

Giuseppe, a 26 years-old Young branch CEO of 15 Fashion Brands.

“Opportunity doesn’t come find me”

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Giuseppe La Torre, South Korean Branch CEO of Borgo Italia. (Photo by DongYeon, Kim)

Born and raised in Italy, when he graduated university he was only 26 years-old (Korean age), and he arrived in Korea with a position of 3months contracted intern. Though he started living in Korea without knowing anything about the country, such as language, food and culture, he could not blame his situation, and put the most effort during his 3months. When he first moved to Korea, he had to work without sleeping.

That 26 years-old youth became 28; it is his 3rd year living in Korea in the present. Named Giuseppe La Torre, he became South Korean branch CEO of Borgo Italia. His stories had some similarities to

Korean youth unemployment, and there are many things to learn from Giuseppe's business style and life experience in Korea.

These are the Q&As with Giuseppe La Torre.

Korean life from an Accommodation

Q: How did you get such high position, South Korean branch CEO, in your young age of 28?

A: To start my story, I have to explain first about my company Borgo Italia. It is a consortium, united of 15 small Italian apparel companies. Many small companies in Italy want to invest in Korea, but they don't know how to. So those companies gathered and promote oversea expansion projects. And I became at this position being a vanguard of this project.

Q: Were you the branch CEO from the beginning?

A: No, I was just an intern, a contracted worker. I only had 3months. It was such a challenge and adventure for my life. When I first arrived in Korea, I started my work in small accommodation room for examiners. It was both my home and my office. I had so much hard time.

Q: Didn't your consortium have any money support for the Korean project?

A: They did invest minimum expense- my plane ticket and a bit of living expenses. Other than that, I had to earn, as well as to show them some result. I had to create investment value of myself to appeal them.

"Opportunity doesn't come find me"

Q: If the consortium is united with 15 different companies, they should have had desire to expand their company internationally.

Then why did they hire you, who just graduated, rather than experts on international business?

A: A head of Borgo Italia is a president of kidswear brand Monnalisa, Piero Iacomoni, who is still energetically working as president and businessman with age of 70. Piero directly chose me. My enthusiasm from intense desire was probably why he chose me rather than other business experts. Italian employment market is similar to Korean's; there are lots of unemployed youths. Iacomoni tried to give an opportunity to one of those youths. But ironically there were not many young people like myself. Most of youths in Italy try to get stable and comfortable jobs in Italy. They do not think about leaving their country to find opportunity. However, I don't see much more opportunity in Italy. It is not true that opportunity comes find me, but I have to go find my own opportunity and it always depends on my willingness. So I chose and volunteered to move to Korea, to grab the opportunity. Probably for Korean youths, they might have same situation. If they just look around themselves, they can see more opened opportunities.

Q: How did you work? What was the pattern of your work?

A: I worked more than 13 hours everyday. Of course, it is not a problem for Koreans working more than 13 hours; I really respect them about it. But in Italy, it is very rare for you to work more than 13 hours. That was how much I wanted and needed to do my best, though I did not get paid working more hours.

I had researched about Koreans, and Korean fashion companies. After I collected all the lists of Korean companies, I had to contact them and tried to meet them one by one. Most of the Korean companies thought I was kind of broker or agent. They wanted to work without me, so I had to explain every time, but still there was some people who didn't believe it.

There are still some people or companies, asking me how much commission they have to pay. But more people started to understand and trust me; the progress gradually happened over the

time. By contacting those fashion companies, I opened relationship between Korean and Italian fashion business.

Q: What kind of outcome has made in last 3 years?

A: As I told you earlier, Borgo Italia is a consortium with 15 different companies. But not all the companies wanted to enter Korean market from the beginning. Since it is consortium, there are some different demands from different companies. So at the very first stage, only 5 companies aimed to enter the Korean market. And recently, one more company requested me with an intention of entering the Korean market.

This consortium is organized with projects, divided in different countries depending on projects, such as Korean project and Chinese project. In other words, through the consortium, companies decide whether they want to enter the market or not. Of course if they want to join the project, they have to pay the joining fee for the specific project.

The expanding companies in the Korean market are Monnalisa, Sendo, Casheart, Alessandro Gherardi, and GiosBrun. They have different demands, so I worked to satisfy each companies' different demands.

For example, Monnalisa wants to open mono brand stores in Korea, and will open one in Seoul within this year. Casheart wants to have pop-up stores in department stores, which is currently on-going at Lotte and Galleria department stores.

Small Businesses Find Way to Live through Consortium in Italy

Q: Is the consortium business style common?

A: Yes, often companies seek to establish consortiums in Italy, since it is an effective method for small businesses.

Q: But different small businesses may have different demands. Why would they organize consortiums?

A: Every business method has pros and cons. As you said, each has different ideas and demands. So in the first stage, everyone has to agree for the consortium to be organized; in the foundation stage, they have to sign the agreement. The most advantage of consortium would be low-cost and high efficiency.

If companies do not join consortium, each company has to create Asian team to enter the Asian market, and manage the road map, which cost huge amount of money. To enter Korean market as well, they have to research various facts of the country- culture, purchase pattern, market size.. etc. In other words, the process gets longer and costs high before their practical business even begins.

Without consortium, each company needs own strategy for market entry, but with consortium, companies can share know-how, and attempt to enter with low-cost in shorter period of time. Also it is not necessary for them to join every project; not all 15 companies have to enter Korean market. It is another pros of consortium that company can choose the right project for themselves.



Borgo Italia Website. (Photo Captured Borgo Italia Website: www.borgo-italia.com)

Q: Then how much is the consortium joining fee for each company?

A: I cannot give you detail since that is our internal issue, but first founding businesses of the consortium paid set amount of investment, and they pay for each projects if they want to join. Budgets of projects are monthly paid by joined companies, which is kind of down payment business. Part of the payment is fund for project business and also my salary. So basically investment from the foundation and project joining fee is all we have.

Q: Omni-Channel Shopping is getting bigger in these days. Is it in also in Borgo Italia?

A: In Italian fashion industry, they actively utilize omni-channel methodology, but there is something more important, like pricing. Recently most of the cheapest products you can find is from omni-channel shopping (online shopping mall). So major key will be to cut down the price difference of same product from offline and online stores. Also competitor brands' price range can be an important standard.

Q: What is some characteristics of brands entered Korean market through Borgo Italia?

A: Anyhow, all of the products are 'Made in Italy', manufactured in Italy. I can guarantee that products have very high quality. They surely can be more expensive then other brand products, but they also have as much of quality difference.

Q: In these days, Fast Fashion brands like ZARA and H&M, are very famous. They are increasing their sales with their cheap prices, what do you think about their strategy?

A: It is undeniable fact that those mentioned brands are worldwide well-known. I even shop at ZARA sometimes. However, those products do not last for long-term. I can feel it when I wear them; satisfaction from the quality is very low. On the other hand, our brands rate more value of quality. So we seek target market, who can afford to buy, ready to pay for the high quality, and to whom the price is not a big problem while they shop. So we develop our products to satisfy our customers and fulfill their demands.

“Made in Italy is the Brand”

Q: Business and companies suppose to seek after profit. They may be able to lower to cost and increase customer range out of OEM method, what do you think about it?

A: It is true that if you produce with lower cost, they can have wider customer range and higher sales as well. But other than making money, business should have belief and value. What our company value the most is the quality rather than the price and rate of sales. Quality is kind of our pride, being “Made in Italy”. All of our products are actually manufactured in factories placed in Italy, and they are the key sector of our brands. If those manufacturers did not exist, our brands would not exist as well. Since we consider quality as the top priority value, I am sure there is no possibility for our brands to change like ZARA. And Italy is a brand itself.

Q: If the business thrives, company would become bigger. Then they always look for another business when the first one expands, which happens often in Korea. Electronic company founds construction company as well as fashion company, for example. How are leading fashion companies in Italy?

A: There are many Italian brands they are worldwide well-known, such as Giorgio Armani and Gucci. These brands are expanding their business direction in some way. Armani has started food business and now operating restaurants, as well as producing wines. But I do not think their business expansion is wide enough. Those successful luxury brands have kind of tenacity, which brought them success to become in the luxury market. So they are only focused on a culture that can be related to fashion, meaning Armani would not establish construction business all of the sudden. Probably tenacity of being luxury is the reason of success and know-how of its maintenance.

Korean Fashion Leads the World

Q: As you know, both Italy and Korea is peninsula countries, so I think there would be a lot of similarities. What did you feel about Korea living here for more than two years?

A: I think there are a lot of similarities as well. Koreans care about their outfits a lot as much as Italians do; dress up everyday for the sake of display. So though the company brings Italian fashion directly to Korean customers, there are no resistance shown from the market. Koreans not only have sense of dressing up but also loving to eat good food. For Italians, there is nothing to say other than food and fashion, which is really similar in these two countries. It is one of the reason, Italian companies want to enter the Korean market.

Q: Then how about Japan? In Western countries, isn't Japanese culture and fashion very popular?

A: Well, in Borgo Italia, we have branches in Korea and China, but not in Japan, but we also take care of Japanese market in Korean branch. So I sometimes go to Japan, but to be honest, Japanese fashion is a bit behind.

Japan has their own philosophy in fashion; Japanese fashion only fits nicely on their own people. In other words, Japanese fashion is not a fashion that people want to follow, and the style they seek. On the other hand, Korean fashion is what everyone tries to follow; it spreads to East Asian countries, China, Middle Eastern countries and European countries through Korean wave. Recently, Korean fashion became one of the Trend Setter of the world. I have been to many fashion shows in Korea; designer Lee Sang Bong has exceptional sense/taste, which is highly interested in Europe.

Q: Recently Korean government is promoting new companies/industries through CCEI (Center of Creative Economy and Innovation). Is there any help from Korean government for the business promotion between Italy and Korea?

A: FTA agreement between Korea and EU helped a lot. Since all of our products are 'Made in Italy', we get much effect by the agreement. Without import duty or all sorts of taxes, we can import

products to Korea. So Italian brands mostly welcome to export products to the Korean market. Other than the agreement, we do not get any help from Korean government.

Q: If there is exchange between Korea and Italy, they should have search solution for youth unemployment solution or cultural exchange in those two countries. Is there any help from Italian government or embassy?

A: Commerce department of Italian embassy gives some help, but it is just part of assist for overall Italian businesses in Korea, not a specific help for each companies. Borgo Italia also is just promoted by small Italian companies without help from Italian government.

“Korean Fashion Industry need more Creativity”

Q: There are many global fashion brands in Korea, such as MCM and FILA. What do you think about those brands?

A: FILA used to be an Italian fashion brand, and Korean took over when the company was about to bankrupt. With excellent directors and their marketing strategies, the brand became successful. MCM, originally a German brand, got taken over as well by Korea, and now it has managed well. I personally think Korean fashion brands mostly do not try much of creative attempt, which is difficult to achieve in short-term. For Korean brands to become global brands, they need to involve creative idea continuously.

In this case, there are many different reasons, but one of the reason I can say from my experience in Korea would be the education system. They develop their students only for the exams, while in Italy, students have freedom after school. Italian students have more opened-mind, which mostly activates with creative thinking in the same period. But Korean students unfortunately have no chance to develop their creativity, and once they enter the real society they try to demonstrate their creativity. Probably this kind of problem affected in fashion field as well.

Italian luxury brand can be differentiated that it is always opened to ideas. Ideas can be collected by all the designers, not only the top designers. This flexible teams help to produce creative designs and products.

Q: Is there any win-win strategy for both Korean and Italian fashion business?

A: There are many clothes factories in Italy that has accumulated techniques for long time. And some of Korean companies already apply manufacturing their products in Italy, though they are Korean brands, like premium tailor brands from LG Fashion or Galaxy. If this kind of win-win business continuously carry on, I think both countries will develop as time goes by. Already some of designers in Korean companies have studied abroad in Italy. Therefore, it would be very helpful, if governments of the two countries share about Italy and the philosophies of design.

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