new legislation is being developed. Some of this will apply to you directly and some indirectly, via your buyers. Particularly relevant proposals for the pet furniture industry include the:

- Textile Regulation
- Timber/Deforestation Regulation
- Packaging and Packaging Waste Regulation
- Corporate Sustainability Due Diligence Directive
- Forced Labour Regulation
- Green Claims Directive

## Textile Regulation

The EU's [Textile Regulation](#) (EU 1007/2011) states that textile products have to be labelled or marked to ensure that consumers know what they are buying. It applies to all products that contain  $\geq 80\%$  (by weight) textile fibres. These products need labels that state their full fibre composition and, if relevant, the presence of non-textile parts of animal origin. The labels must be durable, easily legible, visible, accessible and printed in all the official national languages of the European countries where the product is sold.

There is no EU-wide legislation on the use of symbols for washing instructions or any other care aspects of textile items. To give consumers clear information, you should follow the [ISO 3758:2023](#) standard for using graphic symbols in care labelling.

The European Commission plans to revise the regulation in 2024 to introduce specifications for physical and digital labelling of textiles.

Figure 1: Handmade wool felt pet home

Source: [KATSU @ YouTube](#)

Tips:

See the [Frequently Asked Questions](#) for more information about the [Textile Regulation](#).

Know your products and how they should be labelled. Find out more about [textile labelling rules](#) from Access2Markets.

Stay up to date on the [revision of the Textile Regulation](#).

## Timber/Deforestation Regulation

The EU's new [Deforestation Regulation](#) (EUDR, EU 2023/1115) replaces the [EU Timber Regulation](#) (EUTR, EU 995/2010). It ensures that wooden products like furniture do not contribute to deforestation or forest degradation. Operators who place these products on the EU market are required to trace them back to the land where they were produced.

To be allowed onto the European market, relevant products have to be:

1. deforestation-free (from land that has not been subject to deforestation or forest degradation since 31 December 2020);
2. produced in accordance with the law of the country of production; and
3. covered by a due diligence statement.

Products with a valid [FLEGT](#) licence are deemed to comply with the legality requirement (b), but the EUDR does not contain an exception for [CITES](#)-licensed products. The regulation came into force in June 2023 and will apply

from December 2024.

**Tips:**

Read more about the [EUDR](#).

See the [FLEGT License Information Point](#) for more information on FLEGT.

## 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 use sustainable materials.

According to the [Circular Economy Action Plan](#), all packaging on the European market should be reusable or recyclable in an economically viable way by 2030. A new Packaging and Packaging Waste Regulation (PPWR) is being drawn up to help achieve this.

Europe also has [requirements for wood packaging material and dunnage](#) (WPM) used for transport, like 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:**

See the EU's [packaging and packaging waste legislation](#) and [wood packaging material factsheet](#) for more information.

Stay updated on the [proposal for a new regulation](#).

## Corporate Sustainability Due Diligence Directive and Forced Labour Regulation

The Corporate Sustainability Due Diligence Directive (CSDDD) and Forced Labour Regulation (FLR) are two important pieces of upcoming Green Deal legislation. In 2022, the [European Commission adopted a proposal for a CSDDD](#). This requires larger companies to identify and prevent, end or reduce any negative impacts of their activities on human rights and the environment, in both the company's own operations and its value chains. This means that the new rules may apply to you indirectly through your buyers. The [proposed FLR](#) bans products made with forced labour.

**Tips:**

Read more about the [CSDDD](#).

See the FLR [questions and answers](#) and [factsheet](#).

Stay updated on the proposed [rollout of the CSDDD](#) and [FLR](#), and prepare.

## Green Claims Directive

Another upcoming law is the Green Claims Directive. In a recent European website screening, [many green claims were believed to be exaggerated, false or deceptive](#). Companies pretend to be doing more for the environment than they really are by this 'greenwashing'.

In 2023, the [European Commission proposed a Green Claims Directive](#) to:

- Make green claims reliable, comparable and verifiable.
- Protect consumers from greenwashing.
- Contribute to a circular and green economy.
- Help establish a level playing field.

### Tips:

See the [questions and answers](#) and [factsheet](#) for more details.

Stay updated on the proposed [rollout of the Green Claims Directive](#).

For help with communicating your sustainable performance honestly and effectively, use the Dutch [guidelines regarding sustainability claims](#) and/or the British [guidance for businesses on making environmental claims](#).

## What additional requirements do buyers often have?

Buyers often have additional requirements for:

- sustainability
- labelling and packaging
- payment and delivery terms

## Sustainability

Social and environmental sustainability are becoming more important in the European HDHT market due to buyer and consumer values and Green Deal legislation. Environmental sustainability focuses on your company's impact on the environment, for example via raw materials and production processes. Social sustainability focuses on your company's impact on the wellbeing of your workers and the community. Key topics include fair wages and safe working conditions.

You can highlight your sustainable activities and policies in the 'story' behind your product and company. Buyers appreciate good storytelling that evokes an emotional response.

### Consumers value sustainability

The increasing importance of sustainability is reflected in a Maison&Objet Barometer: [62% of HDHT retailers have noticed growing interest from their customers in ethical products](#). 92% indicated that their customers think natural materials are important, 77% that they value socially responsible production

methods, and 71% that they care about recyclable and recycled materials.

In addition to legal compliance, a growing number of European buyers would like you to comply with:

- [Business Social Compliance Initiative \(BSCI\)](#): an initiative of European retailers to improve social conditions in sourcing countries. They expect their suppliers to follow the [BSCI Code of Conduct](#).
- [Ethical Trading Initiative \(ETI\)](#): an alliance of companies, trade unions and voluntary organisations. ETI aims to improve working conditions in global supply chains through their [ETI Base Code of labour practice](#).
- [Sedex](#): a membership organisation that strives to improve working conditions in global sourcing chains. The [Sedex platform](#) lets you share your sustainable performance based on a self-assessment.

You can learn about sustainable options from standards like [ISO 14001](#) and [SA 8000](#). However, only niche buyers demand certification.

If you adhere to such initiatives and standards, this may help your buyers comply with the proposed CSDDD and FLR , which require proof of sustainable practices.

#### Tips:

Optimise your sustainability performance. Look at initiatives like [BSCI](#) and [ETI](#) to learn what to focus on.

Demonstrate your sustainability performance to gain a competitive advantage. You can use self-assessments, like that of [Sedex](#), or a code of conduct, like the [ETI Base Code](#).

For more information, see our special [study on sustainability in HDHT](#), [tips to go green](#), [tips to become socially responsible](#), and [webinars on sustainability in the European HDHT market](#) and [sustainable innovations for your HDHT business](#).

Read more about [BSCI](#), [ETI](#), [Sedex](#) and [SA8000](#) in the ITC Standards Map. You can also conduct a [free online self-assessment](#).

## Labelling

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

Outer 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. [EAN or barcodes](#) are commonly used on product labels in Europe.

## **Packaging specifications**

### **Importer specifications**

You should pack pet furniture according to the importer's instructions. They have their own requirements for packaging materials, filling boxes, palletisation and stowing containers. Always ask for the importer's order specifications, which are part of the purchase order.

### **Damage prevention**

Proper packaging minimises the risk of damage caused by shocks. How items are packaged for export depends on how easily they can be damaged. Packaging should ensure that the items inside a 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 inner and outer cardboard boxes. The inner boxes are filled with protective materials or partitioned with corrugated cardboard.

If you produce wooden objects, you must properly dry the wood after production to prevent mould or cracks. Condensation inside containers during transport can also cause mould. This is due to humid air that becomes colder at night and warmer during the day. Good ventilation can prevent this, so you should inspect containers for air holes before shipment. You can also place products that reduce humidity in with the cargo. Make sure to follow the importer's instructions.

### **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 transport, and you should maximise the use of pallet space. Nesting or stacking can reduce costs. Think about this when designing your products.

Packaging must 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 following these tips:

- Partition the boxes using folded cardboard.
- Match inner and outer boxes by using standard sizes.
- Consider packing and logistical requirements when designing your products.
- Ask your buyer for alternatives.

### **Material**

Importers are increasingly banning wooden crating and packaging. Economical and sustainable packaging materials are more popular. Using biodegradable materials can be a market opportunity. Some buyers may even demand it.

### **Consumer packaging**

Pet furniture often carries a manufacturer or retailer brand. Importers may specify requirements for tags or brand information in the purchase order, but they often organise their printworks in Europe. As an exporter, your brand identity is generally not displayed. However, your stories in support of European brands are very welcome.



#### Tips:

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

See [Packaging Europe](#) for more information on the latest packaging developments, including news articles about biodegradable packaging.

## Payment and delivery terms

Payment terms are usually confirmed in the buyer's 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. HDHT importers generally prefer Free On Board (FOB) or Free Carrier (FCA) arrangements.

#### Tips:

See our [tips on organising your exports](#) for more information.

Study the different types of Incoterms, including your and your buyer's rights and obligations.

See our [study on terms and conditions](#) for a more elaborate overview.

## What are the requirements for niche markets?

Fair-trade practices and sustainability certification are the most common niche market requirements.

### Fair trade

Fair trade focuses on fair pricing and better social conditions for producers and their communities. Fair-trade certification can give you a competitive advantage, especially if production is labour-intensive. It often includes aspects of environmental sustainability.

Common fair-trade labels are the [World Fair Trade Organisation](#) (WFTO) Guarantee System and [Fair for Life](#) certification. However, for most fair-trade oriented buyers in Europe, complying with the WFTO's [ten principles of fair trade](#) is enough.

#### Tips:

Ask buyers what they are looking for. You can use the story behind your product for marketing purposes, especially in the fair-trade sector.

Determine what label would be the best fit and apply if you can.

If certification is not feasible, work according to the WFTO's [principles](#) and carefully document your

company processes so you can support your story.

Read more about [Fair for Life](#) in the ITC Standards Map.

## Sustainable wood

[FSC](#) certification is the most common label for sustainable wooden products. [FSC chain of custody certification](#) guarantees that a product's source material comes from responsibly managed forests. These products are especially popular in Western Europe. Non-timber forest products like rattan and bamboo can also be certified.

[PEFC](#) is another option. [PEFC chain of custody certification](#) also verifies that the forest-based material in a product comes from sustainably managed forests.

### Tips:

Read the [five steps towards FSC certification](#) and [how to become PEFC Certified](#).

Apply for the [FSC Recycled label](#) if you use recycled wood.

Read more about [FSC](#) and [PEFC](#) in the ITC Standards Map.

## Sustainable textiles

Some of the most popular certifications for home textiles are:

- [Global Organic Textile Standard](#) (GOTS): a textile-processing standard for organic fibres that ensures environmental and social responsibility throughout the production chain.
- [OEKO-TEX Standard 100](#): certification that guarantees textile articles are free from harmful substances.

OEKO-TEX [Made in Green](#) combines Standard 100 and [STeP](#) to include environmental and social responsibility. Other options include the [Nordic Swan eco-label](#) and the [EU Ecolabel](#).

### Tips:

Read more about [GOTS](#), OEKO-TEX [Standard 100](#) and [Made in Green](#), and the [EU Ecolabel](#) in the ITC Standards Map.

Explore the possibility of sourcing organic cotton. Textile products that contain  $\geq 70\%$  organic fibres can be GOTS certified. The easiest way is to use certified organic cotton yarn or fabric.

Determine which certification would fit you best and apply if you can.

## Recycled materials

The [Global Recycle Standard](#) (GRS) is a standard for products that contain recycled material. It has criteria for both environmentally friendly production and good working conditions. Products can be GRS certified if they contain  $\geq 20\%$  recycled material, but only if the entire production process is certified. If the end product is not produced in a GRS-certified factory, then it cannot carry a GRS quality mark. As a producer that uses GRS-certified material, you can highlight that this material is certified in your communications.

### Tips:

Check whether GRS-certified versions of your materials are available. If so, consider these as an alternative or additional material.

Carefully check the specifications of the GRS-certified materials available. Sometimes, the composition changes due to the recycling process.

When using GRS-certified materials, communicate this properly.

Read more about [GRS](#) in the ITC Standards Map.

## 2. Through which channels can you get pet furniture on the European market?

Pet furniture reaches the European market through importers and wholesalers, as well as retailers that buy directly from suppliers.

### How is the end market segmented?

The European pet furniture market consists of low, mid and high-end/premium segments.

Figure 2: Pet furniture market segmentation in Europe



Source: Globally Cool, GO! Good Opportunity & Remco Kemper

## Low-end market

The low-end segment focuses on functionality and basic designs at accessible prices. Typical retailers include hypermarkets like [Lidl](#). Since this segment is dominated by low-cost mass-produced items, opportunities are limited for smaller manufacturers. Instead, you should focus on the mid to high-end market.

## Mid-end market

The mid-end segment follows trends, combining functionality and style. Adding design and decorative value is key. Prices are reasonable to appeal to consumers who want value for money and functional but decorative pet furniture. Craftsmanship, natural materials and sustainable values play a role in the mid to mid-high segment. Important mid-end retailers include homeware and lifestyle stores, like [Kave Home](#). They typically provide complete and coherent offers, usually in a particular style. These increasingly include pet items.

## High-end/premium market

In the high-end/premium market, pet furniture is characterised by high-quality designs, craftsmanship and brand names. Orthopaedic pet beds can also be part of this segment. However, volumes may be limited. Luxury department stores like [Harrods](#) and pet furniture specialists play an important role here.

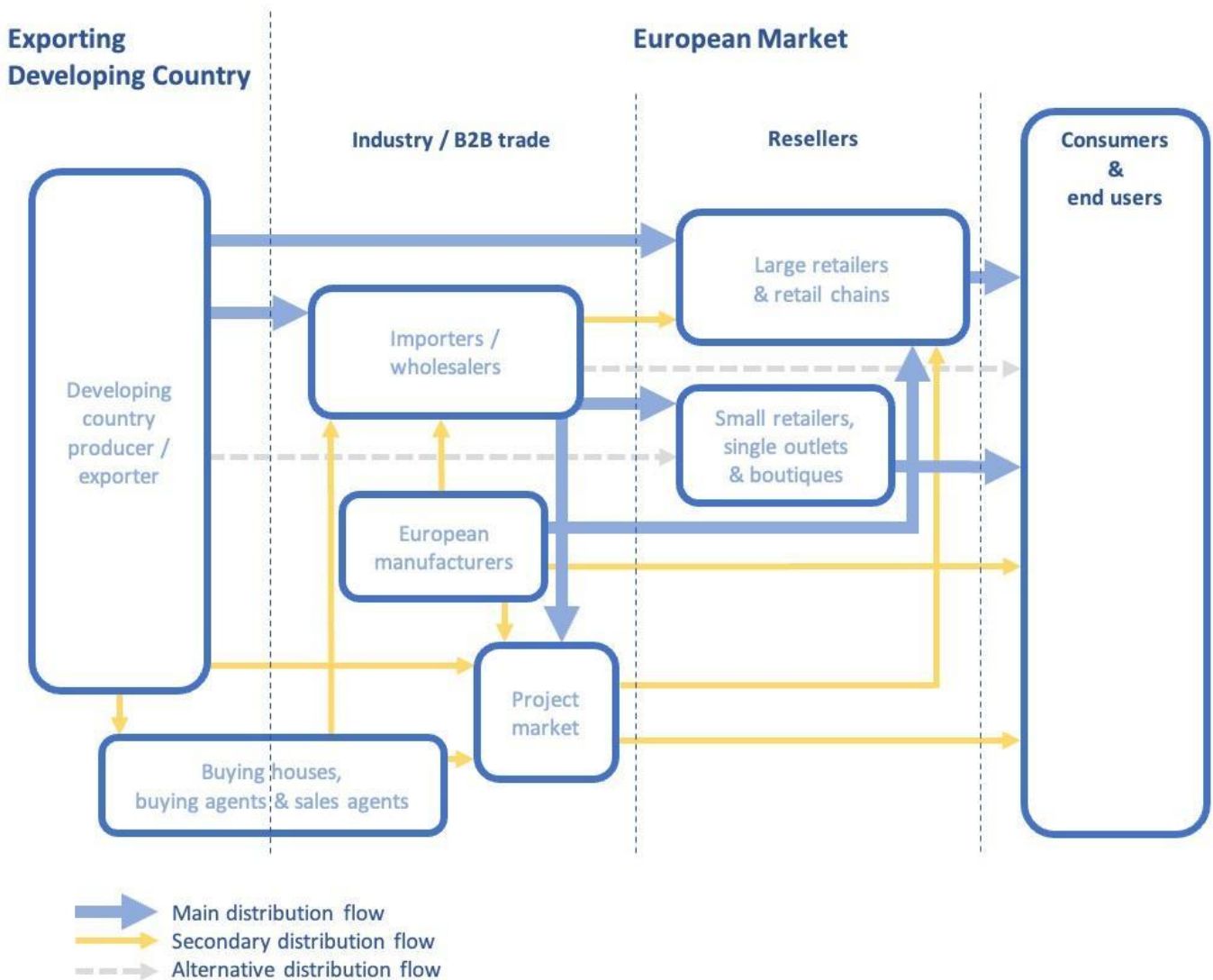
Figure 3: Luxury pet bed with foam mattress and vegan leather cover

Source: [CAO lifestyle for pets @ YouTube](#)

## Through which channels does pet furniture end up on the end market?

Market access channels for pet furniture mainly follow the traditional HDHT patterns. Importers and wholesalers supply to retailers. Larger retail chains often bypass importers and wholesalers and handle imports themselves, while more smaller retailers have also started buying directly from suppliers. In some cases, buying agents play a role.

Figure 4: Trade channels for pet furniture in Europe



Source: Globally Cool, GO! Good Opportunity & Remco Kemper

## Importers/wholesalers

Importers and wholesalers sell products to retailers in their own countries or re-export throughout Europe. Supplying to buyers in the project market is another distribution flow for them.

Importers and wholesalers handle the import procedures. They take ownership of the goods when they buy from you, taking on the risk of the onward sale of the products, unlike agents. Developing long-term relationships can lead to a high level of cooperation on appropriate designs, new trends, use of materials, types of finishing and quality requirements.

## Importing retailers

Retailers come in many sizes: large and part of a chain, or small and independent. Larger chains often import directly from suppliers in developing countries. Many have buying offices in developing countries.

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

## Buying agents, buying houses and sales agents

You can encounter several types of intermediaries when doing business with European buyers:

- European buying agents represent European buyers in sourcing countries but do not import products themselves. Sometimes, they have a more limited role, like 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 country and usually offer more services. These can range from sourcing raw materials to designing 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 request an intermediary. However, you should always try to work with your buyer directly. This saves on commission and allows you to communicate with your buyer.

## E-commerce

E-commerce has grown in recent years. The easiest way to benefit is by supplying a European wholesaler or retailer with an online presence. This is usually not a separate channel. Retailers often combine online and offline channels, and 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. This is not feasible for most exporters from developing countries.

#### Tips:

To find buyers, search exhibitor lists and attend Europe's main trade fairs: [Interzoo](#), [Zoomark International](#), [Ambiente](#), [Maison&Objet](#) and [spoga + gafa](#).

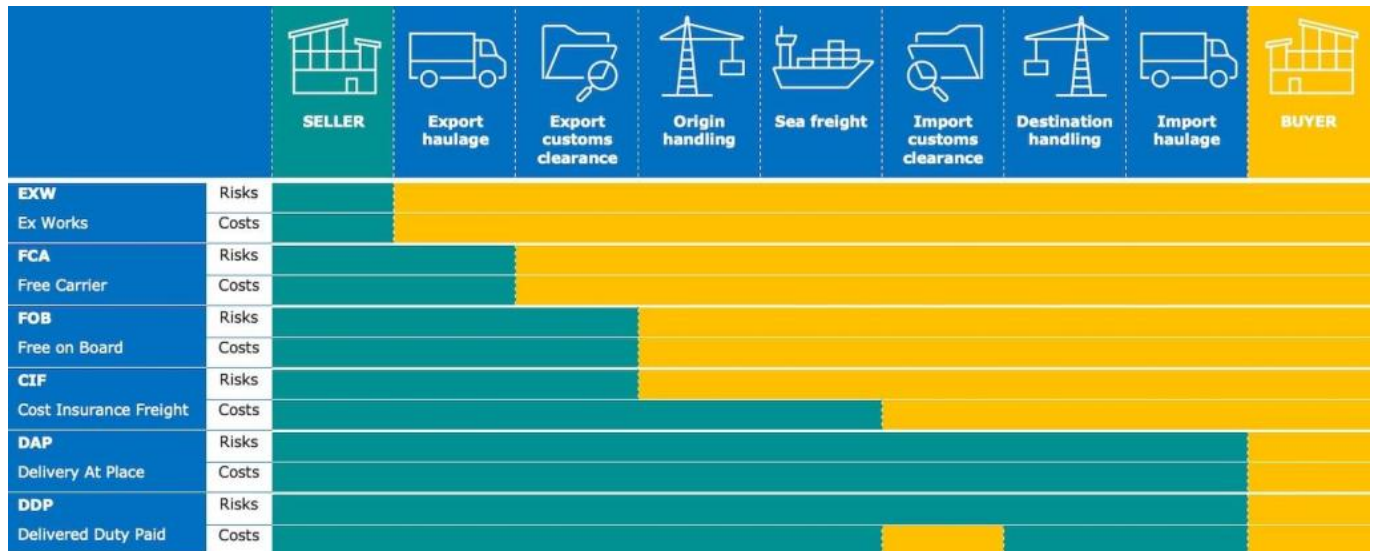
See our [tips for finding buyers](#).

See our [study about alternative distribution channels](#) for more information about trading directly with smaller retailers and e-commerce.

## What is the most interesting channel for you?

Importers and wholesalers are the main channel between exporters in developing countries and European retailers. They are interesting if you want to develop long-term relationships. These importers usually know the European market well so they can provide you with valuable information and guidance on market preferences. They generally prefer FOB or FCA Incoterms.

Figure 5: Incoterms



Source: Globally Cool, GO! Good Opportunity & Remco Kemper

Large retailers are increasingly importing for themselves to cut out the margins involved with importers and wholesalers, reduce time to market and have more control over product design and finish. This creates opportunities. Smaller, independent retailers need to differentiate from retail chains on value-added service, specialised offers and authenticity. Buying directly from producers in developing countries is an interesting way to do so. They typically prefer small order quantities for each item, small total order volumes and delivery to their doorstep via Delivered Duty Paid (DDP) or Delivery At Place (DAP). Repeat orders are less likely.

The trend of direct sourcing is expected to continue. This may create more opportunities for you, as a growing pool of buyers could improve your bargaining position. Because importing retailers order for their own shops, they can place orders much quicker than importers and wholesalers, who may need to show their retailers samples. You need to calculate if trading with retailers directly is cost effective.

#### Tips:

Consider targeting retailers directly to improve your bargaining position and potentially close deals faster.

Relate your offer and terms to the targeted retailer. 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 benefit by offering services like fast delivery and after-sales support.

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

### 3. What competition do you face on the European pet furniture market?

Europe's leading supplier of the selected product groups that may include pet furniture is China. A lot of these supplies consist of lower-end mass-produced items. Instead of competing with mass-producing companies, your

best opportunities are in the mid to high-end segments, in which you can add value.

These statistics cover baskets and other furniture in general because no specific trade data are available for pet furniture.

China is Europe's main supplier of the selected product groups by far, making up 23% of imports in 2023. Poland follows with 12%. Next on the list are Germany (8.4%), Italy (6.5%), Lithuania (3.5%) and Spain (3.1%).

### **Re-exporters or producers**

European countries have different roles in the HDHT market. Some are mainly importers while others are mainly manufacturers. Western European countries are mainly importers. Most Western European importers are re-exporters. They do not just sell their products in their own countries but 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 good alternatives 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 long histories.

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

Source: UN Comtrade

### **China dominates the (low-end) market**

China is Europe's leading supplier of the selected product groups by far. The country mainly supplies the lower-end market. However, its supply dropped from €8.4 billion in 2022 to €5.4 billion in 2023. As a result, China's direct import market share fell from 30% to 23%.

China benefits from its large-scale and highly mechanised production systems, low-cost workforce, availability of raw materials and efficient shipping to Europe compared to other Asian countries. However, rising labour costs have affected its price competitiveness. In the coming years, trade disruptions may affect exports.

To avoid competition on costs, you should stay away from mass-produced items. Focus more on handmade products, design, sustainability, materials and the story behind your product. Smaller European importers are increasingly looking for suppliers in other countries as they want to diversify their collection and become less dependent on China. This also goes for importers whose designs require handwork.

### **Poland is an important regional supplier**

As an Eastern European country, Poland benefits from being close to the European market. This allows for short delivery times. Labour is relatively affordable compared to Western Europe. Suppliers have a good understanding of the European consumer and have well-established and efficient production lines. Products that are 'Made in Europe' are also becoming increasingly popular. This makes Poland an attractive partner in the



trend of moving away from China.

Poland's exports of the selected product groups to Europe grew from €2.7 billion in 2019 to €2.9 billion in 2023. This translated to an average annual rate (CAGR) of 2.0%.

## **Vietnam is another low-cost producer**

Like suppliers from China, Vietnamese manufacturers are very productive and can produce at low costs. After peaking at €1 billion in 2022, Vietnam's exports of the selected product groups to Europe dropped to €593 million. This translated to a CAGR of -5.8% between 2019 and 2023, and a direct import market share that dropped to 3.5%. This made Vietnam Europe's seventh largest supplier.

Vietnamese suppliers generally have a good idea of what is commercial and trendy. This is because Vietnam's HDHT sector has been working with the European market for decades. They effectively combine handmade and mechanised production and can cater to a wide range of lower and mid-end markets. As such, they have become an effective alternative to suppliers from China.

## **Turkey's exports to Europe are growing**

Turkey also has the advantage of being close to the European market. It also has a relatively well-developed production system and low-cost workforce. The country's supplies of the selected product groups to Europe grew from €258 million in 2019 to €477 million in 2023, at a CAGR of 17%.

As a result, Turkey's direct import market share grew from 1.3% to 2%. This made the country Europe's tenth largest supplier. The recent devaluation of the Turkish lira may have boosted exports, making Turkish products more affordable for European buyers.

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

The following companies are examples of the type of competition you will face in the European market for pet furniture.

### **Nepal Felt House, Nepal**

[Nepal Felt House](#) is a manufacturer, wholesaler and exporter of handmade wool felt products. Their offer ranges from pet products, like cat houses and dog beds, to Christmas decorations, fashion accessories and home textiles. The company prides itself on "crafting a diverse range of high-quality felt products while upholding ethical values of sustainability and fair trade". Nepal Felt House is a [Sedex](#) member, which supports this claim. They are also [ISO 9001:2015](#) certified, verifying their effective quality management.

Of their products, 95% are handmade by local Nepalese women, combining traditional techniques with modern designs to create timeless pieces. Nepal Felt House offers all employees paid training to build their skills. The company provides fair compensation for their artisans and workers. It also partners with local communities and cooperatives to ensure that they are treated with respect and dignity. Part of its profits are donated to children's education.

### **The Baba Tree, Ghana**

Ghana's [The Baba Tree](#) supplies fairly traded, handwoven baskets from Bolgatanga – 'the city of baskets'. Their artisans practice the Gurunsi community's traditional weaving technique, which uses elephant grass. The design and development team works closely with the weavers to create new patterns and products while ensuring authenticity and quality. The company's pet beds come in various styles, colours and sizes: from neutral and understated to colourful and quirky. In line with key trends, they describe their dog beds as "functional basket art for the furry members of the family".

Figure 7: The Baba Tree company story

Source: [The Baba Tree @ YouTube](#)

The Baba Tree is committed to its artisans, striving for “the progressive creation of sustainable jobs, fair and meaningful work and true social impact in the local community”. Weavers receive weekly workshops and skills training, and an additional 5–20% of the retail price as a commission. In product photos, items are presented by the weavers who created them.

## **Labbvenn, Poland**

[Labbvenn](#) focuses on “dogs and owners who value toned-down modern design based on classic forms, which perfectly fit even very demanding interiors”. They emphasise their high quality, exquisite and detailed designs, and handmade craftsmanship. Labbvenn’s minimalistic items range from cat and dog beds, baskets and cushions, to various other pet accessories. They are designed to blend in seamlessly with the overall style of the home.

One interesting example is the [Kikko](#) table. This multifunctional design combines a wooden coffee table with a quilted fabric cat hammock and metal elements. The hammock can be easily removed for washing.

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

Competition for pet furniture mostly comes from within the product category. Consumers can choose between various materials and designs, as well as between a focus on functionality or decorative value and price. Some prefer their pet furniture to blend in, while others prefer eye-catching or playful designs. Special techniques and designs, added functionality, your story and your sustainable values can make your product stand out.

Tips:

Compare your products and company to the competition. You can use [ITC Trade Map](#) to find exporters per country.

Focus on design, craftsmanship, quality and the story behind your products.

## 4. What are the prices of pet furniture on the European market?

Prices for pet furniture vary across market segments. After adding logistics costs, wholesaler and retail margins, and Value Added Tax (VAT), European consumer prices are about 4 to 6.5 times your selling price.

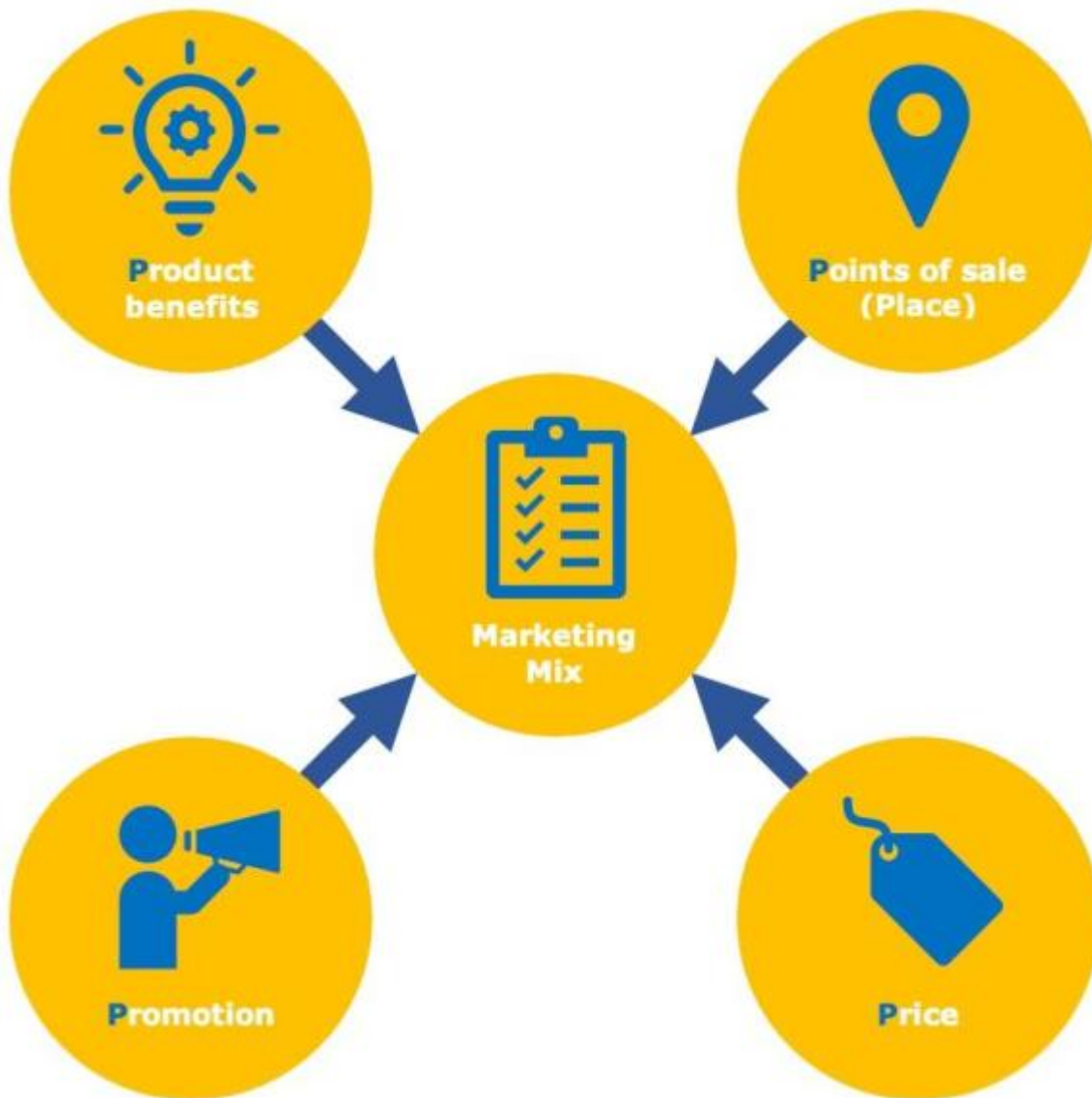
Table 1 provides an overview of pet furniture prices across market segments. Be aware that these are only indicative, since prices vary depending on technique, size, material, design, brand and other ways of value addition.

Table 1: Indicative consumer prices of pet furniture in Europe

	Low-end	Mid-end	High-end
Pet furniture	up to €50	€50–100	€100 or more

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

Figure 8: Marketing mix – the 4 Ps



Source: Globally Cool, GO! Good Opportunity & Remco Kemper

The European consumer price of your pet furniture is about 4 to 6.5 times your **FOB** price. In addition to energy, labour and transport costs, FOB prices depend heavily on the availability and cost of raw materials. Occasional cost increases are not passed on to the consumer directly, so they put pressure on margins in the supply chain. However, recent disruptions have resulted in longer-term cost increases. This continuing pressure has made many retailers raise their consumer prices. When costs drop again, consumer prices may follow.

Consumer prices generally consist of:

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

Figure 9: Price breakdown indication for pet furniture in the supply chain



Source: Globally Cool, GO! Good Opportunity & Remco Kemper

For example, the FOB price in Table 2 is set at €10. Depending on the segment your product is designed for, the consumer price will range from €41 (low-end) to €65.50 (high-end).

Table 2: 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 including 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. These depend on your efficiency and price setting. Margins in the lower segment are generally smaller than in the middle and higher segments.

Examples of consumer prices are:

- Recycled polyester felt cat tent with acacia wooden frame, [IKEA](#), €15.
- Handmade felt cat cave, [Ecozo](#), €39.95–41.95.
- GRS and OEKO-TEX-certified handknitted recycled cotton cat bed, [LucyBalu](#), €169.

#### Tips:

Study consumer prices in your target segment to determine your price and adjust your cost accordingly. Your quality and price must match your target segment.

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

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

[Globally Cool](#) carried out this study in partnership with [GO! GoodOpportunity](#) and Remco Kemper on behalf of CBI.

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