

markings.

“To me it sounds painfully simple, but I’ve been in this business for 30 years, and my Dad says I have a better chance of peace in the Middle East than getting some sort of integrity into the quality markings.” At Milano, X markings are determined by the wholesale price, including the cost of bands and trim.

“There are retailers who say, ‘I’ve got a consumer that comes in my store and wants a 20X hat. I’ve got three brands of hats that are 20X. One retails for \$400, one for \$300 and one for \$200. I’ve got a consumer for each one of those, because the guy who only wants to spend \$200 will probably buy that hat. But the guy that realizes there’s a difference in the quality will buy the \$400 hat if he can afford it.’ That’s the kind of dilemma that we’re in,” Milano said.

“Stetson has been in business since 1865. In our opinion, we started that system, and we have remained true to that system. We do not counterfeit X’s, period,” said Redding. “I have 45 sales reps throughout the country, and they do ongoing seminars. The problem with that is employee turnover. We can’t train them as fast as they swap, so it never ends. But it’s a very difficult process, because the consumer can’t tell you the difference between a 4X and a 20X. But in reality, it’s all about durability. A [Stetson] 20X hat costs \$400 and a 4X hat costs \$180. If you wear a hat every day, like I do, the \$400 hat is the cheapest hat because of durability. It’s going to last for years, and then you can renovate it and it looks like new again.”

The current economic downturn in the U.S. is having an effect in terms of who is buying the hats and what they are buying.

“We cater to the Hispanic consumer,” Milano said. “The housing situation out West has very negatively impacted the consumer that goes in to buy those \$200, \$300 and \$400 hats. Most of them were working in construction. While they’re probably still gainfully employed, it’s not that better-paying job that they had.”

Redding said that Hatco has also seen

a large drop in its Hispanic customers. Other clientele have sharply increased, however, and he attributes that to the fact that Western has historically done remarkably well during recessions.

“I’ll go back to James Cavendar who started Cavender’s stores,” Redding said. “He always used to say, ‘when things get tough, they go back to their roots. And

their roots is the West. And the West is cowboy boots and hats.’ Our sales are up substantially over last year. The auto business is in the tank, and our business is booming.”

Westhoff at Bailey said that some retailers are buying closer to season due to the economy, rather than booking large

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