

**THE BRAND OF SERVICES FOR PRODUCTS THAT WANT  
TO CONQUER THE WORLD**

# **ITALIAN** **CUSTOMER INTELLIGENCE**

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## CREATE A REPUTATION IN ITALY THAT CAN BE UTILIZED THROUGHOUT THE WORLD

The Italian client is an attentive and demanding examiner of the products that she puts in her discount shopping cart rather than her Prada bag. Accustomed to walking in an environment that is a true museum under the sky, the largest in the world, she has inevitably developed an aesthetic sensibility that leaves her particularly attune to beauty, elegance, uniqueness, and variety, all characteristics of her homeland. Accustomed to “thinking Italian” and “seeing with Italian eyes,” her taste is recognized throughout the world: a taste that is continuously used by international businesses as a benchmark to test the success of their products. Italian companies know that a “flop” in Italy often predicts further lack of success for those who export products abroad.

Umberto Angeloni, President and CEO of Caruso Menswear, sustains that **the Italian client is the most sophisticated and demanding in the world and, therefore, must be used as a reference point, a model, a stimulus to those businesses who want to create high-quality products.** Due to her Italian taste, she requires and tests all products created by expert hands with the highest quality of materials and accompanied by impeccable service.

Patrizio di Marco, President and CEO of Gucci, “admits” that these characteristics are necessary for any product that would like to win the trust of clients, starting from the sophisticated Italian clientele.

By responding to the demands of Italian clients, our artisans were able to elevate their products to excellence: Erica Corbellini and Stefania Saviolo, in their work *La Scommessa del made in Italy e il futuro della moda italiana* (Betting on ‘made in Italy’ and the future of Italian fashion), states that **“Italian consumers are the most demanding in the world: they purchase Italian products not due to patriotism as the Americans do, but rather for their inclination towards beauty. In this way, they helped businesses improve their products from a qualitative standpoint.”**

Therefore, the quality of Italian products is an ever-more precise and attentive response to the desires of the Italian client and, naturally, is made possible by the skills of our artisans whose know-how is recognized internationally. Cristophe M elard, President and CEO of the luxury footwear brand Sergio Rossi, emphasizes: **“the know-how of artisan shoemakers like those who work at Sergio Rossi comes from far away and brings with it an entire world made up of cultural and social references that evoke a certain lifestyle in the client.”** It is this same know-how recognized by Luis Vuitton that allows him to produce his footwear and the inimitable canvas used for his purses in Italy. In an article in *Il Sole24Ore* entitled *Italia, a source of know-how*, Pierre God e, vice-President

Italian Customer Intelligence: the brand of services for products that want to conquer the world.

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of Lvmh Italia, reminds us that our country has a rich heritage of artisanal skills that date back to the 18<sup>th</sup> century. Godé is fascinated by the immense quality of know-how that Italy has been able to preserve in ever little town, city, or region.

According to a research study conducted by Eurisko, the good taste, style, and natural elegance that permeate the daily life of those who live in Italy are the distinct features that characterize Italians in the eyes of foreigners. In particular, the research identifies five chief characteristics that are inherent to the Italian identity.

In first place, Eurisko puts **aesthetic**: “It is a characteristic regarding everyday objects but also -more generally- everything that is planned and produced in Italy and created in relation to the characteristics that define Italians in the eyes of foreigners: good taste, style, natural elegance.” The second characteristic associated with Italian products is “**artisanal quality**”: “Italian craftsmanship is not a repetitive capability or mere conservation. It is associated with a high level of creativity and imagination.” Another characteristic recognized throughout the world is **culture**, intended “not only as a ‘techno-functional’ competence (“knowing how to make things”) but –more generally- as a living relationship with one’s history and roots. The fourth component of the Italian identity is **social and relational quality**. Italians have a strong sense of family and community. The fifth distinct feature of Italian quality is represented by **variety** and **multiplicity**. As opposed to other European nations that are easily identified by a particular style, culture, or city, Italy is associated with a variety of riches both in the natural landscape and in cultural production. The value in the perception of foreigners that summarizes and synthesizes all of these components of Italian quality is represented by the overall quality of life that is associated with our country. According to those who watch us from the outside, Italians “know how to live” due their relaxed pace of life and their ability to enjoy the small daily pleasures of life.

The research concludes saying: “The greatest strength of the Italian production model lies in its capacity to achieve points of equilibrium between seemingly irreconcilable polarities: **tradition and modernity, craftsmanship and technology, aesthetic and functionality. There is a strong correspondence between the values that Italy and its products interpret and the immaterial needs –of aesthetics, culture, society, identity, and emotion- that are emerging as priorities for both European and international consumers.** The ability of Italian producers to become fully aware of the richness of their common heritage of values and to act in a manner consistent with them is an important part of the recipe necessary to bet with confidence on the future.”

Therefore, the need to pass the test of the Italian client becomes urgent especially for those products that wish to enter diverse markets. Guido Corbetta, Professor of business strategy and policy at Luigi Bocconi University in Milan, states that strategy means “**developing products, services, and images that can foremost be appreciated by the Italian consumer who has particularly sophisticated taste**” with the final objective of “**creating a reputation that can be utilized throughout the world.**”

### ITALIAN STYLE SPARKER

In an article published in the newspaper Repubblica in February 2012, Ferruccio Ferragamo, President of Salvatore Ferragamo, stated: “I believe that the quality of Italian products is recognized throughout the world, because it is created with excellent artisanal skill, attention to detail, tradition, and creativity. Our brand grew and evolved, but the quality, craftsmanship, and creativity of ‘made in Italy’ remained intact and were the foundation for our development. These distinct characteristics allowed our brand to become famous throughout the world. Ferragamo represents the union between strong artisanal skills and the creative tradition of ‘made in Italy,’ elements that, over the years, developed in a manner consistent with the origins of great tradition and stylistic originality, two important values of ‘made in Italy.’”

Therefore, quality is without question tied to style, that *Italian style* that is not only a distinct feature of Italian production but also of the client herself. Emphasizing this point, the *lifestyler* Sergio Colantuoni, in honor of Pitti Uomo, launched the anthem of the brand Caruso as the “inimitable style of the sartorial Italian wardrobe”: “To truly adhere to the concept of “made in Italy,” it is not enough to produce everything in Italy. One must be loved and bought by Italians who are **the grand cultivators and diffusors of style and glamour.**”

The Institute for the Study of Public Opinion (ISPO) examined the meaning of “style” for modern-day Italians. A study conducted in 2012 illustrated that style is not a question of money. It is a way of being and not mere appearance (75%). Alvaro Valiente, General Director of Neinver for Italy, stated: “In these difficult economic times, the consumer search for quality has not decreased, but they pay more attention to price.” The Professor Renato Mannheimer, President of ISPO, declared that 68% of those interviewed believed that one can have style even on a limited budget.

In any case, **the Italian style sets trends**, this is certain! Young Korean street-style photographer Nam emphasizes this point in his blog *Streetfsn* and maintains that Italian

style is one of the most elegant in circulation: “Most fashion magazines cover Pitti Uomo. I have different subscriptions: ten magazines from different countries. Why? The *Italian Style* of Pitti is considered trendy.”

Similarly, Angelo Flaccavento, fashion critic, describes the Pitti man: “He is a particular species who enjoys dressing well and loves to show-off his knowledge as a connoisseur. He eliminates competition with idiosyncrasies and poetic license, using lavish detail and sophistry. He is a specimen of human without equal that the digital age has allowed to become a model and category of the spirit. The icon of the Italic male, figurative and occasionally caricaturist and, therefore, far from being washed out.”

### **HOWEVER, ALL OF THIS IS NOT ENOUGH ANYMORE...**

An Italian way of doing things lasts. It is a unique way with an added value appreciated by those - big spender evolved in primis- who believe that “well-made” is a much more important value than “good marketing.” However, all of this is not enough anymore...

In his preface of the text by Erica Corbellini and Stefania Savioli, Diego Della Valle maintains that: “The concept of ‘made in Italy’ is a lifestyle and creating a lifestyle requires a large effort; it must be based on a mixture of elements that can never be changed but must be able to evolve according to context. Being a brand with the status of ‘made in Italy’ requires certain obligations; one must have a clear idea of the mission and how to protect the client over the span of decades and not merely years. In order to do this, one must have control over the entire chain of trade (namely, the trademark owner, production, communication, distribution). Because, for an Italian brand, respect for the client signifies quality. **Quality is the first weapon of ‘made in Italy,’ but this alone is not enough. Everyone copies us and improves the level of quality. Therefore, our objective must be constant innovation, a key concept even before creativity.**”

On one hand, the *Global Survey of Consumer Shopping Behavior* revealed in 2012 that the principal driving force that guides Italian consumers in their purchases is quality. On the other, the 2013 edition of the *Osservatorio dei Consumatori*, published by Marketing and Trade, produced a specialized study on new consumer tendencies and revealed the demands of the Italian shopper: “Firstly, he or she desires a certain ease in the shopping experience (72%) and wants to find the necessary products quickly and painlessly. The consumer wants to cut parking time and easily maneuver the shopping cart in a store that is well organized. The desire to cut shopping time –particularly during

less than pleasant shopping experiences- is a pressing demand of 62% of Italians. They want to dedicate their time only to things that merit their attention. The theme of value is central. The emotional dimension of purchasing is still very important (for 63% of shoppers); they want to buy and be surprised, interested, and enthralled... **it is not simply the WOW-effect of the '90s; today, customers demand and search for real value, a true experience of the product in terms of presentation and price."**

Another study conducted by SymphonyIri Group for the eighth edition of the Elected Product of the Year confirms the search for innovative products by Italian consumers: **"Today, due to the vast number of choices available, consumers are more selective and demanding.** They have a strong awareness built by new forms of communication (primarily, social networks) that makes them absolute protagonists in their decisions and their judgments after purchasing. This means that **consumers are no longer unconditionally impressed by all that is defined as innovative. Instead, they only consider a product as innovative if they experience it as such.** In essence, in order for a product to be considered new, it must bring tangible improvements to the quality of life of each of us. We are not only speaking of technological content. Oftentimes, innovation is boxed into the idea of packaging, format, labeling, etc. The importance lies in those things that pose a genuine perception of innovation on the part of consumers.

However, in reality, Italians believe that there is not enough innovation on the market. 49% of consumers believe that there are not enough new products on the market. An opinion that grew by 12% since 2011. But not only. A little more than half of our countrymen (53%) argue that there is practically no difference between new products and existing ones.

Despite this economic crisis that has severely reduced the budgets of consumers, Italians still **maintain a strong inclination towards trying new products (84%) to the point of spending more money (60%) if these products were to satisfy their expectations.**

Some positive answers to the needs of Italian consumers are arriving; Privalia and GroupM initiated a research study to understand the future of online fashion. "Innovators recognize that businesses as well as brokers and distributors of fashion have had the capacity to keep up with expectations for change and have the competency to satisfy these demands," explains Valentina Visconti, *country manager* of Privalia. "In Italy, this segment of consumers covers 6% of the population, roughly 3.5 million people; according to research, this segment believes that the innovative services of the future will include the ability to choose the price of a product based on how much one is willing to pay, the

possibility of personalizing a product before purchasing it, and **the opportunity to tell e-stores personal preferences in order for the store to send the consumer relevant offers.**"

### **...NOT EVEN FOR RETAIL STORES**

Innovation also in retail stores. The tenth edition of the Osservatorio annual B2C Netcomm of the School of Management of the Polytechnic University of Milan (2011) revealed that 9 million Italians are *web-shoppers* (an increase of 7% since the previous year), roughly a third of Internet users. Together, they will spend roughly 8 billion euro, driving the growth of the online coupon. In this climate of collective growth, offers increase and improve both in terms of price and range. **"Today, more than ever, in a global crisis that has affected our country, e-commerce is no longer an opportunity but rather a mandatory requirement for those companies that wish to compete in international markets,"** declared Roberto Liscia, President of Netcomm. **"The Italian creativity, genius, and uniqueness can find an indispensable ally in this channel, and businesses are realizing this."**

A research study conducted by IPSOS Media CT of Chicago for Groupon International in Italia revealed that 60% of e-commerce users are women. The research confirmed the increased use of couponing sites in the process of online purchasing due not only to the fact that they offer the possibility of buying physical objects but also that they offer true, living experiences. More importantly, the research highlighted the fundamental role of women as the responsible party for purchases in both the family and the couple.

So with the advent of e-commerce is the retail store destined to disappear? No, but it must change. There are several indications regarding retail stores. Fujitsu, a leading Japanese company in products and solutions for information technology, published the results of a survey of a panel of senior professionals in the European retail sector on the future of retail stores in a multi-channel environment. 65% of European retailers maintained that the importance of retail stores is increasing despite the rise of online shopping. From the gathered research, two-thirds of managers questioned believed that the importance of retail stores is increasing significantly in Europe (65%) and particularly in Italy (74%) and France (65%) where the culture of physical shopping is as strong as ever.

A study conducted by IBM in collaboration with Loft Media Publishing on managers in the sector revealed: "In Italy, retail is anything but passive. One must remain informed and participate in events while being updated and constantly on the look-out for new

ways of using technology and improving his or her performance. Many of the managers who were interviewed maintained that they regularly adopt e-commerce services and social network for their businesses. Furthermore, there is definitely an inclination towards experimentation; some managers experimented with the use of QR code and other advanced tools including *Business Intelligence* and *Customer Relation Management* according to multichannel logic.”

Federdistribuzione, coordinating body and representation of modern distribution, predicted in 2012 that classic retail would no longer be enough: “In Italy, one-fifth of business develops with alternative models to the traditional store. Change must be found not only in the physical store but also in the mode of payment, the ability to intercept the public by mixing the real and the virtual, the capacity to establish oneself with enticing offers to the client, enhancing interstitial time and space.

What are the most interesting strengths of the stores of the future? Augmented reality and QR code, personalized holograms to guarantee the originality of the product, BeeTags and serial codes to allow access via smartphones, tablets, and computers.

The research of the *Osservatorio Multicanalità* published in March 2013 on *Yahoo!Finance* revealed: “In the span of five years, the number of Italian consumers that explore retail stores and then buy online has almost doubled. **The physical store is not destined to vanish, but it must live with the logic of a reality in which the public prefers alternate channels.** Even in those places where the physical store is still the main location where the buying process takes place, we still need to re-think the purpose and aim of the store, because customers are looking for a very different form of interaction than the one of the past.”

ITALIAN CUSTOMER INTELLIGENCE is a brand of services for those companies that believe that “passing the test” of the Italian clientele is decisive. The sensibility and taste of the Italian client are the true tests for those products, Italian or otherwise, that want to conquer the world. The services of **Italian Customer Intelligence** help businesses to communicate, sell, create, discover, test, and resolve problems in relation to the Italian client: the most attentive, demanding, grandiose, beauty-oriented, quality-obsessed, innovation-seeking, “style-sparker” client.