9 tips for finding buyers on the European home decoration and home textile market

The tips listed below offer a short overview on what steps to take when searching for buyers on the European home decoration and home textile (HDHT) market. It provides a good basis for how and where to find European buyers. There are many other factors that influence the success of finding buyers. That is, the quality of the product offered, the number of suppliers already on the market and the competitive landscape.

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1. Define yourself and your offer before searching for buyers

The more precise you are about what you can offer, the better you can target the right buyers. Therefore, before searching for buyers define the product(s) you are offering. Include a product description, quality and quantity that you can offer, price category and certificates. After that, find out your Unique Selling Point (USP): what differentiates your product from its competitors? This can be excelling in the quality of the product, offer attractive prices or an innovative product that competitors do not offer.

Once you have defined your product and USP you already know what type of buyers to look for. This will save you time when creating a list of potential buyers. If, for instance, you target a niche market like organic sustainable home textiles, you already can skip buyers that only sell low-cost mainstream textiles.

Tips:

Be very precise and clear in defining your product offer. The more precise you are, the better you are able to find potential buyers that fit best with your offer; this will save you time.

See our study on tips for Doing Business with European Buyers, for more information on USP.

2. Do market research to find out which segment offers you the best opportunities

After having defined yourself and your offer, the next step in finding European buyers will be doing market research. Find out how the European market works, and which markets or segments have the best potential for your offer. Be aware that the largest or closest markets are not always the best choice. Look at different European countries and their characteristics in the HDHT market. There is a lot of useful market information on the internet. For example, browsing distributor websites is a good way of increasing your knowledge of the markets.

Also, look at factors such as market growth, level of competition, legal and buyer requirements, pricing and trends. Realise that marketing your products randomly will lead to failure; the European market is sophisticated and segmented and you have to match your offer to a corresponding segment.

To determine where your offer will fit best, look for example at the pricing, quality, style, and volumes of different segments. Within the HDHT industry, market segmentation can differ per product group. However, in general, the HDHT market is segmented as follows:

- Low-end market: the focus of consumers is on product functionality, basic design, low price, quick and easy to buy. They are ideal for one-stop shopping through retailers as supermarkets, lower-end department stores and online stores.
- Mid-end market: this segment follows trends, with some interest in new innovative shapes or handmade effects. They are mainly sold in mid-segment interior stores, mid-segment department stores, mid-segment gift and lifestyle stores, and online stores.
- Mid-high end / premium market: in this segment design, craftsmanship, natural or sustainable values and branding play a role. Shops where these products are sold are high-segment lifestyle brand stores, highsegment interior stores, and high-segment gift and speciality shops.

After you have selected your market and segment you can continue with browsing distributors' websites to increase your knowledge of the specific market trends, different forms of communication, pricing, design inspiration, consumer needs, and buyer requirements.

Tips:

Look on the internet for useful market information. Start with checking out our studies on the HDHT market: buyer requirements and trends that offer opportunities.

Make use of statistical tools such as EU Trade Helpdesk and TradeMap. They can help you select the most promising markets.

Check out the Trade Map User Guide to find out more about TradeMap.

Look for our reports on promising export products, to find out which segment is best to target for your product.

3. Target the right buyers and know your buyers before contacting them

The next step is to target the right buyers. What are their needs and wishes and how should you communicate with them? There are different ways to search for buyers; browse on the internet, go visit trade fairs and talk with buyers to find out what is important to them.

The traditional patterns through which HDHT products are put on the market is via the following channels: import takes place via importers/wholesalers that supply to retailers. Larger retail chains often bypass the importers/wholesalers and import themselves. Online platforms become increasingly prominent. In some cases, buying agents play a role. Below, the main type of buyers in the HDHT market are highlighted:

• Wholesalers / importers are the main channel between exporters in developing countries and European retailers. They sell products to retailers in their own country or region, or re-export to the broader European continent and take care of the import procedures. They are interesting if you want to develop a long-term relationship and they usually have good knowledge of the European market. They can provide you with valuable information and guidance on market preferences.

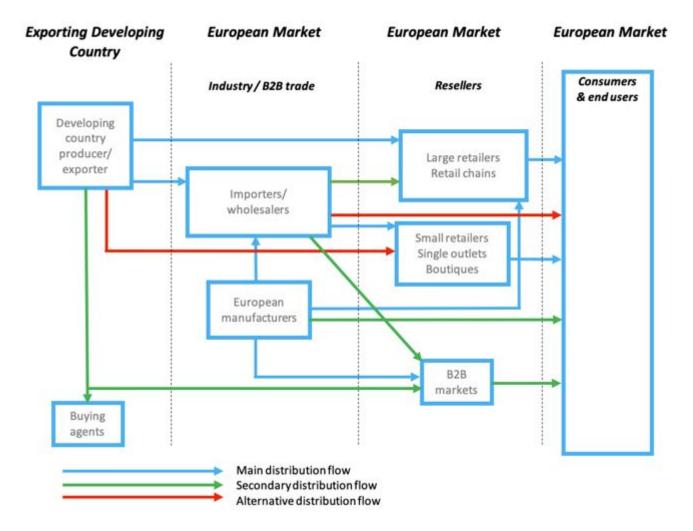
- As the market is becoming more and more competitive, large retailers are increasingly importing directly
 from their suppliers in developing countries. In this way, they can cut out the margins of the wholesaler and
 reduce delivery time to the market. Because of this trend, the self-importing retailers might be harder in the
 negotiation process. There is a tendency for consolidation in European retail, with large retail brands
 becoming more spread out over Europe.
- Online sales are an increasingly prominent channel through which HDHT products are sold in Europe. Web shops are well established and quite diversified. For developing country exporters, it is practically impossible to supply their product online to the European consumers directly due to the short delivery times that have become the norm in Europe and the resulting need for stocking in-market.
- An alternative distribution channel you could use is buying agents. They do not import but represent European buyers in the sourcing countries. Agents can work individually or as part of purchasing companies. They mostly act on the base of commission. However, this entry channel is less common.

On the basis of distribution channels to reach the consumer, the European market is segmented into specialty or gift shops, small retailers, department or home decor stores, mass merchandise retailers (like discount stores and drugstore chains), direct sales and internet. In general, mass merchandise retailers account for the largest share of the HDHT market, followed by department or home decor stores. However, this may differ depending on the type of product you offer. Below the different channels are described:

- Specialty shops and gift shops are smaller stores which focus specifically on one niche. In this case, specialty shops are interesting for products with a gift element or specific products such as candles.
- Small retailers: smaller, independent European retailers continue to purchase mainly from domestic
 wholesalers/importers. Independent retailers in home decoration are struggling to compete with retail
 chains. They need to differentiate on value-added service, as well as specialised offers and authenticity.
 These buyers typically prefer orders for small quantities of each item, small total order volumes and delivery
 to their doorstep, with a limited likelihood of repeat orders.
- Department stores or Home Décor stores. Department stores are large retail establishments that offer a wide variety of items such as clothes, electronics, toys, furniture and home decorations.
- Mass merchandise retailers are companies that affordably sell large quantities of goods that appeal to a wide variety of consumers. They are not necessarily known for selling durable, high-quality products, but they do meet the consumers' needs at reasonable prices.
- Direct Sales: large retailers are increasingly importing for themselves instead of through European wholesale importers. The advantages are cutting out the margins of the wholesaler and reducing delivery time to the market. The trend of direct sourcing is expected to continue in future and may create more opportunities for you.
- Online: e-commerce in the HDHT sector is increasing. It can help you reach a broader range of customers. Retailers often combine online and offline channels. Consumers research and purchase products online. They shop around and compare prices on home decoration items.

Figure 1 gives an overview of the most common trade channels. Be aware that the trade channel might be different for your product. It also depends on the segment that you target. For example, garden furniture is marketed via different trade channels than cutlery or candles. As such, always make sure to check out the trade channels that fits best with your product.

Figure 1: Trade channels HDHT in Europe



In targeting new buyers, marketing mix and business to business factors can guide you on your way:

Marketing Mix factors

- Product: does your product offer match or complement that of the buyer? Compare the product category they are in and the product groups they have or seem to miss. An importer in Dining may be in need of the cutlery, teapots or coasters that you are offering. In addition, are they in the hand-made or industrial segment, or a mix of both? How does that give you an opportunity?
- Price/value: in which value segment (high, mid, low see above) are they? Does that match your design value, export capacity, and price?
- Place: what is their place in the distribution chain: wholesaler, single retailer, multiple retailer, are they offor online, are they using agents or importing directly. In addition, cross-check if they are actually importing
 from outside of Europe (some are EU manufacturers or partly so; others are producing in or importing from
 Europe.
- Promotion: what values do they communicate: for example sustainable values, value for money, or 'design'. See if that matches your DNA.

Business to business factors: what are the service requirements needed by the buyer:

- Large volume/low price, fast or slow turnaround, timeless design or trend?
- Logistical demands: where is the buyer situated, how will he import, how can you provide convenience and low cost? If buyers are already sourcing from your country or region, your chances are higher, as this would allow them to consolidate orders and save cost.
- What are the buyer's terms of trading (and terms of payment)? Will you be able to find a way to negotiate a win-win deal?
- Is this a country with a preferential import duty arrangement or will the buyer pay full duty importing from

you? In the TARIC database of the European Union you can find out what import tariff applies to your product. If you want to qualify for a preferential tariff, you need a Certificate of Origin to claim it.

Vietnam has become dominant in the product group of garden pottery due to their operational excellence: they can offer mass, at good prices, through innovative design and product techniques. Peruvian styles are strongly ethnic and decorative and cater for niches based on a need for 'Latin American' accessories. Indonesian basketry follows trend. Philippines homewares do not follow trend but come from the designer's heart.

Tips:

Make sure you have your own marketing mix (product, price, place, promotion) in focus. Sourcing and connecting to distributors will then be more effective.

Instead of trying to sell your product directly online to European consumers, find an importing wholesaler or retailer with a strong online presence.

Visit or participate in trade fairs.

To find out the best channel for your type of product, see our product fact sheets for your specific product.

4. Attend trade fairs and industry events where you can find buyers

Buyers participate in the well-known trade fairs; it is their main showroom for introducing new collections to customers. This makes trade fairs a great place to meet potential buyers face-to-face. As exhibiting is usually expensive, it is advisable to go to a trade fair as a visitor first. The advantage is that you can get a feel for the event, spend time talking with buyers and exhibitors without the stress of running your own stand and you can find out which halls are most suitable for you.

Before attending a trade fair, make sure to prepare well. Find out whether the fair suits your product and attracts the buyers you are looking for. Search on the website for a list of exhibitors and make appointments with potential buyers. This will cut time and make communication easier. If you decide to go as an exhibitor, seek to build a new collection around this event, invite new and existing buyers, and set clear marketing objectives. As business will develop after the event, take time to ensure effective follow-up.

Most important trade fairs in Europe:

- Ambiente is the most important consumer goods trade fair in Europe and takes place in Frankfurt, Germany. It shows global industry trends and future visions on dining, living and giving products (2019: 4,460 exhibitors from 92 countries).
- Specifically for the home and contract textiles Heimtextil in Frankfurt, Germany is an important international trade fair (2019: 3,016 exhibitors from 65 countries).
- Maison & Objet is a fair in Paris focused on home decor, interior design and lifestyle culture. It takes place twice a year (2019: 2,910 brands represented from 65 countries).
- Domotex is a fair that shows the latest international trends and lifestyle on floor coverings including carpets and rugs. It takes place in Hannover, Germany (1,400 exhibitors from 60 countries).
- The international fair IMM Cologne is focused on presenting the latest global trends in furniture and interior design (2019: 1,158 exhibitors).
- Tendence in Frankfurt is a consumer goods trade fair for the mid to upper market segments. It gives insight in developments and trends for the coming season in living and decorating (2019: 603 exhibitors).
- Christmas World in Frankfurt is the largest trade fair for the international seasonal and festive decoration

sector.

- In case you target the sustainable textile market, you can visit INNATEX in Hofheim-Wallau, Germany. It is Europe's largest international fair on sustainable textiles and also targets accessories, home textiles and fabrics.
- Paperworld is a fair in Frankfurt, Germany and is the international fair to go to for stationery, office supplies and writing instruments.
- The UK Spring fair is the number one home and gift show for the retail industry in the United Kingdom. It takes place in Birmingham.
- SPOGA/GAFA shows the latest trends in the sections garden living, garden creation and care, garden barbeque and garden unique. The fair takes place each year in Cologne, Germany.
- Salone Milano is held in Milan, Italy in April every year. It is the global benchmark event for the furnishing and design sector.

In addition to European trade fairs, European buyers also visit trade fairs outside the European Union to look for new suppliers. Relevant trade fairs outside Europe include:

- INDEX Dubai is a world-renowned trade event in the landscape of interior design in the Middle East. It covers a broad range of products like furnishings, fixtures, lighting, textiles, vintage accessories and state-of-the art smart technology. In 2019 there were 1,175 exhibitors from over 61 countries and almost 30,000 visitors from 110 countries.
- Intertextile Shanghai Home Textiles is Asia's leading home textile event that takes place in Shanghai, China. In 2019 there were 291 exhibitors from 10 countries and it had over 22,000 visitors from 60 countries.

Tips:

See our product factsheets, for fairs regarding your specific product group.

Check the online exhibitor databases – for instance Ambiente and Maison & Objet – of the trade fairs to look for potential buyers. Make a list of potential buyers, consider carefully how to best contact them and prepare short questions before going to the fair.

Make sure to get as many confirmed appointments with potential buyers as possible. As a first-time visitor of a fair, companies tend to overlook this step.

5. Visit the websites of European and national sector associations

Sector associations play an important role in the representation and promotion of the sector. Each association targets a specific market in the HDHT industry. They can provide you with important information on the requirements and developments in a specific market. Moreover, associations have an extensive network and, as such, can be a good source to find potential buyers.

Start with visiting websites of the associations that cover your product / market at the international and European level. European associations may have a list of members on their website and often consist of national associations and large manufacturers in the industry. In turn, national associations have information on their members and these can be a good source for finding potential buyers. Focus on the associations in those countries where there is most demand for your product.

Important sector associations include:

• International Housewares Association (IHA) is committed to maximise the success of the home and housewares products industry. It connects, informs and supports its international members to lead in the global housewares market.

- European Floral and Lifestyle Suppliers Association (EFSA) seeks to advance the global competitiveness of the floral, gardening and lifestyle industry. Its members are leading producers and importers of lifestyle products.
- The European Candle Association (ECA) is an association of the largest candle manufacturing companies in Europe, representing over two thirds of the European candle production.
- Lighting Europe seeks to realize growth for the European lighting industry; it promotes efficient lighting that benefits safety, well-being and the environment. It represents 34 companies and associations.
- European Federation of Furniture Retailers (FENA) represents the furniture and furnishings retailers and promotes interests of its members and fosters business and legal environment on the European level. A list of members can be found here.
- European Furniture Industries Confederation (EFIC) is the voice and ears of the European furniture industry and promotes the needs and views of its members within European institutions. It represents more than 70% of the total turnover in the industry. Its members include national federations and single companies.
- European Furniture Manufacturers Federation (UEA) promotes cooperation among furniture manufacturers in Europe. Their member list can be found here.
- The European Ceramic Industry Association (Cerame-Unie) represents the European ceramic industry and its members are national ceramics associations and companies.
- The International Textile Manufacturers Federation (ITMF) is an international platform for the global textile industry, keeping its members informed on the evolution of the value chain of the industry and international trends and developments. Here you can find associations present in different European countries.
- European Timber Trade Federation (ETTF) represents the main national federations for importers, merchants and distributors and promotes the interest of the timber trade across Europe. For more information, see their list of members.

Tips:

Stay up to date on the developments in your specific market by visiting the websites of associations. They often provide information on research findings, latest news in the market and sometimes have events. Also contact the associations to find out what information they can provide you with.

Check out the member list of the associations relevant to your product. Look at the websites of the members and decide whether they are a good fit with the product you are offering. If so, put them on a list of potential buyers.

6. Use online advertising

It is important that buyers looking for new offers can find you online. You can start with building your own website or if you already have one, making sure it is up to date. On the website your unique selling point accompanied with a strong message should be clearly presented. Make it visual by adding images and videos. Determine how you can attract potential buyers to your website – what is important to buyers? – and implement it on your website.

After you have finished your website, you should make sure potential buyers can easily find you on the internet. Search engines are often used to discover content on websites. Buyers might also make use of search engines to find you. Hence, you should be visible in search engines. You can maximise the number of visitors with the use of Search Engine Optimisation (SEO). This tool ensures that your site appears high on the list of search engines.

In addition to your website, social networks are a good tool to promote your company successfully, locally. They enable persons or companies to create and share content and to connect with one another (hereby increasing your social network). The most common social platforms in Europe include Facebook, Instagram, Youtube,

Twitter, and Linkedln. In comparison to the other social platforms, Linkedln is somewhat different in that it is only for the purpose of professional networking.

Tips:

Write good content for your website. Either attract employees that have good writing skills or hire professionals to create content for you.

Have a look at the Google Search Engine Optimization Starters Guide for tips to improve your search engines ranking or, if necessary, engage SEO consultants that can explain your employees how to best implement SEO.

Share content and news on social media platforms like LinkedIn, Facebook and Twitter to increase your visibility.

7. Make use of databases and matchmaking services

You can make use of company databases to create a list of potential customers to target. Via the chambers of commerce of a specific country (like Netherlands Chamber of Commerce) you can search for potential buyers. In addition, there are several business directories that are helpful. However, be aware not to buy standard databases. These may contain a lot of addresses, but in many cases a high percentage of these addresses are irrelevant. Important company databases are:

- Kompass is a large database of companies and has global coverage. It allows you to search by sector. You can further filter by selecting for example only importers. This is helpful if you are looking for potential buyers.
- Europages is a directory of European companies and encourages business-to-business exchanges. You can select companies active in a certain sector and also can select only distributors or wholesalers.
- Wer liefert was is a leading B2B online marketplace in Germany, Austria and Switzerland. You can search for suppliers and products. Be aware that the largest number of listed companies is from Germany.

If you need help with finding potential buyers, there are matchmaking service organisations. They will link you to relevant potential buyers and prevent an overload of irrelevant addresses. They usually work for a fee or on commission basis, providing you with distributor contacts or contacting distributers on your behalf.

Matchmaking service organisations are not associated, so you will have to actively seek them out. This can be done online or via local non-governmental organisations (NGOs) or sector experts. Large trade fairs also may have matchmaking facilities. A typical example of a matchmaker is Germany's CDH.

Tips:

If you found companies in a database, study their websites to see if they are a good fit with your company.

Visit websites of trade fairs to see if they offer matchmaking services. Check the trade fair websites that are mentioned under tip 4.

In case of matchmaking services, you have to provide the organisation with very precise information on your product offer, the segments you target, positioning and production capacity. Lack of clarity and details often lead to failure as the list of potential buyers might not be a good fit for you.

Make a clear deal with matchmakers in which you outline mutual responsibilities and deliverables. Pay attention to the legal/contractual side of the deal.

Matchmaking usually starts on a one-off basis. However, if it works for you, you may engage in a longer-term relationship. Consider a trial period to find out whether there is a good match.

8. Look for (non-) governmental organisations that can provide support

In your country or your target market there are often (non-) governmental organisations that support international business activities and can help you with your export. Get into contact with embassies of your country in the target market, chambers of commerce or export promotion agencies to get started with your export activities.

In addition, Business Support Organisations (BSO's) fund export-related activities such as market research, matchmaking and trade fairs. Look for BSO's that can provide you with the information on the specific market you are looking for. Important BSOs that provide support to export are:

- Centre for the Promotion of Imports from developing countries (CBI) supports companies from developing countries in exporting to the European market. They offer export coaching projects and publish approximately 300 markets studies every year on the most important market sectors. In addition, they assist European importers that want to find opportunities in developing countries.
- Swiss Import Promotion Programme (SIPPO) supports BSOs to increase their export-related promotion and services to exporting companies in the area of market intelligence, matchmaking, and networking.
- Import Promotion Desk (IPD) is a German government funded organisation and seeks to offer sustained and structured promotion of the import of certain products from specific partner countries. It brings together the interests of German importers with exporters in emerging growth markets.
- International Trade Centre (ITC) is an agency of the World Trade Organisation and the United Nations. It is dedicated to improve the international competitiveness of small and medium-sized enterprises (SMEs) and has the goal to strengthen the integration of businesses from developing countries in transition into the global economy.
- Enterprise Europe Network (EUN), initiated by the European Commission, helps companies to innovate and grow internationally. Focus areas are creating international partnerships, give advice for growth and expansion into international markets and provide support for bringing innovative ideas into international success.

Tips:

Check our export promotion projects and programmes related to the HDHT sector.

Visit the website or contact the BSO's mentioned above to see if they have interesting export related projects for your target market.

9. Search the web shops of online retailers

Online sales are an increasingly prominent channel through which HDHT products are sold in Europe. Web shops are well established and quite diversified and large retailers and department stores all have web shops as part of their sales strategy. These web shops display all the products on offer. Here, also suppliers or brands are mentioned and hence could be a manner to find your target group.

First select a retailer that fits your segment such that you can find a supplier that matches with what you offer.

Select your product group or category and check whether suppliers are mentioned in the specifications. Continue with checking the supplier's website and see if it is an importer, and not a manufacturer (in which case the company would be a competitor). Decide whether this company would be interesting for you and if the company would be interested in your offer. If so, include the contact details to your database.

Large online retailers in the HDHT sector are, for example, Home24 and AmbienteDirect. Home24 offers home and living products of different brands. AmbienteDirect is Germany's first online retailer of design trade and offers furniture, lighting and accessories.

Tip:

Visit the web shops of online retailers in your segment. If you choose a segment that is higher or lower than yours, the supplier you end up with may not match your offer.

Read our additional studies regarding exporting your HDHT products to Europe

- Tips for Organising your Exports to Europe. This study gives tips on exporting HDHT products to Europe and gives insight in payment terms, export insurance, customs, international transport and packaging.
- The study Doing Business with European Buyers gives key tips on how to deal with the business culture, unique selling points to include in sales pitches, and tips on quotes and pricing strategies.

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

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