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## ***Northern Lights... The Next Step***

So much has transpired in the last nine months that in looking back, it is difficult to believe that the *Northern Lights* Wild Fur Promotional Program only made its debut in mid-January 2010. The program was created in direct response to a worsening situation as wild fur prices were declining and demand was limited.

Our target market to begin was China and we put together a strategy based on three key points. We outlined the problem areas and marketing opportunities. To facilitate understanding of the Northern Lights project, we offer a look at how it began and where we see it going.

### **1. Logistics**

The record-breaking fur retail season in China in 2009 put the trade in a good position financially; the problem for this project was that mink sales were much stronger than any other furs and the profit was such that there was little interest in other furs.

Also to be considered is that for those who chose to use wild furs as small garments, accessories or trims, the local skin markets offered tens of thousands of dressed furs such as Chinese raccoon, fox and rabbit that were readily accessible. A manufacturer could visit the local market and select skins one by one and in any number. The skins could be taken immediately and put into work the same day. There were no delays in packing, shipping, customs clearance or duties to pay.

Dressing capabilities were a consideration as well. Some of our North American furs like beaver and coyote require special attention and dressing factories are far more interested in processing millions of mink skins rather than take the time and effort for wild furs.

## **2. Positioning**

We felt that it would be impossible for NAFA to overcome the obstacles for our wild fur in the China market without local participation. In this respect we identified the major players in Hong Kong and China who had the strength and market share needed to make this project successful.

After initial meetings, we were confident that we could gather enough support for the project.

## **3. Marketing**

This is one of NAFA's strong points and we used the brand to gain entry at various levels. The initial launch of the label was at the Beijing Fur Fair in January and the label received tremendous exposure with both the trade and consumers through the events that we had co-ordinated.

NAFA's booth at the fair highlighted the Northern Lights collection and provided information about wild furs.

The opening night of the fair was a gala evening that began with the presentation of garment of the winners of the National Design Competition. NAFA was the sole sponsor of this competition and all of the garments were produced in NAFA Northern fur skins. There was consistent media coverage since the initial announcement but the finale and selection of winners at the fair gala evening was a tremendous coup.

Immediately following the showcasing of the student designs was the trade fashion show. Five of China's leading manufacturers presented highlights of their collections. The only other scene in the show was that of the Northern Lights collection by NAFA. Eighteen garments designed exclusively for NAFA and produced in beaver, raccoon, coyote and red fox took to the catwalk in an upbeat performance that was recorded and aired on CCTV and Beijing TV. Photos of many of the garments appeared in newspapers and magazines in the following days and weeks.

In assessing how this strategy worked, there is no question that this project had an impact on our March wild fur sale. The overall sales of wild fur that went to Hong Kong/China in March were approximately 65% of the total sales. Three of the major buyers were participants in our Northern Lights program and they alone took 60% of the Hong Kong/China sales.

Looking back at our May sale, we can see that this sale was not as successful as March for several reasons. Problems still remain with China Customs and this slows imports. The dressing factories have a two-month backlog, so most of the skins purchased in March have yet to be dressed as mink takes priority.

Despite these problems, in our May sale, 50% of the total turnover went to Hong Kong/China and almost half of this went to those who were involved in our Northern Lights program, proof that the participants in the Northern Lights program are prepared to work through these problems

With the auction sales over for this season, we are moving ahead with additional marketing plans for our Northern Lights program:

In mid July NAFA will participate in the Shenzhen Fur & Leather Fair. This fair attracts domestic wholesalers/retailers for fur and leather garments as well as ready-to-wear manufacturers who use fur in their collections. NAFA will use this fair, as we did at the Beijing Chic exhibition in March, to introduce our wild fur products to designers and manufacturers. A plus at this fair will be that some of our partners will also be showing their garments at this exhibition, so once we create the interest for our NAFA Northern skins and the Northern Lights collection, we can immediately introduce new customers to a domestic supplier.

Early August will see the opening of a showroom in Beijing by Golden Base Ltd. dedicated to NAFA Northern wild furs. Skins from our 2010 auction sales have been imported and are being dressed. These skins will be targeted for use by design houses and major ready-to-wear manufacturers. The latest trends in colour and techniques will be on offer in smaller quantities for sampling with backup stock already in their warehouse. This will put our NAFA Northern skins on an equal footing with the domestic skins in the market. NAFA will handle the Grand Opening activities to secure exposure within general media and more importantly the trade publications that serve the fashion and fur industries in China.

NAFA will host its annual media event in August in Beijing. One of the highlights of the gala show will be the Northern Lights collection of garments and accessories. We are pleased to announce that Han Feng, a well-known Chinese–American designer, has joined our program and will create a collection in NAFA Northern furs. In addition to her exclusive ready-to-wear designs, Han Feng has gained recognition for her work in movies and opera. She did the costuming for “The Karate Kid” which just opened in theatres worldwide. She also has to her credit the costume designs for Madame Butterfly—an opera that has recently been staged in major cities around the globe.

The end of summer is also the scheduled opening for China Tushu’s new facilities in Beijing. NAFA will be working closely with them on several projects for wild furs. The facilities will provide additional dressing capabilities, enlarged warehouses and expanded production for fur and leather garments. Wild fur will be a major component in the company’s business.

Marketing promotions will also continue at the retail level as the 2010 retail selling season begins. Our partners in the south of China in Haining are planning high profile events to celebrate the opening of their new fur mall.

Other campaigns are under discussion and we will keep you advised of NAFA’s continuing efforts to promote NAFA Northern and Northern Lights. The tremendous energy and financial resources that NAFA and its partners have committed to the Northern Lights project will profit all who deal in wild fur. We will remain vigilant, though, to assure that the trappers and hunters that ship to NAFA will reap the greatest benefits as their understanding and support has been the backbone of this project.

Diane Benedetti  
*Advertising & Promotion Director*