

Bringing Specialty Retail to Manufacturing



I make packs and outerwear for a small regional outdoor brand rooted in a specialty outdoor shop in the Colorado Mountains. A pillar in the local community, the shop is known as the local, high mountain sports expert and the business owner is active in supporting the town and culture. The shop, the products it has for sale, and the employees, are all the real deal.

The foundation of the outdoor shop's business is the traditional double margin retail model. The store managers buy from an array of established brands all the essential provisions their tribe requires, from life-saving equipment to little gizmos and parts, as they depend on this network of wholesale vendors to source a wide spectrum of the right goods to support their customers' needs. This is what makes specialty retail different: Specialty shops have intimate knowledge of the surrounding environment; the staff knows what products work, and that's what they sell.

This side of the business requires all the same timing and pre-season orders and cash-flow projections as any traditional retail business. The outdoor industry vendors the shop's buyers rely on primarily use sales reps who travel to the shop to preview product lines. Visits to trade shows, both regional and national, confirm the wholesale buy, which is mind-bogglingly complex. The current wholesale system, complete with its margins and discounts, is essential for the mountain shop to survive.

On my side of the equation, we make a small variety of outerwear and packs, almost all of them exclusively from American materials. The products carry a single margin and are sold through the shop's brick and mortar store and the online site in a low-key, loyalty kind of way. While the production is decidedly small batch, we are very serious about the product we make and the single margin allows us to bring technical styles using American fabric

to market at competitive prices.

The direct to market side of the business is grounded in being closer to the customer. Through year-round participation in local festivals, events and demos the shop/brand directly experiences the ebb and flow of people and possibilities, capturing nuance that other makers might miss. The Colorado-made product is fresh and flexible and it projects those qualities along with a feeling of membership-ownership to the consumer.

It is worth noting that the brand's home-grown product wouldn't be possible without the traditional, double margined, wholesale product holding up the price expectation tent in both the shop and the market. Selling high-end, expensive technical apparel opens the door for slightly lower priced American made apparel that uses American fabrics. (The rich irony is that the materials used in our product are not usually seen in the

traditional market because they are too technical and expensive. So our stuff actually works better. Hah!)

From the customer's point of view the shop presents the array of familiar and trusted names from the across the technical outdoor market as well as the shop's made in USA brand in an even-handed way. No guilt, no judgment, no David and Goliath story. The customer is free to choose how their dollars work for them and make a selection in a win-win retail environment.

What I smile about is that this is basically how REI, Holubar and Gerry all started. A group of outdoor enthusiasts come together to buy and resell mountaineering equipment while making their own basic product in their own small facility. This form of specialty branding, with one foot in local manufacturing, and one foot in traditional street retail, has a certain magic to it. 'Source the hard to find stuff globally and sew what you can locally' - just might be the mantra of the future outdoor market.

Disclaimer: Mr. Gray, along with other young outdoorsmen, used to wait expectantly each year for the Stephenson Warmlite* catalog. Nudists just naturally know how to sell product. His opinions are not necessarily shared by the publisher or others of more modesty.

*Jack Stephenson was an aerospace engineer who invented the first padded hip belt for packs, the first tents with curved/hooped poles and the down filled air mattress. His company is family owned and survives to this day. ●