

BRAND PROFILE: ROCKY BRANDS



Buyers of work, hunting and western-style footwear in many markets know the family of brands that comes under the Rocky Brands umbrella, but perhaps a little less about the company behind the boots and about its plans for growth in 2014.

Growth is on Rocky Brands' mind

Rocky Brands prides itself on being a supplier and seller of footwear, as well as on its designs. But in terms of its retail and wholesale activities, a transformation has taken place over the last three years, according to chief executive, David Sharp, building up the group's e-commerce capabilities.

Moving one of its online sales sites to a new e-commerce platform in 2013 resulted in a 20% sales gain; all of its online sales sites will move to the new platform, Demandware (which also boasts adidas, Crocs, Deckers, New Balance, Columbia, Rockport, Ecco, Puma and Converse among its clients, suggesting that it

works well with footwear in general) during the first half of this year.

Rocky Brands' commitment remains strong to having what Mr Sharp calls "a portfolio of diversified brands", playing in the western (Durango), hunting (Rocky, Georgia Boot and Mossy Oak), military (Rocky S2V) and work (Rocky4EurSole, Lehigh and Michelin) markets. Together, these segments account for only 13% of US footwear spend at the moment, which is one of the main reasons, the chief executive explains, why the group is focusing on new areas in which to grow and why it made a move in 2013 to acquire a new brand, Creative Recreation.

On trend camouflage-style Rocky SilentHunter rubber boot.

Rocky Brands

Casual introduction

Creative Recreation is an “upscale sneakers” brand, founded in Los Angeles in 2002. Rocky Brands reached an agreement to acquire it from previous owner, Kommonwealth, at the end of last October, paying around \$9 million for the privilege. Founder, Robert Nand, and his original team wanted to create shoes that had “the comfort of a sneaker with the materialisation of a dress shoe, the ultimate crossbreed of lifestyle footwear”, and believe that’s what they created with Creative Recreation. David Sharp limits himself to saying the acquisition will give Rocky Brands an “entrée into the larger casual market”.

He likes many elements of the sneakers, notably a strap with the brand’s logo that goes over the vamp in its best known silhouettes. “The business was started by very creative people,” Mr Sharp continues, “and had a meteoric rise between 2007 and 2009, with sales holding steady since then. However, sales have not been profitable. The creative folks are staying, and what we’ll bring to it is operational excellence, making sure the shoes fit, making sure they’re comfortable, things we are good at. They have a large international business [26% of sales], which we’re hoping to dovetail with.”

Quick kiosks

Acquisitions are always exciting, but growth can come organically too. One significant sales innovation in recent times that Rocky Brands believes will help it achieve organic growth is the installation at safety footwear customer sites of CustomFit kiosks, which allows the customer organisation to build its own online store with Rocky Brands. Once it’s set up, employees can go to the kiosk or onto the internet at home and choose the shoes or boots they want from approved models. “There is no one with a solution like this,” Mr Sharp continues. “We compete with Wolverine and with Red Wing, but they’re not doing this.” He says the technology provides a pretty strong price advantage: delivering a pair of shoes to a retail outlet on a truck had a sales cost of \$28, he says, compared to \$7 to ship a pair from a central warehouse. He knows that some customers will want to maintain “a physical presence” to their safety footwear purchasing and will opt not to install a kiosk, but the idea is catching on. From 27 installations in 2012, the figure increased to 276 in 2013, and Rocky Brands anticipates over 750 more this year. “It’s merely an iPad encased in a fixture, located in the HR department or in the cafeteria,” he explains, to dispel any notions of the kiosks involving complex and large pieces of hardware.

A lesson in quality

Sourcing good quality shoes from good quality manufacturing partners will always be important; the group knows there will be a price



Rocky Brands believes it can achieve growth both organically and through acquisition.

 Rocky Brands

to pay for falling short in that. David Sharp has talked about problems with the launch in 2013 of Rocky4EurSole, a clog-style of footwear designed specifically for women in the healthcare industry. The shoes are built on a three-part system that allows the wearer to interchange two insoles on the clog shoe; a backless insole with a removable swivel-strap and a full-back insole, which means the wearer can choose clog, sling-back or full shoe.

There are gains to be made in producing footwear for healthcare professionals, Rocky Brands believes, especially for women in healthcare. It estimates there are 14.3 million people in the US alone working in healthcare jobs and that 80% of them are women. It estimates that 2.5 million new healthcare jobs will come onto the market in the US by 2018. However, Rocky Brands’ attempt to capture a share of this market in 2013 got off to a slow start precisely because, in the words of the chief executive, “some of the product that arrived was of poor quality”. But he believes in the idea and says the company will go back this year with a better quality product to the dealers it says it disappointed in 2013. 



The company hopes for a better 2014 for its Rocky4EurSole healthcare worker clog idea.

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