

# SPECIAL REPORT

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## HIGH-END WORK GEAR

- Industry & Financial News
- Market Trends & Views

### Added Competition Fuels High-End Growth

Expansion of the high-end work gear segment has been driven by greater competition, particularly as Pull'R Holdings entered the segment with its new line of premium products. Occidental Leather, Inc., however, continues to garner strong results from its mainstay brands.

"First-quarter figures indicate solid sales growth, in line with our market strength," says Lynn Davis, national sales manager at Occidental. "Our sales reflect our strong brand recognition, which is enhanced by 25 years of American-made quality, service, and work ethic; that ensures market demand. Our Musk Ox logo, in particular, is recognized in the industry as a guarantee of quality and service."

Bob Adams, pres./ceo of Pull'R, says, "Since acquiring the Bucket Boss and Dead On work gear lines in 2003, we are experiencing significant growth over the previous owners' trailing 12 months."

The high-end market is expanding with the launch and initial success of Pull'R's new products, says Brad Tukey, executive vp sales & marketing. Historically, Occidental had been the primary player in the segment.

"Our products are priced 20% to 30% higher than comparable items traditionally sold by us and our competitors," says Jim Gleason, vp marketing at Pull'R. "However, our products are priced 20% to 50% less than Occidental, our main competitor. This positions us well for growth."

### Function, Fashion Trends Drive New Products

New-product innovations continue to emphasize durability, function, and, in some cases, fashion.

"Occidental's focus is to provide the end-user with the most innovative and productive designs in the industry," says Davis. "Over the past five years, we've developed products with ergonomic weight distribution, including our Stronghold Beltless and Oxy Tool Chest systems, designed to prevent lower back and hip pain associated with traditional tool belts.

"We established the high-end tool-

belt market, utilizing our original designs," Davis adds. "Our quality and designs are the cornerstone of our business and what sets us apart. Others attempt to capture the market through price point and appearance, but there is no substitute for quality and service."

Pull'R recently launched its Bucket Boss Extreme line, which includes an initial offering of five core SKUs — Bucket Tool Organizer, Big Daddy Gatemouth, 'Sparky' Electrician's Pouch, Hopalong Gatemouth, and Mullet Buster, a large tool belt/work apron design.

"The five products feature ballistic nylon as a foundational material," says Gleason, "and we reinforce high-stress areas with PVC, making the products inherently strong and more durable."

In addition to quality and function, work gear is also, to a degree, a fashion-driven category, says Tukey.

"In order to recapture the imagination of the end-user," Tukey notes, "the category needs to be refreshed and updated."

Along with its Extreme line, Pull'R is

also introducing U.S. Leather, a line of leather work gear made in the U.S. with domestic hides.

### High-End Work Gear Positioned for Growth

Vendors expect sales to continue growing on greater awareness, new products, and a healthy industry.

"Occidental's sales outlook is strong, as more consumers recognize the importance of the high-quality products we supply," says Davis. "Increasing awareness of the demand for comfort and American-made quality will drive our sales to the next level."

According to Adams, "Pull'R's strong base of high-end work gear positions us for dramatic growth, in terms of market penetration and real growth through category expansion."

Pull'R will continue to expand the market, concludes Tukey, "by creating new opportunities through innovative new products ... and by staying in close contact with the end-users, listening to their feedback, and providing products that meet their specific needs."

### Manufacturers Critique Retail Treatment of Work Gear Category

Manufacturers of high-end work gear see a significant opportunity to grow sales at retail, through increased awareness and improved service and merchandising efforts.

"Many retailers do not understand the importance of service in this category," says Lynn Davis, national sales manager at Occidental Leather, Inc. "Product knowledge, training, and a positive, service-oriented attitude would increase retail sales, but these details are often overlooked. Furthermore, choosing a reputable supplier would save time and money, and allow a retailer to establish and build upon a relationship with both the supplier and the end-user."

Prior to Pull'R Holdings entering the market, says Brad Tukey, executive vp sales & marketing, there were few viable competitors, which resulted in minimal attention paid to packaging and presentation.

"Among our brand efforts with our new Extreme line is a portable, free-standing display that is futuristic in appearance and will catch consumers' eyes," adds Tukey. "Although we sell quality first and foremost, our packaging is a vehicle for building greater awareness. Our presentation communicates that this is a quality, technologically-advanced, and trendy product."

Jim Gleason, vp marketing at Pull'R, says most product presentations are confusing.

"We include information on our products and POP information that will simplify the buying decision," Gleason explains. "The work-gear customer is smarter than ever and wants a quality product. As our presentation communicates, we offer the greatest value in the category — a significantly better product than those at the low-end, yet priced well below traditional high-end work gear."