



SEINÄJOEN AMMATTIKORKEAKOULU  
SEINÄJOKI UNIVERSITY OF APPLIED SCIENCES

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## **Export Plan for Isku Active Learning- concept**

From Finland to the markets of Netherlands

Thesis

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Bachelor of Business – International Business

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SEINÄJOKI UNIVERSITY OF APPLIED SCIENCES

## **Thesis abstract <sup>1</sup>**

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*The objective of this study was to research Netherland's market for the possible exportation of the Isku Active Learning -concept. This is done through the ways of market research, competitor analysis and the research and development of the concept itself.*

*With this data gathering through semi-structured interviews and different market analyses we can determine the risks and opportunities that the market entry has and make the conclusion on whether it is lucrative to do.*

*Based on the data that is gathered and analysed this research comes into a conclusion that answers the main questions that are being asked. Mainly in what sort of state the market is. What is its outlook and potential? Does the concept have potential market in Netherlands?*

*Through the data and research, the thesis concludes that the outlook of the markets trend is growing and there would be potential for this concept, but there are a lot of risks and potential disturbances to the market.*

*Also, when doing research in smaller scale, through interviews the given data shows that there would be interest for this sort of concept, one of the reasons being that Active learning is one of the teaching methods that is used by the teachers.*

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## Opinnäytetyön tiivistelmä <sup>2</sup>

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*Tämän tutkimuksen tavoitteena oli selvittää Alankomaiden markkinoiden potentiaalia Isku Active Learning -konseptin mahdollista vientiä varten. Tämä tehdään markkinatutkimuksen, sekä itse konseptin tutkimus- ja kehitystyön keinoin.*

*Tämän tietojen keräämisen puolistrukturoidun haastattelun ja erillaisten analyysien avulla voimme määrittää markkinoille pääsyyn liittyvät riskit ja mahdollisuudet ja tehdä johtopäätöksen siitä, onko vienti kannattavaa.*

*Kerätyn ja analysoitavan datan perusteella tämä tutkimus päättyy johtopäätökseen, joka vastaa niihin keskeisiin kysymyksiin, joita esitetään. Pääasiassa millaisessa tilassa markkina on? Mitkä ovat sen näkymät ja mahdollisuudet? Onko konseptilla potentiaalia Hollannin markkinoilla?*

*Kun tarkastellaan markkinoiden tulevaisuutta voidaan todeta, että markkinat ovat kasvusuunnassa ja tätä kautta myös konseptille löytyisi potentiaalia, vaikkakin myös tulevaisuus pitää sisällä monia riskejä ja potentiaalisia häiriöitä jotka voivat sekoittaa markkinointia.*

*Myös, kun tarkistellaan pienemmällä skaalla, haastattelujen kautta saadulla datalla voidaan todeta, että kiinnostusta konseptia kohtaa löytyy, ja yksi monista syistä on, että opettajat aktiivista oppimista käytetään opetusmetodina.*

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# 1 Introduction

In this chapter I will go through the background of the company and the concept that they have developed. I will also go through the ways that I will conduct my research when it comes to the questions that I will answer and the way that I will gather data from different sources.

## 1.1 Background

Isku Yhtymä Oy is a Finnish furniture company that is established in 1928 in Lahti by Eino Vikström and Matti Metso (Isku, n.d.). Their main market was Finland. Their products included home furniture up to 1930s when they specialized to Office furniture that was made from massive wood and the styling was taken from American office furniture. In 1960s Isku started to export to Sweden and Soviet Union and Isku Global was established. In 1970s export to the Middle East and the Arabic countries started.

In 2022 Iskus turnover was 138,2milj. € and they have employed over 600 people. They have operations in 16 different countries. All their own furniture is manufactured in Finland in their own factory in Lahti. Their CEO is Arto Tiitinen and Head of Isku Global is Elise Tarvainen.

Isku has developed a concept for learning environment called Isku Active Learning -concept. This concept is based on The World Banks data that supports the importance and the connection between the environment in which the learning done and the improvement it gives to the learning results. This concept has already been proven useful in multiple projects within Finland but also it has been exported to multiple different countries around Europe, Asia and Middle East.

One of the objectives of this research is to seek out if the Netherlands market is favorable for this sort of product. In addition to this another objective of this study is to see if there is a demand for this sort of product in the Dutch schools.

I expect the results to show that there is demand for this sort of concept.



Thesis begins with the introduction of the Isku Active Learning -concept. The vision and mission of the concept is explained. It also goes through what products it offers in practice and the business model that it uses, and it also talks about the ways of data collection and what tools are used in it to collect data that is as accurate and useful for this research as possible.

The literature review contains two different analyses. First one being the PESTEL -analysis where it considers what factors outside the business operations could affect the company and what sort of business environment is Netherlands as a country.

The third part of the thesis is about, market analysis where it looks at the present and the future of Netherlands furniture market. What is the potential and the risks of the market and current trends in it.

The fourth part of the thesis analyses the concept itself how it operates, and, in more detail, what is the concept and the product itself.

In the fifth part of the thesis, it takes all the data together and answers the research question given in the beginning of thesis. In it takes into the consideration the data that we have gathered through the research.

The discussion part of thesis considers what future steps is advised for the concept that are gathered with the help of the data gathered. On top of this it also talks about what were the challenges of the research and how they could be avoided in the future.

The last part of thesis considers all the data that has been gathered and through that makes a conclusion.

## **1.2 Research aims and research questions.**

The aim of this research is to gather data from different sources regarding the current state of the market, its potential, and the future. We can also evaluate the state of the competitors and their ways of operating in the market.

The value proposition that Isku Active Learning has is according to one of the creators of Isku Active Learning -concept and the Vice President of Iskus International Business

Elise Tarvainen (2023): “ISKU provides smart, pedagogy-driven learning and innovation environments for better academic achievement and quality of learning experiences”.

What is the state of the market in the Netherlands? Could it be potential market for IS-KUs Active Learning Concept?

### **1.3 Research methods**

Research method is a way that the data is gathered for their research, without an explicit research method what can end up happening is that the research ends up being prone to the assumptions that the researcher has about the topic and can easily being based instead of being objective about the given topic (Alajuuri, 2011).

For my thesis I'm going to use is a Qualitative research method as I'm using semi structured interview and literary review for my thesis. A literary review is a research method where the researcher or researchers take already existing sources and combines them into a summary from which the researcher makes their conclusions.

Adding to these I will take a school and conduct research in that school in order to get an idea on if this concept would work on a bigger scale. That will also give me fresh data directly from the people that work with these things and are making the decisions about them. This will give me a better idea about whether there is a demand for this sort of concept and help me further on making an accurate decision.

### **1.4 Data collection**

For my thesis the data collection methods will include Internal and external analysis methods that PESTEL-, competitor- and market analysis. There are the secondary data collection methods.

PESTEL-analysis is according to Kyle Peterdy from the Corporate Financial Institute: “A PESTEL analysis is a strategic framework commonly used to evaluate the business

environment in which a firm operates” PESTEL is an acronym from Political, Economic, Social, Technological, Environmental and Legal factors that are considering when evaluating the business environment.

PESTEL- analysis is used in order to understand what the forces outside the market are that can affect directly the performance of a business in a market (Oxford College of Marketing, 2016).

In addition to this I will conduct a market analysis which is an analysis about the current state of the market. This includes volume and the value of the market, buying patterns and potential customer segments. Both analyses will give an idea about what is the current state of the market and the future of the market that Isku is planning to enter and reduce the risks when entering market.

I will also conduct interviews and gather primary data from those. The interviews are conducted with the Dutch people that work closely in the teaching industry and are as close as possible to the decision making. This is so that so that i will get information on what they think and how the decisions are made when it comes to them.

## **2 Literature review**

This chapter of the thesis will include Pestel-analysis and I will also briefly discuss how the education system in Netherlands works. The reason for choosing PESTEL- analysis was that it is a common tool used when companies are considering about expanding to a new country.

### **2.1 PESTEL – analysis**

#### **Political stability**

According to European Union's country profile about Netherlands: "The Netherlands is a parliamentary constitutional monarchy with a head of government - the prime minister - and a head of state - the monarch. A council of ministers holds executive power. The country is divided into 12 provinces and 388 municipalities."

Netherlands has a multiple party system as according to The Government of Netherlands: "The fourth Rutte government was sworn in at Noordeinde Palace on Monday 10 January 2022. The new government is a coalition of the People's Party for Freedom and Democracy (VVD), Christian Democratic Alliance (CDA), Democrats '66 (D66) and Christian Union (CU) and comprises 20 ministers and nine state secretaries".

Netherlands has a traditional government but where the monarch has also power as the Kingdom of Netherlands states: "The King and the ministers together make up the government. The Prime Minister heads meetings with the ministers, who together form the cabinet. The ministers and state secretaries (junior ministers) govern the country and implement policy". The head of the state is The King Willem-Alexander and the Prime minister is Mark Rutte. Netherlands is also part of the European Union, and they take part in decision making with their 26 members of the European Parliament (Government of Netherlands. n.d.).

When it comes to political stability in Netherlands the World Bank measures it yearly. This also considers the risk of terrorism in the country. The scale goes from 0% being totally unstable to 100% being stable. In this scale Netherlands ranked 79.72% in 2021.

The Dutch Court system also work on being as independent and as fair as possible. To achieve this, they have taken multiple measures on of the key once being integral management. This works so in a way that the court has its own collegial court, and they are working on the day to day running and the general management of the court Netherlands (Council for the Judiciary, 2010).

When it comes to accountability the courts are only accountable to the Council for the Judiciary for only on how they use their resources not on the way that they got to their judicial decisions making their decision making less likely to be influenced by external forces.

As part of the European Union, they are under the surveillance when it comes to the rule of law and how it is applied (European Commission, n.d.). If the rule of law does not comply with rules that the European Union has set, and Netherlands as a European Union's member state has agreed to, they can be given sanctions over it.

They also, every year have dialog with every member state Netherlands included where they give recommendations on how implementations of the rule of law could be improved and follow up on how these measures are put into place.

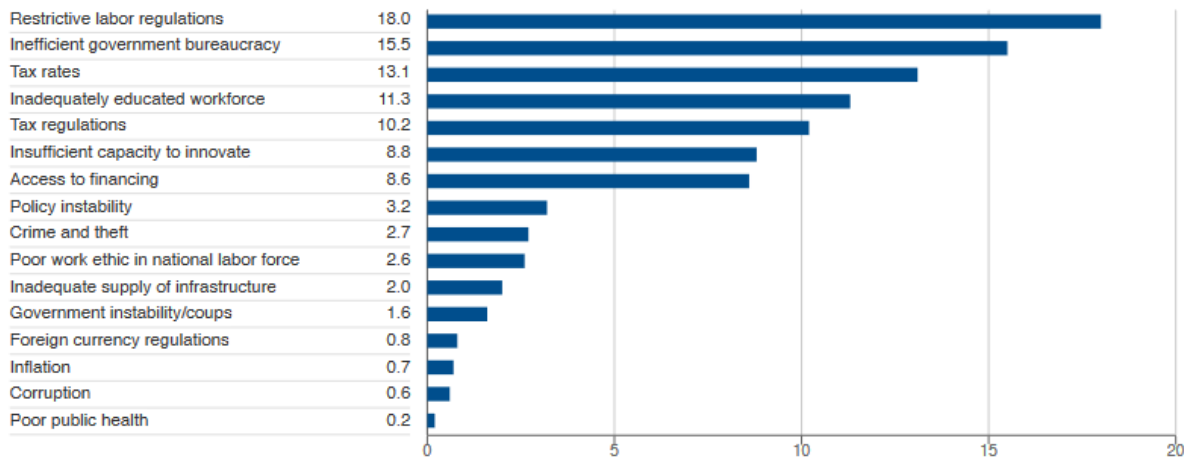
This is followed by the Council reporting forward to the Minister of Justice but also on this case just the usage of the resources and not on the way of the decision making. This gives distance between the people that make the rulings of the court and the people at power as the Minister of Justice is less directly involved (Netherlands judiciary system, 2010).

## Political challenges when operating in Netherlands

In 2017 The World Economic Forum did a survey in which they asked 78 businesses that operate in Netherlands what are the most problematic factors when doing business?

### Most problematic factors for doing business

Source: World Economic Forum, Executive Opinion Survey 2017



**Note:** From the list of factors, respondents to the World Economic Forum's Executive Opinion Survey were asked to select the five most problematic factors for doing business in their country and to rank them between 1 (most problematic) and 5. The score corresponds to the responses weighted according to their rankings.

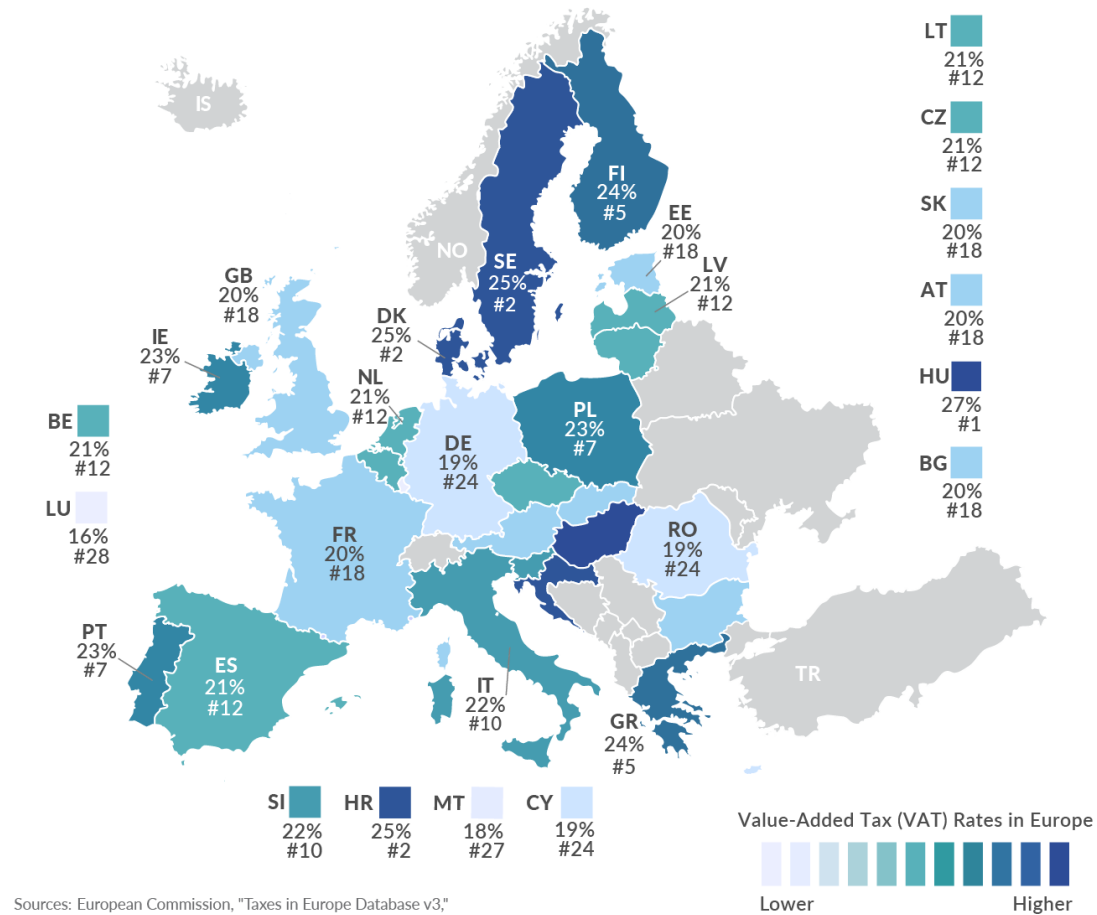
Table 1. Executive Opinion Survey (World Economic Forum, 2017)

Top 3 answers that were given were Restrictive labor regulations, Inefficient government bureaucracy and Tax rates. Looking at the overall the answer the most popular ones have to do with bureaucracy, taxes and finance. At the less popular options you have corruption overall living conditions and crime and political instability.

## Taxes

### VAT Rates in Europe

Standard Value-Added Tax (VAT) Rates in European Union Countries and the United Kingdom, as of January 2023



TAX FOUNDATION

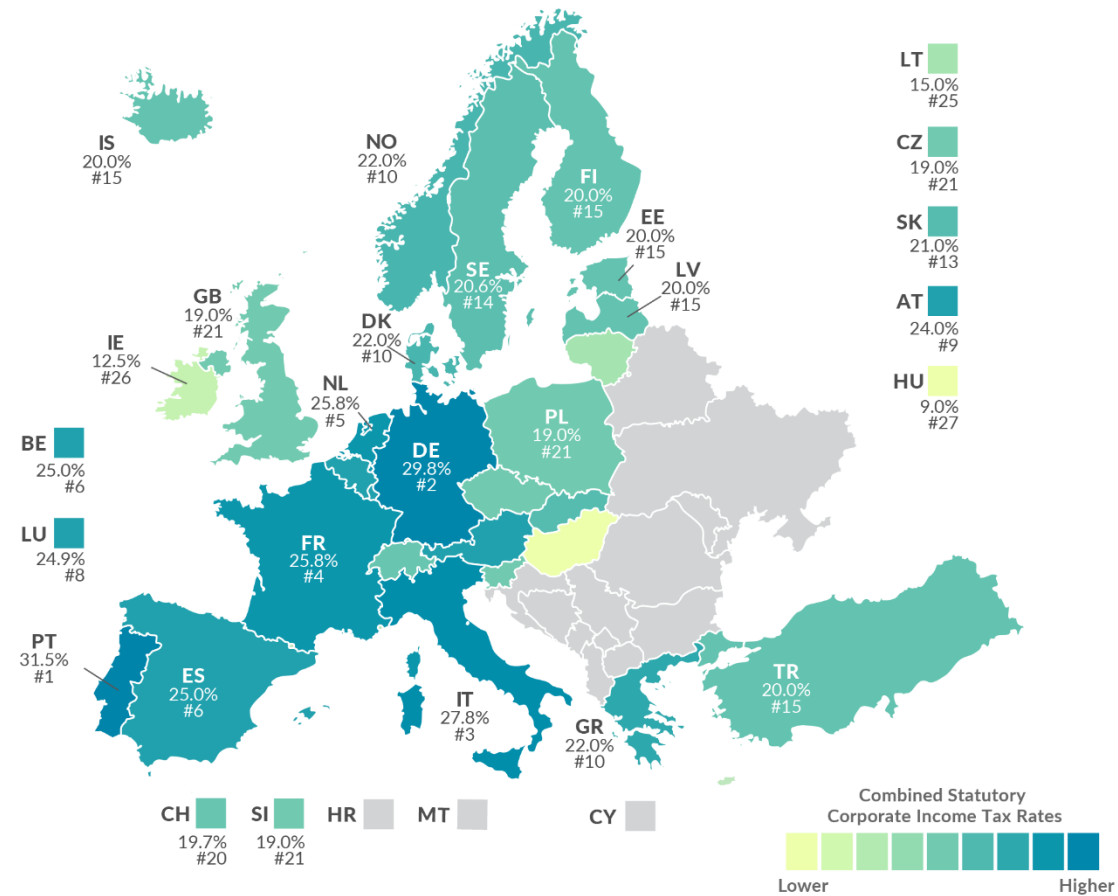
@TaxFoundation

Table 2. VAT Rates in Europe (European Commission, 2023)

In Netherlands VAT tax rate is 21% and reduced tax rate is 9%. In Netherlands furniture is under the common 21% tax rate. The 21% common tax rate is in line with the European Union's average VAT rate (Tax foundation, 2023).

## Corporate Income Tax Rates in Europe

Combined Statutory Corporate Income Tax Rates in European OECD Countries, 2023



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Table 3. Corporate Income Tax Rates (OECD, Bloomberg Tax, 2023)

The common tax bracket in Netherlands is 25.8% and the lower tax bracket is 19%. The lower tax bracket applies if the company's income is less than 200 000 € per annual and for every euro over 200 000€ is taxed with the 25% tax. Netherlands does not have regional income tax.



## Corruption

Netherlands was ranked in 2022 8<sup>th</sup> least corrupted country out of 180 different countries with the index score being 80/100 points (Transparency international, 2023).

The Corruption Perception Index ranks countries around the world by looking at their public sector corruption and they use a scale from 0 being highly corrupt to 100 being very clean.

## Economic analysis

Netherlands is very suitable for foreign investments as its macroeconomic and political situation is very stable and predictable, its financial sector is very developed, and its labor force is well educated (U.S Department of State, Bureau of Economic and Business Affairs, 2023).

Netherlands location is also one of its advantages as it is Europe's transportation hubs. Netherlands economy is very competitive, and it drives foreign investments through taxation that suits businesses and treaties that are put into place to protect the investor.

Labor	Reference	Last	Previous	Units	Frequency
Labor Force	Sep 2022	9,944	9,920	Ths. #, SA	Monthly
Unemployment	Sep 2022	382	378	Ths. #, SA	Monthly
Unemployment Rate	Sep 2022	3.8	3.8	%, SA	Monthly
Labor Force Employment	Sep 2022	9,562	9,542	Ths. #, SA	Monthly
Total Employment	2022 Q2	10,108	10,030	Ths. #, SA	Quarterly
Wage & Salaries	2022 Q2	110,803	109,889	Mil. EUR, SA	Quarterly
Agriculture Employment	2017	201,205	204,720	#	Annual
Primary Industries Employment	2016	195	194	Ths. #	Annual

*Table 4. Netherlands Labor data (Moody's Analytics, 2022)*

The employment rate of working age population is 81,8% in 2021 according to Organization for Economic Co-operation and Development with the average gross monthly income in Netherlands in 2020 was 3042€ per month according to data by Trading Economics.

GDP	Reference	Last	Previous	Units	Frequency
Government Consumption	2022 Q2	58,724	58,160	Mil. EUR, SA	Quarterly
Real Government Consumption	2022 Q2	49,561	49,456	Mil. 2015 EUR, SA	Quarterly
Private Consumption	2022 Q2	100,615	98,605	Mil. EUR, SA	Quarterly
Real Private Consumption	2022 Q2	85,225	84,460	Mil. 2015 EUR, SA	Quarterly
Real Fixed Investment (gross fixed capital formation)	2022 Q2	43,006	40,794	Mil. 2015 EUR, SA	Quarterly
Real Gross Domestic Product	2022 Q2	200,842	195,834	Mil. 2015 EUR, SA	Quarterly
Nominal Fixed Investment (gross fixed capital formation)	2022 Q2	51,856	48,469	Mil. EUR, SA	Quarterly
Nominal Gross Domestic Product	2022 Q2	232,237	226,973	Mil. EUR, SA	Quarterly
Investment	2021 Q3	44,738	45,180	Mil. EUR, SA	Quarterly
Real Investment	2021 Q3	39,253	40,189	Mil. 2015 EUR, SA	Quarterly
Price	Reference	Last	Previous	Units	Frequency
Consumer Price Index (CPI)	Sep 2022	126.89	123.95	Index 2015=100, NSA	Monthly
Producer Price Index (PPI)	Sep 2022	142.6	143.6	Index 2015=100, NSA	Monthly

*Table 5. Netherlands GDP and Price data (Moody's Analytics, 2022)*

Netherlands GDP was 1.02 trillion US\$ in 2021 and GDP per capita was 58,061 US\$. This ranks the GDP of Netherlands 17<sup>th</sup> in the world and the GDP per capita at 13<sup>th</sup> in the world in 2021 (World Bank, 2021).

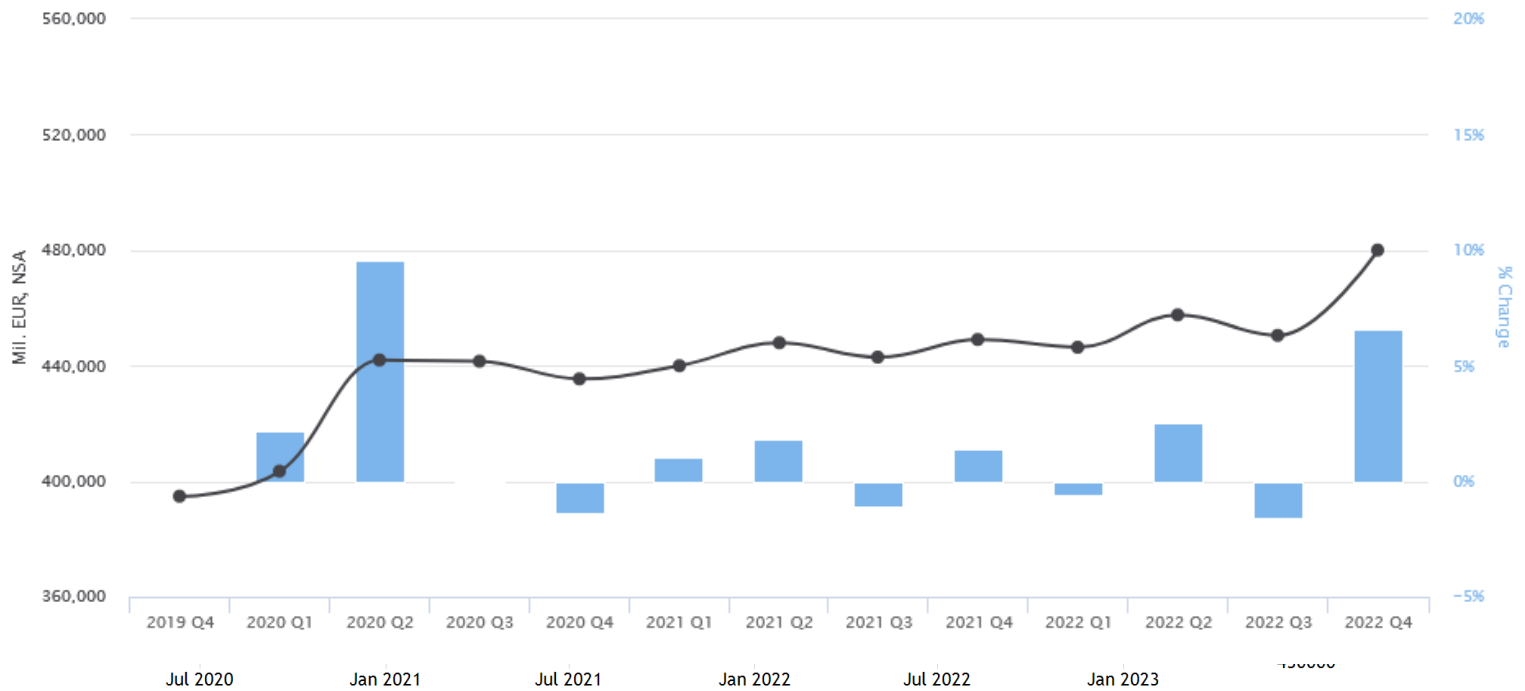


Table 7. Netherlands Government debt (CBS, 2023)

The amount of outstanding debt that Netherlands has in Euros was in 2022 fourth quarter was 480,065 million Euros (Moody's Analytics, 2022).

Figure 5 - Government gross debt-to-GDP ratio (in %) for Q2 2022

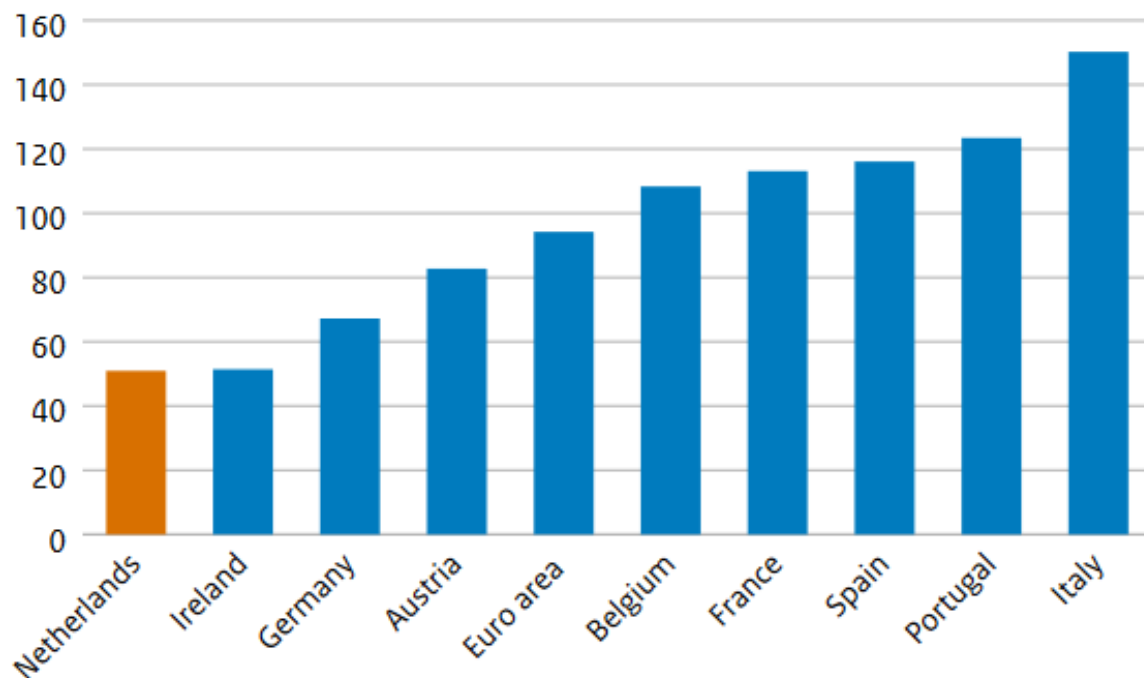


Table 6. Government gross debt-to-GDP ratio (in %) for Q2 2022 (CBS, 2022)

This is not as important as there are a lot of different size economies. The more accurate data in this case is what is ratio of the country's debt is compared to its GDP.

The debt to GDP ratio in 2022 for Netherlands was 50,4% that is very good when compared to the average of the Euro area which was 91,5% (Eurostat, 2022).

There is an 60% GDP threshold that is being agreed with the EU that is part of the European Stability and Growth pact and Ministry of Finance.

	2021	2022	2023*
EMU-balance	-2.5	-1.0	-3.0
EMU-debt	52.1	50.4	49.5

*Table 8. Key budgetary figures for the Netherlands (% GDP) (Netherlands Ministry of Finance (2022))*

Netherlands will remain under the threshold set by the EU as their % debt of the GDP will remain around 50% (Table 5).

## Financials in education

<b>Education sectors</b>	<b>Expenditure on education Total expenditure on education (million euros)</b>	<b>Expenditure on education Government Total government (million euros)</b>	<b>Government On education institutions Total on education institutions (million euros)</b>
<b>Total education</b>	49,524	40,387	37,295
<b>(Pre-)primary education</b>	13,436	12,911	12,544
<b>Pre-primary and primary education</b>	11,932	11,419	11,061
<b>Special needs primary education</b>	1,504	1,492	1,483
<b>Secondary education</b>	20,344	16,385	15,133
<b>Secondary general education</b>	11,967	10,907	10,747
<b>Senior voc. and gen. adult sec. educ.</b>	8,377	5,478	4,386
<b>Tertiary education</b>	15,744	11,091	9,618
<b>Higher professional education</b>	6,734	4,625	3,615
<b>University education</b>	9,010	6,466	6,003

Source: CBS.

*Table 9. Expenditure on education in Netherlands (CBS,2020)*

The total yearly expenditure on education in Netherlands was 49,524 million euros with the biggest invest being in secondary education being 20,344 million euros (Table 7).

However, the more important data for this research is the amount of money that is being guided towards the institutions themselves. That amount being 37,295 million euros.

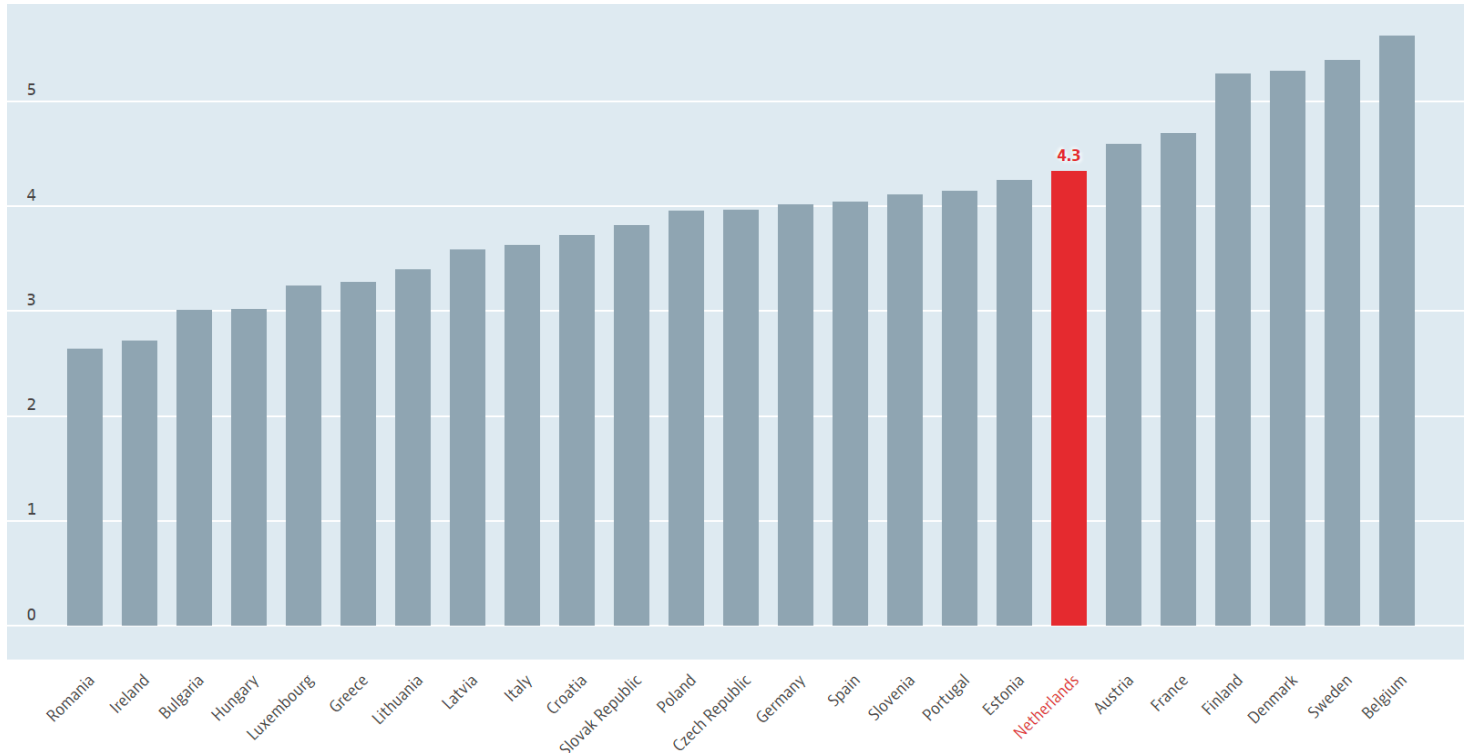


Table 11. Public spending on education Primary to tertiary, % of GDP (OECD, 2023).

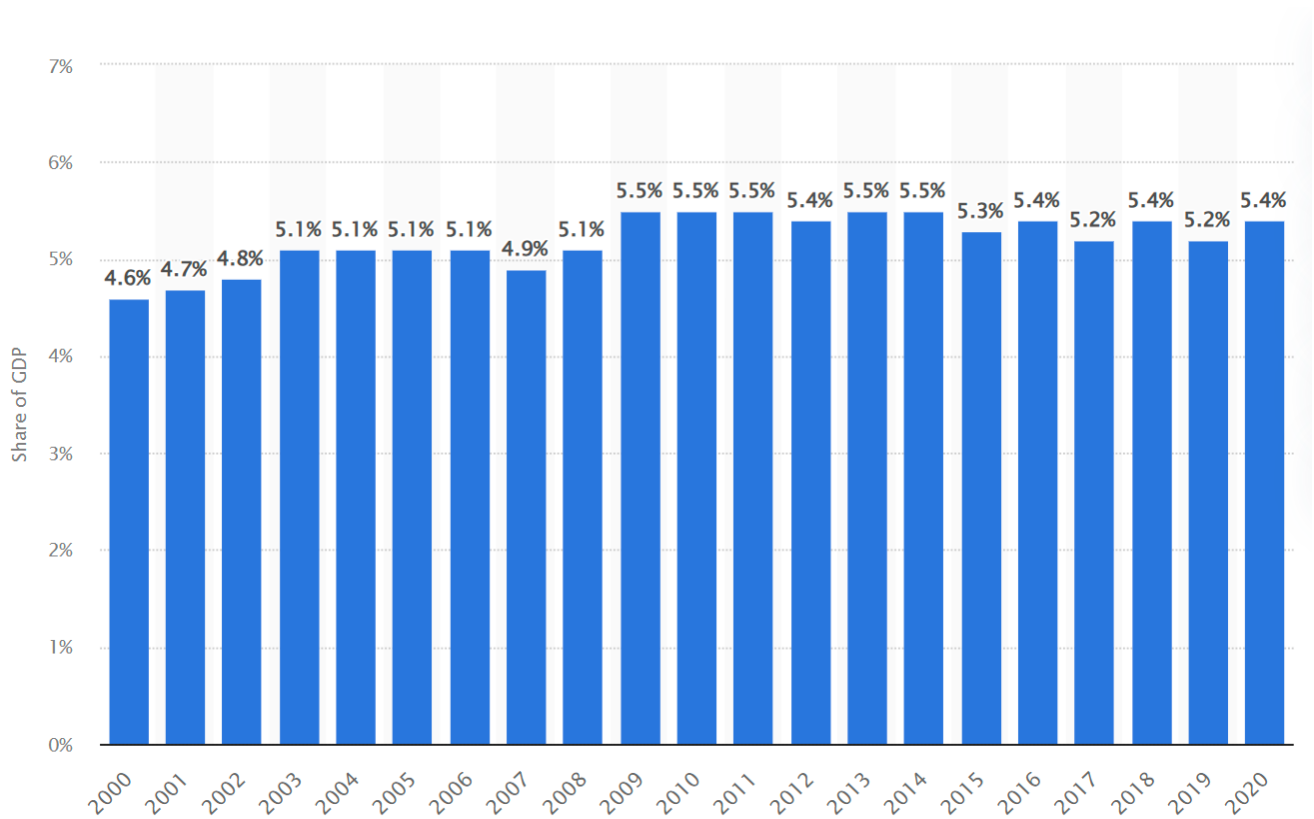


Table 10. Government expenditure on education as share of GDP in the Netherlands from 2000-2020 (Statista, 2022).

Netherlands spent 5,4% of its GDP in education. This put it over the European Union's average which was 5,1% and placed it 12<sup>th</sup> when compared to other countries in European Union (Table 11).

The budget is divided so that from primary school to tertiary school public education sectors part is 4.3% and private education sector is 0.97% with the rest dedicated to household teaching and other private entities (Table 10).

## Wealth distribution

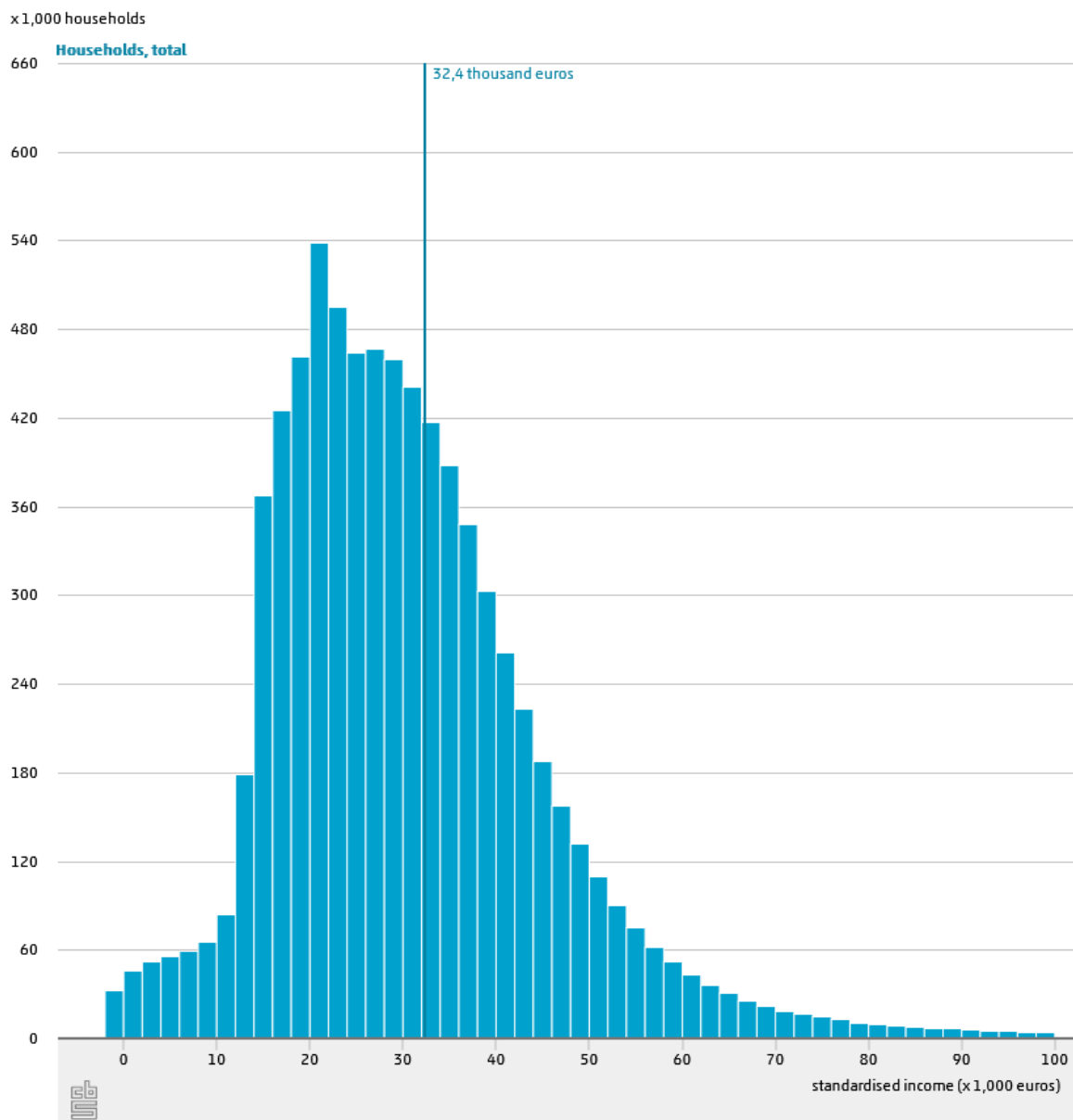


Table 12. Income distribution of Netherlands (Statistics Netherlands CBS, 2021)

The average household income in Netherlands is 32.4 thousand euros per year which is just below the EU average of 33 500€ in 2021. The most common yearly income per household was between 20000 to 22000€ (Table 12).

### Future views

One factor that can help this is the fact that in Netherlands due to Corona crisis people have more capital per household saved than ever before (Table 13).

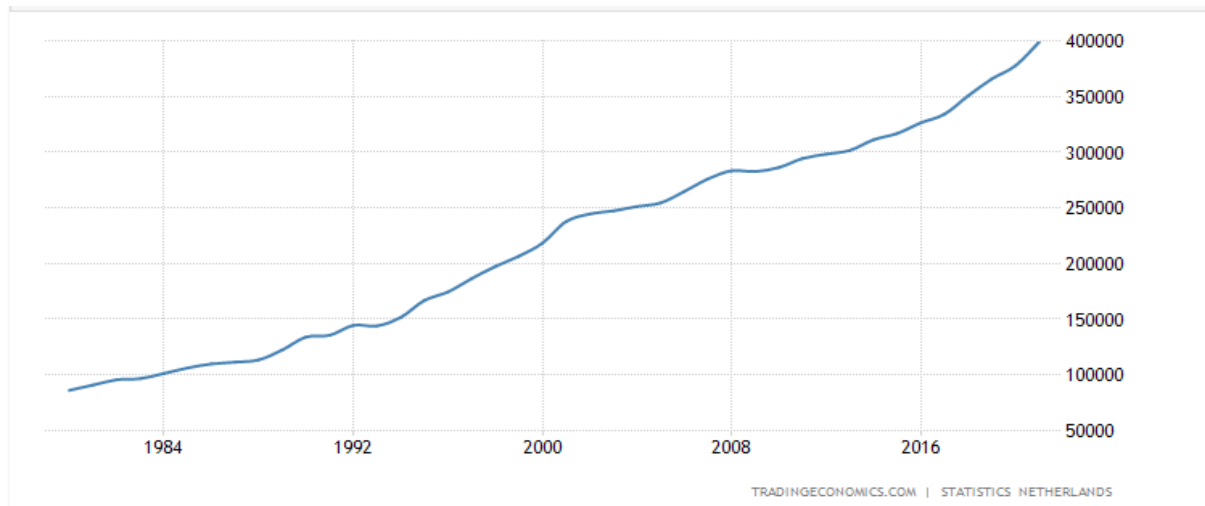


Table 13. Netherlands Households Disposable Income (Trading Economics, 2022)

Household consumption we can see that it has been low in 2022 due to different crisis and unstable political situations that have driven down the consumer confidence, but at the end of 2022 it is on a rise (Table 14).

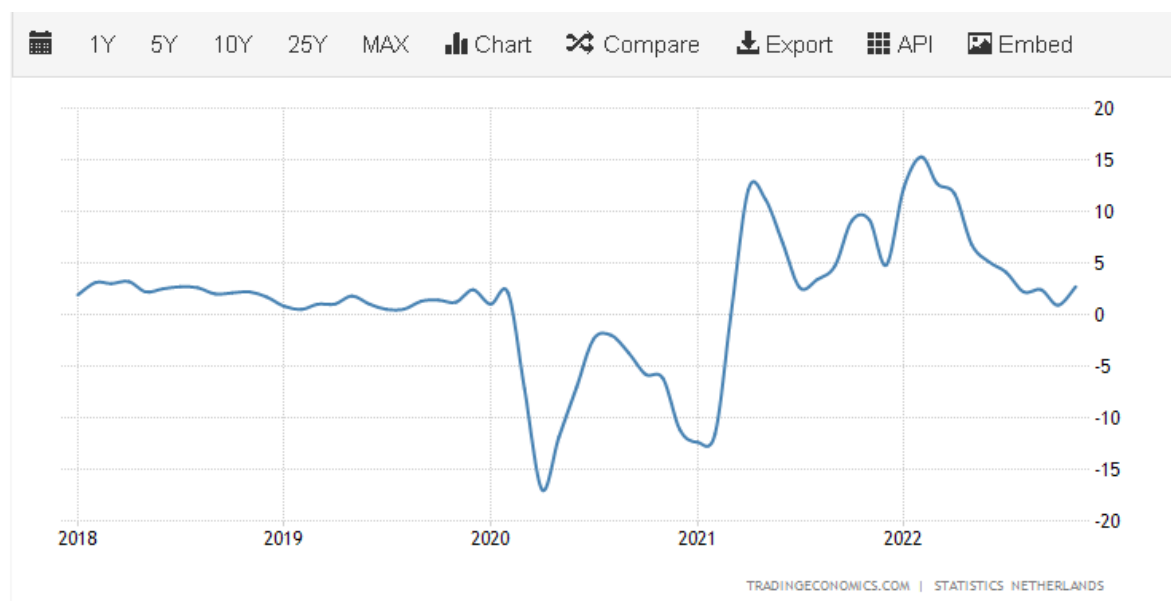


Table 14. Household spendings in Netherlands (Trading Economics, 2022)



On the future it is predicted that Netherlands economy is still in the path of moderate growth (De Nederlandsche Bank, 2022). The high inflation that is caused mainly by high energy prices is predicted to fall with the change from away from Russian fossil fuels to greener and safer alternatives.

This combined with growth itself being moderate helping to cool the overheated economy and lower the inflation. It is also predicted that investments in business are growing in the future. The risks in the future are that the core inflation will remain high and that the total amount working population won't be able to keep up with the growth of the economy.

## 2.2 Social analysis

### Population

Demographics	Reference	Last	Previous	Units	Frequency
Population	Jun 2023	17,866,118	17,857,134	#, NSA	Monthly
Births	2022	167,504	179,441	#	Annual
Deaths	2022	170,112	170,972	#	Annual
Net Migration	2019	129,908	108,940	#	Annual
Birth Rate	2015	10.1	10.4	# per Ths. pop.	Annual
Death Rate	1996	8.9	8.8	# per Ths. pop.	Annual

In 2022 Netherlands had 7<sup>th</sup> biggest population in Europe (NordicHQ, 2023) and ranked

*Table 15. Demographics of Netherlands (Moody's Analytics 2023).*

71<sup>st</sup> in the whole world (CIA World factbook, 2023).

## Largest cities in the Netherlands in 2022, by number of inhabitants

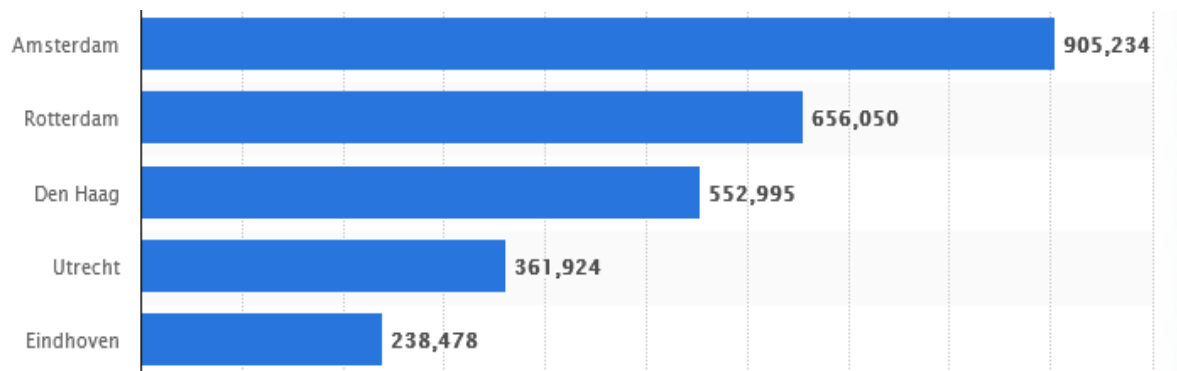


Table 16. Five of the biggest Cities by population in Netherlands (Statista, 2020)

Netherlands has a high amount of people living in cities with the percentage being 93% when compared to the rest of the Europe the average is around 75%. The five biggest cities in Netherlands house around 2 million people in 2020 (Statista, 2020).

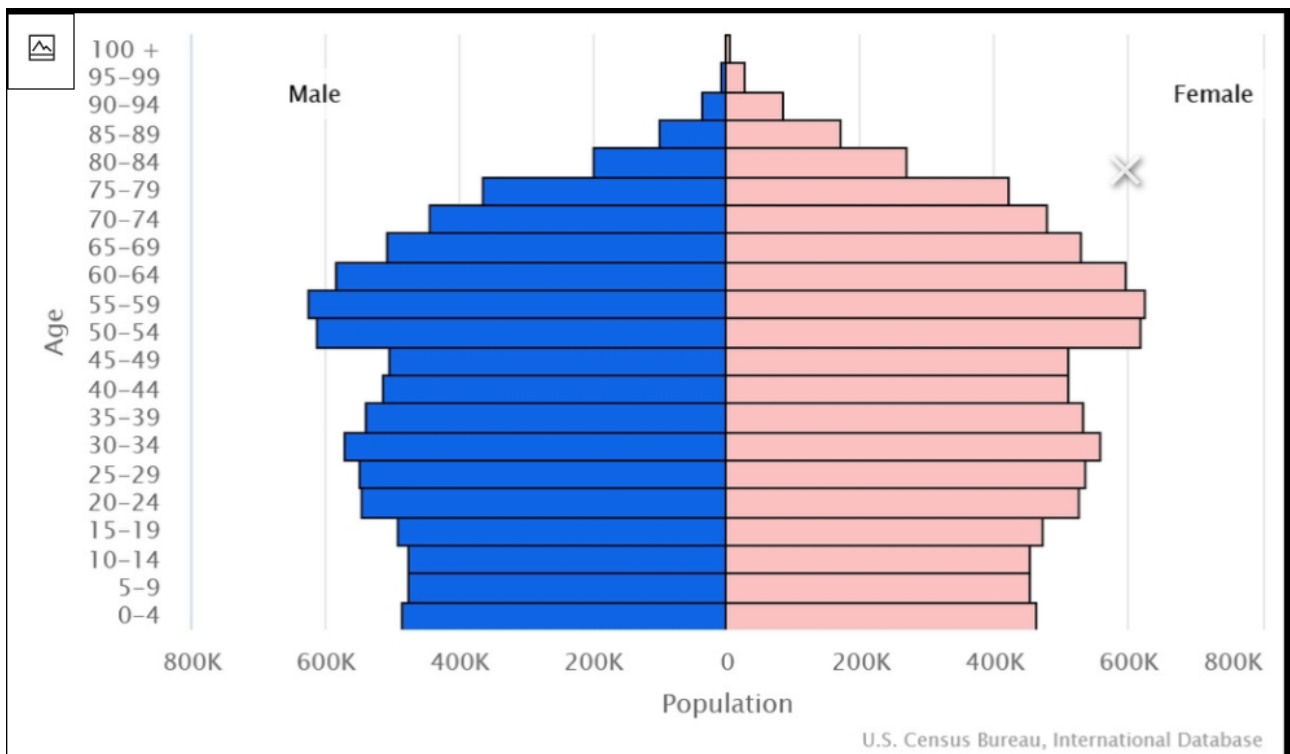


Table 17. Population Pyramid of Netherlands in 2023. (CIA World Factbook 2023)

Netherlands has an aging popularity with most of the population is between the ages of 50- to 60-year-olds, second largest age group is 25 to 35 years old (Table 17)..

Netherlands population ethnicity is 75% Dutch with 6% coming from different countries around The European Union. Few bigger groups of people that have immigrated to

Netherlands are Turkish and Moroccan nationalities, both at 2.4 %, Surinamese at 2.1% and Indonesian at 2% (CIA World factbook, 2023).

## Technological analysis

When it comes to high technology and its Netherlands is one of the Europe's leading countries. One of the Key performance indicators of this is Digital Economy and Social Index that the European Union measures every year. The DESI index measures 4 different datapoints:

## Human capital

This datapoint considers the workforce and the individual skill that the population of Netherlands has. In 2022 Netherlands ranked 2<sup>nd</sup> in the European Union right after Finland.

1 Human capital	Netherlands		EU	
	rank	score	score	
DESI 2022	2	63.1	45.7	

	Netherlands			EU
	DESI 2020	DESI 2021	DESI 2022	DESI 2022
<b>1a1 At least basic digital skills</b>	NA	NA	79%	54%
% individuals			2021	2021
<b>1a2 Above basic digital skills</b>	NA	NA	52%	26%
% individuals			2021	2021
<b>1a3 At least basic digital content creation skills<sup>1</sup></b>	NA	NA	83%	66%
% individuals			2021	2021
<b>1b1 ICT specialists</b>	5.6%	5.9%	6.7%	4.5%
% individuals in employment aged 15-74	2019	2020	2021	2021
<b>1b2 Female ICT specialists</b>	17%	18%	18%	19%
% ICT specialists	2019	2020	2021	2021
<b>1b3 Enterprises providing ICT training</b>	NA	24%	24%	20%
% enterprises	2019	2020	2020	2020
<b>1b4 ICT graduates</b>	2.8%	3.1%	3.4%	3.9%
% graduates	2018	2019	2020	2020

Table 18. Netherlands Human Capital data (European Commission, 2022)

However according to The European Union: "The Netherlands is one of the top five EU countries for the share of ICT specialists as a percentage of its workforce. However, the Netherlands still requires many more ICT specialists to continue to be a frontrunner in the digital transition."

The problem itself lies in the fact that Dutch companies have problems of finding ICT personnel that is qualified due to structural difficulties. The Dutch government has invested in multiple different programs that tackle this problem with different sort of programs that help ICT graduates find a place to work.

## Connectivity

This datapoint measures the coverage and the quality of the broadband coverage in the country. In this measure Netherlands ranks 2<sup>nd</sup> in the European Union.

2 Connectivity	Netherlands		EU
	rank	score	score
DESI 2022	2	70.1	59.9

	Netherlands			EU
	DESI 2020	DESI 2021	DESI 2022	DESI 2022
<b>2a1 Overall fixed broadband take-up</b>	<b>98%</b>	<b>90%</b>	<b>97%</b>	<b>78%</b>
% households	2019	2020	2021	2021
<b>2a2 At least 100 Mbps fixed broadband take-up</b>	<b>42%</b>	<b>41%</b>	<b>47%</b>	<b>41%</b>
% households	2019	2020	2021	2021
<b>2a3 At least 1 Gbps take-up</b>	<b>&lt;0.01%</b>	<b>&lt;0.01%</b>	<b>&lt;0.01%</b>	<b>7.58%</b>
% households	2019	2020	2021	2021
<b>2b1 Fast broadband (NGA) coverage</b>	<b>98%</b>	<b>98%</b>	<b>99%</b>	<b>90%</b>
% households	2019	2020	2021	2021
<b>2b2 Fixed Very High Capacity Network (VHCN) coverage</b>	<b>89%</b>	<b>90%</b>	<b>91%</b>	<b>70%</b>
% households	2019	2020	2021	2021
<b>2b3 Fibre to the Premises (FTTP) coverage</b>	<b>34%</b>	<b>36%</b>	<b>52%</b>	<b>50%</b>
% households	2019	2020	2021	2021
<b>2c1 5G spectrum</b>	<b>0%</b>	<b>33%</b>	<b>33%</b>	<b>56%</b>
Assigned spectrum as a % of total harmonised 5G spectrum	04/2020	09/2021	04/2022	04/2022
<b>2c2 5G coverage<sup>2</sup></b>	<b>NA</b>	<b>80%</b>	<b>97%</b>	<b>66%</b>
% populated areas		2020	2021	2021
<b>2c3 Mobile broadband take-up</b>	<b>90%</b>	<b>90%</b>	<b>94%</b>	<b>87%</b>
% individuals	2018	2018	2021	2021
<b>2d1 Broadband price index</b>	<b>56</b>	<b>61</b>	<b>68</b>	<b>73</b>
Score (0-100)	2019	2020	2021	2021

Table 19. Connectivity in Netherlands (European Commission, 2022)

This is particularly important as with the 5g technology and internet of things coming to consumer use the coverage on populated areas are important for businesses.

One of the weaker aspects in Netherlands is high speed internet connections even though the coverage of the infrastructure is good the speed is low and speeds up to 1 Gigabyte per second are only at 7,58 %. This is due to high infrastructure costs of building a network capable of high speeds and this combined with the fact that Netherlands has higher than average broadband prices make the consumers prefer lower internet

speeds. With the 5g technology making high internet speeds cheaper there may be a change in the future.

## Integration of digital technology

Integration of digital technology measures how well Dutch companies integrate different levels of digital technology in their operations. In this comparison Netherlands rank 4<sup>th</sup> among the countries in The European Union.

3 Integration of digital technology	Netherlands		EU	
	rank	score	score	
DESI 2022	4	52.1	36.1	

	Netherlands			EU
	DESI 2020	DESI 2021	DESI 2022	DESI 2022
<b>3a1 SMEs with at least a basic level of digital intensity</b>	NA	NA	75%	55%
% SMEs			2021	2021
<b>3b1 Electronic information sharing</b>	47%	47%	43%	38%
% enterprises	2019	2019	2021	2021
<b>3b2 Social media</b>	37%	37%	49%	29%
% enterprises	2019	2019	2021	2021
<b>3b3 Big data</b>	22%	27%	27%	14%
% enterprises	2018	2020	2020	2020
<b>3b4 Cloud</b>	NA	NA	60%	34%
% enterprises			2021	2021
<b>3b5 AI</b>	NA	NA	13%	8%
% enterprises			2021	2021
<b>3b6 ICT for environmental sustainability</b>	NA	64%	64%	66%
% enterprises having medium/high intensity of green action through ICT		2021	2021	2021
<b>3b7 e-Invoices</b>	22%	25%	25%	32%
% enterprises	2018	2020	2020	2020
<b>3c1 SMEs selling online</b>	21%	19%	23%	18%
% SMEs	2019	2020	2021	2021
<b>3c2 e-Commerce turnover</b>	12%	13%	15%	12%
% SME turnover	2019	2020	2021	2021
<b>3c3 Selling online cross-border</b>	13%	13%	13%	9%
% SMEs	2019	2019	2021	2021

Table 20. Integration of digital technology in Netherlands (European Commission, 2022)

Their strengths that are outperforming the European Union average are Cloud storage, where the average of usage in business operations is 34% and Netherlands outperforms it with 60%, big data where the European Union's average is 14% and Netherlands has 27% and the use of social media where the European Average is 29% and Netherlands has 49%.

## Digital public services

Digital public services measures how much of the public services are available in a digital form to the citizens. Netherlands came 4<sup>th</sup> in the comparison.

4 Digital public services <sup>5</sup>	Netherlands		EU
	rank	score	score
DESI 2022	4	84.2	67.3

	Netherlands			EU
	DESI 2020	DESI 2021	DESI 2022	DESI 2022
<b>4a1 e-Government users</b>	<b>84%</b>	<b>91%</b>	<b>92%</b>	<b>65%</b>
% internet users	2019	2020	2021	2021
<b>4a2 Pre-filled forms</b>	<b>NA</b>	<b>NA</b>	<b>94</b>	<b>64</b>
Score (0 to 100)			2021	2021
<b>4a3 Digital public services for citizens</b>	<b>NA</b>	<b>NA</b>	<b>85</b>	<b>75</b>
Score (0 to 100)			2021	2021
<b>4a4 Digital public services for businesses</b>	<b>NA</b>	<b>NA</b>	<b>88</b>	<b>82</b>
Score (0 to 100)			2021	2021
<b>4a5 Open data</b>	<b>NA</b>	<b>NA</b>	<b>92%</b>	<b>81%</b>
% maximum score			2021	2021

Table 21. Digital public services in Netherlands (European Commission, 2022)

Netherlands compares very well in digital public services compared to the European Union's average. They are especially strong when it comes to the pure amount of people that use e-Government services. There have been taken governmental measures for the future to ensure that these numbers stay up and for example the government have developed some mobile applications also for the citizens to use.

## Technology usage in education

Of course, with the recent pandemic the Netherlands education system was forced to move into more digitalized teaching methods.

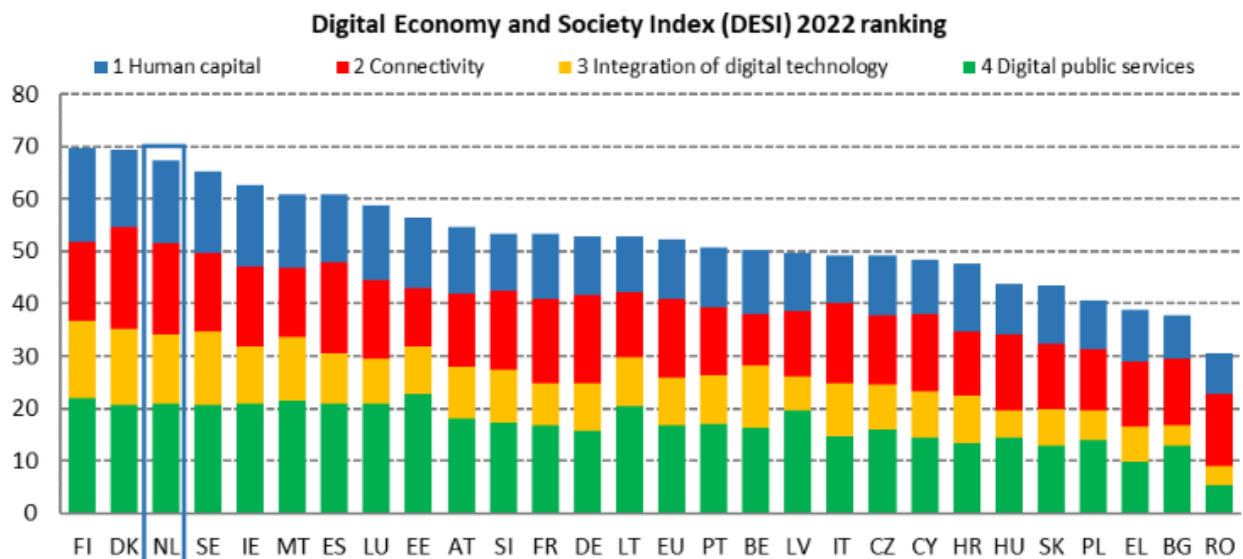
As a part of European Union Netherlands is involved in a lot of programs that focus towards facilitating efficient usage of technology in education. One of these is the Digital education action plan that was started in 2021. Its mission is to enhance the digital skills that people have in the modern age, but also to provide the tools to do so (European Commission, 2020).

Another example of a program that Netherlands is involved is the European Union's digital compass. Digital compass aims to improve and guide Europe's digital transformation and one of the main themes is education (European Union, 2022).

## Overview

Overall Netherlands ranks high in technological aspects when compared to the rest of European Union being third in the overall comparison.

	Netherlands		EU
	rank	score	score
DESI 2022	3	67.4	52.3



The situation currently is good, but to keep it this way Netherlands needs investments and reforms, for example the EU target for AI adaptation is 75% when in all Dutch companies it was only 13%. Other challenge that Netherlands must tackle in order to stay on top is their ICT personnel shortage as in 2020 almost 70% of companies had difficulties in recruiting ICT personnel. Netherlands needs to overcome these challenges if they want to remain in the top.

## 2.3 Legal analysis

As part of the European Union Netherlands is part of the mutual recognition meaning that if a product is already admitted for sale in another European Union Member State it

can be sold in Netherlands as well (European Commission, n.d.). However, you might need to provide some information about it if the Government requests it.

This also ties in with regulations that are put into place by the European Union. The regulating body is called The Authority of Consumers and Markets and its main job is to regulate the European Union markets focusing on consumer protection, post and telecommunications, and market competition.

The national standards body that governs the Dutch markets products is the Royal Netherlands Standardization Institute that is in charge for over 31000 standards in Netherlands (the Royal Netherlands Standardization Institute, n.d.). They do test, inspection and certification, this is mainly for products that have not been sold before or are being exported outside of the European Union where the regulations and standards are different.

One of the most important markings for your product to get sold in the European Economic Area and Netherlands for that matter is CE marking. CE marking is given by Directorate-General for the European Union's Internal market (The Government of Netherlands, 2022). The CE marking ensures that the product meets up to the high safety, health and environmental protection requirements. Once a product has acquired a CE mark it can be sold in every country that is part of the European Economy Area.

When it comes to product liability customer can claim damages up to 3 years if they have been harmed by the faulty product and can prove it (The Government of Netherlands, 2021). When it comes to compensation if it's proven that the producer is liable damages up to 500€ are paid by the seller and damages over 500€ are paid by the producer or importer of the product. Producer has liability of the product for up to 10 years after the product first came out.

The civil court of Netherlands has a chamber called Enterprise Chamber in order to take care of disputes that happen when conducting business (The Judiciary, n.d.). The chamber operates in many different levels of business operation from corporate governance disputes to high-profile shareholder conflicts over mergers or hostile take-overs.



The civil court of Netherlands also has another chamber that focuses on major international commercial cases that operates in English. The chamber is called Netherlands Commercial Court. It was established in 2019 and is based in Amsterdam.

## **2.4 Environmental analysis**

In Netherlands all businesses must work with the environmental regulations given by the Government. The Dutch Activities Decree evaluates your company according to the impact that your company has to the environment in its operation (Ministry of Infrastructure and Water Management, n.d.). The classifications are divided to three different types that are:

Type A: The Companies operations that have no or negligible impacts on the environment. This can be due to the size of the company being small, operating in only one location for at least six months.

Type B: The Companies operations have substantial impact on the environment. This means that you must report to municipal authority of your activities and whenever you change, expand or set up your business.

Type C: The companies' operations have extensive impact on the environment. For this you need to apply also for permit for physical aspects. In this you must report for almost any changes that you do in your business to get a permit to do them.

## **2.5 Education in Netherlands**

The primary education in Netherlands lasts 8 years and it starts from the age of 4 to 6 years old, and they stay in primary education till they are 12 years old (Nuffic, n.d.). From there they have three different paths to continue their studies.

### **Preparatory vocational secondary education (VMBO)**

The education lasts for 4 years (Ministry of education, n.d.). The first two years all the students follow a general curriculum and after year 2 they get to choose from 4 different sectors that are care and welfare, engineering and technology, business and agriculture. The end goal is to attain a basic qualification and work in these areas.

### **Senior general secondary education (HAVO)**

This with the pre university education strive more towards getting the pupil ready for higher education and not to get a training in a profession. This education lasts for 5 years with first three years the students follow the same general curriculum. After this in Senior general secondary education there are five mandatory subjects that all pupils must learn they are Dutch, English, physical education, culture and the arts and social studies. On top of these students get to choose from four different studies, science and technology, science and health, economics and society and culture and society.

### **Pre university education (VWO)**

This is quite similar to Senior general secondary education, but it is 6 years long and has a quite few differences. Like in Senior general secondary education first few years students follow a general curriculum. After this Pre university education has the same five mandatory subjects, but on top off that they must study mathematics and a second foreign language. The pre university education has the same four additional subjects to choose from that Senior general secondary education has but, the difference is that they choose it in years 5 and 6.

### **3 Market analysis**

This chapter contains analysis about data and what outcomes it has to the results of the research. I go through how to determine if there is a demand for Isku Active -concept and market analysis.

#### **3.1 How to determine if there is a demand for Isku Active concept?**

First off, we are going to determine what demand means. Demand describes in each time the amount of desire customers has to a company's service or product.

Other important factor when it comes to creating demand is to look at the economic situation in that country especially if the product at hand is non-essential for everyday living as if the current economic situation is not good people are less likely to invest in non-essential products thus there is less demand for that sort of a product. This also applies the other way around as in a good economic situation people are more likely to spend their money on things that are nice to have but not essential for their everyday living. In our case we can also consider what is the amount of money that is given to public schools from the government to use when it comes to buying the furniture for their spaces, and if private schools get funding from the government or if they rely only on investors' money to fund these projects.

This is tied directly to the economic situation as the money is coming from the government. I will also conduct research through interviewing and taking one school as an example case study to find out if there is interest there it would give an idea about the potential on a larger scale.

On top of this I will conduct interviews with the potential customers and analyze the answers to see if there is a common theme in them. This will determine if there is a common theme towards a demand or not for this product.

### 3.2 Market analysis

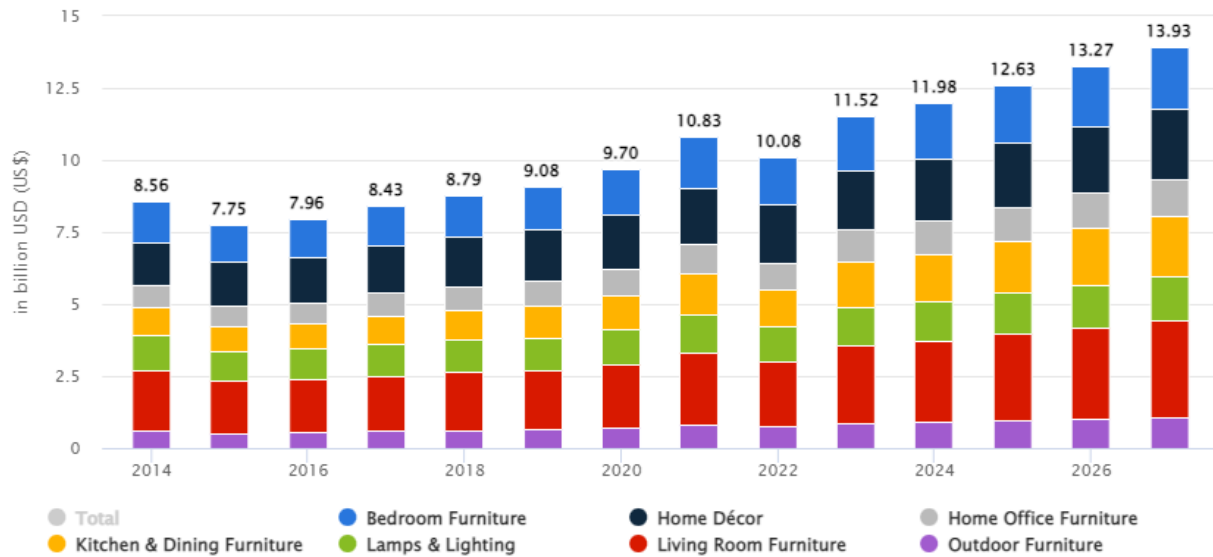


Table 23. Sales channels of furniture in Netherlands (Statista, 2023)

The size of the furniture market in Netherlands in 2022 was 10.08 billion USD with the biggest segment being Living room décor at 2.29 billion USD. From this 76% was sold through offline meaning in traditional stores and outlets with the remaining 24% sold through online shops (Table 23).

#### ONLINE REVENUE SHARE

#### MOBILE/DESKTOP SPLIT

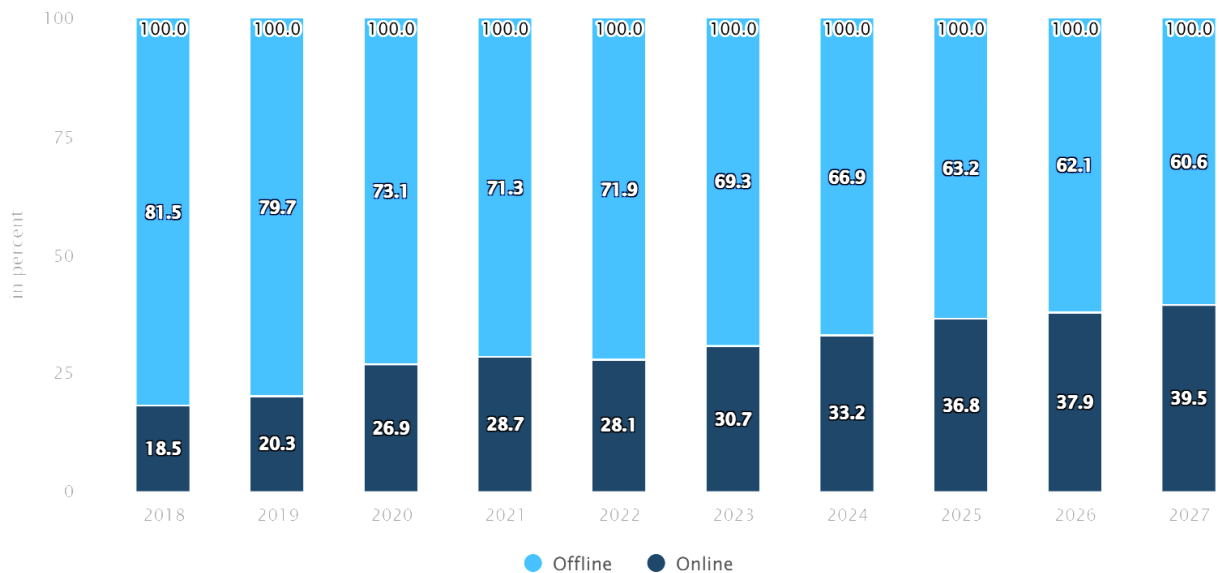


Table 24. Predicted future of Furniture market in Netherlands (Statista, 2023)

The furniture market is growing in the future with main revenue still coming from shops and other offline revenue streams, but this is predicted to be on a downward trend as online shopping for furniture is predicted to be growing in the future (Table 24).

Of course, one of the risks in any market in Europe is the impact of Russia-Ukraine war and its impacts on the uncertainty of the European economy and the markets. This is already having impact on consumers trust on the market, but also the rising rates which can bring investments into a halt. This also carries the risk that it creates is if the political stability in Europe which could create disturbances in the supply chains and will affect the business that way.

Also, according to the European Union (n.d.) on furniture industry one of the risks in the future is China entering the furniture market and challenging EU in its own market. They also mention the ageing workforce and with that the problem of finding skilled workers as one of the challenges.

When it comes to the opportunities there are few, mainly the driver being innovation and technology. Online shopping for furniture is on the rise and with that comes a wider reach for marketing and reaching a wider audience for the products. The growth of online shopping for furniture was only accelerated by the Covid-19 pandemic.

Of course, when it comes to Isku Active Learning -concept this doesn't affect the sales directly as most of the projects are done as tailored solutions for the customer, but I think as a marketing opportunity that could be also away to make their brand better and more known. This is where the opportunity lies.

Also, technology advancements in the manufacturing side make the production of furniture more efficient and the increasing usage of recycled materials make it also more sustainable. In some cases, it can be also more profitable if you can buy for example waste from some manufacture process for cheap and turn that into a good quality raw material.

## **4 Isku Active Learning -concept**

Isku Active Learning is a concept that is based on different studies and analysis that have been made about the effects that the learning environment has on the learning results. This concept can be used in different situations and can be tailored to specific subjects this combined with the support of digitalization, acoustics, ergonomics, and other important factors to make the learning space as supportive of the learning process as possible.

One of the main principles of Isku Active Learning -concept is sustainability and circular economy thinking, this is achieved by sustainable materials and furniture that is manufactured with renewable energy as part of Isku joint UN Global Compact initiative and have been certified with ISO -standards.

The concept itself is divided into four different parts that are:

### **Focus – individual work**

Focus part of the Isku Active Learning focuses on the individual working part of the concept. This means that using furniture and learning space design it can create a space that the user can focus on the work where they can be outside of social interactions and without any outside distraction.

This is done through innovative layout of the furniture, space dividers and space within space idea that focuses on acoustics and minimizes visual distraction.

### **Share – teamwork**

The Share part means that when it comes to teamworking and how the environment that the learning is taking place can benefit from it. The idea behind this is to support different pedagogical styles and use of different working methods. The concept also considers larger groups of students and how they can work together easily and in a way that promotes the interaction with the group as much possible.

## **Study – multifunctional classrooms**

Multifunctional classrooms enable the promote the interaction between the users of the classroom and can be adapted into different layouts easily by even the students themselves. This makes it so that whatever the learning or teaching situation is from lecture-type teaching to individual testing the learning space can adapt into it.

## **Join – communal spaces**

In this part of Isku Active Learning promotes the communal aspect of the environment. These spaces are meant for meeting and creating relationships with other users of the learning environment. Isku Active Learnings idea is to make the communal spaces as supportive of positive social interaction, inclusion, and communal learning as possible. The idea behind this is to create “Café” environment that provides a space for students to meet and spend time with other students.

Isku Active Learning -concept in practice works in six-step process:

### **1. Stakeholder cooperation**

The beginning of the process starts with the meeting of different stakeholder groups. This means that you meet with for examples the clients that are working in the learning environment and figure out what the needs and wants of the space are, the design- and architectural offices that help in the planning and making of the space and other important stakeholder that are part of the project. This is combined with visits to previous reference schools and meets from experts regarding learning environments and their effects on learning.

### **2. Draft Designs** After this comes draft designs where the mission is to research what are the needs and objectives that the learning environment has and how Isku Active Learning -concept can help support and reach those objectives. This research is done by gathering and analyzing data that is gathered through the

students, teachers, staff that works in the learning environment and others in the interest group.

Other part of this is to teach the client about how the active learning model concept works and what it can achieve. Through this the client can more easily get to know the new environment and get the full potential out of it as soon as possible.

### 3. Planning and upgrading together

Once the draft designs are done it is taken into planning phase where the drafts are put into use. This is done so that the space design, pedagogic and the modes of operation are put together to get the best result possible.

### 4. Initialization

Once the planning is done things are put into action and the client is offered a variety of different options to see what works in the environment best. This part also can include the recycling of the old furniture and the delivery and the assembly of the new furniture. This can be combined with the introduction of the new environment to the interest groups making them familiar with it.

### 5. Commissioning

In this phase Isku makes sure that it supports the learning environments change as much as possible. This is done through the ways of teaching about the new environment and establishing ground rules that support the schools needs and objectives.



6. Follow Up and Maintenance After the process is done it is important to gather data on how well the changes went and to see if there is something that needs to be changed. Data gathering is also very important regarding future projects and what we could learn from this one. Isku also offers maintenance service on all its furniture making them a reliable partner in the future.

### Value proposition canvas.

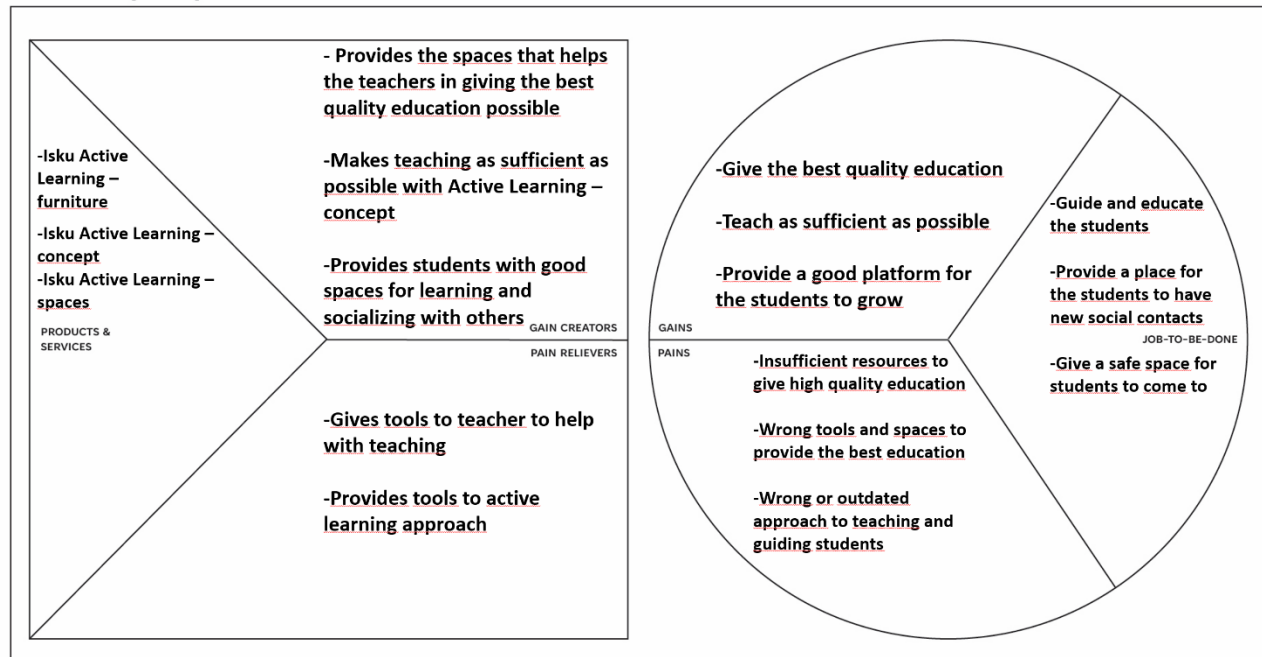


Table 25. Isku Active Learning -concepts value proposition canvas

Looking at the Value proposition canvas we can determine that the main value is to increase the value and the quality of education by giving teachers the tools to do so with Isku Active Learning -concept. The main risk behind this is if the customers have a lack of will or resources to do this.

#### 4.1 Vision and mission

Isku Active Learning – concepts vision is to “provide comprehensive furniture solution that merges ideals of spatial hierarchy with modern learning philosophies” (Cookbook 2.0, 2018). This is achieved through creating working and learning environments that are pedagogically versatile, safe, functional and enjoyable.

## **4.2 Product areas**

Isku Active Learnings concepts product areas are mainly everything that has to do with creating a learning environment, so tables and chairs used for the students and teachers.

This includes all the institutions in the education sector that is giving education in them. This includes schools from elementary level education all the way to universities and their campuses.

## 5 Data analysis

### Could it be potential market for ISKUs Active Learning Concept?

One of the answers when asked to the interviewees was their willingness to test Iskus Active Learning -concept after it had been introduced to them was that they would be openly willing to test it.

This was because they felt the concept was in line with the idea of active learning that is being used in teaching these days.

One of the interviewees said that due to the government budget being quite small they are always looking ways to see what the most cost-effective solution for their needs is.

Another theme that was mentioned was the importance of the space where the learning was happening as it would say to benefit the teaching and learning for the teachers and the students. It was also important that the people that use the space feel welcome in the classroom and that furniture itself was not the solution to active learning, but rather a tool makes it easier to implement.

When it comes to the best channels to reach out to new customers the main idea was that contacting the people in a department that works on what furniture is chosen and chooses and orders it in large quantities was the ideal approach. It was thought that when it comes to the product it is very important to get to see and feel the product.

The quality of service that is offered was thought as one of the main competitive advantages that could decide on what supplier was chosen.

Proactive service was also mentioned when it came to the ideal way that customer relationship wanted to be handled. This combined with working with the end users, teachers for example in this case was important.

## 6 DISCUSSION

When taking a closer look at data that was gathered from the interviews it seems some universities are known to use Active learning as one of the methods to teach students. This means that it would not be a totally new concept in teaching, but something that they have got used to.

This means that there is a potential for Isku Active Learning -concept as it gives tools to teach through active learning more easily. This could be the first step to the market entry as there is a clear interest in the product and in doing business Isku could gain knowledge and contacts that would give it more insight into the market.

### 6.1 Practical Implications:

Given that there is interest in this smaller scale it would expand the scale of the research and get more data on what are the factors that the schools and teachers think that are important and shape the concept and its product accordingly. Another thing that I would look further into is the competitors and see what their approach to it is.

One method that could be beneficial could be to contact and do interviews on a wider scale and travel to Netherlands to do them if that's possible. This would also be a way to make contacts and possibly get insider insights to how the industry works and if there would be a need to change something in the concept to localized it more towards the customers in Netherlands and their needs. Another benefit of this is it could also help create an idea of what sort of spaces and infrastructure they currently use and give a better understanding of the products that the competitors sell.

### 6.2 Future research

One of the challenges for me in the research itself was to find people to interview that were relevant to the subject at hand. It seemed that as an outsider with no inside connections to the Universities and other schools it was a struggle.

For this reason, I think that maybe the amount of data could have been bigger, but I personally think that those people that I interviewed were close to the subject of active learning and learning spaces because of this the quality of the data that I got was very good. For the future research I would be beneficial to travel to Netherlands and meet the people there as it seems to be difficult to contact people through the internet.

## 7 CONCLUSION

The current state of the market in Netherlands is back on growth after experiencing a downwards trend in 2022. In Covid-19 pandemic times especially in 2021 the furniture market experienced few new trends. The amount of furniture that was sold through online shops was increasing as visiting stores was limited.

Second trend that happened that helped boost the furniture market was the fact that as people were forced to stay home, thus they were more likely to invest in it. This was helped by the fact that household's disposable income was on all time high as the money that was previously spent on traveling for example was now saved.

The third trend was the popularity of home offices was surging up as people were restricted on visiting offices as it was recommended to work from home if possible. This led to people renovating their houses and turning rooms into offices.

Looking at the future of the furniture market it seems promising as the size of the market is growing as the total sales are expected to go from 10.8 billion dollars in 2022 to 13.93 billion dollars in 2026 and the number of sales that happens through online is on the rise from 28.1% of all sales happening through online store in 2022 to 37.9% in 2026.

Also, when it comes to disposable income of families there is high amount of it after the pandemic. One of the main themes is that the market is recovering slowly after the start of the Russia-Ukraine war that caused a shock in the markets but is still unsure and there is a lot of volatility in it.

Of course, there are a lot of risks. Russia-Ukraine war is one of the most obvious ones as there is a political risk as if the conflict escalates it could lead to disturbance of the supply chains and cause economic problems in Netherlands.

Even though households have disposable income, the cost of living and the debt rates have gone up. This can be seen in the fact that even though some companies that have invested earlier when debt had a low rate are now in trouble with those investments as rates have gone up. High rates affect every business and household that has debt as it ties money into paying debt and slowing down the investments and the economy.

Another risk is the rise of Chinese manufacturers, and their increasing expedition to the European furniture market. This combined with the fact that labor costs in China are much lower and even with the added logistics costs in the pricing structure they are still competitive in the lower price segment.

Looking at the research done on a smaller scale, there are signals that there could be potential for this sort of concept. For example, in the interviews everyone that participated stated that there is an interest for the concept and that this could support their Active learning methods in teaching that are already used. I think the data that I got was valuable and especially when combined with the market data gathered there are positive signs.

This could be the way for Isku to have their first customer and gain experience. To move forward with this Isku could set up a meeting where they would do a demonstration and show to the customer how the Active learning concept could be implemented on their school and what could be the possible benefits of that be. With this experience Isku could change the concept if needed for the market in Netherlands and continue to reach out for other schools for demonstrations.

It still would be recommended to do more research and gather more data, but I think based on my research and the data that there is a demand for this sort of product and the way to enter the market would be by the steps that I previously mentioned.

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