THERE’S A SNAKE IN MY BOOT!
KERING AND THE EXOTIC SKIN DILEMMA
KEY FACTS

- Founded in 1963
- Most Valuable Brand: GUCCI (78%)
- Most Valuable Category: Leather Goods (55%)
- Employees: 27,000
- Global Stores: 1,400
FASHION & LEATHER GOODS
Kering list of exotic materials

Crocodile
Caiman
Alligator
Python
Water snake
Cobra
Rat snake
Lizard
Ostich
EXOTIC SKINS RULE THE 2019 TRENDS
THE EXOTIC SKIN DILEMMA
IS EXOTIC SKIN TOO CRUEL?
“Snakes are commonly nailed to trees and their bodies are cut open from one end to the other as they are skinned alive. Because of these animals’ slow metabolism, it can take hours for the snakes to die” - PETA
ISN’T EXOTIC SKIN BETTER FOR THE GREATER GOOD?
NATURE PROTECTION

- Wildlife habitat
- Lower footprint

TRACEABILITY

- Unachievable
- Ethical standards
DO CUSTOMERS SUPPORT EXOTIC SKIN PRODUCTS?
HERMÈS: A LOOK TO KILL FOR?

PETA

DREI TOTE KROKODILE FÜR EINE BIRKIN BAG

THREE CROCODILES KILLED FOR A BIRKIN BAG

HERMÈS: BLUTIGE KROKODIL-LEDER-HANDTASCHEN

HERMÈS: THE CRUEL CROCODILE SKIN BAG

PETA
“You can care about the planet, care about human rights, but animal welfare stands out as key topic for consumers” - Bain & Co.
“Persuading the public to quash its appetite for the furs and exotic skins they see celebrities like the Kardashians, Lady Gaga, and Beyoncé wearing is arguably where animal rights activists really face the stiffest challenge” - Vox
WHAT IS THE INDUSTRY DOING?
LVMH

Acquired crocodile skins suppliers (Heng Long, Johnstone River Crocodile Farm) in 2011

HERMÈS

Acquired crocodile farms in Australia, Cairns, Louisiana, and a number of tanneries in 2013
A Halt is Sworn

CHANEL

DIANE vonFURSTENBERG

Vivienne Westwood

VICTORIA BECKHAM
ARE EXOTIC SKINS THE BEST WAY TO MAKE PROFIT?
- Access to most affluent clientele
- Tens-of-thousand-of-dollars price tag
- Auction
Vegetarian brand - Stella McCartney, experiencing a strong sales growth in recent years.
IF NOT EXOTIC SKINS, THEN WHAT?
Vegan shoes made from pineapple fiber

**Sole**
- Lightweight recycled TPU

**Upper**
- 100% Piñatex®
- Natural plant-based dyes

**Laces**
- 100% organic cotton

**Lining**
- 50% cotton, 50% linen
- Padded insole
Lab-grown Leathers
Fashion houses beginning funding tech institutions to grow leathers in laboratories
“[...] it’s about making them excited. [...] Who wants to talk about this season’s color or the next It bag. The sustainability conversation is really the only one that I am interested in having. Prospects for lab-grown alternatives to leather are the kind of topics I find sexy now”

– Stella McCartney
KERING TO THE CORE
# Kering Brand Identity Matrix

<table>
<thead>
<tr>
<th>Value Proposition</th>
<th>Relations</th>
<th>Position</th>
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<tbody>
<tr>
<td>Kering promotes modern, authentic, and genuine Luxury that enables to express your unique personality</td>
<td>Encourage diversity &amp; equality, Defend Dignity of Women, Promote better Practices, Set new sustainable standards</td>
<td>To be the world’s most influential Luxury group in terms of creativity, sustainability, and economic performance</td>
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Kering Brand Identity and Reputation Matrix

**Value Proposition**
Kering promotes modern, authentic, and genuine Luxury that enables to express your unique personality

**Relations**
- Encourage diversity & equality
- Defend Dignity of Women
- Promote better Practices
- Set new sustainable standards

**Position**
- To be the world’s most influential Luxury group in terms of creativity, sustainability, and economic performance

**Expression**
Crafting tomorrow’s Luxury in a sustainable and responsible way

**IDENTITY**
- “Empowering Imagination”
- Creativity | Caring | Collaboration

**Mission & Vision**
Luxury that is modern, dynamic, creative and bold, inspiring the entire industry and creating desire, emotion and dreams

**Culture**
A welcoming place where our employees and our Houses can grow and flourish

**Competences**
- Craftsmanship Heritage
- Creativity & Excellence
- Agile & Integrated Group
- Sustainability & Innovation

**Trustworthiness**
“...initiatives of various brands positively impacting environment & lives...Sustainable Cotton Challenge report ...it also includes our #FarmtoYarn initiative with ...@KeringGroup.”

**Responsibility**
“...Sustainable business is smart business. It gives us an opportunity to create value while helping to make a better world,”...

**Credibility**
“Pinault is one of The B Team, a global group of leaders ... who are committed to “business that prioritizes people, planet and profit”.”

**Performance**

**CommunicationToken**
Snakes are gross, but your going to love this rare Gucci Medium Running Military Green Python Hobo Bag...
Assuming the role of Kering top management, you are required to take a decision. Should Kering continue or stop using exotic skins across their fashion and leather brands?
THE MANAGERIAL DECISION
“We don’t want to remove precious skins [from our products] but we want to be sure that skin doesn’t destroy the species when they come from the wild and if it comes from farming that it has the best conditions for animals, farmers and the ecosystem”
The Rightful Comeback

- Python farm in Thailand
- Responsibility with local communities
- Internal commitments
- Crafting Tomorrow’s Luxury
CONCLUDING REMARKS