

GS Luxury Group: the first two years



GS Luxury Group SpA was formed in 2014 through the investment of a group of ceramic industry entrepreneurs and Sistema Investimenti. The company's aim is to forge high-value collaborations so as to position its top-end ceramic tile collections on international luxury markets.

The idea was based on the founders' business experience, which taught them that substantial revenues could be generated from exports to emerging markets, especially China and the Middle East, where the Made in Italy label is highly sought-after, in a luxury market where the sky is the limit.

On the basis of this strategy, the directors of GS Luxury Group approached Tonino Lamborghini and forged a partner-

ship that spawned the brand Tonino Lamborghini Tiles&Style.

At Cersaie 2016, we spoke to Tommaso Pozzi - V.P. Marketing&Sales - at GS Luxury Group's stand, and asked him to talk us through the latest developments at Tonino Lamborghini Tiles&Style.

Tile International: Exactly two years ago, at Cersaie 2014, GS Luxury Group unveiled the Tonino Lamborghini Tiles&Style brand and the first four collections of ceramic tiles inspired by the sophistication of Lamborghini design. What has happened in the two years since then?

Tommaso Pozzi: "First of all, the number of collections has risen to 11, and they're all on display here at our stand, and already





in stock, ready for distributors. But the most significant thing, which to be honest surprised me, and surprised System Investments even more, is the immediate success of the partnership with the Italian luxury brand, to the extent that Tonino Lamborghini Tiles&Style now represents the core business of GS Luxury Group, and has enabled the company to reach break-even point much sooner than forecast.”

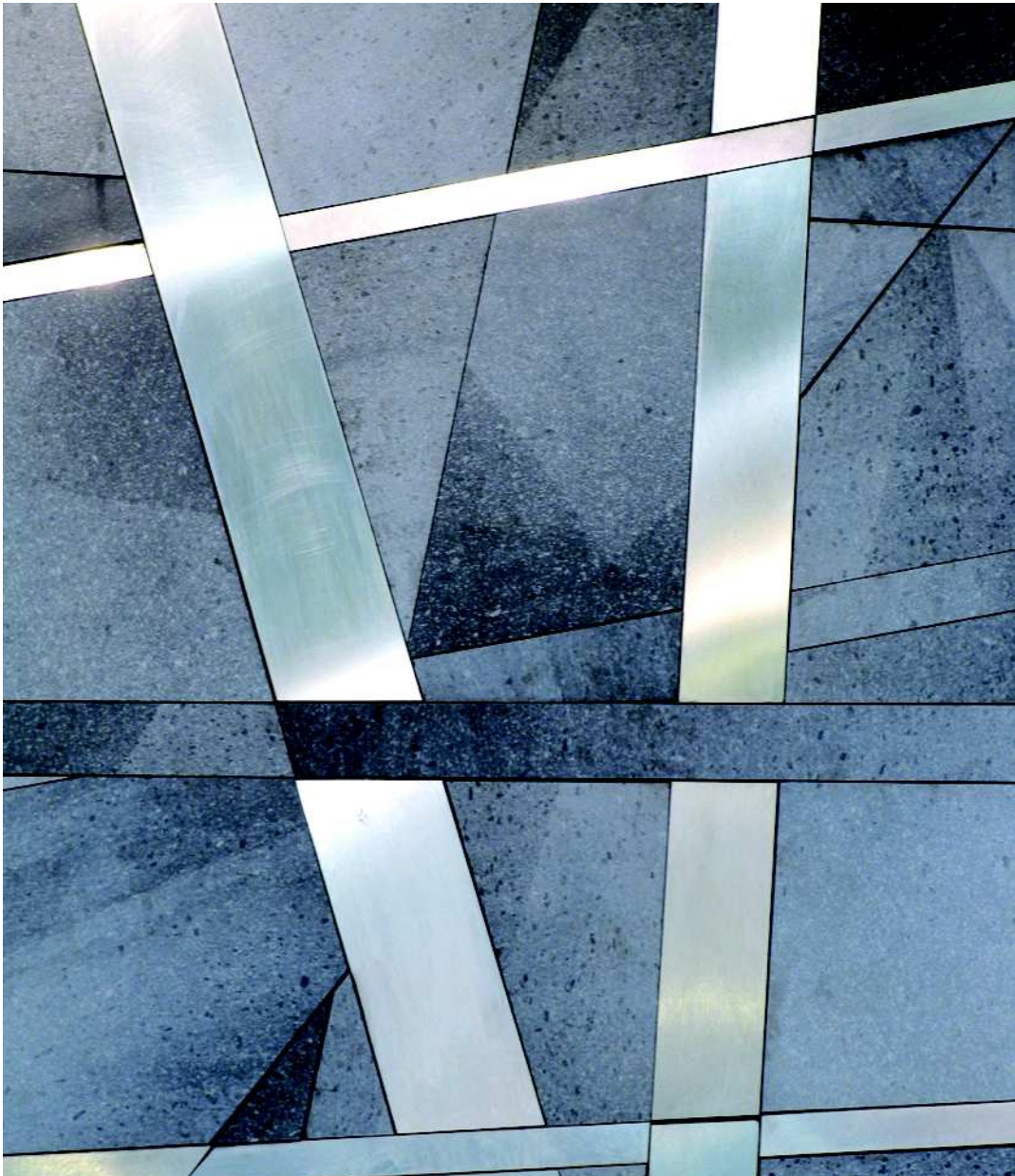
Tile International: How important a role did existing distributors around the world play in the success of Lamborghini-branded products?

T. Pozzi: “The ceramics sold under the Tonino Lamborghini Tiles&style brand have had the benefit of access to the channel specifically dedicated to the Tonino Lamborghini Home project, which is a fully fledged all-round living system, comprising exclusive and tailor-made projects, spread across new forms of furnishing inspired by the specific automotive and mechanical heritage of Lamborghini.

As GS Luxury Group, however, we are also still working very hard on traditional distribution channels for ceramic floor tiles, bearing in mind that the majority of Lamborghini-branded collections are nonetheless intended for major projects and contract furnishing.”

Tile International: How many distributors currently handle your products worldwide, and which geographical areas are





they most concentrated in?

T. Pozzi: "GS Luxury Group currently has about 100 sales outlets in total, mostly in the Middle East and China, where our distributor has 20 stores. But Eastern Europe is also well represented. These areas are

particularly passionate about Italian style, especially as interpreted by our luxury brands, and these markets accounted for 60% of our turnover in 2016. The remaining 40% comes from the domestic market, by which we mean the whole of

Europe as well as Italy."

Tile International: And what can you tell us about your agreement with the Faboce group, Bolivia's largest ceramic manufacturer?

T. Pozzi: "This is a similar sales strategy to the one we've al-

ready discussed. Like the rest of South America, Bolivia is not easily accessible to Italian goods, mainly because of the tariffs applied to imports. So forming an alliance with a top-flight Bolivian manufacturer gives our collections access to the entire South American market, with the possible exception of Brazil, which already has a ceramic manufacturing tradition of its own."

Tile International: So Faboce manufactures your Tonino Lamborghini Tiles&Style collections in Bolivia and then distributes them all over South America?

T. Pozzi: "Production is already under way and we have five series currently in progress. Nowadays, with the latest digital technology, it really is possible to achieve top quality anywhere in the world; you just need to put an effective control system in place. And this even works for collections, like the ones designed by Tonino Lamborghini Tiles&Style, which require additional screen-printing, glazing or brushing processes. What's more, the Faboce group has 12 production facilities, 760 employees and revenues of 50 million dollars. Our products are made in the Santa Cruz de la Sierra plant, which has just been completed with an investment of almost 20 million euros in Italian technology, and has production capacity of 12 million square metres per year of



THE TONINO LAMBORGHINI GROUP

The Tonino Lamborghini Group was founded in Bologna in 1981 by Tonino Lamborghini, the son of Ferruccio Lamborghini, who established the prestigious Lamborghini automotive brand. In 2015 it reported revenues of 400 million euros (97% from exports, 70% of which went to the Far East) and had 15 active licences, in addition to a range of retail projects in the hospitality sector. In this sector, after recently opening the Tonino Lamborghini Lounge in Bangkok and getting the green light for a 5-star hotel project in Panlong Valley in Jinxian, China, the company has announced the opening of nine branded disco-clubs in Asia, spanning Singapore, Kuala Lumpur, Shanghai and Melbourne.

Branded watches, eyewear, mobile phones, perfumes, furnishings, ceramic coverings, clothing, sports accessories, food delicacies, boutiques, lounges, 5-star hotels and restaurants: together, these products make up a world of coordinated accessories, all marked with the charging bull against a red background that is now synonymous with the Tonino Lamborghini Group.

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porcelain tile.”

Tile International: So it's a partnership for the production of tiles "Designed in Italy"?

T. Pozzi: "Yes, but that's not all: the Tonino Lamborghini brand represents a small family of the world's most exclusive products. It's a network that extends from mobile phones to watches, furnishings to fashion and perfumes, and the finest golfing goods in the world, by the Japanese company Honma. To put things in perspective, as Tonino Lamborghini himself said about the signing of the contract with Faboce, this Bolivian deal opens up the whole of South America for our brand. It's a difficult market because of the high tariff barriers, but our alliance with a manufacturing and logistics giant like Faboce paves the way for a transnational ceramic project destined to spread beyond the borders of Bolivia, to Chile, Argentina, Peru and Paraguay."



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