

# The Niche That Roars

**M**ILAN — Italy has always been a fractured market, dominated on one side by the big-name producers present in every country — but also managing to support a healthy subculture of domestic niche brands. While their products are wildly different, the niche brands share a desire for creative and commercial control and a commitment to offering an alternative to the mass-produced items. But they wouldn't mind following the model of niche brand Acqua di Parma, whose beauty business now does 70% of its Lit. 10 billion (£3.4 million/\$5.5 million) outside Italy. The company expects 1999 sales to double.

"People are slowly starting to search for more special products," said Lorenzo Villoresi, a Florentine fragrance maker whose products include perfumes, eaux de toilette and bath oils in glass bottles and leather cases. Villoresi's scents are sold at specialized perfumeries in Italy, and in select European and U.S. stores. "The other reason is that more perfumeries are seeing that they need these products to compete. They can't survive by offering the kinds of discounts that big chains like Douglas, Limoni and Sephora have."

But small production can also be a boon, as Irma Ghignone, the founder and ceo of Step cosmetics, has discovered.

"We have an advantage in being small. It takes 20 days to create, package and distribute our products," said Ghignone, whose company reported sales of Lit. 1.4 billion (£475,000/\$770,000) in 1998 and is aiming for Lit. 2 billion (£680,000/\$1 million) in 1999. "When we do a product, we do 5,000 pieces at a time, not millions. That makes it much faster."

Her cosmetics company, largely known for producing inexpensive, trendy products like glitter nail polish and hair mascara, has won retailers' praise for being more flexible than the larger houses.

"She's very attentive to the needs of the market, and her products sell very well because she's aware of innovation," said Gabriele Terribile, manager of one of the seven La Profumissima perfumery stores here. "She's extremely flexible, and it's easier for her to turn around a product quickly."

Nora Kravis's goat milk soap operation is just the opposite: It takes several months to complete the product. Kravis, who moved from New York to Chianti in 1972, runs Italy's only

cashmere goat breeding farm. In 1997, short on cash, Kravis launched a line of goat milk soaps and bubble bath that she distributed to luxury hotels in the tourist-saturated area of Chianti. Kravis estimates having sold 300 bottles of liquid soap and 600 soap bars in Italy since she began, but she's in no rush to go to greater distribution.

Kravis aims to add a lip balm and hand cream, but for now, she is paying off loans from "practically every bank in Tuscany" and filling orders from her kitchen table.

"I don't know if I want to go mass market. I don't want to take on orders I can't fill," said Kravis, who hopes to break even on her Lit. 40 million (£14,000/\$22,000) investment by this summer. "It takes between five and seven months between the time I milk the goats and the time the soap is ready. That is not exactly fast turnaround."

— Jackie Cooperman



Nora Kravis's goat soap



Makeup by Irma Ghignone