

THE UNCERTAIN FUTURE OF THE JAPANESE LEATHER INDUSTRY: CAN ‘BRANDING’ SAVE IT?

Yuko Nishimura*

Introduction:

The Japanese leather industry is made up of small enterprises producing relatively small quantities of finished ‘natural’ leather used for footwear and luxury items for Japanese customers. The industry is not large and is shrinking. In 1986 some 78,600 people were directly employed by tanneries in Japan, today fewer than 40,000 are so employed¹. But according to leather specialists, the leather-making industry could give jobs to a wide-range of people who are working in related sectors. That is why the local government of Tatsuno city, famous for leather making, shows serious concern regarding the shrinking size of the industry.

This small industrial base faces an uncertain future. As Japan’s population ages, the domestic customer base for high-quality leather goods is declining. Japan’s market also faces increased competition from luxury leather goods from the European Union, as tariffs for many of these items will be eliminated under the 2019 Trans-Pacific Partnership (TPP) (Ministry of Economy, Trade and Industry 2016). Imports of lower

* Acknowledgements: This paper was written based on the JSPS research titled ‘A study of networks in the global leather industry, with a focus on Santa Croce’ (Project number: 19K12510). I would like to thank the Japan Society for the Promotion of Science for allowing me to conduct this research for four years.

1 According to the 2015 census, the number of leather makers is 39,970, while agriculture workers are 2,008,270, those in the forestry is 64,620, and those in the fishing industry is 110,120 (<https://www.e-stat.go.jp/dbview?sid=0003209449>).

quality leather goods from China, Vietnam and other countries are also of concern.

Although it has a long and rich history of making high quality leather, the Japan leather industry has never developed a “Made in Japan” brand. Thus, many Japanese customers prefer to buy fashionable shoes or leather luxury goods that are made in Italy or France even though Japanese leathers and goods are of equal or superior quality.²

In this paper, I will suggest ways in which Japan's threatened leather industry can survive as a high-value craft industry by developing a ‘brand’ based on place and history and by marketing high-value finished products directly to customers.

In Section I, I discuss the standard concept of “branding” focusing on locale as well as product. Section II discusses the unique history of Japan’s leather industry, one that sets it apart from that of other countries. In Section III, a specific strategy for the Himeji leather ‘brand’ is suggested.

I: BRANDING

In today’s world of instant and widespread communication systems like the internet, branding is pervasive. Not only are products branded, but so are people including, musicians, sports stars, and ‘influencers’ with no discernable talent. The fact that the Japanese leather ‘brand’ is not well known internationally may be surprising since Japan’s leather is well regarded among the professionals throughout the industry. Even so, most international retail buyers of fashionable leather goods are uninterested in Japanese leather products, preferring the “Made in Italy” brand.

2 *Google Trends* reports that over the past five years there were five times as many searches for “Italian Leather” worldwide than for “Japanese Leather.” In Italy there were zero searches for Japan Leather. Even in Japan, the number of searches for Italian leather were nearly equal to searches for Japanese leather.

THE UNCERTAIN FUTURE OF THE JAPANESE LEATHER INDUSTRY:
CAN ‘BRANDING’ SAVE IT?

What is ‘branding’?

Branding identifies and differentiates a product which is “anything that can be offered to a market to satisfy a want or need, including physical goods, services, experiences, events, persons, places, properties, organizations, information, and ideas” (Kotler & Keller, 2015). This definition includes not only commodities but intangibles such as services and experiences, opening the path to consider persons themselves as the embodiment of services and commodities. Certain activities can be defined as a series of brand-creating actions whether the actor has intended it or not, e.g., a beautician who has won competitions, a chef awarded three-stars by Michelin, an artisan who is designated as the national treasure of Japan, can be said to have a brand.

Successful “branding” is based on a strategy to distinguish one product from another even if the products are essentially the same. For instance, an inexpensive ‘generic’ sneaker might be of the same quality as a famous ‘branded’ one. It may even be made in the same factory. Nevertheless, consumers will pay many times more for a famous brand. Why? Because the “branding” of sneakers has changed what was once a utilitarian sports shoe into a cultural expression and a million dollar, tradeable, collectable, item.³

Branding may involve a long-term process, including ‘tradition’, ‘history’, and ‘local culture’, as well as craftsmanship. Although a sneaker carrying the name of a famous star may be an instant hit, people in many industry think it better to consider creating a brand based on tradition and history to sell a commodity in a longer time-span to stay in business. A community might develop and maintain itself as a brand by associating it with specific commodities such as Bordeaux, in France for example, and they are usually associated with craftsmanship.

³ Kanye West’s first sample pair of Yeezys leather high top sneakers sold at Sotheby’s in April 2021 for \$1.8 million. Source: <https://www.nytimes.com/2021/05/19/style/sneakers-collectibles-design-museum.html>

Italian Leather, an example of branding: For the past 10 to 20 years, the Italian leather industry has systematically promoted Italian leather at fashion shows and exhibitions throughout the world. The Italian ‘brand’ of leather has become so popular and respected, that the fashion industry collaborates closely with Italian tanners in developing new colors and patterns for the upcoming season. (Leather can be finished with many different colors and patterns). Even in Japan, with a long history of high-quality leather making, wallets or bags made with Italian leather are more in demand—and more expensive—than those crafted with Japanese leather.

II: THE HISTORY OF JAPANESE ‘WHITE’ LEATHER IN HIMEJI

In the fall of 2017, The Archaeological Leather Group in the UK held a seminar titled "*Enigma of Japanese Leather*," inviting Yuko Nishimura and Shoji Nobi, a historian of Japanese leather, to explain the traditional method of making Japanese leather(2017). How, the participants asked, had tanners in Japan for centuries produced internationally famous and highly valued ‘white leather’ without using bleaching agents like *alum*, a chemical compound? Nishimura and Nobi explained that in Japan, before *tannin* tanning techniques⁴ were introduced from Europe and the United States during Meiji era (1868-1912), leather in Japan was tanned with oils extracted from rapeseed and fats from animal brains, which was one of the oldest methods of tanning the skin and hides. The most famous Japanese leather was produced in Himeji and was exported to European countries throughout the Meiji and Taisho era (1868-1926) until the invention of strong synthetic fibers.

It should be noted that white leather bleached with alum did not have the strength,

4 Tannins are chemicals used by tanners to prevent the disintegration of the collagen fibers of the leather. These chemicals are absorbed by the hides and skins during the tanning process. They bind to the protein collagen in the skins and prevent the disintegration of the fibers by turning them into leather (LeatherDictionary.com 2021)

THE UNCERTAIN FUTURE OF THE JAPANESE LEATHER INDUSTRY:
CAN 'BRANDING' SAVE IT?

resilience, or softness of Himeji white leather, which is flexible, resilient, strong and long lasting.⁵ Himeji leather was, in fact, stronger than rope made of flax, hemp or Manila fibers and was often used to secure cargo on ships and lorries as well as for machine belts. Although it was not bleached with chemicals it had a bright white color which could be dyed to any color and used to make fashion goods.

The Tanning Process

'Tanning' is a multi-step process for preserving and preventing the rotting of the skins and hides of animals. Producing leather from the hides of animals butchered for meat converts a waste product into a valuable commodity. Before the innovations of systematized tanning methods and tools, humans chewed raw hides and used the enzymes in their saliva to tan the hard raw hides. When it was discovered that dog urine and pigeon droppings contained enzymes, tanners began to collect these 'wastes' making them into a paste for tanning. Pigeon droppings, rich in enzymes, are still used for tanning in Moroccan tanneries.

Tanning with oils seems to have started around 8,000 BCE to create waterproof leathers, (Barbe 2021). In many parts of the world, liming has been used as one of the main steps to remove hair from the hides. Leather is used both with hair (for furs) and without hair and most of the leather is de-haired in the tannery. The skins removed from an animal's body, are usually dried and salted to make them easier to transport. To become leather, it is necessary to first remove the hair and the small pieces of flesh stuck to the hide and in order to remove the hair easily, most of the western tanneries use liming and deliming process. By loosening of meat and fat residues, and removing proteins that would affect the quality, and by swelling of the leather fibers, liming opens the skin structure so that the fibers loosen for further processing steps. (LEATHER-

5 Alum, with its bleaching effect, can also be used in the tanning process to soften and whiten hides although it has damaging effect to the skin and hides and for this reason is no longer popular except for specific purposes.

DICTIONARY.COM2021).

The “Secret” of Himeji White Leather-Making

The liming and deliming process occurs before the ‘bating’ process⁶ however, it weakens the hides. And one of the strong advantages of the traditional Japanese leather was to avoid this chemical processes with solvents. To make it easier to remove the hair, the raw hides were soaked in river water first. Significantly, the Ichikawa River that flows through Himeji and the Ibo River that flows through Tatsuno are home to special bacteria that break down proteins and make hair removal easier. After the river soaking the hides were placed in a concoction of fermented rice bran making hair removal even easier.

Alternatively, the hides were placed in a hot and humid room to break down the hairs, making them easier to pull out and scrape off the surface. After that, the skin and hides were repeatedly stamped and pushed by human feet and hands while rapeseed oil was being rubbed into it. In Japanese, this process of ‘leather-softening’ is called *nameshi*. In English however, it is called “*leathering*” and it is not regarded as a full ‘tanning’ method since it is believed that process is not able to make a strong and resilient leather. In the Himeji process, in addition to rapeseed, salt was added as needed to the hide to prevent decomposition and the stepping repeated many times before the hide was bleached in the sun. This continuous process created a strong and resilient leather.

The above process was repeated many times. During this labor-intensive process, the artisan's hands and feet repeatedly rub against the skin raising the surface temperature and activating the enzymes, making it easier for the oil to be absorbed.

This traditional process required hundreds of hours of trampling. Among the *kawata*, the designated traditional Japanese leather making community, the trampling was the

6 Puering” and “bating” are two processes commonly used in the manufacture of light and fancy leather from various skins. They consist of steeping the skins prior to tanning in a fermenting solution of excrement—in the case of “puering,” dog excrement is used; in “bating,” hen or pigeon manure (Wood, J.T. 1912).

THE UNCERTAIN FUTURE OF THE JAPANESE LEATHER INDUSTRY:
CAN 'BRANDING' SAVE IT?

work of the women. Women undertook this task as a group, singing songs of labor while they were stamping. Once the stepping was finished, the men stretched the hides by pulling and pushing it by hand and with a large metal spatula-like tool.⁷

The process described here creates invisible microscopic scratches on the surface of the leather that when reflected in the sunlight creates an effect making the leather as "white as snow." Applying oil during the "stepping-on" process penetrates the hide making it delicate and smooth to the touch. Moreover, the leather is made supple and strong. This, is the "*Secret of Japanese White Leather*."

Animal Brain Tanning

A variant of Himeji's white tanning process is "*nousho*" (brain liquid) tanning. This is also in the category of oil tanning, but instead of rapeseed oil, the brain marrow of cows and horses is used. The marrow is made into a paste by letting it ferment for about three years to strengthen the enzymes and then diluting it with water. The skin and hides are soaked in this solution and the tanning process is completed by stepping and pulling with hands and feet as described above. The smell is very strong, so strong that it can be smelled from 20 meters away! Until the 1970s, brain marrow tanning was practiced at several Japanese tanneries in Nara Prefecture.

***Fusube*(smoke tanning)**

The final step of brain tanning is to smoke the hide, a process called "*fusube*" The smoke has a tanning and water-proofing effect. Edo era firefighters soaked *fusube-happi* coats in water making them fire-proof. *Happi* coats from the Edo period, some 400 years old, are still wearable and have become *chic* street wear.

7 In the English tanning system, the stretching and stamping was called 'tawing.' Today, the process has been mechanized with large rotating drums that can hold many hides.

Japanese Traditional Leather Making Replaced By Chromium Tanning

With ‘modernization’, Japan’s ‘white tanning’ was replaced by western tanning methods. First, with natural tannins and now by chrome tanning, the latter invented in North America in the late 19th century⁸. Chromium tanning produces leather quickly, cheaply and in large quantities. A few small and medium-sized Himeji tanneries continued to use traditional white-tanning methods until the 1950s, but no longer. Chrome tanning has become the norm and white tanning using oils has all but disappeared. Himeji tanning, today, is no different than tanning done throughout most of the world, including Italy. What distinguishes Italian and other European leathers is branding. How then can Himeji’s small and medium sized tanneries survive?

III: Creating a “Himeji Brand”

Demographically, Japan’s aging customer base for high-quality leather goods is declining. Faced with the prospect of tariff-free competition⁹ from luxury leather goods from the European Union as well as from the TPP membership countries, the Himeji leather industry may continue to decline. Here, two ways to counteract this trend are suggested. The first is to capitalize on the large number of tourists, especially foreign tourists, visiting Himeji. The second is for more of the leather makers to include leather workshops and stores employing artisans to craft leather goods and establish a direct link with current and potential customers via the internet and popular social media. The idea is to create a ‘brand’ with locality, not specific to a particular manufacturer or a factory but to tap the regional history and culture of leather-making.

8 Augustus Schultz from New York patented the chromium tanning in 1884 (<https://patents.google.com/patent/US291784A/en>)

9 The EU and Japan trade partnership which was signed in 2019 removes tariffs and other trade barriers, in order to prevent obstacles to trade of various goods and services between them. Over the years, the various tariffs imposed on EU originated leather and leather goods are expected to be reduced to zero.

THE UNCERTAIN FUTURE OF THE JAPANESE LEATHER INDUSTRY:
CAN 'BRANDING' SAVE IT?

Tourism

Himeji is a popular tourist spot for both domestic and foreign travelers. The number one attraction is the 500-year-old Himeji castle, a World Heritage Site. With nearly 3 million visitors each year, it is the most visited castle in Japan. On the outskirts of Himeji, there are perhaps 200 small to medium size tanneries. Tourists are not actively encouraged to visit the tanneries nor are many tanneries prepared to accept scheduled tours. For the most part, those that do, conduct tours only in Japanese. Some have small show rooms featuring finished hides of interest to manufacturers, but not finished products designed and crafted by highly skilled artisans for retail-oriented customers.

To my knowledge, there is only one museum regularly open and dedicated to leather making, the Sansho Leather Pavilion. Even though the Pavilion, constructed in 2017 is housed in a stunning, award winning building, it is seldom visited (Trip Advisor with only two mentions, lists it as #112 of “things to do in Himeji.) Perhaps, if the Leather Pavilion includes displays and media demonstrating how Himeji White Leather was once made, it could also be the starting point for tours of Himeji’s tanneries as described below.

Until the covid-19 epidemic, tourism in Japan was booming, with the number of foreign visitors to Japan totaling 2.3 million in September 2019 alone. It’s likely that by 2022, the tourist industry will recover and with Himeji castle a major draw, the leather makers could capitalize on this potential source of customers for finished products. For example, the small tanneries could jointly sponsor fashion shows featuring the Himeji leather used by Japanese fashion designers.

Creating Direct Links

With a few notable exceptions, most of the small tanneries I interviewed in 2015 said they rely on ‘faxed’ orders from major retailers and department stores. More direct and pro-active outreach to potential customers, whether individuals or retailers might do more to establish a ‘brand’. This outreach could include blogs, websites and cutting-edge social

media made possible by the internet. To create a “Made in Japan” brand, the social-media strategy should not be limited to advertising the company’s products, but also include information about the rich and unique history of “Himeji White Leather.” Similarly, the artisan workshops within or adjacent to factories, suggested above, should encourage visitors to register their e-mail addresses, potentially establishing an on-going, two-way relationship between tanners and customers.

Although these two approaches are manageable for all but the smallest tanneries, Himeji tanners do not seem to be too keen on implementing them. One reason may be a traditional lack of direct contact with their customers, as suggested by the research of Fujitsu Soken (2016). Japan’s long history of discrimination and ‘untouchability’ imposed on tanners during the Tokugawa period might also be the reason why Japanese tanners in general are hesitant to have direct access to potential customers.¹⁰ Discrimination was outlawed decades ago, but bias remains. Some potential customers may still reject leather made in Himeji because of bigotry. The traditional leather-making community has also been caught between the politicization of minority politics initiated by human-rights organizations and the tanner’s desire to directly reach domestic customers.¹¹ Unfortunately, this cultural and social distance between Japanese tanners and the Japanese majority created an opening for “stigma-free” foreign leather manufacturers to enter and dominate the Japanese market. More recently, cheap, lower quality leathers from Asian and South American countries are

10 Japanese tanners belong to one of the former 'untouchable' occupations called *eta* “the pollutants” which were regarded as ritually polluting profession under the Tokugawa Government. Hereditary occupations such as executioners and undertakers, as well as tanners were confined to their designated ‘caste’ which carried ritual stigma of untouchability, even today (see Nishimura 2010).

11 The traditional Japanese tanners’ community, suffering from discrimination and ‘untouchability’ for centuries, was given, as redress, significant subsidies and government protection following the implementation of the Dowa special measures law (Japan’s affirmative action policy) in 1969. This policy improved living and educational conditions of the untouchable community. This policy while protecting the tanning and leather-making industry may have also created a reliance on government policies that can’t be maintained (Nishimura,2010).

THE UNCERTAIN FUTURE OF THE JAPANESE LEATHER INDUSTRY:
CAN 'BRANDING' SAVE IT?

also competing for the Japanese designer-artisan market.

Conclusion:

Anticipating the tariff free era, some Japanese leather wholesalers have also begun to offer foreign-made leathers to their artisan customers, competing with and undermining Japan's domestic tanning industry. Department stores and specialty boutiques often display goods that are made in Japan, but with leather sourced from tanneries based in Italy or France, and so labeled. Without developing a strong "Leather Made in Japan" or "Leather Made in Himeji" brand, most of the remaining Himeji tanning companies are likely to disappear.

Amid concerns about the impact of the TPP and EPA with the EU, the Ministry of Economy, Trade and Industry (METI) commissioned several studies to explore the future direction of the leather industry. The studies expressed serious concerns about the survival of Japanese leather industry (https://www.meti.go.jp/policy/mono_info_service/mono/seikatsuseihin/hikaku/index.html).

To find competitive business models for Japan's leather industry, the researchers also interviewed Italian leather manufacturers. Specifically, they wanted to know how the Italian model in which domestic tanneries collaborate on product design and marketing with Italian product manufacturers (as well as EU-based ones) was developed and how it helped build the "Made in Italy" brand. They found collaboration with their clients succeeded because it helped tanners understand, without intermediaries, the needs of product manufacturers(https://www.meti.go.jp/meti_lib/report/H28FY/000081.pdf).

My own research of tanneries in Santa Croce Sur'arno in Italy, where small and medium scale high-end tanneries are clustered, confirmed what the METI studies found. For instance, I interviewed a manager of one of the high-end Santa Croce tanneries, who explained how they collaborate with European clients who are making high-end shoes, bags, and clothing.

‘We have been working together with a highly competitive German brand for more than 10 years. In order to be successful in fashion seasons which comes twice a year, we work very closely. All successful tanneries in this area are like that. We all hire consultants to check the trend as well. And we consider the marketing research on our side is as important as the materials we offer. We do not discount, because our services are included in the footwork we do. This is how we continue relationships. That’s why they come back to us. We also often go to trendy parts of the cities such as Florence and Milan, walk around the area where fashion savvy young people are wandering around. Try to see new things. Every year, we put lots of work to learn the trend.’ ”

In contrast, according to the METI report, Japan's tanneries and manufacturers do not work with their clients or collaborate on design. My interviews with Himeji’s small tanneries found a similar “non-collaboration” model. I was told, product manufacturers such as the department stores send orders, usually via a fax, to the tanners that are basically instructions listing the required quantities and details, at the lowest cost. No Japanese tanner offered that they regularly visit Tokyo’s trend setting Harajuku or other spots ‘where fashion savvy young people’ hang out.

According to the METI report, some Italian manufacturers said Japanese products are good, but their marketing is not successful. Criticism was not limited to tanners but also to the goods manufacturers. “They make excellent products, but do not communicate well,” the researchers were told.

There were also critical comments about the government, "Japanese government supports the Japanese tanners, but it is difficult for them to expand overseas on their own." The METI committee report lament “it is unclear what direction the government intends to take the leather industry.”

Compared to the agriculture, forestry, and fisheries industry, which are also at risk with implementation of TPP and EU-EPA, there is no clear direction or strategy being

THE UNCERTAIN FUTURE OF THE JAPANESE LEATHER INDUSTRY:
CAN 'BRANDING' SAVE IT?

implemented by the government for the Japanese leather industry. Tanners are left to find their own way. What is left for them now is to produce small quantities of high-to medium range tanned hides for the production of high-value-added leather products. Hopefully, they will also systematically develop new domestic and international sales channels. To do so, cooperation and collaboration by a consortium of tanneries and the high-end product manufacturers is essential. Many of Himeji's small and medium sized tanneries can survive and thrive, but only if they develop their own Brand.

References

- Ando, T. 2016 'Current Status and Issues in the Leather Industry- Response in light of the Economic Partnership Agreement.' (皮革産業の現状と課題 — 経済連携協定を踏まえた対応) 立法と調査, No. 383, 参議院事務局企画調整室.
- Barbe, J. 2021 'The history of tanning', https://www.maharam.com/stories/barbe_the-history-of-leather-tanning. Retrieved on June 1, 2021.
- European Commission 2021 'EU-Japan Economic Partnership Agreement' <https://ec.europa.eu/trade/policy/in-focus/eu-japan-economic-partnership-agreement/>
- Fujitsu Soken 2016 'Research on the impact of diversification of lifestyles on leather and other lifestyle-related products and strategies for manufacturers' -Research on the impact of diversification of lifestyles on leather and other lifestyle-related products and strategies for manufacturers (ライフスタイルの多様化が皮革製品等の生活関連製品へ及ぼす影響と製造業が取るべき戦略に関する調査研究報告書) https://www.meti.go.jp/meti_lib/report/H28FY/000081.pdf
- Hall, S. 1997 Representation: Cultural Representations and Signifying Practices. London and Thousand Oaks, Calif., New Delhi: Sage Publications.
- Kotler, P. & Keller, K. 2015 *A Framework for Marketing Management*, Pearson.
- The archaeological Leather Group 2017 'Enigma of Japanese Leather' <http://www.archleathgrp.org.uk/Enigma2.htm>
- LEATHER-DICTIONARY.COM 2021 'Tannin' <https://www.leather-dictionary.com/>

index.php/Tannins#:~:text=Tannins%20are%20chemicals%20used%20by,by%20turning%20them%20into%20leather. Retrieved on June 1, 2021.

Nishimura, Y. 2010 'Civic Engagement and Community Development among Japan's Burakumin' in Vinken, Nishimura, White & Deguchi eds. *Civic Engagement in Contemporary Japan: Established and Emerging Repertoires of Activism*, Springer, pp.119-138.

Wood, J.T. 1912 'The Puering, Bating, and Drenching of Skins.', in *Nature*, Nature Publishing Group, p. 138.