Features Of Determining The Market Value Of Leather Goods

Abstract. The authors consider the specifics of conducting a commodity examination of leather goods, present methods for determining the type of material from which the product is made in order to identify it as accurately as possible, and find analogues in the process of establishing market value.

Keywords: assortment, leather goods, express methods, examination, product identification, market value, commodity examination, leather accessories.

Research Problem Formulation. The textile industry is one of the most promising branches of economy, thanks to the development of which the assortment of consumer goods is expanding on the stable basis. Along with high-quality goods, the market is increasingly filled with goods from unscrupulous manufacturers whose products do not meet the quality established by experts during the commodity examination. Although a visual inspection of such products, in particular, leather goods, does not always provide an opportunity to draw an unambiguous conclusion about their quality, for example, regarding the material from which these products are made (genuine leather, pressed leather, leatherette, eco-leather, etc.). In order to provide consumers with products of appropriate quality, manufacturers and trading entities must comply with mandatory and recommended requirements of regulatory documents. Regulatory documents serve as tools to ensure an effective partnership between the manufacturer, the customer of the product and the business entity that sells it to consumers or provides services. In the expert activity, regulatory documents are a necessary means to ensure the objectivity of resolving the issues raised by the expert.

Analysis of Recent Research and Publications. V. I. Barchenkova, L. H. Voinash, I. O. Dudla, M. P. Zrezartsev, D. I. Kozmych, M. M. Dianich and others devoted their scientific papers to the study of leather goods. However, the issue of determining the type of material from which an item is made (natural, artificial, etc.) without the use of complex laboratory tests is complicated and time-consuming. There are also inaccurate translations.
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and the use of terms in the titles of standards that do not correspond to their content. All this leads to ambiguous interpretation of terms in the process of product description and identification. Some scholars emphasize that there is a need to systematize the terms used to recognize products in order to reduce their number. The literature also cites the main regulatory documents that govern the requirements for leather goods and outlines the need to clarify the fundamental standards and adapt them to the requirements of the present. Identification of previously unresolved aspects of the overall problem. Due to the lack of proper research of regulatory documents related to leather goods, it is important to select, analyze, systematize and establish the requirements of regulatory documents that should be used in the process of conducting commodity examination.

Formulation of the Article’s Objectives. The purpose of the study is to indicate the features of determining the market value of leather goods and analyze the status of regulatory support for the examination intended for leather goods, and to identify areas for its improvement for the purposes of conducting a commodity examination of leather goods.

Main Content Presentation. Each leather product is unique and inimitable. External aesthetics and practicality, elasticity are the consumer properties for which consumers love leather goods. The range of leather goods produced by the industry and sold by retailers includes tens of thousands of different types and varieties. However, it is obvious that there is a decline in the production of leather goods, which is mainly due to the high cost of light industry goods. Rising prices for raw materials and energy have created a significant gap between commodity prices and household demand. The domestic market is overloaded with relevant imported goods, mostly made in China and Turkey, with a significant share of smuggled goods. In turn, an unscrupulous manufacturer offers consumers products of inadequate quality, but then does not want to admit the existence of defects. Therefore, there is often a need to determine their impact on reducing the cost of products. Consumers sometimes pursue their own selfish motives by making claims against quality products. At the same time, there is a need to determine the amount of material damage caused to the owner as a result of damage or theft. In the process of resolving such situations, one of the important stages of proof is the appointment of comprehensive forensic examinations, including forensic commodity examinations, to establish the market value of leather goods.

Depending on the conditions of use, leather goods are conventionally divided into household and specialty goods. According to the purpose, leather goods, in particular, leather haberdashery goods, are divided into: travel items (handbag, briefcase, suitcase, satchel), items intended for storing papers, money and documents (briefcase, folder, purse, wallet, cover), toiletries (gloves and mittens, bags, waist and watch belts). Determining whether the goods belong to the relevant classification category adopted in the production and trade sector, as well as the characteristics of the goods and changes in their quality indicators, establishing the method of production, etc.

Frequently, manufacturers use pressed leather in the production of their goods in order to reduce production costs. Pressed leather is a leather substitute that includes leather waste (small scraps, shreds, shavings, and even leather dust), various synthetic binding fibers of polyester, polyamide, and polyethylene, as well as synthetic thermoplastic resins. The main

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disadvantage of this material is its fragility. Therefore, as a rule, products made of pressed leather are short-lived (belts and fasteners crack at the bends).

The analysis of expert opinions on determining the market value of leather goods makes it possible to get an idea of the state of expert practice and to identify the lack of a unified scientific and methodological approach to the procedure for conducting a commodity expertise to determine the market value. The object of expert research in determining the market value of leather goods may be: raw materials, materials, individual parts (components), homogeneous and heterogeneous batches; goods that were in use; samples-standards of goods presented for the purpose of comparative research; description of an analog product (identical or homogeneous) of the goods under study, which is necessary for a comparative approach; packaging, label, markings of the manufacturer; accompanying documents describing the identification characteristics of the goods; sources of price information. The main tasks that are solved in the process of determining the market value of leather goods include: identification of goods in order to determine their marketable condition, establishment of individual characteristics of goods, their compliance with certain quality characteristics and technical description, determination of pricing indicators that best characterize the goods; determination of the condition and quality of the object (if any); establishment of the market value of goods on the desired date, in the commodity market of Ukraine.

The initial data in the study to determine the market value of leather goods may include: the presence or absence of the possibility of inspecting the goods to establish the actual data on the object of study; the uniqueness of the goods due to their availability on the Ukrainian market. Type of goods (single product, sample or batch); homogeneity of the batch; condition of the goods (new or used goods; complete or incomplete); qualitative characteristics of the goods (defects, belonging to a certain category); presence (absence) of packaging, tags or other media provided by the manufacturer of the markings; presence or absence of regulatory or conformity documentation, which can identify the goods; presence or absence of supporting documentation, including such that would confirm. The initial data for the study determine both the composition and content of the procedures (actions) performed by the expert at various stages of the study to determine the market value of leather goods. The main (analytical) stage of determining the market value of leather goods begins with the establishment of the commodity classification and pricing indicators of leather goods. The determination of the commodity affiliation of leather goods is carried out to determine: the affiliation of the investigated goods to a generally accepted class (group and subgroup); the affiliation of individual units of goods to one type (brand, model and article); the affiliation of leather goods to a homogeneous batch of products (or the absence of such affiliation); conformity (non-compliance) of assortment features and consumer properties of leather goods provided for in the contract (agreement), other accompanying documents and information specified in the manufacturer's markings; conformity to the actual

3 Савчук Н. Г. Особливості формування номенклатури показників для моніторингу якості швейних виробів. Легка промисловість. 2007. № 4. С. 53.
characteristics of the goods, shipping and other documents describing the identification features (if it is possible to inspect the goods) that significantly affect the cost of leather goods.4

The results of the identification must be reflected in the expert’s opinion with the methods and means of its implementation. After identifying leather goods, the expert determines the actual condition of the goods and the level of their quality. The importance of this stage is due to the influence of various indicators on the results of the study to determine the product’s identity and to establish the market value of leather goods. Such product indicators include: integrity and quality of packaging; proper labeling and quality of the object (class, grade, type, etc.); completeness of the object; compliance of leather products with the manufacturer’s labeling data, presence (absence) of defects or damage; presence (absence) of wear and tear. The quality indicators of the tested leather goods are determined in accordance with the requirements of regulatory documents. The level of quality of goods is determined taking into account the nature of the defects found, their number, the possibility of elimination and the suitability of leather goods for their intended use. The results of determining the actual condition of leather goods and the degree of wear and tear are reflected in the expert’s opinion. After carrying out the above procedures, the expert determines the market value of leather goods, which is determined on a certain date, in the Ukrainian market in the state currency.

A comparative methodological approach is often used to determine the market value of leather goods. The basis for calculating the market value is the price of a similar product (identical or homogeneous). The determination of the market value of leather goods using the comparative approach includes certain stages (Table 1).

### Table 1

<table>
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<th>No. s/n</th>
<th>Essence of the stage</th>
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<td>1.</td>
<td>Search and selection of a similar product (identical or homogeneous) to the object being valued based on a set of known features and indicators identified in the identification process. Depending on the results of the search, the following stages of determining the market value of leather goods may be used: direct comparison, i.e. determining the market value of leather goods based on direct selection of prices for identical goods as of a certain date and comparison with an analog product, i.e. determining the market value of leather goods based on prices for homogeneous goods using certain comparison elements, which are subsequently adjusted in the calculations to equalize the difference between the object under study and a similar product.</td>
</tr>
<tr>
<td>2.</td>
<td>Search for legitimate and reliable information about prices for identical or similar goods.</td>
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<tr>
<td>3.</td>
<td>Comparison of similar leather products with the evaluated product and determination of the need to carry out detailed calculations that take into account the differences in characteristics, the actual condition of the product and its quality level.</td>
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<td>4.</td>
<td>Carrying out, if necessary, corrective calculations and finding a justified value of the market value of the product.</td>
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Until recently, in order to distinguish natural leather from imitation leather, the product was subjected to only short-term thermal exposure, after which a conclusion was drawn based on the characteristic smell (the organoleptic method was used). However, this is not enough at the moment, because manufacturers of synthetic materials have invented certain additives, thanks to which artificial leather chars under thermal influence, just like natural leather.

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To obtain a “leathery” smell, an appropriate flavoring agent is added to the substitute.

The type of material used to make the leather product (women’s handbag) submitted for examination was examined using rapid methods. The edges of the leather should be carefully examined. In the case of a high-quality bag, all cuts are mostly hidden. Particular attention should be paid to the joints and edges of the folds, where there should be no hidden seams. Given that the basis of leatherette is often textile, fabric or threads on the cut indicate that the material is leatherette. A bag made of genuine leather has a uniform and dense cut with a suede interior. A separate way to check leather products: soak the product with water and wait 15 seconds, then wipe off the remaining water. If the leather is genuine, it will absorb water and darken, while synthetic leather will not change. To find out the quality of the leather, bend the product (preferably the bag flap) for 3-5 seconds, and then release it, wait 20-30 seconds. The absence of creases indicates that the bag is made of genuine leather. If creases remain, it is likely that the product is made of leatherette, because artificial leather does not have the same viscosity and elasticity as natural leather, because it does not contain natural collagens, thanks to which the material returns to its original position5.

This method of verification is also effective. A high-quality leather bag comes with a sample of the material from which it is made. By comparing the sample to the texture (pattern on the material) of the leather bag, you can find out what material (leather or a substitute) it is made of. The inside of a genuine leather bag must have a leather mark stamped or tagged on it, i.e. an emblem that matches the structure of the leather on the product. However, this is not a mandatory condition for the delivery of goods and does not guarantee the naturalness of the material. Manufacturers of products made of artificial materials put a rhombus on their products as a special mark. Genuine leather is characterized by a unique chaotic pattern, unlike stamped leatherette. To test the material for thermal conductivity, place the inside of your palm against the material of the bag. If the product is made of genuine leather, you will feel warmth almost immediately, but the skin will remain dry. Leatherette tends to take longer to heat up and leaves a damp mark when handled. The pores of artificial leather are uniform in shape and depth, whereas in genuine leather they are randomly arranged. When bent, stretched, or pressed, artificial leather can change color, while genuine leather always retains its color.

In the process of conducting a forensic commodity examination of leather goods, the study includes the following stages: substantiation and selection of the necessary set of research methods and the sequence of their application; identification of the object and its assignment to a classification group; analysis of appearance (detailed description of the object of study, recording of dimensional characteristics) and description of markings (if any); recording of the condition of the object of study (photo recording and description of all defects with a mandatory indication of their location); determination of further operational capabilities; analysis of the market of an object in a particular region in a particular period of time to determine its market value. The determining condition for determining the market value of leather goods is the availability on the market of an object that meets the characteristics of the object under study (identical object) or an

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5 Савчук Н. Г. Особливості формування номенклатури показників для моніторингу якості швейних виробів. Легка промисловість. 2007. № 4. С. 52.
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analog whose characteristics are close to those of the object under study but have certain differences in properties. Based on a market research analysis of the price level for a particular type of leather product, the market value can be determined by a comparative methodological approach with an analysis of price information on the secondary market and a cost methodological approach with an analysis of price information on the primary market with appropriate adjustment for the service life and/or defects. However, a wide variety of leather goods and individual differences in the commodity properties of a number of groups necessitate the improvement of the approaches used in solving specific expert tasks assigned to a commodity expert6.

The results of consumer consultations and commodity examinations, including those of leather clothing, revealed contradictions and inconsistencies in regulatory documentation, as well as a lack of information necessary for the examination. All of this slows down and complicates the commodity examination process, and in some cases makes it impossible to conduct certain types of research, preventing the answers to the questions posed in the examination. To solve the problems, we selected regulatory documents related to leather goods; and systematized them into groups of requirements for: terms and definitions; classification; nomenclature of quality indicators; technical requirements; labeling; packaging; transportation and storage; operation; care; research methods and requirements for their implementation; quality control methods; the author analyzes the above groups of regulatory documents, identifies inconsistencies and contradictions; based on the results of the analysis of regulatory documents, the author selects regulatory documents which can be used in the process of conducting a commodity examination; the data from the selected regulatory documents are systematized in order to fill databases for conducting a commodity examination of leather goods.

However, there are certain inconsistencies and problems of systematization of terms in the regulatory documents: the interstate standard GOST 3123-78 “Leather production. Terms and definitions” and the national standard DSTU 2433-94 “Leather production. Terms and definitions”. The titles of the interstate and national standards are identical, but their information content is different because some of the terms from GOST 3123-78 are not in DSTU 2433-94 and are transferred to DSTU 2341-94 “Leather. Terms and definitions”; the content of DSTU 2341-94 does not correspond to its name, because in addition to terms and definitions related to leather, there is a section “Skin and leather defects”. In the DSTU GOST 31293:2009 “Leather clothing. General technical conditions” (GOST 31293-2005, IDT) the following inconsistencies were identified: the national introduction lists the replacement of interstate standards with national standards in section 2 “Normative references”, but does not indicate that the national standard DSTU 3115 was developed to replace GOST 1875-83, which leads to a reference in section 3 “Terms and definitions” to GOST 1875-83. Taking into account the designation of the degree of conformity (IDT), the national standard is identical to the interstate GOST 31293-2005 “Leather clothing. General technical conditions”, so the given norms from Table 1 are consistent with the norms of GOST 1875-83 “Leather for clothing and headgear. Technical conditions”. But on the territory of Ukraine, GOST 1875-83 was replaced by DSTU 3115-957 [5, p. 222].

Conclusions of the study and prospects for further research. In order to establish the market value of leather goods in the process of conducting

6 Браїлко А. С. Класифікація одягу зі шкіри як складова побудови моделі розпізнавання, призначеної для проведення ідентифікації та товарознавчої експертизи. Товарознавство та інновації: зб. наук. пр. Вип. 2. Донецьк: ДонНУЕТ, 2010. С. 258.

commodity examination, research must be comprehensive, complete and objective. Experts should take into account the composition of the initial data, the individual characteristics of the object of study (goods), and the possibility of using methods or methodological approaches to study the goods or their combination, which are determined by each specific expert situation. The practical use of the above-mentioned express methods will allow you to quickly determine what material the product in question is made of (leather, leatherette, etc.), and subsequently accurately identify it and find analogues in order to establish its market value. Based on the results of the analysis, it was found that the current regulatory documents for leather clothing are not adapted for the examination of leather goods. It is necessary to develop: a dictionary of characteristics of leather goods (it should contain a database of terms and definitions for unambiguous interpretation and use); methods for studying chemical and physical and mechanical characteristics of leather; methods for conducting an examination of leather goods; methods for evaluating leather goods.

The development and approval of appropriate methodologies will make it possible to carry out the full range of research related to the examination of leather goods and their valuation at the proper level. Prospects for further research are to study the means of improving the determination of the market value of leather goods and improving the regulatory support for the examination of leather goods.

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