

In order to persuade consumers that a firm mattress is not the ideal solution for them and that they should invest in a sleep system, Hollandia has in recent years been channeling its efforts towards the development of advanced sleep technologies, creating hands-on experiences and adding benefits to its products

Founded in 1981 by farmer Isaac Barssessat from Moshav Orot who decided to switch from farming to commerce, Hollandia imports, manufactures and markets bedroom sets. The brand name is affiliated with Holland, a country considered a world superpower in mattress and bedroom set development. The brand's first shop, which was opened in Dizengoff Center in Tel-Aviv, sold not only mattresses and beds but sofas, armchairs, pillows and beddings. Today, the Hollandia chain includes nine retail branches in Israel. During the first several years after its establishment, Hollandia focused on importing finished products, but by the end of the 1990s, it developed a R&D center in Sderot. It has since opened a bedroom manufacturing and assembly plant. The first product it developed on its own is the Gravity Zero® sleep system, which was launched in 2000. The transition to development and manufacturing allowed the brand to expand to other nations outside of Israel. The company currently markets its products in Europe, North America, Africa, Australia and Asia. In 2008, Hollandia opened two retail branches under its brand name in North America.

The Competitive Environment

The bed and mattress market in Israel is considered relatively competitive, and Hollandia has positioned itself at the top premium section of this category.

The Marketing Challenges

Hollandia's main challenge was changing popular consumer perception in Israel that sleeping on a firm mattress is the best solution for back problems.

Another challenge is to convince consumers that the price should be a less important factor while purchasing a mattress since a good, quality mattress will be used by them for a third of their lives, and that it is worthwhile to pay more in order to receive top quality.

The Creative Solutions

In order to meet the marketing challenges, Hollandia works in several fronts.

Proving to consumers that sleeping on a soft mattress is a quality solution, Hollandia invested in research and development in order to offer consumers a product that will cope with the challenge.

Hollandia has invested much in its R&D over the years in long-term studies on the world of sleep, and in the development of solutions that will

provide people with a better sleep as well as increase their desire to spend more of their waking hours in bed. The development of solutions, as well as innovative technology is based on Hollandia research and development in its development center in Sderot in conjunction with development teams located in Holland, considered a global powerhouse in sleep research.

One of the solutions recently launched does meet the marketing challenge. The solution involves a series of Hollandia mattresses based on material known as Tempur that was originally developed in NASA research labs, which was looking for a material that could 'break' Newton's law that states that for every action, there is an equal and opposite reaction. As such, Tempur is the ideal raw material to create pleasant, comfortable mattresses. The material adapts itself to the person's body, providing the desired support. This year, Hollandia launched the "Tempur Cloud" – a new mattress manufactured with the material developed in NASA labs, launched under the concept of "feels like sleeping on a cloud".

As part of the efforts to persuade consumers, Hollandia supporters believe that the winning consumer test is experience. This is why salespersons encourage consumers to come to the store with their partner and lay on the bed before making the purchase. This is also why the Tempur Cloud launch focused on experience. During the launch, Hollandia placed 145 beds in Hangar 11 in Tel-Aviv, and invited a limited group of celebrities and public opinion makers to an evening of listening to music on the bed, in the belief that music is best enjoyed lying down on a bed. And if one is already lying down – then they should do so on the new mattress on one of the brand's adjustable beds. During the evening, celebrities lay on Hollandia mattress, experienced the new mattress and listened to a musical performance. The media impact of this move was tremendous, and the event was covered by over 200 stations worldwide, and by hundreds of journalists and websites.

In order to persuade consumers that the price should not be the main factor in purchasing a mattress or bed, Hollandia works in order to create added proven benefits and advantages to the sleep system it is selling.





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As previously mentioned, one of the benefits attributed to the development of mattresses from the new material such as Tempur, as well as Hollandia's use of HPL – natural resins used to build the mattress frame that have an advantage over plywood or wooden beams used to create regular, inexpensive beds since it is far stronger and more environmentally-friendly.

The investment in creating benefits to customers is attributed, inter alia, to the fact that bed and mattress quality is only part of Hollandia's overall philosophy regarding consumers sleep environment. For example, company studies showed that many consumers find it hard to clean dust that accumulates underneath their bed that might result in breathing problems and allergies. Hollandia's solution is to install a bed that includes four wheels that lift the bed to a height and allow the bed to be moved with the click of a button so that the floor underneath can be cleaned.

In order for customers to agree to pay more, Hollandia believes that it must provide them with more not only in functionality but also in terms of the bed's appearance and design. Since 2008, Hollandia, in a strategic cooperation with the American super-designer Karim Rashid, who had in the past designed a bed for Hollandia that was exclusively sold under its brand name. Sales of the bed created from this cooperation were impressive. This year,

Rashid and Hollandia again joined forces to design, plan and create a new bed.

Hollandia believes that the employee who meets the consumer must have extensive knowledge of sleep and quality of life, so that he can provide the ideal solution for the customer's needs, and persuade him of the advantages and benefits of the products. 90% of Hollandia employees own company products and are personally acquainted with their benefits. They also regularly attend training provided by medical professionals and by sleep engineering experts. Factory employees are sent to training in bed system manufacturing plants overseas, while company management developed a merit-based reward system, which appears to be one of the reasons why the average seniority of a company employee is 15 years.

And in the Future...

Hollandia will open three new stores in the periphery in ensuing years, and will continue to invest in research and development of new products. The company will soon launch a bed that includes sophisticated LED lighting in different colors, based

Things You Didn't Know About Hollandia

- Hollandia's first store was a six square meter display located in a kitchen store.
- Company founder Isaac Barssessat, who has marked his 82nd birthday, is considered a world expert on sleep. Barssessat still serves as Chairman of the Board of the company, which is managed by his son Avi.
- Before a product is launched into the market, Hollandia's CEO personally tries the product by himself at home.
- Hollandia supplies beds to participants of "Big Brother", "The Biggest Loser", "24/7", etc. For the filming of "Survivor", a Hollandia mattress was sent to one of the Philippine islands in a canoe.
- The company factory and office is located in Sderot and they support citizens with mental disorders who contact the Enosh organization.

on research findings on sleep that revealed that color affects consciousness even when sleeping. Each time, before going to bed, company customers can choose the color that best suits them at any given moment: blue will provide them with energy while they sleep, green will inspire calm and yellow will spread love.



1981
Hollandia opens a bedroom furniture store in Dizengoff Center.

1998
Self-production begins in Sderot.

2000
Development of the first adjustable bed.

2000
Company begins to export its products overseas.

2008
Company opens a chain of stores in the US.

2011
Launch of Tempur Cloud during a musical event that included 145 beds equipped with earphones, where the listeners lay.