



Testing times

There are a few readers of this column who will remember that the correct way to test a piece of shoe leather used to involve bringing a white handkerchief and a key to the table. If you wanted to intimidate the leather salesman a roll of strong adhesive tape was a useful addition.

Today's world is more complex. Suppliers of components may be anywhere in the world and it has become complex and costly if a pair of shoes turns up in a store in the US or Europe with defects.

In this connected and litigious age consumers are now much more likely to complain. There is even a small number of people who know that if they make enough noise about a false complaint or normal wear and tear, they are likely to be given replacement product as a matter of policy.

Difficult consumers

Battling with consumers is time consuming and expensive. Brands constantly remind themselves that it costs nearly ten times as much to acquire a new customer than to retain an existing one. So even if there is a borderline complaint about a product the consumer is given the benefit to avoid the negative publicity of someone complaining to his

or her peer group.

The primary battle of course is to ensure that the consumer can have no excuse whatsoever to find fault and will be delighted with every aspect of the product. Testing of every parameter has therefore become quite rigorous. Gone are the days when it is only product destined for military use that needs to be tested. Every product for every end use now needs to be right.

What is more, since 1970 there has been an explosion in environmental legislation of every type and of people with allergies. Having an allergy specialist was not so common 30 years ago and worrying about nickel content or the presence of latex as well as warning consumers about them was just not considered.

Company parameters

All major companies now publish the parameters they work to on their web sites. Many like ECCO work with the internationally recognised SG-list. The ECCO Group's criteria for harmful substances are, among other things, based on this SG-list for shoes. SG is an abbreviation of the German Schadstoffgeprüft (in English "tested for harmful substances"). The SG-list contains limit values of chemical

substances allowed in leather products. This list is based on updated knowledge regarding the effect of chemical substances on human beings and animals.

The SG-list is published by the German test institute TÜV Produkt und Umwelt GmbH, Rheinland, in co-operation with Institut Fresius GmbH and Prüf- und Forschungsinstitut Pirmasens which constantly assess the effect of different chemicals used in the industry.

Beyond this ECCO has established a supplementary list that interestingly includes Triclosan, Tinosan, Irgasan, Lexol and other similar anti-bacterial substances. Like other major brands, ECCO has laboratories in all its plants around the world plus outstanding facilities in the Danish offices and in Dongen in the Netherlands where its tanneries have their international headquarters.

Even well set up units such as ECCO do not find it cost effective to buy equipment for every test required and so use external services for these. The rule for most international companies is that the supplier should be responsible for supplying materials that comply with agreed standards and should arrange the testing themselves. For many suppliers this requires extensive use of these ➤

WORLD FOOTWEAR

external services and has led to a strong demand for them in the new producing areas rather than just in Europe and the USA.

Testing has spread

Many world wide bodies like SGS and SATRA have moved quickly to meet this demand for the testing that all this requires and have developed into trans-national organisations with branches all over the world to test components and products before they depart on their journey to the consumer. CTC, the French leather industry organisation, has gained a completely new lease of life in the last decade by creating a focus on testing.

Whilst it may make financial sense for some manufacturers to move production to areas with lower labour costs, they are still dependent on the technical knowledge of organisations such as CTC Groupe if they wish to advance and innovate. In response to this CTC has established subsidiaries in Portugal, Spain, Tunisia, USA, Vietnam, Hong Kong and China.

SATRA defines some of the reasons that we need to test:

- To ensure products are safe to use and fit for their purpose
- That they conform to retail performance specifications
- That they meet product liability, environmental and other legislation

A particular concern has been the growth in environmental legislation. This has been geometric since 1970 and looks set to take another upward leap should the EU ever finally confirm the proposed REACH legislation.

So it is not surprising that apparesearch.com tells its subscribers that "the companies that are 'not' concerned with quality testing or standards are either out of business or on their way out".

A change of emphasis

As already indicated, it is inevitable that the testing of products and materials for conformity will end up with the supplier. Asymmetry comes into this. If you want to sell to a very large organisation such as Nike or Wal-Mart you have to obey their clearly laid down rules. This is a big area for extranets where the rules for vendors are laid out in



detail. What are the prohibited substances? What tests must be passed? If you want to play the game, you have to learn to comply.

Shoemakers were originally just concerned with basic issues such as whether a leather was strong enough to last properly or had a low enough fat content to be injection moulded. These can be fairly easily analysed. The new environmental tests, however, have made life much more complex and have also introduced some controversy.

Good examples of this include testing for Chrome VI and Formaldehyde where, in some instances, the tests themselves can create the product being looked for. In other cases high standards have been set more to protect a producer's market position than to help the final consumer. High and complex test requirements create a considerable barrier for entry to



FUNDAMENTALS

competitors and have become a legitimate competitive tool.

The impact of REACH

The new European chemical regulation REACH (Registration, Evaluation and Authorisation of Chemicals), which is currently the subject of intense discussion, will create a whole new landscape here. No one could argue that the European chemical industry behaves badly and it is clear that when this new legislation does eventually come into force, chemical products for the footwear industry will not change, nor will the way they are made. What will change will be the amount of testing and supporting paperwork required. Under the proposed new system enterprises that manufacture or import more than one tonne of a chemical substance per year would be required to register it in a central database.

The aims of the proposed new regulation are to improve the protection of human health and the environment while maintaining the competitiveness and enhancing the innovative capability of the EU chemicals industry. REACH would furthermore transfer greater responsibility to industry to manage the risks from chemicals and to provide safety information on the substances. This information would be passed down the chain of production.

It is widely anticipated that this legislation will terminate leather manufacture in Europe as, however they simplify the regulations prior to finalisation, there appears to be no way that the cost passed on to tanners can be absorbed within the margins that European tanners have achieved over the last decade. The question then arises as to where and how the testing on all the imported products that come into Europe will be carried out.

Is the plan in Brussels that chemical manufacture in Europe be terminated and that all European consumers will buy footwear and leather goods made elsewhere using unregulated materials?

This is an interesting question for the world of testing which has already seen a decade of huge growth. REACH and similar legislation will accelerate this further. Or is the future one where the European consumer will either go barefoot or cheat on thorough testing? 