The European market potential for occasional furniture

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The European occasional furniture market offers good opportunities. The demand for occasional furniture is boosted by its flexibility, allowing consumers to easily move pieces around and maximise the use of their space. Sustainable practices and playful design elements can add further value to your products.

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1. Product description

In Home Decoration and Home Textiles (HDHT), there are several categories consisting of various product groups. Occasional furniture, also known as small furniture, is categorised under furniture and lighting.

The product group includes:

- Poufs;
- Beanbags;
- Stools; and
- Side tables.

Occasional furniture is very popular with consumers and makers (designers and brands) due to the flexibility it offers. The items can easily be moved around for temporary seating or for placing another item on. This allows consumers to adapt both their indoor and outdoor spaces to various uses, such as eating, lounging, socialising and working.

This study uses the following codes to indicate trade in occasional furniture:

Table 1: Product codes

Harmonised System (HS)	Prodcom	Description
940152	3100 1230	Seats of bamboo
940153	3100 1230	Seats of rattan

940159	3100 1230	Seats of cane, osier or similar materials
940161	3100 1250	Upholstered seats, with wooden frames (excluding convertible into beds)
940169	3100 1290	Seats, with wooden frames (excluding upholstered)
940171	3100 1170	Upholstered seats, with metal frames (excluding seats for aircraft or motor vehicles, swivel seats with variable height adjustments and medical, dental or surgical furniture)
940179	3100 1190	Seats, with metal frames (excluding upholstered, swivel seats with variable height adjustments and medical, dental or surgical furniture)
940180	3100 1300	Seats, not elsewhere specified
940320	3109 1100	Metal furniture (excluding for offices, seats and medical, surgical, dental or veterinary furniture)
940340	3102 1000	Wooden furniture for kitchens (excluding seats)
940350	3109 1230	Wooden furniture for bedrooms (excluding seats)
940360	3109 1250	Wooden furniture (excluding for offices, kitchens and bedrooms, and seats)
940360	3109 1300	Wooden furniture (excluding for offices, kitchens and bedrooms, and seats)
940382	3109 1450	Furniture of bamboo
940383	3109 1450	Furniture of rattan (excluding seats and medical, surgical, dental or veterinary furniture)
940389	3109 1450	Furniture of other materials, including cane, osier or similar materials (excluding of bamboo, rattan, metal, wood and plastics, and seats and medical, surgical, dental or veterinary furniture)

9404 90	1392 2493	Articles of bedding/furnishing, not elsewhere specified, stuffed or internally fitted
9404 90	1392 2499	Articles of bedding/furnishing, not elsewhere specified, stuffed or internally fitted

Poufs and beanbags

Poufs and beanbags are examples of informal seating, used for relaxing. A pouf is a large, hard cushion that may have an internal frame to make it sturdier. A beanbag is a sealed bag containing synthetic pellets (the 'beans') that users can shape. While poufs invite a more active posture, beanbags support any comfortable position and can even be used for a short nap.

Poufs can be round or square. They are typically about 35cm high, with a diameter of 50-60cm. Common materials are textiles and leather (or faux leather), or combinations of natural materials and polyester. Poufs are cosy, decorative items that blend in well with the rest of the interior. Their use of patterns or techniques is often trendy, and they are more a family buy.

Beanbags are expressive, fun items that stand out. This makes them especially suitable for younger consumers. They are usually brightly coloured and come in many shapes, from bag shapes to rounded shapes. Beanbags are generally about 70-90cm in diameter, but they can be up to 200x120cm to allow for fully stretched positions. Materials range from natural fibres to faux leather and synthetic fibres, depending on price and in- or outdoor use.

The fillings of both poufs and beanbags are usually polystyrene beads or polyester, often recycled. Natural fibre fillings are becoming more popular.

Stools and side tables

Stools and side tables add highlights and diversity to the home. Consumers often use them to display accessories or dinnerware. The stool in particular is found all over the house, from the living room or bathroom to the garden or balcony.

Because stools are for short and active sitting moments, they do not have to be comfortable. Stools are generally about 30-50cm high, and side tables can go up to 70cm. They should not be too low, as Europeans are relatively tall. The tops can have any shape and size, but round and square are the most common.

The decorative value of stools and side tables is high, especially in the upper market segments. The tops and frames come in metals, wood, synthetic materials, glass and even ceramics. How special and how solid the materials are can affect the price. For instance, a veneered stool will be cheaper than a solid teak piece. See an example of various handmade wooden stools from Liviza.

In the upper market segments, consumers are looking for supreme craftsmanship and design. They choose stools and side tables for their individual character, as an eye-catcher. In the lower segments, consumers prefer value for money. Side tables for this market often come in sets of two or three nesting or stackable elements.

Tip:

Ask your buyers what specific sizes they are looking for in the early stages of collaboration.

The European home furniture market has grown in recent years. 41% of the import value is sourced from developing countries, making Europe an interesting market for you. Most of this imported home furniture is made from natural materials.

(!) Because no specific trade data are available for occasional furniture, these statistics cover home furniture in general.

Source: UN Comtrade

European home furniture imports grew from €35 billion in 2017 to €47 billion in 2021, at an average annual rate of 7.6%. Similarly, worldwide imports reached €100 billion after an average annual growth of 5.0%. This means the European market accounts for 43% of the total worldwide home furniture imports.

The direct European import market share for developing countries grew from 36% to 41%. With a strong average growth rate of 12% per year, these imports reached €20 billion in 2021. This makes Europe an interesting market for you, as an exporter from a developing country.

Most of Europe’s imported home furniture is made from natural materials:

- 57% wood;
- 29% metal;
- 2% rattan, bamboo and cane; and
- 12% other materials such as plastics.

The COVID-19 pandemic and the war in Ukraine continue to disrupt international trade. At the same time, lockdowns have resulted in an increased focus on the home and trends like ‘shared living’. Occasional furniture fits in well with this trend, as it provides consumers with flexibility. This 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.

3. Which European countries offer most opportunities for occasional furniture?

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

Source: UN Comtrade

In 2021, Germany remained Europe’s leading importer of home furniture with 19% of imports. The United Kingdom followed with 14%, France with 13% and the Netherlands with 10%. Together they accounted for more than half of the European total. Sweden (5.1%) and Spain (5.3%) 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 occasional furniture). 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 and this was reflected in 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 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 (EU) population. The 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 home furniture imports grew from €6.9 billion in 2017 to €9.2 billion in 2021, at an average annual rate of 7.2%. This included a 5.8% growth in 2020 and 17% in 2021. Germany’s role as a key trade hub in Europe may have helped the country maintain a strong performance.

The direct import market share for developing countries grew from 33% in 2017 to 43% in 2021, which is about the European average. These imports grew from €2.3 billion to €4.0 billion, at an average annual rate of 14%. China (31%) and Poland (28%) are Germany’s main home furniture suppliers.

Germany’s large domestic market, role as a trade hub and growing imports from developing countries make this an interesting market for you.

Brexit may promote direct trade with the United Kingdom

After a -10% drop in 2020, British home furniture imports bounced back with a 35% growth in 2021. They reached €6.4 billion, but this probably includes some delayed shipments from 2020. The direct import market share for developing countries grew from 60% in 2017 to 68% in 2021, which is the largest in Europe. These imports grew at an average annual rate of 10%, from €3.0 billion to €4.4 billion. This is also the highest in Europe. However, most of these imports came from China.

The United Kingdom's withdrawal from the EU (Brexit) has led to relatively low consumer confidence levels 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 EU’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. 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 focussing on design, craftsmanship, sustainability and storytelling.

France increases its intra-European imports

French home furniture imports grew from €4.5 billion in 2017 to €6.1 billion in 2021, at an average rate of 7.8% per year. This may include some delayed shipments from 2020, when imports dropped by -4.4%. Similarly, the imports from developing countries grew from €1.7 billion to €2.2 billion at an average annual rate of 6.4%. This added up to a 36% direct import market share in 2021, which is slightly below the European average.

China (27%), Germany (15%) and Italy (14%) are France’s main home furniture suppliers. The market shares in France for European trade hubs Germany, Belgium and the Netherlands have grown since the pandemic-related trade disruptions of 2020.

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 affected the consumption of non-essential products. Although the French GDP returned to its pre-pandemic level in 2021, the country’s seeming shift towards intra-European trade may limit opportunities to enter the market.

The Netherlands is an important European trade hub

With an impressive average annual growth of 13%, Dutch imports of home furniture grew from €3.0 billion in 2017 to €4.8 billion in 2021. This included strong growth rates of 7.0% in 2020 and 26% 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 €1.0 billion in 2017 to €1.9 billion in 2021. This represents a direct 40% share, which is comparable to the European average. With a 29% 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 continues to make the Netherlands an interesting market for you.

Switzerland is a relatively small market

Swiss home furniture imports were stable at €2.2 billion, before growing to €2.5 billion in 2021. This translates to an average rate of 3.5% per year since 2017. Neighbouring countries Germany (33%) and Italy (17%) are Switzerland’s main home furniture suppliers.

The direct import market share for developing countries is relatively small. It grew from 14% in 2017 to 20% in

2021, which is about half the European average. In 2021, this added up to €0.5 billion. China (13%) supplies most of this. Smaller suppliers like Vietnam (2.0%), India (1.1%), Indonesia (0.8%) and Turkey (0.8%) are steadily building their market share.

The Swiss GDP recovered to pre-pandemic levels by mid-2021, after declining with a relatively slight2.5% in 2020. Combined with its growing market for home furniture, this could make Switzerland an interesting market. However, the country's relatively small direct import share for developing countries may limit your opportunities.

Spain is faced with economic struggles

Spanish home furniture imports grew from €1.3 billion in 2017 to €1.9 billion in 2021, at an average annual rate of 9.3%. This may include some delayed shipments from 2020, when imports dropped by -9.0%. The direct import market share for developing countries grew from 46% in 2017 to 54% in 2021, which is well above the European average. These imports grew from €0.6 billion to €1.0 billion, at an average annual rate of 13%. Most of this comes from China.

The Spanish economy experienced the largest drop in Europe, with a decrease in GDP of -11% in 2020. A return to pre-pandemic levels is expected in the second half of 2023, making the Spanish economy the slowest to recover in Europe. This, of course, could limit your opportunities in Spain for the coming years.

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. Which trends offer opportunities on the European occasional furniture market?

The market for occasional furniture 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.

Shared living: flexible furniture saves space

Rapid urbanisation and rising housing prices are driving consumers into new forms of shared living; often multiple generations together. Spaces such as the kitchen, living room and garden or balcony are shared. The bedroom is a private space, often used as a combined sleeping, working/studying and entertaining area.

In such a setting, occasional furniture is more relevant than ever by being portable and multifunctional. For example, poufs can be used as a seat, side table, footstool or floor cushion. They can feature both in the shared and private areas, and both indoors and outdoors. Where they are shared, the overall style and price level needs to be accessible to all. In private spaces, the items can have a more personal style and a slightly higher price.

The COVID-19 pandemic has boosted the need for flexible furniture. It has made people spend more time at home in sometimes cramped spaces, especially during lockdowns. Consumers are also working from home more, and many wish to continue remote working after the pandemic. This requires clever and flexible solutions to maximise the use of space. Especially in shared living situations.

Tip:

Focus on the flexibility and convenience of your occasional furniture. Make it lightweight, collapsible and/or flat pack, so it can easily be moved and stored. You can make your furniture multifunctional, for example by combining seating and storage. Also think of components (modules) that can be rearranged according to use or taste, or various style options to cater to individual preferences.

Sustainability: people and planet

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 will soon be the dominant consumer group. They care about sustainability and are used to expressing their preferences through their consumption by buying products (from companies) that contribute to a better world.

To minimise the effect of your occasional furniture on the environment, you can use sustainable materials such as renewable fibres, textiles and wood species. Recycling is almost the norm now in textile-based poufs and beanbags, and coming up in stools and side tables. At the design stage, flat-pack solutions will reduce transport volume as well as cost. Design can also involve the easy dismantling of items to create a more sustainable end-of-life phase of the furniture. See an example of a circular side table made with coffee shell waste, plastic waste and upcycled steel from Mater

There is also a strong focus on social friendliness in workshops and factories. ILO-based working conditions are a standard requirement for all major certifications in the textile and furniture industry. Fair trade concepts are traditionally strong in textile and natural-fibre-based poufs and stools. Fair trade buyers also offer stools and side tables with a clear touch of origin, based on the material cultures of specific ethnic groups. These can offer the ideal mix of aesthetic and social value to a consumer who is really open to such new, meaningful stories.

Tips:

Develop socially and environmentally responsible occasional furniture. Use materials that are local, renewable and/or recycled. Produce effectively and cleanly, pack well to reduce transport space, and help the consumer dispose of your product sustainably.

If your products have a unique origin and/or story, communicate the special techniques, materials, producers, processes or meanings. This may add value to your concept, and to your importer’s concept.

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

See our special study on sustainability in HDHT for more information, as well as our webinar on sustainability in the European HDHT market.

Wellness: closer to nature

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 are making wellness and self-care a top priority. They do so, for example, by turning to at-home spa and yoga practices.

The home also plays an important role in wellness. Recent lockdowns have made this especially relevant, as people had to stay at home together in relatively small spaces. In a 2021 Life at Home survey, 40% of respondents who felt more positive towards their home also saw a positive impact on their mental health. For 27%, it has become more important that their ideal home is 'easy to clean' and 'kept clutter-free'. Flexible occasional furniture fits in well with this need.

Connecting to nature is also a key part of the wellness trend. Consumers spend more time in the garden or on the balcony. They decorate these spaces to eat, drink, entertain, or just relax enjoy being outside. Consumers without outdoor space can create an indoor garden with plants and flowers. The same drive also sparks a need for natural materials, such as blonde wood and unbleached textiles with natural dyes. Designs can mimic nature by using flower and leaf patterns, and earthy tones.

Again, occasional furniture fits in well with this. It can be used for both indoor and outdoor seating and for displaying plants, and it can be designed to highlight its natural properties.

Tips:

Use natural materials when possible, or mimic nature in your designs. Do not coat or varnish wooden surfaces – just oil or wax them. In textiles, use techniques that highlight the roughness of natural fibres such as hemp, jute or unbleached cotton.

Develop weather-resistant options or use materials that can be used both indoors and outdoors.

Consider the mental side to wellness, expressing itself in yoga and other spiritual practices. Accessories such as poufs, beanbags, and small side tables and stools are very much part of this growing segment.

Home sweet home: cocooning

In this trend, the home functions as a shelter for a consumer. This consumer makes the home a comfortable, luxurious retreat. The trend also includes the new 'cocooning' concept, in which consumers create a cosy home to enjoy the company of their family and friends. The COVID-19 pandemic has strengthened these aspects of indoor living.

Occasional furniture can bring a lot of atmosphere to the home. Sometimes these items are allowed to stand out in style, sometimes they blend in perfectly with the overall style of the home. They are fun, non-essential furniture accessories that consumers use to make the home cosier. Poufs often respond to trends, especially in mid-market, and as such as they are quite easily replaced. Side tables and stools usually have a longer lifecycle.

Cosiness is created by decoration and surface effects, which stimulate the sense of sight and touch through colouration and texture. This can come from the natural tones and textures of the original materials, such as cork, water hyacinth, cane and rattan and fur (or faux fur). It can also be created with techniques such as knitting, crocheting, weaving, felting, leather capitonné, embroidering, cross-stitching and tie-dyeing. Colour can be added with dyes or prints (beanbags and poufs), and inlays or veneers (stools and side tables).

Tips:

- Use your craftsmanship, materials and designs to create occasional furniture that brings atmosphere.
- For the higher-end cocooning consumer, focus on luxurious materials such as comfortable, heavy textiles and dark wood. Use bold patterns and warm, cosy colours.

Millennial influence and playfulness

Humour can be a powerful driver of consumer behaviour in HDHT. Poufs, stools, side tables and especially beanbags are fun items. They offer informal, decorative seating, as opposed to relatively serious, functional furniture such as dining chairs or tables. Especially beanbags often come in bold colours and patterns. And there is no end to the shapes that stools and side tables can be formed into, from minimalist to expressive. This is very much an area where designers are using their creativity and consumers are embracing it. See an example of metal side tables in fun designs and colours from Karwei.

Being humorous is a great connector. But you should be aware that cross-cultural humour is perhaps the hardest thing to do. If playfulness is not part of your company identity already, it may be hard to develop.

Tips:

- Give your own cultural patterns a twist to create the desired effect of playfulness.
- Be original and creative. For example, by using bold colours, odd shapes, figurative designs or humour.

Example company

South Africa's Vogel is a family-run furniture making business with a focus on social and environmental responsibility. Their contemporary designs are inspired by nature, which is reflected in their use of wood as their main material. To minimise waste, the company makes smaller products from their factory offcuts. Vogel also trains staff – from handwork to management. Their Moove side table has a 3-part leaflike top that showcases the timber. Its flexible and fun design also allows it to be placed in a group, creating geometric shapes.

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