



The benefits of shop-branded gear transcend marketing and community building, as many custom-made products bring better markups. (Image courtesy SansUSA)

Monetize your store logo

BRANDING BUSINESS

By: MICHAEL SUDMEIER

Customers once expected specialty retailers to focus exclusively on promoting and selling the products of other companies. With this traditional model, a retailer curated a portfolio of brands that helped shape a shop's identity, yet this identity was often subservient to the brands on board.

Today, however, savvy retailers are not only selling the brands of others, but also fashioning their own, lending exclusivity to their shelves and frugality to the customer experience. Be it custom decks, bike jerseys or miscellaneous apparel, shops are creating and selling products that bear their name and build their brand.

BRANDED ADVANTAGE

Like many specialty retailers, Eastern Boarder gets great value out of its line of

shop-branded products. As proof, stickers, hoodies and T-shirts that feature the Eastern Boarder logo can be found thousands of miles from the store's five brick-and-mortar locations in Massachusetts and New Hampshire. According to Snow Buyer Herb Grignon, "Our dot logo has almost taken on its own identity. We have customers sending us *spot the dot* pictures from all over the world. I don't think we would have the name recognition without that little three inch sticker and the great people who spread the word."

Yet the benefits of shop-branded gear transcend marketing and community building. "A lot of shops are really focusing more on shop-branded products because they get better markups with it," observes Joel Putrah, sales and design manager for SansUSA. The company works with shops

and smaller brands to design and develop apparel and skateboard hard goods. Putrah notes that many apparel pieces offer key-stone margins, allowing retailers to secure profits that are double the amount of their initial investments. Even with these margins, customers can often realize savings over equivalent name brand products.

But before you go decorating decks with sharpies or ironing letters to T-shirts, a few tips from other brand builders begin with: "Know who you are—having a product that matches the identity of the shop and appeals to the customer base is key," advises Primal Wear Marketing Director Tim Baker. Primal Wear works with retailers to create custom bike jerseys and apparel. "By taking a hard look at your shop's clientele and aspirations, a good custom apparel manufacturer can help create a jersey that



Seek out designers familiar with the printing industry, as they tend to have a clear understanding of the parameters required for successful products imaging. (Images courtesy Forward Printing)

reflects the personality of the shop it represents.”

DO THE MATH

Shop owners should carefully consider what they want to gain from shop-branded gear. This, in part, involves examining the intersection between marketing opportunity and profit margin. Some products, such as screen printed Ts and skate decks, offer substantial margins. “A typical pro-branded deck will cost a shop around \$40 after shipping, selling for \$50 to \$60 each,” explains Pennswood Founder Joe McDonald, who adds that this does not allow much room for margin.

From its Pennsylvania factory, Pennswood makes custom decks for approximately 350 retail shops, 50 smaller brands and a handful of major companies. “Our average cost



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is \$20 per board. This allows the shop to sell their decks for less than the pro deck," offers McDonald. As a result, "Many of our shop customers sell more than 25 percent shop boards over pro decks."

Not all products, however, offer substantial margins. Premium custom jerseys, for example, often require significant investments of time to create each piece, consequently yielding smaller margins. Retailers may nevertheless find that the marketing

they gain from such products makes up for the smaller profit contribution.

DESIGN ALLIANCE

When it comes to finding that perfect print partner, retailers have a range of services and support from which to choose. Some have in-house designers that can assist clients who have little more than napkin sketches for their products. Others require clients



Many apparel pieces offer keystone margins, allowing retailers to secure profits that are double the amount of their initial investments. (Images courtesy Forward Printing)





photo : STEVE HARSHBARGER

Studio Velo works with custom apparel brand, Capo Apparel, for its shop-branded garments—seen here on employees out for a ride. (Photos courtesy Studio Velo)

to submit production-ready design files.

For those starting from scratch, Forward Printing Founder Dan Corcoran recommends carefully selecting a graphic designer, being sure to review portfolios and “contact some references to make sure the designer is ethical. We see designers selling the same design to multiple brands more often than you’d think.” Corcoran also suggests seeking out those who are familiar with the printing industry, as they tend to have a clear understanding of the parameters required for successful products imaging.

Similarly, McDonald also encourages a little homework here. “We suggest shops that want to do shop-branded decks really research where they are getting the boards from.” According to McDonald, a recent explosion in the number of hard goods manufacturers across the globe has led to an abundance of substandard decks. “In many cases, these boards are mass produced in low-quality forms. Many look nice, but riders experience early failure in these boards, resulting in a bad reputation for the shop boards.”

FIGURE THE FINANCES

While searching for manufacturing partners, retailers should also examine financing options. Baker notes

that “Some companies even have programs to help small shops avoid a cash flow burden by offering design and production services with no upfront costs. Depending on a retailer’s credit rating, some custom manufacturers will also negotiate for payment up to 30 days after the order has been received, giving you a chance to sell some of the inventory to defray the investment costs.” Minimum order requirements also need to be taken into consideration when securing manufacturing partners and determining how to finance an order.

INTERNAL IMPACTS

Once in store, how will your shop-branded gear complement or compete with other brands you carry? In the skate sector, for example, blank and shop decks have at times been criticized for adversely impacting the industry by drawing revenue away from brands. Corcoran has noticed that successful retailers rely on a “careful selection of competing products so as to not overly cannibalize the sales of their brand.”

With shop-branded gear, retailers are “able to take a concept to market much quicker than a huge company and can customize their designs based on face-to-face customer feedback,” Corcoran continues. Even so, this process takes time, ranging from several weeks to several months de-

pending on the product, time of year, order size and complexity. “Plan out your designs and quantities well before the relevant season hits,” he recommends. “This is how the big boys do it, and it will allow you ample time to react to problems that inevitably arise when working with subcontractors.”

LOOK BEYOND LOGOS

When done right, the sale of shop-branded merchandise can have a synergistic effect. Loyalty toward a store helps sell its house products. Quality products, in turn, further this loyalty and advance the shop’s name recognition—not to mention making room for margins *and* customer savings, in many cases.

Ultimately, the success of a retailer brand depends on how customers perceive said store. Decks and hoodies with a crisp shop logo will generate sales, but only if customers feel connected to what that logo represents. **AOB**



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