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Introduction

We aim to decorate our house. Everyone aspires to improve their home's interior. So, in the present era, we may also hire furniture.

Human activities need furniture. For example, for sleeping, we need a bed; for our food intake, we need a dining table and so on. However, our stays and their duration vary with time and place.

Therefore, buying furniture, which is expensive too, is not the solution. However, we can always rent them just like any other items.

Movable furniture dominates the space today. What has truly transformed the furniture space with the emergence of the internet and the spread of eCommerce websites and apps is shopping for our home and office furniture, which has now taken the online route.

Be it antique or be it modern, furniture is central to our lives today. However, transportation was really an issue because furniture is bulky, and transporting them without a mess is hard, if not impossible. To straighten up all such issues, online furniture companies were born.

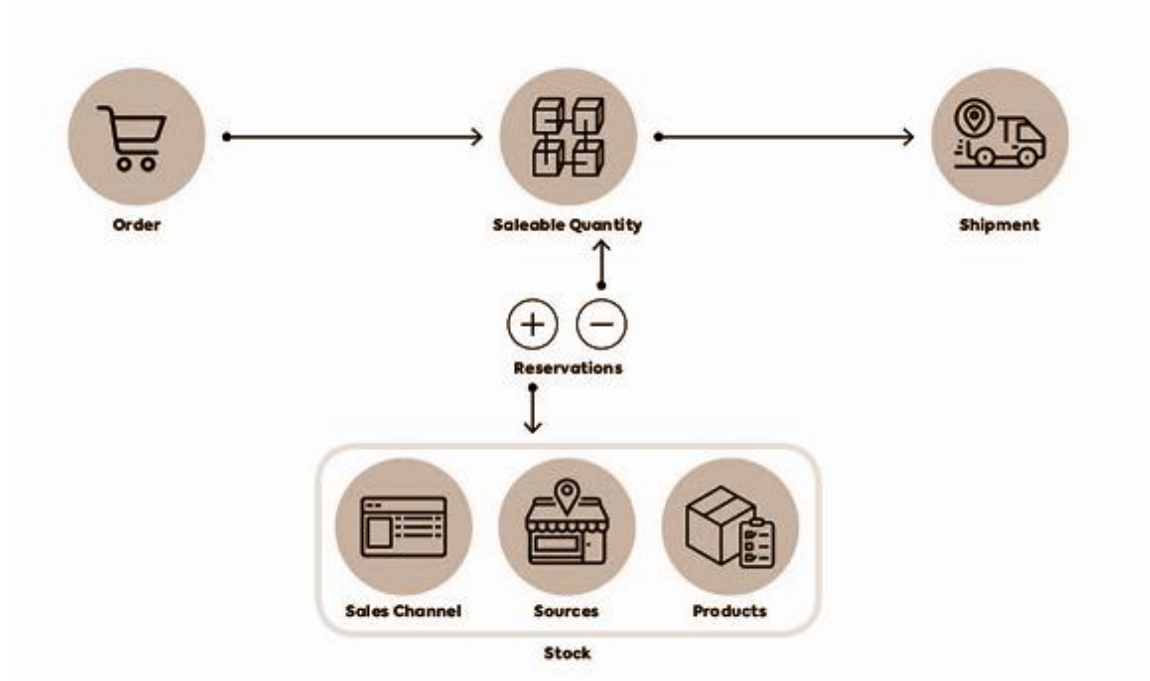
F.O.R. is driven by a different set of ideas, thereby enabling people to start living better than today. F.O.R. makes living better by giving consumers home decor and award-winning furniture on rent. All the furniture of F.O.R. is designed by experts.

Business model

Home is a sanctuary where we experience the happiest moments of our lives and where we create memories. Naturally, since we spend most of our time here, setting up and renovating our home consumes a large amount of our energy and resources. Whether they are old homeowners or new ones, people typically spend a lot of money on the furniture or decor, either when they first buy it or when it wears out and needs to be replaced with new. Such household objects have no return, and their value drastically declines. People will need to buy new furniture and home décor each time they move into a new home or need to buy new furniture, thus this process will continue. F.O.R. was established for these aspects.

The F.O.R. business model is very simple and user focused. It gives its clients the choice to rent furniture, accessories, and home decor. Beds, couches, tables, and other furniture are available for rent on leases that can be renewed on a monthly, quarterly, or annual basis. Without having to worry about transportation, the company delivers the furniture right to the customer's door.





There are 4 business models which ensure that the company creates a dedicated marketplace for customers and businesses alike.

1. Business to Consumer (B2C)

F.O.R will buy furniture and decor products from bed frames to photo frames from wholesalers and manufacturers. This method will help us save a lot of money as we will be buying in bulk and will further enable us to price control our products. Users can then directly through our app or website to lease the furniture with transportation and set up included. The complete sale value will go back to the company.

2. Customer to Customer (C2C)

F.O.R will also allow independent businesses, artists and carpenters to post their products on our website. Here we can provide high-end luxury products to our users with the option to lease them. F.O.R will transport and set up products of individual artists and provide them with the option of getting them transported using their in-house logistics solutions. F.O.R will take in 25% of the revenue with 75% going back to the businesses and carpenters. Additionally, transportation and set up costs will be borne by F.O.R. Individuals and businesses opting to get the transportation and set up done on their behalf, F.O.R will take 20% of the revenue with the remaining going to them.



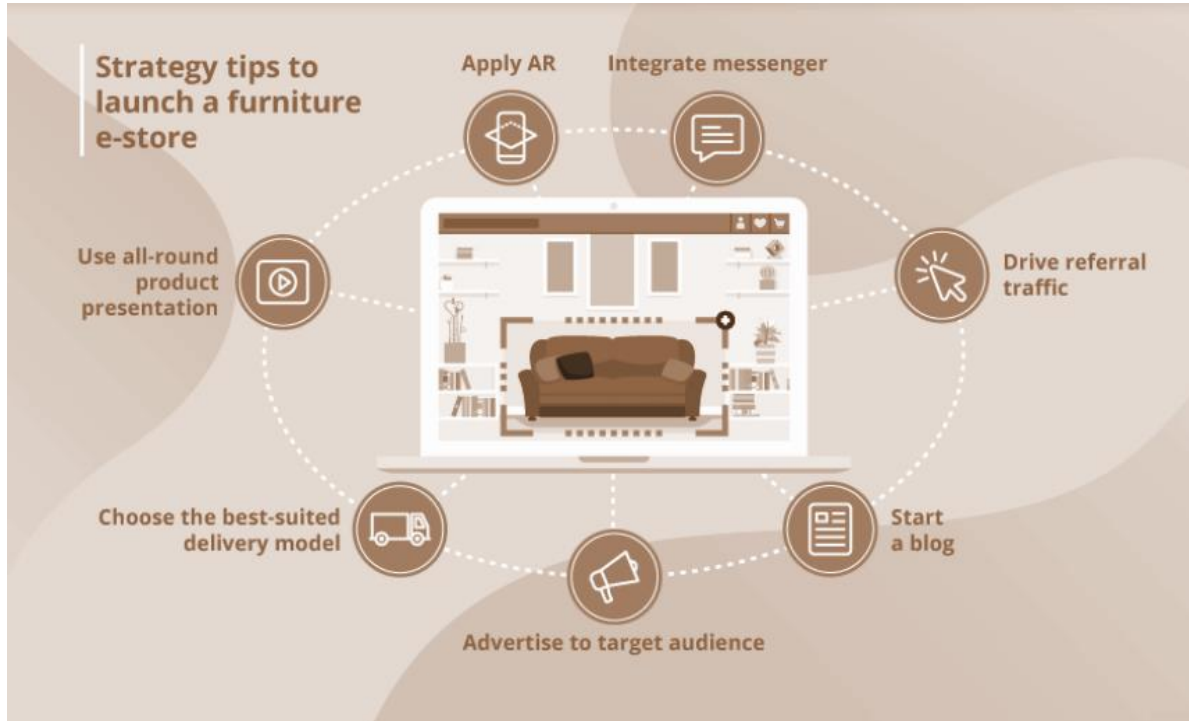
3. Offline Stores

F.O.R will set up multiple stores for offline sales and in-person shopping experience. This will allow people to get a feel for the products that F.O.R is hosting. Users will also be able to get any of their doubts addressed with a specialist in store and can view multiple catalogs to decide what is best for them. In this model F.O.R will not be buying the shop space but will instead be renting it and based on the response and demand from the area can further plan to have multiple stores. Having stores will generate a sense of trust among our customers.

4. Renowned high level interior designers

F.O.R will collaborate with renowned institutes and artists to create one of a kind product line for the company. This will distinguish F.O.R from its other competitors. These uniquely designed products will be manufactured from preferred F.O.R partners thus saving costs and having complete price control. F.O.R will be able to create new catalogs based on the preference of the users. This will appeal to our global users as there will be styles and designs that vary individually.

IT Methods and IT Strategy



Any space is currently dominated by mobile furniture. With the development of the internet and the expansion of eCommerce websites and applications, the way we shop for our home and office furniture has undergone a significant transformation.

Modern or vintage, furniture plays a crucial role in our lives today. However, since furniture is heavy, it was difficult, if not impossible, to transfer it without making a mess. Online furniture firms were created to resolve all these problems.

F.O.R. aims to go a step ahead and proposes to rent out furniture, home goods, and decorative items to its customers. People can rent beds, couches, tables, and other furniture monthly, which also provides flexibility to discontinue or upgrade at ease. People typically need furniture again after losing a significant amount of money by selling it. For these scenarios, F.O.R. is being established. The business delivers the furniture right to the client's door. Furniture may be safely stored in a **controlled warehouse facility** until the customers require it because it has the necessary storage space and transport logistical know-how. When they do, the goods are delivered at the specified or opted-for date and time.



This company is an online furniture rental platform. It provides furnishings on a **leasing subscription basis** for complete homes and office spaces. F.O.R. charges rent for living, sleeping, and dining spaces. A consumer must pay a recurring fee on a regular basis for access to a good or service under the subscription business model. The concept was developed by book and periodical publishers in the 17th century, and is today employed by several corporations, websites, and even pharmaceutical firms working with the government.

User experience: It's critical to maintain a frictionless and seamless user experience for any new idea to succeed. And F.O.R. aims to do exactly that in a category that is primarily about touch and feel. As individuals grow increasingly at ease renting furniture simply by viewing it on their laptops or smartphones, the purchasing process will gradually change. In fact, F.O.R.'s mobile app is estimated to account for 65% of all orders.

Utilization of data: F.O.R. targets to use data to better understand the individual tastes of users, utilize data analytics and business forecasting to include features that encourage a lasting relationship with the user.

The opportunity to view, test and purchase the product immediately	37%
The availability to purchase items 24 hours per day	24%
Excellent terms of return and exchange conditions	23%
Personalised promotional and sales activities	22%
Fully customer-oriented service	22%

Source: The future of retail - major retail trends today and in year 2030 - survey conducted by TNS Kantar and Comarch - 2017

Dropshipping is an appealing strategy if you want to swiftly open an online furniture shop. Dropshipping is the process of having a manufacturer or distributor ship a product directly to a client after a transaction has been completed. In this scenario, the store markets and sells the product but never actually inventories or owns the product that is being supplied.



For stores created utilizing the dropshipping model, you oversee the costs related to your website, brand, marketing, and business-side logistics, but the supplier oversees the larger costs related to warehousing, inventory, and fulfillment. The dropshipping business model can save money, but because the margins are often less, it may be challenging to sustain the operation. Here offering a rental convenience offers an advanced edge in the market. Additionally, it's critical to build strong bonds with dependable suppliers to prevent issues with product quality, unclear or slow-moving communication, slow shipping, or even out-of-stock items.

A certain other potential threat is that it would be difficult for F.O.R. to convey the distinctiveness of any of our iconic goods at first. A less common piece of furniture might be unusual in that it can be placed in several ways. With only static photos, it would be challenging for us to offer it to the consumer. Bringing animators on board can fix this.

Sustainable advantage on market

Sustainable Competitive Advantage is a term that ensures each business can fulfil the requirements and reach the target audience in a better and more aligned manner as compared to its competitors. A sustainable competitive advantage can outlast a brief rise in popularity. It entails creating products, services, a brand, and a reputation that will continue to draw customers over time. The furniture rental is a relatively new industry with numerous untapped opportunities.

The following are some strategies that are taken to achieve sustainable advantage on market:

- The company will make certain that the product that has been rented out has passed the quality checks and provide aftermarket services to ensure the customer has the best experience.
- Strong technology advancement will keep the customer base connected with the furniture on the website.
- To ensure customer retention, the company will implement strategies like customer centric approach and commitment to offer services and products that are demonstrated by offering best rental furniture at affordable prices, offering all furniture under one roof, providing maintenance services to the customers, and providing free relocation services for the furniture rented within the city.
- The company will cover metropolitan areas where we could find our target audience with individuals moving in from different cities like working individuals, students and people always trying to upgrade their standard of living.



- The company will also offer a complete package where the customer can select a plan to rent out a set of home décor/furniture products as per their requirements at a single price.

Target Market and Market Analysis:

The target market for our start up are as follows:

- The target market for our start-up is quite substantial, The Furniture store sales in the United States was 68 billion USD in the year 2021 alone, Furniture is not only essential but also shows the standard of living. People always require bed, chair but are always looking for an upgrade but that upgrade always cost a lot of money and they have to go through hassle in reselling the used furniture.
- Our target audience will be working individuals who are moving from one place to another for their job and investing a large sum of money in furniture for them wouldn't make sense.
- We are also targeting Students who are moving away from their home and setting up at a new location would be difficult for them.

FINANCE ANALYSIS & REVENUE MODEL

It's critical to target real customers who require furniture on a temporary rental basis when it comes to marketing and branding. Young single folks leaving their parent's home for work. study or for another cause are the subject of F.O.R. The **ideal age range is between 22 and 30**. Around 80,000 specialists graduate from 90 institutions spread across more than 50 urban locations, and they then relocate to various urban towns in search of employment. Marketing and choosing the correct youth demographic to target are always crucial to a startup's success.

Rental income serves as the company's primary source of income. Everything from décor to household appliances is acknowledged based on the conditions of the **hiring contract**. The list price will also include delivery costs. The company offers a 10% rent discount for the first six months. Only orders with a monthly value of \$50 or more are eligible for the promotion. The sole recipients of this offer are F.O.R.'s first 1000 clients. It does not apply to everyone. The enterprise plans to give a few deals once or twice a year.



- On orders of over \$50 and above, \$20 savings is accessible for 3 months.
- On monthly purchases of \$30 or more, a discount of \$10 is available for 4 months.

The business forecast of the global furniture market is to reach USD 945.53 Billion by 2030

Report Coverage	Details
Forecast Period	2022–2030
Base Year	2021
Market Size in 2021	USD 637.26 billion
Market Size in 2030	USD 945.53 billion
CAGR	4.5%
No. of Pages	459
Tables	382
Figures	358
Segments covered	Type, Product Type, Material Type, End Use, Distribution Channel, Price Range, and Geography.
Drivers	Rise of the real estate and hospitality industries
	Surge in demand for luxury and premium furniture
Opportunities	The emergence & proliferation of smart furniture with smart city projects
	Availability of low-cost furniture from countries including China and Vietnam

The emphasis on **location** cannot be ignored. The business wants to raise consumer expectations for urban living. The company began operations in New York because they believe that residents of New York are extremely passionate about new ideas. In the upcoming phase, F.O.R. plans to expand its operations to Tier 2 cities. The cities targeted for phase one have the most flourishing economy and a demanding population.

1. New York City, NY (Population: 8,622,357)
2. Los Angeles, CA (Population: 4,085,014)
3. Chicago, IL (Population: 2,670,406)
4. Houston, TX (Population: 2,378,146)



5. Phoenix, AZ (Population: 1,743,469)
6. Philadelphia, PA (Population: 1,590,402)
7. San Antonio, TX (Population: 1,579,504)
8. San Diego, CA (Population: 1,469,490)
9. Dallas, TX (Population: 1,400,337)
10. San Jose, CA (Population: 1,036,242)

The population of the United States is dispersed throughout its major metropolitan regions, such as New York City, Chicago, and Los Angeles, as well as its suburban areas, which are in less populous states. The population of US cities of all sizes is anticipated to noticeably rebound after the economic collapse and high unemployment rates, as the economy has become more stabilized. Additionally anticipated to contribute to future city growth of all sizes, including the largest cities in the nation, is immigration from abroad.

With a population of more than 300 million, the United States is home to numerous big cities with populations of over a million. With a population of more than 8.5 million, the New York Metropolis is the biggest city in the US. With populations of more than 2.5 million each, Los Angeles and Chicago come in second and third, respectively, and are to be the larger targets to establish F.O.R. on a large scale. The southern US cities of Houston and Phoenix round out the top five with respective populations of nearly 2.3 million and 1.6 million as well.

The US Census Bureau reports that a total of ten US cities have populations that are greater than one million. With three cities each having a population of over one million, California and Texas account for 60% of these ten cities. With a total of six of the top 13 fastest-growing cities, Texas also has the distinction of having the greatest number of these cities. Additionally, half of the top 10 cities with the largest population increases were in Texas, even though New York Metropolis, the nation's most populous city, saw the greatest increase in new people. This is also an essential insight to focus on the growth of F.O.R. in the upcoming phases.

According to estimates, the company's **initial growth** can be flat, with revenues reaching the \$10 million mark in the first year. Over the next five years, it plans to increase its total revenue by between \$100 and \$200 million. The business aspires to be recognized as one of the sharing economy's "Pioneers" in the following ten years. The company wants to provide its customers with



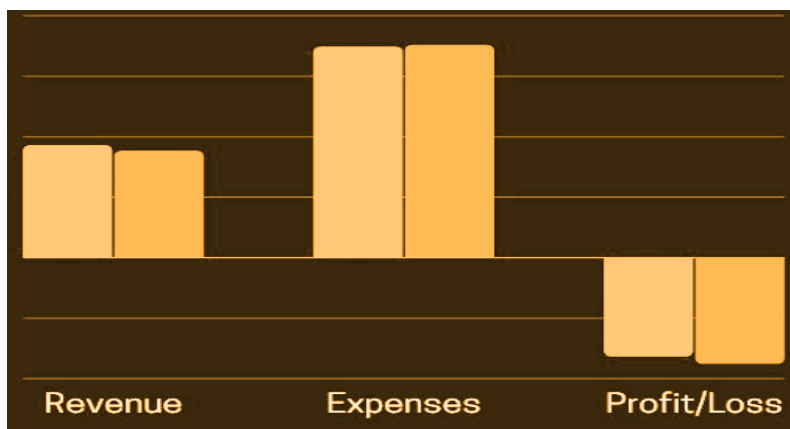
everything for rent, including furniture and essentially a lifestyle, which are typically considered as an expense if purchased new.

The F.O.R.'s main business is renting out furniture, accessories, and other stuff. The sale of its destroyed tangible assets and interest on fixed deposits also contribute a minor amount to F.O.R.'s income.



According to estimates, F.O.R. will generate roughly \$10 million in total income in FY24 and about \$18 million in FY25.

Revenue Verticals	FY24	FY25
Operating Revenue	\$10,779,489	\$18,374,130
Other Income	\$453,228	\$306,235

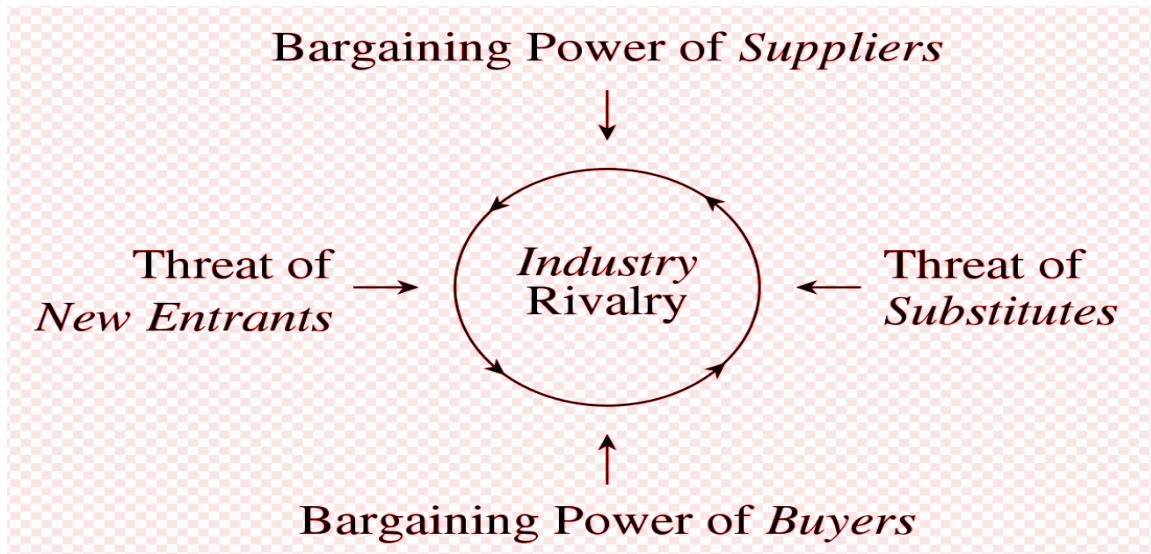


Projected revenue, expenses, profit/loss for FY24 and FY25

The F.O.R. company's main cost center, accounting for 20.8% of its revenue, is predicted to be its expenditure on employee benefits. The other significant portion of costs that F.O.R. will bear during the first financial year is the cost of leasing the company's plant and equipment, warehouses, offices, and other properties, which will account for 15.5% of its overall costs. The full breakdown of the F.O.R.'s anticipated costs is provided below:

Expenses Verticals	Estimate
Employee Benefits	\$4,470,520
Contracts and Labor Charges	\$968,816
Legal and Professional Charges	\$1,947,432
Rent and Lease Expenses	\$3,331,456
Depreciation and Amortization	\$3,284,913
Other Operating and Admin Expenses	\$3,878,941
Finance Cost	\$2,597,800
Advertising and Promotional Expenses	\$1,019,033
Total	\$21,498,911

Porter's Five Forces



1. Competition in the industry/ Threat of New Entrants:

There are few competitors present in the market who rent furniture but the mission and future goals of F.O.R. tends to always lead in the game.

It is due to the below pointers:

- Diverse variety of products: Products are segregated in various domains. For e.g.: Living room furniture, Bedroom Furniture, Office furniture, Kids playing room furniture, Classroom furniture, Dining furniture, Kitchen furniture, etc.
- Base membership time frame: 3 months base membership (Best option when compared to competitors). A customer needs to be a member for a minimum of 3 months only.
- Strong marketing strategy every year: The company is consistently listed as the best marketing strategy firm in the accessories rental market. To add, F.O.R. is focusing on youthful people leaving their homes for an activity or other responsibilities. The perfect age gather is 22-30 years, but research shows that various age groups show interest in renting furniture. Studies say that there are around 80,000 experts who move on from 90 colleges in more than 50 urban areas and after that migrate to different urban communities for an occupation.



- Partnership with furniture selling firms: F.O.R (rental business) to work with furniture selling business, so that we can make a business move which helps both the domains selling and renting furniture for respective business types.

F.O.R also has a plan to provide other facilities for rent. For e.g.: Mobility furniture for people who set up food stalls on streets, ice-cream trucks, in airplanes which can be used by the crew for serving food to passengers, in hospitals etc.

2. Potential of new entrants into the industry:

1. The threat to new entrants is medium because of the nature of the industry. It is easy to enter the furniture rental business if high capital is present.
2. Large capital costs are required for branding, advertising, and product design which can restrict new entrants.
3. Existing furniture selling companies can enter the market easily but may have a hard time running the model.

3. Power of suppliers:

1. Timber is the major product used in pure wooden furniture whereas there are other forms of wood used too (Natural and artificial).
2. The suppliers of timber wood are not in excess and hence there is not much bargaining power with the companies. However, F.O.R can bargain decently with other wood types, plastic, metal, glass, cane, acryl, fabric, etc. suppliers in the market.
3. “In Business, it's about people. It's about relationships”. Following this principle, F.O.R. has a separate Relationship Management team who deal with suppliers. They have different strategies for both timber wood suppliers and other wood-type suppliers.
4. If we compare other competitors no one plans on having a Relationship management team for their business.

4. Power of customers:

1. The power of customers is high. There is a tendency in customers' minds to switch to multiple websites within a fraction of a second to compare the product and price offerings.
2. This generally happens when the products are not innovative. F.O.R. uses worldwide talent from renowned interior designers to take a lead in this domain. We try to implement classic designs in our furniture.
3. We also have a comparison box that shows similar products from our competitor's website.



5. Threat of substitute products:

1. The threat of substitute products is of concern when the products are obsoleting quickly but the furniture products are not going to be obsolete.
2. Going 500 years back, the need for furniture products was there and it will remain there for the coming 500 years as well.
3. There have been innovations in the product but the need for a bed, table, and chair has been there for centuries. Moreover, F.O.R. constantly works on innovation and is updated with modern and classic design studies.

7 Barriers of Entry

1. Supply side economies of scale - F.O.R will require placing large orders or bulk buying of multiple products to have price control on such products. As sales increase so will the need for inventory management. This will pose a barrier to entry if there is exponential growth with low inventory management and on the other hand if there is a decrease in demand, the company will have to bear the cost as the company will have already purchased the products at full value.
2. Demand side economies of scale - As demand increases for our company, the buyer's willingness to rent and trust in our products will also increase. Reviews generated from past sales will also help create a strong foothold in the market. The barrier of entry is low for this case.
3. Customer Switching Cost - As we will be using an online application and website to host ecommerce and it will be free of cost so users will not have any switching costs. Furthermore, we will be using an optimized pricing model to cater for our audience. Hence there is no barrier of entry.
4. Capital Requirements - This is the amount of capital that is needed to enter the market. The initial cost of creating and maintaining an app and website is low as compared to the cost required to get the products and warehouse. The operating cost is high as we must buy the products beforehand from suppliers. This will pose a barrier for new entrants. Once the company starts to gain traction and is past its breakeven point, it can reduce the capital requirements largely.



5. Incumbency advantages independent of size - An existing player in the market who has a solid customer base, supplier relations and proprietary products will have a better advantage over us. Marketing strategies and user ease will help acquire customers. A good supply chain will help with inventory and cost management, but this depends on the demand and sales of the products. With an increase in sales this barrier will not pose a threat, but initially this is a barrier to entry.
6. Inequal access to distribution channels - There are many suppliers and transportation companies that can be collaborated with to tie logistics together. New entrants will have marketing and cost barriers, only thus being a low barrier for new entrants to enter the distribution channel.
7. Government Policy - This will pose a low barrier as government policy is different for different countries and this is a low-threat market that is being targeted. Using subsidiaries and research funding will largely help with certain restrictive government policies.

Marketing Strategy and Sales Strategy:

F.O.R. believes that it can help its customers by renting the best products at the best prices, we plan to use mailings and social media advertising as our marketing strategy as our target audience is young individuals.

This strategy will help us reach out to our target audience and will make sure that the audience is reached out effectively.

Some strategies we will use for marketing are as follows:

- We will tie up with universities to reach out to the students who have moved away from the home for studies, we will have a promotional offer for students by using platforms like studentbeans and unidays.
- We'll also print fliers and business cards and position them strategically in places like offices, public transport stations, airports and near universities.
- We'll also implement referral bonus program where the existing users can invite family and friends.
- Engage in direct marketing approach.
- We will collaborate with social media influencers to promote the services and products on their social media, which will assist us in reaching our target audience in the most effective way.



SWOT Analysis

SWOT analysis is a study of strategic planning techniques that helps the company identify and analyze the internal strengths and weaknesses and external opportunities and threats.

Strengths

- Relationship management team which focuses on customer and supplier relationship.
- Innovation in providing furniture (Mobility furniture as given in Porter force -1)
- Display of furniture comparison details from our competitor's website
- Strong technology usage (Android native animators, user experience & data usage)
- Trustworthy suppliers & dealers
- World recognized interior designers who can only design furniture for F.O.R
- Pre-defined quality check standards
- In progress plan for Go green furniture

Weaknesses

- Managing our products nationwide supply
- Competition with brands
- High initial seed funding

Opportunities

- New Markets (Forecasts say that it will be 10-billion-dollar company by 2031)
- New technologies
- Researching and implementing supply chain strategies

Threats

- Existing competitors like IKEA, local furniture stores and existing furniture rental companies
- Environmental conservation and governmental laws
- Taxes or Economy slump in US



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