INES PAUWELS

ACADEMIC YEAR 2018-2019

WHAT ARE THE DEFINING FACTORS FOR THE SPENDING OF AMERICAN CONSUMERS WITHIN THE FURNITURE INDUSTRY FROM A GENERATIONAL POINT OF VIEW COMPARED TO BELGIAN CONSUMERS?

BACHELOR OF INTERNATIONAL BUSINESS MANAGEMENT

artevelde university college ghent
MEMBER OF GHENT UNIVERSITY ASSOCIATION

Bachelor Thesis Coach: Ms. Sofie Verstraete

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PREFACE

In completion of the program International Business Management at Artevelde University College, Ghent, I proudly present this Bachelor Project. Writing this paper has been a challenging process, which cost me a lot of time, energy, sweat, and even some tears. However, I feel extremely satisfied with the final result and am convinced that this will be of added value to the Flanders Investment and Trade office in the USA.
Before reading this Bachelor Project, I would like to express my gratitude to some people. Without these people, this study would not have turned out the way it did.

First and foremost, a sincere thank you to Ms. Verstraete. During the entire writing period of this project, she was always ready to provide me with answers to the many questions I had. She was an amazing coach and gave me a lot of necessary and constructive feedback. Especially with the nine-hour time difference, I realize that scheduling a meeting and staying in touch was not always easy. Nevertheless, she was always happy to help and give me all the information I needed.

Secondly, I would like to thank all my colleagues at Flanders Investment and Trade Los Angeles for making this internship an unforgettable and educational experience. Three people in particular should be mentioned. Mr. Raphael Pauwels for giving me the chance and confidence to do this internship in Los Angeles. Also, Mrs. Barbara Bruneel deserves a special thank you for being such an extraordinary mentor throughout this entire period. As my direct supervisor, she was my number one role model within the company. I could always go to her for advice and guidance. The last person I ought to thank is my co-intern and roommate Armand Maes. During this adventure, we went on an educational journey together and became very close friends in the process. Overall, I am convinced that I could not have ended up in a better place to be an intern than this amazing work environment.

Last but not least, I want to thank my family and close friends to stand by my side throughout this entire experience. Especially my parents and partner for their unconditional love and all support. They gave me the chance to spread my wings and follow my dreams by allowing me to study a semester abroad in Toronto, Canada, and do my internship in Los Angeles, USA.

Overall, this entire adventure was unforgettable. Los Angeles was an amazing place to live and to work. From the Mayweather boxing classes on Wednesday evening to the walks to the "Hollywood” sign, it was all fantastic. All these memories are locked in my heart forever.

Hopefully, the reader of this Bachelor Project enjoys reading it as much as I enjoyed my time in Los Angeles.

Ines Ann Marc Pauwels

EXECUTIVE SUMMARY

This study provides an analysis of the American and Belgian furniture industry. More specifically, the diverse needs and desires of different generations of furniture consumers are explored, evaluated, and compared. The main purpose of this paper is to deliver a tool to Flanders Investment and Trade Los Angeles that can assist them in answering furniture related inquiries they receive from Belgian furniture companies looking to expand to the US market.

To conduct this research, an online survey was set up and spread via social media, professional relations, individual mailings, and mass mailing. The goal of the survey was to uncover the wishes of each generation separately, when acting as a furniture consumer. While spreading this questionnaire, additional desk research was carried out to obtain more insight into the overall American environment, the cultural differences between Belgians and Americans, the current state of the furniture industry in both Belgium and the USA, and the trade situation between the two counties.

The analyses and interpretations of all results led to the conclusion that Belgians and Americans contemplate different consumer behavior and that no two generations are the same. Based on the input of the 773 survey respondents, every generation has their own characteristics and desires when purchasing furniture. Therefore, it is important for Belgian furniture companies to define their specific target audience long before setting up business in the US. American consumers require a different approach than Belgian consumers and different generations call for different resolutions.

There are four essential recommendations Belgian furniture companies should take away from this analysis. First of all, it is impossible to conquer the entire American furniture market at once because of the immense size of the country. A better technique is to single out one state and build up business state by state.
Secondly, knowing the differences between the Belgian and American culture is extremely important. Understanding the American lifestyle and society allows a company to adjust their approach when entering the market and will help to think local while acting global.
The fluctuating trade situation between Europe and the United States is another aspect to look out for when expanding to the US, especially under the Trump administration.
Lastly, the companies can use the pivot table constructed by this study in appendix ‘III.I Calculate ITA’ to discover which generation would be most interested in their specific furniture segment. This pivot table was especially designed because there is no such thing as ‘the ideal target audience’ that would be applicable for every type of furniture company.

Other challenges and trends that the furniture industry is currently faced with, are eco-friendly materials, the growing market share of e-commerce, ready-to-assemble furniture, and upcoming innovations in technology such as augmented reality and 3D-printed furniture.

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INTRODUCTION

This study investigates the possibility for Belgian furniture companies to expand their business to the United States of America. More specifically, research is conducted into the thinking patterns of furniture consumers, the way consumers approach this sector and how different generations make their purchasing choices.
It is important for Belgian furniture companies to realize that the American industry requires a different approach than their initial, Belgian market. This project is developed in order to explore the main distinctions between the Belgian and American furniture sector. Moreover, it explores the consequences of the two specific consumer characteristics, namely nationality and age. Keeping these elements in mind, the research first finds an answer to which degree the nationality influences consumer behavior. Secondly, the significance of the generation or age when making a purchasing decision as a furniture consumer, is investigated.

The following introduction section has the objective to provide more background information about the context in which this study can be placed. Furthermore, it also explains the goal of the different research sections, the desk research and field research. Last but not least, the introduction gives additional insights into what information resources and research methods are used throughout the entire project.

To answer the main research question "What are the defining factors for the spending of American consumers within the furniture industry from a generational point of view compared to Belgian consumers?", the research is split up in desk research and field research. The entire desk research is built up by using existing studies and research and serves as a basis to fall back on in the further field research. Therefore, it is crucial to understand the bigger context set out in '1 Desk Research' before moving on to '2 Field Research'. The latter is an entire analysis of new, gathered data and focusses on the specific behavior of furniture consumers.
At the end of the study, the final answer to the main question and the most important recommendations will be given in section '3 Final Conclusion and Recommendations'.

I BACKGROUND INFORMATION

The following background information consists of two parts. First of all, information concerning the internship company for which this project was written, will be provided. Secondly, there is a justification of why the subject fits within the context of the internship company and thus, why this subject was chosen as research area.

I.A THE INTERNSHIP COMPANY

Introduction to the Organization

Flanders Investment and Trade or FIT is an organization of the Flemish government with its headquarters in Brussels. They have offices in every province of Flanders and have a well-developed, worldwide network. All FIT's offices together employ +360 people of which more than half work in one of the 70 offices abroad. (Flanders Investment and Trade, 2015) (Pauwels, Internship report, 2019)

In the United States of America, there are currently six offices of FIT. These are located in: Atlanta, Chicago, Houston, Los Angeles, New York, and San Francisco. Each office is specialized in specific industries or market segments. These offices are crucial since the US is the number 1 investor in Flanders (see 'Figure 1: Top Investors in Flanders in 2018'). (Flanders Investment and Trade, 2019) (Pauwels, Internship report, 2019)

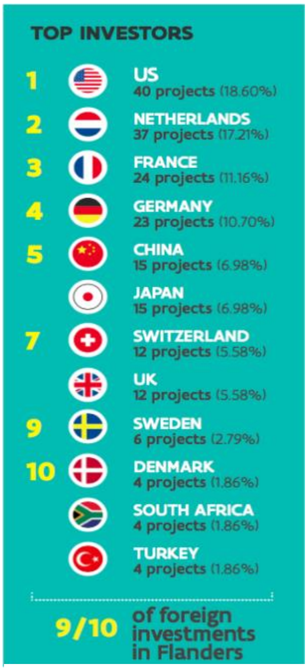


Figure 1: Top Investors in Flanders in 2018 - Source: (Flanders Investment and Trade, 2019)

Mission and Goals

FIT's mission is to help answer the question: 'How can the Flemish economy grow even more and grow in a more sustainable way?' Flanders Investment and Trade wants to position Flanders in the international market and answer the needs of Flemish companies who want to enter the international market or any specific market abroad. The mission is part of the new strategy called 'Vlaanderen versnelt!' which was created by and in function of Flemish organizations. FIT is responsible for the implementation of this strategy and will coordinate the mission until the revision in 2021. (Pauwels, Internship report, 2019)

To make sure this mission succeeds, the Flemish government set a total of three main goals. First of all, they want less clutter and obstacles when expanding a Flemish business abroad. Secondly, it is important to anchor more international companies in Flanders, while increasing the number of Flemish companies on an international base. The last goal is to emphasize the potential that Flanders has within five specific categories (Life Sciences & Health, Food, Solution Driven Engineering & Technology, Smart Logistics, and Sustainable Resources and Materials & Chemistry). (Flanders Investment and Trade, 2017) (Pauwels, Internship report, 2019)

Activities and Services

There are three key services provided by Flanders Investment and Trade worldwide:

1. Advise and provide guidance to companies worldwide with an investment project in Flanders (Investment)
2. Bring buyers from all industries into contact with Flemish producers (Trade)
3. Help companies in Flanders with their export plans abroad (Trade)

(Flanders Investment and Trade, 2017) (Pauwels, Internship report, 2019)

Overall, FIT tries to offer guidance with international ambitions. Over the years, FIT was able to develop a broad network in a great number of industries and countries. They use this network to give tailored advice and connect Flemish companies, who want to go abroad, to the right foreign contact persons. Thus, the first target audience are Flemish companies with investment or expansion plans outside of Flanders. (Pauwels, Internship report, 2019)

The second target audience are foreign companies with the ambition to invest in Europe and start a business in Flanders. FIT is able to provide the right information, guidelines, and advice to international companies with plans to enter the Flemish market. (Flanders Investment and Trade, 2017) (Pauwels, Internship report, 2019)

I.B JUSTIFICATION OF THE SUBJECT CHOICE

The Flanders Investment and Trade office in Los Angeles has the Lifestyle & Design industry as one of its specializations. Mid May 2019, a 'Lifestyle and Design Mission' was organized by FIT. During this mission, a delegation of 12 companies from Belgium, all manufacturers of high-end innovative products for interior design as well as outdoor design, visited the United States. They started out in Los Angeles, continued in Las Vegas, and ended their business trip in New York. The objective of the entire trade mission was to find potential distributers or partners, meet local architects & interior designers, get to know the American consumer, learn about setting up a business in the USA, etc. (Pauwels, Detailed Plan of Action, 2019)

This Bachelor project fits perfectly within the context of this specific mission that was set up by the Trade department of the FIT Los Angeles office. While FIT mostly provides the Flemish entities with company insights and contact information to help them enter or expand within the American market, this study offers extra insight in the furniture market from a consumer point of view. All the needs and preferences of American consumers within each generation are compared to the needs and preferences of Belgian consumers within the furniture industry. (Pauwels, Detailed Plan of Action, 2019)

II THE GOAL

As previously mentioned, the first part of the paper consists of desk research. Within this part of the research, the main goal is to set out the general context of the study. It helps understand both American and Belgian consumer behavior. Furthermore, it will also answer a great number of sub questions about the American market such as:

- What is typical American consumer behavior?
- Who are the biggest players within the American furniture industry?
- What is the importance of e-commerce within the American furniture industry?

Secondly, the field research has the goal to answer sub questions concerning the comparison of American consumers versus Belgian consumers within the furniture industry. This is mostly done from a generational point of view. The results from the online survey represent a clear overview of the determining factors when making a purchase decision as an American vs Belgian furniture consumer depending on the generation. (Pauwels, Detailed Plan of Action, 2019)

The final goal is to have this study as a deliverable for Flanders Investment and Trade to present to all their Flemish, and thus Belgian partners within the Belgian furniture industry interested in expanding to or in the USA. These companies can then use this concrete information and the formulated recommendations to define how to enter the market and which generation would be the most interesting target group for them within this American market (Millennials, Generation X, Baby Boomers, or Seniors). Furthermore, they can use the advice and guidelines to adapt their designs and products to the specific needs and desires of the targeted consumers. (Pauwels, Detailed Plan of Action, 2019)

III INFORMATION RESOURCES & RESEARCH METHODS

There are two ways in which research is conducted throughout this study, being desk research and field research. All information for the desk research is gathered by combining multiple types of existing sources. These sources are mostly consisting of online sources, meaning articles, websites, blogs, reports but also scientific sources in the form of scientific books and studies were consulted. During the desk research, a framework analyzing the American market is set out. External analyses provide insights in the wider American business environment and are conducted using the PESTEL analysis and Hofstede’s cultural dimensions. (Pauwels, Detailed Plan of Action, 2019)

For the field research, an online survey with 10 closed questions and one optional, open question was set up on Google Forms and spread via mail and different social media channels such as Facebook and LinkedIn. By using this method, a lot of specific data could be collected, and generational information was easy to be extracted and analyzed. This type of quantitative research was easy to set up and did not require a financial budget.

1 DESK RESEARCH

Desk research provides relevant data which already exists, as opposed to the new data collected via the field research. It contemplates the basic knowledge necessary to have a thorough understanding of what is researched and analyzed in the second part, the field research.

The first part of the desk research is the external analysis of the American market where the macro-environmental factors of the USA will be set out. The main goal is to get an understanding of the bigger picture and context in which an American consumer is situated. Afterwards, a culture study of both Americans and Belgians will be conducted to learn how the cultures may differ since culture greatly influences the way people think and behave. The third part of the desk research will start to really focus on the furniture industry in both countries. Many of the results of this part of the research will be tested and possibly verified within the field research.
As the final goal of this project is to provide Belgian companies with information concerning possible expansion to or in the US market, it is important to gain some additional insight in the current trade relations between the two countries. This information can be found in '1.4 Trade between the USA and Belgium'.

The most remarkable and important findings and results will be summarized in the final part, '1.5 Conclusion Desk Research'. While it may not be able to answer the main research question, desk research can provide a lot of useful information to place this study in a bigger context and help understand, interpret, and support the findings in the field research. Furthermore, it also answers multiple important sub research questions.

1.1 EXTERNAL ANALYSIS OF THE AMERICAN MARKET

The external analysis of the American market starts with additional insight in the methodology used to conduct this research into the overall environment. Afterwards, a short introduction to the American market gives a first survey of the bigger context. Finally, the entire PESTEL analysis is set apart explaining every external factor of the market separately.

1.1.1 METHODOLOGY

This country analysis is mainly focused on analyzing and monitoring the macro-environmental factors of the United States of America. By means of the PESTEL analysis framework, the goal is to disclose the different aspects of the external marketing environment. (Marketing Theories - PESTEL analysis, sd) This method contributes to a clear understanding of the main factors that could turn out to be an opportunity or a threat within an industry, a market, or even a country. The acronym PESTEL stands for Political, Economic, Social, Technological, Environmental, and Legal factors. (Scanning the Environment: PESTEL Analysis, 2016) It is important to realize two crucial facts about these elements. First of all, they can influence the functioning, positioning, and performance of an organization within the market, and secondly, they cannot be controlled by a person, organization, or industry. They are called systematic factors. (PESTLE analysis, 2011)

1.1.2 SHORT INTRODUCTION TO THE AMERICAN MARKET

The United States of America have a population of 328.61 million people and generated a GDP per capita of 59,531.7 USD in 2017 compared to a Belgian GDP per capita of 43,323.8 USD. (US Census Bureau, 2019) (The World Bank, 2019) These numbers already give an indication of the huge size of the market and show the great potential of doing business within this market. Nevertheless, it is still important to investigate the specifics that make up this market and research the possible risks of international entrepreneurship. It is impossible to entirely avoid risks, but there are definitely ways to anticipate and manage them efficiently. (Cavusgil & Knight, 2014) Because of the 50 different states that makes up the US, it is important to have a general overview of the country as well as specific knowledge about the exact state where to expand to. The research within this study only provides the general country insights. (Vanpoucke, 2019)

1.1.3 PESTEL ANALYSIS

1.1.3.1 Political

The United States of America is the second largest democracy in the world in terms of population, with India in first place. (Wood, 2018) Even with such a large democracy, they are only on the 21st place in the list of the world's most democratic countries, under the category of 'flawed democracy'. (Wright, 2018)

Every four years, both, the Republicans and the Democrats - the two political parties - choose one candidate each to run for president and thereby become head of the country. These candidates have to fulfil a minimum of three criteria:
1. Been born in the US.
2. Be over 35 years old.
3. Lived in the US for a minimum of 14 years.

Furthermore, the rules also state that a president can only be elected twice. (BBC, 2012) In 2016, the Republican Donald John Trump was elected for the first time to be the 45th president of the United States. (Barbaro & Flegenheimer, 2016) The next presidential elections will be held on Tuesday, November the third, 2020. (Washington Secretary of State, 2019) It is important to realize the impact that the president and his administration can have on the country, the industry, and even how they affect other countries. The trade uncertainty under Trump and the possibility of an increase of import tariffs could have an impact on the furniture industry. The significance of this knowledge, as well as current political developments under President Trump will be further explained in ‘1.4 Trade between the USA and Belgium’.

The US government has three different branches that provide a separation of powers – called “Trias Politica”. This separation of the federal government is set out by the Constitution of the United States. The purpose is to ensure that none of the branches would become too powerful. (Mount, 2010) The legislative branch makes laws and includes Congress, which is made up of the Senate and House of Representative, and a number of special agencies offering support services. The second branch is the executive branch, this part of the government carries out and enforces laws. The president, vice president, and the Cabinet are all part of this segment. Lastly, there is also the judicial branch, this includes the Supreme Court – which is the highest court in the US - and other federal courts. They are responsible for interpreting the meaning of the laws, applying laws to separate cases, and determining whether or not certain laws are in conflict with the Constitution. An overview can be found in the appendix ‘I PESTEL – Political’. (USA gov, 2018) It is important to realize that the USA and its politics have a significant influence on many other political dynamics all over the world. They are considered one of the world leaders. Therefore, they can greatly influence every sector or industry globally, thus also the furniture industry. At the moment, the country enjoys a rather stable political climate thanks to the Trias Politica system. (Department of Commerce - USA, 2018)

1.1.3.2 Economic

As the economy of the USA is both, the most important and largest economy globally, it is not surprising that it represents about a fifth of the total output worldwide. Service-oriented companies dominate the US economy and many of them are significant, international players. More than 20% of the Fortune Global 500 originate from the US. (Focus Economics, 2019) Some examples of American corporations that are shaping and leading many socio-economic topics all around the globe are Microsoft, Coca Cola, Google, Apple, McDonald’s, and Facebook. (David, 2017)

According to the International Monetary Fund, the USA had economic growth rates from 4.2% and 3.5% for the middle quarters of last year. This fits perfectly within the track of the global economy which has a healthy growth percentage of 3.7% on average in 2018. (Coy, 2018) Expected is that the gross domestic growth in 2019 will decline from 3% to an eventual 2.3%. This GDP growth rate still remains within the ideal range of 2% to 3%. This forecast was given at the Federal Open Market Committee meeting at the end of December 2018. (Amadeo, 2019) A couple of possible reasons for this expected slowdown of the economy in 2019 are the trade war with China, security challenges from the Middle East, the happening of the Brexit, jittery stock markets, and more. (Chafuen, 2019)

The economic stability of the USA is reflected not only by the economic growth of the country, but also by the strong competitive position vis-à-vis other countries worldwide. The

United States are in fact first in The Global Competitiveness Index set out and published by the World Economic Forum. (World Economic Forum, 2018)

Another key economic indicator to consider is the unemployment rate. In 2018, this rate stood at 3.9%. (Statista, 2019) For 2019, the unemployment is expected to dive even more. In the first couple of months of the new year, the US unemployment rate has already fallen more than expected to 3.8% in February 2019. In the United States, the jobless rate is annually averaged at 5.76% from 1948 until 2019. There are currently about 6.2 million Americans unemployed. (Ferreira, 2019)

In addition to the purely economic aspects, the financial factors are also important. For example, the exchange rate risk between the US and Belgium is minimal. The American dollar and European euros are among the stable currencies “that are universally accepted and used most often for international transactions” (Cavusgil & Knight, 2014). Nevertheless, fluctuation should always be considered when doing business with different currencies. A possible solution to this pitfall could be to get forward contracts to protect the incoming revenue. A forward contract is a type of trade agreement that allows a party to buy and sell assets for a set, specified price for a defined period of time. (Juraschka, 2017)

Another financial factor is people’s income. This can have a huge impact on their purchasing power and purchasing decisions. People in states such as California, New York, and Florida have higher income rates. As a result, these states are often more accessible for high-end furniture. Many other states will turn out to be rather irrelevant for European designs. (Vanpoucke, 2019)

1.1.3.3 Social and Demographic

Knowing about the social composition of the market can be very interesting to have a realistic idea of the potential size of the market. This includes knowing the number of citizens, the population density, the possible ethnicities, distribution of wealth, gender equality, life expectations, etc. The mentality of individuals, and thus consumers, can be assessed by a combination of these social factors. (An Overview of the PESTEL Framework, 2015)

According to the US census world population clock, the current population of the United States is approximately 328.63 million people, this is 4.45% of the world population. The number of US citizens keeps on growing as there is a birth every 8 seconds and a death within an average of every 11 seconds. (US Census Bureau, 2019) All these people are spread over the entire country, with New York City, Los Angeles, Chicago, Brooklyn, and Houston as the top 5 most populated cities. (World Population Review, 2019)

Former studies have already proven that there is an undeniable connection between the race or origin of people and their income. (Hegewisch, Phil, & Williams-Baron, 2018) Therefore, the origin within the US demographic composition could be taken into account when setting the target audience. (Costa, Cooper, & Shierholz, 2014) Table 1 represents a clear overview of the number of workers and the median weekly earnings of US workers based on gender, age, and race for the years 2017 and 2018. The main conclusions to draw from this figure are that the total number of workers is inclining, men always earn more than women within every race, and Asian men have generally the highest income on a weekly basis within the US. Also, black or African Americans earn less than white Americans but their salary difference with Hispanic or Latino ethnicity is minimal. It is very clear that there is no equal distribution of wealth in terms of money, as the gender wage gap is still clearly visible, on top of the significant earnings differences based on race and ethnicity. (United States Department of Labor, 2019) (Hegewisch, Phil, & Williams-Baron, 2018) As mentioned earlier, people's income can have a huge impact on their purchasing power and purchasing decisions.

37. Median weekly earnings of full-time wage and salary workers by selected characteristics

Characteristic	Number of workers (in thousands)		Median weekly earnings	
	2017	2018	2017	2018
SEX AND AGE				
Total, 16 years and over	113,272	115,567	$860	$886
Men, 16 years and over	62,980	64,142	941	973
16 to 24 years	5,791	5,818	547	575
25 years and over	57,190	58,324	996	1,026
Women, 16 years and over	50,291	51,425	770	789
16 to 24 years	4,490	4,611	499	522
25 years and over	45,801	46,814	810	830
RACE AND HISPANIC OR LATINO ETHNICITY				
White	87,730	88,953	890	916
Men	50,003	50,570	971	1,002
Women	37,727	38,384	795	817
Black or African American	14,521	15,041	682	694
Men	6,928	7,282	710	735
Women	7,593	7,760	657	654
Asian	7,320	7,643	1,043	1,095
Men	4,014	4,169	1,207	1,241
Women	3,306	3,474	903	937
Hispanic or Latino ethnicity	19,615	20,297	655	680
Men	11,896	12,226	690	720
Women	7,719	8,071	603	617

NOTE: Estimates for the above race groups (White, Black or African American, and Asian) do not sum to totals because data are not presented for all races. Persons whose ethnicity is identified as Hispanic or Latino may be of any race. Updated population controls are introduced annually with the release of January data.

Table 1: Household Data - Weakly Average Wage based on Characteristics – Source: (United States Department of Labor, 2019)

Within the context of this study, it is very interesting to gain deeper insight regarding the population per generation. Most important to keep in mind is the composition: 26.54% belongs to the Post-Millennials, 22.06% to Millennials, 20.17% of the people are Generation X, 22.56% is part of the Baby Boomer generation, and the remaining 8,67% of the people are Seniors. (US Census Bureau, 2018)

1.1.3.4 Technological

The American culture is very open to the development of new technologies and infrastructures. The cultural study of the USA will prove the willingness of Americans to try something different or new. (Hofstede Insights, 2019) This mindset allows them to be perceived as “the largest, most competitive and technologically advanced economy in the world”. (Department for International Trade UK, 2016)

The country has an absolute leader position worldwide when it comes to science and technology, this is confirmed in the Science and Engineering Indicators 2018 report published by the National Science Foundation. (National Science Foundation, 2018) The European Innovation Scoreboard 2018 indicates that the US has a better innovations performance than the European Union and that the US scores higher on eight innovation indicators than China does. Moreover, the States can be categorized under Strong Innovator together with Australia, Canada, Japan, and several EU member countries such as Belgium and France. Some of the country’s main strengths are business R&D expenditures, tertiary education, and public-private co-publications. (European Commission, 2018)

Because the design market is characterized by rapid change and driven by innovation, there is a great need for good research and development within companies. Organizations have to respond to these changes to remain competitive. A possible way to protect the innovations designed by a company is to apply for a patent, more about this will follow in ‘1.1.3.6 Legal and Regulations’. (Widerman & Malek, 2015)

1.1.3.5 Environmental

Increasing international trade is inextricably linked to higher logistics activity. This has a huge impact on the environment and other aspects of our planet such as resources, ecological cycles, etc. These changes in the market and environment have created a certain need to limit the negative effects of globalization. (Enviro, 2013) Corporate social responsibility (CSR) has never been more important than nowadays. Studies have proven that CSR can influence the sustainability and success of a company and that young Americans are often more concerned about this than the older generations. (Transparent Hands, 2017) CSR measurements are not fixed or obligated, thus, it is up to businesses to voluntary engage themselves and undertake social and environmental responsibility practices. (Camilleri, 2016)

Under former President Barack Obama, the United States knew a historic commitment to protecting its environment and addressing the impacts of climate change. During his presidency he achieved a 9% carbon emissions decrease. This was mostly realized by cutting carbon pollution (Clean Power Plan), expanding the clean energy economy (American Recovery and Reinvestment Act), leading global efforts on climate change (Paris Climate Agreement), cutting energy waste (Better Buildings Challenge), protecting treasured natural resources, etc. (USA government, 2015) However, under current president Trump, these installed environmental measurements have been cut down systematically, allowing carbon emissions to rise across all industries. To name two regulations taken back, Trump announced to undermine the Paris Agreement and to repeal the Clean Power Plan. (Wheeling, 2019)

The Ecolabel Index gives a complete overview of all ecolabels. (Ecolabel Index, 2019) Forest Stewardship Council (FSC) is also present in the US. In view of the government's increasing efforts to promote sustainable development and environmental sustainability, it seems appropriate to respond to such initiatives. (Brinkema, 2019)

1.1.3.6 Legal and Regulations

In the United States, the law is based on tradition and previous lawsuits. Unlike the legal system in Belgium, where case law pronounced in earlier cases does not necessarily have to be followed, it is mandatory in the United States to rely on it. The national legislature has the ultimate power to implement or amend laws. However, because the US Constitution is difficult to amend, judges have a great deal of flexibility in performing their duties and interpreting matters and cases. Judges thus have a considerable dose of power in “individual cases, including commercial disputes and other business situation” (Cavusgil & Knight, 2014).
Apart from federal laws, additional legislations and rules are possible within each state separately. Therefore, it is crucial for a company which is expanding to or in the US market to research both the federal laws and constitutional laws, especially because business and corporate laws are one of the types of laws that can greatly vary across different states. There are several reasons why states are allowed to draw up their own regulations. Aspects that come into play when setting up these regulations are location, geography and natural resources, demographics of the population, etc. (Rivera, 2018)

With regard to product standards and regulations for the American market, it is important to take into account the mandatory federal requirements (sometimes also additional requirements of US states) and voluntary standards or recommendation standards of American or international standards institutes. American customers require their supplier to provide products that are adapted to recommendation standards from American or international standardization bodies and testing laboratories. Lawyers also recommend voluntary standards to producers and suppliers as an essential part of the company's product liability management strategy. (Flanders Investment and Trade, 2019) New innovations within the furniture market are often protected via patents. This form of protection is extremely popular in the United States, more than in Belgium, and requires a specialized patent law firm to handle this matter. (Widerman & Malek, 2015)

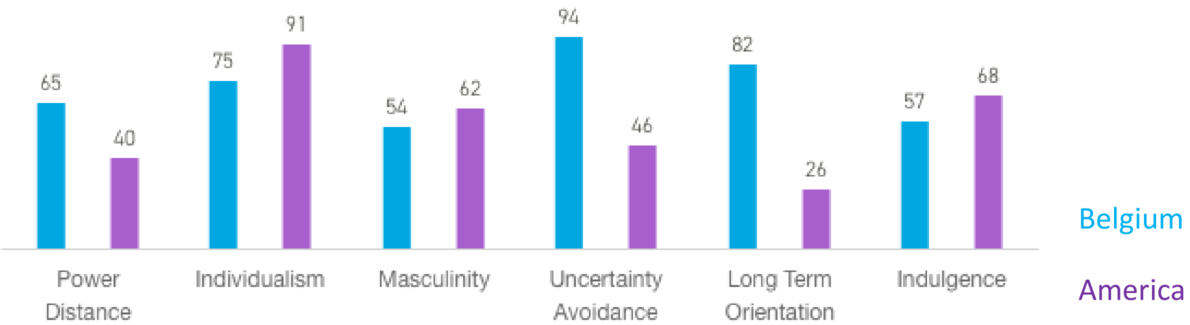
In addition, it is necessary to record as much information as possible in a contract. Contracts are therefore highly detailed and include every possible unforeseen event. Making a contract is therefore a time-intensive and costly affair. It is also always advisable to appoint a lawyer for such cases, because no serious organization in the US will sign a contract without his lawyer going through the contract first. The American Bar Association can offer a list of possible American law firms. (Department for International Trade UK, 2016)

1.2 CULTURAL DIFFERENCES BETWEEN THE USA AND BELGIUM

Even with cultures around the world growing in interconnectivity and the increasing globalization of the business world, it is crucial to realize the importance of the socio-cultural differences between countries. Culture affects people's patterns of thinking and their behavior. (Hofstede's Cultural Dimensions, 2017) Being aware of the cultural differences between two countries will help foster effective communication which is a crucial necessity to be successful in every aspect of life. Overall, it is an important step within the global marketplace to recognize the importance and significance of culture in a business setting. (Mendoza College of Business, 2019)

1.2.1 THE SIX DIMENSIONS OF GEERT HOFSTEDE

The culture study conducted underneath is based on the six cultural dimensions of Geert Hofstede, a Dutch management researcher. These six dimensions are Power Distance, Individualism, Masculinity, Uncertainty Avoidance, Long Term Orientation, and Indulgence (see Graph 1). The study compares the dimensions from the American culture to the Belgian culture. All similarities and differences uncovered in this culture analysis should be kept in mind when approaching the American consumer. Last but not least, the context of both the American and Belgian consumer are set apart in the analysis. (CFI, 2015) Underneath Graph 1, each of the dimensions is discussed separately based on the results represented in the graph. First a general explanation is given of the dimension to assure a clear understanding, afterwards the Belgian and American scores are analyzed and interpreted. This entire culture study is not focused on furniture purchasers alone. It is merely to create a clear and complete image of the different thinking patterns between the two nationalities.



Graph 1: Country Comparison BE vs USA - Cultural Dimensions – Source: (Hofstede Insights, 2019)

1.2.1.1 Power Distance

Power Distance reflects the beliefs of people about how power should be or is distributed within society. The key concept within this dimension is the way the public handles equality or inequality among people. (Hofstede's Cultural Dimensions, 2017) To come to a score in this dimension, power is considered from the point of view of the followers, the less powerful level.

When power distance is high, people show a great respect for the hierarchy. Power differences are accepted, and inequality is considered normal. Contrary, when the power distance is low, people prefer a flat organizational structure. There is no need for rank and there is less difference in authority. Management has a rather participative style and there is clear power distribution. (CFI, 2015)

The PDI score of Belgium is 65, this can be considered rather high. This means that people accept unequal distribution of power. Power is centralized, and hierarchy is expected or even needed. In a business setting this score may be translated in the form of a formal attitude. People address their superiors with their surname and information flows from the upper level downwards. (Hofstede Insights, 2019)

The United States of America score rather low with a PDI of 40. This implies that people expect a more equal distribution of power. A hierarchy is not needed but can be established for convenience. In the business world, this PDI translates itself into informal communication that is fairly direct and has a participative degree to it. Information does not necessarily flow in a downward direction but is more of two-way-flow. Managers and employees share information and consult each other before making decisions. (Hofstede Insights, 2019)

1.2.1.2 Individualism

The Individualism dimension is sometimes also called the Collectivism dimension as this is the complete opposite. This dimension reflects the importance of group interests. It reflects if people are more likely to take care of only themselves and immediate family, or if they consider a way bigger group to be important and take care of in life. One of the clearest indicators in this dimension is rather people prefer to use the term 'I' or the term 'we'. (Hofstede's Cultural Dimensions, 2017)

A high score in this dimension indicates Individualism, this is when people focus on obtaining their own personal goals. They put their personal needs first and often use the 'I' form. Individualists do not feel like they have any obligation towards other people or the group. A low score suggests Collectivism. Collectivism implies that the bigger picture is the group. People have eye for the goals and well-being of many people other than themselves. The self-image is often defined as 'we'. (CFI, 2015)

Both, Belgium and the US score high on this dimension and are definitely considered to be individualists. In Belgium, this high score in combination with the high PDI is rather contradictive and could cause some tensions. On one side, they are focused on themselves, and on the other hand, they need hierarchy. In a business setting, this needs to be translated by a manager by means of clear communication in combination with personal contact. Managers should try to give all individuals the feeling that they are appreciated and important. Everybody is important while all being unequal. (Hofstede Insights, 2019)

With a monster score of 91, the US is considered to be one of the most individualistic countries worldwide. American citizens are very focused on themselves and immediate family without counting on any form of support from others. Therefore, it is often complicated to build long-lasting and deep friendships. They easily make contact with new people and are often skilled in networking. This is known to be a great advantage and valuable skill in the business world. Americans are straightforward and not particularly shy, they seek the information they need, are self-reliant, and often display a lot of initiative. (Hofstede Insights, 2019) Notice that this individualistic characteristic in the American culture often leads to heroes being admired and honored. One of the best examples of this is the cult status that Steve Jobs obtained for his work at Apple. (Coeli, 2017)

1.2.1.3 Masculinity

Once again, this dimension has two opposite sites, the Masculinity and the Femininity. The key question here is: "What values are considered more important in the society?". Possible values are for example achievement, heroism, success, assertiveness, cooperation, modesty, quality for life, sexual equality etc. The first four values represent a rather Masculine culture with a high score on this dimension, while the last four values are indicators of a Feminine culture where the score is rather low for this dimension. (Hofstede's Cultural Dimensions, 2017) In a business context, it refers to 'tough versus tender' also. Tough refers to Masculinity where wealth-building is very important. Tender stands for Femininity, nurturing and flexibility are two important components to life in this culture. (CFI, 2015)

Belgium scores 54 on this third dimension. This score is a rather intermediate score which indicates a balance between Masculinity and Femininity. In general, Belgians will try their best to compromise and come to a mutual agreement. Important to realize is the fact that there is a clear difference between the score of Flanders and the score of Wallonia in this dimension. Flanders (the Northern part of the country) has a score of 43, while Wallonia (the Southern part) scores 60. This cultural difference is probably one of causes of the challenges the two communities experience. (Hofstede Insights, 2019)

With a score of 62, the American culture falls under Masculine. It is typical for Americans to strive to be the best and have a true winner's mentality. They often apply the motto of 'the winner takes it all'. When Americans achieve success, they will not hesitate to talk freely about those achievements and show off their talents. This is also reflected in the business world, people are goal oriented and typically live to work. They prioritize money over flexibility or quality of life. Quality of life is an achievement when this provides them status and reflects how good they are, which is a form of success. (Hofstede Insights, 2019)

1.2.1.4 Uncertainty Avoidance

Uncertainty Avoidance represents how important it is to a culture to control the future. To which degree do people experience uncertainty as uncomfortable? Should ambiguity be feared? Is it okay to just let the future happen? This dimension defines to what extent a culture needs rules and regulations to avoid uncertainty. How people feel about unknown situations and unexpected events are key to the score within this dimension. (Hofstede's Cultural Dimensions, 2017)

A country with a high Uncertainty Avoidance score won't tolerate ambiguity. They will avoid uncertain situations and set up a number of strict rules and regulations to do so. When the opposite situation occurs, where people like to deal with risks, they will turn out to have a low Uncertainty Avoidance. They are open to the unknown and do not need rules and regulations to avoid the unexpected. (CFI, 2015)

Belgium is highly regulated, people will try their best to control the situation and future as much as possible. Therefore, the index for this dimension is extremely high with a score of 94. This is one of the highest scores on the UAI and can be explained by the country's history as they were often ruled by other countries. Belgians have a need for detail, they want to know the bigger and further context, and feel the need to explore the entire background to avoid any surprises. In a management's situation, this means that they will try to plan everything out, to create a clear structure, and to set unambiguous rules. When sudden changes appear or there is a lack of security, stress will be experienced. (Hofstede Insights, 2019)

The US score of only 46 is a case of average to low Uncertainty Avoidance. This implies that Americans are open to innovative ideas. A new product will be welcomed as they are typically willing to at least try something unfamiliar. (Doing business in the USA, 2019) This openness is not limited to one industry in particular but can be applicable on sectors going from the food sector to the technology sector, to the furniture industry. They do not avoid risks. Important comment to be made is the fact that in general, they do not require a lot of rules but after the terrorist attacks of 9/11 the government took a lot of measures to install extra security organizations such as the National Security Agency, also known as the NSA. (Hofstede Insights, 2019)

1.2.1.5 Long-Term Orientation

The dimension of time orientation is Short Term Orientation on the one hand and Long Term on the other hand. Every community has a timeline consisting of past, present, and future, and they all have a different view on this time horizon. Traditions are links with the past that some societies love to hold on to. Other societies prefer to dismiss these social obligations and have a more pragmatic approach. These are more future minded and try to prepare themselves via education for the future. (Hofstede's Cultural Dimensions, 2017)

A high score within this dimension means that the culture has a Long-Term Orientation. This is characterized by persistence and focus on long-term growth and successes. This type of culture often postpones short-term achievements or gratification to eventually obtain a long-term success. Short-Term Orientation is the opposite where cultures have a low score on this dimension. They want results as soon as possible and have a great respect for traditions and social obligations of their past. Procrastination of results is to be avoided and the focus is set on the near future with short-term achievements. (CFI, 2015)

The score of Belgium is 82, meaning that it has a culture with a Long-Term Orientation. They have a rather pragmatic approach and show a great ability to easily readjust and revise traditions to changed conditions. Belgians are also known to be big savers with a focus on thriftiness, they do not like to buy on credit. Achieving results is done by perseverance and on the long term. (Hofstede Insights, 2019)

Americans are the complete opposite compared to Belgians within this dimension with a score of only 26. As a Short-Term Oriented culture, Americans are known to hold on to their strong believes of what is 'good' and 'bad'. They have strong opinion that find their origins in the past and in traditions, examples of topics are abortion, euthanasia, weapons, etc. In a professional setting, the culture is focused on short-term results. Unlike Belgium where profit and loss statements are released once a year, American businesses issues these statements on a quarterly basis which makes them strive for quick results even more. (Hofstede Insights, 2019) (Coeli, 2017)

1.2.1.6 Indulgence

This dimension results in either Indulgence or Restraint and is a relatively new dimension to the framework. Indulgence is when someone has a very high score on this index. This implies that they have weak self-control towards their impulses and desires. People with an indulgence score feel freer in doing what they want, they often prioritize having fun and enjoying life. (CFI, 2015) Self-control is a key aspect to this dimension and is often learned and developed via education and the way people were raised. How young children socialize is crucial to the humanization of society and will co-define the person they will grow up to be. (Hofstede Insights, 2019) When people have a high self-control, they are categorized to be Restraint. This indicates that they tend to suppress gratification of needs, instead they are more focused on implementing regulations and strict social norms. (Hofstede's Cultural Dimensions, 2017)

Belgium falls under the category of Indulgence with a score of 57. This means that Belgians have the desire to be aware of their impulses and aspirations, especially the ones regarding amusing themselves and enjoying life. To realize this desire, they pay a lot of attention to having sufficient leisure time and acting as they please. Spending money the way they want also falls under this category but is less the case for Belgians as they are known to be money savers. Overall, they prefer a positive attitude in life and have a tendency towards optimism. (Hofstede Insights, 2019)

The score on this sixth dimension for the US is 68 which indicates that they are Indulgent, just like Belgium. When considering this Indulgence score in combination with the Masculinity of the Americans, it is easy to see the origin from the typical saying ‘Work hard and play hard’. (Hofstede Insights, 2019) People in the States have an even more positive attitude towards life and are known to be big spenders. They work hard and therefore they have less leisure time, but they compensate this with high spending. Even when they do not have the money, Americans can always pay by means of credit and pay off their credit card debt over time. (Passy, 2019)

1.2.2 THE AMERICAN CONSUMER

Since the United States of America is such a huge country, with people spread over more than 9,629,091 km², it is not surprising that not all Americans show the exact same consumer behavior. (National Academic, 2017) There is no such thing as ‘the American consumer’, interests and tastes highly vary across the country. (Export Entreprises SA, 2019) Nevertheless, this part of the study will try to draw a rough sketch of what kind of consumer behavior applies to most of the Americans.
Important to know is that consumer behavior is very dynamic, constantly developing and redeveloping. The changing behavior of consumers is mostly an adaption to the growing environment introducing modern trends, new technologies, state-of-the-art designs, etc. (iFocus, 2018)

As explained earlier, most Americans like to keep an open mind, this makes them often very welcoming towards foreign products. Furthermore, they are known to value comfort, cuisine, and vehicles. Nowadays, American consumers seem to gradually become more conscious about the environment and their ecological footprint. This trend is especially growing importance among the youngest generations when acting as consumers. (Export Entreprises SA, 2019) Also, consumers are more and more influenced via their smartphone, this facilitates e-commerce and forces shops to create an exceptional in-store experience to engage consumers and hook them to their shop. (Mcknight, 2019)

According to the 11th US Consumer Sentiment Survey, Americans typically stay very loyal to brands they know and like, most of them won’t downgrade to a less expensive alternative without a good reason. However, this brand loyalty does not imply that they are willing to blindly buy the brands they like. American consumers try to find ways to purchase their preferred brands using smaller budgets by collecting discount coupons, looking for sales, search for alternative retailers, or just by reducing their purchase quantity. (Magni, Martinez, & Motiwala, 2016) Especially Millennials are focused on getting more for the same price, they are known to be the comparing generation always seeking for discounts and promotions. (Export Entreprises SA, 2019)

In general, American consumers are relatively not too worried about their household’s financial fate and believe in positive prospects for the future. (Export Entreprises SA, 2019)

1.3 OVERVIEW OF THE FURNITURE INDUSTRY

This overview of the furniture industry starts off with a definition of what is meant by 'furniture industry'. Secondly, the positioning, recent developments, and key aspects of the Belgian and American furniture market are explained. Afterwards, the possible needs and desires that a furniture consumer might have, are discussed to already draw up a rough sketch of what shall be explored in the later following field research. The last section of this part within the study provides an overview of how the different generations are positioned within the furniture sector.

1.3.1 WHAT IS THE FURNITURE INDUSTRY?

It is important to set out a clear scope of what will be understood under the term 'furniture industry' throughout this research. Included are seats & sofas, beds & mattresses, tables & shelves, rugs, lamps & lighting, and other furniture of various materials such as plastic for outdoor purposes. Following home décor items are excluded from the study: baths, sinks, faucets & other unmovable objects, tableware, kitchenware & other household articles, consumer electronics, household appliances, and other household textiles. (Statista, 2019)

There are four clear home furnishing segments: Furniture, Small Electric Appliances, China Crystal/Silverware & Utensils, and Household Linens. This study will only be focusing on the Furniture segment. (The U.S. Home Furnishing Market: Size, Trends & Forecasts (2018-2022), 2018) The furniture segment can be divided once again in seven considerable subsegments that complete the term 'furniture market' used in this study. Living-room & Dining-room Furniture, Bedroom Furniture, Kitchen Furniture, Plastic & Other Furniture, Office Furniture, Lamps & Lighting, and Floor Covering are all the possible categories to subdivide the items into that are mentioned above as included. (Sapun & Blumtritt, 2019)

1.3.2 THE FURNITURE INDUSTRY IN BELGIUM

Over the last couple of years, the furniture industry in Belgium has known small decreases in revenue due to the difficult market conditions. (De Vos & Quix, 2019) These difficult market conditions are mostly due to the constant challenges such as technological innovations and fast-paced transformations. The typically high uncertainty avoidance of Belgians causes the country's consumer spending to drop drastically whenever any changes happen in the market. (Sapun & Blumtritt, 2019) Nevertheless, there is a certain degree of confidence that the furniture revenue will start increasing again in the upcoming future. (De Vos & Quix, 2019) This confidence comes from the Belgian furniture industry that invested considerably more in 2018: 96.2 million euros (+18.2%). The increase in investments follows 2017, a year of lower investments. This indicates that the companies confirm their confidence in the future of the industry. (De Jaeger, 2019)

During the summer of 2018, the Belgian consumer confidence decreased, and by the end of the year, the consumer confidence everywhere in Europe started to weaken. This confidence drop was one of the main causes for the loss of customer visits in the Belgian furniture trade. Also, an unusually warm summer kept a lot of customers away from the Belgian furniture stores. (De Jaeger, 2019) On the other side of the business cycle, there is the business confidence. This kind of confidence has known a real rollercoaster figure during 2018. Initially it declined in 2018, then there was a small improvement allowing the curve to smooth a little. However, during November and December of 2018 business confidence deteriorated extremely sharply, closing the year with an all-time low. (De Vos & Quix, 2019) In early 2019, a slight recovery started to happen. (De Jaeger, 2019)

Furniture exports remained fairly stable during the first ten months of 2018. More than 90% of the foreign deliveries of furniture are destined for the internal EU market. These remained virtually stable. On the French market, with a share of around 40% the most important export market, 3% fewer Belgian furniture was delivered. Deliveries to the Netherlands, the second most important export market with a share of around 30%, increased by 3.3%. Germany, the third most important customer, remained stable at -0.4%. The United Kingdom comes in a distant fourth place with a share of 2.2%. The Belgian deliveries on the British market fell with 11% back during the first ten months of 2018 after already having fallen by 14.7% in 2017. (see appendix 'III.a Numbers Fedustria 2018')

Nowadays, a retailer has two main options on how to offer their products to their customers, either online or offline. E-commerce or online sales channels are one of the new challenges within the industry. These are internet platforms where people can buy their products without even leaving their house. Offline sales are the traditional ways of selling products in a store, via mail order, or tele sales. In Belgium, e-commerce within the furniture industry is currently at a 5% share, making them 19th in the world ranking of countries with online furniture sales. This share is expected to grow to 8% by the year 2023. (Sapun & Blumtritt, 2019) (Statista, 2019) An overview of additional challenges in the overall industry are further explained in the final paragraph of the next part.

1.3.3 THE FURNITURE INDUSTRY IN THE UNITED STATES OF AMERICA

The financial crisis of 2008 has left deep and noticeable marks in the American furniture industry. Mainly because the market for residential furniture in the US is strongly linked to the housing market. (Flanders Investment and Trade, 2018) Ever since 2008, the US economy has managed a vigorous growth rate and a permanently enhancing labor market, allowing the housing market to become strong again. This resulted in the reinstatement of healthy sales of furniture and home furnishings. (Weinswig, 2016)

The US furniture market is estimated at 98.4 billion USD in 2017. 'Furniture Today' predicts that the market will grow annually with a growth rate of 2.9% between 2018 and 2022, reaching 120 billion USD in 2022. (Flanders Investment and Trade, 2018) The total sales of the top 10 leading furniture stores in the US in 2017 amounted 24.488 billion USD, this accounts for almost 25% of the country's total furniture market. Ashley Homestore, IKEA, Williams-Sonoma, Rooms To Go, Restoration Hardware, and Raymour & Flanigan are some examples of companies belonging to the top 10. (Furniture Today, 2018) (Weinswig, 2016)

Furniture belongs to the top 10 industries importing into the US. (Department for International Trade UK, 2016) Worldwide, the US is the largest furniture importer and, after China, the second furniture producer and the second largest furniture consumer country in the world. The entire US furniture market accounts for around 16% of the global consumption. The main manufacturing sub-sectors are home furniture (34% of total furniture production), kitchens (25%) and office furniture (22%). For all segments, with the exception of bedroom furniture, China is the most important importer of furniture in the US. (Flanders Investment and Trade, 2018) The value of the furniture exports of the United States decreased over the period of 2014 to 2017 from 11.8 billion USD to 10.8 billion USD. (UN Comtrade, 2018) (Wee, 2017)

E-commerce is considered to be the biggest source of growth in the American furniture industry. (Sapun & Blumtritt, 2019) At the moment, the US is, by far, the number one leader in the world ranking of countries with online furniture sales. The industry had a 25% e-commerce rate in 2018. The online sales channel is expected to grow its share up to 40% by the year 2023. (Statista, 2019) (Sapun & Blumtritt, 2019) Industry analysts at eMarketer predict that online sales will reach 32 billion USD by 2020, thanks to improved sales of major online players such as Overstock.com, Amazon and Wayfair. Sales of these players increased by 14.8%, 19.5% and 44.0% in 2017, respectively. (Flanders Investment and Trade, 2018)

Furniture companies are faced with more challenges than just e-commerce. At the moment the market is confronted with a great number of new trends such as augmented reality apps, generative designs, eco-friendly materials, and integrated technology. (Sapun & Blumtritt, 2019) The adaptation of new technologies also means that people are more willing to make purchases via digital devices. Therefore, the retailer with physical showroom and service, also called the "brick-and-mortar retailer", defends itself against this penetration by building a very strong relationship with the customer, at all levels possible. This starts with browsing or orienting via the internet and continues through the reception in the showroom, the sales events, the post-sale follow-up, the delivery, the service after delivery and handling of comments or suggestions. The US furniture trade invests in technological solutions and software, digital displays and tablets, and finally in store renovation to make the atmosphere and overall experience of shopping as pleasant as possible. (Flanders Investment and Trade, 2018) Thus, the furniture market is currently dealing with innovations in design, production, assembly, and material, going from 3D-printed furniture to smart lightening. (Sapun & Blumtritt, 2019) An additional challenge that the industry has to deal with are the changes in consumer behavior. These changes are mostly driven by the generation of the Millennials as they are currently the largest consumer group in the market. Every shift from one leading generation to a new one asks for different, innovative insights and ways to deal with. (Weinswig, 2016)

1.3.4 POSSIBLE NEEDS AND DESIRES AS A CONSUMER

Consumer behavior is changing fast. People are looking more and more for individual or unique pieces of furniture to be mixed and matched within the same space. Consumers often search for comfort and functional solutions for individual needs for small living units. Innovative collections with a link to, and integration of, the latest electronics, technology, and trends have a great future. (Flanders Investment and Trade, 2018)

The American consumer demands a wide choice of options for his seating furniture purchase, not only with regard to fabrics or leather, but also with regard to finishing. In the United States, delivery is expected within a period of 30 days. Delivery periods of eight weeks are felt to be very inhibitory, whilst this is considered less of a rarity in Belgium. Furthermore, consumers have also become more environmentally aware. Therefore, clear information about the materials used is highly appreciated. (Flanders Investment and Trade, 2018) Preferences such as modern versus traditional, basic versus high-end, or low priced versus expensive are other determining purchasing factors that are influenced by the demographics and individual taste of the consumer. (Schoenmakers, sd)

Nowadays, people also become more and more aware of the possible payment methods stores have to offer. In Belgium, the number one payment method at the moment is Bancontact. This is a type of debit card offering 100% guarantee on the payment and can be used online, via mobile, and for retail point of sale (POS) system payments. Other popular payment methods are credit cards such as Visa and Mastercard, or a Maestro debit card. (Adyen, 2019) The payments environment in the United States is clearly dominated by credit cards such as Visa, Mastercard, and American Express. Almost 30% prefers this type of payment method, while 9.2% opt for a debit card, and 8% rather pays cash or with a check. (Statista, 2017) Mobile payment methods such as Apple Pay, Google Pay, and Samsung Pay are growing in popularity as well. (Adyen, 2019)

1.3.5 GENERATIONS IN THE FURNITURE INDUSTRY

Underneath, the importance and positioning of five different generations within the furniture market are discussed separately. This information already forms a first image of possible defining factors per generation and contains insights of both Belgian and American furniture purchasers. The findings from this part of the desk research will prove to be crucial to fall back on when analyzing and interpreting the field research results.

1.3.5.1 Post-Millennials: Born 1997-Present (0-21 years old)

The generation of the Post-Millennials, also called Generation Z, are only 21 years old or younger. Therefore, it is not surprising that they, currently, barely have any influence or purchasing power within the furniture industry. Notwithstanding that these youngsters are already entering the minds of furniture producers and merchants. They probably won't be buying much furniture in the near future but researching and preparing their entry into the market could be an interesting move for producers. Post-Millennials are predicted to be unique consumers, wanting to be involved and co-create with brands. (Milstein, Millennials, Gen Z and what they want, 2018)

1.3.5.2 Millennials: Born 1981-1996 (22-37 years old)

Millennials are becoming an increasingly important target group for furniture companies. Between 2012 and 2014, this group's spending skyrocketed by 142%, with a major jump from 11.1 billion USD to 27.0 billion USD. (Harris, 2016) A rising trend is expected in the coming years. In 2017, Millennials spoke for about 37% of the market, a significant increase compared to the 14% they represented in 2014. (Flanders Investment and Trade, 2018) According to the Consumer Buying Trends survey of Furniture Today, that number is sure to rise further in the future. (Milstein, Take it from a Millennial, 2016)

Because of the young age of Millennials, it is often more difficult for them to purchase a home. There are fewer budgets available for the housing market, causing Millennials to delay household formation. In the States, the student loans must be paid off first, Millennials often have poor credit ratings, and the sharing economy is growing. (Weinswig, 2016) Nevertheless, there is a rather high purchase intention for furniture. (Flanders Investment and Trade, 2018)

They often prefer small, multifunctional, and affordable furniture to fit in their individualistic homes which are getting smaller and smaller. (Weinswig, 2016) Tiny living is becoming wildly popular. An extreme example was published in a New York Times article about the millennial with his 3.7 square meter living space. (Milstein, Take it from a Millennial, 2016) This is one way of saving money and space while acting on their need to differentiate themselves from their peers. (Weinswig, 2016)

Despite the fact that Millennials are very present on social media and highly proficient at using the newest technology, they are still more attracted to brick-and-mortar stores than online stores. The main reason for this is that they value and appreciate the in-store experience. (Milstein, Take it from a Millennial, 2016) Notice that compared to older generations, they are more familiar with online sources. They are the generation most likely to act on e-commerce and use their digital devices to make a purchase within the furniture industry. (Weinswig, 2016)

1.3.5.3 Generation X: Born 1965-1980 (38-53 years old)

According to the Consumer Buying Trends Survey by Furniture Today, Generation X represented 30% of the furniture and bedding purchases in the US in 2014. This represents 33% of the dollars spent in the entire American furniture industry during that year. Their total spending increased with 43% over a period of 2 years, going from 22.3 billion USD in 2012 to 31.8 billion USD in 2014. This is clear evidence that they are more resourceful and wealthier than the younger generations. (Weinswig, 2016)

Belgian people from this generation typically feel the absolute need to have a beautiful home. They feel the pressure to spend money and thereby express their individuality. (Flanders Investment and Trade, 2018) As the majority of the Gen Xers have a family, the home and furniture should be adapted and flexible to welcome and hold an extended family. Overall, this generation is less open to smart homes than the Millennials generation. (Home Textiles Today, 2018)

1.3.5.4 Baby Boomers: Born 1946-1964 (54-72 years old)

From 2012 to 2014, Baby Boomers gained 5% of buyer representation within the American furniture industry, allowing them to climb to 29%. In 2014, they were still the biggest spenders and thus the most affluent generation, with a total spending of 34.7 billion USD. Important to realize is the fact that this total spending is a drop of 17% percentage wise compared to 2012. (Weinswig, 2016)

Typical for this generation of consumers is to hire the services of a professional to gather information and insights in the market. They are all about convenience, the 'do it for me' market is booming thanks to these consumers. (Weinswig, 2016)

Baby Boomers typically like a refined rustic style for their furniture. They want to combine traditional or classic designs with more casual and simple rustic forms, allowing them to create a cozy feel to their homes. (Mather, 2017) Additionally, it is important for the furniture to meet the generation’s changing needs. For example, they prefer to sacrifice fashion over comfort, need smaller furnishings as they are downsizing and becoming empty-nesters, and enjoy items that feel familiar more than the latest trends. (Dooley, 2015)

1.3.5.5 Seniors: Born 1918-1945 (73-100 years old)

Furniture Today published a trade report stating that from 2012 to 2014 Americans over the age of 70 cease purchasing furniture almost altogether. The total expenditures of this generations fell significantly from 17.7 billion USD to just a little over 3 billion USD. (Harris, 2016) Allowing them to represent only 3% of the total dollars spent and 4% of the buyers in the American furniture industry. (Weinswig, 2016)

This generation is the most traditional. As an international brand, it is often harder to get American Seniors hooked as they prefer the “Made in the USA” labels. Most Seniors, no matter what nationality, are known to be financially conservative, but this does not implicate that they are price sensitive. When buying furnishings, they pay specific attention to key aspects such as simplicity or standardization, convenience, ease of use, quality, service, and support. (Williams & Page, 2010)

1.4 TRADE BETWEEN THE USA AND BELGIUM

Trade between the USA and Belgium is about more than the furniture industry alone. In the first section, an overview of the most important factors and general trade aspects between the two countries is given. Afterwards, the focus shifts to trade between the US and Belgium within the furniture industry specifically.

1.4.1 GENERAL

The US Census Bureau reported total export from the US to Belgium in 2018 to be 31.42 billion USD. The total imports from Belgium into the United States in 2018 amounted 17.19 billion USD. This means that there was a total deficit of approximately 14.23 billion USD. (US Census Bureau, 2019)

Important to notice is that, under President Trump, the Transatlantic Trade and Investment Partnership (TTIP) negotiations between the US and the European Union were put on hold for the time being. It is unclear if and when the negotiations will resume. Due to the imposition of import duties on steel and aluminum by Trump in March 2018, a trade war was imminent. The charges affect 6.4 billion in exports from the EU. In response, the EU has introduced the same taxes on American steel and aluminum. This concerns export goods from the US worth 2.8 billion euros. The EU has indicated that it will later come up with other counter-measures for the remaining 3.6 billion. (Europese Dienst voor Extern Optreden, 2018)

1.4.2 TRADE WITHIN THE FURNITURE INDUSTRY

According to the foreign trade numbers of the entire furniture industry, including metal and plastic productions, Belgium imported 7.99 million EUR from the United States in 2018. This is 0.4% of the total furniture imports and an increase of 5.6% compared to 2017.
The Belgian exports to the United States amounted a total of 27.24 million EUR. This represents 2% of the total Belgian furniture exports in 2018. In 2017, the exports were set at 26.39 million EUR, this means there was a 3.2% increase within one year. This information is provided by Fedustria vzw. (see appendix 'III.a Numbers Fedustria 2018) Fedustria vzw is the merger federation of the former vzw Febeltex and Febelhout and represents companies from the Belgian textile, wood and furniture industry. (Fedustria vzw, 2019)

The American furniture range is, to a large extent, what is considered "classic" in Belgium. Classic and genuine antique furniture from Belgium is very much appreciated by the American consumer. Belgian modern contemporary design is highly sought after in the higher segment of the US furniture market. Thus, it is safe to say that Belgian high-end design furniture and design interior products have a lot of market potential in the United States. (Flanders Investment and Trade, 2018)

1.5 CONCLUSION OF THE DESK RESEARCH

Throughout the desk research, a number of sub research questions concerning the American market were answered. Underneath, every paragraph will hold answers to one or more sub research questions by linking different sections of the desk research.

To the question "What are the most significant cultural differences between Americans and Belgians according to the six cultural dimensions of Geert Hofstede?", the answer is fairly clear. There are three significant differences. Firstly, Americans are short-term oriented while Belgians have more of a long-term orientation. The second significant cultural difference is the fact that people in the US show a low level of uncertainty avoidance in contrast to people from Belgium who avoid uncertainty at all costs. The last important cultural difference is situated in the power distance. Americans typically have equal power distribution and direct, informal communication which makes them a low power distance culture while Belgians show the complete opposite characteristics.

Typical American consumer behavior includes an open mind towards new trends and products from overseas. American consumers demonstrate a high level of brand loyalty and generally are positive about their financial status and future. However, they are also known to hunt for discounts and obtain the lowest price level possible.
Every furniture company acting in the US is faced with more challenges than price setting alone. Consumers are often highly demanding. Americans usually expect fast delivery times and excellent customer service. They also expect that they can always return goods and fully reclaim their money. Belgian companies that want to sell in the US must take this into account when setting up their sales structure in the States. Shifting to Millennials as the new driving generation, furniture companies are faced with many more unseen challenges: innovations in technology such as augmented reality, the need for more eco-friendly goods, ready-to-assemble furniture, and the growing importance of e-commerce.

At the moment e-commerce within the furniture industry in Belgium is fairly low with a total share of 5%. Especially in contrast to the US where e-commerce is the biggest source of growth within the sector. In 2018, this share was already up to 25% and is foreseen to increase to 40% within 4 years from now. The most significant online furniture retailers in the US are Wayfair, Amazon, and Overstock.com.

With a total of 98.4 billion USD in 2017, the sector has greatly healed from the financial crisis back in 2008. The furniture industry is positioned in the top 10 importing industries within the American economy. Furthermore, the country is the number one importer and the second largest consumer within the industry from a global perspective. This makes them an ideal export market for the Belgian furniture companies. Other aspects to keep an eye on are the top competitors within the American market such as IKEA, Restoration Hardware, Ashley HomeStore, etc. and the overall trade situation between the US and Europe.

2 FIELD RESEARCH

Within this field research many of the results found in the desk research will be tested and possibly verified. Furthermore, the goal is to combine the findings of this research with the results of the desk research to eventually formulate an answer to the main question of the study: "What are the defining factors for the spending of American consumers within the furniture industry from a generational point of view compared to Belgian consumers? "

To find an answer to this question, the field research consists out of four parts. First, the entire process of the research design and the actual research will be set apart and explained under ‘2.1 Research Methodology’. The goal of the research, the design of the online survey, the target population, the survey process, etc. will all be discussed and clarified.
This will be followed by a complete analyzation and interpretation of all the field research results from a generational point of view. The American answers will be evaluated and interpreted first, and afterwards the same will be done for all Belgian answers.
Under ‘2.3 Comparison of the Analyses and Interpretations’, the main differences and similarities between the Belgian and American responses will be reviewed. In addition, the part ‘2.3.2 The Ideal Target Audience’ will provide an answer to the question whether or not there is an ideal target audience within the Belgian or American furniture industry and what this ideal target audience would be if there was one.

The most remarkable and important findings and results will be summarized in the final part, ‘2.4 Conclusion of the Field Research’. Furthermore, an overview of the most important sub questions will be given and answered.

2.1 RESEARCH METHODOLOGY

2.1.1 GOAL OF THE FIELD RESEARCH

The field research is mostly focused on approaching the furniture industry from a generational point of view as an American or Belgian consumer. First of all, the analyses and interpretations of the results of the online survey will provide more insight in the factors influencing the purchase decision. An answer to the sub research question ‘what influence the nationality and generation have on the consumer’s purchasing behavior within the furniture industry’, will be provided throughout this field research. Especially the differences between generations within each nationality will be emphasized.

Afterwards, the objective is to give a clear overview of all the differences and similarities between American and Belgian consumers within the furniture industry, by comparing the results, analyses, and interpretations. An additional objective of the field research is to get a clear idea of what the most attractive target audience would be for furniture companies operating in the United States, but also in Belgium.

2.1.2 RESEARCH DESIGN

This part of the study was limited to quantitative research only. The quantitative research approach was chosen because this type of research generates numerical data or data that can be transformed into usable statistics. This way attitudes, opinions, behaviors, and other defined variables can be quantified. Consumers of two different nationalities had to be researched, questioned, and analyzed, namely Americans and Belgians. The numerical data obtained could be analyzed via statistical analyses and could easily be compared to one another. Furthermore, quantitative research led to conclusive results and could be generalized to a larger population. This is exactly the type of research required within this study.

The method chosen to conduct the quantitative research was an online survey. This is a inexpensive and easy way of gathering a lot of data. Moreover, this research method is fast and can reach a great audience from different generations, which makes it the ideal method to research the subject and problem at hand. The answers required from the respondents are not facts or specific information, but rather personal preferences, opinions, and insights from their point of view.

2.1.3 TARGET POPULATION AND SAMPLE SIZE

The target population for the online survey was defined to be all Belgians and Americans that are current or potential consumers of furniture. This means that every Belgian and American, starting from the age of 18, falls within the population of interest.
All respondents needed to be subdivided according to nationality and generation. This means that each relevant respondent was either Belgian or American and needed to be identified according to age. Based on the birthyear, a person belongs to one of five generations: Post-Millennials (1997-present), Millennials (1981-1996), Generation X (1965-1980), Baby Boomers (1946-1964), and Seniors (1918-1945).

To achieve conclusive results with a confidence level of 95% and a 5% margin of error, the sample size should be 385. This means that the online survey would need at least 385 respondents. Notice that to be able to compare the results of Belgian consumers against American consumers, a total of 385 respondents of each nationality would be required. Therefore, the online survey needs a minimum of 770 respondents in total, equally divided under Belgians and Americans. The results are to be considered conclusive only when talking about all American or all Belgian respondents but are never conclusive when talking about a specific generation. To obtain conclusive results for each generation, each generation should have a total of at least 385 respondents. This is rather impossible with the limited resources available for this study.
The next paragraph explains how the target of 385 respondents per nationality was reached.

2.1.4 DATA COLLECTION METHOD AND PROCESS

The online survey was set up using the free, online tool of Google Forms. The survey consisted of 10 closed questions and 1 open question. Since desk research already provided the categories that answers would fall into, closed questions were more suitable. Furthermore, these types of questions limit mistakes and are easier and quicker to answer by the respondents. Within the closed questions, there was a variation of dichotomous questions, drop-down questions, single and multiple-choice questions (see Table 2). The final question was an open question and not mandatory. The entire questionnaire and an overview of all responses can be found in the appendix under section 'II Overview of all Survey Results'.

Dichotomous (1 Answer)	Single Choice (1 Answer)	Multiple Choice (Multiple Answers)	Drop-down (1 Answer)
Gender	Frequency of Furniture Purchases	Reasons for New Furniture	Spending on Furniture
Nationality	Generation	Types of Brands	
Preferences and Desires	Payment Methods		
	Purchase Channels		

Table 2: Questions Ordered According to Answer Possibilities (Types of Questions)

The data collection process started by spreading the link to the survey on social media such as Facebook and LinkedIn. The goal of social media was to reach both American and Belgian people from the Post-Millennial and Millennial generations. Furthermore, a personalized mail was sent out to a list of approximately 1.200 American contacts within the furniture industry in the hope that they would be more willing to respond since it is a survey linked to their sector. To reach Belgians from the generations Generation X, Baby Boomers, and Seniors a different approach was set out. In the beauty salon Beau Style in Ninove, Belgium, regular clients were asked to fill out the survey during their beauty or slimming session. The response rate was checked every week, and the survey was boosted via additional networking and outreach. Eventually, the survey reached a total of 781 respondents of which 388 Belgians and 385 Americans.

2.1.5 DATA ANALYSIS

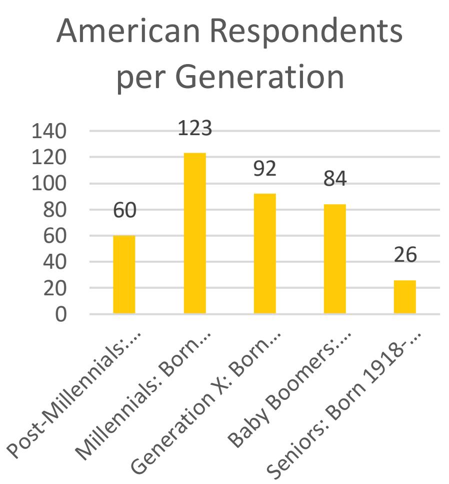
First, all data and results were transferred from the Google Forms tool to an Excel sheet. Then the data was filtered and irrelevant answers, such as other nationalities than Belgian and American, were deleted.
Second, correlations, connections, causes and effects were explored by using filters, pivot tables, and other visuals such as graphs. The emphasis was mostly on differences, similarities, and patterns of consumer behavioral aspects based on nationalities and generations. The analysis is focused on comparing one generation to another with the same nationality and comparing results of different nationalities within one generation.

2.2 ANALYSES AND INTERPRETATIONS OF THE CONSUMER BEHAVIOR

In this part, all results of the field research will be analyzed and interpreted to obtain a general idea of how the nationality or generation influences the consumer behavior. A fixed structure based on the sequence of the questions asked in the online survey will be followed, starting with the American generations. Afterwards, the same analyses and interpretations will be made throughout the basic structure for the Belgian respondents. All visuals can be found within the Excel file in the Appendices.

The only data which is not used throughout the analyses or interpretations is the data collected concerning the gender of the respondent. The reason that this information was asked but not used, is because it was only to make sure that both genders were represented throughout the study. Furthermore, there was no definitive meaning to be given to this information since the main focus was on the generation, and not the gender, that a respondent belonged to. The goal of having a relatively even distribution of respondents among males and females was reached with a total of 437 females (212 Americans and 225 Belgians) and 336 males (173 Americans and 163 Belgians).

2.2.1 AMERICAN GENERATIONS IN THE FURNITURE INDUSTRY



Graph 2: American Respondents per Generation
Source: Appendix 'III.c Overview'

In total, 385 Americans responded to the online survey. The chart on the left shows an overview of how these respondents were spread over five different generations. Post-Millennials are very active online, but they were not the main target of this survey since the desk research already showed that they are often still too young to buy their own furniture and do not have substantial purchase power within the industry. The 123 American Millennials represent 32% of the American respondents. This is the generation with the most respondents. Desk research already explained that Millennials are most easily reachable online. Also, they are the growing focus generation within the industry since they are often buying furniture for the first time. The American Generation X and Baby Boomer respondents seem to represent a fairly equal share of the online survey with respectively 24% and 22% of the respondents. Most of the people within these generations were reached via personal email. Lastly, Seniors are least represented for the simple reason that they are less present online and therefore, rather hard to reach via an online survey. (See appendix 'III.c Overview')

2.2.1.1 Reasons for New Furniture

Overall, the respondents could choose from four different options why they buy new furniture (see appendix 'III.d Reasons'). This was a multiple-choice question which allowed them to indicate more than one answer. The most popular option for American respondents turned out to be because they want to remodel. 63% of the respondents point this out as a possible reason. At least 55% (Baby Boomers) to 76% (Millennials) of the American respondents chose for this option, except for the Senior respondents. None of the Seniors marked this as a reason for their furniture purchases. This indicates that the American Senior respondents do not feel the need to remodel.

In second place, 42% of the respondents indicated to buy new furniture because the old furniture is broken. A definitive trend can be spotted within the American answers. There is a proportionate relationship between age and percentage of votes for this reason, meaning that within the youngest generation only 13% marks this, but this goes up every generation to a total of 88% of the Senior respondents. This indicates that broken furniture is the main reason for the American Senior respondents to buy new furniture.

The reason for acquiring new furniture when people move, was marked by 39% of the American respondents. Here it is clear that there is an inversely proportional relationship between age and percentage of votes. Starting with 80% of the American Post-Millennial respondents and ending with only 12% of the American Senior respondents. The interpretation of these results can be explained by the fact that older people are less likely to move, while the younger generations are more mobile and flexible to change homes and move around.

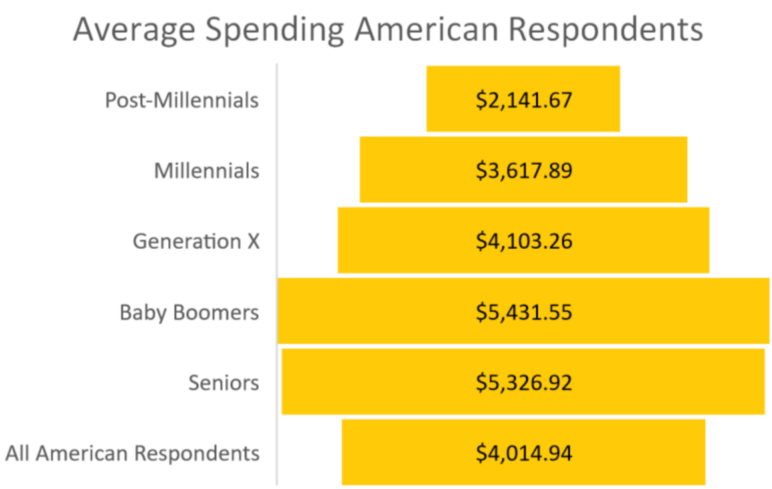
The least popular argument to acquire new furniture was the reason of wanting an entire new look, with only 29% of the American respondents. Only 5% of the Post-Millennial respondents indicated this as a reason. Most likely, an entire new look is not necessary yet since it is the first time they buy furniture and it is often a big investment at such a young age. Between 30% to 40% of the American Millennial, Gen X, and Baby Boomer generation respondents specify that they would see an entire new look as a reason to buy new furniture. These are the typical 'family-generation' that start a family (Millennial), want a new look in their mid-life crisis on top of feeling the need to express their individuality (Generation X), and change the entire look once again after the kids leave the house (Baby Boomers). Only 23% of the Senior American respondents gave this as a reason to buy new furniture because in many cases, they have been collecting items their entire life. They are overwhelmed with furniture pieces and mostly just feel the need to buy something new when it is broken.

2.2.1.2 Frequency of Furniture Purchases

There is a very clear trend going on within the frequency of furniture purchases between the different generations of the American respondents. The younger the respondents are, the faster they buy new furniture. Most of the American Post-Millennials within the survey buy new furniture every 2 or 5 years, 41% of the Millennial respondents every 5 years. For respondents of Gen X, every 7 years was the most popular frequency. One out of three Baby Boomer respondents wait 10 years to buy new furniture and most of the respondents over the age of 73 only buy new furniture when it is broken or at least 20 years old. An overview of the responses can be found in appendix 'III.e Frequency'.

There are several interpretations possible for this increasing waiting time between purchases. First, younger people tend to be more impulsive and have a higher indulgence level (see '1.2.1.6 Indulgence'). Therefore, they buy something new more frequently. Secondly, these results can be combined with the reasons why people buy new furniture. It was already explained that younger respondents prefer to opt for remodeling which happens more often than purchasing an entire new look. While the majority of the Senior respondents very clearly choose to buy new furniture only when it is broken. Last but not least, the frequency of purchases can be linked to the spending on furniture. This will be explained in the next part '2.2.1.3 Spending on Furniture'.

2.2.1.3 Spending on Furniture



Graph 3: Average Spending American Respondents
Source: Appendix 'III.f Spending'

When analyzing the results of the respondents' spending divided over the different generations (see appendix 'III.f Spending' and Graph 3), it is clear that older generations tend to spend more. Graph 3 shows the average spending of an American respondent based on the generation he or she belongs to. These results can be explained by the fact that older generations often own more money as already explained in the desk research. This allows them to have a larger budget for furniture purchases. As a result, they can invest in more durable and sustainable materials and brands within the industry. Linking back to the frequency of purchases, it is clear that higher budgets lead to higher quality and therefore, a longer lifetime of products. Thus, it seems that most of the American respondents increase their budgets and lower their purchase frequency as their age goes up. All calculations for average spending can be found in appendix 'III.f Spending'.

2.2.1.4 Payment Methods

From the American responses on the online survey concerning this aspect (see appendix 'III.g Payment Methods'), it is really clear that credit is the preferred payment method (77% of all American responses). Checks seem the least favorite method as only 1% of the respondents, two Baby Boomers and two Seniors, marked this as their answer. Within every generation, the majority of the respondents testify that credit is their preferred payment method.

There are multiple ways of explaining these results. As desk research already explained, financial transactions in the United States are clearly dominated by credit cards such as Visa, Mastercard, and American Express.' Furthermore, debit or cash are rarely used because the amounts respondents spend are too high. Debit or bank transfers are payment methods that come with additional fees when used in the USA. Using a credit card in the US comes with many benefits such as the opportunity to build more credit, to collect points that can be used for other purchases, etc. (Opp Loans, 2019)

2.2.1.5 Types of Brand

Four of the nine possible types of brands were chosen by at least 38% of all American respondents. 'A brand I like.' was chosen by 77% of the American respondents. 'A brand I am familiar with or had in the past.' was chosen by 45%. 'Well-known brands.' was chosen by 39%. Recommended brands are popular with 145 of the 385 American respondents. Unknown brands are disliked with only 2% of the votes of all American respondents.

The American Post-Millennial respondents typically prefer brands they like (87%), that are new or start-ups (37%), or are celebrity brands (37%). Unknown brands are not popular at all and are even disliked since not one of the American Post-Millennial respondents checked this answer box.
The most crucial factor for the American Millennial respondents is that they like the brand, this was reflected by 93% of them. Other popular brands within this generation of respondents are brands that are recommended by family, friends, interior designers, etc. and well-known brands.
For the respondents of Gen X, the most popular types of brands are brands that they like (68%), brands that they are familiar with or had in the past (52%), and brands recommended by others (39%).
The responding Baby Boomers pointed out that, aside from buying the brands they like (68%), they also buy furniture that they are familiar with or had in the past (56%), and brands that are well-known (45%).
The answers of the oldest generation of respondents suggest that they prefer brands they are familiar with or had in the past (65%) Secondly, it is also important to them that they like the brand (46%). 15% of American Senior respondents either favor brands that are recommended to them or they do not have a preference at all.

Within all these results, there are several remarkable analyses and interpretations to be made. First, it is clear that 'A brand I like.' is important for every age. The results are relatively consistent through every generation. Secondly, there is a clear trend for new brands and start-ups. The younger the respondents, the more they choose for this type of brand. This could be explained by the fact that especially young Americans are open to innovation and the unfamiliar. Older generations prefer it the other way round, meaning that the older respondents are, the more they choose for a brand they are familiar with or already had in the past. The last important trend can be spotted for celebrity brands. This percentage of votes is inversely related to the age of the American respondents. Meaning Post-Millennial respondents are most likely to buy the brands, Millennials are less inclined to buy celebrity brands, Generation X even less likely and so on. In the States, it is not unusual for a public figure or celebrity to start their own product line. Furthermore, American youngsters (Post-Millennials) are typically a generation heavily influenced by social media. Apps like Instagram and Snapchat are easily accessible and influential. (Chaffey, 2019) Therefore, they are more likely to buy celebrity brands. (See appendix 'III.h Types of brand')

2.2.1.6 Purchase Channels

To verify what the most popular purchase channel is within the furniture industry, the respondents were given four different options to choose from: catalogue, store, second-hand market, or online. Appendix 'III.i Channels' shows that 58% of the American respondents singled out the 'in the store.' option. These respondents mostly belong to the generations starting from an age of 38. American Post-Millennials and Millennials prefer to buy online. The results of the survey indicate that e-commerce represents 33% of the American answers. Catalogues and second-hand markets only represent respectively 5% and 3% of the American responses.

The two youngest generations are more familiar and open to online marketing and online purchases (see '1.3.5 Generations in the Furniture Industry'). This is also reflected in the results mentioned above. They are less hesitant about sharing their credit card information online and grew up in a relatively highly digitalized world compared to the other generations.

2.2.1.7 Preferences and Desires

The first preference or desire questioned in the survey was whether people prefer something standardized or something unique. The majority of almost every generation of American respondents, except for Generation X, choose for standardized furniture. A possible explanation could be that they do not want to stand out of the crowd. They are led by their peers and therefore, prefer something standardized over something unique. The American respondents of Gen X show no particular preference towards either one of the options.

When asked if the respondents preferred classic furniture or modern furniture, the answers led to a clear trend. Respondents within the generations to the age of 53 prefer modern, while the two older generations desire classic furniture pieces. This can be interpreted as older people being more traditional and holding on to what they know and what they are familiar with (see types of brands). While younger generations are more open and flexible towards modern touches.

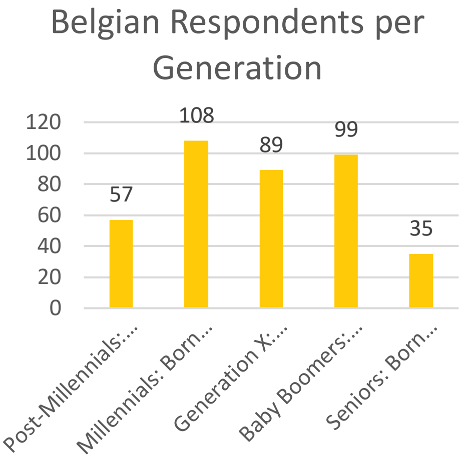
Giving the respondents the choice between familiar furniture or furniture of the newest trend, there is a clear link between age and answer of the American respondents. Most of the Post-Millennial and Millennial, American respondents clearly prefer the newest trend. Within Generation X, opinions are almost equally spread over the two options. Once past the age of 54, the American respondents have an obvious preference for familiar furniture. This trend is closely connected to the one earlier discussed under '2.2.1.5 Types of Brand'.

Comparing the preference of functional versus trendy furniture leads to following conclusion: the younger the American respondent, the more he or she appreciates trendy furniture and vice versa. Generation X is the transitioning generation within these responses, 54% prefers functional furniture and 46% trendy furniture. A possible interpretation of these results is linked to the reason why the American respondents buy new furniture. Older people buy new furniture when the old one is broken. They replace it with something traditional and functional. The main focus is on the use of the item. In contrast with younger respondents who are more likely to buy new furniture when they remodel, they want something trendy and see little changes every two to seven years.

The pricing preference of the American respondents reflects a tendency where the two youngest generations prefer low-priced furniture and the three older generations expensive furniture. Combining these reviews with the spending results earlier, it would be possible to argue the case that low-priced is considered to be under 2,500 USD and expensive a price of at least 2,500 USD (see appendix 'III.j Desires').

The final desires to choose from were basic or high-end. A total of 75% of all American respondents chose for the option 'High-end'. This was consistent for every American generation: 67% Post-Millennial respondents, 85% Millennial respondents, 73% Generation X respondents, 70% Baby Boomer respondents, and 65% Senior respondents. There does not seem to be a specific or conclusive reason for this result. The online survey outlines that overall, the American respondents prefer high-end furniture over basic items.

2.2.2 BELGIAN GENERATIONS IN THE FURNITURE INDUSTRY



Graph 4: Belgian Respondents per Generation
Source: Appendix 'III.c Overview'

A total of 388 people with a Belgian nationality responded to the online survey. The way these respondents are spread over the different generations is shown on the graph left (Graph 4 and appendix 'III.c Overview'). Of all Belgian respondents, 15% were Post-Millennials, 28% Millennials, 23% Generation X, 26% Baby Boomers, and 9% Seniors. Belgian Post-Millennials and Millennials were mostly reached via social media and personal contacts. Generation X, Baby Boomers, and Seniors were approached in a slightly different way as described under '2.1.4 Data Collection Method and Process'.

2.2.2.1 Reasons for New Furniture

The majority of the Belgian respondents buy new furniture for two main reasons. First of all, because they want to remodel and secondly, because the old furniture is broken. Both of these reasons were chosen by 54% of the Belgian respondents. Remodeling seems to be a popular reason for respondents of all generations, except for the Seniors. Only 14% of the Seniors buy new furniture because they are remodeling. This result is the complete opposite of the one where the reason was broken furniture. Overall, 86% of the Belgian Senior respondents marked broken furniture as a reason to buy new furniture. According to the desk research, older generations like their familiar setting and therefore do not feel the need to change their interior. They collected items in the past and can change their interior furniture with the pieces they already possess. Another reason for them to mostly buy furniture when the old one is broken is because they only buy what is necessary and just replace the broken pieces without buying any additional items.

For the respondents of the other generations, they seem to mostly buy furniture when remodeling, with an average of 57%. Desk research showed that this is originates from their need for slight changes and being modern. This will be explained under '2.2.3.7 Preferences and Desires'. Furthermore, desk research already explained that for the majority of Generation X 'home and furniture should be adapted and flexible to welcome and hold an extended family'. Also, section '1.3.5.4 Baby Boomers' mentions how the needs of the generation change, and therefore, Baby Boomers might require some remodeling.

A little over half of the respondents under the age of 73 also indicate broken furniture to be a reason for new furniture, probably for the obvious reason that if something is broken, it needs to be replaced.

Almost 27% of the Belgian respondents announced that moving was a reason for them to buy furniture. The trend to be noticed here is the younger the respondent, the more likely moving is a reason for new furniture. Post-Millennials and Millennials are often living on their own for the first time or are starting a family and therefore need furniture to decorate their homes. While older generations are less likely to change homes and as a result less likely to buy new furniture for this particular reason.

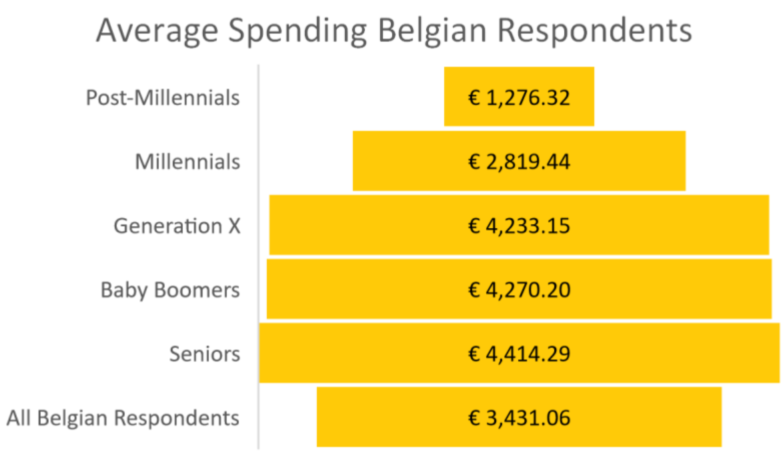
Less than one out of four Belgian respondents chose the option 'When I want an entire new look.'. Most Belgian votes for this option came from the respondents belonging to Gen X. As explained in the desk research, '1.2.1.5 Long-Term Orientation', Belgian consumers are often big savers, while changing the entire look of a home generally requires a large investment and is therefore avoided by many Belgian respondents. (Appendix 'III.d Reasons')

2.2.2.2 Frequency of Furniture Purchases

There is no obvious correlation between the age of Belgian respondents and the frequency that they purchase furniture. The majority of Belgian Post-Millennial respondents choose for a frequency of either every 5 years, every 10 years, or when it is broken. Of the 108 Belgian Millennial respondents, 38 indicated that they would acquire furniture every 5 years. Every 10 years is the option with most votes of the Belgian Generation X and Baby Boomer respondents. Remarkable is the fact that the Belgian Senior respondents would almost never buy furniture before 10 years. Most of them, answered either every 20 years or only when it is broken. (See appendix 'III.e Frequency')

When analyzing these results, the only conclusion that can be drawn for the Belgian Post-Millennial respondents is that they almost never wait longer than 10 years to buy furniture. Combining the answers of Belgian respondents in this section with answers in the last section, it becomes clear that many Millennial respondents remodel every 5 years, and both Generation X and Baby Boomer respondents every 10 years. The answers of the Senior respondents were already explained in '2.2.3.1 Reasons for New Furniture'.

2.2.2.3 Spending on Furniture



Graph 5: Average Spending Belgian Respondents
Source: Appendix 'III.f Spending'

The average spending of a Belgian respondent based on the generation the respondent belongs to can be found on Graph 5. There is a clear proportional relationship between age and budget spent. This means that the older the generation, the more money is spent. The majority of the Post-Millennials stays under a budget of 1,000 EUR. This can be explained by the fact that they often do not have a large budget available and do not have much purchasing power because of their young age. The budget of Belgian Millennial respondents seems to be spread over all options, starting from 500 EUR up to more than 10,000 EUR. This result and the one from the Belgian Baby Boomer respondents will be further discussed under '2.2.3.7 Preferences and Desires'. The spending of Belgian respondents belonging to either Generation X or Seniors show the same spending pattern. They both start at a minimum of 500 to 1,000 EUR and have most respondents within the category '2,000 – 2,500'. All the calculations for the average spending can be found in the appendix 'III.f Spending'.

2.2.2.4 Payment Methods

Different generations of Belgian respondents chose for different kinds of payment methods. First of all, it is clear that checks are barely used by the Belgian respondents, only 2 of the 388 respondents indicated this as their preferred payment method. All the other payment methods are fairly equally popular.

Post-Millennial and Millennial respondents opt for debit. This can be explained by two main reasons. First, there is a certain limit amount for the transactions with debit cards. Thus, this payment method can only be used for relatively low-priced items. This is consistent with the answers that will be explained under '2.2.3.7. Preferences and Desires'. The second reason for this preferred payment method by the two generations of Belgian respondents is that they are the ones most likely to buy furniture online, which requires payment by either debit or credit card.

Of all Belgian respondents, 32% prefers to pay cash when buying furniture. Once again, the respondents belonging to Generation X and Seniors show the same pattern, respectively 42% and 57% indicated this as their favored payment method. This could be linked to their similar spending pattern and the budget they are willing to spend.

A total of 45% of the Belgian Baby Boomer respondents pay their furniture via credit card.

Payment methods and customers' spending habits are interconnected. People spend less when using a debit card. People spend significantly more when they are using a credit card. The results of the created pivot table found that Belgian respondents most likely pay by debit card for amounts up to 1,500 EUR. Between 1,500 and 2,500 EUR they prefer credit. All data mentioned can be found in appendix 'III.g Payment Methods'.

2.2.2.5 Types of Brand

Four of the nine possible types of brands were chosen by at least 32% of all Belgian respondents. 'A brand I like.' was chosen by 58% of the Belgian respondents. 'A brand I am familiar with or had in the past.' was chosen by 47%. Recommended brands were chosen by 32%, and the option 'Well-known brands.' was one of the choices picked by 124 of the 388 Belgian respondents.

Unknown brands, celebrity brands, and brands chosen to obtain status are unpopular with respectively 2%, 3%, and 3% of the votes of all Belgian respondents. Across all generations, there was none that paid particular attention to one of these types of brands. This proves that the Belgian respondents are not set on obtaining status via their furniture. The fact that celebrity brands are only chosen by a handful of Belgian Post-Millennials and barely by any of the other generations, can be explained by the simple reason that there are no Belgian celebrities with their own furniture line. Post-Millennials are likely to find these celebrity brands from American celebrities online.

The most important aspect for Belgian Post-Millennial respondents is the fact that they like the brand, 54% of this generation indicated to go for this type of brand. Being familiar with a brand or whether or not they have had it in the past is the second important aspect that Post-Millennials keep in mind. One out of three Post-Millennial respondents does not have a preference at all. Similar to the Belgian Post-Millennial respondents, the Millennial respondents (55%) also value the importance of liking a brand. When they are already familiar with a brand or have had it in the past, the brand is likely to be bought again by 41% of the Belgian Millennial respondents. The last factor influencing their choice to buy a brand is whether or not it was recommended by someone in their social circle.

For every type of brand, the Belgian respondents of both Generation X and Baby Boomer generation have an almost identical percentage of respondents. Their most favored type of brand is a brand they like. Secondly, they enjoy familiar brands or brands they already had in the past. Furthermore, 37% of both generations chose for a well-known brand as a type of brand they would possibly acquire.

The Belgian Senior respondents are the only ones that deviate from the other generations in terms of their number one type of brand. Instead of a brand they like, which is their second favorite type of brand, their number one type of brand is a brand they are familiar with or already have had in the past. More than one out of four Belgian Senior respondents also indicated that they do not have a specific preference concerning the type of furniture brand.

Apart from the trends already mentioned and interpreted above, there are several more to explain. The first one being that Belgian Senior respondents are the only ones not at all interested in new brands or start-ups, while approximately 15% of the respondents of all other generations would actually favor this type of brand. Considering the Belgian culture set out in the desk research, it is clear that the Senior respondents are the ones avoiding all risks. They experience an extremely high level of uncertainty avoidance, typically for Belgians (see ‘1.2.1.4 Uncertainty Avoidance’). Another aspect that is closely related to the former trend and that should be noticed is the fact that age and preference for familiar brands are proportional. This can be explained similarly. Younger generations are more open for new things or new brands and are more likely to want something modern versus something traditional. This will be further explained and confirmed in ‘2.2.3.7 Preferences and Desires’. All the results, numbers, and calculations can be found in the appendix under ‘III.h Types of brand’.

2.2.2.6 Purchase Channels

The favorite purchase channel for the Belgian respondents is clearly the offline so-called brick-and-mortar retailer, meaning the traditional, physical store. A total of 339 of the 388 Belgian respondents (87%) marked this as their favored channel. Of the remaining 13%, 8% prefers to buy furniture online, 4% on the second-hand market and the final 1% still uses a catalogue. (See appendix 'III.i Channels')

An obvious conclusion seems to be that catalogues are rather outdated. Furthermore, the analysis of these results indicates that online purchases or e-commerce is mostly popular with the Post-Millennial and Millennial respondents (see appendix 'III.i Channels'). This is not surprising since these generations are the ones who are most active online and rather familiar with this purchase channel. Nevertheless, the majority of respondents within these generations still prefer to buy furniture in the store just like all the other generations.

2.2.2.7 Preferences and Desires

When faced with the choice between standardized or unique furniture, the majority of Belgian respondents chose for standardized furniture. When analyzing these answers based on the generation of the respondents, it becomes clear that most people belonging to Millennials and Generation X indicated that they actually prefer unique furniture over standardized. This result is not a complete surprise, especially for the Belgian respondents of Generation X, since the desk research already stated that people from this particular generation feel the need to express their individuality (see 1.3.5.3 Generation X). This expression of individuality can easily be done with unique furniture pieces. Baby Boomers and Seniors clearly prefer standardized and simple furniture. This could be because they dislike the hassle of getting items personalized or are not willing to wait excessive waiting periods, considering that a standardized item can already take three months to get delivered in Belgium.

Deciding between classic or modern furniture seems to be a pretty easy choice for all of the generations. Within every generation of respondents, except for the Belgian Senior respondents, the majority prefers modern furniture. These results can be justified by the types of brands these generations like which was already explained above. The younger the people, the more open they are for modern items. Notice that modern does not necessarily implies a new brand or start-up. It only explains that most of the Belgian respondents are willing to adapt to modern ages. The Belgian Senior respondents are the exception in this category. They clearly prefer classic furniture. This is not a surprise since desk research showed that it is typical for older people to favor classic over modern by holding on to what they know and to what they grew up with.

Another preference or desire questioned in the survey was to test which generations of the Belgian respondents prefer the newest trend over something they are familiar with. When comparing the results of this desire with the results of the types of brands, an almost exact percentage match within each generation can be found between the desire 'Familiar' and the type of brand 'A brand I am familiar with or had in the past.' (see appendix 'III.j Desires'). Up until the age of 53, the majority of respondents preferred the newest trend over something familiar. The opposite counts for the two oldest generations. The results of the Baby Boomer and Senior respondents can be interpreted via the generally high uncertainty avoidance of Belgian consumers in the furniture industry explained multiple times in the desk research (see '1.2.1.4 Uncertainty Avoidance' and '1.3.2 The Furniture Industry in Belgium').

The majority of Belgian respondents, overall and within each generation, indicated to prefer functional furniture over trendy furniture. Based on the results from the desk research, a possible interpretation for these results is that the Belgian respondents are more concerned with comfort and functionality. Therefore, they prioritize these desires over fashion and style, they want their furniture to have a purpose and be useful rather than just to look good and be trendy. Especially for the Belgian respondents over the age of 73, functionality seems to be an absolute must when purchasing furniture. It is generally known that older people need more medical attention and regularly complain of physical pain. (Gleckman, 2015) Therefore, it is not surprising that 93% of the respondents from this generation value functionality more than trendy.

Low-priced furniture was chosen by most of the Belgian respondents. Especially the respondents of the two youngest generations answered low-priced. Belgian respondents between the age of 38 and 72 mostly favor expensive items. The respondents of the oldest generation were almost equally spread over the two options. The interpretation of these results cannot be quantified since one could argue that the terms low-priced versus expensive are all about perception. Nevertheless, when interpreting these responses in combination with the results of '2.2.2.3 Spending on Furniture', there are some conclusions to be drawn. The majority of the young Belgian respondents is not willing to spend a huge budget on furniture. The Post-Millennial respondents consider low-priced to be up to a maximum of 1,500 to 2,000 EUR. For Millennials, the limit of low-priced is set a little higher around 2,500 EUR. The respondents of the other generations appreciate expensive furniture and are set at a budget of 4,300 EUR on average.

The final dilemma, the respondents were faced with, was whether they prefer basic furniture or high-end furniture. A total of 58% of all Belgian respondents chose for the option 'High-end'. Only respondents of the Post-Millennial generation indicated that they rather have basic than high-end furniture. This could be explained by their limited budget. Basic furniture pieces are often less expensive than high-end designer items. Considering that almost none of the respondents chose for a type of brand that would give them status (see '2.2.2.5 Types of Furniture'), it is clear that the respondents want high-end furniture for personal reasons and not to impress others in their social circle.

2.3 COMPARISON OF THE ANALYSES AND INTERPRETATIONS

This part of the field research takes a closer look at the differences and similarities between the results of the American and Belgian respondents. In the first part, the same structure that was set out above will be followed to keep a clear overview.

In '2.3.2 The Ideal Target Audience', all results will be researched to discover whether or not there is such thing as the ideal target audience within this industry. The study will compare the American interpretations with the Belgian interpretations to define a potential ideal generation or type of consumer to target.

2.3.1 AMERICAN VERSUS BELGIAN GENERATIONS IN THE FURNITURE INDUSTRY

The respondents are almost evenly divided over the two different nationalities. When looking at the number of respondents per generation, it becomes clear that Millennials are the ones most easily to reach while Seniors are rather difficult to reach via an online survey. Below, the answers of American respondents will be compared to the ones from Belgian respondents. The goal is to discover the most significant variations and analogies between the two nationalities.

2.3.1.1 Reasons for New Furniture

In general, appendix 'III.d Reasons' shows that the overall results are rather similar for both nationalities. Remodeling is the most popular reason to buy furniture, broken furniture is the second most popular reason, then comes the motive of moving, and an entire new look is the least chosen option by both American and Belgian respondents. Based on the percentages, it becomes clear that the American respondents more often chose multiple incentives to buy new furniture.

Taking a closer look from a generational point of view into the remodeling motive, the most important difference is situated within the responses of the Senior generation. None of the American Senior respondents expressed this as a possible reason for them to purchase new furniture while 14% of the Belgian Senior respondents did. Furthermore, this seems to be a more popular incentive for the respondents of the American Post-Millennials and Millennials than the Belgian ones.

The answer 'When the old one is broken.' showed a clear trend for American respondents, linking the answer rate to the age (see '2.2.1.1 Reasons for New Furniture'). There is no definitive trend noticeable for the Belgian respondents. The only clear similarity to be noticed within this motive is the fact that this is the reason chosen the most by both American Senior (88%) and Belgian Senior (86%) respondents.

There seem to be a lot of similarities in the percentages of American and Belgian respondents indicating moving as a reason to acquire new furniture. From the age of 22 on, the same inversely proportional relationship between age and percentage of votes is present. The only difference is situated in the Post-Millennial responses. The number American Post-Millennial respondents indicating that this is a reason for them to buy new furniture is double the Belgian Post-Millennial respondents.

In general, an entire new look is the least popular reason for the respondents of both nationalities to buy new furniture. Nevertheless, it seems to be a rather popular reason for Belgian and American respondents of Generation X and the Baby Boomer generations. According to the desk research, this could be explained by the fact that because of their age and position, they are often most likely to have the means and budget to afford a large investment such as an entire new interior.

2.3.1.2 Frequency of Furniture Purchases

Within this category, it is clear that while there is an obvious trend going on for American respondents, this is not the case for the Belgian respondents. Overall, but also from a generational point of view, the results of both nationalities are very different. The purchase frequency of more than 54% of the American respondents is 5 years or less, while the majority of Belgian respondents is only reached after a frequency of more than 7 years. The only similarity that one could notice is from a Senior perspective. A great majority of the Senior respondents prefer to buy furniture only after at least 20 years or when it is broken. (See appendix 'III.e Frequency')

2.3.1.3 Spending on Furniture

For both nationalities, the trend revealed in this category is indisputable. The older people are, the more they are willing to spend on furniture. At first, it may seem that the spending of the American respondents is always higher than the spending of the Belgian respondents. However, this is not true because both answers are in a different currency since Americans use USD and Belgians use EUR. At the moment of writing, a converter was used with an exchange rate of 1 EUR equaling 1.1234 USD. The calculations can be found in the appendix under section 'III.f Spending'. With these new results, it is more reliable to compare the spending of the two nationalities.

Logically, the trend remains the same. Younger people tend to spend less, but the gap between the spending of American respondents and Belgian respondents per generation has tightened. The overall average spending per American respondent is only 160.49 USD more than the average spending per Belgian respondent. From a generational point of view, it appears that the American respondents always have a larger budget of 367.91 USD (Seniors) to 707.85 USD (Post-Millennials) per respondent, except within Generation X. Belgian respondents of Generation X are spending 652.26 USD more on average than the American respondents from the same generation.

2.3.1.4 Payment Methods

There is only one similarity between the American and Belgian respondents within this category. Just 1% of all, American respondents, and 1% of all, Belgian respondents indicated that checks are their preferred payment method. Additionally, the two nationalities are completely different within this purchasing aspect. The American respondents mostly prefer paying by credit card while only the Belgian Baby Boomers indicate this as the most popular payment method for them. (See appendix 'III.g Payment Methods') In the USA, it is normal to pay by credit card and banks regularly grant high credit limits, while this is not the case in Belgium. As explained in '2.2.2.4 Payment Methods', the preferred payment method of the Belgian respondents often depends on the spending of the consumer.

2.3.1.5 Types of Brand

Overall, it seems that there are a great number of similarities, but also a couple of remarkable differences between the answers of Belgians versus American respondents concerning the types of brand they prefer when acquiring new furniture. (See appendix 'III.h Types of brand') To maintain the same structure used earlier, each generation will be discussed separately. Afterwards the results will be compared based on nationality alone, meaning the comparison will be made between all, American responses and all, Belgian responses.

The majority of Belgian and American respondents indicated to prefer a brand they like. However, their second and third reason to favor a brand are completely different. American Post-Millennial respondents clearly single out new brands, startups, or celebrity brands, while these are not popular brands for the majority of the Belgian Post-Millennial respondents. Belgian respondents of this generation opt for brands they are familiar with, or they indicate not to have a preference at all.
For the American Millennial respondents, well-known brands are part of their top three preferred brands while this is not the case for the Belgian Millennial respondents who rather purchase a brand that they are familiar with or had in the past. However, Millennial respondents of both nationalities enjoy brands that were recommended to them by someone in their social circle.
The American respondents of Generation X show the exact same preferences as the Belgian Millennial respondents, preferring brands they like, they are familiar with, or that are recommended to them. As already mentioned in '2.2.2.5 Types of Brands', the Belgian Generation X and Baby Boomer respondents show the same top three types of brands. Comparing this top three with the top three of the American respondents belonging to the Baby Boomer generation, it turns out that this matches exactly. Meaning that the Belgian Gen Xers, Belgian Baby Boomers, and American Baby Boomers all prefer following types of brands in this exact order: brands they like, brands they are familiar with or had in the past, and well-known brands.
The number one type of brand for the majority of all Senior respondents, no matter what

nationality, is a familiar brand or a brand they already had in the past. For American Senior respondents, recommended brands are also part of their top three while for Belgian Senior respondents, more than one out of four does not have a preference at all.

'A brand I like.' turns out to be the number one criteria to choose a brand for both nationalities. However, there is a noticeable difference between the two nationalities. It seems to be a more important aspect to American respondents than to Belgian respondents, with overall an almost 20% difference.
A familiar brand or a brand that the respondents already had in the past was the second most favored type of brand, for both Belgian and American respondents. The same trend is happening within both nationalities. The older the respondents are, the more likely they are to indicate this as a type of brand they prefer.
A huge difference between preferences of American and Belgian respondents is concerning celebrity brands. Especially American Millennial and Post-Millennial respondents seem to go for this type of brand while only a small minority of all Belgian respondents would acquire this type of brand.
While new brands or start-ups are favored by at least one out of four American respondents, this is not at all the case from a Belgian respondent point of view. Belgian respondents are rather reticent to buying something new or unfamiliar.
A final remarkable difference is that obtaining or expressing status by a brand is favored by 10% of the American respondents while only 3% of all Belgian respondents seem to care about expressing their status via their furniture purchases.

2.3.1.6 Purchase Channels

Considering all respondents within each nationality, the number one purchase channel for both nationalities is the traditional channel of a physical store. The difference between the respondents of the two countries is situated in the e-commerce field of this industry. (See appendix 'III.i Channels') Desk research has already shown the growing importance of e-commerce. According to the results of the online survey, 33% of the American respondents are willing to buy furniture online. This is consistent with the desk research ('1.3.3 The Furniture Industry in the United States of America') which predicted this rate to grow to a total of 40% by the year 2023. With 8% of the Belgian respondents implying that they use e-commerce to buy furniture, the e-commerce goal of 2023 has already been reached (see '1.3.2 The Furniture Industry in Belgium').
Taking a closer look at these numbers from a generational point of view, it becomes clear that especially respondents belonging to the two youngest generations, Post-Millennials and Millennials, are open to this purchasing channel. For respondents of the generations Generation X and Baby Boomer, e-commerce is not popular yet. Especially in Belgium, they seem less likely to try this relatively new purchase channel. For Senior respondents, e-commerce still appears to be too farfetched as none of the Belgian respondents indicated this and only one Senior American respondent suggested to use this channel.

2.3.1.7 Preferences and Desires

Overall, the majority of the respondents of both nationalities expressed their preference towards standardized furniture versus unique furniture. However, there is a clear difference between the American responses and Belgian responses from a generational point of view. While more than 50% of all, American respondents of every generation prefer standardized items, Belgian respondents between the age of 22 and 53 favor unique pieces. (See appendix 'III.j Desires')

Looking at all answers of both Belgian and American respondents, modern furniture objects are obviously favorized by many people. Comparing the analyses and interpretations laid out earlier, it becomes clear that most of the answers within Belgian and American generations are comparable. The only noticeable difference is situated within the answers of the Baby Boomer respondents. Most of the American respondents within this generation lean towards classic furniture while most of the Belgian Baby Boomer respondents indicated that they are more likely to purchase modern furniture. Thus, modern furniture objects will be able to target one more generation in Belgium than in the USA, being the Baby Boomers.

The dilemma familiar versus newest trend seems to contemplate the same trend for respondents of Belgian generations as respondents of American generations. Nevertheless, it is important to notice that when considering all the answers per nationality, a clear majority of American respondents favor the newest trend, while the Belgian respondents are almost equally divided over the two possibilities. This equalization within the Belgian results is mostly thanks to the responses of the two youngest generations (Post-Millennials and Millennials).

Most of the American respondents indicated that trendy furniture is an aspect they desire over functionality, this is only the case for a minority of the Belgian respondents. Within every generation of Belgian respondents, most of them prefer functional items over trendy items. American Post-Millennials and Millennials are the only generations who clearly opt for trendy furniture.

The overall and generational answers testing the low-priced preference against the expensive preference, led to similar answers for both nationalities. The two youngest generations of respondents are more inclined to acquire low-priced items while respondents of the generations starting from the age of 38 mostly buy expensive furniture. As already mentioned earlier, a lot depends on perception within this category, what one may experience as expensive may appear as low-priced to someone else.

Three out of four American respondents only tend to purchase high-end furniture, this is the same case for 58% of the Belgian respondents. None of the generations of American respondents show a predilection towards basic furniture. Only Belgian Post-Millennial respondents imply to favor basic furniture over high-end furniture. Thus, overall, the majority of respondents of both nationalities clearly prefer high-end looking furniture over simple, basic furniture. Especially for the American respondents this seemed a clear choice.

2.3.2 THE IDEAL TARGET AUDIENCE

After evaluating, analyzing, interpreting, and comparing all the responses of both American and Belgian respondents, it becomes clear that there is no such thing as 'the ideal target audience'. The ideal target audience depends on the style of furniture a producer or retailer is trying to sell. Based on the style and considering pricing, an ideal target audience can be defined. Nevertheless, the ideal target audience of one specific brand can be different within the Belgian market compared to American market.

Furniture companies can use the Excel tab 'III.l Calculate ITA' in the appendix as a worksheet for themselves to calculate the ideal target audience based on the characteristics of their own furniture. By using the dropdown options, they can choose the potential market they want to approach, either Belgium or America. Afterwards they can indicate the type of furniture they sell, and finally, the pivot table does the rest of the calculations. The results, that are displayed under the pivot table, show the total percentage within this nationality interested in the chosen type of furniture, and gives an overview of the percentage of respondents that would be interested within each generation separately.

Appendix 'III.k Example ITA' contains the complete calculations for following example. The ideal target audience (ITA) for a furniture company with standardized, modern pieces within a price range of 2,000 to 10,000 USD or EUR is different in the US than in Belgium. According to the pivot table and the associated results, this type of furniture company would need to focus on consumers belonging to Generation X and Millennials when acting in Belgium. In the United States, the ideal target audience would be situated within the generation of Millennials and Post-Millennials. When only considering the nationality and not the specific generations, it becomes clear that only 8,5% of the Belgian respondents would be a perfect fit for this company, compared to more than 16% of the American respondents. This indicates that the potential market is bigger in the US than in Belgium.

The only disclaimer to keep in mind when calculating the results concerning the possible ideal target audience, is the fact that only the results per nationality are conclusive. Since not every generations separately reached a total of 385 respondents, these results are considered inconclusive. The calculated ideal target audience per generation is merely a first direction and guideline.

2.4 CONCLUSION OF THE FIELD RESEARCH

Throughout this field research, a clear profile was built of the American, furniture consumer and the Belgian, furniture consumer. Based on the number of respondents, a conclusive result can be given for each nationality separately. However, the results per generation are not conclusive since the minimum of 385 respondents per generation was not reached. Underneath is an overview of the conclusive results per nationality.
Furthermore, the sub research question "What would be the most interesting target audience to choose within the American furniture industry and within the Belgian furniture industry?" will be answered in the final paragraph.

Of the 385 American furniture consumers who responded, the majority buys new furniture after approximately 2 to 5 years because they want to remodel. They spend about 4,014.94 USD on average and prefer to pay this amount via credit. The American respondents reveal to be loyal to brands they like, and they mostly buy those brands in the store. However, one out of three respondents points out that they acquire their furniture online via e-commerce. In terms of preferences and desires, the majority of the American respondents indicated to wish modern, trendy furniture which is standardized and part of the newest trend while being low-priced and preferably within the high-end segment of the market.

According to most of the Belgian respondents, they buy furniture for two main reasons, because they want to remodel and because the old one is broken. The most popular frequency to acquire new furniture is every 10 years. Belgian respondents have an average spending of 3,431.06 EUR or 3,854.45 USD per new furniture item. Their payment method chosen often depends on the budget spent and varies between debit, credit, and cash. Furthermore, they show a high level of brand loyalty towards brands they like and brands they are familiar with or had in the past. The number one, go-to purchase channel for the Belgian furniture consumers of the survey is definitely the offline, brick-and-mortar retailer. Looking into the specific preferences and desires chosen by the majority of the Belgian respondents, it becomes clear that most of them enjoy standardized and modern furniture which is rather functional than trendy. Similar to the American respondents, they too appreciate high-end, low-priced furniture. Concerning the choice between familiar furniture versus furniture of the newest trend, there is no clearly expressed favorite.

The ideal target audience is different for every type of furniture company. The pivot table in the appendix 'III.l Calculate ITA' can help to define a possibly interesting target generation. Seen the conclusive results based on nationality, the pivot table will provide trustworthy information concerning in which country it would be most interesting to start distribution. Thus, each furniture company has to clearly define the characteristics of its own products and use this information to find out what could be the ideal target audience for them in Belgium and in the United States of America.

3 FINAL CONCLUSION AND RECOMMENDATIONS

The answer to the main question of this research: "What are the defining factors for the spending of American consumers within the furniture industry from a generational point of view compared to Belgian consumers?" is inconclusive. To obtain conclusive results and conclusions, further research into every generation separately should be conducted. However, a rough sketch of the most important aspects per generation of American and Belgian consumers concerning their furniture purchases can already be provided.

Furniture designers and retailers should get ready for the market entry of the youngest generation, the Post-Millennials who just started to buy their first furniture. According to the majority of the American Post-Millennial respondents, the most popular reasons for this generation to acquire new furniture is because they are moving and because they want to remodel. They are most likely to spend about 2,141.67 USD, every 2 to 5 years on new furniture and prefer to buy this furniture online and via credit. Their top three types of brands are brands they like, new brands, and celebrity brands. Features they prefer are: standardized, modern, newest trend, trendy, low-priced, and high-end.
The Belgian Post-Millennial respondents show different defining factors for their furniture purchases. They mostly procure new furniture every 5 years, 10 years, or only when the old one is broken. The latter is also the number one reason for this generation to buy new furniture. The average spending is about 1,433.81 USD per purchase and paid using a debit card in the store. Brands they like, are familiar with, or had in the past are most popular. The top characteristics chosen are standardized, modern, newest trend, functional, low-priced, and basic.

Millennials are becoming the most powerful generation within the furniture market. They are known to focus on small living spaces with limited budgets. Furthermore, they are the generation most likely to have an open mind towards the newest technology and online purchasing, while using their online resources to find the best deals and promotions possible. More than three out of four American Millennial respondents buy new furniture because they want to remodel. Every 5 years is the most popular frequency for Millennials to spend 3,617.89 USD on average online to furniture. The preferred payment method is credit and their favored types of brands are brands they like, brands that were recommended to them by family, friends, or interior designers, and well-known brands. Furthermore, they highly appreciate furniture with the following look: standardized, modern, newest trend, trendy, low-priced, and high-end.
The Belgian Millennial respondents generally acquire new furniture after 5 years because they want to remodel. Their purchases mostly happen in the store by using a debit card, with an average spending budget of 3,176.36 USD. The most popular types of brands are brands they like or are already familiar with because they possibly already had it in the past. They highly appreciate unique and modern furniture which is functional and belongs to the newest trend. Also, low-priced furniture with a high-end feeling or look is appreciated.

People from Generation X are often part of a family and therefore, need a larger budget than the former generations to embrace and accommodate this family. They typically desire to show their wealth by means of a beautiful interior. American respondents belonging to Generation X consider remodeling and broken furniture as the two main reasons to visit a furniture store every 5 to 7 years and spend 4,103.26 USD on average to obtain furniture. The most popular payment method indicated by this generation is credit. Another possible defining factor for them could be whether or not they like the brand or to what extend they are familiar with the brand. Last but not least, the aspects they desire to find in their furniture are the following: modern, the newest trend, functional, expensive, and high-end. Remodeling is the number one reason for Belgian Generation X respondents to get new furniture. Every 10 years is the most prominent purchase frequency to buy a furniture brand they like or had in the past. The average spending of this generation is 4,755.52 USD, preferably in cash. The offline purchase channel in the form of a store is well-liked. The majority within this generation longs for furniture which is unique, modern, functional, expensive, high-end, and belongs to the newest trend.

Baby Boomers are known to be the biggest spenders in the industry. Especially since they are all about convenience and often look for an interior designer to help create the warm and comfy feeling they desire in their homes. Many of the Baby Boomer respondents with the American nationality indicated that they prefer to buy new furniture in a physical store every 10 years because the old furniture is broken, or they want to remodel. American Baby Boomers prefer to buy on credit and spend an average amount of 5,431.55 USD per person. Brands they like, familiar brands, and well-known brands are their top three types of brands. Defining factors that influence their purchasing decision are furniture characteristics such as standardized, classic, familiar, functional, expensive, and high-end.
It is clear that most Belgian Baby Boomer respondents procure new furniture for one of two reasons, either they want to remodel, or the old furniture is broken. This procurement happens about once every 10 years or as mentioned, whenever the old one is broken. Their average spending is about 4,797.14 USD per piece, mostly spend in the store and on credit. Overall, they prefer brands they like and brands they are familiar with or had in the past. Final desires they expressed throughout this study are their preference for standardized, modern, expensive furniture which is familiar and functional with a high-end look.

There is a remarkable reduction of furniture purchases by the Senior generation. Of all, American, Senior respondents, almost 90% indicated to buy furniture when the old furniture is broken, while none of them indicated the reason of remodeling. When asked about their purchase frequency, most of them indicate to only buy new items when the old ones are broken or after a minimum of 20 years. With 5,326.92 USD, they have the largest average spending of all generations. Just like all other American respondents, their preferred payment method is credit. Familiar brands or brands they had in the past are the only type of brand that were indicated by more than 50% of the American Senior respondents. Lastly, they expressed a preference for in-store purchases of standardized, classic furniture that is

functional and familiar as well as expensive and high-end.
Many of the results of the Belgian Senior respondents are similar to the ones from the American Senior respondents. The main reason for new furniture is the old one being broken. Furthermore, they also displayed the same purchase frequency, the same preferred types of brands, and the same favored purchase channel. The Belgian Senior respondents spend 4,959.01 USD on average per person per piece, preferably in cash. When asked about other defining spending factors, they indicated to prefer furniture with following attributes: standardized, classic, familiar, functional, and high-end.

A first recommendation for Belgian furniture companies looking to expand to the US, is to not only use the macro-environmental research from this study (see ‘1.1 External Analysis of the American Market’) but also look into the specific situation of the state they want to expand to. Seen the size of the country and market, it is impossible to concur the entire market at once. Each state or region could be considered the same magnitude as a European country, especially since every single one of the 50 American states has its own laws and regulations.

The second recommendation for growing furniture businesses with their eye on the American market is to consider the importance of culture, traditions, and local customs. To assure success, it is recommended to try to act global but think local. The analysis under ‘1.2 Cultural Differences between the USA and Belgium’ provides a clear overview of the main thinking patterns, uncovering all similarities and differences between Belgian and American lifestyle and society. The three most significant points of attention are situated within the dimensions Power Distance, Uncertainty Avoidance, and Long-Term Orientation.

Furthermore, it is also recommended for European companies to monitor all updates regarding the latest developments in the trade situation between the US and Europe. Especially since acting President Trump paused the TTIP negotiations and already almost caused a threatening trade war by promulgating additional tariff duties on materials such as aluminum and steel.

The final advice implicated by this study is to realize that ‘the ideal target audience’ does not exist. Each furniture company has its own style and defining features that will help decide a possible interesting target audience. The pivot table in appendix ‘III.l Calculate ITA’ considers all results of the conducted field research and can help define the most attractive American or Belgian generation to target. The only thing a furniture company would have to do is select the nationality they are looking into (Belgian or American), the price category in which their furniture is positioned, and the type of furniture they produce. Additionally, they could even indicate whether they are focused on online sales or in-store sales.

It is now up to Flanders Investment and Trade Los Angeles to use this study and all formulated recommendations to help Belgian furniture companies expand in and to the United States of America.

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APPENDICES

I PESTEL - POLITICAL

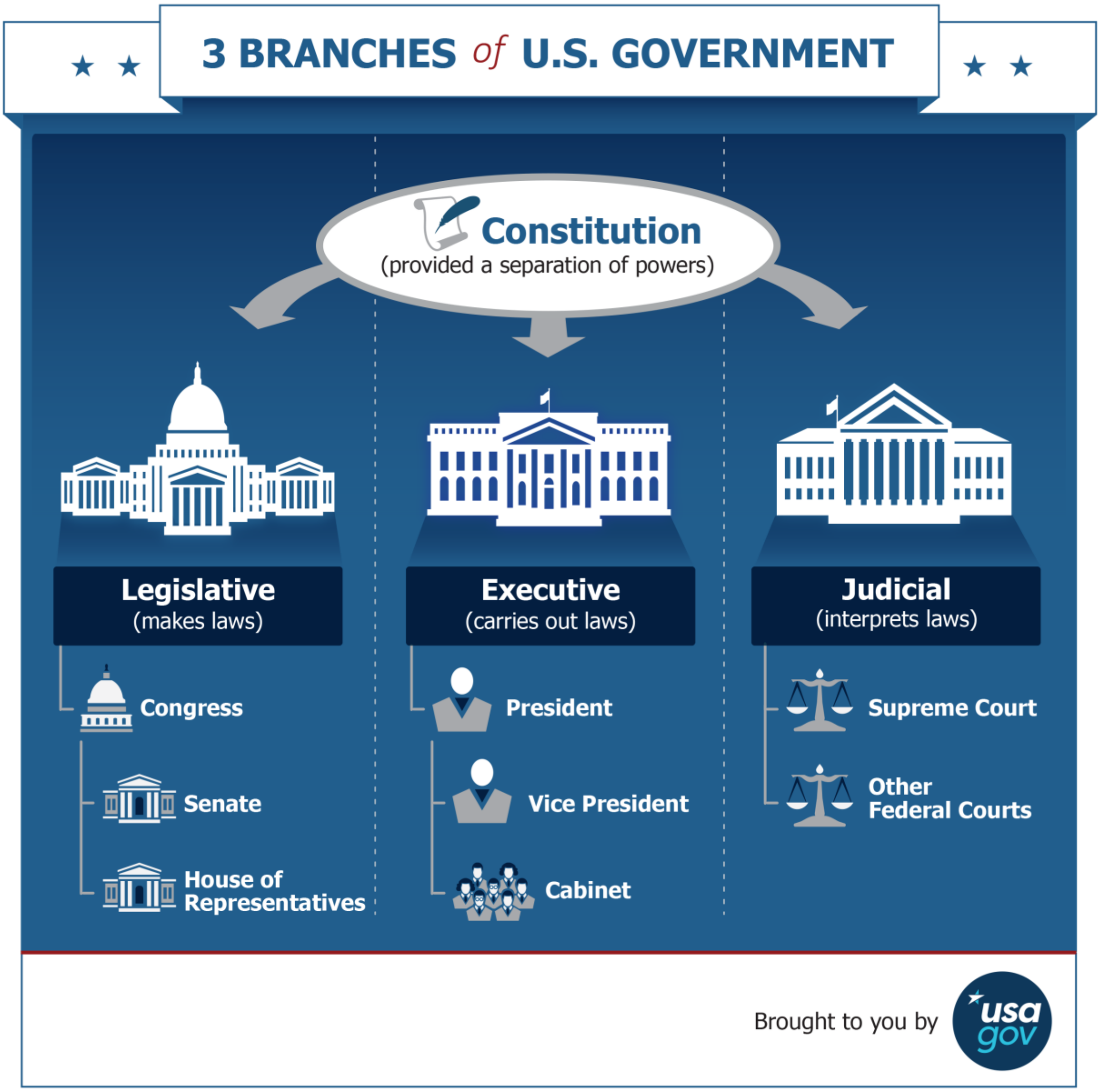
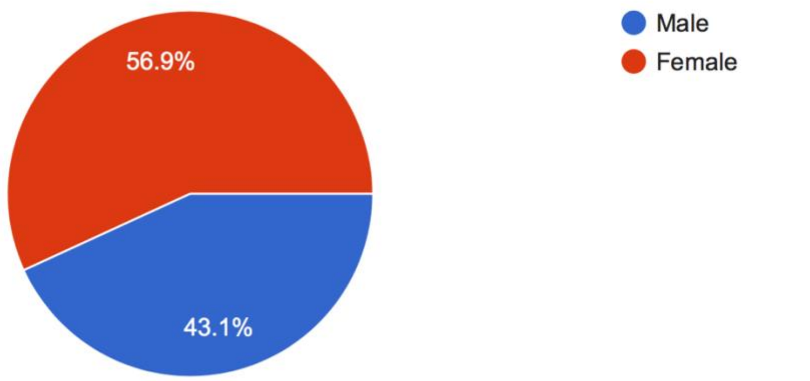


Figure 2: The Three Branches of the US Government – Source: Trias Politica (USA gov, 2018)

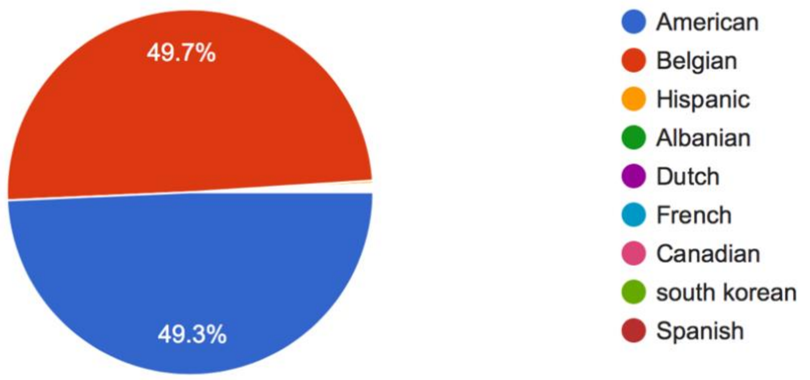
What is your gender?

781 responses



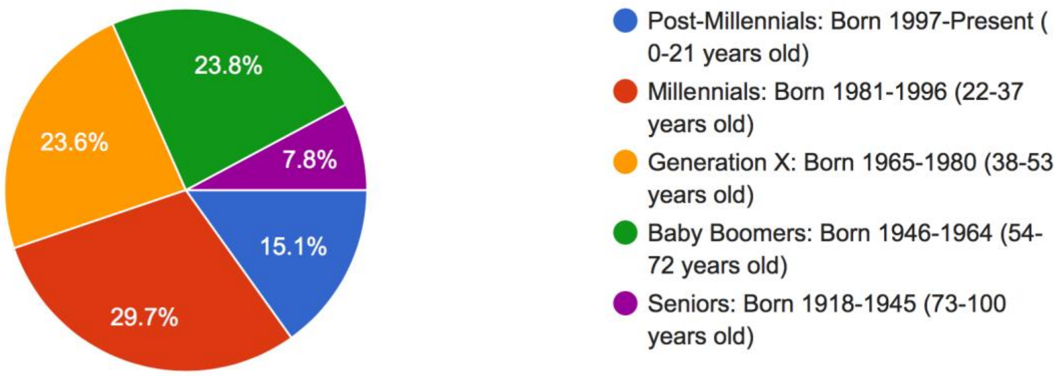
What is your nationality?

781 responses



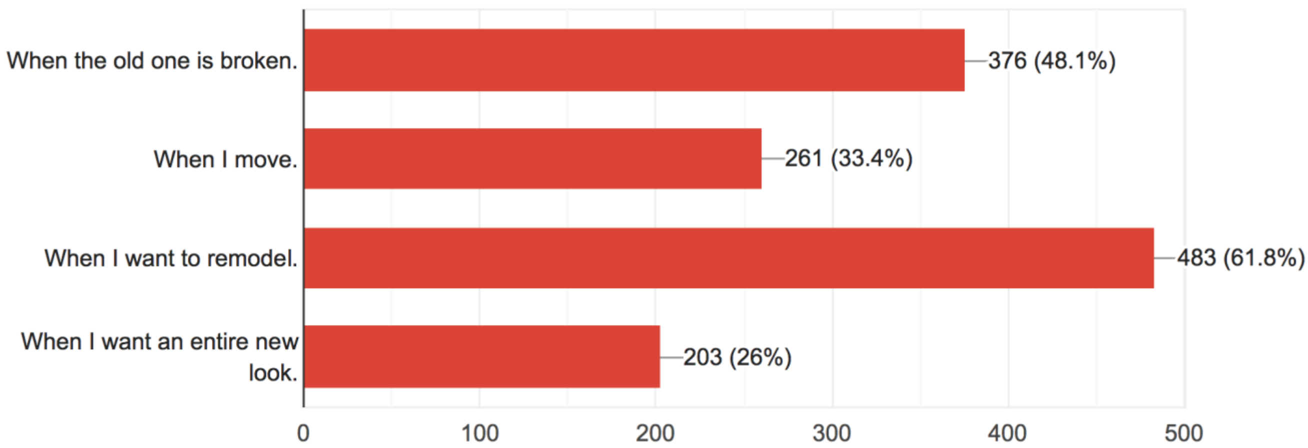
To which generation do you belong?

781 responses



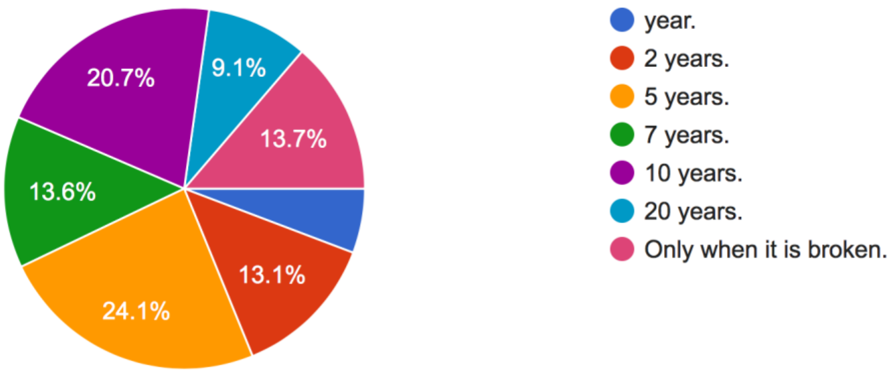
When do you buy new furniture?

781 responses



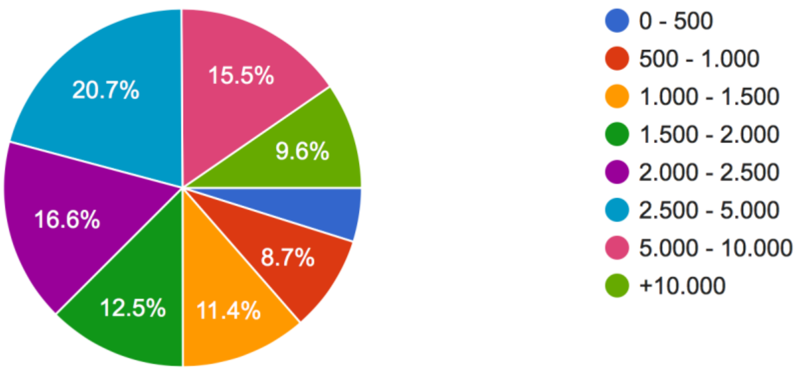
Complete: I buy new furniture every...

781 responses



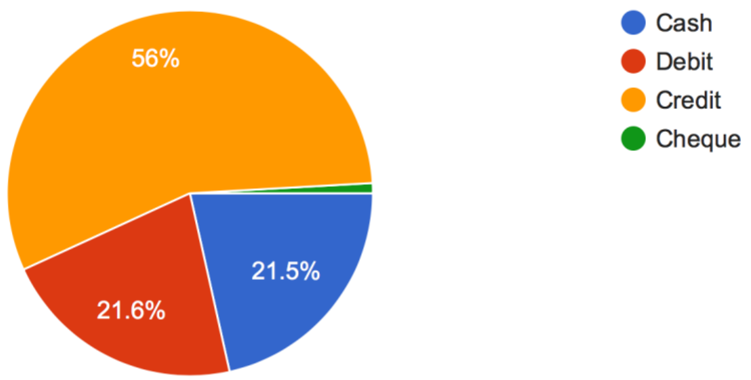
How much do you spend (on average) on new furniture (EUR/USD)? (New furniture is for example a new couch, closet, bed...)

781 responses



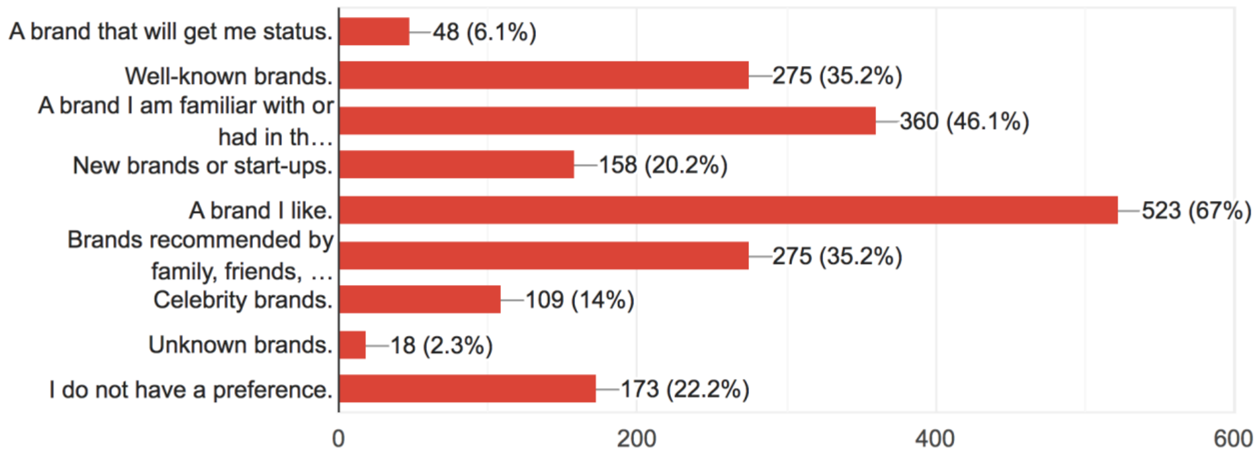
Which payment method do you prefer?

781 responses



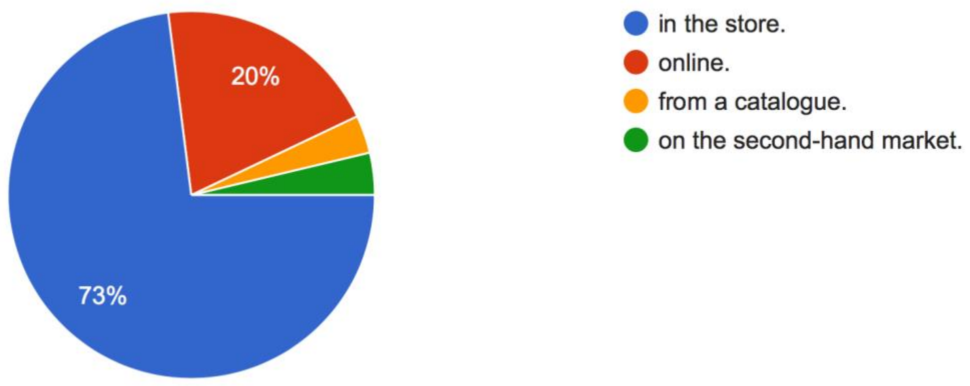
What kind of brands do you prefer?

781 responses

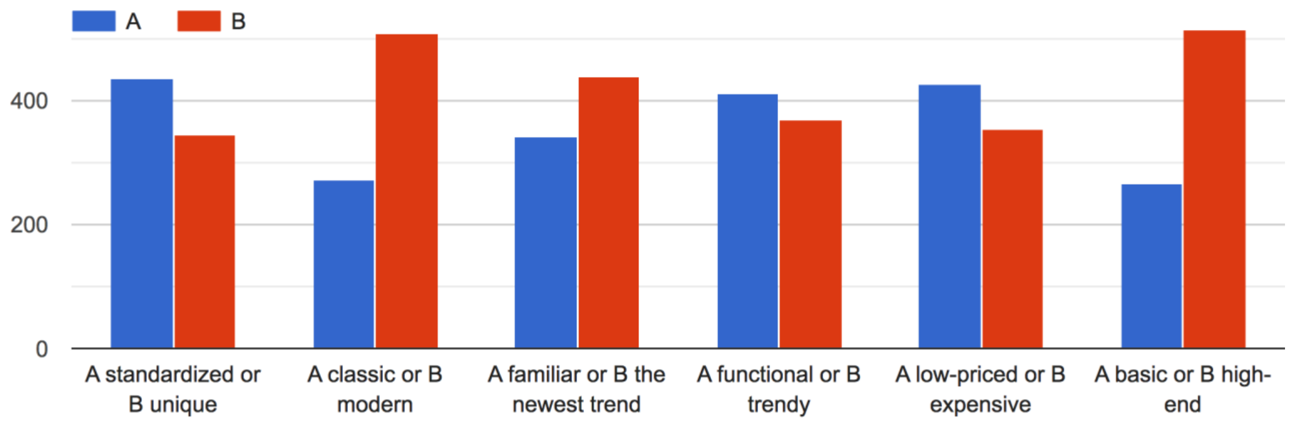


Complete: I prefer to buy furniture...

781 responses



Complete: When I buy furniture, I prefer it to be



What is your favorite furniture store?

266 responses

-	1
?	1
/	1
A RUDIN	1
ALNOKEUKENS ASTRIDLAAN GERAARDSBERGEN	1
ANTIQUE & THRIFT SHOPS	1
AS AN ARCHITECT/DESIGNER, WE RECOMMEND FROM MANY MANUFACTURERS.	1
ASHLEY	5
AXEL VERVOORDT	1
BASSET FURNITURE	1
BATH BED AND BEYOND	1
BETTINI GENT	1
BIETINI DESIGN	2
CANTONI	1
CASTEELKEN ROESELARE	1
CB2	3
COCKAERT	1
COCKAERT MEISE/VAN PRAET MOORSEL/POT AXEL	1
COCQAERT	1
COLIFAC	2
COUCH	1
CYRILLUS	1
DE DIREKTEURSWONING	1
DE PROOST	1
DEBA	1
DEBA MEUBELEN	1
DEPENDS ON LOCATION	1
DEPENDS ON THE KIND OF FURNITURE I'M LOOKING FOR. RECENTLY ROCHE BOBOIS	1
DEPENDS ON WHAT WE ARE LOOKING FOR, FROM CRATE AND BARREL TO AN EXCLUSIVE STORE POPPLETON'S IN MONTEREY	1
DIVANI	1
DOMO	1
DO NOT HAVE ANY. I ALSO BUY FURNITURE ON THE SECONDARY MARKET AS WELL.	1
DO NOT HAVE ONE	3

DWR	1
ELECTROMANIAC	1
ETHAN ALLEN	2
FEMON GALVAN DESIGNERS	1
FLAMANT	2
FLEA MARKET	2
GAEST DESIGN	1
GAMMA OF SPECIAALZAAK.	1
GAVERZICHT	4
GEEN	6
GEEN SPECIFIEKE	1
GERO WONEN	1
HAVERTYS	1
HAVERZICHT	1
HENDERSON & HAZEL	1
HEYLEN	1
I BUY WHAT I LIKE THE LOOKS OF DO NOT CARE WHICH STORE	1
I BUY WHERE I FIND SOMETHING THAT FITS MY NEEDS	1
I DO NOT HAVE A FAVORITE	1
I DO NOT HAVE ANY JUST YET, I JUST LIKE TO GO AROUND SMALL SPECIALIZED STORES	1
I HAVE NONE, I LIKE TO EXPLORE ONLINE, AND WHEN IT COMES TO MAKE A DECISION: I GO AND SEE FOR MYSELF. I WILL NOT BUY BEFORE I TOUCHED IT MYSELF.	1
IKEA	73
IN STORE	1
IT DEPENDS	1
JONCKHEERE SINT NIKLAAS	1
JONKHERE	1
KAAI DESIGN	1
KARTELL	1
KASTEELKEN ROESELARE	1
KRINGLOOPWINKEL	1
LIVING SPACES	2
LOCAL STORE (WILLIS WAYSIDE) THAT HAS BEEN IN BUSINESS FOR SEVERAL GENERATIONS.	1
LOCAL STORES, NOT BRAND NAME LIKE IKEA	1
LOFT INTERIEUR	1
LUCAS	20
MAISON DU MONDE/IKEA/SPECIALIST SHOP	1
MAISONS DU MONDE	3
MAISONS DU MONDE & LOFT INTERIEUR	1

MANY SECOND-HAND STORES, CHARITY SHOPS, AND GARAGE SALES	1
MARINA HOME DUBAI	1
MATHIS BROTHERS	1
MERCKX, NINOVE	1
MEUBELWINKELS IN DE BUURT	1
MINOTTI	2
MRS. HOWARDS	1
MS 2000	1
MULTIPLE STORES DEPENDING ON THEIR OFFER	1
MY INTERIOR DESIGNER PICKS THE STORES	1
MY INTERIOR DESIGNER SHOWS ME FURNISHINGS	1
N/A	1
NIET SPECIAAL	1
NO FAVORITE, I GO TO SEVERAL STORES AND THE ONE WHO HAS WHAT I WANT, OR NEED IS AT THAT MOMENT MY FAVORITE.	1
NO PREFERENCE YET.	1
NO PREFERENCE; I BUY WHAT, WHEN & WHERE I LIKE IT	1
NO PREFERENCE.	1
NONE	2
NONE IN PARTICULAR	1
PIER 1 IMPORTS	1
PIER ONE	1
POLIFORM	1
POT INTERIEUR AXEL	1
POT, BIETINI	1
POWELL	1
R & R	1
R & R	1
R&R INTERIOR KNOKKE	1
RAYMOUR & FLANIGAN	1
RC WILEY (VEGAS)	1
RESTORATION HARDWARE	2
RESTORATION HARDWARE	1
RESTORATION HARDWARE, CB2	1
ROOM AND BOARD	1
ROOMS TO GO	1
SECOND-HAND MARKET ON INTERNET	1
STEVENS MEUBEL	1
STILL SEARCHING	1
STORE IN THE NEIGHBOURHOOD	1
TO MUCH	1

TOFF MOUSCRON, GAVERZICHT, MOLECULE	1
TOP INTERIEUR	2
TORREKENS	6
TWEEDEHANDS	1
VANDERMEEREN	1
WAYFAIR	3
WEBA	6
WEBA	1
WESTELM	1
WILLIAMS-SONOMA	1
YDEE, GHENT,	1
Z GALLERIE	2
ZYSO	1

III EXCEL FILE

III.A NUMBERS FEDUSTRIA 2018

III.B INDIVIDUAL RESPONSES

III.C OVERVIEW

III.D REASONS

III.E FREQUENCY

III.F SPENDING

III.G PAYMENT METHODS

III.H TYPES OF BRANDS

III.I CHANNELS

III.J DESIRES

III.K EXAMPLE ITA

ITA stands for ‘Ideal Target Audience’

III.L CALCULATE ITA

ITA stands for ‘Ideal Target Audience’