



Dayton Boots Up

The classic Canadian brand's expansion calls for a hike to America and parts beyond.

By Nancy A. Ruhling

You can't miss it. Jutting its toe out of East Hastings Street in Vancouver, Canada, there's a red neon sign shaped like a kick-butt boot that proclaims "Boots by Dayton."

It points the way to the Dayton Boots flagship retail store and the 10,000-square-foot factory, where some two dozen cobblers carry on the company's tradition of making high-quality, hand-crafted leather boots.

Dayton Boots has been around ever since the winter of 1946, when Charlie Wohlford got the idea to make logger boots that last practically as long as Canadian redwoods. The brand's an oldie but goodie that up until now has been one of the country's better-kept secrets. That's about to change, thanks to the company's rich history.

What's new at Dayton Boots for 2010 is what's old: Dayton is capitalizing on its past to reshape and expand its future footprint. The idea is the brainchild of Stephen Encarnacao, the ex-Reebok exec who became its principal owner in the summer of 2009. "The brand has heart, soul and heritage," he says. "Sticking with our story is critical, and I think there's much more interest in brands like ours that have a legitimate story. Our brand story is even better than Timberland's. It's hard to find an authentic brand story that hasn't been exploited or ruined."

Dayton Boots, which cover the work, leisure and motorcycle categories, retail for \$300 to \$500 and have been known to last for three to four decades, a trait that originally made them the footwear of choice for construction workers, police officers, firefighters and anyone who needed a boot that was tough as nails. They also have become a hot fashion item, and ever since Vancouver remade itself as Hollywood North, a slew of stars has discovered them.

Despite their somewhat limited distribution, in a recent survey, Dayton Boots ranked number one in "un-aided awareness" in Canada. "That's ahead of Nike and Timberland," Encarnacao says. "When I started here three years ago, they were number five."

With Vancouver's being the host of the 2010 winter Olympics, Encarnacao sees this as the perfect time for Dayton Boots to strut its stuff. "Uggs really took off after the 2000 summer Olympics in Australia, when everybody thought everything Aussie was really cool, and as a result people wanted things that were authentically Australian," he says. "Dayton Boots has a wonderful opportunity to enjoy the same phenomenon."

As a key part of his strategy, Encarnacao took the 1200-square-foot flagship shop back into time, decorating it with retro fixtures, including a 1951 jukebox and a vintage red-and-white Canadian gas pump. A 1944 pickup truck is making deliveries to retailers, and the walls feature black and white photo essays about the brand's heritage. "Retail has to be engaging, almost theatre," Encarnacao declares. "You have to create visual cues."

He turned the reopening into a community event by linking it to the city's history. The renovated space was launched on Dec. 15, 2009 – the third anniversary of the great Stanley Park windstorm that destroyed a

lot of new-growth virgin coastal Douglas firs – and donated \$15 from each pair of boots sold from December 15 through January 3 to the Greater Vancouver Food Bank Society and the nonprofit Friends of Stanley Park.

"We purchased the last remaining stock of the salvaged wood from the park and painstakingly remilled and refinished it for use for our flooring, shelving, countertops and fitting benches," he says, adding that the theme was "Come Take a Walk in Stanley Park in East Vancouver and Help Out the Community." "The reopening gave us an opportunity to celebrate Dayton, promote the business and give a little something back to our customers in the form of sale prices as well as a direct cash donation to the community of Vancouver."

Dayton's line of apparel, which includes T-shirts, hoodies, caps and leather aprons, is used as a billboard to showcase the boots in the revamped store. "We buy blanks and put our designs on them," he says. "And we're going to add leather jackets. The apparel always will be accessories not our main focus."

But Encarnacao's plans run far beyond Vancouver. Dayton Boots are sold only online, at the flagship store and at 50 retailers in Canada. In fall 2010, there will be a Dayton Boots concept store in Calgary with 800- to 1000-square feet of retail floor space and sometime in 2011, there will be another in Toronto of a similar size. "At some point, I want to develop a wholesale market in the United States and also have retail concept stores in New York City and Los Angeles," he says. "There's an enormous opportunity for us in the States, and we're looking for high-end bootery distribution retailers there. We're making 5000 pair now, and we'll be doubling that in fiscal year 2011, so we're planning to add six to 10 workers."

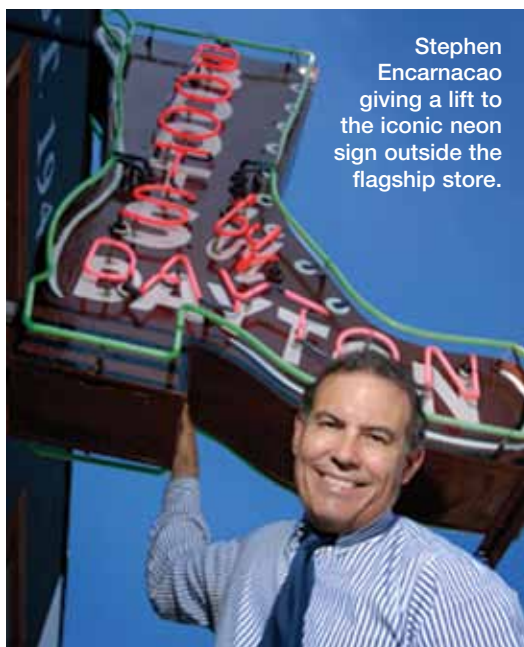
To get the word out, Dayton has hired Rethink Communications, a top ad agency in Vancouver, and to roll out its first national ad campaign has placed ads in several magazines, including four issues of the monthly Men's Journal.

Dayton Boots won't be tinkered with, and the formula of OK Oil, the company's legendary leather conditioner, will remain unchanged. There are plans to add four to six products and will re-introduce its steel-toe safety boot that conforms to Canadian Standards Association specifications. "We stopped making it about five years ago," Encarnacao says. "But we still get about 10 individual requests for it every week. This will help us return to our heritage of the high-end work boot."

By summer, it will offer custom boots that sell for \$800 to \$1,000. "We are buying a digital scanner, so the order can be taken in any store and sent to us to make it," he says.

There also will be a Dayton Boots burling or log-rolling shoe, sans spikes, that fits snugly into the cross-over athletic category. It will sell for about \$180, a little more than half the base boot price.

"I don't have a grandiose vision for Dayton Boots," Encarnacao says. "It's a great old-school brand. In three years, we expect it to be a \$10-million to \$20-million company, and by 2015, we expect it to be an \$80-million to \$100-million company worldwide. I want to keep the manufacturing in Canada and the States because it gives me the chance to do something good — I can create jobs." ●



Stephen Encarnacao giving a lift to the iconic neon sign outside the flagship store.