

Marketing Award SIM XXXV Edition

The case

RinaldiGroup

Società Benefit

Bedding market and wellness culture:
Toward new branding strategies



Outline

- The Marketing Award for the University
- The Marketing Award 2023: the Rinaldi Group case
- The Origins
- The company (today)
- Rinaldi Group's brands
- The bedding market: the offer
- The distribution channels
- The market analysis: demand trends
- Rinaldi Group's target audience
- Marketing communication
- The 2023 challenge

The Marketing Award for the University SIM

Nasce il Premio Marketing per le Università su iniziativa di Philip Morris

1988

Sogni d'Oro, Fox, RAI, Fondo Ambiente Italiano, Vespa, TIM, Maserati, Wind, Indesit, Milka, Trenitalia, Kraft, Unionplast, Enel, Simmenthal, etc.

DAL 2007

2006

La Società Italiana di Marketing mantiene il modello di students' competition

2022



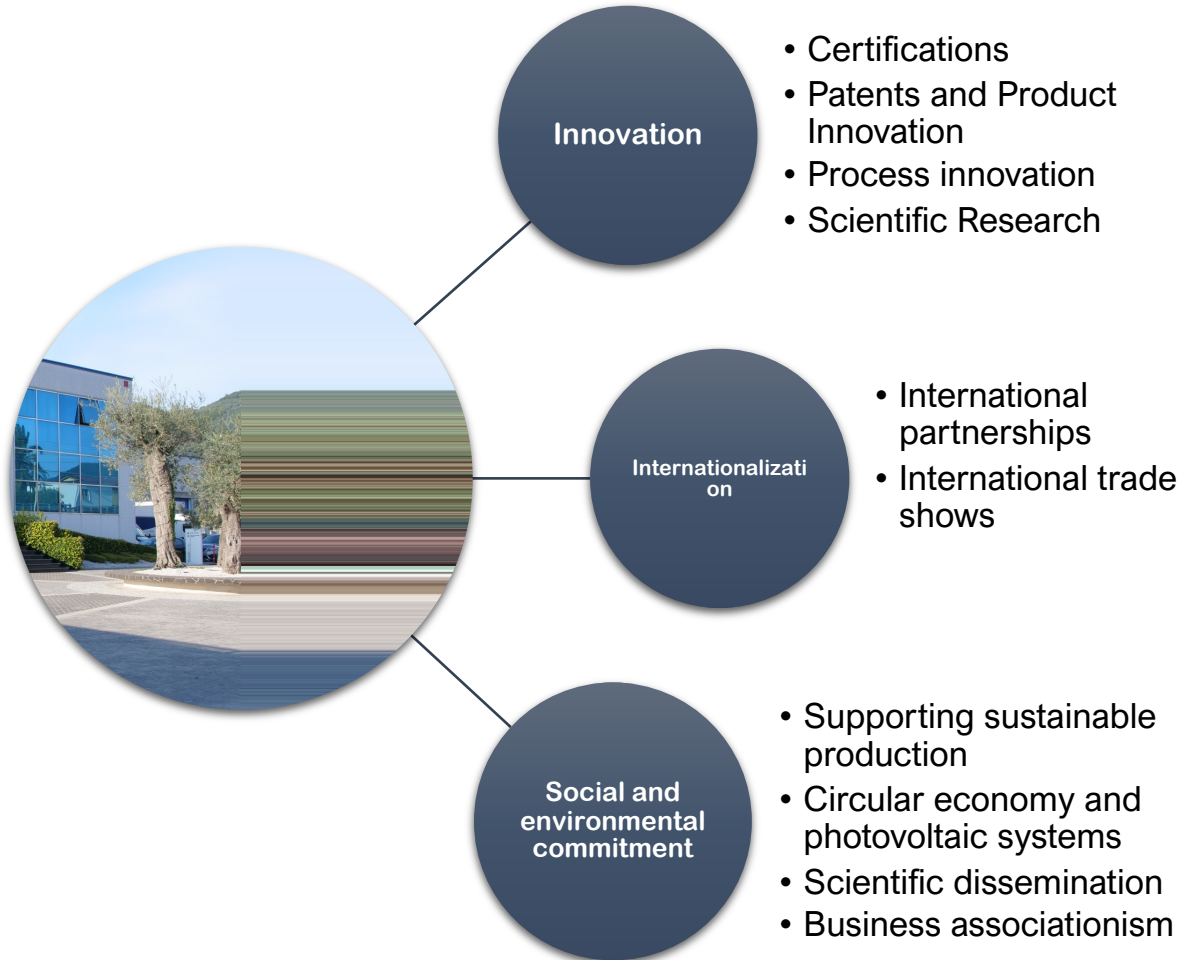
The origins: History of a family and an enterprise



- Rinaldi Group was founded in Giffoni Valle Piana, in the province of Salerno in 1965, thanks to the intuition of Giuseppe Rinaldi
 - Almost 60 years of life
 - Wellness Tech Company
-
- The company manufactures mattresses and everything that makes up the «bed system» (sommiers, beds, sleeping supports and pillows).
 - Over the years, Rinaldi Group has gone through several stages of change until it reached its current configuration, which rightfully places it among the medium-sized Italian companies in the sector.
 - Since the 1990s, the founder's three children, Piero, Dino and Stefania have been working alongside their father in running a business
 - Since 2022, it has been a joint-stock company, classified as Benefit Company, and innovative SME.



The Company Today: The 3I Model



The numbers of Rinaldi Group

162,337 squares sold; 52 employees; 3 product certifications (Class 1IM, RINA and 100% Made in Italy Manufacturers); 4 production process certifications (3 ISO, AEO), Legality Rating; 2 strategic sites; Exports in 21 countries; 3 institutional memberships and 4 partnerships for research and development activities.

Rinaldi is placed among the top players in the market (ranked 12th by specific turnover). In relation to exports, Rinaldi ranks 11th in export share compared to competitors (Year 2020).

The brands of Rinaldi Group

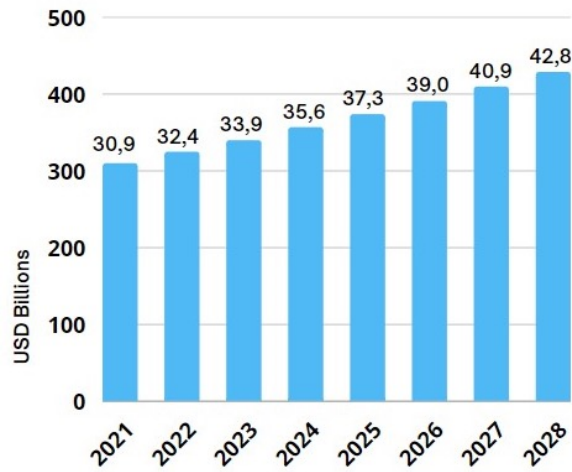
- Night&More
- Valflex
- Dreamness



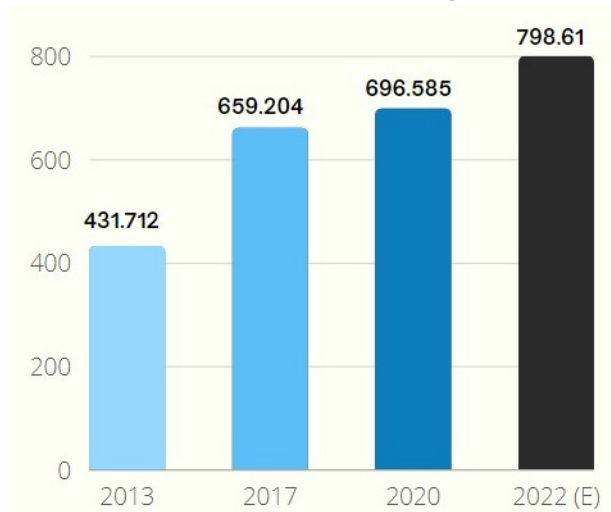
Bedding market: supply side

- The global mattress market is in full bloom. It is estimated to grow at a CAGR (compound annual growth rate) of 4.7% between 2020 and 2027
- Italy is leading the way among global competitors thanks to creativity, quality and expertise. The Italian mattress market is on the rise and showing significant growth rates

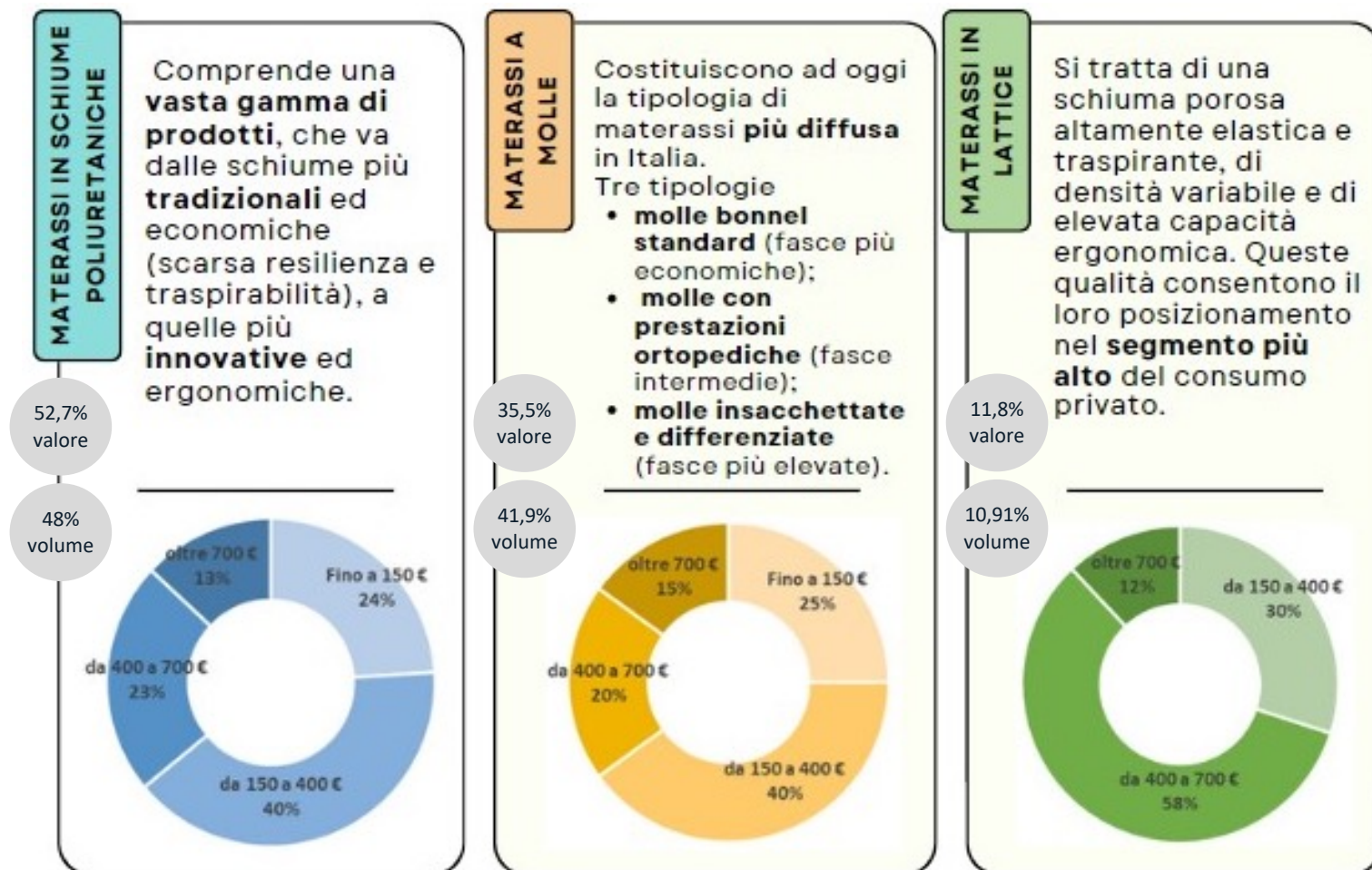
World mattress sales forecast (% of value)



Sales trend mattresses Italian companies (€/000)



The business

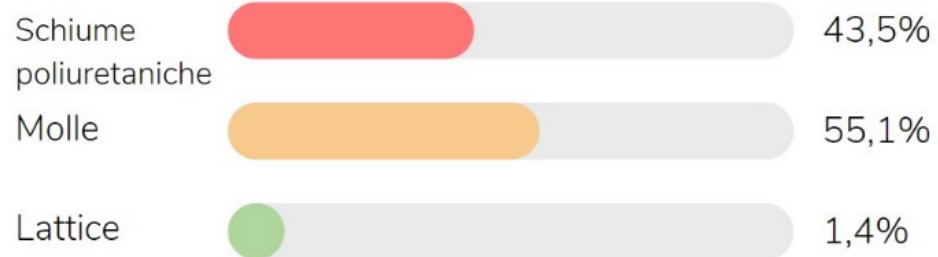


Source: Cerved, 2021 e 2022

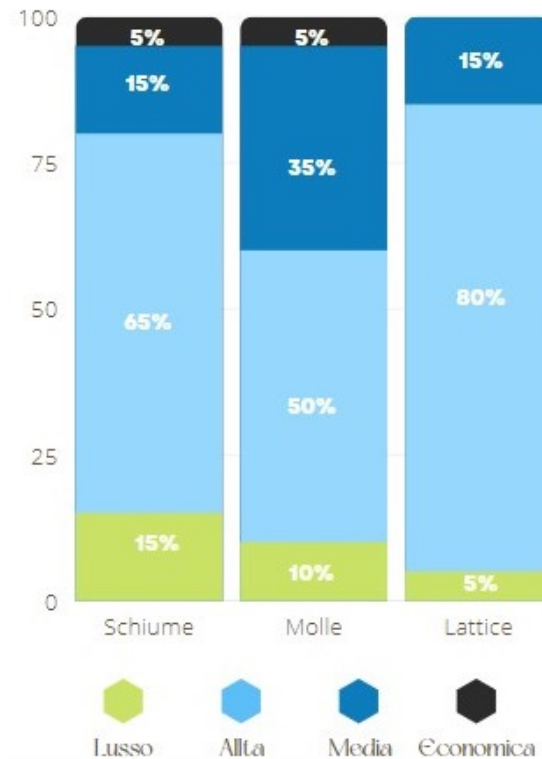


Market breakdown Rinaldi Group

Breakdown of Rinaldi Group's bedding market 2022 (% of Italy sales)



Market breakdown of Rinaldi Group by type and price ranges (% in quantity)



Sector structure

Principali dati del settore dei Materassi	2019	2020	2021
Companies (a)	882	859	860
Relevant companies (b)	70	70	70
Relevant companies employees	2.700	3.000	3.500
Treated companies	32	34	28
Internal market concentration(%)			
Top 4 companies	25,6	26,7	25,7
Top 8 companies	39,9	39,7	36,3
Internal market value	551	550	705,0
Production value (Mn. €)	585	623	796,0
Export/Production (%) (c)	31,5	31,5	28,0
Import/market (%) (c)	27,2	22,4	18,7

a) Active enterprises classified under Ateco 2007 code 31.03 (Manufacture of mattresses)

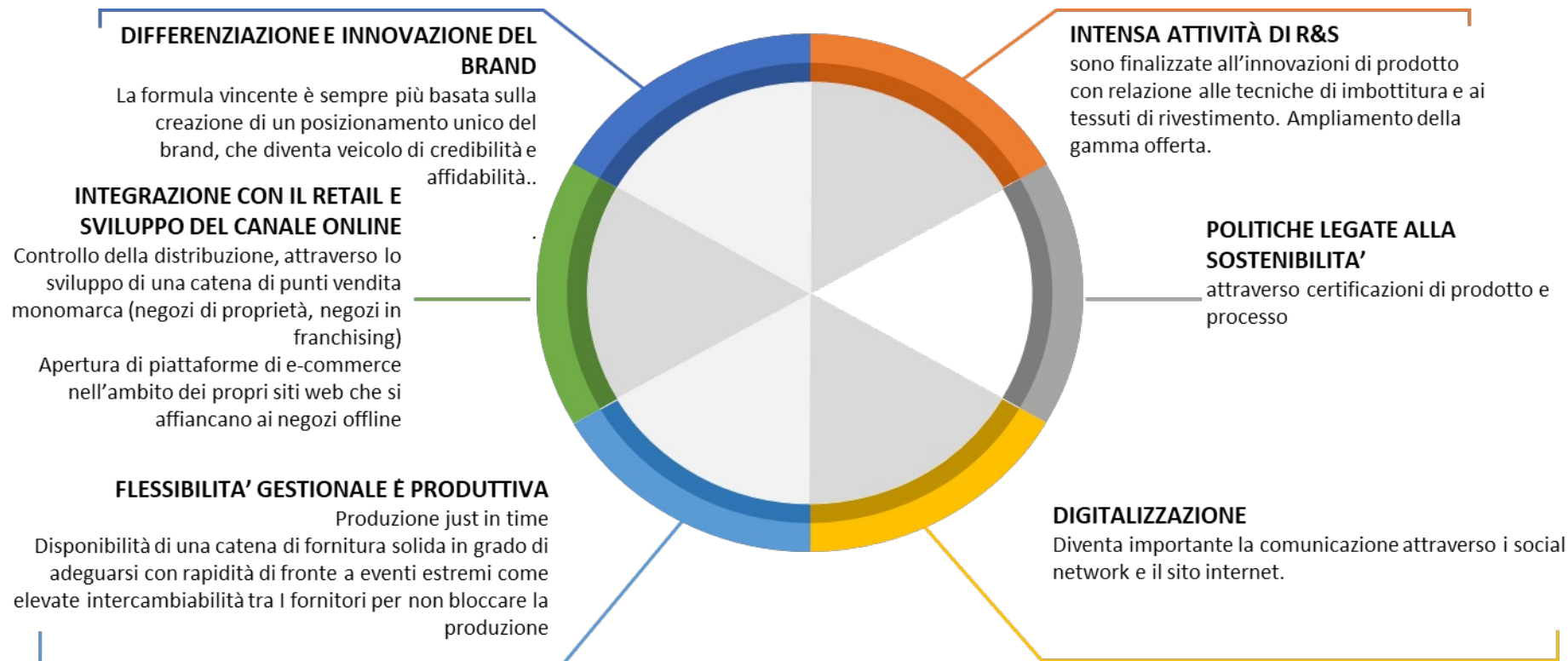
(b) Capital enterprises with a turnover of more than 2 Mn. euros

(c) By value

- Slow but steady process of industrial concentration
- The mattress industry is highly competitive with low barriers to entry, so entry into the industry as well as exit is fairly quick and easy.
- Trend toward strengthening of the most competitive firms

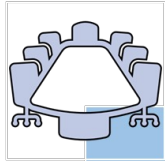


Critical success factors in the bedding market



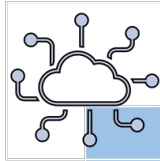
Traditional and new players...

- The industry is very heterogeneous
- According to the Cerved 2022 survey, the top 8 companies control about 36.3% of the total market and with well-known brands
- Also very strong is the presence of numerous medium-sized enterprises, a very dynamic group in terms of growth strategies through product differentiation and innovation,
- High number of smaller enterprises, occupying small market niches and catering purely to the local market, contributing to the extremely fragmented nature of the entire industry.



Produttori storici

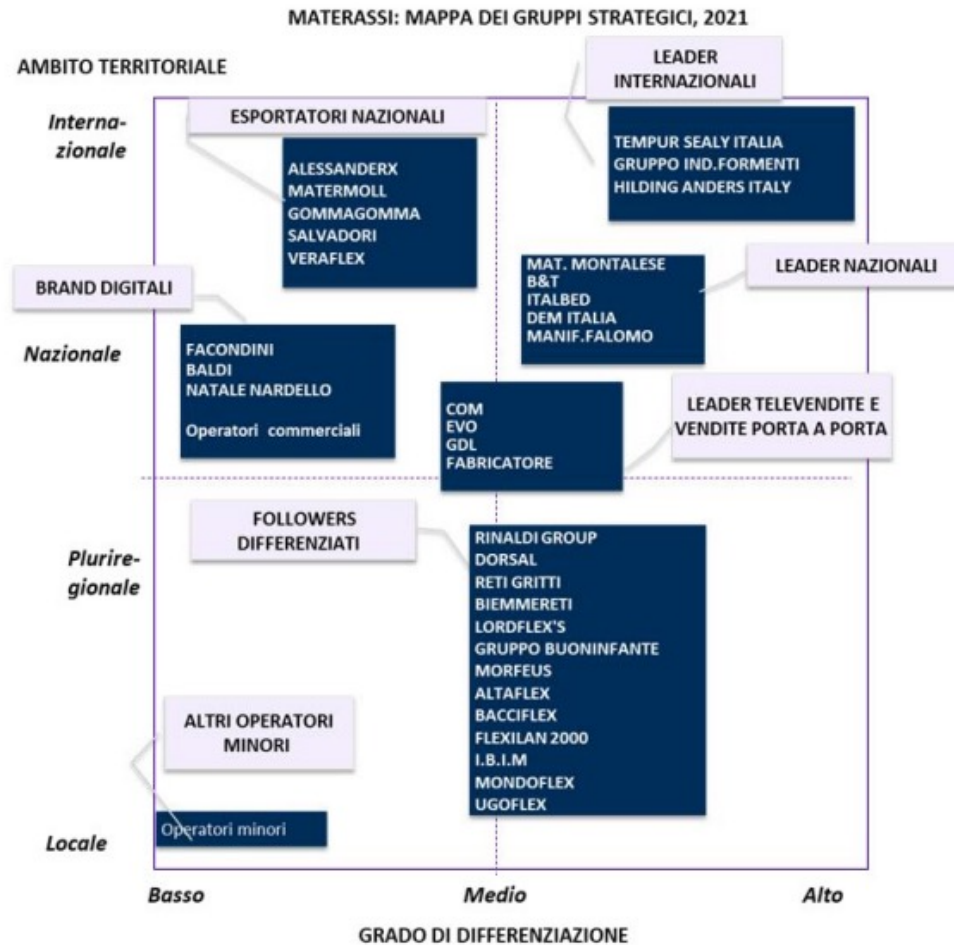
- **Innovazione** prodotto e processo
- **Qualità** alta dei prodotti premium
- Attenzione alla **relazione con il cliente-distributore**
- Attenzione alle strategie di **trade marketing**
- Vendita per lo più presso il **punto vendita** (GDO, specialisti, mobiliari)
- **Catene monomarca verticali** (negozi specializzati – produttori arredamento e complementari)



Nuovi entranti

- **Semplicità** dell'offerta
- **Riduzione dei costi** per via della **disintermediazione**
- **Velocità** di consegna
- **E-commerce**
- Servizio di prova di 100 gg dopo la consegna (bed-in-box)
- Disponibilità del servizio clienti

Map of strategic clusters



Distribution channels

Main trends

Increasing single-brand channels

Increase in e-commerce

Decrease in independent PoS

Increase in private labels & digital brands

Increase in average PoS areas

Increasing the entrepreneurial connotation of the trade

Struttura distributiva del mercato interno		2019	2020	Var %
Mercato di riferimento				
	Mercato privato	-	75%	-
	Comunità	-	25%	-
Televendita e altri canali diretti (a)		11%	13,5%	22,7
Catene monomarchio		12%	17%	41,66
Grandi superfici specializzate		15%	15,5%	3,33
Grandi superfici despecializzate		7%	5%	-28,57
Dettaglio specializzato indipendente		29%	29,5%	1,72
Negozi di mobili indipendenti		15,5%	11,5%	-25,80
E-commerce		-	8%	-

(a) Porta a porta, per corrispondenza, call center

National leading companies

Tendency to take over distribution governance

Firms positioned on the higher-end market

Careful selection and retention of specialty stores and use of trade marketing strategies

Market analysis: Demand trends

1/3

Of life we spend
it sleeping

7/8 h.

Time required to
ensure physical and
mental regeneration

4/5 y.

Mattress replacement



Market analysis: Demand trends

Growing focus on wellness and good sleep



Il buon dormire, il terzo pilastro del benessere

Il sonno rappresenta una componente fondamentale per l'equilibrio dell'individuo e tanti sono i disturbi che degenerano in vere e proprie patologie legate alla mancanza di un sonno ristoratore.



18 Marzo - Giornata Mondiale del Sonno (World Sleep Day)

Promuove la cultura e la consapevolezza del sonno come fattore di benessere. In Italia è promossa dall'Associazione Italiana di Medicina del Sonno (AIMS). Lo slogan scelto per il 2022 è Quality Sleep, Sound Mind, Happy World.



Più ricerca scientifica sui fattori che garantiscono un buon sonno

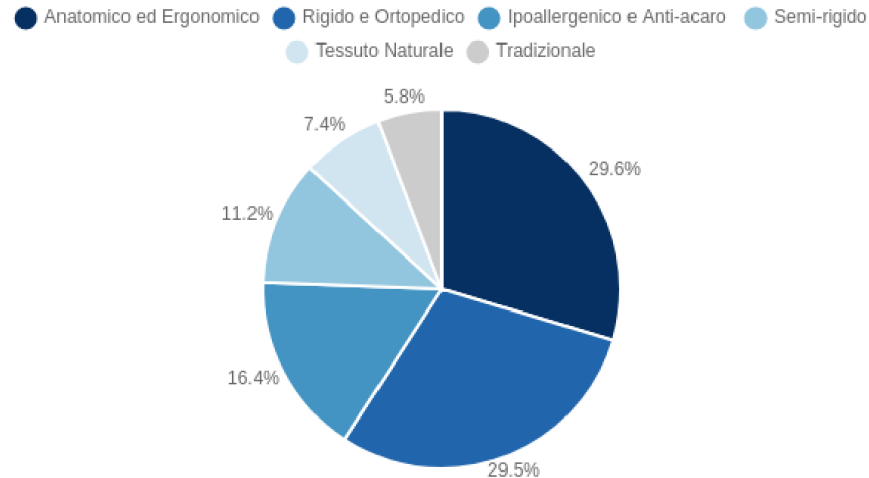
Il materasso può garantire un sonno profondo attraverso materiali (come il Tecnogel, un composto poliuretano) altamente innovativi, che aumentano la conduzione termica dal corpo al materasso e quindi la dispersione nell'ambiente circostante




Market analysis: Italians' mattress preferences

- 74.5% of people surveyed (Survey conducted by Manifattura Falomo, 2018) consider sleep extremely important,
- 23% consider it quite important.
- The majority of people (55.4%) do not get enough sleep, resting only five to seven hours a night.
- Traditional mattresses are not sophisticated enough to meet the changing needs of consumers.

What Characteristics Does Your Ideal Mattress Possess?



- 
- ☐ Preference for technologically advanced and medical solutions
 - ☐ Customization
 - ☐ Preference for anatomical and ergonomic mattresses (e.g., latex and memory form mattresses)
 - ☐ Preference for orthopedic and hypoallergenic mattresses



The market analysis: Buying habits

85%

Still buying in stores, but shopping is increasingly influenced by the web

30%

Only buy mattresses in physical stores

55%

search for the product online but then buy it in a physical store

10%

buy directly online

5%

choose in store and then buy online

1,7 billion euros

Value of e-commerce in the furniture and home living industry

42%

Of the purchases of furniture and home furnishings were made via smartphone



The target market of Rinaldi Group

Understanding consumers' needs

Products with high technological
content and innovation

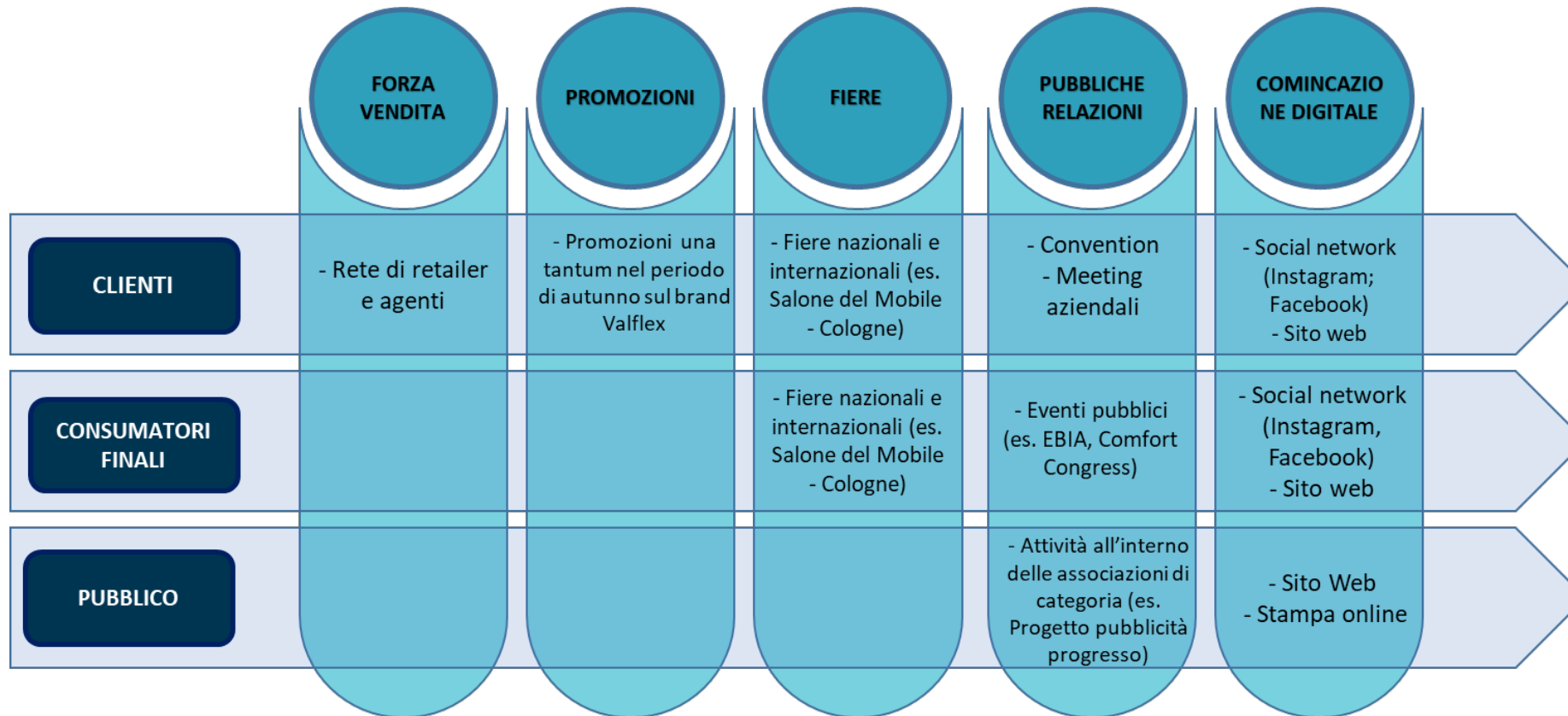
B2B



Distribution structure of Rinaldi Group*
(% on sales 2021)

B2C

Marketing communication



DREAMNESS[®]
Part of you





Premio Marketing SIM
XXXV Edizione

THE CHALLENGE
2023

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Marketing context: the problem

Attention to the issue of individual well-being has grown over the past few years, but there is still a lack of awareness that good sleep reduces psychophysical stress and positively impacts one's general state of health. Rinaldi Group, although recognized by those in the industry as a "brand," still does not fully convey the values of wellness even though the company has been engaged for years in promoting the culture of good sleep and making products with high innovation content and certified quality.

In addition, competition on trade marketing from major competitors and the presence of new players adopting streamlined trade formulas without intermediaries, disadvantages the company because of its corporate cost structure, which is obviously heavier and more rigid than that of younger and more digitally oriented players.

Finally, at the commercial level there are overlaps between choice of sales channels and assortments/brands offered. In fact, bargaining power is today totally unbalanced in favor of the seller (organized or specialized distribution; furniture makers, specialists etc.) who sometimes does not sufficiently promote the culture of good sleep and pushes the brands that assure him the highest marginality.



The challenge: 2023

Enhance and position the Rinaldi Group corporate brand and brand architecture to convey the culture of wellness, and strengthen the relationship with the customer-retailer by increasing market share

Dressed as the Marketing Team of Rinaldi Group, each team will need to:

- 1) Raise awareness among end-consumers that wellness also comes through a culture of good sleep;
- 2) Develop a marketing plan to define Rinaldi Group's brand strategy in terms of brand identity and brand architecture, which is able to position the Rinaldi brand as a corporate brand with the customer-retailer, reflecting the values of the wellness culture;
- 3) Rethink (possibly) the positioning of the various brands currently present and business solutions that guarantee a medium- to long-term relationship with the customer-retailer.
- 4) Increase market share by 5 percent in the next three years.



Things to know ...

The marketing plan should have:

- An analytical dimension that frames consumer attitude and orientation to mattress-related wellness issues and defines a mapping of competitors on the strategic/operational profile;
- A strategic dimension aimed at segmenting the consumer and business market so as to identify the most suitable channel types; and another that develops and increases the perception of Rinaldi Group's positioning as a corporate brand and vehicle of wellness values;
- An operational dimension that enhances along the entire value creation process in addition to communication - both consumer and trade - initiatives aimed at improving product accessibility through trade marketing actions, channel development, penetration, etc.



Things to know ...

The target market is the Italian market

- The marketing budget available is 1,500,000.00 Euro for three years. The available budget must be used to cover marketing costs only and all other costs must be excluded from the evaluation.
- Analysis or data collection activities may be developed through the preparation of questionnaires by students in order to investigate consumer attitude and orientation to mattress-related wellness issues
- Corporate brand name cannot be changed
- Other brands can be (possibly) changed, or new ones can be (possibly) introduced



The app

Information on the case study is available at:

- Official website www.premiomarketing.com
- App Marketing Prize 2023 - Rinaldi Group Case.
- The App facilitates the use of information about the case in line with the need for greater digitization of content and multichannel access to it.
- The App will be available for free on the Apple store and Play store.
- Registration is required for its use
- For an illustration of how to register and its functionality, Tutors and Students can consult the Marketing Prize 2023 App Usability Guide available on the official website.
- The use of the App is not mandatory but its use is strongly recommended to improve interaction between students and tutors and to facilitate access from smartphones of the extra content proposed for the case study.

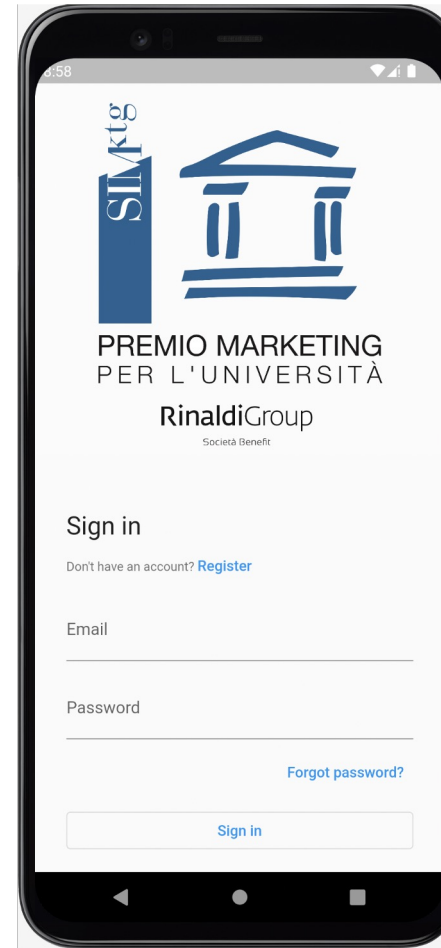


APP PREMIO MARKETING 2023



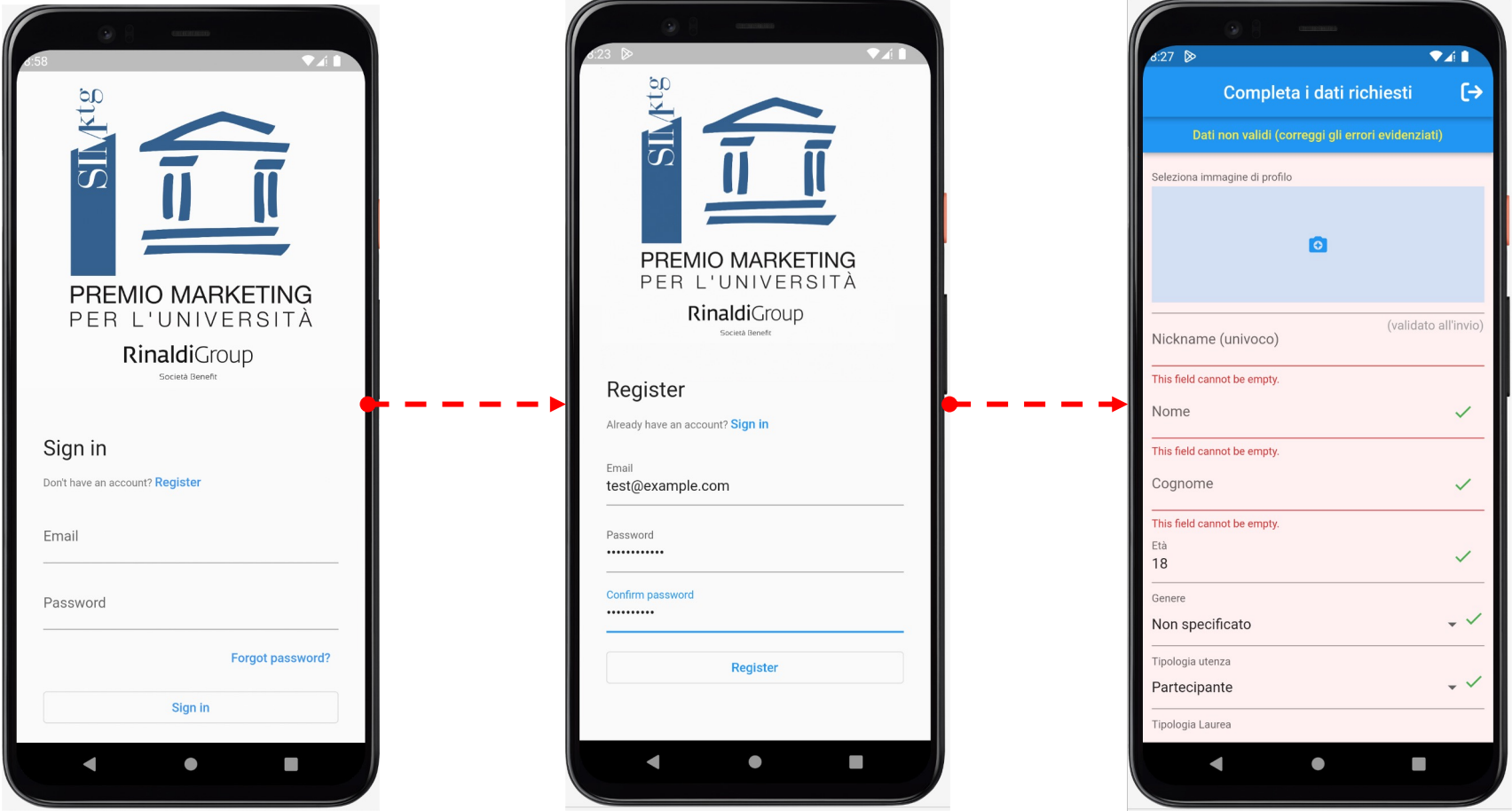
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Layouts & functions



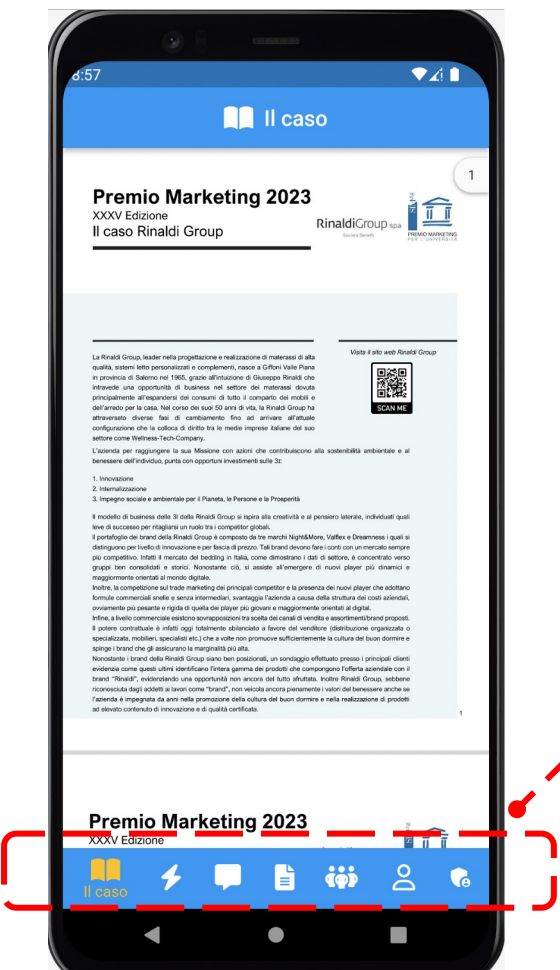
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User authentication and registration



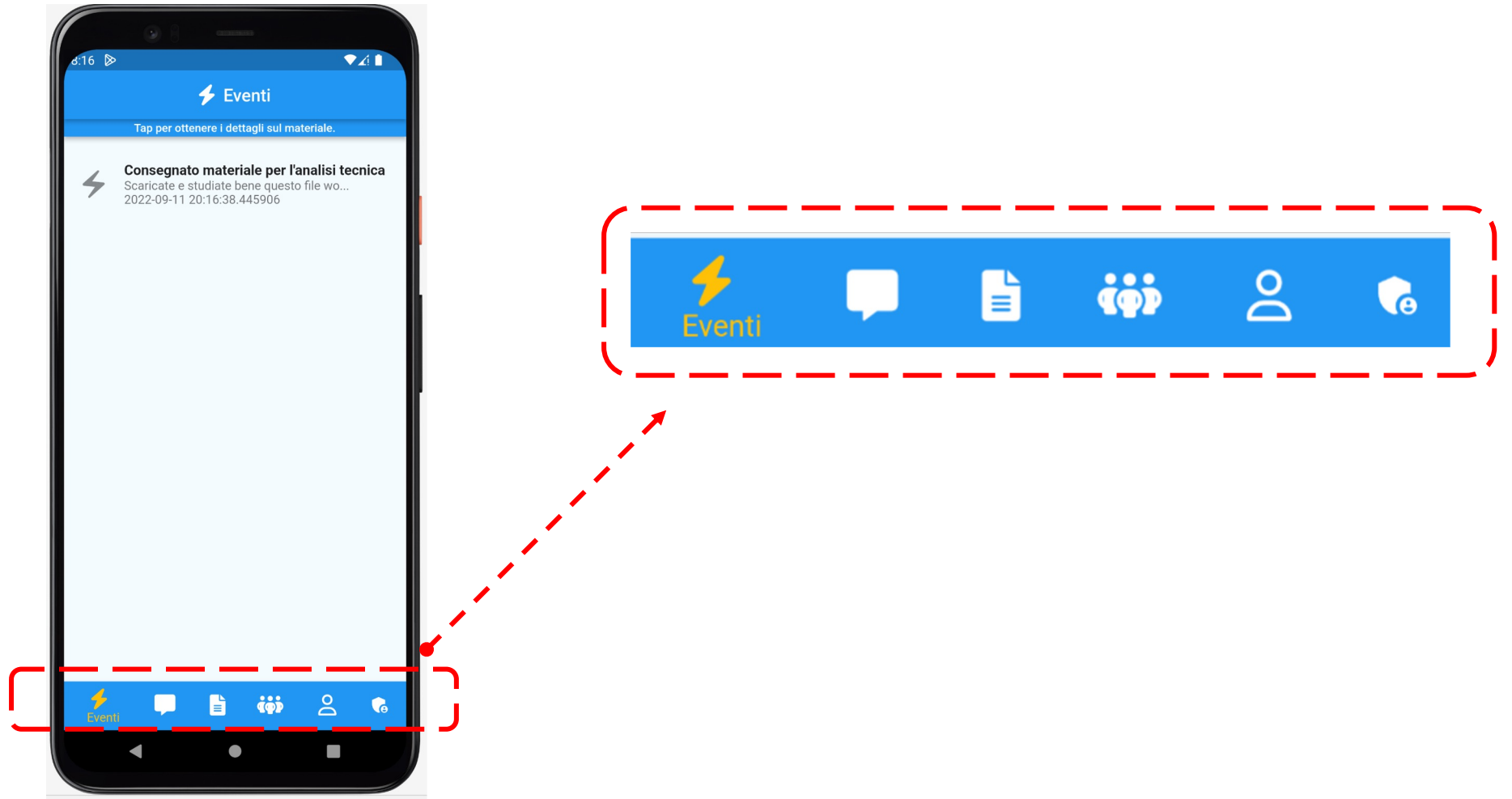
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Functions The case



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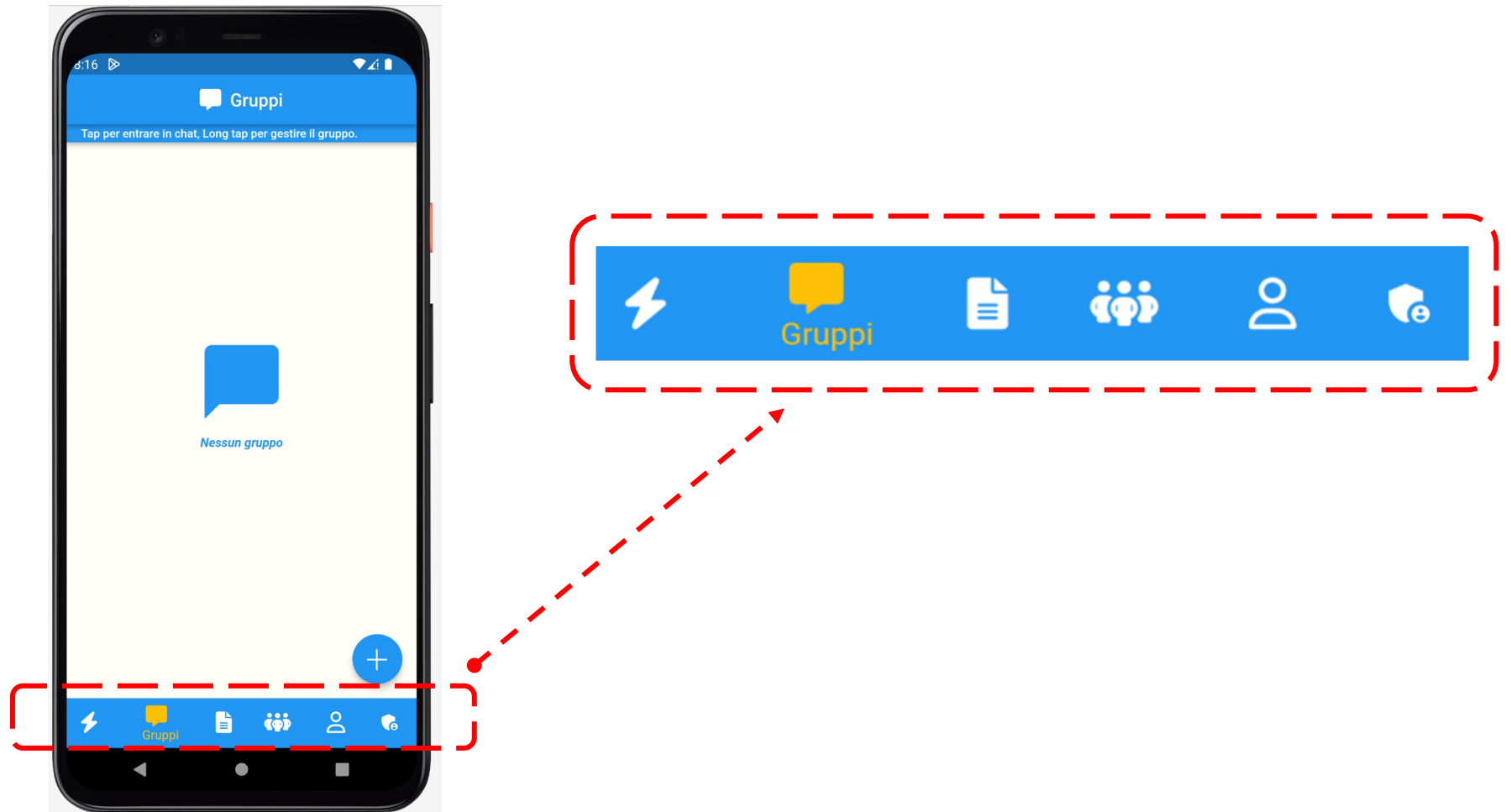
Functions Events



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Functions: The groups

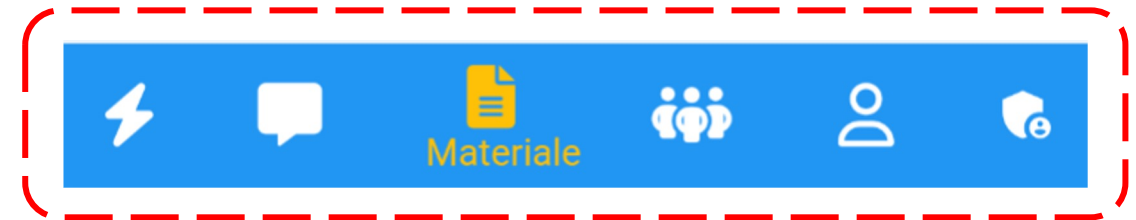
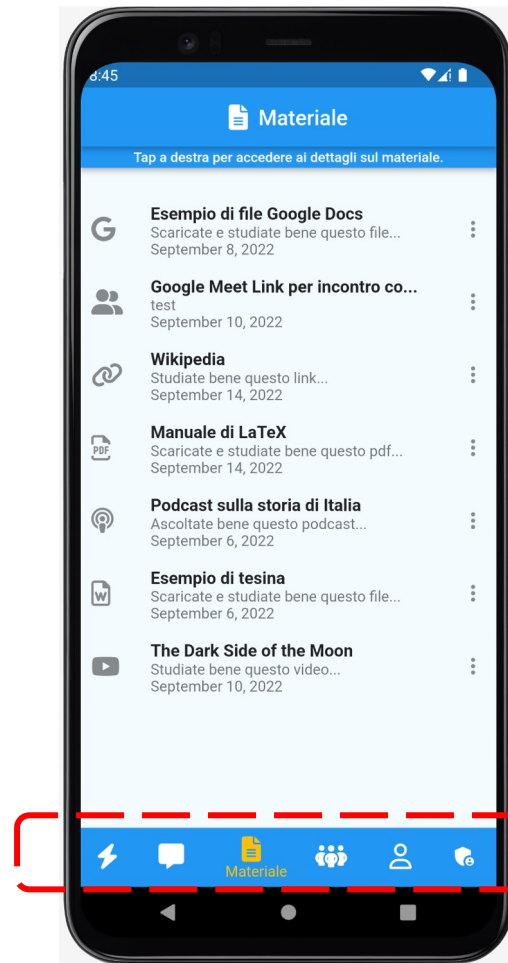
Functions Groups



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Functions: The materials

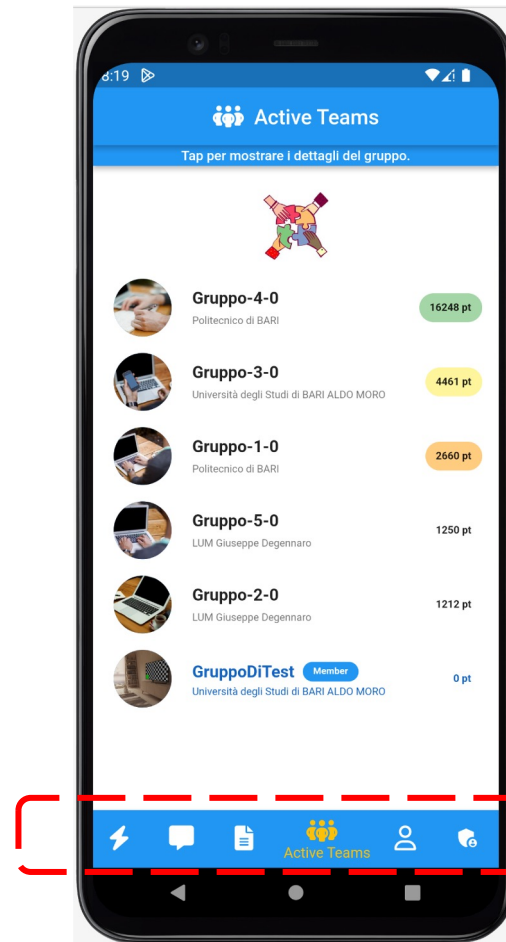
Functions Materials



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Functions: Active team

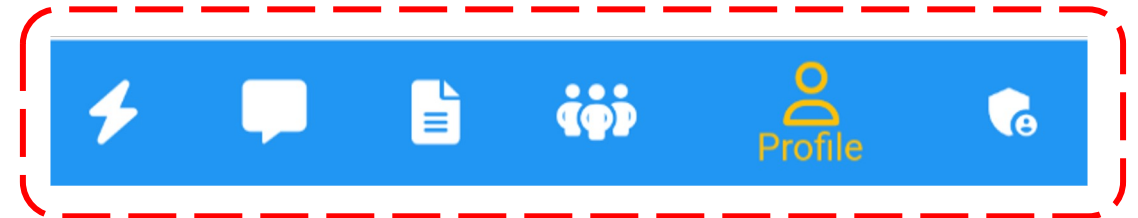
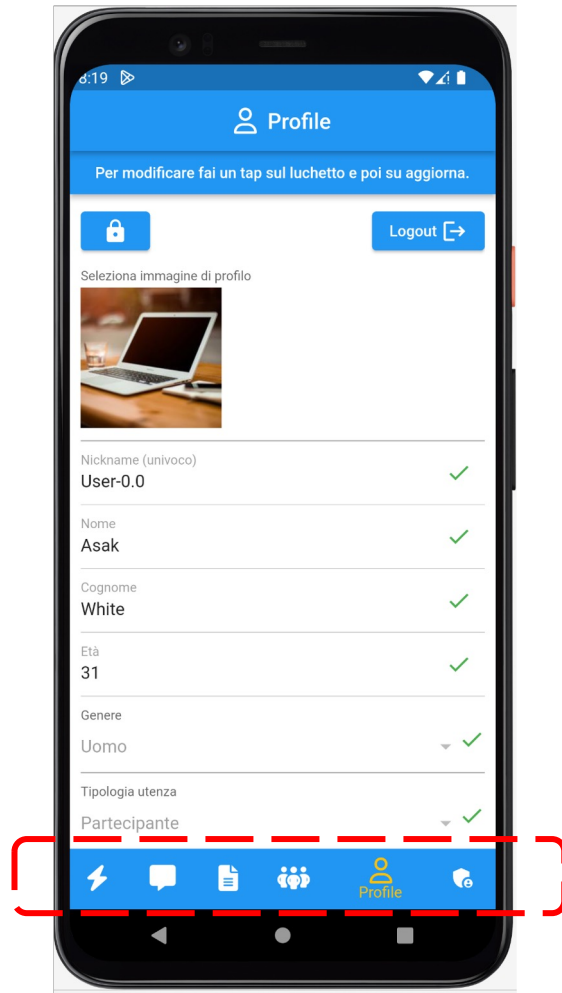
Functions Active team



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Functions: Profile

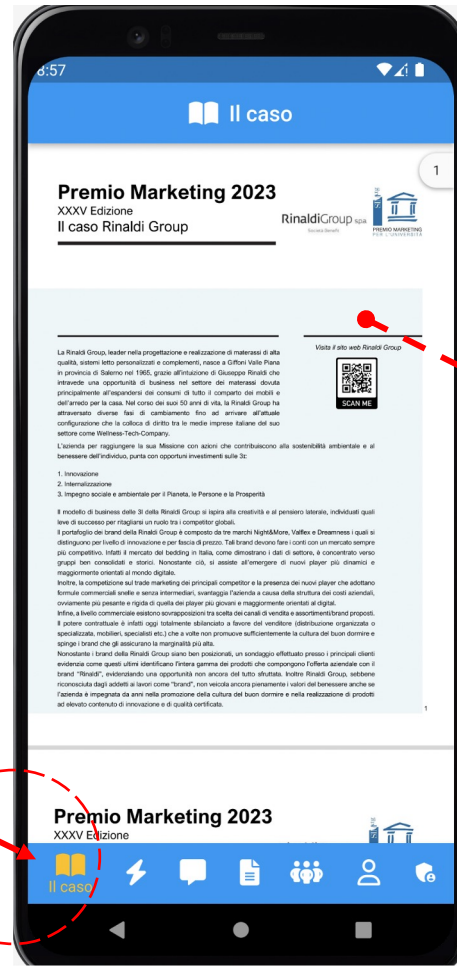
Functions Profile



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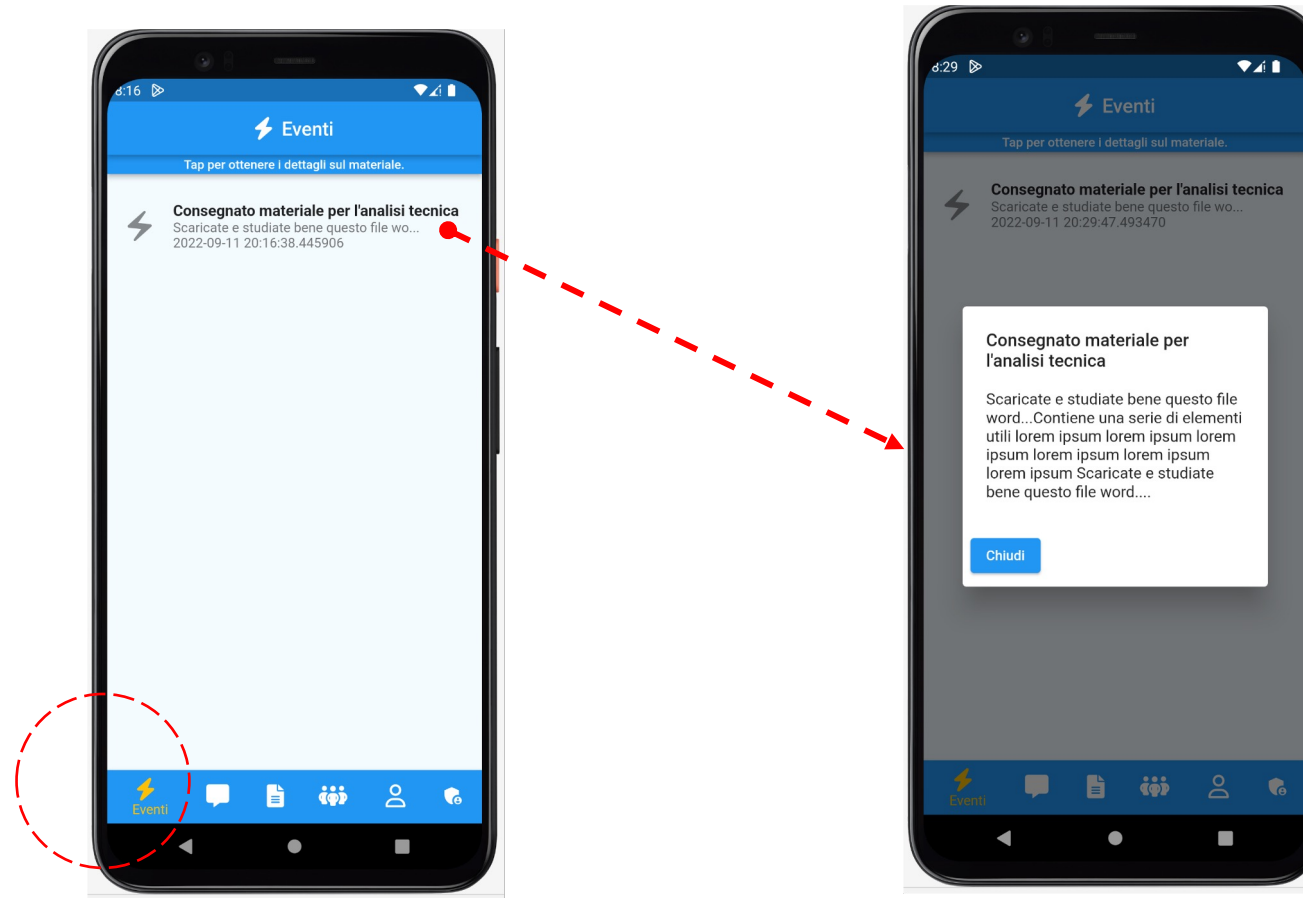
The case

The first tab shows a document which describes the company and the case study



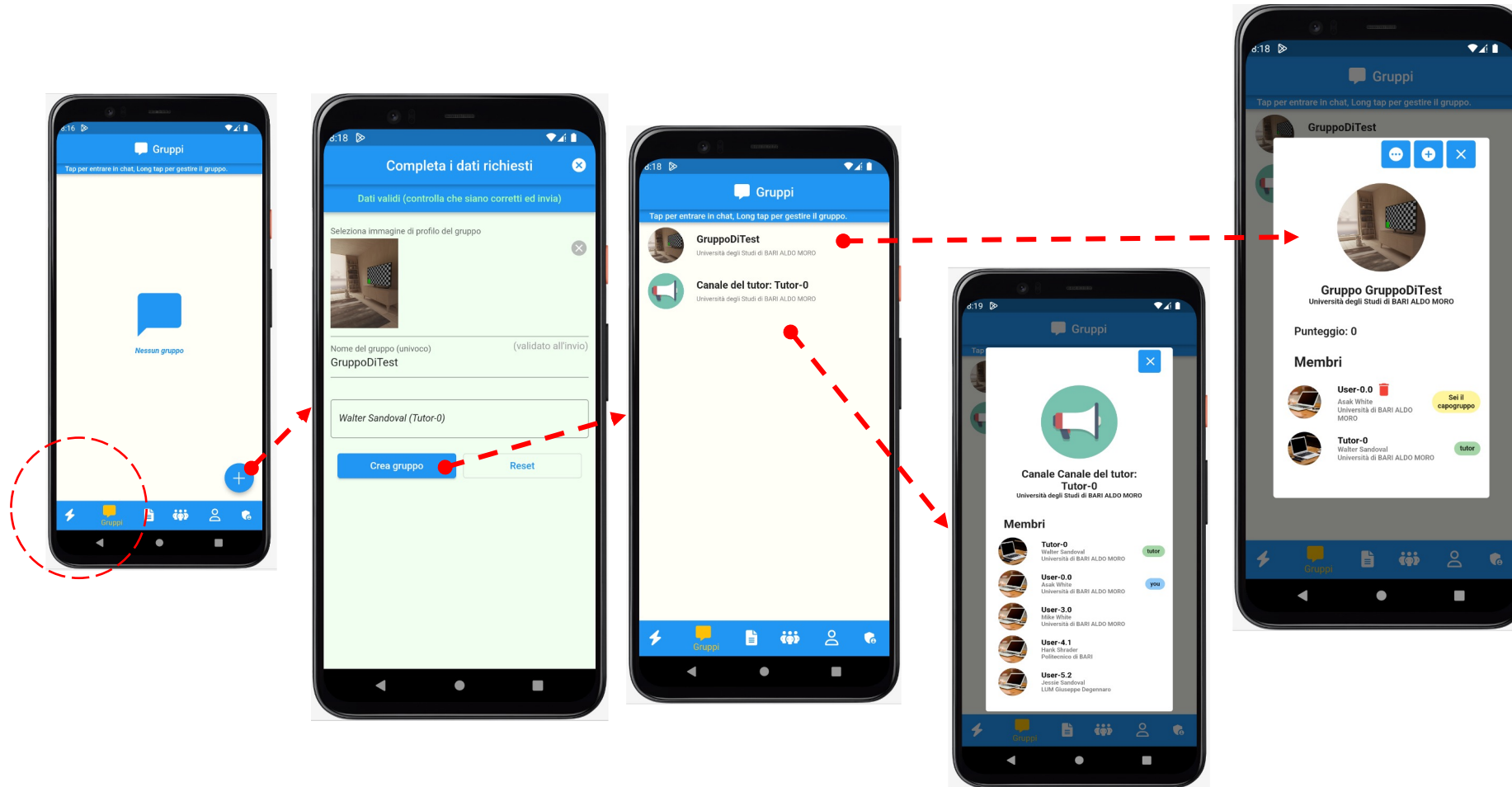
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Events list and details



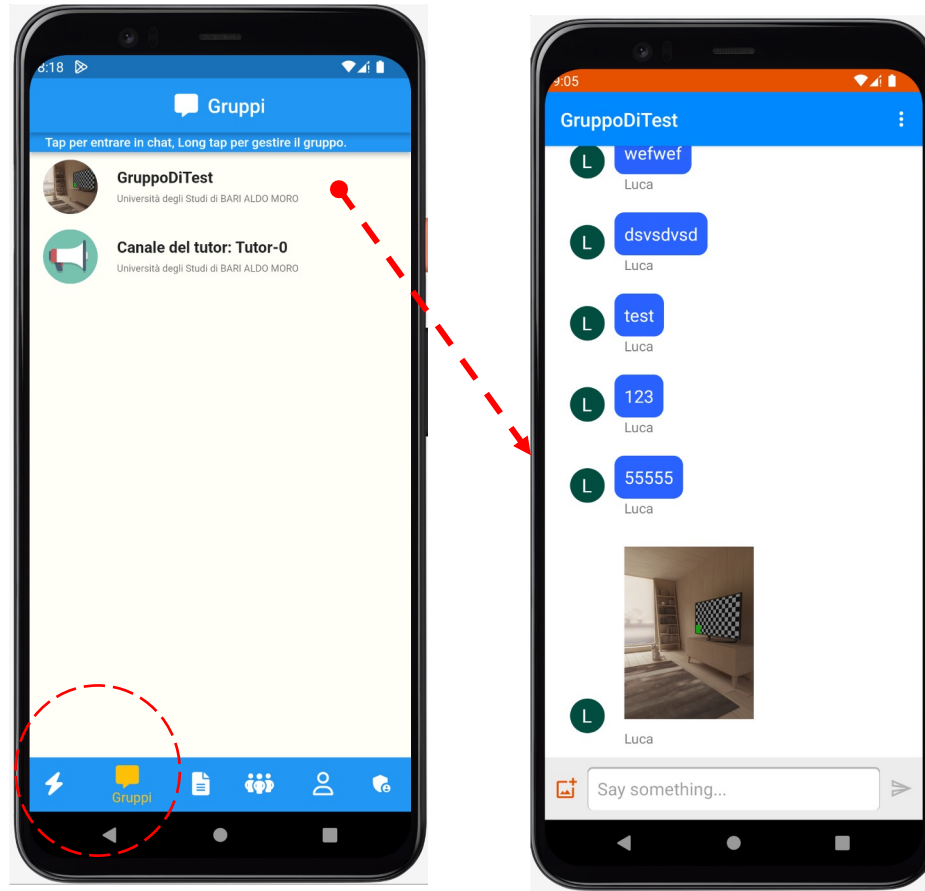
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Groups & tutors (1/2)



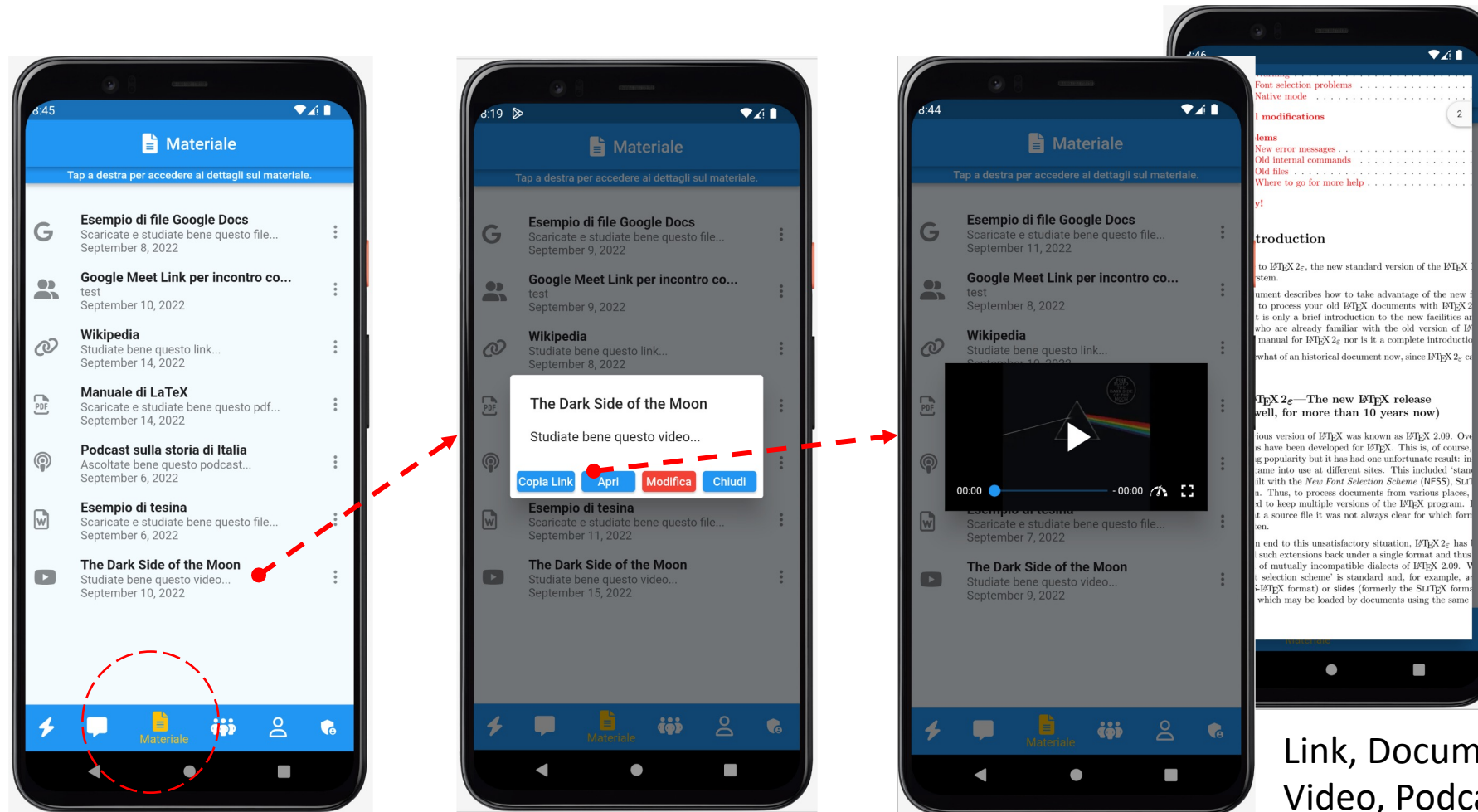
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Groups & tutors (2/2)



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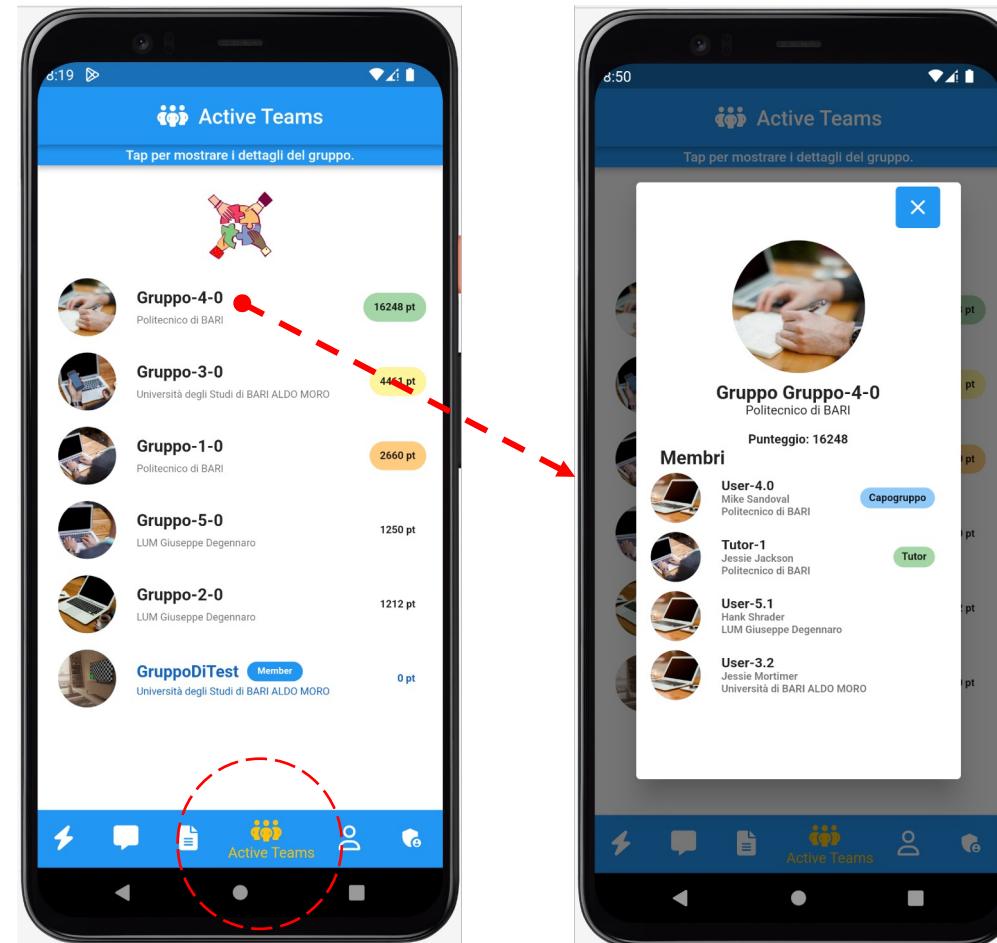
Materials management



Link, Documenti
Video, Podcast

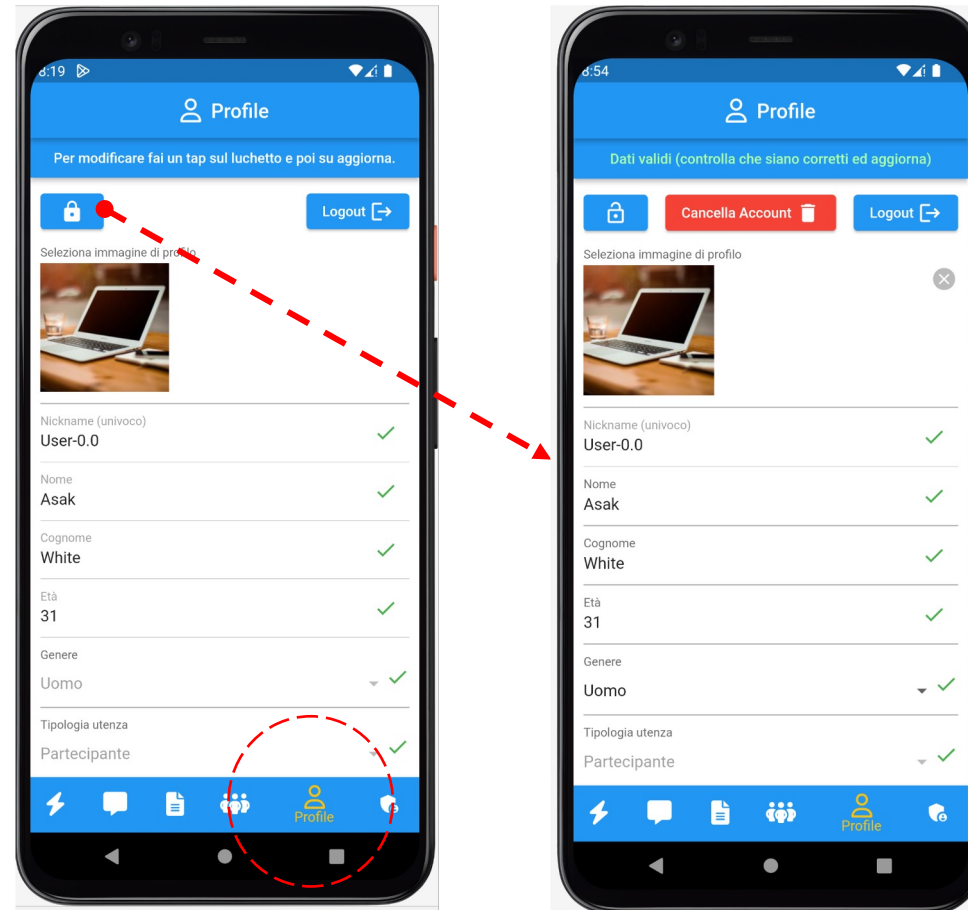
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Most active groups



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Profile management





GRAZIE PER L'ATTENZIONE!

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