



Italian Brands Expanding Around the Globe

Marisa Iallorardo (June 11, 2008)



Think Americans and Italians are the only ones who lust after the latest Gucci bag or Ferragamo heels? Companies are thinking again. With the economy slowing in both the U.S. and Europe, Italian retailers, it seems, are looking towards expanding into newer and emerging markets

[Benetton](#) [2], Italy's largest retail company, reported that they would be expanding their efforts in India, China, Turkey and countries in Latin America and the former Soviet Union. According to an [article](#) [3] on Forbes.com, CEO Gerolamo Caccia Dominioni said he expects to see sales in those markets rise from about \$155.1 million to as much as \$465.2 million in the next three years alone, with the number of stores increasing from 500 to about 1,200.



But Benetton isn't the only company to see the potential in developing countries. Also on Monday, [Salvatore Ferragamo](#) [4], based out of Florence, [announced](#) [5] it would be teaming up with Indian real estate giant DLF—which currently owns some 224 million sq. ft. of property in the country—to open 10 new stores there over the next five years. Already, shops in New Delhi, Bangalore and Mumbai are expected to open by the end of the year.

And, arguably the most recognizable name in the bunch—[Gucci](#) [6]—has opened new stores in Prague, Macau, Cape Town and Auckland this spring alone, and has plans to open additional stores in Eastern Europe and China in the coming years. According to an [article](#) [7] in retail trade newspaper, Women's Wear Daily, Gucci sales in China, where it has 16 stores, rose 120 percent in the last quarter of 2007. CEO Mark Lee told the paper that despite a difficult economy, "We run Gucci with a long-term vision, we stay focused on the customers and the product to create desire."

Source URL: <http://ility.org/magazine/focus/life-people/article/italian-brands-expanding-around-globe>

Links

[1] <http://ility.org/files/2008-springsummer-gucci-ad-behind-scenes>

[2] <http://www.benetton.com/html/index.shtml>

[3] http://www.forbes.com/markets/2008/05/19/benetton-emerging-retail-markets-equity-cx_lkm_0519markets18.html

[4] <http://www.salvatorreferragamo.it/>

[5] http://www.ansa.it/site/notizie/awnplus/moda/news/2008-05-19_119221014.html

[6] <http://www.gucci.com/>

[7] <http://www.wwd.com/notavailable/dotcom?target=/retail/article/124907&articleId=124907&articleType=A&industryKw=retail&industryKw2=retailarticle>