

Marcelo Di Giorgio

Touch Watches



“ I saw an opportunity to offer affordable and trendy watches to Brazil’s middle class. ”

COUNTRY	Brazil
INDUSTRY	Consumer Goods & Services
YEAR SELECTED	2012
PARTNER	Marcelo Amado
WEBSITE	www.touchwatches.com.br

COMPANY SNAPSHOT

Touch thinks it is time to put fashionable watches and accessories within reach of Brazil's thriving middle class. Founded by Marcelo Di Giorgio and Marcelo Amado, Touch has become Brazil's fastest growing new franchise, exploding to more than 90 points-of-sale in just two and a half years. The entrepreneurs have introduced the single brand store and "fast-fashion" concept to a new market, releasing more than 700 watches a year in a wide array of styles. Moreover, their affordable pricing has transformed the way the Brazilian middle class thinks about watches. Far from just utilitarian, Touch's watches are designed to reflect the newest trends and appeal to the fashion impulses of the 100 million Brazilians that now form the "C class."

Looking back on two decades of business together, it is easy to identify the moment the Marcelos' journey started. Marcelo Di Giorgio was living in Mallorca, Spain, in 1994. Marcelo Amado, a bartender at his favorite bar, was a fellow Brazilian who had decided to take a leave of absence from university. A Swiss tourist and retired watchmaker happened to frequent the bar and over drinks the three founded a venture that sold affordable watches to the island's tourists. Despite its success, the Marcelos closed the business in 1998 after the watchmaker's untimely death and returned to Brazil. The entrepreneur bug had bitten, and the pair spent the next decade launching franchising ventures. Their second act, a scented candle franchise company based in Spain, reached 83 franchises before they sold it in 2002. The pair separated to start their own businesses but stayed in close contact. During this time, Marcelo Di Giorgio started JCoE, a shoe company, and Marcelo Amado founded Lupa Lupa, a sunglasses franchise.

The Marcelos decided to give their first idea a second chance in 2007. At the time, Marcelo Di Giorgio was in Spain but found himself lured home by the opportunities presented by the booming Brazilian middle class. The entrepreneurs sold off their individual companies and then founded Touch Watches in late 2009, using contacts made in China to source production. They opened their first store in Buzios, a top vacationing spot for Rio's elite. It was an instant success. Over the next few months, they launched the three stores legally required to begin franchising and began issuing licenses right away. At their first franchising show they attracted over 20 new franchisees, and they now have more than 15 applicants for every one franchisee they accept. By outsourcing much of the production to partners in China, and importation and distribution to Exicom, they've been able to focus on their key skill: franchising. Experienced franchisers, the Marcelos concentrate on choosing and rigorously training the right franchisees and selecting the proper locations to support their growth.

The Marcelos view the appeal of their stores and rapid growth as a referendum on the way fashionable accessories are sold in Brazil. Historically, fashionable watches were shown behind glass in jewelry shops and department stores that targeted high-income individuals while less expensive watches lacked appeal and cache. Touch's bright, door-less locations located in large malls invite customers in to touch and try on their products. Beyond the in-store feel, the Marcelos appeal to middle class 18-26 year olds by licensing watches with pop stars, UFC fighters, and cultural reference points like Brazil's national volleyball coach Bernardinho. The end price of their watches ranges from US\$35 for brightly colored plastic watches to more than US\$500 for limited edition versions.
