

# Indie Labels

The independent segment is maintaining an edge by betting on up-and-coming niche brands. << By Barbara Schneider-Levy

Competing with the big guys — it's an ongoing challenge for today's comfort independents. And their task is becoming increasingly difficult as department stores and chains continue to discover new opportunities in the comfort category, resulting in the overexposure of brands that were once considered the domain of the independent. But three recently launched niche labels — Rogue Shoes, Taos Footwear and Flat Tire Footwear — are com-

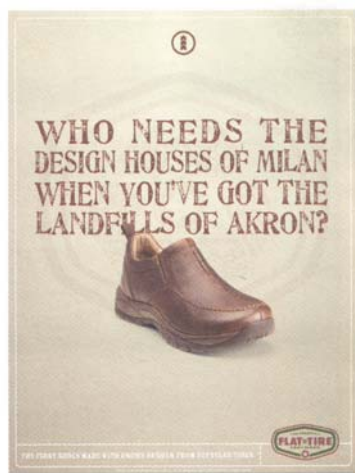
looking for distribution protection," said Glen Barad, president of the Torrance, Calif.-based company. "[That's why] our shoes are not in every shoe store, e-tailer and catalog in the world."

And that's just the way independent retailer Kevin Zunich, owner and manager of Roxanne's Birkenstock, likes it. Zunich said he was eager to add Taos to his product mix so that his store would stand apart from the pack. "We're in a small market, with three or four stores in a few blocks," he said about his store's San Obispo, Calif., location. "We want a brand that not all the stores will carry."

Distribution protection is not the only factor driving business for these niche brands. The right styling is also a critical part of the equation. "We've identified a market for a fresh alternative to Euro comfort," noted Scofield, describing Rogue as "West Coast comfort," which he said translates into three categories: the River City collection's European-influenced looks; the younger, trendier NoPo series for women; and the fashion-forward Ice Cube offering for men. "It's all about having a unique product that doesn't compete with something else on the wall. Retailers take ownership in our success. It's a partnership."

Lokers Shoes, based in Holland, Mich., has been carrying Rogue since fall '05. "Rogue tends not to be sold in department stores," said owner Tom Lokers. According to Lokers, Rogue attracts customers who like new brands, particularly his female clientele. Men, on the other hand, are drawn to Rogue's styling, he said.

Heading into fall '07, Lokers has placed orders for Rogue styles that feature the brand's new Pita Arch system, designed with interchangeable arch supports. Since the store is a pedorthic facility, it can customize the shoes to accommodate the individual needs of its clients.



A Flat Tire ad touting its green focus.

mitted to servicing the independent, thus giving these stores the edge they need to distinguish themselves in the marketplace.

"Independents are looking for differentiation from department stores and chains," said Rob Scofield, president and founder of Lake Oswego, Ore.-based Rogue Shoes, which debuted at retail in 2005. "When a new brand comes along, independents identify it and reward it. They feel a kindred spirit. We're little guys doing something unique and different."

Taos Footwear, a 2-year-old collection of comfort casuals for men and women, has also found its sweet spot in the independent sector. "Retailers are

In fact, Dan Mailey, national sales manager for Rogue, said it was the Pita series' innovative arch technology that contributed to the brand's preseason bookings for fall, which are up 25 percent, compared with net shipments for fall '06.

Taos has also found strength in numbers by staying loyal to the independent. The brand experienced a 250 percent increase in fall '07 bookings compared with fall '06, according to Barad. Clean distribution, coupled with styling that appeals to a younger audience, has helped the budding brand quickly gain entry into comfort stores.

While Barad said many of today's comfort brands target more mature customers, Taos resonates with those as young as college age. "It's a younger [audience] than the soccer mom we originally thought we'd attract," he said.

Flat Tire Footwear, a division of West Allis, Wis.-based Gravity Group, has likewise found that its eco-friendly footwear is resonating with smaller retailers looking to offer their customers something fresh and different with a unique point of view. According



**Clockwise from top right:** Taos' duo of spring '08 sandals; Rogue's fall '07 ballerina; and Flat Tire's boot.

to President Michael Hottinger, the brand's Crumbtech comfort system, using recycled scrap tires to fill the cavities of the outsole for enhanced shock absorption, is "unique and understandable by consumers due to its other uses and applications," which include cushioned playground surfaces and running tracks.

But while Flat Tire and its niche-focused peers may be enjoying success in the independent arena, there is no denying that in order to grow their brands, selling to department stores and larger chains is likely the logical next step. But for the time being, Flat Tire is content with its current business plan, Hottinger said. "We look to brands that have navigated [the independent sector] successfully," he explained, pointing to Dansko as an example. "They haven't gone that route." Pursuing distribution among smaller retailers is simply the natural starting place for building a brand, he continued, adding that it is a win-win for both retailer and wholesaler. "Retailers make better margins, and [for us], it's a consistent business."