# 9 tips for doing business with European home decoration and home textile buyers

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The European market for home decoration and home textiles (HDHT) is competitive and diverse. To succeed as an exporter in this market, you need to understand the wishes and needs of European buyers. These tips provide you with insights into key topics such as business culture, quotations and unique selling points.

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# 1. Communicate clearly and honestly

Good communication is the key to successfully doing business in the European HDHT market. Communicating clearly and honestly is an important part of European business culture. It allows you to manage expectations and avoid misunderstandings between you and your buyers.

# Language

European HDHT buyers generally do business with their international suppliers in English. This means you need good English language skills. If you share a buyer's first language, this may give you a competitive advantage. Usually, however, English is a second language for both you and your buyer. This makes it extra important that your communication style matches your buyer's.

# **Communication style**

Clear and honest communication provides the basis for a good business relationship. European buyers usually communicate quite directly, and they expect the same from you. They need to know where they stand, especially when things do not go as planned. For example, if your delivery is delayed, you should inform your buyer as soon as possible. Explain why the delay occurred and when they can expect your shipment.

Communication should also be quick. European buyers generally expect you to respond to emails within a day. If a buyer emails you a complicated request, you should confirm that you have received it and need some time to respond.

## Communicating with buyers in challenging times

Good communication has proven particularly valuable during the COVID-19 pandemic. It showed that during such disruptions, you need to stay in contact with your buyers. Tell them about your situation and how it may affect your production and delivery. Ask them if their needs have changed and if so, what the effect will be for you. Reaching out in a supportive manner during challenging times can strengthen your relationship in the future.

## **Tips:**

Communicate with your buyers in correct English.

If you speak the language of a European market, target buyers in that market to gain an advantage. For example, look for buyers in France or Spain if your first language is French or Spanish.

To practise your English skills, use online sources like the British Council's LearnEnglish platform. They also offer face-to-face English courses in various countries, such as Indonesia.

Be to-the-point, realistic and honest in your communication. Be clear about what you can offer.

Reply to messages from your buyers as quickly as possible.

# 2. Meet new buyers in person

European HDHT buyers often like to meet suppliers in person. Face-to-face contact can help you to gain trust and build a long-lasting relationship, especially when you are getting to know each other. Although you can do a lot online, meeting new buyers in person often yields far better business results. It makes it easier for you to share ideas and backgrounds, talk through challenges, and get a feel for each other. Online communication is more useful once you have a well-established business relationship.

Trade fairs like Ambiente and Maison & Objet are a good place to meet both new and existing buyers. You can combine business meetings and networking activities with catching up on the latest sector trends and developments. While you are in Europe for a trade fair, you can also visit buyers' offices. This way, you save travel costs and get the most out of your trip. Another option is to invite (potential) buyers to visit you and your production site(s). This will give them a good impression of your company, your products and how you work.

Figure 1: Maison & Objet - meeting buyers at a trade fair

#### Source: Maison & Objet @ YouTube

When meeting in person is not possible or practical, you can use video calls for virtual face-to-face contact. This allows you to meet with buyers and give them a live virtual tour of your business.

#### **Tips:**

Before you visit a trade fair, confirm appointments with potential buyers to make sure they have time for you. First-time visitors often forget this.

If you cannot meet your buyers in person, meet them online via tools like Zoom, Skype or WhatsApp, preferably with video, if your internet connection supports this. Prepare like you would if you were meeting in person, test your equipment beforehand, and choose a professional setting where you are not disturbed during your meeting.

When inviting potential buyers to your country, take time to treat them well and give them a realistic idea of what you can offer.

For more information on visiting trade fairs, see our tips for finding buyers on the European HDHT market.

# 3. Show interest in your potential buyer's business

Buyers appreciate suppliers who show interest in their business. By asking (relevant) questions, you can learn more about them, their company and their products. Discussing topics like a buyer's needs, wishes and values gives you a better understanding of what you can do for them. Potentially useful questions to ask include:

- Are you looking to develop your own designs, or are you looking for 'off-the-shelf' (readymade) designs?
- Who are your clients? Do you sell business-to-business (B2B) or business-to-consumer (B2C)?
- Do you have a wide range of products or are you specialised in a specific product type?
- Do you prefer certain types of raw materials?
- Do you have any special requirements regarding labelling and packaging?

This enables you to help solve or prevent potential problems and think of creative solutions. Be proactive and show that you are willing to make a commitment. Becoming a better partner not only helps your buyers – a stronger partnership can also help you sell more products in the long run.

## **Tips:**

Before meeting potential buyers, prepare questions and think about what information they may need from you. If possible, study their website in advance to tailor your questions to their specific company.

Show your buyer that you are committed, for example by pre-stocking part of their basic collection or investing in product development.

Think of ways to help your buyer. For example, can you use alternative raw materials that save costs or increase design flexibility? Or can you consolidate orders on behalf of your buyer?

Keep your buyer updated on relevant developments in your company. Examples are new techniques, raw materials, packaging options, or logistic developments.

# 4. Define your unique selling point

Your unique selling point (USP) defines what makes your product better than its competitors. It should convince buyers to do business with you instead of another company. You use your USP in your sales pitch and marketing to stand out from your competition. It can be based on the characteristics of your product and company, as well as on broader factors. For example, if you offer a product that your country is famous for, you can link your brand to that of your country. Often the combination of different aspects of your company convinces buyers to work with you.

Key topics you can highlight in your USP include your:

- Product;
- Makers;
- Service; and
- Price.

# Product

You can create your USP around the characteristics of your product. The HDHT market values authenticity –especially in the mid- to high-end market segments, where your opportunities are generally best. Offering something special makes you stand out to European buyers.

Your product can be special in various ways. For example, sustainability is becoming more and more important in Europe. A good way to tap into this is to use materials that are natural (from renewable sources), local, certified organic, recycled, reused or upcycled. You can make your offer truly unique with innovative concepts, for example, by extending the lifecycle of your products. Traditional techniques, motifs and materials can provide extra context and story to make your products stand out.

## Makers

The story and transparency of your value chain have also become very important. Consumers are increasingly aware of production processes and labour conditions. Especially younger generations often 'vote with their wallets'. They care about social and environmental issues and express this by buying products (from companies) that contribute to a better world.

A transparent value chain builds trust. It can also be a good USP for your product. Your origin story tells people where your product is made, who makes it and how, and why you make it. It can highlight how you care for your staff and their families, and how you contribute to your local community. You can support your origin story with fair-trade or other social and environmental certification.

Figure 2: Mifuko – communicating a makers-focused USP

### Source: Mifuko @ YouTube

# Service

The service you offer can be a great USP. European buyers highly appreciate a responsible and reliable supplier that offers consistent delivery and quality. To stand out from the competition in this area, you must provide excellent customer service and be able to solve problems quickly.

Other key service topics include lead times, order volumes and co-creation. Today's consumers expect quick delivery, which requires shorter lead times. Buyers are changing their collections increasingly often, which leads to lower minimum orders. They also appreciate services like customised design and sample development. More and more buyers have their own style, and the products you supply them with are often part of a wider collection. If you can quickly and professionally develop products together with them, this gives you a competitive edge.

In line with European legislation, buyers often require test results from internationally recognised testing and certification institutes such as SGS or Bureau Veritas. If you have access to these labs and can provide your buyers with official test results on the raw materials and/or dyes and paints you use, this is a very valuable service. You can also use test results in your marketing and communication when relevant.

## **Price**

If you can offer your product at a better price than your competitors, you can also compete on price. However, competing on price alone is difficult, as you may enter into a race to the bottom. You should study the competition in your market to find out whether price is a dominant factor for your product. If you do make price your USP, you need to assure (potential) buyers that your cheaper product is not of lower quality.

To compete on price, you need a low-cost and high-capacity production process. However, the benefits of offering a low price should not outweigh poor sustainability performance. Highly mechanised production using low-cost materials may cause issues like pollution or depletion of raw materials, which is problematic. Labour-intensive production with low wages for your workers is also unacceptable to European buyers. If you cannot compete on price with sustainable business practices, you should focus on a different USP.

An example of a successful marketing story is Ethiopia's Sabahar. An important part of their homepage is dedicated to the 10 reasons to love Sabahar. These range from the heritage roots of the handweaving process to the sustainable aspects of the finished products. The quality of the statements is matched by that of the photography that beautifully shows the products in the country where they have been created. Sabahar's social and environmental performance is verified via the World Fair Trade Organisation (WFTO) Guarantee System and OEKO-TEX STeP certification.

### **Tips:**

Include your employees in the process of defining your USPs. This helps make your USPs accepted as shared values throughout your company.

See if your USPs relate to market trends to emphasise their relevance. For more information, check our studies on what trends offer opportunities in the European HDHT market and promising export products.

Communicate your USPs consistently in all your marketing activities and materials, across all your platforms. This includes websites, brochures, newsletters and social media.

Include your USPs in your sales pitch. For more information, see for example Hubspot's guide on how to make a sales pitch. This includes tips and good examples.

# 5. Use new technologies or techniques

Buyers are continuously looking for new developments in techniques and materials to distinguish their product range from that of their competitors. The same approach is relevant for you as a producer. Product development is often considered the engine of your business, and the application of new technologies and techniques can help to add new or different products to your range.

## Development

If you specialise in a certain product or technique, you can introduce new materials or new ways to use your existing raw materials or production techniques. Deep knowledge of the machinery you use in production and the experience of the artisans you work with are a big asset when you do this.

## Research

If you cannot develop new techniques or raw materials yourself, you can connect with research institutes, laboratories, producers of raw materials or semi-finished products that work on new developments. Staying informed about their achievements may alert you to materials or processes that could be relevant to your business. Sometimes, certain raw materials and techniques that are available abroad are also suitable for application in your country. Then you can consider setting up a small local supply chain, bringing together outside developments and your in-house expertise.

## **Tips:**

Introduce new materials and techniques into your production.

Consider making employees with an innovative approach part of a Research & Development (R&D) team.

Stay in close touch with relevant suppliers and developers of raw materials and/or machinery.

Highlight new materials and techniques in your promotion, including on your website and social media. Use storytelling with high-quality photos and videos, for example by showcasing the artisans making your products using your new materials and techniques.

# 6. Organise your product offer

Buyers usually look for specific products or a combination of certain raw materials and techniques to add to their product portfolio or to find new suppliers. Therefore, you need to properly structure your product offer so buyers can quickly find what they are looking for.

# Website

In marketing and communication, your website is the first place where you can organise your products in different categories. If you have a broad collection of different products, you can categorise them into product types. If you are a more specialised producer, you can categorise your collection into different materials or techniques. Another option is to organise your range of products by different design styles. The bottom line is that your collection must be structured in a logical and consistent manner, so interested buyers can efficiently browse your product offer. The same approach applies when you make a product catalogue.

# **Quotations and line sheets**

When making a quotation, it makes sense to structure it in the same manner as you use in your other marketing

and communication tools. This makes it easier for you and your buyer, and it helps you to create a consistent look throughout the different media you use.

## **Tips:**

Depending on your complete product offer, organise your product offer by raw material and/or technique, specific product or design style.

Apply relevant tags to your different products to make it possible to cross-reference. Properly tagging also helps to optimise your findability.

Add a search window to your website to help buyers navigate when looking for specific products.

For more information on your company website, see our tips for finding buyers on the European HDHT market.

# 7. Make a professional quotation

To offer your products to a potential buyer, you need to make a quotation. This must include your product specifications, prices, and terms & conditions.

## **Product specifications**

Your quotation must contain all relevant product details, illustrated with a high-quality picture of the product. The information should be specific enough to clearly differentiate between products. For example, if you offer several types of rattan baskets in different designs, simply describing them as "rattan baskets" is not sufficient.

Your product specifications should include details such as:

- Material(s)
- Dimensions
- Techniques
- Colours

## **Prices**

You also have to list your prices, in a specific currency. Prices vary across market segments. Margins at the lowend are generally smaller than in the mid- to high-end. You must specify which costs are included. This depends on the **Incoterms**. These determine who is responsible for the costs and risks of each step in the shipping process. You can offer buyers a discount if they pay a 100% advance, but not many are prepared to do so. You can also give volume-based discounts, but this is less relevant if you sell handmade products in relatively small volumes.

## **Terms & conditions**

You quotation should also include your terms & conditions (or trading terms). This gives you a stronger position in the negotiations, even if your buyer may not agree to everything. It also helps you avoid misunderstandings, save time, and make a professional impression.

Your terms & conditions should include details such as:

• Payment terms

- Lead times
- Minimum order quantities
- Customisation and sampling options

### **Tips:**

Whenever you send a quotation, specify the period for which the offered prices are valid.

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

For more information about trading terms and Incoterms, see our study on terms & conditions.

For product-specific insights into prices and margins, see our studies about promising export products.

For inspiration, see for instance Plytix' line sheet examples.

# 8. Comply with your buyer's requirements

Before entering into business with European buyers, you should study the requirements they may have. This will make it easier for buyers to do business with you, as you are already aware of their needs and have taken steps to meet them.

To enter the European market, your product must meet several mandatory (legal) requirements. In the HDHT sector, these are mainly related to consumer health and safety. They range from making sure no harmful chemicals are used to the safe use of electrical products. Since the introduction of the European Green Deal in 2020, the European Union has been revising existing laws and developing new legislation with a focus on sustainability.

In addition, European buyers often have their own (non-legal) requirements. A growing number of them ask for compliance with initiatives like the Business Social Compliance Initiative (BSCI), Ethical Trading Initiative (ETI) or Sedex. Niche requirements mainly include fair-trade or organic certification. In general, strong sustainable values make your products stand out. Think of sustainable raw materials and production processes, as well as the impact your company has on the environment, the wellbeing of your workers and society as a whole.

## Tips

For more information, see our study on buyer requirements for HDHT.

See our studies about promising export products for more product-specific insights into requirements.

Ask your buyers and prospects for their specific requirements, so that you can prepare. They will see this as a sign of professionalism and commitment.

# 9. Look for organisations that can support you

Governmental organisations and NGOs that support international business activities can often help you with your export.

To get started with your export activities, you can contact organisations such as:

- Embassies;
- Chambers of Commerce; and
- Export promotion agencies.

In addition, Business Support Organisations (BSOs) may fund export-related activities such as market research, matchmaking and trade fair visits.

Important international BSOs that may be able to support you include:

- Centre for the Promotion of Imports from developing countries (CBI) supports small and medium-sized enterprises (SMEs) from developing countries in exporting to the European market with export coaching projects and market intelligence
- Swiss Import Promotion Programme (SIPPO) supports BSOs in their export-related promotion and services to exporting companies in the areas of market intelligence, matchmaking and networking
- Import Promotion Desk (IPD) promotes the import of certain products, including sustainable wood products, from SMEs in partner countries
- International Trade Centre (ITC) trade development agency of the World Trade Organisation and the United Nations supporting the competitiveness of micro, small and medium-sized businesses (MSMEs) in developing countries
- Enterprise Europe Network (EUN) European Commission initiative that helps companies to innovate and grow internationally through international partnerships, advice and innovation
- Open Trade Gate Sweden facilitates trade and aims to increase exports from developing countries to Sweden
- World Trade Centers stimulates trade and investment opportunities for international businesses and economic development agencies looking to connect globally and prosper locally

Being part of a Business Export Coaching (BEC) programme such as that of CBI can help to increase your chances of doing business with European buyers. It helps you to define your USPs and use them in your marketing and promotion. The programme builds your capacity to meet the demands of European buyers and provides you with tailored assistance in entering the market. ITC's BEC also helps you improve all aspects of your export competitiveness – from your export strategy, to your marketing and production capabilities and your transactions.

## **Tips:**

Check our current and upcoming **projects** for the HDHT sector.

Visit BSO websites to see if they have suitable projects you can participate in. You can also contact them to find out what they can do for you.

### More tips for exporting to Europe

- If you are looking for new buyers, our tips for finding buyers on the European HDHT market outline the steps you can take.
- Our tips for organising your HDHT exports to Europe offer you insights into issues such as payment terms, export insurance, customs, international transport and packaging.

Globally Cool B.V. in collaboration with Remco Kemper and GO! GoodOpportunity carried out this study on behalf of CBI.

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