

## **Global Perspectives on Marketing and Promotion Strategies in Leather Industry**

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### **Abstract**

The leather industry is a significant contributor to the global economy, playing a crucial role in trade, employment, and economic development. With its wide-ranging impact on various sectors and regions, the industry's global presence is deeply intertwined with the overall health and dynamics of the global economy. This article explores the relationship between the leather industry and the global economy, highlighting its contributions, challenges, and future prospects. One of the key aspects of the leather industry's impact on the global economy is its contribution to international trade. Leather and leather products, including footwear, garments, accessories, and upholstery, are traded extensively across borders. Many countries specialize in leather production and capitalize on their competitive advantages, creating a thriving global trade network. The industry's exports generate substantial revenue and contribute to the balance of trade for both developed and developing nations. Furthermore, the leather industry serves as

a significant employer globally, providing livelihoods to millions of people. It encompasses various stages of production, from raw material sourcing and tanning to manufacturing, retail, and distribution. This labor-intensive nature creates job opportunities, particularly in regions where leather production is concentrated. The industry's employment generation supports economic growth, poverty alleviation, and social stability. The leather industry's impact on the global economy extends beyond trade and employment. It drives economic activity through its integrated value chain, which involves multiple sectors and stakeholders. From livestock farming and raw material suppliers to manufacturers, designers, retailers, and consumers, the industry fosters linkages and economic interdependencies. Investments in infrastructure, logistics, and technology support the industry's operations, creating a ripple effect on the broader economy. However, the leather industry also faces challenges within the global economy. One such challenge is sustainability. Environmental concerns related to waste management, water usage, and the treatment of chemicals pose significant challenges for the industry. Increasingly, consumers demand transparency and ethical practices, pressuring the industry to adopt sustainable production methods and mitigate its environmental footprint. Moreover, the leather industry is subject to the fluctuations and dynamics of the global economy. Economic downturns, currency fluctuations, and trade policy changes can impact the industry's profitability and competitiveness. Shifts in consumer preferences, fashion trends, and market demand also pose challenges and require adaptability from industry players.

*Keywords : FDI in Leather Industry, Government Perspectives on Leather Industry, Global Aspects on Leather Industry*

## I

### **Introduction**

The leather industry has a substantial impact on the global economy, playing a vital role in trade, employment, and economic development. With its extensive reach and interconnections, the industry's presence is deeply intertwined with the overall health of the global economy. The relationship between the leather industry and the global economy is multifaceted and encompasses various aspects.

International trade is a key driver of the leather industry's impact on the global economy. Leather goods, including footwear, garments, accessories, and upholstery, are traded extensively across borders. Many countries specialize in leather production and leverage their competitive advantages to foster a thriving global trade network. The industry's exports generate significant revenue and contribute to the balance of trade for both developed and developing nations.

Furthermore, the leather industry is a major employer worldwide, providing livelihoods to millions of people. It encompasses various stages of production, from sourcing raw materials and tanning to manufacturing, retail, and distribution. The industry's labor-intensive nature creates job opportunities, supporting economic growth and social stability in many regions.

The industry's impact extends beyond trade and employment. Its integrated value chain involves multiple sectors and stakeholders, fostering economic interdependencies. Investments in infrastructure, logistics, and technology further support the industry's operations, creating a ripple effect on the broader economy.

However, the industry also faces challenges within the global economy, including sustainability concerns and changing consumer preferences. Environmental considerations such as waste management and chemical usage have become significant focal points. Adapting to evolving consumer expectations, adopting sustainable practices, and mitigating environmental impacts are crucial for the industry's long-term viability.

Despite these challenges, the leather industry presents opportunities for economic growth and innovation. Technological advancements, such as alternative materials and sustainable tanning processes, offer avenues for differentiation and value addition. Embracing responsible sourcing, investing in research and development, and leveraging digitalization can enhance the industry's competitiveness and drive economic growth.

### **Assorted Aspects**

The leather industry's impact on the global economy is substantial, driven by international trade and employment generation. Overcoming challenges through sustainable practices and embracing innovation will be key to its future success. By adapting to changing consumer demands and leveraging technological advancements, the industry can continue to contribute significantly to the global economy.

The leather industry plays a significant role in the world economy, contributing to economic growth, employment, and trade. Here are some key points highlighting the relationship between the leather industry and the world economy:

1. Contribution to GDP: The leather industry contributes to the gross domestic product (GDP) of many countries worldwide. It encompasses various sectors such as raw material sourcing, tanning, manufacturing, and retail. The industry's value chain generates economic activity and adds to the overall GDP of both developed and developing nations.

2. Employment Generation: The leather industry is a significant employer globally, providing job opportunities across the value chain. It encompasses skilled workers in tanneries, manufacturing units, design studios, marketing and sales, and retail outlets. The industry's labor-intensive nature contributes to job creation, income generation, and poverty alleviation in many regions.

3. International Trade and Exports: The leather industry is a major player in international trade. Many countries specialize in the production and export of leather and leather products, capitalizing on their comparative advantages. Global trade in leather goods, including footwear, garments, accessories, and upholstery, drives economic activity, fosters international relations, and contributes to foreign exchange earnings.

4. Value Addition and Supply Chain Integration: The leather industry is involved in a complex global supply chain, involving multiple stakeholders from raw material suppliers to manufacturers, retailers, and consumers. This integration creates value at each stage, supporting economic linkages and promoting international trade partnerships.

5. Impact on Small and Medium Enterprises (SMEs): The leather industry provides opportunities for small and medium-sized enterprises (SMEs) to participate in global trade. SMEs often play a crucial role in the industry, contributing to job creation, innovation, and regional development. Their participation in the leather value chain enhances economic diversity and resilience.

6. Technological Innovation and Research: The leather industry drives technological innovation and research in areas such as sustainable manufacturing processes, alternative materials, and product development. Investments in research and development contribute to technological advancements and create new opportunities for economic growth and competitiveness.

7. Economic Challenges and Opportunities: The leather industry faces challenges such as changing consumer preferences, sustainability concerns, and evolving trade dynamics. However, it also presents opportunities for countries to leverage their strengths, invest in sustainable practices, enhance product quality and design, and capture a share of the global market.

It is important to note that the economic impact of the leather industry can vary across countries and regions. Factors such as government policies, market demand, labor availability, and access to raw materials influence the industry's contribution to the overall world economy.

In today's globalized economy, the leather industry faces intense competition, making effective marketing and promotion strategies essential for success. This article examines global perspectives on marketing and promotion strategies in the leather

industry, exploring various approaches adopted by companies worldwide to attract customers, increase brand visibility, and drive sales.

### 1. Brand Positioning and Differentiation:

Creating a strong brand identity and differentiating oneself from competitors is crucial in the leather industry. Companies focus on developing unique selling propositions, highlighting factors such as product quality, craftsmanship, design innovation, sustainability, and ethical practices. Successful brands leverage these differentiators to position themselves as premium, luxury, or sustainable options, targeting specific customer segments with tailored marketing messages.

### 2. Digital Marketing and E-commerce:

In an increasingly digital world, leather companies are harnessing the power of online platforms and e-commerce to reach global audiences. Digital marketing techniques like search engine optimization (SEO), social media marketing, content marketing, and influencer collaborations help generate brand awareness, engage customers, and drive online sales. Companies invest in visually appealing websites, online marketplaces, and user-friendly interfaces to enhance the customer experience and facilitate easy online transactions.

### 3. Customer Engagement and Personalization:

Building strong relationships with customers is vital for sustained success in the leather industry. Brands employ customer engagement strategies such as personalized email marketing, loyalty programs, and interactive online content to establish a connection with their target audience. Providing exceptional customer service, offering

customization options, and soliciting feedback contribute to customer loyalty and positive word-of-mouth recommendations.

#### 4. International Trade Shows and Exhibitions:

Participating in international trade shows and exhibitions remains a popular marketing strategy in the leather industry. These events offer opportunities to showcase products, network with industry professionals, and explore new market segments. Leather companies use trade shows as platforms to launch new collections, generate media coverage, and establish business partnerships. Prominent trade shows like Lineapelle (Italy), APLF Leather Fair (Hong Kong), and ACLE (China) attract industry professionals and buyers from around the world.

#### 5. Sustainable and Ethical Marketing:

Growing consumer awareness about sustainability and ethical practices has led leather companies to adopt responsible marketing strategies. Brands highlight their adherence to eco-friendly production methods, fair trade practices, and animal welfare standards. Communicating the use of recycled materials, reduced water consumption, and certifications like Leather Working Group (LWG) compliance helps attract environmentally conscious customers who value transparency and ethical sourcing.

### INDIA'S EXPORT OF LEATHER & LEATHER PRODUCTS TO VARIOUS COUNTRIES

*(Value in million USD)*

<u>COUNTRY</u>	<u>2016-17</u>	<u>2017-18</u>
USA	867.19	847.30



Somalia	94.12	58.82
Vietnam	92.38	104.81
Australia	82.66	91.16
Portugal	67.61	68.62
Denmark	77.22	69.35
Korea Rep.	68.65	67.22
Japan	63.87	71.42
Russia	51.15	56.08
South Africa	44.13	43.80
Source: DGCI&S		

Here is some additional information on marketing and promotion strategies in the global leather industry:

#### 1. Influencer Marketing:

Influencer marketing has gained significant traction in the leather industry. Brands collaborate with social media influencers, bloggers, and celebrities who have a strong following and influence in the fashion and lifestyle space. By featuring leather products in their content and endorsing them to their audience, influencers help create brand awareness and drive customer engagement.

#### 2. Product Placement and Collaborations:

Product placement in movies, TV shows, and high-profile events is another effective marketing strategy employed by leather companies. Associating with popular celebrities and influencers through collaborations and endorsements enhances brand visibility and credibility. Collaborations with renowned designers or artists can also create limited-edition collections, generating excitement and attracting fashion-conscious consumers.

### 3. Omni-channel Approach:

Leather companies are increasingly adopting an omni-channel approach to marketing and promotion. This strategy ensures a seamless and consistent customer experience across multiple touchpoints, including physical stores, e-commerce platforms, social media, and mobile apps. By integrating online and offline channels, brands provide customers with convenience, flexibility, and a cohesive brand experience.

### 4. Content Marketing and Storytelling:

Content marketing has become a powerful tool in the leather industry. Brands leverage compelling storytelling to create emotional connections with consumers. Through engaging content such as blog articles, videos, and behind-the-scenes glimpses, companies can communicate their brand values, craftsmanship, and heritage, fostering a deeper appreciation for their products.

### 5. Targeted International Marketing:

To expand their global footprint, leather companies employ targeted marketing strategies in specific international markets. This approach considers local preferences, cultural nuances, and market trends to create tailored campaigns. Companies adapt

their messaging, product assortment, and promotional activities to resonate with the target audience, increasing the chances of market acceptance and success.

#### 6. Customer Reviews and Testimonials:

Leveraging customer reviews and testimonials is an effective way to build trust and credibility. Positive reviews on websites, social media platforms, and review aggregators serve as social proof, influencing potential customers' purchase decisions. Encouraging customers to share their experiences and showcasing their testimonials can significantly impact brand perception and drive sales.

#### 7. Social and Environmental Responsibility:

Communicating social and environmental responsibility initiatives is crucial for marketing leather products globally. Brands highlight their commitment to fair trade, sustainable sourcing, and community welfare. This transparency helps build trust and resonates with consumers who prioritize ethical and responsible purchasing choices.

#### 8. Market Research and Data Analysis:

In the global leather industry, market research and data analysis are integral to effective marketing strategies. Companies invest in understanding consumer preferences, market trends, and competitive landscapes. By analyzing customer data, brands can personalize marketing messages, optimize pricing strategies, and identify emerging market opportunities.

By incorporating these diverse marketing and promotion strategies, leather companies can effectively position themselves, connect with their target audience, and drive business growth in the competitive global marketplace.

### **Conclusion**

Marketing and promotion strategies play a vital role in the success of the leather industry on a global scale. Effective brand positioning, leveraging digital marketing and e-commerce, customer engagement, participation in international trade shows, and emphasizing sustainability and ethical practices are key components of successful marketing campaigns. By understanding global perspectives and implementing innovative strategies, leather companies can enhance their competitiveness, expand market reach, and build lasting relationships with customers in an increasingly dynamic and competitive industry. The Government of India had identified the Leather & Footwear Sector as one of the 12 Focus Sectors where India can be a Global Supplier. With the implementation of various industrial developmental programmes as well as export promotional activities; and keeping in view the past performance, and industry's inherent strengths of skilled manpower, innovative technology, increasing industry compliance to international environmental standards, and dedicated support of the allied industries, the Indian leather industry aims to augment the production, thereby enhance export, and resultantly create additional employment opportunities.

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