

LEATHER GARMENTS

VOLUME I



EU STRATEGIC MARKETING GUIDE 2002

LEATHER GARMENTS

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INTRODUCTION

This Strategic Marketing Guide offers a practical handbook for exporters engaged, or wishing to engage in exporting leather garments to the European Union. It aims to facilitate exporters in formulating their own market and product strategies through the provision of practical information and a methodology of analysis and ready-to-fill-in frameworks.

It is of vital importance that exporters comply with the requirements of the EU market in terms of product quality, packaging, labelling and environmental standards. These items and other issues, which must seriously be taken into account when entering the EU market, are covered in Chapter one.

Chapter two offers a “Business Guide” or checklist for exporters wishing to engage in exporting leather garments to Europe. The guide consists of three parts: product profiles (in which a few interesting products will be highlighted), a market opportunity analysis to determine suitable sales channel(s), and a checklist for building up a trading link.

Statistical market information on consumption, production and trade, and information on trade structure and prices and margins, which is required for the ready-to-fill in frameworks, can be found in the matching EU Market Survey Leather Garments. The EU Market Survey also includes contact details of importers, trade associations, and other relevant organisations.

Market research

This EU Strategic Marketing Guide and the EU Market Survey serve as a basis for further market research: after you have read the market survey and filled in the frameworks in this strategic marketing guide, it is important to further research your target markets, sales channels and potential customers.

Market research depends on secondary data (data that have been compiled and published earlier) and primary data (information that you collect yourself). The EU Market Survey is an example of secondary data. Primary data are needed when secondary data fall short of your needs, for example when researching your specific type of consumer about the acceptance of your specific product. Sources of information are among others (statistical) databanks, newspapers and magazines, market reports, (annual) reports from branch associations, but also shops in target countries, products or catalogues from your competitors, and conversations with suppliers, specialists, colleagues and even competitors. After you have received/collected your information you should analyse it.

In order to judge the attractiveness of the market, sales channel or customer you should use/develop a classification or score system.

For more detailed information on market research, reference is made to CBI’s Export Planner (2000). Seasonal fashion information can be obtained from CBI’s Fashion Forecasts which are available on the CBI website or in published form. Other CBI publications like Exporting to the EU, Environmental Quick Scans Leather Goods and Textiles and AccessGuide give further and/or more detailed information.

1 DOING BUSINESS IN THE EU: REQUIREMENTS FOR ACCESS

1.1 Non-tariff trade barriers

1.1.1 Quality and standards for leather garments

Quality

The quality of leather depends primarily on the selection of skins and secondly on the production, such as the way of tanning and finishing. As quality demands are high, clothing exporters and manufacturers of leather garments should take the following into consideration in their production procedures:

- as leather garments are relatively expensive products, the processed leather must satisfy high standards of craftsmanship. After tanning the leather, it is recommended to soften it in a softening machine;
- the cutting section: in general it is recommended to use knives rather than scissors for cutting, to use glass or polypropylene (instead of tin or zinc) as the basis for cutting with templates, to have good light above the cutting table, in order to achieve optimum leather selection and to set up the (large) cutting table at an angle of 30 degrees;
- industrial machines should be employed, with upper and lower transport and double seam capabilities, to ensure straight and parallel stitching; puckering should be avoided; reinforcement should be added in pockets; supple tape is preferred to glue, which becomes hard when dry; seams have to be hammered down and a thickness of 4 to 6 layers of leather should be avoided;
- the interlining should be in a quality standard equal to the whole garment;
- the labelling: a well designed and good quality label is important;
- accessories like buttons, zippers, buckles etc. should be of good quality in the right (uniform) colours and clean (no rust or other impurities);
- product information concerning the sort of leather used and maintenance of the garment should be stated on a well-designed and clear quality card;
- the packaging should be such as to prevent damage during transport.

Standards and requirements

Despite EU harmonisation, which enables free trade between EU member states, individual markets have different requirements regarding quality, garment types, fabric, standards, sizes, colours, etc.

There is no European Union standard or any other official standard for leather garments. Most of the importers, especially the retail organisations, work on the basis of certain minimum requirements. In view of this, they have formulated and stipulated minimum quality requirements, relating to both materials and manufacture.

Minimum materials specifications and relevant test methods can be given for aspects like tensile strength, tear strength, rub fastness, fastness to water, washing and perspiration. Test methods, which are widely accepted are the IULTCS test methods, covering physical test methods (indicated as IUP) and fastness test methods (IUF). There are also EN ISO standards or national standards (DIN, BS etc.), mainly for testing colour fastness. Minimum manufacturing specifications can be given for seam construction, finishing, hems, fastenings, pockets, collars, waistbands and cuffs, interlining, lining, threads etc. An example of minimum manufacturing specifications is given in appendix 1 and for minimum materials specifications in appendix 2 of this Guide. Addresses of the standard organisations mentioned are given in an appendix of the EU Market Survey Leather Garments. Information can also be obtained from national importers.

Some animals are protected by the “Convention on International Trade in Endangered Species of Wild Fauna and Flora”(CITES). Trade in garments made of these animals is strictly regulated or forbidden.

1.1.2 Trade related environmental, social and health & safety issues

Environmental issues

Manufacturers preparing the product group leather garments for export to the European market must consider environmental aspects.

Environmental aspects have become a major issue in Europe in recent years. Besides governmental actions (legislation and regulation), a strong consumer movement is noticeable especially in the northern parts of the EU (Scandinavia, Germany and The Netherlands).

The topic of the environment is more than a trend; it is a lasting issue that, together with issues such as price and quality, may well be one of the largest determinants for success in the EU market.

It is the objective of this paragraph to briefly highlight several important aspects.

Issues such as (environmental) Life Cycle Assessment of products, Cleaner Production (CP) and Ecodesign have all become important tools for companies to improve on the environmental performance of their products and production processes. This is done by analysing where the environmental impacts are the largest and how a company may improve on these points. This can lead to both internal (improved efficiency) and external (perceived image) advantages. The results of applying the above tools can be company-internal improvements in environmental performance. However, in order to be able to use the environmentally sound approach of a company towards its products and production processes,

'green' marketing tools such as Ecolabels (for products) and environmental management standards (for the whole Organisation) have been created both by governments and private parties.

Environmental standards

The eco labelling procedures are aimed purely at the products and indicate that a specific product with a label has a lesser impact on the environment.

If a manufacturer wants to indicate to external parties that he is manufacturing in an environmentally sound way, then he can comply with standards which have been developed for this purpose. At the moment there are two general, voluntary, standards with which manufacturers can comply: ISO 14001 and EMAS. Both standards are based on the ISO 9000 series of standards for quality management.

The ISO 14001 Environmental Management Systems was published in November 1996. Although there are not many companies certified to date, it is expected that ISO 14001 will have an impact similar to the ISO 9000 Quality Management Systems series.

The EU's Ecological Management and Audit Scheme (EMAS) has been operative since 1995. As it only applies to companies with production facilities within the EU, it is usually not relevant for manufacturers in developing countries. So far, EMAS registration is only widely accepted in Germany. It is therefore expected that companies in Europe and elsewhere will favour ISO 14001.

Product related issues

The largest environmental impact during the production of leather garments takes place in the actual leather production. Leather is subjected to a wide number of treatments. Many of these are wet processes.

A large quantity of water is used and, thus, a large amount of waste water, containing high amounts of dissolved and suspended organic and inorganic compounds, is released. The waste water often has a high oxygen demand and contains potentially toxic metal salts and chromium residues.

Therefore, waste-water treatment is the main concern in regard to environmental aspects. However, solid waste and emissions to the air are also released.

Tanning

There are several types of tanning process.

The most commonly used method is chrome tanning (about 90 percent). Besides chrome tanning, leather can also be tanned with other chemicals or with vegetable materials.

The most important potential soil-polluting substances in the waste water are the chromium compounds.

The waste bath from tanning is the main source of chromium discharge (in a dissolved form) in tannery effluents. Approximately 80 percent comes from this bath and the wringing process (60 and 20 percent

respectively). Furthermore, the flesh and hair, which is removed from the leather after tanning, is polluted with chrome and can not be used for any other application. In many countries, it is also prohibited to dump it.

A large amount of water containing chromium compounds gets into the environment because of spills and leakage of liquids during the production process, for example, the emission of tri-chromium compounds at the tanning basins (leakage, overflow of basins during immersion, dripping of the skins after the immersion). This can be avoided by good housekeeping.

Alternative technologies to reduce chrome discharge focus on: high chrome exhaustion, recycling of chrome or used floats and chrome precipitation and recovery. The best option is to avoid chromium tanning altogether and use vegetable agents.

Re-tanning, dyeing and fat-liquoring

Re-tanning is the 'second tanning' process. It is carried out to prepare the leather for receiving the final colour. Dyeing or colouring is achieved by placing the leather in a drum with a combination of colouring materials and chemicals to increase their penetration.

The fat-liquoring process gives the final softness to the tanned hide. In addition, it also influences the handle, drape, flexibility, durability, stretch and water resistance of leather, and also adds greatly to its strength.

The waste water contains residues of the re-tans, dyes and fat-liquors, salts, chromium sulphate, and leather fibres.

A cleaner production option is the high exhaustion of re-tanning agents, dyes and fat liquors. Exhaustion of re-tanning agents is mainly a question of time, quantity and pH and, therefore, the right combinations will lead to satisfactory results as long as the products are not toxic. The process of dyeing and fat-liquoring involves acidification of the float in order to fix these materials, but the lowering of the pH below 4 has the effect of releasing chromium into the solution. This problem underlines the necessity of achieving very good fixation of the chromium compounds during the tanning process. The addition of amphoteric polymers can greatly improve the exhaustion of dyes and fat liquoring agents. Although this represents additional organic substance entering the system, significant reductions in COD can be achieved.

To allow a small amount of oil to be spread uniformly over the very large surface area of the leather fibres, it is necessary first to dilute the oil. It is environmentally sounder, cheaper, safer and more convenient to emulsify the oil with water, and not with a solvent such as benzene. In addition to the emulsifying element of the fat-liquor, a raw oil is frequently included in the formulation. The least environmental raw oils are the biodegradable oils, such as coconut oil.

Leather finishing

Leather finishing is sub-divided into staking, finishing and cleaning of the equipment. It includes mechanical treatment of grain and flesh sides followed by application of surface finishing products. The wastes produced are residues of the finishing materials and solvents, solvent vapours and water. Often a large amount of materials is spilled during finishing. This especially concerns liquid materials such as saltpetre acid, chlorium acid, chromium solutions, after-tanning substances (on the basis of phenols, naphthalene, artificial resins and the like) and colour and paint substances (on the basis of water, aniline or another solvent). Furthermore, depending on the after-tanning substances, colorants, paints and biocides (stench control, conservation of skins) used, other substances may flow into the waste water. Colorants often contain metals such as zinc and titanium. Furthermore, a great deal of contaminated air is produced during the finishing of leather. The main contaminants are organic solvents employed in making pigments and lacquers. After application of the finish, most (90-95 percent) of the solvent vehicle enters the atmosphere almost immediately via the exhaust system of the drying tunnel, or in the course of time through evaporation.

Lacquers, which are diluted with an organic solvent, can be replaced by lacquers diluted with water or with a combination of water and an organic solvent. Research has shown that by switching from solvent-based lacquers to water-based lacquers, the hydrocarbon emission can drop by about 80 percent.

Manufacturing

Leather garments should be designed and cut from hides and skins in such a way that as little hide is spilled as possible. Furthermore, the use of nickel and of galvanised haberdashery should be avoided, as they both have a large environmental impact.

Financial instruments in the EU

Besides legislation, one of the major instruments of the EU for promoting environmentally sound products is the awarding of (tarifary) preferences or the levying of so-called 'environmental taxes' on products. Examples of preferential systems are the common subsidy and support schemes but also the Green GSP, which is still under development. The Green GSP works on the assumption that extra preferences can be awarded on top of the preferences under the current GSP, to those producers who show their commitment to the environment and who search for cleaner production techniques to reduce the environmental burden caused by their production processes and their final products. On the other hand, the EU principle "the polluter pays" becomes obvious as responsibilities (and thus costs) for pollution prevention and clean-up are increasingly

placed in the hand of the polluter. European importers faced with this will want to share such extra costs with their developing country partners. Furthermore, the EU principle "the polluter pays" is becoming more important as responsibilities (and thus costs) for pollution prevention and clean-up are increasingly placed in the hand of the polluter.

Information

For detailed information about environmental aspects relevant to trade, please refer to the Eco Trade Manual, which can be obtained from CBI. Information can also be obtained through AccessGuide, CBI's on-line database on European non-tariff trade barriers. AccessGuide also contains an environmental Quick Scan for the product group Leather. The purpose of the Quick Scan is to inform individual companies about relevant environmental standards in trade and to offer them solutions for meeting these standards. In fact, this self-evaluation serves as an environmental export audit

Social issues

There is a growing emphasis on ethical trading aspects in many EU countries. An increasing consciousness of ethical aspects, encouraged by consumer organisations, has led to the development of codes of conduct, by all importers. The use of child labour in the production of clothing in general is a serious case of concern in many EU countries. Widespread publicity has raised consumer, but also importers', awareness of the issue and has had a negative impact on sales.

There is growing concern among buyers of clothing about the use of child labour in the factories of new suppliers. Exporters who can guarantee and prove that their products are made without child labour will not only have a competitive advantage over other products, but will also have a much better chance of establishing a long-term business relationship. In addition, the EU has added a 'social clause' to the Generalised System of Preferences (GSP), which allows for special import tariff reductions for products that are produced in a humane way.

It should, however, be noted that producers and exporters in developing countries can never be subject to EU legislation regarding labour conditions. Companies in developing countries only have to comply with legislation in their home country. However, social issues are becoming increasingly important. As in other industrial sectors, the leather clothing industry and trade associations in some EU countries have developed or are currently exploring, the possibilities of developing a model code of ethical conduct for the production of all items.

Safety and health issues

Working circumstances

The number of risks for the workers in the leather clothing industry does not strongly resemble many other industries, nevertheless general aspects like physical strain and workplace facilities, the risks of dyeing fabrics or apparel, should be mentioned. Information on labour conditions can be obtained from the International Labour Organisation (ILO) which is the UN organisation dealing with all aspects of work; the address can be found in appendix 8 of the EU Market Survey 'Leather Garments'.

Azo dyes and other harmful substance in leather garments

Azo dyes are often used in the leather and textile colouring process. Some azo colouring agents have carcinogenic properties or may form amines (breakdown products), which have carcinogenic and mutagenic properties. Many azo dyes are prohibited in the EU, above the limit concentration of 30 ppm. The ban on azo dyes is applicable to all products, which are in contact with the skin for prolonged periods.

Other substances, which are used in the textile and clothing industry, and which are banned (or allowed to a certain amount) in certain countries of the European Union are: pentachlorophenol (PCP), cadmium (exceptions may exist for safety purposes), formaldehyde and nickel. Polychlorobipheniles (PCB) and terphenyles (PCT) are totally prohibited, just like asbestos and certain flame retardants.

1.1.3 Packaging, size marking and labelling

Packaging

Care must be given to the packaging of products if one intends to export to the EU countries. It is obvious that the packaging must be travel-steady. As required, products should also be protected against the elements, changes of temperature, rough handling and theft. Besides these basics of travel- and handle-durability, some importers may have specific demands concerning packaging, like information concerning the order being printed on the boxes (order number, box number, name department or contact person etc.). For environmental reasons, packaging made from materials like PVC etc. is less popular with consumers and in some cases is or will be forbidden by government. Exporters in developing countries should be prepared to discuss this issue with potential clients and should anticipate building the cost of such special packaging into their wholesale price, if required.

In December 1994, the European Directive on Packaging and Packaging Waste (94/62/EC) was adopted. The Directive establishes overall legislation for the

treatment of packaging waste, consisting of quantitative objectives to be achieved by each of the EU member states. The member states have the responsibility to translate the Directive into national legislation. To fulfil the requirements of the target market, good communication with the importer about packaging is necessary.

Germany

The German Packaging Act (Verpackungsverordnung) sets no strict demands with respect to the composition of materials in packaging. However, general legislation regarding the presence of harmful substances is applicable. General standards have been developed to reduce the environmental impact of packaging. The use of certain materials is stimulated financially. The most important issue in the Packaging Act for companies in developing countries is the obligation to take back the packaging materials. The developing country exporter (unless he actually brings the products on the German market himself) will not be held responsible, but his German importer will. In this case the importer will exert influence on his foreign supplier so that in future the only type of packaging imported is the one that meets the environmental requirements of the Packaging Act. In other words, it consists of materials which can be recycled and/or re-used. Foreign manufacturers and distributors may also call upon third parties to discharge them from their obligations. This means that it is not necessary that the used packaging be returned to the country of origin. The Green Dot has become the symbol of the German packing waste re-use and recycling system; when printed on the packaging it means that it is financed by the parties involved. The Green Dot is also being used in France and Belgium. A wholesaler, importer or manufacturer who refuses to take back packaging is not allowed to use the Green Dot.

The Netherlands

An important subject in The Netherlands legislation on packaging and packaging waste is the issue of 'producer's responsibility'. This means that producers (manufacturers and importers) will be held responsible for the treatment of the packaging waste generated by their products. Another demand set by the Netherlands packaging legislation concerns the presence of heavy metals in the packaging materials. The requirements set are equal to those set in the European directive. In addition to the demands described above, some general requirements for the composition, recycling and recovery of packaging are set in the legislation, with which manufacturers and importers have been obliged to comply since 1 August 1998. These demands are equal to those set in the European directive.

Size table for women's outerwear (body sizes) in cm:

character sizes	XS	S	M	L	XL	XXL			
figure sizes	34	36	38	40	42	44	46	48	50
chest width	80	84	88	92	96	100	104	110	116
waist size	61	64	68	72	76	81	86	91	97
hip girth	86	90	94	98	102	106	110	114	118

Size table for men's outerwear (body sizes), except trousers (see next table) in cm:

character sizes	XS	S	M	L	XL	XXL				
figure sizes	42	44	46	48	50	52	54	56	58	60
chest width	84	88	92	96	100	104	108	112	116	120

Size table for men's trousers (garment sizes) in cm:

figure sizes	40	41	42	43	44	45	46	47	48	49
waistband width	68	68	72	72	76	76	80	80	84	84
side length	100	108	102	110	104	111	104	112	106	112
figure sizes	50	51	52	53	54	55	56	58	60	62
waistband width	88	88	92	92	97	97	102	108	114	120
side length	106	113	108	114	108	114	111	111	111	111

It is becoming increasingly difficult and expensive to dispose of waste in Europe. In principle, the importer is held responsible for disposal of the packaging waste for all goods from outside the EU. It is therefore crucial, when planning exports to the EU, to take the packaging of your products (both sales packaging and transport packaging) into consideration. More detailed information about packaging techniques and the use of packaging materials can be found in the CBI Packaging Manual.

Size marking

The following body measurements are used: body lengths, chest size and hip size. These three basic measurements determine the fit of the garments. These outerwear sizes are also valid for leather garments. The following sizes are used in Germany and The Netherlands:

The lack of uniformity in sizes has been a continuous problem in Europe for many years. This is caused by the lack in standardisation of sizes and differences between the European countries. For example The Netherlands size 38 is 40 in France and 42 in Italy. An European Commission for Standardisation (CEN) has developed one system for sizes. This system will consist of three elements: a pictogram (drawing of the body); digits for actual sizes; and symbols for different body types.

Apart from the EU countries also Iceland, Norway and Switzerland will join this new system. However, a general acceptance has not yet been reached.

Labelling

Basic information like brand name and size (discussed above) can be extended with country of origin (this means that the name of the country of origin should be mentioned and that it is prohibited to mention the name of any country other than the country of origin) are sewn in the garment. Other consumer information like materials used, leather garment care etc. can be affixed. Leather garment care gives information about aspects like storage, cleaning and advice to prevent damages. There is an increasing awareness of the need to keep the consumer informed about his prospective and current purchases.

The leather mark is used on labels as well as in other communication forms (advertising etc.). This mark identifies products made from genuine leather. It has to be noted that a leather mark registration scheme came into effect on January, 1 1999 in the UK (introduced by the BLC), whereby companies who wish to use the leather mark on leather goods for sale in the UK are registered.

This Leathermark identifies products made from genuine leather



‘Eerlijk Handel Handvest voor Kleding’ (EHH)

In The Netherlands the labour unions FNV and CNV together with the Development Organisation NOVIB have developed the ‘Eerlijk Handel Handvest voor Kleding (EHH)’. This is a fair trade charter for the clothing industry, which lays down a code of conduct for labour conditions in manufacturing. Producers who sign the EHH charter receive a label and meet these conditions. Code of labour practices for the apparel industry were launched in February 1998 by more than 200 non-governmental organisations and labour unions in Europe and Asia.

Ecolabels

The demand for environmentally sound products is increasing especially in the area of consumer goods; consumers demand products, which are easily recognisable as such and are labelled according to legal stipulations. The hallmark for such environmentally sound products is normally referred to as an ecolabel. The hallmark indicates that the product has a reduced impact on the environment compared with similar products. Ecolabels are voluntary and give a marketing edge over the competition. The only label applicable to leather garments is the SG label.

The EU Ecolabel Award Scheme

The scheme is based on Council Regulation (EEC) No. 880/92 of 23 March 1992. Except for foods, beverages and pharmaceuticals, all other products are included. The award of the label to individual products is based on the definition of the relevant product groups and the related environmental criteria. The EU Ecolabel is a voluntary scheme, and manufacturers can choose whether or not to apply for it.

Those manufacturers or importers wishing to apply for the ecolabel should make their application to the Competent Body in the member state where their product is manufactured or first marketed, or imported from a third country. These Competent Bodies can act as a source of further information on country-specific requirements and requests. The EU Ecolabel will have its own environmental criteria and the information required to demonstrate compliance will depend on the relevant criteria. Competent Bodies will inform potential applicants which test results must be provided, and how the testing should be carried out.

SG Schadstoff Geprüft label

The Schadstoff Geprüft label was especially created for leather products, but it also defines norms for textiles, pulp, paper, wood, cork, glue, plastics, rubber and synthetic leather. In addition to the environmental standards other norms have to be fulfilled, like the minimum colour fastness grades for staining.

The testing authorities are three recognised institutes: TIDV Rheinland Sicherheit und Umweltschutz GmbH, Institut Fresenius Gruppe and ProF- und Forschungsinstitut Pirmasens.

1.2 Tariffs and quota

The impediments to international economic transactions include:

→ Traditional tariffs

All EU countries apply common Customs tariffs to imports from outside the Union. If there is no special trade agreement in force, the general import tariff of 4 percent applies (as a percentage of CIF value, without duties and VAT). Some kind of preferential trade agreement in the field of tariffs, reductions of EU duty levels may apply to many developing countries, according to the commitments in the Uruguay Round, until 2005. Most of the developing countries are granted special trade preferences; these countries usually benefit from zero duties through preferential treatment under the Renewed Generalised System of Preferences (RGSP) or under the 4th Lomé Convention for the African, Caribbean and Pacific (ACP) countries.

Other countries, which can benefit from duty-free entry into the EU are (among others) the Mashraq and Maghreb countries, Turkey, Cyprus, Israel and CEECs like Albania, the Baltic states, Bosnia/Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, Slovakia, Slovenia and Fed. Rep. of Yugoslavia.

RGSP

This agreement allows products originating in the countries concerned to be imported at preferential tariffs or, for the least developed countries, duty-free. A “Certificate of Origin Form A” has to be filled in by the exporter and issued by the competent authorities. Tariff contingents and tariff ceilings do not exist anymore. The RGSP is not applicable for China, India, Pakistan, Thailand and Myanmar.

Lomé Convention

Products originating in the ACP countries can be imported without duties, when a “Movement Certificate EUR.1” is filled in by the exporter and issued by Customs in the country of export.

→ Non-tariff barriers

Examples of non-tariff barriers are anti-dumping measures, countervailing procedures, sanitary sanctions, environmental clause and intellectual property rights. There are no quota applicable for leather garments.

→ Policy impediments

Such as differences in (or lack of transparency of) domestic regulatory and administrative systems or product standards

2 TERMS OF THE TRADE AND TRADE PROMOTION

2.1 Terms of the trade

2.1.1 The contract

Besides the general details in a contract like the contract parties etc., there are six specific areas of significance in the contract itself:

- The first relates to compliance with the rules governing international trade. All contracts have to specify the country of origin as well as commodity and product codes. These details will facilitate administrative procedures at import destinations in regard to controls.
- The second area of significance relates to the shipment date. It is imperative for the importer that availability dates are met, to ensure that the goods can be sold or delivered in the time frame for which they have been planned.
- The third area of importance relates to (minimum) quality requirements and includes used materials and methods of making. It should be noted that materials should undergo quality control procedures and should be assessed as acceptable before manufacturing actually takes place.
- Such an approach is necessary because of the direct correlation between materials quality and the quality of leather garments.
- The fourth area relates to size. The size specifications are usually included in the contract.
- The fifth area relates to packaging, since it is vital for packing details to be closely adhered to.
- The sixth area concerns the payment methods and delivery terms as will be discussed under 2.1.2.

A contract is of importance if there is a disagreement.

A dispute could arise, for example because:

- the buyer is of the opinion that the garments are delivered late, i.e. later than agreed upon;
- the agreed quality level has not been met;
- the agreed quantity has not been met;
- the seller is of the opinion that the buyer does not live up to his financial commitments.

2.1.2 Payment methods and delivery terms

1. The delivery date of an order is always specified at the time of purchase. Suppliers should be aware that failure to meet the specified delivery will usually result in cancellation of the order or negotiations about claims for late delivery.
2. The same procedure can be expected in the case of products not meeting the standards of quality agreed upon in the contract and established by approved samples.
3. Payment takes place by letter of credit (LC), cash against documents (also known as D/P, documents against payment), clean payment (basic condition is that both parties know each other well and

depends on the credit worthiness of the importer), bank guarantee and cheques. Methods and terms of payment are discussed in the CBI brochure 'Exporting to the European Union'.

4. Goods may be delivered on a different number of terms ranging from 'ex works' to 'delivered duty paid'. The delivery terms are laid down in the so-called Incoterms 2000, established by the International Chamber of Commerce. The delivery terms most used are Cost and Freight (C&F), Cost, Insurance and Freight (CIF) and Free on Board (FOB). Goods are transported in containers by sea or in parcels (boxes on pallets) as air-freight.

2.1.3 Business practice

It takes considerable time before an importer gains confidence in a new supplier, but the advantage of a durable relationship is a better price for the producer, and more orders. All of this also depends on the existence of trade relations between the producer country and The Netherlands or another EU country. If (leather) garments from other factories in the country are often sold to an EU country, it will be easier to get an order than for a newcomer country, i.e. a (good) reputation has already been established.

Manufacturers in developing countries are often confronted with problems in quality requirements, sizing, packaging, environmental aspects, etc. Traditional trade relations between importers/wholesalers and importers/manufacturers and exporters are increasingly being replaced by contract manufacturing, co-makership agreements or even joint ventures.

In practice, we often see that exporting manufacturers send a fax or E-mail specifying an offer, or mail a sample to an importer, hoping to sell something this way. Usually, however, this will not work, and a producer who is seriously trying to build up exports should try a different approach. He should consider the following steps.

1. Start with desk research. Study all CBI information and information from other Trade Promotions Organisations (TPO) in Europe (Appendix 7 EU Market Survey 'Leather garments') on the subject, including CBI's brochure "Exporting to the European Union", CBI fashion forecasts, and CBI market surveys in your field. Study the export regulations concerning your country, especially the quota and tariff situation. Subscribe to leading trade and fashion magazines. Ask your country's Trade Promotion Office whether export promotion programmes are being organised in your field.

2. Pay a visit to Europe during the year you are planning to export. Inform an Import Promotion Organisation (IPO) beforehand when you pay a visit to Europe to obtain up-to-date information and advice. Plan a visit during a period in which a relevant trade fair is being organised in Europe (Appendix 5 EU Market Survey 'Leather Garments'). Visit the main shopping centres and department stores to obtain information on products, prices etc.
3. Select a number of appropriate prospective buyers for your products and try to make an appointment (Appendices 11 and 12 EU Market Survey 'Leather Garments'). Sometimes importers are contacted for a range of products, which are of no interest to them at all. Therefore, it is important to try and find out as much as possible about the importers beforehand.
4. Suppliers should have their offers accompanied by samples and a detailed description of the equipment (type and brand of machines, how old they are etc.) the producer uses. A note about how quality is controlled in the factory will also interest the importer. Importers buy on order from clients as well as on their own initiative, if an interesting offer is made. Importers generally complain that the offer is not specific enough and does not contain sufficiently detailed product information.
5. Quotations should be made on C&f, CIF or FOB basis, depending on the location of the producer and the purchasing habits of the importer. Prices should be mentioned in US\$, or in euro (€).
6. Large importers buying high volumes usually expect to obtain a lower price than the standard price. Suppliers must take this into consideration when setting their prices.
7. The importer needs the information mentioned above to be able to form an image of a supplier's factory and to make an estimate of the quality that can be expected. Before an importer places a serious order he will come to have a look at the factory.
8. Importers will usually ask for exclusivity. If such an agreement is made, it would be wise to stick to it, since failure to do so would result in a loss of confidence and in the interest to sell your products to the market.

A more detailed approach of market analysis and building up a business relationship is given in chapter 3.3 of this Marketing Guide.

Buying policies by the several retail types

Unorganised independent retailers, with decreasing market shares in most of the EU countries, buy directly from local or near-by manufacturers or agents representing these manufacturers, as well as from wholesalers/importers.

Most independent retailers are organised via franchise, selling formula or buying groups.

These organisations can be considered as multiple stores or chains. The original function of the buying groups was reduction in costs by centralising of buying and logistics. More and more selling formula for the members are being developed and the successful ones have been exploited as franchising activities.

In particular in Germany and The Netherlands, buying groups play a significant role for specialised independent retailers. The buying policy of buying groups becomes more and more similar to that of multiple stores.

Department stores combine a wide range in hardware and garments of branded goods and private labels (own assortment). Branded goods can also be sold by concessionaires or shop in the shops.

Contrary to buyers at clothing multiples, mail-order companies and variety stores, which have mainly or exclusively private labels in their assortment for fashionable products, divide their budgets between the purchase of finished products via direct imports from low-wage countries and sub-contracting to local or foreign companies, via outward processing trade (OPT) for the main orders (buying fabrics in Europe and Asia, for instance, and assembling production in Eastern Europe and Asia) and complemented by cut/make/trim (CMT) for re-orders.

Consumer expectations with regard to lower prices, in particular, and tough competition have resulted in the retailer's needs for lower inventories, less out of stock and lower mark-downs. Consequences for the buying policy are: less pre-seasonal orders; more collections per season; investment in seasonal planning and control; co-operation with suppliers (quick response/Electronic Data Interchange/EDI) and fewer suppliers.

Success formula like H&M and Zara are, for instance, based upon permanent replenishment and fast-moving goods.

2.2 Trade promotion

2.2.1 Trade fairs

An extended list of trade fairs, including information about organisers, is given in Appendix 5 of the Market Survey 'Leather Garments'.

The trade fairs can be classified by the following categories:

1. Leather oriented (tanners and suppliers) like Lineapelle (Italy), Le Cuir a Paris (France), Pielespana (Spain). These fairs give information on leather trends for fashion (and other destinations) and are a source of inspiration for, among other categories, apparel and many other manufacturers (footwear, handbags, luggage, belts etc.), traders and designers. The main event Lineapelle (Bologna, Italy) had 1,500 exhibitors in November 2001, who showed a collection of leathers, ranging from the basic sole leather through all exotic leathers available.

2. Leather garments (specialised trade fairs) like Mifur and Mipel (both in Italy), Fur and Fashion Frankfurt and International Mode Forum Offenbach (both in Germany).
3. Leather garments as part of general outerwear trade fair, like CPD, Interjeans/Herren-Mode-Woche (both in Germany), Prêt-à-Porter and SEHM (both in France), Pitti Immagini Uomo and Momi-Modamilano (both in Italy) etc.
The main event is the CPD Fashion fair in Düsseldorf, Germany, organised by Igedo. With over 2,000 international exhibitors, 180,000 square meters of exhibition space and more than 50,000 visitors, CPD is the largest fashion fair in the world. Other important general fashion fairs are SEHM (men's and boys' wear trade fair) and Prêt-à-Porter (women's wear) in Paris (France).
The trade fairs mentioned above are bigger and more internationally oriented than fairs such as those in the UK: MXL (Menswear Exchange London) covers men's casual wear, sports- and jeanswear but also classic clothes and 40 DEGREES with sport fashion, street and casual, club and jeanswear and in Denmark, the CIFF (Copenhagen International Fashion Fair). The CIFF has long been Scandinavia's most important fair. The Swedish fashion fair disappeared and the trade fairs in Norway (Oslo) and Finland (Helsinki) are small regional events. There is no specific fair for leather garments and/or outerwear in The Netherlands.
The leading trade fair in the field of casual and leisurewear in Europe is Interjeans (Cologne, Germany) combined with the Herren Mode Woche (Men's Fashion Week). The most important trade fair for active sportswear, including footwear and sport equipment, is the ISPO in Munich (Germany).

2.2.2 Trade press

Information concerning fashion is internationally oriented. A list of interesting international magazines is mentioned in Appendix 6 of the Market Survey 'Leather Garments'.

Information concerning footwear and footwear fashion is internationally oriented. A list of interesting international magazines is mentioned in Appendix 6 of the Market Survey 'Footwear'.

The trade press can be divided into four categories:

International fashion magazines specialised in leather mainly for designers

These magazines give an overview of the world's leading fashion shows, forecasting of colours, fabrics, designs etc. The main purpose is to gather information and obtain inspiration, in particular by designers. Frequently used are magazines like *Ars Arpel*, *Vogue Pelle* and *Mode Cuir*.

International fashion magazines for design, styling and forecasting departments

These magazines are specialised in outerwear and sometimes include leather garments, but give information about general trends, colours etc. Major magazines are: *Prêt-à-Porter Collections* (women's wear), *Men's Collections* (men's wear), *Donna Collezioni* and from the same publisher: *Uoma Collezioni* and *Sport & Street Collezioni*, *International Textiles*, *Textile View Magazine* and *Sportswear International*.

Magazines with information about production and trade in leather garments

Business and marketing analyses of the world's leather garments industry and trade are given in 'World leather' a global monthly magazine that covers the entire spectrum of the leather and tanning industry and 'World Sports Activewear' a global magazine for sports and active outdoor wear that covers the performance of active wear and equipment and the creation of fabrics and materials, all from the same publisher.

Magazines with information about production and trade in clothing including leather garments

Business and marketing analyses of the world's textile and apparel industry and trade are given in *Textile Outlook International*. The most important trade magazines in Germany are *Textil Mitteilungen* and *Textil Wirtschaft*, weekly magazines in the German language. Most information about clothing including leather garments in The Netherlands is given in *Textilia* and *Texpress*; both weekly magazines are in the Dutch language.

2.2.3 Assistance with market entry

Before approaching organisations abroad, it is recommended that the exporter checks with local trade promotion organisations, Chambers of Commerce and foreign representatives in his/her country whether the information required is readily available. There are many organisations in European countries which are important in the field of general representation, promotion and public relations activities for exporters in developing countries.

Business Support Organisations (BSOs)

In most EU countries, there are organisations (for example CBI in The Netherlands) which support imports from developing countries through a specific export promotion programme.

They can provide the following services:

- supplying information on:
 - statistics and publications about the national market
 - regular news bulletins
 - database of importers
 - product market opportunities

- individual assistance:
 - management training
 - testing products by display
 - product adaptation services
- establishing contacts:
 - collective trade fair missions
 - selling missions

See the list in Appendix 7 of the EU Market Survey 'Leather Garments' for addresses, telephone and fax numbers of Business Support Organisations.

Branch organisations

Producers, wholesalers and retailers are organised in branch organisations in most European countries. These organisations may help new exporters to the EU, by supplying information about the market. For addresses etc. of branch or trade organisations, see the list in Appendix 4 and, for other organisations which can be of assistance in entering the EU market, see the list in Appendix 8 of the market survey.

Market entry services:

- International trade fair participation in the EU (for selected fairs other than those which are part of Integrated Export Promotion Programmes);
- Consultancy for incoming missions;
- Support to outgoing buying missions;
- Individual assistance to visitors;
- Assistance to Trade and Marketing Centres.

CBI in The Netherlands has trade co-operation agreements with TPOs/BSOs in developing countries on:

- integrated Export Promotion Programmes;
- trade promotion;
- business information & communication;
- training;
- market entry services.

Checklist

The following checklist can also be found in the CBI guide, 'Exporting to the EU, The Netherlands as gateway to Europe'.

Preparation at home:

- Carefully assess the strengths and weaknesses of your company to determine the status of your business and of your export capacity. If you need assistance, contact your Trade Promotion Organisation;
- Study the opportunities and threats in Europe, looking at the following aspects: culture, jurisdiction, economy, demography, business climate, competition, level of technology and trade infrastructure;

- Fully investigate import regulations of relevance to your product and obtain information about future changes in the legislation;
- Summarise the opportunities and (possible) threats for your product in the target country;
- Draw up a list of interesting business contacts;
- Send out a direct mailing to those people, organisations or companies you have selected;
- Check the periods of the importers' buying season;
- Check the periods of relevant trade fairs;
- Check dates of public holidays;
- Plan a personal visit.

Work to be done during the business trip:

- Look at competing products in the market (price, quality, packaging, promotion, market share) and the total possible sales, buy samples of comparable products;
- Study the typical trade infrastructure for your product;
- Determine the most appropriate promotion opportunities to attract buyers;
- Study which cultural aspects influence the selling capacity of your product in the target market;
- Constantly update the list of possible interested parties for your product;
- Attempt to locate a possible trading partner for your product, find out his requirements concerning volume, prices, quality, service, finance, delivery, etc.;
- Analyse the possibilities to upgrade or adapt your product to the market requirements;
- Study, and adapt to, the national way of doing business in the selected country.

At home, after your business trip:

- Pay careful attention to follow-up activities, carry them out as soon as possible and as correctly as possible. Work according to a follow-up plan, clearly stating who in the firm is responsible for carrying out which activity at what time;
- Make a thorough analysis of the opportunities found and the possibilities within your firm;
- Analyse the potential threats and possible solutions;
- Work out an export marketing strategy if the venture should prove to be feasible.

3 MARKETING GUIDELINES

This section offers a “Business Guide” or checklist for exporters wishing to engage in exporting leather garments to the EU. The Business Guide aims to facilitate exporters in formulating their own market and product strategy, through a methodology of analysis and ready-to-fill-in frameworks.

The Business Guide consists of three parts:

- Product profiles, in which a selection of products will be highlighted (3.1).
- A market opportunity analysis to determine the suitable sales market(s) and the suitable sales channel(s) for leather garments (3.2).
- A checklist for building up a trading link (3.3).

3.1 Product profiles

The product profiles in this section are limited to one product, namely the leather jacket. The enormous variety in materials used, finishing techniques, designs, functions etc. makes it impossible to discuss all these types of jackets. We restrict ourselves to two kind of outdoor jackets, classical types and popular for many decades: bomber and other flight jackets and biker or motor cycle jackets. These product profiles summarise the main issues of interest to a (potential) exporter.

Besides the product requirements, the market structure and the main supplying countries are also briefly described.

3.1.1 Bomber and other flight jackets



Naming: The bomber jacket is a waist-length jacket, sometimes made of leather, worn by commercial airline pilots. Other names are aviator jacket, battle jacket or flight jacket. This jacket style was first worn as part of uniform by US Army pilots in World War II and was popular in the 1940s and 1950s. The quality of leather during this period was low and the number of colours was very limited, mainly black and brown. The bomber was adapted for sportswear in the 1960s, mainly in suede and nylon. The look of a (leather) bomber jacket is still quite distinctive today, and it continues to create a unique image for the wearer.

Market requirements

As for other outerwear articles, there are no general standards for leather garments. Most of the importers work with certain minimum requirements relating to materials and manufacturing. The minimum standard and the test method are described for materials and manufacturing. For example: colour fastness (change: EN ISO 105-A02, staining EN ISO 105-A03, light EN ISO 105-B02, dry cleaning leather IUF/434, water spotting leather IUF/420, rubbing leather IUF/450). For example, a description of manufacturing requirements can include among others: tear resistance of leather (IUP 8), minimum seam allowances for pressed open seams, criteria for sewing of fastenings, hems, pockets, collars, waistbands, linings, usage of yarns (monofilament is not allowed) can be part of the requirements.

Styling requirements

Since the early 1980s, the bomber jacket has been made in a variety of styles. The classic version was the B-3 bomber jackets, followed by A-2 and RAF Irvin jackets and many other types. The classic B-3 sheepskin is tanned from thick nappa leather, all-natural sheep fur, leather welted seams, brass zipper, buckled collar, waist-adjustment straps and either or not two front handwarmer pockets. The RAF Irvin jacket has, other than B-3, no contrast colour patches and standard front pockets for the hands, while the classic A-2 features front cargo pockets, snap-down collar, stitched-down epaulets, brass zippers, one-piece back and sleeves and inside pocket. The A-2 has been modified for women (shorter sleeves and body length) and children. The major colour is brown. Already in the sixties there was an updated and stylised version of the bomber jacket made from pig suede, with rib-knit cuffs, waist, collar lining, inside chest pocket and nylon lined raglan sleeves. The variety of colours covers brown, navy, green, black etc.

Wearing properties

Leather flight jackets are mainly worn in winter months, while the suede jacket can be worn in three seasons.

Sizes

In general, standard outerwear sizes are used for men, women and children. Sometimes the sizes XS, S, M, X, XL and XXL are used for men and for women. A comparison between these sizes is given in the chapter 'Size marking' of this Guide.

Materials

The original B-3 and RAF jackets are made from sheepskin and the A-2 from naked goatskin leather, but also from lambskin (sometimes antiqued to give it a look of aging), lightweight cow and horsehide but also from the lighter kangaroo hide. Pig suede is used for (sports) jackets.

Labelling

Basic information like brand name and size are sewn in the garment. Other consumer information like materials used, leather garment care etc. can be affixed. Leather garment care gives information like storage, drying, cleaning, advice to prevent damages.

Maintenance and durability

Instructions about cleaning or possibly washing are required, just like pre-treatment and other advice about the use of the garment. Most claims arise from the incorrect appliance of the cleaning instructions.

It is advisable to indicate "leather cleaners and conditioners only" on your care label, in order to avoid claim discussions.

Applications

Bombers or other flight jackets made of various kinds of leather are used in the cold winter months. The protective function is much less for suede jackets. These can be worn during several seasons.

Market structure

Consumption as well as imports have increased. Competition is strong, many manufacturers of outerwear and sportswear have jackets in their assortment and retail organisations have private labels as well as manufacturer's brands in their assortment.

The biggest consumption markets are Germany, UK, France, Italy, Spain and The Netherlands.

Main suppliers in order of importance

The 11 leading countries supplying EU imports (in terms of value) were in 2000:

China, India, Turkey, Pakistan, Germany, Italy, France, The Netherlands, Spain and UK and South Korea.

Germany and The Netherlands play an important role because of their transit-trade function.

Detailed information can be found in the market survey 'Leather garments'.

Brand names (not exhaustive):

Manufacturer's brands from the sector:
leather garments : Arma, Forster, Heltons, Jekel, JoJo, Mauritius, Redskins, Trapper etc.
outerwear : Timberland, Marlboro Classic, Diesel etc.
private labels : C&A, Marks & Spencer, We etc.

Packing

Leather jackets are first individually placed in ventilated bags and then packed in a cardboard box containing several items. The box is wrapped in a plastic foil and put into a waterproof textile bag. Labels on imported packing are mainly in English.

Prices

Consumer prices including VAT in the medium segment are:
suede (bomber) jackets US\$ 129-179
Classical B-3 bomber leather jacket US\$ 295-445.

Environmental influences

These influences are strongly increasing due to the awareness of buyers, end consumers, company regulations and domestic legislation.

Make sure, when your products are supplied to your importer, that they are accompanied by an “AZO safe” declaration.

This means that the dyes used for the leather have been tested by an accredited test institute and that no hazardous substances according to the Commodity acts in Germany, The Netherlands and France, were found in the dyes.

According to the criteria of EC Directives 67/548 and their updates, several dyestuffs are classified as carcinogenic, sensitive or allergy causing and are forbidden. Press buttons, zip fasteners etc., which come into contact with the human skin for a longer period must not release more than 0.5 µg nickel per cm² per week.

How to improve quality

Never stretch a skin to produce a bigger yield. If this is done, the parts will shrink back to their original shapes. As a result, the pattern parts will shrink back to their original shapes. Consequently, the pattern parts will not easily fit together.

The result will be an ill-fitting, poorly shaped garment.

Seams and hems must be glued with a good quality of leather glue which does not penetrate through the leather.

Minimum one spare button and/or snap fastener of each size has to be attached.

3.1.2 Biker or motor cycle jackets



Naming: The popularity of motor cycling has increased in nearly all EU countries. With increased sales of motor bikes the demand for specific protective clothing increased too. The function of mainly leather jackets, coats, trousers, coveralls and other accessories (made of leather like vests, boots etc. but also made of other materials, like helmets) covers protection against weather circumstances and eventually against falls.

Market requirements

As for other outerwear articles, there are no general standards for leather garments. Most of the importers work with certain minimum requirements relating to materials and manufacturing. The minimum standard and the test method are described for materials and manufacturing. For example: colour fastness (change: EN ISO 105-A02, staining EN ISO 105-A03, light EN ISO 105-B02, dry cleaning leather IUF/434, water spotting leather IUF/420, rubbing leather IUF/450).

For example, a description of manufacturing requirements can include among others: tear resistance of leather (IUP 8), minimum seam allowances for pressed open seams, criteria for sewing of fastenings, hems, pockets, collars, waistbands, linings, usage of yarns (monofilament is not allowed) can be part of the requirements.

Styling requirements

Protection and fashion are often the main criteria for buying motor cycle jackets. Popularity of this jacket increases among non-motor cyclists caused by the tough and fashionable character. Even a designer like Gaultier recently introduced a leather jackets with elbow and shoulder pads based on biker jackets.

Functional aspects on motor cycle jackets are among others: removable linings allow adjustment to weather conditions, strap-down collar and extra padding at elbow and shoulder pads. The main colour is black but also a variety of bright colours and patterns is offered.

Wearing properties

Functional motor cycle jackets are worn during the whole year, while fashion jackets are worn in other than summer months.

Sizes

In general, standard outerwear sizes are used for men, women and children. Sometimes the sizes XS, S, M, X, XL and XXL are used for men and for women. A comparison between these sizes is given in the chapter 'Size marking' of this Guide.

Materials

For protective reasons, strong firm, durable and thick leather is used like cowhide.

Hardware (zippers, buckles, buttons etc.) is mainly of chrome.

Labelling

Basic information like brand name and size are sewn in the garment. Other consumer information like materials used, leather garment care etc. can be affixed. Leather garment care gives information like storage, drying, cleaning, advices to prevent damages.

Maintenance and durability

Instructions about cleaning eventually washing are required, just like pre-treatment and other advices about the use of the garment. Most claims arise from the incorrect appliance of the cleaning instructions. It is advisable to indicate in your care label only consulting leather cleaners and conditioners, in order to avoid claim discussions.

Applications

Biker jackets are mainly used for motor cycling, but some types of these jackets are also worn as streetwear. The jackets are used the whole year for their origin function and for streetwear three seasons.

Market structure

Consumption as well as imports have increased. Competition is strong, but specialised motorcycle shops have an important market share in the medium and high segments. Competition in the low budget segment is much stronger. Manufacturers of outerwear and sportswear have jackets in their assortment based on the original biker jackets. The biggest consumption markets are Germany, UK, France, Italy, Spain and The Netherlands.

Main suppliers in order of importance

The 11 leading countries supplying EU imports (in terms of value) were in 2000:

China, India, Turkey, Pakistan, Germany, Italy, France, The Netherlands, Spain and UK and South Korea..

Germany and The Netherlands play an important role because of their transit-trade function.

Detailed information can be found in the market survey 'Leather garments'.

Brand names (not exhaustive):

Well-known brand names of leather motorcycling clothing including jackets are MQP, IXS, Rev'it, Shoei, Spyke, Daytona Sidi, Gaerne etc.

Packing

Leather jackets are first individually placed in ventilated bags and then packed in a cardboard box containing several items. The box is wrapped in a plastic foil and put into a waterproof textile bag. Labels on imported packing are mainly in English.

Prices

The enormous variety in types of jackets, materials used etc. makes it almost impossible to give prices indications.

Consumer prices including VAT in the lower segment: \$ 90-200 and in the medium segment: \$ 200-400.

Environmental influences

These influences are strongly increasing due to the awareness of buyers, end consumers, company regulations and domestic legislation. Make sure, when your products are supplied to your importer, that they are accompanied by an "AZO safe" declaration. This means that the dyes used for the leather have been tested by an accredited test institute and that no hazardous substances according to the Commodity acts in Germany, The Netherlands and France, were found in the dyes.

According to the criteria of EC Directives 67/548 and their updates, several dyestuffs are classified as carcinogenic, sensitive or allergy causing and are forbidden. Press buttons, zip fasteners etc., which come into contact with the human skin for a longer period must not release more than 0.5 µg nickel per cm² per week.

How to improve quality

Never stretch a skin to produce a bigger yield. If this is done, the parts will shrink back to their original shapes. As a result, the pattern parts will shrink back to their original shapes. Consequently, the pattern parts will not easily fit together. The result will be an ill-fitting, poorly shaped garment. Seams and hems must be glued with a good quality of leather glue which does not penetrate through the leather. Minimum one spare button and/or snap fastener of each size has to be attached.

3.2 Market analysis

The market opportunity analysis consists of four parts:

- Selection of target markets, to identify suitable markets for selling leather garments.
- Sales channel assessment, to estimate the requirements of potential sales channels in respect to product standards, logistics and marketing.
- Company assessment, to assess your company's performance in respect to product standards, logistics and marketing.
- Supply and demand comparison, to compare the requirements of the sales channels with your own company performance, so as to identify the most suitable sales channel(s).

The basic questions a future exporter must ask himself are:

- Is my company capable of exporting?
- Is there a market for my leather clothing items?
- Can I reach this market without major problems?
- Can I offer my products at an acceptable and competitive price?

3.2.1 Selection of target markets

The assessment of target countries helps to identify suitable countries and markets.

Each market is evaluated on five criteria:

- Market potential
- Product standards
- Trade situation
- Export conditions
- Export experience

When making the evaluations by means of the questions below, the following should be noted:

- There are three possible answers to each question, which are awarded by 1, 2 or 3 points each.
- If there is no exact answer to a question, it should always be awarded 2 points, to avoid distorting the statistics of the overall results.
- The points awarded for each criterion and the total points awarded are entered in a table for the final results.
- The total points awarded give a ranking for the markets analysed (top ranking for the country with the highest number of points and so on).
- Finally, the markets can be evaluated relatively (ranking) and absolutely (each market individually), in order to assess the opportunities and constraints within each market.

Subject evaluated	points
1 Market potential	
1.1 What is the estimated market volume for leather garments?	
<input type="checkbox"/> Large (3 pts.)	<input type="checkbox"/> Average (2 pts.)
<input type="checkbox"/> Small (1 pt.)	.....
1.2 How has the market volume developed during the last 3-5 years?	
<input type="checkbox"/> Grown (3 pts.)	<input type="checkbox"/> Unchanged (2 pts.)
<input type="checkbox"/> Declined (1 pt.)	.....
1.3 How has the per capita consumption developed during the last 3-5 years?	
<input type="checkbox"/> Grown (3 pts.)	<input type="checkbox"/> Unchanged (2 pts.)
<input type="checkbox"/> Declined (1 pt.)	.....
1.4 How have imports of leather garments developed during the last 3-5 years?	
<input type="checkbox"/> Grown (3 pts.)	<input type="checkbox"/> Unchanged (2 pts.)
<input type="checkbox"/> Declined (1 pt.)	.....
Evaluation of the total market for leather garments	.....
2 Product standards	
2.1 What requirements have been set for the quality of the leather garments concerned?	
<input type="checkbox"/> Low requirements (3 pts.)	<input type="checkbox"/> Medium (2 pts.)
<input type="checkbox"/> High requirements (1 pt.)	.....
2.2 To what degree are special sizes required?	
<input type="checkbox"/> Low (3 pts.)	<input type="checkbox"/> Medium (2 pts.)
<input type="checkbox"/> High (1 pt.)	.....
2.3 To what degree are regulations in force?	
<input type="checkbox"/> Low (3 pts.)	<input type="checkbox"/> Medium (2 pts.)
<input type="checkbox"/> High (1 pt.)	.....
2.4 How high are the standards demanded on packaging methods?	
<input type="checkbox"/> Low (3 pts.)	<input type="checkbox"/> Medium (2 pts.)
<input type="checkbox"/> High (1 pt.)	.....
2.5 How high is the demand on green (environmentally sound) manufacturing and packaging methods?	
<input type="checkbox"/> Low (3 pts.)	<input type="checkbox"/> Medium (2 pts.)
<input type="checkbox"/> High (1 pt.)	.....
Evaluation of product standards	.....

Subject evaluated	points
3 Trade situation	
3.1 How high is the demand for new suppliers (number of importers)?	
<input type="checkbox"/> Large (3 pts.)	<input type="checkbox"/> Average (2 pts.)
<input type="checkbox"/> Small (1 pt.)	.....
3.2 How many producers (sellers) are there in the target country concerned?	
<input type="checkbox"/> Few (3 pts.)	<input type="checkbox"/> Average (2 pts.)
<input type="checkbox"/> Many (1 pt.)	.....
3.3 What is the average price level?	
<input type="checkbox"/> High (3 pts.)	<input type="checkbox"/> Medium (2 pts.)
<input type="checkbox"/> Low (1 pt.)	.....
3.4 Is there a clear trade structure allowing for easy identification of trade partners?	
<input type="checkbox"/> Very clear (3 pts.)	<input type="checkbox"/> Rather clear (2 pts.)
<input type="checkbox"/> Low (1 pt.)	.....
Evaluation of the trade situation	.....
4 Export conditions	
4.1 Are there import restrictions that limit sales opportunities?	
<input type="checkbox"/> None (3 pts.)	<input type="checkbox"/> Few (2 pts.)
<input type="checkbox"/> Many (1 pt.)	.....
4.2 How high are the import duties?	
<input type="checkbox"/> Low (3 pts.)	<input type="checkbox"/> Medium (2 pts.)
<input type="checkbox"/> High (1 pt.)	.....
4.3 To what degree is the domestic industry subsidised?	
<input type="checkbox"/> Not at all (3 pts.)	<input type="checkbox"/> Somewhat (2 pts.)
<input type="checkbox"/> Strongly (1 pt.)	.....
4.4 Can I reach the market easily (time and cost of freight)?	
<input type="checkbox"/> Difficult & expensive (3 pts)	<input type="checkbox"/> Possible (2 pts.)
<input type="checkbox"/> Competitive (1 pt.)	.....
Evaluation of export conditions	.....
5 Exporting experience (of potential exporter)	
5.1 What is the level of information available on this market?	
<input type="checkbox"/> High (3 pts.)	<input type="checkbox"/> Average (2 pts.)
<input type="checkbox"/> Low (1 pt.)	.....
5.2 Do (or did) trade relations exist with the country concerned?	
<input type="checkbox"/> Yes, at present (3 pts.)	<input type="checkbox"/> Yes, in the past (2 pts.)
<input type="checkbox"/> No, never (1 pt.)	.....
5.3 Is language a problem?	
<input type="checkbox"/> Not at all (3 pts.)	<input type="checkbox"/> Somewhat (2 pts.)
<input type="checkbox"/> Very much (1 pt.)	.....
Evaluation of exporting experience	.....
Total evaluation of the individual market	.....
Points appraisal	
29-32	Either there are certain difficulties in trading with these market or countries, or their attraction rating is under-average. Examine individual cases to see whether special circumstances might have a positive effect on trade with some markets or countries
33-46	These markets or countries have an average attraction for trade. Examine individual low-rating criteria to see whether, in special cases, they might have a decisive influence on building up a trading link.
47-60	These markets or countries are highly attractive. Building up or expanding trade relations appears worthwhile.

3.2.2 Sales channel assessment

After evaluating the prospective markets, the particular sales channels within these markets must be assessed. Here you first have to identify the sales channel in each market, which suits your products best. After assessment of the performance of your own company (next section), comparison of the requirements of the sales channels with your company's performance will enable you to identify the most suitable sales channel(s). Sales channels vary from country to country and each market has its own preferred system. An overview of sales channels is given in Chapter 7.2 of the EU Market Survey 'Leather Garments'.

Sales channels may also vary according to the kind of sales transaction and/or relationship with buyers you want to establish in your selected markets.

When assessing sales channels exporters can follow three steps:

Step 1 Identify the best channel, gather information about the sales channels in question (importer/wholesaler, importer/manufacturer, retail organisations, like clothing multiples, department stores etc., etc.) and select the best option for your situation.

Step 2 Contacting sales channels

Step 3 Dealing with sales channels

1 Identify the best channel

1.1 What are the requirements of the sales channel identified regarding production techniques?

- no special requirements specific requirements

1.2 What are the requirements of this sales channel regarding design or styling?

- no special requirements specific requirements

1.3 What packing materials does this channel demand?

- not specific specific packing

1.4 What type of delivery cycle does this channel demand?

- none half year emphasis
 seasonal emphasis (4 times a year) equal distribution throughout the year

1.5 What quantities (lot sizes) are demand by this channel?

- low quantity normal quantity high quantity

1.6 What formalities does this channel demand from the exporter?

- none complete shipping documents without Customs declaration
 complete shipping documents including Customs declaration

1.7 Which are the usual terms of payment?

- clean payment documents against payment
 letter of credit bank guarantee

1.8 Which are the usual delivery terms?

- free on board (FOB) cost & freight (C&F) cost, insurance & freight (CIF)

2 Contacting sales channels

2.1 Do you usually contact new buyers at international trade fairs (direct approach)?

- yes no

2.2 Is this an international trade fair near your own country or is it a trade fair in Europe?

- your own country in Europe

2.3 Do you first contact retail organisations to see if your clothing products are in demand and afterwards contact wholesalers/importers or buying organisations supplying these outlets (indirect approach) ?

- yes no

2.4 An advantage is that you can gather much information from buyers from retail organisations and get to know the product assortment of prospective buyers before contacting them, do you agree?

- yes no

2.5 Another advantage is that you can collect market information on your products, do you agree?

- yes no

2.6 Which approach gives you the best opportunities for your investment (time and money)?

- direct approach indirect approach

continued

continue

3 Dealing with sales channels

3.1 Where do negotiations for this channel take place?

- in the producer country in a third country
 in the country of destination

3.2 Which persons influence business contacts in this sales channel?

- head of company/ general manager product group buyer
 sales manager marketing manager

3.3 How often does this sales channel expect a personal visit from the exporter?

- seldom between once a year and once per 2 years
 more than once a year

3.4 What sales support material is necessary for business contacts with this sales channel?

- none price list sales brochure

3.5 What promotional material is necessary in this sales channel for the further sale of the products?

- none product information special packaging
 product samples special marking: bar-codes

3.2.3 Company assessment

In order to identify the most suitable sales channel(s) for your company in the paragraph below, it is important to evaluate your company's performance.

The criteria therefore are:

- **Defining your speciality**
- **Product quality**
- **Ability to export**
- **Dealing with sales channels**

1 Defining your speciality

1.1 What is the speciality of your company?

- special skills special materials used in your products
 special combinations of material special techniques in clothing production
 special designs special in terms of low price level
 special in terms of fast delivery other speciality

1.2 In what respect is your company outstanding or unique in this speciality?

.....
.....

1.3 How can you explain your unique selling point (USP) to a buyer who is often well aware of competitive leather garments?

.....
.....

2 Product quality

2.1 What requirements on production techniques do you fulfil?

- no special requirements specific requirements

2.2 What requirements on design or styling do you fulfil?

- no special requirements specific requirements

2.3 What type of delivery cycle applies to your products?

- none half year emphasis
 seasonal emphasis (4 times a year) equal distribution throughout the year

2.4 Can you fulfil requirements on environmental issues?

- no yes (if yes, specify issues)

2.5 What packaging materials do you use?

- not specific specific packing:

continued

continue

3 Ability to export

- 3.1 Are you able to make product adaptations in your existing product range?**
 yes no depending on order quantity
- 3.2 Do you have sufficient means to finance exporting your products, for example?**
Making samples yes no
Communication tools (fax, e-mail etc.) yes no
Sales staff (English, French, Spanish speaking) yes no
Visiting customers yes no
Visiting trade fairs yes no
Pre-finance export orders yes no
- 3.3 Do you have good shipment facilities to guarantee a reliable delivery?**
 yes no
- 3.4 Can you handle documents about Customs, shipping, clearing etc.?**
 no complete shipping documents without Customs declaration
 complete shipping documents including Customs declaration
- 3.5 Can you indicate what percentage of total sales is accounted for by exports?**
 less than 10 percent 10-50 percent more than 50 percent
- 3.6 What is your financial availability for meeting the proposed terms of payment?**
 good acceptable insufficient
- 3.7 Which are your usual terms of payment?**
 clean payment documents against payment
 letter of credit bank guarantee
- 3.8 Which are your usual terms of delivery?**
 free on board cost & freight cost, insurance & freight
-

4 Dealing with sales channels (i.e. customers)

- 4.1 Where do you hold your sales negotiations?**
 in the producer country in a third country
 in the country of destination
- 4.2 Which persons do you know who influence business contacts?**
 head of company/ general manager product group buyer
 sales manager marketing manager
- 4.3 How often do you visit your customers personally?**
 seldom between once a year and once per 2 years
 more than once a year
- 4.4 What sales support material is available for further business contacts?**
 none price list sales brochures
- 4.5 What promotional material is available for the further sale of the products?**
 none product information special packaging

3.2.4 Determining the most suitable sales channel(s) and opportunities for strategic alliances

Using the checklists of the previous sections, you can now compare the corresponding checklists of the sales channel assessment and the company assessment, so as to identify the most suitable sales channel(s) for your products. This exercise can be made for each of the selected EU markets or for groups of countries, with similar requirements or conditions.

- Use the table at the right to record the number of answers for each sales channel, which agree with one another and those that do not.
- The sum of corresponding and non-corresponding answers show which sales channel is the most suitable. Non-corresponding answers represent problems that must be solved, before you can sell your products through a particular sales channel.

3.3 Building up a business relationship

The guide for building up a business relationship consists of five sections:

1. Reviewing the products and the product range:

- specifying range, width and depth
- specifying the product characteristics
- packaging design
- seasonal influences

2. Identifying a suitable trade partner

- filling out a contact exchange form
- evaluating the information

3. Drawing up an offer

- drawing up a general offer
- drawing up a specific offer
- general remarks

4. Handling the contract

- contract terms
- contract fulfilment

5. Sales promotion

- advertising and communication
- sales organisation
- participation in trade fairs

3.3.1 Reviewing the products and the product range

Definition

A product range consists of several product groups (range width), each with several different product items (range depth). One product can consist of several executions/models.

Consideration

A manufacturer/supplier can only select a suitable business partner if he/she is fully aware of exactly what range he/she can offer. A precise review of the product range, therefore, aims at pinpointing the most suitable candidate(s) among the many potential customers.

	Conditions agree	Conditions disagree
1 Identify the best sales channel		
1.1 The use of an importer	<input type="checkbox"/>	<input type="checkbox"/>
1.2 Sell to clothing chains, department stores etc.	<input type="checkbox"/>	<input type="checkbox"/>
1.3 Sell to wholesaler/importer	<input type="checkbox"/>	<input type="checkbox"/>
1.4 Sell to other channels	<input type="checkbox"/>	<input type="checkbox"/>
2 Contacting these sales channels		
2.1 Direct approach	<input type="checkbox"/>	<input type="checkbox"/>
2.2 Indirect approach	<input type="checkbox"/>	<input type="checkbox"/>
3 Dealing with sales channels		
3.1 Frequency of visits	<input type="checkbox"/>	<input type="checkbox"/>
3.2 Sales support material	<input type="checkbox"/>	<input type="checkbox"/>
3.3 Promotional material	<input type="checkbox"/>	<input type="checkbox"/>
4 Defining your speciality		
4.1 Uniqueness of your speciality	<input type="checkbox"/>	<input type="checkbox"/>
4.2 Your unique selling point	<input type="checkbox"/>	<input type="checkbox"/>
5 Product quality		
5.1 Requirements on production techniques	<input type="checkbox"/>	<input type="checkbox"/>
5.2 Requirements on design and styling	<input type="checkbox"/>	<input type="checkbox"/>
5.3 Ability to guarantee reliable delivery	<input type="checkbox"/>	<input type="checkbox"/>
5.4 Environmental issues	<input type="checkbox"/>	<input type="checkbox"/>
5.5 Packaging materials	<input type="checkbox"/>	<input type="checkbox"/>
6 Ability to export		
6.1 Ability to make product adaptations	<input type="checkbox"/>	<input type="checkbox"/>
6.2 Payment guarantee	<input type="checkbox"/>	<input type="checkbox"/>
6.3 Payment terms	<input type="checkbox"/>	<input type="checkbox"/>
6.4 Delivery terms	<input type="checkbox"/>	<input type="checkbox"/>
6.5 Sufficient funds to finance exporting	<input type="checkbox"/>	<input type="checkbox"/>
7 Dealing with sales channels		
7.1 Place of negotiations	<input type="checkbox"/>	<input type="checkbox"/>
7.2 Decision-makers	<input type="checkbox"/>	<input type="checkbox"/>
7.3 Frequency of visits	<input type="checkbox"/>	<input type="checkbox"/>
7.4 Sales and promotional support material	<input type="checkbox"/>	<input type="checkbox"/>
	Conditions agree	Conditions disagree
Number of answers	.....	.....

Procedure

Specifying the product characteristics

Make a review of all the products you make, together with their applications. Furthermore, state the minimum requirements to which they are related, your production capacity and the packaging method.

The reviews must enable potential customers to make a short appraisal of your complete product range and production capacity.

While mentioning your production capacity, it must be clear to your buyer that if all products offered are produced simultaneously for the same delivery period, your production capacity per product either remains unchanged or must be proportionately decreased.

The reviews must therefore always be kept up-to-date. The products and the range should be flexible so that adjustment and adaptation can be executed according to buyers' wishes.

Packaging design

The functions of packaging can be divided into:

- Packaging for shipment, to guarantee proper and easy storage and transport
- Packaging per item, which may include an attractive and sales promotion design

Besides these aspects, some European countries have introduced legislation that requires special packaging to ensure minimal environmental damage. The packaging must be biodegradable and/or recyclable.

The following questions aim at assisting you in designing your packaging:

Proper and easy storage and transport

- (1) Did you get any complaints about the quality of the products you supplied?

Possible causes:

Unsuitable packaging material.

“Overkill packing” (too many products in one or each box).

- (2) Do you use individual packaging for similar and/or different styles?

Consideration:

Do you use different folding moulds for different articles?

How much “idle space” does your packaging cause?

- (3) Does one of your clients/importers require special packaging?

Consideration:

Perhaps you could use this special transport packaging for your own exports as well as for your other clients.

Standard packaging and sizing

- (1) Does your importer require standard packaging and sizing?

Consideration:

Not meeting his requirements could have a negative influence on your business.

Recyclable or biodegradable materials

Fully recyclable packaging must be used when trading with certain business partners in certain countries, like Germany for instance. When this is the case, please observe the following:

Use recyclable cardboard and plastics according to the DSD (German Duales System) the so-called “Green Dot system”.

Colouring materials, used for printing on the cartons, should not be harmful to the environment.

Use no glue, which is harmful to the environment, or no glue at all.

Do not use environment-harmful metal clips or other harmful metallic alloys.

3.3.2 Identifying a suitable trading partner

Definition

Among the many potential customers, you must identify those who match your own company profile and product range and are therefore most suitable for building up a relationship.

At the end of the identification phase, the supplier should have selected the names and addresses of suitable trading partners.

Contacting one or more sources of information

In the producer's country:

The country of destination's Chamber of Commerce for Foreign Trade. The Economic Affairs departments of the country of destination's official representative (Embassy or Consulate).

In the country of destination:

- Import promotion organisation.
- Trade associations.
- Your own country's public and private trade promotion bodies.
- Your own country's diplomatic and consulate representatives.
- Chambers of Commerce.
- Trade fair organisers (catalogues).

Special features

Many sources of information only answer *written* inquiries! As a general rule: a detailed inquiry improves the chances of precise identification.

Evaluating the information

Evaluate the names and addresses you receive, using the following criteria:

- Is the information complete?
 - full address;
 - telephone, fax number and e-mail address;
 - name of the contact person(s).
- Is the importer active in the country you have selected?
- Does the importer focus his activities on the corresponding, i.e. your, product groups?
- Do you have enough sound information about the reliability of this partner?
- Check your potential buyers' financial status credibility if possible, otherwise always demands an LC (letter of credit).

Using these criteria, draw up a priority list of the contact addresses you have received.

3.3.3 Drawing up an offer

There are two kinds of offers:

- a general offer;
- a specific offer.

Drawing up a general offer

The purpose of drawing up a general offer is to make the first contact with potential trading partners with whom you, the supplier, are not yet personally acquainted.

A general offer consists of sending a short profile of your own company and a summary of your product range.

In some cases it might be helpful to send a reference list of existing customers (in countries other than your potential customer's one!).

Write a personal letter, *briefly* introducing your company and what you have to offer.

Drawing up a specific order

A specific order is legally binding for a certain period of time. You must therefore be capable of fulfilling the terms of contract. You should make up a specific offer only when you know the business partner personally or after you have made the initial contact.

When sending a specific offer, it should consist of two parts:

1. *written offer:*

- Name of the person responsible in your company;
- Exact description of the goods offered (referring to requirements);
- Price of the goods in the agreed currency offered in accordance with the Incoterms 2000 (ICC publication, if applicable, split up by delivery quantities or quality);
- Possible delivery date and terms of delivery; and
- Validity date of the offer.

2. *product samples:*

- Product samples must correspond exactly to the goods available for delivery. If they do not, this may cause a lasting negative effect on business relations;
- State the treatment methods used, if possible provide a copy of your internationally acknowledged inspection organisation.

General remarks

Recommendable action for both kinds of offers:

- Send, in advance, a copy of the AWB # (Air Way Bill number) to your contact person.
- Make a telephone check (the human voice, if you master the language, is the best means of communication) to ask whether the offer (and the samples, if applicable) has/have arrived.
- Send samples free of charge, but it is common practice to ask for a reasonable payment for size ranges and/or salesmen's samples.
- An invitation to visit your company.
- You could propose a visit to the country of destination. In that case:
 - if necessary, hire an interpreter.
 - ask your own consulate or other intermediaries for assistance.

Note:

Communication by e-mail is an excellent tool, especially when a reaction is executed within 24 hours. This is a very positive sustaining element towards buyers, making a reliable impression and instilling confidence.

3.3.4 Handling the contract

When handling the contract, you should consider the terms and the fulfilment:

Contract terms:

- Conclude the delivery terms according to the international guidelines (e.g. Incoterms 2000).
- Particularly when delivering for the first time, it is usual to deliver the goods on C&F or CIF basis as agreed and payment by L/C.

Contract fulfilment:

- Procure the delivery documents on time.
- Comply strictly with all parts of the supply agreement.
- If you cannot comply with any part of the agreement (e.g. delivery delays or quality problems), inform the customer clearly and in good time.
- Co-operate on a partnership basis and seek a common solution, even if conflicts arise.
- Fulfilling the contract should have a high priority, particularly when delivering for the first time.

3.3.5 Sales promotion

Sales promotion measures develop and expand the following:

- customer relations
- consequences for the production capacity

Developing customer relations:

- Take good care of existing customers (continuity). This includes for example expressions of thanks to business partners, regular update on the product range, etc.
- Brochures of your product range may be useful for promoting sales.
- Keep your business partners posted about your product developments.

Expanding production capacity:

- In some cases, you may be able to increase your production capacity for existing customers.
- The product range should be guided by demand. Changes to the product range may become necessary.
- If you can increase your production capacity (without loss of quality), you could consider looking for new sales outlets.
- Always answer a letter of inquiry. If you cannot supply this contact, explain the reason, but state you will get in touch with him as soon as the opportunity arises.

Advertising and communication

Definition

Advertising refers to communication measures with the aim of increasing the sales of your products. The prerequisites for successful communication measures are:

- A clearly defined target group → “Who buys my product?”
- A well formulated message → ”What do I want to tell my customer?”

Recommendations

It is advisable to commence with communication measures, which require only a small amount of planning and co-ordination, such as revising the company’s standard printed matter.

- Standardise all **printed paper** used outside the company (letterheads, business cards, fax form, etc.).
- Prepare long-term **sales documentation** (company brochure, product range review, etc.).
- Prepare product-specific **sales folders**.

Constant, prompt and reliable communication is a vital prerequisite for maintaining a long-term business relationship with a customer (“communication is the name of the game”).

Sales organisation

The term “sales organisation” refers to the organisational system that carries out the sales of the company’s products.

A sales organisation usually consists of desk sales force (office staff) and a field force (front liners).

<p>Desk sales force (Office staff)</p> <hr/> <ul style="list-style-type: none"> • Selling • Handling correspondence • Handling offers and orders • Issuing forwarding instructions • Issuing and checking invoices • Checking schedules • Keeping customers records • Expediting product samples • Keeping sales statistics • Evaluating markets • Updating on EN standards • Intermediary for implementing <p>QUALITY CONTROL</p>	<p>Field force (Front liners)</p> <hr/> <ul style="list-style-type: none"> • Selling • Visiting customers • Presenting new products • Discussing and implementing campaigns • Discussing listings • Holding periodical reviews with customers • Implementing selling prices • Checking competitors edges <p>CONNECT BACK TO PRODUCTION and QUALITY CONTROL</p>
--	--

Organising sales campaigns by telephone

The clothing industry and trade is dynamic, because of four or even more collections per year. Once the on-going business (continuity) with customers has been established, the business is concluded by the modern means of communication: phone, fax and e-mail. A well functioning desk sales force (office staff) and excellent communication skills are consequently an absolute prerequisite for successful market consolidation.

The essential tool used in the desk sales force department is a detailed and up-to-date customer database. The customer database contains:

- Basic data on the customer (e.g. long-term data such as name, address, telephone etc.).

- Changing data on the customers, resulting from contacts with the customer (such as phone calls, offers, sales statistics, etc.).
- The customer’s specialisation in relation to his assortment.

The customer’s database gives a desk sales person or front liner a quick review of the most important customer data when planning a telephone call. If possible, the customer database should be computerised, because this simplifies changes, updating, sorting and selection procedures, etc. If computerisation is not possible, the customer data should be kept on file cards (see example).

Customer Data Sheet			
Company			
Company:	Customer No.:		
Street:	Customer class*: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D		
P.O. Box:	First contact date: __/__/__		
Postal code:	Sales person:		
Town:	Customer type:		
Country:	(Importer, wholesaler, agent, retailer)		
Tel.:	Sales last year:		
Fax:	Sales plan this year:		
E-Mail:	Method of payment:		
Internet:	Delivery conditions:		
.....	Remarks:		
Business partners:			
1. Title:	First name:	Name:	
Function:	Tel.:	Fax:	E-mail:
2. Title:	First name:	Name:	
Function:	Tel.:	Fax:	E-mail:
3. Title:	First name:	Name:	
Function:	Tel.:	Fax:	E-mail:
4. Title:	First name:	Name:	
Function:	Tel.:	Fax:	E-mail:
* Classify customers by importance for your company (sales, quality of relation etc.)			

Customer contact record			
Date	Contact person	Topic/ Offer	Contract

Participation in trade fairs

Once the final decision is made that your company will focus on exporting for the years to come, remember: "Exporting is a long-term business" and to start exporting must be a very well considered decision. Participation in national and international trade fairs may be a useful sales promotion tool in the clothing sector. Besides a heavy financial involvement (travelling, accommodation, sampling etc.), trade fair participation requires advance knowledge and a detailed survey because of its complex nature:

- Selection of a suitable trade fair
- Preparations for participation, design and lay-out of the stand, which includes lighting, furniture, wall and floor coverings, decorations, drinks (coffee, tea etc.) etc. Skilled staff (office and front liners) is necessary.
*Note: Think of the language problem and the physical presentation of the front liners!
The internal communication between production and sales also plays a major role.*
- Participation
- Follow-up activities.

Pre-fair activities:

Up-date your collections (try to be updated on the latest changes and trends in fashion etc.).

- Up-date your customer files.
- Prepare all documentation (business cards, company brochures, leaflets).
- Make use, if possible of a business related consultant.
- Make a preparatory mailing, informing your present and potential clients of your exact booth location at the fair and invite them to visit you and/or propose to visit them (i.e. the existing clientele).

Note: Keep your mailing short, preferably in one-liners.

Running fair activities:

- Register all contacts (prepare Visitor's Company Profiles or VCPs).
- List them under different priority levels, i.e.: "High", "Medium" and "Low".
- If possible have a two persons booth crew, so one can source and determine your competitive position.
- Be a perfect host! Bear in mind that most visitors have travelled a long way and come with great expectations!

Post-fair activities:

- Enter all your contacts in a database or file them otherwise.
- Fulfil your promises in time, concerning sending samples, leaflets, brochures, price lists, quotations etc.
- Send the contacts a "Thank you" letter for visiting your booth.
- Pay special attention to the "High Priority" listed contacts.

Business Support Organisations, Branch Organisations, Test Institutes, Commercial Departments from Embassies, Consulates and related business consultants of the clothing industry may be of help in providing information about relevant trade fairs. A detailed list of trade fairs is given in the market survey. Some of these organisations and/or persons may also advise and/or assist the exporter in participating in a trade fair.

APPENDIX 1 EXAMPLE OF MINIMUM MANUFACTURING SPECIFICATIONS

1. Seam construction

- 1.1 Minimum seam allowance for pressed-open seams 1.0 cm.
- 1.2 Stitch density must be compatible with the quality of the material.
- 1.3 The seat seams must be reinforced with tape.
- 1.4 Seams which have to keep their exact measurement must be reinforced.
- 1.5 All darts must be taken to a fine point and the ends must be firmly secured.
- 1.6 All pleats and the tops of all vents must be firmly secured.
- 1.7 Vents and pleats must have sufficient overlap.
- 1.8 Straight pleats must be even in width. The stitchings must be level at the ends.
- 1.9 Attachment points of front facings to front panels should not be visible.
- 1.10 Front panel facings must be attached to the hem.
- 1.11 Piping trims must be finished to the specified width and must not pucker.
- 1.12 Gathers must be correctly distributed.
- 1.13 All seams must be finished off securely.
- 1.14 Needles, machine settings and yarn count must be such that damage to the material and seams does not occur.
- 1.15 Cross seams must be carefully secured.

2. Finishing

- 2.1 Seams must be glued flat with a good quality of leather glue which does not penetrate through the leather.

3. Hems

- 3.1 Minimum depth for hems 3 cm, style permitting.
- 3.2 Minimum depth for hems in trousers without turn-ups 4 cm.
- 3.3 Minimum depth for hems in straight skirts 3 cm. In all other skirt styles, the width of the hem must be compatible with the style.
- 3.4 Hems must be carefully secured.
- 3.5 Hems must be free from filing impressions.
- 3.6 Hems must be glued with a good quality leather glue which does not penetrate through the leather.
- 3.7 Sleeve hems must be secured to the seams in at least two places.
- 3.8 Turn-back cuffs must be secured to at least the underarm seam.
- 3.9 Hems must be flat without twisting and must be even in depth.

4. Fastenings

- 4.1 The stitch density for buttonholes must be sufficient to ensure full edge cover, without loose thread-ends. Buttonholes must not lose their shape.
- 4.2 Buttons and buttonholes must be compatible with each other in size.
- 4.3 Piped buttonholes must have perfectly square comers. The facing must be attached to the pipes by means of countersunk stitching.
- 4.4 A spare button and/or snap fastener of each size is obligatory.
- 4.5 All fasteners and accessories must be colour fast, rustproof and smooth-edged.
- 4.6 Buttons must be securely attached.
- 4.7 All fasteners and accessories must be securely attached.
- 4.8 Fastening buttons must be attached through at least two layers of material.
- 4.9 Fastening buttons must be shanked and necked and back buttons must be used.
- 4.10 Fastenings buttons must be shanked.
- 4.11 All hooks and bars must be carefully attached to backing plates with 4 and 2 holes, respectively, through at least two layers of material.
- 4.12 Buttons as well as hooks and eyes must be so positioned as to avoid strain on the zip fastener.
- 4.13 Snap fasteners must be compatible with the material and its thickness, and must be attached with the right pressure through at least two layers of material.
- 4.14 The tails of button loops must be double-stitched or bar-tacked.
- 4.15 The wrap of the fastening and the alignment of the fastening points must be such as to prevent gaping.
- 4.16 Double-breasted garments must have an inside fastening.

- 4.17 Front zip fasteners must be covered on the inside by a fly shield, style permitting. If there is a shield, all material layers must be fastened together or bar-tacked together at the level of the bottom stop.
- 4.18 Flies must be firmly secured at the bottom.
- 4.19 The bar tacks must be so positioned that the material cannot tear.

5. Zip fasteners

- 5.1 Zip fasteners must meet the zip fastener specifications.
- 5.2 The colour of the zip fastener must be compatible with that of the shell material, unless otherwise agreed.
- 5.3 Functional zip fasteners must be correct in length and type.
- 5.4 Unbranded zip fasteners must not be used.

6. Sewing of zip fasteners

- 6.1 All zip fasteners must be sewn in correctly.
- 6.2 Top and bottom must be firmly secured.
- 6.3 Zip fasteners must be long enough to ensure that the garment can pass over the head without any strain.
- 6.4 Zip fasteners must be long enough to ensure that the garment can pass over the hips without any strain.
- 6.5 Zip fasteners in trouser legs must be long enough to ensure that the foot can pass through easily.
- 6.6 Zip fasteners must be sewn in in such a way that the slider cannot foul the shell material or lining.
- 6.7 The bottom stop must not be positioned more than 0.5 cm above the bar tack or finishing stitch.
- 6.8 The bottom stop must not be positioned more than 0.5 cm above the bar tack or finishing stitch.
- 6.9 In pockets and neck openings the slider may stop at a horizontal seam.
- 6.10 Zip fasteners must not have sharp edges.

7. Pockets

- 7.1 Minimum depth for visible pocket facings 4 cm.
- 7.2 Pocket facings must be attached securely to the pocket bags.
- 7.3 All pocket openings, including those of inside pockets, must be firmly secured at the corners.
- 7.4 All pocket openings must be secured at the corners by attaching a strong material on the inside.
- 7.5 All pocket flaps must be firmly secured at the corners.
- 7.6 Pocket bags and openings must be large enough for their end use.
- 7.7 Pockets in front panels must be attached to the front of the garment.

8. Collars

- 8.1 Collars must cover the neck seam.
- 8.2 Under collars must not be visible.
- 8.3 Top and under collars must be compatible in size and must not pucker.
- 8.4 Collar ends must balance.

9. Waistbands and cuffs

- 9.1 Knitted and other stretch neckbands, waistbands and cuffs must have sufficient and permanent stretch and recovery.

10. Waistbands

- 10.1 Stretch waistbands must stretch to at least the hip width.
- 10.2 Waistbands must have a button fastening, a hook and eye or a hook and bar.

11. Interlining

- 11.1 Interlining must be the correct size and must be carefully attached.
- 11.2 Interlining must be attached correctly and permanently.
- 11.3 Padding must be sewn into the seams.
- 11.4 Padding must be prevented from sagging.
- 11.5 Padding must not penetrate the shell material or the lining.

12. Lining

- 12.1 Minimum seam allowance for closed lining seams 0.7 cm, for pressed-open lining seams 1.0 cm.
- 12.2 Minimum stitch density 4 stitches per cm.
- 12.3 In garments with free-hanging linings, the lining seams must be overlocked up to at least 30 cm above the hem.
- 12.4 Pinking is not allowed.
- 12.5 Linings must be attached to the armholes in at least two places, except in the case of raglan sleeves.
- 12.6 The lining must be 2 cm shorter than the garment.
- 12.7 The entire outer edge of detachable linings must be bound.
- 12.8 Seams in detachable linings must be fully finished.
- 12.9 Vents must be reinforced at the comers.
- 12.10 Lining hems must be rolled, or overlocked, turned and stitched.
- 12.11 The upper edge of the lining must be at least 1 cm above the end of the closing seam.

13. Threads

- 13.1 Threads must be colour fast and compatible with shell material and lining as regards:
 - breaking strength
 - elasticity
 - heat resistance
 - shrinkage
- 13.2 Monofilament thread is not allowed.

14 Special factors

- 14.1 All materials and accessories must be compatible with each other, and the finished garment must perform in accordance with the instructions on the care label.
- 14.2 Marking points must not show.
- 14.3 Minimum neck opening (stretched):
 - up to and including size 92: 54 cm
 - from size 92 up to and including size 140: 56 cm
 - larger sizes: 60 cm
- 14.4 Neckline facings must fully cover the neck opening.
- 14.5 In the case of patterned materials, the pattern must match centre front and centre back. Sleeves must be paired; other details must be matched where possible.
- 14.6 Decorative stitchings must be finished off securely.
- 14.7 Smockings must be carefully finished and fully secured into the seams,
- 14.8 Appliqués, embroideries and prints must be carefully and securely applied.
- 14.9 The length of the belt must be compatible with the size of the garment. The centre eyelet must be the waist measurement. The construction of buckles without a pin must be such that the belt remains firmly closed.
- 14.10 The length of tie belts must be compatible with the size of the garment, and the opening must be securely closed.
- 14.11 The belt must have a rider.
- 14.12 Belt loops must be securely attached.
- 14.13 The strength of the hanger-loop must be compatible with the weight of the garment. Hanger-loops must be securely attached.
- 14.14 Twisted legs are not allowed.
- 14.15 All eyelets must have a backing ring and must be rustproof. They must be so attached that they cannot pull out of the material.
- 14.16 All shoulder pads must be covered and must be attached securely to the shoulder seams and at the front and back of the armholes, style permitting. Visible shoulder pads must be compatible with the shell material as regards colour.
- 14.17 Elasticated edges and elastic inserted in openings must have sufficient and permanent stretch and recovery.
- 14.18 Quilting stitchings must not run back beyond the closing seams.
- 14.19 Edge bindings must fully contain the fabric edge and must be smooth in appearance.
- 14.20 Ends of decorative ties and drawstrings must be finished off or knotted.
- 14.21 The merchandise must have a “pleasant” leather smell: check this with the client.
- 14.22 Openings through which draw-strings pass must be finished off securely.
- 14.23 All pieces must be carefully sewn and pressed. Care must be taken to avoid indentations and glazing.
- 14.24 All pieces must be carefully sewn. Linings must not be twisted.

APPENDIX 2 EXAMPLE OF MINIMUM MATERIAL SPECIFICATIONS

Test	Test method	Minimum standard	
Tear resistance leather	IUP/8	3daN per 10 mm and 3.5 daN (absolute)	
Colour fastness		Leather	Nubuck and suede
Change	ISO 105-AO2	4	4
Staining	ISO 105-AO3	4	4
Light	ISO 105-BO2	5	–
Dry cleaning leather	IUF / 434	4	4
Water spotting leather	IUF / 420	4	3
Respiration	ISO 105	3-4	3-4
Rubbing leather			
Dry 50 cycles	IUF / 450	3 - 4	–
Dry 20 cycles	IUF / 450	–	3 - 4
Wet 50 cycles	IUF / 450	3	–
Wet 10 cycles	IUF / 450	–	2
Pentachlorophenol (PCP)	Chemical test	max. 5 ppm	

Nickel

Consumer goods such as jewellery, snap fasteners, press buttons, zip fasteners, etc., which come into contact with the human skin for a longer period must not release more than 0.5 ug nickel per cm² per week.

Dyestuffs

According to the criteria of Annex VI of the EC Directive 67/548, updated by Directive 91/325, the following dyestuffs are classified as carcinogenic and are forbidden:

C.I. Basic red 9 (Magenta)	42500
C.I. Disperse blue 1	64500
C.I. Acid red 26	16150

This list of dyestuffs may be updated with those components classified as carcinogenic in new EC Directives.

The following dyestuffs are classified as potential substances that may be sensitive and are forbidden:

C.I. Disperse blue 1	64500
C.I. Disperse blue 3	61505
C.I. Disperse blue 106	
C.I. Disperse blue 124	
C.I. Disperse orange 3	11005
C.I. Disperse yellow 3	11855
C.I. Disperse red I	11110
C.I. Disperse red 17	11210

This list of dyestuffs will be continuously extended by others which may be considered as sensitive as a result of medical knowledge.

In the category of dyestuffs the following coupling component is considered allergy causing, and is forbidden:

C.I. Naphtol AS	37 505
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Dyestuffs Extraction., thin layer chromatography
Dyestuffs that may reductively be cracked to arylamines of MAC Group III A 1 and MAC Group III A 2 are forbidden.

Formaldehyde Japanese Law 112-1972 < 75 ppm
Acetyle-acetone method
(worn next to the skin)

Formaldehyde Japanese Law 112-1972 < 300 ppm
Acetyle-acetone method (outerwear)

CBI puts you in touch with the markets of Europe

CBI, the Centre for the Promotion of Imports from developing countries, is an agency of the Netherlands Ministry of Foreign Affairs. Since its establishment in 1971, CBI operates within the policy framework set by the Minister for Development Co-operation. Its mission is to contribute to the economic independence of developing countries. To fulfil this mission, CBI aims at strengthening the competitiveness of companies in those countries on international markets, primarily the West-European market, by improving conditions in enterprises and business support organisations. CBI considers social values and compliance with the most relevant environmental requirements to be an integral part of its policy and activities

CBI offers various programmes and services to its target groups:

Market information

- CBI News Bulletin (6 times annually);
- CBI guide "Exporting to the European Union";
- Market surveys and strategic marketing guides covering the EU including The Netherlands;
- Quick scans on environmental, social and health issues;
- Manuals on subjects such as technical and environmental regulations, trade fair participation, Fashion Forecast etc.;
- CBI's extensive Web site at www.cbi.nl providing general information about CBI, details about CBI programmes, CBI publications (downloadable free-of-charge) and the GreenBuss database on European trade-related environmental policy and technology;
- CBI's Trade Documentation Centre offering supply-related information to importers, such as exporters' directories, country and sector information, periodicals from developing countries, and - to visiting exporters - demand-related information such as market information, trade magazines, address books of European companies etc.

Matching services

CBI's computerized exporters' and importers' databases, containing around 3,500 regularly updated company profiles, are instrumental in providing buyers and suppliers with relevant company data on potential trade partners.

Export promotion programmes (EPP)

Step-by-step approach providing intensive assistance to selected exporters in developing countries in order to obtain a firm and lasting position on the EU market. Made to measure, demand-driven and flexibility are combined with fixed elements such as:

- pre-selection of candidates based on written documentation;
- technical assistance during company visits and distance guidance by CBI branch experts;
- export marketing training (for instance through the EXPRO seminars);
- market entry (for instance via participation in European trade fairs);
- market consolidation by way of follow-up support, further technical assistance and/or repeat market entry activities.

Human resources development

- BSO MARKET INTEL: five-day seminar in Rotterdam for relevant middle management staff of BSO's, aiming at supporting BSO's in establishing or improving a Market Information Service (MIS);
- CAPITA: two-week seminar in Rotterdam for specific industry & trade associations. Aims to provide -through their associations- specific industries or sectors in developing countries with tools to engage in business relations with importers and/or manufacturers in the EU;
- BSO-FAME: two-week seminar in Rotterdam for project managers of BSOs focusing on practical knowledge and applicable tools in export promotion to international markets in general and the European market in particular;
- IntFair: two-week seminar in Rotterdam for BSO staff members on the organization of collective participation in European trade fairs;
- Expro: seven-day seminar in Rotterdam on export marketing and management for selected exporters participating in a CBI export promotion programme;
- Workshops in developing countries: 2-4 days for BSOs and/or exporters, focussing on general export marketing and management, a specific product sector or on specific subjects.

Multilateral co-operation

CBI co-operates with the International Trade Centre (ITC/WTO) to globalize trade promotion and with other European import promotion organizations to increase efficiency and effectiveness by combining efforts.

Please write to us in English, the working language of the CBI.

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