

## CHAPTER 2

# What are the trends in consumer demand for timber?

*This chapter looks at consumer demand for hardwood furniture using survey data on actual and planned purchasing behaviour, and consumer awareness and understanding of the concept of responsible purchasing.*

## KEY MESSAGES

- Chinese respondents reported plans to purchase more hardwood furniture in the future, indicating that the demand is still growing. Thailand and Viet Nam have lower levels of demand compared to China, but survey data points to the possibility that they will become significant hardwood consumers in the future.
- There is a disconnect between consumer knowledge and concern with forest crime. Over 80 percent of Chinese respondents were familiar with the concept of “responsible purchasing” (compared with 20 to 40 percent in the Lower Mekong countries). Yet the survey found that Chinese respondents will still buy illegal wood if it is presented to them in retail stores, while respondents in Thailand and Viet Nam will be more likely to act based on their knowledge of responsible purchasing.
- While Rosewood and Teak remain the most popular hardwood species, other hardwoods such as Mahogany and Oak are important species being used for furniture production in Lower Mekong countries. This indicates that when the most popular hardwood species become over-harvested and difficult to find, alternative hardwood species such as Mahogany and Oak could become more widely exploited in the Lower Mekong region.
- To some extent, the survey found that respondents in China, Thailand and Viet Nam hold the perspective that stopping illegal logging is not an issue they are responsible for. Government and industry are seen as holding greater responsibility than respondents in preventing illegal logging.

## PURCHASING BEHAVIOUR

### CHINESE RESPONDENTS ARE THE LEADING PURCHASERS OF HARDWOOD FURNITURE

Respondents in China are the major purchasers of hardwood furniture among the six countries studied. In China, 76 percent of respondents reported purchasing hardwood furniture in the past two years (Figure 4).

The two other countries where respondents reported a significant level of hardwood furniture purchases were Viet Nam (29 percent) and Thailand (40 percent), indicating the existence of viable hardwood furniture markets which should be monitored. In China, Viet Nam and Thailand the vast majority of demand for hardwood furniture is from urban areas.

The respondents in the other three Lower Mekong region countries reported negligible levels of hardwood furniture purchases over the past two years: Cambodia at seven percent, Myanmar at five percent and Lao PDR at two percent. Because of this, the bulk of the analysis on purchasing behaviour in this Chapter focuses on China, Thailand and Viet Nam.

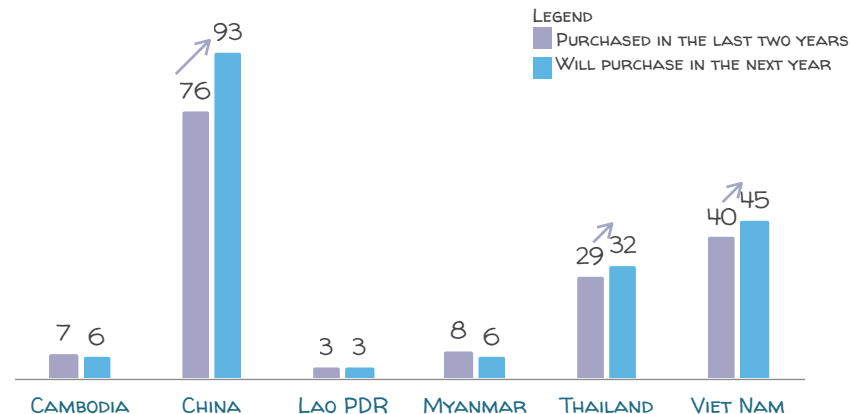
### DEMAND FOR HARDWOOD FURNITURE IS GROWING

The demand trend for hardwood furniture was estimated by comparing the percentage of respondents who purchased hardwood furniture in the past two years with the percentage who plan to make purchases in the next year.

The survey points to a growing demand trend in China, as well as in Thailand and Viet Nam but to a lesser degree. In China the survey found a 17 percent growth in demand for hardwood furniture. The vast majority of demand for hardwood in China is from urban areas.

Viet Nam and Thailand had five percent and three percent growth in demand respectively. Stable but low demand was found in Cambodia, Lao PDR and Myanmar.

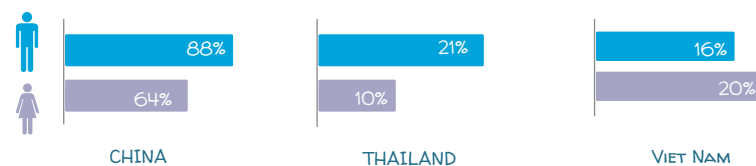
FIGURE 4. IN THE NEXT YEAR, DEMAND FOR HARDWOOD FURNITURE WILL INCREASE IN MOST COUNTRIES ESPECIALLY CHINA.



### GENDER CAN INFLUENCE PURCHASING BEHAVIOUR IN SOME COUNTRIES

Zooming in on the extent to which demographic characteristics are relevant to purchasing behaviour, the study found that gender is a factor which differs by country. Age did not seem to be a particularly significant factor related to purchasing behaviour, although people in the 30 to 39 age group were the mostly likely to purchase hardwood furniture in China, Viet Nam and Thailand. This is likely due to the fact that people in this age group are at the peak of their career and can afford to purchase hardwood furniture, and are in the stage of life when they need to set-up new family households.

FIGURE 5. MALE RESPONDENTS ARE MORE LIKELY TO BUY HARDWOOD FURNITURE IN THAILAND AND CHINA COMPARED WITH VIET NAM.



In China and Thailand, male respondents are more likely to purchase hardwood furniture (88 percent male versus 64 percent female in China, and 21 percent male versus 10 percent female in Thailand). In Viet Nam it is the female who are more likely to purchase hardwood furniture (20 percent female versus 16 percent male). It should be noted though that in most cases, decisions to purchase hardwood furniture are discussed at the household level.

**FURNITURE STORES ARE THE MAIN SUPPLIERS OF HARDWOOD FURNITURE, BUT E-COMMERCE IS TAKING AN INCREASING MARKET SHARE**

The places where people purchase hardwood furniture were similar across the six target countries, but there were some notable differences. In China, the majority of respondents identified traditional furniture stores (67 percent) and modern furniture stores such as in shopping malls (64 percent) as the top places they have purchased hardwood furniture. Similar purchasing patterns were found in Viet Nam and Thailand (Figure 6). The survey found that internet purchases of hardwood furniture were small but notable. As the market share of e-commerce businesses continues to grow globally (Ethical Trading Initiative 2022), this is an area of hardwood sales to watch. Respondents in Thailand and Viet Nam reported higher levels of online hardwood furniture purchases than in China.

**FIGURE 6. PEOPLE BUY THEIR FURNITURE FROM TRADITIONAL AND MODERN FURNITURE STORES.**

MADE TO ORDER	OPEN AIR MARKET	TRADITIONAL STORES	INTERNET
SECOND HAND FURNITURE STORES	ANTIQUE SHOPS		AUCTION
MODERN FURNITURE STORES			OTHERS

**ROSEWOOD, TEAK, MAHOGANY AND OAK ARE THE MOST POPULAR SPECIES OF HARDWOOD FURNITURE**

The survey found that there are clear preferences among respondents for Rosewood and Teak as well as Mahogany and Oak. Several in-depth interview respondents from China mentioned that Rosewood furniture has certain desirable characteristics which account for its popularity. Several in-depth interview respondents from China mentioned that Rosewood furniture has collectible value and an artistic feel.

There was some variation in hardwood preferences within China and the Lower Mekong countries. This is significant as it may point to specific species “next up” to become hyper-exploited for domestic and export markets. For example, as Rosewood has been over-harvested and becomes difficult to find and expensive, alternative species such as Oak, Mahogany and Agarwood (Eaglewood) may become the new widely-exploited tree species in the Lower Mekong region. As prices rise for certain hardwood species, it may be difficult for local people to resist the temptation of the monetary value.

“SOME PEOPLE CANNOT RESIST THE TEMPTATION OF THE VALUE OF TAU TREE (APITONG) WHICH IS ALMOST 20 MILLION VND (900 USD) PER CUBIC METER (M3).”  
(MALE RESPONDENT, URBAN CHINA)

**RESPONDENTS LIST CERTIFICATION AND AVOIDING ILLEGAL TREE SPECIES AMONG THEIR TOP INFLUENCERS WHEN BUYING HARDWOOD**

In China and across the Lower Mekong countries, style and design and quality were reported as the main influencers on consumer’s decisions around purchasing hardwood furniture (Figure 7).

FIGURE 7. QUALITY, STYLE AND PRICE ARE THE MAIN CONSIDERATIONS WHEN BUYING HARDWOOD FURNITURE FOR ALL RESPONDENTS.



"WHEN BUYING ROSEWOOD FURNITURE, I CONSIDER THE STYLE, BEAUTY AND THE QUALITY. IF THE FURNITURE MEETS ALL THESE REQUIREMENTS, I DEFINITELY BUY THEM."

(FEMALE RESPONDENT, URBAN CHINA)

Forest crime related influencers such as avoiding illegal tree species and certification were secondary influencers, alongside price. Some interviewees reported that their considerations when purchasing hardwood furniture are shifting to be more environmentally sensitive. In Viet Nam and Thailand, survey respondents reported giving a greater importance to forest crime related influencers such as certification and avoiding illegal trees species than the respondents in China. This indicates that respondents in Viet Nam and Thailand would likely be more open to messaging around preventing forest crime through supply chain measures.

Notably, the survey found that "recommendation" was not considered an important influencer of hardwood purchasing behaviour in any of the three countries.

"ENVIRONMENTAL PROTECTION AND HEALTH ARE THINGS I CONSIDERED WHEN PURCHASING HARDWOOD FURNITURE. IN THE PAST, PEOPLE WERE MOST CONCERNED ABOUT PRICE, NEGLECTING THE IMPACT OF FURNITURE ON PEOPLE'S HEALTH AND SAFETY."

(MALE RESPONDENT, URBAN CHINA)

### HARDWOOD ALTERNATIVES SUCH AS RUBBERWOOD AND COMPOSITE WOOD PRODUCTS ARE ALREADY POPULAR AMONG RESPONDENTS

In addition to hardwood furniture, respondents in China, Viet Nam and Thailand are buying furniture constructed from other species of wood and composite wood products. In China, Rubberwood furniture is more popular than Rosewood (66 percent of respondents report purchasing Rubberwood versus 61 percent for Rosewood). Reflecting on the influencers section above, this is likely due to a combination of multiple factors including cheaper price, eye-catching design, as well as China's new ban on imports of illegal wood.

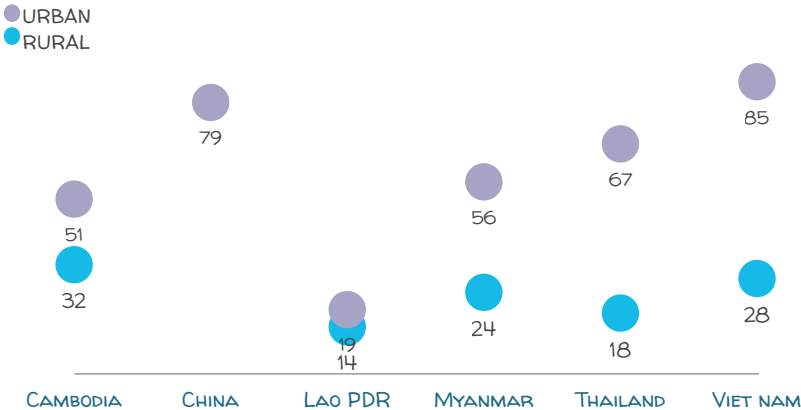
In Viet Nam, Myanmar and Cambodia composite wood products (particle board and plywood) are popular alternatives to solid timber. Respondents in Thailand report preferences for sawn wood and Rubberwood, and to a lesser extent composite wood products. In Lao PDR, 83 percent of respondents reported a preference for non-hardwood furniture made from solid timber, if available in the market. As these hardwood alternatives are already popular with respondents, they are likely to be open to choosing alternatives to hardwoods more often in the future with the right incentives.

RESPONSIBLE PURCHASING

RESPONSIBLE PURCHASING IS WELL KNOWN AMONG URBAN RESPONDENTS AND YOUNG PEOPLE

In all countries, young people reported greater awareness of the concept of responsible purchasing. Urban residents reported greater awareness of the concept than rural residents, regardless of their age. This is good news as it indicates that in urban areas where there is higher demand for hardwood, there is also a greater awareness of responsible purchasing.

FIGURE 8. URBAN RESIDENTS SHOW GREATER AWARENESS OF 'RESPONSIBLE PURCHASING':



Over 80 percent of Chinese respondents were familiar with the concept of “responsible purchasing” (compared with 20 to 40 percent in the Lower Mekong countries). Despite this knowledge and stated willingness to make responsible purchases (and a new Chinese law, Article 65, banning the import of illegal timber), the survey found that Chinese respondents will still buy illegal wood if it is presented to them in retail stores. However, China’s imports of high-risk hardwoods remained significant, and respondents may be misled into thinking they are buying responsibly.

FIGURE 9. YOUNG PEOPLE ACROSS ALL COUNTRIES ARE MORE AWARE OF 'RESPONSIBLE PURCHASING':

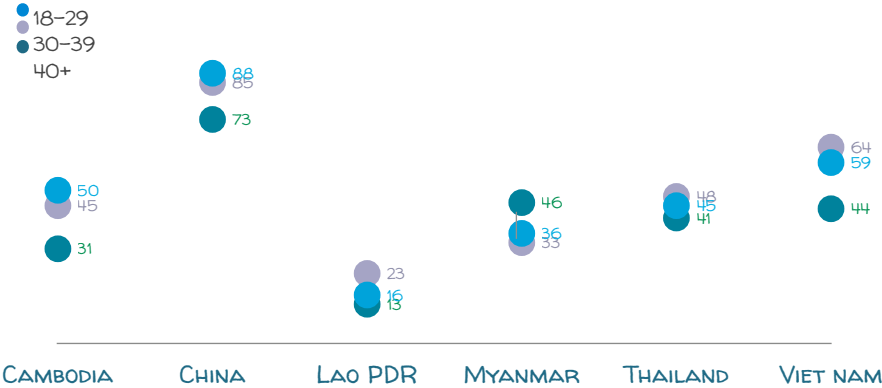
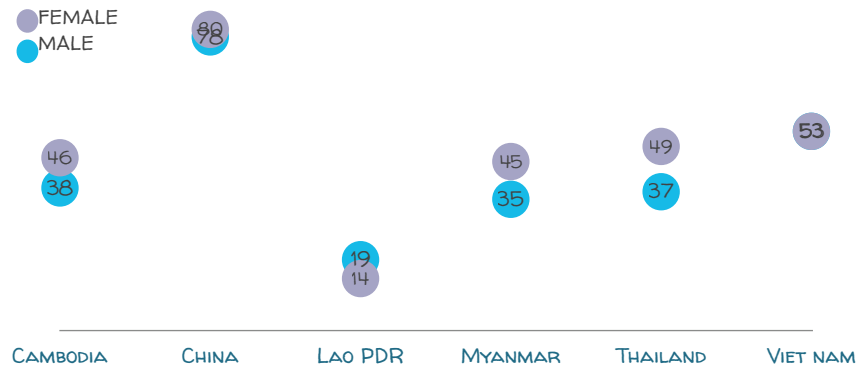


FIGURE 10. GENDER DID NOT APPEAR TO BE A SIGNIFICANT DIFFERENTIATOR FOR AWARENESS ON 'RESPONSIBLE PURCHASING':



Gender did not appear to be a significant differentiator for awareness of responsible purchasing in any target country, but there were some notable differences across countries (Figure 10). In Cambodia, China, Myanmar and Thailand, male respondents were more likely to be aware of the concept of responsible purchasing. In Lao PDR, female respondents were more likely to be aware of the concept. In Viet Nam, women and men reported awareness at equal levels.

RESPONDENTS' UNDERSTANDING OF RESPONSIBLE PURCHASING IS FOCUSED ON SUPPLY CHAIN FACTORS

The survey found that in all countries people associate responsible purchasing with 'certified or legal products,' 'not from protected trees' and 'zero deforestation' at relatively high levels. This indicates that there is solid understanding of the concept of responsible purchasing as it relates to forests and wood products.

"CERTIFICATION IS VERY GOOD. IT IS CONVENIENT, AND IT INCREASES THE CONFIDENCE OF RESPONDENTS TO PURCHASE."  
(FEMALE RESPONDENT, CHINA)

Retailers being transparent' also has a relatively high association across all countries. Indicating that consumers see the ethics of retailers as playing an important role in enabling consumers to practice responsible purchasing.

"I THINK THERE ARE MANY STAKEHOLDERS WHO ARE RESPONSIBLE FOR CONSUMERS PRACTISING RESPONSIBLE PURCHASING. ONE OF THEM IS MERCHANTS (RETAILERS)."  
(MALE RESPONDENT, CHINA)

These findings show that the common understanding of the concept of responsible purchasing is focused more on the supply chain (logging and retail) rather than consumer demand.

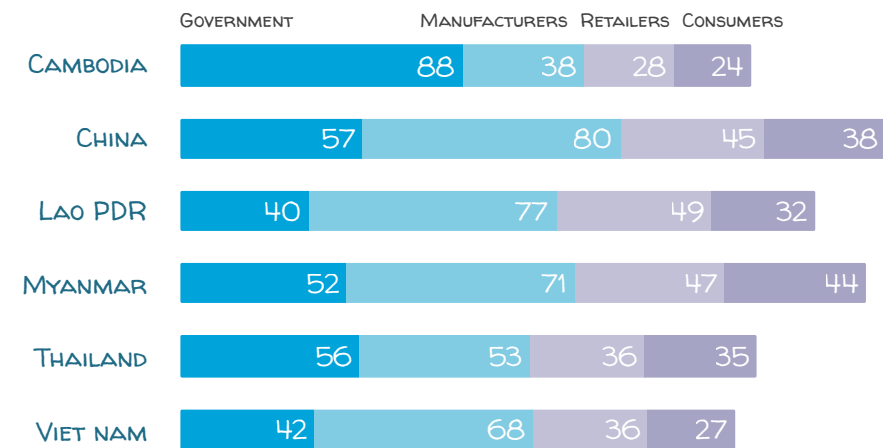
**WHAT IS RESPONSIBLE PURCHASING?**  
Responsible purchasing refers to purchasing in a way that enables positive change at the supplier level so that every part of the supply chain benefits. It requires a trusting, direct and honest relationship where both parties are able to negotiate and share risks equally, and a purchaser who is committed to supporting human rights within the supply base (Ethical Trade Initiative 2022).

RESPONDENTS SEE GOVERNMENT ENFORCEMENT AND SUPPLY CHAIN ETHICS AS MORE IMPORTANT THAN CONSUMER DEMAND FOR THE PREVENTION OF FOREST CRIME

In all countries, people feel that it is mainly the government and manufacturers who are the levers for making drastic changes in purchasing behaviour, and for ensuring that responsible purchasing happens, followed by retailers and lastly consumers (Figure 11).

This finding is also significant as it signals that people in China and the Lower Mekong do not necessarily see the role of consumer demand for hardwood products as a driver of illegal logging and forest crime. A typical understanding of responsible purchasing is that it directly relates to consumer behaviour, but the survey data indicates that the understanding of the concept in China and the Lower Mekong region is more nuanced and includes structural factors.

FIGURE 11. MAJORITY OF THE RESPONDENTS BELIEVE THAT GOVERNMENT AND MANUFACTURERS ARE KEY TO ENSURING RESPONSIBLE PURCHASING.



The respondents identified governments as one of the main stakeholders responsible for ensuring responsible purchasing happens; especially in Cambodia (88 percent), China (57 percent), Thailand (56 percent) and Myanmar (52 percent).

This finding was also reflected in the qualitative responses, wherein the respondents highlighted the governments’ responsibility in both the enforcement of laws prohibiting forest crime as well as in breaking the linkages between authorities and the actors perpetrating illegal logging. This could indicate that there is a lack of willingness to take personal responsibility on the issue of forest crime, but it may also indicate that some people may feel defeatist and that they are unable to have impact on forest crime as individuals.

The study also found that respondents do not necessarily make a connection between their purchasing behaviour and the market actors supplying illegally harvested wood. If they do not place themselves in the picture when thinking about the overall supply chain for illegally harvested wood, they likely do not see the role that they can play in preventing forest crime.

**“THE LOCAL AUTHORITIES SHOULD TAKE ACTION TO STRENGTHEN THE LAW AND NOT ALLOW MERCHANTS OR TRADERS TO CONTINUE TO DO ILLEGAL LOGGING.”**  
(MALE RESPONDENT, URBAN CAMBODIA)

**CONSUMERS IN CHINA REPORT PRACTICING RESPONSIBLE PURCHASING OF WOOD FURNITURE, INCLUDING OF CERTIFIED PRODUCTS**

While majority of respondents in all countries reported practicing responsible purchasing in one or more specific consumer sectors over the past year, only people in China (77 percent), Viet Nam (26 percent) and Thailand (23 percent) reported practicing responsible purchasing of wood furniture at significant levels. The respondents were found to be familiar with certified products, with a small but significant number reporting the purchase of a “product with environmentally friendly certification” (49 percent in China, 30 percent in Viet Nam, and 31 percent in Thailand).

It should be noted though that national forest certification systems are available only in a China, Viet Nam, Thailand and Myanmar, and of these only China’s has been in existence for some time. This indicates that the very few consumers in Lao PDR, Cambodia and Myanmar that purchase certified products may have more to do with availability of such option than their willingness or understanding of the matter.

**TABLE 8. ABOUT A THIRD OF RESPONDENTS IN CHINA, THAILAND AND VIET NAM ARE FAMILIAR WITH ‘ENVIRONMENTALLY FRIENDLY CERTIFICATION’.\***

	CAMBODIA	CHINA	LAO PDR	MYANMAR	THAILAND	VIET NAM
DID RESEARCH ON A PRODUCE BEFORE BUYING BOUGHT	81	45	37	41	56	49
ENVIRONMENTALLY FRIENDLY PRODUCT	43	42	11	13	26	36
BOUGHT FROM A BRAND THAT PROMOTES THE ENVIRONMENT	25	51	7	9	26	27
ASKED WHERE THE PRODUCT CAME FROM	72	45	33	36	35	61
TOOK ADVICE FROM FRIENDS	37	34	40	43	27	43
PRODUCT WITH ENVIRONMENTALLY FRIENDLY CERTIFICATION	<b>13</b>	<b>49</b>	<b>11</b>	<b>13</b>	<b>31</b>	<b>30</b>
BOUGHT FROM A LOCAL PRODUCER	28	16	45	30	34	28
BOUGHT RECYCLED OR UPCYCLE PRODUCT	20	14	1	10	17	15

\*numbers are in percentages

**CONCLUSION**  
This chapter outlined the purchasing behaviours of urban respondents for hardwood furniture, highlighting a growing demand and a widespread misunderstanding of the role of consumer demand as a drivers of forest crime. The next chapter will examine the perspectives of people in both urban and rural areas who have a different relationship to forest crime, not as consumers but as potential perpetrators or influencers.