



Consumers want leather

A recent study carried out by Eagle Ottawa suggests wealthy consumers care deeply about having leather upholstery in their cars. Its senior technical director in China, Geoffrey Thams, believes this has important consequences for the leather industry.



The interior of a Ford vehicle. Eagle Ottawa wants to repeat its automotive consumer study in China.

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Specialist automotive tanning group Eagle Ottawa has said it is keen to replicate in China a market research study it carried out in the US at the start of this decade. Geoffrey Thams, Shanghai-based senior technical director for Asia Pacific at Eagle Ottawa China, has said the findings of the US study are interesting but has warned that the market in China works differently, making it hard for his company or anyone else to apply the results of the study to China.

The study involved 162 participants, consumers of a mixture of ages from the metropolitan areas around Chicago and Los Angeles. They identified themselves either as owners of luxury vehicles or as aspirant-owners of high-end cars. Each consumer was asked to rank different materials for car seats: leather, textile, plastic and so on. They were able to select a top three from 30 options. "One of the main findings was that 91% of the participants said they desired genuine leather over polyurethane, PVC or other artificial materials," Mr Thams explains, "and 80% were able to recognise the difference between leather and PVC."

While 80% is a high figure, he says it's an ongoing challenge to the leather industry that the number is not 100% or close to it. "We have to continue to differentiate leather from these synthetic materials," he says. "The imagery that the synthetic materials had [in the study] was that vinyl was inexpensive, practical and pliant, whereas leather was considered to be a high-quality material, attractive and soft. So, I think that we as an industry need to build upon that imagery."

Going into more detail on what end users value most about leather in their car interiors, he explains that the three most important things to come up were durability (cited by 96% of participants), stain-resistance (mentioned by 91%) and 72% said they wanted cars with leather interiors for the simple reason that they believe it will help them secure a better price for the car when they come to re-sell it. Other interesting numbers to come out of the study are that 62% of respondents said they would value labelling on leather seats, and affirmed that labels would influence their purchasing decisions, and 69% said they regarded leather as the most environmentally friendly seating option.

From this, Mr Thams says: "Leather can become a more sustainable product over the lifetime of its usage, and leather will age more gracefully. As an industry, we want the appearance of our seats to look better than theirs. I think we have to preserve the leather product as a luxury component of car interiors. We need to avoid the trap of it [leather] becoming a commodity. Leather is being combined with more and more synthetic material on the A surface. We are used to seeing synthetic material combined with leather on the B and C surfaces of a car seat, but when it's combined on the A surfaces, the consumer becomes very confused about whether it's leather or PVC or vinyl." He feels it will help if leather production becomes "more grain" and less "resource-intensive".

Mr Thams also says he would love Eagle Ottawa to carry out the same study in China, where the high-end automotive market is changing at an extremely fast pace. He says the tanning group views China as the second largest luxury market in the world after Japan. It has divided Chinese consumers into four groups from a luxury standpoint: core luxury buyers, luxury role models, fashion fanatics and middle-class aspirants.

The first group consists of people who will spend between 12% and 20% of their income on luxury goods. Luxury role models are young, urban, self-employed or corporate executives, who just indulge in luxury products for their own pleasure and benefit. Fashion fanatics have a similar motivation but tend, Mr Thams says, to spend a disproportionate amount of their incomes on luxury goods. Middle-class aspirants tend to live in second- and third-tier cities and frequently buy luxury products, usually gravitating towards Chinese brands.

"But the luxury market here in China is a little different from the rest of the world," he continues. "Buyers are younger than their North American or European counterparts. Around 80% of consumers in the luxury market are aged under 25. There is a lot more new money here and, at least here in Shanghai, you see a lot of deep, certainly not subtle, fashion statements out there." 🌐