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**WORKING WITH MANUFACTURERS ON STORE
EXCLUSIVES AND PRIVATE LABELS AFFORDS A
PERSONALIZED SHOPPING EXPERIENCE.**

By Robyn Volkening



Smartphone in hand, a shopper can easily search for the products you carry in store online, and possibly find them elsewhere at a discount. How can retailers stay relevant without playing the pricing game? One way is to offer a unique shopping experience that can't be duplicated, no matter how adept a customer is with his or her iPhone apps and Google searches. Store exclusive products, co-branded items, and even private label goods can help retailers be a sought-out resource with unique items for their clientele, especially if store buyers really know their customers.

While not black and white in definition, “store exclusive” typically refers to an item sold via one retail partner. Perhaps the manufacturer tweaks a color or fabric to please a retailer or offers a unique pendant design to a store. The product still carries the label of the manufacturer and adheres to the brand's aesthetic, but it's exclusively available through one retailer.

Co-branded items are also considered store exclusives and are made in the same quality of the manufacturer's other offerings, but they often have a design element that is specified by the retailer and showcases labels and packaging that promote both the brand of the maker and that of the store. Stores often develop their own “lines” of products made by different manufacturers that are each designed to speak to the core consumer or geographic area.

Private label goods do not usually integrate the manufacturer's label, only that of the store. They are made at the request and the design of the retailer, and while savvy shoppers may guess the manufacturer by style, the maker's brand is not published, promoted, or utilized. Stores often use this when they find a maker that doesn't have a well-known brand in their industry, or to keep their sources a secret. Stores seek out makers for items that they cannot find through regular channels and often use this concept for small maker or artisan goods.

One success story is Kemosabe (Aspen, Vail, and Las Vegas), a store that is very well known for its individual “look.” It uses co-branded exclusives and private-label Kemosabe merchandise in footwear, hats, silver, and leather/bags categories. Wendy Kunkle manages many of these relationships.

“We must be different to stay competitive and to go against online-only companies who don't have the high overhead we have, as well as manufacturers who are selling direct,” Kunkle says. “We know our customer very well, and since we are timeless and classic in our designs and product selection, we aren't worried about

quick trends. We are 75 percent exclusive product in our stores, which make us a destination.”

Kunkle says Kemosabe has always had a selection of exclusive products from smaller makers, and as it's built trusted relationships with larger vendors, the store has been able to move more product categories and inventory to exclusive designs. She says that since Kemosabe stays true to its brand and customers, it is able to create lasting designs that stand the test of time and coordinate with items customers have purchased in the past. It works with Rios of Mercedes, Stallion, Lucchese, Old Gringo Boots, The Bohlin Company, Vogt, and others on Kemosabe exclusive designs with co-brands, and it works with small local makers on Kemosabe labeled items in hats, jewelry, and leather areas, truly curating a distinctive inventory.



Pinto Ranch—which has stores in Houston, Dallas, and Las Vegas—is a retailer that very much values its vendor partners' brands and only uses co-branded products when it can't find what its customers are looking for in a line's regular offerings, says merchandise manager Mike Burchett. When Pinto Ranch sees a void in the market, it seeks out a trusted resource that provides the high standard of quality the store is known for, and they work together to develop something special. Still, a good deal of

the inventory is tweaked to be exclusive to the store, with heavier emphasis on the boots, and it also offers Pinto Ranch-labeled men's shirts, sport coats, pants, and accessories. But Burchett emphasizes that Pinto Ranch wants to not only provide unique offerings for customers but also to utilize the manufacturers' known brands, building the store's name alongside its vendors.

When working with a manufacturer or vendor, both stores suggest that it's very important to work with trusted partners with whom you have an established relationship and a history of business. When you know how a manufacturer ticks, what its quality level is, and how its line sells to your customers, it's easier to be confident in developing a new design or store line. Likewise, vendors are more open to doing something exclusive for you if you have a good relationship and reputation built over time with them.

How vendors approach co-brands and store exclusives varies slightly based on the product category and the size of the manufacturer. Ryan Vaughn, executive vice president of Rios of Mercedes and Anderson Bean boot companies, does quite a few store exclusive designs, as well as private label. He says that his stores often build up to a store exclusive. They start by trying



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out some of the maker's bestsellers and move toward building their own collections after seeing how well the boots sell. He says that Rios' business is getting to be 90 percent exclusives (or "make ups") now, as stores want to design for their customers. By doing this they can factor in regional fashion trends and climate, as well as have something unique to feature in their marketing and merchandising.

Vaughn says he likes to work with the stores to help them stand apart from other retailers and avoid the online price-shopping phenomenon. He says Anderson Bean started out as a private label brand, making boots for a few Western stores under store brand names, but as the Anderson Bean name became better known, it started branding its own products and now rarely does any private labels without the AB tag. Due to the nature of boots and sizing, Rios requires a store to start with a minimum order to showcase and merchandise the brand well and set the store up for success. Vaughn says some stores come to it with drawings and colors already in mind and really push the design envelope, even traveling to the factory to see all the available leathers in person, while other store buyers prefer to be guided in their design choices to develop something special.

Another manufacturer well-known for its creative product offerings is Greeley Hat Works. Owner and hatmaker Trent Johnson says that beyond his one-of-a-kind custom designs, his wholesale accounts almost all have store exclusive designs that are co-branded with the store logo and the GHW logo. He

works with numerous retail accounts across the U.S. as well as in several foreign countries to develop solid co-branded hat selections that appeal to each's distinct customer needs.

Some GHW-made store exclusives just have a slightly different shape or a changed sweatband or liner, but often a buyer conceptualizes an entirely new design from scratch. Johnson says that since GHW is a small operation, it's more nimble than other hat companies. Stores often reach out to him for unique products that they can't get from larger companies that have their lines already built. Conversely, he develops the design with the store and then builds the stock. Although a slight delay in delivery happens while the hats are made, the store knows it is getting something that its customers can't find elsewhere. The customer needs come first, which drives the store design, which leads Johnson to create hats to fill that need.

Johnson also says having a co-branded, higher-end offering allows his retailers to enjoy a better margin on their exclusive products since customers can't find it anywhere else to price shop, and many buyers also like the "small batch" feel of an artisan product's details. He believes his hat customers become the best ambassadors for his and the stores' brands as they get inquiries about their unique toppers.

Evolution is key to staying relevant, on both sides of the wholesale/retail arrangement. Like with Anderson Bean, Johnson says his collaboration with Hobby Horse Inc. started as a private label situation, where he crafted Western hats for Hobby Horse to sell under its brand and labeling. As his Greeley Hat Works brand became more well-known in the horse show world, the folks at Hobby Horse saw the benefit to co-branding and having both logos in the hat and packaging—promoting the line together. Johnson often works with his retailers to co-op market or even host events together. He says that working collaboratively allows his brand and others to evolve and build alongside each other. His advice to stores seeking an exclusive or co-brand is to really know their customer and share which other clothing or footwear brands do well in their store so he can help guide in the design process to build something synergistic.

Jesse Smith of Westerngrace is a designer and couture Western clothing maker who works with a highly curated, small group of boutique clients across the country on very exclusive designs. Smith, who says many of her retail accounts have been with her for years, develops a sample collection of her

designs, which she then tweaks for each store's production. She says one skirt may evolve in different ways for a client in Santa Fe vs. Fort Worth vs. Denver. She says she likes to visit her clients' stores to get a feel for the customer, the weather, and the unique way the clientele wear her creations. For instance, her silk gingham blouses are very popular year to year, but she has now created a cotton version for warmer Texas climates. She also does exclusive designs of a silk skirt for Denver's Cry Baby Ranch, where over the years she has changed the colors seasonally while the design of the skirt has remained the same, as the store's customers continue to love the versatile design that they can dress up for a gala or down with a T-shirt and flip flops. That successful and long-lived skirt was a collaboration with the owner of the store, who came to Smith with the idea.

For her Santa Fe client, Smith often changes the color palette of a design to suit the owner's artistic vision, the desert climate, and other items in the store. Her Fort Worth store likes to change to lighter-weight fabrics and often puts a twist on a yoke or sleeve to suit its more conservative customer. Smith says sometimes a store likes a prototype but wants it in a less expensive fabric or with fewer details to lower the price point, which she can usually accommodate for production. A confident buyer often comes to her with a very specific idea for a tailored denim shirt, for instance, and then Smith develops a few options to choose from. But whether building from scratch or just tweaking designs, both ways allow Smith's clients to offer something very special to customers looking for an heirloom-quality garment with classic lines that can be worn for years.

Vendors typically agree that a skilled staff is instrumental in making store exclusive and co-brands successful. While selling a higher price point, exclusive product that the store has custom designed for its core consumer, salespeople build relationships with their customers, getting to know each more personally, and have the opportunity to showcase the store's exceptional standard of customer service—creating that destination resource for future sales.

In an increasingly competitive retail environment, using your customer knowledge and utilizing partnerships with trusted vendors to create a store exclusive or co-branded product line can be a great way for retailers to create a shopping experience customers can't find elsewhere. 