

## ***Market for Furniture in the UK***



***GHANA EXPORT PROMOTION COUNCIL***

The target audience for this brief are:

- **Small producers/exporters of furniture**
  1. Scanstyle Mim Ltd
  2. Furnart Ltd.
  3. ArtDeco Ltd.
  4. Kpogas Company Ltd.
  5. Standard Furniture Co. Ltd.
  6. Agorwu Furniture Works.
  7. Irokko Ltd.
  8. Woodhouse Ltd.
  9. Afwel Ltd.
  10. Ashanti Furniture Co. Ltd.
  
- **Trade support agencies**
  - Ghana National Chamber of Commerce and Industry
  - Ghana Export Promotion Council
  - Ghana Free Zones Board
  - Ghana Investment Promotion Centre
  - Ghana Standards Board
  - National Board for Small Scale Industries
  - Timber Industry Development Division
  
- **Trade/Product Associations**
  1. Furniture and Wood Products Association of Ghana
  2. Wood Workers Association of Ghana
  3. Small Scale Carpenters, Joiners and Furniture Manufacturers Association
  
- **Ghana Missions Abroad**
  1. Ghana Embassy, Washington D.C.
  2. Ghana Embassy, U.K.
  3. Ghana Mission, Brussels

### Purpose

The purpose of the brief is to provide small producers and exporters relevant information on the outlook of the furniture market in terms of importers, price, trends, innovations, tariffs, standards etc and trade support institutions with relevant market information to guide them in their promotional activities.

## **MAJOR TARGET MARKET - U.K.**

### Characteristics

The U.K is the third leading market for household furniture within the European Union coming only after Italy and Germany. It is a very dynamic market with significant growth potential.

#### **1. Value of Imports of Wooden Furniture**

The total value of Wooden Furniture imports into U.K. stood at £13.3 billion in 2003.

**TABLE1. MARKET SIZE 1999-2003**

**Market size (£) billion**

1999	12.5
2000	12.6
2001	12.8
2002	13.1
2003	13.3

Source: Euromonitor

**2. Growth Trend**

The market is witnessing an increase in the demand for versatile furniture items, fuelled by growing interest in home decoration inspired by TV and Magazines.

Overall growth trend is pegged at 6.7% annually.

**3. Market Sectors**

The upholstered furniture sector, i.e. living and dining room furniture accounted for 32.5% of furnishings sold in the U.K. in 2003 worth £4.3 billion.

Kitchen furniture sector has seen dynamic growth of 4.5%.

The furnishings sector is highly fragmented with the top 4 suppliers accounting for less than 40% of the market.

**4. Major Suppliers**

The major suppliers are

- MFI U.K. Ltd.
- IKEA
- DFS
- Hillside Holdings plc

**TABLE 2. MARKET SECTORS 1999-2003**

<b>Companies (Brands)</b>	<b>% Share (2003)</b>
MFI Furniture plc	11.8
IKEA	11.5
DFS	6.6
Hillside Holdings plc	5.1
The Spring Ram Corporation plc	4.5
Magnet	3.9

Source: Euromonitor

In 2003, MFI was the market leader enjoying a market share of 11.8%.

The company is still the leading retailer in furniture, with particular strengths in kitchen, bedroom and home office ranges.

However, IKEA has been increasing its market share annually reaching 11.5% in 2003,

**5. Consumption Patterns**

In 2003, consumers spent on average £184 on furniture.

Consumers are used to seeking for bargains. This could affect sales in future.

In addition, consumers now prefer to buy smaller furniture. Two reasons account for this:

- Ability to change furnishing more than once in a life time
- A growing fashion consciousness.

The household furniture market is highly competitive, with discounting playing a large part. The January sales are still important for the industry but sales and offers are found year-round, and consumers are aware of this and 'shop around' before purchasing.

## 6. Factors Influencing Consumption

Versatility, Cost, Comfort, Quality, Design

## 8. Form

Consumers now prefer ready-to-assemble furniture. This has affected sales of pre-assembled furniture.

## 9. Packaging

Appropriate packaging materials for the shipment and transportation of furniture include bubble blanket, foam rolls, corrugated boxes, polythene and polypropylene bags and rolls, kraft paper rolls, corrugated paper rolls, polystyrene chips, stretch films and tapes.

### EU packaging standards

To harmonise the different forms of legislation on packaging and packaging waste in EU countries, the EU has issued the directive 94/62/EC, which regulates minimum standards. Since July 1, 2001, these minimum standards have required a recovery quota of 50 – 65 percent for packaging materials brought into the market and regulate the presence of four heavy metals (mercury, lead, cadmium and hexavalent chromium). EU countries have a certain freedom in how to comply with the recovery rate but at least 25-45 percent of the material brought on to the market must be recycled, with a minimum of 15 percent for each material. The maximum available sum of concentrations of lead, mercury and hexavalent chromium in packaging is:

- 600 ppm, after June 30, 1998 (ppm = parts per million);
- 250 ppm, after June 30, 1999;
- 100 ppm, after June 30, 2001.

### Export packaging

Appropriate export packaging must be used to ensure that the product is protected from damage during storage, transport and distribution. The main forms of damage likely to occur to furniture are breaking, bruising, scratching, abrasion, printing (the transfer of markings from a packaging material to a polished finish), soiling, discoloration and moisture, dehydration and temperature damage.

#### **Key areas for exporters when packaging furniture items:**

- Selecting a method of transport and distribution involving the minimum possible number of trans-shipments and unloading/reloading operations.
- Using international freight containers packed if possible on the manufacturing premises and unloaded at the final delivery warehouse, to reduce the number of handling operations.
- Pack design adapted to the dimensions of the container and use of standard-size pallets, especially for heavy solid wooden furniture items and for packs of RTA units, to facilitate handling.
- Appropriate marking on the transport packaging indicating, through internationally recognised symbols, the correct orientation of the package (which way up), the safe stacking height and whether the pack (and the furniture) is strong enough to travel on its side or back to fit more economically into the vehicle or container.

- conditions that minimise the opportunity for damage to the furniture during storage in an unpacked condition, during packaging or during storage in the company's own dispatch warehouse.
- Appropriate handling equipment.
- Warehouse design and upkeep.
- Personnel training.

## Marking and labelling

Transport packages should be marked clearly with the name and address of the exporter and the importer, the country of origin, the port of trans-shipment and information on the contents, so that the importer can identify exactly which batch of product(s) has arrived. The importer will also usually request that the article number is marked on the outside of the packaging, so that the shipment can be distributed without opening the containers. The use of bar codes, which can be read by sensors, is now widespread in European wholesale and retail distribution, and this method of marking means that distribution can be performed automatically.

With regard to labelling for retail sales of furniture, there are no legally binding requirements and labels are primarily used as promotional sales tools. However, consumers do expect labelling to provide them with basic information, especially about quality. In several EU countries, the industry is introducing standard labelling systems. This is to ensure that consumers are correctly informed.

There is however no standard packaging format. It is as per importer's specification.

### 10. Market Forecast

The U.K. furniture market is expected to grow by some 9.9% for the period 2003-2008 to £14.7 billion.

### 11. Sector Forecast

The living room sector is expected to continue as the largest and fastest growing sector to reach 36.3% in 2008.

The bedroom sector is also likely to see growth.

For kitchens, there has been a shift from fitted kitchens to freestanding units.

### 12. Major Competitors

The major competitors are Italy, China, Germany, Canada and Poland.

### 13. Distribution Channels

Marketing of furniture in the U.K. is dominated by furniture chains (29%), sector specialists (26%) and Do It Yourself (DIY) chains (13%). Sizeable sales are also made through builders merchants. Sales of office furniture through direct channel are losing ground (down from 50% to 25%) in favour of large retail outlets.

B&Q has the greatest potential for growth in the kitchen sector. Other distributors such as Argos and Index are expected to grow their share of mainstream furniture market.

## Market Access

### Tariffs

<u>Product</u>	<u>Applied Tariff Level</u>
Wooden Furniture for Kitchen	2.70%
Wooden Furniture for Offices exl. Cupboards	0.00%
Wooden Furniture for Bedrooms	0.00%

Rules of origin and certificates of origin not applying.

### Regulations

The Furniture and Fittings (Fire) (Safety) Regulations 1988 (amended in 1989 and 1993) set levels of fire resistance for domestic upholstered furniture, furnishings and other products containing upholstery.

### Product Range Covered

Products containing upholstery such as:

- Furniture intended for private use in a dwelling, including children furniture
- Beds, head-boards of beds, futons and other convertibles
- Nursery furniture
- Garden furniture suitable for use in dwelling place etc

Suppliers Affected:

- From suppliers of materials for use in furniture and furnishings to suppliers of finished articles.

Furniture entering the European market is subject to a number of legislative restrictions and bans, for example the use of azo dyes in furniture textiles and leather, carpets etc. Legislation to restrict the use of pentaBDE, which is primarily used for foaming in furniture, has recently been adopted. The international CITES agreement has put a ban on the use of specific materials, for example certain types of wood from rainforests

Besides legal requirements, producers are being confronted with additional requirements. EU buyers want more information from producers, for example about the social conditions at production sites. Although the requirements in this field do not make part of official legislation and have no legal basis, it is recommended to take them into account in order to be competitive. Such market requirements can be related to social aspects of production, environmental aspects or quality of products and processes.

### Price

#### Bedroom Furniture

1 drawer 1-door bedside waxed finished: £53 - £85

#### **Metric Dimensions**

Width = 380 mm

Height = 660 mm

Depth = 340 mm

#### **Imperial Dimensions**

Width = 1 ' 3 "

Height = 2 ' 2 "

Depth = 1 ' 1 "

2 or 3 jumbo chest of drawers: £225

#### **Metric Dimensions**

Width = 860 mm

Height = 1090 mm

Depth = 450 mm

#### **Imperial Dimensions**

Width = 2 ' 10 "  
Height = 3 ' 7 "  
Depth = 1 ' 6 "

Wooden Beds (Double)	(King-size)	(Super King-size)
From £99 - £209	from £179 - £259	from £710 - £860

Ladies Wardrobe: from £299 - £479

#### **Metric Dimensions**

Width = 1140 mm  
Height = 1910 mm  
Depth = 600 mm

#### **Imperial Dimensions**

Width = 3 ' 9 "  
Height = 6 ' 3 "  
Depth = 1 ' 12 "

Dressing Tables: from £65 - £200

Drawer Chest: from £54 - £75

#### **Kitchen Furniture**

Free standing units: from £175 - £800

Tables: from £89 – 795

Sinks: from £240 - £300

Stools: from £39 - £295

Painted Display Cabinet: £ 105

Pine 1 door 4-drawer Cupboard: £ 375

#### **Metric Dimensions**

Width = 1020 mm  
Height = 1410 mm  
Depth = 480 mm

#### **Imperial Dimensions**

Width = 3 ' 4 "  
Height = 4 ' 8 "  
Depth = 1 ' 7 "

#### **Dinning Room Furniture**

Tables: from £99 - £500

Pine 6'x 3' Ox Bow Dining Table: £ 375

### **Metric Dimensions**

Width = 1830 mm

Height = 790 mm

Depth = 920 mm

### **Imperial Dimensions**

Width = 6 ' 0 "

Height = 2 ' 7 "

Depth = 3 ' 0 "

Chairs: from £29 - £175

### **Living Room Furniture**

Leather Arm Chairs: from under £496 – over £596

2 or 3 door Display Cabinets: from £250 - £360

Book Case: from £130 - £200

Coffee Table: from £80 - £170

### **Sources**

IKEA, John Lewis, Argos, Bedstar, B&Q.

### **Promotion**

#### **1. Product Catalogues**

Well-designed and attractive product catalogues are important marketing tools.

#### **2. Trade Fairs and Exhibitions**

Following Trade fairs recommended:

**SCANDINAVIAN FURNITURE FAIR  
COPENHAGEN (DK)  
19 – 22 May 2005, Bella Centre, Copenhagen**

**SMI  
COPENHAGEN (DK)  
INTERNATIONALE MOEBELMESSE (CH)**

**IFF  
INTERNATIONAL FURNITURE FAIR - COLOGNE (D)  
16-22 January 2006**

**SALON DU MEUBLE DE PARIS (F)  
5 – 9 January 2006**

**SALONE INTERNAZIONALE DEL MOBILE - MILAN (I)  
New York 14-17 May 2005**

# MOBITEX

## MOBITEX IN BRNO (CZ)

### INTERNATIONAL FURNISHINGS FAIRS - HIGH POINT (USA)

#### Upcoming Markets:

##### 2005

October 20 - 26

##### 2006

April 27 - May 3

October 19 - 25

##### 2007

April 19 - 25

October 18 - 24

##### 2008

April 10 - 16

October 16 - 22

#### The Manchester Furniture Show

July 17-20 2005

[www.manchesterfurnitureshow.com](http://www.manchesterfurnitureshow.com)

#### BELGIUM

##### Trade Mart Interior (permanent)

E-mail: [info.interior@trademart.be](mailto:info.interior@trademart.be)

Internet: [www.tminterior.be](http://www.tminterior.be)

#### DENMARK

##### Scandinavian Furniture Fair (annual)

E-mail: [info@scandinavianfurniturefair.com](mailto:info@scandinavianfurniturefair.com)

Internet: [www.scandinavianfurniturefair.com](http://www.scandinavianfurniturefair.com)

#### FRANCE

##### Salon Internationale du Meuble (annual)

E-mail: [salondumeuble@cosp.fr](mailto:salondumeuble@cosp.fr)

Internet: [www.salondumeuble.com](http://www.salondumeuble.com)

#### GERMANY

##### International Furniture Fair - IMM (annual)

E-mail: [s.miller@koelnmesse.de](mailto:s.miller@koelnmesse.de)

Internet: [www.imm-cologne.de](http://www.imm-cologne.de)

#### ITALY

##### International Furniture Fair (annual)

E-mail: [dircomm@cosmit.it](mailto:dircomm@cosmit.it)

Internet: [www.cosmit.it](http://www.cosmit.it)

#### THE NETHERLANDS

##### Home Trade Center (biennial fair and permanent exhibition centre)

E-mail: [info@htc.nl](mailto:info@htc.nl)

Internet: [www.htc.nl](http://www.htc.nl)

#### SCANDINAVIA

##### Stockholm Furniture Fair (annual fair)

E-mail: hello@stofair.se  
Internet: www.stockholmfurniturefair.com

**Norwegian House and Garden Fair** (annual fair)

E-mail: jp@messe.no  
Internet: www.messe.no

**SPAIN**

**FIM International Furniture Fair** (annual)

E-mail: lros@feriavalencia.com  
Internet: ferias.feriavalencia.com

**UNITED KINGDOM**

**The Furniture Show** (annual)

E-mail: interiors@cmpinformation.com  
Internet: www.bfmshow.co.uk

**Into Home** (annual)

E-mail: info@woodmex.com  
Internet: www.woodmex.com

**Promotional Seasons**

The U.K. market is reliant on seasonal sales trade, one of the most important being the January sales, although consumers are always able to find special offers and most will shop around before choosing.

**Reaching the Target Group**

- Websites
- Trade Fairs
- Brochures
- Magazines and Publications

**Suggested Magazines**

1. Elite Furniture Magazine  
Tel: + 61 3 9844 1728  
Fax: + 61 3 9844 5300
2. Fine Furnishings Int. – FFI Magazine  
Tel: + 1 651 293 1544  
Fax: + 1 651 653 4308  
Email: [ffiedit@gracemcnamarainc.com](mailto:ffiedit@gracemcnamarainc.com)