The European market potential for ceramic dinnerware

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The European market for ceramic dinnerware is growing. Almost half of the imports come from developing countries, making Europe an interesting market for you. Market growth is driven by an increased interest in home cooking and social dining, as well as a need for casual dinnerware, particularly from younger consumers. You can further add value to your dinnerware with sustainable elements and handmade designs.

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1. Product description

In Home Decoration and Home Textiles (HDHT), there are several categories consisting of various product groups. The homeware category has two sub-categories: dinnerware (related to eating) and cookware (related to food preparation).

Dinnerware generally includes:

- Mugs, cups and saucers;
- Plates and platters;
- Bowls;
- Jugs; and
- Other accessories, such as cake stands or sauce boats.

It can be sold in complete sets of 12 to 16 pieces, or individually. Well-known brands with high levels of customer loyalty dominate the dinnerware market. Many developing countries have a long tradition in producing ceramics, giving them a competitive advantage. Besides the consumer market, the hospitality market (hotels, catering establishments) is a specific segment.

This study focuses on ceramic dinnerware and uses the following codes to indicate trade in these products:

Table 1: Product codes for dinnerware

Harmonised System (HS)	Prodcom	Description

6911 10	23 41 11 30	Tableware and kitchenware, made of porcelain or china (excluding ornamental articles, pots, jars, carboys and similar receptacles for the conveyance or packaging of goods, and coffee grinders and spice mills with receptacles made of ceramics and working parts of metal)
6912 00	23 41 12 10 23 41 12 30 23 41 12 50 23 41 12 90	Tableware, kitchenware, other household articles and toilet articles, of ceramics other than porcelain or china (excl. baths, bidets, sinks and similar sanitary fixtures, statuettes and other ornamental articles, pots, jars, carboys and similar receptacles for the transport or packing of goods, and coffee grinders and spice mills with receptacles made of ceramics and working parts of metal)

Functionality

Dinnerware is used to serve and consume food and drinks.

The type of pieces displayed on the table depends on the:

- Type of meal – such as breakfast or a cooked dinner;
- Occasion – formal or informal dining;
- Location – inside or outside, at home or in a restaurant; or
- Culture – such as the British large tea mug, or Italian extended meal courses.

Material

The main materials used for ceramic dinnerware are earthenware, stoneware, porcelain and bone china. Each material has a different effect on the toughness, strength and translucence (clarity) of the dinnerware piece. See an example of a handmade stoneware cup and bowl by Babù Antwerp.

Durability

Consumers use their dinnerware often, making the sturdiness of the material critical. Durability depends on the ability to resist scratching, chipping and breaking when dropped. The items must be dishwasher-, microwave- and refrigerator-proof.

The hospitality sector uses its dinnerware especially intensively. At the same time, professional kitchens may handle their dinnerware quite roughly. This makes durability even more important. In this market, high-fired dinnerware (bone china, porcelain or special compositions) is preferred.

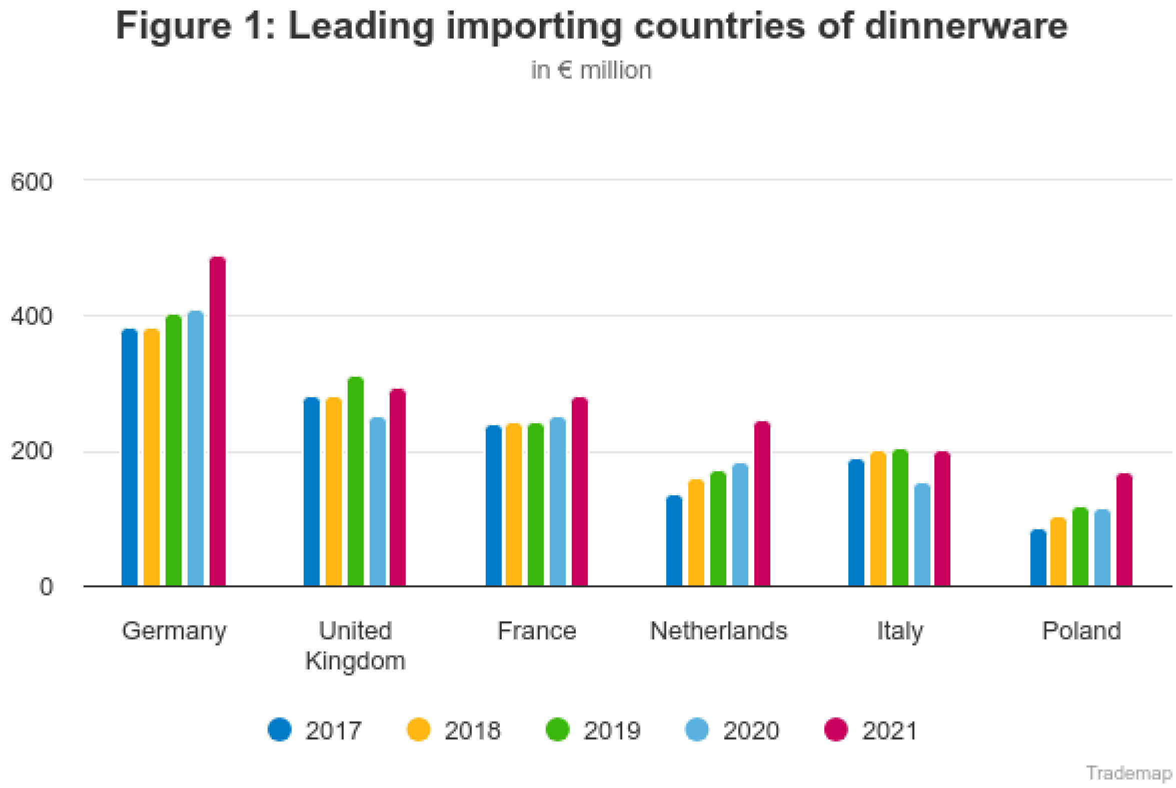
Disposable materials or synthetics such as melamine are an option where durability is less of an issue. For example, at picnics or parties.

Design

As the demand for more expressive tableware grows, individuality and aesthetic quality become a more central buying motive for consumers. Design value is mostly added through shape, colour and decoration.

2. What makes Europe an interesting market for ceramic dinnerware?

The European market for ceramic dinnerware has grown in recent years. About half of the imports come directly from developing countries. This makes Europe an interesting market for you.



Source: UN Comtrade

European ceramic dinnerware imports grew from €2.2 billion in 2017 to €2.7 billion in 2021. This is nearly 40% of the worldwide imports. Both the European and the worldwide market showed a clear import dip in 2020, but they bounced back in 2021. However, some of the 2021 imports may be delayed shipments carried over from 2020.

Developing countries have a fairly stable direct share of about half of the market. These imports grew from €1.1 billion in 2017 to €1.3 billion in 2021, also with a dip in 2020. Altogether this makes Europe an interesting market for you, as an exporter from a developing country.

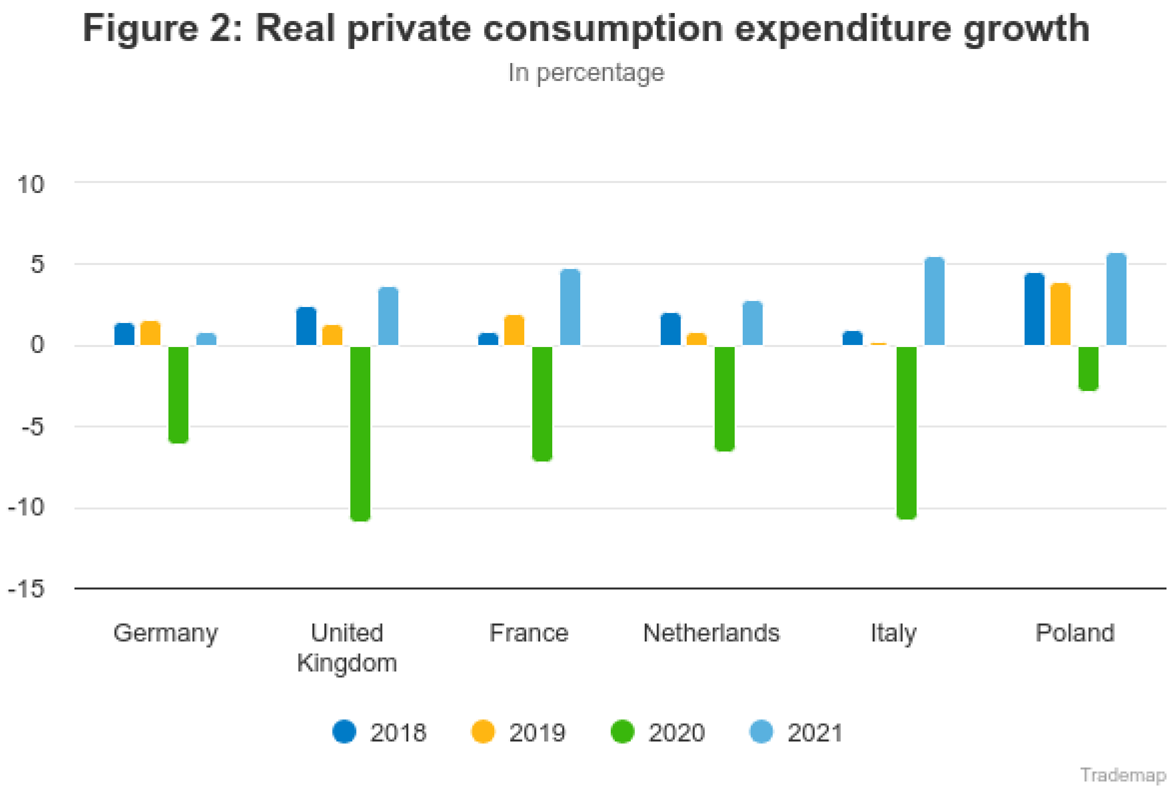
The COVID-19 pandemic and the war in Ukraine continue to disrupt international trade. At the same time, people are focusing more on the home and trends like ‘home sweet home’. This has boosted interest in home cooking and social dining, which may partially (or fully) compensate for the negative effects of the cost-of-living crisis. For more drivers of demand, see ‘which trends offer opportunities?’ below.

Tip:

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

3. Which European countries offer most opportunities for ceramic dinnerware?

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



Source: UN Comtrade

In 2021 Germany remained Europe's leading ceramic dinnerware importer with 18% of imports, followed by the United Kingdom and France with 11% each. The Netherlands (9.3%), Italy (7.6%) and Poland (6.4%) complete the top six of leading importing countries. All these markets performed well in 2021, but some of those imports may be delayed shipments carried over from 2020. Whether the new trade patterns from 2021 are here to stay, is not yet clear.

Focus on segments

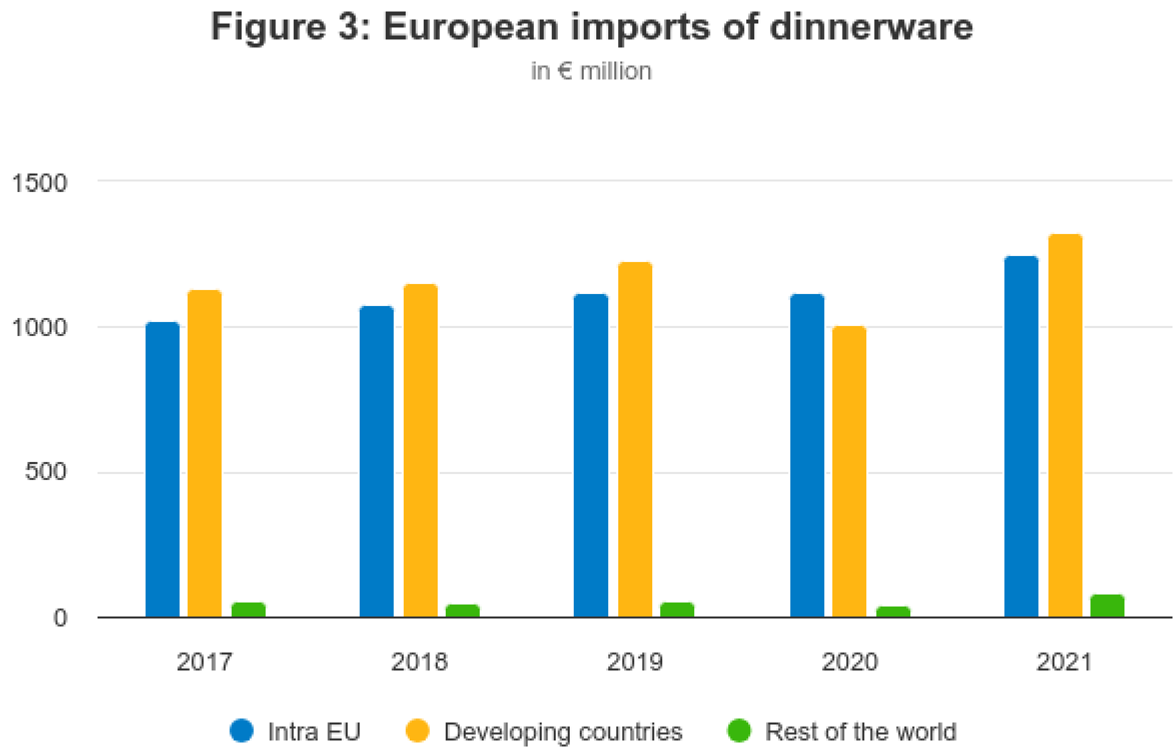
Be aware that European countries have different roles on the market. Some are mainly importers and others are mainly manufacturers. Western European countries are mainly importers (and re-exporters). Most Western European importers do not just sell their products in their own country, but they distribute them across the continent. This explains why in HDHT, small countries like Denmark and the Netherlands often import much more than they consume.

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

Consumer spending and confidence are under pressure

Because of the COVID-19 pandemic and the war in Ukraine, consumer spending and confidence are under pressure. This could lead to lower demand for HDHT products.

The HDHT sector is sensitive to economic cycles. When economic circumstances and prospects are down, consumers postpone buying items that they do not urgently 'need'. When economic conditions are good, purchases of such non-essential products tend to rise.



Source: OECD

Until the outbreak of COVID-19, the leading European markets showed an annual growth in consumer spending ('real private consumption expenditure') of around 1-3%. Due to the pandemic, this trend broke in 2020. In 2021, growth bounced back into positive figures.

In December 2021 the forecasts for 2022 and 2023 were also positive, particularly for 2022. However, in March 2022 European consumer confidence fell sharply due to the situation in Ukraine and the following energy crisis. This reflected a large drop in households' faith in the general economic situation in their country and in their own future financial situation. Consumers' intent to make major purchases also fell. This lower consumer confidence may well lead to lower spending.

Germany is the largest European importer

Germany is the largest economy in Europe, home to nearly a fifth of the European Union's population. German GDP was back at pre-COVID-19 levels in the second quarter of 2022. This is somewhat behind most other Northern and Western European countries, whose economies recovered in 2021.

German ceramic dinnerware imports grew from €384 million in 2017 to €491 million in 2021, at an average annual rate of 6.3%. This included 0.8% growth in 2020 and 20% in 2021. Germany's role as a key trade hub in

Europe may have helped the country maintain a strong performance.

With 56% in 2021, the direct import market share for developing countries is above the European average. These imports grew from €207 million in 2017 to €275 million in 2021, at an average annual rate of 7.5%. However, China is Germany’s main supplier, with a share of 47%. At the same time, market shares of developing countries like Bangladesh (1.4%) and Indonesia (1.0%) are growing.

Germany’s large domestic market, role as a trade hub and relatively high ceramic dinnerware imports from developing countries make this an interesting market for you. To stand out from China’s mass production, you should add value to your products to target the mid- to high-end market. For example, by using traditional techniques and designs.

Brexit may promote direct trade with the United Kingdom

After a -19% drop in 2020, British ceramic dinnerware imports did not return to their 2019-levels in 2021. They reached €293 million, which is similar to 2017. However, this probably includes delayed shipments carried over from 2020.

At about 78%, the direct British import market share for developing countries is the highest in Europe. This added up to a value of €230 million in 2021. Most of these imports came from China (68%).

The United Kingdom's withdrawal from the European Union (Brexit) has led to relatively low consumer confidence since 2016. At the same time, Brexit may result in British buyers importing more directly from developing countries, rather than from European importers. This allows them to avoid additional fees now that they are no longer part of the European Union’s single market.

The British GDP decreased by -9.9% in 2020, a record decline. Like in most Northern and Western European countries, the British economy returned to pre-pandemic levels in 2021. Considering the country’s high imports from developing countries and the potential increased interest in direct sourcing, the United Kingdom could offer you opportunities.

France imports less from developing countries

French imports of ceramic dinnerware were relatively stable between 2017 and 2019, at about €244 million. After that, they grew to €281 million in 2021. This resulted in an average annual growth rate of 3.8% between 2017 and 2021.

The direct import market share of developing countries dropped from 55% in 2017 to 40% in 2021, which is relatively low. It seems France has substituted some of its direct imports from developing countries with supplies from European trade hubs like the Netherlands (12%), Belgium (10%) and Germany (9.5%). China (32%) remains France’s leading supplier.

Economic growth in France had already slowed down before dropping to -8.3% in 2020 due to the pandemic. Global uncertainties and the effects of social unrest weighed on consumer confidence and the consumption of non-essential products. Although the French GDP returned to its pre-pandemic level in 2021, the country seemed to shift its focus towards intra-European trade may limit opportunities to enter the market.

The Netherlands is an important European trade hub

Dutch ceramic dinnerware imports grew from €138 million in 2017 to €246 million in 2021, at an average rate of 16% per year. This included strong growth rates of 6.2% in 2020 and 35% in 2021. Like in Germany, the Netherlands’ role as an important European trade hub may have helped the country maintain a strong performance.

Imports from developing countries increased at an even stronger average annual rate of 17%. They nearly doubled from €64 million in 2017 to €122 million in 2021. This represents a direct 49% share, which is comparable to the European average. With a 44% import market share, China supplies most of this.

Like in other Western European markets, the Dutch GDP was back at 2019-levels in 2021. Brexit and various international trade disputes may have a big impact on the Netherlands, since the country heavily depends on international trade. Because developments in other European countries play a key role, Dutch imports are difficult to predict. However, its strong performance as a European trade hub makes the Netherlands an interesting market for you.

Italy's imports have yet to reach pre-pandemic levels

Being particularly affected by the pandemic, Italy experienced a GDP decline of -8.8% in 2020. The country's ceramic dinnerware imports dropped by -26% (!) that year. Imports picked up again in 2021, but with €202 million they stayed below pre-pandemic levels.

Italy imported €99 million of ceramic dinnerware from developing countries in 2021, comparable to its pre-pandemic imports. This translated to a direct import market share for developing countries of 49%, which is about the European average. Most of these came from Italy's leading supplier China (39%). Bangladesh and Turkey are also performing well, with direct shares of about 4% each.

The Italian GDP returned to its pre-pandemic level in the second quarter of 2022, which is promising. However, the relatively slow recovery of the country's ceramic dinnerware imports could limit your opportunities in Italy for the coming years.

Poland is a strong emerging market

Poland has become a leading European importer of ceramic dinnerware, after nearly doubling its imports. Its imports grew from €86 million in 2017 to €170 million in 2021, at a strong average rate of 19% per year. A dip of -2.1% in 2020 was followed by an impressive 48% boost in 2021.

Developing countries directly supply about half of Poland's ceramic dinnerware imports, which is comparable to the European average. Most of these supplies come from China (47%).

After nearly three decades of continued economic growth, the Polish economy declined by a relatively slight -2.7% in 2020. After that, the Polish GDP was among the first in Europe to recover. As the Polish market matures, it may be an interesting market for you.

Tip:

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

4. What trends offer opportunities on the European ceramic dinnerware market?

The market for ceramic dinnerware is shaped by various trends, often related to the trends for HDHT on a sector-level. The main developments are outlined below, starting with the effects of the COVID-19 pandemic on the HDHT market.

COVID-19's effect on trends in HDHT

The COVID-19 pandemic has increased people's focus on the home. Areas such as wellness and working from home have become hot topics since lockdown measures were introduced.

Spending a lot of time at home has also motivated consumers to:

- Make their homes more pleasant, practical and comfortable;
- Merge the outdoors and indoors;
- Declutter; and
- Care about sustainability.

These are mainly consumer trends that were already ongoing and have been accelerated.

Home Sweet Home: social dining

This trend is about a slightly older consumer retreating into the safety and security of their own home. They try to make their home a perfect, luxurious oasis. Home is also the place to connect with close friends and family by eating, cooking and enjoying entertainment together.

The dinnerware that is part of this tradition adds to the overall atmosphere of old friends sharing good stories, on a special occasion that has also become a tradition in itself. The set may have been in the family for several generations, typically of a European heritage brand such as Wedgwood. Younger generations and young families are less open and loyal to brands. They select what they need and like, freely mixing and matching brands, styles, and even new and vintage.

As a result of the pandemic, people have been spending more time socialising as a family/household and cooking. Many expect this to be a permanent change. Of those who started cooking more at the beginning of the pandemic, 65% were still doing so a year later. When imagining a post-pandemic future, most consumers plan to do more cooking at home.

'Master Chef'

Northern European countries are increasingly developing dining cultures. These are inspired by the French or Italian food culture, for instance, but also by non-European cultures like Morocco and Japan. This means consumers are taking more time to sit and enjoy dinner. They make it into a social event with family and friends, using their best dinnerware. These consumers have learnt to identify and value good dinnerware, and they are making individual choices.

Social dining, or 'slow' dining, has been stimulated by the 'master chef' trend. This trend is characterised by consumers taking pride in developing and showing off their cooking skills. As these European consumers are rediscovering their joy of cooking, they also want to use dinnerware that the master chefs use and/or promote on television and other media. This makes them slightly less price-sensitive and more sensitive to branding.

Master chefs enjoy specialised items, for example for fish dinners. Oven-to-table dinnerware is also popular. These items are used to prepare food but are decorative enough to put on the table, such as decorated casserole dishes.

Wellness

Wellness is an important trend in HDHT. European consumers are constantly trying to improve themselves, both in body and mind. Two-thirds of consumers are more conscious of looking after their physical/mental health than they were before the pandemic. In a 2021 global Young Living survey, 48% of respondents report they prioratise wellness and self-care.

The slow dining trend contributes to consumers' mental health, as it includes being with and feeling surrounded by friends and family. This also ties the master chef trend to the wellness trend.

When it comes to physical wellness, slow dining has close links to slow cooking. Slow cooking is about eating consciously, preparing healthy dinners and taking time to digest the food. For such occasions, consumers create a well-laid table with the best and consciously chosen dinnerware. They are no longer afraid to look beyond their culture to adopt healthy dishes, including vegetarian and vegan options. This is also broadening the options for dinnerware, such as more types of fish plates or serving bowls.

Drinking tea: 'me time'

This trend applies to slow, more intimate tea-drinking moments for consumers' enjoyment. It includes moments like afternoon tea with your best friend or children, or weekend breakfasts. The consumer is both a mature tea drinker and lover of tea ceramics. The idea is to drink your favourite tea, from your favourite pot, in your favourite cup or mug, in the company of your nearest and dearest.

Made by hand

In slow dining, consumers take pride in their dinnerware. This makes them slightly less price sensitive and more design oriented. Such consumers like to display their taste with seemingly unique pieces that have been handmade or hand-finished.

In a category where industrial production is the norm, handmade dinnerware forms a niche. Handmade production can range from hand-throwing to hand-decorating. Dinnerware that is wholly or partly handmade starts from mid-high and can go premium for consumers adopting the Home Sweet Home trend.

Tips:

- Stay informed on the trends in food, cooking and dining via trade fairs like Anuga or BIOFACH, cooking programmes and magazines.
- Be aware that offering handmade products can move you up in the value segments, but that volumes may be limited.
- Consider gift packaging to add value for both your importer and the reseller. Dinnerware for this group of consumers makes for very good gifts.

Millennials: casual dining

Millennials will soon be the dominant consumer and professional buyer group. Casual dining, or 'fast' dining, is particularly associated with millennials.

Instead of the set-piece family dinner, casual diners opt for:

- TV dinners;
- Casual meals – individually, not at set times and in a set arrangement at a set table; or
- Eating out – often at fast-food restaurants.

They prefer more everyday functional and affordable dinnerware. Millennials do not want to stick to traditional norms in dinnerware, such as the need to buy a complete set in a coherent style. Instead, they need flexibility – especially in terms of mixing and matching.

Brand loyalty is not important to millennials, so many heritage brands struggle to attract them. However, millennials are quite open to new entrants. They can appreciate new directions in materials and techniques or new stories and origins. This offers you opportunities to produce for new Western brands in ceramics or retail.

However, today's consumers are flexible. They can be 'casual diners' on worknights but turn into 'social diners' at the weekend. This creates a need for both special dinnerware and every-day dinnerware.

Tips:

Be aware that offering mix-and-match dinnerware can be attractive but may also mean smaller order volumes per item.

Consistently experiment with your glazes to give your buyer as wide as possible a palette to choose from. As colours can be quite trendy, some colours may have a fast turnaround.

Sustainability: people and planet

Social and environmental sustainability are quickly becoming a central consumer need, also in HDHT. European consumers are increasingly adopting more sustainable lifestyles. The COVID-19 pandemic has boosted this trend.

For most (especially the younger generations), the pandemic has made it more important that both consumers and companies improve their sustainability. In addition, most people want significant change to make the world fairer and more sustainable after COVID-19. Millennials care about sustainability and are used to expressing their preferences through their consumption by buying products that contribute to a better world. Dinnerware concepts with socially and/or environmentally friendly principles and practices may win their business. MAOMI, for example, offer handmade porcelain dinnerware from socially and environmentally sustainable production.

Tips:

Use sustainable solutions for raw materials, production, transport and distribution, consumer use and waste disposal.

Clearly communicate your sustainable values through your marketing materials.

If your importer is interested, consider certification options such as fair trade. For more information, see our studies about market entry for ceramic dinnerware and buyer requirements for HDHT.

Example company

Artizen creates studio-quality handcrafted dinnerware and homeware in ceramics, copper and cast iron. These materials are traditionally used in the rich Indian crafts culture. A lot of Artizen's dinnerware is made by hand. The designs are influenced by nature and by cultural expressions from across the country. This is quite a niche proposition, which can work in mid-high segments. Interestingly, this is a father-daughter-owned business. This seems to ensure the future of the business, which is not always the case in the more traditional handmade sector.

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