



# CBI Product Factsheet: Tea sets in Europe

## 'Practical market insights into your product'

Tea sets are available in all shapes and sizes and are produced from different raw materials. Trends in tea drinking influence the design and marketing of tea sets. 'Rush-time' tea drinking favours everyday basics in drinkware, whilst 'Me-time' tea drinking brings out the best and most complete tea sets. The handmade aspect is an important factor in the higher segments and this offers exporters in developing countries an opportunity to differentiate their products.

### Product definition

A tea set is a group of dishware for serving tea and small amounts of finger food, such as cakes and sandwiches. The basic components of a tea set are a teapot, cups, and small plates. They are sold as a matching set as well as individually. Additional components of the set can include a sugar bowl, a milk jug and a tray. While utensils are also used at teatime they are not considered to be part of the tea set.

Classification of tea sets:

- **Harmonised System (HS)** the following HS codes are used for trade in tea sets within the EU / EFTA:
  - 6911.1000: Tableware and kitchenware, of porcelain or china
  - 6912.0000: Ceramic tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china
  - 7013.3100: Glassware of a kind used for table (other than drinking glasses) or kitchen purposes other than of glass-ceramics of lead crystal
- **Prodcom** The following Prodcom codes are used to indicate European tea sets production:
  - 2313.1390: Table/kitchen glassware (excluding drinking), toughened glass
  - 2341.1130: Porcelain or china tableware and kitchenware (excluding electro-thermic apparatus, coffee or spice mills with metal working parts)
  - 2341.1230: Ceramic tableware, other household articles
  - 2341.1250: Stoneware tableware

This product factsheet focuses on ceramic, porcelain and china tea sets. There are more opportunities for producers in developing countries due to the long tradition in manufacturing processes of these materials. Furthermore, many developing countries are richly endowed with the raw materials required to produce ceramics, china and porcelain.

### Examples of tea sets



Source: House Doctor



Source: Anthropologie.eu

## Product specification

### Quality:

- **Functionality:** Tea sets are used for serving tea or coffee indoors as well as outdoors. Nevertheless, since they first appeared they have played a very important decorative role and still do today. Their diverse patterns and shapes allow them to add a stylish touch to dining rooms, living rooms and gardens. While tea sets are mainly sold as a group of items with matching patterns, more recently, the trend of individually sold articles is becoming popular. Consumers, especially in the higher segments of the market, are following the mix and match trend, creating tea sets out of different patterned teapots, cups and saucers. Since tea sets have been historically very popular, vintage ones in particular have become collectible items and this has increased their value significantly.
- **Raw material quality:** Tea sets can be manufactured using several raw materials. Most commonly, tea sets are ceramic, china and porcelain. However, they can also be made of stoneware, silver, steel and glass.
- **Design:** In terms of design, tea sets come in a variety of shapes, colours and patterns. Plain white ceramic sets, novelty sets, decorative porcelain sets and contemporary geometric tea sets are some of the few options available in the European market.

### Labelling:

- Information on the outer packaging of tea sets should correspond to the packing list sent to the importer. External packaging labels for tea 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.

### Packaging:

- Tea 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 boxes, palletisation, and stowing containers. Always ask for the importer's order specifications, which are part of the purchase order.
- Properly packaging tea sets can minimise the risk of breakages caused by shocks. The products' 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.

#### Examples of consumer packaging



Source: Tom Dixon



Source: Emma Bridgewater

- 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 cartons 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 materials, 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.
- At the retail level, tea sets are usually displayed unpacked, which means that attractive consumer packaging is not very important. However, both in mid and high-end segments, a gift box can add value. In general, consumer packaging can consist of a wooden or carton box, usually reflecting the tea sets' design.

### 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.

**CFA<sup>1</sup>:** 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:** Check the rapid alert system for non-food dangerous products ([RAPEX](#)), a database that provides 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 tea 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 for your tea 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:** legislation on food contact materials applies to tea sets. In this legislation, 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.

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<sup>1</sup> Consideration for action

**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.

## 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 \(BSCI\)](#) is 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. To prove compliance, your production process can be audited at the importer's request. Once a company is audited, it will be included in a database that can be used by all BSCI participants.
- The [Ethical Trading Initiative \(ETI\)](#) is an alliance of companies, trade unions and voluntary organisations working in partnership to improve the working lives of people across the globe that make or grow consumer goods.
- 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:** Since an increasing number of European importers are participating in BSCI and ETI, you can expect compliance with the BSCI and ETI codes of conducts to be considered as basic requirements. If you have not done so already, you may want to look into the possibilities of improving your sustainability performance. This may not always include immediate certification or application of a label, but familiarising yourself with issues included in the initiatives will give you an idea on what to focus on. Also see CBI's publication [CBI Tailored Intelligence: the Sustainable Design market for Home Decoration and Home Textiles](#).

## Niche requirements

**Fairtrade:** Besides the social and environmental aspects of production, [Fairtrade](#) certification also covers a fair wage to labourers involved in the production of tea sets.

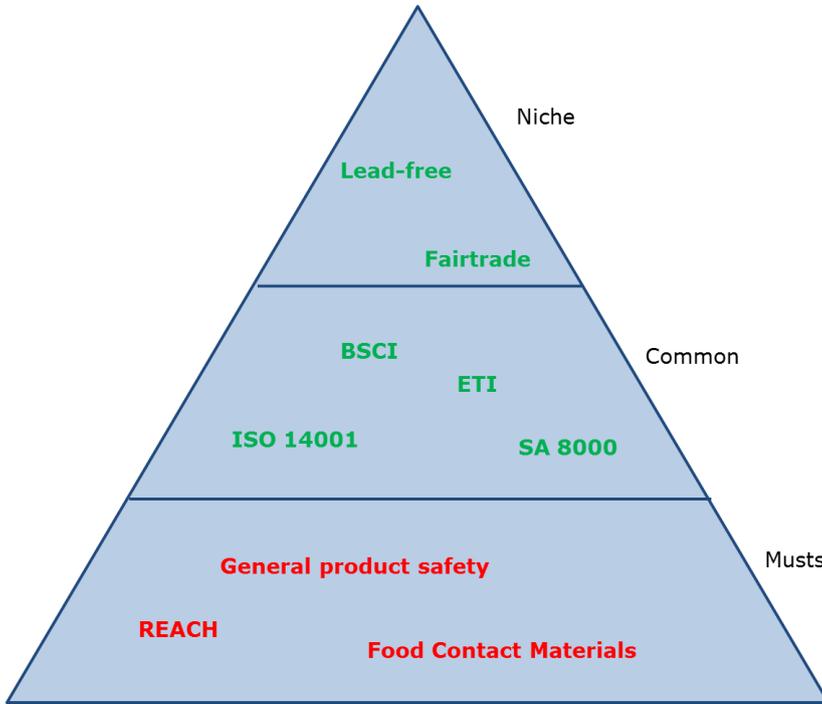
**CFA:** Obtain Fairtrade certification to enter the Fairtrade segment. Compliance with Fairtrade norms will also make it easier to satisfy other social and environmental norms, as it is the most integrated system for sustainability.

**Lead-free certification:** Lead glazes can be used on a wide variety of ceramic ware, such as earthenware pottery, stoneware, and a range of porcelain type bodies. Though lead is widely used, it can be harmful as it can be absorbed by food substances.

**CFA:** Consider looking into [Lead-free certification](#), which is more popular in the US market. Even if it does not include immediate certification or application of a label, it is useful to be informed about different safety standards.

**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 tea sets**



### Trade and Macroeconomic Statistics

*No specific trade data is available for tea sets. Therefore, a summary is provided of the main suppliers and importers of tea sets based on interviews with industry sources. For statistics on ceramic dinnerware, which also cover tea sets, refer to CBI Product factsheet Ceramic Dinnerware.*

**Suppliers:** According to industry sources (European buyers) tea sets are mostly sourced from Asia and Europe. Major Asian countries that produce tea sets include China, Japan, Thailand and Vietnam. Of these, China, Thailand and Vietnam mainly supply the low and middle segments of the market with low quality glass and stoneware tea sets. Japan and European countries mainly supply higher segments of the market.

**European production:** Several European countries are engaged in manufacturing tea sets. The largest producers are Germany, the UK, France and Italy, supplying the higher segments of the market. All these countries have a long tradition of ceramic production (see Trends).

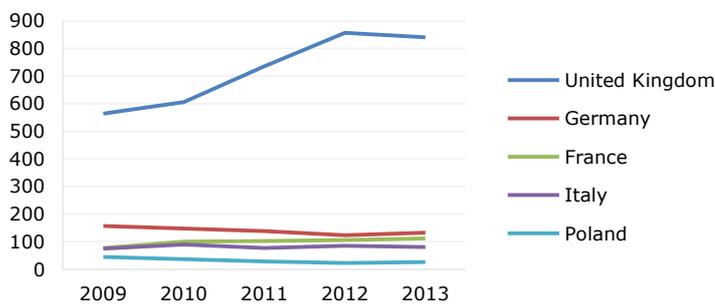
**CFA:** Be aware that you can expect competition from European suppliers of tea sets, most of which are located in Western and Southern Europe.

**CFA:** It is important that your product stands out from the competition. Highlight its exclusivity by displaying its origin in addition to demonstrating the craftsmanship and materials used to produce your tea sets. Refer to the Market Trends section for more information.

**Importers:** According to industry sources, the most important European markets for tea sets are Germany, France and Italy. However, exporters/manufacturers should be aware that different materials for tea sets apply to each country. So for example, ceramic tea sets are more popular in Italy than in the French market, where glass and steel tea sets are preferred.

**Market development:** Demand for tea sets is expected to rise in line with the economic recovery that is slowly taking place in Europe. Furthermore, *consumption of tea* is expected to increase (see below, and refer to [CBI Product factsheet Tea](#)); this will influence the demand for tea sets. The larger tea-consuming countries, namely the UK, Germany, France, Italy and Poland, are expected to raise the European demand for tea sets. The prognosis for Eastern Europe is particularly positive, due to the growing demand for tea.

**Figure 2: Leading consuming countries of tea in EU/EFTA, values in € million**



Source: Eurostat Prodcom (2014)

**CFA:** Consider focusing your exports on the leading tea consuming countries.

**CFA:** GDP & consumer confidence are expected to increase in 2014, as mentioned in the [CBI Trade Statistics for Home Decoration](#). As GDP and consumer confidence grow, consumers are more willing to spend money on non-essential home decoration products or gifts, such as tea sets. This development will affect consumption of tea sets in a positive manner.

## Market trends

The main trends in tea sets are:

**'Slow' or 'To Go':** Trends in tea sets are directly related to tea-drinking habits, which have diversified and have influenced the various positioning in the market for teapots, cups and saucers or mugs. Rather than demographics (e.g. age, social status or income level), the value attached to teapots and cups is determined by moments: *rush-time* tea sets are affordable and convenient goods, whilst *me-time* drinkware are specialty goods with a higher intrinsic value.

1. *Rush Time:* Busy urban careers and family lives often reduce breakfast to hurried food intakes. Tea drinking during early morning rush-time needs to be quick and convenient. Therefore, tea sets are everyday basics often including a single mug but without a teapot. Instead, hot water is poured straight from the kettle into the glass. Inexpensive, unassuming teapots and crockery are used for this 'to go' moment.

Tea at work also falls into this category. Although a lunch break may be available with less time pressure, the teaware is usually very basic.

2. *Me Time:* This trend applies to the less intense tea drinking moments such as afternoon tea or weekend breakfasts. Here, priority is given to the enjoyment derived from tea drinking. These are precious moments of 'slow tea' drinking. Here the consumer is both a mature tea drinker and lover of tea ceramics. A well-chosen teapot, favourite cups and



saucers will be on the table for this moment. The drinkware here can be quite eclectic, a mix-and-match of styles, or smaller sets (e.g. teapot, cup, sugar bowl, spoon) in a matching style. The idea is to drink your favourite tea, from your favourite pot, in your favourite cup or mug. This tea consumer will have a choice of pots and drinkware, to suit different emotions.

**CFA:** As a teaware supplier, study the developments in tea consumption in Europe. Tea drinking and gifting trends directly influence consumer needs and your marketing mix (4Ps). Check the Market Intelligence platform on the CBI website on this subject.

**CFA:** Relate and communicate your products' main values to the consumer's various tea drinking moments. By extending the number of 'moments' your products can help you approach different target groups.

**Loose or Together:** Two trends influence the consumer's need to make eclectic choices in tea sets.

1. *Freedom of Choice:* During formal occasions, family celebrations, etc. complete 6 or 12-piece tea services can be used as part of larger dinner sets. Nevertheless, complete and matching tea sets, bought in one go seem to be a thing of the past. Modern-day consumers are *in-the-moment consumers*, matching teaware with different emotions. At the same time, they are 'prosumers', a combination of consumers and producers wanting to compose the tea sets themselves.
2. *Collecting:* The modern-day consumer feels a strong need to collect series of wall plates, figurines, or, indeed, teacups. A seemingly contradictory trend to that of Freedom of Choice. However, collecting is a gradual process just as, indeed, the *process of collecting* is an important element in the excitement in working towards a series of items. Furthermore, the items collected do not necessarily form a standard and uniform series. The collection can for instance comprise just cups in one decor (different colours), just teapots (no cups) or a mix from the same brand.

**CFA:** Be collectible. It is recommended that you offer a variety of decors related to one theme. Add new items to your existing lines based on the same design element (a shape, decor, style etc.). Mugs are especially suitable for this, as they are also seen as stand-alone items in the dinnerware and gift categories.

**Identity and Personality:** In an overcrowded market, authenticity becomes key. This can be translated in two ways. First of all, consumers want to express themselves and stand out from the crowd. Secondly, brands seek differentiation, thereby creating brand signatures. *Heritage* is one way of doing so, illustrating your own history or the history behind your product. *Origin* is another, patterns or shapes originating from the local culture. *Handmade* is also highly valued in a market that craves individuality. *Consistency* helps create a fan base and allows consumers to collect within a particular style group. Successful examples include the Alessi and Bunzlau Castle teapots.

**CFA:** Check the following identity elements and see where you could develop a reputation in the market:

- History of your organisation, process or industry – what story can you tell, helping the consumer to add a dimension to your product features
- Tell stories: What materials, techniques, cultural meanings do your products have that can be inspirational to a consumer eager to hear new stories. The combination of origin/ethnic and contemporary design is seen as a firmly established category. At the level of your product lines, make sure the

#### Collecting



Source: pipstudio.com

#### Identity and Personality



Source: bunzlaucastle.com

binding factor is clear; this can be a shape, colour, or literally, a story. The Bulky tea set by Muuto is, for example, based on a children's toy service story.

- **Handmade:** Hand-thrown, hand-painted, hand-stencilled, hand-formed, an individual maker's name or even impression of a thumb (see picture). It all adds to the product's personal touch that greatly appeals to the consumer. Underline it in your design and marketing communication resources. Trigger the consumer's senses through textures, colours and combinations of materials.
- **Be consistent in your concept:** Try and become known for one special feature, instead of offering *everything for everybody*. A successful example is the Le Creuset sets which are unique in cookware and dinnerware.

**Table 1: Identity elements for tea sets**

<i>Tell stories</i>	<i>Handmade</i>	<i>Consistency</i>
		
<p>Source: Muuto</p>	<p>Source: Linda Bloomfield</p>	<p>Source: Le Creuset</p>

**CFA:** Refer to Trends Overview Home Decoration and Textile for more information on personalisation.

**Teaware Going Mainstream:** Tea sets used to be offered by specialists in dinnerware, but the market has spotted the potential of tea sets mainly as a gift item. Additionally, the 'Me-Time' value of tea sets is similar to the consumer's identity-driven purchases in home decoration. Thus wholesalers and retailers offering general home collections, such as Bloomingville and House Doctor are also offering tea sets. On the other hand, brands from neighbouring categories (e.g. Marimekko from home textiles and Accessorize from fashion) are also entering the teaware segment. For these brands, teaware adds to their product range. They focus primarily on decoration, to support their attempt at becoming a 'lifestyle brand'. The landscape for tea sets is broadening, therefore offering more opportunities for market entry.

**CFA:** Extend your sourcing from tea specialists to general resellers in interior design to take advantage of the broader market. Be aware that minimum order quantities might be lower and design demands higher.

**CFA:** Study consumer trends in interior design as a whole, rather than separately for tea sets. Refer also to CBI Trends for Home Decoration and Textiles.

**Made In Europe:** An ongoing trend is that a large volume of teaware production is taking place on European soil. This is driven by the need for lower quantities and smaller runs, for lower logistical costs and a greater need for control over quality and frequency of buying. Also, there is a great tradition in the production of ceramic homeware, especially in the UK, Germany, France, Italy and Portugal, where experience can date back to the 18<sup>th</sup> and 19<sup>th</sup> centuries. Production also takes place in factories in Eastern Europe, where labour is cheaper than in North-Western Europe. On top of this, especially for the higher segments, small EU-based studios are active, producing handmade pottery. This has implications for manufacturers outside the EU.

**Mainstream teaware**



Source: Ferm Living



Source: Marimekko

**CFA:** Be lean in your production, constantly study and (re-)negotiate logistical costs and offer flexibility in production runs. Work to reduce costs for packaging, and offer margin differentials for longer-term customers.

**CFA:** Differentiate in terms of design, story and identity (see 'Identity and Personality'). Anticipate your buyer's product development cycle and take the initiative of offering new design ideas based on the knowledge of your buyer's positioning.

**CFA:** Offer one-stop-shopping benefits: concepts for different categories (e.g. dinnerware and kitchenware), consumer packaging or even food and non-food. This can be done by teaming up with colleagues in your area or by horizontal integration.

**CFA:** Be green: make a difference environmentally and/or socially to respond to the EU consumer's need to contribute to a better world. Be specific about the green features of your concept, add visual content and obtain certification if and when it adds value to your product.

## Market Channels and Segments

### Market channels

As market channels and segments for tea 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. This is increasingly the case as brick-and-mortar retailers are rapidly adopting multi-channel marketing strategies, including e-commerce and m-commerce.

**CFA:** Tea sets are available at different levels in the market, from high to low (see 'Market Segments') and various intermediate positions. Each position has its own marketing mix, a cocktail of product features, price elements, with a corresponding communication strategy and the right choice of distributor. If you have your own 4Ps in focus, sourcing and connecting to distributors will be more effective.

### Market segments

We present some examples of tea sets in Table 2 to illustrate the different tea set segments,.

Segmentation for tea sets is largely based on buying motivation, especially tea-drinking moments. With this in mind, price/value segmentation can be summarised as follows. The everyday basics used for the unfocused tea-drinking moment are found at the lower end. These products do not generally focus on design but value-for-money pricing and are available from supermarkets and hypermarkets, garden centres and lower-end retail brand stores.

In the middle segment decoration is important to fit into the existing atmosphere or style of the interior (e.g. romantic). This is often achieved using

transfer prints. The gift aspect of the mid-market for tea sets is significant. Prices are accessible and distribution increasingly intensive.

In the mid-high segment, craftsmanship is genuine, with handmade elements allowing price levels to get close to one hundred euros for a set. The premium end of the market excels in premium craftsmanship with statement pieces and brand stories creating premium pricing. Distribution is conducted through premium department stores, brand and design stores, as well as online.

**Table 2: Market segments for tea sets**

Low: Everyday basics	Middle: Higher quality raw materials	High: Handmade/designer quality
		
 <i>Sources: Marks and Spencer, IKEA</i>	 <i>Sources: Denby, John Lewis</i>	 <i>Sources: Wedgwood, Tom Dixon</i>

## Prices

**Table 3: Indicative consumer prices for tea sets**

	Low-end	Middle-end	High-end
<b>Teapots</b>	€ 15-30	€ 35-74	€ 88 or more
<b>Teacups &amp; saucers / mugs</b>	€ 3-10	€ 10-20	€ 20-45

**Prices of tea sets** corresponding to the low, mid and high segments are provided in Table 3. Please be aware that these prices are indicative.

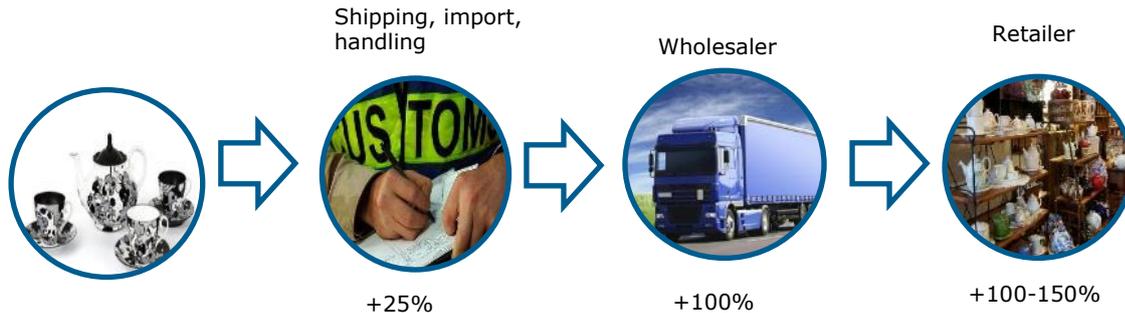
**CFA:** Pricing is determined by the value perception of your product in the chosen segment (see 'Market segments'). Once you have chosen your target segment, you must offer what is expected in the segment in terms of the quality of your tea set, at a price that matches similar products. To determine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

**Figure 3: Indicative price breakdown for tea 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 tea 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 tea sets are:

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

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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