

Would expats want to lease their furniture?

Problem Definition

Houweling Interieur, a furniture retailer in the high end of the market, had noticed a substantial expatriate population in its target area. However, this group of people could not be reached with the regular furniture sales. Where the current customer of Houweling Interieur could see their purchase as a long time investment in quality furniture, this might not be the case for expatriates who normally stay in the Netherlands for a limited period of time. A lease service could be more appealing to them. Since Houweling Interieur is active in the high end of the market with premium furniture, a potential lease demand is only suitable for the company if in the high end market as well.



On the basis of generative sessions with expatriates, it was investigated what furniture options expatriates choose, but even more important, why. The research showed that all choices made, originate in seven influencing factors which are presented on the right.

Because not all influencing factors are shaped the same for all expatriates, the market was divided into four categories, for which profiles of the seven factors could be made, as presented below.



The financial status influences what the expatriate can afford and on the perception of what something is worth.



An expatriate who is staying longer is more inclined to build his surroundings to his preferences.



The focus lies on finding certainty in the first life needs, rather than the quality or personal preference in them.



What choices can be made is dependent on what opportunities are offered in the life of the expatriate.



Apart from all external conditions, the choices made are based on personal preference.



When living with a partner and/or children, expatriates tend to care more for their living conditions.



Expatriates tend to prioritize their work over the other things they do and have in life.

Strategic assignment

These high ranked senior employees are relocated to set up and/or lead a new business division. Because of the long duration of such assignments, these expatriates take their family and belongings with. The costs of this relocation are all covered by the employer. The presence of the own furniture discards the demand for lease furniture.

High potentials

These young employees are sent to work abroad for about half a year for their personal development. They currently rent furnished apartments, but would like more choice in their interior, which a furniture lease service could offer. However, because of their starters salary the price limit for such a service is 10% of their rent a month.

Knowledge exchange

These expatriates are relocated for their specific knowledge or skills that are needed in a certain project. Because of the short duration of these assignments, a maximum of five months, these expatriates do not care that much for their furnishing. They go for the easiest and cheapest option, the furnished apartment. Therefore there is no demand for lease furniture.

Voluntary relocation

The group of expatriates working abroad for their own reasons is called Voluntary relocation. Since this group is so varying, no clear profile can be made. However, the same reasoning as for the other groups applies. There is no demand for a furniture lease service if its price exceeds the costs of shipping in one's own furniture or the duration of stay is limited.



When duration of stay is limited, expatriates choose cheapest and easiest furniture option.



In the lower end of the market there could be a demand for lease with a max. price of €200 a month for a complete furnishing.



In the high end of the market shipping in one's own furniture is preferred.



Sander Neuteboom
A furniture leasing service in the expatriate market
March 1st, 2018
Strategic Product Design

Committee Prof. dr. Hultink, H.J.
MSc. Boru, A.
Company Houweling Interieur

