Bisazza is one of the largest manufacturers of glass mosaics used on floors and walls, having revolutionised the industry with its innovative designs and wide variety of colours.

Global overview of Bisazza

Bisazza was incorporated in 1956 in Vicenza, Italy, and is today the market leader in the world in creating the most innovative glass mosaic products for floor and walls. Under the able leadership of its founder Renato Bisazza, the company succeeded in developing an industrialised process to produce tiles that were earlier crafted by hand. Today each tile manufactured by the company is distinct in its characteristics - uniformly square in shape, cushioned edges and no sharp corners. More importantly the company has revolutionised the neutral and unimaginative styles in mosaic tile work by producing innovative designs in variety of colours. Over the years, Bisazza has pursued a dual objective for growth - preservation and rediscovery of the processes and techniques typifying the Venetian mosaic tradition, and constant technological renewal.

Since the year 2000, the company has shifted its focus towards the luxury brand segment in mosaics. In addition to the classic glass mosaic tiles produced industrially in paper-faced tessera format, it also manufactures speciality 24-carat gold mosaic tiles. These tiles feature traditional vitreous glaze finishes (hand-cut) as well as finishes with Avventurina, a synthetic stone developed in Venice during the 17th century. The latter gives a glittering jewel-like effect to the glass mosaic and is an innovation in the industry. Bisazza has also developed a collection of slab products, utilising glass agglomerates in its own wide colour palette, to produce a variety of terrazzo-style tiles. To mark its 50th anniversary in 2006, the company launched its luxury brand of mosaics, Home Collection.

Bisazza’s products are used in public sector contracting, for construction and refurbishment in general, as well as in residential buildings for interior and exterior walls and floors, swimming

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<th>Company</th>
<th>Mode of presence in India</th>
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<tbody>
<tr>
<td>Bisazza India</td>
<td>100 per cent subsidiary</td>
<td>1995</td>
<td>Glass mosaic tiles</td>
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<td>Private Limited</td>
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the previous year. Bisazza was cited by an annual Mediobanca survey as one of the top performing Italian companies in 2003-04 in the category of medium sized businesses having sales between Euro 50-290 million.

Bisazza in India

In India, Bisazza operates through a 100 per cent subsidiary Bisazza India Private Limited, which was set up in 1995 with a manufacturing facility in Kadi, near Ahmedabad (Gujarat). Only 20 per cent of the total production in this facility is sold in the domestic market. The balance is exported to Sri Lanka, Bangladesh, Maldives and Nepal. In the year 2005, Bisazza India also set up a 100 per cent export oriented unit (EOU) in Ahmedabad, having a capacity of one million square metres of tiles. This facility would target the export markets in Europe, Far East and Middle East.

Bisazza India is a professionally managed company
having a strong experience in the mosaic business for over a decade in India. It has established itself as a leading manufacturer and distributor of a vast variety of mosaic tiles in India. It has positioned itself in the niche segment of mosaic tiles that are used mainly in bathrooms, kitchens, and swimming pools. Recently the company embarked on a project to increase the capacity of its manufacturing facility in Kadi to 1.6 million square metres from the current 400,000 square metres, in order to cater to a surge in demand in the domestic as well as overseas markets. The expansion of capacity would entail an investment of more than Euro 1.9 million, which would be met through a mix of internal accruals and funding from the parent company.

**Key success factors in India**

**Growth in the real estate segment in India**

Increase in spending in the real estate segment in India has given major boost to Bisazza’s Indian business. A growth in large format retail malls, two-star and three-star business hotels, healthcare and multi-use office-cum-residential complexes have all lead to an increased demand for the company’s mosaic business. Also, the changing trend towards using high quality and value added intermediary products, like mosaic, in construction has created huge demand for the high quality products of the company.

**Low cost of production**

Low cost of production in terms of labour in India vis-à-vis cost of labour in Italy has made India a manufacturing hub for the export markets. This trend has contributed significantly in profitability of the company.

**Innovative designs**

Innovative designs, adopted from its global portfolio, have helped Bisazza India to position itself in the niche segment of the domestic as well as export markets for mosaic.

**Future plans**

Driven by the growth prospects of the Indian as well as international markets, Bisazza India is planning to expand the capacity of its 100 per cent EOU in Ahmedabad to two million square metres by the year 2007 and to 2.6 million square metres by the year 2008. It is estimated to invest around Euro 4.66 million for this purpose.

Inspired by the growth achieved by the real estate and construction sector, Bisazza India is expecting 40 per cent of its total production to be utilised in the domestic market by the year 2008, as against 20 per cent in the year 2006. It is targeting to achieve a market share of 40 per cent in mosaic products in terms of value by 2008 in India. Future growth in the industry is expected to be driven by foreign investment coming into the construction sector, a result of the Government of India
permitting 100 per cent foreign direct investment in the construction sector with the liberty to repatriate profits after a three-year period. On the domestic front, the boom in organised retail industry and housing sectors triggered by increasing disposable incomes and easy availability of credit are expected to sustain growth in the medium term.

The company’s managing director, Piero Bisazza explains, “Our brand is famous and its profile continues to grow. It is time for us now to reach beyond the frontiers of our traditional market and find expression in new creative fields, alongside the core business of mosaic floor and wall coverings”.

According to Jayanthi S. Ramlal, general manager, Bisazza India, “The Indian market is expanding very quickly. Bisazza India has grown at a rate of 40 per cent in the year 2005-06. We are targeting a growth rate of 60 per cent in the coming year. With upcoming expanded production capacity, we are targeting export markets such as Europe, USA and Australia. We are also making efforts to make an entry into Pakistan, Myanmar and the Far East”.

**Bisazza’s India operations**

- Present in India through a 100 per cent subsidiary
- Manufacturing facility in Gujarat, having a capacity of 400,000 square metres, which is being expanded to 1.6 million square metres
- Nearly 80 per cent of the production of this facility is exported to Sri Lanka, Bangladesh, Maldives and Nepal
- Has also set up a 100 per cent EOU to target export markets in Europe, Middle East and Far East