

Business Potential and Entry Mode into Europe Furniture Market

Wong Kok Yaw

Faculty of Accountancy, Finance and Business, Tunku Abdul Rahman University of Management and Technology, Malaysia

Email: kokyaw@tarc.edu.my

Abstract

Purpose: Europe market plays a key role in the global furniture industry as the second largest furniture production region in the world. It is a huge integrated market with more than 530 million consumers and a major hub for the world's furniture import and export trade. This study discussed the business potential which including the analysis of country's environment and business risks.

Design/methodology/approach: PEST model with supporting of most recent secondary data and theoretical evidences from the perspective of post-pandemic was adopted to analyze the global business environment.

Findings: Several critical environmental concerns have been discovered for local entrepreneurs to consider in order to enter Europe market successfully. Findings from this study are focused on the post-pandemic business environment which able to provide new insights of practical business solutions in addressing the changes in Europe business environment due to the pandemic.

Research limitations/implications: Many existing studies were conducted before the pandemic which may have led to the scarcity of latest business management knowledge. Thus, this study is important to provide implications to local entrepreneurs regarding the current business potential and entry mode in the context of post-pandemic.

Practical implications: Recommendations and pro-active business practices were provided to local entrepreneurs in choosing the effective entry mode to do business in Europe market.

Originality/value: Recent report found that the Europe furniture market is expected contribute to the revenue of US\$236.5 billion by 2023 and this figure is projected to grow by 3.37% annually until 2027. This study contributes by providing insights for local entrepreneurs to consider expand their businesses globally.

Keywords: Business environment, Europe market, Furniture industry

Introduction

Europe market plays a key role in the global furniture industry as the second largest furniture production region in the world. It is a huge integrated market with more than 530 million consumers and a major hub for the world's furniture import and export trade. Many existing studies were conducted before the pandemic which may have led to the scarcity of latest business management knowledge. Thus, this study is important to fill in the knowledge-practical gap from the perspective of business potential by analyzing the country's environment and business risks in Europe market. Besides, recommendations and pro-active business practices were provided to local entrepreneurs in choosing the effective entry mode. Europe market plays a key role in the global furniture industry, as the second largest furniture

production region in the world. It is a huge integrated market with more than 530 million consumers and a major hub for the world's furniture import and export trade.

According to Statista Research Department (2022), the European furniture market will be worth US\$236.5 billion in revenue by 2023, and the market is projected to grow by 3.37% annually (CAGR 2023-2027). Local furniture entrepreneurs are encouraged to enter the European market, especially Germany. The external risks that have to be considered in expanding business into German market are analyzed, including strong employee protection, high labor costs, complex tax laws and high tax rates, complex regulations and bureaucratic procedures, and cultural differences. Next, the macro environment in Germany was analyzed by using PEST model, which consist of four factors: political, economic, social-cultural, and technological. It is recommended that local entrepreneurs can expand their furniture businesses to Germany through the best entry mode of a joint venture with the local German companies due to the attractive advantages such as knowledge sharing and access to know-how, creating synergies, increasing market share, sharing risks, sharing and reducing costs.

Literature Review

Furniture Industry in Europe

Furniture retailing and trading is major part of the world economy. The furniture industry consists of the production, distribution, and retail of residential and commercial furniture. The global furniture market constitutes a multi-billion-dollar industry, employing a huge number of people all over the world (Statista Research Department, 2022). European market plays a key role in the global furniture industry, as the second largest furniture production region in the world, a huge integrated market with more than 530 million consumers, and a major hub for the world's furniture import and export trade (CSIL, 2023). The European furniture industry, mainly made up of small and medium sized enterprises, employs about 1 million European workers, produces about a quarter of the world's furniture, and represents a market of EUR 84 billion, equivalent to an annual consumption of about 10.5 million tons of furniture in European Union 28 (EU28) countries (Silvius, Ismayilova, Sales-Vivó & Costi, 2021).

This furniture industry is a dynamic and labour-intensive industry that incorporates concepts of innovative new technology, design, uniqueness or customization, and style, providing opportunities for highly skilled workers. Consumer spending on furniture has been growing steadily in recent years. For example, in the UK, consumers spend around EUR 12 billion on furniture and furnishings in 2012, increasing to over EUR 14 billion by 2020. Austrians are the most active furniture consumers in the Europe, spending 2.9% of their household furniture spending in 2020 (European Commission, n.d.). Based on CSIL (2023) report, European furniture consumption are increased by nearly EUR 120 billion in 2022, ranking among the top ten furniture markets in the world, the largest of which are Germany, the United Kingdom, France, and Italy.

One of the reasons causing furniture market to continue grow significantly is COVID-19 restrictions requiring people to stay at home, this is reflected in consumers changing buying behavior as they start to make their lives and home offices more comfortable (Statista Research Department, 2022). In addition, online furniture sales are growing in Europe and expected to continue grow at an average annual rate of 10% globally, as consumers prefer to buy online rather than physical stores, because of the convenience of logistics and home delivery of furniture items, consumers have changed their buying patterns due to changing trends in home and living concepts (Research and Markets, 2022). European home furniture market is

expected to grow strongly as increasing in employment rate, increasing in disposable income, rising construction activities in the region, and increasing urbanization are some of the major factors contributing to the growth of the market (GII Global Information, 2022). Growth in the real estate and construction industry has resulted in high demand for furniture such as office spaces, commercial complexes, and residential buildings (Technavio, 2022). For instance, new housing construction in Europe especially Germany, Poland, and Spain are expected to increase further between 2020 and 2021, these houses need renovation and furnishing, thus the consumption of home furniture products is growing in these countries (GII Global Information, 2022).

Currently, the following trends are shaping the furniture market through augmented reality apps, generative design, eco-friendly materials, and integrated technologies, which makes the market undergoing innovations in design, production, and materials (Statista Research Department, 2022).

External Risks in Germany

There are several external risks that local entrepreneurs should take into considerations before expand into German market.

Strong employee protection

German employment and labor laws attaches great importance to the protection of employees and imposes strict requirements on the rights that employers must exercise for their employees. These laws also provide employers with clear guidance on individual's employment contracts, employee benefits and rights, and termination and dismissal rules (Trodec, 2022). Employers should be aware of some key requirements to comply with German employment and labor law. For instance, in Germany, a written employment agreement with specific details is required at the initial stage of hiring a new employee. As of 2022, the minimum wages in Germany are EUR1987 per month and EUR 12.0 per hour (Statistisches Bundesamt, 2023), and the average full-time employee is limited working hour from 36 to 40 hours a week. Businesses must comply with a Federal Act that provides employees with at least 20days of paid holidays per year. Besides, Germany has strict rules that make it difficult for employers to fire employees. If any employee who work more than six months cannot be dismissed without a social justification, Germany provides employees maximum protection against unfair dismissal under German Termination Protection Act (Kremp, 2022).

High cost of labor

Germany's workforce is attractive to international investors, but the labor costs are high. In the European countries, the monthly minimum wages range from EUR 399 to EUR 2387, with Luxembourg having the highest minimum wage at EUR 2257 per month. Germany has the second highest minimum wage in the European Union, the minimum wages in Germany are EUR1987 per month and EUR 12.0 per hour (Statistisches Bundesamt, 2023). Hiring German workers is expensive due to high payroll taxes. According to PWC (2022), in Germany, employers must contribute an additional 19.325% to social security contributions on top of employee wages. Employers are required to withhold income tax, solidarity tax, and taxed levied on social insurance schemes which cover 9.3% for pensions insurance contributions, 1.2% for unemployment benefits contributions, 7.3% for health insurance contributions and 1.525% for long-term care insurance contributions. Therefore, the labor cost of the Germany furniture industry is relatively high compared to other European Union countries, and the furniture industry is a labor-intensive industry, which employers should take into consideration.

Complex tax laws and high tax rates

According to CT Corporation Staff (2020), Germany's fiscal system is difficult to manage and tax laws is extremely complex and very time consuming. Businesses operating in German market may be subjected to 14 different applicable taxes. For instance, businesses have to spend 207 working hours to pay nine taxes a year, while it takes an average of 134 hours to prepare a Social Security declaration and pay related contributions, as well as it takes a long time to pay corporate income tax and value added tax.

In Germany, businesses have to pay a relatively high tax rate. The German corporate tax rate is 15% and solidarity surcharge of 5.5% on corporate income tax and a municipal surcharge of 14% to 17% depending on the municipality. The combines interest rate is about 30% to 33% (Dentons, 2023). Asen (2019) stated that policies such as high labor tax burden, relatively high corporate tax, and overly complicated personal income tax system have reduced the competitiveness of Germany's tax system and this can impede sustainable economic growth. Therefore, this is one of the factors should take into consideration.

Complex regulations and bureaucratic procedures

The German government has complex bureaucratic procedures that make the process slow and time consuming. For instance, in Germany, the new entry businesses have to register with the local chamber of commerce, the local tax and trade office, the commercial register, and any relevant industry organizations (CT Corporation Staff, 2020). These complex bureaucratic procedures make it more complicated and take longer process time, thus businesses need to take this factor into consideration.

In addition, Yildiz (2019) stated German government has complex regulations and these regulations have a protective effect on local suppliers, especially when it comes to safety or environmental standards. Businesses must know exactly which standards apply to their products or services, as Germany's complex regulation and bureaucratic procedures cost businesses a lot of time and money. In addition, in Germany, businesses need to understand the complex safety environment standards, because the German government frequently asked businesses to provide testing and certification, so it is important to be prepared and get it in a timely manner. According to Eurofins (2022), for instance, the furniture industry in European Union countries have to comply with the European Union Timber Regulation (EUTR), especially on furniture companies producing timber and timber products including solid wood products, flooring, plywood and more. The objective of EUTR is to prohibit the placing on the European Union market of illegally harvested timber and products derived from such timber. Besides, furniture manufacturer and importers in Germany must ensure that furniture complies with General Product Safety Directive (GPSD) standards to ensure that furniture products sold in the European Union are safe and do not pose a risk to consumers.

Culture differences

Germany is a multicultural country with a diverse population including people from all around the world and a social structure that follows a diverse lifestyle. There is risk if companies do not have sufficient cross-cultural awareness when doing business in Germany. Germany values hierarchy and there are often too many procedures and policies that can slow down negotiations (TMF Group, 2021). Besides, language can be barrier for some companies doing business in Germany. As the language of Germany is German, which is spoken by more than 95% of the

population their first language (BBC, 2014). Therefore, businesses have to take this as a factor into consideration.

Method & Findings

PEST model with supporting of most recent secondary data and theoretical evidences from the perspective of post-pandemic was adopted to analyze the global business environment of German market.

Summary of PEST Analysis for furniture industry in Germany

Political ❖ Legal structure ❖ Labour protection	Economical ❖ Growing GDP ❖ High living standard
Social-cultural ❖ Diverse lifestyle ❖ Society trend	Technological ❖ Research & development ❖ ICT

Political

Germany implements a federal parliament, it is a democratic republic and one of the major political powers in Europe. The constitution of the Federal Republic of Germany lays down the basic structure of the government and stipulates the value system a country should follow.

Germany is part of the European Union and accounts for 7.2% of global trade. It is a member of major world organizations such as OECD (Organization for Economic Co-operation and Development), G20 (Group of 20), NATO (North Atlantic Treaty Organization), UN (United Nations), IMF (International Monetary Fund), WTO (World Trade Organization), World Bank, as well as an observer to Organization of American States (U.S. Department of State, 2021). Germany had good diplomatic relations with Frances and other European countries, and this trade alliance had helped boost Germany’s economy and made it the best country in the world. Germany is part of the European Union’s harmonized trade system, and import and exports are subjects to the EU tax and customs union (Australasian Trade and Investment Commission, 2023). The European Union can suspend or reduce the tariffs a company must pay under certain conditions to improve the competitiveness of European companies and boost economic activity. The European Member States and the European Commission have used guidelines on how to apply these tariff suspensions. For instance, company producing in the European Union can purchase raw materials, semi-finished products or components from other countries that are not available in European Union countries without paying the normally applicable customs tariff (Federal Ministry for Economic Affairs and Climate Action, 2023). Thus, the supply of raw materials for furniture is consistent among European countries and the risk for changes in tariff which cause increased in production cost will be minimized. In this situation, furniture industry in Germany market is considered favourable to enter.

Germany has built a strong social contract with workers. Employers must comply with many laws and regulations to ensure that workers receive fair and equal treatment of well-being. The employment contract must include the essentials and roles of the job. As of 2022, the minimum wages in Germany are EUR1,987 per month and EUR 12 per hour (Statistisches Bundesamt, 2023), and the average full-time employee is limited working hour from 36 to 40 hours a week. Businesses must comply with a Federal Act that provides employees with at least 20days of paid holidays per year (Trodec, 2022). According to U.S. Department of State (2022), the

legal, regulatory, and accounting systems of Germany can be complex, but are generally transparent and in line with developed market norms. Businesses operate in a well-regulated country but relatively costly environment. However, German laws promotes equality and does not discriminate against anyone, and it treats foreign and local investors equally when it comes to investment incentives or establishment and protection of real estate and intellectual property. Germany has a stable, transparent, and effective legal environment that protects investor and safeguard their rights through a secure legal framework. Germany also promotes and welcomes the development of businesses from foreign investors to grow its local business. Therefore, furniture industry is considered favourable for entering in the German market as the recruitment of labor can be done effectively.

Economical

Germany is part of the European Union and has the strongest economy in the European Union. As a member, the country can enjoy free movement of goods, services, capital, and people (Hollensen, 2014). Germany is the fourth largest economy in the world by nominal GDP with USD\$4,031.10 billion in 2022 (Koop, 2022). It adopts a social market economy that is open market capitalism which also has certain social service guarantees. Germany is second largest exporter and third largest importer of goods (U.S.News, 2021).

Germany's real GDP is expected to grow slightly by 0.2% in 2023, while expected to rebound to 1.3% in 2024 (European Commission, 2023). According to Statista Research Department (2023), German household consumers will spend almost EUR 128 billion on furniture and interior decoration by 2022. In Germany, the revenue of the furniture market will reach USD55.87 billion by 2023 and is projected to grow by 2.48% annually (CAGR 2023-2027). Living room furniture is the largest segment of the German market with a market size of USD14.92 billion in 2023. Based on the total population of Germany, per capita income in 2023 would be USD667.00 (Statista Research Department, 2023). The growing in economic has indicated the higher purchasing power for household products which including the willingness to spend on improving lifestyle. It has contributed to the development of furniture industry as more residents are willing to spend on stuffed furnishings on their home. Thus, the import rate for furniture is expected to grow further in 2023 onwards (Trend Economy, 2022).

The unemployment rate is an important indicator of the economic health of a country. According to Trading Economics (2023), the unemployment rate in Germany was 5.5% in February 2023, unchanged for sixth consecutive month, in line with market expectation. This shows the labour market remains resilient although weak demand from high inflation and rising borrowing costs. Despite this, Germany has stabilized economic environment and a healthy job market. It has low unemployment rate compared to other European neighbours, and offer highest salary, job security and longest holidays, as the workforce is made up of highly skilled professional (Statistisches Bundesamt, 2023). Well-functioning infrastructure is important that can increase a country's efficiency and improve the living standard of its citizens and improve economic conditions. According to U.S.News (2021), Germany rank first in the world as well-develop infrastructure country in term of quality of trade and transport-related infrastructure such as ports, railroads, roads, etc. The German government had increased spending, especially on transport and broadband infrastructure, structure measures to improve public investment opportunities, as well as transport networks that allow rapid access to domestic and international markets. For instance, electricity and power projects accounted the largest share of infrastructure projects in the pipeline which contributes \$49.1 billion. It was followed by railway projects with a total investment of \$40.3 billion. Road pipelines were worth

\$24.2 billion, while airport and other infrastructure projects were worth \$14.9 billion (ReportLinker, 2017). In this situation with well-developed infrastructure and lower economical risks, furniture industry in Germany market is considered favourable to enter.

Besides that, the German corporate tax rate is 15% and solidarity surcharge of 5.5% on corporate income tax and a municipal surcharge of 14% to 17% depending on the municipality. The combined interest rate is about 30% to 33% (Dentons, 2023). In addition, the German market used the euro as its currency, the euro is the second most popular reserve currency in the world, which can bring benefits to businesses and consumers in the euro area countries by reducing uncertainty and encouraging trade and investment, eliminating the cost of exchange rate fluctuations. The use of single currency in the euro area also opens new opportunities in the global economy, making the euro area a more attractive business area for non-EU countries and making it easier, cheaper and safer for businesses to buy and sell within the euro area, thereby promoting trade and investment, and increasing economy stability.

Social-cultural factors

Germany is the most populous country in Europe Union country with an estimated current population of 83.2 million inhabitants in 2023, which is 0.09% lower than 2022. The current life expectancy in Germany is 81.88 years in 2023, which is 0.19% more than in 2022. The current birth rate in Germany in 2023 is 9.373 births per 1000 people, which is 0.09% lower than in 2022. The Federal Republic of Germany has 16 states, with an area of 357,021 square kilometers (Macrotrends, 2023). Germany is a modern multicultural country. It has a diverse population with including people from all around the world and its social structure follows a diverse lifestyle. Janjevic (2022) stated that more than a quarter of people currently living in Germany were foreign-born or have at least one immigrant parent. In 2021, 14.2 million people or 17.3% of the total German population, have immigrated to Germany since 1950 (Statistisches Bundesamt, 2023). According to World Population Review (2023), in Germany, the majority population are Christian, which including Roman Catholics (29.9%) or Protestant (29.8%) and Eastern Orthodox (1.3%). The second largest religion in Germany is Islam with an estimated 6.1% of the total population. The population in Urban area is 77.5% and Rural area is 22.5%. The language of Germany is German, which is spoken by more than 95% of the population their first language (BBC, 2014).

The German people are well educated and have a high standard of living. Germany is a mass consumer society, and they are the one of the most demanding societies in the world. The German market is a multicultural market, and the core values of German consumers are trust, loyalty, familiarity, quality, and safety (Delante, 2023). The German consumers are more open to the products from international companies and sometime still prefer products produced locally or in Europe, depending on the quality of the products. Some consumers are willing to pay higher prices for better quality products (Santander Trade, 2022). According to Statista Research Department (2021), the highest expenditure on household consumption on furniture, home furnishing, and other floor covering in 2020 was in Germany, with spending totaling approximately EUR 44.9 billion. Home decor is the stage for establishing identity and reflecting personal taste. Homes also represent the aesthetic values and norms defined by people's lifestyle and cultures (Hakala, Autio & Toppinen, 2015).

After Covid-19 pandemic, online shopping has become the norm in German market, the largest online marketplace in Europe (Santander Trade, 2022). In the German market, e-commerce is popular and well-developed, backed by a sufficient logistic system, nearly 94% of active internet users buy goods online, up to 83% do so at least once a year (Delante, 2023). According

to Davies (2022), up to 29% of Germans shopped online at least once a week in 2020. In Germany, 95% of internet users aged 16 and over buy goods and services online (Germany Trade & Invest, 2023). According to Statista Digital Market Outlook (2022), in 2022, the furniture sector contributes US\$387.7 billion to the global E-commerce market, and the European market has reached US\$72.5 billion.

In addition, German consumers had changed their lifestyle preferences toward purchasing green goods with minimal environment impact, as global consumers are now more aware of the anthropogenic climate change caused by their consumption. Therefore, a minimal lifestyle that encourages “reduce, reuse and recycle” is becoming a trend. German consumers are so willing to pay more for green products that nearly half are willing to buy products labeled as made from recycled materials or fully recyclable (GFK, 2022). According to Statista Research Department (2022), in 2021, 9.65 million Germans fully agree that they are willing to spend more on environmentally friendly products, while the number of people who mostly, partially, or barely agree may want to determine whether an environmentally friendly product is label verified and still higher. According to Mordor Intelligence (2022), there is a new trend in the German furniture market for environmentally friendly furniture made of natural materials combined with innovative design.

Technological

Germany ranks as 13 position of the world’s most technologically advanced countries (Getzoff, 2022). According to Germany Trade & Invest (2023), Germany is home to many companies that are world leaders in the development of new technologies. According to World bank statistics, Germany’s high-tech products exports reached EUR 158.2 billion euros in 2020. Besides that, Germany invests heavily into research and development, and no other European country spends more on research and development (R&D). Public and private spending on research projects in Germany totalled around EUR 110 billion in 2019, or 3.2% of GDP. From the perspective of furniture industry, German technology has been seen as one of the best qualities worldwide due to the innovative in manufacturing technology. It is the reason why customers have more confidence when they see “Made in Germany” furniture (Homag, 2023).

According to International Trade Administration (2022), Germany is one of the world largest information and communications technology (ICT) markets and the largest software market in Europe with 95,808 IT companies and expected to employ 1,124 million people by 2022. Statista Research Department (2023) stated that, generally, ICT is viewed as the infrastructure necessary for the operation of modern computing. The total revenue of the German ICT industry is expected to reach EUR 199.3 billion by 2023. In this context, the furniture industry in the German market is considered to be a favourable entry point with a well-developed ICT infrastructure which will benefits furniture manufacturers.

Discussion and Managerial Implication

Recommendations and pro-active business practices were provided to local entrepreneurs in choosing the effective entry mode to do business in Europe market. The best entry mode for local entrepreneur to enter the German market is through joint venture. It is recommended to have a local German partner for expansion into Germany. Leonard, Pakpahan, Heriyati, Karjoko, Handayani (2020) stated that joint venture is an agreement-based partnership between a domestic and a foreign company in which two or more business entities agree to work together. According to Lopes, Gomes, Oliveira, & Oliveira (2022), companies establishing a partnership with local distributors or appointing exclusive importers or distributors is the most

important operation mode and strategy for entering international market. Through partnership, companies can share the resources and knowledge. However, without these partnerships, these companies would not be able to enter new markets and internationalize. According to Technavio (2022), partnerships are one of the key trends in the global furniture market that is expected to increase and positively impact the industry. There are several reasons for recommending local entrepreneur to form a joint venture German company.

Knowledge Sharing, Gain “Know-How”

Through the joint venture, the management and employees from both organizations can learn and absorb knowledge from each other. Knowledge sharing encourages innovation and new idea generation to make better quality products. Through the shared knowledge mechanism, both parties can discuss and brainstorm the common objective or common challenges to improve their daily activity which in turn can improve their performance (Cakici, 2020). A successful knowledge transfer is essential for the company to gain the necessary competitive advantage in the industry.

Create Synergies

According to Choi & Beamish (2013), the performance of a joint venture depends on the ability of the joint venture partners to create synergies by combining complementary resources. For example. The combination of resources helps companies to run in proper synchronized manner. Local entrepreneur and German company’s collaboration on economies of scale helps to provide better cost advantages and improve operational efficiency. As a result, the operational synergy created by resources between local entrepreneur and German company reduces repeated tasks, increases productivity and maximizes overall profit.

Increase Market Share

Through joint venture, both companies may reach a wider audience than operating alone (Martin, 2023). CFI Team (2022) stated that establishing a joint venture with larger and famous brand helps a company save time in gaining market awareness and credibility. Joint venture between local entrepreneur and German company can save time in gaining market recognition, can reach a wider audience, can gain larger market share to boost sales, thereby gain greater profit opportunities, and strengthen positioning in the German market.

Share Risks

According to Chung (2011), through joint venture, both companies can share and reduce the financial, political, and cultural risk. A successful joint venture is one in which each partner provides capabilities that the other cannot. Through joint venture, Local entrepreneur and German company can share a certain percentage of risk to achieve their goals, thereby diluting the risk of failure faced by the company going it alone. For instance, they can share the financial risk of the huge sums of capital required for development costs and reduce the political risk by complying with local German laws. Besides, local entrepreneur can overcome and reduce the cultural risk through a joint venture.

Share and Reduce Costs

A joint venture with sharing a common pool of resources can share and reduce overall cost (CFI Team, 2022). Through joint venture, local entrepreneur and German company can share the cost of the initial capital of the development. The two companies also share the common pool of resources, which allow for cost saving when sharing operations, advertising and marketing costs, labor costs and more. In addition, the furniture produced by the joint venture

can enjoy tariff reductions or exemption. Therefore, joint venture between local entrepreneur and German company can overcome the risk of tariff changes, thereby reducing the cost of producing furniture.

Conclusion

After applying the PEST analysis to the German market, it can be concluded that Germany is a well-developed and peaceful country with a huge attractive market based on its stable legal environment, reliable infrastructure, highly skilled workforce and world class research and development. Germany has a great future potential in furniture industry. It is recommended that local entrepreneur to expand its furniture business to Europe through joint venture with German company.

References

- Asen, E. (2019). Germany's Tax System: Developments and Competitiveness. Retrieved from <https://taxfoundation.org/germany-tax-system-competitiveness/>
- BBC. (2014). Language across Europe. Retrieved from https://www.bbc.co.uk/languages/european_languages/countries/germany.shtml#:~:text=The%20official%20language%20of%20Germany,%25%2C%20who%20also%20speak%20German.
- Cakici, T. B. (2020). 5 Reasons Why Mergers and Acquisitions Need KM. Retrieved from <https://enterprise-knowledge.com/5-reasons-why-mergers-and-acquisitions-need-km/>
- CFI Team. (2022). Joint Venture (JV). Retrieved from <https://corporatefinanceinstitute.com/resources/valuation/what-is-joint-venture-jv/>
- Choi, C. B., Beamish, P. W. (2013). Resource complementarity and international joint venture performance in Korea. *Asia Pacific Journal of Management*, 30, 561–576. <https://doi.org/10.1007/s10490-011-9258-4>
- Chung, M. (2011). 5 - A culturally sound entry strategy brings success. Retrieved from <https://www.sciencedirect.com/science/article/pii/B9781843345497500055>
- CSIL. (2023). The furniture industry in Europe 2023. CSIL Outlook report for 30 countries. Retrieved from <https://www.linkedin.com/pulse/furniture-industry-europe-2023-csil-outlook>
- CT Corporation Staff. (2020). Doing business in Germany: Advantages and Disadvantages. Retrieved from <https://www.wolterskluwer.com/en/expert-insights/doing-business-in-Germany>
- Davies, K. (2022). Frequency of online shopping in Germany in 2020. Retrieved from <https://www.statista.com/statistics/1086382/online-shopping-frequency-germany/>
- Delante. (2023). What does the E-commerce Market in Germany Look Like? Retrieved from <https://delante.co/germany-e-commerce-market/>
- Dentons. (2023). Global tax guide to doing business in Germany. Retrieved from <https://www.dentons.com/en/services-and-solutions/global-tax-guide-to-doingbusinessin/Germany>

- Eurofins. (2022). Furniture compliance in the European Union. Retrieved from <https://www.eurofins.com/toys-hardlines/resources/articles/furniture-compliance-in-the-european-union/>
- European Commission. (2023). Economic forecast for Germany. Retrieved from https://economy-finance.ec.europa.eu/economicsurveillanceeueconomies/germany/economic-forecast-germany_en
- Federal Ministry for Economic Affairs and Climate Action. (2023). Tariff suspension as a trade policy tool. Retrieved from <https://www.bmwk.de/Redaktion/EN/Dossier/trade-policy.html>
- Germany Trade & Invest. (2023). E-Commerce in Germany. Retrieved from <https://www.gta.i.de/en/invest/industries/consumer-industries/e-commerce>
- Getzoff, M. (2022). Most Technologically Advanced Countries In The World 2022. Retrieved from <https://www.gfmag.com/global-data/non-economic-data/best-tech-countries>
- GfK. (2022). Despite inflation: Consumers in Germany decide to buy sustainably. Retrieved from <https://www.gfk.com/press/sustainability-index-germany-may-2022>
- GII Global Information. (2022). Europe Home Furniture Market - Growth, Trends, COVID-19 Impact, and Forecasts (2022 - 2027). Retrieved from <https://www.giiresearch.com/report/moi945892-europe-home-furniture-market-growth-trends.html>
- Hakala, I., Autio, M., & Toppinen, A. (2015). Young Finnish and German consumers' furniture acquisition – wooden, inherited or just low price? *International Journal of Consumer Studies*, 39(5), p.445-451. <https://doi.org/10.1111/ijcs.12189>
- Hollensen, S. 2014. *Global marketing*. Harlow: Pearson Education Limited
- Homag. (2023). Design alternative-impressed by German technology. Retrieved from <https://www.homag.com/en/newsevents/casestudies/detail/designalternativeimpressed-by-german-technology>
- International Trade Administration. (2022). Information and Communications Technology (ICT). Retrieved from <https://www.trade.gov/country-commercial-guides/germany-information-and-communications-technology-ict>
- Koop, A. (2022). Top Heavy: Countries by Share of the Global Economy. Retrieved from <https://www.visualcapitalist.com/countries-by-share-of-global-economy/>
- Kremp, P. R. (2022). Employment and Employee Benefits in Germany: Overview. Retrieved from [https://uk.practicallaw.thomsonreuters.com/35033433?transitionType=Default&context>Data=\(sc.Default\)&firstPage=true](https://uk.practicallaw.thomsonreuters.com/35033433?transitionType=Default&context>Data=(sc.Default)&firstPage=true)

- Leonard, T., Pakpahan, E. F., Heriyati, Karjoko, L., Handayani, I. G. A. K. R. (2020). Legal Review of Share Ownership in a Joint Venture Company. *International Journal of Innovation, Creativity and Change*, 11 (8), 332-45.
- Lopes, J.M., Gomes, S., Oliveira, J. & Oliveira, M. (2022). International Open Innovation Strategies of Firms in European Peripheral Regions. *Journal of Open Innovation: Technology, Market, and Complexity*, 8 (1), 7. <https://doi.org/10.3390/joitmc8010007>
- Macrotrends. (2023). Germany Population 1950-2023. Retrieved from <https://www.macrotrends.net/countries/DEU/germany/population>
- Martin, M. J. (2023). What Is a Global Strategic Partnership? Retrieved from <https://smallbusiness.chron.com/global-strategic-partnership-17811.html>
- Mordor Intelligence. (2022). Germany Furniture Market - Growth, Trends, COVID-19 Impact, and Forecasts (2022 - 2027). Retrieved from <https://www.mordorintelligence.com/industry-reports/germany-furniture-market>
- PWC. (2022). Germany. Retrieved from <https://taxsummaries.pwc.com/germany/individual/other-taxes>
- Report Linker. (2017). Infrastructure Insight: Germany. Retrieved from <https://www.reportlinker.com/p05761810/Infrastructure-Insight-Germany.html>
- Research and Markets. (2022). Europe Furniture Market - Growth, Trends, COVID-19 Impact, and Forecasts (2022 - 2027). Retrieved from <https://www.researchandmarkets.com/reports/5025227/europe-furniture-market-growth-trends-covid>
- Santander Trade. (2022). Germany: Reaching The Consumer. Retrieved from <https://santandertrade.com/en/portal/analyse-markets/germany/reaching-the-consumers>
- Silvius, G., Ismayilova, A., Sales-Vivó, V., & Costi, M. (2021). Exploring Barriers for Circularity in the EU Furniture Industry. *Sustainability*, 13(19):11072. <https://doi.org/10.3390/su131911072>
- Statista Digital Market Outlook. (2022). Furniture eCommerce report 2022. Retrieved from <https://www.statista.com/study/38859/e-commerce-report-furniture/>
- Statista Research Department. (2022). Furniture-Europe. Retrieved from <https://www.statista.com/outlook/cmo/furniture/Europe>
- Statistisches Bundesamt. (2023). January 2023: EU unemployment rate at 6.1%. Retrieved from <https://www.destatis.de/Europa/EN/Topic/Population-Labour-Social-Issues/Labourmarket/EULabourMarketCrisis.html>
- Statistisches Bundesamt. (2023). 17.3% of Germany's population has immigrated since 1950. Retrieved from https://www.destatis.de/EN/Press/2023/03/PE23_080_12.html
- Statistisches Bundesamt. (2023). Germany has second-highest minimum wage in the EU.

Retrieved from <https://www.destatis.de/Europa/EN/Topic/PopulationLabourSocialIssues/Labourmarket/MinimumWages.html>

Technavio. (2022). Furniture Market in Europe Growth, Size, Trends, Analysis Report by Type, Application, Region and Segment Forecast 2022-2026. Retrieved from <https://www.technavio.com/report/furniture-market-industry-in-europe-analysis>

TMF Group. (2021). Top 10 challenges of doing business in Germany. Retrieved from <https://www.tmf-group.com/en/news-insights/business-culture/top-challengesgermany/>

Trend Economy. (2022). Annual international trade statistics by country (HS). Retrieved from <https://trendeconomy.com/data/h2/Germany/94>

Troadec, M. L. (2022). Labor & Employment Law in Germany – A Concise Guide. Retrieved from <https://nhglobalpartners.com/germany-employment-and-labor-law/>

U.S. Department of State. (2021). U.S. Relation With Germany. Retrieved from <https://www.state.gov/u-s-relations-with-germany/>

U.S. News. (2021). these countries have the most Well-developed infrastructure. Retrieved from <https://www.usnews.com/news/best-countries/germany>

Yildiz, O. (2019). Choosing the Right Business Strategies for Foreign Companies in Germany. Retrieved from <https://www.grin.com/document/922898>

World Population Review. (2023). German Population 2023. Retrieved from <https://worldpopulationreview.com/countries/germany-population>