



CBI Product Factsheet Salt and Pepper Sets in Europe

'Practical market insights into your product'

Although both premium and value for money salt and pepper sets are gaining popularity, the main market for this product is the mid-market, where producers can differentiate their products by offering handmade quality. The segmentation of salt and pepper sets is predominantly based on design differentiations. Therefore, product innovation offers the best opportunity to exporters in developing countries. Important trends, which DC exporters need to consider, relate to the Masterchef trend and the continuous sub-segmenting of the salt and pepper mills category.

Product definition

Salt and pepper mills are spice holders that are very common in Western culture. In home decoration, they are usually classified as kitchenware. We can distinguish between salt and pepper sets and grinders. The sets have a perforated top for sprinkling salt and pepper. They are produced both for the household and for professional use, usually provided as a matching set, in a variety of shapes, decorations and materials.

- **Harmonised System (HS):** the following HS codes are used for trade in salt and pepper sets within the EU / EFTA:

Wood:

- 4419.0010: Tableware and kitchenware of tropical wood as specified in the additional note
- 4419.0090: Tableware and kitchenware of wood (excl. 4419.0010)

Plastics:

- 3924.1000: Tableware and kitchenware of plastics

Porcelain/china:

- 6911.1000: Tableware and kitchenware of porcelain or china

Ceramics:

- 6912.0010: Tableware and kitchenware of common pottery
- 6912.0030: Tableware and kitchenware of stoneware
- 6912.0050: Tableware and kitchenware of earthenware

Glass:

- 7013.3190: Glassware of lead crystal, of a kind used for table or kitchen purposes, gathered mechanically (excl. Articles of heading 7018, drinking glasses, glass preserving jars 'sterilising jars', vacuum flasks and other vacuum vessels).
- 70134190: Glassware of lead crystal, of a kind used for table or kitchen purposes, gathered mechanically (excl. Articles of heading 7018, drinking glasses, glass preserving jars 'sterilising jars', vacuum flasks and other vacuum vessels).

Examples of salt and pepper sets



Source: karmakiss.net



Source: foodservicewarehouse

- 7013.4999: Glassware of a kind used for table or kitchen purposes, gathered mechanically (excl. Toughened glass and glass having a linear coefficient of expansion $\leq 5 \times 10^{-6}$ per kelvin within a temperature range of 0 to 300°C, glassware of glass ceramics or lead crystal, articles of heading 7018, drinking glasses, glass preserving jars 'sterilising jars', vacuum flasks and other vacuum vessels).
- Metal:**
- 7323.9300: Tableware and kitchenware of stainless steel
- **Prodcom:** the following Prodcom codes are used to indicated EU / EFTA salt and pepper sets production:

Wood:

 - 1629.1200: Tableware and kitchenware of wood

Plastics:

 - 2229.2320: Tableware and kitchenware of plastic

Porcelain/china:

 - 2341.1130: Tableware and kitchenware of porcelain or china

Ceramics:

 - 2341.1210: Ceramic tableware, other household articles of common pottery
 - 2341.1230: Ceramic tableware, other household articles of stoneware
 - 2341.1250: Ceramic tableware, other household articles of earthenware

Glass:

 - 2313.1330: Table or kitchen glassware of lead crystal gathered mechanically (excluding of glass ceramics, of toughened glass, drinking glasses)
 - 2313.1360: Glass-ceramic, table, kitchen, toilet, office, indoor decoration or similar purpose glassware
 - 2313.1390: Table/kitchen glassware (excluding drinking), toughened glass

Metal

 - 2599.1223: Tableware and kitchenware of stainless steel

This product factsheet focuses on wooden and ceramic salt and pepper sets, as these offer more opportunities for producers from developing countries.

Product specification

Quality

- **Functionality:** The primary function of salt and pepper sets is to season food. Pepper mills in Europe will typically have fewer holes than salt mills. Salt and pepper sets increasingly fulfil a decorative role, adding charm when laying the dining table.
- **Material quality:** Salt and pepper sets are manufactured using a variety of materials. Usually they are made of ceramics, wood, glass, metal or of synthetic materials.
- **Food safety:** As the spices can taint certain materials, care must be taken to avoid health hazards. For more information on permitted materials, please refer to the Requirements you must meet, under 'Food contact materials'.
- **Design:** A great variety of designs and shapes is available in the European market for salt and pepper sets. Salt and pepper sets can either blend in with the consumer's dinnerware or form a stand-alone set in terms of style.

Labelling:

- Information on the outer packaging of salt and pepper sets should correspond to the packing list sent to the importer. External packaging labels for salt and pepper sets should include the following information:



- Producer
- Consignee
- Material used
- Quantity
- Size
- Volume
- Caution signs
- EAN or Barcodes are widely used on the product label within Europe.
- Please note, your buyer will specify what information they need in terms of product labels or on the item itself (logos, 'made in...'). This forms part of the order specifications.
- Use the English language for labelling unless your buyer has indicated otherwise.

Packing and packaging

- Salt and pepper sets should be packaged in accordance with the importer's instructions. Every importer will have its own specific requirements related to the use of packaging materials, filling cartons, palletisation and stowing containers. Always ask for the importer's order specifications, which are part of the purchase order.
- Properly packaging salt and pepper sets can minimise the risk of damage caused by shocks. The product's fragility determines the packaging of the products for export. Packaging should prevent individual items inside a box from damaging each other and the boxes themselves when they are stacked inside the container. Packaging therefore usually consists of inner and outer cardboard boxes, with appropriate materials to protect the products inside the inner boxes (this may involve materials such as bubble wrap or paper, depending on the buyer's preferences).
- Packaging must consist of easy-to-handle dimensions and weight. Standards here are often related to labour regulations at the point of destination and must be specified by the buyer. Boxes are usually palletised for air or sea transport and exporters are requested to maximise pallet space.
- Cost reductions can be achieved by nesting or stacking the items inside the container.
- With regard to packaging materials, there must be a balance between providing maximum protection and avoiding excess materials (waste removal is a cost to buyers) or shipping 'air'. Exporters can reduce the amount and diversity of packaging materials by:
 - Partitioning inside the boxes using folded cardboard,
 - Improved matching of inner and outer boxes and standardising each of the sizes,
 - By considering packaging and logistical requirements already at the products' design stage
 - Asking their buyer for alternatives.
- In terms of material, importers are increasingly banning wooden crating and packaging. This is due to the fact that it is not sustainable and due to the high cost of the material and its disposal. Alternative packaging materials that are economical and sustainable are more popular. Using biodegradable materials in packaging may represent a market opportunity or can be demanded by buyers.
- For salt and pepper sets special care should be taken to properly dry the paper after production since it can mould. Mould can appear during transport due to condensation inside the container, caused by the humid air from the place or origin getting colder and warmer due to day-to-night fluctuations in temperature. Proper air ventilation inside the container is vital to prevent this. Containers must also be inspected for air holes before shipment. Additionally, anti-moisture products are available for placing amongst the cargo. Make sure the importer's instructions are followed in this matter.

Examples of consumer packaging



Source: Jonathan Alder



Source: modernurbanliving.com

- In contrast to the home category, salt and pepper grinders may be imported including their spices, or may be filled at the point of entry in Europe. This increases demand on market access requirements, as now the salt and pepper sets are primarily considered as packaging for the food content.
- At the retail level in home decoration, the more functional salt and pepper sets are usually displayed as loose sets, without any packaging. Where the items are offered as consumer or corporate gifts, packaging and branding can be offered (see example).

Requirements you must meet

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

CFA¹: Study the specific legal requirements listed but also use your common sense to ensure the product does not cause any danger in its normal use. Most buyers will require the DC exporter to provide proof of compliance with legal requirements. You can read more about the [General Product Safety Directive in the EU Export Helpdesk](#).

CFA: For a full overview of legislative requirements for salt and pepper sets, please consult the [EU Export Helpdesk](#).

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

REACH: the Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) lists restricted chemicals in products that are marketed in the EU. In order to market your salt and pepper sets on the EU market, you need to make sure that your products do not contain hazardous substances as defined by REACH. The chemicals that apply to you depend on the materials used in your product, for example in producing ceramic salt and pepper sets.

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

Food contact materials: the EU has laid down strict requirements that aim to prevent dangerous substances being transferred from products that are intended to come into contact with food (such as salt and pepper sets). Furthermore it establishes labelling requirements.

CFA: For more information, please refer to the [EU Export Helpdesk on health control of articles in contact with food products](#). Make sure that you meet all the requirements regarding dangerous substances and labelling.

Timber: Under the [EU Timber Regulation](#) (EUTR), placing illegally harvested timber and products on the EU market is prohibited. You are only allowed to import your timber into the EU if it is proven to be legal. Wood carrying a FLEGT license, or a CITES permit, is considered to comply with the EUTR.

¹ Consideration for action

CFA: This requirement applies to you if you produce wooden salt and pepper sets. As responsibility for compliance with legal sourcing lies with your importing company, you can expect an increase in requests for information on product details, origin and legality etc.

FLEGT: the FLEGT action plan is designed to control the entry of timber or timber products into the EU from those countries that have entered into Voluntary Partnership Agreements (VPA) with the EU. It makes it illegal to import certain types of timber (products) from these countries unless that timber has a FLEGT license, which provides evidence that the timber has been legally harvested.

CFA: Check if your country has a VPA with the EU and if your product is covered by the VPA before exporting your products to the EU. If your country is part of the VPA make sure you comply with their requirements to verify the legality of your timber product before it enters the EU.

Common requirements

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

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

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

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

CFA: For more information on sustainable design, please refer to [CBI's Tailored Intelligence: the Sustainable Design market for Home Decoration and Home Textiles](#).

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

Niche requirements

While sustainability is gaining ground, the actual use of certification is still a niche in this sector. Nevertheless, there are eco-labels that apply to decorative articles, including salt and pepper sets. As this is a means of demonstrating sustainability, there is an increasing interest from buyers.

Fairtrade: Besides the social and environmental aspects of production, Fairtrade production also covers a fair wage to labourers involved in the production of Salt and pepper sets.

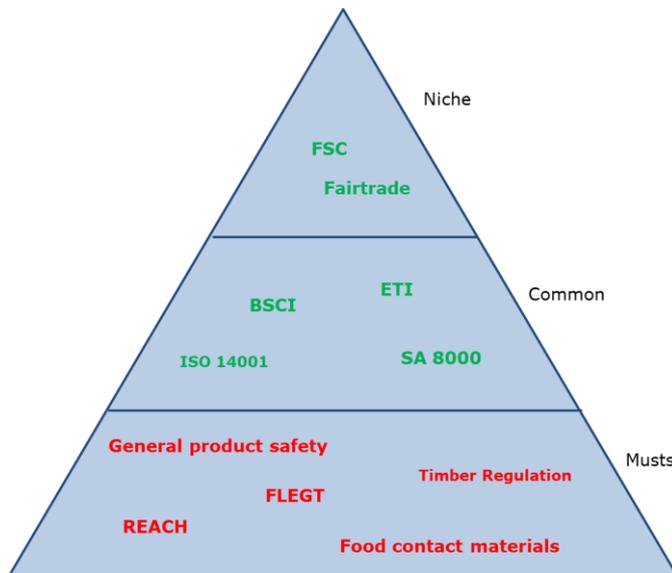
CFA: Determine your options for obtaining Fairtrade certification. Certification may not be necessary as home decoration products may be sold under a brand with fairly traded aspects, without certification. Compliance with fair trade norms will also make it easier to satisfy other social and environmental norms.

Forest Stewardship Council (FSC): FSC certification of timber is the most common label for sustainable wooden products, such as wooden salt and pepper sets. This standard is used to certify forests that are sustainably managed. Wood from certified forests is labelled throughout the value chain and as final products. FSC certified products are especially popular in Western European markets, such as the Netherlands, Germany and the UK.

CFA: [FSC](#) or similar norms for the sustainable management of wood will increasingly adopt a legal character or become a way of influencing consumer choice. Exporters should integrate such values into their product range, even at the stage when they are optional in trade, to anticipate future demand.

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

Figure 1: Buyer requirements for salt and pepper sets



Trade and Macroeconomic Statistics

(!) No specific trade data is available for salt and pepper sets. Therefore, an overview is provided of the production, consumption and trade of 'tableware, kitchenware of wood and ceramics'.

(!!) *Production* data related to 'tableware and kitchenware of wood and ceramics' is unavailable or incomplete for several European countries. For that reason, production and apparent consumption are based on the following countries:

the UK, Portugal, Italy, Romania, Poland, Spain, France, Finland, Czech Republic, Estonia, Croatia, Bulgaria, Denmark, Greece and Lithuania. Therefore, care should be taken when drawing conclusions based on the following figures.

(!!!) Moreover, specific information based on interviews with European buyers is provided about producers and consumers of salt and pepper sets, as well as an indication of future European demand.

Figure 2: Production of wooden and ceramic table and kitchenware in Europe, in € million

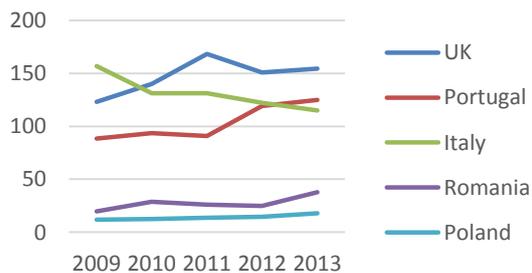
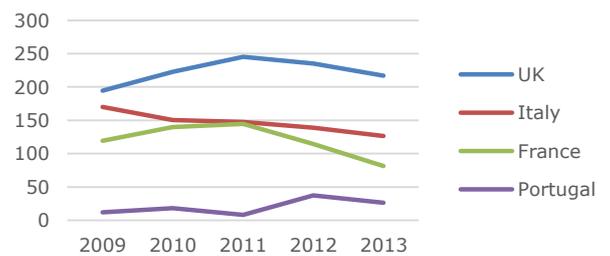


Figure 3: Apparent consumption of wooden and ceramic table and kitchenware in Europe, € million*



Source: Eurostat Prodcop (2014)

* Calculated as (Production + Imports) – Exports
Source: Eurostat Prodcop (2014)

Total European production of table and kitchenware increased annually by almost 3% from 2009-2013, amounting to € 606 million in 2013. This was due to a considerable increase in production by Portugal and Eastern European countries.

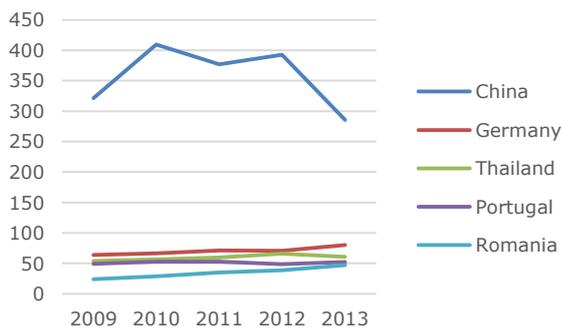
European production of salt and pepper sets: According to industry sources, several European countries are engaged in manufacturing salt and pepper sets. The largest producers are France, the UK, Spain and Italy supplying the higher segments of the market. The UK, together with Italy and Spain, has a long tradition of ceramics production, whereas the major French brand for salt and pepper sets, Peugeot, mainly manufactures steel and wooden salt and pepper sets.

CFA: Be aware that European production of ceramic table and kitchenware is substantial and mainly consists of high quality products.

Apparent consumption of wooden and ceramics table and kitchenware in Europe is highest in the UK, France and Italy. Aside from a substantial peak in 2011 due to increased German production, European consumption of table and kitchenware of wood and ceramics remained relatively stable from 2009-2012, decreasing annually by 1%. In 2012, consumption of all wooden and ceramic table and kitchenware selected in this analysis amounted to € 214 million, having reached € 320 million in 2011.

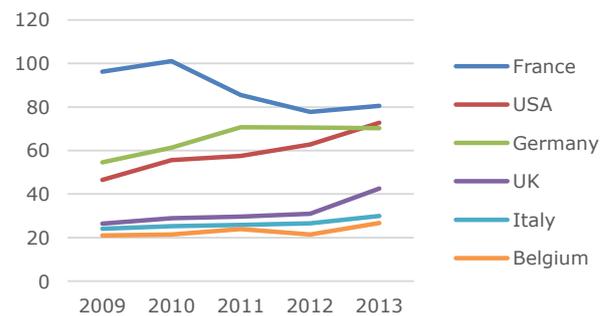
Market development: Industry sources have indicated diversified developments in demand in the European market for salt and pepper sets. Demand for the high-end market has stagnated mainly due to the economic crisis, whereas demand has been increasing in the low-end and middle market. Due to ongoing economic fluctuations, consumers are buying cheaper products, driving up demand in the lower segments of the market.

Figure 4: Suppliers of wooden and ceramic table and kitchenware to Europe, € million



Source: Eurostat (2014)

Figure 5: Destinations of European exports of wooden and ceramic table and kitchenware, € million



Source: Eurostat (2014)

Total European imports (EU + EFTA) increased annually from 2009-2013 by 1.2% in value, amounting to € 797 million in 2013. In that year, the main importing countries were the UK, Germany and France. Imports by Scandinavian countries increased considerably, on average between 7%-10% per year.

A similar analysis is confirmed by the industry sources consulted (European buyers): the most important EU markets for salt and pepper sets are the UK, Germany and France. However, exporters/manufacturers should be aware that different materials for salt and pepper sets are popular in each country. So for example, ceramic salt and pepper pots are more popular in the UK, whereas in France steel and wooden salt and pepper pots are more popular.

Imports from DCs accounted for 51% of value of total imports of wooden and ceramic table and kitchenware in 2013. From 2009-2013, imports from DCs decreased on average by 1.5% in value per year. China is by far the largest DC supplier, followed by Thailand, Vietnam and Indonesia.

Suppliers of salt and pepper sets: According to industry sources, salt and pepper sets are mostly sourced from China, Bangladesh and Western Europe. China and Bangladesh supply mostly the low and middle low segments of the market with synthetic and glass salt and pepper sets. European producing countries supply the higher segments of the market with ceramic, wooden and steel salt and pepper sets.

CFA: Consider focusing your exports on Northern and Western European countries, such as Finland, Sweden, Germany and the Netherlands. These countries increased imports from DCs between 2009 and 2013.

Total European exports (EU + EFTA) increased annually from 2009-2013 by 7%, to € 653 million in 2013. The main European exporters are Portugal (producer), Germany, the UK (producer) and the Netherlands. Together, these countries accounted for 52% of all exports in table and kitchenware of wood and ceramics in 2013.

The main destinations are other European countries (France, Germany, the UK) and the USA. With regard to the European destinations, the high growth in exports from 2009-2013 was destined for Eastern Europe (e.g. Russia, Poland and Slovakia) as well as Denmark and Sweden.

CFA: Consider fast-growing destination markets, such as Eastern Europe and Scandinavian countries for exports of your salt and pepper sets.

Market trends

Masterchef – displaying and sharing cooking skills: European consumers have rediscovered the joy of cooking. This increased popularity of home cooking is a combination of saving money due to the economic downturn, a revived interest in nutrition and health and a movement towards sourcing food locally. Moreover, in Western society displaying and sharing new (cooking) skills have become part of a bonding process with family and friends, as well as a status symbol. As such, kitchen tools – salt and pepper sets included – are generally enjoying growing popularity. A number of related subtrends have also emerged.

From a Functional Tool to Stand-Alone Table Decoration: Salt and pepper sets have evolved from being a tool for seasoning food to a focal item which can serve as a conversation piece on the dining table. Not surprisingly, pepper and salt mills have become gift items, which have sometimes almost lost their connection to their original function (see 'Positioning' below).

Collecting: A major consumer trend in home decoration is the urge to collect: consumers want to have complete sets of items such as wall plates or figurines. This trend also applies to salt and pepper sets. Collecting salt and pepper sets of a certain theme, design or brand has had a major impact on this category's popularity. Collectors may or may not use their salt and pepper sets on the table.

CFA: Salt and pepper sets are a must for producers in the dinner and kitchenware categories. Make sure you offer a broad range of sets of different styles, as retailers will want to offer their consumers a wide choice.

CFA: Although salt and pepper sets must function well, you should nevertheless focus on novelty rather than functionality in your product development. Global brands are successfully built on the functionality of salt and pepper sets, which are difficult to compete with. As such, compete on 'ideas'; examples are described in the 'Positioning' section below.

CFA: Please refer to [CBI Home Decoration Market Trends](#) for more information on the Masterchef trend.

Positioning – Reasons for Buying:

Salt and pepper sets are the basis of endless (re-)positioning, as they can be placed in three sub-markets: corporate (hospitality/catering), consumer cookware, and gifting (giftware and gadgets). Among others, positioning can be based on the following:

- **Functional** – amateur cooks playing 'Masterchef' at home want professional equipment that also looks good when seasoning food for their guests at the table. They are willing to pay a bit more for their Masterchef tool.
- **Professional/corporate** – this category ranges from top-of-the-range tools used in the restaurant kitchen, to airline disposable sets.

- **Fun** – this is a key element which is linked to the giving or gadgets market. Any type of humour goes, ranging from subtle to over-the-top. For salt and pepper sets this is a well-filled category.
- **Let's Play** – these salt and pepper sets allow consumers to play with food. This is a major consumer trend in home decoration.
- **Novelty/Inventive designs** – this involves ingenious constructions or technology, and surprising ways to distribute spices.
- **Merchandising** – here, sets are based on characters from movies (e.g. Star Wars), cartoons, or brand names (e.g. Lego, Pantone). Be aware that you need to conclude licensing agreements in this category.
- **Souvenirs** – salt and pepper sets as memorabilia.
- **Figurines** – these can be human and/or animal and made from any type of material. Figurines range from very precious (in silver, design) to inexpensive (synthetics, gadget).
- **Classic** – includes luxury (precious materials) and timeless (conservative) sets or those with 'bling bling'. Some classical brand names are included here as well.
- **Occasional** – salt and pepper gift sets to commemorate a special occasion (e.g. wedding), work or personal anniversary, a seasonal or other event.
- **Design** – designers or designer brands are frequently trying their hands at salt and pepper or cruet sets, which can be minimalist or expressive.

Table 1: The positioning of salt and pepper sets

<p>Functional</p>  <p>Source: Georg Jensen</p>	<p>Professional/Corporate</p>  <p>Source: Turkish Airlines</p>	<p>Fun</p>  <p>Source: Koziol</p>	<p>Let's Play</p>  <p>Source: Nook and Cranny Shop</p>	<p>Novelty/Inventive designs</p>  <p>Source: Yanko Design</p>
<p>Merchandising</p>  <p>Source: BBC Shop</p>	<p>Figurines</p>  <p>Source: Cath Kidston</p>	<p>Classic</p>  <p>Source: l'Objet</p>	<p>Occasional</p>  <p>Source: Objekten (Bel)</p>	<p>Design</p>  <p>Source: Siren Elise Wilhelmsen</p>

CFA: Each of these market positions has its own marketing mix: product features, distribution, pricing and communication. Try your luck in one or more of these segments, or create a new one.

CFA: If you are targeting the higher market segments, consider adding value to your product by offering modern designs and original ideas.

CFA: Please refer to [CBI Home Decoration Market Trends](#) for more information on the Masterchef trend.

Sustainable Lifestyles: European consumers are trying to incorporate the values of human and environmental friendliness into their consumption

Salt and pepper box



Source: Totally Bamboo

patterns. Consumers' need to lead a healthier lifestyle may steer them away from processed food and towards fresh meals, with their own, but moderate, seasoning. As consumers are becoming more aware of the origin and environmental and social impact of their purchases, they may also weigh up the sustainable benefits of their kitchen and tableware. If greener options are available (e.g. FSC wood or Fairtrade concepts), consumers may take these into consideration (see example).

CFA: Consider using sustainable materials and/or production processes and producing salt and pepper sets in a socially-acceptable manner. Think about renewable raw materials (e.g. bamboo) or water-based paints, avoid disposable concepts and provide benefits to your local community. Communicate your green values effectively. At the moment, the sustainable segment in salt and pepper mills is small, but if overall developments in kitchenware are an indication, this may change fast. Enjoy a first-mover advantage!

CFA: For more information on trends in sustainable home decoration and textile products, please read the CBI Trend Special Sustainability.

Market Channels and Segments

Market channels

As market channels and segments for salt and pepper sets do not differ significantly from the home decoration sector, please refer to [CBI Market Channels and Segments for Home Decoration](#) for a general overview.

All major retailers and department stores in Europe have online business-to-consumer platforms.

CFA: Consider targeting online retailers in order to reach a broader range of customers. This means, however, supplying small batches/individually packaged items, being prepared to pre-stock and offer more just-in-time supply concepts. Since e-commerce is expected to grow considerably over the next few years, this strategy offers exporters the possibility of scaling up in a short space of time. Small gift items such as salt and pepper sets are particularly suited to online marketing.

Market segments

In order to determine market segments in the salt and pepper sets category the combination of price and value is less important than the 'buying motives' (Market Trends – 'Positioning'). Generally, salt and pepper sets are mid-market products and are broadly spread out over 'low-mid', 'mid-mid' and 'high-mid' market segments (Table 2). In the low end of the market, salt and pepper containers serve as spice containers (especially in supermarkets) and are part of the processed food market. At the premium end, some top-luxury brands offer salt and pepper sets in precious metals, but this is an insignificant segment.

Table 2: Market segments: the Mid-Market in Salt and Pepper sets

Low-Mid: Functional Basics, Catering Market, Gadgets	Mid-Mid: Gift, Decoration Trend	High-Mid: Professional/ 'Masterchef', Design, Brand
 <p>Source: Think Industry</p>  <p>Source: Yanko Design</p>	 <p>Source: Kim's Gifts</p>  <p>Source: Bloomingville</p>	 <p>Source: Menu</p>  <p>Source: Alessi</p>

For an overview of the prices of salt and pepper sets within these segments, please refer to the Prices section below.

Prices

Table 3: Indicative consumer prices of salt and pepper sets

Low-mid	Mid-mid	High-mid
€ 3-30	€ 30-50	Over € 50

Prices of salt and pepper sets corresponding to the low, middle and high positions in the mid segment are provided in Table 3. Please be aware that these prices are indicative.

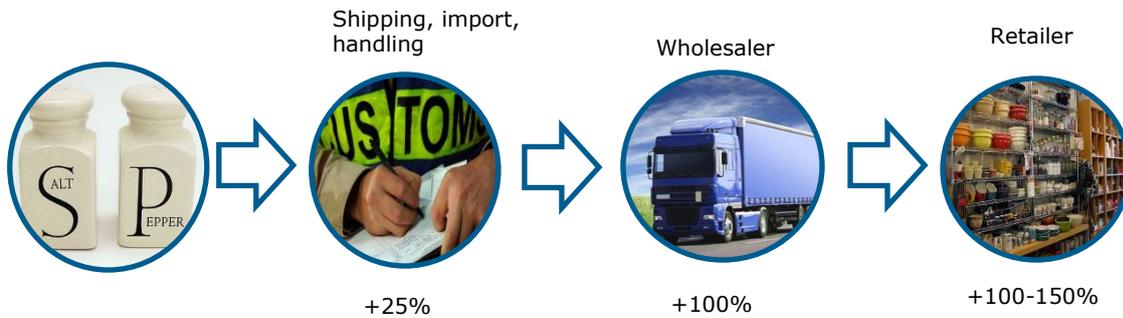
CFA: Pricing is determined by the value perception of your product in the chosen segment (see 'Market segments'). Once you have chosen your target segment, you must offer what is expected in the segment in terms of the quality of your salt and pepper sets, at a price that matches similar products. To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

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

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

The following figure provides an indication of a price breakdown for salt and pepper sets.

Figure 6: Indicative price breakdown for salt and pepper sets, markups in %



Source: ProFound, 2014

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

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

Field of Competition

Please refer to [CBI Home Decoration Field of Competition](#), as the competitive field for salt and pepper sets does not differ significantly from this general overview.

Useful sources

- [Aid to Artisans](#), International Non-profit Organisation for the craft sector
- [EFTA](#), European Fair Trade Organisation
- [WFTO](#), World Fair Trade Organisation
- [ICC](#), chamber of commerce for international trade and business

Trade fairs

Visiting and especially participating in trade fairs is highly recommended as one of the most efficient methods for testing market receptivity, obtaining market information and finding prospective business partners. The most relevant trade fairs in Europe for exporters of salt and pepper sets are:

- [Maison et Objet](#), every January and September in Paris, France
- [Ambiente](#), February in Frankfurt, Germany
- [Tendence](#), August 2014 in Frankfurt, Germany

This survey was compiled for CBI by ProFound – Advisers In Development, in collaboration with

CBI sector expert Kees Bronk, GO! GoodOpportunity.

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