

FORMA ITALIANA



INTERVIEW WITH CLAUDIO GABBAI, PRESIDENT & CEO

EXPORT MAGAZINE: Forma Italiana has expanded its radius of action, implementing the activity of some existing divisions...

CLAUDIO GABBAI: As part of the process of continuous growth of our company, two branches of activity are effectively in full development. The first is logistics. Thanks to the acquisition of a new warehouse of 5000 square metres, we now reach a covered surface area of 24,000 sq. m.. The location is strategic, as Lacchiarella, to the south of Milan, is 20 km. from Milan, 10 km. from the A7 motorway for the port of Genoa and 10 km from the A1 motorway. The logistics, which we created ourselves, is also used for third parties. We can offer an all-round tailor-made service to all the companies in the sector that want logistics coverage without having to deal with it internally; this is for various reasons, from wanting to concentrate on their core business, for reasons of economic convenience. The advantage we offer, compared

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OF THE MARKET

to other logistics that tend to standardize the process, is that we speak the same language as our clients, we study together the possible solutions as we know, first of all for ourselves, all the categories of products, from make-up to skincare, from toiletries to fragrances. Speaking of make-up, we have, for example, been chosen for logistics by the well-known Umbrian company Astra make - up; it is typical of make-up to have very many references, and we are able to prepare and ship very packages that are very small and upwards. Flexibility and optimization of costs are those determining factors that make the difference. We put our competences at the service of customers, meeting their needs, without weighing on the costs as the investments for logistics have already been absorbed by Forma Italiana. This branch of the business is giving us great satisfaction, the companies that have chosen us are pleased and ask us to increase the work we do for them... space permitting! Distribution is the other branch of the business that is growing; the Italian brands are increasing and so are the foreign ones, who contact us for distribution in Italy. We are all aware of how complicated distribution in Italy, for many factors, starting from the geographic one, to the fact that there are various channels, each with their own logics, to the question of marginality which is increasingly delicate in the presence of a distributor. You have to be able to work very well and modestly, thanks to our 50 years of know-how in commercial distribution and the advantage of having our own logistics, we are able to obtain excellent satisfaction. The brands that rely on us for the Italian market and some foreign ones, have the advantage of having a single partner who, as it manages a part of the markets, is in relation with the brand, obtaining commercial feedback which is very useful to implement more suitable strategies. In this way some national distributors avoid being in competition with one another, where the brand is stronger.



EM: The number of distributors in Italy has fallen in time. Is this due to the difficulties of the market?

CG: *It's true, however, I have always like the most difficult challenges. There are channels that have been progressing, such as the mass market, others in regression, such as perfumeries, for at least 20 years. If it is true that the it is the market that decides the dimension of the channel, this means that great transformations are awaiting us; the perfumeries of great excellence will survive, capable of guaranteeing an optimum service. The pharmacy has also started to change concerning the sales of cosmetics, especially with the entrance of some large foreign groups. I have always been an advocate of multi-channels: there will be an adjustment and the three channels, drugstore, perfumery and pharmacy, will have to coexist. The essence of multi-channels is that if a product 'has legs', i.e. consumers like it, it can be on different shelves; the*

difference is in handling a product in terms of marketing positioning. In short, a sensible pricing policy has to be applied, with the same price for all.

EM: How important is it that the distributor makes the decisions together with the brand?

CG: *The work of distributing a brand is done by four hands: 50% is up to the brand, 50% up to the distributor. First of all, we try to give value to the brand; together, once the channel has been chosen, the area is studied and an adequate price positioning is opted for, trying to be as correct as possible. On the shelf, the price has to be recognized by the customer as a correct price. If not, then everything is compromised.*

EM: They say that the brands that are successful in Italy have excellent possibilities of being successful on other markets. Is that true?

CG: *It has to be said first that the buying attitude changes according to the area, in Italy we go from Africa to the Alps – and we have to bear in mind thv at Italian consumers are particularly demanding, for them both the brand and the place where they choose to purchase it are important. The advent of e-commerce has completely overturned some purchasing habits, as paradoxically customers can obtain complete information on the Internet, sometimes more details than by going to a store. We are witnessing an epochal change.*

EM: How is retail responding?

CG: *Retail, and the figures are evidence, has an uncertain response. Think about the crowding of brands at any point of sale: lots of products, or lots of manufacturers, lots of formulators. The buyers are inundated by proposals, each of which is more interesting than the other, mostly all excellent, and choices have to be made. Statistics show that 80% of the brands put on to the market disappear after two years. The existing brands, including those proposed by multinational corporations, set up a barrier to the entrance of new brands, although they are innovative and interesting. This is how battles begin, almost never with equal weapons and with promotional campaigns and shelves on fine view.*

EM: What is 'luxury' for you?

CG: *Luxury is when you are never able to meet the demand. The day when you can meet the demand, luxury will no longer exist. As we are all aiming for turnover, this has to be controlled, to keep that fine balance necessary to protect the brand, in the value that has been established.*

EM: Which brands do you distribute, in Italy and abroad?

CG: *Yuzen, a Japanese skincare brand which we have in global distribution, is giving us enormous satisfaction on the various continents. La Perla, with its two divisions, classic and artistic perfumery, is enjoying considerable success; the eight fragrances in the niche category are appreciated by the more refined consumers. The portfolio is completed by a mini collection of lipsticks of superior quality. Distributed by us in Italy. Lolita Lempicka is a long-established brand and an iconic one; since the family went back to being the owners of the brand, after Asia Pacific, we became the distributors for the Italian market and some other countries. Work has been excellent for five years; the fragrances, the packaging, the refined Christmas sets mean that this brand stands out on the scene of the most refined fragrances. Barbour is the product of the moment, it sells itself... almost on its own. Our choice of preferring in the first place the drugstore channel has meant that perfumeries immediately asked for it; we just closed the contract with Douglas. In agreement with the parent company, this disrupting action has worked; as we were saying earlier, when the price positioning is correct - from euro 80 to 100 - multichannel is well accepted. Distributed in Italy. Terme di Saturnia: as well as distributing the brand we have a much wider collaboration linked to the thermal spas and their renewal, in collaboration with Federfarma (federation of pharmacies) and Federterme (federation of thermal spas). The presentation of the important turning point of Terme di Saturnia is planned for 2026 with a project of great international scope, coinciding*



with the Olympics of Milan-Cortina. Corine de Farme and Evian are two brands of toiletries with a consolidated distribution. The same goes for Ulric de Varens, Jeanne Arthes, Gamarde and Loua. Nikos is a Greek brand, which has a medium-high positioning, which is once again handled by the owners after 25 years in Coty. Sculpture is the star product with incredible sales; we distribute it in Italy and in some other countries; in all there are 4 distributors and we share the various geographic areas. ARMAF is the most recent fragrance that we have taken for distribution for Italy: very well known in the Middle East, this brand is very popular with all those consumers who follow the new wave of oud, especially in the south of Italy, where intense perfumes are preferred, primarily by male clients.

EM: Forma Italiana has recently moved into very prestigious offices in Milan, near the Basilica of St Ambrose. These are in addition to the head office in Lacchiarella. What is this decision due to?

CG: *As the company has grown, the two divisions, the mass market-toiletries and luxury products, had fewer points in common; so it seemed interesting to us to have a representative office in Milan where we could receive clients and suppliers. A large work team operates here, always in close contact with the other employees. Still in Milan, for years we have had our own perfumery, Mabel Profumerie, which is near Piazza Repubblica and which we have just renovated, It's worthwhile to go and have a look!*

EM: At the end of 2022 your company recorded a turnover of 145 ml. and 43 ml. of pieces have been sold.

A good reason to be optimistic about the future...

CG: *Always, if you are not optimistic when you do business you'd better change what you do (smiling, Ed.'s note)!*

EM: What is the key to success?

CG: *Work first of all, professionalism, ethics on how you run the business and above all ensuring that the people in the company are happy to work there. I feel I can say that the atmosphere is given, good or not so good, by those who direct the company.*

Claudia Stagno



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