
DISTRIBUTION

Marketing Areas

Italy is almost evenly divided into an industrial northern half and a more agricultural southern half where economic and market conditions are very different. The northern area, with a heavy concentration of large commercial, financial, and industrial enterprises, is a ready market for all kinds of capital and consumer goods. It accounts for approximately 65 percent of total Italian imports and is located near important European industrialized areas. Per capita income in the north is almost twice what it is in the south and the standard of living in the north resembles that of France and Germany.

Italy's leading commercial and industrial center is Milan. This city has throbbed with economic activity for centuries and is the center of Italy's business activities. It serves as headquarters for most of the large industrial and international firms in Italy. Many firms, including those importing foreign products, usually direct their sales efforts from Milan. This city is also the seat of many of Italy's leading industry and trade associations. With a preponderance of highly paid workers, Milan sets the pattern for tastes, consumer preferences, and demand of the area.

The regions of Piedmont and Lombardy together account for approximately 30 percent of Italy's Gross National Product. They are the richest and most sought after markets in Italy. Genoa, Italy's major port, is another important northern commercial and industrial center.

Further south, the capital city of Rome, in addition to serving as the location of government administration and procurement, contains the headquarters of many state-controlled enterprises, including the defense industries, the oil industry, and the airlines. The state enterprises include transportation services, the national electric company, and many major industrial operations. Rome is Italy's largest city and is an important marketing center serving as a distribution hub for other parts of central and southern Italy.

Naples, a large port city serving Rome and the south, is an industrial city whose importance is continuously increasing under government development programs. The areas surrounding the cities of Bari-Brindisi and Taranto also have been stimulated by considerable government assistance and private investments, and now stand out as the most economically developed in southern Italy.

Retail Distribution

With a population over 58 million, the Italian retail distribution sector is large in total sales, although it serves the consumer at the retail level through numerous small, family-owned, retail outlets rather than large, mass market operations. The market offers many commercial opportunities because of the large sales volume and a lack of competitive companies. Most retail stores in Italy can operate no more than 44 hours per week and must remain closed on Sundays and Monday mornings. Bill #426 of 1971 restricts the opening of new large retail outlets in order to maintain and encourage the small family-owned traditional stores. However, with time, the pressure of competition and the demands of sophisticated consumers will gradually introduce change in the distribution system.