Juan Naya – CEO, Isdin, Spain



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Juan Naya, CEO of Isdin, highlights the international expansion and plan of the Spanish skincare company and how his past experience at NASA has helped him in his current role. Furthermore, he outlines Isdin's R&D strategy and where he wants the company to position itself in the future.

Could you introduce yourself and the company to the international audience?

I am an astrophysicist by profession, having worked for NASA in the past for several years, with my area of expertise being in gamma-ray astronomy, which are energetic waves that can cross any material and cause skin cancer. For Isdin, being a skincare company focused on sun protection, it was natural that an astrophysicist would understand how the sun's rays work. Furthermore, working at NASA gives you another perspective and allows you to look outside the box.

Isdin has been in business for nearly 45 years and has been extremely successful in Spain. Before the crisis, we put in place and began to develop our international expansion plan. This has been a huge success, and this year our revenue footprint outside of Spain for the first time will be larger than inside Spain. This international growth has been one of my key priorities over the last few years as CEO.

What are the key steps in internationalization?

Firstly, you must provide innovation. Our competitors have already had a strong footprint abroad for many years, so we must differentiate ourselves and bring something new to the table.

Secondly, you must have an organization and business model that can be exported. This is done by having a more open mindset and putting in place competencies in areas like sales, marketing, human resources, finance and R&D.

Thirdly, you need to have an international plan in place. We started out in Latin America as culturally they are very similar to the Spanish and the role of the pharmacists and doctors is also similar to in Spain. This has positioned us as the leader in sun protection in Mexico, and we are doing very well in Argentina and Chile, while having encouraging results in Brazil. We now are looking towards the large markets of Germany, China and the US, though with the differences in language and cultures, as well as patient interaction with medical professionals, it will be a new challenge.

How have you gone about the expansion into these more challenging markets?

As aforementioned, it is important you have innovation and bring something new to the market, and we do this. Secondly, you must be flexible in your approach. Every market is not the same, therefore, adapting is key. What we did in Latin America will not apply to these other markets and we are tailoring out approach to the market conditions that confront us.

For example, five years ago we set up a partnership with an online leader in China, Tmall, a company which brings foreign products to China. They have been amazing as acting as our voice there, and last year we were the second highest selling sun protection brand globally for Tmall, and this year we hope to be the number one. Now we hope to convert this online success to being able to sell our products offline, and this is another challenge.

How helpful is it to be a Spanish brand?

This is valuable, but more outside Spain, rather than internally. Sometimes Spanish people are a little bit sceptical of local products and don’t value Spanish brands highly enough. However, externally the image is of high quality, as we are in the EU and a highly developed nation. For example, branding ourselves as Spanish in China is a big selling point and an important factor in our sales.

In Germany the doctors and pharmacists love us, and we set up an agreement with a chain that covers roughly 60 pharmacies in Germany. In the US it is the same, as medical professionals are very attracted to a company coming from Barcelona with innovative products.

What is your interaction with pharmacists in Spain?

This is something very much linked to the company's origins and we have always been very close to the pharmacists. In Spain, we reach nearly 12,000 pharmacies, which makes up close to 90 percent of total sales in the country. Obviously, we bring innovation and quality to them, which is important and allows end consumers to really enjoy what they are buying, which triggers repeat business.

Furthermore, we are constantly training each pharmacist, from a product and commercial level, so they can be better at selling and can create a more sustainable business. In fact, we have developed an innovative business training tool online called "Love Isdin". In addition to the 12,000 pharmacies signed up to this platform in Spain, we are now expanding to other countries. It acts as more of a B2B model and gives them insight into products as well as setting sales objectives and we offer prizes along the way. This keeps us closer to them and ensures they are interactive in driving forward the Isdin brand.

How are you dealing with the shift towards e-commerce?

We believe there are several factors to take on board. Firstly, the world is evolving very fast and many see the ideas of online sales as a threat. Though by seeing them in this way, you are prevented from doing certain things. The best approach is to embrace such change and see how you will envision Isdin in this new future, while ensuring we keep our core values of being close the doctors and pharmacists. People today when they have a need, instantly go online, and only go to the medical professionals when they are sick. Therefore, we must make sure we are present in both key points of contact.

What is the level of R&D being done by Isdin?

Sociological trends point out that people are living longer and want to look better. In the past, aesthetic products were not looked at in the same positive way as they are today. Our products are

focused less on people that are sick and more people that want to look and feel better. Therefore, we must have a functional product and our R&D is based around this.

Nevertheless, we also must realize that efficacy is not enough and even if your science proves results, people must like to use it. We call it REC: Results equals efficacy times compliance. The aim is to find an optimum balance between the two – efficacy and compliance – and an example of this is within out main product line of sun protection.

For years people have known the harm that sun exposure does to their skin, eventually leading to skin cancer. Despite this knowledge, the levels of skin cancer in Spain are growing and two out of three people do not protect themselves adequately. Many people do not think they must protect themselves except on the beach, and the young population think their youth will act as some sort of barrier.

Our role is to change the mindset, but also to provide a sunscreen people love to use, breaking the old thought that sun cream was sticky and a pain to use.

What are your aspirations for the next five years?

To be considered a truly great skincare brand around the world. In addition, we want to grow our international footprint and be found in every Chinese home and be larger players in the US.

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