

## **R.G. BARRY HOPES PROFITS ARE IN STYLE**

Slipper maker reworks its Dearfoams offerings

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THE COLUMBUS DISPATCH

The company that makes Dearfoams slippers hopes a new look will knock the socks off consumers -- and put more of its products on their feet. R.G. Barry of Pickerington has redesigned its Dearfoams line and changed its packaging. The styles will hit stores in June and are the next step in a restructuring that began last year to stave off record losses.

It has been only a year since the company secured financing to remain in business and Chief Executive Gordon Zacks stepped down in favor of turnaround specialist Thomas Von Lehman. Von Lehman drastically slashed costs and now is overseeing the company's first major marketing initiative in five years.

The goal: A return of annual profits.

"They have a lot of customers who have been buying their slippers for 20 to 30 years," said Barbara Schneider-Levy, senior editor at Footwear News in New York. "They're trying to make the line a little more contemporary to appeal to a younger customer, not just in age, but mindset."

Consumers can expect new looks featuring suede, velvet, faux fur, leopard print and bright colors. Some resemble clogs.

They fall into one of these categories:

- \* Relax at Home -- warm, soft and fuzzy.
- \* Active at Home -- casual, with indoor-outdoor soles.
- \* Fashion at Home -- sexy with style, such as heels.

"The company has to promote the brand," said Von Lehman, who is expected to serve as interim chief executive until March 2006. "The product and brand are going to keep R.G. Barry alive. It's not the restructuring. That bought us time. The name of the game is to grow the bottom line."

Retail experts say the company, which has lost more than \$40 million during the past two years, is on the right path, even if not all consumers are sold on the need to have a pair. "I own a pair of slippers, and I probably wore them twice," said Jennifer Prillo, 32, of the Short North. She prefers socks or flip-flops. "I'm just not a slipper wearer."

Von Lehman acknowledges the pressure is on "to prove this all resonates with the consumer and will sell the way we think it will sell." He said he thinks the new line offers something for a broad range of potential customers and that by the end of the year, sales should improve.

Designing and producing products to fit consumer segments is a good strategy, said retail consultant James E. Dion of Dionco Inc. in Chicago. "Retailers recognized a long time ago the importance of segmentation and making it easier for the customer," Dion said. "Any time manufacturers can bring clarity to their offering, it is very beneficial." Dion said the "at-home" focus should play well because there is more emphasis on entertaining at home since 9/11.

Schneider-Levy said active styles also hit that mark. "When guests come over, you don't want to wear your shoes, but you don't want to wear your bunny slippers, either," she said.

R.G. Barry plans to put more focus on its top-selling brand and will market itself as the Dearfoams Co.

Von Lehman wants the company to "be defined as something that is stylish." To get there, he removed creative handcuffs from the design team. The new approach is grounded in research to determine who buys slippers and what motivates purchases.

Some findings:

Women buy for themselves and men. They have emotional attachments to slippers and will buy more than one pair per year. The bulk of the company's sales occur late in the year. Von Lehman is exploring products that can appeal to spring shoppers, such as sandals.