



Make the message clearer: leather is wonderful



The Galleria Vittorio Emanuele II in Milan: a classy environment, but still one in which the leather industry has to fight against footwear made from synthetic material.

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In the October issue of *World Leather* we published the first part of our report from this autumn's inaugural International Leather Forum. The event in Paris, which attracted leather professionals from all parts of the world, consisted of four roundtable discussions. Having published our report on the first discussion—on the subject of training in the leather industry—last time, this follow-up article offers a full account of the other three.

Calls for a research network

The theme of the second roundtable was the role of research in the leather sector with chairman of the session, Dr Volkan Candar, president of the Turkish Leather Chemists and Technologists Society, DETEK, offering some opening remarks.

He said that in the past, research and development in the leather industry had been concentrated in Europe. The present situation was that, although the roots of research in the sector remained in Europe, the activities themselves were moving more and more to Asia.

Forty years ago, the problem of pollution had scarcely made an impression on the world's collective consciousness, whereas now it is one of the biggest battles society has to engage in. The leather sector, Dr Candar pointed out, holds an unenviable position near the top of the polluting industries league table.

He pointed out that the sector was responding by devoting more of its research and development efforts to the environment than to any other topic, using the number of research papers produced in recent times with this as the theme.

When the discussion proper got under way, the first speaker, Professor Tony Covington of the British School of Leather Technology at the University of Northampton, revealed that those in the leather sector did indeed have environmental improvement high up the agenda, but not quite at the top.

He explained that a survey he had carried out into research had asked ➤



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tanners to specify their research priorities—making the supposition that there was no restriction on time or money—and that improving the quality of leather had come back as the top answer. Improving processes specifically to protect the environment was in second spot.

When the survey followed up by asking tanners what they believed would make them more competitive, they highlighted innovation in leather processing, innovation in chemistry, environmental improvements and the ability to interpret better the demands of fashion.

Professor Covington said the conclusion he had drawn from this was that the sector was struggling from a lack of marketing and a lack of knowledge in the wider economy of the benefits and beauty of leather. He pointed out that a global, industry-wide research network would stand a much better chance of delivering the new thinking that tanners were asking for, but said that, ironically, 20% of the industry figures that had taken part in his survey had said they believed a genuine research and development network was unachievable.

“These are the main questions we are left with,” he said. “Is such a network possible? And if it is realisable, what are the obstacles in the way of establishing it?”

Françoise Nicolas of leather and footwear testing centre CTC was forthright in her response to this. “Of course we must try to set up such a global network,” she said. “The research community is already very active, but it’s interesting to note that only 2% of the papers presented at congresses are presented by or with tanners. Tanners are not included enough in research and development projects and we at CTC are convinced that you can only produce relevant research with the involvement of the industry.”

She said she suspected tanners would say they had too little time for this sort of activity and would point out that their aims and those of academics and research scientists were not the same. At the same time, they might fear that becoming involved in a research network could put them in the position of having to share business secrets with competitors.

This, however, offered no real excuse, as far as Ms Nicolas could see, for holding back. She announced that CTC was proposing to set up a group of between 10 and 15 leather business leaders who could be appointed by national or international organisations. This group could hold a series of meetings to produce a definitive list of research priorities.



The industry produces 15.5 billion square-feet of leather every year, almost half (47%) of which goes into footwear.

The French government, she explained, had launched an initiative to set up “knowledge communities” called ‘Pôles de Compétitivité’. More than 70 of these networks had come into being already, she said, with more than 5,000 companies taking part. “It has been a great success,” she added, “and we propose to set up something similar for the global leather sector.”

Professor Tony Covington came back in at this stage to make the case for the defence of academic institutions. He said the university sector was under- rather than over-utilised in the leather space.

“We have the best academic minds, we are independent, we have no commercial conflict and we deal only in new knowledge and innovation,” he argued. “This is important because we need to question constantly the received wisdom. A lot of what we think we know is flawed. It is questioning the received wisdom that will help us produce new leather and new finishes, and address the environmental questions.”

He used biochemistry as an example, saying it was “the future of processing”. There are many enzymes out there that could be used in the process of producing leather but are not. The industry could also develop its own enzymes, ones that would produce specific outcomes, such as speeding the production process up or reducing the sector’s environmental impact.

“Research informs teaching; that’s how you aid the provision of knowledge,” Professor Covington continued. “To be a researcher you need to be a scientific thinker. Just to pass on received wisdom, what you learned at the knee of your tutor, is not enough for the next generation. I

perceive diminished activity at the highest level in leather, and if asked where I thought the next generation of leather innovators was coming from, right now I’d have to say I’m not sure.”

As one of the company presidents at chemicals supplier TFL, the next speaker, Dr Christian Csaki, readily admitted to a different attitude. His company has a need for profit, he said right away, and everything it does is margin-driven. As long as the margin is there, he said his company was all for helping the leather sector make improvements, and he acknowledged that a proportion of the margin companies like his can make should go into research and development.

Dr Csaki complained that innovation often takes too long to reach consumers and that the leather sector, as a whole, was not doing enough to improve marketing efforts. How else, he asked, was it possible to explain boots made from synthetic leather going on sale for €20 in the Galleria Vittorio Emanuele II shopping arcade in Milan? If consumers were prepared to buy low-quality footwear like this, in the knowledge that the product would only last a few months, he suggested that it was because the leather industry’s efforts to explain the value of genuine leather had failed.

Another supplier, Giulio Tandura, chairman of the Italian leather machine manufacturers’ association, Assomac, suggested that investment in new and better equipment, such as that offered by his members, was one way to improve margins. Processes should improve as technology and automation advance, he said.

However, he was quick to point out that development on the machine side was



being hampered by the predilection of tanners to move around the world in their quest for cheaper labour and more tolerant monitoring of waste control. He continued: "So what happens is that we spend time and money researching a new development, to improve environmental performance for example, and then have to face a customer who doesn't care about that. We have to keep coming up with new ideas, which is difficult because we are small companies."

He said that for the last 15 years, Assomac members had been asked only for "cheap, cheap machines", and that most of these were going to countries where the technology was neither "valued nor understood". He insisted that investing in good technology was the only way to survive in the globalised world.

Tanner Thomas Strebost from Heller-Leder spoke at this point to tell the forum about a recent incident in Germany. He said the German tanning council had spent a considerable amount of money on research and development in recent years, with a new approach to producing chrome VI-free leather one of the latest results. To his surprise, and disgust, he has since received requests from important footwear brands that he go to China and share for free the findings of this research to help tanners there produce chrome VI-free leather. He asked the brands why they couldn't just buy their leather from Germany.

He said he'd be happy to become involved in industry-wide research initiatives, but felt that the companies that put the effort into these should also be the first to get something back.

Marketing push

From here the discussion moved on to the subject of marketing, with the panel of four invited to consider how the industry can enhance the status and standing of leather—which is, after all, an intermediate product, rather than an end product in itself—in the minds of consumers.

Jean-Pierre Gualino, president of leather chemical supplier ATC, chaired this session and, in typical fashion, came straight to the point. He said: "The main word when we talk about marketing is money. It's about profit, a return on investment."

He felt the question of how to market leather had been at the centre of the whole day's discussion so far, even when the topics under examination were training and research.

How to market a material that was wholly dependent on global meat

consumption is not so easy, he pointed out. It's hard to have much control over even the most basic elements of your supply chain and, to a large extent, you have to take what the meat sector gives you. Mr Gualino's figures suggest that, at the moment, global meat production stands at 240 billion tonnes per year.

On average, around the world, this volume is increasing by about 1% a year, but in Brazil, for example, the growth rate is between 4% and 5%. This is allowing the industry to produce a collective total of 15.5 billion square-feet of leather every year. Mr Gualino said that the global footwear market swallowed 47% of this volume, making at the moment almost 9.5 billion pairs of shoes annually. Leather garments account for 17%, furniture for 16%, the automotive industry for 11% and the leathergoods market for 9%.

"Some articles have disappeared from the leather market," he continued. "Ski boots is an obvious example. If we don't want more items to disappear, we have to get our marketing right. And if leather is a commodity now, it's up to us to turn it into a high-quality product. We have a fantastic material here, and we must brand it as such, not as an everyday commodity. To do that, we must keep innovating and keep adding value."

His fellow leather chemist, Dr Dietrich Tegtmeier, vice-president for product development and application at Lanxess, took up this point, saying that the chemicals sector wanted to contribute to the innovation.

He pointed out that his company invests 4% of turnover in research and development, dividing the money equally into three pots, one for new product development, one for process improvement and one for what he called "technical product stewardship", necessary, he argued, because of the frequency with which restricted substances lists change. "Tanners want the product to stay the same, to do the same job, but to be free of all the restricted substances," he observed.

Another challenge for this sector is increasing price pressure, which, Dr Tegtmeier warned, may soon begin to compromise innovation budgets. He explained: "The danger here is that it will become hard for us to meet all the new requirements [from tanners], and leather—even though it has unique properties that simply cannot be matched by anything man-made—will become more and more of a commodity. We're sawing through the branch we're sitting on."

It need not be this way. He reminded

delegates that demand for nanotechnology applications is high at the moment. He described leather as "a wonderful nanotechnology matrix", but said the industry was doing very little to promote the fact.

He said he felt it was a shame that people in retail so often know so little about "the real value of leather" and that effective marketing was essential if this situation was to turn around. Investment in research and development is the first step, he insisted. It was a question of turning money into know-how, and then of turning the know-how back into money again.

One tanner who took an active part in this third roundtable at the International Leather Forum was Thomas Strebost, president and owner of Heller-Leder. He pointed out that, for the leather industry, it's not only a question of overcoming apathy, but also ignorance and prejudice. "Customers complain that leather is cold, that it makes you sweat, that it may contain chrome VI and be poisoned," he said. "We have to argue against all of this."

Someone who has a more public-facing role in arguing the case for leather is Francois Taverne, president of the leathergoods division of luxury brand Hermes, although he claimed his company's influence is small ("we only make 150,000 or 200,000 bags a year").

He admitted, however, that leather is part of the Hermes "signature"; a calf-leather belt retails for more than €400, so quality is at the core of his relationship with the leather industry. "But we do not always have the same definition," he complained. Mr Taverne said he thought the key to a successful relationship in the future was for his company to work with its suppliers to develop new leathers together. For him, the need for stronger links between brands, tanners and chemicals providers was clear.

He argued that developments ought not to take place without the involvement of user companies. "We need the best skins," he said. "All the research that contributes to improving the quality of skins, as well as research that aids environmental efforts, will have our support, and, I'm sure, the support of all luxury brands."

The director of the footwear, luggage and leather goods market for cutting systems provider Lectra, Pierre Bonnet, made the point that "wasting 35% of a hide"—because of the way they cut it—was making leather users' environmental (and financial) performance worse. Vested interest aside, he insisted there could be a marketing opportunity for tanners to ➤



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A renewable, recyclable, natural, beautiful product such as leather has to be a good thing.
CREDIT: DAIMLER CHRYSLER.

deliver more ready-cut piece of leather rather than full hides.

Outgoing president of the International Union of Leather Technologists and Chemists Societies (IULTCS) and organiser of the International Leather Forum, Marc Folachier, commented at this juncture that environmentalists had no grounds for protesting about the use of leather. If tanneries didn't exist, he suggested, slaughterhouses would have a huge problem with solid waste. "We don't have to take any lectures from anybody over the environment," he said.

He went on to say that protesters might be very interested to see a product lifestyle analysis of the textile fabrics that some industries, including footwear and automotive, are choosing to use instead of leather. "We are producing a wonderful material from waste," he said. "Leather is an excellent example of recycling."

He acknowledged that time to market was important because the days of fashion brands working to two seasons a year were over; now it's more a case of a new season every month. "That means the leather pipeline needs to speed up," he said.

At this point, Professor Enio Klein, who works as a consultant to the Brazilian footwear industry association Abicalçados, intervened to say that companies producing leather needed to improve their

performance in matching their output to the cultural demands of consumers in different parts of the world. The consequences of failing to do so could be long-lasting. "You have to drive manufacturing towards cultural things," he said, "otherwise you will miss this century. This is the century of information, and information is part of culture."

A seasoned observer of the industry, Ron Sauer, of The Sauer Report, offered the view that there was no sense blaming the public for having insufficient knowledge of the advantages of leather. The people who make the material and sell it are the only ones with the obligation of promoting leather, he said.

However, John Williams, outgoing secretary of IULTCS, reminded the audience that there were courses available to retailers at some of the academic institutions specialising in leather. "They are aimed at people on the shopfloor," he said, "the people who deal with the public. It's only a short course, but staff come away amazed at what leather is." He added that the institutions that are able to offer courses of this kind needed to do more to persuade retailers to take advantage.

The discussion on marketing ended with a comment from Elton Hurlow, marketing manager for leather at Buckman Laboratories and the next

president of IULTCS. He said: "The key point in marketing is differentiation. It's time for the different players in this industry to work together to counter the negative image it has, not least on the environmental side."

"We even need to look at our vocabulary. No one in the diamond industry is afraid to talk in positive terms about the end-product. Everyone knows the slogans, 'Diamonds are a girl's best friend' and 'Diamonds are for ever'. We need to take a lesson from that."

Communication techniques

With time running short, the final session of the International Leather Forum worked in a different way. Marc Folachier shared the platform with only one other contributor, Estelle Chaubell from Paris-based PR consultancy La Vie en Rose, which has extensive experience of working with the leather sector.

Crises can occur in any business arena, she pointed out. For leather, two easy examples were animal disease and lobbying by environmental or animal rights groups. "If a crisis does happen, you have to handle it immediately," Ms Chaubell said. "That doesn't mean you must always handle it in the same way. Sometimes it's best to counter-attack and question those who seek to benefit from the crisis. At other times, it's more appropriate to admit that something has gone wrong, but to lead, rather than be led by, the media."

Among the tools the leather sector needed to put together, she added, was a list of scientists that journalists could approach for a credible and neutral point of view.

Then she turned her attention to positive communication, with a new initiative in France providing a good example. The industry there built up a new initiative to make October 25 the Day of Leather, encouraging everyone in the country—not least through television advertising—to wear something leather that day to celebrate the naturalness and beauty of the material.

All of this, Marc Folachier concluded, was part of improving the image of leather globally, an element of "making an impact on unconscious minds". That seems to work the other way round; it's quite common now to hear the general public, in some parts of the world at least, make comments that link leather to animal cruelty. This, of course, is unfair. "In the framework of sustainable development, a renewable, recyclable, natural product has to be a good thing," he said. 🌱