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Factors influencing growth of fashion leather shoes. A review of literature

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Abstract

Purpose: The purpose of this research was to investigate the factors influencing growth of fashion leather shoes. A review of literature.

Methodology: The study adopted a desktop literature review method (desk study). This involved an in-depth review of studies related to factors influencing growth of fashion leather shoes. This article reviewed recorded sources to present the current state of leather shoe industry.

Results: Availability of raw materials considered factors such as the cost of production, the quality of raw materials locally available as well as having already established centers from which these raw materials are sourced from. Some of the legally related factors captured in this study included government incentives, government initiated programs, export taxes, trade policies already in place and the licensing that takes place in the various levels involved in the production of leather footwear. Market related factors consisted of affordability of the leather footwear, quality design, skill training and branding. All these factors significantly contributed to the existence of this positive relationship.

Unique contribution to theory, practice and policy: It's recommended that Leather Industries should employ strategies that maintain this relationship and also ensure that it's sustainable. The most important aspect to be considered in using the raw materials is determining the kind of quality used. The farmers should be educated on how well they should take care of the animals as well how best to dispose the hides used so as to ensure the end product which is the shoe is of good if not high quality. Additionally, it's recommended that the government reduces on the number of licensing for the leather footwear producers. The taxes and duties also paid discourages growth in this industry.

Keywords: *fashion leather, shoe industry, footwear producers*

Introduction

Footwear production can be traced back to about 5 million years ago during the ice age period. The earliest evidence of footwear was discovered during the copper age (ca.5000 BCE) (Hald, 1972). Footwear was initially designed purposely due to the harsh climatic conditions and landscape problems. However, in some ancient civilizations such as Egypt, Veldmeijer (2014) reports that leather produced in different colors was done for the pharaohs and Queens to symbolize status and power. The Officials and clerics like prosecutors, lawyers, governors, and judges also used this kind of footwear. In China, between the 10th and 11th century the Golden lotus feet leather shoe was invented. It was made specifically for small feet, because it was considered real beauty to have small feet. According to Mahi Leather (2018), around 1200BC Rome and Greek also started doing sandals for both men and women which were long and went halfway up the knees with so many laces. The Greek sandals were only worn by free citizens while their slaves either walked bare foot or put on slip-on weaved shoes made of wood. In ancient Rome however, as MacGregor, Hill, & Bradley (2016) correctly illustrates, sandals were made according to cleric or military status, worn as a sign of power and civilization. The earliest evidence of the leather shoe made was first found in the Armenian cave estimated to be 5,500 years old (Hirst, 2018). Hirst (2018) further explains that this shoe was made using three different skins; the grass lining was made of a cow hide, the outer covering covered in a deerskin while the hair side facing out near the sole made of bear skin. According to Gill (2017), the earliest artwork presentation in form of paintings and drawings done on people wearing shoes is dated approximately 15,000 years ago and was first found in the Altamira cave in Spain.

Developed countries such as the United States of America are the biggest importers of all types of leather shoes with around 3077 million pair of shoes. USA imports its shoes from China, Germany, France, Hong Kong and UK (Petersen, 2007). This is attributed to the high cost of labor that would be incurred if at all they would rather carry out the production within their country. Germany and the UK are the largest European Union importers taking about 200 and 250 million pairs of shoes every year. Italy is the world's leader in fine leather footwear. According to (National Association of Italian Manufacturers of Footwear [ASSOMAC], 1997), Italy has mastered the art of innovating and refining their leather footwear techniques over the years. They specialize in producing high quality leather shoes such as the Schmitz and Knorriga designs because of their modern machines and efficient production processes. They however, can't compete with China because of their cost of labor and product prices. European manufacturers such as UK are also penetrating the market and replacing low end quality footwear with medium quality footwear (Steyns, 2007).

According to UNIDO (2010) report, Asia is the largest shoe producing region exporting leather shoes of about 70% of the global trade in the world, while China is the largest individual leather producer in the world. In addition, UNIDO (2010) reports that Chinese suppliers are known for delivering their products with competitive prices, punctuality, good quality and also handling large orders. For this same reason, China generates the most revenue globally which is approximated to be about US$ 48,728 million in 2018 (Statista, 2018). Another factor that has attributed to the success of the leather footwear production in China is the availability of cheap labor, better

innovation and technology where they are able to produce high value added footwear. China's population is reported to be approximately 1.4 Billion.

Most Asian suppliers have no direct relationships with wholesalers and retailers, and neither can they choose whom to sell their products in Europe or North America because their buyers are limited. Manufacturing companies concentrate with the production assignments as they are aware they might be replaced by other production companies in other parts of the world at any time. Hence, the buyers control the supply chain at all stages leaving little room for the manufacturers to upgrade higher value products. According to UNIDO (2010) report, India for instance, have experienced low volume exports over the recent years. Giant countries such as China have also experienced a reduction on their livestock and are looking into adopting strategies such as having joint ventures with the African tanneries. According to Memedovic (2008), some of the import countries such as India however, put stringent controls on the quality and health regulations that restrict African imports penetrating into their markets.

Leather industry in Africa has the greatest potential to compete globally compared to the rest of the world although there's a huge gap between its resources and production. Africa currently accounts for 4% production of leather production globally while imports that penetrate through our African markets is approximated to be about 74% (The World Bank Group [WBG], 2015). In addition to this, UNIDO (2010) observes that Africa could exploit this opportunity because the demand of leather products is increasing from the rest of the world. In a different report, UNIDO (2015) further explains that the African leather supply chain has not kept pace with the substantial growth in the production of leather and leather goods in other developing countries, although the quantity and value of its production and exports have actually increased.

Kenya is a low cost producer of undifferentiated low end footwear mostly for its local market and specializes in exporting raw hides and skins and wet blue leather (UNIDO, 2015). WBG (2015) further states that leather footwear manufactures such as Bata Shoe Company which serves the East African Market and largest market in Kenya has reduced its production of low end footwear, men's footwear .The sales done are usually very minimal compared to other countries of the world. According to Ogolla & Wanjau (2013), the leather footwear production in Kenya has decreased over the years because of global low cost imports and second-hand imports penetrating the East African and Kenyan markets. WBG (2015) documents that most of the leather good producers are micro and small enterprises and many prefer to stay in the informal sector in order to remain competitive. There is an intricate link between the formal and informal sector but it is weak. The Bata Shoe Company Ltd is the country's major producer of high-end leather footwear products, and is located in Limuru constituency, Kiambu County. WBG (2015) indicate that only about Eight million leather shoes are made in Kenya, with the other one million pairs imported. Shoes in this category are mainly attributable to Bata shoe production.

Problem statement

This research aims at carrying out an investigation on the factors influencing the growth of leather footwear. The leather sector produces very little finished leather, regardless of the huge potential and comparative advantage it boosts over the developed countries in terms of the livestock

population that we have in the country. Leather footwear production has hugely been affected by the influx of cheap importation of shoes. The biggest threats facing this sector, is the availability and high cost of raw materials, lack of technology, poor quality and undifferentiated leather products, poor regulatory frameworks and lack of proper strategies to ensure that there's continuous growth of the leather footwear production.

Purpose of Study

The purpose of this research was to investigate the factors influencing growth of fashion leather shoes. A review of literature.

Literature Review Availability of Raw Materials

Leather footwear production has grown immensely over the years because of the enormous infrastructure that has grown up making it almost totally self-sufficient in supplies with the exception of some leather and labor availability from workers from the huge pool of unemployed individuals (Clothier, Schmél, Xian, & Chaoying, 2005). The relationship between the available raw materials and the supply of raw materials depends on the livestock availability, the rate at which meat is consumed, mortality rates due to natural causes such as old drought and dependence on the recovery of the hides and skins from slaughter houses. The main raw materials used in producing leather footwear are the raw hides. Hides and skins are the byproducts of meat consumption, sudden deaths from natural causes such as drought, floods and diseases.

The type of leather used in manufacturing footwear determines the quality and pricing of leather shoes depending on the target market and preferences of the consumers. In Kenya, the most available and used leather is the goat and cow hides leather. Cow hides is the most abundantly available and accessible leather product to both the manufacturers and suppliers of the Market. Hides are usually used in the making of the sole because of its stiffness and solid nature to the shoe. The gap between the available raw material resources and low level of their processing into products with higher value added represents a development challenge to be dealt with.

According to the United Nations report UNIDO (2015), the primary restriction of growth in leather footwear production is the quality of hides and skins. Some of the factors contributing to poor quality include inadequate number of slaughterhouses and slabs, poor methods of removing the hides such as use of knives which causes cuts, low prices of hides and skins, climatic factors and uncollected hides and skins (Wangui, 2016). Naporos (2012) supports this idea by documenting that the quality of the hides largely depends on certain characteristics of the raw material such as thickness, and evenness of the thickness over the surface, weight, density and presence or absence of defects. The observations made in these studies helps this research in having a closer look on these challenges and propose suitable solutions to curb them. Hides and skins differ in their structure depending upon the habit of life, season of year, age, sex, and breeding of the stock (www.africaleather.com). Naporos (2012) states that livestock rearing in Africa is done under very diverse conditions varying from open Savannah grasslands, organized commercial farms, zero and semi-zero grazing. The quality of products obtained from livestock reared in these varying environments is directly influenced by these conditions. Naporos (2012) further states that in many

rural areas, hide and skins are not collected at all or used inefficiently. Hide and skins is considered as of little or no value due to low prices offered by the traders or collectors.

In other studies, Naporos (2012) notes that the current low prices for hides and skins are no incentive for proper handling and curing. The primary producer in the village, the small farmer, receives such a poor return as compared with the final price that it gives them no incentive to improve the quality of livestock or their hides/skins. The costs of hides and skins is determined by the forces of demand and supply. Naporos (2012) further documents that wholesalers cannot receive reliable market information from the tanneries on future price trends. This is critical since wholesalers lack any sources of information on the international price and the tannery does not guarantee a fixed purchasing price.

Legally Related Factors

According to Bush (2016), Legal factors are external factors which refer to how the law affects the way businesses operate and customers behave. Product transportation, profit margins, and viability of certain markets are all examples of things which may be influenced by legal factors. Legal factors in this research' context refers to the government trade barriers and policies that are imposed and that can directly influence the production of leather footwear at different levels and sections in this industry.

These are taxes on goods or services that become payable when the goods leave the economic territory or when the services are delivered to non-residents; they include export duties, profits of export monopolies and taxes resulting from multiple exchange rates. Export taxes, prevents exportation of labor so as to encourage development in the industrialization sector. The biggest challenge brought about by export duties imposed by the Kenyan government is the problem of tax evasion. Exporters of raw hides and skins lose out due to the incremental export taxes that the government imposes. The producers of these raw materials are the biggest lot affected by the export taxes which as a result leads to fall of domestic prices. Prices paid to small producers have fluctuated significantly over the last few years.

According to (WBG, 2015), Chromium contamination and high chemical oxygen demand are typical problems associated with tannery effluents, both of which can pose serious risks to the environment and human health. Environmental implications brought about by these effluents is a problem that has not been addressed regardless of the fact that the demand for leather footwear keeps increasing in the market. With new technologies and processes, effluent discharges can be reduced significantly while still growing the leather sector. These technologies will protect the environment while still promoting the tanning industry.

Incentive systems are required, to stimulate structural changes within the industry and assist with the development of new institutions (WTG, 2015). Studies show that in order to move beyond the low-level equilibrium that currently prevails, incentive systems need to be created. A study carried out by UNIDO (2015) found that there was need to provide technical support and consultancy services in areas of product developments, product designs and environmental management. Many nations face a challenge in all these aspects because they lack this skills. In the same study,

insufficient incentives have curtailed the industry's ability, ad as a result many formal sector manufacturers have terminated their operations. **Market Related Factors**

In an article published by Kiesha (2019), he states that without marketing, customers won't know about the new company's product and services. Business analysis in marketing improves the success rate of your next marketing campaign. Most citizens, are cost driven. Due to the inflow of cheap and new leather and non-leather footwear imports from china and India the leather footwear sector remains to be a crippled sector. Market penetration becomes difficult faced with the competition challenge. WTG (2015) further recommends that a pilot leather industry accelerator be developed in Nairobi (NLPA) to facilitate manufacturing and marketing collaboration, and support competitiveness within the leather products industry. This will boost the production sales from the local traders and creation of employment in the supply chain created in a bid to market the leather footwear products. Segmenting the market into different groups will enable the leather footwear gain competitive advantage against its competitive counterparts. For example, they could produce high end, low end and middle class shoes to fit the category of each segmented customers while still capitalizing on the quality and mass production.

Leather being the major raw material for making shoes already markets itself as a quality product. It can either be smooth or suede leather, and are worn for different occasions. Quality means durability. Leather shoes offer comfort ability, properly and carefully done stitching, and offers exceptional and cost. Shops rarely stocks designer shoes because they are sold expensively, but the target market being the high-end clients still buy or order from shops abroad.

USAID (2017) notes that there's a huge gap in the skills segment when it comes to the leather footwear production process. Challenges such as having inadequate knowledge of leather fabric, its defects and inability to handle multiple machines handling techniques among the workforce is usually very common. Other aspects such as the lack of understanding of basic operations, defects and its remedies and having inadequate knowledge of basic machine adjustments and troubleshooting are among the problems.

Materials and methods

The study adopted a desktop literature review method (desk study). This involved an in-depth review of studies related to factors influencing growth of fashion leather shoes. The research involved literature search and paper review of information on leather fashion growth (Cozby & Bates, 2012; Creswell, 2014). This article reviewed recorded sources to present the current state of leather shoe industry. In line with Creswell's assertion that observations are important for obtaining first-hand knowledge that enriches analysis results, under different themes, the study revealed observations made from the recorded sources. Where appropriate, the review on how to rethink and reorganize what is being done to strengthen leather supply and demand factor initiatives by authorities and policymakers was done.

Results

The findings on the influence of the availability of raw materials on the growth of leather footwear production showed that there's a positive relationship between availability in raw hides /skins and growth in the production of leather. This was influenced by factors such as the quality of raw hides and skins available, the accessibility of raw materials aspect as well as the accessibility of already established centers for the collection and processing of hides and skins. Okello (2016) findings indicated that availability of raw hides and skins influences a positive impact on the production of leather which in turn translates to the increment in the production of the leather footwear. Similarly a case study carried out by Wangui (2016) agreed that raw hides and skins have in the last decades declined due to factors such as drought and poor animal husbandry methods and therefore leather footwear production has lessened over the years.

Kiruthu (2007) agrees that the raw materials especially the hides and skins have declined over time because of factors such as poor weather conditions due to drought. In another report Kr, Schmèl, & Buljan (2014) agreed that most of these other raw materials are imported since they are not locally produced. This shows that ultimately the cost of producing leather shoes is high because of the initial costs incurred in accessing the raw materials. The quality of the raw materials used is very important, because it determines what kind of shoe is overall produced as well as the volume produced. Naporos (2012) in his study stated factors influencing the quality of hides and skins argues that in his findings that the quality of raw materials over the last 5 years has become worse due to the poor climatic conditions, lack of training to the farmers where initially we had extension officers who would train them and also for the fact that hides are poorly handled and so poor quality at the end of the day.

Government initiated programs such as having skill development through the Cobblers Association of Kenya and having established leather parks has made and will continue to make local footwear producers competitive in the global market. Most footwear producers in the country lack skills that are reinforced in higher learning institutions and the few who do find it difficult thriving in this sector because of lack of capital. Most youths in the country face the challenge of job employment, yet this sector is a good opportunity for the youth to exploit and make a good living out of it. Cobblers association doesn't have to enhance skills through higher education. It can also enhance this through apprenticeship courses especially for the majority of the youth who do not make it to Universities based on the cut off points required by these institutions.

Conclusions

Availability of raw materials considered factors such as the cost of production, the quality of raw materials locally available as well as having already established centers from which these raw materials are sourced from. All these factors very much contributed to the positive relationship observed. In conclusion, this research therefore agreed that the relationship between raw material availability and the growth of leather footwear production was statistically important.

Some of the legally related factors captured in this study included government incentives, government initiated programs, export taxes, trade policies already in place and the licensing that

takes place in the various levels involved in the production of leather footwear. All these factors significantly revealed a positive relationship incurred. Therefore, in conclusion, this research concluded that the relationship between legally related factors and growth of leather footwear production was statistically significant.

Market related factors consisted of affordability of the leather footwear, quality design, skill training and branding. All these factors significantly contributed to the existence of this positive relationship. Therefore, in conclusion, this research concludes that the relationship between market related factors and growth of leather footwear production was statistically significant.

Recommendations

It's recommended that Leather Industries should employ strategies that maintain this relationship and also ensure that it's sustainable. The most important aspect to be considered in using the raw materials is determining the kind of quality used. The farmers should be educated on how well they should take care of the animals as well how best to dispose the hides used so as to ensure the end product which is the shoe is of good if not high quality. Other trainings in animal husbandry, the kind of chemicals used in treating the animal's hides and skins should also be put into place so as to ensure the quality of the hides and skins obtained from these animals is of high quality.

It is recommended that the government initiates some of the issues affecting this industry. For instance, the government sometime back used to deploy extension officers who would visit the farmers and create awareness in the opportunities available for then in creating income and caring for the animals and practicing the correct farming methods so as to improve on the quality of hides and skins procured from them. It no longer happens, which is sad. Additionally, it's recommended that the government reduces on the number of licensing for the leather footwear producers. The taxes and duties also paid discourages growth in this industry. So therefore it would be good if the government would reduce on these policies and regulations that take place within the country and instead focus on increasing these stringent to the importers so as to promote the local market.

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