

K E R I N G



THERE'S A SNAKE IN MY BOOT!
KERING AND THE EXOTIC SKIN DILEMMA

FASHION &
LEATHER GOODS



WATCHES &
JEWELLERY



EYEWEAR



KEY FACTS

- Founded in 1963
- Revenue: €13.665 million (2018)
- 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

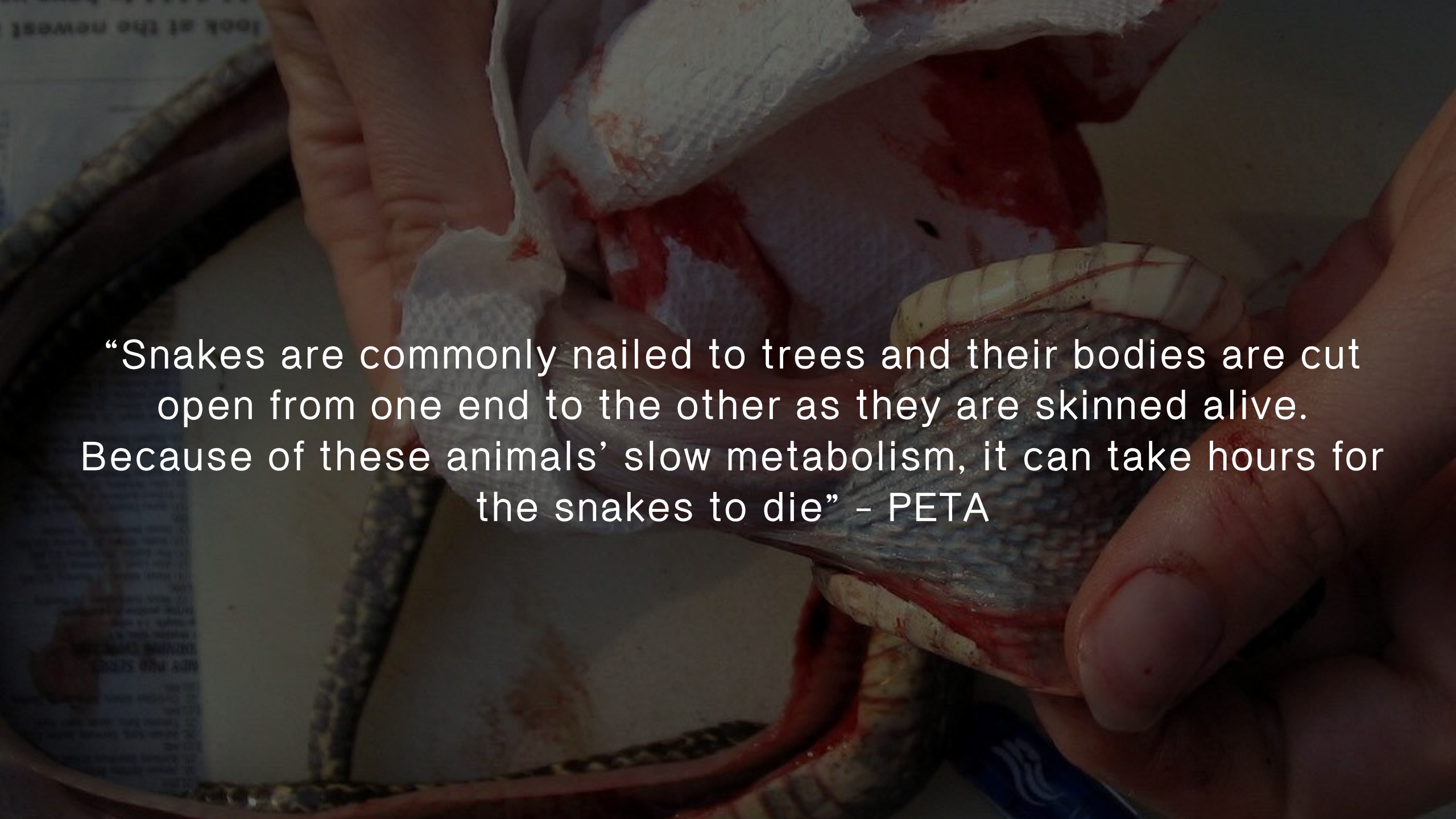
Ostich

A photograph of Rihanna in a snakeskin-themed outfit, including a bucket hat, a jacket, and a strapless dress. She is standing in a room with a clothing rack and a mirror visible in the background. The image is overlaid with a semi-transparent dark grey banner containing white text.

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

HERMÈS

HERMÈS

DREI TOTE
KROKODILE FÜR
EINE BIRKIN BAG
PETA

THREE CROCODILES
KILLED FOR
ONE BIRKIN BAG
PETA


HERMÈS
A LOOK TO
KILL FOR?
PETA



HERMÈS: BLUTIGE
KROKODIL-LEDER-
HANDTASCHEN
PETA

HERMÈS: BAG
THE CRUEL
CROCODILE SKIN
PETA





“You can care about the planet, care about human rights, but animal welfare stands out as key topic for consumers” - Bain & Co.

NO SLAVE LABOUR
NO CHILD LABOUR
NO BLOOD
NO SWEAT
NO TEARS

“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

DF
DIANE VON FURSTENBERG

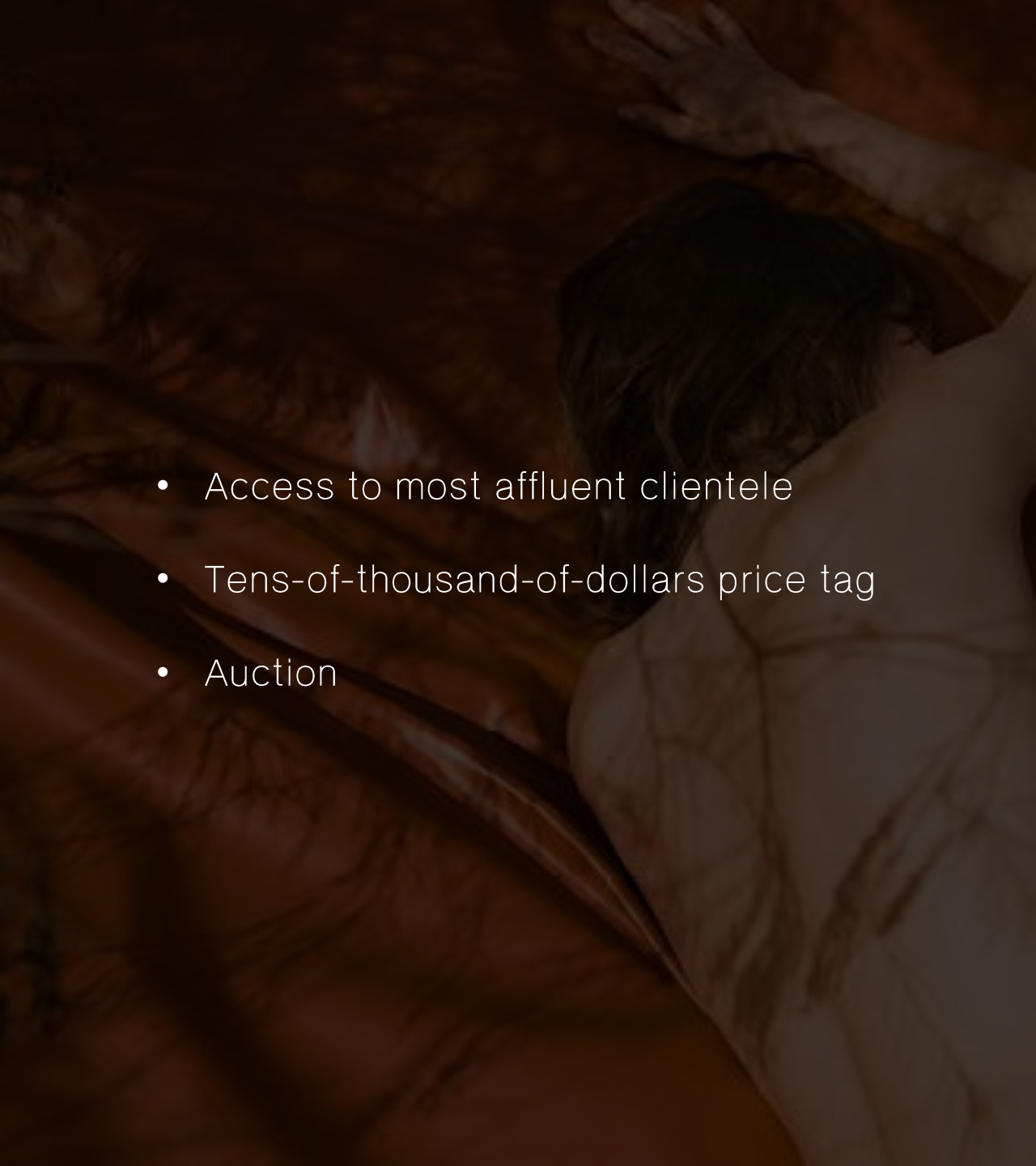

Vivienne
Westwood


VICTORIA BECKHAM

ARE EXOTIC SKINS THE BEST WAY
TO MAKE PROFIT?



- Access to most affluent clientele
- Tens-of-thousand-of-dollars price tag
- Auction



A close-up photograph of a hand holding the handle of a handbag. The handbag has a crocodile or alligator skin pattern. The background is dark and out of focus.

Vegetarian brand - Stella McCartney,
experiencing a strong sales growth in
recent years



IF NOT EXOTIC SKINS,
THEN WHAT?

BOSS

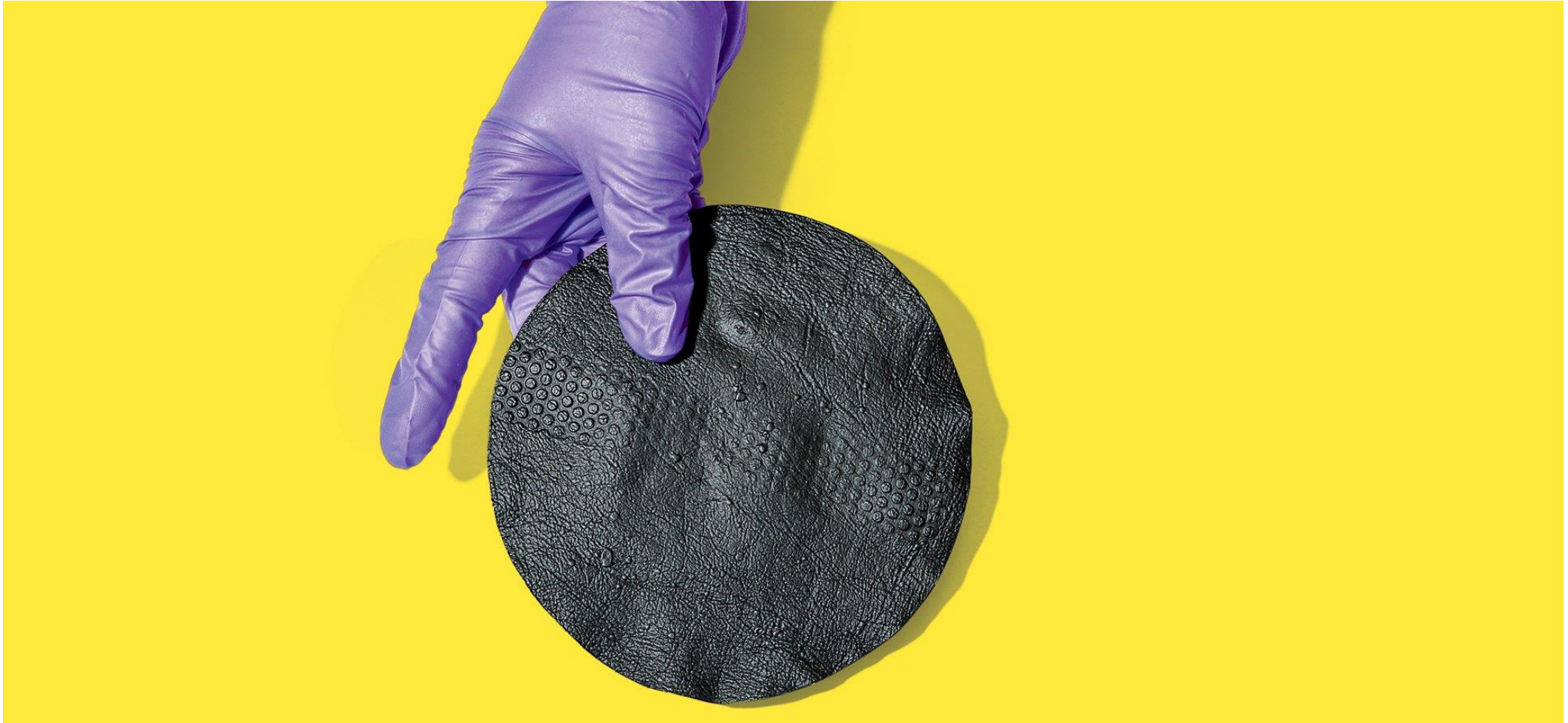
HUGO BOSS

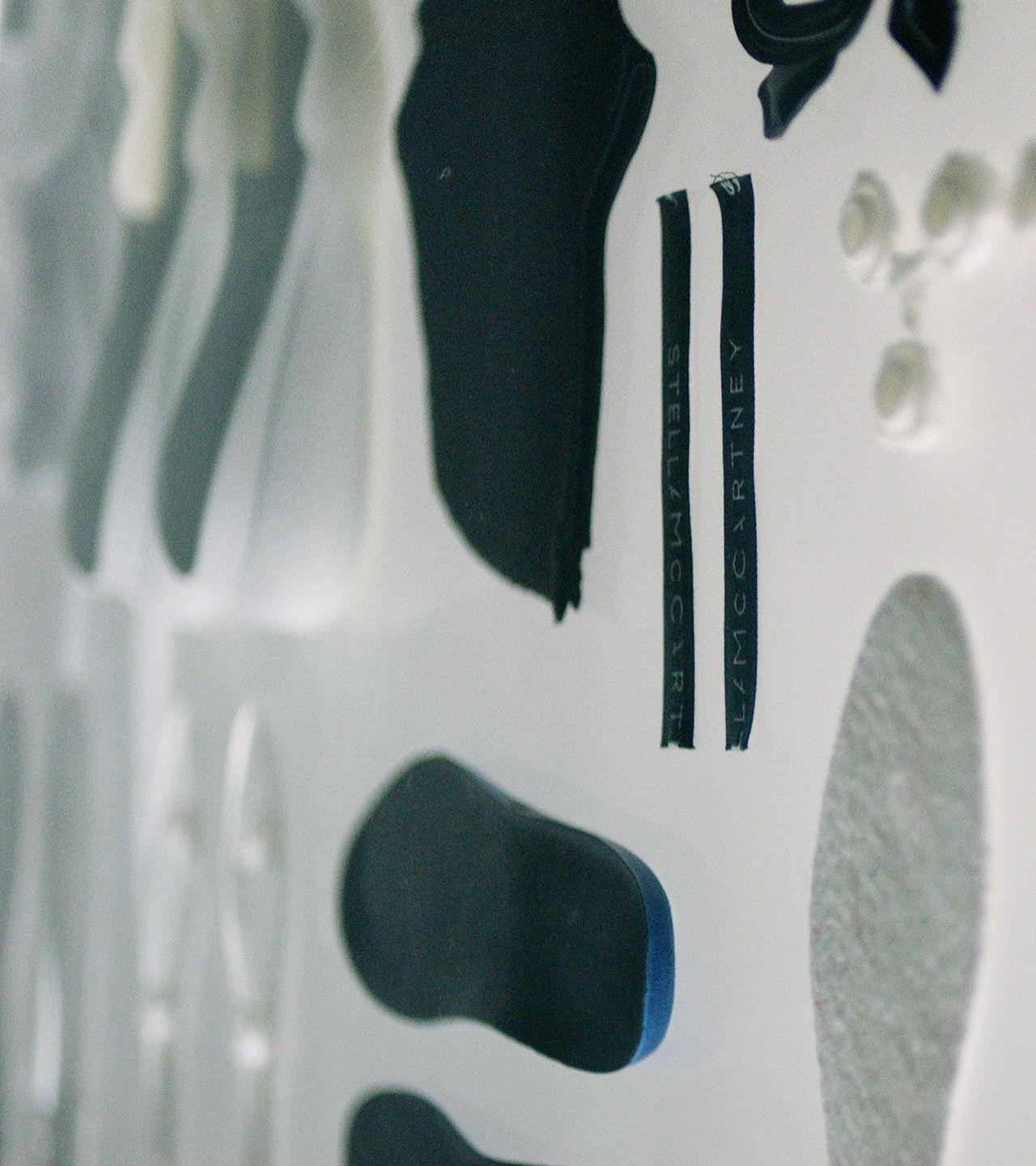
Vegan shoes made from pineapple fiber



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

<p>Value Proposition</p> <p>Kering promotes modern, authentic, and genuine Luxury that enables to express your unique personality</p>	<p>Relations</p> <p>Encourage diversity & equality Defend Dignity of Women Promote better Practices Set new sustainable standards</p>	<p>Position</p> <p>To be the world's most influential Luxury group in terms of creativity, sustainability, and economic performance</p>
<p>Expression</p> <p>Crafting tomorrow's Luxury in a sustainable and responsible way</p>	<p>IDENTITY</p> <p><i>"Empowering Imagination"</i></p> <p>Creativity Caring Collaboration</p>	<p>Personality</p> <p>A Luxury based on creative risk-taking and sincerity that inspires dreams and emotions</p>
<p>Mission & Vision</p> <p>Luxury that is modern, dynamic, creative and bold, inspiring the entire industry and creating desire, emotion and dreams</p>	<p>Culture</p> <p>A welcoming place where our employees and our Houses can grow and flourish</p>	<p>Competences</p> <p>Craftmanship Heritage Creativity & Excellence Agile & Integrated Group Sustainability & Innovation</p>

Kering Brand Identity and Reputation Matrix

Trustworthiness

Relevance

REPUTATION

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



Differentiation

"Kering has been named the world's second most sustainable company across all industries by the Corporate Knights' 2019 Global 100 Index"

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

 *Snakes are gross, but your going to love this rare Gucci Medium Running Military Green Python Hobo Bag..."* 

COMMUNICATION

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Responsibility

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

"Brands benefit from Kering's material innovations lab in Novara outside Milan, a library of eco textiles and a lab in which new processes to reduce the environmental footprint are developed"

Recognizability

"The French luxury conglomerate adopts a disruptive positioning destined to invent the luxury shopping experience of the future"

Willingness-to-support

"... Gucci is owned by Kering luxury group. If you're serious about boycotting Gucci, you'll have to boycott the entire group."

**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